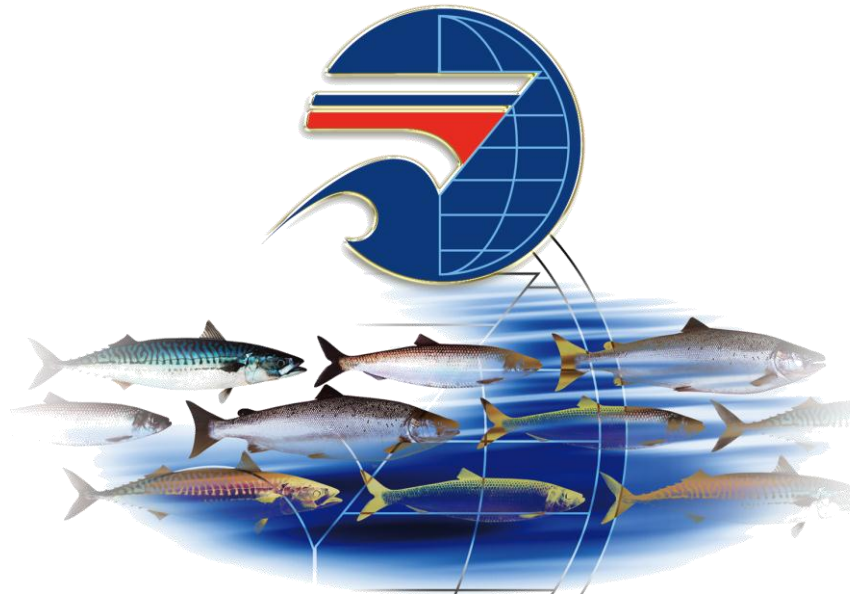


# Information Memorandum



## Austevoll Seafood ASA

(a public limited liability company organized under the laws of the Kingdom of Norway)

Business Registration number 929 975 200.

### In connection with the acquisition of shares in Norway Pelagic ASA on 6 February 2013 and the following Mandatory Offer

Manager

**Pareto** Securities AS

18 March 2013

**This Information Memorandum does not constitute an offer to buy, subscribe or sell the securities described herein.**

## Important Notice

This information memorandum (“**Information Memorandum**”) has been prepared in connection with Austevoll Seafood ASA’s (“**Austevoll Seafood**” or the “**Company**”, and together with its subsidiaries the “**Austevoll Seafood Group**”) acquisition of 6,366,917 shares or 34.55 % of all the issued and outstanding shares of Norway Pelagic ASA (“**Norway Pelagic**” and the “**Norway Pelagic Shares**”) in transactions completed in the period 6 February 2013 to 15 February 2013 (the “**Transaction**”). Following the Transaction, Austevoll Seafood holds a total of 14,345,911 Norway Pelagic Shares or 77.84 % of the total number of shares. The Austevoll Seafood Group, taken together with the Norway Pelagic Group, will be referred to herein as the “**Enlarged Group**”.

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Capitalized terms used in this Section and not defined herein shall have the meaning ascribed to them in the Section headed “Definitions and Glossary”.

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This Information Memorandum has been submitted to Oslo Børs for inspection before it was published. This Information Memorandum is not a prospectus and has neither been inspected nor approved by the Norwegian Financial Supervisory Authority (in Norwegian: Finanstilsynet) in accordance with the rules that apply to a prospectus.

All inquiries relating to this Information Memorandum must be directed to Austevoll Seafood. No other person is authorised to give any information about, or to make any representations on behalf of, Austevoll Seafood in connection with the Transaction. If any such information is given or made, it must not be relied upon as having been authorised by Austevoll Seafood. The information contained herein is as at the date hereof and is subject to change, completion and amendment without further notice. The delivery of this Information Memorandum shall not imply that there has been no change in Austevoll Seafood’s or Norway Pelagic’s affairs or that the information set forth herein is correct as of any date subsequent to the date hereof.

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This Information Memorandum is subject to Norwegian law, unless otherwise indicated herein. Any dispute arising in respect of this Information Memorandum is subject to the exclusive jurisdiction of the Norwegian courts.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Information Memorandum contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements.

In some cases, forward-looking statements can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, prospective investors should specifically consider various factors, including the risks outlined in the Risk Factors Section above. These factors may cause our actual results to differ materially from any forward-looking statement. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement.

Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this Information Memorandum to conform these statements to actual results or to changes in our expectations or publicly release the result of any revisions to these forward-looking statements which the Company may make to reflect events or circumstances after the date of this Information Memorandum or to reflect the occurrence of unanticipated events. Investors are advised, however, to consult any further public disclosures made by the Company, such as filings made with Oslo Børs or press releases.

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# 1 RISK FACTORS

*In addition to the other information set out in this Information Memorandum, the following risk factors should be carefully considered when deciding what action to take in relation to the Transaction. Any of the risks described below could have a material adverse impact on the Austevoll Seafood Group's or, following the Transaction, the Enlarged Group's business (and, accordingly, all references to the Austevoll Seafood Group in this Section shall also be construed as references to the Enlarged Group, unless the context otherwise requires), financial condition and results of operations and could therefore have a negative effect on the trading price of the shares in the Austevoll Seafood Group and affect a prospective investor's investment. The information below does not purport to be exhaustive. Additional risks and uncertainties not presently known to Austevoll Seafood or that Austevoll Seafood currently deems immaterial may also have a material adverse effect on the Austevoll Seafood Group's or, following the Transaction, the Enlarged Group's business, financial condition and operating results.*

## 1.1 Market risks

### 1.1.1 Prices

The Enlarged Group's financial position and future development depends to a considerable extent on the prices of fish meal- and oil, pelagic fish for human consumption and salmon prices, which have historically been subject to substantial fluctuations. Most of the products sold are commodities, and it is therefore reasonable to assume that the market prices will continue to follow a cyclical pattern.

### 1.1.2 Feed costs and prices

Feed costs account for a significant proportion of total production costs within the salmon farming sector (more than 50 % of total production cost in the sea), and fluctuations in feed prices could therefore have a major impact on profitability within the industry. Feed prices are affected both by the global market for fishmeal and marine/animal/vegetable oils, and the fact that the feed industry is dominated by a small number of large, global producers. Natural limitations in the marine resource base could lead to global shortages of fishmeal and oil for fish feed production. The feed producers have, however, come a long way in their efforts to replace some of the marine-based input factors with vegetable raw materials. Hence, the industry sensitivity to shortage of marine feed stuff is significantly reduced since 2001.

### 1.1.3 Perceived health concerns, environment concerns and food safety issues

Perceived health concerns, environment concerns, and/ or food safety issues may negatively impact the reputation of farmed salmon, even if there is no direct risk to human health, and may consequently have a negative impact on the demand for farmed salmon. In the past, various perceived health concerns, amongst others in relation to farmed salmon containing organic contaminants or cancer-causing PCB levels, have attracted negative attention in the media. Although these scares have diminished, new perceived health concerns or food safety issues relating to both farmed salmon and other farmed livestock may arise in the future that could affect our ability to market and distribute our products.

Today, governmental and other public (including media) attention is also focused on sustainable production, fish health and animal protection issues, and the farmed salmon's potential and actual effect on wild salmon stocks through escape incidents and sea lice. It cannot be ruled out that new legislation regarding these issues may reduce the production capacity in the future. In addition, media attention raised consumer scares in relation to farmed salmon may result in temporary declines in the demand for farmed salmon.

A considerable part of the Austevoll Seafood Group's end products are for direct human consumption. It is therefore of critical importance that attention and resources are dedicated to food safety. Product quality is subject to internal control, food authority monitoring programs and testing carried out by our customers. Increased demands from customers and legislators in the future may adversely affect the Austevoll Seafood Group's financial results.

Guidelines, certification programs and legislation with tougher requirements are expected; hence, higher costs for the food industry (e.g. traceability, level of documentation, testing variables, etc.) are expected. This might impact the Austevoll Seafood Group's activities, for example the ability to trace products through all stages of production is becoming a major component of food safety requirements. The Austevoll Seafood Group's quality assurance

scheme includes traceability systems and these systems are maintained in line with legislative and customer requirement on continuous basis.

#### **1.1.4 General market risk**

Participants in the fish catching and farming industry operate in highly regulated markets in which price levels and production volumes are closely monitored and at times subject to regulation.

Both fishing and the fish farming operations in Norway are regulated by strict quotas and production restrictions. In salmon farming, the licenses include a maximum allowed biomass regime, which limits the amount of biomass accepted in sea (in each region) at all times. The Norwegian government has notified that they will introduce new licenses in 2013 (and thus increase the total production capacity), but only to "green" forms of production (e.g. closed production units).

There is always a risk that the government will impose new restrictions, regulations or reduce the total production capacity (in one region or in the country as such) if the fish farming production is not considered as sustainable or environmental acceptable (in the public view). The Norwegian government has already notified that they are considering introducing such production limitations for all farmers within the Hardangerfjord area, where Sjøtroll Havbruk AS has a number of licenses. Although the Company may be allowed to move such production capacity to other places in Norway, an introduction of the Hardangerfjord regulation may cause some temporary reduction of the production capacity within this area.

Since important production locations of the Company, in particular, are located outside its principle markets, for example the US, the European Union and Japan, the Company is subject to the effect of international trade regulations and disputes. Specifically, for example, the European Commission has, since 1996, had in place a series of provisional anti-dumping measures on farmed salmon originating in Norway in order to reduce the volume of Norwegian farmed salmon for sale on the European market and thus protect the Scottish and Irish salmon farming industries. Following an extensive investigation, the European Commission announced on 17 February 2006 that it has adopted definitive anti-dumping measures in the form of a minimum import price for Norwegian Salmon at EUR 2.80 per kilo for whole fish (fresh, chilled or frozen). During the summer of 2008, the minimum import price regulations were abolished. However, this example illustrates the fact that when trading across international borders, a company is always subject to political risk factors outside the company's control.

In 1991, the U.S. imposed a special tax on gutted salmon from Norway, which was reviewed and revoked in 2011. Additionally, ongoing disputes between Norway and Russia over imports of Norwegian salmon into Russia may also have an adverse impact on the value of the Company's exports of Norwegian salmon to Russia. Another example is the trade restrictions introduced by China on Norwegian goods in general. Such monetary trade barriers and other non-monetary barriers, including extensive public health requirements, imposed in the future on sales of salmon originating from Norway or other production locations by countries into which the Company sells its products, could have a material adverse effect on the Company's business, results of operations and financial condition.

## **1.2 Operational risks**

### **1.2.1 Catching**

The operation of fishing vessels always involves elements of risk with respect to weather conditions, migration patterns of the fish, available fish stock, general quotas and quotas for each vessel and of course the functioning of vessels and equipment. Hence, each year there is uncertainty as to the size of total catch volume. In Chile, the company (FoodCorp) has a quota of 9.1 % of the horse mackerel in the south. In Peru, the company (Austral Group S.A.A.) has a quota of 6.9 % of the anchoveta in the center/north and 3.98 % of the anchoveta quota in the south. AUSS owns indirectly through the associated company, Br Birkeland AS, pelagic fishing quotas in Norway.

### **1.2.2 Fish health and environmental issues related to fish farming**

Operation of fish farming facilities involves considerable risk with regard to fish health issues, including a number of potential diseases, parasites (incl. sea lice) and vaccine side effects. In the case of an outbreak of sincere deceases or other fish health issues the farmer will, in addition to substantial costs connected to medicating and the direct loss of fish, incur substantial costs in the form of lost growth on biological assets, accelerated harvesting, loss of quality of harvested fish and subsequent periodic reduced production capacity. Salmon farming, as any other intensive animal production, has historically been through several periods with extensive disease problems.

Common for all of these are that a solution has been found through genetic development (breeding), improved operating routines, increased know-how regarding the fish's biological requirements, and the development of effective vaccines or treatments. During the 1990s the health situation in salmon farming improved dramatically. For example, the development of effective vaccines against the most important diseases, as well as generally better operating routines, have led to a reduction in the use of antibiotics of over 99 % in Norway. The use of antibiotics in Norwegian salmon farming is now much lower than for any other intensive meat production, with which it is natural to make comparisons.

During the latest years the fish diseases ISA and PD have been the most challenging for the fish farming industry in Norway. In UK a new disease AGD (amoebic gill disease) has caused sincere problems for the salmon industry during 2012, and the disease has recently also been established in some sites in south Norway.

The economic importance of disease is measured in the form of waste percentages (mortality), reduced growth or reduced quality for the end product. In addition, diseases represent an important fish health issue. The percentage of waste per generation varies; both between generations and producing countries/regions, but an average for the industry would be around 15-20 % per generation. The risk of disease is reduced through high quality smolt, "good husbandry", the selection of good sites and operational cooperation between the farmers located in the same area (synchronised fallowing). Austevoll Seafood has put a lot of focus in improving smolt quality and thus reducing mortality in the sea phase of the farming process. This will obviously have positive cost effects, but more important it may reduce the risk of attracting diseases.

Material outbreak of diseases or parasites on the Company's sites will also include a risk of local governmental decisions (stamp out, forced fallowing etc).

### **1.2.3 Production-related disorders**

As the aquaculture industry has intensified production, the biological limits for how fast fish can grow have also been challenged. As with all other forms of intensive food production, a number of production-related disorders arise, i.e. disorders caused by intensive farming methods. As a rule, such disorders appear infrequently, are multifactorial, and with variable severity. The most important production-related disorders relate to physical deformities, vaccine side effects and cataracts. These lead to financial loss in the form of reduced growth and health, reduced quality on harvesting, and damage the industry's reputation.

### **1.2.4 Algae**

Of the approximately 4,000 described types of algae in the world, approximately 75 have been identified as harmful for living marine organisms. Algae represent a risk in fish farming because the fish in the cages cannot swim away as they would normally do in the wild.

Blooms of noxious algae are largely dependent on local marine and weather conditions. Algae have from time to time led to losses at individual sites, and represent a general threat to any open net cage facility.

### **1.2.5 Other operational risks**

The rate at which farmed salmon grows depends, among other things, on weather conditions. Unexpected warm or cold temperatures resulting from annual variations can have a significant negative impact on growth rates and feed consumption.

The Group's farming sites are located along the coast of Norway from Hordaland county in the south to Troms county in the North. In these areas the weather conditions and climate may vary. This may e.g. impact on the fish's rate of growth. Furthermore weather conditions, such as storms or floods, could also lead to unexpected losses at these facilities.

All fish farming operation includes a risk of incidents of escape of fish. Austevoll Seafood does not tolerate any escape of farmed salmon, although it is impossible to secure the production 100 %. In Norway, where the challenge has been most widespread, the Group has completed an internal security project. This has had positive results. Procedures and new technological solutions are, moreover, constantly being looked at. There exist environmental organisations, both in Europe and North America, whose aim is to eradicate salmon farming. The degree of fundamentalism varies from group to group, and the majority limit themselves to spreading disinformation and untruths about fish farming in general. However, a certain risk of bioterrorism (i.e. damage to

production facilities with the intention of hurting Austevoll Seafood financially and/or exposing it to negative media coverage) cannot be ruled out.

#### **1.2.6 Retention of key personnel**

The Group's business and prospects depend to a significant extent on the continued services of its key personnel in its various business areas. Financial difficulties and other factors could negatively impact the Group's ability to retain key employees. The loss of any of the members of its senior management or other key personnel or the inability to attract a sufficient number of qualified employees could adversely affect its business and results of operations.

### **1.3 Financial risk factors**

#### **1.3.1 Financing of the Transaction**

Financing of the Transaction is described under Section 3.3.

#### **1.3.2 Foreign currency risk**

The Enlarged Group is exposed to fluctuations in various foreign currencies through operations in its subsidiaries in Norway, Chile and Peru. The most important foreign currencies to the Enlarged Group are USD, EUR, Pesos and New Soles. The Company expects that in the future, a significant proportion of revenues and costs will continue to be denominated in currencies other than NOK. Consequently the Enlarged Group will be exposed to movements in foreign exchange rates. Hedging of transaction risk is generally limited to offsetting exposures in the same currencies. In addition, subsidiaries are allowed to make limited use of forward contracts on shorter time periods when this is regarded as necessary from an operational point of view. Translation risk arises from the translation of balance sheets and income statements in foreign currencies Pesos, Soles and USD to NOK; the Company's financial reporting currency. Mainly all products exported from the Enlarged Group's subsidiaries in Chile and Peru are sold in USD, and most of the financing for the companies are in the same currency. In Chile, there is in addition some financing in local currency to match volumes of domestic sales. The Enlarged Group's foreign exchange exposure related to the equity of its foreign subsidiaries has generally not been hedged and translation gains or losses have been included in other equity.

#### **1.3.3 Fluctuation in some group companies' earnings**

The Austevoll Seafood Group's profitability can vary from quarter to quarter. Changes in fishing patterns and quota regulations result in fluctuating catch volumes from quarter to quarter and from year to year, and subsequently in the utilisation of the company's production facilities. The seasonal fluctuations in catch volumes create similar fluctuations in the interim key figures.

#### **1.3.4 Interest rate risk**

The Austevoll Seafood Group's interest exposure relates primarily to NOK, USD, EUR, New Soles and Pesos. Austevoll Seafood believes the Austevoll Seafood Group's level of equity and prospective earnings are sufficient to withstand an increase in floating interest rates. However, changes in the rate of interest charged on the Austevoll Seafood Group's loans will have an impact on the Company's finance costs.

#### **1.3.5 Financial leverage and access to financial funding**

The Enlarged Group's future development and growth may be dependent on access to external capital, in the form of debt and/or equity capital, e.g. due to unforeseen liabilities or in order for it to take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. Further, a negative development in sales or gross margins, may lead to a strained liquidity position and the potential need for additional funding through equity financing, debt financing or other means. A lack of access to such capital or material changes in the terms and conditions relating to the same, could limit the Enlarged Group's future growth and strategy.

There can be no assurance that the Enlarged Group will be able to obtain necessary funding in a timely manner and on acceptable terms. Should the contemplated financing of the Enlarged Group not be sufficient to meet the Enlarged Group's financing needs, the Enlarged Group may be forced to reduce or delay capital expenditures or research and development expenditures or sell assets or businesses at unanticipated times and/or at unfavourable



prices or other terms, or to seek additional equity capital or to restructure or refinance its debt. There can be no assurance that such measures would be successful or would be adequate to meet debt and other obligations as they come due, or would not result in the Company being placed in a less competitive position.

The financial leverage of the Enlarged Group may have several adverse consequences, including the need to manage the Enlarged Group's businesses in a way to service its debt and other financial obligations.

#### **1.3.6 Refinancing of loans and covenant compliance**

The Austevoll Seafood Group's financial strategy is based on the importance of entering into financing agreements which are adequate and adjusted to its operational activities, including the covenants. Refinancing of the Austevoll Seafood Group's loan portfolio takes only place if and when it is suitable to strengthen the Austevoll Seafood Group's financing conditions further. Defaults and insolvency of subsidiaries may present additional risks.

In the event of insolvency, liquidation or a similar event relating to one of the Austevoll Seafood Group's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Defaults by, or the insolvency of, certain subsidiaries of the Austevoll Seafood Group could result in the obligation of the Company to make payments under parent financial or performance guarantees in respect of such subsidiaries or the occurrence of cross defaults on certain borrowings of the Company or other group companies. Additionally, the Company or its assets may become directly subject to a bankruptcy or similar proceeding initiated against a subsidiary. There can be no assurance that the Company and its assets would be protected from any actions by the creditors of any subsidiary of the Company, whether under bankruptcy law, by contract or otherwise.

#### **1.3.7 Risk for a long-term global recession**

Since 2008 there has been a financial and economic turbulence in the global markets.

The Group's risk exposure is described in the consolidated annual report for 2011. Group activities are mainly global and will always be more or less impacted by developments in the global economy. Based on the unrest in the financial markets (the global economy) in the past few years, the general consensus is that the uncertainty in the macro-economic picture is still greater than what could be considered as normal. Although this situation may have an impact on the real economy for the majority of markets, we believe that AUSS' core business is founded on long-term sustainable values within interesting seafood industries.

The Group is exposed to risk related to the value of investments in subsidiaries and associated companies. This applies to changes in prices for raw materials and finished products, to the extent that these changes impact on the company's competitive situation and earnings potential over time. Operating conditions, including marine biomass, fishing conditions and price developments for the Group's input factors are also key parameters which have an impact on Group risk.

### **1.4 Other risks**

#### **1.4.1 General**

Participants in the fish farming industry operate in highly regulated markets in which price levels and production volumes are closely monitored and at times significantly restricted. Since important production locations of the Group, in particular, are located outside its principle markets, for example the US, the European Union, Russia and Japan, the Group is subject to the effect of international trade regulations and disputes.

#### **1.4.2 Political risk**

The Austevoll Seafood Group has extensive operations in Chile and Peru, and political events in these countries could change the business climate and fishing quota regulation in a way that has a negative impact on the value of the Group's operations. It is assumed that the political risk is higher in Peru than in Chile.

#### **1.4.3 Economic developments**

Exports account for a considerable proportion of the Group's total sales. Lower economic growth or a downturn in the Group's export markets could have a negative effect on the Group's business and profitability. This could take the form of reduced demand, losses on receivables resulting from customers' inability to pay their debts, etc.

Furthermore, changes in consumer habits and patterns of consumption could affect demand for fish in Austevoll Seafood's main markets. This could have a negative impact on the Group's sales and profitability.

#### **1.4.4 Insurance**

The Group maintains a level of insurance cover on its fixed assets, property, production facilities and fish stocks that is in line with industry standards. The structure of such cover and the premiums payable are different for fry facilities and marine farming facilities. Insurance will primarily act as catastrophe coverage. All such coverage involves a significant deductible in the form of an insurance excess or requirements regarding mortality per net cage or site. There will always be a risk that certain events may occur for which only partial or no indemnity is payable. Coverage may, moreover, be dependent on the insurance value of the fish, which may be at positive or negative variance with their book value. Situations may arise in which it is difficult, for longer or shorter periods of time, to obtain insurance coverage for known and unknown fish diseases at premiums which are considered commercially viable. In such situations the Group may have to self-insure.

#### **1.4.5 The impact on the environment from operations**

The operation impact on the environment is linked to discharge of organic material (feces from fish and overfeeding), the fish population potential shedding of diseases and sea lice, and the risk of fish escape. All environmental issues are highly regulated and if the Company complies with these regulations, the risk of economic responsibility for pollution and / or other impacts to the environment are reduced significantly.

The tangible risk associated with discharge of organic material is thoroughly assessed during consent application of sites to governmental bodies. The recipient capacity must adhere to the planned biological assets on site. Secondly, benthic samplings are undertaken on a yearly basis to ensure compliance with recipient capacity and tolerance. Between each production cycle fallowing of the sites is mandatory. Sealice is closely monitored, reported, and treated in line with national contingency plans. Under the provision that the Group adhere to legislation, there is no risk to become liable for shedding sea lice from fish farms.

The Group has zero tolerance to escapes and has implemented procedures equivalently to comply with this policy. However, coastal waterways represent a risk of boats accidentally harming farm constructions and thus make escapes unavoidable. Such event will inevitably damage the reputation of the group, but not cause liability as long as set regulations of signs and lighting are adhered to. Furthermore, extreme weather and negligence among the site operators represent examples of risks for escapes to occur. The Group might be held responsible if gross negligence leads to escapes. In such event police investigation as well as fines will follow.

The risk of production restrictions due to environmental issues has been addressed in chapter 1.2.2 above.

#### **1.4.6 Tangible environmental risk**

Fish farming is operated in open net cage systems located in marine environment and is hence exposed to changing weather conditions as well as pollution of open seas.

Coastal waterways are subject to traffic by large cargo carriers. In areas attractive to the petroleum industry, sea transportation of oil is frequent. This represents a defined environmental hazard in form of a potential oil spill. Such spill is by nature extremely difficult to contain and will, in case of contamination of coastal zones and habitat, eliciting long term destruction of pristine areas for farming. Oil or petroleum products will when floating into a farm, severely affect the fish's ability for normal oxygen uptake over the gills and shed an unpleasant taste on surviving fish, which practically makes the fish inedible. Consequences from such an event are highly unpredictable. The Group's farming sites are spread across the Norwegian coastline in the counties of Hordaland, Møre og Romsdal, Sør-Trøndelag and Troms. This might reduce the overall vulnerability if such an event occurs. However, some of the Group's farming sites have a concentrated location with these counties. This might increase the vulnerability e.g. in case of an oil spill.

An overwhelming majority of scientific experts agree that the diminution of the ozone layer results in climate changes. Among the effects of climate change which impact fish farming are rough weather and altered sea temperature profiles.

In particular, metrological registration may indicate more extreme weather conditions than previously recorded. All farms are supplied with mooring systems which shall stand the test of hurricanes. However, the frequency of storms put the constructions at severe test, and weather conditions are beyond the Group's control. Again, the

concentration of farms may not be to the Group's benefit given an extreme metrological situation. Temperature profile changes are extremely slow which over time may make some farming areas less attractive and others more suitable.

## **1.5 Risks related to the Norway Pelagic Group**

### **1.5.1 Risk related to the pelagic fish products**

There can be no assurance that Norway Pelagic's products will continue to be an attractive alternative to competing products. It could have a material adverse effect on Norway Pelagic's business, results of operations and financial condition if Norway Pelagic's products become less preferred in the main markets.

### **1.5.2 Risk related to customer requirements for fresh goods**

Customers receiving poor quality pelagic fish products from Norway Pelagic may complain and require compensation. Any of such material compensation may impact Norway Pelagic's operating results and financial condition negatively. Complaints may also result in a poor reputation, which again may create negative financial consequences for Norway Pelagic.

### **1.5.3 The pelagic fish stock and quota development, purchasing regime**

The development of the pelagic fish stock is dependent on several biological factors, such as temperature in the sea, access to feed and development of other fish species. The stocks tend to develop in cycles, which may have an adverse effect on Norway Pelagic's performance in certain years. Each year the total allowed catch (the —TAC ) and total national catch (the —TNC ) for the North Sea region are decided by regulatory bodies. These quotas may change and alter the sourcing access to pelagic fish due to reduction in TAC or TNC and hence also have an adverse effect on Norway Pelagic's performance, operating results and financial condition. There is also a risk that the regulatory bodies of participating nations in the North Sea Region will not agree on the level of total allowed catch, with a consequence of risk of overharvesting on the stocks. The recent years' discussions between Norwegian and Færoe Island government regarding mackerel quotas have proved that this may be an issue also in the future.

Buying and selling pelagic fish is regulated by the Sale of unprocessed fish Act of 1951 (the Act). The Act provides that all trade of unprocessed fish in Norway shall take place through sales organisations, and the Norwegian ("Sildesalgslaget") has the right to perform all such trade of pelagic fish in Norway. Sildesalgslaget has implemented a detailed set of rules for this sales activity, and the main rule is that catches are sold through auctions between the potential buyers (including Norway Pelagic). Both the Act and Sildesalgslaget's rules have recently been questioned and reviewed both from a political and legal angle, and it has been suggested to change the Act. Depending on a number of factors, it is not unlikely that the regulations regarding trade of unprocessed fish may change in the near future, both to the better and to the worse for Norway Pelagic.

### **1.5.4 Processing**

The production of pelagic fish follow established methods with automated and controlled processes. However, any production is vulnerable to production stops, impositions from governments etc.

### **1.5.5 Access to distribution of finished goods**

Norway Pelagic has no distribution of its own of the finished goods and is dependent on external distribution partners, such as access to logistics and shipping arrangements for considerable amount of tonnage. A period with limitation of access to such distribution can have negative effects on Norway Pelagic's business, profitability and financial condition.

In addition, impositions from a number of other authorities may impact the operation and profitability of one or more of Norway Pelagic's production sites, e.g. the environmental government (pollution control), the labour Inspection authorities, construction and building authorities etc.

### **1.5.6 Regulatory and quality issues**

Norway Pelagic is obliged to follow the guidance and measures provided by the Norwegian Food Safety Authority (Nw: —Mattilsynet ) concerning quality and hygiene at facilities. Fish, as a biological resource, may be exposed to diseases and bacteria that the Norwegian Food Authority or similar foreign authorities have to reflect in their

guidance and standards which may have an adverse impact on Norway Pelagic's business, operating results and financial condition.

#### **1.5.7 Exchange rate risk**

For Norway Pelagic, NOK is the reporting currency and the currency in which the share price is denominated. Revenues are also however to a large extent based in foreign currencies while considerable parts of the costs are based in NOK. Currencies and currency fluctuations may result in adjusted revenue in NOK for foreign sales. A sharp price appreciation of the NOK towards the trading currencies will have an impact, especially on short term earnings. In the longer term, there is a correlation between the market prices converted to NOK based on foreign currency and corresponding prices of raw material – especially on high turnover goods. Consequently, changes in market prices converted to NOK will over time be reflected in the raw material price and eliminate parts of the currency risk.

#### **1.5.8 Price risk**

The pelagic industry have had a relatively high level of operational risk, where imbalance between production capacity and available raw material combined with volatility and spot based prices on stock have lead to variable results. At the same time, the industry is marked by the fact that the supply of raw material is based on wild caught fish, and consequently will be variable and difficult to predict. Changes in price can adversely affect the profitability and financial condition of Norway Pelagic.

#### **1.5.9 Economic developments**

Exports account for the majority of Norway Pelagic total sales. Lower economic growth in general, a downturn in Norway Pelagic's export markets, or trade regulations and restrictions made by the governments in such countries, could have a negative effect on Norway Pelagic's business, profitability and financial condition. This could take form of reduced demand, losses on receivables resulting from customers' inability to pay their debts, etc. This could have a negative effect on Norway Pelagic's sales and profitability.

#### **1.5.10 Environmental issues**

Pelagic fish is exposed to negative interference from activities that can jeopardize the stock and its ability to reproduce, such as oil spills and seismic activity near spawning areas. Coastal waterways are subject to traffic by cargo carriers and sea transportation of oil is frequent along the Norwegian coast, and there are a number of oil drilling installations on the Norwegian continental shelf. This represents a defined environmental hazard in form of a potential oil spill. Exploitation of new oil fields is under consideration. Such spill is by nature extremely difficult to contain and consequences from such an event are highly unpredictable.

#### **1.5.11 Political risk and risks connected to limitations of access to markets**

A major proportion of Norway Pelagic's exports are to Russia, Ukraine and the Far East. Some of the countries i.a. Russia and Ukraine has a history of, and represents a considerable political risk in terms of i.a. that local regulatory bodies may change import regulations or that the local government may implement import restrictions, often due to regulations of Veterinary authorities. This may limit or total block Norway Pelagic's access to certain markets, which could have a material impact on Norway Pelagic's sales, profitability and financial condition.

### **1.6 Risks related to the Transaction and the Enlarged Group**

#### **1.6.1 Competition Authorities may not approve an acquisition of Norway Pelagic**

If a sufficient number of shareholders accept the Mandatory Offer, Austevoll Seafood will be in position to take control over Norway Pelagic. This requires notification to and approval by the competition authorities in Norway, Poland and Ukraine.

The Norwegian Competition Authority has cleared the transaction without conditions on the basis of a simplified notification as per 4 March 2013. The Offeror will in due time submit notifications to the Polish and Ukrainian Authorities.

There is no guarantee that the authorities in Poland and Ukraine will approve the take-over without conditions, and the handling of the notices may also take considerable time, ranging from a few to several months. The

authorities may prohibit or approve the transaction with or without conditions, and such conditions may include divestment of businesses before approval is granted.

In case of a prohibition, the failed take-over attempt will have resulted in costs, time consumption and decisions that may not have occurred if the process was never initiated. In such a situation the continued operation of Austevoll Seafood and Norway Pelagic as separate entities (although Norway Pelagic will remain an associated company of Austevoll Seafood) may, in several ways, experience a setback as compared to the Transaction process never having been started.

**1.6.2 The unaudited pro forma financial information included in this Information Memorandum may not necessarily reflect what the results of operations, financial condition and cash flows of the Enlarged Group would have been for the same period.**

Some of the operating and financial information for the Enlarged Group presented in this Information Memorandum has been derived from the unaudited condensed financial statements and accounting records of Norway Pelagic and, therefore, does not necessarily reflect what the results of operations and financial condition of the Enlarged Group would have been had Norway Pelagic Aluminium been operated by Austevoll Seafood in the relevant period, nor does the financial information on Norway Pelagic or the unaudited pro forma condensed financial information included in Section 7 necessarily reflect what the results of operations, financial condition and cash flow of Norway Pelagic or the Enlarged Group would have been had they been operated as a group in the relevant periods.

Other than Austevoll Seafood's existing minority interests in Norway Pelagic, Austevoll Seafood and Norway Pelagic have been operating their respective business operations separately prior to the Transaction. AUSS merged their business within human consumption in the North Atlantic into Norway Pelagic AS in July 2011 and by that increased their ownership in NPEL to 43.3 %. Before this transaction there is no prior history as a combined entity, and their operations have not previously been managed on a combined basis. Furthermore, the pro forma operating and financial information for the Enlarged Group presented in this Information Memorandum has been prepared for the purpose of illustratively presenting, as far as practicable, the financial position and results of operations of the Enlarged Group. This required the aggregation of financial information of the entities which make up the Enlarged Group, the elimination of intercompany transactions and balances and other pro forma adjustments. See Section 7 for details.

**1.7 Risk related to the Shares**

**1.7.1 General**

All share investments are connected with risks. The Company is exposed to fluctuations in the general economy, changes in e.g. interest rates and foreign exchange ratios will influence the financial situation of the Company.

**1.7.2 Price volatility of publicly traded securities**

The trading price of the Shares could fluctuate significantly in response to, amongst other factors, quarterly variations in operating results, adverse business developments, interest rate, changes in financial estimates by securities analysts, matters announced in respect of major customers or competitors, or changes to the regulatory environment in which the Company operates.

The market price of the Shares could decline due to sales of a large number of the Shares in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that is deemed appropriate.

**1.7.3 Control by major shareholders**

Laco AS is the main shareholder of Austevoll Seafood, and future sales of Shares by the major existing shareholder could impact the market price of the Shares.

**1.7.4 Exercise of voting rights for nominee shareholders**

Beneficial owners of Shares that are registered in a nominee account (e.g., through brokers, dealers or other third parties) may not be able to vote such Shares unless their ownership is re-registered in their names with the

Norwegian Central Securities Depository (VPS) prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of Shares will receive the notice for a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

#### **1.7.5 Enforceability of civil liabilities**

The Company is a public limited liability company organised under the laws of Norway. The majority of the directors of the Company and executives reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgements obtained in non-Norwegian courts, or to enforce judgements on such persons or the Company in other jurisdictions.

#### **1.7.6 Transfer restrictions**

The Company has not registered the Shares under the Securities Act or the securities laws of other jurisdictions other than the Kingdom of Norway, and the Company does not expect to do so in the future. The Shares may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act), nor may they be offered or sold in any other jurisdiction in which the registration of the Shares is required, but has not taken place, unless an exemption from the applicable registration requirement is available or the offer or sale of the shares occurs in connection with a transaction that is not subject to these provisions. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or subscription rights.

#### **1.7.7 Foreign shareholders may be diluted if they are unable to participate in future offerings**

Foreign shareholders may be diluted if they are unable to participate in future offerings

Because non-Norwegian investors may be unable to participate in future offerings, their percentage shareholding, if they have been allotted Shares in the offering, may be diluted. Unless otherwise resolved by the general meeting, shareholders in Norwegian limited liability companies such as the Company, have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to new Shares issued by the Company. For reasons relating to foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of Shares or other securities and may face dilution as a result.

U.S. holders of Shares may not be able to receive trade or exercise pre-emptive rights for new Shares unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. The Company is not a registrant under the U.S. securities laws. If U.S. holders of Shares are not able to receive trade or exercise pre-emptive rights granted in respect of their Shares in any rights offering by the Company, then they may not receive the economic benefit of such rights. In addition, their proportional ownership interests in the Company will be diluted. Inability to receive trade or exercise pre-emptive rights for new Shares due to local restrictions may also apply in other jurisdictions.

#### **1.7.8 Norwegian law may limit the shareholders' ability to bring an action against the Company**

The Company is a public limited company incorporated under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the Articles of Association. These rights differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by a company in respect of wrongful acts committed against the company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

## 2 RESPONSIBILITY STATEMENT

### Statement from the Board of Directors of Austevoll Seafood

This Information Memorandum has been prepared by the Company to provide information to its shareholders and prospective investors in connection with the Transaction.

The Board of Directors of the Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the Information Memorandum is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Storebø, Norway, 18 March 2013

The Board of Directors of Austevoll Seafood ASA

Helge Singelstad  
Chairman

Lill Maren Møgster

Helge Møgster

Hilde Waage

Oddvar Skjegstad

Inga Lise L. Moldestad

### 3 THE ACQUISITION OF NORWAY PELAGIC

#### 3.1 The Transaction

Norway Pelagic has a share capital of NOK 18,429,322 divided into 18,429,322 shares with a nominal value of NOK 1.00 (the “**Norway Pelagic Shares**”). Prior to the Transaction Austevoll Seafood held 7,978,994 Norway Pelagic Shares, constituting 43.3 % of the total number of shares. Under the Transaction Austevoll Seafood acquired an additional 6,366,917 or 34.55 % of the Norway Pelagic Shares, bringing Austevoll Seafood’s total ownership in Norway Pelagic up to 14,345,911 shares or 77.84 %.

The Transaction comprises ten separate transactions completed by Austevoll Seafood in the period 6 February 2013 to 15 February 2013:

**(i) Acquisition of 1,720,000 shares in Norway Pelagic on 6 February 2013**

On 6 February 2013 Austevoll Seafood announced the purchase of 1,720,000 Norway Pelagic Shares at an average price of NOK 15.10 per share. Maximum price paid was NOK 15.50 per share. After the purchase, Austevoll Seafood owned a total of 9,698,994 Norway Pelagic Shares representing 52.63 % of the outstanding shares.

With an initial shareholding of 43.3 %, any purchase of Shares would oblige Austevoll Seafood to make a mandatory offer for the remaining Shares, cf. Section 6-6 (2) of the Norwegian Securities Trading Act. Consequently, on 6 February 2013 Austevoll Seafood announced its intention to submit a mandatory offer to acquire the remaining Norway Pelagic Shares within the deadline of four weeks set forth in the Norwegian Securities Trading Act. The offer price is NOK 15.50 per share.

**(ii) Acquisition of an additional 4,646,917 shares in Norway Pelagic during the period from 6 to 15 February 2013**

Thereafter, through a series of nine purchases, Austevoll Seafood has acquired 4,646,917 additional Norway Pelagic Shares, each at a price of NOK 15.50. As a result, on the date of this Information Memorandum, Austevoll Seafood owns 14,345,911 shares, representing 77.84 % of all the shares.

**(iii) The Mandatory Offer**

On 6 March 2013, and as a consequence of the acquisition on 6 February 2013 (cf. Section 3.1 (i) above), the Company put forward a mandatory offer for the remaining Norway Pelagic Shares not already owned by Austevoll Seafood at an offer price of NOK 15.50 per share (the “**Mandatory Offer**”), in accordance with Section 6-1 of the Norwegian Securities Trading Act.

The acceptance period under the Mandatory Offer is from 6 March 2013 to 3 April 2013. Payment to the shareholders of Norway Pelagic who will accept the offer will be made on 10 April 2013. The Norway Pelagic Shares for which Austevoll Seafood will receive acceptances will be transferred to Austevoll Seafood on 10 April 2013.

As of the date of this Information Memorandum, Austevoll Seafood holds 14,345,911 Norway Pelagic Shares, representing 77.84 % of the total number of issued and outstanding shares and votes in Norway Pelagic. In addition Norway Pelagic holds 38,296 Norway Pelagic Shares (treasury shares).

Once the required approvals from the relevant competition authorities are in order (cf. Section 1.6.1), Austevoll Seafood may exercise voting powers over their new Norway Pelagic Shares, and from that point in time Norway Pelagic will be fully consolidated into the Austevoll Seafood Group.

The Company is aware that completion of the Transaction may have as a consequence that the conditions for shares to be listed on Oslo Børs will no longer be fulfilled for the Norway Pelagic Shares. The Company does currently not have any plans for a downwards sale of Norway Pelagic Shares.

#### 3.2 Background and reason for the Transaction

The purpose of the Mandatory Offer is to satisfy the requirement in the Norwegian Securities Trading Act to put forward an unconditional offer to acquire the remaining outstanding and issued shares of Norway Pelagic not already owned by Austevoll Seafood, a requirement Austevoll Seafood triggered by acquiring Norway Pelagic Shares on 6 February 2013, cf. Section 3.1 (i) above.



The transaction is in line with Austevoll Seafood’s strategy of growth within its main segments, in this case within the pelagic sector in the North Atlantic. Norway Pelagic is a large participant within the processing industry of pelagic fish for human consumption. Norway Pelagic activities consist of purchase of raw material, processing and sale. These activities are based on fish stocks in the Norwegian Sea, The North Atlantic and the North Sea. Norway Pelagic has modern environmental friendly production facilities, mainly located along the Norwegian coast, and is a participant in a global competition exposed industry, and has customers based in several continents.

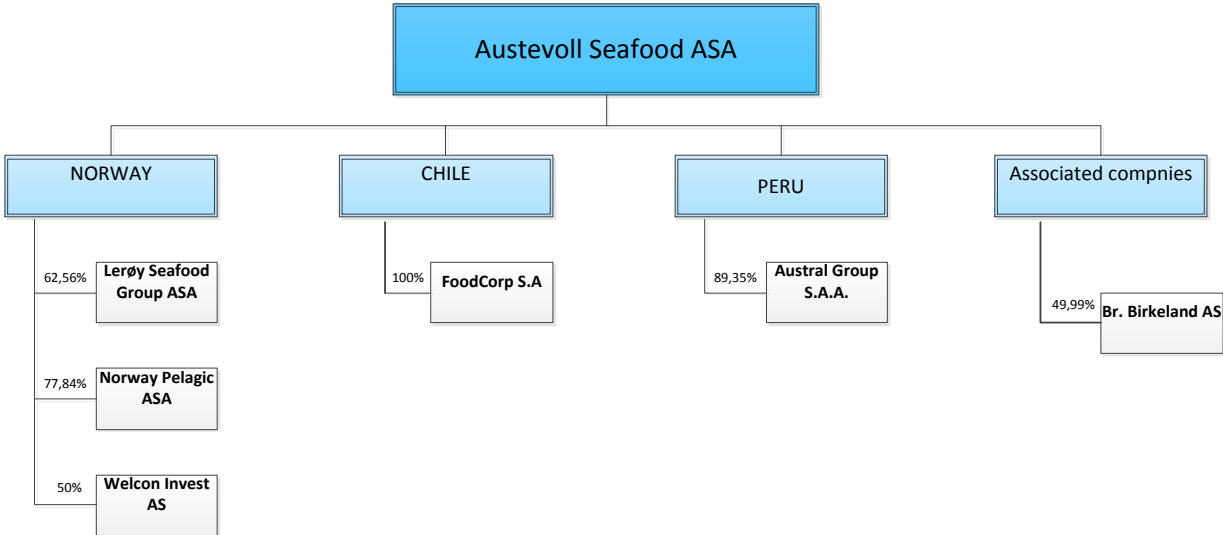
**3.3 Financing of the Transaction**

Austevoll Seafood financed the Transaction by drawing on available funds.

As required by the Norwegian Securities Trading Act, Austevoll Seafood established a bank guarantee covering its obligation to pay for the Norway Pelagic Shares to be acquired pursuant to acceptances received under the Mandatory Offer. The security for rightful payment was provided in the form of a guarantee from DNB Bank ASA. The original guarantee was deposited with Oslo Børs.

**3.4 Information about the Enlarged Group after the acquisition**

**3.4.1 Legal structure after the Transaction**



For information of complete Legal structure see Appendix no. 1.

**3.4.2 The significant operating group companies after the Transaction**

Austevoll Seafood is the ultimate parent company of the Austevoll Seafood Group. The significant operating group companies within the Austevoll Seafood Group are as follows:

**Norway:**

Lerøy Seafood Group ASA (62.56 %), Norway Pelagic ASA (77.84 %) and Welcon AS (50 %).

**Chile:**

FoodCorp S.A. (100 %)

**Peru:**

Austral Group S.A.A (89.35 %)

**3.4.3 The Transaction’s significance for the earnings, assets and liabilities of the Enlarged Group**

As of the date of this Information Memorandum, Austevoll Seafood owns 77.84 % of the issued and outstanding shares in Norway Pelagic, and Norway Pelagic will therefore be fully consolidated from the date of which control will be transferred to Austevoll Seafood. A full consolidation means that the Norway Pelagic Group’s assets and

liabilities will be incorporated in Austevoll Seafood's consolidated balance sheet and that the Norway Pelagic Group's revenue, operating profit and net profit will be incorporated in Austevoll Seafood's consolidated profit and loss statement. The purchase method of accounting has been used to account for the acquisition of a subsidiary. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. See Section 7 for further information regarding pro forma financial information to reflect the impact of the Transaction on Austevoll Seafood.

### **3.5 Expenses**

The Company's expenses relating to the Transaction, primarily fees to the Manager and to the Company's auditors and legal and financial advisors, are currently estimated at approximately NOK 2 million. Additional expenses may be incurred in relation to the Transaction.

## 4 SHORT DESCRIPTION OF NORWAY PELAGIC

### 4.1 Company information

Norway Pelagic is a Norwegian public limited liability company organized under the laws of Norway, including the Norwegian Public Limited Companies Act, with Norway as its home state, and with organisation number 989 094 823. The company was incorporated on 7 December 2005 and registered with the Norwegian Register of Business Enterprises on 28 December 2005. The Norway Pelagic Shares have been listed on Oslo Børs since 2008 under the ticker code "NPEL".

The company's principal place of business is in Ålesund, Norway Its registered office is Keiser Wilhelmsgt. 23 B, 6001 Ålesund, Norway, its telephone number is +47 57 84 44 00, its facsimile number is +47 57 84 44 00 and its web-site address is [www.norwaypelagic.no](http://www.norwaypelagic.no).

The Norway Pelagic Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form in the VPS under the International Securities Identification Number ("ISIN") NO 0010373384. The company's registrar is Nordea Bank Norge ASA, Securities Services, Issuer Services, Essendrops gate 7, P.O.Box 1166 Sentrum, N-0107 Oslo, Norway, telephone number +47 22 48 62 62 and facsimile number +47 22 48 63 49.

The table below shows the historical development of the company's share capital and the number of issued and outstanding shares in the company for the period 1 January 2009 and to the date of this Information Memorandum:

Date	Type of change	Change in issued share capital (NOK)	Par value per Share (NOK)	Total issued share capital (NOK)	Number of Shares
19.06.2008	IPO	158,000	1,00	14,536,251	14,536,251
08.09.2009	Private placement	1,124,117	1,00	15,660,368	15,660,368
01.07.2011	Increase of share capital by contribution in kind	2,768,954	1,00	18,429,322	18,429,322

The operations of Norway Pelagic consists of production and export sales of pelagic products such as herring, mackerel and capelin products to customers throughout the world.

The Norway Pelagic Group is among the largest producers of pelagic fish in the North Atlantic. The group has the main office in Ålesund and sales office in Ålesund and Austevoll, in addition to plants at Honningsvåg, Sommarøy, Lødingen, Bodø, Træna, Liavåg, Selje, Måløy, Kalvåg, Florø, Austevoll, Karmøy, Sirevåg and Lerwick (Shetland)

Norway Pelagic bids for catches of pelagic fish through four daily auctions organized by Norges Sildesalgslag. The catches are delivered by the individual purse seiners to the processing plants. The company is then sorting, filleting, packing and freezing the products for further storage at the individual plants before the company sells the products to customers in Russia, Eastern Europe, EU, Japan & Far East and Africa. Given the relatively short pelagic fish season, Norway Pelagic has large storage facilities in order to be able to serve customers throughout the year.

The table below provides an overview of the Norway Pelagic Group's production facilities.

Location plants:	Production capacity		Cold storage capacity
	(per day)	Filleting machines	
North Capelin Honningsvåg	450	-	10 000
Sommarøy	500	9	3 000
Lødingen	450	8	11 000
Bodø	400	6	7 000
Modolv Sjøset, Træna	800	11	5 000
Liavåg	800	12	12 500
Selje	500	3	7 000
Måløy	600	16	28 000
Kalvåg	450	11	3 500
Florø	600	13	10 000
Austevoll	450	8	10 000
Karmøy	350	-	5 500
Sir Fish, Sirevåg	350	5	5 000
Shetland Catch, Lerwick	1 000	11	11 000

#### 4.2 Board, management and employees

Norway Pelagic's Board of Directors has the following members: Arne Møgster (Chairman), Britt Kathrine Drivenes, Agnar Lyng, Anne-Sofie Utne, Magnus Ytterstad, Endre Sekse (staff representative) and Jorunn Frøyen (staff representative).

Norway Pelagic's executive management are:

Tor Vikenes (born 1959), CEO Norway Pelagic ASA. Mr. Vikenes holds a master's degree in business and administration. Mr. Vikenes has wide experience from executive positions within the pelagic fishing industry, industrial activity and management consulting, and has since the autumn of 2011 been the CEO in Norway Pelagic ASA.

Other members of the executive management are: Gunnar Domstein, Knut Peder Eriksen, Helge Blålid, Tore Storebø and Knut Magne Domstein.

As per 31 December 2012, the Norway Pelagic Group employs approximately 480 persons.

#### 4.3 Share capital and shareholder information

The registered share capital in Norway Pelagic is NOK 18,429,322 divided into 18,429,322 shares, each with a par value of NOK 1.

According to transcript from the VPS on 12 March 2013, Norway Pelagic had a total of 1,235 shareholders; of which 1,196 were Norwegian and 39 were non-Norwegian shareholders.

To the knowledge of the Company, the following shareholders as appeared in the VPS on 12 March each have shareholdings which are notifiable, as the Company is aware of:

Shareholder	Number of Shares	%
1 Austevoll Seafood ASA.....	14,345,911	77.84 %

#### 4.4 Trend information

Norway Pelagic operates in the global market place as Austevoll Seafood, and to Austevoll Seafood's knowledge, Norway Pelagic is affected by the same significant trends which affect Austevoll Seafood's business. To Austevoll Seafood's knowledge, and with reference to Section 5.9 below, Norway Pelagic has therefore not experienced any changes or trends outside the ordinary course of business that are significant to the Norway Pelagic after 31 December 2012 and to the date of this Information Memorandum, and Austevoll Seafood does not know of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Norway Pelagic's prospects for the current financial year other than those described elsewhere in this Information Memorandum (see in particular Section 1.5 "Risks related to the Norway Pelagic Group").

#### 4.5 Material contracts

Norway Pelagic, or any other company within the Norway Pelagic Group, have not entered into any material contracts other than in the ordinary course of business for the two years preceding publication of this Information Memorandum of which the Company is aware.

#### 4.6 Legal and arbitration proceedings

To the best of the Company's knowledge, the Norway Pelagic Group is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the recent past significant effects on Norway Pelagic and/or the Norway Pelagic Group's financial position or profitability, nor has Norway Pelagic been involved in any such proceedings during the past 12 months.

#### 4.7 Selected financial information

Below is a summary of the financial statements for the Norway Pelagic Group which has been derived from the audited financial statements for the financial years ended 31 December 2009, 2010 and 2011, for the unaudited fourth quarter ended 31 December 2012 and 2011, and for the full year ended 31 December 2012.

##### 4.7.1 Condensed consolidated income statements

<b>Operating Income</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>Q4 2012</b>	<b>Q4 2011</b>	<b>2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>Operating income</b>	<b>3,637,700</b>	<b>2,616,666</b>	<b>2,643,801</b>	<b>1,284,600</b>	<b>1,667,000</b>	<b>3,593,000</b>
Operating expenses	-3,469,500	-2,465,765	-2,452,750	-1,208,500	-1,555,700	-3,514,200
<b>EBITDA</b>	<b>168,200</b>	<b>150,901</b>	<b>191,051</b>	<b>76,100</b>	<b>111,300</b>	<b>78,800</b>
Depreciation and amortization	-51,500	-29,603	-22,687	-22,000	-24,500	-64,000
<b>Operating profit</b>	<b>116,700</b>	<b>121,298</b>	<b>168,364</b>	<b>54,000</b>	<b>86,700</b>	<b>14,800</b>
Income from associated companies	-4,600	0	0	27,100	-700	17,600
Net financial items	-29,500	-3,396	-17,428	-11,200	-11,400	-48,400
<b>Profit before tax</b>	<b>82,500</b>	<b>117,902</b>	<b>150,936</b>	<b>70,000</b>	<b>74,600</b>	<b>-16,000</b>
Income tax expenses	-24,700	-33,123	41,732	-13,500	-21,400	8,000
<b>Net income</b>	<b>57,800</b>	<b>84,779</b>	<b>109,204</b>	<b>56,500</b>	<b>53,200</b>	<b>-8,000</b>

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the Company's interim financial report for Q4 2012.

#### 4.7.2 Condensed consolidated statement of financial position as of:

<b>Balance sheet</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<i>ASSETS</i>				
Total fixed assets	1,092,700	777,081	715,792	1,142,500
Total current assets	1,397,900	930,697	865,130	1,297,600
<b>TOTAL ASSETS</b>	<b>2,490,600</b>	<b>1,707,778</b>	<b>1,580,922</b>	<b>2,440,100</b>
<i>EQUITY</i>				
Total equity	1,029,500	873,800	867,132	1,017,900
<i>LIABILITIES</i>				
Total long-term liabilities	500,400	396,283	225,558	766,700
Total short-term liabilities	960,800	437,695	488,232	655,600
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,490,600</b>	<b>1,707,778</b>	<b>1,580,922</b>	<b>2,440,100</b>

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the Company's interim financial report for Q4 2012.

#### 4.7.3 Condensed consolidated statement of cash flow

<b>Cash flow</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>Q4 2012</b>	<b>Q4 2011</b>	<b>31.12.2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Net cash flows from operating activities	60,600	38,314	121,536	-380,900	195,200	187,500
Net cash flows from investing activities	-118,800	-86,641	-52,841	-50,300	-28,600	-115,400
Net cash flows from financing activities	63,400	35,215	-76,988	321,700	-155,300	-76,100
<b>Net cash flow in the accounting period</b>	<b>5,200</b>	<b>-13,112</b>	<b>-8,293</b>	<b>-4,000</b>	<b>11,300</b>	<b>-4,000</b>
Cash position at beginning of period	20,400	33,511	41,804	131,100	14,300	25,600
<b>Cash position at end of period</b>	<b>25,600</b>	<b>20,399</b>	<b>33,511</b>	<b>21,600</b>	<b>25,600</b>	<b>21,600</b>

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the Company's interim financial report for Q4 2012.

#### 4.7.4 Comments to the historical financial information

##### 2009

##### Result

The Group's net operating revenues in 2009 were NOK 2.643,8 million. EBITDA was NOK 191.1 million and operating result (EBIT) was NOK 168.4 million. Net income were NOK 150.9 million before tax and NOK 109.2 million after tax.

##### Balance Sheet

The Group's total assets per 31st December 2009 was NOK 1,581 million and book equity was NOK 867.1 million, corresponding to an equity ratio of 54.8 %. As at 31st December 2009 net interest bearing debt was NOK 453.0 million. Due to seasonal fluctuations, working capital requirements vary during the year. Average interest bearing debt in 2009 was about NOK 350 million.

##### Cash flow

Cash flow from operations for the Group was NOK 121.5 million, while cash flow from investing activities and financing activities were respectively NOK -52.8 million and NOK -77.0 million. The opening balance in the period was NOK 41.8 million, while the closing balance was NOK 33.5 million.

##### 2010

## Result

The Group's net income in 2010 was NOK 2,616.7 million compared to NOK 2,643.8 million in 2009. The decrease in net income was owing to lower volumes of products sold, and was only partly compensated by a higher average price level of the products. The quantities of sold products were reduced from about 458,000 tons to about 442,000 tons. The Group experienced a price increase of herring products of about 20 % from 2009 to 2010, which contributed positively to net income. EBITDA for 2010 was NOK 150.9 million, compared to NOK 191.1 million in 2009. Profits were reduced mainly because of lower volumes and structural costs.

## Balance Sheet

The book value of the Group's assets was NOK 1,707.8 million per 31.12.2010. The book value of equity per 31.12.2010 was NOK 873.8 million. The Group had an equity share of 51.2 % by the end of 2010. The Group's net interest bearing debt per 31.12.2010 was NOK 583.1 million compared to NOK 453.0 million by the end of 2009. The increase of NOK 130.1 million was mainly related to lower cash flow from operations and an increased level of investments in operating equipment. The Group's main source of financing was a syndicate loan administered by Nordea Bank, of total NOK 570 million, which was regulated according to natural cycles in the industry.

## Cash flow

The Group's net cash flow from operating activities was NOK 38.3 million in 2010 compared to NOK 121.5 million in 2009. The reduction was mainly related to increased value of stocks, but also related to lower profits for the year. Net cash flow from investing activities through 2010 was NOK -86.6 million compared to NOK -52.8 million in 2009. The increase was mainly related to NOK 43.5 investment in operating equipment from the Emy Fish and Brødr. Myhre takeover. Consequently, other investments were somewhat reduced compared to 2009. Net cash flow from financing activities through 2010 was NOK 35.2 million compared to NOK -77.0 million in 2009. The increase was mainly related to increased use of drawing facilities. The net change in cash for the period was NOK -13.1.

## 2011

### Result

The group's operating revenues in 2011 was NOK 3,637.7 million, compared with NOK 2,616.0 million in 2010. Despite growth following the merger with Austevoll Fisk AS in July 2011, the volume of products sold was reduced from 480,000 tons to 420,000 tons. EBITDA for 2011 was NOK 168.2 million, compared with NOK 150.9 million in 2010. The corresponding pro forma EBITDA for 2011 was NOK 187.7 million, compared with NOK 215.6 million in 2010. The main reason for the reduction in earnings was less available raw materials. Increased margins partly compensated for lower volumes.

### Balance sheet

The book value of the group's assets was NOK 2,490.6 million as of 31 December 2011, compared with NOK 1,707.8 million at the end of 2010. The increase was related to assets acquired in connection with the merger between Norway Pelagic AS and Austevoll Fisk AS, generally higher prices for the group's products and increased investments over and above ordinary depreciation. Book value of equity at 31 December 2011 was NOK 1,029.5 million and the equity ratio was 41.3 % at the end of 2011.

The group's net interest-bearing debt as of 31 December 2011 amounted to NOK 1,052.7 million. Average interest-bearing debt during the year was NOK 690 million. The amount of tied-up capital varies with the industry's seasonal variations. The average tied-up capital was higher in 2011 than in 2010. This was related to prolonged storage of herring products and an increase in the general price level, especially for herring.

### Cash flow

The group's cash flow from operating activities amounted to NOK 60.6 million in 2011, compared with NOK 38.3 million in 2010. The net cash flow from investment activities for 2011 amounted to minus NOK 118.8 million, compared with minus NOK 86.6 million in 2010. The decrease was mainly due to an investment of NOK 65 million in a new cold storage warehouse in Måløy. The level of ordinary maintenance and development investments was thus lower than in 2010. The net cash flow from financing activities in 2011 amounted to NOK 63.4 million, compared with NOK 35.2 million in 2010. The increase was mainly related to increased short-term financing of

operations. The opening balance in the period was NOK 20.4 million, while the closing balance was NOK 25.6 million.

#### **Q4 2011**

##### Result

The Group's operating revenues in Q4 2011 were NOK 1,667.0 million compared to NOK 1,344.7 million in the same period in 2010 (pro forma). The increase was related to higher price level on herring and mackerel. EBITDA in Q4 2011 was NOK 111.3 million compared to NOK 96.6 million in Q4 2010. The increase was mainly related to a shift in mackerel season from Q3 to Q4, hence turnover in Q4 has increased.

##### Cash flow

Cash flow from operations for the Group was NOK 195.2 million in Q4 2011, while cash flow from investing activities and financing activities were respectively NOK -28.6 million and NOK -155.3 million in the same period. The opening cash balance in the period was NOK 14.3 million, while the closing cash balance was NOK 25.6 million.

#### **2012**

##### Result

The group's operating revenues in 2012 was NOK 3,593.0 million, compared with NOK 3,637.7 million in 2011. EBITDA for 2012 was NOK 78.8 million, compared with NOK 168.2 million in 2011. The main reason for the reduction in earnings was lower margins on both mackerel and herring and especially on mackerel bought in the autumn of 2011 where the raw material price was at a very high level. As market prices decreased during 2012, the margins on the inventory from the autumn of 2011 decreased.

##### Balance sheet

The book value of the group's assets was NOK 2,440.1 million as of 31 December 2012, compared with NOK 2,490.6 million at the end of 2011. Book value of equity at 31 December 2012 is NOK 1,017.9 million and the equity ratio is 41.7 % at the end of 2012.

The group's net interest-bearing liabilities as of 31 December 2012 amounted to NOK 965 million compared to NOK 1.053 million as of 31 December 2011. The decline in net interest bearing debt is related to, among others, lower prices on raw material purchased in the autumn of 2012 compared to same period in 2011 and less debt drawdown.

##### Cash flow

Cash flow from operations for the Group was NOK 187.5 million in 2012, while cash flow from investing activities and financing activities were respectively NOK -115.4 million and NOK -76.1 million. The opening cash balance in the period was NOK 25.6 million, while the closing cash balance was NOK 21.6 million.

#### **Q4 2012**

##### Result

The Group's operating revenues in Q4 2012 were NOK 1,284.6 million compared to NOK 1,667.0 million in the same period in 2011. The decline is related to lower price level on mackerel and less sold herring, horse mackerel and capelin. EBITDA in Q4 2012 was NOK 76.1 million compared to NOK 111.3 million in Q4 2011. The decline in EBITDA is mainly related to lower margins on both mackerel and herring.

##### Cash flow

Cash flow from operations for the Group was NOK -380.9 million in Q4 2012, while cash flow from investing activities and financing activities were respectively NOK -50.3 million and NOK 321.7 million in the same period. The opening cash balance in the period was NOK 131.1 million, while the closing cash balance was NOK 21.6 million.

#### **4.8 Significant change in the company's financial or trading position**

The Company is not aware of any significant changes in the financial or trading position of Norway Pelagic which has occurred since 31 December 2012, other than the Transaction as described in Section 3



## 5 INFORMATION ABOUT AUSTEVOLL SEAFOOD

### 5.1 Incorporation, registered office and registration number

Austevoll Seafood is a Norwegian public limited liability company (Nw: "allmennaksjeselskap") organised under the laws of the Kingdom of Norway and the Norwegian Public Limited Liabilities Act. The Company was incorporated as a private limited liability company (Nw: "aksjeselskap") on 14 April 1981 under the name Austevoll Havfiske AS, and transformed into a public limited liability company with the name Austevoll Seafood ASA in May 2006. The Company's business registration number with the Norwegian Register of Business Enterprises is 929 975 200.

According to the Articles of Association, the Company's registered office and principal place of business is at Alfabygget, N-5392 Storebø, Norway. The Company's telephone number is +47 56 18 10 00, telefax number +47 56 18 10 03. The Company's web site is [www.auss.no](http://www.auss.no).

The Company's share capital as of the date of this Information Memorandum is NOK 101,358,687, divided into 202,717,374 Shares, with a par value of NOK 0.50 per Share. There is one class of shares. The Shares are equal in all respects, and each Share carries one vote at the Company's general meeting.

### 5.2 Historical development of share capital

The table below shows the historical development of the Company's share capital and the number of issued and outstanding shares in the Company for the period 1 January 2009 and to the date of this Information Memorandum:

Date	Type of change	Change in issued share capital (NOK)	Par value per Share (NOK)	Total issued share capital (NOK)	Number of Shares
01.01.2009			0.50	92,158,687	184,317,374
25.09.2009	Increase of share capital by Cash contribution	9,200,000	0.50	101,358,687	202,717,374
31.12.2010			0.50	101,358,687	202,717,374
31.12.2011			0.50	101,358,687	202,717,374
31.12.2012			0.50	101,358,687	202,717,374

### 5.3 History and development

The history of Austevoll Seafood can be summarised as follows:

- 1981: Company established by Alf Møgster, Helge Møgster and Ole Rasmus Møgster, as pelagic fishery company and fish farming company
- 1991: Started Pacific Fisheries in Chile
- Austevoll Havfiske AS has since been developed into Norway's leading pelagic fishery company
- 2000: Merged with Laco II AS, which was the holding company for salmon farming activities
- 2006: 11 October, the Company was listed on the Oslo Børs with the ticker code "AUSS"
- 2006: Infusion of approx NOK 2.3 billion of new capital through a share issue
- 2009: Completed a private placement for a total of 18,400,000 new shares
- Acquisitions and divestments:
  - 2000: Br Birkeland AS, 35.77 %

- 2003: Acquisition of 100 % of FoodCorp S.A in Chile
- 2006
  - Acquisition of 89.26 % of Austral Group S.A.A in Peru
  - Acquisition of 100 % of Welcon Invest AS in Norway
  - Increased ownership in Br. Birkeland AS to 40.2 %
  - Infusion of approx NOK 2.3 billion of new capital through a share issue
  - Listed on the Oslo Stock Exchange's main list
  - Acquisition of 100 % of the shares in Karmsund Fiskemel AS, Norway
- 2007
  - Acquisition of 100 % of Epax AS, Norway
  - Sale of the salmon business to Lerøy Seafood Group ASA (LSG)
  - Increased ownership in Sir Fish AS, Norway, to 60 %
  - Acquisition of 25 % of the share capital in Shetland Catch Ltd, Shetland
  - Acquisition of 50 % of Corporacion del Mar S.A. (Cormar), Peru
- 2008
  - Acquisition of 40 % of Bodø Sildoljefabrikk AS, Norway
  - Increased ownership in Modolv Sjøset AS from 49.88 % to 66 %
  - Increased ownership in Lerøy Seafood Group ASA to 74.93 %
- 2009
  - Joint Venture with Origin Enterprises plc for the fishmeal-and oil business Welcon Invest AS
  - Decreased ownership in Lerøy Seafood Group ASA to 63.7 %
  - Increased ownership in Bodø Sildoljefabrikk AS from 40 % to 50 %
- 2010
  - Acquisition of 33.27 % of the share capital of Norway Pelagic ASA (NPEL)
  - Sale of the entire shareholding of Epax Holding AS
- 2011
  - Increased ownership in Norway Pelagic ASA (NPEL) from 33.27 % to 43.3 %
  - Increased ownership in Br. Birkeland AS from 40.2 % to 49.99 %
- 2012
  - Acquisition of 50 % of the shares in Hordafor AS through Welcon Invest AS
  - Acquisition of 50.1 % of Rodewise through Lerøy Seafood Group ASA

## 5.4 Legal structure and related parties

For information of complete Legal structure see Appendix no. 1.

Austevoll Seafood is the ultimate parent company of the Austevoll Seafood Group. The significant operating group companies within the Austevoll Seafood Group are as follows:

### Norway:

Lerøy Seafood Group ASA (62.56 %), Norway Pelagic ASA (77.84 %) and Welcon AS (50 %).

**Chile:**

FoodCorp S.A. (100 %)

**Peru:**

Austral Group S.A.A (89.35 %)

## **5.5 Business overview**

The Austevoll Seafood Group is a significant player in the salmon farming industry, pelagic fishery, fish meal/oil production, processing of fish for human consumption and sale of fish products. The activities of the Enlarged Group are mainly located in Norway, UK and South-America..

## **5.6 Goals and strategy**

To be a leading profitable provider of sustainable seafood based products focused on innovation, social responsibility and high environmental standards, optimizing a global value chain and bringing exiting solutions to the market.

## **5.7 Austevoll Seafood's principal activities**

As a globally integrated pelagic fishery and seafood specialist, Austevoll Seafood ASA (AUSS) operates through subsidiaries and associated companies, fishing vessels with licensed quotas in three of the world's most important fishery countries - Norway, Chile and Peru. Committed to providing quality products to its customers, AUSS employs sophisticated fishing technology and responsible fishing strategies that harvest ocean resources without compromising the sustainability of such.

Through its activities in fishing fleet, fishmeal and oil plants, canning plants, frozen fish plants, salmon farming and sales, AUSS's integrated operation ensures a high level of freshness is maintained in its products - from fishing waters to finished products.

Over the last decade, AUSS has acquired a significant number of companies of a complementary nature to its existing business areas. AUSS' success lies in the integration of these businesses and creating synergies and value-added businesses through co-operations across all our business areas.

A company overview is shown below:

## Company overview

	PERU	CHILE	NORTH ATLANTIC	AUSTEVOLL SEAFOOD GROUP
Activities				
Harvesting	7% of Anchovy quota centre-north - 21 fishing vessels	9.1% of pelagic fishing quota - 5 fishing vessels	2 fishing vessels*	<b>500-600,000 tons of pelagic fish (28 vessels)</b>
Salmon			130 salmon licenses 7 salmon licenses*	<b>150,000-160,00 tons of salmon</b>
Processing	7 meal & oil plants 3 canning plants 2 freezing plants	2 meal & oil plants 2 canning plants 1 freezing plant	6 meal & oil plants 1 storage/blending 2 FPC plants 16 freezing plants* 14 salmon processing plants	<b>56 processing plants handling over 1.8 mill tons of pelagic fish annually</b>
Sales & Distribution	Own sales organisation	Own sales organisation	Own sales organisation	<b>Wholesale with global sales &amp; distribution</b>

\* Associated company

### 5.8 Segments

Below is an overview of key business segments by country and region:

Segments/Region	North Atlantic	Chile	Peru
<b>Fishmeal and Oil</b>			
<b>Human Consumption</b>			
<b>Pelagic North Atlantic</b>			
<b>Production - Salmon and Trout</b>			
<b>Sales and Distribution (LSG)</b>			

*\*North Atlantic operation includes, Norway, Ireland, and the UK.*

#### 5.8.1 Fishmeal and oil

Fish meal is one of the main ingredients in fish feed and other animal feed. This product is priced on the level of its protein content. Given the growth in aquaculture worldwide, the demand for fish meal is believed to remain high. Fish oil mainly used as an ingredient in feed for aquaculture. The latest years there has been a rapidly increasing demand for fish oil from the producers of high concentrate Omega-3 oils, with expected continuing growth in the future.

The main sources for fish meal and fish oil production differ according to geographic area for the group. In Europe trimmings from the pelagic fish going in for human consumption production, as well as whole capelin, blue whiting, pout and sand eel are the main sources for fish meal and fish oil. In 2011 approximately 54 % of the raw material

produced at the Group's plants in Europe was from trimmings. The main season for fishmeal and fish oil production is between September and May, with peaks from November to March.

In Norway, all raw materials are purchased through an auction system run by Norges Sildesalgslag (the Norwegian Fishermen's Sales Association for Pelagic Fish), except trimmings from the human consumption industry. These are purchased directly from the production plants. In UK and Ireland the raw material are purchased directly from the fishermen for the whole fish and the trimmings are bought directly from the consumption production plants.

In Chile, the main sources for production of fishmeal and fish oil are anchoveta and trimmings from the human consumption industry. Anchoveta is mainly purchased from the coastal fleet, while trimmings are supplied from the Group's own plants processing fish for human consumption. The fishing season for anchoveta is principally from February to July, and the season for trimmings is from December to September.

In Peru, the main sources for production of fishmeal and fish oil are anchoveta and trimmings. The group's company, Austral Group S.A.A, in Peru has quota for anchoveta fishing. Anchoveta fishing has historically been based on an "Olympic system", whereby a total quota was established for the entire Peruvian fleet. A new legislation based on individual quotas was adopted for the first time in 2009. The total days of fishing increased compared to earlier year and new system allows the industry to move from an expensive way of harvesting with the "Olympic race", to maximising product value through economies of scale and improvements in the quality of both raw material and finished products. Trimmings are supplied from our own plants processing fish for human consumption. The fishing licence is 6.9 % of the anchoveta quota in region Center/North and 3.98 % of the anchoveta quota in region South.

Austral Group S.A.A has "Friend of the Sea" certification. This audit conducted by an independent accredited certification body with in-depth knowledge of the fishery, focusing on anchovies. Certification is given to products from anchovies and may only be given at the end of a comprehensive audit process. The certification given to Austral Group S.A.A covers fishmeal, fish oil, canned and frozen products from Peruvian anchovy. The Certification also witness that the fishery is managed according to sustainable criteria and stocks are not overfished.

All the Group's operating plants in Peru and Europe are also certified with the IFFO RS certification given by the independent body Global Trust. This will demonstrate a responsible sourcing of the Group's products.

### **Market outlook**

The prices for fishmeal have been on the increase throughout the year. Due to limited access to raw materials in the short term, the prices for fishmeal and fish oil are expected to see a further increase in the near future. The total provisional quota for anchoveta in Peru was 810,000 tons for the second fishing season in 2012. The corresponding quota for the same season in 2011 was 2.5 million tons.

### **5.8.2 Human consumption**

The Group's human consumption products are canned horse mackerel, mackerel, sardines, tuna fish, salmon and mussels and frozen and fresh horse mackerel and mackerel.

The group produces canned products from various species such as horse mackerel, mackerel, sardines, tuna fish, salmon and mussels. The shelf life of canned fish is up to 5 years, and logistics are very simple as these products do not require refrigeration. Canned fish is a tasty and affordable source of protein.

Frozen fish is packed in 20 kg cartons and then blast-frozen to minus 20 degrees core temperature. Freezing food prevents bacterial growth by turning water to ice. Frozen fish has a shelf life of up to 12 months, and can easily be transported around the globe. Frozen fish is a value-added product to serve a higher level in the market, and is a good source of protein. The products are exported to different markets and different segments from processor to wholesale markets. The group provides frozen fish as whole round frozen, head-off gutted or fillets.

The Human Consumption segment comprise of Austral Group S.A.A in Peru and FoodCorp Group in Chile. In Peru Austral Group have three production facilities located in Paita, Coicho and Pisco. In 2011 Austral Group processed 78.000 tons in their facilities, of which 64.000 tons of horse mackerel and mackerel was caught by Austral Group's own fishing fleet (cf. Section 5.8.1 for details on quotas). Of Austral Group's total sales of canned products in 2011, 38 % was sold in the domestic market and 62 % was exported to 20 countries all over the world, of which 10 countries were new markets in 2011.

FoodCorp group in Chile has three production facilities, two located in Coronel and one in Puerto Montt. The latest years the group has experienced a sharp reduction on the horse mackerel quota in Chile, and the FoodCorp's focus has been to use as much as possible of the raw material for frozen production. The fishing licence is 9.1 % of the horse mackerel quota in region South.

### **Market outlook**

It is expected to see high demand for the Group's consumer products in the future. In South America, demand both from the domestic market and for export is expected to be high.

### **5.8.3 Pelagic North Atlantic**

Norway Pelagic ASA (NPEL) was established in 2007. It currently consists of 15 production facilities along the Norwegian coast and employs 415 full-time equivalents (2011). The company has developed from a long line of independent producers of fish, all of which were largely based on the Norwegian fishing industry breakthrough in the export of pelagic fish in the late 1980's. NPEL was listed on the Oslo Stock Exchange in 2008. In 2012 NPEL processed 430,000 tons of raw pelagic fish.

In 2011, one billion\* meals consisting of pelagic fish worldwide came from NPEL. The growing world population and higher living standards are leading to increased consumption of food. At the same time, the world's wild fish stocks are under pressure in many areas. In this context, NPEL is conscious of its role as the leading supplier of pelagic fish. NPEL wish to make their surroundings aware of the fact that, not only are the products healthy and delicious, but the company are also part of a responsible system for harvesting fish stocks that focuses on research and sustainable development. NPEL also have modern production plants and work with a state of the art fishing fleet that ensures a high level of quality. This sums up to NPEL's business idea; NPEL aim to be a responsible, environmentally friendly and sustainable supplier of healthy, high quality products. The company believes that awareness of and focus on this issue will increase in the years ahead and it is this type of awareness that the company wishes to instil in its employees, suppliers and, not least, its customers. In this way NPEL will create a basis for a profitable future.

\* assuming one meal = 200-250 gram of fish

### **5.8.4 Production, sales and distribution of Atlantic salmon and trout**

The segment Production, sales and distribution of Atlantic Salmon and trout consist of Lerøy Seafood Group's (LSG) total operations.

The Lerøy Seafood Group ASA can trace its operation back to the end of the 19th century, when the fisherman/farmer Ole Mikkel Lerøyen started selling live fish on the Bergen fish market. Over time, Ole Mikkel Lerøyen's operation gradually came to include retail sales in Bergen, the sale of live shellfish and a budding export business. In 1939, two of his employees, Hallvard Lerøy sr. and Elias Fjeldstad, established Hallvard Lerøy AS. Since its establishment, Hallvard Lerøy AS, has been a pioneering enterprise in a number of fields in the Norwegian fishing industry. The main focus has always been on developing markets for seafood products, and the company has frequently led the way into new markets or been the first to commercialise new species. The pioneering spirit is still very much alive in the company.

Since 1999, LSG has acquired substantial interests in various domestic and international enterprises. Late in 2003 LSG acquired all the shares in Lerøy Midnor AS and bought Lerøy Aurora AS in 2005. Lerøy Fossen AS and Hydrotech AS were acquired in 2006, whereas Lerøy Vest AS was acquired in 2007. In 2010 LSG continued expanding the aquaculture activity by acquiring 50.71 % of the company Sjøtroll Havbruk AS. LSG's investments in downstream activities over this period have established the company as a national and international distributor of fresh fish. Because of these investments over the last ten years, the company has now developed into a totally integrated seafood group with a solid foundation for further development.

Up to 1997, LSG was a traditional family company. In 1997, a private placement with financial investors was carried out for the first time. In connection with this placing in 1997, the company was reorganized as a public limited company. LSG was listed on the stock market in June 2002. Since then LSG has introduced several stock issues, most recently in March 2007.

LSG's vision is to be the leading and most profitable Norwegian supplier of quality seafood. The company's core activities are distribution, sale and marketing of seafood, processing of seafood, production of salmon, trout and

other species, as well as product development. LSG operates through subsidiaries in Norway, Sweden, Finland, France and Portugal and through a network of sales offices that ensure its presence in the most important markets.

LSG's task is to satisfy the customer's requirements for cost-effective and continuous supplies of a wide range of high-quality seafood products. LSG global sales network allows it to act as an efficient supplier with good product range dispersal, thus reducing risk for LSG and its partners.

LSG divides its products into the main sectors of salmon products, whitefish, pelagic fish and shellfish. The distinction between farmed species and wild fish is significant and requires different logistics and work methods. These products are distributed on the Norwegian market and more than 60 other markets worldwide. The broad range of products offered by LSG provides sales advantages in most market areas. LSG strategy is to meet the market's ever-increasing demands for food safety, quality, product range, cost efficiency and continuity of supply. This is achieved by coordinating the various elements in the value chain – the production units, LSG's sales network and established strategic alliances with sea farms, fishing vessels and fish processing plants primarily along the coast of Norway.

LSG's primary business segments are Sale & Distribution and Production. Sales and distribution together with LSG production activities constitute an efficient and profitable seafood group with considerable growth potential. The production clusters in the various regions will be further developed through harvesting synergies in several areas, and the various production environments will draw on each other's competence through extensive exchange of know-how.

#### **Market outlook**

It is expected that the strong growth in global supply of Atlantic salmon witnessed over the past years will abate during the present year. The price level over the past year has helped generate an excellent development in demand and provides grounds for optimism towards a continued positive development in demand. The above-mentioned factors, combined with expectations of improved productivity for the segment, including improvements to biology, allow for a positive attitude towards developments.

#### **5.8.5 Dependency on licences**

The Company's farming activities are dependent upon fish farming licences from the Norwegian Directorate of Fisheries. The Company currently holds 130 salmon licences in Norway and another seven licences in Norway through an associated company, cf. Sections 5.7 and 5.8.4 above. In addition the Group holds farming licences in UK through an associated company.

Also, the operation in Chile and Peru within the segments Fishmeal and Oil and Human Consumption are to an important extent dependent upon fishing licences, cf. Sections 5.8.1 and 5.8.2 for details.

#### **5.9 Trend information**

The Company has not experienced any changes or trends outside the ordinary course of business that are significant to the Company after 31 December 2012 and to the date of this Information Memorandum. The Company does not know of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year other than those described elsewhere in the Information Memorandum (see in particular Chapter 1 "Risk Factors").

#### **5.10 Quality, health, safety and environment (QHSE)**

The Company places great emphasis on managing and developing all elements which can contribute to raising competence within and awareness of health, safety and the environment. High levels of financial and technical resources are invested in ensuring that the Austevoll Seafood Group's activities are operated in accordance with guidelines which promote the interests of the company and the environment. The planning and implementation of new technical measures makes vessels and shore based industry more efficient, simpler to operate and more environmentally friendly. The health and safety risks which employees are exposed to are through this reduced. The Norwegian processing industry has implemented a quality control system which complies with The Directorate of Fisheries' regulations. The Austevoll Seafood Group's production of fishmeal and oil in Norway requires a licence and is subject to the Norwegian Pollution Control Authority's (SFT) regulations. All of the Austevoll Seafood Group's Peruvian factories, which are owned by Austral Group S.A.A, are ISO 14001 certified.

Austevoll Seafood is focussed on the sustainable development of fishery resources and actively follows up employee and management compliance with regulations and quota conditions to ensure that resources are preserved for future generations. The Austevoll Seafood Group's vessels are not considered to pollute the external environment beyond small releases of exhaust gases. The Austevoll Seafood Group's shore based facilities have cleaning systems linked to the production process and the company is regulated within the requirements set for this type of activity. The Austevoll Seafood Group focuses on the reduction of energy and water consumption and it is the board's opinion that the Austevoll Seafood Group's processing activities do not result in significant releases to the external environment and do not harm the external environment to any significant extent.

## 5.11 Board, Management and Employees

### 5.11.1 Description of the Board

The table below sets forth the Company's current Board:

Name	Position	Has served since	Current Term expires <sup>1</sup>
Helge Singelstad	Chairman of the Board	2010	2014
Oddvar Skjegstad	Deputy Chairman of the Board	2006	2014
Lill Maren Møgster	Member of the Board	2012	2014
Helge Møgster	Member of the Board	2010	2014
Inga Lise L. Moldestad	Member of the Board	2006	2014
Hilde Waage	Member of the Board	2006	2014

The Board is responsible for the Company's affairs and for ensuring that the Company's operations are organized in a satisfactory manner.

The Company's registered business address and postal address, Alfabygget, 5392 Storebø, Norway, serve as the c/o address for the members of the Company's Board in relation to their directorship of the Company.

#### **Helge Singelstad (born 1963), Chairman of the Board**

Helge Singelstad is educated in engineering from Bergen Ingeniørskole, he is a business school graduate from NHH (Norwegian School of Economics), and he has a degree from the first year of law school at UIB. Singelstad has experience from different types of businesses: oil companies, ship equipment and the seafood sector. Mr. Singelstad has had executive positions in Lerøy Seafood Group ASA since 1993. Mr. Singelstad is the CEO of Laco AS and is holding board positions in several companies within the Laco Group.

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<sup>1</sup> In accordance with Section 6-6 of the Norwegian Public Companies Act and related secondary legislation the term in office of the Company's shareholder elected board members expires at the conclusion of the ordinary general meeting in the year of which the period of office expires.



**Oddvar Skjegstad (born 1951), Deputy Chairman of the Board**

Mr. Skjegstad has a Master of Business and Administration. Mr. Skjegstad is self employed and has a wide experience from executive positions in public administration, bank and industrial activity. Mr Skjegstad is engaged in board activities within several different business sectors.

**Lill Maren Møgster (born 1984), Board member**

Lill Maren Møgster is one of the main owners in Laco AS, the main shareholder of DOF ASA and Austevoll Seafood ASA. She is educated Bachelor of Management from BI Norwegian Business School and she holds the position as controller in Hallvard Lerøy AS. Lill Maren Møgster has been working in various subsidiaries of Laco AS since 2007, and has experience from sales and economy. She holds board positions in Laco AS and several companies within the Laco Group.

**Helge Møgster (born 1953), Board member**

Helge Møgster is one of the main owners in LACO AS He has long experience from both the offshore supply and fishery industry. He is holding board positions in several companies within the Laco group.

**Inga Lise L. Moldestad (born 1966), Board member**

Inga Lise L. Moldestad holds an MSc degree from NHH, and she is Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based (asset) mutual fund management company. She has extensive experience from Unibank Asset Management, Skandia Asset Management, and Arthur Andersen.

**Hilde Waage (born 1965), Board member**

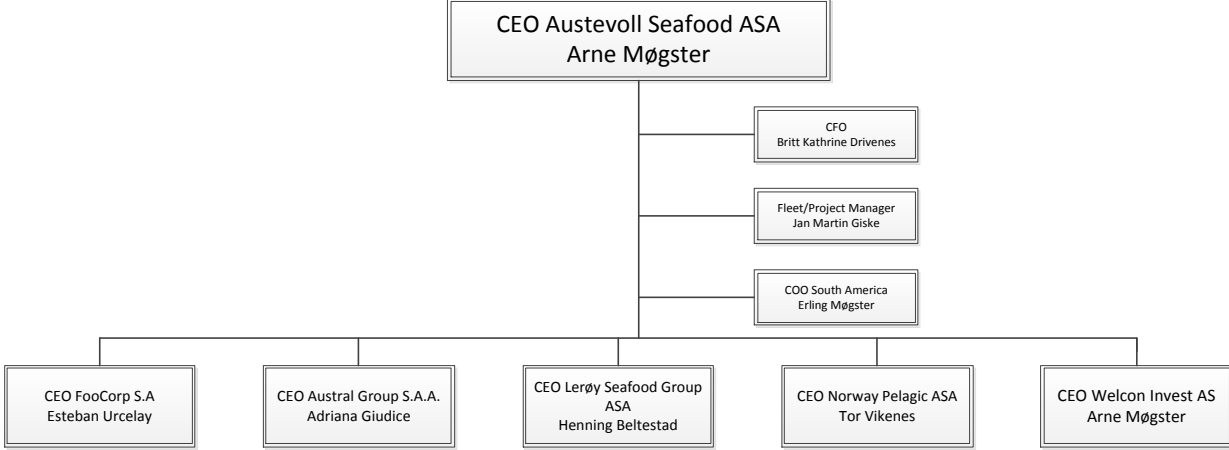
Hilde Waage holds an MSc from the Norwegian School of Management. She has the position as CFO/Deputy CEO of Ocea Group, a global supplier to the aquaculture industry. Hilde Waage is widely experienced from banking, shipping, the fishing industry in Chile and management consulting.

**5.11.2 Description of the Enlarged Group executive management**

The Company’s executive management is also the Enlarged Group’s executive management, and is responsible for the daily management and the operations of the Austevoll Seafood Group.

The Company’s registered business address and postal address is: Alfabygget, 5392 Storebø, Norway, serves as c/o address in relation to the senior managements’ employment in the Company.

The figure below is an overview of the organizational structure of Austevoll Seafood’s senior management.



**Arne Møgster (born 1975), CEO**

Mr. Møgster holds an MSc International Shipping and Bachelor of Business and Administration. He has worked in vairous subsidiaries of Laco AS since 1997. He has a diverse working experience covering the fishing, shipbuilding

and offshore supply market. He was previously the managing director of Norskan AS for a period of three years (until 2006) with one year based in Brazil, before joining Austevoll Seafood ASA as the CEO.

**Britt Kathrine Drivenes (born 1963), CFO**

Britt Kathrine Drivenes holds a Bachelor of Business administration and a Master of Business Administration in Strategic Management. She has been with the Company since 1991 and has held the position as CFO since 1996. Britt Kathrine Drivenes has a wide experience in the fish harvesting, fish processing and fish farming market.

**Erling Møgster (born 1963), COO South America**

Erling Møgster is educated as a captain. He has a diverse working experience covering shipping, insurance and fishing. He has been working for the group since 1997.

**Jan Martin Giske (born 1958), fleet/project manager**

Jan Martin Giske has 33 years of fishing experience. As a captain of fishing vessels for 26 years he has operated factory trawlers and purseiner vessels in many parts of the world, including the North Atlantic, Russia, Alaska and South America.

**Esteban Urcelay (born 1953), CEO of FoodCorp S.A. (Chile)**

Esteban Urcelay has been the CEO of FoodCorp S.A. since it was founded in 1984. Mr Urcelay is a member of the board of the Industrial Fishing Association in Chile, and he is also a member of the Executive Committee of Austral Group S.A.A.

**Adriana Giudice (born 1963), CEO of Austral Group S.A.A. (Peru)**

Adriana Giudice is an attorney at Law. She joined the Austral Group S.A.A. as legal advisor in 2000. Adriana Giudice is a member of the Board of the National Fisheries Society of Peru. Previously, she has held the position as chief of legal advisors of the Peruvian Fishing Ministry, vice president of the Consumer Protection Commission, and she has been was a partner in a leading Peruvian law firm.

**Henning Beltestad (born 1968), CEO of Lerøy Seafood Group ASA**

Henning Beltestad holds a Bachelor of Commerce degree in international marketing from the Norwegian School of Management. He is the CEO of Lerøy Seafood Group ASA and has had many different roles in Hallvard Lerøy AS since 1993.

**Tor Vikenes (born 1959), CEO Norway Pelagic ASA.** Mr. Vikenes holds a master's degree in business and administration. Mr. Vikenes has wide experience from executive positions within the pelagic fishing industry, industrial activity and management consulting, and has since the autumn of 2011 been the CEO in Norway Pelagic ASA.

**5.11.3 Shareholdings, stock options, service contracts with the Enlarged Group and benefits upon termination of employment**

The following table sets forth, as of the date of this Information Memorandum, the number of Shares owned directly or indirectly by each of the Company's directors and group executive management, and the number of options held by such persons (when the Shares are owned through a holding company, the ownership in such holding company is stated):

Name	Position	Holding Company	Shares	Options
<b>Directors</b>				
Helge Singelstad	Chairman of the Board		55,000	0
Oddvar Skjegstad	Deputy Chairman of the Board	Rehua AS (100 %)	55,000	0
Lill Maren Møgster*	Member of the Board	Laco AS (20 %)	114,371,862	0
Helge Møgster*	Member of the Board	Laco AS (20,5 %)	114,371,862	0
Inga Lise L. Moldestad	Member of the Board	Ingasset AS	40,000	0
Hilde Waage	Member of the Board		0	0
<b>Group executive management</b>				
Arne Møgster*	CEO	Laco AS (5 %)	114,371,862	0
Britt Kathrine Drivenes	CFO	Lerkehaug AS	125,367	0
Jan Martin Giske	Fleet/Project Manager		0	0
Esteban Urcelay	CEO of FoodCorp S.A. (Chile)	Private holdings	83,578	0
Adriana Giudice	CEO of Austral Group S.A.A. (Peru)		0	0
Henning Beltestad	CEO Lerøy Seafood Group ASA		0	0

\* Shares controlled directly and indirectly through Laco AS, Vesterfjord AS and Br. Birkeland AS. Laco is owned indirectly by Helge Møgster by 20.5 %, Lill Maren Møgster by 20 % and Arne Møgster by 4.9 %.

None of the members of the administrative, management or supervisory bodies' have entered into any service contracts with the Company or any of its subsidiaries providing for benefits upon termination of their employment.

#### 5.11.4 Employees

The total number of man-years in 2012 for the Austevoll Seafood Group was 5,284. Total number of man-years in 2012 for the Norway Pelagic Group was 480.

### 5.12 Corporate Governance

The Company's principles for corporate governance complies with the Norwegian Code of Practice of 28 October 2012. For further information the corporate governance is described in the consolidated annual report for 2011.

### 5.13 Major shareholders

As of the date of this Information memorandum, the Company has one major shareholder which is notifiable under the Norwegian Securities Trading Act (i.e. holding more than 5 %), namely Laco AS (55.55 %). Laco AS is a company indirectly owned by Helge Møgster and his family, including Arne Møgster (CEO), Lill Maren Møgster, June Møgster, Kari Møgster Vaage, Cissel Møgster Algrøy, Alf Rune Møgster and Patrick Møgster.

Other than stated above, and in so far as is known to the Company, no other person than a member of the Company's administrative, management or supervisory bodies' has an interest in the Company's capital or voting rights which is notifiable under the Norwegian Securities Trading Act.

### 5.14 Legal matters and arbitration proceedings, material contracts

#### 5.14.1 Legal matters and arbitration proceedings

The Company and its subsidiaries may from time to time be involved in disputes in the ordinary course of its business activities. However, at the time of this Information Memorandum the Company is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the recent past significant effects on the Company and/or the Austevoll Seafood Group's financial position or profitability, nor has the Company been involved in any such proceedings during the past 12 months.

#### **5.14.2 Material contracts**

Other than the Transaction, neither Austevoll Seafood nor any other company within the Austevoll Seafood Group, have entered into any material contracts other than in the ordinary course of business for the two years preceding publication of this Information Memorandum.

## 6 FINANCIAL INFORMATION

### 6.1 Historical financial information on Austevoll Seafood and summary of the Company's accounting policies

The historical consolidated financial information for the Company is prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The following are incorporated by reference hereto (see Section 8.3 below):

(i) The Company's audited annual reports for 2011, 2010 and 2009, including an overview of the Company's accounting policies, explanatory notes and auditor's reports are incorporated by reference hereto and

(ii) The Company's unaudited fourth quarter reports for 2012 and 2011.

### 6.2 Auditing of historical annual information and the Company's auditor

PricewaterhouseCoopers AS has audited the annual financial statements for the Company for the years ended 31 December, 2009, 2010 and 2011 in accordance with the Norwegian standards of auditing.

PricewaterhouseCoopers AS has been the Company's auditor since 1996. Their address is Dronning Eufemiasgate 8, 0191 Oslo, Norway. Telephone number: +47 23 16 00 00, telefax number: +47 24 06 27 79, web site: www.pwc.no. The audit partners of PricewaterhouseCoopers are members of the Norwegian Institute of Public Accountants.

### 6.3 Historical financial information

#### 6.3.1 Condensed consolidated income statements for the Company

Set out below are the condensed consolidated income statements for the Company for the years ended 31 December 2011, 2010 and 2009 and fourth quarter 2012 and 2011, and 2012.

<b>Operating Income</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>Q4 2012</b>	<b>Q4 2011</b>	<b>31.12.2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>Operating income</b>	12,161,571	12,744,751	11,324,609	2,884,234	2,610,032	11,828,227
Operating expenses	-10,115,798	-10,203,924	-9,402,914	-2,640,659	-2,371,295	-10,524,883
<b>EBITDA</b>	<b>2,045,773</b>	<b>2,540,827</b>	<b>1,921,695</b>	<b>243,575</b>	<b>238,737</b>	<b>1,303,344</b>
Depreciation, amortization and impairment	-512,339	-557,052	-479,202	-137,371	-135,733	-571,508
Fair value adjustment biomass	-615,767	298,538	60,483	343,474	21,857	294,735
<b>Operating profit</b>	<b>917,667</b>	<b>2,282,313</b>	<b>1,502,976</b>	<b>449,678</b>	<b>124,861</b>	<b>1,026,571</b>
Income from associated companies	45,793	191,761	80,341	38,638	24,468	13,903
Net financial items	-191,023	-248,582	-252,985	-42,514	-35,127	-145,637
<b>Profit before tax</b>	<b>772,437</b>	<b>2,225,492</b>	<b>1,330,332</b>	<b>445,802</b>	<b>114,202</b>	<b>894,837</b>
Income tax expenses	-245,773	-459,412	-342,383	-102,466	-38,934	-251,664
<b>Net income</b>	<b>526,664</b>	<b>1,766,080</b>	<b>987,949</b>	<b>343,336</b>	<b>75,268</b>	<b>643,173</b>

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the Company's interim financial report for Q4 2012.

#### 6.3.2 Statement of Comprehensive income for the Company

Set out below are the condensed consolidated statements of comprehensive income for the Company for the years ended 31 December 2011, 2010 and 2009 and fourth quarter 2012 and 2011, and 2012.

<b>Comprehensive Income</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>Q4 2012</b>	<b>Q4 2011</b>	<b>31.12.2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>Net earnings in the period</b>	<b>526,644</b>	<b>1,766,080</b>	<b>987,949</b>	<b>343,336</b>	<b>75,268</b>	<b>643,173</b>
<b>Other comprehensive income</b>						
Currency translation differences	149,024	28,970	-448,553	-73,052	144,349	-136,455
Other comprehensive income from associated companies	126	-	-	43	3	-1,847
Cash flow hedges	-5,161	-	-	-3,968	-5,161	-27,086
Change in value available for sale financial assets	3,564	-	-	-7,200	3,564	-7,200
<b>Total other comprehensive income</b>	<b>147,553</b>	<b>28,970</b>	<b>-448,553</b>	<b>-84,177</b>	<b>142,755</b>	<b>470,585</b>
<b>Comprehensive income in the period</b>	<b>674,217</b>	<b>1,795,050</b>	<b>539,396</b>	<b>259,159</b>	<b>218,023</b>	<b>470,585</b>
<b>Allocated to;</b>						
Minority interests	167,294	544,853	231,560	116,784	37,374	191,811
Majority interests	506,923	1,250,197	307,836	142,375	180,649	278,774

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the Company's interim financial report for Q4 2012.

### 6.3.3 Condensed consolidated statement of financial position for the Company

Set out below is the condensed consolidated statement of financial position for the Company as of 31 December 2011, 2010 and 2009 and as of 31 December 2012:

<b>Balance sheet</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>ASSETS</b>				
Total fixed assets	11,315,361	10,958,616	10,140,257	11,555,643
Total current assets	7,259,124	8,083,619	6,150,951	7,401,910
<b>TOTAL ASSETS</b>	<b>18,574,485</b>	<b>19,042,235</b>	<b>16,291,209</b>	<b>18,957,553</b>
<b>EQUITY</b>				
Total equity	9,199,608	9,110,861	7,095,482	9,420,662
<b>LIABILITIES</b>				
Total long-term liabilities	6,153,383	6,901,815	6,323,137	6,421,223
Total short-term liabilities	3,221,494	3,029,559	2,872,590	3,115,668
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,574,485</b>	<b>19,042,235</b>	<b>16,291,209</b>	<b>18,957,553</b>

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the Company's interim financial report for Q4 2012.

#### 6.3.4 Condensed consolidated cash-flow statement for the Company

Set out below is the condensed consolidated cash flow statement for the Company for the years ended 31 December 2012, 2011, 2010 and 2009.

<b>Cash flow</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>Q4 2012</b>	<b>Q4 2011</b>	<b>31.12.2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Net cash flows from operating activities	1,031,654	2,110,961	1,679,108	173.796	101,063	914.342
Net cash flows from investing activities	-773,431	-520,197	224,895	-154.139	-261,377	-761.849
Net cash flows from financing activities	-688,733	-400,159	-907,881	39.880	211,490	-343,538
<b>Net cash flow in the accounting period</b>	<b>-430,510</b>	<b>1,190,605</b>	<b>996,122</b>	<b>59,537</b>	<b>51,176</b>	<b>-191.045</b>
Currency exchange gains/losses on opening balance of cash	2,894	-3,667	-16,042	-7,550	2,986	-11.264
Cash position at beginning of period	2,810,554	1,623,616	643,536	2,128,642	2,328,776	2,382,938
<b>Cash position at end of period</b>	<b>2,382,938</b>	<b>2,810,554</b>	<b>1,623,616</b>	<b>2,180,629</b>	<b>2,382,938</b>	<b>2,180,629</b>

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the 2012 Company's interim financial report for Q4 2012.

#### 6.3.5 Condensed consolidated statement of change in equity

Set out below are the condensed consolidated statements of changes in equity for the Company ended 31 December 2012, 2011, 2010 and 2009:

<b>Changes in equity</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2012</b>
All figures in NOK 1,000	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Equity period start</b>	<b>9,110,860</b>	<b>7,095,482</b>	<b>5,619,768</b>	<b>9,199,608</b>
<b>Comprehensive income in the period</b>	<b>674,217</b>	<b>1,795,050</b>	<b>539,396</b>	<b>470,585</b>
Dividends	-530,018	-390,248	-56,165	-364,869
Business combinations/acquisition/transaction with non-controlling interest	-27,062	575,245	349,810	125,816
Effect option programme	-12,109	-1,426	2,243	2,308
New equity from cash contributions	0	0	640,431	0
Other	-16,280	36,757	0	-12,786
<b>Total changes in equity in the period</b>	<b>88,748</b>	<b>2,015,378</b>	<b>1,475,714</b>	<b>221,054</b>
<b>Equity at period end</b>	<b>9,199,608</b>	<b>9,110,861</b>	<b>7,095,482</b>	<b>9,420,662</b>

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the 2012 Company's interim financial report for Q4 2012.

### **6.3.6 Comments to the historical financial information**

#### **2009**

##### Result

The Group's revenue in 2009 was NOK 11,325 million, against NOK 4,066 million in 2008. As Lerøy Seafood Group ASA has only been fully consolidated with effect from December 2008, the figures are not directly comparable. Operating profit before depreciation and amortisation (EBITDA) and prior to adjustment for biomass was NOK 1,922 million in 2009, against NOK 788 million in 2008. Good prices were achieved for the Group's pelagic products for human consumption, i.e. Atlantic salmon and trout. The average prices achieved for fishmeal in 2009 were slightly higher than the average prices for 2008, while the prices achieved for fish oil in 2009 were significantly lower.

##### Balance sheet

The Group had total assets amounting to NOK 16,291 million as of 31.12.2009. Book value of equity was NOK 7,095 million, giving an equity ratio of 44 %. At year-end the Group had net interest-bearing debt of NOK 4,137 million.

#### **2010**

##### Result

The Group's revenue was NOK 12,745 million in 2010, against NOK 11,325 million in 2009. Operating profit before depreciation and amortisation (EBITDA) prior to biomass adjustment was NOK 2,541 million in 2010, against NOK 1,922 million in 2009. Good prices were achieved for the Group's pelagic products for consumption, i.e. Atlantic salmon and trout. The prices for fishmeal and oil and for Atlantic salmon and trout were significantly higher in 2010 than the prices achieved in 2009.

##### Balance sheet

At year-end 2010 the Group had total assets of NOK 19,042 million, compared with NOK 16,291 million at year-end 2009. Book value of equity was NOK 9,111 million, giving an equity ratio of 48 %. At year-end 2010 the Group had net interest-bearing debt of NOK 3,162 million, representing a reduction of NOK 975 million over the year.

#### **2011**

##### Result

Revenue totalled NOK 12,162 million in 2011, compared to NOK 12,745 in 2010. The decline in income was due to a change in Group structure, with the sale of Epax Holding AS and the Austevoll Fisk Group, both of which were included in the figures for 2010. The fall in prices for Atlantic salmon and trout in the second half of 2011 has also had an impact on the decline in sales. Operating profit before depreciation amortisation (EBITDA) and biomass adjustment in 2011 amounted to NOK 2,046 million, compared with NOK 2,541 million in 2010.

##### Balance sheet

The Group had total assets at year-end 2011 of NOK 18,574 million. The comparison figure for 2010 was NOK 19,042 million. The Group was financially strong, with book value of equity as of year-end 2011 of NOK 9,200 million and an equity ratio of 50%. The Group had net interest-bearing debt at year-end 2011 of NOK 3,361 million.

#### **Q4 2011**

##### Result

The Group's operating revenues in Q4 2011 were NOK 2,610 million compared to NOK 3,504 million in the same period in 2010. Operating profit before depreciation and amortisation (EBITDA) prior to biomass adjustment in Q4 2011 was NOK 239 million compared to NOK 754 million in Q4 2010.



## **2012**

### **Result**

Group income totalled NOK 11,828 million in 2012 compared to NOK 12,162 million in 2011. The decline in revenues is partly due to the fact that Austevoll Fisk was recognized as a subsidiary the first half year of 2011 and the price development on the Group's products. Operating profit before depreciation amortisation (EBITDA) and biomass adjustment in 2012 amounted to NOK 1,303 million, compared to NOK 2,046 million in 2011. The main reason for the reduction in EBITDA before fair value adjustment of biomass is the decline in average achieved prices for salmon and trout.

### **Balance sheet**

The Group had total assets at year-end 2012 of NOK 18,958 million. The Group is financially strong, with book value of equity as of year-end 2012 of NOK 9,421 million and an equity ratio of 50 %. The Group has net interest-bearing debt at year-end 2012 of NOK 3,825 million.

## **Q4 2012**

### **Result**

The Group's operating revenues in Q4 2012 were NOK 2,884 million compared to NOK 2,610 million in the same period in 2011. The increase in revenue was mainly due to higher volumes sold and higher prices achieved on salmon, trout, fishmeal and fishoil. Operating profit before depreciation and amortisation (EBITDA) prior to biomass adjustment in Q4 2012 was NOK 244 million compared to NOK 239 million in Q4 2011.

## 6.4 Segment information

Set out below are the condensed segment information for the Company for the financial years ended 31 December 2011, 2010 and 2009 and the fourth quarter 2012 and 2011, and 2012:

<b>Segment information</b> All figures in NOK 1,000	<b>Period ended</b> <b>2011</b> <b>(audited)</b>	<b>Period ended</b> <b>2010</b> <b>(audited)</b>	<b>Period ended</b> <b>2009</b> <b>(audited)</b>	<b>Period ended</b> <b>Q4 12</b> <b>(unaudited)</b>	<b>Period ended</b> <b>Q4 11</b> <b>(unaudited)</b>	<b>Period ended</b> <b>2012</b> <b>(unaudited)</b>
<b>Fishmeal and oil*</b>						
Operating revenue	1,819,993	2,001,756	2,037,200	380,589	252,442	2,140,673
EBITDA	464,077	521,096	531,784	42,940	49,838	502,806
EBIT before fair value adj. biomass	326,524	317,551	367,764	-1,575	15,389	336,939
Volumes sold fishmeal (tons)	179,244	160,952	255,192	25,538	28,229	172,975
Volumes sold fishoil (tons)	47,205	53,708	59,783	5,735	5,440	46,591
Volumes sold FPC and oil	-	-	7,163	6,596	-	20,696
<b>Human Consumption</b>	<b>2011 (audited)</b>	<b>2010 (audited)</b>	<b>2009 (audited)</b>	<b>Q4 12 (unaudited)</b>	<b>Q4 11 (unaudited)</b>	<b>2012 (unaudited)</b>
Operating revenue	671,042	807,855	972,035	93,439	140,343	607,665
EBITDA	73,068	166,405	176,893	-11,152	-11,038	31,328
EBIT before fair value adj. biomass	-8,302	59,189	91,623	-28,495	-37,246	-38,199
Volumes sold;						
Canning (cases)	3,018,208	1,534,714	2,186,014	484,571	786,983	2,423,026
Frozen fish (tons)	17,847	5,481	33,488	771	3,133	19,680
HC and LC Omega 3 products (tons)		1,531	1,815			
<b>Pelagic North Atlantic**</b>	<b>2011 (audited)</b>	<b>2010 (audited)</b>	<b>2009 (audited)</b>	<b>Q4 12 (unaudited)</b>	<b>Q4 11 (unaudited)</b>	<b>2012 (unaudited)</b>
Operating revenue	798,545	1,436,160	1,111,347			
EBITDA	32,458	63,311	65,792			
EBIT before fair value adj. biomass	20,367	41,634	43,873			
Income associated comp	28,405	-	-	24,465	23,036	-3,464
<b>Production, sales &amp; distribution salmon/trout</b>	<b>2011 (audited)</b>	<b>2010 (audited)</b>	<b>2009 (audited)</b>	<b>Q4 12 (unaudited)</b>	<b>Q4 11 (unaudited)</b>	<b>2012 (unaudited)</b>
Operating revenue	9,176,873	8,887,671	7,473,807	2,410,552	2,250,605	9,102,941
EBITDA	1,484,797	1,805,874	1,154,163	209,990	191,802	774,866
EBIT before fair value adj. biomass	1,212,898	1,586,250	950,156	135,631	120,004	450,097
Volumes sold own production (gw tons)	136,697	116,807	108,500	41,313	39,600	153,403
<b>Elimination/ not allocated</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>Q4 12</b>	<b>Q4 11</b>	<b>2012</b>

<b>AUSS</b>	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Elimination/not allocated						
AUSS	-304,882	-388,691	-269,779	-345	-33,359	-23,051
EBITDA	-8,627	-15,859	-6,936	1,797	8,136	-5,656
EBIT before fair value adj.						
Biomass	-18,053	-20,849	-10,925	643	4,858	-17,001
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>Q4 12</b>	<b>Q4 11</b>	<b>2012</b>
<b>Total Group</b>	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Operating revenue	12,161,571	12,744,751	11,324,610	2,884,235	2,610,031	11,828,228
EBITDA	2,045,772	2,540,827	1,921,696	243,575	238,738	1,303,344
EBIT before fair value adj.						
Biomass	1,533,434	1,983,775	1,442,491	106,204	103,005	731,836
*Includes proportional consolidation of 50 % of Welcon Group (turnover, results and volumes)						
**Austevoll Fisk group was merged into Norway Pelagic ASA July 1 <sup>st</sup> 2011. Norway Pelagic ASA is an associated company under the segment Pelagic North Atlantic and will be reported as such in the Year End Report						

The audited figures are derived from the Company's annual financial statements for 2011, 2010 and 2009. The unaudited figures are derived from the Company's interim financial report for Q4 2012.

## 6.5 Capital resources

Austevoll Seafood has sufficient access to capital resources through a combination of operating revenues and external short and long term bank financing.

### 6.5.1 Sources and amounts of and a narrative description of the issuer's cash-flows

#### General description of the issue's cash flow

The Austevoll Seafood Group's cash flow is influenced by significant fluctuations in the underlying market price developments, primarily for salmon, trout and pelagic fish products and the development in production and catch/harvest volumes.

The Austevoll Seafood Group's primary source of liquidity on a daily basis is the operational cash flow. This is again dependent upon the development in the underlying market prices for salmon, trout and pelagic fish products as described in the foregoing paragraph.

Key factors in analysing the operational sources as basis for revenue and cash flow are product pricing, production volumes and market access. Over the last decade the available volumes of marine sources (pelagic catches) have been stable, however climatic factors, such as the recurring El Nino in South America, will exert a certain impact on the catch and production volumes for pelagic species in this area. Over the last 3 years the volumes caught of horse mackerel in Chile have been on a substantially lower level than the average in previous years and are also expected to be low for 2013. The production volumes for Norwegian salmon has increased over the last years, however for 2013 the growth in volume is expected to be limited to stable. In general product pricing will always be a function of underlying issues; production costs, available volumes and the balance between market demand and supply.

Over time there has been a positive development in prices for salmon, trout and pelagic products, which must be seen in conjunction with an increasing demand for such products in general. Although the market in principle is cyclical, recent statistics show signs of good market developments for marine products as a whole, as the focus on healthy food products and thereby demand, increases.

The development in the production cost for the various products is, as mentioned, important for basic product pricing, and subsequently the analysis of cash flow development.

In the salmon industry the production cost is especially dependent on the feed price as fish feed makes the major part of the production cost of salmon and trout. An important ingredient in the feed is marine oils and fishmeal, and other substitutes for protein such as soya meal.

In the pelagic industry, the operational cost of primary production (catch and delivery to shore) depends to a large extent on the level of investments in new and more effective vessels. Given the development in prices over the last decades, the equipment investment rate has increased dramatically, and with very sustainable results for the vessel owners.

In respect of the shore based pelagic industry processing and production costs, an increase in production facility investments over the last 10 years in particular has been seen. Such investments have mainly focused on automation and rationalization of production machinery and facilities, with lesser human resource costs as a result.

#### **Description of cash-flows 2009**

The Group's net cash flow from operating activities was NOK 1,679 million in 2009, compared with NOK 414 million in 2008. Net cash flow from investing activities was NOK 225 million in 2009, and is positive as a result of the sale of shares in Lerøy Seafood Group ASA and the dividend received from an associated company. In 2008 the Group's net cash flow from investing activities was NOK -1,448 million. Investments mainly comprised the acquisition of Lerøy Seafood Group ASA. Net cash flow for the year from financing activities was NOK -908 million. In addition to ordinary repayments in 2009, an extraordinary repayment of NOK 778 million was also made on long-term liabilities during the year. In 2008 the Group's net cash flow from financing activities was NOK 615 million, mainly from new loans raised in connection with the acquisition of Lerøy Seafood Group ASA. At 1 January 2009 the Group had cash holdings of NOK 644 million; the figure at 31 December 2009 was NOK 1,624 million.

#### **Description of cash-flows 2010**

The Group's net cash flow from operating activities was NOK 2,111 million in 2010, compared with NOK 1,679 million in 2009. Net cash flow from investing activities was NOK -520 million in 2010. As well as maintenance investments and dividends received from associated companies, investing activities for the year include sale of the shares in Epax Holding AS and purchase of the shares in Sjøtroll Havbruk AS. In 2009 the Group's net cash flow from investing activities was NOK 225 million, attributable to the fact that the impact from sale of shares in Lerøy Seafood Group ASA and the dividend received from an associated company was higher than the maintenance investments for the year. Net cash flow from financing activities was NOK -400 million in 2010. In addition to ordinary repayments, in October 2010 AUSS launched a senior unsecured bond issue worth NOK 500 million. The Group's net cash flow from financing activities was NOK -908 million in 2009. In addition to ordinary repayments, an extraordinary repayment of NOK 778 million was made on long-term debt. At 1 January 2010 the Group had cash holdings of NOK 1,624 million; the figure at 31 December 2010 was NOK 2,811 million.

#### **Description of cash-flows 2011**

Net cash flow from operating activities for the Group was NOK 1,032 million in 2011, compared to NOK 2,111 million in 2010. The fall in cash flow from operations is partly due to the lower result in 2011. Net cash flow from investing activities in 2011 was negative at NOK 773 million, comprising normal maintenance investments, ongoing construction of a new smolt facility, dividends from associated companies and investments in shares. Net cash flow from financing activities for the year was negative at NOK 689 million. This figure includes payment of ordinary instalments, repayment of the bond issue which matured in June 2011 and downwards regulation of long-term overdraft facilities of NOK 500 million. At the start of the year, the Group had cash holdings of NOK 2,811 million, and by the end of the year, the Group's cash holdings totalled NOK 2,383 million.

#### **Description of cash-flows 2012**

Net cash flow from operating activities for the Group was NOK 914 million in 2012, compared to NOK 1,032 million in 2011. Net cash flow from investing activities was NOK -762 million comprising of maintenance related investments, completion of a new smolt facility and investments in stocks. Net cash flow from financing activities for the year was NOK -344 million compared to NOK -689 million in 2011. The negative cash flow is due to down payment of existing bonds and payments of ordinary instalments. The Company also paid a dividend of NOK 365 million. At the start of the year, the Group had cash holdings of NOK 2,383, and by the end of the year, the Group's cash holdings totalled NOK 2,181.

### **Funding structure and restrictions of use of capital resources**

The long term funding of the Group consists of both equity and interest bearing debt which is further described in Section 6.8 in this Information Memorandum. Section 6.8 also includes a statement of the Austevoll Seafood Group's capitalisation and indebtedness, which includes a split between short- and long-term funding. Book value of equity per 31 December 2012 was NOK 9,421 million and net interest bearing debt per 31 December 2012 was NOK 3,825 million. Consequently, the net debt to equity ratio per 31 December 2012 was 41 %.

The funding of the Group is considered sufficient to fund the further development of the companies within the Group and in line with the production targets communicated by the Group. The financing is considered sufficient to cover the seasonality of the operations and corresponding borrowing requirements.

Austevoll Seafood is not aware of any material, legal or economic restrictions that influence the ability of the subsidiaries to transfer funds to the Company in the form of cash dividends, repayment of inter-company loans, new loans or advances. The Company is per 31 December 2012 in compliance with all its financial covenants.

### **6.6 Significant change in the Company's financial or trading position**

The Company is not aware of any significant changes in the financial or trading position of the Company which has occurred since 31 December 2012, other than the acquisition of shares in Norway Pelagic ASA as described in Section 3. However see Section 1 for risk factors regarding the environment where the Company operate.

### **6.7 Working capital statement**

As of the date of this Information Memorandum, it is Austevoll Seafood's opinion that the working capital is sufficient for its present requirements, i.e. for at least the 12 months period following the date of this Information Memorandum.

## 6.8 Capitalisation and indebtedness

Below is an overview of the Company's capitalisation and indebtedness as of 31 December 2012.

### 6.8.1 Capitalisation

Amounts in NOK 1,000	31 December 2012
	Unaudited
<b>Shareholder equity (A)</b>	<b>3,814,908</b>
<b>Current debt</b>	
Guaranteed	-
Secured	1,216,445
Unguaranteed/unsecured	350,000
<b>Total current debt</b>	<b>1,566,445</b>
<b>Non-current debt</b>	
Guaranteed	-
Secured	3,525,392
Unguaranteed/unsecured	913,643
<b>Total non-current debt</b>	<b>4,439,035</b>
<b>Total indebtedness (B)</b>	<b>6,005,480</b>
<b>Total capitalisation (A+B)</b>	<b>9,820,388</b>
Cash	2,180,629
Cash equivalents	-
Trading securities	-
<b>Liquidity (C)</b>	<b>2,180,629</b>
<b>Current financial receivables (D)</b>	<b>-</b>
Current bank debt	609,546
Current portion of non-current debt	956,899
Other current financial debt	-
<b>Current financial debt (E)</b>	<b>1,566,445</b>
<b>Net current financial indebtedness (C+D-E) (F)</b>	<b>614,184</b>
Non-current bank loans	3,525,392
Bonds issued	913,643
Other non-current loans	-
<b>Non-current financial debt (G)</b>	<b>4,439,035</b>
<b>Non-current financial receivables (H)</b>	<b>-</b>
<b>Net financial indebtedness (F-G+H)</b>	<b>(3,824,851)</b>

### **6.8.2 Indebtedness**

The Norwegian part of the Austevoll Seafood Group is mainly financed by multicurrency group account system which regulates both short and long-term debt. These agreements are divided in a long term debt portion and short term overdraft facilities covering the Austevoll Seafood Group's fish meal, salmon and holding businesses. Margin of expenditure on the short term overdraft facility depends of the book value of accounts receivable and book value of inventory ("borrowing base"). The short term overdraft facilities in Norway, has a total limit of NOK 1,7 billion, and is divided between the Welcon Invest Group, Lerøy Seafood Group and Austevoll Seafood. The members in each agreement are jointly and severally liable for any amount due to the Bank under the Agreement. The long term facilities are secured by mortgage and has a limit of NOK 1,5 billion.

The facilities are secured by factoring mortgage, mortgage in inventory and mortgage in the tangible assets financed through the facilities. Austevoll Seafood ASA has an unsecured bond of NOK 1,25 billion and the covenants requirements are an equity ratio of minimum 30 %. The Bond loan of NOK 350 million with due date October 2013 has a requirement on level of dividend payment from Austevoll Seafood ASA, limited to 40 % of the net result for the Group.

Property and production activities in Norway are mainly financed by loans from DNB Bank ASA, Nordea Bank ASA, Danske Bank, Sparebanken Midt Norge, Eksportfinans and Innovasjon Norge. The loans consist of mortgage loans and risk loans. Loan agreements are within normal terms and secured by mortgage in assets.

Austral Group S.A.A. has their main long term financing with DNB Bank ASA, Norway and Scotiabank, Peru. The loans are secured by mortgage in vessels and production facilities. In addition the company has an overdraft facility based on inventory and debtors with Peruvian banks.

FoodCorp S.A. has their long term financing with Banco de Chile, DNB Bank ASA and Eksportfinans. The loans are secured by mortgage in vessels and production facilities. In addition the company has overdraft facility with Banco de Chile.

Covenants requirements for Austevoll Seafood ASA are as follows;

- Equity ratio of minimum 30 % (Group level)
- Debt service ratio not less than 1.05 (Group level)

Austevoll Seafood has financed the Transaction by utilizing the existing long term facilities with DNB Bank ASA.

### **6.8.3 Leasing**

The Austevoll Seafood Group's leasing arrangements are primarily treated as financial leasing. The leased equipment consists mainly of production equipment and represents a minor part of the Austevoll Seafood Group's financial commitments, in a total volume of approximately NOK 389 million.

## **7 PRO FORMA FINANCIAL INFORMATION**

### **7.1 Description of acquisitions implying preparation of pro forma financial information**

Pro forma financial information are required to be prepared if an acquisition/disposal is considered significant. In this respect, significant is defined by the Committee of European Securities Regulators (CESR) as 25 % of total assets, revenue or operating profit, cf. the CESR's advice to the European Commission on a possible amendment to Regulation (EC) 809/2004 regarding the historical financial information which must be included in a prospectus of October 2005, and recital (9) of the European Commission Regulation (EC) 809/2004. The Transaction described in this Information Memorandum is considered significant in relation to CESR's definition.

Prior to the Transaction, as described under Section 3.1 above, Austevoll Seafood held 7,978,994 shares in Norway Pelagic ASA. Under the Transaction, Austevoll Seafood acquired an additional 6,366,917 or 34.55 % of the shares in Norway Pelagic, bringing Austevoll Seafood's total ownership in Norway Pelagic up to 14,345,911 shares or 77.84 %. The acquisitions of the shares took place in the period from 6 February 2013 to 15 February 2013. The average purchase price for the shares was NOK 15.39. The pro forma financial information is based on a share ownership of 77.84 %, and full consolidation of Norway Pelagic ASA and its subsidiaries into Austevoll Seafood.

### **7.2 Sources of pro forma information**

The historical income statement information for Austevoll Seafood and Norway Pelagic, for the financial year ended 31 December 2012 on which the pro forma adjustments were based, has been derived from the unaudited interim financial reports for Q4 2012 for each of Austevoll Seafood and Norway Pelagic, which are incorporated by reference hereto (see Section 8.3 below). The balance sheet information at 31 December 2012 has also been derived from Austevoll Seafood and Norway Pelagic's unaudited interim financial report for Q4 2012.

### **7.3 Basis for preparation of the pro forma figures**

The unaudited pro forma financial information related to the acquisition of Norway Pelagic, has been prepared to illustrate the main effects that the acquisition of Norway Pelagic would have had on the consolidated condensed income statement for 2012 and as of 31 December 2012 for Austevoll Seafood. At 31 December 2012, Austevoll Seafood owned an interest of 43.30 % of Norway Pelagic.

The unaudited pro forma condensed income statement for the twelve months period ended 31 December 2012 give effect to the acquisition of additional shares of Norway Pelagic as if it had occurred on 1 January 2012. The unaudited pro forma condensed balance sheet as of 31 December 2012 gives effect to the acquisition of Norway Pelagic as if it had occurred on 31 December 2012.

The unaudited pro forma financial information has been prepared in accordance with EU Regulation No 809/2004, as included in the Norwegian Securities Trading Act Section 5-13 and the CESR's Level 3 guidance.

Because of its nature, pro forma financial information addresses a hypothetical situation and therefore does not represent the Company's actual financial position or results. The pro forma financial information is prepared for illustrative purposes only.

### **7.4 Pro forma accounting principles**

The unaudited pro forma financial information has been compiled using accounting principles that are consistent with the accounting principles used in the historical financial statements of Austevoll Seafood. See Section 6.1 above.

The accompanying Pro Forma Financial Information is not intended to, and does not provide all the information and disclosures necessary to present a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by EU.



## 7.5 Pro forma consolidated income statement for 2012

### 7.5.1 Unaudited pro forma condensed income statement for 2012

The tables below set out the pro forma financial information for the Enlarged Group for 2012. The pro forma condensed income statement is developed in line with principles described above. The tables below show actual figures for the Austevoll Seafood Group and Norway Pelagic, and eliminations and adjustments. The sum of the columns represents the pro forma income statements for the Enlarged Group after the Transaction.

All figures in NOK 1,000	Austevoll	Norway	Notes	Eliminations		Pro forma	Enlarged
	Seafood	Pelagic		2012	Notes	Adjustment	Group
	31.12.12	31.12.12					Pro forma
				2012			31.12.12
<b>Operating income</b>	11,828,227	3,593,000	1	-168,734		-	15,252,493
Operating expenses	-10,524,883	-3,514,200	1	168,734		-	13,870,349
<b>EBITDA</b>	<b>1,303,344</b>	<b>78,800</b>		-		-	<b>1,382,144</b>
Depreciation and amortisation	-545,650	-64,000		-		-	-609,650
Impairment	-25,858	-		-	1	-3,776	-29,634
Fair value adjustment biomass	294,735	-		-		-	294,735
<b>Operating profit</b>	<b>1,026,571</b>	<b>14,800</b>		-		<b>3,776</b>	<b>1,037,595</b>
Income from associated companies	29,342	17,600	2	2,713		-	49,655
Net financial items	-161,076	-48,400		-	3	-2,499	-211,975
<b>Profit before tax</b>	<b>894,837</b>	<b>-16,000</b>		<b>2,713</b>		<b>6,275</b>	<b>875,275</b>
Income tax expenses	-251,664	8,000		-	4	700	-242,964
<b>Net income</b>	<b>643,173</b>	<b>-8,000</b>		<b>2,713</b>		<b>-5,575</b>	<b>632,311</b>
Profit to non-controlling interests	217,571	-1,800		-	2	87,433	303,204
Profit attributable to equity holder of parent	425,601	-6,200		2,713		93,009	329,105

#### Comments to the tables above:

##### Eliminations:

*Note 1:* Intercompany transactions between companies within the Austevoll Seafood Group and Norway Pelagic and its subsidiaries are eliminated. In the twelve month period of 2012, two subsidiaries of Austevoll Seafood have performed harvesting and storage services for Norway Pelagic. Consequently, revenues from these transactions are eliminated from the Austevoll Seafood income statement and the corresponding amounts of expenses are eliminated from the Norway Pelagic income statement. Furthermore, Norway Pelagic has in the twelve month period of 2012 sold offal (cuttings) to the Welcon Invest Group, where Austevoll Seafood has an interest of 50 %. As Welcon Invest is proportional consolidated in Austevoll Seafood, 50 % of the revenues of Norway Pelagic and the related expenses of Welcon Invest are eliminated. The 2012 sale of offal to Welcon Invest and its subsidiaries amounts to NOK 155.3 million.

*Note 2:* Austevoll Seafood uses the equity method when accounting for associated companies. In 2012, Austevoll Seafood has recognized a loss of NOK 2.7 million related to their investment in Norway Pelagic. Consequently, NOK 2.7 million is eliminated from income from associated companies.

### **Pro forma adjustments:**

*Note 1:* If the purchase of the shares in Norway Pelagic had occurred 1.01.2012, Norway Pelagic's identifiable assets and liabilities as of that date should have been recognized at its fair value. Consequently, Norway Pelagic's statement of financial position as of 31.12.2011 is a starting point for the fair value analysis.

Based on the analysis performed at the date of this Information Memorandum, management has not identified any excess values or liabilities not recognized as of 31.12.2011. The management is of the opinion that book value of the identifiable assets and liabilities already recognized in the statement of financial position as of 31.12.2011, represents their fair value as of that date.

As a consequence of the acquisition, Austevoll Seafood will recognize a loss on the previous investment in Norway Pelagic as the purchase price in February 2013 is lower than the carrying amount at acquisition date. Had the transaction occurred at 1.01.2012, Austevoll Seafood would have recognized a loss of NOK 398.4 million.

Fair value of the identifiable assets and liabilities as of 1.01.2012 is estimated to NOK 678,3 mill, which equals Norway Pelagic's total equity to equity holders of the parent less recognized goodwill. As the average purchase price of the shares was NOK 15.39 per share, calculated equity value based on the purchase price equals to NOK 283.7 million. Consequently, Austevoll Seafood would have recognized a bargain purchase (badwill) of NOK 394.6 million had the transaction occurred at 1.01.2012.

The net effect of the recognized loss and the bargain purchase is NOK -3.8 million.

The pro forma adjustments referred to in Note 1 do not have a continuing impact on the issuer.

*Note 2:* The recognized bargain purchase (badwill), cf. Note 1 above, amounts to NOK 394.6 million in total. Non-controlling interests constitutes of 22.16 %. Consequently, 22.16 % of the recognized amount, NOK 87.4 million, is allocated to non-controlling interests. The pro forma adjustment referred to in Note 2 does not have a continuing impact on the issuer.

*Note 3:* The purchase of the shares in Norway Pelagic was financed by the Groups cash in bank. As the interest rate of the Groups bank deposits is 2.55 %, a pro forma adjustment of NOK 2.5 million is recognized on net financial items. The pro forma adjustment referred to in Note 3 have a continuing impact on the issuer.

*Note 4:* The pro forma adjustment of NOK 0.7 million on income tax expenses relates to the pro forma adjustment on net financial items (Note 3). NOK 0.7 million equals 28 % (the Norwegian tax rate) of NOK 2.5 million. The pro forma adjustment referred to in Note 4 have a continuing impact on the issuer.

## **7.6 Pro forma consolidated balance sheet as of 31.12.2012**

### **7.6.1 Unaudited pro forma condensed balance sheet information as of 31.12.2012**

The tables below set out the pro forma condensed balance sheet information for the Enlarged Group as of 31 December 2012. The pro forma condensed balance sheet is developed in line with principles described above. The tables below show actual figures for the Austevoll Seafood Group and Norway Pelagic, and the eliminations and adjustments. Summing up these columns constitute the pro forma condensed balance sheet for the Enlarged Group after the Transaction as of 31 December 2012.

All figures in NOK 1,000	Austevoll Seafood 31.12.2012	Norway Pelagic 31.12.2012	Notes	Elimination	Notes	Pro forma adjustment	Pro forma 31.12.12
Intangible assets	6,163,567	322,100		-	1	-320,269	6,165,398
Fixed assets	4,145,619	708,100		-		-	4,853,719
Financial assets	1,246,457	112,400	1	-518,502		-	840,350
Inventories	3,478,083	731,400		-	2	10,000	4,219,483
Receivables	1,743,198	544,600	2	-14,203		-	2,273,595
Bank balance	2,180,629	21,600		-	3	-97,999	2,104,230
<b>Total Assets</b>	<b>18,957,553</b>	<b>2,440,100</b>		<b>-532,710</b>		<b>-408,268</b>	<b>20,456,675</b>
Equity – equity holders of the parent	6,750,424	989,300	1	-518,507	6	-560,902	6,660,315
Non-controlling interests	2,670,198	28,600		-	4	149,833	2,848,631
<b>Total equity</b>	<b>9,420,662</b>	<b>1,017,900</b>		<b>-518,507</b>		<b>-411,068</b>	<b>9,508,947</b>
Provisions for commitments	1,977,239	43,700		-	5	2,800	2,023,739
Other long term liabilities	4,443,984	723,000		-		-	5,166,984
Current liabilities	3,115,668	655,600	2	-14,203		-	3,757,065
<b>Total Liabilities</b>	<b>9,536,891</b>	<b>1,422,300</b>		<b>-14,203</b>		<b>2,800</b>	<b>10,947,788</b>
<b>Total Equity and Liabilities</b>	<b>18,957,553</b>	<b>2,440,100</b>		<b>-532,710</b>		<b>-408,268</b>	<b>20,456,675</b>

#### Comments to the tables above:

The purchase method of accounting is used to account for the acquisition of subsidiaries of the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair value at the acquisition date, irrespective of the extent of any minority interest. The final valuation and purchase price allocation related to the acquisition of Norway Pelagic will be carried out during 2013 and excess values and calculation of goodwill/badwill will have to be adjusted after this final exercise.

#### Eliminations:

*Note 1:* The accumulated cost of Austevoll Seafood's purchase of shares in Norway Pelagic is eliminated as a consequence of the consolidation of Norway Pelagic. Accumulated cost includes Austevoll Seafood's investment in Norway Pelagic as of 31.12.2012 where the investment was accounted for using the equity method.

*Note 2:* Intercompany balances between companies within the Austevoll Seafood Group and Norway Pelagic and its subsidiaries are eliminated.

#### Pro forma adjustments:

*Note 1:* The preliminary purchase price allocation, based on the financial position as of 31.12.2012, concludes that the net value of identifiable assets, liabilities and contingent liabilities is NOK 676.2 million. Excess values are identified on inventories only.

As the purchase price of the shares is lower than the estimated fair value of net identifiable assets, liabilities and contingent liabilities, the transaction generates no goodwill. As a consequence of the purchase method lined out in IFRS 3, goodwill recognized in Norway Pelagic's statement of financial position as of 31.12.2012 is impaired. As of 31.12.2012, Norway Pelagic had recognized goodwill amounting to NOK 320.3 million.

*Note 2:* The preliminary purchase price allocation has identified excess values of NOK 10 million related to inventory had the transaction taken place at 31.12.2012.

*Note 3:* The purchase of the shares was financed by the Groups cash deposits. Consequently, the total amount of NOK 98 million is recognized as an adjustment of the Groups bank balance.

*Note 4:* The preliminary purchase price allocation, based on the financial position as of 31.12.2012, concludes that the net value of identifiable assets, liabilities and contingent liabilities is NOK 676.2 million. Non-controlling interests constitute 22.16 % of the shareholdings in Norway Pelagic. As a consequence non-controlling interests are recognized to its share of the net value of identifiable assets, liabilities and contingent liabilities, amounting to NOK 149.8 million.

*Note 5:* The adjustment relates to deferred tax on excess values allocated to inventory. Deferred tax has been calculated with a nominal tax rate of 28 %.

*Note 6:* The adjustment is the net of the adjustments 1-5.

## **7.7 Auditor's statement to the pro forma financial figures**

The Company's auditor PricewaterhouseCoopers AS has issued a report on the pro forma financial information of Austevoll Seafood. The report is included in Appendix 2 to this Information Memorandum.

## 8 ADDITIONAL INFORMATION

### 8.1 Third party information

The information in this Information Memorandum that has been sourced from third parties, which is limited to information provided by Norway Pelagic, has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

### 8.2 Documents on display

For the life of this Information Memorandum following documents (or copies thereof) may be inspected at [www.auss.no](http://www.auss.no) or at the Company's business address:

- i. The Memorandum of Association and Articles of Association of the Company;
- ii. historical financial information for the Company and its subsidiary undertakings for each of the three financial years preceding the publication of this Information Memorandum; and
- iii. Stock exchange notices, including quarterly reports, distributed by the Company through Oslo Børs' information system after the submission of the application for listing.
- iv. all reports, letters, and other documents and statements prepared by any expert at the Company's request any part of which is included or referred to in the Information Memorandum

### 8.3 Incorporation by reference

The information incorporated by reference in this Information Memorandum shall be read in connection with the cross-reference list as set out in the table below. Except as provided in this Section, no other information is incorporated by reference into this Information Memorandum.

Section in this Information Memorandum	Disclosure requirements of the Information Memorandum	Reference document and link	Page number in reference document
Section 6.1	Audited historical financial information (Annex I, Section 20.1)	AUSS - Consolidated audited annual report 2009 <a href="http://www.newsweb.no/newsweb/search.do?messageId=259195">http://www.newsweb.no/newsweb/search.do?messageId=259195</a>	P. 1-95
		AUSS - Consolidated annual report 2010 <a href="http://www.newsweb.no/newsweb/search.do?messageId=280721">http://www.newsweb.no/newsweb/search.do?messageId=280721</a>	P. 1-142
		AUSS - Consolidated annual report 2011 <a href="http://www.newsweb.no/newsweb/search.do?messageId=303846">http://www.newsweb.no/newsweb/search.do?messageId=303846</a>	P. 1-152
Section 6.1	Audit report (Annex I, Section 20.1)	AUSS - Consolidated audited annual report 2009 <a href="http://www.newsweb.no/newsweb/search.do?messageId=259195">http://www.newsweb.no/newsweb/search.do?messageId=259195</a>	P. 96
		AUSS - Consolidated annual report 2010 <a href="http://www.newsweb.no/newsweb/search.do?messageId=280721">http://www.newsweb.no/newsweb/search.do?messageId=280721</a>	P. 144-145
		AUSS - Consolidated annual report 2011 <a href="http://www.newsweb.no/newsweb/search.do?messageId=303846">http://www.newsweb.no/newsweb/search.do?messageId=303846</a>	P. 154-155

<b>Section in this Information Memorandum</b>	<b>Disclosure requirements of the Information Memorandum</b>	<b>Reference document and link</b>	<b>Page number in reference document</b>
Section 6.1	Accounting policies (Annex I, Section 20.1)	AUSS - Consolidated audited annual report 2011 <a href="http://www.newsweb.no/newsweb/search.do?messageld=303846">http://www.newsweb.no/newsweb/search.do?messageld=303846</a>	P. 75-84
Section 6.1	Interim financial information (Annex I, Section 20.6.1)	AUSS – fourth quarter report 2012 <a href="http://www.newsweb.no/newsweb/search.do?messageld=321917">http://www.newsweb.no/newsweb/search.do?messageld=321917</a>	P. 1-16
		AUSS – fourth quarter report 2011 <a href="http://www.newsweb.no/newsweb/search.do?messageld=299234">http://www.newsweb.no/newsweb/search.do?messageld=299234</a>	P. 1-15
Section 7.2	Sources of pro forma financial information (Annex II, item 3)	AUSS – fourth quarter report 2012 <a href="http://www.newsweb.no/newsweb/search.do?messageld=321917">http://www.newsweb.no/newsweb/search.do?messageld=321917</a>	P. 1-16
		NPEL – fourth quarter report 2012 <a href="http://hugin.info/141592/R/1680789/549237.pdf">http://hugin.info/141592/R/1680789/549237.pdf</a>	P. 1-10

## 9 DEFINITIONS AND GLOSSARY

*The following definitions and glossary apply in this Information Memorandum unless dictated otherwise by the context, including the foregoing pages of this Information Memorandum.*

### 9.1 Definitions

Articles of Association:.....	The Articles of Association of the Company.
Austevoll Seafood Group: .....	Austevoll Seafood together with its subsidiaries.
Austevoll Seafood or the Company: .....	Austevoll Seafood ASA.
AUSS:.....	Austevoll Seafood.
Board:.....	The Board of Directors of Austevoll Seafood.
Enlarged Group: .....	The Austevoll Seafood Group taken together with the Norway Pelagic Group?.
IFRS:.....	International Financial Reporting Standards, issued by the IASB.
LSG: .....	Lerøy Seafood Group ASA
Norway Pelagic:.....	Norway Pelagic ASA.
Norway Pelagic Group:.....	Norway Pelagic together with its subsidiaries.
Manager:.....	Pareto Securities AS.
Mandatory Offer .....	The mandatory offer put forward by Austevoll Seafood as described in the offer document dated 5 March.
NOK: .....	Norwegian Kroner, the lawful currency of the Kingdom of Norway.
NGAAP:.....	Norwegian generally accepted accounting standards.
NPEL: .....	Norway Pelagic ASA
Norwegian Public Limited Companies Act: .....	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (“Allmennaksjeloven”).
Norwegian Securities Trading Act: .....	The Securities Trading Act of 29 June 2007 no. 75 (“Verdipapirhandelloven”).
Oslo Børs: .....	Oslo Børs ASA (translated “the Oslo Stock Exchange”).
Information Memorandum: .....	This Information Memorandum dated 18 March prepared in connection with the Transaction.
Share(s): .....	“Shares” means common shares in the capital of Austevoll Seafood and “Share” means any one of them.
Transaction: .....	The acquisition of shares in Norway Pelagic by Austevoll Seafood as described in Section 3 of this Information Memorandum.
USD:.....	United States Dollars.
VPS account: .....	An account with VPS for the registration of holdings of securities.
VPS: .....	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes the Norwegian paperless securities registration system.

### 9.2 Glossary of Terms

*Terms and expressions used in the oil and gas industry and technical terms used in the description of the Company is set out below.*

CEO:.....	Chief Executive Officer.
CFO:.....	Chief Financial Officer.
EBITDA: .....	Earnings, before interest, tax, depreciation and amortization.
EBIT: .....	Earnings, before interest, tax.

Gw: ..... Gross weight.

IFFO: ..... International Fishmeal and Fish Oil Organisation.



**Appendix 1: Austevoll Seafood ASA group structure**

Austevoll Seafood ASA

Red letters = Associated companies

Company	Country	Parent company	Ownership %
<b>Lerøy Seafood Group ASA</b>	Norway	Austevoll Seafood ASA	62,56 %
Allarm Alanko Lerøy	Turkey	Lerøy Seafood Group ASA	50,00 %
Austevoll Supply AS	Norway	Sjættroll Havbruk AS	38,50 %
Aakvik Settsfisk AS	Norway	Lerøy Hydrotech AS	100,00 %
Brandasund Fiskeforedling AS	Norway	Sjættroll Havbruk AS	100,00 %
Bulanend Fiskeindustri AS	Norway	Hallvard Lerøy AS	68,78 %
Cleantish AS	Norway	Lerøy Vest AS	25,00 %
Etrick Trout Co. Ltd.	Scotland	Scottish Seafoods Ltd.	100,00 %
Eurosalmon SAS	France	Hallvard Lerøy SAS	100,00 %
Fisicut SAS	France	Hallvard Lerøy SAS	100,00 %
Glada Laxen AS	Finland	Jokinen Evälät OY	100,00 %
Hallvard Lerøy AS	Norway	Lerøy Seafood Group ASA	100,00 %
Hallvard Lerøy SAS	France	Hallvard Lerøy AS	100,00 %
Hgakvik Settsfisk AS	Norway	Lerøy Hydrotech AS	68,00 %
Holmfjord Lakseproduktur AS	Norway	Rodé Beheer B.V.	100,00 %
Hydral AS	Norway	Lerøy Hydrotech AS	50,00 %
Inversiones Seafood Ltda	Chile	Lerøy Seafood Group ASA	99,99 %
Inversiones Seafood Ltda	Chile	Inversiones Pacfish Ltda	0,01 %
Jokisen Evälät OY	Finland	Lerøy Seafood Group ASA	68,00 %
Kvernvikaks AS	Norway	Lerøy Hydrotech AS	100,00 %
Laksefjord AS	Norway	Lerøy Aurora AS	100,00 %
Lerøy AS	Norway	Lerøy Hydrotech AS	48,00 %
Lerøy & Strudshavn AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Altheim AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Alt i Flak AB	Sweden	Lerøy Sverige AB	100,00 %
Lerøy Aurora AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Culinar B.V.	Holland	Rodé Vis International AS	50,00 %
Lerøy Culinar B.V.	Holland	Hallvard Lerøy AS	50,00 %
Lerøy Delico AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Fiskeri AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Fossen AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Hydrotech AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Midnor AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Nordhav AB	Sweden	Lerøy Sverige AB	100,00 %
Lerøy Portugal Ltda	Portugal	Lerøy Seafood Group ASA	60,00 %
Lerøy Processing Spain S.L.	Spain	Lerøy Seafood Group ASA	100,00 %
Lerøy Quality Group AS	Norway	Hallvard Lerøy AS	100,00 %
Lerøy Sjømatgruppen AS	Norway	Hallvard Lerøy AS	100,00 %
Lerøy Smøgen Seafood AB	Sweden	Lerøy Sverige AB	100,00 %
Lerøy Stockholm AB	Sweden	Lerøy Sverige AB	100,00 %
Lerøy Sverige AB	Sweden	Lerøy Seafood Group ASA	100,00 %
Lerøy Trondheim AS	Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy USA Inc	USA	Hallvard Lerøy AS	100,00 %
Lerøy Vest AS	Norway	Lerøy Seafood Group ASA	100,00 %
Nordvik SAS	France	Lerøy Seafood Group ASA	100,00 %
<b>Norskott Havbruk AS</b>	Norway	<b>Lerøy Seafood Group ASA</b>	<b>50,00 %</b>
Orkney Seafarm Ltd.	Scotland	Scottish Seafoods Ltd.	100,00 %
Pacific Seafoods SA	Chile	Inversiones Seafood Ltda	99,90 %
Pacific Seafoods SA	Chile	A.D.Pesca E.I.R.L.	0,10 %
Rex Star Seafood AS	Norway	Sjættroll Havbruk AS	100,00 %
Rodé Beheer B.V.	Holland	Lerøy Seafood Group ASA	50,10 %
Rodé Frozen Seafood B.V.	Holland	Rodé Beheer B.V.	100,00 %
Rodé Retail B.V.	Holland	Rodé Beheer B.V.	100,00 %
Rodé Vastgoed B.V.	Holland	Rodé Beheer B.V.	100,00 %
Rodé Vis B.V.	Holland	Rodé Beheer B.V.	100,00 %
Rodé Vis International AS	Norway	Rodé Beheer B.V.	100,00 %
Salmindred AS	Norway	Sjættroll Havbruk AS	27,50 %
Sandvikstomt 1 AS	Norway	Lerøy Seafood Group ASA	100,00 %
Scottish Seafoods Ltd.	Scotland	Norskott Havbruk AS	100,00 %
Sirevaag AS	Norway	Lerøy Delico AS	100,00 %
Sjættroll Havbruk AS	Norway	Lerøy Seafood Group ASA	50,71 %
Sersmolt AS	Norway	Lerøy Vest AS	49,00 %
Terregles Salmon Co. Ltd.	Scotland	Scottish Seafoods Ltd.	100,00 %
Torjølvingen Settsfisk AS	Norway	Lerøy Hydrotech AS	65,00 %
Akra Sjømat AS	Norway	Sirevaag AS	0,00 %
<b>AUSS Shared Service AS</b>	Norway	Austevoll Seafood ASA	100,00 %
<b>Austevoll Laksepakkeri AS</b>	Norway	Austevoll Seafood ASA	100,00 %
AUSS Laks AS	Norway	Austevoll Laksepakkeri AS	100,00 %
<b>Aumur AS</b>	Norway	Austevoll Seafood ASA	100,00 %
Murman Fishing Company Ltd.	Cyprus	Aumur AS	100,00 %
<b>Austevoll Eiendom AS</b>	Norway	Austevoll Seafood ASA	100,00 %
<b>Laço IV AS</b>	Norway	Austevoll Seafood ASA	100,00 %
Gateport Ltd	Panama	Laço IV AS	100,00 %
Andean Opportunities Funds Ltd.	Caymen Island	Gateport Ltd.	100,00 %
Dordogne Holdings Ltd.	Panama	Gateport Ltd.	66,67 %
Dordogne Holdings Ltd.	Panama	Andean Opportunities Funds Ltd.	33,33 %
Austral Group S.A.A.	Peru	Dordogne Holdings Ltd.	89,38 %
Conservas de las Americas S.A	Peru	Austral Group S.A.A.	100,00 %
Corporacion del Mar S.A	Peru	Emberg Investments Corp	76,20 %
Corporacion del Mar S.A	Peru	Corporacion Aladino S.A	23,80 %
Welcon Invest AS	Norway	Laço IV AS	50,00 %
Welcon AS	Norway	Welcon Invest AS	100,00 %
Welcon Egersund AS	Norway	Welcon AS	100,00 %
Welcon Protein AS	Norway	Welcon AS	100,00 %
Welcon Moltustranda AS	Norway	Welcon AS	100,00 %
Måøy Sildofabrik AS	Norway	Welcon AS	100,00 %
Mat Miljølaboratorier AS	Norway	Welcon AS	100,00 %
Karmsund Fiskemel AS	Norway	Welcon AS	100,00 %
Vadsø Maritime Næringspark AS	Norway	Welcon AS	41,66 %
Vadsø Maritime Næringspark AS	Norway	Welcon Invest AS	58,34 %
Bode Sildofabrik AS	Norway	Welcon AS	50,00 %
Bode Sildofabrik AS	Norway	Welcon Invest AS	50,00 %
BSF Eiendom AS	Norway	Bode Sildofabrik AS	100,00 %
Nergård Holding AS	Norway	Welcon Invest AS	25,00 %
Nergård AS	Norway	Nergård Holding AS	100,00 %
Rossøyen Ltd.	United Kingdom	United Fish Industries (UK) Ltd.	50,00 %
Iorus Ltd.	Jersey	Welcon Invest AS	100,00 %
Boru Unlimited	Jersey	Iorus Ltd.	100,00 %
United Fish Industries Unlimited	Ireland	Iorus Ltd.	99,90 %
United Fish Industries Unlimited	Ireland	Boru Unlimited	0,10 %
United Fish Industries (UK) Ltd.	United Kingdom	United Fish Industries Unlimited	100,00 %
Hordafør AS	Norway	Welcon Invest AS	50,00 %
<b>Inversiones Pacfish Ltda.</b>	Chile	Austevoll Seafood ASA	100,00 %
Inversiones Pacfish Ltda.	Chile	A.D.Pesca E.I.R.L.	0,00 %
A.D.Pesca E.I.R.L.	Chile	Andres Daroch	100,00 %
<b>Br. Birkeland AS</b>	Norway	<b>Austevoll Seafood ASA</b>	<b>49,99 %</b>
<b>Br. Birkeland Fiskebåtrederi AS</b>	Norway	<b>Br. Birkeland AS</b>	<b>100,00 %</b>
Talbor AS	Norway	<b>Br. Birkeland AS</b>	<b>100,00 %</b>
Bjånesøy Eiendom AS	Norway	<b>Br. Birkeland AS</b>	<b>100,00 %</b>
Kobbekvik og Funuholmen Oppdrett AS	Norway	<b>Br. Birkeland AS</b>	<b>100,00 %</b>
Hæringsmolt AS	Norway	<b>Kobbekvik og Funuholmen Oppdrett AS</b>	<b>50,00 %</b>
<b>A-Fish AS</b>	Norway	Austevoll Seafood ASA	100,00 %
Aconcagua Ltd	Jersey	A-Fish AS	100,00 %
Consortium Enterprises (Jersey) Ltd.	Jersey	Aconcagua Ltd	100,00 %
Beechwood Ltd.	Panama	Consortium Enterprises (Jersey) Ltd.	100,00 %
Pesquera Nuevo Horizonte Ltd.	Chile	Beechwood Ltd.	99,00 %
Pesquera Nuevo Horizonte Ltd.	Chile	FoodCorp S.A.	1,00 %
Pesquera Caldera Ltd.	Chile	Consortium Enterprises (Jersey) Ltd.	98,10 %
Pesquera Caldera Ltd.	Chile	Inversiones Pacfish Ltda.	1,90 %
FoodCorp S.A.	Chile	Consortium Enterprises (Jersey) Ltd.	72,98 %
FoodCorp S.A.	Chile	Inversiones Pacfish Ltda.	22,91 %
Pesquera del Cabo S.A.	Chile	FoodCorp S.A.	100,00 %
Pesquera del Cabo S.A.	Chile	Inversiones Pacfish Ltda.	0,00 %
FoodCorp Chile S.A.	Chile	FoodCorp S.A.	65,00 %
FoodCorp Chile S.A.	Chile	Pesquera del Cabo S.A.	35,00 %
Chilfood S.A.	Chile	FoodCorp Chile S.A.	0,00 %
Cultivos Pacfish S.A.	Chile	Inversiones Pacfish Ltda.	99,90 %
Cultivos Pacfish S.A.	Chile	FoodCorp S.A.	0,10 %
Alumrock Overseas S.A.	Chile	FoodCorp S.A.	100,00 %
Emberg Investments Corp.	Norway	Alumrock Overseas S.A.	50,00 %
Corporacion Aladino S.A	Norway	Alumrock Overseas S.A.	50,00 %
<b>Norway Pelagic ASA</b>	Norway	Austevoll Seafood ASA	77,84 %
Boiga Mottaksstasjon AS	Norway	Modolv Sjøset AS	53,27 %
Helgeland Fryssterminal AS	Norway	Modolv Sjøset AS	100,00 %
Modolv Sjøset AS	Norway	Norway Pelagic AS	65,00 %
Modolv Sjøset Fisk AS	Norway	Modolv Sjøset AS	100,00 %
Moldov Sjøset Pelagic AS	Norway	Modolv Sjøset AS	100,00 %
North Capelin Horningsvåg AS	Norway	Norway Pelagic AS	50,00 %
Norway Pelagic AS	Norway	Norway Pelagic ASA	100,00 %
Norway Pelagic Logistics AS	Norway	Norway Pelagic ASA	100,00 %
Shetland Catch Ltd.	Shetland	Norway Pelagic AS	50,00 %
Sir Fish AS	Norway	Norway Pelagic AS	60,00 %
Sirevåg Frysselager AS	Norway	Sir Fish AS	68,67 %
TD Morsprodukt	Ukraina	Norway Pelagic AS	50,00 %

**Appendix 2: Auditor's Independent Assurance Report on pro forma financial information**



To the Directors and Shareholders of Austevoll Seafood ASA

## **Independent assurance report on pro forma financial information**

We have examined the Pro Forma Financial Information in section Section 7 of the Information Memorandum dated March 18, 2013, comprising the pro forma consolidated balance sheet of Austevoll Seafood ASA (the "Company") as of 31 December 2012 and the related pro forma consolidated statement of income for the year ended 31 December 2012. This Pro Forma Financial Information has been prepared for illustrative purposes solely to show what the significant effects on the consolidated accounts of Austevoll Seafood ASA might have been had the transactions described in section Section 7 of the Information Memorandum occurred on the earlier dates, as set out in section Section 7 of the Information Memorandum. This Pro Forma Financial Information is the responsibility of the Board of Directors. It is our responsibility to provide the opinion required by 'Continuing Obligations of Stock Exchange Listed Companies' issued by Oslo Børs. We are not responsible for expressing any other opinion on the pro forma financial information or on any of its constituent elements.

We conducted our examination in accordance with the Norwegian Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". Our work consisted primarily of comparing the unadjusted financial information with the source documents, obtaining evidence supporting the adjustments and discussing the pro forma financial information with the directors of the Company.

Based on our examination, in our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the issuer.

This report is issued for the sole purpose of the Information Memorandum required by 'Continuing Obligations of Stock Exchange Listed Companies' issued by Oslo Børs as set out in the Information Memorandum. This report is not appropriate for other jurisdictions than Norway and should not be used or relied upon for any purpose other than to comply with item 7 of Annex II to the EU Regulation No 809/2004.

Bergen, 18 March 2013  
**PricewaterhouseCoopers AS**

  
Hallvard Aarø  
State Authorised Public Accountant (Norway)

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