



THIRD QUARTER REPORT 2010  
NOVEMBER 25TH 2010

# HIGHLIGHTS

- > **Q3/10 revenues of 28.8 MNOK compared with 18.3 MNOK in Q3/09.**
  - Total harvest of 865 tons (r.w) own production and 368 tons (r.w) for external producers.
- > **Positive contribution of 0.9 MNOK from fish sold in Q3/10.**

	Q1	Q2	Q3
Harvest tons r.w.	2 810	1 530	865
Income per kg r.w.	8.5	10.8	13.8
Production cost per kg r.w.	8.8	11.0	12.9
Results COD fish per kg r.w.	-0.3	-0.2	0.9
Price per kg HOG FOB Oslo	20.1	25.7	29.6
Price Liver per kg FOB Oslo	9.6	9.5	12.9

- > **EBITDA of -1.4 MNOK in Q3/10 vs -46.5 MNOK in Q3/09.**
- > **Q3/10 EBIT -5.6 MNOK vs. Q3/09 -52.5 MNOK**
  - No write down of biomass in Q3/10.
- > **EBIT in Q3/10 is mainly explained by the following factors:**
  - Positive contribution of 0.9 MNOK from fish sold in the period.
  - Administration and sales costs of 6.9 MNOK in Q3/10. Includes one-off warrants costs of MNOK 3.1.
  - Net result from subsidiaries of -0.3 MNOK. Includes income of 1.6 MNOK of public funding.
- > **Biological assets per Q3/10 have a fair value of 69.9 MNOK (3 741 tons r.w).**
- > **The expected break even price for harvesting in Q4/10 is NOK 32.5 per kg HOG FOB Oslo (before adm/sales).**
- > **Cash position per Q3/10 was 34.1 MNOK. Net short term receivables of 6.0 MNOK.**
- > **Refinancing of company completed.** A total of 106,872,539 new shares were issued, net proceeds of 46.2 MNOK in cash and 4.35 MNOK worth in juveniles.
- > **F3 feeding output approx. 25% ahead of our best generation.** Size grading due week 47 postponed because of cold weather. 3% mortality per Q3.
- > **Cost reduction focus continue.** Insurance of biomass discontinued, save 1.1 MNOK in 2011. Increased use of vegetable feed. Based on today's prices annual savings amounts to 2.5 MNOK.

## Highlights post Q3

- > **Launch of Codfarmers new consumer packed product STRØM®.**
- > **Product launched week 44 in 4 stores. Additional 2 stores added in week 45.**
  - CC Vest, Centra Høvik, Centra Colosseum, Jacobs på Holtet, Ultra Sandvika, Ultra Bryn.
  - Further expansion in Q1 2011.
  - Salma salmon is being sold in +100 Norges Gruppen stores.
- > **Projected sales 2010 – 4,300 kg, 820 TNOK.** The rest of the filet is being sold in various markets, minimal waste. Amounts to 21 ton whole fish.
- > **Total cost product launch 1.9 MNOK.** 0.2 MNOK in 2008, 0.2 MNOK in 2009, 1.5 MNOK in 2010. No cost activated.
- > **Sales price on liver has so far in Q4 increased by 32% compared to Q3/10.**

# FINANCIALS

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KEY FINANCIALS FIGURES NOK (1000`)	Q3	Q3	30 Sept	30 Sept	Year
	2010	2009	2010	2009	2009
Revenue	28 813	17 236	101 792	66 546	101 996
EBITDA	-1 399	-46 500	-13 058	-79 002	-141 026
EBIT after write down of biomass	-5 902	-52 483	-28 354	-95 882	-167 773
EBIT before write down of biomass	-5 902	-12 483	-28 354	-30 882	-47 773
Writedown of biomass	0	-40 000	0	-65 000	-120 000
Net profit	-9 052	-54 976	-38 511	-106 016	-154 135
Total assets	245 468	317 368	245 468	317 368	268 497
Total Equity	140 857	199 900	140 857	199 900	125 353
Equity ratio	57%	63%	57%	63%	47%
Interest bearing debt	84 483	87 803	84 483	87 803	104 732
Cash and cash equivalents	34 093	2 452	34 093	2 452	6 718
Harvest volumes tons (r.w.)	865	514	5 206	2 138	4 018

- **Q3/10 revenue of 28.8 MNOK** compared to 17.2 MNOK in Q3/09. Revenues in Q3/10 generated by harvesting 865 tons (r.w.) of own production and 368 tons (r.w.) of external volumes. MNOK 2.2 relates to gain on sale of fixed assets.

- **EBIT before write-down of – 5.9 MNOK** in Q3/10 compared to – 12.5 MNOK in Q3/09.

The negative result in Q3/10 is mainly explained by the following factors;

- Positive contribution of 0.9 MNOK from fish sold in the period
- Administration and sales cost of MNOK 6.9 – one-off warrants costs accounts for MNOK 3.1
- Net result before finance from subsidiaries with MNOK – 0.3. Includes income of 1.6 MNOK of public funding.

- **Net profit of – 9.1 MNOK in Q3/10** compared to – 55.0 MNOK in Q3/09.

- **Total assets of 245.5 MNOK**, reflecting 113.8 MNOK in non current assets and 131.7 MNOK in current assets. Estimated biomass value of 69.9 MNOK.

- **Total equity of 140.9 MNOK** with an equity ratio of 57.4 % and 84.5 MNOK of interest bearing debt.

- **Cash per Q3/10** of 34.1 MNOK.

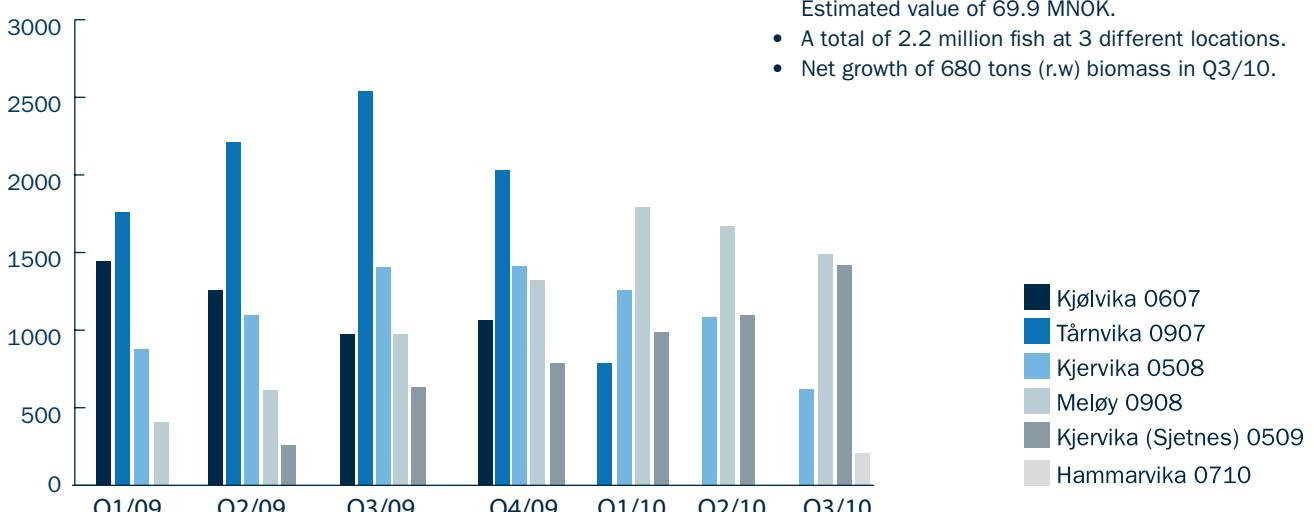
# COD PRODUCTION

## COD PERFORMANCE INDICATORS PER SEPTEMBER 2010

	Kjølvika Gen.June 2007	Tårnvika Gen.Sept 2007	Kjerkvika Gen.May 2008	Meløysjøen Gen.Sept 2008	Kjerkvika (Sjetnes) Gen.May 2009	Hammarvika Gen.July 2010
<b>Harvest %</b>	<b>100%</b>	<b>100%</b>	<b>74%</b>	<b>33%</b>	<b>0%</b>	<b>0%</b>
Avg. harvested weight	2,4 kg	2,9 kg	2,7 kg	2,8 kg		
Current avg. weight	-	-	2,7 kg	2,7 kg	2,2 kg	0,3 kg
No. of fish (1000)	0	0	228	555	639	814
Biological feed factor (FCR)	1,34	1,20	1,19	1,12	1,07	0,77
Economic feed factor (EFCR)	1,62	1,35	1,30	1,32	1,47	0,79
<b>Mortality (%) based on start number</b>	<b>21,5 %</b>	<b>19,3 %</b>	<b>10,0 %</b>	<b>17,3 %</b>	<b>11,6 %</b>	<b>2,5 %</b>
<b>Production cost per kg (r.w.)</b>	<b>NOK 33,5</b>	<b>NOK 27,2</b>	<b>NOK 25,4</b>	<b>NOK 24,7</b>	<b>NOK 31,7</b>	<b>NOK 57,2</b>
<b>Book value (after write down) per kg (r.w.)</b>	<b>NOK 0</b>	<b>NOK 0</b>	<b>NOK 14,7</b>	<b>NOK 16,6</b>	<b>NOK 18,5</b>	<b>NOK 57,2</b>

- Total harvest of 865 tons (r.w) in Q3/10 from Kjerkvika and Meløysjøen. Average harvest weight 2.54 kg.
- In July, 835.000 fish at average weight of 92g was successfully released at site Hammervika. Daily growth has been 1.19% at an average temperature of 9.7 C.
- Sales agreement with Marin Harvest ASA is completed. The remaining equipment was delivered in September.

## BIOMASS DEVELOPMENT (TONS)



- 3 741 tons (r.w) of standing biomass.
- Estimated value of 69.9 MNOK.
- A total of 2.2 million fish at 3 different locations.
- Net growth of 680 tons (r.w) biomass in Q3/10.

█ Kjølvika 0607  
█ Tårnvika 0907  
█ Kjervika 0508  
█ Meløy 0908  
█ Kjervika (Sjetnes) 0509  
█ Hammarvika 0710

# COD JUVENILES

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- Brood stock and egg production was the only activity at Cod Juveniles in Mørkvedbukta in Q3. After successful reproduction of family groups for the next generation brood stock (F3) in the MarineBreed breeding programme at Sunndalsøra, back-up fish placed at Mørkvedbukta was culled. New back-up fish for the F3-generation will be delivered in December 2010.
- There is a continuous focused on establishing projects that will help to fund a small scale R&D-based hatchery production that will contribute to build up hatchery expertise at Cod Juveniles. Among this is a planned industry R&D-platform that will be proposed funded by Innovation Norway and Nordland Fylkeskommune.

# COD PROCESSING

- The sale of remaining land and building at Halsa is completed. The land and building were sold at book value, 2.5 million, and therefore no accounting profit or loss will occur.
- Codfarmers has signed a partnership agreement with Nesset Fiskemottak AS. Nesset is currently undertaking a full upgrade of its facilities bringing the technical standards up to par with those at Cod Processing AS. Nesset has installed a versatile high-quality filleting line which has enabled Codfarmers to re-start its product development programme. The whole facility is expected to be BRC quality certified by the end of 2010.

# COD MARKET

## Prices back on par with 2008

- FOB export price of 29.58 per kg. 15% up from Q2 2010 and 3% above Q3 2009.
- 4% above average export price for farmed cod and 8% above average price for wild.
- 38% share of total Norwegian fresh farmed cod export.
- Prices are expected to remain relative stable in Q4 due to limited supply of wild cod from Norway, but despite volatile demand in some key markets.

## Stable contract sales

- Contract sales accounted for 56% of the sales value in Q3 and 54% YTD.
- Contract sales prices were adjusted during the quarter to reflect the general increase in market prices and continue to pull up COD's average sales price.

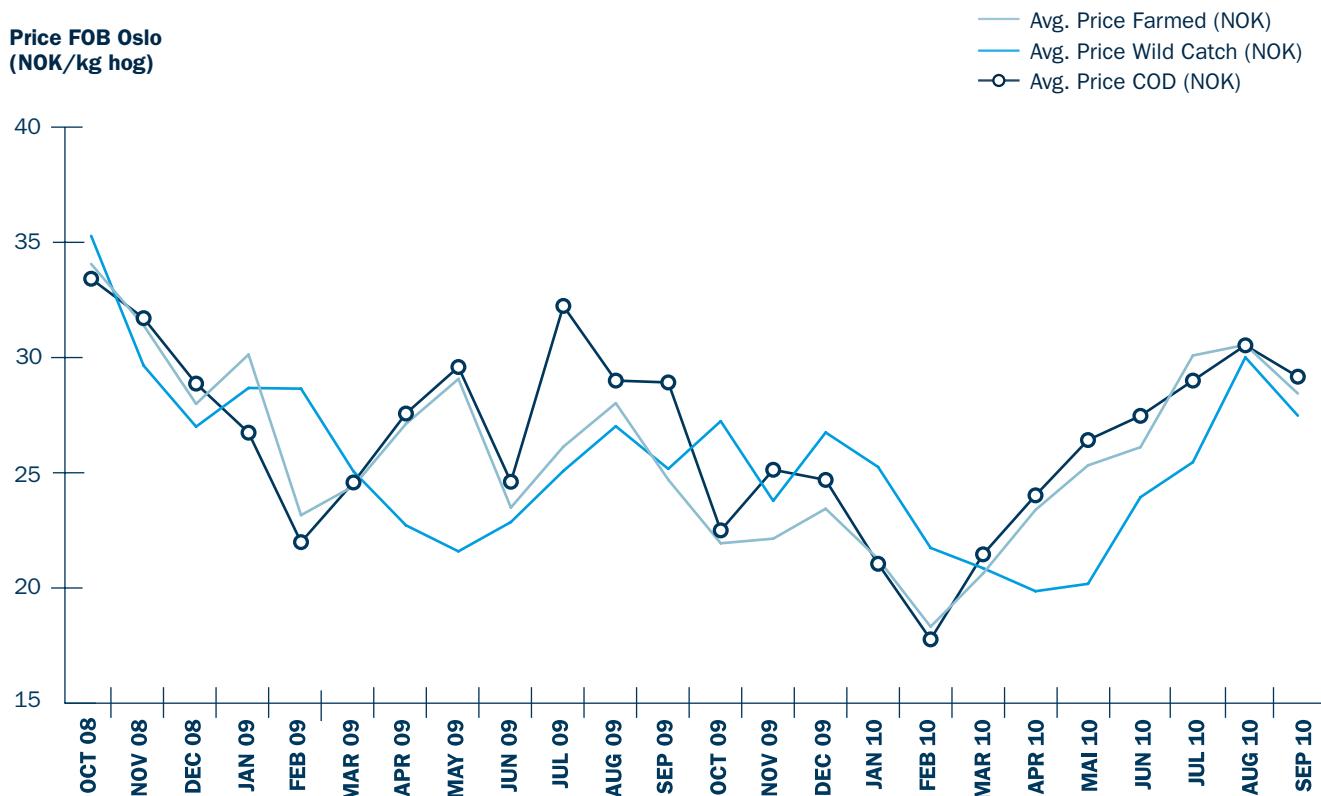
## Significant trading activities

- Fish harvested and sold for others or traded in the spotmarket accounted for almost 30% of Q3 volumes sold.

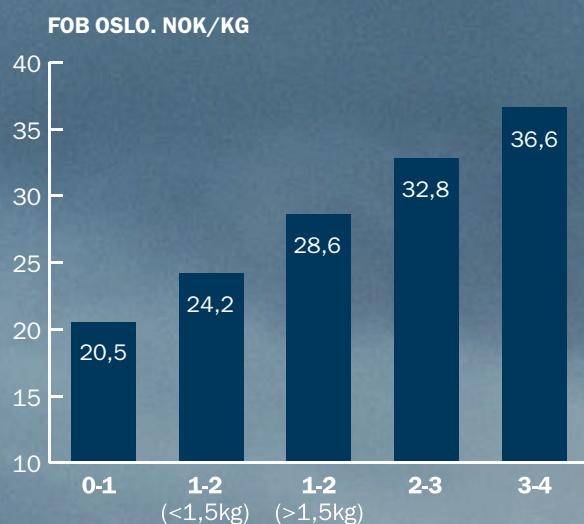
## New consumer product STRØM® launched in Q4

- The launch of Codfarmers' new consumer packed product STRØM® was postponed and took place mid Q4 due to delays in the refurbishment of the packing and filleting plant Nessel Fiskemottak.
- Financing of the refurbishment at Nessel has finally been achieved and the aim is to have Codfarmers product development and roll-out plans back on schedule by the end of Q4.

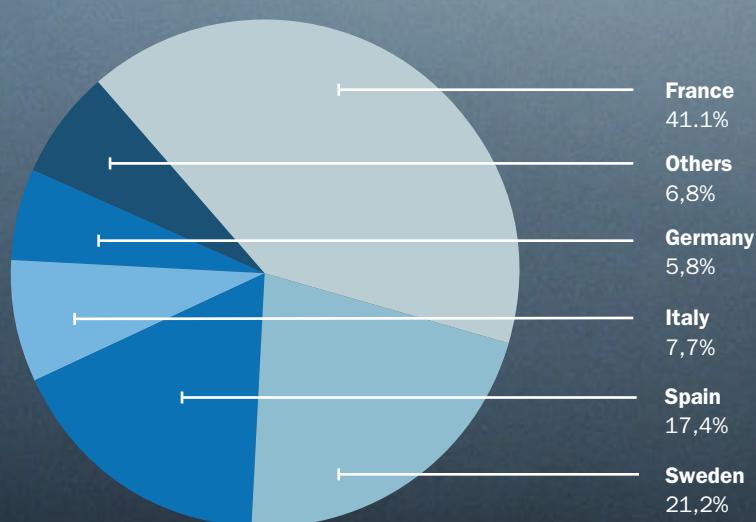
## SALES PRICE BENCHMARK 2008-2010



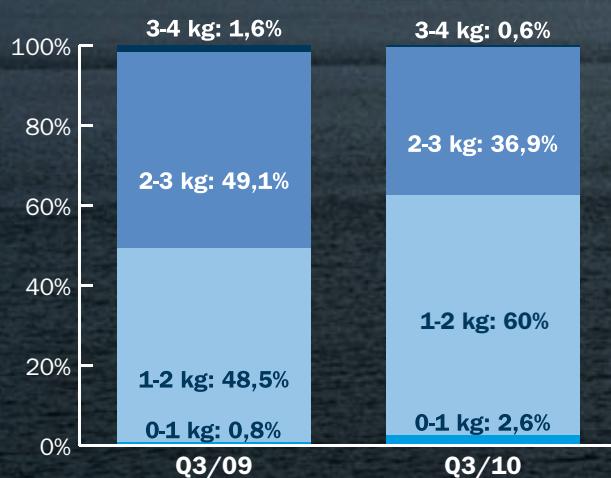
### PRICE BENCHMARK SIZE DISTRIBUTION



### SALES VALUE BY GEOGRAPHICAL MARKETS Q3 2010



### SIZE DISTRIBUTION Q3 2010



# FINANCIAL REPORT

## INCOME STATEMENT

The Group achieved a total revenue of 101.8 MNOK per third quarter of 2010 compared to 66.5 MNOK for the same period in 2009.

Revenues of 85.9 MNOK reflect harvesting of 5 206 tons (r.w) from four different locations. Revenues in third quarter accounts for 18.5 MNOK and reflect harvesting of 865 tons (r.w).

Harvesting and sales for external producers accounts for a total of 12.0 MNOK (628 tons r.w) per third quarter. Revenues from external fish in third quarter came to 7.5 MNOK from the sales of approximately 368 tons (r.w).

EBIT result before biomass write-down of - 28.4 MNOK per third quarter 2010 compared to -30.9 MNOK in 2009. No write down so far in 2010. Negative result per third quarter 2010 of -38.5 MNOK is mainly explained by the following factors:

(1) Result from harvesting and sales of total 5 206 tons (r.w) of -0.4 MNOK, which reflects a marginal deviation from previous estimates of biomass value.

(2) Normal admin/sales cost of MNOK 16.5 – including one-off warrants costs of MNOK 3.1

(3) Net result from subsidiaries with MNOK -4.4.

(4) Depreciation of idle locations of 2.7 MNOK.

## CASH FLOW AND LIQUIDITY

Net cash flow from operational activities per third quarter 2010 was -24.9 MNOK compared with -72.5 MNOK in 2009. Net cash flow is mainly explained by the YTD result adjusted for depreciations and change in inventories and receivables.

The net positive cashflow from investing activities per third quarter 2010 amounted to MNOK 29.0 compared with MNOK -14.7 for the same period in 2009. Net cash flow is mainly explained by proceeds from sale of equipment.

The company's financial activities per third quarter 2010 show a positive net cash flow of 23.3 MNOK. The positive cash flow is mainly explained by net proceeds from share issue (MNOK 50.4) and repayment of debt (MNOK 27.1).

At the end of third quarter 2010 the company has 34.1 MNOK cash and cash equivalents compared with 2.5 MNOK in 2009.

## BALANCE SHEET

At the end of September 2010 the Group's assets had a book value of 245.5 MNOK compared with 317.4 MNOK in 2009. Fixed assets amounted to 113.8 MNOK. MNOK 55.1 relates to facilities in Cod Juveniles and MNOK 58.7 in Cod Production (farming equipment, boats and facilities). Current assets amounted to 131.7 MNOK. This reflects 17.6 MNOK in trade receivables, 69.9 MNOK in biomass value, 1.6 MNOK feed in storage, 34.1 MNOK in cash and 8.5 MNOK in other receivables.

The Group's equity as of 30.09.2010 is 140.9 MNOK compared with 199.9 MNOK for 2009. The company has no distributable equity. The refinancing of the company is completed and a total of 106,872,539 new shares were issued, net proceeds of MNOK 46.2 in cash and MNOK 4.35 worth in juveniles.

Long term-debt in the company is 75.7 MNOK of which 43.2 MNOK reflects the convertible bonds issue, 0.5 MNOK is pension liabilities, 27.7 MNOK reflects debt to Innovation Norway and 4.3 MNOK reflects financial leasing and debt to Gildeskål Sparebank. The company has short-term debt of 28.9 MNOK, compared to 41.9 MNOK in 2009. 12.7 MNOK reflects trade payables, 3.2 MNOK reflects debt to Innovation Norway, 0,5 MNOK reflects debt to Gildeskål Sparebank, 5.1 MNOK reflects financial leasing and 7.4 MNOK reflects taxes and other liabilities.

# INCOME STATEMENT

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Unaudited (NOK 1000)	Note	Sept 2010	Sept 2009	Q3 2010	Q3 2009	Year 2009
Revenue		101 792	66 546	28 813	17 236	101 996
Consumables used		87 447	92 894	33 971	36 423	124 716
Inventory change		-8 481	-1 341	-15 596	9 416	44 381
Salaries	12	20 372	27 862	8 030	9 000	38 239
Depreciation, amortisation and impairment charges		15 296	16 880	4 563	5 983	26 747
Other expenses		15 512	26 131	3 747	8 897	35 685
<b>Operating profit before biomass adj.</b>		<b>-28 354</b>	<b>-95 882</b>	<b>-5 902</b>	<b>-52 483</b>	<b>-167 773</b>
Biomass adjustment		0	0	0	0	0
<b>Operating profit</b>		<b>-28 354</b>	<b>-95 882</b>	<b>-5 902</b>	<b>-52 483</b>	<b>-167 773</b>
Financial income		931	727	513	176	29 608
Financial cost	13	-11 088	-10 862	-3 663	-2 668	-15 970
<b>Net finance</b>		<b>-10 157</b>	<b>-10 134</b>	<b>-3 150</b>	<b>-2 493</b>	<b>13 638</b>
Profit before income tax		-38 511	-106 016	-9 052	-54 976	-154 135
Income tax (expense) / income		0	0	0	0	0
<b>Profit for the period</b>		<b>-38 511</b>	<b>-106 016</b>	<b>-9 052</b>	<b>-54 976</b>	<b>-154 135</b>
<b>Attributable to:</b>						
Equity holders of the company		-38 511	-106 016	-9 052	-54 976	-154 135
<b>Earnings per share</b>						
– basic	10	-0,50	-3,04	-0,06	-1,29	-5,19
– diluted	10	-0,50	-3,04	-0,06	-1,29	-5,19

# BALANCE SHEET

Unaudited (NOK 1000)	Note	30 Sept 2010	30 Sept 2009	Year 2009
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	110 280	170 518	151 404
Intangible assets	5	3 301	3 925	3 525
Financial assets		215	215	215
<b>Total non-current assets</b>		<b>113 797</b>	<b>174 658</b>	<b>155 144</b>
<b>Current assets</b>				
Inventories		1 550	4 755	3 288
Biomass		69 932	107 839	62 188
Trade receivables		17 646	12 599	17 880
Other receivables		8 450	15 065	23 278
Cash and cash equivalents		34 093	2 452	6 718
<b>Total current assets</b>		<b>131 671</b>	<b>142 709</b>	<b>113 353</b>
<b>Total assets</b>		<b>245 468</b>	<b>317 368</b>	<b>268 497</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the company</b>				
Share capital	6	522 935	471 515	472 510
Other equity	6	20 513	44 345	16 922
Retained earnings	6	-402 591	-315 960	-364 079
<b>Total equity</b>		<b>140 857</b>	<b>199 900</b>	<b>125 353</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Pension liabilities	8	482	1 482	482
Borrowings	7	32 017	38 200	36 756
Convertible loan	13	43 227	35 887	36 366
<b>Total non-current liabilities</b>		<b>75 726</b>	<b>75 569</b>	<b>73 603</b>
<b>Current liabilities</b>				
Trade payables		12 650	15 258	17 121
Indirect taxes and excises		432	633	1 132
Borrowings	7	9 239	13 715	31 611
Other current liabilities		6 564	12 292	19 676
<b>Total current liabilities</b>		<b>28 885</b>	<b>41 899</b>	<b>69 540</b>
<b>Total liabilities</b>		<b>104 611</b>	<b>117 468</b>	<b>143 143</b>
<b>Total equity and liabilities</b>		<b>245 468</b>	<b>317 368</b>	<b>268 497</b>

# CASH FLOW

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Unaudited (NOK 1000)	Note	30 Sept 2010	30 Sept 2009
<b>Cash generated from operating activities</b>			
Operating profit for the period		-28 354	-95 882
Interest paid		-4 061	-3 928
Depreciation and amortisation		15 296	16 880
Share option costs		3 591	127
Gain on sale of asset		-2 008	0
Change in inventories		-6 006	-4 103
Change in trade receivables		234	6 743
Change in trade payables		-4 471	-6 761
Change in other		849	14 459
<b>Net cash generated from operating activities</b>		<b>-24 929</b>	<b>-72 465</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment (PPE)		0	-36 117
Governments grants related to investments		0	11 750
Proceeds from sale of PPE		28 060	10 000
Acquisition of subsidiaries, net of cash acquired		0	-800
Purchase of financial assets		0	-212
Interest received		931	727
<b>Net cash used in investing activities</b>		<b>28 991</b>	<b>-14 652</b>
<b>Cash flow from financing activities</b>			
Repayments of borrowings		-27 110	-1 595
Proceeds from new borrowings		0	39 227
Proceeds from share issue		50 424	36 540
<b>Net cash used in financing activities</b>		<b>23 314</b>	<b>74 173</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>27 375</b>	<b>-12 944</b>
Cash and cash equivalents at beginning of the period		6 718	15 397
<b>Cash and cash equivalents at end of the period</b>		<b>34 093</b>	<b>2 452</b>
Restricted cash as of 30 September		300	442
<b>Cash and cash equivalents at end of the period adjusted for restricted cash</b>		<b>33 793</b>	<b>2 010</b>

## CHANGE IN EQUITY

Unaudited (NOK 1000)	Notes	Share capital/ share Premium	Other reserves	Retained earnings	Total
<b>Balance at 1 January 2010</b>		<b>472 510</b>	<b>16 922</b>	<b>-364 079</b>	<b>125 353</b>
Proceeds from share capital issue		53 431			53 431
Expenses related to share capital issue		-3 007			-3 007
Market value of awarded options&warrants		3 591			3 591
Profit for the period				-38 511	-38 511
<b>Balance at 30 Sept 2010</b>		<b>522 935</b>	<b>20 513</b>	<b>-402 590</b>	<b>140 857</b>

# 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 2 active licenses in Gildeskål and 1 in Meløy.

The condensed consolidated interim financial statements for the period from Jan-Sept 2010, consists of Codfarmers ASA and its subsidiaries Cod Processing AS, NAP Marine AS and Cod Juveniles 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 2009.

## 4 SEGMENT INFORMATION

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

# NOTES

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## 5 CAPITAL EXPENDITURE

<b>30 Sept 2009</b>	Tangible and intangible assets
<b>Opening net book amount 1 January 2009</b>	<b>176 956</b>
Additions	36 117
Government grants	-11 750
Disposals	-10 000
Depreciation, amortisation, impairment and other movements	-16 880
<b>Closing net book amount 30 Sept 2009</b>	<b>174 443</b>

**30 Sept 2010**

<b>Opening net book amount at 1 January 2010</b>	<b>154 929</b>
Additions	0
Disposals	-26 052
Depreciation/amortisation, impairment and other movements	-15 296
<b>Closing net book amount at 30 Sept 2010</b>	<b>113 582</b>

# NOTES

## 6 CAPITAL

Capital	Number of shares ('000)	Ordinary shares	Share premium	Other equity	Total
<b>Opening balance 1 January 2009</b>	<b>20 395</b>	<b>2 039</b>	<b>384 630</b>	<b>-195 574</b>	<b>191 095</b>
Market value on awarded options				127	127
Proceeds from share capital issue	22 282	2 228	86 078		88 306
Expenses related to share capital issue			-3 460		-3 460
Restructured convertible loan (debt release)				16 161	16 161
Equity share of convertible loan (Nominal value MNOK 50)				13 687	13 687
Result				-106 016	-106 016
<b>At 30 Sept 2009</b>	<b>42 677</b>	<b>4 267</b>	<b>467 248</b>	<b>-271 615</b>	<b>199 900</b>
<b>Opening balance 1 January 2010</b>	<b>42 677</b>	<b>4 268</b>	<b>468 242</b>	<b>-347 157</b>	<b>125 353</b>
Market value on awarded options				3 591	3 591
Proceeds from share capital issue	106 872	10 687	42 744		53 431
Expenses related to share capital issue			-3 007		-3 007
Result				-38 511	-38 511
<b>At 30 Sept 2010</b>	<b>149 549</b>	<b>14 955</b>	<b>507 979</b>	<b>-382 076</b>	<b>140 857</b>

The Group has a share option program for some of its leading employees. During the period from 2010-2013 these employees can subscribe 1.050.000 shares in Codfarmers ASA.

At the annual general meeting 25 June 2010 it was resolved to issue non-transferable subscription rights (warrants) to the Company's CEO, Harald Dahl and CFO, Nicolaj Weiergang, as an additional incentive program for the executive management. The warrants will entitle the holder to subscribe for one Share in the Company and may be exercised at any time until and including 25 June 2013. The shares subscribed based on the warrants shall have a subscription price equal to the price per share in the Private Placement (NOK 0.50) increasing by 1% per month from the date of the general meeting until the warrants are exercised (such that the maximum increase is 36%). It is a condition for exercising the warrants that the subscriber is employed in the Company. Each of the CEO and the CFO were offered and have subscribed two warrants per Placement Share subscribed to in the Private Placement, which amounted to 12,000,000 warrants for the CEO and NOK 400,000 warrants for the CFO.

# NOTES

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<b>7 BORROWINGS</b>	<b>30 Sept 2010</b>	<b>30 Sept 2009</b>
Non-current	32 017	38 200
Current	9 239	13 715
<b>Total</b>	<b>41 256</b>	<b>51 915</b>

Movements in borrowings is analysed as follows:

## 2009

Opening amount as at 1 January 2009	14 283
Repayments of borrowings	-1 595
New borrowings	39 227
<b>Closing amount as at 30 Sept 2009</b>	<b>51 915</b>

## 2010

Opening amount 1 January 2010	68 367
Repayments of borrowings	-27 110
New borrowings	0
<b>Closing amount as at 30 Sept 2010</b>	<b>41 256</b>

## 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.

# NOTES

## 9 INCOME TAXES

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

## 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)

	<b>Januar - Sept</b>	
	<b>2010</b>	<b>2009</b>
- basic	-0,50	-3,04
- diluted	-0,50	-3,04

## 11 DIVIDENDS

No dividends have been paid in the period.

## 12 RELATED - PARTY TRANSACTIONS

The following transactions have occurred with related parties during the period January-Sept 2010.

<b>Type of transaction</b>	<b>Related party</b>	<b>Salary in TNOK</b>
Consultancy services	*Harald Dahl (Chairman of the Board for the period January-April)	400

\* Harald Dahl held the position as Chairman until he was appointed CEO 30 April 2010.

## 13 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 will 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 interest payment date was 30 May 2010. The payment were made as "Payment in Kind". If Codfarmers choose "Payment in Kind" for the period 30 November 2011 to 30 November 2013, the interest increases from 10% to 15% in the period. Amortization of interest expences in the period totalled TNOK 7.027.

## 14 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As part of Codfarmers product development strategy, STRØM was launched 4. November 2010 in selected supermarket stores within Norgesgruppen. STRØM is a consumer packed skin and boneless back loin.

# SHAREHOLDERS

**SHAREHOLDERS PER 22.11.2010**

Shareholders	Citizen	Shares	Ownership
PROTECTOR FORSIKRING	NOR	20 000 000	13,4 %
TEIGEN FRODE	NOR	14 691 800	9,8 %
ODIN NORGE	NOR	13 939 636	9,3 %
HAVLANDET MARIN YNGE	NOR	8 700 000	5,8 %
SKAGEN VEKST	NOR	6 970 000	4,7 %
DAHL HARALD	NOR	6 989 273	4,7 %
STATOIL PENSJON	NOR	5 655 425	3,8 %
BANAN AS	NOR	5 450 605	3,6 %
EPSILON AS	NOR	4 000 000	2,7 %
SINMAX INVESTMENT AS	NOR	3 000 000	2,0 %
HALFDAN HOLME AS	NOR	2 537 193	1,7 %
KRAG INVEST AS	NOR	2 402 000	1,6 %
BURCH ROBERT LOUIS	USA	2 151 684	1,4 %
JPMORGAN BANK LUXEMB	LUX	2 132 300	1,4 %
MP PENSJON	NOR	2 121 253	1,4 %
VPF NORDEA KAPITAL	NOR	2 106 316	1,4 %
GAILLAC AS	NOR	2 000 000	1,3 %
MORTEN WERRINGS REDE	NOR	1 981 382	1,3 %
ORKLA ASA	NOR	1 733 200	1,2 %
VPF NORDEA AVKASTNIN	NOR	1 712 800	1,1 %
DNB NOR BANK ASA EGE	NOR	1 638 751	1,1 %
STATOIL FORSIKRING A	NOR	1 542 823	1,0 %
IN COD WE TRUST LLC	USA	1 532 243	1,0 %
PEBA AS	NOR	1 464 000	1,0 %
WAHLSTRØM ERIK	NOR	1 397 605	0,9 %
REMA 1000 AS	NOR	1 377 252	0,9 %
CHEYNE GLOBAL CATALY	CYM	1 313 878	0,9 %
BRØDR. HETLAND AS	NOR	1 147 325	0,8 %
OTHERS		27 861 031	18,6 %
<b>TOTAL</b>		<b>149 549 775</b>	<b>100,0 %</b>

**Number of shareholders: 1045**

**Ownership Norwegian citizen: 91,9%**

**Ownership foreign citizen: 8,1%**

**CODFARMERS ASA**

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