

# Interim report Q3 2008

Aker Seafoods ASA



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## Aker Seafoods adapts to a market under pressure

**Aker Seafoods is making changes to its activities in order to achieve more rational operating units and to improve group profitability. These adjustments include changes to the fleet, at the processing facilities to ensure a better product mix and to enhance profits.**

The Aker Seafoods group achieved operating revenues of NOK 586 million in the third quarter, when EBITDA was negative at NOK 13 million. That compares with NOK 427 million and a positive NOK 27 million respectively in the same period of 2007. Operating revenues and EBITDA for the first nine months were NOK 2 088 million and NOK 121 million, compared with NOK 1 807 million and NOK 176 million respectively in the same period of last year.

Aker Seafoods are finding that European customers are devoting less money in uncertain times. The consequences of this are a lower demand from customers and reduced prices, and EBITDA margins below the group's target of 7.5 to nine per cent for this year.

The prices for some products, such as frozen finished products and cod, are therefore reduced in price. This has also led to an increase in stock. Price statistics from the Norwegian Seafood Export Council support this experience. While prices for frozen cod fillets declined by 11 per cent from the third quarter of 2007, the corresponding falls for haddock and saithe were 16 and two per cent respectively. The price of fresh fillets held up better, with an increase for haddock and saithe but a five per cent decline for cod. Frozen whitefish products are suffering particularly from rising sales of cheap substitutes. However, Aker Seafoods has noted that demand and prices for environmentally certified products are increasing.

Landings of cod during the third quarter were down by 13 per cent from the same period of 2007, and three per cent for the first nine months. With less saithe and somewhat less haddock also landed in the first nine months compared with last year, total landings for the period fell no less than six per cent even though quotas for these three species have risen.

Norwegian saithe was environmentally certified by the Marine Stewardship Council (MSC) in June. This is the first fish species to receive such certification in the Barents Sea, and Aker Seafoods has experienced great interest, a better product mix and higher market prices for MSC-certified saithe than other products from this species. Unfortunately, supplies of saithe were very limited in the third quarter, which means that the volume delivered to customers was below target.

Primary processing in Denmark has been affected by limited supplies of raw materials. The decision has accordingly been taken to shut down two small Danish plants and concentrate all primary processing in one facility. Secondary processing did well, particularly with sales of consumer-packed fresh products, and the new Minna concept is well received by the market.

Prices for trout at Aker Seafoods France have been put under pressure by competing products. As expected, high temperatures meant low biomass growth during the summer months. However, production of consumer-packed products based on fresh raw material from Norway and Denmark is rising.

### Main figures

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
Operating revenues	427	466	791	711	586	1870	2 088	2 336
<b>EBITDA</b>	<b>27</b>	<b>13</b>	<b>73</b>	<b>61</b>	<b>(13)</b>	<b>176</b>	<b>121</b>	<b>189</b>
EBITDA margin (%)	6.4	2.8	9.2	8.6	(2.2)	9.4	5.8	8.1
Non-recurring items	(2)	(22)	0	7	(6)	28	1	6
<b>EBIT</b>	<b>6</b>	<b>(29)</b>	<b>48</b>	<b>43</b>	<b>(45)</b>	<b>141</b>	<b>46</b>	<b>112</b>
Profit before tax	(21)	(54)	23	13	(78)	82	(42)	28
<b>Profit after tax</b>	<b>(15)</b>	<b>(45)</b>	<b>17</b>	<b>9</b>	<b>(56)</b>	<b>59</b>	<b>(30)</b>	<b>14</b>
<i>Earnings per share</i>	<i>(0.32)</i>	<i>(0.92)</i>	<i>0.35</i>	<i>0.19</i>	<i>(1.16)</i>	<i>1.21</i>	<i>(0.62)</i>	<i>0.29</i>
Total assets	2 772	3 069	3 346	3 365	3 400	2 772	3 400	3 069
Equity	998	1 034	1 063	1 047	998	998	998	1 034
Equity ratio (%)	36.0	33.7	31.8	31.1	29.3	36.0	29.3	33.7
Net interest bearing debt	947	1 009	1 262	1 350	1432	947	1432	1 009

## Financial results

The increase in sales for Aker Seafoods during the first nine months of 2008 compared with the same period of last year partly reflects the inclusion of the newly acquired Viviers de France in the 2008 accounts. That company's sales amounted to NOK 125 million in the third quarter. Sales by the comparable business rose from NOK 427 million in the same period of 2007 to NOK 461 million.

EBITDA in the third quarter was negative at NOK 13 million, compared with a positive NOK 27 million for the same period of 2007. The EBITDA decline in 2008 is related to:

- writing down inventories and storage costs for inventory
- reduced production as an effect of low availability of raw material and reduction in sales of finished products
- higher fuel prices combined with reduced harvesting

On the other hand, results were boosted by positive contributions from activities in Spain and France and good progress for products packed by the modified atmosphere process (MAP) in Denmark.

An agreement was concluded by Aker Seafoods in the autumn of 2006 for interest rate hedging of part of its debt through an interest rate swap. This swap had a negative effect of NOK 12 million on the group's equity in the third quarter, but no impact on profits or cash flow during the period.

Aker Seafoods has a solid financial position, with an equity ratio of 29.3 per cent at 30 September 2008. The group's total balance sheet at the same date was NOK 3 400 million, compared with NOK 2 772 million a year earlier.

Net interest-bearing debt increased from NOK 947 million at 30 September 2007 and NOK 1 350 million at 30 June 2008 to NOK 1 432 million at 30 September 2008.

Working capital declined from NOK 426 million at 30 June 2008 to NOK 409 million at 30 September. The corresponding figure at 30 September 2007 was NOK 275 million. This increase from last year primarily reflected two conditions – the inclusion of the Spanish and French operations in the 2008 accounts, and a substantial increase in inventories from 2007. The latter factor reflects the rather more difficult market conditions for certain of the group's frozen products.

Cash in hand and bank deposits for the group, including drawing rights, totaled NOK 65 million at 30 September compared with NOK 206 million at the same date in 2007 and NOK 83 million at 30 June 2008.

In addition to its cash holdings and drawing rights, Aker Seafoods has an undrawn credit facility of NOK 109 million from its banks. This gives the group a balance sheet which provides room for maneuver in further development of its operations.

Net investment related to existing tangible fixed assets totaled NOK 12 million for the third quarter.

## Strategic assessments

Aker Seafoods revised its strategy for the next three years during the third quarter. This revision builds further on the strategic plan communicated since 2006, but additional steps are being taken to enhance efficiency and improve operation of the fleet and the processing plants. By intergrading harvesting and processing activities, the group will be able to optimize value creation and earnings.

However, the updated strategy for Aker Seafoods for 2009-2011 consists of upgrading the group's fleet with combination trawlers which enhance flexibility for delivering fresh fish and exploiting the existing quota base. On land, three plants will be responsible for producing a broad range. The other seven and the reception facilities are to focus on high-quality niche products, such as fresh fish or salted fish and king crab.

Aker Seafoods will continue to build on the positive experience gained from the restructuring at Kjøllefjord, where the group has collaborated with local, regional and national politicians to achieve efficient and profitable production through exploiting the plant's best expertise.

These are strategic moves for making better use of resources. Aker Seafoods is thereby making an aggressive commitment to increased production of fresh and frozen consumer-packed products. More specialized and rational plants will lay a good basis for lasting improvements in profitability.

### **Macro-factors and outlook**

The Norwegian Ministry of Fisheries and Coastal Affairs reports that whitefish quotas will be increased for 2009. Cod quotas are due to rise by 20 per cent because the International Council for the Exploration of the Sea (ICES) has determined that stocks are much better than the levels applied in recent years. The quota for the ocean-going fleet is expected to rise by about 25 per cent. Quotas for haddock are set to increase by 22 per cent and to decline slightly for saithe. Higher quotas are good news for Aker Seafoods. Activity will thereby expand for the harvesting segment, while the processing segment will have a better raw material base. Aker Seafoods has clear hopes that a larger volume of cod in Norway will be sold under the by-catch quota during the second half, which is important for boosting landings and the raw material base during this period. The group has also made a substantial commitment to processing king crabs in Finnmark, and this will be an important supplementary second-half activity for a number of its plants in the future.

A change has been approved by the Ministry of Fisheries and Coastal Affairs to the arrangement which regulates opportunities to move part-quotas from one vessel to another in the same company and between collaborating vessels. The new rules will increase flexibility for Aker Seafoods, since up to 20 per cent of quotas can be transferred between vessels within the group. However, restrictions remain on which quotas can be moved and when such transfers can take place.

Trends in the cost of fuel for Aker Seafoods trawlers fluctuated during the quarter. Fuel prices were record-high at 1 July, but had fallen by 17 per cent at 30 September.

The Norwegian krone weakened substantially against the euro, pound sterling and US dollar during the third quarter. At 30 September, the euro exchange rate was four per cent higher than at 1 July. The corresponding increases for the pound sterling and US dollar were four and 15 per cent respectively. The krone has weakened further since the end of the quarter.

Raw material prices for cod in the third quarter were down four per cent from the same period of 2007. The corresponding declines for haddock and saithe were nine and five per cent respectively. Prices for frozen fillets fell by 11 per cent for cod from the third quarter of last year, and by 16 and two per cent for haddock and saithe respectively. Prices held up better for fresh products, with haddock and saithe fillets rising while cod fillets declined by five per cent.

These price reductions partly reflect greater uncertainty about the future among consumers as a result of unrest in financial markets and expectations of difficult economic times. This means increased competition from cheaper substitutes, particularly for frozen whitefish products. However, Aker Seafoods noted a positive trend in demand and prices for environmentally certified products. Lower prices for frozen products of cod and haddock makes it even more important to follow up the group's strategy by shifting production as far as possible towards fresh products.

Taken together, macro-factors were very positive for the group at 30 September. With a substantial expansion in quotas for 2009 while important cost elements such as energy prices are falling and a favorable foreign exchange position.

## Business areas

Aker Seafoods is divided into four primary business areas – harvesting, processing Norway, processing Denmark and Sweden, and processing France.

### Harvesting

	Q3		Year to date		Year
	2007	2008	2007	2008	2007
NOK million					
<b>Operating revenues</b>	<b>126</b>	<b>134</b>	<b>494</b>	<b>500</b>	<b>626</b>
<b>EBITDA</b>	<b>24</b>	<b>7</b>	<b>130</b>	<b>95</b>	<b>154</b>
<i>EBITDA margin (%)</i>	19.1	4.9	26.3	19	24.6
<b>EBIT</b>	<b>13</b>	<b>-7</b>	<b>129</b>	<b>59</b>	<b>120</b>

The third quarter is normally the period with the lowest harvesting rates. Low expected rates combined with a high oil price – particularly at the beginning of the quarter – meant that marginal fisheries were given a reduced priority. Aker Seafoods kept several vessels berthed during the period, and carried out planned maintenance. The harvested volume for Aker Seafoods in the third quarter was nevertheless 25 per cent up from the same period of last year, which can be attributed to a 20 per cent increase in the average daily harvested volume. In addition, the rise reflects later timing of the North Sea saithe fishery than in 2007. However, harvested volumes of cod and haddock were also up from the third quarter of 2007. Quotas remaining for Aker Seafoods in the fourth quarter are four per cent higher than at the same time last year. Substantial remaining quotas, including for cod, are favorable for the processing segment because it thereby has more raw material for the fourth quarter. Unfortunately, Aker Seafoods expects that both the industry and the group will leave part of their saithe and haddock quotas unharvested this year, as in 2007 and 2006.

Landing prices for cod, saithe and haddock developed negatively in the third quarter compared with the same period of 2007, according to figures from the Norwegian Rawfish Organization. They declined by five per cent for cod and saithe and by nine per cent for haddock.

Fuel prices were high in the third quarter, with the average up 62 per cent from the same period of 2007. However, they had declined by 17 per cent at 30 September compared with 30 June and have subsequently continued to fall.

In Spain, Aker Seafoods has completed fishing in 2008 earlier than in 2007 due to good fishing conditions and that parts of the catch have been landed in Norway. The result is affected by the same factors as in Norway – with higher fuel costs and lower product prices. The development of the company is according to expectations.

### Processing Norway

	Q3		Year to date		Year
	2007	2008	2007	2008	2007
NOK million					
<b>Operating revenues</b>	<b>240</b>	<b>239</b>	<b>1 149</b>	<b>975</b>	<b>1 414</b>
<b>EBITDA</b>	<b>4</b>	<b>(21)</b>	<b>49</b>	<b>15</b>	<b>42</b>
<i>EBITDA margin (%)</i>	1.6	(8.8)	4.2	1.5	2.9
<b>EBIT</b>	<b>(3)</b>	<b>(35)</b>	<b>28</b>	<b>(13)</b>	<b>15</b>

Whitefish landings through the Norwegian Rawfish Organization were down by 10 per cent in the third quarter compared with the same period of last year. Landings fell by 13 per cent for cod and by 12 per cent for saithe, but rose by three per cent for haddock. With significant reductions in landings during the quarter, the raw material base for the processing units in Aker Seafoods was low even though the group's own fleet increased its harvesting from last year. Reduced supplies of raw materials meant an increase in the number of lay-off days and sub-optimum production during the quarter. The financial challenge in the market has made production more challenging and,

combined with negative trends for a number of key figures, margins for processing in Norway are very unsatisfactory.

Sales of frozen cod and haddock products fell in the third quarter compared with the same period of last year, and were lower than production. The group's inventories were accordingly larger at 30 September than at the same date in 2007. Prices declined by 11 per cent from the third quarter of last year for frozen cod-based fillet products and by five per cent for fresh cod-based fillets. Sales of frozen low-value products, such as cod and haddock blocks, were limited in the third quarter. The value of these products fell during the quarter, and Aker Seafoods has accordingly taken an impairment charge on its inventories.

According to figures from the Norwegian Seafood Export Council, prices for fresh haddock and saithe products increased during the third quarter compared with the same period of last year. Prices declined by 16 per cent for frozen haddock-based products and by two per cent for frozen saithe fillets.

Aker Seafoods is experiencing strong demand for saithe which has been environmentally certified by the Marine Stewardship Council (MSC). This provides a better product mix and thereby higher prices than other saithe products, as well as higher prices than the non-certified saithe sold in the same period of 2007.

### Processing Denmark and Sweden

	Q3		Year to date		Year
	2007	2008	2007	2008	2007
NOK million					
<b>Operating revenues</b>	<b>131</b>	<b>143</b>	<b>474</b>	<b>459</b>	<b>618</b>
<b>EBITDA</b>	<b>6</b>	<b>6</b>	<b>20</b>	<b>21</b>	<b>28</b>
<b>EBITDA margin (%)</b>	<b>4.3</b>	<b>3.9</b>	<b>4.3</b>	<b>4.7</b>	<b>4.5</b>
<b>EBIT</b>	<b>2.1</b>	<b>2.5</b>	<b>10</b>	<b>12</b>	<b>14</b>

Low and uneven supplies of raw material were experienced by Aker Seafoods Denmark during the third quarter. Primary processing activities were also down, as was the turnover of high-quality products. Poor profitability in parts of the business prompted Aker Seafoods Denmark to shut down two of its small primary processing plants and reduce costs in the sales department. At the same time, the company increased sales of fish products packed by the modified atmosphere process (MAP), including fish cakes and minced fish products. Sales of "healthy fish" in connection with the MINNA project were very promising, and the company expects further growth after the New Year. Aker Seafoods Denmark also expects increased sales from the launch of Thorfisk products throughout Scandinavia.

Sales in Sweden declined during the quarter, and Aker Seafoods Sweden initiated measures such as workforce downsizing and reorganization of operations to improve the position.

## Processing France

	Q3		Year to date		Year
	2007	2008	2007	2008	2007
NOK million					
<b>Operating revenues</b>	-	125	-	378	-
<b>EBITDA</b>	-	3	-	13	-
<b>EBITDA margin (%)</b>	-	2.2	-	3.5	-
<b>EBIT</b>	-	1	-	7	-

The third quarter is normally characterized by low biomass growth in the company's trout farms, but good sales of fresh consumer-packed products. Biomass growth was again low in 2008 because of high temperatures in France. Increased competition was also noted from trout producers, among others, and this affected prices achieved in the market.

Generally speaking, the market for high quality food in France was difficult during the quarter because of fears for the future from today's financial and foreign exchange unrest. This reduced activity in and margins for production of fresh consumer-packed products.

However, Aker Seafoods France increased sales of products based on raw and semi-processed materials supplied from the Norwegian and Danish processing plants. This is in line with integration plans for the company, and will be intensified in the time to come.

Oslo, 27 October 2008

The board of directors of Aker Seafoods ASA

## Tables

### Profit and loss statement

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
<b>Operating revenues</b>	<b>427</b>	<b>466</b>	<b>791</b>	<b>711</b>	<b>586</b>	<b>1 870</b>	<b>2 088</b>	<b>2 336</b>
Operating expenses	(400)	(453)	(719)	(650)	(599)	(1 694)	(1 967)	(2 147)
<b>EBITDA</b>	<b>27</b>	<b>13</b>	<b>73</b>	<b>61</b>	<b>(13)</b>	<b>176</b>	<b>121</b>	<b>189</b>
Non-recurring items	(2)	(22)	0	7	(6)	28	1	6
Depreciation	(20)	(20)	(25)	(26)	(26)	(63)	(76)	(83)
<b>Operating profit</b>	<b>6</b>	<b>(29)</b>	<b>48</b>	<b>43</b>	<b>(45)</b>	<b>141</b>	<b>46</b>	<b>112</b>
Net financial items	(27)	(25)	(25)	(29)	(34)	(59)	(88)	(84)
<b>Profit before tax</b>	<b>(21)</b>	<b>(54)</b>	<b>23</b>	<b>13</b>	<b>(78)</b>	<b>82</b>	<b>(42)</b>	<b>28</b>
Tax on ordinary profit	6	9	(6)	(4)	22	(23)	12	(14)
<b>Net ordinary profit</b>	<b>(15)</b>	<b>(45)</b>	<b>17</b>	<b>9</b>	<b>(56)</b>	<b>59</b>	<b>(30)</b>	<b>14</b>
Minority interest	0	(1)	0	9	3	3	12	3
Majority interest	(15)	(44)	17	0	(60)	55	(42)	11
Earnings per share	<b>(0.32)</b>	<b>(0.92)</b>	<b>0.35)</b>	<b>0.19</b>	<b>(1.16)</b>	<b>1.21</b>	<b>(0.62)</b>	<b>0.29</b>

### Harvesting

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
<b>Operating revenues</b>	<b>126</b>	<b>132</b>	<b>192</b>	<b>174</b>	<b>134</b>	<b>494</b>	<b>500</b>	<b>626</b>
Operating expenses	(102)	(108)	(135)	(142)	(127)	(364)	(405)	(472)
<b>EBITDA</b>	<b>24</b>	<b>24</b>	<b>57</b>	<b>32</b>	<b>7</b>	<b>130</b>	<b>95</b>	<b>154</b>
Non-recurring items	(2)	(22)	0	1	0	28	1	6
Depreciation	(9)	(11)	(12)	(12)	(13)	(29)	(38)	(40)
<b>Operating profit</b>	<b>13</b>	<b>(8)</b>	<b>45</b>	<b>21</b>	<b>(7)</b>	<b>129</b>	<b>59</b>	<b>120</b>

### Processing Norway

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
<b>Operating revenues</b>	<b>240</b>	<b>266</b>	<b>409</b>	<b>327</b>	<b>239</b>	<b>1 149</b>	<b>975</b>	<b>1 414</b>
Operating expenses	(237)	(273)	(395)	(305)	(260)	(1 100)	(960)	(1 373)
<b>EBITDA</b>	<b>4</b>	<b>(7)</b>	<b>14</b>	<b>22</b>	<b>(21)</b>	<b>49</b>	<b>15</b>	<b>42</b>
Depreciation	0	0	0	0	(6)	0	(6)	0
<b>Operating profit</b>	<b>(7)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>	<b>(7)</b>	<b>(21)</b>	<b>(22)</b>	<b>(26)</b>
<b>Operating revenues</b>	<b>(3)</b>	<b>(13)</b>	<b>7</b>	<b>14</b>	<b>(35)</b>	<b>28</b>	<b>(13)</b>	<b>15</b>



### Processing Denmark and Sweden

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
<b>Operating revenues</b>	131	144	161	155	143	474	459	618
Operating expenses	(125)	(137)	(154)	(146)	(138)	(453)	(438)	(590)
<b>EBITDA</b>	6	8	6	10	6	20	21	28
Depreciation	(3)	(3)	(3)	(3)	(3)	(11)	(9)	(14)
<b>Operating profit</b>	2	5	3	6	3	10	12	14

### Processing France

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
<b>Operating revenues</b>	-	-	131	121	125	-	378	-
Operating expenses	-	-	(127)	(115)	(123)	-	(365)	-
<b>EBITDA</b>	-	-	4	6	3	-	13	-
Depreciation	-	-	(2)	(2)	(2)	-	(6)	-
<b>Operating profit</b>	-	-	2	4	1	-	7	-

### Parent company and eliminations

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
<b>Operating revenues</b>	(70)	(76)	(101)	(67)	(55)	(246)	(224)	(322)
Operating expenses	64	65	93	58	48	223	200	288
<b>EBITDA</b>	(6)	(11)	(8)	(9)	(7)	(23)	(24)	(34)
Non-recurring items	0	0	0	6	0	0	6	0
Depreciation	(1)	(1)	(1)	(1)	0	(2)	(1)	(3)
<b>Operating profit</b>	(7)	(12)	(9)	(3)	(6)	(25)	(19)	(38)

**Balance sheet - Assets**

NOK million					
	<b>30.09.07</b>	<b>31.12.07</b>	<b>31.03.08</b>	<b>30.06.08</b>	<b>30.09.08</b>
Intangible assets	1 125	1 299	1 340	1 345	1 344
Tangible fixed assets	789	895	970	949	974
<b>Total intangible/tangible fixed assets</b>	<b>1 914</b>	<b>2 193</b>	<b>2 310</b>	<b>2 294</b>	<b>2 318</b>
Financial interest-bearing fixed assets	117	117	102	104	100
Financial interest-free fixed assets	6	7	19	11	13
Shares and other equity investments	32	43	43	42	40
<b>Total financial fixed assets</b>	<b>156</b>	<b>167</b>	<b>164</b>	<b>156</b>	<b>153</b>
<b>Total fixed assets</b>	<b>2 070</b>	<b>2 361</b>	<b>2 474</b>	<b>2 450</b>	<b>2 471</b>
Inventory	224	229	392	406	403
Interest-free short-term receivables	342	289	428	456	457
Liquid assets	0	0	0	8	9
<b>Total current assets</b>	<b>136</b>	<b>189</b>	<b>51</b>	<b>45</b>	<b>60*</b>
<b>Total assets</b>	<b>702</b>	<b>708</b>	<b>872</b>	<b>915</b>	<b>929</b>
Intangible assets	<b>2 772</b>	<b>3 069</b>	<b>3 346</b>	<b>3 365</b>	<b>3 400</b>

\*) Liquid assets including unused drawing facilities amount to NOK 65 million as at 30.09.08

**Balance - Equity and liability**

NOK million					
	<b>30.09.07</b>	<b>31.12.07</b>	<b>31.03.08</b>	<b>30.06.08</b>	<b>30.09.08</b>
Total shareholders' equity	980	947	959	934	876
Minority interests	18	87	105	113	122
<b>Total shareholders' equity and minority interests</b>	<b>998</b>	<b>1 034</b>	<b>1 063</b>	<b>1 047</b>	<b>998</b>
Provisions and other interest-free long-term liabilities	283	339	365	376	350
Interest-bearing long-term debt	1 131	1 230	1 325	1 343	1 404
<b>Total long-term liabilities</b>	<b>1 414</b>	<b>1 569</b>	<b>1 691</b>	<b>1 719</b>	<b>1 754</b>
Interest-free short-term debt	291	380	501	435	451
Interest-bearing short term debt	69	86	91	163	197
<b>Total short-term liabilities</b>	<b>359</b>	<b>465</b>	<b>592</b>	<b>599</b>	<b>648</b>
<b>Total shareholders' equity and liabilities</b>	<b>2 772</b>	<b>3 069</b>	<b>3 346</b>	<b>3 365</b>	<b>3 400</b>

**Cash flow statement**

NOK million	Quarterly development					Year to date		Year
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	2007	2008	2007
Profit before tax	(21)	(54)	23	13	(78)	82	(42)	28
Sales losses/gains	0	0	-	-		(43)		(43)
Depreciation and amortisation	20	21	25	26	26	62	76	83
Changes in other net operating assets	4	145	(223)	(58)	15	(83)	(266)	63
<b>Cash flow from operating activities</b>	<b>4</b>	<b>112</b>	<b>(176)</b>	<b>(19)</b>	<b>(38)</b>	<b>19</b>	<b>(232)</b>	<b>131</b>
Cash flow from investing activities	23	(163)	13	(76)	(15)	(95)	(78)	(258)
Cash flow from financing activities	(14)	104	25	89	68	63	182	167
<b>Total cash flow reporting period</b>	<b>12</b>	<b>53</b>	<b>(138)</b>	<b>(6)</b>	<b>15</b>	<b>(14)</b>	<b>(129)</b>	<b>39</b>
Cash and cash equivalent at the beginning of period	<b>124</b>	<b>136</b>	<b>189</b>	<b>51</b>	<b>45</b>	<b>150</b>	<b>189</b>	<b>150</b>
<b>Cash and cash equivalent at end of period</b>	<b>136</b>	<b>189</b>	<b>51</b>	<b>45</b>	<b>60</b>	<b>136</b>	<b>60</b>	<b>189</b>
Not utilized credit facilities	70	70	70	38	5	70	5	70
<b>Cash and cash equivalent at end of period, incl. credit facilities</b>	<b>206</b>	<b>259</b>	<b>121</b>	<b>83</b>	<b>65*</b>	<b>206</b>	<b>65</b>	<b>259</b>

\*) Aker Seafoods has a new commitment from its bank to increase long-term credit facilities with MNOK 109.

**Statement of changes in shareholders equity**

NOK million	Quarterly development		Year to date		Year
	Q3 2007	Q3 2008	2007	2008	2007
<b>Shareholders equity at the beginning of the period</b>	<b>1 003</b>	<b>934</b>	<b>963</b>	<b>947</b>	<b>963</b>
Net profit	(15)	(60)	55	(42)	11
Translation differences	(6)	12	(12)	8	(8)
Capital contribution	-	(2)	(38)	(37)	(37)
Pro forma adjustments	(3)	(9)	10	0	17
<b>Own Shares</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Shareholders Equity at the end of the period</b>	<b>980</b>	<b>876</b>	<b>980</b>	<b>876</b>	<b>947</b>

## Notes to the interim accounts for the third quarter of 2008

### 1. Introduction – Aker Seafoods ASA

Aker Seafoods ASA is a company domiciled in Norway. The summary unaudited consolidated accounts for the third quarter of 2008, finalized at 30 September 2008, embrace Aker Seafoods ASA and its subsidiaries (hereafter referred to as “the group”) and the group’s share of associated companies and joint ventures. The consolidated accounts for 2007 and interim reports are available at [www.akerseafoods.com](http://www.akerseafoods.com).

### 2. Confirmation of the financial framework

The consolidated accounts for the third quarter have been prepared in accordance with the regulations of the Oslo Stock Exchange and International Accounting Standard (IAS) 34 on interim reporting. The interim accounts do not contain all the information required in the complete annual accounts, and should be read in conjunction with the consolidated accounts for 2007. No new International Financial Reporting Standards (IFRS) have been issued since the consolidated accounts for 2007 were finalized. However, some amendments have been made to various standards – including IAS 27, IFRS 2, IFRS 3 and IAS 32. These amendments have no significant impact on the accounts for Aker Seafoods ASA.

### 3. Accounting principles

The accounting principles applied in the interim report are unchanged from the consolidated accounts for 2007, and are described in the annual report for that year.

### 4. Estimates

Preparation of the interim accounts involves the use of judgements, estimates and assumptions which affect the application of the accounting principles and the carried amounts for assets and liabilities, income and expenses. The actual results may deviate from these estimates.

The most significant judgements made when applying the group’s accounting principles and the most important sources of uncertainty in the estimates when preparing the interim accounts were unchanged from those outlined in the consolidated accounts for 2007.

### Definitions

This report accords with IAS 34, and the accounting principles applied herein are consistent with those which will be utilized in the group’s annual report.

### EBITDA

Earnings before interest, tax, depreciation and amortisation.

### IQT

Individual transferrable quota. This scheme allows an owner to consolidate and/or transfer fishing quotas between its various vessels.

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