



ANNUAL REPORT 2008



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| 26 FEBRUARY 2009 | PRELIMINARY RESULT FOR THE YEAR 2008 |
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| 25 FEBRUARY 2010 | PRELIMINARY RESULT FOR THE YEAR 2009 |
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History

The Lerøy Seafood Group can trace its operations back to the end of the 19th century, when the fisherman-farmer Ole Mikkel Lerøen started selling live fish on the Bergen fish market. This was fish he either had caught himself or had bought from other fishermen. The fish was hauled to market in a corf behind Ole Mikkel Lerøen's rowing boat, a journey that could take between six and twelve hours, depending on prevailing winds and currents.

Over time, Ole Mikkel Lerøen's operations gradually came to include retail sales in Bergen, the sale of live shellfish and a budding export business. In 1939, two of his employees, Hallvard Lerøy sr. and Elias Fjeldstad, established what today has become one of the Group's principal sales companies - Hallvard Lerøy AS. Since its establishment, the company has been a pioneering enterprise in a number of fields in the Norwegian fishing industry. The main focus has always been on developing markets for seafood products, and the company has frequently led the way into new markets or been the first to commercialise new species. The pioneering spirit is still very much alive in the Group.

Since 1999, the Group has acquired substantial interests in various domestic and international enterprises. Late in 2003 the Group acquired all the shares in Lerøy Midnor AS and bought Lerøy Aurora AS in 2005. The companies Lerøy Fossen AS and Hydrotech AS were acquired in 2006. In 2007 the Group continued expanding the aquaculture activity by acquiring the company Lerøy Austevoll AS. The Group's investments in downstream activities the last years, have established the Group as a national and international distributor of fresh fish. Because of these and similar investments over the last ten years, the Group has now developed into a totally integrated seafood group with a solid foundation for further development. At the end of 2008 the Group had 1 425 employees. Also in 2008, Austevoll Seafood ASA increased its ownership from 33.34% to 74.93% through a mandatory offer.

Up to 1997, the Group was a traditional family company. In 1997, a private placing with financial investors was carried out for the first time. In connection with this placing in 1997, the company was reorganised as a public limited company. The company was listed on the stock market in June 2002. Since then, the company has introduced several stock issues, most recently in March 2007. The availability of capital has been an essential ingredient in the Group's development from a seafood exporter to a wholly integrated seafood group. Stock exchange listing of the parent company Lerøy Seafood Group ASA provides access to venture capital and in selected cases the shares are used as payment in kind in connection with acquisitions.

At the beginning of 2009 the Group is well situated for continued strengthening of its position as a central actor in the international seafood industry.



Key figures and strategic events

Key figures

Figures in NOK 1 000

	2008	2007	2006
Sales revenues	6 057 053	6 290 898	5 616 592
Ordinary depreciation	197 023	153 846	84 707
Operating result before biomass value adjustment	337 206	387 215	683 757
Operating result	300 837	403 053	769 695
Result before tax	164 046	368 826	858 383
Annual result	127 052	279 564	652 445
Earnings per share	2.33	5.75	15.86
Diluted earnings per share	2.33	5.71	15.70

Important strategic events the last 10 years

1998	Sale of Portnor Lda
1999	Investment in Hydrotech-Gruppen AS
2000	Infusion of capital
2001	Investment in Egersund Fisk AS
2001	Investment in Scottish Sea Farms Ltd
2001	Investment in distribution in Sweden (Lerøy Sverige AB)
2002	Infusion of capital
2002	Listing on the stock exchange
2002	Investment in smoking company in Sweden (Lerøy Smøgen Seafood AB)
2003	Acquisition of Lerøy Midnor AS
2003	Infusion of capital
2004	Acquisition of 60% of shares in Portnor Lda
2004	Acquisition of fish farming capacity in Mid-Norway
2005	Partnership with Alarko Holding in Turkey
2005	Infusion of capital
2005	Acquisition of Lerøy Aurora Group
2005	Acquisition of Laksefjord AS
2005	Investment in distribution in Norway and Sweden
2005	Bulandet Fiskeindustri AS included in group structure
2006	Investments resulting in nation-wide distribution of fresh fish
2006	Acquisition of Lerøy Fossen AS
2006	Infusion of capital
2006	Acquisition of Bjørsvik Settefisk AS
2006	Purchase of 100% of shares in Lerøy Hydrotech AS
2007	Infusion of capital
2007	Purchase of 100% of shares in Lerøy Austevoll Holding AS
2007	Sale of the 38.3% block of shares in Egersund Fisk AS
2008	Purchase of two licences in Mid-Norway and one licence in Northern Norway
2008	Austevoll Seafood ASA increases ownership in Lerøy Seafood Group ASA from 33.34% to 74.93% through a mandatory offer

Annual statement by the Group CEO



Capacity and will to change are vital characteristics of persons and enterprises who wish to be in control of their own development. And this has seldom been more true than now, in light of the events of late summer and autumn of 2008. The need for an ability to change and for adaptation to new framework conditions rose to record heights last year. On the other hand, Lerøy Seafood Group has been a concern in change for many years, which in my view has strengthened our ability to handle the increased uncertainty in the global economy today. Apparently, the only certain thing is uncertainty itself. Each one of us may therefore find it overly demanding when our surroundings expect us to produce ever more precise forecasts for the future. However, difficult though it may be, I feel it is important to our partners that Lerøy Seafood Group can be perceived as a predictable entity. What started as a financial crisis in the US has gradually revealed itself to be just the top of an iceberg. We are now experiencing a downturn in the global economy that can only be described as a confidence crisis. All trade, national or international, is founded on confidence between trading parties and it is therefore of

utmost importance that our customers can trust us and vice versa. More than ever, we who work in Lerøy Seafood Group must inspire to confidence, and I know we will.

The meaning of the word “crisis” depends of course on who uses it and the context in which it is being used. A crisis will have different meanings when used about a business enterprise or when speaking of personal, national or international events. The fact remains that as an enterprise we must deal diligently with the world around us and its various challenges such as the financial crisis, climate crisis, health crisis, poverty crisis, security crisis, resource crisis and the food crisis. Even if these crises are real enough, as a responsible company we must maintain a positive attitude and not give up. Rather, we should endeavour to meet our day to day challenges in a way that reduces the scope of crises in the world. It would of course be misleading to say that all the crises arose suddenly in 2008 and, in fact, many will claim that the financial crisis is just the impetus we need to think innovatively about sustainable solutions to other crises. Positive thinking is important and we must seek happiness in our every day activities and challenges. Similarly, it is also important that each person and company feels that their efforts actually make a difference.

The ocean is a giant food resource and must be treated with respect. For this reason, Lerøy Seafood Group will always comply with requirements that apply to our activities in or near the ocean. Moreover, in addition to meeting public requirements, we shall also work to develop our industry so that our activities are carried out with a minimum of harm. An important element in this work is to generate factual information about the sustainable capacity of each

production location. The first priority is, of course, to preserve nature for future generations. But to be on nature’s side is also good economics and this, in fact, is the best incentive we have to develop and operate our activities on nature’s premises.

«Positive thinking is important and we must seek happiness in our every day activities and challenges. Similarly, it is also important that each person and company feels that their efforts actually make a difference.»

Lerøy Seafood Group depends on transportation for receiving input factors from suppliers and for sending finished products to customers. Smart solutions in transportation and logistics require long-term thinking, which in turn requires that we establish sound, long-term alliances with suppliers and customers. These may be alliances that allow for reduced use of throwaway packaging, increased net product weight, bulk deliveries of feed, etc. Recirculation of fresh water in our smolt production is another example of how we can reduce energy consumption. Again, good environmental solutions are good economics and I hope that all of us in Lerøy Seafood Group together with our partners will continuously strive to find smarter solutions to the challenges in our day to day operation.

For further environmental information, please see the Group’s environmental assessment report for 2008 at www.leroy.no.

All who work in Lerøy Seafood Group are directly or indirectly involved in the vital task of producing and distributing food from the sea. The world population has a growing need for food and for nutritious seafood in particular. The future growth of marine food production depends on sustainable management of the world's fisheries and protection of the ocean as an ecological system. Quota systems must be based on research and experience, and nations and business enterprises must loyally comply with the at any time applicable regulation regimens. We will also need national regulations and international agreements to ensure that the ocean remains suitable for food production in the future.

«It is important that we are committed and concerned about the quality of what we produce so that our customers can have confidence in us and in the products we supply.»

In recent years the Group has invested significant amounts in development of knowledge, management systems and state of the art equipment. We have done so to ensure that we can meet the various requirements from our customers and the authorities in the countries where we are established. I am confident that all of us in Lerøy Seafood Group will show through our attitudes and activities that we protect the environment on land and sea. It is important that we are committed and concerned about the quality of what we produce so that our customers can have confidence in us and in the products we supply. Lerøy Seafood Group depends on being our customers' preferred partner.

I want to express my appreciation for being allowed to work in a concern that, in my view, has competent personnel in all units and who over time have maintained an admirable work ethic and performance attitude. The qualities and capabilities possessed by each and every one in the concern constitute the most important competitive advantage of Lerøy Seafood Group in meeting the challenges facing us. Through many years Lerøy Seafood Group has been managed with a vision of being the world's leading seafood supplier. This vision will be continued. I am humble in the face of the challenges ahead of us, but remain confident that we who work in Lerøy Seafood Group together with our partners will be able to develop the Group even further. We shall accomplish this by each one of us taking responsibility for assigned tasks and by helping each other in the daily work. We must never forget that it is in our daily effort and in collaboration with customers and suppliers that we generate results. It is in the daily work that we grow as individuals and, not least, secure our exiting and interesting jobs.

In closing I want to thank all employees for their contribution in 2008. And finally, but importantly, on behalf of all who work in Lerøy Seafood Group I wish to express confidence in our will to improve in order to meet our customers' requirements even better in the years ahead.



Helge Singelstad
Group CEO
Lerøy Seafood Group



Corporate governance

Corporate Governance is an international concept which tentatively may be translated to Norwegian as Shareholder Management and Control. We understand the concept to be a collective term covering the company's behaviour and customary practices within several sectors, such as management practice, mechanisms for management and control, board of director ethics and shareholder policies. Several of these sectors are governed by company law representing a minimum of what the company's various partners may expect. Requirements from the Oslo Stock Exchange and the Group's own goals in conjunction with demands from international and national partners for continuously profitable commercial activities, imply that Lerøy Seafood Group shall be recognised for exercising Corporate Governance beyond the minimum requirements.

For the sake of good order, we must point out that this chapter is not a complete description of the company's Corporate Governance. Rather, it is a review of some specific and central elements of the Corporate Governance concept that relates to the interface with the company's present and future owners.

* ACTIVITIES

The company's articles of association define its commercial activities as follows: "The Company's purpose is acquisition and management of shares and activities associated with this". The parent company's articles of association reflect that the parent company is a holding company established

exclusively for the purpose of owning other companies. The Group's activities are represented by the annual report as a whole, but can be summarised as follows: "The Group's core activities are distribution, sale and marketing of seafood, processing of seafood, production of salmon, trout and other species, as well as product development". The Lerøy Seafood Group has the established goal of becoming the leading and most profitable global supplier of seafood.

* THE BOARD OF DIRECTORS AND ITS FUNCTION

In its central position between owners and management, it is the Board of Directors' function to safeguard the shareholders' need for strategic governance and operational control. The function and focus of the Board will always vary somewhat depending on circumstances within the company and on developments in the external business environment.

The transformation of the Lerøy Group from a family company to a listed public limited company has been guided by the owners' clear awareness of the type of Board the company needs. The process to establish a Board with members from various fields of expertise and independent of the Group's management team and largest shareholders was initiated by the owners already at the end of the 1980s. Since the early 1990s, the majority of the members of the Lerøy Group Board have been independent of the Group's management team precisely in order to protect the Board's ability to challenge management practices. In part because of the Board's composition (size and independence from management and main owners, etc.), there has so far been no need for establishing so-called "board committees".

For several years, as well as in its eleven meetings in 2008, the Board has maintained a particular focus on the connection between practical operations and strategic business development. The Board and company management has since 1997 worked purposefully to develop the Group into a wholly integrated leading and profitable seafood group. This work has for a considerable time been carried out in accordance with our public announcements. In this respect, reference is made to the "Purpose of Share Distribution" described in the prospectus issued for the registration on the Oslo Stock Exchange in June 2002: "With this share issue the company wants to secure active future participation in the restructuring and internationalisation taking place in the industry. Consequently, in order to capitalise on past performance and to be in position for future earnings, the Lerøy Seafood Group will assess possible acquisition and merger alternatives as well as possible alliances that may enhance the basis for further profitable growth". The Board's work reflects this strategy and the results are shown through management implementation.

The Group's activities are varied, depending on each unit's position in the value chain, and consequently require differentiated forms of management and follow-up. Good internal management systems are essential for success, but these must be continuously developed in order to accommodate changing economic conditions. The Group's regional structure with independent units, also in respect of short term reporting, facilitates good control and powerful focussing. The internal control is based on daily and weekly reports that are summarised to monthly reports tailored to the individual company, while at the same time providing satisfactory reporting on group level.



When recruiting board members, the company's owners have already for many years considered the company's needs for varied competency, continuity, renewal and changes in ownership structure. It will always be in the company's interest that the composition of the Board varies in line with the demands made on the company and with expectations to Group performance. The Board's assessment of itself and of Group management must of necessity be seen in conjunction with the Group's performance. So far the Board has not issued reports on its assessment of its own work; this is a conscious priority decision and must be viewed in connection with other announcements in the company's communications to the public. Moreover,

external assessments of the Board's work are probably the most influential and are likely to be so in the future.

The current Board members are:

Chairman of the board of directors, **Svein Milford**, was first appointed to the Group's board by the ordinary shareholders' meeting on 24.04.95. Milford was subsequently elected to the chairmanship by the ordinary shareholders' meeting on 12.05.00. Milford is 65 years old and has a degree in electronic engineering (1965), a BA in economics from the Norwegian School of Management - BI (1970) and an MBA from the University of Oregon (1971). Milford has considerable experience from leading positions in Norwegian and international business enterprises. In recent years, Milford has

run his own consultancy business and is chairman of the boards of several companies. At 31.12.08, Svein Milford owned – directly or indirectly – 5 700 shares in the company.

Board Member **Ole Rasmus Møgster** was appointed to the board of directors by the ordinary general shareholders' meeting on 21.05.07. Ole Rasmus Møgster is 50 years old and is one of the principal owners in Laco AS, which is principal shareholder in Austevoll Seafood ASA and DOF ASA. Ole Rasmus Møgster was previously managing director in Austevoll Havfiske AS and has many years of experience from fishing, fish processing and salmon farming. He is on the boards of several companies. Ole Rasmus Møgster indi-

rectly owns shares in Lerøy Seafood Group ASA as a shareholder in Austevoll Seafood ASA.

Board member **Fons Brusselmans** has been a member of the Board since the 1998 ordinary shareholders' meeting. Fons Brusselmans is 58 years old and a graduate in business economics from the Norwegian School of Management - BI (1978). Brusselmans has held management positions in international service industries for a number of years. In addition, Brusselmans also has broad experience in working on the boards of international commercial enterprises. At 31.12.08, Fons Brusselmans owned 5 800 shares in the company.

Board member **Britt Kathrine Drivenes** was appointed to the Board by the ordinary shareholders' general meeting on 20.05.08. Drivenes is 46 years old and holds a BA degree in Business Administration from the Norwegian School of Management - BI (94). Drivenes is chief financial officer at Austevoll Seafood ASA and is also a board member in a number of companies. Drivenes owns no shares in the company as per 31.12.08.

Board member **Hege Charlotte Bakken** was appointed to the board by the extraordinary shareholders' meeting on 12.12.08. Bakken is 36 years old and holds an MSc degree from the Norwegian University of Life Sciences (98) and an Executive MBA from ESCP EAP European school of Management (08). Bakken is today director of purchasing and logistics at Pronova BioPharma Norge AS. Among other areas, Bakken has previous experience from FishMarket International AS, FrioNor AS and Norway Seafood AS. Bakken is Board Member in Pronova BioPharma Norge AS and Pronova BioPharma ASA. Bakken owns no shares in the company as per 31.12.08.

Board Member **Hans Petter Vestre** was appointed to the Board as the employees' representative at the ordinary shareholders' meeting on 24.04.95. Vestre is 42 years old and a graduate of the Norwegian College of Fishery, University of Tromsø (1991). Vestre was employed by Hallvard Lerøy AS as sales manager in 1992 and is today departmental head in Hallvard Lerøy AS. Hans Petter Vestre owned 120 shares in the company on 31.12.08.

The Group structure, with autonomous units in different regions, is supervised through participation by Group staff in the administrative bodies in the various companies. Also the employees, through their representatives on the boards of the subsidiaries, contribute to satisfactory operational development. The Board has not elected a vice chairman and so far the Board chairman has always been present. In case of his absence, the Board will make satisfactory arrangements for chairing the meeting.

Election committee

The ordinary shareholders' meeting on 25.05.05 voted to change Article 5 of the company's articles of association to give the company a permanent election committee consisting of three members elected by the shareholders' meeting for a period of two years. The company's election committee is charged with preparing suggestions for the composition of an owner elected board of directors and to submit recommendations to the shareholders' meeting for appointments to the board. At present the election committee members are Didrik Munch (chairman), Helge Møgster and Benedikte Fasmer Schilbred.

*** DIVIDEND POLICY**

Based on continued growth and improved profitability, Lerøy Seafood Group aims to create financial values for its shareholders, staff and the com-

munity in general. Lerøy Seafood Group aims to provide a satisfactory rate of return from all its activities. The yield to shareholders in the form of dividend and share price performance ought to reflect the company's value generation. Distributed dividend should develop in line with the company's financial strength, growth and profitability. The recommended dividend distribution for the year is NOK 2.80 per share, which is in line with the company's traditional dividend policy.

The company's dividend policy implies that, over time, dividends should lie in the region of 30% to 40% of net profits after tax. However, care must be taken throughout to ensure that the Group operates in line with good financial contingency planning in preparedness for new and profitable investments. In the long run, value generation will increasingly be in the form of higher share prices rather than in declared dividend.

*** FINANCIAL GOALS**

On-going structural changes in the global industry in which the company operates, seen in conjunction with the cyclical nature of the industry, demand that the company at all times must maintain a satisfactory financial preparedness. This in turn requires a close relationship with the company's shareholders and equity capital markets. The company has always stressed the importance of maintaining the confidence of its financial partners and thus also access to necessary loan capital on favourable terms. The Group's financial goals as established by the Board and management, must be reflected in quantified parameters for financial strength and yield. The established requirement for financial adequacy stipulates that the Group's equity ratio should be at least 30% over time. The Group's long term earnings goal is to maintain an annual yield on the Group's average employed

capital of 18% before tax. It will be necessary to assess and adjust the Group's financial goals from time to time in response to changes in significant external parameters such as interest levels, but also in response to significant changes in the Group's spheres of activity.

* **SHAREHOLDERS' MEETING**

Negotiability and voting rights

From 03.06.02, the shares in Lerøy Seafood Group ASA have been quoted on the main listing of the Oslo Stock Exchange and are freely negotiable within the provisions of Norwegian law. The company has only one class of shares and each share carries one vote at the shareholders' meeting. Shareholders' rights are governed by the Public Limited Companies Act (Norway), cp. in particular Chapter 4 of the Public Limited Companies Act (Norway).

Attendance or proxy

Shareholders may cast their votes at the shareholders' meeting either by attending in person or by proxy.

Authorities granted to the board of directors

Authorities are granted to the board of directors in accordance with the Public Limited Companies Act (Norway), cp. in particular Chapters 9 and 10 of the Act.

The first time the Board was authorised to acquire the company's own shares was at the ordinary shareholders' meeting on 12.05.00. This authority has subsequently been renewed, most recently at the ordinary shareholders' meeting on 20.05.08, and is to remain valid for 18 months from the date on which the resolution was adopted. The authority was exercised in 2008. An extension of the authority will be recommended to the ordinary shareholders' meeting on 26.05.09. At 31.12.08 the company owned 229 776 of its own shares.

The Board is authorised to increase the share capital by up to NOK 1 200 000 by issuing up to 1 200 000 shares, each with a face value of NOK 1 through one or more private placings with employees of Lerøy Seafood Group ASA and its subsidiaries. The Board's authority must be seen in light of the company's established option programme, see below. This type of authority was first established by the extraordinary shareholders' meeting on 10.12.97 and has subsequently been renewed, most recently by the ordinary shareholders' meeting on 20.05.08. This authority is valid for two years from the time the resolution was adopted. An extension of the authority will be recommended to the shareholders' meeting on 26.05.09. The authority has not been exercised.

The Board had authority to increase the share capital by up to NOK 5 000 000 by issuing up to 5 000 000 shares in Lerøy Seafood Group ASA, each with a face value of NOK 1, through one or more private placings with the company's shareholders and/or external investors. This type of authority was first established by the ordinary shareholders' meeting of 04.05.99 and subsequently renewed by the ordinary shareholders' meeting on 20.05.08. The Board did not exercise this authority in 2008 and it will be recommended that an equivalent authority be approved by the ordinary shareholders' meeting on 26.05.09.

The Board's powers to distribute shares are limited in time, not only for operational reasons, but also in order to clearly show that the company is growth oriented and that shares are regarded as an important means of payment. This practice is established to ensure an optimum strategic business development for the company. Moreover, the Board has established the practice of having the authorisations renewed at each ordinary shareholders' meeting.

Compensation including Options

The Board's compensation is not performance based. The Board members have no share options. The Board's total compensation is shown in a separate note to the accounts. If enterprises that board members are associated with perform work for the company's Board, the question of independence is treated specifically by the Board.

The Group's development is closely linked to the Group's ability to recruit and keep managerial staff and the Group employs various models for remuneration of management personnel at competitive terms. Such compensation may vary over time both in respect of level and form of payment. In addition to the annual salary, the Group uses a performance based bonus not exceeding the respective annual wage, lump sum non-recurring amounts, sign on fees, arranged leave of absence, education possibilities and option agreements (see below). The Group has collective pension schemes. For logical reasons, the Board by its chairman has until now handled all practical matters in respect of agreements with the Group CEO. The compensation is reviewed annually, but is assessed over several years in order to secure continuity. The Board limits the use of so-called termination wages, but it has been practiced in a few cases and then limited to two years' salary. Termination wages may at times be a good alternative for all parties involved.

Since the spring of 1999, the Board has used options as an important instrument in the Group's development (see also the treatment of options in note 14 to the accounts). In its meeting on 20.06.06 the Board established a new option scheme limited to 700 000 options at NOK 125 each. These options were fully distributed as at 29.02.08, and one third of the options can be exercised in the month of May in 2009, 2010 and 2011 respectively.

On 23.02.05 the Board approved an option scheme for 600 000 options with an exercise price of NOK 40 each. One third of these options could be exercised in May 2007 while the remaining two thirds could be exercised in May 2008. A total of 321 333 of these options were exercised in May 2008 and were redeemed with own shares.

Reference is made to descriptions of option schemes and their consequences elsewhere in the annual report. Common to all the option programmes is that if the option holder leaves the company, any options not exercised will lapse. Moreover, the exercise price for the various option programmes reflects the market price (or higher) at the time of allocation.

Shares at reduced price

In connection with public share issues, the first time in 1998, the company's employees have been given the right to subscribe for a limited number of shares at reduced price (20%). The company's employees have also been allowed to purchase a limited number of shares at reduced price (20%).

Auditing

The company's auditor works in accordance with an annual schedule known to the Board and the administration. The auditor is available for questions and comments to the annual accounts and other matters at the Board's discretion. The auditor reports on his work in writing to the company administration and the Board by its chairman. The Board is informed of the general nature of the services the administration buys from the auditor. Apart from normal auditing, the Board has until now found no need to request detailed descriptions of services delivered to the company. Moreover, the auditor has not been requested to submit an annual statement of independence, in as much as



the company's auditor practices internal rotation and the auditing firm is quite large.

Auditing committee

In compliance with new regulations the Board has established an audit committee consisting of Fons Brusselmans (chairman) and Britt Kathrine Drivenes (member). The audit committee will commence functioning from and including the accounting year 2009 and will report to the Board chairman. The audit committee will perform a quality audit of the internal control and reporting system and will be responsible for the Board's dialogue with and monitoring of the external auditor.

*** INFORMATION**

Lerøy Seafood Group ASA strongly emphasises correct and open information to shareholders, potential shareholders and other interested parties. Since 1997 the company has presented quarterly reports with financial information. Timely, relevant, consistent and current information is the basis upon which all interested parties will assess the value of the company's shares. The company's most important medium for distributing information will be the Oslo Stock Exchange reporting system, but the company will also present such information directly to investors and analysts. Lerøy Seafood Group will inform its shareholders through the annual report, quarterly reports and at appropriate presentations. In addition, press releases will be sent out about important events in the company's markets, or about other relevant circumstances. The company has been awarded the so-called "Information Badge" and the "English Badge" by the Oslo Stock Exchange.

The company's Internet home page will also be updated with relevant information. The company's Internet address is: www.leroy.no.

*** TECHNICAL INFORMATION**

At 31.12.08, Lerøy Seafood Group ASA had 53 577 368 shares, each with a face value of NOK 1. The company's register of shareholders, cp. S. 4-4 of the Public Limited Companies Act (Norway), was registered with the Norwegian Central Securities Depository (Verdipapirsentralen – VPS) on 28.11.97 and carries the VPS registration number ISIN NO-000-3096208. DnBNOR Bank ASA, Oslo, is the account manager. The share's so-called Ticker Code on the Oslo Stock Exchange's main list is LSG. The company's enterprise number in the Register of Business Enterprises is 975 350 940.

The overview below shows the so-called RISK values for the company's shares:

01 January 1996	NOK 0.0
01 January 1997	NOK 1,592.60
01 January 1998	NOK 3.50
01 January 1999	NOK 1.14
01 January 2000	NOK 0.83
01 January 2001	NOK 0.89
01 January 2002	NOK 1.69
01 January 2003	NOK –0.02
01 January 2004	NOK –0.59
01 January 2005	NOK –0.88
01 January 2006	NOK –1.80

RISK values have not been calculated since the 2006 accounting year because of changes in the tax regulations.

Adjustment factors used when redistributing RISK amounts after share splits:

Share split on 11.05.1998,	factor 0.10000
Share split on 30.06.1997,	factor 0.00100

Actual distributed dividend for the accounting year 2004 was 0.80 per share. Each shareholder can therefore demand RISK per 01.01.05 adjusted from -0.88 per share to -0.80 per share.

*** FINANCIAL CALENDAR**

The company reserves the right to alter the financial calendar during the year.

26 February 2009

Preliminary result for the year 2008

12 May 2009

Presentation of result for 1st Quarter 2009

26 May 2009

Ordinary shareholders' meeting

The shareholders' meeting will be on 26 May 2009 at 10:00 a.m. in the company's office at Bontelabo 2, 5003 Bergen. Shareholders wishing to attend are asked to notify the company via the meeting slip or the proxy form attached to the summons, no later than Monday, 25 May 2009.

The Board has recommended a dividend of NOK 2.80 per share. If the shareholders' meeting approves the recommended distribution, it will be paid to the shareholders on 9 June 2009. The shares are quoted exclusive of dividend on 27 May 2009.

13 August 2009

Presentation of the result for 2nd Quarter 2009

12 November 2009

Presentation of the result for 3rd Quarter 2009

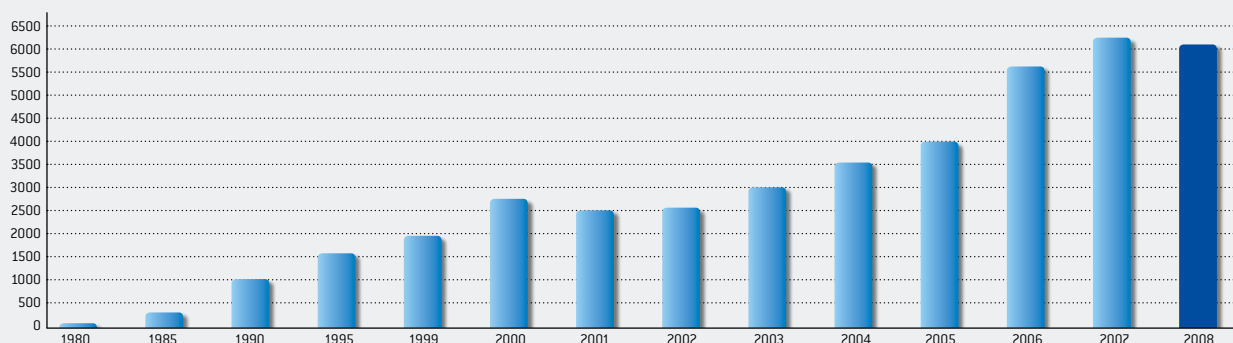
25 February 2010

Presentation of preliminary result for the year 2009

Key figures and graphs for the Group 2008

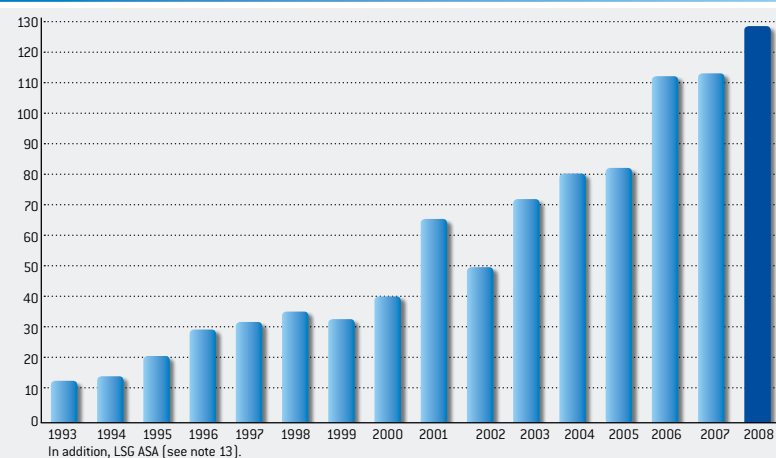
TURNOVER

Figures in NOK million



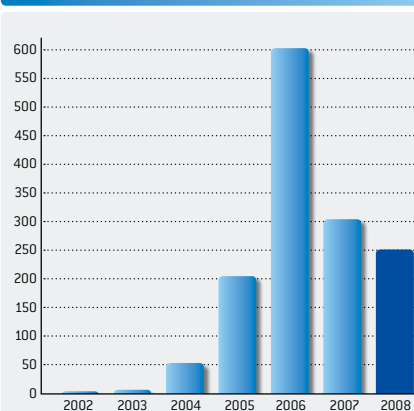
OPERATING PROFIT – SALES AND DISTRIBUTION

Figures in NOK million



OPERATING PROFIT BEFORE BIOMASS ADJUSTMENT - PRODUCTION

Figures in NOK million



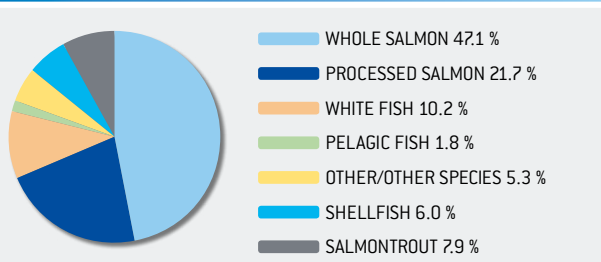
FINANCIAL KEY FIGURES

Figures in NOK

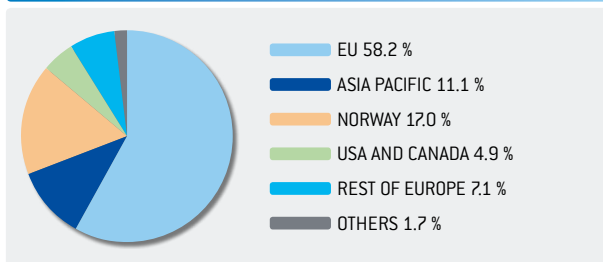
	2008	2007	2006	2005	2004
Profit margin ¹⁾	2.71 %	5.86 %	15.28 %	10.27 %	3.96 %
Operating margin ²⁾	4.97 %	6.41 %	13.70 %	8.78 %	3.77 %
Operating margin before biomass value adjustment	5.57 %	6.16 %	12.17 %	6.83 %	3.72 %
Earnings per share ³⁾	2.33	5.75	15.86	8.65	2.42
Earnings per share before biomass value adjustment	2.83	5.80	14.00	6.73	2.12
ROCE ⁴⁾	5.51 %	9.44 %	32.94 %	31.08 %	14.15 %
ROCE before biomass value adjustment	6.38 %	9.85 %	31.06 %	25.43 %	13.40 %
Equity ratio ⁵⁾	48.37 %	50.34 %	41.75 %	50.51 %	45.12 %

1) Profit margin = Profit before tax/sales revenues, 2) Operating margin = Operating profit/sales revenues, 3) Earnings per share = Majority share of annual profit/average no. of shares, 4) ROCE = (profit before tax + net financial items)/(average net interest bearing debt + average equity), 5) Equity ratio = Total equity/total assets

SALES PER PRODUCT GROUP IN 2008



SALES PER MARKET IN 2008



Board of Directors' statement

On salaries and other remuneration to senior staff

Wage and remuneration guidelines for senior staff in Lerøy Seafood Group ASA.

* MAIN PRINCIPLES IN THE COMPANY'S WAGE POLICY

The group's development is closely linked to its ability to recruit and keep leading personnel. The group uses several models for wages and other remuneration to senior staff and total compensation may therefore vary over time both in magnitude and method of calculation. In addition to the annual salary the group also pays performance based bonuses limited to one annual wage, such as lump sum payments, sign on fees, arranged leave of absence, educational opportunities and option agreements. The group has collective pension schemes. The board of directors by its chairman has until now handled all practical matters in respect of wage agreements with the group CEO. Remuneration to other senior group staff is determined by the group CEO. Compensation is adjusted annually, but is viewed over several years in order to enhance employment continuity.

* PRINCIPLES FOR COMPENSATION IN ADDITION TO BASE SALARY

Basis: Basic salary

Salaries to managerial staff must be competitive – we want to attract and keep the most competent leaders.

The basic salary is normally the main element in the leader's compensation. There is at present no particular limit on the total compensation a senior staff member may earn.

Additional compensation:

Bonus arrangement

The compensation earned by leading staff must inspire to good work and must be structured to motivate the employee to extra effort for continuous improvement of the operation and the company's performance.

The group uses performance based bonuses that can be up to one annual wage.

Options

Since the spring of 1999 the board has used options as an important instrument in the development of the group. On 23.02.05 the board of directors approved an option programme of 600 000 options at an exercise price of NOK 40 each. One third of the options could be exercised in May 2007, while the remaining 2/3 could be exercised in May 2008. A total of 321 333 of these options were exercised in May 2008 and were redeemed with own shares.

In its meeting on 20.06.06 the board of directors decided to establish an option programme of up to 700 000 options with an exercise price of NOK 125 per option. The last of these options were allocated on 29.02.08 and 1/3 of the options can be exercised in May of 2009, 2010 and 2011 respectively.

Common to all these programmes is that the option rights will lapse on all options that are not exercised whenever the option owner's employment with the group is terminated. Also, the exercise price in all the option programmes reflect the market share price (or higher) at the time of allocation.

Pension schemes

All companies in the group satisfy the requirements in the Compulsory Work Pension Act (Norwegian: OTP). The schemes are in the main established as contribution based pension schemes.

The group's senior staff members participate in the company's collective pension schemes.

There are no particular limitations upon the type of pension schemes that can be agreed.

Termination wages

The Group seeks to limit the use of so-called "termination wages", but it has been used in certain cases and then always limited to two years wages. Under certain circumstances termination wages may be an acceptable alternative for all involved.

Non-pecuniary benefits

Senior staff will normally receive non-pecuniary benefits commensurate with their positions. There are no particular limitations on the type of non-pecuniary benefits that can be agreed

Other benefits

In connection with public share issues, first time in 1998, the company's employees have been given the right to subscribe for a limited number of shares at a reduced price (20%). The company's employees have also been allowed to purchase a limited number of shares at reduced price (20%).

* PROCEDURE FOR ESTABLISHING MANAGERIAL WAGES

Establishing the wage for the Group CEO

Compensation paid to the group CEO is determined annually by the board chairman with authority from the board. The group CEO has no option rights.

Establishing the wages for the Group's managerial staff

Compensation to each person in the group's managerial staff is decided by the group CEO. Before a final decision, the group CEO shall discuss his proposal with the board chairman. The board of directors shall be informed of the decision afterwards.

Establishing incentive schemes

General schemes for payment of variable benefits, including bonus schemes, are decided by the board of directors. The group CEO allocates such incen-



tive schemes and other benefits to the group's managerial staff within the boundaries established by the board.

Programmes that include allocation of shares, options and other forms of compensation linked to shares or the development of the share price are decided by the general shareholders' meeting. Within the boundaries decided by the general shareholders' meeting, the board of directors will make the decisions as to start and implementation of each programme. The board can also delegate such authority to the group CEO.

No-one can receive benefits mentioned in this section except when such benefits are within the boundaries established by the general shareholders' meeting.

Compensation to the board of directors

The board's compensation is not performance based. The board members have no option rights. The board's compensation is decided annually by the ordinary general shareholders' meeting.

*** MANAGERIAL WAGES IN OTHER GROUP COMPANIES**

Other companies in Lerøy Seafood Group shall adhere to the main principles in the

Group's managerial wage policy as they are described in Item 1 above.

Bergen, 30.03.09 Board of Directors in Lerøy Seafood Group ASA



Management report 2008

* CONSOLIDATED ACTIVITIES

Lerøy Seafood Group is in the business of meeting the demand for food and culinary experiences in Norway and internationally by supplying seafood products through selected distributors to producers, institutional households and consumers. Lerøy Seafood Group has a clear focus on delivering products of high quality and on developing binding, long term, profitable and cost effective collaborations both with suppliers and in the market. Lerøy Seafood Group's vision is to be the leading and most profitable global supplier of quality seafood. To attain this goal it is important that the Group works to achieve profitability in all its activities.

The Group's core activities are distribution, sale and marketing of seafood, processing of seafood, production of salmon, trout and other species, as well as



product development. The Group operates through subsidiaries in Norway, Sweden, France and Portugal and through a network of sales offices that ensure its presence in the most important markets. The Group's task is to satisfy the customer's requirements for cost-effective and continuous supplies of a wide range of high-quality seafood products. The Group's global sales network allows it to act as an efficient supplier with good product range dispersal, thus reducing risks for the Group and its partners. Lerøy Seafood Group will continue to maintain strategic geographical market dispersal, but will also use its resources to focus on selected markets with a view to maintaining or developing significant market shares.

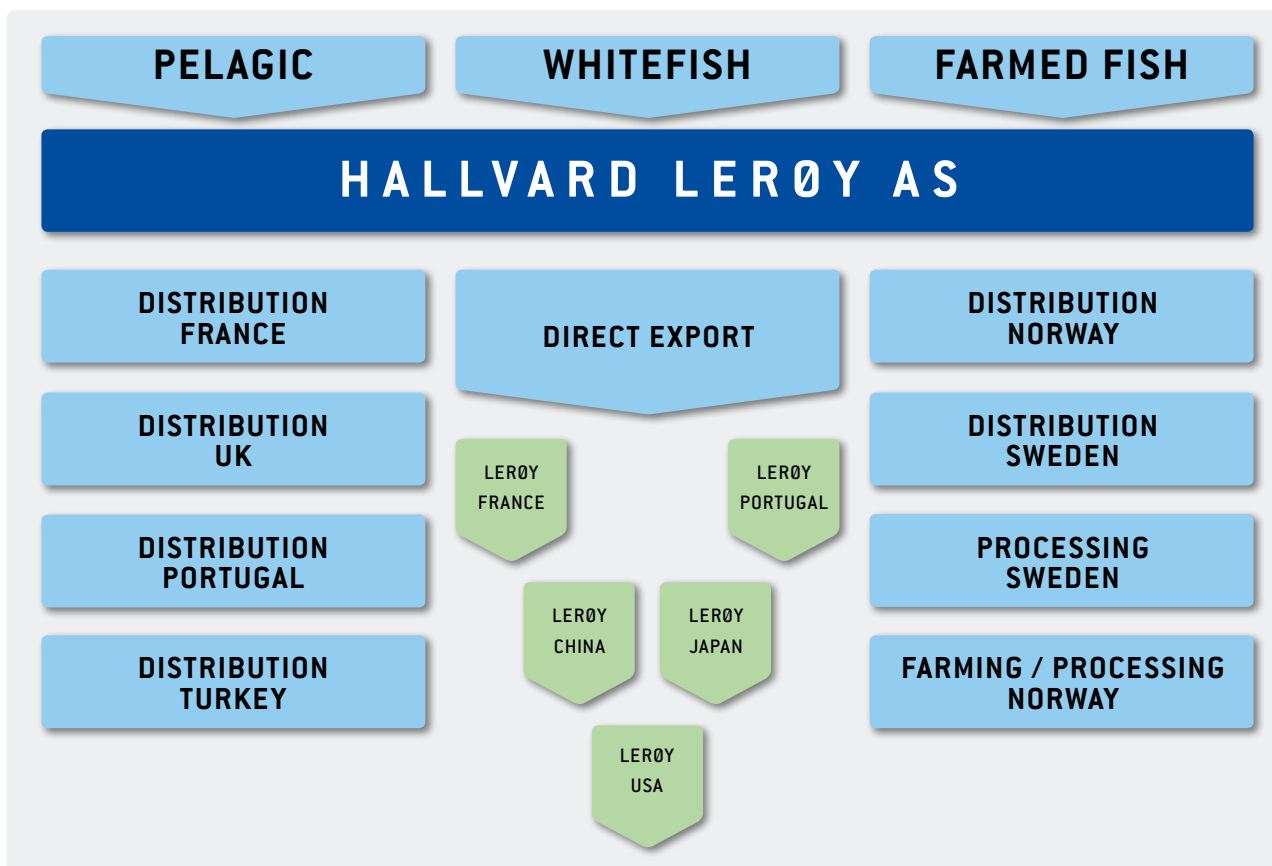
Developments in the world's food markets pose increasing demands on our marketing work and require differentiated approaches depending on the respective market area and on the products being marketed. Lerøy Seafood Group will therefore also in the future strive to provide its customers with cost-effective, individual and forward-looking solutions, thus providing the Group and its partners with the best possible opportunities for growth. It is vital that the interaction between businesses in the value chain in this network is based upon the requirements and wishes of the end user. Lerøy Seafood Group and its collaborators form a commercial network, which must strive to ensure the mutual exchange of expertise between performers. Businesses within the network, regardless of ownership, must be given ample opportunities to focus on their own core activities and to capitalise on scale advantages and reduced risks.

The Group divides its products into the main sectors of salmon products, whitefish, pelagic fish and shellfish. The distinction between farmed species

and wild fish is significant and requires different logistics and work methods. These products are distributed on the Norwegian market and more than 65 other markets worldwide. The broad range of products offered by the company provides sales advantages in most market areas. The company's strategy is to meet the market's ever-increasing demands for food safety, quality, product range, cost efficiency and continuity of supply. This is achieved by coordinating the various elements in the value chain - the Group's sales network with established strategic alliances and the sea farms, fishing vessels and fish processing plants primarily along the coast of Norway. The Group's business systems are under constant review and development.

The Group works actively to develop systems and routines that safeguard and support its requirements to profitability. In an industry in rapid growth, the demand for risk management is particularly stringent in certain areas. Traditionally, the Norwegian and large parts of the international seafood industry have been seriously undercapitalised, with an ensuing high level of financial risk. This is not compatible with the cyclical nature of the industry. Lerøy Seafood Group has always emphasised the need to secure the confidence of its financial partners, thereby gaining access to necessary outside capital on good terms. The company's financial contingency planning, both now and in the future, will allow the Group to take part in the value-generating structural reorganisation now taking place.

The seafood industry harbours a considerable potential, but if this potential is to be realised and exploited to the full, new products will have to be created and developed in line with the evolution of new markets. Lerøy Seafood Group is active in the development of new products and



markets under the motto: "What can be sold will be produced". It is important that trade between Norway and other nations can be carried out under international rules. Lerøy Seafood Group and its partners and colleagues will therefore work systematically to improve the acceptance of Norwegian seafood both nationally and internationally.

The Lerøy Seafood Group has a large portion of fresh fish products in its product range. At present the fresh fish product share is more than 80% and will be maintained in coming years. In addition, there is a clear trend towards a rising level of processing throughout our range of products. Through many years with systematic marketing of processed salmon, Lerøy Seafood Group has built up a sound position within this product area. As the degree of processing rises, regardless of the type of raw material, more and more stringent demands are

made on the actors involved. Standards of food safety, cost efficiency, quality and long-term commitment through continuity of supplies will increase in both the production and marketing sectors. Moreover, a high level of processing also requires proximity to the market and good logistic solutions. The Group works with stringent demands to food safety, cost efficiency and continuous product development.

As in the Norwegian market, the Group's position on the Swedish market is particularly strong with a good base for cost-effective distribution of seafood through the subsidiaries in Stockholm, Gothenburg and Malmö. Moreover, the Group's production unit in Smøgen, Lerøy Smøgen Seafood, represents a very exciting element within the Group. The work of efficiently organising the Group's activities in Sweden has shown positive results and we expect that the

Swedish structure will create interesting opportunities in coming years. Through Portnor Lda the Group is well positioned in the Portuguese market and Portnor Lda also ensures our representation on the Iberian Peninsula, which is an important market for Norwegian fish.

The Group's strategic investments since 2006 have made it into a nation-wide distributor of fresh fish through its own companies in Bergen, Oslo, Stavanger and Trondheim and in collaboration with other partners in the rest of the country. This strategy is long-term and will, in the company's opinion, generate good opportunities for increased earnings in the long term.

The Group's investment in Alfarm Alarko Lerøy in 2005 represents a continuation of many years of collaboration with the very sound, well-reputed and listed company Alarko Holding in Turkey. The

collaboration with this very able partner has more than satisfied the administration's expectations and appears to be developing into a very interesting venture.

In recent years the Group has invested significantly in aquaculture activities in order to support its strategic development into a supplier of high quality seafood products to quality-conscious customers in the global seafood market.

The subsidiary Lerøy Midnor AS is located in one of the pioneer districts for farming of Norwegian salmon and trout. Lerøy Midnor's result for 2008 is good, despite being influenced by the general increase in cost of input factors during the period.

The company Lerøy Aurora had intermittent biological difficulties in the reporting period, but showed good performance towards the end of the year. This good performance is expected to continue into 2009.

Since it was acquired in 2006, the company Lerøy Hydrotech AS has shown a positive development although the 2008 result is negatively influenced by the trout production. From and including 2009 Lerøy Hydrotech AS will produce only Atlantic salmon.

Lerøy Austevoll AS has had serious production problems also during the year 2008. A new operative management group is in place and the company has been merged with the trout farming part of Lerøy Fossen AS in a company called Lerøy Vest AS. Consequently, from the beginning of 2009 the Group's fish farming activities in the County of Hordaland are gathered in one company. The Group looks forward to develop this company further in close collaboration with its employees and managerial staff.

After Atlantic salmon, whitefish is the second largest product area for Lerøy Seafood Group. In recent years, this product group has developed favourably through cooperation with a number of small and medium-sized companies. Our association with these businesses will continue to expand and is expected to give us many interesting opportunities in the future. Whitefish farming continues to be a relatively modest business area, but one that is expected to probably show positive growth in coming years thanks to the industry's innovative skills and

«Since the company is engaged in a global industry where framework conditions are constantly changing, it is important that our staff maintain and extend their skills and competence»

determination. The Group believes that in the long run, the production volumes of farmed cod and halibut will be substantial. The Group expects increased demand for whitefish in the future, a demand that to a considerable degree must probably be met by the aquaculture industry.

Lerøy Seafood Group sees possibilities for stable and satisfactory earnings from sale of processed pelagic fish, provided the main markets for pelagic fish show a continued improvement in their ability to pay. The Group expects that this potential can be realised in the long term by a strong focus over several years on product development and improved market dispersal. Lerøy Seafood Group is also a supplier of fresh pelagic fish to Norwegian and European markets. The sale of fresh pelagic fish represents a small but interesting niche product.

Throughout the year 2008 Norway succeeded in sustaining its position as the world's leading producer nation of the company's main product, farmed Atlantic salmon. Even when including the catch of wild salmon, Norway is still the largest supplier of Atlantic salmon. Moreover, it seems that Norway may be able to strengthen this position in the next few years.

During recent years the Group has developed into one of the world's leading producers of salmon and trout and has consolidated its position in local distribution of seafood in Norway and Sweden. The Group has at the same time strengthened its position as Norway's leading marketing company and exporter of seafood.

The Group is exposed to the risks inherent in its core activities. In addition to credit risk, financial risk and commercial risk, etc., the Group's activities are also exposed to biological risk and political (regulatory) risk. The political risk includes everything from market access (in particular for production in Norway), changes in operational and discharge permits, licensing schemes, etc. Although there always is risk associated with the development of the world market for Atlantic salmon and trout, we anticipate that the present global recession will be balanced by a significant reduction in the global supply of Atlantic salmon due to the biological problems in Chile.

The Group has several criteria for the selection of potential alliance partners and investment objects and emphasise the alliance partner's qualifications that tend to ensure a satisfactory operation. These criteria apply among other things to management competency and, equally important, to the expertise within the organisation as a whole. It is important that the investment object's balance sheet with adjustments is

acceptable in terms of the Group's risk profile. Similarly, any potential alliance partner or investment object must understand the significance of continuous, quality-assured, market-oriented production.

The Group's core activities demand various forms of expertise and a high degree of adaptability. For this reason, our organisation is made up of people from different sectors of trade and industry with a wide range of formal backgrounds and practical experience from different fields. Since the company is engaged in a global industry where framework conditions are constantly changing, it is important that our staff maintain and extend their skills and competence. Our organisation may be described as young but experienced. Constant changes in the company's business environment require dynamic and flexible co-workers with willingness to learn and the Group has employees who meet these requirements. The employees are dedicated to improving the Group's performance and competitive ability and to making sure that each company is able to satisfy future demands and the Group's strategies and profit targets. In order to meet future challenges in the world's food markets, the Group will continue to develop its organisation through manpower projects linked to the Group's strategic goals. The rapid development in recent years has been possible because capable people have found the Group to be an attractive place of work. One of several important prerequisites for the Group's continued positive development is its ability to offer attractive jobs to as many capable employees as possible. The Group must be strongly focused on being a winner in the competition for result-oriented and competent personnel with higher than average capacities for work and change. In Norway the Group had activities in 9 counties and 38 municipalities at year's

end. The Group is a major employer in several of these municipalities and is grateful for the good support given by both local and central public authorities. In countries outside Norway the Group has most activities in Sweden and is well established in Stockholm, Gothenburg, Malmö and on the west coast in Smøgen. In other countries the Group has established activities in France, Portugal and Turkey. Finally, the Group has sales offices in several important seafood markets such as Japan, USA and China. The Group is also represented in Scotland through the affiliated company Norskott Havbruk AS.

«In Norway the Group had activities in 9 counties and 38 municipalities at year's end»

Business segments

The Group's primary business segments are Sale & Distribution and Production. This segmentation is chosen due to type of organisation and commercial risk. The production segment consists of the companies Lerøy Midnor AS, Lerøy Aurora AS, Lerøy Fossen AS, Lerøy Hydrotech AS, Lerøy Austevoll AS, Sigerfjord Aqua AS, SAS Fish Cut, Bulandet Fiskeindustri AS, Lerøy Smøgen Seafood AB, SAS EuroSalmon and Inversiones Seafood Ltda. Sale & Distribution consists of all other subsidiaries except Lerøy Seafood Group ASA (parent company). Lerøy Seafood Group ASA is not assigned to any of the segments.

Lerøy Seafood Group is experiencing rapid growth and has already established significant activities in many countries. While headquartered in Bergen, Norway, the Group's global sales and distribution activities are established in the most important seafood markets in the world. Sales and distribution together with the Group's

production activities constitute an efficient and profitable seafood group with considerable growth potential. The production clusters in the various regions will be further developed through harvesting of synergies in several areas and the various production environments will draw on each other's competence through extensive exchange of know-how.

The Group's decentralised operation model in the production segment makes such exchange possible. The Group's regional focus creates, in our opinion, a basis for interesting industrial developments in that it forms alliances and collaborations beyond those of direct ownership. The Group's market orientation with a well-run sales and distribution activity makes it possible to benefit from economies of scale in logistics and distribution in collaboration with our future customers. The wholly integrated operation comprises a totality of decisive importance for our competitive ability when providing the Group's central customers with continuity in supply of quality products of fresh seafood.

Sale and Distribution

In 2008 the activity segment Sale and Distribution generated an operating profit of NOK 129 million against NOK 115 million in 2007. The activity is high and market conditions are good. Total assets in the activity segment at 31.12.08 were NOK 1 237 million compared with NOK 1 211 million at 31.12.07. The Group's investment in nation-wide distribution of fresh fish generated a positive contribution to earnings in 2008.

Hallvard Lerøy AS

Measured in sales, Hallvard Lerøy AS is the largest company in the Group, generating a turnover of NOK 4 973 million in 2008. Despite difficult market conditions with very volatile salmon

Company	Ownership share	Licences No	Mill. smolt individuals	2007 GWT	2008 GWT	2009E GWT
Lerøy Midnor AS	100 %	30	9,5	29 200	29 100	35 000
Lerøy Aurora AS	100 %	17	5,0	17 100	17 200	20 500
Lerøy Fossen AS	100 %	7	4,2	9 100	6 500	10 000
Lerøy Hydrotech AS	100 %	24	7,0	20 100	23 000	22 000
Lerøy Austevoll AS*)	100 %	27	10,0	13 400	16 900	22 500
Total Norway		105	35,7	88 900	92 700	110 000
Norskott Havbruk AS (UK) **	50 %		6,0	12 000	11 400	13 000
Total			41,7	100 900	104 100	123 000

Consolidated, farming
 Affiliated, farming
 *Acquisition 2007, consolidated from 010407
**LSG's share

and trout prices, value generation in the company was satisfactory in 2008. Hallvard Lerøy AS, located at the Group's head office in Bergen, has had a market oriented organisation since 01.01.96. The organisation focuses on customer needs and on cost-effective handling of the individual client. The Group's wide product range is structured to meet the market's need for a broad selection of fish food products.

In view of Hallvard Lerøy AS's central position in the value chain, developing and maintaining the interaction between its partners is a priority area.

The Group's global sales network is represented by Hallvard Lerøy AS sales offices in a number of countries, as well as established Group companies in Sweden, France and Portugal. The company has sales offices in China, Japan and USA. The sales offices and the Group companies therefore cover different parts of the Group's international markets. The Group's presence in central markets allows for close follow-up of key customers and for establishing new customer relationships. The Group will work to establish a presence in still more markets in the years ahead.

In addition to international sales and marketing, the Group is also engaged in nation-wide distribution of fresh fish in the Norwegian market through its

subsidiaries in Bergen, Oslo, Stavanger and Trondheim. The administration expects that the company's investments in nation-wide distribution of fresh fish will generate additional activity in the company in coming years.

Lerøy Sverige AB is a holding company for the three Swedish companies Lerøy Allt i Fisk AB, Lerøy Stockholm AB and Lerøy Nordhav AB. These companies have been owned by the Group since 2001. Lerøy Allt i Fisk AB in Gothenburg is a full-range seafood company holding a particularly strong position in the Swedish catering and institutional households market. The company Lerøy Stockholm AB is located in Stockholm and is the city's largest distributor of seafood, with a particularly high level of expertise in the grocery trade. Sweden is an important market for the Lerøy Group and the three companies have for several years been close partners of Hallvard Lerøy AS. Further development of these companies continues in cooperation with their very able local management and their motivated and competent staff.

The sale and distribution activities in France are of vital importance and consist of several companies, notably **SAS Hallvard Lerøy** and **Nordvik SA**, both located in Boulogne, France. SAS Hallvard Lerøy is a pivotal enterprise with close ties to the activities in Norway.

The unit gives the Group a suitable interface with customers in France, which is an important market for the Lerøy Group. The two companies are being continuously developed in collaboration with their able local managerial staffs and competent employees. Nordvik SA is one of the largest importers of fresh fish in France.

Portnor Lda is located in Portugal and is 60% owned by Lerøy Seafood Group ASA. The company is in a good position on the Iberian Peninsula, which is a large and important market for Norwegian seafood. The company is working diligently to improve its position as a distributor of fresh seafood. The company's motivated management and minority shareholder possess considerable expertise and will, with its professional organisation, contribute importantly to this operational segment.

Production

In the year 2008 the Production activity segment generated an operating profit before biomass adjustment of NOK 252 million against NOK 309 million in 2007. The poor result is mainly caused by severe biological issues, especially in Western Norway. In addition, the Group has experienced higher prices for input factors, particularly for fish feed. Total assets on 31.12.08 in this operational segment was NOK 6 609 compared with NOK 6 385 million on 31.12.07.

Farming Norway



The Group's engagement in production of Atlantic salmon and trout is the most significant activity in this segment. There are also various types of processing of salmon and trout, as well as products of shellfish in brine and a number of seafood salads, etc. The business segment has activities in Norway, Sweden and France. The Group's production of salmon in Scotland is effectuated through the affiliated company Norskott Havbruk AS.

Since December 2003, the production of salmon and trout has been built up to where it now consists of units that will harvest ca. 110 000 tons in Norway in 2009. The Group is therefore now the second largest producer of salmonoid species in the world. The production takes place in three regions in Norway. The northernmost region is Troms County where Atlantic salmon is produced from 17 licences. The largest region is located on the central Norwegian coast where the companies Lerøy Midnor AS and Lerøy Hydrotech AS produce salmon and trout from 54 licences. The last region is western Norway where, from 2009, the new company Lerøy

Vest AS takes care of all production. This company produces Atlantic salmon and

trout from 34 licenses.

In addition, the Group has its own production of roe and smolt. The Group's strategy of being self-sufficient in quality smolt has generated good results. The Group produces



smolt in several plants with adequate supply of fresh water. These facilities are located along the coast from Finnmark in the north to Rogaland in the south.

The Group's strategy of building up efficient units in several regions has been successful and generates good results. The strategy will be continued.

Lerøy Midnor AS is the Group's largest production unit and is situated on Hitra on the central Norwegian coast. The organisation consists of motivated and competent employees. Lerøy Midnor AS is one of Norway's largest fish farming companies with a total of 30 wholly owned licences for marine based production. The company also has licences for production of smolt for its own fish farming activities and slaughters practically all its biomass in its own facilities. Lerøy Midnor AS also has a division for processing of salmon.

In 2008 the company harvested 29 100 tons of salmon and expects an increase to 35 000 tons in 2009. The earnings trend in 2008 shows that the company is the most profitable aquaculture enterprises in the Group. The plan for Lerøy Midnor AS calls for growth within the home region in the years to come.

Lerøy Hydrotech AS is with its competent and committed employees located in Kristiansund (N). Lerøy Seafood Group ASA first became a shareholder in the company through a private placing (23%) in 1999. Later Lerøy Seafood Group ASA acquired shares that brought the ownership up to 39% and the company became 100% owned by Lerøy Seafood Group ASA in September 2006. After acquiring Aakvik Settefisk AS in August 2006, Lerøy Hydrotech AS has 24 licences for marine farming of salmon and trout. The company also has licences for production of smolt and is a supplier of smolt to other fish farming



The Lerøy Seafood Group's reception at the Royal Norwegian Embassy in Brussels.

companies in Norway. The company's plant for processing of salmon and trout in Kristiansund (N) is a modern facility with capacity to handle the company's entire production volume. Lerøy Hydrotech AS has for some years been one of Norway's largest producers of trout, but in line with its strategy the company phased out the trout production in 2008. As a shareholder, and in collaboration with the company's management and employees, Lerøy Seafood Group will do its best to ensure that Lerøy Hydrotech AS continues its positive development.

Lerøy Aurora AS is located in Troms and grows Atlantic salmon on 17 licenses in Troms County. The company is well supplied with smolt from its own subsidiary Laksefjord AS in Finnmark. Lerøy Seafood Group ASA acquired all shares in the company in June 2005. The acquisition of Laksefjord AS, a subsidiary of Lerøy Aurora AS, was implemented in the summer of 2005. In 2007 Lerøy Aurora built a new plant in modern facilities on Skjervøy with a slaughtering capacity of 120 tons per shift. The Board and administration in Lerøy Seafood Group ASA look forward to the continued development of the Lerøy

Aurora group together with the company's competent management and staff. Lerøy Aurora AS will grow within its home region in the years to come.

Lerøy Fossen AS is located in Hordaland County and farms trout from 7 licenses. Lerøy Fossen AS is also Norway's largest producer of smoked salmon and trout. The company's products are sold all over the world, fitting exceptionally well in the Lerøy Seafood Group's market strategy which calls for increasing levels of processing. With effect from the beginning of 2009 the fish farming division of Lerøy Fossen AS is merged with Lerøy Austevoll AS in the new company Lerøy Vest AS, which now handles all the Group's fish farming in Hordaland County. As a shareholder and in collaboration with the company's management and employees, Lerøy Seafood Group will do its best to ensure that Lerøy Fossen AS continues its positive development.

Lerøy Austevoll AS is located in Hordaland County and was acquired in April 2007. The company has 27 licences for marine production of salmon, five wholly owned plants for production of young

fish and an additional young fish facility with an ownership of 49%. The company is self-supplied with smolt. In 2007 and 2008, Lerøy Austevoll AS was severely hit by Pancreas Decease, resulting in high production costs and low slaughter volumes compared with actual production capacity. To combat the problem, 30% of the spring smolt and 100% of the autumn smolt in 2008 were vaccinated against Pancreas Decease. Also, a considerable effort has gone into improving operational efficiency and structure in the region, giving grounds for expecting significantly better results in the future in this region. With effect from the beginning of 2009, Lerøy Austevoll AS is merged with the fish farming division of Lerøy Fossen AS so that the Group's fish farming in Hordaland County now is gathered in one company. In collaboration with the company's management and as a shareholder, Lerøy Seafood Group ASA will do its utmost to ensure a positive development of the new company.

Sigerfjord Aqua AS is Norway's largest producer of Arctic char. The company's production this year will exceed 300 tons while total production of Arctic char in Norway will probably be approximately 600 tons. The company is still in the process of building up its resources, but substantial benefits from economies of scale are expected from the production of portion-sized Arctic char. The company's production has risen sharply in recent years, and production efficiency has improved substantially. Close cooperation with Hallvard Lerøy AS on the marketing side provides good opportunities for steady and cost-effective distribution of the company's still modest volumes. Arctic char is an important article on the Swedish market and will therefore provide the Group's Swedish companies with additional sales arguments.

Lerøy Smøgen Seafood AB is a Swedish seafood group involved in production of various types of smoked seafood

products. It also produces and distributes seafood salads and products based on shellfish in brine. For several years before the acquisition, Lerøy Smøgen Seafood AB was one of Lerøy Seafood Group's important alliance partners. Together these companies have developed a range of hot and cold-smoked seafood products sold on the catering market in a number of countries. Further development of Lerøy Smøgen Seafood AB continues in close cooperation with its very competent management and the company's motivated and competent staff. In 2007 the company moved into new production facilities just outside Smøgen. The new factory will be an important element in the planned expansion in the Nordic market. All told, the development of the Swedish part of the Group has been exceedingly inspirational and shows good opportunities for further development in the years to come.

* AFFILIATED BUSINESSES

Lerøy Seafood Group ASA has ownership interests in two so-called affiliated companies; Norskott Havbruk AS and Alfarm Alarko Lerøy in Turkey. Affiliated companies generated only moderate returns in 2008 because of high production costs for salmon in Scottish Seafarms Ltd. as a result of biological difficulties (Scottish Seafarms Ltd is 100% owned by the company Norskott Havbruk AS). In aggregate, affiliated companies gave the Group a profit share of NOK 14 million in 2008 against NOK 36 million in 2007.

By far the largest share of the capital invested in affiliates is allocated to Scottish Sea Farms Ltd. with production of Atlantic salmon in Scotland, the Shetlands and the Orkneys. The company is exposed to the risks naturally inherent in this type of operation; in addition to commercial risks there will also be biological risk and political (regulatory) risk associated with the production of salmon. The political risks include everything from access to



markets (particularly for producers in Norway) to changes in operating and discharge permits and license regulations, etc. And there will always be uncertainty about market developments, particularly in the face of a global recession. However, expectations of a significant reduction in the global supply of Atlantic salmon seen together with already contracted sales, give grounds for believing that Scottish Seafarms will generate considerably better results in 2009 than in 2008.

Norskott Havbruk AS is 50% owned by Lerøy Seafood Group ASA and the fish farming company SalMar ASA respectively. Norskott Havbruk AS was set up in 2001 for the sole purpose of acquiring the company today bearing the name Scottish Sea Farms Ltd. Norskott Havbruk AS today owns 100% of Scottish Sea Farms Ltd, the second largest fish farming company in Scotland. Scottish Sea Farms Ltd has a production capacity for Atlantic salmon of 28 000 tons gutted weight (GWT). The company harvested 22 800 tons GWT in 2008 and expects to harvest 26 000 tons GWT in 2009. The company also produces smolt and largely covers its own needs. In addition, the company runs two modern land-based plants for

processing salmon in Scotland and on the Shetlands. In collaboration with the company's highly skilled management and staff, Scottish Sea Farms Ltd will be further developed in order to consolidate its position as the leading and most cost-effective producer of quality Atlantic salmon within the EU. The company already holds a strong position in several high-quality market segments, for instance under the respected brand name Label Rouge. Scottish Sea Farms Ltd will grow in its region in the years ahead.

Alfarm Alarko Lerøy has operations based in Turkey. In close collaboration with Hallvard Lerøy AS, the company has developed the Turkish market for Atlantic salmon. The company is continuously developing its sales to demanding customers in an exiting market for fresh fish. In addition to importing and distributing fresh fish, the company is also engaged in processing and smoking of fish. The Group administration looks forward to continued relations with our respected partner and the company's competent and committed managerial staff and organisation.

* PRIORITY TASKS

Lerøy Seafood Group's vision is to be the leading, most profitable Norwegian supplier of seafood. To achieve this, the company must continue to focus particularly on the following:

Alliances

Values are generated by businesses forming a network in the value chain. Businesses in the network must have good opportunities to focus on own core activities and to capitalise on economies of scale and reduced risks. We must constantly improve the Group's core operations including the development of long-term and committed alliances with both suppliers and customers. Over time this will ensure that our solutions are cost effective and adapted to the various markets and therefore also profitable.

Market orientation

Emphasising market orientation and forward-looking solutions that will ensure profitability.

Quality

Cooperating with and being among the leading companies within product development and quality assurance to ensure customer satisfaction and thus also profitability.

Environment

Maintain a strong focus on environmental attitudes among employees and managerial staff and further develop our processes and routines through the entire value chain from breeding to smolt, fish production, slaughtering, processing, sale and distribution.

Risk management

Continuing to develop systems for identifying risks in order to avoid imbalances between commercial risks and the quest for profitability. The Group's risk profile and its strategies for value generation shall be reconciled with the Group's available resources.

Know-how

Giving priority to the development of expertise in all sectors and at all levels. Profitable growth requires improved competence in the fields of management, operations, development of incentive systems, financial management, exploitation of new technology, product and market knowledge and systematic marketing.

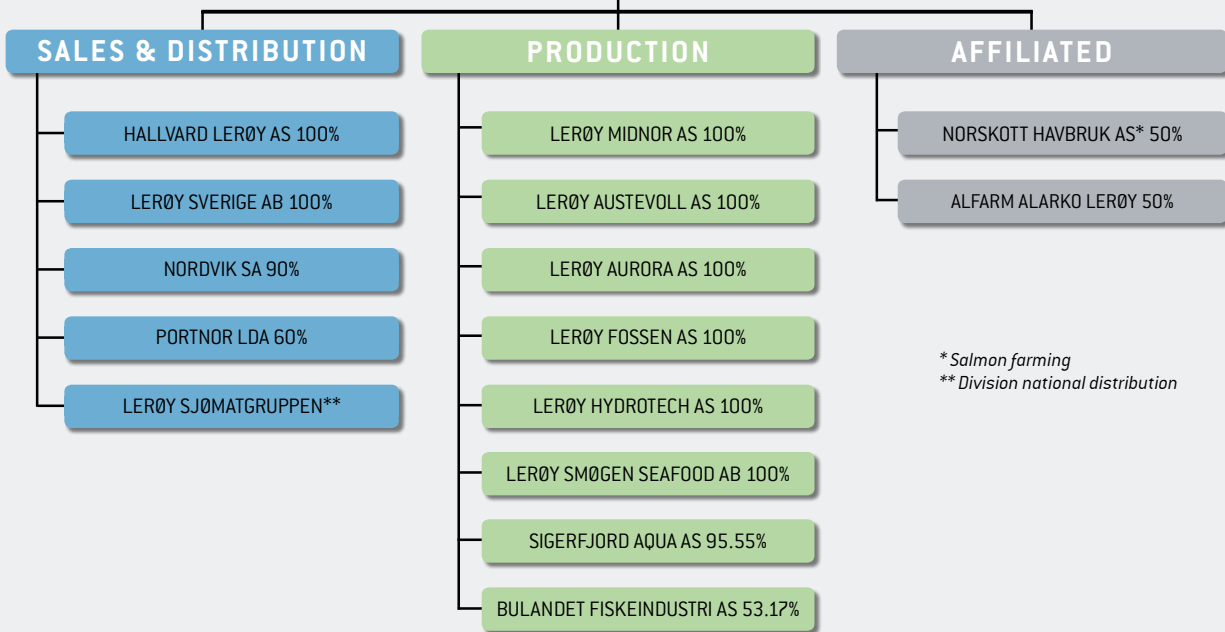
Strategic business development

The Group has for many years made significant acquisitions. Strategic business development is also of decisive importance in the continued development of the Group.

This will ensure the best possible utilisation of the Group's resources to provide optimum value generation for the company's shareholders, employees and major partners.

* CORPORATE STRUCTURE 31.12.2008

LERØY SEAFOOD GROUP ASA



Group Management



Helge Singelstad
Group Chief Executive Officer
Lerøy Seafood Group ASA



Ivan Vindheim
Chief Financial Officer
Lerøy Seafood Group



Henning Beltestad
Executive Vice President Market
Lerøy Seafood Group



Alf-Helge Aarskog
Executive Vice President Farming
Lerøy Seafood Group

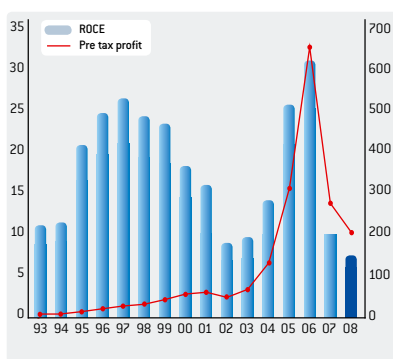


Board of Directors' Report for 2008

* Financial situation

In 2008 the Lerøy Seafood Group had operating revenues of NOK 6 057 million, decreasing from NOK 6 291 million in 2007. The activity in the Group is satisfactory and constitutes a good basis for further development of the Group's position as a leading exporter of seafood. Pre-tax profit in 2008 was NOK 164.0 million against NOK 368.8 million in 2007. The Group's operating result before biomass value adjust-

RETURN ON CAPITAL EMPLOYED AND EARNINGS BEFORE TAX AND BIOMASS ADJUSTMENT Figures in % and NOK million



ment was NOK 337.2 in 2008 compared with NOK 387.2 million in 2007. Correspondingly, the

Group achieved an operating profit of NOK 300.8 million in 2008 against NOK 403.1 million in 2007. The Group's operating margin in 2008 was 5.0% compared with 6.4% the year before.

The activity area Sales and Distribution shows a good development trend and a

high activity level. The operating profit for 2008 was NOK 129 million against NOK 115 million in 2007. The activity area Production had an operating profit before biomass value adjustment of NOK 252 million in 2008 against NOK 309 million in 2007. Share of profit in affiliated companies was NOK 14 million in 2008 compared with NOK 36 million in 2007. The Group's net financial items for 2008 amounted to minus NOK 151 million against minus NOK 70 million in 2007.

The Group's profit in 2008 was strongly characterised by the high production costs for part of the Group's salmon harvesting operations – see in connection with this the biological problems experienced by some parts of the Group during 2007 and the first part of 2008. In the fourth quarter, the Group's accounts were depleted by costs as a consequence of the mandatory offer process period that Lerøy Seafood Group was through. Underlying production during the fourth quarter was good, as it was in the third quarter, and it is particularly gratifying that Lerøy Austevoll AS is showing the signs of a continued healthy development. With effect from 01.01.09 Lerøy Austevoll AS is merged with the fish farm division of Lerøy Fossen AS to form the new company Lerøy Vest AS. With this merger, the Group's fish farming activities in Hordaland are collected in one company. Lerøy Seafood Group has the requisite organisational and financial resources to ensure that also Lerøy Austevoll AS in time will achieve satisfactory productivity levels and capacity utilisation. Among several measures, the vaccination programme initiated in 2008 appears to have positive effects. In general, the Board sees considerable potential for productivity improvements in the Group's individual units and through synergies between the companies.

The 2008 result corresponds to earnings per share of NOK 2.33 against NOK 5.75 per share in 2007. The Board will recommend that the company's ordinary Shareholders' Meeting approves a dividend distribution for 2008 of NOK 2.80 per share. On an annual basis the yield on the Group's employed capital in 2008 was 5.5% against 9.4% in 2007. The Group is financially sound with accounting-related shareholders' funds of NOK 3 764 million, which corresponds to an equity ratio of 48.4%. At 31.12.08 the company had 53 577 368 shares outstanding. The Group's net interest-bearing debt at the end of the 2008 was NOK 2 126 million compared with NOK 1 754 million at the end of 2007. The increase was in the main caused by significant acquisitions of long term operating assets, including three licences.

The Group's total balance sheet figure per 31.12.08 was NOK 7 782 million against NOK 7 506 million as per 31.12.07. The increase in the Group's total balance sheet figure is a result of the referenced acquisitions and an increase in the Group's production of salmon and trout. The Group's financial position is good and will be used for increased value generation through organic growth, new alliances and acquisitions.

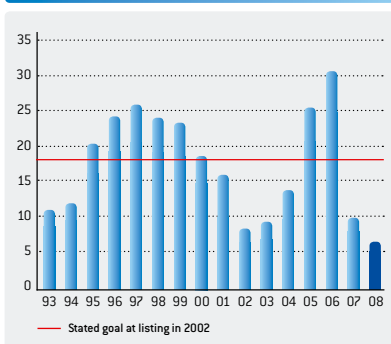
The Group submits reports in accordance with International Financial Reporting Standards (IFRS). As mentioned in earlier reports, the statutory IFRS adjustments lead to higher volatility in accounting values.

Political trade barriers and operating environment

The future operating environment will sharpen the requirements to financial management, productivity, quality, food safety and market oriented production. It is vital that Norwegian authorities cre-

ate an environment where the Norwegian aquaculture industry can maintain and further develop its international competitive ability. A part of this must be to reduce the aggregate burden of fees and taxes. Structural changes and the associated industrialisation contribute to the investment capacity needed for Norwegian aquaculture to maintain its position in a globally competitive growth industry.

ROCE BEFORE BIOMASS VALUE ADJUSTMENT (PERCENT)



Structural conditions

The Group aims to generate lasting value through its activities. For this reason there are stringent requirements imposed on risk management and the ability to plan for the long term in the development of sustainable strategic business processes. Over the last few years the Group has grown to become one of the world's leading producers of salmon and trout. The Group has consolidated its position as a principal actor in distribution of seafood in Norway and Sweden, and has simultaneously strengthened its position as a leading exporter of seafood. With a combination of organic growth, acquisitions and alliances, the Group has made it possible to give its customers a cost effective distribution of fresh seafood. The Group's focus on sale, distribution and processing will be increasingly emphasised in the years to come. The Group's processing activities in Sweden and France are examples of such strategic investments.

The Board is of the view that the Group's strategic and financial latitude in conjunction with long-term earnings allows the Group to be an active participant in the coming global and national value-generating structural changes within the seafood industry. For these reasons Lerøy Seafood Group will continuously assess potential investment and merger alternatives and alliances that can strengthen our platform for further profitable growth and lasting value generation. Lerøy Seafood Group will continue to grow and improve through regional development in a global perspective.

Seen against the background of the Group's many years of developing alliances, quality products, markets, brands and quality assurance, the Board feels that the outlook for generating increased value for the company's shareholders and the Group's important partners is good. In coming years, the Group will continue to work for long-term value generation by focusing on strategic commercial developments combined with improving the Group's operational efficiency. Based on customer requirements, this work will ensure continuity of deliveries, quality and cost efficiency and, consequently, increased profitability. Improving operational efficiency is an on-going process that will further develop and improve the efficiency of the Group's international market apparatus and production interests.

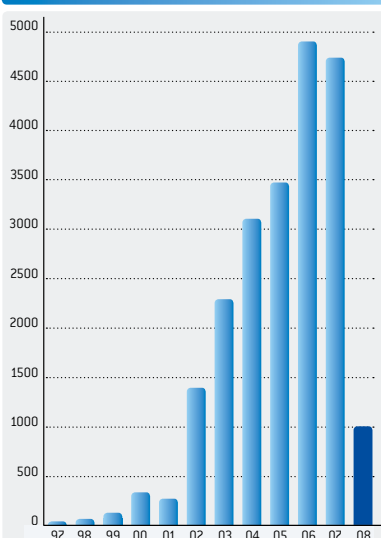
Being listed on the stock exchange gives the company a marketplace for its shares, improved access to future venture capital as well as the opportunity to use the company's shares as a payment medium in future acquisitions or mergers. As per 31.12.08 the company had 1 018 shareholders against a total of 4 732 shareholders at the end of 2007. The decrease is a consequence of

a mandatory offer process that the concern went through in 2008, after which Austevoll Seafood ASA owns 74.93% of the shares in Lerøy Seafood Group ASA.

Employees

The parent company Lerøy Seafood Group ASA has its main offices in Bergen, Norway. In addition to the Group's managing director the parent company has six employees. Administratively, all personnel functions are handled by the wholly owned subsidiary Hallvard Lerøy AS. At the end of the year there were 1 425 employees in the Group including 471 women and 954 men, against a total of 1 360 at the same time in 2007. Of the Group's total number of employees, 1 110 work in Norway and 315 abroad. Independently of the demand for equal opportunities for men and women, the Group has always placed decisive emphasis on individual skills, performance

NUMBER OF SHAREHOLDERS



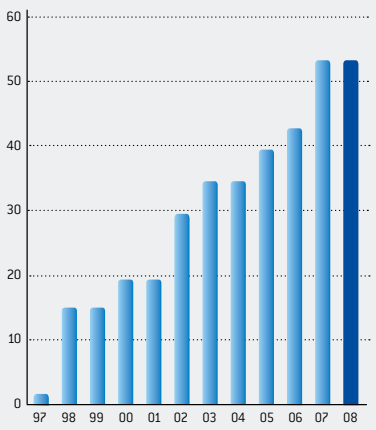
and responsibility in its recruitment policy and salary systems. As in earlier years, the Board wishes to express its appreciation of the contributions made by the Group's employees throughout 2009. Individual flexibility and effort when adjusting to new situations have been vital throughout the year.

Health, safety and the environment

Only minor accidents were registered among the Group's employees in 2008. Total time lost due to illness in the Norwegian subsidiaries amounted to 6.3%, an increase from 4.8% in 2007. Time lost due

NUMBER OF SHARES

In million

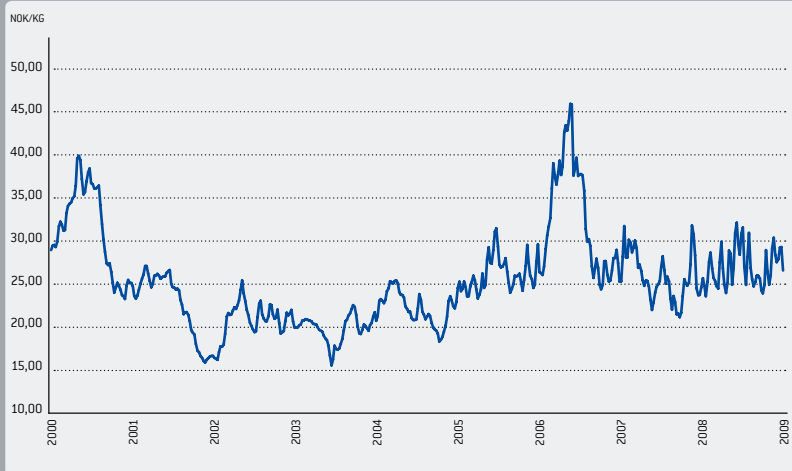


to illness is distributed on 3.6% long-term absences and 2.7% short-term absences. The Board is pleased to observe that the Group works actively to keep sick-leave as low as possible. Comparable sick-leave statistics are not available from the foreign subsidiaries. However, the organisations in the individual subsidiaries are continuously being developed to ensure that they can deal with new challenges and changes in framework conditions. The working environment and cooperative atmosphere is good. For further environmental information, please see the Group's separate environmental report at www.leroy.no.

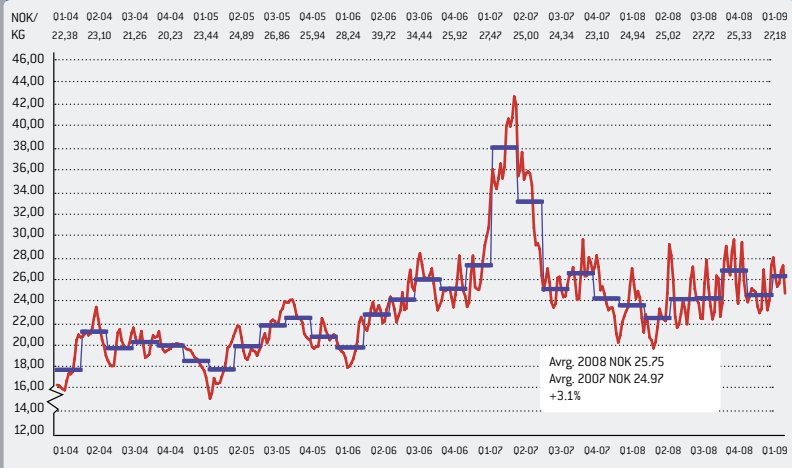
External environment

In respect of environmental investments, the company works constantly to keep up with the changing requirements of its own activities and those of the authorities. The Group's operational procedures for the various links in the value chain are continuously developed to satisfy our own and our customers' requirements, as well as minimum requirements stipulated

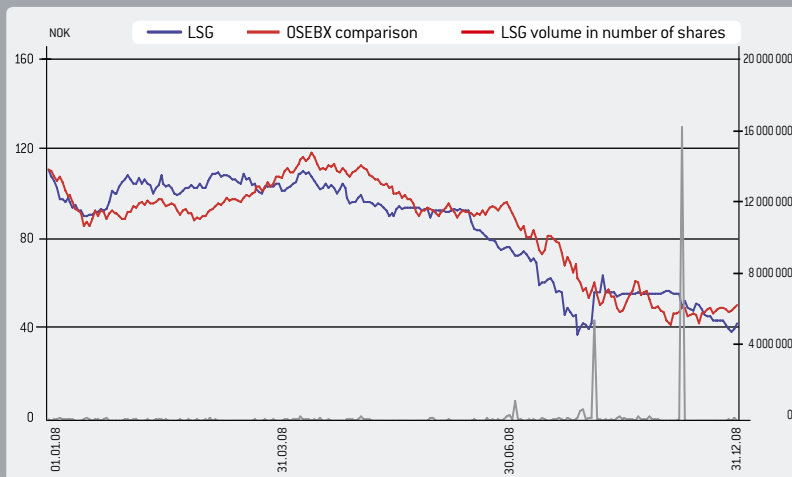
FRESH ATLANTIC SALMON NORWAY (4-5 KG) - PRICE DEVELOPMENT WEEK 01-1997 – WEEK 7-2009 (FHL/NSL/NOS)



OSLO SALMON EXPORT FROM NORWAY AS OF WEEK 7-2009 FRESH ATLANTIC SALMON, CROSS-SECTION, FCA OSLO



LERØY SEAFOOD GROUP AND OSEBX IN 2008





by public authorities. Programs are also implemented to enhance and maintain high environmental awareness among management and other personnel. The Group's operations are closely linked to natural conditions in Norwegian and international fresh and salt waters. More details can be found in the Group's report on the environment.

Results and allocations in Lerøy Seafood Group ASA

In 2008 Lerøy Seafood Group ASA had a net result of NOK 109.3 million against a comparable result of NOK 229.5 million in 2007. Distributable equity at 31.12.08 amounted to NOK 121.4 million.

The company's accounts are submitted on assumption of going concern.

The Board proposes that the profits for 2008 be allocated as follows (NOK 1000):

Dividend, NOK 2.80 per share	150 017
Transferred from other equity	-40 697
Total allocation	109 320

The company is financially sound with an equity ratio of 78.9% and has satisfactory financing compatible with the Group's strategy and operational plans.

Market situation / future prospects

Because of the international character of the Group's operations, the situation in the global economy will always have an impact on the Group's development. Future development of the global economy, including the demand for the Group's products, is at the moment encumbered with a higher level of uncertainty than what we think of as normal. It is difficult to be precise when assessing the practical economic consequences of the international financial crisis upon the demand for the Group's products in the time ahead. However, the recent development in general demand for seafood, and for salmon in particular, together with the forecasted reduction in global output of salmon in coming years, give grounds for optimism. These market developments combined with anticipated productivity improvements in the Group's activities and its organic growth, give us reasons

for a positive attitude to the Group's future prospects.

In line with its market strategy, in 2008 the Group exported a broad range of seafood products from Norway to a large number of countries, the most significant being France, Japan, Russia and Sweden. It is also satisfying to observe a positive development and a strengthened position as a result of our efforts associated with domestic distribution of our products. The demand for the Group's products is good. Competition in the international food market demands that the Group constantly seeks more cost efficient and market-oriented solutions in its efforts to satisfy its customers. This will in turn ensure profitable growth in the future. It is the Board's opinion that the Group's strategic business development in recent years in conjunction with the underlying product development and market oriented structure, has given the Group a more robust earnings platform for the years to come. As of this writing the Board expects a markedly better Group performance in 2009 than in 2008.



Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2008 have been prepared in accordance with current, applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the management report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Bergen, 30 March 2009

Svein Milford
Chairman

Ole Rasmus Møgster

Fons Brusselmans

Britt Kathrine Drivenes

Hege Charlotte Bakken

Hans Petter Vestre
Employees' representative

Helge Singelstad
Group CEO
Lerøy Seafood Group



Income statement

All figures in NOK 1 000 (period 1.1 - 31.12)

LERØY SEAFOOD GROUP CONSOLIDATED				
	Notes	2008	2007	2006
OPERATING REVENUES AND COSTS				
Operating revenues	13	6 057 053	6 290 898	5 616 592
Cost of materials		4 279 152	4 698 675	4 105 186
Salaries and other personnel costs	11/14	664 377	579 004	399 999
Other operating costs		579 295	472 158	342 943
Ordinary depreciation	2/3	197 023	153 846	84 707
Total operating costs		5 719 847	5 903 683	4 932 835
Operating profit before biomass adjustment		337 206	387 215	683 757
Adjustment of biomass to fair value	7	-36 369	15 838	85 938
Operating profit		300 837	403 053	769 695
AFFILIATED UNITS AND NET FINANCIAL COSTS				
Income from affiliated companies	4	13 716	35 509	128 982
Net financial items	15	-150 507	-69 736	-40 294
Profit before tax		164 046	368 826	858 383
Taxation	12	-36 994	-89 262	-205 938
PROFIT FOR THE YEAR		127 052	279 564	652 445
Majority interests		124 730	277 014	651 516
Minority interests		2 322	2 550	929
Earnings per share	16	2.33	5.75	15.86
Diluted earnings per share	16	2.33	5.71	15.70

Balance sheet

All figures in NOK 1 000

LERØY SEAFOOD GROUP CONSOLIDATED			
	Notes	31.12.08	31.12.07
FIXED ASSETS			
Buildings, real estate, operating accessories	3	1 294 818	1 149 128
Intangible assets	2	2 959 927	2 832 305
Shares in affiliated companies	4	277 455	289 474
Shares available for sale	4	23 161	26 423
Long-term receivables		6 274	681
Pension funds	11	469	535
TOTAL FIXED ASSETS		4 562 104	4 298 546
CURRENT ASSETS			
Biological assets	7	1 676 164	1 494 133
Other inventories	8	223 158	265 008
Accounts receivable	9	772 440	690 800
Other receivables	5/9	159 844	219 885
Cash and equivalents		388 486	537 738
TOTAL CURRENT ASSETS		3 220 092	3 207 564
TOTAL ASSETS		7 782 196	7 506 110

Balance sheet

All figures in NOK 1 000

LERØY SEAFOOD GROUP CONSOLIDATED			
	Notes	31.12.08	31.12.07
EQUITY			
Share capital	10	53 577	53 577
Own shares		-12 355	-8 687
Share premium reserve		2 601 390	2 601 390
Total equity contributions		2 642 612	2 646 280
Other equity		1 101 073	1 111 733
Total earned equity		1 101 073	1 111 733
Minority interests		20 658	20 830
TOTAL EQUITY		3 764 343	3 778 843
LONG-TERM LIABILITIES			
Long-term interest bearing debt	6	1 672 761	1 724 699
Other long-term debt		4 150	0
Deferred tax	12	669 327	643 529
Pension liabilities	11	13 211	12 012
Total long-term liabilities		2 359 449	2 380 240
SHORT-TERM LIABILITIES			
Accounts payable		544 757	508 294
Short-term loans	6	841 921	566 594
Public duties payable		49 014	37 743
Taxes payable	12	16 631	76 154
Other short-term liabilities	14	206 081	158 242
Total short-term liabilities		1 658 404	1 347 027
TOTAL EQUITY AND LIABILITIES		7 782 196	7 506 110

Bergen, 30 March 2009

Board of Directors in Lerøy Seafood Group ASA



Svein Milford
Chairman



Ole Rasmus Møgster



Fons Brusselmans



Britt Kathrine Drivenes



Hege Charlotte Bakken



Hans Petter Vestre
Employees' representative



Helge Singelstad
Group CEO
Lerøy Seafood Group

Cash flow statement

All figures in NOK 1 000 (period 1.1 - 31.12)

LERØY SEAFOOD GROUP CONSOLIDATED	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	164 047	368 827
Taxes paid during the period	-75 695	-153 046
Profit/loss from sale of fixed assets	-2 760	-13 861
Profit/loss from sale of shares		-25 134
Ordinary depreciation	197 023	153 846
Change in value adjustments of biological assets	36 369	-15 838
Change in inventories / biological assets	-176 551	-200 882
Changes in accounts receivable	-78 832	94 416
Changes in accounts payable	36 463	-7 993
Change in other accruals	122 062	-67 120
Changes in net pension liabilities / premium fund	1 265	75
Profit impact affiliated company	-13 716	-35 509
Net cash flow from operating activities	209 675	97 781
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	11 985	46 739
Payments for acquisitions of fixed assets	-344 829	-454 784
Proceeds from sale of intangible assets	40 000	
Payments for acquisitions of intangible assets	-120 986	
Proceeds from sale of shares in other businesses	3 622	77 988
Payments for acquisitions of shares in other businesses	-2 515	-21 560
Payments for acquisitions of group companies	-38 367	295 112
Proceeds/payments on other loans (short and long-term)	-5 593	-431
Net cash flow from investing activities	-456 683	-56 936
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payments on short-term credits	250 877	-43 628
Proceeds from establishing new long-term debt	201 171	143 518
Payments on long-term debt	-228 590	-192 483
Equity contributions		284 824
Proceeds/payments on sale/purchase of own shares	-25 974	8 000
Dividend payments	-99 728	-213 210
Net cash flow from financing activities	97 756	-12 979
Net cash flow in the accounting period	-149 252	27 866
Cash and equivalents at start of period	537 738	509 872
Cash and equivalents at end of period	388 486	537 738
This consists of:		
Bank deposits, etc.	388 486	537 738
Of which restricted funds	17 538	16 914
Unused balances on overdraft facilities	276 186	456 111

Change in equity

All figures in NOK 1 000

2007 Lerøy Seafood Group consolidated	Share capital	Own shares	Premium reserve	Other equity	Minority interests	Total equity
Equity at 01.01.07	42 777	-23 948	1 243 830	1 057 888	20 172	2 340 719
The year's profit to equity				277 014	2 550	279 564
Share issue	10 800		1 371 950			1 382 750
Share issue costs			-14 390			-14 390
Acquisition of minority / new minority					-714	-714
Purchase / sale of own shares		15 261		-7 261		8 000
Dividend payments				-210 370	-1 058	-211 428
Impact of option programme				715		715
Impact of step by step acquisitions				4 752		4 752
Adjustment of share value not in P&L				20 558		20 558
Conversion differences, etc.				-31 563	-120	-31 683
Equity at 31.12.07	53 577	-8 687	2 601 390	1 111 733	20 830	3 778 843
2008 Lerøy Seafood Group consolidated	Share capital	Own shares	Premium reserve	Other equity	Minority interests	Total equity
Equity at 01.01.08	53 577	-8 687	2 601 390	1 111 733	20 830	3 778 843
The year's profit to equity				124 730	2 322	127 052
Share issue						0
Share issue costs						0
Acquisition of minority / new minority					-2 097	-2 097
Purchase / sale of own shares		-3 668		-22 306		-25 974
Dividend payments				-96 439	-3 289	-99 728
Impact of option programme				2 473		2 473
Impact of step by step acquisitions						0
Adjustment of share value not in P&L						0
Conversion differences, etc.				-19 118	2 892	-16 226
Equity at 31.12.08	53 577	-12 355	2 601 390	1 101 073	20 658	3 764 343

Own shares

At 31.12.08 this item consisted of 229 776 shares with an average capitalised price of NOK 53.77 per share.

Notes Lerøy Seafood Group consolidated 2008

This section presents accounting principles and notes for the concern Lerøy Seafood Group. Accounting principles and notes for Lerøy Seafood Group ASA (parent company) are presented separately following the notes for the concern. This separation is necessary in that the concern submits accounts in accordance with IFRS (International Financial Reporting Standards), while the parent company's accounts are drawn up in accordance with NGAAP (Norwegian Generally Accepted Accounting Principles).

ACCOUNTING PRINCIPLES

Lerøy Seafood Group ASA is registered in Norway and is listed on the Oslo Stock Exchange. The company's consolidated accounts for the accounting year 2008 include the company and its subsidiaries (collectively referred to as "the Group") and the Group's share in affiliated companies (affiliates). Lerøy Seafood Group ASA is a subsidiary of Austevoll Seafood ASA (ownership: 74.93%), which in turn is owned (61.09%) by Laco AS.

The annual accounts were submitted by the Board of Directors on 30 March 2009.

(A) DECLARATION CONFIRMING THAT THE ACCOUNTS ARE DRAWN UP IN ACCORDANCE WITH IFRS

The consolidated accounts are submitted in accordance with international standards for financial reporting (IFRS) and interpretations established by the International Accounting Standards Board (IASB) and adopted by EU. The accounts are based on all compulsory accounting standards (IFRS).

(B) BASIS FOR PREPARING THE ACCOUNTS

The accounts are presented in NOK and figures are rounded off to the nearest thousand. They are prepared on the basis of the historical cost principle, with the exception of the following assets and liabilities which appear in the balance sheet at real values: Biological assets, share based remuneration (options), other shares and forward contracts.

Preparation of financial accounts in accordance with IFRS demands that the

administration makes assessments, estimates and assumptions that influence the application of accounting principles and the book values of assets and liabilities, revenues and costs. Estimates and their associated assumptions are based on historical experience and other factors seen as reasonable under the circumstances. These calculations form the basis for assessment of balance sheet values of assets and liabilities that do not readily emerge from other sources. The actual result may deviate from these estimates.

Estimates and underlying assumptions are under constant review. Changes in the accounting-related estimates are booked in the periods in which they accrue, provided they apply only to that period. If changes also apply to future periods, the effect is distributed over the current and future periods.

Assessments made by the administration when applying the IFRS standards, which have a significant effect on the financial accounts, and estimates with a considerable risk of influencing significant adjustments in the next accounting year, are described in note 1.

The accounting principles discussed below are consistently applied for all periods presented in the consolidated accounts, as well as for the IFRS opening balance per 1 January 2004 prepared in connection with the transition to IFRS.

The accounts for the concern are drawn up in accordance with IFRS, while the accounts for the Norwegian subsidiaries are prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP). Accounts for the foreign subsidiaries are prepared according to accepted accounting standards in the respective countries. Accounting principles for subsidiaries are changed whenever necessary to ensure consistency with principles used in the Group (IFRS).

(C) PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are all units where the concern has decisive influence on the unit's financial and operational strategy, normally through ownership of more than half of all equity with voting rights. Subsidiaries are consolidated from the moment control is transferred to the concern, and are excluded from consolidation when such control ceases.

Upon acquisition of subsidiaries, the acquisition price of shares in the parent company is eliminated against the equity in the subsidiaries at the time of acquisition. The difference between acquisition price and net book value of the assets in the subsidiaries at the time of acquisition is assigned to the assets to which the premium is linked within the market value of these assets. The part of the acquisition price that cannot be ascribed to specific assets, represents goodwill. Acquisitions effectuated before 01.01.2004 are not corrected as a consequence of the transition to IFRS (use option is exercised).

The consolidated accounts comprise the parent company Lerøy Seafood Group ASA and the subsidiaries Hallvard Lerøy AS, Lerøy Midnor AS, Lerøy Aurora AS (group), Lerøy Hydrotech AS (group), Lerøy Austevoll Holding AS (group), Lerøy Fossen AS, Lerøy Alfheim AS, Lerøy Delico AS (group), Lerøy Trondheim AS, Lerøy Fisker'n AS, Bulandet Fiskeindustri AS (subsidiary of Hallvard Lerøy AS), Lerøy & Strudshavn AS, Sandvikstomt 1 AS, Lerøy Quality Group AS (subsidiary of Hallvard Lerøy AS), Lerøy Sjømatgruppen AS (subsidiary of Hallvard Lerøy AS), Sigerfjord Aqua AS (group) and the overseas subsidiaries Nordvik SA, SAS Fish Cut, SAS Eurosalmon, Inversiones Seafood Ltda, SAS Hallvard Lerøy (subsidiary of Hallvard Lerøy AS), Portnor Lda, Lerøy Sverige AB (group) and Lerøy Smøgen Seafood AB (group).

Inter-company transactions, claims and liabilities are eliminated.

Minority interests

Minority interests' share of the year's result after taxes is shown as a separate item in the consolidated accounts after the year's profit. The minority share of the group's equity capital is shown as a separate item under consolidated equity capital.

Affiliates

Affiliates are companies on which the Group has significant influence through a non-controlling interest of between 20% and 50% of voting equity. Jointly controlled enterprises are companies where the group owns 50% of the voting capital and a defined unit or group of investors owns the remaining 50%. Investments in affiliates and jointly controlled enterprises are accounted for according to the equity method. The investment is capitalised at acquisition cost at the time of purchase. The group's share of the result after tax, as well as depreciation and write-downs of any value premiums, are booked in the profit and loss statement and added to the capitalised value of the investment together with the respective share of changes in equity not booked in the income statement, such as dividend. In the income statement, the group's respective share of profit is shown in Financial Items, while the assets are shown in the Balance Sheet under Financial fixed assets. The group's share of unrealised profit on transactions between the group and the respective company, is eliminated. Accounting principles for affiliates and jointly controlled enterprises are changed whenever necessary to ensure consistency with the principles used in the concern (IFRS).

(D) OPERATING REVENUES

Operating revenues from sale of goods are booked when a decisive part of risk and ownership advantages have been transferred to the buyer, which normally is at the time of delivery. Operating revenues from services performed, are booked in the income statement according to the transactions' degree of completion on the balance sheet day. Degree of completion

is assessed by means of a review of work completed.

Operating revenues are not booked if there is significant uncertainty associated with the actual payment of overdue receivables, if the goods in all likelihood will be returned, or in cases where the Group has the right of disposition of delivered goods. Fees, discounts, bonuses and other sales costs are deducted from operating revenues.

(E) SEGMENT REPORTING

The Group's primary business segments are "Sales & Distribution" and "Production". This segmentation is based on the type of organisation and commercial risk. "Production" consists of the companies Lerøy Midnor AS, Lerøy Aurora AS (group), Lerøy Hydrotech AS (group), Lerøy Austevoll Holding AS (group), Lerøy Fossen AS, Sigerfjord Aqua AS (group), SAS Fish Cut, SAS Eurosalmon, Inversiones Seafood Ltda, Bulandet Fiskeindustri AS og Lerøy Smøgen Seafood AB (group). "Sale & Distribution" consists of Hallvard Lerøy AS, Lerøy Sverige AB (group), Lerøy Alfheim AS, Portnor Lda, Nordvik SA, Lerøy & Strudshavn AS, SAS Hallvard Lerøy, Lerøy Quality Group AS, Lerøy Trondheim AS, Lerøy Delico AS (group), Lerøy Fisker'n AS og Lerøy Sjømatgruppen AS. Lerøy Seafood Group ASA is not allocated to any segment.

The Group's secondary segmentation is based on geographical distribution. The distribution reflects the Group's main geographical markets.

(F) FOREIGN CURRENCY AND DERIVATIVES

The consolidated accounts are presented in NOK, the functional currency for the parent company and the Norwegian subsidiaries. Cash items in foreign currency are valued at the respective rates of exchange at the end of the accounting year. The company seeks to protect itself against currency fluctuations by means of various instruments, mainly forward contracts.

Derivative financial instruments are

registered in the balance sheet with fair value at the time of contract and are subsequently adjusted to current fair values. Registration of associated gains/losses depends on whether the derivative is regarded as a hedging instrument, and if so, what type of hedging. The Group classifies derivatives as hedging of a fair value of a capitalised asset, liability or a binding commitment not booked (fair value hedging). Fair values of derivative instruments used for hedging are shown on Note 5. Fair value of a hedging derivative is classified fixed assets or long-term liability if the hedging object matures in more than 12 months, and as current assets or short-term liabilities if the hedging object matures in less than 12 months.

Changes in fair value of derivatives qualifying for fair value hedging, are booked in the P&L together with the change in the fair value of the associated hedged asset or liability. The Group uses fair value hedging for securing net receivables in foreign currency, net deposits on currency accounts and signed sales contracts in foreign currency.

(G) INTANGIBLE ASSETS

Goodwill

Goodwill represents the remaining value that cannot be assigned to other assets or liabilities when a company or other assets are acquired. Goodwill in respect of acquisition of subsidiaries is included in intangible assets, while goodwill in connection with purchase of affiliates is included in the item "Shares in affiliated companies". Goodwill is not depreciated (after 01.01.2004), but is reviewed annually for any decline in value and booked in the balance sheet at cost price less accumulated impairment charges. Deferred tax in connection with licenses is charged against goodwill.

When assessing the need to write down the value of goodwill, it is allocated to applicable cash-generating units. The allocation goes to the cash-generating units or groups that are expected to gain advantages from the acquisition.

Notes Lerøy Seafood Group consolidated 2008

Licences

Licences are booked in the balance sheet at cost price less accumulated impairment charges. Licences are not depreciated, but are reviewed annually for any decline in value. Water licences granted for specified periods of time are amortised over the licence period. Water licences without time limits are not depreciated, but are reviewed annually for any decline in value.

(H) FIXED ASSETS

Fixed assets are booked in the accounts at acquisition costs less accumulated depreciation. This depreciation is distributed linearly over assumed economic life. Significant parts of fixed assets that have different depreciation periods, are decomposed and depreciated separately.

Economic life of fixed assets are estimated as follows:

- Buildings and other real estate
20-25 years
- Machinery, furnishings, equipment, etc.
2,5-15 years
- Building sites
Lasting value

(I) BIOLOGICAL ASSETS

Accounting of live fish in companies listed on the stock exchange is regulated by IAS 41 Agriculture. IAS 41 contains a methodological hierarchy for accounting-related valuation of biological assets. The main rule is that such assets, including live fish, shall be valued at market price less estimated sales costs.

Biological assets (fish in sea) are assessed at real value based on the market prices of gutted salmon and trout on the balance sheet day. The prices are adjusted for quality differences (superior, ordinary and production) and for logistical costs. The volume is adjusted for gutting wastage. Valuation of fish in sea with an average weight under 4 kg is based on the same principles, but the price is adjusted for progress in the growth cycle. The price is not adjusted below cost price unless a loss is anticipated in future sales.

Other biological assets (roe, fry and smolt) are valued at cost price since little biological transformation has occurred (IAS 41.24).

(J) INVENTORIES

Inventories of other bought or produced goods are valued at either acquisition cost or assumed sales value less sales costs, whichever is lowest. Home produced finished goods and semi-finished goods are valued at full production cost. Write-downs are made for quantifiable obsolescence.

(K) ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Accounts receivable and other receivables are booked in the balance sheet at face value less allocations for anticipated loss. Loss allocations are made on the basis of individual assessments of the various items. Loans and receivables are classified as current assets unless they mature more than 12 months after the balance sheet date. In that case they are classified as fixed assets or long-term debt. Receivables and payables in foreign currency are converted at the respective rates of exchange on the balance sheet date.

(L) LIQUID ASSETS

Liquid assets consist of cash in hand and bank deposits and are valued at the exchange rates on the balance sheet day.

(M) SHARES

Shares are booked at market value on the accounting day. Shares not anticipated to be sold within 12 months from the accounting day, are classified as fixed assets (shares available for sale). Changes in the values of these shares are charged directly against equity. Shares held for trading purposes and that are expected to be sold within 12 months of the accounting day, are classified as current assets. Changes in the values of these shares are entered in the income statement.

(N) PENSIONS

The Group companies have different pension schemes, which in general are

financed by payments to an insurance company or pension fund. The payments are determined by periodic actuarial calculations. In the Group there are both contributory and performance based pension schemes. In a contributory pension scheme the Group pays fixed contribution to a separate legal entity. The Group has no statutory or other obligation to pay additional contributions if the entity does not have sufficient means to pay all employees their pension benefits associated with earned pensions in the current or earlier periods. A performance based pension scheme is one that is not contributory. A typical performance based pension scheme defines a pension payment that the employee will receive upon retirement. The payment is typically dependent on factors such as age, number of years in the company and wage level.

The capitalised commitment associated with performance based schemes, is the present value of the defined benefits on the balance sheet date less real value of the pension assets as adjusted for not booked estimate deviations and not booked costs associated with pension benefits earned in earlier periods. Pension commitments are calculated annually by an independent actuary according to the linear accrual method. The present value of defined benefits is found by discounting estimated future payments by the interest rate on a bond issued by a company with a high credit rating in the same currency as the benefits will be paid, and with a maturity approximately equal to the duration of the associated pension liability.

(O) TAXATION

Tax payable in the Income Statement includes both the tax payable during the period and changes in deferred tax. Deferred tax is calculated at a rate of 28% (or on local rates in other countries) on the basis of the temporary differences that exist between accounting and taxable values, as well as the assessed deficit to be carried forward at the end of the financial year. Temporary tax-increasing and

tax-decreasing differences which reverse or may reverse the figures in the same period and tax regimes, are reconciled and booked at net value.

Deferred tax has been calculated on the difference between temporary taxable and accounting values of licenses. For licenses acquired prior to 01.01.04, the effect of deferred tax is charged against equity. For licenses acquired after 01.01.04, deferred tax is charged against goodwill. Deferred tax is calculated at the nominal tax rate.

(P) INTEREST-CARRYING LOANS AND OVER-DRAFT FACILITIES

Loans are booked at real value when the loan is paid out, less transaction costs. In subsequent periods loans are booked at amortized cost calculated by applying the effective interest rate, and any differences between acquisition cost and redemption value are incorporated over the loan period by using the effective interest rate method.

Next year's instalments are classified as short term liabilities (short-term credits).

(Q) DIVIDEND

Dividend is booked when it has been decided by the Shareholders' meeting.

(R) SHARE BASED REMUNERATION

The Group has a share-based remuneration scheme with settlement in the form of shares. Actual value of services performed by employees for the Group to balance the allocated options, is entered as a cost. The total amount to be charged to cost over the earning period, is based on the market value of the options at the time of allocation (Black & Scholes/ Hull & White).

(S) PROVISIONS AND OTHER COMMITMENTS

Provisions are reflected in the balance sheet when the Group has an existing legal obligation or implied duty in consequence of an earlier event and it is expected to require a flow of economic advantages from

the Group in order to fulfil such obligation. If the effect is significant, the provision is determined by discounting anticipated future cash flows by a discounting rate before tax, which reflects market pricing of the time value of money and, if relevant, the risks specifically associated with the obligation.

(T) SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Expenses directly associated with issuing new shares or options, less tax, are booked under equity as reductions in proceeds received.

When buying back own shares, the purchase amount, inclusive of directly ascribable costs, is entered as a change in equity. Own shares are represented as a reduction in equity.

(U) CASH FLOW STATEMENT

The consolidated cash flow statement shows the total consolidated cash flow broken down by operating, investment and financing activities. Acquisitions of subsidiaries are considered an investment activity for the Group and are shown separately with the deduction of cash reserves in the company acquired. The statement shows how the various activities affect cash reserves. For cash flows in foreign currency, the average rate of exchange is used in the statement. To the extent that changes in the balance sheet figures between accounting years do not match the corresponding figures in the cash flow statement, this is a result of conversion differences linked to changes in rates of exchange.

(V) FINANCIAL RISK MANAGEMENT

Through its activities, the group is exposed to different types of financial risk: market risk (including currency risk, interest risk and price risk) and credit risk.

Currency risk

The Group operates internationally and is exposed to currency risks in several currencies. The Group has entered into

forward contracts and use withdrawals and deposits on multicurrency accounts as well, in order to hedge as far as possible the currency risks on customer receivables, executed sales contracts and on-going contract negotiations. Receivables, debt, deposits, forward contracts and sales contracts are booked at currency market rates on the balance sheet day. Care is taken that the net exposure associated with monetary assets and liabilities in foreign currency remain at an acceptable level by buying and selling foreign currency at daily exchange rates whenever necessary to handle short-term imbalances. Currency derivatives are traded to hedge future income payments in accordance with the Group's strategy for currency risk management. An overview of currency derivatives as per 31.12.2008 is shown in note 5.

Interest risk

The Group's long-term debt is in the main based on agreements with floating interest rates, which means that the Group is exposed to any rise in market rates. The Group has currently only one company with a fixed rent agreement.

Price risk

The Group's performance is to a large degree linked to the development of international prices for salmon and trout. To reduce the price risk, efforts are made to have a given portion of turnover on so-called "contract sale".

Credit risk

In accordance with the Group's strategy for managing credit risk, customer receivables are in the main covered by credit insurance or other forms of surety.

Notes Lerøy Seafood Group consolidated 2008

NOTE 1 IMPORTANT ACCOUNTING ESTIMATES AND ASSESSMENTS

Estimates and assessments are reviewed continuously and are based on historical experience and other factors, including expectations of future events that seem probable in view of present circumstances.

The Group develops estimates and makes assumptions regarding future events. The accounting-related estimates from this process will, by definition, rarely be in exact agreement with the final results. Estimates and assumptions with a high risk of significant changes in capitalised values of assets and liabilities during the next accounting year, are discussed below.

(a) Value adjustment of biological assets

Accounting of live fish in companies listed on the stock exchange is regulated by IAS 41 Agriculture. IAS 41 contains a methodological hierarchy for accounting-related valuation of biological assets. The main rule is that such assets, including live fish, shall be valued at market price less estimated sales costs.

Biological assets (fish in sea) are assessed at real value based on the market prices of gutted salmon and trout on the balance sheet day. The prices are adjusted for quality differences (superior, ordinary and production) and for logistical costs. The volume is adjusted for gutting wastage. Valuation of fish in sea with an average weight under 4 kg is based on the same principles, but the price is adjusted for progress in the growth cycle. The price is not adjusted below cost price unless a loss is anticipated in future sales.

Other biological assets (roe, fry and smolt) are valued at cost price since little biological transformation has occurred (IAS 41.24).

Value adjustment of biological assets according to IAS 41 has caused the book value of inventories to vary more than it did with the earlier valuation principles. The variations arise for several reasons including volatility in pricing of Atlantic salmon and factors of production, unpredictability in biological production and changes in the composition of inventories (size distribution, etc.).

A sensitivity analysis for the prices of Atlantic salmon and trout at 31.12.08, shows the following impact on the Group's operating result (NOK 1 000):

Price reduction per kilo	<u>NOK 1.00/kg</u>	<u>NOK 2.00/kg</u>	<u>NOK 5.00/kg</u>
Reduced operating result LSG consolidated	-37 031	-72 978	-160 438

Reference is also made to the information in note 7.

(b) Estimated impairment of goodwill

The Group performs tests to assess possible impairment in the value of goodwill, see note 2.

The tests are based on the Group's expected future earnings as a cash-generating unit, as well as on the synergies that may be realised in the Group. Negative changes in market conditions may lead to reduced estimates of future earnings, and may therefore generate a need for write-downs.

NOTE 2 INTANGIBLE ASSETS

(All figures in NOK 1 000)

2007	Goodwill	Licences/ rights	Total
Per 1 January 2007			
Acquisition costs	1 157 761	764 813	1 922 574
Accumulated impairment charges		-226	-226
Balance sheet value at 01.01.07	1 157 761	764 587	1 922 348
Accounting year 2007			
Balance sheet value at 01.01.07	1 157 761	764 587	1 922 348
Conversion differences	-367	364	-3
Accrual, purchase of subsidiaries	491 822	420 000	911 822
Accrual, purchase of intangible assets			0
The year's impairment charges / depreciation		-1 862	-1 862
Balance sheet value at 31.12.07	1 649 216	1 183 089	2 832 305
Per 31 December 2007			
Acquisition cost	1 649 216	1 185 177	2 834 393
Accumulated impairment charges		-2 088	-2 088
Balance sheet value at 31.12.07	1 649 216	1 183 089	2 832 305

2008	Goodwill	Licences/ rights	Total
Accounting year 2008			
Balance sheet value at 01.01.08	1 649 216	1 183 089	2 832 305
Conversion differences	430	1 367	1 797
Accrual, purchase of subsidiaries	18 656	28 063	46 719
Accrual, purchase of intangible assets		120 986	120 986
Disposal of intangible assets		-40 000	-40 000
The year's impairment charges / depreciation		-1 880	-1 880
Balance sheet value at 31.12.08	1 668 302	1 291 625	2 959 927
Per 31 December 2008			
Acquisition cost	1 668 302	1 295 593	2 963 895
Accumulated impairment charges / depreciation		-3 968	-3 968
Balance sheet value at 31.12.08	1 668 302	1 291 625	2 959 927
Assets with unlimited lifetimes	1 668 302	1 235 046	2 903 348
Assets with limited lifetimes (water rights)		56 579	56 579
Balance sheet value at 31.12.08	1 668 302	1 291 625	2 959 927

Goodwill is associated with the last part of the purchase of the subsidiary Hallvard Lerøy AS in 1997, acquisition of Timar Seafood AS in 2000, phase 1 of the acquisition of Lerøy Sverige AB in 2001 and phase 2 in 2004, Sigerfjord Aqua AS, phase 1 of acquisition of Lerøy Smøgen Seafood AB in 2002 and phase 2 in 2003, acquisition of Lerøy Midnor AS in 2003 and acquisition of Portnor Lda (60%) in 2004. Goodwill accrued in 2005 pertains to the acquisitions of Lerøy Aurora AS, Lerøy Alfheim AS, Bulandet Fiskeindustri AS (53.2%) and the remaining 51% of SAS Fish Cut. Goodwill accrual in 2006 pertains to the acquisitions of Lerøy Fossen AS, Lerøy Delico AS (75%), Lerøy Fisker'n AS (70%), Lerøy Trondheim AS (60%) and the remaining 60.9% of Lerøy Hydrotech AS. Goodwill accrued in 2007 pertains to the acquisition of Veststar Holding AS (now Lerøy Austevoll Holding AS), and some minor acquisitions of subsidiaries of subsidiaries.

(Continued on next page)

Notes Lerøy Seafood Group consolidated 2008

Accrual of goodwill in 2008 pertains to acquisitions of minority interests in several subsidiaries, including the purchase of 30% of the shares in SAS Hallvard Lerøy.

Licence values are associated with the acquisition of Lerøy Midnor in 2003, purchase of 2 licences in 2004, acquisition of Lerøy Aurora AS in 2005, acquisition of Lerøy Fossen AS and acquisition of Lerøy Hydrotech in 2006, as well as the purchases of Veststar Holding AS (group) and Ramsøy Fiskeoppdrett AS (one licence) in 2007. In 2008 the number of licences increased by three, of which two licences are in Mid-Norway (Lerøy midnor bought three licences and sold one), and one licence is in Northern Norway (purchased through Berg Havbruk AS, consolidated into Lerøy Aurora group). Deferred taxes on licences charged against goodwill amount to a total of NOK 291 528.

The Group has 105 wholly owned licenses for farming of Atlantic salmon or trout. In addition, the Group has licenses for production of smolt. The balance between the Group's smolt production and its requirements for smolt is satisfactory. Finally, the Group also holds a licence for production of char.

IMPAIRMENT TEST FOR GOODWILL

Goodwill is allocated to the Group's cash-generating units identified in each activity segment. A summary of goodwill allocation on segment level is as follows:

	2008	2007
Production	1 610 214	1 601 964
Sale & Distribution	58 088	47 252
Total goodwill	1 668 302	1 649 216

The impairment test for cash-generating units is based on estimated present values of future cash flows. The analysis is based on the budget for 2009, and on estimated results for the years 2010 to 2013. After 2013 a terminal value is calculated based on the estimated result for 2013. Real growth has not been considered when calculating the terminal value. A yield requirement rate of 11.8% before tax has been used in the calculation.

The test did not give grounds for impairment charges in 2008.

LICENCES AND RIGHTS

Licences and rights are allocated to the same cash-generating units as goodwill.

A summary of allocations of licences/rights on activity segment level for cash-generating units, is shown below:

	2008	2007
Production	1 291 625	1 183 089
Sale & Distribution		
Total licences/rights	1 291 625	1 183 089

Licences / rights are associated with production of salmon and trout in Norway, including young fish. Synergy effects are expected from a coordination of the Group's fish farming licences in Norway. As shown above, the test for impairment gave no grounds for impairment charges on goodwill in 2008, and therefore there is no basis for impairment charges on licences.

NOTE 3 TANGIBLE FIXED ASSETS

(All figures in NOK 1 000)

2007	Real estate	Buildings	Machines, furnishings equip., etc	Total
At 1 January 2007				
Acquisition cost	13 895	305 696	659 757	979 348
Accumulated depreciation and write-downs		-67 099	-217 187	-284 286
Balance sheet value 01.01.07	13 895	238 597	442 570	695 062
Accounting year 2007				
Balance sheet value 01.01.07	13 895	238 597	442 570	695 062
Conversion differences	-279	-1 879	-2 448	-4 606
Acquired subsidiaries	3 620	71 800	109 629	185 049
Tangible fixed assets acquired		108 772	346 012	454 784
Tangible fixed assets sold	-2 146	-10 882	-16 087	-29 115
The year's depreciation and write-downs		-20 031	-132 015	-152 046
Balance sheet value 31.12.07	15 090	386 377	747 661	1 149 128
At 31 December 2007				
Acquisition cost	15 090	467 387	1 079 434	1 561 911
Accumulated depreciation and write-downs		-81 010	-331 773	-412 783
Balance sheet value 31.12.07	15 090	386 377	747 661	1 149 128
2008	Real estate	Buildings	Machines, furnishings equip., etc	Total
Accounting year 2008				
Balance sheet value 01.01.08	15 090	386 377	747 661	1 149 128
Conversion differences	-103	3 446	2 248	5 591
Acquired subsidiaries				0
Tangible fixed assets acquired	10	19 296	325 523	344 829
Tangible fixed assets sold		-2 961	-6 624	-9 585
The year's depreciation and write-downs		-24 148	-170 997	-195 145
Balance sheet value 31.12.08	14 997	382 010	897 811	1 294 818
At 31 December 2008				
Acquisition cost	14 997	483 142	1 394 146	1 892 285
Accumulated depreciation and write-downs		-101 132	-496 335	-597 467
Balance sheet value 31.12.08	14 997	382 010	897 811	1 294 818

Notes Lerøy Seafood Group consolidated 2008

NOTE 4 SUBSIDIARIES, AFFILIATED COMPANIES, ETC.

[All figures in NOK 1 000]

An overview of subsidiaries in Lerøy Seafood Group ASA is shown below. For additional information, see also Note 3 in Lerøy Seafood Group ASA's annual company accounts.

Company	Location	Ownership / voting shares
Lerøy Hydrotech AS	Kristiansund	100 %
Lerøy Midnor AS	Hitra	100 %
Lerøy Fossen AS	Bergen	100 %
Lerøy Aurora AS	Tromsø	100 %
Lerøy Austevoll Holding AS	Austevoll	100 %
Hallvard Lerøy AS	Bergen	100 %
Lerøy Smøgen Seafood AB	Smøgen, Sweden	100 %
Lerøy Sverige AB	Gothenburg, Sweden	100 %
Lerøy Alfheim AS	Bergen	100 %
Lerøy Delico AS	Stavanger	75 %
Lerøy Trondheim AS	Trondheim	100 %
Lerøy Fisker'n AS	Oslo	70 %
Inversiones Seafood Ltda.	Chile	100 %
Lerøy & Strudshavn AS	Bergen	100 %
Sigerfjord Aqua AS	Sigerfjord	95.55%
Nordvik SA	Boulogne, France	90 %
Portnor Lda	Portugal	60 %
Sandvikstomt 1 AS	Bergen	100 %

In 2008 Lerøy Aurora AS bought 100% of the shares in Berg Havbruk AS (1 licence) for NOK 24.0 mill. Lerøy Seafood Group ASA bought in addition a 30% minority interest in SAS Hallvard Lerøy (subsidiary of Hallvard Lerøy AS), as well as miscellaneous minority interests in the Group. Total acquisition costs for the minority interests were NOK 14.4 million.

Affiliated companies	Norskott Havbruk AS	Alfarm Alarko Lerøy	Others	Total value
Calculation of balance sheet value 31.12.08				
Opening balance 01.01.08	269 883	13 661	5 930	289 474
Accrual during the year			2 500	2 500
Disposed of during the year				0
Share of annual result	12 045	1 547	124	13 716
Currency impacts, etc.	-27 743	1 688	-2 180	-28 235
Closing balance 31.12.08	254 185	16 896	6 374	277 455

Place of business	Bergen	Istanbul, Turkey
Ownership / voting share	50 %	50 %
Acquisition cost	163 273	9 781
Assets	1 204 764	55 707
Liabilities	696 393	21 916
Equity	508 371	33 792
Turnover	771 954	91 530
Annual result	24 091	6 190

In 2005 the Group acquired 50% of the shares in Alfarm Alarko Lerøy in Turkey. There is an agreement regarding unequal division of dividend, giving Lerøy Seafood Group ASA only 25% of ordinary dividend for the accounting years 2005, 2006, 2007 and 2008. The share of annual profit from Alfarm Alarko Lerøy was therefore only 25% of the result after taxes until 31.12.2008.

The figures in the accounts for affiliated companies as shown above, are prepared in accordance with IFRS principles. Norskott Havbruk AS (group) has fish farming in Scotland. Key figures for the company's inventories of marine biomass are as follows for 2008:

	100%	50%
Total fish in sea (Live Weight - LWT)	17 928	8 964
Value adjustment of biological assets	47 418	23 709
Cost price of biological assets	385 613	192 807
Balance sheet value of biological assets 31.12.08	433 031	216 516

Value adjustment of biological assets	100%	50%
Value adjustments at 1.1.2008	48 948	24 474
Impact of adjustments on annual result	-1 530	-765
Value adjustments at 31.12.08	47 418	23 709

Shares available for sale	Location	Ownership/ voting share	Cost price	Real value
AquaGen AS	Trondheim	2.52 %	1 000	21 558
Bulandet Eiendom AS	Bulandet	12.67 %	625	625
Miscellaneous small shareholdings			978	978
Total shares available for sale			2 603	23 161

In 2007 the book value of the shares in AquaGen AS was adjusted upwards by NOK 20 558. The share value assessment is based on an actual share purchase in 2007 of 50.17% of the company at a cost of NOK 430 mill. The share value is assessed as unchanged in 2008. The entire value adjustment was booked against consolidated equity.

NOTE 5 FINANCIAL INSTRUMENTS

(All figures in NOK 1 000)

CURRENCY FUTURES

The table below shows the company's currency forward contracts at 31.12.08. The contracts are for purchase/sale against NOK.

Currency	Currency amount	Exchange rate at maturity	Amount in NOK	31.12.08 exchange rate	Est. real NOK value currency futures 31.12.08
EURO	60 000	9.102	546 129	9.8666	-45 867
JPY	1 750 000	0.068	118 838	0.0776	-16 943
SEK	150 000	0.874	131 156	0.9045	-4 520
USD	21 000	6.933	145 587	6.9991	-1 394
CHF	150	585.400	878	663.0100	-116
AUD	600	4.813	2 888	4.8586	-28
GBP	900	10.518	9 466	10.1280	351
Total					-68 517

The positions at 31.12.08 have an estimated net negative market value of minus NOK 68 517. The currency forward contracts are booked at fair values and are classified as other short-term debt as of 31.12.08

The Group classifies derivative instruments as hedging of fair value of a capitalised asset, liability or not booked binding commitment (fair value hedging). Currency forward contracts together with negative and positive balances on multi-currency accounts, are used to hedge, as far as possible, against the currency risk in customer receivables, executed sales contracts, as well as on-going contract negotiations. Claims, debts, deposits, futures and sales contracts are booked at the exchange rate on the accounting day. The company seeks to keep the net exposure associated with monetary assets and liabilities in foreign currency on an acceptable level by buying and selling foreign currency at day-rates whenever necessary to counter any short-term imbalances.

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INTEREST SWAP

One subsidiary has an interest swap agreement (NOK 20 000). This agreement is booked at fair value, and losses/gains are booked in the income statement as they accrue. The interest swap runs until April 2010.

NOTE 6 LOANS, MORTGAGES AND GUARANTEES

(All figures in NOK 1 000)

	2008	2007
Long-term interest-bearing debt		
Debt to credit institutions	1 786 685	1 887 839
Next year's instalments on long-term loans	-217 450	-193 000
Other long-term interest-bearing debt	103 526	29 860
Total long-term interest bearing debt 31.12	1 672 761	1 724 699
Short-term interest-bearing debt		
Debt to credit institutions (multi-currency credit)	624 471	373 594
Next year's instalments on long-term debt	217 450	193 000
Total short-term interest-bearing debt 31.12	841 921	566 594
Total interest-bearing debt 31.12	2 514 682	2 291 293
Bank deposits	388 486	537 738
Net interest-bearing debt 31.12	2 126 196	1 753 555
Loans secured by mortgages		
Long-term debt to credit institutions	1 786 685	1 887 839
Short-term debt to credit institutions (multi-currency credit)	624 471	373 594
Leasing liabilities (see Note 18)	103 136	28 883
Other long-term debt	390	977
Total debt secured by mortgages	2 514 682	2 291 293
Mortgaged assets		
Customer receivables and other claims	339 353	394 211
Biological assets and other goods	1 828 662	1 670 341
Shares in subsidiaries and affiliates		3 194
Buildings and operating equipment	1 193 587	1 029 636
Licences	889 388	759 600
Total	4 250 990	3 856 982
Long-term loans with maturities over 5 years		
Debt to credit institutions	764 362	808 417
Total	764 362	808 417
Long-term debt specified by currency		
NOK	1 767 414	1 845 368
SEK	18 136	41 165
EUR	1 135	1 306
Total	1 786 685	1 887 839

Payment profile long-term interest-bearing debt	2009	2010	2011	2012	2013	After 2013	Total
Mortgage debt	201 208	234 315	215 146	201 109	204 252	730 655	1 786 685
Leasing liabilities	16 242	14 514	14 484	14 375	9 814	33 707	103 136
Total	217 450	248 829	229 630	215 484	214 066	764 362	1 889 821

Instalments for 2009 are classified as short-term debt in the balance sheet.

Instalment profile loans

The table above shows the Group's long-term interest-bearing debt, including financial leasing. The loans run at NIBOR plus margin. Lerøy Aurora AS has in its loan portfolio a three years revolving overdraft facility at NOK 60 000 that matures in its entirety in 2011. Such overdraft facilities are usually renewed. Lerøy Hydrotech AS established a loan at NOK 400 000 in 2006 that runs without instalments until 31.12.2009. Thereafter the loan is to be repaid with annual instalments of NOK 33 334 for 6 years. The last instalment corresponds to the unpaid balance at that time.

Financial «covenants»

The Group's main borrowing condition («covenant») is to maintain an equity ratio of at least 30% and to ensure that net interest-bearing debt over EBITDA does not exceed 5.0. When calculating the equity ratio, the balance sheet value is adjusted for bank deposits and deferred tax associated with licences. There are also some capital adequacy requirements in some of the subsidiaries that are all 30% or lower. Finally, there are requirements regarding a so-called «borrowing base» in Lerøy Midnor AS and Lerøy Hydrotech AS for the short-term overdraft facilities.

NOTE 7 BIOLOGICAL ASSETS

(All figures in NOK 1 000)

	2008	2007
Biological assets 01.01	1 494 133	1 052 319
Increase due to acquisitions		284 621
Increase due to added costs during the year	2 037 663	1 713 640
Reduction caused by sale / harvesting	-1 819 263	-1 572 285
Change in value adjustment of biological assets (earnings impact)	-36 369	15 838
Biological assets 31.12	1 676 164	1 494 133

Value estimates of fish in sea are based on the market prices of gutted salmon and trout on the balance sheet day. The prices are adjusted for quality differences (superior, ordinary and production) and for logistical costs. The volume is adjusted for gutting wastage. Valuation of fish in sea with an average weight under 4 kg is based on the same principles, but the price is adjusted for progress in the growth cycle. The price is not adjusted below cost price unless a loss is anticipated in future sales. Other biological assets (roe, fry and smolt) are valued at cost price since little biological transformation has taken place (IAS 41.24).

The table below shows the total volume of fish in sea as well as the volume of harvestable salmon and trout (> 4 kg). The volume of char is not included in the total volume of harvestable fish, but the inventory of char is included in the book value of capitalised biological assets. The balance sheet values of char were NOK 16 060 and NOK 11 931 in 2008 and 2007 respectively.

(Continued on next page)

Notes Lerøy Seafood Group consolidated 2008

	2008	2007
Total fish in sea (LWT)	69 499	64 406
Harvestable fish (> 4kg LWT)	13 308	24 044
Value adjustment harvestable fish (> 4kg)	90 065	209 100
Value adjustment immature fish (< 4kg)	145 887	63 222
Total value adjustment biological assets	235 952	272 322
Cost price of biological assets	1 440 212	1 221 811
Balance sheet value of biological assets	1 676 164	1 494 133

As shown above, the change in inventory of biological assets is based on internal cost of NOK 218 401 in 2008 (NOK 1 440 212 - NOK 1 221 811). In the P&L this increase is classified as a reduction in goods consumed.

Value adjustment biological assets	2008	2007
Value adjustment 01.01	272 322	251 793
Value adjustment of acquired companies (at time of purchase)		4 691
The year's profit impact of value adjustments	-36 369	15 838
Value adjustment 31.12	235 952	272 322

NOTE 8 OTHER INVENTORIES

(All figures in NOK 1 000)

	2008	2007
Raw materials	83 511	77 486
Semi-finished goods		2 870
Finished goods	139 647	184 652
Total other inventories	223 158	265 008
Write-down of inventories (old stock)	5 571	11 226

Raw materials include feed, while packaging materials are included in finished goods.

NOTE 9 RECEIVABLES

(All figures in NOK 1 000)

The Group's customer receivables of NOK 772 440 are for the most part covered by credit insurance and other types of surety. The loss deductible on credit insured customer receivables are 10 - 20%. Customer receivables per 31.12.08 were nominally NOK 785 627 while provisions for bad debts amounted to NOK 13 187. Net customer receivables are booked in the balance sheet at NOK 772 440 per 31.12.08.

Per mid March 2009, more than 97% of the customer receivables are paid in.

Customer receivables past due 31.12.08	No provision	Provision
0 to 3 months	188 897	7 550
3 to 6 months	1 825	1 158
Over 6 months	2 294	4 479
Total	193 016	13 187

Other receivables	2008	2007
VAT to be refunded	71 978	124 089
Pre-payments	17 457	67 097
Customer contracts	44 067	2 808
Other	26 342	25 891
Total other receivables	159 844	219 885

NOTE 10 SHARE CAPITAL AND SHAREHOLDER INFORMATION

(All figures in NOK 1 000)

The share capital consists of:	Number	Value	Book value
Ordinary shares	53 577 368	1.00	53 577 368
Total	53 577 368		53 577 368

Lerøy Seafood Group ASA has 1 018 shareholders at 31.12.08. All shares confer the same rights in the company.

Overview of the 20 largest shareholders at 31.12.08:	Shares	Ownership
Austevoll Seafood ASA	40 144 281	74.93 %
Pareto Aksje Norge	2 323 500	4.34 %
Pareto Aktiv	1 360 200	2.54 %
Citibank N.A. New York Branch	1 000 900	1.87 %
Verdipapirfond Odin Norge	924 100	1.72 %
Bank Of New York Mellon	902 500	1.68 %
Kverva AS	727 526	1.36 %
Rbc Dexia Investor Services Bank	397 000	0.74 %
Lerøy Seafood Group ASA (own shares)	229 776	0.43 %
Jpmorgan Chase Bank	225 850	0.42 %
Six Sis AG	183 400	0.34 %
Forsvarets Personellservice	177 500	0.33 %
Mowinckel Management AS	165 000	0.31 %
Pareto Verdi	163 800	0.31 %
Brown Brothers Harriman & Co	149 300	0.28 %
State Street Bank And Trust Co.	128 300	0.24 %
Den Norske Kreftforening	114 400	0.21 %
Unifors Investeringspool	110 000	0.21 %
Bkk Pensjonskasse	105 200	0.20 %
Meidell AS	100 000	0.19 %
Total for the 20 largest shareholders	49 632 533	92.64 %
Others	3 944 835	7.36 %
Total	53 577 368	100.00 %

Chairman of the board Svein Milford controls 5 700 shares.

Board member Fons Brusselmans owns 5 800 shares.

Board member (representing the employees) Hans Petter Vestre owns 120 shares

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NOTE 11 PENSIONS

(All figures in NOK 1 000)

All Group companies satisfy the requirements in the Compulsory Work Pension Act (Norwegian: OTP). The schemes are in the main established as contribution based pension schemes.

Some of the subsidiaries have Contractual Early Retirement schemes (Norwegian: AFP) for their employees. These schemes cover 241 employees and 6 retirees at the end of 2008. The underlying calculations are linked to the Contractual Early Retirement schemes in the subsidiaries and include the Group's economic responsibilities in connection with these schemes. In addition, some of the Group companies have performance based schemes and some have unsecured schemes financed by operations.

Additional information regarding pension costs can be found in note 14.

Capitalised pension liabilities (performance based)	2008	2007
Present value of future pension liabilities	17 879	16 826
Real value of pension assets	-4 675	-4 873
Effect of estimate deviations not charged against income	-219	-403
Employment tax contribution	226	462
Net pension liabilities	13 211	12 012
Since the collective pension scheme is over-financed, the balance sheet shows gross pensions.		
Real value of pension assets	-4 675	-4 873
Pension liabilities	17 886	16 885
Net pension liabilities	13 211	12 012
Net pension costs are determined as follows:		
Present value of the year's earned pensions	2 286	2 022
Interest cost on pension liabilities	742	298
Yield on pension assets	-290	-215
Cost of transition to new scheme		-672
Impact of estimate deviation	-35	-20
Employment tax contribution	297	71
Administration costs, etc.	115	447
Net pension cost (performance based scheme)	3 115	1 931
Change in capitalised liabilities		
Balance sheet value at 01.01.	12 012	8 923
Liabilities assumed at acquisition of company		2 893
Costs booked during the year (incl. transition to new scheme)	3 114	1 848
Pension payments and payment of pension premiums	-1 915	-1 652
Balance sheet value at 31.12. (performance based scheme)	13 211	12 012
Economic assumptions		
Anticipated yield on pension assets	5.8 %	5.5 %
Average discounting rate	3.8 %	4.7 %
Average wage increase (incl. career supplement)	4 - 5 %	3 - 4.5 %
Attrition	0 - 20 %	0 - 20 %
Utilisation percentage, contractual early retirement scheme (Norway: AFP)	0 - 50 %	0 - 30 %

As regards demographic factors and attrition, the actuarial assumptions are based on generally accepted assumptions in the insurance industry.

NOTE 12 TAXATION

(All figures in NOK 1 000)

	2008	2007	2006
Tax payable	16 631	76 154	137 117
Change in deferred tax	20 363	13 108	68 821
Total taxation	36 994	89 262	205 938

Tax on the Group's pre-tax profit deviates from what it would have been if the Group's average tax rate had been applied. The difference is determined as follows:

	2008	2007	2006
Profit before tax	164 046	368 826	858 382
Tax based on tax rates in the various countries	42 840	103 525	241 409
Net permanent differences, etc. (28%)	-2 006	-4 320	644
Share of profit in affiliated company (28%)	-3 840	-9 943	-36 115
Tax cost	36 994	89 262	205 938
Effective tax rate	22.6 %	24.2 %	24.0 %

Change in book value of deferred tax	2008	2007
Balance sheet value at 01.01	643 529	451 172
Currency conversion and other charges against equity	235	464
Acquisitions, etc.	5 200	178 785
Charged to income in the period	20 363	13 108
Balance sheet value at 31.12.	669 327	643 529

Deferred tax	Operating assets	Licences and rights	Goods and biol. assets	Other differences	Total
01.01.2007	-23 018	175 627	311 271	10 861	474 741
Booked to income in the period	29 725	-521	22 998	-7 833	44 369
Currency conversion and other charges against equity	405	58			463
Acquisitions, etc.	4 152	122 209	79 876	-8 206	198 031
31.12.07	11 264	297 373	414 145	-5 178	717 604
Booked to income in the period	7 633	2 051	53 384	-1 935	61 133
Currency conversion and other charges against equity	235				235
Acquisitions, etc.		5 200			5 200
31.12.08	19 132	304 624	467 529	-7 113	784 172

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Deferred tax asset	Receivables	Pensions	Options	Loss carried forward*	Total
01.01.2007	-1 921	-616	-6 679	-14 355	-23 571
Booked to income in the period	211	-945	6 679	-37 204	-31 259
Currency conversion and other charges against equity					0
Acquisitions, etc.	-50	-681		-18 515	-19 246
31.12.07	-1 760	-2 242	0	-70 074	-74 076
Booked to income in the period	-7 689	-1 490		-31 591	-40 770
Currency conversion and other charges against equity					0
Acquisitions, etc.					0
31.12.08	-9 449	-3 732	0	-101 665	-114 846

* Loss carried forward is mostly a result of tax-related accounting for fish in sea.

	31.12.08	31.12.07
Deferred tax 31.12	784 172	717 604
Deferred tax assets 31.12.	-114 846	-74 076
Net	669 327	643 529
Short-term tax positions	458 080	412 385
Long-term tax positions	211 247	231 144
Total	669 327	643 529

NOTE 13 SEGMENT INFORMATION

(All figures in NOK 1 000)

Primary reporting format - business segments

The Group's primary business segments are the activity areas Sales & Distribution (S&D) and Production (Prod.). This segmentation is based on a grouping of activities with similar organisations and commercial risk. Prod. consists of the companies Lerøy Midnor AS, Lerøy Aurora AS (group), Lerøy Hydrotech AS (group), Lerøy Austevoll Holding AS (group), Lerøy Fossen AS, Sigerfjord Aqua AS (group), SAS Fish Cut, SAS Eurosalmon, Inversiones Seafood Ltda, Bulandet Fiskeindustri AS and Lerøy Smøgen Seafood AB (group). S&D consists of all other subsidiaries except Lerøy Seafood Group ASA (parent company). Lerøy Seafood Group ASA is not allocated to any segment, but is included in elimination/unallocated.

2007	S&D	Prod.	Elimination/ unallocated	Group
External operating revenues	5 897 796	391 413	1 689	6 290 898
Internal operating revenues	157 844	2 176 893	-2 334 737	0
Total operating revenues	6 055 640	2 568 306	-2 333 048	6 290 898
Operating costs	5 940 607	2 259 733	-2 296 657	5 903 683
Operating profit before value adj. biological assets	115 033	308 573	-36 391	387 215
Value adjustment of biological assets		15 838		15 838
Operating profit	115 033	324 411	-36 391	403 053
Profit from subsidiaries and affiliates	2 530	32 979		35 509
Net financial items	-3 954	-74 793	9 011	-69 736
Profit before tax	113 609	282 597	-27 380	368 826
Tax cost				-89 262
The year's profit				279 564
Assets (excluding affiliates)	1 197 588	6 108 713	-89 665	7 216 636
Affiliated companies	13 661	275 813		289 474
Total assets	1 211 249	6 384 526	-89 665	7 506 110
Total liabilities	838 119	3 001 356	-112 208	3 727 267
Investments	17 526	436 843	415	454 784
Depreciation	10 361	141 110	2 375	153 846

2008	S&D	Prod.	Elimination/ unallocated	Group
External operating revenues	5 784 149	271 074	1 830	6 057 053
Internal operating revenues	143 612	2 601 012	-2 744 624	0
Total operating revenues	5 927 761	2 872 086	-2 742 794	6 057 053
Operating costs	5 799 170	2 620 021	-2 699 344	5 719 847
Operating profit before value adj. biological assets	128 591	252 065	-43 450	337 206
Value adjustment of biological assets		-36 369		-36 369
Operating profit	128 591	215 696	-43 450	300 837
Profit from subsidiaries and affiliates	1 547	12 169		13 716
Net financial items	3 126	-142 922	-10 711	-150 507
Profit before tax	133 264	84 943	-54 161	164 046
Tax cost				-36 994
The year's profit				127 052
Assets (excluding affiliates)	1 217 503	6 351 384	-64 146	7 504 741
Affiliated companies	19 396	258 059		277 455
Total assets	1 236 899	6 609 443	-64 146	7 782 196
Total liabilities	844 142	3 173 432	279	4 017 853
Investments	17 636	325 389	1 804	344 829
Depreciation	11 695	184 152	1 176	197 023

Product area	2008	%	2007	%
Whole salmon	2 855 502	47.1	3 042 299	48.4
Processed salmon	1 313 546	21.7	1 314 805	20.9
Whitefish	617 963	10.2	772 356	12.3
Trout	477 520	7.9	470 298	7.5
Shellfish	362 970	6.0	275 760	4.4
Pelagic	106 268	1.8	123 910	2.0
Other	323 284	5.3	291 470	4.6
Total sales revenues	6 057 053	100.0	6 290 898	100.0

Secondary reporting format - geographic segments

The Group's secondary segment is a geographical distribution. Turnover is allocated to the customer's home country. Assets and investments are distributed according to geographical location.

Sales revenues	2008	%	2007	%
EU	3 524 081	58.2	3 531 660	56.1
Norway	1 028 843	17.0	990 343	15.7
Asia	672 039	11.1	707 132	11.2
Rest of Europe	430 798	7.1	489 469	7.8
USA & Canada	296 910	4.9	444 200	7.1
Other	104 382	1.7	128 094	2.0
Total sales revenues	6 057 053	100.0	6 290 898	100.0

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Notes Lerøy Seafood Group consolidated 2008

Assets	2008	%	2007	%
Norway *	7 321 169	94.1	7 119 279	94.8
EU	447 975	5.8	386 831	5.2
Other countries	13 052	0.2		
Total assets	7 782 196	100.0	7 506 110	100.0

* Most of customer receivables in the subsidiary Hallvard Lerøy AS (NOK 536 mill per 31.12.08) are from customers abroad. Customer receivables are mostly covered by credit insurance or other forms of surety.

Investments	2008	%	2007	%
Norway	328 840	95.4	435 727	95.8
EU	14 909	4.3	19 057	4.2
Other countries	1 080	0.3		
Total investments	344 829	100.0	454 784	100.0

NOTE 14 PAYROLL COSTS, NO. OF EMPLOYEES, REMUNERATION, LOANS TO STAFF, ETC.

(All figures in NOK 1 000)

Payroll costs	2008	2007	2006
Salaries	549 012	444 784	313 681
Employer's contribution	74 311	66 386	47 760
Pension costs ¹⁾	19 222	12 044	8 806
Option costs	2 473	11 015	14 540
Other personnel-related costs	19 359	44 775	15 212
Total	664 377	579 004	399 999

1) Total performance based scheme (see Note 11) and contribution based scheme. The cost for the contribution based scheme amounts to NOK 16 107

At year's end the Group had 1 425 employees with 471 women and 954 men against a total of 1 360 in 2007. Average number of man-years in the Group was 1 292.

Remuneration of the company's officers	New Group				New			
	CEO ¹⁾		CFO ²⁾		EVP Farming		EVP Market ³⁾	
	2008	2007	2008	2007	2008	2007	2008	2007
Salaries	362		1 049		1 669	1 375	51	
Bonus including extraordinary bonus					1 500	1 300		
Options exercised in the year ⁴⁾					945	548		
Other remunerations	2		27		33	53	3	

1) New Group CEO started 19.11.2008.

2) CFO started 01.03.2008.

3) New EVP Market started 19.12.2008.

4) Reflects reported wages. This will deviate from accounting figures for option costs. Option costs follow the option pricing model (see below)

Remuneration of the company's officers	Former Group		Former	
	CEO		EVP Market	
	2008	2007	2008	2007
Salaries	7 488	2 438	8 909	1 650
Bonus including extraordinary bonus		1 000	1 200	1 200
Options exercised in the year ¹⁾			4 732	10 913
Other remunerations	220	209	197	219

1) Reflects reported wages. This will deviate from accounting figures for option costs. Option costs follow the option pricing model (see below).

Former Group CEO resigned his position 18.11.2008. For 2008 his ordinary salary was NOK 2 488, while the severance payment amounted to NOK 5 000. Former EVP Market resigned his position 18.11.2008. For 2008 his ordinary salary was NOK 1 509, while the severance payment amounted to NOK 7 400.

Compensation to the chairman of the board was NOK 300 in 2008 against NOK 175 in 2007. Compensation to other board members amounted to NOK 769 in 2008 against NOK 555 in 2007.

The Board's compensation is not performance based. The Group CEO and the board members have no share options. The Board's total compensation is shown above. The Group's development is closely linked to its ability to recruit and retain leading personnel and the Group employs various models for remuneration of management personnel at competitive terms. Such compensation may vary over time both in respect of level and form of payment. In addition to the annual salary, the Group uses a performance based bonus not exceeding the respective annual wage, lump sum non-recurring amounts, sign on fees, arranged leave of absence, education possibilities and option agreements (see below). The Group has collective pension schemes. For logical reasons, the Board by its chairman has until now handled all practical matters in respect of agreements with the Group's chief executive. The compensation is reviewed annually, but is assessed over several years in order to secure continuity. The Board limits the use of so-called termination payments, but it has been practiced in a few cases and then limited to two years' salary. Termination payments may at times be a good alternative for all parties involved.

Authorities granted to the Board of Directors

Authorities are granted to the Board of Directors in accordance with the Public Limited Companies Act (Norway), cp. in particular Chapters 9 and 10 of the Act.

The Board was first authorised to acquire the company's own shares by the ordinary Shareholders' Meeting on 12.05.00. This authority was most recently renewed by the ordinary Shareholders' Meeting on 20.05.08, and is to remain valid for 18 months from the date of approval. An extension of the authority will be recommended to the ordinary Shareholders' Meeting on 26.05.09. In 2008 the company acquired 496 710 of its own shares, while it sold 352 357 of its own shares. At 31.12.08 the company owned 229 776 of its own shares.

The Board is authorised to increase the share capital by up to NOK 1 200 000 by issuing up to 1 200 000 shares, each with a face value of NOK 1 through one or more private placings with employees of Lerøy Seafood Group ASA and its subsidiaries. The Board's authority must be seen in conjunction with the company's established option programme, see below. This type of authority was first established by the extraordinary Shareholders' Meeting on 10.12.97 and was most recently renewed by the ordinary Shareholders' Meeting on 20.05.08. This authority is valid for two years from the time of approval. An extension of the authority will be recommended to the Shareholders' Meeting on 26.05.09. The authority has not been exercised.

The Board had authority to increase the share capital by up to NOK 5 000 000 by issuing up to 5 000 000 shares in Lerøy Seafood Group ASA, each with a face value of NOK 1, through one or more private placings with the company's shareholders and/or external investors. This type of authority was first granted by the ordinary Shareholders' Meeting of 04.05.99 and subsequently renewed by the ordinary Shareholders' Meeting on 20.05.08. The Board did not exercise this authority in 2008. It will be recommended that an equivalent authority be approved by the ordinary Shareholders' Meeting on 26.05.09.

The extraordinary Shareholders' Meeting on 19.03.2007 granted the Board of Directors the authority to increase the share capital by up to NOK 8 500 000 by issuing up to 8 500 000 new shares, each with a face value of NOK 1, through a private placing with Austevoll Seafood ASA in connection with the acquisition of all the shares in Veststar Holding AS. The Board of Directors set the subscription price at NOK 127.50 per share. The Board was at the same time given authority to increase the share capital by up to NOK 2 300 000 by issuing up to 2 300 000 new shares, each with a face value of NOK 1 through a private placing with Austevoll Seafood ASA. When the authority was exercised, the subscription price per share was NOK 130.

The Board's powers to distribute shares are limited in time, not only for operational reasons, but also in order to clearly show that the company is growth oriented and that shares are regarded as an important means of payment. This practice is established to ensure an optimum strategic business development for the company. In addition, the Board has established the practice of having the authorisations renewed at each ordinary Shareholders' Meeting.

Options

The Board of Directors allocated 320 000 options in the spring of 2001 and the spring of 2002. These options could be exercised in stages with 1/3 each time and the first time following the ordinary shareholders' meeting in 2002. The exercise price was NOK 27.50 per share. The remaining 260 000 of these options were exercised on 28.02.07. Exercised options were redeemed in cash.

On 23.02.05 the Board approved an option programme with 600 000 options with an exercise price of NOK 40 per option which later was allocated. 1/3 of the options could be exercised in May 2007, while 2/3 of the options could be exercised in May 2008. On 31.12.08 all these options had been exercised or had lapsed/expired. Exercised options were redeemed with own shares.

In its meeting on 20.06.06 the Board decided to allocate a new option programme of up to 700 000 options with a price of NOK 125 per option. The options were fully allocated on 29.02.08.

Common to all the option programmes is that if the option holder leaves the company, any options not exercised will lapse. Moreover, the exercise prices in the various option programmes reflect the market price (or higher) at the time of allocation.

Notes Lerøy Seafood Group consolidated 2008

Exercise price per share option (NOK)	Established	Options 31.12.2008	Options lapsed /expired 2008	Options exercised 2008	Options 31.12.2007
40.0	2005	0	12 000	321 333	333 333
125.0	2008	604 000	96 000		0
		604 000	108 000	321 333	333 333

According to IFRS, options must be booked at real value. The real value of the 700 000 options allocated in 2008 are calculated according to the Black&Scholes/Hull&White option pricing model. The most important parameters were the share price on the date of allocation (29.02.2008) of NOK 109.-, the exercise price of NOK 125, volatility of 34.3% (average), risk free interest at 4.63% (average), and the option's duration. 1/3 of the options have a duration to and including 01.06.09, 1/3 to and including 01.06.10 and 1/3 to and including 01.06.11.

Real value of the 700 000 options is estimated at NOK 8 821 (including employer's contribution), which corresponds to an average of NOK 12.60 per option. The amount is booked as wage cost over the duration of the option programme. The cost is regulated to account for any lapsed or expired options. In the balance sheet the cost is booked directly against equity (positive effect). Option costs booked in 2008 amounted to NOK 2 473.

Loans to employees

No loans or guarantees have been granted to the Group's CEO, Board Chairman or to other closely related parties. Other group managerial staff have total loans of NOK 512 per 31.12.08. No single loan or guarantee has been granted for more than 5% of the company's equity.

Auditor

Invoiced fees from Group auditor the law firm PwC AS and other auditors:

	2008	2007	2006
Auditing fees Group auditor	2 389	2 033	1 216
Auditing fees other auditors	775	911	993
Tax advice Group auditor	164	354	197
Tax advice other auditors	16	12	79
Other certification services Group auditor	28	440	150
Other services Group auditor	649	1 689	824
Other services other auditors	200	552	270
Total	4 221	5 991	3 729

NOTE 15 ITEMS THAT ARE COMBINED IN THE ACCOUNTS

(All figures in NOK 1 000)

Financial revenues	2008	2007	2006
Other interest revenues	32 664	29 583	16 284
Other financial revenues	5 537	30 125	
Total financial revenues	38 201	59 708	16 284

Financial costs	2008	2007	2006
Other interest costs	186 245	126 504	52 090
Other financial costs	2 463	2 940	4 488
Total financial costs	188 708	129 444	56 578

Net financial items	2008	2007	2006
	-150 507	-69 736	-40 294

Other financial revenues in 2007 include net proceeds from sale of shares of NOK 26 644, including gains from sale of shares in Egersund Fisk AS (38.3%).

NOTE 16 EARNINGS PER SHARE

(All figures in NOK 1 000)

	2008	2007	2006
The year's earnings (majority share)	124 730	277 014	651 516
No. of shares on the balance sheet date (in thousands)	53 577	53 577	42 777
Average number of shares (in thousands)	53 577	48 177	41 077
Adjustment for effect of share options		350	421
Average no. of shares with dilution (in thousands)	53 577	48 527	41 498
Earnings per share	2.33	5.75	15.86
Diluted earnings per share	2.33	5.71	15.70

When computing diluted profit per share, the average number of shares adjusted for the effect of share options is used. For share options a calculation was made to find the number of shares that could have been subscribed at market price (computed average share price of the company's shares through the year) based on the monetary value of the subscription rights conveyed by the outstanding share options. The number of shares computed as described above, are then compared with the number of shares that would have been issued if all share options were exercised. The difference is assigned to the denominator in the fraction as un-issued shares without compensation. Reverse dilution is not considered.

NOTE 17 DIVIDEND PER SHARE

(All figures in NOK 1 000)

Distributed dividend for the years 2007 and 2006 was respectively NOK 96 439 (NOK 1.80 per share) and NOK 214 309 (NOK 4.00 per share). Recommended distribution of dividend for the accounting year 2008 is NOK 150 017 (NOK 2.80 per share). The final decision will be made by the Ordinary Shareholders' meeting on 26 May 2009.

NOTE 18 LEASING

(All figures in NOK 1 000)

Leased assets booked in the consolidated accounts as financial leasing	2008	2007
Book value of leased assets (machines and furnishings)	119 883	39 048
Book value of leasing liabilities (present value)	103 136	28 883
Present value of future minimum leases:		
0-1 year	16 242	12 691
1-5 years	59 548	16 192
5 years -	27 346	
Total	103 136	28 883

Net present value of the Group's operational leases is NOK 3 026.

NOTE 19 RELATED PARTIES

(All figures in NOK 1 000)

Trade between Group companies and corresponding trade with affiliated companies (see Note 4) is carried out at market prices.

Transactions and outstanding accounts with Norskott Havbruk (group) for 2008 are as follows:

	2008	2007
Sales to Norskott Havbruk		
Purchases from Norskott Havbruk	144 809	271 625
Net capitalised receivables / liabilities at 31.12	-24 925	-9 391



Income statement

All figures in NOK 1 000 (period 01.01 - 31.12)

LERØY SEAFOOD GROUP ASA				
	Notes	2008	2007	2006
OPERATING REVENUES AND COSTS				
Sales revenues		1 829	2 645	2 536
Wages and other personnel costs	7	33 656	31 534	25 612
Other operating costs		11 445	6 625	5 644
Ordinary depreciation	2	840	840	840
Total operating costs		45 941	38 999	32 096
Operating profit		-44 112	-36 354	-29 560
SUBSIDIARIES, AFFILIATES AND NET FINANCIAL ITEMS				
Income from investments in subsidiaries	5	121 977	277 493	347 750
Income from affiliated companies	5	45 000	1 430	1 000
Net financial items	8	-12 417	21 392	-2 727
Profit before tax		110 448	263 961	316 463
Total tax cost	6	-1 128	-34 416	-73 343
THE YEAR'S PROFIT		109 320	229 545	243 120
Information regarding:				
Allocation to other equity		-40 697	133 106	28 811
Allocation to dividend		150 017	96 439	214 309



Balance sheet

All figures in NOK 1 000

LERØY SEAFOOD GROUP ASA		Notes	31.12.08	31.12.07
FIXED ASSETS				
Deferred tax asset	6		755	760
Total intangible assets			755	760
<hr/>				
Buildings and real estate	2		16 729	15 783
Total tangible fixed assets			16 729	15 783
<hr/>				
Shares available for sale	3		37	37
Shares in subsidiaries	3		2 642 928	2 641 006
Shares in affiliated companies	3		173 054	173 054
Other long-term receivables			4 701	
Long-term Group receivables	5		254 753	251 465
Total financial fixed assets			3 075 473	3 065 563
<hr/>				
TOTAL FIXED ASSETS			3 092 957	3 082 106
<hr/>				
Customer receivables			284	1 445
Reveivables from Group companies and affiliates	5		201 099	309 143
Other receivables			770	1 678
Cash and equivalentents			209 032	275 199
<hr/>				
TOTAL CURRENT ASSETS			411 185	587 465
<hr/>				
TOTAL ASSETS			3 504 142	3 669 571

Balance sheet

All figures in NOK 1 000

LERØY SEAFOOD GROUP ASA		Notes	31.12.08	31.12.07
EQUITY				
Share capital	1		53 577	53 577
Own shares	1		-12 355	-8 687
Share premium reserve	1		2 601 390	2 601 390
Total equity contributions			2 642 612	2 646 280
Other equity	1		121 428	182 029
Total earned equity			121 428	182 029
TOTAL EQUITY			2 764 040	2 828 309
LIABILITIES				
Pension liabilities				
Deferred tax				
Total provisions for liabilities			0	0
Mortgage debt	4		576 481	684 607
Total other long-term debt			576 481	684 607
Total long-term liabilities			576 481	684 607
Accounts payable			39	65
Accounts payable, Group	5		905	16 218
Taxes payable	6		390	37 596
Public duties payable			10 047	
Allocated to dividend			150 017	96 439
Other short-term liabilities			2 223	6 337
Total short-term liabilities			163 621	156 655
TOTAL EQUITY AND LIABILITIES			3 504 142	3 669 571

Bergen, 30 March 2009


The Board of Directors in Lerøy Seafood Group ASA


Svein Milford
Chairman


Ole Rasmus Møgster


Fons Brusselmans


Britt Kathrine Drivenes


Hege Charlotte Bakken


Hans Petter Vestre
Employees' representative


Helge Singelstad
Group CEO
Lerøy Seafood Group ASA

Cash flow statement

All figures in NOK 1 000 (period 01.01 - 31.12)

LERØY SEAFOOD GROUP ASA	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	110 448	263 961
Taxes paid for the period	-38 329	-70 573
Profit / loss from sale of shares		-39 810
Ordinary depreciation	840	840
Change in customer receivables	1 161	-1 351
Change in accounts payable	-26	-697
Change in other accruals	9 315	-23 171
Income from investments in subsidiaries / affiliates	-162 218	-277 493
Net cash flow from operating activities	-78 809	-148 294
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	18	
Payments for acquisitions of fixed assets	-1 804	-414
Proceeds from sale of shares and interests in other companies	2 166	79 038
Payments for acquisitions of Group companies	-4 088	-1 109 821
Payments made/received on Group balances (short and long-term)	-41 855	-238 562
Payments made/received on other balances (short and long-term)	-4 701	
Net cash flow from investing activities	-50 264	-1 269 759
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from short-term credits		
Proceeds from new long-term loans		
Payments made/received on short-term Group debt	-15 313	49 533
Payments made for reduction of long-term debt	-108 125	-108 125
Equity contributions		1 368 360
Received/paid from sale/purchase of own shares	-26 046	8 000
Dividend payments	-96 439	-214 309
Group contributions received, dividend from subsidiaries	308 829	347 600
Net cash flow from financing activities	62 906	1 451 059
Net cash flow for the period	-66 167	33 006
Cash and equivalents at start of period	275 199	242 193
Cash and equivalents at end of period	209 032	275 199
This consists of:		
Bank deposits, etc.	209 032	275 199
Of which restricted funds	0	0

Notes Lerøy Seafood Group ASA 2008

A) COMMENTS ON ACCOUNTING PRINCIPLES

The annual accounts are drawn up in accordance with the Accounting Act of 1998 and good accounting practice. All figures in the notes are in NOK 1 000.

(B) OPERATING REVENUES

Operating revenues are booked when earned. Sales of goods and services are therefore normally booked at the time of delivery. Fees, discounts, bonuses and other sales costs are deducted from the operating revenues.

(C) CLASSIFICATION AND EVALUATION OF BALANCE SHEET ITEMS

Current assets and short-term liabilities comprise items due for payment within one year of the accounting date, as well as items related to the production cycle. Other items are classified as fixed assets or long-term liabilities.

Current assets are valued at the lower of acquisition costs and real value. Short-term liabilities are entered in the balance sheet at their nominal value at the time of establishment.

Fixed assets are valued at acquisition cost, but are written down to real value if the decline in value is not considered to be temporary. Long-term liabilities are booked in the balance sheet at their nominal value at the time of establishment.

(D) ACCOUNTS RECEIVABLE

Customer receivables and other

receivables are booked in the balance sheet at face value less allocations for anticipated losses. Provisions for losses are based on individual assessments of the respective items.

(E) SHORT-TERM INVESTMENTS

Short-term investments (shares and units classified as current assets) are valued at the lower of average acquisition cost and real value on the accounting date. Dividends and other distributions received from the companies, are booked as Other financial revenues.

(F) LONG-TERM INVESTMENTS

Long term investments (shares and units classified as fixed assets) are booked in the balance sheet at acquisition cost. The investment is written down to real value if the decline in value is not considered to be temporary. Dividends and other distributions from the companies are booked as Other financial revenues.

(G) AFFILIATED COMPANY

Affiliates are companies in which the Group holds an interest of between 20% - 50% and where the investment is long-term and of a strategic nature. In the company accounts affiliates are valued according to the cost method.

(H) TANGIBLE FIXED ASSETS

Tangible fixed assets are booked at acquisition cost less accumulated depreciation. The depreciation is distributed linearly over assumed economic life. Similar principles are

applied to intangible assets.

(I) TAXATION

Tax cost in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated at a rate of 28% on the basis of the temporary differences that exist between accounting and taxable values, as well as the assessed deficit to be carried forward at the end of the financial year. Temporary tax-increasing and tax-decreasing differences which reverse or may reverse the figures in the same period have been combined and booked at net value.

(J) SHARE-BASED REMUNERATION

In connection with reconciling the Norwegian accounting standards (NRS 15A) with IFRS 2 in respect of share-based remuneration, it is required that company accounts submitted under NGAAP show the share-based remuneration computed in accordance with IFRS rules. The Group has a share-based remuneration scheme with payment in the form of shares. Real value of the return services the Group receives from employees for the allocated options, are booked as a cost. The total amount to be booked for the accrual period is based on the real value of allocated options at the time of allocation (Black & Scholes/Hull&White). Fair value of options is included in LSG ASA accounts from 01.01.06.

NOTE 1 EQUITY

(All figures in NOK 1 000)

2007	Share capital	Own shares	Premium reserve	Other equity	Total equity
Equity at 01.01.07	42 777	-23 948	1 243 830	55 469	1 318 128
The year's profit to equity				133 105	133 105
Share issue	10 800		1 371 950		1 382 750
Purchase/sale of own shares		15 261		-7 261	8 000
Share issue costs			-14 390		-14 390
Impact of option programme				716	716
Equity at 31.12.07	53 577	-8 687	2 601 390	182 029	2 828 309

2008	Share capital	Own shares	Premium reserve	Other equity	Total equity
Equity at 01.01.08	53 577	-8 687	2 601 390	182 029	2 828 309
The year's profit to equity				-40 696	-40 696
Purchase/sale of own shares		-3 668		-22 378	-26 046
Impact of option programme				2 473	2 473
Equity at 31.12.08	53 577	-12 355	2 601 390	121 428	2 764 040

Notes Lerøy Seafood Group ASA 2008

Share capital	Shares	Face value	Book value
Ordinary shares	53 577 368	1.00	53 577 368
Total	53 577 368		53 577 368

Lerøy Seafood Group ASA had 1 018 shareholders at 31.12.08. All shares convey the same rights in the company. There were 53 577 368 shares outstanding at 31.12.08.

For an overview of share capital and the 20 largest shareholders, see Note 10 to the consolidated accounts.

Own shares

In 2008 the company acquired 496 710 of its own shares and sold 352 357 of its own shares. At 31.12.08 the company owned 229 776 own shares with an average capitalised value of NOK 53.77 per share.

NOTE 2 FIXED ASSETS

(All figures in NOK 1 000)

2008	Real estate	Buildings	Total fixed assets
Acquisition cost as per 01.01.08	2 090	34 456	36 546
Accrual acquired fixed assets		1 804	1 804
Sale of fixed assets		-18	-18
Acquisition cost as per 31.12.08	2 090	36 242	38 332
Accumulated depreciation 31.12.08		-21 603	-21 603
Capitalised value at 31.12.08	2 090	14 639	16 729
The year's depreciation		840	840

The company uses linear depreciation for all fixed assets. Economic life of fixed assets is estimated at:

- * Buildings and other property 20 - 25 years
- * Real estate Lasting value

NOTE 3 SHARES IN SUBSIDIARIES, AFFILIATED COMPANIES, ETC.

(All figures in NOK 1 000)

Subsidiaries	Business location	Ownership / voting rights	Purchase/ contribution	Cost price/ book value
Lerøy Hydrotech AS	Kristiansund	100 %		773 585
Lerøy Midnor AS	Hitra	100 %		261 645
Lerøy Fossen AS	Bergen	100 %		221 236
Lerøy Aurora AS	Tromsø	100 %		133 870
Lerøy Austevoll Holding AS	Austevoll	100 %		1 070 253
Hallvard Lerøy AS	Bergen	100 %		57 871
Lerøy Smøgen Seafood AB	Smøgen, Sweden	100 %		36 017
Lerøy Sverige AB	Gothenburg, Sweden	100 %		29 690
Lerøy Alfheim AS	Bergen	100 %		13 100
Lerøy Delico AS	Stavanger	75 %		6 000
Lerøy Trondheim AS	Trondheim	100 %		11 795
Lerøy Fisker'n AS	Oslo	70 %		4 375
Lerøy & Strudshavn AS	Bergen	100 %		233
Sigerfjord Aqua AS	Sigerfjord	95.55 %	1 200	12 547
Inversiones Seafood Ltda	Chile	100 %	2 888	2 888
Nordvik SA	Boulogne, France	90 %		3 123
Portnor Lda	Portugal	60 %		4 600
Sandvikstomt 1 AS	Bergen	100 %		100
Total shares in subsidiaries			4 088	2 642 928

(Continued on next page)

Affiliated company	Business location	Ownership/ voting rights	Capitalised value
Norskott Havbruk AS	Bergen	50 %	163 273
Alfarm Alarko Lerøy	Istanbul, Turkey	50 %	9 781
Total shares in affiliated companies			173 054

In 2005 the Group acquired 50% of the shares in Alfarm Alarko Lerøy, located in Turkey. An agreement has been signed for uneven distribution of dividend where Lerøy Seafood Group ASA only has the right to 25% of ordinary dividend for the accounting years 2005, 2006, 2007 and 2008.

Other shares	Business location	Number of shares	Ownership/ voting rights	Cost price	Capitalised value
Miscellaneous minor share interests				37	37
Total other shares				37	37

NOTE 4 DEBT, MORTGAGES AND GUARANTEES

(All figures in NOK 1 000)

	2008	2007
Long-term interest-bearing debt		
Debt to credit institutions 1 a,b)	576 481	684 606
Total interest-bearing debt 31.12	576 481	684 606
Bank deposits	209 032	275 199
Net interest-bearing debt 31.12	367 449	409 407
Debt secured by mortgages		
Long-term debt to credit institutions 1 a,b)	576 481	684 606
Total mortgage-secured debt 31.12	576 481	684 606
Mortgaged assets		
Shares in affiliated companies	163 273	163 273
Shares in subsidiaries	696 227	696 227
Buildings	16 000	16 000
Total	875 500	875 500
Long-term debt with maturities of more than five years		
Debt to credit institutions 1 b)	87 500	175 000
Total	87 500	175 000
Guarantees issued on behalf of LSG ASA 2 a)	50 000	106 154

Lerøy Seafood Group ASA also has joint and several liability for a Group credit account with a maximum overdraft of NOK 400 000. Other Group companies have secured for loans through pledge of inventory and customer receivables of NOK 40 000 and NOK 280 000 respectively

Instalment profile - loans

1 a) Lerøy Seafood Group ASA : A loan of NOK 165 000 was established in 2002 (NOK 51 481). The first instalment was paid in August 2003 and the loan is to be repaid over 8 years in equal semi-annual instalments. The final payment is expected to be made in 2011. The loan currently runs on NIBOR plus margin.

1 b) Lerøy Seafood Group ASA : A new loan of NOK 700 000 was established in the autumn of 2006 and the first instalment was paid in June 2007 (NOK 525 000). Thereafter the loan is to be repaid over 8 years in equal semi-annual instalments. The loan currently runs on NIBOR plus margin.

(Continued on next page)

Notes Lerøy Seafood Group ASA 2008

Guarantees

2 a) Lerøy Seafood Group ASA has posted a guarantee to the lenders of NOK 50 000 to Lerøy Midnor.

Financial covenants

Loan terms (covenants) are: an equity ratio of minimum 30% and net interest-bearing debt shall not exceed 5.0 in relation to EBITDA for the Group (consolidated accounts). When calculating the equity ratio, the balance sheet is adjusted for bank deposits and deferred tax in respect of licences.

NOTE 5 GROUP INTERCOMPANY ACCOUNTS

(All figures in NOK 1 000)

	2008	2007
Long-term Group receivables		
Lerøy Alfheim AS	5 062	7 092
Lerøy Fossen AS		17 198
Lerøy Austevoll AS	17 198	
Lerøy Hydrotech AS	211 800	211 800
Sigerfjord Aqua AS	2 447	
SAS Eurosalmon	13 107	10 038
SAS Fish Cut	5 139	5 337
Total long-term Group receivables	254 753	251 465
Short-term Group receivables		
Hallvard Lerøy AS	83 907	69 020
Lerøy Midnor AS	38 421	167 000
Lerøy Aurora AS	127	21 877
Lerøy Fossen AS	32 500	32 500
Lerøy Austevoll AS		18 746
SAS Hallvard Lerøy	1 144	
Norskott Havbruk AS	45 000	
Total short-term Group receivables	201 099	309 143
Of which: Group contribution / dividend received		
Hallvard Lerøy AS	78 797	68 400
Lerøy Midnor AS	38 421	167 000
Lerøy Sverige AB		
Lerøy Smøgen Holding AB		
Lerøy Delico AS	4 759	
Lerøy Aurora AS		21 750
Lerøy Fossen AS		32 500
Lerøy Austevoll Holding AS		18 746
Other subsidiaries		433
Total Group contributions / dividend	121 977	308 829
Group contribution not in P&L		-31 336
Income from investments in subsidiaries	121 977	277 493
Income from affiliated companies		
Norskott Havbruk AS (dividend)	45 000	
Income from affiliated companies	45 000	0
Short-term Group debt		
Hallvard Lerøy AS		16 218
Lerøy Alfheim AS	4	
Lerøy Vest AS	901	
Total short-term Group debt	905	16 218

NOTE 6 TAXATION

(All figures in NOK 1 000)

	2008	2007
Distribution of the year's tax cost		
Taxes payable	390	37 596
Too much / too little allocated to taxes	733	
Share issue costs charged against equity		
Received Group contribution with tax effect, not booked as income		-8 774
Change in deferred tax	5	5 595
Total taxation	1 128	34 416
Calculation of the year's taxation base		
Profit before tax	110 448	263 961
Interest on tax		
Share issue costs charged against equity		
Dividend (adjusted for taxation)	-50 411	-68 400
Permanent differences including Group contributions without tax effect	-58 629	-32 839
Received Group contribution with tax effect, not booked as income		31 336
Tax-related loss/profit on sale of shares		-39 809
Change in temporary differences	-18	-19 981
The year's taxation base	1 390	134 268
Overview of temporary differences		
Buildings / operating accessories	-2 500	-2 518
Receivables	-200	-200
Allocation to commitment reserve		
Total	-2 700	-2 718
28% deferred tax (- tax asset)	-755	-760
Hereof entered in the balance sheet	-755	-760
Why the year's tax cost is not equal to 28% of pre-tax profit		
28% of profit before tax	30 926	73 909
Permanent differences (28%)	-16 416	-9 195
Tax-free dividend	-14 115	-19 152
Loss / gain on sale of shares (28%)		-11 147
Too much / too little allocated to tax	733	
Estimated tax cost	1 128	34 416
Effective tax rate	1.02 %	13.04 %
Tax payable booked in the balance sheet		
Tax payable	390	37 596
Tax payable on effectuated Group contributions		
Tax payable, booked in the balance sheet	390	37 596

Notes Lerøy Seafood Group ASA 2008

NOTE 7 PAYROLL EXPENSES, NO. OF EMPLOYEES, REMUNERATION, LOANS TO STAFF, ETC.

(All figures in NOK 1 000)

Payroll expenses	2008	2007	2006
Wages and salaries	26 085	17 656	7 899
Employer's contribution	4 640	2 489	1 488
Pension costs ¹⁾	388	235	415
Option costs (incl. employer's contribution, see Note 1)	2 473	11 015	14 540
Other contributions	70	139	1 270
Total	33 656	31 534	25 612

1) contribution based pension scheme

Average number of man-years is 6.

For a spesification of rewards to senior staff in Lerøy Seafood Group ASA and in the Group, see Note 14 to the consolidated accounts.

Auditor

Invoiced fees in 2008 from the Group auditor PricewaterhouseCoopers AS, the Law Firm PricewaterhouseCoopers AS and other auditors, are as follows:

	2008	2007	2006
Auditing fees Group auditor	385	455	239
Auditing fees Group auditor IFRS	196	175	150
Tax advice Group auditor		143	168
Other certification services Group auditor		225	150
Other services Group auditor	177	1 192	783
Total	758	2 190	1 490

NOTE 8 ITEMS COMBINED IN THE ACCOUNTS

(All figures in NOK 1 000)

Financial revenues	2008	2007	2006
Interest revenues from Group companies	18 696	2 326	2 538
Other interest income	14 522	18 764	5 637
Profit on sale of shares		39 810	15
Profit on currency transactions (Agio)	3 699		
Other financial revenues	62	448	1 150
Total financial revenues	36 979	61 348	9 340

Financial costs	2008	2007	2006
Interest costs	48 980	39 712	11 651
Other financial costs	416	244	416
Total financial costs	49 396	39 956	12 067

Net financial items	-12 417	21 392	-2 727
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PricewaterhouseCoopers AS

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To the Annual Shareholders' Meeting of Lerøy Seafood Group ASA

Auditor's report for 2008

We have audited the annual financial statements of Lerøy Seafood Group ASA as of December 31, 2008, showing a profit of NOK 109 320 000 for the parent company and a profit of NOK 127 052 000 for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the financial statements of the parent company and the group. The financial statements of the parent company comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The financial statements of the group comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The regulations of the Norwegian accounting act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements of the parent company. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the group. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the parent company have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the company as of December 31, 2008 and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the financial statements of the group have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group as of December 31, 2008, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Bergen, March 30, 2009
PricewaterhouseCoopers AS

Per Henrik Gillesvik
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

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