



Fourth quarter report 2007  
February 27th 2008





# HIGHLIGHTS

- > **Q4/07 revenue was 19,4 MNOK** with a total harvesting volume of 545 tons (r.w). Sales revenues up 8 % compared to Q4/06. Total revenue of 47,1 MNOK in 2007.
- > **EBIT of – 12,5 MNOK in Q4/07** relative to -9,7 MNOK in Q4/06, reflects 1,7 MNOK in negative margin of fish sold, 3,8 MNOK in write-down loss due to high mortality at one batch on the Hammervika location, 6,3 MNOK in administration costs and negative result of -0,8 MNOK from subsidiaries.
- > **Successfully closing** of Private Placement at NOK 29 per share and convertible bond issue, securing gross proceeds of MNOK 200.
- > **Hellvika generation fully harvested** with a total of 1290 tons (r.w.) of which 545 tons (r.w) were harvested during Q4/07.
- > **Location Sjetnes**, with a standing biomass of 1668 tons (r.w.), that represents the main bulk of the 2008 harvest volumes, shows good growth performance, falling production cost and also positive indications regarding the effect of the new light regimes. The average weight is already about 2,0 kg with the best performers near 4kg.
- > **Total of 2.5 mill. juveniles** were put to sea in 2007 at location Hammarvika, Kjølsvika and Vindvika.
- > **Market remains strong:**  
Average FOB price of 38.60 kr/kg in Q4-07, up 7 % on Q4-06. Average 2007 FOB price of 38 kr/kg, up 6% on 2006. EU quotas of wild Atlantic cod reduced by 10 % and landings by 11 % in 2007. 22% of all farmed cod exported from Norway in Q4/07 was produced by Codfarmers, relative to 31 % in Q3/07.

# FINANCIALS

## CONSOLIDATED KEY FINANCIALS FIGURES

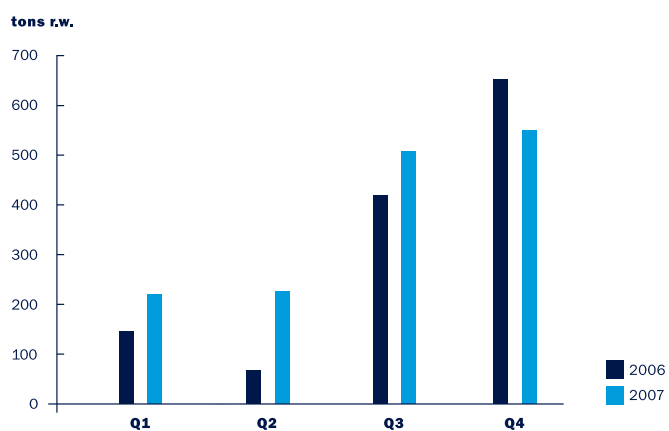
NOK (1000`)	Q4 2007	Q4 2006	YEAR 2007	YEAR 2006
Revenue	19 429	18 017	47 121	33 430
EBITDA	-9 285	-8 155	-20 723	-18 326
EBIT before biomass adj	-12 570	-9 738	-28 247	-22 209
EBIT after biomass adj	-12 570	-9 738	-28 247	-22 209
Total assets	453 118	231 406	453 118	231 406
Totalt Equity	340 853	211 503	340 853	211 503
Equity ratio	75%	91%	75%	91%
Interest bearing debt	88 155	3 139	88 155	3 139
Cash and cash equivalents	215 454	136 110	215 454	136 110

- Q4/07 revenue was 19,4 MNOK with a total harvesting volume of 545 tons (r.w). Sales revenues up 8 % compared to Q4/06.
- Total revenue of 47,1 MNOK in 2007 reflects sales of 1510 tons (r.w.) own and 170 tons (r.w.) of sourced external cod of 44,5 MNOK together with 2,6 MNOK of external processed fish at subsidiary Cod Processing AS.
- EBIT of – 12,5 MNOK in Q4/07 relative to -9,7 MNOK in Q4/06, reflects 1,7 MNOK in negative margin of fish sold, 3,8 MNOK in write-down due to high mortality at one batch on the Hammervika location, 6,3 MNOK in administration costs and negative result of 0,8 MNOK from subsidiaries.
- EBIT of -28,2 MNOK in 2007. Net margin of fish sold in 2007 of – 1,8 MNOK.
- Successfully closing of Private Placement at NOK 29 per share and convertible bond issue, securing gross proceeds of MNOK 200.
- Total assets of 453,1 MNOK, reflecting 87,3 MNOK in non current assets and 365,8 MNOK in current assets.
- Total equity of 340,8 MNOK with an equity ratio of 75 % and 88,2 MNOK of interest bearing debt.
- 215,5 MNOK in cash and cash equivalents.

# FINANCIALS

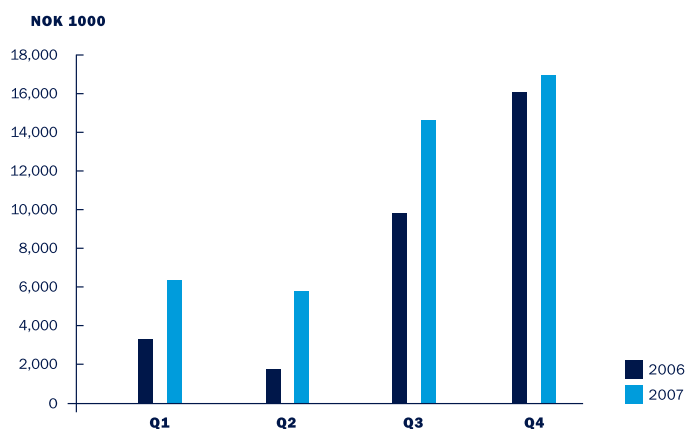
## HARVEST

- Q4/07 harvest of 545 tons (r.w.) down 16 % relative to Q4/06 as expected and according to market strategy.
- Generation at Hellevika fully harvested in Q4/07.
- Total harvest of 1510 tons (r.w.) in 2007.



## SALES

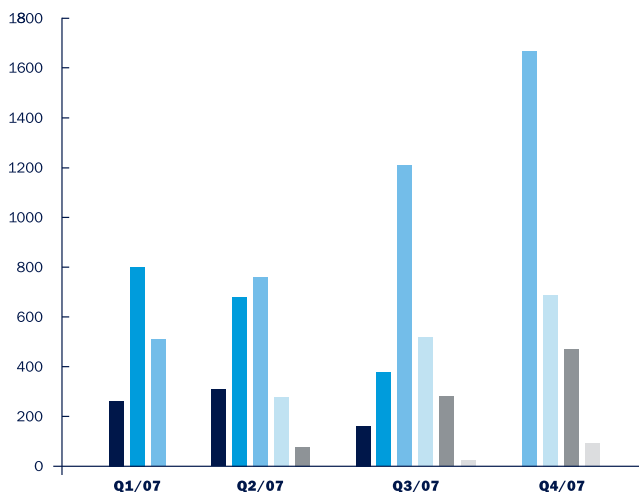
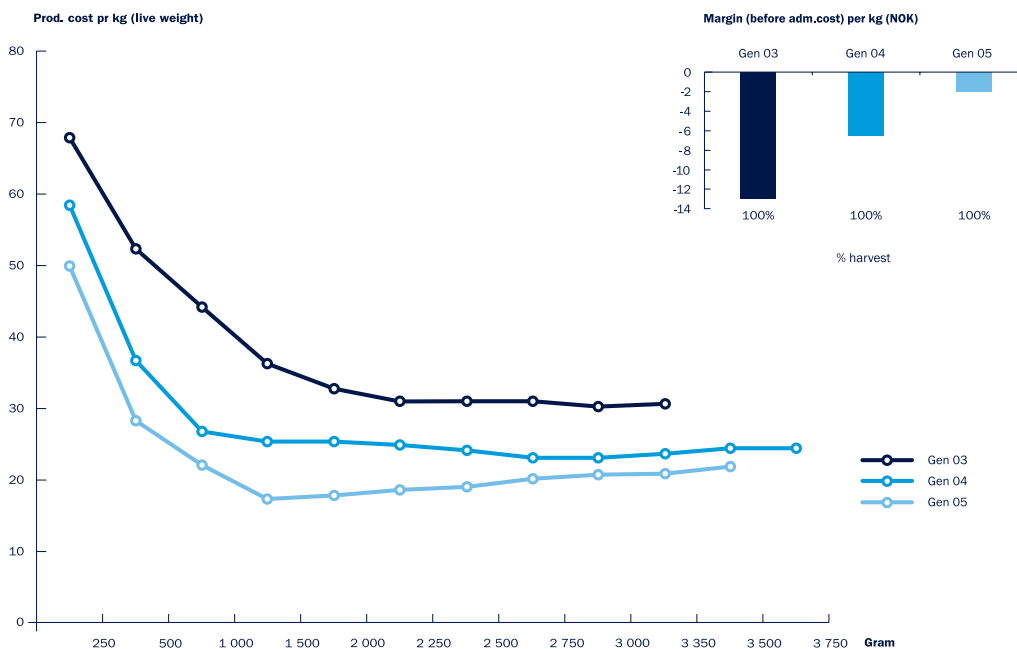
- Q4/07 revenue of 17,4 MNOK.
- Total sales of 44,5 MNOK in 2007 including 5,0 MNOK of external sales.
- Approx. 22 % market share of total farmed cod sales from Norway in Q4/07.



# FINANCIALS

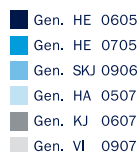
## MARGIN ANALYSIS 2007 (HARVESTED GENERATIONS)

- Generation 05 at Hellvika fully harvested in Q4 at a production cost of NOK 22,2. Higher production cost than expected, but still significant cost improvements relative to the generations harvested in previously years.
- Negative net result for the harvested 05 generation in Q4 of -2,1 MNOK before adm.cost with a accumulated net margin of - 2,4 NOK pr kg (r.w).
- Generation 06 at location Skjetneset shows a positive trend, and have today a production cost of NOK 22,5 at an average weight of 1,8kg. This generation is expected to generate at positive margin (before administration costs) and will reflect the main volumes harvested in 2008.



## BIOMASS DEVELOPMENT (TONS)

- Total release of 2,5 mill juveniles in 2007 distributed over three locations.
- 2923 tons (r.w.) standing biomass per Q4/07.
- A total of 3,3 mill. fish at 4 different locations.
- Net growth of 865 tons (r.w.) biomass in Q4/07.



# PRODUCTION

- Hellvika generation fully harvested with a total of 1290 tons (r.w.) of which 545 tons (r.w) were harvested during Q4/07.
- Production costs at Hellevika higher than expected due to higher maturation and slower growth performance.
- Increased mortality at location Hammarvika. Expected cost of mortality calculated to 3,8 MNOK is write-down in Q4/07.
- Location Sjetnes, with a standing biomass of 1668 tons (r.w.), that represents the main bulk of the 2008 harvest volumes, shows good growth performance, falling production cost and also positive indications regarding the effect of the new light regimes. The average weight is about 1,8 kg with the best performers near 4kg.
- Normal winter sea-temperatures between 8 and 6 degrees Celcius at all locations.

## COD PERFORMANCE INDICATORS PER DECEMBER 2007

	Hellvika Gen. June 2005	Hellvika Gen. July 2005	Sjetnes Gen. Sept 2006	Hammarvika Gen. May 2007	Kjølvika Gen. June 2007	Vindvika Gen. Sept 2007
Harvest %	100%	100%	0%	0%	0%	0%
Growth from 100g to 1,5kg	14 months	13 months				
Growth from 100g to harvested weight	27 months	23 months				
Avg. harvested weight	3,3 kg	3,3 kg				
Current avg. weight			1,8 kg	1,1 kg	0,5 kg	0,1 kg
No. offish (1 000)			950	648	1 045	680
Biological feed factor (FCR)	1,24	1,21	1,06	1,06	0,86	0,90
Economic feed factor (EFCR)	1,39	1,30	1,10	1,13	0,88	0,97
Mortality (%)	11,4%	7,2%	3,0%	4,6%	1,8%	2,9%
Production cost per kg. (r.w.)	NOK 23,2	NOK 21,9	NOK 22,5	NOK 36,8	NOK 45,1	NOK 141,4

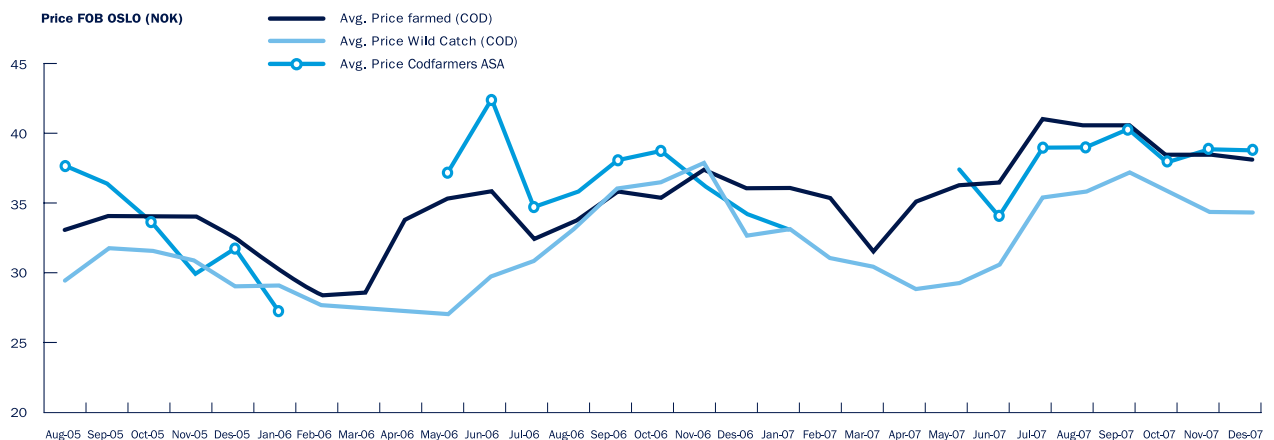
- A total of 2.5 mill. juveniles were put to sea in 2007 at location Hammarvika, Kjølvika and Vindvika.
- New location granted at Kjerkvika in the Nordfjorden cluster adds another 2.730 MTB to a total capacity of 17.790 MTB.
- Preparing new sites at Nordfjorden and Åmøyhavn for spring release.

# MARKET

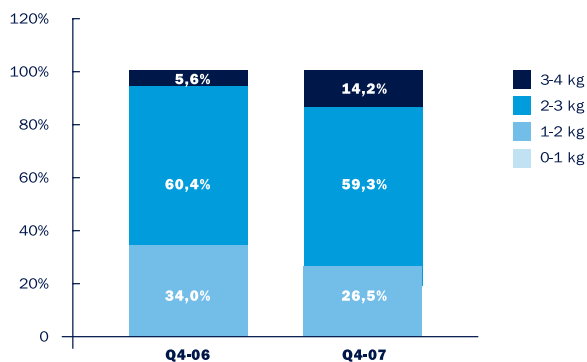
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## MARKET

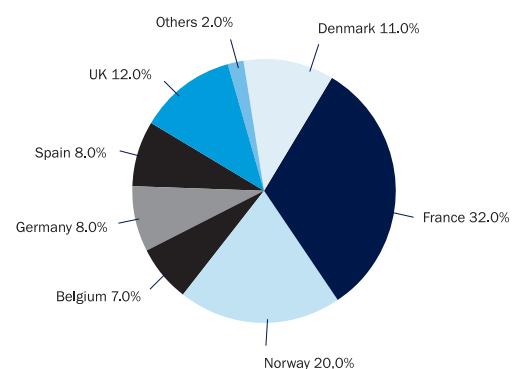
- Average FOB price of 38.60 kr/kg in Q4-07, up 7 % on Q4-06. Average 2007 FOB price of 38 kr/kg, up 6% on 2006.
- 22% of all farmed cod exported from Norway in Q4/07 was produced by Codfarmers, relative to 31 % in Q3/07. Fixed price/volume contracts contributed to Codfarmers achieving stable and better than average export prices in Q4 avoiding some of the seasonal price drop towards the end of the period.
- New long term contracts with several new clients in new markets initiated and in pipe line preparing for the increasing volumes in 2008.
- Market remains strong. EU quotas of wild Atlantic cod reduced by 10 % and landings by 11 % in 2007.
- Total catch of an estimated 776.000 tonnes (r.w.) of Atlantic Cod in 2007, down 44 % over the last 10 years. Total estimated production of Norwegian farmed cod in 2007 of 11.500 tonnes (r.w.), wild caught ranged cod included.



## SIZE DISTRIBUTION Q4 2006/2007



## SALES VALUE BY GEOGRAPHICAL MARKETS Q4 2007



# FUTURE

## INVESTING FOR THE FUTURE

These are hectic times in Codfarmers; to get the new locations ready for the 2008 release of juveniles; to become self-sufficient with juveniles from Mørkvedbukta as soon as possible; to get the Halså processing plant automated and ready before the harvest season starts up in May and to develop the market in preparation for the coming increase in harvest volumes.

## COD JUVENILES

The building and the implementation of the NOK 60 mill investment plan for the integrated brood stock-, hatchery- and nursery facility in Mørkvedbukta is on schedule. This is a most important step for Codfarmers to cut costs, to become self-supplied with high quality juveniles and reduce risk related to an un-stable juvenile market, external disease issues and expected stricter regulations for transporting juveniles from South-Norway. The land based large juvenile facility will be ready during Q2. The hatchery will be ready for test production in Q3. The first large juveniles are planned for delivery late autumn, the first self produced small juveniles are expected in spring 2009. The company will be self-sufficient with juveniles as of 2010.

## COD PRODUCTION

The Q4 release of juveniles was partly delayed due to the erratic supply from external juveniles suppliers. 2,5 out of the planned 2,8-3,0 juveniles planned for release in 2007 are in place at our locations.

Another 0,4-0,7 mill. of the 2007 juvenile release have been delayed until the spring 2008. Two new large work boats, a new feed barge and most of the equipment is ready for delivery for the new locations to be operational during spring and summer. A new location granted at Kjerkvika in the Nordfjorden cluster adds another 2.730 MTB to a total capacity of 17.790 MTB.

## COD PROCESSING

The implementation of the NOK 20 mill investment program at Halså is on track. Up-grading started in January and the new processing line design including an automated Baader 444 slaughter machine will be operational when harvesting commence in May. The objective is to cut packing costs and increase quality standards. The line will be at full capacity during the second half of 2008. New lines will be added as harvest volumes increase. Manual test filleting will take place until the new automated fillet line is installed in the spring of 2009.

## COD MARKET

Focus in 2008 remains on further expanding contract sales of Codfarmers' growing fillet assortment to leading European retailers. Codfarmers now offer a range of fresh cod fillets produced with three different processing partners in Europe. Codfarmers premium brand STRØM® aimed at discerning chefs across Europe, will be launched in key markets through exclusive dealerships during the second half of the year. The sale of cod tongues and cheeks

will add positively to the growing sale of liver and other bi-products. The sales organisation will be further strengthened to deal with the increase in sales volumes.



**Øystein Steiro**  
CEO Codfarmers ASA



# FINANCIAL INFO

## ACCOUNTING PRINCIPLES

The Group will comply with the guidelines stated in IAS 41 for the valuation of live fish, in accordance with our interpretation of IFRS.

The main principle is that the fish is to be valued at its estimated fair value less sales costs.

When limited biological transformation has taken place or when the estimated fair value is clearly unreliable, §24 of IAS 41 allows the fish to be recorded at its production cost.

## FOURTH QUARTER 2007 RESULTS

The Group achieved a total revenue during fourth quarter 2007 of MNOK 19.4, compared with MNOK 18.0 for the same period in 2006. Subsidiaries contribute with a revenue of MNOK 2.0 in fourth quarter.

The operating result before biomass adjustments came to MNOK -12.6, compared to MNOK -9.7 for the same period in 2006. The operating result after biomass adjustments equalled MNOK -12.6 with no biomass adjustments in the period reporting on the basis of IAS 41 (IFRS).

The fourth quarter result after tax came to MNOK -11.5, compared to MNOK -9.5 in 2006. The result after tax was MNOK -25.1 in 2007 compared to MNOK -21.0 in 2006. Subsidiaries account for MNOK -0.8 of net total after tax result.

The net cash flow from operations for 2007 was MNOK -88.6, compared

to MNOK -45.2 for the same period last year.

The net cash flow from investment activities in 2007 came to MNOK -71.5, of which MNOK -35.1 reflects investments in new farming equipment in Nordfjorden and Kjerringøy. MNOK 21.8 has been invested in hatching facility at Mørkvedbukta outside Bodø. MNOK 9.8 has been investment in the Halså processing plant. Investment in financial assets of MNOK 5.0 relates to 12.5 % of the shares in Marin Invest AS.

The cash flow from financing activities shows that the Group increased its equity by the net amount of MNOK 142,7 through share issues during 2007. Net proceeds from the convertible bond issue in November 2007 was MNOK 96.2. Other interest bearing debt has been reduced by MNOK 0.6 during 2007.

At the end of 2007, the Group had MNOK 215.5 in available cash and cash equivalents.

## FINANCING, CAPITAL STRUCTURE AND SHAREHOLDERS

End of fourth quarter, the Group had total assets with a book value of MNOK 453.1 and interest bearing debt of MNOK 87.3. The Group's book equity equalled MNOK 341.6, giving an equity ratio of approx. 75%.

As per 15 February 2008, Codfarmers ASA had 452 shareholders. 32 % of the shares were owned by foreign investors (UK 22,2% US 5,6 % ).

The 20 largest shareholders owned a total of 77,8 % of the Company's shares. The largest shareholder is Odin Verdipapirfond and has a stake of 9,9%, while Chenye Global Catalyst from UK and Orkla ASA have 9,1 % and 8,5 % of the shares respectively.

In Q4, Codfarmers ASA have been trading at between NOK 37 and NOK 24 per share.

# INCOME STATEMENT

Unaudited (NOK 1000)	Note	IFRS			
		Q4 2007	Q4 2006	YEAR 2007	YEAR 2006
Revenue		19 429	18 017	47 121	33 430
Consumables used		17 502	9 799	74 218	35 026
Inventory change		-6 533	8 122	-61 556	-8 247
Salaries		9 042	5 142	23 513	13 554
Depreciation, amortisation and impairment charges		3 285	1 582	7 524	3 883
Other expenses		8 703	3 109	31 670	11 423
<b>Operating profit before biomass adj.</b>		<b>-12 570</b>	<b>-9 738</b>	<b>-28 247</b>	<b>-22 209</b>
Biomass adjustment		0	0	0	0
<b>Operating profit</b>		<b>-12 570</b>	<b>-9 738</b>	<b>-28 247</b>	<b>-22 209</b>
Financial income		2 130	260	4 705	1 541
Financial cost		-1 059	-44	-1 525	-282
<b>Net finance</b>		<b>1 071</b>	<b>216</b>	<b>3 180</b>	<b>1 259</b>
Profit before income tax		-11 499	-9 522	-25 067	-20 950
Income tax (expense) / income		0	0	0	0
<b>Profit for the period</b>		<b>-11 499</b>	<b>-9 522</b>	<b>-25 067</b>	<b>-20 950</b>
<b>Attributable to:</b>					
Equity holders of the company		-11 499	-9 522	-25 067	-20 950
<b>Earnings per share</b>					
basic	11	-0,67	-0,89	-1,45	-1,96
diluted	11	-0,66	-0,89	-1,44	-1,96

# BALANCE SHEET

		IFRS YEAR 2007	YEAR 2006
Unaudited (NOK 1000)	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	80 033	21 545
Intangible assets	5	2 280	1 571
Financial assets for sale		5 003	3
<b>Total non-current assets</b>		<b>87 315</b>	<b>23 119</b>
<b>Current assets</b>			
Inventories		2 989	1 798
Biomass		97 047	35 491
Trade receivables		8 738	10 113
Other receivables		41 576	24 775
Cash and cash equivalents		215 454	136 110
<b>Total current assets</b>		<b>365 802</b>	<b>208 287</b>
<b>Total assets</b>		<b>453 118</b>	<b>231 406</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Share capital	6	386 669	245 370
Other equity	6	13 930	
Retained earnings	6	-58 934	-33 867
<b>Total equity</b>		<b>341 665</b>	<b>211 503</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Pension liabilities	8	1 482	0
Borrowings	7	2 540	3 139
Convertible loan	14	84 802	0
<b>Total non-current liabilities</b>		<b>88 824</b>	<b>3 139</b>
<b>Current liabilities</b>			
Trade payables		12 995	11 689
Indirect taxes and excises		1 093	898
Borrowings	7	602	585
Convertible loan		0	0
Other current liabilities		7 939	3 592
<b>Total current liabilities</b>		<b>22 628</b>	<b>16 764</b>
<b>Total liabilities</b>		<b>112 265</b>	<b>19 903</b>
<b>Total equity and liabilities</b>		<b>453 118</b>	<b>231 406</b>

# CASH FLOW

Unaudited (NOK 1000)	IFRS	
	31 DEC. 2007	31 DEC. 2006
<b>Cash generated from operating activities</b>		
Profit for the period	-25 067	-20 950
Depreciation and amortisation	7 524	3 883
Gain on sale of asset		
Change in inventories	-62 747	-9 605
Change in trade receivables	1 375	-6 945
Change in trade payables	1 306	7 480
Change in other	-10 956	-19 084
<b>Net cash generated from operating activities</b>	<b>-88 564</b>	<b>-45 221</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (PPE)	-66 721	-13 152
Proceeds from sale of PPE	180	1 000
Purchase of financial assets	-5 000	
<b>Net cash used in investing activities</b>	<b>-71 541</b>	<b>-12 152</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings	-582	-803
Proceeds from new borrowings	96 204	5 000
Proceeds from share issue	142 739	185 352
Share option costs	1 088	1 769
Interest of convertible bond		
<b>Net cash used in financing activities</b>	<b>239 449</b>	<b>191 318</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>79 344</b>	<b>133 945</b>
Cash and cash equivalents at beginning of the period	136 110	2 165
<b>Cash and cash equivalents at end of the period</b>	<b>215 454</b>	<b>136 110</b>
Restricted cash as of 31 March	660	431
<b>Cash and cash equivalents at end of the period adjusted for restricted cash</b>	<b>214 794</b>	<b>135 679</b>
<b>From the balance sheet</b>	<b>215 454</b>	<b>136 110</b>

CHANGE IN EQUITY	Share capital	Share premium	Other equity	Retained earnings	Total
Unaudited (NOK 1000)					
Balance at 1 January 2007	1 539	243 831	0	-33 867	211 503
Proceeds from share capital issue	500	142 239			142 739
Convertible loan - equity share			11 402		11 402
Market value of awarded options			1 088		1 088
Transfer between accounts		-1 440	1 440		0
Profit for the period				-25 067	-25 067
<b>Balance at 31 Dec 2007</b>	<b>2 039</b>	<b>384 630</b>	<b>13 930</b>	<b>-58 934</b>	<b>341 665</b>



## SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 GENERAL INFORMATION

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

8120 Nygårdsjøen  
Gildeskål

The group produces and sells farmed cod. It has its main base in Gildeskål in Nordland county. At present the group has 6 active licenses in Gildeskål. In addition, Codfarmers ASA has 2 licenses in Bodø.

The condensed consolidated interim financial statements for the period from Jan-Dec 2007, consists of Codfarmers ASA and its subsidiaries Cod Juveniles AS and Cod Processing AS.

### 2 BASIS OF PREPARATION

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

### 3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the IFRS annual financial statements for the year ended 31 December 2006, as described in the IFRS annual financial statements for the year ended 31 December 2006.

The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31 December 2007 , but are not considered to be relevant for the group:

- IFRIC 4, 'Insurance contracts'
- IFRIC 7, 'Applying the Restatement Approach under IAS 29'
- IFRIC 9, 'Reassessment of Embedded Derivatives'

The following new standards, amendments to standards and interpretations are mandatory for financial year beginning on 1 January 2008 , but the group has not made an early adoption of them:

- IAS 23 (amendment), 'Borrowing costs'
- IFRS 8, 'Operating segments' - replaces IAS 14
- IFRIC 14, IAS 19 'The limit on a defined benefit asset, minimum funding requirements and their interaction'

The following interpretations to existing standards have been published and are mandatory for financial year beginning on 1 January 2008 , but are not considered relevant for the group:

- IFRIC 12, 'Service concession arrangements'
- IFRIC 13, 'Customer loyalty programmes'

### 4 SEGMENT INFORMATION

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

# NOTES

## 5 CAPITAL EXPENDITURE

31 Dec 2006	Tangible and intangible assets
<b>Opening net book amount 1 January 2007</b>	<b>13 847</b>
Additions	13 152
Disposals	0
Depreciation, amortisation, impairment and other movements	3 883
<b>Closing net book amount 31 Dec 2006</b>	<b>23 116</b>

31 Dec 2007	
<b>Opening net book amount at 1 January 2007</b>	<b>23 116</b>
Additions	66 721
Disposals	
Depreciation/amortisation, impairment and other movements	7 524
<b>Closing net book amount at 31 Dec 2007</b>	<b>82 313</b>

## 6 CAPITAL

Capital	Number of shares ('000)	Ordinary shares	Share premium	Other equity	Total	
Opening balance 1 January 2006	63 388	634	54 383	-15 386	39 631	
Proceeds from shares issued	31 313	905	189 448		190 353	
Reverse share splitt	-79 312					
Market value on awarded options				1 769	1 769	
Interest on convertible bond				50	50	
Result				-20 300	-20 300	
At 31 Dec 2006	15 389	0	1 539	243 831	-33 867	211 503

Opening balance 1 January 2007	15 389	1 539	243 831	-33 867	211 503	
Proceeds from issue of new shares	5 004	500	142 239		142 739	
Market value on awarded options				1 088	1 088	
Transfer between accounts			-1 440	1 440	0	
Convertible loan - equity share				11 402	11 402	
Result				-25 067	-25 067	
At 31 Dec 2007	20 394	0	2 039	384 630	-45 004	341 666

The AGM has given the board of Directors the following proxy to issue new shares:

Date given	Expiry date	Maximum increase in share capital (NOK)	Remaining amount (NOK)
8 Sept 2006	8 Sept 2009	554 462	94 462
<b>Total remaining amount:</b>			<b>94 462</b>

### Employee share option scheme:

The Group has a share option program for some of its leading employees. During the years 2007, 2008 and 2009 these employees can subscribe 450,000 shares in Codfarmers ASA.

**7 BORROWINGS**

	31 Dec 2007	31 Dec 2006
Non-current	2 540	3 139
Current	602	585
	<b>3 142</b>	<b>3 724</b>

Movements in borrowings is analysed as follows:

2006

Opening amount as at 1 January 2006	4 527
Repayments of borrowings	-803
<b>Closing amount as at 31 Dec 2006</b>	<b>3 724</b>

2007

Opening amount 1 January 2007	3 724
Repayments of borrowings	-582
<b>Closing amount as at 31 Dec 2007</b>	<b>3 142</b>

**8 PENSION PLANS**

Due to legislation in force from 1 January 2006, the Group has implemented a pension arrangement for its employees. For some of the employees there is an arrangement in force based on a general contract with the labour unions. According to this arrangement, the employees are entitled to retirement from the age of 62 with a certain compensation from the employer. Provision is made for the post employment benefit plan (calculated according to general accepted principles)

**9 SHARE OPTIONS**

During 2006 the following options were granted to employees;

Name	Grant date	# options	Vested date	Expire date	Share price	Strike
					NOK	NOK
Øystein Sterio	25-04-06	75 000	01-01-07	31-12-09	26	19
Øystein Sterio	25-04-06	75 000	01-01-08	31-12-09	26	19
Øystein Sterio	25-04-06	75 000	01-01-09	31-12-09	26	19
Michael Malling	25-04-06	25 000	01-01-07	31-12-09	26	19
Michael Malling	25-04-06	25 000	01-01-08	31-12-09	26	19
Michael Malling	25-04-06	25 000	01-01-09	31-12-09	26	19
Henrik Andersen	01-07-06	25 000	01-07-07	31-12-09	26	24
Henrik Andersen	01-07-06	25 000	01-07-08	31-12-09	26	24
Henrik Andersen	01-07-06	25 000	01-07-09	31-12-09	26	24
Tore Laugsand	01-08-06	25 000	01-08-07	31-12-09	26	24
Tore Laugsand	01-08-06	25 000	01-08-08	31-12-09	26	24
Tore Laugsand	01-08-06	25 000	01-08-09	31-12-09	26	24

A total cost of TNOK 2.857 has been taken through the profit and loss. The cost has been determined using the Black-Schols option pricing model.

# NOTES

## 10 INCOME TAXES

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

## 11 EARNINGS PER SHARE

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

Earnings per share for loss from continuing operations attributable to the equity holders of the company (expressed in NOK per share)	2007	2006
- basic	-1,45	-1,96
- diluted	-1,44	-1,96

## 12 DIVIDENDS

No dividends have been paid in the period.

## 13 RELATED-PARTY TRANSACTIONS

The following transactions have occurred with related parties during 2007:

Type of transaction	Related party	Purchase in TNOK
Consultancy services	Ole Jacob Myre (member of the Board of Directors)	1 071

## 14 CONVERTIBLE LOAN

The company issued on 27 November 2007 a senior unsecured convertible loan of MNOK 100. The bonds will have a four-year tenor. The convertible bond loan carries a 0 % coupon rate per annum the first two years, and then a coupon rate of 15 % per annum payable semi-annually in arrears over the last two years. The bonds may be converted into common shares of Codfarmers at a conversion price of NOK 40.6, subject to adjustments

## 15 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There has been no significant events occurring after the balance sheet day.



# SHARE CAPITAL DEVELOPMENT

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## SHARE CAPITAL DEVELOPMENT

Date	Event	Share Issued (1 000)	Share Price (NOK)	Proceeds (NOK 1 000)
Jan 2002	Incorporation	1 000	0,11	110
April 2002	Share issue	696	1,00	696
Oct 2002	Share issue	625	4,48	2 800
Des 2002	Share issue	107	5,61	600
Sep 2003	Share issue	643	7,00	4 501
Nov 2003	Share issue	440	9,00	3 960
Aug 2004	Share issue	945	12,00	11 344
Feb 2005	Employee shares	25	10,00	250
April 2004	Share issue	869	18,00	15 648
May 2005	Loan conversion	119	12,60	1 500
June 2005	Share issue	869	18,00	15 648
Feb 2006	Convertible Loan	351	14,25	5 000
April 2006	Adjustment issue	0,015		0,0015
April 2006	Share issue	3 158	19,00	60 000
May 2006	Share issue	1 042	24,00	25 000
Oct 2006	Offering/IPO	4 500	26,00	117 000
May 2007	Share issue	1 538	32,00	49 228
Nov 2007	Share issue	3448	29,00	99 997
Nov 2007	Conv. Loan			100 000
<b>Total</b>		<b>20 394</b>		<b>513 282</b>

# SHAREHOLDERS

## SHAREHOLDERLIST PER 15.02.2008

Shareholders	Citizen	Shares	Ownership (%)
VERDIPAPIRFOND ODIN NORGE	NOR	1 864 711	9,1 %
CHEYNE GLOBAL CATALYST	GBR	1 859 206	9,1 %
ORKLA ASA	NOR	1 733 200	8,5 %
IN COD WE TRUST LLC	NOR	1 532 243	7,5 %
JPMORGAN BANK LUXEMBOURG	GBR	1 269 800	6,2 %
MORGAN STANLEY & CO INTL PLC	GBR	969 300	4,8 %
FUTURUM CAPITAL AS	NOR	858 995	4,2 %
MORTEN WERRINGS REDERI AS	NOR	723 722	3,5 %
SKAGEN VEKST	NOR	637 420	3,1 %
PENSJONSKASSEN STATOILHYDRO	NOR	597 634	2,9 %
VITAL FORSIKRING ASA	NOR	512 044	2,5 %
VERDIPAPIRFONDET KLP AKSJENORGE	NOR	500 595	2,5 %
HØIE LARS HENRIK	NOR	500 000	2,5 %
SIS SEGAINTERSETTLE AG	CHE	400 398	2,0 %
BURCH JOHN CHRISTOPHER	USA	376 101	1,8 %
BRØDR. HETLAND AS	NOR	347 325	1,7 %
WAHLSTRØM ERIK	NOR	337 436	1,7 %
CHEYNE SPECIAL SITUATIONS FUND LP	GBR	298 000	1,5 %
DNB NOR NORGE (IV)	NOR	282 148	1,4 %
VERDIPAPIRFONDET NORDEA AVKASTNING	NOR	278 300	1,4 %
BURCH ROBERT LOUIS	USA	270 684	1,3 %
STATOIL FORSIKRING AS	NOR	237 012	1,2 %
FURULUND AS	NOR	185 000	0,9 %
AKSJEFONDET ODIN NORGE II	NOR	165 200	0,8 %
HETLANDS GECCO MANAGEMENT AS	NOR	150 300	0,7 %
OTHERS		3 507 877	17,2 %
TOTALT		20 394 651	100%

Number of shareholders: 452

Ownership Norway citizen: 68 %

Ownership foreign citizen: 32 %

**CODFARMERS ASA**

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