
Austevoll Seafood ASA
2010
ANNUAL REPORT

1,4

MILLION TONS

of raw material processed.

ABOUT AUSTEVOLL SEAFOOD

The Austevoll Seafood Group (AUSS) is a global seafood company operating a full value chain integration model from harvesting, processing, salmon farming and sales & marketing and distribution.

The company's operations are located in Europe, Chile and Peru. The head office is located in Austevoll, Norway.

Group activities are divided into four segments – production of fishmeal and oil, products for direct human consumption, pelagic production North Atlantic and production, sales and distribution Atlantic salmon and trout.

FINANCIAL CALENDER 2011

12.05.2011	Results Q1 2011
26.05.2011	Ordinary General Meeting
18.08.2011	Results Q2 2011
08.11.2011	Results Q3 2011
23.02.2012	Preliminary annual results 2011

Dates are given with reservation in case of changes.

CONTENT

1981

AUSTEVOLL SEAFOOD ASA

was created based on Austevoll Havfiske AS in 1981.

HISTORY

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

AUSS' activities include ownership and operation of fishing vessels, fishmeal plants, canning plants, freezing plants, salmon farming and marketing and sales. AUSS is a publicly quoted company listed on the Oslo Stock Exchange since 2006. At the end of 2010 the AUSS group had about 5,382 employees worldwide.

AUSS was created 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 incorporated in 1981, but 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 (through their jointly controlled company Laco AS) also 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.

Through a contribution in kind by Laco AS in May 2006 the Norwegian company Welcon Invest AS and the Peruvian company Austral Group S.A.A became part of the AUSS group. By this transaction AUSS entered into fishmeal and oil production in Norway through Welcon Invest AS. And through Austral Group S.A.A the group entered into pelagic wild catch and production of fishmeal and oil and canned products in Peru.

Late 2006 Welcon Invest AS expanded its business by acquiring Karmsund Fiskemel AS, one of the most efficient and modern fishmeal factories in Norway.

In January 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. The purchase of Epax AS represented an important stage in the company's strategy of developing high value products based on the company's extensive access to pelagic resources.

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

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

During July and August 2010 AUSS acquired 33.27 per cent of the share capital in Norway Pelagic ASA (NPEL). NPEL is a world leader in production and sales of frozen pelagic fish for human consumption.

In November 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 business. The Group`s core businesses are pelagic fishery, pelagic industry, farming of salmon and trout, processing of seafood, and sale and distribution of seafood.

IMPORTANT STRATEGIC EVENTS THE LAST 10 YEARS

2001	**Acquisition of 100% of Veststar AS, Norway**
2003	**Acquisition of 100% of FoodCorp S.A in Chile**
2006	**Acquisition of 89.26% of Austral Group S.A.A in Peru**
2006	**Acquisition of 100% of Welcon Invest AS in Norway**
2006	**Increased ownership in Br. Birkeland AS to 40.2%**
2006	**Infusion of approx NOK 2.3 billion of new capital through a share issue**
2006	**Listed on the Oslo Stock Exchange's main list**
2006	**Acquisition of 100% of the shares in Karmsund Fiskemel AS, Norway**
2007	**Acquisition of 100% of Epax AS, Norway**
2007	**Sale of the salmon business to Lerøy Seafood Group ASA (LSG)**
2007	**Increased ownership in Sir Fish AS, Norway, to 60%**
2007	**Acquisition of 25% of the share capital in Shetland Catch Ltd, Shetland**
2007	**Acquisition of 50% of Corporacion del Mar S.A. (Cormar), Peru**
2008	**Acquisition of 40% of Bodø Sildoljefabrikk AS, Norway**
2008	**Increased ownership in Modolv Sjøset AS from 49.88% to 66%**
2008	**Increased ownership in Lerøy Seafood Group ASA to 74.93%**
2009	**Consolidation with Origin Enterprises plc**
2009	**Decreased ownership in Lerøy Seafood Group ASA to 63.7%**
2009	**Increased ownership in Bodø Sildoljefabrikk AS from 40% to 50%**
2009	**Completed a private placement for a total of 18,400,000 new shares**
2010	**Acquisition of 33.27% of the share capital of Norway Pelagic ASA (NPEL)**
2010	**Sale of the entire shareholding of Epax Holding AS**

A GOOD YEAR

2010 is historically the best year ever for the Austevoll Seafood Group. We have experienced all time high prices both within the salmon and the fishmeal segments, and combined with a keen focus on the operations we have achieved many of our targets during the year. In respect of our Group the operating result shows a significant positive development with a 2010 EBITDA of MNOK 2,540, up from MNOK 1,931 in 2009.

Although we deliver our best year ever, we have still not utilized the full capacity of our assets. On the 27th of February we experienced an earthquake measuring 8.8 on the Richter scale close to our factories in Chile. There were minor damages in some of our factories, and we are very grateful that we did not lose any of our employees in the earthquake. The efforts by our employees in Chile to rebuild our facilities to their original capacities have been admirable. After the earthquake the fishery has been weak compared to previous years. The authorities have announced a lower quota for horse mackerel in 2011 in order to rebuild the biomass of the species. Cooperating with nature is of great importance to our group and essential for achievement of good results in the long term.

The anchovy fisheries in Peru have during 2010 been challenging, the year starting with an El Niño period, followed by a strong La Niña period. This resulted in delayed spooning and delayed growth. The impact on the fisheries has demonstrated a significant reduction of approx 45% compared with the previous year. Entering 2011, the biomass has recovered and the quota set for first half 2011 is 1 mill tons more compared with same season 2010. Peruvian authorities are monitoring the biomass in an excellent manner, in order to obtain a sustainable fishery also for the future.

Our Human consumption segment has also this year been characterized by lower than expected catches, and by low utilization of our onshore capacity. Although we expect some challenging years in Chile, the start of the horse mackerel fishery in Peru is promising for 2011. The lack of cheap protein has also resulted in higher prices for our pelagic Human consumption products. In November 2010 we sold our Omega 3 Company, Epax Holding AS, and we will in the future focus on our core business within the pelagic and salmon business segments.

In particular the salmon segment has performed well during 2010. Driven by high prices in all major markets and a thorough operational focus from the Lerøy employees, the group delivered the best year ever. Through the acquisition of Sjøtroll Havbruk AS, Lerøy Seafood Group ASA will increase its volume in 2011.

The result delivered by the fishmeal and oil segment in 2010 was on the level of the previous year. Although the sale of meal and oil in 2010 was 100,000 tons less than in 2009, price increase compensated the lesser volumes sold during the year.

We have also during 2011 strengthened our position in the Pelagic North Atlantic segment through our acquisition in Norway Pelagic. We are currently in a process of merging our Human Consumption North Atlantic activity with Norway Pelagic. Our aim is to create stability for all parties involved in the value chain. The fishermen delivering their catches must be assured that they obtain competitive prices, and our customer must be confident that they receive high quality products at the right prices. We are looking forward to developing this industry together with the administration and the other shareholders of Norway Pelagic.

We have made significant and good investments in assets and companies over the last few years, but our most important asset by far in our group are its employees. I am proud to work with a motivated and dedicated work force, and I want to thank all our employees for all their good efforts through 2010. I hope and believe that we will continue to develop the Group in the same manner also in the years ahead.

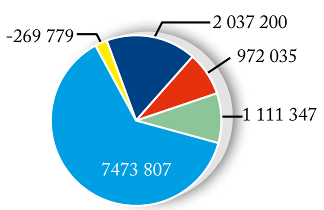
Arne Møgster, CEO
Austevoll Seafood ASA

KEY FIGURES AUSTEVOLL SEAFOOD

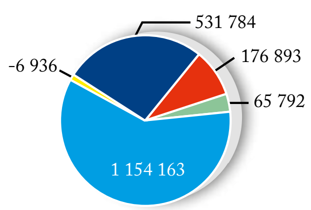
1) Current assets/short term liabilities
2) Equity/total capital
3) Operating profit/loss before depreciaton expressed as a percentage of operating income
4) Net profit after tax (incl. discontinued operations) expressed as a percentage of average equity
5) Net profit after tax (incl. discontinued operations)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

Amounts in NOK 1.000		2010	2009	2008
Profit and loss account				
Operating income		12 744 751	11 324 609	4 088 395
Operating expenses		-10 203 924	-9 402 914	-3 299 778
EBITDA		**2 540 827**	**1 921 695**	**788 617**
Depreciation, amortisation, impairment and depreciation of excess value		-557 052	-479 202	-310 026
EBIT (before fair value adj.biological assets)		**1 983 775**	**1 442 493**	**478 591**
Fair value adjustment of biological assets		298 538	60 483	116 953
OPERATING PROFIT		**2 282 313**	**1 502 976**	**595 544**
Income from associated companies		191 761	80 341	24 988
Net financial items		-248 582	-252 982	-336 730
Profit before tax		2 225 492	1 330 335	283 802
Net profit		**1 766 080**	**987 952**	**162 951**
Net profit including discontinued operations		**1 766 080**	**987 952**	**162 951**
Profit to minority interests		544 547	264 606	40 460
Balance sheet				
Intangible assets		6 024 816	5 599 398	5 842 801
Vessels, other property, plant and equipment		3 864 944	3 871 051	4 385 335
Other non current assets		1 068 856	669 809	706 259
Current assets		8 083 619	6 150 951	5 050 258
Total assets		19 042 235	16 291 209	15 984 653
Equity		9 110 861	7 095 482	5 619 768
Long term liabilities		6 900 295	6 323 137	7 571 457
Short term liabilities		3 031 079	2 872 590	2 793 428
Total equity and liabilities		19 042 235	16 291 209	15 984 653
Cash flow				
Net cash flow from operating activities		2 112 276	1 679 108	413 783
Key ratios				
Liquidity ratio	1	2,67	2,14	1,81
Equity-to-asset ratio	2	48 %	44 %	35 %
EBITDA margin	3	20 %	17 %	19 %
Return on equity	4	22 %	16 %	3 %
Average no. of shares (thousands)		**202 717**	**188 917**	**184 317**
Earnings per share	5	6,03	3,83	0,66

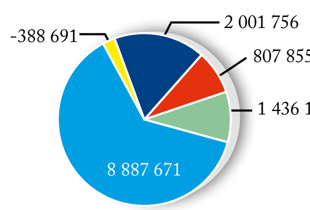
Operating Revenue 2009



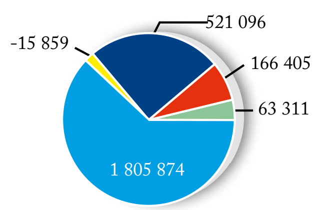
EBITDA 2009



Operating Revenue 2010



EBITDA 2010



Amount in NOK million: fishmeal and oil, human consumption, pelagic north atlantic, farming sales and distribution, other/elimination

KEY FACTS ABOUT AUSS

Harvesting
600-700,000 ton
37 vessels

Primary processing
43 processing plants
Handling over 1,4 mill tons of fish annually

PERU

7% of Anchovy quota
Primary processing
12 processing plants
30 vessels

CHILE

9,1% of horse mackerel quota in the south
Primary processing
4 processing plants
5 vessels

COMPANY OVERVIEW

NORTH ATLANTIC	CHILE	PERU
Lerøy Seafood Group ASA **Welcon AS** **Atlantic Pelagic AS** **Austevoll Eiendom AS** **Sir Fish AS** **Austevoll Fiskeindustri AS** **Modolv Sjøset AS** **North Capelin Honningsvåg AS**	**FoodCorp S.A**	**Austral Group S.A.A**

NORTH ATLANTIC

Farming
130 salmon licenses, 7 salmon licenses (associated)
Primary processing
27 processing plants
2 vessels (associated)

SALES OFFICES
MAIN AREA OF OPERATIONS

Lerøy farm, Årøya.

130

SALMON FARMING LICENSES

130 farming licenses and 7 licenses owned by associated company.

THE GROUP'S FISH MEAL AND FISH OIL PRODUCTION ACTIVITIES ARE OPERATED BY THE FOLLOWING SUBSIDIARIES:

FOODCORP S.A, CHILE:
1 factory located in Coronel.
AUSTRAL GROUP S.A.A, PERU: 7 factories located in Paita, Chicama, Coishco, Huarmey, Pisco, Chancay and Ilo.
WELCON INVEST AS, NORWAY, UK AND IRELAND:
7 factories. In Noway the locations are Bodø, Måløy, Karmøy Egersund.
In UK the locations are Grimsby and Aberdeen.
In Ireland the location is in Killybegs.

FRIEND OF THE SEA
Sustainable Seafood
Certification of Products from Sustainable Fisheries and Aquaculture

FISHMEAL AND OIL

Fish meal is 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 fish meal is believed to remain high. Fish oil mainly used as an ingredient feed for aquaculture. The latest 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 for fish meal and fish oil production differ according to geographic area for the group.

In Europe trimmings from the pelagic fish going in for human consumption production, as well as whole herring, blue whiting and sand eel are the main sources for fish meal and fish oil. In 2010 approximately 53 % of the raw material produced at our plants in Europe was from trimmings. The main season for fishmeal and fish oil production is between September and May, with peaks from November to March.

In Norway, all raw materials are purchased through an auction system run by Norges Sildesalgslag (the Norwegian Fishermen's Sales Association for Pelagic Fish), except trimmings from the human consumption industry. These are purchased directly from the production plants. In UK and Ireland the raw material are purchased directly from the fishermen for the whole fish and the trimmings are bought directly from the consumption production plants.

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 February to July, and the season for trimmings is from December to September.

In Peru, the main sources for production of fishmeal and fish oil are anchoveta and trimmings. The group's company, Austral Group S.A.A, in Peru has quota for anchoveta fishing. Anchoveta fishing has historically been based on an "Olympic system", whereby a total quota was established for the entire Peruvian fleet. A new legislation based on individual quotas was adopted for the first time in 2009. The total days of fishing increased compared to earlier year and new system allows the industry to move from an expensive way of harvesting with the "Olympic race", to maximising product value through economies of scale and improvements in the quality of both raw material and finished products. Trimmings are supplied from our own plants processing fish for human consumption, and take mainly place from January to April and from August to October.

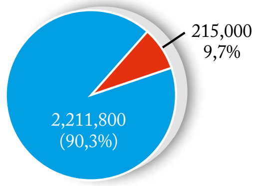
Austral Group S.A.A has"Friend of the Sea" certification. This audit conducted by an independent accredited certification body with in-depth knowledge of the fishery, focusing on anchovies, horse and pacific mackerel. Certification is given to products from anchovies and pacific mackerel and may only be given at the end of a comprehensive audit process. The certification given to Austral Group S.A.A covers fishmeal, fish oil, canned and frozen products from Peruvian anchovy as well as canned and frozen products from pacific mackerel. The Certification also witness that the fishery is managed according to sustainable criteria and stocks are not overfished.

The Peruvian anchovy (Engraulis ringens) current status is that it is not overexploited, according to data from the Peruvian Institute IMARPE. The reference point used is spawning biomass, which must be at least 5 million MT.

In 2010, the IFFO 6 countries produced 2,211,800 tons of fishmeal and fish oil, and the Group sold a total of 215,000 tons of fishmeal and fish oil which is about 9,7%. The IFFO countries are defined as Peru, Chile, Norway, Iceland, Denmark, Ireland, UK and Faroe Island.

Total Production Fishmeal and Fishoil by IFFO-6 Countries 2010 (MT)

IFFO-6 Countries: Peru, Chile, Norway, Iceland, Denmark and North Atlantic region*
**Ireland, United Kingdom and Faroe islands*



AUSS
IFFO-6

Market outlook

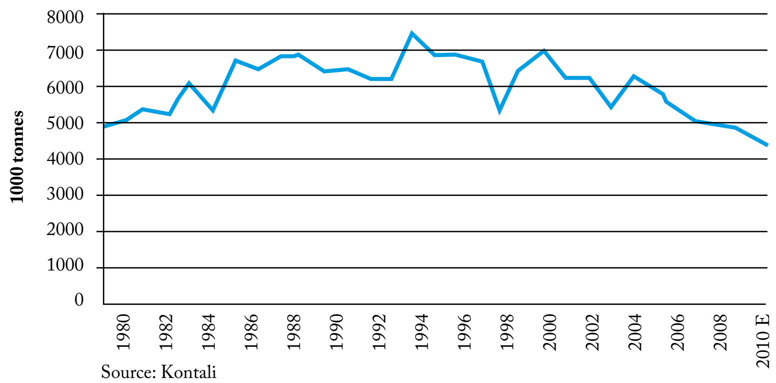
Fishmeal

In 2011, the fishmeal market started with high historic prices due to production shortages in South America in 2010. The shortages are mainly caused by lowered catches in 2010 contributed by both El Niño and La Niña in Peru, and to some degree the earthquake devastation in Chile in February 2010. Nevertheless, Peru committed 35% of its projected production allowing the market to set prices for dispatches during the second semester 2011.

Current price level of vegetable protein combined with the yearly increase of global aqua-feed manufactured provide good support for the market.

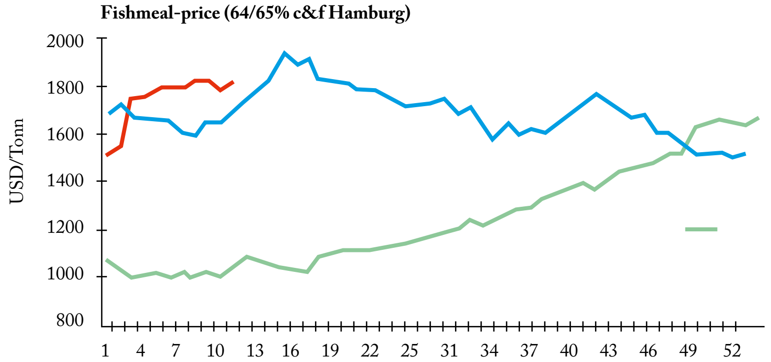
Future developments will depend on both Peru's production and China's demand - the two largest global actors in fishmeal.

Production of fishmeal world wide 1980 - 2010 E



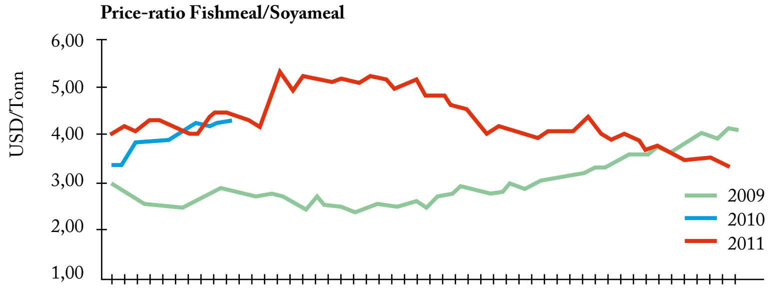
Source: Kontali

Fishmeal-price (64/65% c&f Hamburg)



Source: Weekly Newsletter OIL WORLD, ISTA, Hamburg, Germany, www.oilworld.de

Price-ratio Fishmeal/Soyameal



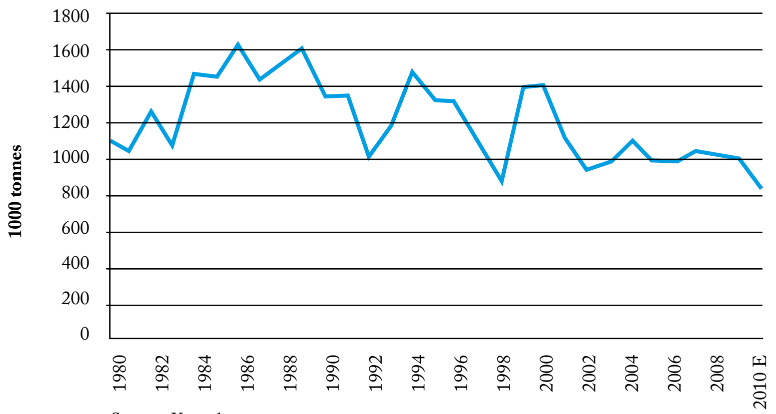
Source: Weekly Newsletter OIL WORLD, ISTA, Hamburg, Germany, www.oilworld.de

Fishoil

During 2010 we have seen price levels almost doubled from January to December, with decreasing production as the main driver as well as increasing demand for most of the commodity oils. The production of fish oil in 2010 is assumed to be about 840 000mt, a reduction of about 18% from previous year, with a recovery in production expected for 2011.

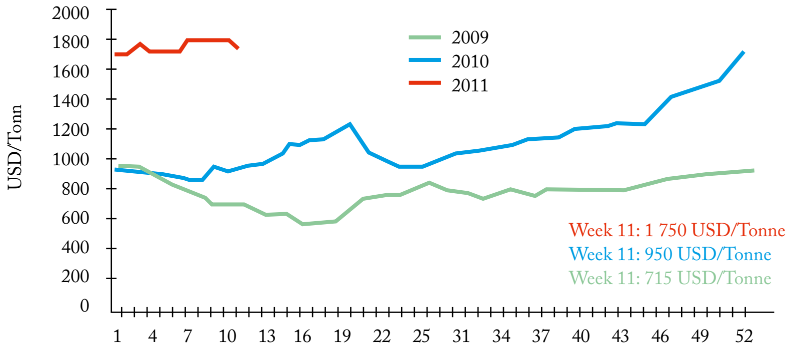
Going forward, we expect good demand for our products combined with rising prices. Given a growing world population with increasing prices for most commercial foodstuffs, we expect that valuable protein-rich products will be in demand in the future.

Production of fishoil worldwide 1980 - 2010 E



Source: Kontali

Fishmeal-price (64/65% c&f Hamburg)

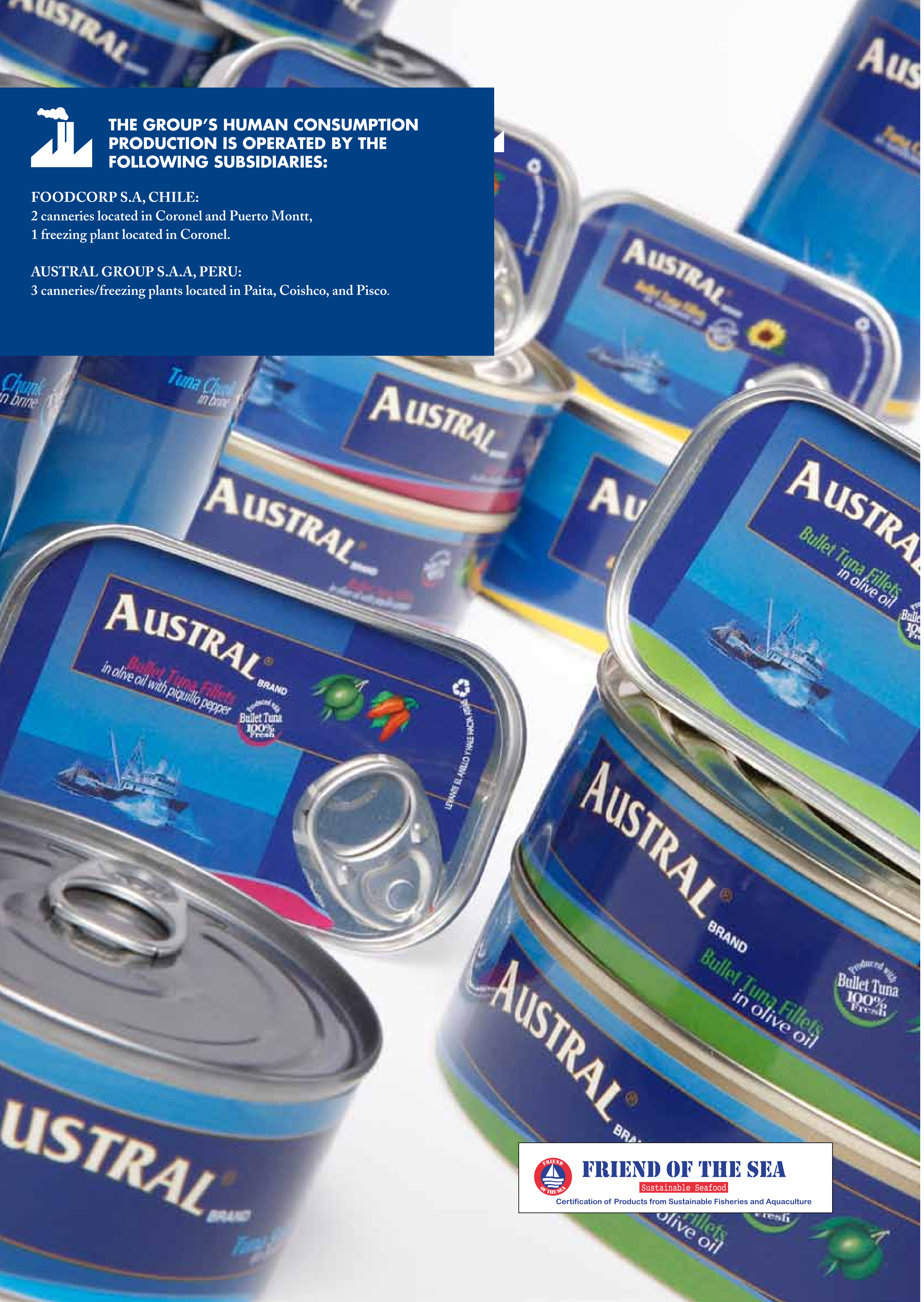


Source: Weekly Newsletter OIL WORLD, ISTA, Hamburg, Germany, **www.oilworld.de**

THE GROUP'S HUMAN CONSUMPTION PRODUCTION IS OPERATED BY THE FOLLOWING SUBSIDIARIES:

FOODCORP S.A, CHILE:
2 canneries located in Coronel and Puerto Montt,
1 freezing plant located in Coronel.

AUSTRAL GROUP S.A.A, PERU:
3 canneries/freezing plants located in Paita, Coishco, and Pisco.



HUMAN CONSUMPTION

The group's human consumption products are canned horse mackerel, mackerel, sardines, tuna fish, salmon and mussels and frozen horse mackerel and mackerel.

The group produces canned products from various species such as horse mackerel, mackerel, sardines, tuna fish, salmon and mussels. The shelf life of canned fish is up to 5 years, and logistics are very simple as these products do not require refrigeration. Canned fish is a tasty and affordable source of protein.

Frozen fish is packed in 20 kg cartons and then blast-frozen to minus 20 degrees core temperature. Freezing food prevents bacterial growth by turning water to ice. 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 to serve a higher level in the market, and is a good source of protein. The products are exported to different markets and different segments from processor to wholesale markets. The group provides frozen fish as whole round frozen, head-off gutted or fillets.

Austral Group S.A.A has "Friend of the Sea" certification The "Friend of the Sea" audit, conducted by an independent accredited certification body with in-depth knowledge of the audited fishery, focuses on anchovies , horse and pacific mackerel. Certification is given to products from anchovies and pacific mackerel and may only be given at the end of a comprehensive audit process. The certification given to Austral Group S.A.A covers fishmeal, fish oil and canned and frozen products from Peruvian anchovy and canned and frozen products from pacific mackerel. Certification ascertains that the fishery is managed according to sustainable criteria and stocks are not overfished.

Market Outlook

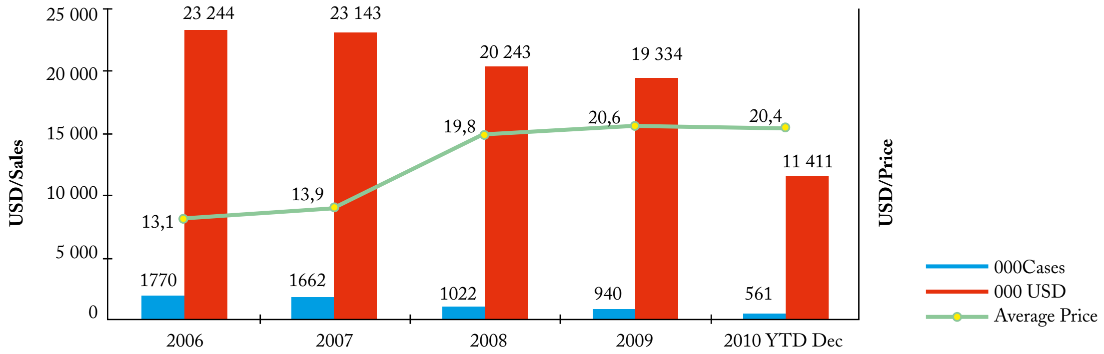
Canned Fish

Canned fish production decreased significantly in Chile from 4.1 million in year 2009 to 2.5 million in 2010 mainly due to the earthquake that affected several canning plants. Imports from China and Thailand had managed to keep prices in same levels US$ 21-22 per case. For year 2011, expectations are to produce in the order of 4 million cases. The focus will be to reduce imports and concentrate sales in local market where best prices are obtained at present.

Regarding prices, we started 2011 at very good levels, US$27 to US$29 per case and we expect prices to stabilize at a price level of US$ 25 to US$ 26 as Peru came into production sharing some markets with Chile.

In Peru sales to human consumption markets have a good projection because the catches of mackerel recently registered by Austral fleet, allowing its recovery for 2011.

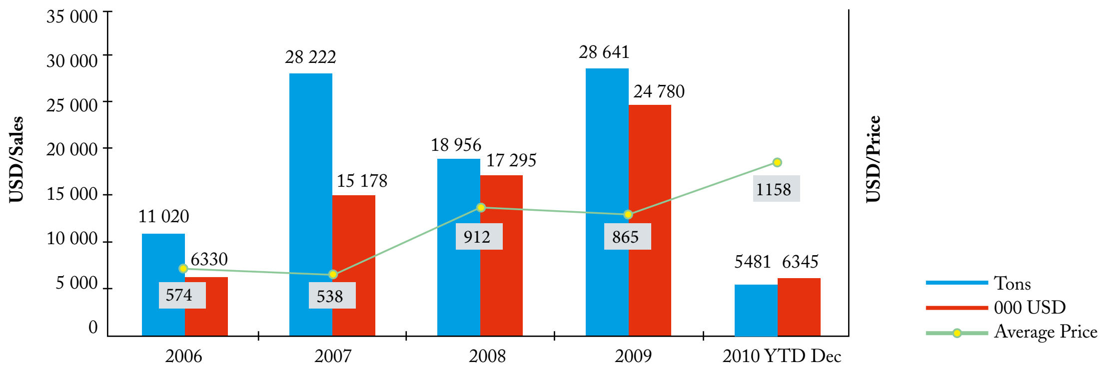
Canned fish sales and prices



Price levels remain high due to the severe shortage of the product in South America and the need to rebuild adequate stock levels. Sales of Sardines and Tuna have strongly increased in 2010 in an effort to compensate the temporary lack of Jack Mackerel. Sales of Tuna are up by 122% supplying both domestic market and export with strong focus on Colombia. In 2010, Tuna and Sardines represented 54% and 39% respectively of all canned fish sales in value.

Availability of raw material for both canning and frozen plants substantially improved early 2011 as landings of Jack mackerel and Peruvian Sardines prelude a strong increase of exportations during Q1 & Q2 2011.
In summary the prospects for 2011 in the consumer market for sardines and tuna is good, given the broad acceptance and quality of products produced in companies of the group.

Frozen fish sales and prices



Frozen Fish
Sharp reduction on catches during 2010 and damages on plants by earthquake in Chile led to a fall on production and exports in the range of 60% compared to 2009. This resulted in a price increase from USD 850/MT FOB (2009) to USD 1,100/MT FOB (2010), due to firm demand from Nigeria and Peru.

For 2011, we expect a slight increase in production due to the recovery of freezing plants in Chile. Our focus will be on the usage of fish in freezing and the agreements reached with other companies to process their fish. The current market remains firm with prices increasing to level of USD 1,300/MT FOB.

Quality inspection at Sir Fish AS for the Japanese market.

PELAGIC NORTH ATLANTIC

The subsidiary, Austevoll Fisk AS, is the main shareholder of the Norwegian fish sales and processing companies. Atlantic Pelagic AS handles all our sales activities of pelagic fish in Norway and Faroe Island.

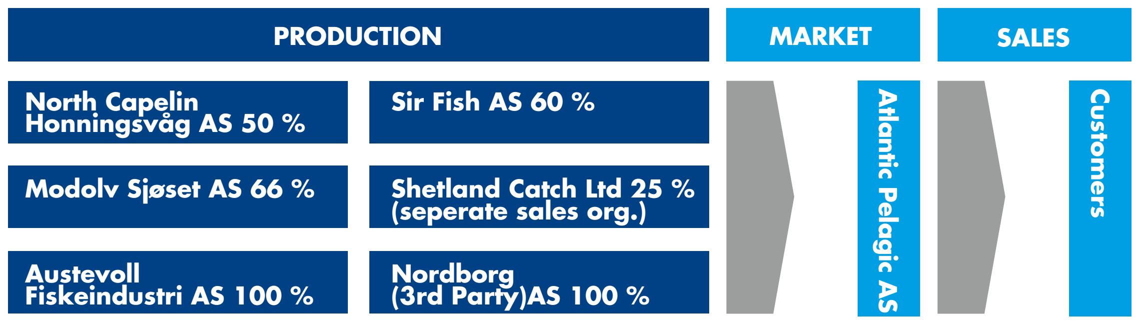
Austevoll Fiskeindustri AS, Sir Fish AS, Modolv Sjøset AS and North Capelin Honningsvåg AS are the group's pelagic processing companies in Norway, and the Group`s Norwegian production plants are MSC certified.(www.msc.org)

The main species sold are mackerel, jack mackerel, capelin and herring (both NVG herring and North Sea herring). Austevoll Fisk`s operations are based on a sustainable exploitation of the pelagic stocks of fish present in the seas of our vicinity. Consequently, the management of these resources in the long term, is the basis for the Group, for other players in the value chain and other stakeholders.

Austevoll Fisk should be able to prove that all products are produced from legally caught fish. MSC (Marine Stewardship Council) is an independent non-profit organisation with purpose to promote responsible fisheries to secure sustainable fish stocks. MSC has developed an environmental standard for sustainable and well controlled fish stocks. The standard is based on three main principles, sustainable stock, and minimum influence by fisheries on the ecosystem which the stock is a part of and efficient management. The Norwegian fisheries of mackerel, Norwegian spring spawning herring and North Sea herring were awarded the MSC-certificate in 2009.

The most important markets for pelagic fish were Japan and Far East, Russia, Eastern Europe, and EU. Traditionally Russia and Ukraine have been the most important markets for herring, however from 2008 sales of round frozen herring have also been turned towards Africa. The most important market for mackerel is Japan, Far East and Eastern Europe.

THE PELAGIC NORTH ATLANTIC SEGMENT;



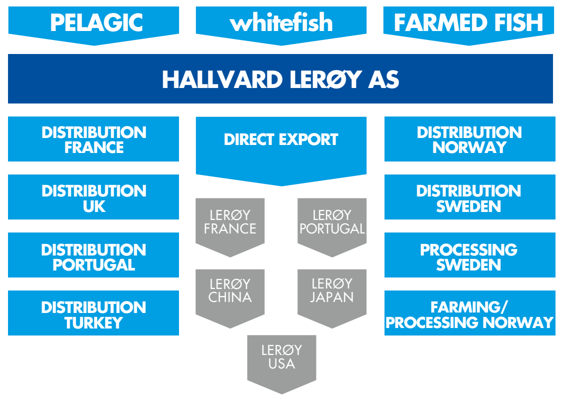
Lerøy, Aurora Farm, Tromsø.

PRODUCTION, SALES AND DISTRIBUTION OF ATLANTIC SALMON AND TROUT

The segment Production, sales and distribution of Atlantic Salmon and trout consist of Lerøy Seafood Group`s (LSG) total operation.

The Lerøy Seafood Group ASA can trace its operation back to the end of the 19th century, when the fisherman/farmer Ole Mikkel Lerøen started selling live fish on 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 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 always been on developing markets for seafood products, and the company has frequently led the way into new markets or been the first to commercialise new species. The pioneering spirit is still very much alive in the company.

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, wheras 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. LSG`s investment in downstream activities the last years have established the company as a national and international distributor of fresh fish. Because of these and similar investments over the last ten years, the company has now developed into a totally integrated seafood group with a solid foundation for further development.



Up to 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 reorganized as a public limited company. LSG was listed on the stock market in June 2002. Since then LSG has introduced several stock issues, most recently in March 2007.

LSG`s vision is to be the leading and most profitable Norwegian supplier of quality seafood. The company's core activities are distribution, sale and marketing of seafood, processing of seafood, production of salmon, trout and other species, as well as product development. LSG operates through subsidiaries in Norway, Sweden, France and Portugal and through a network of sales offices that ensure its presence in the most important markets.

LSG task is to satisfy the customer's requirements for cost-effective and continuous supplies of a wide range of high-quality seafood products. LSG global sales network allows it to act as an efficient supplier with good product range dispersal, thus reducing risk for LSG and its partners.

LSG divides its products into the main sectors of salmon products, whitefish, pelagic fish and shellfish. The distinction between farmed species and wild fish is significant and requires different logistics and work methods. These products are distributed on the Norwegian market and more than 65 other markets worldwide. The broad range of products offered by LSG provides sales advantages in most market areas. LSG strategy is to meet the market's ever-increasing demands for food safety, quality, product range, cost efficiency and continuity of supply. This is achieved by coordinating the various elements in the value chain – the production units, LSG`s sales network and established strategic alliances with sea farms, fishing vessels and fish processing plants primarily along the coast of Norway.

LSG primary business segments are Sale & Distribution and Production. Sales and distribution together with LSG production activities constitute an efficient and profitable seafood group with considerable growth potential. The production clusters in the various regions will be further developed through harvesting synergies in several areas and the various production environments will draw on each other's competence through extensive exchange of know-how.

Company	Ownership share	Licences No	Mill. smolt individuals	2009 GWT	2010 GWT	2011E GWT
Lerøy Midnor AS	100%	30	9.5	35 000	34 000	36 500
Lerøy Aurora AS	100%	17	6.0	19 300	20 300	20 500
Lerøy Hydrotech AS	100%	24	7.0	21 500	25 200	24 000
Lerøy Vest AS	100%	34	14.2	32 700	34 300	37 000
Sjøtroll Havbruk AS*	50.71%	25	8.4		3 000	26 000
Total Norway		130	45.1	108 500	116 800	144 000
Norskott Havbruk AS (UK)**	50%		6.0	13 200	13 500	11 500
Total			51.1	121 700	130 300	155 500

Consolidated, farming   Affiliated, farming   *Acquired and consolidated as from November 2010   **LSG´s share

LSG is well situated for continued strengthening of its position as a central actor in the international seafood industry.

Market Outlook

The development in demand for Atlantic salmon and trout has been positive in 2010, and has remained so to date. Higher growth in global supply is expected in the next few years compared with what we have seen in the last two. Correspondingly, we expect continued good development in the global demand for Atlantic salmon.

	2005	Change 04-05	2006	Change 05-06	2007	Change 06-07	2008	Change 07-08	2009	Change 08-09	2010	Change 09-10	2011 E	Change 10-11
Norway	572 200	7%	598 500	5%	723 300	20,9%	740 900	2,4%	855 700	15,5%	944 700	10,4%	976 200	3%
United Kingdom	119 700	-20%	127 500	7%	134 900	5,8%	136 400	1,1%	144 800	6,2%	140 700	-2,8%	148 900	5,8%
Faroe Islands	17 200	-53%	11 900	-31%	19 000	59,7%	37 900	99,5%	48 100	26,9%	41 400	-13,9%	53 700	29,7%
Ireland	12 400	0%	14 500	17%	15 300	5,5%	11 400	-25,5%	15 500	36,0%	17 000	9,7%	16 000	-5,9%
Iceland	6 500	-2%	4 000	-38%	2 000	-50,0%	1 000	-50,0%	500	-50,0%	-	-100,0%	-	-
Total Europe	**728 000**	**-2%**	**756 400**	**4%**	**894 500**	**18,3**	**927 600**	**3,7%**	**1 064600**	**14,8%**	**1 143800**	**7,4%**	**1 194800**	**4,5%**
Chile	385 200	11%	368 700	-4%	356 400	-3,3%	403 500	13,2%	239 100	40,7%	130 100	-45,6%	185 400	42,5%
Canada	107 500	21%	115 000	7%	109 500	-4,8%	118 500	8,2%	115 400	-2,6%	117 000	1,4%	115 500	-1,3%
Australia	17 900	27%	19 400	8%	23 800	22,7%	25 700	8,0%	32 200	25,3%	33 000	2,5%	36 000	9,1%
USA	9600	-28%	10 200	6%	12 300	20,6%	17 000	38,2%	16 400	-3,5%	18 500	12,8%	17 000	-8,1%
Others	2 400	0%	2 400	0%	2 400	0,0%	1 400	-41,7%	1 200	-14,3%	1200	0,0%	1 200	0,0%
Total America	**522 600**	**12%**	**515 700**	**-1%**	**504 400**	**-2,2%**	**566 100**	**12,2%**	**404 300**	**-28,6%**	**299 800**	**25,8%**	**355 100**	**18,4%**
Total World-wide	**1 250 600**	**3,6%**	**1 272 100**	**-1,7%**	**1 398 900**	**10%**	**1 493 700**	**6,8%**	**1 468 900**	**-1,7%**	**1 443 600**	**-1,7%**	**1 549 900**	**7,4%**

3.8% growth 2008-2011. Shift in demand due to new markets and category development.

Lerøy Hydrotech.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

Our mission is to be the leading profitable supplier of sustainable seafood based products, focused on innovation, social responsibility and high environmental standards, optimising a global value chain in bringing exiting solutions to the market. Given the diversity of our businesses, each of our subsidiaries has taken strong initiatives to help achieve the goals identified in our mission. As a group, Austevoll Seafood ASA is among the leaders in the seafood industry as far as environmental and social responsibilities are concerned.

LERØY SEAFOOD GROUP ASA (LSG) (NORWAY)

Environmental policy

LSG is one of the world's largest suppliers of seafood and the ocean with its resources constitute to the very foundation of our business. We must ensure that these resources are being managed in a responsible and sustainable manner so that we may have a sustainable future in our business.

Our environmental guidelines demand not only that we comply with all public requirements, but also contribute to the development of our industry, gradually making our activities more environmentally benign. It is by adhering to these guidelines that we practice recirculation of water at our fry production facilities and carry out careful environmental assessments of the sustainability at each new fish farming location.

LSG is a formidable user of the global transportation network in bringing raw materials to production facilities and finished products to end users. Since economic and environmental logistics demand long-term thinking, we need long-term alliances with suppliers and customers. On the practical level, this had enable us to reduce our use of throw away packaging, increased net weights, taken bulk deliveries of fish feed, select the transport company with the lowest emissions helping to reduce the carbon footprint in our products.

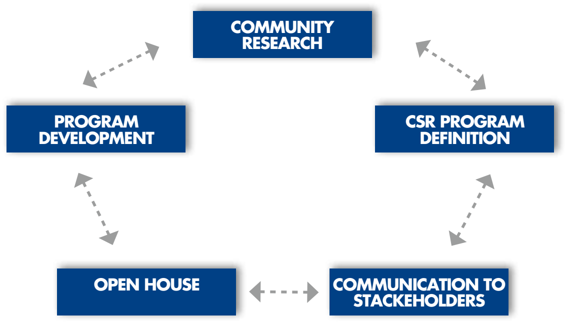
All our employees will have focus on our quantified environmental goals. To ensure that the goals are achieved, internal training and awareness programmes are priority areas in LSG in the years ahead. For example, we prefer using passenger over cargo planes for transportation. Our Swedish processing plants are working to reduce wastages in production. Throughout our value change our environmental policy is intrinsically link to the way we operate, adding value in a more environmentally friendly way.

LSG encourages and enables employees to be physically more active with exercises and to cycle to work instead of driving.

FOODCORP S.A (CHILE)

First incorporated in 2006, the FoodCorp S.A Environmental and Social Responsibility Program (ESR) was introduced as an organisational culture. FoodCorp's ESR program places the company among the leaders in the Chilean fishing industry. Under The Global Compact Program, FoodCorp S.A is the first fishing company in Chile to align its operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption set by the United Nations.

SOCIAL RESPONSIBILITY MODEL



THE GLOBAL COMPACT
WE SUPPORT

In 2010, a lot of efforts were placed into helping our workers that had their houses severely damaged by the earthquake. This is done in addition to our regular social responsibility program.

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

FOODCORP'S ESR FOCUS

Linked to the essence of our business

Environment Protection	Qualified & Safe Human Resources	Healty & Safe Food Industry
Environmental Policy	Safe working conditions.	Promotion of fish product, food value and advantages.
Innovative projects in mussel sea farming and direct human consumpition fish.	Training and education policy.	Fishing industry as food industry.
Environment certifications	Family conciliation and healthy lifestyle promotion.	Food industry with best environmental practices.
Active participant in scientific research for sustainable fisheries	Working environment: gender and equalty	
	High value suppliers, trained & aligned with company principles.	
	Contribution to education.	

AUSTRAL GROUP S.A.A (PERU)

Environmental Management

Austral Group S.A.A conducts its business maintaining a responsible environmental policy, aligned with eco-efficient approach in all their management, minimizing the environmental impact of their effluents, emissions, waste and other environmental aspects.

In 2001 Austral Group S.A.A was the first Fishing Company in Latin-America to obtain ISO 14001 certification for its fishing fleet. This model includes the environmental management for "Hydro biological Resources Extractive activities, Fishing Vessels and Fishing nets Maintenance" which allow us to positively respond to the community and the country about the environmental problem in the Peruvian sea.

In the same way we obtained the IFFO certification (International Fishmeal and Fish oil organization) in order to demonstrate that we conduct responsible supplying and production practices of fishmeal and fish oil. Austral Group S.A.A received in 2010 the "National Award to Business eco efficiency " in its main category from the Environmental Ministry in Peru and Universidad Cientifica del Sur, showing to the country an efficient and effective environmental management model integrated in all processes.

We have demonstrate to the country our commitment with the application of strategies and programs oriented in decreasing dramatic environmental impacts and also in generating significant savings for the organization. This award is a well-deserved recognition to the commitment and effort of all workers of the company and it is also a good example for the Fishing sector and the country. Austral Group S.A.A is consolidated as the leader company and a model in the application of echo efficient systems to manage the environment in a successful and responsible manner.

Other Social Responsibility projects made in 2010:

NutriAustral project

In order to encourage the use of sardines and positioning their nutritional benefits, Austral Group S.A.A has designed a project that consists in lectures on the nutritional benefits of sardines, cooking contests at soup kitchens, nutrition lectures and training in preparation of dishes based in our products.

In August, Austral Group S.A.A made the first culinary competition in Ventanilla district and in November the same year it was simultaneously held in Ventanilla and Ayacucho, at the The Peruvian Sardine Festival, jointly organized jointly the National Fisheries Society and other major fishing companies.

Corporate volunteering

In November 2010, Austral Group S.A.A made an alliance with the Institute for the Protection of the Environment (VIDA) which is responsible for conducting the campaign "Cleaning in beaches and riverbanks". Austral Group S.A.A workers participated in the cleaning of beaches in Lima, Ilo, Pisco, Chancay, Huarmey, Coishco, Chicama and Paita, where their plants and headquarters are located. In some other beaches trash cans and colorful posters with consciousness-raising messages about the importance of having clean beaches were placed.

Eco-efficiency campaign "Little things... big changes"

In February 2010, to strengthen our corporate culture focused on the optimization of resources, Austral Group S.A.A implemented the campaign "Little Things ... Big Changes". We promoted in the whole organization the effective use of resources. The campaign was in four stages: the importance of climate change, energy optimization, water and supplies, including the dissemination of simple advice through a variety of fun and communicative tools, such as videos, posters, flyers, among others.

Growing together: development project for Artisan Shipowners

Austral Group S.A.A has created this program in order to promote the development of Artisan Shipowners and to improve the quality and quantity of raw material they provide. With this program we try to help the ship-owners to achieve optimal knowledge about quality standards in fish and supplies, improving the discharge time in material for direct human consumption and to promote improvements in the infrastructure of their vessels.

"Growing together" benefits all those owners who are eager to develop themselves as a company and allows them to create strong partnerships with Austral Group S.A.A and, therefore, to improve the quality of raw materials and thus offer better prices. The program consists of training courses about product and quality, business management, occupational health and safety, fleet, social responsibility, and implementation of system improvements in fishing discharges and advice for improving their vessels.

"Growing Together" is a program designed for Artisan Shipowners to think about their growth and development. Only forming strong alliances we will have a better future for our sector.

Certified ISO 140001 by

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 21 October, 2010. 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 maximize 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 annual report. The report must cover every section of the Code of Practice. If the company does not fully comply with this Code of Practice, this must be explained in the report.

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.

Deviation from the Recommendations: None.
However, the Company has not yet prepared guidelines for corporate social responsibility.

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 fishfarming, 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 emphasize 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 minimize 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 2011 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 2011, 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 2010, 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 must 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 must 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 Assosiation 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 reelection 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 27th 2010 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 Chairman of Laco AS.

Jarl Ulvin. Mr. Ulvin holds an MBA and is also a Certified Financial Analyst. Mr. Ulvin is the Director of Investment at ODIN; an Oslo based Asset Management Company. He has extensive experience as analyst and portfolio manager within insurance companies and asset management companies.

Anne Sofie Utne. Mrs. Utne holds a Master of Economy from the Norwegian University of Life Science (Universitetet for Miljø- og Biovitenskap). Mrs. Utne is currently self employed, and works as an independent advisor. Her recent position was head of the Aquaculture department of a branch specialist unit in DnB NOR Bank ASA, and she has extensive experience in financial transactions related to national and international corporations within the business.

Two of the members are independent of Austevoll Seafood's main shareholder(s) and the executive management.

Deviations from the Recommendations: None.
However, the Board of Directors has not yet proposed guidelines before the general meeting for the activities of the Nomination Committee.

8. Board of Directors: composition and independence

«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, Chairman. Mr. Singelstad is CEO in Laco AS. Mr. Singelstad is educated in engineering from Bergen Ingeniørskole, he is business school graduate from NHH, and he has a degree from the first year of law school at UIB. Singelstad has experience from different types of businesses: oil companies, ship equipment and the seafood sector. Mr. Singelstad has had executive positions in Lerøy Seafood Group ASA since 1993.

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. He has long experience from both the offshore supply and fishery industry. 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 Head of North Sea/Deputy CEO 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 MBA and State Authorised Public Accountant. Mrs. Moldestad holds the position as Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based asset Management Company. She has extensive experience from securities markets with Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young.

The Boards autonomy:
Except for the Chairman Helge Singelstad 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, 417 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.

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.»

The Board of directors and internal control:
The Board of directors periodically receives reports which include operational, economic and financial status, as well as management's evalution of significant risks and its own management of them. The Board's annual plan includes an annual review of the Company`s risk areas, internal control systems, values and ethical guidelines.

The Board's annual review:
During the audit process, the Group's auditors perform an annual review of internal control related to financial reporting. The auditors review is documented in a separate internal control report, which is presented to the Group's audit committee. The review report includes discussion of identified weaknesses and suggestions for improvements. See also note 3 "Financial risks".

Deviations from the Recommendations: None., However, the Company has not yet prepared guidelines for corporate social responsibility.

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 2010 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.»

A calendar containing certain important reporting dates is published on the Oslo Stock Exchange and the company's website. Information to the company's shareholders is distributed via the Oslo Stock Exchange and the company's website on an ongoing basis, immediately after decisions have been made. There have not yet been established guidelines for the company's contact with shareholders other than through general meeting.

Deviations from the Recommendations: None.
However, guidelines for the Company's contact with shareholders other than equal treatment has yet to be established.

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.

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.

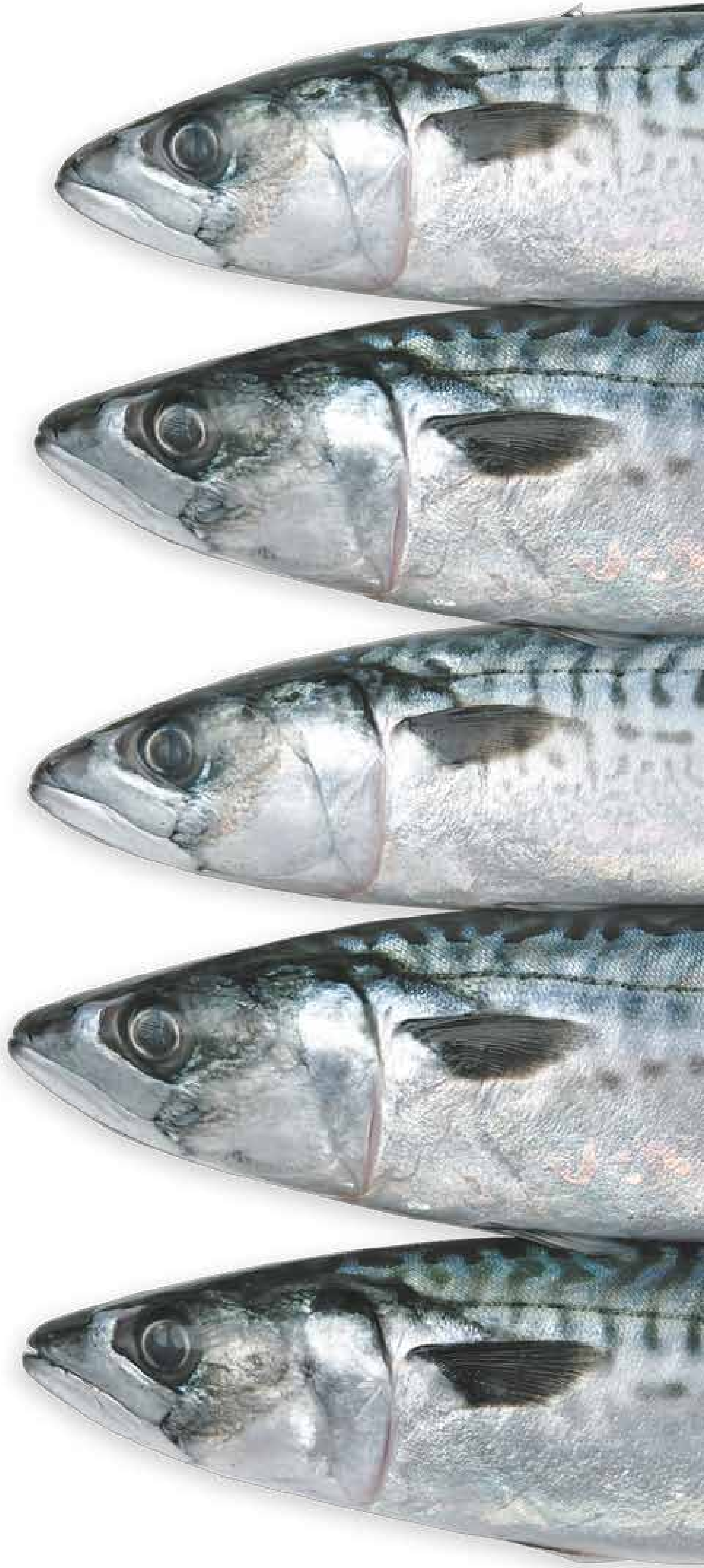
The auditor should at least once a year present to the Board of Directors a review of the company's internal control procedures, including identified weaknesses and proposals for improvement.

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 auditing plan which is reviewed in advance together with the Audit Committee and management. Furthermore, the auditor attends meetings together with the Audit Committee and management 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 written disclosure to the Committee of all other services provided in addition to mandatory auditing. Moreover, the auditor is available for questions and comments to the annual accounts and other matters at the Board's discretion.»

Deviations from the Recommendations: None



Atlantic Mackerel - *Scomber scombrus*

DIRECTORS OF THE BOARD

Helge Singelstad

Chairman

Mr. Singelstad is CEO in Laco AS. Mr. Singelstad is educated in engineering from Bergen Ingeniørskole, he is business school graduate from NHH, and he has a degree from the first year of law school at UIB. Singelstad has experience from different types of businesses: oil companies, ship equipment and the seafood sector. Mr. Singelstad has had executive positions in Lerøy Seafood Group ASA since 1993.

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. He has long experience from both the offshore supply and fishery industry. He is holding board positions in several companies.

INGA LISE L. MOLDESTAD

Member of the Board

Mrs. Moldestad is educated as MBA and State Authorised Public Accountant. Mrs. Moldestad holds the position as Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based asset Management Company. She has extensive experience from securities markets with Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young.

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.

HILDE WAAGE

Member of the Board

Mrs Waage is educated Master of Science from Norwegian School of Management. She has the position as Head of North Sea/Deputy CEO 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.

DIRECTORS REPORT

Introduction

Austevoll Seafood ASA (AUSS) is a vertically integrated seafood group with activities within pelagic fishing, production of fishmeal and fish oil, and processing of pelagic products for consumption. In addition, the Group has activities within Atlantic salmon and trout, from breeding to smolt, fish for consumption, slaughtering, processing and distribution. Furthermore the Group has sales activities in Norway, Europe, Asia, the USA and South America.

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

Important events in 2010

The following comprises a point-by-point and chronological summary of significant events in the last year, plus significant events after 31 December 2010.

- On 27 February 2010 an earthquake was registered with its epicentre around 90 km northwest of the city of Concepción in Chile. The earthquake measured 8.8 on the Richter scale. AUSS undertakes a considerable number of activities and employs many staff in Chile. The Group has land-based operations in the city of Coronel, south of the earthquake's epicentre. The earthquake caused extensive destruction and human suffering. We are grateful and relieved that none of our employees lost their lives in the earthquake. Our fishing vessels escaped unscathed but there was significant damage to land-based production facilities, with the frozen fish plant the worst affected. The production facilities for fishmeal and fish oil were ready to resume production in mid-March, while those for canned and frozen goods were ready in April and May respectively.

- In July AUSS purchased 32.27% of the shares in Norway Pelagic ASA (NPEL), bringing its total shareholding in NPEL to 37.14%. At the same time AUSS informed the market that it wanted to dispose of a number of shares in order to avoid having to make a compulsory bid for the remaining shares in NPEL within the deadline for this laid down in the Norwegian Securities Trading Act. AUSS currently owns 33.27% of the shares in NPEL.

- In September AUSS entered into an agreement to sell all the shares in Epax Holding AS. The payment for the shares was NOK 561 million, based on an EV of NOK 875 million at 31 December 2009. The transaction was concluded in November.

- In September AUSS's subsidiary Lerøy Seafood Group ASA (LSG) entered into an agreement to purchase 50.71% of the shares in Sjøtroll Havbruk AS for NOK 540 million, equivalent to an EV at the end of August of NOK 1,298 million on a 100% basis. Sjøtroll Havbruk AS has activities within production of fry/smolt, fish for consumption, slaughtering and processing, as well as 25 licences for salmon and trout. The transaction was concluded in November, with NOK 408.5 million of the consideration being settled in cash and the remainder with 1 million LSG shares.

- In October AUSS launched a senior unsecured bond issue worth NOK 500 million. The new bond issue is listed on Oslo ABM with interest terms of NIBOR + 3.90% p.a. and matures on 14 October 2013.

- On 31 January 2011 AUSS entered into an agreement with Norway Pelagic ASA concerning a possible merger between AUSS's wholly owned subsidiary Austevoll Fisk AS and NPEL's wholly owned subsidiary Norway Pelagic AS. The merger agreement was signed on 22 March 2011 and will be discussed at the general meetings of the respective companies on 15 April 2011. A merger would lay the foundations for a competitive group with significant opportunities to exploit economies of scale within production/processing, and sales and distribution, and with capacity for further growth.

The Group's activities

In 2010 the Group's activities were divided into the following business areas: Production of fishmeal and oil, Products for consumption, Pelagic North Atlantic, and Production, sales and distribution of salmon and trout.

Production of fishmeal and oil

Operations within production of fishmeal and oil are run by the subsidiaries of Welcon Invest AS in Europe, FoodCorp S.A in Chile and Austral Group S.A.A in Peru.

In Europe, production in 2010 was carried out at the Welcon Group's facilities in Bodø, Måløy, Karmøy and Egersund in Norway; Grimsby and Aberdeen in the United Kingdom; and Killybegs in the Republic of Ireland. Raw materials used in production are herring, sand eel, blue whiting and cut-offs from pelagic production for consumption. In Norway, raw materials are purchased via the auction system operated by Norges Sildesalgslag, the Norwegian Fishermen's sales organisation for pelagic fish. Cut-offs, however, are purchased directly from the plants used for products for consumption.

In Chile, the Group has a factory in Coronel, which mainly uses anchoveta and cut-offs from pelagic production for consumption in production. Anchoveta as a raw material is mainly purchased from the coastal fleet.
At the end of February 2010 an earthquake was recorded measuring 8.8 on the Richter scale with its epicentre approximately 90 km northwest of the city of Concepción. Our fishing vessels escaped unscathed, and the production facility for fishmeal and oil was the least affected of the Group's plants. The factory was ready to start receiving raw material again by the middle of March.

In Peru, the Group has seven factories, located in Paita, Chicama, Coishco, Huarmey, Pisco, Chancay and Ilo. Here too, it is mainly anchoveta and cut-offs from pelagic production for consumption that are used in production. The company has its own anchoveta quota, so a large proportion of the raw material comes from its own fleet. Raw materials are also purchased from other players in the industry.

A quota system for fishing for anchoveta was introduced in 2009 involving maximum quotas for the individual vessel, so-called individual quotas. The fishing is normally divided into two seasons: the first starting in April/May and lasting to the end of July, and the second starting in November and continuing to the end of January in the following year. The new quota system has resulted in an increase in the number of fishing days, and experiences have been positive in terms of better logistics between fishing and production, which in turn has meant reduced fuel consumption, increased product quality and greater stability for employees.

As a result of the meteorological phenomenon El Niño followed by La Niña, in 2010 the total Peruvian quota for the first season was reduced to 2.5 million tons from 3.5 million in the first season of 2009. Season started up in mid-May, almost a month later than start-up in the first season of 2009. The second season started in November and finished on 18 January. The season was characterised by catches that included fish that were ready to spawn or on the small side, resulting in fishing being stopped several times during the season.
The total landed represented just under 800,000 tons of the total Peruvian quota, which had been set at just under 2.1 million tons for the season. A lower volume of raw material for production of fishmeal and oil led to fewer finished goods for sale, impacting results for activities in Peru in the fourth quarter of 2010.

A total of 215,000 tons of fishmeal and oil were sold in 2010, compared with 322,000 tons in 2009. The decline in sales volume was mainly due to significantly lower raw material volumes in Peru in 2010. The business area reported sales of NOK 2,002 million for 2010, compared with NOK 2,037 million in 2009. Operating profit before depreciation and amortisation (EBITDA) for the business area was NOK 521 million in 2010, against NOK 532 million in 2009.

The average prices achieved for both fishmeal and fish oil were significantly higher in 2010 than in 2009, and compensated to a large degree for reduced sales volumes in 2010 compared with 2009.

Products for consumption
Activities 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 fish, salmon and mussels, plus processed horse mackerel for freezing. High- and low-concentrate Omega-3 oils were also part of the segment in the period January to October inclusive.

In Chile, the Group has two canned product factories, located in Coronel and Puerto Montt, and one factory for processing pelagic fish for freezing in Coronel. The earthquake in Chile at the end of February 2010 caused damage to both the canned and frozen food factories in Coronel. However, the factories were able to resume production in April and May respectively.

In Peru, the Group has three canned product factories, located in Paita, Coishco and Pisco. The factory in Coishco also processes pelagic fish for freezing. As a result of the low volume of horse mackerel, the factory in Pisco was not operational in 2010. Historically, however, Pisco has been a strategic area for fishing for horse mackerel.

In September an agreement was entered into to sell 100% of the shares in Epax Holding AS. The transaction was concluded in November, bringing in NOK 562 million in cash and a profit of NOK 73 million on the sale. Epax Holding AS is the parent company of Epax AS, one of the world's leading players in the production of high-concentrate Omega-3 oils. The products are used as ingredients in pharmaceutical products, additives in food and as a dietary supplement. In the period January to October 2010 a total of 1,321 tons of high-concentrate Omega-3 oils was sold against 1,528 tons for 2009 as a whole, and 210 tons of low-concentrate Omega-3 oils in the same period against 287 tons for 2009 as a whole.

In 2010 the business area sold approximately 1.5 million cases of canned products (Chile and Peru) and approximately 5,000 tons of frozen products (Chile). In 2009 approximately 2.2 million cases of canned products (Chile and Peru) and approximately 33,000 tons of frozen products (Chile) were sold.

In 2010 the business area was characterised by low volumes of own fish for consumption in Chile. Production in Peru was based exclusively on bought-in raw materials. Low volumes of fish for consumption from our own vessels resulted in significantly lower production and sales volumes of canned and frozen products in 2010 compared with 2009.

The business area sold NOK 808 million in 2010, compared with NOK 972 million in 2009. Operating profit before depreciation and amortisation (EBITDA) for the business area was NOK 166 million in 2010, against NOK 177 million in 2009. The segment result for 2010 includes profit of NOK 73 million on the sale of Epax Holding AS. Good prices were achieved for the segment's products, but significantly lower sales volumes meant lower sales and EBITDA compared with 2009.

This is in line with the Group's long-term strategy of gradually using more of its raw materials for direct consumption, to the extent possible in terms of technology and marketing.

Pelagic North Atlantic
Pelagic North Atlantic comprises the sales company Atlantic Pelagic AS, which carries out all sales activities for the production companies Austevoll Fiskeindustri AS, Sir Fish AS, Modolv Sjøset AS and North Capelin Honningsvåg AS. The income statement figures also include these production operations.

The business area reported sales of NOK 1,436 million in 2010, compared with NOK 1,111 million in 2009. Operating profit before depreciation and amortisation (EBITDA) for the business area was NOK 63 million in 2010, against NOK 66 million in 2009.

Over the last few years the Group has implemented structural changes, which have strengthened the business area. These changes, combined with stable stocks of resources in particular Norwegian spring-spawning herring have resulted in good access to raw materials for the business area.

On 31 January 2011 AUSS entered into an agreement with Norway Pelagic ASA concerning a possible merger between AUSS's wholly owned subsidiary Austevoll Fisk AS and NPEL's wholly owned subsidiary Norway Pelagic AS. The merger plan was signed on 22 March 2011, and it is intended that the merger plans will be discussed at the respective companies' general meetings on 15 April 2011.

Production, sales and distribution of Atlantic salmon and trout

The business area Production, sales and distribution of Atlantic salmon and trout comprises the entire activities of Lerøy Seafood Group ASA.

In 2010 the business area reported sales of NOK 8,888 million and EBITDA before biomass adjustment of NOK 1,806 million. A total of 116,807 tons of salmon and trout from our own production were sold in 2010. In 2009 sales from the business area were NOK 7,474 million and EBITDA before biomass adjustment was NOK 1,154 million. The volume of salmon and trout sold from our own production was 108,500 tons in 2009.

Activities are satisfactory and provide the business area with good opportunities to further develop its position as a leading exporter of seafood.

Both sales and EBITDA before biomass adjustment are far and away the best Lerøy Seafood Group ASA has ever achieved, and are the result of volume growth and good prices for the business area's main products, Atlantic salmon and trout. In addition, sales and distribution have experienced extremely good development in 2010. A reduction in the global supply of salmon combined with strong growth in the demand for salmon has resulted in extremely good prices for the company's products. Long-term contracts, however, have led to significantly lower prices than could have been achieved in the spot market.

The business area's profit performance shows that the organisation's targeted work is bearing fruit. Although there are still big differences between the different units within production, it is extremely pleasing that there has been a good development overall. Reducing the large cost differential that has existed between the different regions in recent years is one of the company's goals. The organisation's patience, willingness and ability to find the motivation to operate with restraint when the end result is not apparent until between one and two years ahead are therefore important.

Shareholder structure

At 31 December 2010 AUSS had 3,952 shareholders and the share price was NOK 49.60. At 31 December 2009 the share capital was NOK 101,358,687, divided into 202,717,374 shares with a nominal value of NOK 0.50.

The Board of Directors has the authority, in the period leading up to the annual general meeting in 2011, to increase the share capital by issuing 20,271,737 shares. The Board of Directors further has the authority, in the same period, to buy back up to 20,271,737 of the shares in AUSS at a price in the range NOK 20-150. At year-end 2010 AUSS did not own any treasury shares.

AUSS has a target of maximising value creation for the benefit of shareholders by achieving good results. Over time the target is to pay out between 20% and 40% of the Group's net profit in dividend. The Board will recommend to the annual general meeting 2011 payment of a dividend of NOK 1.50 per share.

The Board complies with the Norwegian Code of Practice for Corporate Governance. The Board of Directors 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 purpose and articles of association. Please refer to the separate chapter in the annual report on Corporate Governance.

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 is, however, focusing on systematically working to identify risk areas and on systematically monitoring defined risks within the Group's companies. The Board views risk management as part of the long-term increase in value 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 target 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 within the Group's 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.

Employees

The total number of person-hours in the Group in 2010 was 5,382, of which 3,181 were outside Europe. The equivalent figures for 2009 were 6,250 and 4,359. Female employees are underrepresented in the Group's fishing activities but overrepresented within processing. There are two women on the company's Board of Directors, which comprises five members. The company fulfils the requirement of 40% female representation among the board members elected by shareholders.

Sickness absence in 2010 was 4.5% of landbased working hours in the European part of the Group. The comparative figure for 2009 was 5.58%. The Group is working actively to achieve continuous reductions in sickness absence.

The Group's activities in Norway are affiliated to the local company health service. A number of personal injuries resulting in absence were registered in the Group in 2010. Undesired incidents and near accidents are registered on an ongoing basis in order to prevent injuries. This focus on reporting and dealing with undesired incidents will help create a safer working environment.

In 2009 the Board of Directors adopted ethical guidelines setting out, among other things, standards for good business practice for the Group's employees and what the Group considers appropriate behaviour towards colleagues and employees.

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.

Social Responsibility, and Health, Safety and the Environment

The Group places great emphasis on managing and developing aspects which may help to increase expertise in and awareness of health, safety and the environment. Financial and technical resources are deployed to ensure that the Group's activities are operated in accordance with guidelines which 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 risk 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 production of fishmeal and oil in Norway requires a licence and is subject to the regulations of the Norwegian Pollution Control Authority. 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 follows up 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 anchovy, horse mackerel and Pacific mackerel. The certification relates to products based on anchovy and Pacific mackerel, and can only be awarded after a comprehensive approval process. The certification awarded to Austral Group S.A.A covers fishmeal and fish oils, and canned and frozen goods based on Peruvian anchovy, as well as canned and frozen goods using Pacific mackerel. The certification confirms that the fish stocks are being utilised in accordance with criteria for sustainable fishing, and that the resources are not being overfished (www.friendofthesea.com).

The Norwegian mackerel, Norwegian spring-spawning herring and North Sea herring fisheries were MSC-certified 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 factories for production of pelagic products in Norway are MSC-certified; this covers Austevoll Fiskeindustri AS, Sir Fish AS, North Capelin Honningsvåg AS and Modolv Sjøset Pelagic AS.

The Group's fish-farming activities are closely linked to natural conditions in Norwegian and international freshwater sources and sea areas. Based on a long-term perspective, the Group seeks to protect and safeguard the environment in the areas utilised 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 company. This applies throughout the value chain from breeding to smolt, 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 normal emissions of exhaust gases. 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 cause any significant emissions to the external environment or represent a significant environmental burden. The Group works continuously to minimise energy requirements per kilo of seafood produced in the Group's processing plants.

The Board of Directors focuses on social responsibility, and works to ensure that all the Group's employees, at all stages of production, are made aware of the need to practise social responsibility in their daily work, and that the Group's social responsibility is manifested in the local communities in which it operates.

Consolidated financial statements

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

The Group's revenue was NOK 12,744 million in 2010, against NOK 11,325 million in 2009. Operating profit before depreciation and amortisation (EBITDA) prior to biomass adjustment was NOK 2,541 million in 2010, against NOK 1,922 million in 2009. Good prices have been achieved for the Group's pelagic products for consumption, i.e. Atlantic salmon and trout.
The prices for fishmeal and oil and for Atlantic salmon and trout were significantly higher in 2010 than the prices achieved in 2009. Operating profit (EBIT) prior to biomass adjustment was NOK 1,984 million in 2010 and NOK 1,442 million in 2009. Operating profit after biomass adjustment was NOK 2,282 million, against NOK 1,503 million in 2009. The Group's assets were written down by NOK 62 million in 2010, mainly relating to fishing vessels in Peru which are not expected to be used in future.

Profit from associated companies was NOK 192 million in 2010, against NOK 80 million in 2009. As a result of purchasing 33.27% of the shares in Norway Pelagic ASA, the profit from this company is included under associated companies with effect from August 2010. Net financial expenses were NOK -249 million in 2010, compared with NOK -253 million in 2009. There has been a significant reduction of the interest expenses in 2010 as a result of reduced interest-bearing debt over the past year. The interest expenses in 2010 were NOK 284 million against 326 million in 2009.

Profit for the year after tax was NOK 1,766 million in 2010, compared with NOK 988 million in 2009.

The Group's net cash flow from operating activities was NOK 2,112 million in 2010, compared with NOK 1,679 million in 2009. Net cash flow from investing activities was NOK -520 million in 2010. As well as maintenance investments and dividends received from associated companies, investing activities for the year include sale of the shares in Epax Holding AS and purchase of the shares in Sjøtroll Havbruk AS. In 2009 the Group's net cash flow from investing activities was NOK 225 million, attributable to the fact that the impact from sale of shares in Lerøy Seafood Group ASA and the dividend received from an associated company was higher than the maintenance investments for the year. Net cash flow from financing activities was NOK -400 million in 2010. In addition to ordinary repayments, in October 2010 AUSS launched a senior unsecured bond issue worth NOK 500 million.
The Group's net cash flow from financing activities was NOK -908 million in 2009. In addition to ordinary repayments, an extraordinary repayment of NOK 778 million was made on long-term debt. At 1 January 2010 the Group had cash holdings of NOK 1,624 million; the figure at 31 December 2010 was NOK 2,811 million.

At year-end 2010 the Group has a balance sheet total of NOK 19,042 million, compared with NOK 16,291 million at year-end 2009. Equity is NOK 9,111 million, giving an equity ratio of 48%. Equity at 31 December 2009 was NOK 7,095 million, corresponding to an equity ratio of 44%. At year-end 2010 the Group had net interest-bearing debt of NOK 3,162 million, representing a reduction of NOK 975 million over the year. At year-end 2009 the Group had net interest-bearing debt of NOK 4,137 million.

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, in so far 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 essentially global in nature, and will always be impacted to some degree by developments in the world economy. Given the disquiet in the financial markets in recent years, uncertainty in the macro picture is perceived to be above the level considered normal. Although this uncertainty may have negative effects on the real economy in most markets, we consider AUSS's core activities to be founded on longterm sustainable values in promising seafood industries.

Changes in fishing patterns and quota regulations mean quarter-on-quarter and year-on-year fluctuations in catch volumes, leading in turn to fluctuations in utilisation of the Group's production facilities. Seasonal variations in catch volumes result in equivalent fluctuations in short-term key figures. The Group's production of Atlantic salmon and trout will of course 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 its debt is at variable rates of interest.

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

The Group is exposed to changes in exchange rates, particularly the Euro, US dollar, Chilean peso and Peruvian sol. The Group seeks to reduce this risk by entering into forward contracts and making use of multi-currency credit facilities. Parts of the long-term debt are also tailored to earnings in the same currency.

The Group seeks to reduce the risk of counterparties' being unable to meet their obligations by taking out credit insurance for parts of the total receivables and by using letters of credit, which essentially secure fulfilment of customer commitments. Historically, the Group has had a low level of bad debts.

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 basis for continued operation and development of the company. The consolidated financial statements have been prepared under the going concern assumption.

Company financial statements for Austevoll Seafood ASA

Austevoll Seafood ASA is the Group's holding company and has 10 employees. Sickness absence in 2010 was 4.40%, compared with 2.29% in 2009. The company's primary activity consists in owning shares in underlying companies and carrying out strategic processes, board work, accounting and financial services, 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's revenue in 2010 was NOK 4 million, against NOK 6 million in 2009.

Operating profit before depreciation and amortisation (EBITDA) was NOK -26 million in 2010, against NOK -16 million in 2009.

Net financial items were NOK 443 million in 2010, against NOK 99 million in 2009, including dividends from subsidiaries taken to income. Profit for the year after tax was NOK 430 million, against NOK 135 million in 2009.

The parent company's net cash flow from operating activities was NOK -44 million in 2010, compared with NOK 54 million in 2009. The change is mainly due to foreign exchange effects on other accruals. Net cash flow from investing activities was NOK 590 million in 2010, reflecting among other things sale of the shares in Epax Holding AS and purchase of shares in Norway Pelagic ASA. In 2009 the parent company's net cash flow from investing activities was NOK 839 million, reflecting among other things sale of shares in Lerøy Seafood Group ASA in May 2009. In 2010 the parent company's net cash flow from financing activities was NOK -29 million. In addition to ordinary repayments, a NOK 100 million bond issue was also redeemed in 2010. In October the company launched a new bond issue worth NOK 500 million, NOK 150 million of which was used to buy back own bonds. In 2009 the parent company's net cash flow from financing activities was NOK -418 million, NOK 778 million of which was an extraordinary repayment on long-term debt in addition to ordinary repayments. At 1 January 2010 the parent company had cash holdings of NOK 763 million, which had risen to NOK 1,281 million at 31 December 2010.

The parent company has a balance sheet total of NOK 7,254 million. Equity is NOK 4,551 million, giving an equity ratio of 63%. At year-end the company has net interest-bearing debt of NOK 1,066 million. This does not include long-term interest-bearing receivables from subsidiaries totalling NOK 1,633 million.

The parent company's financial statements show a profit of NOK 430 million. The Board of Directors proposes that NOK 430 million be transferred to other equity and provision of NOK 304 million be made for dividend payments. After the above profit allocation, the company has non-restricted shareholders' equity of NOK 736 million.

The parent company has a satisfactory economic and financial position, providing a basis for continued operation and further development of the company. The parent company's financial statements have as such been prepared under the going concern assumption.

Future prospects

Fishmeal and oil
After a year in which production in South America has been affected by both El Niño and La Niña, fishing is expected to be more normalised in 2011. On a global basis the industries remain optimistic about the years ahead in terms of both production and markets. Despite good prices for fishmeal and fish oil in 2010, demand remains good. There are several market drivers for fishmeal and fish oil, but global growth in aquaculture and steadily increasing interest in Omega-3 are the key value drivers.

Products for consumption
Going forward, the Board expects consistently good demand for the Group's products for consumption, combined with rising prices. Given a growing world population with increasing prices for most commercial foodstuffs, the Group expect that valuable protein-rich products from pelagic fish will be in demand in future.

Production, sales and distribution of salmon and trout
The development in demand for Atlantic salmon and trout has been positive in 2010, and has remained so to date. Higher growth in global supply is expected in the next few years compared with what we have seen in the last two. Correspondingly, we expect continued good development in the global demand for Atlantic salmon. These factors, combined with the expectation of improved productivity in production in the business area, including improved biology, provide the basis for a positive attitude to development of the business area.

The Group
Developing lasting values requires patience and the ability to take a long-term view. The Group is solid, has shown good development and is now well-positioned in several parts of the global seafood industry. Over time the Group will grow and further develop within the areas in which it operates.

The Board of Directors is in all essential aspects satisfied with the Group's profit performance in 2010, and would like to thank the Group's employees for their valuable contribution over the past year. The Group's strong position in the global seafood industry gives grounds for a positive attitude to the Group's development going forward.

Storebø, 4 April 2011
The Board of Directors of Austevoll Seafood ASA

Helge Singelstad Chairman of the Board	Hilde Waage	Inga Lise L. Moldestad
Oddvar Skjegstad	Helge Møgster	Arne Møgster President & CEO

37

VESSELS

with licensed qoutas in three of the world's most important fishery countries - Chile, Norway and Peru.

INCOME STATEMENT

Amounts in NOK 1 000	Note	2010	2009
Sales revenue	**3,10,11,32**	**12 496 530**	**11 237 313**
Other income	**10, 11**	204 219	71 098
Other gains and losses	**11**	44 002	16 198
Raw materials and consumables used		-7 818 639	-7 203 017
Salaries and personnel expenses	**12,27**	-1 253 809	-1 172 508
Other operating expenses	**12,30,32**	-1 131 476	-1 027 389
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets		**2 540 827**	**1 921 695**
Depreciation	**16**	-495 479	-463 877
Amortisation of intangible assets	**15**	-2 811	-1 658
Impairments/reversal of impairments	**15,16**	-58 762	-13 667
Operating profit before fair value adjustment of biological assets		**1 983 775**	**1 442 493**
Fair value adjustment of biological assets	**21**	298 538	60 483
Operating profit	**10**	**2 282 313**	**1 502 976**
Income from associated companies	**17**	191 761	80 341
Financial income	**13**	72 889	101 807
Financial expenses	**13**	-321 471	-354 792
Profit before taxes		**2 225 492**	**1 330 332**
Income tax expense	**26**	-459 412	-342 383
Profit for the year		**1 766 080**	**987 949**
Profit attributable to non-controlling interest		544 547	264 606
Profit attributable to shareholders of Austevoll Seafood ASA		1 221 533	723 343
Average no. of shares (thousands)	**14**	202 717	188 917
Earnings per share (NOK)	**14**	6,03	3,83
Earnings per share - diluted (NOK)	**14**	6,03	3,83

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK 1 000	Note	2010	2009
Profit for the year		**1 766 080**	**987 949**
Currency translation differences		28 970	-448 553
Other comprehensive income net of tax		**28 970**	**-448 553**
Total comprehensive income for the year		**1 795 050**	**539 396**
Attributable to			
Non-controlling interest		544 853	231 560
Shareholders of Austevoll Seafood ASA		1 250 197	307 836
Total comprehensive income for the year		**1 795 050**	**539 396**

STATEMENT OF FINANCIAL POSITION

Amounts in NOK 1 000	Note	31.12.2010	31.12.2009
Assets			
Goodwill	**15**	1 641 845	1 763 854
Deferred tax asset	**26**	23 446	28 084
Licenses	**15**	4 306 533	3 603 097
Brand/trademarks	**15**	52 993	204 363
Vessels	**16**	567 480	697 851
Other property, plant and equipment	**16**	3 297 464	3 173 199
Associated companies	**17**	953 051	492 391
Investments in other shares	**18**	39 558	40 728
Non-current receivables	**19**	76 246	136 690
Total non-current assets		**10 958 616**	**10 140 257**
Inventories	**20**	758 273	838 361
Biological assets	**21**	2 706 733	1 858 562
Trade receivable	**3,19,32**	1 341 112	1 476 172
Other current receivables	**19,22**	466 947	354 241
Cash and cash equivalents	**3,24,29**	2 810 554	1 623 616
Total current assets		**8 083 619**	**6 150 951**
Total assets		**19 042 235**	**16 291 209**
Equity and liabilities	**Note**	**31.12.2010**	**31.12.2009**
Share capital	**25**	101 359	101 359
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		2 682 409	1 700 890
Non-controlling interest		2 613 544	1 579 684
Total equity		**9 110 861**	**7 095 482**
Deferred tax liabilities	**26**	1 986 804	1 757 247
Pension obligations and other obligations	**27**	20 493	30 177
Borrowings	**3,29**	4 894 518	4 535 714
Total non-current liabilities		**6 901 815**	**6 323 137**
Borrowings	**3,29**	1 154 212	1 314 277
Trade payable	**3,32**	841 069	881 079
Tax payable	**26**	410 054	125 599
Other current liabilities	**31**	624 224	551 635
Total current liabilities		**3 029 559**	**2 872 590**
Total liabilities		**9 931 374**	**9 195 727**
Total equity and liabilities		**19 042 235**	**16 291 209**

Storebø, 04.04.11

Helge Singelstad
Chairman

Oddvar Skjegstad
Deputy Chairman

Helge Møgster

Inga Lise
Lien Moldestad

Hilde Waage

Arne Møgster
President & CEO

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1 000	Note	Share capital	Share premium	Currency translation differences	Retained earnings	Non-controlling interest	Total equity
Equity 01.01.09		**92 159**	**3 083 918**	**294 598**	**1 157 377**	**991 716**	**5 619 768**
Profit for the period		**0**	**0**	**0**	**723 344**	**264 606**	**987 949**
Currency translation differences		0	0	-415 507	0	-33 046	-448 553
Total comprehensive income in the period		**0**	**0**	**-415 507**	**723 344**	**231 560**	**539 396**
Transactions with shareholders							
Dividends		**0**	**0**	**0**	**0**	**-56 165**	**-56 165**
Transactions with non-controlling interest		0	0	0	-64 632	382 548	317 916
Business combinations		0	0	0	4 276	27 618	31 894
Options		0	0	0	1 436	807	2 243
Distributions to owners		0	0	0	0	0	0
New equity from cash contributions	**25**	9 200	629 631	0	0	1 600	640 431
Total change in equity in the period		**9 200**	**629 631**	**-415 507**	**664 423**	**587 967**	**1 475 714**
Equity 31.12.09		**101 359**	**3 713 549**	**-120 910**	**1 821 800**	**1 579 684**	**7 095 482**
Profit for the period		**0**	**0**	**0**	**1 221 533**	**544 547**	**1 766 080**
Currency translation differences		0	0	28 664	0	306	28 970
Other comprehensive income in the period		**0**	**0**	**28 664**	**0**	**306**	**28 970**
Total comprehensive income in the period		**0**	**0**	**28 664**	**1 221 533**	**544 853**	**1 795 050**
Transactions with shareholders							
Dividends					-243 261	-146 987	-390 248
Transactions with non-controlling interest					-33 030	-49 104	-82 134
Business combinations	**7**				1 120	656 259	657 379
Options					-892	-534	-1 426
Other		0	0	0	32 084	4 673	36 757
Total transactions with shareholders in the period		**0**	**0**	**0**	**-243 979**	**464 307**	**220 328**
Total change in equity in the period		**0**	**0**	**28 664**	**977 554**	**1 009 160**	**2 015 378**
Equity 31.12.10		**101 359**	**3 713 549**	**-92 246**	**2 799 354**	**2 588 844**	**9 110 861**

CASH FLOW STATEMENT

Amounts in NOK 1 000	Note	2010	2009
Profit before income taxes		2 225 492	1 330 332
Fair value adjustment on biological assets	**21**	-298 538	-60 483
Taxes paid for the period	**26**	-225 102	-124 305
Depreciation and amortisation	**15, 16**	498 290	464 127
Impairments	**15, 16**	58 762	13 667
(Gain) on sale of property, plant and equipment	**11**	9 939	-3 046
(Gain) on investments	**11**	-74 176	-13 140
Unrealised exchange gains and losses		-9 821	-62 750
Share of (profit) from associates	**17**	-191 761	-78 640
Interest expense	**13**	275 860	325 851
Interest income	**13**	-66 895	-44 295
Change in inventories		-112 043	-47 551
Change in accounts receivables and other receivables		28 987	-64 827
Change in accounts payables and other payables		-47 307	144 041
Change in net pension liabilities		-8 464	0
Change in other accruals		42 445	-17 918
Currency translation differences working capital		5 293	-81 955
Net cash flow from operating activities		**2 110 961**	**1 679 108**
Proceeds from sale of fixed assets		109 240	31 753
Proceeds from sale of shares and other equity instruments	**6**	549 474	488 995
Net cash effect business combination Welcon Invest - UFI		0	67 817
Purchase of intangible and tangible fixed assets	**15,16**	-454 647	-389 400
Purchase of shares and equity investments in other companies/ business combinations		-911 079	-43 275
Dividend received (incl dividends from associates)		55 466	51 203
Movements in long term loans granted		60 563	-26 493
Interest income		66 895	44 295
Currency translation differences investing capital		3 891	0
Net cash flow from investing activities		**-520 197**	**224 895**
Proceeds from issuance of long-term interest bearing debt		1 397 807	283 827
Repayment of long-term interest bearing debt		-1 010 883	-1 303 989
Movement in short-term interest bearing debt		-234 896	-130 497
Interest paid		-293 239	-335 900
Dividends paid		-390 248	-56 165
Cash contribution minority interests		131 300	1 600
Net proceeds from issuance of shares*	**25**	0	633 243
Net cash flow from financing activities		**-400 159**	**-907 881**
Net change in cash and cash equivalents		**1 190 605**	**996 122**
Cash and cash equivalents at 01.01.		**1 623 616**	**643 536**
Currency exchange gains on opening balance of cash and cash equivalents		-3 667	-16 042
Cash and cash equivalents at 31.12.		**2 810 554**	**1 623 616**

* The difference between proceeds from issuance of shares in the cash flow and statement of changes in equity are caused by the tax effect of costs related to the share issue.

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 ulitmate 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 4th, 2011.

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.

(a) Standards, amendment and interpretations effective in 2010

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The revised standard was applied to the acquisition of the controlling interest in Sjøtroll Havbruk AS on 10 November 2010. Goodwill has been estimated for both the controlling and the non-controlling ownership interests See note 7 for further details of the business combination that occurred in 2010.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The revised standard was applied to the transactions with non-controlling interests in Bodø Sildoljefabrikk AS in 2010.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group

• IFRS 5 (Amendment), IAS 1 (Amendment), IAS 36 (Amendment), IFRS 2 (Amendment) IFRIC 17, IFRIC 18, IFRIC 9 and IFRIC 16. The changes will not have a material impact on the financial statements.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

- IFRS 9, 'Financial Instruments'. IFRS 9 introduces new requirements for classifying and measuring financial assets. The standard is not applicable until 1 Januar 2013 but is available for early adaptation. However, the standard has not yet been endorsed by the EU. Group is yet to assess IFRS 9's full impact.

- IAS 24 (Amendment), IAS 32 (Ammendment), IFRIC 12 (Amendment) and IFRIC 19. The changes will not have a material impact on the financial statements.

Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another 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 uses 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 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. Acqusition-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.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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 group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

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

Transactions with non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between 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.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, 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.

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.

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 and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against 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 obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group'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 translated 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.

The group has changed its accounting policy for transactions with non-controlling interests and the accounting for loss of control or significant influence from 1 January 2010 when revised IAS 27, 'Consolidated and separate financial statements', became effective. The revision to IAS 27 contained consequential amendments to IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures'.

Previously transactions with non-controlling interests were treated as transactions with parties external to the group. Disposals therefore resulted in gains or losses in profit or loss and purchases resulted in the recognition of goodwill. On disposal or partial disposal, a proportionate interest in reserves attributable to the subsidiary was reclassified to profit or loss or directly to retained earnings.

Previously, when the group ceased to have control or significant influence over an entity, the carrying amount of the investment at the date control or significant influence became its cost for the purposes of subsequently accounting for the retained interests as associates, jointly controlled entity or financial assets.

The group has applied the new policy prospectively to transactions occurring on or after 1 January 2010. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

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.

Group companies
The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary 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 as a separate component of equity.

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.

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 and buildings comprise mainly of factories and offices. Land is not depreciated. Depreciation on other 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. 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 amortized 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.

Licenses that have a definite useful life are amortized over this definite time period. Depreciated licenses are tested for impairment only if indications of impairment exist.

Brands
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..

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

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.

(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 balance sheet date. 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 with 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 hedging of a fair value of a capitalised asset, liability or a binding commitment not booked (fair value hedging).

Fair values of derivative instruments used for hedging are shown on 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.

Changes in fair value of derivatives qualifying for fair value hedging, are booked in the P&L together with the change in the fair value of the associated hedged asset or liability. The Group uses fair value hedging for securing net receivables in foreign currency, net deposits on currency accounts and signed sales contracts in foreign currency.

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 market price less estimated sales costs.

Biological assets (fish in sea) are assessed at fair value based on the market prices of gutted salmon and trout on the balance sheet day. The prices are adjusted for quality differences (superior, ordinary and production) and for logistical costs. The volume is adjusted for gutting wastage. Valuation of fish in sea with an

average weight under 4 kg is based on the same principles, but the price is adjusted for progress in the growth cycle. The price is not adjusted below cost price unless a loss is anticipated in future sales.

Other biological assets (roe, fry, smolt) are valued at cost 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 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 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 on 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.

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 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 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.

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.

Share based remuneration
A subsidiary in the Group has a share-based remuneration scheme with settlement in the form of shares. Actual value of services performed by employees for the Group to balance the allocated options, is entered as a cost. The total amount to be charged to cost over the earning period, is based on the market value of the options at the time of allocation (Black & Scholes/ Hull & White).

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 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 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 US dollar, Euro, CLP and PEN. 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, entities in the Group use forward contracts and use withdrawals and deposits on multicurrency accounts as well, in order to hedge as far as possible the currency risks on trade receivables, executed sales contracts and on-going contract negotiations. 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 Group does not make use of financial instruments for management of financial risk regarding long-term financing, with the exception of parts of the Group's loan denominated in foreign currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group has no formal hedging strategy to reduce this exposure.

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 2010, if NOK had weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been MNOK 21,900 higer/lower. The sensitivity is calculated based on foreign exchange

gains/losses on translation of US dollar denominated trade receivables, trade payables , cash in bank and interest bearing debt.

At 31 December 2010, 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 22,560 higer/lower. The sensitivity is calculated based on foreign exchange gains/losses on translation of EUR denominated trade receivables, trade payables, cash in bank and interest bearing debt.

The Group has a significant part of its turnover in different currencies while a major part of the costs payable are in NOK, CLP and PEN. As a result of international activities, the Group is exposed to fluctuations in exchange rates. The table below shows the currency distribution for theGroup's turnover, accounts receivable, accounts payable and interest bearing debt.

	2010			2009		
	Currency	NOK	Share %	Currency	NOK	Share %
Turnover:						
NOK		3 458 751	28 %		3 202 062	28 %
USD	614 875	3 717 105	30 %	513 539	3 225 849	29 %
CLP	13 303 824	168 422	1 %	18 013 870	223 135	2 %
PEN	46 846	100 555	1 %	56 219	109 966	1 %
EUR	409 131	3 275 831	26 %	330 132	2 881 561	26 %
SEK	1 038 982	872 953	7 %	1 036 877	852 624	8 %
Other currency		902 913	7 %		742 117	7 %
Total		**12 496 530**	**100 %**		**11 237 313**	**100 %**
Trade receivable						
NOK		401 769	30 %		347 445	24 %
USD	57 195	334 956	25 %	82 700	477 730	32 %
CLP	3 864 364	48 305	4 %	5 781 028	60 718	4 %
PEN	8 736	18 752	1 %	9 101	20 176	1 %
EUR	43 093	336 660	25 %	44 986	374 059	25 %
SEK	164 473	143 207	11 %	154 359	125 015	8 %
Other currency		57 463	4 %		71 029	5 %
Total		**1 341 112**	**100 %**		**1 476 172**	**100 %**
Cash and cash equivalents						
NOK		2 601 108	93 %		1 312 927	81 %
USD	29 567	173 154	6 %	30 326	175 187	11 %
CLP	478 284	5 979	0 %	595 088	6 250	0 %
PEN	2 379	5 107	0 %	4 871	10 798	1 %
EUR	1 900	14 845	1 %	6 572	54 643	3 %
SEK	-13 924	-12 124	0 %	38 447	31 138	2 %
Other currency		22 487	1 %		32 674	2 %
Total		**2 810 554**	**100 %**		**1 623 616**	**100 %**

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

	2010			2009		
	Currency	NOK	Share %	Currency	NOK	Share %
Trade payable						
NOK		596 108	71 %		564 006	64 %
USD	4 772	27 944	3 %	15 552	89 841	10 %
CLP	2 672 810	33 410	4 %	3 549 597	37 281	4 %
PEN	14 030	30 115	4 %	14 697	32 581	4 %
EUR	3 778	29 514	4 %	3 954	32 876	4 %
GBP	6 713	60 870	7 %	5 710	53 203	6 %
SEK	72 480	63 108	8 %	81 472	65 984	7 %
Other currency		0	0 %		5 307	1 %
Total		**841 069**	**100 %**		**881 079**	**100 %**
Interest bearing debt						
NOK		5 234 864	87 %		4 786 901	83 %
USD	133 926	784 324	13 %	168 180	971 528	17 %
EUR	1 066	8 330	0 %	64	531	0 %
SEK	21 632	18 835	0 %	18 917	15 321	0 %
Other currency		2 376	0 %		0	0 %
Total		**6 048 729**	**100 %**		**5 774 281**	**100 %**

(ii) Price risk
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. However, a immaterial part of the Group`s loans are issued at fixed rates.

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 16,000 in 2010 and MNOK 20,500 in 2009 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 2009 and 2010.

Amounts in NOK 1 000	Increase/reduction in basis points	2010	2009
Impact on profit before tax	+/- 50	-/+ 16 000	-/+ 20 500

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 company 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 2010	Less than 1 year	Between 1 - 5 years	Over 5 years
Borrowings (ex. finance lease liabilities)	879 372	2 759 992	727 182
Finance lease liabilities	67 657	218 299	60 764
Trade and other payables (ex. Statutory liabilities)	1 312 770	-	-

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 reduse debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net interestbearing debt divided by capital employed. Net interestbearing 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 2010 and 2009 were as follows:

31 December 2010	2010	2009
Total borrowings (note 29)	6 048 729	5 849 990
Less: cash and cash equivalents	2 810 554	1 623 615
Less: other interest bearing assets	76 246	89 407
Net interestbearing debt	3 161 929	4 136 968
Total equity	9 110 861	7 095 482
Capital employed	**12 272 790**	**11 232 449**
Gearing ratio	**26 %**	**37 %**

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 categorized 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 us ofvaluation 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

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

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.

31 December 2010 Assets as per balance sheet	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available for sale	Total
Investment in other shares	0	429	0	39 129	39 558
Trade and other receivables exc.prepayments*	1 705 275	0	28 338	0	1 733 613
Financial assets at fair value thr. profit/loss	0	0	0	0	0
Cash and cash equivalents	0	2 810 554	0	0	2 810 554
Total	**1 705 275**	**2 810 983**	**28 338**	**39 129**	**4 583 725**

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

31 December 2010 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	5 939 410	5 939 410
Finance lease liabilities*	0	0	109 319	109 319
Derivate financial instruments	0	0	0	0
Trade and other payables exc.statutory liabilities*	0	29 312	1 312 770	1 342 082
Total	**0**	**29 312**	7 361 499	**7 390 811**

* 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 2009 Assets as per balance sheet	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available for sale	Total
Investment in other shares	0	0	0	40 721	40 721
Derivate financial instruments	0	0	0	0	0
Trade and other receivables exc.prepayments*	1 885 519	0	16 720	0	1 902 239
Financial assets at fair value thr. profit/loss	0	0	0	0	0
Cash and cash equivalents	0	1 623 616	0	0	1 623 616
Total	**1 885 519**	**1 623 616**	**16 720**	**40 721**	**3 566 576**

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

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

31 December 2009 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	5 559 980	5 559 980
Finance lease liabilities*	0	0	290 011	290 011
Trade and other payables exc.statutory liabilities*	0	27 869	1 305 821	1 333 690
Total	**0**	**27 869**	**7 155 812**	**7 183 681**

* 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.

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.

Inventory
Finished goods of fish is 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.).

NOTES TO THE ACCOUNTS

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT.)

A sensitivity analysis for the prices of Atlantic salmon and trout at 31.12.10, 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 LSG consolidated	-55 505	-110 011	-271 393

Price increase per kilo	NOK 1.00/kg	NOK 2.00/kg	NOK 5.00/kg
Increased operating result LSG consolidated	55 607	111 407	279 210

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 Hydrotech AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Midnor 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	7	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 %
Sigerfjord Fisk AS		Norway	Lerøy Seafood Group ASA	95,59 %
Nordvik SA		France	Lerøy Seafood Group ASA	90,00 %
Inversiones Seafood Ltda		Chile	Lerøy Seafood Group ASA	100,00 %
Lerøy Protugal Lda		Portugal	Lerøy Seafood Group ASA	60,00 %
Sandviktsomt 1 AS		Norway	Lerøy Seafood Group ASA	100,00 %
Lerøy Smøgen Seafood AB		Sweden	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 Quality Group AS		Norway	Hallvard Lerøy AS	100,00 %
Bulandet Fiskeindustri		Norway	Hallvard Lerøy AS	66,28 %
Lerøy Sjømatgruppen AS		Norway	Hallvard Lerøy AS	100,00 %
Hallvard Lerøy SAS		France	Hallvard Lerøy AS	100,00 %
Fish Cut SAS		France	Hallvard Lerøy SAS	100,00 %
Eurosalmon ASA		France	Hallvard Lerøy SAS	100,00 %
Lerøy Smögen Seafood AB		Sweden	Lerøy Smøgen Holding AB	100,00 %
Strannes Delikatesser AB		Sweden	Lerøy Smøgen Holding AB	100,00 %
Lerøy Alt i Fisk AB		Sweden	Lerøy Sverige AB	100,00 %
Lerøy Stockholm AB		Sweden	Lerøy Alt i Fisk AB	100,00 %
Lerøy Nordhav AB		Sweden	Lerøy Alt i Fisk AB	100,00 %
Pacific Seafoods SA		Chile	Inversiones Seafood Ltda	99,90 %
Sirevaag AS		Norway	Lerøy Delico AS	51,00 %
Hjelvik Settefisk AS		Norway	Lerøy Hydrotech AS	66,00 %
Kvernviklaks AS		Norway	Lerøy Hydrotech AS	100,00 %
Torjulvågen Settefisk AS		Norway	Lerøy Hydrotech AS	65,00 %
Aakvik Settefisk AS		Norway	Lerøy Hydrotech AS	100,00 %
Eidane Smolt AS		Norway	Lerøy Vest AS	100,00 %
Laksefjord AS		Norway	Lerøy Aurora AS	100,00 %
Brandasund Fiskeforedling AS		Norway	Sjøtroll Havbruk AS	100,00 %
Rexstar Seafood AS		Norway	Sjøtroll Havbruk AS	100,00 %

NOTE 5 GROUP COMPANIES (CONT.)

Company	Note	Country	Parent company	Ownership %
Epax Holding AS*	6	Norway	Austevoll Seafood ASA	0,00 %
Epax AS*	6	Norway	Epax Holding AS	0,00 %
Epax Lipro AS*	6	Norway	Epax Holding AS	0,00 %
Austevoll Fisk AS		Norway	Austevoll Seafood ASA	100,00 %
Austevoll Fiskeindustri AS		Norway	Austevoll Fisk AS	100,00 %
Atlantic Pelagic AS		Norway	Austevoll Fisk AS	100,00 %
Modolv Sjøset AS		Norway	Austevoll Fisk AS	66,00 %
Modolv Sjøset Fisk AS		Norway	Modolv Sjøset AS	100,00 %
Modolv Sjøset Pelagic AS		Norway	Modolv Sjøset AS	100,00 %
Helgeland Fryseterminal AS		Norway	Modolv Sjøset AS	62,57 %
Sir Fish AS		Norway	Austevoll Fisk AS	60,00 %
Sirevåg Fryselager AS		Norway	Sir Fish AS	66,67 %
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 %
Laco IV AS		Norway	Austevoll Seafood ASA	100,00 %
Gateport Ltd		Panama	Laco IV 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 Caldera Ltd.		Chile	Consortium Enterprises (Jersey) Ltd.	99,00 %
FoodCorp S.A.		Chile	Consortium Enterprises (Jersey) Ltd.	72,98 %
FoodCorp S.A.		Chile	Inversiones Pacfish Ltda.	22,91 %
Pesquera Cazador Limitada		Chile	FoodCorp Chile S.A.	99,73 %
Pemesa S.A		Chile	FoodCorp Chile S.A.	100,00 %
Pesquera del Cabo S.A.		Chile	FoodCorp Chile S.A.	99,99 %
FoodCorp Chile S.A.		Chile	FoodCorp S.A.	100,00 %
FoodCorp Chile S.A.		Chile	Pesquera del Cabo S.A.	100,00 %
Pesquera Austral S.A.		Chile	FoodCorp Chile S.A.	100,00 %
Chilefood S.A.		Chile	FoodCorp Chile S.A.	100,00 %
Pesquera Del Norte Dos S.A.		Chile	Consortium Enterprises (Jersey) Ltd.	73,00 %
Pesquera Del Norte Dos S.A.		Chile	Inversiones Pacfish Ltda.	22,00 %
Cultivos Pacfish S.A.		Chile	Inversiones Pacfish Ltda.	99,90 %
Alumrock Overseas S.A.		Chile	FoodCorp Chile S.A.	100,00 %

* The subsidiary Epax Holding AS was sold in November 2010. The subsidiary has been consolidated for 10 months of 2010. See note 6 for further details.

NOTES TO THE ACCOUNTS

NOTE 6 SALE OF SUBSIDIARY

In November 2010, Austevoll Seafood ASA carried out a transaction involving the sale of 100% of the shares in the subsidiary Epax Holding AS. The transaction genereated NOK 562 million in cash for Austevoll Seafood ASA, and a gain on the sale of shares of NOK 73 million, booked as 'other gains and losses', (see also note 11).

The transaction is recognised as the disposal of a subsidiary. As a consequence of the sale, the Group's intangible assets has been reduced by NOK 453 million, whereof NOK 217 million was booked as added value, identified through the Group's acquisition of Epax Holding AS in 2007. Equity has been reduced by NOK 272 million.

NOTE 7 BUSINESS COMBINATIONS

Sjøtroll Havbruk AS

On September 28, 2010, the subsidiary Lerøy Seafood Group ASA signed an agreement with Biomar AS regarding the acquisition of Biomar's shareholding in Sjøtroll Havbruk AS, corresponding to 50.71%. The transaction took place on November 10, 2010. The share capital in Sjøtroll Havbruk AS comprises both class A and B shares, where the B shares have voting right limitations. The shares acquired from Biomar have a combined voting right of 50.912%.

Sjøtroll Havbruk AS is involved in the production of fry/smolt, fish for consumption and slaughtering and processing of fish. The company has 25 licences for farming of salmon and trout for its production of fish for consumption. In addition, Sjøtroll Havbruk AS has a 27.5% shareholding in SalmoBreed AS, a breeding company for salmon and trout. Sjøtroll Havbruk AS has prepared a prognosis for 2011 totalling 26,000 tons slaughtered weight of salmon and trout. The company has approximately 250 employees. Sjøtroll Havbruk AS has two subsidiaries involved in slaughtering and processing of fish: Rexstar Seafood AS and Brandasund Fiskeforedling AS.

Subsequent to this acquisition, the seafood corporation Lerøy Seafood Group ASA has a total of 130 licences in Norway for production of salmon and trout in addition to a significant volume of production in Scotland. Moreover, the group has its own facilities for production of roe and satisfactory coverage of the group's requirement for quality smolt. As a result of this acquisition and with the group's centralised functions for farming, processing, sale and distribution, the group can benefit from considerable synergy effects.

Goodwill has been estimated for both the controlling and non-controlling ownership interests. The total goodwill generated by the merger amounts to NOK 206 million, with NOK 104.3 million for controlling interests and NOK 101.6 million for non-controlling interests. Goodwill is mainly related to deferred tax on licences. The estimated goodwill does not provide for tax deductions, and deferred tax is not recognised for goodwill.

The expense item of NOK 0.2 million regarding the issue of consideration shares in Lerøy Seafood Group ASA is recognised as a reduction of equity. Other acquisitions expenses are charged to the result.

A cash flow model has been utilised for the valuation of the licences. The required pre-tax rate of return (WACC) is 12.5%. There is no control premium calculated for the controlling interests. The non-controlling interests' share of the identifiable added value is therefore calculated in relation to shareholding.

Sjøtroll Havbruk AS was consolidated with Lerøy Seafood Group ASA with effect from November 2010. The result figures for the period from January 2010 to October 2010, which have not been consolidated, are based on NGAAP. The figures from Sjøtroll Havbruk AS have been converted in relation to IFRS prior to consolidation.

If consolidation had taken place on January 1, 2010, the Group's turnover figure would have been NOK 13,190 million with an operating profit of NOK 2,469 million.

NOTES TO THE ACCOUNTS

NOTE 7 BUSINESS COMBINATIONS (CONT.)

Turnover and profit for Sjøtroll Havbruk AS in 2010	Jan - Oct 2010	Nov - Dec 2010	2010
Sales revenue	706 683	117 375	824 058
Operating profit before fair value adjustment of biological assets	159 827	26 716	186 543
Fair value adjustment of biological assets	0	22 204	22 204
Operating profit	159 827	48 920	208 747
Profit and total comprehensive invome	106 080	33 496	139 576

Fair value of total considerations transferred	
Cash and cash equivalents	408 500
1 million shares in LSG ASA	131 500
Total consideration	**540 000**

Purchase price Allocation	Reported IFRS value of Sjøtroll Havbruk AS	Identifited surplus values	Fair value at time of acquisition
Licences	334 100	339 413	673 513
Goodwill	82 928	-82 928	0
Fixed assets	306 374	0	306 374
Financial assets	9 575	-5 319	4 256
Inventory and biological assets	470 436	0	470 436
Short-term receivables	82 554	0	82 554
Cash in bank	9 078	0	9 078
Total assets	**1 295 045**	**251 166**	**1 546 211**
Equity	720 274	138 730	859 004
Deferred tax	222 717	89 436	312 153
Other non-current liabilities	286 346	0	286 346
Current liabilities	65 708	23 000	88 708
Total equity and liabilities	**1 295 045**	**251 166**	**1 546 211**
Purchase price allocation	**100,00 %**	**50,71 %**	**49,29 %**
Recognised equity in Sjøtroll Havbruk AS	720 274	365 224	355 050
Net identified surplus value in Sjøtroll Havbruk AS	138 730	70 345	68 385
Identified value in Sjøtroll Havbruk AS	**859 004**	**435 568**	**423 436**
Estimation of goodwill	**100,00 %**	**50,71 %**	**49,29 %**
Consideration to seller	1 064 958	540 000	524 958
Controlling and non-controlling interests' share in identified value	859 004	435 568	423 436
Controlling and non-controlling interests' share of goodwill	**205 954**	**104 432**	**101 523**

NOTES TO THE ACCOUNTS

NOTE 7 BUSINESS COMBINATIONS (CONT.)

Summary of booked values	Total booked Value	Share allocated to controlling interest	Share to to non-controlling interests
Equity at acquisition date, prior to IFRS adjustments	667 535	338 482	329 053
IFRS adjustments at acquisition date	52 739	26 742	25 997
Equity at acquisition date after IFRS adjustments	**720 274**	**365 224**	**355 050**
Identified surplus value	138 730	70 345	68 385
Estimated goodwill	205 954	104 431	101 522
Total book value in Group	**1 064 958**	**540 000**	**524 957**

In addition to the acquisition of Sjøtroll Havbruk AS, the Group has acquired some other, smaller business. Due to materiality concerns, information as set out in this note has not been provided for any of the other acqusitions.

NOTE 8 AQUISITION OF SHARES IN NORWAY PELAGIC ASA

Acquisition of shares in Norway Pelagic ASA

In July 2010, Austevoll Seafood ASA (AUSS) acqired 5,054,137 shares in the publicly listed company Norway Pelagic ASA (NPEL). The acquisition comprised 32,27 per cent of the total share capital and votes in NPEL. AUSS acquired the shares against a remuneration of NOK 60.00 per share, in aggregate NOK 303,2 mill. The settlement was made in cash. In order to avoid execution of its obligation to make an offer for the remaining shares of NPEL within the time limit set by the Norwegian Securities Act, AUSS disposed of 606 023 shares in NPEL at an average price of NOK 43 per share. Consequently, a loss on sale of shares of MNOK 9,3 was booked as other financial expense (ref. also note 13).

The investment implies that AUSS in its accounts has booked its proportionate share of the result of NPEL in accordance with the equity accounting principle of the IFRS regulations for associated companies. See note 17 for further details.

The Board of AUSS considers NPEL to be a good company with great future potential. AUSS knows the pelagic sector well and considers the future opportunities in this important part of the world's seafood business to be very good. The Board of AUSS has monitored the development of NPEL, and commend the work done through establishment and development of the company. AUSS will, as a shareholder in NPEL, and through cooperation with the Board and management of NPEL, contribute to its continued good development in the years ahead.

In March 2011 a merger plan was entered into, whereby the North Atlantic pelagic businesses for human consumption of AUSS will be merged into NPEL. See note 9 for further details on this event after reporting date.

NOTES TO THE ACCOUNTS

NOTE 9 EVENTS AFTER REPORTING PERIOD

Reference is made to the stock exchange notice dated 1 February 2011 regarding the potential integration (the "Integration") of the North Atlantic pelagic businesses for human consumption of Austevoll Seafood ASA ("AUSS") into Norway Pelagic ASA ("NPEL").

On 22 March 2011, following completion of satisfactory due diligence investigations, the parties resolved to proceed with the implementation of the Integration by executing a merger plan. Pursuant to the merger plan, which has been entered into by the boards of NPEL, its wholly owned subsidiary Norway Pelagic AS ("NPAS") and Austevoll Fisk AS ("Austevoll Fisk"), the Integration shall be carried out as a statutory merger (the "Merger") in which all assets, rights and liabilities of Austevoll Fisk, including its ownership interests in Shetland Catch Ltd., shall, upon completion, be transferred to NPAS, in exchange for a consideration consisting of 2,768,954 new shares to be issued by NPEL to AUSS.

The consideration in the Merger is based on an exchange ratio between Austevoll Fisk and NPEL of 15:85. The exchange ratio is based on an equity value of NOK 704.7 million for NPEL (presumes a share price of NOK 45) and of NOK 124.6 million for Austevoll Fisk. Through the Merger, AUSS will increase its shareholding in NPEL from approximately 33% to approximately 43% of the share capital in NPEL. AUSS' North Atlantic pelagic businesses mainly comprise purchase, production and sale of pelagic fish and are operated through its ownership interests in Austevoll Fisk. Austevoll Fisk carries out its pelagic business activities through its subsidiaries and minority shareholdings. Austevoll Fisk owns 60% of Sir Fish AS located at Sirevåg, 100% of Austevoll Fiskeindustri AS located at Austevoll, 66% of Modolv Sjøset AS located at Træna, 50% of North Capelin Honningsvåg AS located at Honningsvåg, 25% of Shetland Catch Ltd. located at Lerwick, Shetland, with an option to increase the shareholding up to 50% of the share capital, and 100% of Atlantic Pelagic AS located at Storebø. Austevoll Fiskeindustri AS' business related to slaughtering and processing of salmon shall be carved-out prior to completion of the Merger.

The completion of the Merger is subject to customary conditions, including but not limited to the approval of the merger plan and the share capital increase required to issue the consideration shares by the annual general meeting of NPEL to be held on 15 April 2011, approval of the merger plan by the general meetings of NPAS and Austevoll Fisk scheduled for the same date, completion of a pre-merger restructuring of Austevoll Fisk, all required regulatory approvals, no material adverse change and all necessary third party consents. The Merger is currently expected to be completed in the beginning of July 2011.

NOTES TO THE ACCOUNTS

NOTE 10 SEGMENT INFORMATION

Operating segments
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, and the joint venture Welcon Group (50%) in Norway, Ireland and UK. FoodCorp S.A operates one plant in Chile, Austral Group S.A.A operates seven plants in Peru and Welcon operates four fishmeal/oil plants in Norway, two in U.K. and one in Ireland.

Human Consumption (HC)
The operations within the human consumption segment are operated by FoodCorp S.A (Chile), Austral Group S.A.A (Peru) and Epax AS (Norway). In Chile the Group has two canning plants and one freezing plant. In Peru the Group operates two canning plants and one freezing plant. The subsidiary Epax AS was sold in primo November 2010, and is therefore consolidated for 10 months of 2010 only.

Pelagic North Atlantic
The Pelagic North Atlantic segment consists of Austevoll Fisk group. Austevoll Fisk group sells pelagic fish for the international market, and operates facilities for pelagic processing (fillet, packing and freezing), and one combined plant for pelagic and salmon processing (fillet, packing and freezing).

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 prosessed fish products.

Other / Elimination
Austevoll Seafood ASA (company) and Austevoll Eiendom 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 North Europe.

NOTES TO THE ACCOUNTS

NOTE 10 SEGMENT INFORMATION (CONT.)

2010	FMO	HC	Pelagic North Atlantic	Production, sales & distribution	Other/ Elim.	Group
External segment income	2 024 809	740 444	1 204 397	8 758 170	-27 070	12 700 750
Inter-segment income	0	0	231 723	129 501	-361 224	0
Other gains and losses	-23 053	67 411	40		-396	44 002
Total segment income	**2 001 756**	**807 855**	**1 436 160**	**8 887 671**	**-388 690**	**12 744 752**
Operating expenses	-1 480 659	-641 450	-1 372 849	-7 081 797	372 832	-10 203 923
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**521 097**	**166 405**	**63 311**	**1 805 874**	**-15 858**	**2 540 827**
Depreciation and amortisation	-153 931	-98 069	-21 677	-219 624	-4 989	-498 290
Impairment/Reversal of impairments	-49 614	-9 147	0	0	0	-58 761
Operating profit before fair value adjustment of biological assets	**317 552**	**59 189**	**41 634**	**1 586 250**	**-20 847**	**1 983 775**
Fair value adjustment of biomass	0	0	0	298 538	0	298 538
Operating profit	**317 552**	**59 189**	**41 634**	**1 884 788**	**-20 847**	**2 282 313**
Income from associated companies	576	-19 321	0	122 006	88 501	191 762
Net financial items	-40 526	-13 442	-18 271	-66 272	-110 072	-248 583
Profit before taxes	**277 602**	**26 426**	**23 363**	**1 940 522**	**-42 418**	**2 225 492**
Income tax expense	65 204	-68 953	-5 030	-510 952	60 319	-459 412
Profit for the year	**342 806**	**-42 527**	**18 333**	**1 429 570**	**17 901**	**1 766 080**
Segment assets	2 463 443	866 247	200 259	6 258 724	77 643	9 866 315
Segment assets consist of tangible and intangible fixed assets						
Segment liabilities	169 790	99 065	192 823	1 043 435	-19 327	1 485 786
Segment liabilities consist of pension obligations, trade payable and other short term liabilities						
Investments in property and equipment in the period	94 755	23 650	28 132	574 123	16 358	737 018
Investments in intangible assets in the period	1 172	502	0	881 249	0	882 923
Investments in PPE and intangible assets includes business combinations						

NOTES TO THE ACCOUNTS

NOTE 10 SEGMENT INFORMATION (CONT.)

2009	FMO	HC	Pelagic North Atlantic	Production, sales & distribution	Other/ Elim.	Group
External segment income	1 967 116	940 863	983 657	7 407 607	9 168	11 308 411
Inter-segment income	54 258	31 172	127 318	66 200	-278 948	0
Other gains and losses	15 826	0	372	0	0	16 198
Total segment income	**2 037 200**	**972 035**	**1 111 347**	**7 473 807**	**-269 780**	**11 324 609**
Operating expenses	-1 505 417	-795 142	-1 045 557	-6 319 644	262 845	-9 402 915
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**531 783**	**176 893**	**65 790**	**1 154 163**	**-6 935**	**1 921 695**
Depreciation and amortisation	-150 400	-85 270	-21 867	-204 007	-3 991	-465 535
Impairment/Reversal of impairments	-13 618		-50			-13 668
Operating profit before fair value adjustment of biological assets	**367 765**	**91 623**	**43 873**	**950 156**	**-10 926**	**1 442 493**
Fair value adjustment of biomass	0	0	0	60 483	0	60 483
Operating profit	**367 765**	**91 623**	**43 873**	**1 010 639**	**-10 926**	**1 502 976**
For information regarding impairments, see note 15 and 16						
Segment assets	2 596 838	1 578 385	192 041	5 009 956	65 144	9 442 364
Segment assets consist of tangible and intangible fixed assets						
Segment liabilities	261 576	112 318	150 553	926 885	11 559	1 462 891
Segment liabilities consist of pension obligations, trade payable and other short term liabilities						
Investments in property and equipment in the period	29 019	86 923	17 763	151 960	3 568	289 232
Investments in intangible assets in the period	91 172	2 278	16 047	3 777	0	113 274
Investments in PPE and intangible assets includes business combinations						

	Income		Tangible and intangible fixed assets		Investments in property and equipment		Investments in intangible assets	
Geographical areas	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Northern Europe	11 016 509	9 349 734	7 021 736	6 438 955	658 185	185 212	881 249	105 682
South America	2 116 933	2 029 133	2 844 580	3 003 408	78 833	104 021	1 674	7 592
Other eliminations	-388 690	-54 258	0	0	0	0	0	0
Total	**12 744 752**	**11 324 609**	**9 866 315**	**9 442 364**	**737 018**	**289 232**	**882 923**	**113 274**

Intersegment sales consist of fish oil sold from South America segment to the North Europe. The Group has a large customer base, and no single customer amounts to sales exceeding 10% of the Group's total revenues.

NOTE 11 INCOME

	2010	2009
Sales revenue		
Sale of goods and services	12 496 530	11 237 313
Other income		
Other operating income	204 219	71 098
Other gains and losses		
Gains and losses on sale of property, plant and equipment	-9 939	3 046
Gain related to business combination Welcon Invest	0	13 141
Gain on sale of shares in Epax Holding AS (see note 6)	72 766	0
Insurance compensation	0	0
Other gains and losses	-18 825	11
Total other gains and losses	**44 002**	**16 198**

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

	2010	2009
Salary and holiday pay	1 035 691	931 308
Hired personnel	19 613	86 127
Other remunerations	30 797	37 201
National insurance contribution	116 409	35 944
Pension costs (inc. national insurance contribution) - note 27	26 336	31 231
Share option cost (inc. national insurance contribution)	3 556	2 081
Other personnel costs	21 408	48 616
Total	**1 253 809**	**1 172 508**
Average man-labour year	5 382	6 250

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, that include 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. An eventual 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 a 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:

NOTES TO THE ACCOUNTS

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

2010 - Remunerations to the company's officers	Salary	Salary related to previous year	Director's fee	Other remuneration	Total
CEO	2 021	1 030	0	190	3 241
CFO	1 560	0	0	163	1 724
Chairman of the Board*	0	0	1 901	0	1 901
Other members of the Board	0	0	702	27	729
Total	**3 581**	**1 030**	**2 603**	**381**	**7 595**

2009 - Remunerations to the company's officers	Salary	Salary related to previous year	Director's fee	Other remuneration	Total
CEO	1 422	0	0	178	1 601
CFO	1 462	300	0	149	1 911
Chairman of the Board	0	0	285	0	285
Other members of the Board	0	0	950	169	1 119
Total	**2 884**	**300**	**1 235**	**496**	**4 915**

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

No loans or securities have been issued in 2010 or 2009 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 – Lerøy Seafood Group ASA (LSG)

Share options are granted to directors and selected employees in the subsidiary LSG. In 2006 the Board of LSG decided to allocate a new option programme of up to 700,000 options with a price of NOK 125,- per option. The options were fully allocated on 29.02.08. 96,000 options lapsed/expired in 2008. 213,333 options lapsed/expired in 2009. In 2010 66,003 options lapsed/expired, and 165,332 were exercised , so that per 31.12.2010 there are 159,332 options outstanding.

The fair value of the 700,000 options allocated in 2008 were calculated according to the Black&Scholes/Hull&White option pricing model. The most important parameters were the share price on the date of allocation (29.02.2008) of NOK 109.-, the exercise price of NOK 125, volatility of 34.3% (average), risk free interest at 4.63% (average), and the option's vesting period. 1/3 of the options have a vesting period to and including 01.06.09, 1/3 to and including 01.06.10 and 1/3 to and including 01.06.11.

Fair value of the 700,000 options is estimated at NOK 8,821 (including employer's contribution), which corresponds to an average of NOK 12.60 per option. The amount is booked as wage cost over the duration of the option programme. The cost is regulated to account for any lapsed or expired options. In the balance sheet the cost (excluding national insurance contribution) is recognised directly against equity (positive effect). Cost related to options were recognised at NOK 3,556 in 2010 and NOK 2,243 in 2009.

* 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.

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

Specification of auditor's fee	2010	2009
Audit fee	8 136	7 747
Audit fee to other auditors	1 226	1 258
Other assurance services	129	348
Other services to other auditors	177	63
Tax advice	527	299
Tax advice to other auditors	166	0
Other services	1 341	1 814
Total	**11 702**	**11 529**

NOTE 13 OTHER FINANCIAL INCOME AND EXPENSES

	2010	2009
Other interest income	66 895	44 295
Currency gains (unrealised and realised)	0	57 512
Other financial income	5 994	0
Total other financial income	**72 889**	**101 807**
Interest expenses (note 29)	283 960	325 851
Currency losses (unrealised and realised)	3 703	0
Loss on sale of shares in associated company (see note 8)	9 307	0
Commisions	3 614	0
Other financial expenses	20 887	28 941
Total other financial expenses	**321 471**	**354 792**
Net finance cost	**-248 582**	**-252 985**

NOTE 14 EARNINGS PER SHARE AND DIVIDEND PER SHARE

Basic earnings per share is calculated by dividing the 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	2010	2009
The year's earnings	1 221 533	723 346
No. of shares at the balance sheet date (thousands)	202 717	202 717
Average no. of shares (thousands)	202 717	188 917
Earnings per share	6,03	3,83
Diluted earnings per share	6,03	3,83
Suggested dividend per share	**1,50**	**1,20**

NOTE 15 INTANGIBLE ASSETS

2009	Goodwill	Licenses fishfarming Norway	Licenses pelagic fisheries South America	Brand/ Trademarks	Total
Per 01.01.					
Acquisition cost	1 885 051	2 786 821	968 884	201 465	5 842 221
Accumulated amortisation	0	-157	-23	-28	-208
Accumulated impairment	0	0	-19 708	0	-19 708
Balance sheet value at 01.01.	**1 885 051**	**2 789 664**	**949 153**	**201 437**	**5 822 305**
Balance sheet value at 01.01.	1 885 051	2 786 664	949 153	201 437	5 822 305
Currency translation differences	-60 809	-1 247	-138 293	2 951	-197 398
Effect of business combinations	104 820				104 820
Intangible assets acquired	0	1 232	7 222		8 454
Intangible assets sold/demerged	-165 208		0		-165 208
Amortisation	0	-1 633	0	-25	-1 658
Balance sheet value at 31.12.	**1 763 854**	**2 785 016**	**818 082**	**204 363**	**5 571 316**
Per 31.12.					
Acquisition cost	1 763 854	2 786 806	834 810	204 416	5 589 885
Accumulated amortisation	0	-1 790	-23	-53	-1 813
Accumulated impairment	0	0	-16 705	0	-16 705
Balance sheet value at 31.12.	**1 763 854**	**2 785 016**	**818 082**	**204 363**	**5 571 315**
- of which assets with indefinite lives	1 763 854	2 729 917	818 082	202 952	5 514 805
- of which assets with definite lives	0	55 099	0	1 411	56 510
- remaining years for assets with definite useful lives (years)	-	-	-	10	

NOTES TO THE ACCOUNTS

NOTE 15 INTANGIBLE ASSETS (CONT.)

2010	Goodwill	Licenses fishfarming Norway	Licenses pelagic fisheries South America	Brand/ Trademarks	Total
Balance sheet value at 01.01.	1 763 854	2 785 016	818 082	204 363	5 571 315
Currency translation differences	5 085	-1 801	21 898	-1 370	23 812
Effect of business combinations	205 954	675 188	0	0	881 142
Intangible assets acquired	0	8 998	0	0	8 998
Intangible assets sold/demerged/ change in interests in subsidiaries	-323 894	0	0	-150 000	-473 894
Amortisation	0	-2 811	0	0	-2 811
Impairment	-9 154	0	-2 182	0	-11 336
Reversal of impairment	0	0	4 145	0	4 145
Balance sheet value at 31.12.	**1 641 845**	**3 464 590**	**841 942**	**52 993**	**6 001 371**
Per 31.12.					
Acquisition cost	1 650 999	3 469 191	856 708	53 046	6 029 944
Accumulated amortisation	0	-4 601	-23	-53	-4 624
Accumulated impairment	-9 154	0	-14 742	0	-23 896
Balance sheet value at 31.12.	**1 641 845**	**3 464 590**	**841 943**	**52 993**	**6 001 371**
- of which assets with indefinite lives	1 641 845	3 406 680	841 943	52 993	5 943 461
- of which assets with definite lives	0	57 910	0	0	57 910
- remaining years for assets with definite useful lives (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.)

			2010		2009	
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 with indefinite useful lives
FoodCorp S.A (1)	Human consumption	Chile	54 406	196 168	62 504	195 944
	Fish meal/oil	Chile	33 610	50 068	33 152	50 011
Epax Holding AS (2)	Human consumption	Norway	0	0	302 577	150 000
Austral Group S.A.A (3)	Human consumption	Peru	64 602	68 097	68 514	65 734
	Fish meal/oil	Peru	150 739	527 664	159 867	509 348
Welcon AS (4)	Fish meal/oil	Norway/ Ireland/UK	164 581	0	169 218	0
Lerøy Seafood Group ASA (5) - Production	Production, sales and distribution	Norway	661 515	3 467 278	455 628	2 729 917
Lerøy Seafood Group ASA (5) - Sales and distribution	Production, sales and distribution	Norway	493 597	50 000	493 597	50 000
Others (6)	Pelagic North Atlantic	Norway	18 795	250	18 795	0
Total			**1 641 845**	**4 359 526**	**1 763 852**	**3 750 953**

1) Identified partly through the acquisition of Chilefood S.A. in 2004. Both goodwill and licenses are allocated between human consumption and fish meal/oil on a pro rata basis.

2) Identified partly through the acquisition of Epax Holding AS in 2007. Epax Holding AS was sold primo November 2010.

3) Identified partly through the acquisition of Austral Group S.A.A (Dordogne) in 2006 and through the acquisition of 50% of the shares in Corporacion del Mar in 2007. Both goodwill and licenses are allocated between human consumption and fish meal/oil on a pro rata basis. Approximately 126 MNOK of the goodwill relates to deferred tax on excess values related to licenses with indefinite useful lives.

4) Identified through the acquisition of Welcon Invest AS and Karmsund Fiskemel AS in 2006, and the Welcon Invest's AS aquisitions of United Fish Industries Ltd, United Fish Industries (UK) Ltd, and Bodø Sildeoljefabrikk AS is 2009. After the transactions involving the United Fish Industries companies in 2009 Welcon Invest is a joint venture were Austevoll Seafood owns 50%.

5) Identified through the aquisition of Lerøy Seafood Group ASA in December 2008. The allocation of Goodwill between cash generating units was finalized in 2009. Increase in 2010 is related to intangibles indentified through the acquision of Sjøtroll Havbruk AS, refer to note 7 for further information.regarding the transaction.

6) Identified through several minor aquisitons in the Pelagic North Atlantic segment.

NOTE 15 INTANGIBLE ASSETS (CONT.)

Business segments 2010	FMO	HC	PNA	Production, sales & distribution	Other	Group
Carrying amount of allocated goodwill	348 930	119 008	18 795	1 155 112	0	1 641 845
Carrying amount of allocated licenses and brands with indefinite useful lives	577 732	264 265	250	3 517 278	0	4 359 526

Business segments 2009	FMO	HC	PNA	Production, sales & distribution	Other	Group
Carrying amount of allocated goodwill	390 944	404 888	18 795	949 225	0	1 763 852
Carrying amount of allocated licenses and brands with indefinite useful lives	559 359	411 677	0	2 779 917	0	3 750 953

Impairment tests for cash-generating units containing goodwill, licenses and brands

There have been performed impairment tests for each cash generating unit by December 31, 2010.

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 analyses are based on the financial budgets for 2011, and estimated results for the years 2011 to 2015. After 2015 a terminal value is calculated based on the estimated result for 2015. Estimated inflation rate has considered when calculating the terminal value. The budgets are mainly based on weighted historical performance and expectations that the Global and national quota allocations for 2011 and onwards will be within the range as for the resent years. The discount rate applied to cash flow range between 10–13 percent before tax. The impairment tests did not produce grounds for write-down of intangible assets in 2010.

The following budget assumptions for 2011 is used in the impairment test, with actual figures for 2009 and 2010 presented for comparison:

Catch and purchase (figures in 1.000 tons)	2011E	2010	2009
FoodCorp S.A own catch	28	44	90
FoodCorp S.A purchase raw material	65	61	80
Austral Group S.A.A own catch	416	221	427
Austral Group S.A.A purchase raw material	235	134	175
Welcon Group purchase raw material *	529	550	574

Volumes sold (figures in 1.000 tons/ 1.000 cases)	2011E	2010	2009
Fishmeal and oil (tons) *	313	291	394
Frozen products (tons)	11	5	33
Canning (cases)	2 150	1 535	2 186
High and low consentrate Omega-3 oils (tons)	-	1,53	1,81
Salmon (tons)	144	117	109

* reflects 100% of Welcon group purchase and sales

NOTE 16 TANGIBLE FIXED ASSETS

2009	Land	Projects in progress	Buildings/ property	Plant, equipment and other fixtures	Vessels	Total
Per 01.01.						
Acquisition cost	250 978	193 948	1 293 790	2 695 558	1 131 650	5 565 925
Accumulated depreciation	-54	0	-158 644	-670 266	-310 206	-1 139 171
Accumulated impairment	-840	0	-320	-30 216	-10 043	-41 419
Balance sheet value at 01.01.	**250 084**	**193 948**	**1 134 825**	**1 995 076**	**811 401**	**4 385 334**
Currency translation differences	-15 392	-16 625	-72 986	-97 307	-96 173	-298 483
Reclassification	-52 552	-144 696	171 694	-36 925	62 480	0
Effect of business combinations	-22 755	0	-57 887	-11 072	0	-91 714
Tangible fixed assets acquired	16 569	17 287	3 254	330 562	13 275	380 946
Tangible fixed assets sold	-8 018	0	0	-18 109	-1 363	-27 491
Depreciation	0	0	-63 071	-326 544	-74 261	-463 876
Impairment	0	0	0	0	-17 507	-17 507
Reversal of impairment				3 840		
Balance sheet value at 31.12.	**167 934**	**49 914**	**1 115 830**	**1 839 521**	**697 851**	**3 871 050**
Per 31.12.						
Acquisition cost	168 828	49 914	1 337 866	2 862 708	1 109 868	5 529 184
Accumulated depreciation	-54	0	-221 715	-996 811	-384 467	-1 603 047
Accumulated impairment	-840	0	-320	-26 376	-27 550	-55 086
Balance sheet value at 31.12.	**167 934**	**49 914**	**1 115 830**	**1 839 521**	**697 851**	**3 871 050**
Balance sheet value of finance lease included above	**0**	**0**	**0**	**265 407**	**46 884**	**312 290**
Depreciation on finance lease included above	**-**	**-**	**-**	**21 454**	**7 059**	**28 513**

NOTES TO THE ACCOUNTS

NOTE 16 TANGIBLE FIXED ASSETS (CONT.)

2010	Land	Projects in progress	Buildings/ property	Plant, equipment and other fixtures	Vessels	Total
Balance sheet value at 01.01.	167 934	49 914	1 115 830	1 839 521	697 851	3 871 050
Currency translation differences	-4 059	-1 880	-21 004	-31 194	26 140	-31 997
Reclassification	0	-49 748	2 237	63 141	-24 901	-9 271
Effect of business combinations	11 149	0	57 958	237 230	0	306 337
Tangible fixed assets acquired	6 644	69 029	71 362	287 973	10 640	445 648
Tangible fixed assets sold/demerged	-656	-1 136	-49 176	-93 565	-148 612	-293 145
Depreciation	0	0	-60 579	-356 567	-78 333	-495 479
Depreciation dicontinued operations	0	0	6 001	9 211	104 014	119 226
Impairment	0	0	-11 393	-16 714	-37 235	-65 342
Reversal of impairment	0	0	0	0	17 916	17 916
Balance sheet value at 31.12.	**181 012**	**66 179**	**1 111 236**	**1 939 036**	**567 480**	**3 864 943**
Per 31.12.						
Acquisition cost	181 906	66 179	1 399 243	3 326 293	1 077 149	6 050 770
Accumulated depreciation	-54	0	-276 293	-1 344 167	-462 800	-2 083 314
Accumulated impairment	-840	0	-11 713	-43 090	-46 869	-102 512
Balance sheet value at 31.12.	**181 012**	**66 179**	**1 111 237**	**1 939 036**	**567 480**	**3 864 944**
Balance sheet value of finance lease included above	**0**	**0**	**0**	**269 361**	**32 989**	**302 350**
Depreciation on finance lease included above	**0**	**0**	**0**	**49 579**	**2 780**	**52 359**

NOTE 17 ASSOCIATED COMPANIES AND INVESTMENTS IN JOINT VENTURES

Associated companies	2010	2009
Beginning of year	492 391	540 659
Acquisitions	342 030	22 220
Business combinations	-	-78 674
Share of profit/(loss)*	191 761	80 341
Exchange differences	213	-18 294
Dividends	-63 008	-51 203
Other changes in equity	-10 336	-2 658
End of year	**953 051**	**492 391**

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

NOTES TO THE ACCOUNTS

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

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

Name	Country of incorpo-ration	Assets	Liabilities	Revenues	Profit/loss	% interest and votring-rights held
2009						
Br. Birkeland AS	Norway	684 473	546 548	323 496	87 079	40,20 %
Shetland Catch Ltd.	Great Britain	258 696	128 080	602 651	12 842	25,00 %
TH Moreproduct	Ukraine	34 844	40 889	17 913	2 956	50,00 %
Norskott Havbruk AS	Norway	1 159 203	667 746	922 079	113 856	50,00 %
Alfarm Alarko Lerøy	Turkey	46 680	10 999	113 548	8 016	50,00 %
Pesqueros del Pacifico S.A.	Peru	62 567	48 826	758	-22 240	50,00 %

Name	Country of incorpo-ration	Assets	Liabilities	Revenues	Profit/loss	% interest and votring-rights held
2010						
Norway Pelagic ASA*	Norway	1 708 000	834 000	2 616 700	84 800	33,27 %
Br. Birkeland AS	Norway	852 381	613 708	486 714	126 980	40,20 %
Shetland Catch Ltd.	Great Britain	281 213	118 958	664 010	38 622	25,00 %
TH Moreproduct	Ukraine	35 326	41 452	15 804	3 789	50,00 %
Norskott Havbruk AS	Norway	1 145 330	539 054	1 026 812	235 476	50,00 %
Alfarm Alarko Leroy	Turkey	52 583	13 192	133 278	5 595	50,00 %
Pesqueros del Pacifico S.A.**	Peru	Not available	Not available	Not available	Not available	50,00 %
Nergård Holding AS***	Norway	Not available	Not available	1 670 000***	22 000***	12,5 %***
Marin IT AS	Norway	48 879	47 667	78 060	211	25 %

* Shares in Norway Pelagic ASA was acquired in 2010. Please see note 8 for further information.

** Pequeros del Pacifico S.A. is booked at value thNOK 100 in the conslidated accounts as of 31.12.2010.

*** Nergård Holding AS is a new associate from ultimo December 2010. The accounts for 2010 for the Company was not available at the time of signing of these accounts.

The figures presented for Nergård Holding AS in the table above are thus only rough estimates.

The associate Nergård Holding AS is owned througt the joint venture Welcon Invest AS. Welcon Invest AS owns 25% of Nergård Holding AS, and 50% of this is consolidated into

Austevoll Seafood ASA on a proportional basis. Nergård Holding AS is booked at value NOK 30.575 in the consilidated accounts of Austevoll Seafood ASA as of 31.12.2010.

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/fish meal	50 %
Atlantic Pelagic Faroe	01.01-31.12	Faroe	Pelagic North Atlantic	50 %
North Capelin Honningsvåg AS	12.02-31.12	Norway	Pelagic North Atlantic	50 %
Welcon Invest AS	04.02-31.12	Norway	Fish oil/fish meal	50 %

The following amounts represent the Group's 50% share of the assets and liabilities, and sales and results of the joint venture. They are included in the balance sheet and income statement:

Assets	2010	2009
Non-current assets	595 226	606 959
Current assets	295 410	296 106
Total assets	**890 637**	**903 065**
Liabilities		
Non-current liabilities	152 365	185 282
Current liabilities	198 645	154 803
Total liabilities	**351 010**	**340 085**
Total equity	**539 626**	**562 983**
Income	899 752	621 679
Expenses	-773 937	-558 892
Net result	**125 815**	**62 787**

NOTES TO THE ACCOUNTS

NOTE 18 INVESTMENTS IN OTHER SHARES

2010 Company	Business location	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	18,48 %	22 202	15 741
AquaGen AS	Trondheim, Norway	2,52 %	21 558	21 558
Bulandet Eiendom AS	Bulandet, Norway	minor	625	625
Other shares			1 735	1 634
Total non-current			**46 120**	**39 558**

2009 Company	Business location	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	18,48 %	22 202	15 766
AquaGen AS	Trondheim, Norway	2,52 %	21 558	21 558
Others			3 425	3 404
Total non-current			**47 185**	**40 728**

Reconsiliation of the carrying amount of investments in other shares	2010	2009
Beginning of year	40 728	40 967
Business combinations	60	0
Acquired/sold	-1 385	-239
Net gains/losses	155	0
End of year	**39 558**	**40 728**
Less: non-current portion	-39 558	-40 728
Current portion	**0**	**0**

There were no impairment provisions on investments in other shares in 2010 and 2009.

Investments in other shares are denominated in the following currencies:	2010	2009
NOK	39 558	40 728
Total	**39 558**	**40 728**

NOTE 19 TRADE AND OTHER RECEIVABLES

	2010	2009
Trade receivables	1 363 149	1 500 850
Less: provision for impairment of trade receivables	-22 037	-24 678
Trade receivables - net	**1 341 112**	**1 476 172**
Other current receivables		
Prepayments	74 446	58 389
Loans to third parties	12 153	7 671
Public fees and taxes receivable	210 730	147 196
Currency forward contracts / Effects of fair value hedging	28 338	16 720
Insurance to recover	52 345	0
Short-term loans	5 860	0
Other current receivables	83 076	124 264
Total other current receivables	**466 947**	**354 241**
Total current	**1 808 059**	**1 830 413**
Non-current receivables		
Loans to related parties	17 838	29 984
Loans to third parties	17 210	61 062
Reimbursement rights under escrow accounts	13 915	14 304
Public fees and taxes receivable	0	2 500
Prepayments	7 069	6 475
Other non-current receivables	20 214	22 364
Total non-current receivables	**76 246**	**136 690**
The ageing of the trade receivables, past due but not impaired:		
0 to 3 months	225 695	180 119
3 to 6 months	6 330	6 264
Over 6 months	13 510	75
Total	**245 534**	**186 457**
The ageing of the trade receivables, past due and impaired:		
0 to 3 months	12 776	11 647
3 to 6 months	1 195	3 842
Over 6 months	6 179	7 635
Total	**20 150**	**23 124**

The Group's trade receivables of NOK 1,341,112 are partly covered by credit insurance and other types of security. Trade receivables per 31.12 were nominally NOK 1,363,149 while provisions for bad debts were amounted to NOK 22,037.

Trade receivables, past due but not impaired was NOK 245,534 per 31.12. A major part f the trade receivables, past due but not impaired are related to the subsidiary Lerøy Seafood Group ASA (LSG) with NOK 152,896 of the amount overdue. Per end of February 2011, more than 95% of the customer receivables related to LSG are paid.

NOTE 19 TRADE AND OTHER RECEIVABLES (CONT.)

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

Currency	2010	2009
US dollar	469 152	634 861
GB pound	29 546	52 459
Euro	337 035	383 299
NOK	584 273	529 953
CHF	3 190	1 441
CLP	136 351	132 494
PEN	0	72 095
SEK	143 207	133 502
Other	105 306	26 998
Total	**1 808 060**	**1 967 104**
Movements on the provision for impairment of trade receivables are as follows:		
Pr 01.01	-24 678	-21 367
Business combinations	675	0
This years change in provisions	-1 823	-7 347
Receivables written off during the year as uncollectable	0	2 516
Currency translation differences	88	-248
Unused amounts reversed	3 701	1 768
Pr 31.12	**-22 037**	**-24 678**

NOTE 20 INVENTORIES

	2010	2009
Raw materials	250 516	261 294
Work in progress	2 905	36 353
Finished goods	519 603	556 381
Impairments, including obsoleteness	-14 750	-15 667
Total	**758 273**	**838 361**
Obsoleteness of inventories expensed during the year	19 761	27 598

NOTE 21 BIOLOGICAL ASSETS

	2010	2009
Biological assets 01.01.	**1 858 562**	**1 676 164**
Increases due to production	2 593 509	2 151 482
Increase/decrease due to business combinations	445 611	0
Decreases due to sales / harvesting	-2 490 461	-2 029 567
Fair value adjustment of biological assets (profit and loss effect)	299 512	60 483
Biological assets 31.12.	**2 706 733**	**1 858 562**

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). At year-end 2010, a large volume of the fish is just below 4 kg. 10,578 LWT of the volume below 4 kg has an average weight between 3.88 kg and 4.00 kg.

Profit and loss effect of fair value adjustments	**2010**	**2009**
Fair value adjustment of biological assets	299 512	60 483
(Gain) on Fishpool contracts	-974	0
Fair value adjustment of biological assets (profit and loss effect)	**298 538**	**60 483**
Total fish in sea (LWT)	93 867	79 558
Harvestable fish (> 4kg LWT)	20 979	30 506
Value adjustment harvestable fish (< 4kg)	194 814	200 045
Value adjustment immature fish (< 4kg)	474 382	96 390
Total value adjustment biological assets	669 196	296 435
Cost price of biological assets	2 037 537	1 562 127
Balance sheet value of biological assets	**2 706 733**	**1 858 562**
Value adjustment biological assets		
Value adjustment per 01.01	296 436	235 953
Acquistions due to business combinations	74 224	0
The year's profit impact of value adjustments	299 512	60 483
Value adjustments per 31.12	**670 172**	**296 436**

NOTES TO THE ACCOUNTS

NOTE 22 DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the Group's currency forward contracts as of 31.12.2010. The contracts are for purchase (-)/sale(+) against NOK.

Currency	**Currency amount**	**Exchange rate at maturity**	**Amounts in NOK**	**Fair value, NOK**
EURO	59 280	8,112	480 868	17 642
USD	43 100	6,110	263 358	11 279
SEK	150 600	0,856	128 962	-2 195
JPY	2 186 000	0,072	156 360	-804
GBP	8 725	9,532	83 168	4 041
AUD	4 380	5,585	24 461	-1 637
CHF	600	6,262	3 757	14
Total			**1 140 934**	**28 340**

	2010	2009
Recognised asset (- liability) due to fair value hedging	28 338	27 869

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.

NOTE 23 GUARANTEE OBLIGATIONS

	2010	2009
Letters of guarantees held by the subsidiary Dordogne Holdings Ltd.	24 720	24 383
Guarantee obligation Nordea held in favour of joint ventures and associated companies	16 250	10 000
Guarantee obligation Innovasjon Norge	7 500	7 500
Total	**48 470**	**41 883**

NOTE 24 RESTRICTED BANK DEPOSITS

	2010	2009
Restricted deposits related to employee` tax deduction	32 574	29 693
Other restricted deposits	13 977	6 245
Total	**46 551**	**35 938**

NOTES TO THE ACCOUNTS

NOTE 25 SHARE CAPITAL AND SHAREHOLDERS

Share capital:

As of December 31, 2010 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
01.01.2008/31.12.2008		0,50	92 158 687	184 317 374
25.09.2009	Share issue	0,50	9 200 000	18 400 000
2010	No changes	0,50		0
31.12.2010			**101 358 687**	**202 717 374**

	2010		2009	
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 %
Verdipapirfond Odin Norge	7 895 724	3,89 %	7 434 587	3,67 %
Pareto Aksje Norge	5 727 000	2,83 %	5 887 900	2,90 %
Verdipapirfond Odin Norden	4 373 801	2,16 %	4 271 000	2,11 %
Handelsbanken Helsinki	3 840 000	1,89 %		
Credit Suisse Securi Special Custody A/C			3 141 950	1,55 %
Pareto Aktiv	2 619 700	1,29 %	2 503 200	1,23 %
State Street Bank AC	2 284 584	1,13 %	2 697 763	1,33 %
State Street Bank AC	2 136 662	1,05 %	1 593 200	0,79 %
Folketrygdfondet	1 880 900	0,93 %	1 512 200	0,75 %
Mitsui and Co Ltd	1 782 236	0,88 %	1 782 236	0,88 %
Odin Europa SMB			1 776 000	0,88 %
Vital Forsikring ASA	1 754 710	0,87 %	909 558	0,45 %
Br. Birkeland AS	1 722 223	0,85 %	1 722 223	0,85 %
Holberg Norge	1 649 120	0,81 %	1 345 220	0,66 %
Goldman Sach Int.			1 543 603	0,76 %
Deutche Bank AG			1 486 600	0,73 %
Credit Suisse Securi Prime Broker			1 474 072	0,73 %
Holberg Norden	1 435 990	0,71 %	1 301 090	0,64 %
Skagen Vekst	1 360 600	0,67 %		
Pareto Verdi VPF	1 277 394	0,63 %		
DnB NOR SMB VPF	1 215 000	0,60 %		
Varma Mutual Pension Insurance	1 159 299	0,57 %		
MP Pensjon PK	1 040 000	0,51 %	1 040 000	0,51 %
Nordea Bank Plc			1 021 000	0,50 %
DnB NOR Norge (iv) VPF	881 054	0,43 %		
Total 20 largest	**158 641 873**	**78,26 %**	**157 049 278**	**77,47 %**
Total others	44 075 501	21,74 %	45 668 096	22,53 %
Total numbers of shares	**202 717 374**	**100,00 %**	**202 717 374**	**100,00 %**

NOTES TO THE ACCOUNTS

NOTE 25 SHARE CAPITAL AND SHAREHOLDERS (CONT.)

Shares controlled by Board members and management:	**Number of shares**	**Share-holding**
Inga Lise L. Moldestad	40 000	0,02 %
Helge Møgster	23 053 417	11,37 %
Helge Singelstad	50 000	0,02 %
Oddvar Skjegstad	55 000	0,03 %
CEO Arne Møgster (Laco AS)	5 497 595	2,71 %
CFO Britt Kathrine Drivenes (Lerkehaug AS)	125 367	0,06 %
Total shares controlled by Board members and management	**28 821 379**	**14,22 %**

NOTE 26 TAX

	2010	**2009**
Specification of the tax expense		
Tax payable (excluding tax effect of group contributions)	422 732	212 072
Change in deferred tax	32 440	130 310
Change in deferred tax (adjustment previous years)	4 240	0
Taxes	**459 412**	**342 383**
Tax reconciliation		
Profit before tax	2 225 492	1 330 333
Taxes calculated with the nominal tax rates*	574 095	389 925
Income from associated companies	-59 374	-24 990
Tax-free gain on sale of shares	-17 867	-3 679
Exchange loss on investment financing		0
Currency adjustment of tax values on fixed assets and leasing liabilities	-12 721	-12 721
Other differences	-24 743	-1 882
Utilisation of loss carried forward, previously not recognized	22	-4 270
Taxes	**459 412**	**342 383**
Weighted average tax rate	**20,64 %**	**25,74 %**

* Nominal tax rates for the Group, varies between 17% and 37%.

The gross movement on the deferred income tax account is as follows:		
Opening balance 01.01.	1 729 163	1 645 761
Booked to income in the period	-57 480	130 310
Tax on share issuance to equity	930	-5 588
Currency translation differences	11 770	-41 463
Effect of business combinations	278 975	143
Balance sheet value 31.12.	**1 963 358**	**1 729 163**

NOTE 26 TAX (CONT.)

Deferred tax liabilities	Intangible assets	Fixed assets	Biological assets	Total
2009				
Opening balance 01.01.	1 049 944	445 129	467 529	1 962 602
Booked to income in the period	-4 116	-1 948	53 655	47 591
Currency translation differences	-31 443	-50 238	0	-81 682
Effect of business combinations	0	-19 372	0	-19 372
31.12.	**1 014 384**	**373 574**	**521 184**	**1 909 140**
2010				
Booked to income in the period	-32 757	-116 473	96 274	-52 956
Tax on share issuance to equity	0	930	0	930
Currency translation differences	2 260	8 107	0	10 368
Effect of business combinations	122 741	14 173	142 162	279 076
31.12.	**1 106 628**	**280 311**	**759 620**	**2 146 558**

Deferred tax asset	Inventory	Pensions	Receiva-bles	Liabili-ties	Profit and loss account	Loss carried forwards	Other	Total
2009								
Opening balance 01.01	-2 955	-5 470	-10 334	-41 979	-14 659	-234 332	-7 113	-316 842
Booked to income in the period	7 694	2 376	2 043	3 024	-14 283	72 290	9 576	82 720
Tax on share issuance to equity	0	0	0	0	0	-5 588	0	-5 588
Currency translation differences	192	0	461	33 924	2 023	3 618	0	40 218
Effect of business combinations	0	1 682	150	-60	-398	19 372	-1 231	19 515
31.12.	**4 931**	**-1 412**	**-7 680**	**-5 091**	**-27 317**	**-144 640**	**1 232**	**-179 977**
2010								
Booked to income in the period	5 398	1 211	12 708	1 492	-826	-27 400	2 894	-4 524
Tax on share issuance to equity	0	0	0	0	0	0	0	0
Currency translation differences	-97	0	-103	2 232	-647	16	0	1 402
Effect of business combinations	-2 735	92	-186	0	-42	0	2 770	-101
31.12.	**7 497**	**-109**	**4 739**	**-1 367**	**-28 832**	**-172 024**	**6 896**	**-183 200**

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.

NOTE 26 TAX (CONT.)

Deferred tax assets	2010	2009
Deferred tax asset to be recovered after more than 12 months	-200 965	-173 368
Deferred tax asset to be recovered within 12 months	17 765	-6 608
Total	**-183 200**	**-179 977**

Deferred tax liabilities	2010	2009
Deferred tax liabilities to be settled after more than 12 months	1 386 939	1 387 956
Deferred tax liabilities to be settled within 12 months	759 620	521 184
Total	**2 146 558**	**1 909 140**
Deferred tax liabilities (net)	**1 963 358**	**1 729 163**

Tax payable	2010	2009
Tax payable beginning of the period	125 599	28 340
Tax payable - tax cost for the period	422 732	212 072
Tax paid during the period, including prepaid taxes current period	-225 102	-124 305
Tax paid during the year to be recovered (see note 19)	92 115	0
Currency translation differences	-5 290	9 492
Tax payable period end	**410 054**	**125 599**

NOTE 27 PENSIONS AND PENSION COMMITMENTS

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	**2010**	**2009**
Current service cost	4 207	5 827
Interest cost	3 758	3 964
Expected return on plan assets	-3 143	-2 939
Administration costs	270	347
Net actuarial losses recognised during the year	-7 401	115
Social security tax	598	764
Other changes	-1 012	
Net pension cost related to defined benefit plan	**-2 722**	**8 078**
Pension costs related to defined contribution plan	25 425	20 292
Social security on defined contribution plan	3 633	2 861
Net pension cost	**26 336**	**31 231**

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

Capitalised commitments are determined as follow	**2010**	**2009**
Present value of funded secured obligations	77 128	76 883
Fair value of plan assets	-59 889	-63 010
Present value of unfunded obligations	2 256	17 151
Social security tax	1 965	3 059
Unrecognised actuarial losses	-2 664	-3 906
Net pension commitment on the balance sheet 31.12.	**18 797**	**30 177**

NOTE 27 PENSIONS AND PENSION COMMITMENTS (CONT.)

The principal actuarial assumptions	**31.12.10**	**01.01.10**	**31.12.09**
Discount rate	3,2%/4,5%	3,8%/5,8%	4,4%-5,4%
Anticipated yield on pension assets	4,6%/5,6%	5,8%/6,3%	5,60 %
Anticipated regulation of wages	4%/4,5%	4%/4,5%	4,25 %
Anticipated regulation of pensions	0,05%/1,4%	1,5%/2,8%	1,30 %
Anticipated regulation of national insurance	3,75%/4,25%	3,75%/4,25%	4%/4,3%
Employee turnover	0-20%	0 - 20 %	0 - 20 %
Social security tax rate	0%-14,1%	14,10 %	14,10 %
Utilisation percentage AFP:	0-70%	0 - 70 %	0 - 50 %

The movement in the defined benefit obligation over the year is as follows:

	2010	**2009**
At 01.01	94 034	85 276
Current service cost	3 811	5 806
Interest cost	3 316	3 948
Actuarial losses/(gains)	-1 777	4 074
Exchange differences	2 675	-1 457
Benefits paid	-2 869	-4 574
Settlements	-4 782	-4 812
Effect of business combinations	-8 858	5 774
Defined benefit obligation at 31.12	**85 551**	**94 034**

The movement in the fair value of plan assets of the year is as follows:

	2010	**2009**
At 01.01	63 010	50 415
Expected return on plan assets	3 142	2 939
Actuarial (losses)/gains	-2 462	3 545
Exchange differences	2 720	-1 688
Administration costs	-74	-82
Employer contributions	3 185	12 357
Employee contributions	727	35
Benefits paid	-6 144	-6 913
Effect of business combinations	-4 215	2 402
Fair value of plan assets at 31.12	**59 889**	**63 010**

NOTES TO THE ACCOUNTS

NOTE 28 CONTINGENCIES

The Group has recognised a contingent liability related to the acquisition of Cormar in 2007. The Group will have reimbursement rights for some of the liabilities, if the liabilities materialises. See note 31 for the liabilities and note 19 for the reimbursement rights. The Group has no other significant contingent liabilities.

NOTE 29 INTEREST BEARING DEBT

Non-current	**2010**	**2009**
Bank borrowings	3 766 239	3 685 820
Bond loan	814 881	588 000
Other loans	34 336	27 194
Leasing liabilities	279 062	234 698
Total non-current	**4 894 518**	**4 535 712**

Current	**2010**	**2009**
Bank overdrafts	382 741	540 263
Bond loans	138 000	96 000
Bank borrowings	564 288	622 703
Leasing liabilities	67 657	55 312
Debentures and other loans	1 526	0
Total current	**1 154 212**	**1 314 278**
Total non-current and current	**6 048 729**	**5 849 990**

Net interest-bearing debt	**2010**	**2009**
Cash and cash equivalents	2 810 554	1 623 615
Other interest-bearing assets - current	865	865
Other interest-bearing assets - non-current	75 381	88 542
Net interest-bearing debt	**3 161 929**	**4 136 968**

Repayment profile interest bearing debt	**2011***	**2012**	**2013****	**2014**	**2015**	**Sub-sequent**	**Total***
Bank borrowings and overdraft **	947 029	589 569	988 024	457 321	943 378	787 946	4 713 266
Bond loan***	138 000	288 000	500 000	2 934	19 010	4 937	952 881
Leasing liabilities	67 657	63 435	63 052	59 851	31 961	60 764	346 720
Other non-current liabilities	1 526	2 668	1 313	8 799	1 383	20 173	35 863
Total	**1 154 211**	**943 672**	**1 552 389**	**528 906**	**995 732**	**873 820**	**6 048 731**

* Repayments of non-current liabilities which mature in 2011 are classified as current liabilities in the balance sheet.
** As of 31.12.2010 bank borowings of ThNOK 517,000 mature in 2013. In January 2011 this has been downward adjusted with ThNOK 500,000.
*** In October 2010 Austevoll Seafood ASA settled a NOK 500 million senior unsecured bond issue at cupon rate at NIBOR + 3,9 percentage point p.a., with maturity October 14, 2011.

NOTES TO THE ACCOUNTS

NOTE 29 INTEREST BEARING DEBT (CONT.)

Liabilities secured by mortgage	**2010**	**2009**
Current liabilities	653 757	1 268 628
Non-current liabilities	4 429 144	3 809 421
Liabilities to credit institutions incl. leasing liab.	**5 082 901**	**5 078 049**

Assets provided as security	**2010**	**2009**
Fixed assets	3 130 768	3 402 492
Inventory	404 128	272 340
Biological assets	2 696 863	1 991 961
Shares	469 349	0
Trade receivables	904 999	422 005
Cash and cash equivalents	0	163 724
Total assets provided as security	**7 606 107**	**6 252 523**

The exposure of the group's borrowings to interest rate changes and the contractural repricing dates at the balance sheet dates are as follows:	**2010**	**2009**
6 months or less	5 572 266	5 489 519
6-12 months	85 831	88 684
1-5 years	150 697	229 612
Over 5 years	30 541	42 176
Total	**5 839 335**	**5 849 990**

The remaining debt of ThNOK 209,394 as of 31.12.2010 is fixed rate debt.

The carrying amounts and fair value of the	**Carrying amount**		**Fair value**	
non-current liabilities are as follows:	**2010**	**2009**	**2010**	**2009**
Mortage loan	3 766 239	3 685 820	3 766 239	3 685 820
Bond loan	814 881	588 000	848 181	607 404
Leasing liabilities	279 062	234 698	279 062	234 698
Other non-current liabilities	34 336	27 194	34 336	27 194
Total	**4 894 518**	**4 535 712**	**4 927 818**	**4 555 116**

Based on contractual terms the non current borrowings (ex bond loan), the fair value of the loans are estimated to be equal to book value as of 31. December 2010.

The bond loans are listed on Oslo Stock Exchange, and fair value is calculated using the last traded rates in 2010 (December 17 and December 30, respectively) for the bonds. The carrying amounts of short-term borrowings approximate their fair value. Fair value of current bond loan is estimated to NOK 142,830, based on last traded rates in 2010 (October 4).

NOTE 29 INTEREST BEARING DEBT (CONT.)

The carrying amounts of the group's borrowings are denominated in the following currencies:	2010	2009
NOK	5 234 864	4 862 633
USD	784 324	971 528
EURO	8 330	0
SEK	18 835	15 829
Other	2 376	0
Total	**6 048 729**	**5 849 990**

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. Dividend payments, repurchase of shares or loans to the shareholders may not in aggregate exceed 25% of net profit after taxes for the Group.

The Group has not been in breach of any covenants during the financial year 2010, and is not in breach as of December 31, 2010.

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:	38 145	4 682	1 508	44 335
Present value of future minimum lease (discount rate 5%)	36 380	10 553	1 239	48 172
Overview of future minimum financial leases				
Minimum lease amount, financial leasing contracts maturing:	73 758	236 502	64 458	374 717
Interest	13 147	33 503	4 950	51 600
Repayment	86 905	270 005	69 408	426 317

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

NOTE 31 OTHER CURRENT LIABILITIES

Specification of other current liabilities	2010	2009
Salary and other personel expenses	155 215	151 393
Public taxes payable	93 108	99 023
Accrued expenses	194 102	128 482
Currency forward contracts / Effects of fair value hedging	30 104	27 869
Contingent liabilities (from the acquistions of Cormar)	21 083	22 252
Other short-term liabilities	130 613	122 615
Other current liabilities	**624 224**	**551 635**

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 Group has transactions with related parties such as Br. Birkeland AS and Marin IT in 2010 and 2009.

All transactions with related parties are entered into on ordinary terms and conditions for such type of agreements, and are based on the principle of "arm's length" pricing.

The following transactions were carried out with related parties:

a) Sales of goods and services	2010	2009
Sales of services		
- associates	517	3 024
- the ultimate parent and its subsidiary (administration services)	6 993	518
Total	**7 510**	**3 542**

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

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	2010	2009
Purchase of goods:		
- associates	2 878	0
Purchase of services		
- the immediate parent and its subsidiary (management services)	6 692	8 237
Total	**9 570**	**8 237**

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.

NOTES TO THE ACCOUNTS

NOTE 32 RELATED PARTIES

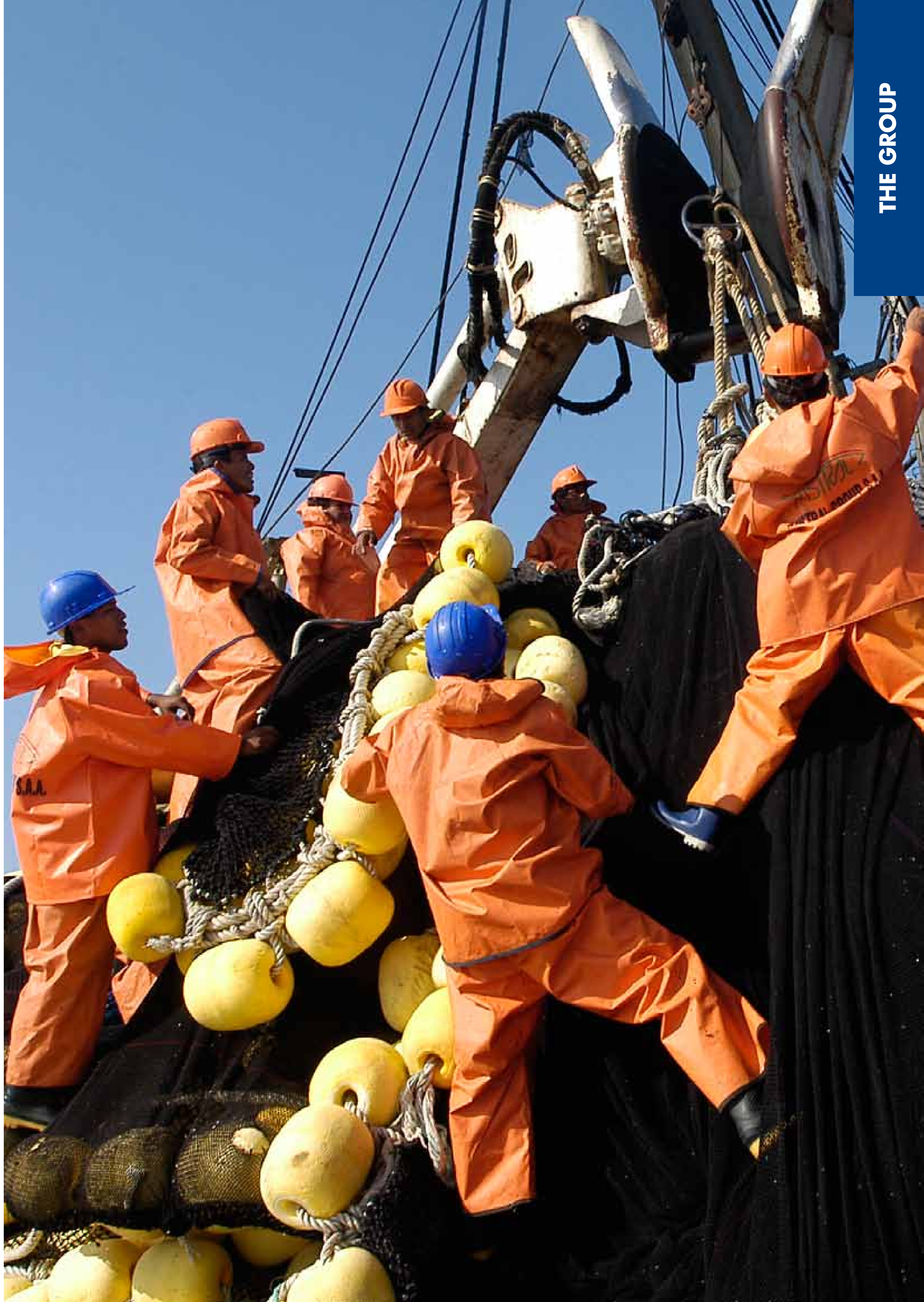
c) Year-end balances arising from sales/purchase of goods/services	2010	2009
Receivables from related parties:		
- ultimate parent	302	39
- associates	0	61
- close family members of key management personell		
Payables to related parties		
- immediate parent	81	466
- associates	56	0

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 from related parties	2010	2009
Total loans from related parties:		
Beginning of the year	0	320 000
Loans during year	0	0
Loan repayment	0	-320 000
End of the year	**0**	**0**
Interest	0	6 398

e) Loans to related parties	2010	2009
Total loans to related parties:		
- associates	17 838	29 984
Interest income	1 432	



43

PROCESSING PLANTS

handling over 1,4 mill tons of raw material annually.

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK 1 000	Note	2010	2009
Sales revenue	4,19	4 105	6 372
Total income		**4 105**	**6 372**
		0	
Salaries and personnel expenses	5,16	-15 499	-11 894
Other operating expenses	5,19	-10 643	-10 484
Operating profit before depreciation		**-26 141**	**-16 006**
Depreciation	7	-507	-122
Operating profit		**-22 544**	**-16 128**
Financial income	6	587 850	475 046
Financial expenses	6	-144 943	-376 543
Profit before taxes		**420 363**	**82 376**
Income tax expense	15	9 810	52 756
Net profit for the year		**430 173**	**135 132**
Other comprehensive income			-
Comprehensive income in the period		**430 173**	**135 132**

BALANCE SHEET

Amounts in NOK 1 000	Note	31.12.2010	31.12.2009
Assets			
Property, plant and equipment	7	1 000	1 526
Shares in subsidiaries	8	3 322 957	3 758 575
Shares in associated companies	9	443 195	139 825
Shares in other companies	10	5 783	7 016
Long terms receivables on Group companies	11,17,20	1 632 610	1 699 351
Total non-current assets		**5 405 545**	**5 606 293**
Trade receivable	12	6 286	6 774
Short term receivable on Group companies	17,20	560 861	482 046
Other current receivables	11	895	865
Cash and cash equivalents	14,17	1 280 880	763 421
Total current assets		**1 848 922**	**1 253 105**
Total assets		**7 254 467**	**6 859 398**
Equity and liabilities	**Note***	**31.12.2010**	**31.12.2009**
Share capital	25 CFS	101 359	101 359
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		736 227	610 129
Total equity		**4 551 135**	**4 425 037**
Deferred tax liabilities	15	11 655	21 465
Pension obligations	16	3 638	3 711
Borrowings	17	1 916 708	1 816 207
Other non-current liabilities	17,20	0	5 026
Total non-current liabilities		**1 932 001**	**1 846 410**
Borrowings	17	430 515	317 087
Trade payable		1 523	1 101
Accrued salary expense and public tax payable		5 562	1 058
Other current liabilities to Group companies	17,20	14 373	15 724
Dividends	21	304 076	243 261
Other current liabilities	18	15 283	9 721
Total current liabilities		**771 332**	**587 950**
Total liabilities		**2 703 332**	**2 434 361**
Total equity and liabilities		**7 254 467**	**6 859 398**

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

Storebø, 04.04.11

Helge Singelstad	Oddvar Skjegstad	Helge Møgster	Inga Lise	Hilde Waage	Arne Møgster
Chairman	*Deputy Chairman*		Lien Moldestad		*President & CEO*

CASH FLOW STATEMENT

Amounts in NOK 1 000	2010	2009
Profit before income taxes	420 363	82 376
Depreciation and amortisation	507	122
(Gain) on investments	-117 401	56 008
Dividends and group contributions	-10 190	-391 736
Change in accounts receivable and other receivables	-341 028	78 535
Change in accounts payable and other payables	422	-2 637
Change in other accruals	24 398	63 514
Unrealised exchange (gains) / losses	-20 615	168 239
Net cash flow from operating activities	**-43 544**	**54 421**
Proceeds from sale of fixed assets	0	0
Proceeds from sale of shares and other equity instruments	563 800	485 920
Purchase of fixed assets	0	-1 372
Purchase of shares and equity investments in other companies	-303 371	-41 626
Change in non-current receivables	329 369	256 448
Dividends and group contributions received		139 164
Net cash flow from investing activities	**589 798**	**838 534**
Net change in long-term interest bearing debt	182 074	-847 398
Movement of short-term interest bearing debt	32 391	-62 906
Interest paid	0	-140 841
Dividends paid	-243 261	0
Proceeds from issuance of shares	0	633 244
Net cash flow from financing activities	**-28 796**	**-417 901**
Net change in cash and cash equivalents	**517 458**	**475 054**
Cash and cash equivalents at 01.01.	**763 421**	**288 368**
Cash and cash equivalents at 31.12.	**1 280 880**	**763 421**

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1 000	Note	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.09		92 159	3 083 918	718 258	3 894 335
Profit for the year		**0**	**0**	**135 132**	**135 132**
Total gains and losses charged directly to equity		**0**	**0**	**0**	**0**
Total recognised income		**0**	**0**	**135 132**	**135 132**
Total equity to/from shareholders		**9 200**	**629 630**	**-243 261**	**395 569**
Total change of equity		**9 200**	**629 630**	**-108 129**	**530 701**
Equity 31.12.09		**101 359**	**3 713 549**	**610 129**	**4 425 037**
Profit for the year		**0**	**0**	**430 173**	**430 173**
Gains and losses charged directly to equity		0	0	0	0
Total gains and losses charged directly to equity		**0**	**0**	**0**	**0**
Total recognised income		**0**	**0**	**430 173**	**430 173**
Dividends		0	0	-304 076	-304 076
Total equity to/from shareholders		**0**	**0**	**-304 076**	**-304 076**
Total change of equity		**0**	**0**	**126 097**	**126 097**
Equity 31.12.10		**101 359**	**3 713 549**	**736 226**	**4 551 135**

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 4th 2011. 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 11).

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. 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 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 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 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 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.

NOTES TO THE ACCOUNTS

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 US dollar and Euro. 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.

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.

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

	2010	2009
Total borrowings (note 17)	2 361 596	2 138 321
Less: cash and cash equivalents	1 280 880	763 421
Net debt	1 080 716	1 374 900
Total equity	4 551 135	4 425 037
Capital employed	**5 631 851**	**5 799 937**
Gearing ratio	**19 %**	**24 %**

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.

NOTE 4 INCOME

	2010	2009
Rendering of services	4 105	6 372
Total sales revenue	**4 105**	**6 372**

NOTES TO THE ACCOUNTS

NOTE 5 PAYROLL, FEES, NO. OF EMPLOYEES ETC.

	2010	2009
Salary and holiday pay	9 988	9 048
Hired personnel	2 379	7
National insurance contribution	2 082	1 523
Pension costs (note 15)	849	1 179
Other personnel costs	201	137
Total	**15 499**	**11 894**
Average man-labour year	10,8	10

Pension costs are described in detail in note 16.
Accumulated expenses for wages, pension premiums and other remuneration to CFO, other executives and members of the parent company's board accordingly were:

2010 - Remunerations to the company's officers	Salary	Salary related to previous year	Director's fee	Other remuneration	Total
CEO	2 021	1 030	0	190	3 241
CFO	1 560	0	0	163	1 724
Chairman of the Board*	0	0	1 901	0	1 901
Other members of the Board	0	0	702	27	729
Total	**3 581**	**1 030**	**2 603**	**381**	**7 595**

2009 - Remunerations to the company's officers	Salary	Salary related to previous year	Director's fee	Other remuneration	Total
CEO	1 422	0	0	178	1 601
CFO	1 462	300	0	149	1 911
Chairman of the Board	10	0	285	0	295
Other members of the Board	0	0	950	169	1 119
Total	**2 894**	**300**	**1 235**	**496**	**4 925**

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 2010 or 2009 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 the guidelines for remuneration to executive management.

NOTES TO THE ACCOUNTS

NOTE 5 PAYROLL, FEES, NO. OF EMPLOYEES ETC. (CONT.)

Specification of auditor's fee	2010	2009
Audit fee	1 133	1 319
Other assurance services	0	107
Other services	740	461
Total	**1 873**	**1 888**

NOTE 6 FINANCIAL INCOME AND FINANCIAL EXPENSES

	2010	2009
Interest income from companies within the same group	53 721	57 431
Other interest income	37 359	24 459
Dividends and group contributions	351 633	391 736
Currency gains	18 429	1 180
Gain on sale of shares (Epax Holding AS)*	126 708	0
Other financial income	0	240
Total financial income	**587 850**	**475 046**
Loss on sale of shares	9 307	56 008
Interest expenses to companies within the same group	0	160
Other interest expenses	126 459	136 456
Currency losses	0	172 339
Other financial expenses	9 177	11 579
Total financial expenses	**144 943**	**376 543**
Net financial items	**442 907**	**98 503**

* Shares in Epax Holding AS were sold to Trygg Pharma in November 2010.

NOTES TO THE ACCOUNTS

NOTE 7 TANGIBLE FIXED ASSETS

2009	Plant, equipment and other fixtures	Total
Per 01.01.		
Acquisition cost	498	498
Accumulated depreciation	-223	-223
Balance sheet value at 01.01.	**276**	**276**
Balance sheet value at 01.01.	276	276
Tangible fixed assets sold	1 372	1 372
Depreciation	-122	-122
Balance sheet value at 31.12.	**1 526**	**1 526**
Per 31.12.		
Acquisition cost	1 871	1 871
Accumulated depreciation	-345	-345
Balance sheet value at 31.12.	**1 526**	**1 526**

2010	Plant, equipment and other fixtures	Total
Balance sheet value at 01.01	1 526	1 526
Tangible fixed assets sold	-18	-18
Depreciation	-508	-508
Balance sheet value at 31.12.	**1 000**	**1 000**
Per 31.12.		
Acquisition cost	1 853	1 853
Accumulated depreciation	-853	-853
Balance sheet value at 31.12.	**1 000**	**1 000**

NOTE 8 SHARES IN SUBSIDIARIES

2010 - Subsidiaries Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Austevoll Eiendom AS	2 376	14 847	9 370	55 627	100,00 %
Austevoll Fisk AS	1 938	20 794	52 311	92 695	100,00 %
Lerøy Seafood Group ASA	1 429 569	5 994 274	42 222	3 027 159	62,56 %
A-Fish AS	-11 541	34 162	1 100	60 100	100,00 %
Inv. Pacfish Ltd.	6 372	139 741	41 824	58 709	100,00 %
Laco IV AS	22 640	28 251	20 000	25 336	100,00 %
Aumur AS	-16 705	83	100	3 330	100,00 %
Epax Holding AS*	I/A	I/A	I/A	0	0,00 %
Total				**3 322 956**	

2009 - Subsidiaries Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Austevoll Eiendom AS	1 340	14 101	9 370	55 627	100,00 %
Austevoll Fisk AS	-977	18 856	52 311	92 695	100,00 %
Lerøy Seafood Group ASA	728 223	4 302 036	41 222	3 027 159	63,70 %
A-Fish AS	-12 397	45 703	1 100	60 100	100,00 %
Inv. Pacfish Ltd.	6 372	139 741	41 824	58 709	100,00 %
Laco IV AS	12 495	5 611	20 000	25 336	100,00 %
Aumur AS	94	100	100	3 330	100,00 %
Epax Holding AS	0	164 182	10 200	435 618	100,00 %
Total				**3 758 575**	

* Shares in Epax Holding AS was sold to Trygg Pharma in November 2010. See note 6 for gain booked on sale of shares.

All subsidiaries follow the same accounting year as Austevoll Seafood ASA.

NOTES TO THE ACCOUNTS

NOTE 9 SHARES IN ASSOCIATED COMPANIES

2010 Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Br. Birkeland AS	126 980	238 673	9 224	121 788	40,20 %
Marin IT AS	311	1 211	1 000	253	25,00 %
Shetland Catch Ltd.	38 622	162 255	23 844	17 784	25,00 %
Norway Pelagic ASA*	84 800	874 000		303 370	33,27 %
Total				**443 195**	

2009 Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Br. Birkeland AS	87 080	140 925	9 224	121 788	40,20 %
Marin IT AS	-	1 000	1 000	253	25,00 %
Shetland Catch Ltd.	51 369	130 616	23 844	17 784	25,00 %
Total				**139 825**	

The associated companies except Shetland Catch Ltd follow the same financial year as Austevoll Seafood ASA. Shetland Catch Ltd. has financial year 01.04 - 31.03.

* Shares in Norway Pelagic ASA were acquired in July and August 2010.

NOTE 10 INVESTMENTS IN OTHER SHARES

2010 Company name	Geographical location	Number of shares	Owner-/ voting share	Fair value
Euro-Terminal AS	Bergen	1 749 444	6,60 %	5 621
Other shares				162
Total				**5 783**

2009 Company name	Geographical location	Number of shares	Owner-/ voting share	Fair value
Euro-Terminal AS	Bergen	1 749 454	6,60 %	5 621
Austevoll Notverksted AS	Austevoll	822	5,60 %	1 233
Other shares				164
Total				**7 018**

NOTES TO THE ACCOUNTS

NOTE 11 OTHER RECEIVABLES

Other non-current receivables	**2010**	**2009**
Intragroup non-current receivables	1 632 610	1 699 351
Other non-current receivables 31.12.	**1 632 610**	**1 699 351**
Impairment losses expensed	0	0

Other current receivables	**2010**	**2009**
Public fees and taxes receivable	261	0
Prepayments	510	459
Accrued interest income	124	0
Other current receivables	0	406
Other current receivables 31.12.	**895**	**865**
Impairment losses expensed	0	0

NOTE 12 TRADE RECEIVABLE

	2010	**2009**
Trade receivable at nominal value	6 286	6 774
Accounts receivable 31.12.	**6 286**	**6 774**

The ageing of these trade receivables are as follows:	**2010**	**2009**
0 to 3 months	6 286	6 774
Total	**6 286**	**6 774**

The carrying amounts of the trade receivables are denominated in the following currencies:	**2010**	**2009**
NOK	6 286	6 774
Total	**6 286**	**6 774**

NOTE 13 GUARANTEE OBLIGATIONS

	2010	**2009**
Guarantee Eksportfinans	30 330	41 881
Guarantee Nordea	16 250	10 000
Guarantee Innovasjon Norge	7 500	7 500
Total	**54 080**	**59 381**

NOTES TO THE ACCOUNTS

NOTE 14 RESTRICTED BANK DEPOSITS

	2010	**2009**
Restricted deposits related to employee` tax deduction	555	578
Total	**555**	**578**

NOTE 15 TAX

		2010	**2009**
Specification of the tax expense			
Change in deferred tax		-9 810	-52 756
Taxes		**-9 810**	**-52 756**
Tax reconciliation		**2009**	**2009**
Profit before tax		420 363	82 376
Taxes calculated with the nominal tax rate	28 %	117 702	23 065
Tax-free gain/loss on sale of shares		-32 872	15 682
Other differences - including dividends		-94 640	-91 504
Impairment non-current financial assets		0	0
Taxes		**-9 810**	**-52 756**
Weighted average tax rate		**-2 %**	**-64 %**
Change in book value of deferred tax		**2009**	**2009**
Opening balance 01.01.		21 466	79 810
Booked to income in the period		-9 810	-52 756
Tax on share issuance to equity		0	-5 588
Balance sheet value 31.12.		**11 655**	**21 466**

NOTE 15 TAX (CONT.)

Deferred tax	Fixed assets	Shares	Profit and loss account	Non current liabilities	Total
2009					
Opening balance 01.01.	-194	26 249	6 215	55 226	87 496
Booked to income in the period	138	2 008	-1 243	-52 296	-51 393
31.12.	**-56**	**28 257**	**4 972**	**2 930**	**36 103**
2010					
Booked to income in the period	-22	-2 008	-994	5 803	2 779
31.12.	**-78**	**26 249**	**3 977**	**8 733**	**38 882**

Deferred tax asset	Loss carried forwards	Current liabilities	Pensions	Other differences	Total
2009					
Opening balance 01.01.	-7 751	1 013	-951	0	-7 686
Booked to income in the period	-1 321	48	-90	0	-1 363
Emission costs	-5 588	0	0	0	-5 588
31.12.	**-14 660**	**1 062**	**-1 041**	**0**	**-14 637**
2010					
Booked to income in the period	-14 429	1 820	20	0	-12 589
31.12.	**-29 089**	**2 882**	**-1 021**	**0**	**-27 226**

	2010	2009
Current	2 882	1 062
Non-current	8 773	20 404
Total	**11 655**	**21 466**

NOTES TO THE ACCOUNTS

NOTE 16 PENSIONS AND PENSION COMMITMENTS

The company has a defined contribution plan and a defined benefit plan in Nordea Liv Norge ASA. In 2010 the defined benefit plan comprises a total of 7 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	2010	2009
Current service cost	589	691
Interest cost	239	248
Expected return on plan assets	-191	-207
Administration costs	35	38
Net actuarial losses recognised during the year	-40	0
Social security tax	95	109
Net pension cost related to defined benefit plan	**727**	**878**
Pension costs related to defined contribution plan	107	264
Social security on defined contribution plan	15	37
Net pension cost	**849**	**1 179**

Capitalised commitments are determined as follow	2010	2009
Present value of future pension commitments	6 487	5 426
Fair value of plan assets	-3 902	3 166
Unrecognised actuarial losses	689	1 133
Social security tax	364	319
Net pension commitment on the balance sheet 31.12.	**3 638**	**3 711**

Financial premises for the group	31.12.10	01.01.10	31.12.09
Discount rate	4,40 %	4,30 %	4,40 %
Anticipated yield on pension assets	5,60 %	6,30 %	5,60 %
Anticipated regulation of wages	4,25 %	4,50 %	4,25 %
Anticipated regulation of pensions	1,30 %	2,80 %	1,30 %
Anticipated regulation of national insurance	4,00 %	4,25 %	4,00 %
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	3 711
Net pension cost	727
Pension payments and payments of pension premiums	-800
Balance sheet value at 31.12	**3 638**

NOTES TO THE ACCOUNTS

NOTE 17 INTEREST BEARING DEBT

The company and its Norwegian subsidiaries is jointly and severally liable for liabilities to financial institutions held by the company and its Norwegian subsidiaries.

Net interest-bearing assets/debt(-)	2010	2009
Liabilities to financial institutions - non-current	1 125 450	1 228 207
Bond loan - non-current	791 258	588 000
Bond loan - current	138 000	96 000
Liabilities to financial institutions - current	90 000	52 000
Liabilities to financial institutions - overdraft	202 515	169 087
Other interest-bearing debt - current	14 373	15 724
Other interest-bearing debt - non-current	0	4 926
Total interest-bearing debt	**2 361 596**	**2 153 945**
Cash and cash equivalents	1 280 880	763 421
Other interest-bearing assets - current	0	243 036
Other interest-bearing assets - non-current	1 632 610	1 699 351
Net interest-bearing assets/debt(-)	**551 894**	**551 863**

Repayment profile interest bearing debt	2011*	2012	2013**	2014	2015	Subsequent	Total*
Mortgage loan	90 000	90 000	607 000	90 000	210 000	131 708	1 218 708
Bond loan	138 000	300 000	500 000	0	0	0	938 000
Total	**228 000**	**390 000**	**1 107 000**	**90 000**	**210 000**	**131 708**	**2 156 708**

* Repayments of non-current liabilities which mature in 2011are classified as current liabilities in the balance sheet.

** As of 31.12.2010 the Company held a mortgage loan of NOK 517 million with maturity in 2013. In January 2011 this was downward adjusted with NOK 500 million.

Liabilities secured by mortgage	2010	2009
Current liabilities	292 515	221 087
Non-current liabilities	1 125 450	1 228 207
Liabilities to credit institutions incl. leasing liab.	**1 417 965**	**1 449 295**

Assets provided as security		
Shares	3 425 158	3 148 947
Trade receivables	6 286	6 774
Total assets provided as security	**3 431 444**	**3 155 721**

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 31.12.2010.

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	2010	2009
Salary and other personnel expenses	0	951
Accrued interests	15 238	8 410
Other short-term liabilities	45	360
Other current liabilities	**15 283**	**9 721**

NOTE 19 RELATED PARTIES

2010	Operating income	Operating expenses	Net finance exp.	Net balance
Møgster Management AS	2 877	2 217	0	345
Total	**2 877**	**2 217**	**0**	**345**

2009	Operating income	Operating expenses/fee	Net finance exp.	Net balance
Møgster Management AS	3 362	3 867	0	240
Total	**3 362**	**3 867**	**0**	**240**

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.

NOTES TO THE ACCOUNTS

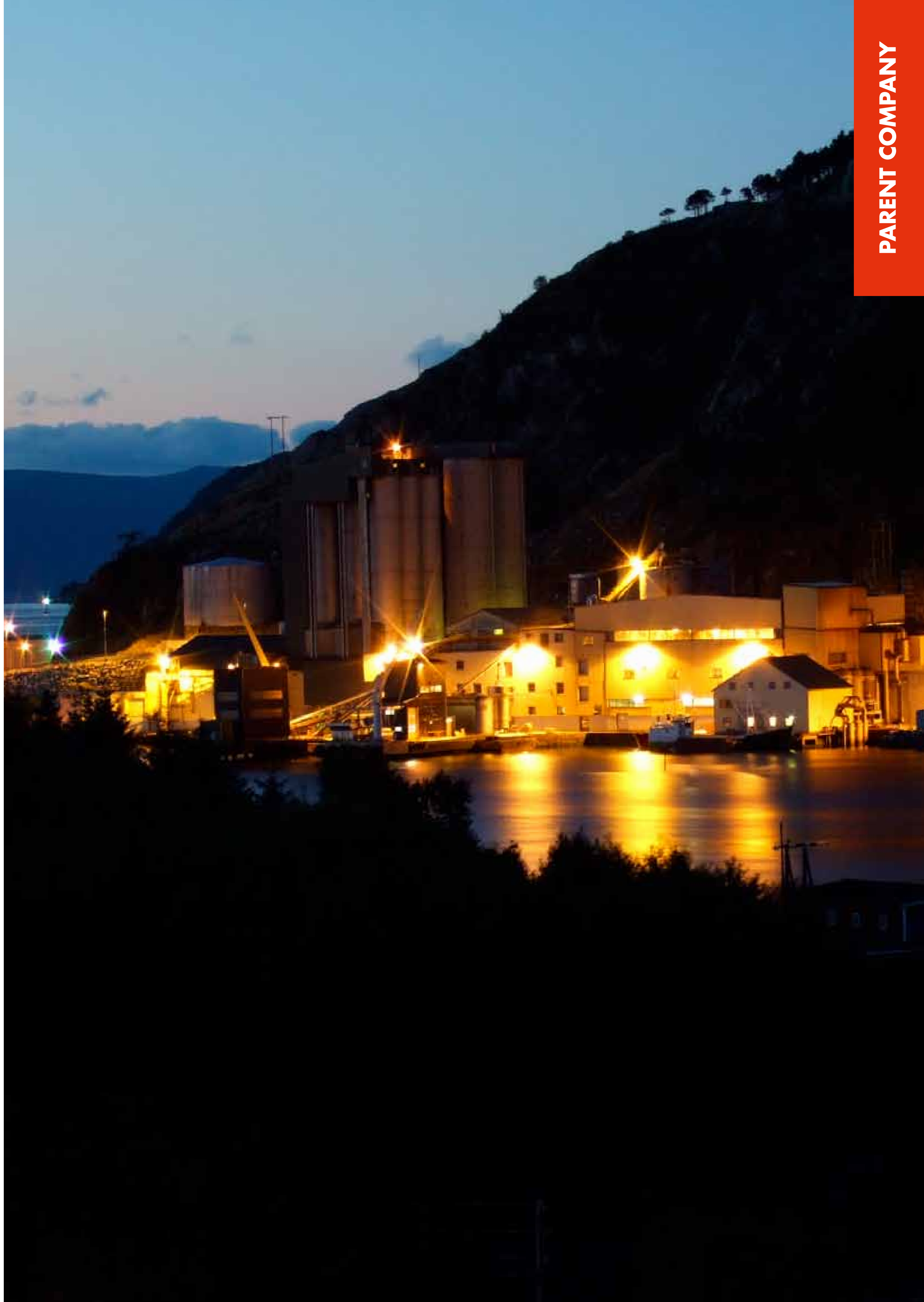
NOTE 20 INTERCOMPANY BALANCES

	2010		2009	
Specification of intercompany balances	**Current**	**Non-current**	**Current**	**Non-current**
Loans to Group companies	219 418	1 632 610	243 428	1 699 351
Suggested dividend in Lerøy Seafood ASA	341 443	0	238 618	0
Total intercompany receivables	**560 861**	**1 632 610**	**482 046**	**1 699 351**
Liabilities to Group companies	14 373	0	15 724	4 926
Total intercompany liabilities	**14 373**	**0**	**15 724**	**4 926**
Net intercompany balances	**546 488**	**1 632 610**	**466 322**	**1 694 425**

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	**2010**	**2009**
The year's earnings	430 173	135 132
No. of shares at the balance sheet date (thousands)	202 717	202 717
Average no. of shares (thousands)	202 717	188 917
Earnings per share	**2,12**	**0,72**
Diluted earnings per share	**2,12**	**0,72**
Suggested dividend per share	**1,50**	**1,20**



RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2010 have been prepared in accordance with current applicable account standards, and give a 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, 4 April 2011
The Board of Directors of Austevoll Seafood ASA

Helge Singelstad Chairman of the Board	Hilde Waage	Inga Lise L. Moldestad
Oddvar Skjegstad	Helge Møgster	Arne Møgster President & CEO

PricewaterhouseCoopers AS
Postboks 3984 - Dreggen
NO-5835 Bergen
Telefon 02316

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 2010, income statement, changes in equity, 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 2010, income statement, statement of comprehensive income, changes in equity, 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.

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company give a true and fair view of the financial position of Austevoll Seafood ASAas at 31 December 2010, and of 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 give a true and fair view of the financial position of the group Austevoll Seafood ASA as at 31 December 2010, and of 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 account of corporate governance principles and practices

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 account of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit 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 the company's 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, 4 April 2011
PricewaterhouseCoopers AS

Hallvard Aarø
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

(2)

AUSS WORLDWIDE

NORTH ATLANTIC

HEAD OFFICE:
AUSTEVOLL SEAFOOD ASA
Alfabygget
5392 Storebø
NORWAY

Ph: +47 56 18 10 00
Fax: +47 56 18 10 03
Email: info@auss.no
Web: www.auss.no

ATLANTIC PELAGIC AS
Alfabygget
5392 Storebø
NORWAY

Ph: +47 56 18 10 40
Fax: +47 56 18 10 04
Email: austevoll@atlanticpelagic.no
Web: www.atlanticpelagic.no

AUSTEVOLL EIENDOM AS
Alfabygget
5392 Storebø
NORWAY

Ph: +47 56 18 10 00
Fax: +47 56 18 10 03
Email: info@auss.no
Web: www.auss.no

AUSTEVOLL FISKEINDUSTRI AS
Alfabygget
5392 Storebø
NORWAY

Ph: +47 56 18 10 00
Fax: +47 56 18 10 05
Email: info@aufi.no
Web: www.aufi.no

LERØY SEAFOOD GROUP ASA
PO Box 7600
5020 Bergen

Office address:
Bontelabo 2
5003 BERGEN
NORWAY

Ph: +47 55 21 36 50
Fax: +47 55 21 36 32
Email: hallvard@leroy.no
Web: www.leroy.no

MODOLV SJØSET AS
P.O. Box 20
8770 TRAENA
NORWAY
Ph: +47 75 09 57 00
Fax: +47 75 09 57 10
Email: post@msfish.no
Web: www.msfish.no

SIR FISH AS
Oddane 2
4364 SIREVÅG
NORWAY

Ph: +47 51 79 86 70
Fax: +47 51 79 86 51

WELCON INVEST AS
Po Box 2942 Solli
0230 OSLO

Office adress:
Ruseløkkeveien 6
0251 OSLO
NORWAY

Ph: +47 22 01 79 90
Fax: +47 22 01 79 91
Web: www.welcon.no

WELCON AS
Head Office
c/o Måløy Sildoljefabrikk AS
6718 DEKNEPOLLEN
NORWAY

Ph: +47 22 01 79 90
Fax: +47 22 01 79 91
Web: www.welcon.no

ASSOCIATED COMPANIES:

BR. BIRKELAND AS
Alfabygget
5392 Storebø
NORWAY

Ph: +47 56 18 11 10
Fax: +47 56 18 11 11
Email: post@br-birkeland.no
Web: www.br-birkeland.no

NORWAY PELAGIC ASA
P.O. Box 790
6001 ÅLESUND
NORWAY

Ph: +47 57 84 44 00
Fax: +47 57 84 44 01
Email: npsales@norwaypelagic.no

SHETLAND CATCH LTD.
Gremista, Lerwick
ZE1 0PX Shetland
UNITED KINGDOM

Ph: +44 (0) 1595 695740
Fax: +44 (0) 1595-695761
Email: main@shetlandcatch.com
Web: www.shetlandcatch.com

CHILE

CHILEFOOD S.A / ANGELMO
HEAD OFFICE
Reyes Lavalle 3340
Of. 1103
Las Condes
Santiago, CHILE

Ph: +56 (2) 445 8750
Fax: +56 (2) 445 8751
Email: chilefood@fccl.cl
Web: www.fcc.cl

FOODCORP S.A
HEAD OFFICE
Reyes Lavalle 3340
Of. 1103
Las Condes
Santiago
CHILE

Ph: +56 (2) 445 8700
Fax: +56 (2) 445 8701
Email: santiago@fcc.cl
Web: www.fcc.cl

PERU

AUSTRAL GROUP S.A.A
HEAD OFFICE
Av. Victor Andres Belaúnde Nº 147
Torre Real 7 Centro Empresarial
San Isidro
Lima
PERU

Ph: +51 (1) 710-7000
Fax: +51 (1) 442-1660
Email: info@austral.com.pe
Web: austral.com.pe


Cazador.

Austevoll Seafood ASA

Alfabygget, 5392 Storebø, Norway
www.auss.no