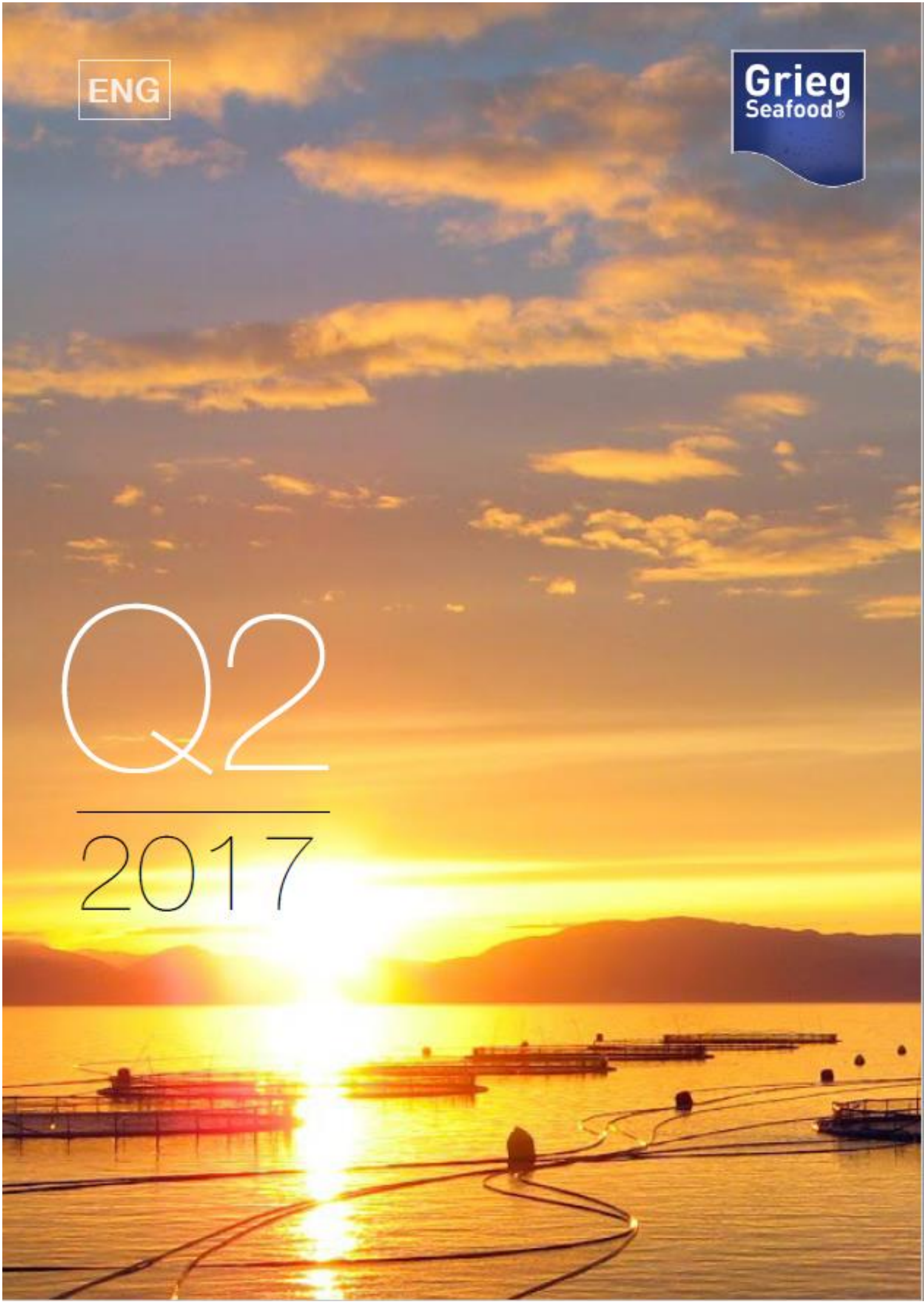


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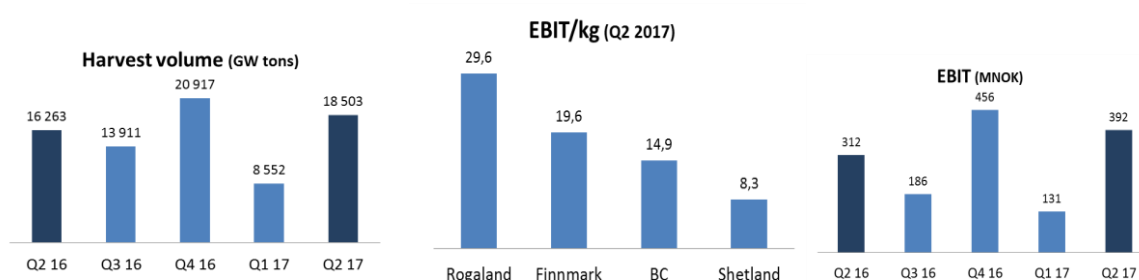
Q2

2017



Highlights – Second Quarter 2017

- Profit growth driven by high prices.
- Sound financial position.
- Stable production in Norway and BC.
- Sea lice and algae present challenges in Shetland.
- New location allocated in Finnmark.
- Two locations receive ASC certification
- Ownership interests secured in large smolt production in Finnmark and Rogaland.



Grieg Seafood Group (TNOK)	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Total operating income	2 030 504	1 682 253	3 451 575	2 981 650
EBITDA (1)	441 429	356 383	619 828	608 728
EBIT (2)	392 253	311 694	523 745	526 076
Profit before tax	316 280	388 574	247 025	640 774
Harvest volume (guttet weight tons)	18 503	16 263	27 056	29 898
EBIT/kg (NOK)	21,2	19,2	19,4	17,6
Total assets	6 912 462	6 095 316	6 912 462	6 095 316
Net interest-bearing debt (3)	1 202 543	1 359 813	1 202 543	1 359 813
Equity	3 026 597	2 602 490	3 026 597	2 602 490
Equity % (6)	44 %	43 %	44 %	43 %
NIBD/EBITDA (4)	0,9	1,9	0,9	1,9
ROCE (5)	41 %	35 %	28 %	29 %
Dividend per share	3,0	0,5	3,0	0,5
Earnings per share (NOK)	2,19	2,63	1,58	4,25

1) The calculation is based on EBITDA before fair value adjustment.

2) EBIT operational is EBIT before fair value adjustment.

3) NIBD is conducted relative to covenants requirements for bank. See note 4 for information about total NIBD.

4) NIBD / EBITDA is calculated in accordance with the covenants. 12 months rolling EBITDA before fair value adjustment.

5) ROCE: Return on average capital employed based on OP + CS EBIT excluding fair value adjustment / average OP + CS NIBD + average OP Equity + CS Equity excl. fair value adjustment.

6) Equity ratio including Ocean Quality Group. Equity ratio excluding Ocean Quality (non-controlling interests) is 50%.

Financial review

Second Quarter Results 2017

(Figures in brackets are from the corresponding period in 2016)

The harvest volume for the Grieg Seafood Group in Q2 2017 was 18 503 tons, up from 16 263 tons in the corresponding period last year, reflecting an increase of 14 %.

Combined with higher prices this resulted in total operating income of NOK 2 030m, an increase of 21 % compared to the same period in 2016.

EBIT for the Group before fair value adjustment of biomass was NOK 392m in Q2 2017, compared to NOK 312m in Q2 2016. EBIT per kilo in the period was NOK 21.20, up from NOK 19.20 per kilo in Q2 2016. The average spot price rose by NOK 3.60 per kilo, while GSF's realized prices showed an increase of NOK 7.70 per kilo. The difference was largely due to higher contract prices. Costs was NOK 5.70 per kilo higher compared to Q2 2016. The challenging biological situation in Shetland has been a major contributor to the increase in costs.

Per region, GSF's result for Q2 2017 was as follows:

	EBIT (MNOK)	Harvest volume	EBIT kg
Rogaland	229.2	7 754	29.6
Finnmark	80.8	4 125	19.6
BC	50.5	3 393	14.9
Shetland	26.9	3 231	8.3
ASA/elimination	-2.1	-	-
GSF EBIT	385.2	18 503	20.8
Non-controlling interests	7.1	18 503	0.4
GSF Group	392.3	18 503	21.2

EBIT from the four regions includes value creation from the respective sales activities of the Group's partly owned sales company Ocean Quality (OQ). OQ's value creation relating to fish from Bremnes Seashore (which owns 40 % of OQ) appears in the item designated Non-controlling interests in the above table.

Value adjustments totaling NOK 77m related to biomass have been charged in the accounts bringing the reported operating profit for Q2 to NOK 315m. In last year's second quarter value

adjustments were positive totaling NOK 116m and the reported profit for the period was NOK 427m.

Net financial items in the period were positive and totaled NOK 1 million, bringing the pre-tax profit to NOK 316m. The effect of a reduction in the NIBD/EBITDA ratio is to lower bank interest rates. In last year's second quarter net financial items were negative in the sum of NOK 39m and the profit after tax was NOK 389m.

The estimated tax for this year's second quarter is NOK 70m, putting the profit for the period at NOK 270m after tax. In last year's second quarter the tax charge was NOK 91m and the accounting result for the period was a profit of NOK 298m.

Summary of first half-year 2017

(Figures in brackets are from the corresponding period in 2016)

In the first six months of 2017 the Grieg Seafood Group's sales revenues totaled NOK 3 452m (2 982). The harvest volume was 27 056 tons, down from 29 898 tons in the corresponding period in 2016, hence the increase in revenues was due to higher prices.

EBIT for the Group before fair value adjustment of biomass was NOK 524m in the first half-year, against NOK 526m in 2016.

EBIT per kilo for the first six months of the year was NOK 19.40, compared with NOK 17.60 in the corresponding period last year.

Value adjustments of biomass were negative in the sum of NOK 273m in the period, and the reported operating profit (EBIT) came to NOK 251m. In the first half of 2016 value adjustments of biomass made a positive contribution of NOK 195m to the company's performance and EBIT totaled NOK 721m.

Net financial items during the period came to NOK -4m (-93) and the pre-tax profit was NOK 247m (641). In the first half of 2016 profits taken to

income from the Group's share of associated companies came to NOK 12m.

The tax charge for the first six months of the year is estimated at NOK 60m (152) bringing the profit for the period to NOK 187m (489).

The main reason for the good performance was a strong market. Globally, the supply of salmon has flattened out while underlying demand is strengthening. This has resulted in a shortage of fish and high prices, and in a longer perspective this situation is likely to continue. In the short term, however, the market may experience some fluctuations. To offset the effect of short-term price fluctuations, GSF has adopted a policy which aims to ensure that 20-50 % of all production in the coming years is hedged against price fluctuations. In this connection, this will also include currency hedging.

GSF has a strong focus on growth, and the company's award of a new location in Finnmark is an important element in this work. During the period the company has ensured that it has increased capacity for large smolt, while the number of smolt placed in the sea is also increasing.

Sea lice is one of the main challenges that face the fish farming industry. Steps are in hand to effect the transition from medicinal to mechanical (non-medicinal) methods of dealing with sea lice. GSF's main focus has been on using the tempered water method, while lumpfish has proved to be an important tool in all European regions. Treatment in fresh water will also be considered.

Cash flow and financial situation

(Figures in brackets are from the corresponding period in 2016)

The Grieg Seafood Group had a net cash flow of NOK 294m from operations in Q2 2017 (213). The cash flow is largely the result of sound operational profitability. The net cash flow from operations for the first half-year as a whole was positive and totalled NOK 332m (319).

The net cash flow from investment activities was negative at NOK 138m in Q2 (-49,) and related mainly to investments in operating assets totaling NOK 121m (52). In addition, there were investments amounting to NOK 10m in joint ventures during the period. The net cash flow from investment activities in the first half-year was negative and amounted to NOK 260m (-47).

The net cash flow from financing activities in Q2 was positive, totalling NOK 72m (-163). Net interest-bearing debt increased by NOK 453m during the period, while at the same time a dividend of NOK 331m was paid. The net cash flow from financing activities for the first six months of the year as a whole was negative, amounting to NOK 121m (-297).

The net change in cash and cash equivalents was positive, totalling NOK 229m (0,2) in Q2, and at the end of the period the Group had cash holdings of NOK 455m (371). In the course of the first half-year the net change in cash and cash equivalents was negative at NOK 49m (-24).

As at 30 June 2017 Grieg Seafood had total assets of NOK 6 912m, up from NOK 6 095m at the same time last year. Equity amounted to NOK 3 026m (2 602), corresponding to an equity ratio of 44 % (43 %).

At the end of Q2 the Group had a good level of free liquidity and unutilised credit facilities. At the same time, net interest-bearing debt, excluding factoring debt, totalled NOK 1 203m, compared with NOK 1 360m at the close of Q2 2016.

The Group's aim is to provide a competitive return on capital investment to the shareholders in the form of payment of a dividend and share price appreciation. The Board believes it is natural that the dividend, on average, over a period of several years should correspond to 25-35 % of the company's profit after tax and adjusted for the effect of biomass adjustments. In Q2 2017 a dividend of NOK 3 per share was paid for 2016. This corresponds to 32 % of the profit for 2016 after tax and before fair value adjustment of biomass. The AGM has also authorised the Board to consider paying a further dividend later in 2017.

Operational review

Strategic priorities

A stated goal is to reduce GSF's cost level to the industry average, or lower. The company will also be aiming to increase production by 10 % annually in the period through 2020.

GSF has an ongoing focus on improving operating efficiency. This involves both increasing production per plant and per licence, and reducing costs per kilo.

One of the key steps being taken to increase production is to set out bigger smolt. This shortens the production time in the sea and reduces the biological risk. An increase in the number of smolt is also decisive to ensure future growth and lower costs per kilo.

The company is planning to set out 26 million smolt in 2017, which is an increase of 28 % compared to 2016. After the first half-year GSF are on track on the plan. So far 10 million smolt have been set out.

In order to achieve growth by increasing the yield per licence, greater locational flexibility is a key factor. This is therefore an ongoing focus of attention in our contact with local authorities.

Rogaland

MNOK	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Sales revenue	538.2	409.9	830.1	635.9
EBITDA	238.2	180.0	369.7	260.9
EBIT	229.2	171.9	352.1	244.8
Harvest (tons gw)	7 754	6 493	12 147	10 268
EBIT/kg	29.6	26.5	29.0	23.8

EBIT before fair value adjustment of biomass was NOK 29.6 per kilo in Q2 2017, against NOK 19.2 per kilo in the same period last year, while the harvest volume in Q2 was 7 754 tons, against 6 493 tons in Q2 2016.

In Q2 2017 harvesting took place in locations where costs were slightly higher compared with the previous quarter.

The reduced harvest volume is expected to result in somewhat higher costs per kilo in the Q3, but these costs are likely to fall again in Q4. The transition to a common zoning structure for all of the fish farming companies in Rogaland means that GSF is planning to harvest fish a bit earlier than normal in Q3 2017. This will also lead to some increase in costs during the period.

Sea production was at a good level throughout Q2.

Sea lice present a challenge to the salmon industry in Rogaland. GSF is taking active steps to deal with this, and the company has invested in increased capacity in the area of mechanical delousing. Extensively use of lumpfish is another important tool in the action to combat sea lice in this region.

GSF has a constant focus on increasing the smolt size. This will help to shorten the production time in the sea and thus make it possible to improve the biological situation, increase the harvest volume and reduce costs per kilo.

As part of this process, work has been initiated to expand the smolt plant in Rogaland. This is proceeding as planned and the plant is expected to be completed by the end of Q3 2017. The annual production capacity will be increased from 500 to 1 300 tons.

GSF is also collaborating with Bremnes Seashore AS on the production of large smolt. Vest Havbruk AS is also involved in this project. The three parties will have equal co-ownership interests in Tytlandsvik Aqua AS, where the aim is to develop the company to be a producer of smolt in the range 700 - 1 000 grams.

Tytlandsvik Aqua currently owns a planned site in Rogaland and has licences to produce large smolt. The company is now starting work on a smolt plant which will have an annual production capacity of 3 000 tons. Together with our own smolt production, this will make it possible for GSF Rogaland to reduce the production time in the sea from 18 to 12 months.

This development, which is budgeted at around NOK 300m, is expected to be completed in 2019. It

will also be possible to increase the plant capacity by a further 6 000 tons to 9 000 tons. All of the smolt from this plant will be reserved for GSF Rogaland and Bremnes Seashore.

Finnmark

MNOK	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Sales revenue	262.3	100.9	359.9	432.5
EBITDA	98.8	34.2	132.3	173.8
EBIT	80.8	18.9	96.0	143.5
Harvest (tons gw)	4 125	1 967	5 757	8 263
EBIT/kg	19.6	9.6	16.7	17.4

EBIT before fair value adjustment of biomass was NOK 19.6 per kilo in Q2 2017, against the corresponding figure of NOK 9.6 per kilo in 2016. The harvest volume in Q2 was 4 125 tons, compared to 1 967 tons in the corresponding period last year.

Costs per kilo in Q2 show a decline compared with the preceding quarter, mainly due to an increase in the harvest volume, and this positive development is expected to continue in Q3.

During Q2 an outbreak of ISA was discovered in one of the company's locations in Hammerfest (Tinnlandet). Harvesting of all the fish in this location started in Q3. The average weight in this location was more than 4 kg and the fish is sold as normal in the market. The ISA fish has to be harvested at an external harvest plan, the costs of harvesting this fish will be somewhat higher

Over time a number of steps have been taken to improve the smolt quality in this region, and we are now seeing the effects of this work. The quantity of smolt now being set out in the sea is improving, and this will provide a basis for higher growth and lower costs.

At the same time there is a continuous focus on enlarging existing locations and preparing the way for new ones. This is important in order to increase the flexibility of our biological plans. In Q2 2017 GSF was awarded a new location in Finnmark.

Two locations in Finnmark received ASC certification in Q2. This is an important

environmental standard which is also greatly appreciated by our customers. Fish with this certification can be sold at a higher price

In order to ensure that there is an adequate supply of smolt (in terms of quantity, size and quality), it has been decided to expand the company's smolt plant in Finnmark. The total investment has been estimated at NOK 175m. On the expected completion of this development in the second half of 2018 the annual production capacity will be boosted from 800 to 1 600 tons. At the end of the first half of 2017 the project was proceeding according to plan.

GSF has also established a collaboration project with Norway Royal Salmon (NRS) in order to ensure further smolt capacity in Finnmark. Under this project, NRS and GSF will each acquire a 50 % holding in Nordnorsk Smolt AS. Nordnorsk Smolt is located in Hasvik in Finnmark and is a supplier of large smolt. The plant currently has an annual production capacity of 800 tons, and this can be increased to around 2 000 tons. It is expected that this transaction will be formally implemented in the second half of 2017.

BC – Canada

MNOK	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Sales revenue	209.0	281.2	287.5	348.9
EBITDA	58.3	63.3	82.5	68.1
EBIT	50.5	57.7	67.9	57.0
Harvest (tons gw)	3 393	4 938	4 628	6 262
EBIT/kg	14.9	11.7	14.7	9.1

EBIT before fair value adjustment of biomass was NOK 14.9 per kilo in Q2 2017, against NOK 11.7 per kilo in the corresponding period in 2016, while the harvest volume was 3 393 tons, against 4 938 tons in the corresponding period last year.

Cost in this region was slightly down in Q2, compared with the preceding quarter, and this trend is expected to be maintained in the third quarter.

Sea production was at a good level throughout Q2.

Reliable access to smolt is of vital importance to BC. Steps are therefore in hand to improve the freshwater production and at the same time consider the possibility of building a new plant. There is also a focus on finding an appropriate location for a new plant.

Smolt production in BC was stable in Q2. Further steps have also been taken to safeguard the water intake to the existing plant and following these initiatives there have been no cases of furunculosis

Another key concern for the new management in BC is greater fish feed efficiency, while work is also in hand to deal with problems related to algae and low oxygen levels.

The process of improving the sea plants are proceeding as planned. The process of installing rings to replace steel plant has also been completed in this region.

Shetland

MNOK	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Sales revenue	212.3	205.3	294.4	336.6
EBITDA	39.8	77.3	37.4	92.4
EBIT	26.9	63.1	12.5	70.0
Harvest (tons gw)	3 231	2 865	4 523	5 105
EBIT/kg	8.3	22.0	2.8	13.7

In Shetland, EBIT before fair value adjustment of biomass was NOK 8.3 per kilo in Q2 2017, against NOK 22 per kilo in the corresponding period last year, while the harvest volume was 3 231 tons, against 2 865 tons in Q2 2016.

For some time Region Shetland has been taking steps to reduce the production time in the sea from 24 to 18 months. Q2 2017 saw the start of harvesting of the first fish under the new production plan, and because of this the costs have fallen slightly. The increased harvest volume has also helped to reduce costs per kilo. This applies particularly to the harvesting plant.

Nevertheless, costs remain high in Shetland. This relates especially to biological challenges, where sea lice and algae are the main concerns. There is close collaboration with other fish farming parties

in the region with a view to finding solutions to these challenges.

As a consequence of the above-mentioned biological challenges, the harvest volume from Region Shetland in 2017 is expected to be 3 000 tons less than previously guided

Ocean Quality Group

All fish from GSF is sold by Ocean Quality. The aim of this sales organisation is to establish a positive margin in relation to the market price for salmon.

Market development

There was some increase in salmon prices in Q2 2017, the only exception being the North American market where prices declined through the period.

Fixed price contracts for Norway accounted for 18 % of sales in Q2 2017. This share is expected to be 32 % in Q3 2017. For 2017 as a whole, it is estimated that fixed price contracts will account for 25 % of the total. Work is also in hand pertaining to contracts for 2018.

Outlook

The supply of salmon is expected to increase in Q3 2017, which may put prices under pressure. However, in the longer term, there is no indication of changes in the strong market trend that has characterised the last few years.

The harvest volume for Q3 2017 is expected to be 16 500 tons. The harvest volume for 2017 as a whole is expected to be 67 000 tons, which is 3 000 tons less than previously indicated. This must be considered in light of the biological situation in Shetland.

Risk and uncertainty factors

The Group is exposed to risks in a number of areas; biological production, changes in salmon prices, political trade barriers, as well as financial risks such as changes in interest and exchange rates and liquidity.

The Group's internal control and risk exposure are subject to continuous observation and

improvement, and the task 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.

The Group operates within an industry characterised by great volatility which entails greater financial risk.

The financial risk is managed by a centralised unit at head office. As the first half-year ends, the Group's financial position remains good.

The income and currency risk are transferred to the sales companies. The production companies sell in local currency to the sales company which, in turn, hedge their transactions against currency fluctuations in relation to CAD/USD, EUR/NOK and USD/NOK or any other currency that may be required.

The greatest operational risk factor relates to the biological situation, in relation to both smolt and fish farming activities. The Group has the production of Atlantic salmon as its main product. This is in order to reduce the risk.

The training of employees and good internal procedures aimed at reducing the the operational risk is one area of focus. In the last few years the fish farming industry has been faced with the major challenge of dealing with sea lice and algae. We collaborate actively with authorities and other parties involved in fish farming in order to take steps to reduce the biological risk. Joint action to lay areas fallow and zonation are among the approaches. Shetland and BC have had, and still have, challenges presented by algae. One important area is the monitoring of algae in order to determine when feeding can take place and when it should stop, this being decisive for algae blooming.

During standard testing at a location in Finnmark an outbreak of ISA was discovered. The Norwegian Food Safety Authority was informed and immediate action was taken to prevent the infection from spreading further. The fish will be

culled in accordance with the sanitary regulations in such cases.

There is a trend away from the medicinal to the mechanical treatment of sea lice, reflecting the fact that salmon lice have developed a resistance to medicinal treatment. Lumpfish is also an important tool in the fight against lice, with good results achieved in Rogaland. The Group has adopted a policy of zero tolerance for escapes. There were no instances of escapes in the first half of 2017.

Salmon price development is characterised by great volatility, with large fluctuation within relatively short time intervals. However there has been a steady increase in the demand for salmon in the last few years, while the supply has tended to vary more from year to year. This situation is expected to continue in the period ahead. Supply and demand are also affected by other factors, such as public orders, sea temperatures, outbreaks of fish disease and other indirect and direct factors affecting production, and thus also the supply side.

Post balance sheet events

There have been no events of material importance after the closing of accounts.

Shareholder information

At the end of Q2 2017 GSF had a total of 110 412 000 outstanding shares divided amongst 4 251 shareholders. The Grieg Group controls 52.8 % of the company. In total, the 20 largest shareholders own 73.9 % of GSF.

Transactions with related parties

There have been no transactions with related parties which affect the second quarter accounts for 2017 to any material extent.

Statement from the Board of Directors

We hereby confirm that the financial statements for the period from 1 January to 30 June 2017, to the best of our knowledge, have been prepared in accordance with IAS 34 – Interim Financial Reporting – and that the information in the accounts gives a true and fair view of the Group

and of the Group's assets, liabilities, financial position and overall results.

We also confirm that, to the best of our knowledge, the half-year report gives a true and fair view of the main events during the accounting period and their effect on the accounts for the first

half-year, as well as a description of the principal risks and uncertainties facing the Company and the Group in the next accounting period.

For further information please refer to www.griegseafood.com.

Bergen, 24 August 2017

The Board of Directors of Grieg Seafood ASA



Per Grieg jr.
Chair



Asbjørn Reinkind
Vice Chair



Karin Bing Orgland
Board Member



Ola Braanaas
Board Member



Wenche Kjølås
Board Member



Andreas Kvame
CEO

Income Statement

All figures in NOK 1 000

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Sales revenues	2 024 374	1 664 150	3 446 755	2 930 395
Other operating income	6 130	18 104	4 820	51 255
Operating income	2 030 504	1 682 253	3 451 575	2 981 650
Share of profit from ass. companies	0	-145	0	-420
Change in inventories	-116 707	36 270	76 570	64 849
Raw materials and consumables used	-954 994	-792 634	-1 941 691	-1 536 424
Salaries and personnel expenses	-104 759	-101 580	-223 289	-224 604
Other operating expenses	-412 615	-467 781	-743 336	-676 323
EBITDA before fair value adjustment	441 429	356 383	619 828	608 728
Depreciation and amortisation of tangible assets	-48 013	-43 474	-93 791	-86 442
Amortisation of intangible assets	-1 163	-1 215	-2 292	-2 433
Reversing of impairments of tangible and intangible assets	0	0		6 223
EBIT before fair value adjustment	392 253	311 694	523 745	526 076
Value adjustment related to biological assets	-76 930	115 771	-273 140	195 268
EBIT (Operating profit)	315 323	427 465	250 606	721 344
Share of profit from ass. companies	0	0	0	12 083
Net financial item	958	-38 891	-3 580	-92 652
Profit before tax	316 280	388 574	247 025	640 774
Estimated taxation	-69 636	-90 916	-60 477	-152 217
Profit after tax	246 645	297 657	186 549	488 557
Attributable to:				
Profit attributable to non-controlling interest	5 386	7 434	12 533	19 046
Profit attributable to owners of Grieg Seafood ASA	241 259	290 223	174 016	469 511
Dividende declared and paid per share NOK	3.00	0.5	3.00	0.5
Earnings per share NOK	2.19	2.63	1.58	4.25

Statement of Comprehensive Income

All figures in NOK 1 000

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Profit for the period	246 645	297 657	186 549	488 557
Other comprehensive income:				
<i>Items to be reclassified to profit or loss in subsequent periods:</i>				
Currency translation differences, subsidiaries	4 108	-4 916	6 322	-3 581
Currency effect of net investments	7 770	-21 558	12 397	-64 265
Tax effect of net investments	-1 865	5 389	-2 975	16 066
Changes in fair value of cash flow hedges	-17 261	-4 926	-24 695	-4 926
Income tax effect fair value of cash flow hedges	4 806	1 232	5 926	1 232
Adjustment financial assets	10	31	10	31
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
Total recognised income for the period	-2 432	-24 748	-3 015	-55 443
Total comprehensive income for the period	244 213	272 909	183 534	433 114
<i>Attributable to:</i>				
Profit attributable to non-controlling interests	-1 248	7 434	2 340	19 046
Profit attributable to owners of Grieg Seafood ASA	245 461	265 475	181 194	414 068

Balance Sheet

All figures in NOK 1 000

ASSETS	30.06.2017	30.06.2016	31.12.2016
Goodwill	108 844	109 153	108 595
Licenses	1 065 066	1 068 767	1 060 622
Other intangible assets	16 998	17 852	17 598
Deferred taxes	1 557	1 101	0
Property, plant and equipment	1 662 937	1 455 381	1 510 379
Investments in associated company	10 000	14 603	0
Other current receivables	18 121	4 092	5 612
Total non-current assets	2 883 524	2 670 948	2 702 804
Inventories	63 612	76 082	89 164
Biological assets	1 791 032	1 563 250	1 635 138
Fair value biological assets	554 845	497 573	824 487
Accounts receivable	1 004 707	678 977	800 591
Other current receivables	160 037	226 655	163 246
Derivates and other financial instruments	0	11 107	48 994
Cash and cash equivalents	454 705	370 726	503 613
Total current assets	4 028 938	3 424 368	4 065 234
Total assets	6 912 462	6 095 316	6 768 038

EQUITY AND LIABILITIES	30.06.2017	30.06.2016	31.12.2016
Share capital	446 648	446 648	446 648
Treasury Shares	-5 000	-5 000	-5 000
Retained earnings and other equity	2 558 991	2 124 376	2 709 033
Shareholders of GSF	3 000 639	2 566 024	3 150 681
Non-controlling interests	25 959	36 466	56 270
Total equity	3 026 597	2 602 490	3 206 951
Deferred tax liabilities	733 971	662 598	674 684
Other obligations	11 193	14 365	11 360
Subordinated loans	15 730	17 690	15 963
Borrowings and leasing	1 458 603	1 564 784	1 230 327
Total non-current liabilities	2 219 496	2 259 437	1 932 333
Short-term loan facilities	158 868	156 165	165 606
Factoring debt	556 252	380 204	502 535
Accounts payable	514 572	496 337	493 534
Tax payable	159 549	14 435	172 057
Derivates and other financial instruments	33 134	22 920	23 990
Other current liabilities	243 993	163 329	271 032
Total current liabilities	1 666 367	1 233 389	1 628 754
Total liabilities	3 885 864	3 492 826	3 561 087
Total equity and liabilities	6 912 462	6 095 316	6 768 038

Changes in equity

All figures in NOK 1 000

	Q2 2017		YTD 2017	
	KE *	IKE **	KE *	IKE **
Equity period start	3 086 415	59 856	3 150 681	56 270
Profit for the period	241 259	5 386	174 016	12 533
Comprehensive income for the period	4 201	-6 632	7 178	-10 193
Total recognised income for the period	245 460	-1 246	181 194	2 340
Pay dividends	-331 236	0	-331 236	0
Dividends to non-controlling interest	0	-32 651	0	-32 651
Total equity from shareholders in the period	-331 236	-32 651	-331 236	-32 651
Total change of equity in the period	-85 776	-33 897	-150 042	-30 311
Equity at period end	3 000 639	25 959	3 000 639	25 959

*) Shareholder of GSF ASA

**) Non-controlling interest

Cash Flow Statement

All figures in NOK 1 000

	2Q 2017	2Q 2016	YTD 2017	YTD 2016
EBIT after fair value adjustment	315 323	427 465	250 606	721 344
Taxes paid	-7 045	-510	-14 218	-7 249
Adjustment for fair value	76 930	-117 178	273 140	-195 268
Adjustment for depreciation and impairment	49 175	44 690	96 083	82 652
Adjustment for income/loss from associated and joint venture companies	0	145	0	420
Change in inventory, trade payables and trade receivables	-192 306	-113 861	-310 210	-266 536
Gain/-loss on sale of property, plant and equipment	122	-1 273	142	-1 278
Other adjustments	51 931	-26 695	36 379	-14 639
Cash flow from operations	294 130	212 783	331 922	319 446
Capital expenditure (fixed assets)	-120 573	-52 200	-237 635	-80 563
Proceeds from sale of fixed assets	1 828	2 914	628	9 259
Investment in shares in subsidiaries	-10 000	0	-10 000	0
Proceeds from sale of shares	0	0	0	24 000
Change in other non-current receiveables	-9 197	0	-12 510	0
Cash flow from investments	-137 942	-49 286	-259 517	-47 304
Net changes in interest-bearing debt incl. factoring	452 899	-69 987	270 435	-176 116
Paid dividends	-331 236	-55 206	-331 236	-55 206
Paid dividends to non-controlling interests	-32 561	-12 929	-32 561	-12 929
Net interest and financial items	-16 650	-25 153	-27 800	-52 341
Cash flow from financing	72 452	-163 275	-121 162	-296 592
Changes in cash and cash equivalents in the period	228 640	222	-48 757	-24 450
Cash and cash equivalents - opening balance	224 936	368 906	503 613	392 020
Currency effect on cash - opening balance	1 129	1 598	-151	3 156
Cash and cash equivalents - closing balance	454 705	370 726	454 705	370 726

Selected notes to the second quarter & half-year accounts

Note 1 – Accounting principles

Grieg Seafood ASA (the Group) comprises Grieg Seafood ASA and its subsidiaries, and includes the Group's share of the accounting results of associated companies.

The accounts for the second quarter and the first half-year have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as approved by the EU,

Note 2 – Segment information

The operating segments are geographically divided by country and region and are identified on the basis of the reporting method used by the Group management (the most senior decision-makers) when they assess performance and profitability at strategic level.

Earnings from the sales company Ocean Quality AS Group (OQ) are reported for each producer. The minority share is reported along with the owner cost as an elimination. OQ consists of the companies in Norway, the UK and NA (North America). UK and NA are wholly owned by OQ Norway. GSF owns 60% of OQ Norway. OQ sells all of the fish produced by GSF.

The results from the segments are based on the adjusted operating result (EBIT), before fair value adjustment. This excludes the effect of one-time costs, such as restructuring costs and amortisation of goodwill. This method of measurement also excludes the effect of share options, as well as

including IAS 34 – Interim Financial Reporting. The report does not contain all of the information required for a complete annual report, and it should therefore be read in conjunction with the last annual report for the Group (2016). The quarterly and half-year report is unaudited. The same accounting principles and methods of calculation which were used with respect to the last annual report (2016) have also been used in the preparation of the second- and first half-year report. There have been no new standards in the first half-year requiring implementation.

unrealised gains and losses on financial instruments.

The column "Other items/eliminations" contains the results of activities carried out by the parent company and other non-production-gear or sales companies of the Group, as well as eliminations of the share of EBIT to minority interests in OQ.

Main items in the elimination column are as follows:

EBIT in eliminations/ other items can be split between:

	Q2 2017	YTD 2017
Shareholder cost	-2 105	-20 224
EBIT attributable to non-controlling interest	7 087	15 526
EBIT elim./other item	4 982	-4 698

2Q 2017	Rogaland		Finnmark		BC - Canada		Shetland - UK		Elim. /	Group	
	2Q 2017	2Q 2016	2Q 2017	2Q 2016	2Q 2017	2Q 2016	2Q 2017	2Q 2016	2Q 2017	2Q 2017	2Q 2016
Revenues (TNOK)	538 151	409 894	262 299	100 937	208 984	281 212	212 277	205 254	802 663	2 024 374	1 664 150
Other income (TNOK)	75	265	5	1 998	0	-314	611	4 778	5 439	6 130	18 104
EBITDA (MNOK) ⁽¹⁾	238 178	179 995	98 846	34 242	58 330	63 342	39 772	77 297	6 301	441 429	356 383
EBIT (TNOK) ⁽¹⁾	229 189	171 884	80 752	18 900	50 455	57 726	26 876	63 071	4 982	392 253	311 694
EBITDA %	44.3 %	43.9 %	37.7 %	33.3 %	27.9 %	22.5 %	18.7 %	36.8 %		21.7 %	21.2 %
EBIT % ⁽¹⁾	42.6 %	41.9 %	30.8 %	18.4 %	24.1 %	20.6 %	12.6 %	30.0 %		19.3 %	18.5 %
EBIT /KG GWT ⁽¹⁾	29.6	26.47	19.6	9.6	14.9	11.7	8.3	22.0		21.2	19.2
Harvest in tons, GWT	7 754	6 493	4 125	1 967	3 393	4 938	3 231	2 865		18 503	16 263

1) EBIT before fair value adjustment

2) Other elimination is including bonus and share of profit from OQ to the producer.

YTD 2017	Rogaland		Finnmark		BC - Canada		Shetland - UK		Elim. /	Group	
	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2017	YTD 2016
Revenues (TNOK)	830 054	635 939	359 899	432 546	287 529	348 856	294 378	336 588	1 674 896	3 446 755	2 930 395
Other income (TNOK)	502	318	53	1 975	-41	3 460	3 972	5 582	334	4 820	51 255
EBITDA (TNOK) ⁽¹⁾	369 731	260 873	132 279	173 785	82 477	68 110	37 415	92 360	-2 074	619 828	608 728
EBIT (TNOK) ⁽²⁾	352 075	244 816	96 039	143 466	67 873	56 983	12 456	70 002	-4 698	523 745	526 076
EBITDA %	45 %	41 %	37 %	40 %	29 %	19 %	13 %	27 %		18 %	20 %
EBIT %	42 %	38 %	27 %	33 %	24 %	16 %	4 %	20 %		15 %	18 %
EBIT /KG GWT ⁽¹⁾	29.0	23.8	16.7	17.4	14.7	9.1	2.8	13.7		19.4	17.6
Harvest in tons, GWT	12 147	10 268	5 757	8 263	4 628	6 262	4 523	5 105		27 056	29 898

Adjusted operating EBIT for reportable segments

All figures in NOK 1 000

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
EBIT before fair value adjustment	392 253	311 694	523 745	526 076
Value adjustment related to biological assets	-76 930	115 771	-273 140	195 268
EBIT (operating profit)	315 323	427 465	250 605	721 344
Income from associated companies	0	0	0	12 083
Total income from associated companies	0	0	0	12 083
Net financial item:				
Changes in fair value from hedging instruments	4 490	2 993	7 527	2 448
Net financial interest	-9 772	-27 010	-20 822	-50 927
Net currency gain (losses)	6 822	-18 393	10 123	-46 993
Net other financial expenses /-income	-583	3 520	-408	2 821
Net financial item	958	-38 891	-3 580	-92 652
Profit before tax	316 280	388 574	247 025	640 775
Estimated taxation	-69 636	-90 917	-60 477	-152 217
Net profit in the period	246 645	297 657	186 549	488 557

Note 3 – Biological assets

The accounting treatment of living fish by companies which apply IFRS is regulated by IAS 41, Agriculture. The best estimate of the fair value of fish weighing less than 1 kilo is considered to be the accumulated cost, while fish between 1 kilo and 4 kilos include a proportionate share of the expected profit. The fair value of fish in excess of 4 kilos (ready for harvesting) is set at the net sale price calculated on the assumption that the fish are harvested/sold on the balance sheet date. If the expected net sale price is less than the

expected cost, this will entail a negative adjustment of the value of biological assets, and in such case this is 100 %. The sale prices are 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 sale price is adjusted for quality differences, together with weight and cost of logistics. The volume is adjusted for gutting loss since the sale price is measured for gutted weight.

Biological assets	Tons		NOK 1.000	
	Q2 2017	YTD 2017	Q2 2017	YTD 2017
Biological assets - beginning of period	50 459	45 627	2 517 958	2 459 625
Currency translation	0	0	3 406	11 199
Increases due to purchases	0	0	0	0
Increases due to production	17 874	32 867	649 233	1 281 067
Decreases due to sales / harvesting/mortality	-22 392	-22 392	-734 974	-1 136 370
Fair value adjustment beginning of period	N/A	N/A	-644 591	-824 487
Fair value adjustment period end	N/A	N/A	554 845	554 845
Biological assets - period end	45 940	45 940	2 345 877	2 345 877

All figures in NOK 1,000

	2Q 2017	2Q 2016	YTD 2017	YTD 2016
Recognised fair value adjustment:				
Change in fair value adjustment of biological assets	(92 307)	115 771	(273 325)	195 268
Change in physical supply contracts related to fair value adjustment of biological assets	(5 040)	-	27 599	-
Change in fair value of financial derivatives from salmon (Fish Pool contracts)	20 417	-	(27 414)	-
Total recognised fair value adjustment of biological assets	(76 930)	115 771	(273 140)	195 268

Balance:

Provisions allocated to physical future contracts that require actual value adjustment, is recorded as other other current liabilities in the balance sheet.

The contracts are calculated on basis of the same forward prices that apply to fair value calculation of biological assets.

Provisions allocated to physical contracts covering fish under 4 kg (immature), are recognised as a proportionate share corresponding to the principle of fair value calculation of biological assets. Value adjustment of financial derivatives from salmon is recorded in the balance sheet as derivatives and other financial instruments. Financial derivatives are valued at market value.

Biological assets - status 30.06.2017	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
Smolt /brood/small fish 0-1 kg	36 365	6 784	496 600	0	496 600
Biological assets with round weight < 1- 4 kg	11 787	26 296	903 740	357 974	1 261 714
Biological assets with round weight > 4 kg	2 619	12 860	390 692	196 872	587 563
Total	50 771	45 940	1 791 032	554 845	2 345 877

Biological assets - status 30.06.2016	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
Smolt /brood/small fish 0-1 kg	33 784	5 427	390 314	0	390 314
Biological assets with round weight < 1- 4 kg	11 629	25 551	832 604	293 933	1 126 537
Biological assets with round weight > 4 kg	2 709	12 360	340 332	203 640	543 971
Total	48 122	43 338	1 563 250	497 573	2 060 822

Note 4 – Total net interest-bearing debt/factoring

Net interest-bearing debt is calculated on the basis of the covenant requirements stipulated in the financing agreement. Under the agreement, factoring debt and the share of bank funds belonging to non-controlling owner interest are not included.

Ocean Quality AS in Norway and the UK has a factoring agreement which means financing of outstanding accounts, and where all significant

risks and control of customer receivables continue to be the responsibility of OQ.

Prepayments/financing received from factoring are net interest-bearing debt. Factoring is recognised as financing in the balance. The total amount of interest-bearing debt taking account of factoring and share of bank funds belonging to non-controlling owner interests (Bremnes) is thus as follows:

	30.06.2017	30.06.2016	31.12.2016
Net interest-bearing debt GSF in accordance with the covenants	1 202 543	1 359 813	906 319
Factoring debt (OQ)	556 252	380 204	502 535
Non-controlling interests share of cash (Bremnes)	-52 043	-8 234	-8 873
Net interest-bearing debt	1 706 752	1 731 783	1 399 981

Note 5 – Related parties

The Group has transactions with companies which are controlled by Grieg Seafood ASA's majority owner, Grieg Holdings AS. Grieg Seafood ASA rents its offices from Grieg Gaarden AS. Grieg Holding AS is a shareholder of Ryfylke Rensefisk AS from which GSF buys lumpfish. Grieg Seafood ASA buys roe from SalmoBreed AS, which is a related party in relation to a Board member. All services and the rental relationship are on an arm's length basis. OQ AS purchases fish from its shareholder, Bremnes

Fryseri AS, which it then sells to its domestic and international customers. Bremnes Fryseri supplies the fish from its subsidiary Bremnes Seashore AS. OQ AS rents office premises and office equipment from Bremnes Fryseri AS. All sales of goods and services are on an arm's length basis.

Shares controlled by board members and management per 30.06.2017

	No. shares	Shareholding
Board of directors:		
Per Grieg jr. *)	58 961 996	52.80 %
Wenche Kjølås (Jawendel AS)	7 000	0.006 %
Asbjørn Reinkind (Reinkind AS)	120 000	0.107 %
Karin Bing Orkland	0	0.00 %
Ola Braanaas	0	0.00 %
Management:		
Atle Harald Sandtorv (CFO)	21 793	0.02 %
Andreas Kvame (CEO)	35 000	0.03 %
Knut Utheim (COO)	18 200	0.02 %
Kathleen Mathisen (CHRO)	0	0.00 %
Grant Cumming (Regional Director)	0	0.00 %
Roy-Tore Rikardsen (Regional Director)	13 100	0.01 %
Alexander Knudsen (Regional Director)	20 000	0.02 %
Rocky Boschman (Regional Director)	0	0.00 %
Total shares controlled by board members and management	59 197 089	53.01 %
* Shares owned by the following companies are controlled by Per Grieg jr. and closely related(Verdipapirhandelloven § 2-5):		
Grieg Holdings AS	55 801 409	49.97 %
Grieg Shipping II AS	0	0.00 %
Ystholmen AS	2 928 197	2.62 %
Grieg Ltd AS	217 390	0.19 %
Kvasshøgdi AS	0	0.00 %
Per Grieg jr. private	15 000	0.01 %
Total no. shares controlled by Per Grieg jr. and closely related	58 961 996	52.80 %

Note 6 – Share capital and shareholders as at 30 June 2017

Share capital:

30.06.2017, the company has 111 662 000 shares at a nominal value of NOK 4 per share. The company purchased in June 2011 1 250 000 own shares at rate 14.40 NOK per share.

Date of registration	Type of change	Change in share capital (TNOK)	Nominal value per share (NOK)	Total share capital (TNOK)	No. of ordinary shares
30.06.2017			4.00	446 648	111 662 000
	Holdings of own shares		4.00	-5 000	-1 250 000
Total ordinary shares				441 648	110 412 000

The largest shareholders in Grieg Seafood ASA as of 30.06.2017 were:

	No. shares	Shareholding
GRIEG HOLDINGS AS	55 801 409	49.97 %
OM HOLDING AS	4 662 285	4.18 %
FOLKETRYGDFONDET	3 135 000	2.81 %
YSTHOLMEN AS	2 928 197	2.62 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 960 952	1.76 %
JPMORGAN CHASE BANK, N.A., LONDON	1 512 442	1.35 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 393 102	1.25 %
GRIEG SEAFOOD ASA	1 250 000	1.12 %
ARTIC FUNDS PLC	1 197 000	1.07 %
STATE STREET BANK AND TRUST COMP	1 101 641	0.99 %
VERDIPAPIRFONDET PARETO NORDIC	976 000	0.87 %
STATE STREET BANK AND TRUST COMP	939 172	0.84 %
EUROCLEAR BANK S.A./N.V.	924 041	0.83 %
CLEARSTREAM BANKING S.A.	837 720	0.75 %
THE NORTHERN TRUST COMP, LONDON BR	746 535	0.67 %
JPMORGAN CHASE BANK, N.A., LONDON	694 062	0.62 %
VPF NORDEA KAPITAL	660 006	0.59 %
VPF NORDEA AVKASTNING	596 523	0.53 %
UBS SWITZERLAND AG	595 071	0.53 %
JPMORGAN CHASE BANK, N.A., LONDON	581 201	0.52 %
Total 20 largest shareholders	82 492 359	73.88 %
Total other	29 169 641	26.12 %
Total numbers of shares	111 662 000	100.00 %

Note 7 – Alternative performance measures (APM)

Alternative performance measures (APM)

Grieg Seafood Group applies APMs (alternative performance measures) to demonstrate corporate achievements in the most relevant and informative way possible to our users. APMs listed below have been applied consistently over time, with one exception: Calculation of net interest bearing debt excl. factoring. Starting with Q1 reporting in 2016, figures showing Bremnes Fryseri AS' share of bank in Ocean Quality AS, as well as factoring, are omitted.

The performance measure is used to calculate NIBD/EBITDA share, which represents one of the covenants required by the bank syndicate, where Ocean Quality AS is not consolidated into the calculation. The revised method of Q1 2016 will apply to future calculations of NIBD/EBITDA shares under the loan terms.

No.	Alternative performance measures (APM)	Definition and calculation	Reason for applying APM
1	EBIT	Unless otherwise specified, EBIT (earnings incl. amortisation and depreciation) is prior to fair value adjustment. This applies to all key figures where EBIT is a component, including: EBIT/ kg (NOK) EBIT/ kg GWE	EBIT before fair value adjustment provides a more informative result as it does not take into account future gains or losses on fish not yet sold at the point of fair value adjustment. In addition, it provides an industry measure.
2	EBIT before fair value adjustment of biological assets	Operating profit incl. amortisation and depreciation, excl. fair value adjustment of biological assets.	This is the mandatory financial measure according to standard.
3	EBITDA before fair value adjustment of biological assets	Unless otherwise specified, EBITDA (operating profit) is calculated before fair value adjustment of biological assets. This applies to all key figures where EBITDA is a component, including: EBITDA (%) EBITDA margin EBITDA margin – terminal value NIBD/EBITDA	EBITDA before fair value adjustment provides a more informative result as it does not take into account future gains or losses on fish not yet sold at the balance sheet date, contrary to fair value adjustment. In addition, it provides an industry measure.
4	Equity ratio excluding Ocean Quality	Equity ratio is calculated both with and without Ocean Quality, due to bank syndicate equity demands exclusive of the consolidated Ocean Quality. Equity ratio excl. Ocean Quality is solely considering Grieg Seafood companies, pertaining to both equity and total liability.	Applied to measure the company's solidity, according to the Group's covenant requirements.
5	NIBD/EBITDA	Net interest bearing debt (NIBD) comprises long-term and current debt to financial institutions, after deducting cash and cash equivalents. NIBD is calculated in two ways: 1) Including all long-term and current debt to credit institutions 2) According to covenants required by the bank syndicate. When calculating NIBD according to covenants the factoring debt is not included. Furthermore, cash and cash equivalents are reduced with an amount corresponding to Bremnes Fryseri AS' share of OQ AS' bank deposits. For both versions, EBITDA is before fair value adjustments of biological assets.	
6	ROCE	Corresponds to return on capital employed before fair value adjustment of biological assets. Denominator is NIBD excluding Ocean Quality. Calculation: ROCE= (EBIT)/(annual average NIBD+annual average equity excluding fair value adjustment of biological assets)	We extract a share of OQ from interest bearing debt, as it is not interest bearing debt according to covenant definitions. Fair value adjustment of biological assets is extracted as this is a highly volatile variable. The company has limited influence on price, which is an important factor in the calculation.
7	EPS	EPS (Earnings per share) = (net profit after taxes minus shares of non-controlling interests)/ number of shares	Measurement figure in relation to financial standard.

Information about Grieg Seafood ASA

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Organisation number:	NO 946 598 038 MVA

Board of Directors of Grieg Seafood ASA

Per Grieg jr.	Chair
Asbjørn Reinkind	Vice Chair
Wenche Kjølås	Board Member
Karin Bing Orgland	Board Member
Ola Braanaas	Board Member

Group Management

Andreas Kvame	CEO
Atle Harald Sandtorv	CFO
Knut Utheim	COO
Kathleen O. Mathisen	CHRO

Financial Calendar

First Quarter 2017	12 May 2017
Annual General Meeting	7 June 2017
Second Quarter 2017	24 August 2017
Third Quarter 2017	8 November 2017
Fourth Quarter 2017	15 February 2018

*The company reserves the right to amend the above dates.
Cover photo: Paul Nilsen*