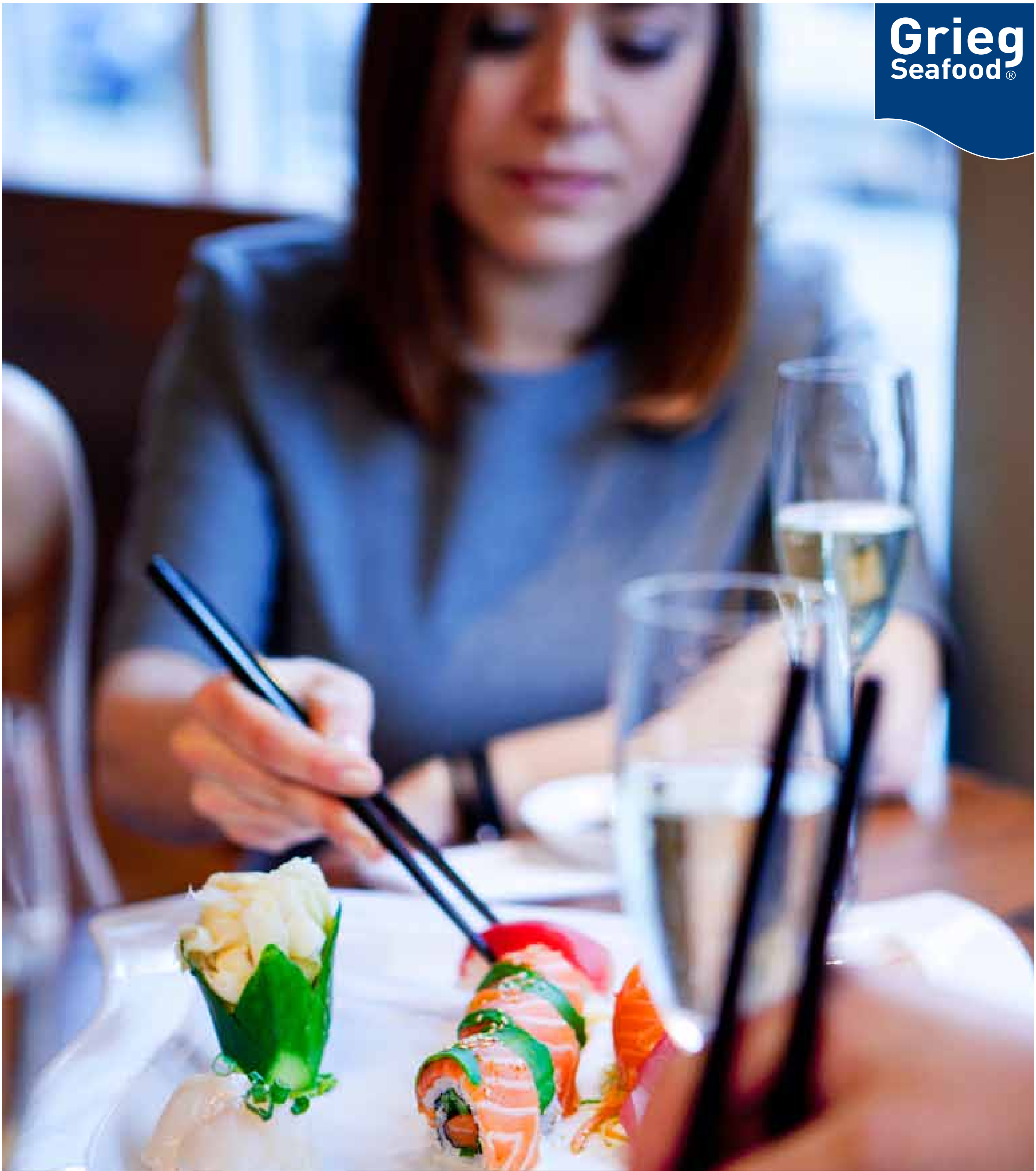
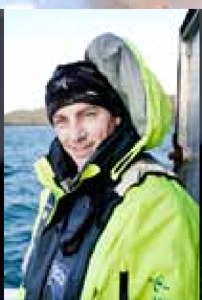
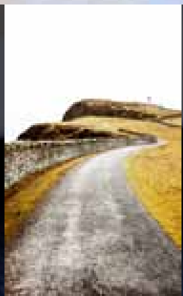






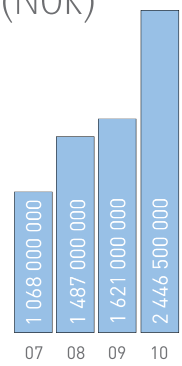
Annual report 2010

From the world's end...

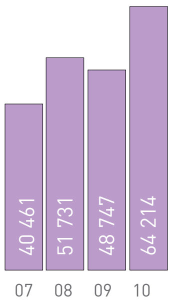
CONTENT

Key figures

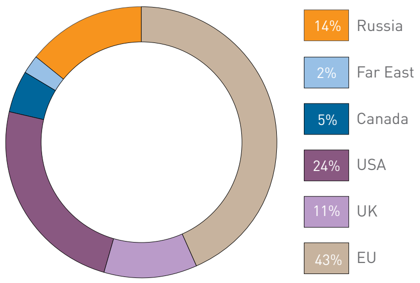
Turnover (NOK)



Harvest volume (GWE)



Our markets 2010



Financial 2010

ROCE *	19.8 %
EK %	48.9 %
NIBD **	1 047
NIBD/EBIDTA	1.53

* Retun on capital employded
** Net interest bearing debt

Overview

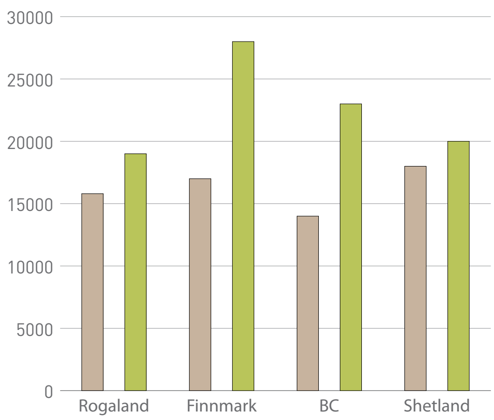
Region	Harvest in tons GWE*		Sales revenue TNOK		EBIT TNOK		EBIT/kg GWE*	
	2010	2009	2010	2009	2010	2009	2010	2009
Rogaland	12 839	12 000	476 100	374 600	131 000	65 431	10,20	5,45
Finnmark	20 705	14 218	733 300	446 400	216 200	68 815	10,44	4,84
BC	13 682	10 134	554 300	383 000	69 200	36 626	5,05	3,61
Shetland	16 988	12 395	660 300	408 600	178 600	-4 414	10,51	-0,36
TOTAL	64 214	48 747					x 8,84	x 3,15

* GWE = Gutted Weight

Production capacity

Expected harvest in 2011 64.800 tons GWE

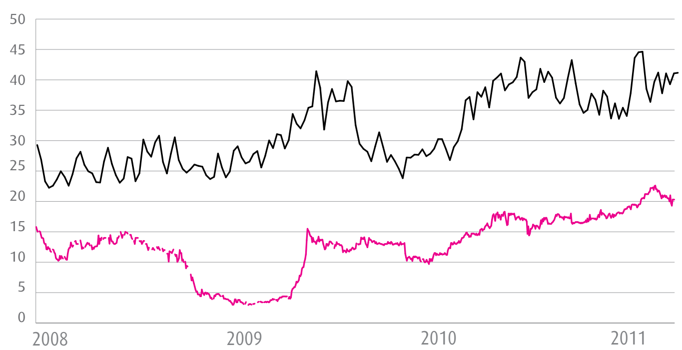
Production capacity. Total capacity 90.000 tons GWE



Price development

Salmon price/kg in NOK

GSF share in NOK



BOARD OF DIRECTORS' REPORT

Grieg Seafood ASA ("the Company") is the parent company of the Grieg Seafood Group ("the Group"). The companies of the Group are engaged in the production and sale of seafood, and in naturally related activities.

The Group is one of the world's largest producers of farmed salmon and trout, with a production capacity of around 90 000 tons gutted weight annually. The Group has 101 licences for salmon production and four 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 utilisation of nature, and on being a preferred supplier to selected customers.

The Group has operations in Finnmark and Rogaland in Norway, British Columbia in Canada, and Shetland (UK). The head office is situated in Bergen, Norway.

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

FINANCIAL STATEMENTS 2010

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

Group operating income in 2010 totalled NOK 2 446m, an increase of 52% compared with the previous year. The operating profit before fair value adjustment of biological assets was NOK 640m, against NOK 154m in 2009. A reduced harvest volume in Chile has led to a slight decline in the global supply of salmon. The demand for salmon has been good in both emerging markets and in the large, established markets. As a result of the overall development, 2010 was a historically strong year in the salmon market. The Group had few biological challenges in 2010, and the performance was the best ever since the establishment of the Company.

The Group's financial position was strengthened in 2010 and is considered to be good. At year-end, all loan covenants had been met.

The production of fish for human consumption amounted to 70 700 tons, which is approximately the same level as in the previous year. A total of 64 200 tons gw was harvested, an increase of 15 500 tons. Only small changes are expected in the harvest volume in 2011.

The main features of 2010 were as follows:

- Substantially higher profits.
- Global demand combined with reduced supply led to record high salmon prices throughout 2010.
- Volume growth of 31.7% from 2009 to 2010.
- Overall improvement in biological production.
- New sales company established in Norway, Ocean Quality AS, in cooperation with Bremnes Seashore AS.
- Acquisitions implemented in Scotland corresponding to annual production of 3 000 tons for a price of NOK 39,5m.
- Substantially strengthened capital base. Equity ratio increased and financial gearing reduced.

The Group had a turnover of NOK 2 446.5m in 2010, an increase of 52% from 2009. The operating profit before fair value adjustment of biological assets was NOK 639.8m, including a positive one-off effect of NOK 72.4m related to the reversal of a previous write-down of licence values in Finnmark. After fair value adjustments of biological assets the operating profit was NOK 847.4m, against NOK 269.2m in 2009. The operating margin was 34.6%, against 16.6% in 2009, while the pre-tax profit was NOK 857.8m, an increase from NOK 317.5m in 2009.

The Group's currency positions were realised with a gain in 2010 and the Group has now fully implemented a new currency hedging strategy which has substantially reduced currency exposure.

At any given time the regions of the Group are involved in several research and development projects. There is an ongoing process of developing competence which is reflected in an enhanced performance on the biology side. Two specific areas of attention are fish feed and fresh water/smolt.

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. The Group's financial position was strengthened throughout 2010.

The Board proposes a dividend of NOK 1.35 per share based on the accounts for 2010. This corresponds to 35% of the profit for the year after tax, after fair value adjustment of biological assets and reversal of the write-down of licences in Finnmark. The proposed dividend is at the high end of the Company's adopted dividend strategy which is to pay a dividend corresponding to 25-35% of net profits after fair value adjustment of biological assets. In the future, the Board will also consider paying an extraordinary dividend based on future cash flows, planned investments and net interest-bearing debt.

OPERATIONAL REGIONS

In Rogaland the operating profit before fair value adjustment of biological assets was NOK 131m, corresponding to NOK 10.2 per kilo. In the summer of 2010 the region was affected by PD, but apart from this there were few biological challenges in Rogaland. The sea temperature was slightly below normal, especially at the start and the end of the year. This has had a limited effect on the fish growth rate.

In Finnmark the operating result before fair value adjustment of biological assets and reversal of the previous write-down of intangible assets was NOK 216.2m, corresponding to NOK 10.44 per kilo. There were no special biological challenges in this region in 2010. In 2010, the Group experiences two instances of fish escapes, both of which were duly reported to the Directorate of Fisheries. In this connection, Grieg Seafood Finnmark AS is under investigation for a possible breach of the Aquaculture Act. Grieg Seafood Finnmark is under investigation for a suspected fish escape, of which the company has been unable to determine that an escape of fish has taken place.

In British Colombia, Canada, the operating profit before fair value adjustment was NOK 69.2m, corresponding to NOK 5.05 per kilo. The region had no special biological challenges in 2010. While the underlying trend in production costs shows a clear improvement in 2010 compared with the previous year, the Board believes that there is a potential for further cost improvements in BC.

In Shetland the operating profit before fair value adjustment of biological assets was NOK 178.6m, corresponding to NOK 10.51 per kilo. The biological situation was good throughout the year in this region. During parts of the year the sea temperature was below normal, but this had no significant impact on overall fish growth in 2010. The Group carried out two acquisitions in Scotland in 2010 involving a total investment of NOK 39.5m and providing an annual harvest volume of 3 000 tons.

CASH FLOW

In 2010, the net positive change in cash flows was NOK 2.3m compared with NOK 73.3m in 2009, while net capital investments stood at minus NOK 262.8m, against minus NOK 161.8m in 2009. The cash flow from operations was NOK 594.7m, against NOK 67.2m in 2009. The net flow from financing activities was minus NOK 329.7m, against NOK 167.9m in 2009. At year-end 2010 the disposable cash balance was NOK 143.7m.

BALANCE SHEET

Group equity at 31 December 2010 stood at NOK 1 982.4m, against NOK 1 374.4m at year-end 2009. The equity ratio strengthened in the course of the year, ending at 48.9%. Total assets at year-end amounted to NOK 4 057.6m, with goodwill accounting for NOK 90.5m and licences NOK 926.2m.

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 reported a pre-tax profit of NOK 160.4m for 2010, against NOK 131.8m in the previous year. The net positive change in cash flows was NOK 4.3m, compared with NOK 82.6m in 2009. Net capital investments during the year totalled NOK 298.5m, compared with minus NOK 91.4m in 2009. The cash flow from operations was NOK 70.9m, compared with NOK 26.5m in 2009. At year-end 2010 the disposable cash balance was NOK 106.7m.

POST BALANCE-SHEET EVENTS

Key events since year-end:

After the closing of accounts at year-end Grieg Seafood ASA entered into an agreement to acquire the remaining 51.3% shareholding in Erfjord Stamfisk AS and thus now owns 100% of the company.

RISK

The Group is exposed to fluctuations in interest rates and foreign exchange rates in respect of financing of the business in all regions. The main strategy is to reduce currency risk by financing the business in the local currency. Current borrowings are mainly based on floating rates, but some loans are based on fixed interest terms in order to reduce the interest-rate risk.

The Group is also exposed to risks in a number of areas, such as biological production, changes in the market price of salmon, changes in interest and foreign exchange rates, and the risk of political trade barriers. The Group's internal control and risk situation is subject to constant monitoring and improvement, and initiatives designed to reduce the various risk elements have a high priority. Financial and contractual hedging combined with operational measures play a key role in reducing and controlling the risk. For further information, please refer to note 3 to the consolidated financial statements.

CORPORATE SOCIAL RESPONSIBILITY AND THE ENVIRONMENT

The Grieg Seafood 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 the fish are kept in their natural surroundings environment under optimal conditions at all times. The Group selects locations with deep water and good currents. The density of the fish in the pens shall not exceed 20 kg per m^3, or a maximum of 2% of the pen's volume.

The Group has drawn up a designated health plan which stipulates how all production operations are to be performed. The fish are systematically examined by a veterinarian. The Group emphasizes the importance of taking preventive measures and of quick response times in the event of disease or local pollution. This is important not only to protect the environment and fish health, but also to safeguard production quality and profitability. The steps taken shall be 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 permanent damage to the environment.

Salmon lice are natural parasites that are found on wild salmon. The Group has a programme for monitoring the level of lice on the farmed salmon and carrying out delousing when necessary. Wrasse are also used to delouse the fish.

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.

Since 2003 Grieg Seafood in Canada has been a supporting member of the Nootka Sound Watershed Society, an organisation whose activities include monitoring the health situation among wild salmon on the west coast of Vancouver.

Board of Directors' Report

Grieg Seafood has decided to restructure all of its production in Shetland to facilitate the production of one generation at a time per site. This was also done at one location in BC, Canada at the start of 2010. The intention is to ensure biosecurity in these areas, which is a prerequisite for sound profitability and optimal fish farming operations, but which will also reduce the impact of the ecosystem in these areas by means of syncronized fallow periods.

OUTLOOK

The Group expects the current production plans to result in a harvest volume of 64 800 tons in 2011. This includes an increase of 1 800 tons from the acquisition of Erfjord Stamfisk and is otherwise in line with previous guiding figures. A total harvest volume of 11 600 tons is expected in the first quarter of 2011.

According to the Group's hedging policy a volume of up to 50% of the expected harvest volume in Norway can be hedged through fixed delivery contracts or financial price hedging contracts. In 2010 the Group had hedging contracts at relatively low price levels which had a clearly negative impact on the operating result in 2010. To date in 2011 the Group has hedged about 9% of the expected harvest volume in Norway, most of which is hedged for delivery in the second half of the year. The price level in the hedging contracts this year is substantially higher than it was in 2010.

A poor catch in Peru last year is likely to be reflected in higher raw material prices for fish meal and fish oil, which are key ingredients in fish feed. Higher feed prices can therefore be expected throughout 2011.

The salmon market is expected to remain strong in 2011. The improved biological situation in Chile is likely to result in increased supply from Chile from the end of 2011, but at the same time there is little indication of strong production growth in Norway in the next few years. Combined with continuing high demand in the major salmon markets and increased demand in the emerging markets, the market outlook for salmon is good in both short and long term.

As a closing remark it should be stressed that the development and changes of future conditions is subject to a certain level of uncertainty.

GOING CONCERN

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis.

ACCOUNTING RESULTS AND ALLOCATIONS

In 2010 Grieg Seafood ASA had profit for the year of TNOK 154 500 which the Board proposes to allocate as follows:

Equity transfers	TNOK 3 756
Provision for dividend	TNOK 150 744
Total	**TNOK 154 500**

The Company's distributable equity totalled TNOK 789 021 at 31 December 2010.

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 to applies to all other companies which are controlled by the Group. The document of principle which is enclosed along with the Annual Report therefore applies to all companies of the Group, in as far as it goes.

The Group's Audit Committee held eight meetings in 2010 to review the Company's accounts and operations. The Audit Committee consists of Wenche Kjølås (chair) and Terje Ramm.

EMPLOYEES

Of the Group's 595 employees at year-end 2010, 287 were in Norway, 200 in Shetland and 108 in Canada. The Board wishes to thank the employees for their untiring efforts and the commendable improvements of the results achieved in 2010.

The Group has a preponderance of male managers and employees. The Group has eight women in managerial positions. The Group's employee policy is to take necessary actions to retain and attract qualified personnel of both sexes.

Grieg Seafood's position as an international coperation is also reflected in the fact that 26 different nationalities are employed by the Group. 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.

The level of short-term sick leave within the Group in 2010 stood at 3.47%, while the figure for long-term sick leave was 1.58%. During the same period, 39 injuries were recorded by the Group. All administration of human resources is managed locally in accordance with local regulations and instructions, and in conformity with Group guidelines. The working environment within the Group is satisfactory.

The Company had 13 employees at the head office in Bergen, of whom one female employee was in a senior position. Short-term sickleave within the Company stood at 1.96%, while the long-term sickleave was 0.98%. No injuries or accidents were recorded by the company in 2010.

The Company does not pollute the external environment and the working environment is satisfactory.

Statement from the Board of Directors and Managing Director

We hereby confirm that the financial statements for the period from 1 January to 31 December 2010 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, and results of the Company and the Group taken as a whole. 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 the principal risks and uncertainties facing the Company and the Group.

Bergen, April 4th 2011

The Board of Directors of
Grieg Seafood ASA

Per Grieg jr.
Chairman

Anne-Grete Ellingsen
Vice Chairman

Terje Ramm
Member of the Board

Harald Ingebrikt Volden
Member of the Board

Wenche Kjølås
Member of the Board

Morten Vike
CEO

PRINCIPLES OF CORPORATE GOVERNANCE

Adopted by the Company's Board of Directors on 20 April 2007 and updated on 22 January 2010 and 4 April 2011.

1. INTRODUCTION

1.1 ACCOUNT OF CORPORATE GOVERNANCE

The Board has decided to adopt to the Norwegian Code of Practice for Corporate Governance. The contents of the Code of Practice and the consideration of the principles by Grieg Seafood ASA ("the Company") have been reviewed. The Grieg Seafood Group ("the Group") has updated the existing rules and defined values on this basis.

1.2 OPERATIONS

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

The Company 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. This document of principle therefore applies to all companies of the Group where relevant.

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 the fish can be kept in their natural surroundings under optimal conditions at all times. The Group selects locations with deep water and 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 emphasizes the importance of taking preventive measures and quick response times in the event of disease or local pollution. This is important not only to protect the environment and fish health, but also to safeguard production quality and profitability. The steps to be taken shall be 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 permanent 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.

1.3 COMPANY MANAGEMENT

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.

2. BOARD OF DIRECTORS

2.1 DUTIES, WORK PLAN

The Company is managed by an effective Board of Directors (the Board) who jointly share the responsibility for the success of the Company. The Board represents, and is held accountable by, 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 are requested by one or more Board members.

2.2 INTERNAL CONTROL

The purpose of internal control is to see that the Company and the Group, through its organization of operations and routines, secures its customers interests, also by an advance warning to enable management to reach its set goals. Achievement of goals also requires secure systematic and strategic work and planning, identification of risks involved, choice of risk profile, and also the establishment and implementation of controls and actions that will ensure goal achievement.

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

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

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.

At least once a month the Board shall receive a report stating whether controls have been carried out in accordance with adopted control procedures.

The Board has stipulated procedures for the implementation and reporting of internal controls for both the Company's and the Group.

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 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 governing 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.

2.3 COMPOSITION

2.3.1 Number of Board members

Under the Articles of Association the Board shall have up to seven members.

2.3.2 Election period

Board members are elected for a period of two years.

2.3.3 Independent Board members

The Board members are presented 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 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.

2.4 NOMINATION COMMITTEE

On 13 February 2009 the Annual General Meeting (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.

The present nomination committee was elected at the AGM on 13 February 2009 and comprises Bente Rathe (chair), Arthur Duus and Kjell Ole Strømsnes. The Company does not diverge from the Code of Practice.

2.5 INSTRUCTIONS

The Board has drawn up instructions for its members and the Management which contain a more 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 segregation of duties 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 22 January 2010.

2.6 ANNUAL ASSESSMENT

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

2.7 AUDIT COMMITTEE

The Board has set up a sub-committee (audit committee) comprising a minimum of two and a maximum of three elected members, in addition to the Board 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.

2.8 REMUNERATION COMMITTEE

The Board has set up a sub-committee (remuneration committee) comprising not 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 which it is considered entail an especially great or additional risk, should be put before the committee.

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

3 REMUNERATION TO BOARD MEMBERS AND EMPLOYEES

3.1 GENERAL

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.

3.2 REMUNERATION TO MANAGEMENT

The group management consists of the group managing director and the financial director. The Group has an extended management group of nine comprising the group managing director, the financial director, the group accounting manager, four regional managers (the respective managers of fish farming activities in Rogaland, Finnmark, Shetland and British Colombia), 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 five 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, see note 5.

On 20 April 2007 and 6 May 2009 the AGM approved a share options programme for the Group's senior employees. The group managing director, the financial director and the four regional managers are included in the share options programme. The options agreements have been entered into within the framework of the resolution adopted by the AGM. Minutes of this AGM 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 for 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 which are related to shares or the development of the Company's share price, are determined by the AGM.

The Company does not diverge from the Code of Practice.

3.3 SEVERANCE PAY

The group managing director is entitled to 18 months' severance pay after dismissal or changes in the position of group managing director or in the terms and conditions of employment, and 12 months salary during illness.

4 INFORMATION AND COMMUNICATION

4.1 FINANCIAL INFORMATION

The Company shall at all times provide its shareholders, 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 the Group's 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.

4.2 SHAREHOLDER INFORMATION

The Board shall ensure that information is provided on matters of importance for the shareholders and for the stockmarket'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.

5 SHARE TRADABILITY

The Company's shares may be traded freely.

6 EQUAL TREATMENT OF SHARE HOLDERS. TRANSACTION WITH RELATED PARTIES

6.1 SHARE CLASS

The Company has only one class of shares.

6.2 OWN SHARES

if the Company trade in its own shares, the Code of Practice shall be observed.

6.3 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 transaction of this kind shall be approved by the General Meeting, in so far as this required under Section 3-8 of the Norwegian 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.

6.4 CAPITAL INCREASES

In the event of a waiver of the shareholder's preferential subscription right, the Code of Practice shall be followed.

7 AUDIT

The Board seeks to have close and open cooperation with the Company's auditor. Each year the Board 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 Board considers whether, to a satisfactory extent, the auditor performs a satisfactory control function.

Both the Company management and the auditor comply with guidelines issued by the Ministry of Finance concerning the extent to which the auditor can provide advisory services.

The auditor attends Board meetings which deal with the annual accounts. The Board also has a meeting with the auditor at least one 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 to the annual accounts showing the division of the fee between audit and other services.

8 GROUP EQUITY AND DIVIDEND POLICY

8.1 EQUITY

At any given time the Group shall have a level of equity which is appropriate in relation to the Group's cyclical activities.

8.2 DIVIDEND

The Group's objective is to give the shareholders a competitive return on invested capital 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 account of 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.

8.3 BOARD AUTHORISATION

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 share of nominal value NOK 4 each.

This authorisation remains in effect until 26 May 2012 and replaces the authorisation approved by the AGM on 20 May 2009.

The Company will follow the Code of Practice when new proposals are made concerning Board authorisations to effect capital increases.

9 GENERAL MEETING

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

The Company's Annual General Meeting (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 at any time whatsoever when it considers this 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 Extraordinary General Meeting.

The Board convenes 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. Shareholders who are unable to attend may vote by proxy. An authorisation form giving the opportunity to show how the vote is to be cast for each matter to be considered will be enclosed along 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 meetings of the General Meeting on its homepage and make them available for inspection at the Company's registered office.

The Board shall have no contact with the Company's shareholders outside the General Meeting in a manner which could be deemed to be differential treatment of shareholders or which could be in conflict with current laws or regulations.

10 CHANGE OF CONTROL. 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.

Bergen, April 4th 2011

The Board of Directors of
Grieg Seafood ASA

Per Grieg jr.
Chairman

Anne-Grete Ellingsen
Vice Chairman

Terje Ramm
Member of the Board

Harald Ingebrikt Volden
Member of the Board

Wenche Kjølås
Member of the Board

Morten Vike
CEO

ANNUAL REPORT 2010

GRIEG SEAFOOD ASA GROUP

INCOME STATEMENT GRIEG SEAFOOD ASA

Figures in NOK 1 000

	Note	2010	2009
Sales revenue	**9, 10**	**2 446 490**	**1 612 619**
Other income	9	10 161	8 746
Other gains and losses	9	-763	80
Share of profit from associated companies and joint venture companies	16	4 747	377
Changes in inventories	22, 23	-10 412	158 085
Raw materials and consumables used	22, 23	-932 118	-900 581
Salaries and personnel expenses	11, 12	-238 409	-193 300
Other operating expenses	11	-592 752	-410 541
Operating profit before depreciation and fair value adjustments of biological assets		**686 944**	**275 484**
Depreciation	20	-115 912	-118 300
Amortisation of licenses and other intangible assets	19	-3 662	-3 282
Reversal of previous amortisation of licences	7, 19	72 385	-
Operating profit before fair value adjustment of biological assets		**639 754**	**153 902**
Fair value adjustment of biological assets	23	207 629	115 276
Operating profit	**10**	**847 383**	**269 178**
Income from associated companies	16	7 590	1 608
Financial income	14, 15	54 675	136 333
Financial expenses	14, 15	-51 882	-89 606
Profit before taxes		**857 766**	**317 513**
Income tax expense	26	-226 727	-86 640
Profit for the year		**631 039**	**230 873**
Profit/ (-loss) attributable to / (-from) equity holders of the parent company		631 039	230 873
Basic earnings per share (NOK)	17	5,65	2,45
Diluted earnings per share (NOK)	17	5,64	2,45

COMPREHENSIVE INCOME GRIEG SEAFOOD ASA

Figures in NOK 1 000

	2010	2009
Profit for the year	**631 039**	**230 873**
Other comprehensive income:		
Currency translation effects	4 476	-21 360
Other gains and losses	-24	-
Other comprehensive income	**4 452**	**-21 360**
Total comprehensive income for the year	635 491	209 513
Total comprehensive income to the owners of the company	635 491	209 513

CONSOLIDATED BALANCE SHEET GRIEG SEAFOOD ASA

Figures in NOK 1 000

	Note	31.12.2010	31.12.2009
ASSETS			
Goodwill	19, 7	90 540	87 583
Licences	19	926 170	818 340
Other intangible assets	19	3 160	5 578
Property, plant and equipment	20	923 546	819 110
Investments in associated companies and joint venture companies	16	33 456	13 619
Loans to associated companies	34	3 449	1 923
Available-for-sale financial assets	18	557	945
Other non-current receivables	25,34	1 958	-
Total non-current assets		**1 982 836**	**1 747 098**
Inventories	22	58 409	49 180
Biological assets	23	1 564 041	1 367 061
Accounts receivable	24	265 350	188 052
Other current receivables	25	43 265	57 051
Derivatives and other financial instruments	15	-	20 350
Cash and cash equivalents	21	143 727	139 778
Total current assets		**2 074 792**	**1 821 472**
Total assets		**4 057 628**	**3 568 570**
EQUITY AND LIABILITIES	**Note**	**31.12.2010**	**31.12.2009**
Share capital	27	446 648	446 648
Share premium reserve		-	716 634
Other equity		1 561	-19 734
Retained earnings and other reserves		1 534 196	230 873
Total equity		**1 982 405**	**1 374 421**
Deferred tax liabilities	26	531 498	331 995
Pension obligations	29	2 051	1 927
Cash settlement	12	5 845	1 351
Subordinated loans	28	14 581	13 548
Borrowings	28	646 686	711 419
Financial leasing liabilities	28, 32	168 856	198 167
Other non-current liabilities		3 292	691
Total non-current liabilities		**1 372 809**	**1 259 098**
Short-term loan	28	260 000	482 989
Current portion of long- term borrowings	28	79 000	85 295
Current portion of financial leasing liabilities	28, 32	41 726	37 383
Accounts payable		253 305	233 443
Accrued salary expense and public tax payable		25 104	13 869
Derivatives and other financial instruments	15	1 605	9 672
Other current liabilities	31	41 674	72 400
Total current liabilities		**702 414**	**935 051**
Total liabilities		**2 075 223**	**2 194 149**
Total equity and liabilities		**4 057 628**	**3 568 570**

Bergen, April 4th 2011
Grieg Seafood ASA

Per Grieg jr.
Chairman

Anne-Grete Ellingsen
Vice Chairman

Terje Ramm
Member of the Board

Harald Ingebrikt Volden
Member of the Board

Wenche Kjølås
Member of the Board

Morten Vike
CEO

CHANGE IN EQUITY GRIEG SEAFOOD ASA

Figures in NOK 1 000	Share capital	Share premium reserve	Other equtiy	Other equity currency translation	Retained earnings	Total equity
Equity as at 31.12.2008	**306 048**	**621 550**	**531**	**474**	**-**	**928 603**
PROFIT FOR THE YEAR 2009	-	-	-	-	230 873	230 873
Translation effects foreign subsidiaries	-	-	-	-21 360	-	-21 360
Other comprehensive income	**-**	**-**	**-**	**-21 360**	**-**	**-21 360**
Total comprehensive income for 2009	**-**	**-**	**-**	**-21 360**	**230 873**	**209 513**
New equity from cash contributions	40 600	98 455	-		-	139 055
Conversion of bonds into shares	100 000	-	-		-	100 000
Expenses related to share issues (net of tax)	-	-3 371	-		-	-3 371
Effect of share-based compensation			621			621
Total equity from shareholders in 2009	**140 600**	**95 084**	**621**	**-**	**-**	**236 305**
Total change of equity in 2009	**140 600**	**95 084**	**621**	**-21 360**	**230 873**	**445 818**
Equity as at 31.12.2009	**446 648**	**716 634**	**1 152**	**-20 886**	**230 873**	**1 374 421**
PROFIT FOR THE YEAR 2010	-	-	-		631 039	631 039
Translation effects foreign subsidiaries	-	-	-	4 476		4 476
Other gains and losses	-	-			-24	-24
Other comprehensive income	**-**	**-**	**-**	**4 476**	**-24**	**4 452**
Total comprehensive income for 2010	**-**	**-**	**-**	**4 476**	**631 015**	**635 491**
Dividend for 2009	-	-	-		-27 916	-27 916
Effect of share-based compensation	-	-	409		-	409
Reduction in share premium reserve transferred to distributable equity		-716 634			716 634	-
Total equity from shareholders in 2010	**-**	**-716 634**	**409**	**-**	**688 718**	**-27 507**
Total change in equity in 2010	**-**	**-716 634**	**409**	**4 476**	**1 319 733**	**607 984**
Equity as at 31.12.2010	**446 648**	**-**	**1 561**	**-16 410**	**1 550 606**	**1 982 405**

CONSOLIDATED CASH FLOW STATEMENT GRIEG SEAFOOD ASA

Figures in NOK 1 000	**2010**	**2009**
Profit before tax	857 766	317 513
Fair value adjustment of biological assets	-207 629	-115 276
Taxes paid for period	-33 973	-
Cost of share options/gain on shares posted to equity	409	-
Ordinary depreciation	119 574	121 582
Reversal/write down of tangible and intangible fixed assets	-72 385	-
(Gain)/loss related to disposal of fixed assets	763	-80
(Gain)/loss on derivatives at fair value	12 283	-119 900
Share of profit from associated companies and jointly controlled activities	-12 337	-1 985
Interest expense	51 213	83 732
Change in inventories and biological assets	1 420	-226 619
Change in accounts receivable and other receivables	-77 298	-30 176
Change in accounts payable	19 864	18 754
Change in net pension and options obligations	4 618	-883
Currency translation on borrowings	-66 228	-64 490
Change in other accruals	-3 329	85 020
Net cash flow from operations	**594 731**	**67 192**
Proceeds from sale of fixed assets	2 661	5 658
Dividend income	15	15
Purchase of tangible assets	-206 575	-166 938
Purchase of intangible assets	-35 229	-98
Purchase of shares in subsidiaries	-13 021	-
Purchase of shares in associated companies and jointly controlled activities	-7 500	-
Change in other non-current receivables	-3 111	-460
Currency translation differences	-	-
Net cash flow from investment activities	**-262 760**	**-161 823**
Change in short-term interest bearing debt	-222 989	14 546
Drawdown of long-term interest bearing debt	-	5 301
Repayment of long-term interest bearing debt and leasing	-27 564	-
Interest expense	-51 213	-87 632
Dividends paid	-27 916	-
Share issues	-	235 684
Net cash flow from financing activities	**-329 682**	**167 899**
Net change in cash and cash equivalents	**2 289**	**73 269**
Cash and cash equivalents at 01.01	**139 778**	**68 146**
Currency gains/losses on opening cash balances	**1 660**	**-1 637**
Cash and cash equivalents at 31.12	**143 727**	**139 778**

NOTE 1

General information

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

The consolidated accounts were approved by the Board of Directors on 4th April 2011.

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

All amounts in the notes are in NOK thousands, unless stated otherwise.

NOTE 2

Accounting policies

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

BASIS OF PREPARATION

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

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

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

a) New and amended standards adopted by the group but as yet without any impact on the accounts

- IFRS 3 Business Combinations (revised) and related amendments in IAS 27 Consolidated and separate financial statements, IAS 28 Investments in associates, and IAS 31 Interests in Joint Ventures are applied to merged activities with the acquisition date after 1 January 2010.
- IAS 27 Consolidated and separate financial statements (revised) requires that all transactions with none-controlling owners be recognised in equity when there is no change of control. Such transactions will no longer result in goodwill or gains or losses. When control ends, any remaining owner interest shall be measured at fair value and the gain or loss shall be recognised through profit or loss. IAS 27 (revised) has no impact on the accounts since none of the non-controling owner interests have a negative value in the balance sheet, there have been no transactions where an entity is still owned after loss of control, and there have been no transactions with non-controlling owners.
- IFRIC 17 Distribution of Non-cash Assets to Owners. This interpretation regulates the accounting treatment of distributions of defined non-cash assets to the owners. IFRS 5 has also been amended with the effect that assets to be distributed are classified as "held for distribution" only when they are available for sale in their present conditions, and distribution is very likely.
- IFRIC 18 Transfers of Assets from Customers gives guidance on the accounting treatment of property, plant and equipment received from a customer and which is to be used to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services (such as electricity, gas and water). In some cases cash is received from the customer which must be used to acquire or adapt property, plant or machinery , which in turn will connect the customer to a network or to provide the customer with ongoing access to a supply of goods and/or services.
- IFRIC 9 Reassessment of embedded derivates (eamended) and IAS 39 Financial instruments: Recognition and measurement. The amendment in IFRIC 9 requires an assessment be made to consider whether an embedded derivative should be separated from the host contract when there is reclassification of a financial asset instrument which is a host contract for an embedded derivative from the category at fair vale through profit or loss. This assessment shall be made on the basis of the conditions that existed a) at the date the entity first became a party to the contract or b) here was a subsequent change in terms of the contract that significantly modified the cash flows. If reliable measurement is not possible, no reclassification can be carried out.
- IFRIC 16 Hedges of a net investment in a foreign operation (amended). The amendment clarifies that in relation to hedging of a net investment in a foreign operation, the hedging instruments may be held by any entity of the group, including the foreign operation, as long as the requirements concerning designation, documentation and the effectiveness of net investments in IAS 39 are met. The group must provide clear documentation of the hedging strategy since designation practice may vary at different levels within the group.
- IAS 38 Intangible Assets (amended). Clarifies the requirements concerning measurement of fair value of intangible assets acquired through a merger of entities. Provides scope for intangibe assets with the same economic lifetime in certain cases to be treated as a single entity.
- IAS 1 Presentation of Financial Statements (revised). The amendment underlines that the potential settlement of an obligaction through the issue of equity has significance for classification as a short-term or long-term obligation. The amendment allows an obligation to be classified as long-term (given that the entity has an unconditional right to defer settlement by transferring cash or other assets at least 12 months after year-end) despite the fact that the counterparty is entitled to demand at ant time that the entity must settle the obligation by issuing shares.'
- IAS 36 Impairment. The amendment makes it clear that the largest cash-generating unit (or groups of units) to which goodwill is to be allocated through testing for impaired value is an operating segment as defined in paragraph 5 of IFRS 8 Operating segments (for example before aggregating segments with the same economic characteristics such as are referred to in IFRS 8, paragraph 12).
- IFRS 2 (amended) Group cash-settled share-based payment. As well as incorporating IFRIC 8, 'Scope of Ifric 2' and IFRIC 11 IFRS 2 - Group and treasury share transactions, the amendment means an extension of the guidance given in IFRIC 11 on the accounting treatment of share-based remuneration in a group context.
- IFRS 5 (amended) Non-current assets held for sale and discontinued operations. Makes it clear that IFRS 5 and IAS 1 define the requirement for additional information about non-current assets held for sale and discontinued operations.
- IFRIC 9 Reassessment of embedded derivates (amended) and IAS 39 Financial instruments: Recognition and measurement. The amendment of IFRIC 9 requires that an assessment be made to consider whether an embedded derivative should be separated from the host contract when there is a reclassification of a financial asset instrument which is a host contract for an embedded derivative from this categry to fair value through profit or loss. The assessment is made on the basis of the conditions which existed : a) when the entity first became a party to the contract, and b) the point when ammendment of the contract conditions significantly modifies the cash flow. The latter of a) and b) applies. If reliable measurement cannot be carried out, reclassification cannot take place.
- IFRIC 16 Hedges of a net investment in a foreign operation (amended). The amendment makes it clear that in hedging a net investment in a foreign operation the hedging instruments can be held by any entity within the group, including the foreign entity, as long as the requirements concerning designation, documentation and effectiveness of net investments as set out in IAS 39 are met. The group must clearly document its hedging strategy since designation may vary at different levels within the group.
- IAS 38 Intangible Assets (amended). Clarifies the requirements relating to measurement of fair value of intangible assets acquired through business combinations. Offers scope for intangible assets with the same economic lifetime, in some cases, to be dealt with as a single asset.
- IAS 1 Presentation of Financial Statements (revised). The amendment

NOTE 2 (CONT.)

Accounting policies

underlines that a potential settlement of a liability through the issue of equity has no significance for classification as a current or non-current liability. The amendment allows a liability to be classified as non-current (given that the the entity has an unconditional right to defer settlement by transferring cash or other assets at least 12 months after the balance sheet date), despite the fact that the counterparty may at any time require the entity to settle in shares .

b) **Standards, amendments and interpretations of existing standards that have not taken effect and where the group has not chosen early implementation.**

In the annual accounts for 2011 and/or later the following standards, amendments and interpretations of existing standards that has been issued will be obligatory. The group has not chosen early implementation of any of these items.

- IFRS 9, Financial Instruments (applies to annual accounts which start on or after 1 January 2013)
- IAS 24 Related Party Disclosures (revisedt) (applies to annual accounts which start on or after 1 January 2011).
- IAS 32 (revised) Classification of right issues. (applies to annual accounts which start after 1 February 2010
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (applies to annual accounts which start after 1 July 2010).
- IFRIC 14 Prepayments of a minimum funding requirement (amendment)

Various standards in the 2010 round of annual improvements. The amendments include a number of minor changes in standars and interpretations that may be relevant for the company: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13. The amendments to IFRS 3 and IAS 27 apply to accounts which start on or after 1 July 2010, while the other amendments apply to accounting years which start on or after 1 January 2011.

CONSOLIDATION SUBSIDIARIES

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

The purchase method of accounting is used for business mergers. 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 assumed in a business combination and which are charged as they arise. Identiifiable assets and 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.

If the total of the consideration, the recorded value of minority interests and fair value of previous owner interests at the date of acquisition exceed the fair value of identifiable net assets in the acquired entity, the difference is recorded as goodwill . If the cost of acquisition is less than the fair value of the net assets of the entity acquired, the difference is recognised directly in the income statement.

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

TRANSACTIONS WITH NON-CONTROLLING OWNERS

Transactions with non-controlling owners of subsidiaries are regarded as equity transactions. On the purchase of 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.

When the group no longer has control, any remaining owner interest is measured at fair value and the difference is recorded through profit or loss. Thereafter, for accounting purposes fair value is the acquisition cost either as an investment in an associated company, jointly controlled entity or a financial asset. Amounts which were previously recorded in an extended 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 which were previously recorded in an extended income statement are reclassified as part of the income statement.

ASSOCIATED COMPANIES

Associated companies are entities over which the group has significant influence, but not control. Significant influence is deemed to exist for investments where the group has between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost, and thereafter the equity method of accounting is used. The amount recorded in the balance sheet includes implicit goodwill identified at the date of purchase, reduced by any subsequent impairment 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 extended results of the associated company is entered in the group's extended 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 group's share of unrealised gains on transactions between the group and its associates is eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the group. Gains and losses on dilution of assets of associated companies are posted in the income statement.

JOINTLY CONTROLLED ENTITIES

A jointly controlled entity is an economic entity regulated by agreement between one or more participants, and whereby the the participants have joint control of the activity in accordance with the definition in IAS 31. For accounting purposes, the group's participation in jointly controlled entities is based on the equity method.

AMENDMENT OF ACCOUNTING POLICIES

As a consequence of the revised standard for consolidated and separate financial statements (IAS27 revised), the group has changed its accounting policies for transactions with non-controlling interests and accounting practice in connection with loss of control or significant influence with effect from 1 January 2010. The amendments to IAS 27 were adopted with consequential changes in IAS 28 Investments in associated companies and IAS 31 Shares in jointly controlled entities.
Grieg Seafood ASA has implemented the new accounting policies for transactions with effect from and including 1 January 2010, but there were no transactions in 2010 where this has found application. No amounts previously entered in the accounts have been changed.

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

GROUP COMPANIES

The 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 expenses for each income statement are translated at average exchange rates for the period (unless this average is not a reasonable estimate of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions).

(iii) translation differences are recorded in equity and are specified separately.

When a foreign operation is sold, exchange differences that were recorded in equity

NOTE 2 (CONT.)

Accounting policies

are recognised in the income statement as part of the gain or loss on sale.

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 items. 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 13-33 years
– Machinery 3-10 years
– Vessels and barges 5-20 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 asset's 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 included in 'intangible assets'. Goodwill on the acquisition of a subsidiary 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.

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

OTHER INTANGIBLE ASSETS

Acquired customer portfolios and computer software licenses 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 their estimated useful lives, as follows:
- Customer portfolios 6 years
- Computer software 3 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

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. Management determines the classification of its financial assets on acquisition and re-evaluates this designation at every reporting date.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are 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 year-end 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 interest or principal 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.

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.

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 Investments 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.

DERIVATIVES AND HEDGING

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'.

INVENTORIES

NOTE 2 (CONT.)

Accounting policies

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price, 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.

Fish in the sea with a round weight above 4 kg at year-end are considered as mature fish ready for harvest. For weight categories above 4 kg round weight there exists an active market for gutted fish. As gutted fish for these weight categories are considered as similar assets, fair value is calculated based on the market price for gutted fish. The fair value adjustment is based on the weighted average of market prices in week 53 in 2010 and week 1 in 2011. The market price used is an average of offer prices for the various weight categories for fish above 4 kg round weight. The price is adjusted for quality differences (superior, ordinary and prod.) and for freight. Further, estimated gutting expenses are subtracted. This applies in regions where a market price is available. In other regions, the achieved historical price is used.

For fish in sea at the balance sheet date with a round weight below 4 kg, the company considers that there is no active market for gutted fish in these weight categories. Further, the company considers that fish with a round weight below 4 kg are not commercially ready for harvesting, i.e. they are immature. Hence, fair value for immature fish is calculated on the basis of market prices for mature fish. Immature fish in the sea have the potential to grow to mature sizes, which normally brings the average production cost per kg below levels for immature fish. Further, gutting expenses per kg for mature fish are lower compared with immature fish. These considerations are reflected in the company's assessment of the fair value of immature fish.

ACCOUNTS RECEIVABLE

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of 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 amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the 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 includes 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 are shown in equity as a deduction, net of tax, from the proceeds.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost 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 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 is recognised 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

Until 30 June 2009 the pension obligations of Grieg Seafood ASA were based on a defined benefits scheme. This scheme was discontinued with settlement of the net liability. The net cost of discontinung the scheme was posted in the income statement.

Effective from 1 July 2009 Grieg Seafood ASA established a defined contribution based pension scheme for all employees. 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 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 assumtions 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 aready 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 limited share-based management remuneration plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be charged over the vesting period is 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 equity. The Black and Scholes option pricing model is used for valuation.

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

TRANSACTIONS UNDER JOINT CONTROL

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

CASH-BASED REMUNERATION

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

TERMINATION BENEFITS

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

PROFIT-SHARING AND BONUS PLANS

The group recognises a provision where 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

NOTE 2 (CONT.)

Accounting policies

termination payments. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax 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. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intra- group sales. Revenue is recognised as follows:

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

BIOLOGICAL ASSETS

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

INTEREST INCOME

Interest income is recognised propotionately 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 is recognised when the right to receive payment is established.

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 expense 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 ech 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 Annual General Meeting.

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:
(i) possible obligations resulting from past events whose existence depends on future events
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources
(iii) 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

FINANCIAL RISK FACTORS

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

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

MARKET RISK

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian dollar, US dollar, Pound sterling and Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations. Foreign exchange risk also arises from forward exchange rate contracts which do not qualify for hedge accounting. The Group's forward exchange rate contracts had been terminated by year-end.

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

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

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

10% AGAINST US DOLLAR:	
Long term debt	-
Cash	-6,15
Net effect on profit before tax	**-6,15**
10% AGAINST EURO:	
Cash	-1,19
Net effect on profit before tax	**-1,19**
10% AGAINST UK POUND:	
Long term debt	34,46
Cash	-0,03
Net effect on profit before tax	**34,43**
Equity effect when consolidating foreign subsidiaries:	-13,2
10% AGAINST CANADIAN DOLLAR:	
Long term debt	19,96
Cash	0,08
Net effect on profit before tax	**20,04**
Equity effect when consolidating foreign subsidiaries:	-18,6

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

(ii)Cash flow and fair value interest rate risk

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

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

The result of the calculation on sensitivities returns the following expected values:

- If interest is increased by 1.0 % on the interest-bearing debt as of 31.12.2010, the effect will be an increase in financing costs of NOK 13m.

(iii) Price risk

The group is exposed to commodity price risk related to financial salmon price contracts. During 2010 and at year-end , the contracts were immaterial. See note 15.

CREDIT RISK

The Group has procedures to ensure that sales of products are made only to customers with satisfactory creditworthiness. Normally the company sells only based upon letters of credit or payments in advance for new customers. Credit insurance is used when deemed appropriate. For customers with a reliable track record in the group, sales within certain agreed-upon levels are done without any security.

Accounts receivables in Canada totalling NOK 42.4m relate to customers with a satisfactory payment history. Accounts receivables in the UK and Norway totalling NOK 61.7 relate to customers of whom 80% have credit insurance while the remainder have a satisfactory payment history.

LIQUIDITY RISK

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

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

FAIR VALUE ESTIMATION

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

(ii) The nominal value less write-downs for realised losses on trade receivables and payables are assumed to approximate the fair value of these items. The fair value of financial liabilities is assumed to be close to the booked value, as they nearly all carry a floating interst rate.

iii) Fish in sea is stated at estimated fair value. As a result, the value of biological inventories will probably vary more than the value of inventory based on cost. The fair value varies for several 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 Atlantic salmon and trout at 31.12.10 shows the following impact on the Group's operating result before tax (NOK million):

Price reduction per kg	NOK 1	NOK 2	NOK 5
Reduced operating result before tax	- 77.9	- 102.6	- 180.9

NOTE 4

Critical accounting estimates and judgements

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

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

Biological assets
The fair value assessment of biological assets includes several estimates. For both commercially harvestable fish and immature fish average market prices for week 52 in 2010 and week 1 in 2011 are used. These market prices usually fluctuate significantly during the growth period of the fish.

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

Accounts receivable
Accounting for receivables requires the use of judgmental estimates for the quantification of provision for bad debt. Provisions are made when the receivable has matured or the customer's financial situation has deteriorated, given that repayment of the balances is considered uncertain.

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

NOTE 5

Declaration on determination of salary and benefits to senior employees

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

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

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

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

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

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

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

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

A synthetic options scheme for the company's senior management group was introduced as a continuation of the options scheme for 2007. The synthetic options scheme requires the participant's direct share ownership for the entire duration of the programme. Those entitled to the options are obliged to use 50% of the net gain from the scheme to purchase shares until the share ownership has a value corresponding to 50% of the fixed annual salary. The gain on the synthetic options scheme cannot exceed 12 months' salary per participant per year. The synthetic options scheme correspond to a total of 1,072,000 shares. The exercise price is NOK 7.83 per share, plus 0.5% for each month and each month started (from June 2009) and adjusted for dividends paid duirng the period. The CEO has a total of 300,000 synthetic options under this scheme. The first exercise date for half of the synthetic options allocated is May 2010, and the remainder 12 months later. In connection with changes in the senior management group, a new employees has been allocated options at an exercise price of NOK 16.50 per share. The last time the options can be exercised is in September 2014.

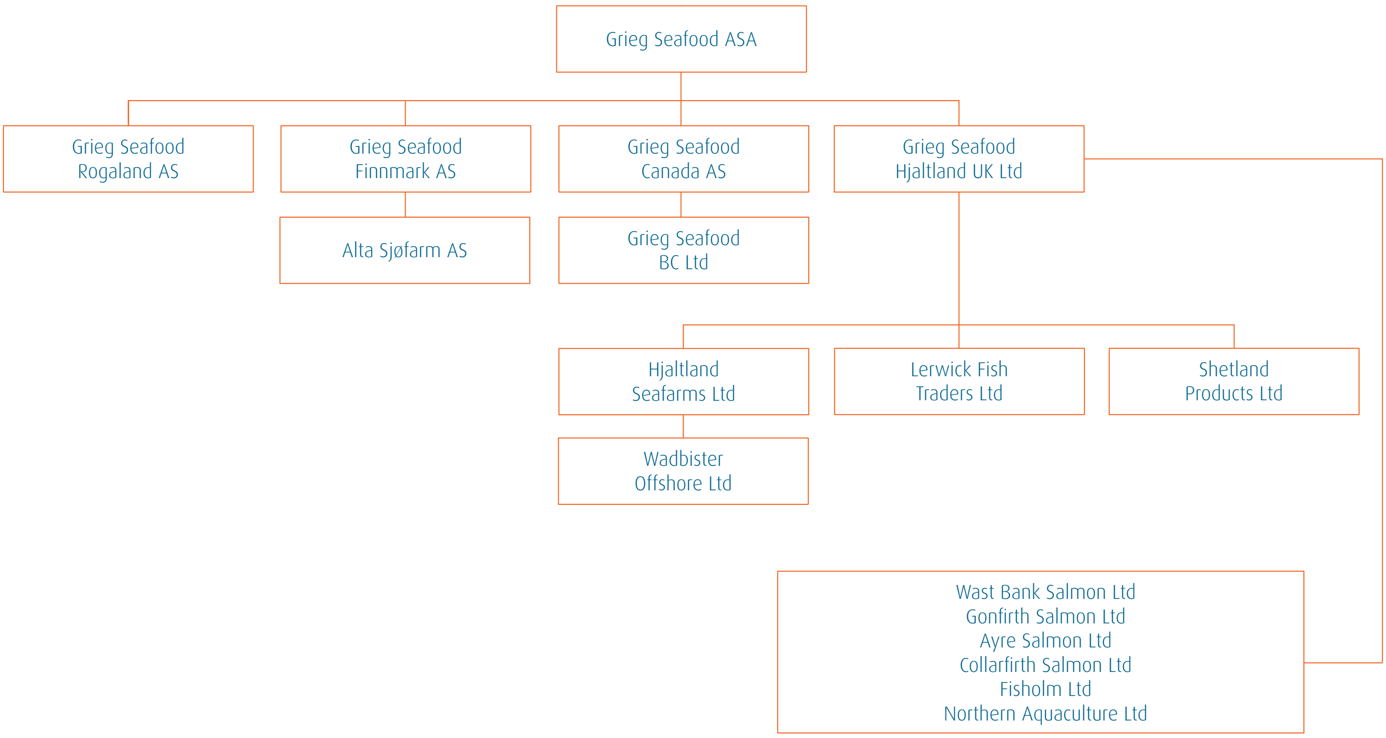
For information about remuneration to the Group management, please refer to note 11.

NOTE 6

Group companies

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

COMPANY	Country	Parent company	Ownership %
Grieg Seafood Rogaland AS	Norway	Grieg Seafood ASA	100%
Grieg Seafood Finnmark AS	Norway	Grieg Seafood ASA	100%
Alta Sjøfarm AS	Norway	Grieg Seafood Finnmark AS	100%
Grieg Seafood Canada AS	Norway	Grieg Seafood ASA	100%
Grieg Seafood B.C. Ltd	Canada	Grieg Seafood Canada AS	100%
Grieg Seafood Hjaltland UK Ltd	UK	Grieg Seafood ASA	100%
Hjaltland Seafarms Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Wadbister Offshore Ltd	UK	Hjaltland Seafarms Ltd	100%
Lerwick Fish Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Shetland Products Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Wast Bank Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Gonfirth Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Ayre Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Collarfirth Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Fisholm Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Northern Aquaculture Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%



NOTE 7

Significant acquisitions

Figures in NOK 1 000

On 16 April 2010 Grieg Seafood Hjaltland Ltd acquired Northern Aquaculture Ltd . The purchase price was GBP 1.1m. As part of the transaction, leased equipment was taken over with an outstanding lease debt of GBP 0.7m. Northern Aquaculture Ltd. has 4 licences where Grieg Seafood has had contract production in two of the locations since spring 2009. Excess value has been allocated to intangible assets in the acquisition analysis. The book value was considered to be the best assessment of the fair value of liabilities. A provision for deferred tax has been made at nominal value for excess value related to the licences. In view of the relatively modest size of the acquired business, no analysis of excess value is provided, nor have pro forma figures been drawn up for this acquisition.

There were no acquisitions in 2009.

The group's acquisition of operations	Acquisition date	Owner share	Excess value goodwill	Excess values intangibles	Excess values tangible assets	Excess values biological assets	Deferred tax on excess values	Book value of equity at acquisition date	Acquisition cost
2009									
Acquisition cost 01.01.2009	-	-	120 141	484 085	77 231	6 699	-165 972	522 207	1 038 409
There were no additions or disposals of subsidiaries in 2009									
Acquisition cost 31.12.2009	**-**	**-**	**120 141**	**484 085**	**77 231**	**6 699**	**-165 972**	**522 207**	**1 038 409**
2010									
Northern Aquaculture Ltd	16.04.2010	100 %	2 846	10 175	-	-	-2 846	-	10 175
Acquisition cost 31.12.2010			**122 987**	**494 260**	**77 231**	**6 699**	**-168 818**	**522 207**	**1 048 584**
Acc. depreciation at 01.01.2009			-89 603	-76 487	-35 442	-6 699	40 126		
Depreciations of excess value in 200			-	-1 314	-6 217	-	2 124		
Depreciations of excess value in 2010			-	-1 314	-6 217	-	2 108		
Reversal of previous impairment in 2010 (GSF Finnmark AS)			-	72 385	-	-	-20 268		
Accumulated depreciation at 31.12.10			-89 603	-6 730	-47 876	-6 699	24 090		
Book value at 31.12.2010			**33 384**	**487 530**	**29 355**	**-**	**-144 728**		

ORDINARY DEPRECIATION FOR THE YEAR

Depreciation period				0 - 6 years	3-15 years				
Depreciation plan				linear	linear				

NOTE 8

Post balance-sheet events

ACQUISITION OF ERFJORD STAMFISK AS

In January 2011 Grieg Seafood entered into an agreement to purchase the remaining 51.3% shareholding in Erfjord Stamfisk AS , and thus owns 100% of the company.

Erfjord Stamfisk AS has 3 licences for the production of breeding stock and 1 R&D licence. The last two breeding stock licence were awarded in 2010. Erfjord Stamfisk AS owns 27.5% of SalmoBreed a producer of genetic material and breeding stock, and 34% of the breeding stock producer Salten Stamfisk in Nordland.

In 2010 Erfjord Stamfisk sold approximately 68 million grains of roe in the Norwegian market. The total harvested volume was 1 800 tons. In 2010 the company had an operating profit of NOK 23m. The purchase price for the shares was NOK 45m. In addition, the company had net interest-bearingdebt of NOK 25m.

From the first quarter of 2011 Erfjord Stamfisk AS will be be part of region Rogaland for reporting purposes.

INVESTIGATION OF FISH ESCAPES IN 2010

In March 2011 the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM) carried out a search of the group's premises in Finnmark. This was done because of a possible breach of the Aquaculture Act in connection with 3 instances of fish escapes in the first half of 2010. Grieg Seafood Finnmark AS reported two such instances during the course of the year, and the authorities suspect that a third escape took place from the company's plant in Finnmark. Grieg Seafood Finnmark AS has not found any deviation in this matter but is cooperating with Økokrim to uncover all necessary information.

NOTE 9

Income

Figures in NOK 1 000

Operating income comprises:	**2010**	**2009**
Sale of goods	2 439 754	1 601 097
Insurance settlement *)	6 736	11 522
Other operating income**)	10 161	8 746
Gain on sale of fixed assets	-	798
Loss on sale of fixed assets	-763	-718
Total operating income	**2 455 888**	**1 621 445**

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

**) Other income is rental income and other income that does not relate directly to the sale of goods.

NOTE 10

Segmentinformasjon

Tall i NOK 1 000

The operating segments are identified on the basis of the reports used by the group management (highest decision-making body) to assess performance and profitability at strategic level.

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

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

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

The group's customers are divided into different geographical markets . In the first 10 months of 2010 sales from Finnmark and Rogaland were channelled through a joint sales organisation which was established in Finnmark. Since November 2010 Ocean Quality AS has been established as a sales company in cooperation with Bremnes Fryseri AS. Grieg Seafood ASA owns 60% of Ocean Quality AS. (See note 16 for more information.) Norway is therefore shown as a single entity in relation to the geographical market. UK and BC sell through their own sales departments and distributors.

GEOGRAPHICAL MARKET	UK	Norway	BC	Total 2010	%	Total 2009	%
EU	228 181	826 871	3 005	1 058 058	43 %	874 708	54 %
UK	243 516	34 821	-	278 336	11 %	286 054	18 %
USA	168 352	-	427 926	596 278	24 %	338 334	21 %
Canada	11 954	-	114 025	125 979	5 %	99 123	6 %
Russia	-	350 566	-	350 566	14 %	-	0 %
Other markets	8 275	19 665	9 333	37 272	2 %	14 400	1 %
Total	**660 278**	**1 231 922**	**554 290**	**2 446 490**	**100 %**	**1 612 619**	**100 %**

Segment information provided to the group management for de reportable segments is as follows:

GEOGRAPHICAL SEGMENTS	Norway				Canada		UK		Others/		Total	
	Rogaland		Finmark		BC		Shetland		eliminations			
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
External operating revenues	117 487	113 863	1 114 435	707 130	554 290	382 978	660 278	408 648	-	-	2 446 490	1 612 619
Internal revenues	366 272	260 777	-	-	-	-	-	-	-366 272	-260 777	-	-
Total operating revenues	**483 759**	**374 640**	**707 130**	**707 130**	**554 290**	**382 978**	**660 279**	**408 648**	**-366 272**	**-260 777**	**2 446 490**	**1 612 619**
Other income	-1 151	4 185	3 101	3 230	-761	-686	7 748	1 477	461	619	9 398	8 825
Operating expenses before depreciation	325 879	290 273	873 849	619 249	461 299	303 516	447 819	382 004	-339 901	-248 327	1 768 945	1 345 960
EBIT before depreciation	**156 729**	**88 552**	**243 687**	**91 111**	**92 230**	**78 776**	**220 207**	**28 121**	**-25 910**	**-11 454**	**686 944**	**275 484**
Depreciation and amortisation	25 716	23 122	27 520	22 458	23 080	42 149	41 595	32 536	1 663	1 317	119 574	121 582
Adjusted EBIT before fair value adjust and impairment	**131 013**	**65 430**	**216 167**	**68 653**	**69 150**	**36 627**	**178 612**	**-4 415**	**-27 573**	**-12 771**	**567 369**	**153 902**
Assets (excluding associates)	726 155	653 588	1 227 908	1 025 829	753 962	682 223	1 084 504	1 125 711	231 644	67 600	4 024 172	3 554 951
Associates	5 902	-	1 965	-	-	-	-	-	25 589	13 619	33 456	13 619
Consolidated total assets	**732 057**	**653 588**	**1 229 873**	**1 025 829**	**753 962**	**682 223**	**1 084 504**	**1 125 711**	**257 233**	**81 219**	**4 057 628**	**3 568 570**
Liabilities	416 380	452 428	721 761	760 323	429 135	465 661	692 815	677 815	-184 433	-162 078	2 075 223	2 194 149
Consolidated total liabilities	**416 380**	**452 428**	**721 761**	**760 323**	**429 135**	**465 661**	**692 380**	**677 815**	**-184 433**	**-162 078**	**2 075 223**	**2 194 149**

ADJUSTED OPERATING PROFIT FOR REPORTABLE SEGMENTS	2010	2009
Adjusted EBIT before fair value adjust and impairment	567 369	153 902
Reversal, Grieg Seafood Finnmark AS (see note 19)	72 385	-
Fair value adjustment of biological assets	207 629	115 276
Operating profit	**847 383**	**269 178**
Net financial items (for specification, see note 14 and 16)	10 383	48 335
Profit before tax	**857 766**	**317 513**
Estimated tax	-226 727	-86 640
Profit for the year	**631 039**	**230 873**

NOTE 11

Payroll, fees, no. of employees etc.

Figures in NOK 1 000

	Note	2010	2009
Wages and salaries		205 010	166 808
Social security costs		13 034	11 335
Share options granted to directors and employees	12	5 661	2 235
Pension costs - defined contribution plans		2 164	956
Pension costs - defined benefit plans		819	-2 423
Other personnel costs		11 721	14 389
Total		**238 409**	**193 300**
Average number of employees		578	529

The board's guidelines and principles for determination of salary and other remuneration to key employees are detained in note 5.
As at 31.12.2010 loans to group employees totalled NOK T496, of which TNOK 306 was secured by mortgage. The loans are provided at market rates.
Accumulated costs related to salaries, pension costs and other remuneration to the CEO, CFO and Board members in 2010

REMUNERATION TO THE COMPANY'S OFFICERS IN 2010 IN NOK	Salary	Bonus	Options exercised during the year	Pension costs	Other remuneration	Total
Morten Vike (CEO)	2 430	347	-	65	152	2 994
Atle Harald Sandtorv (CFO)	1 174	-	213	69	26	1 482
Total remuneration						**4 476**
Board members						
Per Grieg jr. 1)					310	310
Anne-Grete Ellingsen 1)					210	210
Terje Ramm 2)					170	170
Wenche Kjølås 2)					170	170
Harald Volden					150	150
Total board remuneration						**1 010**

1) Included in payment to Per Grieg jr. and Anne-Grethe Ellingsen is NOK 10 000 paid as remuneration for work done in the Remuneration Committee.
2) Included in payment to Terje Ramm and Wenche Kjølås is NOK 20 000 paid as remuneration for work done in the Audit Committee.

REMUNERATION TO THE COMPANY'S OFFICERS IN 2009 IN NOK	Salary	Bonus	Options exercised during the year	Pension costs	Other remuneration	Total
Morten Vike (CEO)	2 239	-	-	-	166	2 405
Ivar Kvangardsnes (COO) frem til 30.11.2009	1 329	-	-	5	10	1 344
Eirik Bloch Haugland (CFO) frem til 01.08.2009	1 026	-	-	10	5	1 041
Atle Harald Sandtorv (CFO) fra 01.12.2009	98	-	-	-	-	98
Total remuneration						**4 888**
Board members						
Per Grieg jr. from 20.05.2009					175	175
Anne-Grete Ellingsen					182	182
Terje Ramm					151	151
Wenche Kjølås from 20.05.2009					88	88
Harald Volden					176	176
Helge Nielsen until 20.05.2009					125	125
Siri Hamnvik until 20.05.2009					63	63
Total board remuneration						**960**

SPECIFICATION OF AUDITORS' FEES	2010	2009
Audit fees		
Group auditor	1 762	2 329
Other auditors	598	529
Other assurance services		
Group auditor *)	101	146
Other auditors	-	-
Tax advice		
Group auditor	119	126
Other auditors	196	82
Other services		
Group auditor	611	465
Other auditors	30	114
Total group auditor	**2 593**	**3 066**
Total other auditors	**824**	**725**
Total	**3 417**	**3 791**

*) TNOK 122 of total costs in 2009 relates to a share issue. The cost has been debited to equity as an issue cost.

NOTE 12

Share and cash-based payment

The company has issued options to the management group and regional managers. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. The equity options were granted in the period from 29.06.2007 until 01.06.2008 with expiry dates from 29.06.2010 until 27.02.2012. At 31.12.2010 there were no equity options available for exercise. From 2009 the company has issued options with cash settlement to the management group and regional directors. These options were granted on 06.05.2009 with expiry date on 06.05.2011. New employees is subsequently taken on have been allocated options on the commencement of employment. The last option matures on 13.09.2014. The options have 2 years' duration, where 50% is vested each year.

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

OVERVIEW 2009	Option category	Outstanding options 31.12.2008	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2009	Of which cash- settled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	-
Ivar Kvangardsnes (COO until 01.12.09)	Options	200 000	-	-	-	200 000	-	-
Eirik Bloch Haugland (CFO until 01.11.09)	Options	200 000				200 000	-	-
Morten Vike (CEO)	Cash settlement	-	300 000	-	-	-	300 000	300 000
Atle Harald Santorv (CFO from 01.12.09)	Cash settlement	-	200 000	-	-	-	200 000	200 000
Others	Cash settlement	-	800 000		-	-	800 000	800 000
Others	Options	700 000	-	-	200 000	-	500 000	
Total		**1 400 000**	**1 300 000**	**-**	**200 000**	**400 000**	**2 100 000**	**1 300 000**

OVERVIEW 2010	Option category	Outstanding options 31.12.2009	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2010	Of which cash- settled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	-
Morten Vike (CEO)	Cash settlement	300 000	-	-	-	-	300 000	300 000
Atle Harald Santorv (CFO)	Cash settlement	200 000	-	33 000	-	-	167 000	167 000
Others	Cash settlement	800 000	100 000	194 116	100 000	-	605 884	605 884
Others	Options	500 000	-	-		500 000	-	-
Total		**2 100 000**	**100 000**	**227 116**	**100 000**	**500 000**	**1 372 884**	**1 072 884**

	31.12.2010	31.12.2009
Vested options	-	800 000
Weighted average remaining contractual life options	1,16	1,14
Cash settled available for vesting	422 884	-
Weighted average remaining contractual life options	2,12	1,43

2009	Option category	Quoted price on allotment	Calculated value per option on allotment	Calculated total value on allot- ment *)	Accrued cost 2009 *)	Accrue cost 2008 *)	Accumu- lated cost debited to equity at 31.12.2009	Booked obligation for cash option at 31.12.2009
Morten Vike (CEO)	Options	13,20	3,74	1 123	409	240	650	-
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	411	-	-	411
Ivar Kvangardsnes (COO frem til 01.12.09)	Options	23,00	5,86	1 173	144	582	1 173	-
Eirik Bloch Haugland (CFO frem til 01.11.09)	Options	23,00	5,86	1 173	144	582	1 173	-
Atle Harald Sandtorv (CFO fra 01.12.09)	Cash settlement	10,76	3,40	680	23	-	-	23
Others	Cash settlement	7,83	3,81	3 047	918	-	-	918
Others	Options	23,00	5,72	4 005	-75	912	3 419	-
Total				12 343	1 973	2 316	6 415	1 351

NOTE 12 (CONT.)

Share and cash-based payment (cont.)

2010	Option category	Quoted price on allotment	Calculated value per option on allotment	Calculated total value on allot-ment *)	Acc. cost opening balance, equity and cash	Accrued cost 2010 *)	Acc. cost debited to equity at 31.12.2010	Booked obligation for cash option at 31.12.2010
Morten Vike (CEO)	Options	13,20	3,74	1 123	650	409	1 058	
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	411	1 858		2 268
Atle Harald Sandtorv (CFO)	Cash settlement	10,76	3,40	680	23	241	-	264
Former employees where option expired	Options	23,00	5,86	2 346	2 346		2 346	
Others	Cash settlement	7,83	3,81	3 047	918	2 110		3 028
Others	Options	23,00	5,72	4 005	3 419	-	3 419	
Options allotted in 2010 to new employees	Cash settlement	16,50	6,66	666	-	285		285
Total				**13 010**	**7 766**	**4 904**	**6 823**	**5 846**

*) The amounts are exclusive of employer's social security costs

	2009	2010	Classification in the accounts
The accrued cost is split as follows:	1 973	4 904	
Accrued cost - cash settlement	1 351	4 495	Other provisions for commitments
Accrued cost - options	621	409	Other paid-up equity
Total cost exclusive of employer's social security costs	1 973	4 904	
Social security costs	263	757	Public tax payable
Total cost including employer's social security costs	**2 236**	**5 661**	**Salaries and personnel expenses**

The cost of shares and cash-based payment , TNOK 5 661, is charged against income as a personnel cost. The accumulated cost from the date of allotment amounted to TNOK 13 688, including employer's social security costs. Employer's social security costs are provided for on an angoing basis based on the fair value of the options.

At 31.12.2010 outstanding options with the right to cash settlement were stated at TNOK 5 846 under "Other non-current liabilities". Options issued are cancelled on the termination of employment.

ESTIMATES USED IN THE CALCULATIONS	2010	2009
Anticipated volatility (%)	62,62	55,19
Risk-free rate of interest (%)	2,65	2,10
Estimated qualification period (years)	3,50	2,00

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 13

Financial instruments by category

Figures in NOK 1 000

31 DECEMBER 2010	Other financial liabilities at amortised cost	Financial instrumenta at fair value through profit and loss	Non-financial assets and liabilities	Total
	FINANCIAL ASSETS AND LIABILITIES			
Balance Sheet Assets				
Intangible assets	-	-	1 019 870	1 019 870
Operating assets	-	-	923 546	923 546
Shares in associated companies	-	-	33 456	33 456
Available-for-sale financial assets	-	557	-	557
Loan to associated and joint venture companies	3 449	-	-	3 449
Other short-term receivables	1 958	-	-	1 958
Current assets				
Inventories	-	-	58 409	58 409
Biological assets	-	-	1 564 041	1 564 041
Accounts receivable	265 350	-	-	265 350
Other receivables	43 265	-	-	43 265
Cash and cash equivalents	143 727	-	-	143 727
Total assets	**457 749**	**557**	**3 599 322**	**4 057 628**
Equity	-	-	1 982 405	1 982 405
Non-current liabilities				
Deferred tax	-	-	531 498	531 498
Non-current interest-bearing debt	815 542	-	-	815 542
Other non-current liabilities	17 873	5 845	2 051	25 769
Current liabilities				
Short-term interest-bearing debt	380 726	-	-	380 726
Supplier accounts payable	253 305	-	-	253 305
Other current liabilities	-	1 605	66 778	68 383
Total liability and equity	**1 467 446**	**7 450**	**2 562 732**	**4 057 628**

31 DECEMBER 2009	Other financial liabilities at amortised cost	Financial instrumenta at fair value through profit and loss	Non-financial assets and liabilities	Total
	FINANCIAL ASSETS AND LIABILITIES			
Balance Sheet Assets				
Intangible assets	-	-	911 501	911 501
Operating assets	-	-	819 110	819 110
Shares in associated companies	-	-	13 619	13 619
Available-for-sale financial assets	-	945	-	945
Loan to associated companies	1 923	-	-	1 923
Other short-term receivables	-	-	-	-
Current assets				
Inventories	-	-	49 180	49 180
Biological assets	-	-	1 367 061	1 367 061
Accounts receivable	188 052	-	-	188 052
Other receivables	57 051	20 350	-	77 401
Cash and cash equivalents	139 778	-	-	139 778
Total assets	**386 804**	**21 295**	**3 160 471**	**3 568 570**
Equity	-	-	1 374 421	1 374 421
Non-current liabilities				
Deferred tax	-	-	331 995	331 995
Non-current interest-bearing debt	909 586	-	-	909 586
Other non-current liabilities	14 239	1 351	1 927	17 517
Current liabilities				
Short-term interest-bearing debt	605 667	-	-	605 667
Supplier accounts payable	233 443	-	-	233 443
Other current liabilities	-	9 672	86 269	95 941
Total liability and equity	**1 762 935**	**11 023**	**420 191**	**3 568 570**

NOTE 14

Financial income and expenses

Figures in NOK 1 000

	2010	2009
Interest from associated companies	207	74
Other interest income	1 449	1 436
Dividends	15	-
Net change in fair value from derivatives	9 606	119 900
Net currency gains	40 946	8 911
Other financial income	2 452	5 998
Total financial income	**54 675**	**136 333**
Interest expense bank borrowings and leasing	50 304	81 945
Other interest expenses	909	2 289
Other financial expenses	669	5 373
Total financial expenses	**51 882**	**89 606**

NOTE 15

Derivater

Figures in NOK 1 000

Forward foreign exchange contracts are both purchase and sale contracts for foreign currency against Norwegian Krone. All contracts matured in 2010 and were settled by 31.12.2010.

The group has financial salmon contracts through Fish Pool and Direct Hedge. With a financial salmon contract the buyer and seller agree on a price and a fixed volume for future delivery. At year-end the total volume was 3 075 tonnes, against 5 860 tonnes at 31.12.2009.

Both the forward foreign exchange contracts and the financial salmon contracts are classified as fair value through profit and loss and ,respectively ,as a non-current asset or a non-current liability. Changes in fair value are recorded as a financial expense or financial income.
In 2010 the group entered into interest rate swap contracts. The contract period is for 2 and 4 years. At year-end the group's interest rate swap contracts had a negative market value of TNOK 311.

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
Financial salmon contracts at fair value	-	1 294	-	9 672
Forward foreign exchange contracts at fair value	-	-	20 350	-
Interest rate swaps	-	311	-	-
Total	**-**	**1 605**	**20 350**	**9 672**
Of which fixed assets / non-current liabilities	-	-	-	-
Current portion	**-**	**1 605**	**20 350**	**9 672**

FORWARD FOREIGN EXCHANGE CONTRACTS

The table below shows the group's forward foreign exchange contracts as at 31.12.09 in NOK thousand. There were no contracts in 2010.

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

INTEREST RATE SWAP CONTRACTS

The table below shows the group's interest rate swap contracts at 31.12.2010 in NOK thousand. There were no contracts in 2009.

Currency	Currency amount	GSF pays	GSF receives	Start	Maturity	Market value
NOK	200 000	2,91 %	Nibor 3 mth	25.05.10	20.07.12	-404
NOK	400 000	3,26 %	Nibor 3 mth	25.05.10	21.07.14	93
Total						-311

NOTE 16

Investments in associated companies - and joint venture

Figures in NOK 1 000

ASSOCIATED AND JOINT VENTURE COMPANIES 2010	Share capital	Booked equity	Equity interest	Voting share
Erfjord Stamfisk AS (the remaining 51.3% were acquired in January 2011, see note 8)	616	4 525	48,70 %	48,70 %
Bokn Sjøservice AS	1 000	5 391	50,00 %	50,00 %
Cleanfish AS	1 500	4 525	25,00 %	25,00 %
Finnmark Brønnbåtrederi AS	100	3 939	49,90 %	49,90 %
Ocean Quality AS (Joint venture company)	6 000	11 650	60,00 %	60,00 %

Since November 2010 the group has had a joint venture company, Ocean Quality AS, along with Bremnes Fryseri AS. Participation in the jointly controlled entity is based on the equity metod of accounting. The activity is closely linked to the group's operations and is part of the group's value chain. The group's share of the accounting results is thus shown separately and is included in the group's operating result. The group has a 60% shareholding in Ocean Quality AS. The division of profits is not based on the ownership percentage, but in proportion to the turnover generated by each owner, in line with the cooperation agreement between the parties. Under this agreement the transfer or subscription of new shares shall be at a price corresponding to Ocean Quality's booked equity in the year when the calculation is made, taking account of any payments made to/by the company to/from the shareholders in the period of ownership.

OVERVIEW OF BALANCE SHEET VALUE	Cleanfish	Ocean Quality	Finnmark Brønnbåtrederi	Erfjord Stamfisk	Bokn Sjøservice	Sum
Share of fair value of associate's identifiable net assets on acquisition	1 500	6 000	55	2 984	506	3 545
Excess value recorded as identifiable assets	-	-	-	4 926	-	4 926
Historical cost at 31.12.2010	**1 500**	**6 000**	**55**	**7 910**	**506**	**8 471**
Share of profit for the year	-200	476	1 913	7 998	2 358	12 545
Depreciation on excess value identifiable assets	-	-	-	-208	-	-208
Share of profit for the year and write down of receivables	-200	476	1 913	7 790	2 358	12 337
Share of profit classified as operations	-	476	1 913	-	2 358	4 747
Share of results classified under operating result	-200	-	-	7 790	-	7 590

Since **2010** companies closely linked to the group's operations are classified on a separate line in the operating results. This applies in cases where the associated and jointly controlled company s are engaged in an activity in the same part of the value chain as the group. In order to facilitate comparison, **2009** has been reclassified correspondingly.

	Cleanfish	Ocean Quality	Finnmark Brønnbåtrederi	Erfjord Stamfisk	Bokn Sjøservice	Sum
Book value at 01.01.2010	-	-	55	10 020	3 544	13 619
Additions	1 500	6 000	-	-	-	7 500
Share of profit/loss for the year	-200	476	1 913	7 790	2 358	12 337
Book value at 31.12.2010	**1 300**	**6 476**	**1 968**	**17 810**	**5 902**	**33 456**

ASSOCIATED COMPANIES 2009	Share capital	Booked equity	Equity interest	Voting share
Erfjord Stamfisk AS	616	15 119	48,70 %	48,70 %
Bokn Sjøservice AS	1 000	5 656	50,00 %	50,00 %
Finnmark Brønnbåtrederi AS	100	49,9	49,9 %	49,9 %

OVERVIEW OF BALANCE SHEET VALUE	Finnmark Brønnbåtrederi	Erfjord Stamfisk	Bokn Sjøservice	Sum
Share of fair value of associate's identifiable net assets on acquisition	55	2 984	506	3 545
Disposals at historical cost	-	-	-	-
Excess value recorded as identifiable assets	-	4 926	-	4 926
Historical cost at 31.12.2009	**55**	**7 910**	**506**	**8 471**
Share of profit/loss for the year	-	2 008	377	2 385
Depreciation on excess value identifiable assets	-	-400	-	-400
Share of profit for the year and write down of receivables	-	1 608	377	1 985
Share of profit classified as operations	-	-	377	377
Share of results classified under operating result	-	1 608	-	1 608
Book value at 01.01.2009	-	8 412	3 167	11 579
Additions	55	-	-	55
Share of profit for the year	-	1 608	377	1 985
Book value at 31.12.2009	**55**	**10 020**	**3 544**	**13 619**
Excess value goodwill	-	-	-	-
Excess value identifiable assets	-	208	-	208
Excess value at 31.12.2009	**-**	**208**	**-**	**208**

NOTE 16 (CONT)

INFORMATION CONCERNING THE TURNOVER AND EQUITY OF ASSOCIATED AND JOINT VENTURE COMPANIES:
All of the companies have the same accounting year as the group. In 2010 investments were made in tow new companies, Ocean Quality AS and Cleanfish AS

	2010	2009
Turnover	481 276	69 497
Pre-tax profit	27 159	4 648
Assets	410 457	89 607
Liabilities	350 646	63 319
Equity	59 811	26 288

NOTE 17

Earnings per share and dividend per share

Figures in NOK 1 000

BASIS FOR CALCULATION OF EARNINGS PER SHARE	**2010**	**2009**
Earnings for the year (majority share)	631 039	230 873
Number of shares at year-end	111 662 000	111 662 000
Average number of shares	111 662 000	94 376 932
Adjustment for effect of share options (see detail in note 12) *)	300 000	-
Average no. of shares by dilution	111 962 000	111 662 000
Basic earnings per share	**5,65**	**2,45**
Diluted earnings per share	**5,64**	**2,45**
Proposed dividend per share	**1,35**	**0,25**

*) The share options did not have a dilutive effect as the exercise price of the options exceeds the average market price of ordinary shares in 2009. For 2010 there has been a dilutive effect since March 2010.

NOTE 18

Available-for-sale financial assets

Figures in NOK 1 000

2010 COMPANY	**Business location**	**Number of shares**	**Ownership/ voting share**	**Acquisition cost**	**Fair value**
DnBNOR Global Allokering	Oslo	3 039	< 1%	317	373
Finnøy Næringspark AS	Finnøy	103 000	7,1 %	103	103
Other	Kyrksæterøra	3 200	< 1 %	23	23
Total non-current				58	58
Total non-current				**501**	**557**

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

CHANGES IN FAIR VALUE	
Fair value at 31.12.2009	945
Change in value of shares to fair value	-24
Purchase of shares	-
Sale of shares	-364
Fair value at 31.12.2010	**557**

In 2010 Grieg Seafood ASA sold 3041 shares in DnBNOR Global Allokering. The acquisition cost of the remaining shareholding at 31.12.2010 was TNOK 317. The fair value at 31.12.2010 was TNOK 373 according to information from DnBNOR Allokering.

In the case of acquired shares, the acquisition cost corresponded to fair value at year-end.

NOTE 19

Intangible assets

Figures in NOK 1 000

2009	Goodwill	Licences fish farming indefinite lives	Licences fish farming definite lives	Other intangible assets	Total 2009
As at 01.01.					
Acquisition cost	200 565	876 410	44 756	11 094	1 132 825
Accumulated amortisation	-23 297	-1 099	-15 761	-2 889	-43 046
Accumulated impairment	-89 603	-72 385	-	-	-161 988
Book value at 01.01.	**87 665**	**802 926**	**28 995**	**8 205**	**927 791**
Book value at 01.01.	87 665	802 926	28 995	8 205	927 791
Currency translation differences at 01.01.	-82	-9 817	-2 872	-534	-13 305
Acquisitions through business combinations	-	-	-	-	-
Currency translation differences from acquisition	-	-	-	-	-
Intangible fixed assets acquired	-	-	-	98	98
Amortisation	-	-	-819	-2 190	-3 009
Currency translation differences depreciation	-	-	-74	-	-74
Impairment	-	-	-	-	-
Book value at 31.12.	**87 583**	**793 110**	**25 229**	**5 579**	**911 501**
As at 31.12.					
Acquisition cost	200 483	866 595	42 157	10 658	1 119 892
Accumulated amortisation	-23 297	-1 099	-16 927	-5 079	-46 402
Accumulated impairment	-89 603	-72 385	-	-	-161 988
Book value at 31.12.	**87 583**	**793 110**	**25 229**	**5 579**	**911 501**

2010	Goodwill	Licences fish farming indefinite lives	Licences fish farming definite lives	Other intangible assets	Total 2010
Book value at 01.01.	87 583	793 110	25 229	5 579	911 501
Currency translation differences at 01.01.	111	2 663	1 643	-	4 417
Acquisitions through business combinations	2 846	10 175	-	-	13 021
Currency translation differences from acquisition	-	-	-	-	-
Intangible fixed assets acquired	-	22 208	-	-	22 208
Intangible fixed assets sold	-	-	-	-	-
Amortisation	-	-	-1 244	-2 419	-3 663
Amortisation of assets sold	-	-	-	-	-
Currency translation differences depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
Impairment reversal	-	72 385	-	-	72 385
Book value at 31.12.	**90 540**	**900 542**	**25 628**	**3 160**	**1 019 870**
As at 31.12.					
Acquisition cost	203 440	908 945	44 459	10 658	1 167 502
Accumulated amortisation	-23 297	-8 403	-18 831	-7 498	-58 029
Accumulated impairment	-89 603	-	-	-	-89 603
Book value at 31.12.	**90 540**	**900 542**	**25 628**	**3 160**	**1 019 870**

In 2008 book values were written down , including licences, in the sum of TNOK 72 385. In connection with an impairment test at 31.12.2010 the previous impairment of licences was reversed.

NOTE 19 (CONT.)

Intangible assets (cont.)

Figures in NOK 1 000

IMPAIRMENT TEST FOR GOODWILL AND LICENCES

Goodwill and licences were not impaired in 2010 or eller 2009. Previous impairment of licences was reversed in 2010 in the sum of NOK 72m.

Goodwill and licences with an indefinite economic life are subject to an annual impairment test. Impair ment tests are performed more frequently if there are indications of a decline in value. Licences with definite useful lives are tested for impairment only if there are indications of a decline in value. Estimated value in use is used as basis for calculating the recoverable amount. Impairment occurs when the carrying value is higher than the recoverable amount. In connection with the impairment test previous impairment of licences has been reversed for the cash-generating unit Grieg Seafood Finnmark. The total amount of the reversal was TNOK 72 385. On carrying out the test the book value was materially lower than the calculated value. The book value per licence was stated at a lower value compared with the market value of corresponding licences at year-end 2010. Following the reversal, there is still a good margin between the book value and the calculated recoverable amount.

Cash generating unit	Location	Book value of related goodwill	Book value of licences	Total
BC - Canada	Canada	10 014	152 276	162 290
Finnmark	Norway	-	256 250	256 250
Shetland - UK	UK	71 866	422 571	494 437
Rogaland	Norway	8 660	95 073	103 733
Total value		**90 540**	**926 170**	**1 016 710**

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

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

Unit	BC - Canada	Finnmark	Shetland - UK	Rogaland
Budget period	3 years	3 years	3 years	3 years
Increase in revenues in budget period	17 %	6 %	-1 %	3 %
Ebitda margin 1)	17% - 21%	16% - 32%	21% -23%	16% -29%
Harvest growth - tons 2)	25,6 %	33,7 %	25,6 %	29,6 %
Discount rate 3)	10,43 %	10,43 %	10,43 %	10,43 %
Growth rate 4)	2,5 %	2,5 %	2,5 %	2,5 %

1) Budget Ebitda margin. The margin varies in the budget period.

2) The growth rate of the harvested volume in the budget period. (Nominal growth rate)

3) Pre-tax discount rate applied to the cash flow projections.

4) Weighted average growth rate used to extrapolate cash flows beyond the budget period.

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

SENSITIVITY ANALYSIS

Value-in-use is sensitive to changes in the assumptions made. The most important are discount rate, sales volume and EBTIDA. The sensitivity analysis only includes the budget period, and not the terminal value. The calculation of value-in-use is not sensitive for any of the segments in relation to changes in assumptions by a 1 percentage point change in WACC or a 10% reduction in sales volume, ebitda in the budget period or the sale price. Given the present balance in the market for salmon, a positive deviation in the market prices is more probable than a negative deviation.

NOTE 20

Tangible assets

Figures in NOK 1 000

2009	Buildings/ property	Plant, equipment and other fixtures	Vessels/ barges	Total
As at 01.01				
Acquisition cost	229 128	743 258	257 152	1 229 538
Accumulated depreciation	-36 450	-301 698	-59 032	-397 180
Accumulated impairment	-14 040	-23 972	-	-38 012
Book value at 01.01	**178 638**	**417 588**	**198 120**	**794 346**
Book value at 01.01	178 638	417 588	198 120	794 346
Currency translation differences value at 01.01.	-2 461	-12 027	-4 892	-19 379
Tangible fixed assets acquired	58 863	81 638	26 437	166 938
Tangible fixed assets sold	-1 777	-833	-4 553	-7 163
Depreciation	-11 382	-78 999	-27 918	-118 300
Depreciation on assets sold	-	-	999	999
Currency translation differences depreciation	1 208	376	85	1 669
Change in classification due to new information	17 309	-17 200	-109	-
Book value at 31.12.	**240 398**	**390 543**	**188 169**	**819 110**
As at 31.12.				
Acquisition cost	301 630	794 353	273 951	1 369 933
Accumulated depreciation	-47 192	-379 837	-85 782	-512 812
Accumulated impairment	-14 040	-23 972	-	-38 012
Book value at 31.12.	**240 398**	**390 543**	**188 169**	**819 110**
Book value of finance leases included above	**720**	**124 615**	**127 486**	**252 821**
Depreciation of finance leases included above	**99**	**25 198**	**14 330**	**39 626**

2010	Buildings/ property	Plant, equipment and other fixtures	Vessels/ barges	Total
Book value at 01.01	240 398	390 543	188 168	819 110
Currency translation differences value at 01.01.	-640	5 622	387	5 369
Tangible fixed assets acquired	45 060	127 198	46 515	218 773
Tangible fixed assets sold	-	-831	-2 253	-3 083
Depreciation	-12 646	-81 863	-21 825	-116 334
Depreciation on assets sold	-	422	-	422
Currency translation differences depreciation	-165	41	-586	-710
Change in classification due to new information	-	-	-	-
Book value at 31.12.	**272 007**	**441 132**	**210 406**	**923 546**
As at 31.12.				
Acquisition cost	346 050	926 342	318 599	1 590 992
Accumulated depreciation	-60 003	-461 238	-108 193	-629 434
Accumulated impairment	-14 040	-23 972	-	-38 012
Book value at 31.12.	**272 007**	**441 132**	**210 407**	**923 546**
Book value of finance leases included above	**287**	**86 945**	**139 588**	**226 820**
Depreciation of finance leases included above	**35**	**15 265**	**19 122**	**34 422**

NOTE 21

Restricted bank deposits

Figures in NOK 1 000

	2010	2009
Restricted deposits related to employees' tax deduction	3 318	4 050
Restricted deposits related to clearing account for financial price contracts*)	1 024	11 150
Total	**4 342**	**15 201**

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

NOTE 22

Inventories

Figures in NOK 1 000

	2010	2009
Raw material (feed) at cost	49 569	42 766
Other (frozen fish, value added products)	8 840	6 414
Total inventories	**58 409**	**49 180**

NOTE 23

Biological assets

Figures in NOK 1 000	Tons		NOK 1 000	
	2010	2009	2010	2009
Biological assets at 01.01.	56 079	44 289	1 367 061	1 073 341
Currency translation differences	-	-	11 076	-44 394
Increases due to purchases	-	-	-158	289 488
Increases due to production	70 659	70 780	1 425 193	1 060 106
Decreases due to sales / harvesting / mortality	-77 710	-58 990	-1 438 368	-1 127 177
Fair value adjustment 01.01.	N/A	N/A	-208 388	-92 690
Fair value adjustment 31.12.	N/A	N/A	407 625	208 388
Book value of biological assets at 31.12.	**49 028**	**56 079**	**1 564 041**	**1 367 061**
Fair value adjustment of biological assets			199 507	124 691
Gain & loss arising from Fishpool/ price conracts			8 122	-9 415
Fair value adjustment of biological assets incl. Fair value of price hedging contracts			207 629	115 276

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

BIOMASS STATUS AT 31.12.10	Number of fish (1 000)	Biomass (tons)	Accrued cost of production	"Fair value adjustment "	Book value
Smolt	24 489	205	63 109	-	63 109
Biological assets with round weight < 4 kg	21 890	25 786	701 917	173 372	875 288
Biological assets with round weight > 4 kg	4 144	23 038	391 390	234 254	625 643
Total	**50 523**	**49 029**	**1 156 416**	**407 626**	**1 564 041**
BIOMASS STATUS AT 31.12.09					
Smolt	15 900	221	59 962	-	59 962
Biological assets with round weight < 4 kg	21 801	31 097	693 745	69 921	763 666
Biological assets with round weight > 4 kg	4 980	24 760	404 967	138 467	543 433
Total	**42 681**	**56 078**	**1 158 674**	**208 388**	**1 367 061**

NOTE 24

Accounts receivable

Figures in NOK 1 000

	2010	2009
Accounts receivable at nominal value	267 317	189 602
Provision for bad debts	-1 967	-1 550
Accounts receivable at 31.12.	**265 350**	**188 052**
Change in provision for bad debts	417	-1 633
Realised bad debts	218	3 864
Allocated to net income	**635**	**2 232**

Accounts receivable that are less than three months overdue are not considered impaired. As of 31 December 2010, accounts receivable of TNOK 7 110 (2009: TNOK 51 123) were overdue but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The age distribution of accounts receivable is as follows:

	2010	2009
3 - 6 months	3 430	47 895
Over 6 months	3 680	3 228
Total	**7 110**	**51 123**

As of 31 December 2010, accounts receivable were written down by TNOK 1 967 (2009: TNOK 1 550). The loss provision stood at TNOK 1 967 (2009: TNOK 1 550) as of 31 December 2010. The age distribution of these receivables is as follows:

3 - 6 months	-	-
Over 6 months	1 967	1 550
Total	**1 967**	**1 550**

NOTE 25

Other receivables

Figures in NOK 1 000

OTHER NON-CURRENT RECEIVABLES	2010	2009
Receivables from related parties	-	-
Other non-current receivables	1 958	-
Other non-current receivables at 31.12.	**1 958**	**-**
Impairment losses charged / (reversed impairment) *)	-	1 975

OTHER CURRENT RECEIVABLES	2010	2009
VAT receivable etc.	15 472	11 126
Pre-paid expenses	14 524	13 573
Insurance claims	-	-
Other accrual of income	1 034	6 572
Receivables from related parties	1 932	-
Other current receivables	10 303	25 780
Other current receivables at 31.12.	**43 265**	**57 051**

*) Reversed impairment in 2009 relates to impairment of Grieg Cod Juveniles AS in 2008.

NOTE 26

Tax

Figures in NOK 1 000

TAX SPECIFICATION	2010	2009
Tax payable Norway	29	7
Tax payable abroad	33 944	-382
Tax paid but not accrued last year	-623	295
Change in deferred tax Norway	120 252	72 762
Change in deferred tax abroad	73 126	13 958
Taxes	**226 727**	**86 640**

TAX RECONCILIATION		
Profit before tax	857 766	317 513
Taxes calculated at nominal tax rate	238 474	88 512
Permanent difference on sale of shares	-	-
Withholding tax	-	-1 860
Change in deferred tax liability	-6 980	-
Utilisation of loss carried forward, previously not recognized	-	-380
Tax losses carried forward not recognized	-	-127
Other permanent differences	-4 768	496
Taxes	**226 727**	**86 640**

CHANGE IN BOOK VALUE OF DEFERRED TAX		
Book value at 01.01.	331 996	251 069
Currency conversion	2 287	-3 693
Effect of business combinations	2 942	-
Effect of equity transactions	-	-1 311
Other effects	895	-791
Charged against income in the period	193 377	86 720
Book value	**531 498**	**331 995**
Weighted average tax rate	27,80	27,29

The nominal tax rate in Norway and the UK is 28%. The nominal tax rate in Canada was 26% in 2010.

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	Licences	Fixed assets	Biological assets	Receivables	Inventory	" Deferred capital gain "	Current liabilities	Total
2009								
Opening balance 01.01.	171 882	28 694	241 234	-	4 700	5 314	-26 889	424 935
Taken to income in the period	-2 183	3 563	69 847	510	1 506	-411	30 993	103 825
Currency translation differences	-795	-214	-4 357	-	-306	-	-23	-5 694
Other effects		-534				-1 414	-53	-2 001
Effect of business combinations	-	-	-	-	-	-	-	-
31.12.	**168 904**	**31 509**	**306 724**	**510**	**5 901**	**3 489**	**4 028**	**521 065**
2010								
Taken to income in the period	20 153	12 744	41 081	-5	-1 205	-762	-2 908	69 098
Currency translation differences	513	-404	5 072	-	382	-	27	5 590
Other effects	-	-1 862	-271	72	-	-	-1	-2 062
Effect of business combinations	2 942	-	-	-	-	-	-	2 942
31.12.	**192 512**	**41 987**	**352 606**	**576**	**5 078**	**2 727**	**1 146**	**596 633**

DEFERRED TAX ASSETS	Loss carried forward	Fixed assets	Pensions	Receivables	Leasing obligations	Tax Credits	Other liabilities	Total
2009								
Opening balance 01.01.	-126 706	-	39	-1 872	-28 095	-17 230	-	-173 864
Taken to income in the period	-20 493	-8 645	58	1 872	11 106	250	-1 253	-17 105
Currency translation differences	22	481	-	-	706	792	-	2 002
Other effects	129	-	-231	-	-	-	-	-102
Effect of business combinations	-	-	-	-	-	-	-	-
31.12.	**-147 048**	**-8 164**	**-134**	**-**	**-16 283**	**-16 188**	-1 253	-189 069
2010								
Taken to income in the period	104 913	4 254	98	-	6 928	8 847	-760	124 281
Currency translation differences	-717	-489	-	-	-1 056	-1 039	-	-3 301
Other effects	3 027	-	-	-	-	-	-72	2 955
31.12.	**-39 825**	**-4 399**	**-36**	**-**	**-10 411**	**-8 380**	-2 085	-65 134

	2 010	2009
Net deferred tax	**531 499**	**333 993**

All deferred tax is classified as non-current debt

NOTE 27

Share capital and shareholder information

SHARE CAPITAL:
As at 31 December 2010 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 and none of the shares are owned by any group company.

Date of registration	Type of change	Change in share capital (NOK thousand)	Nominal value (NOK)	Total share capital (NOK thousand)	No. Of ordinary shares
31.12.2008					76 512 000
10.06.2009	Converted subordinated bond loan I.Sandbu	1 000	4,00	307 048	76 762 000
18.06.2009	Converted subordinated bond loan GH	59 000	4,00	366 048	91 512 000
21.06.2009	Converted subordinated bond loan F.Teigen	25 000	4,00	391 048	97 762 000
02.07.2009	Private placing	40 600	4,00	431 648	107 912 000
19.08.2009	Converted subordinated bond loan H. Invest AS	15 000	4,00	446 648	111 662 000
31.12.2009			**4,00**	**446 648**	**111 662 000**
	There were no share capital transactions in 2010.				
31.12.2010			**4,00**	**446 648**	**111 662 000**

THE LARGEST SHAREHOLDERS OF GRIEG SEAFOOD ASA	No. of shares at 31.12.09	Shareholding at 31.12.2009	No. of shares at 31.12.10	Shareholding at 31.12.2010
GRIEG HOLDINGS	48 528 010	43,46 %	53 628 010	48,03 %
TEIGEN	10 000 000	8,96 %	10 875 000	9,74 %
ODIN NORGE	3 843 100	3,44 %	4 772 363	4,27 %
HALDE INVEST AS	18 502 000	16,57 %	4 502 000	4,03 %
ODIN NORDEN	3 641 600	3,26 %	4 070 522	3,65 %
DNB NOR SMB	2 425 000	2,17 %	3 499 893	3,13 %
YSTHOLMEN AS	2 864 892	2,57 %	2 864 892	2,57 %
REAL SALMON AS	710 000	0,64 %	2 477 300	2,22 %
SKANDINAVISKA ENSKILDA BANKEN	4 768 500	4,27 %	1 692 864	1,52 %
METEVA AS	1 391 000	1,25 %	1 391 000	1,25 %
OM HOLDING AS	-	0,00 %	1 383 784	1,24 %
Total - largest shareholders	**96 674 102**	**86,58 %**	**91 157 628**	**81,64 %**
Total shareholders with shareholding less than 1%	**14 987 898**	**13,42 %**	**20 504 372**	**18,36 %**
Total shares	**111 662 000**	**100,00 %**	**111 662 000**	**100,00 %**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT:	No. of shares at 31.12.09	Shareholding at 31.12.2009	No. of shares at 31.12.10	Shareholding at 31.12.2010
Board of Directors:				
Per Grieg jr.	52 449 857	46,97 %	57 549 857	51,54 %
Wenche Kjølås (Jawendel AS)	2 000	0,00 %	2 000	0,00 %
Anne Grete Ellingsen /Ageless AS	2 500	0,00 %	7 800	0,01 %
Harald Ingebrikt Volden (Halde Invest AS)	18 502 000	16,57 %	4 502 000	4,03 %
Group management:				
Morten Vike (CEO)	38 500	0,03 %	65 000	0,06 %
Atle Harald Sandtorv (CFO)	-	0,00 %	3 500	0,00 %
* Shares owned by the following companies are controlled by Per Grieg jr. and family:				
Grieg Holdings AS	48 528 010		53 628 010	
Grieg Shipping AS	824 565		824 565	
Ystholmen AS	2 864 892		2 864 892	
Grieg Ltd AS	217 390		217 390	
Per Grieg jr. private	15 000		15 000	
Total no. of shares controlled by Per Grieg jr. and family	**52 449 857**		**57 549 857**	

NOTE 28

Borrowings and finance leases

Figures in NOK 1 000

The Group's interest bearing debt at 31 December 2010 comprised loans from financial institutions and financie easing liabilities. The financing facility is based on a multi-currency term loan of NOK 800m and a multi-currency revolving credit of NOK 600m.

As at 31 December 2010 the Group was in compliance with all covenants. The corporate finance agreement includes covenants related to the consolidated accounts, specifically related to the equity ratio, cash flow and working capital.

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

NON- CURRENT LIABILITIES	2010	2009
Subordinated loans (not interest-bearing)	14 581	13 548
Borrowings	648 632	712 732
Amortised cost	-972	-1 313
Finance lease liablilties	168 856	198 167
Total non-current liabilities	**831 097**	**923 134**
CURRENT LIABILITIES		
Revolving credit facility *)	260 000	482 989
Current portion of long-term borrowings	79 000	85 295
Finance lease liablilties	41 726	37 383
Total current liabilities	**380 726**	**605 667**
NET INTEREST-BEARING DEBT		
Total non-current and current liabilities	1 211 823	1 528 801
Subordinated loans	14 581	**13 548**
Gross interest-bearing debt	**1 197 242**	1 515 253
Cash and cash equivalents	143 727	139 778
Loan to associated companies	3 449	1 923
Other interest-bearing assets	3 423	-
Net interest-bearing debt	**1 046 640**	**1 373 552**

*) The company has a current revolving credit facility of NOK 600m. As at 31 December 2010 NOK 260m was utilised.*)
Under the agreement, this credit facility will be reduced to NOK 500m from 01.01.2011

PAYMENT PROFILE NON-CURRENT LIABILITIES	2011	2012	2013	2014	2015	Subsequently	Total
Subordinated loan	-	-	-	-	-	14 581	14 581
Borrowings	79 000	72 653	72 653	72 653	72 653	356 074	725 685
Financial leasing contracts	41 726	39 425	35 510	26 319	16 645	50 957	210 583
Total	**120 726**	**112 078**	**108 163**	**98 972**	**89 298**	**421 612**	**950 849**

LIABILITIES SECURED BY MORTGAGE:	2010	2009
Liabilities to credit institutions incl. leasing liabilities	1 211 823	1 530 114
ASSETS PLEDGED AS SECURITY		
Licences	926 170	818 340
Fixed assets	923 546	819 110
Accounts receivable	265 350	188 052
Inventories and biological assets	1 622 450	1 416 241
Total assets pledged as security	**3 737 516**	**3 241 743**

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

NOTE 28 (CONT.)

Borrowings and finance leases

DESCRIPTION OF DEBT	Currency	Fixed or floating interest rate	Effective interest rate	" Final maturity "	2010 Current portion	2010 Non-current portion	2009 Current portion	2009 Non-current portion
Grieg Seafood ASA								
Syndicate loan non-current	Multi	Floating	Price grid	2011	72 000	643 352	72 000	704 254
Syndicate loan - revolving credit	Multi	Floating	Price grid		260 000	-	482 989	-
Grieg Seafood Hjaltland								
SLAP	GBP	Floating	7,0 %	2018	653	4 306	628	5 096
Eksportlån	GBP	Fast	4,56 %		6 347	-	10 312	-
Shetland Trade Ass	GBP	Floating	7,0 %		-	-	1 676	-
Finansielle leiekontrakter alle selskap					41 726	168 856	37 383	198 167
Annet					-	14 581	-	13 548
Sum					**380 726**	**831 095**	**605 668**	**924 447**

AVERAGE RATE OF INTEREST ON SYNDICATE LOANS IN 2010	31.12.10	NOK	GBP	USD	EUR
Syndicate loan non-current	715 352	171 507	344 584	199 261	-
Syndicate loan - revolving credit facility	260 000	260 000	-	-	-
Other borrowings from financial institutions	11 307	-	11 307	-	-
Finance leases	210 583	131 363	33 742	-	45 478
Subordinated loans	14 581	-	14 581	-	-
Total loans and finance leases	**1 211 823**	**562 870**	**404 214**	**199 261**	**45 478**
Average interest on syndicate and revolving credit facility 2010		**4,40 %**	**2,41 %**	**2,74 %**	

NOTE 29

Pensions and pension obligation

The companies in Norway have a pension scheme for all employees in accordance with the rules for mandatory occupational pensions from 01.07.2009. At 31 December 2010 the pension scheme covered 288 persons, and 239 persons in 2009. The pension scheme is funded and managed through an insurance company. The group's foreign companies have no pension schemes. Grieg Seafood ASA had a benefits-based pension scheme until 30.06.2009 when it was wound up.

Grieg Seafood Rogaland AS and Grieg Seafood Finnmark have a contractual early retire ment scheme (AFP) for 139 of their employees. The group's financial liability in connection with this scheme is included in the pension calculations below. Effective from 2010 the old AFP scheme has been discontinued and all of the members are covered by a new AFP scheme. No pensions have been taken out under the old scheme.
Companies which have been members of the scheme run by the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) are required to make a provision for underfunding in the annual accounts for 2010.
The annual premium per member is estimated on the basis of information from LO/NHO. The premium is payable over a 5-year period. The estimated amount, exclusive of employer's national Insurance contributions, is NOK 6 400 per member per year. A discount rate of 3.8% has been used. Underfunding is provided for as part of the pension obligation in the balance sheet.

The group had 2 pension schemes in 2010 (3 in 2009) which are funded through operations with maturity from one to seven years. The pension schemes are for former employees. The pension commitments are stated in the balance sheet at calculated present value. The cost for 2010, TNOK 1 005, is booked a personnel expense, with TNOK 956 for 2009. The pension obligations will be met by the company on maturity. The financial liability related to this scheme is included in the pension calculation for the group.

Figures in NOK 1 000	2010	2009
Benefits-based pension and early retirement scheme (AFP)	-	271
Other pension to former employees	651	1 656
Provision to cover underfunding of discontinued AFP scheme	1 399	-
Total pensions and pension obligation	**2 050**	**1 927**
The change in the pension is booked as personnel expenses		
CAPITALISED PENSION COMMITMENTS - AFP SCHEME		
Present value of future pension commitments	-	463
Net pension commitments (pension fund assets)	**-**	**463**
Unrecognised estimate deviations	-	-192
Net pension commitments under AFP scheme	**-**	**271**
NET PENSION COSTS ARE DETERMINED AS FOLLOWS:		
Current service cost	-	71
Interest cost	-	18
Capalisation of old AFP scheme	-271	-
Provision in connection with underfunding of old AFP scheme	1 399	-
Net actuarial losses recognised during the year	192	15
Gain on termination of pension scheme	-	-2 527
Change in pension to former employees	332	-
Net pension cost	**1 652**	**-2 423**
CHANGE IN PRESENT VALUE OF FUTURE PENSION COMMITMENTS		
Book value at 01.01.	1 927	9 329
Termination of early retirement scheme (AFP)	-271	-7 386
Service cost	-	71
Interest cost	-	18
Amortisation of net actuarial losses	-	-99
Underfunding of old AFP scheme	1 399	-
Pension funded through operations	-1 005	187
Actuarial losses (gains)	-	-192
Book value at 31.12.	**2 050**	**1 927**
CHANGE IN FAIR VALUE OF PENSION FUND ASSETS		
Book value at 01.01.	-	3 350
Termination of pension scheme	-	-3 350
Fair value of assets at year-end	**-**	**-**
ACTUARIAL ASSUMPTIONS FOR AFP - OLD SCHEME. TERMINATED IN 2010	**2010**	**2009**
Financial assumptions		
Anticipated return on pension fund assets	0,00 %	0,00 %
Discount rate	4,00 %	4,50 %
Anticipated regulation of salaries	4,00 %	4,00 %
Anticipated regulation of pensions	3,75 %	1,40 %

NOTE 30

Financial market risk

Figures in NOK 1 000

CURRENCY

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

Most of the expenses are in local currencies.

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

	2010			2009		
	Currency	NOK	Share %	Currency	NOK	Share %
TURNOVER						
NOK		492 843	20 %		483 325	30 %
USD	150 095	907 962	37 %	75 439	473 875	29 %
EUR	45 009	360 418	15 %	28 000	244 398	15 %
JPY	5 298	353	0 %	-	-	-
GBP	74 342	694 312	28 %	42 812	419 767	26 %
Total (incl. sales revenues, other income, gains/ losses)		**2 455 888**	**100 %**		**1 621 365**	**100 %**
ACCOUNTS RECEIVABLE						
NOK		154 242	58 %		54 917	29 %
USD	8 234	48 222	18 %	8 601	49 686	26 %
EUR	649	5 068	2 %	3 289	27 348	15 %
GBP	6 376	57 818	22 %	6 021	56 101	30 %
Total		**265 350**	**100 %**		**188 052**	**100 %**
ACCOUNTS PAYABLE						
NOK		142 509	56 %		127 108	54 %
USD	6 284	36 828	15 %	7 573	43 746	19 %
GBP	8 157	73 968	29 %	6 718	62 589	27 %
Total		**253 305**	**100 %**		**233 443**	**100 %**
BORROWINGS, FINANCIAL LEASE AND BANK OVERDRAFT						
NOK		562 870	46 %		939 221	61 %
CAD	34 000	199 261	16 %	-	-	0 %
USD	-	-	0 %	35 000	202 184	13 %
EUR	5 821	45 478	4 %	7 619	63 351	4 %
GBP	44 576	404 214	34 %	34 921	325 357	21 %
Total		**1 211 823**	**100 %**		**1 530 114**	**100 %**

NOTE 31

Other current liabilities

Figures in NOK 1 000

SPECIFICATION OF OTHER CURRENT LIABILITIES	2010	2009
Accrued expenses	34 586	36 227
Customer loan	-	27 513
Other current liabilities	7 088	8 660
Total - other current liabilities	**41 674**	**72 400**

NOTE 32

Lease contracts

Figures in NOK 1 000

OPERATING LEASE COMMITMENTS - GROUP COMPANY AS LESSEE:

The group rents various offices on terms of between five and ten years.

The group also leases various plant and machinery under cancellable financial lease agreements.
The group is required to give written notice of the termination of these agreement.

The future aggregate minimum lease payments under non-cancellable

OVERVIEW OF FUTURE MINIMUM OPERATING LEASES	Within 1 year	1-5 years	Subsequent	Total
Minimum lease amount	1 864	2 110	-	3 973

	2010	2009
The operating lease expenditure charged to the income statement during the year	3 194	2 851

OVERVIEW OF FUTURE MINIMUM FINANCIAL LEASES	Within 1 year	1-5 years	Subsequent	Total
Minimum lease amount	49 393	141 396	56 531	247 320
Interest component	7 667	22 698	6 372	36 737
Present value of future minimum lease	**41 726**	**118 698**	**50 159**	**210 583**

LEASED ASSETS BOOKED AS FINANCE LEASE	2010	2009
Book value of leased assets (equipment, vessels)	226 820	252 821
Book value of leasing liabilities	210 583	235 550

NOTE 33

Public grants / Commitments / Guarantee obligations

PUBLIC GRANTS

Grieg Seafood BC Ltd. has been approved by the Canadian Revenue Agency to receive "Scientific Research and Experimental Development" tax credits in the amount of CAD 1.5 million for 2009. These tax credits can be used to offset future taxable income in the company and have therefore been recorded as a future income tax asset

In 2009/2010 Grieg Seafood Hjaltland Ltd had investment grants approved by the EU for a total of GBP 2 143 182, of which GBP 560 367 has been disbursed.

LETTER OF CREDIT

Grieg Seafood ASA has issued a letter fo credit for the sum of TNOK 1 170 (CAD 200 000) which expires in March 2011. The beneficiary is Habit Management Division.

COMMITMENTS / GUARANTEE OBLIGATIONS

The group has entered into an agreement concerning guarantee obligations in connection with price contracts that have been established (see note 15). The nominal amount of these guarantee obligations is TNOK 7 491.

The guarantee obligations were undertaken in 2010 and have various maturities, the last maturing on 31.01.2012.
The group has no other commitments that have not already been accounted for in the consolidated accounts.

NOTE 34

Related parties

Figures in NOK 1 000

2009	Operating income	Operating expenses	Net financial expenses	Long-term balance	Short-term balance
Grieg Gaarden KS	-	1 283	-	-	-
Grieg Group Resources AS	-	1 330	-		
Grieg Holdings AS - forward foeign exchange loan	-	-	-1 949		-1 124
Total - related parties as shareholders	-	2 613	-1 949	-	-1 124
Erfjord Stamfisk AS		3 471	74	1 923	
Bokn Sjøservice AS	-	3 096	-		
Total - related parties as associated companies/ jointly controlled entities	-	6 567	74	1 923	-
Total	**-**	**9 180**	**-1 876**	**1 923**	**-1 124**

2010	Operating income	Operating expenses	Net financial expenses	Long-term balance	Short-term balance
Grieg Gaarden KS	-	1 373	-	-	-
Grieg Group Resources AS	-	3 425	-	-	-
Total - related parties as shareholders	-	4 798	-	-	-
Finnmark Brønnbåt rederi AS	-	5 137	-120	3 449	-
Erfjord Stamfisk AS	-	3 338	-87	1 923	-
Bokn Sjøservice AS	-	5 070	-	-	-
Ocean Quality AS (jointly controlled entity)	458 763	-	-	-	149 384
Total - related parties as associated companies/ jointly controlled entities	458 763	13 545	-207	5 372	149 384
Total	**458 763**	**18 343**	**-207**	**5 372**	**149 384**

The group purchases services from companies in the same group as its majority sharholder, Grieg Holdings AS
These services include:
- Services related to salaries, ICT and other common functions such as canteen, reception etc. are provided by Grieg Group Resources AS.
  She services are provided on an arm's length basis.
- Grieg Seafood ASA rents its offices from Grieg Gaarden KS. The rent is on an arm's lenght basis.

Ocean Quality AS is a sales company owned jointly with Bremnes Fryseri AS. Since November 2010 all sales of fish from Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS shave been channelled through Ocean Quality AS. For further information place refer to notes 10 and 16.

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 12 on share based options and note 27 on shares controlled by the board members and management..

ANNUAL REPORT 2010
GRIEG SEAFOOD ASA

PARENT COMPANY

INCOME STATEMENT GRIEG SEAFOOD ASA

Figures in NOK 1 000	Note	2010	2009
Other operating income	10	14 793	15 400
Total income		**14 793**	**15 400**
Salaries and personnel expenses	11, 12	-26 646	-15 871
Depreciation	13, 14	-1 666	-1 320
Other operating expenses	11	-14 612	-11 349
Operating profit		**-28 131**	**-13 141**
Interest income		582	561
Interest received from group companies		46 801	76 510
Other financial income		11	864
Realised gains/ losses on fair value of financial instruments	7	19 007	-20 566
Unrealised gains/ losses on fair value of financial instruments	7	-748	101 855
Reversal of write-down of fixed asset investments	8	135 012	50 047
Interest paid to group companies		-22	-1 466
Change in gain/loss on foreign exchange transactions		30 576	5 985
Other interest expenses		-41 919	-68 501
Other financial expenses		-764	-312
Profit before taxes		**160 405**	**131 837**
Income tax	16	-5 905	-21 226
Profit for the year		**154 500**	**110 611**

BALANCE SHEET GRIEG SEAFOOD ASA

Figures in NOK 1 000

ASSETS	Note	31.12.2010	31.12.2009
Software	13	521	1 626
Deferred tax assets	16	22 173	24 211
Property, plant and equipment	14	2 267	2 080
Investments in subsidiaries	8	1 172 141	1 054 633
Loans to group companies	2, 5	742 295	764 084
Investments in associated companies and joint ventures	8	11 339	3 839
Loan to associated companies	2, 5	-	1 923
Investments in shares or units	9	482	148
Total non-current assets		**1 951 218**	**1 852 544**
Accounts receivable	4	103	420
Accounts receivable group companies	2, 4	1 906	600
Loans to group companies	2, 5	344 238	607 885
Other current receivables	3, 5, 7	2 631	840
Cash and cash equivalents	6	106 704	102 355
Total current assets		**455 582**	**712 100**
Total assets		**2 406 800**	**2 564 644**

LIABILITIES AND EQUITY	Note	31.12.2010	31.12.2009
Share capital	15	446 648	446 648
Share premium reserve		-	716 634
Other reserves	12	26 626	621
Retained earnings		784 568	82 696
Total equity		**1 257 842**	**1 246 599**
Pension obligations	17	127	-
Other provisions	12	5 846	1 351
Borrowings	18	642 379	702 941
Total non-current liabilities		648 352	704 292
Bank overdraft	18	260 000	482 989
Current portion of long term borrowings	18	72 000	72 000
Loans from group companies	2	1 666	12 495
Provision for dividend		150 744	27 916
Accounts payable	3	1 263	1 405
Accrued salary expense and public tax payable		1 749	1 789
Other current liabilities	3, 5, 7	13 185	15 160
Total current liabilities		**500 606**	**613 753**
Total liabilities		**1 148 958**	**1 318 045**
Total liabilities and equity		**2 406 800**	**2 564 644**

Bergen, April 4th 2011
Grieg Seafood ASA

Per Grieg jr.
Chairman

Anne-Grete Ellingsen
Vice Chairman

Terje Ramm
Member of the Board

Harald Ingebrikt Volden
Member of the Board

Wenche Kjølås
Member of the Board

Morten Vike
CEO

CASH FLOW STATEMENT GRIEG SEAFOOD ASA

Figures in NOK 1 000	2010	2009
Profit before income taxes	160 405	131 837
Proceeds from sale of shares and other equity instruments	409	621
Depreciation and amortisation	1 666	1 320
Impairment/ (reversed impairment) of investments	-134 974	-50 047
(Gain)/loss on sale of assets	-	-397
Fair value (gains) / losses on financial assets / instruments	-38	-101 855
Interest paid	41 919	68 501
Change in accounts payable	-174	1 098
Change in net pension liabilities	-351	-2 527
Change in other accruals	2 019	3 699
Currency translation differences	-	-25 707
Net cash flow from operations	**70 880**	**26 542**
Proceeds from sale of fixed assets	-	560
Dividend income	15	15
Purchase of tangible assets	-748	-497
Purchase of intangible assets	-	-98
Purchase of shares and equity investments in other companies	-7 500	-45
Repayment on loans to group companies	309 541	-131 955
Repayment on other loans	-	487
Currency translation differences	-2 844	40 106
Net cash flow from investment activities	**298 464**	**-91 426**
Net change in bank overdraft	-210 364	18 000
Payments on loans from group companies	-11 633	1 525
Change in long-term interest-bearing debt	-66 153	25 265
Interest paid	-41 919	-68 501
Dividends paid	-27 916	-
Share issues	-	139 055
Equity transaction	-	-3 371
Conversion of bond loan	-	100 000
Currency translation differences	-7 034	-64 485
Net cash flow from financing activities	**-365 020**	**147 488**
Cash in acquired companies	24	
Net change in cash and cash equivalents	**4 349**	**82 604**
Cash and cash equivalents at 01.01	**102 355**	**19 751**
Cash and cash equivalents at 31.12	**106 704**	**102 355**

CHANGE IN EQUITY GRIEG SEAFOOD ASA

Figures in NOK 1 000	Share capital	Share premium reserve	Other reserves	Retained earnings	Total equity
Equity at 01.01.2009	**306 048**	**621 550**	**-**	**-**	**927 598**
Profit for the year 2009	-	-	-	110 611	110 611
Effect of option scheme	-	-	621	-	621
New equity from cash contributions	40 600	98 455	-	-	139 055
New equity from conversion of bond loan	100 000	-	-	-	100 000
Expenses related to share issues (net of tax)	-	- 3371	-	-	-3 371
Provision for dividend	-	-	-	-27 916	-27 916
Equity at 31.12.2009	**446 648**	**716 634**	**621**	**82 696**	**1 246 599**
Profit for the year 2010				154 500	154 500
Other gains or losses recorded in equity	-	-	-	-26	-26
Effect of option scheme	-	-	409	-	409
Merger with Grieg Marine Farms 01.01.2010	-	-	1 752	3 987	5 739
Merger with GSF Hjaltland 01.01.2010	-	-	23 844	-22 478	1 366
Reduction of share premium reserve	-	-716 634	-	716 634	-
Provision for dividend	-	-	-	-150 744	-150 744
Equity at 31.12.2010	**446 648**	**-**	**26 626**	**784 568**	**1 257 842**

NOTE 1

ACCOUNTING PRINCIPLES

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

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

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

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

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

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

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

SUBSIDIARIES, 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 they are not impaired.

Group contributions to subsidiaries, with tax deducted, are reflected 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 exceed retained earnings after acquisition, the exceeding amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet. Group contributions received are recognised as other financial income.

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

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

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

PENSIONS
Until 30 June 2009 the pension obligations of Grieg Seafood ASA were based on a defined benefits scheme. This scheme was discontinued with settlement of the net liability. The net cost of discontinuing the scheme was posted in the income statement.

Effective from 1 July 2009 Grieg Seafood ASA establlished a defined contribution based pension scheme for all employees. 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.

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

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.

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

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

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

DERIVATIVES
The company had no forward foreign exchange contracts at year-end 2010. Realised gains are recorded in the income statement as financial income. The real value of the contracts is stated on the basis of the exchange rate at year-end.

The company has entered into interest rate swap contracts. These contracts are stated at fair value at year-end, but unrealised gains are not booked. Unrealised losses are charged against income in accordance with Ngaap.

The company has made price contracts in 2010 which expire in 2011. The urealised loss is charged, while unrealised profit is not recorded.

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

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

NOTE 2

Intercompany balances with group companies and associates

Figures in NOK 1000

LONG-TERM LOAN TO GROUP COMPANIES	2010	2009
Grieg Seafood Finnmark AS	244 375	250 000
Grieg Seafood Rogaland AS	117 300	120 000
Grieg Seafood Hjaltland UK Ltd	192 910	223 650
Grieg Seafood B.C. Ltd	206 652	192 220
Unrealised currency loss / gain	-18 942	-21 786
Total	**742 295**	**764 084**

NON-CURRENT LOAN TO ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	-	1 923
Total	**-**	**1 923**

CURRENT LOAN TO ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	1 923	-
Total	**1 923**	**-**

ACCOUNTS RECEIVABLE GROUP COMPANIES		
Grieg Seafood Finnmark AS	59	-
Grieg Seafood Rogaland AS	1 847	-
Grieg Seafood B.C. Ltd	-	600
Total	**1 906**	**600**

OTHER CURRENT RECEIVABLES GROUP COMPANIES		
Grieg Seafood Canada AS	1 180	1 075
Grieg Seafood BC Ltd	38 995	49 721
Grieg Seafood Finnmark AS	21 604	201 791
Grieg Seafood Hjaltland UK Ltd	194 047	202 952
Grieg Seafood Rogaland AS	88 412	151 542
Grieg Marine Farms AS	-	804
Total	**344 238**	**607 885**

CURRENT LIABILITIES GROUP COMPANIES		
Grieg Marine Farms AS	-	8 212
Grieg Seafood Finnmark AS	1 420	1 861
Grieg Seafood BC Ltd	-	1 466
Grieg Seafood Hjaltland AS	-	957
Total	**1 420**	**12 495**

NOTE 3

Related parties - account balances

Figures in NOK 1000

OTHER CURRENT RECEIVABLES RELATED PARTIES	2010	2009
Grieg Cod Farming AS	9	9
Total	**9**	**9**

CURRENT LIABILITIES RELATED PARTIES		
Grieg Group Resources AS	218	590
Total	**218**	**590**

NOTE 4

Accounts receivable

Figures in NOK 1000	2010	2009
Accounts receivable at nominal value	2 009	1 020
Provision for bad debts	0	0
Accounts receivable at 31.12.	**2 009**	**1 020**
Change in provision for bad debts	-	-1 450
Bade debts realised	-	1 450
Recognised in the Income Statement	**-**	**-**

NOTE 5

Other receivables / other current liabilities

Figures in NOK 1000

OTHER NON-CURRENT RECEIVABLES	2010	2009
Intragroup non-current receivables	742 295	764 084
Non-current receivables from associated companies	-	1 923
Other non-current receivables at 31.12.	**742 295**	**766 007**
Impairment losses/ (reversed impairment) regarding Grieg Cod Juveniles AS.	-	-1 975
OTHER CURRENT RECEIVABLES		
Intragroup current receivables, see note 2	344 238	607 885
Prepaid expenses	596	149
Accrued income	45	63
Receivables from related parties, see note 3	1 932	9
Other current receivables	58	619
Other current receivables 31.12.	**346 869**	**608 725**
OTHER CURRENT LIABILITIES		
Accrued interest	5 716	13 195
Other accrued expenses	5 918	1 966
Other current liabilities	1 551	-
Total	**13 185**	**15 160**

NOTE 6

Restricted bank deposits

Figures in NOK 1000	2010	2009
Restricted deposits related to employees' tax deduction	701	914
Restricted deposits related to price contracts	-	1 988
Total	**701**	**2 902**

NOTE 7

Derivative to fair value - through profit and loss

Figures in NOK 1000	2010		2009	
	Assets	Currentliabilities	Assets	Currentliabilities
Interest rate swaps (2 interest rate swaps, total MNOK 600 due date in 2012 and 2014)	-	748	-	-
Forward foreign exchange contract to fair value	-	748	-	-

CHANGE IN MARKET VALUE	2 010	2 009
Unrealised gain/loss	-748	101 855
Realised gain/loss	19 007	-20 566
Total unrealised/ realised gain/ loss on financial instruments in 2010	**18 259**	**81 290**

NOTE 8

Investments in subsidiaries, associated companies and jointly controlled entities

Figures in NOK 1000

SUBSIDIARIES	Business location country	Business location place	Ownership %	Equity at 31.12.2010	Profit/loss 2010	Book value
Grieg Seafood Rogaland AS	Norway	Bergen	100 %	266 409	84 624	174 658
Grieg Seafood Canada AS	Norway	Bergen	100 %	66 949	-105	138 252
Grieg Seafood Finnmark AS *)	Norway	Alta	100 %	268 861	143 943	400 481
Grieg Seafood Hjaltland UK Ltd	UK	Shetland	100 %	290 997	171 073	458 750
Total investments in subsidiaries at 31.12.10						**1 172 141**

Investment in Grieg Seafood Finnmark AS was in 2008 impaired in the sum of NOK 185m. In 2009 NOK 50m was reversed and in 2010 further NOK 135m was reversed. With effect from 01.01.2010 Grieg Seafood ASA merged with its two wolly owned subsidiaries Grieg Seafood Hjaltland AS and Grieg Marine Farms AS.

ASSOCIATED COMPANIES / JOINT VENTURE COMPANIES	Business location country	Business location place	Ownership %	Equity at 31.12.2010	Profit/loss 2010	Book value
Erfjord Stamfisk AS	Norway	Sand	48,70 %	34 307	16 619	3 839
Cleanfish AS	Norway	Stord	25,00 %	4 494	-1 143	1 500
Ocean Quality AS (joint venture)	Norway	Bergen	60,00 %	11 188	1 188	6 000
Total investments in associated companies at 31.12.10						**11 339**

NOTE 9

Investments in shares

Figures in NOK 1000

INVESTMENTS IN SHARES	Business location country	Business location place	Ownership/ voting share	Number of shares	Acquisition cost	Book value
Atlantic Cod Farms AS	Norway	Festøy	0,08 %	22 271	156	6
Finnøy Næringspark AS	Norway	Finnøy	7,14 %	100	103	103
DN Global Allokering	Norway	Oslo		3 038	630	373
Total investments in shares at 31.12.10						**482**

NOTE 10

Operating income

Figures in NOK 1000

OPERATING INCOME COMPRISES:	2010	2009
Sale of goods	-	-
Total sales revenue	**-**	**-**
Internal management fee - Grieg Seafood Group	14 724	14 733
Other operating income	69	667
Total other income	**14 793**	**15 400**

NOTE 11

Payroll, fees, no. of employees etc.

Figures in NOK 1000	2010	2009
Wages and salaries	14 858	10 008
Social security costs	1 862	1 502
Share options granted to directors and employees	5 661	2 236
Pensions costs - defined contribution plans	452	201
Pension costs - defined benefit plans	-	-1 975
Other personel costs	3 812	3 900
Total	**26 646**	**15 871**
Avarage man-labour year	10,5	8,0

Pension costs are described in detail in note 17
The board's guidelines and principles for the stipulation of salaries and other remuneration to the management group are included in the financial statements for the group.
Accumulated expenses for wages, pension premiums and other remuneration to CEO, CFO and members of the board for 2010, were as follows:

REMUNERATIONS TO THE COMPANY'S OFFICERS 2010 (NOK THOUSAND)	Salary	Bonus	Pensions premiums	Options declared	Other remunerations	Total
Morten Vike (CEO)	2 430	347	65	-	152	2 994
Atle Harald Sandtorv (CFO)	1 174	-	69	213	26	1 482
Total remuneration						**4 476**
BOARD MEMBERS						
Per Grieg Jr. 1)					310	310
Anne-Grete Ellingsen 1)					210	210
Terje Ramm 2)					170	170
Wenche Kjølås 2)					170	170
Harald Volden					150	150
Total Board remuneration						**1 010**

1) Included in the payment to Per Grieg Jr. and Anne-Grethe Ellingsen was NOK 10 000 as remuneration for work done in the remuneration committee
2) Included in the payment to Wenche Kjølås and Terje Ramm was NOK 20 000 as remuneration for work done in the audit committee

Accumulated expenses for wages, pension premiums and other remunerations to CEO, CFO and members of the parent company's board accordingly for 2009, were:

REMUNERATIONS TO THE COMPANY'S OFFICERS 2009 (NOK THOUSAND)	Salary	Bonus	Pensions premiums	Options declared	Other remunerations	Total
Morten Vike (CEO)	2 239	-	-	-	166	2 405
Ivar Kvangardsnes (COO) til 30.11.2009	1 329	-	5	-	10	1 344
Eirik Bloch Haugland (CFO) til 01.08.2009	1 026	-	10	-	5	1 041
Atle Harald Sandtorv (CFO) fra 01.12.2009	98	-	-	-	-	98
Total remuneration						**4 888**
BOARD MEMBERS						
Per Grieg Jr. from 01.06.2009					175	175
Anne-Grete Ellingsen					182	182
Terje Ramm					151	151
Wenche Kjølås from 01.06.2009					88	88
Harald Volden					176	176
Helge Nielsen until 01.06.2009					125	125
Siri Hamnvik until 01.06.2009					63	63
Total Board remuneration						**959**

SPECIFICATION OF AUDITOR'S FEE	2010	2009
Statutory audit	1 066	1 425
Other assurance services	24	122
Tax advisory fee	18	2
Other services	175	148
Total	**1 281**	**1 696**

NOTE 12

Share and cash-based payment

Figures in NOK 1 000

The company has issued options to the management group and regional managers. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. The equity options were granted in the period from 29.06.2007 until 01.06.2008 with expiry dates from 29.06.2010 until 27.02.2012. At 31.12.2010 there were no equity options available for exercise. From 2009 the company has issued options with cash settlement to the management group and regional directors. These options were granted on 06.05.2009 with expiry date on 06.05.2011. New employees is subsequently taken on have been allocated options on the commencement of employment. The last option matures on 13.09.2014. The options have 2 years' duration, where 50% is vested each year.

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 2009 and 2010.

OVERVIEW 2009	Option category	Outstanding options 31.12.2008	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2009	Of which cash-settled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	-
Ivar Kvangardsnes (COO until 01.12.09)	Options	200 000	-	-	-	200 000	-	-
Eirik Bloch Haugland (CFO frem til 01.11.09)	Options	200 000				200 000	-	-
Morten Vike (CEO)	Cash settlement	-	300 000	-	-	-	300 000	300 000
Atle Harald Santorv (CFO from 01.12.09)	Cash settlement	-	200 000	-	-	-	200 000	200 000
Others	Cash settlement	-	800 000	-	-	-	800 000	800 000
Others	Options	700 000	-	-	200 000	-	500 000	-
Total		**1 400 000**	**1 300 000**	**-**	**200 000**	**400 000**	**2 100 000**	**1 300 000**

OVERVIEW 2010	Option category	Outstanding options 31.12.2009	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2010	Of which cash-settled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	
Morten Vike (CEO)	Cash settlement	300 000	-	-	-	-	300 000	300 000
Atle Harald Santorv (CFO)	Cash settlement	200 000	-	33 000	-	-	167 000	167 000
Others	Cash settlement	800 000	100 000	194 116	100 000	-	605 884	605 884
Others	Options	500 000	-	-		500 000	-	
Total		**2 100 000**	**100 000**	**227 116**	**100 000**	**500 000**	**1 372 884**	**1 072 884**

	31.12.2010	31.12.2009
Vested options	-	800 000
Weighted average remaining contractual life options	1,16	1,14
Cash settled available for vesting	422 884	-
Weighted average remaining contractual life options	2,12	1,43

2009	Option category	Quoted price on allotment	Calculated value per option on allotment	Calculated total value on allotment *)	Accrued cost 2009 *)	Accrue cost 2008 *)	Accumulated cost debited to equity at 31.12.2009	Booked obligation for cash option at 31.12.2009
Morten Vike (CEO)	Options	13,20	3,74	1 123	409	240	650	-
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	411	-	-	411
Ivar Kvangardsnes (COO frem til 01.12.09)	Options	23,00	5,86	1 173	144	582	1 173	-
Eirik Bloch Haugland (CFO frem til 01.11.09)	Options	23,00	5,86	1 173	144	582	1 173	-
Atle Harald Sandtorv (CFO fra 01.12.09)	Cash settlement	10,76	3,40	680	23	-	-	23
Others	Cash settlement	7,83	3,81	3 047	918	-	-	918
Others	Options	23,00	5,72	4 005	-75	912	3 419	-
Total				**12 343**	**1 973**	**2 316**	**6 415**	**1 351**

2010	Option category	Quoted price on allotment	Calculated value per option on allotment	Calculated total value on allotment *)	Acc. cost opening balance, equity and cash	Accrued cost 2010 *)	Accumulated cost debited to equity at 31.12.2010	Booked obligation for cash option at 31.12.2010
Morten Vike (CEO)	EK-opsjon	13,20	3,74	1 123	650	409	1 058	
Morten Vike (CEO)	Kontantopsjon	7,83	3,81	1 143	411	1 858		2 268
Atle Harald Sandtorv (CFO)	Kontantopsjon	10,76	3,40	680	23	241	-	264
Former employees where option expired	EK-opsjon	23,00	5,86	2 346	2 346		2 346	
Others	Kontantopsjon	7,83	3,81	3 047	918	2 110		3 028
Others	EK-opsjon	23,00	5,72	4 005	3 419	-	3 419	
Options allotted in 2010 to new employees	Kontantopsjon	16,50	6,66	666	-	285		285
Total				**13 010**	**7 766**	**4 904**	**6 823**	**5 846**

*) The amounts are exclusive of employer's social security costs

NOTE 12

Share and cash-based payment (continued)

	2009	2010	Classification in the accounts
The accrued cost is split as follows:	1 973	4 904	
Accrued cost - cash settlement	1 351	4 495	Other provisions for commitments
Accrued cost - options	621	409	Other paid-up equity
Total cost exclusive of employer's social security costs	1 973	4 904	
Social security costs	263	757	Public tax payable
Total cost including employer's social security costs	**2 236**	**5 661**	**Salaries and personnel expenses**

The cost of shares and cash-based payment , TNOK 5 661, is charged against income as a personnel cost. The accumulated cost from the date of allotment amounted to TNOK 13 688, including employer's social security costs. Employer's social security costs are provided for on an angoing basis based on the fair value of the options.

At 31.12.2010 outstanding options with the right to cash settlement were stated at TNOK 5 846 under "Other non-current liabilities". Options issued are cancelled on the termination of employment.

ESTIMATES USED IN THE CALCULATIONS	2009	2010
Anticipated volatility (%)	62,62	55,19
Risk-free rate of interest (%)	2,65	2,10
Estimated qualification period (years)	3,50	2,00

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 13

Intangible assets

Figures in NOK 1000

2009	Software	Total
Book value at 01.01.	2 404	2 404
Intangible assets acquired	98	98
Depreciation	-876	-876
Book value at 31.12.	**1 626**	**1 626**
As at 31.12.		
Acquisition cost	3 312	3 312
Accumulated depreciation	-1 686	-1 686
Balance sheet value at 31.12.	**1 626**	**1 626**

2010	Software	Total
Book value at 01.01.	1 626	1 626
Depreciation	-1 105	-1 105
Book value at 31.12.	**521**	**521**
As at 31.12.		
Acquisition cost	3 312	3 312
Accumulated depreciation	-2 791	-2 791
Book value at 31.12.	**521**	**521**

Economica lifetime/ depreciation plan	3 years	

NOTE 14

Tangible assets

Figures in NOK 1000

2009	Plant, equipment and other fixtures	Vessels/barges	Total
At 01.01.			
Acquisition cost	2 576	1162	3 738
Accumulated depreciation	-607	-940	-1 547
Book value at 01.01.	**1 969**	**222**	**2 190**
Tangible fixed assets acquired	497	-	497
Tangible fixed assets sold	-	-1 162	-1 162
Depreciation	-386	-59	-445
Depreciation on assets sold	-	999	999
Book value at 31.12.	**2 080**	**-**	**2 080**
At 31.12.			
Acquisition cost	3 073	-	3 073
Accumulated depreciation	-993	-	-993
Book value at 31.12.	**2 080**	**-**	**2 080**
2010			
Book value at 01.01.	2 080	-	2 080
Tangible fixed assets acquired	748		748
Depreciation	-561	-	-561
Book value at 31.12.	**2 267**	**-**	**2 267**
As at 31.12.			
Acquisition cost	3 666	-	3 666
Accumulated depreciation	-1 399	-	-1 399
Book value at 31.12.	**2 267**	**-**	**2 267**
Economic lifetime/ depreciation plan	3-5 years	3 years	

NOTE 15

Share capital and shareholder information

SHARE CAPITAL:

As at 31 December 2010 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 and none of the shares are owned by any group company.

Date of registration	Type of change	Change in share capital (NOK thousand)	Nominal value (NOK)	Total share capital (NOK thousand)	No. Of ordinary shares
31.12.2008					76 512 000
10.06.2009	Converted subordinated bond loan I.Sandbu	1 000	4,00	307 048	76 762 000
18.06.2009	Converted subordinated bond loan GH	59 000	4,00	366 048	91 512 000
21.06.2009	Converted subordinated bond loan F.Teigen	25 000	4,00	391 048	97 762 000
02.07.2009	Private placing	40 600	4,00	431 648	107 912 000
19.08.2009	Converted subordinated bond loan H. Invest AS	15 000	4,00	446 648	111 662 000
31.12.2009			**4,00**	**446 648**	**111 662 000**
	There were no share capital transactions in 2010.				
31.12.2010			**4,00**	**446 648**	**111 662 000**

THE LARGEST SHAREHOLDERS OF GRIEG SEAFOOD ASA	No. of shares at 31.12.09	Shareholding at 31.12.2009	No. of shares at 31.12.10	Shareholding 31.12.2010
GRIEG HOLDINGS	48 528 010	43,46 %	53 628 010	48,03 %
TEIGEN	10 000 000	8,96 %	10 875 000	9,74 %
ODIN NORGE	3 843 100	3,44 %	4 772 363	4,27 %
HALDE INVEST AS	18 502 000	16,57 %	4 502 000	4,03 %
ODIN NORDEN	3 641 600	3,26 %	4 070 522	3,65 %
DNB NOR SMB	2 425 000	2,17 %	3 499 893	3,13 %
YSTHOLMEN AS	2 864 892	2,57 %	2 864 892	2,57 %
REAL SALMON AS	710 000	0,64 %	2 477 300	2,22 %
SKANDINAVISKAENSKILDA BANKEN	4 768 500	4,27 %	1 692 864	1,52 %
METEVA AS	1 391 000	1,25 %	1 391 000	1,25 %
OM HOLDING AS	-	0,00 %	1 383 784	1,24 %
Total - largest shareholders	**96 674 102**	**86,58 %**	**91 157 628**	**81,64 %**
Total shareholders with shareholding less than 1%	14 987 898	13,42 %	20 504 372	18,36 %
Total shares	**111 662 000**	**100,00 %**	**111 662 000**	**100,00 %**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT:	No. of shares at 31.12.09	Shareholding at 31.12.2009	No. of shares at 31.12.10	Shareholding at 31.12.2010
Board of Directors:				
Per Grieg jr.	52 449 857	46,97 %	57 549 857	51,54 %
Wenche Kjølås (Jawendel AS)	2 000	0,00 %	2 000	0,00 %
Anne Grete Ellingsen /Ageless AS	2 500	0,00 %	7 800	0,01 %
Harald Ingebrikt Volden (Halde Invest AS)	18 502 000	16,57 %	4 502 000	4,03 %
Group management:				
Morten Vike (CEO)	38 500	0,03 %	65 000	0,06 %
Atle Harald Sandtorv (CFO)	-	0,00 %	3 500	0,00 %

* Shares owned by the following companies are controlled by Per Grieg jr. and family:		
Grieg Holdings AS	48 528 010	53 628 010
Grieg Shipping AS	824 565	824 565
Ystholmen AS	2 864 892	2 864 892
Grieg Ltd AS	217 390	217 390
Per Grieg jr. private	15 000	15 000
Total no. of shares controlled by Per Grieg jr. and family	**52 449 857**	**57 549 857**

NOTE 16

Taxes

Figures in NOK 1 000

With effect from 01.01.2010 Grieg Seafood ASA merged with its two wolly owned subsidiaries Grieg Seafood Hjaltland AS and Grieg Marine Farms AS. The merger took effect with tax continuity. The note shows temporary differences at 31.12.2009 and after the merger took effect on 01.01.2010.

TEMPORARY DIFFERENCES	Change	2 010	01.01.2010	2009
Fixed assets	-935	-223	712	712
Income statement	-1 479	5 918	7 397	6 685
Non-current loans	-340	973	1 313	1 313
Financial instruments	-748	-748	-	-
Pension funds	351	-127	-478	-
Cash-based option	-5 128	-6 670	-1 541	-1 541
Net temporary differences	**-8 279**	**-877**	**7 402**	**7 169**
Tax losses carried forward	-24 933	-66 376	-100 464	-86 418
Unused tax allowance	-11 937	-11 937	-7 219	-7 219
Total	**71 125**	**-79 190**	**-100 281**	**-86 468**
28% deferred tax	19 915	-22 173	-28 079	-24 211
Deferred tax in the balance sheet		**-22 173**		**-24 211**
Change in deferred tax in the balance sheet		5 905		19 915
Deferred tax on emission costs, not recognised in income statement		-		1 311
Change in deferred tax in income statement		**5 905**		**21 226**

SPECIFICATION OF THE TAX EXPENSE	2010	2009
Profit before taxes	160 406	131 837
Tax-free gain on sales of shares	4	-
Permanent differences on write-down of shares	-135 012	-50 092
Issue costs	-	-4 683
Employee options	409	694
Other differences and recognised share dividends	2	-794
Basis for the tax expense for the year	**25 809**	**76 963**
Changes in temporary differences	8 279	-102 700
Basis for tax payable in the income statement	**34 088**	**-25 737**
Group contribution received	-	804
Utilisation of loss carried forward	-34 088	-
Basis for tax payable	**-**	**-24 933**
Tax payable (28% of the basis for tax payable in the income statement)	-	-
Change in deferred tax	5 905	21 226
Total tax expense	**5 905**	**21 226**

TAX LIABILITY IN THE BALANCE SHEET	2010	2009
Tax payable (28% of basis for tax liability)	-	-
Tax liability in the balance sheet	**-**	**-**
Tax losses carried forward	**-66 376**	**86 418**

NOTE 17

Pension obligation

Figures in NOK 1000

Until 30 June 2009 Grieg Seafood ASA had a benefits based pension scheme. Effective from the same date the benefits based scheme was discontinued and the liability settled. Effective from 1 July 2009 Grieg Seafood ASA entered into a contribution based pension scheme in accordance with rules and regulations for mandatory occupational pensions. At year-end 2010 the pension scheme covered 13 emplyees. The pension scheme is funded and managed through an insurance company.
The company also has a pension scheme which is funded through operations . This scheme is for former employees and expires in 2011.

	2010	2009
CALCULATED PENSION OBLIGATION		
Pension funded through operations	**127**	**-**
Net pension obligation in balance sheet at 31.12.	**127**	**-**
THE NET PENSION COSTS CONSISTS OF THE FOLLOWING:		
Present value of accrued pension rights	-	551
Disbursement of pensions funded through operations	360	-
Termination of defined benefits based pension scheme	-	-2 527
Premium for defined contribution based pension scheme	452	201
Net pension cost for the year	**812**	**-1 774**
CHANGE IN PENSION OBLIGATION		
Book value at 01.01.	-	7 386
Transfer on merger from Grieg Seafood Hjaltland AS	487	-
Termination of defined benefits based pension scheme	-	-7 386
Disbursement of pensions funded through operations	-360	-
Book value at 31.12.	**127**	**-**

NOTE 18

Borrowings

Figures in NOK 1 000

The groups' interest-bearing debt at 31 December 2010 comprised loans from financial institutions and financial leasing liabilities.
The financing facility is based on a multi-currency term loan of NOK 800m and a multi-currency revolving credit of NOK 600m.

As at 31 December 2010 the company was in compliance with all covenants. The corporate finance agreement includes covenants related to the consolidated accounts, specifically related to the equity ratio, cash flow and working capital.

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

NET INTEREST-BEARING DEBT	2010	2009
NON- CURRENT LIABILITIES		
Borrowings	643 352	704 254
Amortised cost	-973	-1 313
Total non-current liabilities	**642 379**	**702 941**
CURRENT LIABILITIES		
Revolving credit facility *)	260 000	482 989
Current portion of long-term borrowings	72 000	72 000
Interest-bearing debt to group companies	-	9 169
Total current liabilities	**332 000**	**564 158**
GROSS INTEREST-BEARING DEBT	974 379	1 267 100
Cash and cash equivalents	106 704	102 355
Loan to group companies	1 086 533	1 371 165
Loan to associated	1 923	1 923
Net interest-bearing debt	**-220 781**	**-208 343**

*) The company has a current revolving credit facility totalling NOK 600m. As at 31 December NOK 260m was utilised.
By agreement, from 2011 the credit facility will be reduced to NOK 500m.

PAYMENT PROFILE NON-CURRENT LIABILITIES

	2011	2012	2013	2014	2015	Subsequently	Total
Borrowings	72 000	72 000	72 000	72 000	72 000	354 352	714 352
Total	**72 000**	**72 000**	**72 000**	**72 000**	**72 000**	**354 352**	**714 352**

LIABILITIES SECURED BY MORTGAGE	2010	2009
Liabilities to credit institutions	975 352	1 259 243
Total liabilities	975 352	1 259 243
ASSETS PLEDGED AS SECURITY		
Fixed assets	2 788	3 706
Shares in subsidiaries		
Accounts receivable	103	420
Other receivables	-	1 923
Loans to group companies	1 086 533	1 371 165
Total assets pledged as security	**1 089 424**	**1 377 214**

				2010		2009	
Debt description	**Currency**	**Fixed or floating interest rate**	**"Final Maturity"**	**Current portion**	**Non-current portion**	**Current portion**	**Non-current portion**
Syndicated long-term loan	MULTI	Floating		72 000	643 352	72 000	704 254
Syndicated loan revolving credit	MULTI	Floating		260 000	-	482 989	-
Total				332 000	643 352	554 989	704 254

AVERAGE RATE OF INTEREST ON SYNDICATED LOAN	31.12.2010	NOK	CAD	GBP	USD
Syndicated loan non-current	715 352	171 507	199 261	344 584	-
Syndicate loan revolving credit	260 000	260 000	-	-	-
Total loan	**975 352**	**431 507**	**199 261**	**344 584**	**-**
Average rate of interest in 2010		**4,40 %**	**2,41 %**	**2,74 %**	

NOTE 19

Guarantees, Letter of credit, Guarantor

GUARANTEES

As at 31 December 2009 total guarantees amounted to TNOK 7 491. The guarantees have been granted to cover financial exposure due to price contracts. The guarantee commitments were undertaken in 2010 and have different maturities, thle last maturing on 31.01.2012.

LETTER OF CREDIT

Grieg Seafood ASA has issued a letter of credit in the sum TNOK 1 170 (CAD 200 000). The beneficiary is Habit Management Division. The letter of credit runs until March 2011.

GUARANTOR

Grieg Seafood ASA serves as the guarantor on behalf of Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS due to a credit extension granted by Skretting. The total amount is TNOK 64 000 which falls due on 30 June 2011.

NOTE 20

Post-balance sheet events

PURCHASE OF THE REMAINING 51.3% OF ERFJORD STAMFISK

In January 2011 Grieg Seafood entered into an agreement to purchase the remaining 51.3% shareholding in Erfjord Stamfisk AS , and thus owns 100% of the company. Erfjord Stamfisk AS has 3 licences for the production of breeding stock and 1 R&D licence. The last two breeding stock licence were awarded in 2010. Erfjord Stamfisk AS owns 27.5% of SalmoBreed a producer of genetic material and breeding stock, and 34% of the breeding stock producer Salten Stamfisk in Nordland.

In 2010 Erfjord Stamfisk solgte approximately 68 million grains of roein the Norwegian market. The total harvested volume was 1 800 tons. In 2010 the company had an operating profit of NOK 23m. The purchase price for the shares was NOK 45m. In addition, the company had net interest-bearingdebt of NOK 25m.

From the first quarter of 2011 Erfjord Stamfisk AS will be be part of region Rogaland. for reporting purposes.

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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 2010, 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 2010, income statement, statement of comprehensive income, changes in equity, 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 give a true and fair view of the financial position for Grieg Seafood ASA as at 31 December 2010, and of 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 give a true and fair view of the financial position of the group Grieg Seafood ASA as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the Board of Directors' report

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 concerning the financial statements and 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 the company's 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, 4. april 2011
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant (Norway)

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