

3rd Quarter Report 2010



marine farms asa

marine farms group

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HIGHLIGHTS / BOARD OF DIRECTOR'S COMMENTS

Highlights

- Revenue increased by NOK 35 mill (15%) to NOK 261 mill in Q3 2010 compared to the same period last year. The increase was mainly due to higher prices for salmon in the UK (revenue was up NOK 10 mill) as well as higher prices and increased volumes for seabass/seabream in Spain (revenue was up NOK 18 mill).

In the first nine months of this year, revenue increased by NOK 137 mill (22%) to NOK 770 mill compared to the same period last year.

- EBIT before fair value in Q3 2010 ended at NOK 9.9 mill compared to NOK -3.9 mill in 2009. The improvement was very much due to historically high prices for salmon in the UK together with higher prices for seabass and seabream in Spain.

In the first nine months of this year, EBIT before fair value improved by NOK 46 mill to NOK 80 mill compared to the same period last year.

- The salmon operations in Lakeland (UK) obtained an EBIT/kg gwt sold salmon of NOK 11.2 in Q3 2010 (NOK 3.2 in Q3 2009). Volumes kg sold salmon were up 6% in Q3 2010 compared to same period last year.
- The seabass/seabream operations in Culmarex (Spain) obtained an EBIT/kg sold seabass/seabream of NOK 3.5 in Q3 2010 (NOK -4.7 in Q3 2009). Volumes kg sold seabass/seabream increased by 19% in Q3 2010 compared to same period last year.
- Costs related to the two cobia operations in Vietnam and Belize resulted in a negative EBIT of NOK -17.6 mill in Q3 2010 (NOK -7.4 mill in 3Q 2009). Included in this figure is a write down of biomass in Vietnam amounting to NOK 9.9 mill. The cobia business in Belize is up for sale.
- As of 30.09.2010, equity amounted to NOK 420 mill (33.9% equity ratio) and net interest-bearing debt amounted to NOK 622 mill (NOK 615 mill end of June 2010). As of 30.09.2010, the Group had approximately NOK 80 mill in free cash and available credit facilities (NOK 100 mill end of June 2010).

Figures in NOK 1 000	Q3 2010	Q3 2009	YTD 2010	YTD 2009	Yr 2009	Yr 2008
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Operating revenue	261 466	226 691	770 019	632 749	870 406	739 376
EBITDA pre fair value adjustment	23 020	10 151	118 835	73 304	97 402	101 190
EBIT pre fair value adjustment	9 925	-3 881	80 044	34 327	45 001	58 495
EBIT	22 719	11 344	81 739	84 986	108 161	13 748
Result before tax	9 791	2 489	58 693	65 253	84 293	8 961
Result after tax	-3 854	-7 724	-21 588	13 814	13 097	-23 355
<i>EBIT pre fair value adj. margin</i>	<i>3,8 %</i>	<i>-1,7 %</i>	<i>10,4 %</i>	<i>5,4 %</i>	<i>5,2 %</i>	<i>7,9 %</i>
<i>Earnings per share continued operations</i>	<i>-0,02</i>	<i>-0,02</i>	<i>0,79</i>	<i>1,16</i>	<i>1,38</i>	<i>0,23</i>
<i>Earnings per share assets held for sale</i>	<i>-0,07</i>	<i>-0,18</i>	<i>-1,39</i>	<i>-0,78</i>	<i>-1,11</i>	<i>-0,88</i>
Net cash flow from oper. activities cont. operations	24 080	39 169	117 537	68 385	-12 472	
Total assets			1 238 819	1 268 521	1 284 131	1 409 715
Equity			420 331	448 443	443 611	492 313
Net interest-bearing debt			621 817	607 364	680 296	655 721
<i>Equity ratio</i>			<i>33,9 %</i>	<i>35,4 %</i>	<i>34,5 %</i>	<i>34,9 %</i>

The Group is reporting in accordance with the international reporting standards known as IFRS.

Revenues and profits for the Group

In Q3 2010 revenue was up 15% to NOK 261.5 mill compared to NOK 226.7 mill in the same period last year. The increase was mainly due to higher prices for salmon as well as increased volumes and prices for seabass/seabream in Spain (volumes were up 19%). Revenue was negatively affected by lower foreign exchange rates for EUR (-9%) and GBP (-5%) against NOK. In the first nine months of this year, revenue increased by NOK 137 mill (22%) to NOK 770 mill compared to the same period last year.

EBIT before fair value in Q3 2010 ended at NOK 9.9 mill compared to NOK -3.9 mill in 2009. In the first nine months of this year, EBIT before fair value improved by NOK 46 mill to NOK 80 mill compared to the same period last year.

The results of Marine Farms ASA's operation in Vietnam includes a NOK 9.9 mill write down of biological assets, related to inventory of cobia processed into frozen fillets and loins. Marine Farms Belize is reported as Assets held for sale in the 3Q 2010 accounts.

The salmon price at the end of September 2010 was somewhat lower compared to the end of June 2010. However, due to more fish over 1.5kg, the fair value adjustment for salmon was positive with 3.3 mill in Q3 2010. For seabass/seabream, the prices at the end of September were also somewhat lower compared to the end of June 2010. However, due to lower average production costs at the end of September 2010, the fair value adjustment for seabass/seabream was positive with NOK 9.5 mill in Q3 2010. In total, fair value adjustment for the Group amounted to NOK 12.8 mill in Q3 2010, compared to NOK 15.2 mill in the same period last year. In the first nine months of this year, fair value adjustment for the Group amounted to NOK 1.7 mill, compared to NOK 50.7 mill in the same period last year.

Net financial items in Q3 2010 included NOK 7.9 mill in agio provisions, mostly related to USD loans between Marine Farms ASA and its subsidiaries in Singapore/Vietnam and Belize.

Net profits amounted to NOK -3.3 mill in Q3 2010 compared to NOK -7.7 mill in the same period last year.

Balance sheet and capital structure

Total assets as of 30.09.10 amounted to NOK 1,239 mill, which was NOK 45 mill lower than per 31.12.2009. Intangible assets amounted to NOK 114.6 mill at the end of September 2010, compared to NOK 112.9 mill at year end 2009. The increase is due to changes in the foreign exchange rates used when converting EUR and GBP into the reporting currency NOK. Tangible fixed assets end of September 2010 was NOK 267 mill, a reduction of NOK 86 mill compared to year end 2009. The reduction is mostly due to the write down and reclassification of the assets in Belize (now reported as Assets held for sale). Biomass amounted to NOK 619.7 mill per 30.09.2010, a NOK 9 mill increase compared to year end 2009. Net interest-bearing debt per 30.09.2010 amounted to NOK 622 mill, which is NOK 58 mill lower than at year end 2009.

Equity per 30.09.2010 was NOK 420 mill (33.9% equity ratio), compared to NOK 444 mill (34.5%) at year end 2009. Marine Farms ASA has one financial covenant with DnB NOR, being a minimum equity ratio of 32.5%. As of 30.09.2010 Marine Farms ASA was in compliance with its financial covenant.

Seabass/seabream (Culmarex Group)

Culmarex obtained an EBIT/kg sold fish of NOK 3.5 in Q3 2010, which is NOK 8.2 better compared to the same period in 2009. The improvement was much due to higher prices obtained in the market.

Historic development

<i>NOK mill</i>	2007	2008	2009	3.Q 2009	3.Q 2010	YTD 2009	YTD 2010	4.Q 2010e
Sale of own seabass/seabream (tonnes)	4 925	4 784	6 789	2 061	2 453	4 559	6 245	2 060
Sale of 3rd party seabass/seabream (tonnes)	485	450	59	-	-	59	-	-
Total sale of seabass/seabream (tonnes)	5 410	5 234	6 848	2 061	2 453	4 618	6 245	2 060
Revenue - Culmarex Group	279,6	245,4	311,4	96,4	114,3	214,1	284,9	
EBIT before fair value adj (1)	44,8	(8,4)	(22,6)	(9,6)	8,5	(27,3)	9,3	
EBIT/kg own fish sold (NOK)	9,1	-1,8	-3,3	-4,7	3,5	-6,0	1,5	
<i>(1) EBIT = EBIT before fair value adjustments, extraordinary items and provisions.</i>								
<i>NOK/EUR</i>	8,00	8,26	8,68	8,74	7,96	8,82	7,98	

Culmarex has today a licenced production capacity of approximately 10,200 tonnes. Expectations are that Culmarex will receive permits for expansions of existing farms in the years ahead.

Culmarex is planning to sell approximately 8,400 tonnes of own-produced seabass and seabream in 2010. For 2011, the plan is to sell approximately 8,500 tonnes.

Cobia (Belize and Vietnam)

MF Belize generated a loss in Q3 2010, with an EBIT of NOK -2.7 mill. At the end of September 2010, MF Belize had total assets amounting to NOK 32 mill, of which NOK 6 mill was related to biomass inventory. Based on the decision of the Board of Directors at Marine farms ASA, the cobia business in Belize has been put up for sale and the company is negotiating with potential buyers and one potential partner.

MF Vietnam generated a loss in Q3 2010, with an EBIT of NOK -15.0 mill. Included in this figure was a write down of biological assets amounting to NOK 9.9 mill. At the end of September 2010, MF Vietnam had total assets amounting to NOK 74 mill, of which NOK 36 mill was related to biomass (600 tonnes / 270,000 fish in the sea and about 200 tonnes of frozen cobia fillets and loins). We are experiencing increased demand for cobia in Asia and are slowly increasing sales into the US and Europe.

The plan for 2010 is to harvest approximately 1,000 tonnes rw of cobia. Current annual licensed production capacity in Vietnam is approximately 5,000 tonnes.

Events after the reporting period

On 14 September 2010, Cermaq ASA announced that it had acquired approx 43% of the shares of the Company and would launch a mandatory offer for all the shares of the Company. Subsequently, Morpol ASA announced on 17 September 2010 that it had acquired approx 90.5% at a share price of NOK 18.50 per share. On 24 September 2010 Morpol ASA announced that it had completed acquisitions of approximately 94.3 per cent of the issued and outstanding shares in Marine Farms ASA and that Morpol

would launch a mandatory cash offer to purchase all outstanding shares in MAFA pursuant to the Norwegian Securities Trading Act section 6-1. On 6 October 2010, Morpol launched the Offer at a price per share in MAFA at NOK 18.50 to be settled in cash. Simultaneously with making the Offer, Morpol made a compulsory acquisition of the outstanding shares in MAFA in accordance with the Norwegian Public Limited Liability Companies Act section 4 25. On the 27th of October 2010, The Board of Directors of MAFA issued their opinion, recommending the Offer. Further, the Board of MAFA received a fairness opinion from RS Platou Markes AS dated 31 October 2010, which concluded that the Offer was fair to the shareholders of Marine Farms ASA from a financial point of view. On the 2 November 2010, Marine Farms ASA applied for delisting of the Company's shares on Oslo Stock Exchange.

On the 24th of October 2010 the fish farm in Belize was hit by the eye of the hurricane Richard, with winds up to 90 miles per hour. The hurricane caused substantial damage to the cages and the fish. An initial estimate shows that about 50% of the fish and cages have been lost. Insurance will cover up to 80% of this; however, the loss will still be significant.

Going forward

Salmon (Lakeland Group)

Lakeland will harvest less tonnage in second half of 2010 compared to first half but are pleased to report that its S1 2009 generation (smolts put to sea in autumn 2009) has performed as planned and the Company will start harvesting this generation earlier than anticipated.

Seabass/seabream (Culmarex Group)

Culmarex planned sales for Q4 2010 should result in a total tonnage sold for 2010 some 20% higher than in 2009, making the Group the clear major producer of bass and bream in Spain. We expect bream prices to remain stable or even improve slightly as we near Christmas because there is a shortage of bream of market size throughout the Mediterranean. However, bass prices are very low at present, with large quantities entering the market from Turkey and Greece. This situation is expected to continue into Q1 2011, but thereafter there will be a shortage of bass, and prices should improve.

Cobia (Vietnam)

In Vietnam we have a biomass of about 600 tonnes which will give a sale of around 1,000 tonnes during the next 12 months. Juvenile stocking in 2010 has been fewer than planned as the third party juvenile suppliers have had production problems. We are still working on reducing the Feed Conversion Ration (FCR) and costs. Higher costs will result in losses in 2010. Marketing activities in USA, Asia and Europe are giving results and we are now shipping increasing volumes of fresh cobia to Asia and frozen fillets and loins to USA and Europe. As cobia becomes more known, the interest for it increases. For more information on cobia, please see www.akvacobia.com and www.cookingwithcobia.co.uk.

Cobia (Belize)

For the cobia operation in Belize, we are looking for a new owner or majority partner to help move the business forward. All infrastructures are in place and what is required is capital to increase the biomass. The market for fresh cobia has been good. The biomass at sea is at present low.

Business areas

Marine Farms ASA has been involved in the fish farming business since 1976 and has considerable knowledge of all aspects of fish farming, from broodfish to the finished product. Marine Farms' core competence is its technical and biological know-how and innovativeness. The Group's operations mainly consist of salmon farming in the U.K. and seabass / seabream in Spain. These activities are run through

the 100% owned companies Lakeland (U.K.) and Culmarex (Spain), both being fully integrated companies and among the most profitable in their respective markets. In addition, Marine Farms ASA is engaged in farming of the fast growing marine species cobia in Vietnam and in Belize. The Group had a turnover of NOK 879 mill in 2009 and had 634 employees per 30.09.2010. Read more about the Marine Farms Group on www.marinefarms.no.

Salmon (Lakeland Group)

Lakeland has been operating within the salmon farming industry since 1987, and specialises in vertically integrated production of Atlantic salmon, all the way from the broodfish through egg, fry, parr, smolt and fully grown salmon to the sale of gutted salmon and fresh fillets.

Lakeland's hatchery business is the largest third party supplier of salmon ova and smolt to the UK market. The Company has a production capacity of over 60 mill ova and up to 10.0 mill smolt. Read more about Lakeland on www.thelakelandgroup.co.uk.

Seabass/seabream (Culmarex Group)

Culmarex was founded in 1986 and commenced the production of various marine species such as yellowtail and oysters. In 1990 the Company was purchased by Marine Farms ASA and it was then decided to focus its activities on seabass and seabream, two relatively highly priced white meat fish from the Mediterranean. The fish grow relatively slowly and are sold round from 350g and upwards.

Culmarex is today a vertically integrated supplier of seabass and seabream, and conducts all parts of the production, from broodfish through the pre-ongrowing of juveniles up until the fish is ready for the market. Culmarex has approximately 330 employees and the Company is renowned for its good service and high quality. This is reflected in the prices the Company achieves in the market for its fish. Read more about Culmarex on www.culmarex.com.

Cobia (Belize and Vietnam)

Cobia is a white meat fish that lives in tropical waters (20-30°C). It grows from 1 gram to 5-6 kg in one year and the fillets are popular in sushi and other dishes. Cobia is a relatively unknown species. However, Cobia has all the traits we want for a farmed fish such as good eating qualities, large fillets, high on Omega-3, do well in cages, fast growth, year round egg supplies and an efficient production.

Marine Farms started cobia farming in 2002 with the operation of a hatchery in Florida. This hatchery was closed down in 2007, when the Company started the construction of a new hatchery in Belize. The new hatchery was completed in 2009, with a capacity of 1-2 mill cobia juveniles. Farming of cobia for fresh export to the US started in Belize in 2006. The Company has now a vertically integrated production of cobia in Belize. Farming of cobia in Vietnam started up in 2006, the strategy being fresh export to the Asian market and frozen export to other markets.

All major investments in infrastructure and farming equipment are now in place, both in Belize and in Vietnam. However, the operations are set up for significant increased production volumes, resulting in losses when production is low. Read more about Marine Farms Vietnam on www.marinefarms.vn and Marine Farms Belize on www.marinefarmsbelize.com.

MARINE FARMS GROUP CONSOLIDATED

Income statement

Figures in NOK 1 000	Q3 2010	Q3 2009	YTD 2010	YTD 2009	Yr 2009	Yr 2008
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Total operating revenue (Note 4)	261 466	226 691	770 019	632 749	870 406	739 376
Change in inventory (cost of production)	54 237	51 329	30 115	49 399	68 666	105 644
Cost of materials	-194 926	-175 688	-398 710	-345 910	-477 493	-416 603
Payroll expenses	-39 649	-39 617	-113 582	-114 221	-143 778	-131 539
Other operating expenses	-58 108	-52 564	-169 007	-148 713	-220 399	-195 688
EBITDA before fair value adj. biomass	23 020	10 151	118 835	73 304	97 402	101 190
Depreciations	-13 095	-14 032	-38 791	-38 977	-52 401	-42 695
EBIT before fair value adj. biomass	9 925	-3 881	80 044	34 327	45 001	58 495
Fair value adjustment on biomass (Note 3)	12 794	15 225	1 695	50 659	63 160	-44 747
Operating profit / (-) loss (EBIT)	22 719	11 344	81 739	84 986	108 161	13 748
Write down of financial assets	0	-542	0	-542	-1 542	-2 496
Finance income	23	199	32	1 057	1 329	2 756
Interest expenses	-5 095	-5 903	-14 615	-19 649	-23 258	-26 515
Other finance income / expenses	-7 856	-2 609	-8 463	-599	-397	21 468
Profit / (-) loss before tax	9 791	2 489	58 693	65 253	84 293	8 961
Income tax expense (-) / income	-10 901	-3 553	-29 229	-23 046	-30 449	30
Net profit from continued operations	-1 110	-1 064	29 464	42 207	53 844	8 991
Net profit/(-) loss from asset held for sale	-2 744	-6 660	-51 052	-28 393	-40 747	-32 346
Net profit / (-) loss	-3 854	-7 724	-21 588	13 814	13 097	-23 355
Equity holders of the parent	-3 455	-6 935	-21 975	14 009	9 938	-23 873
Non-controlling interest	-399	-247	387	-195	3 159	518
<i>Earnings per share (basic)</i>	<i>-0,09</i>	<i>-0,19</i>	<i>-0,60</i>	<i>0,38</i>	<i>0,27</i>	<i>-0,65</i>
<i>Earnings per share (diluted)</i>	<i>-0,09</i>	<i>-0,19</i>	<i>-0,60</i>	<i>0,38</i>	<i>0,27</i>	<i>-0,65</i>
<i>Earnings per share continued operations</i>	<i>-0,02</i>	<i>-0,02</i>	<i>0,79</i>	<i>1,16</i>	<i>1,38</i>	<i>0,23</i>
<i>Earnings per share assets held for sale</i>	<i>-0,07</i>	<i>-0,18</i>	<i>-1,39</i>	<i>-0,78</i>	<i>-1,11</i>	<i>-0,88</i>

Statement of comprehensive income

Figures in NOK 1 000	Q3 2010	Q3 2009	YTD 2010	YTD 2009	Yr 2009	Yr 2008
Net earnings in the period	-3 854	-7 182	-21 588	13 814	13 097	-23 355
FX differences	-9 403	-46 440	-745	-56 301	-56 743	36 560
FX differences related to non-controlling interests	156	-947	-15	-1 012	-4 684	5 089
<i>Exchange differences on translation of foreign operat</i>	<i>-9 247</i>	<i>-47 387</i>	<i>-760</i>	<i>-57 313</i>	<i>-61 427</i>	<i>41 649</i>
Other comprehensive income	-9 247	-47 387	-760	-57 313	-61 427	41 649
Total comprehensive income for the period	-13 101	-54 569	-22 348	-43 499	-48 330	18 294
Attributable to						
Equity holders of the parent	-13 665	-54 411	-22 963	-43 328	-46 805	12 688
Non-controlling interests	564	-158	615	-171	-1 525	5 607

Statement of financial position

Figures in NOK 1 000	30.09.10	30.09.09	31.12.09	31.12.08
ASSETS				
Licences	90 360	88 574	87 922	100 217
Goodwill	24 244	28 587	24 937	32 393
Total intangible assets	114 604	117 161	112 859	132 610
Total tangible assets	267 112	357 363	352 789	411 414
Total financial assets	11 064	4 302	5 762	4 078
Total non-current assets	392 780	478 826	471 410	548 102
Biomass (Note 3)	619 675	600 584	610 366	569 732
Other inventories	33 314	25 388	36 877	37 946
Total inventories	652 989	625 972	647 243	607 678
Total receivables	153 743	149 118	155 001	172 106
Current assets held for sale	32 156	0	0	0
Cash and cash equivalents	7 151	14 605	10 477	81 829
Total current assets	846 039	789 695	812 721	861 613
TOTAL ASSETS	1 238 819	1 268 521	1 284 131	1 409 715
EQUITY AND LIABILITIES				
Total equity	420 331	448 443	443 611	492 313
Liabilities to financial institutions	573 485	524 074	525 737	596 126
Other non-current liabilities	21 732	16 853	24 493	16 339
Total non-current liabilities	595 217	540 927	550 230	612 465
Liabilities to financial institutions	55 483	97 895	165 036	141 424
Current liabilities assets held for sale	309	0	0	0
Other current liabilities	167 479	181 256	125 254	163 513
Total current liabilities	223 271	279 151	290 290	304 937
Total liabilities	818 488	820 078	840 520	917 402
TOTAL EQUITY AND LIABILITIES	1 238 819	1 268 521	1 284 131	1 409 715
<i>Net interest bearing debt</i>	<i>621 817</i>	<i>607 364</i>	<i>680 296</i>	<i>655 721</i>
<i>Total liabilities to financial insitutions</i>	<i>628 968</i>	<i>621 969</i>	<i>690 773</i>	<i>737 550</i>
<i>Equity ratio</i>	<i>33,9 %</i>	<i>35,4 %</i>	<i>34,5 %</i>	<i>34,9 %</i>
<i>Current ratio</i>	<i>3,79</i>	<i>2,83</i>	<i>2,80</i>	<i>2,83</i>
<i>Net debt/equity</i>	<i>1,48</i>	<i>1,35</i>	<i>1,53</i>	<i>1,33</i>

Key figures

	Q3 2010	Q3 2009	YTD 2010	YTD 2009	Yr 2009	Yr 2008
Figures in NOK 1 000	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
EBITDA before fair value adjustment	23 020	10 151	118 835	73 304	97 402	101 190
EBITDA after fair value adjustment	35 814	25 376	120 530	123 963	160 562	56 443
EBIT before fair value adjustment	9 925	-3 881	80 044	34 327	45 001	58 495
EBIT	22 719	11 344	81 739	84 986	108 161	13 748
EBITDA margin before fair value adjustment	8,8 %	4,5 %	15,4 %	11,6 %	11,2 %	13,7 %
EBITDA margin after fair value adjustment	13,7 %	11,2 %	15,7 %	19,6 %	18,4 %	7,6 %
EBIT margin before fair value adjustment	3,8 %	-1,7 %	10,4 %	5,4 %	5,2 %	7,9 %
EBIT margin	8,7 %	5,0 %	10,6 %	13,4 %	12,4 %	1,9 %
Earnings per share (basic)	-0,09	-0,19	-0,60	0,38	0,27	-0,65
Earnings per share (diluted)	-0,09	-0,19	-0,60	0,38	0,27	-0,65
Equity ratio			34 %	35 %	35 %	35 %
Net interest bearing debt			621 817	607 364	680 296	655 721

Statement of cash flow

	Q3 2010	Q3 2009	YTD 2010	YTD 2009	Yr 2009
Figures in NOK1 000	IFRS	IFRS	IFRS	IFRS	IFRS
Net profit/loss before income taxes cont. operations	9 791	3 031	58 693	65 253	84 293
Net profit/loss before income taxes discont. operations	-2 744	-6 660	-51 052	-28 393	-40 747
Fair value adjustment on biomass	-12 794	-15 225	-1 695	-50 659	-63 160
Tax paid	-7 754	-3 006	-12 389	-14 081	-21 044
Deprec. and amortisation, including goodwill imp.	13 095	14 032	38 791	38 977	52 401
Interest paid	5 095	5 903	14 615	19 649	23 374
Change in inventories, trade receivables and trade acc.	-18 587	34 490	13 090	388	-83 919
Change in other accruals	35 234	-56	6 432	8 858	-4 417
Net cash flow from oper. activities cont. operations	24 080	39 169	117 537	68 385	-12 472
Net cash flow from oper. activities discont. operations	-3 100	-4 800	-11 389	-14 700	-14 344
Investments in fixed assets	-10 005	-23 342	-31 175	-61 180	-64 049
Net cash flow from inv. activities cont. operations	-10 005	-23 342	-31 175	-61 180	-64 049
Net cash flow from inv. activities discont. operations	500	-200	-100	-10 100	-10 600
Net down payment/proceeds of interest-bearing debt	8 467	6 523	-37 368	-10 569	61 316
Interest paid	-5 095	-5 903	-14 615	-19 649	-23 374
Net cash flow from fin. activities cont. operations	3 372	620	-51 983	-30 218	37 942
Net cash flow from fin. activities discont. operations	6 400	4 400	14 334	18 854	28 200
Net FX difference and other adj. cont. operations	-23 139	-11 140	-37 705	-44 668	-32 773
Net FX difference and other adj. discont. Operations	-3 673	56	-2 778	2 725	-6 574
Net change in cash and cash equivalents cont. operations	-5 692	5 307	-3 326	-67 681	-71 352
Net change in cash and cash equivalents discont. operations	127	-544	67	-3 221	-3 318
Cash and equivalents at beginning of period cont. operations	12 843	8 841	10 477	81 829	81 829
Net change in cash and cash equivalents cont. operations	-5 692	5 307	-3 326	-67 681	-71 352
Cash and cash equivalents end of period cont. operations	7 151	14 148	7 151	14 148	10 477

Equity statement

Figures in NOK 1 000	Q3 2010	Q3 2009	YTD 2010	YTD 2009	Yr 2009	Yr 2008
Opening balance	503 383	492 313	443 611	492 313	492 313	474 828
Net earnings in the period	-3 854	-7 182	-21 588	13 814	13 097	-23 355
Other comprehensive income	-9 247	-47 387	-760	-57 313	-61 427	41 649
<i>Total comprehensive income for the period</i>	<i>-13 101</i>	<i>-54 569</i>	<i>-22 348</i>	<i>-43 499</i>	<i>-48 330</i>	<i>18 294</i>
Dividends	-180	0	-933	-372	-372	-810
Total equity end of period	490 102	437 744	420 330	448 442	443 611	492 312

NOTE 1: CORPORATE INFORMATION

Marine Farms ASA is a company incorporated and domiciled in Norway. The principle activities of the Company and its subsidiaries are fish farming activities of species such as salmon, seabass/seabream and cobia.

NOTE 2: BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES

The report for Q3 2010 has been prepared in accordance with IFRS – hereunder IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31st of December 2008 and at 31st of December 2009. Changes in the standards and interpretations may lead to changes in the accounts.

NOTE 3: INVENTORY

The following fish is measured at fair value:

- Salmon above 1 kilo
- Seabass and seabream above 350 g

Figures in NOK 1 000	30.09.10	30.09.09	31.12.09
Biomass at cost	544 674	531 262	529 235
Excess fair value end of period	80 759	69 322	81 131
<i>Spain:</i>	<i>43 110</i>	<i>55 212</i>	<i>40 657</i>
<i>UK:</i>	<i>37 649</i>	<i>14 110</i>	<i>40 474</i>
Biomass at fair value	625 433	600 584	610 366

NOTE 4: SEGMENT INFORMATION

Marine Farms has activities within farming, processing and sale of different fish species. The activities take place in majority owned subsidiaries mainly in UK and Spain. Business segments constitute the primary reporting format and are based on Group’s management and internal reporting structure. The Group’s primary segment is determined to be fish farming of salmon, fish farming of seabass/seabrem and fish farming of other species. The Groups secondary segment is geographical.

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments.

Q3 2010

Figures in NOK mill	Revenue	EBIT	Net financials	Income tax	Net profit (loss)	Investments	Non-current assets	Inventory	Total assets	Total liabilities
Salmon UK	140,3	22,0	-0,4	-6,4	15,2	6,2				
Seabass/bream Spain	114,3	17,9	-2,8	-4,5	10,6	4,9				
Other i.e. Cobia + MFt Ltd	8,1	-17,7	-0,9	0,0	-18,6	-1,0				
Mother Company Norway	0,9	-2,3	-8,8	0,0	-11,1	0,0				
Eliminations/group adjustments	-1,6	0,0	0,0	0,0	0,0	0,0				
Total	262,0	19,9	-12,9	-10,9	-3,9	10,1				
Assets held for sale	-0,6	-2,7	0,0	0,0	-2,7	-0,1				
Total continued operations	261,4	17,2	-12,9	-10,9	-6,5	10,0				

Q3 2009

Figures in NOK mill	Revenue	EBIT	Net financials	Income tax	Net profit (loss)	Investments	Non-current assets	Inventory	Total assets	Total liabilities
Salmon UK	129,8	-3,1	-7,2	-36,3	-46,6	15,0				
Seabass/bream Spain	96,0	17,5	-19,7	-6,2	-8,4	5,8				
Other i.e. Cobia + MFt Ltd	2,6	-29,1	0,0	0,0	-29,1	2,6				
Mother Company Norway	0,3	-2,2	-5,3	0,0	-7,5	0,0				
Eliminations/group adjustments	-0,3	0,0	0,0	0,0	0,0	0,2				
Total	228,4	-16,9	-32,2	-42,5	-91,6	23,6				
Assets held for sale	-1,7	-6,6	-0,2	0,0	-6,8	0,2				
Total continued operations	226,7	-23,5	-32,4	-42,5	-98,4	23,4				

YTD 2010

Figures in NOK mill	Revenue	EBIT	Net financials	Income tax	Net profit (loss)	Investments	Non-current assets	Inventory	Total assets	Total liabilities
Salmon UK	470,7	98,9	-0,3	-27,8	70,8	30,5	167,8	237,9	489,4	279,7
Seabass/bream Spain	284,9	13,5	-8,6	-1,4	3,5	1,0	203,5	368,6	661,0	503,4
Other i.e. Cobia + MFt Ltd	17,8	-70,8	-1,4	0,0	-72,2	-0,1	44,8	52,9	105,7	146,3
Mother Company Norway	1,6	-11,0	-34,1	0,0	-45,1	0,1	240,8	0,0	241,5	49,3
Eliminations/group adjustments	-2,3	0,0	21,4	0,0	21,4	0,0	-240,2	0,0	-258,7	-159,2
Total	772,7	30,6	-23,0	-29,2	-21,6	31,5	416,7	659,4	1 238,9	819,5
Assets held for sale	-2,7	-51,1	0,1	0,0	-51,0	-0,5	24,0	6,4	32,2	4,0
Total continued operations	770,0	81,7	-23,1	-29,2	29,4	32,0	392,7	653,0	1 206,7	815,5

YTD 2009

Figures in NOK mill	Revenue	EBIT	Net financials	Income tax	Net profit (loss)	Invest- ments	Non- current assets	Inventory	Total assets	Total liabilities
Salmon UK	420,0	66,6	-3,2	-17,9	45,5	25,2	154,2	184,9	421,8	214,9
Seabass/bream Spain	211,3	29,0	-11,8	-5,1	12,1	14,9	232,7	404,9	727,1	558,4
Other i.e. Cobia + MFt Ltd	8,4	-30,5	0,5	0,0	-30,0	30,3	90,4	36,1	131,3	83,4
Mother Company Norway	1,1	-8,3	-5,3	0,0	-13,6	0,0	279,3	0,1	279,6	75,1
Eliminations/group adjustments	-1,1	0,0	0,0	0,0	0,0	0,7	-277,8	0,0	-291,3	-119,0
Total	639,7	56,8	-19,8	-23,0	14,0	71,1	478,8	626,0	1 268,5	812,8
Assets held for sale	-7,0	-28,3	-0,1	0,0	-28,4	9,9	62,7	3,8	69,8	45,9
Total continued operations	632,7	85,1	-19,7	-23,0	42,4	61,2	416,1	622,2	1 198,7	766,9

The table below presents the Marine Farms Group's revenue distributed between the Group's main geographical markets

Geographical segments – by location of revenue generating legal entities

Figures in NOK mill	3 Q 2010		3 Q 2009		YTD 2010		YTD 2009	
	NOKm	Share	NOKm	Share	NOKm	Share	NOKm	Share
Operating revenue								
UK	140,3	54 %	129,8	57 %	470,7	61 %	420,0	66 %
Spain	114,3	44 %	96,0	42 %	284,9	37 %	211,3	33 %
Vietnam (cobia)	8,1	3 %	2,6	1 %	17,8	2 %	8,4	1 %
Norway	0,9	0 %	0,3	0 %	1,6	0 %	1,1	0 %
Other / Elimination	-1,6	-1 %	-0,3	0 %	-2,3	0 %	-1,1	0 %
Total revenue continued operations	262,0	100 %	228,4	100 %	772,7	100 %	639,7	100 %

NOTE 5: RELATED PARTIES TRANSACTIONS

Note 21 in Marine Farms ASA' Annual Report 2009 provides detailed information on related parties' transactions. No new significant transactions with related parties have occurred 3Q 2010.

NOTE 6: EARNING PR SHARE

Earnings per share are calculated by dividing the majority's share of net profit after tax for the period by the average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the majority's share of net profit after tax for the period by the average number of ordinary shares outstanding during the period, adjusted for outstanding options and other convertible instruments that have potential dilution effects.

Figures in NOK 1 000	Q3 2010	Q3 2009	YTD 2010	YTD 2009	Yr 2009	Yr 2008
Profit / (-) loss to the holders of ordinary shares	-3 455	-6 935	-21 975	14 009	9 938	-23 873
Number of outstanding ordinary shares end of period (36 619	36 619	36 619	36 619	36 619	36 619
Average number of outstanding shares ('000)	36 619	36 619	36 619	36 619	36 619	36 619
Earnings per share (basic)	-0,09	-0,19	-0,60	0,38	0,27	-0,65
Earnings per share (diluted)	-0,09	-0,19	-0,60	0,38	0,27	-0,65
Earnings per share continued operations	0,00	-0,02	0,79	1,16	1,38	0,23
Earnings per share assets held for sale	-0,07	-0,18	-1,39	-0,78	-1,11	-0,88