
ANNUAL REPORT 2009
Austevoll Seafood ASA

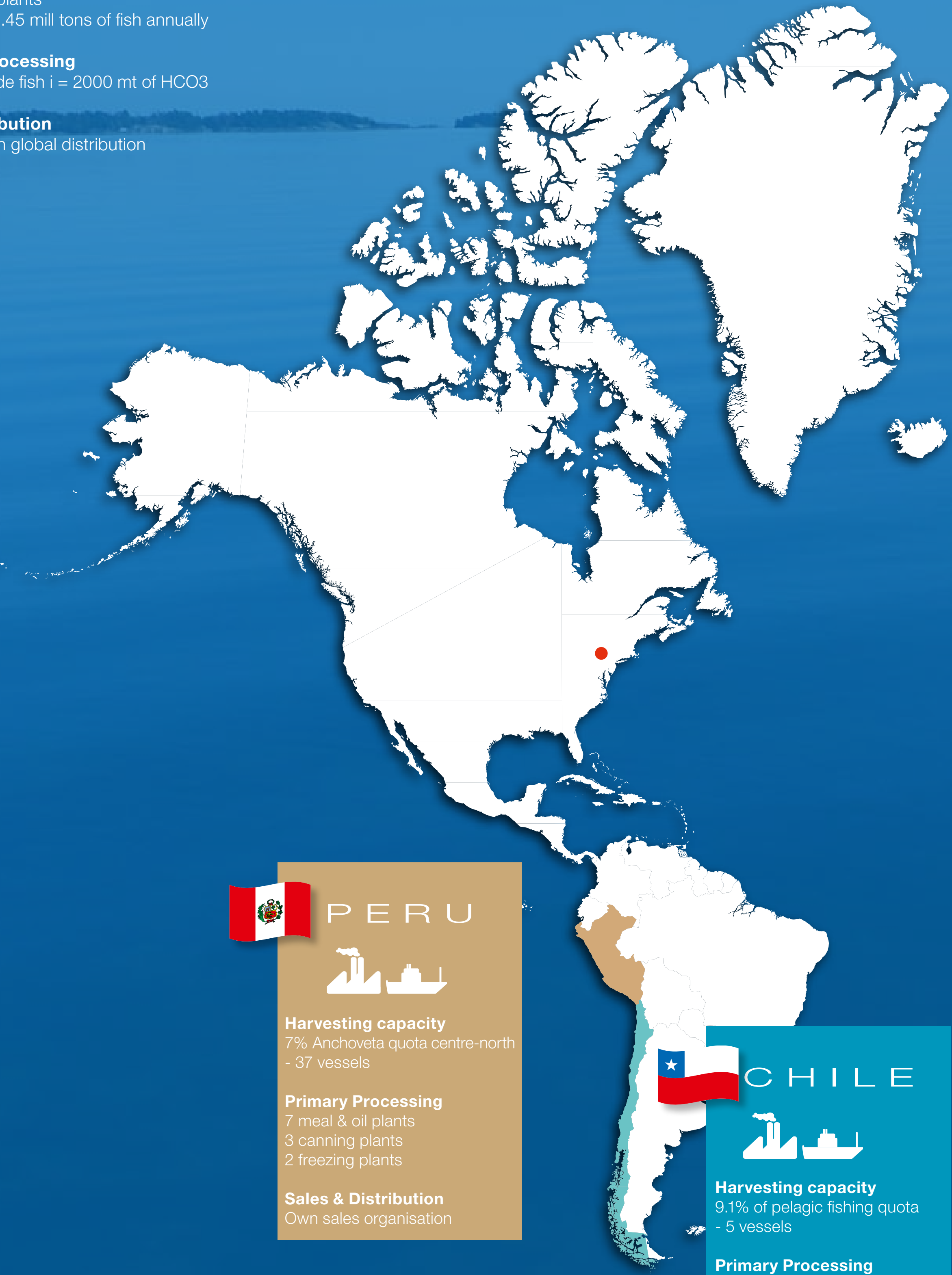
KEY FACTS ABOUT AUSS

Harvesting
650-700.000 tons of fish
- 44 vessels

Primary Processing
38 processing plants
Handling over 1.45 mill tons of fish annually

Secondary Processing
6500 mt of crude fish i = 2000 mt of HCO3

Sales & Distribution
Wholesales with global distribution



PERU

Harvesting capacity
7% Anchoveta quota centre-north
- 37 vessels

Primary Processing
7 meal & oil plants
3 canning plants
2 freezing plants

Sales & Distribution
Own sales organisation

CHILE

Harvesting capacity
9.1% of pelagic fishing quota
- 5 vessels

Primary Processing
2 meal & oil plants
2 canning plants
1 freezing plant

Sales & Distribution
Own sales organisation

COMPANY OVERVIEW

NORTH ATLANTIC

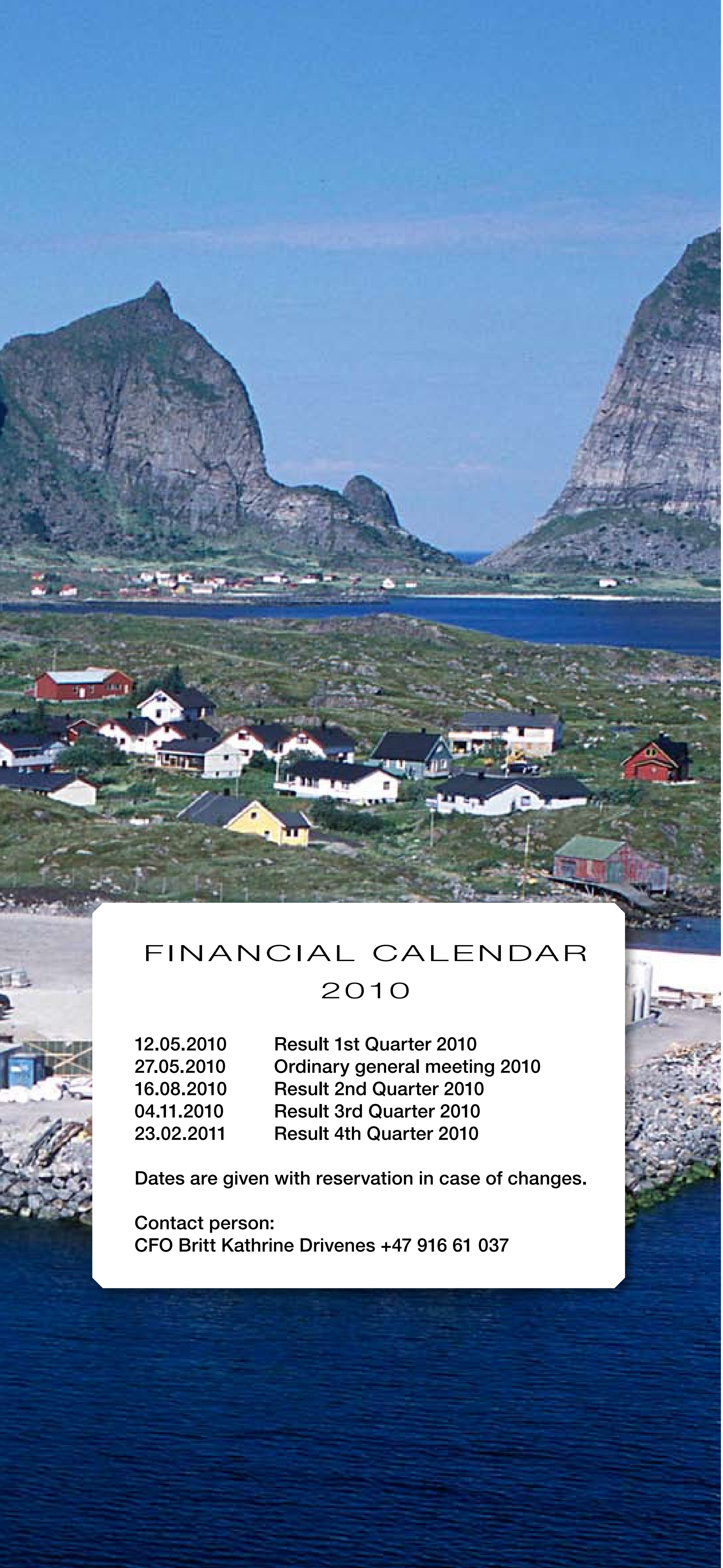
Austevoll Eiendom AS
Atlantic Pelagic AS
Lerøy Seafood Group ASA
Sir Fish AS
Epax Group AS
Austevoll Fiskeindustri AS
Welcon Group AS
Modolv Sjøset AS
North Capelin Honningsvåg AS

CHILE

FoodCorp S.A

PERU

Austral Group S.A.A



FINANCIAL CALENDAR 2010

12.05.2010	Result 1st Quarter 2010
27.05.2010	Ordinary general meeting 2010
16.08.2010	Result 2nd Quarter 2010
04.11.2010	Result 3rd Quarter 2010
23.02.2011	Result 4th Quarter 2010

Dates are given with reservation in case of changes.

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CONTENT

HISTORY

Austevoll Seafood ASA (AUSS) is a globally integrated pelagic fishery specialist with operations in Chile, Norway and Peru. AUSS' activities include ownership and operation of fishing vessels, fishmeal plants, canning plants, freezing plants, fish oil refining, salmon farming and marketing and sales. AUSS is a publicly quoted company listed on the Oslo Stock Exchange since 2006. At the end of 2009 the AUSS group had about 6,250 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 2007 AUSS acquired Epax AS, one of the leading producers of high-concentrate Omega-3 oils.

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%.

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. Auss owns 50% of the combined Group.

SUSTAINABILITY AND ACCESS TO RESOURCES

CEO - ARNE MØGSTER

2009 has been a hectic and challenging year for the Austevoll Seafood Group. In general, the decline in the world economy caused greater uncertainty than normal and the start of the year showed that several industries would suffer. However, the seafood sector has been an exception and has managed well through the crisis. In respect of our Group the operating result shows a significant positive development with an EBITDA of MNOK 1,931, the best operating result in our history, and up from MNOK 788 in 2008.

In particular the Salmon segment has performed well during 2009. The prices for salmon have been favourable in all markets and the supply has been limited due to the problems in Chile. Combined with a thorough operational focus Lerøy Seafood Group ASA has delivered their best result ever.

Our Human Consumption segment has also this year been characterized by lower than expected catches. We have however managed to increase our own quota percentage for human consumption species , and together with good prices for both canned and frozen products this segment shows a satisfactory result. Our Omega 3 segment has been performing as expected during the year and we will increase our production capacity during 2010 and thereby anticipate increasing our market share.

We have also seen a positive development in the Pelagic North Atlantic segment with better average margins during 2009, compared with 2008.

The fishmeal and oil segment has showed good results during 2009 compared with 2008, even with the same average prices of fishmeal and a 50 % drop in the fish oil prices. Our Peruvian operation has been adapting to a new quota system and been able to increase both quality and reduce costs during the period. We expect to be able to continue this development in 2010.

We have made significant and good investments over the last few years, and achieved both organic growth and expansion through acquisition of companies adding value to the Group. Our focus during 2009 has been to strengthen our balance sheet. The net interest bearing debt of the consolidated Group has decreased by nearly NOK 2.5 billion during 2009, from MNOK 6,554 to MNOK 4,091. We have during the year positioned ourselves to continue our growth strategy.

Sustainable harvesting and environmental responsibility is of great importance for our Group. We have invested in both offshore and onshore capacity in the regions in which we are present and represented, and we will support a sensible and sustainable TAC in order to harvest from the ocean for a long period of time. We have also during the year been certified by Friends of the Sea and obtained ISO 14001 certification in Epax AS, certifications already established in Peru, and are now able to deliver certified Omega 3 products, documented from harvesting to consumer.

By the end of February 2010 we experienced an earthquake in Chile. The Group has its land based activities in the area south of the epicentre of the earthquake, in the town of Coronel. None of our employees were killed but the human sufferings were severe. Our thoughts go to the people of Chile, our friends and colleagues, and their families. Our main facilities sustained minor damage and our canning and fishmeal facilities were up and running 3 weeks after the earthquake. Despite a short setback in Chile 2010 is promising to be a good year for the Group with good market predictions for our products, in particular in the salmon and the fishmeal segments.

To conclude I want to emphasize that I am proud to work with a motivated and high skilled workforce in every segment of the Group. The qualities and great efforts shown during the year provides for a competitive advantage for our companies. I want to thank all our employees for all efforts they have made during 2009, and sincerely hope and believe that we will continue developing the Group in a positive direction in 2010.

Arne Møgster - CEO
Austevoll Seafood ASA

IMPORTANT STRATEGIC EVENTS THE LAST 10 YEARS

2000	Acquisition of 35.8% of the shares in Br. Birkeland AS, Norway
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 de 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

In memory of

OLE RASMUS MØGSTER

Ole Rasmus Møgster, Chairman of the Board of Austevoll Seafood ASA, passed away on 23 February 2010 after a short period of illness.

Ole Rasmus was one of the founders of Austevoll Seafood ASA and played a major part in developing the company to its current position. All those who knew him know his great dedication towards the fishing industry well. Fisheries and related activities were his greatest passion, although he also showed interest in other industrial areas. Ole Rasmus spent a good number of years at sea, as captain of fishing vessels' and has operated in many different parts of the world; the Barents Sea, the North Sea, the Atlantic, off the coast of Alaska and southern Argentina. He eventually left the maritime life behind and brought with him a burning interest in operational management. He had an extensive and fastidious knowledge of and interest in ship equipment, manufacturing facilities, quotas, catch volumes, margins and financing. Ole Rasmus displayed phenomenal expertise and interest in what we consider day-to-day operations and management. What impressed us most, however, was his ability to combine focus on operations with strategic and long-term business development.

As a colleague, Ole Rasmus will be remembered for his enthusiasm for hard work and his perseverance, his great interest in operations, his commercial insight, wisdom and, not least, his strength and COURAGE to go forward where others got cold feet. He highly appreciated the efforts and success of others, particularly when faced with harsh competition and not least when out in the field. He enjoyed competition and was able to keep a strict focus on results, which drove him forward. The most important aspect, however, was the joy he felt from watching the company grow and generate business both at home and abroad. He was a true builder.

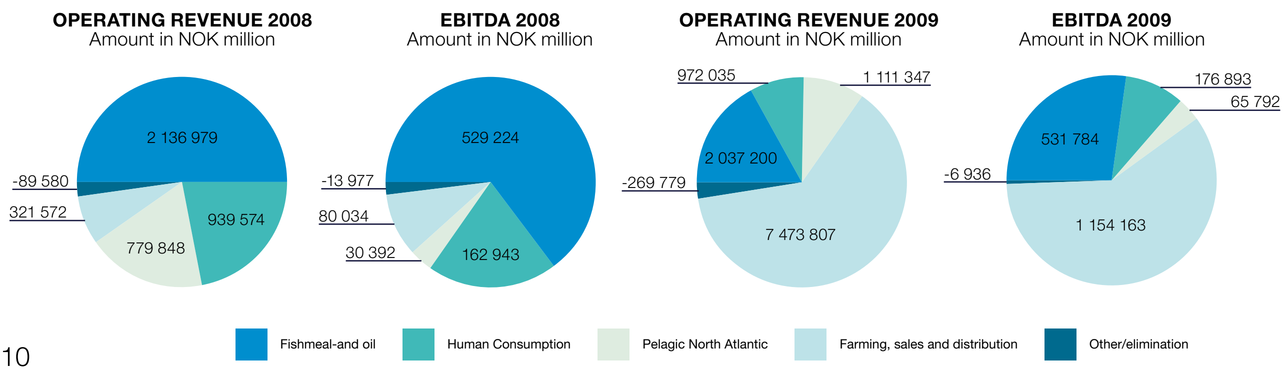
Ole Rasmus was a kind man who demanded much of himself and his surroundings. He never let his watch govern his working hours, but stayed at work until the job was done. His good nature, his ability to listen and his capacity to motivate people to wield great efforts inspired many of his colleagues to make extra contributions for the benefit of the company. Very few people could have generated such a level of involvement and drive on several continents, in many countries and not least across different cultures! Ole Rasmus was a down to earth, gracious and positive colleague. He cared for those who surrounded him. Ole Rasmus was a lovable man.

He remained involved and interested in the operations of AUSS until the very end. We kept him up to date and he updated us. He maintained a firm focus on the future and on all things which must be done.

Ole Rasmus will be sorely missed.

Amounts in NOK 1 000		**2009**	**2008**	**2007**
Profit and loss account				
Operating income		11 324 609	4 088 395	3 468 957
Operating expenses		-9 402 914	-3 299 778	-2 985 547
EBITDA		**1 921 695**	**788 617**	**483 410**
Depreciation, amortisation, impairment and depreciation of excess value		-479 202	-310 026	-204 940
EBIT (before fair value adj.biological assets)		**1 442 493**	**478 591**	**278 470**
Fair value adjustment of biological assets		60 483	116 953	-
OPERATING PROFIT		**1 502 976**	**595 544**	**278 470**
Income from associated companies		80 341	24 988	65 758
Net financial items		-252 982	-336 730	-128 613
Profit before tax		1 330 335	283 802	215 615
Net profit		**987 952**	**162 951**	**183 272**
Net profit including discontinued operations		**987 952**	**162 951**	**507 545**
Profit to minority interests		264 606	40 460	8 563
Balance sheet				
Intangible assets		5 599 398	5 842 801	1 624 499
Vessels, other property, plant and equipment		3 871 051	4 385 335	2 575 774
Other non current assets		669 809	706 259	2 451 590
Current assets		6 150 951	5 050 258	2 161 167
Total assets		**16 291 209**	**15 984 653**	**8 813 030**
Equity		7 095 482	5 619 768	4 228 611
Long term liabilities		6 323 137	7 571 457	2 933 904
Short term liabilities		2 872 590	2 793 428	1 650 515
Total equity and liabilities		**16 291 209**	**15 984 653**	**8 813 030**
Cash flow				
Net cash flow from operating activities		**1 679 108**	**413 783**	**277 166**
Key ratios				
Liquidity ratio	1	2,14	1,81	1,31
Equity-to-asset ratio	2	44 %	35 %	48 %
EBITDA margin	3	17 %	19 %	14 %
Return on equity	4	16 %	3 %	13 %
Average no. of shares (thousands)		**188 917**	**184 317**	**183 302**
Earnings per share	5	3,83	0,66	2,72

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



ABOUT AUSTEVOLL SEAFOOD

The Austevoll Seafood Group (AUSS) is a global seafood company operating a full value chain integration model from harvesting, processing, fish oil refinery, 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.

FISHMEAL AND OIL PRODUCTION

The Group's fish meal and fish oil production activities are operated by the following subsidiaries;

FoodCorp S.A, Chile;
2 factories located in Coronel.
Austral Group S.A.A, Peru;
7 factories located in Paita, Chicama, Coishco, Huarmey, Chancay, Pisco and Ilo.
Welcon Invest AS, Norway, UK and Ireland;
9 factories. In Noway the locations are Vadsø, Bodø, Måløy, Karmøy and 2 factories in Egersund. In UK the locations are Grimsby and Aberdeen. In Ireland the location is in Killybegs.

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 2009 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 a 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. In June 2008 the Peruvian authorities decided to implement a new legislation regulating the anchovy fishing industry through the application of maximum boat catch limits (individual quotas). The new legislation was adopted for the first time in 2009 and the total days of fishing increased to 179 days in 2009 compared to 50 days in 2008. The quota system is a major contribution bringing order to the industry and will generate important economic, environmental and social benefits. The 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.

Austral Group S.A.A obtained "Friend of the Sea" certification in 2009. 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.

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

In 2009, the IFFO 6 countries produced approx. 3,086,000 tons (Source: IFFO) of fishmeal and fish oil, and the Group sold a total of 322,000 tons of fishmeal and fish oil which is about 10%. The IFFO 6 countries are defined as Peru, Chile, Norway, Iceland, Denmark, Ireland, UK and Faroe Island.


PLTA. EVAPORADOR

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

HUMAN CONSUMPTION

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;
2 canneries/freezing plants located in Paita and Coishco, one plant for processing fresh fish and canning in Pisco.
Epax AS, Norway;
1 plant for processing high concentrated Omega-3 oil in Ålesund

The group's human consumption products are high concentrated Omega-3 oils, canned horse mackerel, mackerel, sardines, tuna fish, salmon and mussels and frozen horse mackerel and mackerel.

Epax AS bases its business concept on refining marine fats to high value concentrated Omega-3 products. The products are sold in the global market for dietary supplements and food additives/functional food. Countless medical studies have shown that the Omega-3 fatty acids EPA and DHA are very important for human health. They are included in the body's cell membranes and are essential for the neurological system. The human organism is unable to produce Omega-3, and an Omega-3 rich diet is therefore very important.
The richest source of Omega-3 is fatty fish. The marine raw materials used to produce EPAX products come primarily from South America.

Epax products have been included in clinical studies for more than 10 years and probably are the world's best documented Omega-3 products. In addition, the products are recognised as the best on the market both with respect to purity and quality. They are therefore often selected by experts for medical studies. Epax AS is one of the few Omega-3 producers in the world approved by the drugs authority for production of active pharmaceutical substances. Epax AS is also certified in accordance with the quality control system GMP (Good Manufacturing Practice). Epax AS obtained "Friend of the Sea" certification in 2009.

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 obtained “Friend of the Sea” certification in 2009. 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.

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). There has been an increase in quotas for NVG herring since 2003. ICES consider the population to have full reproductive capacity and that it is harvested sustainable. Spawning stock in 2009 is estimated at 13.3 million tons. Expected spawning stock in 2010 is estimated at 12.2 million tons (www.imr.no/radgivning/kvoteras/kvoterad_for_2010_1/). The capelin stock has varied significantly over the past 35 years due to natural ecosystem changes. In 2009 the capelin fishery in the Barents Sea opened again, and the season for this fishery is February and March. 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;

Production		Sales	Market
North Capelin AS 50 %	Sir Fish AS 60 %	Atlantic Pelagic	Customers
Modolv Sjøset AS 66 %	Shetland Catch Ltd 25 % (seperate sales org.)		
Austevoll Fiskeindustri AS 100 %	Nordborg (3rd Party)		

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.

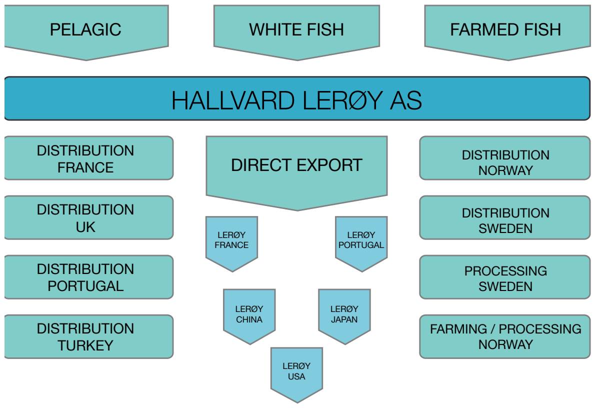
The Lerøy Seafood Group ASA can trace its operation back to the end of the 19th century, when the fisherman/farmer Ole Mikkel Lerøen started selling live fish on the Bergen fish market. Over time, Ole Mikkel Lerøen`s operation gradually came to include retail sales in Bergen, the sale of live shellfish 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. In 2007 LSG continued expanding the aquaculture activity by acquiring the company Lerøy Austevoll 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 global 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 – LSG`s sales network with established strategic alliances and the 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**	**Licenses No.**	**Mill. smolt individuals**	**2008 GWT**	**2008 GWT**	**2009 E GWT**
Lerøy Midnor AS	100%	30	9,5	29 100	35 000	36 500
Lerøy Aurora AS	100%	17	5	17 200	19 300	20 500
Lerøy Hydrotech AS	100%	24	7	23 000	21 500	24 000
Lerøy Austevoll AS*	100%	34	14,2	23 400	32 700	35 000
Total Norway		105	35,7	92 700	108 500	116 000
Norskott Havbruk AS (UK)	50%		6	11 400	13 200	12 000
TOTAL			41,7	104 100	121 700	128 000

Consolidated, Farming

Affiliated, Farming

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

MARKET OUTLOOK

AUSS sold 322,000 mt of fishmeal and fishoil in 2009. This is about 10% of the total IFFO-6 production at 3,086,000 mt.

Frozen Fish

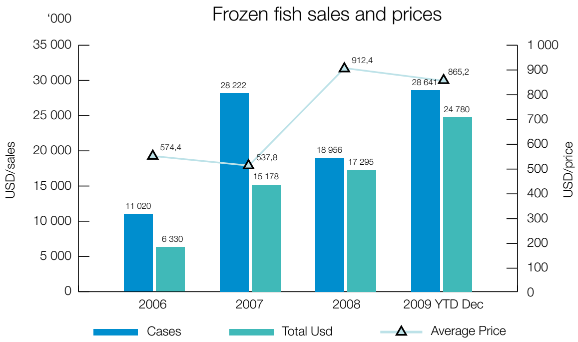
Export of frozen pelagic fish for human consumption has in average increased with 5.8% per annum in the last decade. Russia, Peru, Nigeria, Japan and Ukraine are the main markets.

In 2009 the average prices of frozen horse mackerel from South America was sold at the level of about USD 865/MT FOB.

We saw a price increase for frozen product from Q4 2009 an onwards and the demand from our major markets remain strong.

The Earthquake in Chile also damaged frozen plants and as we see the situation today we expect a reduction in the frozen production in Chile in 2010 compared to 2009. Our frozen factory is expected to be up running from end April. We expect to have a small decrease in production/sales compared to 2009 which will be compensated by higher prices.

In Peru 70% of the frozen fish production was exported. The main specie processed was Mackerel with Cuba and Brazil being the main markets. The balance production was Jackmackerel and commercialized into the domestic market.

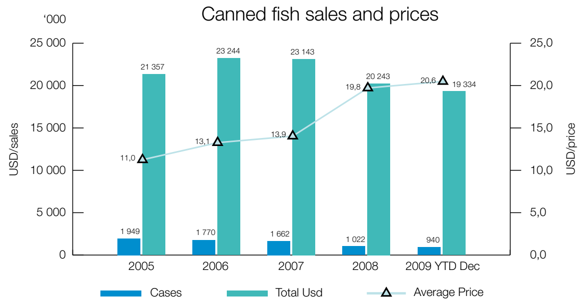


Canned Fish

Canned production in Chile in 2009 increased by 25% compared to 2008, this and the increased offer of canned products from China and Thailand led to price pressure on canned products during second half of 2009. Earthquake in Chile affected several canning plants and as we see it today, we lead to a sharp reduction on production compare to 2009. This is not the case of our factory at FoodCorp Chile, which was up running again by end March, not expecting any reduction on production/sales, foreseeing a recovery on margins in this segment as prices are improving due to offer decrease.

In Peru we have focused on brand building and experienced a good demand from the domestic market as more of 50% of our products currently goes into this market. Peruvian sardine has become the main raw material for canning production. As new markets are being opened, Peruvian sardines are set to represent a significant share of future sales of canned products within the Group complementing others species found outside Peruvian coast.

As one of the world leading producers of canned fish, Austevoll Seafood Group is in a good position to meet the future development of canned products and the demand from our main markets.



Production, sales and distribution of Atlantic Salmon and trout

Expectations of improvement in international economy, including the demand for the Lerøy Seafood Group's (LSG) products, have in 2009 become more positive and significantly less marked by fear and uncertainty than in the beginning of the year. That said, one observes a stronger than normal uncertainty in the macroeconomic picture. The demand for LSG's main products of Atlantic salmon and trout increased significantly in 2009. The increased demand, combined with anticipated further reductions in the global supply of Atlantic salmon in 2010 and limited capacity growth, gives reasons for continued optimism. This, plus expectations of enhanced productivity in LSG's operations (including biological improvements), gives a positive view of LSG's development.

In line with its market strategy, in 2009 LSG exported a broad range of seafood products from Norway to a large number of countries, the most significant being France, Japan, Sweden and USA. While our efforts to expand distribution of fish in the Nordic countries still are giving less than anticipated returns, it is satisfying to observe a positive development that strengthens our own and our customers' position in this important seafood market. The demand for LSG's products is good. Competition in the international food market demands that LSG constantly seeks more cost efficient and market-oriented solutions in its efforts to satisfy its customers. This will in turn ensure profitable growth in the future. It is our opinion that LSG's strategic business development in recent years in conjunction with the underlying product development and market oriented structure, has given LSG a more robust earnings platform for the years to come.

	2007	Change 06-07	2008	Change 07-08	2009	Change 08-09	2010 E	Change 09-10
Norway	723 300	20.9 %	741 000	2.4 %	855 700	15.5 %	931 200	8.8 %
United Kingdom	134 900	5.8 %	136 400	1.1 %	144 800	6.2 %	141 000	-2.6 %
Faroe Islands	19 000	59.7 %	37 900	99.5 %	48 100	26.9 %	41 700	-13.3 %
Ireland	15 300	5.5 %	11 400	-25.5 %	15 500	36.0 %	16 000	3.2 %
Iceland	2 000	-50.0 %	1 000	-50.0 %	500	-50.0 %		-100.0 %
Total Europe	**894 500**	**18.3** %	**927 700**	**3.7** %	**1 064 600**	**14.8** %	**1 129 900**	**6.1** %
Chile	356 400	-3.3 %	402 600	13.0 %	238 500	-40.8 %	92 000	-61.4 %
Canada	109 500	-4.8 %	118 500	8.2 %	113 700	-4.1 %	120 000	5.5 %
Australia	23 800	22.7 %	25 700	8.0 %	32 200	25.3 %	33 000	2.5 %
USA	12 300	20.6 %	17 000	38.2 %	16 400	-3.5 %	18 000	9.8 %
Others	2 400	0.0 %	1 400	-41.7 %	1 200	-14.3 %	1 200 %	0.0 %
Total America	**504 400**	**-2.2** %	**565 200**	**12.1** %	**402 000**	**-28.9** %	**264 200**	**-34.3** %
Total world-wide	**1 398 900**	**10.0** %	**1 492 900**	**6.7** %	**1 466 600**	**-1.8** %	**1 394 100**	**-4.9** %

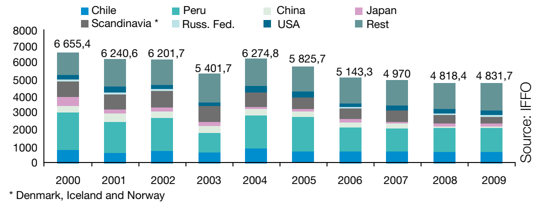
Fishmeal
The global fishmeal production was 4,8 million tons in 2009, which is in line with 2008. Still the first season quota in Peru has not been set, and the possible El Ninjo effect in Peru and the Earthquake in Chile can reduce the total 2010 fishmeal production.

The supply for fishmeal and fishoil has been relatively stable the last years. The fishery for anchoveta in the water of Peru and Chile is still the main source for this industry. In the North Atlantic Ocean a strong growing stock of Norwegian Spring Spawning Herring bring good volumes of trimmings from the human consumption industry, and is amongst the most important sources in Europe. Also capelin from the Barent Sea has grown to a source that can be harvested again after 5 years stop.

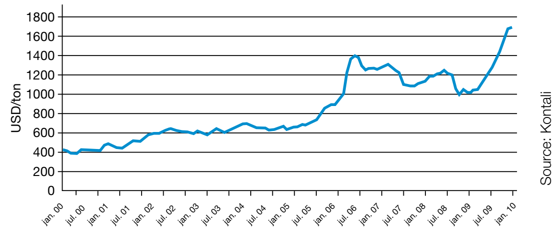
The fishmeal market in 2009 was all over good with a 1,3 mill tons import to China, as well as a record high fishmeal use in Norway due to the strong growth of salmon production. Peru as earlier is to be the largest supplier worldwide.

For 2010 we see signs of another good year, with still strong prices. On accounts of decreased supply from Europe, a necessary increased import of fishmeal from South America for the Norwegian fish feed industry will partly cover the reduced fish feed production in Chile. However in Chile, after a sharp decrease on demand for fishmeal for fish feed production due to the ISA virus during 2009, a slow and constant recovery is foreseen during 2010 for the salmon and trout feed industry.

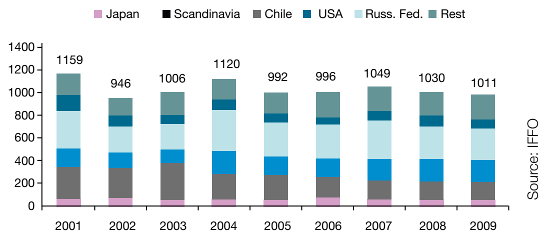
World Fish Meal Production - Major Producers (mt)



Fish Meal Price (64/65% c&f Hamburg)



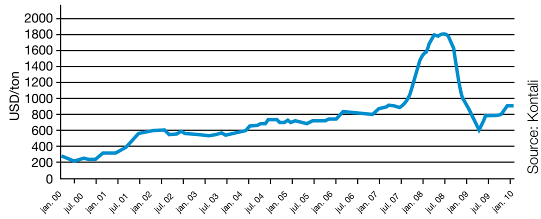
Fishoil World Production - Major Producers (000 mt)



Fishoil
After 2008 with all time high fish oil prices we saw a sharp drop in fishoil prices during first half of 2009 as many of the commodity oils were under pressure with high stocks. In the autumn of 2009 the markets recovered from the low prices and have been climbing steadily from Q2 2009. Reduced supply from South America and increased demand from the salmon feed industry and increased purchases from China were the key drivers to market development. Production was more or less in line with previous year, with 1 million tons in 2009.

The outlook for 2010 is firm supported by further supply pressure as stocks is less and demand is expected to be good from both aqua as well as the omega 3 industry.

Fishoil Price (Any origin N.W. Europe, c&f Hamburg)



High Concentrate Omega-3
EPAX AS has a very strong position in the market and is recognized as a trustable and innovative supplier of premium quality products. EPAX products are highly requested to be used in clinical studies around the world and several new studies were initiated in 2009.

2009 developed well in most markets and EPAX AS gained market share in our areas, especially in the segment of advanced product applications and in the premium segment. Experienced no major negative economic impact of the financial crisis through 2009 and the market have recovered remarkably well. EPAX customers show outstanding performance and express optimisms for the coming years.

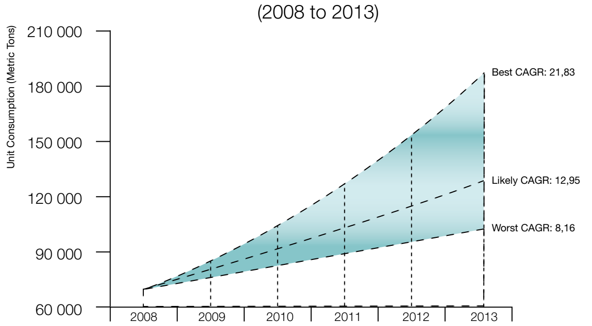
EPAX AS was involved in several new product launches both in the EU, North American and the Far East marked. New launches indicated a strong believe in the market despite the general financial turbulence in 2009.

In the area of Crude fishoil sourcing, we see great effect of the vertical integration. Close cooperation within the Austevoll group has paid off and EPAX has been processing on supreme quality carefully designed fishoil during the year. Security of supply and better yield gives positive effects.

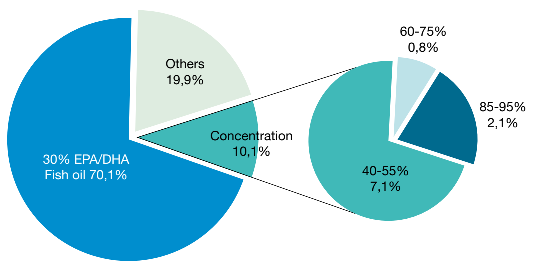
EPAX AS managed to achieve official certification for sustainable operation covering the Austevoll fishing operation and processing in Peru to final processing at EPAX. This makes EPAX AS as the only supplier which for its fishoil product portfolio provide full traceability and sustainability from fish to finished product.

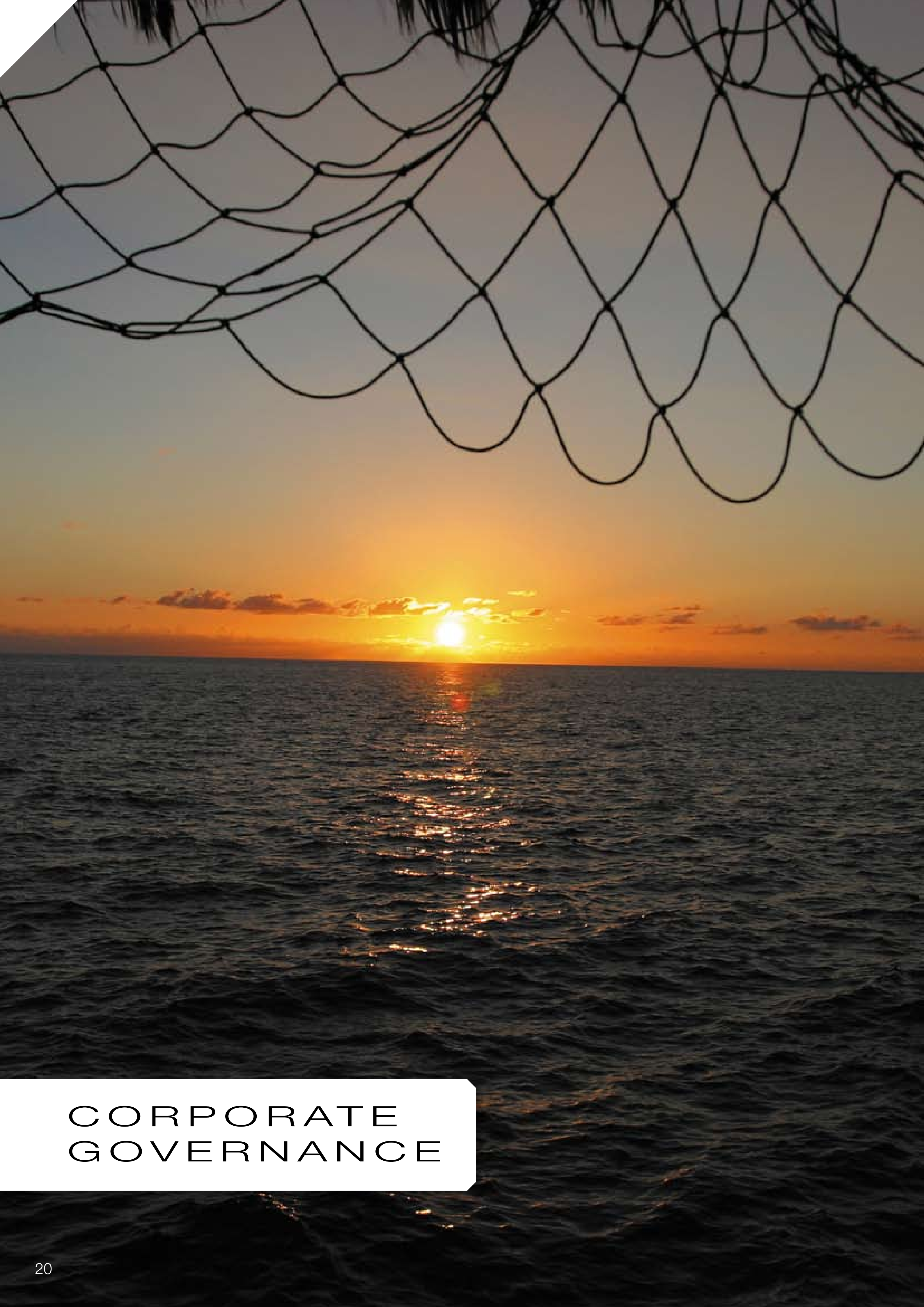
Promising R&D programs running and three new patents has been developed as well as new proprietary technology.

Global Marine Oil Omega-3 Ingredients Market:
5 Year Unit Consumption Scenario Analysis
(2008 to 2013)



Global Marine Oil Omega-3 Ingredients Market:
Volume Market Share by Product Type (2008)





CORPORATE GOVERNANCE

1. Introduction

1.1 Background

AUSTEVOLL SEAFOOD ASA ("AUSS" or the "Company"), is 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 examined a revised version of the current Corporate Governance standard, published by the Norwegian Committee for Corporate Governance (NUES) on 4 December, 2007. The Board has approved and adopted this document as the Company's Corporate Governance Policy for year 2009 to reflect the will of AUSS to fully comply with the current corporate governance standards recommendations from NUES. At its meeting April 7th 2010, the Board of Directors adopted a revised version of the current Corporate Governance standard, published by the Norwegian Committee for Corporate Governance (NUES) on 21 October 2009. 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 which the Board of Directors and the Executive Management keep a keen focus on.

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.

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 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.

Departures from the Recommendations: None

2. Business

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

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

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

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

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

Departures from the Recommendations: None

3. Equity and dividends

The company should have an equity capital at a level appropriate to its objectives, strategy and risk profile.

The aim of the Company is to produce a competitive return on the investment of its shareholders, through distribution of dividends and increase in share prices. The Board of directors shall in its assessment of the scope and volumes of dividend 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 2010 to increase the share capital by issuing 31.736 shares.

Purchase of treasury shares:
The Board has the authority, until the ordinary general meeting in 2010, 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 10 per share, and no more than NOK 100 per share.

At 31 December 2009, the Group owned no treasury shares.

Departures 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.

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, 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.

Departures 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.

Departures 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 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 this information to shareholders no later than two 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 was 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. The 2010 AGM is scheduled May 27th.

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.

Departures 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 members of the nomination committee should be elected to take into account the interests of shareholders in general. The majority of the committee should be independent of the Board of Directors and the executive management. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the board. No more than one member of the nomination committee should be a member of the Board of Directors, and any such member should not offer himself for re-election. 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 23rd 2008 and consists of:

Helge Møgster. Mr. Møgster has long experience from the fish harvesting and offshore supply market. Mr. Møgster is one of the main shareholders of Laco AS, which is the main shareholder of Austevoll Seafood ASA.

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.

Departures from the Recommendations: None

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:

Ole Rasmus Møgster, Chairman of the Board,
passed away February 23rd 2010

Helge Singelstad, deputy chairman.
Mr. Singelstad is the CEO of Laco AS and Chairman of the board in Lerøy Seafood Group ASA. 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. 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. Mrs Waage is educated MBA/CEMS Master from NHH. She has the position as Deputy Group Chief Executive in Ocea Group. Mrs. Waage holds a wide experience from bank, fishing and industry, and was working in Chile for 4 years.

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 trading from Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young.

The Boards autonomy:
Except for the Deputy Chairman Helge Singelstad, 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 Singelstad owns 50.000 shares in the company.

Inga Lise L. Moldestad owns, through Ingasset AS, 40.000 shares in the company.

Departures 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 responsibility and obligations, CEO's information requirement to the Board, the Board's procedures.

Use of Board committees:
The use of Nomination Committee is stipulated in the Articles of Association. Moreover, the Board set up an Audit Committee by the end of 2008. The committee prepare items for consideration by the Board. They are solely responsible to the full corporate Board and their authority is limited to making recommendations to the Board.

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.

Departures 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.

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 evaluation 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 a annual review of internal control related to financial reporting. The auditors review is documented in an own 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".

Departures from the Recommendations: None

11. Remuneration of the Board of Directors

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

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

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

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

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

None of the Board members have during 2009 had assignments for the company in addition to being members of the board.

Departures from the Recommendations: None

12. Remuneration of the executive management

The Board of Directors is required by law to establish 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.
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, approved by the 2008 AGM, allowes performance- related remuneration. The executive management has currently no performance-related remuneration.

Departures 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.

Departures from the Recommendations: There have not yet been established guidelines for the company's contact with shareholders other than that all shareholders should be treated equally.

14. Take-overs

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

During the course of a take-over process, the Board of Directors and management of both party making the offer and the target company have an independent responsibility to help ensure that shareholders in the target company are treated equally, and that the target company's business activities are not disrupted unnecessarily. The Board of the target company 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 evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to shareholders on whether or not to accept the offer, it should explain the background for not making such a recommendation. The Board's statement on a bid 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 consider whether to arrange a valuation from an independent expert. If any member of the Board or executive management, or close associates of such individuals, or anyone who has recently held such position, is either the bidder or has a particular personal interest in the bid, the board should arrange an independent valuation in any case. This shall also apply if the bidder is a major shareholder. Any such valuation should be either appended to the Board's statement, be reproduced in the statement or be referred to in the 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.

Departures 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 auditor will each autumn prepare a plan for auditing activities in the coming year. The Board will from time to time consider if the auditors should participate in the Board meetings during the year. At the third quarter meeting the auditor presents risk areas and an evaluation of the company's internal control routines.

The Board of Directors have not yet held a meeting with the auditor at which neither the chief executive nor any other member of the executive management are present. The audit committee has held a meeting with the auditor at which neither the chief executive nor any other member of the executive management were present.

In addition to ordinary audit, the auditing company has provided consultancy services related to accounting. Reference is made to the notes to the consolidated financial statements.

Departures from the Recommendations: None

DIRECTORS' REPORT 2009

DIRECTORS OF THE BOARD

Helge Singelstad
Deputy Chairman of the Board

CEO in Laco AS and Chairman in Lerøy Seafood Group ASA

Helge 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.

Inga Lise L. Moldestad
Member of the Board

MBA and State Authorised
Public Accountant

Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based asset management company.

Extensive experience from securities trading from Holberg, Unibank, Skandia, Vesta. Wide experience from auditing, and consulting from Arthur Andersen, and Ernst & Young.

Oddvar Skjegstad
Member of the Board

Master of Business and Administration.

Self employed, with a wide experience from executive positions in public administration, bank and industrial activity.

Engaged in board activities within several different business sectors.

Hilde Waage
Member of the Board

MBA / CEMS Master

Deputy Group Chief Executive/Deputy CEO in Ocea Group.

Mrs. Waage holds a wide experience from bank, fishing and industry, and was working in Chile for 4 years.

DIRECTORS' REPORT
AUSTEVOLL SEAFOOD ASA 2009

Ole Rasmus Møgster, chairman of the Board of Directors, died on 23 February 2010 after a short illness. Ole Rasmus Møgster's long and passionate commitment to the Group and the industry, right to the end, played a major role in the Group's development. His death is a great loss to colleagues in Norway and abroad.

Introduction

Austevoll Seafood ASA (AUSS) is a vertically integrated fisheries group involved in activities within pelagic fishing, production of fishmeal and fish oil, processing of pelagic products for consumption, farming of salmon and trout, and sales activities in Norway, Europe and South America.

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

Important events in 2009

The following comprises a point-by-point and chronological summary of significant events that occurred in the last year, plus significant events after 31 December 2009:

- In February, AUSS and Origin Enterprises plc (Origin) merged their respective activities within fishmeal and fish oil in Norway, Ireland and the United Kingdom. AUSS's wholly owned Norwegian subsidiary Welcon Invest AS owned fishmeal and fish oil operations in Norway. Origin's wholly owned subsidiaries United Fish Industries (UK) Ltd and United Fish Ltd (the UFI companies) owned Origin's fishmeal and fish oil operations in the United Kingdom and Ireland. Origin has transferred its share (100%) of the UFI companies to Welcon Invest AS together with a cash contribution of EUR 16 million in return for a shareholding of 50% of the merged operations. With effect from February 2009, the activities of Welcon Invest AS are to be viewed as a jointly controlled activity in the consolidated financial statements of AUSS. This is accounted for using the gross method, i.e. 50% of all Welcon Invest AS's income statement and balance sheet items are consolidated in AUSS.

- In March, AUSS refinanced its bond issue, originally NOK 1,000 million and due in March 2010. An instalment of NOK 300 million was paid at the end of March 2009 and the remaining NOK 700 million split into three new loans, of which NOK 100 million was repaid in March 2010, NOK 300 million falls due for payment in June 2011 and the remaining NOK 300 million in March 2012.

- In May, AUSS sold 6,000,000 shares in Lerøy Seafood Group ASA at a price of NOK 82 per share. As a result, AUSS now owns 34,144,281 shares in Lerøy Seafood ASA, equivalent to 63.7% of the shares in the company.

- In June, Welcon Invest AS (50% owned company of AUSS) acquired a further 10% of the shares in Bodø Sildoljefabrikk AS, and as a result now owns 50% of the shares in the company. In addition, Welcon Invest AS indirectly owns 8.33% of the shares in Bodø Sildoljefabrikk AS through the company BS Holding AS.

- In September, AUSS carried out a private placement for Norwegian and international investors, issuing 18,400,000 new shares at a price of NOK 35.50 per share, which brought in NOK 653 million.

- 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 has caused extensive destruction and extreme suffering for the local population. We are grateful and relieved that none of our employees lost their lives in the earthquake. Our main priority in the weeks following the earthquake has been the wellbeing of our employees, as well as assessing the extent of material damage. Our fishing vessels have escaped unscathed but there has been some damage to land-based production facilities, with the frozen fish plant the worst affected. The coastal fleet started landing fish on 17 March and the company's own vessels resumed operations in late March. Production will mainly comprise fishmeal, fish oil and canned goods. It is anticipated that production of frozen goods will recommence in late April.

The Group's activities

In 2009 the Group's activities were divided into the following business segments: Production of fishmeal and fish oil, Production for human consumption, Pelagic North Atlantic, and Production, sale and distribution of salmon and trout.

Production of fishmeal and fish oil

Operations within production of fishmeal and fish 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 2009 was carried out at the Welcon Group's facilities in Egersund, Karmøy, Måløy, Bodø and Vadsø in Norway; Grimsby and Aberdeen in the United Kingdom; and Killybegs in Ireland. Production of fishmeal and fish oil mainly uses 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 production plants.

In Chile, the Group has two factories located in Coronel. Production here mainly uses anchoveta and cut-offs from pelagic production for consumption. Anchoveta as a raw material is mainly purchased from the coastal fleet.
In Peru, the Group has seven factories, located in Paita, Chicama, Coishco, Huarmey, Chancay, Pisco and Ilo. Here too, production mainly uses anchoveta and cut-offs from pelagic production for consumption. 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.

In June 2008, the Peruvian authorities adopted new legislation regulating anchoveta fishing. This introduced a quota system with maximum quotas per fishing vessel, so-called individual quotas. The 2009 fishing season was the first year of the new quota system. The new system has resulted in an increase in the number of fishing days from 48 days in 2008 to 179 in 2009. Experiences so far have been positive in terms of improved logistics between fishing and production, which in turn means reduced fuel consumption, increased product quality and greater stability for employees.

A total of 322,000 tons of fishmeal and fish oil were sold in 2009, compared with 310,000 tons in 2008. The business area reported sales of NOK 2,037 million in 2009, compared with NOK 137 million in 2008. Operating profit before depreciation and amortisation (EBITDA) for the business area was NOK 532 million in 2009, against NOK 529 million in 2008. The figures for sales and EBITDA in 2008 include non-recurring items totalling NOK 32 million related to insurance settlements and compensation for consequential loss.

The price of fish oil was significantly lower in 2009 than 2008, while the price for fishmeal in the first half of 2009 was lower than in the same period of 2008. However, a price increase in the second half of 2009 means that the average prices for 2009 as a whole are just above those for 2008.

Products for human consumption

Activities within production for direct consumption are run by the subsidiaries Epax AS in Norway, FoodCorp S.A in Chile and Austral Group S.A.A in Peru. The products within this segment are high- and low-concentrate Omega-3 oils and canned horse mackerel, mackerel, sardines, tuna fish, salmon and mussels. Horse mackerel is also processed for freezing.

Epax AS is based in Ålesund and is 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. A total of 1,528 tons high-concentrate and 287 tons low-concentrate Omega-3 oils were sold in 2009, against 1,517 and 255 tons respectively in 2008.

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. In Peru, the Group has three canned product factories, located in Paita and Coishco. The factory in Coishco also processes pelagic fish for freezing. Facilities for the production of canned goods were completed in Pisco at the end of 2009. Pisco has historically been a strategic area for fishing for horse mackerel.

In 2009 the business area sold approximately 2.2 million cases of canned products (Chile and Peru) and approximately 33,000 tons of frozen products (Chile and Peru), compared with approximately 3 million cases of canned goods (Chile and Peru) and 22,000 tons of frozen products (Chile) in 2008.

The business area reported sales of NOK 972 million for 2009, compared with NOK 784 million in 2008. Operating profit before depreciation and amortisation (EBITDA) for the business area was NOK 177 million in 2009, against NOK 158 million in 2008. The figures for sales and EBITDA in 2008 include non-recurring items totalling NOK 13 million related to compensation for consequential loss.

Production of canned goods was lower in 2009 than in 2008. This is because we used a greater volume of the fish for consumption in Chile for frozen products, and also because of a lower volume of fish for consumption caught in Peru in 2009 compared with 2008. The fishing situation in Chile was on a par with 2008, comprising one fishery approximately 1,000 nautical miles from our processing plants. Despite this, we fished approximately 75% of our quota for 2009, while the share for the comparable fleet in Chile was approximately 57% of the quota. It is pleasing to report that the proportion of our own quota in Chile used for direct consumption increased to 86% in 2009, against 79% in 2008. Our activities in Peru maintained their share of well over 20% of total Peruvian fishing of fish for consumption in 2009, but total fishing for the Peruvian consumer fleet as a whole was lower than in 2008.

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. This business segment also includes the companies' production results.

The business area reported sales of NOK 1,111 million for 2009, compared with NOK 780 million in 2008. Operating profit before depreciation and amortisation (EBITDA) for the business area was NOK 66 million in 2009, compared with NOK 30 million in 2008.

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

Production, sales and distribution of salmon and trout

The business area Production, sales and distribution of salmon and trout comprises the entire activities of Lerøy Seafood Group ASA. The company has been 100% consolidated in the consolidated financial statements of AUSS since December 2008.

In 2009 the business area reported sales of NOK 7,474 million and EBITDA prior to adjustment for biomass of NOK 1,154 million. A total of 108,500 tons of salmon and trout from our own production were sold in 2009. As the business area has only been fully consolidated since December 2008, the figures are not directly comparable with the financial statements for 2008. Note 8 in the consolidated financial statements shows pro forma figures as if the business area had been fully consolidated throughout 2008.

The level of activity is satisfactory and provides the business area with good opportunities to further develop its position as a leading exporter of seafood.

Both sales and EBITDA are far and away the best Lerøy Seafood Group ASA has ever achieved, and are the result of volume growth, lower feed costs, improved biological production and good prices for the business area's main products, i.e. Atlantic salmon and trout. In addition, sales and distribution experienced extremely good development in 2009. 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. Production costs fell in 2009, and we believe this trend will continue. 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 will not become apparent for another one to two years are therefore important. Improved production in 2009, including improved fish health, means that falling production costs are also expected going forward.

Shareholder structure

At 31 December 2009 AUSS had 4,192 shareholders and the share price was NOK 36.20. At the same date 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 2010, to increase the share capital by issuing 31,736 shares. The Board of Directors further has the authority, in the same period, to buy back up to 18,431,737 of the shares in AUSS at a price in the range NOK 10-100. At year-end 2009 AUSS did not own any treasury shares.

AUSS's goal is to maximise value generation for shareholders through good results and, over time, to pay between 20% and 40% of the Group's net profit in dividends. The Board will recommend to the annual general meeting payment of a dividend of NOK 1.20 per share in 2010.

The Board complies with the Norwegian Code of Practice for Corporate Governance. The Board of Directors has ensured that AUSS is suitably 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' focus, however, is on systematically working to identify risk areas and 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 society at large. The Group's growth opportunities must always be viewed in the context of the Group's total risk profile.

Identified risks are monitored on a regular basis to ensure an acceptable level of risk exposure for the Group. 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 goals. The level of systematic risk identification and risk management varies within the Group's companies.

The Group's diversified range of companies and products, including its geographical spread, may help to limit risk in terms of specific product volatility and business cycles.

Health, Safety and the Environment

The total number of person-years in the Group in 2009 was 6,250, of which 4,359 were outside Europe. Where acquisition of activities during the year is concerned, a proportionate share of person-years in the ownership period is taken into account in calculating total person-years for the Group. Female employees are under-represented on the Group's vessels but over-represented in the processing plants. 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.

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 and lifestyle. The Group also aims to be a workplace where there is no discrimination on grounds of disability.

The Group places great emphasis on managing and developing all the elements 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 conducted 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 shore-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 Norwegian Directorate of Fisheries. The Group's production of fishmeal and fish oil in Norway requires a licence and is subject to the regulations of the Norwegian Climate and Pollution Agency, the former STF. All the Group's Peruvian factories, owned by Austral Group S.A.A, are ISO 14001 certified, and Epax AS in Norway is also in the last phase of the approval process for ISO 14001 certification.

AUSS is committed to the sustainable development of fishery resources and actively monitors employee and management compliance with relevant regulations and quota provisions in order to ensure that the resources are conserved for future generations.

In 2009, Austral Group S.A.A achieved "Friend of the Sea" certification. This has been 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 over-fished (www.friendofthesea.com).

The Group's three factories for production of pelagic products in Norway were MSC certified in 2009. These are Austevoll Fiskeindustri AS, Sir Fish 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 minor emissions of exhaust gases. The Group's shore-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 cause a significant environmental burden.

Sickness absence in 2009 was 5.58% of shore-based working hours in the European part of the Group, compared with 5.96% in 2008. Acquisitions in 2008 and 2009 mean that the figures for sickness absence are not directly comparable with previous years. 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 2009. 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.

However, the associated company Scottish Seafarms Ltd suffered the most tragic situation a company can experience. Two of our employees lost their lives in tragic circumstances in connection with maintenance work on a feeding float. This incident has of course affected the entire organisation, and procedures have been implemented to ensure that it never happens again. The Board of Directors wishes to express its great sadness, and our thoughts are with the bereaved.

Consolidated financial statements

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

The Group's revenue in 2009 was NOK 11,325 million, against NOK 4,066 million in 2008. As Lerøy Seafood Group ASA has only been fully consolidated with effect from December 2008, the figures are not directly comparable. Note 8 in the consolidated financial statements shows pro forma figures as if Lerøy Seafood Group ASA had been fully consolidated throughout 2008.

Operating profit before depreciation and amortisation (EBITDA) and prior to adjustment for biomass was NOK 1,922 million in 2009, against NOK 788 million in 2008. Good prices were achieved for the Group's pelagic products for human consumption, i.e. Atlantic salmon and trout. The average prices achieved for fishmeal in 2009 were slightly higher than the average prices for 2008, while the prices achieved for fish oil in 2009 were significantly lower.

Operating profit (EBIT) prior to adjustment for biomass was NOK 1,442 million in 2009 and NOK 479 million in 2009. Operating profit after adjustment for biomass was NOK 1,503 million, against NOK 596 million in 2008.

Profit from associated companies was NOK 80 million in 2009, compared with NOK 25 million in 2008, the majority of which derived from Lerøy Seafood Group ASA, which was an associated company up to and including November 2008.

Net financial expenses were NOK -253 million in 2009, compared with NOK -337 million in 2008. The decrease in net financial expenses is mainly due to positive currency effects. In 2008 the figure for net financial expenses included NOK 109 million in foreign exchange losses as a result of fluctuations in the US dollar and the Euro.

Profit for the year after tax was NOK 988 million in 2009, compared with NOK 163 million in 2008.

The Group's net cash flow from operating activities was NOK 1,679 million in 2009, compared with NOK 414 million in 2008. Net cash flow from investing activities was NOK 181 million in 2009, and is positive as a result of the sale of shares in Lerøy Seafood Group ASA and the dividend received from an associated company. In 2008 the Group's net cash flow from investing activities was NOK -1,448 million. Investments mainly comprised the acquisition of Lerøy Seafood Group ASA. Net cash flow for the year from financing activities was NOK -864 million. In addition to ordinary repayments in 2009, an extraordinary repayment of NOK 778 million was also made on long-term liabilities during the year. In 2008 the Group's net cash flow from financing activities was NOK 615 million, mainly from new loans raised in connection with the acquisition of Lerøy Seafood Group ASA. At 1 January 2009 the Group had cash holdings of NOK 644 million; the figure at 31 December 2009 was NOK 1,624 million.

The Group has a balance sheet total of NOK 16,291 million. Equity is NOK 7,095 million, giving an equity ratio of 44%. At year-end the Group had net interesting-bearing debt of NOK 4,091 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 over the last year, 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 long-term sustainable values in promising seafood industries.

Changes in fishing patterns and quota regulations mean quarter-on-quarter 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.

As the majority of the Group's debt is at floating rates of interest and therefore exposed to changes in interest rate levels, the resulting exposure to risk is identified and assessed on an ongoing basis.

The Group has always attached importance to long-term collaboration with financial partners. The Group therefore has satisfactory financing, 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' not being able 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 deemed 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.

Parent company financial statements for Austevoll Seafood ASA

Austevoll Seafood ASA is the Group's holding company and has 11 employees. Sickness absence in 2009 was 2.29%, compared with 1.72% in 2008. 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 operation 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 2009 was NOK 6 million, which is the same as 2008.

Operating profit before depreciation and amortisation (EBITDA) was NOK -16 million in 2009, against NOK -19 million in 2008.

Net financial expenses were NOK 99 million in 2009, against NOK 311 million in 2008. These positive figures include dividends from subsidiaries taken to income. Profit for the year after tax was NOK 135 million, against NOK 217 million in 2008.

The parent company's net cash flow from operating activities was NOK 105 million in 2009, compared with NOK 32 million in 2008. Net cash flow from investing activities was NOK 800 million in 2009, compared with NOK -1,975 million in 2008, reflecting, among other things, the acquisition of Lerøy Seafood Group ASA. In 2009 the parent company's net cash flow from financing activities was NOK -431 million. In addition to ordinary repayments in 2009, an extraordinary repayment of NOK 778 million was also made on long-term liabilities. In 2008 the parent company's net cash flow from financing activities was NOK -1,361 million, mainly from new loans raised in connection with the acquisition of Lerøy Seafood Group ASA. At 1 January 2009 the parent company had cash holdings of NOK 288 million; the figure at 31 December 2009 was NOK 763 million.

The parent company has a balance sheet total of NOK 6,859 million. Equity is NOK 4,425 million, giving an equity ratio of 65%. At year-end the company had net interesting-bearing debt of NOK 1,391 million. This does not include long-term interest-bearing claims against subsidiaries totalling NOK 1,699 million.

The parent company's financial statements show a profit of NOK 135 million. The Board of Directors proposes that NOK 135 million be transferred to other equity and provision of NOK 243 million be made for dividend payments. After the profit allocation, the company has non-restricted shareholders' equity of NOK 610 million.

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

Future prospects

Fishmeal/fish oil

Fishmeal prices again showed an upward trend during the fourth quarter of 2009 and have been stable so far in 2010. Fish oil prices have shown a weak increase since the autumn of 2009 and so far in 2010. A consistently high level of demand for these products has been registered on the key markets, and this is expected to continue.

Products for human consumption

Going forward, the Board expects consistently good demand for the Group's products for human consumption, combined with good prices. Increased focus on health among consumers means that the market for the Group's high-concentrate Omega-3 products is expected to continue its positive development.

Production, sales and distribution of salmon and trout

The development in demand for Atlantic salmon and trout has been positive in 2009. The positive trend in 2009, combined with the anticipated reduction in the global supply of Atlantic salmon in 2010, and expectations of limited growth in the next few years, provide grounds for continued optimism. 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 Board of Directors is pleased that the Group has posted a good operating profit for its business areas in 2009, and would like to thank employees for their hard work.

There is normally a greater level of uncertainty linked to future prospects, but the Board considers that recent years' investments in fishing and production rights, the fleet, industrial facilities, and sales and distribution will ensure the Group a robust earnings platform in the years ahead too.

Storebø, 7th April 2010

Helge Singelstad
Deputy Chairman

Oddvar Skjegstad

Inga Lise L. Moldestad

Hilde Waage

Arne Møgster
President & CEO

Amounts in NOK 1 000

	Note	2009	2008
Sales revenue	**3, 10, 11, 32**	**11 237 313**	**4 019 190**
Other income	**11**	71 098	24 193
Other gains and losses	**11**	16 198	45 012
Raw materials and consumables used		-7 203 017	-2 291 768
Salaries and personnel expenses	**12, 27**	-1 172 508	-473 280
Other operating expenses	**12, 30, 32**	-1 027 389	-534 730
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets		**1 921 695**	**788 617**
Depreciation	**16**	-463 877	-250 029
Amortisation of intangible assets	**15**	-1 658	-194
Impairments/reversal of impairments	**15, 16**	-13 667	-59 803
Operating profit before fair value adjustment of biological assets		**1 442 493**	**478 591**
Fair value adjustment of biological assets	**21**	60 483	116 953
Operating profit	**10**	**1 502 976**	**595 544**
Income from associated companies	**17**	80 341	24 988
Financial income	**13**	101 807	57 016
Financial expenses	**13**	-354 792	-393 745
Profit before taxes		**1 330 332**	**283 802**
Income tax expenses	**26**	-342 383	-120 851
Profit for the year		**987 949**	**162 951**
Profit attributable to minority interests		264 606	40 460
Profit attributable to shareholders of Austevoll Seafood ASA		723 343	122 491
Average no. of shares (thousands)	**14**	188 917	184 317
Earnings pr. share (NOK)	**14**	3.83	0.66
Earnings pr. share - diluted (NOK)	**14**	3.83	0.66

Amounts in NOK 1 000

	Note	2009	2008
Profit for the year		**987 949**	**162 951**
Currency translation differences		-448 553	472 347
Other comprehensive income related to associated companies		0	-36 233
Other comprehensive income net of tax		**-448 553**	**436 114**
Total comprehensive income for the year		**539 396**	**599 065**
Attributable to:			
Minority interest		231 560	541 772
Shareholders of Austevoll Seafood ASA		307 836	57 293
Total comprehensive income for the year		**539 396**	**599 065**

Amounts in NOK 1 000

Assets	Note	31.12.2009	31.12.2008
Goodwill	**15**	1 763 854	1 885 051
Deferred tax asset	**26**	28 084	20 497
Licenses	**15**	3 603 097	3 735 816
Brand/trademarks	**15**	204 363	201 437
Vessels	**16**	697 851	811 401
Other property, plant and equipment	**16**	3 173 199	3 573 932
Associated companies	**17**	492 391	540 477
Investments in other shares	**18**	40 728	40 967
Non-current receivables	**19**	136 690	124 815
Total non-current assets		**10 140 257**	**10 934 394**
Inventories	**20**	838 361	878 379
Biological assets	**21**	1 858 562	1 676 164
Trade receivables	**3, 19, 32**	1 476 172	1 406 178
Other current receivables	**19, 22**	354 241	446 001
Cash and cash equivalents	**3, 24, 29**	1 623 616	643 536
Total current assets		**6 150 951**	**5 050 258**
Total assets		**16 291 209**	**15 984 653**

Equity and liabilities	Note	31.12.2009	31.12.2008
Share capital	**25**	101 359	92 159
Share premium		3 713 549	3 083 918
Retained earnings and other reserves		1 700 890	1 451 974
Minority interest		1 579 684	991 717
Total equity		**7 095 482**	**5 619 768**
Deferred tax liabilities	**26**	1 757 247	1 666 258
Pension obligations and other obligations	**27**	30 177	34 323
Borrowings	**3, 29**	4 508 520	5 432 917
Other non-current liabilities	**29, 32**	27 194	437 960
Total non-current liabilities		**6 323 137**	**7 571 457**
Borrowings	**3, 29**	1 314 277	1 451 768
Trade payables	**3, 32**	881 079	721 756
Tax payables	**26**	125 599	28 340
Other current liabilities	**31**	551 635	591 564
Total current liabilities		**2 872 590**	**2 793 428**
Total liabilities		**9 195 727**	**10 364 886**
Total equity and liabilities		**16 291 209**	**15 984 653**

Storebø, 7th April 2010

Helge Singelstad
Deputy Chairman

Oddvar Skjegstad

Inga Lise L. Moldestad

Hilde Waage

Arne Møgster
President & CEO

Amounts in NOK 1 000

	Note	Share capital	Share premium	Currency translation differences	Retained earnings	Minority interests	Total equity
Equity 01.01.08		**92 159**	**3 083 918**	**-160 916**	**1 126 229**	**87 221**	**4 228 611**
Profit for the period		**0**	**0**	**0**	**122 491**	**40 460**	**162 951**
Currency translation differences		0	0	455 514	0	16 833	472 346
Other comprehensive income related to associated companies		0	0	0	-36 233	0	-36 233
Other comprehensive income in the period		**0**	**0**	**455 514**	**-36 233**	**16 833**	**436 114**
Total comprehensive income in the period		**0**	**0**	**455 514**	**86 258**	**57 293**	**599 065**
Transactions with shareholders							
Dividends		0	0	0	-55 295	0	-55 295
Transactions with minorities		0	0	0	184	-692	-508
New equity from cash contributions		0	0	0	0	36 366	36 366
Equity and minority interests - business combinations		0	0	0	0	811 529	811 529
Total transactions with shareholders in the period		0	0	0	-55 111	847 203	792 092
Total change in equity in the period		0	0	455 514	31 148	904 495	1 391 157
Equity 31.12.08		**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
Other comprehensive income in the period		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 minorities	**7**	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
New equity from cash contributions	**25**	9 200	629 631	0	0	1 600	640 431
Total transactions with shareholders in the period		**9 200**	**629 631**	**0**	**-58 921**	**356 408**	**936 318**
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**

Amounts in NOK 1 000

	Note	2009	2008
Profit before income taxes		1 330 332	283 802
Fair value adjustment on biological assets	**21**	-60 483	-116 953
Taxes paid for the period	**26**	-124 305	-91 245
Depreciation and amortisation	**15, 16**	464 127	250 223
Impairments	**15, 16**	13 667	59 803
(Gain) on sale of property, plant and equipment	**11**	-3 046	1 092
(Gain) on investments	**11**	-13 140	0
Unrealised exchange gains and losses		-62 750	36 958
Share of (profit) from associates	**17**	-78 640	-24 988
Interest expense	**13**	325 851	279 599
Interest income	**13**	-44 295	-52 125
Change in inventories		-47 551	-124 017
Change in accounts receivables and other receivables		-64 827	-286 776
Change in accounts payables and other payables		144 041	-36 894
Change in other accruals		-17 918	187 978
Currency translation differences working capital		-81 955	47 324
Net cash flow from operating activities		**1 679 108**	**413 783**
Proceeds from sale of fixed assets		31 753	4 789
Proceeds from sale of shares and other equity instruments	**7**	488 995	0
Net cash effect business combination	**7**	67 817	0
Purchase of intangible and tangible fixed assets	**15, 16**	-389 400	-297 631
Purchase of shares and equity investments in other companies/business combinations	**7**	-43 275	-1 165 198
Dividend received (incl dividends from associates)		51 203	36 969
Movements in long term loans granted		-26 493	-27 123
Net cash flow from investing activities		**180 600**	**-1 448 194**
Proceeds from issuance of long-term interest bearing debt		283 827	1 574 614
Repayment of long-term interest bearing debt		-1 303 989	-667 176
Movement in short-term interest bearing debt		-130 497	-57 217
Interest paid net		-291 605	-206 607
Dividends paid		-56 165	-55 295
Cash contribution minority interests		1 600	26 394
Net proceeds from issuance of shares*	**25**	633 243	0
Net cash flow from financing activities		**-863 586**	**614 713**
Net change in cash and cash equivalents		**996 121**	**-419 699**
Cash and cash equivalents at 01.01.	**24**	**643 536**	**1 040 911**
Currency exchange gains on opening balance of cash and cash equivalents		-16 042	22 324
Cash and cash equivalents at 31.12.	**24**	**1 623 616**	**643 536**

* 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.

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 7th, 2010.

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 2009

- Changes in IFRS 7 and IAS 1 only results in additional disclosures, there is no impact on earnings pr. share.
- Changes in IFRS 2 and IAS 23 do not have a material impact on the financial statements.
- IFRS 8 Operating segments. The new standard has affected two of the reportable segments. The segment previously named trading included the trading activities of one of the subsidiaries in Chile. This activity has now been included in the segment human consumption. The new segment, Pelagic North Atlantic, consists of the rest of the activities that were previously included in the segment Trading. The standard has been implemented retrospectively.

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

- IAS 27 (Revised), 'Consolidated and separate financial statements', (effective from 1 July 2009) and IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standards will only affect transactions that are carried through after 1 January 2010.
- IFRS 5 (Amendment), IAS 38 (Ammendment) and IFRIC 17. 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 purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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

Transactions with minority interests

The group applies a policy of treating transactions with minority interests as transactions with equity owners of the group. For purchases from minority 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 minority interests are also recorded in equity.

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 equity.

The fair value of the Group's investments in 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. 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 fair value (recoverable amount). Impairments may be reversed at a later reporting date.

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 hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

(iii) all resulting exchange differences are recognised 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. 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 equity.

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 Ordinary General Meeting.

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 balance sheet date
New information after the balance sheet date concerning the group'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 group's financial position on the balance sheet date, but will affect the group's financial position in the future is reported where material.

Earnings pr. share
Earnings pr. 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 pr. 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 withdrawels 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 pr. year end.

The Group 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.

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 the Group's turnover, accounts receivable, accounts payable and interest bearing debt.

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

	2009			2008		
	Currency	**NOK**	**Share %**	**Currency**	**NOK**	**Share %**
Turnover:						
NOK		3 202 062	28 %		1 142 373	28 %
USD	513 539	3 225 849	29 %	385 908	2 176 136	54 %
CLP	18 013 870	223 135	2 %	18 829 077	204 672	5 %
PEN	56 219	109 966	1 %	88 482	173 075	4 %
EUR	330 132	2 881 561	26 %	30 579	251 573	6 %
SEK	1 036 877	852 624	8 %	46 478	39 727	1 %
Other currency		742 117	7 %		31 635	1 %
Total		**11 237 313**	**100 %**		**4 019 190**	**100 %**
Trade receivable						
NOK		347 445	24 %		407 715	29 %
USD	82 700	477 730	32 %	56 501	395 442	28 %
CLP	5 781 028	60 718	4 %	6 722 286	72 937	5 %
PEN	9 101	20 176	1 %	8 934	19 805	1 %
EUR	44 986	374 059	25 %	34 726	342 572	24 %
SEK	154 359	125 015	8 %	112 339	101 577	7 %
Other currency		71 029	5 %		66 131	5 %
Total		**1 476 172**	**100 %**		**1 406 178**	**100 %**
Cash and cash equivalents						
NOK		1 312 927	81 %		519 999	81 %
USD	30 326	175 187	11 %	9 393	65 742	10 %
CLP	595 088	6 250	0 %	3 155 633	34 239	5 %
PEN	4 871	10 798	1 %	1 676	3 716	1 %
EUR	6 572	54 643	3 %	395	3 895	1 %
SEK	38 447	31 138	2 %	15 450	13 970	2 %
Other currency		32 674	2 %		1 976	0 %
Total		**1 623 616**	**100 %**		**643 536**	**100 %**
Trade payable						
NOK		564 006	64 %		473 015	66 %
USD	15 552	89 841	10 %	7 390	51 720	7 %
CLP	3 549 597	37 281	4 %	3 478 511	37 742	5 %
PEN	14 697	32 581	4 %	10 615	23 533	3 %
EUR	3 954	32 876	4 %	4 356	42 976	6 %
GBP	5 710	53 203	6 %	2 837	28 714	4 %
SEK	81 472	65 984	7 %	60 737	54 918	8 %
Other currency		5 307	1 %		9 138	1 %
Total		**881 079**	**100 %**		**721 756**	**100 %**
Interest bearing debt						
NOK		4 786 901	83 %		6 178 565	84 %
USD	168 180	971 528	17 %	157 937	1 105 384	15 %
PEN	0	0	0 %	3 408	7 555	0 %
EUR	64	531	0 %	1 314	12 966	0 %
SEK	18 917	15 321	0 %	20 056	18 135	0 %
Total		**5 774 281**	**100 %**		**7 322 606**	**100 %**

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

(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
As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

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 NOK 20,500 in 2009 and NOK 32,500 in 2008 through the impact of floating rate borrowings and deposits. The sensitivity analysis is based on the level of net interest bearing debt by year end 2008 and 2009.

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 2009	**Less than 1 year**	**Between 1 - 5 years**	**Over 5 years**
Borrowings (ex. finance lease liabilities)	1 505 491	3 605 651	1 145 832
Finance lease liabilities	68 430	204 218	64 020
Trade and other payables (ex. Statutory liabilities)	1 305 821	-	-

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

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

	2009	**2008**
Total borrowings (note 29)	5 849 990	7 322 606
Less: cash and cash equivalents (note 24)	1 760 305	768 350
Net debt	4 136 968	6 554 256
Total equity	7 095 482	5 619 768
Capital employed	**11 185 167**	**12 174 024**
Gearing ratio	**37 %**	**54 %**

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.

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 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 Group has to a limited degree such financial instruments.

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

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

FINANCIAL INSTRUMENTS BY CATEGORY

31 December 2009 Assets as pr. 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	40 728
Trade and other receivables exc.prepayments*	1 885 519	0	16 720	0	1 902 239
Cash and cash equivalents	1 623 616	0	0	0	1 623 616
Total	**3 509 135**	**0**	**16 720**	**40 728**	**3 566 582**

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

31 December 2009 Liabilities as pr. 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.
Forward currency exchange contracts are presented as other short term liabilities in the balance sheet

31 December 2008 Assets as pr. 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	40 967	40 967
Trade and other receivables exc.prepayments*	1 865 427	0	19 617	0	1 885 044
Cash and cash equivalents	643 536	0	0	0	643 536
Total	**2 508 963**	**0**	**19 617**	**40 967**	**2 569 547**

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

31 December 2008 Liabilities as pr. 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	7 041 679	7 041 679
Finance lease liabilities*	0	0	280 926	280 926
Trade and other payables exc.statutory liabilities*	0	44 067	1 188 187	1 232 254
Total	**0**	**44 067**	**8 510 792**	**8 554 859**

* 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.).

A sensitivity analysis for the prices of Atlantic salmon and trout at 31.12.09, shows the following impact on the Group's operating result (NOK 1,000):

Price reduction pr. kilo	**NOK 1.00/kg**	**NOK 2.00/kg**	**NOK 5.00/kg**
Reduced operating result LSG consolidated	-42 327	-83 673	-202 051

Price increase pr. kilo	**NOK 1.00/kg**	**NOK 2.00/kg**
Increased operating result LSG consolidated	45 195	91 858

NOTE 5 GROUP COMPANIES

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

Company	Country	Parent company	Ownership %
Lerøy Seafood Group ASA	Norway	Austevoll Seafood ASA	63.73 %
Lerøy Hydrotech AS	Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Midnor AS	Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Austevoll Holding AS	Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Aurora AS	Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Fossen AS	Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy & Strudshavn AS	Norway	Lerøy Seafood Group ASA	100.00 %
Sigerfjord Aqua AS	Norway	Lerøy Seafood Group ASA	90.55 %
Nordvik SA	France	Lerøy Seafood Group ASA	90.00 %
Inversiones Seafood Ltda	Chile	Lerøy Seafood Group ASA	100.00 %
Portnor 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	75.00 %
Lerøy Trondheim AS	Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Fisker'n AS	Norway	Lerøy Seafood Group ASA	70.00 %
Hallvard Lerøy AS	Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Quality Group AS	Norway	Hallvard Lerøy AS	100.00 %
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 %
Epax Holding AS	Norway	Austevoll Seafood ASA	100.00 %
Epax AS	Norway	Epax Holding AS	100.00 %
Epax Lipro AS	Norway	Epax Holding AS	100.00 %
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 %

NOTE 5 GROUP COMPANIES (CONT.)

Company	Country	Parent company	Ownership %
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 %
P. Nuevo Horizonte	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	65.00 %
FoodCorp Chile S.A	Chile	Pesquera del Cabo S.A	35.00 %
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.	100.00 %
Alumrock Overseas S.A	Chile	FoodCorp Chile S.A	100.00 %

NOTE 6 INTRAGROUP TRANSACTIONS

Amounts in NOK 1 000

Austevoll Fiskeindustri AS rents a major part of its property and buildings from Austevoll Eiendom AS. The annual rental cost for 2009 was MNOK 4 (2008: MNOK 4). Other group companies rents offices from Austevoll Eiendom AS. The rent was MNOK 0.7 in 2009 (2008: MNOK 0.7).

Welcon AS (and its subsidiaries) bought fish oil and fish meal from other group companies. The value of these transactions was MNOK 7 in 2009 (2008: MNOK 45).

Epax AS bought fish oil from other group companies. The value of these transactions was MNOK 57 in 2009 (2008: MNOK 55).

Atlantic Pelagic AS bought pelagic products from several other group companies. The intragroup transactions amounted to MNOK 665 in 2009 (2008: MNOK 396).

Lerøy Seafood Group ASA (and it subsidiaries) bought salmon products and services as slaughtering, packaging and storage of salmon from a group company . The terms and rates for these services are negotiated annually between the parties. These services amounted to MNOK 156 in 2009 (2008: MNOK 6). The value of sales transactions of salmon products to other group companies was MNOK 66 in 2009.

All transactions within the group are based upon commercial terms.

NOTE 7 BUSINESS COMBINATIONS

Change in ownership interest in Welcon Invest AS

February 4th 2009, Austevoll Seafood ASA and Origin Enterprises agreed to combine their respective Norwegian, Irish and UK fish meal and fish oil operations. Austevoll operated their Norwegian fish meal and fish oil operations through the wholly owned Welcon Invest group, while Origin operated their operation through the wholly owned United Fish Industries (UFI) companies.

Origin transferred their interest in UFI to Welcon Invest AS, together with a cash contribution of EURO 16 million, in return for a 50% shareholding in the combined business. After the transaction, Welcon Invest AS is considered to be a joint venture where Austevoll Seafood ASA owns 50%.

In the financial statements, 50% of assets and liabilities relating to Welcon Invest AS has been derecognised. Austevoll Seafood ASA has recognised a gain reflecting the changed ownership. The gain is recognised as other gains and losses in the profit and loss statement.

Proportionate consolidation have been applied after the transaction date.

As part of the transaction, loans from Austevoll Seafood ASA to Welcon Invest AS was repaid. The total cash effect from the transaction for the group was positive with MNOK 67.8.

NOTE 7 BUSINESS COMBINATIONS (CONT.)

Gain from loss of control Welcon Invest AS	
Carrying value 50% of Welcon Invest AS	-229 856
Fair value of consideration received (50% of contribution in kind and cash contribution in Welcon Invest AS)	247 273
Reclassification of 50% of items previously recognised in other comprehensive income	-4 276
Gain, classified as other gains and losses	**13 141**
Purchase consideration United Fish Industries	**100 %**
Fair value of Welcon Invest AS shares issued, 100%	344 000
Direct cost relating to the transaction, 100%	4 544
Total purchase consideration, 100%	**348 544**
Fair value of net assets received, 100%	110 974
Goodwill, 100%	**237 570**
Goodwill, AUSS 50% share	**118 785**

Change in ownership in Lerøy Seafood Group ASA
May 15 2009, Austevoll Seafood ASA sold 6,000,000 shares in Lerøy Seafood Group ASA. After the transaction the group owns 34,144,281 shares in Lerøy Seafood Group ASA. The cash effect of the transaction was MNOK 484.6. The transaction lead to a derecognition of goodwill of MNOK 165.3. The transaction lead to an increase of minority interest of MNOK 385.1, while equity attributable to the shareholders in Austevoll Seafood ASA was reduced by MNOK 65.8.

Other aquisitions
The group has carried through some aquisitions during the year, which is determined immaterial for separate disclosure. Total goodwill recognised for these transactions amounts to MNOK 31. Net cash outflow for these acqusitions has been MNOK 30.7.

NOTE 8 PRO FORMA RESULT

Pro forma result

The statement below display the pro forma figueres as if Lerøy Seafood Group ASA was wholly consolidated for the entire 2008.

	2008
Operating income	9 823 874
Operating expenses	-8 581 064
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**1 242 810**
Depreciation and amortisation	-488 497
Operating profit before fair value adjustment of biological assets	**754 313**
Fair value adjustment of biological assets	-36 369
Operating profit	**717 944**

NOTE 9 EVENTS AFTER BALANCE SHEET DATE

Earthquake in Chile in February 2010
On 27th 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 in Chile, as well as employing many staff. The Group's land-based operation is in the city of Coronel, to the south of the earthquake's epicentre. The destructive force of the earthquake has been enormous and the toll in human life quite considerable.

Our main priority in the weeks following the earthquake has been the well-being of our employees, as well as assessing the extent of material damage. Fishing vessels have remained undamaged, but production facilities on land have suffered some damage. Among these, the frozen production plant is the most seriously damaged. The coastal fleet started landing fish on 17th March and the company's own vessels started fishing operations during the last part of March.

Production will mainly cover fishmeal, fish oil and canned products. It is anticipated that frozen production operations will commence during the last part of April.

In addition to plant and equipments insurance the company also has interruption insurance.

The Group

NOTE 10 SEGMENT INFORMATION

Business 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 two plants in Chile, Austral Group S.A.A operates seven plants in Peru and Welcon operates five 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 two freezing plants. In Peru the Group operates three canning plants and two freezing plants. In Norway Epax AS is one of the world's leading producers of high concentrated Omega 3 based on fish oil.

Pelagic North Atlantic
The Pelagic North Atlantic segment consists of Austevoll Fisk group. Austevoll Fisk are selling pelagic fish for the international market, and operates four plants 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. As of December 31, 2009 South America consists of Chile and Peru, while North Europe consist of Norway, Ireland and U.K.

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	0	-50	0		-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						

NOTE 10 SEGMENT INFORMATION (CONT.)

2008	FMO	HC	Pelagic North Atlantic	Production, sales & distribution	OTHER/ ELIM.	GROUP
External segment income	2 050 904	878 343	779 848	321 572	12 715	4 043 382
Inter-segment income	54 259	48 036	0	0	-102 295	0
Other gains and losses	31 816	13 195	0	0	0	45 011
Total segment income	**2 136 979**	**939 574**	**779 848**	**321 572**	**-89 580**	**4 088 393**
Operating expenses	-1 607 756	-773 631	-749 456	-241 538	75 605	-3 296 776
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**529 224**	**165 943**	**30 392**	**80 034**	**-13 975**	**791 617**
Depreciation and amortisation	-145 363	-71 345	-15 168	-18 553	-2 601	-253 030
Impairment/Reversal of impairments	-39 997	0	-20 000	0	0	-59 997
Operating profit before fair value adjustment of biological assets	**343 864**	**94 598**	**-4 776**	**61 481**	**-16 576**	**478 591**
Fair value adjustment of biomass	0	0	0	116 953	0	116 953
Operating profit	**343 864**	**94 598**	**-4 776**	**178 434**	**-16 576**	**595 544**
For information regarding impairments, see note 15 and 16						
Segment assets	2 915 411	1 816 147	167 317	5 244 583	64 180	10 207 638
Segment assets consist of tangible and intangible fixed assets						
Segment liabilities	274 758	182 732	151 770	831 459	-93 077	1 347 642
Segment liabilities consist of pension obligations, trade payable and other short term liabilities						
Investments in property and equipment in the period	128 280	141 396	107 368	1 294 818	9 519	1 681 381
Investments in intangible assets in the period	1 455	1 929	1 695	3 949 922	0	3 955 000
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	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Northern Europe	9 349 734	2 361 585	6 438 955	6 663 670	185 212	1 514 433	105 682	3 951 617
South America	2 029 133	1 814 748	3 003 408	3 543 968	104 021	166 948	7 592	3 383
Other/ eliminations	-54 258	-87 939	0	0	0	0	0	0
Total	**11 324 609**	**4 088 394**	**9 442 364**	**10 207 638**	**289 232**	**1 681 381**	**113 274**	**3 955 000**

Intersegment sales consist of fish oil sold from South America segment to the North Europe.

NOTE 11 INCOME

	2009	2008
Sales revenue		
Sale of goods and services	11 237 313	4 019 189
Other income		
Other operating income	71 098	24 193
Other gains and losses		
Gains and losses on sale of property, plant and equipment	3 046	84
Gain related to business combination Welcon Invest (see note 7)	13 141	0
Interruption compensation	0	25 376
Insurance compensation	0	20 706
Other gains and losses	11	-1 154
Total other gains and losses	**16 198**	**45 012**

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

	2009	2008
Salary and holiday pay	931 308	374 794
Hired personnel	86 127	21 508
Other remunerations	37 201	45
National insurance contribution	35 944	37 880
Pension costs (inc. national insurance contribution) - note 27	31 231	13 851
Share option cost (inc. national insurance contribution)	2 081	206
Other personnel costs	48 616	24 996
Total	**1 172 508**	**473 280**
Average man-labour year	6 250	4 610

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:

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**

2008 - Remunerations to the company's officers	**Salary**	**Salary related to previous year**	**Director's fee**	**Other remuneration**	**Total**
CEO	1 323	210	0	187	1 777
CFO	930	0	0	156	1 243
Chairman of the Board	0	0	180	11	191
Other members of the Board	0	0	600	12	150
Total	**2 253**	**210**	**780**	**365**	**3 360**

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

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

No loans or securities have been issued in 2009 or 2008 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,- pr. option. The options were fully allocated on 29.02.08. 96,000 options lapsed/expired in 2008, and pr. 31.12.2008 there are 604,000 options outstanding. 213,333 options lapsed/expired in 2009, and pr. 31.12.2009 there are 390,667 options outstanding.

The fair value of the 700,000 options allocated in 2008 are 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 duration. 1/3 of the options have a duration 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 pr. 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 is booked directly against equity (positive effect). Option costs booked in 2009 amounted to NOK 2,243 (2008: NOK 2,473).

Specification of auditor's fee	**2009**	**2008**
Audit fee	7 747	3 893
Audit fee to other auditors	1 258	65
Other assurance services	348	3 105
Other services to other auditors	63	0
Tax advice	299	264
Other services	1 814	1 315
Total	**11 529**	**8 641**

NOTE 13 OTHER FINANCIAL INCOME AND EXPENSES

	2009	**2008**
Other interest income	44 295	52 125
Currency gains (unrealised and realised)	57 512	0
Other financial income	0	4 891
Total other financial income	**101 807**	**57 016**
Interest expenses (note 29)	325 851	279 599
Currency losses (unrealised and realised)	0	79 889
Other financial expenses	28 938	34 257
Total other financial expenses	**354 789**	**393 745**
Net finance cost	**-252 982**	**-336 730**

NOTE 14 EARNINGS PR. SHARE AND DIVIDEND PR. SHARE

Basic
Basic earnings pr. 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 pr. share	**2009**	**2008**
The year's earnings	723 346	122 491
No. of shares at the balance sheet date (thousands)	202 717	184 317
Average no. of shares (thousands)	188 917	184 317
Earnings pr. share	**3.83**	**0.66**
Diluted earnings pr. share	3.83	0.66
Suggested dividend pr. share	**1.20**	**0.00**

NOTE 15 INTANGIBLE ASSETS

2008	Goodwill	Licenses fishfarming Norway	Licenses pelagic fisheries South America	Trademarks	Total
Per 01.01.					
Acquisition cost	686 880	0	773 917	151 465	1 612 262
Accumulated amortisation	0	0	0	-14	-14
Balance sheet value at 01.01.	**686 880**	**0**	**773 917**	**151 451**	**1 612 248**
Balance sheet value at 01.01.	686 880	0	773 917	151 451	1 612 248
Currency translation differences	81 226	-1 242	194 967	0	274 951
Effect of business combinations	1 113 562	2 828 063	0	50 000	3 991 625
Intangible assets acquired	3 383	0	0	0	3 383
Intangible assets sold/demerged	0	-40 000	0	0	-40 000
Amortisation	0	-157	-23	-14	-194
Impairment	0	0	-19 708	0	-19 708
Balance sheet value at 31.12.	**1 885 051**	**2 786 664**	**949 153**	**201 437**	**5 822 305**
Per 31.12.					
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 31.12.	**1 885 051**	**2 786 664**	**949 153**	**201 437**	**5 822 305**
2009					
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	0	0	0	104 820
Intangible assets acquired	0	1 232	7 222	0	8 454
Intangible assets sold/demerged/change in interests in subsidiaries	-165 208	0	0	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	

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.

NOTE 15 INTANGIBLE ASSETS (CONT.)

Cash generating units	Segment	Location	2009 Carrying amount of allocated goodwill	2009 Carrying amount of allocated licenses/brands with indefinite useful lives	2008 Carrying amount of allocated goodwill	2008 Carrying amount of allocated licenses with indefinite useful lives
FoodCorp S.A (1)	Human consumption	Chile	76 206	195 944	75 729	230 481
	Fish meal/oil	Chile	19 450	50 011	40 164	58 825
Epax Holding AS (2)	Human consumption	Norway	302 577	150 000	302 577	150 000
Austral Group S.A.A (3)	Human consumption	Peru	26 105	65 734	20 088	75 423
	Fish meal/oil	Peru	169 218	509 348	239 859	584 425
Welcon AS (4)	Fish meal/oil	Norway/ Ireland/UK	169 218	0	91 400	0
Lerøy Seafood Group ASA (5) Production	Production, sales and distribution	Norway	455 628	2 729 917	534 289	2 786 664
Lerøy Seafood Group ASA (5) Sales and distribution	Production, sales and distribution	Norway	493 597	50 000	578 813	50 000
Others (6)	Pelagic North Atlantic	Norway	18 795	0	2 133	0
Total			**1 763 852**	**3 750 953**	**1 885 051**	**3 935 817**

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.

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 ASA owns 50%. See note 7 for further infomation regarding the transaction.

5) Identified through the aquisition of Lerøy Seafood Group ASA in December 2008. The allocation of Goodwill between cash generating units has been finalized in 2009. There are no changes in the final purchase price allocation compared to prelimenary purchase price allocation disclosed in the annual report for 2008.

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

NOTE 15 INTANGIBLE ASSETS (CONT.)

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

Business segments 2008	FMO	HC	PNA	Production, sales & distribution	OTHER	GROUP
Carrying amount of allocated goodwill	371 423	404 289	2 133	1 113 101	0	1 890 945
Carrying amount of allocated licenses and brands with indefinite useful lives	643 250	455 903	0	2 836 664	0	3 935 817

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

There have been performed impairment tests for each cash generating unit by 31. December 2009.

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 2010, and estimated results for the years 2011 to 2015. After 2015 a terminal value is calculated based on the estimated result for 2015. The growth rate after year 2015 has been set to 0%. The budgets are mainly based on weighted historical performance and expectations that the Global and national quota allocations for 2010 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 value in use calculations satisfactorily exceeds the booked value for goodwill, licenses and brand in the different cash generating units.

Catch and purchase (figures in 1 000 tons)	2010 E	2009	2008
FoodCorp S.A own catch	108	90	102
FoodCorp S.A purchase raw material	76	80	73
Austral Group own catch	374	427	462
Austral Group purchase raw material	214	175	194
Welcon Group purchase raw material *	568	574	371

Volumes sold (figures in 1 000 tons/ 1 000 cases)	2010 E	2009	2008
Fishmeal and oil (tons) *	350	394	310
Frozen products (tons)	42	33	22
Canning (cases)	3 500	2 186	2 999
High and low consentrate Omega-3 oils (tons)	1.90	1.81	1.77
Salmon (tons)	116	108.5	-

* reflects 100% of Welcon group purchase and sales

NOTE 16 TANGIBLE FIXED ASSETS

2008	Land	Projects in progress	Buildings/ property	Plant, equipment and other fixtures	Vessels	Total
Per 01.01.						
Acquisition cost	208 628	128 349	728 734	1 446 575	953 954	3 466 240
Accumulated depreciation	0	0	-125 415	-518 679	-245 047	-889 142
Accumulated impairment	0	0	0	-1 325	0	-1 325
Balance sheet value at 01.01.	**208 628**	**128 349**	**603 318**	**926 571**	**708 907**	**2 575 774**
Balance sheet value at 01.01.	208 628	128 349	603 318	926 571	708 907	2 575 774
Currency translation differences	23 801	30 897	72 605	177 258	137 442	442 002
Reclassification	0	-43 685	-20 077	61 360	2 402	0
Effect of business combinations	17 355	0	471 540	901 878	0	1 390 773
Tangible fixed assets acquired	1 194	78 472	44 017	139 042	38 584	301 310
Tangible fixed assets sold	0	-85	-3 028	-30 555	-733	-34 401
Depreciation	-54	0	-33 229	-151 587	-65 159	-250 029
Impairment	-840	0	-320	-28 891	-10 043	-40 095
Balance sheet value at 31.12.	**250 084**	**193 948**	**1 134 825**	**1 995 076**	**811 401**	**4 385 334**
Per 31.12.						
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 31.12.	**250 084**	**193 948**	**1 134 825**	**1 995 076**	**811 401**	**4 385 334**
Balance sheet value of finance lease included above	**0**	**0**	**795**	**41 486**	**63 173**	**105 454**
Depreciation on finance lease included above	**0**	**0**	**276**	**8 409**	**5 265**	**13 950**

NOTE 16 TANGIBLE FIXED ASSETS (CONT.)

2009	Land	Projects in progress	Buildings/ property	Plant, equipment and other fixtures	Vessels	Total
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/demerged	-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	0	0	0	3 840	0	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	**0**	**0**	**0**	**21 454**	**7 059**	**28 513**

Impairment in 2009 relates to idle fishing vessels in Peru.

NOTE 17 ASSOCIATED COMPANIES AND INVESTMENTS IN JOINT VENTURES

Associated companies	2009	2008
Beginning of year	540 659	2 352 440
Acquisitions	22 220	87 544
Business combinations	-78 674	-1 824 821
Share of profit/(loss)*	80 341	24 988
Exchange differences	-18 294	-28 250
Dividends	-51 203	-36 969
Other changes in equity	-2 658	-34 272
End of year	**492 391**	**540 659**

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

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 incorporation	Assets	Liabilities	Revenues	Profit/loss	% interest held
2008						
Br. Birkeland AS	Norway	631 821	531 329	288 624	-27 734	40.20 %
Shetland Catch Ltd.	Great Britain	296 142	171 981	577 535	6 112	25.00 %
Bodø Sildoljefabrikk AS	Norway	167 340	78 633	174 154	20 558	40.00 %
Norskott Havbruk AS	Norway	1 204 764	696 393	771 954	24 091	50.00 %
Alfarm Alarko Lerøy	Turkey	55 707	21 916	91 530	6 190	50.00 %

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/loss	% interest held
2009						
Br. Birkeland AS	Norway	684 473	543 548	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 %

Financial year
All the associated companies except Shetland Catch Ltd follow the same financial year as the Group. Shetland Catch Ltd. has financial year 01.04 - 31.03.

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	**2009**	**2008**
Non-current assets	606 959	419 345
Current assets	296 106	47 493
Total assets	**903 065**	**466 838**
Liabilities		
Non-current liabilities	185 282	37 617
Current liabilities	154 803	89 969
Total liabilities	**340 085**	**127 586**
Total equity	**562 983**	**339 253**
Income	621 679	61 046
Expenses	-558 892	-89 030
Net result	**62 787**	**-27 985**

NOTE 18 INVESTMENTS IN OTHER SHARES

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**

2008 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			3 643	3 643
Total non-current			**47 403**	**40 967**

Reconsiliation of the carrying amount of investments in other shares	2009	2008
Beginning of year	40 967	32 124
Business combinations	0	8 175
Acquired/sold	-239	668
End of year	**40 728**	**40 967**
Less: non-current portion	-40 728	-40 967
Current portion	**0**	**0**

There were no impairment provisions on investments in other shares in 2009 and 2008.

Investments in other shares are denominated in the following currencies:	2009	2008
NOK	40 728	40 967
Total	**40 728**	**40 967**

NOTE 19 TRADE AND OTHER RECEIVABLES

	2009	2008
Trade receivables	1 500 850	1 427 546
Less: provision for impairment of trade receivables	-24 678	-21 367
Trade receivables - net	**1 476 172**	**1 406 178**
Other current receivables		
Prepayments	58 389	43 050
Loans to third parties	7 671	99 692
Public fees and taxes receivable	147 196	121 346
Currency forward contracts / Effects of fair value hedging	16 720	44 067
Balance on sale of equipment	0	2 239
Other current receivables	124 264	135 608
Total other current receivables	**354 241**	**446 001**
Total current	**1 830 413**	**1 852 179**
Non-current receivables		
Loans to related parties	29 984	0
Loans to third parties	61 062	98 885
Reimbursement rights under escrow accounts	14 304	14 320
Public fees and taxes receivable	2 500	0
Prepayments	6 475	0
Other non-current receivables	22 364	11 610
Total non-current receivables	**136 690**	**124 815**

The ageing of the trade receivables, past due but not impaired:	**2009**	**2008**
0 to 3 months	180 119	223 183
3 to 6 months	6 264	8 816
Over 6 months	75	12 759
Total	**186 457**	**244 758**

The Group's trade receivables of NOK 1,476,172 are partly covered by credit insurance and other types of security. Trade receivables pr. 31.12 were nominally NOK 1,500,850 while provisions for bad debts were amounted to NOK 24,678. Net trade receivables are booked in the balance sheet at NOK 1,476,172 pr. 31.12.

Trade receivables, past due but not impaired was NOK 186,457 per 31.12. The main part of the trade receivables, past due but not impaired are related to the subsidiary Lerøy Seafood Group ASA (LSG) with NOK 178,838 of the amount overdue. Pr. mid February 2010, more than 92% of the customer receivables related to LSG are paid.

The ageing of the trade receivables, past due and impaired:	**2009**	**2008**
0 to 3 months	11 647	8 013
3 to 6 months	3 842	958
Over 6 months	7 635	12 396
Total	**23 124**	**21 367**

NOTE 19 TRADE AND OTHER RECEIVABLES (CONT.)

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

Currency	2009	2008
USD	634 861	539 818
GBP	52 459	0
EUR	383 299	351 364
NOK	529 953	661 794
CHF	1 441	0
CLP	132 494	157 757
PEN	72 095	85 875
SEK	133 502	114 254
Other	26 998	66 130
Total	**1 967 104**	**1 976 993**

Movements on the provision for impairment of trade receivables are as follows:	2009	2008
Pr 01.01	-21 367	-7 880
Business combinations	0	-13 187
This years change in provisions	-7 347	-1 677
Receivables written off during the year as uncollectable	2 516	2 575
Currency translation differences	-248	-1 198
Unused amounts reversed	1 768	0
Pr 31.12	**-24 678**	**-21 367**

NOTE 20 INVENTORIES

	2009	2008
Raw materials	261 294	265 826
Work in progress	36 353	11 270
Finished goods	556 381	639 798
Obsoleteness	-15 667	-38 515
Total	**838 361**	**878 379**
Write-down of inventories expensed	-27 598	19 847

NOTE 21 BIOLOGICAL ASSETS

	2009	2008
Biological assets 01.01.	**1 676 164**	**0**
Increases due to production	2 151 482	204 275
Increase/decrease due to business combinations	0	1 504 259
Decreases due to sales / harvesting	-2 029 567	-149 323
Fair value adjustment of fish at period end	60 483	116 953
Biological assets 31.12.	**1 858 562**	**1 676 164**

Value estimates of fish in sea are 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 and smolt) are valued at cost price since little biological transformation has taken place (IAS 41.24).

The table below shows the total volume of fish in sea as well as the volume of harvestable salmon and trout (> 4 kg). The volume of char is not included in the total volume of harvestable fish, but the inventory of char is included in the book value of capitalised biological assets. The balance sheet value of char was NOK 13,079 in 2009 and NOK 16,060 in 2008.

NOTE 21 BIOLOGICAL ASSETS (CONT.)

	2009	2008
Total fish in sea (LWT)	79 558	69 499
Harvestable fish (> 4kg LWT)	30 506	13 308
Value adjustment harvestable fish (< 4kg)	200 045	90 065
Value adjustment immature fish (< 4kg)	96 390	145 887
Total value adjustment biological assets	296 435	235 952
Cost price of biological assets	1 562 127	1 440 212
Balance sheet value of biological assets	**1 858 562**	**1 676 164**

Value adjustment biological assets	**2009**	**2008**
Value adjustment pr. 01.01	235 953	0
Acquistions due to business combinations	0	119 000
The year's profit impact of value adjustments	60 483	116 953
Value adjustments pr. 31.12	**296 436**	**235 953**

NOTE 22 DERIVATIVE FINANCIAL INSTRUMENTS

Currency forward contracts

The table below shows the Group's currency forward contracts as of 31.12.2009. The contracts are for purchase(-)/sale(+) against NOK.

Currency	Currency amount	Exchange rate at maturity	Amounts in NOK	Fair value, NOK
EUR	73 500	8.485	623 615	13 857
USD	60 340	5.738	346 249	-1 134
SEK	108 000	0.825	89 064	1 692
JPY	1 200 000	0.064	77 240	2 281
GBP	-800	9.326	-7 460	-30
AUD	700	5.266	3 686	54
Total				**16 720**

	2009	2008
Recognised asset (- liability) due to fair value hedging	-27 869	44 067

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

	2009	2008
Other guarantees	0	31 786
Total	**0**	**31 786**

NOTE 24 RESTRICTED BANK DEPOSITS

	2009	2008
Restricted deposits related to employee` tax deduction	29 693	25 980
Other restricted deposits	6 245	7 951
Total	**35 938**	**33 930**

NOTE 25 SHARE CAPITAL AND SHAREHOLDERS

Share capital:
As of December 31, 2009 the Company has 202,717,374 shares at nominal value of NOK 0.50 pr. share.
None of the shares are owned by any group company.

Date of registration	Type of change	Nominal value pr. share (NOK)	Total share capital	Number of ordinary shares
01.01.2008/31.12.2008		0.50	92 158 687	184 317 374
25.04.2009	Share issue	0.50	9 200 000	18 400 000
31.12.2009			**101 358 687**	**202 717 374**

The shareholders in Austevoll Seafood ASA, were as of 31.12.:	Number of shares	Shareholding
Laco AS	112 605 876	55.55 %
Verdipapirfond Odin	7 434 587	3.67 %
Verdipapirfond Odin	5 887 900	2.90 %
Pareto Aksje Norge	4 271 000	2.11 %
Credit Suisse Securi Special Custody A/C	3 141 950	1.55 %
State Street Bank AC	2 697 763	1.33 %
Pareto Aktiv	2 503 200	1.23 %
Mitsui and Co Ltd	1 782 236	0.88 %
Odin Europa SMB	1 776 000	0.88 %
Br. Birkeland AS	1 722 223	0.85 %
State Street Bank AC	1 593 200	0.79 %
Goldman Sachs Int.	1 543 603	0.76 %
Folketrygdfondet JP Morgan Chase Bank	1 512 200	0.75 %
Deutsche Bank AG	1 486 600	0.73 %
Credit Suisse Securi Prime Broke	1 474 072	0.73 %
Holberg Norge	1 345 220	0.66 %
Holberg Norden	1 301 090	0.64 %
MP Pensjon	1 040 000	0.51 %
Nordea Bank Plc	1 021 000	0.50 %
Vital Forsikring ASA	909 558	0.45 %
Total 20 largest	**157 049 278**	**77.47 %**
Total others	45 668 096	22.53 %
Total numbers of shares	**202 717 374**	**100.00 %**

Shares controlled by Board members and management:	Number of shares	Shareholding
Board of Directors:		
Inga Lise L. Moldestad	40 000	0.02 %
Helge Singelstad	50 000	0.02 %
Oddvar Skjegstad	55 000	0.03 %
Management group:		
CEO Arne Møgster (Laco AS)	5 630 294	2.78 %
CFO Britt Kathrine Drivenes (Lerkehaug AS)	125 367	0.06 %
Total shares controlled by Board members and management	**5 900 661**	**2.91 %**

NOTE 26 TAX

	2009	2008
Specification of the tax expense		
Tax payable (excluding tax effect of group contributions)	212 072	96 087
Change in deferred tax	130 310	24 764
Taxes	**342 383**	**120 851**
Tax reconciliation		
Profit before tax	1 330 333	283 802
Taxes calculated with the nominal tax rates*	389 925	100 821
Income from associated companies	-24 990	-6 997
Tax-free gain on sale of shares	-3 679	0
Exchange loss on investment financing	0	6 254
Currency adjustment of tax values on fixed assets and leasing liabilities	-12 721	22 928
Other differences	-1 882	-2 154
Utilisation of loss carried forward, previously not recognized	-4 270	0
Taxes	**342 383**	**120 851**
Weighted average tax rate	**25,74 %**	**42,58 %**

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

The gross movement on the deferred income tax account is as follows:	**2009**	**2008**
Opening balance 01.01.	1 645 761	502 510
Booked to income in the period	130 310	24 764
Tax on share issurance to equity	-5 588	0
Currency translation differences	-41 463	70 979
Effect of business combinations	143	1 047 507
Balance sheet value 31.12.	**1 729 163**	**1 645 761**

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

Deferred tax liabilities	**Intangible assets**	**Fixed assets**	**Biological assets**	**Total**
2008				
Opening balance 01.01.	223 992	415 380	0	639 372
Booked to income in the period	-6 680	-2 282	46 336	37 374
Currency translation differences	47 123	66 064	0	113 187
Effect of business combinations	785 509	-34 033	421 193	1 172 669
31.12.	**1 049 944**	**445 129**	**467 529**	**1 962 602**
2009				
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**	**373 571**	**521 184**	**1 909 140**

NOTE 26 TAX (CONT.)

Deferred tax asset	Inventory	Pensions	Receiv-ables	Liabilities	Profit and loss account	Loss carried forwards	Other	Total
2008								
Opening balance 01.01.	-1 337	-4 364	-1	-6 501	-13 594	-111 065	0	-136 862
Booked to income in the period	-1 844	-977	618	3 378	-2 008	-10 202	-1 575	-12 610
Currency translation differences	226	0	-1 293	-38 856	-1 686	-1 954	1 355	-42 208
Effect of business combinations	0	-129	-9 658	0	2 629	-111 111	-6 893	-125 162
31.12.	**-2 955**	**-5 470**	**-10 334**	**-41 979**	**-14 659**	**-234 332**	**-7 113**	**-316 842**
2009								
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 issurance 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**

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

Deferred tax assets	2009	2008
Deferred tax asset to be recovered after more than 12 months	-173 368	-254 461
Deferred tax asset to be recovered within 12 months	-6 608	-62 380
Total	**-179 977**	**-316 842**

Deferred tax liabilities	2009	2008
Deferred tax liabilities to be recovered after more than 12 months	1 387 956	1 495 073
Deferred tax liabilities to be recovered within 12 months	521 184	467 529
Total	**1 909 140**	**1 962 602**
Deferred tax liabilities (net)	**1 729 163**	**1 645 761**

Tax payable	2009	2008
Tax payable beginning of the period	28 340	11 715
Tax payable - tax cost for the period	212 072	96 087
Tax paid during the period, including prepaid taxes current period	-124 305	-91 245
Currency translation differences	9 492	11 783
Tax payable period end	**125 599**	**28 340**

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 collective schemes comprises a total of 119 employees and 19 retired people as of 31 December 2009. The group's funded pension schemes is secured, and administered by a pension company.

Some of the entities also have a contractual early retirement scheme (AFP) for their employees. These schemes comprise a total of 731 employees and 18 retired persons as of 31 December 2009. According to the scheme, employees are on certain conditions entitled to leave the company after reaching the age of 62, being entitled to a pension covered partly by the company and partly by the Government.
The Group's financial commitments associated with this scheme are included in the pension calculations below. The early retirement pension scheme is unfunded.

Net pension cost	**2009**	**2008**
Current service cost	5 827	5 870
Interest cost	3 964	3 026
Expected return on plan assets	-2 939	-2 488
Administration costs	347	184
Net actuarial losses recognised during the year	115	3 307
Social security tax	764	1 058
Net pension cost related to defined benefit plan	**8 078**	**10 956**
Pension costs related to defined contribution plan	20 292	2 538
Social security on defined contribution plan	2 861	358
Net pension cost	**31 231**	**13 851**

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

Capitalised commitments are determined as follow	**2009**	**2008**
Present value of funded secured obligations	76 883	66 831
Fair value of plan assets	-63 010	-50 416
Present value of unfunded obligations	17 151	18 445
Social security tax	3 059	3 060
Unrecognised actuarial losses	-3 906	-3 598
Net pension commitment on the balance sheet 31.12.	**30 177**	**34 323**

The principal actuarial assumptions	**31.12.09**	**01.01.09**	**31.12.08**
Discount rate	4.4% - 5.4%	3.8% / 5.8%	3.8% / 4.3%
Anticipated yield on pension assets	5.60 %	5.8% / 6.3%	5.8% / 6.3%
Anticipated regulation of wages	4.25 %	4% / 4.5%	4% / 4.5%
Anticipated regulation of pensions	1.30 %	1.5% / 2.8%	1.5% / 2.8%
Anticipated regulation of national insurance	4% / 4.3%	3.75% / 4.25%	3.75% / 4.25%
Employee turnover	0 - 20 %	0 - 20 %	0 - 20 %
Social security tax rate	14.10 %	14.10 %	14.10 %
Utilisation percentage AFP:	0 - 50 %	0 - 70 %	0 - 70 %

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

	2009	**2008**
At 1 January	85 276	66 163
Current service cost	5 806	5 870
Interest cost	3 948	3 026
Actuarial losses/(gains)	4 074	-5 827
Exchange differences	-1 457	0
Benefits paid	-4 574	-1 562
Settlements	-4 812	0
Effect of business combinations	5 774	17 607
Defined benefit obligation at 31 December	**94 034**	**85 276**

NOTE 27 PENSIONS AND PENSION COMMITMENTS (CONT.)

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

	2009	2008
At 1 January	50 415	41 819
Expected return on plan assets	2 939	2 488
Actuarial (losses)/gains	3 545	-1 860
Exchange differences	-1 688	0
Administration costs	-82	-184
Employer contributions	12 392	4 452
Benefits paid	-6 913	-975
Effect of business combinations	2 402	4 675
Fair value of plan assets at 31 December	**63 010**	**50 415**

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 18 for the reimbursement rights. The Group has no other significant contingent liabilities.

NOTE 29 INTEREST BEARING DEBT

Non-current	**2009**	**2008**
Bank borrowings	3 685 820	4 198 545
Bond loan	588 000	1 000 000
Other loans	27 194	437 921
Leasing liabilities	234 698	234 372
Total non-current	**4 535 712**	**5 870 838**
Current	**2009**	**2008**
Bank overdrafts	540 263	906 747
Bond loans	96 000	0
Bank borrowings	622 703	498 466
Leasing liabilities	55 312	46 554
Total current	**1 314 278**	**1 451 768**
Total non-current and current	**5 849 990**	**7 322 606**
Net interest-bearing debt	**2009**	**2008**
Cash and cash equivalents	1 623 615	643 535
Other interest-bearing assets - current	865	0
Other interest-bearing assets - non-current	88 542	124 815
Net interest-bearing debt	**4 136 968**	**6 554 255**

Repayment profile interest bearing debt	**2010***	**2011**	**2012**	**2013**	**2014**	**Subsequent**	**Total***
Bank borrowings and overdraft **	1 162 966	483 163	1 344 776	394 280	382 276	1 081 326	4 848 786
Bond loan	96 000	288 000	300 000	0	0	0	684 000
Leasing liabilities	55 312	48 594	45 616	41 608	37 314	61 567	290 011
Other non-current liabilities	0	5 574	5 287	382	6 742	9 208	27 194
Total	**1 314 278**	**825 332**	**1 695 678**	**436 270**	**426 332**	**1 152 101**	**5 849 900**

* Repayments of non-current liabilities which mature in 2010 are classified as current liabilities in the balance sheet.
** A credit facility of NOK 842.000 (limit NOK 1.000.000) has been renewed for additional three years in 2009, and is included in 2012 in the repayment profile. The Lender has given a statement of comfort that the facility will be further prolonged at each annual review thereafter so that the facility will have a term of between two and three years. The prolongations will be confirmed without cost to AUSS.

NOTE 29 INTEREST BEARING DEBT (CONT.)

Liabilities secured by mortgage	2009	2008
Current liabilities	1 268 628	1 451 768
Non-current liabilities	3 809 421	4 432 917
Liabilities to credit institutions incl. leasing liab.	**5 078 049**	**5 884 685**
Assets provided as security		
Fixed assets, inventory, biological assets, shares and trade receivables	10 551 080	7 268 514
Total assets provided as security	**10 551 080**	**7 268 514**

The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:	2009	2008
6 months or less	5 489 519	6 977 077
6-12 months	88 684	78 871
1-5 years	229 612	26 658
Over 5 years	42 176	0
Total	**5 849 990**	**7 082 606**

The carrying amounts and fair value of the non-current liabilities are as follows:	Carrying amount		Fair value	
	2009	2008	2009	2008
Mortgage loan	3 685 820	4 198 545	3 685 820	4 198 545
Bond loan	588 000	1 000 000	607 404	950 700
Leasing liabilities	234 698	234 372	234 698	234 372
Other non-current liabilities	27 194	437 921	27 194	437 921
Total	**4 535 712**	**5 870 838**	**4 555 116**	**5 821 538**

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 2009.

The bond loans are listed on Oslo Stock Exchange, and fair value is calculated using the last traded rates in 2009 (October 23 and December 15, respectively) for the bonds. Fair value of current bond loan is estimated to NOK 96,960.

The carrying amounts of short-term borrowings approximate their fair value.

The carrying amounts of the group's borrowings are denominated in the following currencies:	2009	2008
NOK	4 862 633	6 090 601
USD	971 528	1 212 734
Other currencies	15 829	19 271
Total	**5 849 990**	**7 322 606**

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 2009, and is not in breach as of December 31. 2009.

NOTE 30 LEASE CONTRACTS

Overview of future minimum operating leases	Within 1 year	1-5 years	Subsequent	Total
Minimum lease amount, operating leasing contracts maturing:	34 782	6 776	0	41 558
Present value of future minimum lease (discount rate 5%)	33 129	5 673	0	38 802

Overview of future minimum financial leases	Within 1 year	1-5 years	Subsequent	Total
Minimum lease amount, financial leasing contracts maturing:	68 430	204 218	64 020	336 668
Interest	-13 118	-31 086	-2 453	-46 657
Repayment	55 312	173 131	61 567	290 011

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	**2009**	**2008**
Salary and other personel expenses	151 393	131 096
Public taxes payable	99 023	81 067
Balance on purchase of shares	0	2 000
Accrued expenses	128 482	220 028
Currency forward contracts / Effects of fair value hedging	27 869	44 067
Contingent liabilities (from the acquistions of Cormar)	22 252	26 561
Other short-term liabilities	122 615	86 745
Other current liabilities	**551 635**	**591 564**

NOTE 32 RELATED PARTIES

The Group is controlled by Laco AS which owns 55.55 % (2008: 61.09%) 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 parts such as Br. Birkeland AS and Shetland Catch Ltd in 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	**2009**	**2008**
Sales of goods:		
- associates	0	13 966
Sales of services		
- associates	3 024	65 884
- the ultimate parent and its subsidiary (administration services)	518	4 086
Total	**3 542**	**83 936**

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	**2009**	**2008**
Purchase of goods:		
- associates	0	198 918
Purchase of services		
- the immediate parent and its subsidiary (management services)	8 237	10 224
Total	**8 237**	**209 142**

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

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

c) Year-end balances arising from sales/purchase of goods/services	**2009**	**2008**
Receivables from related parties:		
- ultimate parent	39	26
- associates	61	1 476
Payables to related parties		
- immediate parent	466	611
- associates	0	19 236

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.

NOTE 32 RELATED PARTIES (CONT.)

d) Loans from related parties	**2009**	**2008**
Total loans from related parties:		
Beginning of the year	320 000	0
Loans during year		320 000
Loan repayment	-320 000	0
End of the year	**0**	**320 000**
Interest	6 398	2 133

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK 1 000

	Note	2009	2008
Sales revenue	**4,19**	6 372	6 450
Total income		**6 372**	**6 450**
Salaries and personnel expenses	**5,16**	-11 894	-11 778
Other operating expenses	**5,19**	-10 484	-13 606
Operating profit before depreciation		**-16 006**	**-18 934**
Depreciation	**7**	-122	-53
Operating profit		**-16 128**	**-18 987**
Financial income	**6**	475 046	514 518
Financial expenses	**6**	-376 543	-203 321
Profit before taxes		**82 376**	**292 210**
Income tax expense	**15**	52 756	-74 915
Net profit for the year		**135 132**	**217 296**
Other comprehensive income		0	0
Comprehensive income in the period		**135 132**	**217 296**

Amounts in NOK 1 000

Assets	Note	31.12.2009	31.12.2008
Other property, plant and equipment	7	1 526	276
Shares in subsidiaries	8	3 758 575	4 259 129
Shares in associated companies	9	139 825	143 592
Shares in other companies	10	7 016	7 018
Long terms receivables on Group companies	17, 20	1 699 351	2 124 038
Total non-current assets		**5 606 293**	**6 534 052**
Trade receivable	12	6 774	6 549
Short term receivable on Group companies	17, 20	482 046	301 926
Other current receivables	11	865	3 153
Cash and cash equivalents	14, 17	763 421	288 368
Total current assets		**1 253 105**	**599 995**
Total assets		**6 859 398**	**7 134 048**

Equity and liabilities	Note*	31.12.2009	31.12.2008
Share capital	25 CFS	101 359	92 159
Share premium		3 713 549	3 083 918
Retained earnings and other reserves		610 129	718 259
Total equity		**4 425 037**	**3 894 335**
Deferred tax liabilities	15	21 465	79 810
Pension obligations	16	3 711	3 393
Borrowings	17	1 816 207	2 438 379
Other non-current liabilities	17, 20	5 026	326 252
Total non-current liabilities		**1 846 410**	**2 847 834**
Borrowings	17	317 087	283 991
Trade payable		1 101	3 738
Accrued salary expense and public tax payable		1 058	846
Other current liabilities to Group companies	17, 20	15 724	87 519
Dividends	14 CFS	243 261	0
Other current liabilities	18	9 721	15 785
Total current liabilities		**587 950**	**391 878**
Total liabilities		**2 434 361**	**3 239 712**
Total equity and liabilities		**6 859 398**	**7 134 048**

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

Storebø, 7th April 2010

Helge Singelstad
Deputy Chairman

Oddvar Skjegstad

Inga Lise L. Moldestad

Hilde Waage

Arne Møgster
President & CEO

Amounts in NOK 1 000

	2009	2008
Profit before income taxes	82 376	292 210
Depreciation and amortisation	122	53
(Gain) on investments	56 008	0
Fair value losses on financial assets/instruments through profit or loss	0	12 061
Interest expensed	136 616	137 463
Dividends and group contributions	-391 736	-36 970
Change in accounts receivable and other receivables	78 535	-151 543
Change in accounts payable and other payables	-2 637	1 661
Change in other accruals	-73 102	28 397
Unrealised exchange (gains) / losses	168 239	-251 111
Net cash flow from operating activities	**54 421**	**32 222**
Proceeds from sale of fixed assets	0	30
Proceeds from sale of shares and other equity instruments	485 920	110
Purchase of fixed assets	-1 372	0
Purchase of shares and equity investments in other companies	-41 626	-1 434 328
Change in non-current receivables	256 448	-577 653
Dividends and group contributions received	139 164	36 970
Net cash flow from investing activities	**838 534**	**-1 974 871**
Net change in long-term interest bearing debt	-847 398	1 369 715
Movement of short-term interest bearing debt	-62 906	119 222
Interest paid	-140 841	-128 079
Proceeds from issuance of shares	633 243	0
Net cash flow from financing activities	**-417 901**	**1 360 857**
Net change in cash and cash equivalents	**475 054**	**-581 792**
Cash and cash equivalents at 01.01.	**288 368**	**870 160**
Cash and cash equivalents at 31.12.	**763 421**	**288 368**

	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.08	**92 159**	**3 083 918**	**500 963**	**3 677 040**
Profit for the year	**0**	**0**	**217 296**	**217 296**
Total gains and losses charged directly to equity	**0**	**0**	**0**	**0**
Total recognised income	**0**	**0**	**217 296**	**217 296**
Total equity to/from shareholders	**0**	**0**	**0**	**0**
Total change of equity	**0**	**0**	**217 296**	**217 296**
Equity 31.12.08	**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**
Dividends	0	0	-243 261	-243 261
New equity from cash contributions and contrib. in kind	9 200	629 630	0	638 830
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**

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 7th 2010. 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. 37a.

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 pr. share
The Company must apply IAS 33 even though the financial statements are prepared according to simplified IFRS. Earnings pr. 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 pr. share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

NOTE 3 FINANCIAL RISK MANAGEMENT

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

Market risk
(i) Foreign exchange risk
The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the 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
As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk 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.

Credit risk
The Company 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 Company, 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 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 (note 17) on the basis of expected cash flow.

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.

	2009	**2008**
Total borrowings (note 16)	2 138 321	3 136 141
Less: cash and cash equivalents	763 421	288 368
Net debt	1 374 900	2 847 773
Total equity	4 425 037	3 894 335
Capital employed	**5 799 937**	**6 742 109**
Gearing ratio	**24 %**	**42 %**

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

	2009	2008
Rendering of services	6 372	6 450
Total sales revenue	**6 372**	**6 450**

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

	2009	2008
Salary and holiday pay	9 048	8 453
Hired personnel	7	133
National insurance contribution	1 523	1 243
Pension costs (note 15)	1 179	1 536
Other personnel costs	137	412
Total	**11 894**	**11 778**
Average no. of employees	10	10

Pension costs are described in detail in note 15.

Accumulated expenses for wages, pension premiums and other remuneration to managing director, other executives and members of the parent company's board accordingly were:

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**

2008 - Remunerations to the company's officers	Salary	Salary related to previous year	Director's fee	Other remuneration	Total
CEO*	1 323	210	0	187	1 777
CFO	930	0	0	156	1 243
Chairman of the Board	0	0	180	11	191
Other members of the Board	0	0	600	11	150
Total	**2 253**	**210**	**780**	**364**	**3 360**

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

No loans or securities have been issued in 2009 or 2008 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.

Specification of auditor's fee	2009	2008
Audit fee	1 319	650
Other assurance services	107	235
Other services	461	384
Total	**1 888**	**1 269**

NOTE 6 FINANCIAL INCOME AND FINANCIAL EXPENSES

	2009	2008
Interest income from companies within the same group	57 431	117 524
Other interest income	24 459	31 962
Dividends and group contributions	391 736	82 118
Currency gains	1 180	282 877
Other financial income	240	38
Total financial income	**475 046**	**514 518**
Loss on shares	56 008	0
Interest expenses to companies within the same group	160	541
Other interest expenses	136 456	136 922
Currency losses	172 339	48 396
Impairment non-current financial assets	0	12 061
Other financial expenses	11 579	5 402
Total financial expenses	**376 543**	**203 321**
Net financial items	**98 503**	**311 197**

NOTE 7 TANGIBLE FIXED ASSETS

2008	**Plant, equipment and other fixtures**	**Total**
Per 01.01.		
Acquisition cost	528	528
Accumulated depreciation	-170	-170
Balance sheet value at 01.01.	**358**	**358**
Balance sheet value at 01.01.	358	358
Tangible fixed assets sold	-30	-30
Depreciation	-53	-53
Balance sheet value at 31.12.	**276**	**276**
Per 31.12.		
Acquisition cost	498	498
Accumulated depreciation	-223	-223
Balance sheet value at 31.12.	**276**	**276**

2009	**Plant, equipment and other fixtures**	**Total**
Balance sheet value at 01.01	276	276
Tangible fixed assets acquired	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**

NOTE 8 SHARES IN SUBSIDIARIES

2009 - Subsidiaries	Gross numbers (100%)				
Company name	**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	53 577	3 027 159	63.70 %
A-Fish AS	-12 397	45 703	1 100	60 100	100.00 %
Inv. Pacfish Ltda	13 399	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**	

2008 - Subsidiaries	Gross numbers (100%)				
Company name	**Net profit**	**Equity**	**Share capital**	**Carrying value**	**Voting share**
Austevoll Eiendom AS	-213	14 203	9 370	55 627	100.00 %
Austevoll Fisk AS	-19 735	11 527	52 311	92 695	100.00 %
Sea Star International AS*	-6 431	4 080	25 231	10 000	9.90 %
Lerøy Seafood Group ASA	106 019	3 745 233	53 577	3 557 713	74.93 %
A-Fish AS	-23 627	58 101	1 100	60 100	100.00 %
Inv. Pacfish Ltda	-107	169 506	40 335	58 709	100.00 %
Laco IV AS	-12 688	-6 884	20 000	25 336	100.00 %
Aumur AS	-2 245	3 330	100	3 330	100.00 %
Epax Holding AS	0	124 182	10 000	395 618	100.00 %
Total				**4 259 129**	

* Sea Star International AS: 90.10 % of the shares was owned through Austevoll Fisk AS.

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

NOTE 9 SHARES IN ASSOCIATED COMPANIES

2009	Gross numbers (100%)				
Company name	**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	0	1 000	1 000	253	25.00 %
Shetland Catch Ltd.	51 369	130 616	23 844	17 784	25.00 %
Total				**139 825**	

2008	Gross numbers (100%)				
Company name	**Net profit**	**Equity**	**Share capital**	**Carrying value**	**Voting share**
Br. Birkeland AS	-27 734	100 492	19 224	125 808	40.20 %
Shetland Catch Ltd.	24 448	124 162	13 845	17 784	25.00 %
Total				**143 592**	

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

NOTE 10 INVESTMENTS IN OTHER SHARES

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**

2008 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**

NOTE 11 OTHER RECEIVABLES

Other non-current receivables	2009	2008
Intragroup non-current receivables	1 699 351	2 124 246
Other non-current receivables 31.12.	**1 699 351**	**2 124 246**
Impairment losses expensed	0	0

Other current receivables	2009	2008
Prepayments	459	2 702
Other current receivables	406	451
Other current receivables 31.12.	**865**	**3 153**
Impairment losses expensed	0	1 960

NOTE 12 TRADE RECEIVABLE

	2009	2008
Trade receivable at nominal value	6 774	6 549
Accounts receivable 31.12.	**6 774**	**6 549**

The ageing of these trade receivables are as follows:	2009	2008
0 to 3 months	6 774	6 549
Total	**6 774**	**6 549**

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

Currency	2009	2008
NOK	6 774	6 549
Total	**6 774**	**6 549**

NOTE 13 GUARANTEE OBLIGATIONS

	2009	2008
Guarantee Eksportfinans	41 881	65 244
Guarantee Nordea/Innovasjon Norge	17 500	79 500
Total	**59 381**	**144 744**

NOTE 14 RESTRICTED BANK DEPOSITS

	2009	2008
Restricted deposits related to employee` tax deduction	578	446
Total	**578**	**446**

NOTE 15 TAX

		2009	2008
Specification of the tax expense			
Change in deferred tax		-52 756	74 915
Taxes		**-52 756**	**74 915**

		2009	2008
Tax reconciliation			
Profit before tax		82 376	292 210
Taxes calculated with the nominal tax rate	28%	23 065	81 819
Tax-free gain/loss on sale of shares		15 682	0
Other differences		-91 504	-10 281
Impairment non-current financial assets		0	3 377
Taxes		**-52 756**	**74 915**
Weighted average tax rate		**-64 %**	**26 %**

Change in book value of deferred tax	2009	2008
Opening balance 01.01.	79 810	4 895
Booked to income in the period	-52 756	74 915
Effect of business combinations/emission costs	-5 588	0
Balance sheet value 31.12.	**21 466**	**79 810**

Deferred tax	**Fixed assets**	**Shares**	**Profit and loss account**	**Non current liabilities**	**Total**
2008					
Opening balance 01.01.	-251	26 249	7 769	-18 376	15 390
Booked to income in the period	57	0	-1 554	73 602	72 106
31.12.	**-194**	**26 249**	**6 215**	**55 226**	**87 496**
2009					
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**

Deferred tax asset	**Loss carried forwards**	**Current liabilities**	**Pensions**	**Other differences**	**Total**
2008					
Opening balance 01.01.	-11 216	1 462	-742	0	-10 495
Booked to income in the period	3 465	-449	-209	0	2 808
31.12.	**-7 751**	**1 013**	**-951**	**0**	**-7 686**
2009					
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**

	2009	2008
Current	1 062	1 013
Non-current	20 404	78 794
Total	**21 466**	**79 807**

NOTE 16 PENSIONS AND PENSION COMMITMENTS

The company has a defined contribution plan and a defined benefit plan in Nordea Liv Norge ASA. In 2009 the benefit plan comprises a total of 7 employees. The benefit plan 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	**2009**	**2008**
Current service cost	691	1 018
Interest cost	248	365
Expected return on plan assets	-207	-236
Administration costs	38	29
Net actuarial losses recognised during the year	0	101
Social security tax	109	166
Net pension cost related to defined benefit plan	**878**	**1 444**
Pension costs related to defined contribution plan	264	81
Social security on defined contribution plan	37	11
Net pension cost	**1 179**	**1 536**
Capitalised commitments are determined as follow	**2009**	**2008**
Present value of future pension commitments	5 426	5 756
Fair value of plan assets	3 166	2 857
Unrecognised actuarial losses	1 133	85
Social security tax	319	409
Net pension commitment on the balance sheet 31.12.	**3 711**	**3 393**

Financial premises for the group	**31.12.09**	**01.01.09**	**31.12.08**
Discount rate	4.40 %	4.30 %	4.30 %
Anticipated yield on pension assets	5.60 %	6.30 %	6.30 %
Anticipated regulation of wages	4.25 %	4.50 %	4.50 %
Anticipated regulation of pensions	1.30 %	2.80 %	2.80 %
Anticipated regulation of national insurance	4.00 %	4.25 %	4.25 %
Employee turnover	0.00 %	0.00 %	0.00 %
Social security tax rate	14.10 %	14.10 %	14.10 %

Change in carrying amount of net pension commitments	
Balance sheet value at 01.01	3 393
Net pension cost	878
Pension payments and payments of pension premiums	-560
Balance sheet value at 31.12	**3 711**

Parent Company

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(-)	**2009**	**2008**
Liabilities to financial institutions - non-current	1 228 207	1 438 379
Bond loan - non-current	588 000	1 000 000
Bond loan - current	96 000	0
Liabilities to financial institutions - current	52 000	52 000
Liabilities to financial institutions - overdraft	169 087	231 991
Other interest-bearing debt - current	15 724	87 519
Other interest-bearing debt - non-current	4 926	326 252
Total interest-bearing debt	**2 153 945**	**3 136 141**
Cash and cash equivalents	763 421	288 368
Other interest-bearing assets - current	243 036	301 926
Other interest-bearing assets - non-current	1 699 351	2 124 038
Net interest-bearing assets/debt(-)	**551 863**	**-421 809**

Repayment profile interest bearing debt	**2010***	**2011**	**2012****	**2013**	**2014**	**Subsequent**	**Total***
Mortgage loan	52 000	52 000	894 000	52 000	52 000	178 208	1 280 208
Bond loan	96 000	288 000	300 000	0	0	0	684 000
Other non-current liabilities	0	0	0	0	0	4 926	4 926
Total	**148 000**	**340 000**	**1 194 000**	**52 000**	**52 000**	**183 134**	**1 969 134**

* Repayments of non-current liabilities which mature in 2010 are classified as current liabilities in the balance sheet.

** The Lender has given a statement of comfort to the effect that the credit facility of NOK 842,000,- (limit NOK 1,000,000) will be renewed for three years in 2010, and further prolonged at each annual review thereafter so that the facility will have a term of between two and three years. The prolongations will be confirmed without cost to AUSS.

Liabilities secured by mortgage	**2009**	**2008**
Current liabilities	221 087	283 991
Non-current liabilities	1 228 207	1 438 379
Liabilities to credit institutions incl. leasing liab.	**1 449 295**	**1 722 370**
Assets provided as security		
Shares	3 148 947	3 683 520
Trade receivables	6 774	6 549
Total assets provided as security	**3 155 721**	**3 690 069**

Fair value of non-current liabilities
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 2009. For further information about the bond loan, see note 29 in the consolidated financial statement.

NOTE 18 OTHER CURRENT LIABILITIES

Specification of other current liabilities	**2009**	**2008**
Salary and other personnel expenses	951	1 555
Accrued interests	8 410	12 635
Other short-term liabilities	360	1 595
Other current liabilities	**9 721**	**15 785**

NOTE 19 RELATED PARTIES

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

2008	Operating income	Operating expenses/fee	Net finance exp.	Net balance
Møgster Management AS	3 608	4 891	0	-603
Laco AS	0	0	-2 133	-320 000
Total	**3 608**	**4 891**	**-2 133**	**-320 603**

Møgster Management AS is owned by the company's major shareholder, Laco AS, and delivers administrative services (IT, legal advice, catering, secretary, accounting) to the company.

NOTE 20 INTERCOMPANY BALANCES

	2009		2008	
Specification of intercompany balances	**Current**	**Non-current**	**Current**	**Non-current**
Loans to Group companies	482 046	1 699 351	301 926	2 124 038
Total intercompany receivables	**482 046**	**1 699 351**	**301 926**	**2 124 038**
Liabilities to Group companies	15 724	4 926	87 519	6 252
Total intercompany liabilities	**15 724**	**4 926**	**87 519**	**6 252**
Net intercompany balances	**466 322**	**1 694 425**	**214 407**	**2 117 787**

NOTE 21 EARNINGS PR. SHARE AND DIVIDEND PR. SHARE

Basic
Basic earnings pr. 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 pr. share	2009	2008
The year's earnings	135 132	217 296
No. of shares at the balance sheet date (thousands)	202 717	184 318
Average no. of shares (thousands)	188 917	184 318
Earnings pr. share	**0.72**	**1.18**
Diluted earnings pr. share	0.72	1.18
Suggested dividend pr. share	**1.20**	**0.00**

Parent Company

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To the Annual Shareholders' Meeting of Austevoll Seafood ASA

Auditor's report for 2009

We have audited the annual financial statements of Austevoll Seafood ASA as of 31 December 2009, showing a profit of NOK 135 132 000 for the parent company and a profit of NOK 987 949 000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the financial statements of the parent company and the group. The financial statements of the parent company comprise the balance sheet, the statements of comprehensive income, cash flows, the statement of changes in equity and the accompanying notes. The financial statements of the group comprise the balance sheet, the statements of income, comprehensive income, cash flows, changes in equity and the accompanying notes. Simplified IFRS according to the Norwegian accounting act § 3-9 have been applied in the preparation of the financial statements of the parent company. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the group. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the parent company have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company as of 31 December 2009, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with simplified IFRS according to the Norwegian accounting act § 3-9
- the financial statements of the group have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as of 31 December 2009,and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations

Bergen, 7 April 2010
PricewaterhouseCoopers AS

Hallvard Aarø
State Authorised Public Accountant (Norway)

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

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2009 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, 7th April 2010
Board of Directors in Austevoll Seafood ASA

Helge Singelstad
Deputy Chairman

Oddvar Skjegstad

Inga Lise L. Moldestad

Hilde Waage

Arne Møgster
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