Austevoll Seafood ASA

Annual Report 2014

Austevoll Seafood ASA

Financial calendar 2015

13.05.15 Report Q1 2015
22.05.15 Annual General Meeting
13.08.15 Report Q2 2015
11.11.15 Report Q3 2015
23.02.16 Preliminary annual results 2015

Please note that the dates might be subject to changes.

Content

This is Austevoll Seafood ASA

A leading seafood industry specialist within the Salmon and Pelagic sector.

Austevoll Seafood ASA (AUSS) is a globally integrated pelagic and salmon industry specialist with operations in Norway, Chile, Peru and North Atlantic region. Our beginning can be traced back to Austevoll Havfiske AS, a company established in 1981 by Helge Møgster, Ole Rasmus Møgster and their father. The fishing activities were small-scale up until 1991, when the Møgster family purchased their second fishing vessel, including fishing license, in Norway. Over the last decade, AUSS has acquired a significant number of companies of a complementary nature to its existing business areas.

In 1991 the Møgster family entered into the pelagic wild catch in Chile after being invited by EWOS to operate their fishing vessels. The Chilean operation was gradually expanded and AUSS now controls approx. 9.1% of the Chilean horse mackerel quotas in the South of Chile. The next major investments were done in 2006, by entering into the fishmeal and fish oil operation in Norway and Peru through the acquisitions of Welcon Invest AS (Norway) and Austral Group S.A.A (Peru).

In 2006, AUSS was established based on Austevoll Havfiske AS, by then 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.

Today our investments include ownership and operation; of fishing vessels, fishmeal plants, canning plants, freezing plants, salmon farming, salmon processing, and marketing and sales. The total number of full-time equivalents (FTEs) for the Group in 2014 was 4,155 of which 1,935 were in South America.

At AUSS we see the focus in sustainability as the key for our success and existence. A successful balance of environmental, social and economic elements will help ensure that AUSS remains commercially feasible, socially acceptable and in compliance with the capacity of the environment we operate in.

Important strategic events

2014
Pelagia Holding AS were established
Villa demerged and LSG`share fully consolidated into LSG.
As a result of the demerger Lerøy Aurora has right of disposal of additinal eight new licenses.

2013
Increased ownership in NPEL from 43.3% to 100.0%
Acquired 49.43% of the shares in Villa Organic AS
AUSS and Kvefi AS agreed to merge respective pelagic activities in Europe. Transaction was completed in January 2014, Pelagia Holding AS (ex. Pelagia AS) was established.

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

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

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

2009
AUSS and Origin Enterprises plc merged their respective fishmeal and fish oil activities in Norway, Ireland and UK.
Decreased ownership in LSG to 63.7%
Completed private placement for a total of 18,400,000 new shares

2008
Increased ownership in LSG to 74.93%

2007
Acquired 100% of Epax Holding AS, Norway
Sold the salmon business to Lerøy Seafood Group ASA (LSG), owenership per end 2007 33%.
Acquired 50% of Corporacion del Mar S.A (Cormar), Peru

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

Greetings from the CEO

2014 – A year of challenges and opportunities.

Austevoll Seafood ASA is a solid company with a good track record in our investments and with great business potential still to be fully realized. Within the global seafood industry, we hold leadership positions in both the salmon and pelagic segments. Since 2006 we have maintained a strict approach in our portfolio management, where we retain focus on consolidating businesses within the seafood value chain that complement our existing investments. This has lead our group from having NOK 2.7 billion in turnover for 2006 to NOK 14.3 billion in 2014. Nevertheless, this is largely owed to over 4 ,500 professional employees with presence in 18 countries working together in building a better future for our businesses. Looking ahead we understand that resource scarcity is and will continue to be an on-going global challenge. With increasing cost of production, it is an ever growing necessity for us to adopt a diversified strategy to maximize the value of our products via innovation, investment and initiative.

The global salmon supply increased in 2014 to a total volume of approx. 2.2 million tonnes, an increase of 9.2 % compared with 2013. Despite the increase in volume harvested we have experienced a persistently strong demand, and achieved high prices for Atlantic salmon also during 2014. The ban on imports into Russia represented a significant short term challenge for the Norwegian seafood industry, and in particular for the trout prices post 7 August. Lerøy Seafood Group ASA (LSG) harvested a total of 158,300 tonnes of salmon and trout from own production in Norway during 2014, up from 144,800 tonnes in 2013.

January 2014 saw the formation of Pelagia AS, the holding company of Norway Pelagic Holding AS, Welcon AS and Egersund Fisk AS. Headquartered in Bergen, Norway, Pelagia is the largest company of its kind in Europe, and leading in production of pelagic fish, fishmeal and fish oil. This transaction is in line with our long term strategy within the pelagic segment, establishing strategic partnerships to optimize operations from raw materials to end product. We look forward to developing the company together with its management, creating good partnerships with our suppliers and customers.

In South America, the Chilean horse mackerel quota was set at 298,000 tonnes for 2014, up from 250,000 tons in 2013. The quota for 2015 is set at 310,000 tonnes and demonstrates the Chilean government's commitment to slowly rebuilding the biomass. The business in Chile saw a recovery of catches of sardine/anchovy during 2014, contributing to a 100% increase of volume handled in our factory compared with 2013.

The improvement in Chile was not in itself sufficient to avoid a reduction in both turnover and profit from the pelagic fish segment. The second fishing season in Peru was cancelled and we saw a reduction of 53% in the total catches from 2013 to 2014, due to unfavourable oceanographic conditions. We expect that the biomass and catches will recover to a normal level during the first half of 2015.

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


Arne Møgster, CEO
Austevoll Seafood ASA

In conclusion, 2014 has been one of the best years in the Group's history, although we have faced challenges related to market access in both Nigeria and Russia, a fishing ban second half in Peru and also higher cost levels in the salmon segment. We are satisfied with the Group's financial performance during 2014. However, overcoming the above mentioned challenges, there is still room for improvement in all segments of the Group in 2015.

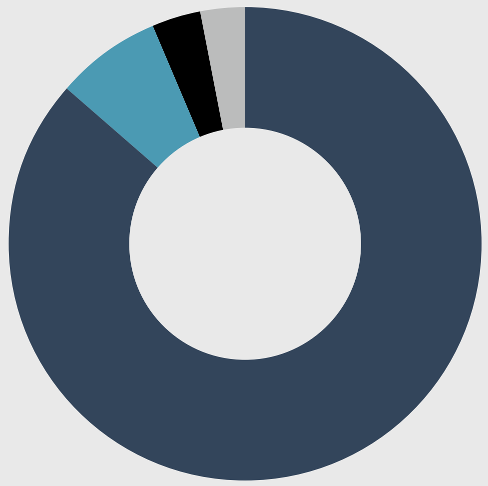
I would like to thank our suppliers, customers and partners for their important contributions and cooperation through 2014. I would like to give a special note of thanks to our employees for all their great efforts through the year. Your trust, loyalty, sacrifices and devotion have been key factors in our success. I very much look forward to working with all of you in the years to come.

Key figures

Amounts in NOK 1 000		2014	2013 (restated)	2012 (restated)
PROFIT AND LOSS ACCOUNT				
Operating income		14 344 177	12 657 884	11 435 702
Operating expenses		-11 827 988	-10 277 792	-10 197 481
EBITDA		**2 516 189**	**2 380 092**	**1 238 221**
Depreciation, amortisation, impairment and depreciation of excess value		-660 421	-668 697	-581 327
EBIT (before fair value adj.biological assets)		**1 855 768**	**1 711 395**	**656 894**
Fair value adjustment of biological assets		-379 758	828 834	328 075
OPERATING PROFIT		**1 476 010**	**2 540 229**	**984 969**
Income from associated companies		217 381	194 328	17 065
Net financial items		-346 918	-270 120	-167 091
Profit before tax		1 346 473	2 464 437	834 943
Profit after tax		1 000 671	1 841 767	587 549
Net profit after discontinued operations		**1 000 671**	**1 603 068**	**646 634**
Profit to minority interests		445 561	904 277	227 589
BALANCE SHEET				
Intangible assets		7 480 567	7 057 034	6 956 091
Vessels, other property, plant and equipment		4 949 287	4 452 666	4 172 919
Other non current assets		1 663 735	862 064	456 588
Current assets		9 250 408	10 312 592	8 433 232
Total assets		**23 343 997**	**22 684 356**	**20 018 830**
Equity		12 360 106	11 464 191	10 119 794
Long term liabilities		7 387 918	7 705 494	6 844 300
Short term liabilities		3 595 973	3 514 671	3 054 736
Total equity and liabilities		**23 343 997**	**22 684 356**	**20 018 830**
Net interest bearing debt		**3 959 866**	**5 103 197**	**3 942 863**
CASH FLOW				
Net cash flow from operating activities		**1 794 738**	**1 492 930**	**881 058**
KEY RATIOS				
Liquidity ratio	1	2.57	2.93	2.76
Equity-to-asset ratio	2	53 %	51 %	51 %
EBITDA margin	3	18 %	19 %	11 %
Return on equity	4	8 %	15 %	7 %
Average no. of shares (thousands)		**200 995**	**200 995**	**200 995**
Earnings per share	5	2.76	3.48	2.08
Paid out dividend		1.60	1.20	1.00
Proposed dividend payout 2015		2.00		

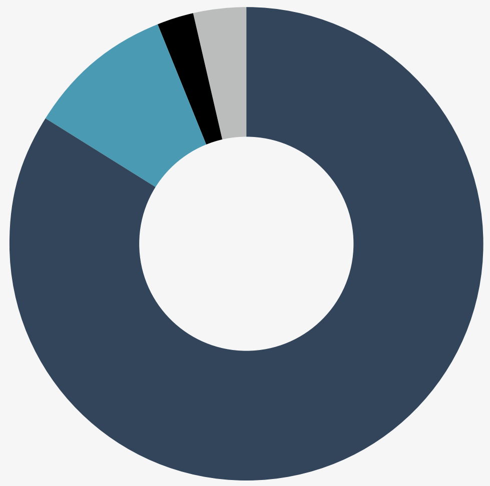
1) Current assets/short term liabilities
2) Equity/total capital
3) Operating profit/loss before depreciaton expressed as a percentage of operating income
4) Net profit after tax (incl. discontinued operations) expressed as a percentage of average equity
5) Net profit after tax (incl. discontinued operations)/average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

Operating Revenue
2014



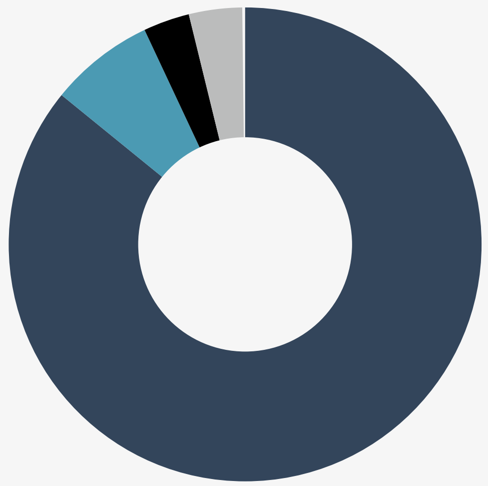
Lerøy Seafood Group	12 696 874
Austral Group	1 067 299
Foodcorp Group	500 696
Birkeland Group	429 190
Others	-349 882

Operating Revenue
2013 (restated)



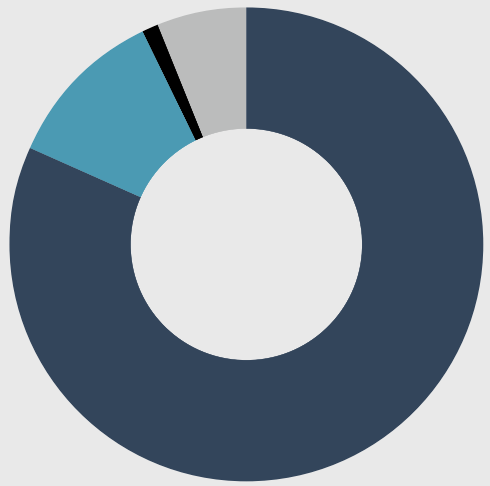
Lerøy Seafood Group	10 818 519
Austral Group	1 290 433
Foodcorp Group	321 795
Birkeland Group	430 111
Others	-202 974

EBITDA
2014



Lerøy Seafood Group	2 160 138
Austral Group	180 137
Foodcorp Group	79 483
Birkeland Group	91 523
Others	4 907

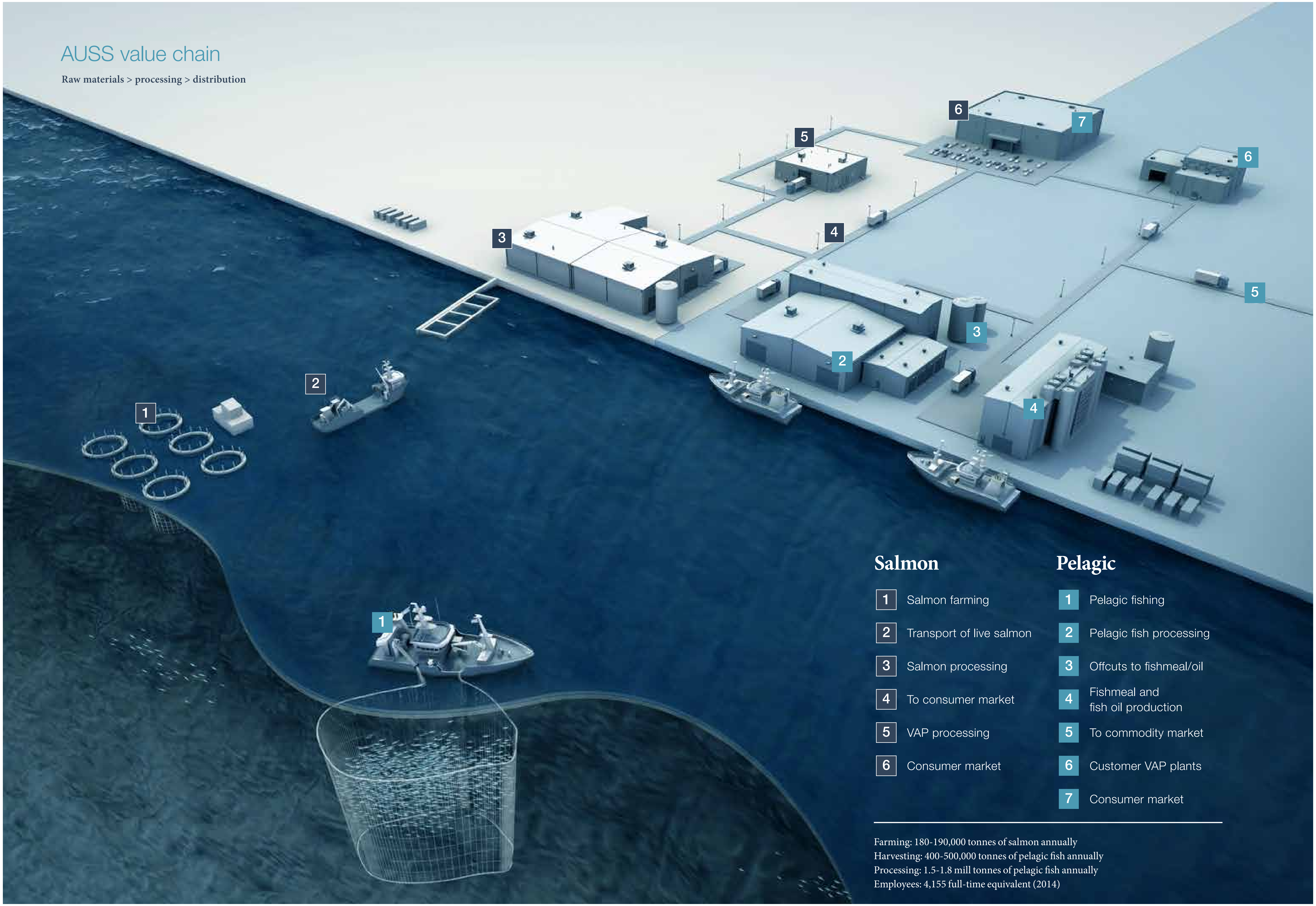
EBITDA
2013 (restated)



Lerøy Seafood Group	1 938 474
Austral Group	262 169
Foodcorp Group	20 838
Birkeland Group	153 983
Others	4 627

AUSS value chain

Raw materials > processing > distribution



Salmon

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

Pelagic

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

Farming: 180-190,000 tonnes of salmon annually
Harvesting: 400-500,000 tonnes of pelagic fish annually
Processing: 1.5-1.8 mill tonnes of pelagic fish annually
Employees: 4,155 full-time equivalent (2014)

Company overview

Austevoll Seafood ASA is a globally integrated pelagic and salmon industry specialist with operations in Norway, Chile, Peru and North Atlantic.

Austevoll Seafood ASA

Salmon

Norway / UK
62.56 %
Lerøy Seafood Group ASA

- 141 salmon licenses

Norway
49.99 %
Br Birkeland AS

- 3 fishing vessels
- 7 salmon licenses

Pelagic

Chile
100 %
Foodcorp Chile S.A

- 5 fishing vessels
- 4 processing plants
- 9.1% of horse mackerel quota in the south

Peru
89.35 %
Austral Group S.A.A

- 21 fishing vessels
- 7 processing plants
- 7% of anchovy quota in the centre/north

North Atlantic
50 %
Pelagia AS*

- 1 fishing vessel*
- 27 processing plants
- 1 facility approved as Border Inspection Post (BIP)

*Associated companies

Lerøy Seafood Group ASA

Lerøy Seafood Group's vision is to be the leading and most profitable global supplier of quality seafood.

Lerøy Seafood Group ASA (LSG) is the leading exporter of seafood from Norway and is in business of meeting the demand for food and culinary experiences in Norway and internationally by supplying seafood products through selected distributors to producers, institutional households and consumers. LSG's core activities are production of salmon, trout and other species, processing of seafood, distribution, sale and marketing of seafood, as well as product development.

Lerøy Seafood Group's vision is to be the leading and most profitable global supplier of quality seafood.

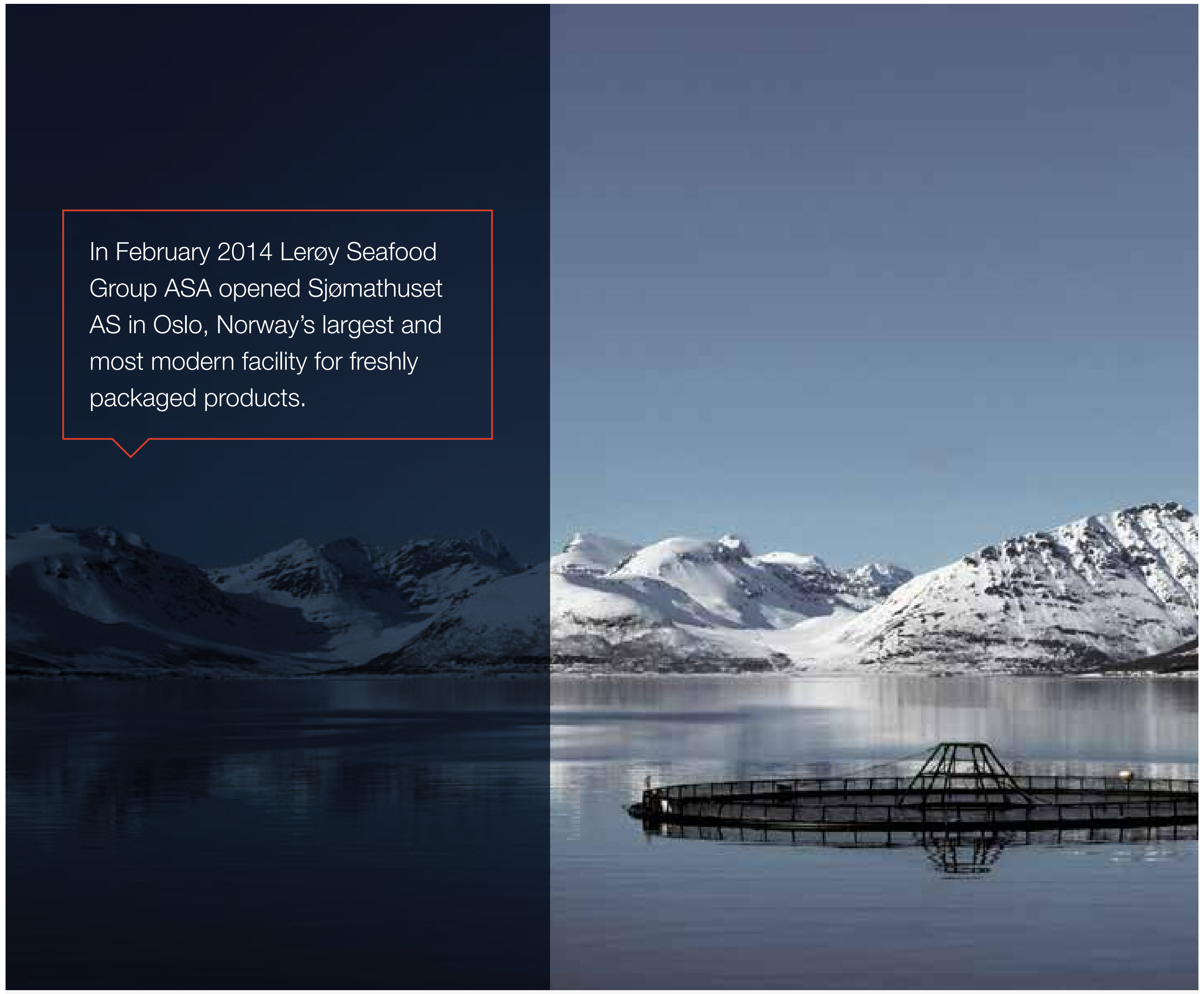
Operational highlights for 2014

For 2014 in total, LSG has reported turnover of NOK 12,697 million compared with NOK 10,819 million in 2013. Operating profit before value adjustment of biomass for 2014 as a whole was NOK 1,789 million compared with NOK 1,626 million in 2013. The profit figure before tax and before value adjustment of biomass in 2014 was NOK 1,817 million compared with NOK 1,630 million in 2013. Excluding the value of biomass adjustments, these figures go down in LSG's history as the highest turnover, operating profit and pre-tax profit to date. LSG has divided its reporting into three operating segments with effect from 1 January 2014: Farming, Value-added processing (VAP) and Sales & Distribution (S&D).

The Farming segment consists of LSG's three farming regions in Norway: Lerøy Aurora AS which holds 26 licences in Troms, Lerøy Midt AS which owns 55 licences in Central Norway and Lerøy Sjøtroll, which consists of the two farming companies Lerøy Vest AS (34 licences, wholly-owned by LSG) and Sjøtroll Havbruk AS (26 licences, 50.7% owned by LSG).

The VAP segment currently has four units. Lerøy Fossen AS (located on the island of Osterøy close to Bergen) is Norway's largest smokehouse for salmon and trout, with a capacity of approximately 12,000-15,000 GWT of raw materials. Lerøy Smøgen Seafood AB (located in Smøgen, Sweden) is Sweden's largest value-added processing facility for salmon. It has an approximate capacity of 12,000 GWT of raw materials. Rode Beheer BV Group (50.1% owned by LSG) has facilities in Urk, Holland, with a total capacity of 15,000-20,000 GWT of raw materials. Bulandet Fiskeindustri AS is a processing facility for white fish in Norway.

Sales & Distribution play a very important role in LSG's ambition to drive demand for seafood, by launching new products and pioneering new markets. The segment not only sells and distributes its own production of salmon and trout, but also has a high level of sales activity in cooperation with third parties, ensuring a wide product range for LSG within seafood. In recent years, LSG has also made significant investments in processing facilities, in order to be able to drive a "revolution" in the distribution of fresh seafood. The investments have been made in what is known as "fish-cuts", processing facilities where freshness, service and closeness to end customer are key. Today, LSG has a number of fish-cut facilities across Europe.



Key initiatives and accomplishments

Opening of Sjømathuset AS in Oslo in February. Norway's largest and most modern facility for freshly packaged products.

Purchase of 34% of lumpfish producer, Norsk Oppdrettsservice AS.

8 licences from Villa Organic AS were merged into Lerøy Aurora AS.

Major investments to produce large smolt and small salmon (up to 1 kg) at Lerøy Aurora AS in Laksefjord.

Agreement signed for the acquisition of seafood distributor Alarko in Turkey.

Market overview for 2014

A central aspect of LSG's strategy for growth is to offer new products to new markets. This requires knowledge of and proximity to both customer and market. LSG has a long, proud history within the sale and distribution of seafood. Today, LSG sells its products to more than 70 markets and has a vast network of customers in the majority of these markets. Not only does this major customer portfolio afford unique knowledge of market trends, it also allows for a significant diversification of risk.

The spot prices for salmonids were significantly impacted by Russia's import ban imposed on 7 August 2014. Before this ban, about 10% of Norwegian salmon production and about 50% of Norwegian trout production was exported to this market. The ban had a significant impact on prices for salmon, but an even higher impact on trout prices. As the world's largest producer of trout, the prices achieved by LSG saw a significant downward trend after 7 August 2014.

Foodcorp Chile S.A

A key pelagic company within the fishing industry of Chile.

Foodcorp Chile S.A (FC), a fully owned subsidiary of AUSS since 1991 and is one of the main players in the pelagic fishing industry in the Centre-South region of Chile. FC operates a fleet of five purse seiner vessels, plants for freezing, canning, fishmeal and fish oil production. In addition FC also purchases raw material from coastal fishermen under fish delivery agreements.

Since 2012, in collaboration with Alimar S.A., MarFood S.A was established to address the reduction of fishing quotas set by the authorities. This venture has been successful allowing FC to optimise assets and human resources.

Operational highlights for 2014
For 2014 FC's operation was highly focused on balancing the available raw material input with market demands. Investments made in production line enabled the consolidation of the giant squid production. The production line now includes segregated areas within the direct human consumption freezing plant, allowing parallel production of giant squid with pelagic fish. This enhances FC's flexibility to provide constant products to the markets.

In the fishmeal and fish oil production, several improvements have been made addressing community concerns including odour control and fresh fish transportation.

For 2014 in total, FC has reported turnover of NOK 501 million compared with NOK 322 million in 2013. EBITDA for 2014 was NOK 79 million compared to NOK 21 million in 2013. Operating profit before impairment for 2014 as a whole was NOK 26 million compared with NOK - 35 million in 2013. Operating profit in 2014 was NOK 1 million compared with NOK -35 million in 2013.

As a result of the measures to optimise the company's operations, including ships taken offhire, the company made total write-downs in 2014 of NOK 25.1 million.

Key initiatives and accomplishments
FC, along with MarFood, achieved all financial, environmental and social goals for 2014.

FC's operations performance in 2014, could only be described as "resilience." FC experienced continuous changes in raw material availability and new regulations in their main markets. Teamwork and adaptability were key factors of FC's success.

Market overview for 2014
FC has the latest years focused on finding new sources of raw material in a period with low horsemackerel quotas to optimise assets and human resources. Giant Squid has become an important source of raw material and the products have been well received in the market. In 2014 Nigeria, the main market for frozen horse mackerel, implemented new import restrictions which created a need to find and move stocks into alternative markets.

Fishmeal and fish oil experienced a seller's market in the second half of 2014. This was caused mainly by the low catches in Peru, combined with better than expected quantity and quality of raw material. In 2014 this segment for FC experienced a full recovery from the challenges in 2013.

Austral Group S.A.A

A leading Peruvian fishing company with primary activity in industrial fishing of pelagic fish for both direct and indirect human consumption.

Austral Group S.A.A (Austral) is a Peruvian fishing company, market leader in the areas of innovation, quality and care for the environment. Its shares are listed on the Lima Stock Exchange. Austral's main shareholder is Austevoll Seafood ASA, one of the largest seafood groups in the world, owning 89.35% of the shares.

Austral's primary activity is industrial fishing, including the extraction, processing and commercialisation of pelagic fish for both direct (frozen, fresh and canned products) and indirect human consumption (fishmeal and fish oil).

The company has a fleet of 21 vessels of which 11 are equipped with RSW systems, 4 fishmeal plants distributed along the Peruvian coast, 2 canning facilities and 1 frozen plant.

Operational highlights for 2014

Austral´s fishing operations were severely affected by the "El Niño" phenomenon during 2014. Its impact on the anchovy biomass drastically reduced the catches throughout the year. During 2014, only 68.1% of the first season quota of 2,530,000MT in the Centre-North zone was caught by the industry and the second season was not opened. In the first season Austral caught 77.5% of its authorized quota, the highest percentage achieved by the principal industrial fishing players.

In the South zone the second season of 2013 was extended to 15th June 2014 with a quota of 430,000MT of which 324,000MT was caught in 2014. The Government issued a 1st season quota in 2014 of 234,000MT of which only 6% was caught.

With regards to Direct Human Consumption, the Government issued a quota of 104,000 MT of jack mackerel and of 48,000 MT of mackerel of which 63% of jack mackerel and 100% of mackerel was caught.

Austral unloaded in their own plants 201,018 MT of anchovy in 2014 (28% purchases from third parties) for fishmeal and 11,647 MT of jack mackerel and mackerel for Direct Human Consumption.

For 2014 in total, Austral reported a turnover of NOK 1,067 million compared with NOK 1,290 million in 2013. EBITDA for 2014 was NOK 180 million compared to NOK 262 million in 2013. Operating profit before impairment for 2014 as a whole was NOK 42 million compared with NOK 113 million in 2013. Operating profit in 2014 was NOK 39 million compared with NOK 29 million in 2013.

The results for 2014 were significantly impacted by the low level of raw materials available in 2014, and Austral had its lowest results under AUSS ownership, which goes back to 2006.

As a result of the restructuring of factory structure (sales and closure) Austral made total write downs in 2013 of NOK 84 million.

Key initiatives and accomplishments

Our focus in 2014 was on the fleet and plants renovation and modernization:

Construction was started on a new vessel (Don Ole) in Poland. The vessel will have a hold capacity of 1,080m^3 and will be the most modern, safe and ecoefficient vessel of the entire Peruvian fishing fleet.

Simon vessel lengthening modification was successfully completed, thus increasing the vessel's freeboard and stability, enhancing the crew's security.

Coishco fishmeal production plant capacity increase was completed. The plant's new production capacity is 160 MT per hour (previous 80MT).

Coishco frozen fish production plant expansion was completed, increasing the plant's production capacity from 275 MT per day to 475 MT per day.

As required by Peruvian law, the effluents management system was successfully implemented in every plant allowing the company to comply with the strict environmental regulations.

Pisco's plant boilers fuel system was modified from fuel oil to natural gas, reducing costs and providing an important environmental benefit. Chancay's plant will be converted to gas in 2015.

Market overview for 2014

In 2014, Peru's fishmeal and fish oil industry was hit by a 'moderate' El Nino phenomenon, which saw poor anchovy catches, therefore fishmeal, and fish oil prices soared, reporting historical fishmeal prices above USD 2,300/MT by the end of the year.

China was the main market for Austral's fishmeal, 50% of sales, and Norway was the main market for Austral's fish oil, 44% of sales.

Prices for DHC were fairly stable in 2014. Frozen products were directed to the domestic market where good demand was seen in contrast to the export market where the late allowance of quotas in Nigeria had a negative effect on demand.

Br Birkeland AS

Br Birkeland AS is headquatered in Austevoll, Norway
with key business segments in fishing and salmon farming.

Br Birkeland AS (BRBI) is owned by 49.99% of Austevoll Seafood ASA. The key business segments are fishing and salmon farming, in which BRBI owns and operates 3 modern fishing vessels and 7 salmon farming licenses in Norway.

The company operates two purse-seiner/trawlers, MS Talbor and MS Birkeland for fishing of pelagic fish and one crab fishing vessel, MS Northeastern, for harvesting of snow crab. Salmon operation is operated by their subsidiary Kobbevik og Furuholmen Oppdrett AS (KF). KF operates 7 salmon and trout farming licenses with production in Hordaland.

Operational highlights for 2014

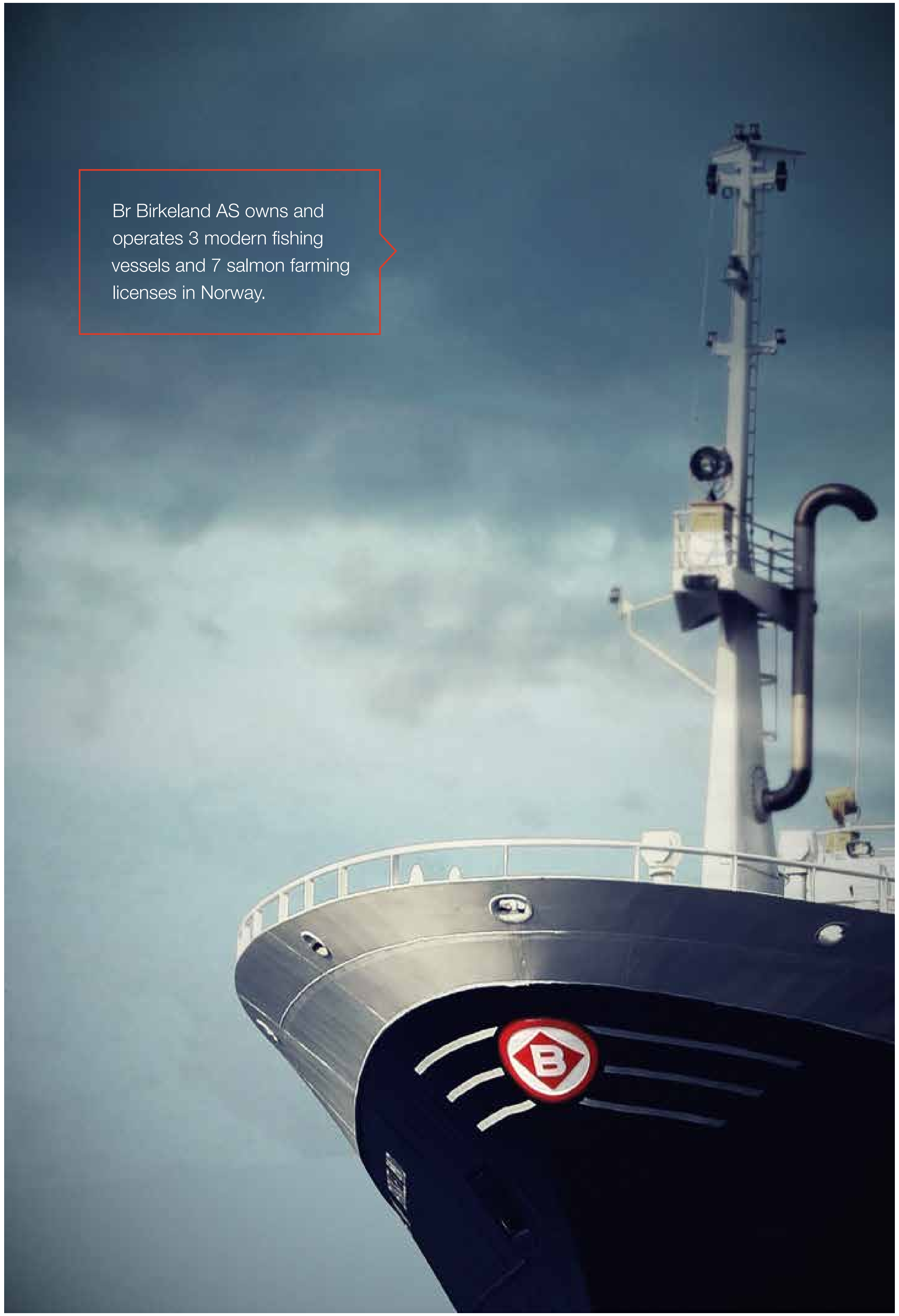
By the end of 2014, the pelagic vessels caught their full quotas consisting mainly of herring, mackerel, capelin and blue whiting. All catches are sold through the mandatory auction system for Norwegian pelagic fishing vessels through Norges Sildesalgslag. The quotas for both mackerel and blue whiting were substantially higher in 2014 compared to 2013. The quota for Norwegian spring spawning herring (NVG herring) was lower in 2014 compared to 2013, however somewhat compensated by a higher North Sea herring quota in 2014.

Snow crab is a high value consumer product which has recently been commercialized in Norway. In 2014 the company began fishing snow crab using its existing pelagic vessel "Talbor". The experience gained from this trial was positive and the company decided to purchase one purpose-built vessel for fishing snow crab. The acquired vessel "Northeastern" has an on-board factory for turn-key production of snow crab. The vessel has been in continuous operation since November 2014.

The Atlantic salmon and trout activities take place in Hordaland at the west coast of Norway. In spite of both biological and market challenges, the company has in total had a good year. With regards to production, release from stock costs are at a historically high level with one factor being higher feed cost, but the major factor is the increase of cost concerning the treatment of biological factors in the region. The import ban into Russia along with the weakening Rouble has had a substantially greater negative impact on the prices realised for trout compared with the development in salmon prices.

For 2014 in total, BRBI reported a turnover of NOK 429 million compared with NOK 430 million in 2013. EBITDA for 2014 was NOK 92 million compared to NOK 154 million in 2013. Operating profit for 2014 as a whole was NOK 39 million compared with NOK 104 million in 2013.

Start-up costs of NOK 25 million for the new snow crab project have been recognised in the company's financial statements in 2014.



Br Birkeland AS owns and operates 3 modern fishing vessels and 7 salmon farming licenses in Norway.

Pelagia Holding AS

It is a key goal for Pelagia to become the driving force in product development and innovation within the pelagic industry.

Pelagia Holding AS (Pelagia) is an associated company of Austevoll Seafood ASA and a leading North Atlantic region producer and exporter of pelagic products. Pelagia is jointly owned by AUSS (50%) and Kvefi AS (Kvefi) (50%) and was established in January 2014 as a result of the amalgamation of activities within the pelagic fishmeal, fish oil and human consumption in Europe owned by the two parties.

Pelagia divides their core activities into two divisions; food and feed. The food division's activities focus on production, sales and marketing of fresh, frozen and marinated pelagic products. Whereas the feed division's activities focus on the production, sales of fishmeal and fish oil towards the feed industry. The company operates production facilities strategically located near to fishing grounds in Norway, UK and Ireland. Pelagia has its headquarters in Bergen.

Pelagia's vision is to be the leading global supplier of pelagic fish products by capitalising on the synergy generated from the consolidation of three of the leading pelagic companies in the region.

Operational highlights for 2014
For 2014 in total, Pelagia reported a turnover of NOK 5,646 million compared with NOK 5,944 million in 2013(P). EBITDA was NOK 589 million compared with NOK 520 million in 2013(P). Operating profit before impairment was in 2014 NOK 420 million compared with NOK 348 million in 2013(P). The total intake of raw material in 2014 were 1,292 million tonnes, also including the raw material intake of the associated company Hordafor AS, which Pelagia owns 50% in the share capital. For comparison the raw material intake in 2013 (P) were at 1,176 million tonnes.

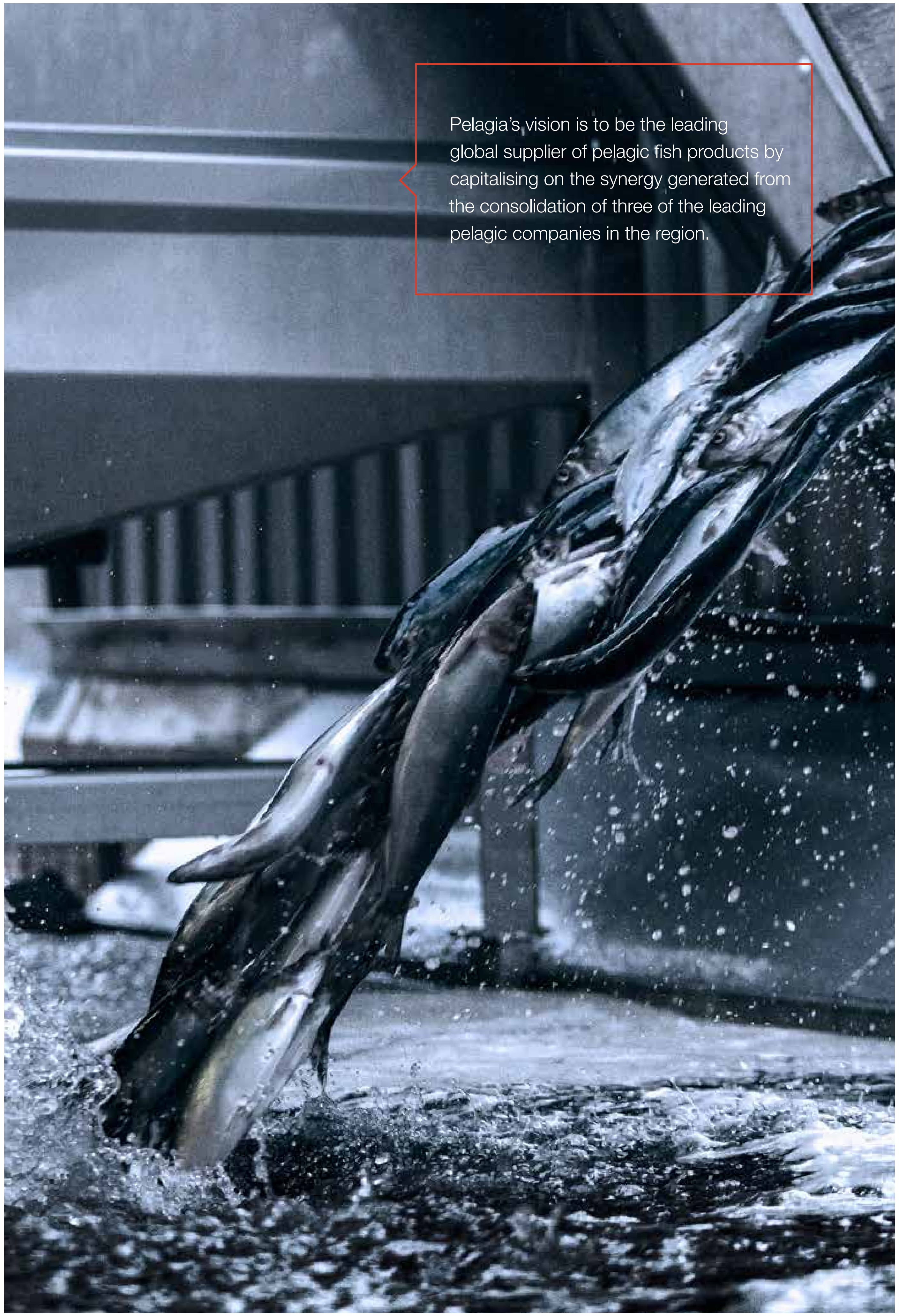
The pelagic sector has strong potential in product development and marketing, which has yet to be harnessed. It is a key goal for Pelagia to become the driving force in product development and innovation within the pelagic industry. The wholly integrated structure of Pelagia provides an optimal utilisation of resources where 100% of the raw material is used in the different production processes, and consequently allows possibilities for further value adding.

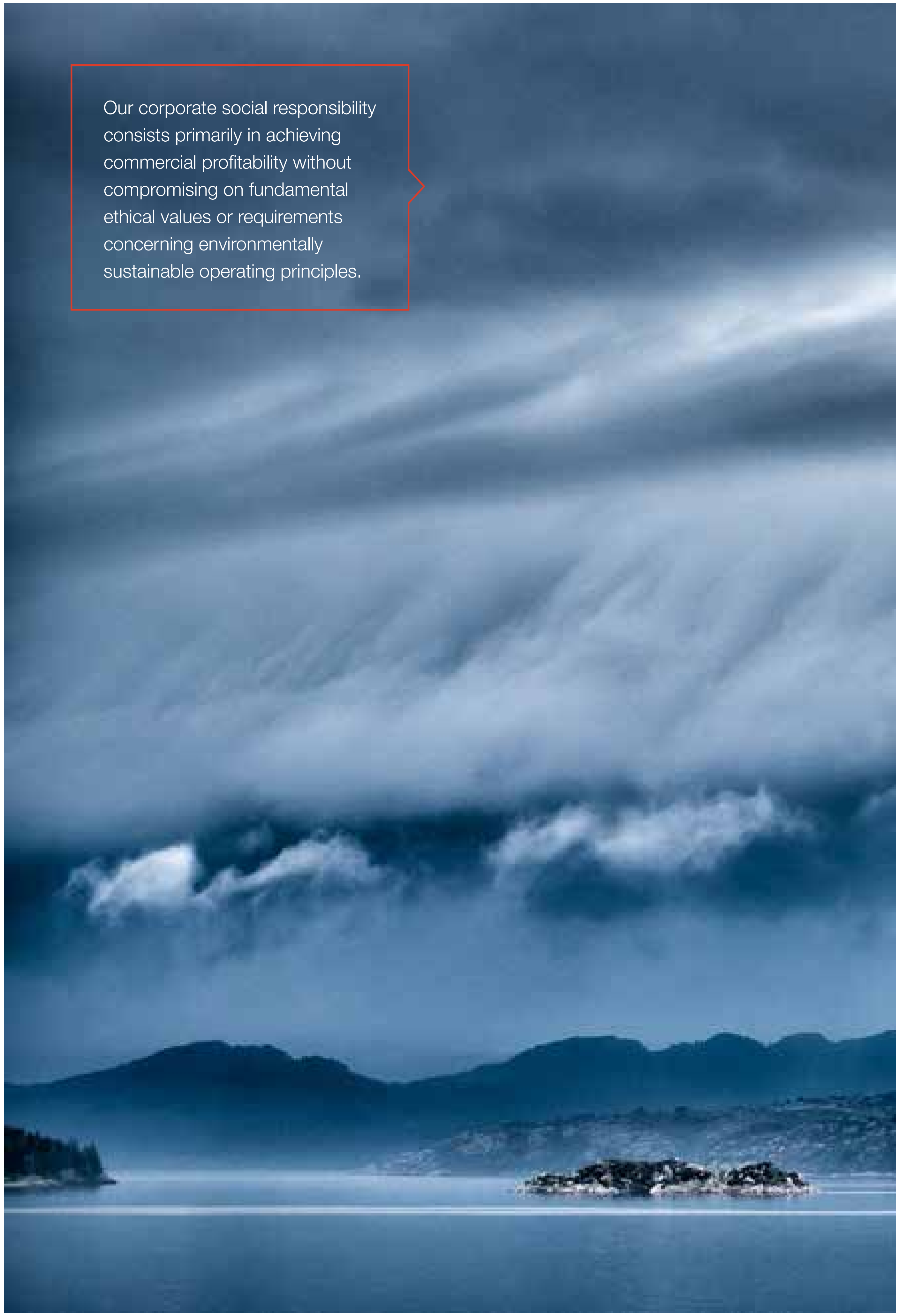
Pelagia has a strong position on sustainability within its operating principles. Pelagia bases activities strictly upon the sustainable exploitation of pelagic fish stocks in the ocean. Pelagia supports and engages in environmental standards for sustainable and well regulated fisheries based on sustainable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

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

Market overview for 2014
The main species of raw material for the food division are mackerel, herring and capelin. The main species of raw material for the feed division are blue whiting, sand eel, Norway pout, capelin and trimmings from the food division`s production. The food division`s products are sold world-wide, while the feed division`s products are mostly sold within Europe. Main seasons for intake of pelagic raw material are first and fourth quarter.

One of the largest markets for herring under normal conditions is Russia which introduced a ban on import of Norwegian seafood on 7 August 2014. This ban on seafood imports into Russia have caused difficulties and created a new challenge. To meet this challenge, Pelagia has implemented several successful measures to find alternative markets for the products traditionally exported to Russia. The weakening Norwegian currency has been the key factor in the increased competitive strength of Norwegian seafood producers in the global market. However, the local currencies in some of our traditional herring markets (including the Ukraine) are falling against the USD, resulting in increased prices for consumers on this market. Despite this, we are confident that Pelagia`s products on these markets will fare well in competition with alternative sources of protein.





Environmental & social responsibility

AUSTEVOLL SEAFOOD ASA (AUSS)

For many years AUSS has worked actively to ensure that a strong focus on environmental attitudes and corporate social responsibility is exercised as part of daily operations.

The Board of Directors maintains a constant focus on environmental standards and corporate social responsibility and works to ensure that all the Group's employees, at all stages of production are made aware of the need to exercise strong focus on environmental standards and social responsibility in their daily work. The Group's corporate social responsibility is manifested in the local communities in which it operates. For AUSS corporate social responsibility consists primarily in achieving commercial profitability without compromising on fundamental ethical values or requirements concerning environmentally sustainable operating principles. Therefore we find it only natural that some of the important work done by our subsidiaries; Lerøy Seafood Group ASA, Austral Group S.A.A and Foodcorp Chile S.A, to be included in our annual report.

LERØY SEAFOOD GROUP ASA (LSG)

Environment and Social Responsibility

No other country in the world can match Norway's coast in terms of food production. Few nations can boast such a rich coastal culture, where the seafood industry has played such a central role throughout history in providing for vital local communities along the coast. With the global population approaching 9 billion (by 2050), it seems perfectly natural for the increased demand for food production to be satisfied by a significant increase in fish farming.

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

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

An important tool in efforts to ensure achievement of environmental work in the aquaculture business is certification to international environmental standards, including GlobalGAP and the ASC standard. It allows us to guarantee and document that our fish farming activities are the foremost in the world in terms of environmentally sustainable production and that we possess both the competencies and capacity to make progress in such an important field.

LSG was the first fish farming corporation worldwide to gain ASC certification for the entire value chain, from production to consumer. LSG is experiencing substantial demand for ASC certified salmon, and has made investments in 2014 to ensure continuity of supply of ASC certified products.

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

- Work to prevent accidental release of fish
- Measures to reduce salmon lice
- Fish health and fish welfare
- Efficient utilisation of land and sea areas
- Reduction of discharge of nutrient salt from premises

Of the above, the efforts to minimise challenges related to salmon lice have received particular focus in 2014. LSG has fish farming facilities in three regions – North Norway, Central Norway and West Norway. The fight against salmon lice in the fish farming industry is a fight in favour of wild salmon. LSG has successfully sustained a low level of salmon lice in North Norway. However, LSG companies in Central and West Norway have experienced more difficulties with salmon lice in 2014 than before in terms of ensuring compliance with the limits stipulated in the regulation relating to salmon lice. This is a problem experienced by the industry in general in these regions. Subsequent to tests and documented positive results with the use of lumpfish as a species that eats salmon lice, LSG has decided to make substantial investments in the production of lumpfish to be exploited as cleaner fish in LSG's facilities. LSG aims to be self-sufficient in the supply of lumpfish by the end of 2015. The strategy for exploitation of lumpfish shall provide a significant reduction in the use of chemical treatments in 2015 and shall ensure close to zero use of these substances in 2016 for all our fish farming facilities.

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

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

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

However, sustainable fish farming requires much more than simply environmental sustainability. LSG shall take a more comprehensive approach to the entire concept of sustainability, which includes other important factors such as economic and social sustainability. The industry as a whole plays an extremely important role in society, and LSG, via its companies in Norway, aims to take this social responsibility very seriously and to ensure that our activities continue to benefit society by securing financially strong and profitable businesses, spin-off effects for local communities and clear environmental management within fish farming.

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

Ethics and social responsibility

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

LSG management is responsible for ensuring full practice of and compliance with the ethical guidelines.

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

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

Part 2: Factors relating to the individual employee.

Key words for the contents of the ethical guidelines:

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

LSG is fully committed to developing the local communities where the Group's different facilities are located, and aims to generate increased earnings for these communities by purchasing the highest ratio possible of local goods, equipment and services. Lerøy Seafood Group's companies purchased goods, equipment and services in Norway totalling NOK 9.9 billion in 2014. The figures show that the Group purchased these goods, equipment and services from a total 272 different municipalities. In 2014, the Group had facilities located in 49 different Norwegian municipalities. LSG's employees paid income tax totalling NOK 190 million to 125 different municipalities. Based on activities over the past six years, LSG as a corporation has paid NOK 1.6 billion in tax. As such, we make an important contribution towards sustaining a number of local communities and workplaces in many different parts of Norway.

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

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

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

AUSTRAL GROUP S.A.A (AUSTRAL)

Quality management model

Austral is one of the few worldwide companies and the only one in the Latin–American fishing sector with an "Integrated Quality Management System" which complies with 10 international standards for Quality, Safety and Environmental Management.

The Environmental Management model is based on four integrated standards : ISO 14001:2004 Environmental Management System, DOLPHIN SAFE System for the Control of Indiscriminate Fishing and protection of the marine ecosystem, FRIENDS OF THE SEA System of Marine Foodstuffs Sourced from Sustainable Fisheries Certification and IFFO Global Standard for Responsible Supply for all our fishmeal and fish oil production plants.

The Environmental Management model is complemented by six other international standards systematically applied in all our production plants and fishing fleet since 2002: ISO 9001:2008 Quality Management System, FEMAS (Feed Materials Assurance Scheme), BRC (Foodstuffs Quality Management System), FDA (Federal Regulation for Drug and Foodstuffs), SANIPES (National Regulation Agency) and BASC (Business Alliance for Secure Commerce).

Environmental programs and goals in 2014

Several environmental management programs have been developed during 2014. These are related to management of waste and pollution, including reducing particle emissions of the dryers, decreasing the electrical power consumption in cannery production plants and other material issues. Austral periodically monitors the combustion gas emission sources (boilers and internal combustion engines), air quality, noise quality and air emissions from our production plants, in order to determine how our operations affect the environment.

Emissions and air quality are monitored during the production process. Austral has been implementing effluent programs in every production plant to comply with the LMP (maximum allowed limit) established by the Peruvian environmental legal regulations. Periodical controls of combustion gases' emissions are performed along the fishing fleets.

As part of the environmental management model, we formulate four environmental indicators:

1) LMP compliance
2) Non hazardous solid waste management
3) Solid waste management in fishing vessels
4) Effluent treatment costs.

Social responsibility

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

In 2014, Austral was ranked 86° in the ranking of the companies with the "Best Corporate Reputation in Peru" and 55° in the list of the 100 companies with "Major Social Responsibility and Best Corporate Governance in Peru" according to the latest annual survey by the "Gestion" newspaper (one of the most important newspapers in Peru) and Merco (Monitor of Corporate Reputation).

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

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

- Nutrition and Health
- Education and Employment
- Environment

Based on this management model in 2014 the following projects have been developed:

Public Work for Tax Deduction

Austral in agreement with the Municipality of Coishco has done a work for taxes. Austral has invested in the improvement of infrastructure of the Stadium of Coishco valued at approximately $ 657,387.00. This work will benefit the 15,000 inhabitants of the town.

"Growing together":

Development Project for Local Artisan Fishermen

Growing Together is a program aimed at developing artisanal fishermen who live in communities that surround our production plants. We started this program in Coishco and now we are working with the Association of Fishermen ASUPAC.

Austral has contributed with the formalization of 86% ASUPAC members. We also supported the preparation of the plan for building their local and together, we have begun the Market Study and Business Plan for a small business idea with hydrobiological resources.

Education Project: "Saturdays of Maths"

This programme started in 2012 and was created to enhance the knowledge and love of mathematics in children from 1st and 2nd grade of Coishco, Huarmey, Chancay, Pisco and Ilo communities. The programme lasts six months per year and is implemented under the methodology of "Mathematics for Everybody" created by renowned Apoyo Institute, which is one of the most successful methodologies in Peru. Until 2014, the programme has benefited over 900 children.

The success of the test was measured with a knowledge input and output, in which the percentage of learning was assessed. Children had increased their knowledge by 35% in average.

Nutrition program: "Eating well"

Austral in partnership with the NGO World Vision Peru, international Christian organization focused on the potential of children, implemented the "Eating Well" program. The aim is improved the nutritional and psychomotor status of children between 6 months and 5 years old from Chancay community based on a diet that includes consumption of fish three times a week. In 2013, the program benefited 209 children. In 2014, the program is beneficing 350 children. They will be in the program until 2016.

In 2014, Austral has delivered to the participating families 4,800 cans of fish for the program purposes and this canned food will be the base to their diet.

Health Campaign: "Austral takes care of you"

Austral and various state institutions such as the Ministry of Health, municipalities and others have developed together various health campaigns aimed at the provincial level to prevent diseases such as dengue and tuberculosis. In 2014 we benefited more than 2,000 people nationwide.

Environmental Management course to students

Austral is one of the most eco-efficient companies in the country, for that reason; in 2014 we start this course directed to young people. The goal of this course is to give them the tools to be environmental leaders in their locality and the ability to manage simple environmental projects.

Human rights

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

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

Anti-corruption program

Austral is committed to maintaining a strict anti-corruption policy in its business.

For more than four years we have had an internal Manual of Ethics and Values that guides and sets rules for all our employees. For 2015 we have worked on a new version of the Code of Ethics and Values (before Manual of Ethics and Values) that is strengthened with the concepts of the Antifraud and Anticorruption Policy and the Corporate Governance Policy. This new version is stronger and more specific than the last one, which leave Austral in a much stronger position towards any kind of misbehavior. This document will be launched and delivered in all sites in March 2015, and an affidavit will be signed by each employee as evidence of adherence to its content.

The Antifraud & Anticorruption Policy based on the FCPA (Foreign Corrupt Practice Act) U.S. law and the COSO methodology was approved by the Audit Committee in the last quarter of 2014. This document contains the main guidelines for maintaining a solid internal control system which prevent events of fraud and corruption. This document also includes a Whistleblowing and Anti-retaliation Policy which protects the complainant from any kind of reprisals or victimization, a Conflict of Interest Guideline with the objective of managing properly and in a transparent way all conflicts of interests, and a Response after fraud protocol which includes the necessary steps to follow to conduct successfully an investigation regarding a complaint of fraud or corruption event. The Antifraud and Anticorruption Policy was launched by Controller and General Manager in Coishco, Pisco and HQ at the end of 2014. During first quarter of 2015 the policy will be launched in Chancay and Ilo.
(Source: Austral Group S.A.A)

FOODCORP CHILE S.A (FC)

FC and MarFood S.A consider their activities towards environment and social responsibility as a business vision integrated throughout all industrial processes and are considered a value generator for the Company.

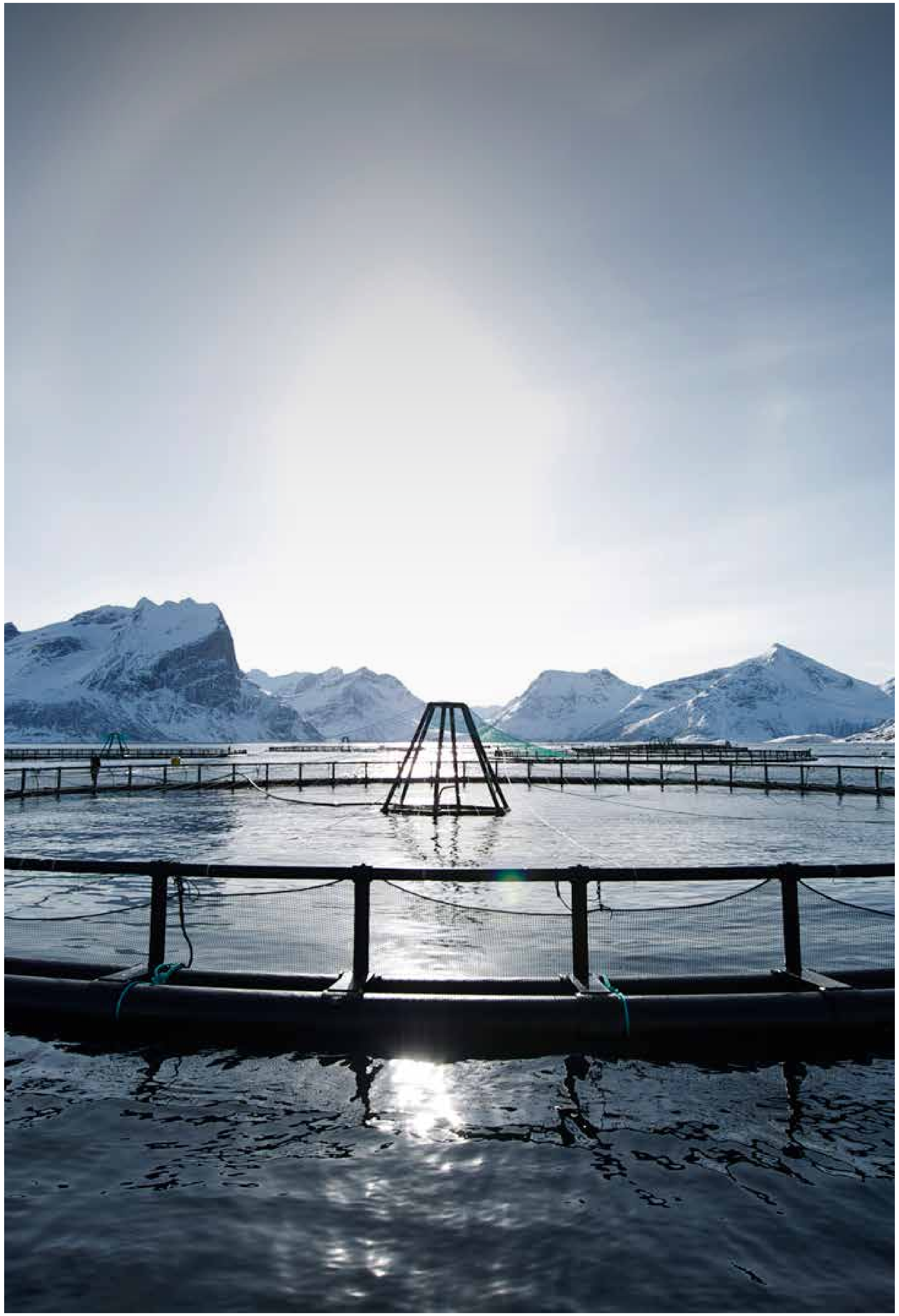
During 2014 FC focused on MarFood, continuing with the goal to integrate cultures from parent companies FC and Alimar. Training and workshops were held for all MarFood employees in regards to the adoption of FC's Environmental and Social Responsibility program (ESR).

The current ESR program was established as an organisational culture in 2006 and is aligned with the United Nation's Global Compact Program. The ESR aligns all activities and strategies within 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption standards set by the United Nations. The program is divided into Internal (employees) and External (local community) chapters. The ESR program runs under the leadership of a CSR Committee formed by a group of volunteer workers from all areas and corporate levels.

The program's internal chapter has focused on safe and healthy working environment, in large part due to the active participation of the "Health and Incident Prevention Committee". During the year, this group organised seminars and training for their colleagues, ending with a "Risk prevention week", with speakers from different organisations and Government health and safety authorities.

The external chapter focused on FC's long-term support of local public schools and schools for children with disabilities. This support is done with a close relationship with neighbouring communities and the municipal and regional government. Through the Industrial Fishing Association, FC is directly involved in additional community and environmental programs, such as fishmeal plant odour control, improvements to fish transport systems and sustainable fisheries programs.

FC's fishmeal plant received the "IFFO RS", the responsible supply certification from the leading organisation concerning marine ingredients.



Corporate Governance

1. INTRODUCTION

1.1 Background

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

The Company's Board of Directors adopted in its meeting held on 29 August 2006 a document which largely and in principle adhered to the then applicable Corporate Governance standard, with a few deviations. The Board of Directors have later examined revised versions of the Corporate Governance standard, published by the Norwegian Committee for Corporate Governance (NUES), latest standard published on 30 October, 2014. The Board has approved and adopted this document as the Company's Corporate Governance Policy to reflect the will of AUSS to fully comply with the Corporate Governance recommendations from NUES. The Company will act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market.

1.2 Objective

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

1.3 Rules and regulations

The Company is a public limited company listed on the Oslo Stock Exchange.

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

1.4 Management of the Company

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

1.5 Implementation and reporting on Corporate Governance

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

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

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

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

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

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

Deviation from the Recommendations: None.

2. BUSINESS

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

The Company should have clear objectives and strategies for its business within the scope of the definition of its business in its articles of association.

The annual report should include the business activities clause from the Articles of Association and describe the company's objectives and principal 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.

Deviations 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 Board of Directors should establish a clear and predictable dividend policy as the basis for the proposals on dividend payments that it makes to the general meeting. The dividend policy should be disclosed.

The background to any proposal for the Board of Directors to be given a mandate to approve the distribution of dividends should be explained.

Mandates granted to the Board of Directors to increase the Company's share capital should be restricted to defined purposes. If the general meeting is to consider mandates to the Board of Directors for the issue of shares for different purposes, each mandate should be considered separately by the meeting. Mandates granted to the Board should 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 its 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 (ex. fair value adjustment of biological assets) as dividends.

Capital Increase:
The Board has the authority until the ordinary general meeting in 2015 to increase the share capital by issuing up to 20,271,737 shares.

Purchase of treasury shares:
The Board has the authority, until the ordinary general meeting in 2015, to purchase treasury shares in Austevoll Seafood ASA limited to 10% of the company's share capital. Shares may not be purchased for less than NOK 20 per share, and no more than NOK 150 per share.

At 31 December 2014, AUSS directly owned no treasury shares. Through its ownership of 49.99% in Br Birkeland AS, AUSS indirectly owns treasury shares by 31 December 2014. Br Birkeland AS owns 1,722,223 shares in AUSS.

Deviations from the Recommendations: None

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The company should only have one class of shares.

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

Any transactions the company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company`s shares, the Company should consider other ways to ensure equal treatment of all shareholders.

In the event of any not immaterial transactions between the Company and shareholders, a shareholder`s parent company, members of the Board of Directors, Executive Personnel or close associates of any such parties, the Board should 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 Companies Act. Independent valuations should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

The Company should operate guidelines to ensure that Members of the Board of Directors and Executive Personnel notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

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

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

Transactions between related parties:
See note 32 for related party transactions.

Deviations from the Recommendations: None

5. FREELY NEGOTIABLE SHARES

The Company`s shares must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability should be included in a company's articles of association.

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

Deviations from the Recommendations: None

6. GENERAL MEETINGS

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

Such steps should include:

- making the notice calling the general meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the company's website no later than 21 days prior to the date of the general meeting.
- 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
- the Board of Directors and the person chairing the meeting making appropriate arrangements for the general meeting to vote separately on each candidate nominated for election to the Company`s corporate bodies
- ensuring that the members of the Board of Directors and the nomination committees and the auditor are present at the general meeting
- making arrangement to ensure an independent chairman for the general meeting.

Shareholders who cannot attend the meeting in person should be given the opportunity to vote. The Company should:

- provide information on the procedure for representation at the meeting through a proxy,
- nominate a person who will be available to vote on behalf of shareholders as their proxy
- to the extent possible prepare a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

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

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

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

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

Deviations from the Recommendations: In 2014 four out of the six Board members attended the General meeting. In 2014 none of the members of the nomination committee attended the General meeting.

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 have contact with shareholders, the Board of Directors and the company`s executive personnel as part of its work on proposing candidates for election to the Board.

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

The members of the nomination committee should be selected 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 personnel. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the Board. No more than one member of the nomination committee should be a member of the Board of Directors, and any such member should not offer himself for re-election to the Board. The nomination committee should not include the company's chief executive or any other executive personnel.

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 provide suitable arrangements for shareholders to submit proposals to the committee for candidates for election.

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 2014 and consists of:

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

Nils Petter Hollekim, Mr. Hollekim has a degree in Business Administration and has worked as an administrator/analyst for Norwegian fund management companies for 29 years. He has spent the past 15 years working as a portfolio manager for ODIN Forvaltning AS. The last 4 years Mr. Hollekim has been a self-employed consultant and investment manager.

Anne Sofie Utne. Ms. Utne holds a Master of Economy from the Norwegian University of Life Science (Universitetet for Miljø- og Biovitenskap). She holds the position as Senior Advisor for BDO Midt Norge, where she is a national resource within BDO's strategy to target consultation for the fish farming/seafood industry. Most recently Ms. Utne worked as a business advisor for seven years within the Norwegian aquaculture industry through her fully owned consulting company Kauna AS. Previously she held the position as head of the Aquaculture department of a branch specialist unit in DNB Bank ASA. Ms. Utne has extensive experience in financial transactions related to national and international corporations within the aquaculture industry.

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

Deviations from the Recommendations: None.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Where a company has corporate assembly, the composition of the corporate assembly should be determined with a view to ensuring that it represents a broad cross-section of the Company`s shareholders.

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 interests. The majority of the shareholder-elected members of the board should be independent of the company's executive personnel 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).

The Board of Directors should not include executive personnel. If the Board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of board committees to help ensure more independent preparations of matters for discussion by the Board, cf. Section 9.

The Chairman of the Board of Directors should be elected by the general meeting so long as the Public Companies Act does not require that the Chairman must be appointed either by the corporate assembly or by the Board of Directors as a consequence of an agreement that the Company shall not have a corporate assembly.

The term of office for members of the Board of Directors should not be longer than two years at a time.

The annual report should provide information to illustrate the expertise of the members of the Board of Directors, and information on their record of attendance at board meetings. In addition, the annual report should identify which members are considered to be independent.

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

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

The Board of Directors consists of the following persons:

Helge Singelstad, Chairman. Mr. Singelstad has been member of the Board since May 2008. The first two years he was the Deputy Chairman of the Board and since May 2010 he has been the Chairman of the Board. Helge Singelstad is CEO in Laco AS. He holds a degree in computer engineering from Bergen Ingeniørskole, a degree in Business Administration from the Norwegian School of Economics and Administration (NHH) and a 1st degree of law from the University of Bergen. Mr. Singelstad chairs and serves on numerous Boards of Directors, including being the Chairman of the Board in Lerøy Seafood Group ASA and Pelagia Holding AS and as deputy chairman in DOF ASA. He has extensive experience from various types of businesses: oil companies, ship equipment and the seafood sector.

Oddvar Skjegstad, Deputy Chairman. Mr. Skjegstad became member of the Board June 2006, and has been the Deputy Chairman since May 2010. Oddvar Skjegstad has a degree as Master of Business and Administration from NHH. Mr. Skjegstad is self employed and has wide experience from executive positions in public administration, bank and industrial activity and holds board positions in companies within several different business sectors.

Helge Møgster, Mr. Møgster has been member of the Board since the company was founded in April 1981. Helge Møgster was the Chairman of the Board until May 2006.Mr. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mr. Møgster has extensive experience from the offshore service sector and all aspects of the fisheries sector. He is holding board positions in several companies.

Inga Lise L. Moldestad. Ms. Moldestad has been member of the Board since June 2006. Inga Lise L. Moldestad is educated as Master in Business and Economics and State Authorised Public Accountant from Norwegian School of Economic (NHH). Ms. Moldestad holds the position as Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based fund management company. She has extensive experience from the asset management industry within Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young.

Lill Maren Møgster. Ms. Møgster has been member of the Board since May 2012. Lill Maren Møgster is educated Bachelor of Management from BI Norwegian Business School and she holds the position as controller in Hallvard Lerøy AS. Ms. Møgster has been working in various subsidiaries of Laco AS since 2007, and has experience from sales and economy.

Siren M. Grønhaug Ms. Grønhaug has been member of the Board since May 2014. Siren M. Grønhaug is educated Corporate Economist from the Norwegian School of Economics (NHH), and has i.a. additional education through the AFF Solstrand Programme and BI Norwegian Business School. She has a broad knowledge from seafood sector due to many years of experience at executive level in Hallvard Lerøy AS (LSG ASA). Today she is employed as CFO in Hallvard Lerøy AS, and has a wide board experience from various companies in LSG ASA.

Leif Teksum. Mr. Teksum has been member of the Board since August 2014. Leif Teksum holds a masters degree in Economics and Business Administration from the Norwegian School of Economics (NHH). Mr Teksum has retired from DNB Bank ASA after 33 years of service of which 22 years as a member of the Group Management holding various positions. Most recently he was for more than 10 years responsible for the banks large corporates and for the international business areas. Mr. Teksum is now a professional board member in a variety of companies and has also during his employment with DNB Bank ASA extensive experience from holding board positions mainly in the financial sector.

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

No members of Group management are Directors.

Directors' ownership of shares:
- Oddvar Skjegstad owns, through Rehua AS, 55,000 shares in the company.
- Helge Møgster owns shares indirectly through Laco AS.
- Helge Singelstad owns 50,000 shares in the company.
- Inga Lise L. Moldestad owns, through Ingasset AS, 40,000 shares in the company.
- Lill Maren Møgster owns shares indirectly through Laco AS.

Deviations from the Recommendations: None.

9. THE WORK OF THE BOARD OF DIRECTORS

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

The Board of Directors should issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board is, or has been, personally involved, the Board`s consideration of such matters should be chaired by some other member of the Board.

The Public Companies Act stipulates that large companies must have an audit committee. The entire Board of Directors should not act as the company`s audit committee. Smaller companies should give consideration to establishing an audit committee. In addition to the legal requirements on the composition of the audit committee etc., the majority of the members of the committee should be independent.

The Board of Directors should also consider appointing a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive personnel. Membership of such a committee should be restricted to members of the Board who are independent of the company's Executive personnel.

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

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

In total 6 ordinary Board meetings have been arranged during 2014. Helge Singelstad, Oddvar Skjegstad, Lill Maren Møgster and Inga Lise L. Moldestad have attended all meetings. Helge Møgster attended five Board meetings. Siren M. Grønhaug and Leif Teksum were elected as Board Members in the general meeting in May 2014, and have attended three Board meetings each this year.

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

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

Use of Board committees:
The Nomination Committee is governed by the Articles of Association. The Board established an Audit Committee at the end of 2008. The committees are solely responsible to the full corporate Board and their authority is limited to making recommendations to the Board, however the Nomination Committee makes recommendations for election of Board Members to the general meeting of shareholders.

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

Members: Oddvar Skjegstad and Inga Lise L. Moldestad

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

Deviations from the Recommendations: None.

10. RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

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

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

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

The Directors of the entities which issue the reports are responsible for continuous financial monitoring and reporting. The entities all have management groups and financial functions which are adapted to their organisations and business activities. The entity managers shall ensure implementation of an appropriate and efficient internal control and are responsible for compliance with requirements.

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

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

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

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

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

The Chief Accountant for the Group provides guidelines for financial reporting to the different Group entities.

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

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

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

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

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

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

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

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

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

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

Deviations from the Recommendations: None

11. REMUNERATION OF THE BOARD OF DIRECTORS
The remuneration of the Board of Directors should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

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

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

Any remuneration in addition to normal directors' fees should be specifically identified in the annual report.

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 2014 had assignments for the company in addition to being members of the board.

Deviations from the Recommendations: None

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT
The Board of Directors is required by law to prepare guidelines for the remuneration of the executive personnel. These guidelines are communicated to the annual general meeting. The Board of Directors statement on the remuneration of executive personnel should be a separate appendix to the agenda for the general meeting. It should also be clear which aspects of the guidelines are advisory and which, if any, are binding. The general meeting should vote separately on each of these aspects of the guidelines.

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

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

The remuneration policy for the executive management is determined by the Board of Directors and communicated to the annual general meeting. The guidelines regarding the remuneration are approved by the AGM. See note 27 for guidelines for remuneration to executive management.

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

Deviations from the Recommendations: None

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

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

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

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

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

The Company`s most important medium for distributing information will be the Oslo Stock Exchange reporting system, but the Company also aims to present such information directly to investors and analysts.

The Company aims to keep its shareholders informed via annual reports, quarterly reports and at appropriate presentations. In addition, press releases will be sent out regarding important events.

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

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

Deviations from the Recommendations: None.

14. TAKE-OVERS

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

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

The Board of Directors should not hinder or obstruct take-over bids for the Company's activities or shares.

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

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

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

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

Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting, except in cases where such decisions are required by law to be decided by the corporate assembly.

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

Deviations from the Recommendations: None

15. AUDITOR

The auditor should submit the main features of the plan for the audit of the company to the Audit committee annually.

The auditor 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 accounting 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 Audit committee 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 Chief Executive nor any other member of the executive management is present.

The Board of Directors should establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit.

The Board of directors must report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

Deviations from the Recommendations: None

Directors of the Board

Helge Singelstad

HELGE SINGELSTAD (1963)

Chairman

Helge Singelstad has been member of the Board since May 2008. The first two years he was the Deputy Chairman of the Board and since May 2010 he has been the Chairman of the Board. Singelstad is CEO in Laco AS. He holds a degree in computer engineering from Bergen Ingeniørskole, a degree in Business Administration from the Norwegian School of Economics and Administration (NHH) and a 1st degree of law from the University of Bergen. Mr. Singelstad chairs and serves on numerous Boards of Directors, including being the Chairman of the Board in Lerøy Seafood Group ASA and Pelagia Holding AS and as deputy chairman in DOF ASA. He has extensive experience from various types of businesses: oil companies, ship equipment and the seafood sector. Helge Singelstad owns 50,000 shares in Austevoll Seafood ASA.

Lill Maren Møgster

LILL MAREN MØGSTER (1984)

Member of the Board

Lill Maren Møgster has been member of the Board since May 2012. Ms. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Ms. Møgster is educated Bachelor of Management from BI Norwegian Business School. She holds the position as controller in Hallvard Lerøy AS. Ms. Møgster has been working in various subsidiaries of Laco AS since 2007, and has experience from sales and economy. She is holding board positions in several companies. Lill Maren Møgster owns shares in Austevoll Seafood ASA indirectly through Laco AS.

Oddvar Skjegstad

ODDVAR SKJEGSTAD (1951)

Deputy Chairman

Oddvar Skjegstad became member of the Board June 2006, and has been the Deputy Chairman since May 2010. Mr. Skjegstad has a degree as Master of Business and Administration from NHH. He 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. Oddvar Skjegstad owns, through Rehua AS, 55,000 shares in Austevoll Seafood ASA.

Inga Lise L. Moldestad

INGA LISE L. MOLDESTAD (1966)

Member of the Board

Inga Lise L. Moldestad has been member of the Board since June 2006. Ms. Moldestad is educated as Master in Business and Economics and State Authorised Public Accountant from Norwegian School of Economic (NHH). Ms. Moldestad holds the position as Executive Vice President and partner in Holberg Fondsforvaltning, a Bergen based fund management company. She has extensive experience from the asset management industry within Holberg, Unibank, Skandia and Vesta and experience from auditing and consulting from Arthur Andersen and Ernst & Young. Inga Lise L. Moldestad owns, through Ingasset AS, 40,000 shares in Austevoll Seafood ASA.

Helge Møgster

HELGE MØGSTER (1953)

Member of the Board

Helge Møgster has been member of the Board since the company was founded in April 1981. He was the Chairman of the Board until May 2006. Mr. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mr. Møgster has extensive experience from the offshore service sector and all aspects of the fisheries sector. He is holding board positions in several companies. Helge Møgster owns shares in Austevoll Seafood ASA indirectly through Laco AS.

Siren Merete Grønhaug

SIREN MERETE GRØNHAUG (1965)

Member of the Board

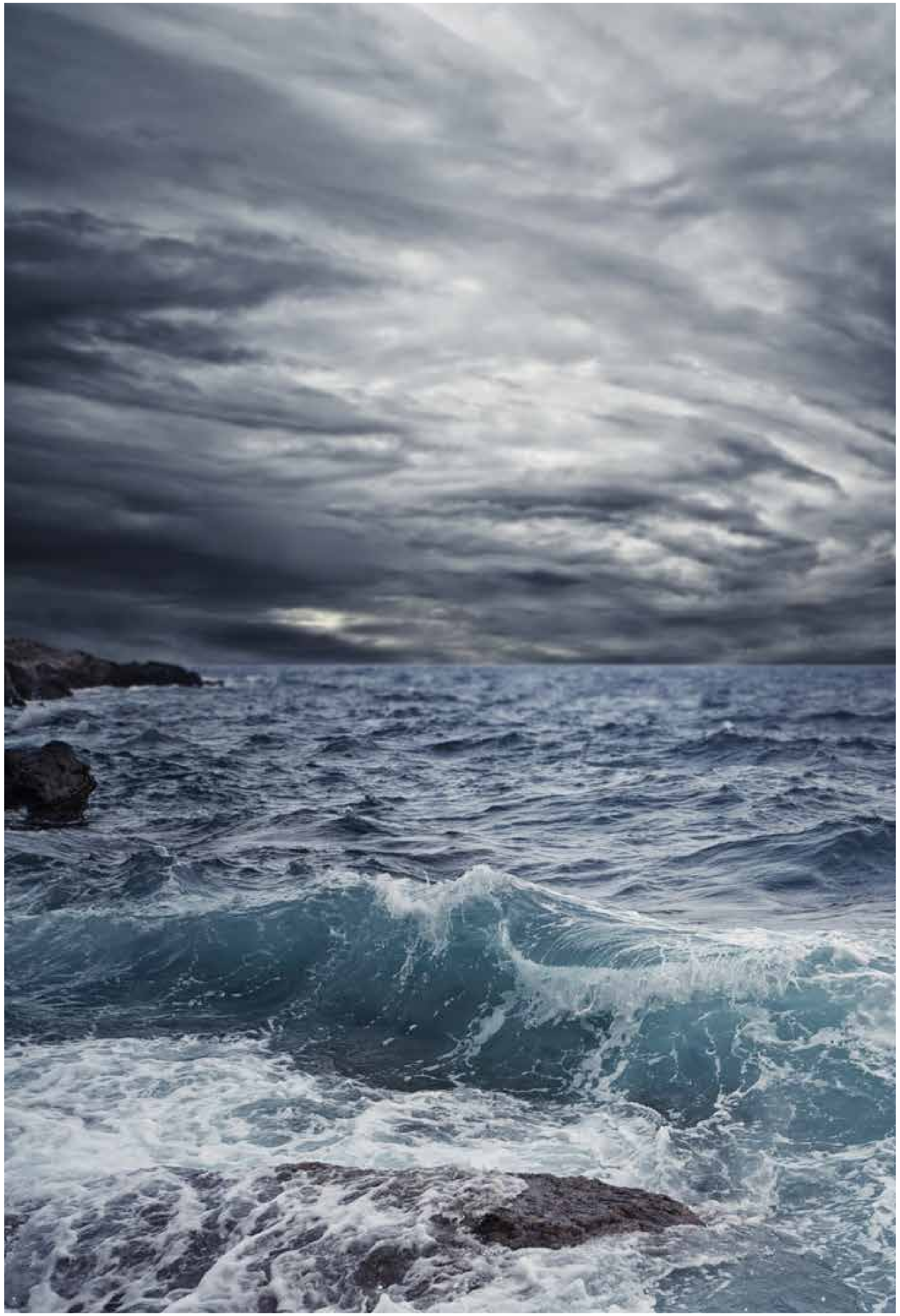
Siren Merete Grønhaug has been member of the Board since May 2014. Ms. Grønhaug is educated Corporate Economist from the Norwegian School of Economics (NHH), and has i.a. additional education through the AFF Solstrand Programme and BI Norwegian Business School. She has a broad knowledge from seafood sector due to many years of experience at executive level in Hallvard Lerøy AS (LSG ASA). Today she is employed as CFO in Hallvard Lerøy AS, and has a wide board experience from various companies in LSG ASA.

Leif Teksum

LEIF TEKSUM (1952)

Member of the Board

Leif Teksum has been member of the Board since August 2014. Mr. Teksum holds a masters degree in Economics and Business Administration from the Norwegian School of Economics (NHH). Mr. Teksum has retired from DNB Bank ASA after 33 years of service of which 22 years as a member of the Group Management holding various positions. Most recently he was for more than 10 years responsible for the banks large corporates and for the international business areas. Mr. Teksum is now a professional board member in a variety of companies and has also during his employment with DNB Bank ASA extensive experience from holding board positions mainly in the financial sector.



Board of directors' report 2014

for Austevoll Seafood ASA

INTRODUCTION

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

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

IMPORTANT EVENTS IN 2014

Below is a summary of important events during the last year:

- In August 2013, AUSS signed an agreement with a company controlled by Kverva AS to merge the parties' operations involving fishmeal and fish oil and fish for consumption in Europe. Once all the relevant competition authorities had approved the agreement, the transaction was completed on 21 January 2014 and Pelagia Holding AS was founded. Pelagia Holding AS (Pelagia) is defined as a joint venture. With effect from 2014, the company is accounted for according to the eq uity method in AUSS's consolidated financial statements.

- Villa Organic AS (Villa) underwent a demerger in July 2014. Lerøy Seafood Group ASA's (LSG) share of Villa was reclassified subsequent to the merger, from an associate accounted for according to the equity method to consolidation as of 1 July 2014. As a result of the demerger, Lerøy Aurora AS now has right of disposal to eight licences that are expected to facilitate substantial growth in volume in 2015 and 2016.

- With effect from 2014, AUSS has implemented IFRS 10 Consolidated Financial Statements. As a result, accounting of the company Br Birkeland AS was amended with effect from 2014 from the equity method to full consolidation. Although AUSS does not have a majority of voting rights in the company, this change is based on the interpretation of "de facto control" in IFRS 10.

- Austral Group S.A.A (Austral) wound up its fishmeal factories in Huarmey and Chicama from 1 January 2014 and sold its factory in Paita (human consumption, fishmeal and fish oil) in the same month. These changes have resulted in an organisation that is now adapted to future demand.

THE GROUP'S ACTIVITIES

Based on the amendments in Group structure in recent years, the Board of Directors decided to amend segment reporting with effect from Q4 2014. The Group's operations are now classified according to the following operating segments: Lerøy Seafood Group ASA (Europe), Austral Group S.A.A (Peru), Foodcorp Chile S.A (Chile), Br Birkeland AS (Norway), and the joint venture Pelagia AS (Europe). Comparative amounts for previous periods have been restated accordingly.

Bearing in mind the prevailing framework conditions for the Group's operations, the Board of Directors is largely satisfied with the Group's results for 2014. The Board of Directors would like to take this opportunity to thank all the Group's employees for their hard work in 2014.

Lerøy Seafood Group ASA (Europe)
Lerøy Seafood Group ASA (LSG) is a fully-integrated seafood group with a global reach. The company's history dates back to the end of the 19th century and it has proud traditions as a pioneering enterprise within a number of areas in the Norwegian fishing industry. The company's main focus has always been on developing markets for seafood products.

Since 1999, LSG has invested substantially in various national and international enterprises. Through a process of organic growth and a number of acquisitions, LSG is currently the second largest producer of salmon and trout in the world, and has 141 licences across the regions of Troms, Central Norway and West Norway. In addition, via its 50% shareholding in Norskott Havbruk AS, LSG owns 50% of the Scottish sea farming company Scottish Sea Farm Ltd. In 2014, Scottish Sea Farm Ltd. harvested 27,600 tonnes of salmon. LSG's investments in downstream activities over this period have established the Group as a national and international distributor of fresh fish.

In 2014, LSG harvested 178,100 tonnes of Atlantic salmon and trout, 158,300 tonnes of which from the regions of Troms, Central Norway and West Norway, 6,000 tonnes from Villa Organic AS during its period as an associate and 13,800 tonnes constituting LSG's 50% share of Scottish Sea Farm Ltd.

LSG reported revenue of NOK 12,697 million in 2014 (2013: NOK 10,819 million), EBITDA of NOK 2,160 million (2013: NOK 1,938 million), and EBIT before biomass adjustment of NOK 1,789 million (2013: NOK 1,626 million).

Austral Group S.A.A (Peru)
Austral Group S.A.A (Austral) is involved in fishing, production of fishmeal and oil and products for consumption. Austral holds 6.87% of the total quota for anchoveta in Central/North Peru, and just below 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel.

Anchoveta is utilised to produce fishmeal and fish oil, and horse mackerel/mackerel is fished for consumption. The main fishing seasons for anchoveta in Central/North Peru are from April to July and November to January. In 2014, the total quota for Central/North Peru for the first season was just over 2.5 million tonnes. The fishing season in Peru proved difficult, and only approx. 68% of the total quota had been caught by the end of the season on 10 August. Austral caught 77.5% of its allocated quota for the first season. IMARPE's survey of fish stocks carried out in the autumn indicated low biomass. As a result, the IMARPE researchers recommended that the authorities cancel the second fishing season in 2014 (November to January) and the quota was set as zero.

The extraordinarily low volume of raw materials had an impact on Austral's operations in 2014 and on the figures reported for the year as a whole. The profit figure for Austral in 2014 is therefore the lowest ever reported since AUSS took over ownership of the company, back in 2006. The company's factory organisation was amended in 2013. With effect from 2014, the company produces fishmeal and fish oil at four factories, in Coishco, Chancay, Pisco and Ilo. The company has two factories producing fish for consumption that share premises with the fishmeal and fish oil factories in Coishco and Pisco. Production capacity at the fishmeal factory in Coishco has been increased from 80 tonnes per hour to a total of 160 tonnes per hour in 2014. The same factory has increased its capacity for frozen production from 175 tonnes per day to 475 tonnes per day in 2014.

The Austral Group reported revenue of NOK 1,067 million in 2014 (2013: NOK 1,290 million), EBITDA of NOK 180 million (2013: NOK 262 million), and EBIT of NOK 39 million (2013: NOK 28.6 million). As a result of the restructuring measures (sale and closure), the company made total write-downs in 2013 of NOK 84 million. The figure for write-downs in 2014 was NOK 3 million. It has taken several years to adapt Austral's factory organisation to the new quota system, including amendments to capacity, but this process has now been completed.

Foodcorp Chile S.A (Chile)
Foodcorp Chile S.A (FC) is involved in fishing, production of fish for consumption and production of fishmeal and fish oil. FC has a quota of 9.1% for horse mackerel in South Chile in addition to a quota for sardine/anchoveta. All FC's land-based facilities are at the same site in Coronel.

The main season for horse mackerel fishing is from December to July. The main season for sardine/anchoveta fishing is divided into two periods. The first period starts in March and lasts until July/August, then the second period starts in October/November.

Due to these fishing seasons, the company generates the majority of its earnings in the first half of the year.

Chile saw a decline in horse mackerel fishing from 2008/2009. Supranational fish stock management was introduced in 2012, with responsibility for this assigned to South Pacific Regional Fisheries Management. A total quota for the fish stocks was introduced in 2012 in order to build up the biomass. This quota applied to the parties that had previously harvested the fish stocks. The total quota has subsequently seen a slight increase over the years. It is our assessment that the current practice of conservative management lays the foundations for a sustainable biomass in the long term and, consequently, increased activities for our business in Chile.

The company reported revenue of NOK 501 million in 2014 (2013: NOK 322 million), EBITDA of NOK 79.5 million (2013: NOK 20.8 million), and EBIT of NOK 1.2 million (2013: NOK -34.6 million). As a result of the measures to optimise the company's operations, including ships taken offhire, the company made total write-downs in 2014 of NOK 25.1 million. The figure for write-downs in 2013 was NOK 3.3 million. It is satisfying to note that the company's hard work to adapt operations to cost levels, including the foundation of a joint operation to run operations, is now proving beneficial. The company's profit performance is satisfactory.

Br Birkeland AS (Norway)
Br Birkeland AS (BRBI) owns two combined pelagic ring net/trawling vessels, each with 650 basic tonnes for ring nets and a trawling quota of 1,425 for blue whiting. In addition, BRBI owns seven licences for farming Atlantic salmon/trout in Hordaland. At year-end 2014, the ring net vessels had fished their full quotas. The fish farming segment of the company harvested 7,522 tonnes of Atlantic salmon and trout in 2014. Also during the year, the company carried out tests of fishing for snow crab, using one of its ring net vessels. On the basis of the experience gained during these tests, the company decided to invest in one vessel specially designed for fishing snow crab.

The vessel has an onboard factory for total production of snow crab. The vessel was made ready for start-up in November 2014, and has been in continuous operation since. The start-up costs for this new operating segment have naturally had a negative impact on the figures reported by BRBI. The company reported revenue of NOK 429 million in 2014 (2013: NOK 430 million), EBITDA of NOK 91.5 million (2013: NOK 154 million), and EBIT before biomass adjustment of NOK 39.1 million (2013: NOK 104.3 million). Start-up costs of NOK 25 million for the new snow crab project have been recognised in the company's financial statements in 2014.

Pelagia AS (Europe)
In August 2013, AUSS signed an agreement with a company controlled by Kverva AS to merge the parties' operations involving fishmeal and fish oil and fish for consumption in Europe. The agreement comprised the companies Norway Pelagic Holding AS, Welcon Invest AS and Egersund Fisk AS. Once all the relevant competition authorities had approved the agreement, the transaction was completed on 21 January 2014, and Pelagia AS was founded. Pelagia AS is defined as a joint venture. With effect from 2014, the company is accounted for according to the equity method in AUSS's consolidated financial statements.

The company's operations comprise receipt of raw materials for production of fishmeal and fish oil in addition to frozen products for consumption. The company has production facilities in Norway, the UK and Ireland. In addition, the company owns 50% of Hordafor AS, a company that purchases raw materials from the aquaculture industry, white fish industry and pelagic fishing for production of protein concentrate and oil. The entire company, including the protein concentrate operations, received approximately 1.3 million tonnes of raw materials in 2014. The corresponding volume in 2013 (P) was approximately 1.2 million tonnes.

The company reported revenue of NOK 5,646 million in 2014 (2013P: NOK 5,944 million), EBITDA of NOK 589 million (2013P: NOK 520 million), and EBIT of NOK 420 million (2013P: NOK 348 million).

SHAREHOLDERS
At 31 December 2014, AUSS had 4,089 shareholders. The share price was NOK 46.50 at year-end 2014, against NOK 35.50 at year-end 2013. The company's share capital at 31 December 2014 was NOK 101,358,687 divided among 202,717,374 shares, each with a nominal value of NOK 0.50.

In the period leading up to the annual general meeting in 2015, the Board of Directors is authorised to increase the share capital by issuing 20,271,737 shares. The Board of Directors is also authorised to buy back up to 20,271,737 of AUSS's shares in the same period at a price ranging from NOK 20 to NOK 150. A proposal will be made to the company's annual general meeting in the spring of 2015 to renew the established mandates described above. As of year-end 2014, AUSS did not hold any treasury shares.

AUSS indirectly owns shares via its 49.99% shareholding in Br Birkeland AS. Br Birkeland AS owns 1,722,223 shares in AUSS.

AUSS aims to maximise value creation for the benefit of shareholders by constantly striving to achieve good results. Over time, the target is to pay out between 20% and 40% of the Group's net profit (ex. fair value adjustment of biological assets) as dividends. The Board of Directors will recommend to the annual general meeting in 2015 a dividend payment of NOK 2.00 per share, compared with NOK 1.60 per share last year. If adopted, the total dividend payment will be NOK 405,434,748 which represents 32% of the Group's net profit for 2014. By comparison, the dividend payment adopted at the annual general meeting in 2014 was NOK 324,347,798 which represents 32% of the Group's net profit for 2013.

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

EMPLOYEES

The total number of full-time equivalents for the Group in 2014 was 4,155, of which 1,935 are in South America. Comparative figures for 2013 (not including operations held for sale) were 4,564 full-time equivalents, of which 2,484 in South America. Female employees are under-represented in the Group's fishing activities and over-represented within processing. Of a total of seven members on the company's Board of Directors, three are women. The company thus fulfils the requirement for 40% female representation among the shareholder-elected board members.

Sickness absence in 2014 was 5.79% for land-based working hours in the European part of the Group. The comparative figure for 2013 was 5.42%. The Group takes active steps to try to reduce sickness absence.

In Norway, the Group is affiliated with local company health services. A number of lost-time injuries were registered in the Group in 2014. Adverse events and near-accidents are registered on an ongoing basis in order to prevent future injuries. This focus on reporting and following up adverse events will help create a safer workplace.

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

OCCUPATIONAL HEALTH, SAFETY AND THE WORKING ENVIRONMENT

The Group places great emphasis on managing and developing aspects which can help increase expertise in and awareness of health, safety and the working environment. Financial and technical resources are deployed to ensure that the Group's activities are conducted in accordance with guidelines that promote the interests of the company and the environment. Planning and implementation of new technical concepts make vessels and sea and land-based industry more efficient, easier to operate and more environmentally friendly, thus reducing the health and safety risk for employees.

The processing industry in Norway has implemented quality assurance systems in accordance with regulations issued by the Directorate of Fisheries. The Group's fishmeal and fish oil production in Norway requires a licence and is governed by the regulations of the Norwegian Environment Agency (KLIF). All the Group's Peruvian factories, owned by Austral Group S.A.A, have ISO 14001 certification.

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

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

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

The Group's fish farming operations are closely linked to natural conditions in Norwegian and international waters. Based on a long-term and sustainable 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 companies. This applies throughout the entire value chain from breeding via smolt, fish for consumption, slaughtering and processing to distribution.

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

CORPORATE SOCIAL RESPONSIBILITY

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

AUSS has worked actively to ensure that corporate social responsibility is exercised as part of daily operations for many years. We therefore find it natural to include our account of this work in our annual report. In addition, this section of the annual report should be considered in light of the other parts of the annual report.

The Board of Directors maintains a constant focus on corporate social responsibility and works to ensure that all the Group's employees, at all stages of production, are made aware of the need to exercise social responsibility in their daily work, and that the Group's corporate social responsibility must be manifested in the local communities in which it operates. For AUSS, corporate social responsibility consists primarily of achieving commercial profitability without compromising on fundamental ethical values or requirements concerning environmentally sustainable operating principles.

The subsidiaries Foodcorp Chile S.A in Chile and Austral Group S.A.A in Peru are affiliated with the United Nations Global Compact Program and adhere to the ten universal principles laid down in this. Austral Group S.A.A now also reports according to GRI (Global Reporting Initiative). The subsidiary Lerøy Seafood Group ASA in Norway has issued reports in accordance with GRI since 2013, and has prepared a separate Environmental Report that is available in its entirety on the company's website www.leroy.no.

In 2009, AUSS implemented a Code of Conduct setting out ethical guidelines for employee conduct. In 2014, these have been under revision to adapt them to the new provisions in the Norwegian Accounting Act. All the operating segments report to the corporate management on a quarterly basis on factors such as health and safety, ethical conduct and whistle-blowing. Any reported non-compliance and/or suspected non-compliance is followed up by the management.

Human rights, labour rights and social issues
AUSS is represented in a number of different locations around the world. The Board finds that our operations have a substantially positive impact in the communities where we operate. Our business operations generate local taxes and provide jobs and social activities. In 2014, the Group has continued to actively support local and voluntary organisations in the communities in which our companies are established, with a special focus on activities aimed at children and young people. For example, in Peru we have been involved in education and training, nutrition and health, and environmental activities.

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

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

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

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

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

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

Group income totalled NOK 14,344 million in 2014 compared with NOK 12,658 million in 2013. Accordingly, operating profit before depreciation and biomass adjustment in 2014 came to NOK 2,516 million compared with NOK 2,380 million in 2013.

The increase in revenue was generated by the segment for Atlantic salmon and trout, with higher sales volumes compared with 2013. The cancellation of the second fishing season in Peru in 2014 caused a significant decline in supply of raw materials, and the volume of products based on pelagic fishing in 2014 is lower than in 2013. Operating profit (EBIT) before biomass adjustment in 2014 amounted to NOK 1,856 million, against NOK 1,711 million in 2013. Net income from the sale of assets in 2014 amounted to NOK 116 million in 2014, while the comparative figure for 2013 was NOK 115 million. The Group made write-downs in 2014 totalling NOK 30 million. These are related to optimisation of the Group's operations, including ships taken off-hire. Write-downs required for the change in factory organisation in Peru amounted to NOK 90 million in 2013. Operating profit after biomass adjustment in 2014 came to NOK 1,476 million, against NOK 2,540 million in 2013.

In 2014, profit from associates totalled NOK 217 million, compared with NOK 194 million in 2013. The increase in profit is mainly attributed to the addition of Pelagia AS as an associate from 2014.

Net financial expenses totalled NOK 347 million in 2014, of which NOK 121 million comprised unrealised losses on exchange rates (disagio). By comparison, net financial expenses in 2013 were NOK 270 million, with NOK 37 million in unrealised losses on exchange rates (disagio). Profit for the year after tax and operations held for sale in 2014 was NOK 1,001 million. In 2013, the profit for the year after tax and operations held for sale amounted to NOK 1,603 million.

Consolidated net cash flow from operating activities totalled NOK 1,795 million in 2014, compared with NOK 1,493 million in 2013. Tax payments totalled NOK 439 million in 2014, compared with NOK 189 million in 2013. There has been a decrease in working capital compared with 2013 as a result of the substantial decline in activities in Peru in 2014 as against 2013.

Net cash flow from investing activities was positive and amounted to NOK 241 million in 2014. This relates to the establishment of Pelagia in January 2014, for which AUSS sold shares and gained NOK 1 billion in cash. In addition, cash flow from investing activities includes normal investments in maintenance and in increased capacity for fishmeal, fish oil and frozen production in Peru. In 2013, the Group reported a net negative cash flow from investing activities of NOK 1,846 million, which alongside investments in maintenance comprised the purchase of shares in Villa, Norway Pelagic Holding AS and Welcon Invest AS.

Net cash flow for the year from financing activities was negative at NOK 1,452 million. This figure constitutes payment of ordinary instalments and a NOK 740 million reduction of AUSS's long-term overdraft facilities. In 2013, the Group reported a negative net cash flow from financing activities of NOK 396 million. In addition to the payment of ordinary instalments, AUSS repaid its bond loan maturing in October 2013 totalling NOK 350 million. The Group paid dividends totalling NOK 592 million in 2014, compared with a dividend payment of NOK 427 million in 2013.

At year-end 2014, the consolidated balance sheet total was NOK 23,344 million, against NOK 22,684 million at the close of 2013. The Group is financially sound with equity at 31 December 2014 of NOK 12,360 million and an equity ratio of approx. 53%. Equity at year-end 2013 was NOK 11,464 million, representing an equity ratio of 51%. At the end of 2014, the Group had net interest-bearing debt of NOK 3,960 million. The corresponding figure at the end of 2013 was NOK 5,103 million. At the start of 2014, the Group had cash and cash equivalents totalling NOK 1,443 million. At the end of the year, this figure was NOK 2,198 million. The Group has a good rate of financing from banks, including several substantial overdraft facilities, and has built up a high level of trust over the years on the market for bond issues. The company aims to be an attractive choice, including for investors who prefer to invest in fixed income funds.

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

The Group's activities are essentially global and will always be impacted to varying degrees by developments in the global economy. In light of the financial crisis and turmoil in recent years, the general consensus is that economic uncertainty is still greater than normal. Although this situation may have a negative impact on the real economy in most markets, it is our opinion that AUSS's core business is founded on long-term environmentally and economically sustainable assets within viable seafood industries.

Nigeria – one of the main markets for frozen horse mackerel products produced in South America – imposed an import quota in 2014. An import ban on Norwegian seafood products was also introduced in Russia on 7 August 2014. These types of restrictions represent a significant, short-term challenge for the seafood industry.

Changes in fishing patterns and quota regulations result in fluctuating catch volumes from quarter to quarter and from year to year, and subsequently in the variable utilisation of the company's production facilities. The seasonal fluctuations in catch volumes create similar fluctuations in the interim key figures. The Group's production of Atlantic salmon and trout will always be subject to biological risk.

Exposure to risk as a result of changes in interest rate levels is identified and assessed on an ongoing basis, as the majority of the Group's debt is at floating interest rates. The Group, represented by its subsidiaries, has a fixed interest rate agreement for parts of the Group's interest-bearing debt. As of 31 December 2014, the fixed interest rate agreement covered 18% of the Group's interest-bearing debt.

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

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

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

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

GOING CONCERN ASSUMPTION

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

COMPANY FINANCIAL STATEMENTS FOR AUSTEVOLL SEAFOOD ASA

Austevoll Seafood ASA is the holding company for the Group. At year-end 2014, the company had three employees, and reported zero sickness absence in both 2014 and 2013. The company's primary activity consists in owning shares in the underlying companies and carrying out strategic processes, board work and technical operational services for the underlying subsidiaries.

The parent company's financial statements have been prepared in accordance with simplified IFRS.

Income reported by the parent company was NOK 2.2 million in 2014, compared with NOK 4.4 million in 2013.

Accordingly, the parent company reported an operating loss before depreciation (EBITDA) in 2014 of NOK 29.4 million compared with a loss of NOK 27.7 million in 2013.

Net financial items were positive at NOK 400 million in 2014. The corresponding figure for 2013 was also positive at NOK 472 million. The positive net financial items for both years include recognition of dividends from subsidiaries. Profit for the year amounted to NOK 363 million, with a comparative figure for 2013 of NOK 154 million. In 2013, the parent company wrote down the value of the shares in Norway Pelagic by a figure of NOK 303 million.

Net cash flow from operating activities for the parent company was negative at NOK 186 million in 2014, compared with NOK 138 million in 2013. Net cash flow from investing activities in 2014 was positive and amounted to NOK 1,571 million. Completion of the transaction between AUSS and Kvefi involved the sale of shares in AUSS, generating more than NOK 1 billion in cash for the company. In 2013, the parent company reported negative net cash flow from investing activities of NOK 677 million. In addition to dividend payments received and a change in non-current receivables, this figure included the purchase of shares in Welcon Invest AS and Norway Pelagic Holding AS.

In 2014, the parent company reported a net cash flow from financing activities of minus NOK 1,204 million, comprising dividend payments made of NOK 324 million, ordinary instalments, and the reduction of long-term overdraft facilities by NOK 740 million. In line with its financial strategy, the company will establish new bond loans at regular intervals. In 2013, the parent company reported a net cash flow from financing activities of minus NOK 51.7 million, comprising dividend payments of NOK 243 million, ordinary instalments and the repayment of a bond loan of NOK 350 million that matured in October 2013. Moreover, withdrawals were made from the long-term overdraft facility for the purchase of shares in Welcon Invest AS.

At the start of 2014, the parent company had cash and cash equivalents totalling NOK 532 million, compared with NOK 713 million at the end of the year.

The parent company had a balance sheet total of NOK 6,125 million at year-end 2014. Equity totalled NOK 4,248 million, with an equity ratio of 69%. The company's net interest-bearing debt at year-end was NOK 640 million. This does not include interest-bearing receivables and payables towards subsidiaries. The parent company's financial statements show a profit of NOK 363 million. The Board of Directors proposes that NOK 405 million be allocated to dividend payments and NOK 42 million be transferred from other distributable equity.

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

OUTLOOK

Fishmeal and fish oil

Due to the cancellation of the anchoveta fishing season in Peru in the second half of 2014, fishmeal and fish oil prices have been high throughout the fourth quarter. The prices have remained at a stable high at the start of 2015, although this is due to very low sales volume from Peru. There has been a downwards price correction for fishmeal in the North Atlantic since the season started in 2015, particularly as a result of high catches of capelin off the coast of Iceland. The future development in prices for fishmeal will largely depend on the catch volumes of anchoveta in Peru.

Human consumption

The Group's production of fish for consumption mainly takes place in Europe and South America. As is normal, the Group has had one of its main seasons in the fourth quarter, while South America has a low season during this period. The ban on imports into Russia and the introduction of import quotas into Nigeria in 2014 have caused difficulties for the Group's segments involved in fish for human consumption. Nonetheless, the Group has implemented several successful measures to find alternative markets for those products where the main export markets have traditionally been Russia and Nigeria. The mackerel season in the fourth quarter was good, and the majority of the mackerel volume has been sold in the quarter. The weakening Norwegian currency has in the main helped strengthen the competitive edge of Norwegian seafood producers on the global market. However, we are also aware that the local currencies in some of our traditional herring markets (including the Ukraine) are falling against the USD, resulting in increased prices for consumers on this market. Despite this, we are confident that the Group's products on these markets will fare well in competition with alternative sources of protein.

Atlantic salmon and trout

The ban on imports into Russia represents a significant, short-term challenge for the Norwegian seafood industry, as it does for the industry in Russia. The Group is working hard to increase sales to alternative markets, but unfortunately there was little we could do to prevent the import ban from having a negative impact on the prices realised by the Group, particularly for trout, in the fourth quarter. This will continue to be the case in the months to come. Although the situation is taking longer than expected to resolve, we currently expect the market to gradually return to normal, due to underlying strong growth in demand and successful marketing initiatives, but also as a result of a change in the global trade flows for salmon and trout. Demand for high-quality seafood is very high, and clear trends can be identified that substantiate increased demand for fresh products. Based on the market prospects and the substantial potential within the segment to achieve lower costs, the Group's outlook is positive.

The Group

The Group is financially sound, reports a positive development and currently has a strong position on a number of seafood markets worldwide. The Group shall continue to grow and further develop over time within its current operating segments.

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

Storebø, 9 April 2015
Board of Directors of Austevoll Seafood ASA

Helge Singelstad *Chairman of the Board*	Helge Møgster	Oddvar Skjegstad *Deputy Chairman*	Inga Lise Lien Moldestad
Leif Teksum	Lill Maren Møgster	Siren M. Grønhaug	Arne Møgster *CEO & President*

THE GROUP

Accounts
Austevoll Seafood Group

Income statement

Amounts in NOK 1 000	Note	2014	(restated) 2013
Sales revenue	10, 32	**14 228 426**	**12 542 713**
Other gains and losses	10, 11	115 751	115 170
Raw materials and consumables used		-8 529 316	-7 478 855
Salaries and personnel expenses	12, 27	-1 607 412	-1 477 965
Other operating expenses	12, 30, 32	-1 691 260	-1 320 972
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets		**2 516 189**	**2 380 091**
Depreciation	16	-611 003	-566 165
Amortisation of intangible assets	15	-19 304	-12 991
Impairments/reversal of impairments	15, 16	-30 114	-89 541
Operating profit before fair value adjustment of biological assets		**1 855 768**	**1 711 394**
Fair value adjustment of biological assets	21	-379 758	828 834
Operating profit	10	**1 476 010**	**2 540 228**
Income from equity accounted investments	17	217 381	194 328
Financial income	13	63 255	53 120
Financial expenses	13	-410 173	-323 240
Profit before taxes		**1 346 473**	**2 464 436**
Income tax expense	26	-345 802	-622 671
Net profit from continuing operations		**1 000 671**	**1 841 765**
Net profit from discontinued operations	6	**0**	**-238 699**
Net profit from continuing and discontinued operations		**1 000 671**	**1 603 066**
Profit attributable to non-controlling interest	10	**445 561**	**904 278**
Profit attributable to shareholders of Austevoll Seafood ASA	7	555 110	937 487
Profit to shareholders of Austevoll Seafood ASA from discontinued operation		0	-238 699
Net profit to shareholders of Austevoll Seafood ASA		**555 110**	**698 788**
Average no. of shares (thousands) total		202 717	202 717
Average no. of shares (thousands) ex. own shares	14	200 995	200 995
Earnings per share from continued operation	14	2.76	4.66
Earnings per share from discontinued operation	14	0.00	-1.19
Earnings per share total (NOK)	7, 14	**2.76**	**3.48**
Earnings per share - diluted (NOK)	7, 14	2.76	3.48
Suggested dividend per share	7, 14	2.00	1.60

Statement of comprehensive income

Amounts in NOK 1 000	Note	2014	(restated) 2013
Profit for the year		**1 000 671**	**1 603 066**
Other comprehensive income to be recycled to profit and loss			
Cash flow hedges	22	-72 200	8 785
Change in value of available-for-sale financial assets	18	0	-487
Currency translation differences		596 304	168 686
Tax effect on items to be recycled to profit and loss		-28 445	-13 001
Other comprehensive income not to be recycled to profit and loss			
Acturial loss on post employment benefit obligations	12	-6 468	1 571
Share of other comprehensive income of associated not to be recycled		-16	-75
Tax effect on items not to be recycled to profit and loss		746	248
Other comprehensive income net of tax		**489 921**	**165 727**
Total comprehensive income for the year		**1 490 592**	**1 768 793**
Attributable to:			
Non-controlling interest		501 732	956 687
Shareholders of Austevoll Seafood ASA		988 860	812 106
Total comprehensive income for the year		**1 490 592**	**1 768 793**

THE GROUP

Statement of financial position

Amounts in NOK 1 000	Note	31.12.2014	(restated) 31.12.2013	(restated) 01.01.2013
Assets				
Goodwill	15	1 722 644	1 593 739	1 567 003
Deferred tax asset	26	169 379	204 428	174 084
Licenses	15	5 538 545	5 208 866	5 165 005
Brand/trademarks	15	50 000	50 000	50 000
Vessels	16	699 923	679 520	676 534
Other property, plant and equipment	16	4 249 364	3 773 146	3 496 385
Equity accounted investments	17	1 563 187	777 873	371 806
Investments in other shares	3, 18	33 836	31 343	44 052
Non-current receivables	19	66 712	52 848	40 730
Total non-current assets		**14 093 590**	**12 371 763**	**11 585 598**
Inventories	20	839 410	745 360	608 874
Biological assets	21	3 882 579	3 962 091	2 883 975
Trade receivables	3, 19, 32	1 637 571	1 744 953	1 154 154
Other current receivables	19, 22	692 700	623 634	546 434
Assets classified as held for sale	6	0	1 793 241	1 071 111
Cash and cash equivalents	3, 24, 29	2 198 148	1 443 314	2 168 684
Total current assets		**9 250 408**	**10 312 593**	**8 433 232**
Total assets		**23 343 998**	**22 684 356**	**20 018 830**
Equity and liabilities				
Share capital	25	101 359	101 359	101 359
Own shares		-35 306	-35 306	-35 306
Share premium		3 713 549	3 713 549	3 713 549
Retained earnings and other reserves		4 541 467	3 876 954	3 294 507
Non-controlling interests	8, 10	4 039 037	3 807 640	3 045 685
Total equity		**12 360 106**	**11 464 196**	**10 119 794**
Deferred tax liabilities	26	2 407 445	2 381 823	2 142 874
Pension obligations and other obligations	22, 12	169 447	64 344	80 984
Borrowings	3, 29	4 811 026	5 259 327	4 620 442
Total non-current liabilities		**7 387 918**	**7 705 494**	**6 844 300**
Borrowings	3, 29	1 363 092	1 297 696	1 541 105
Trade payables	3, 32	1 172 683	1 191 136	921 403
Tax payable	26	384 014	379 705	105 731
Other current liabilities	22, 31	676 185	646 129	486 497
Total current liabilities		**3 595 974**	**3 514 666**	**3 054 736**
Total liabilities		**10 983 892**	**11 220 160**	**9 899 036**
Total equity and liabilities		**23 343 998**	**22 684 356**	**20 018 830**

Storebø, 9 April 2015, Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Helge Møgster

Oddvar Skjegstad
Deputy Chairman

Inga Lise Lien Moldestad

Leif Teksum

Lill Maren Møgster

Siren M. Grønhaug

Arne Møgster
CEO & President

Statement of changes in equity

Amounts in NOK 1 000	Note	Share capital	Share premium	Currency translation differences	Cashflow hedge reserves	Own shares*	Retained earnings	Non-controlling interest	Total equity
Equity 01.01.13		**101 359**	**3 713 549**	**-75 792**	**-45 436**	**-35 306**	**3 415 735**	**3 045 685**	**10 119 794**
Profit for the period		**0**	**0**	**0**	**0**		**698 789**	**904 278**	**1 603 067**
Other comprehensive income in the period		0	0	168 686	8 785	0	-64 153	52 409	165 727
Total comprehensive income in the period		**0**	**0**	**168 686**	**8 785**	**0**	**634 636**	**956 687**	**1 768 794**
Transactions with shareholders									
Dividends	7						-243 260	-183 262	-426 522
Transactions with non-controlling interest	8						1 044	-4 553	-3 509
Other							12 557	-6 917	5 640
Total transactions with shareholders in the period		**0**	**0**	**0**	**0**		**-229 659**	**-194 732**	**-424 391**
Total change in equity in the period		**0**	**0**	**168 686**	**8 785**	**0**	**404 977**	**761 955**	**1 344 403**
Equity 31.12.13		**101 359**	**3 713 549**	**92 894**	**-36 651**	**-35 306**	**3 820 712**	**3 807 640**	**11 464 196**
Profit for the period		**0**	**0**	**0**	**0**		**555 110**	**445 560**	**1 000 670**
Other comprehensive income in the period		0	0	596 304	-72 200		-90 355	56 171	489 920
Total comprehensive income in the period		**0**	**0**	**596 304**	**-72 200**		**464 755**	**501 732**	**1 490 591**
Transactions with shareholders									
Dividends	7						-324 348	-269 251	-593 600
Transactions with non-controlling interest	8							-1 083	-1 083
Total transactions with shareholders in the period		**0**	**0**	**0**	**0**		**-324 348**	**-270 334**	**-594 683**
Total change in equity in the period		**0**	**0**	**596 304**	**-72 200**		**140 407**	**231 398**	**895 909**
Equity 31.12.14		**101 359**	**3 713 549**	**689 198**	**-108 851**	**-35 306**	**3 961 120**	**4 039 037**	**12 360 106**

* The Group's holdings of own shares is related to shares in Austevoll Seafood ASA owned by the subsidiary Br Birkeland AS, ref also note 25.

Cash flow statement

Amounts in NOK 1 000	Note	2014	(restated) 2013
Profit before income taxes		1 346 473	2 464 436
Taxes paid for the period		-438 602	-188 952
Depreciation and amortisation	15, 16	630 307	579 157
Impairments	15, 16	30 114	89 541
(Loss+/Gain-) on sale of property, plant and equipment		16 879	-113 678
(Loss+/Gain-) on investments		-112 888	22 000
Unrealised exchange gains and losses		29 863	9 147
Share of (profit-/loss+) from associates	17	-217 381	-194 328
Interest expense	13	244 673	258 384
Interest income	13	-47 599	-46 808
Fair value adjustment on biological assets	21	379 758	-828 834
Change in inventories		-316 082	-385 768
Change in accounts receivables and other receivables		63 834	-662 868
Change in accounts payables and other payables		10 168	269 679
Change in net pension liabilities		6 124	0
Change in other accruals		19 037	179 739
Currency translation differences working capital		150 060	42 083
Net cash flow from operating activities		**1 794 738**	**1 492 930**
Proceeds from sale of fixed assets		94 120	155 324
Proceeds from sale of shares and other equity instruments		1 096 915	13 945
Purchase of intangible and tangible fixed assets	15, 16	-994 489	-941 791
Purchase of shares and equity investments in other companies/business combinations		-64 418	-1 139 493
Cash inflow from business combinations	6	133 656	0
Dividend received	17	36 250	25 970
Interest income		47 599	46 808
Movements in long term loans granted		-6 397	-17 432
Currency translation differences investing capital		31 366	11 107
Net cash flow from investing activities		**374 603**	**-1 845 561**
Proceeds from issuance of long-term interest bearing debt		881 174	1 867 509
Repayment of long-term interest bearing debt		-1 394 642	-1 638 772
Movement in short-term interest bearing debt		-105 343	65 730
Interest paid		-238 067	-260 856
Dividends paid		-593 600	-426 523
Acquisition of interests in a subsidiary from non-controlling interests	8	-1 082	-3 509
Net cash flow from financing activities		**-1 451 560**	**-396 421**
Net change in cash and cash equivalents		**717 781**	**-749 052**
Cash and cash equivalents at 01.01.		**1 443 314**	**2 168 685**
Currency exchange gains of cash and cash equivalents		37 053	23 681
Cash and cash equivalents at 31.12.		**2 198 148**	**1 443 314**
Net operating cash flow from discontinued operations		0	232 170
Net investing cash flow from discontinued operations		0	-87 303
Net financing cash flow from discontinued operations		0	-22 957
Net change in cash flow from discontinued operations		**0**	**121 910**

Notes to the accounts

NOTE 1 GENERAL

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

The Company is listed on the Oslo Stock Exchange.

The annual, statutory accounts, based upon International Financial Reporting Standards (IFRS) as adopted by EU, were approved by the Board of Directors at April 9th, 2015.

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. All amounts for 2013 are restated as a consequence of consolidation of Br Birkeland AS.

NOTE 2 ACCOUNTING POLICIES

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.

By adopting IFRS 10 from 1 January 2014 Br Birkeland AS is now consolidated as a subsidiary over which Austevoll Seafood ASA holds control. The 2013 figures have been restated accordingly. Please refer to note 9 for more information on the restatement.

(a) New and amended standards adopted by the Group
The following standards, amendments and interpretations applicable to the Group have been adopted by the Group for the year beginning on or after January 1, 2014:

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. See note 9 for the impact on the financial statements.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. From 1 January 2014 the Group will have two major joint arrangements. Marfood S.A. is classified as joint operations and will consequently continue to be accounted for by the proportional method. Pelagia AS is a new joint arrangement from January 2014. This investment is classified as a joint venture, and will consequently be accounted for by the equity method.

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

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group financial statements.

Notes to the accounts

NOTE 2 ACCOUNTING POLICIES (CONT.)

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the Group financial statements as a result.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

(b) New standards and interpretations not yet adopted by the Group
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing this consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9, Financial instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value on OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

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

CONSOLIDATION
Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

NOTE 2 ACCOUNTING POLICIES (CONT.)

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

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

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

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

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

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

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

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

Notes to the accounts

NOTE 2 ACCOUNTING POLICIES (CONT.)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognise the amount adjacent to 'share of profit/(loss) of an associate' in the income statement. Profit and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group`s financial statement only to the extent of unrelated investor`s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Joint arrangements
The Group has applied IFRS 11 to all joint arrangements as of 1 January 2014 with restatement of comparatives. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. Austevoll Seafood ASA has assessed the nature of its joint arrangements and determined that the investment in Marfood S.A should be considered as joint operation, and that the investments in Pelagia AS (from January 2014) and JV Cormar should be considered as joint ventures. Joint ventures are accounted for using the equity method, whereas the joint operation is accounted for by proportional consolidation.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The effects of the change in accounting policies has limited effects on the Group. The joint ventures in 2013 was limited, and the investment in Pelagia AS was not considered a joint venture of the Group until the transactions in January 2014.

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 board of directors that makes strategic decisions.

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

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

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

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

NOTE 2 ACCOUNTING POLICIES (CONT.)

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

(iii) all resulting exchange differences are recognised in other comprehensive income.
When a foreign operation is disposed of, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

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

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

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

Land is not depreciated. Buildings comprise mainly of factories and offices. Depreciation on other assets is calculated using the straight-line method to allocate cost less residual value over estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

Detail	Sector	Depreciation-period
Vehicles	Pelagic and salmon	3-10 years
Furniture and other equipment	Pelagic and salmon	3-25 years
Bulidings	Pelagic and Salmon	12-50 years
Fishing vessels and fishing equipement	Pelagic	8-25 years
Machinery and other equipment - Fishmeal	Pelagic	10-50 years
Machinery and other equipment - Consumption	Pelagic	7-30 years
Other production equipment	Pelagic	3-30 years
Feeding vessels - Fish farming	Salmon	10-15 years
Vessels - Fish farming	Salmon	10-15 years
Utilities (components) on vessels	Salmon	5-10 years
Other production equipment (on sea) - Fish farming	Salmon	5-15 years
Production equipment (on land) - Fish farming	Salmon	5-15 years
Components related to production equipment on land	Salmon	10 years
Surplus value AUSS PPA not allocated	Pelagic	15 years

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 arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

NOTE 2 ACCOUNTING POLICIES (CONT.)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

LICENCES
Below is a detailed description of the Group's assessments in situations where the Group has established that an asset has an indefinite useful life, cf. IAS 38.122. Intangible assets with an indefinite useful life are not amortised, but tested for impairment once a year as a minimum. Reference is made to the Note on intangible assets for information on impairment tests. All licenses are distributed to the Group companies by the Government, and as such the licenses are at all-time subject to each countries fishing and fish farming quota regulations.

LICENCE SCHEME IN NORWAY
The licence scheme for production of salmon and trout in Norway has been implemented by the Storting (the Norwegian Parliament) and adopted in the Norwegian Act relating to aquaculture (Aquaculture Act). The Ministry of Trade, Industry and Fisheries is responsible for allocation of aquaculture permits (licences). All activities involving aquaculture require a licence. It is prohibited to farm salmon/trout without a licence from the authorities, cf. section 4 of the Aquaculture Act.

Principal terms for different types of licences
Since January 2005, the limitations on production established for aquaculture licences for salmon and trout have been governed according to a scheme known as Maximum Allowable Biomass (MAB). This specifies the maximum biomass in the sea that a licence holder can have at any given time.

The following regulations regarding production limitations apply to the different types of licences held by the Group:

Grow out licences are limited in number, i.e. the enterprises are only granted new licences (more production volume) subsequent to politically adopted allocation rounds.
The current Maximum Allowable Biomass is 780 tonnes of salmon or trout per licence. For Troms and Finnmark counties (region of North Norway) however, the Maximum Allowable Biomass is 945 tonnes of salmon or trout per licence. There are also some licences that, for historical reasons, have a different MAB limit than 780 tonnes.
LSG with its subsidiaries has a sufficient number of locations (location MAB) in the different regions to achieve a satisfactory exploitation of the Group's total MAB.
All commercial licences are currently operational.

Demonstration licences are licences defined as for special purposes. Demonstration licences are granted to enterprises in order to spread knowledge of the aquaculture industry. Such licences are often operated in cooperation with a non-commercial entity.

Slaughter cage licences are allocated for the use of sea cages for live fish ready for slaughter. These licences are attached to a specific location, which is the Group's slaughtering plant for salmon and trout.

Brood stock licences are also licences defined as for special purposes. Brood stock licences are granted for the production of salmon roe utilised to produce juvenile fish.
Juvenile fish licences are licences to produce juvenile salmon and trout in fresh water that in total authorise the licence holder to produce a specific number of juvenile salmon and trout. There are certain limitations on the size of juvenile fish produced according to the individual licence. If the licence holder does not have an exemption from the regulations in force, the largest permitted average weight is 250 grams on an individual level. Licences are granted on the basis of a discharge permit for a certain number of fish/biomass with a maximum allowable feed consumption per year. In situations where the water source is owned by a third party, an agreement is also required governing the right to utilise the water source.

There are no time limitations specified in the Group's terms for grow out and juvenile licences, and they are therefore deemed to be time-indefinite production rights according to the prevailing regulations.

As the licences are not bound by a time-limited period, there is no need to apply for their renewal. The licences are deemed to be valid pursuant to the Aquaculture Act, unless they are revoked in accordance with the Act.

NOTE 2 ACCOUNTING POLICIES (CONT.)

The brood stock licences are granted for 15 years at a time, and applications have to be submitted for their renewal – provided that the licence holder is still involved in production of brood stock for salmon or trout. The Group consider their brood stock licences to have indefinite useful life. The licences for slaughter cages are allocated for 10 years at a time. Applications can be submitted for renewal of such licences provided that they are attached to an approved slaughtering plant and only utilised to keep fish ready for slaughter in immediate proximity to the slaughtering plant. The Group's demonstration licences are granted with a duration of 10 years. Applications can be submitted for renewal of demonstration licences provided that the terms for the licence are met pursuant to the Aquaculture Act. Both brood stock and demonstration licences are a type of activity without any definite time limitation. In principle, the same factors as for brood stock licences will apply to demonstration licences.

The licence scheme for fishing rights in Norway has been implemented by the Storting (the Norwegian Parliament) and adopted in the Norwegian Act relating to the right to participate in fishing and catches (Participation Act) dated 26 March 1999, no. 15. The Ministry of Trade, Industry and Fisheries is responsible for allocation of the right to participate in Norwegian fisheries.

Paragraph 2 of the Act specifies its legislative scope; "The Act governs entitlement to take part in commercial fishing and catches and other harvesting of wild live marine resources by utilising ships that are Norwegian pursuant to the provisions in sections 1 and 4 of the Norwegian Maritime Code and ships that are owned by a foreign national who is resident in Norway, when the overall length of the ship is less than 15 metres. However, ships that are Norwegian pursuant to section 1 third paragraph of the Norwegian Maritime Code are not governed by the Act, unless the ship is owned by a person resident in Norway and the overall length of the ship is less than 15 metres. This Act defines ships that are governed by the first and second paragraphs as Norwegian ships."

The main conditions for entitlement to fishing rights pursuant to the Participation Act are as follows:

- A ship cannot be utilised for commercial fishing or catches unless it has been allocated a commercial permit by the Ministry of Trade, Industry and Fisheries.
- A commercial permit only entitles the holder to carry fishing or catches in accordance with the provisions that apply at any given time in or pursuant to the Act relating to the management of wild living marine resources or the Participation Act.
- The Participation Act lists the following main conditions for allocation of commercial permits:
  - Nationality requirement
  - Residential requirement
  - Activity requirement
  - Requirement for a basis for operations
  - Requirement on ships

Annulment of commercial permit

A commercial permit is annulled when the owner loses the right of ownership to a ship, whether by compulsory sale, condemnation, shipwreck etc.

If the permit holder replaces one ship with another, an application is required for a new commercial permit so that the fishing rights are transferred to the new ship. Such transfer is normally granted provided that the requirements specified in the Participation Act are fulfilled.

Retraction of commercial permit

A commercial permit shall be retracted when the ship owner:

a. no longer fulfils the requirements in section 5 of the Participation Act,

b. has not been involved in commercial fishing or catches for at least three of the past five years on or with a Norwegian ship, and has no association with the fishing industry (Activity requirement).

A commercial permit may be retracted when:

a. the ship has not been utilised for commercial fishing or catches for a specific period of time stipulated by the Ministry in a Regulation or in the commercial permit,

b. the ship or ship owner no longer fulfils the conditions specified in or pursuant to the Participation Act,

c. there are significant amendments to the conditions upon which the permit is based,

d. the ship owner has, against better judgement, provided incorrect information or has concealed information of significance for the resolution to grant such a permit,

e. the ship owner or other party involved in operating the ship is guilty of a serious or repetitive breach of the provisions laid down in or pursuant to the Participation Act or other fisheries legislation, or

NOTE 2 ACCOUNTING POLICIES (CONT.)

f. the entitlement to retract the permit exists pursuant to general regulations within administrative legislation.

If such incidents are of a less serious nature, the Ministry may decide to retract the commercial permit for a specific period of time.

The King may impose supplementary regulations on the retraction of permits.

There are no time limitations specified in the Group's conditions for fishing permits that apply to basic quotas, and they are therefore deemed to be time-indefinite rights according to the prevailing regulations. As the fishing rights are not bound by a time-limited period, there is no need to apply for their renewal. The fishing rights are deemed to be valid pursuant to the Participation Act, unless they are annulled or retracted in accordance with the Act.

The Group also holds fishing rights that have a time limit – so-called structural quotas – and these are amortised over the lifetime of the individual structural quota.

LICENCE SCHEME IN PERU

The fishing license is granted by the Production Ministry (Ministerio de la Producción) for the extraction of hydrobiological resources, subject to Fishing Regulations as stipulated by General Law of Fisheries (Decreto Ley N° 25977) and the Regulations for the General Law of Fisheries (Decreto Supremo N° 01-94-PE).

The Article 44 of the General Law of Fisheries (Decreto Ley N° 25977) says:

> "Article 44: Concessions, authorizations and licenses mean specific rights that the Production Ministry grants for an established term for the development of fisheries activities, pursuant to the provisions of this Law and under the conditions determined by its Regulations"

Also, the Article 33 of the Regulation for the General Law of Fisheries (Decreto Supremo N° 01-94-PE) establish:

> "Article 33: Term of Fishing Licenses
> 33.1 In accordance with Article 44 of the Fisheries Law, the determinate term of fishing licenses for large-scale fishing vessels with national flag, applies since the time that such rights are granted until its expiration in accordance with this regulation.
> 33.2 To keep in force the term and content of the fishing licenses, the fishing vessel owners must prove to the General Directorate of Fish Harvesting and Fish Processing, not to have increased storage capacity authorized in the fishing license and accredit the vessel operation; also will be required to have made fish harvesting activity in the previous year and paid the corresponding fishing rights.

It means that fishing license only expires in case the legal owner breach the requirements established in the mentioned article 33 of the Regulation for the General Law of Fisheries, otherwise, the fishing license keep in force unlimited. The Supreme Decree N° 019-2011 (Regulations of Inspections and Sanctions for Fishing and Aquaculture), establish the limitations that fleet must fulfill during its operations.

Following, we list the main restrictions that the industry have:
Catch or process hydrobiological resources without license or percentage assigned, operation license or without assignation of maximum limit of catch per vessel. (Cod. 1.1.)
Catch restricted to authorized fishing seasons as announced by the Production Ministry (Cod. 2.5.)
Catch, process or sell hydrobiological resources with smaller sizes as established. (anchoveta 12 cm, mackerel 31 cm, jack mackerel 31 cm) (Cod. 6.5)
Catch hydrobiological resources in larger volumes to the hold capacity authorized in the fishing license (Cod. 75)
Execute more than one fishing trip in a term of 24 hours (Cod. 82)Catch exceeding the season assigned quota (Cod. 84) Exceed the maximum limit of catch per vessel (Cod. 96)
By catch is limited to 5%

The indeterminate life of fishing license is also subject to lack of severe penalties (maximum 2 allowed in 2 years).

LICENCE SCHEME IN CHILE

Fishing and aquaculture activities are ruled by the "General Fishing and Aquaculture Law Nº 18.892 of 1989" ("Ley General de Pesca y Acuicultura" or LGPA), which has received several modifications during its life, being the latest in Law Nº 20.657 of February 9th, 2013. This modification to the law made important amendments to the fishing system in Chile, with the main objective of ensuring the sustainability of fish resources, introducing a Eco systemic view of the marine environment and by improving the fish management, such as adding transferability to the existing individual quota system for industrial fleet and creating a mandatory scientifically supported quota management system.

The management of fisheries is performed by the Undersecretary of Fisheries ("Subsecretaria de Pesca"), a vice-

NOTE 2 ACCOUNTING POLICIES (CONT.)

ministry office that reports to the Minister of Economics. The control of fishing activities of all kind (industrial, artisanal and sport) is under the National Fishing Service ("Servicio Nacional de Pesca" or Sernapesca), who in some cases, can delegate to private independent companies its services, as it does with the fish offloading control.
Until the introduction of 2013 fishing law modifications, fishing licenses were linked to a fishing vessel and couldn't be divided or independently transferred. These type of fishing license ("Permiso de Pesca") still exist for those species out of the list of tradable fishing license ("Licencia Transable de Pesca" or LTP), such as giant squid and mackerel.

However, main commercial species caught by the industrial and big costal fleet are all under the LTP system, which was granted using the same individual quota set by the previous modification established by the fishing law Nª 19.713 of 2001 (which was up for modification after 12 years in 2013), that was based in 50/50 allocation of historical catches between years 1997 to 2000 and by vessel hold capacity.
These LTPs are divided by fish species and macro-regions (group of the geographical administrative area division of the country - regions).

The LTPs are transferable, permanently or temporarily and also are subject to be used as guarantees to financial institutions, something impossible with previous regulation. Fishing permits for the non-LTP species and linked to a physical fishing vessel are permanent. Fishing permits for the LTPs are granted for 20 years but are automatically renewed for same period of time, provided that the license holder has complied with labor and environmental regulations.

This has been considered a permanent license system, with a review process of the law every 20 years' time. Fishing rights can be lost or reduced (partial loss), if a Company:

- Catches in excess over 10% of its quota during 2 years in a row.
- Doesn't perform fishing activities during 2 years or 12 consecutive months, unless is a case of force majeure, which must be approved by Undersecretary of Fisheries.
- If during a 5-year period, offloading of the 3 highest years are below 70% of the industry average. In this case, is a partial loss, applying a quota reduction equivalent to the difference between this average and the company actual landings.
- Repeatedly not submitting the statistical information required by law.
- Not paying fishing or specific fishing taxes. Gives a 30 day grace period after due dates.
- If court sentences company for spillage of chemical or other harmful substances into water portions.
- If sentenced repeatedly of illegal or unauthorized modifications, alterations or changes to fishing vessels.
- If Company has been sentenced 3 or more times within a 2-year period of infractions to anti-union labor law related only to workers on board vessels. This is a partial loss, equivalent to 10% of the main specie that the vessel was operating at infraction time.

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

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

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

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

Notes to the accounts

NOTE 2 ACCOUNTING POLICIES (CONT.)

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

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

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

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

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.
For debt securities, if any such evidence exists 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

NOTE 2 ACCOUNTING POLICIES (CONT.)

recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists 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 recognized in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

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

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

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

(a) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other gains/(losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the income statement within 'finance costs'. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

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

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

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

INVENTORIES
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO)

NOTE 2 ACCOUNTING POLICIES (CONT.)

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. The main rule is that such assets, including live fish, shall be valued at fair value less estimated sales costs. Biological assets recognises and assesses (fish in sea) at fair value. The price is then adjusted to cater for quality differences (superior, ordinary and production) and logistic costs. The volume is adjusted to account for loss during gutting. The fair value of fish in the sea with an average weight of under 4 kg is adjusted in relation to the phase of the growth cycle for the fish. The value will not be adjusted to lower than historic cost, unless the Group expects to generate a loss from future sales.

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

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

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

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

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

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

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

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

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income.

NOTE 2 ACCOUNTING POLICIES (CONT.)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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

EMPLOYEE BENEFITS

Pension obligations

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

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

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

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

NOTE 2 ACCOUNTING POLICIES (CONT.)

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

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Profit-sharing and bonus plans

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

PROVISIONS

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

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

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

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

REVENUE RECOGNITION

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

NOTE 2 ACCOUNTING POLICIES (CONT.)

The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset, but the expiry dates of the leases are considered when determining useful life.

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

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

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

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

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

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

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

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

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

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

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

NOTE 3 FINANCIAL RISK MANAGEMENT

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

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

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

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

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

At 31 December 2014, if NOK had weakened/strengthened by 10% against the USD with all other variables held constant, post-tax profit for the year would have been MNOK 33.1 higher/lower. The sensitivity is calculated based on foreign exchange gains/losses on translation of USD denominated trade receivables and other receivables, trade payables, cash in bank and interest bearing debt.

At 31 December 2014, if NOK had weakened/strengthened by 10% against the EUR with all other variables held constant, post-tax profit for the year would have been MNOK 38.9 higher/lower. The sensitivity is calculated based on foreign exchange gains/losses on translation of EUR denominated trade receivables and other receivables, trade payables, cash in bank and interest bearing debt.

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

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

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

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

(iii) Interest rate risk

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

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

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

Through the subsidiary Br Birkeland AS, the Group has one interest swap agreement with Nordea entered into in October 2008, of a nominal fixed value of MNOK 130, with a fixed rate of 4.65%, and a duration until 2018. Market values have been used to determine the fair value of the swap agreements at 31 December.

As at 31.12.2014, a total unrealised loss of MNOK 72.2 was included in other comprehensive income. Please refer to note 22 for further details.

If the interest rate level had been 0.5% higher (lower) throughout the year, all other variables held constant, profit before income taxes would have decreased (increased) by MNOK 12.1 in 2014 and MNOK 18.5 in 2013 through the impact of floating rate borrowings and deposits. The sensitivity analysis is based on the level of net interest bearing debt (NIBD) by year end 2014 and 2013.

Amounts in NOK 1 000	Increase/reduction in basis points	2014	2013
Impact on profit before tax	+/- 50	-/+ 12 116	-/+ 18 530

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

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

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

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

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

31 December 2014	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years
Borrowings (ex. finance lease liabilities)	1 138 460	988 850	1 401 558	2 466 863
Finance lease liabilities	148 035	232 181	196 667	186 296
Trade and other payables (ex. Statutory liabilities)	1 483 532	271	543	44 908

31 December 2013	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years
Borrowings (ex. finance lease liabilities)	1 400 416	1 684 037	1 795 799	2 127 288
Finance lease liabilities	122 488	222 268	114 733	99 288
Trade and other payables (ex. Statutory liabilities)	1 484 739	-	-	-

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

Capital 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. For further information on the dividend policy please refer to the Corporate Goverance chapter 3 of the Annual Report.

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

The gearing ratios at 31 December 2014 and 2013 were as follows:

	2014	2013
Total borrowings (note 29)	6 174 118	6 557 023
Less: cash and cash equivalents	2 198 148	1 443 314
Less: other interest bearing assets	16 104	10 512
Net interest bearing debt	3 959 866	5 103 197
Total equity	12 360 106	11 464 196
Capital employed	**16 319 972**	**16 567 393**
Gearing ratio	24%	31%

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by the use of valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

Other techniques, such as estimated discounted cash flows, are also used in certain cases. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

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

Notes to the accounts

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

FINANCIAL INSTRUMENTS BY CATEGORY

31 December 2014 Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Available for sale	Total
Investment in other shares	0	0	33 836	33 836
Trade and other receivables exc.prepayments*	2 206 431	0	0	2 206 431
Cash and cash equivalents	2 198 148	0	0	2 198 148
Total assets	**4 404 579**	**0**	**33 836**	**4 438 415**

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

31 December 2014 Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Borrowings exc. finance lease liabilities*	0	0	5 475 603	5 475 603
Finance lease liabilities*	0	0	698 514	698 514
Derivate financial instruments	0	148 944	0	148 944
Trade and other payables exc.statutory liabilities*	0	73 428	1 686 429	1 759 857
Total liabilities	**0**	**222 372**	**7 860 546**	**8 082 919**

* 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 2013 Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Available for sale	Total
Investment in other shares	0	0	31 328	31 328
Trade and other receivables exc.prepayments*	2 211 180	8 713	0	2 219 893
Cash and cash equivalents	1 396 279	0	0	1 396 279
Total assets	**3 607 459**	**8 713**	**31 328**	**3 647 500**

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

31 December 2013 Liabilities as per balance sheet	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Borrowings exc. finance lease liabilities*	0	0	5 760 025	5 760 025
Finance lease liabilities*	0	0	464 480	464 480
Trade and other payables exc.statutory liabilities*	0	32 587	1 641 560	1 674 147
Total liabilities	**0**	**32 587**	**7 866 065**	**7 898 652**

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

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

FINANCIAL INSTRUMENTS BY VALUATION METHOD

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

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

Assets measured at fair value through profit or loss	Level 1	Level 2	Level 3
Financial assets available for sale			
– Investment in shares	0	0	35 773
Total assets	**0**	**0**	**35 773**

Liabilities measured at fair value through profit or loss	Level 1	Level 2	Level 3
Derivatives used for hedging			
– Fair value hedging	0	73 428	0
– Cash flow hedging	0	148 944	0
Total liabilities	**0**	**222 372**	**0**

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

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

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

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

Note that all of the resulting fair value estimates are included in Level 2. Other long term receivables, trade receivables and other short term receivables are measured at level 3.

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

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

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

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

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

A sensitivity analysis for the prices of Atlantic salmon and trout at 31.12.14, shows the following impact on the Group's operating profit (NOK 1,000):

Price reduction per kilo	NOK 1.00/kg	NOK 2.00/kg	NOK 5.00/kg
Reduced operating profit	-65 119	-129 818	-321 577

Price increase per kilo	NOK 1.00/kg	NOK 2.00/kg	NOK 5.00/kg
Increased operating profit	65 919	132 592	333 834

NOTE 5 GROUP COMPANIES

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

Company	Note	Country	Parent company	Ownership %
Lerøy Seafood Group ASA		Norway	Austevoll Seafood ASA	62.56%
Lerøy Midt AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Vest AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Aurora AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Finnmark AS	6	Norway	Lerøy Seafood Group ASA	100.00%
Sjøtroll Havbruk AS		Norway	Lerøy Seafood Group ASA	50.71%
Lerøy Fossen AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy & Strudshavn AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Portugal Lda		Portugal	Lerøy Seafood Group ASA	60.00%
Sandvikstomt 1 AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Sverige AB		Sweden	Lerøy Seafood Group ASA	100.00%
Lerøy Alfheim AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Delico AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Trondheim AS		Norway	Lerøy Seafood Group ASA	100.00%
Sjømathuset AS		Norway	Lerøy Seafood Group ASA	100.00%
Hallvard Lerøy AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Finland OY		Finland	Lerøy Seafood Group ASA	100.00%
Rodè Beheer B.V.		Holland	Lerøy Seafood Group ASA	50.10%
Leroy Processing Spain SL		Spain	Lerøy Seafood Group ASA	100.00%
Lerøy Quality Group AS		Norway	Hallvard Lerøy AS	100.00%
Bulandet Fiskeindustri AS		Norway	Hallvard Lerøy AS	76.04%
Lerøy Sjømatgruppen AS		Norway	Hallvard Lerøy AS	100.00%
Lerøy USA Inc		USA	Hallvard Lerøy AS	100.00%
Hallvard Lerøy SAS		France	Hallvard Lerøy AS	100.00%
Fishcut SAS		France	Hallvard Lerøy SAS	100.00%
Eurosalmon SAS		France	Hallvard Lerøy SAS	100.00%
Lerøy Smögen Seafood AB		Sweden	Lerøy Sverige AB	100.00%
Lerøy Alt i Fisk AB		Sweden	Lerøy Sverige AB	100.00%
Lerøy Stockholm AB		Sweden	Lerøy Sverige AB	100.00%
Lerøy Nordhav AB		Sweden	Lerøy Sverige AB	100.00%
Laksefjord AS		Norway	Lerøy Aurora AS	100.00%
Sirevaag AS		Norway	Lerøy Delico AS	100.00%
Torjulvågen Settefisk AS		Norway	Lerøy Midt AS	100.00%
Lerøy Aakvik Rogn og Stamfisk AS		Norway	Lerøy Midt AS	100.00%
Hydral AS		Norway	Lerøy Midt AS	100.00%
Rodè Vis International AS		Norway	Rodè Beheer B.V.	100.00%
Rodè Vis B.V		Holland	Rodè Beheer B.V.	100.00%
Rodè Vastgoed B.V.		Holland	Rodè Beheer B.V.	100.00%
Rodè Frozen Seafood B.V.		Holland	Rodè Beheer B.V.	100.00%
Rodè Retail B.V.		Holland	Rodè Beheer B.V.	100.00%
Lerøy Culinar B.V.		Holland	Rodè Retail B.V.	50.00%
Lerøy Culinar B.V.		Holland	Hallvard Lerøy AS	50.00%

NOTE 5 GROUP COMPANIES (CONT.)

Company	Note	Country	Parent company	Ownership %
AUSS Shared Service AS		Norway	Austevoll Seafood ASA	100.00%
Austevoll Laksepakkeri AS		Norway	Austevoll Seafood ASA	100.00%
AUSS Laks AS		Norway	Austevoll Laksepakkeri AS	100.00%
Aumur AS		Norway	Austevoll Seafood ASA	100.00%
Murman Fishing Company Ltd.		Cyprus	Aumur AS	100.00%
Austevoll Eiendom AS		Norway	Austevoll Seafood ASA	100.00%
Austevoll Pacific AS		Norway	Austevoll Seafood ASA	100.00%
Gateport Overseas Ltd		Panama	Austevoll Pacific AS	100.00%
Andean Opportunities Funds Ltd.		Caymen Island	Gateport Overseas Ltd.	100.00%
Dordogne Holdings Ltd.		Panama	Gateport Overseas Ltd.	66.67%
Dordogne Holdings Ltd.		Panama	Andean Opportunities Funds Ltd.	33.33%
Austral Group S.A.A		Peru	Dordogne Holdings Ltd.	89.35%
Conserveras de las Americas S.A		Peru	Austral Group S.A.A	100.00%
Inversiones Pacfish Ltda.		Chile	Austevoll Seafood ASA	0.00%
A-Fish AS		Norway	Austevoll Seafood ASA	100.00%
Aconcagua Ltd		Jersey	A-Fish AS	100.00%
Consortium Enterprises (Jersey) Ltd.		Jersey	Aconcagua Ltd	100.00%
Beechwood Ltd.		Panama	Consortium Enterprises (Jersey) Ltd.	100.00%
Pesquera Nuevo Horizonte Ltd.		Chile	Beechwood Ltd.	99.00%
Pesquera Nuevo Horizonte Ltd.		Chile	Foodcorp Chile S.A	1.00%
Foodcorp Chile S.A		Chile	Consortium Enterprises (Jersey) Ltd.	73.61%
Foodcorp Chile S.A		Chile	Austevoll Seafood ASA	26.39%
Cultivos Pacfish S.A		Chile	Foodcorp Chile S.A	100.00%
Br Birkeland AS	9	Norway	Austevoll Seafood ASA	49.99%
Br Birkeland Fiskebåtrederi AS		Norway	Br Birkeland AS	100.00%
Talbor AS		Norway	Br Birkeland AS	100.00%
Kobbevik og Furuholmen Oppdrett AS		Norway	Br Birkeland AS	100.00%
Bjånesøy Eiendom AS		Norway	Br Birkeland AS	100.00%
Opilio AS		Norway	Br Birkeland AS	100.00%

NOTE 6 ACQUISITION OF SHARES/BUSINESS COMBINATIONS

Villa Organic AS
Villa Organic AS was per 30 June 2014 an associated company of the Group (owned 49.5% by the Group company Lerøy Seafood Group ASA). In July 2014, the Villa Group was restructured. As part of the restructuring, Villa Arctic AS was merged with the parent company Villa Organic AS. Villa Organic AS was then de-merged, and the assets and liabilities of Villa Organic AS was split between Lerøy Seafood Group ASA and SalMar ASA according to agreement between the parties, based on their respective ownership percentages in Villa Organic AS. Assets and liabilities in Villa Organic AS attributed to Lerøy Seafood Group ASA was placed in the company Lerøy Finnmark AS, which was owned 99.94% by Lerøy Seafood Group ASA at the date of the de-merger.

This has had consequences for the Group accounts from Q3 2014. From Q3, Villa Organic AS was no longer an associated company accounted for using the equity method. Instead, the fully owned subsidiary Lerøy Finnmark AS, which represents Lerøy Seafood Group's share of the de-merged Villa Organic AS, has been consolidated in the Group accounts. This has increased the number of licenses in the Group's balance with 8.

In correspondence with the accounting standards IFRS 3 and IFRS 10, the change from associated company to subsidiary implies a renewed measurement in the Group accounts of assets and liabilities relating to the values in the now de-merged Villa Organic AS. This renewed measurement has caused a gain in the profit and loss statement of approximately NOK 75 mill after tax. The effect is further described in the purchase price allocation, which is prepared in accordance with IFRS 3.

Purchase price allocation	100.00%	50.46%	49.54%
Recognised equity in Villa (after merger)	454 280	229 230	225 050
Net identified fair value adjustments in Villa (after merger)	280 880	141 732	139 148
Identified value in Villa (after merger)	**735 160**	**370 962**	**364 198**

Calculation of gain from business combination	2014
Fair value at date of business combination	364 198
Book value of shares in Villa at acquisition date	289 234
Gain on realisation of shares in associated company	**74 964**

Fair value adjustments	Merged balance	Fair value adjustments	Demerger balance	Lerøy Finnmark LSG (49.54%)	IFRS adjustments	Lerøy Finnmark AS (IFRS)
Licences	22 315	330 101	352 416	176 208	-	176 208
Goodwill	-	-	-	-	62 870	62 870
Fixed assets	83 587	-7 000	76 587	61 090	-	61 090
Financial assets	48 476	-32 000	16 476	8 238	-	8 238
Inventory	175 205	-	175 205	78 215	-	78 215
Short term receivables	25 001	-7 000	18 001	25 501	-	25 501
Cash in bank	250 335	-	250 335	133 372	-	133 372
Identified value in Villa (after merger)	**604 920**	**284 101**	**889 021**	**482 623**	**62 870**	**545 493**
Equity	454 280	280 880	735 160	364 198	45 895	410 093
Deferred tax	31 986	-3 780	28 207	7 922	16 975	24 897
Other non-current liabilities	39 960	-	39 960	28 309	-	28 309
Current liabilities	78 694	7 000	85 694	82 193	-	82 193
Total equity and liabilities	**604 920**	**284 101**	**889 021**	**482 623**	**62 870**	**545 493**

Notes to the accounts

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

Discontinued operations
The transaction between Austevoll Seafood ASA (AUSS) and Kvefi AS (Kvefi) entailing the merger of AUSS's and Kvefi's operations in Europe within pelagic fishery for human consumption, fishmeal and fish oil was completed in January 2014. The transaction encompasses AUSS's companies Norway Pelagic Holding AS (NPEL) and Welcon Invest AS (Welcon) as well as Kvefi's business Egersund Fisk AS (Egersund). As a result of this agreement, NPEL and Welcon have been treated as a disposal group held for sale in AUSS's consolidated accounts for 2013. Profit and balance-sheet items linked to NPEL and Welcon have been presented in the consolidated accounts as profit from discontinued operations. The value of the assets is presented in the balance sheet as assets held for sale and has been classified as current assets.

Net profit from discontinued operations	**2014**	**2013**
Revenue	-	3 740 569
Expenses	-	-3 601 728
Profit before tax of discontinued operations	**-**	**138 841**
Tax	-	-21 258
Profit after tax of discontinued operations	**-**	**117 583**
	-	
Pre-tax gain/(loss) recognised on the re-measurement of assets of disposal group	-	-342 165
After tax gain/(loss) recognised on the re-measurement of assets of disposal group	**-**	**-342 165**
Net profit from discontinued operations to shareholders of Austevoll Seafood ASA	**-**	**-238 669**

Assets classified as held for sale	**31.12.14**	**31.12.13**
Opening balance 01.01.	1 793 241	1 071 111
Acquisition	-	960 829
Profit after tax of discontinued operations	-	103 466
Unrealised gain/loss (impairment)	-	-342 165
Shares sold	-1 793 241	-
Assets classified as held for sale 31.12.	**-**	**1 793 241**

Notes to the accounts

NOTE 7 DIVIDENDS PER SHARE

Distributed dividend per share in 2014, based on profit figure for 2013 was NOK 1.60 per share. This amounted to a total of TNOK 324,348. Based on the profit figure for 2014, a dividend payment of NOK 2.00 per share is suggested for 2015. This will in total constitute TNOK 405,434. A final decision will be made by the ordinary shareholders' meeting on 22 May 2015.

Year	Profit after tax to AUSS share-holders	No. of shares 31.12. (thou-sands)	Average no. of shares (thou-sands)	Earnings per share	Suggested dividend	Proposed dividend per share	Dividend in % of net result to AUSS share-holders	Dividend paid out (from last year)	No. of shares	Distributed dividend per share
2014	**555 110**	**202 717**	**202 717**	**2.74**	**405 434**	**2.00**	**73%**	**324 347**	**202 717**	**1.60**
2013 restated	698 788	202 717	202 717	3.45	324 347	1.60	46%	243 260	202 717	1.20
2012 restated	419 602	202 717	202 717	2.07	243 260	1.20	58%	202 717	202 717	1.00
2011	369 384	202 717	202 717	1.82	202 717	1.00	55%	304 076	202 717	1.50
2010	1 221 533	202 717	202 717	6.03	304 076	1.50	25%	243 260	202 717	1.20
2009	723 346	202 717	188 917	3.83	243 260	1.20	34%	-	202 717	0.00
2008	122 491	184 317	184 317	0.66	-	0.00	0%	55 295	184 317	0.30
2007	498 982	184 317	183 302	2.72	55 295	0.30	11%	-	184 317	0.00
2006	264 392	178 224	145 550	1.82	-	0.00	0%	-	178 224	0.00
Total	**4 873 628**				**1 778 390**	**8.80**		**1 372 956**		**6.80**

*) Including own shares 1,722,223 held by the subsidiary Br Birkeland AS.

NOTE 8 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Acquisition of additional interest in a subsidiary
In 2014 the Group acquired a further 7.3% of the shares in Bulandet Fiskeindustri AS, whereby the Group now owns 76.04% of the shares of Bulandet Fiskeindustri AS.

The acquisitions in 2013 were related to shares in Torjulvågen Settefisk AS and Lerøy Finland OY (Jokisen Eväät OY through the subsidiary Lerøy Seafood Group ASA).

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

Amounts in NOK 1 000	**2014**	**2013**
Carrying amount of non-controlling interests acquired	1 083	4 553
Consideration paid to non-controlling interests	-1 083	-3 509
Excess of consideration paid recognised in parent's equity	**0**	**1 044**

NOTE 9 CHANGES IN ACCOUNTING POLICIES

Restatement of 2013 figures
From January 1 2014 Austevoll Seafood ASA (AUSS) adopted IFRS 10 "Consolidated Financial Statements".

AUSS is the largest shareholder of Br Birkeland AS, with a 49.99% equity interest. There are no shareholder's agreement whereby AUSS controls any other voting rights, or holds any priority to board positions. AUSS management has therefore concluded that AUSS do not hold sufficiently dominating voting interest to have the power to direct the relevant activities of the entity, and consequently Br Birkeland AS has been considered an associated company under IAS 28.

As a consequence of adopting IFRS 10 from 2014, the Financial Supervisory Authority of Norway (FSAN) has ruled that AUSS holds de facto control over Br Birkeland AS, mainly as FSAN considers AUSS to hold the majority of the board positions, and as AUSS board member Helge Møgster was appointed general manager of Br Birkeland AS in 2013.

As a consequence, the entity has been fully consolidated into these financial statements, considering August 2011 as the date of control by IFRS 10, as this was the date when AUSS acquired 9.7999% of the shares, resulting in the current share holding of 49.99%.

Previously Br Birkeland AS was classified as an associate and accounted for by the equity method. The tables presented below illustrate the restated financial statement and statement of financial position as of 31 December 2013 compared with figures from the 2013 annual report.

NOK in thousands	AUSS 2013	Consolidation of Br Birkeland AS	Restated AUSS 2013
Operating income	12 409 756	248 128	12 657 884
Operating expenses	-10 183 648	-94 145	-10 277 793
EBITDA	**2 226 108**	**153 983**	**2 380 091**
Depreciation and amortization	-529 474	-49 682	-579 156
Impairment	-89 541	0	-89 541
Fair value adj. biomass	764 229	64 605	828 834
Operating profit	**2 371 322**	**168 906**	**2 540 228**
Income from associated comp	248 350	-54 022	194 328
Net financial items	-239 449	-30 672	-270 121
Profit before taxes	**2 380 223**	**84 212**	**2 464 435**
Income tax expenses	-580 768	-41 902	-622 670
Net profit from continuing operations	**1 799 455**	**42 310**	**1 841 765**
Profit to shareholders of Austevoll Seafood ASA from discontinued operation	-238 699		-238 699
Net profit from continuing and discontinued operation	**1 560 756**	**42 310**	**1 603 066**
Profit attributable to non-controlling interest	855 411	48 867	904 278
Profit attributable to shareholders of Austevoll Seafood ASA	705 345	-6 557	698 788

Notes to the accounts

NOTE 9 CHANGES IN ACCOUNTING POLICIES (CONT.)

NOK in thousands	AUSS 2013	Consolidation of Br Birkeland AS	(restated) AUSS 2013
Intangible assets	6 035 665	1 021 368	7 057 033
Fixed assets	4 095 855	356 811	4 452 666
Financial assets	1 145 026	-282 962	862 064
Inventories	4 467 682	239 769	4 707 451
Receivables	2 290 511	78 076	2 368 587
Assets classified as held for sale	1 793 241	0	1 793 241
Bank balance	1 396 279	47 035	1 443 314
Total Assets	**21 224 259**	**1 460 097**	**22 684 356**
Equity - equity holders of the parent	7 321 834	334 722	7 656 556
Non-controlling interests	3 377 484	430 156	3 807 640
Total equity	**10 699 318**	**764 878**	**11 464 196**
Provisions for commitments	45 370	18 974	64 344
Other long-term liabilities	7 051 634	589 516	7 641 150
Current liabilities	3 427 937	86 729	3 514 666
Total liabilities	**10 524 941**	**695 219**	**11 220 160**
Total equity and liabilities	**21 224 259**	**1 460 097**	**22 684 356**

NOK in thousands	AUSS 1.1.2013	Consolidation of Br Birkeland AS	(restated) AUSS 1.1.2013
Intangible assets	5 948 259	1 007 832	6 956 091
Fixed assets	3 812 963	359 956	4 172 919
Financial assets	695 760	-239 172	456 588
Inventories	3 330 335	162 515	3 492 850
Receivables	1 628 914	71 674	1 700 588
Assets classified as held for sale	1 071 111	0	1 071 111
Bank balance	2 162 261	6 423	2 168 684
Total Assets	**18 649 603**	**1 369 228**	**20 018 831**
Equity - equity holders of the parent	6 750 464	323 645	7 074 109
Non-controlling interests	2 649 345	396 340	3 045 685
Total equity	**9 399 809**	**719 985**	**10 119 794**
Provisions for commitments	58 047	5 737	63 784
Other long-term liabilities	6 252 579	527 937	6 780 516
Current liabilities	2 939 168	115 569	3 054 737
Total liabilities	**9 249 794**	**649 243**	**9 899 037**
Total equity and liabilities	**18 649 603**	**1 369 228**	**20 018 831**

NOTE 10 SEGMENT INFORMATION

Operating segments
The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segment based on the information reviewed by the Board of Directors.

The Board of Directors considers the business from a company perspective. Several of the larger companies controlled by AUSS are separately listed companies, and as such naturally reviewed on a consolidated basis.

Lerøy Seafood Group ASA
Lerøy Seafood Group ASA (LSG) is a Norwegian public company listed on the Oslo Stock Exchange. LSG is involved in fish farming (salmon and trout), VAP, and sale and distribution of different fish species and processed fish products.

Austral Group S.A.A - Peru
Austral Group S.A.A (Austral)) is a Peruvian public company listed on the Peru Stock Exchange. Austral is engaged in the production of fishmeal, fish oil, canned fish and frozen fish. From its fishing vessels to the finished products produced in the 4 fishmeal/oil factories, two canning plants and one freezing plant, Austral is a truly integrated system.

Foodcorp Chile S.A - Chile
Foodcorp Chile S.A. (FC) is a Chilean private company within the pelagic sector. The company is located in Coronel and is a truly integrated system engaged in production of frozen fish, canned fish, fishmeal and fish oil. The company holds a fleet of 5 modern purse-seiner vessels.

Br Birkeland AS
The Norwegian Br Birkeland AS Group holds pelagic fishing licences which are utilised by 2 modern purse-seiner fishing vessels. The Br Birkeland AS Group also holds 7 salmon farming licenses in the Western Region of Norway. Although the Br Birkeland AS segment does not meet the quantitative thresholds required by IFRS 8 for reportable segments, management has concluded that this segment should be reported, as it is closely monitored by the Board of Directors.

Pelagia AS
Pelagia AS is private company within the pelagic sector. Pelagia is engaged in production of fish meal, fish oil and frozen fish for direct human consumption. Pelagia has its production facilities in Norway, UK and Ireland. In January 2014 the companies Welcon Invest AS, Norway Pelagic Holding AS and Egersund Fisk AS was transferred to Pelagia AS. The company is jointly owned with Kvefi AS, and is accounted for as a joint venture.

Other / Elimination
Austevoll Seafood ASA (parent company), Austevoll Eiendom AS, Austevoll Laksepakkeri AS, AUSS Laks AS and AUSS Shared Service AS are 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.

The composition of reportable segments have been changed in 2014. The corresponding items of segment information for earlier periods has been restated correspondingly.

Notes to the accounts

NOTE 10 SEGMENT INFORMATION (CONT.)

2014	LSG ASA	Austral Group	Food corp Chile	Br Birke-land AS	Pelagia AS 50 %	Other elim.	Group
External income	12 401 942	1 069 199	500 696	214 837	2 822 806	-2 781 053	14 228 427
Inter-segment income	177 523	0	0	214 201		-391 724	0
Other gains and losses	117 409	-1 900	0	152		90	115 751
Total segment income	**12 696 874**	**1 067 299**	**500 696**	**429 190**	**2 822 806**	**-3 172 687**	**14 344 178**
Operating expenses	-10 536 737	-887 162	-421 213	-337 667	-2 528 172	2 882 962	-11 827 989
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**2 160 137**	**180 137**	**79 483**	**91 523**	**294 634**	**-289 725**	**2 516 189**
Depreciation and amortisation	-369 513	-138 092	-53 142	-52 406	-84 692	67 537	-630 308
Impairment/reversal of impairments *)	-1 949	-3 068	-25 097	0		0	-30 114
Operating profit before fair value adjustment of biological assets	**1 788 675**	**38 977**	**1 244**	**39 117**	**209 942**	**-222 188**	**1 855 768**
Fair value adjustment of biomass	-327 414	0	0	-52 344	0	0	-379 758
Operating profit	**1 461 262**	**38 977**	**1 244**	**-13 227**	**209 942**	**-222 188**	**1 476 010**
Income from equity accounted investments	91 939	0	0	297	18 293	106 852	217 381
Interest income	21 006	1 207	562	4 988	4 093	15 743	47 599
Interest expenses	-124 229	-17 970	-4 593	-20 538	-57 688	-19 656	-244 674
Net other financial	-16 567	-35 396	-193	-3 694	-8 303	-85 691	-149 844
Profit before taxes	**1 433 410**	**-13 182**	**-2 980**	**-32 174**	**166 337**	**-204 940**	**1 346 473**
Income tax expense	-328 939	-15 632	-5 280	5 768	-39 303	37 584	-345 802
Net profit	**1 104 471**	**-28 814**	**-8 260**	**-26 406**	**127 034**	**-167 356**	**1 000 671**
Profit attributable to non-controlling interest	462 071	-3 305	0	-13 205	2 289	-2 289	445 561
Profit attributable to Austevoll Seafood ASA shareholders	**642 400**	**-25 509**	**-8 260**	**-13 201**	**124 745**	**-165 067**	**555 110**

NOTE 10 SEGMENT INFORMATION (CONT.)

2013	LSG ASA	Austral Group	Food corp Chile	Br Birke-land AS	Pelagia AS N/A	Other elim.	Total Group
External income	10 684 029	1 229 357	321 795	248 128	N/A	59 405	12 542 714
Inter-segment income	80 686	0		181 983		-262 669	0
Other gains and losses	53 805	61 077	0	0		288	115 170
Total segment income	**10 818 520**	**1 290 434**	**321 795**	**430 111**		**-202 976**	**12 657 884**
Operating expenses	-8 880 045	-1 028 265	-300 954	-276 128		-207 599	-10 277 793
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**1 938 475**	**262 169**	**20 841**	**153 983**		**4 623**	**2 380 091**
Depreciation and amortisation	-307 175	-149 509	-55 442	-49 682		-17 349	-579 156
Impairment/reversal of impairments *)	-5 500	-84 041	0	0		0	-89 541
Operating profit before fair value adjustment of biological assets	**1 625 800**	**28 619**	**-34 601**	**104 301**		**-12 724**	**1 711 394**
Fair value adjustment of biomass	764 229	0	0	64 605		0	828 834
Operating profit	**2 390 029**	**28 619**	**-34 601**	**168 906**		**-12 724**	**2 540 228**
Income from equity accounted investments	192 188	0	0	1 381		759	194 328
Interest income	17 952	2 339	761	5 103	N/A	27 498	53 653
Interest expenses	-120 258	-37 955	-28 965	-21 577		-57 165	-265 920
Net other financial	465	-35 873	-2 225	-14 197		-6 024	-57 854
Profit before taxes	**2 480 376**	**-42 870**	**-65 030**	**139 616**		**-47 656**	**2 464 436**
Income tax expense	-593 981	-4 498	8 716	-41 902		8 995	-622 671
Net profit from continuing operations	**1 886 395**	**-47 368**	**-56 314**	**97 714**		**-38 661**	**1 841 765**
Net profit from discontinued operations	0		0	0		103 496	103 496
Gain/losses from discontinued operations	0		0	0		-342 196	-342 196
Net profit from continuing and discontinued operations	**1 886 395**	**-47 368**	**-56 314**	**97 714**		**-277 361**	**1 603 066**
Profit attributable to non-controlling interest	859 309	-3 898	0	48 866		0	904 277
Profit to majority from continued operation	1 027 086	-43 470	-56 314	48 848	N/A	-38 661	937 490
Profit to majority from discontinued operation	0	0	0	0		-238 700	-238 700
Profit attributable to Austevoll Seafood ASA shareholders	**1 027 086**	**-43 470**	**-56 314**	**48 848**		**-277 361**	**698 788**

*)For information regarding impairments, see note 15 and 16

NOTE 10 SEGMENT INFORMATION (CONT.)

	Total assets		Total investments in non-current assets		Associated companies and joint ventures		Total liabilities	
Segment	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
LSG	12 579 196	11 732 202	606 082	611 346	597 965	766 072	7 211 377	6 787 393
Pelagia AS	NA	NA	NA	NA	898 091	NA	NA	NA
Br Birkeland AS	1 339 643	1 571 768	73 668	37 923	59 576	4 764	570 035	541 602
Other	5 974 222	6 191 201	39 350	14 804	5 939	5 623	1 521 226	2 147 181
Total for Norway	**19 893 061**	**19 495 171**	**719 100**	**664 073**	**1 561 571**	**776 459**	**9 302 638**	**9 476 176**
Austral - Peru	2 580 532	2 400 677	281 649	278 735	1 616	1 414	1 405 432	1 284 844
Foodcorp - Chile	870 405	788 508	32 438	11 413	0	0	275 822	305 523
Total	**23 343 998**	**22 684 356**	**1 033 187**	**954 221**	**1 563 187**	**777 873**	**10 983 892**	**11 066 543**

Sales revenue by geographic areas	2014	2013
Norway	2 206 565	2 227 886
EU	6 987 424	5 730 703
Eastern Europe	1 132 087	1 416 498
Africa	155 923	92 068
North America	963 567	738 438
Asia/Pacific	2 081 234	1 871 362
South America	650 127	459 495
Central America	51 499	6 265
Total	**14 228 426**	**12 542 714**

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

NOTE 11 OTHER GAINS AND LOSSES

Amounts in NOK 1 000	2014	2013
Gains and losses on sale of property, plant and equipment	4 516	114 880
Gain on sale of shares	37 929	290
Gain on remesasurement from business combinations (Lerøy Finmark AS)	74 964	0
Other gains and losses	-1 658	0
Total other gains and losses	**115 751**	**115 170**

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

Amounts in NOK 1 000	2014	2013
Salary and holiday pay	1 212 534	1 087 970
Hired personnel	87 859	58 238
Other remunerations	42 507	56 884
National insurance contribution	149 581	139 042
Pension costs (incl. national insurance contribution)	49 791	48 424
Remuneration to the members of the board	1 243	1 170
Other personnel costs	63 897	86 237
Total	**1 607 412**	**1 477 965**
Average man-labour year	4 155	4 564

All companies in the Group satisfy the requirements in the Act relating to mandatory occupational pensions (Norwegian: OTP).

The schemes are in the main established as defined contribution pension schemes, with external life insurance companies.

Some of the subsidiaries have Contractual Early Retirement schemes (Norwegian: AFP) for their employees. The new AFP scheme which came into effect on 1 January 2011, is to be considered as a defined contribution scheme until reliable and sufficient information has been provided so that the Group can book its proportionate share of the pension cost, pension liability and pension funds in the scheme.

However, a provision has been carried to cover the estimated payments related to undercoverage in the former AFP scheme.

Moreover, a limited part of the Group companies have defined benefit schemes with life insurance companies, with pension funds placed in a portfolio of investments by insurance companies. The insurance company administers all transactions related to the pension scheme. Estimated return on pension funds is based on marked prices on balance sheet date and projected development during the period in which the pension scheme is valid. The calculation of pension liabilities is based on assumptions in line with the recommendations of NRS per 31.12.2014.
Acutarial gains and losses are expensed as incurred.

Pension costs	**2014**	**2013**
Pension costs related to defined contribution plan	39 625	37 599
Social security on defined contribution plan	5 642	6 074
Total pension costs related to defined contribution plan	**45 267**	**43 673**
Net pension cost related to defined benefit plan	4 524	4 751
Total pension costs	**49 791**	**48 424**

Pension obligations and other obligations	**2014**	**2013**
Pensions and pension commitments	19 567	13 444
Fair value of interest swap contracts (ref note 22)	148 944	46 788
Other obligations	936	4 113
Total	**169 447**	**64 344**

NOTE 13 FINANCIAL INCOME AND EXPENSES

Amounts in NOK 1 000	2014	2013
Interest income	47 599	50 104
Net currency gains (unrealised and realised)	0	5
Other financial income	15 656	3 011
Total financial income	**63 255**	**53 120**
Interest expenses	244 674	262 369
Net currency losses (unrealised and realised)	120 908	31 707
Impairment financial assets	26 000	0
Commisions	0	9 160
Other financial expenses	18 592	20 004
Total financial expenses	**410 174**	**323 240**
Net finance cost	**-346 918**	**-270 120**

NOTE 14 EARNINGS PER SHARE AND DIVIDEND PER SHARE

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

Basis for calculation of earnings per share	**2014**	**2013**
Profit attributable to shareholders of Austevoll Seafood ASA	555 110	937 487
Profit to majority from discontinued operation	0	-238 699
The year's earnings	**555 110**	**698 788**
No. of shares at the balance sheet date (thousands)	202 717	202 717
Average no. of shares (thousands)	202 717	202 717
Average no. of shares (thousands) ex. own shares	200 995	200 995
Earnings per share from continued operation	2.76	4.66
Earnings per share from discontinued operation	0.00	-1.19
Earnings per share from all operations	**2.76**	**3.48**
Diluted earnings per share	2.76	3.48
Suggested dividend per share	**2.00**	**1.60**

The dividends paid in 2014 and 2013 were NOK 1.60 per share and NOK 1.20 per share respectively. A dividend in respect of the year ended 31 December 2014 of NOK 2.00 per share is to be proposed at the annual meeting on May 22, 2015. These financial statements do not reflect the proposed dividend.

NOTE 15 INTANGIBLE ASSETS

2013	Goodwill	Licenses fishfarming Norway	Licenses pelagic Norway	Licenses pelagic South America	Brand/ Trademarks	Total
Per 01.01.						
Acquisition cost	1 584 145	3 654 425	726 858	871 828	50 000	6 887 258
Accumulated amortisation	0	-8 359	-43 398	-3 310	0	-55 066
Accumulated impairment	-17 142	-18 300	0	-14 742	0	-50 185
Carrying amount at 01.01.	**1 567 003**	**3 627 767**	**683 460**	**853 776**	**50 000**	**6 782 007**
Balance sheet value at 01.01.	1 567 003	3 627 767	683 460	853 776	50 000	6 782 007
Currency translation differences	27 662	1 791	0	38 675	0	68 128
Intangible assets acquired	0	20 081	0	31 038	0	51 119
Intangible assets sold/demerged	-926	0	0	-20 197	0	-21 123
Amortisation	0	-1 943	-12 790	-958	0	-15 691
Impairment	0	0	0	-11 833	0	-11 833
Carrying amount at 31.12.	**1 593 739**	**3 647 696**	**670 670**	**890 501**	**50 000**	**6 852 606**
Per 31.12.						
Acquisition cost	1 610 881	3 676 297	726 858	921 344	50 000	6 985 381
Accumulated amortisation	0	-10 302	-56 188	-4 267	0	-70 757
Accumulated impairment	-17 142	-18 300	0	-26 576	0	-62 018
Carrying amount at 31.12.	**1 593 739**	**3 647 696**	**670 670**	**890 501**	**50 000**	**6 852 606**
- of which assets with indefinite lives	1 593 739	3 603 834	487 314	890 501	50 000	6 624 836
- of which assets with definite lives	0	43 862	183 357	0	0	227 219
- remaining years for assets with definite useful lives (years)		10-12 years	14 years			

Notes to the accounts

NOTE 15 INTANGIBLE ASSETS (CONT.)

2014	Goodwill	Licenses fishfarming Norway	Licenses pelagic fisheries Norway	Licenses pelagic fisheries South America	Brand/ Trademarks	Total
Balance sheet value at 01.01.	1 593 739	3 647 696	670 670	890 501	50 000	6 852 606
Currency translation differences	65 135	100		163 545	0	228 780
Reclassification	900	-900	0	0	0	0
Effect of business combinations	62 870	176 208	0	0	0	239 078
Intangible assets acquired	0	2 615		8 967	0	11 582
Amortisation	0	-4 994	-12 790	-1 520	0	-19 304
Impairment	0	0	0	-1 553	0	-1 553
Carrying amount at 31.12.	**1 722 644**	**3 820 725**	**657 880**	**1 059 940**	**50 000**	**7 311 190**
				0		
Per 31.12.						
Acquisition cost	1 746 527	3 854 346	726 858	1 098 505	50 000	7 476 237
Accumulated amortisation	0	-15 321	-68 978	-8 024	0	-92 323
Accumulated impairment	-23 882	-18 300	0	-30 541	0	-72 724
Carrying amount at 31.12.	**1 722 644**	**3 820 726**	**657 880**	**1 059 939**	**50 000**	**7 311 190**
- of which assets with indefinite lives	1 722 644	3 781 858	487 314	1 059 939	50 000	7 101 755
- of which assets with definite lives	0	38 868	170 567	0	0	209 435
- remaining years for assets with definite useful lives (years)		10-12 years	13 years			

Included in licenses fishfarming above is a privilege for utilisation of waterfalls with definite useful lives.

Cash-generating units (CGU)
Every corporate subsidiary in the AUSS Group is classified as one group of CGUs in order to allow for the distribution of goodwill for impairment testing. Goodwill and intangible assets with an indefinite useful life are not amortised, but shall be tested for impairment at least once a year – or when there are indications of impairment – and written down if their value can no longer be justified. Useful life is utilised as a main rule when establishing recoverable amount. Useful life is estimated as the present value of future cash flows. The present value is compared with the book value per CGU or group of CGUs.

The present value estimate is based on the budget for the next year and the estimated profit/loss over the next four years. A terminal value is estimated for the period following the next five years. The Gordon growth model is applied to estimate terminal value.

Booked value intangible assets per CGU	Goodwill	Licenses	Brand/ Trademarks	Total
Lerøy Seafood Group ASA	1 362 297	3 646 725	50 000	5 059 022
Br Birkeland AS	-	832 431	-	832 431
Austral Group S.A.A	261 143	754 103	-	1 015 246
Foodcorp Chile S.A	99 203	305 286	-	404 489
Total	**1 722 644**	**5 538 545**	**50 000**	**7 311 189**

THE GROUP

NOTE 15 INTANGIBLE ASSETS (CONT.)

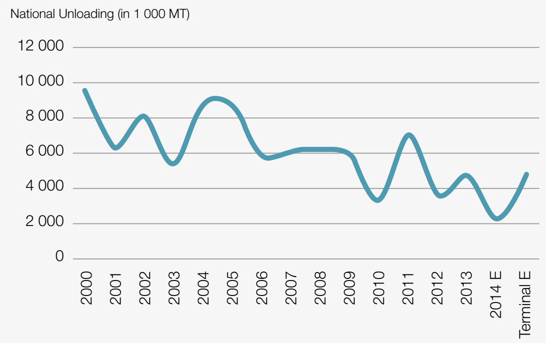
Lerøy Seafood Group ASA (LSG)
LSG is a fully-integrated seafood company and comprises the entire value chain, from roe, fry, smolt, farming of Atlantic salmon and trout, processing to sales and distribution. LSG has 26 licences in the region of Troms, 55 in Central Norway and 60 in West Norway. The following rates are applied for tests of possible impairment: discount rate (WACC) before tax of 7.7%, WACC after tax of 5.6%, nominal rate of growth of 2.5% and estimated inflation of 2.5%. LSG's impairment tests did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2014 and 2013. The management's calculations are robust in the face of reasonable changes in conditions in the future. Historically, the Group has experienced a significant production growth per licence in Norway. The model is based on an assumption close to zero growth in volume which is a very conservative projection. It is probable that such a low growth rate would result in a margin expansion, a condition which is barely covered by the model. The critical value for the required rate of return before tax on book value is 12.06%. Furthermore, an EBIT figure in the terminal element of NOK 3.98 per kg is required (all inclusive). This amount corresponds by a good margin with the historical figures reported. By comparison, the EBIT per kg (all inclusive) in 2014 was NOK 11.3, and in 2013 NOK 11.2. The management has also carried out tests of sensitivity related to price, cost and volume. With the implemented WACC and best estimate for the terminal element, the tests show that this value is also intact in the face of reasonable changes in these parameters.

Br Birkeland AS (BRBI)
BRBI has three fishing vessels, two of which are pelagic ring net/trawlers each with a 650 basic ton ring net licence and a 1.425 trawling licence. One vessel fishes for snow crab and has an onboard factory where the product is processed to completion. BRBI also has seven licences for farming Atlantic salmon and trout in West Norway. For licences related to pelagic fishing, the last known turnover figure has been applied for impairment tests, and this indicates a sound margin in relation to book values.

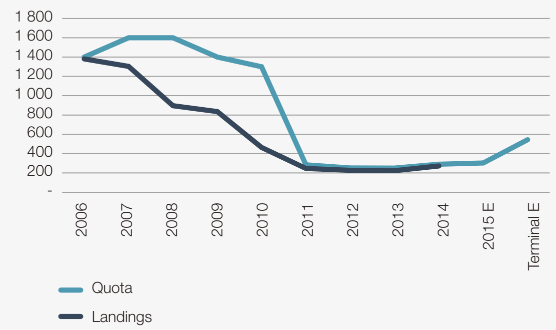
The following rates are applied for tests of possible impairment for farming licences: discount rate (WACC) before tax of 7.7%, WACC after tax of 5.6%, nominal rate of growth of 2.5% and estimated inflation of 2.5%. BRBI's impairment tests did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2014 and 2013. The management's calculations regarding farming licences are robust in the face of reasonable changes in conditions in the future. Historically, the Group has experienced a significant production growth per licence in Norway. The model is based on an assumption close to zero growth in volume which is a very conservative projection. It is probable that such a low growth rate would result in a margin expansion, a condition which is barely covered by the model. The critical value for the required rate of return before tax on book value is 10.6%. Furthermore, an EBIT figure in the terminal element of NOK 3.3 per kg is required. This amount corresponds by a good margin with the historical figures reported. By comparison, the EBIT per kg in 2014 was NOK 8.0, and in 2013 NOK 10.4. The management has also carried out tests of sensitivity related to price, cost and volume. With the implemented WACC and best estimate for the terminal element, the tests show that this value is also intact in the face of reasonable changes in these parameters.

Austral Group S.A.A (Austral)
Austral is a fully-integrated fishing company involved in catches, processing and sales. Austral has fishing rights for anchoveta and horse mackerel/mackerel in Peru. The company has a total anchoveta quota that represents 6.87% of the total quota for Central/North Peru, and just less than 4% of the quota in South Peru. Austral's product range comprises fishmeal and fish oil, in addition to canned and frozen products directly for the consumer market. Austral's business is reliant on fish caught in the wild. The company would not be able sustain the long-term values generated by its licences without sustainable management of resources. Moreover, natural weather phenomena will have an impact on conditions at sea and may cause periodic, short-term fluctuations in biomass and quota sizes from year to year. There are two main seasons for anchoveta – the first from April to July and the second from November to January. Resource management is carried out by Instituto del Mar de Peru (IMARPE). Prior to each fishing season, IMARPE carries out a measurement of biomass and recommends quota sizes on the basis of their finds. Cash flows after tax and an equivalent discount rate (WACC) after tax of 7.1%, nominal rate of growth of 2.0% and estimated inflation of 2.0% are used to test for possible impairment. This model is based on projected prices for the products, based on the OECD-FAO Agricultural Outlook 2014-2023 report. The model makes use of current cost levels, adapted to take into account growth. The model also estimates a total anchoveta quota in the terminal element in Central/North Peru of 4.5 million tonnes and 0.3 million tonnes in South Peru – totalling 4.8 million tonnes. This figure is at the lower end of the sample space in the total quota over the past 15 years (ref. graph). Austral's impairment tests did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2014 and 2013. The critical value for the required rate of return on book value after tax is 8.25%. The management has also carried out tests of sensitivity related to volume of raw materials, price and cost. The critical total quota in the terminal element is 4.0 million tonnes in the centre/north and 0.276 million in the south, in total 4.276 million tonnes, all other things being equal. The critical price in the terminal element for fishmeal is USD 1,458, all other things being equal. For comparison, the average price of fishmeal FOB Peru was USD 1,601 in 2014 and USD 1,559 in 2013 (source: SUNAT). With the implemented WACC and best estimate for the terminal element, the tests show that this value is also intact in the face of reasonable changes in these parameters.

Anchovy (Engraulis ringens) unloading



Foodcorp Chile S.A (FC)
FC is a fully-integrated fishing company involved in catches, processing and sales. FC has fishing rights for horse mackerel, mackerel, squid, sardines and anchoveta in Chile. The company has 9.1% of the quota for horse mackerel that applies to the fleet group in South Chile to which the company's vessels belong. FC supplies frozen products and canned products for consumers, and fishmeal and fish oil. FC's business is reliant on fish caught in the wild. The company would not be able sustain the long-term values generated by its licences without sustainable management of resources. Moreover, natural weather phenomena will have an impact on conditions at sea and may cause periodic, short-term fluctuations in biomass and, as a result, quota sizes from year to year. The stock of horse mackerel in the southern Pacific has been subject to significant harvesting over the past decade, and a common fish stock management scheme was not implemented until 2011. Fish stock management is now provided by the South Pacific Regional Fisheries Management Organisation (SPRFMO). Their work involves measurements and estimates of stock sizes that in turn provide the basis for specification of total quotas from year to year. Total quotas (TAC) were set for the first time in 2012, and at extremely low levels historically. There has been a gradual increase in the total quotas since then. The resource management programme now in place is expected to result in a gradual increase in biomass in the future. Cash flows after tax and an equivalent discount rate (WACC) after tax of 8.1%, nominal rate of growth of 2.0 % and estimated inflation of 2.0 % are used to test for possible impairment. This model is based on projected prices for the products, based on the OECD-FAO Agricultural Outlook 2014-2023 report. The model makes use of current cost levels, adapted to take into account growth. The model also estimates a total horse mackerel quota in the terminal element in Chile in the order of 544,000 tonnes. This is an historically low figure (see graph). FC's impairment tests did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2014 and 2013. The critical value for the required rate of return on book value after tax is 10.3%. The management has also carried out tests of sensitivity related to volume of raw materials, price and cost. The figure for volume of raw materials applied in the model is conservative and is based on SPRFMO's models, which project a build-up to a spawning stock biomass of 5.5 million tonnes over a five-year period. The critical total quota for Chile in the terminal element is estimated at 447,000 tonnes, all other things being equal. The critical price in the terminal element for frozen horse mackerel is USD 1,284, all other things being equal. For comparison, the average price achieved for frozen horse mackerel was USD 1,151 in 2014 and USD 1,236 in 2013. With the implemented WACC and best estimate for the terminal element, the tests show that this value is also intact in the face of reasonable changes in these parameters.



NOTE 16 TANGIBLE FIXED ASSETS

2013	Land	Projects in progress	Buildings	Plant, equipment and other fixtures	Vessels	Total
Per 01.01.						
Acquisition cost	159 789	184 489	1 683 270	4 686 164	1 744 515	8 458 226
Accumulated depreciation	-227	0	-430 586	-2 692 251	-1 049 294	-4 172 358
Accumulated impairment	-4 620	0	-33 528	-44 150	-28 978	-111 276
Carrying amount at 01.01	**154 943**	**184 489**	**1 219 156**	**1 949 763**	**666 243**	**4 174 593**
Balance sheet value at 01.01.	154 943	184 489	1 219 156	1 949 763	666 243	4 174 593
Currency translation differences	3 668	3 189	24 743	12 748	15 997	60 345
Reclassification	-227	-172 331	46 345	87 578	35 277	-3 358
Acquisitions through business combinations	0	0	0	61	0	61
Tangible fixed assets acquired	31 900	208 016	151 866	449 529	61 792	903 102
Tangible fixed assets sold/scrapped	-18 879	-146	-10 217	-55 029	-330	-84 600
Depreciation	-136	-39	-65 614	-396 359	-101 298	-563 447
Disposals acc. depreciation	0	0	4 969	38 157	312	43 438
Reclassifications acc. depreciation	227	-664	771	-1 200	1 092	226
Impairment **)	-13 982	0	-20 980	-49 430	0	-84 392
Reversal of impairments	0	0	602	5 648	435	6 685
Reversal of impairment by scrapping/sale of fixed assets	0	0	0	16	0	16
Carrying amount at 31.12.	**157 515**	**222 513**	**1 351 640**	**2 041 481**	**679 519**	**4 452 668**
Per 31.12.						
Acquisition cost	176 252	223 216	1 896 007	5 181 051	1 857 251	9 333 776
Accumulated depreciation	-136	-703	-490 460	-3 051 654	-1 149 188	-4 692 141
Accumulated impairment	-18 601	0	-53 906	-87 916	-28 543	-188 967
Carrying amount at 31.12.	**157 515**	**222 513**	**1 351 640**	**2 041 481**	**679 519**	**4 452 668**
Carrying amount of finance lease incuded above	**0**	**0**	**16 414**	**441 485**	**24 163**	**482 062**
Depreciation on finance lease included above	**0**	**0**	**1 288**	**80 800**	**8 103**	**90 191**

Notes to the accounts

NOTE 16 TANGIBLE FIXED ASSETS (CONT.)

2014	Land	Projects in progress	Buildings	Plant, equipment and other fixtures	Vessels	Total
Balance sheet value at 01.01.	157 515	222 513	1 351 640	2 041 481	679 519	4 452 668
Currency translation differences	14 464	30 028	81 017	167 078	56 224	348 811
Reclassification	90	-149 534	27 055	99 487	25 999	3 098
Acquisitions through business combinations	1 463	0	22 774	39 387	0	63 624
Tangible fixed assets acquired	32 805	236 181	120 398	550 181	82 039	1 021 604
Tangible fixed assets sold/scrapped	-10 432	-11 635	-110 882	-578 719	-9 519	-721 188
Depreciation	0	-57	-82 239	-418 943	-109 763	-611 003
Disposals acc. depreciation	0	0	14 678	361 654	3 904	380 236
Reclassifications acc. depreciation	136	0	-136	-21 185	0	-21 185
Impairment *)	-1 550	0	-2 749	-2 193	-28 963	-35 454
Reversal of impairments	0	0	365	5 771	484	6 620
Reversal of impairment by scrapping/ sale of fixed assets	3 581	0	23 777	34 098	0	61 456
Carrying amount at 31.12.	**198 072**	**327 495**	**1 445 700**	**2 278 097**	**699 923**	**4 949 290**
Per 31.12.						
Acquisition cost	216 550	328 256	2 070 421	5 610 783	2 208 969	10 434 978
Accumulated depreciation	0	-760	-592 118	-3 281 599	-1 445 088	-5 319 565
Accumulated impairment	-18 478	0	-32 603	-51 086	-63 957	-166 125
Carrying amount at 31.12.	**198 072**	**327 495**	**1 445 700**	**2 278 097**	**699 923**	**4 949 290**
Carrying amount of finance lease included above	0	0	16 491	677 062	4 029	697 582
Depreciation on finance lease included above	**0**	**0**	**1 330**	**93 738**	**11 634**	**106 702**

*) Impairment in 2014 is related mainly to impairment of fishing vessels in Chile.

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

Fixed assets acquired includes capitalized interests of MNOK 2 in 2014 and MNOK 7.9 in 2013.

NOTE 17 ASSOCIATED COMPANIES AND INVESTMENTS IN JOINT VENTURES

The amounts recognised in the balance sheet are as follows:	2014	2013
Associates	665 096	777 873
Joint ventures	898 091	-
Total	**1 563 187**	**777 873**

The amounts recognised in the income statement are as follows:	2014	2013
Associates	92 637	194 328
Joint ventures	124 744	-
Total	**217 381**	**194 328**

Set out below are the associates of the Group as of December 31, 2014, which are considered material to the Group.

Name	Country of incorporation	% interest and voting rights held	Measurement method
2013 and 2014			
Norskott Havbruk AS	Norway	50.00%	Equity
Villa Organic AS*	Norway	49.43%	Equity

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

Name	Country of incorporation	% interest and voting rights held at beginning of year	% interest and voting rights held at end of year	Carrying value of investment
Lerøy Schlie	Denmark	0.00%	50.00%	3 860
SalmoBreed AS	Norway	27.50%	0.00%	-
Alfarm Alarko Leroy	Tyrkia	50.00%	50.00%	27 721

Set out below are the summarised financial information for the investments in associates considered material to the Group, and total amounts for associates considered to not be material.

Name	Norskott Havbruk AS		Villa Organic AS *	
Year ended	**2014**	**2013**	**2014**	**2013**
Summarised statement of comprehensive income				
Revenue	1 384 613	1 189 140		680 785
Pre-tax (loss)/profit	239 431	267 227	NA	283 190
Post-tax (loss)/profit	191 079	202 149		202 210
Summarised balance sheet				
Total current assets	991 365	818 352		697 448
Total current liabilities	227 043	222 975	NA	-179 911
Non-current assets	-693 437	-594 641		347 767
Non-current liabilities	-416 519	-385 149		-270 677
Net assets	**108 452**	**61 537**		**594 627**
Foreign exchange differences				
Interest in associate				
Carrying value	**551 619**	**433 434**	**-**	**294 261**

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

Reconciliation of summarised financial information

Name	Norskott Havbruk AS		Villa Organic AS		Others		Total	
Year ended	**2014**	**2013**	**2014***	**2013**	**2014**	**2013**	**2014**	**2013**
Carrying value beginning of year	**433 434**	**324 481**	**294 261**	**-**	**50 178**	**47 325**	**777 873**	**371 806**
Acquisitions	-	-		202 264	56 469	-	56 469	202 264
Disposals	-	-	-288 843	-	-390	-	-289 233	-
Share of profit/(loss)	95 540	101 075	-5 418	91 997	2 515	1 253	92 637	194 325
Exchange differences	58 911	33 953	-	-	561	-2 061	59 472	31 892
Dividends	-36 250	-26 000	-	-	-	-	-36 250	-26 000
Other changes in equity	-16	-75	-	-	4 143	3 661	4 127	3 586
Carrying value end of year	**551 619**	**433 434**	**-**	**294 261**	**113 476**	**50 178**	**665 095**	**777 873**

* Associated company until 30 June, 2014. Demerged and LSG's part fully consolidated from 1 July 2014.

The information above reflects the amounts presented in the financial statements of the associates (and not Austevoll Seafood ASA's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

Investments in joint ventures	Location	Business	Voting share	Measurement method
Pelagia AS	Norway	Pelagic	50%	Equity

Pelagia AS is a private company, and there are no quoted marked prices available for the shares.

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

Set out below are the 100% summarised financial information for the investment in joint venture, which is accounted for using the equity method.

	Pelagia AS	
	2014	2013
Cash and cash equivalents	421 026	
Other current assets	1 893 083	NA
Total current assets	**2 314 109**	
Financial liabilities (excluding trade payables)	-1 091 538	
Other current liabilities (including trade payables)	-587 346	
Total current liabilities	**-1 678 884**	
Non-current assets	2 725 194	
Non-current financial liabilities	-1 147 232	NA
Other non-current liabilities	-303 150	
Total liabilities	**1 274 812**	
Minority interests		
Net assets	**1 910 037**	
Revenue	5 645 612	
Depreciation and amortisation	-169 385	NA
Other expences	-5 056 343	
Interest income	8 186	
Interest expense	-115 375	
Other financial expence	19 980	
Pre-tax profit	**332 675**	
Income tax expense	-78 607	
Post-tax profit	**254 068**	
Other comprehensive income	87 047	
Total comprehensive income	**341 115**	

	Pelagia AS	
Reconciliation of summarised financial information	**2014**	**2013**
Carrying value beginning of year		-
Acquisitions	748 715	
Share of profit/(loss)	124 744	NA
Share of other comprehensive income	3 185	
Other changes in equity	21 447	
Carrying value end of year	**898 091**	**-**

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

Investments in joint operations	Location	Business	Voting share	Nature of the relationship	Measurement method
Marfood S.A.	Chile	Fish oil/ fishmeal	46%	1)	proportional

1) The establishment of Marfood S.A. was to serve the purpose of joint operation of production and marketing/sale of fishmeal/oil products with Alimar S.A. The owners are providing their own production assets, to which uniqe ownership is retained.

Set out below are the summarised finacial information for the investments in joint operations, which are accounted for using the proportional method.

	Marfood S.A.	
	2014	2013
Cash and cash equivalents	9 886	51 967
Other current assets	124 960	65 102
Non-current assets	5 738	2 081
Total current assets	**140 584**	**119 149**
Other current liabilities (including trade payables)	50 984	54 747
Other non-current liabilities	68 385	56 457
Total liabilities	**119 370**	**111 204**
Total equity	**21 214**	**7 945**
Total equity and liabilities	**140 584**	**119 149**
Revenue	368 843	245 200
Operating costs	-353 889	-239 558
Depreciation and amortisation	-290	-147
Interest income	176	0
Interest expense	-1 928	-1 740
Other financial income/expence	-542	-118
Pre-tax profit	**12 371**	**3 638**
Income tax expense	-2 609	-705
Post-tax profit	**9 762**	**2 933**
Other comprehensive income	1 762	363
Total comprehensive income	**11 524**	**3 296**

Notes to the accounts

NOTE 18 INVESTMENTS IN OTHER SHARES

2014 Company	Business location	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16.70 %	22 202	25 750
Bulandet Eiendom AS	Bulandet, Norway	minor	625	625
DNB - Private Equity fund	Norway	minor	6 403	6 403
Other shares		minor	1 078	1 058
Total non-current			**30 308**	**33 836**

2013 Company	Business location	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16.70 %	22 202	25 750
Bulandet Eiendom AS	Bulandet, Norway	minor	625	625
DNB - Private Equity fund	Norway	minor	4 365	4 365
Other shares		minor	588	603
Total non-current			**27 780**	**31 343**

Reconciliation of the carrying amount of investments in other shares	2014	2013
Beginning of year	31 343	44 067
Business combinations	0	0
Acquired/sold	2 493	-12 724
Net gains/losses	0	0
End of year	**33 836**	**31 343**
Less: non-current portion	-33 836	-31 343
Current portion	**0**	**0**

There were no impairment provisions on investments in other shares in 2014 and 2013.

Investments in other shares are denominated in the following currencies:	2014	2013
NOK	33 836	31 343
Total	**33 836**	**31 343**

Notes to the accounts

NOTE 19 TRADE AND OTHER RECEIVABLES

	2014	2013
Trade receivables	1 672 095	1 776 676
Less: provision for impairment of trade receivables	-34 524	-31 723
Trade receivables - net	**1 637 571**	**1 744 953**
Other current receivables		
Prepayments	50 952	69 702
Loans to third parties	19 012	21 231
Public fees and taxes receivable	257 611	307 800
Currency forward contracts / Effects of fair value hedging (see note 21 and 22)	72 888	9 629
Insurance to recover	6 363	18 129
Short-term loans	67 902	85 682
Balance on sale of equipment	5 426	11 729
Other current receivables	198 587	99 730
Total other current receivables	**692 700**	**623 634**
Total current	**2 330 271**	**2 368 587**
Non-current receivables		
Loans to related parties	16 422	17 173
Loans to third parties	19 903	15 292
Other non-current receivables	30 387	20 383
Total non-current receivables	**66 712**	**52 848**
The ageing of the trade receivables, past due but not impaired:		
0 to 3 months	392 078	505 348
3 to 6 months	45 153	36 188
Over 6 months	25 105	4 021
Total	**462 336**	**545 558**
The ageing of the trade receivables, past due and impaired:		
0 to 3 months	1 626	3 852
3 to 6 months	9 965	2 370
Over 6 months	12 907	16 615
Total	**24 498**	**22 837**

The Group's trade receivables of NOK 1,637,571 are partly covered by credit insurance and other types of security. Trade receivables per 31.12 were nominally NOK 1,672,095 while provisions for bad debts were amounted to NOK 34,524.

Trade receivables, past due but not impaired was NOK 462,336 per 31.12.2014. A major part of the trade receivables, past due but not impaired are related to the subsidiary Lerøy Seafood Group ASA (LSG) with NOK 287,434 of the amount overdue. Per end of February 2015 more than 95% of the customer receivables related to LSG are paid.

THE GROUP

NOTE 19 TRADE AND OTHER RECEIVABLES (CONT.)

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

Currency	2014	2013
USD	438 325	472 675
GBP	38 277	49 684
EUR	625 764	611 018
NOK	770 634	867 989
CLP	35 776	47 836
PEN	172 071	112 451
SEK	207 213	166 974
Other	42 211	39 960
Total	**2 330 272**	**2 368 587**

Movements on the provision for impairment of trade receivables are as follows:		
Per 01.01.	-31 723	-24 876
This years change in provisions	-1 498	-2 319
Receivables written off during the year as uncollectable	0	-6 136
Currency translation differences	-1 303	1 602
Unused amounts reversed	-	6
Per 31.12.	**-34 524**	**-31 723**

NOTE 20 INVENTORIES

Amounts in NOK 1 000	2014	2013
Raw materials	309 708	282 328
Work in progress	13 618	12 605
Finished goods	528 587	467 363
Impairments, including obsoleteness	-12 502	-16 936
Total	**839 410**	**745 360**
Obsoleteness of inventories expensed during the year	11 611	692

Notes to the accounts

NOTE 21 BIOLOGICAL ASSETS

Amounts in NOK 1 000	2014	2013
Biological assets 01.01.	**3 962 091**	**2 883 685**
Production cost added	5 061 788	4 579 386
Increase/decrease due to business combinations	72 553	0
Decreases due to sales / harvesting	-4 835 552	-4 328 897
Fair value adjustment of biological assets (profit and loss effect)	-378 301	827 917
Biological assets 31.12.	**3 882 579**	**3 962 091**

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

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

Profit and loss effect of fair value adjustments	2014	2013
Fair value adjustment of biological assets	-378 301	827 917
(Gain)/loss on salmon derivatives (Fishpool)	-1 457	917
Fair value adjustment of biological assets (profit and loss effect)	**-379 758**	**828 834**
Total fish in sea (LWT)	113 398	110 286
Harvestable fish (> 4kg LWT)	39 360	41 529
Value adjustment harvestable fish (> 4kg)	458 664	458 006
Value adjustment immature fish (< 4kg)	349 004	727 963
Total value adjustment biological assets	**807 668**	**1 185 969**
Productions cost of biological assets	3 074 911	2 776 122
Balance sheet value of biological assets	**3 882 579**	**3 962 091**
Value adjustment biological assets		
Value adjustment per 01.01.	1 185 969	358 052
The year's profit impact of value adjustments	-378 301	827 917
Value adjustments per 31.12.	**807 668**	**1 185 969**

NOTE 22 DERIVATIVE FINANCIAL INSTRUMENTS

Currency forward contracts
The table below shows the Group's currency forward contracts as of 31.12.2014.
The contracts are for purchase(-)/sale(+) against NOK.

Currency	Currency amount	Exchange rate at maturity	Amounts in NOK	Exchange rate 31.12.2014	Fair value, NOK
EUR	89 390	8.656	773 719	9.031	-33 535
USD	34 592	6.650	230 019	7.430	-26 996
SEK	260 500	0.937	244 101	0.959	-5 719
JPY	3 940 000	0.061	239 266	0.062	-5 436
GBP	10 130	11.719	118 716	11.560	1 614
AUD	3 480	5.915	20 583	6.083	-586
DKK	58 800	118.530	69 695	121.280	-1 617
CHF	1 430	7.080	10 124	7.508	-613
Total					**-72 888**

	2014	2013
Recognised asset (- liability) due to fair value hedging	-72 888	-8 713

Some entities within the Group applies fair value hedging for the currency exchange risk related to binding not booked sales agreements/delivery contracts (hedging object). The currency risk related to the contracts is hedged by using currency forward contracts and a multi currency overdraft facility (hedging instrument). The cumulative change in fair value for the delivery contracts attributable to changes in currency exchange rates is recognised as an asset or a liability, with a corresponding gain or loss recognised in profit or loss, together with the gain or loss on the hedging instrument. Cumulative change in fair value for the delivery contracts are presented as other receivables in the balance sheet. See also note 19.

Interest swap contracts
Some of the entities within the Group has entered into interest swap agreements. Two of these are of a fixed rate with DNB, the first one in November 2011 and the second one in January 2012. Each agreement is of a nominal fixed value of MNOK 500, with a fixed rate of 3.55% for the first one and 3.29% for the second one, for the entire 10 year duration. The Group has also one interest swap agreement with Nordea, of a nominal fixed value of MNOK 130, with a fixed rate of 4.65%, and a duration until 2018. The fair value of the swap agreements have been estimated using market inputs. As at 31 December 2014, a total unrealised loss of MNOK 108.9 was included in equity.

Interest swap contracts	Nominal value	Interest rate/ average rate	Liabilities recognised	Corresponding deferred tax	Effect on equity
Fair value at 31 December 2013	1 130 000	3.56%	50 040	13 511	-36 651
Fair value adjustment 2014	1 130 000	3.56%	98 904	26 704	-72 200
31 December 2014			**148 944**	**40 215**	**-108 851**

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

NOTE 23 GUARANTEE OBLIGATIONS

	2014	2013
Letters of guarantees held by the associates	9 000	9 000
Letters of guarantees held by other companies	0	11 686
Total	**9 000**	**20 686**

NOTE 24 RESTRICTED BANK DEPOSITS

	2014	2013
Restricted deposits related to employee` tax deduction	53 025	49 789
Other restricted deposits	9 641	6 131
Total	**62 666**	**55 920**

NOTE 25 SHARE CAPITAL AND SHAREHOLDERS

Share capital:
As of December 31, 2014, the Company has 202,717,374 shares at nominal value of NOK 0.50 per share.
*) 1,722, 223 of the shares are owned by Br Birkeland AS, a subsidiary of the Group.

Date of registration	Type of change	Nominal value per share (NOK)	Total share capital	Number of ordinary shares
01.01.2008/25.09.2009	Capital increase	0.50	101 358 687	202 717 374
2010-2014	No changes			0
31.12.2014		**0.50**	**101 358 687**	**202 717 374**

NOTE 25 SHARE CAPITAL AND SHAREHOLDERS (CONT.)

The shareholders in Austevoll Seafood ASA were as of 31.12.:	2014 Number of shares	2014 Share-holding	2013 Number of shares	2013 Share-holding
Laco AS	112 605 876	55.55%	112 605 876	55.55%
Pareto Aksje Norge	7 162 004	3.53%	8 224 852	4.06%
State Street Bank and Trust Co A/C client fund member USA	3 898 663	1.92%	0	0.00%
Pareto Aktiv	3 018 016	1.49%	3 459 919	1.71%
State Street Bank and Trust Co A/C client Omnibus F USA	2 159 825	1.07%	0	0.00%
Folketrygdfondet	1 938 691	0.96%	2 138 691	1.06%
Mitsui and Co Ltd Japan	1 782 236	0.88%	1 782 236	0.88%
Br Birkeland AS *)	1 722 223	0.85%	1 722 223	0.85%
Pactum AS	1 700 000	0.84%	1 100 000	0.54%
Pareto Verdi VPF	1 462 831	0.72%	1 655 937	0.82%
Danske Invest Norske c/o Danske Capital A	1 312 882	0.65%	1 271 182	0.63%
Holberg Norden	1 205 000	0.59%	0	0.00%
MP Pensjon PK	1 182 000	0.58%	1 182 000	0.58%
The bank of New York BNYM SA/NV - BNY BRU verdipapirfond	1 162 666	0.57%	1 084 619	0.54%
Citibank N.A	1 055 380	0.52%	0	0.00%
J.P Morgan Chase Bank N.A. London	1 054 927	0.52%	0	0.00%
Forsvarets Personellservice	896 346	0.44%	981 646	0.48%
Holberg Norge	878 948	0.43%	1 100 000	0.54%
Verdipapirfondet Eika Norge	809 897	0.40%	0	0.00%
Verdipapirfondet DNB	800 000	0.39%	1 100 000	0.54%
Odin Norden	0	0.00%	4 276 670	2.11%
Skagen Vekst	0	0.00%	1 718 200	0.85%
Verdipapirfond Odin Norge	0	0.00%	1 496 655	0.74%
Verdipapirfondet WAR	0	0.00%	1 296 466	0.64%
Kontrari AS	0	0.00%	1 143 316	0.56%
Varma Mutual Pension Company	0	0.00%	1 000 000	0.49%
Total 20 largest shareholders	**147 808 411**	**72.91%**	**150 340 488**	**74.16%**
Total others	54 908 963	27.09%	52 376 886	25.84%
Total numbers of shares	**202 717 374**	**100.00%**	**202 717 374**	**100.00%**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT:

Board of Directors:
Chairman of the Board Helge Singelstad, and the Board members Helge Møgster, Inga Lise Moldestad, Lill Maren Møgster and Oddvar Skjegstad owns shares in Austevoll Seafood ASA. Helge Møgster and Lill Maren Møgster`s ownership is indirect through their ownership in the parent company Laco AS.

Management:
CEO Arne Møgster and CFO Britt Kathrine Drivenes owns shares in Austevoll Seafood ASA. Arne Møgster`s ownership is indirect through his ownership in the parent company Laco AS.

Notes to the accounts

NOTE 26 TAX

	2014	2013
Specification of the tax expense		
Tax payable	359 583	417 356
Change in deferred tax	-9 593	197 696
Adjustment previous years	-4 188	7 618
Taxes	**345 802**	**622 670**
Tax reconciliation		
Profit before tax	1 346 471	2 464 436
Taxes calculated with the nominal tax rates*	374 026	696 500
Change in tax rate**	29 177	-47 735
Income from associated companies	-58 693	-54 200
Exchange loss on investment financing	260	1 598
Currency adjustment of tax values on fixed assets and leasing liabilities	0	4 919
Other differences	-18 149	31 093
Tax-free gain on sale of shares	-3 138	-9 506
Change in deferred tax asset not recognised	22 318	0
Taxes	**345 802**	**622 670**
Weighted average tax rate	**25.68%**	**25.27%**

* Nominal tax rates for the Group varies between 20% and 30%.

** In 2014 a change in the tax regime in Chile was enacted, affecting the corporate tax level in the years to come. The effect of this change in tax regime is booked to income in 2014, considering a gradual increase from the current level of 22%, to a tax level of 27% in 2018. The change in tax regime will also affect the taxation of shareholders.

At 31.12.2014 a change in the tax regime in Peru was enacted, affecting the corporate tax level in the years to come. The effect of this change in tax regime on deferred tax positions is booked to income in 2014, considering a gradual decrease from the current level of 30%, to a tax level of 26% in 2019. As part of the change in tax regime, tax on dividends and other forms of profit distribution, agreed on by any legal entities to non-domiciled individuals and legal persons is to be gradually increased from the current level of 4.1% to 9.3% from 2019. The distribution of retained earnings until December 31, 2014 will continue to be subject to a 4.1% tax even when the distribution is to be made in the subsequent years.

Tax rate is reduced from 28 to 27 % in Norway from 1 January 2014. For the Norwegian companies in the Group, deferred tax asset and deferred tax 'liability are calculated with the reduced tax rate as of 31 December 2013.

The gross movement on the deferred income tax account is as follows:	2014	2013
Opening balance 01.01.	2 177 395	1 968 790
Booked to income in the period	-9 593	197 696
Booked as OCI in the period	-27 152	-175
Currency translation differences	42 465	11 108
Effect of business combinations	54 952	-24
Balance sheet value (net) 31.12.	**2 238 066**	**2 177 395**
Balance sheet value of deferred tax assets*	-169 379	-204 428
Balance sheet value of deferred tax liabilities	2 407 445	2 381 823

NOTE 26 TAX (CONT.)

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

Change in deferred tax liabilities	Intangible assets	Fixed assets	Biological assets	Total
2013				
Opening balance 01.01.	1 127 120	264 627	801 687	2 193 434
Booked to income in the period	11 452	-42 342	291 705	260 815
Currency translation differences	1 666	3 763	0	5 429
31.12.	**1 140 237**	**226 048**	**1 093 392**	**2 459 678**
Change in tax rate	-16 391	-3 704	-39 039	-59 135
31.12.	**1 123 846**	**222 344**	**1 054 353**	**2 400 543**
2014				
Booked to income in the period	-5 307	-36 396	-31 166	-72 869
Currency translation differences	40 535	23 999	0	64 534
Effect of business combinations	62 870	-24 517	19 589	57 942
31.12.	**1 221 944**	**185 431**	**1 042 776**	**2 450 151**
Change in tax rate	5 639	21 613	0	27 252
31.12.	**1 227 583**	**207 044**	**1 042 776**	**2 477 403**

Change in deferred tax asset	Inventory	Pensions	Receiv-ables	Liabili-ties	Profit and loss account	Loss carried forwards	Other	Total
2013								
Opening balance 01.01.	5 623	-1 771	-4 057	-17 054	-15 197	-188 767	-3 736	-224 959
Booked to income in the period	-2 337	305	9 938	4 189	-442	-14 043	-1 001	-3 392
Booked as OCI in the period	0	-175	0	0	0	0	0	-175
Currency translation differences	-848	0	-51	-164	-25	-381	-777	-2 246
Effect of business combinations	0	0	0	-24	0	0	0	-24
31.12.	**2 438**	**-1 642**	**5 830**	**-13 053**	**-15 663**	**-203 191**	**-5 515**	**-230 796**
Change in tax rate	187	80	-153	-37	-4	7 737	-164	7 646
31.12.	**2 625**	**-1 561**	**5 677**	**-13 090**	**-15 667**	**-195 454**	**-5 679**	**-223 149**
2014								
Booked to income in the period	4 529	-1 416	14 326	-2 307	945	13 949	4 072	34 098
Booked as OCI in the period	0	746	0	0	0	0	-27 898	-27 152
Currency translation differences	-7 115	0	-3 776	-929	-2 233	-6 158	-1 858	-22 068
Effect of business combinations	0	0	1 113	0	91	-15 352	11 156	-2 991
31.12.	**40**	**-2 231**	**17 340**	**-16 325**	**-16 863**	**-203 015**	**-20 208**	**-241 262**
Change in tax rate	1 063	0	186	676	0	0	0	1 925
31.12.	**1 103**	**-2 231**	**17 526**	**-15 649**	**-16 863**	**-203 015**	**-20 208**	**-239 337**

NOTE 26 TAX (CONT.)

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

Deferred tax assets	2014	2013
Deferred tax asset to be recovered after more than 12 months	-222 109	-212 683
Deferred tax asset to be recovered within 12 months	-17 228	-10 466
Total	**-239 337**	**-223 149**

Deferred tax liabilities	2014	2013
Deferred tax liabilities to be settled after more than 12 months	1 434 627	1 346 191
Deferred tax liabilities to be settled within 12 months	1 042 776	1 054 353
Total	**2 477 403**	**2 400 543**
Deferred tax liabilities (net)	**2 238 066**	**2 177 394**

Total unrecognised deferred tax benefit amounts to TNOK 27,797 as of 31.12.2014

NOTE 27 REMUNERATION TO EXECUTIVES, BOARD OF DIRECTORS AND AUDITOR

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

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

Executive management participates in standard pension and insurance schemes, applicable to all employees in the Company. The Company practice standard employment contracts and standard terms and conditions regarding notice period for its executive management.

The Company does not offer share option programmes to any employees.

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

2014 - Remunerations to the company's officers	CEO	CFO	Chairman of the Board*	Other members of the Board	Total
Salary	3 412	2 572	0	0	5 984
Bonus payment based on results for the year 2013	1 500	750	0	0	2 250
Pension scheme payments	77	263			340
Other remunerations	179	144	0	0	323
Director's fee	0	0	2 047	1 123	3 170
Total	**5 168**	**3 729**	**2 047**	**1 123**	**12 066**

2013 - Remunerations to the company's officers	CEO	CFO	Chairman of the Board*	Other members of the Board	Total
Salary	3 373	2 537	0	0	5 910
Bonus payment based on results for the year 2012	1 000	500	0	0	1 500
Pension scheme payments	62	263			325
Other remunerations	165	403	0	0	568
Director's fee	0	0	2 288	1 050	3 338
Total	**4 600**	**3 703**	**2 288**	**1 050**	**11 641**

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

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

No loans or securities have been issued in 2014 or 2013 to the CEO, board members, members of the corporate management or other employees or closely related parties.

The CEO has a term of notice of 3 months. On resignation, the CEO has no right to extra compensation. Pension age is 67, and the CEO takes part in the defined contribution scheme.

Options
There are as of December 31, 2014, no on-going option programme in the Group.

NOTE 27 REMUNERATION TO EXECUTIVES, BOARD OF DIRECTORS AND AUDITOR (CONT.)

Specification of auditor's fee	2014	2013
Audit fee	6 839	6 745
Audit from other auditors	815	676
Other assurance services	119	154
Other services from other auditors	259	270
Tax advice	576	271
Tax advice from other auditors	31	67
Other services	2 500	1 126
Total	**11 139**	**9 309**

NOTE 28 CONTINGENCIES AND PROVISIONS

Cormar
The Group has recognised a provision related to the acquisition of Cormar in 2007. The Group will have reimbursement rights for some of the liabilities, if the liabilities materialises. A provision of MNOK 20.1 has been recorded for this contingent liability, ref note 31.

Austral Group S.A.A
The subsidiary Austral Group S.A.A (Peru) has certain court actions pending resolution for a total of MNOK 219 as of December 31, 2014 mainly related to its business activities. Local management and legal counsel consider it not likely to give rise to significant liabilities. Accordingly, local management has not considered it necessary to make a higher provision than the NOK 50 million recorded for these contingencies (ref note 31).

NOTE 29 INTEREST BEARING DEBT

Non-current	2014	2013
Bank borrowings	3 319 693	3 916 015
Bond loan	906 092	924 707
Other loans	16 104	18 604
Leasing liabilities	569 138	400 001
Total non-current	**4 811 026**	**5 259 327**
Current		
Bank overdrafts	622 083	659 665
Bond loans	24 098	2 671
Bank borrowings	587 534	528 363
Leasing liabilities	129 377	106 998
Total current	**1 363 092**	**1 297 696**
Total non-current and current	**6 174 118**	**6 557 023**
Net interest-bearing debt		
Cash and cash equivalents	2 198 148	1 443 314
Other interest-bearing assets - non-current	16 104	10 512
Net interest-bearing debt	**3 959 866**	**5 103 197**

Repayment profile interest bearing debt	2015*	2016	2017	2018	2019	Sub-sequent	Total*
Bank borrowings *	587 532	827 661	335 209	415 460	604 031	1 024 332	3 794 225
Bank overdrafts	622 083	113 000	0	0	0	0	735 083
Bond loan	24 098	0	400 000	500 000	0	6 092	930 191
Leasing liabilities	129 377	219 040	97 936	81 868	57 800	112 495	698 516
Other non-current liabilities	0	268	268	268	268	15 033	16 103
Total	**1 363 090**	**1 159 968**	**833 412**	**997 595**	**662 099**	**1 157 953**	**6 174 118**

* Repayments of non-current liabilities which mature in 2015 are classified as current liabilities in the balance sheet.

NOTE 29 INTEREST BEARING DEBT (CONT.)

Liabilities secured by mortgage	2014	2013
Current liabilities	1 015 704	737 267
Non-current liabilities	3 911 179	3 742 445
Liabilities to credit institutions incl. leasing liab.	**4 926 883**	**4 479 712**
Assets provided as security		
Non-current assets	4 777 926	4 674 752
Inventory	290 482	190 040
Biological assets	3 023 890	3 175 298
Shares	520 620	554 586
Trade receivables	674 032	476 814
Total assets provided as security	**9 286 950**	**9 071 490**

AUSS has also pledged as security the shares in Lerøy Seafood Group ASA (LSG) and Br Birkeland AS (BRBI), for the bank loans of AUSS of MNOK 538. There is a value cap on the pledge of LSG shares of MNOK 2,000. The book value in AUSS of the LSG shares are MNOK 3,027 and for BRBI MNOK 354. Assets owned by LSG and BRBI are also placed as security directly to their separate and individual loans, and are included in the figures presented above.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:	2014	2013
6 months or less	4 249 917	5 109 618
6-12 months	73 879	50 209
1-5 years	536 700	397 196
Over 5 years	1 000 000	1 000 000
Total	**5 860 496**	**6 557 023**

The carrying amounts and fair value of the non-current liabilities are as follows:	Carrying amount 2014	Carrying amount 2013	Fair value 2014	Fair value 2013
Mortgage loan	3 319 693	3 920 095	3 468 637	3 920 095
Bond loan	906 092	924 707	930 322	956 647
Leasing liabilities	569 138	400 001	569 138	400 001
Other non-current liabilities	16 104	18 604	16 104	18 604
Total	**4 811 026**	**5 263 407**	**4 984 200**	**5 295 347**

Based on contractual terms the fair value of non current borrowings (ex bond loan) loans are estimated to be equal to book value as of 31 December 2014 (level 3), adjusted for fair value of interest swap contracts (level 2).

The bond loans are listed on Oslo Stock Exchange, and fair value is calculated using the last traded rates in 2014 for the bonds (level 1). The carrying amounts of short-term borrowings approximate their fair value (level 3). There are no repayments of bond loan in 2015. The first maturity of bond loan will be in 2017. That is why fair value of current bond loan is estimated to NOK 0.

NOTE 29 INTEREST BEARING DEBT (CONT.)

The carrying amounts of the Group's borrowings are denominated in the following currencies:	2014	2013
NOK	4 905 553	5 433 292
USD	1 062 190	945 407
EUR	84 838	74 507
SEK	121 540	103 818
Total	**6 174 120**	**6 557 023**

Financial "covenants"

There are several financial covenant requirements for the companies in the Group. The Group has not been in breach of any covenants during the financial year 2014, and is not in breach as of December 31, 2014.

Bank overdraft	2014	2013
Bank overdrafts	622 083	659 665
Bank overdrafts undrawn	1 215 282	1 223 776
Bank overdrafts limit	**1 837 365**	**1 883 441**

NOTE 30 LEASE CONTRACTS - GROUP COMPANY AS LESSEE

Overview of future minimum operating leases	Within 1 year	1-5 years	Sub-sequent	Total
Minimum lease amount, operating leasing contracts maturing:	13 895	30 681	0	44 577
Present value of future minimum lease (discount rate 5%)	13 576	28 036	0	41 611
Overview of future minimum financial leases				
Minimum lease amount, financial leasing contracts maturing:	145 193	504 147	123 721	773 060
Interest	17 587	41 040	11 978	70 604
Repayment	129 377	457 354	111 783	698 514

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

Notes to the accounts

NOTE 31 OTHER CURRENT LIABILITIES

Specification of other current liabilities	2014	2013
Salary and other personell expenses	202 897	216 107
Public taxes payable	89 011	127 707
Accrued expenses	209 937	162 436
Currency forward contracts / Effects of fair value hedging	73 428	8 712
Provisions from acquisition Cormar (cf note 28)	20 189	17 661
Provisions for pending litigation Austral (cf note 28)	49 869	47 460
Other short-term liabilities	30 854	66 046
Other current liabilities	**676 186**	**646 129**

NOTE 32 RELATED PARTIES

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

The majority of transactions with related parties are carried out through;
- Lerøy Seafood Group ASA (LSG) sale and purchase of goods to/from LSG associated companies.

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

The following transactions were carried out with related parties:

a) Sales of goods and services	2014	2013
Sales of goods:		
- associates	181 134	155 718
Sales of services		
- associates	19 749	2 573
- the ultimate parent and its subsidiary (administration services)	6 991	6 510
- close family members of the ultimate controlling party	279	0
Total	**208 153**	**164 801**

THE GROUP

Notes to the accounts

NOTE 32 RELATED PARTIES (CONT.)

Group companies have 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	2014	2013
Purchase of goods:		
- associates	369 962	277 756
Purchase of services		
- associates	4 936	2 922
- the immediate parent and its subsidiary (management services)	12 753	6 661
Total	**387 651**	**287 339**

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	2014	2013
Receivables from related parties:		
- ultimate parent	74	0
- associates	30 419	31 308
- Close family members of key management personell	6	0
Payables to related parties		
- immediate parent	8 354	1
- associates	11 858	946

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

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

d) Loans to related parties	2014	2013
Total loans to related parties:		
- associates	5 530	58 210
- minority interests / other	12 932	18 823
Interest income	629	619

PARENT COMPANY

Accounts
Austevoll Seafood ASA

Statement of comprehensive income

Amounts in NOK 1 000	Note	2014	2013
Sales revenue	4, 19	2 171	4 404
Total income		**2 171**	**4 404**
Salaries and personnel expenses	5, 16	-15 627	-14 747
Other operating expenses	5, 19	-13 819	-12 946
Operating expences		**-29 445**	**-27 693**
Depreciation	7	-156	-111
Operating profit		**-27 431**	**-23 400**
Financial income	6	486 605	579 009
Financial expenses	6	-86 163	-106 590
Profit before taxes		**373 011**	**449 019**
Income tax expense	15	-10 000	9 062
Profit for the year from continuing operations		**363 011**	**458 081**
Net profit from discontinued operations		0	-303 932
Net profit for the year		**363 011**	**154 149**
Actuarial change on post employment benefit obligation		-474	-73
Tax effect on OCI items		-	21
Total comprehensive income in the period		**362 537**	**154 097**

Statement of financial position

Amounts in NOK 1 000	Note	31.12.2014	31.12.2013
Assets			
Deferred tax asset	15	21 818	31 818
Property, plant and equipment	7	252	408
Shares in subsidiaries	8	3 986 831	3 448 994
Shares in associated companies	9	811 427	4 003
Shares in other companies	10	25 750	25 750
Long terms receivables on Group companies	11, 17, 20	53 829	639 638
Total non-current assets		**4 899 908**	**4 150 611**
Trade receivable	12	1 975	5 062
Short term receivable on Group companies	20	505 688	571 922
Shares held for sale	9	0	1 793 240
Other current receivables	11	4 164	6 389
Cash and cash equivalents	14, 17	713 235	531 579
Total current assets		**1 225 061**	**2 908 192**
Total assets		**6 124 969**	**7 058 804**
Equity and liabilities			
Share capital	25 CFS*	101 359	101 359
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		433 220	478 118
Total equity		**4 248 128**	**4 293 026**
Pension obligations	16	1 896	1 461
Borrowings	17	1 152 987	2 084 907
Total non-current liabilities		**1 154 883**	**2 086 367**
Borrowings	17	295 160	165 473
Trade payable		2 825	4 597
Accrued salary expense and public tax payable		3 025	4 034
Other current liabilities to Group companies	20	2 012	123 802
Dividends	21	405 435	324 348
Other current liabilities	18	13 502	57 156
Total current liabilities		**721 959**	**679 410**
Total liabilities		**1 876 842**	**2 765 778**
Total equity and liabilities		**6 124 969**	**7 058 804**

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

Storebø, 9 April 2015
Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Helge Møgster

Oddvar Skjegstad
Deputy Chairman

Inga Lise Lien Moldestad

Leif Teksum

Lill Maren Møgster

Siren M. Grønhaug

Arne Møgster
CEO & President

PARENT COMPANY

Statement of changes in equity

Amounts in NOK 1 000	Note	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.13		**101 359**	**3 713 549**	**648 740**	**4 463 649**
Profit for the year		**0**	**0**	**154 149**	**154 149**
Other comprehensive income for the period		**0**	**0**	**-53**	**-53**
Gains and losses charged directly to equity		0	0	-370	-370
Total gains and losses charged directly to equity		**0**	**0**	**-423**	**-423**
Total recognised income		**0**	**0**	**153 726**	**153 726**
Dividends		0	0	-324 348	-324 348
Total equity to/from shareholders		**0**	**0**	**-324 348**	**-324 348**
Total change of equity		**0**	**0**	**-170 622**	**-170 623**
Equity 31.12.13		**101 359**	**3 713 549**	**478 118**	**4 293 027**
Profit for the year		**0**	**0**	**363 011**	**363 011**
Other comprehensive income for the period		**0**	**0**	**-474**	**-474**
Total recognised income		**0**	**0**	**362 537**	**362 537**
Dividends		0	0	-405 435	-405 435
Group contribution		0	0	-2 000	-2 000
Total equity to/from shareholders		**0**	**0**	**-407 435**	**-407 435**
Total change of equity		**0**	**0**	**-44 897**	**-44 897**
Equity 31.12.14		**101 359**	**3 713 549**	**433 221**	**4 248 129**

Cash flow statement

Amounts in NOK 1 000	2014	2013
Profit before income taxes	373 011	449 019
Depreciation and amortisation	156	8 711
Dividends and Group contributions	-22 528	-15 019
Change in accounts receivable and other receivables	-421 405	-527 702
Change in accounts payable and other payables	-127 901	114 948
Change in other accruals	-43 654	30 523
Unrealised exchange (gains) / losses	-295	-109
Net interest	57 061	77 886
Net cash flow from operating activities	**-185 555**	**138 257**
Purchase of fixed assets	0	-418
Purchase of shares and equity investments in other companies	1 052 024	-1 647 635
Change in non-current receivables	-13 896	691 946
Dividends and Group contributions received	512 724	254 029
Interest received	20 027	25 454
Net cash flow from investing activities	**1 570 880**	**-676 624**
Net change in long-term interest bearing debt	-811 921	654 159
Movement of short-term interest bearing debt	9 686	-359 269
Interest paid	-77 088	-103 340
Dividends paid	-324 348	-243 260
Net cash flow from financing activities	**-1 203 671**	**-51 710**
Net change in cash and cash equivalents	**181 654**	**-590 076**
Cash and cash equivalents at 01.01.	**531 581**	**1 121 657**
Cash and cash equivalents at 31.12.	**713 235**	**531 581**

Notes to the accounts

Notes to the accounts

NOTE 1 GENERAL

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

NOTE 2 ACCOUNTING PRINCIPLES

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

BASIS OF PREPARATION

The separate financial statements of Austevoll Seafood ASA (Company) were approved by the board of Directors of Austevoll Seafood ASA April 9th 2015. 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 in the consolidated financial statements.

SUBSIDIARIES AND ASSOCIATES

Investment in subsidiaries, joint ventures and associates are accounted for at cost.

The fair value of the company's investments in subsidiaries, joint ventures 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.

NOTE 2 ACCOUNTING PRINCIPLES (CONT.)

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.

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.

Notes to the accounts

NOTE 2 ACCOUNTING PRINCIPLES (CONT.)

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 closed defined benefit plan. The defined benefit plan is funded through payments to insurance companies, determined by periodic actuarial calculations.

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

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Norwegian governance bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

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

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

Notes to the accounts

NOTE 2 ACCOUNTING PRINCIPLES (CONT.)

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.

NOTE 2 ACCOUNTING PRINCIPLES (CONT.)

CASH FLOW STATEMENT

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

EVENTS AFTER THE BALANCE SHEET DATE

New information after the balance sheet date concerning the Company's financial position at the balance sheet date is considered in the financial statements. An event after the balance sheet date that does not affect the Company's financial position on the balance sheet date, but will affect the company's financial position in the future is reported where material.

EARNINGS PER SHARE

The Company must apply IAS 33 even though the financial statements are prepared according to simplified IFRS. Earnings per share are calculated by the profit attributable to equity holders of the company of the result for the period being divided by a time-weighted average of ordinary shares for the period.

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

NOTE 3 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses to some degree derivative financial instruments to reduce certain risk exposures.

Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company, in a limited degree, use forward contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Company does not make use of financial instruments for management of financial risk regarding long-term financing. The Company has interest risk in both the short-term and medium to long term as a result of the floating interest rate for the company's liabilities.

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risk

The Company's interest rate risk mainly arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

Liquidity risk

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

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility) and cash and cash equivalents on the basis of expected cash flow.

For information of the Company`s financial liabilities see note 17.

Capital risk management

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

NOTE 3 FINANCIAL RISK MANAGEMENT (CONT.)

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.

	2014	2013
Total borrowings (note 17)	1 454 032	2 258 473
Less: cash and cash equivalents	852 224	1 246 691
Net debt	601 808	1 011 783
Total equity	4 248 128	4 293 026
Capital employed	**4 849 937**	**5 304 809**
Gearing ratio	**12 %**	**19 %**

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

	2014	2013
Rendering of services	2 171	4 404
Total sales revenue	**2 171**	**4 404**

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

	2014	2013
Salary and holiday pay	11 211	10 083
Hired personnel	2 047	2 288
National insurance contribution	1 731	1 574
Pension costs (note 16)	591	580
Other personnel costs	47	223
Total	**15 626**	**14 747**
Average man-labour year	3	3

Pension costs are described in detail in note 16.

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

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

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

No loans or securities have been issued in 2014 or 2013 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 27 in Group notes for guidelines to executive management and remunerations to the company's officers.

Specification of auditor's fee ex. VAT	2014	2013
Audit fee	1 819	1 530
Other services	9	29
Tax advice	67	57
Total	**1 895**	**1 616**

Notes to the accounts

NOTE 6 FINANCIAL INCOME AND FINANCIAL EXPENSES

	2014	2013
Interest income from companies within the same Group	22 295	36 849
Other interest income	20 027	25 454
Dividends and Group contributions	443 179	511 582
Currency gains	1 105	5 117
Other financial income	0	8
Total financial income	**486 605**	**579 009**
Interest expenses to companies within the same Group	3 247	3 234
Other interest expenses	70 660	83 379
Currency losses	294	1 415
Impairment non-current financial assets	3 330	8 600
Other financial expenses	8 632	9 960
Total financial expenses	**86 163**	**106 589**
Net financial items	**400 442**	**472 420**

Notes to the accounts

NOTE 7 TANGIBLE FIXED ASSETS

2013	Plant, equipment and other fixtures	Total
Per 01.01.		
Acquisition cost	1 853	1 853
Accumulated depreciation	-1 752	-1 752
Balance sheet value at 01.01.	**101**	**101**
Balance sheet value at 01.01.	101	101
Tangible fixed assets acquired	418	418
Depreciation	-111	-111
Balance sheet value at 31.12.	**408**	**408**
Per 31.12.		
Acquisition cost	2 271	2 271
Accumulated depreciation	-1 863	-1 863
Balance sheet value at 31.12.	**408**	**408**

2014	Plant, equipment and other fixtures	Total
Balance sheet value at 01.01.	408	408
Depreciation	-156	-156
Balance sheet value at 31.12.	**251**	**251**
Per 31.12.		
Acquisition cost	2 271	2 271
Accumulated depreciation	-2 019	-2 019
Balance sheet value at 31.12.	**251**	**251**

NOTE 8 SHARES IN SUBSIDIARIES

2014 - Subsidiaries Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Austevoll Eiendom AS	3 582	11 701	9 370	55 627	100.00%
AUSS Shared Service AS	115	1 046	1 000	1 010	100.00%
Lerøy Seafood Group ASA	1 104 473	8 079 597	54 577	3 027 159	62.56%
A-Fish AS	-20 293	580 818	2 200	660 100	100,00 %
Austevoll Pacific AS	76 908	501 114	20 000	25 336	100,00 %
Aumur AS	(20)	85	100	0	100.00%
Austevoll Laksepakkeri AS	2 145	18 060	100	100	100.00%
Br Birkeland AS*	46 252	317 835	9 224	217 500	49.99%
Total				**3 986 831**	

2013 - Subsidiaries Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Austevoll Eiendom AS	2 292	12 322	9 370	55 627	100.00%
AUSS Shared Service AS	1 019	1 258	1 000	1 010	100.00%
Lerøy Seafood Group ASA	1 886 395	7 548 949	54 577	3 027 159	62.56%
A-Fish AS	(17 161)	1 111	1 100	60 100	100.00%
Inv. Pacfish Ltd.	(6 332)	138 408	41 824	58 709	100.00%
Austevoll Pacific AS	452 629	424 206	20 000	25 336	100.00%
Aumur AS	(21)	26	100	3 330	100.00%
Austevoll Laksepakkeri AS	964	17 757	100	100	100.00%
Pelagia AS	6	109	101	122	100.00%
Br Birkeland AS*	100 604	295 520	9 224	217 500	49.99%
Total				**3 448 993**	

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

* Following the implementation of IFRS 10 from January 1 2014, AUSS has consolidated the investment in Br Birkeland AS as a subsidiary. The investment was previously recognised as an associated company. 2013 figures has been restated accordingly, with a reclassification from associated company to shares in subsidiary. The change in accounting policy has no other effects in the accounts of the parent company.

Notes to the accounts

NOTE 9 SHARES IN ASSOCIATED COMPANIES

2014 Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Marin IT AS	1 606	23 671	16 000	4 003	25.00%
Pelagia AS	254 067	1 910 037	1 497 451	748 715	50.00%
Foodcorp Chile S.A*	32 610	717 133	280 730	58 709	26.39 %
Total				**811 427**	

* AUSS acquired the shares in Foodcorp Chile S.A by a merger of the wholly owned subsidiary Inv. Pacfish Ltd with Foodcorp Chile S.A. The remaining 73.61% shares of Foodcorp Chile S.A is held by the subsidiary A-Fish AS. In the Group accounts Foodcorp Chile S.A is consolidated as a wholly owned subsidiary.

2013 Company name	Gross numbers (100%) Net profit	Equity	Share capital	Carrying value	Voting share
Marin IT AS	3 034	22 496	16 000	4 003	25.00%
Total				**4 003**	

Shares in associated companies and joint ventures are estimated to original cost price in Parent company.

NOTE 10 INVESTMENTS IN OTHER SHARES

2014 Company name	Geographical location	Number of shares	Owner-/ voting share	Fair value
Euro-Terminal AS	Bergen	4 897 290	16 7 %	25 711
Other shares				39
Total				**25 750**

2013 Company name	Geographical location	Number of shares	Owner-/ voting share	Fair value
Euro-Terminal AS	Bergen	4 897 290	16 7 %	25 711
Other shares				39
Total				**25 750**

NOTE 11 OTHER RECEIVABLES

Other non-current receivables	2014	2013
Intragroup non-current receivables	53 829	639 638
Other non-current receivables 31.12.	**53 829**	**639 638**

Other current receivables	2014	2013
Prepayments	4 164	6 390
Other current receivables 31.12.	**4 164**	**6 390**

PARENT COMPANY

Notes to the accounts

NOTE 12 TRADE RECEIVABLE

	2014	2013
Trade receivable at nominal value	1 975	5 062
Accounts receivable 31.12.	**1 975**	**5 062**
The ageing of these trade receivables are as follows:		
0 to 3 months	1 975	5 025
Over 6 months	0	37
Total	**1 975**	**5 062**
The carrying amounts of the trade receivables are denominated in the following currencies:		
Currency		
NOK	1 975	5 062
Total	**1 975**	**5 062**

NOTE 13 GUARANTEE OBLIGATIONS

	2014	2013
Guarantee SG Finans	7 500	7 500
Guarantee Euro Terminal	0	11 686
Guarantee Innovasjon Norge	1 500	1 500
Total	**9 000**	**20 686**

NOTE 14 RESTRICTED BANK DEPOSITS

	2014	2013
Restricted deposits related to employee` tax deduction	989	1 344
Total	**989**	**1 344**

Notes to the accounts

NOTE 15 TAX

	2014	2013
Specification of the tax expense		
Change in deferred tax	-457	-9 082
Deferred tax benefit not recognised	457	0
Charged deferred tax benefit from earlier years	10 000	0
Taxes	**10 000**	**-9 082**
Tax reconciliation		
Profit before tax	373 011	449 019
Taxes calculated with the nominal tax rate	100 713	125 725
Other differences - including dividends	-112 903	-135 966
Effect of change in tax rate from 28% to 27%	0	1 179
Tax OCI posts	-128	-21
Deferred tax benefit not recognised	12 318	0
Charged deferred tax benefit from earlier years	10 000	0
Taxes	**10 000**	**-9 082**
Weighted average tax rate	**3%**	**-2%**
Change in book value of deferred tax		
Opening balance 01.01.	-31 816	-22 735
Booked to income in the period	-457	-10 260
Other differences	0	1 178
Deferred tax benefit not recognised	457	0
Charged deferred tax benefit from earlier years	10 000	0
Balance sheet value 31.12.	**-21 816**	**-31 816**

NOTE 15 TAX (CONT.)

Deferred tax	Fixed assets	Shares	Profit and loss account	Non current liabilities	Total
2013					
Opening balance 01.01.	-171	26 249	2 546	0	28 624
Booked to income in the period	54	0	-509	31	-425
31.12. (tax rate 28%)	**-117**	**26 249**	**2 037**	**31**	**28 199**
Effect of change in tax rate from 28% to 27%	4	-937	-73	-1	-1 007
31.12. (tax rate 27%)	**-113**	**25 312**	**1 964**	**29**	**27 192**
2014					
Booked to income in the period	17	0	-393	80	-296
31.12. (tax rate 27%)	**-96**	**25 312**	**1 571**	**109**	**26 896**

Deferred tax asset	Loss carried forwards	Current liabilities	Pensions	Other differences	Total
2013					
Opening balance 01.01.	-56 525	2 008	-273	3 430	-51 360
Booked to income in the period	-9 396	860	-136	-1 165	-9 837
Emission costs					
31.12. (tax rate 28%)	**-65 921**	**2 868**	**-409**	**2 265**	**-61 197**
Effect of change in tax rate from 28% to 27%	2 354	-102	15	-80	2 187
31.12. (tax rate 27%)	**-63 567**	**2 766**	**-394**	**2 185**	**-59 010**
2014					
Booked to income in the period	-11 308	596	-118	-639	-11 469
31.12. (tax rate 27%)	**-74 874**	**3 362**	**-512**	**1 546**	**-70 478**
Valuation allowance deferred tax benefit					21 764
Deferred tax assets recognised					**-48 715**
Net Book deferred tax assets					**-21 818**

	2014	2013
Current	3 362	2 868
Non-current	-25 178	-34 684
Total	**-21 816**	**-31 816**

Notes to the accounts

NOTE 16 PENSIONS AND PENSION COMMITMENTS

The company has a closed defined benefit plan and a defined contribution plan in DNB Livsforsikring ASA. In 2014 the defined benefit plan comprises a total of 2 employees. The scheme comprises retirement-, disability and child's pension. The retirement pension starts from 67 years and remains until death. The law with regards to mandatory occupational pension applies for the company, and the company's scheme complies with the rules.

Net pension cost	2014	2013
Current service cost	243	234
Interest cost	52	46
Administration costs	50	70
Social security tax	49	49
Net pension cost related to defined benefit plan	**394**	**399**
Pension costs related to defined contribution plan	172	158
Social security on defined contribution plan	24	22
Net pension cost	**591**	**580**
Actuarial change on post employment benefit obligation	474	73

Capitalised commitments are determined as follow	2014	2013
Present value of future pension commitments	5 240	4 240
Fair value of plan assets	-3 578	-2 960
Social security tax	234	180
Net pension commitment on the balance sheet 31.12.	**1 896**	**1 461**

Financial premises for the Group	2014	2015	2013
Discount rate	2.30%	2.30%	4.10%
Anticipated yield on pension assets	3.20%	3.20%	4.40%
Anticipated regulation of wages	2.75%	2.75%	3.75%
Anticipated regulation of pensions	0.00%	0.00%	0.60%
Anticipated regulation of national insurance	2.50%	2.50%	3.50%
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.	1 460
Actuarial change on post employment benefit obligation	474
Net pension cost	394
Pension payments and payments of pension premiums	-433
Balance sheet value at 31.12.	**1 896**

NOTE 17 INTEREST BEARING DEBT

Austevoll Seafood ASA and Austevoll Eiendom AS are part of a group account agreement.

Net interest-bearing assets/debt(-)	2014	2013
Liabilities to financial institutions - non-current	243 000	1 193 000
Bond loan - non-current	900 000	900 000
Liabilities to group companies - non-current	15 872	0
Liabilities to financial institutions - current	210 00	90 000
Liabilities to financial institutions - overdraft	85 160	75 473
Total interest-bearing debt	**1 454 032**	**2 258 473**
Cash and cash equivalents	713 235	531 579
Other interest-bearing assets - non-current	138 989	715 111
Net interest-bearing assets/debt(-)	**-601 808**	**-1 011 782**

Repayment profile interest bearing debt	2015*	2016	2017	2018	2019	Subsequent	Total*
Mortgage loan	210 000	243 000	0		0	0	453 000
Bond loan	0	0	400 000	500 000	0	0	900 000
Liabilities to group companies	0	0	0	0	0	15 872	15 872
Total	**210 000**	**243 000**	**400 000**	**500 000**	**0**	**15 872**	**1 368 872**

* Repayments of non-current liabilities which mature in 2015 are classified as current liabilities in the balance sheet.

Financial "covenants"
Financial covenant requirements for Austevoll Seafood ASA (the parent company) are measured on the Group`s consolidated level, and requires a minimum book equity ratio of 30% and a debt service ratio not less than 1.05.

Liabilities secured by mortgage	2014	2013
Current liabilities	295 160	165 473
Non-current liabilities	243 000	1 193 000
Liabilities to credit institutions incl. leasing liab.	**538 160**	**1 358 473**

Assets provided as security		
Shares	3 202 403	3 425 158
Trade receivables	1 975	5 062
Total assets provided as security	**3 204 378**	3 430 220

Fair value of non-current liabilities
Based on contractual terms of non-current borrowings (ex bond loan), the fair value of the loans are estimated to be equal to book value as of 31.12.2014. For further information about the bond loan, please refer to note 29 in the consolidated financial statement.

NOTE 18 OTHER CURRENT LIABILITIES

Specification of other current liabilities	2014	2013
Salary and other personnel expenses	838	792
Accrued interests	12 581	15 762
Other short-term liabilities	82	40 602
Other current liabilities	**13 502**	**57 156**

NOTE 19 RELATED PARTIES

2014	Operating revenue	Operating expenses	Net finance exp.	Net balance
Møgster Management AS		1 523		-45
Marin IT AS		1 229		-131
Laco AS	0	2 047		-1 514
Pelagia AS	507	0		0
Austral Group S.A.A	1 643	0		0
Total	**2 150**	**4 798**	**0**	**-1 690**

2013	Operating revenue	Operating expenses/fee	Net finance exp.	Net balance
Møgster Management AS	-	1 312		0
Marin IT AS		1 084	0	0
Laco AS		2 288		-3 071
Welcon AS	2 927			3 539
Norway Pelagic AS	103			2
Austral Group S.A.A	1 400			
Total	**4 430**	**4 684**	**0**	**470**

Møgster Management AS is owned by the company's major shareholder, Laco AS, and delivers administrative services (legal advice, catering, secretary, accounting) to the company. Marin IT AS deliver IT services, and is owned 75% by DOF ASA and 25% by Austevoll Seafood ASA.

In 2014 the company have paid TNOK 4 751 (2013: TNOK 4 904) to subsidiaries for rent and administrative services.

NOTE 20 INTERCOMPANY BALANCES

	2014		2013	
Specification of intercompany balances	**Current**	**Non-current**	**Current**	**Non-current**
Receivable related to proposed dividend from LSG ASA	409 732	-	490 196	0
Receivable related to Group contributions	10 924	-	6 337	0
Receivable related to subsidiary balance on cash pool	85 033	-	75 389	0
Loans to Group companies	-	53 829	0	639 638
Total intercompany receivables	**505 688**	**53 829**	**571 922**	**639 638**
Liabilities to Group companies	2 012	15 872	123 802	0
Total intercompany liabilities	**2 012**	**15 872**	**123 802**	**0**
Net intercompany balances	**503 676**	**37 957**	**448 120**	**639 638**

PARENT COMPANY

Notes to the accounts

NOTE 21 EARNINGS PER SHARE AND DIVIDEND PER SHARE

Basic earning per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued during the year.

Basis for calculation of earnings per share	**2014**	**2013**
The year's earnings	362 537	154 097
No. of shares at the balance sheet date (thousands)	202 717	202 717
Average no. of shares (thousands)	202 717	202 717
Earnings per share	**1.79**	**0.76**
Diluted earnings per share	1.79	0.76
Suggested dividend per share	**2.00**	**1.60**

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2014 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, 9 April 2015
Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Helge Møgster

Oddvar Skjegstad
Deputy Chairman

Inga Lise Lien Moldestad

Leif Teksum

Lill Maren Møgster

Siren M. Grønhaug

Arne Møgster
CEO & President

To the Annual Shareholders' Meeting of Austevoll Seafood ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Austevoll Seafood ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2014, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2014, income statement, statement of comprehensive income, changes in equity, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Austevoll Seafood ASA as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Austevoll Seafood ASA as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 9 April 2015
PricewaterhouseCoopers AS

Stule Døsen
State Authorised Public Accountant (Norway)

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

(2)

AUSS worldwide

AUSTEVOLL SEAFOOD ASA
Alfabygget
5392 Storebø
NORWAY
Ph: +47 56 18 10 00
Fax: +47 56 18 10 03
Email: info@auss.no
Web: www.auss.no

AUSTRAL GROUP S.A.A
Av. Victor Andres Belaúnde Nº 147
Torre Real 7 Centro Empresarial
San Isidro, Lima, PERU
Ph: +51 (1) 710-7000
Fax: +51 (1) 442-1660
Email: info@austral.com.pe
Web: austral.com.pe

BR BIRKELAND AS
Alfabygget
5392 Storebø
NORWAY
Ph: +47 56 18 11 10
Fax: +47 56 18 11 11
Email: post@br-birkeland.no
Web: www.br-birkeland.no

FOODCORP CHILE S.A
Av. Pedro Aguirre Cerda 995
Coronel, CHILE
Ph: +56 (41) 292 2480
Fax: +56 (41) 292 2401

LERØY SEAFOOD GROUP ASA
PO Box 7600
5020 Bergen
Office address:
Bontelabo 2
5003 Bergen
NORWAY
Ph: +47 55 21 36 50
Fax: +47 55 21 36 32
Email: hallvard@leroy.no
Web: www.leroy.no

ASSOCIATED COMPANIES:

PELAGIA AS
Postboks 444 Sentrum
5805 Bergen
Office address:
Bradbenken 1
5003 Bergen
NORWAY
Ph: +47 57 84 44 00
Email: post@pelagia.com
Web: www.pelagia.com

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Alfabygget | 5392 Storebø | Norway | www.auss.no