

Morpol ASA

# THIRD QUARTER 2010 REPORT



## Highlights for the quarter

- Satisfactory result despite high raw material costs
- Revenues up strongly from prior year
- Demand growth slowing from first half year
- Strategic goal of entering farming realised in the quarter
- Acquisition of processor in UK with aim to boost market share

## HIGHLIGHTS

### Key figures

<i>EUR thousands</i>	Q3 2010	Q3 2009	YTD 2010	YTD 2009	FY 2009
Revenues	93 289.8	67 740.8	266 908.2	214 741.4	353 654.2
EBITDA	2 092.7	4 204.4	8 436.3	30 375.7	54 219.8
EBITDA%	2.2 %	6.2 %	3.2 %	14.1 %	15.3 %
EBIT pre fair value	25.9	2 880.8	3 145.4	26 546.5	48 663.1
EBIT%	0.0 %	4.3 %	1.2 %	12.4 %	13.8 %
Total assets	510 172.0	179 754.7	510 172.0	179 754.7	227 377.5
Equity	213 205.3	44 420.3	213 205.3	44 420.3	62 953.4
Equity ratio	41.8 %	24.7 %	41.8 %	24.7 %	27.7 %
Net interest bearing debt	(156 024.8)	(75 529.9)	(156 024.8)	(75 529.9)	(75 642.7)
Cash and cash equivalents	39 832.0	20 989.4	39 832.0	20 989.4	21 239.1
Volume sold Processing (net tonnes thousands)	16 272.7	13 224.0	50 250.2	37 937.2	56 795.7
Increase in volume year on year	23.1 %		32.5 %		
Volumes sold Farming (thousands, gwe)	1 604.3	-	1 604.3	-	-
EBIT per kg Farming	0.9	-	0.9	-	-

*Operational EBIT was EUR 2.6 million for the quarter. Included in the EBITDA and EBIT reported for third quarter 2010, are EUR 2.6 million in transaction and related costs of the farming and processing acquisitions made during the period.*

## FINANCIAL REVIEW

### Revenues

Mopol's operating revenues in the third quarter were well above prior year at EUR 93.3 million (EUR 67.7 million). The revenue increase was due to a combination of volume growth and also higher sales prices. Overall sales volumes were 23 percent higher than prior year.

### EBIT

EBIT for the quarter decreased from prior year with a break even result (profit of EUR 2.9 million). One off exceptional costs related to acquisitions totalling EUR 2.6 million were included in the results, meaning the operational EBIT was EUR 2.6 million in third quarter.

Though raw material costs of salmon dropped from quarter two levels, the price still remained higher than prior year levels and impacted on the processing margins.

### Financing

There was a net financial income in the third quarter of EUR 2.6 million compared to an income of EUR 1.8 million prior year. These figures include currency gains and losses.

The Group had net interest bearing debt (NIBD) of EUR 156.0 million at the end of third quarter. The NIBD increased sharply from the second quarter due to acquisitions. NIBD at the end of the second quarter 2010 was a net positive cash balance of EUR 58.4 million.

### Net result

The Group had a net profit of EUR 0.9 million (EUR 3.9 million) in the third quarter. The lower profitability in the quarter reflected the higher prices paid for raw material in 2010.

### Exchange rates impacts against last year

Certain costs such as administration and overhead costs as well as labour cost (salaries and other) are mainly Polish Zloty (PLN) denominated. Over the last year the Euro has weakened versus the PLN. The rate at end of the third quarter 2010 was 0.25 EUR per PLN compared to 0.24 at the same date prior year. Exchange rate impacts on the results are minimal when compared to prior year.

### Acquisitions

During the quarter, the Group has acquired Mainstream Scotland (now Northern Isles Salmon), Marine Farms ASA, Brookside Products Limited and assets of Westray Salmon Limited and Rysa Salmon Limited.

Northern Isles Salmon are included in the consolidated Group financial statements as from 1 August 2010. The other acquired companies will not be included in the Group's income statement until the fourth quarter. However all acquired companies are included in the balance sheet at third quarter end. Please refer to note 2 for details on accounting effects and pro forma information.

## OPERATIONAL REVIEW

### Processing

#### Record high raw material prices

Raw material prices of salmon were the highest ever recorded during a third quarter. The global supply of salmon has been impacted by the decline in Chilean salmon production due to disease. Though Norway, the leading producer, has had growth in volumes in 2010, this has not offset the reduction from Chile on a global basis. During the period, EU imports of salmon were down 6.7 percent versus the same period last year. The prevailing record high price of gutted salmon exported from Norway has impacted negatively on margins for Morpol during the period.

Depending on the client and product mix, final product prices are agreed ad hoc or fixed for a longer period. Significant changes in raw material prices allow for adjustments in fixed contract prices. It takes Morpol 4 to 8 weeks to adjust final product prices to raw material prices. However as was the case during the previous period, Morpol's final product prices during the third quarter were always lagging behind the constantly high raw material prices.

However, it was challenging to pass through further price increases to all customers during the third quarter, with high volatility in raw material prices on a weekly basis making it difficult to set a benchmark price for the negotiations.

#### Continued strong sales growth

Though the short term pressure on margins is impacting on profitability, Morpol experienced strong sales growth during the period, total sales volume grew by 23 percent versus the third quarter 2009. There was good volume development versus 2009 in all categories with the exception of Cold smoked salmon and Specialities.

Cold smoked salmon sales fell slightly compared to the same period last year, being primarily due to Morpol's continued restructuring of sales channels to more direct sales by ceasing supply via traders. Demand for Cold smoked salmon was affected in the third quarter as a consequence of price increases. Specialities sales were down by 5 percent versus prior year mainly due to later phasing of product introduction by the retailers for the winter sales period. Other product sales grew by 46 percent versus third quarter 2009, continuing the trend

experienced earlier this year. This is mainly driven by new frozen portion product sales.

By-product sales grew rapidly by 35 percent compared to prior year, partly due to the implementation of a production technology (earlier in the year) designed to provide better quality core products and enhance full value realisation per kg of fish processed, referred to as the by-product sales programme.

### Volume growth

Sales - Tonnes	Q3 2010	Q3 2009	% Var	YTD 2010	YTD 2009	% Var
Cold smoked salmon	4 613	4 678	-1 %	14 741	13 657	8 %
Specialities	508	533	-5 %	2 419	2 048	18 %
Other products	2 917	1 994	46 %	8 512	5 670	50 %
By-products	5 788	4 290	35 %	18 053	11 900	52 %
Contract processing	2 447	1 730	41 %	6 527	4 661	40 %
<b>TOTAL SALES</b>	<b>16 273</b>	<b>13 224</b>	<b>23 %</b>	<b>50 250</b>	<b>37 937</b>	<b>32 %</b>

### Investment programs

Morpol continued to invest during the third quarter of 2010 in innovative new processing technologies to further improving yields and allowing the production of attractive products and packaging. The focus of Morpol remains on producing stable, good quality products designed to satisfy customer needs.

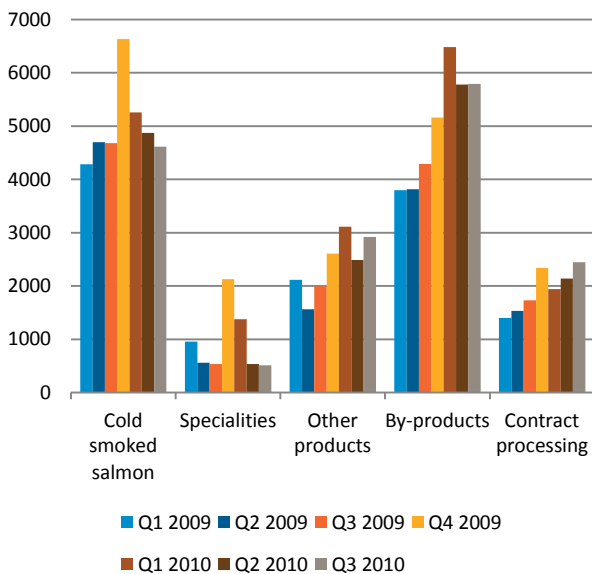
Closure of Plattling (distribution center in southern Germany) took place during the third quarter, with related closure costs of EUR 60 thousand expensed in the quarter. The closure will result in 36 redundancies. This closure finalizes the restructuring of Morpol's distribution structure in Germany. A further cost of approximately EUR 200 thousand will be expensed in fourth quarter.

### Product development

Morpol's market shares in smoked salmon in the large and high priced markets of France, the UK and Italy remain well behind the current market share in Germany. Morpol continued to pursue the expansion of market share in these "new" markets during the third quarter. The acquisition of Brookside Products Limited in UK increases Morpol's market share in this market significantly, bringing the total marketshare to 20 percent.

During the third quarter Morpol introduced a new line of smoked salmon products to the French and Spanish markets. These products have been introduced in major retailers and utilise an innovative "skin pack" packaging format which allows better product presentation. The concept will be gradually rolled out further during the next year.

Morpol is rapidly increasing the utilisation and sales of other products extracted from the manufacture of the cold smoked salmon. By-product volumes have increased faster than cold smoked salmon in both volume and percentage terms compared to prior year as illustrated below.



## Farming

Northern Isles Salmon, formerly Mainstream Scotland, was consolidated in the Group accounts from 1 August 2010. For the two months August and September, Northern Isles generated an EBIT pre fair value of EUR 1.4 million. Sales volumes in the quarter were 1,604 metric tonnes gutted fish equivalent returning an EBIT/kg of EUR 0.88. Sales prices dropped through the

quarter from the second quarter levels. In general, there are no major disease issues on the fish at the quarter end, though costs of production were around 10 cents higher than the second quarter costs due to poorer growth in some batches.

The company opened a new license on Shetland with a biomass consent of 1,500 tonnes with a view to increasing the overall production levels in the coming years. The company will be merged with Lakeland, the other salmon farmed purchased as part of the Marine Farms transaction in September.

## Operational Costs

The cost of sales increased in the quarter to EUR 82.3 million (EUR 60.6 million) mainly due to the higher cost of raw material purchased, the higher volume and also to the inclusion of farming operations in 2010 costs. Distribution costs in the quarter were higher at EUR 5.5 million (EUR 2.8 million) principally due to certain customers being charged on a delivered basis rather than collecting ex-plant as was the case prior years. Administration costs also were higher in the third quarter than prior year at EUR 4.1 million (EUR 1.6 million) due to various factors including increased resources worldwide to handle higher volumes and more markets as well as extra office costs in certain countries to support growth in future years. Additional staff has also been recruited in Norway to increase resource as a listed company.

## FINANCIAL SITUATION

The Group's net interest bearing debt increased in the third quarter due to the purchase acquisition cost of farming companies and also as a result of the incorporation of borrowings attributable to Marine Farms ASA. At the end of the third quarter NIBD was EUR 156.0 million compared to EUR 75.5 million in the corresponding period prior year.

The equity ratio was 41.8 percent at quarter end compared to 24.7 percent prior year. Total assets of the

Group were EUR 510.2 million compared to EUR 179.8 million prior year third quarter. The increased asset base is mainly due to the inclusion of companies acquired during third quarter. The Group is adequately funded to maintain capital investment programmes and to fund strategic growth options.

<i>EUR thousands</i>	30.09.2010	30.09.2009	31.12.2009
Borrowings long term	(127 944.8)	(77 255.9)	(66 184.8)
Borrowings current	(67 912.1)	(19 263.3)	(30 697.0)
Cash and cash equivalents	39 832.0	20 989.4	21 239.1
Net interest bearing debt	(156 024.8)	(75 529.9)	(75 642.7)

## CASH FLOW

The consolidated cash flow from operating activities year to date 2010 was a positive inflow of EUR 13.6 million (EUR 15.4 million). The positive cash generation was mainly due to a reduction in working capital through a reduction in receivables outstanding.

Investments in intangibles and property, plant and equipment year to date, including assets of Westray and Rysa, amounted to EUR 19.8 million (EUR 10.5 million). Acquisition of subsidiaries amounts to EUR 123.4 million (EUR 42.7 thousand) year to date following the acquisitions of Northern Isles Salmon, Marine Farms and Brookside Products. Total cash outflow from investing activities was EUR 145.6 million (inflow EUR 1.2 million).

Cash flow from financing activities year to date was positive at EUR 150.6 million (outflow EUR 11.9 million), mainly due to share capital increase.

## MARKET OVERVIEW

Demand for Morpol's products continued to develop positively during the third quarter. Due to increasing retail prices for the product a certain degree of uncertainty with regard to the development of consumer demand for the products still remains.

### France

Sales of smoked salmon products in hypermarkets, supermarkets and hard discounters grew by 9.5 percent volume and 13.2 percent value year to date 15 August 2010 versus 2009.

July and August sales of smoked salmon products in hypermarkets, supermarkets and hard discounters grew by 7.6 percent volume and 11.6 percent value, whereas sales in supermarkets and hypermarkets (excluding hard discounters) grew by only 5.7 percent volume and 8.3 percent value. Hard discounters are taking market share in France. Volume growth has been consistently reducing throughout the year, probably as a consequence of higher consumer prices.

Another notable development was the continued declining market share of so called "first price" products. These are low priced, low quality smoked salmon products aimed at the bottom end of the market. The introduction of higher quality, value for money, private label items to the market has eaten into this segment as the consumers start to recognise that alternatives are available to "first price" products.

### Germany

Retail sales of smoked and marinated salmon grew by approximately 7 percent in the third quarter 2010 versus the previous year. This growth level was exhibited by discounters as well as by premium retailers.

### UK

TNS data for retail sales of smoked salmon, and marinated salmon shows a decline of approximately 7 percent over a twelve week period, ending 3 October 2010 versus the previous year whereas total retail salmon sales in the UK fell by 9 percent year on year. There were significant retail price increases during the period. Consumption in the UK is adjusting to higher prices.

### Italy

Retail sales by volume of smoked and marinated salmon grew by 6.5 percent in the third quarter versus the previous year. In value terms the growth was 11.1 percent. However, retail sales excluding hard discounters grew by only 5.2 percent in volume and 9.5 percent in value for the same period. Discounters are gaining market share in Italy.

### Other

2010 has been dominated by a substantial drop in the global supply of Atlantic salmon (Morpol's main raw material) following the disease situation the Chilean industry has suffered. There is an expected total decline of supply of 3 percent year on year.

In EU, the Atlantic salmon import volume declined by almost 7 percent during the third quarter versus the previous year.

The US market demand has slowed in the third quarter. Good local harvests of wild salmon, the dramatically increased prices of Atlantic salmon products at retail level and the weaker dollar have been the main factors.

Russia consumption growth for Atlantic salmon slowed in third quarter 2010 versus the first half of the year. This slowdown was driven by higher raw material prices.

In general, the full effects of the increased salmon prices have not yet been felt on the demand side. Although spot prices for salmon have risen dramatically during the first nine months, prices at retail have only recently been fully adjusted. The impacts are now only starting to be felt as retailers finally pass through the higher raw material costs to the consumer following the expiration of any existing supply contracts in place with salmon farmers and processors. However, certain retailers are accepting lower margins in an attempt to not breach historically high retail prices. Signs of shifting consumer behaviour are already evident, particularly in demand for natural fresh and frozen salmon products in Germany, France and the US as the consumers opt for more competitive proteins.

Smoked salmon demand although less price sensitive than that for fresh and frozen salmon products due to the "everyday luxury" perception it enjoys with consum-

ers, is now being impacted. Growth in consumption is slowing in all markets, with the UK already in decline. Further price increases at retail can be expected to reduce demand growth further.

## SUBSEQUENT EVENTS

Mopol ASA made a mandatory offer to buy all outstanding shares in Marine Farms ASA on 6 October 2010. At the end of the acceptance period, 3 November 2010, Mopol owns all outstanding shares in the company.

## SHARE INFORMATION

Mopol listed on 30 June 2010, allocating 66 million shares at share price NOK 22. Further 809,099 shares were issued 30 July. Total number of shares outstanding at the end of September was 152.8 million shares. Total number of shareholders were 525 at quarter end. Mopol's share price where NOK 18.7 at the end of the quarter. The share will be included in the Oslo Børs Benchmark Index (OSEBX) as from 1 December 2010.

## OUTLOOK

### Processing

Raw material prices for salmon remain high in the fourth quarter. Though demand has slowed in the second half

2010, global supply is still impacted by the disease crisis in Chile. The higher raw material prices will continue to impact Mopol processing margins and EBIT in the fourth quarter is expected to be lower than prior year levels if current raw material prices prevail. Though sales prices have been increased throughout 2010, the increases will not fully offset the higher costs of fish purchased. However, Mopol still expects a satisfactory and profitable result in the fourth quarter and a significant improvement on third quarter levels despite the challenging conditions for processors in Europe.

### Farming

The farming operations in Scotland - the combination of Lakeland and Northern Isles Salmon - are expected to sell approximately 5,000 metric tonnes of salmon during the fourth quarter 2010. Profitability is expected to be good during this quarter given continuing high salmon prices.

Mopol intends to grow the farming business in Scotland over the coming years to take advantage of un-utilised licenses and capacity. A targeted volume of over 25,000 tonnes is the goal by 2013. During 2011, the company expects to harvest approximately 22,000 metric tonnes. The farming business will supply Mopol's processing operations with raw material, as well as being used as a platform to grow the company's market share in France, UK and US markets.

## Forecast sales volumes - farming

Sales volumes (gwt)	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2010	FY 2011
Estimated sales volumes	5 000.0	3 200.0	4 200.0	6 200.0	7 900.0	17 700.0	21 500.0

## FINANCIAL STATEMENTS

### Condensed consolidated interim statement of income

<i>EUR thousands</i>	Q3 2010	Q3 2009	YTD 2010	YTD 2009	FY 2009
<i>Continuing operations:</i>					
<b>Revenue:</b>	<b>93 289.8</b>	<b>67 740.8</b>	<b>266 908.2</b>	<b>214 741.4</b>	<b>353 654.2</b>
Sale of finished goods	88 519.0	66 714.2	253 469.2	212 282.2	350 584.6
Sale of services	2 345.3	109.6	5 903.0	211.6	214.5
Sale of merchandise and materials	2 425.5	917.0	7 536.0	2 247.7	2 855.1
<b>Cost of sales</b>	<b>(82 277.5)</b>	<b>(60 579.8)</b>	<b>(236 728.8)</b>	<b>(175 198.1)</b>	<b>(284 013.7)</b>
Finished goods sold	(78 533.1)	(59 889.0)	(225 762.4)	(173 573.5)	(283 074.5)
Services	(1 526.5)	(0.0)	(4 064.3)	(1.8)	(1.9)
Merchandise and materials sold	(2 217.9)	(690.8)	(6 902.0)	(1 622.8)	(937.3)
<b>Gross profit/(loss)</b>	<b>11 012.3</b>	<b>7 161.0</b>	<b>30 179.5</b>	<b>39 543.3</b>	<b>69 640.5</b>
Distribution costs	(5 481.5)	(2 805.8)	(15 849.2)	(9 402.4)	(14 918.1)
Administrative expenses	(4 028.1)	(1 615.0)	(9 883.6)	(4 522.1)	(7 518.6)
Other income	1 105.6	164.2	2 005.7	1 454.2	2 446.7
Other expenses	(228.8)	(23.6)	(953.3)	(526.5)	(987.3)
Transaction costs	(2 353.6)	-	(2 353.6)	-	-
<b>EBIT pre fair value</b>	<b>25.9</b>	<b>2 880.8</b>	<b>3 145.4</b>	<b>26 546.5</b>	<b>48 663.1</b>
Unrealised fair value adjustments	(1 511.3)	-	(1 511.3)	-	-
<b>EBIT</b>	<b>(1 485.4)</b>	<b>2 880.8</b>	<b>1 634.1</b>	<b>26 546.5</b>	<b>48 663.1</b>
Finance income	3 308.8	2 359.1	4 819.4	7 078.9	6 462.6
Finance costs	(734.7)	(590.5)	(1 929.2)	(9 535.1)	(7 445.1)
<b>Profit/(loss) before tax</b>	<b>1 088.7</b>	<b>4 649.4</b>	<b>4 524.4</b>	<b>24 090.3</b>	<b>47 680.6</b>
Income tax expense	(195.9)	(705.7)	(2 190.0)	(4 638.3)	(9 335.9)
<b>Net profit/(loss) continuing operations</b>	<b>892.8</b>	<b>3 943.7</b>	<b>2 334.4</b>	<b>19 451.9</b>	<b>38 344.6</b>
Net income/(loss) discontinued operations	-	-	-	-	-
<b>Net profit/(loss)</b>	<b>892.8</b>	<b>3 943.7</b>	<b>2 334.4</b>	<b>19 451.9</b>	<b>38 344.6</b>
<b>Net profit (loss) for the period attributable to:</b>					
- Owners of the parent	893.4	3 938.8	2 341.4	19 445.8	38 339.7
- Non-controlling interests	(0.6)	4.9	(7.0)	6.1	5.0

*The costs are presented "by function" and include depreciation and amortisation with the following amounts*

Depreciation and amortisation	2 066.8	1 323.6	5 290.8	3 829.2	5 556.6
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*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 2010	Q3 2009	YTD 2010	YTD 2009	FY 2009
<b>Net profit/(loss)</b>	<b>892.8</b>	<b>3 943.7</b>	<b>2 334.4</b>	<b>19 451.9</b>	<b>38 344.6</b>
<i>Other comprehensive income</i>					
Exchange differences on translation of foreign operations	1 881.0	547.9	(1 816.7)	1 215.6	225.1
<b>Total comprehensive income</b>	<b>2 773.8</b>	<b>4 491.7</b>	<b>517.7</b>	<b>20 667.6</b>	<b>38 569.7</b>
<b>Total comprehensive income attributable to:</b>					
- Owners of the parent	2 784.8	4 491.9	523.4	20 661.6	38 564.7
- Non-controlling interests	(11.0)	(0.3)	(5.7)	5.9	5.0

## Condensed consolidated interim statement of financial position

<i>EUR thousands</i>	30.09.10	30.09.09	FY 2009
<b>ASSETS</b>			
Deferred tax asset	4 352.5	2 918.0	2 905.6
Intangible assets	110 905.3	199.6	279.2
Property, plant & equipment	87 556.5	51 972.6	55 961.4
Other non-current assets	11 836.2	3 772.8	3 621.1
<b>Total non-current assets</b>	<b>214 650.6</b>	<b>58 862.9</b>	<b>62 767.4</b>
Inventories	35 404.7	20 467.1	26 648.4
Biological inventory at cost	41 485.6	-	-
Biological inventory fair value adjustment	9 084.8	-	-
Trade and other receivables	97 739.0	71 526.2	111 417.1
Other current assets	8 097.7	7 909.1	5 054.8
Cash and cash equivalents	39 832.0	20 989.4	21 239.1
Assets and disposal group classified as held for sale	63 877.5	-	250.7
<b>Total current assets</b>	<b>295 521.4</b>	<b>120 891.8</b>	<b>164 610.1</b>
<b>Total assets</b>	<b>510 172.0</b>	<b>179 754.7</b>	<b>227 377.5</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	1 917.8	7 740.4	7 925.7
Share premium	206 694.4	-	-
Retained earnings	(4 250.3)	36 670.5	55 019.2
Non-controllings interests	8 843.4	9.4	8.5
<b>Total equity</b>	<b>213 205.3</b>	<b>44 420.3</b>	<b>62 953.4</b>
Deferred tax liabilities	19 253.4	2 051.9	1 292.0
Other long-term liabilities	9 615.4	9 180.1	9 001.5
Long-term interest bearing debt	127 944.8	77 255.9	66 184.8
<b>Non-current liabilities</b>	<b>156 813.6</b>	<b>88 488.0</b>	<b>76 478.3</b>
Trade and other payables	51 243.5	23 375.6	49 138.7
Current tax liabilities	3 584.4	113.7	2 884.0
Borrowings and other interest-bearing short-term debt	67 912.1	19 263.3	30 697.0
Other short-term liabilities	8 953.6	4 093.8	5 226.3
Liabilities included in disposal group held for sale	8 459.6	-	-
<b>Current liabilities</b>	<b>140 153.2</b>	<b>46 846.4</b>	<b>87 945.9</b>
<b>Total liabilities</b>	<b>296 966.7</b>	<b>135 334.4</b>	<b>164 424.2</b>
<b>Total equity and liabilities</b>	<b>510 172.0</b>	<b>179 754.7</b>	<b>227 377.5</b>

## Condensed consolidated interim statement of changes in equity

<i>EUR thousands</i>	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Share capital	Share premium	Other equity	Total		
Balance 01.01.2009	7 833.8	-	15 981.0	23 814.8	3.5	23 818.2
Correction of errors	-	-	(65.4)	(65.4)	-	(65.4)
<b>Restated balance 01.01.2009</b>	<b>7 833.8</b>	<b>-</b>	<b>15 915.6</b>	<b>23 749.3</b>	<b>3.5</b>	<b>23 752.8</b>
Total comprehensive income	(93.3)	-	20 754.9	20 661.6	5.9	20 667.6
<b>Balance at 30.09.2009</b>	<b>7 740.4</b>	<b>-</b>	<b>36 670.5</b>	<b>44 410.9</b>	<b>9.4</b>	<b>44 420.3</b>
Total comprehensive income	185.3	-	18 348.7	18 533.9	(0.9)	18 533.0
<b>Balance at 31.12.2009</b>	<b>7 925.7</b>	<b>-</b>	<b>55 019.2</b>	<b>62 944.9</b>	<b>8.5</b>	<b>62 953.4</b>
Issue of share capital	1 917.8	206 694.4	1 015.9	209 628.1	-	209 628.1
Share swap	(8 197.8)	-	(60 536.6)	(68 734.5)	67.5	(68 667.0)
Change in non-controlling interests	-	-	-	-	8 773.1	8 773.1
<b>Transactions with owners</b>	<b>(6 280.1)</b>	<b>206 694.4</b>	<b>(59 520.7)</b>	<b>140 893.6</b>	<b>8 840.6</b>	<b>149 734.2</b>
Total comprehensive income	272.1	0	251.3	523.4	(5.7)	517.7
<b>Balance at 30.09.2010</b>	<b>1 917.8</b>	<b>206 694.4</b>	<b>(4 250.3)</b>	<b>204 361.9</b>	<b>8 843.4</b>	<b>213 205.3</b>

## Condensed consolidated interim statement of cash flows

<i>EUR thousands</i>	30.09.10	30.09.09	FY 2009
<b>Operating activities</b>			
<b>Profit (loss) before tax</b>	<b>4 524.4</b>	<b>24 090.3</b>	<b>47 680.6</b>
<b>Adjustments:</b>			
Depreciation and impairment of property, plant and equipment	5 193.5	3 813.3	5 536.1
Amortisation and impairment of intangible assets	97.4	15.9	20.5
Fair value gains/(losses) on financial assets and liabilities	(3 326.7)	(5 311.0)	(15 271.5)
Impairment of financial assets	(499.7)	-	482.1
Gain/(loss) on disposal of non-financial assets	(6.5)	(40.2)	53.9
Gain/(loss) on disposal of non-derivative financial assets	1.2	(180.6)	(226.8)
Foreign exchange gains/(losses)	104.6	(2 268.8)	(4 387.8)
Interest expenses	1 967.3	2 520.3	2 881.8
Interest and dividend income	(115.0)	(93.6)	(37.7)
Other	(1 451.8)	(12.0)	18.0
<b>Total adjustments</b>	<b>1 964.3</b>	<b>(1 556.5)</b>	<b>(10 931.2)</b>
Change in inventories	(6 981.1)	(8 620.0)	(15 057.2)
Change in trade and other receivables	31 061.3	20 091.1	(17 663.0)
Change in trade and other payables	(18 912.2)	(7 951.7)	18 140.8
Change in provisions, accruals and prepaid expenses	5 619.4	(488.6)	(1 980.6)
<b>Net changes in working capital</b>	<b>10 787.3</b>	<b>3 030.9</b>	<b>(16 560.1)</b>
Settlement of derivative financial instruments	2 358.2	(4 870.3)	5 643.4
Interest paid (operating activities only)	(62.4)	(32.6)	297.4
Income taxes paid	(5 994.9)	(5 211.9)	(5 458.2)
<b>Cash flow from operating activities</b>	<b>13 576.9</b>	<b>15 449.9</b>	<b>20 671.8</b>
<b>Investing activities</b>			
Purchase of intangible assets	(7 755.1)	(150.5)	(196.8)
Purchase of property, plant and equipment	(12 036.4)	(10 401.6)	(16 363.5)
Acquisition of subsidiaries, net of cash	(123 381.5)	(42.7)	(260.9)
Acquisition of other financial assets	(3 535.0)	(8 365.9)	(10 070.3)
Proceeds from disposals of property, plant and equipment	6.5	613.2	667.2
Proceeds from disposals of subsidiaries, net of cash	-	2 348.1	2 490.3
Proceeds from disposals of other financial assets	1 068.3	9 050.0	9 652.6
Proceeds from government grants	-	8 166.9	8 410.8
<b>Cash flow from investing activities</b>	<b>(145 633.3)</b>	<b>1 217.5</b>	<b>(5 670.7)</b>
<b>Financing activities</b>			
Net change in interest bearing debt	11 980.5	(9 880.5)	(8 139.3)
Interest paid	(2 157.2)	(2 064.8)	(2 762.3)
Proceeds from issue of share capital	140 826.1	-	523.2
<b>Cash flow from financing activities</b>	<b>150 649.4</b>	<b>(11 945.3)</b>	<b>(10 378.4)</b>
<b>Net change in cash and cash equivalents</b>	<b>18 593.0</b>	<b>4 722.1</b>	<b>4 622.7</b>
<b>Cash and cash equivalent, beginning of period</b>	<b>21 239.1</b>	<b>16 267.2</b>	<b>16 267.2</b>
Exchange differences on cash and cash equivalents	-	-	349.2
<b>Cash and cash equivalent, end of period</b>	<b>39 832.0</b>	<b>20 989.4</b>	<b>21 239.1</b>

## 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 25 November 2010.

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 2009 are available upon request from the company's registered office at Tjuvholmen Allé 3, Oslo or at [www.Morpol.com](http://www.Morpol.com).

#### 1.2. Accounting principles

The accounting policies applied in the interim financial statements are consistent with those applied in the consolidated financial statements for the year ended 31 December 2009, except for the adoption of new

### 2. Significant events and transactions in the quarter

standards and interpretations as of 1 January 2010:

- revised IFRS 3 Business combinations
- revised IAS 27 Consolidated and Separate Financial Statements

The changes affect the valuation of non-controlling interests, goodwill achieved in stages and contingent liabilities. Further, transaction costs are expensed as incurred.

Following the acquisition of fish farming operations, IAS 41 Agriculture has been implemented. This implies that live biomass is valued at fair value less costs to sell in the balance sheet, with the corresponding unrealised fair value adjustments shown on a separate line in the income statement. Acquired fish farming licences are considered to have indefinite lives.

Other amendments to standards and interpretations as outlined in the financial statements for the year ended 2009, have not affected the recognition and measurement of assets, liabilities, revenues and costs principles applied by the Group.

Company	Principal activity	Date of acquisition	Shares acquired (%)	Consideration in EUR thousands
Northern Isles Salmon Limited	Farming	25 August 2010	100 %	44 021.8
Marine Farms ASA	Farming	17 September 2010	94 %	84 264.9
Brookside Products Limited	Processing	24 September 2010	100 %	1 046.6

Consideration transferred for Northern Isles Salmon (NIS) is cash, mainly related to payment of intercompany debt to previous owner. Brookside Products is paid in cash, including a GBP 100 000 earn out clause, being accrued in full. Marine Farms shares are acquired by cash and consideration above includes shares in mandatory offer.

Further, assets of Westray Salmon Limited and Rysa Salmon Limited were acquired on 24 and 30 August respectively. Purchase price for the Westray assets is

GBP 3.3 million (EUR 4 million). The acquisition is settled with cash. Purchase price for the Rysa transaction is GBP 2 million (EUR 2.4 million). The acquired assets include licences, tangible fixed assets and biomass.

Acquisition-related costs of EUR 2.6 million have been expensed as incurred in the quarter. Direct transaction costs are presented on a separate line in the income statement, while transaction related expenses are included within other expenses.

**Assets acquired and liabilities assumed at the date of acquisition and goodwill arising on the acquisition**

<i>EUR thousands</i>	Northern Isles Salmon	Marine Farms	Brookside Products
<b>ASSETS</b>			
Intangible assets	13 623.9	45 486.9	1 319.9
Property, plant & equipment	7 045.3	14 413.3	655.9
Other non-current assets	-	9.6	-
<b>Total non-current assets</b>	<b>20 669.3</b>	<b>59 909.8</b>	<b>1 975.8</b>
Inventory	23 628.9	29 860.1	714.0
Trade and other receivables	1 599.5	9 421.6	2 558.4
Other current assets	354.2	726.3	36.0
Cash and cash equivalents	-	951.1	1.2
Assets and disposal group classified as held for sale	-	63 542.5	-
<b>Total current assets</b>	<b>25 582.6</b>	<b>104 501.7</b>	<b>3 309.6</b>
<b>Total assets</b>	<b>46 251.9</b>	<b>164 411.5</b>	<b>5 285.4</b>
<b>LIABILITIES</b>			
Deferred tax liabilities	3 814.7	13 638.7	369.6
Other long-term liabilities	85.6	131.2	-
Long-term interest bearing debt	-	71 973.5	-
<b>Non-current liabilities</b>	<b>3 900.3</b>	<b>85 743.5</b>	<b>369.6</b>
Trade and other payables	2 602.3	8 687.8	3 500.3
Current tax liabilities	-	3 272.0	-
Borrowings and other interest-bearing short-term debt	-	6 963.2	630.3
Other short-term liabilities	456.1	791.4	108.1
Liabilities included in disposal group held for sale	-	8 459.6	-
<b>Current liabilities</b>	<b>3 058.3</b>	<b>28 174.0</b>	<b>4 238.8</b>
<b>Total liabilities</b>	<b>6 958.6</b>	<b>113 917.5</b>	<b>4 608.3</b>
<b>Fair value of identifiable net assets acquired</b>	<b>39 293.3</b>	<b>50 494.0</b>	<b>677.0</b>
Consideration	44 021.8	84 264.9	1 046.6
Non controlling interest	-	3 666.0	-
Fair value of identifiable net assets acquired	(39 293.3)	(50 494.0)	(677.0)
<b>Goodwill arising on acquisition</b>	<b>4 728.5</b>	<b>37 437.0</b>	<b>369.6</b>

Goodwill arose on the acquisitions following consideration paid included amounts in relation to benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill as they do not meet the recognition criteria for identifiable intangible assets.

Included in the profit for the quarter and year to date is EUR -132 thousand related to Northern Isles Salmon. The same company generated revenue of EUR 6.8

million excluding internal sales and EBIT pre fair value of EUR 1.4 million as from 1 August 2010.

Marine Farms is included in the Group's financial statements as from 30 September 2010 and has not impacted the Group's revenue or profits in the quarter or year to date.

### Assets held for sale

The operations in seabass/seabream through Culmarex and emerging operations in Cobia farming acquired with Marine Farms are classified as held for sale as from 30 September 2010. Going forward the results and cash flows in the held for sale operations will be reported separately under the heading Discontinued operations. Fair value of assets held for sale is by management estimated at EUR 55.1 million.

### Pro-forma numbers

Below are listed the pro-forma numbers for the Group as the acquisitions of Northern Isles Salmon and Marine

Farms' salmon operations were effective as from 1 January 2009. The pro-forma numbers represent an approximate measure of the performance of the combined Group to provide a reference point for comparison in future periods. In preparation of the pro-forma numbers, intercompany sales have been eliminated. Borrowing costs have not been adjusted following the acquisitions mainly being financed by issued share capital. The pro-forma numbers only include continuing operations.

EUR thousand	Q3 10	Q3 09	YTD 10	YTD 09	FY 09
<i>Continuing operations:</i>					
Operating revenue	114 786.7	89 799.0	337 592.3	276 939.5	440 449.0
Cost of sales	(98 394.1)	(78 423.8)	(285 427.1)	(223 504.6)	(350 862.9)
<b>Gross profit (loss)</b>	<b>16 392.6</b>	<b>11 375.2</b>	<b>52 165.2</b>	<b>53 434.9</b>	<b>89 586.1</b>
Distribution costs	(6 344.1)	(3 865.8)	(19 201.4)	(13 093.7)	(20 713.7)
Administrative expenses	(5 513.3)	(2 824.2)	(14 852.3)	(8 117.3)	(12 917.5)
Other income	1 105.6	164.2	2 012.5	1 461.8	2 509.6
Other expenses	(246.7)	(165.7)	(1 142.1)	(1 011.6)	(1 547.7)
Transaction costs	(2 353.6)	-	(2 353.6)	-	-
<b>EBIT pre fair value</b>	<b>3 040.4</b>	<b>4 683.9</b>	<b>16 628.2</b>	<b>32 674.2</b>	<b>56 916.9</b>
Unrealised FV adjustments	(3 253.7)	(3 281.6)	3 542.3	657.8	2 394.4
<b>EBIT</b>	<b>(213.3)</b>	<b>1 402.3</b>	<b>20 170.5</b>	<b>33 332.0</b>	<b>59 311.2</b>
<b>Profit/(loss) before tax</b>	<b>1 170.1</b>	<b>2 631.1</b>	<b>21 330.5</b>	<b>29 813.2</b>	<b>57 097.3</b>
Income tax expense	(993.8)	(666.5)	(5 639.1)	(6 608.4)	(11 790.5)
<b>Net profit/(loss) continuing operations</b>	<b>176.3</b>	<b>1 964.6</b>	<b>15 691.4</b>	<b>23 204.9</b>	<b>45 306.8</b>
Depreciation/amortisation	2 931.5	2 361.4	8 323.3	6 854.1	9 528.6
<b>EBITDA</b>	<b>5 972.0</b>	<b>7 045.3</b>	<b>24 951.5</b>	<b>39 528.3</b>	<b>66 445.5</b>

### 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.

Continuing operations	Q3 2010	Q3 2009	YTD 2010	YTD 2009	FY 2009
Profit attributable to equity holders of the company (EUR million)	893.4	3 938.8	2 341.4	19 445.8	38 339.7
Weighted average number of shares (basic and diluted)	152 554 057	100 000 000	118 472 429	100 000 000	100 000 000
<b>Basic and diluted EPS (EUR)</b>	<b>0.01</b>	<b>0.04</b>	<b>0.02</b>	<b>0.19</b>	<b>0.38</b>

#### 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. Additionally, the salmon production cycle normally follows a pattern where more fish are harvested in the second half of a calendar year.

#### 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 disclose segment information in accordance with IFRS 8.

EUR million	Processing		Fish farming		Group activities		Eliminations		Consolidated	
	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09	Q3 10	Q3 09
<i>Continuing operations:</i>										
External sales	86 526.2	67 740.8	6 763.6	-	-	-	-	-	93 289.8	67 740.8
Internal sales	-	-	759.9	-	10.3	-	(770.2)	-	-	-
<b>Operating revenue</b>	<b>86 526.2</b>	<b>67 740.8</b>	<b>7 523.5</b>	-	<b>10.3</b>	-	<b>(770.2)</b>	-	<b>93 289.8</b>	<b>67 740.8</b>
Cost of sales	(77 645.2)	(60 579.8)	(5 392.2)	-	-	-	759.9	-	(82 277.5)	(60 579.8)
<b>Gross profit (loss)</b>	<b>8 881.0</b>	<b>7 161.0</b>	<b>2 131.3</b>	-	<b>10.3</b>	-	<b>(10.3)</b>	-	<b>11 012.3</b>	<b>7 161.0</b>
Distribution costs	(5 177.8)	(2 805.8)	(303.7)	-	-	-	-	-	(5 481.5)	(2 805.8)
Administrative expenses	(3 058.0)	(1 615.0)	(361.9)	-	(618.5)	-	10.3	-	(4 028.1)	(1 615.0)
Other income	1 103.6	164.2	2.0	-	-	-	-	-	1 105.6	164.2
Other expenses	(180.2)	(23.6)	(48.6)	-	-	-	-	-	(228.8)	(23.6)
Transaction costs	-	-	-	-	(2 353.6)	-	-	-	(2 353.6)	-
<b>EBIT pre fair value</b>	<b>1 568.6</b>	<b>2 880.8</b>	<b>1 419.1</b>	-	<b>(2 961.8)</b>	-	<b>(0.0)</b>	-	<b>25.9</b>	<b>2 880.8</b>
Unrealised FV adjustments	-	-	(1 511.3)	-	-	-	-	-	(1 511.3)	-
<b>EBIT</b>	<b>1 568.6</b>	<b>2 880.8</b>	<b>(92.2)</b>	-	<b>(2 961.8)</b>	-	<b>(0.0)</b>	-	<b>(1 485.4)</b>	<b>2 880.8</b>
<b>Profit/(loss) before tax</b>	<b>3 611.6</b>	<b>4 649.4</b>	<b>(132.2)</b>	-	<b>(2 390.7)</b>	-	-	-	<b>1 088.7</b>	<b>4 649.4</b>
Income tax expense	(195.9)	(705.7)	-	-	-	-	-	-	(195.9)	(705.7)
<b>Net profit/(loss)</b>	<b>3 415.7</b>	<b>3 943.7</b>	<b>(132.2)</b>	-	<b>(2 390.7)</b>	-	-	-	<b>892.8</b>	<b>3 943.7</b>
Depreciation/amortisation	1 752.0	1 323.6	314.8	-	-	-	-	-	2 066.8	1 323.6

EUR thousands	Processing		Fish farming		Group activities		Eliminations		Consolidated		Consolidated
	YTD 10	YTD 09	YTD 10	YTD 09	YTD 10	YTD 09	YTD 10	YTD 09	YTD 10	YTD 09	FY 09
<i>Continuing operations:</i>											
External sales	260 144.6	214 741.4	6 763.6	-	-	-	-	-	266 908.2	214 741.4	353 654.2
Internal sales	-	-	759.9	-	10.3	-	(770.2)	-	-	-	-
<b>Operating revenue</b>	<b>260 144.6</b>	<b>214 741.4</b>	<b>7 523.5</b>	-	<b>10.3</b>	-	<b>(770.2)</b>	-	<b>266 908.2</b>	<b>214 741.4</b>	<b>353 654.2</b>
Cost of sales	(232 096.5)	(175 198.1)	(5 392.2)	-	-	-	759.9	-	(236 728.8)	(175 198.1)	(284 013.7)
<b>Gross profit (loss)</b>	<b>28 048.2</b>	<b>39 543.3</b>	<b>2 131.3</b>	-	<b>10.3</b>	-	<b>(10.3)</b>	-	<b>30 179.5</b>	<b>39 543.3</b>	<b>69 640.5</b>
Distribution costs	(15 545.5)	(9 402.4)	(303.7)	-	-	-	-	-	(15 849.2)	(9 402.4)	(14 918.1)
Administrative expenses	(8 791.3)	(4 522.1)	(361.9)	-	(740.7)	-	10.3	-	(9 883.6)	(4 522.1)	(7 518.6)
Other income	2 003.7	1 454.2	2.0	-	-	-	-	-	2 005.7	1 454.2	2 446.7
Other expenses	(904.7)	(526.5)	(48.6)	-	-	-	-	-	(953.3)	(526.5)	(987.3)
Transaction costs	-	-	-	-	(2 353.6)	-	-	-	(2 353.6)	-	-
<b>EBIT pre fair value</b>	<b>4 810.3</b>	<b>26 546.5</b>	<b>1 419.1</b>	-	<b>(3 084.0)</b>	-	<b>(0.0)</b>	-	<b>3 145.4</b>	<b>26 546.5</b>	<b>48 663.1</b>
Unrealised FV adj.	-	-	(1 511.3)	-	-	-	-	-	(1 511.3)	-	-
<b>EBIT</b>	<b>4 810.3</b>	<b>26 546.5</b>	<b>(92.2)</b>	-	<b>(3 084.0)</b>	-	<b>(0.0)</b>	-	<b>1 634.1</b>	<b>26 546.5</b>	<b>48 663.1</b>
<b>Profit/(loss) before tax</b>	<b>7 145.8</b>	<b>24 090.3</b>	<b>(132.2)</b>	-	<b>(2 489.2)</b>	-	<b>0.0</b>	-	<b>4 524.4</b>	<b>24 090.3</b>	<b>47 680.6</b>
Income tax expense	(2 217.6)	(4 638.3)	-	-	27.6	-	-	-	(2 190.0)	(4 638.3)	(9 335.9)
<b>Net profit/(loss)</b>	<b>4 928.2</b>	<b>19 451.9</b>	<b>(132.2)</b>	-	<b>(2 461.6)</b>	-	<b>0.0</b>	-	<b>2 334.4</b>	<b>19 451.9</b>	<b>38 344.6</b>
<b>Total assets</b>	<b>231 230.2</b>	<b>179 754.7</b>	<b>265 021.7</b>	-	<b>240 448.5</b>	-	<b>(226 528.5)</b>	-	<b>510 172.0</b>	<b>179 754.7</b>	<b>227 377.5</b>
Depreciation/amort.	4 976.0	3 829.2	314.8	-	-	-	-	-	5 290.8	3 829.2	5 556.6

## 6. Transactions with related parties

Morpol SA 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.

In addition, the Group has "ownership clauses" in certain of its financing agreements, pursuant to which Jerzy Malek (Friendmall Ltd), Jadwiga Kasprzak (MKS sp Zoo/Euro-Industry sp Zoo) and their related parties shall maintain 40 percent of the total number shares/voting rights in Morpol in order to not constitute an event of default.

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

EUR thousands	Transaction	Transaction value		Outstanding amount	
		YTD 2010	YTD 2009	YTD 2010	YTD 2009
MK Ustka	Loan	-	-	5 600.0	20 000.0
Euro-Industry	Loan	-	-	8 000.0	(4 026.0)
Euro-Industry	Machinery and construction work	10 931.0	9 974.5	(95.0)	(0.1)
Others		-	-	513.0	-
<b>Total outstanding</b>				<b>14 018.0</b>	<b>15 974.0</b>

Outstanding receivables with the Euro-Industry Group were related to the sale of Laschinger GmbH in 2008.

## 7. Foreign currency rates versus EUR

Currency	30.09.2010	30.06.2010	31.03.2010	31.12.2009	30.09.2009	30.06.2009	31.03.2009	31.12.2008
PLN	0.25	0.24	0.26	0.24	0.24	0.22	0.21	0.24
GBP	1.16	1.22	1.12	1.12	1.10	1.17	1.07	1.03
NOK	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.10

## 8. Largest shareholders 30 September 2010

Shareholder	Country	Number of shares held	Ownership
FRIENDMALL LTD	Cyprus	73 121 705	47.8%
MKS SP. Z.O.O.	Poland	10 056 140	6.6%
SKAGEN VEKST	Norway	4 728 974	3.1%
JPMORGAN CHASE BANK	United Kingdom	4 222 309	2.8%
ODIN NORGE	Norway	3 913 200	2.6%
BREMESCO HOLDINGS LIMITED	Cyprus	3 822 155	2.5%
CACEIS BANK	France	3 160 000	2.1%
KVERVA AS	Norway	3 068 100	2.0%
BAZMONTA HOLDINGS LIMITED	Cyprus	3 000 000	2.0%
CITIBANK N.A. (LONDON BRANCH)	Finland	2 822 700	1.8%
JPMORGAN CHASE BANK	United Kingdom	2 307 958	1.5%
VERDIPAPIRFONDET HANDELSBANKEN	Norway	2 027 200	1.3%
ODIN NORDEN	Norway	1 956 600	1.3%
BGL BNP PARIBAS	Luxembourg	1 650 000	1.1%
JPMORGAN CHASE BANK	Luxembourg	1 562 515	1.0%
MORGAN STANLEY & CO INTERNAT. PLC	United Kingdom	1 545 598	1.0%
STATOIL PENSJON	Norway	1 360 153	0.9%
CITIBANK N.A., LONDON BRANCH	Cyprus	1 259 500	0.8%
VARMA MUTUAL PENSION INSURANCE	Finland	1 162 166	0.8%
MIOS LIMITED	Cyprus	1 000 000	0.6%
<b>Total 20 largest shareholders</b>		<b>127 746 973</b>	<b>83.6%</b>
Total other shareholders		25 062 126	16.4%
<b>Total number of shares</b>		<b>152 809 099</b>	<b>100 %</b>

## 9. Quarterly historical information

## Processing – actual numbers

EUR thousands	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
<i>Continuing operations:</i>						
Revenue	83 378.3	90 240.2	138 912.7	67 740.8	68 069.1	78 931.5
Sale of finished goods	80 055.3	81 177.5	138 302.4	67 612.5	67 070.1	77 599.6
Sale of services	1 775.7	1 782.0	3.0	7.4	138.3	66.0
Sale of merchandise and materials	1 547.2	7 280.7	607.4	120.9	860.7	1 266.0
Cost of sales	(76 763.5)	(77 687.8)	(108 815.6)	(60 579.8)	(53 241.8)	(61 376.5)
<b>Gross profit/(loss)</b>	<b>6 614.8</b>	<b>12 552.4</b>	<b>30 097.2</b>	<b>7 161.0</b>	<b>14 827.3</b>	<b>17 555.0</b>
Distribution costs	(5 584.8)	(4 782.9)	(5 515.7)	(2 805.8)	(3 214.3)	(3 382.3)
Administrative expenses	(2 932.1)	(2 923.3)	(2 996.6)	(1 615.0)	(1 085.8)	(1 821.2)
Other income	458.5	441.5	992.5	164.2	864.6	425.3
Other expenses	(651.9)	(72.6)	(460.8)	(23.6)	(385.5)	(117.4)
<b>EBIT pre fair value</b>	<b>(2 095.5)</b>	<b>5 215.1</b>	<b>22 116.6</b>	<b>2 880.8</b>	<b>11 006.3</b>	<b>12 659.4</b>
Unrealised fair value adjustments	-	-	-	-	-	-
<b>EBIT</b>	<b>(2 095.5)</b>	<b>5 215.1</b>	<b>22 116.6</b>	<b>2 880.8</b>	<b>11 006.3</b>	<b>12 659.4</b>
<b>Profit/(loss) before tax</b>	<b>(1 846.0)</b>	<b>5 281.6</b>	<b>23 590.3</b>	<b>4 649.4</b>	<b>12 326.1</b>	<b>7 114.8</b>
Income tax expense	(326.8)	(1 667.3)	(4 697.6)	(705.7)	(1 395.3)	(2 537.4)
<b>Net profit/(loss) continuing operations</b>	<b>(2 172.7)</b>	<b>3 614.3</b>	<b>18 892.7</b>	<b>3 943.7</b>	<b>10 930.8</b>	<b>4 577.4</b>
<i>The costs are presented "by function" and include depreciation and amortisation with the following amounts</i>						
Depreciation and amortisation	1 737.8	1 499.7	1 727.4	1 323.6	1 407.8	1 097.8
<b>EBITDA</b>	<b>(357.7)</b>	<b>6 714.8</b>	<b>23 844.0</b>	<b>4 204.4</b>	<b>12 414.1</b>	<b>13 757.2</b>

EUR thousands	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Cost of raw material (fish)	62 904.5	67 645.0	76 106.5	52 632.4	44 322.0	49 130.0
Other COGS	13 859.0	10 042.8	32 709.1	7 947.4	8 919.8	12 246.5
<b>Total cost of sales</b>	<b>76 763.5</b>	<b>77 687.8</b>	<b>108 815.6</b>	<b>60 579.8</b>	<b>53 241.8</b>	<b>61 376.5</b>

Sales - Tonnes	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Cold smoked salmon	4 874.6	5 253.2	6 630.7	4 678.0	4 697.9	4 281.6
Specialities	537.1	1 373.6	2 125.0	532.5	558.4	957.2
Other products	2 485.0	3 109.7	2 606.7	1 994.2	1 564.0	2 112.1
By-products	5 780.6	6 484.1	5 161.7	4 289.7	3 811.5	3 798.9
Contract processing	2 139.9	1 939.8	2 334.4	1 729.6	1 529.3	1 402.2
<b>Total sales volume</b>	<b>15 817.1</b>	<b>18 160.3</b>	<b>18 858.5</b>	<b>13 224.0</b>	<b>12 161.1</b>	<b>12 552.0</b>

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

## Farming – pro-forma numbers

<i>EUR thousands</i>	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
<i>Continuing operations:</i>							
Revenue	29 369.6	29 120.9	20 156.8	24 596.8	22 161.7	21 329.2	18 840.7
Cost of sales	(21 858.1)	(18 614.6)	(14 057.7)	(18 542.7)	(17 947.5)	(14 997.0)	(15 495.5)
<b>Gross profit/(loss)</b>	<b>7 511.6</b>	<b>10 506.3</b>	<b>6 099.1</b>	<b>6 054.0</b>	<b>4 214.2</b>	<b>6 332.1</b>	<b>3 345.2</b>
<b>EBIT pre fair value</b>	<b>4 433.6</b>	<b>7 311.3</b>	<b>3 157.0</b>	<b>2 126.1</b>	<b>1 803.1</b>	<b>3 339.5</b>	<b>985.0</b>
Unrealised fair value adjustments	(3 253.7)	4 836.2	1 959.7	1 736.6	(3 281.6)	2 486.5	1 453.0
<b>EBIT</b>	<b>1 179.9</b>	<b>12 147.5</b>	<b>5 116.8</b>	<b>3 862.7</b>	<b>(1 478.5)</b>	<b>5 826.0</b>	<b>2 438.0</b>
<b>Profit/(loss) before tax</b>	<b>(50.9)</b>	<b>12 018.6</b>	<b>4 706.1</b>	<b>3 693.7</b>	<b>(2 018.3)</b>	<b>5 996.1</b>	<b>1 745.2</b>
Income tax expense	(797.9)	(1 498.3)	(1 152.9)	(484.6)	39.2	(1 052.6)	(956.6)
<b>Net profit/(loss) continuing operations</b>	<b>(848.8)</b>	<b>10 520.4</b>	<b>3 553.2</b>	<b>3 209.2</b>	<b>(1 979.1)</b>	<b>4 943.5</b>	<b>788.6</b>
<i>The costs are presented "by function" and include depreciation and amortisation with the following amounts</i>							
Depreciation and amortisation	1 179.6	1 123.6	1 044.1	947.1	1 037.8	1 030.3	956.8
<b>EBITDA</b>	<b>5 613.2</b>	<b>8 434.9</b>	<b>4 201.1</b>	<b>3 073.2</b>	<b>2 840.9</b>	<b>4 369.8</b>	<b>1 941.8</b>
Volumes (thousands, gwe)	4 135.4	4 972.5	3 586.8	5 319.3	4 562.8	4 599.2	4 629.4
<b>EBIT pre fair value per kg</b>	<b>1.1</b>	<b>1.5</b>	<b>0.9</b>	<b>0.4</b>	<b>0.4</b>	<b>0.7</b>	<b>0.2</b>