

Morpol ASA

THIRD QUARTER 2011 REPORT



Highlights for the quarter

- Strong improvement in results
- EBIT margin on processing just below 15 percent
- Solid farming results in UK despite challenging market
- Market demand slightly affected by high retail prices
- Raw material salmon prices dropping

HIGHLIGHTS

Key figures

<i>EUR thousands</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Revenues	103 395.7	93 289.8	344 170.3	266 908.2	430 013.7
EBITDA	18 393.2	2 092.7	43 705.3	8 436.3	23 465.5
EBITDA%	17.8 %	2.2 %	12.7 %	3.2 %	5.5 %
EBIT pre fair value	14 784.4	25.9	32 724.2	3 145.4	15 402.7
EBIT%	14.3 %	0.0 %	9.5 %	1.2 %	3.6 %
EBIT pre fair value and transaction costs	14 784.4	2 379.5	33 764.2	5 499.0	18 402.2
Total assets	585 392.0	510 172.0	585 392.0	510 172.0	597 492.7
Equity	258 157.9	213 205.3	258 157.9	213 205.3	257 774.5
Equity ratio	44.1 %	41.8 %	44.1 %	41.8 %	43.1 %
Net interest bearing debt	(153 408.7)	(156 024.8)	(153 408.7)	(156 024.8)	(148 661.0)
Processing					
EBIT	12 369.4	1 568.6	15 256.5	4 810.3	11 722.3
Volume sold, excl. contract processing (thousands)	11 839	13 826	39 784	43 724	64 316
Increase in volume year on year	(14.4 %)		(9.0 %)		
Farming					
EBIT pre fair value	3 686.8	1 419.1	21 799.7	1 419.1	8 186.8
Volumes sold (thousands, gwe)	6 275	1 604	17 628	1 604	7 741
EBIT per kg	0.6	0.9	1.2	0.9	1.1

FINANCIAL REVIEW

Revenues

Mopol's operating revenues in the third quarter were above prior year with 2011 third quarter revenues of EUR 103.4 million (prior year third quarter EUR 93.3 million). The revenue increase was due to higher farming revenues in 2011 of EUR 29.0 million (EUR 7.5 million) due to the acquisition of major farming assets in late 2010 and early 2011. Processing revenues decreased in the third quarter due to reduced sales volumes. Volumes reduced by over 14 percent in the third quarter compared to the same period prior year.

EBIT

EBIT for the quarter increased sharply from prior year's level to a profit of EUR 14.8 million (EUR 0.0 million). Overall EBIT margin the third quarter was 14.3 percent (0.0 percent prior year).

The main reason for increased EBIT was due to the processing results increasing strongly from an EBIT of EUR 1.6 million in the third quarter 2010 to EUR 12.4 million in 2011. The increased profitability is mainly due to a large reduction in cost of sales as a result of reduced salmon raw material purchase prices which dropped significantly throughout the quarter. The average spot price for Norwegian salmon in the quarter was under NOK 26/kg ex Oslo compared to NOK 37/kg in the second quarter 2011 and NOK 38/kg in the third quarter prior year.

The farming segment profitability was impacted by the dropping salmon prices, though the UK operation returned a solid performance in the quarter with the Norwegian operation returning a loss due to limited harvest volumes.

Financing

There was a net financial expense in the quarter of EUR 15.2 million compared to an income of EUR 2.6 million prior year. The net financial expense includes currency gains and losses. The additional financial expenses in 2011 compared to 2010 are due to various factors. Mopol entered the third quarter in 2010 with a cash positive position, so interest was a net gain. In 2011, the group entered the third quarter with net interest bearing debt of over EUR 186 million with consequential higher interest payments on bank loans and a bond. In addition, the financial expenses in the third quarter 2011 include

approximately unrealised losses accrued for unrealised salmon derivatives – fish pool contracts - expiring during the last quarter 2011 and in 2012. Year to date, the losses accrued related to salmon derivatives within financial expenses at the end of the third quarter amount to EUR 10.5 million. Upon maturing of the derivative contracts, the net gain or loss is reflected within cost of sales and therefore impacts EBIT in the processing segment. Lastly, the financial expenses include approximately EUR 4 million of losses on currency contracts regarding conversion of EUR to Polish Zloty.

The group had net interest bearing debt (NIBD) of EUR 153.4 million, a decrease of EUR 32.9 million from the second quarter 2011. The decrease in NIBD is due to the divestment proceeds. In July 2011, Mopol divested its sea bass and sea bream operations in Spain - named Culmarex SA to Cooke Aquaculture Inc., a major global aquaculture company headquartered in New Brunswick, Canada for a total enterprise value of EUR 48.7 million.

Net result

The group had a net loss for continuing operations of EUR 3.6 million (profit of EUR 0.9 million) in the quarter. The higher EBIT was negatively offset by the higher financial costs, income tax expenses and a net loss on discontinued operations.

Exchange rates impacts against last year

Mopol's main currency exposures are to EUR, PLN, GBP and NOK. The majority of the sales and purchases of the processing segment are made in EUR and GBP to mitigate foreign exchange exposure. Major costs such as administration and overhead costs as well as labour cost (salaries and other) are mainly Polish Zloty (PLN), GBP and NOK denominated. Exchange rate impacts and provisions in the third quarter was approximately EUR 4 million, due to the weakening of the Polish Zloty versus the Euro and reported under financial expenses in the income statement.

Discontinued operations

The assets held for sale returned a negative net result of EUR 3.1 million in the quarter, of which EUR 2.1 million relates to the sale of the sea bass and sea bream assets in Spain divested in July. The remaining assets held for sale are the Cobia and Pompano operations in Vietnam and Belize.

OPERATIONAL REVIEW

Processing

Strong margin improvement

Revenues in processing were EUR 83.9 million compared to EUR 86.5 million prior year. Higher unit sales prices to customers were offset by a reduction in sales volume year on year. EBIT for processing in the third quarter 2011 was EUR 12.4 million (EUR 1.6 million). Raw material purchase unit prices were lower than prior year and increased sales prices to Morpol customers year on year resulted in higher profitability.

The EBIT margin in the third quarter increased strongly to 14.7 percent compared to 1.8 percent prior year.

Unit sales prices of all categories were above prior year levels, though prices were reduced from the second quarter levels as some of the positive impact of lower purchase prices for the salmon raw material was passed on to the customers.

Market prices for raw material prices of salmon reduced dramatically in the third quarter with an average export price from Norway at approximately NOK 26/kg, down by approximately NOK 11/kg from the second quarter and NOK 12/kg from prior year third quarter levels of NOK 38/kg. The market price ended at approximately NOK 22/kg in the last week of the third quarter.

The weighted average price paid by Morpol in the third quarter was higher due to derivative contracts made with Fish Pool in previous quarters. Contracts maturing the third quarter related to one contract of 1 200 tonnes at NOK 37.3/kg ex Oslo equivalent and 3 495 tonnes at NOK 27/kg equivalent. The negative EBIT impact generated by the contracts was approximately EUR 2 million in the third quarter. As referred to in Financing section on page 3, at the end of the quarter there are accumulated EUR 10.5 million of provisions for unrealised fish pool contracts and is reported within financial expenses in the consolidated income statement.

Sales volume decrease in quarter

Sales volumes reduced in the third quarter by 14.4 percent overall compared to the same quarter in 2010. However, sales of the principal category, cold smoked salmon, was stable year on year with only a 1 percent drop in volume and sales of specialty products had

strong growth with a 45 percent increase in volumes. Higher prices to customers compared to the same period last year and consequential higher retail prices to consumers impacted on demand year on year for cold smoked, particularly in July and August, however sales improved in September. With a reduction in retail prices expected in the fourth quarter due to a partial passing through of lower salmon raw material prices, demand should improve once again.

Sales volumes of other products and by-products reduced sharply with a 25 percent reduction in volumes in both categories. Other products declined primarily due to a reduction in the sales of frozen portions to the USA, a very price sensitive product. By-product sales will reduce by over 1 000 metric tonnes per quarter going forward as a result of the end of a contract processing arrangement during the second quarter. This extra volume of by-products was generated and sold by Morpol using the residual part of the main products processed for the third party.

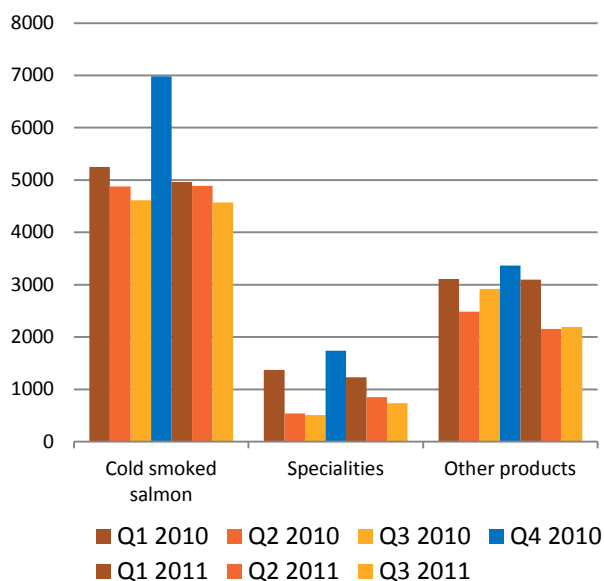
By-product unit prices improved strongly in the third quarter due to an improved product mix and an increased focus on margin enhancement.

Volume growth

Sales volumes for the third quarter and year to date compared to prior year were as follows:

Sales - Tonnes	Q3 2011	Q3 2010	% Var	YTD 2011	YTD 2010	% Var
Cold smoked salmon	4 570	4 613	(1%)	14 424	14 741	(2%)
Specialities	737	508	45 %	2 813	2 419	16 %
Other products	2 190	2 917	(25%)	7 443	8 512	(13%)
By-products	4 342	5 788	(25%)	15 104	18 053	(16%)
Sales excl. contract processing	11 839	13 826	(14 %)	39 784	43 724	(9 %)
Contract processing	-	2 447	(100%)	2 902	6 527	(56%)
TOTAL SALES	11 839	16 273	(27 %)	42 686	50 250	(15 %)

The change in volumes of main products over the last years is illustrated as follows:



Farming

Revenues in farming in the third quarter were EUR 29.0 million (EUR 7.5 million). The increase is because Morpol acquired the majority of its farming operations at the end of third quarter 2010 and in the first quarter 2011. Of the total revenues, EUR 9.4 million were transferred internally to the Morpol processing division for further processing and sales. Farming EBIT pre fair value in the third quarter was EUR 3.7 million (EUR 1.4 million).

EBIT margin in the third quarter was 12.7 percent compared to 18.9 percent prior year, reflecting a large drop in unit sales prices caused by the lower market prices for salmon.

The farming operations in the UK – Meridian Salmon Group - generated an EBIT pre fair value of EUR 4.3 million. Sales volumes in the quarter were 6 128 metric tonnes gutted fish equivalent returning an EBIT/kg of EUR 0.7/kg. The Norwegian farming operation – Jøkelfjord Laks – returned an EBIT loss of EUR 0.7 million, the loss being mainly due to limited sales volumes of only 147 metric tonnes not being sufficient to cover overhead costs.

A summary of the farming results by country is shown below:

	UK		Norway		Total	
	Q3 2011	YTD 2011	Q3 2011	YTD 2011	Q3 2011	YTD 2011
Volume (thousands, gwe)	6 128	14 109	147	3 520	6 275	17 628
EBIT pre fair value (EUR thousands)	4 338	16 365	(651)	5 435	3 687	21 800
EBIT per kg (EUR)	0.7	1.2	(4.4)	1.5	0.6	1.2

The EBIT level in farming was impacted heavily due to the substantial drop in market prices for salmon during the quarter. The market price for salmon dropped by approximately EUR 1.40/kg on average from the second quarter to the third quarter, yet the EBIT/kg level for the UK operations only dropped from EUR 1.60/kg in the second quarter to EUR 0.70/kg in the third quarter, a decrease of EUR 0.90/kg. Sale of niche products such as Label Rouge and Organic salmon at higher prices than spot prices together with higher volumes supported a solid performance in the UK. Volumes in Norway were lower than anticipated in the third quarter due to slower growth in certain stocks and count losses in harvested cages. Volumes for 2011 will be reduced as a consequence.

As the majority of the farming operations were acquired at the end of the third quarter 2010 and in first quarter 2011, there are no comparative figures reported, but please refer to proforma figures in note 2 and 12 for comparison data.

Operational Costs

Cost of sales decreased sharply in the third quarter to EUR 73.9 million (EUR 82.3 million) mainly due to the reduced purchase price for raw materials in the processing division. All other cost categories increased year on year due to the inclusion of the additional farming and processing assets acquired during late 2010 and in 2011. Distribution costs in the quarter were EUR 7.4 million (EUR 5.5 million) with farming distribution costs alone being EUR 1.3 million in the quarter (EUR 0.3 million prior year). Sales, general and administration costs also were EUR 8.2 million in the third quarter (EUR 4.0 million). The SG&A increase is mainly due to acquisitions. Farming SG&A accounted for EUR 1.7 million of the increase cost and third quarter SG&A costs of Brookside Limited, the UK processor acquired in the second half 2010, was EUR 0.6 million. Further, expenses related to Rosyth processing plant in the UK – acquired in 2011 - were EUR 0.5 million in the quarter.

FINANCIAL SITUATION

The group's net interest bearing debt (NIBD) decreased from prior year levels at EUR 153.4 million compared to EUR 156.0 million at the third quarter end 2010. The net debt at the end of the second quarter 2011 was EUR 186.3 million, with the decrease in debt to the third quarter due to the net divestment proceeds – approximately EUR 40 million - of Culmarex, the sea bass and bream operations in Spain that were sold in July.

The equity ratio was 44.1 percent at quarter end compared to 41.8 percent prior year. Total assets of the group at the third quarter end were EUR 585.4 million compared to EUR 510.2 million prior year. The increased asset base is mainly due to the inclusion of the salmon farming companies acquired in first quarter 2011. The total assets of the group reduced by

approximately EUR 60 million from the second quarter, mainly due to the divestment of the Culmarex operations.

As a direct result of the proceeds from the sale of Culmarex, Morpol ASA bought back NOK 244 million of a NOK 500 million unsecured bond issued in February 2011. The bonds were repurchased at 100.5 percent of par value plus accrued interest. The bond loan is listed on Oslo Stock Exchange.

The group is adequately funded to maintain capital investment programmes and to fund strategic growth options.

EUR thousands	YTD 2011	YTD 2010	FY 2010
Borrowings long term	(217 364.1)	(127 944.8)	(160 370.0)
Borrowings current	(4 850.8)	(67 912.1)	(43 747.9)
Cash and cash equivalents	68 806.2	39 832.0	55 456.9
Net interest bearing debt	(153 408.7)	(156 024.8)	(148 661.0)

CASH FLOW

The consolidated cash flow from operating activities for the third quarter was an inflow of EUR 5.9 million (outflow of EUR 7.9 million). The positive cash flow in the quarter is mainly due to the EBIT generation and higher payables, offset by a seasonal increase in inventory and trade receivable levels.

The movement in working capital follows the normal seasonal pattern for Morpol, where the second half brings an increase in inventories and receivables in both the processing and farming segments. The inventories in the farming segment will decrease in the fourth quarter but by year-end the receivable levels reach a peak in farming and also processing due to the impact of the seasonally high Christmas period.

Investments in property, plant and equipment for the quarter amounted to EUR 8.1 million (EUR 7.0 million). Net proceeds from the Culmarex sale in the third quarter of EUR 39.6 million were booked in the third quarter, resulting in a total cash inflow from investing activities of EUR 31.6 million (outflow of EUR 124.4 million).

Cash flow from financing activities in the quarter was an outflow of EUR 51.5 million (inflow of EUR 3.9 million).

MARKET OVERVIEW

Not all comparative market data for the third quarter was available this quarter and must be limited to a basic overview of two main markets France and the UK. A full overview of market development will be given at year end.

In general, consumption of Mopol's main products reduced during the third quarter. This was primarily due to a reduction in demand as a result of higher prices at consumer level in retail. Nonetheless, we are seeing demand picking up as we enter the fourth quarter in our main markets as slightly reduced consumer prices that took effect at the end of the third quarter are kick starting demand.

France

Third quarter 2011 versus 2010 sales of smoked salmon products in hypermarkets, supermarkets and hard discounters fell by 8.8 percent volume and increased by 0.9 percent value. The constantly increased prices during the year have had a dampening effect on demand.

UK

Total sales of smoked salmon fell by approximately 3.4 percent by volume in the third quarter 2011 and fell by 6.3 percent in value versus the previous year.

SUBSEQUENT EVENTS

On 13 October 2011 an extraordinary general meeting of Mopol ASA was held in Oslo. The general meeting made the following resolution:

"Thorhild Widvey, Hans den Bieman and Elbjørg Gui Standal resign as members of the board in Mopol ASA with effect as of this resolution. Ebbe Pelle Jacobsen, Marianne E. Johnsen, Teresa Sienkiewicz, and Kaj Kohave are elected as new board members. In addition, Bjørn Myrseth takes position as board member, as previously elected, as of this resolution."

The resolution obtained a sufficient majority and was validly passed.

After the election, the board of directors consists of the following persons:

Ebbe Pelle Jacobsen, chairman of the board (election period ending AGM 2013)

Slawomir Stochnialek, board member (election period ending AGM 2012)

Monica Grolewska, board member (election period ending AGM 2012)

Bjørn Myrseth, board member (election period ending AGM 2012)

Marianne E. Johnsen, board member (election period ending AGM 2012)

Teresa Sienkiewicz, board member (election period ending AGM 2012)

Kaj Kohave, board member (election period ending AGM 2012)

SHARE INFORMATION

Total number of shares outstanding at quarter end was 168.0 million shares and the total number of shareholders were 716. Mopol's share price was NOK 12.55 at 30 September 2011.

OUTLOOK

Processing

The third quarter 2011 produced a welcome increase in EBIT margins after a challenging last year caused by the high prevailing salmon raw material prices. The high end product sales prices, vastly reduced raw material prices and the consequential impact on reduced cost of sales for processing will result in improved profitability and increased processing margins next quarter also and give Mopol a much better platform to enter 2012 than was the case prior year.

However, the profitability is dependent on both the prevailing raw material salmon price and on the consumer demand. Growth may be limited or even decrease year on year in the fourth quarter 2011 unless retail prices are adjusted further down. Mopol are obliged to reduce prices further to customers in the run up to the busy Christmas period and the resulting drop in retail prices to consumers will likely increase demand once again. The EBIT margin of Mopol processing will be dependent on how quickly price decreases are passed to customers versus the relevant purchase price of salmon. When salmon raw material prices were increasing in 2010, Mopol lagged behind when implementing price increases to customers, impacting negatively on mar-

gins versus historical levels. The opposite is true when prices fall and Morpol processing margins will normally be boosted during this period.

Due to the end of a contract processing arrangement with an unrelated third party, by-product sales will reduce by over 1 000 metric tonnes per quarter going forward. This extra volume of by-products was generated and sold by Morpol using the residual part from the main products processed for the third party. In addition, the company will no longer gain the profit from the toll arrangement fee on the approximate 10 000 tonnes per annum contracted. Over time, Morpol expects to utilise the extra capacity and enhance margins on its own production, including improved returns on by-products. However, there will be an impact on profits during the rest of 2011, while the plant is reconfigured.

Raw material prices dropped substantially during the third quarter after a year of record high levels. A combination of higher volumes from Norway and Chile combined with higher retail prices and a drop in demand have pressurised market prices due to over-supply. A drop in salmon prices was predicted by many industry analysts, but the drop has been quicker and steeper than expected.

Entering the fourth quarter, salmon prices dropped further with ex Oslo spot price dropping below NOK 20/kg. The price expectation for the fourth quarter is difficult to estimate with the expected higher Christmas demand normally giving a boost to salmon prices in general.

To partially hedge the impact of higher raw material prices of salmon, the group has entered into Fish Pool contracts of 3 735 tonnes for the fourth quarter 2011 and a further 4 800 tonnes for 2012. The average contract price is approximately 30.3 NOK/kg for 2011 and approximately 37.3 NOK/kg for 2012. These contracts, when realised, will impact on the average price paid for salmon raw material. At current market prices, the contracts would have a large negative impact on the results, particularly for 2012, with the current market price being approximately 23 NOK/kg compared to the 37,3 NOK/kg for the forward contract in 2012.

Farming

Profitability has a high dependence on the salmon market price for both the Norwegian and UK farming operations. While the processing division is expected to benefit from lower salmon export prices, the opposite is true for the farming business. Volumes in Morpol's operations in both the UK and Norway are expected to be higher in the fourth quarter 2011 compared to earlier quarters, partly due to the seasonality of Christmas sales, a high demand period.

However, with current salmon prices, most salmon producers are close to break even or even loss making as the cost of sales, including administration expenses, is above the market price at present. Even if salmon prices increase, the farming operational margins are likely to be under pressure during the fourth quarter and into 2012 due to the increased global supply. Currently, industry analysts expect an increase in global salmon production of approximately 15 percent year on year in the fourth quarter and over 10 percent annual increase in 2012. These increases, if occurring, would normally lead to a period of lower prices and profitability for salmon producers.

For the salmon industry, there is a risk of impairment of asset values at the end of 2011 if the current market prices prevail. The Morpol Group will perform a study on the asset and licence values like all salmon farming companies. There is a significant risk that a write down will be needed on the farming assets purchased in the last year, with the Morpol assets currently held in the balance sheet valued above industry averages.

While the volume outlook for the UK farming operations are maintained, Norwegian operations will have less harvest and sales volume than anticipated last quarter. Certain biomass has not performed according to plan with poorer growth and some higher disease and losses in these stocks. The volume outlook per quarter for both 2011 and 2012 is shown below.

Forecast sales volumes – farming

Sales volumes (gwt)	Q1 2011 Actual	Q2 2011 Actual	Q3 2011 Actual	Q4 2011 Estimate	FY 2011 Estimate
Scotland	3 064	4 917	6 128	7 900	22 009
Norway	2 025	1 348	147	2 200	5 720
Total sales volumes	5 089	6 264	6 275	10 100	27 729

Sales volumes (gwt)	Q1 2012 Estimate	Q2 2012 Estimate	Q3 2012 Estimate	Q4 2012 Estimate	FY 2012 Estimate
Scotland	3 200	6 600	5 500	7 100	22 400
Norway	1 600	1 100	1 100	2 200	6 000
Total sales volumes	4 800	7 700	6 600	9 300	28 400

FINANCIAL STATEMENTS

Condensed consolidated interim statement of income

<i>EUR thousands</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
<i>Continuing operations:</i>					
Revenue:	103 395.7	93 289.8	344 170.3	266 908.2	430 013.7
Sale of finished goods	101 761.6	88 519.0	335 361.6	253 469.2	411 121.7
Sale of services	233.0	2 345.3	4 091.0	5 903.0	7 978.2
Sale of merchandise and materials	1 401.2	2 425.5	4 717.8	7 536.0	10 913.8
Cost of sales	(73 938.1)	(82 277.5)	(268 020.8)	(236 728.8)	(368 395.7)
Finished goods sold	(72 692.5)	(78 533.1)	(262 348.3)	(225 762.4)	(352 102.7)
Services	59.8	(1 526.5)	(1 373.5)	(4 064.3)	(6 320.1)
Merchandise and materials sold	(1 305.4)	(2 217.9)	(4 299.1)	(6 902.0)	(9 972.9)
Gross profit/(loss)	29 457.6	11 012.3	76 149.5	30 179.5	61 618.0
Distribution costs	(7 398.2)	(5 481.5)	(22 665.6)	(15 849.2)	(28 200.0)
Sales, general and administrative expenses	(8 181.9)	(4 028.1)	(21 947.1)	(9 883.6)	(17 174.1)
Other income	357.7	1 105.6	2 614.2	2 005.7	4 592.8
Other expenses	549.2	(228.8)	(386.7)	(953.3)	(2 434.5)
Transaction costs	-	(2 353.6)	(1 040.0)	(2 353.6)	(2 999.5)
EBIT pre fair value	14 784.4	25.9	32 724.2	3 145.5	15 402.7
Unrealised fair value adjustments	(853.4)	(1 511.3)	(5 120.6)	(1 511.3)	(4 245.2)
EBIT	13 931.0	(1 485.4)	27 603.5	1 634.1	11 157.6
Financial items, net	(15 241.5)	2 574.1	(23 633.1)	2 890.3	2 605.6
Profit/(loss) before tax	(1 310.4)	1 088.7	3 970.4	4 524.4	13 763.1
Income tax expense	(2 320.8)	(195.9)	8 711.7	(2 190.0)	486.0
Net profit/(loss) continuing operations	(3 631.3)	892.8	12 682.2	2 334.4	14 249.1
Net income/(loss) discontinued operations	(3 145.8)	-	(2 871.0)	-	(2 454.0)
Net profit/(loss)	(6 777.1)	892.8	9 811.1	2 334.4	11 795.1
Net profit/(loss) for the period attributable to:					
- Owners of the parent	(6 884.9)	893.4	9 550.3	2 341.4	11 350.6
- Non-controlling interests	107.7	(0.6)	260.8	(7.0)	444.5
Earnings per share (EUR)					
Basic and diluted EPS continuing operations	(0.02)	0.01	0.07	0.02	0.11
Basic and diluted EPS discontinued operations	(0.02)	-	(0.02)	-	(0.02)
Basic and diluted EPS total operations	(0.04)	0.01	0.06	0.02	0.09
<i>The costs are presented "by function" and include depreciation and amortisation with the following amounts</i>					
Depreciation and amortisation	(3 608.7)	(2 066.8)	(10 981.1)	(5 290.8)	(8 062.7)
EBITDA	18 393.2	2 092.7	43 705.3	8 436.3	23 465.5

The group's key earnings measure is EBIT pre fair value as this reflects earnings on sales during the period.

Condensed consolidated interim statement of comprehensive income

<i>EUR thousands</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Net profit/(loss)	(6 777.1)	892.8	9 811.1	2 334.4	11 795.1
<i>Other comprehensive income</i>					
Exchange rate differences on translation	1 711.2	(49.3)	(8 844.2)	(1 816.7)	(5 471.7)
Total comprehensive income	(5 065.9)	843.5	966.9	517.7	6 323.4
Total comprehensive income attributable to:					
- Owners of the parent	(5 357.1)	(2 226.1)	359.5	523.4	5 930.3
- Non-controlling interests	291.2	4.0	607.5	(5.7)	393.0

Condensed consolidated interim statement of financial position

<i>EUR thousands</i>	YTD 2011	YTD 2010	FY 2010
ASSETS			
Deferred tax asset	25 554.5	4 352.5	10 162.9
Intangible assets	165 350.8	110 905.3	113 295.7
Property, plant & equipment	111 697.9	87 556.5	100 182.2
Other non-current assets	3 690.0	11 836.2	16 018.3
Total non-current assets	306 293.2	214 650.6	239 659.1
Inventories	36 021.3	35 404.7	43 512.0
Biological inventory at cost	63 245.2	41 485.6	40 631.7
Biological inventory fair value adjustment	7 741.6	9 084.8	6 340.0
Trade and other receivables	86 385.6	97 739.0	136 949.8
Other current assets	9 834.4	8 097.7	9 256.8
Cash and cash equivalents	68 806.2	39 832.0	55 456.9
Total current assets continuing operations	272 034.3	231 643.9	292 147.2
Assets and disposal group classified as held for sale	7 064.4	63 877.5	65 686.4
Total current assets	279 098.7	295 521.4	357 833.6
Total assets	585 392.0	510 172.0	597 492.7
EQUITY AND LIABILITIES			
Total equity attributable to owners of the parent	253 913.2	204 361.9	253 553.7
Non-controlling interests	4 244.8	8 843.4	4 220.8
Total equity	258 157.9	213 205.3	257 774.5
Deferred tax liabilities	32 287.4	19 253.4	20 353.4
Other long-term liabilities	6 323.3	9 615.4	8 079.8
Long-term interest bearing debt	217 364.1	127 944.8	160 370.0
Non-current liabilities	255 974.8	156 813.6	188 803.2
Trade and other payables	39 017.6	51 243.5	72 181.3
Current tax liabilities	10 054.6	3 584.4	3 384.0
Borrowings and other interest-bearing short-term debt	4 850.8	67 912.1	43 747.9
Other short-term liabilities	17 120.8	8 953.6	12 765.6
Total current liabilities continuing operations	71 043.8	131 693.5	132 078.7
Liabilities included in disposal group held for sale	215.0	8 459.6	18 836.3
Current liabilities	71 258.7	140 153.2	150 915.0
Total liabilities	327 233.5	296 966.7	339 718.2
Total equity and liabilities	585 392.0	510 172.0	597 492.7

Condensed consolidated interim statement of changes in equity

EUR thousands	Equity attributable to owners of the parent					Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other paid-in capital	Retained earnings					
Balance 01.01.2010	7 925.7	-	-	54 894.4	124.8	62 944.9	8.5	62 953.4	
Total comprehensive income	272.1	-	-	-	251.2	523.3	(5.7)	517.7	
Share swap	(8 197.8)	-	-	(60 536.6)	-	(68 734.4)	67.5	(68 666.9)	
Change in non-controlling	-	-	-	-	-	-	8 773.1	8 773.1	
Issue of share capital	1 917.8	206 694.4	1 015.9	-	-	209 628.1	-	209 628.1	
Balance at 30.09.2010	1 917.8	206 694.4	1 015.9	(5 642.2)	376.0	204 361.9	8 843.4	213 205.4	
Total comprehensive income	(231.6)	4 477.8	16.7	11 350.6	(10 292.3)	5 321.2	484.5	5 805.7	
Issue of share capital	192.2	37 885.3	3.6	5 642.2	-	43 723.3	-	43 723.3	
Share swap	272.1	-	-	-	(124.8)	147.3	-	147.2	
Other	-	-	-	-	-	-	(67.5)	(67.5)	
Change in NCI	-	-	-	-	-	-	(5 039.6)	(5 039.6)	
Balance at 31.12.2010	2 150.5	249 057.5	1 036.2	11 350.6	(10 041.1)	253 553.8	4 220.8	257 774.5	
Total comprehensive income	(20.1)	(2 334.9)	(10.0)	-	2 724.5	359.4	607.5	966.9	
Change in NCI	-	-	-	-	-	-	(453.0)	(453.0)	
Payment of dividend to NCI	-	-	-	-	-	-	(130.4)	(130.4)	
Balance at 30.09.2011	2 130.4	246 722.6	1 026.2	11 350.6	(7 316.6)	253 913.2	4 244.8	258 157.9	

Condensed consolidated interim statement of cash flows

<i>EUR thousands</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Operating activities					
Profit/(loss) before tax	(1 310.4)	1 088.7	3 970.4	4 524.4	13 763.1
Adjustments:					
Depreciation and impairment of property, plant and equipment	3 535.8	2 010.4	10 654.0	5 193.5	7 893.2
Amortisation and impairment of intangible assets	72.9	43.0	327.1	97.4	169.6
Fair value adjustments on financial assets and liabilities	9 165.0	(2 910.0)	12 688.5	(3 326.7)	(5 356.8)
Impairment of financial assets	-	(16.1)	-	(499.7)	-
(Gain)/loss on disposal of non-financial assets	1.1	1.1	2.0	(6.5)	(21.1)
(Gain)/loss on disposal of non-derivative financial assets	(0.0)	(0.0)	(2.9)	1.2	(11.5)
Foreign exchange impact	51.2	(489.1)	(729.9)	104.6	103.1
Interest expenses	2 516.8	496.9	11 558.1	1 967.3	3 189.1
Interest and dividend income	(177.7)	(60.7)	(718.3)	(115.0)	(1 196.9)
Other	(303.0)	(2 730.2)	(8 467.7)	(1 451.8)	1 415.4
Total adjustments	14 862.1	(3 654.7)	25 310.9	1 964.3	6 184.1
Change in inventories	(13 936.1)	(4 786.9)	1 678.2	(6 981.1)	(10 373.4)
Change in trade and other receivables	(10 636.2)	5 203.1	39 056.6	31 061.3	(16 834.1)
Change in trade and other payables	17 807.6	(1 678.4)	(20 452.8)	(18 912.2)	8 121.3
Change in provisions, accruals and prepaid expenses	(1 715.0)	(2 833.7)	(990.8)	5 619.4	4 145.8
Net changes in working capital	(8 479.7)	(4 095.8)	19 291.2	10 787.3	(14 940.4)
Settlement of derivative financial instruments	701.5	1 238.7	2 950.3	2 358.2	4 475.2
Interest paid (operating activities only)	(10.7)	52.2	(1 312.9)	(62.4)	(39.5)
Income taxes paid	130.5	(2 492.6)	(2 808.2)	(5 994.9)	(10 373.1)
Cash flow from operating activities	5 893.3	-7 863.5	47 401.7	13 576.9	(930.6)
Investing activities					
Purchase of intangible assets	(113.0)	(2 861.4)	(597.7)	(7 755.1)	(9 283.2)
Purchase of property, plant and equipment	(8 064.8)	(6 976.9)	(22 454.4)	(12 036.4)	(25 818.0)
Acquisition of subsidiaries, net of cash	-	(123 381.5)	(64 440.7)	(123 381.5)	(130 765.3)
Acquisition of other financial assets	13.9	15 067.9	(111.8)	(3 535.0)	(9 743.1)
Repayment of long term loans	-	-	8 000.0	-	-
Proceeds from disposals of property, plant and equipment	-	(1.2)	-	6.5	56.4
Proceeds from disposals of subsidiaries, net of cash	39 618.6	-	39 618.6	-	-
Proceeds from disposals of other financial assets	155.1	(6 250.0)	155.1	1 068.3	1 319.6
Cash flow from investing activities	31 609.8	(124 403.1)	(39 830.9)	(145 633.3)	(174 233.5)
Financing activities					
Net change in interest bearing debt	(46 997.0)	(626.0)	15 399.3	11 980.5	36 564.9
Interest paid	(4 492.9)	(1 062.4)	(9 571.8)	(2 157.2)	(3 191.6)
Proceeds from issue of share capital	-	5 626.2	-	140 826.1	177 301.6
Cash flow from financing activities	(51 489.9)	3 937.9	5 827.5	150 649.4	210 675.0
Net change in cash and cash equivalents	-13 986.8	-128 328.8	13 398.3	18 593.0	35 510.9
Cash and cash equivalent, beginning of period	82 593.4	168 360.1	55 456.9	21 239.1	21 239.1
Exchange differences on cash and cash equivalents	199.8	(199.3)	(49.0)	-	(1 293.1)
Cash and cash equivalent, end of period	68 806.6	39 832.0	68 806.2	39 832.0	55 456.9

Selected notes disclosure

1. Basis of preparation

1.1. Statement of compliance

The interim accounts are presented in accordance with IAS 34 Interim Financial Reporting. These condensed consolidated interim financial statements were approved by the Board on 9 November 2011.

The condensed consolidated interim financial statements are unaudited. The financial statements are presented in EUR, rounded to the nearest thousand, unless otherwise stated. As a result of rounding differences, numbers or percentages may not add up to the total.

The consolidated financial statements for the year ended 31 December 2010 are available upon request from the company's registered office at Tjuvholmen Allé 3, Oslo or at www.Mopol.com.

1.2. Accounting principles

The accounting policies applied in the interim financial statements are in all material respect consistent with those applied in the consolidated financial statements for the year ended 31 December 2010. New standards and interpretations are outlined in the annual accounts 2010, note 2.8. The effects from the revised standards and interpretations have not had any impacts on the group's consolidated interim financial statements.

2. Significant events and transactions after the reporting period

There were no significant events or transactions to report.

Proforma numbers

Below are listed the proforma numbers for the group as the acquisitions of Norther Isles Salmon and Marine Farms' salmon operations acquired in third quarter 2010 and the acquisition of Jøkelfjord Laks in first quarter 2011 were effective as from 1 January 2010. The sale of Culmarex does not impact the proforma income statement for continuing operations.

provide a reference point for comparison in future periods. In preparation of the proforma numbers, intercompany sales have been eliminated. Borrowing costs are adjusted for acquisitions being financed by new loans. The proforma numbers only include continuing operations.

The proforma numbers represent an approximate measure of the performance of the combined group to

EUR thousands	Actual	Proforma	Actual	Proforma	Proforma
	Q3 2011	Q3 2010	YTD 2011	YTD 10	FY 10
<i>Continuing operations:</i>					
Operating revenue	103 395.7	120 344.0	344 170.3	357 953.1	531 283.5
Cost of sales	(73 938.1)	(101 573.6)	(268 020.8)	(295 237.7)	(432 076.2)
Gross profit (loss)	29 457.6	18 770.4	76 149.5	62 715.4	99 207.4
Distribution costs	(7 398.2)	(6 344.1)	(22 665.6)	(19 201.3)	(31 552.1)
Sales, general and administrative expenses	(8 181.9)	(5 573.8)	(21 947.1)	(15 011.7)	(22 341.6)
Other income	357.7	1 105.6	2 614.2	2 012.5	4 599.6
Other expenses	549.2	(342.1)	(386.7)	(2 167.7)	(3 989.2)
Transaction costs	-	(2 353.6)	(1 040.0)	(2 353.6)	(2 999.5)
EBIT pre fair value	14 784.4	5 262.5	32 724.2	25 993.5	42 924.6
Unrealised FV adjustments	(853.4)	(858.3)	(5 120.6)	6 759.3	5 147.9
EBIT	13 931.0	4 404.2	27 603.5	32 752.8	48 072.5
Profit/(loss) before tax	(1 310.4)	5 129.2	3 970.4	31 888.5	46 322.4
Income tax expense	(2 320.8)	(2 338.0)	8 711.7	(9 288.6)	(8 099.4)
Net profit/(loss) continuing operations	(3 631.3)	2 791.2	12 682.2	22 600.0	38 223.0
Depreciation/amortisation	(3 608.7)	(3 242.2)	(10 981.1)	(9 084.8)	(12 163.9)
EBITDA	18 393.2	8 504.6	43 705.3	35 078.3	55 088.5

3. Earnings per share

The basic earnings per share is calculated according to the net profit attributable to the shareholder of the parent company divided by the average weighted number of ordinary shares in the relevant period. Morpol currently has no share-based compensation that results in a dilutive effect on earnings per share.

Total operations	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Profit attributable to equity holders of the company (EUR million)	(6 884.9)	893.4	9 550.3	2 341.4	11 350.6
Weighted average number of shares (basic and diluted)	168 009 099	152 554 057	168 009 099	118 472 429	127 835 097
Basic and diluted EPS (EUR)	(0.04)	0.01	0.06	0.02	0.09
Continuing operations	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Profit attributable to equity holders of the company (EUR million)	(3 739.0)	893.4	12 444.1	2 341.4	13 830.9
Weighted average number of shares (basic and diluted)	168 009 099	152 554 057	168 009 099	118 472 429	127 835 097
Basic and diluted EPS (EUR)	(0.02)	0.01	0.07	0.02	0.11
Discontinued operations	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Profit attributable to equity holders of the company (EUR million)	(3 145.9)	-	(2 893.8)	-	(2 480.3)
Weighted average number of shares (basic and diluted)	168 009 099	152 554 057	168 009 099	118 472 429	127 835 097
Basic and diluted EPS (EUR)	(0.02)	-	(0.02)	-	(0.02)

4. Seasonality of business activity

The main business activities of the group are fish processing, sales and salmon farming. The group generates higher revenues and profits in second half of the year. The main factor influencing the seasonal patterns throughout the year is the weighting of sales volumes according to market demands and biological cycle. The main period of sales of smoked salmon is the

period leading up to and at the Christmas holiday season in December and also the Easter period, which falls in a week period in either the month of March or April. Additionally, the salmon production cycle normally follows a pattern where more fish are harvested in the second half of a calendar year than the first half.

5. Operating segments

Morpol has two segments; fish farming and fish processing. Fish processing includes processing and preserving of fish and other fishery products and distribution and sale of those. The main product is smoked salmon, but other products are having an increased importance to the group's profitability. Fish

farming involves the breeding and on-growing of salmon, as well as slaughtering, processing, sale and distribution of salmon. The group discloses segment information in accordance with IFRS 8.

5. Operating segments (cont.)

EUR thousands	Processing		Fish farming		Group activities		Eliminations		Consolidated	
	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10	Q3 11	Q3 10
<i>Continuing operations:</i>										
External sales	83 739.7	86 526.2	19 656.0	6 763.6	-	-	-	-	103 395.7	93 289.8
Internal sales	141.6	-	9 367.9	759.9	-	10.3	(9 509.4)	(770.2)	-	-
Operating revenue	83 881.3	86 526.2	29 023.8	7 523.5	-	10.3	(9 509.4)	(770.2)	103 395.7	93 289.8
Cost of sales	(61 421.0)	(77 645.2)	(22 026.5)	(5 392.2)	-	-	9 509.4	759.9	(73 938.1)	(82 277.5)
Gross profit (loss)	22 460.2	8 881.0	6 997.4	2 131.3	-	10.3	-	(10.3)	29 457.6	11 012.3
Distribution costs	(6 107.3)	(5 177.8)	(1 290.9)	(303.7)	-	-	-	-	(7 398.2)	(5 481.5)
SGA expenses	(4 839.1)	(3 058.0)	(2 071.1)	(361.9)	(1 271.7)	(618.5)	-	10.3	(8 181.9)	(4 028.1)
Other income	306.2	1 103.6	51.5	2.0	-	-	-	-	357.7	1 105.6
Other expenses	549.2	(180.2)	-	(48.6)	-	-	-	-	549.2	(228.8)
Transaction costs	-	-	-	-	-	(2 353.6)	-	-	-	(2 353.6)
EBIT pre fair value	12 369.4	1 568.6	3 686.8	1 419.1	(1 271.7)	(2 961.8)	-	0.0	14 784.4	25.9
Unrealised FV adj.	-	-	(853.4)	(1 511.3)	-	-	-	-	(853.4)	(1 511.3)
EBIT	12 369.4	1 568.6	2 833.4	(92.2)	(1 271.7)	(2 961.8)	-	0.0	13 931.0	(1 485.4)
Profit/(loss) before tax	(3 772.8)	3 611.6	2 608.7	(132.2)	(146.3)	(2 390.6)	-	-	(1 310.4)	1 088.8
Income tax expense	(3 246.1)	(195.9)	(1 002.7)	-	1 927.9	0.0	-	-	(2 320.8)	(195.9)
Net profit/(loss) cont.op.	(7 018.9)	3 415.8	1 606.1	(132.2)	1 781.6	(2 390.6)	-	-	(3 631.3)	892.9
Net profit/(loss) disc.op.	-	-	(3 145.8)	-	-	-	-	-	(3 145.8)	-
Net profit/(loss)	(7 018.9)	3 415.8	(1 539.8)	(132.2)	1 781.6	(2 390.6)	-	-	(6 777.1)	892.9
Depreciation/amortis.	(2 017.2)	(1 752.0)	(1 585.9)	(314.8)	(5.6)	-	(0.0)	-	(3 608.7)	(2 066.8)
EBITDA	14 386.6	3 320.7	5 272.7	1 733.9	(1 266.1)	(2 961.8)	0.0	0.0	18 393.2	2 092.8

EUR thousands	Processing		Fish farming		Group activities		Eliminations		Consolidated	
	YTD 11	YTD 10	YTD 11	YTD 10	YTD 11	YTD 10	YTD 11	YTD 10	YTD 11	YTD 10
<i>Continuing operations:</i>										
External sales	276 472.7	260 144.6	67 697.6	6 763.6	(0.0)	-	-	-	344 170.3	266 908.2
Internal sales	303.3	-	27 562.8	759.9	-	10.3	(27 866.1)	(770.2)	-	-
Operating revenue	276 776.1	260 144.6	95 260.4	7 523.5	(0.0)	10.3	(27 866.1)	(770.2)	344 170.3	266 908.2
Cost of sales	(233 556.3)	(232 096.5)	(62 330.7)	(5 392.2)	0.0	-	27 866.1	759.9	(268 020.8)	(236 728.8)
Gross profit (loss)	43 219.8	28 048.1	32 929.7	2 131.3	(0.0)	10.3	-	(10.3)	76 149.5	30 179.4
Distribution costs	(17 498.4)	(15 545.5)	(5 167.2)	(303.7)	-	-	-	-	(22 665.6)	(15 849.2)
SGA expenses	(12 505.4)	(8 791.3)	(6 149.8)	(361.9)	(3 292.0)	(740.6)	-	10.3	(21 947.1)	(9 883.5)
Other income	2 426.7	2 003.7	187.5	2.0	(0.0)	-	-	-	2 614.2	2 005.7
Other expenses	(386.2)	(904.7)	(0.5)	(48.6)	-	-	-	-	(386.7)	(953.3)
Transaction costs	-	-	-	-	(1 040.0)	(2 353.6)	-	-	(1 040.0)	(2 353.6)
EBIT pre fair value	15 256.5	4 810.3	21 799.7	1 419.1	(4 332.1)	(3 084.0)	-	0.0	32 724.2	3 145.4
Unrealised FV adj.	-	-	(5 120.6)	(1 511.3)	-	-	-	-	(5 120.6)	(1 511.3)
EBIT	15 256.5	4 810.3	16 679.1	(92.2)	(4 332.1)	(3 084.0)	-	0.0	27 603.5	1 634.1
Profit/(loss) before tax	(2 405.7)	7 145.8	15 501.4	(132.2)	(9 125.2)	(2 489.1)	-	-	3 970.4	4 524.5
Income tax expense	(3 291.9)	(2 217.6)	(3 986.9)	-	15 990.5	27.6	-	-	8 711.7	(2 190.0)
Net profit/(loss) cont.op.	(5 697.6)	4 928.2	11 514.5	(132.2)	6 865.2	(2 461.5)	-	-	12 682.2	2 334.5
Net profit/(loss) disc.op.	-	-	(2 871.0)	-	-	-	-	-	(2 871.0)	-
Net profit/(loss)	(5 697.6)	4 928.2	8 643.5	(132.2)	(1 456.9)	(2 461.5)	-	-	9 811.1	2 334.5
Depreciation/amortis.	(6 212.1)	(4 976.0)	(4 753.9)	(314.8)	(15.2)	-	-	-	(10 981.1)	(5 290.8)
EBITDA	21 468.6	9 786.3	26 553.6	1 733.9	(4 316.9)	(3 084.0)	-	0.0	43 705.3	8 436.2
Non-current assets	87 091.3	86 541.6	200 989.7	125 822.3	228 566.3	228 158.5	(210 354.1)	(225 871.9)	306 293.2	214 650.6
Total assets	243 553.9	231 230.2	325 059.0	265 021.7	247 971.5	240 448.5	(231 192.4)	(226 528.5)	585 392.0	510 172.0
Total liabilities	179 108.6	160 111.1	160 127.9	177 220.4	219 189.4	30 912.1	(231 192.4)	(71 276.9)	327 233.5	296 966.7
Capital expenditure	14 948.4	16 178.3	8 078.4	3 610.6	25.3	-	-	-	23 052.2	19 788.9

5. Operating segments (cont.)

<i>EUR thousands</i>	Processing FY 10	Fish farming Group activities FY 10	Eliminations FY 10	Consolidated FY 10
<i>Continuing operations:</i>				
External sales	399 300.2	30 713.5	-	430 013.7
Internal sales	-	6 833.6	10.3	-
Operating revenue	399 300.2	37 547.1	10.3	430 013.7
Cost of sales	(349 119.3)	(26 110.0)	-	(368 395.7)
Gross profit (loss)	50 180.9	11 437.1	10.3	61 618.0
Distribution costs	(25 752.3)	(2 447.7)	-	(28 200.0)
SGA expenses	(13 507.6)	(2 159.6)	(1 517.2)	(17 174.1)
Other income	3 094.2	1 498.6	-	4 592.8
Other expenses	(2 292.9)	(141.6)	-	(2 434.5)
Transaction costs	-	-	(2 999.5)	(2 999.5)
EBIT pre fair value	11 722.3	8 186.8	(4 506.3)	15 402.7
Unrealised FV adj.	-	(4 245.2)	-	(4 245.2)
EBIT	11 722.3	3 941.6	(4 506.3)	11 157.6
Profit/(loss) before tax	13 224.8	3 547.6	(3 009.3)	13 763.1
Income tax expense	(2 719.2)	3 177.6	27.6	486.0
Net profit/(loss) cont.op.	10 505.6	6 725.2	(2 981.7)	14 249.1
Net profit/(loss) disc.op.	-	(2 454.0)	-	(2 454.0)
Net profit/(loss)	10 505.6	4 271.2	(2 981.7)	11 795.1
Depreciation/amort.	(6 495.6)	(1 566.7)	(0.4)	(8 062.7)
EBITDA	18 218.0	9 753.5	(4 506.0)	23 465.5
Non-current assets	98 414.5	135 010.8	87 580.2	239 659.1
Total assets	287 151.5	275 033.0	119 463.0	597 492.7
Total liabilities	209 816.8	182 144.2	31 912.0	339 718.2

6. Discontinued operations

The operations in cobia farming acquired with Marine Farms are classified as held for sale as from 30 September 2010 and depreciation ceased from the same date. The results in the discontinued businesses are reported separately under the heading Discontinued

operations in the group's income statement as from 1 October 2010. Cash flows from discontinued operations are presented separately.

Summary of financial data for discontinued operations

<i>EUR thousands</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Revenue	167.1	-	24 076.5	-	12 614.8
Cost of sales	(1 075.3)	-	(19 978.2)	-	(11 319.4)
Gross profit/(loss)	(908.3)	-	4 098.3	-	1 295.4
Distribution costs	-	-	(2 509.1)	-	(3 887.5)
Administrative expenses	(232.0)	-	(1 710.7)	-	(404.4)
Other income	18.6	-	67.4	-	1 951.4
Other expenses	24.2	-	(80.8)	-	-
EBIT pre fair value	(1 097.5)	-	(135.0)	-	(1 045.0)
Fair value adjustment on biomass	-	-	1 041.1	-	(900.8)
Operating profit/(loss)	(1 097.5)	-	906.1	-	(1 945.8)
Financial items, net	31.7	-	(1 774.0)	-	(439.9)
Profit/(loss) before tax	(1 065.8)	-	(867.9)	-	(2 385.8)
Income tax expense	-	-	76.9	-	(68.2)
Profit/(loss) for the period from discontinued operations	(1 065.8)	-	(791.0)	-	(2 454.0)
Loss on sale of discontinued operations	(2 080.1)	-	(2 080.1)	-	(68.2)
Profit/(loss) for the period from discontinued operations	(3 145.8)	-	(2 871.0)	-	(2 454.0)
Net income/loss discontinued operations attributable to:					
Owners of the parent	(3 145.9)	-	(2 893.8)	-	(2 480.3)
Non-controlling interests	-	-	22.8	-	26.3

<i>EUR thousands</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Cash flow from operating activities	(1 126.2)	-	(396.5)	-	2 488.9
Cash flow from investing activities	104.5	-	(1 793.8)	-	(688.4)
Cash flow from financing activities	1 445.7	-	2 128.4	-	1 029.4
Exchange differences	25.8	-	61.1	-	-
Total cashflow discontinued operation	449.8	-	(0.8)	-	2 829.9

7. Biological inventory

<i>Tonnes</i>	30.09.2011	30.09.2010
Smolts, fry and brood stock	661.0	93.0
Non harvestable fish	3 660.0	1 855.0
Harvestable fish	18 736.0	3 420.0
Total biomass	23 057.0	5 368.0

Biological assets comprise juveniles, smolt and fish in the sea. Salmon is normally considered harvestable at 4 kg, but classification in the table above reflects fish > 1 kg as harvestable and subject to fair value estimation in accordance with IAS 41.

8. Financial items

<i>EUR thousands</i>	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Net interest expenses	(3 580.5)	(63.0)	(10 675.6)	(1 190.1)	(1 491.5)
Net profit/(loss) on financial assets and liabilities at fair value	(8 590.7)	3 119.5	(12 195.8)	3 992.8	5 151.0
Net foreign exchange gain/(loss)	(2 693.8)	(470.0)	(1 346.8)	74.9	(1 545.5)
Other financial items, net	(376.6)	(12.5)	585.0	12.6	491.7
Net finance	(15 241.5)	2 574.1	(23 633.1)	2 890.2	2 605.7

Net loss on financial assets and liabilities at fair value in 2011 is mainly related to unrealised losses on Fish Pool salmon forward contracts, with Year to date 2011 including EUR 10.5 million of accrued losses due to this reason.

9. Transactions with related parties

Mopol S.A. has over the last financial years entered into several agreements with related parties. The agreements relate to inter alia loan agreements, guarantee agreements and purchase agreements. All transactions are entered into in the ordinary course of business

of the group and the agreements pertaining to the transactions are all entered into on market terms.

Details of significant transactions and outstanding balances with related parties are disclosed below.

		Transaction value		Outstanding amount	
		YTD 2011	YTD 2010	30 September 2011	30 September 2010
MK Ustka	Loan	-	-	5 600.0	5 600.0
Euro-Industry	Loan	(8 039.8)	-	322.6	8 000.0
Jantar Ltd.	Loan	(33.3)	137.0	294.7	137.0
Epigon	Loan	(16.7)	-	291.4	-
MKJ	Loan	-	823.0	-	143.0
Euro-Industry	Purchase	(12 699.9)	(13 336.0)	(2 584.2)	(95.0)
MK Delikatesy	Purchase	(255.6)	(778.0)	(244.7)	-
Other	Purchase	(727.3)	(409.0)	(101.3)	(384.0)
Epigon	Sales	8 257.6	6 513.0	1 672.7	1 205.0
MK Delikatesy	Sales	1 792.8	-	1 020.9	-
Jantar Ltd	Sales	750.2	22.0	336.0	26.0
Euro-Industry	Sales	713.4	30.0	639.8	568.0
Other	Sales	5.6	729.0	81.4	371.0
Other	Net interest	(763.5)	-	16.2	142.4
Net outstanding				7 345.5	15 713.4

10. Foreign currency rates versus EUR

Currency	30.09.2011	30.06.2011	31.03.2011	31.12.10	30.09.10	30.06.10	31.03.10	31.12.09
PLN	0.23	0.25	0.25	0.25	0.25	0.24	0.26	0.24
GBP	1.15	1.11	1.13	1.16	1.16	1.22	1.12	1.12
NOK	0.13	0.13	0.13	0.13	0.13	0.13	0.12	0.12

11. Largest shareholders 30 September 2011

Shareholder	Country	Number of shares held	Ownership
FRIENDMALL LTD	Cyprus	78 531 705	46.7%
SKAGEN VEKST	Norway	8 407 150	5.0%
VERDIPAPIRFONDET HANDELSBANKEN	Norway	7 100 000	4.2%
ODIN NORGE	Norway	4 598 388	2.7%
JPMORGAN CHASE BANK	United Kingdom	4 223 100	2.5%
KVERVA AS	Norway	4 192 104	2.5%
MKS SP. Z.O.O.	Poland	4 100 140	2.4%
CITIBANK N.A. (LONDON BRANCH)	United Kingdom	3 488 700	2.1%
BAZMONTA HOLDINGS LIMITED	Cyprus	3 000 000	1.8%
CACEIS BANK	France	2 720 000	1.6%
BREMESCO HOLDINGS LIMITED	Cyprus	2 462 155	1.5%
ODIN NORDEN	Norway	2 314 300	1.4%
JPMORGAN CHASE BANK N.A.	United Kingdom	2 310 000	1.4%
SHB STOCKHOLM CLIENTS ACCOUNT	Norway	2 304 600	1.4%
DNB NOR SMB	Norway	1 725 000	1.0%
KLP AKSJE NORGE VPF	Norway	1 656 030	1.0%
STENSHAGEN INVEST AS	Norway	1 200 000	0.7%
KOMMUNAL LANDSPENSJONSKASSE	Norway	1 178 885	0.7%
VPF NORDEA KAPITAL	Norway	1 138 100	0.7%
JPMORGAN CHASE BANK	United Kingdom	1 052 658	0.6%
Total 20 largest shareholders		137 703 015	82.0%
Total other shareholders		30 306 084	18.0%
Total number of shares		168 009 099	100.0%

12. Quarterly historical information

Processing – actual numbers

EUR thousands	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
<i>Continuing operations:</i>								
Revenue	83 881.3	89 433.3	103 461.5	139 155.6	86 526.2	83 378.3	90 240.2	138 912.7
Cost of sales	(61 421.0)	(78 165.1)	(93 970.1)	(117 022.9)	(77 645.2)	(76 763.5)	(77 687.8)	(108 815.6)
Gross profit/(loss)	22 460.2	11 268.1	9 491.4	22 132.7	8 881.0	6 614.8	12 552.4	30 097.2
Distribution costs	(6 107.3)	(5 227.0)	(6 164.1)	(10 206.8)	(5 177.8)	(5 584.8)	(4 782.9)	(5 515.7)
Administrative expenses	(4 839.1)	(3 847.3)	(3 819.0)	(4 716.3)	(3 058.0)	(2 932.1)	(2 923.3)	(2 996.6)
Other income	306.2	1 283.9	836.5	1 090.5	1 103.6	458.5	441.5	992.5
Other expenses	549.2	(883.2)	(52.2)	(1 388.2)	(180.2)	(651.9)	(72.6)	(460.8)
EBIT	12 369.4	2 594.5	292.6	6 912.0	1 568.6	(2 095.5)	5 215.1	22 116.6
Profit/(loss) before tax	(3 772.8)	2 332.8	(965.7)	6 079.0	3 611.6	(1 846.0)	5 281.6	23 590.3
Net profit/(loss)	(7 018.9)	1 793.8	(472.5)	5 577.4	3 415.7	(2 172.7)	3 614.3	18 892.7
<i>The costs are presented "by function" and include depreciation and amortisation with the following amounts</i>								
Depreciation and amortisation	(2 017.2)	(2 140.0)	(2 054.9)	(1 617.0)	(1 752.0)	(1 737.8)	(1 499.7)	(1 727.4)
EBITDA	14 386.6	4 734.5	2 347.5	8 529.0	3 320.6	(357.7)	6 714.8	23 844.0

EUR thousands	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Cost of raw material (fish)	46 869.2	63 310.0	78 562.0	98 311.0	65 475.0	61 102.0	62 412.0	76 106.5
Other COGS	14 551.9	14 855.1	15 408.1	18 711.9	12 170.2	15 661.5	15 275.8	32 709.1
Total cost of sales	61 421.0	78 165.1	93 970.1	117 022.9	77 645.2	76 763.5	77 687.8	108 815.6

Sales - Thousand tonnes	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Cold smoked salmon	4 570	4 888	4 966	6 984	4 613	4 875	5 253	6 631
Specialities	737	849	1 227	1 738	508	537	1 374	2 125
Other products	2 190	2 154	3 099	3 368	2 917	2 485	3 110	2 607
By-products	4 342	4 330	6 433	8 503	5 788	5 781	6 484	5 162
Sales excluding contract processing	11 839	12 221	15 724	20 593	13 826	13 677	16 221	16 524
Contract processing	-	541	2 361	1 830	2 447	2 140	1 940	2 334
Total sales volume	11 839	12 763	18 085	22 423	16 273	15 817	18 160	18 858

*Specialities include grill salmon, organic salmon, wild salmon, mix, fillets and raw fish.
Other products include other fish and new frozen products.*

Farming

The table below shows actual numbers for 2011 quarters. 2010-numbers are proforma numbers consisting of all current farming operations. 2009 proforma numbers do not include numbers for Jøkelfjord Laks AS, farming operation acquired in 2011.

<i>EUR thousands</i>	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
<i>Continuing operations:</i>								
Revenue	29 023.8	34 609.6	31 627.0	40 688.3	34 577.7	39 143.8	24 846.8	24 596.8
Cost of sales	(22 026.5)	(19 973.7)	(20 330.5)	(26 318.8)	(24 698.6)	(22 816.9)	(16 395.9)	(18 542.7)
Gross profit/(loss)	6 997.4	14 635.9	11 296.5	14 369.5	9 879.2	16 326.9	8 450.9	6 054.0
EBIT pre fair value	3 686.8	10 004.9	8 108.1	11 441.5	6 655.7	12 611.9	4 999.6	2 126.1
Unrealised fair value adjustments	(853.4)	(4 658.5)	391.3	(1 611.4)	(858.3)	5 575.0	2 042.6	1 736.6
EBIT	2 833.4	5 346.3	8 499.4	9 830.1	5 797.3	18 186.9	7 042.2	3 862.7
Profit/(loss) before tax	2 608.7	5 827.2	7 065.6	9 544.4	4 577.6	18 039.6	6 622.8	3 693.7
Income tax expense	(1 002.7)	2 429.4	(5 413.6)	1 690.8	(2 142.1)	(3 246.9)	(1 709.6)	(484.6)
Net profit/(loss) cont. operations	1 606.0	8 256.6	1 652.0	11 235.2	2 435.5	14 792.7	4 913.3	3 209.2
<i>The costs are presented "by function" and include depreciation and amortisation with the following amounts</i>								
Depreciation and amortisation	(1 585.9)	(1 589.9)	(1 578.0)	(1 559.1)	(1 490.1)	(1 352.0)	(1 266.7)	(947.1)
EBITDA	5 272.7	11 594.8	9 686.1	13 000.6	8 145.7	13 963.9	6 266.3	3 073.2
Volumes (tonnes, gwe)	6 275	6 264	5 089	8 449	5 316	7 011	4 794	5 319
EBIT pre fair value per kg	0.6	1.6	1.6	1.4	1.3	1.8	1.0	0.4