



FOURTH QUARTER REPORT 2008  
FEBRUARY 26TH 2009





# HIGHLIGHTS

- > **Q4/08 revenues** more than doubled to 40.6 MNOK compared to 19.4 MNOK in Q4/07.
- > **EBIT of – 44.8 MNOK** in Q4/08 compared to -12.6 MNOK in Q4/07. Extraordinary write down of biomass of 37 MNOK due to drop in market price and higher production costs.
- > Renegotiation of existing loan agreements with Innovation Norway started, MNOK 10 – 20 in potential liquidity reserve. New application with a potential borrowing and grant limit of 20 MNOK in process. We expect to be granted new projects from Innovation Norway, as part of the governments financial crises stimulate plan for the fishing industry.
- > **Q4/08 volumes of 1 500 tons(r.w)** were mainly harvested from the location Sjetnes. Total volumes of Codfarmers fish harvested in 2008 was 2 840 tons (r.w) and in addition 300 tons (r.w) were harvested from external producers.
- > **Sjetnes, fully harvested by January** showing good biological feed factor of 1.16 and a mortality rate of 14%, a biological result close to average performance in salmon industry today.
- > **New release of 570' juveniles** at locations Kjerkvika and Meløysjylen in Q4/08 bringing the total release in 2008 up to 3.5 million juveniles distributed over three locations.
- > **Cod Juveniles AS have received a select 8 000 top brood stock fish** from Marin Breed second generation (F2). Benchmark shows 30% faster growth compared to today's juveniles from wild fish brood stock . Juvenile facility operational and now holding a group of 1,3 mill (40g) juveniles, on track for release to sea at 100grams in Q2/09.
- > **Cod Processing has increased efficiency** and is now harvesting up to 165 tons (r.w) per week. Investments in the filleting line are developing according to plan. Start up in Q1/09. Agreement signed with Denomega to install cod liver oil production unit at Cod Processing. Secure increased yield of bi-products and maximise the production of liver on a long term contract. Start up in Q1/09.
- > **The average FOB sales price** 31.4NOK/kg in Q4/08, down 17% from Q4/07, ended slightly higher than the average farmed cod price and 2% higher than the price of wild cod.
- > **The European spot market price** for fresh cod continued its decline from Q3/08. The decline was fuelled by price speculation in the wake of announced quota increases combined with,growing consumer reactions to the financial crisis and a collapse in the UK fresh cod market due to extraordinarily high Icelandic export volumes.
- > **Norwegian farmed cod exports** increased by 60% in Q4/08 compared to last year. 40% of the fish was produced by Codfarmers compared to 22% last year.
- > **Organisation reduced with 12 people.** Change in management team, Michael Mallng new CEO and Harald Dahl hired as working chairman.

# FINANCIALS

<b>KEY FINANCIALS FIGURES</b> <i>NOK (1000´)</i>	<b>Q4 2008</b>	<b>Q4 2007</b>	<b>Year 2008</b>	<b>Year 2007</b>
Revenue	40 589	19 372	74 215	47 065
EBITDA	-39 326	-9 346	-110 467	-20 784
EBIT before biomass adj	-44 775	-12 631	-126 517	-28 308
EBIT after biomass adj	-44 775	-12 631	-126 517	-28 308
Net profit	-46 723	-11 559	-136 049	-28 127
Total assets	348 699	454 461	348 699	454 461
Totalt Equity	202 996	338 605	202 996	338 605
Equity ratio	58%	75%	58%	75%
Interest bearing debt	109 366	87 342	109 366	87 342
Cash and cash equivalents	15 006	215 454	15 006	215 454

- Q4/08 sales revenue more than doubled to 40.6 MNOK compared to 19.4 MNOK in Q4/07. Revenues in Q4/08 generated by harvesting of 1 500 tons (r.w.) of own production and increasing external volumes of 300 tons (r.w.). No contribution from subsidiaries
- EBIT of – 44.8 MNOK in Q4/08 compared to -12.6 MNOK in Q4/07.

Negative result in Q4/08 is mainly explained by the following factors;

- (1) Extraordinary write down of biomass of 37 MNOK due to lower market price expectations and higher production costs:
  - Hammarvika; 6.0 MNOK, expected prod. cost of NOK 30 (r.w.), 12% harvested. Estimated sales price of NOK/kg 23. To be sold in Q1 2009
  - Kjølvika; 12.0 MNOK, expected prod. cost of NOK 25, to be harvested in 2009. Estimated sales price of NOK/kg 28. To be sold in 2009
  - Tårnvika; 19.0 MNOK, expected prod. cost of NOK 23, to be harvested in 2009 and 2010. Estimated sales price of NOK/kg 28. To be sold in 2009 and 2010.
- (2) Write down of biomass inventory in accordance with IFRS and are based on fair market price per 31.12.08
- (3) Negative results from fish sold in the period of MNOK 2.8
- (4) Administration and sales cost of MNOK 2.5
- (5) Loss from subsidiaries MNOK 2.5

- Net profit of – 46.7 MNOK in Q4/08 compared to – 11.6 MNOK in Q4/07.
- Total assets of 349MNOK, reflecting 178 MNOK in non current assets and 171 MNOK in current assets. Estimated biomass value of 111MNOK.
- Total equity of 203 MNOK with an equity ratio of 58% and 109 MNOK of interest bearing debt.
- 15 MNOK in cash, 32 MNOK in unused loan and grants from Innovation Norway, will be paid out in Q1/09. Credit facility from DnB NOR reduced from 40 MNOK to 20 MNOK due to reduced growth plan in 2009 and our reduced liquidity requirements.
- Renegotiation of existing loan agreements with Innovation Norway started, MNOK 10 – 20 in potential liquidity reserve. New application with a potential borrowing and grant limit of 20 MNOK in process. We expect to be granted new projects from Innovation Norway, as part of the governments financial crises stimulate plan for the fishing industry.
- Based on existing growth plan and additional funds from Innovation Norway we are fully financed in 2009 and 2010.
- Capex of 11.1 MNOK in 2008 used for the construction of two new farming locations, build up of juveniles facility and investment and upgrading of harvesting plan. Limited capex of 10-15 MNOK expected in 2009 depending on financing from Innovation Norway.

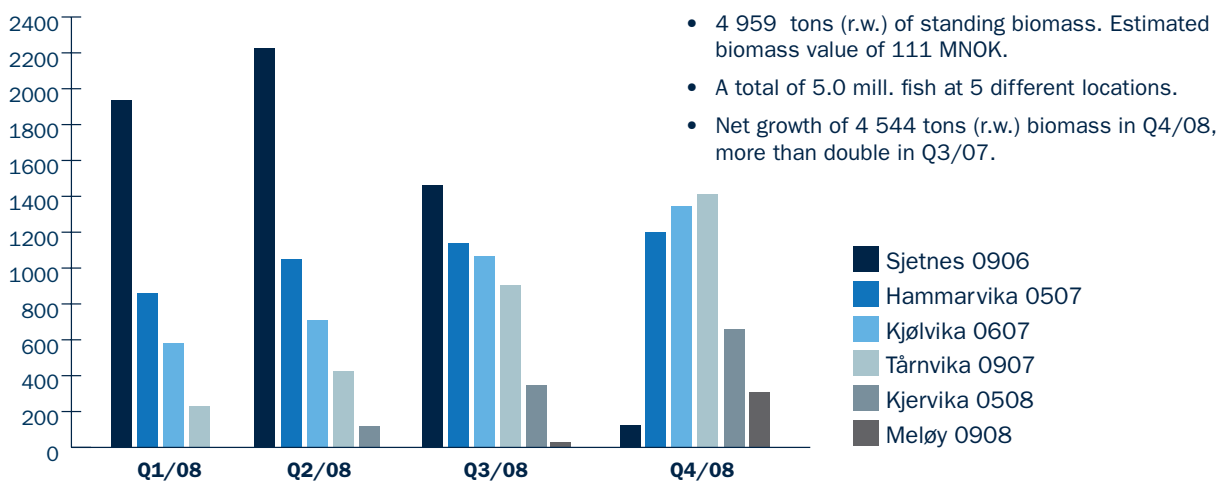
# COD PRODUCTION

## COD PERFORMANCE INDICATORS PER DECEMBER 2008

	Sjetnes Gen.Sept 2006	Hammarvika Gen.May 2007	Kjølvika Gen.June 2007	Tårnvika Gen.Sept 2007	Kjerkvika Gen.May 2008	Meløysjøen Gen.Sept 2008
<b>Harvest %</b>	<b>99%</b>	<b>12%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Growth from 100g to 1,5kg	14 months	14 months	15 months	-	-	-
Growth from 100g to harvested weight	20 months	23 months	-	-	-	-
Avg. harvested weight	3,1 kg	1,7 kg	-	-	-	-
Current avg. weight	2,7 kg	2,4 kg	1,6 kg	1,0 kg	0,4 kg	0,3 KG
No. of fish (1000)	10	467	826	1 392	1 211	1 148
<b>Biological feed factor (FCR)</b>	<b>1,16</b>	<b>1,11</b>	<b>1,10</b>	<b>0,99</b>	<b>0,96</b>	<b>0,90</b>
Economic feed factor (EFCR)	1,27	1,23	1,20	1,04	0,98	0,93
<b>Mortality (%) of start number</b>	<b>13,9 %</b>	<b>15,7 %</b>	<b>13,2 %</b>	<b>12,7 %</b>	<b>2,2 %</b>	<b>2,8 %</b>
<b>Production Cost per kg (r.w.)</b>	<b>NOK 22</b>	<b>NOK 30</b>	<b>NOK 30</b>	<b>NOK 33,5</b>	<b>NOK 38</b>	<b>NOK 62</b>

- Q4/08 harvest volumes of 1 500 tons(r.w) mainly from location Sjetnes.
- Sjetnes location is fully harvested per January 2009. This generation showed best performance in company history to date with a good biological feed factor of 1.16 and a mortality rate of 14%. This almost matches the average biological performance results in salmon farming today. Production costs of NOK 22 (r.w) is above earlier expectations and reflects a growth period to harvest weight of approximately 24 months
- Location Hammarvika also shows good feed factor performance and mortality rates, but production cost are expected to reach NOK 30 r.w due to early harvesting and low average weight resulting from constrains imposed by the Fish Health Authorities. The generation must be fully harvested during Q1/09.
- Location Kjølvika currently holds 826` fish with an average weight of 1.6 kg. This represents the bulk of the harvest planned for 2009. Part of the biomass from locations Tårnvika and Kjerkvika will also be harvested late 2009. The write-downs in Q4/08 are caused by expectations of production costs ending higher than today`s market prices.
- New release of 570` juveniles at locations Kjerkvika and Meløysjyen in Q4/08 bringing the total release in 2008 to 3.5 million juveniles distributed over three locations
- Workforce reduced by 8 people in production due to revised growth plan for 2009

## BIOMASS DEVELOPMENT (TONS)



# COD JUVENILES



## **Brood stock – placement of next selected generation**

- The top selection of next generation cod (F2) from MarineBreed is in house at Mørkvadbukta. The best performers of a total of 8 000 fish will recruit into Codfarmers' spawning groups from autumn 2010
- Benchmarking of this group shows more than 30% better growth compared to offspring from wild fish commonly used in production today. A marked improvement in disease resistance in this generation has been demonstrated.

## **Hatchery – plan to start up test production in Q2/09**

- Plan to start up test production from April. Focus on re-construction and up-grading of existing hatchery facilities with minimum investments.
- Hatchery connected to seawater supply form own pumping station (shared with juvenile facility). Old pipeline to external pumping station kept as emergency back-up.

## **Juvenile facility – first delivery of juveniles in Q2/09**

- Stock of 1.3 mill. juveniles shows good performance after 3 months in production. Average weight of 40 grams per Q4/08. Focus on operational fine-tuning in this secure optimal growth environment .
- All fish are successfully and efficiently vaccinated & graded

# COD PROCESSING



- Increased efficiency after steep learning curve and technical adjustments bringing average capacity up to 11 000 fish per day. Weekly harvesting volumes increased to approx. 165 tons (r.w).
- Investments in implementation of filet line are developing according to plan. Pre-rigor fillets processed within four hour after harvesting will be produced in Q1/09. Initial test show significant quality and shelf life advantages. The line is an important first step in creating more consumer perceptible product differentiation. First phase of the implementation process is aimed mainly at filet production. Further adaptation of the line may well be necessary as the need for additional products are evaluated in phase two.
- Agreement signed with Denomega (Orkla ASA) to produce high grade omega 3 oils from our cod liver. An important part of our strategy to increase yield of bi-products and maximise revenue while stabilizing liver prices. Expected start up in Q1/09
- Negotiation with several other cod farming companies in our region, to increase external harvesting volumes, reduce harvesting cost and pool sales and distribution through Codfarmers in 2009.

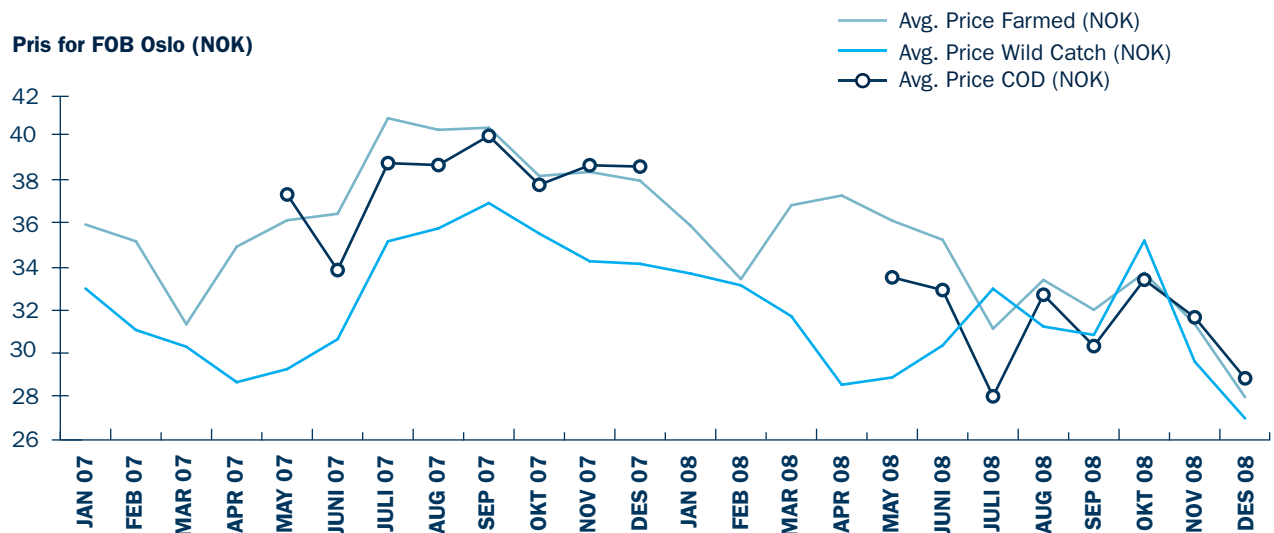


# COD MARKET

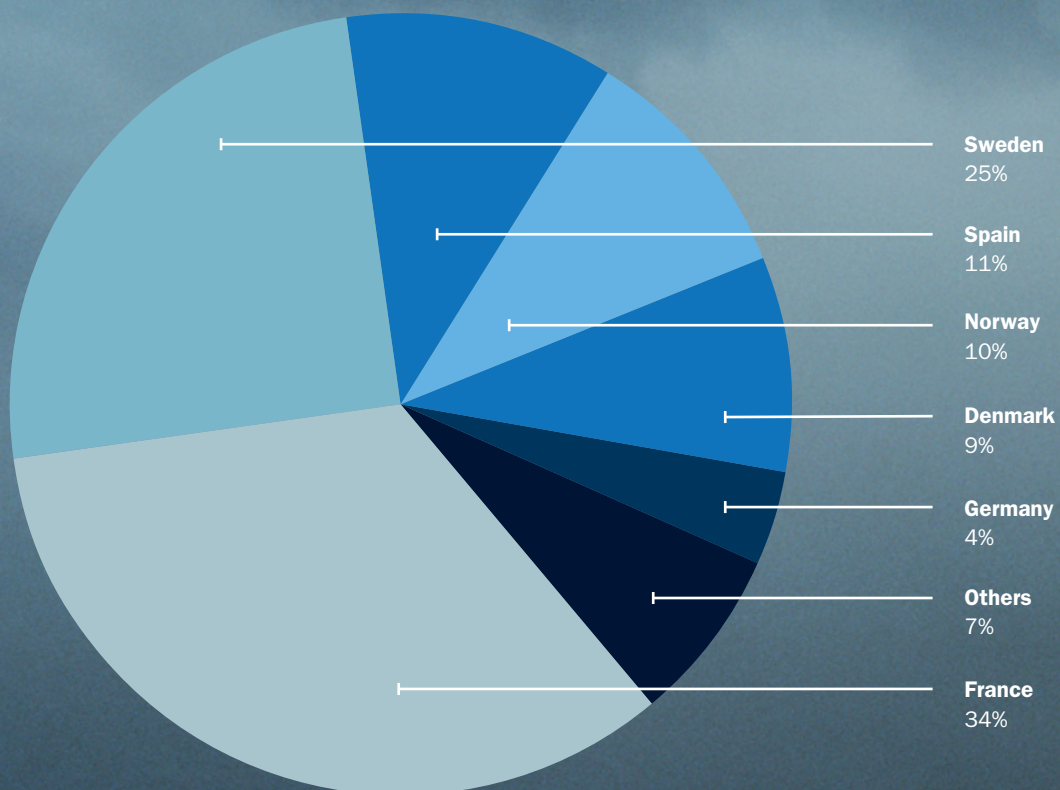
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- The average FOB price of 31.4NOK/kg, down 17% on Q4/07, ended slightly higher than the average farmed cod price and 2% higher than the price of wild cod.
- Norwegian farmed cod exports increased by 60% in Q4/08 compared to last year. 40% of the fish was produced by Codfarmers compared to 22% last year.
- The share of 1-2kg. fish increased by 10% which had a negative price impact
- The European spot market price for fresh cod continued its decline from Q3/08. The decline was fuelled by price speculation in the wake of announced quota increases combined with, growing consumer reactions to the financial crisis and a collapse in the UK fresh cod market due to extraordinarily high Icelandic export volumes .
- The company's ambition to reduce spot market sales relies increasingly on the ability to expand the product range into fillets and loins . While Norwegian farmed cod production has increased significantly, the consumer and food service demand for whole fish is in rapid decline.
- Fillet and loin prices also tend to be less volatile than whole fish prices although obviously reflecting changes in whole fish prices to some degree. Consequently, the introduction of fillets and loins is expected to help increase average sales prices and improve margins in general.

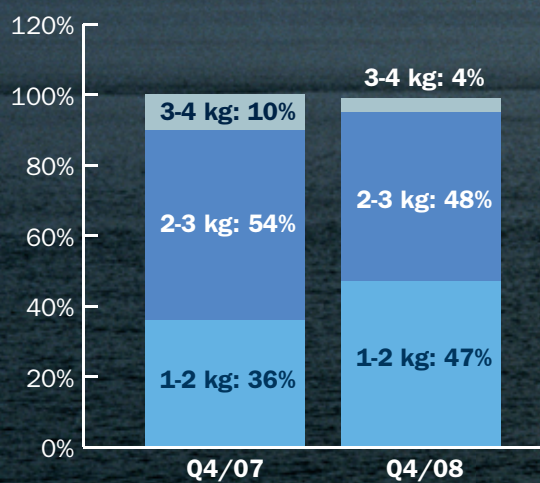
## SALES PRICE BENCHMARK 2007-2008



# SALES VALUE BY GEGRAPHICAL MARKETS Q4 2008



## SIZE DISTRIBUTION Q4 2007/ 2008





# FINANCIAL REPORT

## INCOME STATEMENT

The Group achieved a total revenue of 40.6 MNOK in fourth quarter 2008 compared to 19.4 MNOK for the same period in 2007. Revenues in fourth quarter reflect harvesting of 1 500 tons (r.w) mainly from the location Sjetnes. Harvesting and sales for external producers accounts for a total of 6.4 MNOK in the fourth quarter.

Total volume harvested in 2008 was 2 843 tons (r.w).

EBIT of – 44.8 MNOK in Q4/08 compared to -12.6 MNOK in Q4/07.

Negative result in Q4/08 is mainly explained by the following factors:

(1) Extraordinary write down of the Hammarvika generation with additional 6.0 MNOK, Kjølvika with additional 12.0 MNOK and the Tårnvika generation with 19.0 MNOK. Total biomass write down of 37.0 MNOK is an effect of a fair value test based on the market price of farmed cod per 31.12.08.

(2) Negative result from fish sold from Sjetnes of MNOK 2.8.

(3) Normal admin/sales cost of MNOK 2.5.

(4) Net result from subsidiaries with MNOK -2.5.

## CASH FLOW AND LIQUIDITY

Net cash flow from operational activities in 2008 was -107.8 MNOK compared with -88.9 MNOK in 2007. Net cash flow is mainly explained by the YTD result and investment in biomass/inventories and change in trade receivables and payables.

The net cash flow from investment activities in 2008 amounted to -104.2 MNOK compared with -70.5 MNOK in 2007. Payments for the purchase of production equipment in 2008 reflect NOK 48.4 million used for the construction of two new locations and upgrading. In 2008 the company have invested further 46.4 MNOK million in Cod Juveniles AS, an integrated breeding, brood stock, hatchery and juvenile facility at as well as 16.3 MNOK to upgrade Cod Processing AS, the Groups harvesting plant. The Group received 7.2 MNOK in interests per fourth quarter compared to 4.2 MNOK for the same period in 2007.

The company's financial activities in 2008 shows a net cash flow of 11.6 MNOK, reflecting new borrowings by financial leasing of production equipment in the period.

As of 31.12.2008 the company has 15.0 MNOK cash and cash equivalents compared with 215.5 MNOK in 2007.

## BALANCE SHEET

At the end of fourth quarter 2008 the Group's assets had a book value of 348.7 MNOK compared with 454.5 MNOK in 2007. Fixed assets amounted to 177.8 MNOK and current assets amounted to 170.9 MNOK. The company has 15.0 MNOK in cash and a biomass value in the sea of 111.6 MNOK as of 31.12.08. The company's biological assets have increased by 14.6 MNOK from 2007.

The Groups equity at the end of 2008 is 202.9 MNOK compared with 338.6 MNOK for 2007. The company has no distributable equity. Long term-debt in the company is 110.8 MNOK of which 95.1 MNOK reflects the convertible bonds issue. The company has short-term debt of 34.8 MNOK, similar for the same period in 2007.

# INCOME STATEMENT

Unaudited (NOK 1000)

	Note	Q4 2008	Q4 2007	YEAR 2008	YEAR 2007
Revenue		40 589	19 372	74 215	47 065
Consumables used		28 814	17 502	112 899	84 132
Inventory change		32 432	-6 533	-14 560	-61 556
Salaries		9 721	9 042	36 600	23 513
Depreciation, amortisation and impairment charges		5 449	3 285	16 049	7 524
Other expenses	15	8 947	8 707	49 743	21 760
<b>Operating profit before biomass adj.</b>		<b>-44 775</b>	<b>-12 631</b>	<b>-126 517</b>	<b>-28 308</b>
Biomass adjustment		0	0	0	0
<b>Operating profit</b>		<b>-44 775</b>	<b>-12 631</b>	<b>-126 517</b>	<b>-28 308</b>
Financial income		1 534	2 130	7 188	4 705
Financial cost	16	-3 482	-1 059	-16 720	-4 525
<b>Net finance</b>		<b>-1 948</b>	<b>1 071</b>	<b>-9 532</b>	<b>180</b>
Profit before income tax		-46 723	-11 559	-136 049	-28 127
Income tax (expense) / income		0	0	0	0
<b>Profit for the period</b>		<b>-46 723</b>	<b>-11 559</b>	<b>-136 049</b>	<b>-28 127</b>
<b>Attributable to:</b>					
Equity holders of the company		-46 723	-11 559	-136 049	-28 127
<b>Earnings per share</b>					
– basic	11	-2,27	-0,67	-6,67	-1,70
– diluted	11	-2,27	-0,67	-6,67	-1,70



# BALANCE SHEET

Unaudited (NOK 1000)

	Note	31 Dec 2008	31 Dec 2007
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	175 298	80 106
Intangible assets	5	2 466	2 280
Financial assets		3	5 003
<b>Total non-current assets</b>		<b>177 766</b>	<b>87 389</b>
<b>Current assets</b>			
Inventories		4 808	2 989
Biomass		111 607	97 047
Trade receivables		21 612	8 681
Other receivables		17 900	42 903
Cash and cash equivalents		15 006	215 454
<b>Total current assets</b>		<b>170 933</b>	<b>367 073</b>
<b>Total assets</b>		<b>348 699</b>	<b>454 461</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Share capital	6	386 669	386 669
Other equity	6	14 370	13 930
Retained earnings	6	-198 042	-61 995
<b>Total equity</b>		<b>202 996</b>	<b>338 605</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Pension liabilities	8	1 482	1 482
Borrowings	7	14 283	2 540
Convertible loan	14	95 083	84 802
<b>Total non-current liabilities</b>		<b>110 848</b>	<b>88 824</b>
<b>Current liabilities</b>			
Trade payables		24 290	17 327
Indirect taxes and excises		1 556	1 092
Borrowings	7	0	602
Other current liabilities		9 009	8 011
<b>Total current liabilities</b>		<b>34 855</b>	<b>27 032</b>
<b>Total liabilities</b>		<b>145 703</b>	<b>115 856</b>
<b>Total equity and liabilities</b>		<b>348 699</b>	<b>454 461</b>

# CASH FLOW

Unaudited (NOK 1000)

	Year 2008	Year 2007
<b>Cash generated from operating activities</b>		
Profit for the period	-126 517	-31 189
Interest paid	-6 439	-1 130
Depreciation and amortisation	21 049	10 524
Change in inventories	-16 379	-62 747
Change in trade receivables	-12 931	1 432
Change in trade payables	6 963	1 311
Change in other	26 464	-7 092
<b>Net cash generated from operating activities</b>	<b>-107 790</b>	<b>-88 891</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (PPE)	-111 427	-66 881
Proceeds from sale of PPE	0	180
Purchase of financial assets	0	-8 000
Interest received	7 188	4 191
<b>Net cash used in investing activities</b>	<b>-104 239</b>	<b>-70 510</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings	-672	-582
Proceeds from new borrowings	11 813	95 500
Proceeds from share issue	0	142 739
Share option costs	440	1 088
<b>Net cash used in financing activities</b>	<b>11 581</b>	<b>238 745</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-200 448</b>	<b>79 344</b>
Cash and cash equivalents at beginning of the period	215 454	136 110
<b>Cash and cash equivalents at end of the period</b>	<b>15 006</b>	<b>215 454</b>
Restricted cash as of 31 September	1 010	660
<b>Cash and cash equivalents at end of the period adjusted for restricted cash</b>	<b>13 996</b>	<b>214 794</b>

## CHANGE IN EQUITY

Unaudited (NOK 1000)

	Share capital/ share Premium	Other equity	Retained earnings	Total
<b>Balance at 1 January 2008</b>	<b>386 669</b>	<b>13 930</b>	<b>-61 995</b>	<b>338 604</b>
Market value of awarded options		440		440
Profit for the period			-136 049	-136 049
<b>Balance at 31 Dec. 2008</b>	<b>386 669</b>	<b>14 370</b>	<b>-198 044</b>	<b>202 996</b>



## 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 4 of 6 active licenses in Gildeskål and 1 out of 2 active licenses in Bodø. In addition Codfarmers has 1 active license in Meløy, and two idle licenses in Rødøy.

The condensed consolidated interim financial statements for the period from Jan-December 2008, consists of

Codfarmers ASA and its subsidiaries.

## 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 2007.

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:

- IFRS 4, ‘Insurance Contracts’
- IFRIC 7, ‘Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies’
- IFRIC 9, ‘ Re-assessment of embeded derivatives’

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2008 and have not been early adopted:

- IAS 23 (Amendment), ‘Borrowing costs’ (effective from 1 January 2009).
- IFRS 8, Operating Segments’ ( effective from 1 Januar 2009)
- IFRIC 14, ‘IAS 19 - The limit on a defined benefit asset, minimum funding requirement and their interaction’
- IFRIC 12, ‘Service concession arrangements’ (effective from 1 January 2008).
- IFRIC 13, ‘Customer loyalty programmes’ (effective from 1 July 2008).

## 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 2007	Tangible and intangible assets
<b>Opening net book amount 1 January 2007</b>	<b>23 116</b>
Additions	66 881
Disposals	87
Depreciation, amortisation, impairment and other movements	7 524
<b>Closing net book amount 31 Dec 2007</b>	<b>82 386</b>

## 31 Dec 2008

<b>Opening net book amount at 1 January 2008</b>	<b>82 386</b>
Additions	111 427
Disposals	
Depreciation/amortisation, impairment and other movements	16 049
<b>Closing net book amount at 31 Dec 2008</b>	<b>177 764</b>

## 6 CAPITAL

Capital	Number of shares ('000)	Ordinary shares	Share premium	Other equity	Total
<b>Opening balance 1 January 2007</b>	<b>15 389</b>	<b>1 539</b>	<b>242 391</b>	<b>-32 427</b>	<b>211 503</b>
Proceeds from issue of new shares	5 006	500	142 239		142 739
Market value on awarded options				1 088	1 088
Equity share of convertible loan				11 402	11 402
Result				-28 127	-28 127
<b>At 31 Dec 2007</b>	<b>20 395</b>	<b>2 039</b>	<b>384 630</b>	<b>-48 064</b>	<b>338 605</b>
<b>Opening balance 1 January 2008</b>	<b>20 395</b>	<b>2 039</b>	<b>384 630</b>	<b>-48 064</b>	<b>338 605</b>
Market value on awarded options				440	440
Result				-136 049	-136 049
<b>At 31 Dec 2008</b>	<b>20 395</b>	<b>2 039</b>	<b>384 630</b>	<b>-183 673</b>	<b>202 996</b>



# NOTES

<b>7 BORROWINGS</b>	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
Non-current	14 283	2 540
Current	<b>0</b>	<b>602</b>
<b>Total</b>	<b>14 283</b>	<b>3 142</b>

Movements in borrowings is analysed as follows:

## **2007**

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

## **2008**

Opening amount 1 January 2008	3 142
New borrowings	11 813
Repayments of borrowings	-672
<b>Closing amount as at 31 Dec 2008</b>	<b>14 283</b>

## **8 PENSIONPLANS**

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

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

# NOTES

## 9 SHARE OPTIONS

The following options has been granted to employees:

Name	Grant date	No. of options	Vested date	Expire date	Share price NOK	Strike 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

The cost related to the share options has been - determined using the Black-Schols share option pricing model - are charged to the profit and loss statement. For the reporting period these costs total TNOK 440.

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

	2008	2007
– basic	-6,67	-1,70
– diluted	-6,67	-1,70

## **12 DIVIDENDS**

No dividends have been paid in the period.

## **13 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

## **14 PROVISION FOR LOSSES RECIVABLES**

In order to secure the supply of critical raw materials (juveniles), the Group had granted a short term credit to one of its suppliers. The supplier in question went bankrupt, and a loss of MNOK 13,7 is recognised and included in the operating expenses.

## **15 IMPAIRMENT OF FINANCIAL ASSETS**

A loss of MNOK 5 had to be recognised in the profit and loss statement due to the fact that the Group had a 12% stake in a company that went bankrupt. The company is the same as the one referred to in note 15.

# SHAREHOLDERS

## SHAREHOLDERS PER 15.02.09

Shareholders	Citizen	Shares	Ownership
VERDIPAPIRFOND ODIN NORGE	NOR	1 875 211	9,2 %
ORKLA ASA	NOR	1 733 200	8,5 %
IN COD WE TRUST LLC	NOR	1 532 243	7,5 %
JPMORGAN BANK LUXEMBOURG	UK	1 269 800	6,2 %
CHEYNE GLOBAL CATALYST	UK	970 188	4,8 %
FUTURUM CAPITAL AS	NOR	858 995	4,2 %
CHEYNE SPECIAL SITUATIONS FUND LP	UK	831 021	4,1 %
MORGAN STANLEY & CO INTL PLC	UK	810 100	4,0 %
MORTEN WERRINGS REDERI AS	NOR	783 722	3,8 %
SKAGEN VEKST	NOR	607 000	3,0 %
PENSJONSKASSEN STATOILHYDRO	UK	606 483	3,0 %
SEB PRIVATE BANK S.A. LUXEMBOURG	LUX	562 474	2,8 %
SIX SIS AG	CHE	483 290	2,4 %
WAHLSTRØM ERIK	NOR	473 036	2,3 %
KLP LK AKSJER	NOR	461 900	2,3 %
BURCH JOHN CHRISTOPHER	USA	376 101	1,8 %
BRØDR. HETLAND AS	NOR	347 325	1,7 %
FURULUND AS	NOR	280 737	1,4 %
VERDIPAPIRFONDET NORDEA AVKASTNING	NOR	278 300	1,4 %
BURCH ROBERT LOUIS	USA	270 684	1,3 %
STATOIL FORSIKRING A.S	UK	240 023	1,2 %
VERDIPAPIRFONDET KLP AKSJENORGE	NOR	223 495	1,1 %
DNB NOR NORGE (IV)	NOR	218 716	1,1 %
VITAL FORSIKRING ASA	NOR	188 372	0,9 %
HETLANDS GECCO MANAGEMENT AS	NOR	180 300	0,9 %
OTHERS		3 931 935	19,3 %
<b>TOTALT</b>		<b>20 394 651</b>	<b>100%</b>

**Number of shareholders: 554**

**Ownership Norway citizen: 60%**

**Ownership foreign citizen: 40%**

As per 14 February 2009, Codfarmers ASA had 554 shareholders. 40% of the shares were owned by foreign investors (UK 16% , US 13% , LUX 6% ). The 20 largest shareholders owned a total of 76,8 % of the Company`s shares. The largest shareholder is Odin Norge Verdipapirfond with a stake of 9,1% and Orkla ASA of 8,5% while In Cod We Trust LLC and JP Morgan Bank Lux have 7,5 % and 6,2 % of the shares respectively.

In Q4/08, Codfarmers ASA have been trading at between NOK 14,80 and NOK 3,50 per share.







**CODFARMERS ASA**

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