



HIGHLIGHTS

- **Very low harvesting volumes in Q2. We plan to increase our volumes substantially in 2H 2012.**
 - First half 2012 we have harvested 1541 tons and plan to harvest 4 100 tons in the next 6 months
- **F3 2011 generation cod is growing 30% faster than the average of previous generations.**
- **Average sales price of NOK 13.4 per kg r.w.**
 - Whole fish price was NOK 26.90 pr kg HOG
 - Expect better prices in 2H 2012
- **We sold 83.500 STRØM back loin products in Q2/12.**
- **Belly loin vacuum packed product will be in stores from week 37**
- **Change of harvesting plant from Marine Seafood in Ålesund to Nettet Sjømat in Nord-Trøndelag.**
 - Codfarmers has purchased 40% of Nettet Sjømat AS
- **Agreement with REMA to sell STRØM® in 230 stores in the Oslo area.**
 - REMA has a strong focus on growing the fresh fish category.
 - STRØM® rolled out in the first 15 stores

Financial highlights Q2 2012

- **Revenues of 21.9 MNOK vs. 40.1 MNOK in Q2/11**
 - Total harvest of only 779 tons (r.w.) own production and 108 tons (r.w.) from external producers.
 - 73% of volume sold as H&G, remaining sold as filets. Average sales price H&G: NOK 26.9 kg. NOK 28.3 kg H&G including bi-products.
 - Average sales price after logistics, processing and filet costs: NOK 13.4 pr kg r.w.
- **EBIT -18.0 MNOK vs. -17.6 MNOK in Q2/11**
 - Negative contribution of 4.3 MNOK from fish sold in the period.
 - Write down of biomass at on-growing facilities of 3.1 MNOK due to vibrioses.
 - Admin/sales cost of 3.9 MNOK. (Includes costs related to private placement of 1.0 MNOK)
 - Net result before finance from hatcheries not in commercial production with - 1.5 MNOK.
 - Depreciation costs of idle locations and production equipment of 3.1 MNOK.
 - Private placement transaction costs of 1.0 MNOK.
- **Biological assets have a fair value of 122.2 MNOK (5 041 tons r.w.)**
- **Expected production cost r.w. for harvesting in Q3 2012**
 - NOK 16 kg r.w.
- **Cash position per Q2 was 13.1 MNOK. Net short term receivables of -29.9 MNOK. Loan from shareholders 15 MNOK.**

FINANCIALS

KEY FINANCIALS FIGURES NOK (1000´)	Q2 2012	Q2 2011	Year 2011
Revenue	21 983	36 852	122 865
EBITDA	-11 006	-13 506	-69 569
EBIT after write down of biomass	-18 014	-17 677	-90 712
EBIT before write down of biomass	-18 014	-17 677	-65 212
*Writedown of biomass	0	0	-25 500
Net profit	-20 135	-14 477	-94 324
Total assets	329 565	189 302	295 588
Total Equity	169 309	95 856	155 492
Equity ratio	51 %	50 %	53 %
Interest bearing debt	103 635	60 210	100 911
Cash and cash equivalents	13 104	18 732	7 802
Harvest volumes tons (r.w.)	779	1 025	2 906

- Q2/12 revenue of 21.9 MNOK compared to 36.8 MNOK in Q2/11. Revenues in Q2/12 generated by harvesting 779 tons (r.w.) of own production and 108 tons (r.w.) of external volumes.
- EBIT of – 18.0 MNOK in Q2/12 compared to – 17.6 MNOK in Q2/11.

The negative result in Q2/12 is mainly explained by the following factors;

- (1) Negative contribution of 4.3 MNOK from fish sold in the period due to lower market price than expected and higher well boat costs.
- (2) Write down of biomass at on-growing facilities of 3.1 MNOK due to vibriosis.
- (3) Admin/sales cost of 3.9 MNOK. (Includes costs related to private placement of 1.0 MNOK)
- (4) Net result before finance from hatcheries not in commercial production with – 1.5 MNOK.
- (5) Depreciation costs of idle locations and production equipment of 3.1 MNOK.
- (6) Private placement transaction costs of 1.0 MNOK.

- Net profit of – 20.1 MNOK in Q2/12 compared to – 14.5 MNOK in Q2/11.
- Total assets of 329.5 MNOK, reflecting 165.1 MNOK in non-current assets and 164.5 MNOK in current assets. Estimated biomass value of 122.2 MNOK.
- Total equity of 169.3 MNOK with an equity ratio of 51% and 103.6 MNOK of interest bearing debt.
- Cash per Q2/12 of 13.1 MNOK. Net short term receivables of –29.9 MNOK.
Loan from shareholders 15 MNOK.

COD PRODUCTION

COD PERFORMANCE INDICATORS PER JUNE 2012

	Meløysjøen 2008	Kjerkvika 2008	Kjerkvika 2009	Hammarvika 2010	Standal 2010	Stokkeneset 2011	Russenes 2011	Kjølsvika 2011	Hagardsneset 2011
Harvest %	100 %	100 %	100 %	19 %	91 %	14 %	0 %	0 %	0 %
Avg. harvested weight	2.9 kg	2.7 kg	2.8 kg	2.9 kg	2.9 kg	2.5 kg	0 kg	0 kg	kg
Current avg. weight	-	-	-	2.913 kg	3.068 kg	2.475 kg	1.789 kg	0.965 kg	0.972 kg
No. of fish (1000)	0	0	0	483	42	617	247	845	741
Biological feed factor (FCR)	1.23	1.18	1.46	1.23	1.22	1.26	1.14	0.98	1.08
Economic feed factor (EFCR)	1.38	1.31	1.74	1.27	1.45	1.34	1.13	1.06	1.23
Mortality (%) based on start number	18.8 %	10.3 %	14.8 %	23.4 %	20.3 %	16.4 %	10.6 %	9.8 %	11.2 %
Loss of fish (%) (destruction, escapes etc.)	18.3%	25.5%	47.4%	5.3 %	0.3%	0.0%	6.8%	6.2 %	0.0%
Production Cost per kg (r.w.)	NOK 30.7	NOK 25.7	NOK 35.5						

The acquisition of Atlantic Cod Farms resulted in a 2nd production cluster, in addition to the original Codfarmers cluster in the north. This Cluster South is located in the counties Sogn og Fjordane and Møre og Romsdal, and consist of 7 sites licensed for a total of 17 160 ton maximum standing stock. Cluster North located in Nordland, consists of 7 sites with a total licensed maximum standing stock of 19 440 tons.

The total harvest in Q2/12 was 779 tons (r.w.), compared to 1025 tons (r.w.) in Q2/11. In addition, a total of 108 tons (r.w.) external fish was harvested and sold by Codfarmers, compared to 587 tons (r.w.) in Q2/11. The low harvest volume is consistent with Codfarmers' strategy to postpone volumes to 2H 2012.

Cluster North

In Q2, we started harvesting of the 2010-generation at Hammarvika location. In total 168 tons (r.w.) with an average weight of 2.9 kg (r.w.) was harvested.

During the last months the temperature in Nordfjorden has been close to normal; 6.6 °C in Q2/12 compared to 6.3 °C in Q2/11.

No escapes were reported for the period. The preparation of Kjerkvika for new juvenile transfers in Q3 was completed.

Cluster South

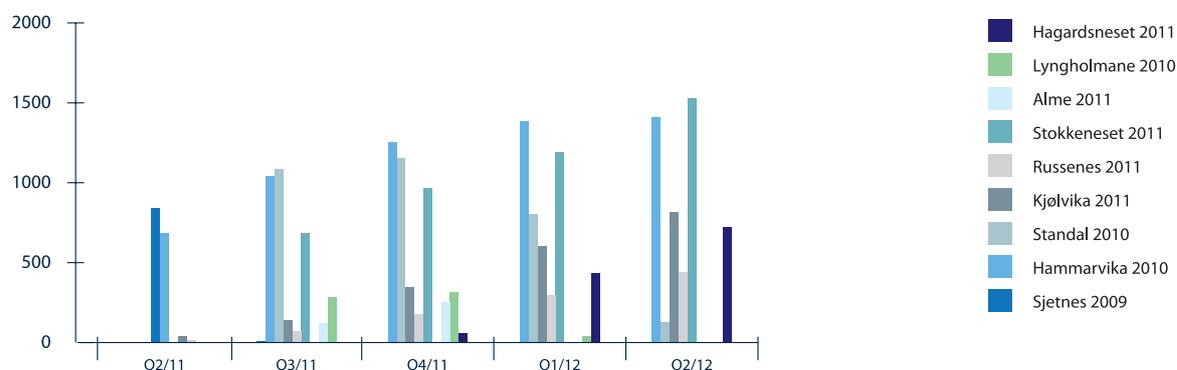
The harvest in Q2/12 was 611 tons (r.w.). Fish with an average weight of 3.0 kg (r.w.) was harvested from 2010-generation at Standal and 2011-generation at Stokkeneset.

During the last months, the temperature in south averaged 8.6 °C, as compared to 8.8 °C in Q2/11.

Two groups of juveniles produced at Fjord Gadus were transferred to the Hagardsneset location. The respective numbers and sizes were 89.875 fish of 89 g and 71.428 fish of 120 g.

No escapes have been reported.

BIOMASS DEVELOPMENT (TONS)



- Overall standing biomass for Q2 is 5 041 tons (r.w.) with an estimated book value of 122.2 MNOK.
- A total of 5.8 million fish at 7 different locations at sea and at the on-growing facilities.
- Net growth of 283 tons (r.w.) biomass in Q2/12.

COD JUVENILES

BROOD-STOCK AND JUVENILE PRODUCTION

Facilities for brood-stock, juvenile production and pre-ongrowing of juveniles are located at Cod Juveniles in Bodø and at Fjord Gadus in Vanylven. By the end of Q2/12, total standing stock of juveniles in Codfarmers owned facilities was 2.8 million, representing a book value of 15.8 MNOK.

BROODSTOCK

Cod Juveniles possesses spawning groups of both the F2 generation and the recruiting F3 generation. Last spawning for the F2- generation is expected in Q3/Q4, and F3 will take over spawning from Q1/Q2 2013. In addition a breeding nucleus of approximately 1000 F3-fish is kept in order to develop the new F4-generation. This will be done by using advanced breeding techniques in collaboration with the best breeding expertise in Norway.

The spawning schedule is as follows: F2-spawning in September 2012, F3- spawning in March 2013 and F3-spawning August 2013. The spawning cycle directs the schedule for the hatchery production.

HATCHERY

The first new test production of juveniles at Cod Juveniles in Mørkvedbukta started up in Q3 2011 in order to test new protocols and train hatchery staff. By Q2 2012 a total 330.000 juveniles with an average weight of 7 g remained from this production. These were transferred to the pre-ongrowing facilities at Cod Juveniles. A new hatchery production connected to the hatchery R&D-project is planned for Q3/Q4 2012.

PRE ON-GROWING

In April and May a total of 1.838.000 juveniles (10 g) hatched at Havlandet Marin Yngel and grown from approximately 2 g to 10 g at Fjord Gadus, were transferred to Cod Juveniles by well boat. An additional 330.000 juveniles of 7 g was transferred from the Codfarmers own hatchery to pre-ongrowing facilities at Cod Juveniles. By the end of Q2 all the juveniles were graded twice and prepared for vaccination. Planned sea transfer is Q3.

By Q2 the total delivery of large juveniles from Fjord Gadus to the Haggarsneset location in Cluster South was 272.000 fish. By the end of Q2 standing stock at Fjord Gadus was 1.188.472 fish of approximately 34 g.

Both the Cod Juveniles and Fjord Gadus sites have prepared for the GlobalGAP-standard since 2011. They have both received their GG-number. The first audit and approval is expected in Q4 2012.

COD PROCESSING

In April 2012, Codfarmers processing partner in Ålesund, Marine Seafood AS filed for bankruptcy. Following this, a new start-up at the processing plant Nasset Sjømat took place in May 2012. The replacement of processing facility resulted in a 3.5 weeks shutdown of production. The disruption had a particular negative impact on the sales in Q2. In week 19 the production commenced at Nasset Sjømat, which in a short time managed to produce all of Codfarmers' products, though with limited capacity.

Codfarmers owns 40% of Nasset Sjømat AS.

COD MARKET

For Q2/12 the average price for fresh cod dropped by 13 %, wild and farmed cod included. At the same time export volume of fresh cod increased by 22 %.

Codfarmers' Q2/12 average FOB export price on whole gutted fish was 26.98 NOK, representing a 5.0% increase from Q2/11. Codfarmers' export volume of whole gutted fish was 441.9 tons, which is 54.4% down from Q2 2011. This volume represented 39.0% of the total Norwegian export of farmed cod. The reduced harvesting is according to Codfarmers' strategy to postpone harvest to 2H 2012.

Sales of Codfarmers' consumer brand STRØM® represented 12.1% of the total sales value in Q2. STRØM® is mainly sold through NorgesGruppen. In comparison, STRØM® represented 7.0% of the total sales value in Q2 2011.

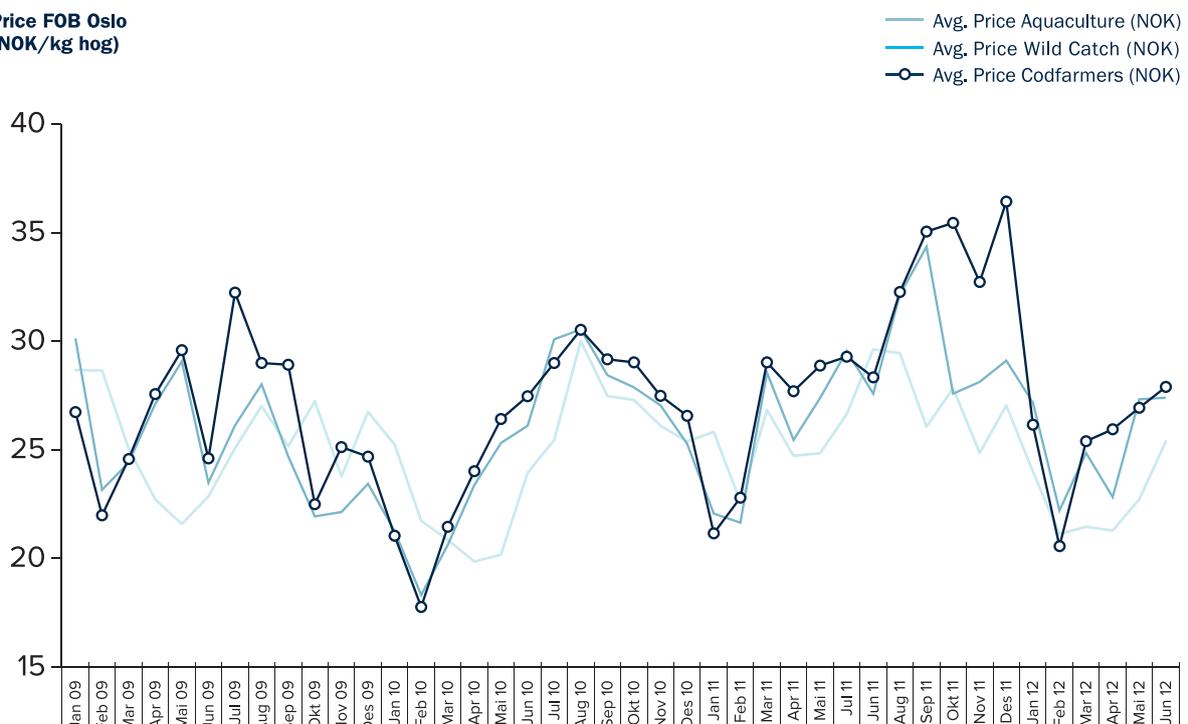
The increased sale of processed products like STRØM® is in line with Codfarmers' strategy. By week 26 in 2012 (YTD) STRØM® production volumes increased by 52% compared to the same period in 2011 (48.43 tons vs. 31.76 tons). For Q2 the total STRØM® production increased by 27% compared to Q2 2011 (21.50 tons vs. 16.88 tons).

Despite these positive growth figures Codfarmers' sales potential was much higher. However, due to challenges with the processing situation in April/May the whole potential was not exploited.

Codfarmers' participated at the European Seafood Exposition 2012 in Brussels in April. Our cod portfolio of whole fish, filets and branded products was presented to many existing and potential new customers, with positive responses.

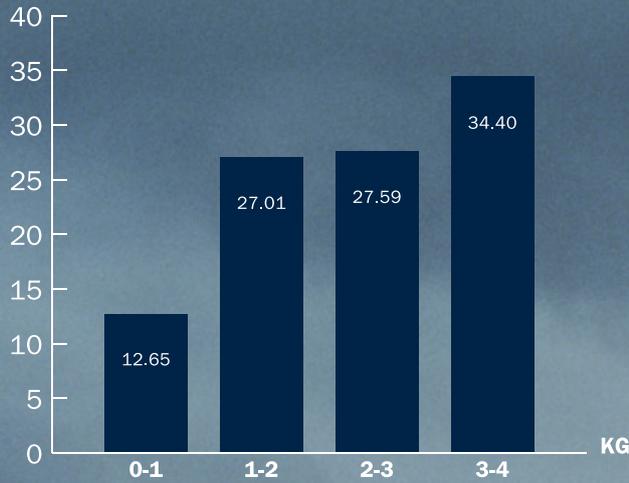
SALES PRICE BENCHMARK 2009-2012

Price FOB Oslo
(NOK/kg hog)

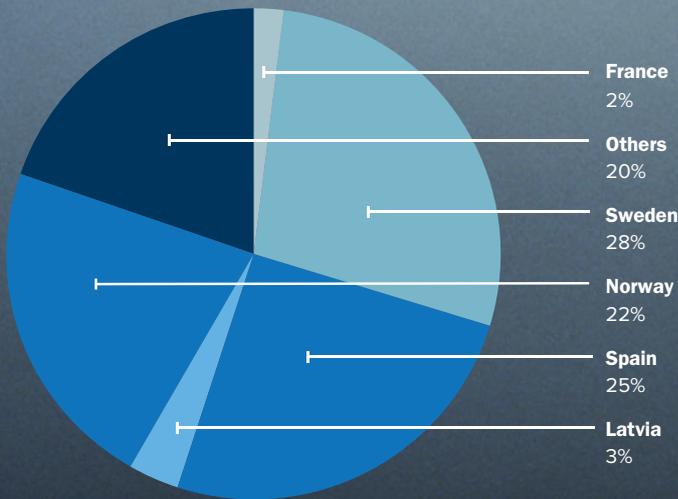


PRICE BENCHMARK SIZE DISTRIBUTION Q2 2012

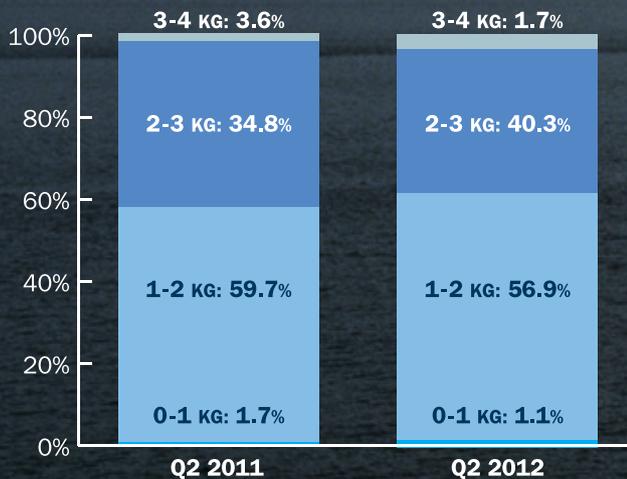
FOB OSLO. NOK/KG/HOG



SALES VALUE BY GEOGRAPHICAL MARKETS Q2 2012



SIZE DISTRIBUTION Q2 2012



FINANCIAL REPORT

INCOME STATEMENT

The Group achieved a total revenue of 38.7 MNOK for the first half year of 2012 compared to 76.9 MNOK for the same period in 2011.

Revenues of 21.9 MNOK for the second quarter reflects harvesting of 779 tons (r.w.) from the locations of Hammervika, Standal and Stokkeneset.

Revenues from external fish in the second quarter accounts for a total of 2.7 MNOK from the sales of approximately 108 tons (r.w.)

EBIT before biomass write-down was -18.0 MNOK for the first half year in 2012 compared to -17.6 MNOK in 2011. Negative result in first half 2012 of -40.1 MNOK is mainly explained by the following factors:

- (1) Result from harvesting and sales of own and external fish of total -7.1 MNOK, 1 540 tons (r.w.) harvested and 125 tons (r.w.) external fish sold.
- (2) Total admin/sales cost of MNOK 8.4.
- (3) Net result before finance from hatchery and pre on-growing facilities not in commercial use with - 6.5 MNOK.
- (4) Depreciation of idle locations and production equipment not in use of MNOK 4.8.
- (5) Net finance of MNOK -5.0.

CASH FLOW AND LIQUIDITY

Net cash flow from operational activities for the first half year in 2012 was -60.9 MNOK compared with 11.9 MNOK in 2011. Net cash flow is mainly explained by the YTD result adjusted for depreciations and change in inventories and receivables.

The net cash flow from investing activities in the first half year in 2012 amounted to MNOK -4.5 compared with MNOK 0.0 for the same period in 2011. Net cash flow is mainly explained by the purchase of equipment to the location in Kjerkvika and the 40% acquisition of Nettet Sjømat AS.

The company's financial activities in the first half of 2012 show a positive net cash flow of 70.8 MNOK. The positive cash flow is mainly related to debt to owners and the private placement conducted in March and April 2012

At the end of second quarter 2012 the company has 13.1 MNOK cash and cash equivalents compared with 18.7 MNOK in 2011.

BALANCE SHEET

At the end of June 2012 the Group's assets had a book value of 329.5 MNOK compared with 189.3 MNOK in 2011. Fixed assets amounted to 165.1 MNOK. MNOK 77.6 relates to hatchery and on-growing facilities and MNOK 65.0 to farming equipment, boats and facilities at farming sites.

Current assets amounted to 164.5 MNOK. This reflects 15.3 MNOK in trade receivables, 122.2 MNOK in biomass value, 3.5 MNOK feed in storage, 13.5 MNOK in cash and other receivables of MNOK 10.3.

The Group's equity as of 30.06.2012 is 169.3 MNOK compared with 95.9 MNOK for the same period in 2011. The company has no distributable equity.

Long term-debt in the company is 62.0 MNOK of which 6.3 MNOK reflects the convertible bonds issue, 0.1 MNOK is pension liabilities, 39.5 MNOK reflects debt to Innovation Norway and 19.6 MNOK reflects financial leasing and debt to other financial institutions. The company has short-term debt of 98.2 MNOK, compared to 37.8 MNOK in 2011. 33.4 MNOK reflects trade payables, 4.5 MNOK reflects convertible bond, 21.9 MNOK reflects biomass funding from bank, 7.3 MNOK reflects financial leasing, 15.0 MNOK reflects debt to owners, 3.9 MNOK reflects debt to Innovation Norway and 12.2 MNOK reflects other.

RISK

At the end of June 2012 the Group's The company's activities are exposed to a number of different risks. Cod farming is still a young industry and the company's success will to a large degree depend on the development of cod farming as an industry. Uncertainty factors in the sectors include, among other things, the risk of fluctuations in market prices, both on costs and for farmed cod, the risk of diseases, escapes and delayed growth as a result of early maturation of cod.

With only two cod hatcheries remaining in Norway, where the production is still too un-stable, the company's supply of good quality juveniles is at risk. The Company has entered into a strategic partnership with Havlandet to secure juvenile supply for the next year. In the event that the Company's need for supply of juveniles is not covered, or if the juvenile delivered by Havlandet does not meet the applicable quality requirements, the Company's profitability could be affected. In order to reduce this risk in the future Codfarmers has decided to develop in-house hatchery expertise and start test production in own hatchery at Mørkvedbukta, in order to establish a full back-up production of juveniles.

The company's financial risk is primarily associated with currency fluctuations, credit and liquidity risks. A lack of access to capital or material changes in the terms and conditions relating to the same, could limit the Company's future growth and strategy, which may in turn have a material adverse effect on the Company's financial condition.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2012 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the (Company's and) Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report, to the best of our knowledge, includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, any significant related parties' transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Marianne E. Johnsen
Chair of the Board

Benedicte H. Fossum
Board member

Kristian Nergaard
Board member

Øivind Tidemandsen
Board member

Frode Teigen
Board member

INCOME STATEMENT

Unaudited (NOK 1000)	Note	January - June		2nd quarter		Financial year ended 31 Dec 2011
		2012	2011		2011	
Revenue		38 755	76 943	21 983	36 852	122 865
Consumables used		59 580	66 624	30 614	33 645	128 662
Inventory change		-32 639	12 033	-13 714	8 840	11 894
Salaries	12	15 016	7 399	6 195	2 953	23 703
Depreciation, amortisation and impairment charges		14 111	8 367	7 007	4 171	21 143
Other expenses		17 774	8 780	9 895	4 919	28 175
Operating profit before biomass adj.		-35 087	-26 260	-18 014	-17 677	-90 712
Biomass adjustment		0	0	0	0	0
Operating profit		-35 087	-26 260	-18 014	-17 677	-90 712
Financial income		791	8 485	371	5 997	9 858
Financial cost	13	-5 779	-7 487	-2 493	-2 796	-13 470
Net finance		-4 988	998	-2 122	3 200	-3 612
Profit before income tax		-40 075	-25 262	-20 135	-14 477	-94 324
Income tax (expense) / income		0	0	0	0	0
Profit for the period		-40 075	-25 262	-20 135	-14 477	-94 324
Attributable to:						
Equity holders of the company		-39 899	-25 262	-20 079	-14 477	-94 231
Minority interests		-176	0	-56	0	-93
Earnings per share for profit attributable to the equity holders of the company, expressed in cents per share		NOK per share				
- basic	10	-0.73	-1.68	-0.30	-0.94	-4.47
- diluted	10	-0.73	-1.68	-0.30	-0.94	-4.47

BALANCE SHEET

Unaudited (NOK 1000)	Note	30 June 2012	30 June 2011	31 December 2011
ASSETS				
Non-current assets				
Goodwill		18 083	0	18 083
Property, plant and equipment	5	142 623	93 427	153 405
Intangible assets	5	2 347	3 301	2 347
Financial assets for sale		2 008	952	7
Total non-current assets		165 061	97 680	173 842
Current assets				
Inventories		3 563	863	4 200
Biomass		122 185	49 543	86 167
Trade receivables		15 297	15 610	14 738
Other receivables		10 356	6 874	8 839
Cash and cash equivalents		13 104	18 732	7 802
Total current assets		164 505	91 622	121 746
Total assets		329 565	189 302	295 588
EQUITY				
Capital and reserves attributable to equity holders of the company				
Share capital	6	710 071	526 387	657 750
Other equity	6	17 874	20 506	17 841
Retained earnings	6	-558 788	-451 037	-520 427
		169 157	95 856	155 164
Minority interests		152	0	328
Total equity		169 309	95 856	155 492
LIABILITIES				
Non-current liabilities				
Pension liabilities	8	134	134	134
Other provisions		982	0	1 028
Borrowings	7	54 613	28 965	68 036
Convertible loan	12	6 321	26 516	6 189
Total non-current liabilities		62 049	55 615	75 387
Current liabilities				
Trade payables		33 458	14 066	27 583
Indirect taxes and excises		2 043	888	1 791
Borrowings	7	38 201	4 729	22 186
Convertible loan		4 500	0	4 500
Other current liabilities		20 004	18 148	8 650
Total current liabilities		98 207	37 831	64 709
Total liabilities		160 256	93 447	140 096
Total equity and liabilities		329 565	189 302	295 588

CASH FLOW

Unaudited (NOK 1000)	Six months ended 30 June	
	2012	2011
Cash generated from operating activities		
Operating profit for the period	-35 087	-26 260
Interest paid	-5 028	-3 008
Depreciation and amortisation	14 111	8 367
Share option costs	32	-26
Change in inventories	-35 381	16 387
Change in trade receivables	-559	4 982
Change in trade payables	5 875	-1 219
Change in other	-4 955	12 708
Net cash generated from operating activities	-60 991	11 932
Cash flow from investing activities		
Purchase of property, plant and equipment (PPE)	-3 330	-527
Proceeds from sale of PPE	0	350
Purchase of financial assets	-2 001	-850
Interest received	791	1 027
Net cash used in investing activities	-4 539	0
Cash flow from financing activities		
Repayments of borrowings, incl convertible loan	-4 189	-19 631
Proceeds from new borrowings	22 700	0
Proceeds from share issue	52 322	0
Net cash used in financing activities	70 833	-19 631
Net (decrease)/increase in cash and cash equivalents	5 302	-7 700
Cash and cash equivalents at beginning of the period	7 802	26 432
Cash and cash equivalents at end of the period	13 104	18 732
Restricted cash as of 30 June	1 399	917
Cash and cash equivalents at end of the period adjusted for restricted cash	11 705	17 815

CHANGE IN EQUITY

Unaudited (NOK 1000)	Attributable to equity holders of the Company					
	Share capital/ share premium	Other reserves	Retained earnings	Total equity	Minority interests	Total incl. min. interests
Balance at 1 January 2012	657 750	17 841	-520 427	155 164	328	155 492
Increase of share capital	52 322			52 322		52 322
Expenses related to increase of share capital				0		0
Market value of awarded options		32		32		32
Other equity transactions			1 538	1 538		1 538
Profit for the period			-39 899	-39 899	-176	-40 075
Balance at 30 June 2012	710 071	17 873	-558 788	169 158	152	169 309

NOTES

1 GENERAL INFORMATION

Codfarmers ASA (“the Company”) and its subsidiaries (“the Group”) is a group incorporated and domiciled in Norway. The address of the registered office of Codfarmers ASA is;

8120 Nygårdssjøen
Gildeskål

The group produces and sells farmed cod. It has its main base in Gildeskål in Nordland county. At present the group has active licenses in Gildeskål, Selje, Vanylven and Hareid.

The condensed consolidated interim financial statements for the period from Jan-June 2012 consists of Codfarmers ASA and its subsidiaries Cod Processing AS, NAP Marine AS, Cod Juveniles AS and Atlantic Cod Farms AS - inclusive the wholly owned subsidiaries of the latter company, Atlantic Cod Juveniles AS, Fjord Gadus AS and Festøy Eiendom AS.

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with IAS 34, “Interim financial reporting”.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the IFRS annual financial statements for the year ended 31 December 2011.

4 SEGMENT INFORMATION

The group operates in one segment, being the production and sale of farmed cod within Europe.

5 CAPITAL EXPENDITURE

30 June 2011

	Tangible and intangible assets
Opening net book amount at 1 January 2011	105 261
Additions	527
Disposals	-693
Depreciation/amortisation, impairment and other movements	-8 367
Closing net book amount at 30 June 2011	96 728

30 June 2012

Opening net book amount at 1 January 2012	173 835
Additions	3 330
Disposals	0
Depreciation/amortisation, impairment and other movements	-14 111
Closing net book amount at 30 June 2012	163 054

NOTES

6 CAPITAL

Capital

	Number of shares ('000)	Ordinary shares	Share premium	Other equity and minority interests	Total
Opening balance 1 January 2011	14 955	14 955	507 979	-405 244	117 691
Market value on awarded options				-26	-26
Other equity transactions	451	451		3 002	3 453
Result				-25 262	-25 262
At 30 June 2011	15 406	15 406	507 979	-427 530	95 856
Opening balance 1 January 2012	42 284	42 284	615 466	-502 258	155 493
Increase of share capital	24 821	24 821	27 501		52 322
Market value on awarded options				32	32
Other equity transactions				1 538	1 538
Result				-40 075	-40 075
At 30 June 2012	67 105	67 105	642 966	-540 762	169 309

The Group has a share option program for some of its leading employees. During the period from 2010-2013 these employees can subscribe 90,000 shares in Codfarmers ASA. The options have an exercise price of NOK 40 per share. The option programs for the management in Atlantic Cod Farms continues in Codfarmers ASA. These employees can subscribe 482,958 shares during the period 2011-2013. The options have an exercise price of NOK 10.09 per share.

The company has issued warrants to its CEO and CFO in conjunction with a refinancing carried out in 2010. In total 1,240,000 warrants are issued. The warrants expire in June 2013.

NOTES

7 BORROWINGS	30 June 2012	30 June 2011
Non-current	60 934	55 481
Current	42 701	4 729
Total	92 814	33 694

Movements in borrowings is analysed as follows:

2011

Opening amount as at 1 January 2011	35 460
Repayments of borrowings	-1 766
Closing amount as at 30 June 2011	33 694

2012

Opening amount 1 January 2012	90 222
Financial leases restated (see also change in equity)	-1 538
Repayments of borrowings	-3 569
New borrowings	22 700
Closing amount as at 30 June 2012	107 814

8 PENSIONPLANS

Due to legislation which came into force 1 January 2006, the Group has implemented a pension arrangement for its employees.

A limited number of the employees are entitled to retirement at the age of 62, with some compensation from the Group. The estimated obligation related to this arrangement is expensed and presented in the balance sheet as debt.

9 INCOME TAXES

The current income tax rate is 28%. None of the Group companies are currently in a taxable position.

NOTES

10 EARNINGS PER SHARE

Earnings per share attributable to equity holders of the company are as follows:

Earnings per share for profit from continuing operations attributable to the equity holders of the company (expressed in cents per share)

	2012	2011
- basic	-0.73	-1.68
- diluted	-0.73	-1.68

11 DIVIDENDS

No dividends have been paid in the period.

12 CONVERTIBLE LOAN

The company issued on 20 July 2009 - as a part of a refinancing of a MNOK 100 convertible loan granted in Nov 2007 -a senior unsecured convertible loan of MNOK 50. The bonds have a 51 months tenor. The convertible loan carries a 15 % per annum coupon rate from 30 Nov 2009, and 10% from 30 Nov 2011 to its maturity on 30 Nov 2013. Interest payments shall be made in semi annual arrears on 30 May and 30 Nov each years. The first four payments were made as "Payment in Kind". If Codfarmers choose "Payment in Kind" for the period 30 May 2012 to 30 November 2013, the interest increases from 10% to 15% in the period.

Codfarmers has 30 March 2011 repurchased convertible bonds with a total nominal value of NOK 6,356,921. The bonds were repurchased at 52% of their par value for a total consideration of NOK 3,609,947, which amount also includes accrued interests on the bonds of NOK 304,349. Codfarmers ASA has 29 April 2011 repurchased convertible bonds with a total nominal value of NOK 22,538,179. The bonds were repurchased for a cash consideration equal to 60% of the nominal value of the bonds (NOK 13,522,908), plus 50% of the accrued interest on the bonds (NOK 717,825). On September 29th 2011 bonds with a total nominal value of NOK 19,879,826 and interests of NOK 969,142 were converted to 1,825,368 shares in Codfarmers ASA.

NOTES

13 LIQUIDITY RISK

The Company does not have sufficient working capital for its requirements the next twelve months. If the Company do not succeed in raising new capital within the next twelve months, the Company may accelerate the harvesting plan or seek to explore other means and consider alternative actions to funds its operations, e.g. sale of assets and debt financing.

The auditor's report for the year 2011 also included a statement concerning the Company's difficult liquidity situation and the uncertainty as to the Company's ability to continue operations the next 12 months.

14 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Codfarmers has 31 July entered into loan agreement with AS Banan for unsecured loan of NOK 6 million. The loan shall accrue interest with NIBOR 6 months + 7% p.a. and fall due for repayment on 31 December 2012.

The loan will cover a liquidity need which is a result of a 4 weeks shift in the harvesting plan in connection with the transition to a new harvesting facility.

SHAREHOLDERS

SHAREHOLDERS PER 17TH AUGUST 2012

Shareholders	Citizen	Shares	Ownership
KONTRARI AS	NOR	22 346 010	33.3 %
DOLPHIN MANAGEMENT A	NOR	19 757 852	29.4 %
BANAN AS	NOR	3 837 409	5.7 %
JØKUL AS	NOR	2 486 028	3.7 %
HALFDAN HOLME AS	NOR	1 826 807	2.7 %
HAVLANDET MARIN YNGE	NOR	1 331 974	2.0 %
NIKI A/S	NOR	850 000	1.3 %
INC INVEST AS	NOR	820 077	1.2 %
BJÅSTADBAKKEN AS	NOR	613 617	0.9 %
DAHL HARALD	NOR	612 939	0.9 %
DUKAT AS	NOR	574 463	0.9 %
MØRE OG ROMSDAL SÅKO	NOR	524 751	0.8 %
BACHELOR AS	NOR	500 000	0.7 %
INSTITUSJONEN FRITT	NOR	362 816	0.5 %
JEASIMO AS	NOR	351 546	0.5 %
BORGENHAUG GRUPPEN A	NOR	341 563	0.5 %
NOMINEE ACCOUNT SAXO	NOR	341 542	0.5 %
ULMAR AS	NOR	297 402	0.4 %
KOLLSNES AKVA AS	NOR	281 300	0.4 %
SPAR KAPITAL INVESTO	NOR	250 000	0.4 %
Others		8 797 040	13.1 %
TOTAL		67 105 136	100.0 %

Number of shareholders: 1 333

Ownership Norwegian citizen: 97.8%

Ownership foreign citizen: 2.2%

CODFARMERS ASA

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