

Financial report

Q4 2014 and preliminary figures for 2014



Austevoll Seafood ASA

Austevoll Seafood ASA

Alfabygget
N-5392 Storebø
NORWAY

www.auss.no

Financial report

Q4 2014 and preliminary figures for 2014

Index

Key figures for the Group	04
Amendment to segment reporting	05
Q4 2014.....	05
Operating segments.....	05
Cash flows	07
Financial information, 2014	07
Cash flows	08
Balance sheet as of 31 December 2014.....	08
Risks and uncertainties	08
Shareholders.....	09
Market and outlook	09
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.....	14
Note 5 Associates.....	16
Note 6 Consolidation of Br. Birkeland AS.....	16

- Good results for salmon and trout
- Positive conclusion to pelagic season in the North Atlantic
- Low level of activity for pelagic business in South America
- Reorganisation of segments with effect from Q4 2014
- Br. Birkeland AS consolidated with effect from 2014.
- The Board of Directors will recommend a dividend payment of NOK 2.00 per share for 2014

Key figures for the Group

All figures in NOK 1,000	Q4 2014	(restated)		
		Q4 2013	2014	(restated) 2013
Operating revenue	3 704 689	3 725 710	14 344 177	12 657 884
EBITDA	578 015	656 455	2 516 189	2 380 092
EBITDA %	16 %	18 %	18 %	19 %
EBIT	373 564	409 480	1 855 768	1 711 395
Pre tax profit	885 023	1 324 518	1 346 473	2 464 437
Earnings per share (EPS) from continuing operations	1,38	2,64	2,76	4,66
Total assets	23 343 997	22 684 356	23 343 997	22 684 356
Equity	12 360 106	11 464 191	12 360 106	11 464 191
Equity ratio	53 %	51 %	53 %	51 %
Net interest bearing debt (NIBD)/	3 959 866	5 103 197	3 959 866	5 103 197

Amendment to segment reporting

With effect from 2014, Austevoll Seafood ASA (AUSS) has implemented IFRS 10 Consolidated Financial Statements. As a result, the Group entered into discussions with the Financial Supervisory Authority of Norway to determine whether to continue to report Br. Birkeland AS (BRBI) according to the equity method, or whether BRBI should be wholly consolidated in the Group. Despite the lack of a majority of votes for AUSS in the company, the Financial Supervisory Authority of Norway is of the opinion that BRBI should be consolidated. The Authority makes reference to the “de facto control” concept in IFRS 10, and supports its opinion on this matter with their assessment of IFRS 10.B42, with further reference to IFRS 10.B45 and IFRS 10.B18. AUSS has reached the decision not to invest additional resources on this accounting issue, and BRBI shall be consolidated with effect from 2014. Previous accounting periods have been restated in accordance with IAS 8 and the specific transition provisions related to the implementation of IFRS 10.

Based on the recent changes made to the Group structure, AUSS has carried out an evaluation of the Group’s segment reporting method, and has made the decision to amend the current practice. The new segment structure is as follows; Lerøy Seafood Group (Europe), Foodcorp (Chile), Austral Group (Peru), Br. Birkeland (Norway) and the associate Pelagia (Europe). The changes were implemented in Q4 2014 and comparative amounts for previous periods have been restated accordingly.

Q4 2014

The Group reported operating revenue of NOK 3,705 million for the quarter (Q4 2013: NOK 3,726 million).

EBITDA in the fourth quarter totalled NOK 578 million (Q4 2013: NOK 656 million).

Turnover is on a par with the figure reported in Q4 2013. The Group reported an increase in turnover and EBITDA within salmon/trout and a decline in turnover and EBITDA within the pelagic business. The profit figure for Q4 2014 includes start-up costs of NOK 25 million incurred when Brødrene Birkeland AS introduced fishing for snow crab.

EBIT before value adjustment for biomass in Q4 2014 was NOK 374 million (Q4 2013: NOK 409 million). EBIT after value adjustment for biomass in Q4 2014 was NOK 991 million (Q4 2013: NOK 1,263 million).

The Group made write-downs in Q4 2014 totalling NOK 35 million. These are related to optimisation of the Group’s operations, including ships taken off-hire. Write-downs in the same quarter in 2013 totalled NOK 95 million, of which NOK 90 million related to changes to factory organisation in Peru at that time.

Income from associates for Q4 2014 totalled NOK 86 million (Q4 2013: NOK 109 million).

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 net interest expense in Q4 2014 totalled NOK 49 million (Q4 2013: NOK 47 million).

Profit before tax and biomass adjustment for Q4 2014 amounted to NOK 268 million, compared with NOK 471 million in the same quarter of 2013.

The profit before tax for the quarter totalled NOK 885 million (Q4 2013: NOK 1,325 million). Profit after tax for Q4 2014 was NOK 616 million, compared with NOK 1,011 million in the same quarter of 2013.

The Board of Directors will recommend a dividend payment of NOK 2.00 per share to the company’s ordinary shareholders’ meeting for 2014. The corresponding dividend payment in 2013 was NOK 1.60 per share.

The Group is financially sound with an equity ratio of 53%. The Group had net interest-bearing debt totalling NOK 3,960 million at the close of Q4 2014. At the end of 2013, NIBD amounted to NOK 5,103 million. AUSS completed its purchase of shares in NPEL and Welcon at the end of 2013, totalling NOK 902 million in NIBD. This figure was settled to AUSS in January 2014 in connection with the establishment of Pelagia AS.

Operating segments

Austral Group S.A.A (Peru)

Austral Group S.A.A (Austral) is involved in fishing, production of fishmeal and fish oil and products for consumption. Austral holds 6.87% of the total quota for anchoveta in Central/North Peru, and just below 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel. Anchoveta is utilised to produce fishmeal and oil, and horse mackerel/mackerel is fished for consumption. The main fishing seasons for anchoveta in Central/North Peru are from April to July and November to January. In 2014, the total quota for Central/North Peru for the first season was just over 2.5 million tonnes. The fishing season in Peru proved difficult, and only approx. 66% of the total quota in Peru had been caught by the end of the season on 10 August. IMARPE carried out a research sailing in the autumn that indicated low biomass figures. As a result, the researchers recommended the cancellation of the second fishing season in 2014 (November-January).

With an extraordinarily low volume of raw materials, Austral’s operations suffered a negative impact, which is evident in the profit figures reported for the fourth quarter and the year as a whole. The profit figure for Austral in 2014 is therefore the lowest ever reported since AUSS took over ownership of the company, back in 2006.

Operating revenue in Q4 2014 totalled NOK 225 million (NOK

333 million in Q4 2013) and EBITDA amounted to NOK 16 million (NOK 92 million in Q4 2013).

Approx. 11,700 tonnes of fishmeal and oil were sold in Q4 2014, compared with approx. 28,600 tonnes in the same quarter of 2013.

Peru is one of the largest producers of fishmeal and oil in the world. Production volumes in Peru have a direct influence on the prices for fishmeal worldwide. Due to the low catches in the first season in 2014, fishmeal prices saw a substantial increase in the second half of the year. The prices realised by Austral in Q4 2014 were 62% higher than the prices in Q4 2013. For 2014 as a whole, realised prices have been on a par with prices realised in 2013.

The company's production facilities were reorganised in 2013. With effect from 2014, the company produces fishmeal and oil at four factories, in Coishco, Chancay, Pisco and Ilo. The company has two factories producing fish for consumption that share premises with the fishmeal and fish oil factories in Coishco and Pisco. As a result of this reorganisation (sale and closure), write-downs were made in Q4 2013 totalling NOK 89 million. Production capacity at the fishmeal factory in Coishco has been increased from 80 tonnes per hour to a total 160 tonnes per hour in 2014. The same factory has increased its capacity for production of frozen goods from 175 tonnes per day to 475 tonnes per day in 2014.

Foodcorp Chile S.A (Chile)

Foodcorp Chile S.A (FC) is involved in fishing, production of fish for consumption 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 are in 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 period starts in March and lasts until July/August, and the second period starts in October/November.

As a result, the company generates the majority of its earnings in the first half of the year.

Chile saw a decline in horse mackerel stocks in 2008/2009. Fish stock management was introduced in 2012, with responsibility for this assigned to South Pacific Regional Fisheries Management. A total quota for fish stocks was introduced in 2012 in order to build up biomass. This quota applied to the parties that had previously harvested the fish stocks. The total quota has subsequently seen a slight increase over the years. The current practice of conservative management lays the foundations for a sustainable biomass in the long term and consequently increased activities for our business in Chile.

Operating revenue in Q4 2014 totalled NOK 128 million (NOK 66 million in Q4 2013) and EBITDA amounted to NOK 7 million (NOK - 7 million in Q4 2013).

The fourth quarter is a low season for horse mackerel/mackerel. The company fished its remaining quota in December, in addition to the transfer of mackerel/mackerel quotas from other companies. The company also received sardine/anchoveta from the coastal fleet.

Lerøy Seafood Group ASA (LSG)

In Q4 2014, the segment reported operating revenue of NOK 3,304 million (Q4 2013: NOK 3,230 million) and EBITDA before value adjustment of biomass of NOK 534 million (Q4 2013: NOK 506 million).

The segment has harvested 42,500 tonnes gutted weight of salmon and trout in the quarter, compared with 41,200 tonnes in Q4 2013. The salmon spot price in Q4 was up on average by NOK 4 per kg when compared with Q3 2014, while the industry spot price for whole superior salmon was down 7% when compared with the same quarter in 2013. The prices realised by the segment were impaired by the Group's slaughtering profile during the quarter, and also by the fact that 40% of the volume for Q4 was sold in October and 15% of the volume for the quarter was trout. The negative impact of the import ban into Russia and the weakening Rouble has been substantially greater on prices realised for trout when compared with the development in salmon prices. As the world's largest producer of trout, the segment has suffered a negative impact on its realised prices in Q4 2014 as a result of these developments. In total, the segment's realised prices in Q4 2014 were higher than those in Q3 2014, although this increase was considerably lower than the increase in the salmon spot prices for the same period. As projected, the segment reported lower release from stock costs in Q4 2014 when compared with Q3 2014. Notwithstanding, the release from stock costs are at a historically high level. One important factor here is higher feed costs, but perhaps the major factor is the increase in treatment costs related to biological challenges. The initiatives implemented and investments made by the segment in 2014 will pave the way for significant improvements to major parts of production throughout 2015. The segment has a total of 141 licences – 26 licences in Troms, 55 in Central Norway and 60 in West Norway.

In recent years, the segment has invested significantly in increasing its capacity for high value processed salmon and trout (VAP). The segment's work on marketing, along with good national and international customers, has resulted in improvements to utilisation of total capacity. As part of the overall strategy, the segment has also made significant investments in recent years in processing facilities, in order to be able to drive a "revolution" in the distribution of fresh seafood. The investments have been made in what is known as "fish-cuts", processing facilities where freshness, service and closeness to end customer are key. Today, the segment has a number of fish-cut facilities across Europe.

There is good demand for the operating segment's products, and the segment has a strong position within the major global fish markets.

Br. Birkeland AS (BRBI)

BRBI is consolidated with effect from 2014. Historical figures for the Group have been restated accordingly. BRBI owns two combined pelagic ring net/trawling vessels, each with 650 basic tonnes for ring nets and a 1,425 trawling quota for blue whiting. In addition, BRBI owns 7 licences for farming Atlantic salmon/trout in Hordaland. In 2014, the company carried out trials of fishing for snow crab, using one of its ring net vessels. On the basis of the experience gained during these trials, the company decided to purchase one vessel specially designed for fishing snow crab. The vessel has an onboard factory for turnkey production of snow crab. The vessel was made ready for start-up in November 2014, and has been in continuous operation since.

The start-up of the snow crab project incurred start-up costs for the company, reported on the accounts as NOK 25 million in Q4 2014.

In Q4 2014, the BRBI segment reported operating revenue of NOK 153 million (Q4 2013: NOK 162 million) and EBITDA before value adjustment of biomass of NOK 22 million (Q4 2013: NOK 64 million).

BRBI harvested 2,131 tonnes of salmon and trout in Q4 2014, with an EBIT per kg of NOK 3.56. The corresponding figures for Q4 2013 are harvest of 2,385 tonnes and EBIT per kg of NOK 7.22. One of the main seasons for the vessels is the fourth quarter, and all vessels had caught their full quotas by the end of the year.

Pelagia AS

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

The figures reported for 2013 are proforma amounts compiled as if Pelagia had been founded on 1 January 2013. These proforma figures have been prepared in order to allow for comparison of the quarterly and annual figures as a whole for the entire operating segment.

The figures representing 50% of turnover generated by the operating segment are NOK 1,026 million (Q4 2013, proforma: NOK 1,071 million) and EBITDA of NOK 138 million (Q4 2013, proforma: NOK 93 million).

As normal, the fourth quarter is the high season for receipt of raw materials, and the total volume of raw materials received by the Group was approx. 393,000 for the quarter, compared with

approx. 394,000 tonnes in the same quarter of 2013.

Cash flows

Cash flow from operating activities for the fourth quarter 2014 was NOK 512 million (NOK 177 million in Q4 2013). The level of activity for the pelagic business in Peru has been significantly lower than normal, and this has resulted in a lower amount of working capital bound up for the pelagic business in total, compared to what is normal in a fourth quarter. Cash flow from investing activities for Q4 2014 was NOK - 279 million (NOK - 271 million in Q4 2013). Cash flow from financing activities for Q4 2014 was NOK - 60 million (NOK - 335 million in Q4 2013). Cash flow from financing activities mainly comprises payment of ordinary instalments and changes in short-term credits. AUSS redeemed its bond loan maturing in October 2013 in the fourth quarter of 2013, totalling NOK 350 million. Net change in cash for the Group in Q4 2014 was NOK 173 million (NOK - 430 million in Q4 2013). The Group's cash and cash equivalents at the end of 2014 totalled NOK 2,198 million compared with NOK 1,443 million at the end of 2013.

Financial information, 2014

The Group reported operating revenue for 2014 of NOK 14,344 million (2013: NOK 12,658 million). EBITDA before value adjustment for biomass in 2014 was NOK 2,516 million (2013: NOK 2,380 million).

The increase in turnover and profit compared with 2013 is mainly attributable to the segment for Atlantic salmon and trout.

The pelagic fish segment has reported a fall in turnover and profit when compared with 2013. The lower profit in 2014 is principally attributable to the extraordinary low volume of anchoveta in Peru in 2014 compared with 2013. The second fishing season in Peru in 2014 was cancelled, while in comparison a total quota of 2.3 million tonnes was set for the second season in 2013. As a result, the business in Peru has a very limited stock at the start of 2015. The business in Chile saw a vast improvement in fishing for sardine/anchoveta in 2014 when compared with 2013. This is reflected in the increased volume of raw materials received and higher sales volume for fishmeal and oil.

EBIT before value adjustment for biomass in 2014 was NOK 1,856 million (2013: NOK 1,711 million). The Group has recognised a gain on the sale of assets of NOK 116 million in 2014. By comparison, the gain on the sale of assets reported in 2013 was NOK 115 million. Write-downs totalling NOK 30 million were made in the year, mainly related to optimisation of operations, including taking vessels off-hire. Write-downs in 2013 totalled NOK 90 million and mainly related to the business in Peru, including a reorganisation of the company's production facilities for fishmeal and fish oil and for fish for consumption. Value adjustment for biomass, in accordance with IFRS, was negative

by NOK 380 million, compared with the positive IFRS biomass adjustment in 2013 of NOK 829 million. EBIT after value adjustment for biomass in 2014 was NOK 1,476 million (2013: NOK 2,540 million).

Income from associates in 2014 totalled NOK 217 million (2013: NOK 194 million). Net interest expenses for the Group in 2014 were NOK 197 million (2013: NOK 212 million).

The profit before tax and biomass adjustment in 2014 is NOK 1,726 million, compared with a profit before tax and biomass adjustment in 2013 of NOK 1,636 million.

The profit before tax in 2014 totalled NOK 1,346 million (2013: NOK 2,464 million). Profit after tax and businesses held for sale in 2014 amounted to NOK 1,001 million, compared with NOK 1,603 million in 2013.

Cash flows

Cash flow from operating activities in 2014 was NOK 1,795 million (2013: NOK 1,493 million). This cash flow reflects a strong operating profit. Cash flow from investing activities for the year amounted to NOK 241 million (2013: NOK - 1,846 million). The positive cash flow from investing activities in 2014 relates to the execution of the transaction between AUSS and Kvefi in January 2014, where AUSS received payment for shares at a figure exceeding NOK 1,000 million. In addition to investments in operating assets in 2013, the Group acquired shares in Villa Organic, NPEL and Welcon, totalling NOK 1,106 million. Cash flow from financing activities was negative at NOK 1,452 million (negative figure of NOK 396 million in 2013). Cash flow from financing activities in the period comprises payment of ordinary instalments, changes in short-term credits and downpayment of long-term overdraft facilities totalling NOK 740 million. The total dividend payment made by the Group in 2014 was NOK 592 million. In 2013, AUSS's bond loan (NOK 350 million and maturing October 2014) was redeemed. Other items in the cash flow from financing activities included downpayment of ordinary instalments and changes in overdraft facilities. The total dividend payment made by the Group in 2013 was NOK 427 million. Net change in cash in 2014 was NOK 584 million (NOK - 749 million in 2013). The Group's cash and cash equivalents at the end of 2014 totalled NOK 2,198 million compared with NOK 1,443 million at the end of 2013.

The Group has established strong financing and liquidity which have been adapted to the different segments within the Group and to the Board of Directors' assessment of the requirement for financial latitude.

Balance sheet as of 31 December 2014

At the end of 2014, the Group had a balance sheet total of NOK 23,344 million compared with NOK 22,684 million at year-end 2013. The increase is partly attributable to the consolidation of

Villa Organic, effective as of Q3 2014.

The Group is financially sound with book value of equity at the end of Q4 2014 of NOK 12,360 million, which corresponds to an equity ratio of 53%. At year-end 2013, the book value of equity for the Group was NOK 11,464 million, or an equity ratio of 51%.

Net interest-bearing debt at end December 2014 was NOK 3,960 million compared with NOK 5,103 million at end December 2013. AUSS received a cash payment of NOK 1,000 million in January 2014 as settlement for the transaction between AUSS and Kvefi.

The Group's cash and cash equivalents excluding unused lines of credit at the end of December 2014 totalled NOK 2,198 million compared with NOK 1,443 million at the end of December 2013.

Risks and uncertainties

The Group's risk exposure is described in the consolidated financial statements for 2013. The Group's activities are mainly 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, in addition to political trade barriers and geopolitical risk, the general consensus is that macro-economic uncertainty is still greater than normal. Although this situation may have a negative impact on the real economy in most markets, it is our opinion that AUSS's core business is 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 ability to compete and its earnings potential over time. Operational factors, such as marine biomass, fishing conditions and price developments 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 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.

The Group has a floating interest rate for the main share of its debt, but has signed fixed interest rate contracts for approx. 16% of its interest-bearing debt.

The Group is exposed to fluctuations in foreign exchange rates, particularly in EUR, GBP, USD, Chilean Peso and Peruvian Soles. Measures to reduce this risk include forward contracts and multi-currency overdraft facilities. Furthermore, parts of

the long-term debt are adapted in relation to earnings in the same currency.

Shareholders

As of 31 December 2014, the company had 4,089 shareholders against a comparative figure of 4,452 shareholders at the end of December 2013. The share price was NOK 46.50 at the end of 2014 compared with NOK 35.50 at 31 December 2013.

The Board of Directors will propose a dividend payment for 2014 of NOK 2.00 per share to the shareholders' meeting in 2015, compared with a dividend payment of NOK 1.60 per share in the previous year.

Market and outlook

Fishmeal and fish oil

Due to the cancellation of the anchoveta fishing season in Peru in the second half of 2014, the fishmeal and fish oil prices have been high throughout the fourth quarter. The prices have remained at a stable high at the start of 2015, although with very low sales volume from Peru. There has been a downwards price correction for fishmeal in the North Atlantic after the season started in 2015, particularly as a result of high catches of capelin off the coast of Iceland. Realised prices for fishmeal FOB Peru (super prime) are now USD 2,400 (low sales volume), while the CIF Hamburg prices for fishmeal are USD 1,730. The future development in prices for fishmeal will largely depend on the stipulation of quotas for the first season in Peru.

Consumption

The Group's production of fish for consumption mainly takes place in Europe and South America. As normal, the fourth quarter is a main season for the Group, while South America has a low season during this period. The ban on imports into Russia and the introduction of import quotas into Nigeria in 2014 have caused difficulties for the Group's segments involved in fish for consumption. Nonetheless, the Group has implemented several successful measures to find alternative markets for the products traditionally exported to Russia and Nigeria as the main markets. The mackerel season in the fourth quarter was good, and the majority of the mackerel volume has been sold

in the quarter. The weakening Norwegian currency has in the main boosted the competitive strength of Norwegian seafood producers on the global market. However, we are also aware that the local currencies in some of our traditional herring markets (including the Ukraine) are falling against the USD, resulting in increased prices for consumers on this market. 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

The ban on imports into Russia represents a significant, short-term challenge for the Norwegian seafood industry, as it does for the industry in Russia. The Group is working hard to increase sales to alternative markets, but there was little we could do to prevent the import ban from having a negative impact on the prices realised by the Group, particularly for trout, in the fourth quarter. This will continue to be the case for the months to come. Although the situation is taking longer than expected to resolve, we currently expect the market to gradually return to normal, due to an underlying strong growth in demand, successful marketing initiatives, but also as a result of a change in the global trade flows for salmon and trout. Demand for high-quality seafood is high, and clear trends can be identified that substantiate increased demand for fresh products. Based on the market prospects and the substantial potential within the segment to achieve lower costs, the Group has a positive outlook to the future.

The Group

The Group is financially sound, reports a positive development and currently has a strong position on a number of seafood markets worldwide. The Group shall continue to grow and further develop over time within its current operating segments.

Bearing in mind the prevailing framework conditions for the Group's operations, the Board of Directors is largely satisfied with the Group's results for Q4 2014. The Board of Directors would like to take this opportunity to thank all the Group's employees for their hard work in 2014.

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

Storebø, 23 February 2015

The Board of Directors of Austevoll Seafood ASA

Income Statement (unaudited)

All figures in NOK 1.000	Q4 2014	(restated)	2014	(restated)
		Q4 2013		2013
Operating revenue	3 704 689	3 725 710	14 344 177	12 657 884
Raw material and consumables used	2 165 293	2 221 108	8 529 316	7 478 855
Salaries and personnel expenses	458 393	444 964	1 607 412	1 477 965
Other operating expenses	502 988	403 183	1 691 260	1 320 972
Operating profit before depreciation (EBITDA)	578 015	656 455	2 516 189	2 380 092
Depreciation and amortisation	169 917	152 407	630 308	579 156
Impairment	34 534	94 568	30 113	89 541
EBIT before fair value biomass adjustment	373 564	409 480	1 855 768	1 711 395
Fair value adjustment biomass	617 105	853 138	-379 758	828 834
Operating profit	990 669	1 262 618	1 476 010	2 540 229
Income from associated companies	86 253	108 578	217 381	194 328
Net interest expenses	-49 480	-47 005	-197 074	-212 266
Net other financial items (incl. agio/disagio)	-142 419	327	-149 844	-57 854
Profit before tax	885 023	1 324 518	1 346 473	2 464 437
Income tax expenses	-268 562	-314 014	-345 802	-622 670
Net profit from continuing operations	616 461	1 010 504	1 000 671	1 841 767
Net profit from discontinued operation	-	-	-	-238 699
Net profit	616 461	1 010 504	1 000 671	1 603 068
Profit to minority interests	338 352	480 086	445 561	904 277
Profit to equity holder of parent from continuing operations	278 109	530 418	555 110	937 490
Profit to equity holder of parent from discontinuing operations	-	-	-	-238 699
Net profit to equity holder of parent from cont. and discont. operations	278 109	530 418	555 110	698 791
Earnings per share (EPS) from continuing operations	1,38	2,64	2,76	4,66
Diluted EPS from continuing operations	1,38	2,64	2,76	4,66
EPS from discontinuing operations	-	-	-	-1,19
Diluted EPS from discontinuing operations	-	-	-	-1,19
EPS from continuing and discontinuing operations	1,38	2,64	2,76	3,48

Condensed Statement of Comprehensive income (unaudited)

All figures in NOK 1.000	Q4 2014	(Restated)	2014	(Restated)
		Q4 2013		2013
Net earnings in the period	616 461	1 010 504	1 000 671	1 603 068
Other comprehensive income				
Currency translation differences	468 312	43 735	562 141	156 991
Other comprehensive income from associated companies	-	-	-16	-
Cash flow hedges	-32 304	-2 454	-72 200	8 785
Change in value available for sale financial assets		-		-487
Others		1 563	-	431
Total other comprehensive income	436 008	42 844	489 925	165 720
Comprehensive income in the period	1 052 469	1 053 348	1 490 596	1 768 788
Allocated to;				
Minority interests	434 744	495 562	501 732	956 687
Majority interests	617 725	557 786	988 864	812 101

Statement of Financial Position (unaudited)

All figures in NOK 1.000	31.12.14	(restated) 31.12.2013	(restated) 01.01.2013
Assets			
Intangible assets	7 480 567	7 057 034	6 956 091
Vessels	699 923	679 520	676 534
Property, plant and equipment	4 249 364	3 773 146	3 496 385
Investments in associated companies	1 563 187	777 873	371 806
Investments in other shares	35 773	31 343	44 052
Other long-term receivables	64 775	52 848	40 730
Total non-current assets	14 093 589	12 371 764	11 585 598
Inventories	4 721 989	4 707 451	3 492 849
Accounts receivable	1 637 571	1 744 953	1 154 154
Other current receivables	692 700	623 633	546 434
Assets classified as held for sale	-	1 793 241	1 071 111
Cash and cash equivalents	2 198 148	1 443 314	2 168 684
Total current assets	9 250 408	10 312 592	8 433 232
Total assets	23 343 997	22 684 356	20 018 830
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	4 541 467	3 876 949	3 294 507
Non-controlling interests	4 039 037	3 807 640	3 045 685
Total equity	12 360 106	11 464 191	10 119 794
Deferred tax liabilities	2 407 445	2 381 823	2 142 874
Pensions and other obligations	169 447	64 344	63 784
Borrowings	4 794 922	5 248 815	4 620 442
Other long-term liabilities	16 104	10 512	17 200
Total non-current liabilities	7 387 918	7 705 494	6 844 300
Short term borrowings	741 009	638 032	957 002
Overdraft facilities	622 083	659 664	584 103
Account payable	1 172 648	1 191 136	921 403
Other current liabilities	1 060 233	1 025 839	592 228
Total current liabilities	3 595 973	3 514 671	3 054 736
Total liabilities	10 983 891	11 220 165	9 899 036
Total equity and liabilities	23 343 997	22 684 356	20 018 830
NIBD	3 959 866	5 103 197	3 942 863
Equity ratio	53 %	51 %	51 %

Condensed Statement of changes in equity (unaudited)

All figures in NOK 1.000	31.12.14	(restated) 31.12.2013
Equity period start	11 464 191	10 119 794
Comprehensive income in the period	1 490 596	1 768 788
Dividends	-593 599	-430 261
Business combinations/acquisition		
Transactions with non-controlling interest	-1 082	-3 509
Effect option programme	-	-
Other	-	9 379
Total changes in equity in the period	895 915	1 344 397
Equity at period end	12 360 106	11 464 191

Cash flow statement (unaudited)

All figures in NOK 1.000		(restated)		(restated)
	Q4 2014	Q4 2013	2014	2013
Cash flow from operating activities				
Profit before income taxes	885 022	1 324 518	1 346 472	2 464 436
Fair value adjustment of biological assets	-617 105	-853 138	379 758	-828 834
Taxes paid in the period	-43 866	-31 691	-438 602	-188 952
Depreciation and amortisation	169 916	152 407	630 307	579 157
Impairments	34 535	94 568	30 114	89 541
Associated companies - net	-86 253	-108 578	-217 381	-194 328
Interest expense	78 652	68 248	244 673	258 384
Interest income	-17 212	-9 343	-47 599	-46 808
Change in inventories	-93 142	-171 160	-316 082	-385 768
Change in receivables	-269 588	-486 022	63 834	-662 868
Change in payables	106 814	92 782	10 168	269 679
Other operating cash flow incl currency exchange	363 797	104 086	109 076	139 291
Net cash flow from operating activities	511 570	176 677	1 794 738	1 492 930
Cash flow from investing activities				
Purchase of intangible and fixed assets	-351 688	-272 685	-994 489	-941 791
Purchase of shares and equity investments	-62 672	-51 240	-64 418	-1 139 493
Proceeds from sale of fixed assets/equity investments	61 481	31 903	1 191 035	169 269
Dividend received	18 751	13 803	36 250	25 970
Interest income	17 212	9 343	47 599	46 808
Other investing activities - net	37 957	-1 912	24 970	-6 324
Net cash flow from investing activities	-278 959	-270 788	240 947	-1 845 561
Cash flow from financing activities				
Proceeds from new long term debt	128 253	851 215	881 174	1 867 509
Repayment of long term debt	-193 928	-1 241 154	-1 394 642	-1 638 770
Change in short term debt	84 882	119 219	-106 721	61 177
Interest paid	-80 708	-62 231	-238 067	-259 812
Dividends paid		-2 533	-592 222	-426 523
Other finance cash flow - net	1 457	-	-1 082	-
Net cash flow from financing activities	-60 044	-335 484	-1 451 560	-396 419
Net change in cash and cash equivalents	172 567	-429 595	584 125	-749 050
Cash, and cash equivalents at start of period	1 992 458	1 873 616	1 443 314	2 168 684
Exchange gains/losses (-)	33 024	-707	37 053	23 680
Cash from business combination	99		133 656	
Cash and cash equivalents at period end	2 198 148	1 443 314	2 198 148	1 443 314

The cash flow presented above is not including cash flow from discontinued operations.

Cash flow from discontinued operations is as follows:	Q4 2013	2013
Net operating cash flow from discontinued operations	-179 542	232 170
Net investing cash flow from discontinued operations	-11 066	-87 303
Net financing cash flow from discontinued operations	262 790	-22 957
Net change in cash from discontinued operations	-	121 910

Note 1 Accounting policies

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). The interim report, including historical comparative amounts, is based on current IFRS standards and interpretations. Changes in the standards and interpretations may result in changes to the result. The quarterly 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. The Group has implemented IFRS 10, 11 and 12 with effect from 1 January 2014. As a result, Br. Birkeland AS is no longer recognised according to the equity method, but is wholly consolidated in the Group with effect from 2014. This report must therefore be read in the context of the most recent annual report from the company (2013).

Note 2 Related party transactions

There were related party transactions in Q4 2014. Related party transactions take place on market terms, and the relevant types of transactions are described in detail in the 2013 annual report.

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) together with cost of logistics. The volume is adjusted to account for gutting loss. Fair value of biological assets with an average weight below 4 kg is adjusted based on stage of completion in relation to the growth cycle. The value is not adjusted to a lower amount than historical cost, unless one expects a loss on future sales.

The change in fair value adjustment of biomass in the income statement includes unrealised gain/loss on financial sales and purchase contracts (derivatives) on Fish Pool. Fish Pool contracts are assessed as financial instruments in the balance sheet statement, where unrealised gain is recognised as other short-term receivables, and unrealised loss is recognised as other short-term debt.

Lerøy Seafood Group ASA

Carrying amount of biological assets	2014	2013
Fish in sea at historic cost	2 694 863	2 419 003
Fair value adjustment fish in sea	784 546	1 110 502
Fair value fish in sea	3 479 409	3 529 505
Fry, brood and smolt	202 584	197 856
Carrying amount of biological assets	3 681 993	3 727 361

Fair value adjustment	Q4 2014	Q4 2013	2014	2013
Change IFRS adj. biological assets	577 670	779 483	-325 957	763 312
Change IFRS adj. derivatives	1 142	3 827	-1 457	917
Fair value adj. biological assets	578 812	783 310	-327 414	764 229

Volume of fish in sea (LWT)	Q4 2014	Q4 2013	2014	2013
Volume at beginning of period	106 847	102 766	103 107	103 949
Business combinations	2 574	0	2 574	0
Growth during the period	49 556	50 247	193 666	174 689
Harvested volume during the period	-51 472	-49 906	-191 842	-175 531
Volume at end of period	107 505	103 107	107 505	103 107
Fish > 4kg	37 871	41 529	37 871	41 529

Both harvested volume and growth in the table above are based on a recalculation from gutted weight (GWT) to life weight (LWT). In the recalculation a loss from 17% is used for salmon and 20% for salmon trout.

Br. Birkeland AS

Carrying amount of biological assets	2014	2013
Fish in sea at historic cost	177 463	157 869
Fair value adjustment fish in sea	23 123	75 467
Fair value fish in sea	200 586	233 336
Fry, brood and smolt	-	-
Carrying amount of biological assets	200 586	233 336

Fair value adjustment	Q4 2014	Q4 2013	2014	2013
Change IFRS adj. biological assets	38 293	69 828	-52 344	64 605
Change IFRS adj. derivatives	-	-	-	-
Fair value adj. biological assets	38 293	69 828	-52 344	64 605

Volume of fish in sea (LWT)	Q4 2014	Q4 2013	2014	2013
Volume at beginning of period	6 289	5 946	5 915	5 895
Business combinations	-	-	-	-
Growth during the period	2 133	2 791	8 847	8 880
Harvested volume during the period	2 529	2 822	8 869	8 860
Volume at end of period	5 893	5 915	5 893	5 915
Fish > 4kg	1 489	-	1 489	-

Both harvested volume and growth in the table above are based on a recalculation from gutted weight (GWT) to life weight (LWT).

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%)
Q4 2014								
Operating revenue	3 303 713	225 073	128 425	152 747	-105 269	3 704 689	1 026 349	4 731 038
EBITDA	533 846	16 312	6 941	21 914	-998	578 015	138 259	716 274
EBITDA %	16 %	7 %	5 %	14 %		16 %	13 %	15 %
EBIT ex. Impairment	437 225	-23 782	-7 676	7 845	-5 479	408 133	114 280	522 413
EBIT	435 243	-32 479	-31 566	7 845	-5 479	373 564	114 280	487 844
Volumes sold:								
Salmon (gwt tonnes)	42 479			2 131		44 610		44 610
Fishmeal (tonnes)		10 749	2 695			13 444	15 170	28 614
Fish oil (tonnes)		964	738			1 702	4 942	6 644
Frozen fish (tonnes)		-	2 908			2 908	85 047	87 955
Canning (cases)		81 425	9 214			90 639	-	90 639
FPC/Oil (tonnes)							1 184	1 184

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%)
Q4 2013 (restated)								
Operating revenue	3 229 684	332 890	65 591	162 168	-64 623	3 725 710	1 070 513	4 796 223
EBITDA	505 697	92 193	-6 907	63 746	1 726	656 455	93 135	749 590
EBITDA %	16 %	28 %	-11 %	39 %		18 %	9 %	16 %
EBIT ex. Impairment	430 106	47 542	-22 237	51 310	-2 673	504 048	69 550	573 598
EBIT	424 606	-41 526	-22 237	51 310	-2 673	409 480	68 800	478 280
Volumes sold:								
Salmon (gwt tonnes)	41 202			2 385		43 587		43 587
Fishmeal (tonnes)		21 529	2 020			23 549	15 650	39 199
Fish oil (tonnes)		7 071	501			7 572	3 489	11 061
Frozen fish (tonnes)		-	811			811	79 106	79 917
Canning (cases)		169 634	7 626			177 260	-	177 260
FPC/Oil (tonnes)							6 520	6 520
2014								
Operating revenue	12 696 874	1 067 299	500 696	429 190	-349 882	14 344 177	2 822 806	17 166 983
EBITDA	2 160 138	180 137	79 483	91 523	4 907	2 516 188	294 634	2 810 822
EBITDA %	17 %	17 %	16 %	21 %		18 %	10 %	16 %
EBIT ex. Impairment	1 790 625	42 045	26 341	39 117	-12 247	1 885 881	209 942	2 095 823
EBIT	1 788 676	38 977	1 243	39 117	-12 247	1 855 766	209 942	2 065 708
Volumes sold:								
Salmon (gwt tonnes)	158 258					158 258		158 258
Fishmeal (tonnes)		67 033	16 682	7 520		91 235	65 224	156 459
Fish oil (tonnes)		12 042	5 312			17 354	18 300	35 654
Frozen fish/fresh (tonnes)		2 626	16 823			19 449	194 808	214 257
Canning (cases)		557 046	60 021			617 067	-	617 067
FPC/Oil (tonnes)							3 908	3 908
2013								
Operating revenue	10 818 519	1 290 433	321 795	430 111	-202 974	12 657 884	2 972 175	15 630 059
EBITDA	1 938 474	262 169	20 838	153 983	4 627	2 380 091	259 909	2 640 000
EBITDA %	18 %	20 %	6 %	36 %		19 %	9 %	17 %
EBIT ex. Impairment	1 631 299	112 660	-34 604	104 301	-12 721	1 800 935	174 045	1 974 980
EBIT	1 625 799	28 619	-34 604	104 301	-12 721	1 711 394	174 045	1 885 439
Volumes sold:								
Salmon (gwt tonnes)	144 784					144 784		144 784
Fishmeal (tonnes)		84 282	8 519	7 425		100 226	57 310	157 536
Fish oil (tonnes)		12 466	1 690			14 156	18 995	33 151
Frozen fish/fresh (tonnes)		2 611	13 617			16 228	184 427	200 655
Canning (cases)		1 067 844	58 552			1 126 396		1 126 396
FPC/Oil (tonnes)							24 414	24 414

* Figures and volumes Q4 13 and full year 2013 are proforma figures for Pelagia Group as if the transaction had taken place January 1st. 2013.

** Br. Birkeland AS owns two pelagic purse seiners with quota of 650 basiston and 7 salmon licenses, all in Norway.

Note 5 Associates

			(Restated)		(Restated)
		Q4 2014	Q4 2013	2014	2013
Norskott Havbruk AS	50,0 %	30 509	33 350	95 540	101 075
Pelagia AS	50,0 %	57 156	-	124 744	-
Br. Birkeland AS	49,9 %	-	-	-	-
Villa Organic AS	47,8 %	-	73 999	-5 418	91 997
Others		-1 412	1 229	2 515	1 256
Total income from ass.companies		86 253	108 578	217 381	194 328
Total investment				1 563 187	777 873

Note 6 Consolidation of Br. Birkeland AS

With effect from 2014, Austevoll Seafood ASA (AUSS) has implemented IFRS 10 Consolidated Financial Statements. As a result, the Group entered into discussions with the Financial Supervisory Authority of Norway to determine whether to continue to report Br. Birkeland AS (BRBI) according to the equity method, or whether BRBI should be wholly consolidated in the Group. Despite the lack of a majority of votes for AUSS in the company, the Financial Supervisory Authority of Norway is of the opinion that BRBI should be consolidated. The Authority makes reference to the “de facto control” concept in IFRS 10, and supports its opinion on this matter with their assessment of IFRS 10.B42, with further reference to IFRS 10.B45 and IFRS 10.B18. BRBI shall be consolidated with effect from 2014. Previous accounting periods have been restated in accordance with IAS 8 and the specific transition provisions related to the implementation of IFRS 10.

All figures in NOK 1.000	AUSS 2013	Consolidation of BR Birkeland AS	(Restated) AUSS 2013
Operating income	12 409 756	-248 128	12 657 884
Operating expenses	-10 183 648	94 145	-10 277 793
EBITDA	2 226 108	-153 983	2 380 091
Depreciation and amortization	-529 474	49 682	-579 156
Impairment	-89 541	-	-89 541
Fair value adj. biomass	764 229	-64 605	828 834
Operating profit	2 371 322	-168 906	2 540 228
Income from associated comp	248 350	54 022	194 328
Net financial items	-239 449	30 672	-270 121
Profit before taxes	2 380 223	-84 212	2 464 435
Income tax expenses	-580 768	41 902	-622 670
Net income	1 799 455	-42 310	1 841 765

All figures in NOK 1.000	AUSS 2013	Consolidation of BR Birkeland AS	(Restated) AUSS 2013
Intangible assets	6 035 665	1 021 368	7 057 033
Fixed assets	4 095 855	356 811	4 452 666
Financial assets	1 145 026	-282 962	862 064
Inventories	4 467 682	239 769	4 707 451
Receivables	2 290 511	78 076	2 368 587
Assets classified as held for sale	1 793 241	-	1 793 241
Bank balance	1 396 279	47 035	1 443 314
Total Assets	21 224 259	1 460 097	22 684 356
Equity - equity holders of the parent	7 321 834	334 722	7 656 556
Non-controlling interests	3 377 484	430 156	3 807 640
Total equity	10 699 318	764 878	11 464 196
Provisions for commitments	45 370	18 974	64 344
Other long-term liabilities	7 051 634	589 516	7 641 150
Current liabilities	3 427 937	86 729	3 514 666
Total liabilities	10 524 941	695 219	11 220 160
Total equity and liabilities	21 224 259	1 460 097	22 684 356

