

# Consolidated Report

1<sup>st</sup> Quarter 2007



**MARINE FARMS ASA**

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## HIGHLIGHTS / DIRECTORS COMMENT'S

### Marine Farms ASA First Quarter 2007

In the 1<sup>st</sup> quarter 2007 Marine Farms achieved total sales in the amount of NOK 155.3 mill, a 31% increase compared to the same period last year. In the 1<sup>st</sup> quarter 2007 EBIT before fair value adjustment biomass ended at record NOK 19.4 mill, compared to NOK 8.5 mill last year. The operating profit for 1<sup>st</sup> quarter 2007 includes NOK -5.1 mill in provisions.

Consolidated <b>Marine Farms ASA</b>	<i>figures in NOK 1.000</i>	1 <sup>st</sup> Q 07	1 <sup>st</sup> Q 06	Yr 2006	Yr 2005
Operating revenue		155.276	118.250	599.015	421.066
EBITDA before fair value adjustment biomass		29.413	16.493	129.022	80.810
EBIT before fair value adjustment biomass		19.406	8.525	94.221	50.629
EBIT		13.550	1.523	124.126	68.904
Result before tax		15.558	-2.694	111.156	56.202
Tax		-5.707	-5.737	-33.478	-5.992
Result after tax		9.851	-8.431	77.678	50.210
<i>Net interest-bearing debt</i>		<i>180.000</i>	<i>203.000</i>	<i>227.000</i>	<i>218.500</i>

The company is reporting in accordance with the international reporting standards known as IFRS. The transition from Norwegian reporting standard and the corresponding effects are described in the company's annual IFRS report for 2005 and 2006 (see [www.marinefarms.no](http://www.marinefarms.no)).

### Operations

Marine Farms ASA has been involved in the fish farming business since 1976 and has considerable knowledge of all aspects of fish farming, from broodfish to the finished product. Marine Farms' core competence is its technical and biological know-how and innovativeness. The company's operations mainly consist of salmon farming in the U.K. and seabass / seabream in Spain. These activities are run through the 100% owned companies Lakeland (U.K.) and Culmarex (Spain), both being fully integrated companies and among the most profitable in their respective markets. In addition, Marine Farms ASA is engaged in farming of the fast growing marine specie cobia in America (Florida and Belize) and in Vietnam, as well as a cod hatchery in the U.K. The Group had a turnover of approximately NOK 600 mill in 2006 and had 361 employees per 31.12.2006.

#### Salmon (Lakeland)

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

Lakeland's hatchery business is considered to be the largest independent supplier of salmon ova and smolt to the UK market. The Company has a production capacity of 40 mill ova and 7,5 mill smolt. Broodfish are tested individually for the virus disease IPN which is a major selling point. Demand for salmon smolt and ova in the UK is increasing.

Lakeland was one of the most profitable salmon producers in the UK in 2006, with an EBIT/kg gwt sold fish of NOK 10.1. In the 1<sup>st</sup> quarter of 2007, Lakeland generated some NOK 11.0/kg gwt sold fish, which was NOK 3.1 higher than the year before. The improvement is mainly due to higher salmon prices and

better result from the freshwater business. The company has experienced a somewhat higher proportion of fish being downgraded in 1st quarter 2007, due to early maturation.

*Historic development*

<i>NOK mill</i>	2004	2005	2006*	1.Q 2006*	1.Q 2007	2.Q 2007e	3.Q 2007e	4.Q 2007e
Sale of own salmon (gwt tonnes)	7 742	7 674	9 264	2 353	1 806	2 400	2 400	2 800
Sale of 3rd party salmon (gwt tonnes)	-	-	872	158	216	200	200	200
Total sale of salmon (gwt tonnes)	7 742	7 674	10 136	2 511	2 022	2 600	2 600	3 000
Revenue Lakeland Group	195,6	231,6	388,7	88,6	98,2			
EBIT before fair value adjustment (1)	8,5	45,4	93,6	18,7	19,9			
<b>EBIT/kg gwt own fish sold (NOK)</b>	<b>1,1</b>	<b>5,9</b>	<b>10,1</b>	<b>7,9</b>	<b>11,0</b>			

(1) EBIT = EBIT before fair value adjustments, extraordinary items and provisions.

\* Pro forma figures include SPoS Ltd and MP Ltd, which was acquired 100% and 80% respectively 01.09.06

Lakeland is planning to produce and sell about 9,400 tonnes gwt salmon in 2007 (production capacity is approximately 9,500 tonnes). In addition, the company is planning to sell about 800 tonnes gwt salmon for 3<sup>rd</sup> parties. Approximately 40% of the volumes for 2007 are already sold on fixed prices contracts, which is similar to the situation at the beginning of 2006. The average contract price in 2007 is higher compared to 2006.

Seabass/seabream (Culmarex)

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

Culmarex is today a vertically integrated supplier of seabass and seabream, and conducts all parts of the production, from broodfish through the pre-ongrowing of juveniles up until the fish is ready for the market. Culmarex has approximately 200 employees and the company is renowned for its good service and high quality. This is reflected in the prices the company achieves in the market for its fish.

The Culmarex group was one of the largest and most profitable seabass/seabream producers in Spain in 2006, with an EBIT/kg sold fish of approximately NOK 11.3. In the 1st quarter of 2007, Culmarex obtained an EBIT per kg sold fish of approximately NOK 13.1, which is NOK 5.3 better compared to the same period in 2006. The improvement is mainly due to higher average seabass/seabream prices and lower average production cost.

#### Historic development

<i>NOK mill</i>	2004	2005	2006 *	1.Q 2006 *	1.Q 2007	2.Q 2007e	3.Q 2007e	4.Q 2007e
Sale of own seabass/seabream (tonnes)	1 707	2 239	4 112	945	799	900	1 500	1 500
Sale of 3rd party seabass/seabream (tonnes)	1 164	1 051	622	94	274	200	400	300
Total sale of seabass/seabream (tonnes)	2 871	3 291	4 734	1 039	1 073	1 100	1 900	1 800
Revenue - Culmarex Group	175,8	179,3	246,8	49,2	57,0			
EBIT before fair value adj (1)	13,7	24,6	46,7	7,4	10,5			
<b>EBIT/kg own fish sold (NOK)</b>	<b>8,0</b>	<b>11,0</b>	<b>11,3</b>	<b>7,8</b>	<b>13,1</b>			

(1) EBIT = EBIT before fair value adjustments, extraordinary items and provisions.

\* Pro forma figures include PIAGUA which was acquired 1st of July 2006. Note also that quarterly revenue has been restated.

Culmarex is planning to sell about 4,700 tonnes of its own produced seabass/seabream in 2007 (production capacity is approximately 7,200 tonnes). In addition, the company is planning to sell about 1.200 tonnes seabass/seabream for 3<sup>rd</sup> parties.

#### Cobia (Belize and Vietnam)

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

Marine Farms have operated a cobia hatchery in Florida since 2002 and are in the process of building up fully integrated operations for cobia in Belize in Central America (for export to the American market) and in Vietnam (for export to the Asian market). First priority is to get Belize up and running. The experience gained in Belize will then be used to develop Vietnam.

Cobia juveniles have been put into sea both in Belize and in Vietnam. In Belize the mortalities continues to be low and the fish is growing according to plan. In Vietnam, the mortalities have been higher. The company is planning to harvest approximately 300 tonnes gwt cobia in 2007. Production capacity is estimated to be around 8,000 tonnes.

#### Cod (Scotland)

Marine Farms owns 51% of Machrihanish Marine Farms Ltd. Stirling University owns the remaining 49%. The hatchery generated a negative EBIT of approximately NOK -1.3 mill in 1<sup>st</sup> quarter 2007. It has an annual production capacity of approximately 3 mill juveniles. All production for 2007 is sold.

### **Balance sheet and capital structure**

Total assets per 31.03.07 amounted to NOK 896 mill, which is NOK 41 mill higher than per 31.12.2006. Biomass amounted to NOK 395 mill, an increase of NOK 25 mill compared year end 2006. Net interest-bearing debt per 31.03.2007 amounted to NOK 180 mill, a NOK 47 mill reduction compared to year end 2006. As per 14.05.2007 the group had NOK 119 mill in free cash and available credit facilities.

Equity per 31.03.2007 was NOK 465 mill (51.9% equity ratio), compared to NOK 405 mill (47.4%) at year end 2006.

Marine Farms ASA is in the process of finalising a new NOK 500 mill corporate lending facility with DnB NOR. Parts of this new facility will be used to refinance existing facilities, at improved terms. Together with a good cash flow, the group should have enough available free liquidity to finance its planned organic growth over the next few years.

### **Share information**

On the 12<sup>th</sup> of October 2006 Marine Farms ASA was listed on the Oslo Stock Exchange, trading under the “MAFA” ticker. At 31.03.2007, total number of shares outstanding was 36,618,628 and the share price was NOK 20.90/share.

### **Going forward**

Marine Farms ASA combines farming of salmon with profitable farming of marine species. In addition the Company is exploiting opportunities within new marine species such as cobia and to a lesser extent cod. Marine Farms has a clearly defined strategy to invest in regions/segments where it may become one of the top 25% producer’s earnings wise. Focus is on large and efficient clusters, controlling the entire value chain from broodfish to customer. Its activity shall be diversified in terms of species and markets, leveraging on established species and investing in new ones. The company will seek market leadership in selected niches by being an innovative and trustworthy supplier of high quality seafood products.

The Company’s geographical diversification and the diversity of species, plus having most of its production inside the EU, makes Marine Farms less susceptible to political risk and cyclic fluctuations. Over the past few years, the company has acquired new businesses both in the UK and in Spain. The focus on bigger and more efficient business units will continue. The Company is well positioned for further growth.

Bergen, 21<sup>st</sup> of May 2007

The Board of Directors  
Marine Farms ASA

**MARINE FARMS GROUP CONSOLIDATED**

**Income statement**

<b>Figures in NOK 1 000</b>	<b>1 Q 2007 IFRS</b>	<b>1 Q 2006 IFRS</b>	<b>Yr 2006 IFRS</b>	<b>Yr 2005 IFRS</b>
Sales revenues	155 276	118 250	599 015	421 066
<b>Total operating revenues</b>	<b>155 276</b>	<b>118 250</b>	<b>599 015</b>	<b>421 066</b>
Change in inventory (cost of production )	19 355	-3 858	35 738	-5 372
Cost of materials	-78 550	-45 547	-288 308	-174 058
Salaries and personal expenses (Note 6)	-29 171	-25 011	-93 359	-70 177
Other operating expenses	-37 497	-27 341	-124 064	-90 649
<b>EBITDA before fair value adj. on biomass</b>	<b>29 413</b>	<b>16 493</b>	<b>129 022</b>	<b>80 810</b>
Depreciations	-10 007	-7 968	-34 801	-30 181
<b>EBIT before fair value adj. on biomass</b>	<b>19 406</b>	<b>8 525</b>	<b>94 221</b>	<b>50 629</b>
Fair value acquired companies (Note 3)	-2 135	0	-6 645	0
Fair value adjustment on biomass (IAS 41)	-3 720	-7 002	36 550	18 275
<b>OPERATING PROFIT (EBIT)</b>	<b>13 550</b>	<b>1 523</b>	<b>124 126</b>	<b>68 904</b>
Income from associates	0	60	-4 646	195
Write down on financial assets	0	0	0	0
Finance revenue	498	87	5 324	1 151
Interest costs	-2 908	-2 719	-13 378	-14 048
Other finance costs (Note 4)	4 418	-1 645	-270	0
<b>Profit before tax</b>	<b>15 558</b>	<b>-2 694</b>	<b>111 156</b>	<b>56 202</b>
Taxes	-5 707	-5 737	-33 478	-5 992
<b>Net profit from continued operations</b>	<b>9 851</b>	<b>-8 431</b>	<b>77 678</b>	<b>50 210</b>
Net profit/(-) loss from discontinued operations	0	0	0	-625
<b>Net profit (loss)</b>	<b>9 851</b>	<b>-8 431</b>	<b>77 678</b>	<b>49 585</b>
Majority interest	9 067	-6 658	77 532	51 986
Minority interest	784	-1 773	146	-2 401
<i>Earnings per share</i>	<i>0.26</i>	<i>-0.26</i>	<i>2.64</i>	<i>2.25</i>
<i>Diluted earnings per share</i>	<i>0.26</i>	<i>-0.26</i>	<i>2.64</i>	<i>2.25</i>

## Balance sheet

Figures in NOK 1 000	31.03.07	31.03.06	31.12.06	31.12.05
<b>ASSETS</b>				
Licences	49 592	30 319	42 808	30 878
Goodwill	31 797	18 682	32 455	18 188
<b>Total intangible assets</b>	<b>81 389</b>	<b>49 001</b>	<b>75 263</b>	<b>49 066</b>
<b>Total tangible assets</b>	<b>231308</b>	<b>169 599</b>	<b>219 739</b>	<b>172 841</b>
<b>Total financial assets</b>	<b>1 992</b>	<b>16 804</b>	<b>2 056</b>	<b>11 832</b>
<b>Total non-current assets</b>	<b>314 689</b>	<b>235 404</b>	<b>297 058</b>	<b>233 739</b>
<b>Non-current assets discontinued operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Biomass	395 437	233 076	370 377	250 694
Other inventories	14 037	9 530	15 103	10 112
<b>Total inventories</b>	<b>409 473</b>	<b>242 606</b>	<b>385 480</b>	<b>260 806</b>
Total receivables	120 520	73 578	131 633	81 729
Cash and cash equivalents	51 617	31 606	40 989	23 114
<b>Total current assets</b>	<b>581 611</b>	<b>347 790</b>	<b>558 102</b>	<b>365 649</b>
<b>TOTAL ASSETS</b>	<b>896 299</b>	<b>591 064</b>	<b>855 160</b>	<b>599 388</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>465 284</b>	<b>195 127</b>	<b>405 243</b>	<b>209 134</b>
Liabilities to financial institutions	114 218	179 932	118 821	153 568
Other non-current liabilities	55 824	29 240	54 028	37 983
<b>Total non-current liabilities</b>	<b>170 042</b>	<b>209 172</b>	<b>172 849</b>	<b>191 551</b>
<b>Non-current liabilities discontinued operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Liabilities to financial institutions	117 108	54 965	149 203	88 128
Other current liabilities	143 865	123 930	127 865	110 575
<b>Total current liabilities</b>	<b>260 973</b>	<b>178 895</b>	<b>277 068</b>	<b>198 703</b>
<b>Total liabilities</b>	<b>431 015</b>	<b>388 067</b>	<b>449 917</b>	<b>390 254</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>896 299</b>	<b>583 194</b>	<b>855 160</b>	<b>599 388</b>

## Key figures

<b>Figures in NOK 1 000</b>	<b>1Q 2007</b>	<b>1Q 2006</b>	<b>Yr 2006</b>	<b>YR 2005</b>
	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>
EBITDA before fair value adjustment	29 413	16 493	129 022	80 810
EBITDA after fair value adjustment	23 558	9 491	165 572	100 002
EBIT	13 550	1 523	124 126	68 904
EBITDA margin before fair value adjustment	19 %	14 %	22 %	19 %
EBITDA margin after fair value adjustment	15 %	8 %	28 %	24 %
Operating margin (EBIT)	9 %	1 %	21 %	17 %
Earnings per share	0.26	-0.26	2.64	2.25
Diluted earnings per share	0.26	-0.26	2.64	2.25
Equity ratio	52 %	33 %	47 %	35 %
Net interest bearing debt	179 709	203 291	227 036	218 582

## Consolidated statements of cash flow

<b>Figures in NOK 1 000</b>	<b>1Q 2007</b>	<b>1Q 2006</b>	<b>Yr 2006</b>	<b>Yr 2005</b>
Net profit before income taxes	15 558	-2 694	111 156	56 202
Fair value adjustment on biomass	5 855	7 002	-29 905	-18 275
Tax paid	0	0	-15 238	-1 244
Deprec. and amortisation, including gain and loss on disposal	10 007	7 968	34 801	30 181
Interest paid	-2 908	-2 719	13 378	13 265
Income from associates and other investments	0	-4 646	4 646	-550
Change in inventories, trade receivables and trade acc. p.	3 159	39 706	-156	-47 545
			444	
Change in other accruals	1 796	-8 743	24 291	-3 785
<b>Net cash flow from operating activities</b>	<b>33 467</b>	<b>35 874</b>	<b>-13 315</b>	<b>28 249</b>
Sales of fixed assets	0	0	11 700	21 902
			-105	
Investments in fixed assets	-27 638	-9 633	980	-33 818
Net purchase and proceeds from other investments	0	0	0	-289
<b>Net cash flow from investing activities</b>	<b>-27 638</b>	<b>-9 633</b>	<b>-94 280</b>	<b>-12 205</b>
Net down payment/proceeds of interest-bearing debt	-36 698	-6 799	26 328	-39 304
Interest paid	-3 215	-2 719	-13 378	-13 265
Issuance of share capital (share issue and sale of own shares)	57 658	0	113 870	48 048
<b>Net cash flow from financing activities</b>	<b>17 745</b>	<b>-9 518</b>	<b>126 820</b>	<b>-4 521</b>
Net foreign exchange difference	-12 946	-8 231	-1 350	1 077
<b>Net change in cash and cash equivalents</b>	<b>10 628</b>	<b>8 492</b>	<b>17 875</b>	<b>12 600</b>
Cash and cash equivalents at beginning of period	40 989	23 114	23 114	10 514
Net change in cash and cash equivalents	10 628	8 492	17 875	12 600
<b>Cash and cash equivalents at end of period</b>	<b>51 617</b>	<b>31 606</b>	<b>40 989</b>	<b>23 114</b>

## Equity statement

	31.03.2007	31.03.2006	31.12.2006	31.12.2005
<b>Equity 01.01.</b>	<b>405 243</b>	<b>209 134</b>	<b>208 499</b>	<b>112 803</b>
Profit/Loss for the period	9 853	-8 431	77 678	49 585
Share issue, net after expenses	57 658	0	113 870	48 048
Purchase of own shares	0	0	-3 329	-21
Dividend	0	0	-243	0
Effect of business combinations achieved in stages	0	0	8 371	0
Foreign currency translation differences	-7 470	-67	397	-1 916
<b>Total equity at the end of period</b>	<b>465 284</b>	<b>200 636</b>	<b>405 243</b>	<b>209 134</b>

### NOTE 1: CORPORATE INFORMATION

Marine Farms ASA is a company incorporated and domiciled in Norway. The principle activities of the company and its subsidiaries are fishfarming activities of species as Salmon, Seabass/seabream etc.

### NOTE 2: BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES

The report for the 1<sup>st</sup> quarter 2007 has been prepared in accordance with IFRS – hereunder IAS 34 Interim Financial Reporting. The Interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2005 and at 31 December 2006.

Norwegian accounting standards have for the most part been in accordance with IFRS, but for Marine Farms the transition to IFRS has particular significance with respect to the value of the biomass (stocks of live fish), since the new standards state that the biomass must, as a rule, be recorded at fair value in the balance sheet. Further information about the transition from NGAAP to IFRS can be read in the Group's annual financial statements as at 31 December 2005 and at 31 December 2006 based on IFRS. Changes in the standards and interpretations may lead to changes in the accounts.

### NOTE 3: INVENTORY

The following fish is measured at fair value:

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

<i>Figures in NOK 1 000</i>	31.03.2007	31.03.2006	31.12.2006
Biomass at cost	320 180	210 349	291 591
Excess fair value year end	75 256	22 727	78 786
<i>Spain:</i> 45 405		6 961	57 084
<i>UK:</i> 29 851		15 811	21 702
<b>Biomass at fair value</b>	<b>395 437</b>	<b>233 076</b>	<b>370 377</b>

When Culmarex acquired Piagua (Spain) on 1<sup>st</sup> of July 2006, the biomass was valued at fair value, which was EUR 1.273 mill higher than cost on the same date. When selling this fish, the fair value at acquisition date is released to

the P&L. This has no cash flow effect. At the end of March 2007, NOK 8.780 mill of this excess fair value was accounted for in the P&L.

#### **NOTE 4: ACQUISITION OF CULTIVOS DEL PONTO, SPAIN**

On Monday the 26th of February 2007, Culmarex signed the final agreement to acquire Cultivos del Ponto for approximately EUR 3,415 mill (EV basis). Cultivos Del Ponto has cage farming activities located on the Andalucian coast in the area around Malaga, Spain. The company held about 600 tonnes of seabass. However, it owns one concession of 1,200 tonnes seabass/seabream capacity. In addition, it has applied for a second concession of 1,800 tonnes, which is still awaiting approval from the Spanish authorities. A third concession of 1,200 tonnes has expired, as the company did not start up production within 6 months from approval was granted. There is a possibility to re-apply for this third concession.

##### Cultivos del Ponto – Purchase Price Analysis

	<i>EUR</i>	<i>NOK</i>
<b>Share purchase price for Cultivos del Ponto</b>	<b>3 415 116</b>	<b>27 727 327</b>
Equity Cultivos del Ponto at consolidation	3 519 934	28 578 344
Grants in the balance sheet as debt (net after tax)	94 335	765 904
Value of licence (net after 30% tax)	672 000	5 455 968
<b>Negative Goodwill</b>	<b>871 153</b>	<b>7 072 890</b>

According to IFRS negative goodwill shall be recognized through profit and loss immediately. Negative goodwill of EUR 0.9 mill / NOK 7.1 mill is included in net other financial income/expense in the income statement. The value put on the 1,200 ton licence belonging to Cultivos del Ponto is €800 per tonnes i.e. a total value of EUR 960 000 before tax. The value is EUR 200 per tonnes lower compared to what we used when buying Piagia in August 2006

#### **NOTE 5: SEGMENT INFORMATION**

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

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments. Note that the figures has been prepared in accordance with IFRS.

### 1Q 2007

Figures in NOK mill	Revenue	Operating profit	Net financial items	Income taxes	Net profit (loss)	Non-current assets	Investories	Total assets	Total liabilities
Salmon UK	98.0	27.8	-2.6	-7.6	17.6	130.8	187.1	403.5	282.0
Seabass/bream Spain	57.0	-6.1	6.2	1.9	2.1	144.8	211.2	414.3	236.5
Other i.e. Cobia, Cod + MFt Ltd	0.8	-3.0	-0.1	0.0	-3.1	37.3	10.9	59.4	68.5
Mother Company Norway	0.8	-5.2	-1.5	0.0	-6.7	228.4	0.3	252.3	12.2
Eliminations/group adjustments	-1.3	0.0	0.0	0.0	0.0	-226.6	0.0	-233.3	-168.3
<b>Total continued operations</b>	<b>155.3</b>	<b>13.6</b>	<b>2.0</b>	<b>-5.7</b>	<b>9.9</b>	<b>314.7</b>	<b>409.4</b>	<b>896.2</b>	<b>431.0</b>
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>155.3</b>	<b>13.6</b>	<b>2.0</b>	<b>-5.7</b>	<b>9.9</b>	<b>314.7</b>	<b>409.4</b>	<b>896.2</b>	<b>431.0</b>

### 1Q 2006

Figures in NOK mill	Revenue	Operating profit	Net financial items	Income taxes	Net profit (loss)	Non-current assets	Investories	Total assets	Total liabilities
Salmon UK	68.8	20.7	-2.7	-9.3	8.7	113.2	139.6	290.1	240.2
Seabass/bream Spain	49.3	-11.6	-0.5	3.6	-8.5	92.2	98.9	242.2	145.6
Other i.e. Cobia, Cod + MFt Ltd	0.7	-2.2	-0.1	0.0	-2.3	23.6	3.5	30.0	36.0
Mother Company Norway	0.7	-5.4	-0.9	0.0	-6.3	106.6	0.6	127.7	39.7
Eliminations/group adjustments	-1.2	0.0	0.0	0.0	0.0	-100.2	0.0	-106.8	-73.3
<b>Total continued operations</b>	<b>118.3</b>	<b>1.5</b>	<b>-4.2</b>	<b>-5.7</b>	<b>-8.4</b>	<b>235.4</b>	<b>242.6</b>	<b>583.2</b>	<b>388.2</b>
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>118.3</b>	<b>1.5</b>	<b>-4.2</b>	<b>-5.7</b>	<b>-8.4</b>	<b>235.4</b>	<b>242.6</b>	<b>583.2</b>	<b>388.2</b>

### Acc. 31.12. 2006

Figures in NOK mill	Revenue	Operating profit	Net financial items	Income taxes	Net profit (loss)	Non-current assets	Investories	Total assets	Total liabilities
Salmon UK	345.0	85.8	-18.3	-18.6	48.9	134.3	174.7	383.3	276.2
Seabass/bream Spain	246.9	57.7	-5.3	-15.5	36.8	129.7	202.5	402.5	223.0
Other i.e. Cobia, Cod + MFt Ltd	13.4	-5.7	-0.4	0.6	-5.6	35.6	7.9	47.7	55.2
Mother Company Norway	3.9	-13.8	8.3	0.0	-5.5	164.2	0.3	199.8	10.7
Eliminations/group adjustments	-10.3	0.2	2.7	0.0	2.9	-166.6	0.0	-178.2	-115.2
<b>Total continued operations</b>	<b>599.0</b>	<b>124.1</b>	<b>-13.0</b>	<b>-33.5</b>	<b>77.6</b>	<b>297.1</b>	<b>385.5</b>	<b>855.1</b>	<b>450.0</b>
Discontinued operations	0.0	0.0	0.0	0.0	0.0				
<b>Total</b>	<b>599.0</b>	<b>124.1</b>	<b>-13.0</b>	<b>-33.5</b>	<b>77.6</b>	<b>297.1</b>	<b>385.5</b>	<b>855.1</b>	<b>450.0</b>

**Acc. 31.12.2005**

Figures in NOK mill	Revenue	Operating profit	Net financial		Net profit (loss)		Non-current		Total liabilities	
			Income	taxes			assets	inventories		Total assets
Salmon UK	229.3	59.5	-9.4	-5.3	44.7		116.5	146.7	292.9	250.3
Seabass/bream Spain	179.8	22.2	-3.1	0.8	19.9		92.3	112.5	256.3	154.1
Other i.e. Cobia, Cod + MFt Ltd	11.3	-7.6	-0.3	0.0	-7.8		23.6	1.2	29.9	34.0
Mother Company Norway	3.8	-7.5	-13.4	0.0	-20.9		111.18	0.6	132.6	37.4
Eliminations/group adjustments	3.2	2.4	13.5	-1.5	14.1		-109.2	0.0	-117.8	-86.3
<b>Total continued operations</b>	<b>421.0</b>	<b>68.9</b>	<b>-12.7</b>	<b>-6.0</b>	<b>50.3</b>		<b>234.38</b>	<b>261.0</b>	<b>593.9</b>	<b>389.5</b>
Discontinued operations	28.4	-1.3	0.6	0.1	-0.6		0.0	0.0	0.0	0.0
<b>Total</b>	<b>449.4</b>	<b>67.6</b>	<b>-12.1</b>	<b>-5.9</b>	<b>49.7</b>		<b>234.4</b>	<b>261.0</b>	<b>293.9</b>	<b>389.5</b>

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

**Geographical segments – by location of revenue generating legal entities**

	1Q 2007		1Q 2006		31.12.2006		31.12.2005	
	NOKm	Share	NOKm	Share	NOKm	Share	NOKm	Share
<b>Operating revenue</b>								
UK	98.8	64%	69.5	59%	351.7	59 %	240.9	57 %
Spain	57.0	37%	49.3	42%	246.8	41 %	179.8	43 %
Norway	0.8	0%	0.7	1%	2.5	0 %	3.8	1 %
Other/Elimination	-1.3	-1%	-1.3	-1%	-2.0	0 %	-3,4	-1 %
<b>Total rev. cont. oper.</b>	<b>155.3</b>	<b>100%</b>	<b>118.3</b>		<b>599.0</b>	<b>100 %</b>	<b>421.1</b>	<b>100 %</b>
Discontinued	0.0		0.0		0.0		28.4	
<b>Total operating revenue</b>	<b>155.3</b>		<b>118.3</b>		<b>599.0</b>		<b>449.5</b>	

**NOTE 6: EQUITY BASED REMUNERATION (SYNTHETIC OPTIONS)**

The company started a new bonus scheme for key employees based on the development of the share price in the parent company. The scheme started July 2005 and expire 31.12.07, with a total period of 30 month. Key employees still employed by the company will receive a cash bonus if the market price for the share is higher than NOK 4 per share. Bonus calculation is based on "synthetic" shares given to each key employee. Total number of synthetic shares amount to 1.225 million shares. Per 31.03.2007 estimated accumulated value of the bonus scheme is NOK 29.3 mill for the Group including social security tax. This calculation is based on a market price of NOK 20.9 per share, which is the share price at 31.03.2007. The total value of NOK 23.9 mill has, in accordance with IFRS, to be taken to the income statement over the period until 31.12.07. As of 31.03.06, there has been taken total provision in the amount of NOK 16.8 mill in the consolidated accounts including social security tax, of which NOK 5.1 mill has been taken in 1<sup>st</sup> quarter 2007.

**NOTE 7: EVENTS AFTER THE BALANCE SHEET DATE**

On the 14<sup>th</sup> of May 2007 Nireus S.A. announced that Nireus and related parties holds a total of 12 210 147 shares in Marine Farms ASA, amounting to 33.344% of the outstanding shares and votes in Marine Farms ASA.

## NOTE 8: EARNING PR SHARE

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

In a General meeting in Marine Farms ASA, held on 6<sup>th</sup> September 2006 it was decided to merge two shares into one share in Marine Farms ASA, i.e. the face value per share is increased from NOK 1 to NOK 2 (two old shares is equal to one new share).

<i>Figures in NOK 1 000</i>	<b>1Q 2007</b>	<b>1Q 2006</b>	<b>2006</b>	<b>2005</b>
Majority's share of net profit	9 067	-6 658	77 532	51 986
Number of outstanding ordinary shares as of en of period	36 618 628	25 408 003	33 310 628	25 408 003
Average number of outstanding shares	34 968 628	25 408 003	29 359 000	23 133 000
Earnings per share	0.26	-0.26	2.64	2.25
Earnings per share (diluted)	0.26	-0.26	2.64	2.25