



Austevoll Seafood ASA

**Financial Report  
Q4 2016  
and  
preliminary figures  
for 2016**

## INDEX

Key figures for the group .....	03
Q4 2016.....	04
Operating segments.....	04
Cash Flows Q4 2016 .....	06
Cash flows 2016.....	07
Balance sheet as at 31.12.2016 .....	07
Risks and uncertainties .....	07
Shareholders.....	08
Market and outlook .....	08
Income statement .....	10
Condensed statement of comprehensive income .....	10
Statement of financial position .....	11
Condensed statement of changes in equity .....	11
Cash flow statement .....	12
Note 1 Accounting policies .....	13
Note 2 Related party transactions.....	13
Note 3 Biological assets.....	13
Note 4 Operating segments .....	15
Note 5 Associates .....	16
Note 6 Business combinations.....	17
Note 7 List of the 20 Largest shareholders.....	19

Austevoll Seafood ASA

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## FINANCIAL REPORT

### Q4 2016 AND PRELIMINARY FIGURES FOR 2016

High prices generate high earnings for Farming segment

Positive conclusion to pelagic season in the North Atlantic and the anchoveta season in Peru

Lerøy Seafood Group ASA (LSG) acquired 100% ownership of Havfisk and Norway Seafoods Group (NWSF) in Q4

The Board of Directors proposes a dividend payment of NOK 2.50 per share for 2016, in line with the company's dividend policy

#### KEY FIGURES FOR THE GROUP

All figures in NOK 1,000	Q4 2016	Q4 2015	2016	2015
Operating revenue	5 329 664	3 828 573	18 911 523	15 273 494
EBITDA	1 300 949	502 723	3 880 831	2 244 076
EBITDA%	24 %	13 %	21 %	15 %
EBIT	930 844	177 586	2 912 911	1 386 436
Pre tax profit	2 657 988	941 062	4 682 581	1 572 137
Earnings per share (EPS) from continuing operations	4,42	1,91	8,17	3,59
Total assets	35 001 403	25 793 964	35 001 403	25 793 964
Equity	18 212 820	13 610 808	18 212 820	13 610 808
Equity ratio	52 %	53 %	52 %	53 %
Net interest bearing debt (NIBD)/	5 492 880	4 838 160	5 492 880	4 838 160

## Q4 2016

Group operating revenue in Q4 2016 totalled NOK 5,330 million, compared with NOK 3,829 million in Q4 2015.

Revenue saw an increase in both the Farming segment (Atlantic salmon/trout) and for fish caught in the wild (pelagic/white fish).

EBITDA in Q4 2016 was NOK 1,301 million, up from NOK 503 million in the same quarter of 2015. The increase in EBITDA was mainly generated by the Farming segment.

EBIT before fair value adjustment of biomass in Q4 2016 was NOK 931 million (Q4 2015: NOK 178 million).

EBIT after fair value adjustment of biological assets in Q4 2016 was NOK 2,565 million (Q4 2015: NOK 942 million). Fair value adjustment of biomass totalled NOK 1,634 million in Q4 2016 (Q4 2015: NOK 764 million). Write-downs were carried out in the quarter on non-current assets that are not part of scheduled production for 2017. Net write-downs in Q4 2016 were NOK 128 million.

Income from associates in Q4 2016 totalled NOK 152 million (Q4 2015: NOK 94 million). The increase in income in Q4 2016 when compared with the same quarter of 2015 is mainly generated by Norskott Havbruk AS. The largest associates are Norskott Havbruk AS (owner of the Scotland-based fish farming company Scottish Sea Farms Ltd.) and Pelagia AS. The Group's associates are generating positive results and represent substantial value.

The Group's net interest expense in Q4 2016 totalled NOK 74 million (Q4 2015: NOK 53 million).

**Profit before tax and biomass adjustment for Q4 2016 amounted to NOK 1,005 million, compared with NOK 169 million in Q4 2015.**

Profit before tax for the quarter totalled NOK 2,658 million (Q4 2015: NOK 941 million). Profit after tax was NOK 2,149 million (Q4 2015: NOK 809 million).

## 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, while 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.

Fishmeal and oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also produces consumer products in facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

The second anchoveta fishing season in Central /North Peru started on 15 November. After a slow start, the catches improved from mid-December. The main catches in this season have been concentrated in North Peru. Approximately 67% of the total quota of 137,900 tonnes had been caught by the end of December 2016. By the end of the season on 26 January 2017, the company had fished its entire quota.

Sales of fishmeal and fish oil totalled approx. 15,500 tonnes in Q4 2016. Of this figure, 10,000 tonnes originated from first-season production and 5,500 tonnes from second-season production. By comparison, fishmeal and fish oil sales in Q4 2015 totalled approx. 2,700 tonnes. At the end of December 2016, the company had approx. 23,700 tonnes of fishmeal and oil on stock, compared with approx. 19,600 tonnes at the end of December 2015.

Operating revenue in Q4 2016 totalled NOK 285 million (Q4 2015: NOK 71 million) and EBITDA was NOK 17 million (Q4 2015: NOK -26 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 global prices for fishmeal. The El Niño weather phenomenon has had an impact on operations in the past three years, causing lower quotas and difficult operating conditions. Looking forward, there are indications that the temperatures in Peru will be neutral in relation to El Niño.

### *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.

During the quarter, the company has caught approx. 5,800 tonnes of horse mackerel. This comprised the company's own remaining quota of approx. 300 tonnes plus the purchase of third-party quotas.

Throughout 2016, the coastal fleet has experienced difficult conditions for fishing sardine/anchoveta. These have been caused by El Niño and harsh weather conditions for the fleet during the winter. The weather has had an impact on the company's receipt of raw materials in 2016.

The company has had good access to squid in 2016, just under 17,000 tonnes.

Once again in 2016, parts of the main markets for frozen horse mackerel have seen currency restrictions, and these have had a negative impact on the company's margins.

Operating revenue in Q4 2016 totalled NOK 81 million (Q4 2015: NOK 143 million) and EBITDA was negative at NOK -5 million (Q4 2015: NOK -3 million). Write-downs were carried out in the quarter on non-current assets that are not part of scheduled production for 2017. These write-downs related mainly to assets for production of canned goods, and totalled NOK 149 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 fish stock management is assigned to the South Pacific Regional Fisheries Management Organization. The quotas established in subsequent years have only seen a minor increase, in order to safeguard the build-up in biomass. We are confident 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.

#### **Lerøy Seafood Group ASA (LSG)**

In Q4 2016, LSG reported operating revenue of NOK 4,924 million (Q4 2015: NOK 3,563 million) and EBITDA before fair value adjustment of biomass of NOK 1,170 million (Q4 2015: NOK 478 million).

Havfisk and NWSF were both acquired on 31 August 2016 and – as a result of the transactions – have both been consolidated into LSG with effect from 1 September 2016.

A total 39,143 tonnes gutted weight of salmon and trout were

harvested in Q4 2016, down 6% in volume from the same period of 2015, when the corresponding figure was 41,697 tonnes.

The spot price for whole superior salmon in Q4 2016 was up 47% compared with the same quarter of 2015. Prices realised by the company in 2016 were significantly and negatively impacted by the relatively high share of contracts with prices below spot price, in addition to the challenges faced in Central Norway in the third quarter. The share of contracts in Q4 2016 was 44%. The contract prices were somewhat higher than in Q3 2016, but significantly lower than the spot prices in the quarter. The spot prices for trout have seen a substantial improvement throughout the second half of 2016, but remained lower than prices realised for salmon in the fourth quarter. The company's realised prices for trout in Q4 2016 were around NOK 4/kg lower than for salmon.

Release from stock costs were lower in Q4 2016 compared with Q3 2016, but remain at a very high level historically. One important driver here is higher feed costs, but the extremely high direct and indirect costs related to measures to comply with the statutory limits for salmon lice are also a significant factor for cost developments. The company has implemented a number of measures and investments aiming to reduce production costs for salmon and trout in the long term.

As expected, Lerøy Midt's release from stock costs in Q4 2016 continue to be affected by the challenging situation in the region in the autumn of 2016. This will continue to have an effect on harvested volume and cost level. The Group expects costs in 2017 to be higher than normal.

Lerøy Sjøtroll is enjoying a period of growth, although the costs incurred for prevention and treatment of lice remain high. There is considerable potential to reduce these costs, but the Group currently estimates that the cost level in 2017 will remain practically the same as in Q4 2016.

Release from stock costs for Lerøy Aurora in Q4 2016 were substantially lower than in Q3 2016. At the time of writing, the cost level in this region is expected to remain relatively stable in to 2017.

LSG has a total of 146 licences: 26 in Troms, 57 in Central Norway and 63 in West Norway. In addition, the company owns Norsk Oppdrettsservice AS, a producer of cleaner fish.

Havfisk and NWSF were both acquired on 31 August 2016 and – as a result of the transactions – have both been consolidated into LSG with effect from 1 September 2016.

Significant changes were made to the operation of NWSF in Q4 2016. With effect from 1 January 2017, all sales and logistics are coordinated with the Group's marketing department in Bergen as part of the business transfer. Some reorganisation costs are to be expected in 2017 in connection with the transfer, but efforts are well under way to integrate the businesses in order to exploit synergy effects and economies of scale. NWSF's business in Denmark has been sold to Seafood International, a corporation in which Lerøy Seafood Group aims to hold 33% of the shares.

The contribution from Havfisk and NWSF in terms of operating profit (EBIT) in Q4 2016 amounted to NOK 76 million.

LSG has made significant investments in increased capacity for high-value processing (VAP) of salmon and trout in recent years, and the acquisition of NWSF has afforded the company a considerable boost to its processing capacity for white fish. The volatile prices for salmon have been and remain a challenge for processing activities, and the company continues its efforts to adapt to the expectation of permanently high raw material prices.

The Sales & Distribution segment plays a key role in the company's ambition to boost demand for seafood by launching new products and pioneering new markets. The company not only sells seafood from its white fish segment and its own production of salmon and trout, but also has a high level of sales activity in cooperation with third parties, ensuring a wide product range for the company within seafood. As part of its overall strategy, the company has also made significant investments in processing facilities, in order to be able to drive a "revolution" in the distribution of fresh seafood. These investments have been made in what are known as "fish-cuts", processing facilities where freshness, service and proximity to the customer are key. Today, the company has a number of fish-cut facilities across Europe. For further information please see LSG's presentation for Q4 2016.

#### **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 owns a ring net vessel with 471 basic tonnes. The company also has one vessel fishing for snow crab and one vessel being rebuilt to fish for snow crab. In addition, BRBI owns seven licences for farming Atlantic salmon/trout in Hordaland.

In Q4 2016, the BRBI segment reported operating revenue of NOK 270 million (Q4 2015: NOK 182 million) and EBITDA before fair value adjustment of biomass of NOK 126 million

(Q4 2015: NOK 50 million). As normal, the ring net vessels had a high level of activity in the fourth quarter. Mackerel fishing started at the end of September and the vessels also caught their remaining quota of herring in the quarter.

Catches of snow crab were lower in the second half of the year than the first half. The vessel has caught approx. 739 tonnes of snow crab in total in 2016, 577 tonnes of which were caught during the first half and 162 tonnes in the second half of the year.

The harvest volume for salmon in Q4 2016 was 2,511 tonnes, compared with 2,724 tonnes in Q4 2015. Prices realised for salmon in the quarter were very good, and the company sells all its production volume on the spot market. As previously mentioned, the release from stock costs for the harvested volume in the second half of the year are higher than the corresponding figures in the first half of the year.

#### **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 1,050 million (Q4 2015: NOK 1,053 million) and EBITDA was NOK 102 million (Q4 2015: NOK 111 million).

As normal, the fourth quarter was the high season for Pelagia. Within consumer products, the mackerel fishing season started in mid-September and the facility has mainly received mackerel and herring in Q4 2016. Production of fishmeal and fish oil has mainly comprised receipt of cuttings from the consumer product facilities. Total receipt of raw materials in the Group (100%) for fishmeal/FPC and fish oil production was approx. 167,000 tonnes for the quarter, compared with approx. 178,000 tonnes in the same quarter of 2015. The volume of raw materials received for consumer products was 114,000 tonnes, compared with 151,000 tonnes in 2015.

#### **CASH FLOWS Q4 2016**

Cash flow from operating activities for the fourth quarter 2016 was NOK 818 million (Q4 2015: NOK 80 million). Cash flow from investing activities for Q4 2016 was NOK -1,374 million (Q4 2015: NOK -443 million). LSG acquired further shares in Havfisk and NWSF in the quarter, at a total cost of NOK 1,000

million. Subsequent to these transactions and at year-end, LSG owns 100% of the shares in Havfisk and NWSF. Cash flow from financing activities for Q4 2016 was NOK 862 million (Q4 2015: NOK 411 million). This cash flow is affected by external financing obtained for the acquisition of Havfisk and NWSF. Net change in cash for the Group in Q4 2016 was NOK 305 million (Q4 2015: NOK 47 million).

The Group's cash and cash equivalents at the end of Q4 2016 totalled NOK 3,745 million, compared with NOK 2,470 million at the end of Q4 2015.

## FINANCIAL INFORMATION 2016

Havfisk and NWSF were acquired by LSG at the end of August 2016, and the companies have been consolidated into the Group with effect from September 2016.

The Group reported operating revenue of NOK 18,912 million in 2016 (2015: NOK 15,273 million). EBITDA before fair value adjustment of biomass in 2016 was NOK 3,881 million (2015: NOK 2,244 million).

The increase in revenue can mainly be attributed to the businesses in the Farming segment, but has also been impacted by the consolidation of Havfisk and NWSF. The increase in EBITDA can mainly be attributed to the Farming segment, a result of very good prices realised for Atlantic salmon. EBIT before fair value adjustment of biomass in 2016 was NOK 2,913 million (2015: NOK 1,386 million). Write-downs were carried out on non-current assets that are not intended for use in 2017 – in principle, assets related to production of canned goods in Chile. The fair value adjustment of biomass was positive at NOK 1,549 million in 2016, with the corresponding figure in 2015 NOK 247 million. EBIT after fair value adjustment of biomass in 2016 was NOK 4,462 million (2015: NOK 1,633 million).

Income from associates in 2016 totalled NOK 459 million (2015: NOK 264 million). The difference in income from associates can mainly be attributed to the increased result reported by Norskott Havbruk AS.

The Group's net interest expense in 2016 totalled NOK 252 million (2015: NOK 223 million).

**Profit before tax and biomass adjustment for 2016 was NOK 3,085 million, against a corresponding figure in 2015 of NOK 1,334 million.**

Profit after tax for 2016 was NOK 3,708 million (2015: NOK 1,283 million).

Bearing in mind the prevailing framework conditions, including e.g. limited fishing in Peru, Chile and the challenges within farming in Central Norway in the autumn of 2016, the Board of Directors is essentially satisfied with the Group's results for 2016. The Board of Directors would like to take this opportunity to thank all the Group's employees for their hard work in 2016.

## CASH FLOWS 2016

Cash flow from operating activities in 2016 was NOK 3,249 million (2015: NOK 1,211 million). Cash flow from investing activities in 2016 was NOK -2,758 million (2015: NOK -938 million). Cash flow from investing activities was affected by LSG's acquisition of 100% of the shares in Havfisk ASA and Norway Seafoods Group ASA. In addition, AUSS completed the sale of LSG shares in the first quarter and LSG sold treasury shares in the second quarter. Cash flow from financing activities in 2016 was NOK 786 million (2015: NOK -19 million). Cash flow from financing activities was impacted by the private placement carried out by LSG in June 2016. A total of 5 million new LSG shares were issued at a price of NOK 415.00 per share. The Group paid dividends of NOK 1,695 million in 2016 compared with NOK 684 million in 2015. Net change in cash for the Group in 2016 was NOK 1,277 million (2015: NOK 254 million). The Group's cash and cash equivalents at the end of December 2016 totalled NOK 3,745 million compared with NOK 2,470 million at the end of December 2015.

## BALANCE SHEET AS AT 31.12.2016

The Group had a balance sheet total at the end of December 2016 of NOK 35,001 million compared with NOK 25,794 million at the end of December 2015. The Group's balance sheet total at the end of September 2016 was NOK 31,024 million. The increase in the Group's balance sheet total was impacted by the consolidation of Havfisk and NWSF with effect from September 2016.

The Group is financially sound with book equity at 31 December 2016 of NOK 18,213 million, equivalent to an equity ratio of 52%. At 31 December 2015, the book equity for the Group was NOK 13,611 million, equivalent to an equity ratio of 53%.

The Group had net interest-bearing debt totalling NOK 5,493 million at the end of Q4 2016, compared with NOK 4,838 million at the end of the same quarter last year.

Net interest-bearing debt at the end of Q4 2016 was affected by the Group's further acquisitions to hold 100% of the shares in Havfisk and NWSF, totalling NOK 1 billion.

The parent company is financially sound, with book equity of NOK 4,192 million (NOK 4,441 million) and net interest-bearing debt of NOK 580 million (NOK 604 million) at 31 December 2016. The company has good access to external financing on competitive terms.

## 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.

After LSG's acquisition of Havfisk and NWSF, the Group has substantial exposure in relation to catches of wild fish according to Norwegian quotas. The Group faces political risk involving management by the authorities, including framework conditions for aquaculture and licence terms related to the legislation governing fisheries. A number of amendments have recently been proposed that may imply regulations impacting on the activities of the two companies.

In the approval granted by the Ministry of Trade, Industry and Fisheries, LSG's ownership of Havfisk and NWSF is linked to the ownership approved when the application was submitted, thereby requiring approval of any changes in ownership not covered by the exemption granted by the Ministry. The nationality requirement in section 5 of the Act relating to the right to participate in fishing must also be met. Please refer to note 6 to the interim report for more detailed information on the above.

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approx. 12% 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 in the short term 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 4,819 shareholders as of 31 December 2016. The number of shareholders at the start of the period was 4,887.

The share price at the start of the fourth quarter was NOK 67.25 and NOK 83.75 at the end of the quarter.

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

## MARKET AND OUTLOOK

### *Fishmeal and fish oil*

In Europe, the fourth quarter is normally a good quarter for production. Price level for fishmeal in Europe have been stable in 2016 but with a decline in the fourth quarter. The second fishing season in Peru opened on 15 November, and the total quota was for 2 million tonnes, within the normal range for quotas for this season. The total quota for the corresponding period of 2015 was 1.1 million tonnes, due to the uncertainty around the measurements taken by IMARPE prior to season start. Increased quotas have been announced for 2017 for the species of fish used for fishmeal and fish oil in Europe. Realised prices for fishmeal FOB Peru (superprime) are currently USD 1,490, while CIF Hamburg prices for fishmeal (standard 64%/65%) are USD 1,350.

### *Consumer products*

The Group's production of consumer products takes place in Europe and South America. In Europe, the season for herring and capelin is, as normal, in the period from January to April, and the season for North Sea herring from May onwards. The mackerel season normally starts in September, and the remaining quotas for herring are also caught from September onwards. The first half of the year is the season for horse mackerel in South America. The ban on imports into Russia and the import quotas and currency restrictions on sales to Nigeria have required the companies to actively seek alternative markets for those products traditionally sold mainly to Russia and Nigeria. We note that the Group's products are faring well in competition with alternative sources of protein.



**Production, sale and distribution of salmon, trout and white fish**

At the time of writing, it appears that there are limited opportunities for growth in the global supply of salmon and trout in the next few years.

In light of the market prospects and the segment's potential for improvements in own production, the outlook is good. Salmon lice prevention costs are expected to increase in 2017, while costs related to treatment are expected to fall. There is significant potential for reductions in treatment costs, and the Group has a clearly defined strategy and goal to realise this potential, while acknowledging that it is difficult to specify a timeline for such a development.

LSG has been a driver towards the end market via its fully integrated value chain, product development, increased traceability and availability, particularly for salmon. The company has also launched equivalent products for white fish, and is noticing the same trends as for salmon and trout. The Group is confident that there is considerable value generation potential in further

developing the white fish market, including increasing capacity utilisation in LSG's downstream activities. The investments in Havfisk and NWSF play an important role in achieving LSG's vision of being the leading and most profitable global supplier of quality sustainable seafood.

**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.


The Group's strong position within the global seafood industry gives grounds for a positive outlook for the Group's future development.

Storebø, 20 February 2017


The Board of Directors of Austevoll Seafood ASA

  
Helge Singelstad  
Chairman of the Board


  
Lill Maren Møgster

  
Oddvar Skjegstad  
Deputy Chairman of the Board

  
Leif Teksum

  
Helge Møgster

  
Inga Lise L. Moldestad

  
Siren M. Grønhaug

  
Arne Møgster  
CEO

## INCOME STATEMENT (unaudited)

All figures in NOK 1.000	Note	Q4 2016	Q4 2015	2016	2015
<b>Operating revenue</b>	4	5 329 664	3 828 573	18 911 523	15 273 494
Raw material and consumables used		2 509 272	2 349 887	10 522 582	9 373 171
Salaries and personnel expenses		742 892	505 639	2 229 746	1 797 059
Other operating expenses		776 551	470 324	2 278 364	1 859 188
<b>Operating profit before depreciation (EBITDA)</b>		<b>1 300 949</b>	<b>502 723</b>	<b>3 880 831</b>	<b>2 244 076</b>
Depreciation and amortisation		242 585	210 986	845 126	749 754
Impairment		127 520	114 151	122 794	107 886
<b>EBIT before fair value biomass adjustment</b>		<b>930 844</b>	<b>177 586</b>	<b>2 912 911</b>	<b>1 386 436</b>
Fair value adjustment biomass	3	1 634 360	763 943	1 549 449	246 567
<b>Operating profit</b>		<b>2 565 204</b>	<b>941 529</b>	<b>4 462 360</b>	<b>1 633 003</b>
Income from associated companies		151 699	93 838	459 498	264 279
Net interest expenses		-73 719	-53 437	-251 644	-223 215
Net other financial items (incl. agio/disagio)		14 804	-40 868	12 367	-101 930
<b>Profit before tax</b>		<b>2 657 988</b>	<b>941 062</b>	<b>4 682 581</b>	<b>1 572 137</b>
Income tax expenses		-508 683	-131 803	-974 607	-289 031
<b>Net profit</b>		<b>2 149 305</b>	<b>809 259</b>	<b>3 707 974</b>	<b>1 283 106</b>
Profit to non-controlling interest		1 257 229	425 465	2 063 069	560 863
Profit to controlling interests		892 076	383 794	1 644 905	722 243
Earnings per share (EPS)		4,42	1,91	8,17	3,59
Diluted EPS		4,42	1,91	8,17	3,59

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1.000	Q4 2016	Q4 2015	2016	2015
<b>Net earnings in the period</b>	<b>2 149 305</b>	<b>809 259</b>	<b>3 707 974</b>	<b>1 283 106</b>
<b>Other comprehensive income</b>				
Currency translation differences	156 507	60 518	-224 901	419 618
Other comprehensive income from associated companies		-		-
Cash flow hedges	29 070	-1 548	38 091	45 127
Change in value available for sale financial assets		-		-
Others incl. tax effect	-4 755	-1 631	7 556	-14 552
<b>Total other comprehensive income</b>	<b>180 822</b>	<b>57 339</b>	<b>-179 254</b>	<b>450 193</b>
<b>Comprehensive income in the period</b>	<b>2 330 127</b>	<b>866 598</b>	<b>3 528 720</b>	<b>1 733 299</b>
<b>Allocated to;</b>				
Minority interests	1 286 820	436 649	1 984 792	616 348
Majority interests	1 043 307	429 949	1 543 928	1 116 951

## STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1.000	Note	31.12.2016	31.12.2015
<b>Assets</b>			
Intangible assets		11 746 906	8 115 351
Vessels		1 992 120	949 354
Property, plant and equipment		4 698 944	4 581 699
Investments in associated companies	5	1 710 001	1 766 591
Investments in other shares		33 821	33 428
Other long-term receivables		120 842	61 159
<b>Total non-current assets</b>		<b>20 302 634</b>	<b>15 507 582</b>
Inventories	3	7 878 681	5 539 913
Accounts receivable		2 340 495	1 655 026
Other current receivables		734 205	621 048
Cash and cash equivalents		3 745 388	2 470 395
<b>Total current assets</b>		<b>14 698 769</b>	<b>10 286 382</b>
<b>Total assets</b>		<b>35 001 403</b>	<b>25 793 964</b>
<b>Equity and liabilities</b>			
Share capital		101 359	101 359
Own shares		-18 312	-35 306
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		5 451 621	5 256 429
Non-controlling interests		8 964 603	4 574 777
<b>Total equity</b>		<b>18 212 820</b>	<b>13 610 808</b>
Deferred tax liabilities		3 986 198	2 731 728
Pensions and other obligations		146 067	154 385
Borrowings		7 065 191	5 322 635
Other long-term liabilities		33 927	29 693
<b>Total non-current liabilities</b>		<b>11 231 383</b>	<b>8 238 441</b>
Short term borrowings		1 350 926	1 078 286
Overdraft facilities		788 224	877 941
Account payable		1 500 089	1 004 075
Other current liabilities		1 917 961	984 413
<b>Total current liabilities</b>		<b>5 557 200</b>	<b>3 944 715</b>
<b>Total liabilities</b>		<b>16 788 583</b>	<b>12 183 156</b>
<b>Total equity and liabilities</b>		<b>35 001 403</b>	<b>25 793 964</b>
NIBD		5 492 880	4 838 160
Equity ratio		52 %	53 %

## CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1.000	31.12.2016	31.12.2015
<b>Equity period start</b>	<b>13 610 808</b>	<b>12 360 106</b>
<b>Comprehensive income in the period</b>	<b>3 528 720</b>	<b>1 733 299</b>
Dividends	-1 757 525	-684 061
Business combinations/acquisition	947 016	201 464
Transactions with non-controlling interest	1 883 801	-
Effect option programme	-	-
Other	-	-
<b>Total changes in equity in the period</b>	<b>4 602 012</b>	<b>1 250 702</b>
<b>Equity at period end</b>	<b>18 212 820</b>	<b>13 610 808</b>

## CASH FLOW STATEMENT (unaudited)

All figures in NOK 1.000	Q4 2016	Q4 2015	2016	2015
<b>Cash flow from operating activities</b>				
Profit before income taxes	2 657 988	941 062	4 682 581	1 572 137
Fair value adjustment of biological assets	-1 634 360	-763 943	-1 549 449	-246 567
Taxes paid in the period	-22 942	-27 245	-249 323	-427 611
Depreciation and amortisation	242 585	210 986	845 126	749 754
Impairments	127 520	114 151	122 794	107 886
Associated companies - net	-151 698	-93 838	-459 498	-264 279
Interest expense	88 601	66 094	297 631	261 532
Interest income	-14 882	-12 657	-45 987	-38 317
Change in inventories	-306 394	-218 833	-241 520	-557 886
Change in receivables	-447 482	18 902	-492 985	94 476
Change in payables	68 096	-255 501	391 699	-181 541
Other operating cash flow incl currency exchange	210 816	100 621	-51 984	141 544
<b>Net cash flow from operating activities</b>	<b>817 848</b>	<b>79 799</b>	<b>3 249 085</b>	<b>1 211 128</b>
<b>Cash flow from investing activities</b>				
Purchase of intangible and fixed assets	-411 424	-485 764	-1 142 494	-1 125 674
Purchase of shares and equity investments	-1 023 799	-19 737	-3 419 408	-149 080
Proceeds from sale of fixed assets/equity investments	39 692	52 653	1 202 045	101 692
<b>Cash inflow from business combinations</b>	<b>-</b>	<b>521</b>	<b>288 311</b>	<b>12 858</b>
Dividend received	26 500	-	278 800	174 000
Interest income	14 882	12 657	45 987	38 317
Other investing activities - net	-19 924	-3 639	-11 193	10 141
<b>Net cash flow from investing activities</b>	<b>-1 374 073</b>	<b>-443 309</b>	<b>-2 757 952</b>	<b>-937 746</b>
<b>Cash flow from financing activities</b>				
Proceeds from new long term debt	1 408 764	396 487	2 866 555	1 379 786
Repayment of long term debt	-851 336	-128 597	-1 946 937	-734 557
Change in short term debt	396 495	203 323	-176 746	275 754
Interest paid	-91 971	-60 445	-313 517	-255 959
Dividends paid	-434	-	-1 695 079	-684 061
Other finance cash flow - net	-	-	2 051 658	-
<b>Net cash flow from financing activities</b>	<b>861 518</b>	<b>410 768</b>	<b>785 934</b>	<b>-19 037</b>
Net change in cash and cash equivalents	305 293	47 258	1 277 067	254 345
Cash, and cash equivalents at start of period	3 434 052	2 420 080	2 470 222	2 198 148
Exchange gains/losses (-)	5 853	2 882	-2 091	17 727
<b>Cash and cash equivalents at period end</b>	<b>3 745 198</b>	<b>2 470 220</b>	<b>3 745 198</b>	<b>2 470 220</b>

## 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 Q4 2016. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2015.

## NOTE 3 BIOLOGICAL ASSETS

The group recognises and measures biological assets (fish in sea) at fair value. For roe, fry, smolt and cleaner fish, historical cost provides the best estimate of fair value. For salmon and trout, including parent fish, a present value model is applied to estimate fair value. This is a new model, but the change does not constitute a change in accounting principle. The change must be viewed within the context of the request by the Financial Supervisory Authority of Norway for the industry to develop and make the transition to such a model. This request was submitted as a report issued subsequent to the conclusion of the targeted review in 2015, during which six fish farming companies in Norway were reviewed, including Lerøy Seafood Group. The report issued in November 2015 is available in full on the website of the Financial Supervisory Authority.

The present value model now applied replaces the former growth model. Any impact on the financial statements is recognised as a change in accounting estimates. In relation to the former growth model, the transition to the new estimate model has resulted in an increase in stock value of NOK 716 million. The net effect on the income statement – minus the increase in provisions for loss-making (onerous) contracts – is NOK 432 million.

The fair value of fish in the sea is estimated as a function of the estimated biomass at the time of release from stock, multiplied by the estimated sales price. For fish not ready for harvest, a deduction is made to cover estimated residual costs to grow the fish to harvest weight. The cash flow is discounted monthly by a discount rate. The discount rate comprises three main components: (1) the risk of incidents that have an effect on cash flow, (2) hypothetical licence lease and (3) the time value of money.

Estimated biomass (volume) is based on the actual number of individuals in the sea on the balance sheet date, adjusted to cover projected mortality up to harvest time and multiplied by the estimated harvest weight per individual at harvest time. The measurement unit is the individual fish. However, for practical reasons, these estimates are carried out individually per locality. The live weight of fish in the sea is translated to gutted weight in order to arrive at the same measurement unit as for pricing.

Pricing is based on the Fishpool forward prices. The forward price for the month in which the fish is expected to be harvested is applied in order to estimate cash flow. The price stipulated by Fishpool is adjusted to take into account export costs and clearing costs, and represents the reference price. This price is then adjusted to account for estimated harvesting cost (well boat, slaughter and boxing) and transport to Oslo. Adjustments are also made for any projected differences in size and quality. The adjustments to the reference price are made individually per locality. Joint regional parameters are applied, unless factors specific to an individual locality require otherwise.

Valuation and classification are based on the principle of highest and best use according to IFRS 13. The actual market price per kilo may vary in relation to fish weight. When estimating fair value, the optimal harvest weight – or the weight when the fish is ready for harvest – is defined as the live weight that results in a gutted weight of 4 kg. This corresponds to a

### NOTE 3 BIOLOGICAL ASSETS (Continued)

live weight of 4.8 kg. The optimal harvest weight may, however, be lowered slightly if required by factors at an individual locality (biological challenges etc.). When it comes to valuation, only fish that have achieved a live weight greater than 4.8 kg are classified as ready for harvest.

The Group enters into contracts related to future deliveries of salmon and trout. As biological assets are recognised at fair value, the fair value adjustment of the biological assets will be included in the estimated expenses required to fulfil the contract. This implies that the Group may experience loss-making (onerous) contracts according to IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost for the products. In such a scenario, a provision is made for the estimated negative value. The provision is classified in the financial statements as other short-term debt.

The fair value adjustment recognised in the income statement for the period related to biological assets comprises (1) value adjustment of biological assets, (2) change in fair value (provision) related to loss-making contracts and (3) change in unrealised gain/loss related to financial sale and purchase contracts (derivatives) for fish in Fishpool. The Fishpool contracts are treated as financial instruments on the balance sheet, where unrealised gain is classified as other short-term receivables and unrealised loss as other short-term debt.

#### Lerøy Seafood Group ASA

Carrying amount of biological assets	2016	2015
Fish in sea at historic cost	3 440 355	3 105 620
FV adjustment fish in sea	2 701 099	971 070
Fair value fish in sea	6 141 454	4 076 689
Fry, brood, smolt and cleaning fish	276 859	244 141
Carrying amount of biological assets	6 418 313	4 320 830
Total biological assets at historic cost	3 717 214	3 349 760
FV adjustment on biological assets	2 701 099	971 070
Carrying amount of biological assets	6 418 313	4 320 830

#### Carrying amount on onerous contracts (liability)

Carrying amount of onerous contracts	284 381	-
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Fair value adjustment	Q4 2016	Q4 2015	2016	2015
Change FV adj. biological assets	1 780 725	686 042	1 730 028	186 524
Change in onerous contracts, biomass	-284 381	-	-284 381	-
Change in FV on fishpool contracts	19 951	3 099	24 914	1 984
Fair value adjustments related to biomass	1 516 295	689 141	1 470 561	188 508

Both harvested volume and growth in the table below are based on a recalculation from gutted weight (GWT) to life weight (LWT). In the recalculation a loss of 16% is used for both salmon and salmon trout. The table includes salmon and trout.

Volume of fish in sea (LWT)	Q4 2016	Q4 2015	2016	2015
Volume at beginning of period	100 565	104 840	108 270	107 505
Business combinations	-	-	-	-
Growth during the period	54 447	53 029	178 931	187 136
Harvested volume during the period	-46 599	-49 599	-178 788	-186 371
Volume at end of period	108 413	108 270	108 413	108 270
Fish > 4kg			41 933	31 686
Fish > 4,8kg			15 786	11 348

## NOTE 3 BIOLOGICAL ASSETS (Continued)

Br. Birkeland AS

Carrying amount of biological assets			2016	2015
Fish in sea at historic cost			176 748	172 475
FV adjustment fish in sea			160 070	81 182
Fair value fish in sea	-	-	336 818	253 657
Fry, brood and smolt			-	-
Carrying amount of biological assets	-	-	336 818	253 657

Fair value adjustment	Q4 2016	Q4 2015	2016	2015
Change IFRS adj. biological assets	118 065	74 802	78 888	58 059
Change IFRS adj. derivatives	-	-	-	-
FV adj. biological assets	118 065	74 802	78 888	58 059

Both harvested volume and growth in the table below are based on a recalculation from gutted weight (GWT) to life weight (LWT). In the recalculation a loss of 16% is used for both salmon and salmon trout.

Volume of fish in sea (LWT)	Q4 2016	Q4 2015	2016	2015
Volume at beginning of period	5 863	5 797	5 755	5 893
Growth during the period	2 899	3 279	9 636	8 947
Harvested volume during the period	-3 074	-3 321	-9 703	-9 085
Volume at end of period	5 688	5 755	5 688	5 755

Fish > 4kg			1 102	3 421
Fish > 4.8kg			-	-

## 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%)
<b>Q4 2016</b>								
Operating revenue	4 924 478	285 395	80 519	269 862	-230 590	5 329 664	1 049 564	6 379 228
EBITDA	1 170 054	17 000	-5 318	125 689	-6 477	1 300 948	102 093	1 403 041
EBITDA%	24 %	6 %	-7 %	47 %		24 %	10 %	22 %
EBIT ex. Impairment	1 017 342	-32 160	-24 222	109 634	-12 231	1 058 363	79 891	1 138 254
EBIT	1 017 342	-10 516	-173 386	109 634	-12 230	930 844	79 891	1 010 735
<b>Volumes sold:</b>								
Salmon (gwt tonnes)	39 143			2 511		41 654		41 654
Fishmeal/oil/FPC (tonnes)		15 461	1 457			16 918	20 700	37 618
Frozen fish (tonnes)		6 252	5 681			11 933	50 800	62 733
Canning (cases)		-	3 565			3 565		3 565
<b>Q4 2015 (restated)</b>								
Operating revenue	3 563 473	70 757	142 876	182 128	-130 661	3 828 573	1 052 933	4 881 506
EBITDA	477 607	-26 260	-3 200	49 993	4 583	502 723	110 656	613 379
EBITDA%	13 %	-37 %	-2 %	27 %		13 %	11 %	13 %
EBIT ex. Impairment	352 759	-68 512	-20 234	28 576	-852	291 737	86 133	377 870
EBIT	352 759	-66 455	-136 442	28 576	-852	177 586	86 133	263 719
<b>Volumes sold:</b>								
Salmon (gwt tonnes)	41 697			2 724		44 421		44 421
Fishmeal/oil/FPC (tonnes)		2 732	5 504			8 236	22 200	30 436
Frozen fish (tonnes)		-	2 110			2 110	65 300	67 410
Canning (cases)		53 790	5 590			59 380		59 380

## NOTE 4 OPERATING SEGMENTS (Continued)

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%)
<b>2016</b>								
Operating revenue	17 269 735	1 020 483	425 333	789 702	-593 730	18 911 523	2 879 204	21 790 727
EBITDA	3 355 089	140 105	31 135	344 541	9 961	3 880 831	314 098	4 194 929
EBITDA%	19 %	14 %	7 %	44 %		21 %	11 %	19 %
EBIT ex. Impairment	2 843 469	-35 189	-37 797	277 279	-12 057	3 035 705	232 110	3 267 815
EBIT	2 843 469	-8 819	-186 961	277 279	-12 057	2 912 911	232 110	3 145 021
<b>Volumes sold:</b>								
Salmon (gwt tonnes)	150 182			8 093		158 275		158 275
Fishmeal/oil/FPC (tonnes)		62 125	13 219			75 344	77 850	153 194
Frozen fish/fresh (tonnes)		7 788	21 869			29 657	132 300	161 957
Canning (cases)		26 185	23 788			49 973		49 973
<b>2015</b>								
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
<b>Volumes sold:</b>								
Salmon (gwt tonnes)	157 697			7 746		165 443		165 443
Fishmeal/oil/FPC (tonnes)		63 070	12 107			75 177	97 400	172 577
Frozen fish/fresh (tonnes)		26	11 968			11 994	152 000	163 994
Canning (cases)		351 543	23 609			375 152		375 152

## NOTE 5 ASSOCIATES

		Q4 2016	Q4 2015	2 016	2 015
Norskott Havbruk AS	50.0%	76 074	13 493	238 804	41 408
Pelagia AS	50.0%	74 598	71 851	193 415	203 322
Others		1 027	8 494	27 279	19 549
<b>Total income from ass.companies</b>		<b>151 699</b>	<b>93 838</b>	<b>459 498</b>	<b>264 279</b>
<b>Total investment</b>				<b>1 710 001</b>	<b>1 766 591</b>



## NOTE 6 BUSINESS COMBINATIONS

On 2 June 2016, Lerøy Seafood Group ASA (LSG) signed an agreement with Aker Capital AS and Aker Capital II for the acquisition of 53,501,793 shares in Havfisk ASA (Havfisk), and 62,293,254 shares in Norway Seafoods Group AS (NWSF). LSG has also committed to the acquisition of a further 1,026,632 shares in Havfisk from Fausken Invest AS. These acquisitions represented 64.4% and 73.6% of the total share capital in Havfisk and NWSF respectively. One condition for execution of the agreement was that the Ministry of Trade, Industry and Fisheries and relevant competition authorities approved the transaction. The purchase prices agreed upon were NOK 36.50 per share in Havfisk and NOK 1.00 per share in NWSF.

The final requisite statutory approval was obtained at the end of August, and the shares were transferred to LSG on 31 August 2016. This date represents the control date. Consequently, only results earned by the acquired enterprises from and including September 2016 will be included in LSG's figures. If the consolidation had taken place with effect from 1 January 2016, the Group's income would have been higher by NOK 2.3 billion and the Group's operating profit would have been higher by NOK 0.2 billion.

On the date of consolidation, 67.4% of the shares in Havfisk and 73.6% of the shares in NWSF had been acquired. Completion triggered a mandatory offer of NOK 36.50 per share for the outstanding shares in Havfisk. LSG also made a voluntary offer of NOK 1.00 per share for the remaining outstanding shares in NWSF. Once the deadline for acceptance had expired on 17 October 2016, LSG had acquired a sufficient number of shares to implement compulsory redemption. The legal resolution to enforce redemption was adopted and the shareholders notified, such that 100% control of both companies was achieved effective 27 October 2016. The price per share was the same as for the voluntary offer. The total consideration for 100% of the shares in the two companies was NOK 3.2 billion. As part of the financing for the transactions, LSG sold 300,000 treasury shares in June 2016 and carried out a private placement involving the issue of 5,000,000 new shares. The two transactions generated NOK 2.2 billion in extra cash for the Group in Q2 2016. Further financing of NOK 1 billion for the redemption of non-controlling interests was established by taking out a loan with a bank in the fourth quarter.

The cost of the share issue and expenses related to the sale of treasury shares in connection with the equity funding of the acquisition – totalling NOK 25 million after tax – are classified as a reduction in equity. Other acquisition costs are charged to profit.

The acquisitions have provided a substantial boost to LSG's position within the European white fish segment, and ensured access to more than 100,000 tonnes of white fish raw material. Thanks to LSG's well-established integrated value chain for salmon, there is significant potential for future value generation by means of further developing the market for white fish, and thereby achieving the position of leading supplier of fresh/"refreshed" seafood with a full range of seafood products.

LSG perceives the two acquired enterprises plus their subsidiaries to be so closely integrated with each other that they must be considered as one in relation to the business combination. Havfisk's licences come with certain commitments. One condition for the use of the licences is that Havfisk fulfils certain commitments related to the onshore plants in North Norway operated by NWSF. These commitments cover supply, operations and processing.

Havfisk – and NWSF to a limited extent – is involved in fishing in Norway pursuant to the provisions in inter alia the Act relating to the right to participate in fishing and catches (Participant Act)\*.

The Participant Act stipulates inter alia that any changes to ownership of a company that directly or indirectly owns fishing vessels requires approval by the relevant authorities. The Ministry of Trade, Industry and Fisheries' approval of LSG's acquisition of the majority shareholding in Havfisk AS was granted on the basis of LSG's ownership on the date of the approval. The approval also states that no new applications are required for future changes in ownership of Havfisk, LSG and AUSS provided that LSG continues to own minimum 60% of the shares in Havfisk and that AUSS continues to own minimum 50% of the shares in LSG. However, the approval does not allow for changes in ownership that result in Laco AS directly owning less than 55.55% of the shares in AUSS. Any significant changes in ownership in Laco AS also require approval.

## NOTE 6 BUSINESS COMBINATIONS (continued)

The approval also requires continuation of the prevailing terms related to permits for the vessels and structural quotas, in addition to compliance with the nationality requirement in section 5 of the Participant Act. Pursuant to the nationality requirement in section 5 of the Participant Act, operating permits can only be granted to parties that are Norwegian citizens or have status that equals Norwegian citizenship. According to the second paragraph letra a) of the provision, limited companies, public limited companies and other companies with limited liability have equal status to Norwegian citizens when the company's head office and Board of Directors are located in Norway, when the majority of the Board members, including the Chairman of the Board, are Norwegian citizens resident in Norway and who have lived in Norway for the last two years, and when Norwegian citizens own shares or stocks corresponding to minimum 6/10 of the company's capital and have voting rights in the company with minimum 6/10 of the votes. Havfisk, LSG and AUSS are obliged to submit an overview twice a year detailing the company's shareholders, including specification of the shares held by foreign shareholders.

Ultimately, a breach of the above-mentioned licence provisions could result in Havfisk losing its licence rights.

Priliminary excess value analysis (100%)	Acquisition balance	Eliminations	Excess value and goodwill	Consolidated figures
Intangibles	764 675	-3 919	3 000 366	<b>3 761 122</b>
Fixed assets	1 271 609		-179 952	<b>1 091 657</b>
Financial assets	265 344	-205 483	0	<b>59 861</b>
Inventory	255 702		-2 284	<b>253 418</b>
Short term receivables	305 679	-115	-157	<b>305 407</b>
Cash in bank	288 311		0	<b>288 311</b>
<b>Total assets</b>	<b>3 151 321</b>	<b>-209 517</b>	<b>2 817 973</b>	<b>5 759 777</b>
Equity	1 045 604	19 975	2 106 785	<b>3 172 364</b>
Deferred tax	194 385	6 658	682 845	<b>883 888</b>
Non-current liabilities	1 309 336	-214 420	0	<b>1 094 916</b>
Current liabilities	601 996	-21 730	28 343	<b>608 609</b>
<b>Total equity and liabilities</b>	<b>3 151 321</b>	<b>-209 517</b>	<b>2 817 973</b>	<b>5 759 777</b>

In the table above, intercompany balances between Havfisk group and NWSF group are eliminated. Differences in net book value related to intercompany balances, rights and liabilities, derived from earlier impairment losses before acquisition date, are eliminated against equity in the purchase price allocation.

Acquisition analysis	CI *	NCI **	total
Recognised equity	705 211	340 394	<b>1 045 604</b>
Effect from eliminations between acquired companies	13 284	6 691	<b>19 975</b>
Allocation of excess value	1 425 558	681 228	<b>2 106 785</b>
<b>Net identified value</b>	<b>2 144 053</b>	<b>1 028 312</b>	<b>3 172 365</b>

Calculation of goodwill			
Total consideration	2 144 053	1 028 312	<b>3 172 365</b>
Net identified value	-2 144 053	-1 028 312	<b>-3 172 365</b>
<b>Goodwill calculated</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* KI = Kontrollerende eierinteresser (majoritet)

\*\* IKE = Ikke-kontrollerende eierinteresser (minoritet)

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

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	76.99%	55.55%
STATE STREET BANK AND TRUST COMPANY A/C CLIENT FUND NUMBER OM80	6 543 636	4.47%	3.23%
STATE STREET BANK AND TRUST COMPANY A/C CLIENT OMNIBUS F	4 838 666	3.31%	2.39%
PARETO AKSJE NORGE	2 990 456	2.04%	1.48%
FOLKETRYGDFONDET	1 938 691	1.33%	0.96%
OM HOLDING AS	1 881 850	1.29%	0.93%
MITSUI AND CO., LTD	1 782 236	1.22%	0.88%
DANSKE INVEST NORSKE INSTT. II.	1 674 929	1.15%	0.83%
THE NORTHERN TRUST COMPANY USL NON-TREATY ACCOUNT	1 155 645	0.79%	0.57%
MORGAN STANLEY AND CO. INTL PLC BNY MELLON SA/NV	1 102 000	0.75%	0.54%
MORGAN STANLEY & CO. INTERNATIONAL MS & CO INTL PLC MSIP IPB CL	1 087 463	0.74%	0.54%
CITIBANK, N.A.	1 072 580	0.73%	0.53%
THE BANK OF NEW YORK MELLON N.V.	1 068 932	0.73%	0.53%
STATE STREET BANK AND TRUST COMPANY	1 029 486	0.70%	0.51%
PACTUM AS	1 000 000	0.68%	0.49%
THE NORTHERN TRUST COMPANY, NON-TREATY ACCOUNT	986 390	0.67%	0.49%
PARETO AS	921 000	0.63%	0.45%
AUSTEVOLL SEAFOOD ASA	893 300	0.61%	0.44%
JPMORGAN CHASE BANK, N.A. A/C VANGUARD BBH LENDING ACCOUNT	848 759	0.58%	0.42%
JPMORGAN CHASE BANK, N.A. NORDEA RE:NON-TREATY ACCOUNT	829 598	0.57%	0.41%
<b>Total number owned by top 20</b>	<b>146 251 493</b>	<b>100 %</b>	<b>72.15%</b>
<b>Total number of shares</b>	<b>202 717 374</b>		<b>100 %</b>

