



Austevoll Seafood ASA

**Financial report
Q2 and H1 2016**

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Austevoll Seafood ASA

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FINANCIAL REPORT Q2 AND H1 2016

Best quarter in the Group's history

Good contribution from fish farming

Late start-up of the first fishing season for anchoveta in Peru meant difficult fishing conditions

Seasonally lower activity within pelagic in Europe

Lerøy Seafood Group ASA (LSG) entered into an agreement in June to acquire 64.4% of Havfisk ASA and 73.6% of Norway Seafoods Group AS

In June, LSG carried out a private placement of 5 million new shares at a price of NOK 415.00 per share

AUSS paid a dividend of NOK 7.00 per share on 3 June 2016, in total NOK 1.4 billion

KEY FIGURES FOR THE GROUP

All figures in NOK 1,000	Q2 2016	Q2 2015	H1 2016	H1 2015	2015
Operating revenue	4 558 229	4 107 801	8 970 468	7 653 630	15 273 494
EBITDA	984 919	777 727	1 870 663	1 294 692	2 244 076
EBITDA %	22 %	19 %	21 %	17 %	15 %
EBIT	789 594	605 116	1 485 585	953 823	1 386 436
Pre tax profit	659 092	353 491	1 566 788	299 866	1 572 137
Earnings per share (EPS) from continuing operations	1.09	0.91	2.92	0.81	3.59
Total assets	28 039 359	23 246 239	28 039 359	23 246 239	25 793 964
Equity	16 004 776	12 132 248	16 004 776	12 132 248	13 610 808
Equity ratio	57 %	52 %	57 %	52 %	53 %
Net interest bearing debt (NIBD)/	1 911 029	4 559 598	1 911 029	4 559 598	4 838 160

Q2 2016

Group operating revenue in Q2 2016 totalled NOK 4,558 million, compared with NOK 4,108 million in Q2 2015.

Compared with the same period in 2015, there has been an increase in revenue in Atlantic salmon/trout and a decline in revenue in the pelagic segment. This can mainly be attributed to the late start-up of the first fishing season in Peru and, as a result, restricted sales of finished products from this season compared with last year.

EBITDA in Q2 was NOK 985 million, up from NOK 778 million in the same quarter of 2015. The increase in EBITDA came within the Atlantic salmon/trout operating segment. There has been a decline in total EBITDA from the pelagic segment in Q2 2016 compared with the same quarter of 2015, mainly because of the late start-up of the fishing season in Peru.

EBIT before fair value adjustment of biomass in Q2 2016 was NOK 790 million (Q2 2015: NOK 605 million). EBIT after fair value adjustment of biomass in Q2 2016 was NOK 639 million (Q2 2015: NOK 380 million). The IFRS biomass adjustment for the quarter was negative at NOK 150 million (Q2 2015: NOK -225 million).

Income from associates for Q2 2016 totalled NOK 69 million (Q2 2015: NOK 46 million). The largest associates are Norskott Havbruk AS (owner of the Scotland-based fish farming company Scottish Sea Farms Ltd.) and Pelagia AS.

The Group's net interest expense in Q2 2016 totalled NOK 58 million (Q2 2015: NOK 60 million).

Profit before tax and IFRS biomass adjustment for Q2 2016 amounted to NOK 810 million, compared with NOK 586 million in Q2 2015.

Profit before tax for the quarter totalled NOK 659 million (Q2 2015: NOK 353 million). Profit after tax was NOK 504 million (Q2 2015: NOK 231 million).

The Group is financially sound with an equity ratio of 57%.

The Group had net interest-bearing debt totalling NOK 1,911 million at 30 June 2016, compared with NOK 4,560 million at the same time last year.

Net interest-bearing debt at the end of Q2 2016 was impacted by Lerøy Seafood Group ASA (LSG) carrying out a private placement in June worth a total of NOK 2,075 million. A total of 5 million new LSG shares were issued at a price of NOK 415.00 per share. The proceeds from the share issue will be

used to part-finance the acquisitions of 64.4% of Havfisk ASA and 73.6% of Norway Seafoods Group AS announced by LSG.

OPERATING SEGMENTS

Austral Group S.A.A (Peru)

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

Anchoveta is used to produce fishmeal and oil, while horse mackerel/mackerel is fished for consumer products.

The main fishing seasons for anchoveta in Central/North Peru run from April to July and November to January.

Following restructuring, fishmeal and oil are now produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also has two factories producing consumer products that share premises with the fishmeal and oil factories in Coishco and Pisco.

The first fishing season for anchoveta in Central/North Peru started on 18 June, and the total quota for the season was set at 1,800,000 tonnes. The late start-up to the season meant that fishing was taking place in a period normally characterised by poor weather (winter), which among other things meant that some ports were closed for periods. Moreover, the fishing overlapped to some extent with the fish spawning. As a result of this, the first season finished as early as 27 July. The late start-up of the season meant that only a limited part of the quota was fished. At the end of the season, the company had fished approx. 55% of its total quota.

For the industry as a whole, approx. 50% of the quota had been fished by the end of the season.

The company has experienced low sales volumes in the quarter. As communicated in previous reporting, the company entered the second quarter with extremely low volumes in stock. Combined with the late start-up of the first fishing season of 2016, this also meant that extremely low volumes of fishmeal and oil from the current season were sold in the quarter.

In Q2 2016, operating revenue was NOK 55 million (Q2 2015: NOK 534 million) and EBITDA was NOK -28 million (Q2 2015: NOK 242 million).

Peru is one of the largest producers of fishmeal and oil in the world. Production volumes in Peru normally have a direct

influence on the prices for fishmeal worldwide. Over the last two years, Peru has struggled with low quotas and difficult operating conditions.

Foodcorp Chile S.A (Chile)

Foodcorp Chile S.A (FC) is involved in fishing, consumer products, and production of fishmeal and 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 facilities share the same premises in Coronel.

The main season for horse mackerel fishing runs from December to July. The main season for sardine/anchoveta fishing is divided into two periods. The first season starts in March and ends in July/August. The second season normally starts in October/November.

At the end of the second quarter, the company had fished almost its entire quota for horse mackerel.

The coastal fleet has had a difficult season, something that has also affected the availability of raw materials in the quarter under review. The company has, however, had good access to squid, which has become an important raw material source for the company in a period of limited access to horse mackerel.

Some of the main markets for frozen horse mackerel continue to be affected by currency restrictions, which has a negative impact on the company's margins and increases funds tied up in finished product stocks. Market conditions for the remaining products – squid, fishmeal and oil – are good.

Operating revenue in Q2 2016 totalled NOK 151 million (Q2 2015: NOK 133 million) and EBITDA amounted to NOK 22 million (Q2 2015: NOK 40 million).

There has been a marked decline in fishing for horse mackerel in Chile since 2008/2009. International fish stock management was introduced in 2012, along with the first total quota. Responsibility for the scheme is assigned to the South Pacific Regional Fisheries Management Organization. The quotas established in subsequent years have seen only a minor increase, in order to build up the biomass. We consider that the current practice of conservative management lays the foundations for a sustainable biomass in the long term and, consequently, increased activities for the Group's business in Chile.

Leroy Seafood Group ASA (LSG)

In Q2 2016, LSG reported operating revenue of NOK 4,262 million (Q2 2015: NOK 3,352 million) and EBITDA before

fair value adjustment of biomass of NOK 876 million (Q2 2015: NOK 470 million).

The company has harvested 41,132 tonnes gutted weight of salmon and trout in the quarter, compared with 40,295 tonnes in the same quarter of 2015, representing a 2% increase in harvesting volume.

Historically high realised prices are the key driver for profit in Q2 2016. The spot price for salmon in Q2 2016 was NOK 63.50, up NOK 5.40 per kg compared with Q1 2016, and up by 70% compared with the same quarter in 2015. Prices realised by the company in Q2 2016 were negatively affected by a 31% contract share (salmon and trout), and by 25% of the company's harvested volume in the quarter being trout. Prices realised for trout remain lower than those for salmon, with prices realised for trout in the quarter more than NOK 5.00 lower than the company achieved for salmon.

Russia's ban on imports of Norwegian salmon and trout, introduced on 7 August 2014, led to a significant increase in exports to the main European markets through most of 2015. For 2015, salmon prices measured in Euros were marginally down, while the weak Norwegian krone resulted in a price increase measured in Norwegian krone. Towards the end of 2015, the growth in supply to the main markets came to a halt, and in Q2 2016 there has been a decline in available volume in the global salmon market. This, together with a high willingness to pay in the end market and the weak Norwegian krone, resulted in record-high prices for salmon in the quarter. Prices for trout also increased significantly in Q2 2016, though remain considerably below those for salmon.

Release from stock costs were significantly higher in Q2 2016 than Q2 2015, with higher feed costs the key driver. To optimise prices realised and reduce risk, in Q2 2016 the company harvested fish of lower average weight than those harvested in both Q1 2016 and Q2 2015. In addition, the company continues to suffer from the extremely high direct and indirect costs involved in complying with statutory limits for salmon lice. The company believes there is potential for considerable cost reduction from the current level and, as previously communicated, has implemented a number of measures intended to reduce production costs for salmon and trout. In that respect, it is pleasing to report that the number of treatments was significantly down in the first half of 2016 compared with the first half of 2015, and treatments in the second quarter were largely mechanical.

A challenging situation in parts of Central Norway in the second half of 2015 also negatively affected the cost level in Q2 2016. This, together with the company's decision to harvest

earlier, and at lower average weights, has resulted in a cost level in Central Norway that the company considers to be higher than normal. As of today's date, release from stock costs in Central Norway are expected to be lower in the second half of 2016 than in the first half.

Release from stock costs for Lerøy Sjøtroll in Q2 2016 remain extremely high, but slightly lower than in Q1 2016. However, the positive development in production has continued, and costs in the coming quarters are now expected to fall as new generations start to be released.

LSG has a total of 146 licences: 26 in Troms, 57 in Central Norway and 63 in West Norway.

LSG has made significant investments in increased capacity for high-value processing (VAP) of salmon and trout in recent years, and LSG's marketing work, together with good national and international customers, has improved capacity utilisation. The company's strategy has included making significant investments in processing facilities, in order to be part of the 'revolution' in the distribution of fresh seafood. These investments involve what are known as 'fish-cuts': processing facilities where freshness, service and proximity to the customer are key. Today, LSG has a number of fish-cut facilities across Europe.

On 2 June 2016, LSG entered into an agreement to acquire 64.4% of the shares in Havfisk ASA and 73.6% of the shares in Norway Seafoods Group AS.

The acquisitions are subject to the approval of the Norwegian Ministry of Trade, Industry and Fisheries and the relevant competition authorities. The completion date for the transactions will depend on when the necessary regulatory approvals are in place.

Completion will trigger a mandatory offer of NOK 36.50 per share for the outstanding shares in Havfisk ASA. LSG also intends to make a voluntary offer of NOK 1.00 per share for the remaining outstanding shares in Norway Seafoods Group AS. The total consideration for 100% of the shares in the two companies in that case will be NOK 3.2 billion.

The Board of Directors is pleased that LSG has entered into an agreement to acquire the shares in question. The acquisition is in line with the Group's strategy and consolidates the Group's position as a fully integrated supplier of seafood.

Br. Birkeland AS (BRBI)

BRBI owns two combined pelagic ring net/trawling vessels, each with 650 basic tonnes for ring nets and 1,425 trawling quota for blue whiting. In addition, the company owns a ring net

vessel with 471 basic tonnes. In 2015, the company invested in a vessel to fish for snow crab. In addition, BRBI owns seven licences for farming Atlantic salmon/trout in Hordaland.

In Q2 2016, the BRBI segment reported operating revenue of NOK 210 million (Q2 2015: NOK 141 million) and EBITDA before fair value adjustment of biomass of NOK 105 million (Q2 2015: NOK 21 million).

As usual, the ring net vessels have had a low level of activity in the second quarter, but have fished parts of their North Sea herring quota. 2,341 tonnes of salmon and trout were harvested in Q2 2016, compared with 2,374 tonnes in Q2 2015. Very good prices for salmon were realised in the quarter. The snow crab-fishing vessel had a productive quarter, and there is good demand for its products.

Pelagia AS

In accordance with IFRS 11, AUSS's consolidated financial statements report the joint venture Pelagia AS as an associate. In the notes to the financial statements for this segment (Note 4) and in the description of the segment in the present report, the financial information comprises 50% of Pelagia AS's total revenue, EBITDA, EBIT and sales volume. This corresponds to AUSS's ownership interest in Pelagia AS.

Revenue for the quarter was NOK 533 million (Q2 2015: NOK 647 million) and EBITDA was NOK 60 million (Q2 2015: NOK 79 million).

Activity is normally lower in the second quarter than the first and, within consumer products, it is mainly North Sea herring that is sold. Total receipt of raw materials in the Group (100%) for fishmeal/FPC and oil production was approx. 211,000 tonnes for the quarter, compared with approx. 311,000 tonnes in the same quarter of 2015. The volume of raw materials received for consumer products was 51,000 tonnes, compared with 46,000 tonnes in 2015.

CASH FLOWS, Q2 2016

Cash flow from operating activities for Q2 2016 was NOK 1,032 million (Q2 2015: NOK 295 million). Cash flow from investing activities for Q2 2016 was NOK 22 million (Q2 2015: NOK -196 million). Cash flow from investing activities in Q2 2016 was affected by LSG selling 300,000 treasury shares in June, with total proceeds of NOK 124.5 million. In addition, the Group has received dividends from associates totalling NOK 227 million. Cash flow from financing activities for Q2 2016 was NOK 164 million (Q2 2015: NOK -21 million). Cash flow from financing activities in Q2 2016 was affected by LSG carrying out a private placement in June. A total of 5 million new LSG shares were issued

at a price of NOK 415.00 per share, in total NOK 2,075 million. In addition, the Group paid dividends of NOK 1,695 million in Q2 2016, compared with NOK 684 million in Q2 2015. Apart from this, cash flow from financing activities mainly comprises payment of ordinary instalments and changes in short-term credits. Net change in cash for the Group in Q2 2016 was NOK 1,219 million (Q2 2015: NOK 77 million).

The Group's cash and cash equivalents at the end of Q2 2016 totalled NOK 4,979 million, compared with NOK 2,218 million at the end of Q2 2015.

FINANCIAL INFORMATION, H1 2016

The Group reported operating revenue of NOK 8,970 million for H1 2016 (H1 2015: NOK 7,654 million). EBITDA before fair value adjustment for biomass in H1 2016 was NOK 1,871 million (H1 2015: NOK 1,295 million).

The increase in turnover has been generated by activities within salmon and trout. The increase in EBITDA can also be attributed to the salmon and trout segment, and is mainly a result of very good prices realised for Atlantic salmon. EBIT before fair value adjustment for biomass in H1 2016 was NOK 1,486 million (H1 2015: NOK 954 million). The IFRS biomass adjustment in H1 2016 was positive at NOK 14 million. The corresponding IFRS biomass adjustment for the same period in 2015 was negative at NOK 593 million. EBIT after fair value adjustment of biomass in H1 2016 was NOK 1,499 million (H1 2015: NOK 360 million).

Income from associates for H1 2016 totalled NOK 165 million (H1 2015: NOK 102 million). The Group's net interest expense in H1 2016 totalled NOK -119 million (H1 2015: NOK -112 million).

Profit before tax and biomass adjustment for H1 2016 was NOK 1,534 million, compared with NOK 900 million in H1 2015.

Profit after tax for H1 2016 was NOK 1,197 million (H1 2015: NOK 205 million).

CASH FLOW, H1 2016

Cash flow from operating activities for H1 2016 was NOK 1,822 million (H1 2015: NOK 719 million). Tax payments in H1 2016 totalled NOK 217 million (H1 2015: NOK 379 million). Cash flow from investing activities for H1 2016 was NOK 828 million (H1 2015: NOK -493 million). The positive cash flow in H1 2016 came from AUSS's sale of LSG shares in the first quarter and LSG's sale of treasury shares in the second quarter. Cash flow from financing activities for H1 2016 was NOK -138 million (H1 2015: NOK -211 million). Cash flow from financing activities

was impacted by LSG carrying out a private placement in June, in which a total of 5 million new shares in LSG were issued at a price of NOK 415.00 per share. The Group paid dividends of NOK 1,695 million in H1 2016, compared with NOK 684 million in the same period in 2015. Net change in cash for the Group in H1 2016 was NOK 2,512 million (H1 2015: NOK 15 million). The Group's cash and cash equivalents at 30 June 2016 totalled NOK 4,979 million, compared with NOK 2,218 million at 30 June 2015.

BALANCE SHEET AT 30 JUNE 2016

The Group had a balance sheet total at 30 June 2016 of NOK 28,039 million, compared with NOK 23,246 million at 30 June 2015.

The Group is financially sound, with book equity at 30 June 2016 of NOK 16,005 million, equivalent to an equity ratio of 57%. At 30 June 2015, the Group had book equity of NOK 12,132 million, equivalent to an equity ratio of 52%.

Net interest-bearing debt was NOK 1,911 million at 30 June 2016, compared with NOK 4,560 million at 30 June 2015.

The parent company is financially sound, with book equity of NOK 4,107 million (NOK 4,211 million) and net interest-bearing debt of NOK 480 million (NOK 671 million) at 30 June 2016. The company has good access to external financing on competitive terms.

RISKS AND UNCERTAINTIES

The Group's risk exposure is described in the Annual Report 2015. The Group's activities are essentially global and will always be impacted to some degree by developments in the global economy. In light of the turmoil in the global economy in recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than normal. Although this situation may have negative effects on the real economy in most markets, we are confident that AUSS's core activities are founded on long-term sustainable assets within interesting segments of the global seafood industry.

The Group is exposed to risk related to the value of the Group's assets. Risk arises mainly as a result of changes in the prices of raw materials and finished products, to the extent that these changes impact the company's competitiveness and earnings potential over time. Operational factors, such as marine biomass, fishing conditions and price trends for the Group's input factors, are other key parameters that have an impact on risk for the Group.

Changes in fishing patterns and quota adjustments mean fluctuations in catch volumes from quarter to quarter and year to year, and hence in utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes cause similar fluctuations in the quarterly key figures.

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approx. 16% of the Group's interest-bearing debt.

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

SHAREHOLDERS

The company had 5,028 shareholders at 30 June 2016, compared with 4,913 at the start of the period.

The closing price of the share was NOK 68.00 at the start of Q2 2016 and NOK 69.75 at the end.

A list of the 20 largest shareholders can be found in Note 7.

The dividend of NOK 7.00 per share approved at the company's annual general meeting on 25 May 2016 was paid on 3 June 2016, in total NOK 1,419 million. This was higher than the company's dividend policy provides for and must be seen in the context of the wish for shareholders to benefit from the value generated in recent years, including by means of an extraordinary direct return.

MARKET AND OUTLOOK

Fishmeal and oil

In Europe, the second quarter is the low season for both production and sales. However, production has also been lower in Europe in the first half of the year compared with the same period last year, due to a decline in quotas for important fish species normally used for production of fishmeal and oil. The third quarter is high season in market terms, because of sales to fish feed producers. Price trends for fishmeal in Europe have been stable to rising in 2016. The quota set for the first fishing season for anchoveta in Peru was 1.8 million tonnes. The season started unusually late this year, on 18 June, and finished on 27 July, at which point approx. 50% of the total quota had been fished. Price trends for fishmeal initially fell after the fishing quota for Peru was announced, but there was a rising trend through the season. Realised prices for fishmeal FOB Peru (super prime) are now USD 1,850, while

the CIF Hamburg prices for fishmeal (standard 64%/65%) are USD 1,580.

Consumer products

The Group's production of consumer products takes place in Europe and South America. In Europe, the season for herring, mackerel and capelin is, as normal, in the period January to April, and the season for North Sea herring from May onwards. The first half of the year is the season for horse mackerel in South America. The ban on imports into Russia, introduced on 7 August 2014, and the subsequent introduction of import quotas and currency restrictions on sales to Nigeria have required the companies to actively seek alternative markets for those products traditionally sold mainly to Russia and Nigeria. The weak Norwegian krone has made Norwegian seafood products more competitive globally. However, we are also aware that the local currencies in some of our traditional herring markets (including Ukraine) are falling against the USD, resulting in higher prices for consumers in the markets concerned. Despite this, we are confident that the Group's products will fare well in competition with alternative sources of protein in these markets too.

Production, sale and distribution of salmon and trout

At the time of writing, there appear to be very limited opportunities for growth in the global supply of salmon and trout in the next few years. In light of the market prospects and the segment's potential for improvements in own production, the outlook is positive.

The Group

The Group is financially sound, has shown good development and currently has a strong position on a number of seafood markets worldwide. The Group's strategy going forward is to continue to grow and further develop within its current operating segments. The Group has and shall continue to have the financial flexibility to support its strategy of further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

Given the prevailing framework conditions, the Board of Directors is essentially satisfied with the Group's results for Q2 2016. The Group's strong position within the global seafood business gives grounds for a positive outlook for the Group's future development. The Board of Directors currently expects a better result in the second half of 2016 than the Group achieved in the second half of 2015.


Storebø, 17 August 2016
The Board of Directors of Austevoll Seafood ASA



Helge Singelstad
Chairman of the Board



Lill Maren Møgster



Oddvar Skjegstad
Deputy Chairman of the Board



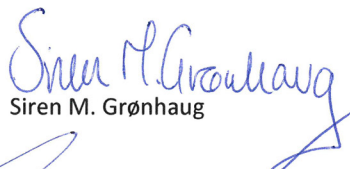
Leif Teksum



Helge Møgster



Inga Lise L. Moldestad



Siren M. Grønhaug



Arne Møgster
CEO

INCOME STATEMENT (unaudited)

All figures in NOK 1.000	Note	Q2 2016	Q2 2015	H1 2016	H1 2015	2015
Operating revenue	4	4 558 229	4 107 801	8 970 468	7 653 630	15 273 494
Raw material and consumables used		2 648 753	2 426 531	5 239 069	4 644 435	9 373 171
Salaries and personnel expenses		437 288	406 176	926 789	814 218	1 797 059
Other operating expenses		487 269	497 367	933 947	900 285	1 859 188
Operating profit before depreciation (EBITDA)		984 919	777 727	1 870 663	1 294 692	2 244 076
Depreciation and amortisation		196 846	174 640	388 558	345 047	749 754
Impairment		-1 521	-2 029	-3 480	-4 178	107 886
EBIT before fair value biomass adjustment		789 594	605 116	1 485 585	953 823	1 386 436
Fair value adjustment biomass	3	-150 187	-225 156	13 641	-593 378	246 567
Operating profit		639 407	379 960	1 499 226	360 445	1 633 003
Income from associated companies		69 093	45 725	165 462	101 668	264 279
Net interest expenses		-58 381	-60 141	-118 568	-112 470	-223 215
Net other financial items (incl. agio/disagio)		8 973	-12 053	20 668	-49 777	-101 930
Profit before tax		659 092	353 491	1 566 788	299 866	1 572 137
Income tax expenses		-154 933	-122 452	-369 975	-95 139	-289 031
Net profit		504 159	231 039	1 196 813	204 727	1 283 106
Profit to non-controlling interest		285 833	47 387	609 957	41 674	560 863
Profit to controlling interests		218 326	183 652	586 856	163 053	722 243
Earnings per share (EPS)		1.09	0.91	2.92	0.81	3.59
Diluted EPS		1.09	0.91	2.92	0.81	3.59

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1.000	Q2 2016	Q2 2015	H1 2016	H1 2015	2015
Net earnings in the period	504 159	231 039	1 196 813	204 727	1 283 106
Other comprehensive income					
Currency translation differences	-20 008	-12 461	-213 716	180 862	419 618
Other comprehensive income from associated companies		-		-	
Cash flow hedges	3 248	23 764	-13 310	71 756	45 127
Change in value available for sale financial assets		-		-	
Others incl. tax effect	-2 255	2 748	7 051	-1 143	-14 552
Total other comprehensive income	-19 015	14 051	-219 975	251 475	450 193
Comprehensive income in the period	485 144	245 090	976 838	456 202	1 733 299
Allocated to;					
Minority interests	218 426	61 828	473 009	58 834	616 348
Majority interests	266 718	183 262	503 829	397 368	1 116 951

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1.000	Note	30.06.2016	30.06.2015	31.12.2015
Assets				
Intangible assets		8 049 524	7 539 115	8 115 351
Vessels		905 814	678 984	949 354
Property, plant and equipment		4 584 406	4 405 198	4 581 699
Investments in associated companies	5	1 602 057	1 837 114	1 766 591
Investments in other shares		113 902	34 321	33 428
Other long-term receivables		55 997	51 320	61 159
Total non-current assets		15 311 700	14 546 052	15 507 582
Inventories	3	5 030 351	4 240 684	5 539 913
Accounts receivable		1 971 350	1 580 170	1 655 026
Other current receivables		747 151	661 146	621 048
Cash and cash equivalents		4 978 807	2 218 187	2 470 395
Total current assets		12 727 659	8 700 187	10 286 382
Total assets		28 039 359	23 246 239	25 793 964
Equity and liabilities				
Share capital		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		4 501 788	4 536 845	5 256 429
Non-controlling interests		7 723 386	3 815 801	4 574 777
Total equity		16 004 776	12 132 248	13 610 808
Deferred tax liabilities		2 745 025	2 245 941	2 731 728
Pensions and other obligations		170 592	131 022	154 385
Borrowings		4 973 232	5 224 786	5 322 635
Other long-term liabilities		24 605	13 350	29 693
Total non-current liabilities		7 913 454	7 615 099	8 238 441
Short term borrowings		1 518 495	807 846	1 078 286
Overdraft facilities		373 504	745 153	877 941
Account payable		1 185 630	1 073 648	1 004 075
Other current liabilities		1 043 500	872 245	984 413
Total current liabilities		4 121 129	3 498 892	3 944 715
Total liabilities		12 034 583	11 113 991	12 183 156
Total equity and liabilities		28 039 359	23 246 239	25 793 964
NIBD		1 911 029	4 559 598	4 838 160
Equity ratio		57 %	52 %	53 %

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1.000	30.06.2016	30.06.2015	31.12.2015
Equity period start	13 610 808	12 360 106	12 360 106
Comprehensive income in the period	976 838	456 202	1 733 299
Dividends	-1 694 645	-684 060	-684 061
Business combinations/acquisition	-	-	201 464
Transactions with non-controlling interest	3 111 775	-	-
Effect option programme	-	-	-
Other	-	-	-
Total changes in equity in the period	2 393 968	-227 858	1 250 702
Equity at period end	16 004 776	12 132 248	13 610 808

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1.000	Q2 2016	Q2 2015	H1 2016	H1 2015	2015
Cash flow from operating activities					
Profit before income taxes	659 092	353 492	1 566 788	299 867	1 572 137
Fair value adjustment of biological assets	150 187	225 156	-13 641	593 378	-246 567
Taxes paid in the period	-36 419	-235 845	-216 935	-379 221	-427 611
Depreciation and amortisation	196 846	174 640	388 557	345 047	749 754
Impairments	-1 521	-2 029	-3 480	-4 178	107 886
Associated companies - net	-69 093	-45 725	-165 462	-101 668	-264 279
Interest expense	68 172	69 245	137 109	130 578	261 532
Interest income	-9 791	-9 104	-18 541	-18 108	-38 317
Change in inventories	180 172	-151 814	523 204	-96 261	-557 886
Change in receivables	-204 729	-29 924	-442 428	131 734	94 476
Change in payables	50 509	32 622	181 555	-110 912	-181 541
Other operating cash flow incl currency exchange	49 087	-86 012	-114 358	-71 014	141 544
Net cash flow from operating activities	1 032 512	294 702	1 822 368	719 242	1 211 128
Cash flow from investing activities					
Purchase of intangible and fixed assets	-273 200	-219 451	-431 193	-408 788	-1 125 674
Purchase of shares and equity investments	-80 475	-536	-108 968	-129 986	-149 080
Proceeds from sale of fixed assets/equity investments	132 149	-1 416	1 119 589	4 938	101 692
Cash inflow from business combinations	-	-	-	7 732	12 858
Dividend received	227 000	-	227 000	-	174 000
Interest income	9 791	9 104	18 541	18 108	38 317
Other investing activities - net	6 755	15 802	3 008	15 312	10 141
Net cash flow from investing activities	22 020	-196 497	827 977	-492 684	-937 746
Cash flow from financing activities					
Proceeds from new long term debt	359 291	751 158	1 048 370	849 438	1 379 786
Repayment of long term debt	-405 825	-272 051	-896 839	-427 656	-734 557
Change in short term debt	-76 264	256 055	-504 437	181 833	275 754
Interest paid	-69 793	-72 240	-142 502	-130 654	-255 959
Dividends paid	-1 694 645	-684 060	-1 694 645	-684 060	-684 061
Other finance cash flow - net	2 051 656	-	2 051 656	-	-
Net cash flow from financing activities	164 420	-21 138	-138 397	-211 099	-19 037
Net change in cash and cash equivalents	1 218 952	77 067	2 511 948	15 459	254 345
Cash, and cash equivalents at start of period	3 752 486	2 151 982	2 470 222	2 198 148	2 198 148
Exchange gains/losses (-)	7 209	-10 862	-3 523	4 580	17 727
Cash and cash equivalents at period end	4 978 647	2 218 187	4 978 647	2 218 187	2 470 220

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). The interim financial statements, including historical comparative amounts, are based on current IFRS standards and interpretations. Changes in the standards and interpretations may result in changes to results. The interim report has been prepared in accordance with the same policies applied to the most recent annual report, but does not contain all the information and notes required for an annual report. This report must therefore be read in the context of the company's most recent annual report (2015).

NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q2 2016. Related party transactions take place on market terms, and the relevant types of transactions are described in detail in the Annual Report 2015.

NOTE 3 BIOLOGICAL ASSETS

The Group recognises and measures biological assets (fish in sea) at fair value. When estimating fair value, the price is adjusted for quality differences (superior, ordinary and process) and logistics costs. The volume is adjusted for gutting loss. Fair value of fish in sea with an average weight below 4 kg is adjusted based on the stage reached in the growth cycle. The value is not adjusted to a lower amount than historical cost, unless a loss is expected on future sales. For roe, fry, smolt and cleaner fish, historical cost is assumed to be the best estimate of fair value. The fair value adjustment for biomass recognised in the income statement includes change in unrealised gain/loss on financial sales and purchase contracts (derivatives) with Fish Pool, an international regulated marketplace for buying and selling financial salmon contracts. Fish Pool contracts are treated as financial instruments on the balance sheet, with unrealised gain recognised as other current receivables and unrealised loss as other current debt.

Lerøy Seafood Group ASA

Carrying amount of biological assets	30.06.2016	30.06.2015	31.12.2015
Fish in sea at historic cost	2 693 042	2 693 583	3 105 620
FV adjustment fish in sea	996 661	222 590	971 070
Fair value fish in sea	3 689 702	2 916 174	4 076 689
Fry, brood, smolt and cleaning fish	277 472	210 356	244 141
Carrying amount of biological assets	3 967 174	3 126 530	4 320 830
Total biological assets at historic cost	2 970 514	2 903 939	3 349 760
FV adjustment on biological assets	996 661	222 590	971 070
Carrying amount of biological assets	3 967 174	3 126 530	4 320 830

Fair value adjustment	Q2 2016	Q2 2015	YTD 2016	YTD 2015	2015
Change IFRS adj. biological assets	-148 620	-213 281	25 591	-561 955	186 524
Change IFRS adj. derivatives	1 157	-2 058	-1 545	-1 518	1 984
FV adj. biological assets	-147 464	-215 339	24 045	-563 473	188 508

Volume of fish in sea (LWT)	Q2 2016	Q2 2015	YTD 2016	YTD 2015	2015
Volume at beginning of period	96 097	99 535	108 270	107 505	107 505
Growth during the period	35 627	39 902	69 812	74 316	191 731
Harvested volume during the period	-50 024	-48 776	-96 382	-91 160	-190 966
Volume at end of period	81 700	90 661	81 700	90 661	108 270
Fish > 4kg	13 327	16 003	13 327	16 003	31 686

The figures for harvested volume and growth in the table above have been estimated on the basis of gutted weight (GWT) and converted to live weight (LWT). The gutting loss ratios for salmon and trout applied in this conversion are 17% and 20% respectively. The table includes salmon and trout.

NOTE 3 BIOLOGICAL ASSETS (Continued)

Br. Birkeland AS

Carrying amount of biological assets			30.06.2016	30.06.2015	2015
Fish in sea at historic cost			169 879	138 772	172 475
FV adjustment fish in sea			70 778	-6 782	81 182
Fair value fish in sea	-	-	240 657	131 990	253 657
Fry, brood and smolt			-	-	-
Carrying amount of biological assets	-	-	240 657	131 990	253 657
Fair value adjustment	Q2 2016	Q2 2015	H1 2016	H1 2015	2015
Change IFRS adj. biological assets	-2 723	-9 817	-10 404	-29 905	58 059
Change IFRS adj. derivatives	-	-	-	-	-
FV adj. biological assets	-2 723	-9 817	-10 404	-29 905	58 059
Volume of fish in sea (LWT)	Q2 2016	Q2 2015	H1 2016	H1 2015	2015
Volume at beginning of period	5 357	5 320	5 755	5 893	5 893
Growth during the period	2 099	876	3 792	2 682	8 947
Harvested volume during the period	-2 669	-2 374	-4 763	-4 753	-9 085
Volume at end of period	4 787	3 822	4 784	3 822	5 755
Fish > 4kg		-		-	3 421

The figures for harvested volume and growth in the table above have been estimated on the basis of gutted weight (GWT) and converted to live weight (LWT). The gutting loss ratios for salmon and trout applied in this conversion are 17% and 20% respectively.

NOTE 4 OPERATING SEGMENTS

All figures in NOK 1.000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Other/ eliminations	Total Group	Pelagia AS * (50 % of figures and volumes)	Total Group incl. Pelagia AS (50 %)
Q2 2016								
Operating revenue	4 261 897	54 964	151 000	210 425	-120 057	4 558 229	532 911	5 091 140
EBITDA	875 633	-28 093	21 685	104 594	11 100	984 919	60 124	1 045 043
EBITDA %	21 %	-51 %	14 %	50 %		22 %	11 %	21 %
EBIT ex. Impairment	760 443	-71 619	5 608	87 939	5 702	788 073	39 910	827 983
EBIT	760 443	-70 097	5 608	87 939	5 701	789 594	39 910	829 504
Volumes sold:								
Salmon (gwt tonnes)	41 132			2 341		43 473		43 473
Fishmeal/oil/FPC (tonnes)		2 352	5 590			7 942	19 300	27 242
Frozen fish (tonnes)		27	6 727			6 754	20 178	26 932
Canning (cases)		-	6 645			6 645		6 645
Q2 2015 (restated)								
Operating revenue	3 351 660	534 083	133 423	140 575	-51 940	4 107 801	646 713	4 754 514
EBITDA	470 255	241 572	39 556	20 783	5 561	777 727	79 454	857 181
EBITDA %	14 %	45 %	30 %	15 %		19 %	12 %	18 %
EBIT ex. Impairment	370 054	202 418	24 197	6 195	223	603 087	54 898	657 985
EBIT	370 054	204 447	24 197	6 195	223	605 116	54 898	660 014
Volumes sold:								
Salmon (gwt tonnes)	40 295			2 374		42 669		42 669
Fishmeal/oil/FPC (tonnes)		32 558	1 018			33 576	26 132	59 708
Frozen fish (tonnes)		-	4 208			4 208	22 689	26 897
Canning (cases)		102 255	4 185			106 440		106 440

NOTE 4 OPERATING SEGMENTS (continued)

All figures in NOK 1.000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Other/ eliminations	Total Group	Pelagia AS * (50 % of figures and volumes)	Total Group incl. Pelagia AS (50 %)
H1 2016								
Operating revenue	8 077 555	476 788	254 636	388 934	-227 445	8 970 468	1 165 376	10 135 844
EBITDA	1 572 988	49 742	41 167	191 443	15 323	1 870 663	123 489	1 994 152
EBITDA %	19 %	10 %	16 %	49 %		21 %	11 %	20 %
EBIT ex. Impairment	1 344 905	-33 999	7 987	158 524	4 688	1 482 105	83 300	1 565 405
EBIT	1 344 905	-30 518	7 987	158 524	4 688	1 485 586	83 300	1 568 886
Volumes sold:								
Salmon (gwt tonnes)	79 295			4 059		83 354		83 354
Fishmeal/oil/FPC (tonnes)		30 067	9 151			39 218	32 022	71 240
Frozen fish/fresh (tonnes)		72	10 651			10 723	60 361	71 084
Canning (cases)		26 185	15 398			41 583		41 583
H1 2015								
Operating revenue	6 630 187	697 138	207 418	252 925	-134 038	7 653 630	1 282 697	8 936 327
EBITDA	971 090	248 845	38 794	36 262	-299	1 294 692	145 407	1 440 099
EBITDA %	15 %	36 %	19 %	14 %		17 %	11 %	16 %
EBIT ex. Impairment	773 957	170 782	7 803	7 394	-10 290	949 646	104 882	1 054 528
EBIT	773 957	174 960	7 803	7 394	-10 290	953 824	104 882	1 058 706
Volumes sold:								
Salmon (gwt tonnes)	75 318			4 321		79 639		79 639
Fishmeal/oil/FPC (tonnes)		39 254	2 493			41 747	43 517	85 264
Frozen fish/fresh (tonnes)		26	6 308			6 334	55 212	61 546
Canning (cases)		239 397	10 422			249 819		249 819
2015								
Operating revenue	13 484 931	1 091 246	490 263	520 433	-313 379	15 273 494	3 045 981	18 319 475
EBITDA	1 813 868	272 637	46 747	106 398	4 425	2 244 075	358 710	2 602 785
EBITDA %	13 %	25 %	10 %	20 %		15 %	12 %	14 %
EBIT ex. Impairment	1 379 952	108 983	-17 596	39 276	-16 294	1 494 321	274 191	1 768 512
EBIT	1 379 952	117 305	-133 804	39 276	-16 293	1 386 436	274 191	1 660 627
Volumes sold:								
Salmon (gwt tonnes)	157 697			7 746		165 443		165 443
Fishmeal/oil/FPC (tonnes)		63 070	12 107			75 177	97 425	172 602
Frozen fish/fresh (tonnes)		26	11 968			11 994	156 399	168 393
Canning (cases)		351 543	23 609			375 152		375 152

NOTE 5 ASSOCIATES

		Q2 2016	Q2 2015	H1 2016	H1 2015	2 015
Norskott Havbruk AS	50.0 %	35 470	6 241	93 847	22 369	41 408
Pelagia AS	50.0 %	28 436	33 551	62 958	69 633	203 322
Others		5 187	5 932	8 657	9 666	19 549
Total income from ass.companies		69 093	45 724	165 462	101 668	264 279
Total investment				1 602 057	1 837 114	1 766 591

NOTE 6 ISSUE OF SHARES IN LERØY SEAFOOD GROUP ASA

In a private placement on 2 June, LSG issued 5 million new shares at a price of NOK 415.00 per share. The total number of shares in LSG following the new issue is 59,577,368. AUSS owns 31,394,281 shares in LSG, equivalent to an ownership interest of 52.7%.

NOTE 7 LIST OF THE 20 BIGGEST SHAREHOLDERS AT 30 JUNE 2016

Investor	Number of shares	% of top 20	% of total
LACO A/S	112 605 876	76.18 %	55.55 %
STATE STREET BANK & TRUST CO.	5 676 191	3.84 %	2.80 %
STATE STREET BANK AND TRUST CO.	4 252 417	2.88 %	2.10 %
PARETO AKSJE NORGE	2 965 556	2.01 %	1.46 %
FOLKETRYGDFONDET	1 938 691	1.31 %	0.96 %
OM HOLDING AS	1 881 850	1.27 %	0.93 %
MITSUI AND CO.. LTD	1 782 236	1.21 %	0.88 %
SKANDINAVISKA ENSKILDA BANKEN AB	1 727 989	1.17 %	0.85 %
BR.BIRKELAND AS	1 722 223	1.17 %	0.85 %
THE BANK OF NEW YORK MELLON	1 614 190	1.09 %	0.80 %
FACTUM AS	1 600 000	1.08 %	0.79 %
DANSKE INVEST NORSKE INSTIT. II.	1 570 082	1.06 %	0.77 %
JP MORGAN BANK LUXEMBOURG S.A	1 376 696	0.93 %	0.68 %
MP PENSJON PK	1 178 130	0.80 %	0.58 %
JPMORGAN CHASE BANK. N.A.. LONDON	1 119 749	0.76 %	0.55 %
CITIBANK. N.A.	1 050 672	0.71 %	0.52 %
JP MORGAN CHASE BANK. NA	995 000	0.67 %	0.49 %
STATE STREET BANK AND TRUST CO	929 053	0.63 %	0.46 %
PARETO AS	921 000	0.62 %	0.45 %
THE NORTHERN TRUST CO.	901 879	0.61 %	0.44 %
Total number owned by top 20	147 809 480	100 %	72.91%
Total number of shares	202 717 374		100 %

NOTE 8 INFORMATION ABOUT ACQUISITION IN PROGRESS

The 2nd of June 2016 Lerøy Seafood Group ASA (LSG) entered into an agreement with Aker Capital AS and Aker Capital II AS to purchase 53,501,793 shares in Havfisk ASA and 62,293,254 shares in Norway Seafoods Group AS. LSG has also agreed to purchase an additional 1,026,632 shares in Havfisk ASA from Fausken Invest AS. The purchases represent 64.4% and 73.6% of the total share capital in Havfisk ASA and Norway Seafoods Group AS respectively and comprise Aker Capital AS, Aker Capital II AS and Fausken Invest AS' entire shareholdings in the companies.

These purchases will significantly strengthen LSG's position within the European white fish segment and secure access to more than 100,000 tonnes of white fish raw material. Through LSG's well-established integrated value chain for salmonids, there is a considerable potential to create value by further developing the market for white fish and by creating the leading fresh/refined seafood supplier with a complete palette of seafood products.

LSG has agreed upon a purchase price of NOK 36.50 per share of Havfisk ASA and NOK 1.00 per share of Norway Seafoods Group AS. The transaction agreement is subject to customary conditions and approvals. The purchase price for the shares shall be paid in cash after all necessary regulatory approvals are received.

LSG is still awaiting approval from The Norwegian Ministry of Trade, Industry and Fisheries, and the relevant competition authorities before the transactions can be completed. The completion date of the transactions will be dependent on the necessary regulatory approvals.

Completion of the purchase will trigger a mandatory offer for the remaining shares in Havfisk ASA at NOK 36.50 per share. Provided completion of the transaction, LSG also intends to make an offer for the remaining shares in Norway Seafoods Group AS at NOK 1.00 per share. The total combined consideration for 100% of the shares in both companies will be NOK 3.2 billion.

When the transactions are completed, LSG must remain majority owner in Havfisk ASA under existing exemptions from Norwegian regulations related to ownership of trawler licenses / catch quotas.

As part of financing the acquisitions, LSG sold 300,000 own shares and contemplated a private placement of 5,000,000 new shares. The two transactions have raised NOK 2.2 billion in cash. Additional financing for the transaction is contemplated through new debt.

RESPONSIBILITY STATEMENT

We declare that, to the best of our knowledge, the half-yearly accounts for the period 1 January to 30 June 2016 have been prepared in accordance with IAS 34 – Interim reports, and that the information in the accounts provides a correct illustration of the Group's assets, liabilities, financial position and result as a whole. We also declare that, to the best of our knowledge, the half-yearly report provides a correct overview of significant events during the accounting period and their impact on the half-yearly accounts, the most central risk and uncertainty factors faced by the Group during the next accounting period and of significant transactions with closely related parties.

Storebø, 17 August 2016

The Board of Directors of Austevoll Seafood ASA



Helge Singelstad
Chairman of the Board




Lill Maren Møgster



Oddvar Skjegstad
Deputy Chairman of the Board



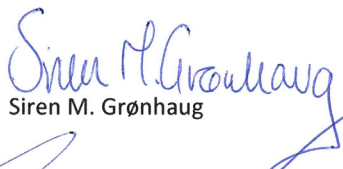
Leif Teksum



Helge Møgster



Inga Lise L. Moldestad



Siren M. Grønhaug



Arne Møgster
President and CEO

