



Austevoll Seafood ASA

Financial Report
Q1 2016

Austevoll Seafood ASA

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NORWAY

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FINANCIAL REPORT Q1 2016

Good prices for Atlantic salmon throughout the quarter

Good pelagic season in the North Atlantic

Seasonal low activity in South America

AUSS has sold 2,750,000 shares in Lerøy Seafood Group ASA and, following this transaction, now owns 57.52% of the company

The Board of Directors recommends a dividend payment of NOK 7.00 per share for 2015.

KEY FIGURES FOR THE GROUP

All figures in NOK 1,000	Q1 2016	(restated) Q1 2015	2015
Operating revenue	4 412 239	3 545 829	15 273 494
EBITDA	885 744	516 965	2 244 076
EBITDA %	20 %	15 %	15 %
EBIT	695 991	348 707	1 386 436
Pre tax profit	907 696	-53 625	1 572 137
Earnings per share (EPS) from continuing operations	1.83	-0.10	3.59
Total assets	26 951 445	23 240 672	25 793 964
Equity	15 043 229	12 571 290	13 610 808
Equity ratio	56 %	54 %	53 %
Net interest bearing debt (NIBD)	3 252 656	3 967 138	4 838 160

Q1 2016

The Group reported operating revenue of NOK 4,412 million in the quarter, compared with NOK 3,546 million in Q1 2015.

There has been an increase in revenue in both Atlantic salmon/trout and in the pelagic segment compared with the same period in 2015.

EBITDA in Q1 was NOK 886 million, up from NOK 517 million in the same quarter of 2015. The increase in EBITDA came within both operating segments: Atlantic salmon/trout and the pelagic segment.

EBIT before value adjustment of biomass in Q1 2016 was NOK 696 million (Q1 2015: NOK 349 million). EBIT after value adjustment of biomass in Q1 2016 was NOK 860 million (Q1 2015: NOK -20 million). The IFRS biomass adjustment for the quarter was positive at NOK 164 million (Q1 2015: NOK -368 million).

Income from associates for Q1 2016 totalled NOK 96 million (Q1 2015: NOK 56 million). The largest associates are Norskott Havbruk AS (owner of the Scottish fish-farming company Scottish Sea Farms Ltd.) and Pelagia AS.

The Group's net interest expense in Q1 2016 totalled NOK 60 million (Q1 2015: NOK 52 million).

Profit before tax and IFRS biomass adjustment for Q1 2016 amounted to NOK 724 million, compared with NOK 314 million in Q1 2015.

Profit before tax for the quarter totalled NOK 908 million (Q1 2015: NOK -54 million). Profit after tax was NOK 693 million (Q1 2015: NOK -26 million).

The Group is financially sound with an equity ratio of 56 %.

The Group had net interest-bearing debt totalling NOK 3,253 million at the end of Q1 2016, compared with NOK 3,967 million at the end of the same quarter last year.

Net interest-bearing debt at the end of March 2016 was affected by the parent company, AUSS, having sold 2,750,000 shares in Lerøy Seafood Group ASA in March. The shares were sold for a price of NOK 355.00 per share, in total NOK 976 million. In a stock exchange announcement of 18 March 2016, the Board of Directors proposed that the net proceeds from the sale of the shares be distributed as dividends, with the proposed dividend per share for 2015 being NOK 7.00.

OPERATING SEGMENTS

Austral Group S.A.A (Peru)

Austral Group S.A.A. (Austral) is involved in fishing, production

of fishmeal and oil, and consumer products. Austral holds 6.87% of the total quota for anchoveta in Central/North Peru, and just under 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel.

Anchoveta is used to produce fishmeal and oil, and horse mackerel/mackerel is fished for consumer products.

The main fishing seasons for anchoveta in Central/North Peru are from April to July and November to January.

Following restructuring, fishmeal and oil are now produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also has two factories producing consumer products that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

The second fishing season for anchoveta in Central/North Peru started on 17 November, and the total quota for the season was set at 1,110,000 tonnes. Austral fished approx. 77% of its quota in Q4 2015 and the remaining quota was fished in January 2016. Activity was otherwise seasonally low, as normal.

Just about the entire production of fishmeal and oil was sold by the end of March. The company is therefore going into Q2 2016 with extremely low stocks.

In Q1 2016, operating revenue was NOK 422 million (Q1 2015: NOK 163 million) and EBITDA was NOK 78 million (Q1 2015: NOK 7 million).

Peru is one of the largest producers of fishmeal and oil in the world. Production volumes in Peru normally have a direct influence on the prices for fishmeal worldwide. Over the last two years, Peru has struggled with low quotas and difficult operating conditions.

Imarpe has completed its survey but we do not yet have any information as to the final outcome.

Foodcorp Chile S.A (Chile)

Foodcorp Chile S.A (FC) is involved in fishing, consumer products, and production of fishmeal and oil. FC has a quota of 9.1% for horse mackerel in South Chile in addition to a quota for sardine/anchoveta.

All FC's facilities share the same premises in Coronel.

The main season for horse mackerel fishing is from December to July. The main season for sardine/anchoveta fishing is divided into two periods. The first season starts in March and ends in July/August. The second season normally starts in October/November.

Horse mackerel fishing started in January. The fishing was good, though with an average fish weight that was slightly lower than desired. Fishing fell off in February and March, but resumed in earnest in April.

The main markets for frozen horse mackerel continue to be characterised by currency restrictions in some main markets, affecting the turnover time of finished product stocks.

Anchoveta fishing by the coastal fleet started in March as normal, though it has been beset by difficulty.

In Q1 2016, operating revenue was NOK 104 million (Q1 2015: NOK 74 million) and EBITDA was NOK 19 million (Q1 2015: NOK -1 million).

There has been a marked decline in fishing for horse mackerel in Chile since 2008/2009. International fish stock management was introduced in 2012, along with the first total quota. Responsibility for the scheme is assigned to the South Pacific Regional Fisheries Management Organization. The quotas established in subsequent years have seen only a minor increase, in order to build up the biomass. We consider that the current practice of conservative management lays the foundations for a sustainable biomass in the long term and, consequently, increased activities for the Group's business in Chile.

Since 2012, FC had an operating partnership with Alimar S.A. This partnership was terminated on 31 December 2015. From the start of 2016, the two companies have been operating their vessels and factories separately.

Lerøy Seafood Group ASA (LSG)

In Q1 2016, LSG reported operating revenue of NOK 3,816 million (Q1 2015: NOK 3,279 million) and EBITDA before value adjustment of biomass of NOK 697 million (Q1 2015: NOK 501 million).

The company has harvested 38,163 tonnes gutted weight of salmon and trout in the quarter, compared with 35,023 tonnes in the same quarter of 2015, representing an increase in harvesting volume of 9%.

The spot price for salmon in Q1 2016 was NOK 58.10, up NOK 13.10 per kg compared with Q4 2015, and up by 44% compared with Q1 2015. Prices realised by the company in the quarter were negatively affected by a contract share (salmon and trout) of 32%.

Russia's ban on imports of Norwegian salmon and trout, introduced on 7 August 2014, led to a significant increase in exports to the main European markets through most of 2015. For 2015, salmon prices measured in Euros were marginally

down, while the weak Norwegian krone resulted in a price increase measured in Norwegian krone. Towards the end of 2015, the growth in supply to the main markets came to an end. This, together with a weak Norwegian krone, has resulted in record-high prices for salmon in the quarter. Prices for trout have also increased in Q1 2016, though remain considerably lower than those for salmon.

Release from stock costs in Q1 2016 are higher than in Q4 2015, which is mainly due to higher feed costs. LSG continues to suffer from the high direct and indirect costs involved in complying with statutory limits for salmon lice. The company believes there is potential for considerable cost reduction from the current level and, as previously reported, has implemented a number of measures intended to reduce production costs for salmon and trout. In that respect, the Group is glad to be able to report that the number of treatments has more than halved in Q1 2016 compared with Q1 2015.

As previously reported, higher feed costs will gradually lead to higher release from stock costs in Lerøy Aurora in 2016, the release from stock cost in Q1 2016 having been higher than in Q4 2015.

A challenging situation in parts of Central Norway in the second half of 2015 negatively affected the autumn 2014 generation in Lerøy Midt. The company is still harvesting from this generation, which is associated with high costs. Release from stock costs are currently expected to fall in connection with the generational change to the spring 2015 generation, especially in the second half of 2016.

There are clear signs of positive development in Lerøy Sjøtroll, particularly in growth for salmon and trout. Release from stock costs in Q1 2016 remain extremely high, but costs in the coming quarters are currently expected to fall.

LSG has a total of 146 licences: 26 in Troms, 57 in Central Norway and 63 in West Norway.

LSG has made significant investments in increased capacity for high-value processing (VAP) of salmon and trout in recent years, and LSG's marketing work, together with good national and international customers, has resulted in improved capacity utilisation. The company's strategy has included making significant investments in processing facilities, in order to be part of the "revolution" in the distribution of fresh seafood. These investments involve what are known as "fish-cuts": processing facilities where freshness, service and proximity to the customer are key. Today, LSG has a number of fish-cut facilities across Europe.

Br. Birkeland AS (BRBI)

BRBI owns two combined pelagic ring net/trawling vessels, each

with 650 basic tonnes for ring nets and 1,425 trawling quota for blue whiting. In addition, the company is the majority shareholder in a ring net vessel with 471 basic tonnes. In 2014, the company invested in a vessel to fish for snow crab. In addition, BRBI owns seven licences for farming Atlantic salmon/trout in Hordaland.

In Q1 2016, the BRBI segment reported operating revenue of NOK 179 million (Q1 2015: NOK 112 million) and EBITDA before value adjustment of biomass of NOK 87 million (Q1 2015: NOK 15 million).

In the first quarter, the ring net vessels fished for herring, capelin and blue whiting. The company has seen good operations and good earnings. Approximately 1,700 tonnes of salmon and trout were harvested in Q1 2016, compared with 1,950 tonnes in Q1 2015. Good prices for salmon were realised in the quarter, and the fish were harvested at a site with good biology and low release from stock costs.

Pelagia AS

In accordance with IFRS 11, AUSS' consolidated financial statements report the joint venture Pelagia AS as an associate. In the notes to the financial statements for this segment (Note 4) and in the description of the segment in this report, the financial information comprises 50% of Pelagia AS' total revenue, EBITDA, EBIT and sales volume. This corresponds to AUSS' equity interest in Pelagia AS.

Revenue for the quarter was NOK 632 million (Q1 2015: NOK 636 million) and EBITDA was NOK 63 million (Q1 2015: NOK 66 million).

Q1 is normally high season for receipt of raw materials. Total receipt of raw materials in the Group (100%) for fishmeal/FPC and fish oil production was approx. 294,000 tonnes for the quarter, compared with approx. 321,000 tonnes in the same quarter of 2015. The volume of raw materials received for consumer products was 104,000 tonnes, compared with 88,000 tonnes in 2015.

CASH FLOWS Q1 2016

Cash flow from operating activities for Q1 2016 was NOK 790 million (Q1 2015: NOK 425 million). Cash flow from investing activities for Q1 2016 was NOK 806 million (Q1 2015: NOK -296 million). Cash flow from investment was affected by the parent company, AUSS, having sold 2,750,000 shares in LSG in March, with total proceeds of NOK 976 million. Cash flow from financing activities for Q1 2016 was NOK -303 million (Q1 2015: NOK -190 million). Cash flow from financing activities mainly comprises payment of ordinary instalments and changes in short-term credits. Net change in cash for the Group in Q1 2016 was NOK 1,293 million (Q1 2015: NOK -62 million).

The Group's cash and cash equivalents at the end of Q1 2016 was NOK 3,752 million, compared with NOK 2,152 million at the end of Q1 2015.

BALANCE SHEET AS AT 31 MARCH 2016

The Group had a balance sheet total at 31 March 2016 of NOK 26,951 million compared with NOK 23,241 million at 31 March 2015.

The Group is financially sound with book equity at 31 March 2016 of NOK 15,043 million, equivalent to an equity ratio of 56%. At 31 March 2015, the book equity for the Group was NOK 12,571 million, equivalent to an equity ratio of 54%.

Net interest-bearing debt was NOK 3,253 million as at 31 March 2016, compared with NOK 3,967 million at 31 March 2015.

Net interest-bearing debt at 31 March 2016 was affected by AUSS having sold off shares in LSG, which raised NOK 976 million in cash.

RISKS AND UNCERTAINTIES

The Group's risk exposure is described in the Annual Report 2015. The Group's activities are essentially global and will always be impacted to varying degrees by developments in the global economy. In light of the turmoil in the global economy in recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than normal. Although this situation may have negative effects on the real economy in most markets, we are confident that AUSS' core activities are founded on long-term sustainable assets within interesting segments of the global seafood industry.

The Group is exposed to risk related to the value of the Group's assets. Risk arises mainly as a result of changes in the prices of raw materials and finished products, to the extent that these changes impact the company's competitiveness and earnings potential over time. Operational factors, such as marine biomass, fishing conditions and price trends for the Group's input factors, are other key parameters that have an impact on risk for the Group.

Changes in fishing patterns and quota adjustments mean fluctuations in catch volumes from quarter to quarter and year to year, and hence in utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes cause similar fluctuations in the quarterly key figures.

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approx. 16% of the Group's interest-bearing debt.

The Group is exposed to fluctuations in foreign exchange rates, particularly the EUR, GBP, USD, Chilean peso and Peruvian sol. Measures to reduce this risk include forward contracts and multi-currency overdraft facilities. Furthermore, parts of the long-term debt are adjusted in relation to earnings in the same currency.

SHAREHOLDERS

The company had 4,913 shareholders as at 31 March 2016. The number of shareholders at the start of the quarter was 4,086.

The share price was NOK 54.00 at the start of Q1 2016 and NOK 68.00 at the end of the quarter.

A list of the 20 largest shareholders can be found in Note 7.

The Board of Directors has proposed to the annual general meeting in 2016 that a dividend of NOK 7.00 per share is paid for the 2015 financial year. The proposed dividend is influenced by AUSS having sold shares in LSG in March 2016 and the proposal that the proceeds be paid out in dividends. The annual general meeting will take place on 25 May 2016 and the dividend will be paid on 3 June 2016, subject to approval at the annual general meeting. Similarly, a dividend of NOK 2.00 per share was paid out in 2015, which was equivalent to 32% of net profit adjusted for biomass.

MARKET AND OUTLOOK

Fishmeal and fish oil

Europe, in the first quarter, has been in its low season for sales, and producers have as normal built up inventory in this quarter. However, production is expected to be lower in Europe during the first half of the year compared with the same period last year due to a decline in quotas for important fish species normally used for production of fishmeal and fish oil. Imarpe has completed its survey ahead of the first season 2016 but there is as yet no information as to the final outcome. The industry and market closely monitor information available on conditions that may have an impact on the fishing season. Subsequent to a fall in Q4 2015, price trends for fishmeal in Europe have been stable to rising in 2016. In South America, the price trend for fishmeal remained stable in Q4 2015, though it has fallen in 2016. Realised prices for fishmeal FOB Peru (super prime) are now USD 1,700, while the CIF Hamburg prices for fishmeal (standard 64%/65%) are USD 1,475.

Consumer products

The Group's production of consumer products takes place in Europe and South America. In Europe, the season for herring, mackerel and capelin is, as normal, in the period January to April, and the season for North Sea herring from

May onwards. The first half of the year is the season for horse mackerel in South America. The ban on imports into Russia introduced on 7 August 2014 and the introduction of import quotas and currency restrictions in Nigeria have required the companies to actively seek alternative markets for those products traditionally sold mainly to Russia and Nigeria. The weak Norwegian krone has helped to make Norwegian seafood products more competitive globally. However, we are also aware that the local currencies in some of our traditional herring markets (including Ukraine) are falling against the USD, resulting in higher prices for consumers in the markets concerned. Despite this, we are confident that the Group's products on these markets will fare well in competition with alternative sources of protein.

Production, sale and distribution of salmon and trout

At the time of writing, it appears that there are very limited opportunities for growth in the global supply of salmon and trout in the next few years. This gives rise to expectations for a good market in 2016 and subsequent years. In light of the market prospects and the segment's potential for improvements in own production, the outlook is good.

The Group

The Group is financially sound, has shown good development and currently has a strong position on a number of seafood markets worldwide. The Group's strategy going forward is to continue to grow and further develop within its current operating segments. The Group has and shall continue to have the financial flexibility to support its strategy of further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

Bearing in mind the prevailing framework conditions, the Board of Directors is essentially satisfied with the Group's results for Q1 2016. The Group's strong position within the global seafood business gives grounds for a positive outlook for the Group's future development. The Board of Directors currently expects a better result this year compared with last year.

Storebø, 11 May 2016

The Board of Directors of Austevoll Seafood ASA

INCOME STATEMENT (unaudited)

All figures in NOK 1.000	Q1 2016	(restated) Q1 2015	2015
Operating revenue	4 412 239	3 545 829	15 273 494
Raw material and consumables used	2 590 316	2 217 904	9 373 171
Salaries and personnel expenses	489 501	408 042	1 797 059
Other operating expenses	446 678	402 918	1 859 188
Operating profit before depreciation (EBITDA)	885 744	516 965	2 244 076
Depreciation and amortisation	191 712	170 407	749 754
Impairment	-1 959	-2 149	107 886
EBIT before fair value biomass adjustment	695 991	348 707	1 386 436
Fair value adjustment biomass	163 828	-368 222	246 567
Operating profit	859 819	-19 515	1 633 003
Income from associated companies	96 369	55 943	264 279
Net interest expenses	-60 187	-52 329	-223 215
Net other financial items (incl. agio/disagio)	11 695	-37 724	-101 930
Profit before tax	907 696	-53 625	1 572 137
Income tax expenses	-215 042	27 313	-289 031
Net profit	692 654	-26 312	1 283 106
Profit to non-controlling interest	324 124	-5 713	560 863
Profit to controlling interests	368 530	-20 599	722 243
Earnings per share (EPS)	1.83	-0.10	3.59
Diluted EPS	1.83	-0.10	3.59

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1.000	Q1 2016	(restated) Q1 2015	2015
Net earnings in the period	692 654	-26 312	1 283 106
Other comprehensive income			
Currency translation differences	-193 725	193 324	419 618
Other comprehensive income from associated companies		-	
Cash flow hedges	-16 558	47 992	45 127
Change in value available for sale financial assets		-	
Others incl. tax effect	9 305	-3 820	-14 552
Total other comprehensive income	-200 978	237 496	450 193
Comprehensive income in the period	491 676	211 184	1 733 299
Allocated to;			
Minority interests	254 582	-2 994	616 348
Majority interests	237 094	214 178	1 116 951

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1.000	(restated)		
	31.03.2016	31.03.2015	31.12.2015
Assets			
Intangible assets	8 035 619	7 634 655	8 115 351
Vessels	900 506	698 013	949 354
Property, plant and equipment	4 498 690	4 421 734	4 581 699
Investments in associated companies	1 793 965	1 706 690	1 766 591
Investments in other shares	33 262	33 805	33 428
Other long-term receivables	62 262	68 374	61 159
Total non-current assets	15 324 304	14 563 271	15 507 582
Inventories	5 360 709	4 314 027	5 539 913
Accounts receivable	1 878 646	1 560 349	1 655 026
Other current receivables	635 127	651 043	621 048
Cash and cash equivalents	3 752 659	2 151 982	2 470 395
Total current assets	11 627 141	8 677 401	10 286 382
Total assets	26 951 445	23 240 672	25 793 964
Equity and liabilities			
Share capital	101 359	101 359	101 359
Own shares	-35 306	-35 306	-35 306
Share premium	3 713 549	3 713 549	3 713 549
Retained earnings and other reserves	6 007 931	4 755 645	5 256 429
Non-controlling interests	5 255 696	4 036 043	4 574 777
Total equity	15 043 229	12 571 290	13 610 808
Deferred tax liabilities	2 781 118	2 320 353	2 731 728
Pensions and other obligations	175 267	164 559	154 385
Borrowings	5 015 181	4 863 983	5 322 635
Other long-term liabilities	23 956	18 295	29 693
Total non-current liabilities	7 995 522	7 367 190	8 238 441
Short term borrowings	1 516 415	676 435	1 078 286
Overdraft facilities	449 763	578 702	877 941
Account payable	1 135 121	1 041 026	1 004 075
Other current liabilities	811 395	1 006 029	984 413
Total current liabilities	3 912 694	3 302 192	3 944 715
Total liabilities	11 908 216	10 669 382	12 183 156
Total equity and liabilities	26 951 445	23 240 672	25 793 964
NIBD	3 252 656	3 967 138	4 838 160
Equity ratio	56 %	54 %	53 %

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1.000	(restated)		
	31.03.2016	31.03.2015	31.12.2015
Equity period start	13 610 808	12 360 106	12 360 106
Comprehensive income in the period	491 676	211 184	1 733 299
Dividends	-	-	-684 061
Business combinations/acquisition	-	-	201 464
Transactions with non-controlling interest	940 745	-	-
Effect option programme	-	-	-
Other	-	-	-
Total changes in equity in the period	1 432 421	211 184	1 250 702
Equity at period end	15 043 229	12 571 290	13 610 808

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1.000	Q1 2016	(restated) Q1 2015	2015
Cash flow from operating activities			
Profit before income taxes	907 696	-53 625	1 572 137
Fair value adjustment of biological assets	-163 828	368 222	-246 567
Taxes paid in the period	-180 515	-143 376	-427 611
Depreciation and amortisation	191 711	170 407	749 754
Impairments	-1 959	-2 149	107 886
Associated companies - net	-96 369	-55 943	-264 279
Interest expense	68 937	61 333	261 532
Interest income	-8 750	-9 004	-38 317
Change in inventories	343 032	55 553	-557 886
Change in receivables	-237 699	161 658	94 476
Change in payables	131 046	-143 534	-181 541
Other operating cash flow incl currency exchange	-163 444	14 998	141 544
Net cash flow from operating activities	789 858	424 540	1 211 128
Cash flow from investing activities			
Purchase of intangible and fixed assets	-157 993	-189 336	-1 125 674
Purchase of shares and equity investments	-28 493	-129 450	-149 080
Proceeds from sale of fixed assets/equity investments	987 440	6 354	101 692
Cash inflow from business combinations	-	7 732	12 858
Dividend received	-	-	174 000
Interest income	8 750	9 004	38 317
Other investing activities - net	-3 747	-490	10 141
Net cash flow from investing activities	805 957	-296 186	-937 746
Cash flow from financing activities			
Proceeds from new long term debt	689 078	98 280	1 379 786
Repayment of long term debt	-491 014	-155 605	-734 557
Change in short term debt	-428 174	-74 222	275 754
Interest paid	-72 709	-58 414	-255 959
Dividends paid	-	-	-684 061
Other finance cash flow - net	-	-	-
Net cash flow from financing activities	-302 819	-189 961	-19 037
Net change in cash and cash equivalents	1 292 996	-61 607	254 345
Cash, and cash equivalents at start of period	2 470 222	2 198 148	2 198 148
Exchange gains/losses (-)	-10 732	15 441	17 727
Cash and cash equivalents at period end	3 752 486	2 151 982	2 470 220

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). The interim financial statements, including historical comparative amounts, are based on current IFRS standards and interpretations. Changes in the standards and interpretations may result in changes to the result. The interim report has been prepared in accordance with the same policies applied to the most recent annual report, but does not contain all the information and notes required for an annual report. This report must therefore be read in the context of the company's most recent annual report (2015).

NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q1 2016. Related party transactions take place on market terms, and the relevant types of transactions are described in detail in the Annual Report 2015.

NOTE 3 BIOLOGICAL ASSETS

The Group recognises and measures biological assets (fish in sea) at fair value. When estimating fair value, the price is adjusted for quality differences (superior, ordinary and process) and logistics costs. The volume is adjusted for gutting loss. Fair value of fish in sea with an average weight below 4 kg is adjusted based on the stage reached in the growth cycle. The value is not adjusted to a lower amount than historical cost, unless a loss is expected on future sales. For roe, fry, smolt and cleaner fish, historical cost is assumed to be the best estimate of fair value. The fair value adjustment for biomass recognised in the income statement includes change in unrealised gain/loss on financial sales and purchase contracts (derivatives) with Fish Pool, an international regulated marketplace for buying and selling financial salmon contracts. Fish Pool contracts are treated as financial instruments on the balance sheet, where unrealised gain is recognised as other current receivables and unrealised loss as other current debt.

Lerøy Seafood Group ASA

Carrying amount of biological assets	31.03.2016	31.12.2015		
Fish in sea at historic cost	2 944 453	3 105 620		
FV adjustment fish in sea	1 145 281	971 070		
Fair value fish in sea	4 089 733	4 076 689		
Fry, brood, smolt and cleaning fish	277 472	244 141		
Carrying amount of biological assets	4 367 205	4 320 830		
Total biological assets at historic cost	3 221 925	3 349 760		
FV adjustment on biological assets	1 145 281	971 070		
Carrying amount of biological assets	4 367 205	4 320 830		
Fair value adjustment	Q1 2016	Q1 2015	YTD 2016	2015
Change IFRS adj. biological assets	174 211	-348 674	174 211	186 524
Change IFRS adj. derivatives	-2 702	540	-2 702	1 984
FV adj. biological assets	171 509	-348 134	171 509	188 508
Volume of fish in sea (LWT)	Q1 2016	Q1 2015	YTD 2016	2015
Volume at beginning of period	108 270	107 505	108 270	107 505
Growth during the period	34 184	34 414	34 184	191 731
Harvested volume during the period	-46 357	-42 384	-46 357	-190 966
Volume at end of period	96 097	99 535	96 097	108 270
Fish > 4kg	34 510	34 105	34 510	31 686

The figures for harvested volume and growth in the table above have been estimated on the basis of gutted weight (GWT) and converted to live weight (LWT). The gutting loss ratios for salmon and trout applied in this conversion are 17% and 20% respectively. The table includes salmon and trout.

Br Birkeland AS

Carrying amount of biological assets			31.03.2016	2015
Fish in sea at historic cost			165 392	172 475
FV adjustment fish in sea			73 501	81 182
Fair value fish in sea	-	-	238 893	253 657
Fry, brood and smolt			-	-
Carrying amount of biological assets	-	-	238 893	253 657
Fair value adjustment	Q1 2016	Q1 2015	YTD 2016	2015
Change IFRS adj. biological assets	-7 681	-20 088	-7 681	58 059
Change IFRS adj. derivatives	-	-	-	-
FV adj. biological assets	-7 681	-20 088	-7 681	58 059
Volume of fish in sea (LWT)	Q1 2016	Q1 2015	YTD 2016	2015
Volume at beginning of period	5 755	5 893	5 755	5 893
Growth during the period	1 696	1 806	1 696	8 947
Harvested volume during the period	-2 094	-2 379	-2 094	-9 085
Volume at end of period	5 357	5 320	5 357	5 755
Fish > 4kg	1 947	2 698	1 947	3 421

The figures for harvested volume and growth in the table above have been estimated on the basis of gutted weight (GWT) and converted to live weight (LWT). The gutting loss ratios for salmon and trout applied in this conversion are 17% and 20% respectively.

NOTE 4 OPERATING SEGMENTS

All figures in NOK 1.000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Other/ eliminations	Total Group	Pelagia AS * (50% of figures and volumes)	Total Group incl. Pelagia AS (50%)
Q1 2016								
Operating revenue	3 815 658	421 824	103 636	178 509	-107 388	4 412 239	632 465	5 044 704
EBITDA	697 355	77 835	19 482	86 849	4 222	885 743	63 365	949 108
EBITDA %	18 %	18 %	19 %	49 %		20 %	10 %	19 %
EBIT ex. Impairment	584 462	37 620	2 379	70 585	-1 014	694 032	43 390	737 422
EBIT	584 462	39 579	2 379	70 585	-1 014	695 991	43 390	739 381
Volumes sold:								
Salmon (gwt tonnes)	38 163			1 717		39 880		39 880
Fishmeal/oil/FPC (tonnes)		27 715	3 561			31 276	12 722	43 998
Frozen fish (tonnes)		45	3 924			3 969	40 183	44 152
Canning (cases)		26 209	8 753			34 962		34 962
Q1 2015 (restated)								
Operating revenue	3 278 526	163 055	73 995	112 350	-82 097	3 545 829	635 984	4 181 813
EBITDA	500 835	7 273	-762	15 479	-5 859	516 966	65 953	582 919
EBITDA %	15 %	4 %	-1 %	14 %		15 %	10 %	14 %
EBIT ex. Impairment	403 902	-31 636	-16 394	1 199	-10 513	346 558	49 984	396 542
EBIT	403 902	-29 487	-16 394	1 199	-10 513	348 707	49 984	398 691
Volumes sold:								
Salmon (gwt tonnes)	35 023			1 947		36 970		36 970
Fishmeal/oil/FPC (tonnes)		6 696	1 475			8 171	16 638	24 809
Frozen fish (tonnes)		26	2 097			2 123	32 523	34 646
Canning (cases)		137 142	6 237			143 379		143 379
2015								
Operating revenue	13 484 931	1 091 246	490 263	520 433	-313 379	15 273 494	3 045 981	18 319 475
EBITDA	1 813 868	272 637	46 747	106 398	4 425	2 244 075	358 710	2 602 785
EBITDA %	13 %	25 %	10 %	20 %		15 %	12 %	14 %
EBIT ex. Impairment	1 379 952	108 983	-17 596	39 276	-16 294	1 494 321	274 191	1 768 512
EBIT	1 379 952	117 305	-133 804	39 276	-16 293	1 386 436	274 191	1 660 627
Volumes sold:								
Salmon (gwt tonnes)	157 697			7 746		165 443		165 443
Fishmeal/oil/FPC (tonnes)		63 070	12 107			75 177	97 425	172 602
Frozen fish/fresh (tonnes)		26	11 968			11 994	156 399	168 393
Canning (cases)		351 543	23 609			375 152		375 152

NOTE 5 ASSOCIATES

		Q1 2016	(restated) Q1 2015	2015
Norskott Havbruk AS	50.0 %	58 377	16 128	41 408
Pelagia AS	50.0 %	34 522	36 082	203 322
Others		3 470	3 733	19 549
Total income from ass.companies		96 369	55 943	264 279
Total investment		1 793 962	1 706 690	1 766 591

NOTE 6 SALE OF SHARES IN LERØY SEAFOOD GROUP ASA

In March 2016, the parent company, AUSS, sold 2,750,000 shares in Lerøy Seafood Group ASA. The selling price per share was NOK 355.00, and the total proceeds were NOK 976 million.

Following this transaction, AUSS now owns 31,394,281 shares in Lerøy Seafood Group ASA, corresponding to 57.52% of the company's shares.

As communicated in a stock exchange announcement of 18 March 2016, the Board of Directors proposes that the proceeds be utilised for the payment of dividends, with the proposed dividend for the 2015 financial year set at NOK 7.00 per share, or a total of NOK 1,419 million.

NOTE 7 LIST OF THE 20 LARGEST SHAREHOLDERS AS AT 31 MARCH 2016

Investor	Number of shares	% of top 20	% of total
LACO A/S	112,605,876	76.32 %	55.55 %
STATE STREET BANK & TRUST CO.	5,401,322	3.66 %	2.66 %
STATE STREET BANK AND TRUST CO.	3,628,724	2.46 %	1.79 %
PARETO AKSJE NORGE	3,163,756	2.14 %	1.56 %
FOLKETRYGDFONDET	1,938,691	1.31 %	0.96 %
OM HOLDING AS	1,821,850	1.23 %	0.90 %
PACTUM AS	1,800,000	1.22 %	0.89 %
NETSCOUT SYSTEMS INC	1,782,236	1.21 %	0.88 %
BR.BIRKELAND AS	1,722,223	1.17 %	0.85 %
JP MORGAN CHASE BANK, NA	1,665,000	1.13 %	0.82 %
THE BANK OF NEW YORK MELLON	1,663,780	1.13 %	0.82 %
DANSKE INVEST NORSKE INSTIT. II.	1,604,382	1.09 %	0.79 %
JP MORGAN BANK LUXEMBOURG S.A	1,379,749	0.94 %	0.68 %
THE NORTHERN TRUST CO.	1,187,007	0.80 %	0.59 %
MP PENSJON PK	1,182,000	0.80 %	0.58 %
CITIBANK, N.A.	1,154,628	0.78 %	0.57 %
SKANDINAVISKA ENSKILDA BANKEN AB	1,083,500	0.73 %	0.53 %
FORSVARETS PERSONELLSERVICE	937,146	0.64 %	0.46 %
PARETO AS	921,000	0.62 %	0.45 %
STATE STREET BANK AND TRUST CO	906,119	0.61 %	0.45 %
Total number owned by top 20	147,548,989	100 %	72.79 %
Total number of shares	202,717,374		100 %

