



Austevoll Seafood ASA

2nd Quarter and 1st Half

2008



Good season for fish for consumers in Chile, good anchoveta fishing in Peru, stable market for fishmeal, good market for consumer products and fish oil

Second quarter 2008

- * The group' s income for Q2 2008 totalled MNOK 860.4 compared with MNOK 886.4 in Q2 2007.
- * Operating result before depreciation (EBITDA) for Q2 2008 amounted to MNOK 231.3 compared with MNOK 265.0 in Q2 2007.
- * The quarter has shown a positive development in realised prices for fishmeal and oil, canned products and frozen products. Compared with the same quarter last year, we still have lower prices for fishmeal, but significantly higher prices for fish oil, canned and frozen products.
- * The initial season for anchoveta fishing in Peru started on 21 April, and the total Peru fleet fished approx. 3 million tons during the first season. At the end of June, the authorities in Peru decided to introduce individual quotas for anchoveta fishing.
- * The Group' s fleet in Chile has had successful fishing in Q2, resulting in good production for consumers.

First half-year 2008

- * Group income for the first half of 2008 totalled MNOK 1 602.4 compared with MNOK 1 734.3 for the first half of 2007.
- * Operating result before depreciation (EBITDA) for the first half of 2008 amounted to MNOK 301.0 compared with MNOK 401.5 for the first half of 2007.
- * The Group has witnessed a positive development in realised prices for fish oil, canned and frozen products in comparison with the first half of 2007.



Principal figures

Key figures for Group

All figures in NOK 1,000	Q2 08	Q2 07	H1 2008	H1 2007	2007
Operating income	860 417	886 360	1 602 393	1 734 342	3 468 957
EBITDA	231 273	265 013	301 035	401 542	483 411
EBITDA %	27 %	30 %	19 %	23 %	14 %
Result per share	0,13	0,49	0,06	2,49	2,72
Total assets	8 550 770	9 053 731	8 550 770	9 053 731	8 813 030
Equity	4 150 790	4 314 491	4 150 790	4 314 491	4 228 611
Equity ratio	49 %	48 %	49 %	48 %	48 %
Net interest-bearing debt (NIBD)	-2 836 884	-2 046 738	-2 836 884	-2 046 738	-2 514 792

Group results

Q2 2008

AUSS recorded operating income of MNOK 860.4 in Q2 2008 (Q2 2007 MNOK 886.4.0). EBITDA for the second quarter was MNOK 231.3 (Q2 2007 MNOK 265.0). The Group achieved higher sales prices for fish oil, canned and frozen products in Q2 2008 than for the same period last year. Fishmeal has had a lower sales price in Q2 2008 compared with the year before, but has shown a positive price development both in the first and second quarter of 2008.

EBIT for the quarter was MNOK 176.6 (Q2 2007 MNOK 217.2). Depreciation increased as a result of acquisitions in 2007.

Income from affiliated companies in the second quarter showed a negative result of MNOK -9.7. (Q2 2007 MNOK -11.9) Lerøy Seafood Group ASA constituted MNOK -1.6 of this figure. Net interest costs comprised MNOK -43.9 (Q2 2007 MNOK -34.8). The increase in net interest costs is derived from a combination of increased liabilities and a higher level of interest rate in Norway. Net other financial costs are mainly unrealised loss on foreign exchange and total MNOK -81.2 for Q2 2008 (Q2 2007 MNOK -25.3).

The result after tax for the second quarter amounted to MNOK 25.2 (Q2 2007 MNOK 89.6).

First half year 2008

AUSS recorded operating income of MNOK 1 602.4 in the first half of 2008 (H1 2007 MNOK 1 734.3). Increased sales volumes for fishmeal were counteracted by lower fishmeal prices. EBITDA in the first half was MNOK 301.0 (H1 2007 MNOK 401.5). The reduction in EBITDA is mainly due to lower fishmeal prices and lower sales of canned and frozen products for the first half-year. Compared with the same period in 2007, canned products, frozen products and fish oil



have seen a very positive price development in the first half of 2008. This has more than compensated for the price increase in production input factors during the same period.

EBIT for the first half was MNOK 192.4 (H1 2007 MNOK 300.5). Depreciation has increased as a result of acquisitions in 2007.

Income from affiliated companies in the first half returned a negative figure of MNOK -36.6 (H1 2007 MNOK 5.1). Lerøy Seafood Group ASA represents MNOK -32.7 of this figure.

Net interest costs in the first half totalled MNOK -91.9 (H1 2007 MNOK -55.4). The increase in net interest cost is a result of a combination of increased liabilities and higher levels of interest rates in Norway. Net other financial costs were mainly unrealised loss on foreign exchange, totalling MNOK -27.3 (H1 2007 MNOK 14.9).

The result after tax for the first half of 2008 was MNOK 13.2 (H1 2007 MNOK 454.3 this includes a gain on sale of MNOK 313.6.)

Balance sheet as of 30.06.08

The consolidated balance sheet at the end of June 2008 totalled MNOK 8 550.8 compared with MNOK 8 813.0 at year-end 2007. The Group' s equity at the end of June was MNOK 4 150.8 compared with MNOK 4 228.6 at year-end 2007. The equity ratio was 49% as of 30.06.08 compared with 48% as of 31.12.07.

Net interest-bearing liabilities were MNOK 2 836.9 as of 30.06.08 compared with MNOK 2 514.8 as of 31.12.07. The Group cash holding as of 30.06.08 totalled MNOK 567 compared with MNOK 1 041 as of 31.12.07. The Group' s cash holding does not include unutilised drawing rights.

Cash flow

Cash flow from operating activities in Q2 2008 amounted to MNOK -69.2 (Q2 2007 MNOK 89.4). Cash flow from investment activities in Q2 2008 was MNOK -25.4 (Q2 2007 MNOK -154.2), and comprises investments made during the quarter and dividends received from affiliated companies. Cash flow from financing in Q2 2008 totalled MNOK -203.2 (Q2 2007 MNOK - 187.8) and comprises payment of dividends and downward adjustment of short-term liabilities. Net change in cash in Q2 2008 is MNOK -297.8 (Q2 2007 MNOK -473.9).



Segments

Fishmeal and fish oil

For the second quarter 2008, operating income totalled MNOK 495.4 (Q2 2007 MNOK 638.8), and EBITDA MNOK 171.8 (Q2 2007 MNOK 220.4).

Approx. 77,000 tons of fishmeal and fish oil were sold in the second quarter, compared to 83,000 tons for the same period last year.

There has been a significant price increase for fish oil in the second quarter and for the first half of the year, compared with the same periods in 2007. Even though the fishmeal prices have shown a gradual increase first half of 2008 the prices are still at a lower level than during the same period last year. However, we expect better prices on fishmeal in second half of 2008 compared with the same period in 2007.

In Peru, the first season for anchoveta fishing for production of fishmeal and fish oil started on 21 April. The Peru fleet fished a total of 3 million tons during the season. At the end of June, the authorities in Peru announced that they intend to introduce individual quotas for anchoveta. Quota sizes for individual ships/companies will be calculated on the basis of historical catches and concession sizes.

In Chile, production of fishmeal and fish oil has principally been based on purchased raw materials from coastal fishers, and offcuts from own production for consumers.

In Norway, the Group's production has been based on purchased volumes of blue whiting and sandeel. The numbers of sandeel have been low for several years now, but fishing for sandeel reopened in the second quarter.

Consumer products

Operating income in the second quarter totalled MNOK 221.1 (Q2 2007 MNOK 205.1) and EBITDA was MNOK 64.4 (Q2 2007 MNOK 52.0).

The total volume sold for consumption comprises approx. 10,000 tons of frozen products (Chile and Peru), an increase of 1,000 tons compared with Q2 2007. Approx. 978,000 boxes of canned products were sold compared with approx. 1.1 million boxes in the same period last year (Chile and Peru). Sales of high-concentrate Omega 3 oils for the period were approx. 357 tons, and approx. 69 tons of low-concentrate Omega 3 oils. The company has increased its production capacity per year to approx. 1,750 tons, and capacity will further increase to approx. 2,000 tons during the second half of the year.



The period saw an increase in realised prices for both canned and frozen products, also when compared with the same quarter last year. Prices for input factors for production of consumer products have also seen an increase for the Group. Increased sales prices for canned and frozen products have more than compensated for the price increase on input factors. For our Omega 3 oil production, increased fish oil prices have placed pressure on margins, but increased efficiency are expected to counteract this during the second half of 2008.

Trading

Operating income in Q2 2008 amounted to MNOK 158.8 (Q2 2007 MNOK 101.2) and EBITDA was MNOK 0 (Q2 2007 MNOK -5.5)

Trading activities constitute the sales companies Chilefood and Atlantic Pelagic AS, which are responsible for all sales activities for the production companies Austevoll Fiskeindustri AS, Sir Fish AS and Modolv Sjøset AS. Results from the production facilities Austevoll Fiskeindustri AS and Sir Fish AS are also included in these figures.

The second quarter is normally marked by lower production volumes than the first quarter. During Q2, matie has been produced at the Sir Fish AS facility. In comparison with 2007, this activity has shown a positive development, and we are receiving market reports of empty stocks of pelagic products.

Risk factors and uncertainty factors

The Group' s risk exposure is described in the Group' s annual report for 2007, and there have been no significant changes in risk and uncertainty factors during the first half of 2008.

The Group is exposed to risk related to the value of investments in subsidiaries, in the event of price changes in the markets for raw materials and finished goods, to the extent that these price changes result in changes in the company' s competitive edge and earning potential over time. Furthermore, operational factors and the development in prices for the Group' s input factors are central parameters.

Changes in fishing patterns and quota regulations result in fluctuating catch volumes from quarter to quarter, and subsequently in the utilisation of the company' s production facilities. The seasonal fluctuations in catch volumes create similar fluctuations in the periodic key figures.



The majority share of the Group's liabilities has a floating interest rate, and the Group identifies and continuously evaluates risk exposure related to changes in interest rates.

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

Company shareholders

As of 30.06.08, the company had 3,002 shareholders. At the end of June 2008, the share price was NOK 33.

Market and outlook

Fishmeal and fish oil

Fish oil prices have remained stable during the second quarter, and to date in the third quarter, after a significant increase in the first quarter. Fishmeal prices have seen an increase during the second quarter, and the prices seems to increase also in the third quarter. The ratio between fishmeal and soya meal is at a historical low and the Group has recorded a regularly high level of demand for our products.

The Board of Directors expects fishmeal and fish oil prices to remain stable for the near future.

Consumption

The prices of all canned and frozen fish products have also increased during the second quarter and the Board of Directors expects demand to remain high, and to see positive price developments in the near future.

The prices for the most important raw material – fish oil – have stabilised during the second quarter and to date in the third quarter. With the increased focus on health among consumers, this market is expected to grow. The Scandinavian market is stable, while consumption is on the increase in the USA and the rest of Northern Europe.

Recent investments in the fleet and industrial segment have provided the Group with a solid position on which to exploit the Group's quotas. The Group expects to see high demand for its products in the years to come. The Board of Directors expects high activity levels for the rest of



2008, and has forecast a result for the second half of the year which is significantly higher than the result for the same period last year.

Storebø, 22 August 2008

Board of Directors in Austevoll Seafood ASA



FINANCIAL REPORT Q2 2008 AND FIRST HALF OF 2008

Condensed Consolidated Income Statement (unaudited)

All figures in NOK 1.000	Q2 08	Q2 07	H1 2008	H1 2007	2007 (audited)
Operating income	860 417	886 360	1 602 393	1 734 342	3 468 957
Operating expenses	629 144	621 347	1 301 358	1 332 800	2 985 546
Operating profit before depreciation (EBITDA)	231 273	265 013	301 035	401 542	483 411
Depreciation and amortisation	54 640	47 805	108 594	98 034	201 939
Depreciation of excess value inventory	-	-	-	3 000	3 000
Operating profit (EBIT)	176 633	217 209	192 441	300 508	278 471
Income from associated companies	-9 696	-11 879	-36 647	5 060	65 758
Net interest expenses	-43 891	-34 764	-91 942	-55 380	-141 413
Net other financial items (incl agio/disagio)	-81 175	-25 344	-27 328	-14 887	12 800
Profit before tax	41 871	145 222	36 524	235 301	215 616
Income tax expenses	-16 696	-55 609	-23 343	-94 636	-32 343
Net profit	25 175	89 613	13 181	140 665	183 273
Net profit from discontinued operations*	-	-	-	313 650	324 273
Net profit including discontinued operations	25 175	89 613	13 181	454 315	507 546
Profit to minority interests	1 018	4 230	1 469	5 832	8 563
Profit attribut. to equity holder of parent	24 157	85 383	11 712	448 483	498 983
Earnings per share	0,13	0,49	0,06	2,49	2,72

* As a consequence of the sale of the salmon business in Q1 07, the historical figures from this business are disclosed as a net amount on a single line on the face of the income statement, "net profit from discontinued operations".



Condensed Consolidated Balance sheet (unaudited)

All figures in NOK 1.000	H1 2008	H1 2007	2007 (audited)
Assets			
Intangible assets	1 572 572	1 360 546	1 624 499
Vessels	665 135	675 950	708 906
Property, plant and equipment	1 829 047	1 782 603	1 866 867
Investments in associated companies	2 332 583	1 740 857	2 352 440
Investments in other shares	37 592	18 484	32 124
Other long term receivables	62 095	60 745	67 026
Total non-current assets	6 499 024	5 639 185	6 651 863
Inventories	835 582	1 083 088	528 055
Accounts receivables	491 491	684 062	390 218
Other current receivables	157 693	201 296	201 983
Cash and cash equivalents	566 981	1 446 100	1 040 911
Total current assets	2 051 746	3 414 546	2 161 167
Total assets	8 550 770	9 053 731	8 813 030
Equity and liabilities			
Share capital	92 159	92 159	92 159
Share premium fund	3 083 918	3 081 049	3 083 918
Retained earnings and other reserves	862 559	1 058 277	965 313
Minority interests	112 154	83 006	87 221
Total equity	4 150 790	4 314 491	4 228 611
Deferred tax liabilities	469 339	496 470	514 762
Pension obligations	19 206	15 853	18 089
Borrowings	2 582 481	2 363 000	2 380 534
Other long-term liabilities	18 149	13 450	20 519
Total non-current liabilities	3 089 176	2 888 773	2 933 904
Short term borrowings	424 192	561 539	937 140
Overdraft facilities	441 137	615 594	284 537
Account payable	253 390	440 667	267 967
Other current liabilities	192 084	232 667	160 872
Total current liabilities	1 310 804	1 850 467	1 650 515
Total liabilities	4 399 979	4 739 240	4 584 419
Total equity and liabilities	8 550 770	9 053 731	8 813 030



Condensed Consolidated Cash flow statement (unaudited)

All figures in NOK 1.000	H1 2008	H1 2007	2007 (audited)
Net cash flow from operating activities	-125 177	-314 471	277 166
Net cash flow from investing activities	-186 890	-1 202 353	-2 195 459
Net cash flow from financing activities	-161 863	1 551 431	1 547 710
Net change in cash and cash equivalents	-473 930	34 607	-370 583
Cash and cash equivalents at beginning of period	1 040 910	1 411 493	1 411 493
Cash and cash equivalents at period end	566 980	1 446 100	1 040 910

Condensed Consolidated Statement of changes in Equity (unaudited)

All figures in NOK 1.000	H1 2008	H1 2007	2007 (audited)
Equity period start	4 228 611	3 637 000	3 637 000
Profit for the period	13 181	454 315	507 546
Dividends	-55 295		
Currency translation differences	-61 951	-64 995	-187 941
Other gains and losses charged directly to equity			-153
Minority interests arising from business combinations	26 394		2 291
Revaluation of existing interests related to business combinations			-579
New equity from cash contribution and contribution in kind	-	295 547	277 824
Expenses related to share issues (net of tax)	-	-7 376	-7 377
Total changes of equity in the period	-77 671	677 491	591 611
Equity at period end	4 150 940	4 314 491	4 228 611

Selected notes to the accounts

Note 1 Accounting principles applied

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related standard for interim reports (IAS 34). The interim report, including historical comparison figures, is based on current IFRS standards and interpretation. Changes in the standard and interpretations may result in changes to the result. The quarterly report is prepared according to the same principles as the most recent annual financial statements, but do not include all the information and disclosures required in the annual financial statements. Consequently, this report should be read in conjunction with the latest annual report for the Company (2007). Changes in standards and interpretations may result in other figures.



Note 2

Segment information

(all figures in NOK 1.000)

Fishmeal and oil	Q2 08	Q2 07	H1 2008	H1 2007	2007
Operating revenue	495 442	638 846	939 098	1 063 573	2 085 111
EBITDA	171 762	220 429	233 562	324 491	407 874
EBITDA %	35 %	35 %	25 %	31 %	20 %
EBIT	133 435	192 523	161 808	266 132	280 957
EBIT %	27 %	30 %	17 %	25 %	13 %
Volumes sold fishmeal (tons)	67 697	67 771	125 316	114 924	242 593
Volumes sold fishoil (tons)	9 696	15 511	30 461	28 694	57 436

Human Consumption	Q2 08	Q2 07	H1 2008	H1 2007	2007
Operating revenue	221 060	205 129	358 568	445 290	751 215
EBITDA	64 445	51 977	74 597	95 737	116 398
EBITDA %	29 %	25 %	21 %	21 %	15 %
EBIT	51 600	35 710	45 847	61 249	57 083
EBIT %	23 %	17 %	13 %	14 %	8 %
Volumes sold:					
Canning (cases)	978 266	1 134 000	1 617 703	2 328 000	4 022 570
Frozen fish (tons)	10 187	9 000	11 014	17 000	28 223
HC and LC Omega 3 products (tons)	426	358	817	740	1 413

Trading	Q2 08	Q2 07	H1 2008	H1 2007	2007
Operating revenue	158 787	101 161	343 899	333 555	710 287
EBITDA	129	-5 476	1 255	-10 441	-24 572
EBITDA %	0 %	-5 %	0 %	-3 %	-3 %
EBIT	-3 560	-8 104	-5 732	-16 385	-39 773
EBIT %	-2 %	-8 %	-2 %	-5 %	-6 %

Not allocated/elimination	Q2 08	Q2 07	H1 2008	H1 2007	2007
Operating revenue	-7 261	-58 776	-39 172	-108 077	-77 656
EBITDA	-4 747	-1 925	-8 378	-8 252	-16 290
EBIT	-5 256	-2 922	-9 482	-10 489	-19 797

Total Group	Q2 08	Q2 07	H1 2008	H1 2007	2007
Operating revenue	868 028	886 360	1 602 393	1 734 341	3 468 957
EBITDA	231 589	265 005	301 036	401 535	483 410
EBITDA %	27 %	30 %	19 %	23 %	14 %
EBIT	176 219	217 207	192 441	300 507	278 470
EBIT %	20 %	25 %	12 %	17 %	8 %

Note 3 Transactions with closely related parties

There have been no significant transactions with closely related parties in the first half of 2008.



Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2008 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group' s assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Storebø, 22 August 2008


Ole Rasmus Møgster
Chairman of the Board


Helge Singelstad
Deputy Chairman


Hilde Waage
Board member


Inga Lise Lien Moldestad
Board member


Oddvar Skjegstad
Board member


Arne Møgster
CEO