



Austevoll Seafood ASA

Interim Report

1st quarter 2007



Group revenue for the 1st quarter of 2007 was NOK 848.0 million and operating profit before depreciation (EBITDA) was NOK 136.5 million. Proforma income for the 1st quarter of 2006 was NOK 731.1 million and proforma operating profit before depreciation (EBITDA) was NOK 103.8 million.

The acquisition of Epax AS was completed in January. This transaction moves the group a strategic step forwards in the value chain and will further increase the value of the group's raw materials.

The purchase of 25.01% of Lerøy Seafood Group ASA, one of the world's leading salmon producers, means that the company has strengthened its position within the production, processing and sales of salmon.

The board is satisfied with the company's result for the quarter, particularly where it is taken into consideration that the fishing for anchoveta in Peru was not open in this quarter but was in the 1st quarter of 2006.

Austevoll Seafood ASA in January completed the purchase of Epax Holding AS.

Epax Holding AS is the parent company of Epax AS, one of the world's leading producers of high concentrated Omega 3 based on fish oil. The company today uses around 5,000 tons of fish oil mainly from South America, which through the use of a unique stripping technology and refining process, is converted to high concentrated Omega 3. These products are in general sold as dietary supplements, as nutraceuticals and to the pharmaceutical market.

The purchase of Epax is an important step in the company's strategy to develop high value products from the company's large access to pelagic resources. The group each year produces around 50,000 tons of fish oil, 30,000 tons of which comes from South America. The purity and high proportion of Omega 3 in this fish oil makes it very suitable for the production of high concentrated Omega 3.

Austevoll Seafood ASA at the end of February entered into an agreement for the sale of the farming activity to Lerøy Seafood Group ASA (LSG).

The transaction was completed on 21 March, settled by the transfer of 8.5 million LSG shares. In addition AUSS subscribed for 2.3 million LSG shares in a private placement. The subscription price of NOK 130 was settled in cash. AUSS, prior to these transactions, purchased 2.6 million LSG shares, 2,250,000 of the shares being settled by the transfer of AUSS shares.

AUSS today owns 25.01% of LSG and treats LSG in the accounts as a group associated company.

AUSS is a leading pelagic fishing company with high levels of activity in Norway, Chile and Peru. The company's salmon activity was relatively low. The transaction with LSG means that AUSS salmon activity is now incorporated into the activities of one of the world's leading salmon producers. This provides significant opportunities for economies of scale within purchase, production, slaughter, processing, sales and distribution. AUSS, as a LSG major shareholder, will actively work to develop the company's sales and distribution activities, production and processing in Norway, UK and Chile.



The board on 23 February adopted the decision to carry out a private placement in Austevoll Seafood ASA to increase the company's share capital. The issue of new shares was in accordance with the board authority adopted by the annual general meeting of 15 September 2006.

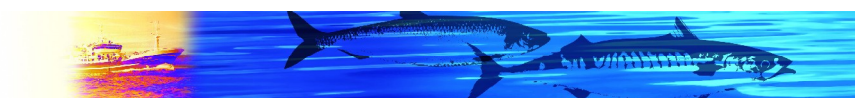
The private placement increased the share capital by NOK 3,046,875 from NOK 89,111,812 to NOK 92,158,687, by the issue of 6,093,750 new shares each with a nominal value of NOK 0.50.

Austevoll Seafood ASA in March carried out an unsecured bond issue of NOK 1 billion. The bond has a period to maturity of 3 years based on 3 mth NIBOR + 1.40 % p.a.

Highlights of 1st quarter 2007

As a result of the disposal of the salmon activity in the 1st quarter, the profit for the 1st quarter and the historic figures have been extracted from the income statement items and shown net on a line in profit specification under profit from discontinued activity

- Operating income was NOK 848.0 million as opposed NOK 332.8 million in the same period last year. Proforma operating income for the 1st quarter 2006 was NOK 731.1 million.
- Operating profit before depreciation (EBITDA) was NOK 136.5 million as opposed NOK 31.1 million in the same period in 2006. Proforma EBITDA for the 1st quarter of 2006 was NOK 103.8 million.
- Profit before tax in the first quarter was NOK 90.1 million as opposed to NOK 18.7 million in the first quarter of 2006.
- Net interest bearing liabilities were NOK 1,975.5 million as at 31 March 2007, as opposed to NOK 527.3 million as at 31 December 2006.
- Book shareholders' equity was NOK 4,252.1 million as at 31 March 2007, as opposed to NOK 3,637.0 as at 31 December 2006.



Key figures Austevoll Seafood ASA

	1Q 2007	1Q 2006	2006	Pro forma 1Q 2006	Pro forma 2006
Operating income (TNOK) *	847 982	332 848	2 665 588	731 140	3 413 787
EBITDA (TNOK) *	136 530	31 063	482 365	103 840	699 846
EBITDA margin	16 %	9 %	18 %	14 %	21 %
Total assets (TNOK)	8 867 584	3 097 342	6 846 306	3 097 342	6 846 306
Net interest bearing debt (TNOK)	1 975 521	1 224 838	527 336	1 224 838	527 336
Equity (TNOK)	4 252 133	1 034 191	3 637 000	1 034 191	3 637 000
Equity ratio	48 %	33 %	53 %	33 %	53 %
Earnings per share	2,02	0,56	1,82	0,59	2,83

* As a consequence of the sale of the salmon business in 1Q, the historical figures from this business are disclosed as a net amount on a single line on the face of the income statement, "net profit from discontinued operations".

Results and operation for the 1st quarter 2007

Profit before depreciation (EBITDA) for the 1st quarter was NOK 136.5 million, as opposed to NOK 31.1 million in the same period last year. The acquisition of a majority shareholding in Welcon AS and Austral Group S.A.A were completed in the 2nd quarter of 2006. However, proforma figures have been prepared to provide a better comparison basis, including Welcon and Austral. Proforma EBITDA for the 1st quarter 2006 was NOK 103.8 million.

The acquisition of Epax AS in January means that the profit from this activity is fully reflected in the 1st quarter s profit.

The group has in the first quarter sold around 60,000 tons of fishmeal and oil, which is approximately equal to the volume sold in the same quarter last year. Better prices have however been achieved in 1st quarter this year than the 1st quarter last year.

The group has sold about 8,000 tons of frozen fish in the quarter as opposed to 0 tons in the first quarter last year. Production of frozen fish started up in March in 2006. About 1.2 million cases of canned fish were sold in the quarter, as opposed to about 600,000 cases in the same period last year. The group has in the quarter sold around 267 tons of high concentrated Omega 3 products and around 115 tons of low concentrated Omega 3 oils.

The prices achieved for all our products have been in line with company expectations. On the production side, highest activity has been in Norway as the season for blue whiting, which is the main raw material for fishmeal and oil production in Norway, is from the middle of January to the end of April.

The fishing for anchoveta in Peru was not open in this quarter but was in the 1st quarter of 2006. Fishing for anchoveta started on 10 April this year and has been subdivided into three periods between April and June. The total catch for the entire Peruvian fleet has been set to 3 million tons. Fishing in Chile started a little later in January than expected. It has however proceeded as normal. Purchases of raw materials from third parties has however been lower than in the first quarter of last year as a result of lower levels of fishing by the coastal fleet.

Net financial items were NOK -10.2 million as opposed to NOK -6.5 million in the 1st quarter of 2006, income from associated companies was NOK 16.9 million in the 1st quarter 2007 as opposed to NOK 5.5 million in the 1st quarter of 2006.



Balance sheet as at 31 March 2007

The group's balance sheet total as at 31 March 2007 was NOK 8,867.6 million. The balance sheet total at the end of the 2006 financial year was NOK 6,846.3 million. The group's net interest bearing liabilities have increased from NOK 527.36 million as at 31 December 2006 to NOK 1,975.5 million as at 31 March 2007. The increase in the balance sheet total is due to the acquisition of activities in Norway and inventory build up in the period.

Segments

Fishmeal and oil

Fishmeal prices have been stable in the quarter and the group has achieved good prices for its products.

Production has been good in Norway due to the main season for blue whiting fishing being in the period January to April. Production in Austral (Peru) has however been affected by fishing for anchoveta not being open to the group's vessels in this the period. Production has therefore been based on off-cuts from cannery production and purchased raw materials from the coastal fleet. Maintenance has been carried out on the Austral fleet in preparation for the season start. Production in Chile has been lower than in the same period last year. This is due to lower coastal fleet landing volumes.

Fishing patterns and quota regulations affect the group's total quarterly catches and therefore production facility utilization. This results in seasonal variations in production and sales volumes. The group sold in total around 60,000 tons of fishmeal and oil in the 1st quarter of 2007.

Consumer products

As a result of the acquisition of Epax AS in January of this year, this production is now included in the consumer products segment.

Epax AS is one of the world's leading producers of high concentrated Omega 3 based on fish oil. The company today uses around 5,000 tons of fish oil mainly from South America, which through the use of a unique stripping technology and refining process, is converted to high concentrated Omega 3. These products are in general sold as dietary supplements, as nutraceuticals and to the pharmaceutical market.

Total volumes for human consumption sold were around 8,000 tons of frozen products, about 1.2 million cases of canned products, about 267 tons of high concentrated Omega 3 oils and around 115 tons of low concentrated Omega 3 oils.

Austral has in the quarter completed most of the year's planned vessel maintenance. This results in a lower operating margin for the segment than the quarter's sales should provide. This is a result of the fishing pattern and scheduling maintenance to periods of lower fishing activity. This will however be evened out across the year. Consumption fishing has in the period largely been in the south of the country, which has resulted in a higher fish cost in this the period than expected.

Trading

The trading activity has had a weak start to the year, with lower access to raw materials than expected both for pelagic products and salmon.



Company share structure

The company had 2,704 shareholders as at 31 March 2007. The AUSS share price has increased from NOK 42.20 at the end of December 2006 to NOK 57.0 at the end of March 2007.

Market and outlook

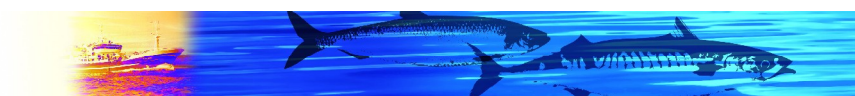
The board is satisfied with the profit for the first quarter and sees continued good prices and volumes in accordance with expectations.

Storebø, Norway 15 May 2007
The Board of Austevoll Seafood ASA



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Condensed Consolidated Income Statement					
<i>All figures in NOK 1.000</i>	1Q 2007	1Q 2006	2006	Pro forma 1Q 2006	Pro forma 2006
Operating income	847 982	332 848	2 665 588	731 140	3 413 787
Operating expenses	-711 453	-301 785	-2 183 223	-627 300	-2 713 941
Op.profit bef. deprec. (EBITDA)	136 530	31 063	482 365	103 840	699 846
Depreciation and amortisation	-50 230	-11 406	-116 781	-43 325	-183 931
Depreciation of excess value inventory	-3 000		-140 221		-
Impairment/Reversal of impairments	-		0	0	0
Operating profit (EBIT)	83 300	19 657	225 363	60 515	515 915
Income from associated companies	16 939	5 480	16 593	5 480	16 593
Net financial items	-10 160	-6 461	-48 208	-9 034	-71 445
Profit before tax	90 078	18 676	193 748	56 961	461 063
Income tax expense	-39 025	4 199	-36 138	710	-86 897
Net profit	51 053	22 875	157 610	57 671	374 166
Net profit from discontinued operations	314 870	48 385	109 055	48 397	102 541
Net profit including discontinued operations	365 923	71 260	266 665	106 068	476 707
Profit to minority interests	1 602	8 458	2 273	10 519	15 546
Profit attribut. to equity holders of parent	364 321	62 802	264 392	95 549	461 161
Earnings per share	2,02	0,56	1,82	0,59	2,83
Diluted earnings per share	2,02	0,56	1,82	0,59	2,83



Condensed Consolidated Balance Sheet

<i>All figures in NOK 1.000</i>	31.03.2007	31.03.2006	31.12.2006
Assets			
Intangible assets	1 384 616	898 310	1 385 261
Vessels	684 442	413 563	704 408
Other property, plant and equipment	1 755 890	599 951	1 815 689
Investments in associated companies	1 807 263	107 656	145 124
Investments in other shares	19 822	15 054	26 298
Other long-term receivables	63 628	121 367	70 524
Total non-current assets	5 715 661	2 155 901	4 147 303
Inventories	977 330	178 814	434 604
Biological assets	0	250 201	224 771
Accounts receivable	483 820	243 682	429 290
Other current receivables	256 617	132 386	188 417
Available-for-sale financial assets	12 548	5	10 428
Cash and cash equivalents	1 421 607	136 353	1 411 492
Total current assets	3 151 922	941 441	2 699 003
Total assets	8 867 584	3 097 342	6 846 306
<i>All figures in NOK 1.000</i>	31.12.2006	31.03.2006	31.12.2006
Equity and liabilities			
Share capital	92 159	56 098	89 112
Share premium fund	3 081 049	512 088	2 798 795
Retained earnings and other reserves	994 123	394 352	665 893
Minority interests	84 802	71 653	83 200
Total equity	4 252 133	1 034 191	3 637 000
Deferred tax liabilities	506 134	257 158	621 381
Pension obligations	15 853	4 802	18 287
Borrowings	2 368 594	881 287	1 354 378
Other long-term liabilities	32 040	165 777	28 630
Total non-current liabilities	2 922 621	1 309 024	2 022 677
Short term borrowings	681 507	166 982	233 913
Overdraft facilities	378 614	268 512	380 540
Accounts payable	449 645	164 914	367 447
Other current liabilities	183 063	153 718	204 729
Total current liabilities	1 692 830	754 126	1 186 629
Total liabilities	4 615 451	2 063 150	3 209 306
Total equity and liabilities	8 867 584	3 097 341	6 846 306

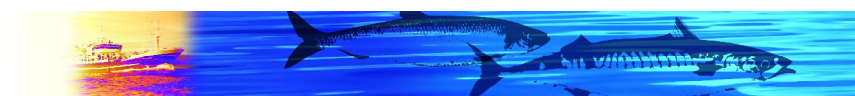


Consolidated Statement of changes in Equity

All figures in NOK 1.000	1Q 2007	1Q 2006	2006
Equity period start	3 637 000	982 045	982 045
Profit for the period	365 923	71 260	266 665
Currency translation differences	-38 961	-19 114	-23 296
Other gains and losses charged directly to equity			
Total gains and losses charged directly to equity	-38 961	-19 114	-23 296
Total recognised income for the period	326 962	52 146	243 369
Dividends			
Mergers and demergers			-126 115
Acquisition of minorities			-217 139
Minority interests arising from business combinations			119 365
Revaluation of existing interests related to business comb.			247 774
New equity from cash contributions and contrib. in kind	295 547		2 453 202
Expenses related to share issues (net of tax)	-7 376		-65 501
Total equity from shareholders in the period	288 171	-	2 411 586
Total change of equity in the period	615 133	52 146	2 654 955
Equity at period end	4 252 133	1 034 191	3 637 000

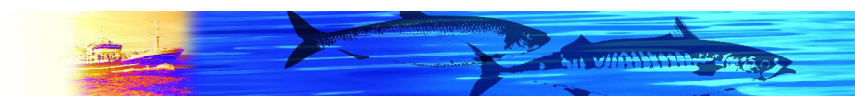
Condensed Consolidated Cash Flow Statement

All figures in NOK 1.000	1Q 2007	1Q 2006	2006
Net cash flow from operating activities	-403 925	25 293	935 647
Net cash flow from investing activities	-1 097 972	35 990	-1 005 463
Net cash flow from financing activities	1 512 011	-51 423	1 354 816
Net change in cash and cash equivalents	10 114	9 860	1 285 000
Cash and cash equivalents at beginning of period	1 411 493	126 493	126 493
Cash and cash equivalents at period end	1 421 607	136 353	1 411 493



Note 1

Segment information					
1Q 2007					
<i>All figures in NOK 1.000</i>	Operating revenue	EBITDA	EBITDA %	EBIT	EBIT %
Fishmeal/oil	424 728	104 062	25 %	73 609	17 %
Human Consumption	240 161	43 760	18 %	25 539	11 %
Trading	232 395	-4 965	-2 %	-8 281	-4 %
Not allocated/elimination	-49 301	-6 327		-7 567	
Total Group	847 983	136 530	16 %	83 300	10 %
1Q 2006					
<i>All figures in NOK 1.000</i>	Operating revenue	EBITDA	EBITDA %	EBIT	EBIT %
Fishmeal/oil	44 053	10 506	24 %	3 141	7 %
Human Consumption	47 127	3 613	8 %	1 738	4 %
Trading	220 408	4 269	2 %	2 485	1 %
Not allocated/elimination	21 259	12 674		12 292	
Total Group	332 847	31 062	9 %	19 656	6 %
2006					
<i>All figures in NOK 1.000</i>	Operating revenue	EBITDA	EBITDA %	EBIT	EBIT %
Fishmeal/oil	1 367 064	397 629	29 %	185 051	14 %
Human Consumption	456 378	64 661	14 %	27 872	6 %
Trading	950 880	3 553	0 %	-4 625	0 %
Not allocated/elimination	-108 734	16 521		17 066	
Total Group	2 665 588	482 364	18 %	225 364	8 %
Pro forma					
1Q 2006					
<i>All figures in NOK 1.000</i>	Operating revenue	EBITDA	EBITDA %	EBIT	EBIT %
Fishmeal/oil	397 558	69 456	17 %	36 554	9 %
Human Consumption	106 236	15 260	14 %	6 954	7 %
Trading	220 408	4 269	2 %	2 534	1 %
Not allocated/elimination	6 938	14 885		14 473	
Total Group	731 140	103 870	14 %	60 515	8 %
Pro forma					
2006					
<i>All figures in NOK 1.000</i>	Operating revenue	EBITDA	EBITDA %	EBIT	EBIT %
Fishmeal/oil	1 995 450	587 784	29 %	461 899	23 %
Human Consumption	581 073	85 193	15 %	38 104	7 %
Trading	950 880	3 553	0 %	-4 625	0 %
Not allocated/elimination	-113 616	23 316		20 537	
Total Group	3 413 787	699 846	21 %	515 915	15 %



Note 2

Accounting principles

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the associated standard for interim reporting (IAS 34). The interim accounts, including historical comparison figures, are based on the current IFRS standards and interpretations. Changes in the standard and interpretations can result in changes to profits.

Note 3

Acquisition of Epax Holding AS

On 22 December 2006, Austevoll Seafood ASA announced that the company had entered into a letter of intent to acquire Epax AS. The acquisition was finally completed in mid January 2007, after all purchase conditions were approved. The transaction was completed by all shares in Epax Holding AS, which owns 100% of the shares in Epax AS, being taken over from Ferd Private Equity Fund. Epax is a leading producer of high concentrated Omega 3 oils, which is increasingly used as an ingredient in pharmaceutical products, both as a supplement to make food healthier and as a dietary supplement.

The transaction price was NOK 575 million based on the company value (enterprise value - value of shareholders' equity and net interest bearing liabilities). Below is a preliminary acquisition analysis including allocations of added value. The real value on the date of acquisition presented in the table below is, as stated, a preliminary acquisition price allocation.

	Book value at acquisition date	Added values – preliminary allocation	Real value at acquisition date
Goodwill	210 200	92 500	302 700
Other intangible assets	0	150 000	150 000
Other fixed assets	93 500	30 000	123 500
Current assets	108 100	3 000	111 100
Total assets	411 800	275 500	687 300
Shareholders' equity	110 200	224 260	334 460
Long term liabilities and obligations	257 100	51 240	308 340
Short term liabilities	44 500	0	44 500
Total shareholders' equity and liabilities	411 800	275 500	687 300

