



FOURTH QUARTER REPORT 2011
FEBRUARY 29TH 2012

HIGHLIGHTS

- **Very low harvesting volumes in Q4 2011. We also plan for low volumes in Q1 2012**
 - We expect to harvest only 10% of the total volume in 2012 in these 2 quarters.
- **Our financial position and biological condition allow us to postpone harvest volumes to 2H 2012**
 - We want to increase fish weight and avoid wild catch season.
- **Average prices of NOK 31.4 per kg up 4.7% from Q3 2011**
- **The only cod farmer that released significant volumes of juveniles in 2011**
- **Atlantic Cod Farms is consolidated for the whole of Q4**
 - Only 11 days of operation consolidated in Q3.
- **We sold 170.000 STRØM back loin products in 2011**
 - This represent 344 tons of round weight.

Q4 2011 Financials

- **Revenues of 21.3 MNOK vs. 37.9 MNOK in Q4/10**
 - Total harvest of 59 tons (r.w.) production and 520 tons (r.w.) from external producers.
 - 76% of volume sold as H&G, remaining sold as filets. Average sales price: NOK 31.4 kg H&G. NOK 33.4 kg H&G including bi-products.
- **EBIT -19.3 MNOK vs -19.5 MNOK in Q4/10**
 - Negative contribution of 2.7 MNOK from fish sold in the period.
 - Administration and sales costs of 6.9 MNOK.
 - Net result from subsidiaries of - 5.9 MNOK.
 - Depreciation of idle locations 2.2 MNOK.
- **Biological assets have a fair value of 86.2 MNOK (4 553 tons r.w)**
- **Expected break even price for harvesting in Q1 2012**
 - NOK 28.0 kg H&G (before adm/sales/finance).
- **Cash position per Q4 was 7.8 MNOK. Net short term receivables of -6.9 MNOK (before the completed share issue of 30 MNOK).**

FINANCIALS

KEY FINANCIALS FIGURES NOK (1000`)	Q4 2011	Q4 2010	Year 2011	Year 2010
Revenue	21 299	37 934	122 865	139 733
EBITDA	-10 920	-15 081	-69 569	-28 271
EBIT after write down of biomass	-19 329	-19 509	-90 712	-47 994
EBIT before write down of biomass	-19 329	-19 509	-65 212	-43 094
*Writedown of biomass	0	0	-25 500	-4 900
Net profit	-22 295	-22 943	-94 324	-61 696
Total assets	295 588	220 644	295 588	220 644
Total Equity	155 492	117 691	155 492	117 691
Equity ratio	53 %	53 %	53 %	53 %
Interest bearing debt	100 911	82 821	100 911	82 821
Cash and cash equivalents	7 802	26 432	7 802	26 432
Harvest volumes tons (r.w.)	59	1 050	2 906	6 255

- Q4/11 revenue of 21.3 MNOK compared to 37.9 MNOK in Q4/10. Revenues in Q4/11 generated by harvesting 59 tons (r.w.) of own production and 520 tons (r.w.) of external volumes. Revenues of 4.5 MNOK relates to other operations.
- EBIT of - 19.3 MNOK in Q4/11 compared to - 19.5 MNOK in Q4/10.

Atlantic Cod Farms is consolidated from 19 September 2011. In the period up to 31 December a negative profit of 8.9 MNOK is incorporated in the condensed consolidated interim income statement. In the acquisition analyses, the goodwill has been calculated to 10.6 MNOK.

The negative result in Q4/11 is mainly explained by the following factors;

- (1) Negative contribution of 2.7 MNOK from fish sold in the period due to lower market price on cod belly filet and higher processing and well boat costs than expected.
- (2) Admin/sales cost of 6.9 MNOK.
- (3) Net result before finance from subsidiaries with - 5.9 MNOK.
- (4) Depreciation costs of idle locations 2.2 MNOK.

- Net profit of - 22.3 MNOK in Q4/11 compared to - 22.9 MNOK in Q4/10.
- Total assets of 295.6 MNOK, reflecting 166.4 MNOK in non-current assets and 129.2 MNOK in current assets. Estimated biomass value of 86.2 MNOK.
- Total equity of 155.5 MNOK with an equity ratio of 53% and 100.9 MNOK of interest bearing debt.
- Cash per Q4/11 of 7.8 MNOK. Net short term receivables of - 6.9 MNOK.

COD PRODUCTION

COD PERFORMANCE INDICATORS PER DECEMBER 2011

	Meløyjøen 2008	Kjerkvika 2008	Kjerkvika 2009	Hammarvika 2010	Standal 2010	Lyngholmane 2010	Stokkeneset 2011	Russenes 2011	Kjølvika 2011	Alme 2011
Harvest %	100 %	100 %	100 %	0 %	12 %	0 %	0 %	0 %	0 %	0 %
Avg. harvested weight	2.9 kg	2.7 kg	2.8 kg	0 kg	2.2 kg	0 kg	0 kg	0 kg	0 kg	0 kg
Current avg. weight	-	-	-	2.071 kg	2.540 kg	2.549 kg	1.480 kg	0.705 kg	0.367 kg	0.880 kg
No. of fish (1000)	0	0	0	606	456	123	653	252	956	286
Biological feed factor (FCR)	1.23	1.18	1.94	1.06	1.14	1.24	1.06	0.98	0.84	0.92
Economic feed factor (EFCR)	1.38	1.31	2.42	1.17	1.30	1.49	1.13	1.04	0.91	0.94
Mortality (%) based on start number	18.8 %	10.3 %	14.8 %	22.0 %	18.4 %	21.7 %	10.8 %	8.7 %	5.1 %	3.3 %
Loss of fish (%) (destruction, escapes etc.)	18.3%	25.5%	47.4%	5.4 %	0.3%	0.0%	0.0%	6.8%	0.0%	0.0%
Production Cost per kg (r.w.)	NOK 30.7	NOK 25.7	NOK 35.5							

After the acquisition of Atlantic Cod Farms, the production capacity at sea is divided into two major clusters. Cluster North located in Nordland, consists of 6 sites with a total of 18 720 tons Maximum Biomass Capacity. Cluster South is located in Sogn and Fjordane, and Møre and Romsdal and consists of 7 sites with a total of 17 160 tons Maximum Biomass Capacity.

Cluster North

No fish has been harvested during Q4 2011. The fish will be harvested when it reaches its optimal harvesting weight which is between 3.0 and 3.5 kg. According to plan, this will occur in May.

In January, two cages at Hammarvika 2010 were graded for harvesting. A total of 52,000 fish with an average weight of 2.7 kg was harvested. This fish was launched to sea in July 2010 and has been 17 months in sea before harvested.

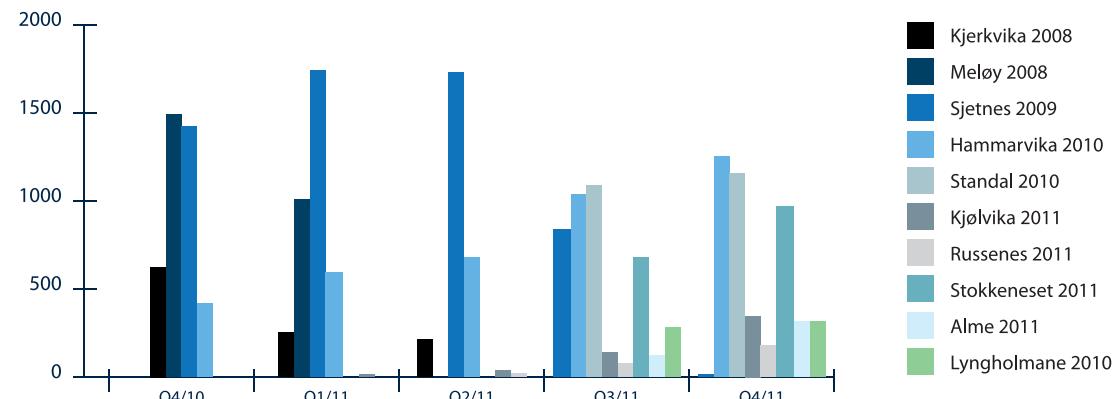
During fourth quarter, 355,000 fish at an average weight of 150g were launched into sea at locations Kjølvika. The fish was delivered from our own on-growing facility at Mørkvedbukta.

During the last months, the temperature in Nordfjorden has been above normal. As a result the growth has been slightly higher than expected at Generation Hammarvika 2010.

Cluster South

Total harvest of 59 tons (r.w) in Q4/11 from the Standal 2010 generation. Average harvest weight of 2.2 kg. The low harvesting weight is due to early harvesting because of a minor outbreak of francisella. The rest of the biomass at the location is growing according to plan.

BIOMASS DEVELOPMENT (TONS)



- 4 531 tons (r.w) of standing biomass at sea. Estimated value of 83.1 MNOK.
- A total of 3.7 million fish at 8 different locations at sea.
- Net growth of 1 096 tons (r.w) biomass in Q4/11.

COD JUVENILES

At Cod Juveniles in Bodø the F2-broodstock spawned as planned in Oct/Nov and approx. 8 mill eggs were delivered to Atlantic Cod Juveniles at Fosen. Additional 8 mill eggs were delivered into the hatchery R&D project at Cod Juveniles and successfully hatched.

The broodstock- and spawning program at Cod Juveniles has been run in co-operation with MarineBreed since 2007, with Cod Juveniles as sub-contractor for the egg production and broodstock holding operation in Bodø. However, in December MarineBreed went bankrupt due to short demand for cod eggs, and Cod Juveniles took over the ownership of all the broodstock (F2- and F3-generation) and the breeding nucleus. The whole breeding nucleus and F3-broodstock with a total of 4,340 fish were transported to Bodø in December, where the breeding program will be continued. A 2-year R&D project with expected support of NOK 3.4 mill from Innovation Norway will be used for further improvements of the breeding program and broodstock management.

There has been no hatchery operation at Cod Juveniles since 2009. However, in Q4 production in 8 first-feeding tanks started up with approx. 1 mill larvae in each tank. This is the first of a total of 3 production runs in a hatchery R&D-project used for testing and training. The next production run will start in April 2012. The results from the current production have reached any expectations, and outcome is estimated to more than 400,000 juveniles.

In addition to the juvenile supply from Cod Juveniles contracts with Havlandet Marin Yngel (HMY) will secure the demand for juveniles in 2012. The production at HMY has been very successful and approx. 3 mill juveniles will be delivered in spring 2012. First delivery of 2-3 g juveniles is planned for 20 February.

Production of juveniles at Atlantic Cod Juveniles (ACJ) has not reached expectations due to high mortality due to bacterial problems in the early production stage. At the stage where only 120,000 small juveniles remained the fish were culled. At the moment ACJ is temporarily shut down and the workforce temporarily laid off.

In Q4 the total delivery of large juveniles (settlings) from the pre-ongrowing facilities in Codfarmers to ongrowing in sea cages were 386,000 fish. 110,000 fish of 120 g were delivered from Cod Juveniles and 276,000 fish of approx. 150 g were delivered from Fjord Gadus. Fjord Gadus received a total of 622,000 small juveniles from ACJ in Q4 for pre-ongrowing, while there will be no pre-ongrowing at Cod Juveniles until April 2012. Both farms are expected to be certified according to the GlobalGAP quality standard in 2012.

COD PROCESSING

Nesset Fiskemottak AS, Codfarmers ASA's processing partner, continued its work of optimizing the production line for filets, and a new trimming table for the filets was installed successfully. Furthermore also focus on cooling the product and keeping a high hygienic standard along the chain has been a top priority. However, in January 2012 Nesset Fiskemottak AS filed for bankruptcy following years with financial losses. A new start-up of the plant under new ownership is considered. Codfarmers has as of date not decided whether or not they will continue to use Nesset Fiskemottak AS, if new owners decide to start production, or if a new location will be preferred. Codfarmers do not expect to start harvest of the cod located in Nordland until May 2012.

Fish from cluster south (Atlantic Cod Farms) will be delivered to Aalesund, to their processing partner Marine Seafood AS on the basis of a long-term slaughter agreement. The agreement provides secure fixed and beneficial prices of harvest services. Marine Seafood has been upgraded in January 2012 and has begun the production of STRØM®.

COD MARKET

14% increase in average fresh cod price overall (wild and farmed) and 3% drop in total fresh cod export volumes

COD's Q4/11 average FOB export price on whole gutted fish was 31.42 – 6.2% up from Q4/10.

Codfarmers' export volume of whole, gutted fish decreased by 78.4% from Q4 2010, and accounted for 13.2% of the total Norwegian aquaculture cod export volume.

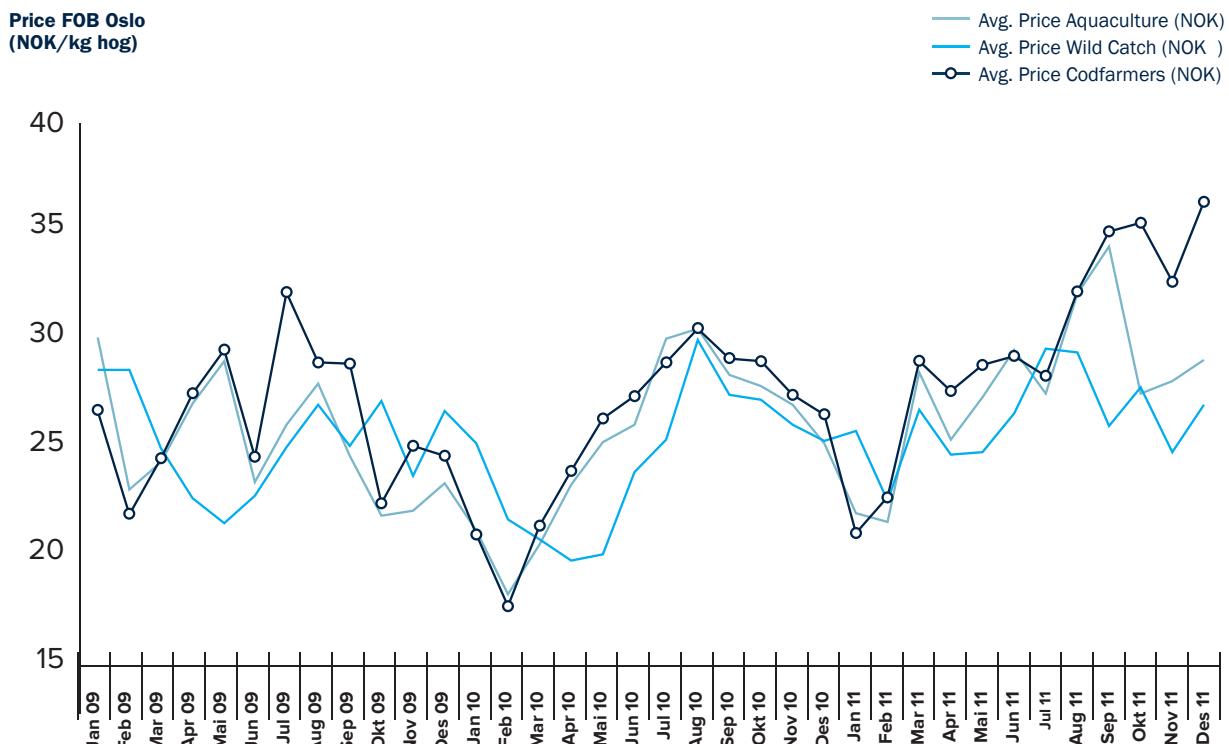
Sales of Codfarmers' consumer brand STRØM® accounted for 19.4% of the total sales value in Q4. In Q4 Codfarmers launched STRØM in the retail chain KIWI, accounting for 230 stores in the Oslofjord region. By the end of Q4 STRØM® was distributed in approximately 450 retail stores in Norway, 90% of the value through NorgesGruppen. Codfarmers have agreed on launching STRØM in the retail chain SPAR Q1 2012, accounting for approximately 270 stores.

The first steps taking STRØM® into the Swiss, German and French market was taken in Q3/Q4. The focus will in the coming months be on a few, selected premium stores, as well as the high-end HoReCa market. Other international markets will follow during the next coming months. More and more end consumers are satisfied and glad to purchase a fresh cod product that continuously delivers the same quality. Codfarmers experience a gradually shift in the consumers mind-set when it comes to farmed cod, meaning that both our trading partners and end consumers start to favour our products over wild cod.

STRØM® was nominated by the jury in the Norwegian TV2-aired program "Det Norske Måtid 2011", as being one of Norway's most superior seafood products. The first program registered 600,000 viewers, and the final was held in December. These activities, in addition to the extensive demonstrations in-store, increased the awareness and sales of STRØM® significantly. In December, we sold approximately 2 tonnes / 5,500 products per week in total.

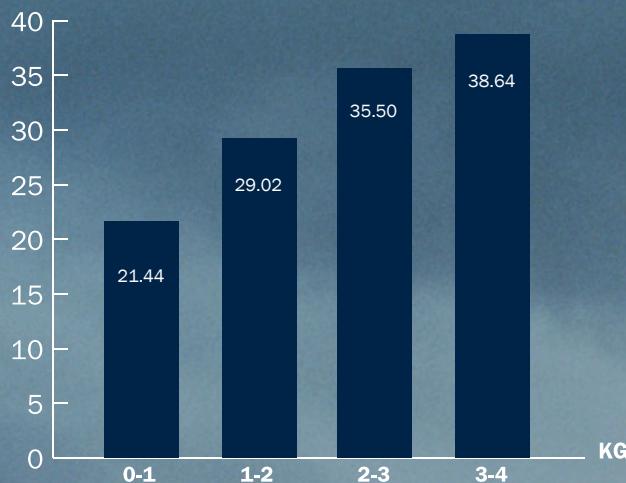
Contract sales for gutted whole fish and by-products for Q4 and Q1 2012 have been agreed upon. The main focus is on the value added products, but due to utilizing our raw material, also whole gutted fish are sold. The target is mainly to sell those products on special campaigns.

SALES PRICE BENCHMARK 2009-2011

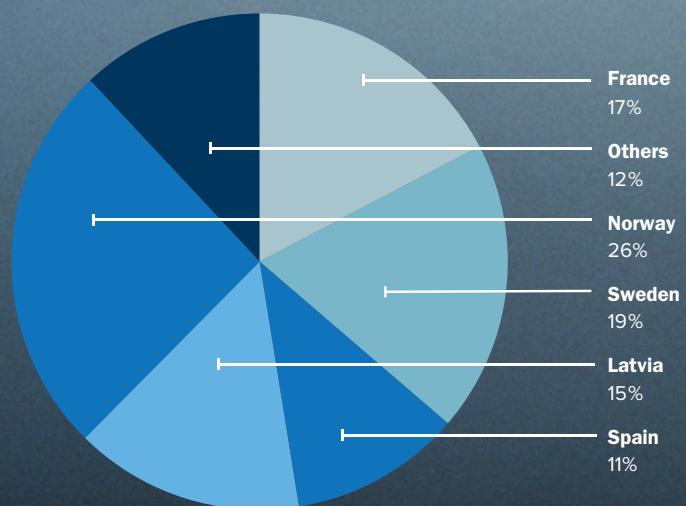


PRICE BENCHMARK SIZE DISTRIBUTION Q4 2011

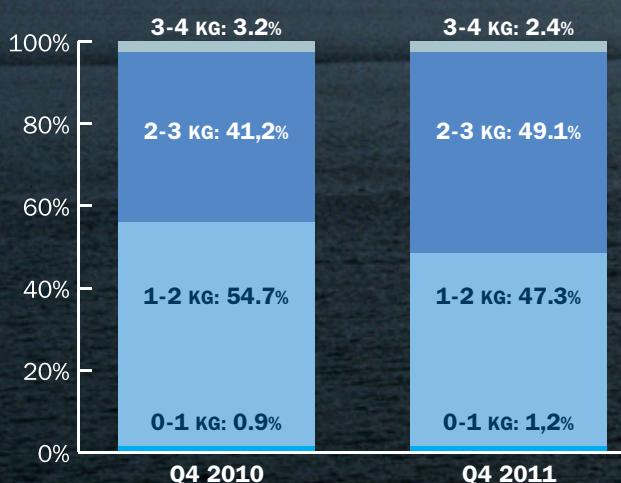
FOB OSLO. NOK/KG/HOG



SALES VALUE BY GEOGRAPHICAL MARKETS Q4 2011



SIZE DISTRIBUTION Q4 2011



FINANCIAL REPORT

ACQUISITION OF ATLANTIC COD FARMS AS

Atlantic Cod Farms is consolidated from 19 September 2011. In the period up to 31 December a negative profit of 8.9 MNOK is incorporated in the condensed consolidated interim income statement. In the acquisition analyses, the goodwill has been calculated to 10.6 MNOK.

INCOME STATEMENT

The Group achieved total revenue of 122.9 MNOK per fourth quarter of 2011 compared to 139.7 MNOK for the same period in 2010.

Revenues of 62.3 MNOK reflect harvesting of 2 906 tons (r.w) from four different locations. Revenues in fourth quarter accounts for 1.2 MNOK and reflect harvesting of 59 tons (r.w).

Harvesting and sales for external producers accounts for a total of 54.6 MNOK (2 369 tons r.w) per fourth quarter. Revenues from external fish in fourth quarter came to 15.6 MNOK from the sales of approximately 520 tons (r.w).

EBIT result before biomass write-down of -19.3 MNOK per fourth quarter 2011 compared to -19.5 MNOK in 2010. Total write down in 2011 is -25.5 MNOK. Negative result per fourth quarter 2011 of -94.3 MNOK is mainly explained by the following factors:

- (1) Result from harvesting and sales of own and external fish of total -23.2 MNOK, 2 906 tons (r.w) harvested and 2 369 tons (r.w) external fish sold. Total write down biomass value of -25.5 MNOK.
- (2) Total admin/sales cost of MNOK 23.0.
- (3) Net result from subsidiaries with MNOK -13.6.
- (4) Depreciation of idle locations of 5.7 MNOK.
- (5) Net finance of MNOK -3.6 including gain on repurchase of convertible bonds of 7.5 MNOK.

CASH FLOW AND LIQUIDITY

Net cash flow from operational activities per fourth quarter 2011 was -48.3 MNOK compared with -32.5 MNOK in 2010. 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 fourth quarter 2011 amounted to MNOK 1.3 compared with MNOK 33.3 for the same period in 2010. Net cash flow is mainly explained by interest received.

The company's financial activities per fourth quarter 2011 show a positive net cash flow of 28.4 MNOK. The positive cash flow is mainly explained by proceeds from share issued and repurchase/conversion of convertible bonds.

At the end of fourth quarter 2011 the company has 7.8 MNOK cash and cash equivalents compared with 26.4 MNOK in 2010.

BALANCE SHEET

At the end of December 2011 the Group's assets had a book value of 295.6 MNOK compared with 220.6 MNOK in 2010. Fixed assets amounted to 166.4 MNOK. MNOK 73.9 relates to hatchery and on-growing facilities and MNOK 72.6 to farming equipment, boats and facilities at farming sites. Current assets amounted to 129.3 MNOK. This reflects 14.7 MNOK in trade receivables, 86.2 MNOK in biomass value, 4.2 MNOK feed in storage, 7.8 MNOK in cash and other receivables of MNOK 16.3.

The Group's equity as of 31.12.2011 is 155.5 MNOK compared with 117.7 MNOK for 2010. The company has no distributable equity.

Long term-debt in the company is 75.4 MNOK of which 6.2 MNOK reflects the convertible bonds issue, 0.1 MNOK is pension liabilities, 44.0 MNOK reflects debt to Innovation Norway and 24.0 MNOK reflects financial leasing and debt to other financial institutions. The company has short-term debt of 64.7 MNOK, compared to 23.5 MNOK in 2010. 27.6 MNOK reflects trade payables, 4.5 MNOK reflects convertible bond, 14.2 MNOK reflects biomass funding from bank, 7.1 MNOK reflects financial leasing and 9.6 MNOK reflects other debt.

INCOME STATEMENT

		IFRS			
		January - December		4th quarter	
Unaudited (NOK 1000)	Note	2011	2010	2011	2010
Revenue		122 865	139 733	21 299	37 934
Consumables used		128 662	122 160	36 767	34 713
Inventory change		11 894	-124	-25 579	8 357
Salaries	12	23 703	24 725	10 881	4 353
Depreciation, amortisation and impairment charges		21 143	19 723	8 409	4 428
Other expenses		28 175	21 243	10 150	5 593
Operating profit before biomass adj.		-90 712	-47 994	-19 329	-19 509
Biomass adjustment		0	0	0	0
Operating profit		-90 712	-47 994	-19 329	-19 509
Financial income		9 858	1 444	749	512
Financial cost	13	-13 470	-15 146	-3 715	-3 946
Net finance		-3 612	-13 702	-2 967	-3 435
Profit before income tax		-94 324	-61 696	-22 295	-22 943
Income tax (expense) / income		0	0	0	0
Profit for the period		-94 324	-61 696	-22 295	-22 943
Attributable to:					
Equity holders of the company		-94 324	-61 696	-22 295	-22 943
Earnings per share for profit attributable to the equity holders of the company, expressed in cents per share		NOK per share	NOK per share	NOK per share	NOK per share
- basic	10	-1,36	-0,71	-0,53	-0,15
- diluted	10	-1,36	-0,71	-0,53	-0,15

BALANCE SHEET

Unaudited (NOK 1000)	Note	31 December 2011	31 December 2010
ASSETS			
Non-current assets			
Goodwill		10 589	0
Property, plant and equipment	5	153 405	101 960
Intangible assets	5	2 347	3 301
Financial assets for sale		7	102
Total non-current assets		166 348	105 363
Current assets			
Inventories		4 200	1 698
Biomass		86 167	61 575
Trade receivables		14 738	20 592
Other receivables		16 333	4 983
Cash and cash equivalents		7 802	26 432
Total current assets		129 240	115 280
Total assets		295 588	220 644
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	6	657 750	522 934
Other equity	6	17 841	20 532
Retained earnings	6	-520 427	-425 775
Total equity before minority interests		155 164	117 691
Minority interests		328	0
Total equity		155 492	117 691
LIABILITIES			
Non-current liabilities			
Pension liabilities	8	134	134
Other provisions		1 028	0
Borrowings	7	68 036	31 987
Convertible loan	13	6 189	47 361
Total non-current liabilities		75 387	79 482
Current liabilities			
Trade payables		27 583	15 285
Indirect taxes and excises		1 791	667
Borrowings	7	22 186	3 473
Convertible loan	13	4 500	0
Other current liabilities		8 650	4 046
Total current liabilities		64 709	23 472
Total liabilities		140 096	102 953
Total equity and liabilities		295 588	220 644

CASH FLOW

	Twelve months ended 31 Dec	
	2011	2010
Unaudited (NOK 1000)		
Cash generated from operating activities		
Operating profit for the period	-90 712	-47 994
Interest paid	-6 915	-5 515
Depreciation and amortisation	21 143	19 835
Fair value adjustment of financial assets	850	0
Share option costs	376	3 610
Gain/loss on sale of assets	165	-2 275
Change in inventories	10 957	2 203
Change in trade receivables	10 008	-2 712
Change in trade payables	-5 249	-1 836
Change in other	11 057	2 201
Net cash generated from operating activities	-48 320	-32 483
Cash flow from investing activities		
Purchase of property, plant and equipment (PPE)	-746	-915
Government grants received	0	1 108
Proceeds from sale of PPE	525	31 678
Purchase of financial assets	-850	0
Interest received	2 400	1 444
Net cash used in investing activities	1 329	33 315
Cash flow from financing activities		
Repayments of borrowings	-24 416	-31 543
Proceeds from share issue	52 776	50 424
Net cash used in financing activities	28 360	18 881
Net (decrease)/increase in cash and cash equivalents	-18 631	19 713
Cash and cash equivalents at beginning of the period	26 432	6 718
Cash and cash equivalents at end of the period	7 802	26 432
Restricted cash as of 31 December	1 279	539
Cash and cash equivalents at end of the period adjusted for restricted cash	6 522	25 893

CHANGE IN EQUITY	Attributable to equity holders of the Company				
	Notes	Share capital/ share Premium	Other reserves	Retained earnings	Minority interest
Unaudited (NOK 1000)					Total
Balance at 1 January 2011		522 934	20 532	-425 775	117 691
Share capital issue		136 980			136 980
Expenses related to increase of share capital		-2 165			-2 165
Awarded options - amount recognized in P&L			376		376
Other equity transactions			-3 067		-3 067
Recorded minority interests				-328	328
Profit for the period				-94 324	-94 324
Balance at 31 December 2011		657 750	17 841	-520 427	328
					155 492

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 at sea in Gildeskål, Vanylven, Selje and Hareid.

The condensed consolidated interim financial statements for the period from Jan - Dec 2011, consist of Codfarmers ASA and its subsidiaries Cod Processing AS, NAP Marine AS and Cod Juveniles AS. With effect from the acquisition day September 19, Atlantic Cod Farms AS (with subsidiaries Atlantic Cod Juveniles AS, Festøy Eiendom AS and Fjord Gadus AS) is included in the consolidated profit and loss statement, and in the balance sheet as of December 31.

5 CAPITAL EXPENDITURE

31 Dec 2010

Opening net book amount 1 January 2010	154 929
Additions	484
Disposals	-30 428
Depreciation/amortisation, impairment and other movements	-19 723
Closing net book amount at 31 Dec 2010	105 261

31 Dec 2011

Opening net book amount at 1 January 2011	105 261
Additions	746
Disposals	-693
Additions from subsidiaries acquired in 2011	71 581
Depreciation/amortisation, impairment and other movements	-21 143
Closing net book amount at 31 Dec 2011	155 752

NOTES

6 CAPITAL

Capital	Number of shares ('000)	Ordinary shares	Share premium	Other equity and minority interests	Total
Opening balance 1 January 2010	42 677	4 268	468 242	-347 157	125 353
Market value on awarded options				3 611	3 611
Proceeds from share capital issue	106 862	10 687	42 744		53 431
Expenses related to share capital issue			-3 007		-3 007
Result				-61 696	-61 696
At 31 Dec 2010	149 539	14 955	507 979	-405 000	117 691
Opening balance 1 January 2011	14 955	14 955	507 979	-405 244	117 691
Market value on awarded options				376	376
Net proceeds from share issue	27 329	27 329	109 652		136 981
Expenses related to share capital issue			-2 165		-2 165
Other equity transactions				-3 067	-3 067
Result				-94 324	-94 324
At 31 Dec 2011	42 284	42 284	615 466	-502 259	155 492

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	31 Dec 2011	31 Dec 2010
Non-current	68 036	31 987
Current	22 186	3 473
Total	90 222	35 460

Movements in borrowings is analysed as follows:

2010

Opening amount as at 1 January 2010	68 367
Repayments of borrowings	-32 907
Closing amount as at 31 Dec 2010	35 460

2011

Opening amount 1 January 2011	35 460
Repayments of borrowings	-6 570
Additions from subsidiaries aquired in 2011	61 333
New borrowings	0
Closing amount as at 31 Dec 2011	90 222

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)

	January - December	
	2011	2010
- basic	-1.36	-0.71
- diluted	-1.36	-0.71

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 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 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 29 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 ACQUISITION OF ATLANTIC COD FARMS AS

On September 19th Codfarmers ASA closed a transaction with the former share holders of Atlantic Cod Farms AS, and acquired 99.1% of the shares. The purchase was financed by an issue of 16,604,244 shares in Codfarmers ASA.

Purchase price allocation:

Value of fixed assets:	TNOK 70.538
Value of current assets:	TNOK 60.810
Total assets:	TNOK 131.348
Debt and other obligations	TNOK 87.142
Equity	TNOK 44.206
Consideration (value of shares)	TNOK 54.795
Goodwill	TNOK 10.589

14 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Codfarmers ASA has 7th of February entered into agreements with Kontrari AS, Dolphin Management AS and AS Banan pursuant to which the Investors have undertaken to subscribe for new shares in the Company in a private placement for a total amount of NOK 30 million at a subscription price of NOK 2 per share. The Investors have also agreed to make available to the Company an interest free loan in the amount of NOK 30 million. The loan will be repaid by way of setting off the loan against the corresponding subscription amount for the new shares allocated to the Investors in the Private Placement.

Codfarmers will use the net proceeds from the Private Placement and the Subsequent Share Offering (as defined below) for the purpose of strengthening its working capital to position the Company for growth and the release into sea of approximately 3 million juveniles in 2012. Codfarmers will implement a subsequent share offering of up to 15,000,000 new shares at a subscription price of NOK 2 per share. The Subsequent Share Offering will be directed towards existing shareholders of the Company as of 7 February 2012 other than (i) Dolphin Management AS, AS Banan and Halfdan Holme AS (an affiliated company of AS Banan) and (ii) shareholders who are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action. Further, Frode Teigen's and Kontrari AS' participation in the Subsequent Share Offering will be limited so that their aggregate holding following the Private Placement and the Subsequent Share Offering will not exceed 33.3% of the shares in the Company. The agreements and the subsequent share offering described is subject to approval at the Extraordinary General Meeting 8 March 2012.

SHAREHOLDERS

SHAREHOLDERS PER 24TH FEBRUARY 2012

Shareholders	Citizen	Shares	Ownership
TEIGEN FRODE	NOR	11 384 699	26,9 %
DOLPHIN MANAGEMENT A	NOR	7 136 834	16,9 %
KONTRARI AS	NOR	2 521 886	6,0 %
ODIN NORGE	NOR	1 964 552	4,6 %
JØKUL AS	NOR	1 486 028	3,5 %
STATOIL PENSJON	NOR	971 603	2,3 %
HAVLANDET MARIN YNGE	NOR	870 000	2,1 %
BANAN AS	NOR	837 409	2,0 %
INC INVEST AS	NOR	820 077	1,9 %
SKAGEN VEKST	NOR	697 000	1,6 %
BJÅSTADBÅKKEN AS	NOR	613 617	1,5 %
DAHL HARALD	NOR	612 939	1,4 %
DUKAT AS	NOR	574 463	1,4 %
MØRE OG ROMSDAL SÅKO	NOR	524 751	1,2 %
NIKI A/S	NOR	513 066	1,2 %
INSTITUSJONEN FRITT	NOR	362 816	0,9 %
JASIMO AS	NOR	351 546	0,8 %
BORGENHAUG GRUPPEN A	NOR	341 563	0,8 %
STATOIL FORSIKRING A	NOR	332 919	0,8 %
HALFDAN HOLME AS	NOR	326 807	0,8 %
Other		9 039 611	21,4 %
TOTAL		42 284 186	100,0 %

Number of shareholders: 1 334

Ownership norwegian citizen: 97.2%

Ownership foreign citizen: 2.8%

CODFARMERS ASA

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