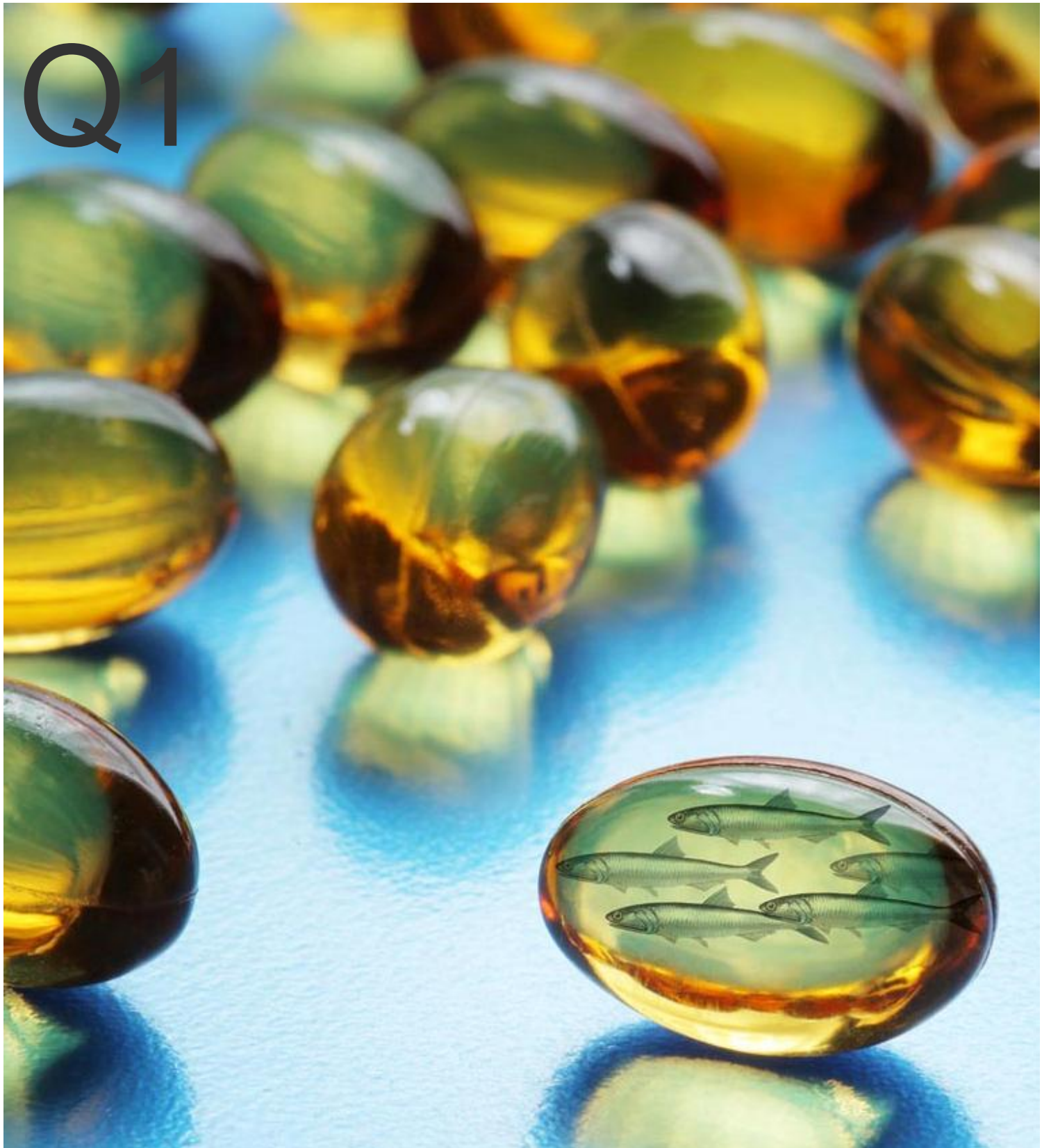


Q1



Austevoll Seafood ASA

2008



Good fisheries for human consumptions in Peru, good production of fishmeal and oil in Norway, limited fisheries in Chile, a stable market for fishmeal, good markets for consumer products and fish oil

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The group's income in the first quarter of 2008 amounted to NOK 742.0 million, compared with NOK 848.0 million in the first quarter of 2007. The operating profit before depreciation (EBITDA) amounted to NOK 69.8 million in the first quarter of 2008, compared with NOK 136.5 million in the first quarter of 2007.

The main reasons for the reduction in turnover and EBITDA are lower fishmeal prices compared with the same period in 2007. Colder water in the sea in Chile in the first quarter has meant that the fisheries there did not start until late February. This has resulted in reduced catches and a reduced volume of consumer products sales in the first quarter of 2008 compared with the same quarter in 2007.

In Norway, the first quarter is normally the quarter with the largest production of fishmeal and fish oil because it is the peak season for blue whiting fisheries. In addition, significant amounts of Norwegian spring spawning herring are caught, and trimmings from consumer product production are used in the production of fishmeal and fish oil. In Peru, most fisheries this quarter have been for human consumption. Fishing for anchoveta for fishmeal and fish oil production did not start until 21 April. After a late start, the fisheries in Chile are now well under way, and we expect the group to meet its quotas as usual in 2008.

Changes in the fishing pattern and quota regulations cause the catch volume, and therefore also the degree of utilisation of the group's production facilities, to fluctuate from quarter to quarter. The seasonal fluctuations in catch volume cause corresponding fluctuations in the short-term key figures.

AUSS has improved its position further through acquisitions in the Norwegian fishmeal and fish oil segment. In January, AUSS's subsidiary, Welcon Invest AS, bought 40% of Bodø Sildoljefabrikk AS.



## Key figures

### Key figures for the Group

All figures in NOK 1.000	Q1 08	Q1 07	2007
Operating income	741 976	847 982	3 468 957
EBITDA	69 762	136 529	483 411
EBITDA %	9 %	16 %	14 %
Earnings per share	-0,07	2,02	2,72
Total assets	8 905 857	8 867 583	8 813 030
Equity	4 191 318	4 252 133	4 228 611
Equity ratio	47 %	48 %	48 %
Net interest bearing debt (NIBD)	-2 714 061	-1 975 520	-2 514 792

## Strategic considerations

### Purchase of 40% of the shares in Bodø Sildoljefabrikk

In December, AUSS's subsidiary Welcon Invest AS entered into an agreement to buy up to 40% of the shares in Bodø Sildoljefabrikk AS. The purchase was carried out on 23 January 2008, partly through the purchase of existing shares and partly through a private placing.

The company has a capacity of approximately 80,000 tonnes of raw material, and is in a strategic location in relation to rich fishing grounds for pelagic fish.

### AUSS and Origin Enterprises plc (Origin) in preliminary discussions about the merging of the companies' European fishmeal and fish oil activities.

On 22 January 2008, AUSS reported that it had started preliminary discussions with Origin with a view to combining their respective fishmeal and fish oil activities in Europe. The result of the discussion is contingent on a final agreement, confirming due diligence process, agreed legal documentation, the approval of the boards of directors of both companies and relevant permits.

AUSS operates its European fishmeal and fish oil activities through its wholly-owned subsidiary Welcon Invest AS. Origin's fishmeal and fish oil activities are operated through wholly-owned subsidiaries in Ireland and the UK in addition to the company's 50% stake in a production plant on Shetland.

The process is yet to be completed.



## Group performance

### First quarter 2008

AUSS's operating income was NOK 742.0 million in this quarter (Q1 2007: NOK 848.0 million). The effect of the increased sales volume of fishmeal and fish oil was counteracted by lower fishmeal prices, and, in addition, a smaller quantity of consumer products was sold in the first quarter of 2008 compared with the same quarter of 2007. The reduction in the quantity of consumer products sold is caused by a reduced catch volume and ensuing reduced production of consumer products in Chile.

EBITDA for this quarter was NOK 69.8 million (Q1 2007: NOK 136.5 million). The EBITDA reduction is the result of lower fishmeal prices and a reduction in the volume of consumer products sold in this quarter. Fisheries in Chile did not get underway until the end of February, and the vessels had to travel further to reach the fishing grounds than they normally do at this time of year. Operating costs for this activity has therefore increased in this quarter. The fisheries are now well under way, and we expect the group to meet its quotas as usual in 2008.

EBIT for this quarter was NOK 15.8 million (Q1 2007: NOK 83.3 million). Depreciation has increased due to acquisition of activities in 2007.

Income from associated activities in the first quarter amounted to NOK - 27.0 (Q1 2007: NOK 16.9 million). Lerøy Seafood Group ASA accounts for NOK -31.1 million of this. Lerøy Seafood Group ASA's result has been significantly affected by negative IFRS adjustments of the biomass during this quarter. Net interest expenses total NOK - 48.0 million (Q1 2007: NOK -20.6 million). The increase in net interest expenses is a combination of increased debt and a higher Norwegian interest rate level. Net financial items are positive for this quarter, which is a result of changes in currency values resulting from the weakening of the US dollar compared with Norwegian kroner, Peruvian soles and Chilean pesos.

The loss after tax for this quarter was NOK 12.0 million (Q1 2007: profit of NOK 365.9 million). The group's financial performance in the first quarter of 2007 was strongly influenced by its salmon activities, with sales income amounting to NOK 314.9 million

### Balance sheet at 31 March 2008

The group had a balance sheet total of NOK 8.906 million at the end of March, compared with NOK 8.813 million at the end of 2007. The group's equity at the end of March was NOK 4.191 million, compared with 4.229 at the end of 2007. The equity ratio was 47% at 31 March 2008 compared with 48% at 31 December 2007.



Net interest-bearing debt amounted to NOK 2.714 million at 31 March 2008, compared with NOK 2.515 million at 31 December 2007. The group's cash balance at 31 March 2008 amounted to NOK 865 million compared with 1,041 at 31 December 2007. The company's cash balance does not include unutilised withdrawal rights.

## Segments

### Fishmeal and fish oil

Operating income for the first quarter of 2008 was NOK 448.8 million (Q1 2007: NOK 424.7 million), and EDITDA was NOK 62.2 million (Q1 2007: NOK 104.1 million). As expected, the price of fishmeal has been lower in the first quarter of 2008 than in the same quarter of 2007, while we have seen the opposite development for fish oil. The price of fishmeal has shown a gradual increase during the first quarter and has continued to rise in the second quarter.

Approximately 78,000 tonnes of fishmeal and fish oil was sold during the first quarter, compared with 60,000 tonnes during the same quarter last year.

In Norway, the first quarter is the peak season for blue whiting fisheries, and in addition, significant amounts of Norwegian spring spawning herring are caught, and trimmings from consumer product production is used in the production of fishmeal and oil. The blue whiting fisheries started somewhat later than usual this year, so that some of the fish has been caught in April. In Peru, most fish caught this quarter has been for human consumption. Trimmings from consumer product production are used in the production of fishmeal and fish oil. Fishing for anchoveta for fishmeal and oil production did not start until 21 April. In Chile, the production of fishmeal and fish oil has primarily been based on raw material purchased from coastal fishermen.

### Consumer products

Operating income for the first quarter of 2008 was NOK 139 million (Q1 2007: NOK 240.2 million), and EDITDA was NOK 10 million (Q1 2007: NOK 43.8 million).

Because of the low catch volume, a considerably smaller quantity of frozen and tinned products was sold than in the same period of 2007. The total volume of consumer products sold breaks down as follows: approximately 800 tonnes of frozen products (Chile and Peru), which is a reduction of about 7,000 tonnes compared with the same period in 2007. Approximately 639,000 boxes of tinned products have been sold, compared with approximately 1.2 million boxes for the same period in 2007 (Chile and Peru). The company expects to fully utilise its catch quotas for the year, and expects a high demand for frozen and tinned products in the time ahead. The volume for high



concentrated and low concentrated Omega 3 oils has increased marginally compared with the same period in 2007. We have sold approximately 301 tonnes of high concentrated Omega 3 oils and approximately 90 tonnes of low concentrated Omega 3 oils during this period. The production of high concentrated Omega 3 products is relatively evenly distributed throughout the year.

## Trading

Operating income for the first quarter of 2008 was NOK 186 million (Q1 2007: NOK 232 million), and EDITDA was NOK 1 million (Q1 2007: NOK - 5 million)

The trading activities include the sales companies Chilefood and Atlantic Pelagic AS, which handle all sales activities for the production companies Austevoll Fiskeindustri AS, Sir Fish AS and Modolv Sjøset AS. The performance of the Norwegian production companies also fall within this segment.

The first quarter was, as usual, a good quarter for pelagic consumer industry in Norway in terms of both sales and production, based on the main raw material Norwegian spring spawning herring. We see improvement in this area compared with the same period of 2007.

## Shareholder information

As of 31 March 2008, the company had 3,047 shareholders. The share price at the end of March 2008 was NOK 35.20.

## Market conditions and prospects

### Fishmeal/oil

During first quarter fishmeal prices have been lower influenced by business closed in November and December mainly. The situation improved much during second quarter (business closed from February onward) due to reduced supply from South America (lack of fishing in Chile and slow fishing in southern Peru during January & February) as well as strong increase of vegetable protein and further weakness of the US Dollar. Recovery of consumption in China, especially in the animal feed business, has also been supportive. The board expects stable to increasing fishmeal prices and continued good fish oil prices.



### Consumption products

Prices of all canned fish and frozen products have increased during first quarter and the board expects steady good demand and increasing prices for the group's consumption products.

### Omega 3

The Omega 3 concentrate market is still experiencing uncertainties related to raw material shortness which has resulted in higher crude fish oil prices in first quarter. The market continues developing with growing consumer interest in managing their health. The Scandinavian market is steady. The US and the rest of Northern Europe are experiencing an increasing consumption.

The last year's investments within the fishing fleet and processing plants gives the group a good position to utilize its fishing quotas. The Board of Directors expects a good demand for all of the group's products in the years to come and a good activity for the rest of the 2008.

Storebø, 23 May 2008

The board of directors of Austevoll Seafood ASA



# PRELIMINARY FINANCIAL PERFORMANCE REPORT FOR THE FIRST QUARTER OF 2008

## Condensed Condoliated Income Statement

All figures in NOK 1.000	Q1 08	Q1 07	2007
Operating income	741 976	847 982	3 468 957
Raw material and consumables used	451 894	497 916	2 174 352
Salaries and personnel expenses	97 452	80 253	342 924
Other operating expenses	122 868	133 284	468 271
Operating profit before depreciation (EBITDA)	69 762	136 529	483 411
Depreciation and amortisation	53 954	50 230	201 939
Depreciation of excess value inventory	-	3 000	3 000
Operating profit (EBIT)	15 808	83 299	278 471
Income from associated companies	-26 951	16 939	65 758
Net financial items	5 796	-10 160	-128 613
Profit before tax	-5 347	90 078	215 616
Income tax expenses	-6 647	-39 025	-32 343
Net profit	-11 994	51 053	183 273
Net profit from discontinued operations	-	314 870	324 273
Net profit including discontinued operations	-11 994	365 923	507 546
Profit to minority interests	451	1 602	8 563
Profit attribut.to equity holder of parent	-12 445	364 321	498 983
Earnings per share	-0,07	2,02	2,72
Diluted earnings per share	-0,07	2,02	2,72





## Condensed Condoliated Balance sheet

All figures in NOK 1.000	Q1 08	Q1 07	2007
<b>Assets</b>			
Intangible assets	1 582 909	1 384 616	1 624 499
Vessels	680 820	684 442	708 906
Property, plant and equipment	1 897 618	1 755 890	1 866 867
Investments in associated companies	2 379 249	1 807 263	2 352 440
Investments in other shares	37 047	19 822	32 124
Other long term receivables	60 214	63 628	67 026
Total non-current assets	6 637 857	5 715 661	6 651 863
Inventories	689 418	977 330	528 055
Accounts receivables	491 749	483 820	390 218
Other current receivables	222 005	269 165	201 983
Cash and cash equivalents	864 827	1 421 607	1 040 911
Total current assets	2 268 000	3 151 922	2 161 167
Total assets	8 905 857	8 867 583	8 813 030
<b>Equity and liabilities</b>			
Share capital	92 159	92 159	92 159
Share premium fund	3 083 918	3 081 049	3 083 918
Retained earnings and other reserves	927 608	994 123	965 313
Minority interests	87 633	84 802	87 221
Total equity	4 191 318	4 252 133	4 228 611
Deferred tax liabilities	492 680	506 134	514 762
Pension obligations	19 383	15 853	18 089
Borrowings	2 599 330	2 368 594	2 380 534
Other long-term liabilities	19 331	32 040	20 519
Total non-current liabilities	3 130 724	2 922 621	2 933 904
Short term borrowings	646 509	681 507	937 140
Overdraft facilities	373 932	378 614	284 537
Account payable	386 614	449 645	267 967
Other current liabilities	176 761	183 063	160 872
Total current liabilities	1 583 815	1 692 829	1 650 515
Total liabilities	4 714 539	4 615 450	4 584 419
Total equity and liabilities	8 905 857	8 867 583	8 813 030



## Condensed Consolidated Cash flow statement

All figures in NOK 1.000	Q1 08	Q1 07	2007
Net cash flow from operating activities	-62 654	-403 925	277 166
Net cash flow from investing activities	-128 840	-1 097 972	-2 195 459
Net cash flow from financing activities	15 412	1 512 011	1 547 710
Net change in cash and cash equivalents	-176 082	10 114	-370 583
Cash and cash equivalents at beginning of period	1 040 910	1 411 493	1 411 493
Cash and cash equivalents at period end	864 828	1 421 607	1 040 910

## Condensed Consolidated Statement of changes in Equity

All figures in NOK 1.000	Q1 08	Q1 07	2007
Equity period start	4 228 611	3 637 000	3 637 000
Profit for the period	-11 994	365 923	507 546
Currency translation differences	-25 268	-38 961	-187 941
Other gains and losses charged directly to equity			-153
Minority interests arising from business combinations			2 291
Revaluation of existing interests related to business combinations			-579
New equity from cash contribution and contribution in kind	-	295 547	277 824
Expenses related to share issues (net of tax)	-	-7 376	-7 377
Total changes of equity in the period	-37 262	615 133	591 611
Equity at period end	4 191 349	4 252 133	4 228 611



## Segment information

(all figures in NOK 1.000)

Fishmeal and oil	Q1 08	Q1 07	2007
Operating revenue	448 821	424 728	2 085 111
EBITDA	62 224	104 062	407 874
EBITDA %	14 %	25 %	20 %
EBIT	28 314	73 609	280 957
EBIT %	6 %	17 %	13 %
Volumes sold fishmeal and oil (tons)	78 384	60 336	300 029

Human Consumption	Q1 08	Q1 07	2007
Operating revenue	139 304	240 161	751 215
EBITDA	10 027	43 760	116 398
EBITDA %	7 %	18 %	15 %
EBIT	-6 119	25 539	57 083
EBIT %	-4 %	11 %	8 %
Volumes sold;			
Canning (cases)	639 437	1 194 206	4 022 570
Frozen fish (tons)	827	7 840	28 223
HC and LC Omega 3 products (tons)	391	382	1 413

Trading	Q1 08	Q1 07	2007
Operating revenue	185 762	232 395	710 287
EBITDA	1 143	-4 965	-24 572
EBITDA %	1 %	-2 %	-3 %
EBIT	-2 164	-8 281	-39 773
EBIT %	-1 %	-4 %	-6 %

Not allocated/elimination	Q1 08	Q1 07	2007
Operating revenue	-31 911	-49 301	-77 656
EBITDA	-3 632	-6 327	-16 290
EBIT	-4 223	-7 567	-19 797

Total Group	Q1 08	Q1 07	2007
Operating revenue	741 976	847 983	3 468 957
EBITDA	69 762	136 530	483 410
EBITDA %	9 %	16 %	14 %
EBIT	15 808	83 300	278 470
EBIT %	2 %	10 %	8 %



## Note 1

### Accounting principles

This interim report has been prepared in accordance the International Financial Reporting Standards (IFRS) and the related standard for interim reports (IAS 34). The interim report, including historical comparison figures, is based on current IFRS standards and interpretation. Changes in the standard and interpretation may result in changes to the result.