

ANNUAL REPORT

2015



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POTENTIAL FOR FURTHER GROWTH



2015 has been a challenging and eventful year. Grieg Seafood has completed several significant projects in our four regions Rogaland (NO), Finnmark (NO), Shetland (UK) and British Columbia (CA). As the new CEO I have met many highly competent people with a great drive, and I recognize that my responsibility is to inspire and develop the good collaboration between the regions and the administration. Our employees are our most valuable assets. As a consequence we have created a new HR-manager position whose responsibilities will be employee qualifications and other measures to improve and develop the company's human capital.

The value of our fish and our licences has increased during 2015, and the number of employees has been stable. At the same time, our equity constitutes a strong financial base for the continued efforts we make to be the leading salmon producer in our four regions. After fluctuation in 2015, we observe that the start of 2016 shows promising salmon prices, which in turn increases interest in our company.

A lot can be said about the economic development in Norway, but I would like to focus on a positive element for Grieg Seafood: In a period of economic instability and falling oil prices, the aquaculture industry receives a lot of positive attention. The community recognizes that the industry is a job-provider with a healthy profit and a strong brand for Norway providing healthy and tasty salmon from clean waters. Additionally, we contribute to developing rural areas, and we are proud to be a part of the Bergen-based centre for the Norwegian aquaculture industry. Our employees work purposefully to maintain a high production standard where healthy fish with good appetite stay in the nets. However, all salmon farming is exposed to risk due to biology, price fluctuation, political trade conditions and changes in currency and interest rates. Good plans and routines for managing risks is the foundation for succeeding with our strategies and maintaining a stable production platform.

High environmental standards at all our sites are of great importance to Grieg Seafood. During 2015 the green licences in Finnmark have undergone planning and implementation, and in 2016, all four licences will be fully operational. The Group management has set a goal of being self-supplied with smolt in all regions, and we are working specifically to increase the average weight of smolts released into the sea. At the end of 2015 regions were self-supplied with smolts up to 100 grams. In June 2015 Grieg Seafood Shetland opened the new RAS hatchery, and simultaneously the plans to reduce the region's cycle at sea from 24 to 18 months were initiated. Thus we have achieved a substantial reduction of biological risks in the sea phase. This effort will be continued at full force in 2016.

During 2015, the group implemented a common IT platform for the regions that is currently operative on the biological factors. The project is being expanded to other operating areas. Our staff has delivered a great effort, and as CEO I conclude that the project complies with the positive expectations of the organization.

Another positive development is found in the sales and distribution company Ocean Quality. Since January 1st 2015, Ocean Quality been fully consolidated, and today it serves all four regions. The collaboration between Ocean Quality and owner companies Grieg Seafood and Bremnes Fryseri has been very good throughout the year.

Among the challenges I will mention licencing and capacity utilization, which is still too low in relation to the actual capacity of the group. The administration is working to increase utilization, especially at our Norwegian localities, which have the greatest potential in the current market. Increased capacity utilization will contribute to cost savings. Our on going efforts to reduce mortality through preventive measures such as bigger smolt, good locations, common following, use of cleaner fish and early implementation of mechanical action, will further contribute to cost savings.

Throughout the year, prices were negatively affected in North America by a large overhang in shipments of fresh and frozen salmon from Chile, where parts of the production from 2014 were delivered in 2015. Simultaneously, high volumes from Canada led to historically low price levels in the North American market.

The European market has in return been very strong and showed a gradual upward trend throughout 2015. This includes an increased demand in Germany for fresh salmon at the expense of frozen products, which have given a positive result for Grieg Seafood and the rest of the aquaculture industry. Russia has in 2015 been closed for large parts of the global aquaculture industry including Grieg Seafood, whereas China has welcomed salmon from the Group regions outside of Norway.

Regardless of price fluctuations and changing biological conditions, farmed fish is the most promising nutritional resource for the world's growing population. This means that demand for our services will increase. Our development depends on increased production while diminishing the negative impact on the environment and fauna. When we succeed, Grieg Seafood and our employees contributes to create value for the world community.

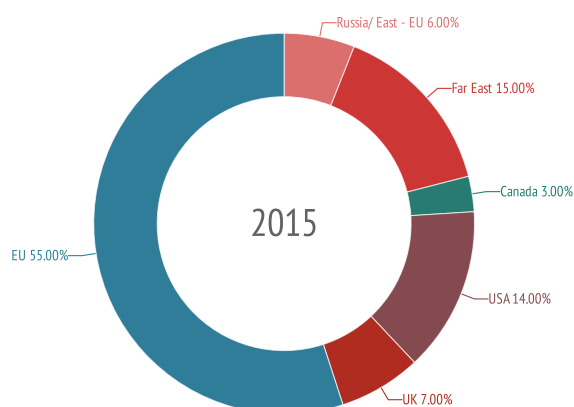


Andreas Kvame

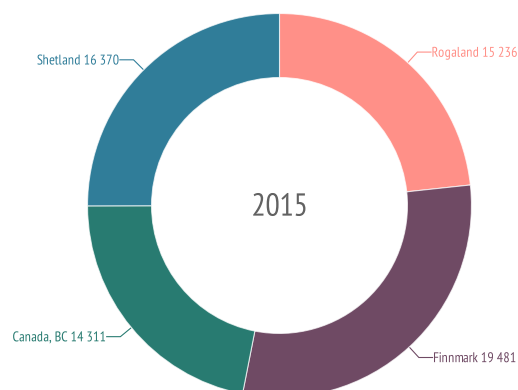
Andreas Kvame
CEO

KEY FIGURES 2015

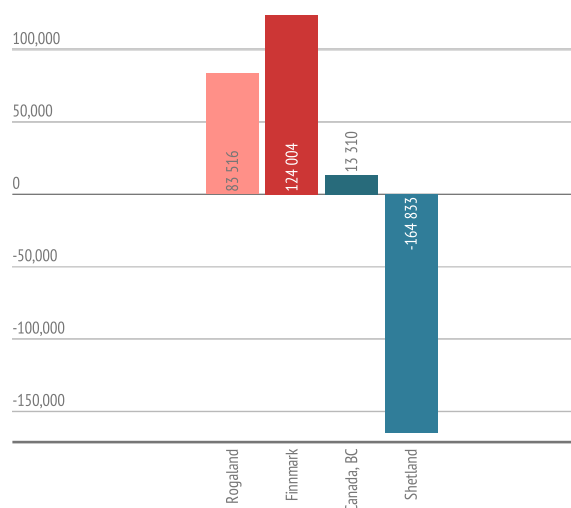
OUR MARKETS (EXPORT REGIONS)



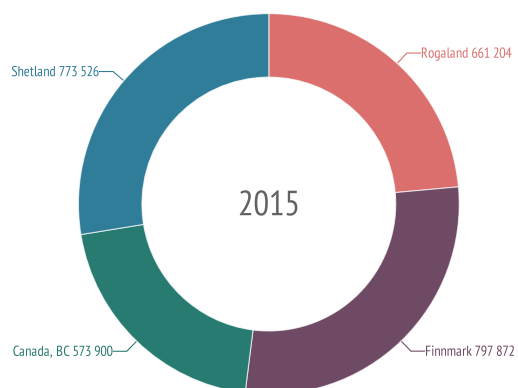
HARVEST VOLUME (GWT)



EBIT OPERATIONAL (NOK 1000)



TURNOVER (NOK 1000)



FINANCIAL KEY FIGURES	2015	2014	2013	2012	2011	2010
ROCE *	5 %	10 %	12 %	-6 %	7 %	20 %
EQUITY %	38 %	42 %	43 %	37 %	41 %	49 %
NIBD **	1 569	1 576	1 445	1 530	1 444	1 047
EPS ***	-0,06	1,26	3,9	-1,33	-1,11	5,65
NIBD / EBITDA	6,3	3,3	3,0	-51,3	4,2	1,53

* Return on capital employed

** Net interest bearing debt

*** Earnings per share



GRIEG SEAFOOD ROGALAND AS

102 EMPLOYEES
20 FARM SITES

Grieg Seafood Rogaland (GSFR) farms salmon in Rogaland. The company has 20 growout licences and two smolt licences. The company has its own brood activity in Erfjord. All the fish produced at our own plants are processed at our own facilities.

The company has 102 employees in the region divided into four divisions (Broodstock, Hatcheries, Grow-out and Processing) Our operations are located in six municipalities in Rogaland and they contribute significant local value creation. Production capacity is estimated to be approximately 24,000 tonnes gutted weight. The company is Global GAP certified.

ROGALAND	2015	2014	2013	2012	2011
Harvest in tons GWE	15 236	12 778	15 088	19 247	15 986
Sales revenue TNOK	661 204	571 150	640 600	558 300	547 700
EBIT TNOK	83 516	77 835	144 800	50 800	104 200
EBIT /kg GWE	5,5	6,10	9,60	2,64	6,52



GRIEG SEAFOOD SHETLAND LTD

166 EMPLOYEES
39 FARM SITES

Grieg Seafood Shetland (GSFSH) operates in Shetland and the Ilse of Skye. We are the largest player in salmon production in Shetland. The company has activities in the complete the value chain (Hatcheries , Grow-out and Processing).

The business has an estimated production capacity of around 22,000 tonnes gutted weight. Grieg Seafood Shetland was Global GAP certified in 2015.

A new hatchery was completed in 2015. This facility will eventually give us 70-90 % smolt coverage.

The company has 166 employees in the three departments. The business is a significant contributor to local value creation.

SHETLAND	2015	2014	2013	2012	2011
Harvest in tons GWE	16 370	19 231	13 158	17 097	14 717
Sales revenue TNOK	773 526	852 455	567 400	538 100	511 900
EBIT TNOK	-164 833	81 495	27 300	-83 700	5 900
EBIT /kg GWE	-10,1	4,20	2,07	-4,89	0,4



GRIEG SEAFOOD FINNMARK AS

162 EMPLOYEES
28 FARM SITES

Grieg Seafood Finnmark (GSFF) farms salmon in Finnmark county in Norway. The company has a total of totaling 27 grow-out licences and noe smolt licence. Four of the 27 licences are so-called green concessions that will become fully operational during 2016.

The company has its own processing plants that harvest all salmon produced by the company.

The business is located in five municipalities and is a significant contributor to local value creation. The company has 162 employees in the region divided into three divisions (Hatcheries, Grow-out and Processing).

Production capacity is estimated at 33,000 tonnes gutted weight. The company will be Global GAP certified during 2016.

FINNMARK	2015	2014	2013	2012	2011
Harvest in tons GWE	19 481	26 470	23 076	20 080	16 143
Sales revenue TNOK	797 872	975 291	870 100	519 800	499 900
EBIT TNOK	124 004	205 934	216 800	-17 700	55 500
EBIT /kg GWE	6,4	7,80	9,39	-0,88	3,44



GRIEG SEAFOOD BC LTD

105 EMPLOYEES
22 FARM SITES

Grieg Seafood BC Ltd. farms salmon on the west and east sides of Vancouver Island as well on the Sunshine Coast just north of the city of Vancouver. There are currently a total of 22 marine farm licences and a land based hatchery located in Gold River.

production capacity of all licences is approximately 20,000 tonnes gutted weight.

Grieg Seafood BC Ltd. is committed to operating responsibly and meeting or exceeding all regulatory requirements. Grieg Seafood was the first salmon farming company in North America to be sourcing salmon from farms that were independently audited by the Best Aquaculture Practices certification program. Grieg Seafood BC has also been audited and approved by the Aquarium of the Pacific's 'Seafood for the Future' responsible sourcing program.

Grieg Seafood BC had 105 employees in 2015, and the

BC	2015	2014	2013	2012	2011
Harvest in tons GWE	14 311	6 257	6 739	13 576	13 236
Sales revenue TNOK	573 900	280 399	330 700	438 400	491 300
EBIT TNOK	13 310	-47 810	17 500	-32 200	38 000
EBIT /kg GWE	0,9	-7,60	-1,15	-2,37	2,87



OCEAN QUALITY AS



Ocean Quality is the Norwegian sales company for Grieg Seafood ASA (60%) and Bremnes Fryseri AS (40%). The company was established in the fall of 2010 and has its main office in Bergen, Norway. In 2015 Ocean Quality established a subsidiary company in Canada. The company is managed from the main office in Vancouver. From 2015 Ocean Quality handled all fish sales for Grieg Seafood. At year-end 2015 the Group had 39 employees, of whom 27 men and 12 women.

The main strategy of the company is to become the market's preferred supplier of seafood. The sales organisation of Ocean Quality carries out its services in accordance with high standards of seafood supply to our customers across the globe.

The quality of the products and our customer service emphasizes the following:

- Fresh and healthy products with desirable nutrition content
- Customer requirements, reliability and year-round delivery
- Full traceability and focus on food safety for finished products and raw materials
- Strict quality control and sustainable utilization of raw materials
- Fish health and protection of the environment



INVESTOR INFORMATION

Largest shareholders of Grieg Seafood ASA at 31.12.2015

Grieg Holdings AS
DNB Nor Bank ASA
Nordea Bank Norge ASA
Kontrari AS
Ystholmen AS
OM Holding AS
Grieg Seafood ASA
State street Bank and Trust Co.
Skandinaviska Enskilda Banken AB
DNB Nor SMB

Analytics following the GSF stock

Nordea Markets
DnB NOR Markets
Handelsbanken
Enskilda
RS Pareto Securities
Swedbank
Carnegie ASA
ABG Sunndal Collier
Fondsfinans
Sparebank 1 Markets
Danske Bank Markets



BOARD OF DIRECTORS REPORT 2015

GROUP ACTIVITIES AND LOCATION

Grieg Seafood ASA ("the Company") is the parent Company of the Grieg Seafood Group ("the Group"). The Group's business activities relate to production and trading in the sustainable farming of salmon, and in naturally related activities.

The Group is one of the world's largest producers of farmed salmon, with a production capacity of around 90,000 tons gutted weight annually at full capacity. The Group has 100 licences for salmon production and five licences for smolt production. The Group shall be a leader in the area of aquaculture. The Group's commercial development is based on profitable growth and the sustainable use of natural resources, as well as being a preferred supplier to selected customers.

The Group has operations in Finnmark and Rogaland in Norway, in British Columbia in Canada (BC) and in Shetland (UK). The Group owns 60% of the sales company Ocean Quality AS and the remaining 40% is owned by Bremnes Fryseri AS. Ocean Quality

has offices in Norway, Canada and Shetland (UK). The head office is located in Bergen, Norway.

Grieg Seafood ASA has been listed on the Oslo Stock Exchange since June 2007.

MAIN FEATURES OF 2015

- 2015 was characterised by a fluctuating supply and price determination in relation to the individual regions and relatively large price differences between the first and second half of the year. Supply was strong in Europe in the first half of the year, which led to pressure on prices. Supply was slightly below demand in the second half of the year, which entailed similarly very good prices towards the end of the year. The US market has been weak throughout 2015. Moreover, exchange rate fluctuations and a stronger GBP compared to NOK reduced Shetlands competitiveness and margins.
- A decision to sell the smokehouse and filleting plant in Shetland resulted in an impairment of the plant with MNOK 46.

- Dividend was paid with NOK 0.5 per share in 2015.
- The Group's bank loans were expanded with MNOK 500 at the end of the first half of the year. The bond loan of MNOK 400 was redeemed in December 2015.
- A new hatchery opened in Shetland. The plant is in full operation according to the strategy and will make us self-supplied with smolt.
- Production in Finnmark has been good and in line with plans. Production in Rogaland has been slightly lower than planned due to, a.o., PD and other biological challenges. Overall profitability in Norway is acceptable. Production in BC has been considerably better than in 2014 and reached normal production. Production in Grieg Seafood Shetland was good until the end of summer. At that point, algae imposed damage to the gills, which led to weak production throughout the remainder of the year. The Board has initiated a strategic review of the operations in Shetland.
- Towards year-end 2014, measures were initiated in order to reduce expenses and streamline operations. Subsequently, 2015 has focused on changes within operations, support functions and systems.
- As from 2015, Ocean Quality has been consolidated and accounted for as a subsidiary. Hence, comparable figures have been revised.

ACCOUNTS

The consolidated financial statements are prepared in accordance with international accounting principles (IFRS).

RESULTS

The Group had a turnover of MNOK 4,609 in 2015, an increase of 12% compared with the previous year. The total harvest was 65,398 tons gutted weight (64,736 tons in 2014), an increase of 1%. 2015 was marked by high supply growth in the first half of 2015, followed by increasing prices at the end of the year in Norway. Major problems with lice for the industry in general has led to down-harvesting and thus lower supply at the end of the year, which has given a price increase in the last quarter of 2015. A strong GBP has changed the market situation and profitability in UK. Increased production in Chile in 2014 has affected the supply growth in 2015, which in turn has resulted in a weak market for salmon from Canada.

The operating result before fair value adjustment of biological assets was MNOK 48, compared to MNOK 343 in 2014. The operating margin before fair value adjustment of biological assets was 1.0% against 8.4% in 2014. EBIT per kilo (before fair value adjustment of biological assets) was 0.7 against 5.3 in 2014. The reduction in operating profit compared with 2014 is due to higher costs for harvested fish and high mortality in Shetland. The high production costs have persisted in 2015. Feed prices have increased due to the development in commodity prices and the weakening of NOK at year-end. Feed prices are sensitive to both marine and vegetable commodity prices, which vary with seasonal harvesting and production conditions. Treatment costs against lice and preparedness to manage and treat the causes of AGD (Amoebic gill disease) have entailed persistent high production costs for both Norway and the UK. Shetland has faced challenges in relation to algae in the second half of 2015. Low levels of oxygen in BC in Q2 resulted in high mortality. This has negatively affected the operating result. In 2014, the operating result included gains from sale of shares with MNOK 63.8.

The operating result after value adjustment of biological assets

was MNOK 81 against MNOK 219 in 2014. Net financial items showed a loss of MNOK 93 against a loss of MNOK 50 in 2014. Interest expenses are higher than in 2014 due to increased utilisation of credit facility as well as higher interest-bearing debt. In 2015, the Group has been granted a waiver from the original loan terms on the mortgage debt at year-end.

The Group had a positive net unrealised gain in 2015 of MNOK 29, against MNOK 46 in 2014, mainly due to current loans from the parent company in GBP and CAD.

Net tax income for the year was MNOK 14, against net tax cost of MNOK 28 in 2014. The effective tax rate of 147% for 2015 is due to change in tax rate in Norway and permanent differences.

Effective tax rate for 2014 was 16%. The Group as a whole has entered into tax position and MNOK 25 has been provisioned at year-end 2015 (MNOK 57 for 2014) for tax payable.

The Group's result for 2015 was MNOK 4 after taxes versus MNOK 144 in 2014.

GRIEG SEAFOOD ASA

The financial statements for the parent company have been prepared in accordance with generally accepted accounting principles in Norway (NGAAP). The Company recorded an operating result for 2015 of MNOK -19 (MNOK -36). The improved operating result is due to, a.o., less exercised options during 2015 compared to 2014.

The Company has provided loans to subsidiaries in foreign currency which carry a positive unrealised net gain of MNOK 77 in 2015, which is MNOK 25 below 2014, due to a weakening of NOK against GBP throughout 2015. In 2015, a recognised group contribution of MNOK 39 (MNOK 34) contributes to the positive financial result, in addition to the gain on foreign currency. Interest expenses have increased compared to 2014 due to expanded financing frame as well as waiver granted for loan terms and thus increased margin.

The parent company's profit after tax for the year was MNOK 40 against MNOK 59 in 2014.

SEGMENT REPORT

Rogaland

Operating profit before fair value adjustment of biological assets was MNOK 84, corresponding to NOK 5.5/kg. The equivalent in 2014 was MNOK 78 (NOK 6.1/kg). Total harvested volume in 2015 was 15,236 tons. The decrease of the result is caused by higher costs on down-harvested fish, due to earlier incidents of algae, sea lice and PD (Pancreas Disease). 64% of the harvested volume was in the first half of the year. The output price is high due to down-harvesting of sites with PD (Pancreas Disease) in 2014. In the first half of 2015, real prices were lower than in the first half of the year. Due to PD in 2014, the harvested volume was lower than projected in 2015. PD and unusually low sea temperatures in the first half of the year, as well as bad weather conditions, entailed lower production in the sea. An underlying cost increase regarding treatment and preparedness to reduce PD, AGD and other biological challenges, has contributed to increased production costs. Rogaland uses wrasse against sea lice, which has proved effective also in 2015. There are significant costs incurred, but this has yielded positive results in terms of low sea lice levels. Production at the hatchery has

been satisfactory in 2015.

Finnmark

The operating result before fair value adjustment of biological assets was MNOK 124, corresponding to NOK 6.4/kg. The equivalent for 2014 was MNOK 206 (NOK 7.8/kg). Finnmark showed a high harvested volume in Q1 directed to a market with low prices and high costs for harvested fish. Harvesting was suspended in Q2. Both factors have affected the result negatively. A review of procedures and processes at the harvesting plant has been carried out in order to achieve higher efficiency and reduced costs. Due to sea lice challenges in Øksfjorden a decision has been made to follow the whole area. Some harvesting was expedited from Q4 to Q3, which also entailed a lower margin. Total harvested volume in 2015 was 19,481 tons. Production in the sea has been satisfactorily throughout the year. The degree of disease has been low throughout the year, and the fish in sea maintains prime quality.

Finnmark has been awarded 4 green licences at year-end 2014. Production will be initiated in the course of 2016. Production in the hatchery still has potential to improve regarding attainment of proper weight of large smolt in due time, which will improve operations considerably.

BC

The operating result before fair value adjustment was MNOK 13, corresponding to NOK 0.9/kg, against MNOK -48 (NOK -7.8/kg) in 2014. The positive result is due to substantially higher harvesting volumes in 2015 compared to 2014, at 8,054 tons. In addition, there has been lower costs on harvested fish. During summer, low levels of oxygen generated high mortality, which has reduced the volume by approximately 1,000 tons. Investments have been made to decrease the risk of future biological irregularities in connection with low oxygen levels.

In 2014, it was decided to wound up the production of Pacific salmon. The last generation was harvested in Q3 2015. All frozen Coho from 2014 has been sold during 2015, which has affected the operating result negatively. By now, the company has exclusively Atlantic salmon.

Production in the sea has been good throughout 2015. The hatchery also had a healthy production. In 2014, agreements were implemented for external delivery of smolt, in order to ensure sufficient backup of smolt to avoid negative production impacts from new incidents of disease at the hatchery in 2015. This generates higher costs than normal related to smolt. As a result of the smolt delivery backup-system, Grieg Seafood has introduced the projected number of smolt in 2015. Total harvested volume in BC was 14,311 tons.

Shetland

In Shetland the operating result before fair value adjustment was MNOK -165, corresponding to NOK -10.1/kg. The equivalent for 2014 was MNOK 81 (NOK 4.2/kg). 2015 has been a year of change in Shetland. The smokehouse and filleting plant is shut down, entailing an impairment of MNOK 46. Changes have been implemented in the harvesting line, and further adjustments will be considered to lower costs of processing. These modifications include downsizing of staff. Efforts are still made to keep as low as possible the levels of sea lice, which still is a challenge. High treatment expenses were incurred in order to maintain sea lice levels at a satisfactory level. There has been challenges with algae causing gill problems, mortality and high impairment costs, especially in the second half of the year.

Total harvested volume in 2015 was 16,370 tons, which is 2,861 tons below 2014. Gill damages in 2014 led to lower growth than normal and thus harvesting of small fish at a time of low market

prices for this fish size. High output prices on harvested fish have been the most significant factor for weak results.

An active effort is made to implement measures for increased production, decreased risk and reduced costs in Shetland in the upcoming period.

The hatchery was completed in 2015 and the production of smolt went according to plans throughout the second half of the year. Increased quality of the smolt in combination with minor transport time, should contribute to improve production significantly.

Ocean Quality AS Group

Ocean Quality AS is the sales company owned by Grieg Seafood ASA (60%) and Bremnes Seashore AS (40%). The company was established in 2010 and has its main office in Bergen, Norway. As from 2015, Ocean Quality North America Inc. was established as a 100% owned subsidiary of Ocean Quality AS. Ocean Quality is from 2015 a subsidiary of Grieg Seafood ASA. Ocean Quality sells all fish for Bremnes Fryseri AS and for Grieg Seafood Norway, UK and BC. The Group has 39 employees, of whom 27 men and 12 women.

The revenue in 2015 was MNOK 4,543 against MNOK 3,555 in 2014. The Ocean Quality Group recorded an operating profit of MNOK 115 in 2015, against MNOK 27 in 2014 (before bonus to producer).

The establishing of the company both in UK and Canada has yielded synergies in terms of sale of varied sizes of salmon in different markets. 2015 opened with low earnings due to weak prices. Throughout the autumn of 2015, the Norwegian market has improved with higher prices. A larger volume than expected out of Chile has also generated lower prices in 2015 in the US market. As for UK, the strong GBP has negatively affected competitiveness in UK and real prices have remained low.

RESEARCH AND DEVELOPMENT

Grieg Seafood utilises funds for research and development every year. This relates to various activities ranging from active participation in steering committees in national research projects to local test and trial projects in the regions. These activities focus on finding solutions to biological and technical challenges both short and long term, which in turn helps us increase the efficiency of daily operation of our plants. The Group is working on many different projects, ranging from improving fish health and welfare, efficient operation of large units, feeding control and optimisation of young fish production in large recycling plants.

BALANCE SHEET

The Group had total recorded assets of MNOK 5,936 as at 31. Dec 2015, against MNOK 5,352 at year-end 2014. Of this, goodwill accounted for MNOK 111 and licences MNOK 1,093. Investments in tangible fixed assets relate mainly to maintenance investments. Additional investments have been made to prepare the green licences in Finnmark. Fair value adjustment of biological assets was positive due to expected future sales prices that will exceed the accrued production costs.

Group equity at 31 Dec 2015 stood at MNOK 2,238, against



MNOK 2,241 at year-end 2014. The equity ratio at year-end 2015 was 38% (42%).

FINANCE AND FUNDING

The Group's net interest-bearing debt including Ocean Quality Group is MNOK 1,907 at year-end 2015. This includes factoring liabilities of MNOK 338. The equivalent for 2014 was MNOK 1,771, of which factoring liabilities of MNOK 196. This equals an increase of MNOK 136. Net interest-bearing debt excluding factoring liabilities amounts to MNOK 1,569 (MNOK 1,576). The Group's credit facility was expanded with MNOK 500 through an increase of the bank loan frame in June 2015. The bank syndicate consists of Nordea and Den Norske Bank after the amendment of the credit facility. The expansion of the credit facility was made in order to secure financing when the mortgage loan of MNOK 400 was fully redeemed in December 2015. The syndicated loan comprises a total frame of MNOK 1,910, of which a long-term credit facility of MNOK 700. There are no changes to the repayment profile. The revolving credit has been utilised with MNOK 450 at year-end. Further drawing rights amount to MNOK 250. The credit facility from the syndicate classifies as non-current, as there is no appointment to roll over the credit facility once a year. The term loan has been repaid with MNOK 90 in 2015. The Group mainly uses finance leasing by investing in new feeding barges and other operational equipment. Through the agreement with the bank syndicate, the Group has a leasing facility of MNOK 350. As at 31 December 2015, the leasing liabilities amount to MNOK 334. The Group was in breach with one of the loan covenants, i.e. NIBD/EBITDA at year-end. The Group has been granted a waiver from this covenant from Q4 until the end of Q1 2016. According to the loan

covenants, factoring is not regarded as interest-bearing debt. The equity is also estimated exclusive of Ocean Quality. Equity ratio thus stands at 41% with regards to loan covenants.

CASH FLOW

The net cash flow from operations was increased with MNOK 213 to MNOK 370 in 2015, up from MNOK 157 in 2014. The increase in working capital is related to increased accounts payable. Net cash flow from investment activities in 2015 was MNOK -317, against MNOK -233 in 2014. Investment payments related to fixed assets amounted to MNOK 264. The equivalent for 2014 was MNOK 303. Net cash flow from financing was MNOK 158 against MNOK 71 in 2014. There has been a net drawdown of debt as mentioned under "Funding", implying a positive cash flow from financing in 2015 when compared to 2014. Increased factoring liabilities from 2014 also contribute to increased financing. For 2015 there was a net change in cash and cash equivalents of MNOK 211. As at 31 December 2015 the disposable cash balance was MNOK 392.

GRIEG SEAFOOD ASA

The parent company's net cash flow from operations in 2015 was MNOK 105 against MNOK 107 in 2014. The cash flow from investing activities was negative with MNOK 3 against MNOK -121 in 2014. Net cash flow from financing activities was MNOK 10 (MNOK -8). In 2015, new long-term debt has been drawn down, and the mortgage loan has been fully redeemed. For 2015 there was a net change in cash and cash equivalents of MNOK 119.

As at 31 December 2015 the disposable cash balance was MNOK 215.

GOING CONCERN ASSUMPTION

Forecasting is carried out, showing a positive and good cash flow based on conservative salmon price assumptions. Q1 2016 presents a very positive price increase both in the European, Asian and US markets, contributing to a positive cash flow. The number of large and robust smolt increases, which will decrease the risk of biological incidents. Shetland has shown weak results throughout 2015, and a strategic review of the whole region has been initiated. Several projects were completed in 2015 which results will manifest in 2016, both in the processing plants and for edible fish, in addition to administrative support functions like common ICT systems. The organisation stands more united because the support functions for Norway have been located to the main office. The purpose is to achieve an operational focus in the regions. The Group has honored its debt under the financing agreements and, by year-end, retains sufficient funding to complete its objectives.

It is the view of the Board that the financial statements give a true and fair presentation of the Group's assets and liabilities, financial position and accounting results. Based on the above account of the Group's results and position, and in accordance with the Norwegian Accounting Act, the Board confirms that the annual financial statements have been prepared on a going concern basis, and that the requirements for so doing are met.

ACCOUNTING RESULTS AND ALLOCATIONS – GRIEG SEAFOOD ASA

The Group's strategy for dividend is that the annual dividend should correspond to around 25% of the Group's profit after fair value adjustment for biomass and after tax. The Group has at year-end been granted a waiver from the loan covenant related to NIBD/EBITDA until the end of Q1 2016. Upon this condition, no provision has been made to pay dividend based on the statement for 2015. In 2015, a dividend of NOK 0.50 per share was paid, based on the 2014 statement, equivalent to appr. 25% of the profit for 2014.

The parent company, Grieg Seafood ASA, recorded a profit for 2015 of MNOK 40, which the Board proposes to the General Assembly to dispense as follows:

Transfer to retained equity	MNOK 40
Total dispensed	MNOK 40

RISK AND RISK MANAGEMENT

The Group is exposed to risks in a number of areas, such as

biological production, changes in salmon prices, the risk of political trade barriers, as well as financial risks such as changes in interest, exchange rates and liquidity.

The Group's internal control and risk exposure are subject to continuous observation and improvement, and the work of reducing risk in different areas has a high priority.

The management has set parameters for managing and eliminating most of the risks that could prevent the company from achieving its goals. For further information, we refer to the document of principle relating to corporate governance as practised by Grieg Seafood ASA.

Financial risk

The Group operates within an industry characterised by great volatility which entails greater financial risk. 2015 has continued a tight financial market, although providing a somewhat easier access to available liquidity in the market. The requirements for the borrower are still high. Financial and contractual hedging as is a matter of constant consideration, in combination with operational measures. The company draws up rolling liquidity forecasts extending over three years. These forecasts incorporate conservative assumptions for salmon prices, and this is applied as basis for calculating the liquidity requirement. This forecast forms the basis of the need for financial parameters. With the financing of the Group at year-end, the level of this risk is considered to be satisfactory. The bond loan was refinanced in 2015, and the company had installed an expanded financing frame, which has secured an adequate financing for the Group. At the end of Q4, the Group was granted a waiver until the end of Q1 2016. The new long-term financing agreement includes a revolving credit facility totaling MNOK 700. It is flexible, as it can be drawn down within 1 month or a longer period, depending on the Group's need for liquidity. In 2015, drawdowns have been made within a 3 months' period, corresponding to the period of the interest rate swap agreements. The following sections provide further information about the individual risk areas.

Currency risk

In converting the accounts of foreign subsidiaries, the Group's greatest exposure relates to CAD and GBP. Our main strategy is to reduce the currency risk by funding the business in the local currency. All long-term loans from the parent company to subsidiaries are in the local currency and loans of this kind are regarded as a net investment, since the loans are not repayable to the parent company. The subsidiaries will always require long-term funding. The currency effect of the net investment is incorporated in the consolidated statement of comprehensive income (OCI).

Income for the Norwegian operation is denominated in NOK, and the translation risk is transferred to the sales company. The case is similar for UK and BC. BC sells in CAD denomination to the sales company, which in turn hedges against currency volatility in relation to CAD/USD. The Norwegian sales company likewise hedges against currency volatility in relation to EUR/NOK. At year-end, contracts are concluded until January 2017.

The currency situation is continuously assessed against the volatility of the currencies. The remaining net exposure is frequently monitored. For further information, refer to Note 3 to the consolidated financial statements.

Interest rate risk

The Group is exposed to interest rate risk through its loan activities and to fluctuating interest rate levels in connection with financing of its activities in all regions.

Most of the Group's existing loans are based on floating rates,

but separate fixed rate contracts have been entered into in order to reduce the interest rate risk. It is group policy to have a certain percentage of the Group's interest-bearing debt hedged through interest rate swap agreements. A given proportion shall be at a floating rate, while consideration will be given to the use of hedging contracts for the remainder.

Liquidity risk

The Company's equity ratio is reduced from 42% at year-end 2014 to 38% at year-end 2015.

Interest-bearing debt has increased mainly due to factoring liabilities. Ocean Quality has concluded agreements with factoring companies for Norway and UK, implying transfer of credit insured receivables to factoring company. This ensures early settlement of account receivables. This is a financial arrangement, as the factoring company does not acquire the substantial credit risk. The management monitors the Group's liquidity reserve which comprises a loan facility and bank deposits, as well as cash equivalents based on expected cash flows. This is carried out at Group level in collaboration with the operating companies. The management and Board seek to maintain a high equity ratio in order to be well equipped to meet financial and operational challenges. Considering the dynamic nature of the industry, the Group aims to maintain flexibility of funding. An expanded financing frame was installed in June 2015, providing the Group with financing for redemption of the bond loan.

Operating risk

Operating risk was adequately managed throughout 2015, less of Shetland and individual incidents in BC. The Board recognises the importance of focusing on further improvements related to biological development as well as focus on operational measures. One such measure aimed at bringing down the biological risk in all regions, is to increase the number of large smolt which in turn reduces production time in sea. A review of all three harvesting plants has been carried out with a focus on streamlining the harvesting lines in order to decrease cost of harvesting. The decision to exclusively produce Atlantic salmon and to discontinue Pacific salmon simplifies production in BC. The challenge for BC is low levels of oxygen in the sea, which has implied high mortality. Oxygen equipment will be acquired in order to reduce the negative effect. Otherwise, the production in BC has been good. Sea lice and algae still pose a challenge in Shetland. Procedures for managing sea lice have been implemented and are continuously monitored. Lumpfish is implemented as a treatment against sea lice, but it remains a challenge that UK has a lengthy approval process for new treatments, posing the risk that resistance arises. Monitoring of algae is another focus area. Termination of processing simplifies operations and allows for the focus to be shifted towards production in the sea. As for Rogaland, high sea temperatures have resulted in low growth rates and outbreak of PD and algae blooming, with subsequent high mortality.

Cooperation with other companies in this region is considered important in order to decrease the biological risk. A new structure of regions has been established and will take effect during 2017. Finnmark has experienced challenges arising from sea lice in Øksfjorden, where following of the entire fjord was determined. The production has been good in the course of the year. Group policy maintains a zero tolerance for escape, and in 2015 this has been fulfilled in all regions. Staff training is emphasised in order to achieve improved biological knowledge and internal procedures.

Andreas Kvame was appointed new CEO and commenced in position on 1 June 2015. He holds extensive experience in

managing larger operational units in the aquaculture industry. The CEO has initiated operational measures in 2015, a.o. changes in the organisation aimed at sharpening the operational focus, through locating all staff functions in Bergen. All ICT systems have been standardised in the Group during 2015, a process starting in 2014.

For further information about financial risks (currency, interest rate, credit and liquidity), refer to Note 3 to the consolidated financial statements.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Group's main cost drivers, risks and opportunities are increasingly connected with managing our impact on the environment, our personnel and the local communities where we operate. Systematic efforts to secure a balanced sustainability are therefore fundamental in order to facilitate a long-term profitable growth. These efforts are increasingly material for the industry's viability. The Group has in 2013 conducted an assessment in order to accentuate priority areas for sustainability, an assessment which has been further followed up in 2014 and 2015. Our priorities will ensure that our efforts respond to our main stakeholders' expectations of us, as well as being resource efficient in terms of our strategy and long-term value creation. The priorities also take into account our long-term liabilities through Global Salmon Initiative. A comprehensive statement of the Group's approach, efforts, results and ambitions towards sustainability priorities are available in the Sustainability report.

The Group's sustainability priorities treated in the report are divided into the following main areas; External environment, working environment and social relations. Within external environment fish health, sea lice and escape are focus areas. In the domain of the soft factors, HSE and working environment are priorities. Social relations are divided into three main areas, comprising quality and food safety, the ripple effect in communities and anti-corruption.

EMPLOYEES

Of the Group's 684 employees at year-end 2015, 371 work in Norway, 200 in Shetland and 113 in Canada. The Board wishes to thank the employees for good work in the past year.

The Group has a majority of male managers and employees. In total, 556 men and 128 women are hired in the Group. The employee policy is to take the steps necessary to retain and attract qualified personnel of both genders.

Grieg Seafood's position as an international concern is also reflected in the fact that 36 different nationalities are represented in the Group's workforce. A total of 173 employees originate from a country different from the country where they work. The Group accepts no kind of discrimination related to gender, religion, cultural or ethnic background, disability or in any other way. Our aim is to conduct our activities on the basis of equality and respect. In terms of human rights and equal treatment, we are not exposed to substantial risk. A focused effort is made to secure equal treatment and to avoid discrimination.

In 2015, the incidence of short-term sick leave within the Group was 3.36% while the figure for long-term sick leave was 1.8%. For further information, refer to the Sustainability report, in the section about employee health, safety and working environment.

All management of human resources is managed locally according to local rules and instructions, and in accordance with Group guidelines. The working environment in the Group is considered satisfactory, at the same time as we work actively to reduce sick leave and injury. An HR director has been employed, scheduled to commence in position from May 2016, holding the responsibility to develop the human capital in the Group.

GRIEG SEAFOOD ASA

The parent company had 20 employees in its main office in Bergen, of which five men and two women in senior positions. Short-term sick leave in the parent company was 1.04%, while long-term sick leave was 0.65%. No injuries/accidents were registered in the Company in 2015. The Company does not pollute the external environment.

CORPORATE GOVERNANCE

The activities of Grieg Seafood ASA are conducted in accordance with Norwegian law and regulations for good corporate governance (Norwegian Corporate Government Board's Code of Practice). The Company seeks to comply with all relevant laws and regulations and the Norwegian Code of Practice for Corporate Governance. This also applies to all other companies which are controlled by the Group. The document of principle which is enclosed along with the Board of Directors Report therefore applies to all companies of the Group, in as far as it goes.

STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We hereby confirm that the financial statements for the period from 1 January to 31 December 2015 to the best of our knowledge have been prepared in accordance with applicable accounting standards and give a true and fair view of the Group and of the Group's assets, liabilities, financial position and overall results. We also confirm that the Directors' Report gives a true and fair view of the development and performance of the business and the position of the Company and the Group, as well as a description of the principal risks and uncertainties facing the Company and the Group.

POST-BALANCE SHEET DEVELOPMENT

At the beginning of 2016 the prices were increasing in the whole market, continuing this development throughout Q1. The biological situation has been good at the start of 2016 for Norway and BC. 10% of the fish harvested in BC in Q1 is sexually mature, which impacts the price negatively. A new contract for processing in BC from 2016 has been entered into, and the

delivery complies with the agreement. In the beginning of 2016, down-harvesting of fish in Shetland has been carried out with high costs. This has implied a negative margin, even though the prices have been relatively good during Q1 2016. The production in Norway has been adequate so far. The hatcheries both in Norway and Shetland deliver according to plans.

OUTLOOK

The fish farming industry is very volatile and it will always be considerable uncertainty when projecting for future conditions. At the entrance to 2016, the situation has changed due to emergence demands exceeding the expected harvesting volumes. This is caused by high down-harvesting due to sea lice throughout the autumn of 2015, both in Chile and Norway. In addition, Chile has reduced biomass volumes after large appearance of algae in 2016. There is an improvement of private economy among people in Europe and Asia, which spurs increased demand for salmon. The positive change of individual consumers' eating habits all over the world is directed towards more fish than other foods, which has yielded a sustained higher demand.

Grieg Seafood expects a harvesting volume of 70,000 tons in 2016, in accordance with previously announced forecasts. This represents an increase of 4,600 tons (7%) from 2015. In Shetland, a shift in the production cycle from 24 to 18 months is being applied. This increases the turnover rate in sea and facilitates better exploitation of the prime localities.

The harvesting volume for the two Norwegian regions is expected to increase to 19,000 tons in Rogaland and 23,000 tons in Finnmark. The awarded 4 green licences underpin a considerable growth in Finnmark. There is a general focus on increasing MTB exploitation, as well as reducing production time in sea. As a part of this, a decision has been made to expand the smolt facility in Rogaland in 2016/2017.

In 2016, a strategic review of the company's activities in Shetland has been initiated. Continuous efforts are made to improve internal procedures and training of staff.

Bergen, 6 April 2016
The Board of Directors in Grieg Seafood ASA

Translated version - NOT TO BE SIGNED



PRINCIPLES OF CORPORATE GOVERNANCE 2015

Adopted by the Company's Board of Directors on 20 April 2007 and updated on 22 January 2010, 4 April 2011, 22 March 2012, 22 March 2013, 1 April 2014, 23 March 2015, and 6 April 2016.

1. INTRODUCTION

1.1 Presentation of Corporate Governance

The responsibility for ensuring that the company has good corporate governance rests with the Board. The board and management review and annually evaluates the company's principles for corporate governance.

The Group's Corporate Governance is based on the Norwegian Code of Practice for Corporate Governance (NUES) as recommended by the Norwegian Corporate Governance Board on 30 October 2014. The Grieg Seafood Group follows the current recommendation from NUES, and has updated existing rules and defined values in accordance with changes in NUES 2014.

The company complies with these recommendations according to the follow or explain principle. This means that the company should explain all points where the recommendations are not followed.

The Annual Report offers a full report on the company's principles for corporate governance, which is available on www.griegseafood.com.

2. OPERATIONS

2.1 Grieg Seafood ASA

The Company is the parent company of a group where companies of this Group are engaged in the production and sale of seafood and naturally related activities.

The object of the Company is to engage in the production and sale of seafood and naturally related activities, including investment in companies engaged in the production and sale of seafood and other activities naturally related to similar companies.

The Company is established and registered in Norway and is required to comply with Norwegian law, including laws and regulations pertaining to companies and securities.

2.2 Grieg Seafood ASA's vision and overall objectives

The Group aims to comply with all relevant laws and regulations and with the Norwegian Code of Practice for Corporate Governance. This also applies to all companies which are controlled by the Group. In as far as it goes, this document of principle therefore applies to all companies of the Group.

The Group's core values are to be open, respectful and ambitious.

The Group shall be managed applying the following principles:

- We shall be open and honest.
- We shall become better day by day.
- We do what we say.
- We are positive and enthusiastic.
- We care.

The Group is committed to the sustainable use of natural resources and the development of the organisation based on high ethical standards. Targets and detailed plans have been adopted for the implementation of initiatives in these areas.

The fish farmer has overall responsibility for the wellbeing of the fish and for ensuring that at all times the fish can be kept in their natural surroundings under optimal conditions. The Group selects locations where the water is as deep as possible and with good currents.

The Group has drawn up a designated health plan which stipulates how all production operations are to be performed. The fish shall be systematically examined by a veterinarian. The Group attaches great importance to preventive measures and a rapid reaction in the event of disease or pollution. This is important not only to protect the environment and fish health, but also to safeguard the quality and profitability of production. The work shall be performed in accordance with the Group's designated health plan. Measures have been implemented to prevent the escape of farmed fish. The objective is to conduct operations that do not cause any lasting damage to the environment.

As a user of natural resources such as clean water and feed from wild fish, the Group has a responsibility which extends

beyond its own operations. The Group requires its feed suppliers to ensure that the feed is based on sustainable supplies of raw materials.

Starting with 2013, an own Sustainability report has been prepared, pointing out ten areas defining Grieg Seafood's highest priorities for sustainability and social responsibility. The priorities were conducted according to guidelines developed by GSI (Global Reporting Initiative) of which Grieg Seafood is a member. The ten areas include both biology and social responsibility.

2.3 Management of the Company

Control and management of the Company is divided between the shareholders, represented through the General Meeting, the Board of Directors and the managing director, and is exercised in accordance with prevailing company legislation.

Divergences from this Code of Practice: None.

3. GROUP EQUITY AND DIVIDEND POLICY

3.1 Equity

At any given time the Group shall have a level of equity which is appropriate in relation to the Group's cyclical activities. The Board aims to consistently keep the equity in accordance with current loan terms, as a minimum.

3.2 Dividend

The Group's objective is to give the shareholders a competitive return on invested capital through dividend payments and value appreciation of the share, which is at least at the same level as other companies with comparable risk. The future dividend will depend on the Group's future earnings, financial situation and cash flow. The Board believes that the dividend paid should develop in pace with the growth of the Group's profits, while at the same time ensuring that equity is at a healthy and optimal level and that there are adequate financial resources to prepare the way for future growth and investment, and taking into account the wish to minimise capital costs. The Board believes it is natural that the average dividend, over a period of several years, should correspond to 25-35% pre-tax profit, adjusted for the accounting effect of fair value adjustment of biological assets.

3.3 Board authorisation

The Board will request the AGM to grant a general mandate to pay out dividends in the period until the next AGM. The Board's proposal must be justified. The dividend will be based on the Group's current policy in accordance with clause 3.2. Dividends should be awarded on the basis of the latest financial statements approved within the scope of the Public Companies Act. Upon granted authorisation, the Board determines from which date the shares are traded ex-dividend.

The Board has general authorisation to increase the Company's

share capital through share subscription for a total amount not exceeding NOK 44 664 800 divided into not more than 11 162 200 shares of nominal value NOK 4 each.

This authorisation remains in effect until 30 June 2016 and replaces the authorisation approved by the Annual General Meeting (AGM) on 28 May 2015.

The Board has general authorisation to acquire the Company's own shares in accordance with the provisions of chapter 9 of the Norwegian Public Limited Companies Act for an aggregate nominal amount not exceeding NOK 44 664 800. The Company shall pay not less than NOK 4 per share and not more than NOK 40 per share when acquiring its own shares.

This authorisation remains in effect until the next AGM, but not later than 30 June 2016.

The Company will observe the Code of Practice in respect of new proposals to authorise the Board to implement capital increases and acquire the Company's own shares.

Divergences from the Code of Practice: None.

4. EQUAL TREATMENT OF SHAREHOLDERS. TRANSACTIONS WITH RELATED PARTIES

4.1 Share class

The Company has only one class of shares and all shares carry the same rights. At 31 December 2015 the Company had 11 166 200 outstanding shares.

4.2 Own shares

If the Company trades in its own shares, the Code of Practice shall be observed.

At 31 December 2015 the Company owned 11 162 000 of its own shares.

4.3 Approval of agreements with shareholders and other related parties

All transactions of no lesser significance between the Company and a shareholder, Board member or a senior employee (or their related parties) shall be subject to a value assessment by an independent third party. If the consideration exceeds one twentieth of the Company's share capital, transactions of this kind shall be approved by the General Meeting, in so far as this is required under Section 3-8 of the Norwegian Public Limited Companies Act.

Board members and senior employees shall inform the Board if they have any significant interest in a transaction to which the Company is a party.

Divergences from the Code of Practice: None.

4.4 Capital increases

In the event of a waiver of the shareholders' preferential subscription right, the Code of Practice shall be observed.

5. NEGOTIABILITY OF THE SHARES

The Company's shares shall be freely negotiable.

Divergences from the Code of Practice: None.

6. GENERAL MEETING

The shareholders represent the Company's highest decision-making body through the General Meeting.

The Company's AGM shall be held each year before the end of June. The AGM shall consider and, if thought fit, adopt the annual financial statements, the annual report and the dividend, as well as deciding on other matters which under current laws and regulations pertain to the AGM.

The Board may convene an Extraordinary General Meeting (EGM) at whatever time it deems necessary or when such a meeting is required under current laws or regulations. The Company's auditor and any shareholder or group of shareholders representing more than 5% of the Company's share capital may require the Board to convene an EGM.

The Board calls General Meetings at least 21 days before the date of the meeting. During the same period, the notice of meeting and the documents pertaining to matters to be considered at the General Meeting shall be accessible on the Company's homepage. The same applies to the nomination committee's recommendation. When documents are made available in this manner the statutory requirements for distribution to shareholders do not apply. Still, a shareholder may claim to receive documents concerning matters to be considered at the General Meeting.

The deadline to register for the general meeting is set by the Board in the notice. Shareholders who are unable to attend may vote by proxy. An authorisation form containing a vote option for each issue will be enclosed with the notice of meeting and it will also be possible to give authorisation to the chairman of the Board or the managing director of the Company.

The Company will publish the Minutes of the General Meetings in accordance with the stock exchange regulations in addition to making them available for inspection at the Company's registered offices.

The Board, the Nomination Committee and the auditor will be represented at the meeting and the Chairman will normally preside at the meeting.

The Board shall not make contact with the Company's

shareholders outside the General Meeting in a manner which could be deemed to constitute differential treatment of shareholders or which could be in conflict with current laws or regulations.

Divergences from the Code of Practice: None.

7. NOMINATION COMMITTEE

On 13 February 2009 the AGM approved a resolution to establish a nomination committee. This is described in article 8 of the Article of Association. At the same time, the AGM adopted instructions for the nomination committee. According to the instructions, the election committee through its work should take care of the interests currently embodied in the Norwegian Code of Practice for Corporate Governance.

The present nomination committee was elected at the AGM on 28 May 2015 and comprises Marianne Johnsen (chair), Helge Nielsen and Tone Østensen, of whose Helge Nielsen and Tone Østensen are candidates for election in 2016. At least 2/3 of the members of the nominating committee shall be independent of the Board and may not be members of the Board. CEO cannot be a member of the nomination committee. The nomination committee shall have meetings with the directors, chief executive and relevant shareholders.

Details about the nomination committee members, including telephone number and email address, are available on the Company's website.

The nomination committee's recommendation to the General Assembly should be submitted in good time and follow the summons to the General Assembly, no later than 21 days before the meeting. The recommendation of the nomination committee must include information about the candidate's impartiality, competence, age, education and professional experience. Upon proposal for re-election, the recommendation should include additional information about how long the candidate has been a board member, as well as details about participation in the board meetings.

When the recommendation comprises candidates to the nomination committee, it should include relevant information about these candidates.

The Company does not diverge from the Code of Practice.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS, COMPOSITION

8.1 Number of Board members

The Company has no corporate assembly. Under the Articles of Association the Board shall have up to seven members.

8.2 Election period

Board members are elected by the AGM for a period of two years.

8.3 Independent Board members

The Board members are presented in the Annual Report and on the Company's homepage, showing the Board members' competence, relationship to main shareholders, and a description of Board members who are deemed to be independent. No overview of participation at Board meetings is included in the Annual Report. An overview of the Board members' ownership of shares in the Company appears in the relevant note to the accounts in the Annual Report. The Company has no corporate assembly. The Company does not otherwise diverge from the Code of Practice.

There is compliance with the required number of independent Board members contained in the Code of Practice.

9. BOARD OF DIRECTORS

9.1 Duties and work plan

The Board has overall responsibility for the management of the Group and for overseeing the daily management and business activities. The Company shall be managed by an effective Board of Directors (the Board) who has shared responsibility for the success of the Company. The Board represents and is accountable to the Company's shareholders.

Each year the Board shall draw up a work plan for its activities.

The Board's duties include drawing up the Group's strategy and ensuring that the adopted strategy is implemented, effective supervision of the managing director, control and supervision of the Group's financial situation, internal control and the Company's responsibility to and communication with the shareholders.

The Board shall initiate any investigations it considers necessary at any given time to perform its duties. The Board shall also initiate such investigation that is requested by one or more Board members.

Divergences from the Code of Practice: None.

9.2 Instructions

The Board has drawn up instructions for its members and the Management which contain a more detailed description of the Board's duties, meetings, the managing director's duties in relation to the Board, the meeting schedule for the Board, participation, separate entries in the Minutes and duty of confidentiality.

The respective roles of the Board and the managing director are separate and there is a clear division of responsibility between the two. Separate instructions have been drawn up for the group managing director. He/she is responsible for the Company's senior employees. The Board underlines that special care must be exercised in matters relating to financial reporting and remuneration to senior employees.

In matters of importance where the chairman of the Board is or has been actively involved, Board discussions shall be chaired by the vice chairman.

The instructions for the Board and Management were last revised by the Board on 4 April 2011.

9.3 Annual assessment

Each year, in connection with the first Board meeting in the calendar year, the Board shall make an assessment of its work in the previous year.

9.4 Audit Committee

The Board has set up a sub-committee (audit committee) comprising a minimum of two and a maximum of three members elected from among the Board's members, and has drawn up a mandate for its work.

The committee assists the Board in the work of exercising its supervisory responsibility by monitoring and controlling the financial reporting process, systems for internal control and financial risk management, external audits and procedures for ensuring that the Company complies with laws and statutory provisions, and with the Company's own guidelines.

9.5 Remuneration Committee

The Board has set up a sub-committee (remuneration committee) comprising no less than two members. The committee shall hold discussions with the group managing director concerning his/her financial terms of employment. The committee shall submit a recommendation to the Board concerning all matters relating to the group managing director's financial terms of employment.

The committee shall also keep itself updated on and propose guidelines for the determination of remuneration to senior employees in the Group. The committee is also the advisory body for the group managing director in relation to remuneration schemes which cover all employees to a significant extent, including the Group's bonus system and pension scheme. Matters of an unusual nature relating to personnel policy or matters considered to entail an especially great or additional risk, should be put before the committee.

The composition of the committee is subject to assessment each year.

Divergences from the Code of Practice: None.

10. INTERNAL CONTROL AND RISK MANAGEMENT

The Board has a responsibility to ensure that the company has proper risk management and internal control adaptable to statutory provisions for the company. The Board conducts an annual evaluation of the most important risk areas and internal control.

Internal control means activities carried out by the Group to organise its business activities and procedures in order to safeguard its own values and those of its customers, and to realise adopted goals through appropriate operations. The achievement of these goals also requires systematic strategy work and planning, identification of risk, choice of risk profile, as well as establishing and implementing control measures to ensure that the goals are achieved.

The Group's core values, external guidelines and social corporate responsibility constitute the external outer framework of internal control. The Group is decentralised and considerable responsibility and authority are therefore delegated to the regional operating units. Risk management and internal control are designed to take account of this.

Internal control is an on-going process that is initiated, implemented and monitored by the Company's Board of Directors, management and other employees. Internal control is designed to provide reasonable assurance that the Company's goals will be achieved in the following areas:

- Targeted, efficient and appropriate operations.
- Reliable internal and external reporting.
- Compliance with laws and regulations, including internal guidelines.

The audit committee updates the Board after each meeting.

Each year the auditor carries out a review of internal control which is an element of financial reporting. The auditor's review is submitted to the audit committee.

The Company has established framework procedures to manage and eliminate most of the risk that could prevent a goal from being achieved. This includes a description of the Company's risk management policy as well as all financial control processes. There is on-going risk assessment of the main transaction processes. Descriptions of the transaction processes are currently in preparation for each region, with the aim of clarifying key controls and ensuring that these controls are in place. This means assessing all processes to determine the probability of divergences arising, and how serious the economic consequences would be of any such divergence. The establishment of controls in each region is aimed at reducing the likelihood of divergences arising with major economic consequences.

The biological development in course of producing smolt and farming in the sea poses the greatest risk in the group. The Group therefore continuously and systematically works to develop processes that ensure animal welfare and reduce diseases and mortality, and so that "best practices" are being implemented at all levels. Control routines have been prepared, including conditions for the employees as well as safeguarding against escapes, animal welfare, pollution, water resources and food safety. Referring to the Sustainability report prepared annually, objectives, internal controls and measures are described within the company's main focus areas.

The Group's activities entail various kinds of financial risk:

Market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimise the potential negative effects on the Group's financial results. To some extent, the Group uses financial derivatives to hedge against some risks. Risk management is drawn up at Group level and involves identifying, evaluating and hedging financial risk in close cooperation with the Group's operational units. The Board has established written principles for risk management related to foreign exchange and interest rate risk and the use of financial instruments.

The Board has established procedures for reporting within the Group:

- At the start of each year the Board adopts a budget for the year. Divergences from the budget are reported on a monthly basis.
- Forecasts are drawn up for the next three years and they are updated every month.
- Every month, each region submits a report containing given Key Performance Indicators (KPI). The main KPIs are: EBIT/kg, feed factor, production, production cost, harvest volume, harvest cost and fish health. Analyses are made and measured against budget figures and KPIs. The information from the regions is summarised in a report submitted to the Board.

Each quarter, a risk assessment covering biology, feed, market, finance and Compliance is prepared. These areas are considered to pose the greatest risks for the Company. This can be changed from the changed situation. The risk assessment is reviewed by the Audit Committee in connection with quarterly reporting.

Divergences from the Code of Practice: None.

11. BOARD REMUNERATION

Proposals concerning Board remuneration are submitted by the nomination committee. Remuneration to Board members is not linked to the Company's results. None of the Board members have special duties in relation to the Company which are additional to those they have as Board members. Board remuneration shall be shown in the financial statements of both the Company and the Group.

Divergences from the Code of Practice: None.

12. REMUNERATION TO SENIOR EMPLOYEES

12.1 Senior employees

The group management consists of the group managing director, the director of operations and the financial director. The Group has an extended management group of ten, comprising the group managing director, the director of operations, the financial director, the group head of accounting, four regional managers (the respective managers of fish farming activities

in Rogaland, Finnmark, Shetland and British Columbia) and the two people responsible for feed/nutrition and biology, respectively.

The objective of the guidelines for determination of salary and other remuneration to senior employees within the Group is to attract people with the required competence and at the same time retain key personnel. The guidelines should also motivate the employees to work with a long-term perspective to enable the Group to achieve its goals.

The determination of salary and other remuneration to the Group's senior employees is therefore based on the following guidelines:

- Salary and other remuneration shall be competitive and motivating for each manager and for everyone in the senior management group.
- Salary and other remuneration shall be linked to value creation generated by the Company for the shareholders.
- The principles used to determine salary and other remuneration shall be simple and understandable to employees, the shareholders and the public at large.
- The principles used to determine salary and other remuneration shall also be sufficiently flexible to allow adjustments to be made on an individual basis in the light of the results achieved and the contribution made by the individual to the development of the Group.

The salary paid to the members of the senior management group consists of a fixed and a variable element. Under the bonus scheme in force the variable salary under the scheme cannot exceed six times the monthly salary. Each year, information about the provisions of the bonus scheme is included in the Group declaration on the determination of salary to the senior management group and appears in the financial statements for the Group, note 16.

The Company's Board approved the allocation of cash options based on the General Assembly's resolution for the framework of the share and cash options programme. The last approval from the General Assembly was May 28 2015. The allocation from the Board has been approved on 20 April 2007, 6 May 2009, 27 March 2012, 22 March 2013 and 17 December 2013. The group managing director, the financial director, the operational director and the four regional managers are included in the share options programme. The options agreements have been entered into within the scope of the resolution adopted by the General Assembly. Minutes of this General Assembly can be accessed on the Company's homepage.

This has been followed by the establishment of a synthetic options programme. Options agreements with members of the senior management group have been entered into within the framework of the adopted resolution.

Remuneration to the group managing director is determined at a meeting of the Board of Directors. The salary payable to the other members of the senior management group is determined by the group managing director. The group managing director shall discuss the remuneration which he/she proposes with the chairman of the Board before the amount of remuneration is

determined.

General schemes for the allocation of variable benefits, including bonus schemes and options programmes, are determined by the Board. Schemes which entail an allotment of shares, subscription rights, options and other forms of remuneration related to shares or the development of the Company's share price, are determined by the General Assembly. The Board's declaration of management remuneration is a separate agenda paper of the General Assembly. The General Assembly votes separately on guidelines to guide the Board and remuneration comprising the synthetic options programme.

The Company has no divergences from the Code of Practice.

12.2 Severance pay

The group managing director is entitled to 12 months' severance pay after dismissal and 12 months salary during illness. A severance pay agreement has also been established for the CFO and COO providing for 12 months' severance pay after dismissal. The acting resigning CEO is entitled to 18 months salary after dismissal or change in position or employment and 12 months' salary during illness.

Divergences from the Code of Practice: None.

13. INFORMATION AND COMMUNICATION

13.1 Financial information

The Company shall at all times provide its shareholders, the Oslo Stock Exchange and the finance market in general (through the Oslo Stock Exchange information system) with timely and accurate information. The Board shall ensure that the quarterly reports from the Company give a correct and complete picture of the Group's financial and commercial position and whether the Group's operational and strategic objectives are being reached. Financial reporting shall also contain the Group's realistic expectations of its commercial and performance-related development.

The Company publishes all information on its own homepage and in press releases. Quarterly reports, annual reports and press releases are presented as they arise on the Company's homepage in accordance with the Company's financial calendar.

The Company shall have an open and active policy in relation to investor relations and shall hold regular presentations in connection with the annual and interim results.

13.2 Shareholder information

The Board shall ensure that information is provided on matters of importance for the shareholders and for the stock market's assessment of the Company, its activities and results and that such information is made publicly available without undue delay. Publication shall take place in a reliable and comprehensive manner and by using information channels which ensure that everyone has equal access to the information.

All information shall be provided in both Norwegian and English. The Company has procedures to ensure that this is done. The chairman of the Board shall ensure that the shareholders' views are communicated to the entire Board.

Divergences from the Code of Practice: None.

14. COMPANY TAKEOVER

14.1 Change of control and takeovers

The Company has no established mechanisms which can prevent or act as a deterrent to takeover bids, unless this has been resolved by the General Meeting by a majority of two thirds (of the votes cast and of the share capital represented). The Board will not use its authorisation to prevent a takeover bid without the approval of the General Meeting after the takeover bid has become known. If a takeover bid is received, the management and the Board will ensure that all shareholders are treated equally. The Board will obtain a value assessment from a competent independent party and advise the shareholders whether to accept or reject the bid. The shareholders will be advised of any difference of views among the Board members in the Board's statement on the takeover bid.

The Board has in its Board meeting 13 October 2015 adopted some core principles for how the Board will act in the event of any persuasion offers. These core principles are in accordance with the recommendation of NUES.

Divergences from the Code of Practice: None.

15. AUDITOR

The Board through its audit committee seeks to have a close and open cooperation with the Company's auditor. Each year the audit committee obtains confirmation that the auditor meets the requirements of the Act on auditing and auditors concerning the independence and objectivity of the auditor.

The auditor's schedule of audit work is submitted to the audit committee once a year. In particular, the audit committee considers whether, to a satisfactory extent, the auditor is performing a satisfactory control function.

Both the Company management and the auditor comply with guidelines issued by the Financial Supervisory Authority of Norway concerning the extent to which the auditor can provide advisory services.

The auditor attends Board meetings which deal with the annual financial statements. The audit committee has an additional meeting with the auditor at least once a year to review the auditor's report on the auditor's view of the Group's accounting principles, risk areas and internal control procedures. Moreover, each year the Board has a meeting with auditor when neither the managing director nor anyone else from the management is present.

The auditor also attends meetings of the audit committee to consider relevant matters. The auditor's fee appears in the relevant note in the annual report showing the division of the fee between audit and other services.

Divergences from the Code of Practice: None.

* * *

Bergen, 6th of April 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Amounts in NOK 1 000	Note	2015	REVISED 2014
Sales revenue	8	4 608 667	4 099 543
Other income	8	44 921	2 819
Other gains and losses	7, 8	-15 218	59 122
Share of profit from associated companies	7	6 994	3 576
Cost of sales	9	-2 738 926	-2 293 279
Salaries and personnel expenses	16/ 17	-409 432	-359 529
Other operating expenses	13/ 17/ 22/ 26	-1 235 695	-1 028 434
Operating profit/loss before depreciation and fair value adjustments of biological assets		261 311	483 820
Depreciation property, plant and equipment	11	-162 211	-135 495
Depreciation licences and other intangible assets	10	-5 163	-5 222
Depreciation property, plant and equipment, and intangible assets	10/11	-46 195	0
Operating profit/loss before fair value adjustment of biological assets		47 742	343 104
Fair value adjustment of biological assets	9	33 209	-123 737
Operating result		80 951	219 366
Share of profit/loss from associated companies	7	3 142	2 865
Financial income	25	38 056	57 245
Financial expenses	25	-131 357	-107 521
Net financial loss		-93 301	-50 276
Profit before income tax		-9 208	171 956
Income tax expense	15	13 574	-27 561
Profit for the year		4 366	144 395
Allocated to:			
Controlling interests		-6 626	138 806
Non-controlling interests		10 992	5 588
Earnings per share (NOK)	20	-0,06	1,26
Diluted earnings per share (NOK)	20	-0,06	1,26

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Amounts in NOK 1000	2015	REVISED 2014
Profit for the year	4 366	144 394
ITEMS WITH NO TAX EFFECT ON REALISATION SUBSEQUENTLY REVERSED IN PROFIT:		
Currency translation differences, subsidiaries	6 266	37 099
Change in value of available-for-sale assets	31	26
Total	6 297	37 125
ITEMS WITH TAX EFFECT ON REALISATION SUBSEQUENTLY REVERSED IN PROFIT:		
Currency effect of net investments	3	54 134
Tax effect	-13 533	-21 306
Net effect	40 601	57 606
Comprehensive income after taxes	46 898	94 731
Total comprehensive income for the year	51 264	239 125
Allocated to:		
Controlling interests	40 272	233 537
Non-controlling interests	10 992	5 588

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK 1000

ASSETS	Note	31.12.15	REVISED 31.12.2014	REVISED 01.01.2014
Goodwill	10	110 647	108 708	107 310
Deferred tax assets	15	10 317	2 180	0
Licences	10	1 093 338	1 066 184	994 066
Other intangible assets	10	16 993	11 517	4 545
Property, plant and equipment	11	1 534 770	1 424 952	1 204 627
Investments in associated companies	7	25 947	22 379	28 058
Available-for-sale financial assets		1 426	1 518	1 392
Other non-current receivables		2 667	67	1 275
Total non-current assets		2 796 104	2 637 505	2 341 273
Inventories	9	90 867	91 016	75 009
Biological assets	9	1 929 115	1 844 097	1 766 332
Accounts receivable	3, 22	581 904	504 110	441 608
Other current receivables	23	145 767	93 371	98 171
Derivatives and other financial instruments	3, 14	0	0	2 806
Cash and cash equivalents	3, 21	392 020	181 498	182 258
Total current assets		3 139 673	2 714 092	2 566 184
Total assets		5 935 777	5 351 597	4 907 458

Amounts in NOK 1 000

LIABILITIES AND EQUITY	Note	31.12.15	REVISED 01.01.2014	REVISED 01.01.2014
Share capital	19	446 648	446 648	446 648
Treasury shares	19	-5 000	-5 000	-5 000
Other equity - not recognised		139 993	93 095	-2 181
Retained earnings		1 625 521	1 687 351	1 548 547
Total controlling interests		2 207 162	2 222 094	1 988 014
Non-controlling interests		30 349	19 357	13 767
Total equity		2 237 511	2 241 451	2 001 781
Deferred tax liabilities	15	539 040	560 320	557 523
Pension obligations		109	198	610
Cash-settled share options	18	4 389	2 334	0
Loan	12	1 518 261	958 828	850 646
Other long-term borrowings	12	21 425	23 640	24 056
Financial leasing liabilities	12, 13	272 968	236 430	170 251
Total non-current liabilities		2 356 192	1 781 750	1 603 086
Short-term loan facilities	3, 12	0	0	425 000
Current portion of long-term borrowings	12	101 922	487 664	111 060
Current portion of financial leasing liabilities	12, 13	61 008	53 231	46 149
Factoring liabilities	3, 12	338 231	195 560	181 297
Cash-settled share options	18	1 250	929	9 567
Accounts payable	3	653 083	360 358	418 150
Tax payable	15	24 545	56 975	1 471
Accrued salary expense and public tax payable		12 134	14 232	22 791
Derivatives and other financial instruments	3, 14	27 104	27 932	12 964
Other current liabilities	25	122 795	131 515	74 142
Total current liabilities		1 342 072	1 328 396	1 302 591
Total liabilities		3 698 264	3 110 146	2 905 676
Total liabilities and equity		5 935 777	5 351 597	4 907 457

Bergen, 06.04.2016
Grieg Seafood ASA

TRANSLATED - NOT TO BE SIGNED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1000	Note	Share capital	Own shares	Other equity - not recognised	Retained equity	Non-controlling interests	Total equity
Equity at 01.01.2014		446 648	-5 000	-2 181	1 548 547	13 767	2 001 781
RESULT FOR 2014					138 806	5 588	144 395
Translation effects foreign currency				37 644			37 644
Net investment				57 606			57 606
Change in value in shares held for sale	15			26		0	26
Total comprehensive income		0	0	95 276	0	0	95 276
Total comprehensive income for 2014		0	0	95 276	138 806	5 588	239 671
Total equity from shareholders 2014		0	0	0	0	0	0
Total change in equity in 2014		0	0	95 276	138 806	5 588	239 671
Equity at 31.12.2014		446 648	-5 000	93 095	1 687 353	19 357	2 241 452
RESULT FOR 2015					-6 626	10 992	4 366
Translation effects foreign currency				6 266			6 266
Net investment				40 601			40 601
Change in value in shares held for sale	15			31			31
Total comprehensive income		0	0	46 898	0	0	46 898
Total comprehensive income for 2015		0	0	46 898	-6 626	10 992	51 264
Dividend paid					-55 206		-55 206
Total equity from shareholders 2015		0	0	0	-55 206	0	-55 206
Total change in equity in 2015		0	0	46 898	-61 832	10 992	-3 942
Equity at 31.12.2015		446 648	-5 000	139 993	1 625 521	30 349	2 237 511

Booked amount on the line "Own shares" equals nominal value of parent company's holding of own shares.

SPECIFICATION OF EQUITY ITEMS	Effect of share-based remuneration	Purchase of own shares *)	Profit for the year - dividend paid	Total
Book value at 01.01.2014	1 094	-13 036	1 560 489	1 548 547
Change in 2014	0	0	138 806	138 806
Change in 2015	0	0	-61 832	-61 832
Book value at 31.12.2015	1 094	-13 036	1 637 463	1 625 521

SPECIFICATION OF OTHER EQUITY, NOT RECOGNISED	Shares held for sale	Net investment	Currency conversion	Total
Book value at 01.01.2014	711	17 766	-20 658	-2 181
Change in 2014	26	57 606	37 644	95 276
Change in 2015	31	40 601	6 266	46 898
Book value at 31.12.2015	768	115 973	23 252	139 993

*) Amount classified under "Purchase of own shares" is cost price in excess of nominal value. See also note 19.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in NOK 1000	Note	2015	REVISED 2014
Operating result		80 951	219 366
Taxes paid for period	15	-57 005	-8 740
Fair value adjustment of biological assets	9	-33 209	127 108
Ordinary depreciation	10,11	167 374	140 717
Depreciation property, plant and equipment, and intangible assets	11	46 195	-
(Gain/)Loss on sale of property, plant and equipment		-403	-478
(Gain/)Loss on sale of own shares	7	-1 405	-63 815
Share of results from companies which apply the equity method of accounting	7	-6 994	-3 576
Change in inventories and biological assets ex. fair value		-51 661	-219 138
Change in customer accounts receivable and other receivables		-168 672	-37 438
Change in accounts payable		292 689	-76 174
Change in other accruals items		99 839	86 528
Change in net pension and option obligations		1 966	-7 818
Net cash flow from operations		369 665	156 541
Receipts from sale of property, plant and equipment	10	2 092	6 245
Receipts from sale of shares and other equity instruments	13	6 568	71 446
Dividends received	25	446	474
Payments on purchase of property, plant and equipment	11	-264 050	-303 404
Payments on purchase of intangible assets	10	-58 651	-8 294
Change in other non-current receivables		-2 953	47
Net cash flow from investment activities		-316 548	-233 486
Change in short-term interest-bearing debt		-	-410 737
Change in long-term interest-bearing debt		650 000	895 109
Leasing receipts		71 795	103 135
Repayment of long-term interest-bearing debt and leasing		-528 987	-649 750
Other financial items		-823	26 412
Dividend		-55 206	-
Change in factoring		139 131	195 568
Interest expense		-117 641	-88 303
Net cash flow from financing activities		158 269	71 434
Net change in cash and cash equivalents		211 386	-5 511
Cash and cash equivalents at 01.01		181 498	182 257
Currency conversion of cash and cash equivalents		-865	4 752
Cash and cash equivalents at 31.12		392 020	181 498

NOTE 1

GENERAL INFORMATION

Grieg Seafood ASA is an integrated Norwegian seafood company operating in the area of salmon farming and processing. Grieg Seafood ASA is a public limited company registered in Norway. Its head office is located at C. Sundtsgt. 17/19, Bergen, Norway. Grieg Seafood ASA was listed on the Oslo Stock Exchange on 21 June 2007. The Company has operations in Norway, the UK and Canada.

The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU, and approved by the Board of Directors 6 April 2016.

In the following, "Group" is used to describe information related to the Grieg Seafood Group, whilst "the Company" is used for the parent company itself.

All amounts are in NOK thousand unless stated otherwise. All amounts for 2014 are revised due to the full consolidation of Ocean Quality as from 1 January 2015. See note 6 for further information about the revision.

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 periods presented, unless stated otherwise.

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, 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 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 described in note 4.

CONSOLIDATION PRINCIPLES

(A) SUBSIDIARIES

Subsidiaries are all entities (including special purpose entities) over which the Group has control. A situation where the Group controls another entity arises when the Group is exposed to variability in returns from the entity, and has power to influence this return through its control of the entity.

Subsidiaries are consolidated from the point when the group can exercise control and consolidation ends when control of the subsidiary terminates.

If the Company's ownership exceeds 50 % but is below 100 % of the subsidiaries, the minority's share of profit after tax and share of equity are posted on separate lines in the statement.

The purchase method of accounting is used for acquisitions. The cost of an acquisition is measured as the fair value of the assets and liabilities taken over, and equity instruments issued. The cost also includes the fair value of all assets and liabilities and contingent liabilities taken over by agreement. Identifiable assets, debt and contingent liabilities are booked at fair value on the date of acquisition. Non-controlling owner interests in the acquired entity are measured from time to time either at fair value, or as their proportion of net assets of the entity that has been acquired.

Costs related to acquisitions are charged as they arise.

In the case of a multi-stage acquisition, the proportion of ownership from an earlier purchase is re-stated at fair value at the date of control and the value change is recognised through profit or loss.

A contingent acquisition price is measured at fair value at the date of acquisition. Under IAS 39, subsequent changes in the contingent

acquisition price are recognised through profit or loss or are posted as a change in the comprehensive income statement where the contingent price is classified as an asset or a liability. There is no new value measurement of a contingent acquisition price classified as equity, and the subsequent settlement is charged against equity.

Intra-group transactions, balances, and unrealised gains between Group companies are eliminated. Unrealised loss is also eliminated. The accounts of subsidiaries are re-stated where necessary to ensure consistency with the accounting policies adopted by the Group.

(B) CHANGE IN OWNER INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

Transactions with non-controlling owners of subsidiaries, which do not entail a loss of control, are regarded as equity transactions. On the purchase of further shares from non-controlling owners, the difference between the consideration paid and the shares' proportionate share of the net assets in the accounts of the subsidiary is recorded in the equity of the parent company's owners. Similarly, any gain or loss on a sale to non-controlling owners is recorded in equity.

(C) DIVESTMENT OF SUBSIDIARIES

In the event of loss of control, any remaining ownership interest is stated as fair value change through profit or loss. Thereafter, for accounting purposes, fair value is the acquisition cost either as an investment in an associated company, joint venture or a financial asset. Amounts previously recorded in a comprehensive income statement related to this company, are dealt with as if the Group had disposed of underlying assets and liabilities. This may mean that amounts previously recorded in a comprehensive income statement, are reclassified as part of the income statement.

(D) ASSOCIATED COMPANIES

Associated companies are entities over which the Group has significant influence, but not control. Significant influence is deemed to exist where the Group has between 20% and 50% of the voting rights. Investments in associates are recognised using the equity method. Investments in associates are initially recognised at cost, and the Group's share of the results in subsequent periods is recognised through profit or loss. The amount recorded in the balance sheet includes implicit goodwill identified at the date of purchase.

Share of profit or losses of associates that are closely linked to the Group's operations and thus are included in the value chain of the Group, are classified on a separate line included in the Group's operating result.

In the event of a reduction in the owner interest in an associated company where the Group retains significant influence, only a proportionate part of amounts previously recognised in the comprehensive income statement is reclassified through profit or loss.

The Group's share of profits or losses of associated companies is recognised in the income statement and is added to the value of the investment in the balance sheet. The Group's share of the comprehensive results for the associated company is entered in the Group's comprehensive income statement and is also added to the amount of the investment in the balance sheet. The Group's share of a loss is not posted in the income statement if this means that the value of the investment in the balance sheet is negative (including the entity's unhedged receivables), unless the group has undertaken obligations or made payments on behalf of the associate. The accounts of associated companies are re-stated where necessary to ensure consistency with the accounting policies adopted by the Group.

At the end of each accounting period, the Group determines if there is a need to write down the investment in the associated company. In such case, the amount of the write-down is calculated as the difference between the recoverable amount of the investment and its book value, and the difference is recorded on a separate line along with "Share of results of associated companies".

If a gain or a loss arises on transactions between the Group and its associated companies, only the proportionate amount related to shareholders outside the Group is recorded. Unrealised losses are eliminated unless there is a need to write down the asset that was the subject of the transaction. Accounting policies of associates are changed where necessary to ensure consistency with the accounting policies adopted by the Group. Gains and losses on dilution of assets of associated companies are posted in the income statement.

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 Group management.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency.

The financial statements of each of the Group's entities are generally measured using the currency of the economic area 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 BALANCE SHEET ITEMS

Foreign currency transactions are translated into the functional currency using the exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency at year-end at the exchange rate on the date of the balance sheet are recognised in the income statement.

GROUP COMPANIES

The income statements and balance sheets of 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:

- (i) assets and liabilities are translated at the closing rate on the date of the balance sheet,
 - (ii) income and expense items in the income statement are translated at average exchange rates for the period (if the average is not a reasonable estimate of the cumulative effects of using the transaction rate, the transaction rate is used)
 - (iii) translation differences are recorded in comprehensive income and specified separately. When a foreign operation is sold, the exchange difference, which in previous periods was recorded in consolidated income, is not accrued. The accumulated exchange difference from the sale of the foreign operation is hence reversed in the consolidated income. Gain/loss from the sale is recognised on a basis of zero exchange difference. Gain/loss is recorded in the ordinary net profit.
- Goodwill and fair value adjustments of assets and liabilities on the

acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated into 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 item. Acquisition cost may also include gains or losses transferred from equity as a result of hedging the cash flow in foreign currency on the purchase of property, plant and equipment.

Improvements are included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the improvement 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 is calculated using the straight-line method to allocate cost less residual value over estimated useful lives, as follows:

- Buildings/real estate 10 - 50 år
- Plants, barges, onshore power supply 5 - 30 years
- Nets/cages/moorings 5 - 25 years
- Other equipment 3 - 35 years

The assets' useful lives and residual values are reviewed at each balance sheet date and adjusted, if necessary.

An asset's carrying amount is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are posted net in the income statement and correspond to the difference between the sale price and the carrying amount.

INTANGIBLE ASSETS

Intangible assets, which arise internally within the Group, are not recognised. 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. Amortised licences are tested for impairment only if there are indications that future earnings do not justify the asset's balance sheet value.

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 entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is classified as an intangible asset. Goodwill on the purchase of a share in an associated company is included in "investments in associates". 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 quotas and fish farming licences that have an indefinite useful life are not amortised but reviewed for impairment annually, or more frequently if there are indications that the balance sheet value may have decreased.

The Group considers the following licences to have indefinite useful life:

- Licences granted with indefinite useful life, where the company has no other contractual restrictions related to the use of the licence.

- Licences granted with limited useful life, but where renewal from licence holders' side can be arranged without substantial expenses.

Licences with a limited useful life are amortised over the useful lifetime. These regard water concessions for hatcheries and some specific grow-out licences. The following sections provide a description of concessions related to the segments Norway, UK (Shetland) and BC (Canada). Please refer to note 10 Intangible assets for an overview of the number and types of licences, as well as impairment testing.

NORWAY

The licencing regime for the production of salmon and trout in Norway has been introduced by the Parliament and adopted through the Aquaculture Act. The Ministry of Trade, Industry and Fisheries grants permits for aquaculture (licences). All aquaculture operations are subject to licencing and nobody can produce salmon/trout without permission from the authorities regardless of when the permit was issued, cf. Aquaculture Act § 4.

The aquaculture permit entitles the production of salmon and trout in limited geographic areas (sites), with the current determined limitations of the permit scope. The Aquaculture Act is administered centrally by the Ministry of Trade, Industry and Fisheries, with the Directorate of Fisheries as the supervisory authority. Regionally, several industry authorities collectively manage a complete administrative and supervisory responsibility within the regulating range of the Aquaculture Act. The county is the regional administrative body, while the Directorate of Fisheries serves as appellate body in locality and licencing matters.

Grow-out licences

Each licence for salmon and trout in the sea is subject to a production limit in the form of "maximum allowed biomass" ("MTB"). MTB does not directly limit the number of tons of fish production within a year, but limits the amount of fish to keep in the sea at any time. Normally, a licence has a limit of 780 tons MTB, ref. the Salmon Allocation Regulation § 15 ("laksetildelingsforskriften"). Such licences are limited in number and only subject to application, following politically decided licencing rounds.

Hatchery licences

Young salmon/trout are defined as eggs, juveniles, parr or smolts to be released in another locality ref. Salmon Allocation Regulation § 4 f. Such licences are not limited in number and thus subject to continuous application for new licences or changes to existing licences. Basically, it is not allowed to produce smolts over 250 grams, but the regulations allow for applications to produce a certain percentage of fish up to 1 kilogram.

R&D and broodstock licences

These licences are not limited in number. Permissions are means-tested, meaning the applicant must demonstrate a need for the production of eggs, specific research projects or educational purposes. Broodstock licences include both land and sea phase, ie the broodfish and egg production belong to the same licencing consideration.

Harvesting cage licences

Licences utilised to cage setting of live fish for harvesting. These relate to specific locations.

Duration and renewal

The Ministry may in individual decisions or regulations specify further provisions on the contents of aquaculture licences, including scope, time limitations, etc., cf. the Aquaculture Act § 5, second paragraph. Still, the preparatory work for the Aquaculture Act specify that licences normally are granted without a time limit. Grieg Seafood's general food fish licences and hatchery licences are not time limited under current regulations. After the reform in 2009, a number of licences were time limited, mainly to 15 years. As no government practices have been established related to renewal of broodstock licences, the current understanding is that expiration

of licences allows for application for renewal based on demand. A licence for harvesting cages is valid for 10 years and needs renewal upon expiration, given that the licence is still connected to an approved harvesting plant.

Disposal and withdrawal

All licences can be transferred and mortgaged according to the Aquaculture Act § 19. Transfers and mortgages must be registered in a separate register (the Aquaculture Register). It is not allowed to rent out licences or licence capacity.

The Aquaculture Act reviews the basis for withdrawal of an aquaculture licence. This states inter alia that there must be significant breaches of the terms of an aquaculture licence before it can be revoked.

UK

Grieg Seafood Hjaltland UK Ltd ("Grieg UK") has farms on both the west and east coast of Shetland, as well as the west coast of Scotland. In order to operate farms in Scotland, the following five licences must be in place:

- Water Environment (Controlled activities) "CAR" licence – issued by Scottish Environment Protection Agency (SEPA)
- Planning permission – issued by local authorities (Town and Country Planning Act)
- Crown Estate Lease/Permission (The Crown Estate act 1961)
- Aquaculture Production Business Licence (APB) – issued by Aqua Animal Health
- Marine Licence (Navigation) – issued by the Scottish government

For limitations related to production quantity, see table in note 10.

Duration and renewal

- CAR licence – requires periodic inspection and monitoring. If a substantial negative effect on the environment can be proven, as a consequence of the operation, the production volume can be reduced or, as a worst-case scenario, revoked.
- Planning Permission – indefinite duration, but if the plant is left unused for 3 consecutive years, the licence may be withdrawn
- Crown Estate Lease/Permission – 25 years of duration. Normal procedure is renewal of the licences upon expiration.
- APB – indefinite duration depending on compliance with the licence's conditions.
- Marine Licence – required application for renewal every 6 years. This is normally a formality.

BC

Grieg Seafood B.C. Ltd ("Grieg BC") has farms on both the west and east coast of Vancouver Island. In order to operate farms in British Columbia, Canada, the following three licences must be in place:

- Aquaculture licence – issued by Department of Fisheries and Oceans
- Licence of Occupation (Tenures) – issued by Ministry of Forest, Lands and Natural Resource Operations
- Navigation Water Permit – issued by Transport Canada (Canadian public authorities)

For limitations related to production quantity, see table in note 10.

Duration and renewal

- Aquaculture licence – duration of 1 year, renewal each year is a formality.
- Licence of Occupation – duration of between 2 and 20 years. Renewal is applied for upon expiration.
- Navigation Water Permit – duration of 5 years, but possible to apply for renewal.

OTHER INTANGIBLE ASSETS

Acquired customer portfolios and computer software licences are capitalised at cost and amortised over their estimated useful lives. Customer portfolios are capitalised at historical cost at the date of purchase. Amortisation is calculated using the straight-line method

over the estimated useful life, as follows:

- Customer portfolios 6 years
- Computer software 3-10 years

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not amortised and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever there are indications that future earnings do not justify the carrying amount. 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/LIABILITIES

The Group classifies its financial assets in the following categories: At fair value through profit or loss, loans and receivables, and assets available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets upon acquisition and re-evaluates this designation at every reporting date in case of material changes.

A) 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 classified as 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.

At each balance sheet date the Group considers whether there is any objective evidence that the loans and receivables are impaired. Such objective evidence is, for instance:

- breach of contract, such as a default or delinquency in payments,
- the probability that the borrower will become insolvent or be subject to financial reorganisation.

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

B) 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 other category. 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 stated at fair value. Change of value is recorded in consolidated total financial statement.

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 from investment in securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on shares classified as available-for-sale are recognised in the income statement when the Group's right to receive dividends 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. These include recent transactions on market terms, reference to other instruments which are essentially the same, the use of discounted cash flows and options models.

The techniques used make maximum use of market and avoid company-specific information as much as possible.

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. All financial assets which are not stated at fair value through profit or loss are initially recognised at fair value plus transaction costs.

At each balance sheet date the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of shares 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 fair value, less any impairment loss on that financial asset previously recognised through profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on shares and corresponding equity instruments are not reversed through the income statement. Impairment testing of accounts receivable is described below.

C) FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE INCLUDED IN INCOME STATEMENT, INCLUDING DERIVATIVES AND HEDGING

Financial equity classified as available-for-sale is recorded at fair value, whereas change of value is included in income statement.

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 stated at fair value on an ongoing basis.

Changes in the fair value of derivatives are posted net in the income statement under 'other financial income/costs'. This includes derivatives intended for hedging purposes.

Assets/liabilities in this category are classified as current assets/short term debt when intended to be disposed of within 12 months, otherwise as non-current assets/liabilities.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The net realisable value is the estimated selling price, less processing and 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. The model applied by the Group divides the fish into three weight categories and assumes the following:

1. Fish below 1 kilogram is recorded at accumulated cost. The best estimate for fair value is considered to be accumulated cost.
2. For fish between 1 and 4 kilograms the estimated fair value includes a proportionate part of the estimated profit.
3. For fish over 4 kilograms (fish ready for harvesting) the fair value is set at the net sale price on the basis of harvesting at the balance sheet date.

If the expected sale price is below the estimated cost, this will entail a negative value adjustment of biological assets, which is 100 % accrued. Upon estimating actual accumulated cost at the respective grow-out facility, direct costs (fish feeds a.o.) are allocated to the locality. Indirect costs are distributed across localities through a norm of distribution. Given unusual mortality rate, the cost is amortised. This applies only when mortality rate exceeds normal expectations. Financial costs are not allocated to cost.

The sale price for fish ready for harvesting is based on spot prices, while the price of fish between 1 and 4 kilograms is based on forward prices and/or the most relevant price information that is available for the period when the fish is expected to be harvested.

The net sales are adjusted for quality differences (superior, ordinary and prod.), and for freight and sales commissions. Estimated harvesting expenses are also deducted. The volume is adjusted for gutting waste, as the price is measured for gutted weight.

Change in fair value of biological assets is recognised. The value adjustment is presented on the separate line "Fair value adjustment of biological assets."

The Group applies an internal principle of impairment in the event of extraordinary mortality. Such impairments are recorded as they arise as part of the cost of sales in the income statement. Information on recorded fair value for extraordinary mortality is based on the same principle as estimating value-adjusted biological assets. For specification of annual extraordinary mortality, see note 9.

INDUSTRY GROUP FOR AQUACULTURE

In autumn 2014 the Fincancial Supervisory Authority of Norway (FSA) initiated an evaluation project related to parts of the financial reporting for aquaculture companies listed on the Oslo Stock Exchange. The purpose of the project was to assess whether the aquaculture industry practices a uniform and consistent reporting in accordance with IFRS. FSA published its final report on 17 November 2015 on its website (www.finanstilsynet.no). As a result of this review, the fish farming companies subject to the project, established an industry group for financial reporting, as a venue for discussions and common improvements of reporting.

The group has held several meetings during the autumn of 2015, and the two main agendas of the meetings were to:

- 1) identify possible note improvements and policy applications, and
- 2) develop a common model for fair value measurement of biomass in line with IAS 41.

Affiliated with the first agenda, the group has identified some areas for improvement, and some adjustments of the note disclosures and presentation with effect for the fiscal year 2015. Further standardisation of the note information with effect from the fiscal year 2016, is expected.

As for the other agenda, the industry group has initiated work on a common valuation model, and this work will continue in 2016. The group aims to have completed this work in time to effect the financial statements as of December 31, 2016.

The following companies participate in the industry group: Lerøy Seafood Group ASA, Grieg Seafood ASA, Salmar ASA, Cermaq AS, P/F Bakkafrøst and Marine Harvest ASA.

ACCOUNTS RECEIVABLE

Accounts receivable are generated from trading of goods or services within the ordinary operating cycle. Accounts receivable under normal terms of payment are recognised initially at nominal value. Longer terms of payment implies a subsequent measurement of net present value/discounting of the accounts receivable. A provision for impairment of accounts receivable is established when there is objective indication that the Group will not be able to collect all amounts due according to the original terms of trade. Significant financial difficulties affecting the debtor, the probability that the debtor will become insolvent or be subject to financial reorganisation, and default or delinquency in payments are considered indicators that the account receivable is impaired. The provision is the difference between nominal and recoverable amount, which is the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement under 'other operating expenses'.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown under borrowings included in current liabilities.

SHARE CAPITAL

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

BORROWINGS

Borrowings are recognised initially at fair value when the funds are received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost applying the effective interest method. 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.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

DEFERRED TAX

Deferred tax is provided for in full at nominal values, using the liability method, on temporary differences arising between the value of assets and liabilities for tax and accounting purposes. Deferred 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 tax asset is realised or the deferred income liability is settled.

Deferred tax assets are offset against deferred tax liabilities to the extent that it is probable that future taxable income will be available, from which the temporary differences can be deducted.

Deferred tax is calculated 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 be reversed in the foreseeable future.

EMPLOYEE BENEFITS PENSION OBLIGATIONS

Effective from 1 July 2009 the pension obligations of Grieg Seafood ASA have been based on a defined contribution based scheme for all employees, following the termination of a defined benefits based scheme. The Company's pension scheme is in accordance with rules and regulations for mandatory occupational pensions. The premium is charged through operations as it arises in the profit and loss account. Employer's social security contributions are charged on the basis of the pension premium paid.

Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS have a contractual early retirement pension scheme (AFP). The 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 both companies are members of the LO/NHO scheme. The pension payment calculations are based on standard assumptions relating to the development of mortality and disability as well as other factors such as age, years of service and remuneration.

The old AFP scheme has terminated, and the previous balance sheet obligation was therefore written back in 2010. This does not apply to that part of the obligation related to those who have already taken out a pension under the old scheme. On termination of the old AFP scheme LO/NHO required the member companies to cover the underfunding of the old scheme. Companies which have been members of LO/NHO must make a provision to cover the underfunding, with payment due over a 5-year period.

SHARE-BASED REMUNERATION

The Group operates a share-based management remuneration plan

with settlement in cash. 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 calculated on the basis of 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 company 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 liability. The Black and Scholes option pricing model is used for valuation.

The company's obligations are posted under long-term commitments if the latest possible redemption date exceeds one year.

TRANSACTIONS UNDER JOINT CONTROL

On the purchase of entities under joint control the Group has chosen to apply IFRS 3 as its accounting standard. 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.

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 the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Profit sharing and bonus plans

The Group recognises a provision where it has a contractual obligation or where there is a past practice that has created a constructive obligation.

PROVISIONS

Provisions (e.g. environmental improvements, 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 of the obligation can be reliably estimated.

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

Where there is 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 discount rate that reflects the current market situation and the risks specific to the obligation. The increase in the provision due to the change in value because of passage of time is posted as a financial expense.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intra-group sales. Revenue is recognised when it is reliably measured and it is reasonably assured that the economical assets will be transferred, i.e. when a group entity has delivered products to the customer, the customer has accepted the products

and collectability of the related receivables and when the risks and rewards have been transferred to the customer.

INTEREST INCOME

Interest income is recorded proportionately over time 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 the original effective interest rate. Interest income on impaired loans is recognised on the basis of the amortised cost and the original effective interest rate.

DIVIDEND INCOME

Dividend income from investments under the cost method or available-for-sale is recognised when the right to receive payment is established. Dividend income from entities under the equity method are not being recognised but recorded as a reduction in the carrying value of the investment.

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 control, 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 aggregate minimum lease payments.

Each lease payment is allocated between an instalment element and an interest element so as to achieve a constant interest rate in the different periods on the outstanding lease obligation in the balance sheet. The lease obligation, less interest costs, is classified as other long-term debt. The interest expense is posted in the income statement as a financial expense over the lease period so as to achieve a constant interest expense on the outstanding obligation in each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease period.

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 financial incentives from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

DIVIDENDS

Dividends payable to the Company's shareholders are recognised as a liability in the Group's financial statements when the dividends are approved by the AGM.

BORROWING COSTS

Borrowing costs incurred during the construction of operating assets 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 in the income statement.

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 entailing financial benefits out of the company
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 through 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 it is likely that a benefit will accrue to the Group.

CASH FLOW STATEMENT

The Group's cash flow statement shows the overall cash flow broken down into 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 are calculated by dividing the profit for the year allocated to the company's shareholders by a weighted average of the number of issued ordinary shares during the year.

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.

NOTE 3

FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

"It is a Group aim to ensure that it has access to capital to enable the Company to develop in accordance with adopted strategies. By so doing, Grieg Seafood should continue to be one of the leading players in its sphere of activity. Historically, the industry has always been vulnerable to price fluctuations in the market. Because of this, the accounting performance may fluctuate considerably from year to year. Therefore, it is a goal to ensure that the business maintains an appropriate level of free liquidity.

The Board believes it is natural that, over a period of several years, the average dividend should correspond to 25-30% of the profit after tax, after allowing for the effects of fair value adjustments of biomass on profits. However, the dividend must always be considered in the light of what is deemed to be a healthy and optimal level of equity.

At 31.12.2015 the Group had net interest-bearing debt including finance leases of MNOK 1 907, ref. note 12. Funding is mainly in the form of bank loans. The level of debt and alternative forms of funding are subject to constant evaluation.

FINANCIAL RISK FACTORS

The Group is exposed to a range of financial risks; market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance. To some extent, the Group uses financial derivatives to reduce some risks.

The Group identifies, evaluates and hedges financial risks in close cooperation with the Group's operational units. The board has established written principles for the management of foreign exchange risk, interest rate risk and the use of financial instruments.

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 CAD, USD, GBP and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets, liabilities and net investments in foreign operations. Hedge accounting is not applied to foreign currency forward contracts and other derivatives. Change in value of forward contracts/other derivatives thus affect the result, since these are accounted for at fair value through profit or loss, see description in accounting principles (note 2). The Group enters into foreign currency forward contracts to manage this risk.

Foreign currency in NOK	2015	NOK	USD	EUR	GBP	CAD	JPY	Other currency	Total
Accounts receivable		102 482	87 647	271 653	92 021	4 679	23 422	0	581 904
Accounts payable		424 127	769	7 419	124 405	91 513	-	4 850	653 083

Foreign currency in NOK	2014	NOK	USD	EUR	GBP	CAD	JPY	Other currency	Total
Accounts receivable		97 366	71 332	173 908	145 184	3 782	12 538	0	504 110
Accounts payable		214 994	341	2 168	97 021	45 835	0	0	360 358

Currency statement net interest-bearing debt	2015	NOK	USD	EUR	GBP	CAD	JPY	Other currency	Total
Cash and cash equivalents		261 739	24 165	1 601	48 231	55 930	353	1	392 020
Longt-term interest-bearing debt*		1 965 818	71 053	199 476	50 587	-	12 195	-	2 299 129
Net interest-bearing debt		1 704 079	46 888	197 875	2 356	-55 930	11 842	-1	1 907 109

*Overview interest-bearing debt, see note 12

Currency statement net interest-bearing debt	2014	NOK	USD	EUR	GBP	CAD	JPY	Other currency	Total
Cash and cash equivalents		109 059	13 822	-	48 124	10 490	4	-	181 498
Interest-bearing*		1 866 456	-	-	86 371	-	-	-	1 952 827
Net interest-bearing debt		1 757 397	-13 822	-	38 247	-10 490	-4	-	1 771 329

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

The Group's bank loans are now in NOK. The background is a wish to prevent the parameters of the financial framework from being affected by foreign currencies, since all of the syndicated bank loans are measured in NOK.

The parent company has short and long-term loans to the subsidiaries denominated in these companies' functional currency. All long-term loans are considered to be equity in these companies, as they will not be repaid. The currency effect of loans are posted under "currency effect of net investments" in consolidated comprehensive income. Numerical effects for 2015 and 2014 are presented below.

The currency effect of the net investments of subsidiaries is as follows:	2015	2014
Currency effect	54 134	78 912
Tax effect	-14 616	-21 306
Net effect charged against equity	39 518	57 606

Sensitivity analysis

Given a currency appreciation of NOK with 10% against USD, CAD, GBP and EUR on the balance sheet date 31.12.2015, the following effects on net interest-bearing debt in TNOK can be expected.

10% appreciation against	USD	EUR	GBP	CAD
Net effect on net interest-bearing debt	4 689	19 788	236	-10 282

The reversed effect will take place if NOK depreciates with 10%

10% appreciation against	USD	EUR	GBP	CAD
Monetary items - net effect on profit after tax	5 579	117	12 506	9 399

The reversed effect will take place if NOK depreciates with 10%

Forward currency contracts

Forward currency contracts are classified at fair value through profit or loss as current assets or current liabilities, respectively. Changes in fair value are recognised as financial expenses or financial income.

The following table shows the Group's forward currency contracts as at 31.12.2014 and 31.12.2015:

Forward currency contracts as at 31.12.2015:

Sold	Amount	Bought	Amount	Weighted hedging rate	Market rate	Maturity interval *)	Market value in TNOK at 31.12.2015
USD	5 550	CAD	7 562	1,3625	1,3884	05.01.16 - 12.02.16	-847
EUR	51 070	NOK	483 247	9,4625	9,6030	04.01.16 - 24.01.17	-9 420
USD	2 826	NOK	24 311	8,6036	8,8206	05.01.16 - 08.02.16	-615
GBP	9 032	NOK	117 080	12,9631	13,0840	04.01.16 - 20.01.17	-1 196
JPY	299 059	NOK	21 448	0,0717	0,0733	05.01.16 - 08.02.16	-467
Other currency	193	NOK	244			05.01.16 - 07.01.16	-4
Total							-12 549

Forward currency contracts as at 31.12.2014:

Sold	Amount	Bought	Amount	Weighted hedging rate	Market rate	Maturity interval *)	Market value in TNOK at 31.12.2014
USD	14 700	CAD	16 655	1,1326	1,1612	27.02.15 - 29.06.15	-2 695
EUR	30 353	NOK	268 825	8,7820	9,0400	02.01.15-23.01.15	-6 129
USD	9 197	NOK	65 730	6,9798	7,4500	02.01.15-23.01.15	-2 825
JPY	255 907	NOK	15 679 635	0,0609			-259
Other currency							39
Total							-11 869

*) The maturity is stated in intervals where there are several contracts.

(II) PRICE RISK

The Group is exposed to fluctuations in the spot prices for salmon, which is mainly determined by the global supply of salmon. The effect of price changes is reduced by geographical diversification, but due to the long production cycle it can be difficult to respond rapidly to global trends in market prices. Salmon is mainly traded at spot prices, and an increase in the global supply of salmon can result in a decline in spot prices. When entering into a financial price contract, the buyer and the seller agree on a price and a fixed volume for future delivery. In 2015, the Group has no financial price contracts, but the sales company Ocean Quality AS has secured contracts with customers. The Group management continuously analyses the price market and opportunities to enter into price contracts. In 2014, the Group entered into financial price contracts for 2015 of 1445 tons.

(III) INTEREST RATE RISK

As the Group has no significant interest-bearing assets, its income and operating cash flows are largely independent of changes in market rates. The Group's interest rate risk arises from borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Fixed interest contracts are used to reduce this risk. The level of fixed interest loans is insignificant. The Group monitors its interest rate exposure continuously. The Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same change in the interest rate is used for all currencies. The scenarios are run only for liabilities which represent major interest-bearing positions.

Sensitivity calculations show the following expected values: If the interest rate had been 1% higher (lower) throughout the year, other things being equal, the pre-tax profit would have been reduced (increased) by MNOK 17,7 in 2015 and MNOK 14,2 in 2014 due to the floating rate of interest on loans and deposits. The sensitivity analysis is based on average net interest-bearing debt throughout 2015 and 2014, notwithstanding concluded interest rate swap agreements.

Amounts in NOK 1000	Increase/reduction in interest rate points	2015	2014
Effect on profit before income tax	-/+ 1%	-/+ 17 704	-/+ 14 214

INTEREST RATE SWAP AGREEMENTS

The purpose of the Group's risk management activities is to establish an overview of the financial risk that exists at any given time and to take protective steps which give more time to adapt to the changes that take place. With this purpose in mind, the Group has chosen to employ interest rate swap agreements to establish greater stability for the Group's loan interest expenses on variable rate. The Group has decided that at any given time a certain percentage of its interest-bearing debt on variable rate in banks a.o. shall be hedged under interest rate swap agreements. A specific proportion will always be at a floating rate, while the remainder will be subject to possible hedging. This is under constant consideration, based on the market situation.

The interest rate swap agreements have a horizon of 2-4 years and whether these periods are to be rolled over is a matter of constant evaluation.

The following table shows the Group's interest rate swap agreements in TNOK, and the market value as at 31.12.2014 and 31.12.2015:

2015

Agreement	Principal	Fixed rate	Basis of floating rate	Duration	Market value
Fixed rate paid - floating rate received	400 000	1,69	Nibor 3 mth	27.03.19	-10 380
Fixed rate paid - floating rate received	200 000	2,34	Nibor 3 mth	17.10.16	-1 766
Fixed rate paid - floating rate received	200 000	2,40	Nibor 3 mth	16.08.16	-2 409
Total					-14 555

The interest rate swap agreements are measured at market value excluding accrued interest.

2014

Agreement	Principal	Fixed rate	Basis of floating rate	Duration	Market value
Fixed rate paid - floating rate received	400 000	1,70	Nibor 3 mth	31.10.19	-8 603
Fixed rate paid - floating rate received	200 000	2,34	Nibor 3 mth	16.08.16	-4 315
Fixed rate paid - floating rate received	200 000	2,40	Nibor 3 mth	17.10.16	-4 980
Total					-17 898

Similar to the forward currency contracts hedge accounting under IAS 39 is not applied to interest rate swap agreements. Change in value of interest rate swap agreements thus affect the result, since these are accounted for at fair value through profit or loss, see description in accounting principles (note 2). Recognised change in value (unrealized) is classified as financial income or expense.

FAIR VALUE, FINANCIAL ASSETS

Carrying value of derivatives and other financial instruments as at 31.12 is displayed below (TNOK). Carrying value equals fair value. Positive value is classified as assets, negative value is classified as liabilities in the balance.

	2015		2014	
	Assets	Short-term loan	Assets	Short-term loan
Forward currency contracts	0	-12 549		-11 869
Interest rate swap agreem. (3 contracts totalling MNOK 800 due in 2016 and 2019)	0	-14 555	0	-17 898
Financial salmon contracts	0	0	0	1 834
Sum financial instruments at fair value	0	-27 104	0	-27 932

CREDIT RISK

Credit risk is managed at Group level. Credit risk arises from transactions with derivatives and deposits in banks and financial institutions, as well as from transactions with customers, including accounts receivable and fixed contracts. The Group has procedures to ensure that products are only sold to customers with satisfactory creditworthiness. The company normally sells to new customers only on presentation of a letter of credit or upon advance payment. Credit insurance is used when deemed appropriate. For customers who have a reliable track record with the Group, sales up to a certain level agreed in advance are permitted without any security.

Factoring agreements have been concluded with Ocean Quality AS and Ocean Quality UK regarding accounts receivable, see further information in note 12. All production is sold to Ocean Quality Group which in turn sells to external customers. As from 2015, this also applies to production in BC, selling to Ocean Quality's subsidiary in NA. It is the policy of Ocean Quality AS to secure the bulk of its sales through credit insurance and bank guarantees.

The book value of financial assets represents the maximum credit exposure. The maximum credit risk exposure as at 31.12.2015 was as follows:

Amounts in NOK 1000

	NOTE	2015	2014
Accounts receivable	22	581 904	504 110
Other receivables	23	145 767	93 371
Cash and cash equivalents	21	392 020	181 498
Total		1 119 691	778 979

Other receivables relates mainly to prepayments and VAT receivable.

AGE DISTRIBUTION OF ACCOUNTS RECEIVABLE	2015	2014
Not due	460 807	158 298
Due	120 973	95 745
- 0-3 months	109 423	78 787
- more than 3 months	10 132	7 574
- more than 1 year	1 404	9 384
Total nominal value of accounts receivable	581 780	254 043

CHANGE IN PROVISION FOR BAD DEBTS	2015	2014
01.01.	1 704	4 420
Change in provision	3 275	2 715
At 31.12.	4 979	1 704

LIQUIDITY RISK

The Group performs prudent liquidity risk management, which implies maintaining sufficient cash and marketable securities, the availability of funding through sufficient credit facilities and the ability to close our market positions when considered appropriate. Due to the dynamic nature of the underlying nature of the business, the Group aims to maintain flexibility in funding by keeping committed credit lines available. In June 2015 the Company's bank loans were expanded by MNOK 500 to ensure financing upon expiration of bond loans totalling MNOK 400. Simultaneously, Danske Bank exited the bank syndicate, leaving DNB and Nordea with 50% each. The financing agreement consists of a total credit frame of MNOK 1 910, of which a long-term credit facility of MNOK 700. The Group redeemed the bond loan of MNOK 400 December 2015, by utilising the bank loan with MNOK 400. By year-end 2015, a total of MNOK 450 has been utilised of a total frame of MNOK 700. This credit facility is classified as non-current liability, as it matures with the maturity of the mortgage loan in June 2019. For further information about non-current liabilities, see note 12.

The management monitors the Group's liquidity reserve comprising credit facilities (see note 12) and cash and cash equivalents (note 21) based on expected cash flows. This is generally carried out at Group level in cooperation with the operating companies.

The following table shows a specification of the Group's financial liabilities that are not derivatives, classified by structure of maturity. The amounts in the table are undiscounted contractual cash flows. Note 12 shows the payment profile for the Group's non-current liabilities.

31 December 2015	← 3 mth	3-12 mth	1-2 years	2-5 years	Over 5 years	Total
Long-term loan instalments	22 866	68 598	90 000	985 018		1 166 482
Loan interest - floating	11 909	34 627	42 778	60 967		150 281
Long-term credit facility				450 000		450 000
Short-term loan interest - floating	1 580	4 740	6 320	15 800		28 440
Finance leases	16 739	44 269	63 732	151 345	57 891	333 976
Finance lease interest	1 695	7 792	8 471	18 442	5 426	41 826
Accounts payable	652 106	235	742	0	0	653 083
Export credits		10 458				10 458
Factoring commitments	338 213					338 213
Total commitments	1 045 108	170 719	212 043	1 681 572	63 317	3 172 759

31 December 2014	← 3 mth	3-12 mth	1-2 years	2-5 years	Over 5 years	Total
Long-term loan instalments	2 904	464 761	91 464	667 363	24 485	1 250 977
Loan interest - floating	15 486	45 329	23 806	46 617	0	131 238
Long-term credit facility	0	0	0	200 000	0	200 000
Short-term loan interest - floating	1 580	4 740	6 320	15 800	0	28 440
Finance leases	13 936	40 347	51 606	110 174	73 598	289 661
Finance lease interest	3 080	8 642	9 772	21 097	9 124	51 715
Accounts payable	360 358	0	0	0	0	360 358
Export credits		9 527				9 527
Factoring commitments	195 560					195 560
Total commitments	592 904	573 346	182 968	1 061 051	107 207	2 517 476

Current and non current liabilities are met with available liquidity, available drawdown on short-term credit facility, as well as positive cash flows from operations.

FAIR VALUE ESTIMATION

(I) FINANCIAL INSTRUMENTS

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques (see note 14). 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 forward prices from Fish Pool.

(II) ACCOUNTS RECEIVABLE AND PAYABLES

The nominal value less write-downs for realised losses on trade receivables and payables is assumed to correspond to the fair value of these items. The fair value of financial liabilities is assumed to be close to the book value, as they nearly all carry a floating interest rate.

(III) BIOLOGICAL INVENTORIES

Fish in the sea is measured at fair value. As a consequence, the value of biological inventories will likely vary more than the value of inventories based on cost. Fair value varies due to a number of reasons, including volatility in pricing of Atlantic salmon and factors related to production, unpredictability of biological production and changes in the composition of inventories.

A sensitivity analysis of the prices of salmon as at 31.12.2015 and 31.12.2014 shows the following impact on the Group's operating result before tax (MNOK).

31 DECEMBER 2015		
Price reduction per kg	NOK 1	NOK 2
Reduced profit after tax	22 527	45 050
Price increase per kg	NOK 1	NOK 2
Increased profit after tax	22 519	45 042
31 DECEMBER 2014		
Price reduction per kg	NOK 1	NOK 2
Reduced profit after tax	24 478	48 958
Price increase per kg	NOK 1	NOK 2
Increased profit after tax	24 474	48 541

A sensitivity analysis of the full volume of Atlantic salmon as at 31.12.2015 shows the following impact on profit after tax (MNOK):

31 DECEMBER 2015	
Increased volume in tons	+ 10 %
Increased profit after tax	92 443
Reduced volume in tons	- 10 %
Reduced profit after tax	83 860

NOTE 4

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The management is required to make estimates and assumptions concerning the future which affect which accounting policies are to be used and reported amounts for assets, liabilities and contingent liabilities in the balance sheet, as well as income and expenses for the accounting year. Estimates, judgements and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the present circumstances. The final results may diverge from these estimates. Changes in accounting estimates are included in the period when the estimates are changed.

ESTIMATED IMPAIRMENT OF GOODWILL, LICENCES AND PROPERTY, PLANT AND EQUIPMENT

The group tests annually whether goodwill and licences 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 of future cash flows from the cash-generating unit, and the application of a discount rate in order to calculate the present value of future cash flows. Expectations of future cash flows will vary over time. Changes in market conditions and expected cash flows can result in future impairment. The value of long-term growth in demand, the competitive situation, the strength of the production link in the value chain and thereby also the expectations of the long-term profit margin are also of significance. The different parameters could variously affect the value of the licences over time. Any change in these critical assumptions will entail related write-downs, or the reversal of write-downs of the value of licences in accordance with the accounting policies described in note 2. Please also refer to note 10 for further remarks on tests related to value impairment.

BIOLOGICAL ASSETS

There are several factors which create uncertainty when estimating fair value of biological assets. Future prices, time of harvesting, carcass and the remaining production cost. Salmon prices are highly volatile. The sale prices for harvestable fish is based on forward-prices and/or the the most relevant price information available for the expected harvesting period. Changes in prices has the most significant impact on the estimated fair value of biological assets. Sensitivity analysis regarding changes in prices, see note 3. The assumption of harvesting the fish when it reaches 4 kg is also subject to uncertainty regarding the estimated growth. An estimated production cost is budgeted, which take into account estimated feed prices, cost related to treatment of lice and other preparedness to avoid biological incidents. There are uncertainty regarding the number of lice-treatments, the temperature in the sea and other weather conditions which influences the growth and production cost. Se note 2 for accounting policies and note 9 for more information about valuation of biological assets.

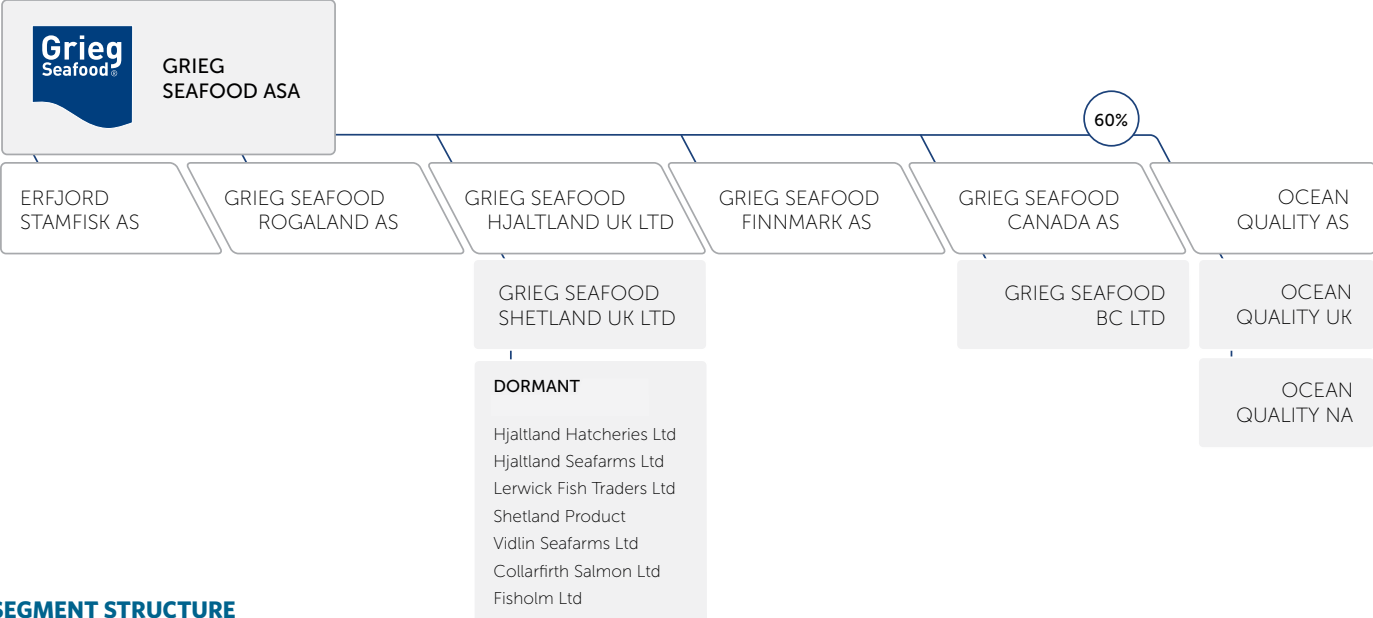
NOTE 5

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

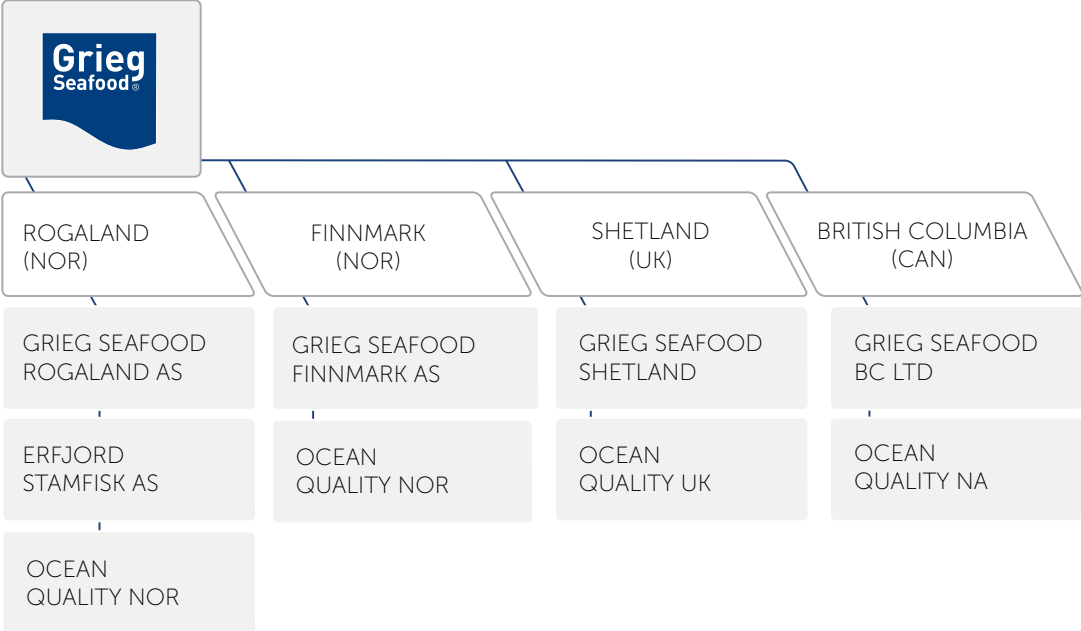
Grieg Seafood Group consists of the following entities as at 31.12.2015:

Grieg Seafood Hjaltdland UK Ltd including all subsidiary companies and Ocean Quality UK Ltd are resident in UK. Grieg Seafood BC Ltd and Ocean Quality North America Ltd are resident in Canada. The rest of the companies are resident in Norway. Grieg Seafood ASA has a 60% stake in Ocean Quality AS, the other subsidiaries are owned 100%.

CORPORATE STRUCTURE



SEGMENT STRUCTURE



NOTE 6

INFORMATION ABOUT OCEAN QUALITY

As from 2015, Ocean Quality AS Group (OQ) was accounted for as a subsidiary in accordance with IFRS 10. Grieg Seafood held a discussion with the Financial Supervisory Authority of Norway (FSA) from the autumn 2014, where questions were asked about the Group's statement of its investment in Ocean Quality (OQ AS). Grieg Seafood has accepted FSA's proposal. The accounts for 2014 have been restated in the annual report to be comparable with 2015.

OQ is owned 40 % by Bremnes Fryseri and 60 % by Grieg Seafood ASA. Grieg Seafood does not receive any of the profit from sale of fish from Bremnes Fryseri, as the result is based on a skewed distribution of profit from the delivered volume from each shareholder, respectively. Share of profit and share of equity in Bremnes Fryseri AS are presented as non-controlling interests.

As from 2015, OQ is reported as a segment, see note 8 for further information. The Group consists of Ocean Quality AS and its two fully owned subsidiaries Ocean Quality UK and Ocean Quality NA (North America). See note 5 for an overview of the corporate structure. Below stated the effect of revision shown for the income statement and balance sheet for 1.1.2014 and 31.12.2014.

Result	GSF ASA Group	Consolidation of OQ	Revised 2014
Operating income	2 675 227	1 486 258	4 161 484
Operating expenses	-2 193 761	-1 483 905	-3 677 666
EBITDA	481 466	2 353	483 819
Depreciation	-140 609	-108	-140 717
Operating profit before fair value adjustment of biological assets	340 857	2 246	343 103
Fair value adjustment of biological assets	-127 108	3 371	-123 737
Operating profit	213 749	5 617	219 366
Share of profit from associated companies	2 865	0	2 865
Net financial items	-55 722	5 447	-50 275
Profit before tax	160 892	11 063	171 955
Tax	-22 806	-4 755	-27 561
Profit of the year	138 086	6 308	144 394
ALLOCATION OF PROFIT OF THE YEAR:			
Shareholders of parent company	138 086	720	138 806
Non-controlling interests	0	5 588	5 588

Result	GSF ASA Group	Consolidation of OQ	Revised 2014
BALANCE 31.12.14			
Deferred tax assets	0	2 180	2 180
Intangible assets	1 186 409	0	1 186 409
Non-current assets	1 424 562	390	1 424 952
Financial assets	43 522	-19 558	23 964
Inventories	1 932 347	2 766	1 935 113
Receivables	311 330	286 151	597 481
Cash and cash equivalents	144 003	37 495	181 498
Assets	5 042 172	309 424	5 351 597
Equity controlling interests	2 221 919	175	2 222 094
Equity non-controlling interests		19 357	19 357
Total equity	2 221 919	19 532	2 241 451
Pension liabilities and other liabilities	559 740	778	560 518
Other non-current liabilities	1 221 232	0	1 221 232
Current debt	1 039 281	289 114	1 328 395
Total equity and liabilities	5 042 172	309 424	5 351 597
BALANCE 01.01.14			
Intangible assets	1 105 921	0	1 105 921
Non-current assets	1 204 207	420	1 204 627
Financial assets	44 375	-10 844	33 531
Inventories	1 840 347	994	1 841 341
Receivables	231 829	307 942	539 771
Cash and cash equivalents	163 913	18 344	182 257
Assets	4 590 593	316 856	4 907 449
Equity controlling interests	1 988 557	-543	1 988 014
Equity non-controlling interests	0	13 767	13 767
Total equity	1 988 557	13 224	2 001 781
Pension liabilities and other liabilities	557 960	173	558 133
Other non-current liabilities	1 044 953	0	1 044 953
Current debt	999 123	303 460	1 302 583
Total equity and liabilities	4 590 593	316 857	4 907 450

NOTE 7

INVESTMENTS IN ASSOCIATED COMPANIES

Associated companies closely related to the Group operation and included in the Group's value chain, are classified on a separate line in the operating results. This applies where associated companies and jointly controlled ventures operate in the same position in the value chain as the Group. As for 2015, OQ is consolidated as a subsidiary according to IFRS and termination as jointly controlled venture. Accounts for 2014 are restated to be comparable with 2015. In Q2, the shares in Bokn Sjøservice AS were sold. In 2014, the shares in SalmoBreed AS and Isopro AS were sold.

2015	Equity interest	Book value at 01.01.2015	Share of the result for the year	Changes during the period	Book value at 31.12.2015
ASSOCIATED COMPANIES CLASSIFIED AS OPERATIONS					
Bokn Sjøservice AS (sold 2015)	50,0 %	5 272	1 296	-6 568	-
Finnmark Brønnbåtrederi AS	49,9 %	9 325	5 698		15 024
Total associated companies classified as operations		14 598	6 994	-6 568	15 024
ASSOCIATED COMPANIES CLASSIFIED ON SEPARATE LINE IN OPERATING RESULTS					
Salten Stamfisk AS	34,0 %	7 780	3 142		10 922
Total associated companies classified on separate line in operating results		7 780	3 142	-	10 922
Total investments in associated companies and jointly controlled ventures		22 379	10 136	-6 568	25 947

2014	Equity interest	Book value at 01.01.2014	Share of the result for the year	Transfers from the company (dividends)	Changes during the period	Book value at 31.12.2014
ASSOCIATED COMPANIES CLASSIFIED AS OPERATIONS						
Bokn Sjøservice AS	50,0 %	6 431	-1 159			5 272
Finnmark Brønnbåtrederi AS	49,9 %	9 490	4 326	-4 491		9 325
SalmoBreed AS (sold 2014)	27,5 %	6 231	409		-6 640	-
Isopro AS (sold 2014)	20,0 %	991	-		-991	-
Total associated companies classified as operations		23 143	3 576	-4 491	-7 631	14 596
ASSOCIATED COMPANIES CLASSIFIED ON SEPARATE LINE IN OPERATING RESULTS						
Salten Stamfisk AS	34,0 %	4 915	2 865			7 780
Total associated companies classified on separate line in operating results		4 915	2 865	-	-	7 780
Total investments in associated companies and jointly controlled ventures		28 058	6 441	-4 491	-7 631	22 379

Summarised preliminary financial information on individual associated companies, on 100% basis. All companies have the same financial year as the Group. Bokn Sjøservice AS is sold and removed from the list.

2015	Total assets at 31.12.2015	Total liabilities at 31.12.2015	Total equity at 31.12.2015	Operating income	Pre-tax profit/ loss
Finnmark Brønnbåtrederi AS	53 299	34 610	18 689	17 408	6 175
Salten Stamfisk AS	60 562	38 086	22 476	60 461	10 747

2014	Total assets at 31.12.2014	Total liabilities at 31.12.2014	Total equity at 31.12.2014	Operating income	Pre-tax profit/ loss
Bokn Sjøservice AS	14 463	1 556	13 085	9 352	139
Finnmark Brønnbåtrederi AS	49 090	27 617	21 473	15 887	4 175
Salten Stamfisk AS	58 047	43 987	14 060	55 787	8 344
Ocean Quality AS	171 475	145 119	26 355	2 989 984	15 781

SALE OF SHARES IN ASSOCIATED COMPANIES	Bokn Sjøservice AS	Total 2015	Salmon Breed AS	Isopro AS	Total 2014
Proceeds net of expenses	7 973	7 973	66 966	4 480	71 446
Book value on sales date	-6 568	-6 568	-6 640	-991	-7 631
Book profit	1 405	1 405	60 326	3 489	63 815

All shares were sold in 2015. Book profit in the Group is included in other gains/losses in the operating income statement. In 2014, all shares in Salmon Breed AS and Isopro AS were sold. Book profit is included in other gains/losses.

ASSOCIATED COMPANIES - CONDENSED FINANCIAL INFORMATION

All associated companies are accounted for using NGAap. There would be no significant differences if the financial statements were reported in accordance with IFRS.

The accounts for 2015 are preliminary figures, except Finnmark Brønnbåtrederi AS, where the General Assembly has approved the statement.

(Amounts in TNOK)	Finnmark Brønnbåtrederi AS		Salten Stamfisk AS	
CONDENSED BALANCE SHEET	2015	2014	2015	2014
Property, plant and equipment	137	36 270	35 765	20 115
Current assets	30 179	17 029	57 905	40 447
Total assets	30 316	53 299	93 670	60 562
Non-current liabilities	-	22 311	14 111	9 468
Current liabilities	210	12 300	44 563	28 618
Equity	30 106	18 689	34 996	22 476
CONDENSED PROFIT AND LOSS ACCOUNT				
Sales revenues	14 603	17 408	36 132	60 461
Operating expenses	-2 399	-10 283	-31 595	-49 393
Profit before taxes	12 204	7 125	4 537	11 068
Net financial expenses	-786	-950	-278	-322
Taxes		41		-2 617
Profit of the year after taxes	11 418	6 215	4 259	8 130
Dividend received from associated companies	-	4 491	-	-

NOTE 8

SEGMENT INFORMATION

The operational segments are identified on the basis of the reports which the Group management (chief operating decision-maker) uses to assess performance and profitability at strategic level.

The Group management assess our business activities from a geographical standpoint, based on the location of assets. The Group has only one production segment: the production of farmed salmon. Geographically, the management assess the results of production in Rogaland - Norway, Finnmark - Norway, BC - Canada and Shetland - UK.

The Group management assess the results from the segments based on the adjusted operating result (EBIT) before value adjustment. The method of measurement excludes the effect of non-recurring costs, such as restructuring costs, legal costs on acquisition and amortisation of goodwill and intangible assets when amortisation is a result of an isolated event which is not expected to recur. The measurement method also excludes the effect of share options which are settled in shares, as well as unrealised gains and losses on financial instruments.

The Group's customers are divided into different geographical markets. All sales in Norway are channelled through the sales company Ocean Quality AS, which is a sales company in collaboration with Bremnes Fryseri AS. Grieg Seafood ASA owns 60% of Ocean Quality AS (see note 6 for further information). Therefore, Norway shows the aggregate figures for the Norwegian market. Ocean Quality is fully consolidated and exists as a part of the segment Norway.

Markets	UK	Norge	BC	Elim.	SALES REVENUE 2015		SALES REVENUE 2014	
EU	382 346	2 185 598	0	-13 055	2 554 891	55 %	2 289 876	56 %
UK	260 555	75 877	0	-647	335 785	7 %	785 906	19 %
USA	95 505	38 612	512 974	-10 413	636 679	14 %	318 017	8 %
Canada	2 449	3 973	118 837	-34	125 226	3 %	10 580	0 %
Russia	0	198 621	0	-1 694	196 927	4 %	199 244	5 %
Asia	122 702	556 464	34 192	-4 747	708 613	15 %	441 522	11 %
Other markets	19 269	31 545	0	-269	50 546	1 %	54 398	1 %
Total	882 826	3 090 690	666 003	-30 859	4 608 667	100 %	4 099 543	100 %

Geographical segments	Norway		Norway		Canada		UK	
	Rogaland		Finmark		BC		Shetland	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales revenues	661 204	571 150	797 872	975 291	573 900	280 399	773 526	852 455
Other income *)	1 316	1 558	0	6 668	22 064	0	21 540	1 260
Other gain/loss *)	3 191	1 272	2 158	3 958	-2 427	-4 903	436	1 369
Share of results from associated companies	5 488	3 367	8 712	6 955	6 820	0	148	204
Operating costs before depreciation	-556 387	-471 159	-627 345	-738 267	-564 388	-300 445	-863 896	-738 870
Operating result before depreciation	114 812	106 188	181 397	254 605	35 969	-24 949	-68 246	116 418
Depreciation and amortisation	-31 296	-28 353	-57 393	-48 671	-22 659	-22 861	-96 587	-34 923
Operating result before fair value adjustment	83 516	77 835	124 004	205 934	13 310	-47 810	-164 833	81 495
Assets (excl. associated companies)	1 114 545	1 074 770	1 519 499	1 363 728	867 014	829 963	1 454 857	1 690 186
Associated companies	0	5 272	15 024	9 326	0	0	0	0
Total assets - Group	1 114 545	1 080 042	1 534 523	1 373 054	867 014	829 963	1 454 857	1 690 186
Liabilities	503 508	506 808	658 857	584 171	623 445	581 841	1 286 739	1 194 508
Total liabilities - Group	503 508	506 808	658 857	584 171	623 445	581 841	1 286 739	1 194 508

Segments	OQ Group AS		Others/eliminations *)		Grieg Seafood Group	
	2015	2014	2015	2014	2015	2014
Sales revenues	4 542 946	3 555 371	-2 740 781	-2 135 123	4 608 667	4 099 543
Other income *)	0	0	0	-6 667	44 921	2 819
Other gain/loss *)	-15 100	-9 174	-3 476	66 600	-15 218	59 122
Share of results from associated companies	0	0	-14 174	-6 950	6 994	3 576
Operating costs before depreciation	-4 412 807	-3 519 073	2 640 770	2 086 573	-4 384 053	-3 681 241
Operating result before depreciation	115 039	27 124	-117 661	4 432	261 311	483 819
Depreciation and amortisation	-359	-108	-5 275	-5 801	-213 569	-140 717
Operating result before fair value adjustment	114 680	27 016	-122 936	-1 369	47 742	343 103
Assets (excl. associated companies)	723 008	310 916	230 907	59 655	5 909 830	5 329 218
Associated companies	0	0	10 923	7 781	25 947	22 379
Total assets - Group	723 008	310 916	241 830	67 436	5 935 777	5 351 597
Liabilities	666 079	271 351	-40 364	-28 533	3 698 264	3 110 146
Total liabilities - Group	666 079	271 351	-40 364	-28 533	3 698 264	3 110 146

OPERATING RESULT FOR SEGMENTS	2015	2014
Operating result before fair value adjustment	47 742	343 103
Fair value adjustment of biological assets	33 209	-123 737
Operating result	80 951	219 366
Share of result from associated company (see note 7)	3 142	2 865
Net financial items (specification in note 25)	-93 301	-50 276
Profit before income tax	-9 208	171 955
Estimated taxes	13 574	-27 561
Profit for the year	4 366	144 394

*) Others/eliminations

Other items include the results of activities conducted by the parent company and other Group companies that are not geared for production. There is elimination of internal transactions between subsidiaries and parent company and other items belonging to the parent company. Other gains and losses on sale of shares, assets and foreign currency contracts. See note 7 for information about gains on sale of shares.

Other income is mainly the settlement of insurance and other services not directly related to production.

The parent company owns software and other office equipment and has accounts payable and other current payables.

NOTE 9

BIOLOGICAL ASSETS AND OTHER INVENTORIES

	TONS		TNOK	
	2015	2014	2015	2014
Biological assets at 01.01.	51 258	50 567	1 844 097	1 766 332
Currency translation differences	N/A	N/A	44 712	79 081
Increase due to purchases of fish	0	253	0	12 768
Increase due to production	121 323	80 962	2 382 410	2 044 136
Decrease due to extraordinary mortality/loss	-3 265	-2 705	-104 526	-94 378
Decrease due to sales	-124 492	-77 819	-2 268 770	-1 847 117
Fair value adjustment at 01.01	N/A	N/A	-281 285	-398 011
Fair value adjustment in connection with business acquisition	N/A	N/A	N/A	N/A
Fair value adjustment at 31.12	N/A	N/A	312 479	281 285
Book value of biological assets at 31.12.	44 824	51 258	1 929 117	1 844 096
Recognised fair value adjustment of biological assets			33 209	-125 714
Gain & loss arising from price contracts			-	1 977
Recognised fair value adjustment of biological assets incl. fair value of price hedging contracts			33 209	-123 737

The accounting treatment of live 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) for fish over 1 kg is based on forward prices from Fish Pool for Norway. For foreign countries, the most relevant price information that is available for the period when the fish is expected to be harvested, has been used. The price is adjusted proportionately to take account of how far the growth cycle has progressed. 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 over 4 kg (mature fish) are assessed at their full value at the balance sheet day of harvesting. The best estimate for fish under 1 kg is considered to be the accumulated cost. Fish < 1 kg are included in the group which includes smolt and broodstock in the table. For further information, please refer to the note on accounting policies (note 2).

STATUS OF BIOLOGICAL ASSETS AT 31.12.15	Number of fish (1 000)	Biological assets (tons)	Accrued cost of production	Fair value adjustment	Book value
Smolt/broodstock/biological assets with round weight ← 1 kg	35 055	5 753	434 136	0	434 136
Biological assets with round weight 1 - 4 kg	12 131	30 713	873 217	167 292	1 040 509
Biological assets with round weight → 4 kg	2 333	11 622	309 283	145 188	454 470
Total	49 520	48 089	1 616 635	312 480	1 929 115

STATUS OF BIOLOGICAL ASSETS AT 31.12.14	Number of fish (1 000)	Biological assets (tons)	Accrued cost of production	Fair value adjustment	Book value
Smolt/broodstock/biological assets with round weight ← 1 kg	28 912	4 600	310 939	0	310 939
Biological assets with round weight 1 - 4 kg	14 333	33 303	915 236	164 474	1 079 710
Biological assets with round weight → 4 kg	2 578	13 355	336 636	116 811	453 447
Total	45 823	51 258	1 562 812	281 285	1 844 097

BASIS FOR VALUES 31.12.15:		BC	Shetland	Norge
Weighted price in relation to volume	→ 4 kilo	CAD 7,4	GBP 4,30	NOK 52,1
Weighted price in relation to volume	1 - 4 kilo	CAD 7,4	GBP 3,70	NOK 44,0
Source		Fish Pool	Fish Pool	Fish Pool

Forward prices from Fish Pool as stated above are deducted of expected quality reduction and before logistics expenses.

The standard deduction for quality reduction is considered.

Forward prices are weighted in relation to intended harvesting period. The price for BC is based on forward price in Norway adjusted for own historical difference in price levels between Norway and Canada. The same principle applies for Shetland.

Self budgeted harvesting and logistics expenses are assumed.

Forward exchange rates are used to translate price into CAD and GBP relative to the period of harvesting.

OTHER INVENTORIES	2015	2014
Raw materials (feed) at cost price	72 363	59 268
Roe	11 810	8 200
Other (frozen fish, supplementary products)	6 694	23 548
Total inventories	90 867	91 016
Impairment of inventories accounted for at year-end	1 027	17 812
PURCHASE COST OF THE YEAR	2015	2014
Inventories at 01.01 (inverted number)	-91 016	-75 009
Purchases for the year (incl. Change in accrued cost of production)	-2 738 777	-2 309 286
Inventories at 31.12.	90 867	91 016
Purchase cost of the year	-2 738 926	-2 293 279

The purchase cost of the year mainly comprises feed, roe, vaccination and medicines.

The Group applies an internal rule of impairment in cases of extraordinary loss/mortality. Such impairment is recognised on a straight-line basis as parts of cost of sales through profit/loss.

Information about recognised fair value of extraordinary loss/mortality is based on the same rule as calculation of fair value-adjusted biological assets.

EXTRAORDINARY LOSS/MORTALITY	2015		2014	
	Cost of production	Fair value	Cost of production	Fair value
Rogaland	16 660	26 688	35 222	42 753
Finnmark	10 448	12 147	9 320	9 673
Shetland	39 061	49 030	30 525	43 396
British Columbia	38 357	40 399	19 311	21 632
Total	104 526	128 264	94 378	117 455

2015	Number of fish (1 000)	Biological assets (tons)	Accrued cost of production	Fair value adjustment	Fair value
Smolt/broodstock/biological assets with round weight ← 1 kg	1 129	603	25 311	0	25 311
Biological assets with round weight 1 - 4 kg	518	1 438	43 803	16 044	59 847
Biological assets with round weight → 4 kg	296	1 224	35 411	7 694	43 105
Total	1 944	3 265	104 526	23 738	128 264

2014	Number of fish (1 000)	Biological assets (tons)	Accrued cost of production	Fair value adjustment	Fair value
Smolt/broodstock/biological assets with round weight ← 1 kg	1 346	550	25 146	0	25 146
Biological assets with round weight 1 - 4 kg	1 383	1 889	53 171	20 426	73 597
Biological assets with round weight → 4 kg	54	266	16 061	2 650	18 712
Total	2 784	2 705	94 378	23 076	117 455

In Rogaland the main cause of extraordinary loss/mortality is PD (Pancreas Disease). In the first half of 2014 mortality due to heart failure (CMS) was also registered.

In Finnmark IPN (Infectious Pancreatic Necrosis) and Tenacibaculum comprise the main cause for extraordinary mortality. Some mortality due to delousing has occurred. A large proportion of the mortality is related to small fish, hence adjusted fair value does not deviate much from cost of production.

In Shetland sea lice, gill problems and seal have caused mortality both years.

In BC, mortality occurs due to low levels of oxygen in the sea, as well as planktonic algae. Furunculosis has also been a challenge in the fish hatchery. Fair value of the impairment in BC is fairly low relative to production cost due to a high proportion of small fish ← 1 kilo in the mortality, where the best estimate of fair value is assumed to be the accumulated cost.

NOTE 10

INTANGIBLE ASSETS

2015	Goodwill	Fish farming licences indefinite lives	Fish farming licences definite lives	Other intangible assets	Total
Book value at 01.01.	108 708	1 043 258	22 926	11 517	1 186 409
Currency translation differences	1 154	20 140	-243	29	21 080
Intangible assets purchased	784	4 048	4 566	9 253	18 651
Amortisation		-13	-1 344	-3 806	-5 163
Book value at 31.12.	110 647	1 067 433	25 905	16 993	1 220 977

As at 31.12.					
Acquisition cost	200 250	1 067 446	51 837	31 436	1 350 968
Accumulated amortisation		-13	-25 932	-14 443	-40 388
Accumulated impairment	-89 603				-89 603
Book value at 31.12.	110 647	1 067 433	25 905	16 993	1 220 977

"Other intangible assets" consist mainly of software.

2014	Goodwill	Fish farming licences indefinite lives	Fish farming licences definite lives	Other intangible assets	Total
Book value at 01.01.	107 310	972 599	21 467	4 545	1 105 921
Currency translation differences	1 398	30 659	2 481	-463	34 075
Reclassification property, plant & equipment	0	0	0	3 341	3 341
Intangible assets purchased *)	0	40 000	188	8 106	48 294
Amortisation	0	0	-1 210	-4 012	-5 222
Book value at 31.12.	108 708	1 043 258	22 926	11 517	1 186 409

As at 31.12.					
Acquisition cost	198 311	1 043 258	47 514	22 154	1 311 237
Accumulated amortisation		0	-24 588	-10 637	-35 225
Accumulated impairment	-89 603				-89 603
Book value at 31.12.	108 708	1 043 258	22 926	11 517	1 186 409

*) Purchase of "fish farming licences indefinite lives" relates to purchase of green licences in Finnmark. The licences were paid for in 2015

LICENCES

The tables below display an overview of the different licences in the Group. See note 2 for further information about licences.

NORWAY:		
LICENCE CATEGORY	Total number	Total volume
Grow-out licences	37	33 435 tn
R&D permit	1	780 tn
Broodstock	3	2 340 tn
Smolt	4	12 700 000 fish
Harvesting cage	2	1 106 tn

UK:	
PLANT/AREA	Capacity (tons)
Setterness and Gonfirth	22 297
Railsbrough and Wadbister Woe	1 843
North Havra	1 496
South of Linga and Foraness	3 845
West of Burwick and Merry Holm	2 672
Fish Holm	1 910
Easter Score Holm, North Papa and Wester Quarff	4 925
Whalsay, Swining 2 & 3	5 760
Collafirth 3	1 500
Gob na Hoe and Leinish (west of Scotland)	3 721
Hillswick, Hamar, Roe Sound and Heights	2 247
Spoose Holm and Setter	2 000
Haminavoe	1 910
Total	56 126

BC:	
PLANT/AREA	Capacity (tons)
Ahlstrom	1 100
Atrevida	3 300
Barnes bay	3 000
Bennet Point	4 400
Conception	4 100
Culloden	1 500
Esperanza	3 600
Gore	4 100
Hecate	4 000
Kunechin	1 500
Muchalat N.	4 100
Muchalat S.	3 600
Newcomb	1 000
Salten	1 500
Site 13	900
Site 9	1 500
Streamer Point	3 600
Vantage	1 500
Williamson	3 900
Total	52 200

IMPAIRMENT TEST FOR GOODWILL AND LICENCES

Goodwill and licences were not impaired in 2015 or 2014. Goodwill and licences with an indefinite economic life are subject to an annual impairment test. 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 a 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	10 159	159 510	169 669
Finnmark	Norge	0	299 814	299 814
Shetland - UK	UK	80 025	499 040	579 065
Rogaland (incl. Erfjord Stamfisk)	Norge	20 463	134 974	155 437
Total value		110 647	1 093 338	1 203 985

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

THE 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	36 %	53 %	14 %	34 %
Ebitda margin 1)	23% - 13%	29% - 23%	12% - 17%	27% - 22%
Ebitda margin in terminal period	14 %	23 %	17 %	21 %
Harvest growth - tons 2)	27 %	56 %	27 %	35 %
Required rate of return 3)	8,5 %	8,5 %	8,5 %	8,5 %
Growth rate 4)	1,0 %	1,0 %	1,0 %	1,0 %

As stated above, the budget period/explicit period is 3 years. Estimated increase in revenue in the budget period thus indicates revenue increase in 2018 compared to income in 2015.

Estimated future price levels are calculated from Fish Pool's projections and takes into account quality reduction and freight. Other comments/explanations to assumptions in the impairment test is presented below; historical price levels and forward markets.

1. Budgeted EBITDA margin. The margin varies in the budget period, due to a.o. variations in estimated production.
2. The growth rate of the harvested volume in the budget period (nominal growth rate) measured against 2015 volume. Over time a corresponding increase in output is assumed.
3. Weighted required return on capital employed before tax. Cash flow forecasts are thus estimated before taxes.
4. Weighted average growth rate used to extrapolate cash flows beyond the budget period. In the years after 2018, the annual reinvestment is assumed to be equal to the annual depreciation.

EBITDA MARGIN IN BUDGET AND TERMINAL 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, reflecting the new smolt strategy. In the course of 2015 all of the regions have started to produce their own smolt in recycling plants. This will reduce the production cost pr. smolt and increase the quality of the smolt, which in turn will improve the biology in the sea. The use of different sizes of smolt and better planning of timing of seastocking, will give us a better utilisation of MTB. This will lead to increased production that will also contribute to reducing the cost measured per kg. For all regions, it is assumed a significant increase in harvest volumes in the budget period. Increased harvest volumes will contribute to increased earnings in the terminal.

Finnmark has been granted 4 green licences, and the expectation is to reach harvesting of more than 1,000 tons per year per licence. It is therefore assumed a significant increase in harvest volumes. In 2015, a restructuring of the localities has been implemented that will provide impact in the next few years. In Rogaland, an increase in harvest volumes is assumed through bringing down production time in sea by using larger smolts. In the UK, the hatchery has been completed, and a restructuring towards reduced time in sea from 24 months to 18 months will bring down the biological risk. The expected growth in BC's revenue are significant and is related to the low prices in the USA in 2015. Therefore, a significant increase in the price is expected. Assumptions in the terminal are based on the budget for 2018, but with some adjustments to reflect EBIT/kg in the benchmark and the Group's own historical results. The applied discount rates are pre-tax and reflect specific risks relating to the relevant operating segments.

SENSITIVITY ANALYSIS

Value-in-use is sensitive to changes in the assumptions made. The most important are requirement for return and Ebit per kg. The sensitivity analysis covers the entire period, including the terminal value. The conclusion of the analysis is no need for impairment in any of the segments, except for Shetland where an isolated change in assumptions by increasing 1.0% points in the requirement for return-rate or reduction in EBIT per kilo by -1, will result in impairments of respectivel 50 MNOK and 129 MNOK.

NOTE 11

TANGIBLE FIXED ASSETS

2015	Buildings/ property	Plant, equipment and other fixtures	Vessels/ barges	Other equipment	Total
Book value at 01.01.	362 070	687 432	296 702	78 748	1 424 952
Currency translation differences	14 989	33 205	8 646	-76	56 764
Reclassification of fixed assets	28 030	-28 314	2 302	-2 017	0
Tangible fixed assets acquired *)	29 651	58 193	103 120	73 086	264 050
Tangible fixed assets sold	0	-850	-1 556	-184	-2 590
Amortisation **)		-46 195			-46 195
Depreciation	-16 421	-69 056	-58 972	-17 763	-162 211
Book value 31.12.	418 318	634 414	350 242	131 795	1 534 770

AS AT 31.12.					
Acquisition cost	597 809	1 329 725	825 186	250 378	3 003 098
Accumulated depreciation	-179 491	-649 116	-474 945	-118 583	-1 422 134
Accumulated amortisation	0	-46 195	0	0	-46 195
Book value at 31.12.	418 318	634 414	350 242	131 795	1 534 770

Book value of finance leases included above	1 284	178 955	115 676	95 843	391 757
Depreciation of finance leases included above	-33	-17 821	-16 367	-8 109	-20 958
Of which book value of property not depreciable	23 405				

2014	Buildings/ property	Plant, equipment and other fixtures	Vessels/ barges	Other equipment	Total
Book value at 01.01.	319 699	591 682	218 480	74 766	1 204 627
Currency translation differences	14 635	40 326	12 340	520	67 821
Reclassification of fixed assets	0	0	0	-3 341	-3 341
Tangible fixed assets acquired*	41 235	125 709	114 521	22 095	303 560
Tangible fixed assets sold	0	-1 159	-2 696	-1 912	-5 767
Depreciation	-12 994	-65 144	-43 921	-13 436	-135 495
Currency translation differences depreciation	-505	-3 982	-2 022	56	-6 453
Book value at 31.12.	362 070	687 432	296 702	78 748	1 424 952

AS AT 31.12.					
Acquisition cost	525 140	1 267 492	712 675	179 568	2 684 875
Accumulated depreciation	-163 070	-580 060	-415 973	-100 820	-1 259 923
Book value at 31.12.	362 070	687 432	296 702	78 748	1 424 952

Book value of finance leases included above	1 317	190 980	102 337	41 231	335 865
Depreciation of finance leases included above	-21	-25 085	-35 285	-5 280	-65 671
Of which book value of property not depreciable	27 988				

*) Investments mainly comprise maintenance, plus investments in order to initiate production of the green licences in Finnmark.

**) In Q3 2015, it was decided to sell the smokehouse and filleting production in Shetland. In this connection, impairment of equipment belonging to this production has been made.

NOTE 12 BORROWINGS AND FINANCE LEASES

In June 2015 the Group's bank loans were extended with MNOK 500 to provide financing upon maturity of a mortgage loan of MNOK 400. Simultaneously, Danske Bank exited the bank syndicate, and DNB and Nordea now own 50% each. The financing agreement consists of a total frame of MNOK 1 910, of which a long-term credit facility of MNOK 700. The Company fully redeemed the mortgage loan with MNOK 400 in December 2015, through utilisation of the bank loan with MNOK 400. At year-end, a total of MNOK 450 is utilised of a total frame of MNOK 700.

The finance agreement includes covenants related to book equity exclusive Ocean Quality AS consolidated accounts of 35%, a revolving NIBD / EBITDA ratio of 5.0 if the book equity ratio is higher than 40% and 4.5 if the book equity ratio is between 35% and 40%. Grieg Seafood ASA equity is 41% exclusive Ocean Quality consolidated. As at 31.12.2015 the Company has been granted extension of the covenants related to NIBD/EBITDA. Hence, the Company is in compliance with all covenants at year-end. The extension is valid for Q1 2016.

A factoring agreement has been concluded with Ocean Quality AS in Norway and UK. Credit insured receivables are transferred to the factoring companies. This ensures early settlement of receivables. The Group retains the risk related to accounts receivable. Funding received from the factoring company before the counterparty has paid is recognised as factoring debt, which is interest bearing. The factoring agreement includes covenants comprising a.o. required minimum book equity in Ocean Quality AS. At year-end Ocean Quality Group was in breach of loan covenants. The company has been granted extension for this loan covenant in 2016.

NON-CURRENT LIABILITIES AND FINANCIAL LEASE OBLIGATIONS (INTEREST-BEARING DEBT)	2015	2014
Liabilities to credit institutions and mortgage debt before amortisation effect	1 075 000	766 465
Long-term credit facility *)	450 000	200 000
Finance lease liabilities	272 968	236 430
Total	1 797 968	1 202 895
NON-CURRENT LIABILITIES, NON-INTEREST BEARING		
Subordinated loans	21 425	22 795
Other long-term non-interest bearing borrowings	954	845
Total	22 379	23 640
Amortisation effect of loans	-6 739	-7 637
Total non-current loans and finance lease liabilities	1 813 608	1 218 898

*) The Company has in 2015 a total non-current credit facility of MNOK 700. As at 31.12.2015 this was utilised with MNOK 450.

CURRENT INTEREST-BEARING LIABILITIES	2015	2014
Current portion of long-term borrowings	91 464	91 614
Bond loan	0	400 000
Current portion of finance lease liabilities	61 008	53 231
Factoring debt	338 231	195 560
Export loans	10 458	9 527
Total current interest-bearing liabilities	501 161	749 932

*) The bond loan expired in 2015

NET INTEREST-BEARING DEBT	2015	2014
Total non-current interest-bearing liabilities (see above)	1 797 968	1 202 895
Total current interest-bearing liabilities (see above)	501 161	749 932
Gross interest-bearing debt	2 299 129	1 952 827
Cash and cash equivalents	392 020	181 498
Loans to associated companies	0	0
Net interest-bearing debt	1 907 109	1 771 329
Net interest-bearing debt, excluded of factoring debt	1 568 878	1 575 769

PAYMENT PROFILE NON-CURRENT LIABILITIES	2016	2017	2018	2019	Deretter	Sum
Non-current non interest-bearing liabilities	0	0	0		22 380	22 380
Borrowings	91 464	90 000	90 000	888 261		1 159 725
Non-current credit facility	0	0	0	450 000		450 000
Finance lease liabilities	61 008	63 732	50 449	50 449	108 338	333 976
Total	152 472	153 732	140 449	1 388 710	130 718	1 966 081

LIABILITIES SECURED BY MORTGAGE/CHARGE ON ASSETS:	2015	2014
Liabilities to credit institutions incl. finance leases	2 299 129	1 952 827

ASSETS PLEDGED AS SECURITY	2015	2014
Licences	1 093 338	1 066 184
Fixed assets	1 534 770	1 424 562
Accounts receivable	581 904	504 110
Inventories and biological assets	2 019 982	1 935 113
Investments in joint ventures	0	0
Total assets pledged as security	5 229 994	4 929 969

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

DESCRIPTION OF DEBT	Currency	Fixed or floating interest rate	Effective interest rate	Final maturity (mth/year)	Current portion	Non-current portion	Current portion	Non-current portion
GRIEG SEAFOOD ASA					2015		2014	
Syndicate loan non-current	NOK	Floating	Price grid	06/2019	90 000	1 068 261	90 000	757 363
Syndicate loan - credit facility*)	NOK	Floating	Price grid	06/2019	0	450 000	0	200 000
Bond loan	NOK	Floating	Price grid	12/2015	0	0	400 000	0
Other loans	NOK	Floating	Price grid	10/2016	1 464	0	1 614	1 465
GRIEG SEAFOOD HJALTLAND					2015		2014	
SLAP	GBP	Floating	0,0 %	12/2018	0	954	0	845
Export loan	GBP	Fixed	3,20 %	04/2014	0	0	0	0
OCEAN QUALITY					2015		2014	
Export loan	GBP				10 458	0	9 527	0
Factoring debt	Multi	Floating			338 231	0	195 560	0
Finance leases liabilities								
Subordinated loan					61 008	272 968	53 231	236 429
Total						21 425		22 795
Sum					501 161	1 813 608	749 932	1 218 898

BOOK VALUE OF GROUP LOANS BY CURRENCY (NOK):	31.12.15	NOK	GBP	Other
Syndicate loan non-current	1 158 261	1 158 261		
Syndicate loan - credit facility*)	450 000	450 000		
Bond loan	-	-		
Other loans	2 418	1 464	954	
Export loan	10 458		10 458	
Factoring *)	338 231	59 746	50 587	227 897
Finance leases	333 976	293 218	40 758	
Subordinated loan	21 425		21 425	
Total borrowings and finance leases	2 314 769	1 962 690	124 182	227 897

*) Other currency effects comprise mainly EUR, JPY and USD

	2015	2014
Average interest rate on loans and credit facility	4,70 %	5,18 %

By calculation of average interest-rate on loans and credit facilities the effect of interest-rate swap is taken into account.

BOOK VALUE AND FAIR VALUE OF BORROWINGS:	Book value		Fair value	
	2015	2014	2015	2014
Loan (non-current and credit facility)	1 608 261	1 047 363	1 608 261	1 047 363
Bond loan	0	400 000	0	412 000
Total	1 608 261	1 447 363	1 608 261	1 459 363

The book value of other loans is virtually the same as the fair value.

NOTE 13

LEASE CONTRACTS

OPERATING LEASE COMMITMENTS - GROUP COMPANY AS LEASE:

The Group leases offices, docks, berths, etc. with duration tenancies of between 5 and 10 years. The group also leases plant and machinery under cancellable financial lease agreements. The Group must give written notification in case of termination of these agreements, in order to make the termination valid. The Group has a tenancy agreement with its largest shareholder, which expires in 2018. Yearly rent is 1,5 MNOK. For further information, see note 24.

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

OVERVIEW OF FUTURE MINIMUM OPERATING LEASES	Within 1 year	1-5 years	Sub-sequently	Total
Minimum lease amount	41 600	55 553	40 026	137 180
Present value of future minimum lease amount (5% discount rate)	39 619	49 174	28 446	117 239

	2015	2014
Lease amount charged in the year	32 261	26 395
Total lease amount charged	32 261	26 395

FINANCIAL LEASE COMMITMENTS - GROUP COMPANY AS LESSEE:

The group has signed finance leases for equipment such as barges, well boats, cage installations and other equipment.

The lease period for equipment of this kind is mainly 7 - 8 years.

The future aggregate minimum lease payments related to financial leases are as follows:

OVERVIEW OF FUTURE MINIMUM LEASE AMOUNT (FINANCE LEASES)	Within 1 year	1-5 years	Sub-sequently	Total
Future minimum lease amount	72 980	216 756	88 901	378 637
Future financial expenses related to finance leases	10 663	26 911	7 087	44 661
Present value of finance leases	62 317	189 845	81 814	333 976

LEASED ASSETS BOOKED AS FINANCE LEASE	2015	2014
Book value of leased assets (equipment, vessels)	391 757	335 865
Book value of lease commitment	333 976	289 661

NOTE 14 FINANCIAL INSTRUMENTS BY CATEGORY

	Level	Lendings and receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Available-for-sale financial assets	Total
As at 31 December 2015						
Available-for-sale financial assets	2/ 3				1 426	1 426
Loan to associated companies		167				167
Accounts receivable		581 904				581 904
Other receivables		184 251				184 251
Derivatives	2	0				0
Cash and cash equivalents		392 020				392 020
Total		1 158 342	0	0	1 426	1 159 768

	Level		Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Borrowings					1 632 104	1 632 104
Finance lease liabilities					333 976	333 976
Factoring debt					338 231	338 231
Export loan					10 458	10 458
Pension obligations and cash-settled options			10 137			10 137
Derivatives	2			27 104		27 104
Accounts payable			653 083			653 083
Total		0	663 220	27 104	2 314 769	3 005 093

	Level	Lendings and receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Available-for-sale financial assets	Total
As at 31 December 2014						
Available-for-sale financial assets	2/ 3	0			1 518	1 518
Loan to associated companies		67				67
Accounts receivable		504 110				504 110
Other receivables		93 371				93 371
Derivatives	2	0		0		0
Cash and cash equivalents		181 498				181 498
Total		779 046	0	0	1 518	780 564

	Level		Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Borrowings					1 470 402	1 470 402
Finance lease liabilities					289 661	289 661
Factoring debt					195 560	195 560
Export loan					9 257	9 257
Pension obligations and cash-settled options			3 461			3 461
Derivatives	2			27 932		27 932
Accounts payable			360 358			360 358
Total		0	363 819	27 932	1 964 880	2 356 631

As stated in note 3, hedge accounting of derivatives (forward exchange contracts and interest rate swaps) is not applied. The purpose of these derivatives is to reduce the Group's exposure to changes in floating interest rates and exchange rates. The derivatives are recognised at fair value on 31.12, and the value change is recognised through profit or loss. See note 3 for further details. See note 15 for further details on available-for-sale financial assets.

FAIR VALUE ASSESSMENT

The table above shows the fair value of financial instruments according to the valuation method used. The different levels are defined as follows:

Level 1 - Fair value based on the quoted price in an active market for an identical asset or liability.

Level 2 - Fair value based on other observable factors than the quoted price (used in level 1) and either directly (price) or indirectly (derived from prices) for the asset/liability.

Level 3 - Fair value based on factors not taken from observable markets (non-observable assumptions).

CREDITWORTHINESS OF FINANCIAL ASSETS

The credit risk attached to financial instruments that have not matured or which have not been written down is shown by the internal classification of historical information on breaches of credit conditions. Further information about credit risk is provided in note 3.

	2015	2014
ACCOUNTS RECEIVABLE		
Counterparties with no external credit assessment		
Group 1 *)	22 770	203 884
Group 2	445 074	221 172
Group 3	114 060	79 053
Total accounts receivable that have not been written down	581 904	504 110
BANK DEPOSITS		
AAA	0	0
AA	392 020	181 498
A	0	0
Total bank deposits	392 020	181 498
LOANS TO RELATED PARTIES		
Group 1	0	0
Group 2	167	67
Group 3	0	0
Total loans to related parties	167	67

Group 1 - new customers/related parties (less than 6 months).

Group 2 - existing customers/related parties (more than 6 months) with no history of having breached credit conditions.

Group 3 - existing customers/related parties (more than 6 months) with a history of one or more breaches of credit conditions. All amounts due have been paid in full after the breaches.

NOTE 15

TAX

SPESIFICATION OF TAXES	2015	2014
Tax payable Norway	22 371	56 975
Tax payable abroad	2 175	-
Tax payable not provided for last year	-266	-
Change in deferred tax Norway	-1 344	-35 159
- From discontinued operations	-	-
Change in deferred tax abroad	-36 510	5 745
Taxes	-13 574	27 560
TAX RECONCILIATION		
Profit before tax	-9 208	171 956
Taxes calculated at nominal tax rates	12 194	45 531
Permanent differences issuance costs	-	-
Permanent differences sale of shares	-	-
Withholding tax	368	1 401
Changes in deferred tax liabilities due to change in tax rate	-31 613	-
Use of carryforwards, not recognised earlier	-	-
Tax loss carried forward, not recognised	-1 057	-1 168
Other permanent differences	6 536	-18 204
Taxes	-13 571	27 560
CHANGE IN BOOK VALUE OF DEFERRED TAX		
Book value at 01.01.	558 140	557 523
Currency conversion	-81	8 346
Tax effect of currency effect of net investments recognised in comprehensive income (see note 3)	13 533	22 388
Other effects	-5 015	-697
Change in deferred tax taken to income in period	-37 854	-29 421
Deferred tax liability at balance sheet date	528 723	558 140
Weighted average tax rate	147,38 %	16,03 %

The nominal tax rate in Norway is 27%. The nominal tax rate for 2015 in Canada was 26% and Shetland 20 %.

The significant tax effects is due to change in tax rate and permanant differances.

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 assets are offset. Both the Norwegian, Canadian and UK part of the Group, have a net deferred tax position. Deferred tax and deferred tax assets within Norway, Canada and UK can be set off.

DEFERRED TAX LIABILITIES	Licences	Fixed assets	Biological assets	Receivables	Inventory	Deferred capital gain	Current liabilities	Total
2014								
Opening balance at 01.01.	177 375	32 284	350 199	17 045	2 092	1 514	0	580 509
Taken to income in the period	67	9 065	-49 847	23 166	679	-295	-	-17 165
Currency translation differences	7 107	1 008	7 953	-	293	-	-	16 361
Other effects	-4 447	6	2 201	9	-	-10	-	-2 241
Effect of business combinations	-	-	-	-	-	-	-	-
As at 31.12.	180 102	42 363	310 506	40 220	3 064	1 209	0	577 464

2015								
Taken to income in the period	-3 772	-1 557	-3 406	10 273	-1 257	-534	-	-253
Currency translation differences	2 589	438	597	-	-36	-	-	3 588
Other effects	-	-	480	-65	777	-	-	1 192
Effect of business combinations	739	-	-	-	-	-	-	739
As at 31.12.	179 658	41 244	308 177	50 428	2 548	675	0	582 730

DEFERRED TAX ASSETS	Loss carried forward	Fixed assets	Pensions	Receivables	Lease obligations	Tax credits	Other liabilities	Total
2014								
Opening balance at 01.01.	-21 283	-187	0	-423	-1 903	-6 282	7 092	-22 987
Taken to income in the period	-8 738	134	-	238	2 019	643	-6 550	-12 255
Currency translation differences	-7 063	53	0	-	-115	-725	-164	-8 014
Other effects	24 068	-	-	-	-	-	-135	23 933
Effect of business combinations	-0	-	-	-	-	-	-	-
As at 31.12.	-13 017	-	0	-185	-	-6 364	243	-19 324

2015								
Taken to income in the period	-37 742	-	-	-260	-	6 324	-5 925	-37 603
Currency translation differences	-3 727	-	-	-	-	40	19	-3 668
Other effects	6 824	-	-	-	-	-	-203	6 621
Effect of business combinations	-32	-	-	-	-	-	-	-32
As at 31.12.	-47 694	-	-	-445	-	-	-5 866	-54 006

	2015	2014
Net deferred tax	528 723	558 140
Deferred tax assets is classified as non-current assets	10 317	2 180
Deferred tax liabilities is classified as non-current debt	539 040	560 320
Tax payable is classified as current debt	24 545	56 975

NET DEFERRED TAX TAKEN INTO INCOME:

	2015	2014
Changes in deferred tax, Norway	-1 344	-35 166
Changes in deferred tax, other countries	-36 510	5 745
Net deferred tax taken into income:	-37 854	-29 421
Recognition in the period for positions that incur deferred taxes	-252	-17 165
Recognition in the period for positions that incur deferred tax assets	-37 602	-12 255
Net deferred tax taken into income:	-37 854	-29 421

LOSS CARRIED FORWARD

Deferred tax assets related to an allowable deficit are recognised in the balance sheet in so far as it is likely that this can be set against future taxable profits.

Deferred tax assets related to a tax loss carried forward are divided among the following jurisdictions	2015	2014
Norway	-	-
UK	-47 687	-13 017
Canada	-7	-
	-47 694	-13 017

There is no time limit on the application of tax losses carried forward in Norway and the UK.

Application of tax losses carried forward in Canada is eliminated for the period 2025 to 2031.

NOTE 16

DECLARATION ON DETERMINATION OF SALARY AND OTHER REMUNERATION TO SENIOR EMPLOYEES

BOARD GUIDELINES AND PRINCIPLES FOR THE DETERMINATION OF SALARY AND OTHER REMUNERATION TO KEY PERSONNEL

In line with regulations issued pursuant to the Norwegian Public Limited Companies Act, the Board has drawn up the following declaration on guidelines and principles used to determine salary and other remuneration for key personnel.

The Group's remuneration policy will continue to be based on the principle that the Group shall offer its employees a compensation package that is competitive and in accordance with local industry standards. Where appropriate, this may include incentive elements, and the basic salary shall reflect individual performance.

The components of remuneration shall consist of a fixed basic salary and other fixed remuneration elements. The latter may be a company car or car allowance, telephone and electronic communications, newspapers and similar benefits. As well as participating in the Company's ordinary group life insurance and defined contribution based pension scheme up to 12G, the CEO has a separate salary compensation agreement for pension benefits exceeding 12G. CEO has a special cash bonus for 2015 and 2016 which assumes that the CEO is in position at the time of payment. CEO is entitled to a rolling 12 months' severance pay calculated from the termination date. Termination date is considered the expiration date of the notice. CEO has six months notice. Upon termination of the employment contract a separate agreement on severance pay will be entered into. COO and CFO are entitled to 12 months' pay after termination or changes in employment/position.

Grieg Seafood has an annual bonus scheme based on a combination of earnings and personal performance. For the management team the annual bonus has a limit of maximum 6 months' fixed salary.

A synthetic option scheme (hereafter called ""cash option"") for the company's management group was established in 2009 as a continuation of the expired option scheme from 2007. The cash options programme scheme requires the participants' direct share ownership throughout the entire period of the programme. Those who are entitled to the options are required to use 50% of the net gain under the scheme to purchase shares until the share ownership has a value corresponding to 100% of the fixed annual salary. The gain under the synthetic option scheme cannot exceed 12 times the monthly salary per participant per year. The exercise price is increased by 0,5% each month. An option must be exercised not later than 24 months after the first exercise date.

The cash options programme corresponds to a total of 2.150 000 shares at year-end after exercise of 1.600.000 options in 2015. Options allocated in 2015 must be exercised not later than 1 June 2019. Throughout 2015, 250 000 options have been exercised.

CEO has a total of 400 000 cash-settled options at year-end. The last exercise date for CEO is 1 June 2019.

For information about remuneration of the Group management, see note 17.

For further information about options, see note 18.

NOTE 17

PAYROLL, FEES, NUMBER OF EMPLOYEES ETC.

	Note	2015	2014
Salaries		337 591	307 430
Social security costs		26 654	21 700
Share options granted to directors and key employees (incl. social security costs)	18	3 819	8 507
Pension costs		8 983	6 969
Other personnel costs		32 384	14 923
Total		409 432	359 529
Average number of employees		681	686

The Board's guidelines and principles for determination of salary and other remuneration to key employees are detailed in note 16.

As at 31.12.2015 no loans were provided to Group employees.

Accumulated costs related to salaries, pension costs and other remuneration to the CEO, other senior employees and board members in 2015 were as follows:

REMUNERATION TO SENIOR OFFICERS IN 2015 IN TNOK	Salary	Bonus	Retained, not yet paid	Options exercised during year	Other remuneration	Total
Andreas Kvame (CEO from 01.06.2015)	1 369	456		0	9	1 834
Morten Vike (CEO until 17.10.2014) *)	4 414	0	2 891	928	104	8 337
Atle Harald Sandtorv (CFO)	1 988	119		0	146	2 253
Knut Utheim (COO)	1 701	89		0	139	1 929
Total remuneration including social security costs						14 353

M.Vike has received severance pay according to agreement. The expense was provided for in 2014 but paid in 2015.

BOARD MEMBERS

Per Grieg jr. 1)					405	405
Wenche Kjølås 2)					245	245
Karin Bing Orgland					245	245
Asbjørn Reinkind 1)					274	274
Ola Braanaas 1)					222	222
Total remuneration including social security costs						1 392

Recognition of synthetic options not declared throughout the year, are not included in the above list.

1) Remuneration for work done in the remuneration committee is included in the payment to Per Grieg jr. with NOK 11 410, in the payment to Asbjørn Reinkind with NOK 11 410, and in the payment to Ola Braanaas with NOK 11 410.

2) Remuneration for work done in the audit committee is included in the payment to Wenche Kjølås with NOK 34 230, and to Karin Bing-Orgland with NOK 34 230.

These amounts include social security costs.

Accumulated costs related to salaries, pension costs and other remuneration to the CEO, other senior employees and board members in 2014 were as follows:

REMUNERATION TO SENIOR OFFICERS IN 2014 IN TNOK	Salary	Bonus	Retained, not yet paid *)	Options exercised during year	Other remuneration	Total
Morten Vike (resigned as CEO 17.10.2014)	3 149	442	6 075	7 542	306	17 514
Atle Harald Sandtorv (CFO/acting CEO)	1 779	248	119	0	144	2 290
Knut Utheim (COO from 01.04.2014)	1 126	0	89	0	99	1 314
Total remuneration including social security costs						21 118

*) Retained, not yet paid benefits to former CEO, see note 16

BOARD MEMBERS

Per Grieg jr. 1)					406	406
Terje Ramm - until 11.06.2014 2)					102	102
Wenche Kjølås 2)					246	246
Karin Bing Orgland 1) og 2)					236	236
Asbjørn Reinkind 1)					275	275
Ola Braanaas -from 11.06.2014 1)					130	130
Total remuneration including social security costs						1 395

Recognition of synthetic options not declared throughout the year, are not included in the above list.

1) Remuneration for work done in the remuneration committee is included in the payment to Per Grieg jr. with TNOK 11, in the payment to Asbjørn Reinkind with TNOK 11, in the payment to Karin Bing Orgland with TNOK 6, and in the payment to Ola Braanaas with TNOK 7.

2) Remuneration for work done in the audit committee is included in the payment to Terje Ramm with TNOK 14, in the payment to Wenche Kjølås with TNOK 34, and in the payment to Karin Bing-Orgland with TNOK 19.

These amounts include social security costs.

SPECIFICATION OF AUDITORS' FEES	2015	2014
AUDIT FEES		
Group auditor	2 176	2 078
Other auditors	777	798
OTHER ASSURANCE SERVICES		
Group auditor	139	216
Other auditors	0	0
TAX ADVICE		
Group auditor	415	280
Other auditors	160	238
OTHER SERVICES		
Group auditor	431	261
Other auditors	144	145
Total - Group auditor	3 162	2 835
Total - other auditors	1 082	1 181
Total	4 243	4 016

NOTE 18

EQUITY AND CASH-BASED REMUNERATION (OPTIONS)

The Company has issued options to the management group and regional directors. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. Equity options have been allocated in the period 29 June 2007 until 1 June 2008 with the first due for exercise 29 June 2010 and last due 27 February 2012. As per 31.12.2015 no equity options are available for exercise. As from 2009 an option scheme with settlement in cash has been established for the management and regional directors. The last allocation was in 2015, totalling 1.600 000 options. The last due is 1 June 2019. The options have 2 years of duration, where 50 % is exercised each year. Employees taken on after the first allocation of options have been allocated options on taking up employment.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to carry out the calculations.

The table below illustrates the movement in outstanding options throughout 2014 and 2015.

OVERVIEW 2015	Option category	Outstanding options at 31.12.2014	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2015	Of which cash-settled
Andreas Kvame (CEO)	Cash settlement		400 000				400 000	400 000
Morten Vike (former CEO)*	Cash settlement	200 000		200 000				
Atle Harald Sandtorv (CFO)	Cash settlement	100 000	200 000				300 000	300 000
Knut Utheim (COO)	Cash settlement	100 000	200 000				300 000	300 000
Others	Cash settlement	400 000	800 000	50 000			1 150 000	1 150 000
Total		800 000	1 600 000	250 000	-	-	2 150 000	2 150 000

*) Morten Vike resigned 17.10.14. All options could be exercised latest at 31.05.2015.

OVERVIEW 2014	Option category	Outstanding options at 31.12.2014	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2015	Of which cash-settled
Morten Vike (former CEO)*	Cash settlement	600 000	-	400 000	-	-	200 000	200 000
Atle Harald Sandtorv (CFO/acting CEO)	Cash settlement	100 000	-	-	-	-	100 000	100 000
Knut Utheim (COO)	Cash settlement	-	100 000	-	-	-	100 000	100 000
Others	Cash settlement	750 000	200 000	400 000	100 000	50 000	400 000	400 000
Total		1 450 000	300 000	800 000	100 000	50 000	800 000	800 000

*) Morten Vike resigned 17.10.14. All options could be exercised latest at 31.05.2015.

Allocation: Year - month	Expiry date: Year - month	Strike price NOK per share as at 31.12.2015	Strike price NOK per share as at 31.12.2014	OPTIONS	
				2015	2014
2013 - 12	2016 - 06	24,97	23,55	150 000	250 000
2013 - 12	2017 - 06	24,97	23,55	150 000	250 000
2014 - 04	2016 - 06	24,99	23,58	50 000	100 000
2014 - 04	2017 - 06	24,99	23,58	100 000	100 000
2014 - 07	2017 - 06	31,55	29,77	100 000	100 000
2015 - 06	2019 - 06	26,27		1 600 000	
Total				2 150 000	800 000

	2015	2014
Cash-based options available for settlement	450 000	250 000
Weighted average outstanding contract period	24,93	23,48

2015	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Total value of all options at 01.01.2015	Change in provision OB - IB *)	Exercised options 2015	Acc. cost charged against equity at 31.12.2015	Book liability cash settlement at 31.12.2015
Former employees with expired options	Equity option				6 887			6 887	
Andreas Kvame (CEO)	Cash settlement	25,50	3,36	1 342	-	579			579
Morten Vike (former CEO)**	Cash settlement	22,22	3,94	788	929	-929	813		-
Atle Harald Sandtorv (CFO)	Cash settlement	22,22	3,94	394	491	148			639
Atle Harald Sandtorv (CFO)	Cash settlement	25,50	3,97	793	-	353			353
Knut Utheim (COO)	Cash settlement	22,56	4,78	478	429	233			662
Knut Utheim (COO)	Cash settlement	25,50	3,97	793	-	353	353		
Other options allocated in 2013	Cash settlement	22,22	3,94	1 181	957	293			1 250
Other options allocated in 2014	Cash settlement	22,56	4,24	424	397	-82	199		315
Other options allocated in 2014	Cash settlement	28,90	4,20	420	60	146			206
Other options allocated in 2015	Cash settlement	25,50	3,60	2 876	-	1 282			1 282
Total				9 490	10 150	2 376	1 013	6 887	5 639

*) The amounts are exclusive of social security cost.

***) Morten Vike resigned 17.10.14. All options could be exercised latest at 31.05.2015.

2014	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Total value of all options at 01.01.2014	Change in provision OB - IB *)	Exercised options 2014	Acc. cost charged against equity at 31.12.2014	Book liability cash settlement at 31.12.2014
Morten Vike (CEO)**	Eq. based option	13,20	3,74	1 123	1 122	-		1 122	
Former employees where option has expired	Eq. based option	23,00	5,86	2 346	2 346	-		2 346	
Others	Eq. based option	23,00	5,72	4 005	3 419	-		3 419	
Morten Vike (former CEO)**	Cash settlement.	6,83	1,78	712	4 906	-4 906	6 610		0
Morten Vike (former CEO)**	Cash settlement.	22,22	3,94	788	29	900			929
Atle Harald Sandtorv (CFO/ acting CEO)	Cash settlement.	22,22	3,94	394	14	477			491
Knut Utheim (COO)	Cash settlement.	22,56	4,78	478	-	429			429
Other options allocated in 2010	Cash settlement.	16,50	6,66	666	301	-301			0
Other options allocated in 2012	Cash settlement.	6,83	1,78	1 424	4 277	-4 277	6 645		0
Other options allocated in 2013	Cash settlement.	22,22	3,94	1 181	41	916			957
Other options allocated in 2014	Cash settlement.	22,56	4,24	424	-	397			397
Other options allocated in 2014	Cash settlement.	28,90	2,74	274	-	60			60
Total				13 815	16 455	-6 305	13 255	6 887	3 263

*) The amounts are exclusive of social security cost.

***) Morten Vike resigned 17.10.14. All options could be exercised latest at 31.05.2015.

ACCRUED COST IS DIVIDED AS FOLLOWS:	2015	2014	CLASSIFICATION IN ACCOUNTS
Change in provisions	1 797	-6 305	Other provisions for liabilities
Exercised options during year	2 022	13 255	Payroll & social costs/ bank
Total cost excl. social security costs	3 819	6 951	
Social security costs	560	1 557	Public taxes payable
Total cost incl. social security costs	4 379	8 507	Payroll and social security costs

The costs related to cash-based remuneration in 2015 is TNOK 3 819. This is charged in the income statement as a personnel cost. Social security contributions are provided for an ongoing basis based on the fair value of the options.

At 31 December 2015 outstanding options with the right to cash settlement were stated at TNOK 5 639 of which TNOK 1 250 is classified as current liabilities as the options expire in 2016. TNOK 4 389 is non-current liabilities as at 31.12.2015. Options issued are cancelled when employment terminates.

ESTIMATES USED IN CALCULATIONS ON ALLOCATION OF OPTIONS

Anticipated volatility (%)	36,36
Risk-free rate of interest (%)	0,69
Estimated qualification period (years)	2,92

The estimated qualification period for the options is based on historical data, and does not necessarily represent an indication of the future. In order to estimate volatility, the management has applied historical volatility for comparable listed companies.

NOTE 19 SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL

As at 31 December 2015 the Company had 111 662 000 shares with a nominal value of NOK 4 per share. All shares issued by the company are fully paid up. There is one class of shares and all shares have the same rights. In June 2011 the company purchased 1 250 000 of its own shares for NOK 14.40 per share.

Date of registration	Type of change	Change in share capital (TNOK)	Nominal value (NOK)	Total share capital (TNOK)	No. of ordinary shares
			4,00	446 648	111 662 000
	Holdings of treasury shares		4,00	-5 000	-1 250 000
31.12.2015				441 648	110 412 000

THE LARGEST SHAREHOLDERS OF GRIEG SEAFOOD ASA	No. of shares		Shareholding	
	31.12.15	31.12.15	31.12.14	31.12.14
GRIEG HOLDINGS AS	55 801 409	49,97 %	55 801 409	49,97 %
DNB NOR MARKETS	22 188 875	19,87 %	22 188 238	19,87 %
NORDEA BANK NORGE ASA	6 605 998	5,92 %	6 605 998	5,92 %
KONTRARI AS	5 862 763	5,25 %	6 559 309	5,87 %
YSTHOLMEN AS	2 928 197	2,62 %	2 928 197	2,62 %
OM HOLDING AS	2 610 000	2,34 %	2 610 000	2,34 %
STATE STREET BANK AND TRUST CO. *	1 305 901	1,17 %	1 305 901	1,17 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %	1 250 000	1,12 %
Total - largest shareholders	98 553 143	88,26 %	99 249 052	88,88 %
Other shareholders with shareholding less than 1%	13 108 857	11,74 %	12 412 948	11,12 %
Total shares	111 662 000	100,00 %	111 662 000	100,00 %

* Nominee-account

SHARES CONTROLLED BY BOARD MEMBERS AND GROUP MANAGEMENT:	31.12.2015	31.12.2015	31.12.2014	31.12.2014
BOARD OF DIRECTORS:				
Per Grieg jr. *)	60 795 561	54,44 %	60 786 561	54,44 %
Wenche Kjølås (Jawendel AS)	7 000	0,01 %	7 000	0,01 %
Asbjørn Reinkind (Reinkind AS)	120 000	0,11 %	120 000	0,11 %
Karin Bing Orgland	-	0,00 %	-	0,00 %
Ola Braanaas	-	0,00 %	-	0,00 %

GROUP MANAGEMENT:				
Andreas Kvame (CEO)	-	0,00 %	-	0,00 %
Atle Harald Sandtorv (CFO)	45 500	0,04 %	45 500	0,04 %
Knut Utheim (COO)	-	0,00 %	-	0,00 %

*The shares owned by the following companies are controlled by Per Grieg jr. and family

Grieg Holdings AS	55 801 409	49,97 %	55 801 409	49,97 %
Grieg Shipping II AS	824 565	0,74 %	824 565	0,74 %
Ystholmen AS	2 928 197	2,62 %	2 928 197	2,62 %
Grieg Ltd AS	217 390	0,19 %	217 390	0,19 %
Kvasshøgdi AS	1 000 000	0,90 %	1 000 000	0,90 %
Per Grieg jr. personally	15 000	0,01 %	15 000	0,01 %
Total shares	60 786 561	54,44 %	60 786 561	54,44 %

NOTE 20

EARNINGS PER SHARE AND DIVIDEND PER SHARE

BASIS FOR CALCULATION OF EARNINGS PER SHARE	2015	2014
Earnings for the year (majority share)	-6 626	138 806
Number of shares at Jan 1	111 662 000	111 662 000
Effect of treasury shares (see note 19)	-1 250 000	-1 250 000
Average number of outstanding shares during the year	110 412 000	110 412 000
Adjustment for effect of share options	0	0
Diluted average number of outstanding shares during the year	110 412 000	110 412 000
Earnings per share	-0,06	1,26
Diluted earnings per share	-0,06	1,26
Proposed dividend per share	0,00	0,50

NOTE 21

CASH AND CASH EQUIVALENTS

	2015	2014
Restricted deposits related to employees' tax deduction	8 318	7 580
Restricted bank deposits related to clearing account for financial price contracts*)	1 513	937
Other cash and bank deposits	382 189	172 981
Total	392 020	181 498

*) The restricted deposits are "base" and "portfolio" margin requirements related to financial salmon price contracts in the Norwegian part of the Group.

The Group's currency and interest rate exposure is described in note 3.

NOTE 22

ACCOUNTS RECEIVABLE

	2015	2014
Accounts receivable at nominal value	586 883	505 814
Provision for bad debts	-4 979	-1 704
Accounts receivable at 31.12.	581 904	504 110

For information about the age distribution of accounts receivable and the Group's exposure to credit risk related to outstanding receivables, please refer to note 3.

RECORDED BAD DEBTS ARE STATED AS FOLLOWS:	2015	2014
Change in provision for bad debts	3 275	1 733
Year's actual losses	1 741	1 282
Filed on previous loss provisions	0	-404
Recognised losses on receivables	5 016	2 611

Losses on receivables is recognised as other operating expenses

NOTE 23

OTHER CURRENT RECEIVABLES

	2015	2014
VAT receivable etc.	83 870	49 038
Pre-paid expenses	30 484	32 504
Insurance claims	22 237	0
Other current receivables	9 176	11 828
Other current receivables at 31.12.	145 767	93 371

NOTE 24

RELATED PARTIES

2015	Operating income	Operating expenses	Financial income	Financial expenses	Long-term balances	Short-term balances
Total - related parties as shareholders	0	15 966	0	0	0	-496
Total - related parties as associated companies	0	1 875	0	0	0	0
Total	0	17 841	0	0	0	-496

2014	Operating income	Operating expenses	Financial income	Financial expenses	Long-term balances	Short-term balances
Total - related parties as shareholders	0	4 560	0	0	0	-195
Total - related parties as associated companies	0	84 375	0	0	67	-3 187
Total	0	88 935	0	0	67	-3 382

The group purchases service from companies in the same group as its majority shareholder, Grieg Holdings AS. These services include:

- Services related to ICT and other functions such as canteen, reception etc. are provided by Grieg Group Resources AS. The services are provided on an arm's length basis.
- Grieg Seafood ASA rents its offices from Grieg Gaarden AS. The rent is on an arm's length basis.
- The regions has purchased lumpfish from Ryfylke Rensefisk AS, which is owned by Grieg Holdings AS.
- Purchase of roe and other services related to operations from Saldobreed AS, which is a related party to a board member.

Transactions with other related parties in associated companies are the purchase of services related to operations. The board and management are related parties. See note 18 on share-based options and note 19 on shares controlled by board members and management.

NOTE 25

FINANCIAL INCOME AND FINANCIAL EXPENSES

	2015	2014
Other interest income	5 002	9 965
Dividends	446	474
Net change in fair value of derivatives	4 024	0
Net currency gains	28 584	45 994
Other financial income	0	812
Total financial income	38 056	57 245
Interest expense on bank borrowings and leasing *)	117 959	89 076
Other interest expenses **)	7 969	6 038
Net change in fair value of derivatives	0	10 968
Net currency gains	0	0
Other financial expenses	5 430	1 439
Total financial expenses	131 357	107 521

*) Interest expenses bank borrowings and leasing includes recognised gains/losses from realised interest rate swaps.

**) Interest expenses related to factoring agreement in Ocean Quality is included in other interest expenses.

NOTE 26

OTHER OPERATING EXPENSES

	2015	2014
Maintenance costs	191 413	161 500
Electricity and fuel	49 822	51 205
Lease expenses	48 547	37 209
Insurance	28 191	36 834
Outsourced services	57 672	38 498
IT expenses	17 882	16 755
Travel costs	15 084	10 320
Marketing costs	7 008	5 610
Transportation costs including air cargo	276 659	237 438
Other operating expenses	543 417	433 066
Total other operating expenses	1 235 695	1 028 434

Included in "other operating expenses" are packaging, oxygen, chemicals, vaccines, customs duty, fuel, loss on receivables, other office costs, phone, charges.

NOTE 27

OTHER CURRENT LIABILITIES

Specification of other current liabilities	2015	2014
Accrued expenses *)	107 661	82 037
Other current liabilities **)	15 135	49 478
Other current liabilities	122 795	131 515

*) Accrued expenses relate to accrual of interest, other operating expenses and insurance.

***) Included in other non-current liabilities in 2014 is purchase of "green licences" for TNOK 40 000, where the arrangement was finally clarified towards year-end 2014.

NOTE 28

POST-BALANCE SHEET EVENTS

There have been no events after balance sheet date which materially impact the 2015 statement or the evaluation of the Group.

NOTE 29

NEW ACCOUNTING STANDARDS

A) NEW AND AMENDED STANDARDS ADOPTED IN 2015

In 2015, no new standards have been adopted.

New requirements for disclosures are set out in IFRS 8 Operating Segments. The additional requirements take effect from 01.01.2015 and regard reporting of assessments about operating segments and reconciliation of assets on segment level against Company level. If multiple segments have been merged to form an aggregation of segments, a short description should disclose the various segments and the economic indicators which have been assessed to constitute economic similarities that justify an aggregation into one segment. Upon periodic reporting of segment assets to the chief operator (Group management), the disclosure must demonstrate a reconciliation of assets on segment level against assets on Company level.

Grieg Seafood has only one production segment, farmed salmon; hence, the amendment will not have any effect on the disclosure information.

IFRS 2 has been amended so that the vesting conditions for share-based remuneration are divided into conditions attached to respectively service and achievement. This will have no significant effect on the financial statements because the option schemes only have conditions attached to service.

B) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A series of new standards, amendments of standards and interpretations of existing standards are mandatory for future financial statements. Among those the Group has decided not to implement early, the essential are disclosed below.

IFRS 9 Financial instruments includes requirements for classification, measurement and recognition of financial assets and liabilities, as well as general hedge accounting. The complete version of IFRS 9 was issued in July 2014. It replaces the items of IAS 39 relating to similar issues. According to IFRS 9 financial assets are classified in three categories: Fair value through other comprehensive income, fair value through profit/loss, and amortised cost. The measurement category is determined on initial recognition of the asset. The classification depends on the entity's business model for managing its financial instruments and the characteristics of the cash flows of each instrument. Equity instruments should initially be measured at fair value through profit/loss. The company may opt to present value changes through other comprehensive income, but the option is irreversible as gain/loss from subsequent sales cannot be reclassified through profit/loss. Impairment due to credit risk should be recognised on basis of expected loss rather than the current model where losses must be incurred. Regarding financial obligations the standard materially proceeds with the requirements of IAS39. The biggest modification regards use of the fair value-option for financial obligations, in which case the amount of change in fair value attributable to changes in own credit risk should be presented in other comprehensive income.

IFRS 9 simplifies the requirements for hedge accounting by aligning hedge effectiveness more closely with the risk management and allow for increased assessment. Simultaneous hedge documentation is still required. The standard takes effect as from the fiscal year 2018, but earlier application is permitted. The Group still has not fully assessed the effects of IFRS 9.

IFRS15 Revenue from contracts with customers regards recognition of revenue.

The standard requires a separation of customer contracts into each performance obligation. A performance obligation can be a good or service. Revenue is recognised when control over a good or service is passed to a customer, and the customer has the ability to direct the use of and obtain the benefit from the good or service.

The standard replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations. The standard takes effect for the fiscal year 2017, but early implementation is permitted. The Group still has not fully assessed the effects of IFRS 15.

IAS 1 has been amended in order to allow the Company to consider to a greater degree whether information is essential or not. The amendment provides more flexibility and an opportunity to omit disclosure of information which the Company itself deems insignificant. This may entail less disclosure information on areas which the Company deems less significant.

There are no other standards or interpretations that still have not taken effect that are expected to materially impact the financial statement of the Group.

PARENT COMPANY

INCOME STATEMENT

Amounts in NOK 1 000	Note	2015	2014
Other operating income	2,17	52 351	40 633
Total operating income		52 351	40 633
Salaries and personnell expenses	3,4	-29 968	-36 756
Depreciation	12,13	-5 275	-5 802
Other operating expenses	6,17	-36 161	-34 062
Total operating expenses		-71 404	-76 621
Operating loss		-19 053	-35 988
Financial income	5,17	173 914	210 805
Financial expenses	5,17	-103 846	-92 341
Net financial profit		70 068	118 464
Profit before tax		51 015	82 476
Income tax expense	15	-11 375	-23 312
Profit for the year		39 642	59 163
ALLOCATION OF NET PROFIT			
Allocated to dividend		0	55 206
Transferred to other equity		39 642	3 957
Sum allocation		39 642	59 163

PARENT COMPANY BALANCE

Amounts in NOK 1 000

ASSETS	Note	31.12.2015	31.12.2014
Software	12	16 651	11 320
Property, plant and equipment	13, 18	4 814	3 908
Investments in subsidiaries	10,18	1 226 980	1 220 980
Receivables from Group companies	7,17,18	691 259	637 126
Investments in associated companies and joint ventures	10, 18	0	6 000
Loan to associated companies		167	67
Investments in shares or units	11	637	590
Total non-current assets		1 940 507	1 879 990
Accounts receivable	6,18	4 827	2 344
Receivables from group companies	17,18	903 345	933 860
Other current receivables	7	4 046	12 204
Cash and cash equivalents	8	215 057	95 969
Total current assets		1 127 275	1 044 377
Total assets		3 067 782	2 924 367
LIABILITIES AND EQUITY		31.12.2015	31.12.2014
Share capital	14	446 648	446 648
Treasury shares	14	-5 000	-5 000
Other reserves		13 652	13 652
Retained earnings		899 425	859 753
Total equity		1 354 724	1 315 053
Deferred tax	15	36 446	25 747
Cash-settled share options	4	4 389	2 334
Total provisions		40 835	28 082
Long-term loan	18	1 518 261	957 363
Total non-current liabilities		1 518 261	957 363
Short-term borrowings	18	90 000	90 000
Bond loan	18	0	396 050
Loans from group companies	17	26 511	40 446
Cash-settled share options	4	1 250	929
Allocations to dividend		0	55 206
Accounts payable	17	6 280	4 931
Accrued public expense		2 049	1 772
Other current liabilities	7,9	27 872	34 535
Total current liabilities		153 961	623 869
Total liabilities		1 713 057	1 609 314
Total liabilities and equity		3 067 782	2 924 367

Bergen, 6 of April 2016
 Grieg Seafood ASA
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PARENT COMPANY CASH FLOW STATEMENT

Amounts in NOK 1000	Note	2015	2014
Profit before income taxes		51 015	82 476
Tax payable	15	0	-1 471
Depreciation and amortisation	12,13	5 275	5 802
Interest paid		82 715	70 926
Change in accounts receivable		-2 483	2 185
Change in accounts payable		1 349	2 881
Change in other accruals		-32 490	-56 151
Net cash flow from operations		105 381	106 648
Dividend income	5	30	28
Purchase of tangible assets	13	-2 351	-678
Purchase of intangible assets	12	-9 161	-8 107
Payment on loans to group companies		69 116	359 570
Payment on group receivables		-54 133	-471 770
Payment on other long term receivables		-100	0
Net cash flow from investment activities		3 401	-120 957
Change in short-term credit facilities		-396 050	-425 000
Payments on long-term debt	18	-90 000	-600 200
Proceeds/payment on loans to/from group companies		-16 621	0
Proceeds on long-term debt		650 898	1 088 413
Interest paid		-82 715	-70 926
Dividende paid		-55 206	0
Net cash flow from financing activities		10 306	-7 713
Net change in cash and cash equivalents		119 088	-22 022
Cash and cash equivalents at 01.01.		95 969	117 991
Cash and cash equivalents at 31.12		215 057	95 969

PARENT COMPANY CHANGE IN EQUITY

Amounts in NOK 1000	Share capital	Other paid in equity	Other equity	Total equity
Equity at 01.01.2014	441 648	13 652	855 773	1 311 073
PROFIT FOR THE YEAR 2014			59 163	59 163
Other gains recorded in equity			22	22
Allocations to dividend			-55 206	-55 206
Equity at 31.12.2014	441 648	13 652	859 752	1 315 053
PROFIT FOR THE YEAR 2015			39 642	39 642
Other gains/losses recorded in equity			31	31
Allocations to dividend			0	0
Equity at 31.12.2015	441 648	13 652	899 425	1 354 725

NOTE 1

ACCOUNTING POLICIES

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

All amounts are in TNOK, unless stated otherwise.

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 are classified as fixed assets. Assets related to the normal operating cycle, are classified as current assets. Receivables are classified as current assets if they are expected to be repaid within 12 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 recognised in the balance sheet 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 fair value where this is required by accounting rules.

Nominal amounts are discounted if the interest rate element is significant.

INTANGIBLE ASSETS

Expenditure on intangible assets is recognised to the extent that future economic benefits from the development of identifiable intangible assets and costs can be measured reliably. Otherwise, the costs are expensed as they arise. Capitalised development is amortised over the useful life.

FIXED ASSETS

Fixed assets are recognised in the balance sheet and depreciated on a straight line basis over the estimated useful life, providing the asset has an expected useful life of more than 3 years and a cost price which exceeds TNOK 15. Maintenance costs are charged as they arise as operating expenses, while improvements and additions are added to the acquisition cost and depreciated at the same pace as 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 finance lease.

SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Investments in subsidiaries, associated companies and joint ventures are valued at cost in the company accounts. The investment is valued at the cost of acquiring the shares, providing a write-down has not been necessary.

Group contributions to subsidiaries, with tax deducted, are recognised as increases in the purchase cost 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/group contributions materially 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 fair value. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified. 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.

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. An additional 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

The company's pension schemes meet the requirements of the mandatory Occupational Pension Act. The premium is paid through operations and is charged as it arises. Social security costs are charged on the basis of the pension premium paid.

GROUP BANK ACCOUNTS SYSTEM - DEPOSIT AND LOAN

Grieg Seafood ASA operates as an internal bank for the subsidiaries. Grieg Seafood borrows funds under the agreement from the financial institutions and lends these funds onwards to the group companies. The Company has 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 jointly and severally responsible to the financial institutions for the whole amount of the commitment under the scheme.

FOREIGN CURRENCY

All foreign currency transaction are translated into NOK at the date of the transaction. All monetary items in foreign currency are translated at the balance sheet date. Derivatives are stated at fair value and value changes are recognised in the income statement.

CASH-BASED REMUNERATION

The Company has a share-based remuneration scheme with settlement in cash. The Company's estimated liability is posted under current or non-current liabilities based on estimated settlement date. The cost for the year is charged in the income statement.

DERIVATIVES

Forward currency contracts

Realised gains are recorded in the income statement as financial income. The fair value of the contracts is stated on the basis of the exchange rate at balance sheet date for 2015.

Interest rate swaps

Interest rate swap contracts are stated at the lowest value principle.

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 relevant rate of the

temporary differences between the value of assets and liabilities for tax purposes and any allowable loss to be carried forward at year-end 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 against 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 which entail no appreciable exchange rate risk and with maturities of 3 months or less from the purchase date.

NOTE 2

OPERATING INCOME

Amounts in NOK 1000

OPERATING INCOME CONSISTS OF	2015	2014
Administrative services - Grieg Seafood Group	52 351	37 534
Other operating income	0	3 099
Total other operating income, see note 17	52 351	40 633

NOTE 3

PAYROLL, FEES, NO. OF EMPLOYEES

Amounts in NOK 1000	Note	2015	2014
Wages and salaries		20 170	23 553
Social security costs		3 388	3 916
Shares options for directors and key personnel	4	3 819	6 951
Pension costs - defined contribution plans		1 702	1 508
Other personnel costs		889	828
Total		29 968	36 756
Average number of employees		20	16

The Company has a pension scheme covering all employees at 31.12.2015. The pension scheme is funded and managed through an insurance company.

The board's guidelines and principles for the determination of salary and other remuneration to the management group are included in the financial statements for the group.

The accumulated cost of salaries, pensions and other benefits to the CEO, CFO, COO and board members in 2015 were as follows:

REMUNERATION TO SENIOR EMPLOYEES IN 2015 (TNOK)	Salary	Bonus	Accumulated, not yet paid*)	Options exercised during year	Other benefits	Total
Andreas Kvame (CEO as from 01.06.2015)	1 369	456	0	0	9	1 834
Morten Vike (resigned as CEO 17.10.2014)	4 414	0	2 891	928	104	8 337
Atle Harald Sandtorv (CFO)	1 988	119	0	0	146	2 253
Knut Utheim (COO as from 01.04.2014)	1 701	89	0	0	139	1 929
Total remuneration incl. social security costs						14 353

*) The amount consists of accumulated, not paid benefits to former CEO

BOARD MEMBERS

Per Grieg jr. 1)					405	405
Wenche Kjølås 2)					245	245
Karin Bing-Orgland					245	245
Asbjørn Reinkind 1)					274	274
Ola Braanaas					222	222
Total remuneration incl. social security costs						1 392

1) The payment for work done in the remuneration committee is included in the remuneration to Per Grieg jr. with NOK 11 410, to Asbjørn Reinkind with NOK 11 410 and to Ola Braanaas with NOK 11 410.

2) The payment for work done in the audit committee is included in the remuneration to Wenche Kjølås with NOK 34 230 and to Karin Bing-Orgland with NOK 34 230. The amounts include social security costs.

The accumulated cost of salaries, pensions and other benefits to the CEO, CFO, COO and to Board members in 2014 were as follows:

REMUNERATION TO SENIOR EMPLOYEES IN 2014 (TNOK)	Salary	Bonus	Accumulated not paid	Options exercised during year	Other benefits	Total
Morten Vike (CEO)	3 149	442	6 075	7 542	306	17 514
Atle Harald Sandtorv (CFO)	1 777	248	119	0	144	2 288
Knut Utheim (COO)	1 126	0	89	0	99	1 314
Total remuneration incl. social security costs						21 116

BOARD MEMBERS

Per Grieg jr. 1)					406	406
Terje Ramm - until 11.06.2014 2)					102	102
Wenche Kjølås 2)					246	246
Karin Bing-Orgland 1) og 2)					236	236
Asbjørn Reinkind 1)					275	275
Ola Braanaas - as from 11.06.2014 1)					130	130
Total remuneration incl. social security costs						1 395

1) The payment for work done in the remuneration committee is included in the remuneration to Per Grieg jr. with NOK 11 409, to Asbjørn Reinkind with NOK 11 409, to Karin Bing-Orgland with NOK 5 705, and to Ola Braanaas with NOK 6 655.

2) The payment for work done in the audit committee is included in the remuneration to Terje Ramm with NOK 14 250, to Wenche Kjølås with NOK 34 200, and to Karin-Bing Orgland with NOK 18 999. The amounts include social security costs.

SPECIFICATION OF AUDITOR'S FEE	2015	2014
Statutory audit	910	774
Tax advisory fee	90	111
Other services	129	318
Total	1 129	1 202

NOTE 4

SHARE-BASED REMUNERATION (OPTIONS)

The company has a share-based options programme for the management group and regional directors. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. Equity-based options have been allocated in the period 29.06.2007 until 01.06.2008 with the first expiry date 29.06.2010 and the last 27.02.2012. As at 31.12.2015 there are no equity options outstanding for exercise.

Since 2009 the Company has issued cash-based options to the management group and regional directors. The last allocation was in 2015, totalling 1 600 000 options. The last exercise date is 31.05.2019. The options have 2 years' duration, where 50% is invested each year. Employees taken on after the first allocation of options have been allocated options on taking up employment.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to carry out the calculations.

The table below illustrates the movement in outstanding options throughout 2014 and 2015.

OVERVIEW 2015	Option category	Outstanding options 31.12.2014	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2015	Of which cash-settled
Andreas Kvame (CEO)	Cash settlement		400 000				400 000	400 000
Morten Vike (former CEO)*	Cash settlement	200 000		200 000				
Atle Harald Sandtorv (CFO)	Cash settlement	100 000	200 000				300 000	300 000
Knut Utheim (COO)	Cash settlement	100 000	200 000				300 000	300 000
Others	Cash settlement	400 000	800 000	50 000			1 150 000	1 150 000
Total		800 000	1 600 000	250 000	-	-	2 150 000	2 150 000

*) Morten Vike resigned at 17.10.14. All options could be exercised until latest 31.05.2015.

OVERVIEW 2014	Option category	Outstanding options 31.12.2013	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2014	Of which cash-settled
Morten Vike (former CEO)*	Cash settlement	600 000	-	400 000	-	-	200 000	200 000
Atle Harald Sandtorv (CFO/ acting CEO)	Cash settlement	100 000	-	-	-	-	100 000	100 000
Knut Utheim (COO)	Cash settlement	-	100 000	-	-	-	100 000	100 000
Others	Cash settlement	750 000	200 000	400 000	100 000	50 000	400 000	400 000
Total		1 450 000	300 000	800 000	100 000	50 000	800 000	800 000

*) Morten Vike resigned at 17.10.14. All options could be exercised until latest 31.05.2015.

ALLOCATION: YEAR - MONTH	Expiry date: Year - month	Strike price NOK per share as at 31.12.2015	Strike price NOK per share as at 31.12.2014	Options	
				2015	2014
2013 - 12	2016 - 06	24,97	23,55	150 000	250 000
2013 - 12	2017 - 06	24,97	23,55	150 000	250 000
2014 - 04	2016 - 06	24,99	23,58	50 000	100 000
2014 - 04	2017 - 06	24,99	23,58	100 000	100 000
2014 - 07	2017 - 06	31,55	29,77	100 000	100 000
2015 - 06	2019 - 06	26,27		1 600 000	
Total				2 150 000	800 000

	2015	2014
Equity based options available for exercise	450 000	250 000
Weighted average outstanding contract period	24,93	23,48

2015	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Total value of all options at 01.01.2015	Change in provision OB-IB *)	Exercised options 2015	Acc. cost charged against equity at 31.12.2015	Book liability cash settlement at 31.12.2015
Former employees where option has expired	Equity-based option				6 887			6 887	
Andreas Kvame (CEO)	Equity-based option	25,50	3,36	1 342	-	579			579
Morten Vike (former CEO)**	Equity-based option	22,22	3,94	788	929	-929	813		-
Atle Harald Sandtorv (CFO)	Cash settlem.	22,22	3,94	394	491	148			639
Atle Harald Sandtorv (CFO)	Cash settlem.	25,50	3,97	793	-	353			353
Knut Utheim (COO)	Cash settlem.	22,56	4,78	478	429	233			662
Knut Utheim (COO)	Cash settlem.	25,50	3,97	793	-	353			353
Other options allocated in 2013	Cash settlem.	22,22	3,94	1 181	957	293			1 250
Other options allocated in 2014	Cash settlem.	22,56	4,24	424	397	-82	199		315
Other options allocated in 2014	Cash settlem.	28,90	4,20	420	60	146			206
Other options allocated in 2015	Cash settlem.	25,50	3,60	2 876	-	1 282			1 282
Total				9 490	10 150	2 376	1 013	6 887	5 639

*) The amounts are excluded of social security costs

**) Morten Vike resigned at 17.10.14. All options could be exercised until latest 31.05.2015.

2014	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Total value of all options at 01.01.2015	Change in provision OB-IB *)	Exercised options 2015	Acc. cost charged against equity at 31.12.2015	Book liability cash settlement at 31.12.2015
Morten Vike (former CEO)**	Eq.based option	13,20	3,74	1 123	1 122	-		1 122	
Former employees where option has expired	Eq.based option	23,00	5,86	2 346	2 346	-		2 346	
Others	Eq.based option	23,00	5,72	4 005	3 419	-		3 419	
Morten Vike (former CEO)**	Cash settlem.	6,83	1,78	712	4 906	-4 906	6 610		0
Morten Vike (former CEO)**	Cash settlem.	22,22	3,94	788	29	900			929
Atle Harald Sandtorv (CFO/ acting CEO)	Cash settlem.	22,22	3,94	394	14	477			491
Knut Utheim (COO)	Cash settlem.	22,56	4,78	478	-	429			429
Other options allocated in 2010	Cash settlem.	16,50	6,66	666	301	-301			0
Other options allocated in 2011	Cash settlem.	6,83	1,78	1 424	4 277	-4 277	6 645		0
Other options allocated in 2012	Cash settlem.	22,22	3,94	1 181	41	916			957
Other options allocated in 2013	Cash settlem.	22,56	4,24	424	-	397			397
Other options allocated in 2014	Cash settlem.	28,90	2,74	274	-	60			60
Total				13 815	16 455	-6 305	13 255	6 887	3 263

*) The amounts are excluded of social security costs

**) Morten Vike resigned at 17.10.14. All options could be exercised until latest 31.05.2015.

ACCRUED COST IS DIVIDED AS FOLLOWS:	2015	2014	CLASSIFICATION IN STATEMENT
Accrued cost cash settlement	2 376	-6 305	Other provisions for liabilities
Exercised options during the year	1 013	13 255	Salary and social costs / bank
Total cost excl. employer's national insurance contributions	3 389	6 951	
Employer's national insurance contributions	430	1 557	Accrued public expense
Total cost incl. employer's national insurance contributions	3 819	8 507	Salary and social security costs

The costs related to share and cash-based remuneration in 2015 is TNOK 3 370. This is charged in the income statement as a personnel cost. Social security contributions are provided for an ongoing basis based on the fair value of the options.

At 31. December 2015 outstanding options with the right to cash settlement were stated at TNOK 5 639, of which TNOK 1 250 is stated as "Other non-current liabilities" as the options expire in 2016. TNOK 4 389 is stated as long-term commitments as pr. 31.12.2015. Options issued are cancelled when employments are terminated.

ESTIMATES USED IN CALCULATIONS ON ALLOCATION OF OPTIONS

Anticipated volatility (%)	36,36
Risk-free rate of interest (%)	0,69
Estimated qualification period (years)	2,92

The estimated qualification period for the options is based on historical data, and does not necessarily represent an indication of the future. In order to estimate volatility, the management have applied historical volatility for comparable listed companies.

NOTE 5

FINANCIAL INCOME AND FINANCIAL EXPENSES

Amounts in NOK 1000	2015	2014
Interest income from group companies	55 823	51 104
Other interest income	0	2 086
Other financial income from subsidiaries	0	2 591
Group contribution from subsidiaries	39 091	33 651
Dividend	30	28
Unrealised value changes derivatives, see note 9	2 316	0
Unrealised value changes long-term borrowings group	54 134	78 912
Net gains/losses	22 520	42 434
Total financial income	173 914	210 805
Interest expenses from group companies	529	311
Loan interest expenses	101 444	80 454
Other interest expenses	1 263	21
Unrealised value changes derivatives, see note 9	0	10 968
Other financial expenses	610	587
Total financial expenses	103 846	92 341
Net financial items	70 067	118 464

NOTE 6

ACCOUNTS RECEIVABLE

Amounts in NOK 1000	2015	2014
Accounts receivable at nominal value	4 827	2 344
Provisions for bad debt	0	0
Book value of accounts receivable at 31.12	4 827	2 344
Change in bad debts provision	0	0
Bad debt realised	0	-404
Total loss on accounts receivable charged in the accounts	0	-404

On behalf of its subsidiaries Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS, Grieg Seafood ASA has arranged salmon price contracts. In view of the fact that the contractual counterparty is in compulsory liquidation, the accounts for 2012 include a loss of TNOK 905 related to these price contracts. Bankruptcy proceedings were concluded in 2014 and Grieg Seafood ASA received TNOK 404 in the final residual settlement.

NOTE 7

OTHER RECEIVABLES/OTHER CURRENT LIABILITIES

Amounts in NOK 1000

OTHER CURRENT RECEIVABLES	2015	2014
Prepaid expenses	599	814
Accrued tax	1 672	2 521
Deposit Nasdaq*)	1 513	8 771
Other current receivables	262	98
Other current receivables 31.12	4 046	12 204

*) Deposit Nasdaq is linked to the ongoing financial salmon price contracts. Grieg Seafood ASA enters into hedging contracts on behalf of Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS.

OTHER CURRENT LIABILITIES	2015	2014
Accrued interest	5 532	2 094
Other accrued expenses	5 939	11 357
Unrealised loss on interest rate swap contracts, see note 9	14 555	17 898
Unrealised loss on foreign currency contracts	0	2 696
Other current liabilities	1 846	490
Other current liabilities at 31.12	27 872	34 535

NOTE 8

RESTRICTED BANK DEPOSITS

Amounts in NOK 1000	2015	2014
Restricted deposits related to employees' tax deductions	1 295	1 079
Restricted account Nasdaq *)	1 513	937
Other bank deposits	212 249	93 953
Total	215 057	95 969

*) Restricted amounts to financial salmon price contracts. Grieg Seafood ASA enters into hedging contracts on behalf of Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS.

NOTE 9 FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE

Amounts in NOK 1000	2015		2014	
	ASSETS	CURRENT LIABILITIES	ASSETS	CURRENT LIABILITIES
Forward foreign currency contracts	0	0	0	-2 696
Interest swap rate contracts (3 contracts for a total of MNOK 800 maturing in 2016 and 2019)	0	-15 582	0	-17 898
Total financial instruments at fair value	0	-15 582	0	-20 594
CHANGE IN FAIR VALUE POSTED AS FINANCIAL ITEMS			2015	2014
Unrealised gain/loss on foreign currency contracts			0	-3 213
Unrealised gain/loss on interest rate swaps			2 316	-7 755
Net realised/unrealised gain/loss on financial instruments			2 316	-10 968

NOTE 10

INVESTMENTS IN SUBSIDIARIES

Amounts in NOK 1000

	Registered office - country	Registered office - location	Ownership/ voting share	Equity at 31.12.2015	Profit/loss 2015	Book value
Grieg Seafood Rogaland AS	Norway	Bergen	100 %	385 407	55 232	174 658
Grieg Seafood Canada AS	Norway	Bergen	100 %	68 493	-14	138 252
Grieg Seafood Finnmark AS	Norway	Alta	100 %	625 467	96 433	400 481
Grieg Seafood Hjaltland UK Ltd	UK	Shetland	100 %	24 784	-164 313	458 750
Erfjord Stamfisk AS	Norway	Suldal	100 %	1 377 922	-4 436	48 839
Ocean Quality AS	Norway	Bergen	60 %	38 159	19 594	6 000
Book value of subsidiaries at 31.12						1 226 980

NOTE 11

INVESTMENTS IN SHARES

Amounts in NOK 1000

INVESTMENTS IN SHARES	Registered office - country	Registered office - location	Ownership/ voting share	No. of shares	Acquisition cost	Book value
Finnøy Næringspark AS	Norge	Finnøy	7,14 %	100	103	103
DN Global Allokering	Norge	Oslo	-	3 038	630	444
Codfarmers ASA	Norge	Oslo	0,00 %	500	156	4
CO2 AS	Norge	Lindås	10,00 %	2	20	20
Norsk Villaksforvaltning	Norge	Førde	15,15 %	5	50	50
Fiskeriforum Vest	Norge	Bergen	20,00 %	20	16	16
Book value of shares at 31.12						637

NOTE 12

INTANGIBLE ASSETS

2014	SOFTWARE
Book value at 01.01	4 373
Book value 01.01 reclassified intangible assets	3 341
Intangible assets acquired	8 107
Amortisation	-4 501
Book value at 31.12	11 320
As at 31.12.	
Acquisition cost	23 703
Accumulated amortisation	-12 383
Book value at 31.12	11 320
Economic lifetime/amortisation plan	3 - 10 years
2015	SOFTWARE
Book value at 01.01.	11 320
Intangible assets acquired	9 161
Amortisation	-3 830
Book value at 31.12	16 651
As at 31.12.	
Acquisition cost	32 864
Accumulated amortisation	-16 213
Book value at 31.12	16 651
Economic lifetime/amortisation plan	3 - 10 years

NOTE 13

TANGIBLE FIXED ASSETS

2014	PLANT, EQUIPMENT AND OTHER FIXTURES ETC.
Book value at 01.01	7 871
Book value 01.01 reclassified intangible assets	-3 341
Tangible fixed assets acquired	678
Depreciation	-1 301
Book value at 31.12.	3 908
As at 31.12.	
Acquisition cost	10 678
Accumulated depreciation	-6 770
Book value at 31.12	3 908
Economic lifetime/amortisation plan	3-5 years
2015	PLANT, EQUIPMENT AND OTHER FIXTURES ETC.
Book value at 01.01	3 908
Tangible fixed assets acquired	2 351
Depreciation	-1 446
Book value at 31.12	4 814
As at 31.12.	
Acquisition cost	13 030
Accumulated depreciation	-8 216
Book value at 31.12	4 814
Economic lifetime/amortisation plan	3-5 years

NOTE 14 SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL

As at 31 December 2015 the company had 111 662 000 shares with a nominal value of NOK 4 per share. All shares issued by the company are fully paid up. There is one class of shares and all shares have the same rights. In June 2011 the company purchased 1 250 000 of its own shares for NOK 14.40 per share

	Change in share capital (TNOK)	Nominal value (NOK)	Total share capital (TNOK)	No. of ordinary shares
		4,00	446 648	111 662 000
Holdings of treasury shares		4,00	-5 000	-1 250 000
31.12.2015			441 648	110 412 000

THE LARGEST SHAREHOLDERS OF GRIEG SEAFOOD ASA	No. of shares 31.12.15	Shareholding 31.12.15	No. of shares 31.12.14	Shareholding 31.12.14
GRIEG HOLDINGS AS	55 801 409	49,97 %	55 801 409	49,97 %
DNB NOR MARKETS	22 188 238	19,87 %	22 188 238	19,87 %
NORDEA BANK NORGE ASA	6 605 998	5,92 %	6 605 998	5,92 %
KONTRARI AS	5 862 763	5,25 %	6 559 309	5,87 %
YSTHOLMEN AS	2 928 197	2,62 %	2 928 197	2,62 %
OM HOLDING AS	2 610 000	2,34 %	2 610 000	2,34 %
STATE STREET BANK AND TRUST CO.	1 305 901	1,17 %	1 305 901	1,17 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %	1 250 000	1,12 %
Total - largest shareholders	98 552 506	88,26 %	99 249 052	88,88 %
Other shareholders with shareholding less than 1%	13 109 494	11,74 %	12 412 948	11,12 %
Total shares	111 662 000	100,00 %	111 662 000	100,00 %

SHARES CONTROLLED BY BOARD MEMBERS AND GROUP MANAGEMENT:	31.12.15	31.12.15	31.12.14	31.12.14
BOARD OF DIRECTORS:				
Per Grieg jr. *)	60 786 561	54,44 %	60 786 561	54,44 %
Wenche Kjølås (Jawendel AS)	7 000	0,00 %	7 000	0,00 %
Asbjørn Reinkind (Reinkind AS)	120 000	0,11 %	120 000	0,11 %
Karin Bing Orgland	-	0,00 %	-	0,00 %
Ola Braanaas	-	0,00 %	-	0,00 %

GROUP MANAGEMENT:				
Andreas Kvame (CEO)	0	0,00 %	0	0,00 %
Atle Harald Sandtorv (CFO)	45 500	0,04 %	45 500	0,04 %
Knut Utheim (COO)	0	0,00 %	0	0,00 %
Morten Vike (resigned as CEO 17.10.2014)	0	0,00 %	75 000	0,07 %

*Shares owned by the following companies are controlled by Per Grieg jr. and family.

Grieg Holdings AS	55 801 409	49,98 %	55 801 409	49,98 %
Grieg Shipping II AS	824 565	0,74 %	824 565	0,74 %
Ystholmen AS	2 928 197	2,62 %	2 928 197	2,62 %
Grieg Ltd AS	217 390	0,19 %	217 390	0,19 %
Kvasshøgdi AS	1 000 000	0,90 %	1 000 000	0,90 %
Per Grieg jr. private	15 000	0,01 %	15 000	0,01 %
Total shares	60 786 561	54,45 %	60 786 561	54,45 %

NOTE 15

TAXES

TEMPORARY DIFFERENCES	Change	2015	2014
Fixed assets	-2 104	1 871	-233
Profit and loss account	485	1 939	2 424
Long-term debt/amortised cost	4 848	6 739	11 587
Accounts receivable	0	0	0
Financial instruments	-2 324	-15 582	-17 907
Revaluation account non-current liabilities	-54 134	157 118	102 985
Cash-based options	2 806	-6 302	-3 496
Net temporary differences/ basis for deferred tax in balance sheet	-50 423	145 783	95 360
Carryforwards	0	0	0
Basis for deferred tax in balance sheet	-50 422	145 783	95 360
Deferred tax assets 27%	-13 614	39 361	25 747
Change in deferred tax assets due to change in tax rate	2 916	-2 916	0
Deferred tax/deferred tax assets in balance sheet	-10 699	36 446	25 748
Change in deferred tax in balance sheet		-10 699	-21 927
Change in deferred tax in income statement		-10 699	-21 927
THE TAX CHARGE FOR THE YEAR ARISES AS FOLLOWS:			
BASIS FOR TAX PAYABLE		2015	2014
Profit before taxes		51 015	82 476
Group contribution entered as income		-39 091	-33 651
Recognised share dividends		-30	-28
Other permanent differences		-563	-1 241
Basis for tax expense for the year		11 331	47 557
Change in temporary differences		-50 423	-81 209
Basis for tax payable in the income statement		-39 093	-33 651
Group contribution received		39 091	33 651
Basis for tax payable		0	0

	2015	2014
27% of the basis for tax payable (tax expense in the income statement)	0	0
Repayment of withholding tax	28	-16
Tax effect of foreign tax not credited Norwegian tax	648	1 401
Change in deferred tax	13 614	21 927
Change in deferred tax due to change of rate in 2015	-2 916	0
Total tax charge	11 375	23 313
Reconciliation of tax expense	Basis	Basis
Profit before taxes	51 015	82 476
Estimated tax 27%	13 774	22 269
Tax expense in income statement	-11 375	-23 312
Difference	2 400	-1 043
THE DIFFERENCE CONSISTS OF THE FOLLOWING:		
27% of permanent differences	152	335
Change in unutilised credit allowance/dividend payments	-312	-694
Tax effect of foreign tax not credited Norwegian tax	676	1 401
Change in tax/deferred tax due to change of rate	-2 916	0
Total explained difference	-2 400	1 043
TAX PAYABLE IN THE BALANCE SHEET	2015	2014
Tax payable (27% of the basis for tax payable)	0	0
Tax payable in balance sheet	0	0
Tax loss carried forward	0	0

NOTE 16

GARANTEES, GUARANTOR

GUARANTEES

As at 31.12.2015 GSF ASA had a guarantee commitment of MNOK 190 in connection with leasing contracts with SF Finans AS, on behalf of subsidiaries.

GUARANTOR

Grieg Seafood ASA served as guarantor on behalf of Grieg Seafood Finnmark AS, Grieg Seafood Rogaland AS and Erfjord Stamfisk AS in connection with an extension of credit for the purchase of fish feed from Skretting. The total amount is MNOK 115, with maturity on 30.06.2016.

NOTE 17

RELATED PARTIES

Amounts in NOK 1000

2015	Operating income	Operating expenses	Financial income	Financial expenses	Current receivables, group companies	Non-current receivables, group companies	Current receivables	Current liabilities to group companies
Total related parties - group companies	52 351	782	55 823	-529	903 345	691 259	4 827	-26 511
Total related parties - shareholders	0	5 373	0	0	0	0	0	-492
Total	52 351	6 155	55 823	-529	903 345	691 259	4 827	-27 003

2014	Operating income	Operating expenses	Financial income	Financial expenses	Current receivables, group companies	Non-current receivables, group companies	Current receivables	Current liabilities to group companies
Total related parties - group companies	37 534	1 626	51 104	311	933 860	637 126	1 901	40 446
Total related parties - joint venture	3 099	0	0	0	0	0	146	0
Total related parties - shareholders	0	4 560	0	0	0	0	297	-195
Total	40 633	6 186	51 104	311	933 860	637 126	2 344	40 251

The company purchases services from companies controlled by Grieg Seafood ASA's majority shareholder, Grieg Holdings AS. These services include

- Services related to ICT and other functions such as book-keeping, canteen, reception etc., provided by Grieg Group Resources AS on an arm's length basis.
- Grieg Seafood ASA rents its offices from Grieg Gaarden KS, based on an arm's length.
- The parent company provides a range of services to the subsidiaries. The services include administrative services and services related to the parent provision of non-current loans and short-term credit facilities to the subsidiaries. The interest is on an arm's length basis.
- As from 2015, Ocean Quality AS is classified as a subsidiary to Grieg Seafood ASA. Grieg Seafood ASA enters into hedging contracts on behalf of Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS. The arrangement is intended to reduce these companies' exposure to salmon prices. The agreements with the subsidiaries are priced on the basis of a "back to back" arrangement.

NOTE 18

NET INTEREST-BEARING DEBT AND MORTGAGES

June 2015, the Company's bank credit was expanded by MNOK 500 to provide financing upon redemption of bond loans of MNOK 400. Simultaneously, Danske Bank left the bank syndicate and DNB and Nordea currently provide 50% each. The financing agreement consists of a total frame of MNOK 1 910 including a long-term credit facility of MNOK 700. The Group fully redeemed the bond loan of MNOK 400 in December 2015, through utilising MNOK 400 of the bank credit. At year-end a total of MNOK 450 was drawn down of the total credit line of MNOK 700.

The corporate finance agreement includes covenants related to consolidated accounts of 35%, a revolving NIBD/EBITDA ratio of 5.0 if the book equity ratio is higher than 40% and 4.5 if the book equity ratio is between 35% and 40%. As at 31.12.2015 there has been granted an extension for the NIBD/EBITDA requirements. Hence, the Group as at 31.12.2014 was in compliance with all covenants. The extension applies for Q1 2016.

NON-CURRENT LIABILITIES	2015	2014
Mortgage loan	1 075 000	765 000
Long-term credit facility *)	450 000	200 000
Amortised cost	-6 739	-7 637
Total interest-bearing non-current liabilities	1 518 261	957 363

*) In accordance with a new financing agreement entered into in June 2015 the current revolving facility is replaced by a total long-term credit. As at 31.12.2015 this is utilised with MNOK 450.

SHORT-TERM DEBT		
Bond loan	0	396 050
Share of current part of mortgage loan	90 000	90 000
Total interest-bearing current liabilities	90 000	486 050

Gross interest-bearing liabilities	1 608 261	1 443 413
Bank deposits	215 057	95 969
Loans to group companies	864 945	1 527 854
Net interest-bearing liabilities	528 259	-180 410

MATURITY PROFILE - NON-CURRENT LIABILITIES	2015	2016	2017	2018	SUBSE- QUENTLY	TOTAL
Mortgage loan	90 000	90 000	90 000	90 000	798 261	1 068 261
Long-term credit facility *)					450 000	450 000
Total	90 000	90 000	90 000	90 000	1 248 261	1 518 261

*) In accordance with a new financing agreement entered into in June 2015 the current revolving facility is replaced by a total long-term credit. As at 31.12.2015 this is utilised with MNOK 450.

LIABILITIES SECURED BY MORTGAGE	2015	2014
Liabilities to credit institutions	1 608 261	1 055
Total liabilities	1 608 261	1 055

BOOK VALUE OF ASSETS PLEDGED AS SECURITY

Shares in subsidiaries	1 226 980	1 220 980
Shares in joint ventures	-	6 000
Fixed assets	4 814	3 908
Accounts receivable	4 827	2 344
Loans to group companies	864 945	1 527 854
Total assets pledged as security	2 101 566	2 761 086

In addition, pledges to banks include fixed assets, licences, inventories and accounts receivables from subsidiaries.

TYPE OF DEBT	Currency	Interest rate	Maturity	2015		2014	
				Current portion	Non-current portion	Current portion	Non-current portion
Syndicated long-term loan	NOK	Floating	06/2019	90 000	1 518 261	90 000	757 363
Syndicated loan revolving credit	NOK	Floating	06/2019				200 000
Bond loan	NOK	Floating	12/2015			396 050	
Total				90 000	1 518 261	486 050	957 363

AVERAGE INTEREST RATE ON SYNDICATED LOANS, 2015

	31.12.15	NOK	CAD	GBP	USD
Syndicated long-term loan	1 158 261	1 158 261			
Syndicated loan revolving credit	450 000	450 000			
Total loans	1 608 261	1 608 261	0	0	0

	2015	2014
Average rate of interest (adjusted with effect of interest swap)	4,70 %	5,18 %

NOTE 19

POST-BALANCE SHEET EVENTS

Since the closing of accounts at year-end 2015 there have been no events which could materially affect the accounts for 2015.



To the Annual Shareholders' Meeting of Grieg Seafood ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Grieg Seafood ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2015, and the income statement, statement of changes in equity and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2015, income statement, statement of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for Grieg Seafood ASA as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Grieg Seafood ASA as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statement on Corporate Governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the statement on Corporate Governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 6 April 2016

PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant (Norway)

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