Grieg Seafood ASA

Stock Exchange Notification

26 February 2010

Grieg Seafood ASA – Fourth quarter 2009

Highlights – Fourth quarter 2009

- Significantly improved performance in Q4, in particular in Norway and Shetland.
- EBIT before fair value adjustment of biological assets reached 63 MNOK in Q4 2009 compared to -251 MNOK in Q4 2008.
- A weak result in Canada due to high level of mortality.
- A strong market and continued good market balance.
- Compliance with all loan covenants at year-end 2009.

Result fourth quarter 2009

In fourth quarter, Grieg Seafood reached an EBIT before fair value adjustment of biological assets of 63 MNOK, compared to -251 MNOK in fourth quarter 2008. The result in 2008 was charged with an impairment write-down of 200 MNOK.

This represents 3.94 NOK per kg in fourth quarter 2009, compared to an adjusted operating profit of -4.19 NOK per kg in fourth quarter 2008.

Shetland has recorded a strongly improved result after suffering from biological problems in several quarters. The result in the two Norwegian regions also shows good improvement. However, the result in Canada was weak due to high mortalities in the beginning of the quarter caused by toxic algae. This caused a write-down of 8 MNOK.

For the full-year 2009, Grieg Seafood reached an operating profit before fair value adjustment of biological assets of 154 MNOK compared to -172 MNOK in 2008. It is a strongly improved operational profit in Norway that is the reason for the improved result. For the two Norwegian regions (Rogaland and Finnmark), this is the best operating profit ever achieved.

In the beginning of the fourth quarter, the salmon market was influenced by strong increase in supply in a period of moderate demand. Along with the seasonal increase in demand, also prices increased during in the quarter. In total, the salmon market has remained strong, with solid demand despite quite considerable increase in prices in local currencies.

The turnover increased with 32%, of which the volume increase was 23%.

Profit before tax for the full-year 2009 reached 318 MNOK, compared to -442 MNOK in 2008.

At year-end 2009, the company is again in compliance with all loan covenants, one quarter earlier than anticipated in connection with establishing the extended financing. This will result in reduced interest rate from 2010.

Outlook
Demand for salmon again showed a steady and solid development throughout 2009 in most markets. This was in spite of the global economic recession and the sharp rise in salmon prices.

Salmon prices developed well throughout most of 2009, reflecting the reduced supply of salmon worldwide as a result of fish health problems in Chile. A reduction in the global supply of Atlantic salmon is again expected in 2010, and will likely cause a further positive trend in prices.

Grieg Seafood has through the last year increased focus on the operations and activities to reduce cost of production, improve fish health and biological conditions as well as building the organization and competency in the organization. This work has resulted in improved results for the company in 2009, in particular in Norway. Going forward, this will continue to be the priority, and the board expects this to further improve the results of the company.

Grieg Seafood expects to harvest 68 000 tons in 2010. This is 2 000 tons less than the previous estimate and relates mainly to the consequences of reorganising the production plan for an area in BC, Canada. Should the low seawater temperatures in southern Norway and Shetland continue, this could cause reduced production and harvest in 2010.

The board considers the future prospects of the company in particular as well as for salmon farming in general as good. This is expected to give further improvements in results, solidity and cash flow in the future. The board will evaluate the company's dividend policy ahead of the Annual General Meeting which will be held on 27 May 2010.

Merger of two wholly-owned subsidiaries in Grieg Seafood ASA
The board of directors in Grieg Seafood ASA has decided to commence a merger of the two wholly-owned Norwegian subsidiaries Grieg Marine Farms AS and Grieg Seafood Hjaltland AS with the mother company Grieg Seafood ASA. This is done to simplify the legal structure of the Group. The two subsidiaries have no employees and has recently had limited economic activity. Information regarding the merger will be sent to the shareholders of Grieg Seafood ASA.

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