ANNUAL REPORT 2013

Austevoll Seafood ASA

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Annual Report 2013

FINANCIAL CALENDER 2014

14.05.2014	Report Q1 2014
21.08.2014	Report Q2 2014
12.11.2014	Report Q3 2014
24.02.2015	Preliminary annual results 2014
23.05.2014	Annual General Meeting

Please note that the dates might be subject to changes.

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History

Austevoll Seafood ASA (AUSS) is a globally integrated pelagic fishery and seafood specialist with operations in Norway, Chile, Peru, Ireland and UK.

AUSS' activities include ownership and operation of fishing vessels, fishmeal plants, canning plants, freezing plants, salmon farming and marketing and sales. AUSS was listed on the Oslo Stock Exchange October 2006. The total number of full-time equivalents (FTEs) for the Group in 2013 was 4,490 of which 2,484 are outside Europe.

Over the last decade, AUSS has acquired a significant number of companies of a complementary nature to its existing business areas. Our success lies in the integration of these businesses and creating synergies and value-added businesses through co-operations across all our business areas.

AUSS was established based on Austevoll Havfiske AS, one of the top pelagic fishery and salmon farming companies in Norway. The main shareholder of the company is Laco AS, a company under joint control by the Møgster family.

Austevoll Havfiske AS was established in 1981 by Helge Møgster, Ole Rasmus Møgster and their father. The fishing activities were small-scale up until 1991, when the Møgster family purchased their second fishing vessel, including fishing license, in Norway. In 1991 the Møgster family entered into the pelagic wild catch in Chile after being invited by Cermaq ASA to operate their fishing vessels. The Chilean operation were gradually expanded and AUSS now controls approx. 9.1% of the Chilean horse mackerel quotas in the South of Chile and have production of fishmeal and oil, canned and frozen products for human consumption, through its Chilean subsidiaries.

In 2006 the Norwegian company Welcon Invest AS and the Peruvian company Austral Group S.A.A became part of the AUSS group. By these transactions AUSS entered into fishmeal and oil production in Norway, and pelagic wild catch and production of fishmeal and oil and canned products in Peru.

In 2007 AUSS acquired 100% of Epax Holding AS which owns 100% of the shares in Epax AS, one of the world's leading producers of high-concentrate Omega-3 oils.

AUSS took up its shareholding in Lerøy Seafood Group ASA (LSG) in 2007, and during 2008 and 2009 increased the ownership to 63.7%. LSG is one of the world's leading salmon producers.

Late 2007 the group acquired 50% of the Peruvian fishing company CORMAR and by this expanded its business in Peru. The group increased its fleet by 6 vessels and increased the production capacity for production of fishmeal and oil.

In 2009, AUSS and Origin Enterprises plc (Origin) merged their respective activities related to fishmeal and fish oil in Norway, Ireland and Great Britain.

AUSS acquired 33.27% of the shares in Norway Pelagic Holding AS (NPEL) in 2010. NPEL is a large participant within the processing industry of pelagic fish for human consumption. The company`s activities consist of purchase of raw material, processing and sale. The company has modern environmental friendly production facilities, mainly located along the Norwegian coast.

In 2010 AUSS sold the entire shareholding of Epax Holding AS based on the company's strategy of focusing even more rigidly on the group's core businesses. The same year LSG bought 50.1% of the shares in Sjøtroll Havbruk AS, a company active in the production of fry/smolt and farming of fish for consumption, and also slaughtering and processing.

In 2011 LSG acquired 68.0 % of the shares in the Finnish sales and distribution company, Jokisen Eväät OY and by this strengthened LSG's position in the Finnish market. The same year LSG acquired 50.11% of the shares in Rode Beheer B.V., one of the leading processing companies for seafood in Holland.

In June 2011 AUSS increased its shareholding in NPEL to 43.3 % upon the merger between Austevoll Fisk AS, a wholly owned subsidiary of AUSS, and Norway Pelagic AS.

In October 2011 AUSS increased its shareholding of Br. Birkeland AS from 40.2 % to 49.99 %. Br. Birkeland AS owns and operates 2 modern purse seiners. In addition the company, through a wholly owned subsidiary, owns and operates 7 licenses for farming of Atlantic salmon and trout.

In February 2012 AUSS acquired 50% of the shares in Hordafor AS through its fishmeal and -oil entity in the Northern Atlantic, Welcon Invest AS. Hordafor AS (Group) is a producer of protein concentrate and marine oils based on by-products from the pelagic industry and the salmon industry. Hordafor AS is located with production facilities along the coast of Norway.

In February 2013, AUSS increased its shareholding in NPEL from 43.3% to 77.84%. The share acquisition triggered a mandatory offer for all the shares in NPEL, and in July 2013 AUSS acquired the remaining outstanding shares in NPEL and thereby owned 100% of the company.

In April 2013 LSG acquired 47.75% of the shares in Villa Organic AS (Villa), and by the end of 2013 LSG owned 49.43% of the shares in Villa. Villa has 16 licenses for farming of Atlantic salmon located in Finmark. LSG and Salmar (main shareholder in Villa) have agreed to demerge Villa in the first half of 2014.

In July 2013 AUSS went into an agreement to acquire 50% of the shares in Welcon Invest AS from Origin. The transaction was completed in August and AUSS became owner of 100% of the company.

In August 2013 AUSS announced a new agreement with Kvefi AS (controlled by Kverva AS) for merger of the parties' businesses involving pelagic fishmeal and oil and fish for consumption in Europe. AUSS and Kvefi together established a new company, Pelagia AS, which will continue operating the amalgamated activities. The transaction was cleared by the EU Commision in December 2013, and was approved by all relevant competition authorities in January 2014. Thereby AUSS and Kvefi each became owner of 50% of the shares of Pelagia AS.

Important strategic events

2006
- Acquired 89.26% of Austral Group S.A.A in Peru
- Acquired 100% of Welcon Invest AS in Norway
- Increased ownership in Br. Birkeland AS to 40.2%
- Infusion of approx NOK 2.3 billion of new capital through a share issue
- Listed on the Oslo Stock Exchange's main list
- Acquired 100% of the shares in Karmsund Fiskemel AS, Norway

2007
- Acquired 100% of Epax Holding AS, Norway
- Sold the salmon business to Lerøy Seafood Group ASA (LSG)
- Increased ownership in Sir Fish AS, Norway, to 60%
- Acquired 25% of the share capital in Shetland Catch Ltd, Shetland
- Acquired 50% of Corporacion del Mar S.A (Cormar), Peru

2008
- Acquired 40% of Bodø Sildoljefabrikk AS, Norway
- Increased ownership in Modolv Sjøset AS from 49.88% to 66%
- Increased ownership in LSG to 74.93%

2009
- AUSS and Origin Enterprises plc merged their respective activities related to fishmeal and -oil in Norway, Ireland and Great Britain.
- Decreased ownership in LSG to 63.7%
- Increased ownership in Bodø Sildoljefabrikk AS from 40% to 50%
- Completed a private placement for a total of 18,400,000 new shares

2010
- Acquired 33.27% of the share capital of Norway Pelagic Holding AS (NPEL)
- Sold the entire shareholding of Epax Holding AS
- Acquired 50.1% of Sjøtroll Havbruk AS (via LSG)

2011
- Increased ownership in NPEL from 33.27% to 43.3%
- Increased ownership in Br. Birkeland AS from 40.2% to 49.99%

2012
- Acquired 50% of the share capital of Hordafor AS
- Acquired 50.1% of the shares in Rode Beheer B.V (via LSG)

2013
- Increased ownership in NPEL from 43.3% to 100.0%
- Acquired 49.43% of the shares in Villa Organic AS
- Increased ownership in Welcon Invest AS from 50% to 100%
- In August AUSS and Kvefi AS (controlled by Kverva AS) announced that they had agreed on an amalgamation of their respective activities within pelagic fishmeal, fish oil and consumer products in Europe. The transaction was completed in January 2014, post clearance from all relevant competition authorities, and Pelagia AS was established.

Ocean of Opportunities

2013 was an exciting year for Austevoll Seafood ASA (AUSS). We saw a strong recovery in both the salmon prices in Europe and the anchoveta biomass in South America. Driven by strong performances in both the salmon and fishmeal segments, the group achieved a record turnover for 2013 at MNOK 12,409 with a remarkable EBITDA of MNOK 2,226.

The global salmon supply slowed down significantly in 2013 with total volume of approx. 2.04 million tonnes a marginal increase of 2.2% compared with 2012. The combination of limited supply with a persistently strong demand, the year resulted in very high prices for Atlantic salmon and trout. Lerøy Seafood Group ASA (LSG) harvested a total 144,784 tonnes of salmon and trout from own production in Norway during 2013, down from 153,403 tonnes in 2012. Despite the decrease in volume harvested, an excellent effort has been made offshore and onshore, and it has been encouraging to observe the ability of the employees to adapt to the changing environment during the year.

Our pelagic operations in the North Atlantic region underwent a major restructuring process in 2013. After first acquiring 100% shareholdings in both Norway Pelagic Holding AS (NPEL) and Welcon AS (Welcon), AUSS went into an agreement with Kvefi AS (controlled by Kverva AS) to establish a 50 – 50 ownership in Pelagia AS (Pelagia). This transaction was completed in January 2014 making Pelagia the holding company of NPEL, Welcon and Egersund Fisk AS. Headquartered in Bergen Norway, Pelagia is the largest company of its kind in Europe, leading in production of pelagic fish, fishmeal and fish oil. We look forward to developing the company together with its management, creating good partnerships with our suppliers and customers. This transaction is in line with our long term strategy within the pelagic segment, strategic partnerships to optimise operations from raw materials to end product.

In South America, the Chilean horse mackerel quota was set at 250,000 tonnes for 2013 which was in line with the quota for 2012. The quota for 2014 is set at 298,000 tonnes and showing that we are moving in a positive direction in terms of recovery of the biomass. Our cooperation with Alimar S.A allows us to improve utilization of our factory assets. As for our Peruvian operation, the positive development was the recovery of the anchovy biomass in 2013, with the second season quota increased to 2.3 million tonnes from 0.8 million tonnes same period 2012. During the summer research cruise, Imarpe reported the highest anchoveta biomass in ten years, confirming their commitment in obtaining a sustainable anchoveta resource.

AUSS understands the absolute importance of protecting the environment as key to the survival of the fishing and salmon farming industry. We also understand the social impact our activities have in the regions we operate in. It is this intrinsic relationship between environmental, social and business responsibilities that make us adhere to our sustainability commitment. By operating with a strict sustainable environmental policy throughout our organization and active commitment towards social development programs in our area of operations, we hope to grow our business and achieve our strategic goal to be among the leaders in sustainability across the global seafood industry. By practicing sustainability management today, we can safeguard our industry for tomorrow.

I would like to thank our suppliers, customers and partners for their important contributions and cooperation through 2013. I would like to give a special note of thanks to our employees for all your efforts in the year. Your trust, loyalty, sacrifices and devotion have been key factors in our success. I very much look forward to working with all of you in the years to come.

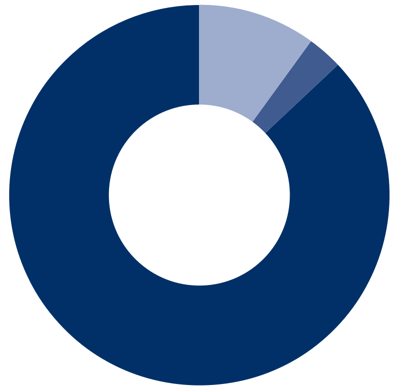
Arne Møgster, CEO
Austevoll Seafood ASA

Key figures

Amounts in NOK 1 000		2013	2012 (restated)	2011	2010
PROFIT AND LOSS ACCOUNT					
Operating income		12 409 756	11 170 879	12 161 571	12 744 751
Operating expenses		-10 183 648	-10 000 808	-10 115 798	-10 203 924
EBITDA		**2 226 108**	**1 170 071**	**2 045 773**	**2 540 827**
Depreciation, amortisation, impairment and depreciation of excess value		-619 015	-534 044	-512 339	-557 052
EBIT (before fair value adj.biological assets)		**1 607 093**	**636 027**	**1 533 434**	**1 983 775**
Fair value adjustment of biological assets		764 229	294 735	-615 767	298 538
OPERATING PROFIT		**2 371 322**	**930 762**	**917 667**	**2 282 313**
Income from associated companies		248 350	35 855	45 793	191 761
Net financial items		-239 449	-151 321	-191 024	-248 582
Profit before tax		2 380 223	815 296	772 436	2 225 492
Profit after tax		1 799 455	581 821	526 663	1 766 080
Net profit after discontinued operations		**1 560 756**	**640 906**	**526 663**	**1 766 080**
Profit to minority interests		855 411	215 304	157 279	544 547
BALANCE SHEET					
Intangible assets		6 035 665	5 948 259	6 082 817	6 024 816
Vessels, other property, plant and equipment		4 095 855	3 812 963	3 980 271	3 864 944
Other non current assets		1 145 026	695 761	1 252 273	1 068 856
Current assets		9 947 713	8 192 622	7 259 124	8 083 619
Total assets		**21 224 259**	**18 649 605**	**18 574 485**	**19 042 235**
Equity		10 699 318	9 399 809	9 199 607	9 110 861
Long term liabilities		7 097 004	6 310 628	6 153 382	6 900 295
Short term liabilities		3 427 937	2 939 168	3 221 496	3 031 079
Total equity and liabilities		**21 224 259**	**18 649 605**	**18 574 485**	**19 042 235**
Net interest bearing debt		**4 767 714**	**3 655 065**	**3 361 251**	**3 161 929**
CASH FLOW					
Net cash flow from operating activities		**1 361 625**	**897 247**	**1 031 654**	**2 110 961**
KEY RATIOS					
Liquidity ratio	1	2,90	2,79	2,25	2,67
Equity-to-asset ratio	2	50 %	50 %	50 %	48 %
EBITDA margin	3	18 %	10 %	17 %	20 %
Return on equity	4	16 %	7 %	6 %	22 %
Average no. of shares (thousands)		**202 717**	**202 717**	**202 717**	**202 717**
Earnings per share	5	3,48	2,10	1,82	6,03
Paid out dividend		1,20	1,00	1,50	1,20
Proposed dividend payout 2014		1,60			

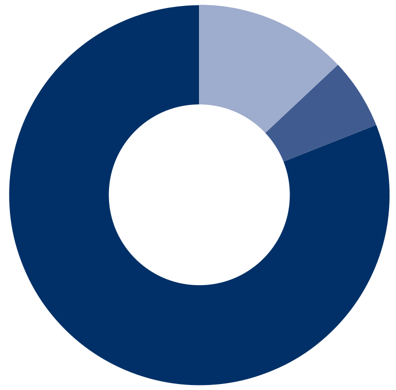
1) Current assets/short term liabilities
2) Equity/total capital
3) Operating profit/loss before depreciaton expressed as a percentage of operating income
4) Net profit after tax (incl. discontinued operations) expressed as a percentage of average equity
5) Net profit after tax (incl. discontinued operations)/average no. of shares

Operating Revenue 2013



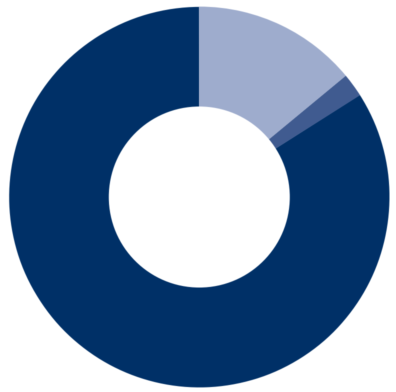
Fishmeal and fish oil* **1 261 931**
Human consumption **350 297**
Farming, sales and distribution **10 818 519**
Other/elimination **-20 991**

Operating Revenue 2012
(restated)



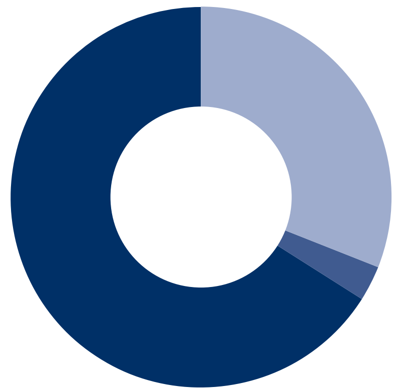
Fishmeal and fish oil* **1 483 325**
Human consumption **607 665**
Farming, sales and distribution **9 102 941**
Other/elimination **-23 052**

EBITDA 2013



Fishmeal and fish oil* **319 060**
Human consumption **-36 052**
Farming, sales and distribution **1 938 474**
Other/elimination **4 626**

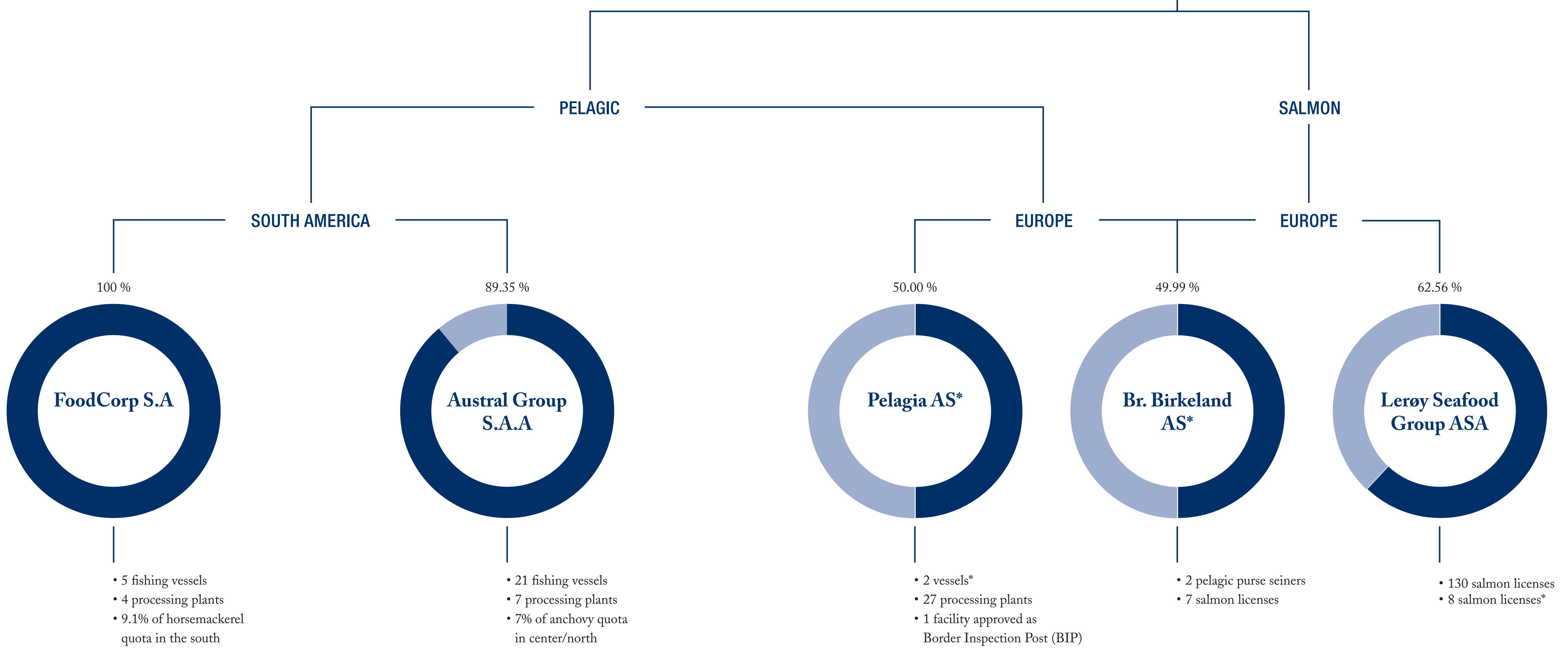
EBITDA 2012
(restated)



Fishmeal and fish oil* **369 533**
Human consumption **31 328**
Farming, sales and distribution **774 866**
Other/elimination **-5 656**

* As a result of Welcon Group being treated as a discontinued operation held for sale, the revenue and EBITDA from this company has not been included in the figures for 2013, and the comparative figures for 2012 have been restated accordingly. This segment therefore now only consists of the Group's operations in South America.

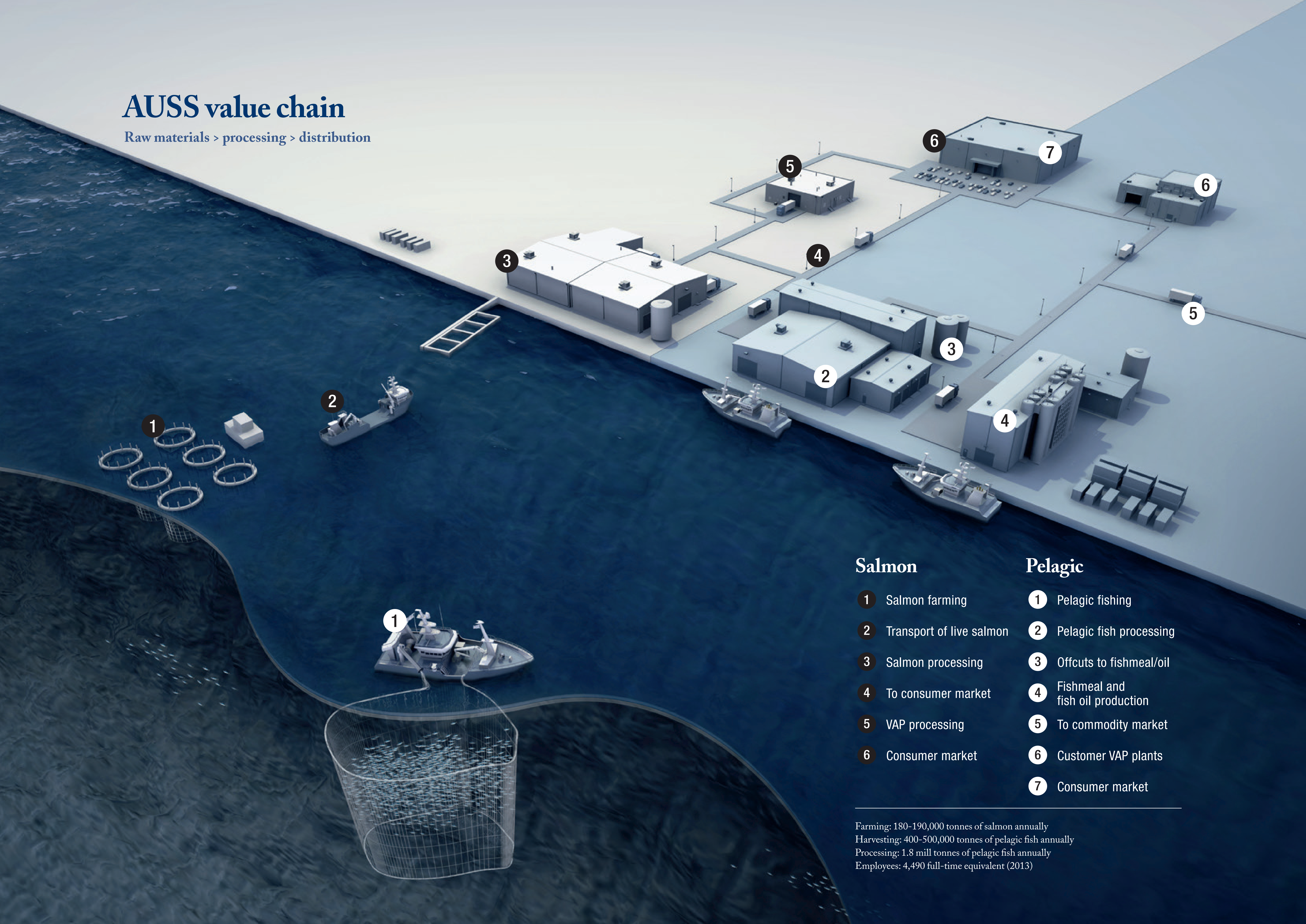
Company overview



*Associated companies

AUSS value chain

Raw materials > processing > distribution



Salmon

1. Salmon farming
2. Transport of live salmon
3. Salmon processing
4. To consumer market
5. VAP processing
6. Consumer market

Pelagic

1. Pelagic fishing
2. Pelagic fish processing
3. Offcuts to fishmeal/oil
4. Fishmeal and fish oil production
5. To commodity market
6. Customer VAP plants
7. Consumer market

Farming: 180-190,000 tonnes of salmon annually
Harvesting: 400-500,000 tonnes of pelagic fish annually
Processing: 1.8 mill tonnes of pelagic fish annually
Employees: 4,490 full-time equivalent (2013)

Salmon & trout

Production, sales and distribution of Atlantic salmon and trout.

Company	Licences	Mill. smolt individuals	2011 GWT	2012 GWT	2013 GWT	2014E GWT
Lerøy Aurora AS	17	7.5	18 100	20 000	24 200	25 000
Region North	**17**	**7.5**	**18 100**	**20 000**	**24 200**	**25 000**
Lerøy Hydrotech AS (merged)	24	7.0	26 400	27 500	26 000	27 000
Lerøy Midnor AS (merged)	30	15.0	35 900	34 400	32 900	36 000
Lerøy Midt AS*	**54**	**22.0**	**62 300**	**61 900**	**58 900**	**63 000**
Lerøy Vest AS	34	14.2	34 500	38 700	34 400	39 000
Sjøtroll Havbruk AS (50.7%)	25	8.4	21 700	32 900	27 300	30 000
Region West/Lerøy sjøtroll	**59**	**22.6**	**56 200**	**71 600**	**61 700**	**69 000**
Total Norway (consolidated)	**130**	**52.1**	**136 600**	**153 400**	**144 800**	**157 000**
Villa Organic AS (49.4%)***	8					9 000
Norskott Havbruk AS (UK - 50%)**		7.0	10 900	13 600	13 400	12 500
Total	**138**	**59.1**	**147 500**	**167 000**	**158 200**	**178 500**

*Lerøy Midnor AS and Lerøy Hydrotech AS merged in 2013 to form Lerøy Midt AS **Lerøy's share (50%) of Norskott Havbruk AS ***Lerøy's share (49.4%) of Villa Organic AS

Associated companies

This segment consist of the total operation of Lerøy Seafood Group ASA.

The segment Salmon consist of the total operation from production to sales and distribution of Atlantic salmon and trout in Lerøy Seafood Group ASA (LSG).

LSG can trace its operation back to the end of the 19th century, when the fisherman and farmer Ole Mikkel Lerøen started selling live fish at the Bergen fish market. Over time, Ole Mikkel Lerøen`s operation gradually came to include retail sales in Bergen, the sale of live shellfish and a budding export business. In 1939, two of his employees, Hallvard Lerøy Sr. and Elias Fjeldstad, established what today has become one of LSG`s principal sales company, Hallvard Lerøy AS. Since its establishment, Hallvard Lerøy AS has been a pioneering enterprise in a number of fields in the Norwegian fishing industry. The main focus has constantly been on the development of markets for seafood, and the company has frequently led the way into new markets or been the first to commercialise new species. This pioneering spirit is still very much alive in the company today.

Up until 1997, LSG was a traditional family company. In 1997, a private placement with financial investors was carried out for the first time. In connection with this placing in 1997, the company was reorganised as a public limited company. LSG was listed on the stock market in June 2002.

Since 1999, LSG has acquired substantial interests in various domestic and international enterprises. Late in 2003 LSG acquired all the shares in Lerøy Midnor AS and bought Lerøy Aurora AS in 2005. Lerøy Fossen AS and Hydrotech AS were acquired in 2006, whereas Lerøy Vest AS was acquired in 2007. In 2010 LSG continued expanding the aquaculture activity by acquiring 50.71% of the company Sjøtroll Havbruk AS. In 2013 LSG acquired 49.43% of the wholly-integrated sea farming company Villa Organic AS. LSG`s investment in downstream activities over this period has established the company as a national and international distributor of fresh fish. On account of these investments, the LSG has now developed into a totally integrated seafood group with a solid foundation for further development.

LSG`s vision is to be the leading and most profitable global supplier of sustainable, quality seafood. The core activities for LSG include: production; processing; sales and distribution of salmon, trout and a variety of seafood. LSG maintains a strong focus and presence in key markets through its international network of subsidiaries and sales offices. By actively developing new markets and products from fisheries to aquaculture based on sustainable principles, LSG aims to develop profitable, efficient and binding alliances both nationally and internationally for both supply and marketing.

LSG sells its products to more than 70 markets and has a vast network of customers in the majority of these markets. Having a large customer portfolio not only offers LSG a unique knowledge of market trends, but also serves as a mechanism of significant diversification of risk.

	2010	Change 09-10	2011	Change 10-11	2012	Change 11-12	2013	Change 12-13	2014	Change 13-14
Norway	944 600	10,4 %	1 005 600	6,5 %	1 183 100	17,7 %	1 143 600	-3,3 %	1 219 400	6,6 %
UK	142 900	-1,0 %	154 700	8,3 %	159 400	3,0 %	157 800	-1,0 %	159 800	1,3 %
Faroe Islands	41 800	-11,3 %	56 300	34,7 %	70 300	24,9 %	72 600	3,3 %	76 900	5,9 %
Ireland	17 800	20,3 %	16 000	-10,1 %	15 600	-2,5 %	10 900	-30,1 %	13 600	24,8 %
Iceland	1 000	100,0 %	1 000		2 900		3 100	-6,9 %	4 000	29,0 %
Total Europe	**1 148 100**	**8,1 %**	**1 233 600**	**7,4 %**	**1 431 300**	**16,0 %**	**1 388 000**	**-3,0 %**	**1 473 700**	**6,2 %**
Chile	129 600	-45,8 %	221 000	70,5 %	364 000	64,7 %	468 100	28,6 %	481 300	2,8 %
Cananda	122 000	0,1 %	119 500	-2,0 %	136 500	14,2 %	115 100	-15,7 %	117 200	1,8 %
Australia	33 000	2,5 %	36 000	9,1 %	36 500	1,4 %	37 500	2,7 %	39 500	5,3 %
USA	18 000	9,8 %	18 300	1,7 %	19 600	7,1 %	20 300	3,6 %	19 500	3,9 %
Others	4 500	60,7 %	5 000	11,1 %	8 500	70,0 %	11 100	30,6 %	12 100	9,0 %
Total America	**307 100**	**-25,5 %**	**399 800**	**30,2 %**	**565 100**	**41,3 %**	**652 100**	**15,4 %**	**669 600**	**2,7 %**
Total World-wide	**1 455 200**	**-1,3 %**	**1 633 400**	**12,2 %**	**1 996 400**	**22,2 %**	**2 040 100**	**2,2 %**	**2 143 300**	**5,1 %**

Figures as per 02.02.14 - Source: Kontali

Fishmeal & fish oil

This segment consist of the operations of Austral Group S.A.A and FoodCorp S.A in production and sales of fishmeal and fish oil products.

Fishmeal is a nutrient-rich and high-protein product that is used as one of the main ingredients in fish feed and other animal feed. This product is priced on the level of its protein content. Given the growth in aquaculture worldwide, the demand for fishmeal is believed to remain high. Fish oil is a by-product of the production of fishmeal and is mainly used as a feed ingredient for aquaculture. In recent years there has been a rapidly increasing demand for fish oil from the producers of high concentrate Omega-3 oils, with expected continuing growth in the future.

The main sources of raw materials for our fishmeal and fish oil production differ according to geographic area. In Europe, Blue Whiting, sand eel, Norwegian Pout, capelin and trimmings from pelagic fish forms the main source of raw materials for our fishmeal and fish oil production. Trimmings / offcuts have over the last 8-10 years developed to be an important source of raw material. Not only as a raw material for the industry, but also as a sustainable part of growing demand for feed. In 2013 approximately 60% of the raw material used at our plants in Europe was from trimmings.

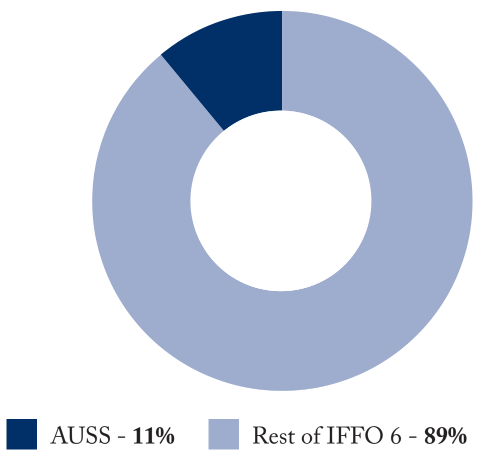
In Norway, all raw materials landed must be purchased through an auction system run by Norges Sildesalgslag (The Norwegian Fishermen's Sales Association for Pelagic Fish). However, the trimmings from the human consumption industry are purchased directly from the production plants. In the UnitedKingdom and Ireland the raw materials are purchased directly from the fishermen and the trimmings like in Norway are bought directly from production plants. The main season for fishmeal and fish oil production is between September and May, with peaks from November to March.

In Chile, the main sources for production of fishmeal and fish oil are anchoveta and trimmings from the human consumption industry. Anchoveta is mainly purchased from the coastal fleet, while trimmings are supplied from our own plants processing fish for human consumption. The fishing season for anchoveta is principally from March to July, and the season for trimmings is from December to September.

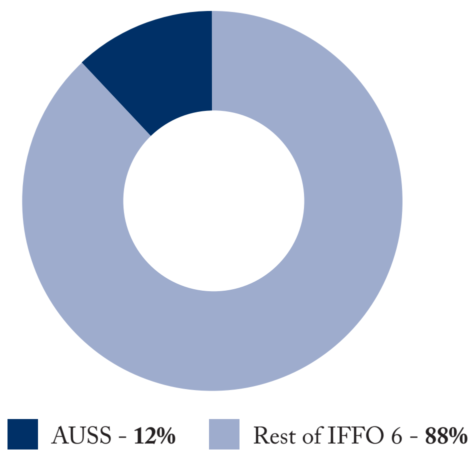
In Peru, the main source of raw material is anchoveta and trimmings. The group's company, Austral Group S.A.A, in Peru has quota for anchoveta fishing. Anchoveta fishery in Peru takes place in two seasons, one in the first half of the year, normally starting up in April/May and ending in July, and the second season normally starting in November and ending in January the following year. Trimmings are supplied from our plants processing fish for human consumption.

Austral Group S.A.A. has "Friend of the Sea" certification. This audit is conducted by an independent accredited certification body with in-depth knowledge of the Peruvian fishery, focusing on anchoveta.

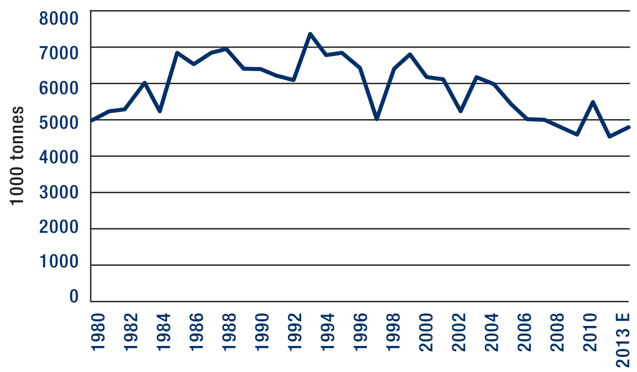
Total production of fishmeal IFFO 6
(1,836,942 tonnes 2013)



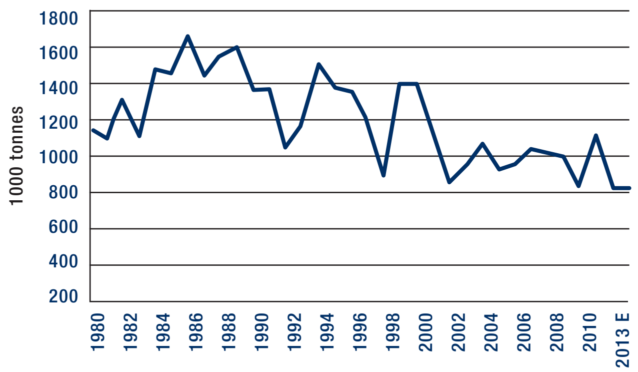
Total production of fish oil IFFO 6
(405,856 tonnes 2013)



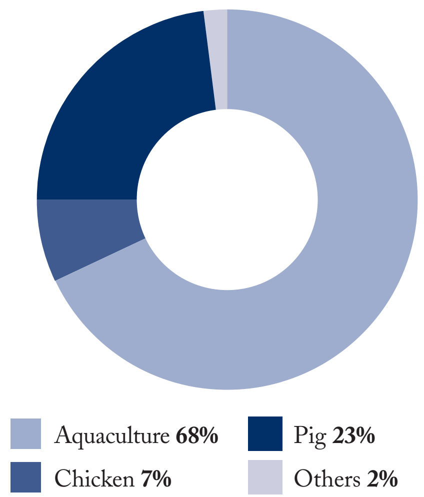
World production of fishmeal 1980–2013 E



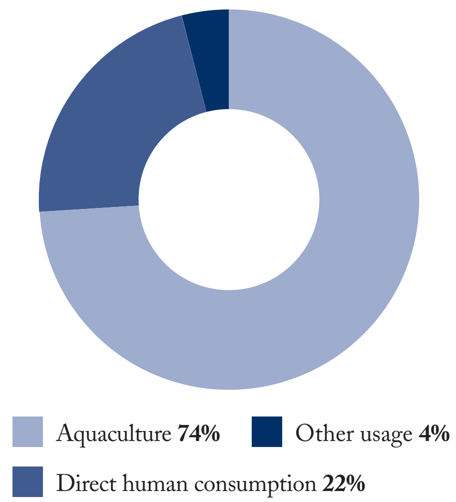
World production of fish oil 1980–2013 E



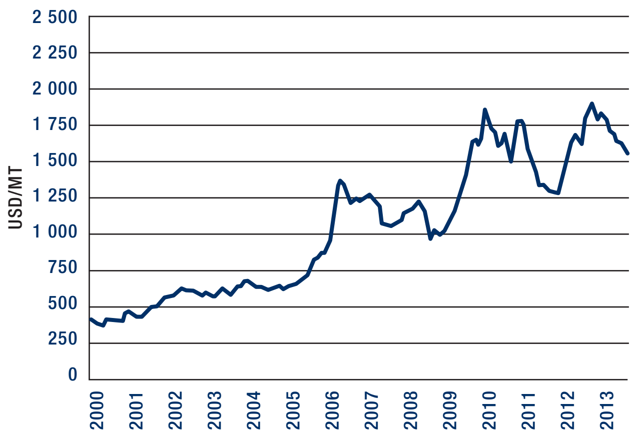
Percentage of fishmeal usage per market 2012



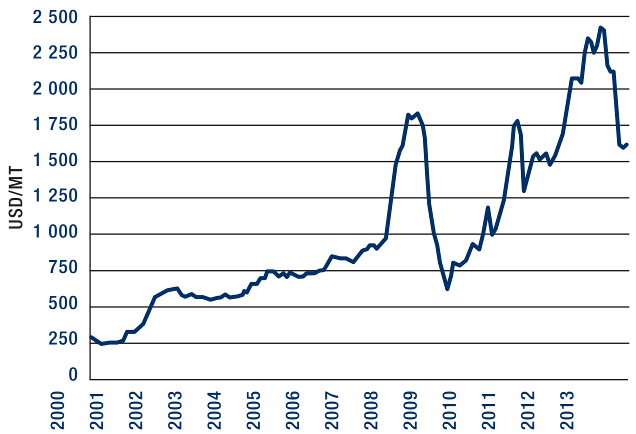
Percentage of fish oil usage per market 2012



Price development of fishmeal (65%)
(2000 - 2013 CIF Bremen)



Price development of fish oil
(2000 - 2013 CIF Bremen)



Important drivers for future developments in production and price for fishmeal are Peru's production and China's demand - the two largest global actors in fishmeal.

IFFO6 Countries
The IFFO 6 countries are defined as Peru, Chile, Norway, Iceland, Denmark, Ireland, UK and Faroe Island. All graphs are sourced from IFFO

Pelagic North Atlantic

This segment consist of the total operation of Pelagia AS in production, sales and distribution of fishmeal, fish oil and frozen pelagic fish products in the North Atlantic region.

Austevoll Seafood ASA (AUSS) and Kvefi AS (Kvefi), controlled by Kverva AS, entered into an agreement in August 2013 on an amalgamation of their respective activities within pelagic fishmeal, fish oil and consumer products in Europe. The transaction was completed in January 2014 post clearances from all relevant competition authorities. Pelagia AS (Pelagia Group) was established as the new holding company with AUSS and Kvefi each owning 50%. Pelagia AS owns 100% of Norway Pelagic Holding AS (NPEL), formerly Norway Pelagic ASA, 100% of Welcon Invest AS (Welcon) and 100% of Egersund Fisk AS (Egersund Group).

NPEL is engaged in the landing, processing, value adding and sale of pelagic fish for human consumption. The entire production operation of NPEL is spread over 13 production facilities located all along the coast of Norway, from Honningsvåg in the far north to Sirevåg in the south. In the UK, Shetland Catch Ltd is an associated production facility of NPEL.

Welcon is engaged in the production of fishmeal, fish oil, and fish protein concentrates in Norway, UK and Ireland. Welcon has a total of six production facilities for fishmeal and fish oil, with another three facilities (2 of which are associated) for production of protein concentrates and oil. In addition, Welcon owns a Border Inspection Post (BIP) with a significant storage capacity in Egersund for importation of proteins and oils from third countries.

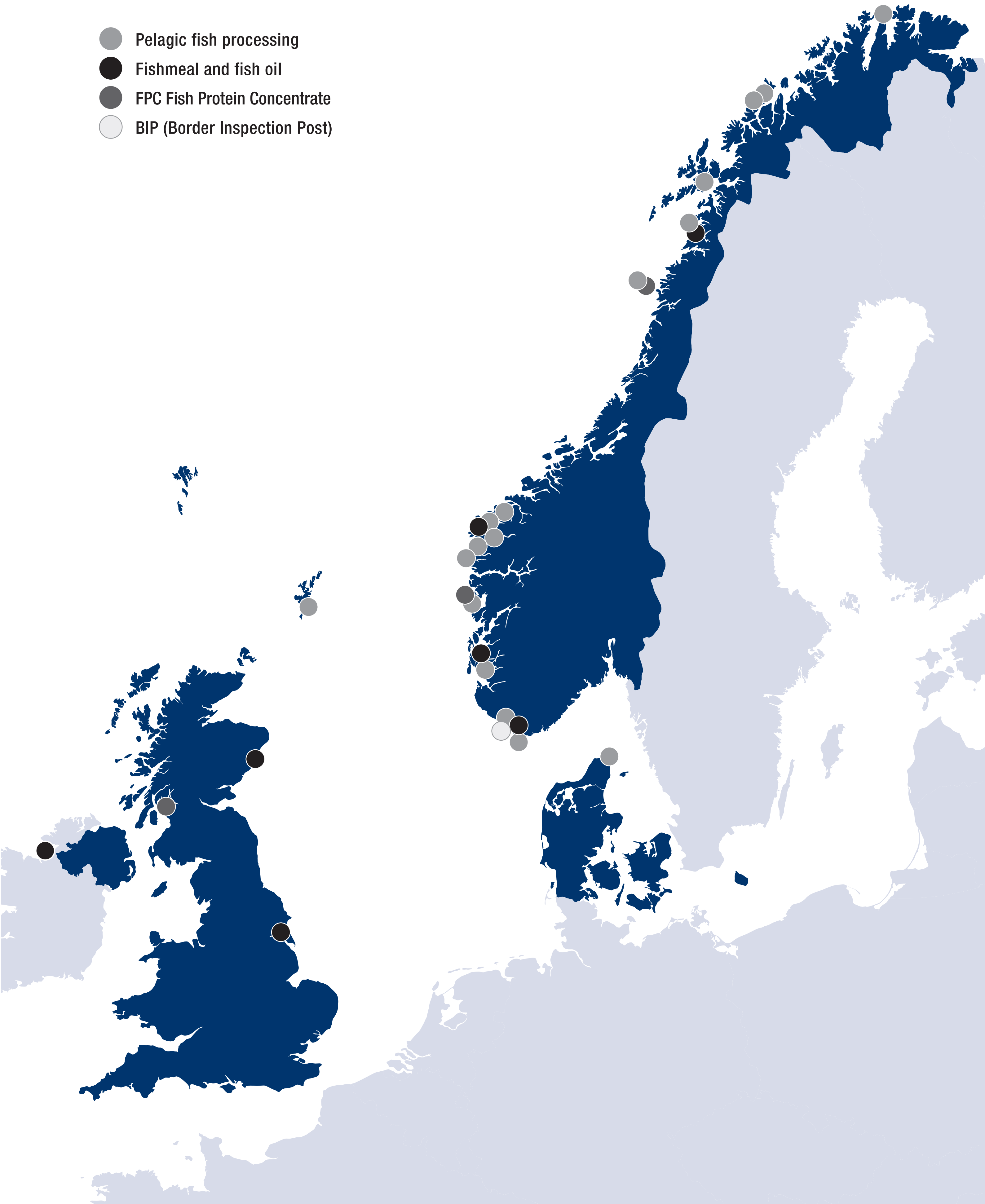
The Egersund Group has its primary activities in the production of fishmeal and fish oil, processing and sale of pelagic fish for human consumption. Egersund Group has a production facility for fish meal and fish oil in Egersund Norway, and two production facilities for processing and value adding of pelagic fish for human consumption in Egersund and Tromsø respectively. In Skagen Denmark, Egersund Group has a facility for value adding of pelagic fish. Sale and purchase of fishmeal, fish oil, concentrates and related products are done by Norsildmel AS where Egersund Group has 50% ownership.

The European pelagic industry in general has over many years been working under difficult framework conditions and is commonly associated with weak profitability. The establishment of Pelagia Group will help to facilitate synergies and increase competitive advantages through the combined strength of the companies, productivity, and economy of scale. The pelagic sector has strong potential in product development and marketing, which has yet to be harnessed. It is a key goal for the Pelagia Group to become the driving force in product development and innovation within the pelagic industry. The wholly integrated structure of the Pelagia Group provides an optimal utilisation of resources where 100% of the raw material is used in the different production processes, and consequently allows possibilities for further value adding.

The Pelagia Group's has a strong position on sustainability within its operating principles. Pelagia Group bases activities strictly upon the sustainable exploitation of pelagic fish stocks in the ocean. The Group supports and engages in environmental standards for sustainable and well regulated fisheries based on sustainable stocks, minimum impact of the fisheries on their respective ecosystems, and efficient management. In a long term perspective, this will help to safeguard the future of the pelagic industry.

The Pelagia Group participates in various R&D projects under the auspices of the Norwegian Seafood Research Fund (FHF) and the Norwegian Seafood Council (NSC). The Group wishes to contribute actively in ensuring that the allocated funds for such projects are used effectively and in an optimal manner.

Production facilities



Human consumption

This segment consist of the operations of Austral Group S.A.A and FoodCorp S.A in production, sales and distribution of fresh, frozen and canned fish products in South America.

The group produces canned products from various species such as horse mackerel, mackerel, sardines, tuna fish and salmon. The shelf life of canned fish is up to 4 years, and logistics regarding this type of product are simple as it does not require refrigeration. Canned fish is both a flavourful and a relatively affordable source of protein.

The group provides frozen fish as whole round frozen and with head-off and gutted. The group's products are exported to different markets and different segments including from processor to wholesale markets. The product is typically packed in 20 kg cartons and then blast-frozen to minus 20 degrees core temperature. There are many benefits to freezing food including simplifying logistics and maximizing a product's lifespan by preventing bacterial growth. Frozen fish has a shelf life of up to 12 months, and can easily be transported around the globe. Frozen fish is a value-added product targeted at a higher level in the market, and it is a good source of protein.

In 2013 the Austral Group of Peru had three production facilities located in Paita, Coishco and Pisco. The Group sold the facility in Paita in January 2014 and now is focusing on production in Coishco and Pisco. The freezing capacity in Coishco will, during 2014, increase to 475 mt/hours. In 2013 Austral Group processed approx. 17,000 (2012: 37,000) tonnes in their facilities, of which 9,000 (2012: 26,000) tonnes of horse mackerel and mackerel were caught by Austral Group`s own fleet. Of Austral Group`s total sales of canned products in 2013, 54% was sold in the domestic market and 46% was exported.

FoodCorp Group in Chile has three production facilities, two located in Coronel and one in Puerto Montt. Over the last few seasons the group has experienced a sharp reduction in the horse mackerel quota in Chile. Therefore FoodCorp`s focus has been to use as much as possible of the raw material for frozen production. This trend witnessed over the past years in the industry, where a low volume of raw materials is available for the consumption segment, is expected to continue in 2014. In 2013, FoodCorp S.A, through its corporation with Alimar S.A, processed approx. 48,000 (2012: 46,000) tonnes in their facilities for human consumption, of which 40,000 tonnes (2012: 44,000) of horse mackerel and mackerel were caught by their own fleet.

Environmental & social responsibility

Our corporate social responsibility consists primarily in achieving commercial profitability without compromising on fundamental ethical values or requirements concerning environmentally sustainable operating principles.

For many years AUSS has worked actively to ensure that a strong focus on environmental attitudes and corporate social responsibility is exercised as part of daily operations. We therefore find it natural to include our account of this work in our annual report. In addition, we would like to outline some of the work that is done by our subsidiaries; Lerøy Seafood Group ASA, Austral Group S.A.A. and FoodCorp S.A. The Board of Directors maintains a constant focus on environmental standards and corporate social responsibility and works to ensure that all the Group's employees, at all stages of production are made aware of the need to exercise strong focus on environmental standards and social responsibility in their daily work. The Group's corporate social responsibility is manifested in the local communities in which it operates. For AUSS corporate social responsibility consists primarily in achieving commercial profitability without compromising on fundamental ethical values or requirements concerning environmentally sustainable operating principles.

Lerøy Seafood Group ASA

Environment

No other country in the world can match Norway's coast in terms of food production. Few nations can boast such a rich coastal culture, where the seafood industry has played such a central role throughout history in providing for vital local communities along the coast.

With the global population approaching 9 billion (by 2050), it seems perfectly natural for the increased demand for food production to be satisfied by a significant increase in fish farming.

Lerøy Seafood Group ASA (LSG) has a strategy whereby their fish farming activities are based on a "lasting perspective" which forms the foundations for the Group's utilization of coastal resources. Such a perspective requires the involvement of owners, employees and suppliers and is applied daily as we work to produce the best seafood in the world from production activities based on natural resources.

LSG is organised with local management for its fish farming activities, and the local management's knowledge of and care for the local environment are of decisive importance. LSG shall take a leading role in constantly improving the interaction between fish farming and the environment, aiming at generating positive and lasting environmental gains.

One important aspect in our efforts to reach our environmental goals is certification according to international environmental standards. In 2013, the ASC (Aquaculture Stewardship Council) standard was finally completed and provided the industry with a new and ambitious tool for securing environmentally friendly operations. For LSG, an ASC certification is a natural continuation of the Group's strong commitment to environmental protection. It allows us to guarantee and document that our fish farming activities are the foremost in the world in terms of environmentally sustainable production and that we possess both the competencies and capacity to make progress in such an important field.

The following areas related to environmental work receive special emphasis within fish farming activities:

- Work to prevent accidental release of fish
- Measures to reduce salmon lice
- Fish health and fish welfare

- Efficient utilisation of land and sea areas
- Reduction of discharge of nutrient salt from premises

Moreover, the Group has invested a significant capacity in development projects which aim to enhance sustainability for fish farming activities, and these include:

- Raw materials for fish feed
- Ensuring compliance with our requirements for sustainable and regulated fishing
- Ensuring that fish health, fish welfare and the environment are taken into account when developing new raw materials for fish feed
- Contributing to the production of new marine raw materials for fish feed
- Development of new technology for fish farming in both fresh water and at sea.
- Paving the way for improvements in bio-safety throughout the value chain, from parent fish to harvesting.

The Group's fish farming companies have established a clearly defined set of goals for each operational segment and have developed operating procedures specifically to ensure that they can reach the goals set for such important environmental work. The Group also carries out regular internal and external audits to ensure full compliance between operating procedures and proper conduct. The Group has implemented advanced technology to secure and monitor operations and has developed requirement specifications for our suppliers which shall contribute towards active participation by the suppliers in our efforts to achieve our environmental goals.

There is such vast potential off the coast of Norway for increased production of seafood. At the same time, however, we also have a strong obligation to ensure full environmental protection so that we can realise our "lasting perspective" for fish farming. Our environmental vision, "Take action today for a difference tomorrow" therefore provides a clear statement from every employee within the Group that we fully intend, every day, to take the initiative for environmental improvements, benefiting both the environment, the fish farming industry and our coastal communities.

Ethics and social responsibility

LSG is a corporation involved in global business and working relationships with suppliers and subcontractors worldwide. In order to safeguard all our activities, we have prepared a set of ground rules which apply to us and our partners on a daily basis. Our ethical guidelines have been reviewed by the Board of Directors and implemented in every Group company. The Group is responsible for ensuring practice of these ethical guidelines, but each employee also bears an individual responsibility to follow the guidelines when carrying out tasks for the Group. The company management is responsible for ensuring full practice of and compliance with the ethical guidelines.

The set of ground rules has been divided into two separate areas and comprises the following:

Part 1: Factors relating to the company, suppliers and subcontractors.

Part 2: Factors relating to the individual employee.

Key words for the contents of the ethical guidelines:

- Ethical requirements on suppliers and subcontractors
- Requirements on regulation of working conditions for employees
- The rights of the company's employees, employees of suppliers and subcontractors
- HSE aspects
- Forced labour/discrimination
- Exploitation of resources and impact on local environment
- Corruption
- Notification of censurable conditions
- Ethical guides for employees representing the company outside the workplace

LSG is fully committed to developing the local communities where the Group's different facilities are located, and aims to generate increased earnings for these communities by purchasing the highest ratio possible of local goods, equipment and services. Lerøy Seafood Group's companies purchased goods, equipment and services in Norway totalling NOK 8.4 billion in 2013. The figures show that the Group purchased these goods, equipment and services from a total 296 different municipalities. In 2013, the Group had facilities located in 49 different Norwegian municipalities. Our employees paid income tax totalling NOK 204 million to 18 different municipalities. Based on activities over the past five years, LSG as a corporation has paid NOK 1.2 billion in tax. As such, we make an important contribution towards sustaining a number of local communities and workplaces in many different parts of Norway.

LSG compiles GRI reports, according to the Global Reporting Initiative. This report can be downloaded from the company's website, www.lsg.no.

As a corporation, LSG has decided to support activities related to children and young people in local communities. Diet, health and healthy eating are important elements in our efforts to help children and young people, and are essential for young people if they want to achieve their goals. It is therefore always a great pleasure to see children and young people enjoying healthy seafood at different events and in different contexts.

(Source: LSG) For full report download from the company`s website: www.lsg.no

Austral Group S.A.A

Quality management model

Austral Group S.A.A is one of the few companies and the only one in the Latin–American fishing sector with an "Integrated Quality Management System" which complies with 11 international standards from Quality, Safety and Environmental Management.

The base of the Environmental Model comprises of five integrated standards: ISO 9001:2008 Quality Management System, ISO 14001:2004 Environmental Management System, DOLPHIN SAFE Regulations System for the Control of Indiscriminate Fishing, FRIENDS OF THE SEA System of Marine Foodstuffs Sourced from Sustainable Fisheries Certification and the "Global Standard for the Responsible Supply, IFFO" for all our fishmeal and fish oil plants.

The Environmental Management model is complemented by six other certified international standards systematically applied in all our plants and fishing fleet since 2002: FEMAS (Plan for Feed Materials), BRC (Foodstuffs Quality Management System), IFS (Safety Regulations in the Process of Food Manufacturing), FDA (Federal Regulation for Drug and Foodstuffs), ITP (Health License) and BASC (Business Alliance for Secure Commerce).

Environmental programs and goals in 2013

In 2013, we developed eight Environmental Management Programs, related to the management of waste and pollutants, reduction of gaseous emissions and decreased fat in the effluents in plants. For our fleet we developed two Environmental Management Programs related to disposal of asbestos on board of vessels and the monitoring of air emissions.

Austral Group S.A.A periodically monitors the combustion gas emission sources (boilers and internal combustion engines), air quality, noise quality and air emissions from our processing plants, in order to determine to what extent our operations affect the environment.

Environmental monitoring in the process emissions, air quality processing effluents from plants programs respond to the implementation plan to adjust ourselves to the LMP established environmental legal regulations in force. We regularly perform monitoring of combustion gases emissions in the fishing fleet.

As part of the Environmental Management model, we formulate five environmental indicators:
1) fat in effluent, 2) total suspended solids in effluent, 3) efficiency of flotation cells, 4) Plant waste reuse and, 5) waste disposal in fishing vessels.

Social responsibility

In Austral Group S.A.A we work under a sustainability approach, which is reflected in a management model that channels each of the actions and processes of the company, taking into account the impact in all our stakeholders and in our society.

In 2013 this management model was awarded, for the second consecutive year, with the Socially Responsible Company award granted by the recognised Association Peru 2021 and the Mexican Center for Philanthropy recognizing companies that demonstrate high standards of social responsibility.

Austral Group S.A.A as the company seeks to be an agent of development, carrying out projects that benefit both the company and its stakeholders, seeking a successful combination between sustainability and profitability.

All programs, projects and campaigns of social responsibility from the company, respond to three courses of action:

- Nutrition and Health
- Education and Employment
- Environment

Based on this management model in 2013 the following projects have been developed

"Growing together": Development Project for Local Artisan Fishermen: Growing Together is a program aimed at developing artisanal fishermen who live in communities that surround our plants. We started this program in Coishco and until now we are working with the Association of Fishermen ASUPAC.
In 2013, Austral Group S.A.A has contributed with the formalization of 86% ASUPAC members. We also supported the preparation of the plan for building their local and together, we have begun the Market Study and Business Plan for a small business idea with hydrobiological resources.

Education Project: "Saturdays of Maths"
This programme was created to enhance the knowledge

and love of mathematics in children from 1st and 2nd grade of Coishco, Huarmey, Chancay, Pisco and Ilo locations. Until 2013, the programme has benefited over 500 children.

This programme lasted six months and was implemented under the methodology of "Mathematics for Everybody" created by renowned Apoyo Institute, which is one of the most successful methodologies in Peru.

Participating children had an approach to mathematics based on logical reasoning and enjoyed dynamically classes that were conducted at the premises of the company.

The success of the test was measured with a knowledge input and output, in which the percentage of learning was assessed. Children had increased their knowledge by 30%.

Nutrition program: "Eating well"

Austral Group S.A.A, in partnership with the NGO World Vision Peru, international Christian organization focused on the potential of children, implemented the "eating well" program. The aim was improved the nutritional and psychomotor status of 209 children between 6 months and 5 years old from Chancay community based on a diet that includes consumption of Peruvian sardines three times a week.

The program included bi-monthly checking control to the participating children in order to assess their levels of hemoglobin, weight and height. There were also talks and workshops for mothers where they were taught the benefits of eating Peruvian sardine and the various ways to prepare it.

Austral Group S.A.A has delivered to the participating families 21,000 cans for the program purposes and this canned food will be the base to their diet.

Health Campaign: "Austral takes care of you"

Austral Group S.A.A and various state institutions such as the Ministry of Health, municipalities and others have developed together various health campaigns aimed at the provincial level to prevent diseases such as dengue and tuberculosis. In 2013 we benefited more than 3,000 people nationwide. In every campaign we have promoted the consumption of fish, especially the Peruvian sardine, as a source of vitamins and proteins that help prevent diseases.

Additionally, in 2014 Austral Group S.A.A will be one of the first companies in the world reporting to the Global Reporting Initiative in the G4 version. Our report will be about all our performance in 2013 and will show our social responsible culture.

Human rights

Since 2012 Austral Group S.A.A is member of The Global Compact Program, through which Austral align its operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-Corruption set by the United Nations.

In addition, in 2013, Austral Group S.A.A. was one of the first 16 Peruvian companies that signed the Business Commitment to the Prevention and Eradication of Child Labour promoted by the Global Compact, Telefonica del Peru and CONFIEP. By joining this initiative, Austral Group S.A:A is part of a movement replicated in Latin America and the Caribbean and is positioned in the front line in the struggle against child labor, which affects 1.7 million children in our country and 215 million children worldwide .

Anti-corruption program

Austral Group S.A.A is committed to maintaining a strict anti-corruption policy in our business. For more than four years we have an internal Manual of Ethics and Values that guides and sets rules for all our employees. At the end of 2013 we worked on the draft of the Policy Corruption and Fraud, which was developed, based on the FCPA (Foreign Corrupt Practice Act) U.S. law and the COSO methodology that contains the main guidelines for the implementation, management and control of a control system.

This policy aims to integrate the components of the system of internal control to prevent and manage events of fraud and corruption in Austral Group S.A.A, directing and promoting the principles and values promulgated in relation to the business ethics and corporate policy.

(Source: Austral Group S.A.A)

FoodCorp S.A

In 2012 FoodCorp went into a commercial cooperation with Alimar, under a new company, MarFood. This was an important move which was necessary for the company to adapt to the reduction of fishing quotas in Chile. The cooperation created new challenges in merging two different corporate cultures that included the adoption by MarFood of FoodCorp's Environmental and Social Responsibility Program (ESR), which was introduced as an organizational culture in 2006. Currently the ESR is aligned with the United Nation's Global Compact

Program, lining up operations and strategies within 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption standards set by the United Nations.

The program is divided into Internal (workers) and External (local community) chapters. The ESR program runs under the leadership of a CSR Committee formed by a group of volunteer workers.

In 2013 the program's Internal chapter has focused on three themes; a safe and healthy working environment, inclusion and professional development. The safe and healthy working environment has been achieved through active participation of an internal health and incident prevention committee, with members both elected by workers and appointed by management. Seminars regarding healthy nutrition and preventative medical check-ups have been presented and we have implemented a solid waste management program. Inclusion has been furthered through permanent working positions for people with different capacities. Professional development has included on-going training programs for workers, improving their skills and growth within the company.

In 2013 the program's External chapter has focused on four main initiatives; through continuing with our external program supporting local public and disabled children schools, with important volunteer activity from our workers; with active participation in the organization of a public and private company community program in Coronel, which includes local Municipality and central Government's offices; through a cooperation program with local athletes, promoting sports as healthy way of life among the family of workers and community; and through cooperation with small local fishermen to develop new opportunities.

FoodCorp S.A. and MarFood S.A. consider environment and social responsibility as "a business vision integrated throughout all our industrial process and is considered a value generator for the Company".

(Source: FoodCorp S.A)

Corporate governance

1. Introduction

1.1 Background

AUSTEVOLL SEAFOOD ASA ("AUSS" or the "Company"), the parent company in AUSS' group of companies ("The Group"), is established and registered in Norway and subject to Norwegian law, hereunder corporate and other laws and regulations. The Company's aim is to observe all relevant laws and regulations, and the Norwegian recommendation for corporate governance. This also applies for all other companies within the Group, and consequently this document applies to the extent reasonable for all companies therein.

The Company's Board of Directors adopted in its meeting held on 29 August 2006 a document which largely and in principle adhered to the then applicable Corporate Governance standard, with a few deviations. The Board of Directors have later examined revised versions of the Corporate Governance standard, published by the Norwegian Committee for Corporate Governance (NUES), latest standard published on 23 October, 2012. The Board has approved and adopted this document as the Company's Corporate Governance Policy to reflect the will of AUSS to fully comply with the Corporate Governance recommendations from NUES. The Company will act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market.

1.2 Objective

This governing document contains measures which have been and will be implemented to secure efficient management and control of the activities of the Company. The main objective is to establish and maintain systems for communication, surveillance and incentives which will increase and maximise the financial results of the Company, its long term soundness and overall success, and investment return for its shareholders.
The development and improvement of the Company's Corporate Governance is a continuous and important process, on which the Board of Directors and the Executive Management keep a keen focus.

1.3 Rules and regulations

The Company is a public limited company listed on the Oslo Stock Exchange. In that respect the Company is subject to the corporate governance regulations contained in the Public Limited Companies Act 1997 (asal.), the Securities Trading Act 2007 (vphl), the Stock Exchange Act with regulations (børsreg) and other applicable legislation and regulations, including the NUES recommendations.

1.4 Management of the Company

Management of and control over the Company is divided between the shareholders, represented through the general meeting of the shareholders, the Board of Directors and the Managing Director (CEO) in accordance with applicable legislation. The Company has an external and independent auditor.

1.5 Implementation and reporting on Corporate Governance

The Board of Directors must ensure that the company implements sound corporate governance.

The Board of Directors must provide a report on the company's corporate governance in the directors` report or in a document that is referred to in the directors` report. The report on the Company`s corporate governance must cover every section of the Code of Practice. If the Company does not fully comply with this Code of Practice, the Company must provide an explanation of the reason for the deviation and what alternative solution it has selected.

The Board of Directors should define the company's basic corporate values and formulate ethical guidelines and guidelines for corporate social responsibility in accordance with these values.

The Board has decided to follow the Norwegian Recommendation for Corporate Governance and the Group has drawn up a separate policy for Corporate Governance.

AUSS takes a very conscious approach to its responsibility for ethical conduct, society at large and the environment. The Company has prepared a set of ethical guidelines for Group employees, aiming to establish common principles and regulations which govern all employees within AUSS and its subsidiaries. The Group`s ethical guidelines for conduct reflect the values represented by the Group and guide the employees to make use of the correct principles for business conduct, impartiality, conflict of interest, political activity, entertaining customers, processing information and duty of confidentiality, relationships with business partners, corruption, whistle blowing, bribes etc. Each employee is individually responsible for practising the ethical guidelines. The Company has prepared an Ethics Test for employees which will help them to make the right decisions whenever needed. The company management is responsible for ensuring compliance with the regulations.

The Company's goal is to contribute towards improving human rights, labour rights and environmental protection, both within the Group, in relation to suppliers and subcontractors; in addition The Board of Directors report has a paragraph on Social, health, safety and the environment. In the Company's annual report content of the environmental and social responsibility for the largest subsidiaries can be found in the chapter Environmental and Social responsibility.

Deviation from the Recommendations: None.

2. Business

The Company's business shall be clearly defined in its Articles of Association.

The Company shall aim at securing and developing the Company's position as a leading actor within its business activities, to the benefit of its owners, and based on strategies founded on ethical behaviour within applicable laws and regulations.

The annual report should include the objectives clause from the Articles of Association and contain descriptions of the company's principal objectives and strategies.

The objective of the company is to be engaged in production, trade and service industry, including fish farming, fishing operations and ship owning business and any business related thereto, including investments in other companies with similar objects.

These statements appear in § 3 of Austevoll Seafood ASA's articles of associations.

Departures from the Recommendations: None

3. Equity and dividends

The company should have an equity capital at a level appropriate to its objectives, strategy and risk profile. The aim of the Company is to produce a competitive return on the investment of its shareholders, through distribution of dividends and increase in share prices. The Board of directors shall in its assessment of the scope and volumes of dividend emphasise security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimise capital costs.

Mandates granted to the Board of Directors to increase the Company's share capital shall be subject to defined purposes and frames and shall be limited in time to no later than the date of the next annual general meeting. This should also apply to mandates granted to the Board for the Company to purchase own shares.

Equity

The company's need for financial strength is considered at any time in the light of its objective, strategy and risk profile. The Board of Directors considers consolidated equity to be satisfactory.

Dividend policy

The goal is, over time, to pay out 20% to 40% of the Group's net profit as dividends.

Capital Increase

The Board has the authority until the ordinary general meeting in 2014 to increase the share capital by issuing up to 20.271.737 shares.

Purchase of treasury shares

The Board has the authority, until the ordinary general meeting in 2014, to purchase treasury shares in Austevoll Seafood ASA limited to 10% of the company's share capital. Shares may not be purchased for less than NOK 20 per share, and no more than NOK 150 per share.

At 31 December 2013, the Group owned no treasury shares.

Deviations from the Recommendations: None

4. Equal treatment of shareholders and transactions with close associates

The company shall only have one class of shares.

Any decision to waive the pre-emption right of existing shareholders to subscribe for shares in the event of an increase in share capital should be justified. Where the Board of Directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the Board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Any transactions the company carries out in its own shares shall be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way.

In the event of any not immaterial transactions between the Company and shareholders, a shareholder`s parent company, members of the Board of Directors, members of the Executive Management or close associates of any such parties, the Board shall arrange for valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Public Limited Companies Act. Independent valuation should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Members of the Board of Directors and the Executive Management are obliged to notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

Class of shares

Austevoll Seafood ASA has only one class of shares. The articles of associations place no restrictions on voting rights. All shares are equal.

Trading in treasury shares

The Board's authorisation to acquire treasury shares is based on the assumption that the acquisition will take place in the open market. Acquired shares may be disposed in the market or used as payments for acquisitions.

Transactions between related parties

See note 32 for related party transactions.

Deviations from the Recommendations: None

5. Freely negotiable shares

Shares in listed companies must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability should be included in a company's articles of association.

The articles of association place no restrictions on negotiability. The shares are freely negotiable.

Deviations from the Recommendations: None

6. General meetings

The Board of Directors should take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the company, and that general meetings are an effective forum for the views of shareholders and the board. Such steps should include:

- making the notice calling the general meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the company's website no later than 21 days prior to the date of the general meeting, and sending the notice of general meeting (following amendment to the Company's Article of Association adopted in the ordinary general meeting in 2010 the supporting documentation is only available on the Company's web site) to shareholders no later than three weeks prior to the date of the general meeting
- ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting
- setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible
- ensuring that shareholders who cannot attend the meeting in person can vote by proxy
- ensuring that the members of the Board of Directors and the nomination committee and the auditor are present at the general meeting
- making arrangements to ensure an independent chairman for the general meeting

The notice calling the general meeting shall provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting. The notice should also set out:

- the procedure for representation at the meeting through a proxy, including a form to appoint a proxy
- the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting
- the web pages where the notice calling the meeting and other supporting documents will be made available

The company should, at the earliest possible opportunity, make available on its website:

- information on the right of shareholders to propose matters to be considered by the general meeting
- proposals for resolutions to be considered by the general meeting, alternatively comments on matters where no resolution is proposed
- a form for appointing a proxy

The Board of Directors and the chairman of the general meeting should ensure that the general meeting is given the opportunity to vote separately for each candidate nominated for election to the company's corporate bodies.

By virtue of the Annual General Meeting, the shareholders are guaranteed participation in the Groups supreme governing body. The following matters shall be discussed and resolved at the annual general meeting:

- Adoption of the annual financial statement and the annual report, including distribution of dividends.
- Any other matters which by virtue of law or the articles pertain to the general meeting

Notification

The annual general meeting shall be held each year no later than six months after the end of each financial year. Notification shall be sent out within the deadlines in the Code of practice and relevant documentation is available on the Group's website at least 21 days prior to the general meeting. The Financial Calendar is published on the internet and through a notification to Oslo Stock Exchange.

Participation

It is possible to register by post, telefax or e-mail. Shareholders who cannot attend the meeting can authorise a proxy, and the system facilitates the use of proxies on each individual item for discussion.

Deviations from the Recommendations: None

7. Nomination committee

The company should have a nomination committee, and the general meeting should elect the chairperson and members of the nomination committee and should determine the committee's remuneration.

The nomination committee should be laid down in the Company's Articles of Association. The general meeting should stipulate guidelines for the duties of the nomination committee.

The members of the nomination committee should be elected to take into account the interests of shareholders in general. The majority of the committee should be independent of the Board of Directors and the executive management. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the board. No more than one member of the nomination committee should be a member of the Board of Directors, and any such member should not offer himself for re-election to the Board. The nomination committee should not include the company's chief executive or any other member of the company's executive management.

The nomination committee's duties are to propose candidates for election to the corporate assembly and the Board of Directors and to propose the fees to be paid to members of these bodies.

The nomination committee should justify its recommendations.

The company should provide information on the membership of the committee and any deadlines for submitting proposals to the committee.

According to the Articles of Association § 6 the company shall have a nomination committee. The nomination committee shall issue a proposal to the general meeting regarding the election of shareholder elected Board members. The nomination committee shall consist of three members. The members of the committee shall be elected by the company's annual general meeting, which also appoints the committee's chairman. The members of the nomination committee are elected by the general meeting for terms of two years at a time. The general meeting determines the remuneration of the committee's members.

Composition

The current committee was elected on the AGM on May 24th 2012 and consists of:

Harald Eikesdal, Harald Eikesdal is a lawyer with the firm Eikesdal, Meling, Nygård, Lande and Sveinal. He previously held a position as Divisional Head with the Norwegian Ministry of Finance and as a deputy judge and notary public at Haugesund Magistrates Court. Harald Eikesdal is the Deputy Chairman of Laco AS.

Nils Petter Hollekim, Mr. Hollekim has a degree in Business Administration and has worked as an administrator/analyst for Norwegian fund management companies for 25 years. He has spent the past 15 years working as a portfolio manager for ODIN Forvaltning AS. He is now a self-employed consultant and investment manager.

Anne Sofie Utne. Mrs. Utne holds a Master of Economy from the Norwegian University of Life Science (Universitetet for Miljø- og Biovitenskap). Mrs. Utne has for the last six years worked as a business advisor within the Norwegian aquaculture industry through her fully owned consulting company Kauna AS. Her former position was head of the Aquaculture department of a branch specialist unit in DNB Bank ASA, and she has extensive experience in financial transactions related to national and international corporations within the aquaculture industry.

The company has not yet established specific guidelines for the nomination committee. However, the composition of the nomination committee is such that the interests of the shareholders in general are taken into account in that the majority within the committee is independent of the Board and other executive personnel.

Deviations from the Recommendations: None

8. Board of Directors: composition and independence

Where a company has corporate assembly, the composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interest. The majority of the shareholder-elected members of the board should be independent of the company's executive management and material business contacts. At least two of the members of the board elected by shareholders should be independent of the company's main shareholder(s). In the assessment of independency the following criteria shall be considered:

- whether the relevant person has been employed with the Company during the foregoing three years
- whether the relevant person has received or is receiving other kinds of remuneration from the Company other than the Director's remuneration, or participates in a share option program or result based remuneration arrangement
- whether the relevant person has had major business relation with the Company over the three foregoing years.

The Board of Directors shall not include representatives of the Company's executive management. With a view to effective group management, representatives from the Executive Management may however serve as Directors in group subsidiaries.

The Chairman of the Board of Directors shall be elected by the general meeting.

Members of the Board of Directors shall not be elected for more than two years at a time.

The annual report shall provide information to illustrate the expertise and capacity of the members of the Board of Directors and identify which members are considered to be independent.

Members of the Board of Directors shall be encouraged to own shares in the Company.

Composition of Board of Directors

According to the Articles of Association § 6 The Company's Board of Directors shall consist of 5 – 7 directors elected by the shareholders. Austevoll Seafood ASA has endeavoured to adapt directors' backgrounds, competence, capacity and affiliation to the Group's business activities and its need for diversity.

The Board of Directors consists of the following persons:

Helge Singelstad, Singelstad is CEO in Laco AS. Mr. Singelstad holds a degree in computer engineering from Bergen Ingeniørskole, a degree in Business Administration from the Norwegian School of Economics and Administration (NHH) and a 1st degree of law from the University of Bergen. He chairs and serves on numerous Boards of Directors, including being the Chairman of the Board in Lerøy Seafood Group ASA, Pelagia AS, Sjøtroll Havbruk AS and DOF ASA. Mr. Singelstad has extensive experience from various types of businesses: oil companies, ship equipment and the seafood sector.

Oddvar Skjegstad, Deputy Chairman. Mr. Skjegstad has a degree as Master of Business and Administration from NHH. Mr. Skjegstad is self employed and has wide experience from executive positions in public administration, bank and industrial activity and holds board positions in companies within several different business sectors.

Helge Møgster, Mr. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mr. Møgster has extensive experience from the offshore service sector and all aspects of the fisheries sector. He is holding board positions in several companies.

Hilde Waage. Mrs Waage is educated Master of Science from Norwegian School of Management. She has the position as Deputy CEO/CFO of Ocea Group , a global supplier to the Aquaculture Industry. From previously Mrs. Waage holds a wide experience from Banking, Shipping, the Fishing Industry in Chile and Management Consulting.

Inga Lise L. Moldestad. Mrs. Moldestad is educated as Master in Business and Economics and State Authorised Public Accountant from Norwegian School of Economic (NHH). Mrs. Moldestad holds the position as Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based fund management company. She has extensive experience from the asset management industry within Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young.

Lill Maren Møgster. Mrs. Møgster is educated Bachelor of Management from BI Norwegian Business School and she holds the position as controller in Hallvard Lerøy AS. Lill Maren Møgster has been working in various subsidiaries of Laco AS since 2007, and has experience from sales and economy.

The Boards autonomy

Except for the Chairman Helge Singelstad, Lill Maren Møgster and Helge Møgster, all members of the Board are independent of the Company's major shareholders, the Company's management and the Company's main business relations. There are no conflicts of interest between any duties to the Company of the members of the Board or the Company's management, and their private interests or other duties.

No members of Group management are Directors. Directors are elected by the general meeting for a term of two years.

Directors' ownership of shares:

- Oddvar Skjegstad owns, through Rehua AS, 55,000 shares in the company.
- Helge Møgster owns, through Laco AS, 23,053,289 shares in the company.
- Helge Singelstad owns 50,000 shares in the company.
- Inga Lise L. Moldestad owns, through Ingasset AS, 40,000 shares in the company.
- Lill Maren Møgster owns, through Laco AS, 22,521,775 shares in the company.

Deviations from the Recommendations: None

9. The work of the Board of Directors

The Board of Directors shall produce an annual schedule for its work, with particular emphasis on objectives, strategy and implementation.

The Board of Directors shall from time to time issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. The CEO, CFO and Director of Legal Affairs/Counsel of the Company shall have an obligation and a right to participate in the meetings of the Board of Directors as long as anything to the contrary has not been decided.

A deputy chairman should be elected for the purpose of chairing the Board in the event that the chairman cannot or should not lead the work of the Board.

The Board of Directors shall consider appointing board committees in order to help ensure thorough and independent preparation of matters relating to finical reporting and compensation paid to the members of the executive management. Membership of such sub-committees should be restricted to members of the Board who are independent of the company's Executive Management.

The Board of Directors shall provide details in the annual report of any board committees appointed.

The Board of Directors shall evaluate its performance and expertise annually.

Board responsibilities

Norwegian law lays down the tasks and responsibilities of the Board of directors. These include overall management and supervision for the company. Towards the end of each year the Board adopts a detailed plan for the following financial year. This plan covers the follow-up of the company's operations, internal control, strategy development and other issues. The company complies with the deadlines issued by Oslo Stock Exchange with regards to interim reports.

Instructions to the Board of Directors

The Board's instructions are extensive and were last revised on 28.03.2008. The instructions cover the following points: the Boards responsibly and obligations, the CEO's information obligations to the Board, and the procedures of the Board.

Use of Board committees

The Nomination Committee is governed by the Articles of Association. The Board established an Audit Committee at the end of 2008.

The committees are solely responsible to the full corporate Board and their authority is limited to making recommendations to the Board, however the Nomination Committee makes recommendations for election of Board Members to the general meeting of shareholders.

Audit committee

The Audit committee has responsibilities related to financial reporting, the independent auditor and risk management and consists of two Board members. The independent auditor usually attends the meetings. The CEO and other directors are entitled to attend if the audit committee so desire.

Members: Oddvar Skjegstad and Inga Lise L. Moldestad

The Board's self-evaluation

Each year, a special Board meeting shall be organised on topics related to the Groups operations and the Board's duties and working methods.

Deviations from the Recommendations: None

10. Risk management and internal control

The Board of Directors must ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. Internal control and the systems should also encompass the company's corporate values and ethical guidelines and guidelines for social responsibility.

The Board of Directors should carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board of Directors should provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

Internal control and risk management

The Group's activities are varied, depending on each unit's position in the value chain, and consequently require differentiated forms of management and follow-up. Good internal management systems are essential for success, and these must be continuously developed in order to accommodate changing economic conditions. The internal control is based on daily and weekly reports that are summarised into monthly reports tailored to the individual company, while at the same time providing satisfactory reporting at Group level. There is an emphasis on the importance of uniform reporting procedures and formats in order to ensure correct reporting from all units and up to an aggregate level.

Review by the Board of Directors

A significant volume of the work of the Board of Directors is ensuring that the company management is familiar with and understands the Group's risk areas and that risk is managed by means of appropriate internal control. Frequent valuations and assessments are conducted of both the management's and Board's understanding of risk and internal control. The audit committee plays an important role in these valuations and assessments.

Description of the main elements of risk management and internal control related to financial reports.

Internal control within the Group is based on the recommendation from the "Committee of Sponsoring Organizations of the Treadway Commissions" (COSO), and covers control environment, risk assessment, control activities, information and communication, and monitoring. The content of these different elements is described in detail below.

Control environment

The core of an enterprise is the employees' individual skills, ethical values and competence, in addition to the environment in which they work.

Guidelines for financial reporting

On behalf of the CFO, the Chief Accountant for the Group provides guidelines to entities within the Group. These guidelines place requirements on both the content of and process for financial reporting.

Organisation and responsibility

The Chief Accountant for the Group reports to the CFO and is responsible for areas such as financial reporting, budgets and internal control of financial reporting within the Group.

The Directors of the entities which issue the reports are responsible for continuous financial monitoring and reporting. The entities all have management groups and financial functions which are adapted to their organisations and business activities.

The entity managers shall ensure implementation of an appropriate and efficient internal control and are responsible for compliance with requirements.

The audit committee shall monitor the process of financial reporting and ensure that the Group's internal control and risk management systems function efficiently. The audit committee shall also ensure that the Group has an independent and efficient external auditor.

The financial statements for all companies in the Group are audited by an external auditor, within the framework established in international standards for auditing and quality control.

Risk assessment
The Chief Accountant for the Group and the CFO identify, assess and monitor the risk of errors in the Group's financial reports, together with the managers of each entity.

Control activities
Entities which issue reports are responsible for the implementation of sufficient control actions in order to prevent errors in the financial reports.

Processes and control measures have been established to ensure quality assurance of financial reports. These measures comprise mandates, division of work, reconciliation/documentation, IT controls, analyses, management reviews and Board representation within subsidiaries.

The Chief Accountant for the Group provides guidelines for financial reporting to the different Group entities. The Chief Accountant for the Group ensures that reporting takes place in accordance with prevailing legislation, accounting standards, established accounting principles and the Board's guidelines.

The Chief Accountant and the CFO continuously assess the Group's and the segments' financial reports. Analyses are carried out in relation to previous periods, between different entities and in relation to other companies within the same industry.

Review by the Group management
The Group management reviews the financial reports on a monthly basis, with the review including the development in figures for profit/loss and balance sheet.

Reviews by the audit committee, Board and general meeting
The audit committee and Board review the Group's financial reports on a quarterly basis. During such reviews, the audit committee has discussions with the management and external auditor. At least once a year, the Board holds a meeting with the external auditor, without the presence of the administration.

The Board reviews the interim accounts per quarter and the proposal for the financial statements. The financial statements are adopted by the general meeting.

Information and communications
The Group strongly emphasises correct and open information to shareholders, potential shareholders and other interested parties. Ref. item 13 "Information and communications" for more detailed information.

Monitoring

Reporting entities
Those persons responsible for reporting entities shall ensure appropriate and efficient internal control in accordance with requirements, and are responsible for compliance with such requirements.

Group level
The Chief Accountant and CFO review the financial reports issued by the entities and the Group, and assess any errors, omissions and required improvements.

External auditor
The external auditor shall provide the audit committee with a description of the main elements of the audit from the previous financial year, including and in particular significant weak points identified during internal control related to the process of financial reporting.

The Board of Directors
The Board, represented by the audit committee, monitors the process of financial reporting.

Deviations from the Recommendations: None

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board of Directors should not be linked to the Company's performance. The company should not grant share options to members of its board.

Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the Board.

The annual report should provide information on all remuneration paid to each member of the Board of Directors. Any remuneration in addition to normal directors' fees should be specifically identified.

The Directors fees are decided by the AGM. The Directors' fees are not linked to the company's performance.

None of the Board members have during 2013 had assignments for the company in addition to being members of the board.

Deviations from the Recommendations: None

12. Remuneration of the executive management

The Board of Directors is required by law to prepare guidelines for the remuneration of the members of the executive management. These guidelines shall be communicated to the annual meeting.

The guidelines for the remuneration of the executive management shall set out the main principles applied in determining the salary and other remuneration of the executive management. The guidelines should help to ensure convergence of the financial interests of the executive management and the shareholders.

Performance-related remuneration of the executive management in the form of share options, bonus programmes or the like should be linked to value creation for shareholders or the Company's earnings performance over time. Such arrangements, including share option arrangements, should incentivise performance and be based on quantifiable factors over which the employee in question can have influence. Performance-related remuneration should be subject to an absolute limit.

The remuneration policy for the executive management is determined by the Board of Directors and communicated to the annual general meeting. The guidelines regarding the remuneration are approved by the AGM. See note 12 for guidelines for remuneration to executive management.

The existing remuneration policy, each year subject to approval by guiding vote in the AGM, allows performance- related remuneration. The executive management has currently no such remuneration.

Deviations from the Recommendations: None

13. Information and communications

The Board of Directors should establish guidelines for the company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The company should publish an overview each year of the dates for major events such as its annual general meeting, publication of interim reports, public presentations, dividend payment date if appropriate etc.

All information distributed to the company's shareholders should be published on the company's web site at the same time as it is sent to shareholders.

The Board of Directors should establish guidelines for the company's contact with shareholders other than through general meetings.

The Company strongly emphasises correct and open information to shareholders, potential shareholders and other interested parties. The Company has presented quarterly reports with financial information since 2006.

The Company`s most important medium for distributing information will be the Oslo Stock Exchange reporting system, but the Company also aims to present such information directly to investors and analysts.
The Company aims to keep its shareholders informed via annual reports, quarterly reports and at appropriate presentations. In addition, press releases will be sent out regarding important events.

Every year, the Company publishes the company`s financial calendar, showing the dates for presentation of the interim financial statements and the date of the annual general meeting.

The Company`s website is updated constantly with information distributed to shareholders. The Company`s website is at: www.auss.no

Deviations from the Recommendations: None

14. Take-overs

The Board of Directors should establish guiding principles for how it will act in the event of a take-over bid.

In a bid situation, the company`s Board of Directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form view of the offer.

The Board of Directors should not seek to hinder or obstruct take-over bids for the Company's activities or shares unless there are particular reasons for this.

Any agreement with the bidder that acts to limit the company`s ability to arrange other bids for the company`s shares should only be entered into where it is self-evident that such an agreement is in the common interest of the company and its shareholders. This provision shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the costs the bidder has incurred in making the bid.

Agreements entered into between the company and the bidder that are material to the market`s evaluation of the bid should be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

In the event of a take-over bid for the Company's shares, the Company's Board of Directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a Company's shares, the Company's Board of Directors shall issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on the offer should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The board should arrange a valuation from an independent expert. The valuation should include an explanation, and should be made public no later than at the time of the public disclosure of the board`s statement. Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting.

Austevoll Seafood ASA's Articles of Association contain no limitation with regard to share acquisition. The shares are freely transferable. Transparency and equal treatment of shareholders is a fundamental policy. Should a bid be made for the company, the Board of Directors will make a thorough evaluation of the bid.

Deviations from the Recommendations: None

15. Auditor

The auditor should submit the main features of the plan for the audit of the company to the Boards of Directors annually.

The auditors should participate in meetings of the Board of Directors that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's account principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company.

The auditor should at least once a year present to the Board of Directors a review of the company's internal control procedures, including identified weaknesses and proposals for improvement.

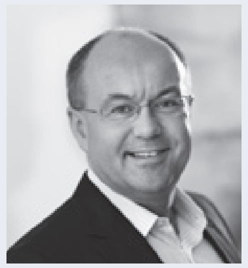
The Board of Directors shall hold a meeting with the auditor at least once a year at which neither the CEO nor any other member of the executive management is present.

The Board of Directors shall establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit. The Board should receive annual written confirmation from the auditor that the auditor continues to satisfy the requirements for independence. In addition, the auditor should provide the Board with summary of all services in addition to audit work that have been undertaken for the Company.

The company's auditor follows an annual audi¬ting plan which is reviewed in advance together with the Audit Com¬mittee and management. Furthermore, the auditor attends meetings together with the Audit Committee and manage¬ment subsequent to the interim audit and in connection with the Company's presentation of interim reports for the fourth quarter. The auditor attends the Board meeting for approval of the annual report, and also holds a meeting on the subject of the annual report with the Board to which meeting the management does not attend. The auditor prepares a written confirmation of independence for the Audit Committee, providing writ¬ten disclosure to the Committee of all other services provided in addition to mandatory auditing. Moreover, the audi¬tor is available for questions and comments to the annual accounts and other matters at the Board's discretion.

Deviations from the Recommendations: None

Directors of the board

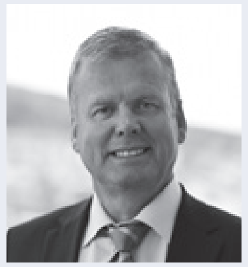


Helge Singelstad
Chairman
Singelstad is CEO in Laco AS. Mr. Singelstad holds a degree in computer engineering from Bergen Ingeniørskole, a degree in Business Administration from the Norwegian School of Economics and Administration (NHH) and a 1st degree of law from the University of Bergen. He chairs and serves on numerous Boards of Directors, including being the Chairman of the Board in Lerøy Seafood Group ASA, Pelagia AS, Sjøtroll Havbruk AS and DOF ASA. Mr. Singelstad has extensive experience from various types of businesses: oil companies, ship equipment and the seafood sector.

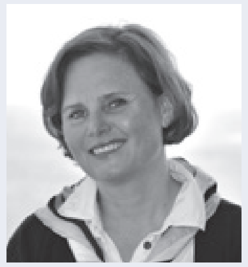
Oddvar Skjegstad
Deputy Chairman
Mr. Skjegstad has a degree as Master of Business and Administration from NHH. Mr. Skjegstad is self employed and has wide experience from executive positions in public administration, bank and industrial activity and holds board positions in companies within several different business sectors.

Lill Maren Møgster
Member of the Board
Mrs. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mrs. Møgster is educated Bachelor of Management from BI Norwegian Business School. She holds the position as controller in Hallvard Lerøy AS. Mrs. Møgster has been working in various subsidiaries of Laco AS since 2007, and has experience from sales and economy. She is holding board positions in several companies.

Inga Lise L. Moldestad
Member of the Board
Mrs. Moldestad is educated as Master in Business and Economics and State Authorised Public Accountant from Norwegian School of Economic (NHH). Mrs. Moldestad holds the position as Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based fund management company. She has extensive experience from the asset management industry within Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young.



Helge Møgster
Member of the Board
Mr. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mr. Møgster has extensive experience from the offshore service sector and all aspects of the fisheries sector. He is holding board positions in several companies.



Hilde Waage
Member of the Board
Mrs Waage is educated Master of Science from Norwegian School of Management. Deputy CEO/CFO Ocea Group, a global supplier to the Aquaculture Industry. From previously Mrs. Waage holds a wide experience from Banking, Shipping, the Fishing Industry in Chile and Management Consulting.

Board of directors' report for Austevoll Seafood ASA 2013

Introduction

Austevoll Seafood ASA (AUSS) is an integrated seafood group with operations in pelagic fishery, production of fishmeal and fish oil, processing of pelagic products for human consumption, and farming, sales and distribution of Atlantic salmon and trout. The Group has sales operations in Norway, Europe, Asia, USA and South America.

The company's head office is located in Storebø in Austevoll municipality.

Important events in 2013

Below is a summary of important events during the last year, plus any significant events that have occurred after the closing of the accounts on 31 December 2013:

• In February 2013 AUSS increased its ownership interest in Norway Pelagic Holding AS (NPEL) from 43.3% to 52.6%, triggering a mandatory offer for all the shares in NPEL. On expiry of the deadline to accept this offer, AUSS owned 90.1% of the shares in NPEL. AUSS acquired the remaining shares in NPEL through a compulsory buy-out in July 2013.

• In April 2013 Lerøy Seafood Group ASA (LSG) acquired 47.75% of the shares in Villa Organic AS (Villa). Villa is a salmon farming company with 16 farming licences in Finnmark. LSG acquired another 1.68% of the shares during the course of 2013, resulting in an ownership share in Villa of 49.43 at the close of 2013. The two largest shareholders have entered into an agreement to split the business into two separate entities in the first part of 2014.

• In July 2013 AUSS bought the remaining 50% of the shares in Welcon Invest AS (Welcon) from Origin Enterprises Plc. and thereby owns 100% of Welcon.

• In August 2013 AUSS signed an agreement with Kvefi AS (Kvefi), which is controlled by Kverva AS, to merge their business interests in Europe involved in pelagic fish for human consumption, fishmeal and fish oil. The agreement applies to the companies Norway Pelagic Holding AS, Welcon Invest AS and Egersund Fisk AS. As a result of this agreement Welcon Invest AS and Norway Pelagic Holding AS have been reported as discontinued operation held for sale in AUSS's consolidated accounts for 2013. After clearance from all the relevant competition authorities, the transaction was concluded on 21 January 2014, and Pelagia AS was established.

The Group's activities

In 2013 the Group's activities have been organised in the following business segments: Production of fishmeal and fish oil; Products for human consumption; Pelagic North Atlantic; and Production, sale and distribution of salmon, trout and other seafood.

Production of fishmeal and fish oil

Operations within production of fishmeal and fish oil are run by FoodCorp S.A. in Chile and Austral Group S.A.A. in Peru. In consequence of the agreement between AUSS and Kvefi, Welcon has been treated as a discontinued operation held for sale in 2013. AUSS's share of the profit from Welcon is presented in the consolidated accounts s profit from discontinued operations and has been included in the Group's profit after discontinued operations. The comparison figures have been restated accordingly.

In Chile the Group has a plant in Coronel and through its partnership with Alimar it also has a plant in Lota. Production at these plants is primarily based on anchoveta and cut-offs from pelagic human consumption products. Anchoveta as a raw material is mainly purchased from the coastal fishing fleet.

At 31 December 2013 the Group has seven factories in Peru located in Paita, Chicama, Coishco, Huarmey, Pisco, Chancay and Ilo. Production at these plants too is based on anchoveta and cut-offs from pelagic human consumption products. The company has its own quota for anchoveta, meaning it gets much of its raw materials from its own fleet. In addition to its own catches, the company also purchases raw materials from other companies in the industry. AUSS has decided to close down the plants in Chicama and Huarmey from 2014. The plant in Paita was sold in the first quarter of 2014. During the course of 2014 the capacity at the plant in Coishco will be increased from 80 tonnes an hour to 160 tonnes an hour.

In Europe production was carried out at Welcon's facilities in Bodø, Måløy, Karmøy, Grimsby, Aberdeen and Killybegs in 2013. Raw materials used in production are mainly blue whiting, capelin, sand eel, Norway pout, herring and cut-offs from pelagic production for human consumption. In Norway raw materials are purchased via the auction system operated by Norges Sildesalgslag (the Norwegian Fishermen's sales organisation for pelagic fish), with the exception of cut-offs, which are purchased directly from the production plants for products for human consumption. In addition Welcon owns 50% of the shares in Hordafor AS, which has a well-developed logistics system for the collection of cut-offs from pelagic fish and salmon for the production of protein concentrate and oil.

A total of 107,000 tonnes of fishmeal and fish oil were sold in 2013. This figure only includes operations in South America. The corresponding figure for 2012 was 162,000 tonnes. A significantly higher volume of anchoveta was fished in Peru in 2013 compared with 2012: 4.72 million tonnes in 2013 compared with 3.55 million tonnes in 2012. The reason for the higher sales volumes in 2012 compared with 2013, despite the lower quotas in 2012, is that the company in Peru had considerable stocks at the beginning of 2012. The situation was inverse at the beginning of 2013. This segment reported turnover totalling NOK 1,262 million in 2013, compared with NOK 1,483 million in 2012. The segment had an operating profit before depreciation and amortisation (EBITDA) of NOK 319 million in 2013, compared with NOK 370 million in 2012.

The average prices achieved for fishmeal and fish oil in 2013 were significantly higher than in 2012.

Products for human consumption

Operations within production for direct consumption are run by the subsidiaries FoodCorp S.A. in Chile and Austral Group S.A.A. in Peru. The products within this segment are canned horse mackerel, mackerel, sardines, tuna and salmon, in addition to processed horse mackerel for freezing and distribution of fresh fish.

The Group has two canning plants in Chile, located in Coronel and Puerto Montt, and one plant for processing pelagic fish for freezing in Coronel. In Peru the Group had three canning factories in 2013, located in Paita, Coishco and Pisco. The plant in Coishco also processes pelagic fish for freezing. The plant in Paita was sold in January 2014, and the Group has now concentrated its production for human consumption at the plants in Coishco and Pisco. The production capacity for frozen products at the plant in Coishco is being increased to 475 tonnes per hour in 2014.

In 2013 this business segment sold approx. 1.1 million boxes of canned products and approx. 15,000 tonnes of frozen products. By way of comparison, in 2012 it sold approx. 2.4 million boxes of canned products and 20,000 tonnes of frozen products.

In 2013 Austral Group S.A.A.'s fleet caught approx. 9,000 tonnes of horse mackerel and mackerel, compared with 26,000 tonnes in 2012. As expected, the quotas for horse mackerel in Chile were extremely low in 2013 too, and approx. 40,000 tonnes of horse mackerel were produced at the company's plants in 2013, compared with approx. 44,000 tonnes in 2012. In addition to raw materials from the company's own fleet, raw materials are also purchased from third parties for use in the business segment's production for consumption.

In 2013 this business segment had a turnover of NOK 350 million, compared with NOK 608 million in 2012. The segment reported a negative EBITDA of NOK -36 million for 2013, compared with a positive EBITDA of NOK 31 million in 2012. The prices achieved for frozen products were lower in 2013 than in 2012.

It is in line with the company's long-term strategy to gradually increase the share of raw materials used for direct consumption, where technically and commercially possible.

Pelagic North Atlantic

Until February AUSS owned 43.3% of the shares in NPEL. In February 2013 AUSS acquired 1,720,000 shares NPEL, triggering a mandatory offer for all the shares in NPEL. The offer document was published on 5 March 2013 with a deadline for acceptance of 3 April 2013. On expiry of the deadline to accept this offer, AUSS became the owner of 90.1% of the shares in NPEL. In July 2013 AUSS bought the remaining shares in NPEL and now owns all the shares in the company. In the interim reports for Q1 and Q2 2013 NPEL is treated as a fully consolidated subsidiary, whereas in the annual financial statements for 2013 NPEL is treated as a discontinued operation held for sale. The figures for previous accounting periods have been restated accordingly. AUSS's share of the profit from NPEL is presented in the consolidated accounts as profit from discontinued operations. AUSS has written down the value of NPEL by NOK 336 million in 2013.

Production, sale and distribution of Atlantic salmon and trout

The business segment Production, sale and distribution of Atlantic salmon and trout comprises all the operations of Lerøy Seafood Group ASA (LSG).

In 2013 this business segment had a turnover of NOK 10,819 million and EBITDA before biomass adjustment of NOK 1.938 million. Some 144,784 tonnes of salmon and trout from own production were sold in 2013. By way of comparison, in 2012 the segment had a turnover of NOK 9,103 million and EBITDA before biomass adjustment of NOK 775 million. The volume of salmon and trout sold from own production was 153.403 tonnes.

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 achieved for Atlantic salmon and trout. There has been a significant increase in output costs from 2012 to 2013, driven by higher feed prices, lower harvest weights, lower harvest volumes and a number of biological challenges in some regions. Reducing costs is a key focus area, and marine production costs are currently falling, meaning we expect lower output costs in 2014 compared with 2013.

In line with its market strategy, the business segment sold a broad range of seafood products to a large number of countries in 2013, with France, Norway and Asia as the main markets. It is satisfying to observe that the efforts related to distribution of fish in the Nordic countries are generating positive developments that strengthen our own and our customers' position in this important seafood market.

Shareholders

At 31 December 2013 AUSS had 4,452 shareholders. The share price was NOK 35.50 at the close of 2013, against NOK 28.50 at 31 December 2012. The company's share capital amounted to NOK 101,358,687 at 31 December 2013, divided among 202,717,374 shares, each with a nominal value of NOK 0.50.

Prior to the annual general meeting in 2014, the Board of Directors is authorised to increase the share capital by issuing 20,271,737 shares. The Board is also authorised to buy back up to 20,271,737 AUSS shares in the same period at a price ranging from NOK 20 to NOK 150. At year-end 2013 AUSS did not hold any own shares. A proposal will be made to the company's annual general meeting to extend the established authorisations.

AUSS aims to maximise wealth creation for the benefit of shareholders by constantly striving to achieve good results. Over time, the target is to pay out between 20% and 40% of the Group's net profit as dividends. The Board of Directors will recommend to the annual general meeting in 2014 a dividend of NOK 1.60 per share, compared with NOK 1.20 per share last year. If approved, the total dividend payment will amount to NOK 324,347,798.40, compared with NOK 243,260,848.80 last year.

The Board of Directors adheres to the Norwegian Code of Practice for Corporate Governance. The Board is of the opinion that AUSS is appropriately organised and that its activities are carried out in compliance with relevant legislation and regulations and in accordance with the company's objects and Articles of Association. See the chapter in the annual report on Corporate Governance for more detailed information.

Risk management and internal control

It is neither possible, nor wholly desirable, to eliminate all the risks related to the Group's activities. The Board of Directors does, however, strive to work systematically to identify risk areas and monitor defined risks within the Group companies. The Board views risk management as part of the long-term wealth creation for the company's shareholders, employees and the wider community. The Group's growth opportunities must always be viewed in the context of the Group's overall risk profile.

Identified risks are monitored on a regular basis to ensure that the Group's risk exposure is acceptable. The aim is to ensure that over time the Group, including the individual companies within the Group, increases its expertise in and awareness of risk identification and implements sound risk management procedures in order to help the Group achieve its overall targets. The level of systematic risk identification and risk management varies among the Group companies.

The Group's diversified company structure and product range, including its geographical spread, may limit risk in terms of specific product volatility and business cycles. The Group's internal control and risk management related to the process of financial reporting are described in chapter 10, Corporate Governance.

Employees

The Group had a total of 4,490 full-time equivalents (FTEs) in 2013, exclusive of operations held for sale, of whom 2,484 FTEs are outside Europe. The corresponding figures for 2012 were 5,036 FTEs of whom 3,107 were outside Europe. Female employees are under-represented in the Group's fishing activities and over-represented within processing. Three out of a total six members of the company's Board of Directors are women. The company thus fulfils the requirement for 40% female representation among shareholder-elected board members.

The sickness absence rate in 2013 was 4.72% for land-based working hours in the European part of the Group. The corresponding figure for 2012 was 4.87%. The Group takes active steps to try to reduce sickness absence.

In Norway the Group is affiliated with local company health services. A number of lost-time injuries were registered in the Group in 2013. Adverse events and near-accidents are registered on an ongoing basis in order to prevent future injuries. This focus on reporting and following up adverse events will help create a safer workplace.

The Group seeks at all times to ensure equal opportunities and rights for all employees, and to prevent discrimination on grounds of nationality, ethnicity, skin colour, language, religion or lifestyle. The Group also aims to be a workplace where there is no discrimination on grounds of disability.

Occupational health, safety and the working environment

The Group places great emphasis on managing and developing factors that can help increase expertise in and awareness of health, safety and working environment issues. Financial and technical resources are deployed to ensure that the Group's activities are operated in accordance with guidelines to promote the interests of the company and the environment.

Planning and implementation of new technical concepts make vessels and sea and land-based industry more efficient, easier to operate and more environmentally friendly, thus reducing the health and safety risks for employees. The processing industry in Norway has implemented quality assurance systems in accordance with regulations issued by the Directorate of Fisheries. The Group's fishmeal and fish oil production in Norway requires a licence and is governed by the regulations of the Norwegian Pollution Control Authority (SFT). All the Group's Peruvian factories, owned by Austral Group S.A.A, have ISO 14001 certification.

AUSS is committed to the sustainable management of fishery resources and actively monitors employee and management compliance with regulations and quota provisions, among other things to help ensure that resources are conserved for future generations.

Austral Group S.A.A has achieved Friend of the Sea certification. This is awarded by an independent certification body with detailed knowledge of fishing, and focuses on anchoveta. The certification relates to products based on anchoveta and can only be awarded after a comprehensive approval process. The certification awarded to Austral Group S.A.A covers fishmeal and fish oils, canned products and frozen goods based on Peruvian anchoveta. The certification confirms that the fish stocks are being harvested in accordance with criteria for sustainable fishing, and that the resources are not being overfished (www.friendofthesea.com).

The Group's fisheries focusing on Norwegian spring spawning herring and North Sea herring gained MSC certification on 30 April 2009. The MSC (Marine Stewardship Council) is an independent, non-profit organisation which seeks to promote responsible fishing in order to ensure sustainable fish stocks. The MSC has developed an environmental standard for sustainable and well-controlled fishing. The standard is based on three main principles: sustainable fish stocks, minimal impact on the ecosystem of which the stocks are part, and effective management.

The Group's fish farming operations are closely linked to natural conditions in Norwegian and international waters. Based on a long-term perspective, the Group seeks to protect and safeguard the environment in the areas used for fish farming. Environmental aspects form part of the Group's quality policy and are an integral part of the internal control system in the Group's fish-farming companies. This applies throughout the entire value chain from breeding to smolt production, fish for consumption, slaughtering, processing and distribution.

The Group's vessels are not considered to cause any pollution to the external environment over and above generally accepted and/or statutory levels. The Group's land-based facilities have purification systems linked to the production process, and operations are regulated by the requirements set for this type of activity. The Group focuses on reducing energy and water consumption, and the Board of Directors does not consider the Group's processing activities to cause any significant emissions or discharges to the external environment. The Group works continuously to minimise energy requirements per kilo of seafood produced in the Group's processing plants.

Corporate social responsibility

With effect from the 2013 financial year, it was decided through section 3-3c of the Accounting Act that large corporations must provide an account of the company's measures to integrate consideration of human rights, labour rights and social issues, protection of the external environment and anti-corruption into their business strategies.

For many years AUSS has worked actively to ensure that corporate social responsibility is exercised as part of daily operations. We therefore find it natural to include our account of this work in our annual report. In addition, this section of the annual report should be considered in the light of the other parts of the annual report. The Board of Directors maintains a constant focus on corporate social responsibility and works to ensure that all the Group's employees, at all stages of production, are made aware of the need to exercise social responsibility in their daily work, and that the Group's corporate social responsibility is manifested in the local communities in which it operates. For AUSS corporate social responsibility consists primarily in achieving commercial profitability without compromising on fundamental ethical values or requirements concerning environmentally sustainable operating principles.

The subsidiaries FoodCorp S.A. in Chile and Austral Group S.A.A. in Peru are affiliated with the United Nations Global Compact programme and adhere to the ten universal principles laid down in the Global Compact. Parts of AUSS's operations in Europe are currently considering whether to sign up to international standards for reporting, such as the UN Global Compact programme or the Global Reporting Initiative (GRI). The subsidiary Lerøy Seafood Group ASA Norway reported in accordance with the Global Reporting Initiative (GRI) in 2013 and has prepared a separate Environmental Report that is available in its entirety on the company's website www.leroy.no.

In 2009 AUSS implemented a Code of Conduct setting out ethical guidelines for employees conduct. These are currently under revision to adapt them to the new provisions in the Norwegian Accounting Act.
All the business segments report to the corporate management on a quarterly basis on factors such as health and safety, ethical conduct and whistle-blowing. Any reported non-compliance and/or suspected non-compliance is followed up by the management.

Human rights, labour rights and social issues

AUSS is represented in a number of different locations around the world. The Board finds that our operations have a substantial positive impact in the communities where we operate. Our business operations generate local taxes and provide jobs and social activities. In 2013 too the Group has actively supported local and voluntary organisations in the communities in which our companies are established, with a special focus on activities aimed at children and young people. For example, in Peru we have been involved in education and training, nutrition and health, and environmental activities.

AUSS has zero tolerance for violations of fundamental human rights and social dumping. The management actively monitors that all parts of our business offer the employees terms and conditions that meet all the local minimum requirements. We also actively encourage our business partners to do the same. AUSS refuses to work with third parties that violate the basic rights of workers.

As a leading producer of Atlantic salmon and trout and pelagic fish products, AUSS makes a positive contribution to public health, both locally and globally by producing products that are rich in protein and omega-3, both of which are important elements of a balanced diet for the world's population. Within Atlantic salmon and trout, the Group has worked systematically on product development for many years with a view to making our products readily available to consumers and easy to prepare.

The external environment

For a detailed account of AUSS's environmental performance, please see the presentation in the annual report concerning the impacts of operations on the external environment and our work to mitigate any adverse effects.

Anti-corruption

As mentioned above AUSS's Code of Conduct prescribes that it is forbidden for any employee, directly or through intermediaries, to offer, pay, invite or receive benefits that contravene Norwegian or international law. Our Code of Conduct also requires an assessment of all the partners in Norway and overseas with which AUSS enters into agreements. All employees are required to report any breach of the Code of Conduct to their immediate supervisor. If the matter concerns a superior or the employee cannot contact a superior, the matter should be reported to the general manager or chair of the board of the relevant company. It is a priority for AUSS that whistle-blowing does not have negative consequences for the person who reports a suspected wrongdoing. The whistle-blower shall be protected to ensure that the matter is investigated thoroughly. Any incoming reports of corruption will be followed up by the corporate management, which will initiate further investigations.

Each incoming notification is reported to the Board as a matter of routine as part of the quarterly reporting on compliance.

AUSS has zero tolerance for corruption and will continue to work actively vis-à-vis our employees and our partners to combat all forms of corruption. The Board expects that the focus on combating corruption in the Code of Conduct, combined with the ongoing monitoring of the respective business segments, will have positive preventative consequences in the area of anti-corruption.

The consolidated accounts.

The consolidated financial statements have been prepared in accordance with IFRS, as adopted by the EU.

Group income amounted to NOK 12,410 million at 31 December 2013 (NOK 11,171 million in 2012). Accordingly operating profit before depreciation and biomass adjustment came to NOK 2,226 million in 2013 (NOK 1,170 million in 2012).

Sales of Atlantic salmon and trout in 2013 were significantly lower than in 2012, albeit at substantially higher achieved prices. There have also been lower volumes of products based on pelagic fish in 2013 compared with 2012, but prices achieved for fishmeal and fish oil have been higher in 2013 than in 2012. Operating profit (EBIT) before biomass adjustment amounted to NOK 1,607 million in 2013 and NOK 636 million in 2012. Income of NOK 114 million was booked in 2013 related to sales of licences and property, of which NOK 76 million is related to the operations in Peru. In addition, write-downs totalling NOK 90 million have been undertaken in connection with changes to the company's plant structure in Peru. Operating profit after biomass adjustment totalled NOK 2,371 million in 2013 (NOK 931 million in 2012).

In 2013 the profit figure from associated companies totalled NOK 248 million, against NOK 36 million in 2012. This increase in profits is largely due to significantly higher prices for Atlantic salmon and trout in 2013 compared with 2012, a positive biomass adjustment at the close of 2013, and acquisition of the shares in Villa, which was included as an associated company in LSG from April 2013.

Net financial expenses amounted to NOK -239 million in 2013, of which NOK 32 million is unrealised losses on exchange rates (disagio). Net financial expenses in 2012 totalled NOK -151 million, of which NOK 70 million was unrealised currency gains (agio). Profit for the year after discontinued operations held for sale was NOK 1,561 million in 2013, compared with NOK 641 million in 2012.

Consolidated net cash flow from operating activities amounted to NOK 1,362 million in 2013, compared with NOK 897 million in 2012. Tax payments totalled NOK 181 million in 2013, compared with NOK 479 million in 2012. There has been an increase in working capital compared with 2012 as a result of increased activity in the second fishing season in Peru in 2013 compared with the second season in 2012. There was also a higher proportion of tied-up capital within aquaculture than in 2012.

Net cash flow from investing activities was NOK -1,812 million in 2013 and comprises normal investments in maintenance and the purchase of shares in Villa, NPEL and Welcon. Investments in shares amounted to NOK 1,106 million altogether. In 2012 the Group reported net cash flow from investing activities of NOK -680 million comprising investments in maintenance, construction of a new smolt plant, acquisition of shares in Hordafor AS and Rode Beheer B.V and dividends received from associated companies.

Net cash flow for the year from financing activities was NOK -339 million, which, in addition to payment of ordinary instalments on loans, also included repayment of AUSS's bond loan, which matured in October 2013, amounting to NOK 350 million. In 2012 the Group had a net cash flow from financing activities of NOK -372 million. In addition to payment of ordinary instalments, in 2012 AUSS repurchased NOK 150 million of AUSS's bond loan, which matured in October 2013, and two new bond loans were issued with a combined value of NOK 900 million. The Group paid dividends totalling NOK 411 million in 2013, compared with a dividend payment of NOK 365 million in 2012.

At year-end 2013 the consolidated balance sheet total was NOK 21,224 million, against NOK 18,650 million at the close of 2012. The Group is financially strong with equity at 31 December 2013 of NOK 10,699 million and an equity ratio of approx. 50%. Equity at year-end 2012 was NOK 9,400 million also representing an equity ratio of 50%. At the end of 2013 the Group had net interest-bearing debt of NOK 4,768 million. The corresponding figure at the end of 2012 was NOK 3,655 million. At the beginning of 2013 the Group's cash and cash equivalents totalled NOK 2,162 million, compared with NOK 1,396 million at the close of the year. As a result of the agreement between AUSS and Kvefi, in January 2014 AUSS received a cash settlement of NOK 1,000 million. The Group has a good rate of financing from banks, including several substantial overdraft facilities, and has built up a high level of trust over the years on the market for bond issues.

Financial risk

The Group is exposed to risk associated with the value of investments in subsidiaries in the event of price changes in the market for raw materials and finished goods, insofar as these changes bring about changes in the companies' competitiveness and earnings potential over time. Operational conditions and developments in the Group's input factor prices are also key parameters.

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 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.

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 variable utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes create similar fluctuations in the interim key figures. The Group's production of Atlantic salmon and trout will always be subject to biological risk.

Exposure to risk as a result of changes in interest rate levels is identified and assessed on an ongoing basis as the majority of the Group's debt is at floating interest rates. In the second half of 2011 the Group signed an agreement for a fixed rate of interest via its subsidiary, LSG. The fixed interest rate agreement constituted less than 16% of the Group's interest-bearing debt at year-end 2013.

The Group has always attached importance to long-term collaboration with financial partners. The Group therefore has satisfactory financing in place, and the financial covenants are tailored to the Group's operations.

The Group is exposed to fluctuations in foreign exchange rates, particularly in euro, USD, Chilean peso and Peruvian soles. Measures to reduce this risk include forward contracts and multi-currency credit facilities. Furthermore, parts of the long-term debt are adapted in relation to earnings in the same currency.

The Group seeks to reduce the risk of counterparties being unable to meet their financial obligations by taking out credit insurance for parts of the total receivables where possible and by using letters of credit, which essentially secure fulfilment of customer commitments. Historically, the Group has had a low level of bad debts. Credit risk varies over time and between the different business segments. Credit risk is directly linked to developments in the international economy and has increased in recent years in the Board's opinion.

The Board of Directors of AUSS considers the liquidity in the company to be satisfactory. Due dates for accounts receivable are upheld and other long-term receivables are not considered to require renegotiation or redemption.

Going concern assumption

The Group has a satisfactory economic and financial position, providing a good foundation for continued operations and further development of the company. The consolidated financial statements have been prepared on the assumption that the company is a going concern.

Company financial statements for Austevoll Seafood ASA

Austevoll Seafood ASA is the holding company for the Group. At year-end 2013 the company had three employees and a sickness absence rate of 0%, compared with 0.08% in 2012. The company's primary activity consists in owning shares in the underlying companies and carrying out strategic processes, board work and technical operational services for the underlying subsidiaries.
The parent company's financial statements have been prepared in accordance with simplified IFRS.

The parent company had income of NOK 4.4 million in 2013 compared with NOK 2.5 million in 2012.

The parent company reported an operating loss before depreciation (EBITDA) of NOK -27.7 million in 2013 (NOK -29.8 million for 2012).

Net financial items were positive at NOK 472 million in 2013, compared with NOK 158 million in 2012. The positive net financial expenses for both years include recognition of dividends from subsidiaries. The profit figure for the year after discontinued operations held for sale was NOK 154 million, compared with NOK 158 million for 2012. The parent company has written down the value of the shares in NPEL by NOK 303 million in 2013.

Net cash flow from operating activities for the parent company amounted to NOK 138 million in 2013, against NOK -39 million in 2012. Net cash flow from investing activities in 2013 was NOK -677 million, mainly comprising purchase of shares in Welcon and NPEL, changes in long-term receivables and dividends received. In 2012 the parent company reported net cash flow from investing activities of NOK 396 million, which mainly represented dividends received and changes in long-term receivables.

In 2013 the parent company had net cash flow from financing activities of NOK -52 million, primarily dividend payments of NOK 243 million, ordinary instalments, downpayment of the bond loan and raising of loan in connection with the acquisition of the shares in Welcon. In line with its financial strategy, the company will establish new bond loans if the terms for such loans are deemed appropriate. In 2012 the parent company had net cash flow from financing activities of NOK 112 million comprising dividend payments of NOK 202 million, ordinary instalments, the issue of two new bond loans totalling NOK 900 million, plus NOK 150 on the repurchase of the bond loan maturing in October 2013. At the start of 2013 the parent company had cash and cash equivalents totalling NOK 1,122 million, compared with NOK 532 million at the end of the year.

The parent company had a balance sheet total of NOK 7,057 million. Equity totalled NOK 4,293 million with an equity ratio of 61%. The company's net interest-bearing debt at year-end was NOK 1.7 billion. This does not include long-term interest-bearing receivables from subsidiaries. Long-term interest-bearing receivables from subsidiaries totalled NOK 640 million. In connection with completion of the transaction between AUSS and Kvefi the parent company received NOK 1 billion in cash in January 2014.

The parent company's financial statements show a profit of NOK 154 million. The Board of Directors proposes that NOK 324 million be allocated to dividends and that NOK 170 million be transferred to other distributable equity.

The parent company has a satisfactory economic and financial position, providing a good foundation for continued operations and further development of the company. The parent company's financial statements have been prepared on the assumption that the company is a going concern.

Outlook

Fishmeal and fishoil

Fishmeal and fish oil prices were traded sideways in the second half of 2013 following a price correction in the second quarter. At the time of writing fishmeal FOB Peru (super prime) is being traded at USD 1,610 and fish oil for use in feed (FOB South America) at USD 1,950. Prices for fishmeal and fish oil are expected to remain stable in the short term.

Human 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.

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 that the current regulatory regime in Norway serves to exacerbate 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.

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, due 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 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.

The Board of Directors would like to take this opportunity to praise the Group's employees at all levels for their excellent input, their understanding of the need to maintain a firm focus on results and operations, and their willingness to implement changes. The Board of Directors would also like to thank all the employees for their hard work and dedication throughout the year.

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

Storebø, 3 April 2014
The Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman

Oddvar Skjegstad
Deputy Chairman

Helge Møgster

Inga Lise Lien Moldestad

Hilde Waage

Arne Møgster
President & CEO

Lill Maren Møgster

Accounts
Austevoll Seafood Group

Income statement

Amounts in NOK 1 000	Note	2013	(restated) 2012
Sales revenue	**10,32**	**12 191 188**	**11 004 909**
Other income	**10**	103 398	190 860
Other gains and losses	**10,11**	115 170	-24 890
Raw materials and consumables used		-7 491 072	-7 473 524
Salaries and personnel expenses	**12,27**	-1 423 334	-1 384 178
Other operating expenses	**12,30,32**	-1 269 242	-1 143 106
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets		**2 226 108**	**1 170 071**
Depreciation	**16**	-526 573	-504 597
Amortisation of intangible assets	**15**	-2 901	-3 588
Impairments/reversal of impairments	**15,16**	-89 541	-25 858
Operating profit before fair value adjustment of biological assets		**1 607 093**	**636 028**
Fair value adjustment of biological assets	**21**	764 229	294 735
Operating profit	**10**	**2 371 322**	**930 763**
Income from associated companies	**17**	248 350	35 855
Financial income	**13**	48 012	140 460
Financial expenses	**13**	-287 461	-291 782
Profit before taxes		**2 380 223**	**815 296**
Income tax expense	**26**	-580 768	-233 475
Net profit from continuing operations		**1 799 455**	**581 820**
Net profit from discontinued operations	**6**	**-238 699**	**59 085**
Net profit from continuing and discontinued operations		**1 560 756**	**640 905**
Profit attributable to non-controlling interest		**855 411**	**215 304**
Profit attributable to shareholders of Austevoll Seafood ASA		944 044	366 516
Profit to majority from discontinued operation		-238 699	59 085
Net profit to majority		**705 345**	**425 601**
Average no. of shares (thousands)	**14**	202 717	202 717
Earnings per share from continued operation	**14**	4,66	1,81
Earnings per share from discontinued operation	**14**	-1,18	0,29
Earnings per share total (NOK)	**7,14**	3,48	2,10
Earnings per share - diluted (NOK)	**7,14**	3,48	2,10
Suggested dividend per share	**7,14**	1,60	1,20

Statement of comprehensive income

Amounts in NOK 1 000	Note	2013	(restated) 2012
Profit for the year		**1 560 756**	**640 905**
Other comprehensive income to be recycled to profit and loss			
Cash flow hedges	**22**	8 785	-27 086
Change in value of available-for-sale financial assets	**18**	-487	-7 200
Currency translation differences		168 686	-136 455
Tax effect on items to be recycled to profit and loss		-13 001	0
Other comprehensive income not to be recycled to profit and loss			
Acturial loss on post employment benefit obligations	27	1 571	0
Share of other comprehensive income of associated not to be recycled		-75	-1 847
Tax effect on items not to be recycled to profit and loss		248	0
Other comprehensive income net of tax		**165 727**	**-172 588**
Total comprehensive income for the year		**1 726 483**	**468 317**
Attributable to:			
Non-controlling interest		907 821	191 811
Shareholders of Austevoll Seafood ASA		818 662	276 506
Total comprehensive income for the year		**1 726 483**	**468 317**

Statement of Financial Position

Amounts in NOK 1 000	Note	31.12.2013	(restated) 31.12.2012
Assets			
Goodwill	15	1 593 739	1 567 003
Deferred tax asset	26	28 282	24 265
Licenses	15	4 363 644	4 306 991
Brand/trademarks	15	50 000	50 000
Vessels	16	455 172	437 637
Other property, plant and equipment	16	3 640 683	3 375 326
Associated companies	17	1 060 925	616 367
Investments in other shares	3,18	31 328	44 052
Non-current receivables	19	52 773	35 341
Total non-current assets		**11 276 546**	**10 456 982**
Inventories	20	740 321	605 394
Biological assets	21	3 727 361	2 724 941
Trade receivable	3,19,32	1 704 898	1 116 004
Other current receivables	19,22	585 613	512 910
Assets classified as held for sale	6	1 793 241	1 071 111
Cash and cash equivalents	3,24,29	1 396 279	2 162 261
Total current assets		**9 947 713**	**8 192 621**
Total assets		**21 224 259**	**18 649 603**
Equity and liabilities			
Share capital	25	101 359	101 359
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		3 506 926	2 935 556
Non-controlling interest	8	3 377 484	2 649 345
Total equity		**10 699 318**	**9 399 809**
Deferred tax liabilities	26	2 090 835	1 892 839
Pension obligations and other obligations	22, 27	45 370	58 047
Borrowings	3,29	4 960 799	4 359 740
Total non-current liabilities		**7 097 004**	**6 310 626**
Borrowings	3,29	1 263 706	1 474 786
Trade payable	3,32	1 179 802	913 681
Tax payable	26	352 124	98 243
Other current liabilities	22, 31	632 305	452 458
Total current liabilities		**3 427 937**	**2 939 168**
Total liabilities		**10 524 941**	**9 249 794**
Total equity and liabilities		**21 224 259**	**18 649 603**

Storebø, 03.04.14

Helge Singelstad
Chairman

Oddvar Skjegstad
Deputy Chairman

Helge Møgster

Inga Lise
Lien Moldestad

Hilde Waage

Arne Møgster
President & CEO

Lill Maren Møgster

Statement of changes in equity

Amounts in NOK 1 000	Note	Share capital	Share premium	Currency translation differences	Cashflow hedge reserves	Retained earnings	Non-controlling interest	Total equity
Equity 01.01.12		**101 359**	**3 713 549**	**41 728**	**-5 161**	**2 834 272**	**2 513 862**	**9 199 607**
Profit for the period		**0**	**0**	**0**	**0**	**425 601**	**215 304**	**640 905**
Other comprehensive income in the period		0	0	-130 709	-27 086	10 967	-25 760	-172 588
Total comprehensive income in the period		**0**	**0**	**-130 709**	**-27 086**	**436 568**	**189 544**	**468 317**
Transactions with shareholders								
Dividends						-202 717	-162 154	-364 871
Transactions with non-controlling interest	8					0	-496	-496
Business combinations and divestments	6					0	107 726	107 726
Other		0	0	0		-11 339	864	-10 475
Total change in equity in the period		**0**	**0**	**-130 709**	**-27 086**	**222 512**	**135 484**	**200 201**
Equity 31.12.12 (restated)		**101 359**	**3 713 549**	**-88 981**	**-32 247**	**3 056 784**	**2 649 345**	**9 399 809**
Profit for the period		**0**	**0**	**0**	**0**	**705 345**	**855 411**	**1 560 756**
Other comprehensive income in the period		0	0	0	0	113 317	52 409	165 726
Total comprehensive income in the period		**0**	**0**	**0**	**0**	**818 662**	**907 821**	**1 726 483**
Transactions with shareholders								
Dividends						-246 999	-168 213	-415 212
Transactions with non-controlling interest	8					1 044	-4 553	-3 509
Business combinations and divestments	6							0
Other		0	0	0		-1 309	-6 946	-8 255
Total transactions with shareholders in the period		**0**	**0**	**0**	**0**	**-247 264**	**-179 712**	**-426 976**
Total change in equity in the period		**0**	**0**	**0**	**0**	**571 398**	**728 109**	**1 299 507**
Equity 31.12.13		**101 359**	**3 713 549**	**-88 981**	**-32 247**	**3 628 182**	**3 377 453**	**10 699 318**

Cash flow statement

Amounts in NOK 1 000	Note	2013	(restated) 2012
Profit before income taxes		2 380 223	815 295
Fair value adjustment on biological assets	**21**	-764 229	-294 735
Taxes paid for the period	**26**	-181 463	-478 863
Depreciation and amortisation	**15, 16**	529 474	508 186
Impairments	**15, 16**	89 541	25 858
(Loss+/Gain-) on sale of property, plant and equipment	**11**	-114 072	20 589
(Loss+/Gain-) on investments	**11**	0	14 663
Unrealised exchange gains and losses		9 147	-27 537
Share of (profit-/loss+) from associates	**17**	-248 350	-35 855
Interest expense	**13**	240 792	267 126
Interest income	**13**	-45 000	-68 739
Change in inventories		-373 118	177 145
Change in accounts receivables and other receivables		-661 599	-68 820
Change in accounts payables and other payables		266 121	141 184
Change in net pension liabilities		-3 387	1 691
Change in other accruals		188 472	-69 464
Currency translation differences working capital		49 073	-30 477
Net cash flow from operating activities		**1 361 625**	**897 247**
Proceeds from sale of fixed assets		153 724	26 615
Proceeds from sale of shares and other equity instruments		13 945	35 367
Purchase of intangible and tangible fixed assets	**15,16**	-919 920	-719 134
Purchase of shares and equity investments in other companies/business combinations		-1 139 493	-107 555
Dividend received (incl. dividends from associates)	**17**	41 019	16 509
Interest income		45 000	68 739
Movements in long term loans granted		-17 432	10 231
Currency translation differences investing capital		11 107	-10 734
Net cash flow from investing activities		**-1 812 049**	**-679 962**
Proceeds from issuance of long-term interest bearing debt		1 843 509	1 263 726
Repayment of long-term interest bearing debt		-1 628 506	-1 029 971
Movement in short-term interest bearing debt		99 451	29 071
Interest paid		-242 220	-269 286
Dividends paid		-411 474	-364 869
Acquisition of interests in a subsidiary from non-controlling interests		0	-495
Net cash flow from financing activities		**-339 240**	**-371 824**
Net change in cash and cash equivalents		**-789 664**	**-154 539**
Cash and cash equivalents at 01.01.		**2 162 262**	**2 327 209**
Currency exchange gains of cash and cash equivalents		23 681	-10 409
Cash and cash equivalents at 31.12.		**1 396 279**	**2 162 262**

	2013	2012
Net operating cash flow from discontinued operations	232 170	26 019
Net investing cash flow from discontinued operations	-87 303	-89 397
Net financing cash flow from discontinued operations	-22 957	26 873
Net change in cash flow from discontinued operations	**121 910**	**-36 506**

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Notes to the accounts

NOTE 1 GENERAL
Austevoll Seafood ASA is a public limited company registered in Norway. The Company's main office is located on Storebø in the municipality of Austevoll, Norway. Laco AS is the company's major shareholder and ultimate parent (see note 25).

The Company is listed on the Oslo Stock Exchange.

The annual, statutory accounts, based upon International Financial Reporting Standards (IFRS) as adopted by EU, were approved by the Board of Directors at April 3rd, 2014.

In the following "Group" is used to describe information related to Austevoll Seafood ASA group whilst "Company" is used for the parent company itself.

All amounts in the notes are in NOK thousands, if not specified differently.

NOTE 2 ACCOUNTING PRINCIPLES
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION
The consolidated financial statements of Austevoll Seafood Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The Group has sold the companies Norway Pelagic Holding AS and Welcon Invest AS to Pelagia AS in January 2014. As a consequence, the acitivites of these Companies have been classified as discontinued operations, and the 2012 figures have been restated accordingly. Please refer to note 9 for more information on the restatement.

(a) New and amended standards adopted by the group
The following standards, amendments and interpretations applicable to the group have been adopted by the group for the year beginning on or after January 1, 2013:

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

(b)New standards and interpretations not yet adopted by the group
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing this consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

• IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial

Notes to the accounts

assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

• IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The Group intend to adopt IFRS 11 from the accounting period beginning 1 January 2014, as the standard is not adopted by EU from 1 January 2013. From 1 January 2014 the Group will have two major joint arrangements. Marfood S.A. is classified as joint operations and will consequently continue to be accounted for by the proportional method. Pelagia AS will be a new joint arrangement from January 2014, ref note 6. This investment is classified as a joint venture, and will consequently be accounted for by the equity method.

• IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

• IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the group until 1 January 2014.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have material impact on the group.

CONSOLIDATION
Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which the group control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any assets or liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportional share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer`s previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Notes to the accounts

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and eviously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries
When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor`s share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognise the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Profit and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group`s financial statement only to the extent of unrelated investor`s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Notes to the accounts

Joint ventures
The group's interests in jointly controlled entities are accounted for by proportionate consolidation. The group combines its share of the joint ventures individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venture that it is attributable to the other venturers. The group does not recognise its share of profits or losses from the joint venture that result from the group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

SEGMENT REPORTING
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

FOREIGN CURRENCY
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net'.

Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet date presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at closing rate. Exchange differences arising are recognised in other comprehensive income.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Buildings comprise mainly of factories and offices. Depreciation on other assets is calculated using the straight-line method to allocate cost less residual value over estimated useful lives.

Notes to the accounts

- Buildings, constructions and installations 12-60 years
- Vessels and vessel equipment 8 -25 years
- Machinery and equipment plants 10-20 years
- Furniture, vehicles, other equipment 2,5-20 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement as other gains and losses.

INTANGIBLE ASSETS

Internally generated intangible assets are not recognised in the accounts.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Licenses

Fishing and fish farming licenses that have an indefinite useful life are not amortised but reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may have decreased. Licenses with indefinite useful lives are distributed to the company by the Government, and the licenses are at all time subject to each country fishing quota regulations.

Access to utilisation of waterfalls (water licenses) granted for specified periods of time are depreciated over the license period (25 years). Water licenses without time limits are not depreciated, but are reviewed annually for impairment.

Brand/trademarks

Brands acquired, separately, or as part of a business combination are capitalised as a brand if the meets the definition of an intangible asset and the recognition criteria are satisfied. Brand acquired as part of a business combination are valued at fair value based on valuation done by external valuation experts. Brands assessed to have an indefinite useful life are not amortised but reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may have decreased.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading (see section 'Derivative financial instruments and hedging activities'). Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Notes to the accounts

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet (note 19).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

RECOGNITION AND MEASUREMENT

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other financial income. Dividends on available-for sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described below.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are registered in the balance sheet at fair value at the time of contract and are subsequently adjusted to current fair values. Registration of associated gains/losses depends on whether the derivative is regarded as a hedging instrument, and if so, what type of hedging. The Group classifies derivatives as either a) hedges of fair value of recognised assets or liabilities of a firm commitment (fair value hedge); or b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on the ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair values of derivative instruments used for hedging are disclosed in Note 22. Fair value of a hedging derivative is classified as fixed assets or long-term liability if the hedging object matures in more than 12 months, and as current assets or short-term liabilities if the hedging object matures in less than 12 months.

(a) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The group only applies fair value hedge accounting for hedging fixed interest risk on borrowings.

The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other gains/(losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the income statement within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

(b) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other gains/(losses) – net'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'other gains/(losses) – net'.

INVENTORIES
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

BIOLOGICAL ASSETS
Accounting of live fish in companies listed on the stock exchange is regulated by IAS 41 Agriculture. IAS 41 contains a methodological hierarchy for accounting-related valuation of biological assets. The main rule is that such assets, including live fish, shall be valued at fair value less estimated sales costs. LSG recognises and assesses biological assets (fish in sea) at fair value.

The price is then adjusted to cater for 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 under 4 kg is adjusted in relation to the phase of the growth cycle for the fish. The value will not be adjusted to lower than historic cost, unless the Group expects to generate a loss from future sales. Other biological assets

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(roe, fry and smolt) are valued at cost price since little biological transformation has occurred (IAS 41.24).

Accounts receivable
Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of account receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the account receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'other operating expenses'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

SHARE CAPITAL
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ACCOUNTS PAYABLE
Accounts payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

CURRENT AND DEFERRED INCOME TAX
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full at nominal values, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only were there is an agreement in place that gives the group the ability to control the reveral of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to

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the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

EMPLOYEE BENEFITS

Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The schemes are either a defined benefit plan or a defined contribution plan.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting period date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Profit-sharing and bonus plans

The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

PROVISIONS

Provisions (e.g. environmental restoration, restructuring costs and legal claims) are recognised when:
- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;
- and the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of

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value-added tax, returns, rebates and discounts and after eliminated sales within the Group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the goods and when the risks and rewards related to the goods have been transferred to the customer.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

LEASES

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term obligations. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset, but the expiry dates of the leases are considered when determining useful life.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements when the dividends are approved by the Company's shareholders.

BORROWING COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are defined as
(i) possible obligations resulting from past events whose existence depends on future events
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources
(iii) obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the financial statements, but is disclosed if there is a certain level of probability that a benefit will accrue to the group.

CASH FLOW STATEMENT

The group's cash flow statement shows the overall cash flow broken down to operating, investing and financing activities. The cash flow is reported on the basis of the indirect method. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents. Cash flows resulting from the disposal of operations are presented under investing activities.

EVENTS AFTER THE REPORTING PERIOD
New information after the reporting period concerning the group's financial position at the reporting date is considered in the financial statements. An event after the reporting period that does not affect the group's financial position on the reporting date, but will affect the group's financial position in the future is reported where material.

EARNINGS PER SHARE
Earnings per share is calculated by the profit attributable to equity holders of the company of the result for the period being divided by a time-weighted average of ordinary shares for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

NOTE 3 FINANCIAL RISK MANAGEMENT

Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group' focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses to some degree derivative financial instruments to reduce certain risk exposures.

Market risk
(i) Foreign currency risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, EUR, CLP and PEN. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts in addition to withdrawals and deposits on multicurrency accounts, in order to hedge as far as possible the currency risks on trade receivables, executed sales contracts and on-going contractual negotiations.

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Based on a corresponding substantial long term receivables from these foreign operations with no planned settlement, the Group considers this as a net investment in the entities according to IAS 21. In the consolidated accounts the exchange differences on the long term receivables is therefore recognised initially in other comprehensive income, and will subsequently be reclassified from equity to profit or loss in the case of disposal of the net investment.

Entities within the Group have different functional currencies, i.e. NOK, USD, CLP and PEN. Changes in exchange rates that affects accounts receivable, other receivables, and liabilities nominated in other currencies than the entities functional currency will have a direct effect on the Groups income statement as per year end.

At 31 December 2013, if NOK had weakened/strengthened by 10% against the USD with all other variables held constant, post-tax profit for the year would have been MNOK 28.8 higher/lower. The sensitivity is calculated based on foreign exchange gains/losses on translation of USD denominated trade receivables and other receivables, trade payables, cash in bank and interest bearing debt.

At 31 December 2013, if NOK had weakened/strengthened by 10% against the EUR with all other variables held constant, post-tax profit for the year would have been MNOK 38.6 higher/lower. The sensitivity is calculated based on foreign exchange gains/losses on translation of EUR denominated trade receivables and other receivables, trade payables, cash in bank and interest bearing debt.

Corresponding changes in exchange rates at year end of other currencies are not considered to have any material effect on the post-tax profit for the Group.

ii) Price risk
Through the subsidiary Lerøy Seafood Group ASA, the group has a substantial exposure to the price risk of the fluctuating world prices on salmon and trout. To reduce this risk, LSG aims to have a certain part of the sales on fixed price contracts.

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The Group is also exposed to changes in the prices of other products sold, mainly fishmeal, fish oil and human consumption products. Local management reviews before selling whether price levels are consistent with the target profitability. The group is also exposed to changes in prices of pelagic raw material purchase. Price risk identified here is not hedged by any derivative financial instruments.

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss.

(iii) Cash flow and fair value interest rate risk
The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group manage cash flow interest rate risk by using floating-to-fixed interest rate swaps for part of the borrowings. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Through the subsidiary Lerøy Seafood Group ASA, the group has entered into two interest swap agreements of fixed rate with DnB NOR, the first one in November 2011 and the second one in January 2012, designed to hegde underlying long term loans with floating rates. Each agreement is of a nominal fixed value of MNOK 500, with a fixed rate of 3.55% for the first one and 3.29% for the second one, for the entire 10 year duration. Market values have been used to determine the fair value of the swap agreements at 31 December. The instruments are documented as for as cash flow hedges, and changes in fair value are recognised in other comprehensive income (OCI) until until payments are made on the related hedged commitment. As at 31.12.2013, a total unrealised loss of MNOK 23.5 (after tax) was included in other comprehensive income. Please refer to note 22 for further details.

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NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

If the interest rate level had been 0.5% higher (lower) throughout the year, all other variables held constant, profit before income taxes would have decreased (increased) by MNOK 17.5 in 2013 and MNOK 13.7 in 2012 through the impact of floating rate borrowings and deposits. The sensitivity analysis is based on the level of net interest bearing debt (NIBD) by year end 2013 and 2012.

Amounts in NOK 1 000	Increase/reduction in basis points	2013	2012
Impact on profit before tax	+/- 50	-/+ 17 463	-/+ 13 740

Credit risk
The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Normally the Group sells only based upon letter of credit or payments in advance for new customers. Credit insurances are being used when this is deemed appropriate. For customers with a reliable track record in the Group, sales within certain agreed-upon levels are done without any security.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents (note 29)) on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping. The amounts disclosed in the table are the undiscounted cash flows, i.e. interest included. Repayment profile is disclosed in note 29.

31 December 2013	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years
Borrowings (ex. finance lease liabilities)	1 373 700	1 656 552	1 743 103	1 877 989
Finance lease liabilities	113 729	213 426	103 258	84 379
Interest rate swaps	16 474	32 948	32 948	49 423
Trade and other payables (ex. Statutory liabilities)	1 641 560			

31 December 2012	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years
Borrowings (ex. finance lease liabilities)	1 100 408	1 275 051	1 617 407	1 822 498
Finance lease liabilities	100 823	162 602	93 970	82 594
Interest rate swaps	3 750	1 875	-	-
Trade and other payables (ex. Statutory liabilities)	1 235 764			

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NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

Capital risk management
The Group`s objectives when managing capital are to safeguard the Group`s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net interest bearing debt divided by capital employed. Net interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less interest bearing assets and cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	2013	2012
Total borrowings (note 29)	6 224 505	5 834 526
Less: cash and cash equivalents	1 396 279	2 162 261
Less: other interest bearing assets	60 512	17 200
Net interestbearing debt	4 767 714	3 655 065
Total equity	10 699 318	9 399 809
Capital employed	**15 467 032**	**13 054 874**
Gearing ratio	**31 %**	**28 %**

Fair value estimation
The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. None of the shares categorised as available for sale are traded in active markets.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by the use of valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are also used in certain cases. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

FINANCIAL INSTRUMENTS BY CATEGORY

31 December 2013 Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Available for sale	Total
Investment in other shares	0	0	31 328	31 328
Trade and other receivables exc.prepayments*	2 211 180	8 712	0	2 219 892
Cash and cash equivalents	1 396 279	0	0	1 396 279
Total	**3 607 459**	**8 712**	**31 328**	**3 647 499**

*Prepayments are excluded from the trade and other receivables balance sheet as this analysis is required only for financial instruments.

31 December 2013 Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilites	Total
Borrowings exc. finance lease liabilities*	0	0	5 760 025	5 760 025
Finance lease liabilities*	0	0	464 480	464 480
Trade and other payables exc.statutory liabilities*	0	32 587	1 641 560	1 674 147
Total	**0**	**32 587**	**7 866 066**	**7 898 652**

* The categories in this disclosure are determined by IAS 39. Finance leases are mostly outside the scope of IAS 39, but they remain within the scope of IFRS 7. Therefore finance leases have been shown separately. Statutory liabilities are excluded from the trade payables balance, as this analysis is required only for financial instruments. Forward currency exchange contracts are presented as other short term liabilities in the balance sheet.

31 December 2012 Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Available for sale	Total
Investment in other shares	0	0	44 052	44 052
Trade and other receivables exc.prepayments*	1 556 554	10 039	0	1 566 593
Cash and cash equivalents	2 162 261	0	0	2 162 261
Total	**3 718 815**	**10 039**	**44 052**	**3 772 906**

*Prepayments are excluded from the trade and other receivables balance sheet as this analysis is required only for financial instruments.

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NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

31 December 2012 Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilites	Total
Borrowings exc. finance lease liabilities*	0	0	5 445 283	5 445 283
Finance lease liabilities*	0	0	389 242	389 242
Trade and other payables exc.statutory liabilities*	0	44 788	1 235 764	1 280 552
Total	**0**	**44 788**	**7 070 290**	**7 115 098**

* The categories in this disclosure are determined by IAS 39. Finance leases are mostly outside the scope of IAS 39, but they remain within the scope of IFRS 7. Therefore finance leases have been shown separately. Statutory liabilities are excluded from the trade payables balance, as this analysis is required only for financial instruments. Forward currency exchange contracts are presented as other short term liabilities in the balance sheet.

FINANCIAL INSTRUMENTS BY VALUATION METHOD

The table below analyses financial instruments carried at fair value, by valuation method.
The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2013.

Assets measured at fair value through profit or loss	Level 1	Level 2	Level 3
Financial assets available for sale			
– Investment in shares	0	0	31 328
Total assets	**0**	**0**	**31 328**

Liabilities measured at fair value through profit or loss	Level 1	Level 2	Level 3
Derivatives used for hedging			
– Fair value hedging	0	8 712	0
– Cash flow hedging	0	32 587	0
Total liabilities		**41 299**	**0**

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NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2012.

Assets measured at fair value through profit or loss	Level 1	Level 2	Level 3
Financial assets available for sale			
– Investment in shares	0	0	44 052
Total assets	**0**	**0**	**44 052**

Liabilities measured at fair value through profit or loss	Level 1	Level 2	Level 3
Derivatives used for hedging			
– Fair value hedging	0	10 039	0
– Cash flow hedging	0	44 788	0
Total liabilities		**54 827**	**0**

There were no transfers between level 1 and 2 during the year

(a) Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily DAX, FTSE 100 and Dow Jones equity investments classified as trading securities or available for sale.

(b) Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Note that all of the resulting fair value estimates are included in Level 2 except for certain forward foreign exchange contracts explained below.

Notes to the accounts

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverable amount of goodwill and licenses
The Group tests annually whether goodwill and licenses with indefinite lives have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and are further described in note 15.

Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The utilisation of recognised tax assets will depend on future tax earnings in various jurisdictions, and may not be offset between various tax regimes. Valuation of tax assets is therefore based on estimates of future tax earnings in some of the tax regimes.

Inventory
Finished goods of fish are measured at the lowest of cost and net realisable value. Material fluctuations in sales prices do occur for such inventory, and might rapidly outdate the assessments made by the Group at a given date.

Trade receivable
Accounting for receivables requires use of judgmental estimates for quantification of provisions for bad debt. Provisions are being made when e.g. balances are falling due or material worsening in the customer's financial situation takes place, given that repayment of the balances are considered uncertain.

Value adjustment of biological assets
Value adjustment of biological assets according to IAS 41 has caused the book value of inventories to vary more than it did with the earlier valuation principles. The variations arise for several reasons including volatility in pricing of Atlantic salmon and factors of production, unpredictability in biological production and changes in the composition of inventories (size distribution, etc.).

A sensitivity analysis for the prices of Atlantic salmon and trout at 31.12.13, shows the following impact on the Group's operating result (NOK 1,000):

Price reduction per kilo	NOK 1.00/kg	NOK 2.00/kg	NOK 5.00/kg
Reduced operating result	-62 029	-123 781	-307 228

Price increase per kilo	NOK 1.00/kg	NOK 2.00/kg	NOK 5.00/kg
Increased operating result	62 030	124 059	310 393

Notes to the accounts

NOTE 5 GROUP COMPANIES

The consolidated financial statements include Austevoll Seafood ASA and the following subsidiaries:

Company	Note	Country	Parent company	Ownership %
Lerøy Seafood Group ASA		Norway	Austevoll Seafood ASA	62,56 %
Lerøy Midt AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Vest AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Aurora AS		Norway	Lerøy Seafood Group ASA	100,00 %
Sjøtroll Havbruk AS		Norway	Lerøy Seafood Group ASA	50,71 %
Lerøy Fossen AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy & Strudshavn AS		Norway	Lerøy Seafood Group ASA	100,00 %
Nordvik SAS		France	Lerøy Seafood Group ASA	100,00 %
Inversiones Seafood Ltda*	6	Chile	Lerøy Seafood Group ASA	0,00 %
Lerøy Portugal Lda		Portugal	Lerøy Seafood Group ASA	60,00 %
Sandvikstomt 1 AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Sverige AB		Sweden	Lerøy Seafood Group ASA	100,00 %
Lerøy Alfheim AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Delico AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Trondheim AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Fisker'n AS		Norway	Lerøy Seafood Group ASA	100,00 %
Hallvard Lerøy AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Finland OY	8	Finland	Lerøy Seafood Group ASA	100,00 %
Rodè Beheer B.V.		Holland	Lerøy Seafood Group ASA	50,10 %
Leroy processing Spain S.L.		Spain	Lerøy Seafood Group ASA	100,00 %
Lerøy Quality Group AS		Norway	Hallvard Lerøy AS	100,00 %
Bulandet Fiskeindustri AS		Norway	Hallvard Lerøy AS	68,78 %
Lerøy Sjømatgruppen AS		Norway	Hallvard Lerøy AS	100,00 %
Lerøy USA Inc		USA	Hallvard Lerøy AS	100,00 %
Hallvard Lerøy SAS		France	Hallvard Lerøy AS	100,00 %
Fishcut SAS		France	Hallvard Lerøy SAS	100,00 %
Eurosalmon SAS		France	Hallvard Lerøy SAS	100,00 %
Lerøy Smögen Seafood AB		Sweden	Lerøy Sverige AB	100,00 %
Lerøy Alt i Fisk AB		Sweden	Lerøy Sverige AB	100,00 %
Lerøy Stockholm AB		Sweden	Lerøy Sverige AB	100,00 %
Lerøy Nordhav AB		Sweden	Lerøy Sverige AB	100,00 %
Pacific Seafoods SA*	6	Chile	Inversiones Seafood Ltda	0,00 %
Laksefjord AS		Norway	Lerøy Aurora AS	100,00 %
Sirevaag AS		Norway	Lerøy Delico AS	100,00 %
Hjelvik Settefisk AS	6	Norway	Lerøy Midt AS	0,00 %
Torjulvågen Settefisk AS	8	Norway	Lerøy Midt AS	98,00 %
Aakvik Settefisk AS		Norway	Lerøy Midt AS	100,00 %
Rodè Vis International AS		Norway	Rodè Beheer B.V.	100,00 %
Rodè Vis B.V		Holland	Rodè Beheer B.V.	100,00 %
Rodè Vastgoed B.V.		Holland	Rodè Beheer B.V.	100,00 %
Rodè Frozen Seafood B.V.		Holland	Rodè Beheer B.V.	100,00 %
Rodè Retail B.V.		Holland	Rodè Beheer B.V.	100,00 %
Lerøy Culinar B.V.		Holland	Rodè Vis International AS	50,00 %
Lerøy Culinar B.V.		Holland	Hallvard Lerøy AS	50,00 %

Notes to the accounts

NOTE 5 GROUP COMPANIES (CONT.)

Company	Note	Country	Parent company	Ownership %
AUSS Shared Service AS		Norway	Austevoll Seafood ASA	100,00 %
Austevoll Laksepakkeri AS		Norway	Austevoll Seafood ASA	100,00 %
AUSS Laks AS		Norway	Austevoll Laksepakkeri AS	100,00 %
Aumur AS		Norway	Austevoll Seafood ASA	100,00 %
Murman Fishing Company Ltd.		Cyprus	Aumur AS	100,00 %
Austevoll Eiendom AS		Norway	Austevoll Seafood ASA	100,00 %
Austevoll Pacific AS		Norway	Austevoll Seafood ASA	100,00 %
Gateport Ltd		Panama	Austevoll Pacific AS	100,00 %
Andean Opportunities Funds Ltd.		Caymen Island	Gateport Ltd.	100,00 %
Dordogne Holdings Ltd.		Panama	Gateport Ltd.	66,67 %
Dordogne Holdings Ltd.		Panama	Andean Opportunities Funds Ltd.	33,33 %
Austral Group S.A.A		Peru	Dordogne Holdings Ltd.	89,35 %
Inversiones Pacfish Ltda.		Chile	Austevoll Seafood ASA	100,00 %
A-Fish AS		Norway	Austevoll Seafood ASA	100,00 %
Aconcagua Ltd		Jersey	A-Fish AS	100,00 %
Consortium Enterprises (Jersey) Ltd.		Jersey	Aconcagua Ltd	100,00 %
Beechwood Ltd.		Panama	Consortium Enterprises (Jersey) Ltd.	100,00 %
Pesquera Nuevo Horizonte Ltd.		Chile	Beechwood Ltd.	99,00 %
Pesquera Nuevo Horizonte Ltd.		Chile	FoodCorp S.A.	1,00 %
Pesquera Caldera Ltd.		Chile	Consortium Enterprises (Jersey) Ltd.	98,10 %
FoodCorp S.A		Chile	Consortium Enterprises (Jersey) Ltd.	72,98 %
FoodCorp S.A		Chile	Inversiones Pacfish Ltda.	22,91 %
Pesquera del Cabo S.A		Chile	FoodCorp S.A.	99,99 %
FoodCorp Chile S.A		Chile	FoodCorp S.A.	65,00 %
FoodCorp Chile S.A		Chile	Pesquera del Cabo S.A.	35,00 %
Cultivos Pacfish S.A		Chile	Inversiones Pacfish Ltda.	99,90 %
Alumrock Overseas S.A		Chile	FoodCorp S.A.	100,00 %
Pelagia AS (ex. NewCo Invest 692 AS)		Norway	Austevoll Seafood ASA	100,00 %

* Company sold in 2013, ref note 6

Notes to the accounts

NOTE 6 ACQUISITION OF SHARES/BUSINESS COMBINATIONS

Norway Pelagic Holding AS (February)
We make reference to the Stock Exchange report dated 6 February 2013 and Information Memorandum dated 18 March 2013, regarding the acquisition of shares in Norway Pelagic Holding AS (NPEL) in February 2013, and where Austevoll Seafood ASA (AUSS) issued a mandatory offer to all shareholders in NPEL.

In February 2013 AUSS acquired 34.55 % of the shares in NPEL, giving AUSS an ownership of 77.84 % of the total shares in NPEL. The 5 March 2013 AUSS consequently issued a mandatory offer to all the shareholders in NPEL, and acquired a further 12.26 % of the shares in March and April 2013. Control was obtained 6 February 2013.

The offer period expired 3 April 2013 and on 4 April 2013 AUSS announced the final result of the mandatory offer to acquire all the shares in NPEL, which resulted in AUSS becoming the owner of 90.1 % of the shares in NPEL.

Pursuant to Section 4-25 of the Norwegian Public Limited Companies Act and Section 6-22 of the Norwegian Securities Trading Act (STA), AUSS exercised its rights to acquire compulsorily for cash the remaining shares in NPEL that it did not already own (Minority Shares).

The offer price paid for each Minority Share was set to NOK 15.50, which is equal to the price offered by AUSS under the mandatory offer made on 5 March 2013. The rights and ownership of the Minority Shares was automatically transferred to AUSS, which accordingly is the beneficial owner of 100 % of the NPEL shares. The transfer was completed 4 July 2013.

Welcon Invest AS (July)
On 3 July 2013, Austevoll Pacific AS (former Laco IV AS), a wholly-owned subsidiary of Austevoll Seafood ASA, signed an agreement for the acquisition of 50 % of the shares in the Norwegian company Welcon Invest AS from Origin Enterprises Plc. As per completion of the transaction Austevoll Pacific AS became the owner of 100 % of the share capital in Welcon Invest AS. Consequently, effectively from 3 July 2013, Welcon Invest AS was no longer a jointly controlled company and became a subsidiary of Austevoll Pacific AS. The purchase price was NOK 740 million, which indicates a total value on NOK 1,480 million of the share capital in Welcon Invest AS.

Transaction with Kvefi AS (August)
We make reference to the stock exchange report dated 12 August 2013 where Austevoll Seafood ASA (AUSS) and Kvefi AS (Kvefi) (controlled by Kverva AS) announced amalgamation of their respective activities within pelagic fish meal, fish oil and pelagic fishery for human consumption in Europe.

AUSS and Kvefi has together (joint venture) established the company Pelagia AS which will continue operating the amalgamated activities.

In connection therewith, the shares owned by AUSS in Welcon (50 %) and NPEL (43.3 %) as of 31 December 2012 have been contributed in kind into the joint venture Pelagia AS in 2014, against settlement in new shares in Pelagia AS. In addition, AUSS have transferred the remaining of its shares in the mentioned companies, which comprises shares acquired in 2013, to Pelagia AS against cash settlement.

The transactions took place in January 2014 and Pelagia AS is the owner of 100 % of the shares in NPEL, Welcon and Egersund Fisk AS. All relevant competition authorities has approved the transaction.

In order to achive a 50-50 ownership structure in Pelagia AS between AUSS and Kvefi, Kvefi have acquired shares in Pelagia AS from AUSS at a purchase price of NOK 115 million.

As a consequence of the transactions mentioned above, the shares in NPEL and Welcon have been presented as held for sale in the statement of financial position as of 31 December 2013. The net assets are valued in accordance with sales prices executed in January 2014. The corresponding profit/loss from NPEL and Welcon have been recorded on a separate line in the income statement together with the expected gain/loss on the sale, and are presented on the line "profit from discontinued operations". Comparative figures from previous period have been restated accordingly. We refer to note 9 for further information regarding the restated figures.

From completion of the transaction in January 2014, AUSS will recognise 50 % of the profit/loss from Pelagia AS in the groups accounts in accordance with the equity method. Pelagia AS will be reported as a part of the segment "Pelagic North Atlantic".

Notes to the accounts

NOTE 6 ACQUISITION OF SHARES/BUSINESS COMBINATIONS (CONT.)

The contribution in kind of shares in NPEL to Pelagia AS have resulted in a net loss of NOK 395 million for the AUSS group. This is presented as part of "Net profit from discontinued operation" in the financial statement.

The contribution in kind of shares in Welcon to Pelagia AS have resulted in a net gain of NOK 52 million for the AUSS group. This is presented as part of "Net profit from discontinued operation" in the financial statement.

Net profit from discontinued operations	****2013**	***2012**
Revenue	3 740 569	655 827
Expenses	-3 601 728	-573 573
Income from associated companies	-	-2 713
Profit before tax of discontinued operations	**138 841**	**79 540**
Tax	-21 258	-18 189
Profit after tax of discontinued operations	**117 583**	**61 352**
Profit after tax to majority	**103 496**	**61 352**
Pre-tax gain/(loss) recognised on the re-measurement of assets of disposal group	-342 165	-
After tax gain/(loss) recognised on the re-measurement of assets of disposal group	**-342 165**	-
Net profit from discontinued operations to majority	**-238 669**	**61 352**

*Norway Pelagic Holding AS was reported as an associated company in 2012 and recognised in the financial statement in accordance with the equity method.
**In 2013 Norway Pelagic Holding AS was consolidated as a subsidiary.

Assets classified as held for sale	**NPEL**	**Welcon**	**31.12.13**
Opening balance 01.01.	518 507	552 604	1 071 111
Acquisition	173 813	787 016	960 829
Profit after tax of discontinued operations	-24 509	127 975	103 466
Unrealised gain/loss (impairment)	-394 612	52 447	-342 165
Assets classified as held for sale 31.12.	**273 199**	**1 520 042**	**1 793 241**

There are no material cumulative income or expense recognised in other comprehensive income relating to the discontinued operations.

Notes to the accounts

NOTE 7 DIVIDENDS PER SHARE

Distributed dividend per share in 2013, based on profit figure from 2012 was NOK 1.20 per share. This amounted to a total of TNOK 243,261. Based on the profit figure from 2013, a dividend payment of NOK 1.60 per share is recommended for 2014. This will in total constitute TNOK 324,348. A final decision will be made by the ordinary shareholders' meeting on 23 May 2014.

Year	Profit after tax to AUSS share-holders	No. of shares 31.12 (thousands)	Average no. of shares (thousands)	Earnings per share	Suggested dividend	Proposed dividend per share	Dividend in % of net result to AUSS share-holders	Dividend paid out (from last year)	Distributed dividend per share
2013	**705 345**	**202 717**	**202 717**	**3,48**	**324 348**	**1,60**	**46 %**	**243 261**	**1,20**
2012	425 602	202 717	202 717	2,10	243 261	1,20	57 %	202 717	1,00
2011	369 384	202 717	202 717	1,82	202 717	1,00	55 %	304 076	1,50
2010	1 221 533	202 717	202 717	6,03	304 076	1,50	25 %	243 260	1,20
2009	723 346	202 717	188 917	3,83	243 260	1,20	34 %	-	0,00
2008	122 491	184 317	184 317	0,66	-	0,00	0 %	55 295	0,30
2007	498 982	184 317	183 302	2,72	55 295	0,30	11 %	-	0,00
2006*	264 392	178 224	145 550	1,82	-	0,00	0 %	-	0,00
Total	**4 331 075**				**1 372 958**	**6,80**	**32 %**	**1 048 610**	**5,20**

*Earnings per share in 2006 are influenced by a share split.

NOTE 8 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Acquisition of additional interest in a subsidiary
In 2013 the Group acquired shares in Torjulvågen Settefisk AS and Lerøy Finland OY (Jokisen Eväät OY through the subsidiary Lerøy Seafood Group ASA). The acquisitions in 2012 were related to the remaining 10% of the issued shares of Nordvik AS through the subsidiary Lerøy Seafood Group ASA.

The effect of changes in the ownership interests mentioned above on the equity attributable to owners of the Group is summarised as follows:

Amounts in NOK 1 000	2013	2012
Carrying amount of non-controlling interests acquired	4 553	495
Consideration paid to non-controlling interests	3 509	495
Excess of consideration paid recognised in parent's equity	**1 044**	**0**

Notes to the accounts

NOTE 9 EVENTS AFTER REPORTING PERIOD

RESTATEMENT OF 2012 FIGURES
In 2013 Austevoll Seafood ASA (AUSS) and Kvefi AS (Kvefi) (controlled by Kverva AS) agreed to amalgamate their respective activities within pelagic fish meal, fish oil and pelagic fishery for human consumption in Europe. The transaction was closed in January 2014 and is a subsequent event.

We refer to further details regarding the transaction in disclosure 6.

The tables presented below illustrate the restated financial statement and statement of financial position as of 31 December 2012 compared with figures in the 2012 annual report.

NOK in thousands	AUSS 2012	NPEL/Welcon	Restated AUSS 2012
Operating income	11 851 596	655 827	11 195 769
Operating expenses	-10 548 252	-522 554	-10 025 698
EBITDA	**1 303 344**	**133 273**	**1 170 071**
Depreciation and amortization	-545 650	-37 465	-508 185
Impairment	-25 858	0	-25 858
Fair value adj. biomass	294 735	0	294 735
Operating profit	**1 026 571**	**95 808**	**930 763**
Income from associated comp	29 342	-6 513	35 855
Net financial items	-161 077	-9 755	-151 322
Profit before taxes	**894 836**	**79 540**	**815 296**
Income tax expenses	-251 664	-18 189	-233 475
Net income	**643 172**	**61 352**	**581 820**

NOK in thousands	AUSS 31.12.12	NPEL/Welcon	Restated AUSS 31.12.12
Intangible assets	6 163 567	215 308	5 948 259
Fixed assets	4 145 619	332 656	3 812 963
Financial assets	1 246 457	550 697	695 760
Inventories	3 478 083	147 748	3 330 335
Receivables	1 743 198	114 284	1 628 914
Assets classified as held for sale	0	-1 071 111	1 071 111
Bank balance	2 180 629	18 368	2 162 261
Total Assets	**18 957 553**	**307 950**	**18 649 603**
Equity - equity holders of the parent	6 750 464	0	6 750 464
Non-controlling interests	2 670 198	20 853	2 649 345
Total equity	**9 420 662**	**20 853**	**9 399 809**
Provisions for commitments	59 914	1 867	58 047
Other long-term liabilities	6 361 309	108 730	6 252 579
Current liabilities	3 115 668	176 500	2 939 168
Total liabilities	**9 536 891**	**287 097**	**9 249 794**
Total equity and liabilities	**18 957 553**	**307 950**	**18 649 603**

Notes to the accounts

NOTE 9 EVENTS AFTER REPORTING PERIOD (CONT.)

VILLA ORGANIC AS
The main shareholders in Villa Organic AS, Salmar ASA and Lerøy Seafood Group ASA have agreed about a process where the target is to demerge Villa Organic in two separate companies in 2014. As a consequence of this agreement Lerøy Seafood Group ASA`s values in Villa Organic will go from an associated company to a subsidiary.

NOTE 10 SEGMENT INFORMATION

Operating segments
The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segment based on the information reviewed by the Board of Directors. The Austevoll Seafood Group operates within four segments in relation to strategic types of activities. The different business segments are divided into Fishmeal/Oil, Human Consumption, Pelagic North Atlantic and Production, sales & distribution of salmon and trout.

Fishmeal/oil (FMO)
The fishmeal/oil business is operated through the subsidiaries FoodCorp S.A in Chile and Austral Group S.A.A in Peru, FoodCorp S.A operates one plant in Chile, Austral Group S.A.A have seven plants in Peru (of which two have been abandoned in 2014, ref note 16). The activities of the joint venture Welcon Invest AS (subsidiary from August 2013) is classified as discontinued operations, as the subsidiary was sold to the AUSS joint venture Pelagia AS in January 2014. From 2014 this operation will classify as a joint venture, accounted for by the equity method, ref note 6.

Human Consumption (HC)
The operations within the human consumption segment are operated by FoodCorp S.A (Chile) and Austral Group S.A.A (Peru). In Chile the Group has two canning plants and one freezing plant. In Peru the Group operates three canning plants (of which one sold in 2014, ref note 16) and one freezing plant.

Pelagic North Atlantic
The Pelagic North Atlantic segment sells pelagic fish for the international market, and operates facilities for pelagic processing (fillet, packing and freezing). This segment consisted of Norway Pelagic Holding AS (NPEL) in 2012, accounted for as an associated company by the equity method. From February 2013 this has been a subsidiary of the Group, but following the sale of 100% of the shares to Pelagia AS in January 2014, the operations of NPEL has been classified as discontinued operations in the accounts. Pelagia AS will be accounted for as a joint operation of AUSS (50% ownership) from 2014. Based on purchases in 2013 Norway Pelagic Holding AS is from 2013 a subsidiary of AUSS, and will from 2013 again be reported as part of the Pelagic North Atlantic, gross values. Please refer to note 6 and 9 for further details on transactions in 2013.

Production, sales & distribution of salmon and trout (LSG)
Lerøy Seafood Group ASA is involved in fish farming (salmon and trout) and sale and distribution of different fish species and processed fish products.

Other / Elimination
Austevoll Seafood ASA (parent company), Austevoll Eiendom AS, Austevoll Laksepakkeri AS, AUSS Shared Service AS (and AUSS Laks AS) is not included in any of the operating segments. Unrealised gains on sales between the operating segments, which are eliminated in the consolidated financial statements, are also presented as Other/Elimination.

Geographical areas
The Group divides its activities into two geographical areas based on location of fishing and production facilities; South America and Northern Europe.

Notes to the accounts

NOTE 10 SEGMENT INFORMATION (CONT.)

2013	FMO	HC	Pelagic North Atlantic	Production, sales & distribution of salmon & trout	Other/ elim.	Group
External segment income	1 201 581	349 571		10 684 029	59 405	12 294 586
Inter-segment income	0	0		80 686	-80 686	0
Other gains and losses	60 350	726		53 805	290	115 171
Total segment income	**1 261 931**	**350 297**	**0**	**10 818 520**	**-20 991**	**12 409 757**
Operating expenses	-942 870	-386 351		-8 880 045	25 617	-10 183 649
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**319 061**	**-36 054**	**0**	**1 938 475**	**4 626**	**2 226 108**
Depreciation and amortisation	-126 038	-78 912		-307 175	-17 348	-529 473
Impairment/reversal of impairments *	-65 592	-18 449	0	-5 500	0	-89 541
Operating profit before fair value adjustment of biological assets	**127 431**	**-133 415**	**0**	**1 625 800**	**-12 722**	**1 607 093**
Fair value adjustment of biomass	0	0	0	764 229	0	764 229
Operating profit	**127 431**	**-133 415**	**0**	**2 390 029**	**-12 722**	**2 371 322**
Income from associated companies	0	0	0	192 188	56 162	248 350
Interest income	5 138	289		17 952	21 622	45 001
Interest expenses	-22 880	-7 296		-120 258	-90 358	-240 792
Net other financial	-28 454	-10 761		465	-4 908	-43 658
Profit before taxes	**81 235**	**-151 183**	**0**	**2 480 376**	**-30 204**	**2 380 223**
Income tax expense	25 748	-27 872		-593 981	15 337	-580 768
Net profit	**106 983**	**-179 055**	**0**	**1 886 395**	**-14 867**	**1 799 455**
Net profit from discontinued operations	127 975		-24 509	0		103 466
Gain/losses from discontinued operations	52 447		-394 612	0		-342 165
Net profit	**287 405**	**-179 055**	**-419 121**	**1 886 395**	**-14 867**	**1 560 756**
Profit attributable to non-controlling interest	-2 644	-1 254	0	859 309	0	855 411
Profit to majority from continued operation	109 627	-177 801	0	1 027 086	-14 867	944 044
Profit to majority from discontinued operation	180 422	0	-419 121	0	0	-238 699
Net profit to Austevoll Seafood ASA shareholders	**290 049**	**-177 801**	**-419 121**	**1 027 086**	**-14 867**	**705 345**

*For information regarding impairments, see note 15 and 16

Notes to the accounts

NOTE 10 SEGMENT INFORMATION (CONT.)

2012 (restated)	**FMO**	**HC**	**Pelagic North Atlantic**	**Production, sales & distribution of salmon & trout**	**Other / elim.**	**Group**
External segment income	1 504 171	609 368		9 020 880	61 349	11 195 768
Inter-segment income	0	0		82 060	-82 060	0
Other gains and losses	-20 846	-1 703		0	-2 340	-24 889
Total segment income	**1 483 325**	**607 665**	**0**	**9 102 940**	**-23 051**	**11 170 879**
Operating expenses	-1 113 793	-576 337		-8 328 075	17 397	-10 000 808
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**369 532**	**31 328**	**0**	**774 865**	**-5 654**	**1 170 071**
Depreciation and amortisation	-130 878	-71 043		-291 768	-14 497	-508 186
Impairment/reversal of impairments *	2 475	1 516	0	-33 000	3 152	-25 857
Operating profit before fair value adjustment of biological assets	**241 129**	**-38 199**	**0**	**450 097**	**-16 999**	**636 027**
Fair value adjustment of biomass	0	0	0	294 735	0	294 735
Operating profit	**241 129**	**-38 199**	**0**	**744 832**	**-16 999**	**930 762**
Income from associated companies	0	-4 726	0	24 831	15 751	35 856
Interest income	8 975	363		33 973	25 034	68 345
Interest expenses	-23 485	-6 531		-128 692	-108 025	-266 733
Net other financial	50 799	5 778		-435	-9 077	47 065
Profit before taxes	**277 418**	**-43 315**	**0**	**674 509**	**-93 316**	**815 295**
Income tax expense	-93 256	15 355		-182 748	27 174	-233 475
Net profit	**184 162**	**-27 960**	**0**	**491 761**	**-66 142**	**581 820**
Net profit from discontinued operations	61 798		-2 713			59 085
Gain/losses from discontinued operations	0		0			0
Net profit	**245 959**	**-27 960**	**-2 713**	**491 761**	**-66 142**	**640 905**
Profit attributable to non-controlling interest	14 242	5 983	0	195 079	0	215 304
Profit to majority from continued operation	169 920	-33 943	0	296 682	-66 143	366 516
Profit to majority from discontinued operation	61 798	0	-2 713	0	0	59 085
Net profit to Austevoll Seafood ASA shareholders	**231 718**	**-33 943**	**-2 713**	**296 682**	**-66 143**	**425 601**

*For information regarding impairments, see note 15 and 16

Notes to the accounts

NOTE 10 SEGMENT INFORMATION (CONT.)

	Tangible fixed assets		**Intangible assets**		**Associated companies**	
Geographical areas	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Norway	2 551 874	2 271 758	4 778 939	4 776 492	603 785	267 811
Europe	0		0	0	433 434	324 481
Peru	1 055 220	1 051 059	863 923	823 154	1 414	1 418
Chile	488 761	490 146	364 521	324 348	0	0
Other	0	0	0	0	22 292	22 657
Total	**4 095 855**	**3 812 963**	**6 007 383**	**5 923 994**	**1 060 925**	**616 367**

Sales revenue by geographic areas	**2013**
Norway	1 876 360
EU	5 730 703
Eastern Europe	1 416 498
Africa	92 068
North America	738 438
Asia/Pacific	1 871 362
South America	459 495
Central America	6 265
Total	**12 191 188**

Turnover is allocated based the customer`s home country/destination of sales shipment.

NOTE 11 OTHER GAINS AND LOSSES

	2013	**2012**
Gains and losses on sale of property, plant and equipment	114 880	-20 628
Gain on sale of shares	290	-14 663
Other gains and losses	0	10 401
Total other gains and losses	**115 170**	**-24 890**

Notes to the accounts

NOTE 12 PAYROLL, FEES, NO. OF EMPLOYEES ETC.

	2013	2012
Salary and holiday pay	1 041 741	1 046 156
Hired personnel	57 789	26 296
Other remunerations	55 382	78 104
National insurance contribution	135 862	135 580
Pension costs (incl. national insurance contribution) - note 27	46 207	39 818
Remuneration to the members of the board	1 050	977
Other personnel costs	85 303	57 247
Total	**1 423 333**	**1 384 178**
Average man-labour year	4 490	5 036

Guidelines for remuneration to executive management
The main principles of the remuneration policy to executive management are based on the policy that the member of executive management shall have a competitive pay program, with respect to salary, bonuses, pensions and other remuneration. Austevoll Seafood ASA shall offer a total remuneration to its executive management that is on level with comparable companies. However, the Company's need for well qualified personnel should always be considered.

Executive management may be entitled to a bonus in addition to basic salary. A potential bonus to CEO is determined by the Chairman of the Board. Bonus to other members of the executive management is determined by the CEO, having consulted the Chairman of the Board.

Executive management participates in standard pension and insurance schemes, applicable to all employees in the Company. The Company practice standard employment contracts and standard terms and conditions regarding notice period for its executive management. The Company does not offer share option programmes to any employees.

Salary and other remuneration to CEO and other group executives and members of the parent Company's Board were:

2013 - Remunerations to the company's officers	CEO	CFO	Chairman of the Board*	Other members of the Board	Total
Salary	3 373	2 537	0	0	6 036
Salary related to previous year	0	0	0	0	0
Bonus payment based on results for the year 2012	1 000	500	0	0	1 500
Pension scheme payments	62	263			325
Other remunerations	165	403	0	0	442
Director's fee	0	0	2 288	1 050	3 338
Total	**4 600**	**3 703**	**2 288**	**1 050**	**11 641**

Notes to the accounts

NOTE 12 PAYROLL, FEES, NO. OF EMPLOYEES ETC. (CONT.)

2012 - Remunerations to the company's officers	CEO	CFO	Chairman of the Board*	Other members of the Board	Total
Salary	3 276	2 478	0	0	5 754
Salary related to previous year	217	0	0	0	217
Bonus payment based on results for the years 2010 and 2011	1 000	500	0	0	1 500
Pension scheme payments	61	216			276
Other remunerations	216	192	0	2	410
Director's fee	0	0	2 170	902	3 072
Total	**4 769**	**3 386**	**2 170**	**904**	**11 229**

*The annual Directors' Fee to the Chairman of the Board is not paid as taxable remuneration. Austevoll Seafood ASA is invoiced for the Chairman's services and for consultancy fees by Group head entity Laco AS, with which company the Chairman is employed.

The Group management takes part in the Groups collective pension schemes.

No loans or securities have been issued in 2013 or 2012 to the CEO, board members, members of the corporate management or other employees or closely related parties.

The CEO has a term of notice of 3 months.

On resignation, the CEO has no right to extra compensation. Pension age is 67, and the CEO takes part in the defined contribution scheme.

Options
There are as of December 31, 2013, no on-going option program in the Group.

Specification of auditor's fee	**2013**	**2012**
Audit fee	6 991	6 134
Audit fee to other auditors	676	1 655
Other assurance services	154	170
Other services to other auditors	24	80
Tax advice	271	745
Tax advice to other auditors	67	107
Other services	1 126	1 170
Total	**9 309**	**10 061**

Notes to the accounts

NOTE 13 FINANCIAL INCOME AND EXPENSES

Amounts in NOK 1 000	2013	2012
Interest income	45 001	66 782
Net currency gains (unrealised and realised)	0	70 314
Other financial income	3 011	3 364
Total financial income	**48 012**	**140 460**
Interest expenses	240 792	258 611
Net currency losses (unrealised and realised)	31 706	0
Commisions	9 160	13 038
Other financial expenses	5 803	20 133
Total financial expenses	**287 461**	**291 782**
Net finance cost	**-239 449**	**-151 322**

NOTE 14 EARNINGS PER SHARE AND DIVIDEND PER SHARE

Basic earnings per share is calculated by dividing t he profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

Basis for calculation of earnings per share	2013	2012
Profit attributable to shareholders of Austevoll Seafood ASA	944 044	366 516
Profit to majority from discontinued operation	-238 699	59 085
The year's earnings	705 345	425 601
No. of shares at the balance sheet date (thousands)	202 717	202 717
Average no. of shares (thousands)	202 717	202 717
Earnings per share from continued operation	4,66	1,81
Earnings per share from discontinued operation	-1,18	0,29
Earnings per share from all operations	**3,48**	**2,10**
Diluted earnings per share	3,48	2,10
Suggested dividend per share	**1,60**	**1,20**

The dividends paid in 2013 and 2012 were NOK 1.20 per share and NOK 1.00 per share respectively. A dividend in respect of the year ended 31 December 2013 of NOK 1.60 per share is to be proposed at the annual meeting on May 23 2014. These financial statements do not reflect this dividend payable.

Notes to the accounts

NOTE 15 INTANGIBLE ASSETS

2012	Goodwill	Licenses fishfarming Norway	Licenses pelagic fisheries South America	Brand/ Trademarks	Total
Per 01.01.					
Acquisition cost	1 502 353	3 462 965	910 729	53 116	5 929 163
Accumulated amortisation	0	-6 396	-1 685	-53	-8 134
Accumulated impairment	-18 512		-14 742	0	-33 254
Carrying amount at 01.01.	**1 483 841**	**3 456 569**	**894 302**	**53 063**	**5 887 775**
Balance sheet value at 01.01.	1 483 841	3 456 569	894 302	53 063	5 887 775
Currency translation differences	-14 640	-1 405	-42 930	-218	-59 193
Reclassification	0	0	4 003	0	4 003
Effect of business combinations	105 363	0	0	0	105 363
Intangible assets acquired	0	1 032	740	0	1 772
Intangible assets sold/demerged/ change in interests in subsidiaries	-7 561	-467	-1 266	-2 844	-12 138
Reversal of impairment by sale/demerger					0
Amortisation	0	-1 963	-1 625	0	-3 588
Amortisation discontinued operations					0
Impairment					
Reversal of impairment					
Carrying amount at 31.12.	**1 567 003**	**3 453 766**	**853 224**	**50 000**	**5 923 994**
Per 31.12.					
Acquisition cost	1 584 145	3 462 125	871 276	50 000	5 967 547
Accumulated amortisation	0	-8 359	-3 310	0	-11 668
Accumulated impairment	-17 142	0	-14 742	0	-31 885
Carrying amount at 31.12.	**1 567 003**	**3 453 766**	**853 224**	**50 000**	**5 923 994**
- of which assets with definite lives	0	53 995	0	0	53 995

Notes to the accounts

NOTE 15 INTANGIBLE ASSETS (CONT.)

2013	Goodwill	Licenses fishfarming Norway	Licenses pelagic fisheries South America	Brand/ Trademarks	Total
Balance sheet value at 01.01.	1 567 003	3 453 766	853 224	50 000	5 923 994
Currency translation differences	27 662	1 791	38 675	0	68 128
Intangible assets acquired	0	20 081	31 038	0	51 119
Intangible assets sold/demerged/ change in interests in subsidiaries	-926	0	-20 197	0	-21 123
Amortisation	0	-1 943	-958	0	-2 901
Impairment	0	0	-11 833	0	-11 833
Carrying amount at 31.12.	**1 593 739**	**3 473 695**	**889 949**	**50 000**	**6 007 383**
Per 31.12.					
Acquisition cost	1 612 544	3 484 024	921 074	50 000	6 067 642
Accumulated amortisation	0	-10 328	-4 493	0	-14 821
Accumulated impairment	-18 805	0	-26 633	0	-45 437
Carrying amount at 31.12.	**1 593 739**	**3 473 695**	**889 949**	**50 000**	**6 007 383**
- of which assets with indefinite lives	1 593 739	3 429 833	889 949	50 000	5 963 521
- of which assets with definite lives	0	43 862	0	0	43 862
- remaining years for assets with definite useful lives (years)		10-12 years			

Included in licenses fishfarming above is a privilege for utilisation of waterfalls with definite useful lives. Goodwill is allocated to the group's cash-generating units (CGU) identified according to country of operation and business segment.

Notes to the accounts

NOTE 15 INTANGIBLE ASSETS (CONT.)

			2013		2012	
Cash generating units	**Segment**	**Location**	**Carrying amount of allocated goodwill**	**Carrying amount of allocated licenses/ brands with indefinite useful lives**	**Carrying amount of allocated goodwill**	**Carrying amount of allocated licenses/ brands with indefinite useful lives**
FoodCorp S.A	Human consumption	Chile	27 608	200 295	25 260	183 890
	Fishmeal/oil	Chile	53 585	50 099	49 029	45 972
Austral Group S.A.A	Human consumption	Peru	67 340	73 092	65 997	68 944
	Fishmeal/oil	Peru	157 128	566 363	153 995	534 222
Welcon AS	Fishmeal/oil	Norway/ Ireland/UK		0		0
Lerøy Seafood Group ASA - Production	Production, sales and distribution	Norway	794 481	3 429 833	779 125	3 419 968
Lerøy Seafood Group ASA - Sales and distribution	Production, sales and distribution	Norway	493 597	50 000	493 597	50 000
Others	Pelagic North Atlantic	Norway	0	0	0	0
Total			**1 593 739**	**4 369 682**	**1 567 003**	**4 302 995**

Notes to the accounts

NOTE 15 INTANGIBLE ASSETS (CONT.)

Business segments 2013	FMO	HC	Production, sales & distribution	Group
Carrying amount of allocated goodwill	210 713	94 948	1 288 078	1 593 739
Carrying amount of allocated licenses and brands with indefinite useful lives	616 462	273 387	3 479 833	4 369 682

Business segments 2012	FMO	HC	Production, sales & distribution	Group
Carrying amount of allocated goodwill	203 024	91 257	1 272 722	1 567 003
Carrying amount of allocated licenses and brands with indefinite useful lives	580 194	252 833	3 523 963	4 356 991

Impairment tests for cash-generating units containing goodwill, licenses and brands
Management has performed impairment tests for each cash generating unit as of December 31, 2013.

The recoverable amount of the cash generating units has been determined based on value in use calculation. Value in use is calculated on estimated present values of future cash flow. The analysis are based on the financial budgets for 2014 and estimated results for the years 2015 to 2018. After 2018 a terminal value is calculated based on the estimated result for 2018. No terminal growth is assumed in the impairment tests. The budgets are mainly based on weighted historical performance and expectations that the global and national quota allocations for 2014 and onwards will be within the range as for the recent years. The discount rate applied to cash flow range between 7-11,5 % before tax, and reflect specific risks relating to the relevant CGUs. The impairment tests did not produce grounds for write-down of intangible assets in 2013. The critical value for the required rate of return on total capital before tax is between 12% and 50%.

The following budget assumptions for 2014 are used in the impairment test, with actual figures for 2012 and 2013 presented for comparison:

Catch and purchase (figures in 1,000 tonnes)	2014E	2013	2012
FoodCorp S.A own catch*	75	58	73
FoodCorp S.A purchase raw material*	61	40	111
Austral Group S.A.A own catch	384	323	268
Austral Group S.A.A purchase raw material	96	151	124

* FoodCorp includes 100% Marfood volumes, Welcon Group 100% volumes (incl. 100% of Hordafor Group). 100% of NPEL volumes.

Notes to the accounts

NOTE 16 TANGIBLE FIXED ASSETS

2012	Land	Projects in progress	Buildings	Plant, equipment and other fixtures	Vessels	Total
Per 01.01.						
Acquisition cost	150 105	111 103	1 229 916	4 263 524	1 569 629	7 324 278
Accumulated depreciation	-227	0	-379 681	-2 240 677	-980 452	-3 601 037
Accumulated impairment	-4 620	0	-16 775	-44 801	-47 933	-114 128
Carrying amount at 01.01.	**145 259**	**111 103**	**833 461**	**1 978 046**	**541 244**	**3 609 113**
Balance sheet value at 01.01.	145 259	111 103	833 461	1 978 046	541 244	3 609 113
Currency translation differences	-3 429	-4 093	-15 007	-12 058	-22 403	-56 989
Reclassification	0	-27 079	5 969	18 535	2 581	6
Acquisitions through business combinations	12 924	0	53 932	51 502	0	118 358
Tangible fixed assets acquired	9 803	91 010	372 171	238 179	23 856	735 019
Tangible fixed assets sold/scrapped	-1 380	-429	-9 580	-57 901	-173 140	-242 429
Depreciation	0	0	-61 937	-366 885	-75 776	-504 598
Disposals acc. depreciation	0	0	13 320	15 992	122 320	151 631
Impairment	0	0	-15 000	-18 000	-469	-33 469
Reversal of impairments	0	0	0	6 318	1 293	7 611
Reversal of impairment by scrapping/sale of fixed assets	0	0	-1 754	12 333	18 131	28 711
Carrying amount at 31.12.	**163 177**	**170 513**	**1 175 576**	**1 866 061**	**437 637**	**3 812 962**
Per 31.12.						
Acquisition cost	168 024	170 513	1 637 402	4 501 781	1 400 523	7 878 241
Accumulated depreciation	-227	0	-428 298	-2 591 570	-933 908	-3 954 003
Accumulated impairment	-4 620	0	-33 528	-44 150	-28 978	-111 276
Carrying amount at 31.12.	**163 177**	**170 513**	**1 175 576**	**1 866 061**	**437 637**	**3 812 962**
Carrying amount of finance lease included above	**0**	**0**	**1 986**	**465 398**	**22 334**	**489 719**
Depreciation on finance lease	**0**	**0**	**1 052**	**63 869**	**1 691**	**66 612**

NOTE 16 TANGIBLE FIXED ASSETS (CONT.)

2013	Land	Projects in progress	Buildings	Plant, equipment and other fixtures	Vessels	Total
Balance sheet value at 01.01.	163 177	170 513	1 175 576	1 866 061	437 637	3 812 962
Currency translation differences	3 668	3 189	24 743	12 748	15 997	60 345
Reclassification	-227	-172 331	46 345	87 578	35 277	-3 358
Acquisitions through business combinations	0	0	0	61	0	61
Tangible fixed assets acquired	31 900	208 016	150 012	431 156	47 718	868 802
Tangible fixed assets sold/scrapped	-18 879	-146	-10 217	-47 555	-330	-77 126
Depreciation	-136	-39	-65 016	-378 415	-82 967	-526 573
Disposals acc. depreciation	0	0	4 969	32 926	312	38 207
Reclassifications acc. depreciation	227	-664	771	-1 200	1 092	226
Impairment	-13 982	0	-20 980	-49 430	0	-84 392
Reversal of impairments	0	0	602	5 648	435	6 685
Reversal of impairment by scrapping/sale of fixed assets	0	0	0	16	0	16
Carrying amount at 31.12.	**165 749**	**208 537**	**1 306 804**	**1 959 594**	**455 171**	**4 095 857**
Per 31.12.						
Acquisition cost	184 492	209 240	1 859 487	5 015 325	1 530 869	8 799 413
Accumulated depreciation	-136	-703	-498 909	-2 967 980	-1 044 624	-4 512 351
Accumulated impairment	-18 607	0	-53 774	-87 753	-31 074	-191 208
Carrying amount at 31.12.	**165 749**	**208 537**	**1 306 804**	**1 959 592**	**455 171**	**4 095 855**
Carrying amount of finance lease included above	**0**	**0**	**16 414**	**415 083**	**0**	**431 498**
Depreciation on finance lease included above	**0**	**0**	**1 288**	**68 278**	**1 628**	**71 194**

Impairment in 2013 is related to the restructuring of the facilities in Peru, whereby the factories in Huarmey and Chicama (FMO segment) were abandoned in January 2014, and the factory in Paita (HC and FM segment) was sold in January 2014.

Impairment in 2012 was related to restructuring in the LSG subsidiary Lerøy Hydrotech, whereby the facility in Kristiansund was abandoned.

Notes to the accounts

NOTE 17 ASSOCIATED COMPANIES AND INVESTMENTS IN JOINT VENTURES

Associated companies	2013	2012
Beginning of year	616 367	601 422
Acquisitions	202 264	-
Disposals	-	-29 666
Share of profit/(loss)*	248 350	35 855
Exchange differences	31 892	-6 959
Dividends	-39 986	-16 509
Other changes in equity	2 038	32 224
End of year	**1 060 925**	**616 367**

* Share of profit/(loss) is after tax and minority interest in associates.

The results of the significant associates, its aggregated assets and liabilities, on a 100% basis, are as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/loss	% interest and voting rights held
2012						
Br. Birkeland AS	Norway	688 703	465 705	362 857	37 681	49,99 %
Norskott Havbruk AS	Norway	1 187 185	600 222	936 605	35 208	50,00 %

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/loss	% interest and voting rights held
2013						
Br. Birkeland AS	Norway	817 143	511 399	430 111	100 604	49,99 %
Norskott Havbruk AS	Norway	1 412 993	608 123	1 189 140	202 150	50,00 %
Villa Organic AS *	Norway	865 218	399 577	630 785	159 387	49,43 %

*The ownerperiod for Villa Organic AS has been the last 3 quarters in 2013.

In addition the Group has shareholding in the following companies recognised in the accounts as associated companies;

Name	Country of incorporation	% interest and votingrights held at beginning of year	% interest and votingrights held at end of year
Alfarm Alarko Leroy	Turkey	50,00 %	50,00 %
Lerøy Schlie	Denmark	0,00 %	50,00 %
SalmoBreed AS	Norway	27,50 %	27,50 %

Notes to the accounts

NOTE 17 ASSOCIATED COMPANIES AND INVESTMENTS IN JOINT VENTURES (CONT.)

Investments in joint venture	Period	Location	Business	Voting share
JV Cormar	01.01-31.12	Peru	Fish oil/ fishmeal	50 %
Marfood S.A.	01.01-31.12	Chile	Fish oil/ fishmeal	46 %

The following amounts represent the Group's 50% share of the assets and liabilities, and sales and results of the joint venture.

Assets	2013	2012
Non-current assets	41 351	41 225
Current assets	119 216	94 756
Total assets	**160 567**	**135 981**
Liabilities		
Non-current liabilities	56 457	44 531
Current liabilities	29 834	20 907
Total liabilities	**86 291**	**65 438**
Total equity	**74 276**	**70 543**
Income	245 359	204 379
Expenses	-246 182	-205 198
Operating profit	**-823**	**-819**

Notes to the accounts

NOTE 18 INVESTMENTS IN OTHER SHARES

2013 Company	Business location	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16,70 %	22 202	25 750
Bulandet Eiendom AS	Bulandet, Norway	minor	625	625
DNB - Private Equity fund	Norway	minor	4 365	4 365
Other shares		minor	588	588
Total non-current			**27 780**	**31 328**

2012 Company	Business location	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16,70 %	22 202	25 750
AquaGen AS	Trondheim, Norway	2.52%	1 000	14 358
Bulandet Eiendom AS	Bulandet, Norway	minor	625	625
Other shares			759	3 319
Total non-current			**24 586**	**44 052**

Reconciliation of the carrying amount of investments in other shares	2013	2012
Beginning of year	44 052	48 928
Business combinations	0	0
Acquired/sold	-12 724	2 324
Net gains/losses	0	-7 200
End of year	**31 328**	**44 052**
Less: non-current portion	-31 328	-44 052
Current portion	**0**	**0**

There were no impairment provisions on investments in other shares in 2013 and 2012.

Investments in other shares are denominated in the following currencies:	2013	2012
NOK	31 328	44 052
Total	**31 328**	**44 052**

Notes to the accounts

NOTE 19 TRADE AND OTHER RECEIVABLES

	2013	2012
Trade receivables	1 736 621	1 140 880
Less: provision for impairment of trade receivables	-31 723	-24 876
Trade receivables - net	**1 704 898**	**1 116 004**
Other current receivables		
Prepayments	69 702	62 321
Loans to third parties	21 231	20 106
Public fees and taxes receivable	273 099	192 936
Currency forward contracts / Effects of fair value hedging (see note 21 and 22)	9 629	10 039
Insurance to recover	18 129	45 190
Short-term loans	85 682	48 424
Balance on sale of equipment	11 729	23 780
Other current receivables	96 410	110 114
Total other current receivables	**585 613**	**512 910**
Total current	**2 290 511**	**1 628 914**
Non-current receivables		
Loans to related parties	17 173	67
Loans to third parties	15 292	35 275
Other non-current receivables	20 309	0
Total non-current receivables	**52 773**	**35 342**
The ageing of the trade receivables, past due but not impaired:		
0 to 3 months	499 669	321 040
3 to 6 months	36 173	10 575
Over 6 months	3 917	5 239
Total	**539 759**	**336 853**
The ageing of the trade receivables, past due and impaired:		
0 to 3 months	3 852	11 173
3 to 6 months	2 370	3 832
Over 6 months	16 615	9 871
Total	**22 837**	**24 876**

The Group's trade receivables of NOK 1,704,898 are partly covered by credit insurance and other types of security. Trade receivables per 31.12 were nominally NOK 1,736,621 while provisions for bad debts were amounted to NOK 31,723.

Trade receivables, past due but not impaired was NOK 539,759 per 31.12.2013. A major part of the trade receivables, past due but not impaired are related to the subsidiary Lerøy Seafood Group ASA (LSG) with NOK 335,920 of the amount overdue. Per end of February 2014 more than 96% of the customer receivables related to LSG are paid.

Notes to the accounts

NOTE 19 TRADE AND OTHER RECEIVABLES (CONT.)

The carrying amounts of the trade and other receivables are denominated in the following currencies:

Currency	**2013**	**2012**
USD	472 675	403 958
GBP	49 684	22 835
EUR	611 018	400 192
NOK	789 913	472 676
CHF	0	2 405
CLP	47 836	85 563
PEN	112 451	70 835
SEK	166 974	146 007
Other	39 960	24 443
Total	**2 290 511**	**1 628 914**
Movements on the provision for impairment of trade receivables are as follows:		
Pr 01.01.	-24 876	-20 311
Business combinations	-7	-45
This years change in provisions	-8 448	-4 767
Receivables written off during the year as uncollectable	980	0
Currency translation differences	622	240
Unused amounts reversed	6	6
Pr 31.12	**-31 723**	**-24 876**

NOTE 20 INVENTORIES

	2013	2012
Raw materials	277 289	270 479
Work in progress	12 605	6 502
Finished goods	467 363	343 940
Impairments, including obsoleteness	-16 936	-15 527
Total	**740 321**	**605 394**
Obsoleteness of inventories expensed during the year	692	614

NOTE 21 BIOLOGICAL ASSETS

	2013	2012
Biological assets 01.01.	**2 724 941**	**2 370 937**
Increases due to production	4 568 005	3 738 712
Decreases due to sales / harvesting	-4 328 897	-3 679 443
Fair value adjustment of biological assets (profit and loss effect)	763 312	294 735
Biological assets 31.12.	**3 727 361**	**2 724 941**

The Group estimates the fair value of biological assets (fish in the sea) based on market prices for slaughtered Atlantic salmon and trout at the balance sheet date. The price is adjusted for quality differences (superior, ordinary, and process), together with cost of logistics. The volume is adjusted for gutting loss. Fish in the sea with an average weight below 4 kg is based on the same principles, but the price is adjusted in proportion to how far one has come in the growth cycle. The price is not adjusted lower than cost unless one expects a loss on future sales.

The table below shows the total volume of fish in sea as well as the volume of harvestable salmon and trout (> 4 kg).

Profit and loss effect of fair value adjustments	**2013**	**2012**
Fair value adjustment of biological assets	763 312	294 735
(Gain) on Fishpool contracts	917	0
Fair value adjustment of biological assets (profit and loss effect)	**764 229**	**294 735**
Total fish in sea (LWT)	104 371	103 949
Harvestable fish (> 4kg LWT)	41 529	41 899
Value adjustment harvestable fish (> 4kg)	458 006	241 613
Value adjustment immature fish (< 4kg)	652 496	105 577
Total value adjustment biological assets	1 110 502	347 190
Cost price of biological assets	2 616 859	2 377 751
Balance sheet value of biological assets	**3 727 361**	**2 724 941**
Value adjustment biological assets		
Value adjustment per 01.01.	347 190	52 455
The year's profit impact of value adjustments	763 312	294 735
Value adjustments per 31.12.	**1 110 502**	**347 190**

Notes to the accounts

NOTE 22 DERIVATIVE FINANCIAL INSTRUMENTS

Currency forward contracts
The table below shows the Group's currency forward contracts as of 31.12.2013.
The contracts are for purchase(-)/sale(+) against NOK.

Currency	Currency amount	Exchange rate at maturity	Amounts in NOK	Exchange rate 31.12.2013	Fair value, NOK
EUR	86 060	8,2499	709 986	8,3837	-11 518
USD	65 940	6,1251	403 889	6,0815	2 873
GBP	16 080	9,9117	159 358	10,0500	-2 224
SEK	144 200	0,9226	133 040	0,9468	-3 487
JPY	2 178 400	0,0605	131 702	0,0579	5 507
AUD	2 040	5,5346	11 291	5,4250	223
CHF	800	6,7267	5 381	6,8335	-86
Total					**-8 713**

	2013	2012
Recognised asset (- liability) due to fair value hedging	-8 713	10 039

Some entities within the Group applies fair value hedging for the currency exchange risk related to binding not booked sales agreements/delivery contracts (hedging object). The currency risk related to the contracts is hedged by using currency forward contracts and a multi currency overdraft facility (hedging instrument). The cumulative change in fair value for the delivery contracts attributable to changes in currency exchange rates is recognised as an asset or a liability, with a corresponding gain or loss recognised in profit or loss, together with the gain or loss on the hedging instrument.

Interest swap contracts
The group has entered into two interest swap agreements of fixed rate with DNB, the first one in November 2011 and the second one in January 2012. Each agreement is of a nominal fixed value of MNOK 500, with a fixed rate of 3.55% for the first one and 3.29% for the second one, for the entire 10 year duration. Market values have been used to determine the fair value of the swap agreements at 31 December. As at 31 December 2013, a total unrealised loss of MNOK 23.4 was included in equity.

Interest swap contracts	Nominal value	Interest rate/ average rate	Liabilities recognised	Corresponding deferred tax	Effect on equity
Contract as of January 17, 2012	500 000	3,29 %	-	-	-
Fair value adjustment 2012			-37 620	10 534	-27 086
31 December 2012	**1 000 000**	**3,42 %**	**-44 788**	**12 541**	**-32 247**
Fair value adjustment 2013			12 201	-3 416	8 785
31 December 2013	**1 000 000**	**3,42 %**	**-32 587**	**9 125**	**-23 462**

Fair value of the interest swap contracts (gross liability) is recognised as "other long term liabilities". The effective part of the fair value adjustment is recognised in other comprehensive income (cash flow hedge). The deferred tax effect is also recognised in other comprehensive income, and is thus not part of current tax income in profit and loss.

Notes to the accounts

NOTE 23 GUARANTEE OBLIGATIONS

	2013	2012
Letters of guarantees held by the subsidiary	0	5 767
Letters of guarantees held by the associates	9 000	21 250
Letters of guarantees held by other company	11 686	11 128
Total	**20 686**	**38 145**

NOTE 24 RESTRICTED BANK DEPOSITS

	2013	2012
Restricted deposits related to employee` tax deduction	44 002	29 941
Other restricted deposits	6 131	7 124
Total	**50 133**	**37 065**

NOTE 25 SHARE CAPITAL AND SHAREHOLDERS

Share capital:
As of December 31, 2013, the Company has 202,717,374 shares at nominal value of NOK 0.50 per share.
None of the shares are owned by any Group company.

Date of registration	Type of change	Nominal value per share (NOK)	Total share capital	Number of ordinary shares
01.01.2008/25.09.2009	Capital increase	0,50	101 358 687	202 717 374
2010	No changes			0
2011	No changes			0
2012	No changes			0
2013	No changes			0
31.12.2013		**0,50**	**101 358 687**	**202 717 374**

Notes to the accounts

NOTE 25 SHARE CAPITAL AND SHAREHOLDERS (CONT.)

	2013		2012	
The shareholders in Austevoll Seafood ASA, were as of 31.12.:	**Number of shares**	**Share-holding**	**Number of shares**	**Share-holding**
Laco AS	112 605 876	55,55 %	112 605 876	55,55 %
Pareto Aksje Norge	8 224 852	4,06 %	8 904 255	4,39 %
Odin Norden	4 276 670	2,11 %	4 342 737	2,14 %
Pareto Aktiv	3 459 919	1,71 %	3 782 117	1,87 %
Folketrygdfondet	2 138 691	1,06 %	1 884 747	0,93 %
Mitsui and Co Ltd	1 782 236	0,88 %	1 782 236	0,88 %
Br. Birkeland AS	1 722 223	0,85 %	1 722 223	0,85 %
Skagen Vekst	1 718 200	0,85 %	1 972 716	0,97 %
Pareto Verdi VPF	1 655 937	0,82 %	2 015 155	0,99 %
Verdipapirfond Odin Norge	1 496 655	0,74 %	1 217 363	0,60 %
Verdipapirfondet WAR	1 296 466	0,64 %	0	0,00 %
Danske Invest Norske c/o Danske Capital A	1 271 182	0,63 %	0	0,00 %
MP Pensjon PK	1 182 000	0,58 %	1 040 000	0,51 %
Kontrari AS	1 143 316	0,56 %	1 350 000	0,67 %
Verdipapirfondet DNB	1 100 000	0,54 %	1 085 000	0,54 %
Pactum AS	1 100 000	0,54 %	1 020 000	0,50 %
Holberg Norge	1 100 000	0,54 %	1 011 693	0,50 %
The bank of New York BNYM SA/NV - BNY BRU verdipapirfond	1 084 619	0,54 %	0	0,00 %
Varma Mutual Pension Company	1 000 000	0,49 %	0	0,00 %
Forsvarets Personellservice	981 646	0,48 %	981 646	0,48 %
DnB NOR SMB VPF	0	0,00 %	900 949	0,44 %
Tapiola Mutual Pension Insurance Company	0	0,00 %	4 824 299	2,38 %
Credit Suisse Securi Prime Broker	0	0,00 %	1 006 518	0,50 %
Holberg Norden	0		982 322	0,48 %
Total 20 largest shareholders	**150 340 488**	**74,16 %**	**154 431 852**	**76,18 %**
Total others	52 376 886	25,84 %	48 285 522	23,82 %
Total numbers of shares	**202 717 374**	**100,00 %**	**202 717 374**	**100,00 %**

Shares controlled by Board members and management:	**Number of shares**	**Share-holding**
Inga Lise L. Moldestad (Ingasset AS)	40 000	0,02 %
Helge Møgster (Laco AS)	23 053 289	11,37 %
Helge Singelstad	50 000	0,02 %
Lill Maren Møgster (Laco AS)	22 521 775	11,11 %
Oddvar Skjegstad (Rehua AS)	55 000	0,03 %
CEO Arne Møgster (Laco AS)	5 495 313	2,71 %
CFO Britt Kathrine Drivenes (Lerkehaug AS)	125 367	0,06 %
Total shares controlled by Board members and management	**51 340 744**	**25,33 %**

Notes to the accounts

NOTE 26 TAX

	2013	2012
Specification of the tax expense		
Tax payable (excluding tax effect of group contributions)	389 775	119 420
Change in deferred tax	183 375	114 055
Change in deferred tax (adjustment previous years)	7 618	0
Taxes	**580 768**	**233 475**
Tax reconciliation		
Profit before tax	2 380 223	812 582
Taxes calculated with the nominal tax rates*	654 392	242 516
Change in tax rate**	-47 890	0
Income from associated companies	-53 813	-11 717
Tax-free gain on sale of shares	-9 506	658
Exchange gain/loss on investment financing	1 019	0
Currency adjustment of tax values on fixed assets and leasing liabilities	4 919	0
Other differences	31 647	2 003
Utilisation of loss carried forward, previously not recognised	0	14
Taxes	**580 768**	**233 475**
Weighted average tax rate	**24,40 %**	**28,12 %**

*Nominal tax rates for the Group varies between 20% and 30%.
**Tax rate is reduced from 28 to 27 % in Norway from 1 January 2014. For the Norwegian companies in the Group, deferred tax asset and deferred tax liability are calculated with the reduced tax rate as of 31 December 2013.

The gross movement on the deferred income tax account is as follows:	**2013**	**2012**
Opening balance 01.01.	1 868 575	1 767 905
Booked to income in the period	190 993	113 577
Tax on share issuance to equity	0	290
Currency translation differences	3 184	-6 626
Effect of business combinations	-24	-6 572
Booked as OCI in the period	-175	0
Balance sheet value (net) 31.12.	**2 062 553**	**1 868 575**
Balance sheet value of deferred tax assets*	-28 282	-24 265
Balance sheet value of deferred tax liabilities	2 090 835	1 892 840

* Represents deferred tax assets whereof there is not a legally enforceable right to offset against current tax liabilities

Notes to the accounts

NOTE 26 TAX (CONT.)

The movement in deferred income tax assets and liabilities during the year is as follows:

Change in deferred tax liabilities	**Intangible assets**	**Fixed assets**	**Biological assets**	**Total**
2012				
Opening balance 01.01.	1 109 681	227 739	614 347	1 951 767
Booked to income in the period	1 345	-5 305	143 282	139 322
Tax on share issuance to equity	0	570	0	570
Currency translation differences	4 575	-4 640	0	-65
Effect of business combinations	0	283	0	283
31.12.	**1 115 601**	**218 647**	**757 629**	**2 091 877**
2013				
Booked to income in the period	12 105	-35 543	270 429	246 991
Tax on share issuance to equity	0	0	0	0
Currency translation differences	1 666	3 763	0	5 429
Effect of business combinations	0	0	0	0
31.12.	**1 129 372**	**186 867**	**1 028 058**	**2 344 297**
Change in tax rate	-16 003	-2 797	-36 706	-55 506
31.12.	**1 113 369**	**184 070**	**991 352**	**2 288 792**

Change in deferred tax asset	**Inventory**	**Pensions**	**Receiv-ables**	**Liabili-ties**	**Profit and loss account**	**Loss carried forwards**	**Other**	**Total**
2012								
Opening balance 01.01	5 001	-5 030	-4 562	-23 747	-15 901	-155 842	16 218	-183 863
Booked to income in the period	963	-1 074	2 107	2 705	214	-26 617	-112	-21 815
Tax on share issuance to equity	0	0	0	0	0	0	0	0
Currency translation differences	-227	-10 533	-146	3 434	-262	1 249	262	-6 223
Effect of business combinations	-113	0	0	555	-147	-7 558	-4 139	-11 402
31.12.	**5 623**	**-16 637**	**-2 601**	**-17 054**	**-16 096**	**-188 767**	**12 229**	**-223 303**
2013								
Booked to income in the period	-2 337	-18 360	9 938	4 189	-262	-14 043	12 768	-8 107
Booked as OCI in the period		-175						-175
Tax on share issuance to equity	0	0	0	0	0	0	0	0
Currency translation differences	-848	0	-51	-164	-25	-381	-777	-2 246
Effect of business combinations	0	0	0	-24	0	0	0	-24
31.12.	**2 438**	**-35 172**	**7 286**	**-13 053**	**-16 383**	**-203 191**	**24 220**	**-233 855**
Change in tax rate	187	33	-205	-37	22	7 737	-121	7 616
31.12.	**2 625**	**-35 140**	**7 081**	**-13 090**	**-16 361**	**-195 454**	**24 099**	**-226 239**

Notes to the accounts

NOTE 26 TAX (CONT.)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax assets	2013	2012
Deferred tax asset to be recovered after more than 12 months	-246 955	-221 501
Deferred tax asset to be recovered within 12 months	20 716	-1 802
Total	**-226 239**	**-223 303**
Deferred tax liabilities		
Deferred tax liabilities to be settled after more than 12 months	1 297 439	1 334 248
Deferred tax liabilities to be settled within 12 months	991 352	757 629
Total	**2 288 791**	**2 091 877**
Deferred tax liabilities (net)	**2 062 553**	**1 868 574**

Notes to the accounts

NOTE 27 PENSION OBLIGATIONS AND OTHER OBLIGATIONS

Pension obligations and other obligations	2013	2012
Pensions and pension commitments	8 670	12 057
Fair value of interest swap contracts (ref note 22)	32 587	44 788
Other obligations	4 113	1 202
Total	**45 370**	**58 046**

The Group entities operates various pension schemes. Some Group entities have pension schemes which provide the employees the right to established future pension payments (defined benefit). The Group's funded pension schemes is secured, and administered by a pension company. Other Group entities operate a defined contribution plan for their employees.

All companies in the group satisfy the requirements in the Act relating to mandatory occupational pensions (Norwegian: OTP). The schemes are in the main established as defined contribution pension schemes.

Some of the entities also have Contractual Early Retirement schemes (Norwegian: AFP) for their employees. The new AFP scheme which came into effect on 1 January 2011, is to be considered as a defined benefit multi-enterprise scheme but is recognised as a defined contribution scheme until reliable and sufficient information has been provided so that the Group can book its proportionate share of the pension cost, pension liability and pension funds in the scheme. However, a provision has been carried to cover the estimated payments related to undercoverage in the former AFP scheme.

Net pension cost	2013	2012
Current service cost	2 056	1 879
Interest cost	287	480
Expected return on plan assets	0	-330
Administration costs	256	601
Social security tax	365	125
Other changes	0	80
Net pension cost related to defined benefit plan	**2 964**	**2 834**
Pension costs related to defined contribution plan	37 168	32 272
Social security on defined contribution plan	6 074	4 712
Total pension costs	**46 207**	**39 818**
Actuarial loss/(gain) on remeasurement of the net defined benefit liability	**-1 571**	**0**

The amounts recognised in the balance sheet are determined as follows:

Capitalised commitments are determined as follow	2013	2012
Present value of funded secured obligations	27 285	28 100
Fair value of plan assets	-20 660	-20 400
Present value of unfunded obligations	974	2 452
Social security tax	1 072	1 906
Net pension commitment on the balance sheet 31.12.	**8 670**	**12 057**

Notes to the accounts

NOTE 27 PENSION OBLIGATIONS AND OTHER OBLIGATIONS (CONT.)

The principal actuarial assumptions	31.12.13	01.01.13	31.12.12
Discount rate	4,1 %	2,3%/4,1%	2,3%/3,9%
Anticipated yield on pension assets	4,1%/4,4%	3,6%/4,4%	3,6%/4,0%
Anticipated regulation of wages	3,%-5%/3,75%	3,25%/3,75%	3,25%/3,5%
Anticipated regulation of pensions	0,60 %	0-2,5%/0,6%	0-2,5%/0,2%
Anticipated regulation of national insurance	3,50 %	3,0%/3,5%	3,0%/3,25%
Employee turnover	0-20%	0-20%	0-20%
Social security tax rate	0%-14,1%	0%-14,1%	0%-14,1%

NOTE 28 CONTINGENCIES AND PROVISIONS

Cormar
The Group has recognised a provision related to the acquisition of Cormar in 2007. The Group will have reimbursement rights for some of the liabilities, if the liabilities materialises. A provision of MNOK 17.7 has been recorded for this contingent liability, ref note 31.

Claim against the company related to taxation of Lafjord Fiskebåtrederi AS
Reference is made to note 28 in the annual report for 2012 regarding the ongoing tax claim between Lafjord Fiskebåtrederi AS and the Norwegian Government. On 15 May, 2013, Gulating Appellate Court ruled in favor of the buyers. The Norwegian Government appealed to the Supreme Court, but withdrew the appeal in December 2013. The Appellate Court' ruling is final and binding. The buyers have won the case and the tax claim is thereby terminated. The recourse case against AUSS has later been dismissed by Nordhordland County Court.

Austral Group S.A.A
The subsidiary Austral Group S.A.A (Peru) has certain court actions pending resolution for a total of MNOK 219 as of December 31, 2013 mainly related to its business activities. Local management and legal counsel consider it not likely to give rise to significant liabilities. Accordingly, local management has not considered it necessary to make a higher provision than the NOK 47 million recorded for these contingencies (ref note 31).

Notes to the accounts

NOTE 29 INTEREST BEARING DEBT

Non-current	2013	(restated) 2012
Bank borrowings	3 650 095	3 125 776
Bond loan	924 707	913 643
Other loans	18 604	17 204
Leasing liabilities	367 393	303 117
Total non-current	**4 960 799**	**4 359 740**
Current		
Bank overdrafts	659 665	545 254
Bond loans	2 671	350 000
Bank borrowings	504 283	493 406
Leasing liabilities	97 088	86 125
Total current	**1 263 706**	**1 474 785**
Total non-current and current	**6 224 505**	**5 834 526**
Net interest-bearing debt		
Cash and cash equivalents	1 396 279	2 162 261
Other interest-bearing assets - non-current	60 512	17 200
Net interest-bearing debt	**4 767 714**	**3 655 065**

Repayment profile interest bearing debt	2014*	2015	2016**	2017	2018	Sub-sequent	Total*
Bank borrowings *	504 279	595 559	1 569 674	311 692	330 039	843 135	4 154 378
Bank overdrafts	659 665	0	0	0	0	0	659 665
Bond loan	2 671	19 723	0	400 000	500 000	4 984	927 378
Leasing liabilities	97 091	127 083	65 895	52 273	40 988	81 150	464 480
Other non-current liabilities	0	658	219	219	219	17 290	18 605
Total	**1 263 705**	**743 023**	**1 635 788**	**764 184**	**871 246**	**946 558**	**6 224 506**

* Repayments of non-current liabilities which mature in 2014 are classified as current liabilities in the balance sheet.
** In January 2014 MNOK 740 has been paid in connection with sale of shares in NPEL/Welcon.

NOTE 29 INTEREST BEARING DEBT (CONT.)

Liabilities secured by mortgage	**2013**	**2012**
Current liabilities	707 357	1 127 696
Non-current liabilities	3 439 837	3 466 506
Liabilities to credit institutions incl. leasing liab.	**4 147 194**	**4 594 201**

Assets provided as security		
Non-current assets	4 241 611	3 341 028
Inventory	1 109	196 006
Biological assets	3 175 298	2 413 276
Shares	554 586	543 704
Trade receivables	436 247	496 481
Cash and cash equivalents	0	0
Total assets provided as security	**8 408 851**	**6 990 494**

The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:		
6 months or less	4 907 101	4 536 567
6-12 months	50 209	49 480
1-5 years	267 196	248 479
Over 5 years	1 000 000	1 000 000
Total	**6 224 505**	**5 834 526**

The carrying amounts and fair value of the	**Carrying amount**		**Fair value**	
non-current liabilities are as follows:	**2013**	**2012**	**2013**	**2012**
Mortgage loan	3 650 095	3 125 776	3 650 095	3 210 020
Bond loan	924 707	913 643	956 647	934 045
Leasing liabilities	367 393	303 117	367 393	303 117
Other non-current liabilities	18 604	17 204	18 604	17 204
Total	**4 960 799**	**4 359 740**	**4 992 739**	**4 464 386**

Based on contractual terms the fair value of non current borrowings (ex bond loan) loans are estimated to be equal to book value as of 31 December 2013.

The bond loans are listed on Oslo Stock Exchange, and fair value is calculated using the last traded rates in 2013 (December 18 and October 30, respectively) for the bonds. The carrying amounts of short-term borrowings approximate their fair value. There are no repayments of bond loan in 2014. The first maturity of bond loan will be in 2017. That is why fair value of current bond loan is estimated to NOK 0.

Notes to the accounts

NOTE 29 INTEREST BEARING DEBT (CONT.)

The carrying amounts of the group's borrowings are denominated in the following currencies:	**2013**	**2012**
NOK	5 100 774	5 196 553
USD	945 407	576 411
GBP	0	0
EUR	74 507	12 539
SEK	103 818	48 973
Other	0	50
Total	**6 224 505**	**5 834 526**

FINANCIAL "COVENANTS"

There are several financial covenant requirements for the companies in the Group. The Group has not been in breach of any covenants during the financial year 2013, and is not in breach as of December 31, 2013.

However, Norway Pelagic Holding AS (NPEL), which is classified as held for sale in the 2013 financial statement, has a waiver from Nordea/DNB due to breach with covenants at 31 December 2013.

Bank overdraft	**2013**	**2012**
Bank overdrafts	659 665	545 254
Bank overdrafts undrawn	1 223 776	970 579
Bank overdrafts limit	**1 883 441**	**1 515 832**

NOTE 30 LEASE CONTRACTS - GROUP COMPANY AS LESSEE

Overview of future minimum operating leases	**Within 1 year**	**1-5 years**	**Sub-sequent**	**Total**
Minimum lease amount, operating leasing contracts maturing:	10 097	6 990	0	17 087
Present value of future minimum lease (discount rate 5%)	9 589	6 242	0	15 831
Overview of future minimum financial leases				
Minimum lease amount, financial leasing contracts maturing:	104 938	313 958	93 305	512 201
Interest	7 850	27 689	12 181	47 720
Repayment	97 088	286 269	81 124	464 481

Leased assets booked as finance lease is specified in note 16, whilst maturities and balances of financial leases are specified in note 29.

Notes to the accounts

NOTE 31 OTHER CURRENT LIABILITIES

Specification of other current liabilities	**2013**	**2012**
Salary and other personell expenses	216 107	189 775
Public taxes payable	114 271	75 548
Accrued expenses	162 437	129 160
Currency forward contracts / Effects of fair value hedging	8 712	10 039
Provisions (cf note 28)	17 661	43 101
Other short-term liabilities	113 117	4 836
Other current liabilities	**632 305**	**452 458**

NOTE 32 RELATED PARTIES

The Group is controlled by Laco AS which owns 55.55% of the company's shares. The remaining 44.45% of the shares are widely held. The ultimate parent of the Group is Laco AS.

The majority of transactions with related parties are carried out through;

- Lerøy Seafood Group ASA (LSG) sale and purchase of goods to/from LSG associated companies.

In addition, the Group had some minor transactions with related parties such as the associated companies Br. Birkeland AS and Marin IT AS (ownership directly by parent Company).

The following transactions were carried out with related parties:

a) Sales of goods and services	**2013**	**2012**
Sales of goods:		
- associates	155 718	104 735
Sales of services		
- associates	2 573	7 852
- the ultimate parent and its subsidiary (administration services)	6 450	728
Total	**164 741**	**113 315**

Notes to the accounts

NOTE 32 RELATED PARTIES (CONT.)

Group companies has sold services as slaughtering, packaging and storage of salmon to associated companies, and goods as filleted salmon to associated companies. The Group has also sold administrative services to associated companies.

b) Purchase of goods and services	**2013**	**2012**
Purchase of goods:		
- associates	268 525	256 832
Purchase of services		
- associates	2 301	1 170
- the immediate parent and its subsidiary (management services)	5 697	3 414
Total	**276 523**	**261 416**

All goods and services are bought based on the market price and terms that would be available for third parties.

The Group has bought fish and fish products from associated companies. The Group has bought administrative services such as IT, reception, catering, accounting and secretary- and financial from associated companies.

c) Year-end balances arising from sales/purchase of goods/services	**2013**	**2012**
Receivables from related parties:		
- ultimate parent	0	69
- associates	31 308	1 638
- Close family members of key management personell	0	
Payables to related parties		
- immediate parent	0	0
- associates	1 217	21 573
- entity controlled by key management personell	0	0

The receivables from related parties arise mainly from sale transactions and are due one month after date of sale. The receivables are unsecured in nature and bear no interest. The payable to related parties arise mainly from purchase transactions and are due one month after the date of purchase. The payable bear no interest.

d) Loans to related parties	**2013**	**2012**
Total loans to related parties:		
- associates	58 210	1 750
- minority interests / other	18 823	
Interest income	619	50

Accounts
Austevoll Seafood ASA

Statement of comprehensive income

Amounts in NOK 1 000	Note	2013	2012
Sales revenue	4,19	4 404	2 535
Total income		**4 404**	**2 535**
		0	0
Salaries and personnel expenses	5,16	-14 747	-16 026
Other operating expenses	5,19	-12 946	-13 750
Operating expences		**-27 693**	**-29 776**
Depreciation	7	-111	-412
Operating profit		**-23 400**	**-27 653**
Income from subsidiaries		0	-4 000
Financial income	6	579 009	314 855
Financial expenses	6	-106 590	-153 338
Profit before taxes		**449 019**	**129 864**
Income tax expense	15	9 062	28 300
Profit for the year from continuing operations		**458 081**	**158 164**
Net profit from discontinued operations		-303 932	0
Net profit for the year		**154 149**	**158 164**
Actuarial change on post employment benefit obligation		-73	-
Tax effect on OCI items		21	
Total comprehensive income in the period		**154 097**	**158 164**

Statement of financial position

Amounts in NOK 1 000	Note	31.12.2013	31.12.2012
Assets			
Property, plant and equipment	7	408	102
Shares in subsidiaries	8	3 231 494	3 231 371
Deferred tax asset	15	31 818	22 736
Shares in associated companies	9	221 503	649 514
Shares in other companies	10	25 750	25 750
Long terms receivables on Group companies	11,17,20	639 638	1 331 475
Total non-current assets		**4 150 611**	**5 260 948**
Trade receivable	12	5 062	2 726
Short term receivable on Group companies	20	571 922	307 761
Shares held for sale	9	1 793 240	-
Other current receivables	11	4 248	3 659
Cash and cash equivalents	14,17	531 579	1 121 657
Total current assets		**2 906 051**	**1 435 803**
Total assets		**7 056 662**	**6 696 750**
Equity and liabilities			
Share capital	25 CFS*	101 359	101 359
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		478 118	648 740
Total equity		**4 293 026**	**4 463 648**
Pension obligations	16	1 461	975
Borrowings	17	2 084 907	1 430 748
Total non-current liabilities		**2 086 367**	**1 431 723**
Borrowings	17	165 473	524 742
Trade payable		4 597	771
Accrued salary expense and public tax payable		1 893	1 645
Other current liabilities to Group companies	20	123 802	4 328
Dividends	21	324 348	243 260
Other current liabilities	18	57 156	26 632
Total current liabilities		**677 269**	**801 379**
Total liabilities		**2 763 637**	**2 233 102**
Total equity and liabilities		**7 056 662**	**6 696 750**

*If note reference contains the characters CFS, the reference refers to notes in the consolidated financial statement

Storebø, 03.04.14

Helge Singelstad
Chairman

Oddvar Skjegstad
Deputy Chairman

Helge Møgster

Inga Lise
Lien Moldestad

Hilde Waage

Arne Møgster
President & CEO

Lill Maren Møgster

Cash flow statement

Amounts in NOK 1 000	2013	2012
Profit before income taxes	449 019	129 864
Depreciation and amortisation	8 711	412
(Losses +/Gains-) on investments	0	2 351
Dividends and group contributions	-15 019	-7 509
Change in accounts receivable and other receivables	-527 702	-271 550
Change in accounts payable and other payables	114 948	-10 558
Change in other accruals	30 523	11 309
Unrealised exchange (gains) / losses	-109	38 545
Net interest	77 886	67 943
Net cash flow from operating activities	**138 257**	**-39 193**
Purchase of fixed assets	-418	0
Purchase of shares and equity investments in other companies	-1 647 635	-1 047
Change in non-current receivables	691 946	121 592
Dividends and group contributions received	254 029	246 519
Interest received	25 454	28 740
Net cash flow from investing activities	**-676 624**	**395 804**
Net change in long-term interest bearing debt	654 159	304 016
Movement of short-term interest bearing debt	-359 269	107 798
Interest paid	-103 340	-96 683
Dividends paid	-243 260	-202 717
Net cash flow from financing activities	**-51 710**	**112 414**
Net change in cash and cash equivalents	**-590 076**	**469 026**
Cash and cash equivalents at 01.01.	**1 121 657**	**652 630**
Cash and cash equivalents at 31.12.	**531 580**	**1 121 657**

Statement of changes in equity

Amounts in NOK 1 000	Note	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.12		**101 359**	**3 713 549**	**737 122**	**4 552 030**
Profit for the year		**0**	**0**	**158 164**	**158 164**
Change in value of available-for-sale financial assets				0	0
Other comprehensive income for the period		**0**	**0**	**0**	**0**
Gains and losses charged directly to equity		0	0	-2 749	-2 749
Total gains and losses charged directly to equity		**0**	**0**	**-2 749**	**-2 749**
Total recognised income		**0**	**0**	**155 415**	**155 415**
Dividends		0	0	-243 260	-243 260
Mergers and demergers					0
Group contribution		0	0	-537	-537
Dividends					0
Total equity to/from shareholders		**0**	**0**	**-243 797**	**-243 797**
Total change of equity		**0**	**0**	**-88 382**	**-88 382**
Equity 31.12.12		**101 359**	**3 713 549**	**648 740**	**4 463 649**
Profit for the year		**0**	**0**	**154 149**	**154 149**
Change in value of available-for-sale financial assets					0
Other comprehensive income for the period		**0**	**0**	**-53**	**-53**
Gains and losses charged directly to equity		0	0	-370	-370
Total gains and losses charged directly to equity		**0**	**0**	**-370**	**-370**
Total recognised income		**0**	**0**	**153 726**	**153 726**
Dividends		0	0	-324 348	-324 348
Mergers and demergers					0
Group contribution		0	0	0	0
Dividends					0
Total equity to/from shareholders		**0**	**0**	**-324 348**	**-324 348**
Total change of equity		**0**	**0**	**-170 622**	**-170 622**
Equity 31.12.13		**101 359**	**3 713 549**	**478 118**	**4 293 027**

Notes to the accounts Austevoll Seafood ASA

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Notes to the accounts

NOTE 1 GENERAL

The separate financial statements of Austevoll Seafood ASA (parent company) have been prepared in accordance with simplified IFRS. Preparation of separate financial statements is required by law.

NOTE 2 ACCOUNTING PRINCIPLES

The principal accounting policies applied in the preparation of the separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The separate financial statements of Austevoll Seafood ASA (Company) were approved by the board of Directors of Austevoll Seafood ASA April 3rd 2014. The statutory accounts have been prepared in accordance to the Regulations of January 21th 2008 regarding “simplified” IFRS as determined by the Ministry of Finance. Preparation of separate financial statements for the parent company is required by law.

The separate financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with simplified IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in note 4 in the consolidated financial statements.

For a description of new standards and interpretations and amendments to existing standards, please refer to note 2 to the consolidated financial statements.

SUBSIDIARIES AND ASSOCIATES

Investment in subsidiaries and associates are accounted for at cost, c.f. IAS 27 nr. 38a.

The fair value of the company’s investments in subsidiaries and associated companies may vary over time, and is therefore reviewed for potential impairment. Fair value assessment will be affected by many factors, such as expectations of future earnings, specific branch conditions, owner shares, shareholder structure, but also macro conditions which are not directly related to the individual company. For quoted investments, current bid prices will be considered as one of several objective criteria in the fair value assessment. If the impairment test indicates that fair value is significantly lower than carrying amount and the situation is expected to persist, an impairment loss is recognised for the amount the carrying value exceeds the recoverable amount. Impairments may be reversed at a later reporting date.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The separate financial statements are presented in Norwegian Kroner (NOK), which is the functional and presentation currency of Austevoll Seafood ASA.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of fixed assets is calculated using the straight-line method to allocate cost less residual value over estimated useful lives.

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

FINANCIAL ASSETS

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'other receivables' in the balance sheet (note 19).

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in the non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available-for-sale financial assets are subsequently carried at fair value.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'other financial income/losses'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

Regular purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit and loss are subsequently carried at fair value.

The Company has applied the exceptions for IFRS 7 no.32, 34-42 and B6-B28.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company does not apply hedge accounting according to IAS 39. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re measured at fair value. Changes in the fair value of any derivative instruments are recognised immediately in the income statement within 'other financial income/losses'.

ACCOUNTS RECEIVABLE

Account receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of account receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the account receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'other operating expenses'.

When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables.

Notes to the accounts

Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ACCOUNTS PAYABLE

Account payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless t he Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided in full at nominal values, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

EMPLOYEE BENEFITS

Pension obligations
The Company has both a defined contribution plan and a closed defined benefit plan. The defined benefit plan is funded through payments to insurance companies, determined by periodic actuarial calculations.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Norwegian governance bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In such case, the past-service costs are amortised on a straight-line basis over the vesting period.

PROVISIONS

Provisions (e.g. environmental restoration, restructuring costs and legal claims) are recognised when:
- the Company has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;

- and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

SERVICES

The Company sells administrative services to other companies. These services are based on accrued time.

INTEREST INCOME

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

DIVIDEND INCOME

The Company uses the right to derogate from the regulations in IAS 10 no. 12 and 13 in simplified IFRS, according to which dividend may be recognised as income in accordance with Norwegian Accounting Act. Dividends from subsidiaries are recognised in the period they relate to. Dividends from other companies are recognised when the right to receive payment is established.

LEASES

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

BORROWING COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are defined as
(i) possible obligations resulting from past events whose existence depends on future events
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources
(iii) obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the financial statements, but is disclosed if there is a certain level of probability that a benefit will accrue to the Company.

CASH FLOW STATEMENT

The Company must apply IAS 7 even though the financial statements are prepared according to simplified IFRS. The Company's cash flow statement shows the overall cash flow broken down to operating, investing and financing activities. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents.

EVENTS AFTER THE BALANCE SHEET DATE

New information after the balance sheet date concerning the Company's financial position at the balance sheet date is considered in the financial statements. An event after the balance sheet date that does not affect the Company's financial position on the balance sheet date, but will affect the company's financial position in the future is reported where material.

EARNINGS PER SHARE

The Company must apply IAS 33 even though the financial statements are prepared according to simplified IFRS. Earnings per share are calculated by the profit attributable to equity holders of the company of the result for the period being divided by a time-weighted average of ordinary shares for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

NOTE 3 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses to some degree derivative financial instruments to reduce certain risk exposures.

MARKET RISK

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company, in a limited degree, use forward contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Company does not make use of financial instruments for management of financial risk regarding long-term financing.

The Company has interest risk in both the short-term and medium to long term as a result of the floating interest rate for the company's liabilities.

(ii) Price risk

The Company is exposed to price risk because of investments held by the Company and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss.

(iii) Cash flow and fair value interest rate risk

The Company's interest rate risk mainly arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility) and cash and cash equivalents on the basis of expected cash flow.

Notes to the accounts

For information of the Company`s financial liabilities see note 17.

CAPITAL RISK MANAGEMENT
The Company`s objectives when managing capital are to safeguard the Company`s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	2013	2012
Total borrowings (note 17)	2 258 473	1 899 741
Less: cash and cash equivalents	531 579	1 121 657
Net debt	1 726 894	778 084
Total equity	4 293 026	4 463 648
Capital employed	**6 019 920**	**5 241 732**
Gearing ratio	**29 %**	**15 %**

Fair value estimation
The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price; for financial liabilities is the current sales price used.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are also used in certain cases. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Notes to the accounts

NOTE 4 INCOME

	2013	2012
Rendering of services	4 404	2 535
Total sales revenue	**4 404**	**2 535**

NOTE 5 PAYROLL, FEES, NO. OF EMPLOYEES ETC.

	2013	2012
Salary and holiday pay	10 083	11 266
Hired personnel	2 288	2 170
National insurance contribution	1 574	1 680
Pension costs (note 16)	580	728
Other personnel costs	223	182
Total	**14 747**	**16 026**
Average man-labour year	3,0	4,0

Pension costs are described in detail in note 16.

Accumulated expenses for wages, pension premiums and other remuneration to CEO, other executives and members of the parent company's board accordingly were:

The Group management takes part in the Groups collective pension schemes.

The annual Director's fee to the Chairman of the Board is not paid as taxable remuneration. Austevoll Seafood ASA is invoiced for the Chairman's services and for consultancy fees by Group head entity, Laco AS, with which company the Chairman is employed.

No loans or securities have been issued in 2013 or 2012 to the CEO, board members, members of the corporate management or other employees or closely related parties.

The CEO has a term of notice of 3 months.
On resignation, the CEO has no right to extra compensation. Pension age is 67, and the CEO takes part in the defined contribution scheme.

See note 12 in group notes for guidelines to executive management and remunerations to the company`s officers.

Specification of auditor's fee ex. Vat	2013	2012
Audit fee	1 530	1 135
Other services	29	280
Tax advice	57	84
Total	**1 616**	**1 499**

Notes to the accounts

NOTE 6 FINANCIAL INCOME AND FINANCIAL EXPENSES

	2013	2012
Interest income from companies within the same group	36 849	38 600
Other interest income	25 454	28 739
Dividends and group contributions	511 582	247 265
Currency gains	5 117	251
Other financial income	8	0
Total financial income	**579 009**	**314 855**
Loss on sale of shares	0	2 351
Interest expenses to companies within the same group	3 234	0
Other interest expenses	83 379	96 689
Currency losses	1 415	0
Impairment non-current financial assets	8 600	0
Other financial expenses	9 960	54 298
Total financial expenses	**106 589**	**153 338**
Net financial items	**472 420**	**161 517**

Notes to the accounts

NOTE 7 TANGIBLE FIXED ASSETS

2012	Plant, equipment and other fixtures	Total
Per 01.01.		
Acquisition cost	1 853	1 853
Accumulated depreciation	-1 340	-1 340
Balance sheet value at 01.01.	**513**	**513**
Balance sheet value at 01.01.	513	513
Depreciation	-412	-412
Balance sheet value at 31.12.	**101**	**101**
Per 31.12.		
Acquisition cost	1 853	1 853
Accumulated depreciation	-1 752	-1 752
Balance sheet value at 31.12.	**101**	**101**

2013	Plant, equipment and other fixtures	Total
Balance sheet value at 01.01.	101	101
Tangible fixed assets acquired	418	418
Depreciation	-111	-111
Balance sheet value at 31.12.	**408**	**408**
Per 31.12.		
Acquisition cost	2 271	2 271
Accumulated depreciation	-1 863	-1 863
Balance sheet value at 31.12.	**408**	**408**

Notes to the accounts

NOTE 8 SHARES IN SUBSIDIARIES

2013 - Subsidiaries Company name	Gross numbers (100%) Net profit	 Equity	Share capital	Carrying value	Voting share
Austevoll Eiendom AS	2 292	12 322	9 370	55 627	100,00 %
AUSS Shared Service AS	1 019	1 258	1 000	1 010	100,00 %
Lerøy Seafood Group ASA	1 886 395	7 548 949	54 577	3 027 159	62,56 %
A-Fish AS	-17 161	1 111	1 100	60 100	100,00 %
Inv. Pacfish Ltd.	-6 332	138 408	41 824	58 709	100,00 %
Austevoll Pacific AS	452 629	424 206	20 000	25 336	100,00 %
Aumur AS	-21	26	100	3 330	100,00 %
Austevoll Laksepakkeri AS	964	17 757	100	100	100,00 %
Pelagia AS	6	109	101	122	100,00 %
Total				**3 231 493**	

2012 - Subsidiaries Company name	Gross numbers (100%) Net profit	 Equity	Share capital	Carrying value	Voting share
Austevoll Eiendom AS	1 461	15 208	9 370	55 627	100,00 %
AUSS Shared Service AS	270	1 270	1 000	1 010	100,00 %
Lerøy Seafood Group ASA	491 760	5 963 959	54 577	3 027 159	62,56 %
A-Fish AS	-12 919	9 672	1 100	60 100	100,00 %
Inv. Pacfish Ltd.	2 720	134 944	41 824	58 709	100,00 %
Austevoll Pacific AS	23 163	118 755	20 000	25 336	100,00 %
Aumur AS	-27	47	100	3 330	100,00 %
Austevoll Laksepakkeri AS	3 176	16 793	100	100	100,00 %
Total				**3 231 371**	

All subsidiaries follow the same accounting year as Austevoll Seafood ASA.

Notes to the accounts

NOTE 9 SHARES IN ASSOCIATED COMPANIES

2013 Company name	Gross numbers (100%) Net profit	 Equity	Share capital	Carrying value	Voting share
Br. Birkeland AS	100 604	295 520	9 224	217 500	49,99 %
Marin IT AS	3 034	22 496	16 000	4 003	25,00 %
Total				**221 504**	

2012 Company name	Gross numbers (100%) Net profit	 Equity	Share capital	Carrying value	Voting share
Br. Birkeland AS	37 727	256 237	9 224	217 500	49,99 %
Marin IT AS	3 656	20 266	16 000	4 003	25,00 %
Norway Pelagic Holding AS	-8 049	1 017 889	18 429	428 010	43,30 %
Total				**649 514**	

Shares in associated companies are estimated to original cost price in Parent company. In the Group shares in associated companies are booked after Equity method.

SHARES HELD FOR SALE

Norway Pelagic Holding AS (February)
We make reference to the Stock Exchange report dated 6 February 2013 and Information Memorandum dated 18 March 2013, regarding the acquisition of shares in Norway Pelagic Holding AS (NPEL) in February 2013, and where Austevoll Seafood ASA (AUSS) issued a mandatory offer to all shareholders in NPEL.

In February 2013 AUSS acquired 34.55 % of the shares in NPEL, giving AUSS an ownership of 77.84% of the total shares in NPEL. The 5 March 2013 AUSS consequently issued a mandatory offer to all the shareholders in NPEL, and acquired a further 12.26 % of the shares in March and April 2013. Control was obtained 6 February 2013.

The offer period expired 3 April 2013 and on 4 April 2013 AUSS announced the final result of the mandatory offer to acquire all the shares in NPEL, which resulted in AUSS becoming the owner of 90.1 % of the shares in NPEL.

Pursuant to Section 4-25 of the Norwegian Public Limited Companies Act and Section 6-22 of the Norwegian Securities Trading Act (STA), AUSS exercised its rights to acquire compulsorily for cash the remaining shares in NPEL that it did not already own (Minority Shares). The offer price paid for each Minority Share was set to NOK 15.50, which is equal to the price offered by AUSS under the mandatory offer made on 5 March 2013. The rights and ownership of the Minority Shares was automatically transferred to AUSS, which accordingly is the beneficial owner of 100 % of the NPEL shares. The transfer was completed 4 July 2013.

Welcon Invest AS (July)
On 3 July 2013, Austevoll Pacific AS (former Laco IV AS), a wholly-owned subsidiary of Austevoll Seafood ASA, signed an agreement for the acquisition of 50 % of the shares in the Norwegian company Welcon Invest AS from Origin Enterprises UK Limited. As per completion of the transaction Austevoll Pacific AS became the owner of 100 % of the share capital in Welcon Invest AS. Consequently, effectively from 3 July 2013, Welcon Invest AS was no longer a jointly

Notes to the accounts

NOTE 9 SHARES IN ASSOCIATED COMPANIES (CONT.)

controlled company and became a subsidiary of Austevoll Pacific AS. The purchase price was NOK 740 million, which indicates a total value on NOK 1,480 million of the share capital in Welcon Invest AS.

Transaction with Kvefi AS (August)
We make reference to the stock exchange report dated 12 August 2013 where Austevoll Seafood ASA (AUSS) and Kvefi AS (Kvefi) (controlled by Kverva AS) announced amalgamation of their respective activities within pelagic fishmeal, fish oil and pelagic fishery for human consumption in Europe.

AUSS and Kvefi has together (joint venture) established the company Pelagia AS which will continue operating the amalgamated activities.

In connection therewith, the shares owned by AUSS in Welcon (50 %) and NPEL (43.3 %) as of 31 December 2012 have been contributed in kind into the joint venture Pelagia AS in 2014, against settlement in new shares in Pelagia AS. In addition, AUSS have transferred the remaining of its shares in the mentioned companies, which comprises shares acquired in 2013, to Pelagia AS against cash settlement.

The transactions took place in January 2014 and Pelagia AS is the owner of 100 % of the shares in NPEL, Welcon and Egersund Fisk AS. All relevant competition authorities have approved the transaction. In order to achieve a 50-50 ownership structure in Pelagia AS between AUSS and Kvefi, Kvefi have acquired shares in Pelagia AS from AUSS at a purchase price of NOK 115 million.

As a consequence of the transactions mentioned above, the shares in NPEL and Welcon have been presented as held for sale in the statement of financial position as of 31 December 2013. The net assets are valued in accordance with sales prices executed in January 2014. The corresponding profit/loss from NPEL and Welcon has been recorded on a separate line in the income statement together with the expected gain/loss on the sale, and are presented on the line "profit from discontinued operations".

Assets classified as held for sale	**NPEL**	**Welcon**	**31.12.13**
Opening balance 01.01.	428 011	318 941	746 952
Acquisition	173 408	1 176 813	1 350 221
Unrealised gain/loss (impairment)	-303 932	-	-303 932
Assets classified as held for sale 31.12.	**297 487**	**1 495 754**	**1 793 241**

Notes to the accounts

NOTE 10 INVESTMENTS IN OTHER SHARES

2013 **Company name**	**Geographical location**	**Number of shares**	**Owner-/ voting share**	**Fair value**
Euro-Terminal AS	Bergen	4 897 290	16,7 %	25 711
Other shares				39
Total				**25 750**

2012 **Company name**	**Geographical location**	**Number of shares**	**Owner-/ voting share**	**Fair value**
Euro-Terminal AS	Bergen	4 897 290	16,7 %	25 711
Other shares				39
Total				**25 750**

NOTE 11 OTHER RECEIVABLES

Other non-current receivables	**2013**	**2012**
Intragroup non-current receivables	639 638	1 331 475
Other non-current receivables 31.12.	**639 638**	**1 331 475**
Impairment losses expensed	0	0
Other current receivables		
Public fees and taxes receivable	-2 142	0
Prepayments	6 390	2 615
Other current receivables	0	1 044
Other current receivables 31.12.	**4 248**	**3 659**
Impairment losses expensed	0	0

Notes to the accounts

NOTE 12 TRADE RECEIVABLE

	2013	2012
Trade receivable at nominal value	5 062	2 726
Accounts receivable 31.12.	**5 062**	**2 726**
The ageing of these trade receivables are as follows:		
0 to 3 months	5 025	2 726
Over 6 months	37	0
Total	**5 062**	**2 726**
The carrying amounts of the trade receivables are denominated in the following currencies:		
Currency		
NOK	5 062	2 726
Total	**5 062**	**2 726**

NOTE 13 GUARANTEE OBLIGATIONS

	2013	2012
Guarantee Eksportfinans	0	5 767
Guarantee SG Finans	7 500	7 500
Guarantee Euro Terminal	11 686	11 128
Guarantee Nordea	0	6 250
Guarantee Innovasjon Norge	1 500	7 500
Total	**20 686**	**38 145**

NOTE 14 RESTRICTED BANK DEPOSITS

	2013	2012
Restricted deposits related to employee` tax deduction	1 344	819
Total	**1 344**	**819**

Notes to the accounts

NOTE 15 TAX

		2013	2012
Specification of the tax expense			
Change in deferred tax		-9 082	-28 314
Tax on shareholders contribution			14
Taxes		**-9 082**	**-28 300**
Tax reconciliation			
Profit before tax		449 019	129 864
Taxes calculated with the nominal tax rate	28 %	125 725	36 362
Tax-free gain/loss on sale of shares	28 %	0	659
Other differences - including dividends	28 %	-135 966	-65 335
Effect of change in tax rate from 28% to 27%	1 %	1 179	0
Tax OCI posts	28 %	-21	14
Taxes		**-9 082**	**-28 300**
Weighted average tax rate		**-2 %**	**-22 %**
Change in book value of deferred tax			
Opening balance 01.01.		-22 735	2 831
Booked to income in the period		-10 260	-28 314
Other differences		1 178	2 748
Balance sheet value 31.12.		**-31 816**	**-22 735**

Notes to the accounts

NOTE 15 TAX (CONT.)

Deferred tax	Fixed assets	Shares	Profit and loss account	Non current liabilities	Total
2012					
Opening balance 01.01.	-123	26 249	3 182	11 333	40 641
Booked to income in the period	-48	0	-636	-11 333	-12 017
31.12. (tax rate 28%)	**-171**	**26 249**	**2 546**	**0**	**28 624**
2013					
Booked to income in the period	54	0	-509	31	-425
31.12. (tax rate 28%)	**-117**	**26 249**	**2 037**	**31**	**28 199**
Effect of change in tax rate from 28% to 27%	4	-937	-73	-1	-1 007
31.12. (tax rate 27%)	**-113**	**25 312**	**1 964**	**29**	**27 192**

Deferred tax asset	Loss carried forwards	Current liabilities	Pensions	Other differences	Total
2012					
Opening balance 01.01.	-37 053	0	-758	0	-37 811
Booked to income in the period	-18 457	0	485	1 675	-16 297
Other differences	-1 015	2 008		1 755	2 748
Emission costs					
31.12. (tax rate 28%)	**-56 525**	**2 008**	**-273**	**3 430**	**-51 360**
2013					
Booked to income in the period	-9 396	860	-136	-1 165	-9 837
31.12. (tax rate 28%)	**-65 921**	**2 868**	**-409**	**2 265**	**-61 197**
Effect of change in tax rate from 28% to 27%	2 354	-102	15	-80	2 187
31.12. (tax rate 27%)	**-63 567**	**2 766**	**-394**	**2 185**	**-59 010**

	2013	2012
Current	2 868	2 008
Non-current	-34 684	-24 743
Total	**-31 816**	**-22 735**

Notes to the accounts

NOTE 16 PENSIONS AND PENSION COMMITMENTS

The company has a closed defined benefit plan and a defined contribution plan in Nordea Liv Norge ASA. In 2013 the defined benefit plan comprises a total of 2 employees. The scheme comprises retirement-, disability and child's pension. The retirement pension starts from 67 years and remains until death. The law with regards to mandatory occupational pension applies for the company, and the company's scheme complies with the rules.

Net pension cost	2013	2012
Current service cost	234	244
Interest cost	46	157
Administration costs	70	52
Social security tax	49	64
Net pension cost related to defined benefit plan	**399**	**517**
Pension costs related to defined contribution plan	158	185
Social security on defined contribution plan	22	26
Net pension cost	**580**	**728**

Capitalised commitments are determined as follow	2013	2012
Present value of future pension commitments	4 240	3 843
Fair value of plan assets	-2 960	-2 664
Unrecognised actuarial losses	0	-370
Social security tax	180	166
Net pension commitment on the balance sheet 31.12.	**1 461**	**975**

Financial premises for the group	31.12.13	01.01.13	31.12.12
Discount rate	4,10 %	4,10 %	3,90 %
Anticipated yield on pension assets	4,40 %	4,40 %	4,00 %
Anticipated regulation of wages	3,75 %	3,75 %	3,50 %
Anticipated regulation of pensions	0,60 %	0,60 %	0,20 %
Anticipated regulation of national insurance	3,50 %	3,50 %	3,25 %
Employee turnover	0,00 %	0,00 %	0,00 %
Social security tax rate	14,10 %	14,10 %	14,10 %

Change in carrying amount of net pension commitments	
Balance sheet value at 01.01.	975
Net pension cost	399
Pension payments and payments of pension premiums	86
Balance sheet value at 31.12.	**1 460**

Notes to the accounts

NOTE 17 INTEREST BEARING DEBT

Austevoll Seafood ASA and Austevoll Eiendom AS are part of a group account agreement.

Net interest-bearing assets/debt(-)	2013	2012
Liabilities to financial institutions - non-current	1 193 000	543 000
Bond loan - non-current	900 000	900 000
Bond loan - current	0	350 000
Liabilities to financial institutions - current	90 000	90 000
Liabilities to financial institutions - overdraft	75 473	16 741
Total interest-bearing debt	**2 258 473**	**1 899 741**
Cash and cash equivalents	531 579	1 121 657
Other interest-bearing assets - non-current	639 638	1 331 475
Net interest-bearing assets/debt(-)	**-1 087 256**	**553 391**

Repayment profile interest bearing debt	2014*	2015	2016**	2017	2018	Subsequent	Total*
Mortgage loan	90 000	210 000	983 000	0	0	0	1 283 000
Bond loan	0	0	0	400 000	500 000	0	900 000
Total	**90 000**	**210 000**	**983 000**	**400 000**	**500 000**	**0**	**2 183 000**

* Repayments of non-current liabilities which mature in 2014 are classified as current liabilities in the balance sheet.
** In January 2014 MNOK 740 has been paid in connection with sale of shares in NPEL/Welcon.

FINANCIAL "COVENANTS"

Financial covenant requirements for Austevoll Seafood ASA (the parent company) are measured on the Group`s consolidated level, and requires a minimum book equity ratio of 30% and a debt service ratio not less than 1.05.

Liabilities secured by mortgage	2013	2012
Current liabilities	165 473	106 741
Non-current liabilities	1 193 000	543 000
Liabilities to credit institutions incl. leasing liab.	**1 358 473**	**649 741**
Assets provided as security		
Shares	3 425 158	3 425 158
Trade receivables	5 062	2 726
Total assets provided as security	**3 430 220**	**3 427 884**

Fair value of non-current liabilities

Based on contractual terms of non -current borrowings (ex bond loan), the fair value of the loans are estimated to be equal to book value as of 31.12.2013.

For further information about the bond loan, please refer to note 29 in the consolidated financial statement.

Notes to the accounts

NOTE 18 OTHER CURRENT LIABILITIES

Specification of other current liabilities	2013	2012
Salary and other personnel expenses	792	969
Accrued interests	15 762	18 249
Other short-term liabilities	40 602	7 414
Other current liabilities	**57 156**	**26 632**

NOTE 19 RELATED PARTIES

2013	Operating income	Operating expenses	Net finance exp.	Net balance
Møgster Management AS	0	266	0	0
Marin IT AS	0	276	0	0
Welcon AS	2 927	0	0	3 539
Norway Pelagic AS	103	0	0	2
Total	**3 031**	**542**	**0**	**3 541**

2012	Operating income	Operating expenses/fee	Net finance exp.	Net balance
Møgster Management AS	728	1 244		45
Marin IT AS		1 170	50	1 728
Total	**728**	**2 414**	**50**	**1 773**

Møgster Management AS is owned by the company's major shareholder, Laco AS, and delivers administrative services (legal advice, catering, secretary, accounting) to the company. Marin IT AS deliver IT services, and is owned 75% by DOF ASA and 25% by Austevoll Seafood ASA.

In 2013 the company have paid TNOK 4 904 (2012: TNOK 3 550) to subsidiaries for rent and administrative services.

NOTE 20 INTERCOMPANY BALANCES

	2013		2012	
Specification of intercompany balances	**Current**	**Non-current**	**Current**	**Non-current**
Loans to Group companies	571 922	639 638	307 760	1 331 475
Suggested dividend in Lerøy Seafood Group ASA	0	0	0	0
Total intercompany receivables	**571 922**	**639 638**	**307 760**	**1 331 475**
Liabilities to Group companies	123 802	0	4 328	0
Total intercompany liabilities	**123 802**	**0**	**4 328**	**0**
Net intercompany balances	**448 120**	**639 638**	**303 432**	**1 331 475**

NOTE 21 EARNINGS PER SHARE AND DIVIDEND PER SHARE

Basic earning per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued during the year.

Basis for calculation of earnings per share	**2013**	**2012**
The year's earnings	154 097	158 164
No. of shares at the balance sheet date (thousands)	202 717	202 717
Average no. of shares (thousands)	202 717	202 717
Earnings per share	**0,76**	**0,78**
Diluted earnings per share	0,76	0,78
Suggested dividend per share	**1,60**	**1,20**

NOTE 22 CLAIM AGAINST THE COMPANY RELATED TO TAXATION OF LAFJORD FISKEBÅTREDERI AS

Reference is made to note 28 in the annual report for 2012 regarding the ongoing tax claim between Lafjord Fiskebåtrederi AS and the Norwegian Government. On 15 May, 2013, Gulating Appellate Court ruled in favor of the buyers. The Norwegian Government appealed to the Supreme Court, but withdrew the appeal in December 2013. The Appellate Court' ruling is final and binding. The buyers have won the case and the tax claim is thereby terminated. The recourse case against AUSS has later been dismissed by Nordhordland County Court.

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2013 have been prepared in accordance with current applicable account standards, and givea true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the management report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Storebø, 3 April 2014
Board of Directors in Austevoll Seafood ASA

Helge Singelstad
Chairman

Oddvar Skjegstad
Deputy Chairman

Helge Møgster

Inga Lise
Lien Moldestad

Hilde Waage

Arne Møgster
President & CEO

Lill Maren Møgster

To the Annual Shareholders' Meeting of Austevoll Seafood ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Austevoll Seafood ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2013, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2013, income statement, statement of comprehensive income, changes in equity, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Austevoll Seafood ASA as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with simplified IFRS pursuant to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Austevoll Seafood ASA as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 3 April 2014
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

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Notes

Notes

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Austevoll Seafood ASA