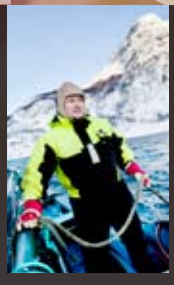
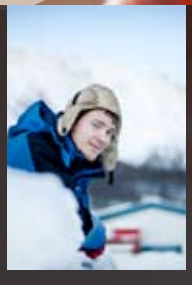
Grieg Seafood shall be a leading aquaculture company

Grieg Seafood®

Annual Report 2009





Quality seafood from cold waters

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BOARD OF DIRECTORS REPORT

Operating revenues in 2009 amounted to MNOK 1 621, an increase of 9 per cent compared to the previous year. Grieg Seafood's expansion and continuance of investments have been implemented largely according to plan, aside from a moderate reduction of smolt release due to the financial conditions early in 2009.

The operating result before adjustments for biomass was MNOK 154 compared to MNOK -173 for 2008. The result reflects the impact of a deprecation of fixed assets amounting to MNOK 200. A reduction in the global supply of salmon led to higher prices from the second quarter of 2009. This, together with improved operations in Norway has been the most important reason for the positive development.

The improved operations, in combination with increased capital, have considerably strengthened the financial position of the company, which is now concidered good. All loan conditions were met at the end of 2009.

The production of fish for human consumption in 2009 amounted to 71 000 tons, an increase of 11 000 tons from 2008. A total of 49 000 tons gross weight was harvested in 2009, a decrease of 3 000 tons. However, 2010 is expected to bring a considerable growth in gutted volume.
Grieg Seafood ASA has been listed on the Oslo Stock Exchange since June 2007.

MAIN BUSINESS

Grieg Seafood is one of the world's leading producers of farmed salmon and trout, and has a production capacity of more than 80 000 tons gutted weight annually. Grieg Seafood is committed to be a leading company within the aquaculture market. The commercial development of the company is based on profitable growth and sustainable use of nature, and on being a preferred supplier to selected customers.

Grieg Seafood has operations in Finnmark and Rogaland in Norway, British Columbia in Canada, and Shetland (UK). At year-end 2009 the company had 560 employees. The head office is situated in Bergen, Norway. The group has 104 licenses for salmon farming and four licenses for smolt production.

COMPANY STRATEGY

The company's strong organic growth, with establishment of new facilities and a considerable increase in smolt release, is at this point largely implemented. The main priority going forward is to further improve efficiency in operations and profitability. There will nevertheless be strong growth in harvesting, especially in 2010, with a more normalized growth in the following period.
The company has implemented processes and projects to improve productivity, realize synergies and to transfer our best practices across regions.

Grieg Seafood will prioritize investments which support the work to improve productivity and reduce production costs, as well as acquisitions which will increase operational synergies.
Grieg Seafood aims to be one of the world's leading salmon and trout farming companies. Based on profitable growth and sustainable use of nature Grieg Seafood´s aim is to be a preferred supplier to selected customers and to generate value for our shareholders.

FINANCIAL STATEMENTS 2009

The annual financial statements are prepared in accordance with IFRS. The main features of the financial statements for 2009 are:

- Strong growth in turnover, particularly in Norway.
- Weak results in Scotland caused by compulsory harvest of one production facility.
- Highly improved financial position due to increased earnings, improved capitalization and convertible bearer bond loans.
- Reversing of earlier unrealized currency exchange loss has given considerable financial reward.
- Favorable market prices owing to reduced global supply.

Grieg Seafood had a turnover in 2009 of MNOK 1 612,6, an increase of 9 percent from 2008. The operating result before biomass adjustments was MNOK 153,5 in 2009. After biomass adjustments, the company recorded an operating result of MNOK 268,8 for 2009, against MNOK -208,6 for 2008. The operating margin was 16,6 percent for 2009 compared to -14,0 percent for 2008.

The result before tax was MNOK 317,5, compared to MNOK -441,9 for 2008. The 2008 result was negatively affected by a MNOK 200 deprecation of fixed assets in Finnmark.

The strong growth in operational profit is due to both higher market price and improved operations, especially in Norway. A large loss on currency exchange in 2008 has through 2009 been largely reversed, and operational results before tax include an unrealized currency profit of approximately MNOK 120. While the result in Norway showed good progress in 2009, the result in Shetland was negatively affected due to the forced harvest of a site where the ILA-virus was identified. The company also decided on an early harvesting of another site due to high level of salmon lice. The operational results in Canada were also weaker than expected due to high algae mortality.

The currency positions of the company have been realized in 1Q 2010 with additional revenue. The currency hedging strategy has been fully implemented, which will yield reduced currency exposure.

The company has not started, nor carried out, new research or development projects in 2009.

The Board's opinion is that the financial statements provide a true and fair view of the company's assets and liabilities, financial position and financial results.

The financial position of the company was considerably strengthened through 2009. In the beginning of the year, this position was under pressure. In February 2009 Grieg Seafood entered into an agreement of an expanded financial framework in order to secure the completion of existing plans for growth. This financial package worth MNOK 236 included MNOK 100 in extended credit and MNOK 36 of postponed instalments on existing loans from the company's bank syndicate. Additionally, in an extraordinary general meeting in Grieg Seafood it was resolved to raise a subordinated convertible bond loan of MNOK 100. In June 2009 Grieg Seafood issued shares with a net worth of MNOK 136.

The Board proposes a dividend of 25 øre (NOK 0,25) per share based on the 2009 result. This fixed dividend assumes that the company has continued growth and strengthening of the balance sheet. The proposed dividend yields a share allocation of 19 per cent based on a result adjusted for the effect of biomass valueadjustments and after tax . This is slightly below the company's dividend policy, which implies a share allocation of 25-30 per cent.

OPERATIONAL REGIONS

Following two difficult years where the results were heavily affected by pancreas disease, our Rogaland region has developed positively throughout 2009 with favorable fiscal results and operational performance. The operating result before biomass adjustments was MNOK 65,4 for 2009, corresponding to NOK 5.45 per kilo.

The Finnmark region has also shown sound improvement. Finnmark's growth phase is virtually complete and operations have stabilized. The operating result before biomass adjustments was MNOK 68.7, corresponding to NOK 4,84 kroner per kilo. Upon a major upgrade, the harvesting plant has been operational since March 2009. Following a suboptimal capacity utilization during the start-up phase, productivity increased during 4Q.

In British Colombia, the operating result before biomass adjustments was a profit of MNOK 36.6 in 2009, corresponding to NOK 3.6 per kilo. The 2009 result in Canada was negatively affected by high algae mortality. Additionally, the stock which has mainly been harvested in Canada, has yielded very weak biological results. This is due to an accident in the hatchery facilities in 2007, and later stocks have shown considerably improved biological results, which will affect the results throughout 2010.

It has been a very demanding year in Shetland. The operating result before biomass adjustments was MNOK -4.4 for 2008, corresponding to NOK -0.4 per kilo. The entire first six months were affected very negatively by a governmental issue to harvest the stock of one production region where the ILA-virus was identified. This issue is in line with Scottish authorities' policy for battling ILA and deviates from common practice in other countries. Furthermore, Grieg Seafood chose to slaughter the stock of an additional production region with abnormal levels of salmon lice found in the third quarter. The underlying production has otherwise been good throughout this period, which yielded a vast improvement of results for the final quarter of 2009. This will most likely also yield positive results in the time ahead.

CASH FLOW

In 2009, the net positive change in cash flow was MNOK 73.3 compared to MNOK 43.8 in 2008. Net capital investments in 2009 amounted to MNOK -161.8, against MNOK -321.1 in 2008. Cash flow from operations was MNOK 67.2, against MNOK 108.3 in 2008. Strong growth in biomass adds negatively to cash flow from operations in the period before harvesting. Net cash flow from finance was MNOK 167.9, against MNOK 256.6 in 2008. At year-end the disposable cash balance was MNOK 139.8.

BALANCE SHEET

The company equity at 31 December 2009 was MNOK 1 374.4 compared to MNOK 928.6 at year-end 2008.

Board of Directors report

The equity ratio at year-end 2009 was 38,5%, a considerable improvement from year-end 2008.

The balance sheet total amounted to MNOK 3 568.6 of which MNOK 87.6 is the book value of goodwill and MNOK 818.3 the book value of licences.

GRIEG SEAFOOD ASA

The financial statements for the parent company for 2009 have been prepared in accordance with generally accepted accounting principles in Norway (NGAAP).

Grieg Seafood ASA reported a pre-tax profit for 2009 of MNOK 131.8, compared to a pre-tax loss of MNOK 307.3 the year before. The improved profit is due to potential losses from currency contracts from 2008, which were reversed in 2009 by MNOK 101, in addition to reversal of earlier deprecation of shares for operations in Finnmark of MNOK 50.

In 2009, Grieg Seafood had a net positive change in cash flow of MNOK 82.6 compared to MNOK 6.8 in 2008. Net capital investments in 2009 were MNOK -90.8 compared to MNOK -273.3 the year before. Cash flow from operations was MNOK 25.9, against MNOK 49.9 in 2008.
Disposable cash and cash equivalents totaled MNOK 102.4 as of 31 December 2009.

Developments after the balance sheet date
Key factors after the balance sheet date are:

- Increase in salmon market price due to global supply limitations.
- Realization of foreign currency contracts with extended payoff.
- Reorganization of one production region in BC, Canada, with early harvest at one facility.

RISK FACTORS

Grieg Seafood is exposed to fluctuations in interest rates and foreign exchange rates with respect to financing of the business in all regions. The company main strategy is to reduce these risk factors by financing the business in the local currencies. Current borrowings are mainly based on floating market interest rates. The company can take loan positions on fixed interest terms in order to reduce risk.

The company is also exposed to numerous risks, such as biological production, market variations in salmon prices, changes in interest and foreign exchange rates, and political decisions resulting in trade barriers. The company's internal control and risk situation is constantly monitored for potential improvement. Efforts to reduce the various risk factors are given high priority. Financial and contractual hedging in combination with operational measures are keys factors in reducing and controlling the risk. For more information, please see note 3 in the financial statement.

CORPORATE GOVERNANCE

The company is within the jurisdiction of Norwegian laws and regulations for good corporate governance. The company's Board regularly discusses the management structure and internal control.

An election committee was elected at the extraordinary general meeting held on 13 February 2009. Additionally, the Board has established two sub-committees; an audit committee and a compensations committee.

Grieg Seafood ASA operations are in accordance with the NUES (the Norwegian code of practice for corporate governance) recommendations for better corporate governance.

Remuneration and benefits to Board members are determined by the shareholders in the general meeting based on proposals from the election committee.

The company has established a share option program, which includes the management group in Grieg Seafood. The board members do not participate in the share option program.
Information about remuneration policy for the management team is stated in note 5.

See www.griegseafood.no/corporategovernance for a full text concerning ownership and company management.

ORGANIZATION AND EMPLOYEES

At year-end 2009 the group had 530 employees, comprising 240 in Norway, 182 in Shetland and 108 in Canada. The Board wishes to thank all company employees for doing a good job and providing improved results in the previous year.

The company has a majority of male managers and employees. There are 5 female employees in management positions. The company's staff policy is to provide the right conditions for retaining and attracting qualified employees of both genders.

Grieg Seafood is an international company. This is also reflected by the fact that 16 nationalities are represented amongst the employees. The company does not accept any discrimination based on gender, religion, cultural background, race, disability nor any other circumstance. Our aim is to operate our business based on respect and equality.

Short-term absence due to illness in 2009 was 2.65 per cent, while long-term absence was 2.16 per cent. During 2009 15 incidents with personnel injuries were reported. HSE issues are handled locally in accordance with national requirements and in compliance with internal measures of Grieg Seafood. The working environment in the company is considered good.

GRIEG SEAFOOD ASA

Grieg Seafood ASA employ 10 persons at the head office in Bergen, of which one woman holds a managerial position.

Short-term absence due to illness in 2009 was 7.76 per cent, while long-term absence was 5.87 per cent. No accidents or incidents were reported in 2009.

The company does not pollute the external environment. The working environment in the company is considered good.

Corporate social responsibility and environmental management
Grieg Seafood is committed to a sustainable use of natural resources and to developing an organization with high ethical standards. In both of these areas we have agreed upon goals and detailed plans for implementing measures.

The fish farmer has total responsibility for fish welfare and for ensuring that the fish are kept in natural surroundings that provide optimal conditions for well-being.

Grieg Seafood selects sites for its farms with deep water and good currents. The density of fish in the pens shall not exceed 20 kg per m3 or a maximum of 2 per cent of the pen's volume.

The company has prepared a special fish health plan that determines how all operations in the production process shall be carried out. The fish are systematically checked by veterinaries.

Grieg Seafood places considerable emphasis on preventive measures and being able to respond quickly in the event of disease or local pollution events. This is essential for taking care of both the environment and fish health, but also for ensuring quality and profitability in the production.

All operations are conducted in accordance with the company's fish health plan.

Measures have been taken to prevent fish escaping from the pens. The aim is to operate a business that does not cause any permanent damage to the environment.

Salmon lice are natural parasites found on wild salmon. The company has a program for monitoring the level of lice on the fish and de-licing when needed. We also use wrasse to help with the de-licing of salmon. Throughout 2009 there was intense focus on salmon lice in the media and amongst the public. With the exception of one farm in Shetland, where the stock was harvested due to high levels of lice, the salmon lice situation for Grieg Seafood's regions has been normal.

As a user of natural resources, such as clean water and feed of raw material from wild fish, the company has a special responsibility that stretches beyond the company's own property and stocks. Grieg Seafood sets high standards toward our fish feed suppliers, making sure the feed is based on sustainable access to raw materials.

Since 2003, Grieg Seafood in Canada has been a supporting member of the Nootka Sound Watershed Society, which is an organization that among other things monitors the health of wild salmon stocks on the west coast of Vancouver Island.

Grieg Seafood has decided to restructure its production in Shetland to facilitate production of one generation at the time per site. This will also be the case on one of our regions in BC, Canada, from the start of 2010. The intention is to ensure biosecurity in these areas. This is a prerequisite for continued profitability and optimal facility operations. Additionally, certain sites will be kept fallow for a period of time to reduce potential negative effects on the ecosystem in the area surrounding out production sites.

Board of Directors report

OUTLOOK

The demand for salmon has developed positively throughout 2009 across most markets, in spite of the weak economic development globally and the increase in the salmon market price. Among the bigger markets, America has had the biggest market setback due to higher price.

The price development has been good throughout most of 2009, owing mostly to a decrease in the global salmon supply due to disease problems in Chile. At the start of 2010, the salmon prices have developed favorably and are at historically high levels for the season. 2010 is expected to yield a reduction in the global supply of Atlantic salmon, which will most likely keep the market prices high.

Increased Chilean smolt release in 2010 will yield an increase in the global supply of salmon, but this is unlikely to happen before the second half of 2011. Furthermore, it will most likely take longer for the Chilean gutted volume of Atlantic salmon to reach the levels we saw before the disease outbreak there. The Norwegian smolt release and egg introduction in 2009 also suggests a limited growth in supply from Norway in the coming years. In total, the market balance – and thus the prices, looks to stay good for the next two years.

Feed prices increased though the last half of 2009, and may increase further in 2010 as a result of higher price of raw materials. Optimizing feed specifications and a stronger focus on the procurement process are two of the measures Grieg Seafood will initiate in order to counter rising feed prices. Reducing production costs will also be a priority. The positive development in reducing production costs in Norway throughout 2009 and Shetland towards the end of the year, is expected to continue. Profitability in Canada is expected to improve once the 2008-generation of stock is replaced within 2Q 2010. The Board emphasizes that there will be uncertainties to consider when addressing future conditions, but so far 2010 has shown positive developments.

GOING CONCERN

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the conditions are present for preparing the financial statements on the basis of the company as a going concern.

Annual results and allocations

Grieg Seafood ASA had a profit in 2009 of TNOK 110 611. The Board proposes that the company´s profit for the year be settled as follows (all figures in TNOK):

Equity transfers	82 696
Allocated to dividend	27 916
Sum	110 611

The company's unrestricted equity was 59 105 TNOK as of 31 December 2009.

RESPONSIBILITY STATEMENT

We confirm, for the best of our knowledge, that the financial statements for the period 1 January to 31 December 2009 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Bergen, 26th of April 2010
Grieg Seafood ASA

Per Grieg jr.
Chairman of the board

Anne-Grete Ellingsen
Vice-chairman

Terje Ramm
Boardmember

Harald Ingebrikt Volden
Boardmember

Wenche Kjølås
Boardmember

Morten Vike
CEO

ANNUAL REPORT 2009

GRIEG SEAFOOD ASA GROUP

INCOME STATEMENT GRIEG SEAFOOD ASA

Figures in NOK 1 000	Note	IFRS 2009	IFRS 2008
Sales revenue	**9, 10**	**1 612 619**	**1 477 029**
Other income	9	8 746	2 175
Other gains and losses	9	80	8 299
Changes in inventories of work in progress based on cost	22, 23	158 085	51 637
Raw materials and consumables used	22, 23	-900 581	-903 678
Salaries and personnel expenses	11, 12	-193 300	-165 148
Other operating expenses	11	-410 541	-332 645
Operating profit before depreciation and fair value adjustments of biological assets		**275 107**	**137 669**
Depreciation	20	-118 300	-106 144
Impairment of fixed assets	19, 20	-	-38 012
Amortisation of licenses and other intangible assets	19	-3 282	-4 378
Impairment of goodwill and licenses	7, 19	-	-161 988
Operating profit before fair value adjustment of biological assets		**153 525**	**-172 853**
Fair value adjustment of biological assets	23	115 276	-35 747
Operating profit	**10**	**268 801**	**-208 600**
Income from associated companies	16	1 985	700
Financial income	14, 15	136 333	18 258
Financial expenses	14, 15	-89 606	-252 223
Profit before taxes		**317 513**	**-441 865**
Income tax expense	26	-86 640	97 461
Profit for the year		**230 873**	**-344 404**
Profit to minority interests		-	-
Profit/ (-loss) attributable to / (-from) equity holders of the parent company		230 873	-344 404
Basic earnings per share (NOK)	17	2,45	-4,50
Diluted earnings per share (NOK)	17	2,45	-4,50

COMPREHENSIVE INCOME

Figures in NOK 1 000	IFRS 2009	IFRS 2008
Profit for the year	**230 873**	**-344 404**
Other comprehensive income:		
Currency translation effects	-21 360	5 107
Other gains and losses	-	-361
Other comprehensive income	**-21 360**	**4 746**
Total comprehensive income for the year	**209 513**	**-339 658**
Total comprehensive income to minority interests	-	-
Total comprehensive income to equity holders of the parent company	209 513	-339 658

BALANCE GRIEG SEAFOOD ASA

Figures in NOK 1 000	Note	IFRS 31-12-2009	IFRS 31-12-2008
ASSETS			
Goodwill	19, 7	87 583	87 665
Licences	19	818 340	831 921
Other intangible assets	19	5 578	8 205
Property, plant and equipment	20	819 110	794 346
Investments in associated companies	16	13 619	11 579
Loans to associated companies		1 923	2 410
Available-for-sale financial assets	18	945	178
Other non-current receivables	25	-	1 790
Total non-current assets		**1 747 098**	**1 738 094**
Inventories	22	49 180	44 592
Biological assets	23	1 367 061	1 073 341
Accounts receivable	24	188 052	157 876
Other current receivables	25	57 051	48 488
Derivatives and other financial instruments	15	20 350	8 243
Cash and cash equivalents	21	139 778	68 146
Total current assets		**1 821 472**	**1 400 686**
Total assets		**3 568 570**	**3 138 780**
EQUITY AND LIABILITIES		31-12-2009	31-12-2008
Share capital	27	446 648	306 048
Share premium reserve		716 634	621 550
Other equity		-19 734	1 005
Retained earnings		230 873	-
Total equity		**1 374 421**	**928 603**
Deferred tax liabilities	26	331 995	251 069
Pension obligations	29	1 927	4 161
Cash settlement	12	1 351	-
Subordinated loans	28	13 548	13 517
Borrowings	28	711 419	8 065
Financial leasing liabilities	28, 32	198 167	213 117
Other non-current liabilities		691	5 882
Total non-current liabilities		**1 259 098**	**495 811**
Short-term loan	28	482 989	496 702
Current portion of long- term borrowings	28	85 295	807 827
Current portion of financial leasing liabilities	28, 32	37 383	35 305
Accounts payable		233 443	214 687
Accrued salary expense and public tax payable		13 869	13 611
Derivatives and other financial instruments	15	9 672	122 532
Other current liabilities	31	72 400	23 702
Total current liabilities		**935 051**	**1 714 366**
Total liabilities		**2 194 149**	**2 210 177**
Total equity and liabilities		**3 568 570**	**3 138 780**

Bergen, 26th of April 2010
Grieg Seafood ASA

Per Grieg jr.
Chairman

Anne-Grete Ellingsen
Vice Chairman

Terje Ramm
Board menber

Harald Ingebrikt Volden
Board member

Wenche Kjølås
Board member

Morten Vike
CEO

CHANGES IN EQUITY GRIEG SEAFOOD ASA

Figures in NOK 1 000	Share capital	Share premium reserve	Other equtiy	Currency translation	Retained earnings	Total equity
Equity as at 31.12.07	**306 048**	**811 120**	**96 092**	**-4 633**	**57 456**	**1 266 083**
PROFIT FOR THE YEAR 2008	-	-	-	-	-344 404	-344 404
Translation effects foreign subsidiaries	-	-	-	5 107	-	5 107
Other gains and losses	-	-	-361	-	-	-361
Other comprehensive income	**-**	**-**	**-361**	**5 107**	**-**	**4 746**
Total comprehensive income for 2008	**-**	**-**	**-361**	**5 107**	**-344 404**	**-339 658**
Coverage of uncovered loss	-	-189 570	-97 378	-	286 948	-
Effect of share-based compensation	-	-	2 178	-	-	2 178
Total equity from shareholders in 2008	**-**	**-189 570**	**-95 200**	**-**	**286 948**	**2 178**
Total change of equity in 2008	**0**	**-189 570**	**-95 561**	**5 107**	**-57 456**	**-337 480**
Egenkapital 31.12.08	**306 048**	**621 550**	**531**	**474**	**-**	**928 603**
PROFIT FOR THE YEAR 2009	-	-	-	-	230 873	230 873
Translation effects foreign subsidiaries	-	-	-	-21 360	-	-21 360
Other gains and losses	-	-	-	-	-	-
Other comprehensive income	**-**	**-**	**-**	**-21 360**	**-**	**-21 360**
Total comprehensive income for 2009	**-**	**-**	**-**	**-21 360**	**230 873**	**209 513**
New equity from cash contributions	40 600	98 455	-	-	-	139 055
Conversion of bonds into shares	100 000	-	-	-	-	100 000
Expenses related to share issues (net of tax)	-	-3 371	-	-	-	-3 371
Effect of share-based compensation	-	-	621	-	-	621
Total equity from shareholders in 2009	**140 600**	**95 084**	**621**	**-**	**-**	**236 305**
Total change of equity in 2009	**140 600**	**95 084**	**621**	**-21 360**	**230 873**	**445 818**
Equity as at 31.12.09	**446 648**	**716 634**	**1 152**	**-20 886**	**230 873**	**1 374 421**

CASH FLOW GRIEG SEAFOOD ASA

Figures in NOK 1 000	2009	2008 *
Profit before income taxes	317 513	-441 865
Fair value adjustment of biological assets	-115 276	35 747
Tax paid for the period	-	-9 402
Depreciation and amortisation	121 582	111 651
Impairment of fixed and intangible assets	-	200 000
(Gain)/loss on sale of property, plant and equipment	-80	-8 181
Fair value (gains)/losses on derivatives	-119 900	116 230
Share of (profit)/loss from associates	-1 985	-700
Interest expense	83 732	111 118
Change in inventories and biological assets	-226 619	-51 179
Change in accounts receivable and other receivables	-30 176	-45 983
Change in accounts payable	18 754	17 331
Change in net pension liabilities	-883	-208
Currency translation on borrowings	-64 490	30 394
Change in other accruals	85 020	43 375
Net cash flow from operations	**67 192**	**108 328**
Proceeds from sale of fixed assets	5 658	11 326
Dividend income	15	10
Purchase of tangible assets	-166 938	-305 192
Purchase of intangible assets	-98	-2 648
Purchase of shares in subsidiaries	-	-33 569
Change in other non-current receivables	-460	8 950
Net cash flow from investment activities	**-161 823**	**-321 123**
Change in short-term interest bearing debt	14 546	184 342
Drawdown of long-term interest bearing debt	5 301	183 358
Interest paid	-87 632	-111 118
Share issues	235 684	-
Net cash flow from financing activities	**167 899**	**256 582**
Net change in cash and cash equivalents	**73 269**	**43 787**
Cash and cash equivalents at 01.01	**68 146**	**24 318**
Currency gains/losses on opening cash balances	**-1 637**	**42**
Cash and cash equivalents at 31.12	**139 778**	**68 146**

* For 2008 it has been a reclassification of currency translation on borrowings from cash flow from financing to operating activities with TNOK 30 394.

NOTE 1

GENERAL

Grieg Seafood ASA is a public limited company registered in Norway. The company's head office is located in Bergen, Norway. Grieg Seafood ASA was listed on the Oslo Stock Exchange on 21 June 2007.

The annual accounts were approved by the board of directors for publication on 26 April 2010.

In the following, 'group' is used to describe information relating to Grieg Seafood ASA Group whilst 'company' is used for the parent company itself.

All amounts in the notes are in NOK thousands, if not stated otherwise.

NOTE 2

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The consolidated financial statements of Grieg Seafood Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets at fair value, available-for-sale financial assets, and financial assets/ liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

(a) Interpretations effective in 2009

- IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009).
- IFRS 7 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earning per share.
- IAS 1 (revised). 'Presentation of financial statements' – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
- IFRS 2 (amendment), 'Share-based payment' (effective 1 January 2009) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with emloyees and others providing similiar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The group and company has adopted IFRS 2 (amendment) from 1 January 2009. The amendment does not have a material impact on the group or company's financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2010 or later periods, but the group has not early adopted them:

- IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009).
- IAS 27 (revised), 'Consolidated and separate financial statements', (effective from 1 July 2009).
- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009).
- IAS 38 (amendment), 'Intangible Assets'.
- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'.
- IAS 1 (amendment), 'Presentation of financial statements'.
- IFRS 2 (amendments), 'Group cash-settled share-based payment transactions' (effective from 1 January 2010).
- IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2013).
- IAS 24 (revised), 'Related Party Disclosures' (effective for annual periods beginning on or after 1 January 2011).
- Amendment to IAS 32: Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010).
- IFRIC 18, 'Transfers of Assets from Customers' (effective prospectively to transfers of assets from customers received on or after 1 July 2009, endorsed by EU for annual financial periods beginning on or after 1 November 2009).
- IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments' (effective for annual periods beginning on or after 1 July 2010).

CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group to the extent that the operations of the subsidiaries constitute a business. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

NOTE 2

ACCOUNTING POLICIES (cont.)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, but also considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions with minority interests
The group applies a policy of treating transactions with minority interests as transactions with parties internal to the group. Disposals to minority interests result in gains and losses for the group that are recorded directly against equity. In the case of purchase of minority interests, the compensation is charged against minority interests related to this investment, and the remaining difference is charged against other equity. Thus, purchase of minority does not generate or change excess values, including goodwill.

Associated companies
Associated companies are all entities over which the group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Gain or loss following a dilution is recorded in the income statement.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions under common control
For acquisitions of businesses under common control, the company has elected to use IFRS 3 as its accounting policy.

SEGMENT REPORTING
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

FOREIGN CURRENCY TRANSLATION
Functional and presentation currency items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

TRANSACTIONS AND BALANCES
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

GROUP COMPANIES
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities for each balance sheet presented are translated at the closing rate on the date of that balance sheet;
2. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions); and
3. all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated to the functional currency at the closing rate.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land and buildings comprise mainly factories and offices. Land is not depreciated. Depreciation on other assets are calculated using the straight-line method to allocate cost less residual value over estimated useful lives, as follows:
– Buildings 13-33 years
– Machinery 3-10 years
– Carriers and barges 5-20 years

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

INTANGIBLE ASSETS
Goodwill and licences with an indefinite economic life are subject to annual impairment tests. Impairment tests are performed more frequently if indications of impairment exist. Depreciated licences are tested for impairment only if indications of impairment exist.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Licences
Fish farming licences that have an indefinite useful life are not amortised but reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may have decreased.

Licences that have a definite useful life are amortised over this definite time period.

Other intangible assets
Acquired customer relationships and computer software licenses are capitalized and carried at cost less accumulated amortization. Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Amortization is calculated using the straight-line method over their estimated useful lives, as follows:

- Customer relationships	6 years
- Computer software	3 years

NOTE 2

ACCOUNTING POLICIES (cont.)

IMPAIRMENT OF NON-FINANCIAL ASSETS
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for indicators of possible reversal of the impairment at each reporting date.

FINANCIAL ASSETS
The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'other receivables' in the balance sheet date date.

For loans and receivables the company assess each balance sheet to establish whether there is any objective evidence that the assets are impaired. Such objective evidence is, for instance:
- breach of contract, such as a default or delinquency in interest or principal payments
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available for-sale financial assets are subsequently carried at fair value.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'other financial income/losses'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the group's right to receive payments is established.
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Regular purchases and sales of investments are recognised on trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described below.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES
The group does not apply hedge accounting according to IAS 39. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of any derivative instruments are recognised immediately in the income statement within 'other financial income/losses'.

INVENTORIES
Inventories are stated at the lowest of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

BIOLOGICAL ASSETS
The accounting treatment of living fish by companies applying IFRS is regulated by IAS 41 Agriculture. IAS 41 comprises a hierarchy of methods for accounting measurement of biological assets. The basic principle is that such assets shall be measured at fair value.

Fish at sea with a round weight above 4 kg at balance sheet date are considered as mature fish ready for harvest. For weight categories above 4 kg round weight there exists an active market for gutted fish. As gutted fish for these weight categories are considered as similar assets, fair value is calculated based on the market price on gutted fish. The fair value adjustment is based on the average market price of week 53 in 2009 and week 1 2010 where market price is obtainable in other regions where historic achieved price is used. The market price used is an average of offer prices for the various weight categories for fish above 4 kg round weight. The price is adjusted for quality differences (superior, ordinary and prod.) and for freight. Further, estimated gutting expenses are subtracted.

For fish at sea at the balance sheet date with a round weight below 4 kg, the company considers the market for gutted fish at these weight categories to be not active. Further, the company considers fish with a round weight below 4 kg to not be commercially ready for harvest, i.e. immature. Hence, fair value for immature fish is calculated with the basis on market prices on mature fish. Immature fish at sea has a potential of growing to mature sizes, normally bringing the average production cost per kg below levels for immature fish. Further, gutting expenses per kg for mature fish are lower compared with immature fish. In the company's valuation of immature fish, these aspects are reflected.

TRADE RECEIVABLES
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'other operating expenses'.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

SHARE CAPITAL
Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

BORROWINGS
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an

NOTE 2

ACCOUNTING POLICIES (cont.)

unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

DEFERRED INCOME TAX

Deferred income tax is provided in full at nominal values, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

EMPLOYEE BENEFITS

Pension obligations

Until 30 June 2009 the pension obligations of Grieg Seafood ASA were based on a benefit plan scheme. Upon this date the pension benefit plan was discontinued and the liability was settled. The net cost associated with the discontinuation of the benefit plan is posted in the income statement.

Effective from 1 July 2009 Grieg Seafood ASA entered into a pension contribution plan scheme for all employees. The company's pension contribution plan is in accordance with rules and regulations for mandatory occupational pension. The premium is charged in the profit and loss account. The employer's national insurance contributions tax is charged on the basis of the pension premium paid.

Grieg Seafood Rogaland AS has contractual early retirement scheme (AFP). Financial commitments associated with this scheme are included in the group's pension calculations. The AFP early retirement scheme follows the rules for public sector AFP, and Grieg Seafood Rogaland AS is a member of the joint LO / NHO scheme. The calculations are based on standard assumtions relating to the development of mortality and disability as well as other factors such as age, years of service and remuneration.

The liability recognised in the balance sheet in respect of early retirement scheme (AFP) is the present value of the benefit obligation at the balance sheet date less adjustments for unrecognised actuarial gains or losses. The AFP obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using coupon rate for Norwegian government bonds denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In such case, the past-service costs are amortised on a straight-line basis over the vesting period.

Share-based compensation

The group operates a limited share-based management remuneration plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be charged over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision relative to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The Black and Scholes option pricing models is used for valuation.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Cash-based remuneration

The company has a share-based remuneration plan with settlement in cash. The company's obligation is posted under other long-term commitments. The cost for the year is charged in the income statement.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Profit-sharing and bonus plans

The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

PROVISIONS

Provisions (e.g. environmental restoration, restructuring costs and legal claims) are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;
- the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated intra- group sales. Revenue is recognised as follows:

Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. The sales income is recognised when the risks and rewards related to the goods have been transferred to the customer.

Harvestable biological assets

Changes in fair value of biomass is recognized in the income statement. This fair value adjustment is reported on a separate line; "fair value adjustment biomass".

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTE 2

ACCOUNTING POLICIES (cont.)

LEASES

Finance leases

Leases, or other arrangements as described in IFRIC 4, relating to property, plant and equipment where the group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful lives of the asset or the lease term.

Operating leases

Leases, or other arrangements as described in IFRIC 4, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

DIVIDEND DISTRIBUTION

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements when the dividends are approved by the company's shareholders.

BORROWING COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are charged.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are defined as:

1. possible obligations resulting from past events whose existence depends on future events
2. obligations that are not recognised because it is not probable that they will lead to an outflow of resources
3. obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the financial statements, but is disclosed if there is a certain level of probability that a benefit will accrue to the group.

CASH FLOW STATEMENT

The group's cash flow statement shows the overall cash flow broken down to operating, investing and financing activities by using the indirect method. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents. Cash flows resulting from the disposal of operations are presented under investing activities.

EARNINGS PER SHARE

Earnings per share is calculated on the basis of the profit attributable to equity holders of the company from the result for the period divided by a time-weighted average of ordinary shares for the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at 31 December 2009.

NOTE 3

Financial risk management

FINANCIAL RISK FACTORS

The group is exposed to a range of financial risks: market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. To some extent, the group uses derivative financial instruments to reduce certain risk exposures.

Risk management is carried out on a group level.The group identifies, evaluates and hedges financial risks in close co-operation with the group's operational units. The board has established written principles for risk management of foreign exchange risk, interest rate risk and use of derivative financial intruments.

MARKET RISK

(i) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian dollar, US dollar, Pound sterling and Euro. Foreign exchange risk arises from future commercial transactions, net investments in foreign operations, recognised assets and liabilities. Furthermore foreign exchange risk arises from forward exchange rate contracts which do not qualify for hedge accounting.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Forward contracts are used to manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities.

The group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

If the NOK is strengthened by 10% against US dollar, Euro, Canadian Dollar and UK pound on the balance-sheet date, we can expect the following effect on profit before tax/ equity in MNOK:

10% AGAINST US- DOLLAR:	
Long term debt	20,2
Forward exchange rate contracts	-1,7
Cash	-3,1
Net effect on profit before tax	**15,4**
10% AGAINST EURO:	
Forward exchange rate contracts	-1,7
Net effect on profit before tax	**-1,7**
10% AGAINST UK POUND:	
Long term debt	25,2
Forward exchange rate contracts	-14
Net effect on profit before tax	**11,2**
Equity effect when consolidating foreign subsidiaries:	-10,5
10% AGAINST CANADIAN DOLLAR:	
Equity effect when consolidating foreign subsidiaries:	-17,5

The opposite effect will be achieved if NOK is weaknest by 10%.

(ii)Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowing of fixed rate is immaterial. The group monitors its interest rate exposure on a dynamic basis. The group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same change in interest rate is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The result of the calculation on sensitivities returns the following expected values:
- If interest is increased by 1,0 % on the interest bearing debt as per 31.12.2009, the effect will be an increase in financing costs of MNOK 15.

(iii) Price risk

The group is exposed to commodity price risk related to financial salmon price contracts. During 2009 and at the balance-sheet date, the contracts were immaterial. See note 15.

CREDIT RISK

The group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Normally the company sells only based upon letters of credit or payments in advance for new customers. Credit insurances are being used when this is deemed appropriate. For customers with a reliable track record in the group, sales within certain agreed-upon levels are done without any security.
Accounts receivables in Canada MNOK 35.5 comprise customers with an appropriate credit history. Accounts receivables in the UK and Norway totalling MNOK 97,4 comprise customers of whom 80 % have credit insurance while the remainder have an appropriate credit history.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the groups's liquidity reserve (comprises undrawn credit facilities (note 28) and cash and cash equivalents (note 21)) on the basis of expected cash flow. This is generally carried out at group level in cooperation with the operating companies. Note 28 shows the payment profile for non-current liabilities.

FAIR VALUE ESTIMATION

(i) The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses different methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates on the balance sheet date. The fair value of financial salmon contracts is determined using quoted forward prices by Fish Pool.

(ii) The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is assumed to be close to the booked value, as they nearly all carry a floating interst rate.

(iii) Fish at sea are stated at an estimated fair value. As a result, the value of biological inventories will probably vary more than the value of inventory based on cost. The fair value varies due to several reasons including volatility in pricing of Atlantic salmon and factors of production, unpredictability in biological production and changes in the composition of inventories.

A sensitivity analysis of the prices of Atlantic salmon and trout at 31.12.09, shows the following impact on the Group's operating result before tax: (MNOK)

Price reduction	NOK 1	NOK 2	NOK 5
Reduced operating result	-20.53	-40.05	- 102.63

NOTE 4

Critical accounting estimates and judgements and the board's guidelines

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill and licences
The group tests annually whether goodwill and licences with indefinite lives have suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and are further described in note 19.

Fish farming licences
The value of fish farming licences is affected by the same factors which affect the biological assets, but the interest rate level and discount rate, long-term growth in demand, competitive situation and behaviour, strength of the production link in the value chain and thereby the expectations concerning long-term profit margins, are also significant. The different parameters may have different significance for the licence values over time. Changes in these important assumptions will cause corresponding impairments, or reversals of impairments, of the licence values, in accordance with the accounting policy stated in note 2.

Biological assets
The fair value assessment of biological assets includes several estimates. For both commercially harvestable fish and immature fish average market prices for week 53 in 2009 and week 1 in 2010 are used. These market prices usually fluctuate significantly during the growth period of the fish.

Further, for immature fish, the fair value calculation includes estimates of production cost per kg, expected gutting expenses, quality and freight expenses. All these estimates are burdened with uncertainty.

Accounts receivable
Accounting for receivable requires the use of judgmental estimates for quantification of provisions for bad debts. Provisions are made when, for instance, balances are falling due or a material worsening of the customer's financial situation , given that repayment of the balances is considered uncertain.

Income taxes
The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact on the income tax and deferred tax provisions in the period during which such determinations were made.

NOTE 5

Declaration on determination of salary and benefits to senior employees

BOARD GUIDELINES AND PRINCIPLES FOR DETERMINATION OF SALARY AND OTHER BENEFITS TO KEY EMPLOYEES.

In line with the provisions of the Norwegian Public Limited Companies Act, the Board has drawn up the following declaration on guidelines and principles for the determination of salary and other benefits to key employees.

The Grieg Seafood Group's remuneration policy will continue to be based on the principle that the Group shall provide its employees remuneration packages which are competitive and in conformity with local industry standards. Where considered appropriate, this may include insensitive elements, and the basic salary shall reflect individual performance.

The components of remuneration will comprise a fixed basic salary and other fixed remuneration elements. The latter may consist of a company car or car remuneration, telephone and electronic communication, newspapers and similar benefits.

In addition to participation in the company's ordinary group life insurance scheme and benefits based pension scheme up to 12 times the basic amount under the National Insurance (G), the CEO has separate salary compensation for pension benefits >12G.

CEO is entitled to 18 months' salary in the event of termination of employment or changes in position/terms of employment and 12 months' salary during illness.

Grieg Seafood has an annual bonus system based on a combination of earnings and personal performance targets. For the senior management group the annual bonus is set at a maximum of 5 months' salary.

On 20 April 2007 the Annual General Meeting approved the principles to be applied for a share options programme for the senior management and key employees with an overall scope of 1,400,000 options. To date, no options have been exercised. Under this scheme, the CEO has 300,000 options with an exercise price of NOK 13.20. The exercise price is adjusted by 0.5% for each month and each month started (from 2008). The first exercise date for the CEO's options is the date of presentation of the preliminary results for 2010 (22 February 2011).

A synthetic options scheme for the company's senior management group was introduced as a continuation of the options scheme for 2007. The synthetic options scheme requires the participant's direct share ownership for the entire duration of the programme. Those entitled to the options are obliged to use 50% of the net gain from the scheme to purchase shares until the share ownership has a value corresponding to 50% of the fixed annual salary. The gain on the synthetic options scheme cannot exceed 12 months' salary per participant per year. The synthetic options scheme correspond to a total of 1,300,000 shares. The exercise price is NOK 7.83 per share, plus 0.5% for each month and each month started (from June 2009) and adjusted for dividends paid duirng the period. The CEO has a total of 300,000 synthetic options under this scheme. The first exercise date for half of the synthetic options allocated is May 2010, and the remainder 12 months later.

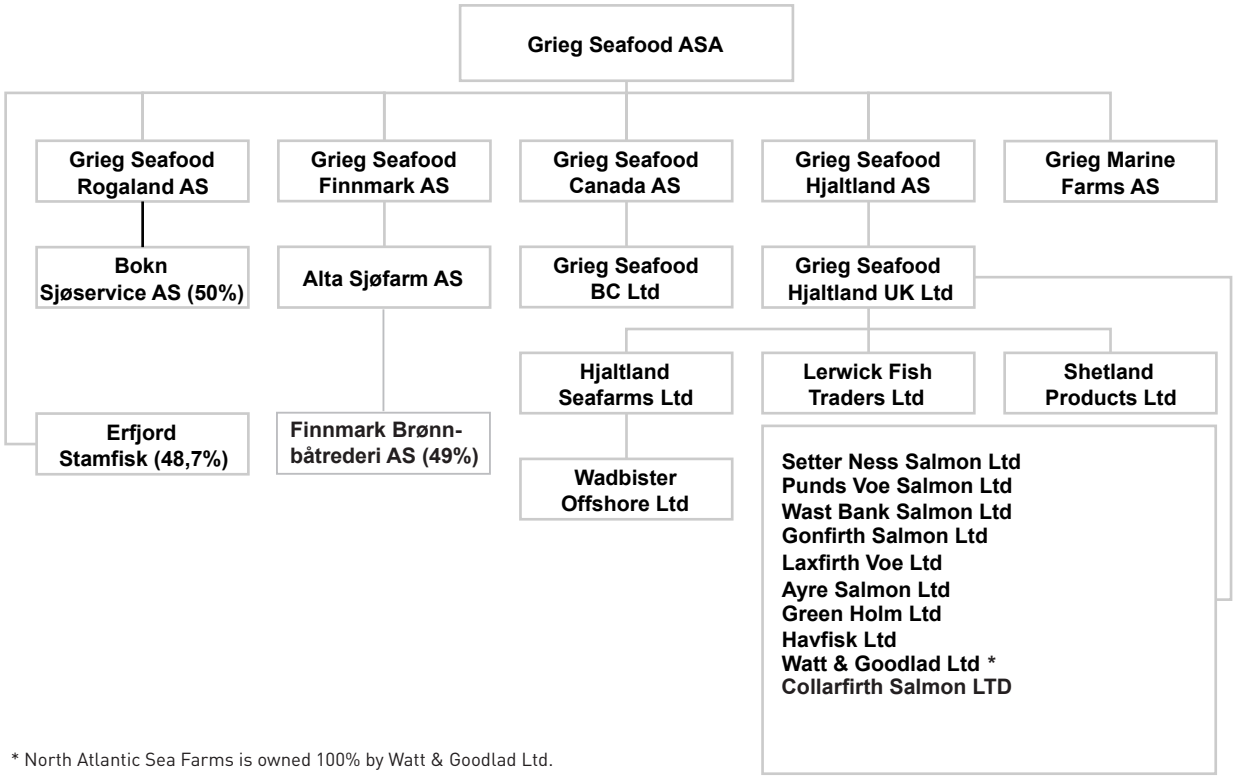
For information about remuneration to the Group management, please refer to note 11.

NOTE 6

Group companies

The consolidated financial statements include Grieg Seafood ASA and the following subsidiaries:

COMPANY	Country	Parent company	Ownership %
Grieg Seafood Rogaland AS	Norway	Grieg Seafood ASA	100%
Grieg Marine Farms AS	Norway	Grieg Seafood ASA	100%
Grieg Seafood Finnmark AS	Norway	Grieg Seafood ASA	100%
Alta Sjøfarm AS	Norway	Grieg Seafood Finnmark AS	100%
Grieg Seafood Canada AS	Norway	Grieg Seafood ASA	100%
Grieg Seafood B.C. Ltd	Canada	Grieg Seafood Canada AS	100%
Grieg Seafood Hjaltland AS	Norway	Grieg Seafood ASA	100%
Grieg Seafood Hjaltland UK Ltd	UK	Grieg Seafood Hjaltland AS	100%
Hjaltland Seafarms Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Wadbister Offshore Ltd	UK	Hjaltland Seafarms Ltd	100%
Lerwick Fish Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Shetland Products Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Setter Ness Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Punds Voe Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Wast Bank Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Gonfirth Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Laxfirth Voe Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Ayre Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Green Holm Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Havfisk Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Watt & Goodlad Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
North Atlantic Sea Farms Ltd *	UK	Watt & Goodlad Ltd	100%
Collarfirth Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%



* North Atlantic Sea Farms is owned 100% by Watt & Goodlad Ltd.

NOTE 7

Significant aquisitions

There were no acquisitions during 2009.

In connection with the change from Ngaap to IFRS and the restatement of book values in Grieg Seafood Hjaltland AS, no account was taken of deferred tax on excess values from acquisitions before 2007. This has been corrected with retroactive effect in the balance sheet for 2007. Deferred tax on licences amounts to MNOK 44 049 and is classified as goodwill. This change has no effect on equity or results. The balance sheet for 2008 has also been changed with corresponding effect. Note 19 has been updated in accordance with this change.

While drawing up the final acquisition analysis of Grieg Seafood Hjaltland AS in 2008, a change was made to the allocation of excess values related to the sales organisation belonging to the company. MNOK 7 880 was transferred from goodwill to the sales organisation which is classified under Other intangible assets. This change in allocation of excess values caused increased depreciation in 2007 with TNOK 776. The tax effect was TNOK 217, resulting in a net increased cost of TNOK 558. This was done with effect for 2007 when the final acquisition analysis was drawn up.

In 9 April 2008 Grieg Seafood Hjaltland Ltd acquired shares from the Joint Administrators of No Catch Limited. Payment was made in cash in the amount of TGBP 2 400. On 21 May 2008 Grieg Seafood Hjaltland Ltd acquired shares in Collafirth Salmon Ltd. The payment for the acquisitions was made in cash in the amount of TGBP 995. The purchase price analysis has allocated excess values to intangible assets. The book value was considered the best estimate of fair values for liabilities. Furthermore, it is emphasised that deferred tax is entered at nominal value for excess value related to licences. No Catch Ltd has 7 farm licences, and Collafirth Salmon Ltd has 3 farm licences.

Target Marine Products Ltd was acquired on 17 January 2007. All the activities of the acquired company have continued after acquisition. Payment for the acquisition was made in cash in the amount of TNOK 110 293 (TCAD 20 019). The acquisition cost also includes expenses for financial and legal advisors in the amount of TNOK 374. The purchase price analysis has allocated excess values to both tangible, intangible and biological assets. The book value was considered the best estimate of fair value for liabilities. Furthermore, it is emphasised that deferred tax is entered at nominal value for excess value related to licences. The company had 8 farming licences for salmon.

Hjaltland Seafarms AS was acquired on 6 June 2007. All the activities of the acquired company have continued after acquisition. Payment for the acquisition was made in cash in the amount of TNOK 475 276. The acquisition cost also includes expenses to financial and legal advisors in the amount of TNOK 4 223. The purchase price analysis has allocated excess values to both tangible and intangible assets. The book value was considered the best estimate of fair value for liabilities. Furthermore, it is emphasised that deferred tax is entered at nominal value for excess value related to licences. The company had 31 farming licences, of which 24 were in operation. From the first price analyses in 2007 there has been a change in allocation of excess value from goodwill to other intangibles as a value to the customer relationships at Grieg Seafood Hjaltland AS. The useful life of excess value of customer relationships is 6 years.

North Atlantic Seafarms Ltd, Havfisk Ltd and Watt and Goodlad Ltd were acquired on 22 June 2007. All the activities of the acquired company have continued after acquisition. Payment for the acquisition was made in cash in the amount of TGBP 1 621. The purchased companies have in total 4 salmon farming licences.

The group's acquisition of operations	Acquisition date	Owner share	Excess value goodwill	Excess values intangibles	Excess values tangible assets	Excess values biological assets	Deferred tax on excess values	Book value of equity at acquisition date	Acquisition cost
2006									
Grieg Seafood Finnmark AS	01-11-2006	100 %	89 603	214 580	23 722	-	-66 724	139 063	400 244
Acquisition cost 31.12.2006			**89 603**	**214 580**	**23 722**	**-**	**-66 724**	**139 063**	**400 244**
2007									
Target Marine Products LTD	17-01-2007	100 %	199	55 093	3 867	11 922	-29 371	68 583	110 293
Grieg Seafood Hjaltland AS	05-06-2007	100 %	30 485	141 751	41 816	-	-55 070	316 143	475 125
Grieg Seafood Hjaltland AS adjusted	05-06-2007	100 %	38 533	7 880	-	-	-46 413	-	-
North Atlantic Seafarms Ltd Group	22-06-2007	100 %		23 527	7 826	-5 223	-5 370	-1 582	19 179
Acquisition cost 31.12.2007			**158 820**	**442 831**	**77 231**	**6 699**	**-202 948**	**522 207**	**1 004 841**
2008									
No Catch Ltd in administration	09-04-2008	100 %	-	33 075	-	-	-9 261	-	23 814
Collarfirth Salmon Ltd.	21-05-2008	100 %	-	13 548	-	-	-3 794	-	9 755
Acquisition cost 31.12.2008	**-**	**-**	**158 820**	**489 455**	**77 231**	**6 699**	**-216 001**	**522 207**	**1 038 409**
Acquisition cost 31.12.2009	**-**	**-**	**158 820**	**489 455**	**77 231**	**6 699**	**-216 001**	**522 207**	**1 038 409**
Depreciations of excess value in 2006	-	-	-	-	593	-	166	-	-
Depreciations of excess value in 2007	-	-	-	-	7 217	-	2 094	-	-
Depreciations of excess value in 2008	-	-	-	2 079	11 918	6 699	2 523	-	-
Impairment of excess value in 2008 (GSF Finnmark AS)	-	-	89 603	72 385	16 012	-	24 751	-	-
Depreciations of excess value in 2009	-	-	-	3 009	4 577	-	1 282	-	-
Accumulated depreciations 31.12.09	**-**	**-**	**89 603**	**77 473**	**40 317**	**6 699**	**29 534**	**-**	**-**
Carrying value at 31.12.2009	**-**	**-**	**69 217**	**411 982**	**36 914**	**-**	**-186 468**	**-**	**-**

DEPRECIATIONS FOR THE YEAR

Depreciation period	0 - 6 year	3-15 year
Depreciation plan	straight line	straight line

NOTE 8

Post balance-sheet events

REFINANCING OF DEBT

In January 2010 Grieg Seafood entered into an agreement with the Syndicate to convert debt in foreign currencies to NOK. The loans principal, instalments and repayment profile remain unchanged.

MERGERS IN 2010

At a Board meeting on 24 February 2010 the Board agreed to merge the wholly-owned subsidiaries Grieg Marine Farms AS and Grieg Seafood Hjaltland AS with Grieg Seafood ASA. The merger is effective from 1 January 2010. The merger falls within the scope of a parent-subsidiary merger in accordance with Joint Stock Public Companies Act , Section 13 – 24, where assets, rights and obligations are completely transferred to Grieg Seafood ASA without additional compensation. Grieg Seafood Hjaltland AS and Grieg Marine Farms AS will be deleted from the Register of Business Enterprises when the merger takes final effect.

ACQUIRE OF NORTHERN AQUACULTURE LIMITED IN SHETLAND

Grieg Seafood ASA's subsidiary Grieg Seafood Hjaltland UK Ltd. has entered into an agreement to acquire Northern Aquaculture Limited in Shetland. This entails the acquisition of 4 production sites on the west coast of Shetland, with a total combined discharge consent for 2 900 tons. Grieg Seafood Hjaltland currently has production on 2 of the acquired sites under a contract growing agreement. This contract growing agreement will be terminated upon completion of this transaction. The acquisition price for Northern Aquaculture Limited amounts to TGBP 1 108 (TNOK 10 000). As part of the transaction, Grieg Seafood Hjaltland is also taking over the equipment leasing with a remaining liability of TGBP 700 (TNOK 6 400). The total enterprise value of the transaction is TGBP 1 800 (TNOK 16 400).

NOTE 9

Income

Figures in NOK 1 000

Operating income comprises:	**2009**	**2008**
Sale of goods	1 601 097	1 470 585
Insurance settlement *)	11 522	6 444
Total sales revenue	**1 612 619**	**1 477 029**
Gain on shares	-	-
Other operating income	8 746	2 175
Total operating income	**1 621 365**	**1 487 503**
Gain on sale of fixed assets	798	8 299
Loss on sale of fixed assets	-718	-
Total gain/ losses	**80**	**8 299**

*) The insurance settlement is compensation for lost sales due to fish mortality.

NOTE 10

Segment information

Figures in NOK 1 000

Management has determined the operating segments based on the reports reviewed by the strategic steering committee that are used to make strategic decisions.

The committee considers the business from a geographic perspective based on location of assets. The group has only one production segment, production of farmed salmon and trout. Geographically, management considers the performance of production in Rogaland - Norway, Finnmark - Norway, BC - Canada and Shetland - UK.

The strategic steering committee assesses the performance of the operating segments based on a measure of adjusted operating profit (EBIT) before fair value adjustments. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Measurement also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments.

The column "other/eliminations" includes results from activities performed by the parent company and other non- production companies, as well as eliminations of inter group transactions.

The Group's customers is divided into different geographical markets. The total sales from operating segments to different markets are as follows:

GEOGRAPHICAL MARKET	UK	Rogaland	Finnmark	BC	Total	%
EU	61 297	113 863	693 695	5 853	874 708	54 %
UK	286 054	-	-	-	286 054	18 %
USA	61 297	-	707	276 330	338 334	21 %
Canada	-	-	-	99 123	99 123	6 %
Other markets	-	-	12 728	1 671	14 400	1 %
Sum	**408 648**	**113 863**	**707 130**	**382 978**	**1 612 619**	**100 %**

The segment information provided to the strategic steering committee for the reportable segments for the year ended 31 December 2009 is as follows:

GEOGRAPHICAL SEGMENTS	Norway				Canada		UK		Others/		Total	
	Rogaland		Finmark		BC		Shetland		eliminations			
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
External operating revenues	113 863	104 427	707 130	427 251	382 978	524 554	408 648	420 662	-	135	1 612 619	1 477 029
Inter-segment revenue	260 777	68 291	-	-	-	-	-	-	-260 777	-68 291	-	-
Revenue from external customers	**374 640**	**172 718**	**707 130**	**427 251**	**382 978**	**524 554**	**408 648**	**420 662**	**-260 777**	**-68 156**	**1 612 619**	**1 477 029**
Other income	4 185	8 606	3 230	1 035	-686	-	1 477	-	619	833	8 825	10 474
Operating expenses before depreciation	290 273	168 960	619 249	397 548	303 516	431 859	382 004	412 191	-248 704	-60 724	1 346 337	1 349 834
EBIT before depreciation	**88 552**	**12 364**	**91 111**	**30 738**	**78 776**	**92 695**	**28 121**	**8 471**	**-11 454**	**-6 599**	**275 107**	**137 669**
Depreciation and amortisation	23 122	28 336	22 458	19 030	42 149	36 818	32 536	24 945	1 317	1 393	121 582	110 522
Adjusted EBIT before fair value adjust and impairment	**65 430**	**-15 972**	**68 653**	**11 708**	**36 627**	**55 877**	**-4 415**	**-16 474**	**-12 771**	**-7 992**	**153 525**	**27 147**
Assets (excluding associates)	653 588	590 900	1 025 829	684 767	682 223	674 405	1 125 711	994 557	67 600	138 523	3 554 951	3 083 152
Associates	-	-	-	-	-	-	-	-	13 619	11 579	13 619	11 579
Consolidated total assets	**653 588**	**590 900**	**1 025 829**	**684 767**	**682 223**	**674 405**	**1 125 711**	**994 557**	**81 219**	**150 102**	**3 568 570**	**3 094 731**
Liabilities	452 428	422 829	760 323	610 640	465 661	486 667	677 815	553 008	-162 078	92 984	2 194 149	2 166 128
Consolidated total liabilities	**452 428**	**422 829**	**760 323**	**610 640**	**465 661**	**486 667**	**677 815**	**553 008**	**-162 078**	**92 984**	**2 194 149**	**2 166 128**

ADJUSTED OPERATING PROFIT FOR REPORTABLE SEGMENTS	2009	2008
Adjusted EBIT before fair value adjust and impairment	153 525	27 147
Impairment, Grieg Seafood Finnmark	-	-200 000
Fair value adjustment of biological assets	115 276	-35 747
Operating profit	**268 801**	**-208 600**
Net financial items (for specification, see note 14)	48 712	-233 265
Profit before tax	**317 513**	**-441 865**
Estimated taxation	-86 640	97 461
Net profit in the period	**230 873**	**-344 404**

NOTE 11

Payroll, fees, no. of employees etc.

Figures in NOK 1 000	2009	2008
Wages and salaries	166 808	146 337
Social security costs	11 335	9 985
Share options granted to directors and employees	2 235	2 178
Pension costs - defined contribution plans	956	1 084
Pension costs - defined benefit plans	-2 423	1 145
Other personnel costs	14 389	4 418
Total	**193 300**	**165 148**
Average number of employees	529	445

* Share options granted to directors and employees, see note 12.
Pension costs are described in detail in note 29.
The board's guidelines and principles for determination of salaries and other remuneration to the key employees are described in detail in note 5.

Accumulated expenses for wages, pension premiums and other remuneration to managing director, other group executives and members of the parent company's board for 2009 were as follows:

REMUNERATIONS TO THE COMPANY'S OFFICERS 2009 IN TNOK	Salary	Pension premiums	Other remuneration	Total
Morten Vike (CEO)	2 239	-	166	2 405
Ivar Kvangardsnes (COO) until 30.11.2009	1 329	5	10	1 344
Eirik Bloch Haugland (CFO) until 01.08.2009	1 026	10	5	1 041
Atle Harald Sandtorv (CFO) from 01.12.2009	98	-	-	98
Total remuneration				**4 888**
Board members				
Per Grieg jr. from 20.05.2009	-	-	175	175
Anne-Grete Ellingsen	-	-	182	182
Terje Ramm	-	-	151	151
Wenche Kjølås from 20.05.2009	-	-	88	88
Harald Volden	-	-	176	176
Helge Nielsen until 20.05.2009	-	-	125	125
Siri Hamnvik until 20.05.2009	-	-	63	63
Total board remuneration				**959**

REMUNERATIONS TO THE COMPANY'S OFFICERS 2008 IN TNOK	Salary	Pension premiums	Other remuneration	Total
Per Grieg jr. (CEO) until 01.08.2008	899	170	73	1 142
Morten Vike (CEO) from 01.08.2008	833	41	78	952
Ivar Kvangardsnes (COO)	1 246	104	78	1 427
Eirik Bloch Haugland (CFO)	1 053	171	26	1 250
Total remuneration				**4 771**
Board members				
Helge Nielsen	-	-	301	301
Harald Volden	-	-	206	206
Terje Ramm	-	-	150	150
Anne-Grete Ellingsen	-	-	151	151
Siri Hamnvik	-	-	150	150
Total board remuneration				**959**

SPECIFICATION OF AUDITORS' FEES	2009	2008
Audit fees		
Group auditor	2 329	1 594
Other auditors	529	673
Other assurance services		
Group auditor *)	146	14
Other auditors	-	-
Tax advice		
Group auditor	126	50
Other auditors	82	304
Other services		
Group auditor	465	1 104
Other auditors	114	69
Total group auditor	**3 066**	**2 763**
Total other auditors	**725**	**1 046**
Total	**3 791**	**3 809**

*) TNOK 122 of total cost is related to share issue. The cost has been debited to equity as issue cost.

NOTE 12

Share based payments

Figures in NOK 1000

The company has issued options to the management group and regional managers. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. The equity options were granted in the periode from 29.06.2007 until 01.06.2008 with expiry dates from 29.06.2010 until 27.02.2012. The total number of vested options as at 31.12.2009 are 800 000. From 2009 the company has issued options with cash settlement to the management group and regional managers. These options were granted on 06.05.2009 with expiry date on 06.05.2011. New employees in the management group are granted options on the basis of employment. The options have 2 years' duration, where 50% is vested each year.

The Black and Scholes option pricing models is used for valuation. A brokerage firm is used to carry out the calculations.

The table below illustrates the movement in outstanding options throughout 2009.

Number of options	Option category	Outstanding options 31.12.2008	Granted options	Vested options	Terminated options	Expired options	Outstanding options at 31.12.2009	Of which cash settled
Morten Vike (CEO)	Options	300 000		-	-	-	300 000	
Morten Vike (CEO)	Cash settlement		300 000				300 000	300 000
Ivar Kvangardsnes (COO untill 01.12.2009)	Options	200 000	-	-	-	200 000	-	-
Eirik Bloch Haugland (CFO untill 01.11.2009)	Options	200 000	-	-	-	200 000	-	-
Atle Harald Sandtorv (CFO from 01.12.2009)	Cash settlement	-	200 000	-	-	-	200 000	200 000
Others	Cash settlement	-	800 000	-	-	-	800 000	800 000
Others	Options	700 000	-	-	200 000	-	500 000	-
Total		**1 400 000**	**1 300 000**	**-**	**200 000**	**400 000**	**2 100 000**	**1 300 000**

	31-12-09	31-12-08
Vested options	800 000	550 000
Weighted average remaining contractual life options	1,14	1,86
Cash settled available for vesting	-	-
Weighted average remaining contractual life options	1,43	-

	Type	Stock price when granted	Calculated value per option when granted	Calculated value when granted	Accrued cost 2009 *)	Accrued cost 2008 *)	Accumulated cost booked against equity at 31.12.2009	Booked debt cash settled at 31.12.2009
Morten Vike (CEO)	Options	13,20	3,74	1 123	409	240	650	-
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	411	-	-	411
Ivar Kvangardsnes (COO until 01.12.2009)	Options	23,00	5,86	1 173	144	582	1 173	-
Eirik Bloch Haugland (CFO until 01.11.2009)	Options	23,00	5,86	1 173	144	582	1 173	-
Atle Harald Sandtorv (CFO from 01.12.2009)	Cash settlement	10,76	3,40	680	23	-	-	23
Others	Cash settlement	7,83	3,81	3 047	918	-	-	918
Others	Options	23,00	5,72	4 005	-75	912	3 419	-
Total				**12 343**	**1 972**	**2 316**	**6 413**	**1 351**

*) The amounts are exclusive of employer's contribution.

Accrued cost 2009 consist of:	**1 972**	**Classification in the financial statements**
Accrued cost cash settlement	1 351	Other provisions
Accrued cost options	621	Other reserves
Total cost exclusive of employer's contribution	**1 972**	
Employer's contribution	263	Accrued salary expense/ public tax payable
Total cost including employer's contribution	**2 235**	

The total cost for share-based payment, TNOK 2 235, has been charged as personnel expenses in the profit and loss account. The accumulated cost since issuing options is TNOK 8 027, including employer's contribution. Employer's contribution is capitalised against the real value of the options.

At year-end 2009 there were outstanding options with the right to cash settlement totalling TNOK 1 351 posted as other non-current liabilities.
Outstanding options are terminated when employment ends.

THE FOLLOWING MODEL INPUT HAS BEEN APPLIED	2009	2008
Estimated volatility (%)	55,19	36,01
Risk-free rate of interest (%)	2,10	5,19
Estimated qualification period (years)	2,00	3,05

The estimated qualification period/lifetime for the options is based on historical data and does not necessarily provide indications for the future.
In order to estimate volatility, the management has applied historical volatility for comparable activities listed on the Stock Exchange.

NOTE 13

Financial instruments by category

Figures in NOK 1 000

The accounting policies for financial instruments have been applied to the items below:

31. DECEMBER 2009	Loans and receivables	Fair value through profit and loss	Available-for sale	Total
Balance sheet assets				
Available-for-sale financial assets	-	-	945	945
Financial instrument derivatives	-	20 350	-	20 350
Trade and other reveivables specifically decreed by law	233 976	-	-	233 976
Loan to associated companies	1 923	-	-	1 923
Cash and cash equivalents	139 778	-	-	139 778
Total	**375 677**	**20 350**	**945**	**396 972**

Balance sheet liabilities	Financial liabilities at amortised cost	Fair value through profit and loss		Total
Total borrowings including revolving credit	1 279 704	-	-	1 279 704
Total financial leasing liabilities	235 550	-	-	235 550
Total accounts payable and other liabilities specifically decreed by law	269 616	-	-	269 616
Financial instrument derivatives		9 672	-	9 672
Total	**1 784 870**	**9 672**	**-**	**1 794 542**

31. DECEMBER 2008	Loans and receivables	Fair value through profit and loss	Available-for sale	Total
Balance sheet assets				
Available-for-sale financial assets	-	-	178	178
Financial instrument derivatives	-	8 243	-	8 243
Trade and other reveivables specifically decreed by law	208 153	-	-	208 153
Loan to associated companies	2 410	-	-	2 410
Cash and cash equivalents	68 146	-	-	68 146
Total	**278 709**	**8 243**	**178**	**287 130**

Balance sheet liabilities	Financial liabilities at amortised cost	Fair value through profit and loss		Total
Total borrowings including revolving credit	1 326 111	-	-	1 326 111
Total financial leasing liabilities	248 422	-	-	248 422
Total accounts payable and other liabilities specifically decreed by law	244 271	-	-	244 271
Financial instrument derivatives	-	122 532	-	122 532
Total	**1 818 804**	**122 532**	**-**	**1 941 336**

NOTE 14

Financial income and expenses

Figures in NOK 1 000

	2009	2008
Interest from associated companies	74	170
Other interest income	1 436	4 597
Dividends	15	10
Changes in fair value from derivatives	119 900	-
Net currency gains	8 911	-
Other financial income	5 998	13 481
Total financial income	**136 333**	**18 258**
Interest expense bank borrowings and leasing	81 945	111 118
Other interest expenses	2 289	583
Changes in fair value from derivatives	-	111 117
Net currency losses	-	27 679
Other financial expenses	5 373	1 726
Total financial expenses	**89 606**	**252 223**

NOTE 15

Derivatives

Figures in NOK 1 000

Forward foreign exchange contracts are both purchase and sale contracts for foreign currency against Norwegian Krone. The positions at 31 December are stated at market value. All contracts mature in 2010.

The group has financial salmon contracts through Fish Pool. With a financial salmon contract the buyer and seller agree on a price and fixed volume for a future delivery. At year-end the group's financial salmon contracts consisted of 5 860 tons.

Both the forward foreign exchange contracts and the financial salmon contracts are classified as fair value through profit and loss and respectively as a non-current asset or non-current liability. Changes in fair value are recorded as a financial expense or financial income.

	2009		2008	
	Assets	Liabilities	Assets	Liabilities
Financial salmon contracts at fair value		-9 672	379	
Forward foreign exchange contracts at fair value	20 350	-	7 864	-122 532
Total	**20 350**	**-9 672**	**8 243**	**-122 532**
Less non-current portion	-	-	-	-
Current portion	**20 350**	**-9 672**	**8 243**	**-122 532**

Forward foreign exchange contracts

The table below shows the Group's forward foreign exchange contracts as at 31.12.09.

Currency	Type	Currency amount	Exchange rate at maturity	Amounts in NOK	Estimated real NOK value currency futures
USD	Sale	3 000	5,56	16 669	410
GBP	Buy	15 000	9,03	135 412	7 402
EUR	Net sale	39 717	8,66	343 811	12 538
Total					**20 350**

NOTE 16

Investments in associated companies

Figures in NOK 1 000

ASSOCIATED COMPANIES 2009	Share capital	Booked equity	Equity interest	Voting share
Erfjord Stamfisk AS	616	17 687	48,70 %	48,70 %
Bokn Sjøservice AS	1 000	7 226	50,00 %	50,00 %
Finnmark Brønnbåtrederi AS	100	49,9	49,9 %	49,9 %

OVERVIEW OF BALANCE SHEET VALUE	Finnmark Brønnbåtrederi	Erfjord Stamfisk	Bokn Sjøservice	Total
Share of fair value associate's identifiable net assets on acquisition	55	2 984	506	3 545
Excess value recorded as identifiable assets	-	4 926	-	4 926
Historical cost at 31.12.2009	**55**	**7 910**	**506**	**8 471**
Share of fair value associate's identifiable net assets on acquisition	-	2 008	377	2 385
Excess value recorded as identifiable assets	-	-400	-	-400
Historical cost at 31.12.2009	-	1 608	377	1 985
Book value at 01.01.2009	-	8 412	3 167	11 579
Additions	55	-	-	55
Share of profit for the year	-	1 608	377	1 985
Book value at 31.12.2009	**55**	**10 020**	**3 544**	**13 619**
Excess value identifiable assets	-	208	-	208
Excess value at 31.12.2009	**-**	**208**	**-**	**208**

The companies have the same financial year as the group. In 2009, the companies had revenues of TNOK 69 497 and a net profit of TNOK 4 648. At 31.12.09 the book value of total assets was TNOK 89 607 and the book value of liabilities was TNOK 63 319.The book value of equity was TNOK 26 288.

ASSOCIATED COMPANIES 2008	Share capital	Booked equity	Equity interest	Voting share
Erfjord Stamfisk AS	616	15 119	48,70 %	48,70 %
Bokn Sjøservice AS	1 000	5 656	50,00 %	50,00 %

31.12.2008 OVERVIEW OF BALANCE SHEET VALUE	Tustna Marine Farms AS	Erfjord Stamfisk	Bokn Sjøservice	Total
Share of fair value associate's identifiable net assets at acquisition	6 045	2 984	506	9 535
Disposal at historic cost	-6 045	-	-	-6 045
Excess value recorded as identifiable assets	-	4 926	-	4 926
Historical cost at 31.12.2008	**-**	**7 910**	**506**	**8 416**
Profit for the year	-	860	240	1 100
Depreciation excess value identifiable assets	-	-400	-	-400
Share of profit for the year and write down receivables	-	460	240	700
Book value at 01.01.2008	-	7 952	2 927	10 879
Share of profit for the year	-	460	240	700
Book value at 31.12.2008	**-**	**8 412**	**3 167**	**11 579**
Excess value goodwill	-	-	-	-
Excess value identifiable assets	-	608	-	608
Excess value at 31.12.2008	**-**	**608**	**-**	**608**

The companies have the same financial year as the group. In 2008, the companies had revenues of TNOK 83 024 and a net profit of TNOK 2 364. At 31.12.08 the book value of total assets was TNOK 69 207 and the book value of liabilities was TNOK 47 520. The book value of equity was TNOK 21 687.

The shares in Tustna Marine Frams AS were converted into shares in Grieg Cod Farming AS in 2008. There were no profit or loss on the transaction.

NOTE 17

Earnings per share and dividend per share

Figures in NOK 1 000

BASIS FOR CALCULATION OF EARNINGS PER SHARE	2009	2008
Earnings for the year (majority share)	230 873	-344 404
Number of shares at year-end	111 662 000	76 512 000
Average number of shares	94 376 932	76 512 000
Adjustment for effect of share options (see detail in note 12) *)	-	-
Average no. of shares by dilution	111 662 000	76 512 000
Basic earnings per share	2,45	-4,50
Diluted earnings per share	2,45	-4,50
Dividend per share	**0,00**	**0,00**

*) The share options do not have a dilutive effect as the exercise price of the options exceeds the average.

NOTE 18

Available-for-sale financial assets

Figures in NOK 1 000

2009 COMPANY	Business location	Number of shares	Ownership/ voting share	Acquisition cost	Fair value
Grieg Cod Farming AS	Bergen	787 055	0,90 %	1 282	-
DnBNOR Global Allokering	Oslo	6 080	-	630	722
FruMar AS	Stavanger	4 823 700	15,4 %	4 824	-
Finnøy Næringspark AS	Finnøy	103 000	7,1 %	103	103
Aqua Gen AS	Kyrksæterøra	3 200	< 1 %	23	23
Other			-	97	97
Total non-current				**6 959**	**945**

2008 COMPANY					
Grieg Cod Farming AS	Bergen	787 055	0,90%	1 282	-
FruMar AS	Stavanger	4 823 700	15,4%	4 824	-
Finnøy Næringspark AS	Finnøy	103 000	7,1 %	103	103
Aqua Gen AS	Kyrksæterøra	3 200	< 1%	23	23
Other				52	52
Total non-current				**6 284**	**178**

CHANGES IN FAIR VALUE	
Fair value at 31.12.2008	178
Reclassification	722
Aquisition	45
Fair value at 31.12.2009	**945**

In 2009 the shareholding in DnBNOR Global Allokering was reclassified from other non- current receivables. The effect of reclassification, TNOK 722, has no effect on the Income Statement.

In relation to the aquisition, the aquisition cost corresponds to fair value.

NOTE 19

Intangible assets

Figures in NOK 1 000

2008	Goodwill	Licences fish farming indefinite lives	Licences fish farming definite lives	Other intangible assets	Total 2008
As at 01.01					
Acquisition cost	202 855	822 146	42 443	8 815	1 076 259
Accumulated amortisation	-25 661	-	-14 751	-	-40 412
Book value at 01.01	**177 194**	**822 146**	**27 692**	**8 815**	**1 035 847**
Book value at **01.01**	177 194	822 146	27 692	8 815	1 035 847
Currency translation differences value at 01.01.	74	2 788	2 313	-	5 175
Acquisitions through business combinations	-	46 623	-	-	46 623
Currency translation differences acquisition	-	3 659	-	-	3 659
Intangible fixed assets acquired	-	1 194	-	1 454	2 648
Amortisation	-	-1 199	-1 115	-2 064	-4 378
Currency translation differences depreciation	-	100	105	-	205
Impairment	-89 603	-72 385	-	-	-161 988
Book value at 31.12.	**87 665**	**802 926**	**28 995**	**8 205**	**927 791**
As at 31.12.					
Acquisition cost	200 565	876 410	44 756	11 094	1 132 825
Accumulated amortisation	-23 297	-1 099	-15 761	-2 889	-43 046
Accumulated impairment	-89 603	-72 385	-	-	-161 988
Book value at 31.12.	**87 665**	**802 926**	**28 995**	**8 205**	**927 791**

2009					Total 2009
Book value at **01.01**	87 665	802 926	28 995	8 205	927 791
Currency translation differences value at 01.01.	-82	-9 817	-2 872	-534	-13 305
Intangible fixed assets acquired	-	-	-	98	98
Amortisation	-	-	-819	-2 190	-3 009
Currency translation differences depreciation	-	-	-74	-	-74
Book value at 31.12.	**87 583**	**793 110**	**25 229**	**5 579**	**911 501**
As at 31.12.					
Acquisition cost	200 483	866 595	42 157	10 658	1 119 892
Accumulated depreciation	-23 297	-1 099	-16 927	-5 079	-46 402
Accumulated impairment	-89 603	-72 385	-	-	-161 988
Book value at 31.12.	**87 583**	**793 110**	**25 229**	**5 579**	**911 501**

Deferred tax of TNOK 44 049 has been consistently posted in the accounts relating to the purchase of Grieg Seafood Hjaltland AS in 2007. Concerning the book value of Grieg Seafood Hjaltland AS and the change from Ngaap to IFRS, deferred tax on licences was not included on value added from the previous booked aquisition. For more information, see note 7.

Changes in PPA for Grieg Seafood Hjaltland AS related to sales office were previously booked in 2008 as a change in classification. The reclassification has been consistently entered in the aquisition cost in 2007 in the sum of TNOK -5 516 to Goodwill and TNOK 8 815 to Other intangible assets.

NOTE 19

Intangible assets (cont.)

Figures in NOK 1 000

IMPAIRMENT TEST FOR GOODWILL AND LICENCES

Goodwill and licences have not been impaired in 2009.

Goodwill and licences with an indefinite economic life are subject to an annual impairment tests. Impairment tests are performed more frequently if there are indications of a decline in value. Licences with definite useful lives are tested for impairment only if there are indications of a decline in value. Estimated value in use is used as basis for calculating the recoverable amount. Impairment occurs when the carrying value is higher than the recoverable amount.

Cash generating unit	Location	Book value of related goodwill	Book value of licences	Total
BC - Canada	Canada	9 905	147 062	156 967
Finnmark	Norway	-	183 865	183 865
Shetland - UK	UK	69 018	392 340	461 358
Rogaland	Norway	8 660	95 073	103 733
Total value		**87 583**	**818 340**	**905 923**

Goodwill relates to acquisition of the subsidiary companies. Goodwill is allocated to the group's cash-generating units (CGU's) identified according to operating segment. An annual impairment test for goodwill and licenses has been carried out. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use after-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three year period are extrapolated using the estimated nominal growth rates stated below. Estimated growth rate correspond with expected inflation.

The key assumptions used for value-in-use calculations are as follows

Unit	BC - Canada	Finnmark	Shetland - UK	Rogaland
Budget period	3 years	3 years	3 years	3 years
Increase in revenues in budget period	3 %	94 %	44 %	60 %
Ebitda margin 1)	19% - 23%	21% - 23%	17% -21%	17% -19%
Harvest growth - tons 2)	29,4 %	71,3 %	61,0 %	48,7 %
Discount rate 3)	12,27 %	12,01 %	12,01 %	12,01 %
Growth rate 4)	2,5 %	2,5 %	2,5 %	2,5 %

1) Budget Ebitda margin. The margin varies in the budget period.
2) The growth rate of the harvested volume in the budget period. (Nominal growth rate)
3) Pre-tax discount rate applied to the cash flow projections.
4) Weighted average growth rate used to extrapolate cash flows beyond the budget period.

The budgeted EBITDA margin is based on past performance, expected cost of production and expectations of market development. The increased harvest volume is based on an increase in utilisation of existing production capacity. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

SENSITIVITY

Value-in-use is sensitive to changes in the assumptions made. The most important are discount rate, sales volume and EBTIDA. The sensitivity analysis only include the budget period, and not the terminal value.

Need for impairment (TNOK)

Assumption	Change	BC - Canada	Finnmark	Shetland - UK	Rogaland
WACC	1%-point	-	-	-	-
Sales volume	-10 %	-	-	-	-
EBITDA	-10 %	-	-	-	-
Sales price	-10 %	-	-	32 977	-

Market prices have been conservatively budgeted at or below external consensus levels. With the current market balance in the salmon market, there is more likely to be a positive rather than a negative deviation in market prices.

NOTE 20

Tangible fixed assets

Figures in NOK 1 000

	Buildings/ property	Plant/equipment and other fixtures	Vessels/ barges	Total
2008				
As at 01.01				
Acquisition cost	179 313	586 203	165 995	931 511
Accumulated depreciation	-29 215	-226 283	-36 920	-292 418
Book value at 01.01	**150 099**	**359 920**	**129 075**	**639 093**
Balance sheet value at 01.01.	150 099	359 920	129 075	639 093
Currency translation differences value at 01.01.	-1 400	426	-1 404	-2 378
Tangible fixed assets acquired	52 955	158 561	93 676	305 192
Tangible fixed assets sold	-1 740	-172	-1 115	-3 027
Depreciation	-7 343	-75 662	-23 139	-106 144
Currency translation differences depreciation	108	188	1 027	1 323
Impairment	-14 040	-23 972	-	-38 012
Change in classification due to new information	-	-1 701	-	-1 701
Book value at 31.12.	**178 640**	**417 588**	**198 120**	**794 346**
As at 31.12.				
Acquisition cost	229 128	743 258	257 152	1 229 538
Accumulated depreciation	-36 450	-301 698	-59 032	-397 180
Accumulated impairment	-14 040	-23 972	-	-38 012
Book value at 31.12.	**178 638**	**417 588**	**198 120**	**794 346**
Book value of financial lease included above	**1 396**	**155 102**	**130 909**	**287 407**
Depreciation on financial lease included above	**1 118**	**77 166**	**30 650**	**108 934**
2009				
Balance sheet value at 01.01.	178 638	417 588	198 120	794 346
Currency translation differences value at 01.01.	-2 461	-12 027	-4 892	-19 379
Tangible fixed assets acquired	58 863	81 638	26 437	166 938
Tangible fixed assets sold	-1 777	-833	-4 553	-7 163
Depreciation	-11 382	-78 999	-27 918	-118 300
Depreciation assets sold	-	-	999	999
Currency translation differences depreciation	1 208	376	85	1 669
Change in classification due to new information	17 309	-17 200	-109	-
Book value at 31.12.	**240 398**	**390 543**	**188 168**	**819 110**
As at 31.12.				
Acquisition cost	301 630	794 353	273 951	1 369 933
Accumulated depreciation	-47 192	-379 837	-85 782	-512 812
Accumulated impairment	-14 040	-23 972	-	-38 012
Book value at 31.12.	**240 398**	**390 543**	**188 168**	**819 110**
Book value of financial lease included above	**720**	**124 615**	**127 486**	**252 821**
Depreciation on financial lease included above	**99**	**25 198**	**14 330**	**39 626**

NOTE 21

Restricted bank deposits

Figures in NOK 1 000

	2009	2008
Restricted deposits related to employees' tax deduction	4 050	5 472
Restricted deposits related to clearing account *)	11 150	-
Total	**15 201**	**5 472**

*) The restricted deposits are base and portofolio margin requirements related to financial salmon price contracts in Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS.

NOTE 22

Inventories

Figures in NOK 1 000

GROUP:	2009	2008
Raw material (feed) at cost	42 766	44 592
Other (frozen fish, value added products)	6 414	-
Total inventories	**49 180**	**44 592**

NOTE 23

Biological assets

Figures in NOK 1 000

	Tons		NOK 1.000	
	2009	2008	2009	2008
Biological assets at 01.01.	44 289	47 021	1 073 341	1 067 574
Currency translation	-	-	-44 394	-10 596
Increases due to purchases	-	1 221	289 488	130 667
Increases due to production	70 780	59 896	1 060 106	1 065 726
Decreases due to sales / harvesting / mortality	-58 990	-63 849	-1 127 177	-1 146 408
Fair value adjustment 01.01.	N/A	N/A	-92 690	-126 312
Fair value adjustment 31.12.	N/A	N/A	208 388	92 690
Biological assets at 31.12.	**56 079**	**44 289**	**1 367 061**	**1 073 341**

The accounting treatment of living fish by companies applying IFRS is regulated by IAS 41 Agriculture. The basic principle is that such assets shall be measured at fair value. The fair value of biological assets (fish in the sea) is based on market prices for gutted Altantic salmon and trout at the balance sheet date. The price is adjusted for quality differences (superior, ordinary and process), together with the cost of logistics. The volume is adjusted for gutting loss. Fish in the sea with an average weight below 4 kg. are based on the same principles, but the price is adjusted proportionately to take account of how far the growth cycle has progressed. The price is not adjusted lower than cost unless a loss on future sales is expected.

BIOMASS STATUS 31.12.09	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Book value
Smolt	15 900	221	59 962	-	59 962
Biological assets with round weight < 4 kg	21 801	31 097	693 745	69 921	763 666
Biological assets with round weight > 4 kg	4 980	24 760	404 967	138 467	543 433
Total	**42 681**	**56 079**	**1 158 674**	**208 388**	**1 367 061**
BIOMASS STATUS 31.12.08					
Smolt	20 370	263	50 148	-	50 148
Biological assets with round weight < 4 kg	24 927	31 079	714 548	58 552	773 100
Biological assets with round weight > 4 kg	2 286	12 947	215 954	34 139	250 095
Total	**47 583**	**44 289**	**980 650**	**92 690**	**1 073 341**

NOTE 24

Accounts receivable

Figures in NOK 1 000

	2009	2008
Accounts receivable at nominal value	189 602	161 059
Provision for bad debts	-1 550	-3 183
Accounts receivable at 31.12.	**188 052**	**157 876**
Change in provision for bad debts	-1 633	1 771
Realised bad debts	3 864	128
Recognised in the Income Statement	**2 232**	**1 899**

Accounts receivable that are less than three months overdue are not considered impaired. As of 31 December 2009, accounts receivable of TNOK 51 123 (2008: TNOK 116 876) were overdue but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of accounts receivable is as follows:

	2009	2008
Up to 3 months	47 895	92 550
Over 3 months	3 228	24 326
Total	**51 123**	**116 876**

As of 31 December 2009, accounts receivable of TNOK 1 550 (2008: TNOK 3 183) were impaired and provided for. The amount of the provision was TNOK 1 550 (2008: TNOK 3 183) as of 31 December 2009. The ageing of these receivables is as follows:

3 to 6 months	-	-
Over 6 months	1 550	3 183
Total	**1 550**	**3 183**

NOTE 25

Other receivables

Figures in NOK 1 000

OTHER NON-CURRENT RECEIVABLES	2009	2008
Receivables from related parties	-	-
Other non-current receivables	-	1 790
Other non-current receivables at 31.12.	**-**	**1 790**
Impairment losses expensed/ (reversed impairment) *	1 975	7 050

OTHER CURRENT RECEIVABLES	2009	2008
VAT receivables etc.	11 126	12 623
Pre-paid expenses	13 573	2 616
Insurance claims	-	3 193
Other accrual of income	6 572	6 581
Receivables from related parties	-	12 153
Other current receivables	25 780	11 322
Other current receivables at 31.12.	**57 051**	**48 488**

*) Impairment losses charged in 2008 and reversed impairment in 2009 relates to Grieg Cod Juveniles AS.

NOTE 26

Tax

Figures in NOK 1 000

TAX SPECIFICATION	2009	2008
Tax payable Norway	7	-
Tax payable abroad	-382	-6 088
Tax paid but not accrued last year	295	2 737
Change in deferred tax Norway	72 762	-51 782
Change in deferred tax abroad	13 958	-42 328
Taxes	**86 640**	**-97 461**

TAX RECONCILIATION		
Profit before tax	317 513	-441 865
Taxes calculated at nominal tax rate	88 512	-123 541
Permanent difference on sale of shares	-	714
Withholding tax	-1 860	-
Utilisation of loss carried forward, previously not recognized	-380	-
Tax losses carried forward not recognized	-127	-
Other permanent differences	496	25 366
Taxes	**86 640**	**-97 461**

CHANGE IN BOOK VALUE OF DEFERRED TAX		
Balance sheet value at 01.01.	251 069	325 346
Currency conversion	-3 693	2 420
Effect of business combinations	-	19 534
Effect of equity transactions	-1 311	1 833
Other effects	-791	-3 954
Charged to income in the period	86 720	-94 110
Book value	**331 995**	**251 069**

The nominal tax rate is 28%. The weighted average nominal tax rate in 2009 was 27,3%

The tables below show the composition of deferred tax. The tax effects of taxable and deductible temporary differences are shown separately. Deferred tax and deferred tax asset are offset. Both the Norwegian, Canadian and UK part of the Group, have a net deferred tax position. Deferred tax and deferred tax asset within Norway, Canada and UK can be set off.

DEFERRED TAX	Licences	Fixed assets	Biological assets	Receivables	Inventory	Deferred capital gain	Current liabilities	Total
2008								
Opening balance 01.01.	174 489	50 424	202 260	-	4 405	4 220	2 736	438 535
Taken to income in the period	-21 116	-23 012	36 210	-	92	1 093	-30 068	-36 800
Currency translation differences	85	-2	2 764	-	203	-	442	3 492
Effect of business combinations	18 424	1 284	-	-	-	-	-	19 708
At 31.12.	**171 882**	**28 694**	**241 234**		**4 700**	**5 314**	**-26 889**	**424 935**
2009								
Taken to income in the period	-2 183	3 563	69 847	510	1 506	-411	30 993	103 825
Currency translation differences	-795	-214	-4 357	-	-306	-	-23	-5 694
Other effects	-	-534	-	-	-	-1 414	-53	-2 001
At 31.12.	**168 904**	**31 509**	**306 724**	**510**	**5 901**	**3 488**	**4 028**	**521 064**

DEFERRED TAX ASSET	Loss carry forwards	Fixed assets	Pensions	Receivables	Leasing obligations	Tax Credits	Other obligations	Total
2008								
Opening balance 01.01.	-67 882	-	73	-969	-26 982	-17 428	-	-113 188
Taken to income in the period	-55 192	-	-34	-904	72	885	-	-55 173
Currency translation differences	-1 337	-	-	-	-1 186	-687	-	-3 209
Other effects	-2 121	-	-	-	-	-	-	-2 121
Effect of business combinations	-174	-	-	-	-	-	-	-174
31.12.	**-126 705**		**39**	**-1 872**	**-28 096**	**-17 230**	**-**	**-173 864**
2009								
Taken to income in the period	-20 493	-8 645	58	1 872	11 106	250	-1 253	-17 105
Currency translation differences	22	481	-	-	706	792	-	2 002
Other effects	129	-	-231	-	-	-	-	-102
Effect of business combinations	-	-	-	-	-	-	-	-
31.12.	**-147 048**	**-8 164**	**-134**	**-**	**-16 283**	**-16 188**	**-1 253**	**-189 069**

	2009	2008
Net deferred tax	**331 995**	**251 069**

All deferred tax is non-current

NOTE 27

Share capital and shareholders

Figures in NOK 1 000

SHARE CAPITAL:

As at 31 December 2009 the company had 111 662 000 shares with a nominal value of NOK 4 per share.
None of these shares are owned by any group company.

Date of registration	Type of change	Change in sharecapital (TNOK)	Nominal value per share (NOK)	Total share capital (TNOK)	No. of ordinary shares
01.01.2007			1 000,00	184 848	184 848
19.02.2007	Share split	-	4,00	184 848	46 212 000
31.05.2007	Increase of share capital by cash contribution	104 000	4,00	288 848	72 212 000
18.06.2007	Increase of share capital by cash contribution	17 200	4,00	306 048	76 512 000
31.12.2008					76 512 000
10.06.2009	Converted subordinated bond loan I.Sandbu	1 000	4,00	307 048	76 762 000
18.06.2009	Converted subordinated bond loan GH	59 000	4,00	366 048	91 512 000
21.06.2009	Converted subordinated bond loan Teigen	25 000	4,00	391 048	97 762 000
02.07.2009	Increase in share capital by cash contribution	40 600	4,00	431 648	107 912 000
19.08.2009	Converted subordinated bond loan Halde Invest AS	15 000	4,00	446 648	111 662 000
31.12.2009					**111 662 000**

The largest shareholders in Grieg Seafood ASA as at 31.12.2009:	**No. shares**	**Shareholding**
GRIEG HOLDINGS	48 528 010	43,46 %
HALDE INVEST AS	18 502 000	16,57 %
TEIGEN	10 000 000	8,96 %
SKANDINAVISKA ENSKILDA BANKEN	4 768 500	4,27 %
ODIN NORGE	3 843 100	3,44 %
ODIN NORDEN	3 641 600	3,26 %
YSTHOLMEN AS	2 864 892	2,57 %
DNB NOR SMB	2 425 000	2,17 %
METEVA AS	1 391 000	1,25 %
GRIEG SHIPPING AS	824 565	0,74 %
KLP LK AKSJER	712 500	0,64 %
REAL SALMON AS	710 000	0,64 %
BREMNES FRYSERI AS	543 000	0,49 %
ORKLA NORDIC VALUE	502 407	0,45 %
KVERNELAND INVESTERING AS	452 000	0,40 %
STOREBRAND VEKST	428 500	0,38 %
KLP AKSJENORGE	362 500	0,32 %
MP PENSJON	359 000	0,32 %
NHO - P665AK	351 000	0,31 %
HOLMEFJORD	306 000	0,27 %
Total 20 largest shareholders	101 515 574	90,91 %
Total other	10 146 426	9,09 %
Total numbers of shares	**111 662 000**	**100,00 %**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT:	**No. shares**	**Shareholding**
Board of directors:		
Per Grieg jr.	52 449 857	46,97 %
Wenche Kjølås (Jawendel AS)	2 000	0,00 %
Anne Grete Ellingsen	2 500	0,00 %
Harald Ingebrikt Volden (Halde Invest AS)	18 502 000	16,57 %
Group management:		
Morten Vike (CEO)	38 500	0,03 %
Ivar Kvangardsnes (COO) (Galder AS) until 30.11.2009	10 500	0,01 %
Eirik Bloch Haugland (CFO) until 01.08.2009	10 500	0,01 %

* Shares owned by the following companies are controlled by Per Grieg jr. and family:	**No. shares**
Grieg Holdings AS	48 528 010
Grieg Shipping AS	824 565
Ystholmen AS	2 864 892
Grieg Ltd AS	217 390
Per Grieg jr. private	15 000
Total no. shares controlled by Per Grieg jr. and family	**52 449 857**

**In addition, Håkon Volden owns 5.76% of Halde Invest AS through Drome AS. Drome AS owned 100 000 shares at 31.12.2009.

NOTE 28

Borrowings and finance lease

Figures in NOK 1 000

The Group's interest bearing debt at 31 December 2009 comprised loans from financial institutions and financial leasing liabilities. The financing facility is based on a multi-currency term loan of MNOK 800 and a multi-currency revolving credit of MNOK 600. For information about changes in the financing agreement please refer to note 8.

As at 31 December 2009 the Group was in compliance with all covenants, including those covenants which were in default at 31 December 2008. The corporate finance agreement includes covenants related to the consolidated accounts, specifically related to the equity ratio, cash flow and working capital.

The book value of the debt is approximately equal to fair value.

NON- CURRENT LIABILITIES	2009	2008
Subordinated loans (not interest - bearing)	13 548	13 517
Borrowings	712 732	8 065
Amortised cost	-1 313	-1 814
Financial leasing liablilties	198 167	213 117
Total non - current liabilities	**923 134**	**232 885**
CURRENT LIABILITIES		
Revolving credit facility *)	482 989	496 702
Current portion of long - term borrowings	85 295	809 641
Financial leasing liablilties	37 383	35 305
Total current liabilities	**605 667**	**1 343 656**
NET INTEREST-BEARING DEBT		
Total non-current and current liabilities	1 528 801	1 576 541
Subordinated loans	13 548	13 517
Gross interest-bearing debt	**1 515 253**	**1 561 016**
Cash and cash equivalents	139 778	68 146
Loan to associated companies	1 923	2 410
Other interest-bearing assets	-	487
Net interest-bearing debt	**1 373 552**	**1 489 973**

*) The company has a current revolving credit facility of MNOK 600. As at 31 December MNOK 483 was utilised.

PAYMENT PROFILE NON-CURRENT LIABILITIES	2010	2011	2012	2013	2014	Deretter	Sum
Subordinated loans	-	-	-	-	-	13 548	13 548
Borrowings	85 295	73 308	73 308	73 308	73 308	419 501	798 027
Financial leasing liabilties	37 373	38 106	38 496	35 381	26 143	60 050	235 550
Total	**122 669**	**111 414**	**111 804**	**108 688**	**99 451**	**493 099**	**1 047 125**

LIABILITIES SECURED BY MORTGAGE	2009	2008
Liabilities to credit institutions incl. leasing liabilities.	1 530 114	1 576 347
ASSETS PLEDGED AS SECURITY		
Licences	818 340	831 921
Fixed assets	819 110	794 346
Accounts receivables	188 052	157 876
Inventories and biological assets	1 416 241	1 117 933
Total assets pledged as security	**3 241 743**	**2 902 076**

Pledges include shares in subsidiaries. The book value of these shares is 0 in the consolidated accounts.

NOTE 28

Borrowings and finance lease (cont.)

Figures in NOK 1 000

DESCRIPTION OF DEBT	Currency	Fixed or floating interest rate	Effective interest rate	Final-maturity	2009 Current portion	2009 Non-current portion	2008 Current portion	2008 Non-current portion
Grieg Seafood ASA								
Syndicate loan non-current	Multi	Floating	Pricegrid	2011	72 000	704 254	809 024	-
Syndicate loan revolving credit	Multi	Floating	Pricegrid	-	482 989	-	496 702	-
Grieg Seafood Hjaltland								
SLAP	GBP	Floating	7 %	2018	628	5 096	615	6 217
SLAP	GBP	Fixed	-	2015	680	3 382	-	1 848
Export Loan	GBP	Fixed	4,56 %	-	10 312	-	-	-
Shetland Trade Ass.	GBP	Floating	7,00 %	-	1 676	-	-	-
Leasing all companies					37 383	198 167	35 305	213 117
Subordinated loans					-	13 548	-	13 517
Total					**605 667**	**924 447**	**1 341 646**	**234 699**

AVERAGE INTEREST ON SYNDICATE LOANS IN 2009	31-12-09	NOK	GBP	USD	EUR
Syndicate loan	776 254	505 500	195 657	75 097	-
Revolving credit facility	482 989	300 000	55 902	127 087	-
Other borrowings from financial institutions	21 773	-	21 773	-	-
Financial leasing	235 550	133 721	38 477	-	63 351
Subordinated loans	13 548	-	13 548	-	-
Sum loan and leasing	**1 530 114**	**939 221**	**325 357**	**202 184**	**63 351**
Average interest on syndicate and revolving credit facility 2009	**6,09 %**	**6,98 %**	**6,38 %**	**4,91 %**	

NOTE 29

Pensions and pension obligation

Figures in NOK 1 000

Until 30 June 2009 the pension obligations of Grieg Seafood ASA were based on a benefit plan scheme. Upon this date the pension benefit plan was discontinued and the liability was settled. Effective from 1 July 2009 Grieg Seafood ASA entered into a pension contribution plan scheme for all employees. The company's pension contribution plan is in accordance with rules and regulations for mandatory occupational pension. At year-end 2009 the pension scheme covered 8 employees. The pension scheme is funded and managed through an insurance company.

The Stjernelaks department of Grieg Seafood Rogaland AS has a contractual early retirement scheme (AFP) for 32 employees. Financial commitments associated with this scheme are included in the group's pension calculations.

The Group has three operational plans with maturity from 1 to 7 years. Two of the pensions are to former employees. The pensions are present value calculated at the balance sheet. The cost for 2009 is book as a personnel expenses, with TNOK 956. For one of the pension obligations are paid by the company when they fall due. Financial commitments associated with this scheme are included in the group's pension calculations.
Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS, which are not included in the pension schemes, have established OTP agreements according to the OTP law §2 (1). The companies abroad have no pension scheme.

	2009	2008
Benefit based pension and early retirement scheme (AFP)	271	2 693
Other pension to former employees	1 656	1 469
Total pensions and pension obligation	**1 927**	**4 162**
The changes in the pension is booked as personell expenses.		
CAPITALISED COMMITMENTS ARE DETERMINED AS FOLLOWS:		
Present value of future pension commitments	463	7 860
Fair value of plan assets	-	3 350
Net pension commitment (asset)	**463**	**4 510**
Unrecognised actuarial losses	-192	-1 817
Net pension commitment on the balance sheet 31.12.	**271**	**2 693**
NET PENSION COSTS ARE DETERMINED AS FOLLOWS:		
Current service cost	71	974
Interest cost	18	366
Expected return on plan assets	-	-266
Net actuarial losses recognised during the year	15	26
Gain on termination	-2 527	-
Social security tax	-	49
Net pension cost	**-2 423**	**1 149**
CHANGE IN PRESENT VALUE OF FUTURE PENSION COMMITMENTS		
Book value at 01.01.	7 860	7 996
Termination of pension plan	-7 386	-
Service cost	71	1 033
Interest cost	18	367
Amortisation of net acturial losses	-99	-
Payroll tax of employer contribution, assets	-	-125
Actuarial loss (gain)	-	-1 411
DBO at end of year	**463**	**7 860**
CHANGE IN FAIR VALUE OF PLANNED ASSETS		
Book value at 01.01.	3 350	4 200
Termination of pension plan	-3 350	-
Expected return on planned assets	-	266
Actuarial (loss) gain	-	-2 002
Employer contribution	-	886
Fair value of assets at end of year	**-**	**3 350**
ACTUARIAL ASSUMPTIONS		
Financial assumptions		
Anticipated yield on pension assets	0,00 %	5,80 %
Discount rate	4,50 %	3,80 %
Anticipated regulation of salaries	4,00 %	4,00 %
Anticipated regulation of pensions	1,40 %	1,50 %
Anticipated regulation of national insurance	4,25 %	3,75 %

NOTE 30

Financial market risk

Figures in NOK 1 000

CURRENCY

Sales made by the Norwegian part of the company are primarily invoiced in NOK. However, prices are normally influenced by the consumers' domestic currencies, primarily EUR. Sales made by the companies in Canada are in USD. Sales made by the companies in UK are in GBP.

Most of the expenses are in local currencies.

The group has borrowings in foreign currencies, primarily GBP, USD and EUR. The purpose of these loans is to partly offset the currency exposure related to income in foreign currencies.

INTEREST

Almost all interest bearing debt carries a floating interest rate

	2009			2008		
	Currency	NOK	Share %	Currency	NOK	Share %
TURNOVER:						
NOK	-	483 325	30 %	-	482 840	32 %
USD	75 439	473 875	29 %	100 401	531 721	36 %
EUR	28 000	244 398	15 %	6 358	52 280	4 %
GBP	42 812	419 767	26 %	40 735	420 662	28 %
Total	**-**	**1 621 365**	**100 %**	**-**	**1 487 503**	**100 %**
ACCOUNTS RECEIVABLE						
NOK	-	54 917	29 %	-	64 935	41 %
USD	8 601	49 686	26 %	7 342	42 395	27 %
EUR	3 289	27 348	15 %	1 474	12 120	8 %
GBP	6 021	56 101	30 %	3 555	38 426	24 %
Total	**-**	**188 052**	**100 %**	**-**	**157 876**	**100 %**
ACCOUNTS PAYABLE:						
NOK	-	127 108	54 %	-	86 721	40 %
USD	7 573	43 746	19 %	8 965	51 769	24 %
GBP	6 718	62 589	27 %	7 047	76 181	35 %
Total	**-**	**233 443**	**100 %**	**-**	**214 687**	**100 %**
BORROWINGS, FINANCIAL LEASE AND BANK OVERDRAFT						
NOK	-	939 221	61 %	-	910 958	58 %
USD	35 000	202 184	13 %	43 441	244 962	16 %
EUR	7 619	63 351	4 %	10 787	88 699	6 %
GBP	34 921	325 357	21 %	32 123	331 730	21 %
Total	**-**	**1 530 114**	**100 %**	**-**	**1 576 347**	**100 %**

NOTE 31

Other current liabilities

Figures in NOK 1 000

SPECIFICATION OF OTHER CURRENT LIABILITIES	2009	2008
Accrued expenses	36 227	9 316
Loan from customer	27 513	-
Other short-term liabilities	8 660	14 386
Other current liabilities	**72 400**	**23 702**

NOTE 32

Lease Contracts

Figures in NOK 1 000

OPERATING LEASE COMMITMENTS - GROUP COMPANY AS LESSEE:

The group rents various offices on terms of between five and ten years. The group also leases various plant and machinery under cancellable financial lease agreements. The group is required to give notice for the termination of these agreements.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

OVERVIEW OF FUTURE MINIMUM OPERATING LEASES	within 1 year	1-5 years	Subsequent	Total
Minimum lease amount, operating leasing contracts maturing	3 008	1 420	-	4 428

	2009	2008
The operating lease expenditure charged to the income statement during the year	2 851	14 729

OVERVIEW OF FUTURE MINIMUM FINANCIAL LEASES	within 1 year	1-5 years	Subsequent	Total
Minimum lease amount, financial leasing contracts maturing	48 004	163 184	70 712	281 900
Interest component	10 631	25 058	10 660	46 349
Present value of future minimum lease	**37 372**	**138 126**	**60 052**	**235 550**

LEASED ASSETS BOOKED AS FINANCE LEASE	2009	2008
Book value of leased assets (equipment, vessels)	252 821	287 407
Book value of leasing liabilities	235 550	248 422

NOTE 33

Public grants / Commitments / Guarantee obligations / Contingencies

Figures in NOK 1 000

PUBLIC GRANTS

Grieg Seafood BC Ltd. has been approved by the Canada Revenue Agency to receive Scientific Research and Experimental Development (SR&ED) tax credits in the amount of MCAD 1.5 for 2009. These tax credits can be used to offset future taxable income in the company and have therefore been recorded as a future income tax asset.

LETTER OF CREDIT

Grieg Seafood ASA has issued a letter of credit in the amount of TCAD 200 (TNOK 1 100). The beneficiary is Habit Management Division.

CONTINGENCIES

The group has no significant contingencies.

NOTE 34

Related parties

Figures in NOK 1 000

2008	Operating income	Operating expenses	Net finance exp.	Net balance
Grieg Gaarden KS	-	1 283	-	-
Grieg Group Resources AS	-	3 022	-	-542
Grieg Holdings AS - term loan	-	-	-553	-
Grieg Cod Farming AS (Grieg Cod Juveniles AS)	865	-	-7 050	338
Erfjord Stamfisk AS	100	-	170	3 192
Bokn Sjørservice AS	-	8 600	-	414
Total	**965**	**12 906**	**-7 433**	**3 402**
2009				
Grieg Gaarden KS	-	1 283	-	-
Grieg Group Resources AS	-	1 330	-	-
Grieg Holdings AS - term loan	-	-	-1 949	-1 124
Erfjord Stamfisk AS	-	-	74	1 923
Bokn Sjørservice AS	-	3 096	-	-
Sum	**-**	**5 709**	**-1 876**	**799**

The group purchases services from its major shareholder Grieg Holdings AS and companies controlled by the majority owner of Grieg Holdings AS, Grieg Maturitas AS. The services include:
- Services related to accounting, salaries etc., are delivered by Grieg Group Resources AS. Services are provided on an arm's length basis.
- Grieg Seafoood ASA's offices are rented from Grieg Gaarden KS. The rent is on an arm's length basis.

The board and management are related parties. See note 12 on share based options and note 27 on shares controlled by the board members and management.

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GRIEG SEAFOOD ASA

PARENT COMPANY

INCOME STATEMENT GRIEG SEAFOOD ASA

Figures in NOK 1 000	Note	2009	2008
Other operating income	10	15 400	20 279
Total income		**15 400**	**20 279**
Salaries and personnel expenses	11, 12	-15 871	-15 931
Depreciation	13, 14	-1 320	-1 176
Other operating expenses	11	-11 349	-10 946
Operating profit		**-13 141**	**-7 774**
Interest income		561	3 578
Interest received from group companies		76 510	77 213
Other financial income		25 243	1 294
Realised gains/ losses on fair value of financial instruments	7	-20 566	8 777
Unrealized gains/ losses on fair value of financial instruments	7	101 855	-101 855
Write-down / reversal of write-down of fixed asset investments	8	50 047	-185 021
Interest paid to group companies		-1 466	-
Other interest expenses		-68 501	-81 579
Other financial expenses		-18 706	-21 937
Profit before taxes		**131 837**	**-307 304**
Income tax	16	-21 226	33 625
Profit for the year		**110 611**	**-273 679**

BALANCE SHEET GRIEG SEAFOOD ASA

Figures in NOK 1 000

ASSETS	Note	31-12-2009	31-12-2008
Software	13	1 626	2 404
Deferred tax assets	16	24 211	44 126
Property, plant and equipment	14	2 080	2 189
Investments in subsidiaries	8	1 054 633	1 004 586
Loans to group companies	2, 5	764 084	804 190
Investments in associated companies	8	3 839	3 839
Loan to associated companies	2,5	1 923	2 410
Investments in shares or units	9	148	103
Total non-current assets		**1 852 544**	**1 863 847**
Accounts receivable	4	420	455
Accounts receivable group companies	2, 4	600	5 935
Loans to group companies	2, 5	607 885	471 073
Other current receivables	3, 5, 7	840	7 395
Cash and cash equivalents	6	102 355	19 751
Total current assets		**712 100**	**504 609**
Total assets		**2 564 644**	**2 368 456**

EQUITY AND LIABILITIES	Note	31-12-2009	31-12-2008
Share capital	15	446 648	306 048
Share premium reserve		716 634	621 550
Other reserves	12	621	-
Retained earnings		82 696	-
Total equity		**1 246 599**	**927 598**
Pension obligations	17	-	2 527
Other provisions	12	1 351	-
Borrowings	18	702 941	807 212
Total non-current liabilities		704 292	809 739
Bank overdraft	18	482 989	496 702
Current portion of long term borrowings	18	72 000	-
Loans from group companies	2	12 495	10 459
Provision for dividend		27 916	-
Accounts payable	3	1 405	821
Accrued salary expense and public tax payable		1 789	2 330
Other current liabilities	3,5,7	15 160	120 807
Total current liabilities		**613 753**	**631 120**
Total liabilities		**1 318 045**	**1 440 859**
Total equity and liabilities		**2 564 644**	**2 368 456**

Bergen, 26th of April 2010
Grieg Seafood ASA

Per Grieg jr.
Chairman of the board

Anne-Grete Ellingsen
Vice-chairman

Terje Ramm
Boardmember

Harald Ingebrikt Volden
Boardmember

Wenche Kjølås
Boardmember

Morten Vike
CEO

CASH FLOW STATEMENT GRIEG SEAFOOD ASA

Figures in NOK 1 000	2009	2008
Profit before income taxes	131 837	-307 304
Depreciation and amortisation	1 320	1 176
Impairment/ (reversed impairment) of investments	-50 047	185 021
(Gain)/loss on sale of assets	-397	-
Fair value (gains) / losses on financial instruments	-101 855	93 079
Interest paid	68 501	81 578
Change in accounts receivable and other receivables	3 699	6 099
Change in accounts payable	1 098	-1 005
Change in net pension liabilities	-2 527	122
Currency translation differences	-25 707	-8 837
Net cash flow from operations	**25 921**	**49 929**
Proceeds from sale of fixed assets	560	125
Proceeds from sale of shares and other equity instruments	621	2 178
Dividend income	15	10
Purchase of tangible assets	-497	-920
Purchase of intangible assets	-98	-1 454
Purchase of shares and equity investments in other companies	-45	-
Conversion of loan to shares in subsidiaries	-	-68 513
Repayment on loans to group companies	-131 955	-211 837
Repayment on other loans	487	487
Change in other non-current receivables	-	6 604
Currency translation differences	40 106	-
Net cash flow from investment activities	**-90 805**	**-273 320**
Net change in bank overdraft	18 000	376 659
Payments on loans from group companies	2 866	-
Repayments on loans from group companies	-1 341	-
Change in long-term interest bearing debt	25 265	740 270
Change in short-term interest bearing debt	-	-934
Repayment of long-term interest bearing debt	-	-804 190
Interest paid	-68 501	-81 578
Share issues	139 055	-
Equity transaction	-3 371	-
Conversion of bond loan	100 000	-
Currency translation differences	-64 485	-
Net cash flow from financing activities	**147 488**	**230 227**
Net change in cash and cash equivalents	**82 604**	**6 837**
Cash and cash equivalents at 01.01	**19 751**	**12 914**
Cash and cash equivalents at 31.12	**102 355**	**19 751**

CHANGES IN EQUITY GRIEG SEAFOOD ASA

Figures in NOK 1 000	Share capital	Share premium reserve	Other reserves	Retained earnings	Total equity
Equity at 01.01.2008	**306 048**	**811 120**	**54 821**	**27 110**	**1 199 099**
Profit for the year 2008	-	-	-	-273 679	-273 679
Coverage of uncovered loss	-	-189 570	-56 999	246 569	-
Effect of option scheme	-	-	2 178	-	2 178
Equity at 31.12.2008	**306 048**	**621 550**	**-**	**-**	**927 598**
Profit for the year 2009	-	-	-	110 611	110 611
Effect of option scheme	-	-	621	-	621
New equity from cash contributions	40 600	98 455	-	-	139 055
New equity from conversion of bond loan	100 000	-	-	-	100 000
Expenses related to share issues (net of tax)	-	-3 371	-	-	-3 371
Provision for dividend	-	-	-	-27 916	-27 916
Equity at 31.12.2009	**446 648**	**716 634**	**621**	**82 696**	**1 246 599**

NOTE 1

ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

All amounts in the notes are in NOK thousands, unless specified differently.

REVENUE RECOGNITION
Revenue from sales of goods is recognised at the time of delivery. Revenue from the sales of services is recognised when the services are executed. The share of sales revenue associated with future service is recorded in the balance sheet as deferred sales revenue and is recognised as revenue at the time of execution.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS
Assets intended for long -term ownership or use have been classified as fixed assets. Assets expected to be realised in, or are intended for sale or consumption in, the entity's normal operating cycle, have been classified as current assets. Receivables are classified as current assets if they are expected to be realised within twelve months after the transaction date. Similar criteria apply to liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are stated at nominal value.

Fixed assets are carried at historical cost. Fixed assets whose value will deteriorate are depreciated on a straight line basis over the asset's estimated useful life. Fixed assets are written down to net realisable value if a value reduction occurs which is not expected to be temporary. Accruals are discounted to present value if the time value of money is material.

FIXED ASSETS
Fixed assets are recognised in the balance sheet and depreciated over the estimated useful economic life, providing the asset has an expected useful life of more than 3 years and a cost price which exceeds NOK 15 000. Maintenance costs are expensed as incurred as other operating expenses, whereas improvements and additions are added to the acquisition cost and depreciated with the asset. The distinction between maintenance and improvements is made with regard to the asset's relative condition at the original purchase date.

Leased assets are recognised as fixed assets if the lease contract is considered to be a financial lease.

SUBSIDIARIES AND ASSOCIATED COMPANIES
Investments in subsidiaries and associated companies are valued at cost in the company accounts. The investment is valued at the cost of acquiring the shares, providing they are not impaired.

Group contributions to subsidiaries, with tax deducted, are reflected as increases in the purchase costs of the shares.

Dividends and group contributions are recognised in the same year as they are recognised in the subsidiary/ associated company accounts. If dividends exceed retained earnings after acquisition, the exceeding amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet. Group contributions received are recognised as other financial income.

IMPAIRMENT OF FIXED ASSETS
Impairment tests are performed if it is indicated that the carrying amount of a non-current asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be indentified. If the carrying amount is higher than both the fair value less selling costs and the recoverable amount (net present value of future use/ ownership), the asset is written down to the higher of fair value less selling costs and the recoverable amount.
Previous impairment charges are reversed at a later period if the conditions causing the write-down are no longer present (with the exception of impairment of goodwill).

TRADE AND OTHER RECEIVABLES
Trade and other receivables are recognised in the balance sheet at nominal value after deduction of provision for bad debts. The provision for bad debts is estimated on the basis of an individual assessment of each major receivable. In addition, a general provision is made for the remainder of the receivables based on estimated expected losses.

SHORT-TERM INVESTMENTS
Short-term investments (shares and investments which are considered current assets) are carried at the lower of average purchase cost and net realisable value on the balance sheet date. Dividends and other distributions received are recognised as other financial income.

PENSIONS
Until 30 June 2009 Grieg Seafood ASA pension obligations were based on a benefit plan scheme. Effective from this date the pension benefit plan was discontinued and the liability was settled. The net cost associated with the discontinuation of the benefit plan is posted in the profit and loss statement.

As of 1 July 2009 Grieg Seafood ASA entered into a pension contribution plan scheme for all employees. The company's pension contribution plan is in accordance with rules and regulations for mandatory occupational pension. The premium is charged in the profit and loss statement. Employer's national insurance contributions are charged based on the pension premium paid.

GROUP BANK ACCOUNTS SYSTEM - DEPOSIT AND LOAN
Grieg Seafood ASA entered into a financing agreement for the entire Grieg Seafood Group in 2008, and operates as such as an internal bank. Grieg Seafood borrows funds under the agreement from the financial institutions and lend these funds onwards to the group companies. When entering into this financing agreement, the company also set up a group account system (multi-accounts) in which Grieg Seafood ASA is the legal account holder and where deposits and loans are recognised as intercompany transactions. All group companies are responsible to the financial institutions for the whole amount of the engagement.

SHARE-BASED COMPENSATION
The company operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be charged over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At each balance sheet date, the entity revises its estimates of the number of options that are expected to be vested. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

CASH-BASED REMUNERATION
The company has a share-based remuneration plan with settlement in cash. The company's obligation is posted under other long-term commitments. The cost for the year is charged in the profit and loss statement.

DERIVATIVES
The company has made forward foreign currency contracts which expire in 2010. Unrealised profit/ loss is balanced against P&L as financial income/ expense. The real value of the contracts is stated on the basis of the exchange rate at year-end.

The company has made price contracts in 2009, which expire in 2010. The urealised loss is charged, while unrealised profit is not recorded.

TAXES
The tax expense in the income statement consists of both taxes payable for the accounting period and changes in deferred tax during the period. Deferred tax is calculated as 28% of the temporary differences between the value of assets and liabilities for tax purposes and their carrying amounts in the financial statements. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Deferred tax assets and deferred tax liabilities are presented net in the balance sheet.

Tax on group contributions given, booked as an increase in the purchase price of shares in other companies, and tax on group contribution received booked directly tagainst equity, have been booked directly against tax items in the balance sheet (offset against tax payable if the group contribution has affected tax payable, and offset against deferred taxes if the group contribution has affected deferred taxes).

CASH FLOW STATEMENT
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short -term highly liquid investments with maturities of three months or less from the purchase date.

NOTE 2

Intercompany balances with group companies and associates

Figures in NOK 1000

LONG-TERM LOAN TO GROUP COMPANIES	2009	2008
Grieg Seafood Finnmark AS	250 000	250 000
Grieg Seafood Rogaland AS	120 000	120 000
Grieg Seafood Hjaltland UK Ltd	223 650	223 650
Grieg Seafood B.C. Ltd	192 220	192 220
Unrealised currency loss / gain	-21 786	18 320
Total	**764 084**	**804 190**
NON-CURRENT LOAN TO ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	1 923	2 410
Total	**1 923**	**2 410**
CURRENT LOAN TO ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	-	487
Total	**-**	**487**
ACCOUNTS RECEIVABLE GROUP COMPANIES		
Grieg Seafood Finnmark AS	-	1 632
Grieg Seafood Rogaland AS	-	1 702
Grieg Seafood Hjaltland UK Ltd	-	1 168
Grieg Seafood B.C. Ltd	600	1 290
Grieg Marine Farms AS	-	56
Grieg Seafood Canada AS	-	44
Grieg Seafood Hjaltland AS	-	44
Total	**600**	**5 935**
ACCOUNTS RECEIVABLE ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	-	295
Total	**-**	**295**
OTHER CURRENT RECEIVABLES GROUP COMPANIES		
Grieg Seafood Canada AS	1 075	922
Grieg Seafood BC, Canada	49 721	52 149
Grieg Seafood Finnmark AS	201 791	142 163
Grieg Seafood Hjaltland UK Ltd	202 952	104 831
Grieg Marine Farms AS	804	1 282
Grieg Seafood Rogaland AS	151 542	169 726
Total	**607 885**	**471 073**
CURRENT LIABILITIES GROUP COMPANIES		
Grieg Marine Farms AS	8 212	9 400
Grieg Seafood Finnmark AS	1 861	-
Grieg Seafood BC Ltd	1 466	-
Grieg Seafood Hjaltland AS	957	1 059
Total	**12 495**	**10 459**

NOTE 3

Related parties - account balances

Figures in NOK 1000

OTHER CURRENT RECEIVABLES RELATED PARTIES	2009	2008
Grieg Cod Farming AS	9	338
Total	**9**	**338**
CURRENT LIABILITIES RELATED PARTIES		
Grieg Group Resources AS	**590**	**542**
Total	**590**	**542**

NOTE 4

Accounts receivable

Figures in NOK 1000	2009	2008
Accounts receivable at nominal value	1 020	7 840
Provision for bad debts	-	-1 450
Accounts receivable at 31.12.	**1 020**	**6 390**
Change in provision for bad debts	-1 450	38
Bade debts realised	1 450	-
Recognised in the Income Statement	**-**	**38**

NOTE 5

Other receivables / other current liabilities

Figures in NOK 1000

OTHER NON-CURRENT RECEIVABLES	2009	2008
Intragroup non-current receivables	764 084	804 190
Non-current receivables from associated companies	1 923	2 410
Other non-current receivables at 31.12.	**766 007**	**806 600**
Impairment losses/ (reversed impaiment) regarding Grieg Cod Juveniles AS	-1 975	7 050
OTHER CURRENT RECEIVABLES		
Intragroup current receivables, see note 2	607 885	471 073
Instalment amount from associated company	-	487
Prepaid expenses	149	28
Accrued income	63	170
Unrealised currency gain on contracts, see note 7	-	6 411
Receivables from related parties, see note 3	9	338
Other current receivables	619	289
Other current receivables at 31.12.	**608 725**	**478 796**
OTHER CURRENT LIABILITIES		
Accrued interest	13 195	17 127
Other accrued expenses	1 966	1 825
Unrealised loss on currency contracts, see note 7	-	101 855
Total	**15 160**	**120 807**

NOTE 6

Restricted bank deposits

Figures in NOK 1000	2009	2008
Restricted deposits related to employees' tax deduction	914	906
Restricted deposits related to price contracts	1 988	-
Total	**2 902**	**906**

The company has entered into price contracts worth TNOK 2 490 at year-end 2009. The total volume is 2 800 tons. The contracts mature with equal amounts payable each month in the course of 2010.

NOTE 7

Derivatives

Figures in NOK 1000	2009		2008	
	Assets	Current liabilities	Assets	Current liabilities
Forward foreign exchange contract to fair value	**-**	**-**	**6 411**	**-101 855**

CHANGE IN MARKET VALUE	2009	2008
Unrealised gain/loss	101 855	-101 855
Realised gain/loss	-20 566	8 777
Total gain/ loss	**81 290**	**-93 078**

NOTE 8

Investments in subsidiaries and associated companies

Figures in NOK 1000

SUBSIDIARIES	Business location	Ownership %	Equity at 31.12.2009	Profit/loss 2009	Book value
Grieg Seafood Rogaland AS	Norway	100 %	182 330	31 721	174 658
Grieg Seafood Canada AS	Norway	100 %	67 054	-79	138 252
Grieg Marine Farms AS	Norway	100 %	6 679	100	940
Grieg Seafood Finnmark AS *)	Norway	100 %	124 825	37 268	265 507
Grieg Seafood Hjaltland AS	Norway	100 %	194 027	-295	475 276
Total investments in subsidiaries at 31.12.09					**1 054 633**

Investment in Grieg Seafood Finnmark AS was in 2008 impaired with MNOK 185. In 2009 MNOK 50 of was reversed.

ASSOCIATED COMPANIES					
Erfjord Stamfisk AS	Sand	48,70 %	17 688	3 008	3 839
Total investments in associated companies at 31.12.09					**3 839**

Investments in subsidiaries and associated companies are booked according to the cost method.

NOTE 9

Investments in shares

Figures in NOK 1000

INVESTMENTS IN SHARES	Business location	Ownership/ voting share	Number of shares	Acquisition cost	Book value
Atlantic Cod Farms AS	Festøy	0,08 %	22 271	156	45
Grieg Cod Farming AS	Bergen	0,90 %	787 055	1 282	-
Finnøy Næringspark AS	Finnøy	7,14 %	100	103	103
Total investments in shares at 31.12.09					**148**

The cost price for the shares in Grieg Cod Farming is TNOK 1 282. The book value is NOK 0. The shares were written down in 2008.
Grieg Cod Farming AS has repayed share capital in 2009. Grieg Seafood ASA received its part, TNOK 156, in the form of shares in Atlantic Cod Farms AS.

NOTE 10

Income

Figures in NOK 1000

OPERATING INCOME COMPRISES:	2009	2008
Salgsinntekt	-	-
Sum salgsinntekt	**-**	**-**
Internal management fee - Grieg Seafood Group	14 733	19 446
Other operating income	667	833
Total other income	**15 400**	**20 279**

NOTE 11

Payroll, fees, no. of employees etc.

Figures in NOK 1000	2009	2008
Wages and salaries	10 008	7 961
Social security costs	1 502	1 394
Share options granted to directors and employees	2 235	2 178
Pension costs - defined contribution plans	201	-
Pension costs - defined benefit plans	-1 975	909
Other personnel costs	3 901	3 489
Total	**15 871**	**15 931**
Average man-labour year	8,0	8,5

Pension costs are described in detail in note 17.
The board's guidelines and principles for the stipulation of salaries and other remunerations to the management group is included in the financial statement for the group.

Accumulated expenses for wages, pension premiums and other remunerations to managing director, group executives and members of the parent company's board accordingly for 2009, were:

REMUNERATIONS TO THE COMPANY'S OFFICERS 2009	Salary	Pension premiums	Other remuneration	Total
Morten Vike (CEO)	2 239	-	166	2 405
Ivar Kvangardsnes (COO) until 30.11.2009	1 329	5	10	1 344
Eirik Bloch Haugland (CFO) until 01.08.2009	1 026	10	5	1 041
Atle Harald Sandtorv (CFO) from 01.12.2009	98	-	-	98
Total remuneration				**4 888**
BOARD MEMBERS				
Per Grieg jr. from 20.05.2009	-	-	175	175
Anne-Grete Ellingsen	-	-	182	182
Terje Ramm	-	-	151	151
Wenche Kjølås from 20.05.2009	-	-	88	88
Harald Volden	-	-	176	176
Helge Nielsen until 20.05.2009	-	-	125	125
Siri Hamnvik until 20.05.2009	-	-	63	63
Total Board remuneration	**-**	**-**	**-**	**959**

REMUNERATION TO COMPANY'S OFFICERS 2008				
Per Grieg jr. (CEO) until 01.08.2008	899	170	73	1 142
Morten Vike (CEO) from 01.08.2008	833	41	78	952
Ivar Kvangardsnes (COO)	1 246	104	78	1 427
Eirik Bloch Haugland (CFO)	1 053	171	26	1 250
Total remuneration				**4 771**
BOARD MEMBERS				
Helge Nielsen	-	-	301	301
Harald Volden	-	-	206	206
Terje Ramm	-	-	150	150
Anne-Grete Ellingsen	-	-	151	151
Siri Hamnvik	-	-	150	150
Total Board remuneration				**958**

SPECIFICATION OF AUDITOR'S FEE	2009	2008
Statutory audit	1 425	600
Other assurance services	122	-
Tax advisory fee	2	-
Other services	148	760
Total	**1 696**	**1 360**

NOTE 12

Share based payments

Figures in NOK 1000

The company has issued options to the management group and regional managers. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. The equity options were granted in the periode from 29.06.2007 until 01.06.2008 with expiry dates from 29.06.2010 until 27.02.2012. The total number of vested options as at 31.12.2009 are 800 000. From 2009 the company has issued options with cash settlement to the management group and regional managers. These options were granted on 06.05.2009 with expiry date on 06.05.2011. New employees in the management group are granted options on the basis of employment. The options have 2 years' duration, where 50% is vested each year.

The Black and Scholes option pricing models is used for valuation. A brokerage firm is used to carry out the calculations.

The table below illustrates the movement in outstanding options throughout 2009.

Number of options	Option category	Outstanding options 31.12.2008	Granted options	Vested options	Terminated options	Expired options	Outstanding options at 31.12.2009	Of which cash settled
Morten Vike (CEO)	Options	300 000		-	-	-	300 000	
Morten Vike (CEO)	Cash settlement		300 000				300 000	300 000
Ivar Kvangardsnes (COO untill 01.12.2009)	Options	200 000	-	-	-	200 000	-	-
Eirik Bloch Haugland (CFO untill 01.11.2009)	Options	200 000	-	-	-	200 000	-	-
Atle Harald Sandtorv (CFO from 01.12.2009)	Cash settlement	-	200 000	-	-	-	200 000	200 000
Others	Cash settlement	-	800 000	-	-	-	800 000	800 000
Others	Options	700 000	-	-	200 000	-	500 000	-
Total		**1 400 000**	**1 300 000**	**-**	**200 000**	**400 000**	**2 100 000**	**1 300 000**

	31-12-09	31-12-08
Vested options	800 000	550 000
Weighted average remaining contractual life options	1,14	1,86
Cash settled available for vesting	-	-
Weighted average remaining contractual life options	1,43	-

Figures in NOK 1000	Type	Stock price when granted	Calculated value per option when granted	Calculated value when granted	Accrued cost 2009 *)	Accrued cost 2008 *)	Accumulated cost booked against equity at 31.12.2009	Booked debt cash settled at 31.12.2009
Morten Vike (CEO)	Options	13,20	3,74	1 123	409	240	650	-
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	411	-	-	411
Ivar Kvangardsnes (COO until 01.12.2009)	Options	23,00	5,86	1 173	144	582	1 173	-
Eirik Bloch Haugland (CFO until 01.11.2009)	Options	23,00	5,86	1 173	144	582	1 173	-
Atle Harald Sandtorv (CFO from 01.12.2009)	Cash settlement	10,76	3,40	680	23	-	-	23
Others	Cash settlement	7,83	3,81	3 047	918	-	-	918
Others	Options	23,00	5,72	4 005	-75	912	3 419	-
Total				**12 343**	**1 972**	**2 316**	**6 413**	**1 351**

*) The amounts are exclusive of employer's contribution.

Accrued cost 2009 consists of:	**1 972**	**Classification in the financial statements**
Accrued cost cash settlement	1 351	Other provisions
Accrued cost options	621	Other reserves
Total cost exclusive of employer's contribution	**1 972**	
Employer's contribution	263	Accrued salary expense/ public tax payable
Total cost including employer's contribution	**2 235**	

The total cost for share-based payment, TNOK 2 235, has been charged as personnel expenses in the profit and loss account. The accumulated cost since issuing options is TNOK 8 027, including employer's contribution. Employer's contribution is capitalised against the real value of the options.

At year-end 2009 there were outstanding options with the right to cash settlement totalling TNOK 1 351 posted as other non-current liabilities.
Outstanding options are terminated when employment ends.

THE FOLLOWING MODEL INPUT HAS BEEN APPLIED	2009	2008
Estimated volatility (%)	55,19	36,01
Risk-free rate of interest (%)	2,10	5,19
Estimated qualification period (years)	2,00	3,05

The estimated qualification period/lifetime for the options is based on historical data and does not necessarily provide indications for the future.
In order to estimate volatility, the management has applied historical volatility for comparable activities listed on the Stock Exchange.

NOTE 13

Intangible assets

Figures in NOK 1000

2008	Software	Total
Book value at 01.01.	1 701	1 701
Intangible assets acquired	1 454	1 454
Depreciation	-751	-751
Book value at 31.12.	**2 404**	**2 404**
At 31.12.		
Acquisition cost	3 214	3 214
Accumulated depreciation	-810	-810
Balance sheet value at 31.12.	**2 404**	**2 404**

2009	Software	Total
Book value at 01.01.	2 404	2 404
Intangible assets acquired	98	98
Depreciation	-876	-876
Book value at 31.12.	**1 626**	**1 626**
At 31.12.		
Acquisition cost	3 312	3 312
Accumulated depreciation	-1 686	-1 686
Book value at 31.12.	**1 626**	**1 626**
Economic lifetime/ depreciation plan	**3 years**	

NOTE 14

Tangible assets

Figures in NOK 1000

2008	Plant, equipment and other fixtures	Vessels/ barges	Total
At 01.01.			
Acquisition cost	1 827	1162	2 989
Accumulated depreciation	-341	-824	-1 165
Book value at 01.01.	**1 486**	**337**	**1 822**
Tangible fixed assets acquired	920	-	920
Tangible fixed assets sold	-171	-	-171
Depreciation	-309	-116	-425
Depreciation on assets sold	44	-	44
Book value at 31.12.	**1 969**	**221**	**2 190**
At 31.12.			
Acquisition cost	2 576	1 162	3 738
Accumulated depreciation	-607	-940	-1 547
Book value at 31.12.	**1 969**	**221**	**2 190**

2009			
Book value at 01.01.	1 969	221	2 190
Tangible fixed assets acquired	497	-	497
Tangible fixed assets sold	-	-1 162	-1 162
Depreciation	-386	-58	-444
Depreciation on assets sold	-	999	999
Book value at 31.12.	**2 080**	**-**	**2 080**
Per 31.12.			
Acquisition cost	3 073	-	3 073
Accumulated depreciation	-993	-	-993
Book value at 31.12.	**2 080**	**-**	**2 080**
Economic lifetime/ depreciation plan	**3-5 years**	**3 years**	

NOTE 15

Share capital and shareholders

SHARE CAPITAL:

As at 31 December 2009 the company had 111 662 000 shares with a nominal value of NOK 4 per share. None of the shares are owned by any group company.

Date of registration	Type of change	Change in share capital (NOK thousand)	Nominal value per share (NOK)	Total share capital (NOK thousand)	No. of ordinary shares
01.01.2007			1 000,00	184 848	184 848
19.02.2007	Share split	-	4,00	184 848	46 212 000
31.05.2007	Increase of share capital by cash contribution	104 000	4,00	288 848	72 212 000
18.06.2007	Increase of share capital by cash contribution	17 200	4,00	306 048	76 512 000
31.12.2008					**76 512 000**
10.06.2009	Converted subordinated bond loan I.Sandbu	1 000	4,00	307 048	76 762 000
18.06.2009	Converted subordinated bond loan GH	59 000	4,00	366 048	91 512 000
21.06.2009	Converted subordinated bond loan Teigen	25 000	4,00	391 048	97 762 000
02.07.2009	Increase in share capital by cash contribution	40 600	4,00	431 648	107 912 000
19.08.2009	Converted subordinated bond loan Halde Invest AS	15 000	4,00	446 648	111 662 000
31.12.2009					**111 662 000**

THE LARGEST SHAREHOLDERS OF GRIEG SEAFOOD ASA AT 31.12.2009 WERE:

	No. shares	Shareholding
GRIEG HOLDINGS AS	48 528 010	43,46 %
HALDE INVEST AS	18 502 000	16,57 %
TEIGEN	10 000 000	8,96 %
SKANDINAVISKA ENSKILDA BANKEN	4 768 500	4,27 %
ODIN NORGE	3 843 100	3,44 %
ODIN NORDEN	3 641 600	3,26 %
YSTHOLMEN AS	2 864 892	2,57 %
DNB NOR SMB	2 425 000	2,17 %
METEVA AS	1 391 000	1,25 %
GRIEG SHIPPING AS	824 565	0,74 %
KLP LK AKSJER	712 500	0,64 %
REAL SALMON AS	710 000	0,64 %
BREMNES FRYSERI AS	543 000	0,49 %
ORKLA NORDIC VALUE	502 407	0,45 %
KVERNELAND INVESTERING AS	452 000	0,40 %
STOREBRAND VEKST	428 500	0,38 %
KLP AKSJENORGE	362 500	0,32 %
MP PENSJON	359 000	0,32 %
NHO - P665AK	351 000	0,31 %
HOLMEFJORD	306 000	0,27 %
Total - 20 largest shareholders	**101 515 574**	**90,91 %**
Total other	10 146 426	9,09 %
Total numbers of shares	**111 662 000**	**100,00 %**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT:

	No. shares	Shareholding
Board of directors:		
Per Grieg jr. *	52 449 857	46,97 %
Wenche Kjølås (Jawendel AS)	2 000	0,00 %
Anne Grete Ellingsen	2 500	0,00 %
Harald Ingebrikt Volden (Halde Invest AS) **	18 502 000	16,57 %
Group management:		
Morten Vike (CEO)	38 500	0,03 %
Ivar Kvangardsnes (Galder AS) (COO) until 30.11.2009	10 500	0,01 %
Eirik Bloch Haugland (CFO) until 01.08.2009	10 500	0,01 %

* Shares owned by the following companies are controlled by Per Grieg jr. and family:	No. shares
Grieg Holdings AS	48 528 010
Grieg Shipping AS	824 565
Ystholmen AS	2 864 892
Grieg Ltd AS	217 390
Per Grieg jr. privat	15 000
Total no. shares controlled by Per Grieg jr. and family	**52 449 857**

**In addition, Håkon Volden owns 5.76% of Halde Invest AS through Drome AS. Drome AS owned 100 000 shares at 31.12.2009.

NOTE 16

Income taxes

Figures in NOK 1000

TEMPORARY DIFFERENCES	Change	2009	2008
Fixed assets	-27	712	739
Profit and loss account	-1 671	6 685	8 357
Non-current loans	-502	1 313	1 814
Accounts receivable	8 500	-	-8 500
Financial instruments	95 414	-	-95 414
Pension funds	2 527	-	-2 527
Cash-based option	-1 541	-1 541	-
Net temporary differences	**102 700**	**7 168**	**-95 532**
Tax losses carried forward	-24 933	-86 418	-61 486
Unused tax allowance	-6 643	-7 219	-576
Basis for deferred tax in the balance sheet	**71 124**	**-86 469**	**-157 593**
28% deferred tax	19 915	-24 211	-44 126
Deferred tax in the balance sheet	**19 915**	**-24 211**	**-44 126**
Change in deferred tax in the balance sheet		19 915	-33 625
Deferred tax on emission costs, not recognised in income statement		1 311	
Change in deferred tax in income statement		**21 226**	**-33 625**

SPECIFICATION OF THE TAX EXPENSE		
Profit before taxes	131 837	-307 304
Permanent differences on write-down of shares	-50 092	185 021
Issue costs	-4 683	-
Employee options	694	2 178
Other differences and recognised share dividends	-794	-1 266
Basis for the tax expense for the year	**76 963**	**-121 372**
Changes in temporary differences	-102 700	100 960
Basis for tax payable in the income statement	**-25 737**	**-20 411**
Group contribution received	804	1 282
Basis for tax payable	**-24 933**	**-19 129**
Tax payable (28% of the basis for tax payable in the income statement)	-	-
Change in deferred tax	21 226	-33 625
Total tax expense	**21 226**	**-33 625**

TAX LIABILITY IN THE BALANCE SHEET		
Tax payable (28% of basis for tax liability)	-	-
Tax liability in the balance sheet	**-**	**-**
Tax losses carried forward	**86 418**	**61 486**

NOTE 17

Pensions and pension commitments

Figures in 1 000

Until 30 June 2009 Grieg Seafood ASA had a benefits based pension scheme. Effective from the same date the benefits based scheme was discontinued and the liability settled. Effective from 1 July 2009 Grieg Seafood ASA entered into a contribution based pension scheme in accordance with rules and regulations for mandatory occupational pensions. At year-end 2009 the pension scheme covered 8 employees . The pension scheme is funded and managed through an insurance company.

CAPITALISED COMMITMENTS ARE DETERMINED AS FOLLOWS:	2009	2008
Present value of future pension commitments	-	7 386
Fair value of pension fund assets	-	3 350
Net pension commitment (asset)	-	4 036
Unrecognised actuarial losses	-	-1 509
Net pension commitment on the balance sheet at 31.12	**-**	**2 527**
NET PENSION COSTS ARE DETERMINED AS FOLLOWS		
Current service cost	551	995
Interest cost	-	348
Expected return on pension fund assets	-	-266
Net actuarial losses recognised during the year	-	11
Gain on termination	-2 527	-
Social security contributions	201	-
Net pension cost	**-1 774**	**1 088**
CHANGE IN PRESENT VALUE OF FUTURE PENSION COMMITMENTS		
Balance sheet value at 01.01.	7 386	7 610
Pension benefits based scheme discontinued	-7 386	-
Service cost	-	995
Interest cost	-	348
Payroll tax on employer's contribution, assets	-	-125
Actuarial loss (gain)	-	-1 443
DBO at year-end	**-**	**7 386**
CHANGE IN FAIR VALUE OF PENSION FUND ASSETS		
Balance sheet value at 01.01.	3 350	4 245
Termination of pension plan	-3 350	-
Expected return on pension fund assets	-	266
Actuarial (loss)/ gain	**-**	**-2 002**
Employer's contribution	-	841
Fair value of assets at year-end	**-**	**3 350**
ACTUARIAL ASSUMPTIONS		
Anticipated yield on pension fund assets		5,80 %
Discount rate		3,80 %
Anticipated regulation of salaries		4,00 %
Anticipated regulation of pensions		1,50 %
Anticipated regulation of basic amount under the national insurance		3,75 %

NOTE 18

Borrowings

Figures in NOK 1000

The groups' interest-bearing debt at 31 December 2009 comprised loans from financial institutions.
Grieg Seafood ASA entered into a corporate financing agreement in January 2008 to refinance debt and secure financing of the organic growth plan. The new financing facility is based on a multi-currency term loan of MNOK 800 and a multi-currency revolving credit of MNOK 600. For information about changes in the financing agreement please refer to note 20.

As at 31 December 2009 the company was in compliance with all covenants, including those covenants which were in default at 31 December 2008. The corporate finance agreement includes covenants related to the consolidated accounts, specifically related to the equity ratio, cash flow and working capital.

	2009	2008
NON- CURRENT LIABILITIES		
Borrowings	704 254	809 026
Amortised cost	-1 313	-1 814
Total non-current liabilities	**702 941**	**807 212**
CURRENT LIABILITIES		
Revolving credit facility *)	482 989	496 702
Current portion of long-term borrowings	72 000	-
Interest- bearing debt to group companies	9 169	10 459
Total current liabilities	**564 158**	**507 161**
GROSS INTEREST-BEARING DEBT	1 267 100	1 314 373
Cash and cash equivalents	102 355	19 751
Loan to group companies	1 371 165	1 275 263
Loan to associated companies	1 923	2 897
Net interest-bearing debt	**-208 343**	**16 462**

*) The company has a current revolving credit facility totalling MNOK 600. As at 31 December MNOK 483 was utilised.

PAYMENT PROFILE NON-CURRENT LIABILITIES

	2010	2011	2012	2013	2014	Further	Sum
Borrowings	72 000	72 000	72 000	72 000	72 000	416 254	776 254

LIABILITIES SECURED BY MORTAGE	2009	2008
Liabilities to credit institutions	1 259 243	1 305 729
ASSETS PLEDGED AS SECURITY		
Fixed assets	3 706	4 594
Shares in subsidiaries	1 054 633	1 004 586
Accounts receivable	420	5 935
Other receivables	1 923	9 805
Loans to group companies	1 371 165	1 275 718
Total assets pledged as security	**2 431 847**	**2 300 638**

				2009		2008	
Debt description	**Currency**	**Interest**	**Final Maturity**	**Current portion**	**Non-current portion**	**Current portion**	**Non-current portion**
Syndicated long-term loan	MULTI	Floating	2015	72 000	704 254	-	809 027
Syndicated loan revolving credit	MULTI	Floating		482 989	-	496 702	-
Total				**554 989**	**704 254**	**496 702**	**809 027**

AVERAGE RATE OF INTEREST ON THE SYNDICATED LOAN	31-12-09	NOK	GBP	USD
Syndicated loan non-current	776 254	505 500	195 657	75 097
Syndicate loan revolving credit	482 989	300 000	55 902	127 087
Total loan	**1 259 243**	**805 500**	**251 559**	**202 184**
Average rate of interest	**6,09 %**	**6,98 %**	**6,38 %**	**4,91 %**

NOTE 19

Guarantees, Letter of credit, Guarantor

GUARANTEES
As at 31 December 2009 total guarantees amounted to TNOK 12 814. The guarantees have been granted to cover financial exposure due to price contracts. The price contracts are all due within fiscal year 2010.

LETTER OF CREDIT
Grieg Seafood ASA has issued a letter of credit in the sum TNOK 1 100 (TCAD 200). The beneficiary is Habit Management Division.

GUARANTOR
Grieg Seafood ASA serves as the guarantor on behalf of Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS due to a credit extension granted by EWOS and Skretting. The total amount is TNOK 76 000, of which TNOK 40 000 is due on 30 April 2010 and TNOK 36 000 is due on 30 June 2010.

NOTE 20

Post-balance sheet events

REFINANCING OF DEBT
In January 2010 Grieg Seafood entered into an agreement with the Syndicate to convert debt in foreign currencies to NOK. The loans principal, instalments and repayment profile remain unchanged.

At a Board meeting on 24 February 2010 the Board agreed to merge the wholly-owned subsidiaries Grieg Marine Farms AS and Grieg Seafood Hjaltland AS with Grieg Seafood ASA. The merger is effective from 1 January 2010. The merger falls within the scope of a parent-subsidiary merger in accordance with Joint Stock Public Companies Act , Section 13 – 24, where assets, rights and obligations are completely transferred to Grieg Seafood ASA without additional compensation. Grieg Seafood Hjaltland AS and Grieg Marine Farms AS will be deleted from the Register of Business Enterprises when the merger takes final effect.

PRICEWATERHOUSECOOPERS

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To the Annual Shareholders' Meeting of Grieg Seafood ASA

Auditor's report for 2009

We have audited the annual financial statements of Grieg Seafood ASA as of 31 December 2009, showing a profit of NOK 110 611 000 for the parent company and a profit of NOK 230 873 000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the financial statements of the parent company and the group. The financial statements of the parent company comprise the balance sheet, the statements of income, cash flows, changes in equity and the accompanying notes. The financial statements of the group comprise the balance sheet, the statements of income, comprehensive income, cash flows, changes in equity and the accompanying notes. The regulations of the Norwegian accounting act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements of the parent company. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the group. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the parent company have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the company as of 31 December 2009 and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the financial statements of the group have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group as of 31 December 2009, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Bergen, 26 April 2010
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

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