

Consolidated Report

2nd Quarter 2006



MARINE FARMS ASA

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Marine Farms ASA Second Quarter 2006 (IFRS)

In the 1st half of 2006 Marine Farms achieved total sales in the amount of NOK 287.2, a 46% increase compared to the same period last year. EBIT ended at NOK 54.7 mill, compared to NOK 29.5 mill last year. The good result is mainly due to continued high salmon prices together with a more efficient production.

Consolidated figures in NOK 1.000

| Marine Farms ASA | 2nd Q 06 | 2nd Q 05 | 1st half 2006 | 1st half 2005 | Yr 2005 |
|---------------------------|----------|----------|---------------|---------------|---------|
| Operating revenue | 168.958 | 104.108 | 287.208 | 196.404 | 421.066 |
| EBITDA before fair value | | | | | |
| adjustment biomass | 43.520 | 20.346 | 60.013 | 34.089 | 80.810 |
| EBIT before fair value | | | | | |
| adjustment biomass | 32.957 | 12.857 | 41.482 | 18.994 | 50.629 |
| EBIT | 45.345 | 23.097 | 54.738 | 29.487 | 63.099 |
| Result before tax | 44.472 | 20.965 | 49.648 | 24.623 | 50.397 |
| Tax | -12.350 | -5.685 | -20.448 | -7.292 | -4.251 |
| Result after tax | 32.122 | 12.474 | 29.200 | 11.719 | 45.521 |
| Net interest-bearing debt | | | 195.500 | 247.000 | 218.500 |

The company reports in accordance with the International Financial Reporting Standards (IFRS). The transition from Norwegian reporting standard and the corresponding effects are described in the company's annual IFRS report for 2005.

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 species 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 421 mill in 2005 and had 314 employees per 30.06.2005.

Salmon (Lakeland)

Lakeland was one of the most profitable salmon producers in the UK in 2005, with an EBIT/kg gwt sold fish of NOK 5.9. In the second quarter of 2006, the group generated some NOK 10.7/kg gwt sold fish, an improvement of some NOK 5.0 compared to the same period in 2005. Lakeland's salmon operations on the mainland Scotland average a production cost of some £ 1.75-1.80/kg gwt sold fish (incl. box costs). The salmon operation in Shetland has somewhat higher production costs compared to the mainland operation. At the beginning of 2006 the company had entered into fixed priced contracts for approximately 40% of its 2006 volumes. The group will therefore not fully benefit from today's high salmon price.

Lakeland is planning to sell about 9.200 tonnes gwt salmon in 2006, of which about 1.700 tonnes is planned to be sold in 3rd quarter and about 2.000 tonnes in 4th quarter. Production capacity is approximately 9.500 tons gwt salmon.

Historic development

| NOK mill | 2003 | 2004 | 2005 | 1.Q 2005 | 2.Q 2005 | 3.Q 2005 | 4.Q 2005 | 1.Q 2006 | 2.Q 2006 |
|-----------------------------------|--------|-------|-------|----------|----------|----------|----------|----------|----------|
| Sale of salmon gwt (tons) | 7 009 | 7 742 | 7 674 | 1 805 | 2 548 | 1 827 | 1 495 | 2 353 | 3 152 |
| Revenue Lakeland Group | 171.2 | 191.0 | 231.3 | 55.9 | 65.7 | 55.9 | 53.9 | 67.7 | 98.1 |
| EBIT before fair value adjustment | (24.9) | 8.3 | 45.3 | 6.8 | 14.6 | 11.8 | 12.1 | 17.1 | 33.9 |
| EBIT/kg gwt sold fish (NOK) | -3.6 | 1.1 | 5.9 | 3.8 | 5.7 | 6.5 | 8.1 | 7.3 | 10.7 |

NOK/GBP: 11.54

Seabass/seabream (Culmarex)

Seabass and seabream are two relatively highly priced white meat fish from the Mediterranean. The fish grow relatively slowly and are sold round from 350g and upwards. The Culmarex group was one of the largest and most profitable seabass/seabream producers in Spain in 2005. EBIT/kg sold fish for Culmarex S.A. (the parent company in Spain) was approximately NOK 7.4, while the Culmarex group as a whole obtain on average about NOK 8.5/kg sold fish. In the 2nd quarter of 2006, Culmarex S.A. obtained about NOK 14.3/kg sold fish, an improvement of NOK 2.6 compared to the same period in 2005.

The table below shows historic development for Culmarex S.A., the parent company in Spain. This company has been operating on full capacity since 2002 and therefore best illustrates the profitability potential for our seabass/seabream business in Spain.

Historic development

| NOK mill | 2003 | 2004 | 2005 | 1.Q 2005 | 2.Q 2005 | 3.Q 2005 | 4.Q 2005 | 1.Q 2006 | 2.Q 2006 |
|---|-------|-------|-------|----------|----------|----------|----------|----------|----------|
| Sale of fish (tons) - Culmarex S.A. | 1 373 | 1 183 | 1 496 | 227 | 306 | 591 | 372 | 282 | 276 |
| Sale of fish (tons) - 3. party (partly owned) | 1 439 | 1 687 | 1 692 | 367 | 180 | 434 | 712 | 720 | 672 |
| Total sales seabream/-bass (tons) | 2 812 | 2 870 | 3 188 | 594 | 486 | 1 025 | 1 084 | 1 002 | 949 |
| Revenue - Culmarex S.A. | 68.3 | 64.8 | 77.8 | 13.3 | 18.7 | 27.7 | 18.1 | 13.9 | 17.1 |
| EBIT before fair value adj - Culmarex S.A. | 8.6 | 13.0 | 11.0 | 1.7 | 3.6 | 2.8 | 2.9 | 2.5 | 4.0 |
| EBIT/kg sold fish (NOK) - Culmarex S.A.* | 6.3 | 10.9 | 7.4 | 7.5 | 11.7 | 4.8 | 7.9 | 8.9 | 14.3 |

* In 2005 the Culmarex group averaged an EBIT/kg sold fish of NOK 8.5 (incl. companies owned more than 51%)

NOK/EUR: 7.93

Total seabass/seabream sale in 2006 is expected to be about 4.300 tonnes, of which about 1.200 tonnes in 3rd quarter and about 1.100 tonnes in the 4th quarter. Production capacity including subsidiaries is approximately 6.000 tonnes.

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. Marine Farms have operated a 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). Production capacity is conservatively estimated to be about 4.000 tons.

Cod (Scotland)

Marine Farms owns 51% of Machrihanish Marine Farms Ltd. Sterling University owns the remaining 49%. The cod hatchery in Scotland has an annual production capacity of approximately 3 mill juveniles. All production for 2006 is already sold.

Balance sheet and capital structure

Total assets per 30.06.06 amounted to NOK 642 mill, which is NOK 69 mill higher than per 30.06.2005. Biomass amounted to NOK 244 mill, an increase of NOK 22 mill compared to the same period last year. Net interest-bearing debt per 30.06.2006 amounted to NOK 194 mill, a decrease of NOK 27 mill compared to year end 2005.

The liquidity situation is good. As per 21.08.2006 the group had NOK 130 mill in free cash and available credit facilities. Together with a good cash flow, the group should have enough free liquidity to finance its planned organic growth over the next few years.

Equity per 30.06.2006 was NOK 230 (35.8% equity ratio), compared to NOK 204 mill (34.5%) at year end 2005. The total number of shares per 30.06.2006 was 50.816.005.

Recent events

In the beginning of July 2006 the Company successfully raised NOK 89 mill in new equity at NOK 7.0/share. Total number of shares after this is 63.516.005. The private placement was approximately 2.7 times oversubscribed and the Board of Marine Farms was very pleased with the response from both Norwegian and international investors and shareholders.

At the end of July 2006 Culmarex acquired the remaining 80% of the shares in PIAGUA (Spain) for a consideration of EUR 5.75-6.00 mill (on a 100% equity basis), equivalent to an Enterprise Value (EV) of approximately EUR 9.25-9.50 mill. PIAGUA has a production capacity of some 1.500 tons of seabass/seabream. An application has been made to increase the production capacity up to 2.500 tones, which will make it the biggest site in Spain. Culmarex has been involved with PIAGUA since it began operations in 2000. The equipment and management methods of the company have been designed by Culmarex, the juveniles have been delivered by Culmarex, feed specifications and suppliers are the same as for Culmarex and 100% of PIAGUA's production is today sold through Culmarex. The purchase fits well with the strategy to strengthen Marine Farms's cage farming cluster in the Valencia-Murcia-Andalucia region in Spain, possibly one of the most attractive regions for farming in the Mediterranean due to environmental conditions and its proximity to the large Spanish cities.

On the 25th of August Lakeland acquired the remaining 50% of Sea Products of Scotland Ltd (SPoS), a company located in Glasgow and which over the past few years has sold all Lakeland's salmon production. Lakeland now owns 100% in SPoS. Marine Farms ASA has issued 1.121.250 new shares as part of the payment for the 50% in SPoS. Total number of shares in Marine Farms ASA after this is 64.637.255. SPoS owns 2.000.000 shares in Marine Farms ASA. In addition, the company owns some salmon which is planned to be harvested in the autumn of 2006 (about 700 tons gwt). Lakeland has also increase its shareholdings in Marine Products Ltd from 20% to 80%. Marine Products is operating a filleting factory just outside Glasgow.

Going forward

Over the last few years the Company has focused on (i) building more efficient, fully-integrated fish farming clusters in the UK and in Spain and (ii) establish a sensible financial platform with a solid equity base in proportion to the Company's income model, growth and investment plans.

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% producers 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.

The Board of Directors of Marine Farms ASA has decided to apply for a stock listing on the Oslo Stock Exchange. The plan is to be listed in October 2006.

Bergen, 29th of August 2006

The Board of Directors
Marine Farms ASA

MARINE FARMS GROUP CONSOLIDATED

Income statement

| | 2 Q 2006 | 2 Q 2005 | YTD 2006 | YTD 2005 | 2005 |
|--|----------------|----------------|----------------|----------------|----------------|
| Figures in NOK 1 000 | IFRS | IFRS | IFRS | IFRS | IFRS |
| Sales revenues | 168 958 | 104 108 | 287 208 | 196 404 | 421 066 |
| Total operating revenues | 168 958 | 104 108 | 287 208 | 196 404 | 421 066 |
| Change in inventory (cost of production) | -6 443 | 5 643 | -10 301 | -1 095 | -5 372 |
| Cost of materials | -68 282 | -42 807 | -113 829 | -78 081 | -174 058 |
| Salaries and personal expenses | -15 912 | -16 673 | -40 923 | -32 577 | -70 177 |
| Other operating expenses | -34 801 | -25 360 | -62 142 | -45 997 | -90 649 |
| Operating profit before deprec. and fair value adj on biomass | 43 520 | 24 911 | 60 013 | 38 654 | 80 810 |
| Depreciations | -10 563 | -7 489 | -18 531 | -15 095 | -30 181 |
| Operating profit before fair value adjustment on biomass | 32 957 | 17 422 | 41 482 | 23 559 | 50 629 |
| Fair value adjustment on biomass (IAS 41) | 12 388 | 5 675 | 13 256 | 5 928 | 12 470 |
| OPERATING PROFIT (EBIT) | 45 345 | 23 097 | 54 738 | 29 487 | 63 099 |
| Income from associates | 1 731 | 460 | 1 791 | 539 | 195 |
| Write down on financial assets | 0 | 0 | 0 | 0 | 0 |
| Finance revenue | 524 | 24 | 611 | 512 | 1 151 |
| Interest costs | -2 667 | -2 616 | -5 386 | -5 915 | -14 048 |
| Other finance costs | -461 | 0 | -2 106 | 0 | 0 |
| Profit before tax | 44 472 | 20 965 | 49 648 | 24 623 | 50 397 |
| Taxes | -12 350 | -5 685 | -20 448 | -7 292 | -4 251 |
| Net profit from continued operations | 32 122 | 15 280 | 29 200 | 17 331 | 46 146 |
| Net profit/(-) loss from discontinued operations | 0 | -2 806 | 0 | -5 612 | -625 |
| Net profit (loss) | 32 122 | 12 474 | 29 200 | 11 719 | 45 521 |
| Majority interest | 31 364 | 12 897 | 30 215 | 14 755 | 47 922 |
| Minority interest | 758 | -423 | -1 015 | -3 036 | -2 401 |
| Earnings per share | 0.62 | 0.31 | 0.59 | 0.35 | 1.04 |
| Diluted earnings per share | 0.62 | 0.31 | 0.59 | 0.35 | 1.04 |

Balance sheet

Marine Farms Group

| Figures in NOK 1 000 | 30.06.06 | 30.06.05 | 2005 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Licences | 30 387 | 31 111 | 30 878 |
| Goodwill | 17 737 | 21 658 | 18 188 |
| Total intangible assets | 48 124 | 52 769 | 49 066 |
| Total tangible assets | 169 571 | 165 277 | 172 841 |
| Total financial assets | 21 755 | 10 890 | 11 832 |
| Total non-current assets | 239 450 | 228 936 | 233 739 |
| Non-current assets discontinued operations | 0 | 28 406 | 0 |
| Biomass | 244 138 | 222 435 | 243 873 |
| Other inventories | 10 350 | 9 500 | 10 112 |
| Total inventories | 254 488 | 231 935 | 253 985 |
| Total receivables | 104 643 | 64 941 | 81 729 |
| Cash and cash equivalents | 43 639 | 19 051 | 23 114 |
| Total current assets | 402 770 | 315 927 | 358 828 |
| TOTAL ASSETS | 642 220 | 573 269 | 592 567 |
| EQUITY AND LIABILITIES | | | |
| Total equity | 230 096 | 123 653 | 204 359 |
| Liabilities to financial institutions | 184 200 | 188 756 | 153 568 |
| Other non-current liabilities | 40 689 | 40 845 | 35 937 |
| Total non-current liabilities | 224 889 | 229 601 | 189 505 |
| Non-current liabilities discontinued operations | 0 | 7 001 | 0 |
| Liabilities to financial institutions | 54 934 | 77 485 | 88 128 |
| Other current liabilities | 132 301 | 135 529 | 110 575 |
| Total current liabilities | 187 235 | 213 014 | 198 703 |
| Total liabilities | 412 124 | 449 616 | 388 208 |
| TOTAL EQUITY AND LIABILITIES | 642 220 | 573 269 | 592 567 |

Key figures

Marine Farms Group

| | 2 Q 2006 | 2 Q 2005 | YTD 2006 | YTD 2005 | 2005 |
|--|----------|----------|----------|----------|---------|
| Figures in NOK 1 000 | IFRS | IFRS | IFRS | IFRS | IFRS |
| EBITDA before fair value adjustment | 43 520 | 24 911 | 60 013 | 38 654 | 80 810 |
| EBITDA after fair value adjustment | 55 908 | 30 586 | 73 269 | 44 582 | 93 280 |
| EBIT | 45 345 | 23 097 | 54 738 | 29 487 | 63 099 |
| EBITDA margin before fair value adjustment | 26% | 24% | 21% | 20% | 19% |
| EBITDA margin after fair value adjustment | 33% | 29% | 26% | 23% | 22% |
| Operating margin (EBIT) | 27% | 22% | 19% | 15% | 15% |
| Earnings per share | 0.62 | 0.31 | 0.59 | 0.35 | 1.04 |
| Diluted earnings per share | 0.62 | 0.31 | 0.59 | 0.35 | 1.04 |
| Equity ratio | 36% | 22% | 36% | 22% | 34% |
| Net interest bearing debt | 195 495 | 247 190 | 195 495 | 247 190 | 218 582 |

Consolidated statements of cash flow

Marine Farms Group

| | 2 Q 2006 | 2 Q 2005 | YTD 2006 | YTD 2005 | 2005 |
|--|----------------|----------------|----------------|---------------|----------------|
| Figures in NOK 1 000 | IFRS | IFRS | IFRS | IFRS | IFRS |
| Net profit before income taxes* | 44 471 | 17 899 | 49 647 | 18 201 | 50 395 |
| Fair value adjustment on biomass | -12 388 | -5 675 | -13 256 | -5 928 | -13 627 |
| Tax paid | 0 | 0 | 0 | 0 | -1 244 |
| Deprec. and amortisation, including gain and loss on disposal | 10 563 | 8 755 | 18 531 | 17 675 | 30 180 |
| Interest paid | 2 142 | 3 234 | 4 774 | 6 761 | 13 265 |
| Income from associates and other investments | -1 731 | 761 | -1 791 | 1 688 | -550 |
| Change in inventories, trade receivables and trade acc. payable | -15 330 | 25 936 | -20 525 | 8 788 | -47 545 |
| Change in other accruals | -953 | -24 197 | 9 302 | -20 889 | -2 626 |
| Net cash flow from operating activities | 26 774 | 26 712 | 46 682 | 26 296 | 28 249 |
| Sales of fixed assets | 0 | 0 | 0 | 0 | 21 902 |
| Investments in fixed assets | -13 720 | -582 | -21 688 | -3 865 | -33 818 |
| Net purchase and proceeds from other investments | 0 | -1 437 | -2 179 | -4 811 | -289 |
| Net cash flow from investing activities | -13 720 | -2 019 | -23 867 | -8 676 | -12 205 |
| Net down payment/proceeds of interest-bearing debt | 2 591 | -8 371 | 2 591 | 551 | -39 304 |
| Interest paid | -2 142 | -3 234 | -4 774 | -6 761 | -13 265 |
| Issuance of share capital (share issue and sale of own shares) | 0 | 0 | 0 | 0 | 48 048 |
| Net cash flow from financing activities | 449 | -11 605 | -2 183 | -6 210 | -4 522 |
| Net foreign exchange difference | -1 470 | -1 616 | -107 | -2 143 | 1 078 |
| Net change in cash and cash equivalents | 12 033 | 11 472 | 20 525 | 9 267 | 12 600 |
| Cash and cash equivalents at 01.01 | 31 606 | 8 309 | 23 114 | 10 514 | 10 514 |
| Net change in cash and cash equivalents | 12 033 | 11 472 | 20 525 | 9 267 | 12 600 |
| Cash and cash equivalents at 31.12 | 43 639 | 19 781 | 43 639 | 19 781 | 23 115 |

Equity statement

Marine Farms Group

| | 30.06.2006 | 30.06.2005 | 31.12.2005 |
|--|----------------|----------------|----------------|
| Equity 01.01. | 204 359 | 112 699 | 112 699 |
| Profit/Loss for the period | 29 200 | 11 719 | 45 521 |
| Share issue | | 0 | 48 048 |
| Purchase of own shares | | | -24 |
| Dividende | -230 | | |
| Foreign currency translation differences | -3 233 | -765 | -1 885 |
| Equity 31.12 | 230 096 | 123 653 | 204 359 |

Notes

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.

The Interim condensed consolidated financial statements of the Group for the six months ended 30 June 2006 were authorized for issue in accordance with a resolution of directors on 29 August 2006.

NOTE 2 BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES

The report for the first quarter 2006 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. The accounting policies adopted in the preparation of the Group's interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2005.

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 based on IFRS.

NOTE 3 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 Salmon, Seabass/seabream and Other species. The Group's secondary segment is geographical.

The subsidiaries Sjølaks AS and Laksefjord Marine Farms AS and the associated company Grieg Marine Farms AS (50%) was sold in 2005. No discontinued operations in 2006.

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

1 Q 2006

| Figures in NOK mill. | Revenue | Operating profit | Net financial items | Income taxes | Net profit (loss) | Investments | Non-current assets | Inventories | Total assets | Total liabilities |
|---------------------------------|---------|------------------|---------------------|--------------|-------------------|-------------|--------------------|-------------|--------------|-------------------|
| Salmon UK | 68.8 | 28.6 | -2.7 | -11.7 | 14.2 | 4.7 | 113.2 | 147.5 | 298.0 | 242.5 |
| Seabass/bream Spain | 49.3 | -11.6 | -0.5 | 3.6 | -8.5 | 1.6 | 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 | 1.0 | 23.6 | 3.5 | 30.0 | 36.0 |
| Mother Company Norway | 0.7 | -5.4 | -0.9 | 0.0 | -6.3 | 0.0 | 106.6 | 0.6 | 127.7 | 39.7 |
| Eliminations/group adjustments | -1.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -100.2 | 0.0 | -106.8 | -73.3 |
| Total continued operations | 118.3 | 9.4 | -4.2 | -8.1 | -2.9 | 7.3 | 235.4 | 250.5 | 591.1 | 390.5 |
| Discontinued operations | | | | | 0.0 | 0.0 | | | | |
| Total | 118.3 | 9.4 | -4.2 | -8.1 | -2.9 | 7.3 | 235.4 | 250.5 | 591.1 | 390.5 |

2 Q 2006

| Figures in NOK mill. | Revenue | Operating profit | Net financial items | Income taxes | Net profit (loss) | Investments | Non-current assets | Inventories | Total assets | Total liabilities |
|---------------------------------|---------|------------------|---------------------|--------------|-------------------|-------------|--------------------|-------------|--------------|-------------------|
| Salmon UK | 100.3 | 17.7 | -1.9 | -0.5 | 15.3 | 9.5 | | | | |
| Seabass/bream Spain | 67.0 | 29.9 | 0.9 | -11.8 | 19.0 | 5.9 | | | | |
| Other i.e. Cobia, Cod + MFt Ltd | 1.9 | -1.4 | -0.1 | 0.0 | -1.5 | 1.0 | | | | |
| Mother Company Norway | 1.2 | -0.9 | 0.2 | 0.0 | -0.7 | 0.0 | | | | |
| Eliminations/group adjustments | -1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| Total continued operations | 168.9 | 45.3 | -0.9 | -12.3 | 32.1 | 16.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Discontinued operations | | 0.0 | | | | 0.0 | | | | |
| Total | 168.9 | 45.3 | -0.9 | -12.3 | 32.1 | 16.4 | 0.0 | 0.0 | 0.0 | 0.0 |

Akk. 30.06.06 2006

| Figures in NOK mill. | Revenue | Operating profit | Net financial items | Income taxes | Net profit (loss) | Investments | Non-current assets | Inventories | Total assets | Total liabilities |
|---------------------------------|---------|------------------|---------------------|--------------|-------------------|-------------|--------------------|-------------|--------------|-------------------|
| Salmon UK | 169.1 | 46.3 | -4.6 | -12.2 | 29.5 | 14.2 | 118.6 | 120.1 | 311.8 | 243.2 |
| Seabass/bream Spain | 116.3 | 18.3 | 0.4 | -8.2 | 10.5 | 7.5 | 91.9 | 128.8 | 283.1 | 172.8 |
| Other i.e. Cobia, Cod + MFt Ltd | 2.6 | -3.6 | -0.2 | 0.0 | -3.8 | 2.0 | 20.8 | 5.5 | 38.9 | 42.6 |
| Mother Company Norway | 1.9 | -6.3 | -0.7 | 0.0 | -7.0 | 0.0 | 115.9 | 0.2 | 128.4 | 41.0 |
| Eliminations/group adjustments | -2.7 | | | | 0.0 | 0.0 | -107.7 | | -120.0 | -87.5 |
| Total continued operations | 287.2 | 54.7 | -5.1 | -20.4 | 29.2 | 23.7 | 239.5 | 254.6 | 642.2 | 412.1 |
| Discontinued operations | | | | | 0.0 | | | | | |
| Total | 287.2 | 54.7 | -5.1 | -20.4 | 29.2 | 23.7 | 239.5 | 254.6 | 642.2 | 412.1 |

1 Q 2005

| Figures in NOK mill. | Revenue | Operating profit | Net financial items | Income taxes | Net profit (loss) | Investments | Non-current assets | Inventories | Total assets | Total liabilities |
|---------------------------------|---------|------------------|---------------------|--------------|-------------------|-------------|--------------------|-------------|--------------|-------------------|
| Salmon UK | 57.0 | 18.3 | -2.2 | -4.1 | 12.0 | 0.3 | 114.5 | 122.5 | 281.9 | 255.2 |
| Seabass/bream Spain | 35.0 | -7.7 | -0.5 | 2.5 | -5.7 | 3.5 | 88.3 | 81.4 | 213.2 | 134.9 |
| Other i.e. Cobia, Cod + MFt Ltd | 0.7 | -2.7 | -0.1 | 0.0 | -2.8 | 2.1 | 23.3 | 1.8 | 27.8 | 28.2 |
| Mother Company Norway | 0.6 | -1.5 | 0.1 | 0.0 | -1.4 | 0.0 | 111.7 | 0.5 | 120.3 | 54.1 |
| Eliminations/group adjustments | -1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -136.6 | 0.0 | -112.6 | -100.8 |
| Total continued operations | 92.3 | 6.4 | -2.7 | -1.6 | 2.1 | 5.9 | 201.2 | 206.2 | 530.6 | 371.6 |
| Discontinued operations | 9.0 | -1.6 | -1.7 | 0.5 | -2.8 | 0.0 | 34.2 | 21.5 | 63.1 | 107.6 |
| Total | 101.3 | 4.8 | -4.4 | -1.1 | -0.7 | 5.9 | 235.4 | 227.7 | 593.7 | 479.2 |

2 Q 2005

| Figures in NOK mill. | Revenue | Operating profit | Net financial items | Income taxes | Net profit (loss) | Investments | Non-current assets | Inventories | Total assets | Total liabilities |
|---------------------------------|---------|------------------|---------------------|--------------|-------------------|-------------|--------------------|-------------|--------------|-------------------|
| Salmon UK | 66.9 | 10.1 | -1.7 | -2.4 | 6.0 | 0.3 | | | | |
| Seabass/bream Spain | 34.4 | 15.7 | -0.8 | -3.3 | 11.6 | 1.6 | | | | |
| Other i.e. Cobia, Cod + MFt Ltd | 4.8 | -0.7 | 0.0 | 0.0 | -0.7 | 2.9 | | | | |
| Mother Company Norway | 0.6 | -2.0 | 0.3 | 0.0 | -1.7 | 0.0 | | | | |
| Eliminations/group adjustments | -2.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| Total continued operations | 104.1 | 23.1 | -2.2 | -5.7 | 15.2 | 4.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Discontinued operations | 10.9 | -1.2 | -1.9 | 0.3 | -2.8 | | | | | |
| Total | 115.0 | 21.9 | -4.1 | -5.4 | 12.4 | 4.8 | 0.0 | 0.0 | 0.0 | 0.0 |

Akk. 30.06.06 2005

| Figures in NOK mill. | Revenue | Operating profit | Net financial items | Income taxes | Net profit (loss) | Investments | Non-current assets | Inventories | Total assets | Total liabilities |
|---------------------------------|---------|------------------|---------------------|--------------|-------------------|-------------|--------------------|-------------|--------------|-------------------|
| Salmon UK | 123.9 | 28.4 | -3.9 | -6.5 | 18.0 | 0.6 | 116.2 | 110.4 | 277.2 | 254.9 |
| Seabass/bream Spain | 69.4 | 8.0 | -1.3 | -0.8 | 5.9 | 5.1 | 88.4 | 102.0 | 222.1 | 132.9 |
| Other i.e. Cobia, Cod + MFt Ltd | 5.5 | -3.4 | -0.1 | 0.0 | -3.5 | 5.0 | 22.3 | 1.2 | 28.8 | 33.8 |
| Mother Company Norway | 1.2 | -3.5 | 0.4 | 0.0 | -3.1 | 0.0 | 113.8 | 0.0 | 117.9 | 53.7 |
| Eliminations/group adjustments | -3.6 | | | | 0.0 | 0.0 | -116.5 | 0.0 | -124.9 | -124.3 |
| Total continued operations | 196.4 | 29.5 | -4.9 | -7.3 | 17.3 | 10.7 | 224.2 | 213.6 | 521.1 | 351.0 |
| Discontinued operations | 19.9 | -2.8 | -3.6 | 0.8 | -5.6 | | 33.1 | 18.3 | 52.2 | 98.6 |
| Total | 216.3 | 26.7 | -8.5 | -6.5 | 11.7 | 10.7 | 257.3 | 231.9 | 573.3 | 449.6 |

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

Geographical segments - revenue based on location of the customers

| | 30.06.2006 | | 30.06.2005 | | 31.03.2006 | | 31.03.2005 | | 2Q 2006 | | 2 Q 2005 | |
|-------------------------|------------|-------|------------|-------|------------|-------|------------|-------|---------|-------|----------|-------|
| | NOKm | Share | NOKm | Share | NOKm | Share | NOKm | Share | NOKm | Share | NOKm | Share |
| Operating revenue | | | | | | | | | | | | |
| UK | 171.7 | 60% | 129.4 | 66% | 69.6 | 59% | 57.7 | 63% | 102.1 | 60% | 71.7 | 69% |
| Spain | 116.3 | 40% | 69.4 | 35% | 49.3 | 42% | 35.0 | 38% | 67.0 | 40% | 34.4 | 33% |
| Norway | 1.7 | 1% | 1.2 | 1% | 0.7 | 1% | 0.6 | 1% | 1.0 | 1% | 0.6 | 1% |
| Other/Elimination | -2.5 | -1% | -3.6 | -2% | -1.3 | -1% | -1.0 | -1% | -1.2 | -1% | -2.6 | -2% |
| Total rev. cont. oper. | 287.2 | 100% | 196.4 | 100% | 118.3 | 100% | 92.3 | 100% | 168.9 | 100% | 104.1 | 100% |
| Discontinued | 0.0 | | 19.9 | | | | 9.0 | | 0.0 | | 10.9 | |
| Total operating revenue | 287.2 | | 216.3 | | 118.3 | | 101.3 | | 168.9 | | 115.0 | |

NOTE 4 EQUITY BASED REMUNERATION (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 2 per share. Bonus calculation is based on "synthetic" shares given to each key employee. Total number of synthetic shares amount to 2.45 million shares. Per 30.06.2006 estimated accumulated value of the bonus scheme is NOK 14.2 mill for the Group including social security tax. This calculation is based on a market price of NOK 7 per share. This is the same price that the company obtained in the share issue in July 2006. The total value of NOK 14.2 mill has to, in accordance with IFRS, to be taken to the income statement over the period until 31.12.07. As of 30.06.06, there has been taken provision with NOK 5.7 mill in the consolidated accounts including social security tax.

NOTE 5 BIOLOGICAL ASSETS

According to IAS 41, the main principle is for living fish to be measured at fair value. Marine Farms has, together with several of the largest companies in the industry, taken an initiative to reach a common understanding of the standard. The agreed-on principle is that fish which is harvestable shall be measured at fair value, whereas fish which is not harvestable is to be measured following the lower of cost and net realizable value. The Industry explains this practice by stating that it is not possible to provide

reliable estimates of fair value for fish which is not harvestable within the setting of the standard due to biological uncertainties, large price fluctuations for harvestable fish, regulatory uncertainties in many countries and long production time. Marine Farms has, based on the industry principle, defined the following fish to be measured at fair value:

- Salmon above 4 kilo
- Seabass and seabream above 350 g

Total biomass in sea

| Tonn | 30.06.2006 | 31.12.2005 | 30.06.2005 | 31.12.2004 |
|---|------------|------------|------------|------------|
| Biological assets at cost, of which * | 4 191 | 6 318 | 4 102 | 7 777 |
| - Salmon; Fish under 4 kg | 3 540 | 4 833 | 3 338 | 5 968 |
| - Seabass/Seabream; Fish under 350 g | 641 | 955 | 756 | 1 309 |
| Biological assets at fair value, of which | 2 920 | 3 854 | 2 556 | 1 902 |
| - Salmon; Fish above 4 kg | 1 014 | 1 835 | 1 141 | 1 065 |
| - Seabass/Seabream; Fish above 350 g | 1 906 | 2 019 | 1 415 | 837 |
| Total | 7 111 | 10 172 | 6 658 | 9 679 |

* Other species are included in total

Value fish in sea

| Amount in NOK 1000 | 30.06.2006 | 31.12.2005 | 30.06.2005 | 31.12.2004 |
|---|------------|------------|------------|------------|
| Biological assets at cost, of which * | 127 218 | 133 287 | 145 274 | 156 477 |
| - Salmon; Fish under 4 kg | 90 119 | 98 052 | 99 962 | 127 291 |
| - Seabass/Seabream; Fish under 350 g | 32 077 | 34 060 | 44 479 | 28 440 |
| Biological assets at fair value, of which | 116 657 | 110 586 | 79 592 | 73 387 |
| - Salmon; Fish above 4 kg | 24 322 | 34 665 | 23 550 | 12 428 |
| - Seabass/Seabream; Fish above 350 g | 92 335 | 75 921 | 56 042 | 60 960 |
| Total | 243 875 | 243 873 | 224 866 | 229 865 |

* Other species are included in total

Specification of fair value

| Amount in NOK 1000 | 30.06.2006 | | 31.12.2005 | | 30.06.2005 | | 31.12.2004 | |
|--------------------------------------|------------|---------|------------|---------|------------|--------|------------|--------|
| Specification of fair value | | | | | | | | |
| - Salmon; Fish above 4 kg | | | | | | | | |
| Cost Price | | 14 024 | | 24 458 | | 22 898 | | 11 855 |
| Fair value adj. | | 10 297 | | 10 207 | | 653 | | 573 |
| Fair value | | 24 321 | 24 321 | 34 665 | 34 665 | 23 551 | 23 551 | 12 428 |
| - Seabass/Seabream; Fish above 350 g | | | | | | | | |
| Cost Price | | 56 671 | | 54 550 | | 40 487 | | 43 804 |
| Fair value adj. | | 35 664 | | 21 372 | | 15 555 | | 17 155 |
| Fair value | | 92 335 | 92 335 | 75 921 | 75 921 | 56 042 | 56 042 | 60 960 |
| Total | | 116 656 | | 110 586 | | 79 593 | | 73 387 |

Change in fair value adjustment

| Amount in NOK 1000 | 1q 2006 | 1q 2005 | 2q 2006 | 2q 2005 | YTD 2006 | YTD 2005 |
|--------------------------------------|---------|---------|---------|---------|----------|----------|
| Change in fair value adjustment | | | | | | |
| - Salmon; Fish above 4 kg | 15 383 | 9 938 | -16 537 | -4 518 | -1 154 | 5 420 |
| - Seabass/Seabream; Fish above 350 g | -14 515 | -9 685 | 28 925 | 10 193 | 14 410 | 508 |
| Total | 868 | 253 | 12 388 | 5 675 | 13 256 | 5 928 |

Instructions from Kredittilsynet (the Banking, Financial and Insurance Registry)

Kredittilsynet has informed the Industry that they have to change its accounting principles for measuring biomass. The industry has appealed against Kredittilsynet's resolution which has been given postponed effect until the Ministry of Finance has concluded on the matter.

Kredittilsynet is of the opinion that also smaller fish (i.e. fish weighing less than 4 kg for salmon) should be measured based on reported sales prices for harvested fish of the equivalent size. Harvested small fish is primarily fish from harvestable stocks that has not grown as expected, and the sales price for this fish does not reflect the value of living fish of the same size that continues to grow until harvestable. More information regarding this matter is included in the Annual report 2005 including IFRS financial statements.

NOTE 6

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of Marine Farms ASA has decided to apply for a stock listing on the Oslo Stock Exchange. The plan is to be listed in the autumn of 2006.

In March 2006 Gramabasa (Spain) entered into an agreement to obtain a neighbouring site with a production capacity of up to 1.500 tons seabass/-breem.

In the beginning of July 2006 the Company successfully raised NOK 89 mill in new equity at NOK 7.0/share. Total number of shares after this is 63.516.005. The private placement was approximately 2.7 times oversubscribed and the Board of Marine Farms was very pleased with the response from both Norwegian and international investors and shareholders.

At the end of July 2006 Culmarex acquired the remaining 80% of the shares in PIAGUA (Spain) for a consideration of EUR 5.75-6.00 mill (on a 100% equity basis), equivalent to an Enterprise Value (EV) of approximately EUR 9.25-9.50 mill. PIAGUA has a production capacity of some 1,500 tons of seabass/seabream. An application has been made to increase the production capacity up to 2.500 tones, which will make it the biggest site in Spain. Culmarex has been involved with PIAGUA since it began operations in 2000. The equipment and management methods of the company have been designed by Culmarex, the juveniles have been delivered by Culmarex, feed specifications and suppliers are the same as for Culmarex and 100% of PIAGUA's production is today sold through Culmarex. The purchase fits well with the strategy to strengthen Marine Farms's cage farming cluster in the Valencia-Murcia-Andalucia region in Spain, possibly one of the most attractive regions for farming in the Mediterranean due to environmental conditions and its proximity to the large Spanish cities.

At the end of August 2006 Lakeland acquired the remaining 50% of Sea Products of Scotland Ltd (SPoS), a company located in Glasgow and which over the past few years has sold all Lakeland's salmon production. After this acquisition, Lakeland owns 100% in SPoS. SPoS owns 2.000.000 shares in Marine Farms ASA. In addition, the company owns some salmon which is planned to be harvested in the autumn of 2006 (about 650 tons gwt). In August, Lakeland also increased its shareholdings in Marine Products Ltd to 80% from today's 20%. Marine Products is operating a filleting factory just outside Glasgow.

NOTE 7

EARNING PR SHARE

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

| Figures in NOK 1 000 | 2 Q 2006 | 2 Q 2005 | YTD2006 | YTD2005 | 2005 |
|--|----------|----------|---------|---------|--------|
| Majority's share of net profit | 31 364 | 12 897 | 30 215 | 14 755 | 47 922 |
| Number of outstanding ordinary shares as of 30.6 | 50 816 | 41 716 | 50 816 | 41 716 | 50 816 |
| Average number of outstanding shares | 50 816 | 41 716 | 50 816 | 41 716 | 46 266 |
| Earnings per share | 0.62 | 0.31 | 0.59 | 0.35 | 1.04 |
| Earnings per share (diluted) | 0.62 | 0.31 | 0.59 | 0.35 | 1.04 |

| Figures in NOK 1 000 | 2 Q 2006 | 2 Q 2005 | YTD2006 | YTD2005 | 2005 |
|--|----------|----------|---------|---------|--------|
| Earnings from continued operations | 32 122 | 15 280 | 29 200 | 17 331 | 48 547 |
| Earnings from continued operations per share | 0.63 | 0.37 | 0.63 | 0.42 | 1.05 |
| Earnings from cont. operations per share (diluted) | 0.63 | 0.37 | 0.63 | 0.42 | 1.05 |

| Figures in NOK 1 000 | 2 Q 2006 | 2 Q 2005 | YTD2006 | YTD2005 | 2005 |
|---|----------|----------|---------|---------|-------|
| Earnings from discontinued operations | 0 | -2 806 | 0 | -5 612 | -625 |
| Earnings from discontinued operations per share | 0.00 | -0.07 | 0.00 | -0.13 | -0.01 |
| Earnings from discontinued operations per share (diluted) | 0.00 | -0.07 | 0.00 | -0.13 | -0.01 |

NOTE 8

ASSETS HELD FOR SALE

The Group has fixed assets classified as held for sale as of 30.06.06 with amount NOK 6.4 million. This relates to sale of property from ACFK Ltd in Florida. Net gain from sale will be recorded in third quarter with the amount of USD 0.6 million before tax.