

# 2011



## **Successful second fishing season for anchoveta in Peru**

**A positive result recorded for fish farming, sale and distribution, in difficult conditions**

**Seasonally, a good production quarter for fish for consumption, fishmeal and oil in Norway**

**Extremely low volume of raw materials supplied for fish for consumption in Chile and Peru**

**The Board of Directors intends to recommend a dividend payment of NOK 1.00 per share for 2011**

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- Group income in Q4 2011 totalled NOK 2,610 million, down from NOK 3,504 million in the same period in 2010. The decline in turnover is mainly due to the change in Group structure resulting from the sale of Epax and the Austevoll Fisk Group, as the figures for both these companies are included in the report for Q4 2010. Moreover, the second half of the year saw a substantial fall in the price of Atlantic salmon.
- The Group's operating result before depreciation and value adjustment for biomass (EBITDA) for Q4 2011 was NOK 239 million compared with NOK 754 million in Q4 2010.
- EBIT before value adjustment for biomass in Q4 2011 was NOK 103 million (NOK 573 million in Q4 2010).
- The prices achieved for fish oil and frozen products have been higher in Q4 2011 when compared with the same quarter last year. For fishmeal and Atlantic salmon, the prices achieved in Q4 2011 were substantially lower than those in Q4 2010.
- The Board of Directors intends to recommend a dividend payment for 2011 of NOK 1.00 per share to the company's ordinary shareholders' meeting.
- In October, Austevoll Seafood ASA (AUSS) increased its shareholding in Br. Birkeland AS from 40.2% to 49.99%.
- AUSS' part-owned company, Welcon Invest AS, signed an agreement in December for the purchase of 50% of the shares in Hordafor AS.
- In Q4 2011, Lerøy Seafood Group ASA signed an agreement for the purchase of 50.1% of the shares in the Dutch company, Rode Beheer B.V. Completion of the transaction is expected at the end of February/early March.



## Key figures for the Group

All figures in NOK 1,000	Q4 11	Q4 10	2011	2010
Operating income	2 610 032	3 503 761	12 161 571	12 744 751
EBITDA	238 737	753 743	2 045 773	2 540 827
EBITDA %	9 %	22 %	17 %	20 %
Earnings per share	0,24	2,14	1,82	6,03
Earnings per share excl.fair value adj biomass/	0,19	1,86	3,19	5,35
Total assets	18 574 485	19 042 235	18 574 485	19 042 235
Equity	9 199 608	9 110 861	9 199 608	9 110 861
Equity ratio	50 %	48 %	50 %	48 %
Net interest bearing debt (NIBD)/	3 361 254	3 161 929	3 361 254	3 161 929

## Events after balance sheet date

- On 27 January 2012, AUSS completed the placement of a senior unsecured bond loan totalling NOK 400 million with interest rate terms 3 month NIBOR + 4.00% per year. The bond loan falls due on 7 February 2017. The new bond loan is listed on Oslo's alternative bond market (ABM).
- Welcon Invest AS completed the transaction for the purchase of 50% of the shares in Hordafor AS on 9 February 2012. Hordafor AS is a company which manufactures protein concentrate and oil based on cuttings from the pelagic industry and salmon industry.

## Financial information Q4 2011

The Group reported operating income of NOK 2,610 million for the quarter (Q4 2010: NOK 3,504 million). The decline in turnover is mainly due to the change in Group structure resulting from the sale of Epax in Q4 2010 and the merger of Austevoll Fisk Group with Norway Pelagic ASA in July 2011. Both companies are included in the comparison figures for Q4 2010. EBITDA before value adjustment for biomass in Q4 2011 was NOK 239 million (Q4 2010: NOK 754 million).

The prices achieved for fishmeal and Atlantic salmon in Q4 2011 were lower than those in Q4 2010. For frozen products and fish oil, however, the Q4 2011 prices were higher than those in the same quarter of 2010. The reduction in EBITDA is mainly attributed to reduced earnings from fish farming and the change in Group structure with the sale of Epax and the Austevoll Fisk Group, as described above. The Austevoll Fisk Group is now part of Norway Pelagic ASA and is reported as an associate of AUSS.



EBIT before value adjustment for biomass in Q4 2011 was NOK 103 million (Q4 2010: NOK 573 million). EBIT after value adjustment for biomass in Q4 2011 was NOK 125 million (Q4 2010: NOK 700 million).

Income from associated companies for Q4 2011 totalled NOK 24 million (Q4 2010 NOK 60 million). This decline is mainly due to lower prices achieved for Atlantic salmon from associates involved in fish farming. The Group's net interest costs in Q4 2011 totalled NOK 37 million (Q4 2010: NOK 52 million).

***The result before tax and biomass adjustment for Q4 2011 is NOK 92 million, with a corresponding figure for Q4 2010 of NOK 551 million.***

Profit before tax for the quarter totalled NOK 114 million (Q4 2010: NOK 678 million).

## Business segments

### Fishmeal and fish oil

Operating income in Q4 2011 totalled NOK 252 million (NOK 374 million in Q4 2010) and EBITDA amounted to NOK 50 million (NOK 36 million in Q4 2010).

A total of 33,700 tons of fishmeal and oil were sold in Q4 2011, compared with approx. 37,000 tons in the same quarter of 2010. These volumes are distributed as follows: 20,800 tons in Peru, 2,200 tons in Chile and 10,700 tons in Europe (50%).

The prices achieved for fishmeal have been significantly lower in Q4 2011 when compared with the same quarter in 2010, whereas the prices achieved for fish oil have been higher by comparison. The decline in turnover is due to lower sales volume and lower prices for fishmeal when compared with the same quarter in 2010. The increase in prices achieved for fish oil in Q4 2011 has not compensated for the lower prices achieved for fishmeal. The second fishing season for anchoveta started on 23 November in Peru, with a total quota for the season of 2.5 million tons. The season has been completed efficiently and successfully, and the company had fished its total quota by 9 January 2012. As a result of the late starting date for the season, the volume delivered from this season's production was low in the fourth quarter. The opening reserve of fishmeal and fish oil in 2012 is therefore approx. 54,000 tons, compared with an opening reserve in 2011 of only approx. 4,000 tons. As a result, delivery capacity will be substantially higher in Q1 2012 than in Q1 2011.

As expected in the fourth quarter, the available volume of raw materials supplied for production of fishmeal and fish oil in Chile has been lower than normal. This, combined with the low sales volume in the quarter, has resulted in Chile contributing negatively to the result for fishmeal and fish oil for Q4 2011.

The fourth quarter is, as normal, a good production quarter for fishmeal and fish oil in Europe. Deliveries of raw materials are down by approx 18,500 tons (100%) in Q4 2011 when compared with the same quarter in 2010. This reduction, as previously mentioned, is due to the decline in quotas for 2011 when compared with 2010.



## **Consumer products**

Operating income in Q4 2011 totalled NOK 140 million (NOK 209 million in Q4 2010) and EBITDA was negative at NOK 11 million (plus NOK 97 million in Q4 2010).

Epax Holding AS (Epax) was sold in November 2010. The figures from Epax are included in the comparative figures for Q4 2010, with ordinary operations for October and a gain of NOK 73 million from the sale in November 2010.

Turnover and EBITDA for Q4 2010 without Epax are as follows: NOK 111 million in turnover and EBITDA of NOK 16.7 million.

The total volume sold for consumption is distributed as follows: approx. 3,100 tons of frozen products (Chile and Peru) compared with 729 tons in the same period last year. Approx. 787,000 boxes of canned products were sold, compared with approx. 337,000 boxes for the same period in 2010 (Chile and Peru).

Realised prices for frozen products have been higher in Q4 2011 than the same quarter last year. The prices for canned products were approximately the same as in 2010.

The company has received very low volumes of raw materials for production during the quarter. In Chile, this is due to the fact that the company had fished the majority of its quota by the start of the fourth quarter, and less than 1,000 tons of own quota remained to be fished at the end of December.

In Peru, the company's own fleet fished approx. 3,300 tons of fish for consumption in the fourth quarter.

The negative result for the quarter reported by the segment is mainly due to extremely low utilisation of capacity.

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

This business segment comprises Lerøy Seafood Group ASA. In Q4 2011, the segment reported operating income of NOK 2,251 million (Q4 2010: NOK 2,574 million) and EBITDA before value adjustment for biomass of NOK 192 million (Q4 2010: NOK 602 million).

The segment reported harvests of 39,600 tons gutted weight of salmon and trout in Q4 2011 compared with 35,800 tons in the same quarter last year.

The decline in turnover and EBITDA is attributed to the drop in prices for the segment's main products, Atlantic salmon and trout, in the second half of the year, in addition to slightly higher output prices. As a result of the fall in spot prices during the quarter, the contractual prices realised were higher than the prevailing spot prices during the quarter. The business segment's share of contracts in Q4 2011 was 35%. The business segment has a strong position within the major global fish markets.



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

The segment reported turnover of NOK 449 million and EBITDA of NOK 24 million in Q4 2010.

## **Cash flow**

Cash flow from operating activities for the fourth quarter 2011 was NOK 101 million (NOK 487 million in Q4 2010). As is normal, cash flow from operations in Q4 was impacted by the increase in working capital, particularly within the pelagic segment. Cash flow from investing activities for Q4 2011 was NOK -295 million (NOK -65 million in Q4 2010). Cash flow from investing activities in Q4 2011 comprises AUSS' acquisition of Br. Birkeland AS, in addition to normal investments in maintenance. Correspondingly, cash flow from investing activities in Q4 2010 comprised normal maintenance investments, the acquisition of 50.1% of the shares in Sjøtroll Havbruk AS and the sale of 100% of the shares in Epax. Cash flow from financing activities for Q4 2011 was NOK 245 million (NOK 1,065 million in Q4 2010). Cash flow from financing in Q4 comprised payment of ordinary instalments, new debt raised to purchase the shares in Br. Birkeland AS, and changes in short-term credits. In Q4 2010, AUSS opened a new bond loan of NOK 500 million and new financing for the purchase of 50.1% of the shares in Sjøtroll Havbruk AS. Net change in cash for the Group in Q4 2011 was NOK 51 million (NOK 1,487 million in Q4 2010). The Group's cash and cash equivalents at the end of December 2011 totalled NOK 2,383 million compared with NOK 2,811 million at the end of December 2010.

## **Financial information, 2011**

The Group reported operating income of NOK 12,162 million in 2011 (2010: NOK 12,745 million). EBITDA before value adjustment for biomass in 2011 was NOK 2,046 million (2010: NOK 2,541 million).

EBIT before value adjustment for biomass in 2011 was NOK 1,533 million (2010: NOK 1,984 million). Value adjustment for biomass, in accordance with IFRS, amounts to a negative figure of NOK 616 million, compared with the IFRS biomass adjustment for the same period in 2010 of plus NOK 299 million. The significant negative IFRS adjustment in 2011 is due to substantially lower salmon and trout prices as of 31 December 2011 when compared with salmon and trout prices on 31 December 2010. EBIT after value adjustment for biomass in 2011 was NOK 918 million (2010: NOK 2,282 million).

Income from associated companies for 2011 totalled NOK 46 million (2010: NOK 192 million). The lower figure is partly attributed to the fall in salmon prices in the second half of the year and the negative IFRS adjustment from associated companies



within fish farming. The Group's net interest expense in 2011 totalled NOK 184 million (2010: NOK 209 million).

***Profit before tax and biomass adjustment for 2011 as a whole is NOK 1,388 million, compared with NOK 1,927 million in 2010.***

The pre-tax profit for the year totalled NOK 772 million (2010: NOK 2,225 million).

## **Balance sheet as of 31 December 2011**

At the end of December 2011, the Group had a balance sheet total of NOK 18,574 million compared with NOK 19,042 million at year-end 2010. The Group is financially sound with book equity at end-December 2011 of NOK 9,200 million, which corresponds to an equity ratio of 50%. At end-December 2010, the book equity for the Group was NOK 9,111 million, or an equity ratio of 48%.

Net interest-bearing liabilities amounted to NOK 3,361 million at the end of December 2011 compared with NOK 3,162 million at year-end 2010. The Group's cash and cash equivalents at the end of December 2011 totalled NOK 2,383 million compared with NOK 2,811 million at the end of December 2010. The Group's cash and cash equivalents at year-end do not include undrawn credit facilities.

## **Cash flow**

Cash flow from operating activities in 2011 was NOK 1,032 million (NOK 2,111 million in 2010). The fall in cash flow from operations is partly due to the lower result in 2011 when compared with 2010, the increase in working capital within the pelagic segment in particular and tax payments of NOK 490 million, compared with NOK 225 million for the same period in 2010. Cash flow from investing activities in 2011 was NOK -773 million (NOK -520 million in 2010). Cash flow from investing activities in 2011 mainly comprises normal maintenance investments, investments in a new smolt plant and investments in shares. Cash flow from investing activities in 2010 comprised the purchase of shares in Norway Pelagic ASA, the purchase of shares in Sjøtroll Havbruk AS and the sale of shares in Epax. Cash flow from operating activities in 2011 was NOK -689 million (NOK -400 million in 2010). Cash flow from financing activities for the period comprised payment of ordinary instalments, downpayment of bond loan and long-term overdraft facilities, refinancing, changes in short-term credits and dividend payments. Cash flow from financing activities in 2010 comprised ordinary instalments, new debt raised to purchase shares, and AUSS' new bond loan in October of NOK 500 million. The group's net change in cash in 2011 was NOK -431 million (NOK 1,191 million in 2010). The Group's cash and cash equivalents at the end of December 2011 totalled NOK 2,383 million compared with NOK 2,811 million at the end of December 2010.



## **Risk and uncertainty factors**

The Group's risk exposure is described in the consolidated annual report for 2010. 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 macroeconomic 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' 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 associates in the event of price changes in the raw materials and finished goods markets, to the extent that these changes impact on the company's competitive edge and earnings potential over time. Operating conditions, including marine biomass, fishing conditions and the development in prices 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 31 December 2011, the company had 4,616 shareholders, compared to 3,952 shareholders at the end of December 2010. The share price was NOK 21 at year-end 2011 compared with NOK 49.60 at year-end 2010.

## **Market and outlook**

### **Fishmeal and fish oil**

An increase in catch volume in Peru in 2011 has resulted in a correction in fishmeal prices. This level has stabilised and the price level per ton is now USD 1,100 (FOB Peru, standard 65-66%). Fish oil prices have remained stable in Q4 and to date in 2012, and demand is good.

### **Consumption**

The Board of Directors expects to see high demand for the Group's consumer products in the future. For the businesses in Europe, the market for pelagic fish has



remained strong. 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**

A higher increase in the global offering of Atlantic salmon is expected in the near future when compared with the past two years. The development in demand is good and lower prices provide grounds for an optimistic outlook as regards sustained positive developments in demand. High demand combined with expectations for 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 strong, and has shown positive developments and now has an excellent position within a number of segments of the global seafood industry. The Group aims to grow and further develop over time within the segments in which it is already active.

Bearing in mind the prevailing market conditions, the Board of Directors is in principle very satisfied with the Group's results for Q4 2011 and for the year as a whole. The Board of Directors would like to take this opportunity to praise and to thank the Group's employees for their hard work and understanding of the need to maintain a firm focus on results and operations, and to be willing to change, no matter where they work.

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 February 2012  
The Board of Directors of Austevoll Seafood ASA



## INTERIM REPORT Q4 and PRELIMINARY RESULTS FOR 2011

### Condensed Consolidated Income Statement (unaudited)

All figures in NOK 1.000	Q4 11	Q4 10	2011	(audited) 2010
<b>Operating income</b>	<b>2.610.032</b>	<b>3.503.761</b>	<b>12.161.571</b>	<b>12.744.751</b>
Raw material and consumables used	1.671.104	2.034.501	7.440.817	7.818.639
Salaries and personnel expenses	388.154	354.451	1.456.731	1.253.809
Other operating expenses	312.037	361.066	1.218.250	1.131.476
<b>Operating profit before depreciation (EBITDA)</b>	<b>238.737</b>	<b>753.743</b>	<b>2.045.773</b>	<b>2.540.827</b>
Depreciation and amortisation	131.421	129.058	507.749	498.290
Impairment	4.312	51.186	4.590	58.762
<b>EBIT before fair value biomass adjustment</b>	<b>103.004</b>	<b>573.499</b>	<b>1.533.434</b>	<b>1.983.775</b>
Fair value adjustment biomass	21.857	126.707	-615.767	298.538
<b>Operating profit</b>	<b>124.861</b>	<b>700.206</b>	<b>917.667</b>	<b>2.282.313</b>
Income from associated companies	24.468	60.222	45.793	191.761
Net interest expenses	-37.440	-51.887	-183.829	-208.965
Net other financial items (incl. agio/disagio)	2.313	-30.369	-7.194	-39.617
<b>Profit before tax</b>	<b>114.202</b>	<b>678.172</b>	<b>772.437</b>	<b>2.225.492</b>
Income tax expenses	-38.934	-45.164	-245.773	-459.412
<b>Net profit</b>	<b>75.268</b>	<b>633.008</b>	<b>526.664</b>	<b>1.766.080</b>
Profit to minority interests	27.483	198.422	157.279	544.547
Profit attribut.to equity holder of parent	47.785	434.586	369.385	1.221.533
Earnings per share	0,24	2,14	1,82	6,03
Diluted earnings per share	0,24	2,14	1,82	6,03
Earnings per share excl.fair value adj biomass	0,19	1,86	3,19	5,35

### Statement of Comprehensive income (unaudited)

All figures in NOK 1.000	Q4 11	Q4 10	2011	(audited) 2010
<b>Net earnings in the period</b>	<b>75.268</b>	<b>633.008</b>	<b>526.664</b>	<b>1.766.080</b>
<b>Other comprehensive income</b>				
Currency translation differences	139.191	-274.027	143.989	28.970
Other gains and losses in comprehensive income	3.564	-	3.564	
<b>Total other comprehensive income</b>	<b>142.755</b>	<b>-274.027</b>	<b>147.553</b>	<b>28.970</b>
<b>Comprehensive income in the period</b>	<b>218.023</b>	<b>358.981</b>	<b>674.217</b>	<b>1.795.050</b>
<b>Allocated to;</b>				
Minority interests	37.374	84.576	167.294	544.854
Majority interests	180.649	24.198	506.923	1.250.196



## Condensed Consolidated Statement of Financial Position (unaudited)

All figures in NOK 1.000	31.12.2011	(audited) 31.12.2010
<b>Assets</b>		
Intangible assets	6.082.817	6.024.816
Vessels	541.244	567.480
Property, plant and equipment	3.439.027	3.297.464
Investments in associated companies	1.157.431	953.051
Investments in other shares	49.143	39.558
Other long-term receivables	45.699	76.247
<b>Total non-current assets</b>	<b>11.315.361</b>	<b>10.958.616</b>
Inventories	3.284.724	3.465.006
Accounts receivable	1.189.131	1.341.112
Other current receivables	402.331	466.947
Cash and cash equivalents	2.382.938	2.810.554
<b>Total current assets</b>	<b>7.259.124</b>	<b>8.083.619</b>
<b>Total assets</b>	<b>18.574.485</b>	<b>19.042.235</b>
<b>Equity and liabilities</b>		
Share capital	101.359	101.359
Share premium fund	3.713.549	3.713.549
Retained earnings and other reserves	2.870.840	2.682.409
Non-controlling interests	2.513.860	2.613.544
<b>Total equity</b>	<b>9.199.608</b>	<b>9.110.861</b>
Deferred tax liabilities	1.813.520	1.986.804
Pensions and other obligations	22.246	20.493
Borrowings	4.286.303	4.866.188
Other long-term liabilities	31.314	28.330
<b>Total non-current liabilities</b>	<b>6.153.383</b>	<b>6.901.815</b>
Short term borrowings	901.651	771.472
Overdraft facilities	524.924	382.740
Account payable	843.279	841.069
Other current liabilities	951.640	1.034.278
<b>Total current liabilities</b>	<b>3.221.494</b>	<b>3.029.559</b>
<b>Total liabilities</b>	<b>9.374.877</b>	<b>9.931.374</b>
<b>Total equity and liabilities</b>	<b>18.574.485</b>	<b>19.042.235</b>



### Condensed Consolidated Cash flow statement (unaudited)

All figures in NOK 1.000	Q4 2011	Q4 2010	2011	2010 (audited)
<b>Cash flow from operating activities</b>				
Profit before income taxes	114.202	678.171	772.436	2.225.492
Fair value adjustment of biological assets	-21.857	-126.707	615.767	-298.538
Taxes paid in the period	-69.728	-5.010	-489.600	-225.102
Depreciation and amortisation	131.421	129.058	507.749	498.290
Impairments	4.312	51.186	4.590	58.762
Associated companies - net	-24.468	-60.222	-45.793	-191.761
Interest	37.440	51.887	183.829	208.965
Change in inventories	-217.617	-90.663	-573.816	-112.043
Change in receivables	136.303	-97.105	12.240	28.987
Change in payables	12.826	-82.782	53.411	-47.307
Other operating cash flow - net	-1.771	38.843	-9.159	-34.784
<b>Net cash flow from operating activities</b>	<b>101.063</b>	<b>486.656</b>	<b>1.031.654</b>	<b>2.110.961</b>
<b>Cash flow from investing activities</b>				
Purchase of intangible and fixed assets	-211.941	-167.697	-736.268	-454.647
Purchase of shares and equity investments	-93.441	-550.136	-125.853	-911.079
Proceeds from sale of fixed assets/equity investments	5.917	604.892	25.321	658.684
Dividend received			65.454	55.466
Other investing activities - net	4.560	47.914	-2.085	131.379
<b>Net cash flow from investing activities</b>	<b>-294.905</b>	<b>-65.027</b>	<b>-773.431</b>	<b>-520.197</b>
<b>Cash flow from financing activities</b>				
Proceeds from new long term debt	166.241	1.280.479	1.067.139	1.397.807
Repayment of long term debt	-187.713	-504.681	-1.414.588	-1.010.883
Change in short term debt	326.184	221.366	393.878	-234.896
Interest	-40.344	-64.923	-180.391	-293.239
Dividends paid			-546.647	-390.248
Other finance cash flow - net	-19.350	133.053	-8.124	131.300
<b>Net cash flow from financing activities</b>	<b>245.018</b>	<b>1.065.294</b>	<b>-688.733</b>	<b>-400.159</b>
Net change in cash and cash equivalents	51.176	1.486.923	-430.510	1.190.605
Cash, and cash equivalents at start of period	2.328.776	1.323.631	2.810.554	1.623.616
Exchange gains/losses (-)	2.986	-	2.894	-3.667
<b>Cash and cash equivalents at period end</b>	<b>2.382.938</b>	<b>2.810.554</b>	<b>2.382.938</b>	<b>2.810.554</b>

### Condensed Consolidated Statement of changes in Equity (unaudited)

All figures in NOK 1.000	2011	2010
<b>Equity period start</b>	<b>9.110.860</b>	<b>7.095.482</b>
<b>Comprehensive income in the period</b>		
Dividends	-530.018	-390.248
Business combinations/acquisition	-27.062	575.245
Effect option programme	-12.109	-1.426
Acquisitions of minorities/sales to minorities	-	-
Workers profit sharing Peru	-	42.517
Other	-16.280	-5.760
<b>Total changes in equity in the period</b>	<b>88.748</b>	<b>2.015.378</b>
<b>Equity at period end</b>	<b>9.199.608</b>	<b>9.110.860</b>



## Selected notes to the accounts

### Note 1 Accounting principles

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). The interim 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 (2010).

### Note 2 Transactions with closely related parties

There were related party transactions in Q4 2011 and during the year as a whole. Related party transactions take place on market terms.

### Note 3 Biological assets

LSG recognizes and measures biological assets (fish in the sea) at fair value. When estimating the fair value, the price is adjusted for quality differences (superior, ordinary, and process), together with cost of logistics. The volume is adjusted 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.

	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Total fish in sea (LWT)	77.911	93.867	84.082	79.408	96.280	100.573
Fish > 4 kg (LWT)	23.678	24.621	39.238	16.312	35.118	34.143
<b>Adjustment inventory</b>	<b>468.266</b>	<b>669.196</b>	<b>719.005</b>	<b>170.818</b>	<b>28.861</b>	<b>52.455</b>
<b>P&amp;L effect adjustment</b>	<b>-30.096</b>	<b>126.707</b>	<b>49.596</b>	<b>-544.122</b>	<b>-143.098</b>	<b>21.857</b>

The change in fair value adjustment of biomass in the income statement includes unrealized 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 unrealized gain is recognized as other short term receivables, and unrealized loss is recognized as other short term debt.



## Note 4 Segments

(all figures in NOK 1.000)

	Q4 2011	Q4 2010	2011	(audited) 2010
<b><u>Fishmeal and oil</u></b>				
Operating revenue	252.442	374.391	1.819.993	2.001.756
EBITDA	49.838	35.807	464.077	521.096
EBITDA %	20 %	10 %	25 %	26 %
EBIT before fair value adj.biomass	15.389	-46.971	326.524	317.551
<b>Volumes sold fishmeal (tons)*</b>	<b>28.229</b>	<b>27.818</b>	<b>179.244</b>	<b>160.952</b>
<b>Volumes sold fishoil (tons)*</b>	<b>5.440</b>	<b>9.332</b>	<b>47.205</b>	<b>53.708</b>
<b><u>Human Consumption **</u></b>				
Operating revenue	140.343	208.984	671.042	807.855
EBITDA	-11.038	96.717	73.068	166.405
EBITDA %	-8 %	46 %	11 %	21 %
EBIT before fair value adj.biomass	-37.246	68.863	-8.302	59.189
<b>Canning (cases)</b>	<b>786.983</b>	<b>337.400</b>	<b>3.018.208</b>	<b>1.534.714</b>
<b>Frozen fish (tons)</b>	<b>3.133</b>	<b>729</b>	<b>17.847</b>	<b>5.481</b>
<b>HC and LC Omega 3 products (tons)</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>1.531</b>
<b><u>Pelagic North Atlantic ***</u></b>				
Operating revenue	-	449.324	798.545	1.436.160
EBITDA	-	23.806	32.458	63.311
EBITDA %	-	5 %	4 %	4 %
EBIT before fair value adj.biomass	-	18.158	20.367	41.634
<b><u>Production, sales &amp; distribution salmon/trout</u></b>				
Operating revenue	2.250.605	2.573.862	9.176.873	8.887.671
EBITDA	191.802	602.081	1.484.797	1.805.874
EBITDA %	9 %	23 %	16 %	20 %
EBIT before fair value adj.biomass	120.004	539.190	1.212.898	1.586.250
Volumes sold own production (gwt tons)	<b>39.600</b>	<b>35.770</b>	<b>136.697</b>	<b>116.807</b>
<b><u>Elimination/not allocated AUSS</u></b>				
Elimination/not allocated AUSS	-33.359	-102.800	-304.882	-388.691
EBITDA	8.136	-4.669	-8.627	-15.859
EBIT before fair value adj.biomass	4.858	-5.741	-18.053	-20.849
<b><u>Total group</u></b>				
Operating revenue	2.610.031	3.503.761	12.161.571	12.744.751
EBITDA	238.738	753.742	2.045.772	2.540.827
EBITDA %	9 %	22 %	17 %	20 %
EBIT before fair value adj.biomass	103.005	573.499	1.533.434	1.983.775

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

\*\* Epax was sold in November 2010. The operation for October and the gain of sales are included in the Q4 2010 figures and January to October operation and gain of sales for the full-year 2010 figures.

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



## Note 5 Associated companies

		<b>Q4 2011</b>	<b>Q4 2010</b>	<b>2.011</b>	<b>2010</b>
Norskott Havbruk AS	50 %	-9.324	37.354	13.725	117.738
Br. Birkeland AS	40 %	14.606	10.629	10.756	49.816
Norway Pelagic ASA	33 %	20.821	14.041	25.184	28.976
Others		-1.906	-1.802	-4.143	-4.769
<b>Total income from ass.companies</b>		<b>24.197</b>	<b>60.222</b>	<b>45.522</b>	<b>191.761</b>
<b>Total investment</b>				<b>1.157.429</b>	<b>953.051</b>