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Austevoll Seafood ASA

**Group income as at 30 September 2007 was NOK 2,749.0 million while the operating result before depreciation (EBITDA) was NOK 460.8 million for the same period. Proforma income as at 30 September 2006 was NOK 2,585.5 million and the proforma operating result before depreciation (EBITDA) was NOK 532.4 million for the same period last year.**

**Group income for the 3rd quarter of 2007 was NOK 1,014.6 million while the operating result before depreciation (EBITDA) was NOK 59.2 million for the same period. Group income for the 3rd quarter of 2006 was NOK 1,077.8 million and the operating result before depreciation (EBITDA) was NOK 231.2 million for same period last year.**

**The lower operating result before depreciation in the period than for the same period last year is primarily due to increased raw materials costs in the Norwegian fishmeal and oil production operation and lower fishmeal prices. The quarter is also normally characterized by low production levels and by the carrying out of planned maintenance.**

**Changes in currency rates have also affected the group's result in a negative direction compared with last year.**

#### **Highlights for the 3rd quarter 2007**

- Operating income was NOK 1,014.6 million as opposed to NOK 1,077.8 million in the same period last year.
- Operating result before depreciation (EBITDA) was NOK 59.2 million as opposed to NOK 231.2 million in the same period in 2006.
- The 3rd quarter result before tax was NOK -12.8 million as opposed to NOK 20.7 million in the 3rd quarter of 2006.
- Net interest bearing debt was as at 30 September 2007 NOK 1,768.9 million as opposed to NOK 527.3 million as at 31 December 2006
- Book shareholders' equity was as at 30 September 2007 NOK 4,178.6 million as opposed to NOK 3,637.0 million as at 31 December 2006

## Key figures Austevoll Seafood ASA

	Q3 2007	Q3 2006	YTD 2007	YTD 2006	2006	Pro forma YTD 2006	Pro forma 2006
Operating income (TNOK) *	1 014 638	1 077 759	2 748 979	1 833 189	2 665 588	2 585 534	3 413 787
EBITDA (TNOK) *	59 240	231 235	460 782	314 951	482 365	532 431	699 846
EBITDA margin	6 %	21 %	17 %	17 %	18 %	21 %	21 %
Total assets (TNOK)	8 459 814	6 181 301	8 459 814	6 181 301	6 846 306	7 020 720	6 846 306
Net interest bearing debt (TNOK)	1 768 867	1 287 337	1 768 867	1 287 337	527 336	1 837 348	527 336
Equity (TNOK)	4 178 551	2 920 048	4 178 551	2 920 048	3 637 000	2 991 582	3 637 000
Equity ratio	49 %	47 %	49 %	47 %	53 %	43 %	53 %
Earnings per share	(0,01)	(0,12)	2,48	1,31	1,82	2,08	2,83

\* As a consequence of the sale of the salmon business in 2007, the historical figures from this business are disclosed as a net amount on a single line on the face of the income statement, "net profit from discontinued operations".

### Results and operation for the 3rd quarter 2007

The result before depreciation (EBITDA) for the 3rd quarter was NOK 59.2 million as opposed to NOK 231.2 million for the same period last year.

The lower EBITDA achieved in the period compared with the same period last year is primarily due to increased raw materials costs for the Norwegian fishmeal and oil production operation and lower fishmeal prices.

Changes in currency rates have also affected the group's result in a negative direction compared with last year.

The fishmeal, oil and canned products segments have operated at lower activity levels. Production of high concentrate Omega 3 products has been relatively even throughout the year and has been as expected for the 3rd quarter

The majority of our maintenance work is carried out in low production periods, in particular in the company in Peru and within fishmeal and oil in Norway.

In Chile we have fished approximately 36,000 tons of own quota. This is 2,000 tons less than for the same period last year. Purchase of raw materials from third parties is still significantly lower than for the previous year due to lower coastal fleet total fisheries.

In Peru we have fished just 24,000 tons in the quarter, primarily horse mackerel but also some anchoveta in the area around Ilo in the south of Peru. This is approximately the same quantity as was fished in this quarter last year.

In Norway, the 3rd quarter is normally characterized by very low levels of activity, which was the case this year as well. Fishing for NVG herring and mackerel normally starts in September, resulting in high levels of activity in the 4th quarter for this fishery. This affects both fishmeal and oil production in Norway, which in the autumn is primarily based on production from cut-offs from the consumption industry and trading and refining activities in Norway.

Net financial items were NOK -21.3 million as opposed to NOK -33.4 million in the 3rd quarter of 2006. Income from associated companies was NOK 9.4 million in the 3rd quarter of 2007 as opposed to NOK -2.9 million in the 3rd quarter of 2006. Associated companies results included Br. Birkeland of NOK -7.5 million and Lerøy Seafood Group ASA of NOK 20.4 million.

The group has generated a tax income in the quarter. This is due to a negative result before tax and an inflation adjustment of the tax position for the Chilean company which has resulted in a tax income for the period.

## **Result and operation as at 30 September 2007**

As a result of the sale of the salmon activity in 2007, historical figures have been removed from the relevant income statement items and shown net on the result from discontinued activities line in the profit specification.

Epax was acquired in January and the results generated by this company are fully reflected in the result as at 30 September 2007.

The result before depreciation (EBITDA) as at 30 September 2007 was NOK 460.8 million as opposed to NOK 315.0 million for the same period last year. The proforma EBITDA as at 30 September 2006 was NOK 532.4 million.

Net financial items were NOK -86.5 million as opposed to NOK -26.8 million for the same period last year. Income from associated companies was NOK 14.5 million as at 30 September 2007 as opposed to NOK 10.4 million in the same period last year. The result from associated companies includes Br. Birkeland AS of NOK 12.2 million and Lerøy Seafood Group ASA of NOK 8.3 million.

Norwegian krone accounts are influenced by changes in currency rates. The USD rate has been significantly lower in 2007 than in the same time period in 2006.

## **Balance sheet as at 30 September 2007**

The group balance sheet total as at 30 September 2007 was NOK 8,459.8 million and the balance sheet total at the end of the 2006 financial year was NOK 6,846.3 million. The group's net interest-bearing debt has increased from NOK 527.3 million as at 31 December 2006 to NOK 1,768.9 million as at 30 September 2007.

## **Segments**

### **Fishmeal and oil**

Fishmeal prices have fallen in the 3rd quarter, while fish oil prices have risen in the same period.

In 2006, fishmeal prices peaked in the 3rd quarter. However, we see the opposite trend this year, with lowest prices in the year reached in the 3rd quarter. We have also this year seen higher purchasing costs for raw materials for the Norwegian fishmeal and oil production operation compared with the previous year.

The 3rd quarter is normally the period of the year of lowest production levels. Maintenance of both vessels and land based installations is therefore carried out in this period.

Fishing patterns and quota regulations affect the group's total quarterly catches and therefore production facility utilization. This results in seasonal variations in production and sales volumes.

The group has sold a total of approximately 107,000 tons of fishmeal and oil in the 3rd quarter of 2007. This is 11,000 tons more than the same quarter last year.

## **Consumption products**

Epax AS was acquired in January of this year and is included in the consumption products segment.

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

Total volume sold to consumption includes approximately 6,000 tons of frozen products (Chile), which is an increase in sales of 200% compared with the same period last year. Approximately 804,000 cases of canned products were also sold as opposed to approximately 1.1 million cases in the same period last year (Chile and Peru). We have in the period sold approximately 263 tons of high concentrate Omega 3 oils and approximately 49 tons of low concentrate Omega 3 oils.

The quarter has been characterized by somewhat lower production levels of frozen products and canned products. Production of high concentrate Omega 3 products is however relatively even throughout the year.

## **Trading**

The trading activity has also in this period generated a negative result. The season for pelagic fisheries normally starts in September, the main activity being in the 4th quarter.

## **Company shareholder structure**

The company had 2,878 shareholders as at 30 September 2007. The AUSS share price was NOK 51 at the end of September 2007.

## **Market conditions and future prospects**

The board sees that lower prices of fishmeal and higher raw material costs in Norway combined with a weaker USD rate has given an operating result before depreciation for the quarter which is significantly lower than for the same period last year.

The board notes that fishmeal prices have stabilised at a somewhat lower level than they were at the start of the year while fish oil prices have shown an upward trend. We see steady strong demand and stable prices for our consumption products.

Storebø, 14 November 2007

The Board of Austevoll Seafood ASA

# FINANCIAL REPORT 3rd quarter 2007

Condensed Consolidated Income Statement							
<i>All figures in NOK 1.000</i>	Q3 2007	Q3 2006	YTD 2007	YTD 2006	2006	Pro forma YTD 2006	Pro forma 2006
Operating income	1 014 638	1 077 759	2 748 979	1 833 189	2 665 588	2 585 534	3 413 787
Operating expenses	-955 398	-846 524	-2 288 197	-1 518 238	-2 183 223	-2 053 103	-2 713 941
<b>Op.profit bef. deprec. (EBITDA)</b>	<b>59 240</b>	<b>231 235</b>	<b>460 782</b>	<b>314 951</b>	<b>482 365</b>	<b>532 431</b>	<b>699 846</b>
Depreciation and amortisation	-50 724	-53 431	-148 759	-79 106	-116 781	-141 921	-183 931
Depreciation of excess value inventory	-	-123 702	-3 000	-123 702	-140 221	-	-
<b>Operating profit (EBIT)</b>	<b>8 516</b>	<b>54 102</b>	<b>309 023</b>	<b>112 143</b>	<b>225 363</b>	<b>390 510</b>	<b>515 915</b>
Income from associated companies	9 421	-2 866	14 481	10 371	16 593	4 771	16 593
Net financial items	-30 688	-30 501	-100 955	-37 121	-48 208	-60 531	-71 445
<b>Profit before tax</b>	<b>-12 751</b>	<b>20 735</b>	<b>222 549</b>	<b>85 393</b>	<b>193 748</b>	<b>334 750</b>	<b>461 063</b>
Income tax expense	11 765	-3 365	-82 870	-5 422	-36 138	-95 796	-86 897
Net profit from discontinued operations	-	-36 539	313 650	105 704	109 055	99 190	102 541
<b>Net profit</b>	<b>-986</b>	<b>-19 169</b>	<b>453 329</b>	<b>185 675</b>	<b>266 665</b>	<b>338 144</b>	<b>476 707</b>
Profit to minority interests	1 179	1 259	7 011	2 762	2 273	9 336	15 546
Profit attribut. to equity holders of parent	-2 165	-20 428	446 318	182 913	264 392	328 808	461 161
Earnings per share	-0,01	-0,12	2,48	1,31	1,82	2,08	2,83
Diluted earnings per share	-0,01	-0,12	2,48	1,31	1,82	2,08	2,83

# Condensed Consolidated Balance Sheet

<i>All figures in NOK 1.000</i>	<b>30.09.2007</b>	<b>30.09.2006</b>	<b>31.12.2006</b>
<b>Assets</b>			
Deferred tax benefit	12 892	41 382	
Intangible assets	1 305 061	1 388 450	1 385 261
Vessels	618 014	750 419	704 408
Other property, plant and equipment	1 744 312	1 610 475	1 815 689
Investments in associated companies	2 014 832	142 186	145 124
Investments in other shares	18 484	21 988	26 298
Other long-term receivables	55 369	89 780	70 524
<b>Total non-current assets</b>	<b>5 768 964</b>	<b>4 044 680</b>	<b>4 147 303</b>
Inventories	574 048	470 037	434 604
Biological assets	0	217 610	224 771
Accounts receivable	504 573	562 784	429 290
Other current receivables	195 680	160 241	188 417
Available-for-sale financial assets	0	9 911	10 428
Cash and cash equivalents	1 416 549	716 038	1 411 492
<b>Total current assets</b>	<b>2 690 850</b>	<b>2 136 621</b>	<b>2 699 003</b>
<b>Total assets</b>	<b>8 459 814</b>	<b>6 181 301</b>	<b>6 846 306</b>
<i>All figures in NOK 1.000</i>	<b>30.06.2007</b>	<b>30.06.2006</b>	<b>31.12.2006</b>
<b>Equity and liabilities</b>			
Share capital	92 159	79 112	89 112
Share premium fund	3 081 049	2 056 462	2 798 795
Retained earnings and other reserves	908 391	677 767	665 893
Minority interests	96 952	106 707	83 200
<b>Total equity</b>	<b>4 178 551</b>	<b>2 920 048</b>	<b>3 637 000</b>
Deferred tax liabilities	473 093	697 728	621 381
Pension obligations	15 853	4 236	18 287
Borrowings	2 426 287	1 202 507	1 354 378
Other long-term liabilities	15 331	67 283	28 630
<b>Total non-current liabilities</b>	<b>2 930 563</b>	<b>1 971 754</b>	<b>2 022 677</b>
Short term borrowings	568 746	515 053	233 913
Overdraft facilities	230 421	308 312	380 540
Accounts payable	271 639	243 102	367 447
Other current liabilities	279 893	223 032	204 729
<b>Total current liabilities</b>	<b>1 350 699</b>	<b>1 289 499</b>	<b>1 186 629</b>
<b>Total liabilities</b>	<b>4 281 263</b>	<b>3 261 253</b>	<b>3 209 306</b>
<b>Total equity and liabilities</b>	<b>8 459 814</b>	<b>6 181 301</b>	<b>6 846 306</b>

## Consolidated Statement of changes in Equity

All figures in NOK 1.000	Q3 2007	Q3 2006	YTD 2007	YTD 2006	2006
<b>Equity period start</b>	<b>4 252 621</b>	<b>2 991 582</b>	<b>3 637 000</b>	<b>982 045</b>	<b>982 045</b>
Profit for the period	-986	-19 169	453 329	185 675	266 665
Currency translation differences	-72 365	86 633	-199 230	38 495	-23 296
Other gains and losses charged directly to equity				-10 690	
<b>Total gains and losses charged directly to equity</b>	<b>-72 365</b>	<b>86 633</b>	<b>-199 230</b>	<b>27 805</b>	<b>-23 296</b>
<b>Total recognised income for the period</b>	<b>-73 351</b>	<b>67 464</b>	<b>254 099</b>	<b>213 480</b>	<b>243 369</b>
Mergers and demergers	-719	-119 320	-719	-119 320	-126 115
Acquisition of minorities		-19 678		-199 284	-217 139
Minority interests arising from business combinations				119 074	119 365
Revaluation of existing interests related to business comb.				288 686	247 774
New equity from cash contributions and contrib. in kind			295 547	1 673 192	2 453 202
Expenses related to share issues (net of tax)			-7 376	-37 825	-65 501
<b>Total equity from shareholders in the period</b>	<b>-719</b>	<b>-138 998</b>	<b>287 452</b>	<b>1 724 523</b>	<b>2 411 586</b>
<b>Total change of equity in the period</b>	<b>-74 070</b>	<b>-71 534</b>	<b>541 551</b>	<b>1 938 003</b>	<b>2 654 955</b>
<b>Equity at period end</b>	<b>4 178 551</b>	<b>2 920 048</b>	<b>4 178 551</b>	<b>2 920 048</b>	<b>3 637 000</b>

## Condensed Consolidated Cash Flow Statement

All figures in NOK 1.000	Q3 2007	Q3 2006	YTD 2007	YTD 2006	2006
<b>Net cash flow from operating activities</b>	<b>558 222</b>	<b>551 282</b>	<b>243 751</b>	<b>577 256</b>	<b>935 647</b>
<b>Net cash flow from investing activities</b>	<b>-324 480</b>	<b>-124 051</b>	<b>-1 526 833</b>	<b>-963 151</b>	<b>-1 005 463</b>
<b>Net cash flow from financing activities</b>	<b>-263 293</b>	<b>-600 400</b>	<b>1 288 138</b>	<b>975 440</b>	<b>1 354 816</b>
<b>Net change in cash and cash equivalents</b>	<b>-29 551</b>	<b>-173 169</b>	<b>5 056</b>	<b>589 545</b>	<b>1 285 000</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1 446 100</b>	<b>889 207</b>	<b>1 411 493</b>	<b>126 493</b>	<b>126 493</b>
<b>Cash and cash equivalents at period end</b>	<b>1 416 549</b>	<b>716 038</b>	<b>1 416 549</b>	<b>716 038</b>	<b>1 411 493</b>



## Note 1

<b>Segment information</b>					
<b>Q3 2007</b>					
<i>All figures in NOK 1.000</i>	<b>Operating revenue</b>	<b>EBITDA</b>	<b>EBITDA %</b>	<b>EBIT</b>	<b>EBIT %</b>
Fishmeal/oil	693 527	47 179	7 %	16 420	2 %
Human Consumption	175 311	26 454	15 %	12 259	7 %
Trading	115 755	-7 921	-7 %	-13 320	-12 %
Not allocated/elimination	30 044	-6 472		-6 843	
<b>Total Group</b>	<b>1 014 637</b>	<b>59 240</b>	<b>6 %</b>	<b>8 516</b>	<b>1 %</b>
<b>Q3 2006</b>					
<i>All figures in NOK 1.000</i>	<b>Operating revenue</b>	<b>EBITDA</b>	<b>EBITDA %</b>	<b>EBIT</b>	<b>EBIT %</b>
Fishmeal/oil	782 844	223 944	29 %	68 610	9 %
Human Consumption	136 191	16 210	12 %	-1 267	-1 %
Trading	279 237	-4 007	-1 %	-5 841	-2 %
Not allocated/elimination	-120 513	-4 913		-7 400	
<b>Total Group</b>	<b>1 077 759</b>	<b>231 234</b>	<b>21 %</b>	<b>54 102</b>	<b>5 %</b>
<b>YTD 2007</b>					
<i>All figures in NOK 1.000</i>	<b>Operating revenue</b>	<b>EBITDA</b>	<b>EBITDA %</b>	<b>EBIT</b>	<b>EBIT %</b>
Fishmeal/oil	1 757 100	371 677	21 %	279 613	16 %
Human Consumption	620 601	122 191	20 %	76 446	12 %
Trading	449 310	-18 362	-4 %	-28 456	-6 %
Not allocated/elimination	-78 032	-14 724		-18 580	
<b>Total Group</b>	<b>2 748 979</b>	<b>460 782</b>	<b>17 %</b>	<b>309 023</b>	<b>11 %</b>
<b>YTD 2006</b>					
<i>All figures in NOK 1.000</i>	<b>Operating revenue</b>	<b>EBITDA</b>	<b>EBITDA %</b>	<b>EBIT</b>	<b>EBIT %</b>
Fishmeal/oil	936 428	274 673	29 %	112 309	12 %
Human Consumption	273 014	41 086	15 %	10 153	4 %
Trading	852 964	-5 485	-1 %	-10 985	-1 %
Not allocated/elimination	-229 217	4 676		666	
<b>Total Group</b>	<b>1 833 189</b>	<b>314 950</b>	<b>17 %</b>	<b>112 143</b>	<b>6 %</b>

<b>Proforma</b>					
<b>YTD 2006</b>					
<i>All figures in NOK 1.000</i>	<b>Operating revenue</b>	<b>EBITDA</b>	<b>EBITDA %</b>	<b>EBIT</b>	<b>EBIT %</b>
Fishmeal/oil	1 567 245	451 297	29 %	360 988	23 %
Human Consumption	371 035	58 954	16 %	16 843	5 %
Trading	852 964	-5 485	-1 %	-10 985	-1 %
Not allocated/elimination	-205 710	27 665		23 664	
<b>Total Group</b>	<b>2 585 534</b>	<b>532 431</b>	<b>21 %</b>	<b>390 510</b>	<b>15 %</b>

  

<b>Full year</b>					
<b>2006</b>					
<i>All figures in NOK 1.000</i>	<b>Operating revenue</b>	<b>EBITDA</b>	<b>EBITDA %</b>	<b>EBIT</b>	<b>EBIT %</b>
Fishmeal/oil	1 367 064	397 629	29 %	185 051	14 %
Human Consumption	456 378	64 661	14 %	27 872	6 %
Trading	950 880	3 553	0 %	-4 625	0 %
Not allocated/elimination	-108 734	16 521		17 066	
<b>Total Group</b>	<b>2 665 588</b>	<b>482 364</b>	<b>18 %</b>	<b>225 364</b>	<b>8 %</b>

  

<b>Pro forma</b>					
<b>2006</b>					
<i>All figures in NOK 1.000</i>	<b>Operating revenue</b>	<b>EBITDA</b>	<b>EBITDA %</b>	<b>EBIT</b>	<b>EBIT %</b>
Fishmeal/oil	1 995 450	587 784	29 %	461 899	23 %
Human Consumption	581 073	85 193	15 %	38 104	7 %
Trading	950 880	3 553	0 %	-4 625	0 %
Not allocated/elimination	-113 616	23 316		20 537	
<b>Total Group</b>	<b>3 413 787</b>	<b>699 846</b>	<b>21 %</b>	<b>515 915</b>	<b>15 %</b>

## Note 2

### Applied accounting principles

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