

First Quarter Report 2010



marine farms asa

marine farms group

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HIGHLIGHTS / BOARD OF DIRECTOR'S COMMENTS

Highlights

- Revenue increased by NOK 25 mill (13%) in Q1 2010 compared to the same period last year. The increase was mainly due to higher prices for salmon in the UK (NOK 6 mill) as well as higher prices and increased volumes for seabass/seabream in Spain (NOK 17 mill).
- EBIT before fair value in Q1 2010 ended at NOK 21.1 mill compared to NOK 6.5 mill in Q1 2009. The improvement was very much due to historically high prices for salmon in the UK together with higher prices and lower costs for our seabass/seabream operation in Spain.
- The salmon operations in Lakeland (UK) obtained an EBIT/kg gwt sold salmon of NOK 10.2 in Q1 2010 (NOK 7.2 in 2009). Volumes kg sold salmon was down by 6% in Q1 2010 compared to same period last year.
- The seabass/seabream operations in Culmarex (Spain) obtained an EBIT/kg sold seabass/seabream of NOK 2.4 in Q1 2010 (NOK -7.1 in Q1 2009). Volumes kg sold seabass/seabream increased by 43% in Q1 2010 compared to last year.
- Costs related to the two cobia operations in Vietnam and Belize resulted in a negative EBIT of NOK -8.6 mill in Q1 2010 (NOK -6.3 mill in 2009).
- As of 31.03.2010, equity amounted to NOK 440 mill (35.5% equity ratio) and net interest-bearing debt amounted to NOK 660 mill. As of 31.03.2010, the group had approximately NOK 60 mill in free cash and available credit facilities.

Figures in NOK 1 000	Q1 2010	Q1 2009	Yr 2009	Yr 2008
	IFRS	IFRS	IFRS	IFRS
Operating revenue	221 449	196 067	879 065	752 773
EBITDA pre fair value adjustment	35 516	20 300	66 234	73 867
EBIT pre exceptionals and fair value adjustment*	21 069	6 500	31 451	26 090
EBIT pre fair value adjustment	21 069	6 500	4 370	26 090
EBIT	26 491	17 840	67 530	-18 657
Result before tax	17 797	6 822	43 546	-23 385
Result after tax	7 199	1 883	13 097	-23 355
<i>EBIT pre fair value adj. margin</i>	9,5 %	3,3 %	0,5 %	3,5 %
<i>Earnings per share (basic)</i>	0,19	0,05	0,27	-0,65
<i>Earnings per share (diluted)</i>	0,19	0,05	0,27	-0,65
Net cash flow from operating activities	24 258	1 834	-1 872	-70 118
Total assets	1 237 745	1 219 203	1 284 131	1 409 715
Equity	439 970	463 800	443 611	492 313
Net interest-bearing debt	660 393	620 494	680 296	655 721
<i>Equity ratio</i>	35,5 %	38,0 %	34,5 %	34,9 %

* Pre exceptionals include effect of sealice attack, write downs and reallocation of FX gains

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

Revenues and profits for the group

In Q1 2010 revenue was up 13% to NOK 221.4 mill compared to NOK 196.0 mill last year. The increase was mainly due to higher prices for salmon in the UK as well as higher prices and increased volumes for seabass/seabream in Spain (volumes were 43% up). Revenue was negatively affected by lower FX rates for EUR (-9%) and GBP (-7%) against NOK.

EBIT before fair value in the Q1 2010 ended at NOK 21.1 mill compared to NOK 6.5 mill in 2009. The improvement was very much due to historically high prices for salmon in the UK together with higher prices for seabass and seabream in Spain. The result was negatively affected by increased losses in the cobia businesses (NOK -2.3 mill) as well as higher costs in Marine Farms ASA (NOK -2.4 mill).

The salmon price at the end of March 2010 was higher compared to the end of December 2009, resulting in a positive fair value adjustment for salmon in the amount of NOK 2.5 mill in Q1 2010. For seabass/seabream, the prices at the end of March were higher compared to the end of December 2010, hence fair value adjustment for seabass/seabream was positive with NOK 3.0 mill in Q1 2010. In total, fair value adjustment for the group amounted to NOK 5.4 mill in Q1 2010, compared to NOK 11.3 mill in the same period last year.

Net financial items in Q1 2010 includes NOK 4.1 mill in agio provisions, mostly related to USD loans between Marine Farms ASA and its subsidiaries in Singapore/Vietnam and Belize.

Net profits amounted to NOK 7.2 mill in Q1 2010 compared to NOK 1.9 mill in the same period last year.

Segments

Salmon (Lakeland Group)

In Q1 2010, Lakeland generated an EBIT of NOK 10.2/kg gwt sold fish, which is NOK 3.0 better than the year before. The improvement is due to higher average prices received in the market. Cost of sold salmon increased in 1Q 2010 compared 1Q 2009.

Historic development

NOK mill	2006	2007	2008	2009	1.Q	1.Q	2.Q	3.Q	4.Q
					2009	2010	2010e	2010e	2010e
Sale of own salmon (gwt tonnes)	9 264	10 212	11 431	11 687	3 203	3 016	3 300	3 200	2 900
Sale of 3rd party salmon (gwt tonnes)	872	1 014	637	1 523	107	375	250	300	400
Total sale of salmon (gwt tonnes)	10 136	11 226	12 068	13 210	3 310	3 391	3 550	3 500	3 300
Revenue Lakeland Group	388,7	456,0	489,2	556,9	138,6	144,7			
EBIT before fair value adjustment (1)	93,6	91,7	88,9	80,4	23,1	30,7			
EBIT/kg gwt own fish sold (NOK)	10,1	9,0	7,8	6,9	7,2	10,2			

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

NOK/GBP 11,77 11,71 10,31 9,89 9,85 9,14

Lakeland has today an annual production capacity averaging approximately 13,500 tonnes gwt. Due to a fallowing regime in Scotland, however, Lakeland's production capacity can vary between 12,500 tonnes gwt and 14,500 tonnes gwt any given year.

Lakeland is planning to sell approximately 12,400 tonnes gwt of own produced salmon in 2010. For 2011, the plan is to sell approximately 14,000 tonnes gwt.

Seabass/seabream (Culmarex Group)

Culmarex obtained an EBIT/kg sold fish of NOK 2.4 in Q4 2010, which is NOK 9.5 better compared to the same period in 2009. The improvement is due to higher prices for seabass and seabream as well as lower average production costs.

Historic development

<i>NOK mill</i>	2006 *	2007	2008	2009	1.Q 2009	1.Q 2010	2.Q 2010e	3.Q 2010e	4.Q 2010e
Sale of own seabass/seabream (tonnes)	4 112	4 925	4 784	6 789	1 196	1 710	2 000	2 500	2 300
Sale of 3rd party seabass/seabream (tonnes)	622	485	450	59	59	-	-	-	-
Total sale of seabass/seabream (tonnes)	4 734	5 410	5 234	6 848	1 255	1 710	2 000	2 500	2 300
Revenue - Culmarex Group	246,8	279,6	245,4	311,4	55,8	73,2			
EBIT before fair value adj (1)	46,7	44,8	(8,4)	(22,6)	(8,5)	4,1			
EBIT/kg own fish sold (NOK)	11,3	9,1	-1,8	-3,3	-7,1	2,4			
<i>(1) EBIT = EBIT before fair value adjustments, extraordinary items and provisions.</i>									
<i>* Pro forma figures include PIAGUA which was aquired 1st of July 2006.</i>									
<i>NOK/EUR</i>	8,08	8,00	8,26	8,68	8,95	8,11			

Culmarex has today a licenced production capacity of approximately 12,000 tonnes. 1,800 tonnes of this relates to a consession (Motril) which was transferred to Culmarex when it bought the company Ponto in Malaga in 2007. The consession has not yet been developed. For technical and logistical reasons Culmarex will most likely not develop this site. The decision will have no financial effects. Culmarex would then have a licenced production capacity of approximately 10,200 tonnes seabass/seabream. Expectations are that Culmarex will receive permits for expansions of existing farms in the years ahead.

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

Cobia (Belize and Vietnam)

The first run in our new hatchery in Belize was successful, with more than 50,000 cobia juveniles being put to sea. However, later runs in autumn of 2009 experienced technical difficulties with reduced output. Due to "low" winter temperatures, the cobia does not normally spawn in the period December-March. In March we obtained our first spawning in 2010, enabling us to started trials for larval production. The new hatchery is still experiencing some technical difficulties in production.

MF Belize generated a loss in Q1 2010, with an EBIT of NOK -7.3 mill. At the end of March 2010, MF Belize had total assets amounting to NOK 68 mill, of which NOK 2 mill was related to biomass inventory (65 tonnes / 60,000 fish).

MF Vietnam generated a loss in Q1 2010, with an EBIT of NOK -1.3 mill. At the end of March 2010, MF Vietnam had total assets amounting to NOK 70 mill, of which NOK 40 mill was related to biomass (1,350 tonnes / 295,000 fish).

The plan for 2010 is to harvest approximately 1,500 tonnes rw of cobia. Current annual licensed production capacity is estimated to be around 8,000 tonnes in Belize and Vietnam combined. The company is expecting approval of new licenses in Belize.

Balance sheet and capital structure

Total assets pr 31.03.10 amounted to NOK 1,238 mill, which is NOK 46 mill lower than per 31.12.2009. Biomass amounted to NOK 594 mill per 31.03.2010, a NOK 17 mill drop compared to year end 2009. Net interest-bearing debt per 31.03.2010 amounted to NOK 660 mill, which NOK 20 mill lower than at year end 2009.

As pr 31.03.2010, the group had approximately NOK 60 mill in free cash and available credit facilities.

Equity per 31.03.2010 was NOK 440 mill (35.5% equity ratio), compared to NOK 444 mill (34.5%) at year end 2009. Marine Farms ASA has received a temporary waiver on its only financial covenant with DnB NOR, being a minimum equity ratio of 32.5%. The waiver includes 31.12.2009, 31.03.2010 and 30.06.2010, at which dates the new minimum equity ratio covenant is 30.0%. As pr 31.03.2010 Marine Farms ASA was in compliance with its original financial covenant.

Going forward

Salmon (Lakeland Group)

We believe we will continue to see an imbalance during 2010, 2011 and 2012 between supply and demand for salmon due to the well documented decrease in Chilean production. This will lead to continued high prices in the spot market and increased contract prices going forward. The one caveat is that these high prices are affecting demand in some areas, hence we must guard against the consumer turning to cheaper alternatives. In saying that, salmon is still attractively priced against alternate species and has the important health benefits that these alternatives cannot offer.

Lakeland continues to operate to a plan and formula that is proven and the company continually compare favourably against its competitors, both in Scotland and on a global scale. The company has a well balanced customer portfolio and still plays a major role in the prestigious label rouge market. Its added value business continues to do well. The main objectives of the Lakeland Group going forward will be to continue to be competitive with our fellow peers and to strive in monitoring our cost level base and also improve our performance in the sea. Lakeland group is the only fully integrated company in Scotland and one of a few worldwide.

Seabass/seabream (Culmarex Group)

2010 began with hope and expectations of a recuperation of seabream and seabass prices. January and February saw small increases in seabream prices but little change in seabass price. However, in March the prices of both species improved significantly. Our Q1 seabream prices were up by 13% in 2010 compared to the same period of 2009, whilst our seabass prices were actually 10% lower. Total sales were 36% higher and in line with budget. Production cost of fish sold was 17% lower in 1Q 2010 when comparing with the same period in 2009. There was a clear shortage of both seabass and seabream in the market by the end of March and we therefore expect prices to increase even further in Q2. Undoubtedly Q3 will see a price correction as summer growth becomes available for harvest, but there is optimism that prices will not fall as low as in 2009 as we expect less fish to be available in the market.

Cobia (Belize and Vietnam)

MF Belize has less fish in the sea going into 2010 than what was planned for, due to lower production of cobia juveniles in the new hatchery in 2009. The result is less volumes of fish to be produced and sold in 2010. Focus will be on getting the new hatchery running stable at high volumes as well as containing costs until production at sea picks up. In Vietnam, we continue to see favourable developments in the underlying performance. The company has weekly shipments of fresh cobia into the Asian markets. For 2010, we have approximately 1,500 tonnes rw of cobia for sale. Focus in 2010 will be on selling these increased volumes. The interest in the market for our frozen cobia from Vietnam has been very good, both in the US and in Europe. Sales into Asia are increasing as well. Given current prices, the operation should make a profit. Marine Farms ASA is exploiting the possibilities to seek partners for its cobia businesses.

Business areas

Marine Farms ASA has been involved in the fish farming business since 1976 and has considerable knowledge of all aspects of fish farming, from broodfish to the finished product. Marine Farms' core competence is its technical and biological know-how and innovativeness. The group's operations mainly consist of salmon farming in the U.K. and seabass / seabream in Spain. These activities are run through the 100% owned companies Lakeland (U.K.) and Culmarex (Spain), both being fully integrated companies and among the most profitable in their respective markets. In addition, Marine Farms ASA is engaged in farming of the fast growing marine species cobia in Belize and in Vietnam. The Group had a turnover of NOK 879 mill in 2009 and had 648 employees per 31.03.2010. Read more about the Marine Farms Group on www.marinefarms.no.

Salmon (Lakeland Group)

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

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

Seabass/seabream (Culmarex Group)

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

Culmarex is today a vertically integrated supplier of seabass and seabream, and conducts all parts of the production, from broodfish through the pre-ongrowing of juveniles up until the fish is ready for the market. Culmarex has approximately 340 employees and the company is renowned for its good service and high quality. This is reflected in the prices the company achieves in the market for its fish. Read more about Culmarex on www.culmarex.com.

Cobia (Belize and Vietnam)

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

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

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

Share information

On the 12th of October 2006 Marine Farms ASA was listed on the Oslo Stock Exchange, trading under the “MAFA” ticker. At 31.03.2010, total number of shares outstanding was 36,618,628.

Bergen, 25th of May 2010

The Board of Directors
Marine Farms ASA

MARINE FARMS GROUP CONSOLIDATED

Income statement

Figures in NOK 1 000	Q1 2010 IFRS	Q1 2009 IFRS	Yr 2009 IFRS	Yr 2008 IFRS
Total operating revenue (Note 4)	221 449	196 067	879 065	752 773
Cost of materials	-88 466	-74 378	-484 523	-432 121
Change in inventory (cost of production)	-2 885	-13 958	56 900	102 077
Payrole expenses	-39 227	-37 382	-152 164	-134 287
Other operating expenses	-55 355	-50 049	-233 044	-214 575
EBITDA before fair value adj. biomass	35 516	20 300	66 234	73 867
Depreciations	-14 447	-13 800	-58 755	-47 777
Write down of goodwill	0	0	-3 109	0
EBIT before fair value adj. biomass	21 069	6 500	4 370	26 090
Fair value adjustment on biomass (Note 3)	5 422	11 340	63 160	-44 747
Operating profit / (-) loss (EBIT)	26 491	17 840	67 530	-18 657
Write down of financial assets	0	-542	-1 542	-2 496
Finance income	152	710	1 329	2 745
Interest expenses	-4 736	-9 434	-23 374	-26 445
Other finance income / expenses	-4 110	-1 752	-397	21 468
Profit / (-) loss before tax	17 797	6 822	43 546	-23 385
Income tax expense (-) / income	-10 598	-4 939	-30 449	30
Net profit / (-) loss	7 199	1 883	13 097	-23 355
Equity holders of the parent	6 924	1 680	9 938	-23 873
Non-controlling interest	275	203	3 159	518
<i>Earnings per share (basic)</i>	<i>0,19</i>	<i>0,05</i>	<i>0,27</i>	<i>-0,65</i>
<i>Earnings per share (diluted)</i>	<i>0,19</i>	<i>0,05</i>	<i>0,27</i>	<i>-0,65</i>

Statement of comprehensive income

Figures in NOK 1 000	1Q 2010	1Q 2009	Yr 2009	Yr 2008
Net earnings in the period	7 199	1 883	13 097	-23 355
FX differences	-10 436	-29 130	-56 743	36 560
FX differences related to non-controlling interests	-224	-1 266	-4 684	5 089
<i>Exchange differences on translation of foreign operations</i>	<i>-10 660</i>	<i>-30 396</i>	<i>-61 427</i>	<i>41 649</i>
Other comprehensive income	-10 660	-30 396	-61 427	41 649
Total comprehensive income for the period	-3 461	-28 513	-48 330	18 294

Attributable to

Equity holders of the parent	-3 461	-28 513	-46 805	12 688
Non-controlling interests	51	-1 063	-1 525	5 607

Statement of financial position

Figures in NOK 1 000	31.03.10	31.03.09	31.12.09	31.12.08
ASSETS				
Licences	89 487	92 125	87 922	100 217
Goodwill	24 096	25 599	24 937	32 393
Total intangible assets	113 583	117 724	112 859	132 610
Total tangible assets	339 923	377 167	352 789	411 414
Total financial assets	7 721	4 205	5 762	4 078
Total non-current assets	461 227	499 096	471 410	548 102
Biomass (Note 3)	593 833	531 796	610 366	569 732
Other inventories	22 155	20 950	36 877	37 946
Total inventories	615 988	552 746	647 243	607 678
Total receivables	156 434	157 153	155 001	172 106
Cash and cash equivalents	4 096	10 208	10 477	81 829
Total current assets	776 518	720 107	812 721	861 613
TOTAL ASSETS	1 237 745	1 219 203	1 284 131	1 409 715
EQUITY AND LIABILITIES				
Total equity	439 970	463 800	443 611	492 313
Liabilities to financial institutions	524 503	503 735	525 737	596 126
Other non-current liabilities	21 510	15 762	24 493	16 339
Total non-current liabilities	546 013	519 497	550 230	612 465
Liabilities to financial institutions	139 986	126 967	165 036	141 424
Other current liabilities	111 776	108 939	125 254	163 513
Total current liabilities	251 762	235 906	290 290	304 937
Total liabilities	797 775	755 403	840 520	917 402
TOTAL EQUITY AND LIABILITIES	1 237 745	1 219 203	1 284 131	1 409 715
<i>Net interest bearing debt</i>	660 393	620 494	680 296	655 721
<i>Total liabilities to financial institutions</i>	664 489	630 702	690 773	737 550
<i>Equity ratio</i>	35,5 %	38,0 %	34,5 %	34,9 %
<i>Current ratio</i>	3,08	3,05	2,80	2,83
<i>Net debt/equity</i>	1,50	1,34	1,53	1,33

Key figures

Figures in NOK 1 000	Q1 2010	Q1 2009	Yr 2009	Yr 2008
	IFRS	IFRS	IFRS	IFRS
EBITDA before fair value adjustment	35 516	20 300	66 234	73 867
EBITDA after fair value adjustment	40 938	31 640	129 394	29 120
EBIT before fair value adjustment	21 069	6 500	4 370	26 090
EBIT	26 491	17 840	67 530	-18 657
EBITDA margin before fair value adjustment	16,0 %	10,4 %	7,5 %	9,8 %
EBITDA margin after fair value adjustment	18,5 %	16,1 %	14,7 %	3,9 %
EBIT margin before fair value adjustment	9,5 %	3,3 %	0,5 %	3,5 %
EBIT margin	12,0 %	9,1 %	7,7 %	-2,5 %
Earnings per share (basic)	0,19	0,05	0,27	-0,65
Earnings per share (diluted)	0,19	0,05	0,27	-0,65
Equity ratio	36 %	38 %	35 %	35 %
Net interest bearing debt	660 393	620 494	680 296	655 721

Statement of cash flow

Figures in NOK 1 000	Q1 2010	Q1 2009	Yr 2009	Yr 2008
	IFRS	IFRS	IFRS	IFRS
Net profit / (-) loss before income taxes	17 797	6 822	43 546	-23 385
Fair value adjustment on biomass	-5 422	-11 340	-63 160	44 747
Tax paid	-777	0	-21 044	-19 942
Deprec. and amortisation, including goodwill imp.	14 447	13 800	61 864	47 777
Interest paid	4 736	9 434	23 374	26 445
Change in inventories, trade receivables and trade acc.	-646	-22 815	-83 919	-153 857
Change in other accruals	-5 877	5 933	37 467	8 097
Net cash flow from operating activities	24 258	1 834	-1 872	-70 118
Investments in fixed assets	-15 671	-18 625	-74 649	-183 651
Net cash flow from investing activities	-15 671	-18 625	-74 649	-183 651
Net down payment/proceeds of interest-bearing debt	-1 535	-39 696	61 316	327 922
Interest paid	-4 736	-9 434	-23 374	-26 445
Net cash flow from financing activities	-6 271	-49 130	37 942	301 477
Net foreign exchange difference and other adj.	-8 697	-5 700	-32 773	-13 812
Net change in cash and cash equivalents	-6 381	-71 621	-71 352	33 896
Cash and cash equivalents at beginning of period	10 477	81 829	81 829	47 933
Net change in cash and cash equivalents	-6 381	-71 621	-71 352	33 896
Cash and cash equivalents end of period	4 096	10 208	10 477	81 829

Equity statement

Figures in NOK 1 000	1Q 2010	1Q 2009	Yr 2009	Yr 2008
Opening balance 1st of January	443 611	492 313	492 313	474 828
Net earnings in the period	7 199	1 883	13 097	-23 355
Other comprehensive income	-10 660	-30 396	-61 427	41 649
<i>Total comprehensive income for the period</i>	<i>-3 461</i>	<i>-28 513</i>	<i>-48 330</i>	<i>18 294</i>
Dividends	-180	0	-372	-810
Total equity end of period	439 970	463 800	443 611	492 312

NOTE 1: CORPORATE INFORMATION

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

NOTE 2: BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES

The report for Q1 2010 has been prepared in accordance with IFRS – hereunder IAS 34 Interim Financial Reporting. The Interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31st of December 2008 and at 31st of December 2009. Changes in the standards and interpretations may lead to changes in the accounts.

NOTE 3: INVENTORY

The following fish is measured at fair value:

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

Figures in NOK 1 000	31.03.10	31.03.09	31.12.09
Biomass at cost	510 066	500 046	529 235
Excess fair value end of period	83 766	31 749	81 131
	<i>Spain:</i> 42 192	<i>1 616</i>	<i>40 657</i>
	<i>UK:</i> 41 574	<i>30 133</i>	<i>40 474</i>
Biomass at fair value	593 832	531 795	610 366

NOTE 4: SEGMENT INFORMATION

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

Q1 2010

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	144,7	33,1	0,1	-9,4	23,8	16,6	160,3	193,1	466,9	216,2
Seabass/bream Spain	73,2	7,1	-3,1	-1,2	2,8	-1,7	215,3	375,9	650,5	492,7
Other i.e. Cobia + MFt Ltd	3,5	-8,6	-2,6	0,0	-11,2	0,8	85,1	46,9	137,6	121,0
Mother Company Norway	0,3	-5,0	-3,1	0,0	-8,1	0,0	328,2	0,1	329,5	99,5
Eliminations/group adjustments	-0,3	0,0	0,0	0,0	-0,1	0,0	-327,7	0,0	-346,7	-131,7
Total	221,4	26,6	-8,7	-10,6	7,2	15,7	461,2	616,0	1 237,7	797,8

Q1 2009

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	138,6	34,9	-2,3	-8,9	23,7	5,5	153,8	184,8	448,3	256,4
Seabass/bream Spain	55,8	-8,0	-5,3	4,0	-9,3	2,9	277,8	331,7	657,6	498,6
Other i.e. Cobia + MFt Ltd	2,5	-6,4	0,3	0,0	-6,2	9,5	95,9	36,2	141,3	60,5
Mother Company Norway	0,4	-2,7	-3,7	0,0	-6,4	0,0	270,4	0,1	270,8	59,1
Eliminations/group adjustments	-1,2	0,0	0,0	0,0	0,0	0,7	-268,7	0,0	-298,8	-119,3
Total	196,1	17,8	-11,0	-4,9	1,9	18,6	529,2	552,8	1 219,2	755,4

Yr 2009

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	556,9	101,2	-1,6	-27,3	72,3	30,2	153,9	213,3	455,6	221,4
Seabass/bream Spain	311,6	24,6	-14,1	-3,1	7,3	23,7	232,1	389,4	695,4	534,4
Other i.e. Cobia + MFt Ltd	10,7	-48,6	-1,7	0,0	-50,3	20,7	84,8	44,5	133,9	107,9
Mother Company Norway	2,5	-9,7	-6,5	0,0	-16,2	0,0	289,0	0,1	290,3	88,5
Eliminations/group adjustments	-2,6	0,0	0,0	0,0	0,0	0,0	-288,4	0,0	-291,1	-111,6
Total	879,1	67,5	-24,0	-30,4	13,1	74,6	471,4	647,2	1 284,1	840,5

Yr 2008

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	491,0	90,5	-9,7	-23,1	57,7	43,0	162,0	210,3	468,5	289,2
Seabass/bream Spain	245,4	-57,8	-14,5	22,6	-49,7	104,1	313,1	355,9	807,5	624,3
Other i.e. Cobia + MFt Ltd	17,7	-40,5	-0,7	0,5	-40,7	40,0	95,1	41,4	146,9	58,1
Mother Company Norway	2,2	-10,9	17,3	0,0	6,4	0,2	263,9	0,1	272,0	54,0
Eliminations/group adjustments	-3,5	0,0	2,9	0,0	2,9	-3,6	-286,0	0,0	-285,2	-108,2
Total	752,8	-18,7	-4,7	0,0	-23,4	183,7	548,1	607,7	1 409,7	917,4

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

Geographical segments – by location of revenue generating legal entities

Figures in NOK mill	1 Q 2010		1 Q 2009		YR 2009		YR 2008	
	NOKm	Share	NOKm	Share	NOKm	Share	NOKm	Share
Operating revenue								
UK	144,7	65 %	138,6	70 %	556,9	63 %	491,9	65 %
Spain	73,2	33 %	55,8	28 %	311,6	35 %	245,4	33 %
Belize / Vietnam (cobia)	3,5	2 %	2,5	1 %	10,7	1 %	16,8	2 %
Norway	0,3	0 %	0,4	0 %	2,5	0 %	2,2	0 %
Other / Elimination	-0,3	0 %	-1,2	0 %	-2,6	0 %	-3,5	0 %
Total rev. cont. oper.	221,4	100 %	196,1	100 %	879,1	100 %	752,8	100 %

NOTE 5: EQUITY BASED REMUNERATION (SYNTHETIC OPTIONS)

In 2008, the General Meeting held on the 27th of May 2008 approved a new bonus scheme for top management in the Marine Farms Group, of which a part of the bonus is based on the development of the share price in the parent company. The scheme started July 2008 and expires 31.12.2010, with a total period of 30 month. Top management, including 5 members, will receive a cash bonus if the weighted average market price of the MAFA share is higher than NOK 28.79 per share in 4th quarter of 2010. Bonus calculation is based on “synthetic” shares given to each top manager. The bonus related to the development of the share price is capped at maximum one (1) annual salary for each top manager. Total number of synthetic shares in this new scheme is 250,000 shares. As per 31.03.2010 no provisions had been made related to this remuneration scheme.

NOTE 6: EARNING PR SHARE

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

Figures in NOK 1 000	Q1 2010	Q1 2009	Yr 2009	Yr 2008
Profit / (-) loss to the holders of ordinary shares	6 924	1 680	9 938	-23 873
Number of outstanding ordinary shares end of period ('000)	36 619	36 619	36 619	36 619
Average number of outstanding shares ('000)	36 619	36 619	36 619	36 619
Earnings per share (basic)	0,19	0,05	0,27	-0,65
Earnings per share (diluted)	0,19	0,05	0,27	-0,65