

# 2012

**Austevoll Seafood ASA**



**FINANCIAL REPORT**  
Q2 and first half 2012



# FINANCIAL REPORT

## Q2 and first half 2012

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Austevoll Seafood ASA

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Delayed start to first fishing season in Peru when compared with 2011. Lower production volume for the quarter results in a displacement of sales volume to third quarter.

Significantly lower prices achieved for Atlantic salmon and trout in Q2 when compared with same quarter in 2011.

Prices for fishmeal and fish oil on the increase in the third quarter.

Generally good market outlook for the Group's business segments.

## KEY FIGURES FOR THE GROUP

All figures in NOK 1.000	Q2 12	Q2 11	H1 12	H1 11	2011
Operating income	2 881 240	3 647 684	5 870 258	6 600 073	12 161 571
EBITDA	298 581	795 490	733 521	1 407 029	2 045 773
EBITDA %	10 %	22 %	12 %	21 %	17 %
Earnings per share	0,00	0,36	0,87	1,49	1,82
Earnings per share excl.fair value adj biomass/	0,19	1,57	0,86	2,59	3,19
Total assets	18 522 436	18 381 835	18 522 436	18 381 835	18 574 485
Equity	9 178 358	8 810 485	9 178 358	8 810 485	9 199 608
Equity ratio	50 %	48 %	50 %	48 %	50 %
Net interest bearing debt (NIBD)	3 949 391	3 912 807	3 949 391	3 912 807	3 361 254

### Q2 2012

Group income in Q2 2012 totalled NOK 2,881 million, down from NOK 3,648 million in Q2 2011. Austevoll Fisk Gruppen was consolidated in the second quarter of 2011 and turnover for this company totalled NOK 391 million. Austevoll Fisk Gruppen was merged with Norway Pelagic in the third quarter of 2011. The fall in turnover for Q2 2012, when compared with Q2 2011 and adjusted for Austevoll Fisk Gruppen, is 11.5%.

The consolidated operating profit before depreciation and value adjustment for biomass (EBITDA) for Q2 2012 was NOK 299 million compared with NOK 795 million in Q2 2011.

EBIT before value adjustment for biomass in Q2 2012 was NOK 164 million compared with NOK 674 million in Q2 2011.

The decline in turnover and profit is attributed to significant-

ly lower prices achieved for salmon and trout. The spot price for Atlantic salmon fell by 24% in the second quarter of 2012 when compared with the same period in 2011. For the pelagic business segment, the sales volume has been lower than that achieved in Q2 2011. The lower sales volume is attributed to the month's delay in the start-up of the first fishing season in Peru, when compared with the same period last year. This has resulted in a lower production volume and a displacement of sales volume to the third quarter 2012.

The Group is financially strong with an equity ratio of 50%. The Group's net interest-bearing debt at the end of the second quarter totalled NOK 3,949 billion. At the end of June 2011, NIBD amounted to NOK 3,913 million.

## FINANCIAL INFORMATION Q2 2012

The Group reported operating income of NOK 2,881 million for the quarter (Q2 2011: NOK 3,648 million).

Austevoll Fisk Gruppen was consolidated during Q2 2011 and turnover in Q2 2011 was NOK 391 million. Austevoll Fisk Gruppen was merged with Norway Pelagic ASA with effect from the third quarter of 2011.

The fall in turnover for Q2 2012, when compared with Q2 2011 and adjusted for Austevoll Fisk Gruppen, is 11.5%.

EBITDA before value adjustment for biomass in Q2 2012 was NOK 299 million (Q2 2011: NOK 795 million).

The fall in turnover and EBITDA is attributed to a lower sales volume for the pelagic business segment in the quarter. Moreover, prices achieved for Atlantic salmon, trout and fishmeal were lower during the quarter when compared with the same quarter in 2011. The industry spot price for whole superior salmon fell by 24% when compared with the second quarter of 2011. The prices achieved for fish oil were higher in Q2 2012 than in Q2 2011.

EBIT before value adjustment for biomass in Q2 2012 was NOK 164 million (Q2 2011: NOK 674 million). EBIT after value adjustment for biomass in Q2 was NOK 80 million (Q2 2011: NOK 130 million).

Associated companies returned a total loss for Q2 of NOK 25 million (Q2 2011: profit of NOK 2 million). The decline in the profit from associated companies in the quarter, when compared with the same period in 2011, is partly due to the lower prices achieved for Atlantic salmon and trout for the associated companies within the aquaculture segment. The pelagic business segment's associate, Norway Pelagic ASA, has reported a decline in profit for the quarter, when compared with the second quarter of 2011. The largest associated companies are Norskott Havbruk AS (owner of the Scotland-based fish farming company Scottish Sea Farms Ltd.), Norway Pelagic ASA and Brødrene Birkeland AS.

The Group's net interest expenses in Q2 2012 totalled NOK 46 million (Q2 2011: NOK 51 million).

The profit before tax and biomass adjustment for Q2 2012 is NOK 118 million, compared with a profit before tax and biomass adjustment in Q2 2011 of NOK 633 million.

The profit before tax for the quarter totalled NOK 34 million (Q2 2011: NOK 89 million).

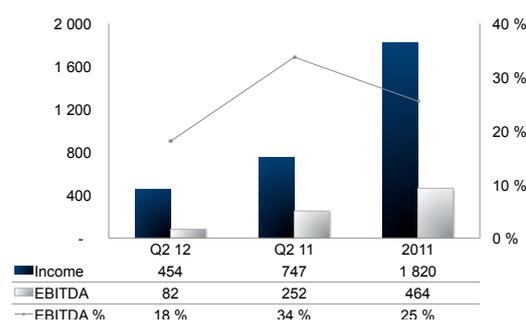
## BUSINESS SEGMENTS

### Fishmeal and fish oil

Operating income in Q2 2012 totalled NOK 454 million (NOK 747 million in Q2 2011) and EBITDA amounted to NOK 82 million (NOK 252 million in Q2 2011).

The decline in turnover and EBITDA is attributed to the lower sales volume in Q2 2012 when compared with the same period in 2011. The lower sales volume is attributed to the delayed start to the first fishing season in Peru, which started on 2 May 2012 instead of 1 April in 2011. This has resulted in a lower production volume and a displacement of sales volume to the third quarter 2012.

A total of 50,000 tons of fishmeal and oil were sold in Q2 2012, compared with approx. 90,000 tons in the same quarter of 2011.



Price trends for fish oil have been higher in Q2 2012 than the same quarter in 2011. The prices for fishmeal in Q2 2012, however, have been lower than for the same quarter in 2011.

The national quota for anchoveta in the first season of 2012 was 2.7 million tons. This is a reduction of 1 million tons from the 3.7 million ton quota for the first season of 2011. The first season of 2012 has been difficult, with restrictions imposed for certain fishing areas for periods of time and days when the ports were closed due to poor weather conditions. Despite these difficulties, the Group's company in Peru has fished 100% of its quota and completed its fishing season at the end of July.

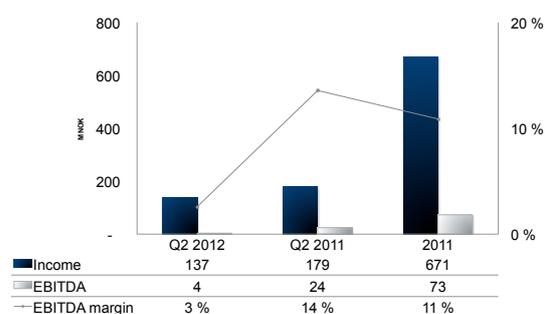
As is normal for the second quarter, there has been a decline in the production volume for fishmeal and oil in Europe. The Group's company in Chile has mainly been involved in receipt of anchoveta from coastal fishermen.

The global price trends for fishmeal and fish oil have been positive for the quarter and will be reflected in the profit figures reported for this business segment in the near future.

### Consumer products

Operating income in Q2 2012 totalled NOK 137 million (NOK 179 million in Q2 2011) and EBITDA amounted to NOK 4 million (NOK 24 million in Q2 2011).

The decline in turnover and EBITDA is mainly due to the reduction in sales volume for the business segment's products. The total volume sold for consumption is distributed as follows: approx. 5,000 tons of frozen products (Chile and Peru) compared with 7,500 tons in the same period last year; approx. 432,000 boxes of canned products were sold, compared with approx. 794,000 boxes for the same period in 2011 (Chile and Peru).



Prices realised for canned products saw a slight decline, while prices achieved for frozen products have been practically the same as those in the same quarter of 2011.

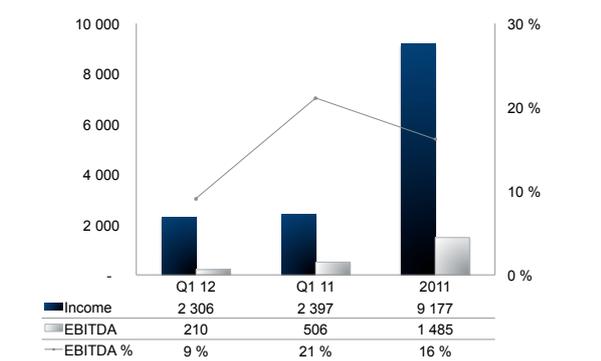
The national 2012 quota for horse mackerel in Chile was stipulated at 250,000 tons, a reduction from 2011 when the quota totalled 315,000 tons. The Group's quota in Chile has mainly been fished during the first quarter of 2012. Receipt of raw materials has seen a decline in the quarter, resulting in lower production. The company continues to follow its strategy to allocate the highest possible volume of raw materials to consumption, with an emphasis on frozen products.

Catches of horse mackerel in Peru in Q2 2012 totalled approx. 11,000 tons, compared with approx. 19,000 tons in the same quarter of 2011. To date this year, horse mackerel fishing has been regulated with a total quota for each quarter, and fishing is prohibited once the total national quota has been reached for the individual period. No new quota has been allocated for the third quarter of 2012.

### Production, sale and distribution of Atlantic salmon and trout

This business segment comprises Lerøy Seafood Group ASA. In Q2 2012, the segment reported operating income of NOK 2,306 million (Q2 2011: NOK 2,397 million) and EBITDA before value adjustment for biomass of NOK 210 million (Q2 2011: NOK 506 million).

The decline in EBITDA is attributed to the significantly lower prices achieved for the business segment's products. Underlying production costs for the segment saw a slight reduction throughout the quarter, thanks to an extremely high rate of growth and lower purchase prices for feed. The positive growth has also generated a seasonally high slaughter volume, with approx. 38,500 tons slaughtered weight of salmon and trout harvested this quarter, compared with 33,200 tons in the same quarter last year.



There is a high rate of demand for the business segment's products and the segment enjoys a strong position on the most important fish markets worldwide.

### Pelagic Northern Atlantic

The Pelagic Northern Atlantic segment comprises the companies within the Austevoll Fisk Group. Austevoll Fisk AS was merged with Norway Pelagic AS on 1 July 2011 and is subsequently included in the figures for Norway Pelagic ASA. Nor-

way Pelagic ASA is reported as an associated company in the consolidated accounts for Austevoll Seafood ASA.

The segment reported operating income of NOK 391 million and EBITDA of NOK 15 million in Q2 2011.

### CASH FLOW

Cash flow from operating activities for Q2 2012 was NOK 97 million (NOK 5 million in Q2 2011). Tax payments in Q2 2012 totalled NOK 305 million, while the corresponding figure for Q2 2011 was NOK 361 million. Cash flow from investing activities for Q2 2012 was NOK -171 million (NOK -256 million in Q2 2011). Cash flow from financing activities for Q2 2012 was NOK -592 million (NOK -99 million in Q2 2011). Cash flow from financing activities for the quarter comprises payment of ordinary instalments and changes in short-term credits. AUSS and other Group companies made dividend payments totalling NOK 358 million in Q2 2012, against the corresponding figure for Q2 2011 of NOK 526 million. Net change in cash in the second quarter 2012 for the Group was NOK -667 million (NOK -350 million in Q2 2011). The Group's cash and cash equivalents at the end of June 2012 totalled NOK 2,006 million compared with NOK 2,147 million at the end of June 2011.

### FINANCIAL INFORMATION, FIRST HALF 2012

The Group reported operating income of NOK 5,870 million for the first half of 2012 (H1 2011: NOK 6,600 million). EBITDA before value adjustment for biomass in the first half was NOK 734 million (H1 2011: NOK 1,407 million).

The decline in turnover and EBITDA is attributed to a combination of lower prices achieved for salmon and trout and lower sales volume within the pelagic business segment.

EBIT before value adjustment for biomass in the first half of 2012 was NOK 434 million (H1 2011: NOK 1,161 million). During the first half of 2012, a figure of NOK 50 million was booked as 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 5 million, compared with the IFRS biomass adjustment for the same period in 2011 of minus NOK 495 million. EBIT after value adjustment for biomass in the first half was NOK 439 million (H1 2011: NOK 666 million).

Associated companies reported a loss for the first half of NOK 16 million (H1 2011: income of NOK 39 million). This decline is partly due to the lower salmon prices experienced by the Group's aquaculture companies. The Group's net interest expenses in the first half of 2012 totalled NOK 99 million (H1 2011: NOK 99 million).

Profit before tax and biomass adjustment for the first half 2012 is NOK 345 million, compared with a profit before tax and biomass adjustment in the first half 2011 of NOK 1,105 million.

Profit before tax for the first half totalled NOK 350 million (H1 2011 NOK 610 million).

## CASH FLOW

Cash flow from operating activities for the first half of 2012 was NOK 421 million (NOK 276 million in H1 2011). Tax payments in the first half 2012 totalled NOK 480 million, against NOK 433 million for the same period in 2011. Cash flow from investing activities for the first half of 2012 was negative at NOK 479 million (NOK -405 million in H1 2011). Cash flow from financing activities for the first half of 2012 was negative at NOK 320 million (NOK -528 million in H1 2011). Cash flow from financing activities in the second quarter comprises payment of ordinary instalments, downpayment of bond loan, changes in short-term credits and payment of dividends totalling NOK 358 million. In January 2012, AUSS issued a bond loan of NOK 400 million, with a maturity of 5 years. The net change in cash for the Group in the first half 2012 was NOK -377 million (NOK -657 million in H1 2011). The Group's cash and cash equivalents at the end of June 2012 totalled NOK 2,006 million compared with NOK 2,147 million at the end of June 2011.

## BALANCE SHEET AS OF 30 JUNE 2012

At the end of June 2012, the Group had a balance sheet total of NOK 18,522 million compared with NOK 18,382 million at the end of June 2011.

The Group is financially sound with book equity at end of Q2 2012 of NOK 9,178 million, which corresponds to an equity ratio of 50%. At end June 2011, the book equity for the Group was NOK 8,810 million, or an equity ratio of 48%.

Net interest-bearing debt amounted to NOK 3,949 million at the end of June 2012 compared with NOK 3,913 million at the end of June 2011.

The Group's cash and cash equivalents at the end of June 2012 totalled NOK 2,006 million compared with NOK 2,147 million at the end of June 2011. The Group's cash and cash equivalents do not include unused lines of credit.

## RISK FACTORS AND UNCERTAINTY FACTORS

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

The Group is exposed to risk related to the value of investments in subsidiaries and associated companies. This applies to

changes in prices for raw materials and finished products, to the extent these changes result in changes to the company's competitive situation and earnings potential over time. Operating conditions, including marine biomass, fishing conditions and price developments for the Group's input factors are also central parameters which have an impact on Group risk.

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 main share of the Group's debt has a floating interest rate.

The Group is exposed to fluctuations in foreign exchange rates, particularly for the EURO, 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 30 June 2012, the company had 4,535 shareholders in relation to a comparative figure of 4,247 shareholders at the end of June 2011. The share price was NOK 25 at the end of June 2012 compared with NOK 31.10 as of 30 June 2011.

The Annual General Meeting was held on 24 May 2012, during which the board members adopted a dividend payment of NOK 1 per share, paid to the company's shareholders on 7 June 2012.

## MARKET AND OUTLOOK

### Fishmeal and fish oil

Fishmeal prices have been on the increase throughout the year, and the prices are now in the range of USD 1,700 per ton for SuperPrime (FOB Peru) and USD 1,580 for Standard 65% (FOB Peru). At the same period last year the prices were in the range of USD 1,400 per ton for SuperPrime and USD 1,170 for Standard 65%. The fish oil prices have also seen a positive development and increase throughout the year.

### Consumption

The Board of Directors expects to see high demand for the Group's consumer products in the future. In South America, demand both from the domestic market and for export is expected to be high, with good prices remaining stable in the future.

### Production, sale and distribution of salmon and trout

It is expected that the strong growth in global supply of Atlantic salmon witnessed over the past years will abate during the present year. The price level over the past year have helped generate an excellent development in demand and provide grounds for optimism towards a continued positive development in

demand. The above-mentioned factors, combined with expectations of improved productivity for the segment, including improvements to biology, allow for a positive attitude towards developments.

### **The Group**

The development of long-lasting values requires patience and the ability to think in the long term. The Group is financially solid and can report a good development, with a current strong position on a number of seafood markets worldwide. In time, the Group aims to grow and further develop within its current business segments.

Bearing in mind the prevailing market conditions, the Board of Directors is in principle satisfied with the Group's results for Q2 2012.

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

Storebø, 22 August 2012

The Board of Directors of Austevoll Seafood ASA



## INCOME STATEMENT (unaudited)

All figures in NOK 1.000	Q2 12	Q2 11	H1 12	H1 11 (audited) 2011	
<b>Operating income</b>	2 881 240	3 647 684	5 870 258	6 600 073	12 161 571
Raw material and consumables used	1 915 926	2 175 817	3 785 161	3 869 220	7 440 817
Salaries and personnel expenses	332 837	363 388	712 581	712 947	1 456 731
Other operating expenses	333 896	312 989	638 995	610 877	1 218 250
<b>Operating profit before depreciation (EBITDA)</b>	<b>298 581</b>	<b>795 490</b>	<b>733 521</b>	<b>1 407 029</b>	<b>2 045 773</b>
Depreciation and amortisation	138 933	126 040	270 843	251 321	507 749
Impairment	-3 976	-4 923	29 024	-4 923	4 590
<b>EBIT before fair value biomass adjustment</b>	<b>163 624</b>	<b>674 373</b>	<b>433 654</b>	<b>1 160 631</b>	<b>1 533 434</b>
Fair value adjustment biomass	-83 577	-544 122	5 318	-494 526	-615 767
<b>Operating profit</b>	<b>80 047</b>	<b>130 251</b>	<b>438 972</b>	<b>666 105</b>	<b>917 667</b>
Income from associated companies	-24 982	1 574	-16 196	38 804	45 793
Net interest expenses	-46 219	-51 411	-98 827	-98 771	-183 829
Net other financial items (incl. agio/disagio)	25 331	8 640	25 891	4 239	-7 194
<b>Profit before tax</b>	<b>34 177</b>	<b>89 054</b>	<b>349 840</b>	<b>610 377</b>	<b>772 437</b>
Income tax expenses	-17 263	-43 414	-104 494	-182 056	-245 773
<b>Net profit</b>	<b>16 914</b>	<b>45 640</b>	<b>245 346</b>	<b>428 321</b>	<b>526 664</b>
Profit to minority interests	16 021	-28 197	69 323	125 468	157 279
Profit attribut.to equity holder of parent	892	73 837	176 022	302 853	369 385
Earnings per share	0,004	0,36	0,87	1,49	1,82
Diluted earnings per share	0,004	0,36	0,87	1,49	1,82
Earnings per share excl.fair value adj biomass	0,190	1,57	0,86	2,59	3,19

## STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1.000	Q2 12	Q2 11	H1 12	H1 11 (audited) 2011	
<b>Net earnings in the period</b>	<b>16 914</b>	<b>45 640</b>	<b>245 346</b>	<b>428 321</b>	<b>526 664</b>
<b>Other comprehensive income</b>					
Currency translation differences	120 349	-55 010	-10 144	-202 139	143 989
Other gains and losses in comprehensive income	-	-	-	-	3 564
<b>Total other comprehensive income</b>	<b>120 349</b>	<b>-55 010</b>	<b>-10 144</b>	<b>-202 139</b>	<b>147 553</b>
<b>Comprehensive income in the period</b>	<b>137 263</b>	<b>-9 370</b>	<b>235 202</b>	<b>226 182</b>	<b>674 217</b>
<b>Allocated to;</b>					
Minority interests	24 919	-35 375	70 232	108 573	167 294
Majority interests	112 343	26 005	164 969	117 609	506 923

## STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1.000	30.06.12	30.06.11	(audited) 31.12.11
<b>Assets</b>			
Intangible assets	6 203 279	5 965 663	6 082 817
Vessels	495 506	501 661	541 244
Property, plant and equipment	3 660 309	3 326 567	3 439 027
Investments in associated companies	1 143 049	936 847	1 157 431
Investments in other shares	50 997	40 132	49 143
Other long-term receivables	43 483	71 565	45 699
<b>Total non-current assets</b>	<b>11 596 623</b>	<b>10 842 435</b>	<b>11 315 361</b>
Inventories	3 158 902	3 250 702	3 284 724
Accounts receivable	1 306 970	1 666 593	1 189 131
Other current receivables	454 393	474 965	402 331
Cash and cash equivalents	2 005 548	2 147 140	2 382 938
<b>Total current assets</b>	<b>6 925 813</b>	<b>7 539 400</b>	<b>7 259 124</b>
<b>Total assets</b>	<b>18 522 436</b>	<b>18 381 835</b>	<b>18 574 485</b>
<b>Equity and liabilities</b>			
Share capital	101 359	101 359	101 359
Share premium fund	3 713 549	3 713 549	3 713 549
Retained earnings and other reserves	2 827 722	2 495 394	2 870 840
Non-controlling interests	2 535 728	2 500 183	2 513 860
<b>Total equity</b>	<b>9 178 358</b>	<b>8 810 485</b>	<b>9 199 608</b>
Deferred tax liabilities	1 871 194	1 813 896	1 813 520
Pensions and other obligations	36 048	19 906	22 246
Borrowings	4 673 936	4 248 633	4 286 303
Other long-term liabilities	17 573	30 321	31 314
<b>Total non-current liabilities</b>	<b>6 598 751</b>	<b>6 112 756</b>	<b>6 153 383</b>
Short term borrowings	647 829	911 992	901 651
Overdraft facilities	633 174	869 001	524 924
Account payable	872 647	868 569	843 279
Other current liabilities	591 677	809 032	951 640
<b>Total current liabilities</b>	<b>2 745 327</b>	<b>3 458 594</b>	<b>3 221 494</b>
<b>Total liabilities</b>	<b>9 344 078</b>	<b>9 571 350</b>	<b>9 374 877</b>
<b>Total equity and liabilities</b>	<b>18 522 436</b>	<b>18 381 835</b>	<b>18 574 485</b>

## STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1.000	30.06.12	30.06.11	2011
Equity period start	9 199 608	9 110 860	9 110 860
<b>Comprehensive income in the period</b>			
Dividends	-358 292	-527 434	-530 018
Business combinations/acquisition	110 731	9 496	-27 062
Effect option programme	-9 402	-6 956	-12 109
Acquisitions of minorities/sales to minorities	-	-	-
Other	512	-1 663	-16 280
<b>Total changes in equity in the period</b>	<b>-21 249</b>	<b>-300 375</b>	<b>88 748</b>
<b>Equity at period end</b>	<b>9 178 359</b>	<b>8 810 485</b>	<b>9 199 608</b>

## CASH FLOW STATEMENT (unaudited)

All figures in NOK 1.000	Q2 2012	Q2 2011	H1 12	H1 11 (audited) 2011	
<b>Cash flow from operating activities</b>					
Profit before income taxes	34 176	89 054	349 839	610 377	772 436
Fair value adjustment of biological assets	83 577	544 122	-5 318	494 526	615 767
Taxes paid in the period	-304 566	-360 773	-479 671	-433 197	-489 600
Depreciation and amortisation	138 933	126 040	270 843	251 321	507 749
Impairments	-3 976	-4 923	29 024	-4 923	4 590
Associated companies - net	24 982	-1 574	16 196	-38 804	-45 793
Interest expense	60 508	76 800	133 695	141 548	278 022
Interest income	-39 967	-25 390	-60 546	-42 778	-94 193
Change in inventories	-13 004	-32 311	191 481	-275 281	-573 816
Change in receivables	47 897	-331 466	-99 256	-327 374	12 240
Change in payables	138 048	-21 186	177 896	12 459	53 411
Other operating cash flow incl currency exchange	-69 748	-53 256	-102 770	-111 525	-9 159
<b>Net cash flow from operating activities</b>	<b>96 860</b>	<b>5 137</b>	<b>421 413</b>	<b>276 349</b>	<b>1 031 654</b>
<b>Cash flow from investing activities</b>					
Purchase of intangible and fixed assets	-244 186	-204 827	-399 075	-349 842	-736 268
Purchase of shares and equity investments	3 678	-82 484	-168 468	-99 402	-125 853
Proceeds from sale of fixed assets/equity investments	12 200	6 933	16 338	21 971	25 321
Dividend received	16 509	29 336	16 509	29 336	65 454
Interest income	39 967	-	60 546	-	-
Other investing activities - net	522	-4 504	-4 607	-6 699	-2 085
<b>Net cash flow from investing activities</b>	<b>-171 310</b>	<b>-255 546</b>	<b>-478 757</b>	<b>-404 636</b>	<b>-773 431</b>
<b>Cash flow from financing activities</b>					
Proceeds from new long term debt	55 910	643 745	673 487	644 902	1 067 139
Repayment of long term debt	-212 095	-460 371	-596 026	-1 086 356	-1 414 588
Change in short term debt	-22 170	302 322	97 845	533 917	393 878
Interest paid	-55 584	-59 054	-136 633	-94 720	-180 391
Dividends paid	-358 292	-525 989	-358 292	-525 989	-546 647
Other finance cash flow - net	-	-	-	-	-8 124
<b>Net cash flow from financing activities</b>	<b>-592 231</b>	<b>-99 347</b>	<b>-319 619</b>	<b>-528 246</b>	<b>-688 733</b>
Net change in cash and cash equivalents	-666 681	-349 756	-376 963	-656 533	-430 510
Cash, and cash equivalents at start of period	2 665 786	2 493 078	2 382 938	2 810 554	2 810 554
Exchange gains/losses (-)	6 443	3 818	-427	-6 881	2 894
<b>Cash and cash equivalents at period end</b>	<b>2 005 548</b>	<b>2 147 140</b>	<b>2 005 548</b>	<b>2 147 140</b>	<b>2 382 938</b>

## 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 (2011).

## NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q2 2012. Related party transactions take place on market terms.

## 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 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.

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Total fish in sea (LWT)	84 082	79 408	96 280	100 573	90 556	82 423
Fish > 4 kg (LWT)	39 238	16 312	35 118	34 143	30 729	24 667
<b>Adjustment inventory</b>	<b>719 005</b>	<b>170 818</b>	<b>28 861</b>	<b>52 455</b>	<b>141 351</b>	<b>57 773</b>
<b>P&amp;L effect adjustment</b>	<b>49 596</b>	<b>-544 122</b>	<b>-143 098</b>	<b>21 857</b>	<b>88 895</b>	<b>-83 577</b>

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 short-term receivables and unrealised loss classified as other short-term debt.

## NOTE 4 SEGMENTS

All figures in NOK 1.000	Q2 2012	Q2 2011	H1 12	H1 11	(audited) 2011
<b>Fishmeal and oil</b>					
Operating revenue	454 083	747 120	1 047 885	1 065 575	1 819 993
EBITDA	82 404	252 498	256 322	317 106	464 077
EBITDA %	18 %	34 %	24 %	30 %	25 %
EBIT before fair value adj.biomass	40 744	223 211	175 846	252 340	326 524
<b>Volumes sold fishmeal (tons)*</b>	<b>37 447</b>	<b>74 144</b>	<b>93 226</b>	<b>98 608</b>	<b>179 244</b>
<b>Volumes sold fishoil (tons)*</b>	<b>9 701</b>	<b>16 090</b>	<b>26 373</b>	<b>26 672</b>	<b>47 205</b>
<b>Volumes sold proteinconcentrat and oil*</b>	<b>2 783</b>		<b>6 389</b>		
<b>Human Consumption</b>					
Operating revenue	137 229	179 452	386 177	361 652	671 042
EBITDA	3 557	24 304	58 227	49 147	73 068
EBITDA %	3 %	14 %	15 %	14 %	11 %
EBIT before fair value adj.biomass	-13 392	6 466	23 679	13 209	-8 302
<b>Canning (cases)</b>	<b>432 165</b>	<b>794 103</b>	<b>1 294 023</b>	<b>1 632 347</b>	<b>3 018 208</b>
<b>Frozen fish (tons)</b>	<b>4 954</b>	<b>7 465</b>	<b>15 221</b>	<b>12 391</b>	<b>17 847</b>
<b>Pelagic North Atlantic **</b>					
Operating revenue		390 517	-	798 545	798 545
EBITDA		15 304	-	32 458	32 458
EBITDA %		4 %		4 %	4 %
EBIT before fair value adj.biomass		8 805	-	20 367	20 367
<b>Production, sales &amp; distribution salmon/trout</b>					
Operating revenue	2 305 879	2 396 883	4 469 756	4 622 012	9 176 873
EBITDA	210 421	506 243	418 924	1 016 627	1 484 797
EBITDA %	9 %	21 %	9 %	22 %	16 %
EBIT before fair value adj.biomass	137 650	440 327	240 836	886 170	1 212 898
<b>Volumes sold own production (gwt tons)</b>	<b>38 447</b>	<b>33 200</b>	<b>74 744</b>	<b>61 097</b>	<b>136 697</b>
<b>Elimination/not allocated AUSS</b>					
Elimination/not allocated AUSS	-15 951	-66 288	-33 560	-247 711	-304 882
EBITDA	2 198	-2 862	47	-8 311	-8 627
EBIT before fair value adj.biomass	-1 379	-4 437	-6 708	-11 455	-18 053
<b>Total group</b>					
Operating revenue	2 881 240	3 647 684	5 870 258	6 600 073	12 161 571
EBITDA	298 580	795 487	733 520	1 407 027	2 045 772
EBITDA %	10 %	22 %	12 %	21 %	17 %
EBIT before fair value adj.biomass	163 623	674 372	433 653	1 160 631	1 533 434

\* Includes proportional consolidation of 50% of Welcon Group (turnover, results and volumes)

\*\* Austevoll Fisk group was merged into Norway Pelagic ASA July 1st. 2011. Norway Pelagic ASA is an associated company under the segment Pelagic North Atlantic and will be reported as such in the Year End reports.

## NOTE 5 ASSOCIATED COMPANIES

		<b>Q2 2012</b>	<b>Q2 2011</b>	<b>H1 12</b>	<b>H1 11</b>	<b>2011</b>
Norskott Havbruk AS	50,0 %	4 826	11 220	9 199	31 975	13 725
Br. Birkeland AS	49,9 %	-6 780	-4 025	-182	5 746	10 756
Norway Pelagic ASA	43,3 %	-15 261	-6 034	-15 203	-2 583	25 184
Others		-7 767	413	-10 010	3 664	-4 143
<b>Total income from ass.companies</b>		<b>-24 982</b>	<b>1 574</b>	<b>-16 196</b>	<b>38 802</b>	<b>45 522</b>
<b>Total investment</b>				<b>1 143 050</b>	<b>936 847</b>	<b>1 157 429</b>

## DECLARATION OF THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the half-yearly accounts for the period 1 January to 30 June 2012 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and that the information in the accounts provides a correct illustration of the Group's assets, liabilities, financial position and result as a whole. We also declare that, to the best of our knowledge, the half-yearly report provides a correct overview of significant events during the accounting period and their impact on the half-yearly accounts, the most central risk and uncertainty factors faced by the Group during the next accounting period and of significant transactions with related parties.

Storebø, 22 August 2012  
The Board of Directors of Austevoll Seafood ASA

Helge Singelstad  
Chairman of the Board

Oddvar Skjegstad  
Deputy Chairman of the Board

Hilde Waage

Helge Møgster

Inga Lise L. Moldestad

Lill Maren Møgster

Arne Møgster  
CEO





