50 años

haciendo bien lo bueno

PESCANOVA

2010 Annual Accounts

Disclaimer: This is a free translation of an original Spanish document. In the event of any discrepancy between this translation and the original Spanish document, the original Spanish document shall prevail.

Dear Shareholders,

I am pleased to present the annual accounts for a very special year for us. Our dear Pescanova is half a century old. Fifty years of history, a story of a dream made true. That is how all men and women that have been part and continue to be part of Pescanova feel.

After fifty years, and despite of the time that has gone by, we are many who believe that this adventure, which was started by following a visionary idea of an entrepreneur ahead of his time, Mr José Fernández López, has grown over these five decades. His determination and intuition have always been our signs of identity. Perseverance and effort are our fellow companions.

A target: frozen fish; a goal: to make it happen. So simple but complex at the same time.

It is time now to look back when in 1960 in a small office in Orillamar, Vigo, Pescanova started its journey. Or the moment, one year later, when the *Lemos*, the first long-distance freezer vessel in the world, sailed the Atlantic Ocean in search of the plentiful fishing grounds in the Southern Hemisphere. It was time to look at the world with an open mind and see it through the eyes of the people living in foreign and remote latitudes, it was also time to get used to distance, to different cultures, and to bring prosperity to places with an attitude different to the Western way of thinking of that time.

We always did it taking on the responsibility that gratitude demands. Promoting the incorporation of companies, building demographic settlements, creating jobs and wealth, that was our contribution to the *people* who trusted in us, the pillars of our Corporate Social Responsibility. These were the foundations of Pescanova, a company that radically changed the fishing industry's approach as known at that time in the developed world.

Right from the onset, Pescanova embraced every initiative tending toward innovation and aiming at a different and promising future. Confident that we were facing a technological revolution that could not be ignored, Pescanova made it happen, involving the shipbuilding sector and ancillary industries, i.e. freezing, transport, fishing gear, etc. in the Ría de Vigo, in research, development and innovation.

We kept on growing to become the largest fishing fleet in Western Europe, only surpassed by the former Soviet Union. With modesty I dare say that never nothing in the marine field has contributed so determinately to the development of Galicia and Spain as that idea conceived by Mr José Fernández López.

The years to come brought new challenges and again put us to the test. The enforcement of the UN Convention on the Law of the Sea, setting the 200 mile Exclusive Economic Zones, placed us at a critical crossroads. The business had to be reconceptualised to meet the demands of the fishing industry of that time. We accepted the challenge of *joint ventures* with enthusiasm, responsibility, work and tenacity, leading a process which helped the Spanish fleet of that time. Pescanova today is present in more than 20 countries and provides direct employment for more than 8,000 families

We are now deep into what we could call the third challenge of our history: Aquaculture.

We relied on fishing and, since the 1980's when we started our pioneering farming experiences, we also put our faith in aquaculture. The high demand for marine protein made us undertake large investments in the farming of species such as turbot, salmon, tilapia, sole and shrimp.

And we did it, despite of the serious socio-economic difficulties that the World faces at present, because our enterprising and pioneering spirit, as well as the intrinsic responsibility of Pescanova to be ahead of its time, so requires.

However, none of this would have been possible without the help, support and commitment of our most valuable asset: the men and women that make Pescanova possible because, above all, we are a group of people who share an unlimited enthusiasm.

And last let me thank you for your trust and loyalty as shareholders of our Company. With this responsibility we face the challenge of continuing to be a leader in our sector for the next fifty years to come.

With my most heartfelt gratitude.

Yours sincerely,

Manuel Fernandez de Sousa-Faro
Chairman of the Board of Directors

2010 Annual Accounts

CONTENTS

BOARD OF DIRECTORS

MANUEL FERNÁNDEZ DE SOUSA-FARO
Chairman

ANTONIO BASAGOITI GARCÍA-TUÑÓN
Chairman of the Remunerations Committee

ICS HOLDING LTD.
Fernando Fernández de Sousa-Faro
Chairman of the Audit Committee

ALFONSO PAZ-ANDRADE RODRÍGUEZ
ROBERT ALBERT WILLIAMS
CXG CORPORACION CAIXAGALICIA
Francisco Javier García de Paredes y Moro
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA
José Luis Pego Alonso
INVERPESCA, S.A.
Pablo Javier Fernández Andrade
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A.
Jesús Carlos García García
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.
Francisco Javier Soriano Arosa
IBERFOMENTO, S.A.
José Antonio Pérez-Nievas Heredero
YAGO ENRIQUE MÉNDEZ PASCUAL
ANA BELÉN BARRERAS RUANO
Directors

CÉSAR MATA MORETÓN
Secretary of the Board but not a Director

PESCANOVA IN THE WORLD

America

Acuinova Chile
Argenova
Camanica
Nova Austral
Novaguatemala
Novahonduras
Novaocéano
Novaperú
P. Belnova
Pesca Chile
Pescanova Brasil
Pescanova USA
Promarisco
Serviconsa

Spain

Acuinova
Bajamar Séptima
Fricatamar
Frigodís
Frinova
Frivipesca Chapela
Hasenosa
Insuiña
Pescafina
Pescafina Bacalao
Pescafresca
Pescanova Alimentación
Ultracongelados Antártida

Rest of Europe

Acuinova Portugal
Eiranova
Pescanova France
Pescanova Hellas
Pescanova Italia
Pescanova Polska
Pescanova Portugal
Seabel

Africa

Novagroup
NovaNam
Pescamar

Australia

Antarctic Polar
Austral Fisheries

Asia

Abad Exim
Pescanova Japan

PESCANOVA, S.A.

The Board of Directors of the Company has resolved to call the Annual General Meeting of Shareholders to be held at the Registered Office of the Company, Rúa José Fernández López, s/n, Chapela-Redondela (Pontevedra), on 8th April 2011, at 12h30, on first calling, or if necessary on the following day 9th April 2011, at the same place and time, on second calling, with the following:

AGENDA

1. Study and ratification, if deem fit, of the Financial Statements and Management Report of PESCANOVA, S.A. and the Consolidated Financial Statements and Management Report of the Pescanova Group of Companies, as well as a report on the business conducted by the Board of Directors, all the above in respect of the financial year 2010.
2. 2010 Profit Distribution.
3. Renew the appointment of members of the Board of Directors and ratification of the appointment made by cooption.
4. Renew the appointment or, if applicable, appoint auditors for the review of the financial statements of Pescanova, S.A. and consolidated financial statements of the Pescanova Group of Companies.
5. Board members remuneration.
6. Authorisation for the acquisition of own shares, directly or through subsidiary companies, as well as for the disposal or later amortisation, determining the limits and requirements for these transactions, and with specific authority to reduce the share capital through the amortisation of own shares previously acquired pursuant to this or previous authorisations, and delegate on the Board of Directors any authority needed for the formalisation of the resolutions adopted at the Annual General Meeting of Shareholders in this respect; and leave without effect the authority granted to the Board of Directors at the Annual General Meeting of Shareholders of 6 April 2010.
7. A five year authorisation to the Board of Directors, for the issue of bonds, debentures, preference shares and other similar fixed income securities (other than promissory notes), either simple or secured, up to a maximum amount to be determined by the Annual General Meeting of Shareholders pursuant to the Law, as well as for the issue of promissory notes, up to a maximum amount, regardless the aforementioned, to be determined by the Annual General Meeting of Shareholders pursuant to the Law. Leave without effect the authority granted to the Board of Directors at the Annual General Meeting of Shareholders of 6 April 2010.
8. A five year authorisation to the Board of Directors, for the issue of debentures and similar fixed income securities convertible into or exchangeable for shares of the Company or of other companies, belonging or not to the Group of Companies, and for the issue of warrants (option for subscription of new shares or the acquisition of shares in circulation of Pescanova or of other Companies) related to newly issued shares or shares in circulation of the Company or of other companies, belonging or not to the Group of Companies, up to the amount to be determined by the Annual General Meeting of Shareholders and in compliance with Law. Delegation to the Board of Directors of the authority to exclude the pre-emptive subscription right as well as to increase the share capital in the amount required to meet the application for conversion of debentures or the execution of warrants. Leave without effect the authority granted to the Board of Directors at the Annual General Meeting of Shareholders of 6 April 2010.
9. A five year authorisation to the Board of Directors, pursuant to Article 297.1.b of the Companies Law, to increase the share capital of the company, with o without premium, in an amount not higher than half of the existing share capital at the time of this authorisation, in one or several times and at the time and for the amount considered appropriate, such authority includes the entitlement to exclude the right to pre-emptive subscription and corresponding authorisation to amend Article 7 of the Articles of Association accordingly, and to leave without effect the authority granted to the Board of Directors at the Annual General Meeting of Shareholders of 6 April 2010.
10. Presentation, for information purposes, of an Annual Report, as a complement to the Management Report, as provided in Article 116 of the Stock Exchange Act.
11. Delegation of powers for the execution of resolutions and filing of the financial statements at the Companies Registration Office.
12. Writing up and ratification of the Minutes in any of the manners provided in article 202 of the Companies Act currently in force.

A) Entitlement to information:

As from the date of this Notice calling the Annual General Meeting of Shareholders, shareholders are entitled to obtain, immediately and free of charge, the documents to be submitted for approval of the same, the Management Report and the Audit Report to which item number one in the Agenda refers.

As from the date of this Notice calling the Annual General Meeting of Shareholders, shareholders are entitled to examine at the registered office of the Company the entire wording of the proposed resolutions as well as the reports prepared by the Directors regarding the items in the Agenda, and to request the delivery or forwarding free of charge of the same.

It is also noted that the documents related to the Annual General Meeting of Shareholders, the explanatory report on the issues provided in article 116 bis of Act 24/1988 on the Stock Exchange, included in the Management Report, as well as the Annual Report on Corporate Governance are at the disposal of the shareholders, and can also be downloaded from the Company's web site.

B) Right to attend:

Shareholders are reminded that for attending General Meetings it is necessary to hold one hundred shares or more, in agreement with the provisions in Article 25 of the Articles of Association of the Company concerning the right to attend Annual General Meetings.

Nevertheless, for being entitled to attend and vote it is necessary to comply with the requirements provided by the legislation in force.

C) Right to be represented by a proxy:

With the restraints in the provisions in Article 187 of the Companies Act, shareholders not attending the General Meeting of Shareholders may appoint a proxy, who must be a shareholder, and comply with all requirements as provided by Law, the Articles of Association, the Regulations of the Board of Directors and this Notice.

C.1 Notification of appointment of a proxy:

Shareholders not attending the Annual General Meeting are entitled to appoint a proxy to represent them, the proxy form may be transmitted by remote means of communication provided that the procedure and identification requirements in this section; the requirements regarding shareholdership as provided in section E of this Notice and other legal requirements are complied with.

Proxy forms may be transmitted by:

C.1.1 Electronic means of communication:

a) Procedure: those shareholders who wish to appoint a proxy and notify such appointment by electronic means of communication must send an e-mail to junta2011@pescanova.com in compliance with all requirements provided by Law, the Articles of Association and this Notice.

b) Shareholders identification: Shareholders must accredit their identity by means of an electronic certificate validated by a duly recognized Spanish certifying firm, as provided in the Electronic Signature Act 59/2003. Therefore, shareholders, when sending the abovementioned e-mail message, must identify themselves by using such electronic certificate.

c) Validity of the appointment: The Company shall only consider valid any such appointment if notice is received within the term provided and the person so appointed certifies his/her shareholder status as provided in section E in this Notice.

d) Other provisions: appointments notified by electronic means of communication shall be accepted by the proxy, otherwise may not be used. It is understood that a proxy accepts the appointment as such if he/she appears at the venue where the General Meeting of Shareholders is to be held and, by showing his identity card or passport, indicates the person in charge of recording attendance that he/she attends the meeting as a representative of a shareholders and provides proof of his/her entitlement to attend.

Any person delegating his/her vote who notifies such delegation by electronic means of communication may only exercise his/her right to vote by attending in person the General Meeting of Shareholders.

C.1.2 Postal Service:

1. Procedure: shareholders willing to appoint a representative and notify such appointment by postal service must fill in the sections in the attendance card, sign it and mail it to (a) the registered address if the representative appointed is either the Chairman of the Board of Directors or any other member of the Board of Directors; or (b) to the representative so appointed. If the latter, the representative must show up and hand the attendance card by which he/she has been appointed and his/her National Identity Card or Passport at the venue where the General Meeting is to be held prior to the starting time of the same.
2. Validity of the appointment: The Company shall only consider valid any such appointment if received within the term provided and the person so appointed certifies his/her shareholder status as provided in section E in this Notice

D) Voting by remote means of communication:

Shareholders not attending the General Meeting may also vote by remote means of communication, provided that the requirements regarding procedure and identification in this section, the accreditation of their shareholdership as provided in Section E in this Notice and other legal requirements and formalities are complied with.

Voting by remote means of communication may be done by:

D.1 Electronic means of communication:

a) Procedure: those shareholders who wish to vote by electronic means of communication must send an e-mail to junta2011@pescanova.com in compliance with all requirements provided by Law, the Articles of Association and this Notice.

b) Shareholders identification: Shareholders must accredit their identity by means of an electronic certificate validated by a duly accredited Spanish certifying firm, as provided in the Electronic Signature Act 59/2003. Therefore, the shareholders when sending the abovementioned e-mail message must identify himself/herself by using the electronic certificate.

c) Validity of the vote: The Company shall only consider valid any such vote if received within the term provided and the shareholdership is accredited as provided in section E in this Notice.

D.2 Postal Service:

1. Procedure: Shareholders wishing to vote by postal service must fill in the sections regarding vote in the attendance card, sign it and mail it to the registered address within the term provided for this purpose, together with a copy of the national identity card or passport. If the shareholder is a legal entity, it must also send a copy of a power of attorney showing the authorities conferred on the person casting the vote.
2. Validity of the vote: The Company shall only consider valid any such vote if received within the term provided and the shareholdership is accredited as provided in section E in this Notice.

E) Common rules regarding representation and voting rights using remote means of communication:

E.1 Deadlines/shareholdership:

The deadline to receive proxy forms or votes either at the registered office or at the e-mail address, junta2011@pescanova.com, shall be not later than midnight of the day immediately before to the holding of the General Meeting of Shareholders.

The Company shall verify that the identity and number of shares held by each of the persons who send proxy forms or cast their vote by remote means of communication are correct. For this purpose, the company shall check the data provided with the "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR).

The deadline to receive, either at the registered office or the e-mail address, junta2011@pescanova.com, any intended address or proposal to the meeting, complying with Law, shall be not later than midnight of the day immediately before to the holding of the General Meeting of Shareholders.

E.2 Precedence Rules:

If a shareholder, who has appointed a proxy or has voted by remote means of communication, attends the General Meeting of Shareholders in person, the appointment of proxy or vote cast earlier shall have no effect.

If a shareholder appoints more than one proxy or votes more than once (either by electronic means of communication or by postal service) the prevailing action (appointment of proxy or vote) shall be the one received last prior to the holding to the General Meeting of Shareholders. In case there is no certainty as to the time when the shareholder appointed a proxy or cast a vote; the vote, regardless the manner in which it was cast, shall prevail over the appointment of a proxy. If a shareholder has cast his/her vote more than once and differently, either by electronic means of communication or postal service, the vote cast last prior to the holding of the General Meeting of Shareholder shall be the valid one.

E.3 Suspension of electronic systems/connection failure.

The Company reserves the right to modify, suspend, cancel or restrict the electronic mechanisms for voting or appointing proxies if so required for technical or security reasons. If this is so, such extent shall be reported at the website of the Company.

Chapela, Redondela, Pontevedra
2 March 2011
Manuel Fernández de Sousa – Faro
Chairman of the Board of Directors

Telf: +34 932 003 233
Fax: +34 932 018 238
www.bdo.es

Sant Elías, 29-35, 8º
08006 Barcelona
España

Audit report on the financial statements

To the Shareholders of **PESCANOVA, S.A**.

1. We have audited the financial statements of **PESCANOVA, S.A.**, which consist of the balance sheet at December 31, 2010, the income statement, the statement of changes in shareholders' equity, the cash flow statement and the notes thereto for the year then ended. The Directors of the Company are responsible for the preparation of the annual financial statements of the Company, in agreement with the regulations regarding financial reporting applicable to the company (which are identified in Note 2 of the accompanying annual report) and, particularly, with the accounting basis and standards contained in the same. Our responsibility is to express an opinion on the aforementioned financial statements taken as a whole, based upon work performed in accordance with regulations ruling the audit activity currently in force in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the annual accounts, and the evaluation of whether their presentation, the accounting principles applied, and the estimates made, comply with financial reporting regulations applicable.

2. In our opinion, the accompanying 2010 financial statements give a true and fair view, in all material respects, of the net equity and financial position of **PESCANOVA, S.A**. at December 31, 2010, and the results of its operations, the changes in net equity and cash flows for the year then ended, in conformity with financial reporting regulations applicable, and, particularly, with the accounting basis and standards contained in the same.

3. The accompanying management report for the year 2010 contains such explanations as the Directors consider appropriate concerning the situation of the Company, the evolution of its business and other matters, and it is not an integral part of the annual accounts. We have checked that the accounting information included in the report mentioned above agrees with the financial statements for the year 2010. Our work as auditors is limited to verifying the management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the Company.

BDO Auditores, S.L.

Santiago Sañé Figueras
Partner - Auditor
Vigo, February 28, 2011

BDO Audiberia Auditores, S.L. Inscrita en el Registro Oficial de Auditores de Cuentas nº 51.273 es una sociedad limitada española, es miembro de 800 International l
una compañía limitada por garantía del Reino Unido y forma parte de la red internacional BDO de empresas independientes asociadas. .
Registro Mercantil de Madrid, Tomo 14.413, Sección 8ª Folio 201, Hoja nº M-238188.(Inscripción 1ª) C.I.F. B-82387572

BALANCE SHEET AT 31 DECEMBER 2010 AND 2009

Thousands of Euros

ASSETS	Note	DECEMBER '10	DECEMBER '09
NON-CURRENT ASSETS		**203,749**	**205,236**
Intangible assets	(7)	**---**	**6**
Computer software			6
Tangible assets	(5)	**1,335**	**1,649**
Land and buildings		191	257
Technical installations and other tangible assets		1,144	1,392
Long-term investments in subsidiary and associated companies	(9)	**199,414**	**199,414**
Equity instruments		197,693	197,693
Loans to companies		1,721	1,721
Long-term financial investments	(9)	**147**	**147**
Equity instruments		132	132
Other investments		15	15
Deferred tax assets	(12)	**2,853**	**4,020**
CURRENT ASSETS		**496,042**	**405,935**
Inventories	(10)	**61,144**	**58,324**
Goods for resale		61,095	57,906
Raw materials and other supplies		49	418
Trade and other receivables		**292,164**	**228,622**
Trade receivables		20,864	28,718
Receivable from subsidiary and associated companies	(22)	270,668	199,143
Sundry debtors		130	83
Personnel		307	201
Current tax assets	(12)	---	2
Public Bodies		195	475
Short-term investments in subsidiary and associated companies	(9)	**33,569**	**28,295**
Loans to companies		33,569	28,295
Short-term investments	(9)	**270**	**529**
Loans to companies		270	529
Short-term accruals and prepayments		**976**	**1,525**
Cash and cash equivalents		**107,919**	**88,640**
Cash and cash equivalents		107,919	88,640
TOTAL ASSETS		**699,791**	**611,171**

BALANCE SHEET AT 31 DECEMBER 2010 AND 2009

Thousands of Euros

SHAREHOLDERS' EQUITY + LIABILITIES	Note	DECEMBER '10	DECEMBER '09
SHAREHOLDERS' EQUITY		**242,256**	**229,163**
Shareholders' equity	**(9)**	**242,132**	**229,147**
Capital		**116,683**	**116,683**
Paid-up capital		116,683	116,683
Issue Premium		**57,043**	57,043
Reserves		**49,608**	**44,015**
Legal reserves		17,031	15,600
Other reserves		32,577	28,415
Own shares		**(2,747)**	**(2,901)**
Result for the year		**15,448**	**14,307**
Other Equity Instruments		**6,097**	---
Subsidies, donations and legacies	(18)	**124**	**16**
LONG-TERM LIABILITIES		**375,199**	**206,233**
Long-term provisions	(14)	**673**	**1,472**
Other provisions		673	1,472
Long-term debt	(9)	**374,526**	**204,761**
Debentures and other negotiable securities		104,254	---
Debt with credit institutions		270,000	204,710
Other financial liabilities		272	51
CURRENT LIABILITIES		**82,336**	**175,775**
Short-term debt	(9)	**57,800**	**148,770**
Debt with credit institutions		57,800	148,770
Short-term debt with subsidiary and associated companies	(22)	**1,478**	**1,726**
Trade creditors and other amounts payable		**23,033**	**24,754**
Suppliers		9,638	12,966
Sundry creditors		4,140	3,796
Personnel (accrued salaries)		514	521
Other debt with Public Bodies		8,741	7,471
Short-term accrued expenses		**25**	**525**
TOTAL SHAREHOLDERS' EQUITY + LIABILITIES		**699,791**	**611,171**

INCOME STATEMENT AT 31 DECEMBER 2010 AND 2009

		Thousands of Euros	
CONTINUING OPERATIONS	**Note**	**DECEMBER '10**	**DECEMBER '09**
Net turnover	(23)	**575,401**	**527,985**
Sales		571,812	518,766
Services rendered		3,589	9,219
Supplies	(13)	**494,593**	**456,273**
Consumption of goods		489,583	450,638
Consumption of raw material and other consumables		5,010	5,635
Other operating income	(18)	**42**	**23**
Operating grants incorporated to the result for the year		42	23
Personnel expenses		**11,118**	**11,816**
Wages and salaries		9,725	10,241
Social security	(13)	1,393	1,575
Other operating expenses		**45,343**	**39,265**
External services	(8)	41,605	37,724
Taxes other than income tax	(12)	2,722	1,741
Losses, damages and change in provision for trade transactions		162	225
Other operating expenses		854	(425)
Annual amortisation/depreciation		**445**	**539**
OPERATING RESULT		**23,944**	**20,115**
Financial income	(9)	**19,461**	**17,693**
From shares in equity instruments		1,655	1,051
In subsidiary and associated companies		1,655	1,050
In third parties		---	1
From negotiable securities and other financial instruments		17,806	16,642
From subsidiary and associated companies		17,078	15,800
From third parties		728	842
Financial expenses	(9)	**26,842**	**23,086**
On debt with subsidiary and associated companies		1,136	1,574
On debts with third parties		25,706	21,512
Foreign exchange differences	(11)	**(749)**	**(173)**
FINANCIAL RESULT		**(8,130)**	**(5,566)**
INCOME BEFORE TAX		**15,814**	**14,549**
Corporate income tax		**(366)**	**(242)**
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**15,448**	**14,307**
NET INCOME FOR THE YEAR		**15,448**	**14,307**

STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

	Note	*Thousands of Euros* 2010	2009
A) Net income for the year		**15,448**	**14,307**
III. Subsidies, donations and legacies	(18)	122	2
VIII. Subsidies, donations and legacies	(18)	(14)	(23)
TOTAL INCOME AND EXPENSES RECOGNISED IN THE YEAR		**15,556**	**14,286**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

Thousands of Euros	Capital		Issue Premium	Reserves	(Own shares)	Net income for the year	Other Equity Instruments	Subsidies, donations & legacies	TOTAL
	Issued	Uncalled							
BALANCE AT YEAR-END 2008	**78,000**	**---**	**---**	**36,234**	**(1,936)**	**13,594**	**---**	**37**	**125,929**
BALANCE AT THE BEGINING OF 2009	**78,000**	**---**	**---**	**36,234**	**(1,936)**	**13,594**	**---**	**37**	**125,929**
I. Total recognised income and expenses	**---**	**---**	**---**	**---**	**---**	**14,307**	**---**	**(21)**	**14,286**
II. Transactions with shareholders or owners	**38,683**	**---**	**57,043**	**38**	**(965)**	**(5,851)**	**---**	**---**	**88,948**
1. Capital increase	38,683	---	61,894	---	---	---	---	---	100,577
2. Capital increase expenses	---	---	(4,851)	---	---	---	---	---	(4,851)
4. (-) Payment of dividends	---	---	---	38	---	(5,851)	---	---	(5,813)
5. Transactions with own shares (net)	---	---	---	---	(965)	---	---	---	(965)
III. Other changes in shareholders' equity	**---**	**---**	**---**	**7,743**	**---**	**(7,743)**	**---**	**---**	---
BALANCE AT YEAR END 2009	**116,683**	**---**	**57,043**	**44,015**	**(2,901)**	**14,307**	**---**	**16**	**229,163**
BALANCE AT THE BEGINING OF 2010	**116,683**	**---**	**57,043**	**44,015**	**(2,901)**	**14,307**	**---**	**16**	**229,163**
I. Total recognised income and expenses	**---**	**---**	**---**	**---**	**---**	**15,448**	**---**	**108**	**15,556**
II. Transactions with shareholders or owners	**---**	**---**	**---**	**37**	**154**	**(8,751)**	**6,097**	**---**	**(2,463)**
4. (-) Payment of dividends	---	---	---	37	---	(8,751)	---	---	(8,714)
5. Transactions with own shares (net)	---	---	---	---	154	---	---	---	154
7. Other transactions with shareholders or owners	---	---	---	---	---	---	6,097		6,097
III. Other changes in shareholders' equity	**---**	**---**	**---**	**5,556**	**---**	**(5,556)**	**---**	**---**	---
BALANCE AT YEAR END 2010	**116,683**	**---**	**57,043**	**49,608**	**(2,747)**	**15,448**	**6,097**	**124**	**242,256**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010 AND 2009 (1)

		Thousands of Euros	
A) CASH FLOW FROM OPERATING ACTIVITIES	**Notes**	**2010**	**2009**
1. Income before tax		15,814	14,549
2. Income Adjustments		**7,832**	**5,977**
a) Depreciation/amortisation (+)	(5)/(7)	445	539
c) Change in provisions (+/-)	(9)	---	35
d) Subsidies applied (-)	(18)	(14)	(24)
g) Financial income (-)	(9)	(19,460)	(17,692)
h) Financial expenses (+)	(9)	26,842	23,085
i) Foreign exchange differences (+/-)	(11)	(749)	(172)
k) Other income and expenses (-/+)		768	206
3. Change in current capital		**(72,129)**	**(89,441)**
a) Inventories (+/-)	(10)	(2,819)	(10,572)
b) Debtors and other receivables (+/-)		(63,542)	(63,512)
c) Other current assets (+/-)		(4,466)	(16,724)
d) Creditors and other payables (+/-)		(1,969)	4,972
e) Other current liabilities (+/-)		(500)	(3,607)
f) Other non-current assets and long term liabilities (+/-)		1,167	2
4. Other cash flow from operating activities		**(8,546)**	**(5,634)**
a) Interest payable (-)	(9)	(26,842)	(23,085)
b) Collection of dividends (+)	(9)	1,655	1,051
c) Interest receivable (+)	(9)	17,806	16,642
d) Collection (payment) of corporate income tax (+/-)	(12)	(366)	(242)
e) Other payments (collections) (+/-)		(799)	
5. Cash flow from operating activities (+/-1+/-2+/-3+/-4)		**(57,029)**	**(74,549)**
B) CASH FLOW FROM INVESTING ACTIVITIES			
6. Payment of investments (-)		**(138)**	**(7,358)**
a) Subsidiary and associated companies	(9)	---	(7,170)
c) Tangible assets	(7)	(138)	(188)
7 Collection from divestments (+)		30	---
a) Subsidiary and associated companies	(9)	30	---
8. Cash flow from investing activities (7-6)		(108)	(7,358)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010 AND 2009 (2)

		Thousands of Euros	
C) CASH FLOW FROM FINANCING ACTIVITIES	**Notes**	**2010**	**2009**
9. Collection and payments of equity instruments	(9)	**6,373**	**94,763**
a) Issue of equity instruments (+)		6,097	95,726
c) Acquisition of own equity instruments (-)		---	(965)
d) Disposal of own equity instruments (+)		155	---
e) Subsidies, donations and legacies (+)		121	2
10. Collection and payments of financial liabilities instruments	(9)	**78,794**	**(42,711)**
a) Issuance		211,974	48,624
1. Notes and other negotiable securities(+)		104,254	
2. Debt with credit institutions (+)		107,500	48,624
4. Other debt(+)		220	---
b) Return and amortisation of:		(133,180)	(91,335)
2. Debt with credit institutions (-)		(133,180)	(91,308)
4. Other debt (-)		---	(27)
11. Payment of dividends and remuneration of other equity instruments	(9)	**(8,751)**	**(5,851)**
a) Dividends (-)		(8,751)	(5,851)
12. Cash flow from financing activities (+/-9+/-10-11)		**76,416**	**46,201**
E) CHANGE IN CASH AND CASH EQUIVALENTS (+/-5+/-8/+/-12+/-D)		**19,279**	**(35,706)**
Opening balance of cash and cash equivalents		88,640	124,346
Closing balance of cash and cash equivalents		107,919	88,640


MERLUZA
PESCANOVA
AL VACÍO
AÚN MÁS FRESCA,
AÚN MÁS SABROSA
Lomos de Merluza
PESCANOVA
Lomos de merluza con melocotones al curry
¿Sabías que la Merluza Pescanova
es facilísima de preparar incluso
directamente al microondas?
Tus recetas en:
www.pescanova.es
Descubre cómo preparar esta deliciosa
receta y muchas más en nuestra web.
PESCANOVA
Lo bueno sale bien

1) BUSINESS OF THE COMPANY

PESCANOVA, S.A., (hereinafter "the Company" or "Pescanova"), incorporated in June 1960, and with its place of business at Rúa de José Fernández López, s/n, Chapela (Pontevedra), is the Parent Company of an important industrial group, which includes Pescanova Group companies, as it is shown in Note 9.1.3; its activity being the industrial exploitation of all business activities relating to food for human or animal consumption, including its production, transformation, distribution and marketing, as well as development of supplementary activities of both an industrial and commercial nature, and the investment in national or foreign companies.

Both, the individual annual accounts of Pescanova, S.A. and the consolidated annual accounts of the Pescanova Group are filed with the Companies Registration Office in Pontevedra.

2) BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

1) True and fair view

The financial statements for the financial year 2010 will be submitted to the approval of the shareholders at the Annual General Meeting of Shareholders and are expected to be approved without amendment.

All figures are shown in thousands of euros (except where noted).

The financial statements for 2010 were authorised for issue by the Board of Directors at the meeting held on 25 February 2011, and were prepared in accordance with the Commercial Code, the Spanish Companies Law, and other applicable dispositions and generally accepted accounting principles.

These financial statements give a true and fair view of the net equity, financial position and results of financial transactions of Pescanova at 31 December 2010, as well as of the cash flow shown in the Cash Flow Statement attached herewith.

The financial statements for 2010 were prepared from the accounting records kept by the Company, and in keeping with the current trading legislation and the standards set by the GAP, passed under Royal Decree 1514/2007, of 16 November, in order to give a fair view of the equity, financial position and results of the Company, as well as the truthfulness of the cash flow shown in the Cash Flow Statement.

There has been no exceptional reason for non applying legal dispositions of an accounting nature, in order to show and true and fair view.

2) Crucial aspects in the valuation and estimation of uncertainties

These Financial Statements have been prepared on a going concern basis. The Management of the Company is unaware of material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

3) Comparison of information

For comparison purposes, and in accordance with mercantile law, the Directors present for each item in the Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity, and Cash Flow Statement, the figures for 2010 together with those of the previous year. In both years these items are uniform and comparable.

There has been no exceptional reason to justify changes in the structure of the Balance Sheet, Income Statement, Cash Flow Statement and Statement of Changes in Net Shareholders' Equity.

4) Grouping of items

The various Balance Sheet and Income Statement items are presented separately in keeping with prevailing legislation, and thus a special breakdown of these items was considered unnecessary.

5) Items recorded in more than one account

Each item is recorded in a single account, which exists for that purpose only.

6) Changes in accounting standards

During the year, there has been no adjustment resulting from changes in accounting standards.

7) Correction of errors

During the year there has been no significant adjustment due to correction of errors from previous years.

3) PROFIT DISTRIBUTION

As resolved at the Annual General Meeting of Shareholders held on 6 April 2010 the 2009 result was distributed as shown below together with the proposed distribution of 2010 results:

Income to be distributed	2010	2009
Net income for the year	15,448	14,307
TOTAL	**15,448**	**14,307**

Distribution	2010	2009
To legal reserve	1,545	1,431
To voluntary reserve	4,179	4,125
To dividends	9,724	8,751
TOTAL	**15,448**	**14,307**

The proposed distribution shows gross dividends to be paid at a rate of 0.50 euros per share (0.45 euros in 2009) for all the Pescanova shares.

Of the total resolved to be paid as dividend, the amount not paid as dividend for own shares held by the Company is recognised in Voluntary Reserves.

The Annual General Meeting of Shareholders shall determine the date on which the dividends will start to be paid.

No interim dividends were distributed during the year.

There are no limitations for dividends distribution other than those provided in articles 275 and following of the Spanish Companies Act.

4) ACCOUNTING AND VALUATION STANDARDS

The principal accounting standards used in preparing the accompanying financial statements were as follows:

1) Intangible assets.

Computer software

Computer software valued at acquisition cost and amortised on a straight-line basis over a three year period at most.

2) Tangible assets

Tangible assets are carried at cost less any accumulated depreciation.

The costs of any extension, modernization or improvement that enable an increase in productivity, capacity or efficiency or the lengthening of the useful life of an asset are included in the asset's carrying amount.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recorded as additions to tangible assets, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred.

Tangible assets are depreciated on a straight-line basis over the years of estimated useful life of the assets, which constitute the period over which the Company expect to use them, according to the following:

	Term	Rate
Land and buildings	16/33 years	3/6.25%
Technical installations and machinery	4/10 years	10/25%
Tools, other installations and furniture	4/16 years	6.25/25%
Computer hardware, vehicles & other non-current assets	4/8 years	4/12.5%

3) Investment properties

The Company has no record under this heading.

4) Leases

There are no financial lease contracts entered into for a significant amount. Operating contracts are accounted for on an accrual basis.

5) Exchange of Assets

During the year, there has been no transaction classified under this heading.

6) Financial instruments

a) Investment in subsidiary, multigroup and associated companies

Securities and equity investments are usually valued at acquisition cost. However, as the Company availed itself of the provisions of Law 9/1983, securities and equity investments instrumented in domestic or foreign currency acquired before January 1, 1983 were revalued in accordance with applicable legislation. Securities and shares in foreign currency were converted using the official exchange rate on the balance sheet date. If at year-end underlying book value is lower than said cost; a provision is recorded for the difference to adjust value accordingly.

b) Loans to companies

Loans to companies are recognised for the amount granted, if necessary, provisions are recorded according to the risk represented by probable uncollectability regarding the collection of the assets involved. Interest accrues on a monthly basis at market rates.

c) Other investments

These consist of several deposits made by the Company as part of its ordinary activity.

They are recognised for the amount paid which coincides with the amount to be repaid.

d) Shareholders' equity instruments held by the Company

These are recognised at acquisition cost, and on disposal are derecognised for their sale price.

e) Convertible Notes

On 5 March de 2010, Pescanova, S.A. concluded the placement of the issue of Convertible Notes, for 110,000 thousand euros and a five year maturity, among qualified and institutional investors.

Pursuant to the Terms and Conditions, Notes shall be exchangeable at the option of the noteholders at any time during the life of the notes at a fixed price. The Issuer may decide, when the note holders exercise their right to exchange the notes, to exchange them for shares in the Company, cash or a combination of cash for the nominal amount and share for the difference. The Issuer, at any time, shall explicitly notify the noteholders the payment option chosen.

On the other hand, the Issuer shall have the option to redeem the Notes at any time if (i) at least 15% of the issued Notes are in circulation, or (ii) as from 20 March 2013, the market value of the underlying shares for the Notes during a certain period of time represent a percentage equal or higher than 132% or the nominal value of the Notes.

Pescanova, S.A.'s intention, whatever the future circumstances may be, is to exercise its right to exchange the Notes for shares.

Pursuant to the International Accounting Standards (IAS) 32, and the Terms and Conditions of the issue, the instrument will give rise to financial liabilities and Pescanova's intention to exercise its right to exchange all the Notes for shares, means that the option is to be classified as an equity instrument. Talking this into account, the instrument arising from the agreement is a compound financial instrument, and includes a liability component for financial debt and a equity instrument regarding the conversion option.

In the case of Convertible Notes that give rise to a compound financial instrument, the Group, in agreement with the provisions in the above mentioned IAS 32, recognises tow separate components (liabilities and equity instrument) determining the initial value of the of the equity instrument as the difference between the fair value of the compound instrument as a whole and the financial liability. For the valuation of the compound instrument the Group has used the binomial model. For the valuation of the principal agreement, simple note coupon, the method used was the amortised cost. For future valuations, the equity instrument does not record changes in the fair value until final conversion.

7) Hedges

The Company has not entered into any significant arrangement classified as a hedge.

8) Inventories

Inventories are recognised at the lower of weighed average cost and net realisable value.

9) Transactions in foreign currency

Transactions in currencies other than euro are recorded in euros by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the exchange rate prevailing at the date of the transaction and the exchange rate prevailing at the date of collection or payment are recorded as financial result in the income statement.

Also, balances receivable or payable at 31 December each year denominated in currencies other than euro are translated to euros at year-end exchange rates. The resulting translation differences are recognised as financial result in the income statement.

10) Corporate income tax

The Company declares taxes on a consolidated basis. Consequently, in application of the related legislation, taxes are paid on the total results of the tax group consisting of the parent and the companies included in the tax group, as determined in Note 12.

Annual income tax expenses are calculated based on the book result of the companies included in the above mentioned tax group, adding or subtracting, as necessary, any permanent differences from tax results, being this the taxable income.

11) Income and expenses

Income and expenses are recognised on an accrual basis, that is income is recorded when it is earned regardless of when it is actually received and expenses are reported when they are incurred regardless of when they are paid.

However, in agreement with the principle of prudence, the Company only recognises the profits realised at closing date, whilst expected risks and liabilities, even potential ones, are recognised as soon as the Company becomes aware of them.

Particularly, income from services rendered is only recognised when it can be reliably estimated and when it is probable that the economic benefits associated to the transaction will flow to the Company.

12) Provisions, contingent liabilities and contingent assets,

Existing obligations at the Balance Sheet date arising from past events which could give rise to a loss for the Company which is uncertain as to its amount and timing are recognised as provisions in the balance sheet at the present value of the most probable amount that it is considered the Company will have to disburse to settle the obligation.

Provisions are quantified on the basis of the best information available at the date of preparation of the consolidated financial statements on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year.

13) Environmental elements

The Company has no assets and has not incurred in expenses to minimise the environmental impact and the protection and improvement of the environment. No provision has been made to cover risks and expenses related to the protection and improvement of the environment.

14) Criteria used for the recognition and valuation of personnel expenses

The Company recognises personnel expenses on an accrual basis, and therefore recognises under "Personnel (accrued salaries)", the amounts accrued and not yet paid, not only for salaries but also any other possible indemnities to be paid.

The Company has not granted advances or loans nor has pension or life insurance obligations with Board members.

The Company has no pension obligations.

15) Payments based on shares

During the year, no payment based on shares has been made. The Company has no commitment based on this type of payments.

16) Subsidies, donations and legacies

During the year, the Company has not received any donation or legacy.

As regards to subsidies, these are classified under the corresponding heading in Shareholders' equity. Non-refundable grants are recognised in the income statement as part of the operating result.

17) Business combinations

During the year, the Company has not entered into any transaction that could be classified under this heading.

18) Joint venture arrangements

During the year, the Company has entered a joint venture arrangement with Austral Fisheries, Pty. valued in proportion to its interest in the joint venture.

19) Criteria used for recognition of transactions with related parties

For the recognition of transactions with related parties the Company follows the general standard. It is noted that during the year there has been no business lien contribution nor mergers or splits.

20) Non-current assets held for sale

There are no assets or group of elements classified under this heading in the Company's Balance Sheet.

21) Discontinued operations

During the year there has been no operation classified under this heading.

5) TANGIBLE ASSETS

1) The movements and depreciation relating to these accounts were as follows:

YEAR 2009	Balance at 31/12/2008	Recognised	Note	Derecognised	Note	Balance at 31/12/2009
COST						
Land and buildings	1,715	17		---		1,732
Technical installations and other tangible assets	6,031	174	(1)	---		6,205
TOTAL	**7,746**	**191**		---		**7,937**
ACCUMULATED DEPRECIATION						
Land and buildings	(1,410)	(65)	(2)	---		(1,475)
Technical installations and other tangible assets	(4,430)	(383)	(2)	---		(4,813)
TOTAL	**(5,840)**	**(448)**		**---**		**(6,288)**
TANGIBLE ASSETS						
Land and buildings	305					257
Technical installations and other tangible assets	1,601					1,392
TOTAL	**1,906**					**1,649**

YEAR 2010	Balance at 31/12/2009	Recognised	Note	Derecognised	Note	Balance at 31/12/2010
COST						
Land and buildings	1,732	---		---		1,732
Technical installations and other tangible assets	6,205	138	(1)	(17)		6,326
TOTAL	**7,937**	**138**		**(17)**		**8,058**
ACCUMULATED DEPRECIATION						
Land and buildings	(1,475)	(66)	(2)	---		(1,541)
Technical installations and other tangible assets	(4,813)	(373)	(2)	4		(5,182)
TOTAL	**(6,288)**	**(439)**		**4**		**(6,723)**
TANGIBLE ASSETS						
Land and buildings	**257**					**191**
Technical installations and other tangible assets	**1,392**					**1,144**
TOTAL	**1,649**					**1,335**

(1) Purchases
(2) Allowances

2) Disclosures related to tangible assets:

a) Depreciation rates used for each type of asset, the depreciation for the year and accumulated depreciation were as follows:

	Depreciation Rate	Depreciation for the Year		Accumulated Depreciation	
		2010	**2009**	**2010**	**2009**
Buildings	3/7	66	65	1,540	1,474
Machinery	25	---	---	92	92
Other installations	6/34	91	96	1,902	1,811
Tools	25	2	2	47	45
Furniture	10/25	59	57	1,076	1,017
Other tangible assets	12.5/25	221	228	2,066	1,849
TOTAL		**439**	**448**	**6,723**	**6,288**

Tangible assets are depreciated on a straight line basis.

b) There has been no change in residual vale, useful life or depreciation basis in respect of previous year.

c) During the year, no tangible assets were acquired from Subsidiary companies; of the total tangible assets of the Company, 650 thousand euros were acquired from Subsidiary companies, depreciation for the period was recorded for 53 thousand euros, and the carrying amount at 31 December 2010 was 493 thousand euros.

d) The Company has no tangible assets outside Spain.

e) During the year no financial expense has been capitalised.

f) During the year there has been no change in the carrying amount of tangible assets due to impairment.

g) During the year there has been compensation to third parties due to impairment or loss of tangible assets.

h) Tangible assets not directly used in operations is classified under "Buildings" recognised at an acquisition cost of 214 thousand euros, depreciation for the period reached 7 thousand euros and a carrying amount of 105 thousand euros at 31 December 2010.

i) At 31 December 2009/2010, tangible assets fully depreciated and in use, are shown bellow:

	31/12/2010	**31/12/2009**
Buildings	228	228
Technical installations and machinery	92	92
Other installations, tools and furniture	2,312	2,312
Other tangible assets	1,581	1,452
TOTAL	**4,213**	**4,084**

j) During the year the Company has not received any significant subsidy, donation or legacy related to tangible assets.

k) There is no commitment related to the acquisition or sale of significant tangible assets.

l) There are no leases, litigations, restrictions or similar situations related to tangible assets.

m) The Company has contracted insurance policies to cover potential risks that could affect its tangible assets.

n) During the year there has been no significant disposal of tangible assets.

o) At year end no tangible assets of the Company were subject to mortgage guarantee.

6) INVESTMENT PROPERTIES

During the year, the Company did not own any asset that could be classified under this heading.

7) INTANGIBLE ASSETS

a) The movements and amortisation relating to these accounts were as follows:

YEAR 2009	31/12/2008	Recognised	Derecognised	31/12/2009
Cost:				
Research and development expense	365	---	---	365
Software	421	---	---	421
TOTAL	**786**	**---**	**---**	**786**
Accumulated amortisation:				
Research and development expense	(279)	(86)	---	(365)
Software	(410)	(5)	---	(415)
TOTAL	**(689)**	**(91)**	**---**	**(780)**
Net Intangible assets	**97**			**6**

YEAR 2010	31/12/2009	Recognised	Derecognised	31/12/2010
Cost:				
Research and development expense	365	---	---	365
Software	421	---	---	421
TOTAL	**786**	**---**	**---**	**786**
Accumulated amortisation:				
Research and development expense	(365)	---	---	(365)
Software	(415)	(6)	---	(421)
TOTAL	**(780)**	**(6)**	**---**	**(786)**
Net Intangible assets	**6**			**---**

b) There is no guarantee, reversion or restriction related to the ownership of intangible assets.

c) Software is amortised on a straight line basis over a three year period.

d) During the year there has been no acquisition of intangible assets from Subsidiary Companies.

e) During the year no financial expense has been capitalised.

f) There are no intangible assets not directly used in operations.

g) During the year the Company has not received any donation or legacy related to intangible assets.

h) There is no firm commitment related to the purchase-sale of intangible assets.

i) There is no lease, litigation, restriction or similar situation related to intangible assets.

8) LEASES AND OTHER TRANSACTION OF SIMILAR NATURE

a) Financial Lease:

The Company does not hold, neither as lesser nor as lessee, any significant financial lease that should be included under this heading.

b) Operational Leases:

As lessee, the Company has incurred in the following expenses, by nature, in 2009 and 2010.

Description	2010	2009
Other leases	5,652	7,857
Levies	52	55

Lease contracts are mainly entered into with Subsidiary Companies, and most of them are renewable on a one-year basis.

9) FINANCIAL INSTRUMENTS

9.1 Disclosure of financial instruments' relevance in the financial position and results of the Company:

9.1.1. Disclosures related to the Balance Sheet:

a) Financial assets other than equity investments in Subsidiary, Multigroup and Associated Companies, are classified as follows:

	Long-term		Short-term		Total	
	2010	2009	2010	2009	2010	2009
Held to maturity investments	147	147	---	---	147	147
Loans and amounts receivable	1,721	1,721	33,839	28,824	35,560	30,545
TOTAL	**1,868**	**1,868**	**33,839**	**28,824**	**35,707**	**30,692**

b) The Company's financial liabilities are classified as follows:

	Long-term					
	Type				Total	
	Debt wirh Credit Institutions		Notes			
Category	2010	2009	2010	2009	2010	2009
Debt and amounts payable	270,000	204,710	104,254	---	374,254	204,710
TOTAL	**270,000**	**204,710**	**104,254**	**---**	**374,254**	**204,710**

	Short-term					
	Type				Total	
	Debt wirh Credit Institutions		Notes			
Category	2010	2009	2010	2009	2010	2009
Debt and amounts payable	57,800	148,770	---	---	57,800	148,770
TOTAL	**57,800**	**148,770**	**---**	**---**	**57,800**	**148,770**

c) Classification by maturity of the different financial assets and liabilities is shown below:

	Classification by maturity				
ASSETS 2010	**2012**	**2013**	**2014**	**2015**	**2016 & onwards**
Held to maturity investments	---	---	---	---	147
Loans	1,721	---	---	---	---
TOTAL	**1,721**	**---**	**---**	**---**	**147**

	Classification by maturity				
2010 LIABILITIES	**2012**	**2013**	**2014**	**2015**	**2016 & onwards**
Debt and amounts payable	113,525	39,962	72,937	147,830	---
TOTAL	**113,525**	**39,962**	**72,937**	**147,830**	**---**

	Classification by maturity				
2009 ASSETS	**2011**	**2012**	**2013**	**2014**	**2015 & onwards**
Held to maturity investments	---	---	---	---	147
Loans	---	1,721	---	---	
TOTAL	**---**	**1,721**	**---**	**---**	**147**

	Classification by maturity				
2009 LIAIBLITIES	**2011**	**2012**	**2013**	**2014**	**2015 & onwards**
Debt and amounts payable	42,210	162,500	---	---	---
TOTAL	**42,210**	**162,500**	**---**	**---**	**---**

d) There are no financial instruments serving as guarantee. The Company does not hold third party assets serving as guarantee.

e) As regards to outstanding loans at year end, there has been no payment default of principal or interest or any other non-compliance granting the lender the right to demand early repayment.

f) The agreements ruling the financial debt of the Company contain the usual covenants for agreements of this nature.

9.1.2. Disclosures related to the Income Statement:

The detail of the main income and expense items related to the different categories of financial instruments is shown below:

	Expenses	
Description	**2010**	**2009**
Interest payable on loans from third parties	25,706	21,512
Interest payable on loans from subsidiary and associated companies	1,136	1,574

	Income	
Description	**2010**	**2009**
Interest receivable from loans to third parties	728	842
Interest receivable from loans to subsidiary and associated companies	17,078	15,800
Dividends from subsidiary and associated companies	1,655	1,050
Dividends from other companies	---	1

9.1.3. Other disclosures:

a) Shares held in Subsidiary, Multigroup and Associated Companies were as follows:

			Thousands of Euros			
			2010		2009	
Subsidiary companies	**Country**	**Activity**	**Investment**	**%**	**Investment**	**%**
Argenova, S.A.	Argentina	1	27,037	94.99	27,037	94.99
Camanica, S.A.	Nicaragua	4	3,047	46.21	3,047	46.21
Bajamar Séptima, S.A.	Spain	3	6,040	100.00	6,040	100.00
Camanica Zona Franca	Nicaragua	4	428	0.10	428	0.10
Corporación Novaperú, S.A.C.	Peru	1	5	0.01	5	0.01
Eiranova Fisheries Ltd.	Ireland	2	3,354	98.48	3,354	98.48
Frigodís, S.A.	Spain	5	8,211	99.99	8,211	99.99
Frinova, S.A.	Spain	2, 3	10,145	90.36	10,145	90.36
Frivipesca Chapela, S.A.	Spain	2,3	781	8.27	781	8.27
Insuiña, S.L.	Spain	4	34,564	99.90	34,564	99.90
Kodeco D. C. S.A	Nicaragua	4	46	98.66	46	98.66
Austral Fisheries Pty.	Australia	1,2	6,356	30.00	6,356	30.00
Nova Austral	Chile	2	13,490	99.90	13,490	99.90
Novapesca Trading, S.L.	Spain	5	11,103	99.99	11,103	99.99
Acuinova Chile, S.A.	Chile	4	2,303	7.41	2,303	7.41
Pesca Chile, S.A.	Chile	1,2	23,112	51.00	23,112	51.00
Pescafina, S.A.	Spain	2	19,148	94.94	19,148	94.94
Pescafresca, S.A.	Spain	2	61	100.00	61	100.00
Pescamar, Ltd.	Mozambique	1	5,528	70.00	5,528	70.00
Pescanova France, S.A.	France	2	48	100.00	48	100.00
Pescanova Inc.	USA	2	7,990	96.49	7,990	96.49
Pescanova Italia SRL	Italy	2	4,565	100.00	4,565	100.00
Pescanova Portugal Ltda.	Portugal	2, 3	4,070	99.99	4,070	99.99
Pesquerías Belnova, S.A.	Uruguay	1, 5	7,113	100.00	7,113	100.00
Río Real, S.A.	Nicaragua	4	980	1.48	980	1.48
Río Tranquilo, S.A.	Nicaragua	4	229	98.00	229	98.00
T O T A L			**199,754**		**199,754**	
Associated Companies						
Boapesca, S.A.	Spain	5	330		330	50.00
Hasenosa, S.A.	Spain	3	68		68	50.00
NovaNam Limited	Namibia	2	7,689		7,689	49.00
T O T A L			**8,087**		**8,087**	

♦ The percentage shown corresponds to direct participation; the total percentage, direct and indirect, is shown in the Consolidated Financial Statements.

1) Catching and marketing of seafood products
2) Processing and marketing of seafood products
3) Processing and marketing of other food products
4) Aquaculture
5) Other Services

None of the above are listed companies.

During the financial year, no impairment loss has been recognised; accumulated impairment loss amounted to 10.1 million euros.

	Thousands of Euros			
YEAR 2009	**31/12/2008**	**Recognised**	**Derecognised**	**31/12/2009**
Subsidiary Companies				
Shares in subsidiary companies	192,584	7,170	---	199,754
Provision for depreciation	(2,256)	---	---	(2,256)
Total Subsidiary Companies	**190,328**	**7,170**	**---**	**197,498**
Associated Companies				
Shares in associated companies	8,087	---	---	8,087
Provision for depreciation	(7,892)	---	---	(7,892)
Total Associated Companies	**195**	**---**	**---**	**195**
Total Equity Instruments	**190,523**			**197,693**

	Thousands of Euros			
YEAR 2010	**31/12/2009**	**Recognised**	**Derecognised**	**31/12/2009**
Subsidiary Companies				
Shares in subsidiary companies	199,754	---	---	199,754
Provision for depreciation	(2,256)	---	---	(2,256)
Total Subsidiary Companies	**197,498**	**---**	**---**	**197,498**
Associated Companies				
Shares in associated companies	8,087	---	---	8,087
Provision for depreciation	(7,892)	---	---	(7,892)
Total Associated Companies	**195**	**---**	**---**	**195**
Total Equity Instruments	**197,693**			**197,693**

b) Other disclosures:

- There is no firm commitment related to the purchase-sale of financial assets.
- There are no leases, litigations, restrictions or similar situations affecting the financial assets of the Company.
- Amounts available from the main credit lines of the Company are shown below:

	2010	2009
Loan and foreign trade policies	251,497	197,732
Factoring & discount lines	15,158	13,816

9.2. Shareholders' Equity

a) Pescanova, S.A. subscribed and paid-in share capital at 31 December 2008 amounted to 78 million euros, consisting of 13 million shares with a face value of 6 euros each.

At the General Meeting of Shareholders held on 24 April 2009 it was resolved to delegate to the Board of Directors the power to increase the share capital of the Company; thus, at the Board Meeting held on 1 October 2009, with the attendance of all the Board members, it was resolved to increase the share capital by thirty eight million six hundred and eighty-three thousand five hundred and twenty-four euros (€38,683,524.00), through the issue of six million four hundred and forty-seven thousand two hundred and fifty-four new shares (6,447,254) with a face value of 6 euros each, of the same class and series and with the same rights adhered to them as the other Pescanova, S.A. shares in circulation, as from the date on which the capital increase is declared subscribed and paid, providing expressly the possibility of not being subscribed in full. These new shares are to be subscribed with an issue premium of nine euros and sixty cents (€9.60) per share.

Once the term and conditions for the subscription and payment of the new shares were concluded and complied with, having covered the capital increase in full, the share capital of Pescanova, S.A. was one hundred and sixteen million, six hundred and eighty three thousand, five hundred and twenty four euros (€116,683,524) represented by nineteen million four hundred and forty-seven thousand two hundred and fifty-four shares (19,447,254), with a face value of 6 euros each, all of them of the same class and series, fully subscribed and paid.

b) There is no capital increase under way.

c) The Shareholders of the Company at their Annual General Meeting held on 6 April 2010, resolved to grant authority to the Board of Directors for the acquisition of own shares and their application for the purposes provided in the Companies Law. At that meeting the Board was also authorised, for a five-year term, to increase the share capital of the company, with or without premium, up to half of the existing share capital at the time of the authorisation.

d) There are no founder shares, enjoyment bonds nor similar financial instruments.

e) There are no specific circumstances, other than those in the Companies Act, which could restrict the availability of reserves.

f) Making use of the authority granted under item nº 5 in the agenda of the Annual General Meeting of Shareholders, held on 24 April 2009, and item nº 6 of the Agenda of the General Meeting of Shareholders, held on 6 April 2010, the Company purchased own shares during the year, at 31 December 2010 the number of own shares held by the Company were 110,761 shares with a nominal value of 6 euros each, which were bought at an average acquisition price of 27.26 euros per share.

g) The companies that at 31 December 2010 held 10% or more of the share capital of Pescanova, S.A. were: SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO): 14.823%, and CXG CORPORACION CAIXAGALICIA: 20.000%

h) All the shares of the Company are listed at the stock exchange in Madrid and Bilbao.

i) There are no share options nor any other contract issued by the company related to its own shares, furthermore, there are no specific circumstances regarding subsidies, donations and legacies granted by shareholders.

9.3. Convertible Notes

On 5 March de 2010, Pescanova, S.A. concluded the placement of the issue of Convertible Notes for 110,000 thousand euros among qualified and institutional investors. The terms and conditions of the issue were definitely established as summarised below:

a) The issue will amount to one hundred and ten million euros, with a five year maturity.
b) Notes will accrue and annual fixed interest rate of 6.75% payable semi-annually.
c) Notes will be exchangeable, at the option of the noteholders, for new or existing shares in the Company.

   Pursuant to the Terms and Conditions, the Issuer may decide, at the time the noteholders exercise their right to exchange, to exchange the notes for shares in the Company or a combination of cash for the nominal amount and shares for the difference. Pescanova, S.A.'s intention, whatever the future circumstances may be, is to exercise its right to exchange the Notes for shares.
d) The initial conversion price for the Notes is twenty-eight euros and 2 cents (€28.02) per share of the Company.

As indicated in Note 4.6.e and in agreement with International Accounting Standard 32 the fair value of the liabilities side of the Convertible Notes, at 31 December 2010, is recognised for 104,254 thousands of euros. In addition the valuation of the equity component generated through the issue of Convertible Notes, is recognised for 6,097 thousands of euros (see Statement of Changes in Shareholders' Equity). The effect on the 2010 Income Statement for the accrual of the conversion premium amounts to 1,201 thousands of euros and the expense accrued for the Notes amounts to 6,183 thousands of euros.

9.4 Description of and risk arising from financial instruments.
The activities of the Company are subject to different financial risks.

Credit Risk

The main financial assets of the Company are cash and cash equivalents, trade debtors and other amounts receivable, and investments that represent the maximum credit risk exposure of the Company regarding financial assets.
The Company's credit risk is mainly attributable to its trade debts. The amounts are shown in the balance sheet net of the provision for uncollectable debt as estimated by the Management of the Company based on the experience from previous years and the assessment of current economic environment.
The Company does not have a significant credit risk concentration, since the exposure is distributed among a larger number of counterparties and customers.

Liquidity risk

Over the last months financial markets, and particularly banks, have been unfavourable to credit applicants. The Company pays permanent attention to the evolution of certain factors and particularly to funding sources and characteristics that could in future help to solve potential liquidity crisis.

Bellow is a summary of the aspects to which the Company pays attention:

– Liquidity of monetary assets: Cash surpluses are always placed on very short term deposits.
– Maturity diversification for credit lines and control over financing and refinancing.
– Control over remaining life of funding lines.

- Diversification of funding sources: at a corporate level, bank finance is essential, due to the easy access to this market at its cost, in many occasions without any competition from alternative sources.

The Company does not exclude the use of other funding sources in future.

Foreign currency risk

The strategy of the Company, regarding the management of foreign currency risk is mainly focussed on hedging future cash flows for transactions based on firm or highly probable commitments.

Foreign exchange risk in the formalisation of contracts in which the collections/payments are made in a currency different from the functional currency are hedged by interest rates derivatives.

In these cases, the risk hedged is the exposure, attributable to a particular risk, which could lead to changes in the value of the transactions to be carried out based on firm or highly probable commitments, to the extent that there is reasonable evidence about their future completion.

Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate and the future flows from assets and liabilities bearing interest at a floating rate.

The objective of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise the cost of the debt over several years with reduced income statement volatility.

Depending on Company's estimates and debt structure targeted, risks may be mitigated by entering derivative arrangements.

Interest rates on Company's debt are mainly Euribor and Libor related.

9.5 Disclosure on deferred payments by suppliers. Third additional disposition (Disposición Adicional Tercera), "Disclosure Requirements" of Law 15/2010 of 5 July.

Pursuant to the provisions in the third additional disposition (Disposición Adicional Tercera), Disclosure Requirements in Law 15/2010 of 5 July, amending Law 3/2004, of 29 December, establishing measures to fight against delay in payments in trade transactions, it is disclosed that the outstanding balance payable to suppliers which at 31 December 2010 accumulates a term longer than the legal term does not represent a significant volume.

10) INVENTORIES

There are no firm commitments to buy or sell inventories, nor future contracts relating to them. Inventories may be used freely, as there is no significant restriction due to guarantees, pledges, sureties, or similar reasons, or due to material circumstances such as lawsuits, insurance policies or confiscation affecting the ownership, availability, or value of inventories.

Since the Company does not own inventories with a productive cycle higher than one year, no financial expenses have been capitalised.

11) FOREIGN CURRENCY

Transactions carried out in currencies other than euro are recognised in euros by applying the exchange rates prevailing at the time of the transaction. During the year, the differences that arise between the exchange rate prevailing at the time of the transaction and the exchange rate prevailing at the date of collection or payment are recorded as financial results in the Income Statement.

Also, balances receivable or payable at 31 December each year denominated in currencies other than euro are translated to euros at the year-end exchange rates. The resulting translation differences are recognised as financial results in the Income Statement.

a) Below is the detail of assets and liabilities denominated in foreign currencies:

	Amount		Currency
Element	**2010**	**2009**	**2010/2009**
Equity instruments - Subsidiary companies	105,353	105,353	Mainly Argentinean Peso; Chilean Peso & US Dollar
Trade receivables	2,268	3,419	US Dollar
Cash and cash equivalents	93	79	US Dollar
Trade payables	2,871	507	US Dollar

b) The main transactions carried out in foreign currency during the year are shown below:

	Amount		Currency
	2010	**2009**	**2010/2009**
Purchases	30,132	25,247	US Dollar
Sales	33,769	26,577	US Dollar
Services received	285	427	US Dollar/Rand

c) Below is the detail of exchange rate differences, by financial instrument, included in the result of the year:

	Foreign Exchange Differences	
Instrument	**2010**	**2009**
Loans and amounts receivable	79	686
Debts and amounts payable	(828)	(859)

12) TAX SITUATION

As indicated in Note 4, section 10) the Company declares taxes, indefinitely, on a consolidated basis. In 2007, the Companies that make up the Tax Group are: Pescanova, S.A., Frigodís, S.A., Frinova, S.A., Pescafresca, S.A., Bajamar Séptima, S.A., Frivipesca Chapela, S.A., Pescanova Alimentación, S.A., Novapesca Trading, S.L., Insuiña, S.L., Pescafina, S.A., Pescafina Bacalao, S.A., Ultracongelados Antártida, S.A., Acuinova, S.L., Fricatamar, S.L. and Marina Esuri, S.L..

The reconciliation of the aggregated income of the Tax Group to consolidated taxable income for Corporate Income Tax is as follows:

	2010
Sum of accounting income for the year	26,335
Permanent differences	
- Increases	2,289
- Reductions	---
- Offsetting of tax losses (individual)	(1,768)
Adjusted accounting income	26,856
Temporary differences originated in the year	
- Increases	126
- Reductions	(4,559)
Temporary differences originated in previous years	
- Increases	12,529
- Reductions	(1,260)
Taxable income	33,692
Compensation of negative taxable income	(9,477)
Taxable income	24,215
30% Rate	7,265
Deductions	(7,265)
Tax withheld	(116)
Net tax payable	116

The Company may still be inspected by the tax authorities in connection with the following years and taxes:

• IRPF (personal income tax)	2007 to 2010
• Value Added Tax	2007 to 2010
• Corporate Income Tax	2006 to 2009
• Tax on Income from Securities	2007 to 2010
• Customs duties	2007/2008 and 2010

Inspections regarding main taxes of the period 2004-2007 are under way, however, to date inspectors have not stated any discrepancy on the same or the criteria applied by the Company.

The Company does not expect significant contingencies in this respect.

The amount recognised under Corporate Income Tax in the Income Statement, refers to tax withheld for the Company abroad.

At 31 December 2010, once estimated the Corporate Income Tax for the financial year, the Tax Group has no tax losses from previous years not yet applied, regardless the tax losses generated by subsidiary companies prior to their incorporation to the Tax Group which can be offset, under certain requirements, with the limit of their own taxable income.

At 31 December 2010, and once estimated the tax calculation for the year closed at that date, the Tax Group, or the companies that make up the same, have yet to apply tax deductions for the following amounts:

Generated in	1996	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
With limit	123	131	68	3	11	383	278	917	1,273	1,600	369	365	687

Without limit on the quota

Donations: The Group has deductions for this concept amounting to 109 thousand euros not yet applied.

Double taxation:

The Group has deductions for this concept amounting to 2,948 thousand euros not yet applied.

As regards to deductions for reinvestments, the Group assumed the responsibility for reinvesting, in the following financial years, the amounts arising from the deferment of capital gains attained in 1996 and 1997 by the transfer of assets.

Regarding the commitments arising from the financial year 1996, in 1998 the Company reinvested the total amount agreed. In respect of the transfers made in 1997, various Group Companies made the reinvestment in tangible and intangible assets and investments, which are duly identified in the accounting records; the deferred taxable income increased accordingly, as provided by the legislation then in force. Notwithstanding the above, in conformity with "Disposición Transitoria Tercera 3" of Act 24/2001, of 27 December, the Group opted to record the full amount of its deferred capital gains pending of being reversed, generating a 17% deduction on the same, which can be applied in the following 10 years. Since then other deductions for reinvestments were generated and these are recognised and detailed in the consolidated tax return of the Group.

At present, the status of these deductions is as follows:

Deduction generated in	Income subject to reinvestment	Outstanding Deduction at 31-12-2010
2007	34,748	2,018

The balances to be applied for deductions regarding investments could be higher since they are subject to the definite decision on the claims lodged with the Supreme Court against the tax settlements.

During the year there has been no incorporation; it is not necessary to detail the differences between eliminations and incorporations carried out for the purpose of determining the Group's Taxable Base and the Financial Statements.

13) INCOME AND EXPENSES

- Below is the breakdown of supplies:

	2010		2009	
	Goods for resale	Raw Material	Goods for resale	Raw Material
Purchases	492,772	4,641	446,928	4,917
Change in stocks	(3,189)	369	3,710	718
TOTAL CONSUMPTION	489,583	5,010	450,638	5,635

- "Social security" consists of social security costs, and does not include any contribution to pension benefits.

- No sale has been done nor service rendered in exchange of non-monetary goods or services.

- There has been no result from any activity other than the ordinary activity of the Company.

14) PROVISIONS AND CONTINGENCIES

a) The movements relating to these accounts were as follows:

Type of provision	31/12/2009	Recognised	31/12/2010
Provision for taxes	1,472	(799)	**673**
TOTAL	**1,472**	**(799)**	**673**

b) The principal and interest related to the different economic–administrative claims that the Company has lodged with the Supreme Court regarding tax settlements for the years 1990 to 1993, and not yet settled, are recognised under this heading.
c) Applications correspond to the payment of settlements, for which provisions were recorded, from previous years.
d) The Company is not aware of any significant negative contingency that could affect the equity or results of Pescanova.
There are judicial claims against third parties from which contingent assets could arise which have not been recognised in the consolidated financial statements, among which the most important refers to the use of the "Capitán Pescanova" prescriptor.

15) ENVIRONMENTAL INFORMATION

The Company has no environmental assets and has not incurred in expenses to minimise the environmental impact and the protection and improvement of the environment. No provision has been made to cover risks and expenses related to the protection and improvement of the environment.

16) LONG-TERM EMPLOYEES REMUNERATION

There are no guarantees or "golden parachute" clauses benefiting senior managers, including executive directors, in case of dismissal or change in the control of the Company or its Group of Companies.

The Company has no pension fund for its employees.

17) TRANSACTIONS PAID THROUGH EQUITY INSTRUMENTS

The Company has not entered into any arrangement based on payment with own shares.

18) SUBSIDIES, DONATIONS AND LEGACIES

The movements relating to this grouping of items in the Balance Sheet were as follows:

Balance at 01/01/09	37
Amount awarded	2
Amount applied	(23)
Balance at 31/12/09	16
Amount awarded	150
Amount applied	(42)
Balance at 31/12/10	**124**

The Company complies with all conditions regulating the use of subsidies, no return has been made for non-compliance with the awarding conditions.

19) BUSINESS COMBINATIONS

The Company has not entered into any business combination during the year.

20) JOINT VENTURE ARRANGEMENTS

During the year, the Company has not hold significant interest in joint ventures, except for the activity of the company Austral Fisheries Pty. Ltd..

21) TRANSACTIONS WITH RELATED PARTIES

a) Parent Company: Since Pescanova, S.A. is the Parent Company of a group of companies; no other information is required to be disclosed under this entry.

b) Other Subsidiary Companies: During the year there has been no change in value from doubtful debts from Subsidiary Companies, nor expenses arising from uncollectable or doubtful debts.

The main transactions carried out during the year with Subsidiary Companies were as follows:

Description	2010	2009
Services rendered	3,100	8,298
Services received	15,124	14,618
Interest charged	15,875	14,565
Interest paid	1,136	1,573
Dividend received	1,500	1,051
Goods sold	86,949	82,634
Goods purchased	251,507	214,094

c) Associated Companies: During the year there has been no change in value from doubtful debts from Associated Companies, nor expenses arising from uncollectable or doubtful debts.

The main transactions carried out during the year with Associated Companies were as follows:

Decription	2010	2009
Services rendered	98	252
Interest charged	1,203	1,234
Dividend received	155	---
Goods purchased	29,205	33,223

d) Companies under joint control or with significant influence.

As mentioned in note 9.2, the Companies holding a significant shareholding in Pescanova, S.A. are the following:

Name	Shareholding %
CXG CORPORACION CAIXAGALICIA, S.A.	20.000
SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)	14.823

The transactions carried out with these companies are shown under f.1. below, as well as the payment of dividends from 2009 profit distribution.

e) Senior Executives.

The following are senior executives who are not executive directors.

Name	Position
Jesus Carlos García García	Advisor to the Chairman
César Real Rodríguez	Division General Manager
Pablo Fernández Andrade	Division General Manager
Juan José de la Cerda López-Baspino	Food Technology Manager
Eduardo Fernández Pellicer	IT Manager
Joaquín Gallego García	Fleet Manager
Fernando Ilarri Junquera	Human Resources Manager
Alfredo López Uroz	Accounts Division
Cesar Mata Moretón	Legal Advisor
Antonio Táboas Moure	Financial Manager
David Troncoso García-Cambon	Angola Division - Fleet Manager
Joaquín Viña Tamargo	Internal Audit Division

Total remuneration for the above senior executives in 2010, reached 1,982 thousand euros (1,886 thousand euros in 2009), all of them refer to salaries.

f) Related Parties.

f.1. Significant Shareholders

Relevant transactions carried out in 2010 with significant shareholders of the Company, all of which performed on market terms basis, were as follows:

Significant Shareholder/Director	Company Name	Nature of Relationship	Type of transactions	Amount (Thousand €)
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCANOVA & OTHER	Contractual	Funding & loan arrangements, capital contributions (Borrower)	108,900
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCANOVA	Contractual	Funding & loan arrangements, capital contributions (Borrower)	92,000
LIQUIDAMBAR INVERSIONES	PESCANOVA	Contractual (1)	Funding & loan arrangements, capital contributions (Borrower)	16,000

(1) Through EBN Banco

f.2. Directors

In 2010 the members of the Board of Directors and the shareholders represented on the Board of Directors or the individuals or companies who they represent, did not participate in unusual and/or significant transactions of the Company.

f.2.1. Remuneration

The Company has adopted the reporting format in Annex I of the Annual report on Corporate Governance for listed companies, enforced by the Comisión Nacional del Mercado de Valores (Spanish Securities and Exchange Commission), as passed under Circular 1/2004 of 17 March.

	2010	2009
Type of remuneration	**1,652**	**1,439**
Fixed fee	618	557
Attendance fee	562	453
Payments to Directors as per the Articles of Association	472	429

Type of Director	**1,652**	**1,439**
Executive directors	693	620
Non-executive nominee directors	780	664
Non-executive independent	179	155

No advances or loans have been given to any of the Board members; there are no pension or life insurance obligations with Board members.

f.2.2. Other Disclosures

Pursuant to Article 229.2 of the Spanish Companies Act, introduced by Law 26/2003, of 17 July, which amends Stock Exchange Act 24/1988, of 28 July, in order to reinforce the transparency of listed companies, it is hereby stated that there is no Company engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of Pescanova, S.A. in which the members of the Board of Directors own equity interests, except for the companies belonging to the Pescanova Group.
Also, pursuant to the aforementioned Act, it is hereby stated that there is no record that members of the Board of Directors carry on, or carried on in 2010 activities, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the corporate purpose of Pescanova, S.A..

22) OTHER DISCLOSURES

1) The average number of employees, in 2009 and 2010, by category and sex is shown below:

	Number of Employees 2009		
	Full-time	Temporary	Total
Directivos	22	0	22
Delegados de Ventas	9	0	9
Otros técnicos	33	2	35
Jefes y Oficiales administrativos	43	0	43
Especialistas y Operarios	24	1	25
TOTAL	**131**	**3**	**134**

	Number of Employees 2010		
	Full-time	Temporary	Total
Directivos	22	0	22
Delegados de Ventas	9	0	9
Otros técnicos	34	2	36
Auxiliares	2	0	2
Jefes y Oficiales administrativos	44	0	44
Especialistas y Operarios	20	1	21
TOTAL	**131**	**3**	**134**

Number of Employees 2009		
Female	Male	Total
46	88	**134**

Number of Employees 2010		
Female	Male	Total
47	87	**134**

Below is the distribution, by sex, of the members of the Board of Directors:

Type of Director 2009	Sex	
	Male	Female
Executive directors	1	
Non-executive nominee directors	9	1
Non-executive independent	2	

Type of Director 2010	Sex	
	Male	Female
Executive directors	1	
Non-executive nominee directors	9	1
Non-executive independent	2	

2) Since Pescanova, S.A. prepares consolidated annual accounts for its Group of Companies, there is no obligation to disclose possible changes in the Company's net equity and Income Statement, should it had applied the International Financial Reporting Standards as per European Union Regulations.

   Anyhow, these changes are not significant.

3) In 2010 Auditor Fees, for the auditing work, reached 62 thousand euros, and 62 thousand euros in 2009.

   During the year the main auditor has provided additional services for 120 thousand euros regarding financial advise.

   No significant transaction has taken place with any company belonging to the same group as the main Auditor, or with any other company related to the main Auditor either by control, ownership or management.

4) There is not any significant agreement related to the Company and not included in the Balance Sheet, which could assist in determining the financial position of the Company.

5) As mentioned in Note 1, Pescanova, S.A. is part of the Pescanova Group of Companies, and does not have any other business or joint control relationship with any company.

23) SEGMENT REPORTING

Below is the detail of the net turnover by activity and geographical market:

	2010		2009	
	Sales	Services Rendered	Sales	Services Rendered
Domestic	427,108	1,410	385,184	5,088
Other EU countries	46,306	820	38,648	674
Outside the EU	98,398	1,359	94,934	3,457
TOTAL	**571,812**	**3,589**	**518,766**	**9,219**

MANAGEMENT REPORT

Throughout year 2010, the Company has continued to consolidate its business strategy - in terms of the obtaining of seafood, either wild caught or farmed, the processing of seafood products as well as their marketing, promoting its brands. The Company has continued to strengthen its brands, as it is certain that the best way to guarantee its success and leadership is through innovation, quality and closeness to end consumers.

In 2010 the financial evolution of the Company can be summarised as an increase in turnover of some 9% if compared to the previous year, reaching more than 575 million euros; operating profit has also increased by some 19%, and the above has generated a profit after tax of 15 million euros, close to an 8% higher than the previous year.

Pescanova, S.A. is exposed to certain risks which it manages by applying risk identification, measurement, concentration limitation and supervising systems.

The main principles defined by the Pescanova Group when establishing its policy for the management of the principal risks are as follows:

- Compliance with the principles of good corporate governance.
- Strict compliance with all Pescanova Group's rules.
- Each business and corporate area defines the markets and product lines in which it can operate on the basis of having sufficient know-how and capabilities to ensure effective risk management.
- The businesses and corporate divisions establish for each market in which they operate the level of risk that they are prepared to assume on a basis that is consistent with the strategy defined.

As regards to the control of financial risks, the Company through the preparation the annual accounts to be reviewed by the Audit Company and external auditors, establishes the required mechanisms to cover those risks.

The following are significant shareholders (holding five percent or more):

Shareholder's Name	Nº of direct voting rights	Nº of indirect voting rights	% on total voting rights
D. MANUEL FERNÁNDEZ DE SOUSA-FARO	25,386	3,481,776	18.034
CAIXA DE AFORROS DE GALICIA, VIGO, ORENSE E PONTEVEDRA	915,806	3,889,450	24,709
D. ALFONSO PAZ-ANDRADE RODRÍGUEZ	2,631	992,120	5.116
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	975,000	0	5.014

There is no restriction to the right to vote, although as provided in Article 25 of the Articles of Association, the requirement entitling attendance to the Annual General Meeting of Shareholders is the holding of 100 shares.

As regards to the Board of Directors, the Chairman has a casting vote regarding any business conducted by the Board of Directors.

The Company is not aware of any paracorporate agreements existing between shareholders that could have any effect on the Company, as provided in Article 112 of the Stock Exchange Act

The Annual General Meeting of Shareholders is the competent body to appoint persons, who may be shareholders or not, to rule, manage and represent the Company as its permanent body. The persons so appointed will make up a Board of Directors consisting of not less than three members or more than fifteen. Within those limits, the Annual General Meeting of Shareholders shall determine the number of members of the Board of Directors.

At the Annual General Meeting of Shareholders held on 6 April, 2010, regarding item number 8.1 in the Agenda, the Board was authorised to, as provided in Article 160 of the Companies Act, within a five-year term, increase the share capital of the company, with o without premium, by an amount not higher than half of the existing share capital at the time of the authorisation, in one or several times and at the time and for the amount considered appropriate, and consequently it was also authorised to amend Article 7 of the Articles of Association accordingly.

Pescanova, S.A. has granted full authority, since 1993, to the Chairman of the Board, however such authority does not include the power to issue or repurchase of shares.

There are no agreements entered by the Company which are to become enforced, amended or terminated should there be any change in the control of the Company, except for those contained in the terms and conditions of the Issue of Convertible Notes of March 2010.

There are no guarantees or "golden parachute" clauses benefiting senior managers, including executive directors, in case of dismissal or change in the control of the Company or its Group of Companies.

At 31 December 2010, the Company held own shares representing 0.52% of its share capital (100,761 shares). The total cost of this transaction was 2.7 million euros.

Annual Report, as a complement to the Management Report, in compliance with Article 116 of the Stock Exchange Act.

The Board of Directors of Pescanova, S.A., at the meeting held on the 25 of February 2011, prepared this Annual Report, to complement the information in the Management Report attached to the Pescanova, S.A. Annual Accounts for the year ended 31 December 2010, report to be presented to the Annual General Meeting of Shareholders in compliance with Article 116 bis of the Stock Exchange Act as per the wording given to said article pursuant Act 6/2007 of 12 April.

1.- Share capital amounts to 116,683,524 euros, consisting of 19,447,254 shares with a nominal value of 6 euros each. The amount of the share capital was changed in 2009, and recorded under a deed formalised on 29 October 2009, before the Notary in Vigo Mr Francisco Fernández Iñigo, record number 1,771 and filed with the Companies Registration Office in Pontevedra, under number 234 of page PO-877.

All shares are subscribed and paid-in.

All shares are of the same class and series, conferring on their holders the same rights and obligations, pursuant the Companies Act and other applicable regulations.

Shares are represented by account entries and all of them are listed in the Spanish continuous market, no shares or other securities are listed in any other market.

2.- There are no restrictions to the free transfer of shares pursuant article 11 of the Articles of Association as per the transcription below:

ARTICLE 11.

TRANSFER OF SHARES: The shares shall be freely transferable by any legal procedure provided for this purpose, being the transfer governed by the provisions established in the Companies Act and in any other applicable regulations.

3.- Significant shareholders, either direct or indirect holding, are those shown in the Management Report, it is noted that none individual or company exercises or may exercise the control over the Company as provided in Article 4 of the Companies Act.

4.- No paracorporate agreement between shareholders has been reported to the Company as shown in the Management Report.

5.- Rules applicable to the appointment and replacement of members of the Board, and for the amendment of the Articles of Association of the Company are provided in the internal rules of the Company, namely, the Articles of Association and Internal Performance Regulations, and it is noted that they do not differ from the provisions in the Companies Act.

6.- As shown in the Management Report, the authority granted since 1993 to the Chairman of the Board includes the authority to buy and sell securities, so they, subject to the compliance with any other legal requirement, are therefore entitled to buy and sell shares in the Company Pescanova, S.A., however such authority does not include the authority to issue or repurchase shares.

7.- Also, as indicated in the Management Report, at 31 December 2010, there is no significant agreement entered by the Company which are to become enforced, amended or terminated should there be any change in the control of the Company, as a result of a take-over.

8.- And last, there are no agreements entered between the Company and its Directors, Executives or employees, providing indemnities for their resignation or dismissal or the end of the labour relationship as a result of a take-over.

SPANISH LISTED COMPANIES

IDENTIFICATION DATA

FINANCIAL YEAR ENDED: 31/12/2010

C.I.F. A-36603587

Name: PESCANOVA, S.A.

REPORT ON CORPORATE GOVERNANCE FOR LISTED COMPANIES

For a better understanding of this form, please read the instructions at the end of the same.

A. COMPANY OWNERSHIP STRUCTURE

A.1. Please complete the following table regarding share capital:

Date of last change	Share Capital (euros)	Number of Shares	Number of voting rights
29/10/2009	116,683,524.00	19,447,524	19,447,524

Please indicate whether some shares have different voting rights from others:

NO

A.2. Please provide details of direct or indirect owners of significant holdings in your company at year end, excluding the members of the Board of Directors:

Name of the Shareholder	Number of direct voting rights	Number of indirect voting rights *	% on total voting rights
MR JOSÉ ANTONIO PÉREZ-NIEVAS HEREDERO	0	856,005	4.402
BESTINVER GESTION SGIIC	0	818,912	4.211
MR JOSÉ ALBERTO BARRERAS BARRERAS	0	748,100	3.847

Name of Indirect Shareholder	Held though: Name of the Direct Shareholder	Number of direct voting rights	% on total voting rights
MR JOSÉ ANTONIO PÉREZ-NIEVAS HEREDERO	GOLDEN LIMIT, S.L.	856,005	4.402
BESTINVER GESTION SGIIC	BESTINFOND F.I.	269,706	1.384
BESTINVER GESTION SGIIC	BESTINVER AHORRO FP	40,011	0.206
BESTINVER GESTION SGIIC	BESTINVER BEST VALUE SICAV (RODAON INVERSIONES, SICAV, S.A.)	48,569	0.250
BESTINVER GESTION SGIIC	BESTINVER BOLSA, F.I.	258,058	1.327
BESTINVER GESTION SGIIC	BESTINVER EMPLEO FP	1,882	0.010
BESTINVER GESTION SGIIC	BESTINVER GLOBAL, FP	68,958	0.355
BESTINVER GESTION SGIIC	BESTINVER MIXTO, F.I.	43,125	0.222
BESTINVER GESTION SGIIC	BESTINVER VALUE INVESTOR SICAV SA	13,550	0.070
BESTINVER GESTION SGIIC	DIVALSA DE INVERSIONES SICAV SA	2,503	0.013
BESTINVER GESTION SGIIC	LINKER INVERSIONES, SICAV, S.A.	1,497	0.008
BESTINVER GESTION SGIIC	SOIXA, SICAV, S.A.	55,632	0.286
BESTINVER GESTION SGIIC	TEXRENTA INVERSIONES SICAV, S.A.	15,421	0.079
MR JOSÉ ALBERTO BARRERAS BARRERAS	TRANSPESCA, S.A.	748,100	3.847

Please indicate the most significant movements in shareholding structure during the year:

Name of the shareholder	Date of the transaction	Transaction Description
BESTINVER GESTION SGIIC	03/12/2010	less than 5% shareholding

A.3. Please provide details of the members of the Board of Directors of the Company who have voting rights

Name of the Director	Number of direct voting rights	Number of indirect voting rights (*)	% on total voting rights
MR. MANUEL FERNANDEZ DE SOUSA-FARO	25,386	2,882,642	14.953
MR. ALFONSO PAZ-ANDRADE RODRIGUEZ	2,631	992,120	5.115
MR. ANTONIO BASAGOITI GARCÍA-TUÑÓN	1,100	0	0.006
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	915,806	0	4.709
CXG CORPORACION CAIXAGALICIA, S.A. (INDIRECT PARTICIPATION OF CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA)	3,889,450	0	20.000
INVERPESCA, S.A. (INDIRECT PARTICIPATION OF MR MANUEL FERNANDEZ)	579,424	0	2.979
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	975,000	0	5.014
MR. ROBERT ALBERT WILLIAMS	221	0	0.001
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA) (INDIRECT PARTICIPATION OF MR MANUEL FERNANDEZ)	19,710	0	0.101

Name of Indirect Shareholder	Held though: Name of the Direct Shareholder	Number of direct voting rights	% on total voting rights
MR MANUEL FERNÁNDEZ DE SOUSA-FARO	SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)	2,882,642	14.823
MR MANUEL FERNÁNDEZ DE SOUSA-FARO	INVERPESCA	579,424	2.979
MR MANUEL FERNÁNDEZ DE SOUSA-FARO	SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)	19,710	0.101
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	CXG CORPORACION CAIXAGALICIA,S,A,	3,889,450	20.000
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	NOVA ARDARA EQUITIES, S.A. (FORMERLY JOSECHU, S.A.)	991,210	5.097

Name of Indirect Shareholder	Held though: Name of the Direct Shareholder	Number of direct voting rights	% on total voting rights
MR ALFONSO PAZ-ANDRADE RODRÍGUEZ	SIPSA	830	0.004
MR ALFONSO PAZ-ANDRADE RODRÍGUEZ	IBERCISA	280	0.001

Total % of voting rights held by the Board of Directors	52.879

Please fill in the tables regarding members of the Board of Directors of the Company having rights on shares of the company:

A.4. Please indicate, where applicable, any family, trading, contractual or corporate relationships, between the owners of significant shareholding, to the extent that they are known to the Company, unless these are of little relevance or arise from the ordinary business of the company:

A.5. Please indicate, where applicable, any trading, contractual or corporate relationship between the owners of significant shareholding and the Company and/or its Group of Companies, unless these are of little relevance or arise from the ordinary business of the company:

A.6. Please indicate any paracorporate agreement reported to the Company, affecting the same, as per art. 112 of the Stock Exchange Act. If any, please provide a short description and indicate the shareholders involved.

NO

Please indicate if the Company is aware of any arranged action between shareholders. If any, please provide a short description.

NO

If, during the financial year, any of the above arrangements has been amended or cancelled, please indicate so:

A.7. Please indicate if there is any individual or company who has control or could have control over the Company, pursuant to article 4 of the Stock Exchange Act, if any, please identify:

NO

A.8. Please complete the following tables regarding own shares:

At year end:

Number of direct shares	Number of indirect shares (*)	% on total share capital
100,761	0	0.518

(*) held through:

Total	0

Please provide details of significant changes during the year, as provided in Royal Decree 1362/2007:

Gain (loss) from disposal of own shares during the year (thousands of euros)	0

A.9. Please provide details of conditions and term of the authorisation given by the General Meeting of Shareholders to the Board of Directors.

At the Annual General Meeting of Shareholders held on 6 April 2010, it was unanimously resolved to authorise the Board of Directors so that within the following five years the Board is entitled to buy, in any lawful manner, shares of the company up the maximum limit of 10% of the share capital, (including in this 10% limit the shares already owned by the Company as provided by the Companies Law) or up to the maximum percentage limit provided by law during the term of this authorisation, at a maximum rate resulting from a 20% increase on the average price during the month prior to the acquisition and a minimum rate resulting from a 20% discount on the average price of the shares during the month prior to the acquisition, all the above in compliance with any other legal requirement.

A.10 Please indicate, where applicable, any restriction related to voting rights either pursuant to law or the articles of association, as well as any restriction, pursuant to law, related to the acquisition or transfer of shares. Also, please indicate if there is any restriction, as provided by law, for the exercise of voting rights:

NO

Maximum percentage of voting rights, as limited by law, exercisable by a single shareholder	0

Please indicate if there is any restriction, as provided in the articles of association, for the exercise of voting rights:

NO

Maximum percentage of voting rights, as limited by the articles of association, exercisable by a single shareholder	0

Please indicate is there is any restriction, as provided by law, for the acquisition or transfer of shares.

NO

A.11. Please indicate if the General Meeting of Shareholders has resolved to adopt any measure to neutralise a take over bid as provided in Act 6/2007.

NO

If any, please explain the measures so adopted and the terms in which such restriction would become ineffective:

B. STRUCTURE OF GOVERNING BODIES OF THE COMPANY

B.1. The Board of Directors

B.1.1. Please indicate maximum and minimum number of members of the Board as provided in the Articles of Association:

Maximum number of members of the Board	15
Minimum number of members of the Board	3

B.1.2. Please complete the table below providing details of the Board of Directors:

Name of the member of the Board	Representative	Position in the Board	Date of first appointment	Date of last appointment	Election method
MR. MANUEL FERNANDEZ DE SOUSA-FARO	-	CHAIRMAN	25/06/1977	23/04/2008	VOTING AT THE AGM
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	-	MEMBER OF THE BOARD	25/06/1997	23/04/2008	VOTING AT THE AGM
MS ANA BELEN BARRERAS RUANO	-	MEMBER OF THE BOARD	25/04/2007	25/04/2007	VOTING AT THE AGM
MR ANTONIO BASAGOITI GARCÍA-TUÑÓN	-	MEMBER OF THE BOARD	20/06/1996	28/04/2006	VOTING AT THE AGM
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	JOSÉ LUIS PEGO ALONSO	MEMBER OF THE BOARD	03/12/2010	03/12/2010	CO-OPTION
CXG CORPORACION CAIXAGALICIA,S .A.	FRANCISCO JAVIER GARCIA DE PARADES Y MORO	MEMBER OF THE BOARD	13/03/1997	25/04/2007	VOTING AT THE AGM
IBERFOMENTO, S.A.	JOSÉ ANTONIO PEREZ-NIEVAS HEREDERO	MEMBER OF THE BOARD	28/04/2006	28/04/2006	VOTING AT THE AGM
ICS HOLDINGS LTD.	FERNANDO FERNANDEZ DE SOUSA-FARO	MEMBER OF THE BOARD	04/09/2009	25/02/2010	VOTING AT THE AGM
INVERPESCA, S.A.	PABLO JAVIER FERNANDEZ ANDRADE	MEMBER OF THE BOARD	26/05/2000	06/04/2010	VOTING AT THE AGM
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	FRANCISCO JAVIER SORIANO AROSA	MEMBER OF THE BOARD	28/02/2006	28/04/2006	VOTING AT THE AGM
MR ROBERT ALBERT WILLIAMS	-	MEMBER OF THE BOARD	29/06/1993	06/04/2010	VOTING AT THE AGM

Name of the member of the Board	Representative	Position in the Board	Date of first appointment	Date of last appointment	Election method
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)	JESUS CARLOS GARCIA GARCIA	MEMBER OF THE BOARD	28/04/2006	28/04/2006	VOTING AT THE AGM
MR. YAGO MENDEZ PASCUAL	-	MEMBER OF THE BOARD	28/04/2006	28/04/2006	VOTING AT THE AGM

Total number of members of the Board of Directors	13

Please indicate any resignation occurring during the year

Name of the member of the Board	Type of director at the time of resignation	Date of resignation
CAIXA DE AFORROS DE VIGO, OURENSE E PONTEVEDRA	NOMINEE	03/12/2010

B.1.3. Please complete the tables below regarding members of the Board and their status within the Board of Directors:

EXECUTIVE DIRECTORS

Name of the member of the Board	Committee that has proposed his/her appointment	Position in the Company
MR MANUEL FERNANDEZ DE SOUSA-FARO	APPOINTMENTS AND REMUNERATION COMMITTEE	CHAIRMAN

Total number of Executive Directors	1
Total % on the Board	7.692

NON-EXECUTIVE NOMINEE DIRECTORS

Name of the member of the Board	Committee that has proposed his/her appointment	Name of the significant shareholder who represents or who has proposed his/her appointment
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	APPOINTMENTS AND REMUNERATION COMMITTEE	NOVA ARDARA EQUITIES S.A. (FORMERLY JOSECHU, S.A.)
MS ANA BELEN BARRERAS RUANO	APPOINTMENTS AND REMUNERATION COMMITTEE	TRANSPESCA, S.A.
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	APPOINTMENTS AND REMUNERATION COMMITTEE	CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)
CXG CORPORACION CAIXAGALICIA, S.A.	APPOINTMENTS AND REMUNERATION COMMITTEE	CXG CORPORACION CAIXAGALICIA, S.A.
IBERFOMENTO, S.A.	APPOINTMENTS AND REMUNERATION COMMITTEE	COLDEN LIMIT, S.L.
ICS HOLDINGS LTD	APPOINTMENTS AND REMUNERATION COMMITTEE	SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)
INVERPESCA, S.A.	APPOINTMENTS AND REMUNERATION COMMITTEE	INVERPESCA, S.A.
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	APPOINTMENTS AND REMUNERATION COMMITTEE	LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)	APPOINTMENTS AND REMUNERATION COMMITTEE	SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)
MR. YAGO MENDEZ PASCUAL	APPOINTMENTS AND REMUNERATION COMMITTEE	CXG CORPORACION CAIXAGALICIA, S.A.

Total number of Non-Executive Nominee Directors	10
Total % on the Board	76.923

NON-EXECUTIVE INDEPENDENT DIRECTORS

Name of the member of the Board

MR ANTONIO BASAGOITI GARCÍA-TUÑÓN

Profile

Lawyer, with experience and knowledge of the business world

Name of the member of the Board

MR ROBERT ALBERT WILLIAMS

Profile

Good knowledge of and experience in the fishing sector

Total number of Non-Executive Independent Directors	2
Total % on the Board	15.385

OTHER NON-EXECUTIVE DIRECTORS

Please provide details why they cannot be considered either Nominee or Independent directors, as well as their relationship with the Company, its executives or its shareholders:

Please indicate if there has been any change during the financial year regarding the status of any member of the Board:

B.1.4. Please explain, where applicable, reasons why Non-Executive Nominee Directors have been appointed at the request of shareholders holding less than 5% of the capital.

Please indicate if there has been any unmet formal request for the presence in the Board of Directors from shareholders whose shareholding is equal or higher that of any other shareholders at whose request Nominee Directors have been appointed. If any, please explain the reasons why such requests have not been met.

NO

B.1.5 Please indicate if any member of the Board of Directors has vacated his position earlier than term for which he/she had been appointed, if he/she has explained his/her reasons and how this explanation has been given, if given in writing to all the Board, please detail, at least, the reasons given:

YES

Name of the member of the Board

CAIXA DE AFORROS DE VIGO, OURENSE E PONTEVEDRA

Reason for his resignation

The merger between Caixa de Aforros de Vigo, Ourense e Pontevedra and Caja de Ahorros de Galicia, S.A. led to the disappearance of the former resulting in a vacancy in the Board of Directors which is filled by co-option, as provided in article 244 of the new Companies Law, by Caixa de Aforros de Galicia, Vigo, Ourense e Pontevedra (NOVACAIXAGALICIA).

B.1.6 Please indicate, if any, the authorisations granted to the Managing Director(s):

B.1.7 Please identify, if any, which members of the Board are at the same time members of boards of directors or executives of other Group Companies.

Name of the Director	Name of the group company	Position
MR MANUEL FERNANDEZ DE SOUSA-FARO	DIFFERENT GROUP COMPANIES	MEMBER OF THE BOARD AND REPRESENTATIVE OF A MEMBER OF THE BOARD

B.1.8 Please identify, if it has been reported to the Company, which members of the Board are at the same time members of boards of directors of companies, other than Group Companies, listed in any Spanish Stock Exchange:

Name of the Director	Name of the listed company	Position
MR ANTONIO BASAGOITI GARCIA-TUÑON	SCH	MEMBER OF THE BOARD
MR ANTONIO BASAGOITI GARCIA-TUÑON	BANCO ESPAÑOL DE CRÉDITO, S.A. (BANESTO)	CHAIRMAN
MR ANTONIO BASAGOITI GARCIA-TUÑON	FAES FARMA, S.A.	VICE-CHAIRMAN
CXG CORPORACION CAIXAGALICIA, S.A.	QUABIT INMOBILIARIA, S.A	MEMBER OF THE BOARD
CXG CORPORACION CAIXAGALICIA, S.A.	TECNOCOM TELECOMUNICACIONES Y ENERGIA, S.A.	2ND VICE-CHAIRMAN
IBERFOMENTO, S.A.	TAVEX ALGODONERA, S.A.	MEMBER OF THE BOARD
IBERFOMENTO, S.A.	CARTERA INDUSTRIAL REA, S.A.	MEMBER OF THE BOARD
IBERFOMENTO, S.A.	NATRA, S.A.	MEMBER OF THE BOARD
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.A.	LA SEDA DE BARCELONA, S.A.	MEMBER OF THE BOARD
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.A.	DURO FELGUERA, S.A.	MEMBER OF THE BOARD

B.1.9 Please explain if the Company has set any rule regarding the number of Boards of Directors of which the members of the Board of the company can be members.

NO

B.1.10 As regards to the recommendation number 8 in the Unified Code please indicate which of the policies and strategies below the Board require the ratification of the full Board of Directors:

Investment and financing policies	Yes
Definition of the Group's structure	Yes
Corporate Governance	Yes
Corporate social responsibility	Yes
Strategic or business plan, as well as management targets and annual budgets	Yes
Remuneration policy and assessment of senior executives performance	Yes
Risk management control, as well as periodic monitoring of internal information and control systems	Yes
Policies regarding dividends and own shares and particularly, the setting of limits on the same	Yes

B.1.11 Please fill in the tables below regarding aggregated remuneration accrued by the members of the Board in the financial year:

a) From the reporting company:

Type of remuneration	Data in Thousands of euros
Fixed fee	618
Variable fee	0
Attendance fees	562
Payments to Directors pursuant to the Articles of Association	472
Stock options and/or other financial instruments	0
Other remuneration	0

Total	1,652

Other Benefits	Data in Thousands of euros
Advances	0
Loans awarded	0
Pension funds: contribution	0
Pension funds: liabilities	0
Life insurance premium	0
Guarantees provided by the Company in favour of the members of the Board	0

b) For being members of other Group Companies Boards and/or executives in Group Companies:

Type of remuneration	Data in Thousands of euros
Fixed fee	0
Variable fee	0
Attendance fees	0
Payments to Directors as per the Articles of Association	0
Stock options and/or other financial instruments	0
Other remuneration	0

Total	0

Other Benefits	Data in Thousands of euros
Advances	0
Loans awarded	0
Pension funds: contribution	0
Pension funds: liabilities	0
Life insurance premium	0
Guarantees provided by the Company in favour of the members of the Board	0

c) Total remuneration by type of Director:

Type of Director	From the company	From the Group of Companies
Executive directors	693	0
Non-executive nominee directors	780	0
Non-executive independent	179	0
Other non-executive directors	0	0

Total	1,652	0

d) As regards to the profit attributable to the parent company:

Total remuneration to the members of the Board of Directors (in thousands of euros)	1,652
Total remuneration to the members of the Board of Directors/ profit attributable to the parent company (%)	4.6

B.1.12 Please identify senior managers, who are not executive directors, and indicate their total remuneration accrued in the year:

Name	Position
JESUS CARLOS GARCÍA GARCÍA	ADVISOR TO THE CHAIRMAN
CÉSAR REAL RODRÍGUEZ	DIVISION GENERAL MANAGER
PABLO JAVIER FERNÁNDEZ ANDRADE	DIVISION GENERAL MANAGER
JUAN JOSÉ DE LA CERDA LÓPEZ-BASPINO	FOOD TECHNOLOGY MANAGER
EDUARDO FERNÁNDEZ PELLICER	IT MANAGER
JOAQUÍN GALLEGO GARCÍA	FLEET MANAGER
FERNANDO ILARRI JUNQUERA	HUMAN RESOURCES MANAGER
ALFREDO LÓPEZ UROZ	ACCOUNTS DIVISION
CESAR MATA MORETÓN	LEGAL ADVISOR

Name	Position
ANTONIO TÁBOAS MOURE	FINANCIAL MANAGER
DAVID TRONCOSO GARCÍA-CAMBON	ANGOLA DIVISION - FLEET MANAGER
JOAQUÍN VIÑA TAMARGO	INTERNAL AUDIT DIVISION

Total remuneration to senior executives (in thousands of euros)	1,982

B.1.13 Please identify, on an aggregated basis, whether the company awards severance guarantees or golden parachute clauses in cases of dismissal or changes of control affecting senior management, including executive board members, of the company or the group of companies. Please indicate whether such contracts have to be reported and/or ratified by the company or group governing bodies.

Number of beneficiaries	0

	Board of Directors	General Meeting of Shareholders
Body ratifying such clauses	NO	NO

Are such clauses disclosed to the General Meeting of Shareholders?	NO

B.1.14 Please indicate procedure for determining the remuneration of the members of the Board of Directors and related clauses in the Articles of Association:

Procedure for determining the remuneration of the members of the Board of Directors and related clauses in the Articles of Association
As provided in article 41 of the Articles of the Association, the members of the Board of Directors are entitled to an annual fixed fee and to attendance fees, as well as to the reimbursement of travelling expenses. The above payments shall be compatible and separate from the remuneration or economic benefit of a labour nature to which any member of the Board of Directors may be entitled to for their service or work done other than for being a member of the Board of Directors. Both annual fixed fees and attendance fees, for attending Board and Committee meetings, are ratified by the General Meeting of Shareholders

Please state whether the Board in full reserves the right to decide on the following items:

At the proposal of the company's chief executive officer, the appointment or dismissal of senior executives and any compensatory arrangement.	YES
The remuneration of directors and, in the case of executive directors, additional remuneration for carrying out their executive duties and other conditions of their contracts.	YES

B.1.15 Please state whether the Board of Directors resolves a detailed policy on remuneration, please specify the issues it determines:

YES

The amount of fixed components, itemising, where appropriate, the attendance fees for the Board of Directors and Committees meetings and an estimate of the fixed annual fee resulting there from.	YES
Variable items	YES
The main features of pension plans, giving an estimate of the result or annual equivalent cost.	YES
The conditions to be met in the contracts of executive directors who are also senior managers.	YES

B.1.16 Please indicate whether the Board of Directors submits to the General Meeting of Shareholders, as a separate item of the agenda, and for consultative purposes, a report on the remuneration policy for Board members. If so, please explain which aspects of Board remuneration policy have been ratified by the General Meeting of Shareholders for future years; the main changes with respect to the policy applied this year as well as an overall summary of how the existing policy was applied this year. Please provide details of the role played by the Remuneration Committee, whether this Committee has hired the services of external advisers and, if so, who they were:

YES

Issues dealt with in the remuneration policy
The 2010 Annual General Meeting of Shareholders unanimously ratified, as a separate item of the agenda, the updating of Board members remuneration for 2010 and following years.

Role played by the Remunerations Committee
Apart from any other duty that the Board of Directors could entrust it with, one of the duties of the Remuneration Committee is to propose to the Board the remuneration system for the Executive Directors as regards to the amounts to be paid to them for their managerial work apart from other directorship payments; the periodical review of the remuneration system, to ensure its appropriateness and transparency. The Remuneration Committee shall also propose to the Board the remuneration system for the members of the Board in agreement with the Law and the Articles of Association.

Has this Committee hired the services of external advisors?	YES

Name of External Advisor
Spencer Stuart

B.1.17 Please identify the members of the Board of Directors who are members of the Board of Directors, Executives or employees of companies holding a significant shareholding on the listed company and/or Group companies:

Name of the Director	Name of the Significant Shareholder	Position
MR MANUEL FERNANDEZ DE SOUSA-FARO	SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)	MEMBER OF THE BOARD
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	NOVA ARDARA EQUITIES, S.A. (FORMERLY JOSECHU, S.A.)	MEMBER OF THE BOARD
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	CAIXA DE AFORROS DE GALICIA. VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	VICE-CHAIRMAN

Please provide details of any relevant relationship other than the above, between Board members and significant shareholders and/or Group companies:

Name of the related Director
MR MANUEL FERNANDEZ DE SOUSA-FARO
Name of the related Significant Shareholder
SOCIEDAD ANÓNIMA DE DESARROLLO Y CONTROL (SODESCO)
Description of the relationship
Corporate

Name of the related Director
MR ALFONSO PAZ-ANDRADE RODRIGUEZ
Name of the related Significant Shareholder
NOVA ARDARA, S.A. (FORMERLY JOSECHU, S.A.)
Description of the relationship
Corporate

Name of the related Director
CAIXA DE AFORROS DE GALICIA. VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)
Name of the related Significant Shareholder
MR ALFONSO PAZ-ANDRADE RODRIGUEZ
Description of the relationship
Corporate

Name of the related Director
ICS HOLDINGS LTD.
Name of the related Significant Shareholder
MR MANUEL FERNANDEZ DE SOUSA-FARO
Description of the relationship
Corporate

Name of the related Director
INVERPESCA, S.A.
Name of the related Significant Shareholder
MR MANUEL FERNANDEZ DE SOUSA-FARO
Description of the relationship
Corporate

Name of the related Director
SOCIEDAD GALLEGA DE IMPORTACIÓN DE CARBONES, S.A. (GICSA)
Name of the related Significant Shareholder
MR MANUEL FERNANDEZ DE SOUSA-FARO
Description of the relationship
Corporate

B.1.18 Please indicate if there has been any change in the Board of Directors Regulations:

NO

B.1.19 Please indicate procedure for the appointment, re-election, evaluation and removal of Board members. Please indicate competent bodies, steps to be followed and criteria for each procedure.

The General Meeting of Shareholders is the competent body to appoint persons, who may be shareholders or not, to rule, manage and represent the company as its permanent body. The persons so appointed will make up a Board of Directors consisting of not less than three members nor more than 15. Within those limits, the General Meeting of Shareholders shall determine the number of members of the Board of Directors.

The members of the Board are appointed for a five-year term and may be re-elected indefinitely if the General Meeting of Shareholders so resolves.

The Board of Directors, as the body that brings proposals to the General Meeting of Shareholders, shall see that the members of the Board, at any time, are the most appropriate to ensure an efficient performance.

The General Meeting of Shareholders may resolve, at any time, the removal of all or any member of the Board, and the appointment of the members to replace the directors so removed.

B.1.20 Please indicate under which circumstances a member of the Board of Directors is forced resign.

A member of the Board shall be forced to resign under the circumstances provided by Law or as provided in article 43 of the Articles of Association and article 17.2 of the Board of Directors Regulations.

B.1.21 Please indicate if the Chief Executive Office is also the Chairman of the Board. If so, please explain the measures adopted to limit any risk arising from the fact of a single person holding all authority.

YES

Measures adopted
The Board of Directors and the General Meeting of Shareholders are the controlling and supervising bodies

Please indicate if there are any rules authorising an independent director to request the calling of a Board meeting or the inclusion of new items in the agenda to coordinate and echo the concerns of the external directors and to address the assessment by the Board of Directors.

NO

B.1.22 Is there any type of resolution that requires for its adoption, any special majority, other than that provided by law?

NO

Please indicate procedure for the adoption of resolutions by the Board of Directors, indicating, at least, minimum quorum and type of majority:

Description of the resolution:
There is quorum when more than half of the Board members attend a meeting, either in person or being represented by a proxy. Any resolution shall be adopted by absolute majority of members attending.

Quorum	%
More than half of the Board members (at least 7 out of 13)	53.84

Type of majority	%
Absolute majority of the Board members	51.00

B.1.23 Please explain if there is any special requirement, other than being a Director, to be appointed Chairman of the Board.

NO

B.1.24 Please indicate if the Chairman has a casting vote,

YES

Issues for which there is a casting vote
The casting vote is for any issue resolved by the Board of Directors

B.1.25 Please indicate if the Articles of Association or the Regulations of the Board of Directors set any age limit for being a director:

NO

Age limit – Chairman	Age limit – Managing Director	Age limit - Director
0	0	0

B.1.26 Please indicate if the Articles of Association or the Regulations of the Board of Directors set a limited tenure for independent directors:

NO

Maximum tenure (in years)	0

B.1.27 In case there are few women or none in the Board, please explain why and indicate initiatives taken to correct the situation.

In particular, please indicate if the Appointments and Remuneration Committee has set some procedure so that selection processes do not implicitly hinder the selection of female directors, but try to find the appropriate female candidate to meet the required profile.

NO

B.1.28 Please indicate if there is any formal procedure for vote delegation within the board of directors. If so, please provide a short description.

No, there is not any.

B.1.29 Please indicate number of meetings of the Board during the year. Also, please indicate how many of these meeting were not attended by the Chairman.

Number of Board meetings	8
Number of Board meetings not attended by the Chairman	0

Please indicate number of meetings of the different committees of the Board of Directors during the year:

Number of Executive Committee meetings	0
Number of Audit Committee meetings	2
Number of Appointments and Remuneration Committee meetings	2
Number of Appointments Committee meetings	0
Number of Remuneration Committee meetings	0

B.1.30 Please indicate number of meetings of the Board during the year, not attended by all members of the Board. For calculation purposes representations given without specific instructions are considered non-attendances.

Number of non-attendances	6
% on non attendances on total votes for the year	5.760

B.1.31 Please indicate if the individual and consolidated annual accounts that are presented to the Board for their ratification are previously certified.

NO

If yes, please indicated name of the person/s certifying the individual and consolidated annual accounts of the company for their ratification by the Board.

B.1.32 Please explain, if applicable, any mechanism set by the Board of Directors to prevent the individual and consolidated annual accounts prepared by the Board of Directors to be presented to the Annual General Meeting of Shareholders with a qualified opinion from the auditors.

The Audit Committee is responsible for any issue regarding the auditing of annual accounts, and therefore it should report to the Board of Directors about any possible qualified opinion from the auditors so that, if necessary, the annual accounts can be prepared again.

B.1.33 Is the secretary of the Board a Board member?

NO

B.1.34 Please explain procedure for the appointment and removal of the Secretary of the Board, please also indicate if such appointment and removal have been reported by the Appointments Committee and ratified by the Board in full.

Does the Appointment Committee report on the appointment of the Secretary of the Board?	YES
Does the Appointment Committee report on the removal of the Secretary of the Board?	YES
Does the full Board ratify the appointment of the Secretary?	YES
Does the full Board ratify the removal of the Secretary?	YES

Has the Secretary of the Board been, particularly, entrusted with the duty of meeting corporate governance recommendations?

NO

B.1.35 Please indicate any mechanism set by the company to preserve the independence of auditors, financial analysts, investment banks and rating agencies.

One the duties of the Audit Committee is the relationship with external auditors, who have to report about any matter that could hinder their independence.

B.1.36 Please indicate if the Company has changed its external auditor during the year. If so, please identify the former and the new auditor.

NO

Former Auditor	New Auditor

If there has been any disagreement with the former auditor, please explain the same.

NO

B.1.37 Pease indicate if the auditing firm carries out, for the company and/or group of companies, any task other than the accounts auditing and, if so, please indicate amount of the fees paid for such work and the percentage it represents on the total fees invoiced to the company and/or group of companies.

YES

	Company	Group Companies	Total
Fees paid for work other than accounts auditing (in thousands of euros)	120	156	276
Fees paid for work other than accounts auditing/total invoiced by the auditing firm (shown as %)	65.580	21.610	30.500

B.1.38 Pease indicate if the audit report on the annual accounts of the previous year includes a qualified opinion. If so, please indicate reasons given by the Chairman of the Audit Committee to explain the contents and scope of such qualified opinion.

NO

B.1.39 Please indicate number of years in which the current auditing firm has been uninterruptedly undertaking the auditing of the annual accounts of the company and/or group of companies. Also please indicate percentage represented by the number of years audited by the current auditing firm on the total number of years in which annual accounts have been audited:

	Company	Group of Companies
Number of years uninterruptedly undertaking the auditing of the annual accounts	9	9

	Company	Group of Companies
Number of years in with the current auditing firm has been undertaking the auditing of the annual accounts/number of years in which annual accounts have been audited (shown as %)	47.4	50.0

B.1.40 Please indicate any share held by members of the Board in the capital of companies whose activity is similar, comparable or supplementary to the activity of the company and group of companies, about which the company has been made aware of. Also, please indicate position or tasks undertaken in such companies:

B.1.41 Please indicate if there is any procedure for the directors to have external advice and, if so, please provide details:

YES

Details of the procedure
The directors are entitled to ask for advice about any aspect of the company provided it is required for undertaking their duties

B.1.42 Please indicate if there is any procedure for making available to the directors the required information so that they have time enough to prepare board meetings and, if so, please provide details:

YES

Details of the procedure
The directors are entitled to ask the Chairman of the Board for any information required, and the Chairman will either provide such information himself or arrange for the appropriate person to provide it.

B.1.43 Please indicate if the Company has set rules to require the members of the Board to report on certain events that could damage the credit and reputation worthiness of the Company, and if applicable, require them to resign, if so, please provide details:

Details of the rules
Article 17.2b) of the regulations of the Board of Directors provides that: Directors shall vacate their office and formalise their resignation if their permanence as member of the Board may jeopardize the interests of the Company or if it adversely affects the credit and reputation worthiness of the Company, or affect the proceedings of the Board

B.1.44 Please indicate if any member of the Board has reported to the Company about him/her being prosecuted or involved in oral proceedings, related to any of the crime included in article 124 of the Companies Law.

NO

If yes, please indicate if the Board of Directors has analysed the case and explain decision taken regarding the director's permanence in or removal from the Board.

NO

Decision taken	Explanation

B.2. Committees within the Board of Directors:

B.2.1. Please provide details of all the Committees and their members:

AUDIT COMMITTEE

Name	Position	Type of Director
ICS HOLDINGS LTD.	CHAIRMAN	NON-EXECUTIVE NOMINEE DIRECTOR
MR ALFONSO PAZ-ANDRADE RODRIGUEZ	MEMBER OF THE COMMITTEE	NON-EXECUTIVE NOMINEE DIRECTOR
MR ROBERT ALBERT WILLIAMS	SECRETARY - MEMBER OF THE COMMITTEE	NON-EXECUTIVE INDEPENDENT DIRECTOR

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type of Director
MR ANTONIO BASAGOITI GARCÍA-TUÑÓN	CHAIRMAN	NON-EXECUTIVE INDEPENDENT DIRECTOR
MR ROBERT ALBERT WILLIAMS	MEMBER OF THE COMMITTEE	NON-EXECUTIVE INDEPENDENT DIRECTOR
ICS HOLDINGS LTD	SECRETARY - MEMBER OF THE COMMITTEE	NON-EXECUTIVE NOMINEE DIRECTOR

B.2.2 Please indicate if the Audit Committee has the following duties:

Supervise the procedure for the preparation and truthfulness of the financial information of the Company, and, if applicable, the Group of Companies, complying with applicable regulations, the appropriateness of the consolidation scope, and correct application of accounting standards	YES
Periodical review of internal control systems and risks management, so that main risks are appropriately identified, managed and reported	YES
Safeguard the independence and efficiency of internal audit; suggest the selection, appointment, re-election and removal of the person in charge of internal audit; propose the budget for this service; receive periodical information about its activities; verify that senior managers take into account the conclusions and recommendations of its reports.	YES
Establish and supervise a mechanism to allow employees to report, confidentially and, if considered appropriate, anonymously, any potentially important irregularity, and particularly of a finance and accounting nature, noticed in the Company	NO
Propose to the Board of Directors the selection, appointment, re-election, and replacement of the external auditor, as well as hiring terms and conditions	YES
Receive, on a regular basis, from the external auditor information on the auditing plan and results of the auditing work; and verify that senior executives take into account its recommendation.	YES
Ensure the independence of the external auditor	YES
In case of groups of companies, favour that the auditor for the Group assumes the responsibility of the auditing of the companies that make up the Group of Companies	YES

B.2.3 Please describe organisation and operation rules, as well as the responsibilities of each Committee in the Board of Directors:

Name of the Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Short Description

The Remuneration Committee consists of three members of the Board; none of them are executive directors. The Board of Directors appoints the Chairman and Secretary of the Committee.

The Committee shall meet every time the Board of Directors or its Chairman so request and, at least, once a year.

There will be quorum when attended, in person or represented, by at least two members. The adoption of any resolution will require the approval by the majority of the members of the Committee. In the event of an equality of votes, the Chairman, or the person acting as such, shall have a casting vote.

Apart from their fixed fee and attendance fees to which they are entitled as members of the Board, the members of the Audit Committee shall be entitled to an attendance fee as well as the reimbursement of their travelling expenses.

Name of the Committee

AUDIT COMMITTEE

Short Description

The Audit Committee is ruled by the following organisation and operating rules:

The Audit Committee consists of 3 members. The majority of the Board members appointed to be members of this Committee must be non-executive directors. The term of office shall be four years. The members of the Committee may be re-elected for periods of the same duration, except for the Chairman that has to be replaced every four years, though eligible for being re-elected after one year of vacating his office. If a Director ceases to be so he shall also cease to be a member of the Audit Committee. If there is any vacancy, for any reason, during their term of office, such vacancy shall be filled by the appointment of another member at the next Board Meeting.

The Board of Directors shall appoint one of their number to act as Chairman, and another to act as Secretary. The Chairmanship is to be held by a non-executive director. The Chairman of the Committee is in charge of convening meetings of the Audit Committee when considered appropriate and/or when requested by two of its members. These meetings are to be held at the registered office of the company. The Secretary, with the approval of the Chairman, shall certify the resolutions adopted by the Committee and be responsible for the drawing of minutes of the meetings. A meeting shall be considered validly constituted when attended by at least two members. The attendance may be in person or by giving their proxy, which shall be specific for each meeting, to other member of the Committee attending the meeting.

The adoption of any resolution will require the approval by the majority of the members of the Committee. In the event of an equality of votes, the Chairman shall have a casting vote. Apart from their fixed fee and attendance fees to which they are entitled as members of the Board, the members of the Audit Committee shall be entitled to an attendance fee as well as the reimbursement of their travelling expenses.

B.2.4. Please indicate the advisory, consultative and if applicable delegated authority that each Committee have:

Name of the Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Short Description

Regardless any other duty that the Board of Directory may assign, one of the duties of the Remuneration Committee is to propose to the Board the remuneration system for the Executive Directors as regards to the amounts to be paid to them for their managerial work apart from other directorship payments; the periodical review of the remuneration system, to ensure its appropriateness and transparency.

The Remuneration Committee shall also propose to the Board the remuneration system for the members of the Board in agreement with the Law and the Articles of Association.

Name of the Committee

AUDIT COMMITTEE

Short Description

Report to the General Meeting of Shareholders about any issue for which they are responsible.

Propose to the Board of Directors, for it to submit it to the General Meeting of Shareholders the appointment of external auditors as provided in article 204 of the New Wording of the Companies Law, passed by Royal Decree 1564/1989 of 22 December.

Supervise the internal audit services, in case there is such body within the Company.

Get to know the financial reporting processes, and the internal control systems within the Company.

Relate with the external auditors to receive information regarding issues that could hinder their independence and any other issue related to the auditing work, as well as any other notices/disclosures as provided in the accounts auditing regulations and technical auditing standards.

Any other authority which by law could correspond to this committee.

B.2.5. Please indicate if there are any regulations governing the different committees within the Board of Directors, and if so where they are available for consultation, as well as if there has been any amendment to the same during the financial year. Also, please indicate if the company has voluntarily prepared an annual report on the activities of each committee.

Name of the Committee

AUDIT COMMITTEE

Short Description

The regulations governing the Audit Committee are contained in the First additional Disposition to the Articles of Association which can be downloaded from the web site of the Company. These regulations were ratified by the Annual General Meeting in 2003. The regulations governing the Board of Directors also contain certain dispositions related to that Committee.

The notes to the consolidated annual accounts for the financial year include under “other disclosures” a report on the Audit Committee regarding its duties and activities carried out.

B.2.6. Please indicate if the composition of the Executive Committee shows the share of the different types of directors in the Board:

NO

If not, please explain the composition of the Executive Committee
THERE IS NO EXECUTIVE COMMITTEE

C. TRANSACTIONS WITH RELATED PARTIES

C.1. Please indicate whether the full Board of Directors has the right to ratify, after having a favourable report from the Audit Committee or any other Committee asked to do so, any transaction between the Company and Board members, significant Shareholders or Shareholders represented in the Board, or with any other person related to them:

NO

C.2. Please provide details of any relevant transaction which represents the transfer of resources or liabilities between the Company, Group of Companies and significant shareholders of the company:

C.3. Please provide details of any relevant transaction which represents the transfer of resources or liabilities between the Company or Group Companies and the Directors or Executives of the company:

Name of Director or Executive	Name of the Company or Group Company	Nature of the transaction	Type of transaction	Amount (in thousands of Euros)
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	BAJAMAR SÉPTIMA	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	750
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	FRIGODÍS, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	1,400
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	FRINOVA, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	3,950

Name of Director or Executive	Name of the Company or Group Company	Nature of the transaction	Type of transaction	Amount (in thousands of Euros)
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	FRIVIPESCA CHAPELA, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	3,900
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	HASENOSA, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	7,680
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	INSUIÑA, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	2,000
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	NOVA AUSTRAL, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	25,000
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCA CHILE, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	5,000
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCAFINA BACALAO, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	2,000
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCAFINA, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	2,600
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCAFRESCA AND OTHER	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	2,000

Name of Director or Executive	Name of the Company or Group Company	Nature of the transaction	Type of transaction	Amount (in thousands of Euros)
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCAFRESCA	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	2,350
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCANOVA PORTUGAL	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	2,500
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCANOVA AND OTHER	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	108,900
CAIXA DE AFORROS DE GALICIA, VIGO, OURENSE E PONTEVEDRA (NOVACAIXAGALICIA)	PESCANOVA, S.A.	Agreement	Finance, loan, and capital contribution agreements (acting as lender)	92,000
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	INSUIÑA, S.A.	Agreement, through EBN Banco	Finance, loan, and capital contribution agreements (acting as lender)	2,000
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	PESCANOVA, S.A.	Agreement, through EBN Banco	Finance, loan, and capital contribution agreements (acting as lender)	16,000

C.4. Please indicate any relevant transaction between the Company and other Group Companies, provided these are not eliminated in the process for the preparation of consolidated financial statements and are not part of the usual business of the Company:

C.5. Please indicate if the members of the Board of Directors have been, at any time during the year, involved in any conflict of interests situation, as provided in article 127 ter of the Companies Law.

NO

C.6. Please detail mechanism established to detect, determine and solve possible conflicts of interests between the Company and/or its Group of Companies and their Directors, executives or significant shareholders.

Both, the Internal Code of Conduct and the Regulations of the Board provide the rules for solving conflicts of interests as provided in legislation in force.

C.7. Is more than one Group Companies listed on the Spanish Stock Exchange?

NO

Please give names of the listed subsidiary companies.

D. RISK CONTROL SYSTEMS

D.1. Please provide an overview of the company and/or group's risk management policy giving details and an assessment of the risks covered and explanation of how the system caters for different types of risk:

Within the scope of financial risk the Company, through the preparation of the annual accounts for its review by the Audit Committee and external auditors, sets the necessary devices to cover those risks.

The Company, taking into account the nature of its business, has taken appropriate insurance policies with first rated insurance companies to cover hull (vessels), machinery damage, energy co-generation, frozen and chilled products, transport of goods, employees accidents, civil liability, international protection and indemnity, credit against customers, loss of profit and sundry damages (fire, theft, etc.).

D.2. Please indicate whether any of the risks affecting the Company and/or the Group of Companies (i.e., operating risk, technology risk, financial risk, legal risk, reputational risk, tax risk, etc.) has been materialised in the course of the year:

NO

If yes, indicate the circumstances giving rise to the same and indicate whether the control systems in place have worked.

D.3. Please indicate if there is any committee or supervisory body entrusted with setting up and monitoring these control mechanisms.

YES

If yes, please give details of its duties:

Name of the committee or body

AUDIT COMMITTEE

Description

Among its duties, the Audit Committee gets to know the financial reporting processes and the internal control systems within the Company and it also supervises the internal auditing systems, and at the same time relates with external auditors.

D.4. Please identify and describe processes to verify compliance with the different regulations affecting the Company and/or Group of Companies.

The external auditor, as part of its audit work, studies and assesses the internal control systems in order to determine the nature, time and extent of the audit procedures, and issues relevant recommendations to improve them.

E. GENERAL MEETING OF SHAREHOLDERS

E.1. Please indicate whether there is any difference between the minimum quorum provided by the Companies Law and the quorum for the Company's General Meeting of Shareholders, if so, please provide details.

YES

	Quorum % different to the quorum provided in article 102 of the Companies Law for general assumptions	**Quorum % different to the quorum provided in article 103 of the Companies Law for special cases**
Required quorum in first calling	50.000	0
Required quorum in second calling	0	0

Differences description
As provided in the Articles of Association of Pescanova, S.A. there will be quorum at any general meeting of shareholders, either annual or extraordinary, in first calling, if attended by at least 50 per cent of the holders of subscribed capital with right to vote either in person or represented by proxy.

E.2. Please indicate whether there is any difference between the minimum quorum provided by the Companies Law and the quorum for the Company's General Meeting of Shareholders for the adoption of resolutions.

NO

Please describe the differences in respect of the Companies Law.

E.3. Please list shareholders rights regarding general meetings other than those provided in the Companies Law.

The Articles of Association do not set any limitation to the rights provided in the Companies Law except for the requirement of holding 100 shares to be entitled to attend the General Meeting.

The Articles of Association provide the possibility of vote by remote means of communication.

E.4. Please indicate measures adopted to promote the participation of shareholders at general meetings.

Apart from the mechanism provided by law and the articles of association, the Company has an IR line, telephone number 986 81 81 26, as noted on the company's web page, for enquires about the general meeting.

E.5. Please indicate if the Chairman of the General Meeting of Shareholders and the Chairman of the Board of Directors is the same person. If so, please provide details of measures adopted to guarantee the independence and good performance of the General Meeting of Shareholders:

YES

Measures adopted
General Meetings of Shareholders are held as provided by Law and the Articles of Association, and it has its own Regulations adopted to enforce the required measures for a good performance

E.6. Please indicate, if applicable, any amendment in the regulations of the General Meeting of Shareholders.

The Regulations ruling the General Meeting of Shareholders were ratified by the General Meeting of Shareholders held on 20 April 2004 and at the meeting held on 28 April 2006, it was resolved to amend article number five. In 2010 there has been no amendment.

E.7 Please indicate attendance data of the General Meetings of Shareholders in the year to which this report refers:

Attendance data					
Date of the General Meeting	**% attendance in person**	**% represented**	**% remote voting**		**Total**
			Electronic Vote	**Other**	
25/02/2010	49.790	21.550	0.001	0.000	71.341
06/04/2010	54.040	17.490	0.001	0.000	71.531

E.8 Please detail briefly the resolutions adopted at the General Meetings of Shareholders held in the year to with this report refers, and voting percentage for the adoption of each of them:

General Meeting of Shareholders held on 25 February 2010.

As regards to item number 1 in the agenda, shareholders in general meeting resolved the issue of notes, convertible into and/or exchangeable for shares of Pescanova, S.A., for a total amount of 110,000,000 euros, with a nominal value of 50,000 euros each, maturing in 5 years and accruing an annual interest rate of 6.75%.

Apply for their listing on the Euro MTF Luxemburg.

Incorporation of the Noteholders Syndicate under the name Syndicate of Noteholders of the Issue of Convertible Notes of Pescanova, S.A., 2010.

As regards to item number 2 in the agenda, shareholders in general meeting resolved to ratify the appointment of ICS Holdings Limited as Director for a five year term.

As regards to item number 3 shareholders in general meeting resolved to draw the minutes of the meeting

General Meeting of Shareholders held on 6 April 2010.

Shareholders in general meeting unanimously resolved the ratification of the 2009 Annual Accounts and Profit Distribution, payment of a gross dividend of 0.45 euros per share.

It is unanimously resolved to re-elect BDO Audiberia Auditors, S.L. as auditors for Pescanova, S.A. and its Group of Companies.

It is unanimously resolved to re-elect as director Mr Robert Albert Williams, as independent director and Inverpesca, S.A. as nominee director, the latter will continue to be represented by Mr Pablo Javier Fernández Andrade.

It is unanimously resolved to authorise the Board for the acquisition of own shares, and their application for the purposes provided in the Companies Law, so that within the following five years the Board are entitled to buy, in any lawful manner, shares of the company up the maximum limit of 10% of the share capital, (including in this 10% limit the shares already owned by the Company as provided by the Companies Law) or up to the maximum percentage limit provided by law during the term of this authorisation, at a maximum rate resulting from a 20% increase on the average price during the month prior to the acquisition and a minimum rate resulting from a 20% discount on the average price of the shares during the month prior to the acquisition, all the above in compliance with any other legal requirement. Acquisition can take place either directly by Pescanova, S.A. or indirectly through subsidiary companies in the same terms as provided in this authorisation.

It is unanimously resolved to authorise the Board, with express authority of substitution, so that in the following five years it is entitled to issue bonds, debentures, preference shares and any other similar fixed income securities (other than promissory notes) , either simple or secured, not convertible into shares for an amount not higher than 250 million euros or equivalent amount in foreign currency; as well as to issue promissory notes whose outstanding balance at any time cannot be higher than 250 million euros or equivalent amount in foreign currency (being this the limit regardless the provision in the above paragraph), in the manner and conditions to be freely determined by the Board.

It is unanimously resolved to authorise the Board, with express authority of substitution, so that in the following five years the Board is entitled to issue and put in circulation, in one or several times, debentures and other similar fixed income securities convertible into or exchangeable for shares and for the issue of warrants which can be related to each issue of debentures, bonds and other simple fixed income securities issued pursuant the above mentioned authorisations, or to other loans or financial instruments pursuant to which the Company acknowledges or creates debt) for an amount not higher than 250 million euros in the manner and conditions to be freely determined by the Board. In the case of warrants, for the calculation of the above limit, the premium and exercise price for each issue shall be taken into consideration.

It is unanimously resolved to authorise the Board, pursuant to the provisions in article153.1.b) of the Companies Law, to that the within the following five years, the Board shall be entitled to increase the share capital, in on or several times, up to maximum of 58,341,762 euros (half of the share capital at the time of this authorisation), with or without premium and at the time and for the amount considered appropriate and to change article 7 of the Articles of Association accordingly.

Delegate authority, on Mr Manuel Fernández de Sousa-Faro and Mr César Mata Moretón, to formalise the above mentioned resolutions and the filling of the annual accounts with the Companies Registration Office.

Appointment of representatives and drawing of the minutes of the Annual General Meeting, which were ratified as true record on 6 April 2010.

E.9 Please indicate whether there is any restriction in the Articles of Association requiring a minimum number of shares to be entitled to attend General Meetings of Shareholders

YES

Number of shares required to be held to be entitled to attend General Meetings of Shareholders	100

E.10 Please indicate and explain the Company's policy on proxy voting at General Meetings of Shareholders.

Proxy voting is ruled by law and the Articles of Association. The General Meeting of Shareholders ratified the amendment of the Articles of Association to allow the delegation by remote means of communication.

E.11 Please indicate whether the Company is aware of the policy followed by institutional investors regarding participation or not on Company's decisions:

NO

E.12. Please give the address and how to of access to corporate governance information in the Company's website:

www.pescanova.com

F.- LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Please indicate the company's level of compliance with the recommendations of the Unified Good Corporate Governance Code. If the company does not comply with some of such recommendations, please explain the recommendations, standards, practices or criteria applied by the Company.

1.- The Articles of Association of listed companies do not limit the maximum number of votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of the acquisition of its shares on the market.
See sections: A.9, B.1.22, B.1.23 and E.1, E.2.

Compliant

2. Whenever a Parent Company and a subsidiary company are listed companies, they both provide detailed public disclosure on:

a) Their respective areas of activity, and any business dealings between them, as well as between the subsidiary listed company and other companies belonging to the group;

b) The mechanisms in place to solve any conflicts of interest that may arise.
See sections: C.4 and C.7

Not applicable

3. Even when not expressly required under applicable commercial Laws, transactions involving a structural change of the company and, in particular, the following, are submitted to the shareholders at the General Meeting of Shareholders for approval:

   a) The transformation of listed companies into holding companies through subsidiarisation, or reallocation of core activities to subsidiary companies that were previously carried out by the company itself, even if the latter retains full ownership of the former;
   b) The acquisition or disposal of key operating assets, when it involves an actual change in the corporate purpose;
   c) Transactions whose effect is to the liquidation of the company.

Explanation

Taking into account the different assumptions in this recommendation, and the relevance that in certain cases the opportunity and quickness in carrying out the transactions have, the criteria followed by the Company is to always comply with commercial laws and the articles of association, and if the Board considers it appropriate, the transaction could be submitted to the shareholders for approval or ratification.

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information to which recommendation 28 refers, are made public at the time of publication of the notice calling the General Meeting of Shareholders.

Compliant

5. Matters that are substantially independent are voted on separately at the General Meeting of Shareholders, in order to allow the shareholders to express their voting preferences separately. This rule applies, in particular, to:

   a) The appointment or ratification of directors, which shall be voted on individually;

   b) In the event of amendments of the Articles of Associations, to each article or group of articles that are substantially independent of one another.
   See section: E.8

Partially Compliant

As a general rule the Company complies with commercial laws and the Articles of Association, indicating independent issues as separate items in the agenda. Since the appointment or ratification of directors requires to be unanimously proposed by the corresponding body, it is not considered necessary to vote on them individually.

6. Companies allow split votes so financial intermediaries who are recorded as having shareholder status but act for the account of different clients can divide their votes in accordance with the instructions given by such clients.
   See section: E.4

Explanation

Article 9 of the General Meeting of Shareholders Regulations expressly prohibits the split of shares in order to confer several representations, and can only be represented by another shareholder.

7. The Board performs its duties with a unity of purpose and independent judgment, affording equal treatment to all shareholders in furtherance of the corporate interests, which shall be understood to mean the optimization, in a sustained fashion, of the financial value of the Company.

It likewise ensures that in its dealings with stakeholders, the Company abides by the laws and regulations, fulfils its obligations and contracts in good faith, respects the customs and good practices of the industries and territories in which it carries on its business, and upholds any other social responsibility standards to which it has voluntarily adhered.

Compliant

8.- The Board assumes responsibility, as its core mission, for approving the Company's strategy and the organization required to put it into practice, and to ensure that Management meets the objectives set while pursuing the Company's interest and corporate purpose. As such, the full Board reserves for itself the right to approve:

a) The company's policies and general lines of strategy, and in particular:

i) The strategic or business Plan as well as the management targets and annual budgets;

ii) The investment and financing policy;

iii) The design of the structure of the group of companies;

iv) The corporate governance policy;

v) The corporate social responsibility policy;

vi) The policy for compensation and assessment of the performance of senior managers;

vii) The risk control and management policy, as well as the periodic monitoring of internal information and control systems.

viii) The dividend policy and the policy regarding treasury stock and, especially, the limits thereto.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

i) At the proposal of the chief executive officer of the Company, the appointment and, if applicable, removal of senior managers, as well as their severance packages.

See section: B.1.14.

ii) The compensation of directors and, in the case of executive directors, the additional remuneration to be paid for their executive duties and other terms of their contracts.

See section: B.1.14.

iii) The financial information that the Company must periodically disclose for being a listed company.

iv) Investments or transactions of all kinds which are strategic in nature due to the large amount or special characteristics thereof, unless approval thereof falls upon the shareholders at General Meeting.

v) The creation or acquisition of interests in special-purpose entities or entities registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature whose complexity might impair the transparency of the group of companies.

c) Transactions made by the company with directors, with significant shareholders or shareholders with Board representation, or with other persons related thereto ("transactions with related parties").
However, Board authorization need not be required in connection transactions with related parties that simultaneously meet the following three conditions:

1. They are governed by standard-form agreements applied on an entirely basis to a large number of clients;

2. They are conducted at prices or rates generally set by the party acting as supplier of the goods or services in question;

3. The amount thereof is no more than 1% of the Company's annual revenues.

It is recommended that related-party transactions only be approved by the Board upon the prior favourable report of the Audit Committee or such other committee handling the same function; and that the directors affected thereby should neither exercise nor delegate their votes, and should withdraw from the meeting room while the Board deliberates and votes on the transaction.

It is recommended that the powers granted herein to the Board are conferred without the power of delegation, except for those mentioned under b) and c) above, which may, for urgent reasons, be adopted by the Executive Committee subject to subsequent ratification by the full Board.

See sections: C.1 and C.6

Partially Compliant

This recommendation is substantially complied with however, dividends and own shares policies comply with commercial laws and the resolutions adopted by the General Meeting of Shareholders. The Company does not have an Executive Committee, but acts through attorneys-in-fact.

9.- In order to operate effectively and in a participatory manner, the Board ideally is comprised of no few than five and no more than fifteen members.

See section: B.1.1

Compliant

10. External directors, nominee and independent, occupy an ample majority of the Board and the number of executive directors is the minimum necessary number, bearing in mind the complexity of the group of companies and the percentage interest held by the executive directors in the Company's share capital.

See sections: A.2 , A.3, B.1.3 and B.1.14.

Compliant

11. If there is an external director who cannot be considered either nominee or independent, the company must explain such circumstance and the links such director maintains with the company or its managers or with its shareholders.

See section: B.1.3

Not Applicable

12. Among external directors, the relation between the number of nominee directors and independent directors shows the proportion existing between the share capital of the company represented by nominee directors and the rest of its capital.

This strict proportion standard can be lessen so that the weight of nominee directors is greater than would correspond to the total percentage of the share capital that they represent:

1) In large capitalisation companies where few or no equity stakes attain the legal threshold as significant, but there are shareholders holding interests with a high absolute value.

2) In companies with a plurality of shareholders represented on the Board but not otherwise related.

See sections: B.1.3 , A.2 and A.3

Explanation

There are no rules to quantify the number of Directors by type other than those provided in commercial laws. The presence of independent directors reconciles with the right of nominee directors to take part in the management of the Company.

13. The number of independent directors represents at least one-third of the total number of directors.

See section: B.1.3

Explanation

There are no rules to quantify the number of Directors by type other than those provided in commercial laws. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance.

14. The status of each director is explained by the Board at the General Meeting of Shareholders at which the shareholders are to make or ratify their appointment and that such status is confirmed or reviewed, as the case may be, annually in the Annual Corporate Governance Report, after verification by the Appointments Committee. Said report also discloses the reasons for the appointment of nominee directors at the proposal of shareholders controlling less than 5% of the share capital, as well as the reasons for not having met formal petitions, if any, for presence on the Board from shareholders whose shareholding is equal to or greater than that of others at whose proposal nominee directors have been appointed.

   See sections: B.1.3 and B.1.4

Compliant

15. When female directors are few or non-existent, the Board explains the reasons for this situation and the measures taken to correct it; and in particular, the Appointments Committee takes steps to ensure that, when new vacancies are filled:

   a) Selection procedures do not have an implied bias that hinders the selection of female directors;

   b) The company deliberately looks for women with the target professional profile and includes them among the potential candidates.

   See sections: B.1.2, B.1.27 and B.2.3.

Partially Compliant

There are no rules to quantify the number of Directors by type other than those provided in commercial laws. There is already a female Director in the Board of Directors of the Company. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance, there is not any deliberate policy regarding Board composition.

16. The Chairman, as the person responsible for the effective operation of the Board, ensures that directors receive adequate information in advance of Board meetings; promotes debate and the active involvement of directors during Board meetings; safeguards their rights to freely take a position and express their opinion; and, working with the chairmen of the appropriate committees, organises and coordinates regular evaluations of the Board and, where appropriate, the Managing Director or Chief Executive Officer.

   See section: B.1 42

Compliant

17. When the Chairman of the Board is also the chief executive officer of the company, one of the independent directors is authorised to request the calling of a Board meeting or the inclusion of new items in the agenda; to coordinate and hear the concerns of external directors; and to lead the Board's evaluation of the Chairman.

   See section: B.1.21

Explanation

As provided in article 13.1 of the Board of Directors Regulations, the Chairman of the Board, if so is requested by at least three members of the Board, shall call a Board meeting, and its agenda shall include the items requested by the Directors.

18. The Secretary of the Board takes particular care to ensure that the Board's actions:

   a) Adhere to the wording and the spirit of laws and their implementing regulations, including those approved by the regulatory authorities;

   b) Comply with the Articles of Association of the company, General Meeting of Shareholders' Regulations, Board of Directors Regulations and other regulations of the company;

   c) Are made aware of good governance recommendations included in this Unified Code as the company has subscribed to.

   And, in order to safeguard the independence, impartiality and professionalism of the Secretary, his/her appointment and removal are reported by the Appointments Committee and approved by the full Board; and that such appointment and removal procedures are set forth in the Board of Directors Regulations.

   See section: B.1.34

Partially Compliant

The Company has a Legal Advisor, who attends General meetings of Shareholders and Board Meetings. As provided in Article 9.1 of the Board of Directors Regulations, it is the Board in full who appoints and removes its Secretary, even when it is not expressly stated in the Board of Directors Regulations.

19. The Board meets with the frequency required to perform its duties efficiently, in accordance with the calendar and agendas set at the beginning of the financial year, and that each Director is entitled to propose items of the agenda that were not originally included therein.

See section: B.1.29

Compliant

20. Directors' absences are limited to unavoidable cases and are quantified in the Annual Corporate Governance Report. When there is no choice but to grant a proxy, this is granted with instructions.

See sections: B.1.28 and B.1.30

Compliant

21. When any Director or the Secretary express concerns about a proposal or, in the case of the directors, regarding the running of the company, and such concerns have not been resolved at a Board meeting, such concerns are recorded in the minutes at the request of the person expressing them.

Not Applicable

22. The full Board evaluates the following on a yearly basis:

    a) The quality and efficiency of the Board's performance;

    b) On the basis of a report submitted to it by the Appointments Committee, how well the Chairman and chief executive of the company have carried out their duties;

    c) The performance of its Committees, on the basis of the reports furnished by them.

See section: B.1.19

Compliant

23. All directors are able to exercise the right to request any additional information they require on matters within the Board's competence. Unless the Articles of Association or the Regulations of the Board provide otherwise, such requests are addressed to the Chairman or the Secretary of the Board.

See section: B.1.42

Compliant

24. All directors are entitled to call on the company for the advice they need to carry out their duties. The company provides suitable channels for the exercise of this right, which, in special circumstances, may include external advice at the company's expense.

See section: B.1.41

Compliant

25. Companies are to organise guidance programs for new Directors to rapidly and adequately acquaint them with the Company and its corporate governance rules. Directors are also offered refreshment programs when circumstances so advise.

Compliant

26. Companies require that directors devote sufficient time and effort to perform their duties efficiently, and, as such:

    a) Directors shall report to the Appointments Committee about their other professional duties, in case they might interfere with the required dedication;

    b) Companies lay down rules about the number of boards at which their directors may sit.
    See sections: B.1.8, B.1.9 and B.1.17

Partially Compliant

As provided in article 26 of the Board of Directors Regulations, a Director must report to the Company any event or situation that could be relevant for the fulfilment of his/her role as director. Therefore there are no set rules, and the number of boards at which a director may sit could be assessed for each particular case as a potential relevant event.

27. The proposal for the appointment or re-election of directors that the Board submits to the shareholders at their General Meeting, as well as the interim appointment of directors to fill vacancies, is approved by the Board:

    a) At the proposal of the Appointments Committee, in the case of independent directors.

    b) Subject to a prior report from the Appointments Committee, in the case of other directors.
    See section: B.1.2

Compliant

28. Companies post the following director information on their websites, and keep such information updated:

    a) Professional and biographical profile;

    b) Other Boards of Directors of listed or unlisted companies at which they sit;

    c) Indication of the director's classification, specifying, for nominee directors, the shareholder they represent or to whom they are related.

    d) Date of their first and subsequent appointments as a company director; and

    e) Shares held in the company and options thereon held by them.

Compliant

29. Independent directors do not hold office as such for a continuous period of more than 12 years:
    See section: B.1.2

Explanation

There are no rules setting office duration for Directors or regarding the number of times they may be re-elected other than those provided in the commercial laws. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance.

30. Nominee directors tender their resignation when the shareholder they represent sells its entire shareholding interest. The appropriate number of them do likewise when such shareholder reduces its interest to a level that requires the reduction of the number of its nominee directors.

See sections: A.2, A.3 and B.1.2

Explanation

It will depend. Article 17 of the Board of Directors Regulations set the assumptions when Directors shall vacate their office and formalise their resignation, these assumptions include that the permanence as a member of the Board of Directors jeopardises the interests of the Company or if it adversely affects the credit and reputation of the Company, or affect the operation of the Board.

31. The Board of Directors does not propose the removal of any independent director prior to the expiration of the term, set by the Articles of Association, for which he/she was appointed, except if a good reason is found by the Board upon a prior report of the Appointments Committee. In particular, good reason shall be deemed to exist whenever the director has failed to perform the duties inherent to his/her position or comes under any of the circumstances described in section III.5 (Definitions) of this Code.

The removal of independent directors may also be proposed as a result of Takeover Bids, mergers or similar transactions that entail a change in the equity structure of the Company, when such changes in the structure of the Board arise from the compliance with the proportionality standard mentioned in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Explanation

There are no rules setting office duration for Directors or regarding the number of times they may be re-elected other than those provided in the commercial laws. The composition of the Board of Directors will always be determined to fulfil the aim of an efficient performance.

In addition, article 17 of the Board of Directors Regulations set the assumptions when Directors shall vacate their office and formalise their resignation, these assumptions include that the permanence as a member of the Board of Directors jeopardises the interests of the Company or if it adversely affects the credit and reputation of the Company, or affect the operation of the Board.

32. Companies establish rules obliging directors to report and, if appropriate, to resign in those instances as a result of which the credit and reputation of the company might be damaged and, in particular, they require that such directors report to the Board about any criminal charges brought against them, and the progress of any subsequent proceedings.

If a director is indicted or tried for any of the crimes described in Section 124 of the Companies Law, the Board examines the matter as soon as practicable and, in view of the particular circumstances thereof, decides whether or not it is appropriate for the director to continue to hold office. And the Board provides a substantiated account thereof in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Partially Compliant

It will depend. Article 17 of the Board of Directors Regulations set the assumptions when Directors shall vacate their office and formalise their resignation, these assumptions include that the permanence as a member of the Board of Directors adversely affects the credit and reputation of the Company.

‘

33. All directors clearly express their opposition when they feel that any proposed resolution submitted to the Board might be contrary to the best interests of the company. And in particular, independent directors and other directors not affected by a potential conflict of interest do likewise in the case of decisions that could be detrimental to the shareholders who are not represented in the Board of Directors.

And that when the Board adopts material or reiterated resolutions about which a director has expressed serious reservations, such director draws the pertinent conclusions and, if he chooses to resign, sets out the reasons in the letter referred to in the next Recommendation.

This Recommendation also applies to the Secretary of the Board, even if he/she is not a director.

Not Applicable

34. Directors who give up their place before their tenure expires, through resignation or otherwise, explain the reasons in a letter sent to all members of the Board. Without prejudice to such termination being communicated as a relevant event, the reason for the termination is explained in the Annual Corporate Governance Report.
    See section: B.1.5

Compliant

35. The remunerations policy approved by the Board specifies at least the following points:

    a) The amount of the fixed components, with a breakdown showing attendance fees, if any, for attending Board and its Committees meeting and an estimate of the fixed annual remuneration;

    b) Variable items, including, in particular:

        i) The type of directors to which they apply, as well as an explanation of the relative weight of variable to fixed items.

        ii) Performance evaluation criteria used to calculate entitlement to remuneration in shares, share options or any other variable component;

        iii) Main parameters and grounds for any system of annual bonuses or other non-cash benefits; and

        iv) An estimate of the absolute amount of variable remuneration arising from the proposed remuneration plan, as a function of the degree of compliance with benchmark assumptions or targets.

    c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar systems), with an estimate of the amount thereof or the equivalent annual cost.

    d) Terms and conditions that must be included in the contracts of executive directors performing senior management duties, which shall include:

        i) Duration;
        ii) Notice periods; and

        iii) Any other provisions relating to hiring bonuses, as well as indemnity or golden parachute provisions in the event of early or other termination of the contractual relationship between the company and the executive director.

    See section: B.1.15

Compliant

36. Remuneration paid by means of delivery of shares in the company or Group companies, share options or other instruments related to the price of the shares, and variable remuneration linked to the company's performance or pension schemes is restricted to executive directors.

    This recommendation shall not apply to the delivery of shares when such delivery is subject to the condition that the directors shall hold the shares until they cease to be directors.
    See sections: A.3 and B.1.3

Compliant

37. The remuneration of external directors is such as is necessary to compensate them for the dedication, qualifications and responsibility required by their position, but is not so high as to compromise their independence.

Compliant

38. Remuneration linked to company earnings takes into account any qualification included in the external auditor's report that reduce such earnings.

Compliant

39. In the case of variable remuneration, remuneration policies include technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries thereof and not simply the general performance of the markets or of the industry in which the company does business or similar circumstances.

Not applicable

40. The Board of Directors submits a report on director remuneration policy to the vote of the shareholders at their General Meeting, as a separate item on the agenda and for advisory purposes. This report is made available to the shareholders separately or in any other manner that the Company deems appropriate.

    Such report shall focus especially on the remuneration policy the Board has approved for the current year, as well as on the policy, if any, established for future years. It shall cover all the issues in Recommendation 35, except for those that could mean the disclosure of sensitive trading information. It will emphasise the most significant changes in such policies with respect to the policy applied during the financial year prior to which the General Meeting of Shareholders refers. It shall also include an outline of the manner in which the remuneration policy was applied in such prior financial year.

    The Board also reports on the role played by the Remunerations Committee in the preparation of the remuneration policy and, if external advice was provided, it states the name of the external advisors that have given such advice.

    See section: B.1.16

Compliant

41. The Notes to the Financial Statements list the individual directors' remuneration during the financial year, including:

    a) A breakdown of the compensation of each director, to include where appropriate:

        i) Attendance fees or other fixed fees received as a director;

        ii) The additional remuneration received as chairman or member of a Board committee;

        iii) Any remuneration received under profit-sharing or bonus schemes, and the reason for the accrual thereof;

        iv) Contributions on the director's behalf to defined-contribution pension plans; or any increase in the director's vested rights, in the case of contributions to defined-benefit plans;

        v) Any severance package agreed or paid;

        vi) Any other remuneration received as a director of other group companies;

        vii) Remuneration for the performance of senior management duties by executive directors;

viii) Any remuneration other than the above, of whatever nature and provenance within the group, especially when it is deemed to be a related-party transaction or when the omission thereof detracts from a true and fair view of the total remuneration received by the director.

b) A breakdown of any shares, share options or any other instrument related to the price of the shares delivered to directors, specifying:

   i) Number of shares or options awarded during the year, and the terms and conditions for the exercise thereof;

   ii) Number of options exercised during the year, specifying the number of shares involved and the exercise price;

   iii) Number of options outstanding at the end of the year, specifying their price, date and other requirements for exercise;

   iv) Any change during the year in the terms for the exercise of previously-awarded options.

c) Information on the relationship, in such past financial year, between the remuneration received by executive directors and the profits or other performance measures of the company.

Explanation

Remuneration breakdown is done by type of director, as shown in the Annual Corporate Governance Report.

42. If there is an Executive Committee (hereinafter, “Executive Committee”), its composition, by type of director, is similar to that of the Board, and its secretary is the Secretary of the Board.
See sections: B.2.1 and B.2.6:

Not Applicable

43. The Board is always kept informed of the matters dealt with and the resolutions adopted by the Executive Committee, and all members of the Board receive a copy of the minutes of the meetings of the Executive Committee.

Not Applicable

44. Apart from the compulsory Audit Committee as provided in the Stock Exchange Act, the Board of Directors must also elect among its members either a single Appointments and Remuneration Committee or two separate committees, i.e. Appointments Committee and Remuneration Committee.

The rules governing the composition and operation of the Audit Committee and the Appointments and Remuneration Committee or committees are provided in the Regulations of the Board, and include the following:

a) The Board appoints the members of such Committees, taking into account the background knowledge, qualifications and experience of the Directors and the responsibilities of each Committee, discusses its proposals and reports, and receives a report about their activities and work done at the first meeting of the full Board following the meetings of such committees.

b) The members of these Committees are, exclusively, external directors and consist of a minimum of three members. The foregoing is without prejudice to the attendance of executive directors or senior managers, when expressly resolved by the members of the Committee.

c) The Chairman of such Committees is an independent director.

d) They may receive external advice, whenever they consider it necessary to perform their duties.

e) Minutes are prepared of their meetings, and a copy sent to all Board members.
See sections: B.2.1 and B.2.3

Partially Compliant

The recommendation is complied with, except for the fact that in 2007 as a consequence of the rotation of members for the Chairmanship of the Audit Committee, the Chairman of the Audit Committee is no longer an independent director but a nominee director.

45. Supervising compliance with internal codes of conduct and corporate governance rules is entrusted to the Audit Committee, the Appointments Committee or, if there is a separate Compliance or Corporate Governance Committee, to the latter.

Explanation

The Board of Directors is in charge of such supervision.

46. The members of the Audit Committee and, particularly, its Chairman, are appointed taking into account their background knowledge and experience in accounting, auditing and risk management matters.

Compliant

47. Listed companies are required to have an internal audit scheme which, under the supervision of the Audit Committee, ensures the good operation of the reporting and internal control systems.

Compliant

48. The head of internal audit presents an annual work plan to the Audit Committee; reports to it directly on any issues arising in the execution of such plan; and submits an activities report to it at the end of each financial year.

Compliant

49. Risk control and management policy specifies at least:

a) The different types of risk (operational, technological, financial, legal, reputational, etc.) the company is exposed to, including contingent liabilities and other off-balance sheet risks among financial or economic risks.

b) The determination of the risk level the company considers acceptable;

c) Measures in place designed to mitigate the impact of the risks identified, should they materialize;

d) The internal reporting and control systems to be used to monitor and manage the above risks, including contingent liabilities and off-balance sheet risks.

See section: D

Compliant

50. The role of the Audit Committee is to:
1. Regarding the internal control and reporting systems:

a) Monitor the preparation and the truth of the financial information relating to the company and, if appropriate, to the group of companies, checking the compliance with legal requirements, the appropriate consolidation scope, and the correct application of accounting standards.

b) Periodically review internal control and risk management systems so main risks are properly identified, managed and disclosed.

c) Ensure the independence and efficiency of the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the budget for this service; receive regular reports on its activities; and verify that senior management takes into account the findings and recommendations of its reports.

d) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities.

2. With respect to the external auditor:

a) Make recommendations to the Board for the selection, appointment, re-election and replacement of the external auditor, and the terms of auditor hiring.

b) Receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that senior management takes its recommendations into account.

c) Monitor the independence of the external auditor, and for this purpose:

i) The company reports a change of auditor to the CNMV (Spanish Securities and Exchange Commission) as a relevant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.

ii) The Committee ensures that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, all other regulations established to safeguard the independence of auditors;

iii) In the event of resignation of the external auditor, the Committee investigates the circumstances that may have given rise thereto.

d) In the case of a group of companies, the Committee favours that the auditor of the group assumes the responsibility for the audits of the companies that make up the same.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Partially Compliant

Most of the recommendations in this section are complied with; work is being done to set the appropriate channels of communication between the Committee and the Company.

51 The Audit Committee may ask any employee or manager of the Company to appear before it, and even ask for their appearance without the presence of any other manager.

Explanation

Audit Committee meetings are attended by the employees and managers of the Company that the Committee asks for, provided that these are the appropriate persons bearing in mind the issues in the agenda to be dealt with at the meeting.

52 The Audit Committee reports to the Board, prior to the adoption thereby of the corresponding decisions, on the following matters specified in Recommendation 8:

a) The financial information that the Company must periodically disclose as a listed company. The Committee should ensure that interim financial statements are prepared under the same accounting standards as the annual financial statements and, to this end, consider whether a limited review by the external auditor is appropriate.

b) The creation or acquisition of interests in special-purpose entities or entities registered in countries or territories considered tax havens, and any other transactions or operations of a similar nature whose complexity could lessen the transparency of the group.

c) Related-party transactions, unless such prior reporting duty has been assigned to supervision and control committee.

See sections: B.2.2 and B.2.3

Partially Compliant

The Audit Committee reports to the Board on the financial information that the Company must periodically disclose. As regards to the other sections in this recommendation, no decision has been taken in 2010.

53. The Board of Directors seeks to present the financial statements to the shareholders at their General Meeting without a qualified opinion in the auditor's report and, in the exceptional case where this occurs, both the Chairman of the Audit Committee and the auditors give a clear account to the shareholders of the content and scope of such qualified opinion.
    See section: B.1.38

Compliant

54. The majority of the members of the Appointments Committee –or of the Appointments and Remuneration Committee, if there is only one Committee – are independent directors.
    See section: B.2.1

Compliant

55. The duties of the Appointments Committee, apart of those stated in foregoing Recommendations, are the following:

    a) Assess the qualifications, background knowledge and experience necessary to be a member of the Board, defining, accordingly, the duties and qualifications required for candidates to fill each vacancy, and decide on the time and dedication necessary for them to properly perform their duties.

    b) Examine or organize, in the manner it deems appropriate, the succession of the Chairman and the chief executive officer and, if appropriate, make proposals to the Board for such succession to take place in an orderly and well-planned manner.

    c) To report on senior manager appointments and removals that the chief executive proposes to the Board.

    d) To report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.
    See section: B.2.3

Partially Compliant

This recommendation is complied with, however as regards to paragraph b) it is noted that article 7 of the Regulations of the Board of Directors state that in case the Chairman of the Board does not attend a meeting, the Director appointed by him to act as his alternate, if any, or the eldest director, shall act as chairman of that meeting.

56. The Appointments Committee seeks advice from the Chairman and chief executive officer of the Company, and particularly on matters relating to executive directors.

    Any member of the Board may request the Appointments Committee to consider and to see if their are suitably qualified, possible candidates to fill vacancies for the position of director.

Compliant

57. The duties of the Remuneration Committee, apart of those stated in foregoing Recommendations, are the following:

    a) Propose to the Board of Directors:

        i) The remuneration policy for directors and senior managers;

        ii) The individual remuneration of executive directors as well as other terms of their contracts.

        iii) The basic terms and conditions of the contracts for senior managers.

    b) Ensure compliance with the compensation policy set by the company.
    See sections: B.1.14 and B.2.3

Compliant

58. The Remuneration Committee seeks advice from the Chairman and chief executive officer of the Company, and particularly on matters relating to executive directors and senior managers.

Compliant

G.- OTHER INFORMATION

If you believe that there is any relevant principle or aspect regarding the corporate governance practices applied by your company that has not been included in this Report, please mention it and explain it below.

In this section, you may include any other information, clarification or comment relating to the foregoing sections of this report.

Specifically, indicate whether the company is subject to laws other than Spanish laws regarding corporate governance and, if so, please include the information the company is required to provide different from the information required in this report.

Binding definition of independent director:

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders or its managers which, had it been sufficiently significant or important, would have resulted in the director not qualifying for consideration as independent pursuant to the definition set forth in sub-section 5 of the Unified Good Governance Code:

NO

Date and Signature

This annual corporate governance report was approved by the Board of Directors of the Company at the meeting held on

25/02/2011

Please indicate if any Director has voted against or abstained in connection with the approval of this Report.

NO


Bacalao a la Vizcaín
PESCANOVA
Lo bueno sale bien
Calamar en
PESCANOVA
Lo bueno sale bien
Peso Neto
1 kg
GRUPO PESCANOVA
Preparado para
Paella de Mariscos
PESCANOVA
Lo bueno sale bien
4 RACIONES
500 g
ANGURIÑAS y Langostinos cocidos pelados
PESCANOVA
Lo bueno sale bien
Cocínalos a tu Gust
100g + 100g
LANGOSTINO AUSTR
PESCANOVA
Lo bueno sale bien
SALVAJE
Lomos de Bacalao
PESCANOVA
Lo bueno sale bien
¡EN SU PUNTO DE SAL!
Listos para cocinar
10 VARITAS
DE MERLUZA
PESCANOVA
Lo bueno sale bien
¡AL HORNO!
De los mejores caladeros del mundo
a tu casa. ¡Como cada Navidad!
ZONA DE PESCA
Consigue tus
REGALOS
y RECETARIO
PESCANOVA
PESCANOVA
Langostino
Crevettes
Grande
Centros de Salm
PESCANOVA
Lo bueno sale bien
LANGOSTINO TIGR
PESCANOVA
Lo bueno sale bien
PESCANOVA
12 VARITAS
MERLUZA EMPANADA
PESCANOVA
Lo bueno sale bien
CAPITAN PESCANOVA
100% FILETE
Anillas
PESCANOVA
Lo bueno sale bien
Lomos d
PESCANOV
Lo bueno sale bien
Zona de pesca


Rollitos de Mar
PESCANOVA
Sabor Cangrejo
Lo bueno sale bien
4 ENVASES INDIVIDUALES
8 ROLLITOS EN CADA ENVASE
Cocinado Ultracongelado
Con la nueva gama de pescado preparado SIN GLUTEN
Pescanova cumple los deseos de todos
Sin Gluten
CAPRICHOS DEL MAR
PESCANOVA
Lo bueno sale bien
FORMATO AHORRO
10 PESKITOS DE MERLUZA
PESCANOVA
Lo bueno sale bien
¡AL HORNO!
CAPITÁN PESCANOVA
12 SURFERS MERLUZA REBOZADA
PESCANOVA
Lo bueno sale bien
CAPITÁN PESCANOVA
100% FILETE
Langostino Va
PESCANOVA
Lo bueno sale bien
40-48 Grande
NOVAUSTRAL
ANGURIÑAS
PESCANOVA
Lo bueno sale bien
2 ENVASES INDIVIDUALES
100g + 100g
1 min.
Filetes de Merlu
PESCANOVA
Lo bueno sale bien
ULTRACONGELADO
ARGENOVA S.A.
Medallones de Merluz
CON ACEITE AL AJO
PESCANOVA
Cocina
Lo bueno sale bien
Langostino Cocido Pelado GRANDE
PESCANOVA
Listo para Consumir
200 g
orazones de
PESCANOV
o bueno sale bien
LA MAYOR FLOTA PESQUERA PRIVADA DEL MUNDO ES GALLEGA.
PESCANOVA
50 años
haciendo bien lo bueno

2010 Consolidated Annual Accounts

Telf: +34 932 003 233
Fax: +34 932 018 238
www.bdo.es

Sant Elías, 29-35, 8º
08006 Barcelona
España

Audit report on the consolidated financial statements

To the Shareholders of **PESCANOVA, S.A.**

1. We have audited the consolidated financial statements of **PESCANOVA, S.A**. (the parent Company) and **subsididary companies** (the Group) which consist of the consolidated balance sheet at December 31, 2010, the consolidated income statement, the consolidated statement of global result, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement, and the consolidated notes thereto for the year then ended. As indicated in Note 4 of the accompanying consolidated annual report, the Directors are responsible for the preparation of consolidated financial statements for the Group, in agreement with Internantional Financial Reporting Standards, adopted by the European Union, and other dispositions in the financial reporting regulations applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with regulations ruling the audit activity currently in force in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated annual accounts, and the evaluation of whether their presentation, the accounting principles applied, and the estimates made, comply with financial reporting regulations applicable.

2. In our opinion the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated net equity and financial position of **PESCANOVA, S.A.** and **subsidiary companies** at December 31, 2010, the consolidated results of their operations and the changes in shareholders' equity as shown in the consolidated statement of recognised income and expenses and the consolidated cash flows for year then ended, and contain the required information necessary for their adequate interpretation and comprehension, in conformity with the International Financial Reporting Standards adopted by the European Union, and other dispositions in the financial reporting regulations applicable.

3. The accompanying consolidated management report for the year 2010 contains such explanations as the Directors of the parent Company consider appropriate concerning the situation of the Group, the evolution of its business and other matters, and is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the report mentioned above agrees with the consolidated financial statements for the year 2010. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of **Pescanova, S.A. and subsidiary companies**.

BDO Auditores, S.L.

Santiago Sañé Figueras
Partner - Auditor
Vigo, February 28, 2011

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2010 AND 2009

ASSETS	Notas	31/12/2010	31/12/2009
		Thousands of Euros	
NON-CURRENT ASSETS		**1,123,169**	**1,129,682**
Tangible assets	(11)	999,896	1,001,627
Intangible assets	(10)	38,876	31,580
Goodwill	(8)	70,770	75,176
Investments accounted for under the equity method	(9)	149	1,654
Long-term investments		6,295	11,833
Deferred taxes	(18)	7,183	7,812
CURRENT ASSETS		**1,066,973**	**948,592**
Inventories	(12)	578,608	499,213
Trade and other receivables	(19)	262,187	244,427
Short-term investments		8,264	11,296
Cash and cash equivalents		131,447	99,901
Other assets		22,024	24,924
Assets held for sale	(5g)	64,443	68,831
TOTAL ASSETS		**2,190,142**	**2,078,274**

SHAREHOLDERS' EQUITY AND LIABILITIES	Notas	31/12/2010	31/12/2009
		Thousands of Euros	
SHAREHOLDERS' EQUITY		**477,166**	**444,459**
Parent Company	(14)	448,484	415,998
Minority shareholders	(14)	28,682	28,461
LONG-TERM LIABILITIES		**810,950**	**642,647**
Deferred income	(15)	119,677	125,831
Long-term provisions	(16)	3,450	8,722
Notes and other negotiable securities	(17)	104,254	--
Long-term non-recourse debt	(17)	120,046	102,513
Long-term recourse debt	(17)	395,543	338,977
Other long-term accounts payable	(17)	67,980	66,604
CURRENT LIABILITIES		**902,026**	**991,168**
Short-term non-recourse debt	(17)	2,170	2,293
Short-term recourse debt	(17)	172,418	306,068
Trade creditors and other short-term accounts payable	(19)	727,438	682,807
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,190,142**	**2,078,274**

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2010 AND 2009

	Notes	*Thousands of Euros* 31/12/2010	31/12/2009
Turnover	(21)	1,564,825	1,472,976
Other operating income	(21)	21,355	17,387
+/- Change in inventories		23,217	(13,174)
Supplies		1,057,593	971,465
Personnel expenses		160,012	149,172
Other operating expenses		227,188	212,606
Gain/(Loss) on disposal of Fixed Assets		(1,255)	5,763
GROSS OPERATING INCOME (EBITDA)		**163,349**	**149,709**
Depreciation /amortisation		56,883	48,022
OPERATING INCOME		**106,466**	**101,687**
Net financial expenses	(21)	47,416	40,574
Foreign exchange differences	(21)	(1,163)	(2,810)
Result from companies under the equity method	(9)	(3,569)	(2,294)
Result from short-term investments	(21)	(763)	(827)
Income from equity investments	(21)	1,057	1,326
Translation result	(21)	(50)	(2,304)
Provision for assets impairment	(8) & (11)	(4,878)	(8,700)
INCOME BEFORE TAX		**49,684**	**45,504**
Corporate income tax	(18)	11,293	8,412
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**38,391**	**37,092**
Net income for the year from discontinued operations (net of taxes)		(1,531)	(4,508)
NET INCOME FOR THE YEAR		**36,860**	**32,584**
PARENT COMPANY		**36,297**	**32,091**
Minority shareholders		563	493
Earnings from continuing operations per Share (in euros)		**1.96**	**2.61**
Diluted Earnings from continuing operations per Share (in euros)		**1.86**	**2.61**

CONSOLIDATED STATEMENT OF GLOBAL RESULT FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

Thousands Euros

	31/12/2010			31/12/2009		
	Parent Company	Minority Shareholders	Total	Parent Company	Minority Shareholders	Total
OTHER GLOBAL RESULT RECOGNIZED UNDER SHAREHOLDERS' EQUITY	**(1,311)**		**(1,311)**	**901**		**901**
In assets and liabilities revaluation reserves	(3,765)		(3,765)	--		--
In translation differences	3,410		3,410	2,577		2,577
In hedging reserve	(956)		(956)	(1,676)		(1,676)
NET PROFIT FOR THE YEAR	**36,297**	**563**	**36,860**	**32,091**	**493**	**32,584**
TOTAL INCOME AND EXPENSES RECOGNIZED IN THE FINANCIAL YEAR	**34,986**	**563**	**35,549**	**32,992**	**493**	**33,485**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

Description	Share capital	Issue premium	Legal reserve	Hedging reserve	Reserves for own shares	Translation differences	Assets & liabilities revaluation reserve	Other equity instruments	Retained earnings	Total equity of the parent company	Total equity of minority shareholders	Total Shareholders' Equity
Balance at 01/01/09	**78,000**	**--**	**15,600**	**(2,102)**	**(1,936)**	**(5,159)**	**60,862**	**--**	**148,830**	**294,095**	**28,214**	**322,309**
Profit distribution	--	--	--	--	--	--	--	--	--	--	--	--
Income & expenses recognised under Equity	--	--	--	(1,676)	--	2,577		--	--	901	--	901
Annual result	--	--	--	--	--	--	--	--	32,091	32,091	493	32,584
Dividend	--	--	--	--	--	--	--	--	(5,850)	(5,850)	--	(5,850)
Capital Increase	38,683	61,894	--	--	--	--	--	--	--	100,577	--	100,577
Other	--	(4,851)	--	--	(965)	--	--	--	--	(5,816)	(246)	(6,062)
Balance at 31/12/09	**116,683**	**57,043**	**15,600**	**(3,778)**	**(2,901)**	**(2,582)**	**60,862**	**--**	**175,071**	**415,998**	**28,461**	**444,459**

Description	Share capital	Issue premium	Legal reserve	Hedging reserve	Reserves for own shares	Translation differences	Assets & liabilities revaluation reserve	Other equity instruments	Retained earnings	Total equity of the parent company	Total equity of minority shareholders	Total Shareholders' Equity
Balance at 01/01/09	**116,683**	**57,043**	**15,600**	**(3,778)**	**(2,901)**	**(2,582)**	**60,862**	**--**	**175,071**	**415,998**	**28,461**	**444,459**
Profit distribution	--	--	1,431	--	--	--	--	--	(1,431)	--	--	--
Income & expenses recognised under Equity	--	--	--	(956)	--	3,410	720	--	(4,485)	(1,311)	--	(1,311)
Annual result	--	--	--	--	--	--	--	**--**	**36,297**	36,297	563	36,860
Dividend	--	--	--	--	--	--	--	--	(8,751)	(8,751)	--	(8,751)
Other transactions with shareholders or owners	--	--	--	--	--	--	--	6,097	--	6,097	--	6,097
Other	--	--	--	--	154	--	--	--	--	154	(342)	(188)
Balance at 31/12/09	**116,683**	**57,043**	**17,031**	**(4,734)**	**(2,747)**	**828**	**61,582**	**6,097**	**196,701**	**448,484**	**28,682**	**477,166**

CONSOLIDATED CASH FLOW STATEMENT AT 31 DECEMBER 2010 AND 2009

	Thousands Euros	
	31/12/2010	31/12/2009
Earnings before tax and minority shareholders	49,684	45,504
Depreciation/Amortisation	56,883	48,022
Result from discontinued operations	(1,531)	(4,508)
Disposal of assets	(551)	(5,763)
Corporate income tax	(11,293)	(8,412)
Other non-cash items	(10,512)	8,681
CASH FLOW FROM OPERATING ACTIVITIES	**82,680**	**83,524**
Change in operating current assets/liabilities	(49,628)	(53,979)
NET CASH FLOW FROM OPERATING ACTIVITIES	**33,052**	**29,545**
Acquisition of tangible and intangible fixed assets	(65,368)	(129,870)
Disposal of assets and collections from investments	31,362	15,463
Disposal of other investments	7,438	13,542
Subsidies and other deferred income	(4,346)	3,336
NET CASH FLOW FROM INVESTING ACTIVITIES	**(30,914)**	**(97,529)**
NET CASH FLOW PRIOR TO FINANCING ACTIVITIES	**2,138**	**(67,984)**
Issue of equity instrument	6,097	95,727
Long-term debt proceeds	294,412	85,396
Long-term debt repaid	(128,578)	(212,355)
Net cash flow of short-term debt	(133,772)	54,774
Payment of dividends from the parent company	(8,751)	(5,850)
NET CASH FLOW FROM FINANCING ACTIVITIES	**29,408**	**17,691**
TOTAL NET CASH FLOW	**31,546**	**(50,292)**
CHANGE IN CASH AND CASH EQUIVALENTS	**31,546**	**(50,292)**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	**99,901**	**150,193**
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**131,447**	**99,901**

Con la nueva gama de pescado preparado SIN GLUTEN
Pescanova cumple los deseos de todos
Sin Gluten
Ahora también los consumidores con intolerancia al gluten podrán disfrutar de forma rápida y sencilla con el pescado preparado Pescanova: lo mejor del mar, con crujientes coberturas de cereales SIN GLUTEN, y un cuidado proceso de elaboración que garantiza su total ausencia.
Varitas Popcorn, Nuggets de merluza, Filetes y Ventrescas de merluza rebozadas, Chanquitos, Aritos a la Romana, Muslitos de mar... tan nutritivos, crujientes y deliciosos como siempre, pero ahora sin gluten, para que todos puedan disfrutar en pocos minutos de lo mejor del mar.
10 VARITAS DE MERLUZA
POPCORN
NUGGETS DE MERLUZA
Filetes de Merluza al Huevo
Ventrescas de Merluza al Huevo
Chanquitos
¡NUEVOS!
Muslitos de Mar
ARITOS DEL MAR a la Romana
¡TIERNOS!
PESCANOVA
Lo bueno sale bien

1) ACTIVITY OF THE COMPANY

PESCANOVA, S.A. is the Parent Company of an important industrial group, which includes the Pescanova Group companies, its activity being the industrial exploitation of all business activities relating to food for human or animal consumption, including its production, transformation, distribution and marketing, as well as development of supplementary activities of both an industrial and commercial nature, and the investment in national or foreign companies.

2) SUBSIDIARY AND MULTIGROUP COMPANIES

Below are the most significant subsidiaries and multigroup companies included in the consolidation:

	Shareholding %	Activity
FRINOVA, S.A.- Pol.Ind.Gándaras-PORRIÑO-SPAIN	90.36	Seafood processing and trade
EIRANOVA FISHERIES LIMITED.- Dinish Island-Castletownbere-CORK-IRELAND	100.00	Seafood obtaining and trade
PESQUERÍAS BELNOVA, S.A.- Florida 1613-MONTEVIDEO-URUGUAY	100.00	Seafood obtaining and trade
PESCAFRESCA, S.A.- Puerto Pesquero-Lonja de Altura-Almacén 41/42-VIGO-SPAIN	100.00	Seafood trade
NOVAGROUP (Pty) Ltd.- 12th Floor Metlife Centre - 7 Coen Steytler - CAPE TOWN-R.S.A.	92.50	Other services
PESCANOVA FRANCE, S.A.- 1 rue Albert Schweitzer - 14280 Caen - Saint Contest - FRANCE	100.00	Seafood trade
PESCANOVA LDA.- Docapesca de Pedrouços - LISBON-PORTUGAL	100.00	Seafood trade
PESCANOVA ALIMENTACIÓN, S.A. - Rúa José Fernández López-CHAPELA-VIGO-SPAIN	100.00	Seafood trade
ARGENOVA, S.A.- Av.Belgrano, 920-924- BUENOS AIRES - ARGENTINA	100.00	Seafood obtaining and trade
PESCANOVA ITALIA, S.R.L.- Vía Independenza, 42-BOLOGNA-ITALY	100.00	Seafood trade
FRIVIPESCA CHAPELA, S.A.- Rúa J.Fdez.López s/n-CHAPELA-VIGO-SPAIN	100.00	Seafood processing and trade
FRIGODIS, S.A.- Jacinto Benavente, 18-2º-VIGO-SPAIN	100.00	Other services
BAJAMAR SÉPTIMA, S.A.- Pol.Ind.Sabón parcela 13-ARTEIXO-LA CORUÑA-SPAIN	100.00	Seafood processing and trade
NOVAPESCA TRADING S.L..- Rúa J.Fdez.López s/n-CHAPELA-VIGO-SPAIN	100.00	Other services
PESCAMAR, LDA.- Rúa Bagamoyo s/n-BEIRA-MOZAMBIQUE	70.00	Seafood obtaining and trade
ACUINOVA, S.L..-Finca El Dique-AYAMONTE-HUELVA-SPAIN	100.00	Seafood obtaining and trade
INSUIÑA, S.L..- Rúa J.Fdez.López s/n-CHAPELA-VIGO-SPAIN	100.00	Seafood obtaining and trade
PESCA CHILE, S.A.-Pº Peatonal E.Echaurren 2631 Of.61-PROVIDENCIA-CHILE	100.00	Seafood obtaining and trade
AUSTRAL FISHERIES Pty.Ltd.- 14 Neil Street-Osborne Park-6017 PERTH-AUSTRALIA	50.00	Seafood obtaining and trade
PESCAFINA, S.A.- Ferraz, 50 – 5ª planta-28008 MADRID-SPAIN	95.12	Seafood trade
PESCANOVA USA- 201 Alhambra Circle Suite 514-33134 MIAMI-FLORIDA-USA	100.00	Seafood trade
PESCANOVA BRASIL, LDA.- Avda.das Americas 297,sala 201-RIO DE JANEIRO-BRAZIL	98.50	Seafood trade
PESCAFINA BACALAO, S.A.- Onteniente,12-Pol.Fuente del Jarro-PATERNA-VALENCIA-SPAIN	100.00	Seafood processing and trade
ULTRACONGELADOS ANTÁRTIDA, S.A.- Páramo,9-Pol.Ind.Villayuda-BURGOS-SPAIN	100.00	Seafood processing and trade
NOVA AUSTRAL, S.A..- Pº Peatonal E.Echaurren 2631 Of.61-PROVIDENCIA-CHILE	100.00	Seafood obtaining and trade
PESCANOVA HELLAS. Pentelis Avenue & 1 Odysseos Str. - VRILISIA-ATHENS-GREECE	100.00	Seafood trade
NOVAPESCA ITALIA, S.R.L. Triggiano (BA)-S. Statale 16, Km.810,250-Bari-ITALY	100.00	Other services
SEABEL SAS.-Z.I.secteur A 33, Allée des Pêcheurs-6700 ST. LAURENT DU VAR-FRANCE	100.00	Seafood processing and trade
SERVICONSA. Reparto la Garnacha, s/n-Chinandega-NICARAGUA	67.00	Seafood obtaining and trade
PESCANOVA POLSKA-Sp.zo.o.-ul.Wladyslawa IV nr 11-70651-SZCZECIN-POLAND	100.00	Seafood trade
PESCANOVA JAPAN KK-104-0061Hinoki Ginza Wing 6F 14-5, Ginza 1, Chome, Chuo-Ku - JAPAN	100.00	Seafood trade
ACUINOVA ACT.PISCÍCOLAS S.A.-Docapesca de Pedrouços-LISBON-PORTUGAL	100.00	Seafood processing and trade
NOVAPERÚ.-Francisco del Castillo 643-2 Barranco-Lima-PERU	100.00	Seafood trade
CAMARONES DE NICARAGUA, SA- Ciudad de Chinandenga-Dpto.de Chinandenga - NICARAGUA	100.00	Seafood obtaining and trade
FRICATAMAR, S.L.-Fusters s/n-Pol.Ind.d'Obradors-46110 Godella-Valencia - SPAIN	100.00	Seafood obtaining and trade
NOVAOCEANO, SA DE CV-c/29 s/n-Col.Punta de Lastre-Guaymas-85430 SONORA-MEXICO	100.00	Seafood obtaining and trade
NOVAGUATEMALA, S.A.-Calzada Aguilar Batres,35-35 Zona 12- GUATEMALA	100.00	Seafood obtaining and trade
PROMARISCO, S.A..-Km. 6.5 Vía Durán Tambo, Guayaquil-ECUADOR	100.00	Seafood obtaining and trade
NOVAHONDURAS, S.A.- Los Mangos Costado Sur Iglesia Sagarada Familia- Choluteca- HONDURAS	100.00	Seafood obtaining and trade

The financial year and closing date of the last Financial Statements coincides with the natural year and 31 December respectively for all the subsidiary and multigroup companies.

3) ASSOCIATED COMPANIES

The most significant associated companies are as follows:

	Shareholding %	Activity
NOVANAM LIMITED- Industry Street-9000-LÜDERITZ-NAMIBIA	49.00	Seafood obtaining and trade
BOAPESCA, S.A.- Primo de Rivera,10-1º-LA CORUÑA-SPAIN	50.00	Other services
HARINAS Y SÉMOLAS DEL NOROESTE, S.A.- P.Ind.Gándaras-PORRIÑO-SPAIN	50.00	Production & trade of special flours
AMERICAN SHIPPING S.A.- Convención 1511 piso 1º-MONTEVIDEO – URUGUAY	19.00	Seafood obtaining and trade
ABAD EXIM PVT LTD.- Plot nº 32833 Kakkanad, Cochin-37 INDIA	32.00	Seafood obtaining and trade
ABAD OVERSEAS PRIVATE LTD.- Plot nº C2-SIPCOT-CHENNAI-INDIA	45.00	Seafood obtaining and trade
EYETHU NOVA.-12th Floor Metlife Centre - 7 Coen Steytler - CAPE TOWN- R.S.A	49.00	Seafood obtaining and trade
PESQUERA YELCHO, S.A.-Pº Peatonal E.Echaurren 2631 Of.61-PROVIDENCIA-CHILE	33.30	Seafood obtaining and trade

4) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

A) Fair view and Accounting Standards

The 2010 consolidated financial statements of the Group of Companies and of each of the companies that make up the same, on which these notes are based, are still to be ratified by the respective Annual General Meetings of Shareholders. Nevertheless, the Directors believe the same will be ratified as herein presented.

All figures are shown in thousands of euros (except where noted) since the euro is the functional currency in which the majority of the transactions of the Pescanova Group are denominated.

The consolidated financial statements for 2010 of the Pescanova Group were authorised for issue by the directors, at the Board of Directors' meeting held on February 25, 2011, in accordance with the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council. The Company did not apply in advance any IFRS or any International Financial Reporting Interpretations Committee's (IFRIC) Interpretation.

These financial statements give a true and fair view of the Group's equity and financial position at December 31, 2010, the results of its operations, changes in equity and cash flow statements for the year then ended.

The consolidated financial statements for 2010 of the Pescanova Group were prepared on the basis of the accounting records kept by the Parent Company and by the other Group companies. Each company prepares its financial statements in accordance with the accounting principles and standards in force in the country in which it operates and, therefore, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with IFRS.

At 31 December 2010 the consolidated balance sheet shows a working capital of 164,947 thousand euros (42,576 negative in 2009), therefore, taking into account the projected cash and cash equivalents of the Group and its borrowing capacity in the short term, no incidence is being expected.

B) Comparison of information:

The consolidated financial statements for 2009 included for comparative purposes were also prepared in accordance with the IFRS adopted by the European Union on a basis consistent with that applied in 2010.

The 2009 financial statements of the Pescanova Group were ratified by the Annual General Meeting of Shareholders held on April 6, 2010.

C) Consolidation principles

Subsidiary companies are fully consolidated and all financial statements of the parent and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, income and expenses and cash flows after making the adjustments and eliminations relating to intra-group transactions. Subsidiary companies are defined as companies over which the Parent Company controls the majority of the voting rights, or not being this the case, it has the power to govern the financial and operating policies of such companies.

The results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or until the effective date of disposal.

The operations of the Parent and of the subsidiaries are consolidated in accordance with the following basic principles:

1. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their market value. Any excess of the cost of acquisition of the subsidiary over the market value of its assets and liabilities, in proportion to the Parent's ownership interest, is recognised as goodwill. Any deficiency of the cost of acquisition below the market value of the assets and liabilities is credited to the consolidated income statement.

2. The interest of minority shareholders in the equity and results of the fully consolidated subsidiary companies is presented under "Shareholders' Equity – Minority Shareholders" in the consolidated balance sheet and under "Profit for the Year – Minority Shareholders" in the consolidated income statement, respectively.

3. Financial statements of foreign companies with a functional currency other than the euro are translated to euros as follows:

   a. Assets and liabilities are translated to euros at the exchange rates prevailing on the date of the consolidated financial statements.
   b. Income and expense items are translated at the average exchange rates for the year.
   c. Shareholders' equity items are translated using the historical exchange rate at acquisition date (or at the average exchange rate of the year in which they were generated, either as retained earnings or contribution made), as appropriately.

   Foreign exchange differences arising from the translation of financial statements are recorded, net of their tax effect, under the heading "Shareholders' Equity - foreign exchange differences".

4. Balances and transactions between fully consolidated companies were eliminated in the consolidation process.

The proportionate consolidation method has been applied to joint ventures, understanding as such contractual arrangements whereby two or more parties jointly control operations or assets to the extent that any financial or operating strategic decision requires the consent of all the venturers, but the transactions and assets do not require a financial structure that is separate from the venturers themselves. The only company that is proportionate consolidated is Austral Fisheries Pty. Ltd..

By using this consolidation method, balances additions and subsequent eliminations only take place to the extent of the Group's share in the capital of those entities. The share of the jointly controlled assets and the share of any liabilities for which it is jointly responsible, are recognised in the consolidated Balance Sheet, classified according to their nature. Likewise, the share of any income and expenses generated in a jointly controlled business are recognised in the Consolidated Income Statement according to their nature.

D) Subsidiary companies

Notes 2 and 3 "Subsidiary and Multigroup Companies" and "Associated Companies" list the main companies composing the Pescanova Group.

<u>Changes in the consolidation scope</u>

In the year ended 31 December 2010 there was no change in the consolidation scope for acquisition of companies, but for the disposal of Interpêche and Efripel.

<u>Investments accounted for using the equity method</u>

Investments in companies over which the Group has joint control with another company or over which it has a significant influence are accounted for using the equity method. In general, significant influence is presumed to exist when the Group has an ownership interest of over 20%.

The equity method consists of recognising the investment in the consolidated balance sheet at the Group's share of net assets of the investee, adjusted, if appropriate, by the effect of transactions with the Group, plus the unrealised gains relating to the goodwill paid on acquisition of the company.

If the resulting amount is negative the share is recognised in the Consolidated Balance Sheet as zero, unless the Group has agreed to restore the company's equity position, if this is so, a provision for risks and expenses is recorded.

Dividends received from these companies are recorded decreasing the value of the share in them, and the results obtained from these companies corresponding to the Parent Company in agreement with the share in them are incorporated, net of tax effect, to the Consolidated Income Statement under "Results from Companies under the Equity Method".

E) Segment reporting

A business segment is a distinguishable component of a company that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of a company that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Group is vertically integrated and its companies carry out all the process from the obtaining of seafood resources to their marketing.

In addition, the countries where the Group undertakes the obtaining of seafood resources are different to those where its sales are materialized. In general, most of the sales take place in countries with similar risks and returns so geographical segment reporting is meaningless.

The Group has segmented its activity in the only two products/services clearly differentiable: 1) seafood obtaining/processing/trade and 2) other services rendered such as vessels repairs, product storage, etc…

Note 22 shows a breakdown of the Consolidated Balance Sheet and Consolidated Income Statement by these two business segments.

F) Changes in accounting standards

Accounting standards adopted for the preparation of the Consolidated Financial Statements for 2010 are the same as those applied for the preparation of the Consolidated Financial Statements for 2009, except for the standards, amendments and interpretations published by IASB and the IFRIC adopted by the European Union for their application in Europe; the most relevant of which is standard IFRS 3 business combinations and Amendments to IAS 27 Consolidated and Individual Financial Statements. The application of these standards have not have any impact on the financial position and results of the Group.

5) ACCOUNTING POLICIES

The principal accounting policies used in preparing the accompanying consolidated financial statements were as follows:

A) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes, as appropriate, the following:

1. Borrowing costs incurred during the construction period. The interest rate used is that which relates to specific-purpose financing or, if no such rate exists, the average financing rate of the company making the investment.
2. Personnel expenses directly related to assets in the course of construction. Capitalised amounts are recorded in the Consolidated Income Statement as expense under "Personnel Expenses" and as income under "Assets in the course of construction". In 2010, recognised assets for this concept amounted to 1.4 million euros.

The Group, following IFRS 1 "First time adoption of the IFRS", has considered as initial measurement of certain tangible assets not their carrying amount at transition to IFRS date (January 1, 2004) but an amount showing their fair value at that date. Such fair value is based on the valuation of independent experts. The two types of tangible assets for which, in certain cases, the Group has recognised a value different to the carrying amount are "Land and buildings" and "Fleet". The methods and assumption taken into consideration for determining such initial measurement are the following:

Land and buildings. Valuations carried out by an appraiser, well-known in the area where the land is located, who determine their value by reference to the real state market in that area;

Fleet. Valuations carried out by independent experts who determine the individual value of each vessel according to their fair market value including all other assets attributable to the said vessel.

Further to this initial measurement for these assets, the Group follows the valuation at cost without altering the initial measurement, depreciating them and carrying out any required impairment test on the said initial measurement.

Total amount of the difference between the carrying amount according to Spanish GAAP at January 1, 2004 and the new attributed value, net of tax effect, is shown under "Shareholders' Equity: Transition to IFRS Adjustments".

For the purpose of presenting the Group's financial statements, the Board of Directors have decided to show in the consolidated balance sheet, the Group's assets net of the corresponding deferred tax liability.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recorded as additions to tangible assets, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred.

The Directors of the Company, based on results from impairment tests, consider that the carrying amount of the assets does not exceed their recoverable amount.

Tangible assets, less, where appropriate, their residual value, are depreciated on a straight-line basis over the years of estimated useful life of the assets, which constitute the period over which the companies expect to use them, as shown in the table below:

Land and buildings	3 - 6%
Technical installations and machinery	10 - 25%
Fleet	4 - 20%
Other tangible assets	5 - 25%
Advances and assets under construction	- 0 -

The carrying amount of a tangible asset is derecognised:

(a) on its sale or disposal by some method other than by sale; or
(b) when no future economic benefits are expected from its use, sale or disposal by some method other than sale.

The gain or loss arising from derecognition of a tangible fixed asset is included in the income statement when the asset is derecognised.

The gain or loss arising from derecognition of a tangible fixed asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

The residual value and useful life of a tangible fixed asset is reviewed, at least, at each financial year end, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Major inspection costs are recognised in the carrying amount of the tangible fixed asset item as a replacement if the recognition criteria are satisfied.

The resulting carrying amount of such assets is reviewed for impairment, whenever events or changes in circumstances indicate that recoverable amount is below carrying amount.

Non-current assets in projects

Included within the consolidated scope there is some shareholding in various special purpose entities created for the development of a specific activity which are funded through Project Finance Arrangements (non-recourse financing applied to projects).

The construction of the projects linked to the development of such activity is financed through a long-term finance known as "Project Finance Arrangements" (non-recourse financing applied to projects).

In this regard, the base of the finance agreement between the company and the bank lies in the allocation of the cash flows the project generates to the repayment of the financing and to satisfying the financial load, with exclusion or quantified payment of whatsoever other asset resource, in such a way that the recovery of the investment by the bank is exclusively through the cash flows of the project financed, with subordination to whatsoever other debt to which the Non-Recourse Financing Applied to Projects is derived as long as the said finance has not been fully repaid.

Therefore, these non-recourse finance arrangements are applied only to specific business projects.

Non-recourse financing applied to projects are usually secured by:

- Pledge of the shares of the project developers, granted by the shareholders.
- Assignment of collection rights.
- Limitations upon the availability of assets relating to the project.
- Compliance of debt coverage ratios.
- Payment of interest and dividends to the shareholders are subordinated to the compliance with such ratios.

B) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

The assets and liabilities acquired are measured provisionally at the date on which control is acquired, and the resulting value is reviewed in a maximum period of one year from the date of acquisition. Until the fair value of the assets and liabilities has been definitively determined, the difference between the cost of acquisition and the carrying amount of the company acquired is recognised provisionally as goodwill.

Goodwill is treated as an asset of the acquired company and, therefore, in the case of a subsidiary with a functional currency other than the euro, it is measured in the functional currency of that subsidiary and is translated to euros at the exchange rate prevailing at the date of the balance sheet.

Goodwill acquired on or after 1 January 2004, is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003, in accordance with Spanish GAAP. In both cases, since 1 January 2004, goodwill is not amortised, and at the end of each reporting period goodwill is reviewed for impairment, to determine if there has been a reduction in its recoverable amount to below its carrying amount and any such impairment is written down.

The Group at the time of acquisition of a business combination or company, or at the time of first adoption of IFRS:

(a) recognises under assets the goodwill related to acquisition of a business combination or company; and

(b) initially measures such goodwill at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed.

After initial recognition, the Group measures the goodwill acquired in the business combination or company at cost less any accumulated impairment losses.

Goodwill represent the excess of the acquisition cost over the Group's interest in the fair value of identifiable assets of the acquired subsidiary/associated/company at acquisition date or the time of first adoption of IFRS. Goodwill related to acquisition of subsidiary companies is recognised under intangible assets. Goodwill related to acquisition of companies accounted under the equity method is recognised under investment in companies accounted under the equity method. Goodwill is reviewed on an annual basis for impairment and is recognised at cost less any accumulated impairment losses. Gains or losses arising from the disposal of a company include the carrying amount of the goodwill related to the company disposed.

For the purpose of impairment testing, goodwill acquired in a business combination/company shall, from the acquisition date or from the time of first adoption of IFRS, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired company are assigned to those units or groups of units.

Each of the cash-generating units, or groups of cash-generating units to which goodwill has been allocated

a) represents the lowest level of the company at which goodwill is controlled for internal management purposes; and
b) is not bigger than a major or secondary segment of the company determined pursuant financial reporting by segments.

A cash-generating unit to which goodwill has been allocated shall be tested for impairment on an annual basis and also whenever there is an indication that impairment may have occurred, by comparing the carrying amount, goodwill included, to its recoverable amount. If recoverable amount is greater than its carrying amount, no impairment loss is recognised for the cash-generating unit and the goodwill allocated to the same. However, if the carrying amount of the unit is higher than the recoverable amount, the Group recognises an impairment loss.

Gains and losses on the disposal of a cash generating unit include the carrying amount of the goodwill relating to the cash generating unit sold. Goodwill shall be allocated to the portion of the disposed activity.

C) Intangible assets

Intangible assets are measured initially at acquisition cost and are subsequently measured at cost less any accumulated amortisation (should they have a finite life) and any accumulated impairment losses.

Internally generated intangible assets are not capitalised, and therefore are recognised as an expense when incurred.

Intangible assets' useful lives can be finite or indefinite.

For intangible assets with a finite useful live amortisation is allocated on a systematic basis over the useful life. The amortisation method used reflects the pattern in which the assets are expected to be consumed by the Group. If such pattern cannot by reliably determined, the asset is amortised on a straight line basis. The amortisation charge for each period is recognised as an expense.

Fishing Licenses and Rights

They are recognised at cost less accumulated amortisation and accumulated impairment losses.

Fishing licenses and rights complying with requirement in IFRS 38 for their revaluation (basically the existence of an active market) are recognised at the date for transition to IFRS (January 1, 2004) by reference to an active market. These licenses have an indefinite useful life and therefore are not amortised. The Group, on a yearly basis, compares the carrying amount with the market value to assess any impairment.

The total difference between the carrying amount according to the Spanish GAAP at January 1, 2004 and the new value, net of the tax effect, is recorded under "Shareholders' Equity: Revaluation Surplus".

Research and Development Expenses

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the Group can demonstrate all of the following:

(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) Its intention to complete the intangible asset and use or sell it.

(c) Its ability to use or sell the intangible asset.

(d) How the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) Its ability to measure the expenditure attributable to the intangible asset during its development reliably.

After initial recognition, intangible assets arising from development are carried at cost less any accumulated amortisation and any accumulated impairment losses. Any expense qualified as asset is amortised over the period during which the output of the intangible asset is estimated to generate future sales.

The Group, on an annual basis, reviews each asset in this category for impairment.

Computer applications (Software)

Licenses for acquired computer software, other than operating systems and programs without which the computers cannot work, are capitalized based on the cost incurred for buying them and getting them ready for use the specific programme.

These costs are amortised over an estimated useful life of 4 years.

D) Impairment of Assets

The Group assesses at each balance sheet date whether there is any indication that an assets is impaired. If any such indication exists, or if an annual impairment test is required, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the fair value less associated selling costs and value in use of the assets or the asset's cash-generating unit, and is determined for individual assets unless they do not generate cash inflows independent of the cash inflows of other assets or groups of assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired, and its value is decreased to its recoverable amount.

The Group considers that the best evidence of an asset's fair value less costs to sell is a price in a binding sale agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributable to the sale or disposal of the asset.

If there is no binding sale agreement but an asset is traded in an active market, the Group recognises that the fair value less costs to sell is the asset's market price less the costs of sale or disposal. If there is no current purchase price available, an adequate basis for determining the fair value less cost to sell an asset is the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the valuation date.

If there is no binding sale agreement or active market for an asset, fair value less costs to sell is based on the best information available to reflect the amount that an Group could obtain, at the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of sale or disposal. If there is no current purchase price available, an adequate basis for determining the fair value less cost to sell an assets is the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the valuation date.

Sale or disposal costs, other than those recognised as liabilities, are deducted when calculating the fair value less cost to sell.

In assessing value in use, the Group prepares the projections of future pre-tax cash flows on the basis of the budgets most recently approved by the Directors of the Company. These budgets include the best available estimates of the income and costs of the cash-generating units using industry projections, past experience and future prospects.

These projections cover the coming years and the flows for future years are estimated by applying reasonable growth rates that in no case are increasing or exceed the growth rates of prior years.

These flows are discounted at a given pre-tax rate in order to calculate their present value. This rate reflects the cost of capital of the business and the geographical area in which it is carried on. In order to calculate it, the current time value of money and the risk premiums generally used by analysts for the business and the geographical area are taken into account.

The Group discloses, for each class of assets, the amount of impairment losses recognised in the income statement during the period and the line item(s) of the income statement in which those impairment losses are included.

The Group assess, at each balance sheet date, whether there is an indication of reversal of impairment losses for an asset, other than goodwill, recognised in previous years. If such and indication exists, the Group estimates once again the recoverable amount of the asset. Impairment losses on goodwill are not reversible. Impairment losses on goodwill are calculated annually.

E) Financial instruments

The Group classifies its non-current and current financial instruments, excluding investments accounted for using the equity method and assets classified as held for sale, in four categories:

- Loans and accounts receivable and debts and accounts payable:

- Held-to-maturity investments: investments that the Group has the intention and ability to hold to the date of maturity.
- Financial instruments at fair value through profit or loss: these are financial assets and liabilities held for trading, and need to comply with at least one of the following conditions:

  (i) they have been acquired or incurred in principally for the purpose of selling them or repurchasing them in the near term.

  (ii) they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

  (iii) a derivative (except for those that are financial guarantee contracts or have been designated and effecting hedging instrument);

  These are basically equity investments negotiated in regulated markets.

- Available-for-sale financial assets: these are all other financial assets that do not fall into any of the aforementioned three categories.

The Group recognizes a financial asset or a financial liability on the Consolidated Balance Sheet, when and only when, it becomes a party to contractual provisions of a financial instrument.

The Group derecognises a financial asset, if and only if:

(a) the contractual rights to the cash flows from the financial asset have expired; or

(b) the financial asset is transferred, provided that the transference complies with all the requirements for its removal.

Purchases or sales of financial assets instrumented in conventional contracts are recognised using the trade date method.

The Group removes a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

When a financial asset or financial liability is recognised initially, the Group measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Group measures financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets:

(a) loans and receivables, which are measured at amortised cost using the effective interest method;

(b) held-to-maturity investments, which are measured at amortised cost using the effective interest method; and

(c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

After initial recognition, the Group measures all financial liabilities at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost.

A gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship is recognised as follows:

(a) A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss.

(b) A gain or loss on an available-for-sale financial asset shall be recognised directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the entity's right to receive payment is established.

For financial assets and financial liabilities carried at amortised cost a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

At 31 December 2010 and throughout 2010 the Company did not hold any financial instrument recognised at fair value through profit or loss including derivatives not designed as hedges.

F) Inventories

Inventories are stated at the lower of weighted average acquisition cost and net realisable value.

The Company measures its biological assets, consisting of farmed seafood at different growth stages, at fair value less estimated point-of-sale costs.

G) Non current assets classified as held for sale and discontinued operations.

Non current assets classified as held for sale

The Group classifies as non-current assets held for sale tangible assets, intangible assets or investments under the heading "Investments Accounted for Using the Equity Method" for which at the date of the consolidated balance sheet active measures had been initiated to sell them and the sale is expected to have been completed within 12 months from that date.

These assets are measured at the lower of carrying amount and fair value less costs to sell.

Non current assets held for sale consist of 6 fishing vessels, all of them in operation, which the Group estimates shall be sold and replaced by more specialised ones. They are valued at the recognised amount (32 million euros) so their new classification did not represent any change and it considered that the net sale price will be equal or higher than their current value. Also, under this heading, there is some land, processing and seafood farming facilities as well as other assets located, mainly, in Europe, Australia, Central and South America, recognised at their carrying amount and whose final sale price is estimated not to be lower than that.

Discontinued operations

The Group classifies as discontinued operations, those that have been sold or otherwise disposed of or have been classified as held for sale and represent a separate major line of business or geographical area of operations, are part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

The result after tax from discontinued operations is shown as a separate line-item in the consolidated income statement.

H) Government grants

Government grants, including non-monetary grants at fair value, are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and credited to the income statement on a straight line basis over the period necessary to match them with the costs that they are intended to compensate or over the useful life of the related assets.

I) Provisions

Existing obligations at the Balance Sheet date arising from past events which could give rise to a loss for the Group which is uncertain as to its amount and timing are recognised as provisions in the consolidated balance sheet at the present value of the most probable amount that it is considered the Group will have to disburse to settle the obligation.

Provisions are quantified on the basis of the best information available at the date of preparation of the consolidated financial statements on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year.

Contingent liabilities

These are:

a) possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control; or

b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured reliably.

J) Translation of foreign currency balances

Transactions in currencies other than the functional currency of each company are recorded in the functional currency of the Group (euros) by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the balances translated at the exchange rate prevailing at the date of the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as results in the consolidated income statement.

Also, balances receivable or payable at 31 December each year denominated in currencies other than the functional currencies in which the financial statements of the consolidated companies are denominated are translated to euros at the year-end exchange rates. The resulting translation differences are recognised as results in the consolidated income statement.

K) Classification of balances as current and non current

In the accompanying consolidated balance sheet, balances maturing within 12 months are classified as current and those maturing within more than 12 months as non-current.

L) Taxes

Corporate Income Tax

Corporate income tax is recognised in the Consolidated Income Statement or in shareholders' equity accounts in the Consolidated Balance Sheet depending on where the profits or losses giving rise to it have been recognised. Differences between the carrying amount of the assets and liabilities and their taxable base give rise to deferred tax assets and liabilities, which are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Changes in the year in the deferred tax assets and liabilities that do not arise from business combinations are recognised in the Consolidated Income Statement or directly in shareholders' equity accounts in the Consolidated Balance Sheet, as appropriate.

Deferred tax assets are only recognised to the extent that it is expected that there will be sufficient taxable profits against which the tax assets for temporary differences can be utilised.

Tax credits arising from economic events occurring in the year are deducted from the income tax expense, unless there are doubts as to whether they can be realised, in which case they are not recognised until they have effectively been realised, or unless they relate to specific tax incentives, in which case they are recognised as grants.

M) Recognition of income and expenses

Income and expenses are recognised on an accrual basis.

Income is recognised when the gross inflow of economic benefits arising in the course of the Group's ordinary activities in the year, provided that this inflow of economic benefits results in increases in shareholders' equity other than those relating to contributions from equity participants and that these benefits can be measured reliably. Income is valued at the fair value of the consideration received or receivable arising there from.

Revenue associated with the rendering of services is only recognised if it can be estimated reliably, by reference to the stage of completion of the transaction at the balance sheet date.

N) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group companies.

Ñ) Dividends

The final dividend for the financial year 2010 proposed by the Board of Directors of Pescanova, S.A. to the shareholders at the Annual General Meeting is not deducted from shareholders' equity until is has been ratified by the latter.

O) Cash flow statements

The following terms are used in the consolidated cash flow statements prepared in agreement with the indirect method, with the meanings below specified:

- Cash flows: inflows and outflows of cash and cash equivalents, which are investments with a term of less than three months, which are highly liquid and subject to an insignificant risk of changes in value.

- Operating activities: the principal income-producing activities of the Group and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of shareholders' equity and financial liabilities.

P) Leases

The Group as Lessee

The Group classifies as finance lease those leases that transfers substantially all the risks and rewards incident to ownership of an asset.

At the inception of the lease, finance leases are recognised as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments, as determined at the inception of the lease. In calculating the present value of the minimum lease payments the discount factor is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are included as part of the amount recognised as an asset.

Lease payments should be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge should be allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent payments are recognised as an expense in the period in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as a finance expense for each accounting period. The depreciation policy for depreciable leased assets is consistent with the other depreciable assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term or its useful life.

Lease payments under an operating lease are recognised as an expense in the income statement on a straight line basis over the lease term.

Q) Cash and cash equivalents

Cash consist of cash and demand deposits. Cash equivalents consist of short-term investments with great liquidity and readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

In the consolidated cash flow statements, cash and cash equivalents are those defined above.

R) Trade and other receivables

Other assets, that generally have a collection period of less than a year, are recognised at the original amount shown in the invoice or receipt less allowances for uncollectability. Such allowances are recorded whenever there is objective evidence that the Group will be unable to collect the amount. If the asset is considered uncollectible, it is no longer recognised.

This heading also includes loans with Public Bodies and other receivables.

S) Derivative and Hedge Instruments

Derivatives held by the Group refer to interest rate hedging for the purpose of offsetting or significantly mitigate such risk in the underlying hedged operations.

Derivatives are initially measured at acquisition cost in the Consolidated Balance Sheet and are subsequently reviewed to show their fair value at any time, gains are recorded under the heading "Other Financial Investments – Financial Derivatives" while losses are recorded under the heading "Derivative Financial Instruments". Gains or losses arising from such fluctuation are recorded, in case such derivative is designed as a hedging instrument and this is highly effective, and to the extent that such hedging instruments are effective, under the heading "Shareholders' equity: Hedging Reserve".

T) Convertible Notes

On 5 March de 2010, Pescanova, S.A. concluded the placement of the issue of Convertible Notes, for 110,000 thousand euros and a five year maturity, among qualified and institutional investors.

Pursuant to the Terms and Conditions, Notes shall be exchangeable at the option of the noteholders at any time during the life of the notes at a fixed price. The Issuer may decide, when the note holders exercise their right to exchange the notes, to exchange them for shares in the Company, cash or a combination of cash for the nominal amount and share for the difference. The Issuer, at any time, shall explicitly notify the noteholders the payment option chosen.

On the other hand, the Issuer shall have the option to redeem the Notes at any time if (i) at least 15% of the issued Notes are in circulation, or (ii) as from 20 March 2013, the market value of the underlying shares for the Notes during a certain period of time represent a percentage equal or higher than 132% or the nominal value of the Notes.

Pescanova, S.A.'s intention, whatever the future circumstances may be, is to exercise its right to exchange the Notes for shares.

Pursuant to the International Accounting Standards (IAS) 32, and the Terms and Conditions of the issue, the instrument will give rise to financial liabilities and Pescanova's intention to exercise its right to exchange all the Notes for shares, means that the option is to be classified as an equity instrument. Talking this into account, the instrument arising from the agreement is a compound financial instrument, and includes a liability component for financial debt and a equity instrument regarding the conversion option.

In the case of Convertible Notes that give rise to a compound financial instrument, the Group, in agreement with the provisions in the above mentioned IAS 32, recognises tow separate components (liabilities and equity instrument) determining the initial value of the of the equity instrument as the difference between the fair value of the compound instrument as a whole and the financial liability. For the valuation of the compound instrument the Group has used the binomial model. For the valuation of the principal agreement, simple note coupon, the method used was the amortised cost. For future valuations, the equity instrument does not record changes in the fair value until final conversion.

6) RISK MANAGEMENT

The Pescanova Group is exposed to certain risks which it manages by applying risk identification, measurement, concentration limitation and supervising systems.

The main principles defined by the Pescanova Group when establishing its policy for the management of the principal risks are as follows:

- Compliance with the principles of good corporate governance.
- Strict compliance with all Pescanova Group's rules.
- Each business and corporate area defines the markets and product lines in which it can operate on the basis of having sufficient know-how and capabilities to ensure effective risk management.
- The businesses and corporate divisions establish for each market in which they operate the level of risk that they are prepared to assume on a basis that is consistent with the strategy defined.
- The businesses, corporate divisions, business lines and companies establish the risk management controls required to ensure that the transactions are performed in the markets in accordance with the policies, principles and procedures of the Pescanova Group.

Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate and the future flows from assets and liabilities bearing interest at a floating rate.

The objective of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise the cost of the debt over several years with reduced income statement volatility.

Depending on Group estimates and debt structure target, hedging may be done by entering derivative contracts to mitigate such risks. At 31 December 2010, the Group has entered derivative contracts as mentioned in Note 17.

Financial risk structure at 31 December 2010, by risk related to a fixed and protected interest rate and risk related to a variable interest rate, once considered contracted derivatives, is shown below:

	Net Position
Fixed or protected interest rate	104,254
Variable interest rate	690,177
TOTAL	**794,431**

Interest rates on debt arranged by the Pescanova Group are mainly related to Euribor.

Foreign currency risk

The foreign currency risk relates mainly to the following transactions:

- Debt denominated in foreign currencies arranged by Subsidiary and Associated Companies.

- Payments to be made outside the Euro zone for the purchase of any type of service.

In addition, the new assets relating to net investments in foreign companies whose functional currency is not the euro are exposed to foreign exchange risk in the translation of the financial statements of these foreign operations on consolidation.

In order to mitigate the foreign exchange risk, the Pescanova Group attempts to achieve a balance between the cash collections and payments relating to its assets and liabilities denominated in foreign currencies.

Liquidity risk

The Group's liquidity policy consists of the arrangement of committed credit facilities and current financial assets for an amount sufficient to cater for the projected needs for a given period based on the status and expectations of the debt and capital markets.
Over the last months financial markets, and particularly banks, have been unfavourable to credit applicants. The Company pays permanent attention to the evolution of certain factors and particularly to funding sources and characteristics that could in future help to solve potential liquidity crisis.

- Liquidity of monetary assets: Cash surpluses are always placed on very short term deposits. For longer than three month deposits an express authorisation is required.
- Maturity diversification for credit lines and control over financing and refinancing.
- Control over remaining life of funding lines.
- Diversification of funding sources.

Credit Risk

The main financial assets of the Group are cash and cash equivalents, trade debtors and other amounts receivable, and investments that represent the maximum credit risk exposure of the Group regarding financial assets

The Group's credit risk is mainly attributable to its trade debts. The amounts are shown in the consolidated balance sheet net of the provision for uncollectable debt as estimated by the Management of the Group based on the experience from previous years and the assessment of current economic environment.

The Group does not have a significant credit risk concentration, since the exposure is distributed among a larger number of counterparties and customers. Also historical default can be classified as very low.

7) RESPONSIBILITY FOR THE INFORMATION AND FOR THE ESTIMATES MADE

The information in these financial statements is the responsibility of the Group's directors.

In preparing the accompanying consolidated financial statements estimates were occasionally made by the senior executives of the Group in order to quantify certain of the assets, liabilities, income, expenses and commitments reported herein. These estimates relate basically to the following:

– The measurement of assets and goodwill to ascertain whether there are any impairment losses thereon.
– The useful life of tangible and intangible assets.

- The probability of the occurrence and the amount of liabilities which are uncertain as to their amount or contingent liabilities.
- The recoverability of deferred tax assets based on estimated future results.

Although these estimates were made on the basis of the best information available at the date of preparation of these financial statements on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated financial statements.

8) BUSINESS COMBINATIONS THAT HAVE TAKEN PLACE IN 2009

During the year the Group has not made any acquisition.

The movements of goodwill on consolidation were as follows:

	Thousands of Euros
Opening balance 01/01/09	**79,967**
Adjustments to opening balance	
Additions	3,909
Reduction from assets impairment	(8,700)
Closing balance 31/12/09	**75,176**
Adjustments to opening balance	
Additions	---
Reduction from assets impairment	(4,406)
Closing balance 31/12/10	**70,770**

Goodwill recognised and distributed by each cash generating unit.

Cash generating units (Thousands of Euros)	**Goodwill 31/12/09**	**Recognised**	**Derecognised**	**Goodwill 31/12/10**
Aquaculture Companies	**27,584**	**---**	**---**	**27,584**
Trading Companies	**24,399**	**---**	**(406)**	**23,993**
Production Process Companies	**23,193**	**---**	**(4,000)**	**19,193**
TOTAL	**75,176**	**---**	**(4,406)**	**70,770**

The increase in 2009, basically refer to the acquisition of Corporación Novamar, S.A.C. and from the payment of a deferred variable acquisition price for Seabel, S.A.S. Derecognition arises from the reduction in carrying amount of assets for impairment as a result of the new valuation of goodwill calculated in accordance with the paragraph below:

The determination of the value in use of each of the cash generating unit has been made taking as a basis the projected cash flows based on the budgets of each of the divisions and ratified by the Management. The said budgets, that cover in all cases a period that goes from three to five years, have been prepared by the operating management of each cash generating unit based on their experience and specific knowledge of the business and market situation in which each cash generating unit operates.

The main hypothesis used for the calculation of the value in use have been the following:

Net turnover: it has been considered as a basis the turnover of the previous year, and updating it by the forecast increases or reductions that take into account the economic environment of demand stagnation.

Growth rate: the residual value, cash flows extrapolated to periods subsequent to used projection, has been increased at a growth rate of 0%.

Discount rate: for this calculation it was used and approximation to the average weighted capital cost, taking into account the discount rate applied to each cash generating unit, the interest rate on existing financial debt in corresponding countries. The discount rate applied to cash flow projections has been 10.5% (10.5%).

The discount rate applied to cash flow projections has been determined taking into account the average weighted cost of the corrected Group's capital to show the specific risks associated to the different cash-generating units analysed.

9) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The movements during the year and the reasons for the same were as follows:

	Thousands of Euros	
	31/12/10	**31/12/09**
Opening balance	**1,654**	**2,100**
Transfers to/from long-term liabilities	2,064	1,848
Share of the result from companies under the equity method	(3,569)	(2,294)
Closing balance	**149**	**1,654**

The Group holds different ownership interest in associated companies. Financial information related to the same is summarised below:

		Thousands of Euros			
Name	Percentage	Assets	Liabilities	Income from ordinary activity	Result attributed to the Group
NovaNam	49.00%	188,360	78,266	48,276	(3,561)
Hasenosa	50.00%	19,578	17,696	15,682	(349)
Others	--	--	--	--	341

Guarantees provided for associated companies and joint controlled companies amounted to 127.1 million euros, the most significant of which refer to the NovaNam Group and to American Shipping.

10) INTANGIBLE ASSETS

The movements under this heading during the year and the corresponding accumulated amortisation and provisions were as follows:

	Thousands of Euros		
Description	Concessions & licenses	Other intangible assets	Total
Gross amount recognised at 1 January 2009	13,896	26,010	39,906
Accumulated amortisation and impairment loss at 1 January 2009	--	(14,271)	(14,271)
Net amount recognised at 1 January 2009	**13,896**	**11,739**	**25,635**
Recognised	4,334	4,937	9,271
Acquisition through business combinations			--
Derecognised	(184)	(808)	(992)
Trasfer to fixed assets classified as held for sale	--	--	--
Subtotal at 31 December 2009	4,150	4,129	8,279
Amortisation	--	(2,340)	(2,340)
Derecognised	--	6	6
Subtotal at 31 December 2009	--	(2,334)	(2,334)
Gross amount recognised at 31 December 2009	18,046	30,139	48,185
Accumulated amortisation and impairment loss at 31 December 2009	--	(16,605)	(16,605)
Net amount recognised at 31 December 2009	**18,046**	**13,534**	**31,580**
Recognised	5,589	4,198	9,787
Net additions from foreign exchange differences	1,821	559	2,380
Derecognised	(32)	(2,325)	(2,357)
Trasfer to fixed assets classified as held for sale	--	(761)	(761)
Subtotal at 31 December 2010	7,378	1,671	9,049
Amortisation	--	(3,411)	(3,411)
Derecognised	--	1,658	1,658
Subtotal at 31 December 2010	--	(1,753)	(1,753)
Gross amount recognised at 31 December 2010	25,424	31,810	57,234
Accumulated amortisation and impairment loss at 31 December 2010	--	(18,358)	(18,358)
Net amount recognised at 31 December 2010	**25,424**	**13,452**	**38,876**

At 31 December 2010 and at 31 December 2009, all fishing licenses and concession recorded in the Balance Sheet, at cost, have an indefinite useful life.

Some fishing licenses are recognised by reference to an active market and with an indefinite useful life. These licenses amount to 7.8 million euros and the reason for assuming an indefinite useful life is their ownership for an unlimited period of time and the preservation measures adopted by the Australian Government and fishing industry leading to maintain the marine resources in optimum condition. Acquisition cost of those licenses was 4.9 million euros.

At 31 December 2010 revaluation reserves arising from these fishing licenses amounted to 1,851 thousand euros and have hardly experienced any movement since 1 January 2004.

The carrying amount of these licenses was estimated by reference to the active market for the Northern Prawn Fishery for prawn fishing in the Carpentaria Gulf and adjacent waters (Australia).

The main hypothesis used for the calculation of the value in use have been the following:

Net turnover: it has been considered as a basis the turnover of the previous year, and updating it by the forecast increases or reductions (between 5% and 6%) that take into account the economic environment of demand stagnation.

Growth rate: the residual value, cash flows extrapolated to periods subsequent to used projection, has been increased at a growth rate of 0%.

Discount rate: for this calculation it was used and approximation to the average weighted capital cost ((between 5% and 6%), taking into account the discount rate applied to each cash generating unit, the interest rate on existing financial debt in the corresponding countries.

Development items include projects in progress for seafood farming improvement.

Research and development expenditure recognised as expense in the financial year 2010 amounted to 5.8 million euros (5.4 million in 2009).

11) TANGIBLE ASSETS

The movements in each heading of the consolidated balance sheet under this heading and corresponding accumulated depreciation and provisions were as follows:

	Thousands of Euros					
Description:	Land and Buildings	Technical installat. & machin.	Fleet	Other non-current assets	Advances & work in progress	Total
Gross amount recognised at 1 January 2009	219,250	339,710	475,546	22,471	208,843	1,265,820
Accumulated depreciation, provisions and impairment loss at 1 January 2009	(69,943)	(146,590)	(96,983)	(8,487)	--	(322,003)
Net amount recognised at 1 January 2009	**149,307**	**193,120**	**378,563**	**13,984**	**208,843**	**943,817**
Additions	12,676	10,435	8,125	1,709	89,917	122,862
Trasfer from non-current assets classified as held for sale	7,779	10,848	4,467	--	--	23,094
Derecognised	(1,619)	(8,896)	(6,998)	(253)	(68)	(17,834)
Other	72,687	34,759	3,654	(2,336)	(106,452)	2,312
Trasfer to non-current assets classified as held for sale	(12,819)	(15,717)	(19,807)	(1,194)	--	(49,537)
Subtotal at 31 December 2009	78,704	31,429	(10,559)	(2,074)	(16,603)	80,897
Derecognised	1,498	8,507	6,370	234	--	16,609
Depreciation	(10,691)	(26,360)	(6,467)	(2,164)	--	(45,682)
Trasfer to non-current assets classified as held for sale	1,214	190	4,449	133	--	5,986
Subtotal at 31 December 2009	(7,979)	(17,663)	4,352	(1,797)	--	(23,087)
Gross amount recognised at 31 December 2009	297,954	371,139	464,987	20,397	192,240	1,346,717
Accumulated depreciation, provisions and impairment loss at 31 December 2009	(77,922)	(164,253)	(92,631)	(10,284)	--	(345,090)
Net amount recognised at 31 December 2009	**220,032**	**206,886**	**372,356**	**10,113**	**192,240**	**1,001,627**

	Thousands of Euros					
Description:	Land and Buildings	Technical installat. & machin.	Fleet	Other non-current assets	Advances & work in progress	Total
Additions	7,532	9,315	6,726	381	30,447	54,401
Net additions from foreign exchange differences	7,039	4,395	2,446	368	2,023	16,271
Derecognised	(3,753)	(15,381)	(2,497)	(795)	(121)	(22,547)
Other	90,615	47,665	1,821	10,106	(147,655)	2,552
Trasfer to non-current assets classified as held for sale	(13,020)	(1,388)	(7,034)	(3,467)	--	(24,909)
Subtotal at 31 December 2010	88,413	44,606	1,462	6,593	(115,306)	25,768
Derecognised	3,725	15,030	2,309	700	--	21,764
Depreciation	(13,128)	(28,516)	(9,144)	(2,684)	--	(53,472)
Trasfer to non-current assets classified as held for sale	1,326	944	1,456	483	--	4,209
Subtotal at 31 December 2010	(8,077)	(12,542)	(5,379)	(1,501)	--	(27,499)
Gross amount recognised at 31 December 2010	386,367	415,745	466,449	26,990	76,934	1,372,485
Accumulated depreciation, provisions and impairment loss at 31 December 2010	(85,999)	(176,795)	(98,010)	(11,785)	--	(372,589)
Net amount recognised at 31 December 2010	**300,368**	**238,950**	**368,439**	**15,205**	**76,934**	**999,896**

"Land and buildings" and "Fleet" include a series of assets whose cost recognised at the transition to IFRS (1 January 2004) was their market value based on valuation of independent experts.

Should the carrying amount of "Land and buildings" and "Fleet" had been the initial carrying amount these would have been 101.4 million euros and 295.4 million euros respectively. At 31 December 2009 revaluation reserves arising from those assets have hardly experienced any movement since 1 January 2004.

There are not significant non-current assets which, on a permanent basis, are not used directly in operations.

Market value of non-current assets serving as collateral at 31 December 2010 amounted to 82.7 million euros. The corresponding debts amount to 49 million euros and are predominantly long-term.

There are no commitments to purchase significant tangible assets, except for those related to non-current assets in projects.

The Group has taken appropriate insurance polices to cover potential risks to which tangible fixed assets are subject.

The cost for capitalised loans during the year reached 2,046 thousand euros (4,598 thousand euros in 2009) and was related to the investments in aquaculture projects in Latin America and Portugal. The capitalisation rate used for determining the cost of loans subject to capitalisation was the average rate of the loans used, in particular, for building the above mentioned projects.

Non-current assets in projects

Of the recognised amount in non-current assets, a total of 264.1 million (137.7 in land, 87.5 in installations and 38.9 in work in progress) correspond to non-current assets in projects financed through Project Finance Arrangements. These assets serve as guarantee for the loan through which they a financed.

12) INVENTORIES

Below is the breakdown of inventories by type and degree of completion, as well as the corresponding provisions:

	Thousands of Euros	
	31/12/2010	**31/12/2009**
Goods for resale	162,722	157,197
Raw materials and other supplies	125,238	105,775
Work-in-progress and semi-finished goods	219,160	141,501
Finished products	39,083	35,323
By-products, residuals, recycled materials & advances	33,309	59,796
	579,512	**499,592**
Provisions	(904)	(379)
Total	**578,608**	**499,213**

There are no firm commitments to buy or sell inventories, nor future contracts relating to them. Inventories may be used freely, without significant limitations due to guarantees, mortgages, deposits, etc..., or due to significant circumstances such as lawsuits, insurance or attachments affecting the ownership, availability, or value of inventories.

"Inventories" does not include any significant fixed amount.

- **BIOLOGICAL ASSETS**

Biological assets refer to farmed seafood at different growth stages.

Biological assets arise from the aquaculture activities and are materialised in live seafood (fish and shellfish) namely salmon, turbot and shrimp. These assets are controlled at the different specialised facilities depending on the life cycle of the animal at each stage. In the first stages they are in hatcheries and nurseries and afterwards are transferred ongrowing facilities that can be located near the coast, in land, or in cages at sea. As a consequence of the aquaculture production process itself, biological assets consist of live fish at different stages, from just born to several months old and close to reaching commercial size.

Biological assets are kept apart by age group and sizes in ponds/tanks and cages. At all times the number of individuals in each facility is known, as records are kept for input, harvest, and mortality. For biomass determination in each pond/cage, systematic samples are carried out on a reasonable number of individuals. These samplings are indispensable and are carried out on a monthly basis to determine at all times the type of feed for each group of individuals and to analyse their transfer to other ponds/cages depending on growth stage. In addition, in the particular case of turbot, the fish is 100% counted when they are moved from one tank to another using laser counters that precisely verify the number of fish.

The Company value the different biological assets by grouping them by age and size.

In the case of turbot, the life cycle, from egg until they reach an optimum size for their sale, is long. The determination of their value at all times (each group of animals of a similar size are in a particular tank) follows a curve whose end is close to the average value of the most recent transactions in the market as an approximation to the fair value at the time when the asset reaches an appropriate size for being sold.

In the case of salmon, whose life cycle, from egg until reaching a suitable size for being sold, is also long, value is determined at all times for each group of salmon separated by size in different cages, following a curve whose end is close to the average value of the most recent transactions in the market as an approximation to the fair value at the time when the asset reaches an appropriate size for being sold.

In the case of shrimp, whose life cycle is short, from 3 to 5 months, until they reach a suitable size for being sold, value is determined at all times for each group of shrimp separated by size in different ponds in land, following a curve whose end is close to the average value of the most recent transactions in the market as an approximation to the fair value at the time when the asset reaches an appropriate size for being sold.

This curve, which is checked and corrected on an annual basis, is made up with all direct and indirect costs, among which the most significant is feed, human resources employed, energy consumption and other such as maintenance costs, depreciation, financial costs and any other production cost depending on the time the animals are kept alive in water, that is depending on age. Apart from this, the historical average net margin is also added in proportion to the time the animal has been in water.

No gain or loss has been generated from the initial measurement of biological assets, or for the change in fair value less estimated point-of-sale costs.

Below is the movement under this heading of the consolidated balance sheet in 2010:

Biological assets	*Thousands of Euros*
Amount recognised at 31 December 2009	113,986
Change in inventories	68,610
Amount recognised at 31 December 2010	**182,596**

13) ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

At year-end the composition of the assets classified as held for sale and discontinued operations was as follows:

	Thousands of Euros						
	31-12-08	**Recognised**	**Derecognised**	**31-12-09**	**Recognised**	**Derecognised**	**31-12-10**
Tangible assets							
Land and buildings	12,490	12,819	(11,125)	14,184	13,020	(4,467)	22,737
Fleet	43,619	19,807	(24,408)	39,018	7,034	(13,222)	32,830
Other	16,768	18,363	(11,969)	23,162	5,616	(9,148)	19,630
Accumulated depreciation	(10,172)	(5,986)	8,625	(7,533)	(4,209)	988	(10,754)
Non-current assets classified as held for sale	**62,705**	**45,003**	**(38,877)**	**68,831**	**21,461**	**(25,849)**	**64,443**

In 2010, it was considered that the results attained in certain fishing activities with experimental fishing gear and in little explored fishing grounds were encouraging, but it was advisable to postpone the commercial fishing until a more appropriate time, and therefore it was decided to discontinue these operations waiting for a more favourable moment in time. 2010 result from discontinued activities net of taxes reached 1,531 thousand euros in the previous year the amount reached was 4,508 thousand euros.

In 2010 and die to global economic situation, sale of land and vessels have slowed down and more than once sales have been cancelled at a very advanced stage. This situation has lead the Group to maintain the classification of these assets as the intention to sell them continues and its expected that these sales will bear fruit in 2011.

14) SHAREHOLDERS' EQUITY

Share capital

Pescanova, S.A. subscribed and paid-in share capital at 31 December 2008 amounted to 78 million euros, consisting of 13 million shares with a face value of 6 euros each.

At the General Meeting of Shareholders held on 24 April 2009 it was resolved to delegate to the Board of Directors the power to increase the share capital of the Company; thus, at the Board Meeting held on 1 October 2009, with the attendance of all the Board members, it was resolved to increase the share capital by €38,683,524.00, through the issue of 6,447,254 new shares with a face value of 6 euros each, of the same class and series and with the same rights adhered to them as the other Pescanova, S.A. shares in circulation, as from the date on which the capital increase is declared subscribed and paid, providing expressly the possibility of not being subscribed in full. These new shares are to be subscribed with an issue premium of nine euros and sixty cents (€9.60) per share.

Once the term and conditions for the subscription and payment of the new shares were concluded and complied with, having covered the capital increase in full, the share capital of Pescanova, S.A. amounts to €116,683,524 represented by 19,447,254 shares, with a face value of 6 euros each, all of them of the same class and series, fully subscribed and paid.

On 25 February 2010, as provided in article 292 of the Companies Act, the Company resolved to increase its share capital, in one or several times, an in the amount required to meet the applications for conversion of the exchangeable and/or convertible notes, to a maximum foreseen amount of 23,554,602 euros, and to delegate authorisations for the formalisation of this capital increase.

All the shares in the Company are listed on the Spanish stock exchanges in Madrid and Bilbao.

The companies that at 31 December 2010 held 10% or more of the share capital of Pescanova, S.A. were: Sociedad Anónima de Desarrollo y Control (SODESCO) 14.823%; and CXG CORPORACION CAIXAGALICIA, S.A.: 20.00%.

Shareholders' equity instruments

The Company purchased own shares during the year, at 31 December 2009 the number of own shares held by the Company were 105,492 shares with a nominal value of 6 euros each, which were bought at an average acquisition price of 27.50 euros per share.

There are not any specific circumstances which restrict the availability of reserves, except as regards the establishment and maintenance of legal reserves in keeping with the Spanish Companies Law and the establishment and maintenance of Reserves for Own Shares and Hedging Reserves. At 31 December 2010 the company held 100,761 Pescanova's shares, for which a reserve for own shares of 2.7 million euros was recognised. Likewise, a reserve of 4.7 million euros cover the risks arising from hedging instruments was recognised.

Capital management

The Group has an internal capital management policy related to capitalisation and dividends aimed at providing the companies in the Group, in a rational and objective manner, with the required capital to cover assumed risks. Risk estimations are made through a standard model of certain factors to quantify financial, credit and operational risks.

Capital allocated is determined by estimation, depending on the budgets for the following financial year and is reviewed at least once a year depending on risks evolution.

Certain companies in the Group require a higher capitalisation level than that obtained through the application of the above described standard, either because they operate in different countries with different legal requirements, or because they might require a financial solvency rating corresponding to higher capitalisation levels. In these cases, the Group determines the capitalization level individually taking into account the peculiarities of each company.

On the other hand uncommitted equity items of the Group comply with all requirements as per legislation in force.

REVALUATION RESERVE ROYAL DECREE LAW 7/1996 – 7 JUNE:

This reserve, recorded in the balance sheet that forms part of the consolidated financial statements for 2000, arises from the tangible assets revaluation in agreement with the regulation that rules such procedure, less the 3% tax charge on the increase in value. The revaluations and balance of this reserve have been tacitly ratified on December 31, 1999, and have been destined to increase the share capital.

ISSUE PREMIUM:

The Companies Act expressly allows the use of the balance of the issue premium for the capital increase and does not establish any specific restriction to the availability of the said balance.

LEGAL RESERVE:

In accordance with the Companies Law, Companies are to provide 10% of the profit of the financial year for a Legal Reserve until reaching a reserve amounting to, at least, 20% of the share capital.

This is a non free disposition reserve, except in case of winding up; in such case, it can only be used to compensate for losses and to increase the share capital in the terms provided in the Companies Law.

Translation differences

The main translation differences included under shareholders' equity in the consolidated balance sheet are as follows:

	Thousands of Euros	
Subsidiary and Multigroup companies	**31/12/2010**	**31/12/2009**
Argenova	2,336	2,336
Pesca Chile	1,849	1,849
Promarisco	2,750	1,317
Austral Fisheries	4,299	1,143
Pescanova France	1,048	1,048
Pesquerías Belnova	1,004	1,004
Antartic Polar	818	64
Pescamar	(5,638)	(5,294)
Novagroup	(3,632)	(5,545)
Other	1,311	(126)
	6,145	**(2,204)**
Associated Companies		
NovaNam	(5,317)	(378)
	(5,317)	**(378)**

The movements reflect translation differences, results for the year, as well as the application of results from previous years.

15) DEFERRED INCOME

Correspond to grants received from various official bodies for investment in non-current assets, and to subsidise job creation and research & development, mainly in Spain and Portugal. The remaining balance of 119,677 thousand euros (125,831) appears on the consolidated balance sheet.

The movements in capital grants were as follows:

	Thousands of Euros	
	31/12/2010	**31/12/2009**
Opening balance	125,831	117,662
Additions	532	12,036
Depreciation	(6,686)	(3,867)
Closing balance	**119,677**	**125,831**

The Group complies with all conditions regulating the use of grants.

16) LONG-TERM PROVISIONS

The movement under this heading was as follows:

	Thousands of Euros	
Provision for tax	**31/12/2010**	**31/12/2009**
Opening balance	8,722	7,295
Additions	2,533	4,839
Applications	(7,805)	(3,412)
Closing balance	**3,450**	**8,722**

The provision recognised by the Group refers to tax returns to be settled which have been appealed.

Long-term provisions amount to 3,450 thousand euros (8,722 thousand euros in 2009) that refer to provisions for tax in Spain and other countries. The principal and interest related to the different economic–administrative claims that the Company has lodged with the Supreme Court regarding tax settlements for the years 1990 to 1997, and not yet settled, are recognised under this heading.

17) FINANCIAL AND NON-TRADE DEBT

The amount of debt, under each heading in the consolidated balance sheet, maturing in each of the following five years, at year end, and the remaining amounts until cancellation are detailed below.

Thousands of Euros	Credit Institutions & Issued Notes		Non-trade Debt	
Maturity	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
2010		308,361		93,192
2011	174,588	128,578	97,818	22,588
2012	170,363	194,254	11,838	5,950
2013	79,314	14,924	10,132	13,432
2014	91,432	14,003	9,861	3,850
2015	166,819	89,731	9,826	20,784
Following years	111,915		26,323	
Total	**794,431**	**749,851**	**165,798**	**159,796**

Part of the short-term balance consists of operating loans and credit facilities falling due in less than one year which the company habitually renews.

Debt in foreign currency amounted to 103.7 million euros, of which 86.3 million correspond to debt in US dollars and the remaining 17.4 million to other debts in yens, meticais, Namibian dollars and Australian dollars.

Convertible Notes

On 5 March de 2010, Pescanova, S.A. concluded the placement of the issue of Convertible Notes for 110,000 thousand euros among qualified and institutional investors. The terms and conditions of the issue were definitely established as summarised below:

a) The issue will amount to one hundred and ten million euros, with a five year maturity.

b) Notes will accrue and annual fixed interest rate of 6.75% payable semi-annually.

c) Notes will be exchangeable, at the option of the noteholders, for new or existing shares in the Company.

   Pursuant to the Terms and Conditions, the Issuer may decide, at the time the noteholders exercise their right to exchange, to exchange the notes for shares in the Company or a combination of cash for the nominal amount and shares for the difference. Pescanova, S.A.'s intention, whatever the future circumstances may be, is to exercise its right to exchange the Notes for shares.

d) The initial conversion price for the Notes is twenty-eight euros and 2 cents (€28.02) per share of the Company.

As indicated in Note 5.t) and in agreement with International Accounting Standard 32 the fair value of the liabilities side of the Convertible Notes, at 31 December 2010, is recognised for 104,254 thousands of euros. In addition the valuation of the equity component generated through the issue of Convertible Notes, is recognised for 6,097 thousands of euros (see Statement of Changes in Shareholders' Equity). The effect on the 2010 Income Statement for the accrual of the conversion premium amounts to 1,201 thousands of euros and the expense accrued for the Notes amounts to 6,183 thousands of euros.

Average interest rate, on financial debt, for the financial year 2010 was 6.83% (7.21%).

Accrued interest payable at year end amounted to 3,298 thousand euros.

Companies within the consolidation scope have assets securing financial debt amounting to 49 million euros. The assets serving as guarantees are certain ships, buildings and investments valued at 82.7 million euros.

The Group companies had more than 275 million euros (330) available on credit lines.

The Group's financial liabilities contain the covenants that are habitual in contracts of this nature.

At 31 December 2010, neither Pescanova, S.A. nor any of its major subsidiaries were in a situation of non-compliance with their financial or any other obligation that could give rise to the early termination of their financial liabilities. During the year there has been no default in payment of principal or interest or any other breach.

The Group's directors consider that the existence of these clauses will not change the short-term/long-term classification in the accompanying consolidated balance sheet.

NON-RECOURSE FINANCE ARRANGEMENTS

Included within the consolidated scope there is some shareholding in various special purpose entities created for the development of a specific activity which are funded through non-recourse financing applied to projects.

The purpose of this note is to provide a detail of the non-recourse financing as well as other relevant information related to the financing, other than the detail on non-current assets in projects that is reported in Note 11.

The amounts and changes in 2010 related to Project Finance were as follows:

Non-recourse Finance applied to projects	Balance at 31.12.09	Increase	Decrease	Balance at 31.12.10
Long-term	102,513	17,533	--	120,046
Short-term	2,293	--	123	2,170
Total Non-recourse Finance	104,806	17,533	123	122,216

At year end the projects financed through non-recourse financing arrangements were the following:

Project	Activity	Country	Shareholding %
Insuiña, S.L.	Aquaculture	Spain	100
Acuinova Actividades Piscícolas, S.A.	Aquaculture	Portugal	100

Both non-recourse financing arrangements were entered into in 2008.

The repayment schedule of the non-recourse financing arrangements applied to projects, based on estimated cash-flows to be generated by the projects, is as follows:

2010	2011	2012	2013	2014	Onwards	TOTAL
2,170	4,537	6,474	8,249	10,215	90,571	122,216

Non-recourse financing arrangements bear floating and interest rates and are secured by the following financial instruments:

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives held by the Group refer to interest rate hedging for the purpose of offsetting or significantly mitigate such risk in the underlying hedged operations.

At 31 December 2010 the Group held interest rate financial instruments designed as hedges.

The main features of these contracts were the following:

Derivative Type	Hedge Description	Period	Underlying Hedged Amount	Fair Value 31-12-10
Cash flow hedges				
Interest Rate Swap	Cash flow	Up to 2023	112,159	(6,448)

The valuation method used is the standard in the market and no hypothesis or estimation for advanced payments, estimated losses, credit spreads… or any other estimate based on hypothesis not supported by market prices.

Fair value of swaps has been calculated by discount of future cash floes, taking into account future collections (positive) and payments (negative) to be made and to receive by Pescanova.

In the case of the fixed part to be paid, this is calculated by applying the fixed interest rate to the live nominal of the swap for the term for accrual of interest, obviously according to the terms in each swap agreement.

Regarding the amounts to be discounted for variable flows markets rates are calculated for forward terms according to market standard, that is at the implicit rate in the curve for that term. The amount of the variable part is determined as frequently as the basis stipulated and on the live nominal of the swap.

Current values are calculated by applying, to future values calculated in agreement with the above, the corresponding discount rates. These are calculated taking as a basis zero coupon rates obtained of Swaps interest rates observable in the market. The zero coupon rates curve has been calculated using the Bootstrapping method, the usual method in the market.

Deferred income recognised as a consequence of derivatives held for the Group amounts to 1,714 thousand euros (1,412 thousand euros in the previous year) and recorded under deferred tax assets.

In the financial year 2010 the impact of the valuation of positions taken at 31 December 2010 of the above mentioned contracts has represented a reduction of (956) thousand euros in the consolidated shareholders' equity.

MARKET RISKS - SENSITIVITY ANALYSIS

Interest risk: it basically refers to Euribor related financial debt. The sensitivity analysis carried out by the Group regarding the interest risk to which the Group is exposed is shown below:

	31/12/2010		31/12/2009	
Description	Result	Shareholders' equity	Result	Shareholders' equity
Change in interest rate by 50 basic points	± 5%	± 0.5%	± 5%	± 0.5%

Foreign exchange risk: the monetary policy followed by the Group tries to reduce any impact arising from currencies fluctuation. Most of the Group's income comes from the Euro zone, where 75% of its sales take place. A similar percentage (90%) of the Group's financial debt is taken in that currency.

As to risks related to costs generated in currencies other than the functional currency, these are much diversified (more than 15 countries) so any change in the exchange of these currencies against the euro would not have a significant impact on the consolidated income statement or equity. Since these countries are located far away from each other it is not likely that the foreign exchange parity of all of them should evolve contrary to the evolution of the Group's functional currency.

The sensitivity analysis carried out regarding the foreign exchange risk to which the Group is exposed is shown below:

	31/12/21010		31/12/2009	
Description	Result	Shareholders' equity	Result	Shareholders' equity
5% change in foreign exchange rates against the euro	± 1%	± 0.1%	± 1%	± 0.1%

18) TAX SITUATION

The Company declares taxes, indefinitely, on a consolidated basis. In 2009, the Companies that make up the Tax Group are: Pescanova, S.A., Frigodís, S.A., Frinova, S.A., Pescafresca, S.A., Bajamar Séptima, S.A., Frivipesca Chapela, S.A., Pescanova Alimentación, S.A., Novapesca Trading, S.L., Insuiña, S.L., Pescafina, S.A., Pescafina Bacalao, S.A., Ultracongelados Antártida, S.A., Acuinova, S.L., Fricatamar, S.L. and Marina Esuri, S.L..

	Thousands of Euros	
Deferred tax assets arising from:	**Balance at 31/12/2010**	**Balance at 31/12/2009**
Tax credit for quota deductions pending application	2,853	4,020
Hedge derivatives	1,714	1,412
Other	2,616	2,380
Total	**7,183**	**7,812**

	Thousands of Euros	
Deferred tax liabilities arising from:	**Balance at 31/12/2010**	**Balance at 31/12/2009**
Deferred taxes related to assets revaluation	24,255	27,340
Other deferred taxes	2,542	2,456
Total	**26,797**	**29,796**

The reconciliation of the aggregated income of the Tax Group to consolidated taxable income for Corporate Income Tax is as follows:

	Thousands of Euros	
Reconciliation of accounting income to taxable income	**Balance at 31/12/10**	**Balance at 31/12/2009**
Consolidated accounting income before tax	**48,153**	**40,996**
Permanent differences:		
From individual companies (Spain)	2,289	4,291
From individual companies (abroad)	23,022	(6,478)
Temporary differences:		
Originated in the financial year	(4,353)	163
Originated in previous years	22,542	8,653
Offsetting of tax losses from previous years	(16,933)	(14,659)
Tax (taxable income)	**74,720**	**32,966**

	Thousands of Euros	
Reconciliation of taxable income to accounting tax expense	**Balance at 31/12/2010**	**Balance at 31/12/2009**
Income before tax	**48,153**	**40,996**
Permanent differences	25,311	(2,187)
Offsetting of tax losses from previous years	(15,500)	(14,659)
Update from change in tax rate	--	--
Adjusted accounting income	**57,964**	**24,150**
Total tax expense	**17,389**	**8,412**
	(6,096)	--
	11,293	**8,412**
Average effective tax rate	**23.45%**	**20.52%**

For information purposes it is included the balance sheet at 31 December 2010 in which deferred tax liabilities have not been deducted from deferred tax assets originating them.

Consolidated Balance Sheet at 31/12/2010 (Thousands of Euros)	**Consolidated Balance Sheet 31/12/2010**	**Deferred tax impact**	**Deferred tax not netted off**
Total Non Current Assets	**1,123,169**	**24,255**	**1,147,424**
Tangible assets	999,896	24,255	1,024,151
Other non current assets	123,273		123,273
Current Assets	**1,066,973**		**1,066,973**
Total Assets	**2,190,142**	**24,255**	**2,214,397**
Shareholders' equity	**477,166**		**477,166**
Total Long-term Liabilities	**810,950**	**24,255**	**835,205**
Deferred tax liabilities		26,797	26,797
Other Long-term Liabilities	810,950	(2,542)	808,408
Current Liabilities	**902,026**		**902,026**
Total Shareholder's Equity + Liabilities	**2,190,142**	**24,255**	**2,214,397**

The effect on the consolidated income statement arises from the difference between assets and liabilities in both years.

Tax expense of the Company is calculated at the tax rate in force in each of the countries where the Group develops its activities. The tax rate for the year is lower than the Spanish Corporate Income tax rate (30 %), since in most of the countries where the Group operates, the tax rate is much lower (Chile, Australia, Mozambique, Argentina, Portugal, etc.).

At 31 December 2010, once estimated the Corporate Income Tax for the financial year, the Spanish Tax Group has no tax losses from previous years not yet applied, regardless the tax losses generated by subsidiary companies prior to their incorporation to the Tax Group which can be offset, under certain requirements, with the limit of their own taxable income.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

Tax losses pending offsetting amount to 12 million euros, including those generated by subsidiary companies prior to their incorporation to the Group. All of them are subject to their respective tax legislation, which in general allow a 15 year period for their application.

The Group assumed the responsibility for reinvesting, in the following financial years, the amounts arising from the deferment of capital gains attained in 1996 and 1997 by the transfer of assets.

Regarding the commitments arising from the financial year 1996, in 1998 the Company reinvested the total amount agreed. In respect of the transfers made in 1997 various Group Companies have made the reinvestment in tangible and intangible assets and financial investments, which are duly identified in the accounting records; increasing the taxable income accordingly, pursuant to the tax regulations in force at that time. Notwithstanding the above, in conformity with "Disposición Transitoria Tercera 3" of Act 24/2001, dated 27/12, the Group opted to record the full amount of the deferred capital gains pending of being reversed, generating the 17% deduction on the same, which can be applied in the following ten years, was also recorded that year. Since then other deductions for reinvestments were generated and these are recognised and detailed in the tax returns of the tax Group.

During the year deductions and concessions in investment as well as deductions for job creation have been applied.

Tax returns cannot be considered definite until they have been reviewed by the tax inspection authorities or the four year period during which they are open for review has elapsed. In general, tax returns for the last 4-5 years are open for review by the tax authorities in each country where the Group operates; as regards to the Spanish tax group inspections regarding main taxes of the period 2004-2007 are under way, however, to date inspectors have not stated any discrepancy on the same or the criteria applied by the Company. In opinion of the management of the Company and its tax advisors, no significant contingencies are expected in this respect.

19) SHORT-TERM AMOUNTS RECEIVABLE AND PAYABLE

Trade amounts receivable reached 186.3 million euros and other amounts receivable 75.9 million euro. Trade amounts payable reached 596.4 million and other short-term amounts payable reached 131 million.

Pursuant to the provisions in the third additional disposition (Disposición Adicional Tercera), Disclosure Requirements in Law 15/2010 of 5 July, amending Law 3/2004, of 29 December, establishing measures to fight against delay in payments in trade transactions, it is disclosed that at 31 December 2010 there is no outstanding balance payable to suppliers by the Spanish subsidiary companies which has been deferred for a longer term longer than the legal term.

20) OTHER CONTINGENT ASSETS AND LIABILITIES

There is no knowledge of any significant contingent liabilities which could affect Pescanova Group's equity or results.

There are judicial claims against third parties from which contingent assets could arise which have not been recognised in the consolidated financial statements, among which the most important refers to the use of the "Capitán Pescanova" prescriptor, and the annulment of the Touriñán sectorial project.

21) INCOME AND EXPENSES

Below is a breakdown, by type of activity and geographical market, of Pescanova Group net turnover:

	Percentage		Amount	
Millions of Euros	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Sales to EU	74.9%	76.6%	1,171	1,128
Sales outside the EU	25.1%	23.4%	393	345
Total	**100.0%**	**100.0%**	**1,564**	**1,473**

The Group employed 9,331 (9,632) persons on average during the year.

Sales

The breakdown of this heading in the Consolidated Income Statement for 2010 and 2009 was as follows:

	Thousands of Euros	
	31/12/2010	**31/12/2009**
Sales	1,532,568	1,445,257
Services rendered	32,257	27,719
Total	**1,564,825**	**1,472,976**

Other operating income

The breakdown of this heading in the Consolidated Income Statement for 2010 and 2009 was as follows:

	Thousands of Euros	
	31/12/2010	**31/12/2009**
Subsidies	6,686	3,867
Other operating income	14,669	13,520
Total	**21,355**	**17,387**

Net financial result

The breakdown of this heading in the Consolidated Income Statement for 2010 and 2009 was as follows:

	Thousands of Euros	
	31/12/2010	**31/12/2009**
Financial income	294	499
Financial expenses	47,416	40,574
Foreign exchange differences	(1,163)	(2,810)
Foreign exchange gains	580	1,099
Foreign exchange losses	(1,743)	(3,909)
Other financial results	(50)	(2,304)
Net financial result	**(48,335)**	**(45,189)**

No net gain or loss from the financial assets designated as available-for-sale has been recognised under shareholders' equity. Likewise, no financial assets at fair value through profit or loss were held throughout the year.

22) REPORTING BY SEGMENTS

The Group is vertically integrated and its companies carry out all the process from the obtaining of seafood resources to their marketing.

In addition, the countries where the Group undertakes the obtaining of seafood resources are different to those where its sales are materialized. In general, most of the sales take place in countries with similar risks and returns so geographical segment reporting is meaningless.

The Group has segmented its activity in the only two products/services clearly differentiable: 1) seafood obtaining/processing/trade and 2) other services rendered such as vessels repairs, product storage…

Transactions between segments are effected at market prices. Income, expenses and results of segments include transactions between them and were eliminated in the consolidation process.

Since the corporate organisation of the Group basically coincides with that of the businesses and, therefore, of the segments, the basis of allocation established in the segment reporting presented below is based on the financial information of the companies making up each segment.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

	Thousands of Euros			
	31/12/2010		31/12/2009	
ASSETS	**Food**	**Services**	**Food**	**Services**
NON-CURRENT ASSETS	**1,105,841**	**17,328**	**1,115,432**	**14,250**
Tangible assets	985,980	13,916	990,118	11,509
Intangible assets	38,876	--	31,580	--
Goodwill	70,415	355	74,900	276
Investments accounted for under the equity method	149	--	1,654	--
Long-term investments	4,662	1,633	10,562	1,271
Deferred taxes	5,759	1,424	6,618	1,194
CURRENT ASSETS	**1,045,699**	**21,274**	**927,361**	**21,231**
Stocks	574,632	3,976	496,217	2,996
Trade debtors and other receivables	246,014	16,173	226,772	17,655
Short-term investments	8,264	--	11,296	--
Cash and cash equivalents	130,834	613	99,686	215
Other assets	21,512	512	24,559	365
Assets held for sale	64,443	--	68,831	--
TOTAL ASSETS	**2,151,540**	**38,602**	**2,042,793**	**35,481**

SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY	**462,020**	**15,146**	**432,342**	**12,117**
Parent Company	434,543	13,941	404,728	11,270
Minority shareholders	27,477	1,205	27,614	847
LONG-TERM LIABILITIES	**806,634**	**4,316**	**629,614**	**13,033**
Deferred income	119,677	--	125,831	--
Long-term provisions	3,443	7	8,714	8
Notes and other negotiable securities	104,254	--	--	--
Long-term non-recourse debt	120,046	--	102,513	--
Long-term recourse debt	391,234	4,309	335,393	3,584
Other long-term accounts payable	67,980	--	57,163	9,441
Deferred taxes	--	--	--	--
CURRENT LIABILITIES	**882,886**	**19,140**	**980,837**	**10,331**
Short-term non-recourse debt	2,170	--	2,293	--
Short-term recourse debt	169,460	2,958	303,467	2,601
Trade creditors and other short-term accounts payable	711,256	16,182	675,077	7,730
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2,151,540**	**38,602**	**2,042,793**	**35,481**

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER

Thousands of Euros

	31/12/2010		31/12/2009	
	Food	**Services**	**Food**	**Services**
Sales	1,532,568	32,257	1,445,257	27,719
Other operating income	21,189	166	17,357	30
+/- Change in stocks	23,217	--	(13,174)	--
Supplies	1,038,542	19,051	955,089	16,376
Personnel expenses	153,889	6,123	144,069	5,103
Other operating expenses	221,902	5,286	208,069	4,537
Gain from the disposal of non-current assets	(1,255)	--	5,763	--
GROSS OPERATING INCOME (EBITDA)	**161,386**	**1,963**	**147,976**	**1,733**
Depreciation /amortization	56,234	649	47,506	516
OPERATING INCOME	**105,152**	**1,314**	**100,470**	**1,217**
Net financial expenses	46,356	1,060	39,619	955
Foreign exchange differences	(1,328)	165	(2,986)	176
Result from companies under the equity method	(3,777)	208	(2,841)	547
Result from short-term investments	(763)	--	(827)	--
Income from equity investments	541	516	891	435
Translation results	(50)	--	(2,304)	--
Provision for impairment of assets	(4,878)	--	(8,700)	--
INCOME BEFORE TAX	**48,541**	**1,143**	**44,084**	**1,420**
Corporate income tax	10,990	303	8,005	407
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	37,551	840	36,079	1,013
Net income for the year from discontinued operations (net of taxes)	(1,531)	--	(4,508)	--
NET INCOME FOR THE YEAR	36,020	840	31,571	1,013
PARENT COMPANY	**35,738**	**559**	**31,308**	**783**
Minority shareholders	282	281	263	230

23) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions between the Company and its subsidiaries, which are related parties, form part of the Company's normal business activities and have been eliminated on consolidation. Therefore, they are not disclosed in this Note.

Significant shareholders

Relevant transactions carried out in 2010 with significant shareholders, all of which were performed on market terms basis, were as follows:

Significant Shareholder	Group Company	Nature of Relationship	Transaction Type	Amount (Million €)
NOVACAIXAGALICIA	PESCANOVA & OTHER	CONTRACTUAL	Funding & loan arrangements, capital contributions	108.90
NOVACAIXAGALICIA	PESCANOVA, S.A.	CONTRACTUAL	Funding & loan arrangements, capital contributions	92.00
NOVACAIXAGALICIA	NOVA AUSTR. & OTHER	CONTRACTUAL	Funding & loan arrangements, capital contributions	25.00
NOVACAIXAGALICIA	HASENOSA	CONTRACTUAL	Funding & loan arrangements, capital contributions	5.78
NOVACAIXAGALICIA	PESCA CHILE, S.A.	CONTRACTUAL	Funding & loan arrangements, capital contributions	5.00
NOVACAIXAGALICIA	FRINOVA	CONTRACTUAL	Funding & loan arrangements, capital contributions	3.95
NOVACAIXAGALICIA	FRIVIPESCA CHAPELA	CONTRACTUAL	Funding & loan arrangements, capital contributions	3.90
NOVACAIXAGALICIA	PESCAFINA, S.A.	CONTRACTUAL	Funding & loan arrangements, capital contributions	2.60
NOVACAIXAGALICIA	PESCANOVA PORTUGAL	CONTRACTUAL	Funding & loan arrangements, capital contributions	2.50
NOVACAIXAGALICIA	PESCAFRESCA	CONTRACTUAL	Funding & loan arrangements, capital contributions	2.20
NOVACAIXAGALICIA	INSUÍÑA, S.L.	CONTRACTUAL	Funding & loan arrangements, capital contributions	2.00
NOVACAIXAGALICIA	PESCAFINA BACALAO, S.A.	CONTRACTUAL	Funding & loan arrangements, capital contributions	2.00
NOVACAIXAGALICIA	PESCAFRESCA & OTHER	CONTRACTUAL	Funding & loan arrangements, capital contributions	2.00
NOVACAIXAGALICIA	HASENOSA	CONTRACTUAL	Funding & loan arrangements, capital contributions	1.90
NOVACAIXAGALICIA	FRIGODIS, S.A.	CONTRACTUAL	Funding & loan arrangements, capital contributions	1.40
NOVACAIXAGALICIA	BAJAMAR SEPTIMA, S.A.	CONTRACTUAL	Funding & loan arrangements, capital contributions	0.75
NOVACAIXAGALICIA	PESCAFRESCA	CONTRACTUAL	Funding & loan arrangements, capital contributions	0.15
LIQUIDAMBAR	PESCANOVA, S.A.	CONTRACTUAL	Funding & loan arrangements, capital contributions	16.00
LIQUIDAMBAR	INSUÍÑA, S.L.	CONTRACTUAL	Funding & loan arrangements, capital contributions	2.00

Directors and Senior Executives

In 2010 the members of the Board of Directors and senior executives of Pescanova, S.A., and the shareholders represented on the Board of Directors or individuals or companies who they represent, did not participate in unusual and/or significant transactions of the Company.

A) Remuneration and other benefits.

The Company has adopted the reporting model in Appendix I of the Corporate Governance Annual Report for publicly listed companies implemented by the Spanish Securities and Exchange Commission (CNMV), approved in CNMV Circular 1/2004, of 17 March.

1. Remuneration of directors in 2010 and 2009.

a) Remuneration and other benefits from the Company:

	Thousands of Euros	
Type of Remuneration	**31/12/2010**	**31/12/2009**
Fixed fee	618	557
Attendance fee	562	453
Payments to Directors as per the Articles of Association	472	429
Total	**1,652**	**1,439**

Consolidated companies have not granted advances or loans nor have pension or life insurance obligations with Board members.

There is no remuneration or other benefits for membership of the Board of Directors of the Company or of Group companies and/or for being senior executives of Group companies.

b) Total remuneration by type of Director:

	Thousands of Euros	
Type of Director	**31/12/2010 by the Company**	**31/12/2009 by the Company**
Executive directors	693	620
Non-executive nominee directors	780	664
Non-executive independent	179	155
Total	**1,652**	**1,439**

c) Total remuneration and percentage with respect to the profit attributed to the Parent:

	Thousands of Euros	
	31/12/2010 by the Company	**31/12/2009 by the Company**
Total remuneration of directors	1,652	1,439
Total remuneration of directors / Profit attributed to the Parent Company (expressed as a percentage)	4.55%	4.48%

2. Identification of the senior executives who are not executive directors, and total remuneration earned by them in the year:

Name	Position
Jesús García García	Advisor to the Chairman
César Real Rodríguez	French Division General Manager
Pablo Fernández Andrade	Division General Manager
Juan José de la Cerda López-Baspino	Food Technology Manager
Eduardo Fernández Pellicer	IT Manager
Joaquín Gallego García	Fleet Manager
Fernando Ilarri Junquera	Human Resources Manager
Alfredo López Uroz	Accounts Division
César Mata Moretón	Legal Advisor
Antonio Táboas Moure	Financial Manager
David Troncoso García-Cambón	Angola Division - Fleet Manager
Joaquín Viña Tamargo	Internal Audit Division

	Thousands of Euros	
	31/12/2010 by the Company	**31/12/2009 by the Company**
Total remuneration of Senior Executives	**1,982**	**1,886**

B) Other disclosures concerning the Board of Directors

Pursuant to the provisions in the Spanish Companies Law, in order to reinforce the transparency of publicly listed companies, it is reported that the members of the Board of Directors hold no interest in companies with identical, similar or complementary type of activity to the corporate purpose of Pescanova, S.A..

Also, pursuant to the aforementioned Law, there is no record that any members of the Board of Directors carry on, or carried on in 2010, activities, as independent professionals or as employees that are identical, similar or complementary to the activity that constitutes the corporate purpose of Pescanova, S.A..

In 2010 there were no cases of conflict of interest involving the Directors, except for the abstentions recorded, even though no conflict existed and with a view to taking the utmost precaution, in the Minutes of the meetings of the Governing Bodies of the Company.

24) OTHER DISCLOSURES

In 2010 auditing fees accrued by the main auditor reached 742 thousand euros (702 thousand euros in 2009), whilst auditing fees accrued by the auditors of other Group companies reached 264 thousand euros (218 thousand euros in 2009).

The main auditors have provided additional services other than auditing, amounting to 156 thousand euros.

REPORT OF THE AUDIT COMMITTEE OF PESCANOVA, S.A. ON THE ACTIVITIES CARRIED OUT IN THE FINANCIAL YEAR

Presentation.-

At the Annual General Meeting of Pescanova, S.A., held on 25 April 2003, it was resolved to amend the Articles of Association to incorporate a first additional disposition setting the rules for the Audit Committee in compliance with the eighteenth additional disposition of Act 24/1988, of 28 July, of the Stock Exchange, under the Article 47 of Act 44/2002 on Financial System Reform Measures.

Composition and appointment:

The Board of Directors, elected three of their number to make up the Audit Committee. Most of the directors appointed are non-executive directors. In 2007 the Board of Directors elected the following members to make up the Audit Committee:
Chairman of the Audit Committee: Mr. Fernando Fernández de Sousa–Faro.
Members of the Audit Committee: Mr. Robert Williams (Secretary) and Mr. Alfonso Paz Andrade.

Duration:

The term of office shall be four years. The members of the Committee may be re-elected for periods of the same duration, except for the Chairman that has to be replaced every four years, though eligible for being re-elected after one year of vacating his office. If a Director ceases to be so he shall also cease to be a member of the Audit Committee. If there is any vacancy, for any reason, during their term of office, such vacancy shall be filled by the appointment of another member at the next Board Meeting.

Duties:

The duties of the Audit Committee are those provided in the Articles of Association.

Summary of the work done:

The Audit Committee held a meeting on 24 February and another on 2 September 2010 at the registered office of the Company in Vigo, at those meetings:

- 2009 financial statements of Pescanova, S.A. and consolidated financial statements for the Group of companies, as well as the notes thereto to be submitted to the Board of Directors were examined. The auditor explained the stages and contents of the work done, and stated that the final review of the financial statements was 100% concluded; he also indicated that the audit reports will be issued once the Board of Directors have passed the same.

- The auditor from BDO presented to the Committee the most important accounting and auditing standards used in the financial year 2009 and expressed his gratitude to all the staff in Pescanova and subsidiary companies for their co-operation.

- Information is also provided regarding the New Accounting Plan for the individual Spanish companies and the main changes in respect of the former Spanish Accounting Plan that have generated some changes, of little significance, in Shareholders' Equity of the individual companies; information is also provided on the changes in the consolidation scope arising, mainly, from the introduction of new companies engaged in shrimp farming in Latin America. Besides, the auditor indicated that he will issue unqualified audit reports on the individual accounts of the Parent Company and on the consolidated annual accounts for the Pescanova Group. He also states that the financial reporting and internal control systems in force are reasonable and recommends the Audit Committee to give the Board of Directors a favourable opinion for the ratification of the 2009 individual and consolidated financial statements.

- The rotating plan for internal audit reviews, which is updated, is maintained.

- The Audit Committee gave a favourable opinion to the proposal for the renewal of the appointment of the auditors for the review of the 2010 financial statements of the parent company and consolidated financial statements of the Group of Companies and resolved to recommend the Board of Directors the renewal of the agreement with BDO Auditores for one more year.

- Information was provided about the gradual enforcement of improvements regarding the unification of financial and managerial reporting systems and the standardisation of internal control procedures. Information is provided on the progress made. It is noted the enforcement of new systems for internal control of the divisions recently acquired by the Group, particularly those engaged in shrimp and salmon farming.

- The Chairman considered that net financial debt is well balanced, having increased both, the amount of cash and cash equivalents and borrowing, taking advantage of the most appropriate ways to maintain the best situation possible for the financial structure of the Pescanova Group.

- The auditor presented the Audit Plan for the review of the 2010 financial statements. The auditor also presented new aspects arising from the change in reporting standards to be applied for the consolidated accounts, he also described the purpose and scope of the audit work, and the examination of the Audit companies appointed by each and all the Pescanova Group companies. The auditor presented the schedule for the preliminary and final stages of the auditing of both the Spanish and foreign subsidiary companies. The Audit Committee unanimously ratified the schedule presented.

- The auditor, Santiago Sañé, explained the audit plan for 2010, he reports on the consolidation scope of the Pescanova Group which will be similar to that of the previous year since there has hardly been any change in the International Financial Reporting Standards (IFRS).

- He also reports that the consolidation will be co-ordinated from Vigo in close collaboration with BDO's office in Barcelona. He also explains that the management of the audit plan for the individual accounts and the consolidated accounts will take place in two steps, i.e. a preliminary audit that will take place in September and October 2010 and the final audit for with the audit work will take place until February and March 2011.

- The consolidation scope has not changed in respect of the previous year since there has not been any significant acquisition or disposal of investments. The auditor explains the different audit test and particularly that regarding the usual impairment tests and especially in respect o goodwill and the different valuation systems.

- The Committee unanimously agreed to the audit plan and programme explained.

- The size and specific characteristics of each of the companies in the Pescanova Group are analysed to determine the required audit work during 2010. Particular attention is paid to the different mergers in 2009 and their impact in the audit work to be undertaken in 2010 as the special circumstances of size increase for other companies.
- The proposal presented by the auditors BDO Auditores, regarding audit fees for the financial year 2010 was accepted by the Audit Committee and was presented to the Board of Directors for its ratification.

25) ENVIRONMENTAL INFORMATION

The Group is actively involved with the Governments of the countries where it carries out its fishing activities in the preparation of regulations for a gradual and better conservation of marine resources. This philosophy, based on conservation and rationalisation of fishing activities has prevailed over the years and is nowadays a cornerstone of Pescanova's industrial strategy and provides optimistic prospects for the status of marine resources in those places where it has invested over the last decades.

The Pescanova Group, since its incorporation in 1960, has pursued the protection and improvement of nature, either directly, through its own environmentally friendly investments for an utmost respect for nature, or through the promotion of initiatives for the enforcement of laws and regulations for nature protection. In the first case, Pescanova reports that all factories and vessels of the Group are equipped to achieve the greatest respect for the environment; and in the latter, bearing in mind the fishing activity of the Group, the aim is to seek the enforcement of responsible practices with a view to ensuring the effective conservation of living aquatic resources, through the establishment of fishing quotas or of long enough close seasons to ensure a sustainable exploitation, year after year, of the fishing grounds where Pescanova operates.

The Group has no environmental assets and has not incurred in expenses to minimise the environmental impact and the protection and improvement of the environment. No provision has been made to cover risks and expenses related to the protection and improvement of the environment.

26) EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No significant event, which could have affected the financial statements, has taken place since 31 December 2010 until the date of authorisation for issue of these financial statements.

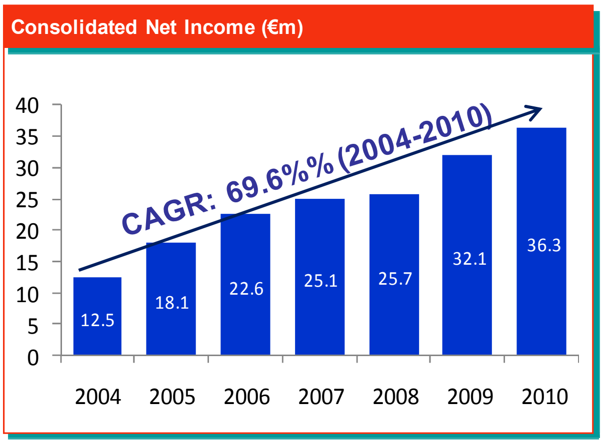
27) RESPONSIBILITY STATEMENT (art. 8 R.D. 1362/2007)

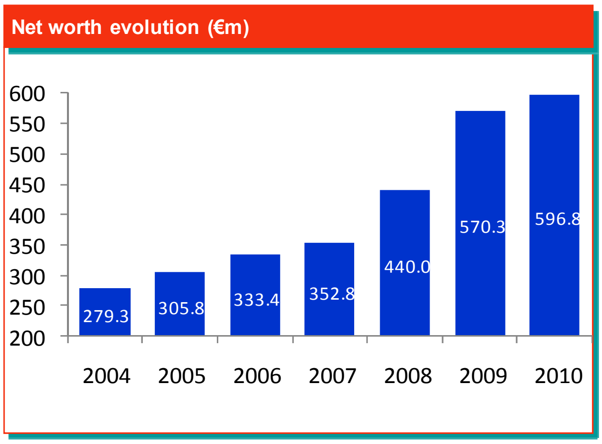
The Directors of Pescanova, S.A. hereby state that, as far as they know, the financial statements prepared in accordance with applicable accounting standards, give a true and fair view of the net equity, financial position and the results of the operations of Pescanova, S.A. and the companies within the consolidation scope taken as a whole, they also state that the Management Report includes a true analysis of the business evolution, results and position of Pescanova, S.A. and the companies within the consolidation scope taken as a whole, as well as a description of the risks and uncertainties faced.

The Board members have jointly signed the Annual Financial Statements and the notes thereto, the Management Report as well as the Statement indicating their responsibility for the contents of the above documents as shown in this Note.

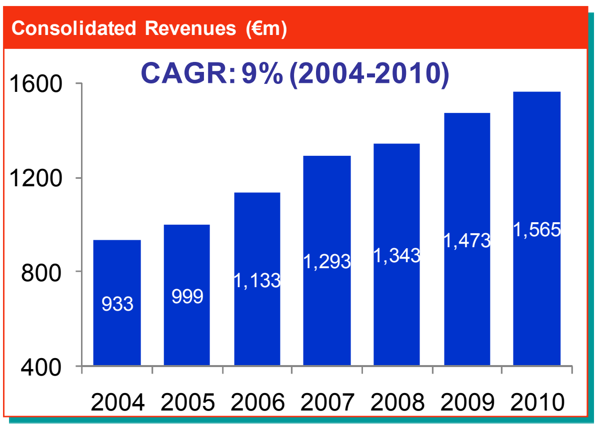
CONSOLIDATED MANAGEMENT REPORT

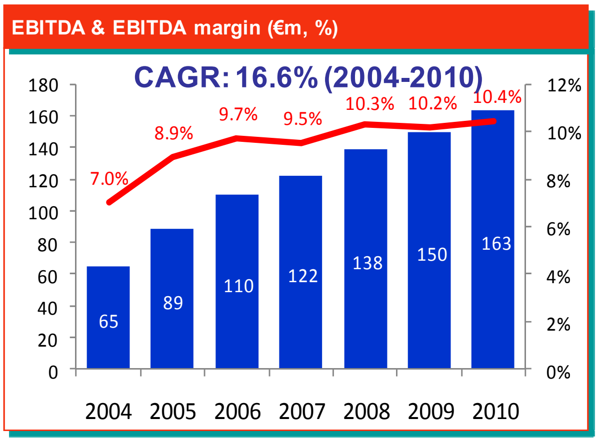
Like last year, the management report on Pescanova, S.A.'s annual accounts was prepared so that the general information that it provides would apply to the entire Pescanova Group as well.





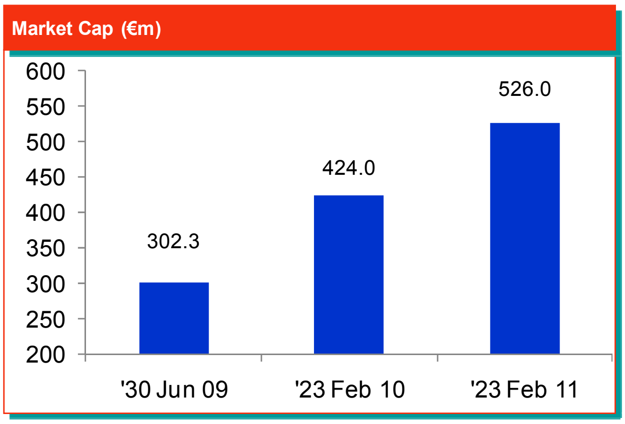
Throughout year 2010, the Pescanova Group has continued to strengthen its business strategy - in terms of seafood harvest (wild caught and farmed), processing and marketing (promotion of its brand name) - in a continuous effort to become sound and deeply rooted in both fields, obtaining of seafood resources and markets, by being strategically positioned in places that provide competitive advantages, that is access to sustainable fisheries and markets where Pescanova brand name, as leader, allows to attain higher prices for its products. The above allowed the consolidated turnover to reach a figure higher than 1,564 million Euros.

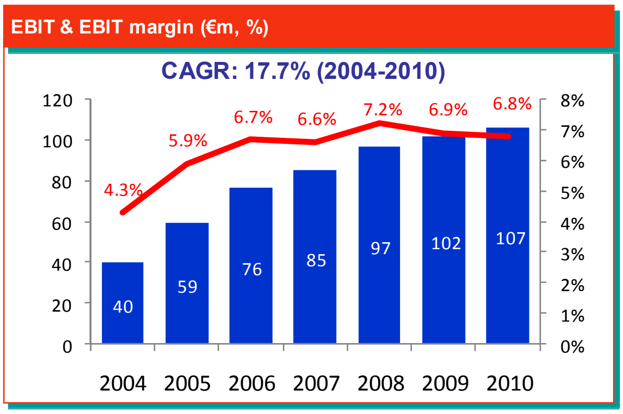




During 2010, the fishing activity involved more than 100,000 tons of seafood, maintaining the quotas awarded to the Group. Also the market share of the Pescanova brand in the frozen food market in Spain grew in line with the previous year trend; the frozen seafood market also grew.

Also in 2010, in respect of the obtaining of seafood resources division, the Group, as part of its strategy of risk diversification and development of its industrial capacity, has intensified its R & D plans, searching new profitable and sustainable fishing grounds. In respect of the seafood farming business, the Pescanova Group has continued its research and improvement of conditions for seafood farming both in land and in offshore facilities. Research and development expense in 2010 was higher than 5.8 million euros.





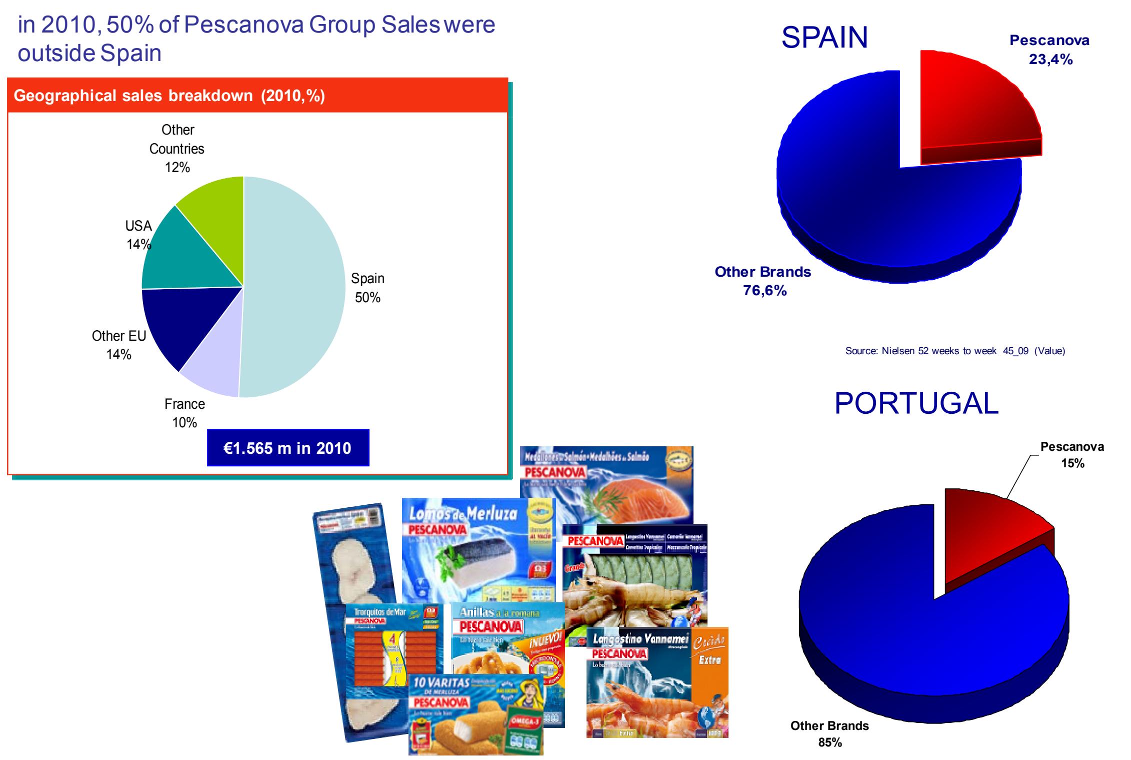
PESCANOVA, faithful of the idea that lead to its foundation 50 years ago, knows that it is most important to have the marine resources adequately and strictly regulated, both from a legal and a biological point of view, since this is the only way to guarantee the perpetuation of sustainable annual catches.

Leading vertical integrated listed player in the branded frozen fish & seafood industry

The Group is actively involved with the Governments of the countries where it carries out its fishing activities, providing its knowledge to gradually achieve better regulated fisheries. This philosophy, based on conservation and rationalisation of fishing activities, has prevailed over the years and nowadays is one of the keystones of Pescanova's industrial strategy, which allows PESCANOVA to foresee a highly optimistic future for the marine resources in which it has invested over the last decades.

As regards to the financial statements of year 2010, it is worth mentioning that the consolidated turnover amounted to 1,564 million euros, 6.2% higher than in the previous year, which generated gross consolidated earnings (EBITDA) amounting to 163.3 million euros, 9% higher than in 2009.

Leader Brand in the Frozen Seafood Market in Spain and Portugal



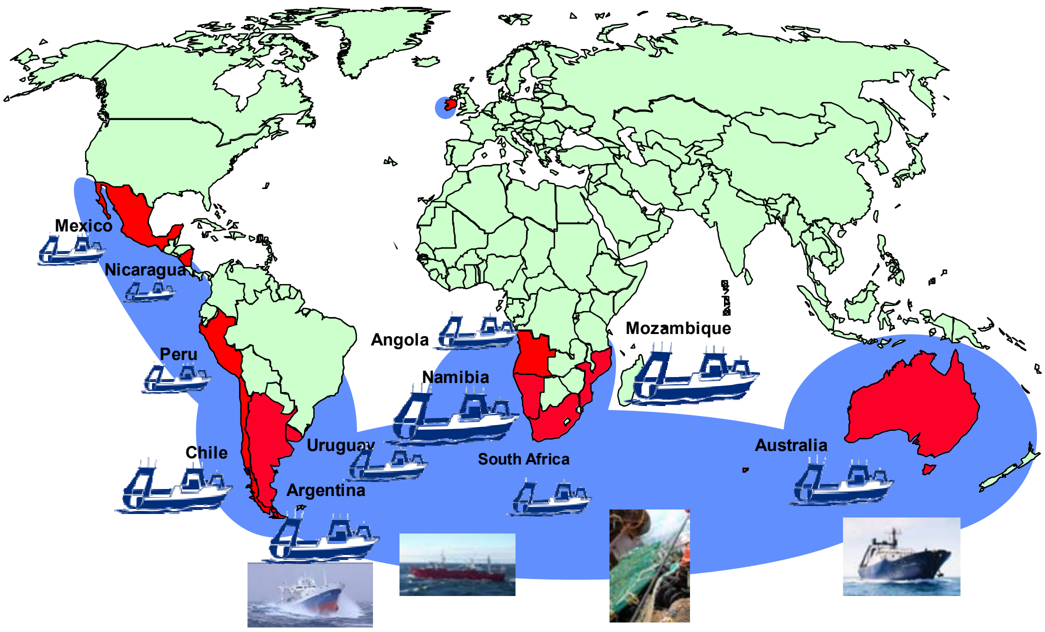
The Pescanova Group, since its incorporation in 1960, has always pursued the conservation and betterment of the environment, either directly, through its own investments caring for an utmost respect for nature, or through the promotion of initiatives for the enforcement of acts and regulations for its protection. In the first case, Pescanova reports that all factories and vessels of the Group are equipped to achieve the greatest respect for the environment; and in the latter, bearing in mind the fishing activity of the Group, the aim is to seek the enforcement of responsible practices with a view to ensuring the effective conservation living aquatic resources, by the establishment of fishing quotas or of long enough close seasons to ensure a sustainable exploitation, year after year, of the fishing grounds where Pescanova operates.

Amortisation/depreciation amounting to 56.8 million euros was recorded, 18.3% higher that in the previous year. Income from ordinary activity reached 106.4 million, 4.6% higher than in the previous year. After the recording of a provision for corporate income tax, net after-tax income totalled 36.3 million, 13.1% higher than in the previous year. Earnings per share reached 1.96 euros.

At December 31, 2010, Group Companies held 100,761 own shares for which a non-disposable reserve of 2.7 million euros was provided.

The Pescanova Group is exposed to certain risks which it manages by applying risk identification, measurement, concentration limitation and supervising systems.

We are in the World's best fishing grounds for our Fishing Activities…



- Some 100 vessels
- Largest European fishing Company
- More than one resource per country
- More than one country per resource
- 50 years track record in the best World's fishing grounds; high catches per unit of effort (cost reduction)
- Respected opinion by decision making bodies (our experience provides a good feedback for them setting TACs, fishing areas, close seasons, etc.)
- Land facilities close to the places where we operate (job creation)

The main principles defined by the Pescanova Group when establishing its policy for the management of the principal risks are as follows:

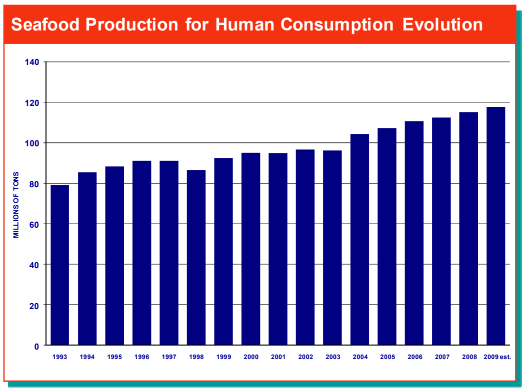
- Comply with the principles of good corporate governance.
- Comply strictly with all Pescanova Group's rules.
- Each business and corporate area defines the markets and product lines in which it can operate on the basis of having sufficient know-how and capabilities to ensure effective risk management.
- The businesses and corporate divisions establish for each market in which they operate the level of risk that they are prepared to assume on a basis that is consistent with the strategy defined.
- The businesses, corporate divisions, business lines and companies establish the risk management controls required to ensure that the transactions are performed in the markets in accordance with the policies, principles and procedures of the Pescanova Group.

Interest rate risk

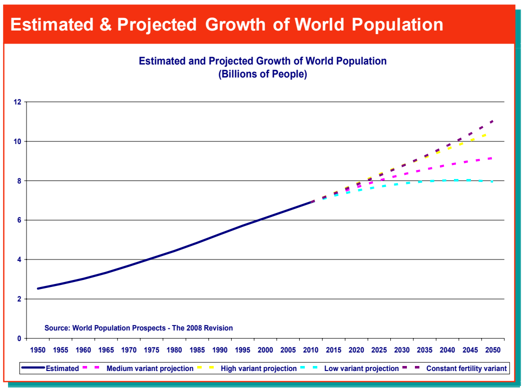
Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate and the future flows from assets and liabilities bearing interest at a floating rate.

The objective of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise the cost of the debt over several years with reduced income statement volatility.

Seafood Production for Human Consumption



In this same period the consumption of Marine Protein has grown by 27%



According to the UN, world population has grown by 15% over last decade.

And the contribution of aquaculture products to human consumption has reached 47%.

Foreign currency risk

The foreign currency risk relates mainly to the following transactions:

- Debt denominated in foreign currencies arranged by the Group companies and associates.

- Payments to be made outside the Euro zone for the purchase of any type of service.

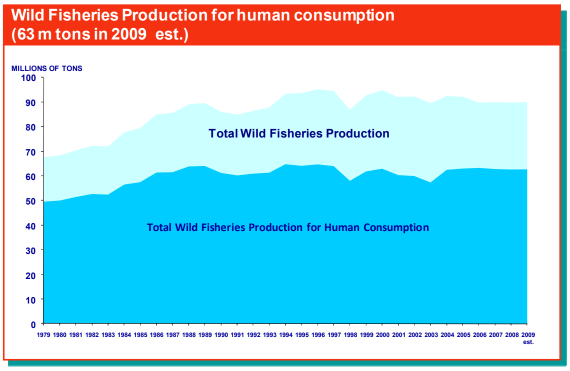
In addition, the new assets relating to net investments in foreign companies whose functional currency is not the euro are exposed to foreign exchange risk in the translation of the financial statements of these foreign operations on consolidation.

In order to mitigate the foreign exchange risk, the Pescanova Group attempts to achieve a balance between the cash collections and payments relating to its assets and liabilities denominated in foreign currencies.

Liquidity risk

The Group's liquidity policy consists of the arrangement of committed credit facilities and current financial assets for an amount sufficient to cater for the projected needs for a given period based on the status and expectations of the debt and capital markets.

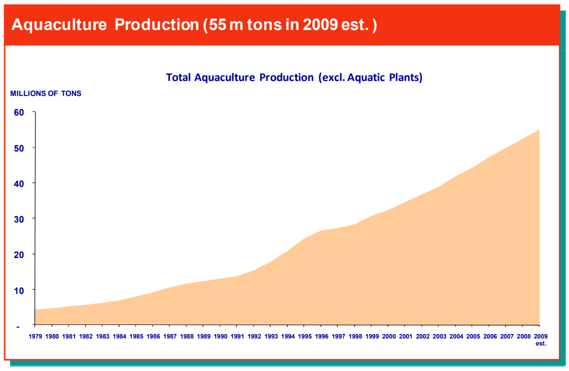
Wild Fisheries and Aquaculture Production



An analysis of FAO's production data from wild fisheries during the last 20 years shows that these have remained stable at around 90 million metric tons.

Of which about 60m mt are used for direct human consumption.

In other words, wild fisheries production has NOT fallen or increased. And the same occurs with its contribution to human consumption.



Also according to FAO's statistics as shown in this chart, aquaculture production has grown at a dizzying rate.

And all signs suggest that in the next 2 years aquaculture products will contribute as much to the human diet as those products from wild fisheries.

From the trading point of view, the Group activities continue to be focussed on the branded market for its products. Since we are convinced that the differentiation, innovation, quality and closeness to the end-consumer of our products are the best guarantee for the consolidation of our success and leadership.

Throughout 2010, the consolidation of major retailers/distributors, not only in Spain but also in the rest of Europe has continued. However, within this highly demanding and competitive environment, PESCANOVA brand has managed to increase its market share in these markets.

To sum up, the positive evolution activities in which the PESCANOVA Group is engaged, i.e. the obtaining and marketing of seafood under its brand names, as well as the foreseeable evolution of the European Union and the Euro, allow us to trust that the sustained growth of both turnover and results of the PESCANOVA Group will continue to improve in year 2011.

The following information is provided in compliance with Article 116 bis of the Stock Exchange Act.

Pescanova, S.A. share capital consists of 19,447,254 shares, with a nominal value of 6 euros each, fully subscribed and paid; these are issued to the bearer and represented by accounting entries. All shares in circulation are listed on the stock exchanges in Madrid and Bilbao. There are no founder shares, enjoyment bonds nor similar securities.

As provided in article 10 of the Articles of association, shares are freely transferable, and their transfer is ruled by the Companies Act.

The following are significant shareholders (holding five percent or more):

Shareholder's Name	Nº of direct voting rights	Nº of indirect voting rights	% on total voting rights
D. MANUEL FERNÁNDEZ DE SOUSA-FARO	25,386	3,481,776	18.034
CAIXA DE AFORROS DE GALICIA, VIGO, ORENSE E PONTEVEDRA	915,806	3,889,450	24.709
D. ALFONSO PAZ-ANDRADE RODRÍGUEZ	2,631	992,120	5.116
LIQUIDAMBAR INVERSIONES FINANCIERAS, S.L.	975,000	0	5.014

There is no restriction to the right to vote, although as provided in Article 25 of the Articles of Association, the requirement entitling attendance to the Annual General Meeting of Shareholders is the holding of 100 shares.

As regards to the Board of Directors, the Chairman has a casting vote regarding any business conducted by the Board of Directors.

The Company is not aware of any paracorporate agreements existing between shareholders that could have any effect on the Company, as provided in Article 112 of the Stock Exchange Act.

The Annual General Meeting of Shareholders is the competent body to appoint persons, who may be shareholders or not, to rule, manage and represent the Company as its permanent body. The persons so appointed will make up a Board of Directors consisting of not less than three members or more than fifteen. Within those limits, the Annual General Meeting of Shareholders shall determine the number of members of the Board of Directors.

At the Annual General Meeting of Shareholders held on 26 April 2010, regarding point 8.1 in the Agenda, the Board was authorised to, as provided in Article 160 of the Companies Act, within a five-year term, increase the share capital of the company, with o without premium, by an amount not higher than half of the existing share capital at the time of the authorisation, in one or several times and at the time and for the amount considered appropriate, and consequently it was also authorised to amend Article 7 of the Articles of Association accordingly.

Pescanova, S.A. has granted full authority, since 1993, to the Chairman of the Board, however such authority does not include the power to issue or repurchase of shares.

There are no agreements entered by the Company which are to become enforced, amended or terminated should there be any change in the control of the Company.

There are no guarantees or "golden parachute" clauses benefiting senior managers, including executive directors, in case of dismissal or change in the control of the Company or its Group of Companies.

During 2010, the Company held own shares, which at 31 December, represented 0.52% of its share capital (100,761 shares). The total cost of this transaction was 2.7 million euros.

Mr José Fernández López
Founding Chairman

PESCANOVA