Austevoll Seafood ASA

Financial Report

Q4 and preliminary figures for 2013

Austevoll Seafood ASA

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NORWAY

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Content

Strong earnings in Q4, with good prices for Atlantic salmon and trout

Good fishing season for anchoveta in Peru

The Board of Directors proposes a dividend of NOK 1.60 per share for 2013

The transaction between Austevoll Seafood ASA and Kvefi AS concerning the merger of the companies' operations in Europe within pelagic production for human consumption, fishmeal and fish oil was completed in January 2014, and Pelagia AS has been established

Key figures for the Group

All figures in NOK 1,000	Q4 13	Q4 12 (restated)	2013	2012 (restated)
Operating income	3 623 526	2 731 852	12 409 756	11 170 879
EBITDA	592 710	204 111	2 226 108	1 170 071
EBITDA %	16 %	7 %	18 %	10 %
Earnings per share (EPS) from continuing operations	2,62	0,83	4,66	1,81
EPS from continuing and discontinuing operations	2,62	1,02	3,48	2,10
Total assets	21 224 259	18 649 605	21 224 259	18 649 605
Equity	10 699 318	9 399 809	10 699 318	9 399 809
Equity ratio	50 %	50 %	50 %	50 %
Net interest bearing debt (NIBD)/	4 767 714	3 655 065	4 767 714	3 655 065

Q4 2013

The Group had operating income for the quarter of NOK 3,624 million (NOK 2,732 million in Q4 2012).

EBITDA in Q4 was NOK 593 million (NOK 204 million in Q4 2012).

The increase in turnover and EBITDA is mainly attributable to the Atlantic salmon and trout segment. Considerably higher prices were achieved for Atlantic salmon and trout in Q4 2013, compared with the same quarter in 2012. This is also reflected in the segment's excellent profit from operations.

The pelagic fisheries segments have also seen an increase in turnover in Q4 2013, compared with the same quarter in 2012.

EBIT before value adjustment for biomass was NOK 358 million in Q4 (NOK 78 million in Q4 2012). EBIT after value adjustment for biomass came to NOK 1,141 million in Q4 (NOK 421 million in Q4 2012).

Write-downs totalling NOK 95 million have been undertaken during the quarter. Of this, NOK 90 million is related to operations in Peru as a result of changes to the company's plant structure.

Income from associated companies totalled NOK 152 million in Q4 (NOK 37 million in Q4 2012). This figure was strongly affected by the IFRS value adjustment for biomass, which constituted NOK 89.5 million for this quarter.

NPEL was an associated company in the AUSS Group until January 2013. In consequence of the agreement between AUSS and Kvefi (see note 6), the accounts have been restated with NPEL treated as a discontinued operation held for sale in 2012 and January 2013. The historical figures for income from associated companies have been restated correspondingly.

The largest associated companies are Norskott Havbruk AS (owner of the Scottish fish farming company Scottish Sea Farms Ltd.), Villa Organic AS and Brødrene Birkeland AS.

The Group's net interest expenses in Q4 2013 totalled NOK 43 million (NOK 54 million in Q4 2012).

Profit before tax and biomass adjustment for Q4 came to NOK 467 million, compared with NOK 59 million in the same period in 2012.

The pre-tax profit for the quarter amounted to NOK 1,251 million (NOK 403 million in Q4 2012). Profit after tax was NOK 970 million, compared with NOK 305 million in the same quarter of 2012.

The Board of Directors will propose to the annual general meeting that the dividend for the 2013 financial year be set to NOK 1.60 per share, compared with NOK 1.20 per share for the 2012 financial year.

The transaction between Austevoll Seafood ASA (AUSS) and Kvefi AS (Kvefi) entailing the merger of AUSS's and Kvefi's operations in Europe within pelagic fishery for human consumption, fishmeal and fish oil was completed in January 2014. See also AUSS's stock exchange notification dated 21 January 2014. The transaction encompasses AUSS's companies Norway Pelagic Holding AS (NPEL) and Welcon Invest AS (Welcon) as well as Kvefi's business Egersund Fisk AS (Egersund). As a result of this agreement, NPEL and Welcon have been treated as a disposal group held for sale in AUSS's consolidated accounts for the second half of 2013. Comparative figures have been restated accordingly. The effect on the accounts is that the profit and balance-sheet items linked to NPEL and Welcon have been de-consolidated and are now presented in the consolidated accounts as profit from discontinued operations. The value of the assets is presented in the balance sheet as assets held for sale and has been classified as current assets. See note 6 for a more detailed description of the accounting treatment of the transaction in the second half of the year.

The Group is financially sound with an equity ratio of 50%. The Group had net interest-bearing debt (NIBD) totalling NOK 4,767 million at the close of Q4. At year-end 2012, NIBD was NOK 3,655 million. In 2013 AUSS bought shares in NPEL and Welcon for a total of NOK 902 million, with settlement to AUSS in January 2014 in connection with completion of the transaction between AUSS and Kvefi.

Business areas

Fishmeal and fish oil

As a result of Welcon being treated as a discontinued operation held for sale, the profit from this company has not been included in the figures for Q4 2013, and the comparative figures in this report have been restated accordingly. This segment therefore now only consists of the Group's operations in South America.

Operating income in Q4 2013 totalled NOK 339 million (NOK 228 million in Q4 2012) and EBITDA amounted to NOK 109 million (NOK 3 million in Q4 2012).

The second fishing season for anchoveta in Peru started on 12 November with a total quota of 2.3 million tonnes, compared with 810,000 tonnes for the same fishing season in 2012. The Group's fleet had a total quota of 158,000 tonnes, of which approx. 90% had been caught by year-end 2013. The remaining volume was caught in early January 2014.

Approximately 31,500 tonnes of fishmeal and fish oil were sold in Q4, compared with approx. 19,000 tonnes in the same quarter of 2012.

The prices achieved for fishmeal were some 20% lower in the fourth quarter of 2013, compared with the same period in 2012. The prices achieved for fish oil were around 17% higher in this quarter than in the same period in 2012. This business segment has recorded write-downs totalling NOK 69 million during the quarter. The Group's plant in Huarmey was closed down in 2014, and the factory in Paita has been sold. Fishmeal and fish oil from the operations in Peru are produced at the plants in Coishco, Chancay, Pisco and Ilo. Measures have been implemented at the factory in Coishco to increase production capacity from 80 tonnes per hour to 160 tonnes per hour.

Consumer products

Operating income in Q4 2013 totalled NOK 59 million (NOK 93 million in Q4 2012), and EBITDA was NOK -23 million (NOK -11 million in Q4 2012).

The total volume sold during the quarter breaks down as follows: approx. 800 tonnes of frozen products (Chile), which is roughly the same volume as in Q4 2012. Approximately 177,000 boxes of canned products were sold in Q4, compared with some 485,000 boxes in the same period in 2012 (Chile and Peru).

The national quota for horse mackerel in Chile for 2013 was set at 250,000 tonnes, which is in line with the quotas for 2012. Approximately 4,000 tonnes of the company's horse mackerel quota in Chile remained at the beginning of the fourth quarter, and more than 2,600 tonnes were caught in December.

Significantly lower volumes of horse mackerel have been fished in Peru in 2013 compared with 2012. Our fleet caught 9,247 tonnes in 2013 compared with 26,441 tonnes in 2012.

The business segment had write-downs totalling NOK 21 million in the quarter. After the sale of the company's plant in Paita, production in Peru for human consumption will be concentrated at the plants in Coishco and Pisco. The consumer products plant in the north (Paita) had been struggling with insufficient supply of raw materials for some years, both from our own fleet and from third parties. Production capacity for frozen products at the plant in Coishco is going to be increased to 475 tonnes per hour in 2014. The Board of Directors is satisfied that the new plant structure in Peru has been adapted to future needs.

Production, sale and distribution of Atlantic salmon and trout

This business segment comprises the listed company Lerøy Seafood Group ASA (LSG). In Q4 2013, the segment reported operating income of NOK 3,230 million (NOK 2,411 million in Q4 2012) and EBITDA before value adjustment for biomass of NOK 506 million (NOK 210 million in Q4 2012).

LSG reported its highest-ever quarterly turnover in Q4 2013, and the main driver for the increase in turnover and operating profit was the higher prices the company achieved for its main product Atlantic salmon and trout. However, the prices are strongly influenced by the segment's contractual position, and the increase is therefore significantly smaller than the increase in the spot price. The share of contracts for this segment in Q4 2013 was 45%.

The segment reported harvests of 41,200 tonnes (gutted weight) of salmon and trout in the quarter, compared with 41,300 tonnes in the same period in 2012.

As previously mentioned, the output costs in Q4 2013 were impacted by higher feed prices and lower average weights. In addition, Q4 saw unexpected high costs related to AGD (Amoebic Gill Disease). The company has now established the necessary routines and preparedness to deal with AGD, but it must be acknowledged that the negative impact on the results from operations in Hordaland in the fourth quarter of 2013 was unnecessary and disproportionate. All in all this means that the segment had historically high output costs for salmon and trout in Q4 2013 and much higher than the segment considers normal. However, production costs are now expected to fall through 2014.

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

Pelagic North Atlantic

The Pelagic North Atlantic segment comprises the company NPEL. This company is encompassed by the merger agreement between AUSS and Kvefi discussed earlier (see note 6). After AUSS acquired the majority of the shares in the company in February 2013, NPEL was consolidated in the period February to July 2013. In the second half of the year, NPEL is treated as a discontinued operation held for sale. The profit for the period in which NPEL was still part of the Group is presented after ordinary profit from continued operations along with the figures for Welcon. In the balance sheet, this investment is presented under current assets as an asset held for sale.

Financial information for NPEL and Welcon for Q4 and for 2013 as a whole is presented in the segment note, along with comparative figures for the same periods in 2012.

NPEL and Welcon had a combined turnover in Q4 2013 of NOK 1,649 million (NOK 1,589 million in Q4 2012) and achieved an EBITDA of NOK 151 million (NOK 155 million in Q4 2012).

The fourth quarter is normally an important production quarter for the Pelagic North Atlantic segment. Receipt of raw materials totalled approx. 327,000 tonnes in the quarter, compared with approx. 315,000 tonnes in the same period in 2012.

On completion of the transaction with Kvefi, this segment will also include the company Egersund. In terms of accounting, the holding (50%) in Pelagia AS will be accounted for using the equity method.

Cash flow

Cash flow from operating activities totalled NOK 65 million in Q4 2013 (NOK 227 million in Q4 2012). Cash flow from operations is impacted by seasonally high working capital within aquaculture and activities in Peru. Operations in Peru tie up more working capital as a result of high activity in the current fishing season. Cash flow from investment activities in Q4 2013 came to NOK -271 (NOK -134 million in Q4 2012). In addition to normal maintenance investments, this quarter also saw investment in a licence in Peru to increase production capacity for fishmeal and fish oil in Coishco and investment to increase production capacity for frozen products for human consumption at the same plant. Cash flow from financing activities in Q4 2013 was NOK -263 (NOK -5 million in Q4 2012). In addition to ordinary instalments and short-term credit facilities, cash flow from financing activities also comprises repayment of AUSS's bond loan totalling NOK 350 million, which matured in October 2013. The Group's net change in cash in Q4 2013 was NOK -470 million (NOK 89 million in Q4 2012). The Group's cash and cash equivalents at the close of 2013 was NOK 1,396 million, compared with NOK 2,162 million at year-end 2012. In connection with the final establishment and various competition authorities' approval of Pelagia AS, the Group's cash and cash equivalents have risen by some NOK 1,000 million in January 2014.

Financial information, 2013

As a result of NPEL and Welcon being treated as discontinued operations held for sale in the accounts for the second half of the year, the companies have been de-consolidated and are presented in the consolidated accounts as discontinued operations held for sale.

In 2013 the Group had operating income of NOK 12,410 million (NOK 11,171 million in 2012). EBITDA before value adjustment for biomass was NOK 2,226 million (NOK 1,170 million in 2012).

The year saw major growth in both turnover and profits in the Atlantic salmon and trout segment compared with 2012.

As expected, there was a decline in sales and profits in the pelagic fishery segment compared with 2012. This is due to significantly lower sales volumes for fishmeal and fish oil, canned products and frozen pelagic fish compared with 2012. Sales of fishmeal and fish oil fell by approx. 55,000 tonnes in 2013 compared with 2012. The poor result in 2013 is attributable to the lower anchoveta quotas in Peru in Q4 2012. The company had abnormally low stock levels at the beginning of 2013. The situation in Peru is significantly better now than it was at the same time in 2013, including a much better harvest of horse mackerel. As mentioned in earlier periods, there has been a substantial decline in fishing for anchoveta in Chile in 2013 compared with 2012. The situation in Chile remains unchanged. This means that in 2014 too the company expects limited activity throughout the year. However, the cooperation established with Alimar ensures relatively good utilisation of the plant, thereby helping to reduce costs.

EBIT before value adjustment for biomass for 2013 was NOK 1,607 million (NOK 636 million in 2012). In 2013 gains from the sale of assets totalling NOK 114 million have been recognised, of which NOK 60 million are from the operations in Peru. In addition, write-downs of NOK 90 million have been recorded, primarily related to operations in Peru as a result of changes in the plant structure for fishmeal and fish oil and for human consumption. By comparison, in 2012 a figure of NOK 50 million was booked as other costs and write-downs related to the closure of Lerøy Hydrotech's slaughterhouse in Kristiansund.

Value adjustment for biomass, in accordance with IFRS, amounts to NOK 764 million, compared with the IFRS biomass adjustment for the same period in 2012 of NOK 295 million. EBIT after value adjustment for biomass for 2013 was NOK 2,371 million (NOK 931 in 2012).

Income from associated companies for 2013 totalled NOK 248 million (NOK 36 million in 2012). The strong increase in profits from associated companies is due to significantly higher prices for Atlantic salmon and trout in 2013 compared with 2012, including a substantial positive biomass adjustment of NOK 109 million. NPEL was an associated company in the AUSS Group until January 2013 and, as a result of the agreement between AUSS and Kvefi, has been accounted for as an asset held for sale. Similarly, profits from associated companies have been restated for prior periods.

The Group's net interest expense amounted to NOK -196 million (NOK -198 million in 2012).

Profit before tax and biomass adjustment for 2013 came to NOK 1,616 million, compared with a profit before tax and biomass adjustment for 2012 of NOK 521 million. Profit growth was NOK 1,095 million.

The pre-tax profit for the year totalled NOK 2,380 million (NOK 815 million in 2012). Profit after tax and discontinued operations is NOK 1,561 million, compared with NOK 641 million in 2012.

Cash flow

Cash flow from operating activities in 2013 was NOK 1,362 million (NOK 897 million in 2012). Cash flow from investment activities amounted to NOK -1,812 million (NOK -680 in 2012). In addition to investments in operating assets in 2013, the Group bought shares in the companies Villa Organic, NPEL and Welcon. Investments in shares amounted to NOK 1,106 million altogether. Cash flow from financing activities was NOK -339 million (NOK -372 million in 2012). Cash flow from financing activities comprises payment of ordinary instalments on loans, changes in short-term credit facilities, and repayment of AUSS's bond loan (NOK 350 million), which matured in October 2013. In addition, the Group paid dividends of NOK 411 million. New loans were raised in connection with the purchase of shares in 2013. The Group's net change in cash in 2013 was NOK -790 million (NOK -155 million in 2012). The Group's cash and cash equivalents at the close of 2013 was NOK 1,396 million, compared with NOK 2,162 million at the close of 2012.

The Group's funding and liquidity situation is good; it is adapted to the Group's various business segments and in line with the

Board of Director's assessment of the Group's need for financial flexibility.

Balance sheet at 31 December 2013

At the close of 2013 the Group had a balance sheet total of NOK 21,224 million, compared with NOK 18,650 million at the end of 2012. The increase in the balance sheet total is attributable in part to the aforementioned acquisition of shares in Welcon, NPEL and Villa Organic AS.

The Group is financially sound with book equity of NOK 10,699 million at the close of the quarter, which corresponds to an equity ratio of 50%. The Group's financial position has improved during the fourth quarter, with an increase in the equity ratio from 48% at 30 September 2013. At year-end 2012 book equity for the Group was NOK 9,400 million, which yields an equity ratio of 50%.

Net interest-bearing debt was NOK 4,767 million at 31 December 2013, compared with NOK 3,655 million at 31 December 2012. In January 2014 AUSS received settlement of NOK 1,000 million for the transaction between AUSS and Kvefi (see note 6).

The Group's cash and cash equivalents exclusive unused lines of credit at the end of December 2013 amounted to NOK 1,396 million, compared with NOK 2,162 million at 31 December 2012.

Risk and uncertainty factors

The Group's risk exposure is described in the consolidated annual report for 2012. 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 financial crisis and turmoil in the global economy in recent years, the general consensus is that economic uncertainty is still greater than normal. Although this situation may have a negative impact on the real economy in many markets, AUSS's core business is founded on long-term sustainable assets within viable seafood industries.

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 Group's production facilities. The seasonal fluctuations in catch volumes cause similar fluctuations in the interim key figures.

The Group has a floating interest rate for most 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 financial 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

The company had 4,452 shareholders at 31 December 2013, compared with 4,577 shareholders at 31 December 2012. The share price was NOK 35.50 at the close of 2013 compared with NOK 28.50 at 31 December 2012.

The Board will recommend to the annual general meeting in 2014 a dividend payment for the 2013 financial year of NOK 1.60 per share, compared with NOK 1.20 per share last year.

Market and outlook

Fishmeal and fish oil

Fishmeal and fish oil prices have been traded sideways in the second half of the year following a price correction down in the second quarter. At the time of writing fishmeal FOB Peru (super prime) is traded at USD 1,500–1,520 and fish oil for use in feed (FOB South America) at USD 1,875–1,900. Prices for fishmeal and fish oil are expected to remain stable in the short term.

Consumption

The trend witnessed in recent years with a low volume of raw materials for the consumption segment persisted through 2013 and is expected to continue in 2014. The Board of Directors nevertheless expects continued high demand for the Group's products for human consumption, and price levels are expected to remain stable.

Pelagic North Atlantic

The main seasons for receipt of raw materials and production for this segment are the first and fourth quarters. The basic supply of raw materials, based on Norwegian quotas, was lower in 2013 than in 2012, in particular for Norwegian spring-spawning herring. However, the decline in market volume for this product is not expected to be as large as suggested by the lower Norwegian quota, thanks to an increase in catch volumes for mackerel and Norwegian spring-spawning herring from the Faeroe Islands and Iceland.

The quotas for 2014 reflect a further decline in Norwegian spring-spawning herring, but an increase for mackerel, North Sea herring and blue whiting. The allocation of the recommended total allowable catch (TAC) between the coastal states has not yet been finalised. Nor have the parties been able to agree on a mackerel agreement between Norway / EU and the Faeroe Islands and Iceland for 2014.

Production, sale and distribution of salmon and trout

As expected, the growth in the global supply of Atlantic salmon slowed down in 2013, and this, combined with persistent strong growth in demand, resulted in a year with very high prices for Atlantic salmon and trout.

In light of the high demand for seafood and the development of the segment's extensive distribution system for seafood, there is every reason to expect the segment to continue to develop positively. Meanwhile, the strong seasonal variance in the volume offered to the market as a result of the current regulatory regime in Norway is a growing problem for a number of reasons: Among other things, the current regulation of production means that the prices for the segment's main products will continue to be unnecessarily volatile, not to mention that it is extremely difficult to operate industrial processing on a commercially viable basis in Norway.

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 business segments.

Bearing in mind the prevailing framework conditions for the Group's operations, the Board of Directors is largely very satisfied with the Group's results for Q4 2013. The Board of Directors would like to take this opportunity to thank the employees for all their hard work in 2013.

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

Storebø, 24 February 2014

The Board of Directors for Austevoll Seafood ASA

Income Statement (unaudited)

All figures in NOK 1,000	Q4 13	Q4 12 (Restated)	2013	2012 (Restated)
Operating income	3 623 526	2 731 852	12 409 756	11 170 879
Raw material and consumables used	2 219 275	1 882 983	7 491 072	7 473 524
Salaries and personnel expenses	421 979	345 312	1 423 334	1 384 178
Other operating expenses	389 562	299 446	1 269 242	1 143 106
Operating profit before depreciation (EBITDA)	**592 710**	**204 111**	**2 226 108**	**1 170 071**
Depreciation and amortisation	139 969	127 421	529 474	508 186
Impairment	94 568	-1 236	89 541	25 858
EBIT before fair value biomass adjustment	**358 173**	**77 926**	**1 607 093**	**636 027**
Fair value adjustment biomass	783 310	343 474	764 229	294 735
Operating profit	**1 141 483**	**421 400**	**2 371 322**	**930 762**
Income from associated companies	151 510	36 800	248 350	35 855
Net interest expenses	-43 121	-53 688	-195 792	-198 387
Net other financial items (incl. agio/disagio)	777	-1 817	-43 657	47 066
Profit before tax	**1 250 649**	**402 695**	**2 380 223**	**815 296**
Income tax expenses	-280 396	-98 142	-580 768	-233 475
Net profit from continuing operations	**970 253**	**304 553**	**1 799 455**	**581 821**
Net profit from discontinued operation	-	38 253	-238 699	59 085
Net profit	**970 253**	**342 806**	**1 560 756**	**640 906**
Profit to minority interests	438 195	136 790	855 411	215 304
Profit to equity holder of parent from continuing operations	532 058	167 763	944 044	366 517
Profit to equity holder of parent from discontinuing operations	-	38 253	-238 699	59 085
Net profit to equity holder of parent from cont. And discont. Operations	**532 058**	**206 016**	**705 345**	**425 602**
Earnings per share (EPS) from continuing operations	2,62	0,83	4,66	1,81
Diluted EPS from continuing operations	2,62	0,83	4,66	1,81
EPS excl.fair value adj biomass from continuing operations	0,88	0,06	2,96	1,15
EPS from discontinuing operations	-	0,19	-1,18	0,29
EPS from continuing and discontinuing operations	2,62	1,02	3,48	2,10

Condensed Statement of Comprehensive income (unaudited)

All figures in NOK 1,000	Q4 13	Q4 12 (Restated)	2013	2012 (Restated)
Net earnings in the period	**970 253**	**342 806**	**1 560 756**	**640 906**
Other comprehensive income				
Currency translation differences	43 735	-71 166	156 998	-136 455
Other comprehensive income from associated companies	-	-1 847		-1 847
Cash flow hedges	-2 454	-3 968	8 785	-27 086
Change in value available for sale financial assets	-	-7 200	-487	-7 200
Others	1 563	-	431	
Total other comprehensive income	**42 844**	**-84 181**	**165 727**	**-172 588**
Comprehensive income in the period	**1 013 097**	**258 625**	**1 726 483**	**468 318**
Allocated to;				
Minority interests	453 671	116 324	907 821	189 614
Majority interests	559 426	142 301	818 662	278 704

Statement of Financial Position (unaudited)

All figures in NOK 1,000	31.12.13	31.12.2012 (Restated)
Assets		
Intangible assets	6 035 665	5 948 259
Vessels	455 172	437 637
Property, plant and equipment	3 640 683	3 375 326
Investments in associated companies	1 060 925	616 367
Investments in other shares	31 328	44 053
Other long-term receivables	52 773	35 341
Total non-current assets	**11 276 546**	**10 456 983**
Inventories	4 467 682	3 330 336
Accounts receivable	1 704 898	1 116 004
Other current receivables	585 613	512 910
Assets classified as held for sale	1 793 241	1 071 111
Cash and cash equivalents	1 396 279	2 162 261
Total current assets	**9 947 713**	**8 192 622**
Total assets	**21 224 259**	**18 649 605**
Equity and liabilities		
Share capital	101 359	101 359
Share premium fund	3 713 549	3 713 549
Retained earnings and other reserves	3 506 926	2 935 556
Non-controlling interests	3 377 484	2 649 345
Total equity	**10 699 318**	**9 399 809**
Deferred tax liabilities	2 090 835	1 892 840
Pensions and other obligations	45 370	58 047
Borrowings	4 950 287	4 342 540
Other long-term liabilities	10 512	17 201
Total non-current liabilities	**7 097 004**	**6 310 628**
Short term borrowings	604 042	929 561
Overdraft facilities	659 664	545 225
Account payable	1 179 802	913 681
Other current liabilities	984 429	550 701
Total current liabilities	**3 427 937**	**2 939 168**
Total liabilities	**10 524 941**	**9 249 796**
Total equity and liabilities	**21 224 259**	**18 649 605**

Condensed Statement of changes in equity (unaudited)

All figures in NOK 1,000	2013	2012 (restated)
Equity period start	**9 399 809**	**9 199 548**
Comprehensive income in the period	**1 726 483**	**468 318**
Dividends	-415 212	-364 519
Business combinations/acquisition		107 158
Transactions with non-controlling interest	-3 509	-496
Effect option programme	-	2 308
Other	-8 253	-12 508
Total changes in equity in the period	**1 299 509**	**200 261**
Equity at period end	**10 699 318**	**9 399 809**

Cash flow statement (unaudited)

All figures in NOK 1,000	Q4 2013	Q4 2012 (restated)	2013	2012 (restated)
Cash flow from operating activities				
Profit before income taxes	1 250 649	402 694	2 380 223	815 295
Fair value adjustment of biological assets	-783 310	-343 474	-764 229	-294 735
Taxes paid in the period	-31 690	-22 498	-181 463	-478 863
Depreciation and amortisation	139 969	127 421	529 474	508 186
Impairments	94 568	-1 236	89 541	25 858
Associated companies - net	-151 510	-36 800	-248 350	-35 855
Interest expense	50 656	73 576	240 792	267 126
Interest income	-7 535	-19 888	-45 000	-68 739
Change in inventories	-169 464	-22 534	-373 118	177 145
Change in receivables	-468 081	55 172	-661 599	-68 820
Change in payables	104 654	50 027	266 121	141 184
Other operating cash flow incl currency exchange	35 674	-35 047	129 233	-90 535
Net cash flow from operating activities	**64 580**	**227 413**	**1 361 625**	**897 247**
Cash flow from investing activities				
Purchase of intangible and fixed assets	-269 677	-192 640	-919 920	-719 134
Purchase of shares and equity investments	-51 240	4 981	-1 139 493	-107 555
Proceeds from sale of fixed assets/equity investments	31 903	30 522	167 669	61 982
Dividend received	13 803	-	41 019	16 509
Interest income	7 535	19 888	45 000	68 739
Other investing activities - net	-3 590	3 738	-6 325	-503
Net cash flow from investing activities	**-271 266**	**-133 511**	**-1 812 050**	**-679 962**
Cash flow from financing activities				
Proceeds from new long term debt	857 647	578 410	1 843 509	1 263 726
Repayment of long term debt	-1 230 888	-346 662	-1 628 506	-1 029 971
Change in short term debt	157 493	-157 027	99 451	29 071
Interest paid	-44 639	-74 438	-242 220	-269 286
Dividends paid	-2 535	-5 085	-411 474	-364 869
Other finance cash flow - net	-	-	-	-495
Net cash flow from financing activities	**-262 922**	**-4 802**	**-339 240**	**-371 824**
Net change in cash and cash equivalents	-469 608	89 100	-789 665	-154 539
Cash, and cash equivalents at start of period	1 866 592	2 081 457	2 162 262	2 327 209
Exchange gains/losses (-)	-706	-8 296	23 681	-10 409
Cash and cash equivalents at period end	**1 396 278**	**2 162 261**	**1 396 278**	**2 162 261**

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

Cash flow from discontinued operations is as follows:	Q4 2013	Q4 2012	2013	2012
Net operating cash flow from discontinued operations	-179 542	-40 485	232 170	26 019
Net investing cash flow from discontinued operations	-11 066	-31 938	-87 303	-89 397
Net financing cash flow from discontinued operations	262 790	43 909	-22 957	26 873
Net change in cash from discontinued operations	**72 182**	**-28 514**	**121 910**	**-36 505**

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 figures, 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.

This report must therefore be read in the context of the most recent annual report from the company (2012).

Note 2 Related party transactions

There were related party transactions in Q4 2013. Related party transactions take place on market terms, and the relevant types of transaction are described in greater detail in the annual report for 2012.

Note 3 Biological assets

LSG recognises and estimates biological assets (fish in sea) at fair value. When calculating fair value, the prices are adjusted according to quality differences (superior, ordinary and production) and logistic costs. The volume is adjusted to account for loss during gutting. The fair value of fish in the sea with an average weight of less than 4 kg is adjusted relative to the stage reached by the fish in its growth cycle. The value will not be adjusted to lower than historical cost, unless the Group expects to generate a loss from future sales.

	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Total fish in sea (LWT)	103 949	90 173	83 385	102 766	103 107
Fish > 4 kg (LWT)	41 899	31 416	16 347	34 091	41 529
Adjustment inventory	**347 190**	**556 253**	**651 809**	**331 019**	**1 110 502**
P&L effect adjustment	**343 472**	**209 063**	**90 981**	**-319 125**	**783 310**

Recognised value adjustment for biomass includes a change in unrealised gain/loss related to financial sales and purchase contracts (derivatives) for fish with Fish Pool. The Fish Pool contracts are reported as financial instruments on the balance sheet, where the unrealised gain is classified as other current receivables and unrealised loss is classified as other current liabilities.

Note 4 Segments

All figures in NOK 1,000	Q4 2013	Q4 2012 (Restated)	2013	2012 (Restated)
Fishmeal and oil (South America)				
Operating revenue	339 028	228 207	1 261 931	1 483 325
EBITDA	108 552	3 476	319 060	369 533
EBITDA %	32 %	2 %	25 %	25 %
EBIT	377	-29 853	127 430	241 130
Volumes sold fishmeal (tons)	**23 549**	**16 228**	**92 801**	**131 088**
Volumes sold fishoil (tons)	**7 572**	**3 173**	**14 156**	**31 019**
Human Consumption				
Operating revenue	59 452	93 439	350 297	607 665
EBITDA	-23 265	-11 152	-36 052	31 328
EBITDA %	-39 %	-12 %	-10 %	5 %
EBIT	-64 139	-28 495	-133 414	-38 199
Canning (cases)	**177 260**	**484 571**	**1 126 396**	**2 423 026**
Frozen fish (tons)	**811**	**771**	**14 662**	**19 680**
Production, sales & distribution salmon/trout				
Operating revenue	3 229 684	2 410 552	10 818 519	9 102 941
EBITDA	505 697	209 990	1 938 474	774 866
EBITDA %	16 %	9 %	18 %	9 %
EBIT before fair value adj.biomass	424 606	135 631	1 625 799	450 097
Volumes sold own production (gwt tons)	**41 202**	**41 313**	**144 784**	**153 403**
Elimination/not allocated AUSS				
Elimination/not allocated AUSS	-4 638	-346	-20 991	-23 052
EBITDA	1 726	1 797	4 626	-5 656
EBIT before fair value adj.biomass	-2 671	643	-12 722	-17 001
Total group				
Operating revenue	3 623 526	2 731 852	12 409 756	11 170 879
EBITDA	592 710	204 111	2 226 108	1 170 071
EBITDA %	16 %	7 %	18 %	10 %
EBIT before fair value adj.biomass	358 173	77 926	1 607 093	636 027
Pelagic North Atlantic (discontinued operation)				
Operating revenue	1 649 371	1 589 364	4 509 915	4 907 696
EBITDA	151 302	155 028	463 695	345 346
EBITDA %	9 %	10 %	10 %	7 %
EBIT	109 641	111 529	315 780	209 908
Volumes sold fishmeal (tons)	**22 280**	**18 620**	**87 032**	**83 774**
Volumes sold fishoil (tons)	**6 727**	**5 128**	**32 970**	**31 144**
Volumes sold FPC and oil	**24 076**	**24 577**	**90 351**	**80 970**
Volumes sold HC (tons)	**122 300**	**116 800**	**277 300**	**329 000**

(100% of Norway Pelagic Holding AS and Welcon Invest AS turnover, EBITDA and EBIT)

Note 5 Associated companies

		Q4 2013	Q4 2012 (Restated)	2013	2012 (Restated)
Norskott Havbruk AS	50.0 %	33 350	5 467	101 075	17 604
Br. Birkeland AS	49.9 %	43 514	18 493	55 403	18 836
Villa Organic AS	49.4 %	73 999	-	91 997	-
Others*		647	12 840	-126	-585
Total income from ass.companies		**151 510**	**36 800**	**248 349**	**35 855**
Total investment				**1 060 926**	**616 367**

* Norway Pelagic Holding AS discontinued operations, see note 6 for further information.

Note 6 The accounting treatment of NPEL and Welcon as a result of the agreement between AUSS and Kvefi

Austevoll Seafood ASA (AUSS) and Kvefi AS (Kvefi) entered into an agreement to merge their operations in Europe in the business areas fishmeal and fish oil and pelagic fishery for human consumption (see AUSS's stock exchange notification dated 12 August 2013). The transaction was concluded in 2014 (see AUSS's stock exchange notification dated 21 January 2014).

The companies have been incorporated into the company Pelagia AS as follows:

AUSS has provided the following with settlement in shares in NewCo:
43.3% of the shares in Norway Pelagic Holding AS, NOK 123 million
50.0% of the shares in Welcon Invest AS, NOK 740 million

Kvefi is providing the following with settlement in shares in NewCo:
100% of the shares in Egersund Fisk AS.

With a view to ensuring that the parties achieve equal ownership, i.e. 50% each of NewCo, Kvefi is buying shares in Pelagia from AUSS for NOK 115 million.

In addition, Pelagia AS has bought the following shares from AUSS with settlement in cash:
56.7% of the shares in Norway Pelagic Holding AS, NOK 162 million plus costs
50.0% of the shares in Welcon Invest AS, NOK 740 million plus costs

As a result, Welcon and NPEL have been accounted for in AUSS's consolidated statements for the second half of 2013 in accordance with IFRS 5, non-current assets held for sale, cf. sections 6 and 7:

Section 6 "An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use."

Section 7 "For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable."

This entails the following in AUSS's reporting for the second half of 2013:

The profits from NPEL and Welcon in the period until they were sold have been recorded on a separate line in the income statement together with the expected gain/loss on the sale, and are shown on the line "profit from discontinued operations". Comparative figures from previous periods have been restated accordingly such that the profits from NPEL and Welcon are de-consolidated and shown on the line "profit from discontinued operations".

Similarly NPEL and Welcon have been de-consolidated from the balance sheet and in the comparative figures and are instead shown as the expected net realisable value under "assets classified as held for sale".

From completion of the transaction in January 2014, AUSS will recognise 50% of the profit from Pelagia AS in the Group accounts using the equity method of accounting, i.e. on a line in the income statement. (The possibility of accounting according to the proportionate consolidation method lapsed from 1 January 2014).

Pelagia AS will be reported under the Pelagic North Atlantic segment.

	YTD Q3 13	Q4 13	2013
Revenue	2 091 198	1 649 371	3 740 569
Expenses	-2 071 588	-1 530 140	-3 601 728
Profit before tax of discontinued operations	19 610	119 231	138 841
Tax	11 347	-32 605	-21 258
Profit after tax of discontinued operations	30 957	86 626	117 583
Profit after tax to majority	19 448	84 048	103 496
Pre-tax gain/(loss) recognised on the re-measurement of assets of disposal group	-258 117	-84 048	-342 165
Tax	-	-	-
After tax gain/(loss) recognised on the re-measurement of assets of disposal group	-258 117	-84 048	-342 165
Profit for the year from discontinued operations	-238 669	-	-238 669

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