Annual report **2007**

Aker Seafoods™

part of Aker

Innovation through generations

Aker Seafoods is an Aker company. Shared values and an innovative spirit are long-standing traditions that forge active industrial development.

People create Aker companies. Ever since Aker was established in 1841, innovation and commitment drive us. Several Aker companies have roots that date back to the 1700s – to the industrial revolution in Great Britain and the Nordic countries.

Aker has a long history of industrial innovation. In recent decades, Aker companies have strengthened their market position as preferred partners in global growth markets: energy resources, energy technologies, maritime technologies, seafood, and marine biotechnology.

Aker is an active industrial holding company. Aker companies are developed and strengthened through organic growth, acquisitions, restructuring and focusing of businesses.

People who are willing to take on challenges and have the ability to deliver innovative solutions constitute Aker's heritage. Aker's generations of dedication and know-how, combined with today's technologies and tools, yield tomorrow's products, services, and industrial solutions.

Aker companies, with a total of 27 100 employees on five continents, had 2007 operating revenues totaling NOK 62 billion.

Aker Seafoods ASA

Seafood company that harvests, processes, and sells white fish

Aker Floating Production

Owns, operates, and charters FPSO vessels

Aker Drilling

Operator of the world's two most advanced drilling rigs

Aker Solutions*

A leading supplier to the energy sector worldwide

Aker Oilfield Services

Subsea well maintenance and intervention specialists

Aker DOF Supply

Shipowner building a fleet of anchor handling vessels

Aker American Shipping

Premiere US shipowner for product and shuttle tankers

Aker Philadelphia Shipyard

The most modern and cost-effective US shipyard

Aker Exploration

Innovative, technology-driven offshore exploration company

Aker BioMarine

Biotechnology company that develops high-value products from krill

Aker Clean Carbon

Pioneering CO_2 capture technology with patented solution

Aker

Active industrial owner – creates and develops companies

* *The Board of Aker Kværner AA has submitted a proposal to the 3 April 2008 annual general meeting that the company change its name to Aker Solutions ASA.*

This is Aker Seafoods

Business and locations

Aker Seafoods is a leading international seafood group with the focus on harvesting, processing and sale of whitefish. Its head office is in Oslo, and it has operations in Norway, Denmark, Sweden, the UK and Spain.

Size

Aker Seafoods achieved operating revenues of NOK 2 336 million and earnings before interest, tax, depreciation and amortisation (EBITDA) of NOK 189 million in 2007. With 986 personnel in Norway, the group is one of the largest employers in the Norwegian fishing industry. It employs a total of 1 324 people in Norway, Denmark, Sweden and the rest of Europe. Aker Seafoods delivers fresh fish products 364 days of the year, and ranks as Europe's largest whitefish harvesting group. Its integrated value chain creates a close link between harvesting and processing. Harvesting by the group's own vessels provides about half of the raw material consumed at its Norwegian processing plants. The harvesting operation comprises 14 active trawlers in Norway and two operational trawlers in Spain. Its processing business embraces a total of 10 wholly-owned plants in Norway and Denmark and a small production facility in Sweden. The group is also part owner of one production plant and sole owner of two conventional units in Norway's Finnmark county.

Markets and customers

Products from Aker Seafoods are marketed mainly to the Nordic countries and the rest of Europe. The group has close links with the largest food retailing chains, further processing companies and suppliers of branded products in Europe and the USA. Acquisitions in 2007 have strengthened its position as a European supplier of high-quality seafood.

Ownership

The largest shareholder in Aker Seafoods ASA is Aker ASA, with 65 per cent of the shares. Foreigners owned 6.5 per cent of the stock at 22 February 2008.

Aker Seafoods:

Historical facts

- **1994:** Norway Seafoods was established with Kjell Inge Røkke as president and only employee. Skaarfish Group AS was its first acquisition of a fishery operation in Norway
- **1995:** Norway Seafoods formally took over American Seafoods Company and associated companies
- **1996:** Norway Seafoods acquired Foodmark, a Danish holding company which primarily embraced the Thorfisk and Thorfisk Trading subsidiaries. The process of acquiring Melbu Fiskeindustri, J. M. Johansen and associated trawler companies began, and marked the start to the whitefish commitment in Norway
- **2000:** Swap deal with Findus. Norway Seafoods sold Frionor and acquired a plant and trawler interests in Hammerfest
- **2001:** New legislation in the USA specified that American fishing vessels must be at least 75 per cent owned and controlled by nationals. During 2002, Norway Seafoods sold completely out of American Seafoods Company
- **2004:** Norway Seafoods secured a majority shareholding in Lofoten Trål AS after acquiring the shares owned by Vestvågøy local authority
- **2005:** Change of name to Aker Seafoods and a stock market listing in May. The flotation followed the acquisition of West Fish-Aarsæther AS and Nordic Sea Holding AS
- **2006:** The holdings in Nordic Group and Aker Seafoods Ålesund were divested as part of the group's restructuring plan
- **2007:** Aker Seafarms was established as the group's spearhead for whitefish farming and rearing at home and abroad
- **2007:** Aker Seafoods Denmark A/S acquired Swedish fresh fish producer and distributor Fiskmäster'n through the purchase of assets from Domstein Enghav AB
- **2007:** Aker Seafoods acquired 60 per cent of Spanish fishing vessel owner Pesquera Ancora S.L., and 50 per cent of processing and reception specialist Norwegian Fish Company Export AS

Highlights of 2007

Contents

Financial calendar 2008

3 April	Annual general meeting 2007
25 April	Interim report Q1 2008
7 August	Interim report Q2 2008
28 October	Interim report Q3 2008

Aker Seafoods reserves the right to amend these dates

Strong market for whitefish

- Prices continued to increase for cod and haddock fillet products
- The average landing price for cod rose by eleven per cent from 2006[1]
- Average export prices for fresh and frozen fillets in the finished-product market increased by ten and 17 per cent respectively from 2006[2]

[1]) *Norwegian Fishermen's Sales Organisation*
[2]) *Norwegian Seafood Export Council (EFF)*

Weak harvesting and raw material shortages in Norway during second half

- Substantial progress for profits after the first half, with a 12 per cent rise in sales and 37 per cent improvement in EBITDA
- Difficult harvesting and raw material position in the second half, with landings down by 24 per cent from the year before
- Aker Seafoods had an EBITDA of NOK 189 million, compared with NOK 195 million in 2006
- The EBITDA margin declined from 9.2 per cent in 2006 to 8.1 per cent

Extraordinary expenses and raw material shortages effected EBT

- Book gain on the sale of M/tr *Vesttind* had a positive one-off effect of NOK 42 million
- NOK 36 million in special items related to Norway's nitrogen oxide tax and confiscation of catches as well as a judgement for damages for patent infringement

Fleet strengthened

- Aker Seafoods acquired a whitefish quota at the start of 2007, with a delivery obligation in Finnmark
- Aker Seafoods acquired 60 per cent of Spanish vessel owner Pesquera Ancora S.L. in October 2007, and thereby controls two operational Spanish trawlers with fishing rights in the Barents Sea
- M/tr Vesttind was replaced with a newer vessel in August
- Aker Seafoods acquired 34 per cent of the shares in Finnmark Kystfiske
- Aker Seafoods acquired the combined fresh/freezer trawler M/tr *Soløyvåg*
- In December, the government approved the acquisition by Aker Seafoods of 0.23 individual transferable quotas (ITQs) for cod and haddock as well as 1.764 ITQs for saithe

Strengthening of primary and secondary processing

- Aker Seafoods acquired Fiskmäster'n in the second quarter from Domstein Enghav Sweden
- Aker Seafoods acquired 50 per cent of the shares in Norwegian Fish Company Export AS (NFC) in July
- Aker Seafarms was created in 2007, with the focus on whitefish ranching and farming

Greater focus on environment and market

- The nitrogen oxide tax introduced by Norway on 1 January 2007 had a negative effect on results. A nitrogen oxide fund was first adopted in 2008
- Environmental protection, traceability and sustainable fisheries are major concerns among European customers, and Aker Seafoods secured several letters of intent with key customers during 2007 concerning deliveries of MSC-certified products in 2008
- Calculations by the Norwegian Directorate of Fisheries show a clear decline in illegal fishing in the Barents Sea

Key figures Aker Seafoods

Orders and results		Pro forma[1] 2007	2006	2005
Operating revenues	*NOK million*	**2 336**	2 120	1 930
EBITDA	*NOK million*	**189**	195	177
EBITDA margin	*Per cent*	**8.1**	9.2	9.2
Net profit/(loss)	*NOK million*	**14**	122	37

Cash flow		2007	2006	2005
Cash flow from operational activities	*NOK million*	**157**	171	114

Balance sheet		2007	2006	2005
Interest bearing debt	*NOK million*	**1 009**	812	1 337
Equity ratio	*Per cent*	**33.7**	36.2	32.9

Share		2007	2006	2005
Share price 31 December	*NOK*	**37.90**	30.00	43.00
Dividends per share[2]	*NOK*	**0.75**	0.75	0.75

Employees		2007	2006	2005
Number of employees 31 December	*Work years*	**1 324**	1 191	1 253

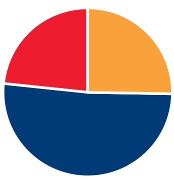
HSE		2007	2006	2005
Sickness absence	*Per cent*	**9.2**	9.3	8.0
Environmental emission[3]	*Tonnes nitrogen oxide*	**1 421**	–	–

[1]) Key figures orders and results for 2007 are pro forma figures. All other figures are formal accounting figures
[2]) Proposed divident for 2007
[3]) Nitrogen oxide emission is not accounted for in 2006 and 2005

Operating revenues
Per segment 2007

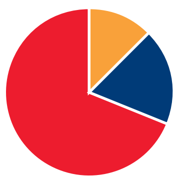
- Harvesting 24%
- Processing Norway 53%
- Processing Denmark and Sweden 23%

Operating revenues
Per segment 2006



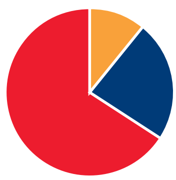
- Harvesting 23%
- Processing Norway 52%
- Processing Denmark and Sweden 25%

EBITDA
Per segment 2007



- Harvesting 68%
- Processing Norway 19%
- Processing Denmark and Sweden 13%

EBITDA
Per segment 2006



- Harvesting 66%
- Processing Norway 23%
- Processing Denmark and Sweden 11%


The preferred
partner

Goals and strategies

Aker Seafoods' strategic plan for the coming years aims to ensure that the group achieves its operational and financial goals. This calls for a systematic focus on the principal strategic targets in the harvesting, primary and secondary processing, and sales and market areas.

Aker Seafoods has four principal strategic targets for the next few years:

Goal	Strategy
Increase raw material supply to the plants	• Aker Seafoods will ensure stable production at its own plants by establishing closer cooperation with external vessel owners and the coastal fishing fleet, by purchasing additional quotas and by further enhancing fleet efficiency in coming years • To increase harvesting and raw material supplies from its own trawlers, and achieve full utilisation of allocated quotas in the respective vessel-owning companies, Aker Seafoods is working to achieve an improvement in today's quota system. The aim is greater flexibility and opportunities to use a combined fishing scheme

Goal	Strategy
Capacity adjustments at the plants	• Further capacity adjustments will be made in the processing business • Upgrading and adjustments will ensure further automation and specialisation, and help to adapt operations and costs to the expected availability of raw materials

Goal	Strategy
Better product mix and enhanced product value	• The Aker Seafoods market strategy involves an even stronger focus on product and market development, including a continued commitment to increasing the proportion of fresh and high-value frozen products. A commitment will also be made in this context to the group's own brands in Scandinavia and to private labels for retail chains

Goal	Strategy
Expansion of the value chain	• Aker Seafoods acquired a production plant in Sweden during 2007 as an important element in its strategy of increasing deliveries of consumer-packed products to the Nordic region • Aker Seafoods announced towards the end of 2007 that it had acquired Viviers de France, which focuses on secondary processing. This acquisition strengthens the group in France and gives access to substantial sales of consumer-packed products in European markets • In Norway, one full and one 0.27th of a licence for cod and haddock were purchased in 2007, plus 1.7 licences for saithe. Aker Seafoods also acquired 60 per cent of Spanish vessel owner Pesquera Ancora S.L. These acquisitions are important elements in the strategy of securing continued growth, and Aker Seafoods is working to increase raw material supplies even further

Unity and commitment

Aker Seafoods' business activities build on our six corporate values, which are shared by Aker companies worldwide.

Our employees' dedication and know-how allow Aker Seafoods to deliver on it commitments to customers.

The values that we share have long traditions. They originated among Aker companies, and have steadily evolved over time, always reflecting the work of the generations at Aker.

Although the companies that comprise Aker generally engage in distinctly different businesses, they share many common cultural features. Aker's six core values are the nucleus of comprehensive, long-term efforts that ensure the companies' vitality under tomorrow's conditions. How the various Aker companies achieve their growth and profitability is no less important than the achievements themselves.

Akers corporate values lend support and guidance in day-to-day priorities and decision-making. Acting in accordance with our corporate values promotes sound actions and reinforces Aker's long-term relations with its many and varied stakeholders.

An effective corporate culture must remain dynamic and responsive. Thus, it is with a combination of humility and pragmatism that Aker works to strengthen and cultivate its shared values.

Solid values are the foundation that enables Aker to achieve sustainable, long-term industrial development. People who "speak the same language" cooperate more easily.

"Corporate values lend support and guidance in day-to-day priorities and decision-making"

Aker Seafoods – Our values in context

HSE mindset

HSE is part of the daily life in the fishing industry. We are all aware of the dangers and risks we face, and accordingly work in a way which avoids hazards.

We work actively and systematically on HSE - the targets we have set ourselves are zero injuries, low sickness absence, high job satisfaction and a good working environment.

A good working environment is everyone's responsibility. We respect differences and treat each other as good colleagues.

Delivering results

We will be a leading group for seafood harvesting and processing.

Each and every one of us will contribute to reaching that goal by taking conscious decisions, working conscientiously and being loyal in our work.

We all know what is expected of us, and work in a structured and purposeful way to ensure that we achieve results which accord with expectations and are among the best in our industry.

Customer care

We will be a natural and reassuring choice for our customers.

Our customers will receive products and service of the right quality, and at the agreed price and time.

We establish a close and confidential collaboration with our customers in order to understand their needs and know our opportunities.

We behave honestly and respectfully towards our customers.

Our values

HSE mindset
We take personal responsibility for HSE because we care

Delivering results
We deliver consistently and strive to beat our goals

Customer drive
Building customer trust is key to our business

People and teams
All our major achievements are team efforts

Hands-on management
We know our business and get things done

Open and direct dialogue
We encourage early and honest communication

People and teams
We are all part of a value chain which yields an end product in which each and every one of us take pride.

We know that a broad collaboration across the organisation gives the best results. We work seriously and purposefully together, while also having fun and celebrating positive events.

We apply and continue developing our knowledge so that we can deliver fish products that satisfy our customers.

Enthusiasm and drive by everyone is fundamental to creating even better results in the long term

Hands-on management
We work in a purposeful and focused manner. We demonstrate what we say through action.

We act in good time, keep our hands on the wheel, and do not postpone jobs we can tackle now.

We know the fishing industry, and know what its problems are.

Open and direct dialogue
We call a spade a spade. Direct and honest communication creates trust and is a driver for innovative thinking.

We tackle problems at an early stage so that they can be corrected.

We are a team with many players, different opinions and great diversity. Everyone must accordingly be listened to, respected and encouraged to say what they think.

We concentrate on the issues, not on the personalities.

Tomorrow's choice:

A market full of opportunity

"By nature and preference, we seek to find the best solutions"

Conditions are entirely favourable for profitable growth by the Norwegian fishing industry and by Aker Seafoods. European customers want more first-class seafood. Prices are rising. Plenty of cod, saithe and haddock are available. But too little fish is nevertheless being landed – far less than quotas permit. This is food for thought in today's market.

Imagine that you had millions of kroner in the bank earning zero interest, and that these assets would disappear from your account at the end of the year. That is the way things have been in the Norwegian fishing industry over the past couple of years. Fish worth hundreds of million of kroner were left unharvested within the available quotas in both 2006 and 2007. The sea is producing, but the organisation of Norway's fishing sector makes it difficult to harvest this output.

Inflexible and technical regulations hamper the conversion of seafood resources into forward-looking jobs and viable local communities. Inadequate raw material supplies mean that workers have to be laid off for periods at the land-based plants. Consumers around Europe want larger supplies of healthy seafood than Norway can deliver, and the industry's profitability does not reflect market demand or the resource base.

Sustainable driver

We at Aker Seafoods want to be a driving force for a sustainable and profitable development of harvesting, processing and sale of first-class fish products for 364 days of the year. We have played this role in the past, and intend to continue doing so.

I am an optimist. By nature and preference, we seek to find the best solutions for our shareholders, employees and customers as well as for the coastal fleet, the environment and the local communities to which our businesses belong. The opportunities are many and the potential great.

We feel in many respects well equipped. Our group is a big player with good market access and a broad involvement in harvesting and processing. Operations in Norway embrace 14 trawlers, 10 filleting and receiving plants, and close cooperation with the coastal fishing fleet. Half the fish processed in our plants along the north Norwegian coast is delivered by coastal fishermen and maintains first-class quality. We also have two operational trawlers in Spain as well as four processing plants and three receiving facilities in Denmark. And we will soon have production operations in France. Sales from our Norwegian and Danish plants totalled more than 7 000 tonnes of fresh fillets in 2007. This means that we daily supply the market with 20 tonnes of fresh fillets, equivalent to about 100 000 dinner portions. In addition comes a substantial volume of frozen fillets, including semi-processed frozen products delivered to other producers.

Foundation for the future

This means that a good foundation has been laid for forward-looking and profitable operation. To develop the possibilities offered along the Norwegian coast, however, we cannot remain stuck in a fine-meshed regulatory net. We are working actively for good, flexible solutions which open opportunities. Measures to strengthen and secure good and stable supplies of raw materials are on our agenda.

Five improvements

The issues can be summarised under five headings:

- **Greater flexibility:** Today's regulatory regime ties the quota to the vessel. Older trawlers with a limited range have no chance of harvesting and landing the volume of fresh fish allowed by their permit. New trawlers have the range, but their quotas are too small. Increased flexibility through a combined fishing scheme, for instance, would make it possible to spread quotas between vessels and ensure a steadier supply of raw material closer to the optimum level.

- **Improved efficiency:** The trawler fleet must be tailored to fish migration patterns. We are planning to reduce our fleet by one or two vessels in 2008, and transfer their quotas to the remaining ships. Our most modern fresh fish vessels can land up to 150 tonnes of fish after a six-day voyage. That allows us both to fish more efficiently and to deliver even more fresh produce.

- **Strengthened collaboration:** We cooperate well with the coastal fishing fleet, but even more can be got out of this collaboration. The coastal fleet normally harvests 80-90 per cent of its cod quota in the space of four winter and spring months. Activity during the autumn is minimal, even though substantial quotas of saithe and haddock remain unfished. The coastal fleet has been given bycatch quotas for cod in 2008, so that the fisherman can put to sea and harvest both saithe and haddock. Unused saithe and haddock quotas should be reallocated as early as possible, thereby increasing landings and reducing the scope of lay-offs at the processing plants.

- **Increased commitment to quality and the environment:** We are working for environmental labelling of fish, and the quality of the end product is becoming more and more important. We collaborate closely with WWF Norway on sustainable harvesting, and are jointly campaigning against illegal fishing. We are accordingly pleased that an agreement on the environment and reducing nitrogen oxides is in place from 2008.

- **Enhanced profitability:** Our financial results for 2007 were not good enough in relation to the size of our investment in vessels and modern land-based plants. The bright spot is growing customer demand for our products. This provides a fantastic potential for greater industrial activity and increased value creation.

These five points on our agenda promise to increase our operating (EBITDA) margins by at least three percentage points in 2008, improving profits by more than NOK 70 million. We can also take pleasure in an increase in all cod, saithe and haddock quotas for 2008, the first such general rise in many years.

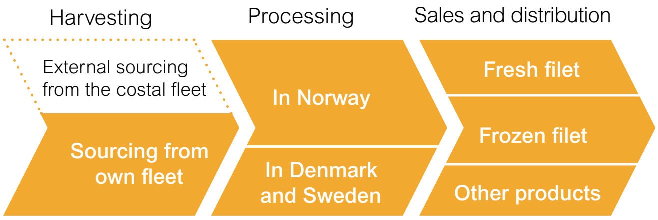
At the same time, it is important to repeat that we have a growing market with a big potential for further growth. This partly reflects a rise in the world population of more than two billion over the past two decades. Forecasts from the UN indicate that both the population and its purchasing power growth will increase significantly in the years to come.

This is what we describe as a market full of opportunities. With more harvesting, growing demand, greater flexibility and more freedom, these possibilities will increase even further. That allows us to administer our responsibility over time and to do our job even better for everyone concerned.

Yngve Myhre
President and CEO
Aker Seafoods

The value chain

The value chain



Harvesting

Aker Seafoods' value chain starts at the harvesting stage, where 14 modern trawlers take cod, saithe and haddock from Norwegian waters. The group also has two operational Spanish trawlers with fishing rights in the Barents Sea. It tailors annual fishing quotas to customer demand, and can offer fresh fish throughout the year. The harvesting stage delivers about half the raw materials consumed by Aker Seafoods.

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Processing

The processing business comprises ten wholly-owned plants in Norway and Denmark, strategically located in relation to fishing grounds. The group also owns a small production facility in Sweden, and is part owner of one production plant and the owner of two conventional units in Norway's Finnmark county. The business has a flexible production chain, based on the product range which offers the best profitability in the market.

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Sales and distribution

The final link in the value chain is sales and distribution, which ensure that harvesting and processing are tailored to customer demand. Aker Seafoods has contracts with a number of Europe's largest food-retailing chains to deliver whitefish products based on first-class fresh raw materials from the north Atlantic.

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Business development in 2007

Aker Seafoods strengthened its primary processing business during 2007 by acquiring 50 per cent of Norwegian Fish Company Export AS. It also boosted the secondary processing segment by acquiring the activities in Fiskmäster'n in Sweden. The fleet was strengthened through the acquisition of 60 per cent of the shares in Spain's Pesquera Ancora S.L. as well as further quotas and new vessels in Norway.

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Harvesting

Tomorrow's choice:

Market desperate for seafood from Barents Sea

Aker Seafoods expanded its operations in 2007, and ranks as one of Europe's largest players for harvesting whitefish. This part of the business embraces 14 operational trawlers in Norway and two in Spain.

Highlights of 2007

- Acquisition of more new quotas and vessels in Norway and Spain
- Whitefish prices continued to rise
- Harvesting revenues rose by 11 per cent
- Revised structural scheme for Norway with individual transferable quotas (ITQs) approved by the Storting (parliament) in June
- Closure of fishing grounds during the second half because of big volumes of fry and small fish gave Aker Seafoods a challenging autumn. A large part of the year's quota for haddock and saithe remained unharvested at 31 December
- EBITDA increased from NOK 149 million in 2006 to NOK 154 million, despite the inability to exploit quotas fully and inflexible regulation in Norway
- New nitrogen oxide tax imposed additional costs on the Norwegian fleet without direct environmental benefits in 2007

An expansion in 2007 to 29.6 trawler quotas for cod and haddock and 31.1 for saithe in Norway means that the group has secured the right to harvest about 10 per cent of the total cod quotas north of the 62nd parallel. Through its acquisition of 60 per cent of Pesquera Ancora S.L. during the year, Aker Seafoods can also harvest some 2 300 tonnes of cod in the Barents Sea from quotas held by Spain in these waters. In addition, the group is able to participate in the shrimp fishery, and to harvest saithe in the North Sea and Greenland halibut off that island.

Integrated value chain

Many factors must be taken into account when planning vessel-operating patterns. The good fishing seasons must be exploited to achieve cost-effective harvesting. At the same time, customers must be supplied with fish for the market every day throughout the year. Employees at sea and on land also depend on year-round activity to achieve an adequate occupational income, and tailored shift arrangements ensure that fishing personnel have opportunities to combine work with necessary leisure. However, customer requirements have a high priority. This has prompted Aker Seafoods to spread its quotas as evenly as possible over the whole year, thereby allowing it to offer fish when others are unable to do so.

The group's vessels are a common sight on the fishing grounds during festivals such as Easter, Christmas and the New Year. Nine of its 14 operational trawlers were active over the Christmas and New Year holidays in 2007 to ensure that fish was subsequently available for customers. This is necessary if the market is to get the supplies it needs for the seafood counters, and illustrates that Aker Seafoods takes the market and its customers seriously.

Increased landing regularity

The volume harvested by Aker Seafoods in 2007 totalled about 60 000 tonnes of whitefish and shrimp (round weight), divided between such species as cod, haddock, saithe, halibut, redfish and shrimp.

Norway's ITQ schemes for the coastal and high-seas trawler fleets, which permit quotas to be concentrated on fewer vessels, were improved in 2001–05. The Storting resolved in June 2007 to retain the main principles of the established ITQ schemes for the Norwegian trawler fleet. Aker Seafoods has utilised these new structural arrangements to implement a restructuring of its trawler fleet, and is considering further changes in 2008. That has given the company's harvesting business greater opportunities for year-round operation of its trawlers. On average, each vessel has doubled its harvested volume since the restructuring began in 2001. That makes it possible to bring quality fish to the market throughout the year, while also giving work on the vessels more of the character of year-round jobs.

However, the autumn of 2007 reminded Aker Seafoods that "fishing is fishing". Important grounds were closed for long periods to protect large volumes of fry and small fish. That made it difficult to achieve efficient harvesting and stable landings for the fillet industry.

Total whitefish landings from Norwegian vessels declined substantially in the second half after some increase during the first six months. The group also sees that the fish are now moving further away from the coast, which calls for new modes of operation and more modern vessels to help ensure regular landings and optimum quota utilisation. The fresh fish trawlers in Aker Seafoods faced particular challenges in operating efficiently during the second half, and are less able to exploit saithe and haddock quotas than the freezer trawlers. Aker Seafoods holds 10 per cent of whitefish quotas in Norway, and could probably have harvested at least 10 per cent of the remaining Norwegian saithe and haddock quotas if its operations and the regulatory regime were closer to optimum levels. The unharvested quotas represented a total landing value of almost NOK 500 million at 31 December. Aker Seafoods has accordingly been pursuing a close dialogue for some time with the industry's organisations and the government on better regulation of the fleet. The group sees that some improvements have been proposed for the fleet in 2008, and is hoping for greater flexibility to ensure that quotas are utilised closer to optimum levels in the years to come.

Macro factors and risks

Aker Seafoods operates in an industry where many macro factors are significant for its revenues and profitability. The most important of these include:

- The group exports about 80 per cent of all its production in Norway and Denmark, including indirectly raw materials from the harvesting business. Changes in the exchange rate of trading currencies, particularly the Norwegian krone, normally have a big effect on the development of the group's profitability. The same applies to demand-related variations in landing prices for the most important species harvested by the group. A sharp decline in the exchange rate for the USD during 2007 also had a negative effect on fish prices obtained in dollar-related markets.

◄ *M/tr K. Arctander.*

- Aker Seafoods depends on being able to operate its vessels year-round in order to optimise the interaction between market, processing industry and fleet. Closed fishing grounds, limited quota flexibility and late re-allocation of remaining quotas in Norway meant that the fleet was unable to make full use of quotas for several species. With an older fleet of fresh-fish trawlers, Aker Seafoods could be vulnerable if fishing grounds near the coast are closed, and migratory patterns for the fish indicate that vessels must sail further out to find catches. The group has intensified its dialogue with the authorities on the regulatory regime, and has clear hopes that improved regulations can be in place for the years to come.

- Illegal fishing has been conducted on a substantial scale in recent years, with a negative effect on the whitefish quotas received by Norwegian trawlers. However, there are clear indications that the volume of "black" catches is declining. Norwegian cod, haddock and saithe quotas have all been raised in 2008 for the first time this century. That largely reflects an outstanding commitment by the authorities in Norway and internationally to reducing the scale of illegal fishing and to limiting sales opportunities for such catches in the market.

- The trawlers in Aker Seafoods' harvesting business consume relatively substantial quantities of bunkers, and oil price trends affect profit margins in this area. A tax of NOK 15 per kilogram was also imposed on nitrogen oxides released in 2007, despite a Storting decision that this levy should be balanced by an investment fund for reducing such emissions. This fund is in place for 2008, however, with the fishing fleet contributing NOK 4 per kilogram of nitrogen oxides to it.

A sea of opportunities

Demand for seafood is greater than ever, but supplies of whitefish harvested in the wild are limited on the world market. This means that the Norwegian seafood industry is continuing to expand, and could export fish and other products worth some NOK 37 billion in 2007. The fishing fleet also set new records, with the landing value of catches by Norwegian vessels almost NOK 12 billion for the year. Norwegian fish is sought-after in the market, and increased demand from important customers and new market segments has helped to enhance value creation. The Norwegian Fishermen's Sales Organisation reported a rise in value of no less than NOK 405 million for 2007, corresponding to a 16 per cent increase from 2006 for all fish landed from Møre to Finnmark. According to the organisation, the price increase was substantial for most of the important fish species harvested by Aker Seafoods – amounting to 11 per cent for cod, nine per cent for saithe and seven per cent for haddock.

Aker Seafoods' Spanish subsidiary experienced a significantly better operating year in 2007, after the number of operational vessels was reduced from four to two. The company expects improved operating efficiency and better whitefish prices for the products to be harvested and produced in coming years, which will help to improve its results even further.

The trend in landing prices for saithe is very important for Aker Seafoods, and the group has increased the proportion of this species in the overall volumes harvested during recent years. Unfavourable exchange rates meant that the saithe market was somewhat weaker in 2007, but reduced quotas for Alaskan pollock mean that acceptable prices are expected for the group's vessels in 2008. The price paid to trawlers in the group for saithe declined somewhat during 2007 from the year before.

A total of 551 000 tonnes of whitefish (round weight) were landed in 2007 at Norwegian fish reception facilities and processing plants, including 216 000 tonnes of cod, 72 000 tonnes of haddock and 223 000 tonnes of saithe[1]. This was a reduction from 585 000 tonnes the year before, reflecting a decline of two per cent for cod and 13 per cent for saithe. Catches of haddock and other whitefish species increased somewhat. Aker Seafoods' harvesting business landed just under 60 000 tonnes (round weight) of whitefish and shrimp in 2007 compared with about 55 000 tonnes the year before.

Developments in 2007

The harvesting business area had a very good first half, with excellent catches and margins for the 14 operational Aker Seafoods vessels. During the second half, many important fishing grounds in the Barents Sea were closed because of an excessive proportion of small fish. This was challenging in the short term, but is promising in a longer perspective. It reduced harvesting rates and quota utilisation for the Aker Seafoods fleet. During the second half, harvesting rates for Aker Seafoods' trawlers were accordingly eight per cent lower than in the same period of 2006.

Source: Norwegian Directorate of Fisheries

That naturally contributed to a reduction in margins. In addition, the group caught substantially more saithe in 2007. Lower prices meant that margins in this fishery failed to yield the results expected by Aker Seafoods at the beginning of the year.

The Aker Seafoods fleet was also affected by the current pressure on the shipbuilding industry. Three of the group's most modern freezer trawlers needed class surveys/conversion work during the autumn of 2007. Dockings at present take longer and are more expensive than before because of major capacity challenges at the shipyards. This also contributed to lower-than-expected harvesting volumes and margins in the second half. Generally speaking, however, the Norwegian fishing fleet made progress in 2007 and the Aker Seafoods harvesting business set new records for value creation and profits. This business area has achieved a substantial increase in sales since 2003, combined with a reduction in the number of operational trawlers from 21 to 14 through restructuring. The fleet accordingly has a robust foundation for efficient harvesting and operation, and constant improvements are being achieved in underlying operations and operating margins.

Sales and EBT margins rose during 2006. The rise in sales from 2006 was no less than 11 per cent, to NOK 626 million. EBITDA increased from NOK 149 million to NOK 154 million, an improvement of three per cent, while the EBITDA margin declined from 26.5 per cent to 24.5 per cent. Activities in Spain helped to draw margins down a little, since these still have lower margins than in Norway. Bunkers costs for the fleet in Norway, including the nitrogen oxide tax, rose by NOK 11 million from 2006. This affected the EBITDA margin by 1.7 per cent. Adjusted for the rise in bunkers, extraordinary docking costs and closed fishing grounds, the harvesting business is still on its way to achieving the long-term goal of an EBITDA margin in excess of 30 per cent. But this will depend on quotas being fully utilised in future.

Aker Seafoods invested heavily to increase quotas during 2007. Some 1.4 trawler licences were acquired during the year, while the group invested roughly another NOK 80 million in Spanish quotas and vessels. It also invested in the Norwegian fleet with the acquisition of M/tr *Soløyvåg* and the replacement of *Vesttind* with *Polaris*, later renamed *Vesttind*. In addition comes involvement in several partnerships with the coastal fleet in Norway, where Aker Seafoods has assisted local owners to obtain an increased quota base with subsequent quota restructuring.

These represent important strategic moves for strengthening the group's raw material positions, and Aker Seafoods expects its profits to benefit from these investments on land and at sea in 2008.

Goals and outlook for 2008

In recent years, Aker Seafoods has acquired vessels with quotas and industrial operations. That gives the group's harvesting business a unique opportunity to service this market for 364 days a year with quality fish from its own trawlers in Norway and Spain, collaborating coastal vessels in Norway and Denmark and its own processing facilities. The group occupies a strong position in several important markets, and has established mutual alliances with important customers in order to share jointly in market growth.

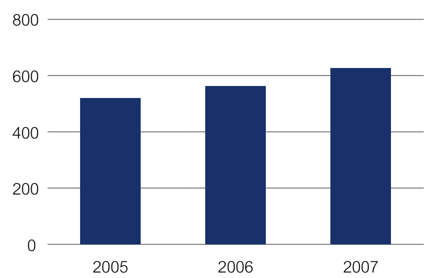
The group's own trawlers, harvesting around the year, are important for the ability to implement such a market strategy. Aker Seafoods is making a conscious commitment to increasing the share of fresh fish it delivers, and this has contributed to good progress for profits since the group was listed in 2005. Aker Seafoods has submitted an application to the Ministry of Fisheries and Coastal Affairs for a trial scheme with combined fishing for trawlers covered by a delivery obligation. If this application is accepted, the proportion of fresh cod can probably be further increased while operating margins are strengthened for both fleet and industry.

Norwegian quotas in 2008 have been increased by about 1.3 per cent for cod, 3.3 per cent for haddock and no less than 11 per cent for saithe. Cod quotas for the group's Spanish vessels are expected to remain stable. This is the first year since 2000 that Norwegian quotas for all three species have been raised. With continued growth in prices and improved utilisation of existing quotas, it should be possible to boost harvesting revenues even further.

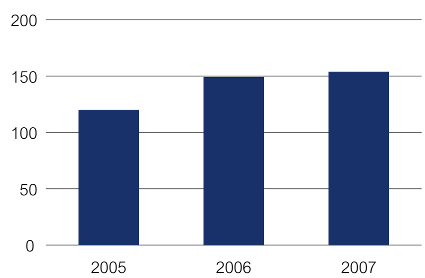
An increased quota base and continued restructuring in 2008 encourage expectations that the harvesting business area will be able to expand its revenues substantially during the year. The most efficient vessels will be allocated quotas of saithe and haddock which older vessels have previously been unable to exploit. For Norway as a fishing nation, whitefish worth several hundred million kroner – primarily haddock and saithe – remained unharvested in 2006 and 2007. Aker Seafoods believes the quota base can be utilised better than it has so far been possible through continued restructuring for its own trawlers and future regulatory improvements. The group has ambitions of achieving an average EBITDA margin of more than 30 per cent for its harvesting business by 2008–09, assuming that costs and fuel taxes remain at the 2006 level.

Key figures harvesting		2007	2006	2005
Operating revenues	NOK million	**626**	563	520
EBITA	NOK million	**154**	149	120
EBITDA margin	Per cent	**24.6**	26.5	23.2
Volume harvested Norway	Tonnes (H/G)	**40 378**	39 851	41 363
Employees at 31 Dec	Work-years	**419**	341	337

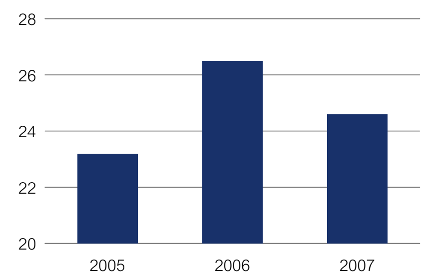
Operatig income development
NOK million



EBITDA development
NOK million



EBITDA margin development
Per cent



Tomorrow's choice:

Big supplier to an expanding fresh fish market

Aker Seafoods' processing plants currently represent more than 50 per cent of filleting capacity in Norway. The group also plays a leading role in Europe, and witnessed a substantial rise in demand for whitefish in all segments and markets during 2007.

The processing business in Aker Seafoods saw the proportion of fresh fish in its fillet production stabilise during 2007 at about 27 per cent. Raising this share to 30–35 per cent by the end of 2009 is the goal, and an increase is expected in 2008. That will be achieved by expanding the plants which primarily produced frozen products in 2007. The acquisition of operations in France and Spain is also expected to provide increased opportunities for selling a larger share of fresh fillets in the future.

Aker Seafoods' processing plants account today for more than 50 per cent of filleting capacity in Norway, making the group a substantial supplier to a growing fresh-fish market. The principal output of the processing business is fresh and frozen fillet products as well as salted fish and fresh-packed whole fish.

Aker Seafoods has a total of six processing plants in Norway, four in Denmark and one in Sweden. Its Norwegian plants are located at Båtsfjord, Mehamn, Kjøllefjord, Hammerfest, Melbu and Stamsund. The group also has its own or leased receiving facilities at Vardø, Skarsvåg, Tromvik and Skårvågen, as well as being part owner of Tobø Fisk AS in Havøysund. Continuous and systematic efforts are being made to increase purchases of fresh fish through all the plants and partners along the Norwegian coast in order to secure raw materials for the group's processing plants.

Aker Seafoods' Danish operation, Aker Seafoods Denmark A/S, comprises four production facilities which primarily deliver fresh and frozen fillet products and further-processed products to the retail sector. A significant proportion of the fresh fish packed by the modified atmosphere process (MAP) sold through Danish retailers is delivered from the Aker Seafoods plant at Grenaa in Denmark. Fiskmäster'n in Sweden, which was acquired from Domstein Engav i 2007, is accounted for within the business area processing Denmark and Sweden. The operation consists of production activities in Kungshamn, which produces MAP products to the Swedish market.

Processing at the plant in Hammerfest.

Annual output from the Aker Seafoods processing business totals 14 620 tonnes of fillet products, 3 000 tonnes of salted fish, 3 500 tonnes of iced fish and about 2 800 tonnes of MAP products. In addition come some 100 tonnes of king crab and 11 000 tonnes of bycatches/byproducts such as animal feed, fish liver and roe.

The business area had 894 employees in 2007 and annual sales of NOK 1 956 million.

Unique advantages

Aker Seafoods' plants are strategically located in relation to the various fishing grounds. Combined with the delivery of about half the raw material consumed from its own trawlers, this gives Aker Seafoods a unique competitive advantage in its ability to deliver fresh and single-frozen quality products.

Technology development attracts great attention at Aker Seafoods, in line with its ambition to be in the forefront with innovations which help to enhance quality and efficiency.

Special frame conditions call for tailoring of operations

The Norwegian fishing industry is subject to a detailed set of laws and statutory regulations. These are demanding, but the group's plants comply with and adapt to them.

One of the biggest challenges is posed by the strongly seasonal character of the cod fishery, with the bulk of quotas harvested during the first five months of the year. This means that a large proportion of the haddock quota remains unharvested because many vessels have no cod quotas later in the year which they can use simultaneously. Aker Seafoods accordingly welcomed the decision by the authorities to allocate the regional cod quota for 2008 to the bycatch scheme for the autumn. This will boost availability of cod at a time of year when this species is in short supply, and means not least that a large number of vessels can fish their full haddock quota with the regional cod quota as a bycatch.

Aker Seafoods works continuously to reduce seasonal variations and to provide its plants with fresh raw material outside the main seasons. Securing its own trawler quotas is a key issue in this context, together with spreading reception capacity geographically in order to embrace all seasonal fisheries at both local and national level.

Active efforts are also being made by Aker Seafoods to exploit species such as saithe and haddock in order to reduce dependence on cod in fillet production. The group experienced a big rise in demand for haddock in 2007, which also yielded a long-awarded and relatively large price increase. However, prices for saithe products were under pressure from dollar-denominated alternatives such as Alaskan pollock.

Highlights of 2007

- Sharp increase in prices for fresh and frozen products, particularly cod and haddock, with the focus on raw material quality and utilisation
- Increased supply of raw material from the coastal fishing fleet, but the harvesting pattern poses challenges for stable operation in that large parts of the quotas are caught early in the year
- Challenging supply of raw materials in the second half because of inflexible quota scheme, which meant that much of the saithe and haddock quotas remained unharvested by 31 December.
- Capacity adjustments are under way to adapt operations and costs to the available raw material base
- Acquisition of a 50 per cent holding in Norwegian Fish Company, with plants in Sørvær and Berlevåg
- Price boost for cod-based finished products after Iceland adopted a sharp 32 per cent reduction in cod quotas for the year commencing 1 September 2007
- Entered into agreement to acquire 70 per cent of Viviers de France

Macro-economic factors and risks

According to figures and information from the authorities, the relatively high level of illegal fishing which has been conducted in the Barents Sea showed a marked decline in 2007. That was very good news for the industry and also prompted a rise in the recommended cod quota from fisheries scientists, since the level of "black" harvesting included in the calculations could be reduced. Maintaining good

Sorting of fish at the plant in Hammerfest.

and focused efforts by governments and organisations in this area is important.

Illegal cod fishing affects Norwegian players in three areas:

- Reduced cod quotas, since the authorities take account of illegal fishing when determining quota sizes
- Smaller direct landings by Russian vessels in Norway
- Lower prices for finished products as a result of production in low-cost countries based on fish caught both illegally and legally, without it being possible to distinguish between these categories when the products reach the market

Increased output of whitefish in low-cost countries has also sharpened competition over double-frozen products. In practice, this has made it impossible for players in Norway to operate in these markets.

Aker Seafoods has worked in recent years on adjusting operations at all its plants in order to adapt to changed conditions for markets, supply and competition. The shift towards a higher proportion of fresh fish and changes to the product mix in the frozen fish portfolio are examples of this.

Market conditions

The processing plants owned by Aker Seafoods operate in the fresh and frozen fillet market, with fillets, portions and blocks as their principal products. In addition, the group is involved in the markets for salted fish, fresh whole fish, and king crab.

In the fillet market, Aker Seafoods has six processing plants, with more than 50 per cent of the market for land-based output. In addition come four processing plants in Denmark and a small unit in Sweden.

The group is more of a niche producer in the salted fish, whole fish and king crab markets, supplying special sizes and grades to specific markets. Production of salted fish and icing of whole fish are tailored at all times to the requirements of fillet output in order to ensure optimum utilisation of raw materials.

Aker Seafoods Denmark A/S produces a number of products based on saithe, cod, haddock, plaice, salmon, tuna, trout and exotic species. The range includes fresh products in bulk, fresh MAP consumer-pack fish products, and frozen processed products. The company also pursues a variety of trading and distribution activities with products from Aker Seafoods' Norwegian plants as well as from external suppliers in Iceland, the Faroes and the USA.

France, the UK, Germany, the USA and the Nordic region provide the main markets for fresh and frozen fillets as well as fresh whole fish, whilst Spain and Portugal are the most important customers for salt fish. Asia is the principal outlet for king crab today, but interest in this quality product is also growing in European markets.

Aker Seafoods' main competitors in the fresh fish market are players in Iceland, Denmark and Norway. Where frozen fish is concerned, the toughest competition comes from low-cost countries. Aker Seafoods has distanced itself to a greater extent from this low-price segment, however, and now primarily serves customers seeking single-frozen and fresh fillet products.

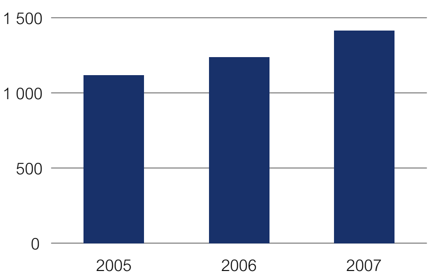
Developments in 2007

The most important positive trends in 2007

Key figures processing Norway		2007	2006	2005
Operating revenue	NOK million	**1 414**	1 237	1 117
EBITDA	NOK million	**42**	53	49
EBITDA margin	Per cent	**2.9**	4.3	4.4
Fresh fish proportions	Per cent	**24**	24	22
Employees (31 Dec)	Work years	**612**	544	610

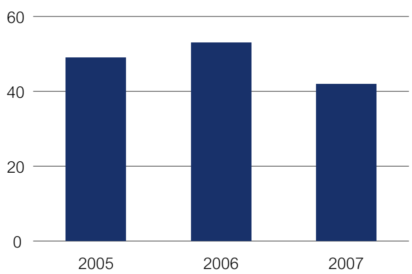
Operating income development Norway

NOK million



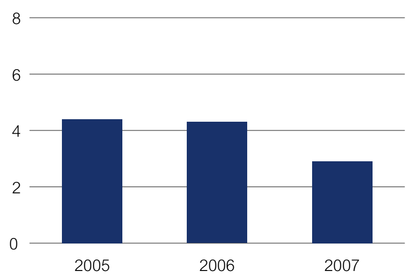
EBITDA development Norway

NOK million



EBITDA margin development Norway

Per cent



were a substantial increase in demand for whitefish from all segments and markets. Aker Seafoods saw demand grow strongly for fresh products in France, the UK and other key markets, while it also increased for single-frozen fillet products. Thanks to the decline in illegal fishing, the group also enjoyed higher demand for salted fish and klipfish. Taken together, this also yielded price rises in every category. These were as high as 20 per cent for certain product groups.

The processing Norway business area had operating revenues of NOK 1 414 million in 2007, compared with NOK 1 237 million for the year before. EBITDA came to NOK 42 million as against NOK 53 million in 2005. This reduction primarily reflected the difficult raw material position in the second half of 2007, when landings through the Norwegian Fishermen's Sales Organisation declined by 24 per cent from the same period of 2006. Limited supplies of cod meant that Aker Seafoods produced a larger proportion of saithe, which have a significantly lower margin. Raw material prices also rose sharply, with the increase for cod being roughly 17 per cent from 2006.

Aker Seafoods is also achieving good prices in a strong market. The rise in average prices from 2006 was 14 per cent for frozen cod fillets and ten per cent for fresh cod fillets.

With both restructuring and adjustments at the group's processing plants and the proportion of fresh products set to continue increasing, the group expects further growth in EBITDA for processing in the years to come. However, raw material prices are also likely to go on rising. This means that Aker Seafoods must continually succeed in improving its product mix and efficiency.

Operating revenues for the processing Denmark and Sweden business area were NOK 618 million in 2007, compared with NOK 616 million the year before. EBITDA came to NOK 28 million as against NOK 25 million. The EBITDA improvement in Denmark primarily reflected increased sales and earnings for MAP consumer packed fish and higher revenues for frozen products. The fresh fish part of the business continued to struggle with low earnings and declining sales because of the difficult quota position in the EU and unstable raw material supplies in Norway. New products based on farmed cod contributed to positive results in 2007, and the management is accordingly planning to intensify its commitment to farmed cod and new species in 2008.

Satisfactory results were achieved on both top and bottom lines by the MAP business in Denmark in 2007, and this positive trend is expected to continue in 2008. The acquisition of Fiskmäster'n AB from Domstein Enghav in Sweden (described in the business development section) further reinforces Aker Seafoods' position as a leading producer of fresh fish in the Nordic region. The improvement processes launched by Aker Seafoods Denmark during 2007 are expected to yield further improvements in the top and bottom lines for 2008.

Goals for 2008

A number of ambitious goals have been set for the processing business in 2008 and beyond. Clear ambitions have been expressed for a substantial growth in margins and profitability from 2007, and these call for close follow-up and increased supplies of fish in the second half. Specific action plans have been developed, which are being pursued at all levels.

Key aspects of this work include:

- Increased supplies of raw material
- A commitment to live catches and rearing of cod/haddock through Aker Seafarms and Mare
- Further specialisation and tailoring of capacity on the plant side
- Improving the product mix and average prices for fillet products, boosting the average price per kilogram of cod fillets from NOK 61 in 2007 to at least NOK 64 in 2008
- A stronger focus on exploiting bycatches, byproducts and iced whole fish
- Measures to enhance efficiency and quality

Outlook for 2008

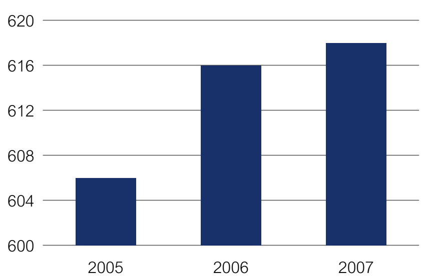
Competition over raw materials is continuing to sharpen in 2008 as a result of growing demand for Norwegian fish. This reflects not least a reduction in volumes on offer from such nations as Iceland, which has cut its cod quota by 32 per cent for the harvesting year from September 2007 to August 2008, as well as a decline in illegal fishing. All in all, this is positive for the Norwegian fishing industry, and the group will focus great attention on the best way to exploit the opportunities it provides in the market in order to offset tougher competition/higher prices on the raw material side with increased revenues in the processing stage through product adaptations and changes.

Combined with expectations that the cod fishery will remain strongly seasonal, this will present challenges regardless for companies operating in the fresh fish market.

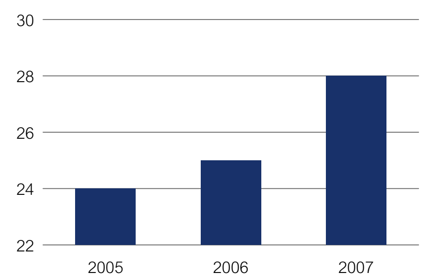
Aker Seafoods expects a continued growth in demand for fresh fish, and the past two years have shown that this market is very competitive in price terms. The group sees that the market for frozen products is also experiencing extensive changes, and is witnessing large price rises for freshly frozen products.

Key figures processing Denmark and Sweden		2007	2006	2005
Operating revenue	NOK million	**618**	616	606
EBITDA	NOK million	**28**	25	24
EBITDA margin	Per cent	**4.5**	4.1	4.0
Fresh fish proportions	Per cent	**66**	62	62
Employees (31 Dec)	Work years	**279**	270	275

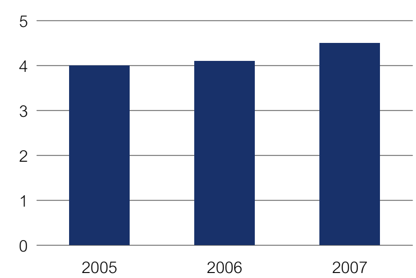
Operating income development Denmark and Sweden NOK million



EBITDA development Denmark and Sweden NOK million



EBITDA margin development Denmark and Sweden Per cent



Tomorrow's choice:

Aker Seafoods – a flavour of the future

From its sales offices in Norway, Denmark, Sweden and the UK, Aker Seafoods serves some 300 customers in Europe, the USA and Asia.

Aker Seafoods delivers fresh fillets and loins on a daily basis to several leading food retailing chains in Europe from its processing plants in Norway, Denmark and Sweden. The group is also a major supplier of frozen fillet products to food retailing chains in the Nordic region and central Europe. Aker Seafoods produces not only for private labels but also for its own local branded products.

Sales activities are spread between five offices in Ålesund, Oslo, Grenaa (Aker Seafoods Denmark A/S), Kungshamn (Fiskmäster'n AB) and Grimsby (Aker Seafoods UK Ltd).

All sales from Norwegian companies in the group are handled by the Ålesund and Oslo offices. Ålesund deals in fresh products, while Oslo concentrates on selling frozen products.

The Grenaa office handles all sales functions for Aker Seafoods Denmark, which embrace fresh products in bulk, fresh MAP fish products in consumer packs and frozen processed products. This company also pursues a variety of trading and distribution activities with products from Aker Seafoods' Norwegian plants as well as from external suppliers in Iceland, the Faroes and the USA.

Sales and order reception are handled by the Kungshamn office for Fiskmäster'n, which was acquired from Domstein Enghav AB in May 2007 (described in the section on business development). This subsidiary produces MAP and vacuum-packed fresh fish products for the Swedish retail market.

The Grimsby office is involved in selling whitefish products from the group's Norwegian and Danish plants as well as in some trading from overseas markets.

Competitive advantages

Aker Seafoods is the largest supplier in Europe for whitefish harvested in the wild, and a leading producer of fresh and frozen whitefish products. It has a substantial share of the market for Norwegian fillet exports and accounts, for instance, with about 50 per cent of the country's foreign sales of fresh cod fillets and loins.

With 11 wholly-owned filleting plants in Norway, Denmark and Sweden, the group is by far the largest supplier of fresh and frozen whitefish products in the Nordic region, and controls more than 50 per cent of Norway's filleting capacity. In addition to its own fleet, which meets about half its raw material needs, fish is sourced from 40 different receiving facilities and plants in Norway, Denmark and Sweden.

Aker Seafoods will maintain its commitment to fresh products in 2008, and MAP consumer packs of fresh fish are one of its strategic priority areas. Fresh products can usually be priced better than frozen, while facing little competition from low-cost countries in Asia and eastern Europe.

Aker Seafoods Denmark is listed with its own Thorfisk brand of MAP fish products in the four largest Danish chains. The company has a dominant share of this market in Denmark and, with an annual output of more than 2 500 tonnes of fresh fish in MAP consumer packs and 12 years of experience, ranks as the leading producer for this type of product in the Nordic region.

Fish is distributed daily from the Grenaa plant to more than 700 stores throughout Denmark.

Through the acquisition of Fiskmäster'n, Aker Seafoods has now also secured a strong position in the Swedish market within this product sector.

Highlights of 2007

- Sales to some 300 customers in more than 20 European, American and Asian nations
- Leading market position for fresh processed cod and haddock in Europe
- Solid price increase for cod and haddock products in 2008
- Leading producer of fresh fish in consumer packs for the Nordic region, with production facilities in Sweden and Denmark
- Positive results from processing and sale of farmed cod
- Decision on MSC environmental labelling for saithe – probably also cod and haddock during 2008

Market conditions

The cod quota in the Barents Sea is being increased by 1.3 per cent in 2008, with quotas for saithe and haddock rising by 11 and 3.3 per cent respectively.

Despite the higher quotas for saithe and haddock, no price reduction is expected for these species. Demand for fresh and frozen haddock products and for salted saithe and cod is clearly growing. Aker Seafoods expects to increase its market share in these areas during 2007. Global fishing is stagnat-

ing, with aquaculture currently unable to fill the gap between supply and demand. Good and stable market conditions are accordingly expected for 2008.

Developments in 2007

Aker Seafoods continued to grow its market share for highly processed frozen products, and clearly ranks today as the leading producer in the Nordic region for consumer packs of frozen fish for private labels.

The group's share of the Danish market for fresh consumer packed products continued to expand in 2007, and a contract was secured early in the year with yet another major Danish chain covering the sale of fresh products under the Thorfisk brand.

Demand for fresh products continued to rise during 2007, and prices for cod and haddock have now stabilised at a relatively high level. The biggest challenge will be to maintain the level of service with fresh products – farmed cod could come to play an important future role here.

Prices rose substantially for all cod, haddock and saithe product categories during 2007, but declining raw material deliveries in the second half made it difficult to maintain a satisfactory level of service. Efforts are being made to secure a better structure and to stabilise raw material supplies in 2008.

The principal markets for fillets and fresh whole fish are France, the Nordic region, the UK, Germany, Benelux and the USA, with Spain and Portugal as the most important outlets for salted fish. Asia is currently the main market for king crab, but a growing volume of this product is being sold in the domestic market and to the rest of Europe.

With the exception of the UK, progress was made with both demand and prices in all the above-mentioned markets during 2007. Expected to continue in 2008, this trend primarily reflects a general increase in demand for high-quality products.

Aker Seafoods is now selling more fresh saithe in the UK and Denmark because of MSC certification (see below). This is also expected to have a positive effect on exports of saithe to Sweden, Germany, France and Switzerland.

Turnover by principal markets in 2007 was as follows:

Market	Share
Nordic region (NO, DK, SE and FI):	37%
France:	28%
UK:	8%
Belgium:	5%
Germany:	5%
Portugal:	5%
USA and Canada:	3%
Switzerland:	3%
Netherlands:	2%
Spain:	1%
Italy:	1%

MSC certification

Environmental protection, traceability and sustainable fisheries are major concerns among European customers. The Marine Stewardship Council (MSC), the leading independent organisation for certification and marketing of fish from sustainable fisheries, has been selected as the environmental label for Norwegian saithe. Enjoying a high status internationally, the MSC is used by a number of major chains and brands in marketing their fish products. This label has secured a particular foothold in Sweden, Germany, Switzerland, the UK and to some extent France.

Environmental considerations also represent a key element in Aker Seafoods' marketing strategy, and active efforts are being made to have Norwegian Arctic cod and haddock MSC-certified during 2008. A number of the well-known cod stocks in the EU have been overfished, and many consumers and environmental organisations fail to distinguish between sustainable supplies from the Barents Sea and threatened stocks in the Baltic and North Sea. Aker Seafoods takes the view that the MSC is a good tool for informing customers in Europe and the rest of the world that top-quality fish can be found on the market, and that this comes from sustainable fisheries in the Barents Sea.

See the article on page 28 for further information about the MSC.

Goals for 2008

Through product development and an increased level of processing for both fillets and semi-processed products, Aker Seafoods expects to boost the value of fillets even further in 2008. The group sees a big potential for haddock in particular from exploiting a larger proportion of the fish for high-value products such as loins, vacuum-packed and fresh fillets. But new cod and saithe products also offer interesting opportunities. More cod

Development in cod fillet prices: Aker Seafoods

Goal 2006/2007 (from IPO)

Product	Price NOK	Share
Fresh loins	70.00	30%
IQF loins	55.00	20%
Wet packed, tails	44.50	30%
Block	30.00	20%
Price (average)	**51.35***	

Actual result achieved 2007

Product	Price NOK	Share
Fresh loins		24%
IQF and vacuum		33%
Wet packed, tails		23%
Block		20%
Price (average)	**61.00**	

Adjusted goal 2008/2009

Product	Price NOK	Share
Fresh loins		> 30%
IQF and vacuum		
Wet packed, tails		
Block		< 20%
Price (average)	**64.00**	

* IPO target assumed 2005 raw material prices

and saithe portions, which once would have been used in frozen products, are being now sold fresh, for instance.

The average value of cod fillets was NOK 51.35 per kilogram in 2006. While the goal for 2007 was NOK 58, Aker Seafoods achieved an average of NOK 61. The target for 2008 is to exceed NOK 64, primarily by improving the group's product mix. The tables above present price developments for the product mix involving cod fillets. Rising demand and landing prices will contribute to higher goals for the future.

Outlook for 2008

Fresh highly processed fish products represent one of the fastest-growing categories in the European food sector. Aker Seafoods is well positioned to participate in this expansion. The group has a unique sourcing network, access to raw materials from its own trawlers and reception facilities, and its own filleting plants along the north Norwegian, Danish and Swedish coasts. Aker Seafoods is geared to continue developing the processed fish category in direct and close cooperation with its customers.

Aker Seafoods' commitment to product development and marketing will be further strengthened in 2008. Conscious efforts will be made to tailor products to local markets. A general commitment will also be made to developing new products based on additional species as well as byproducts and semi-processed products from the group's own production.

In addition, Aker Seafoods is planning to introduce products under its own local brands with traceability and origin details clearly displayed on the packaging. The group intends to continue its drive for environmental labelling, traceability and sustainable fisheries.

Aker Seafoods has concluded a formal environmental collaboration with WWF Norway, and is simultaneously giving strong support to the work of environmentally certifying the Norwegian fisheries in the Barents Sea. Saithe will become the first Norwegian species accredited as sustainable by the Marine Stewardship Council. The group regards this as a major market opportunity, and expects applications to certify Norwegian Arctic cod and haddock during 2008.

The Aker Seafoods product range now also embraces farmed cod, which is sourced both in-house via Mare AS, which specialises in rearing wild whitefish, and externally from Norwegian fish farms. Aker Seafoods regards farmed cod as an exciting opportunity, and will intensify the job of developing and marketing fresh and frozen products from this raw material in 2008. Species such as farmed salmon and trout are playing an increasingly important role for Aker Seafoods, and others are under consideration for inclusion in the product range.

Key figures

Sales and distribution do not form a separate profit centre. Key figures for these activities are included in those for the processing business area.

Tomorrow's choice: Aker Seafoods' new priority areas

Aker Seafoods strengthened its fleet as well as its primary and secondary processing businesses in 2007 through acquisitions and collaboration agreements. That provides a basis for continued profitable growth.

Commitment to the coastal fleet

Aker Seafoods followed up closer collaboration with the coastal fishing fleet in Norway during 2007, and established a partnership with two coastal fishing vessel companies in Båtsfjord during the third quarter. It contributes to their financing in return for deliveries of fresh fish to its own plants at market price. Aker Seafoods wants to help strengthen local fishing communities in the places where it has operations. Local coastal fleets deliver a larger share of their quota outside the main seasons, and are therefore important for ensuring stable raw material supplies throughout the year to the group's processing plants.

The group already held interests in two coastal fishing vessel companies in Finnmark county – Finnmark Kystfiske AS, with a direct holding of 34 per cent, and Kvitnakken AS, with a 44 per cent interest.

Aker Seafoods purchased about 31 000 tonnes of fresh fish from the Norwegian coastal fishing fleet in 2007, and thereby increased its share of total landings in Norway from the year before.

Government seafood strategy

Helga Pedersen, the minister of fisheries and coastal affairs, told the Ground Fish Forum on 18 October 2007 that the following areas were important cornerstones of the government's seafood strategy:

- Better and more stable supplies of fresh fish for the industry
- Increased collaboration between the processing and aquaculture sectors
- Improved seafood quality through better systems for traceability and labelling of the fish.

The seafood strategy is extremely important when one considers that landings in the third quarter of 2007 declined by no less than 30 per cent. Should the authorities succeed this time with specific negotiations which give the industry greater predictability – and larger raw material supplies – Aker Seafoods believes that it could yield increased value creation and enhanced profitability for the industry. The group has long called for the introduction of better systems for seafood labelling so that consumers can see where the products are harvested and processed. Aker Seafoods will accordingly contribute constructively with further proposals to the government and industry organisations, so that these measures can be implemented to the benefit of the whole seafood business.

Strategic growth

Fiskmäster'n AB

Aker Seafoods Denmark A/S acquired Sweden's Fiskmäster'n in the second quarter of 2007 through the purchase of assets from Domstein Enghav AB. Its principal activity is packing fresh salmon and whitefish in portion packs at the processing plant in Kungshamn for sale to Swedish supermarkets. Sales in 2007 were roughly SEK 26 million in eight months. Establishing this activity gives Aker Seafoods access to the Swedish market for fresh fish products.

Norwegian Fish Company Export AS

Aker Seafoods acquired 50 per cent of the shares in Norwegian Fish Company Export (NFC) in the third quarter of 2007. This company has its head office in Kristiansund, plus processing plants at Sørvær and Berlevåg, which pack fresh fish and produce a small amount of fillets. NFC has also been an important strategic partner for Aker Seafoods in recent years, delivering substantial quantities of fresh fish to the group's processing plants.

Accounts for NFC were consolidated with Aker Seafoods from the third quarter of 2007. The company is owned 50 per cent, so that half the results are classified as minority interests. NFC figures for the whole year are included in the tables.

Pesquera Ancora S.L.

Aker Seafoods Denmark acquired 60 per cent of the shares in Spanish fishing vessel owner Pesquera Ancora SL, which is based at Vigo in Spain. This company has a cod quota totalling 2 350 tonnes for 2008 in the Norwegian economic zone and the Svalbard zone. It also has a quota of 80 tonnes for Greenland halibut off Canada as well as the potential to acquire cod quotas in the same area should stocks there increase and a total quota be set.

The company owns four trawlers rigged for pair trawling. Two of these vessels have been put on sale. Minor modifications will be made to the remaining ships to shift production on board to frozen and fresh products. The company had sales of EUR 5 million in 2007 and achieved an EBITDA margin of 22 per cent.

Pesquera Ancora also owns 51 per cent of Transfarex, which in turn holds 24 per cent of the shares in Faroe Seafood A/S. The latter operates eight trawlers and six production facilities in the Faroes.

Four of the trawlers, including two delivered as newbuildings from Spain, were acquired in the autumn of 2007 and will first have a full effect on operations from 2008. The company is expected to harvest roughly 20 000 tonnes directly in 2008, principally saithe.

Faroe Seafood is one of the largest suppliers of frozen saithe fillets in Europe, but also produces salted and fresh fish. Its raw material consumption in 2007 totalled about 40 000 tonnes. The company's EBITDA margin was three per cent, which is expected to improve in 2008 because of increased harvesting by its own vessels.

Viviers de France

Aker Seafoods reached agreement in December 2007 on the acquisition of 70 per cent of the shares in Aquafinance SA, sole owner of Viviers de France. The founders and other key executives will continue to own 30 per cent of the shares.

The company's primary activity is processing fresh fish into fresh consumer packs, which are sold to leading food-retailing chains in France. About 9 000 tonnes of finished products were produced in 2007, with salmon accounting for 55 per cent, trout for 25 per cent and whitefish for 20 per cent. In addition, it pursues reception of and trading in fresh whitefish and farming of turbot (250 tonnes) and trout (4 000 tonnes). Viviers de France had 2007 sales of EUR 64 million and an EBITDA margin of about five per cent.

Acquiring Viviers de France strengthens and complements Aker Seafoods' position in the French market and its relationship with the country's food retailing chains. The group will have better opportunities for processing

”In 2008, Aker Seafoods will increase its cod farming activity substantially”

and sale of redfish and new farmed species, while synergies can be realised in fresh whitefish sales.

Trout farming is pursued at five locations in southern France and one in northern Spain. Overall annual production is about 4 000 tonnes, of which 75 per cent is used in the company's own production. The remainder is sold externally, often to producers who sell under trademarks as locally produced food (such as label rouge). That is one reason why the market will be less exposed to fluctuations in spot prices than non-French producers.

The final agreement on acquiring the shares was signed in January 2008, and the transaction is expected to be closed during March. Viviers de France will be consolidated in the Aker Seafoods accounts with effect from 1 January 2008.

Aker Seafarms and cod farming

Aker Seafarms reached agreement in December 2007 on the acquisition of 30 per cent of the shares in Mare AS, a subsidiary of Tobø Fisk AS in Havøysund. Aker Seafoods already owns 38 per cent of Tobø Fisk. Mare has pursued rearing (sea ranching) of cod harvested in the wild since 2002. This activity is expanding, and has yielded satisfactory results in recent years. Mare produced and sold about 400 tonnes of cod caught alive and then cage-reared.

Increasing this activity substantially is one of the goals for 2008, as is expanding the geographic scope of the business to other parts of Finnmark.

As part of its fresh fish strategy, the government has resolved to give vessels delivering live-caught fish a 25 per cent supplementary quota. This will make an important contribution to expanding such catches and the subsequent sea ranching. Cod purchased for rearing are usually slaughtered in September-November, a period when fish for production and sale are in short supply.

The transaction was completed during the first quarter of 2008, and will be included in the Aker Seafoods accounts from 1 January 2008. Acquiring a direct 30 per cent holding in Mare gives the Aker Seafoods group an interest of more than 50 per cent, directly and indirectly, in this company. Final acquisition of the shares is conditional on concluding a final set of agreements, and on board approval of this package.

Rupert Howes

Rupert Howes became Chief Executive of the Marine Stewardship Council (MSC) in October 2004. The MSC is the world's leading marine eco-labelling and certification programme for wild capture fisheries. Operating from offices in Tokyo, Sydney, London, Seattle and the Hague, the organization's overarching objective is contribute to reversing the decline in wild capture fisheries, perhaps the second biggest sustainability challenge facing the world after global climate change, by identifying and promoting 'the best environmental choice' in seafood. Rupert is based in MSC's London offices.

Prior to joining the MSC, Rupert was Director of the Sustainable Economy Programme at Forum for the Future, the UK's leading sustainable development organisation set up by Jonathon Porritt, Chair of the UK Government's Sustainable Development Commission (SDC). Whilst at the Forum, Rupert's core responsibilities included leading work programmes on climate change and carbon accounting, resource efficiency, the rural economy and other areas associated with economic transformation.

Previously Rupert was a Senior Research Fellow at the Science Policy Research Unit, Sussex University and a Research Officer at the International Institute for Environment and Development (IIED).

He is a qualified Chartered Accountant (ICAEW) and holds an MSc in Environmental Technology from Imperial College, London and a BA (Econ) Hons from Sussex University.

Tomorrow's choice:

Eco-labelling

The Marine Stewardship Council (MSC) operates the leading and most widely recognised independent certification and eco-labelling programme for wild capture fisheries in the world.

The organisation was established in 1997 and became fully independent of its founders in 1999. Its overarching objective is to make a meaningful contribution to reversing the decline in global fisheries and to deliver real and lasting improvements in the marine environment by identifying and creating market incentives for environmentally well-managed and sustainable fisheries. The MSC is pro fishing and supportive of the global fishing industry but wants to see all fisheries managed on a sustainable basis for the benefit of this and future generations and the security of fishing communities livelihoods around the world who are dependent upon the maintenance of healthy and productive marine eco-systems.

The Fishery Assessment Process

MSC as the standard setter does not actually certify anything itself. Fishery (and chain of custody) assessments are undertaken by independently accredited third party certifiers and the process itself is science and evidence based and premised on a high degree of stakeholder engagement, transparency and accountability. MSC is the only programme of its kind that is fully consistent with the relevant United Nation's (FAO) Guidelines for credible certification and labelling schemes.

Governance

The organisation is governed by an international and voluntary Board of Trustees drawn from its constituent stakeholders – the fishing industry (capture and processing), retail, environmental non-government organisations (engos), academics and fishery scientists. It also has technical advisory board – the TAB – charged with providing technical guidance on how the MSC standard is applied, providing policy recommendations to the Board of Trustees in response to new science or understanding and formulating Directives on particular policy and technical issues as they arise.

Growing Market Demand for Certified and Labelled Product

As the MSC approaches its tenth year of operating as a fully independent, international non-profit organisation over 80 fisheries around the world are engaged at some stage in the assessment process – this represents over 4 million tonnes of seafood. This total includes several major Norwegian fisheries - the Norwegian North East Artic and North Sea saithe fisheries, North Sea and Skagerrak herring fisheries, and parts of the North East Artic cod and haddock fisheries are all currently under assessment.

By key species categories over 40 per cent of the global harvest of prime white fish, 42 per cent of the global wild salmon harvest and about 20 per cent of the global spiny lobster catch is now either certified or under-assessment.

Market demand for certified and sustainable seafood has also increased dramatically over recent years as more and more major buyers demand independent assurance that their seafood choices are not contributing to the wider environmental and social problems of over-fishing. MSC certification gives them this assurance and also enables their customers to make 'the best environmental choice' as MSC's distinctive blue 'fish tick' logo continues to gain recognition in the marketplace. Strong demand for MSC product, including within major Norwegian export markets such as the UK, Switzerland, France, Sweden and Germany, has seen labelled products quadruple over the last three years to over 1 000 individual labelled products. This represents an estimated 200 million items or more of labelled product sales per year in 36 countries around the world. Many buyers specify MSC given the additional assurance that MSC's chain of custody audit provides in relation to the legality of supplies – no product can carry the MSC logo unless all links in the supply chain, from the fishery through to the final retail or food service outlet have had independent (and annual) audit to ensure systems are in place to ensure certified supplies are segregated from non-certified supplies throughout the supply chain.

It is anticipated that this level of growth and the associated market opportunities it creates for both certified fisheries and suppliers of certified and labelled product will continue for the foreseeable future in response to commitments by several major retailers or retailer associations to source only MSC certified product within specific time frames. Wal-Mart, for example, the world's largest retailer has committed to source only MSC certified wild product for its North American market by 2011. Within Europe, more recently, the Dutch retailer's association (which represents 99 per cent of all Dutch retailers) has made a similar commitment. Many other retailers, such as Sainsbury's in the UK and Metro in Germany, also preference MSC certified supplies in their sourcing decisions.

MSC welcomes the increasing participation of Norwegian fisheries and leading seafood companies like Aker Seafoods in the MSC programme. MSC has always believed that there is strong fit between the Norwegian fisheries sector with its global reputation for good management and MSC's objective of identifying 'the best environmental choice' in seafood. As major seafood buyers around the world continue to demand third party assurance of the sustainability of their seafood choices, MSC very much hopes that the Norwegian industry will be able to seize the growing marketing opportunities this creates for MSC certified and labelled products.

Tomorrow's choice:

Health and environment sell

Both personal and planetary health are becoming increasingly important concerns. This is helping Norway to sell fish like never before.

Figures on seafood exports presented by the Norwegian Seafood Export Council (EFF) and Statistics Norway in January revealed that 2007 had been another record year. The country sold fish and other marine delicacies worth NOK 37 billion to foreign buyers, an increase of NOK 1.5 billion from 2006.

Cod accounted for half the growth in Norwegian seafood value during the year. Underlying record export earnings was a price rise of no less than 12.5 per cent for cod during 2007. Norwegian catches of this species have never before achieved such good prices in the market. Fresh cod fillets topped NOK 100 per kilogram for the year, and the average price was even higher in both August and December. France was the biggest customer for fresh cod fillets from Norway. An average December price of almost NOK 110 per kilogram demonstrated that the French market is very willing to pay for quality fresh fish from Norway.

Two trends

The big success being achieved by Norwegian fish may reflect two international trends in particular. First, opting for healthy food has become a powerful lifestyle trend. Second, the great public attention accorded to global warming has helped to encourage a growing number of people to seek choices which they feel are environmentally correct.

Thanks to the international concern with personal health, terms such as essential amino acids and Omega-3 are on everyone's lips – and seafood on ever more plates. This development is also promising for the future, since young people show the greatest change in attitudes. A survey of Norwegian eating habits published in 2006 showed that the proportion of youngsters who are very or fairly interested in a healthy diet had risen from 36 per cent in 1997 to 48 per cent by 2005. The number of young people who believe that the healthiness of food is irrelevant as long as it tastes good was also steadily declining.

In addition to health concerns, the search for environmentally acceptable lifestyles has rapidly developed into one of society's most important trends. That benefits fish, primarily because an ever growing number of environmentally conscious consumers want to choose products which contribute as little as possible to global warming. Carbon emissions from producing a kilogram of cod fillet are only 1.4–6.7 per cent of the total greenhouse gas released by producing the same weight of steak. Fish is thereby also becoming a more appropriate and important component of many people's menus out of concern for the planet's health.

The EFF reports a growing awareness among both retailers and consumers of environmental and sustainability considerations and of the relationship between food and health. Consumer surveys by the EFF show that Norwegian seafood ranks high for important criteria such as quality, environmental acceptability and availability. According to Terje E. Martinussen, managing director of the EFF, the growth in Norwegian exports shows that the country has products which meet the market's increased requirements and expectations.

Unique position

Norway also occupies a unique geographical position for bringing fresh fish such as cod to the world. Russia and Iceland enjoy similar positions, but there the comparison ends.

Whilst Iceland has cut quotas by a third in the 2007-08 harvesting year, not least because of over-active fishing for a number of years, the position is the reverse in Norway. The fisheries directorate has estimated that illegal cod fishing in the Barents Sea declined by 23 per cent in 2006. That probably reflects both political efforts by Norway and Russia as well as the industry's purchasing controls. Thanks to this reduction, Norway can increase its quotas. Its share of the total quota for Norwegian Arctic cod in 2008 is 202 650 tonnes, an increase of 3 150 tonnes from 2007.

While Russia lies further to the east, both more distant from the European market and with a less well-developed infrastructure, Norway has 750 million consumers within reach by road. Measured by value, 63 per cent of Norwegian seafood exports went to the EU in 2007. And only two non-European countries are among the top 10 importers of these products from Norway.

Fresh fish

Helge Pedersen, the Norwegian minister of fisheries and coastal affairs, launched the government's fresh fish strategy at Husøy in August 2007. She said then that the aim was "to help ensure that Norway's fishing industry secures frame conditions which make better use of our unique advantages, such as closeness to rich fishing grounds, expertise and experience, and proximity to well-paying European markets".

The Aker Seafoods cod farms at Havøysund and Båtsfjord are important and innovative contributions to reaching the goals of this strategy. Live cod are captured in March–April and cage-reared to increase their weight by 50–70 per cent before being slaughtered in the autumn. Aker Seafoods sees that the government is now encouraging this commitment through improved frame conditions. A 20 per cent quota supplement for live-caught cod has been awarded in 2008, for instance.

Exploiting opportunities

The new strategy shows that the fisheries ministry and directorate are open to a dialogue on schemes which can help Norway deliver more fresh fish to a growing world market for seafood. The challenge today is the major seasonal fluctuations in the industry, but not the market.

To ensure that the trawlers make the best possible use of their quotas, the optimum answer for the owners would be a combined fishing solution. This would give them greater opportunities to transfer quotas between ships in the same company. The coastal fleet could also contribute to more stable harvesting and better utilisation of the resources in the sea. This could best achieved through a bycatch quota for cod reserved for the second half of the year. That would allow the coastal fleet to harvest saithe and haddock even if its catch also included some cod. These represent two specific moves which could reduce the poor correspondence between growing opportunities both at sea and in the market on the one hand, and big fluctuations in harvesting and production on the other.

Sustainable fishing

Aker Seafoods cooperates with the WWF to secure a sustainable fishing industry

Tomorrow's choice:

Collaboration safeguards future fishing

Aker Seafoods and the WWF share a common goal of sustainable management and a common fight against illegal fishing. That has given rise to an interesting partnership.

What Aker Seafoods wants is the right market pricing for legally harvested fish and stable raw material supplies for the future. Nature conservation organisation WWF Norway is committed to ensuring biodiversity and a balanced ecosystem. With such goals, the two also have a common enemy: the illegal and unreported fishing which takes place particularly in the Barents Sea. So Aker Seafoods and WWF Norway initiated a collaboration in September 2006, with the fight against "black" or pirate fishing as a priority.

Working together gives results

Cooperation across industries and national frontiers is the only way to fight illegal fishing, and this struggle appears to be yielding results. Both the volume and price of fish exported to such countries as Portugal, the UK and the Netherlands increased markedly last year. It accordingly appears that much of the illegally harvested cod has disappeared from the market, to the benefit of fish caught and sold legally. Another trend which points in the same direction is the growth in landings from Russian vessels in northern Norway and other ports which exercise good control of catches.

Umbrella deal

The decline in illegal fishing over the past few years can probably be attributed to far-reaching common control procedures for purchasing raw materials adopted in 2006. These were developed by the European Fish Processors and Traders Association (AIPCE-CEP). Aker Seafoods was active in the negotiations leading up to this deal, which now also embraces such major companies as Royal Greenland, Frosta, Pickenpack, Espersen, Birds Eye Iglo and FoodVest. Both the WWF and Greenpeace contributed actively to developing the procedures.

These guidelines require in part that companies must not buy Barents Sea cod from trawlers blacklisted by the Norwegian Directorate of Fisheries or other official organisations such as the North East Atlantic Fisheries Commission (NEAFC) or the Northwest Atlantic Fisheries Organisation (NAFO). Because the Norwegian blacklist plays such an important role in this agreement, both Aker Seafoods and the environmental organisations want it to be updated by the government with clearer criteria and much more frequent revisions than at present.

The AIPCE-CEP procedures also require that all harvesting documentation must be logged in accordance with the regulations and reported to the Russian authorities, and that the vessel concerned must not sail under a flag of convenience or tranship cargo to vessels with such flags.

The next steps

The new system of port state control, which the NEAFC put in place on 1 May 2007, could also help to explain the assumed decline in illegal fishing. This deal makes it more difficult to land "black" fish in Europe, which reduces the profitability of catching it. The next challenge will be to make this system global. Systems and environmental labelling which ensure better traceability of the fish are other important steps in the right direction.

A crucial role in the continued fight against pirate fishing will be played by the European Union, since a large proportion of the illegally harvested fish is thought to end up there. The European Commission is currently working on proposals for a wide-ranging strategy to combat illegal fishing. One effect of the collaboration agreement with Aker Seafoods is that the WWF can give detailed comments in the associated consultation process. One of its proposals is in part that the EU establishes an open database of all vessels from the union, which have permission to fish inside and outside its sea areas. Also specifying areas and species for which the vessel has permits, this database should be accessible to government agencies, fish buyers, non-governmental organisations and industry associations.

Follow the money

Ultimately, however, the most important way to combat illegal and unreported fishing in the Barents Sea will be to follow the money trail and thereby identify who really benefits from this criminality. The Russian captain is not the one who makes the big profits, even though he directly confronts the Norwegian coastguards. Dealing with the people behind this business calls for an effort which goes beyond the Norwegian and international fisheries authorities. The National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway and the Interpol could make important contributions, for instance.

Hard hit

International initiatives against illegal fishing are also a question of solidarity with developing countries. Many coastal states in Africa, for instance, are particularly hard hit when food is literally stolen from their plates. Nor are poor countries able to give priority to exercising control and fisheries management in the same way that Norway can, for example. But the consequences are all the greater without the social security net provided by a welfare state like Norway's.

Quotas up

The Norwegian Directorate of Fisheries has estimated that Russian over-fishing in the Barents Sea totalled 101 000 tonnes of cod and 36 300 tonnes of haddock in 2005. Without this illegal harvesting, the Norwegian cod quota could have been at least 50 000 tonnes larger – an increase of roughly 25 per cent of the country's share of Norwegian Arctic cod.

So it is gratifying that the fight against illegal fishing appears to be yielding results. The fisheries directorate's estimate for 2006 was a reduction in such harvesting of 23 per cent for cod and 55 per cent for haddock. Preliminary figures for 2007 show a continued decline.

This also boosts quotas for those parts of the industry which harvest legally and report their catches. Norway and Russia have established a total ceiling of 430 000 tonnes for Norwegian Arctic cod in 2008. The Norwegian share is 202 650 tonnes, up by 3 150 tonnes from 2007. Norway's share of the total haddock quota for 2008 has risen by 2 450 tonnes to 78 500 tonnes.

When the Norwegian-Russian quota agreement was signed in St Petersburg during October 2007, Helga Pedersen, Norway's minister of fisheries and coastal affairs, noted that the higher figures were a direct consequence of the reduction in over-fishing.

Tomorrow's choice:

Waging war through the law

Norway's minister of fisheries and coastal affairs believes that a new bill on marine resources will yield even better results in the fight against illegal fishing.

Proposals to replace the existing Act on Salt Water Fishing, which is almost 25 years old, were presented by the government in late 2007. They aim is to strengthen control of resources, and particularly regulations against illegal fishing.

"We've devoted a lot of effort to ensuring that the new Act will be a good weapon in combating this problem," says fisheries minister Helga Pedersen.

The government's proposals include legally-enforceable traceability requirements and registration for everyone receiving fish from a fishing vessel. That will make it easier to trace catches back to quotas and identify those which could be illegal.

No victory yet

Despite the good results achieved in this battle, Ms Pedersen warns against a victorious mood.

"Work on these regulations must be continually pursued. The struggle against illegal fishing is a fight with criminals who will constantly be searching for legal loopholes."

To make the new Act sufficiently flexible in dealing with new challenges, it confers extensive powers to issue specific rules in later regulations.

Straightforward theft

Ms Pedersen cites three important reasons why both the industry and the Norwegian government should continue the fight against illegal fishing.

"First, we must oppose this because it represents straightforward theft from those sections of the industry which operate legally. Second, our goal is a management which ensures that future generations can also harvest marine resources. A major illegal offtake makes it harder to achieve that. And illegal fishing ultimately undermines the basis for settlement and jobs along our shores."

Nor is the new Act the only important instrument cited by the minister for curbing illegal catches. The fisheries directorate has received an additional NOK 10 million in this year's central government budget to expand its capacity for such work.

Illegal fishing is a matter not only for the Norway's fishing authorities, but also for the law enforcement agencies. The Police College in Bodø has accordingly received funding for a project to develop a course on fisheries crime.

At the political level, Ms Pedersen believes it is important to work through the UN on creating a global system of port state control. Such a scheme was put in place for ports in the north-eastern Atlantic on 1 May 2007. Stronger legal cooperation with Russia is another important goal for the minister.

Norway's minister of fisheries and coastal affairs, Helga Pedersen, believes that a new bill on marine resources will yield even better results in the fight against illegal fishing.

How unreported fishing is measured

Because illegal fishing is naturally also unreported, its scope is difficult to quantify. The following methods have been used to calculate the extent of illegal fishing in the Barents Sea:

1. The WWF in Russia compared daily catches and estimated revenues of vessels holding quotas and fishing permits with the cost of the fish. This established a differential between the catch a vessel needed to be economically viable and the official catch report. The method demonstrated a high level of illegal fishing in 2004, in the order of 100 000-150 000 tonnes of cod.
2. Figures from method 1 were confirmed by comparing daily catches from earlier years, when illegal fishing was thought to be at a minimum, with those of recent years with a high estimated level of such harvesting. This method also found that a number of vessels would have been unprofitable today if they confined themselves to legal catches.
3. A third method utilised by WWF Russia was to compare catches from research and fishing vessels in a given area, to see whether the reported catch accorded with the scientific observations. This approach also indicated that unregistered fishing was probably high.
4. Norway's Directorate of Fisheries and coastguards have produced annual estimates since 2002 of illegal fishing in the Barents Sea. Put briefly, their method involves calculating likely catches and landings of fish on the basis of a vessel's harvesting and storage capacity. This builds on fairly accurate information held by the coastguards about how long and where a vessel has fished. The method is based on data about the vessel's movements, inspections on board and landing information from ports in Norway, the Netherlands and Germany.

IUU fishing

This abbreviation stands for illegal, unregulated and unreported.

- **Illegal fishing** refers to activities which breach laws and regulations applying to the species or waters concerned, such as fishing threatened species or without a quota
- **Unreported fishing** refers to activities which are either not reported or deliberately misreported to the country in which the vessel is registered, the one in which the fish comes ashore, or the organisation which regulates fishing in international waters
- **Unregulated fishing** refers to harvesting of a species or in an area which is not regulated or where regulation is inadequate for protecting the species co cerned

These definitions derive from the UN's international plan of action against IUU fishing, adopted in Rome in 2001.

Taking personal responsibility for HSE

One dangerous incident is one too many. Aker Seafoods's guiding principle is that all accidents are preventable.

Taking care of health, safety and the environment (HSE) is a core value among Aker companies that commits each and every employee to promote better HSE performance through his or her daily actions.

Attention to health, safety, and the environment — and profitability — are two sides of the same coin. Excellent HSE performance is fundamental for long-term value creation. Outstanding HSE conditions secure competitive advantages, desirable workplaces, and sustained profitability.

This focus on HSE factors powers the Group's continuous efforts to put a stop to incidents that can injure people, damage property, harm the environment, or tarnish our reputation.

Ambitious goals

Aker Seafoods's HSE culture is driven by ambitious goals, decisive action, and individual commitment — taking personal responsibility for HSE and demonstrating concern for people, the environment, and the company's stakeholders.

Our overarching goal is zero undesirable incidents that can or do harm people, the environment, or property. Although serious accidents regrettably do occur, we refuse to compromise on our HSE zero tolerance goals.

Risk increases considerably when employees' working procedures, safety equipment, or respect for HSE matters do not comply with the strictest standards. Accordingly, information about HSE factors is treated as a top priority in meetings, and backed up by managerial action.

Driving improvement

Aker managers drive HSE improvements — and they are regularly assessed as to their demonstrated HSE leadership. Aker Seafoods updates its HMS reports quarterly in order to regularly review its HMS status. Everyone reporting on HSE observations, regular follow-up on reports, and the sharing of experience across Aker companies, help to ensure the appropriate focus on HSE, along with quicker achievement of further improvements.

An open attitude about HSE performance, dangerous conditions, health hazards, accidents, and near-accidents increases our chances of reaching our HSE goals and helps foster constant improvement. Building an even stronger Aker Seafoods' HSE culture is a responsibility we all share.

People-driven performance

Aker Seafoods' achievements and profitability are generated by our people, who are willing to take on challenges and deliver solutions.

Teamwork, know-how, and skills are the driving forces for enhanced performance and continual business development. And Aker Seafoods' corporate values guide the development of our people and the company. These values, rooted in the traditions and history of Aker define who we are and the ideals we live by.

Leadership

Aker companies share a common approach to building managerial excellence. We emphasize clear expectations as to performance, individual responsibility, goal follow-up, and comprehensive feedback. Managers are rewarded for their achievements — and for adherence to our values in their work and interactions with staff, subcontractors, and customers.

Systematic appraisals of each manager's performance provides a snapshot of how the company is run. The performance appraisal process also provides a platform for comparison across organizational levels, industry benchmarks, and best practices. Moreover, performance reviews provide fine-tuned guidance that hones individuals' capabilities. This interactive process also ensures that Aker Seafoods assigns the right person to the right job. Recruitment of managerial talent ready to tackle new and more complex tasks is also a priority.

Our commitment

All Aker companies share a commitment to their employees: to establish a working environment that is safe, tolerant, and fair. Employees are given challenging assignments and ample opportunities for development and growth.

Continuous employee development is vital to Aker Seafoods' competitiveness. The power of the company's collective know-how reinforces customer confidence and enhances our ability to win new contracts and execute them profitably.

Aker Seafoods facilitates staff rotation among Aker companies. Wider job experience fosters career growth and helps instill a unified culture of achievement among Aker companies.

Demonstrating social responsibility

Aker Seafoods' overriding concern is to provide products and services in an environmentally sound, ethical, and socially responsible manner.

Our commitment

Aker Seafoods makes the following commitments to its customers, shareholders, employees, and the communities in which we operate.

Our customers can expect:

- Outstanding health, safety, and environmental performance
- To be listened to and understood
- Competitive, on-time, quality deliveries
- An open, long-term and mutually beneficial relationship
- High ethical standards and integrity

Our shareholders can expect:

- To be part of an active and value-creating ownership, full of energy and determination
- Positive, long-term share-price growth
- A decisive management that closely supervises business activities, delivers solid profits, and inspires confidence
- Transparency — accurate, consistent, and timely presentation of financial and other relevant information
- Sound corporate governance

Our employees can expect:

- A safe and inspiring working environment
- Challenging work assignments and opportunities for growth
- A working environment in which diversity is appreciated
- Competitive compensation, relative to the markets in which they work
- To be treated fairly, and with respect

The communities in which we operate can expect:

- Local and regional value creation
- Respect for its inhabitants, laws, and culture
- Value-adding relationships with local partners, subcontractors, and suppliers
- Socially responsible business conduct, integrity, and high ethical standards
- Openness — an open agenda, transparency, and reliability

Our means for achieving growth and profitability are as important as our achievements.

Via a constant focus and actions that reflect our awareness, Aker Seafoods instills confidence among employees, investors, customers, suppliers, cooperation partners, and the communities of which we are a part (see box).

All Aker companies are committed to adhering to guidelines that ensure sound, ethical business conduct and responsible corporate citizenship.

Aker Seafoods' corporate social responsibility policy has its roots in the shared corporate values of Aker and other Aker companies. Other strong influences are internationally promulgated standards and guidelines such as the UN's Global Compact, the Global Reporting Initiative™ (GRI), and OECD's guidelines. The corporate social responsibility policy of Aker Seafoods can be summarized in four guidelines for our day-to-day work.

People: Competent, motivated employees, who work to achieve common goals, are key to the company's success. Diversity as to cultures, religion, and ethnicity makes us stronger and more adaptive. We aim to help each individual reach his or her full potential. A key principle is that each individual must take personal responsibility for health, safety, and the environment. Instilling a proactive, cooperative spirit and reinforcing ethical and quality-conscious work benefit everyone. Efforts that reinforce sound attitudes and conduct further our commitment to protect people's rights and the interests of the company's stakeholders, local communities, and environment.

Environment: Aker Seafoods works systematically to reduce emissions and minimize environmental stress. The greatest long-term service we can perform for the environment is to give our customers environmentally benign products and services. We continuously strive to develop technology, products, and solutions that are consistent with sustainable development.

Integrity: Aker Seafoods depends on a reliable and well-functioning business climate. Our corporate values help ensure integrity and the maintenance of high ethical standards. Potential ethical dilemmas are discussed regularly in forums intended for that purpose, in order to raise awareness and foster the proper use of our ethical guidelines. Aker Seafoods is building a culture that values honesty, openness, and transparency.

Society: Through profitable investments, Aker Seafoods contributes to building excellent relations with the communities where the company has a presence. We want to be a good neighbor. This fundamental principle applies to Aker Seafoods and all Aker companies. Several Aker companies in Norway and worldwide are cornerstone employers and influential constituents of the societies in which they operate.

Gymnastics break at the plant in Hammerfest.


AKER SEAFOODS

Contents

Directors' report for 2007

Aker Seafoods achieved a substantial improvement in profits during the first half, but was affected by a big decline in landings and activity in Norway for the second six months. Pro forma earnings before interest, taxes, depreciation and amortisation (EBITDA) for 2007 came to NOK 189 million, down by NOK 6 million from the year before. A strong market for whitefish in 2007 contributed higher prices for both raw materials and processed fish products.

The group's pro forma operating revenues were NOK 2 336 million, compared with NOK 2 120 million in 2006. This NOK 216 million increase reflected acquisitions during the year as well as price increases for whitefish in both primary and finished-product markets. That was countered by a lower harvested volume in Norway in 2007 owing to a 24 per cent decline in Norwegian whitefish landings during the second half. The latter development reflected the closure of important fishing grounds at times because of a large proportion of small fish, lower haddock catches by the coastal fishing fleet, and a higher share of given quotas – particularly by the coastal cod fisheries – was harvested during the first half compared with the same period of 2006.

EBITDA in the pro forma accounts came to NOK 189 million as against NOK 195 million in 2006. This NOK 6 million decline was among other factors a consequence of the difficult raw material conditions experienced by Aker Seafoods in the second half. Both sales and profits reached a record level in the first half. With lower cod and haddock landings in the second six months, Aker Seafoods' processing business produced a larger proportion of saithe products than normal for that part of the year. These have a lower margin. The rise in landing prices for whitefish had a positive impact on profitability for the harvesting business. Increased raw material costs for cod in the processing business were largely offset by higher prices paid by customers for finished products. However, a strong exchange rate for the Norwegian krone, particularly against the US dollar, had a negative effect on prices for saithe fillet products and margins were very low. This was because substitutes for saithe are usually priced in dollars. Results were also affected by a substantial level of lay-offs in the land-based business, and an eight per cent decline in average harvesting rates on the trawlers in the second half compared with the same period of 2006.

Depreciation and amortisation totalled NOK 83 million (2006: NOK 83 million). Special operating items came to NOK 8 million (2006: NOK 40 million). Consolidated earnings before interest and taxes (EBIT) were accordingly NOK 112 million (2006: NOK 152 million).

Net financial expenses were NOK 84 million. Profit from associated companies was NOK 1 million, while tax expense amounted to NOK 11 million. Net profit for the group was NOK 17 million (2006: NOK 122 million).

The group had an equity ratio of 33.7 per cent at 31 December, and liquidity including unused drawing rights amounted to NOK 259 million. Capital adequacy and liquidity for Aker Seafoods are good.

Group operations and locations

Aker Seafoods is an integrated fishery group which owns a number of Norwegian and foreign fishery companies. The group's primary business areas are the harvesting and processing of whitefish. It ranks as one of the largest employers in the Norwegian fishing industry, and as a leading exporter of whitefish products.

The group has operations in Norway, Denmark, Sweden, Spain and the UK, and the principal markets for its products are Scandinavia and the rest of Europe.

At 31 December 2007, Aker Seafoods had interests in trawler companies in Nordland and Finnmark countries which collectively operate 14 active trawlers and control 29.6 cod licences. The group also owns 60 per cent of a trawler company in Spain, which has two operational trawlers with cod quota licences in Barents Sea.

In its processing Norway business area, Aker Seafoods owned six processing plants at 31 December as well as three wholly-owned and one partly-owned receiving facilities. The group had four whitefish processing plants in Denmark, as well as a small processing facility operated by Fiskmäster'n The group also owns a sales company in the UK.

With its head office in Oslo, the group had 1 324 employees at 31 December – including 338 people employed outside Norway.

Strategic priority areas

Aker Seafoods continued in 2007 to pursue its strategic plan, which is intended to ensure that its operational and financial targets are met. This calls for systematic follow-up of the principal strategic targets in the harvesting, processing and sales areas.

The group's four principal strategic targets for the next few years are:

- increased raw material supplies to the plants
- capacity adjustments at the plants
- improved product mix and increased product value
- expansion in the value chain.

Market conditions

The Norwegian whitefish industry suffered historically from weak margins, with the result that a number of processing plants have shut down. Poor margins have reflected overcapacity, unstable raw material supplies and international competition. The trend has become positive over the past two-three years, and the group sees positive developments in several of its most important markets.

Demand for fresh fish has risen sharply in recent years. Fresh processed fish products represent one of the fastest-growing categories in the European food sector, and Aker Seafoods is well positioned to participate in this development. Fresh products are less exposed to competition from low-cost countries, and accordingly priced higher than frozen products. During 2007, the group also saw prices for frozen cod fillets rise substantially. It has accordingly upgraded its targets for the average value of fillet products.

With a unique sourcing network for raw materials as well as its own raw material supplies and filleting plants along the coasts of northern Norway and in Denmark and Sweden, Aker Seafoods is geared to continue developing the fresh processed fish category in close cooperation with customers.

The group will strengthen its commitment to product development and marketing even further in 2008. Greater attention will be paid to tailoring products for local markets, combined with a general concentration on developing new products based on byproducts and semi-processed products from its own production. Through the acquisition of Viviers de France, announced in December 2007, Aker Seafoods will also occupy a stronger future position for fresh products in the French market and thereby increase opportunities for expanding the range of such products in its most important market.

Competitive conditions

Aker Seafoods operates in a European market characterised by global competition. The competitiveness of the Norwegian fishing industry has been under challenge for many years as a consequence of the production and import of frozen products from low-cost countries, particularly China as well as a high level of cost in Norway.

Restructuring its own trawler fleet and expanding the raw material base have helped to spread and safeguard raw material supplies to the group's processing plants. That has strengthened its ability to streamline production and produce a higher proportion of fresh fillet products. The large share of fresh products, combined with a higher degree of processing for frozen products, has gradually improved the profitability and competitiveness of Aker Seafoods' processing business. However, the closure of fishing grounds in the autumn of 2007 and the limited range of older fresh-fish trawlers presented the group with challenges in seeking to optimise operations during the second half.

Aker Seafoods has licences covering about 10 per cent of total Norwegian cod quotas above 62°N. That corresponded to roughly a third of allocated quotas for the high-seas trawler fleet in 2007. The conventional fleet controls more than 70 per cent of Norway's overall cod quota above 62°N.

Important events in 2007

A clear growth in prices was recorded for both whitefish and fillet products during 2007. Landing prices for cod increased by 14 per cent over the year[1], while export prices for fresh and frozen fillet products climbed nine and 14 per cent respectively in the finished-product market[2]. These rises yielded increased operating revenues for both harvesting and processing, despite some reduction in harvested and produced volumes during the second half.

Aker Seafoods operated a fleet of 14 active vessels in Norway during 2007. M/tr *Vesttind* was sold during the year and replaced with m/tr *Polaris*, later renamed *Vesttind*. The new trawler offers the same kind of flexible and efficient harvesting as its predecessor, but with lower operating costs and overheads. This transaction freed up almost NOK 50 million in capital for the group and yielded a book gain of NOK 42 million, which has been recognised as a special item in 2007.

M/tr *Doggi*, a combined fresh/freezer trawler, was also acquired and put into operation by Aker Seafoods during 2007 to replace one of the older fresh-fish vessels.

1) *Norwegian Fisherman Sales Organisation*
2) *Norwegian Seafood Export Council (EFF)*

A Norwegian tax of NOK 15 per kilogram of nitrogen oxides released was introduced on 1 January 2007. The Storting (parliament) assumed that this levy would be followed up with an environmental agreement and an investment fund making grants for measures to reduce emissions. This was not pursued by the government in 2007. However, an agreement has been put in place for 2008-10. Receipts from a tax of NOK 4 per kilogram of nitrogen oxides for the fishing fleet and NOK 10 per kilogram for offshore vessels will go to an investment fund for measures to reduce emissions of these gases. Aker Seafoods is positive to this solution, and is ready to implement a number of measures. Because the nitrogen oxide tax was supposed to go to such a fund, the group has recognised about a third of the full levy on an ongoing basis. The excess for 2007 is treated as a special item in the accounts, since an agreement is in place for 2008.

Even though Aker Seafoods has complied with its quotas, the group's appeal to the Directorate of Fisheries against the confiscation of catches from m/tr *Stamsund* by the Norwegian Rawfish Organisation in 2006 has been rejected. This NOK 6 million penalty has been recognised as a special item in 2007. The company is in a dialogue with the ministry in a bid to have the confiscation reversed.

Damages were awarded against Aker Seafoods in 2007 for patent infringement. Including costs and interest, the NOK 14 million payment has been recognised as a special item in the 2007 accounts.

Aker Seafoods acquired the operations of Sweden's Fiskmäster'n AB in May 2007. That gave a group a better position in the Swedish market for consumer-packed fish. The company had sales of NOK 22 million in 2007 and a negative EBITDA of NOK 3 million, which reflected a number of start-up costs.

The group acquired 50 per cent of Norwegian Fish Company Export AS during 2007. This company operates two fish reception and processing plants in Finnmark county, and provides a good complement to Aker Seafoods' own facilities. It was acquired with effect from 1 July 2007, and is fully included in the pro forma consolidated accounts for the year. Norwegian Fish Company Export had sales of NOK 141 million in 2007.

Aker Seafoods acquired 60 per cent of Spanish vessel owner Pesquera Ancora SL during 2007. This company has two operational trawlers with activities in the Barents Sea and a quota of 2 300 tonnes of cod for 2007. It was acquired with effect from 1 October 2007 and is fully included in the pro forma consolidated accounts for the year. Pesquera Ancora had sales of EUR 5 million in 2007, and achieved a rather lower EBITDA margin than the Norwegian fleet.

An agreement to acquire 70 per cent of French seafood specialist Viviers de France SA was concluded by Aker Seafoods in December 2007. France ranks today as the group's largest single market, and accounts for 26 per cent of its sales. The planned partial acquisition of Viviers de France provides control of strategic production capacity and distribution capability. Viviers de France has two processing plants. The one in Boulogne-sur-Mer covers the market in northern France and Belgium, whilst that in Castets serves customers in southern France. In addition, the company owns fish farms in the French regions of Bordeaux and La Rochelle as well as one in the Spanish Pyrenees. Trout is the principal species, with the bulk produced under the well-regarded Label Rouge quality brand. Viviers de France has also acquired two turbot farms. Sales in 2007 are expected to total some EUR 60 million, or just under NOK 500 million. Processing operations account for roughly 80 per cent of turnover.

Aker Seafoods agreed in December 2007 to acquire 30 per cent of Mare AS. The group has been involved in rearing wild cod for several years through its 38 per cent holding in Tobø Fisk AS in Havøysund and the latter's wholly owned Mare subsidiary. Aker Seafoods is now increasing its commitment to fresh fish, and has reached conditional agreement on buying a direct shareholding in Mare. This company and its founders have been rearing live-caught cod since 2002, developing expertise and technology which lay the basis for a further expansion in this commitment. The company slaughtered some 400 tonnes of cod in 2007.

Annual accounts

Profit and loss account – proforma

Aker Seafoods is a Norwegian company and has presented its accounts in accordance with the International Financial Reporting Standards (IFRS) from the first quarter of 2005.

The group acquired 60 per cent of Pesquera Ancora and 50 per cent of Norwegian Fish Company Export on 1 October and 1 July 2007 respectively. These two companies are fully included in the pro forma figures for 2007. The figures given for 2007 in this directors' report are pro forma.

Aker Seafoods had operating revenues of NOK 2 336 million in 2007, compared with NOK 2 120 million the year before. This NOK 216 million increase was primarily a result of the acquisition of Norwegian Fish Company Export, as well as the rise in prices for whitefish in the primary market and for fillet products based on whitefish in the finished-products market.

EBITDA in 2007 was NOK 189 million, a decline of NOK 6 million from the year before. Both sales and profits were record-high for the first half of 2007, but fish landed through the Norwegian Rawfish Organisation in the second half declined by 24 per cent from the same period of 2006. Reduced cod landings meant that the processing business in Aker Seafoods produced a larger proportion of saithe, which has a lower margin, in the second half than for the same period of 2006. The rise in whitefish landing prices had a positive effect on profitability for the harvesting business. In the processing business, higher cod costs were largely offset by increased prices for finished products supplied to customers. However, a strong exchange rate for the Norwegian krone, particularly against the US dollar, affected prices for saithe products since substitutes for these are usually priced in dollars.

Gain on the sale of m/tr *Vesttind* was recognised as a special item, as were the extraordinary nitrogen oxide tax, confiscation of catches from m/tr *Stamsund* and damages for patent infringement. The overall outcome in 2007 was an income of NOK 6 million.

Depreciation and amortisation totalled NOK 83 million in 2007 (2006: NOK 83 million). Special operating items were positive at NOK 6 million (2006: NOK 40 million). Group earnings before interest and tax (EBIT) accordingly came to NOK 112 million (2006: NOK 152 million).

Net financial expenses for the group were NOK 84 million (2006: NOK 48 million). Income from associated companies came to NOK 1 million. A change in the value of the group's 350 889 shares in Aker BioMarine represented an expense of NOK 12 million. Tax expense was NOK 14 million. Net profit for the group was NOK 14 million (2006: NOK 122 million).

Earnings per share amounted to NOK 0.23 in 2007, compared with NOK 2.47 the year before.

Cash flow

Net cash flow from operating activities for the group came to NOK 131 million in 2007, compared with NOK 171 million the year before.

Net cash flow from investing activities was negative at NOK 258 million. Capital spending during 2007 consisted primarily of maintenance work and strategic investments related to the acquisition of additional quotas and vessels. M/tr *Vesttind* was also sold and activities at Sweden's Fiskmäster'n acquired along with the Pesquera Ancora and Norwegian Fish Company Export companies. The company's net cash flow from investing activities in 2006 was negative at NOK 100 million.

A net cash flow from financing activities of NOK 167 million related to the draw-down of additional long-term debt in connection with the investments made in 2007 and payment of dividend. Aker Seafoods Holding also repaid NOK 100 million of its debt to Aker Seafoods.

Cash in hand and drawing rights totalled NOK 259 million at 31 December (cash in hand alone came to NOK 189 million), compared with NOK 150 million at the same date in 2006.

Balance sheet and liquidity

Liquid assets at 31 December of NOK 259 million, including undrawn drawing rights of NOK 70 million, combine with continued cash flow from operations to ensure the group's ability to fulfil existing and future obligations. This liquidity gives Aker Seafoods a good basis for further development.

Current interest-bearing debt increased during the year from NOK 63 million to NOK 86 million. Long-term interest-bearing loans rose from NOK 1 115 million to NOK 1 230 million over the same period.

Net interest-bearing debt (interest-bearing debt less cash in hand and interest-bearing assets) grew from NOK 812 million at 31 December 2006 to NOK 1 009 million at the end of 2007.

The group's working capital (interest-free current assets less interest-free current liabilities) exclusive of bank deposits amounted to NOK 139 million at 31 December. This represented a reduction of NOK 71 million from a year earlier, despite a rise of NOK 45 million in inventory since the end of 2006 which largely reflected a higher output of frozen products late in the year. An increase in interest-free debt pulled in the opposite direction.

Aker Seafoods' total balance sheet increased from NOK 2 706 million at 31 December 2006 to NOK 3 069 million a year later. Group equity increased in the same period from NOK 980 million to NOK 1 034 million. This yielded an equity ratio of 33.7 per cent at 31 December 2007, compared with 36.2 per cent a year earlier.

Profit and loss account – key figures

Aker Seafoods had operating revenues of NOK 2 210 million in 2007, and an EBITDA of NOK 178 million. Depreciation and amortisation totalled NOK 82 million, with special items amounting to NOK 6 million. EBIT was accordingly NOK 102 million. Net financial expenses came to NOK 83 million. Profit after financial items was NOK 20 million, while the group had a tax expense of NOK 11 million and a net profit of NOK 9 million.

Operations

Aker Seafoods comprises three principal business areas: harvesting, processing Norway and processing Denmark and Sweden.

Harvesting

Aker Seafoods' harvesting business area comprised 14 active trawlers at 31 December 2007, including seven fresh-fish trawlers, five freezer trawlers and two combined fresh-fish/freezer trawlers. In addition come two active freezer trawlers in Spain.

The business area reported operating revenues of NOK 626 million, compared with NOK 563 million in 2006.

EBITDA for harvesting was NOK 154 million as against NOK 149 million in 2006.

This positive development primarily reflects the good trend for whitefish prices. However, the positive effect of higher prices for the company was offset to some extent by lower harvested volumes of cod and saithe in 2007. Difficult harvesting conditions in the second half, with several important fishing ground closed because of a high proportion of small fish, made it difficult for Aker Seafoods to harvest its saithe and haddock quotas. Substantial proportions of these quotas accordingly remained unfished in 2007.

The positive trend in the harvesting business was also partly offset by higher fuel prices – not because the cost of bunkers rose, but because Norway introduced a nitrogen oxide tax on 1 January 2007. This levy cost the company a total of NOK 21 million over the year.

Processing

The processing business comprises 10 wholly-owned production facilities, six in Norway and four in Denmark. Aker Seafoods also has a small processing plant in Sweden, a minority holding in another processing company and majority shareholdings in several fish receiving facilities in Norway and Denmark.

Processing Norway

In Norway, Aker Seafoods produces fresh and frozen fillets, loins, portions and tail products from cod, saithe and haddock.

Processing Norway had total operating revenues of NOK 1 414 million in 2007, compared with NOK 1 237 million the year before. EBITDA came to NOK 42 million as against NOK 53 million in 2006.

Operating revenues declined in the second half compared with 2006. This reduction and the lower EBITDA for the year reflected the difficult raw material position in the second half, with fish landings through the Norwegian Rawfish Organisation down by 24 per cent from the year before. Smaller supplies of cod meant that Aker Seafoods produced a larger proportion of fillet products from saithe, which involves lower margins. In addition, lay-offs were substantially above historical levels in the second half.

The market for fillet products is strong, with average prices of frozen and fresh cod fillets in 2007 up by 14 and nine per cent respectively from the year before. At the same time, raw material prices are rising – particularly for cod. The average price of headed and gutted (H/G) cod was up by 14 per cent in 2007 from the year before. Processed cod fetched an average of NOK 61 per kilogram compared with NOK 54 in 2006. This increase largely reflected the higher cost of raw materials, but also a better product mix. The proportion of blocks declined from 29 to 20 per cent from 2006, whilst the share of fresh products rose.

Processing Denmark and Sweden

Aker Seafoods Denmark produces a number of products based on saithe, cod, haddock, plaice, salmon, trout and exotic species. The range includes fresh products in bulk, fresh consumer-pack fish products packed by the modified atmosphere process (MAP), and frozen processed products. This company also pursues a variety of trading and distribution activities with products from Aker Seafoods' Norwegian plants as well as from external suppliers in Iceland and the Faroes. Fiskmäster'n produces fresh whitefish and salmon products in consumer packs

Operating revenues for the processing Denmark and Sweden business area were NOK 618 million, compared with NOK 616 million in 2006. EBITDA came to NOK 28 million as against NOK 25 million.

Revenues and EBITDA for 2007 include the business in Sweden, which burdened EBITA with start-up costs. EBITDA increased because processing Denmark was able to compensate for higher raw material costs with prices for finished products and because of improvements to production and the product mix. In the frozen fish segment, the business succeeded in raising prices through the year to compensate for higher raw material costs in 2006 and 2007. This segment showed a clear improvement over the year. Salmon prices were lower than in 2006, which improved margins for salmon products. As with the Norwegian plants, Aker Seafoods Denmark's fresh fish segment faced challenges in securing raw materials during the second half. The company increased earnings in this segment during 2007 by making better use of its raw material. It also produced consumer-pack products based on farmed cod in 2007.

Sales and distribution

Aker Seafoods regularly serves some 300 customers in Europe and the USA. Its sales activities are divided between four offices in Ålesund, Oslo, Grenaa (Aker Seafoods Denmark) and Grimsby (Aker Seafoods UK Ltd).

The Nordic region is the largest market, with a 37 per cent share, followed by France with 28 per cent, the UK with eight per cent, and Belgium, Germany and Portugal with five per cent each. The USA, Italy and Spain are also important markets.

Sales of fresh processed fish products represent one of the fastest-growing categories in the European food industry, and Aker Seafoods is well positioned to participate in this development.

Through a higher level of processing for both fillets and semi-processed products, and through the acquisition of Viviers de France, Aker Seafoods expects to enhance value creation even further in 2008. The company sees a particular potential in making better use of cod fillet residues for value-added products. New products based on cod and saithe also offer interesting opportunities.

Aker Seafoods expects that the environmental certification of saithe products, now in the process of being implemented, will increase demand for these.

The Ålesund office is responsible for the sale of fresh products from the Norwegian plants as well as the logistics function. Customers for frozen products from Norway are served from Oslo, while Grenaa handles all sales and logistics functions for Aker Seafoods Denmark and Fiskmäster'n.

Shrimp products from Asia and whitefish products from the company's Norwegian and Danish plants are sold through the Grimsby office.

Results for the sales functions are consolidated in operating profits for processing in Norway, Denmark and Sweden.

Financial risk and risk management

Market risk

Aker Seafoods is exposed to risk related to the value of investment in its subsidiaries in the event that price changes in the markets for raw materials and finished products affect the competitiveness and earning potential of these subsidiaries over time.

The risk exposure related to foreign exchange rates is identified and reduced by means of a continual adjustment of the group's total loan portfolio and financial instruments. Guidelines established by the board are observed in the company when concluding on-going hedging transactions related to parts of the group's sales in foreign currencies. No open contracts existed at 31 December 2007 – in other words, all contracts related to future sales.

Exposure to risk posed by changes in the level of interest rates is identified and assessed on an on-going basis. Fixed interest agreements have been concluded for about 30 per cent of the group's long-term interest-bearing debt. Fixed interest agreements have a remaining term of seven years. Changes in the value of fixed interest agreements are recognised directly against the company's equity. As a consequence, Aker Seafoods' equity rose by NOK 9 million in 2007.

Credit risk

The risk that counterparties will be unable to meet their obligations for financial reasons is regarded as small, since the level of bad debts has historically been low. In addition, the company has secured credit insurance and letters of credit which ensure the fulfilment of virtually all customer obligations.

Liquidity risk

The board of Aker Seafoods regards the company's liquidity as good, and no measures which would affect the company's liquidity risk have been adopted. Trade receivables are being paid on time, and it has not been deemed necessary to renegotiate or redeem other long-term receivables.

Events after the balance sheet date

Aker Seafoods witnessed a number of stories in national Norwegian media during the first quarter of 2008 on non-conformances reported by the Norwegian Food Safety Authority in 2006 and 2007. The group takes reports from the food safety authority very seriously. All reported non-conformances are dealt with in accordance with established routines, and closed and clarified with the authority. Aker Seafoods has regularly reported on its handling and closure of non-conformances on the group's website at www.akersea.com.

Going concern assumption

Pursuant to section 3-3a of the Norwegian Accounting Act, it is confirmed that the going concern assumption is realistic.

Parent company accounts and allocation of net profit

Parent company profit and loss account

The parent company had operating revenues of NOK 1 240 million in 2007, compared with NOK 1 205 million the year before. Operating revenues in 2007 are primarily a result of the organisation of group sales through the parent company with effect from that year.

EBITDA for the parent company was negative at NOK 17 million in 2007, compared with a negative figure of NOK 28 million in 2006.

Depreciation and amortisation totalled NOK 3 million, compared with NOK 2 million in 2006. Special operating items amounted to zero as against NOK 40 million the year before. The parent company accordingly showed a loss before interest and taxes of NOK 19 million, compared with earnings of NOK 11 million in 2006.

The parent company had net financial expenses of NOK 15 million as against zero the year before.

The loss after financial items came to NOK 34 million, compared with a profit of NOK 11 million in 2006.

Tax income for the parent company in 2007 was NOK 6 million, compared with an expense of NOK 3 million the year before.

Parent company cash flow

Net cash flow from operating activities for the parent company was negative at NOK 11 million (2006: negative at NOK 8 million).

The net cash flow from investing activities was negative at NOK 110 million (2006: negative at NOK 51 million).

Net cash flow from financing activities came to NOK 121 million (2006: NOK 50 million).

Cash in hand at 31 December totalled NOK 1 million, on a par with a year earlier.

Parent company balance sheet

The parent company had net interest-bearing debt (interest-bearing debt less cash in hand and interest-bearing receivables) of NOK 7 million at 31 December 2007, compared with NOK 74 million a year earlier.

Working capital for the company (interest-free current assets less interest-free current liabilities) exclusive of bank deposits at 31 December amounted to NOK 88 million, compared with NOK 114 million a year earlier.

The parent company's total balance sheet at 31 December was NOK 1 487 million as against NOK 1 549 million a year earlier. Equity for the parent company at 31 December was NOK 828 million, compared with NOK 884 million at the end of 2006. This gave an equity ratio at 31 December of 55.7 per cent as against 57.7 per cent a year earlier.

Allocation of net profit

The 2007 profit and loss account for the parent company, Aker Seafoods ASA, shows an ordinary net loss of NOK 28.4 million. The company's free equity available for distribution as dividend totalled NOK 287 million at 31 December 2007.

On this basis, the board proposes the following allocation of the net profit for the year:

Proposed dividend	(NOK 36.4 million)
Transferred from other equity	NOK 64.9 million
Total	(NOK 28.4 million)

Free equity after payment of dividend totals NOK 231.1 million.

Dividend policy

Aker Seafoods aims to give its shareholders the best possible return. Value creation will find expression through the long-term development of the share price combined with dividend payments. Over time, the aim is to pay a reasonable proportion of the company's net result as dividend.

Health, safety and the environment

Aker Seafoods gives priority to work on HSE, and a high level of awareness prevails in day-to-day operations about the need to reduce the consumption of energy, packaging and chemical cleaning agents.

Purposeful efforts have been initiated to reduce sickness absence, but this remains high in certain of the companies. The company's basic view is that all harm to people, the environment or material assets can and will be avoided.

The working environment is regarded as good, and improvement measures are adopted on a continuous basis.

To ensure better utilisation of byproducts from harvesting and processing activities, a number of investments have been made in vessels and land-based plants. These have contributed to the use of a larger proportion of the fish, which will benefit both the company and the environment in the longer term.

Aker Seafoods had an average of 1 228 employees in 2007, including 306 outside Norway.

Sickness absence averaged 9.2 per cent, which also includes long-term sick leave not covered by the company.

The level of sickness absence varies between the various operations. Some near-misses and, regrettably, minor personal injuries were suffered during the year. No serious work accidents were reported in 2007. The majority of the processing plants belong to Norway's inclusive workplace scheme, and hope thereby to contribute to a stronger focus on health and environmental measures as well as to reducing sickness absence.

Aker Seafoods is concerned to see sustainable development of fish resources, and actively checks to ensure that employees and management are complying with applicable regulations and quota terms. The company has also participated actively, together with the authorities, industry bodies and non-governmental organisations, in combating illegal fishing and helping to ensure that resources are preserved for future generations. Its harvesting business is also concerned to see the implementation of measures which can reduce oil consumption per kilogram of fish harvested and the likelihood of oil spills from fishing vessels.

On the processing side, Aker Seafoods has focused on reducing energy and water consumption. The board takes the view that the companies in Aker Seafoods do not cause significant emissions or discharges to the natural environment, and are not considered to burden the natural environment to any substantial extent.

Organisation

Employees and equal opportunities

Aker Seafoods aims to be an attractive employer. Its human resources policy is intended to be equitable, regardless of ethnicity, gender, religion or age. Equal opportunity considerations have been incorporated in the human resources policy with the aim of preventing gender-based discrimination over such issues as pay, promotion and recruitment.

At 31 December, women accounted for about 35 per cent of the workforce. They are primarily employed in the processing business.

Women are under-represented in the company's harvesting business, while they are over-represented in its processing activities. There were no females in the corporate management team at 31 December. The company's ambition is to boost the proportion of women employees in those parts of group where they are under-represented, and similarly to increase the proportion of men where they are under-represented.

Working-time arrangements in the group relate to the various jobs, and are independent of gender. However, the proportion of employees doing part-time work is rather higher among women, while men tend to do more overtime.

Two of the company's five shareholder-elected directors are women. This complies with the requirement for 40 per cent female representation among shareholder-elected directors.

Corporate governance

Aker Seafoods' corporate governance principles are intended to secure an appropriate division of roles between shareholders, directors and management. This in turn will ensure that goals and strategies are set, that the chosen strategies are implemented in practice, and that the results achieved are measured and followed up. The principles will also help to ensure that the group's business is subject to satisfactory controls. An appropriate division of roles and satisfactory controls will build trust among important interest groups and contribute to the highest possible value creation over time, to the benefit of all shareholders and other stakeholders.

The board of Aker Seafoods adopted the group's corporate governance principles in 2005. These are described in more detail on page 56 in this annual report.

Aker ASA owns 65 per cent of the shares in Aker Seafoods. It has a long-term goal of owning more than 50 per cent of the shares in the company.

Outlook for 2008

Aker Seafoods experienced a strong market for whitefish in 2007. The group expects the total European cod catch to decline in 2008, primarily as a result of a 32 per cent reduction in Icelandic quotas for the fishing year from September 2007 to August 2008. It also expects that the campaign against illegal fishing will continue, and that aquaculture will not generate a significant increase in volumes on the market during 2008. Combined with a trend towards seafood and the focus on healthy food, Aker Seafoods accordingly considers it likely that prices for cod and haddock will remain high in 2008. The growth in demand for fresh and high-value frozen fish products derived from whitefish is expected to persist. Aker Seafoods will continue its efforts to tailor production to the needs of important key customers.

Purposeful work will continue in 2008 to enhance the profitability of the existing business, and the group's ambition is to improve its operating margins even further during the year. Continuous efforts will be made to secure efficiency gains in every part of the value chain. The group is working to optimise its fleet structure and quota utilisation, and has clear ambitions of achieving improvements in these areas.

Aker Seafoods is cooperating with Norwegian Seafood Federation, Norwegian Confederation of Trade Unions, and Fiskebåt to promote regulatory changes, including greater flexibility in the quota system, which could permit better use of quotas and increased production at the processing plants. A substantial proportion of the haddock and saithe quotas remained unfished at the end of both 2006 and 2007. An Aker Seafoods ambition is to secure a marked improvement in quota utilisation.

The group found in 2007 that customers are increasingly concerned both with traceability and with health and quality. Driven by a strong focus on health, many people are choosing to eat more fish. This trend is expected to continue in coming years. Customers are more concerned with what they are eating and where it comes from, to the benefit of products derived from sustainable fisheries. This is one of the principal reasons why Aker Seafoods is working for MSC accreditation of products. The group has already secured a number of letters of intent from key customers concerning deliveries of MSC-certified saithe products in 2008.

Acquiring 70 per cent of the shares in Viviers de France will be completed in the first quarter of 2008, with full accounting effect from that quarter. This acquisition strengthens Aker Seafoods in the secondary processing segment of the value chain. France is the group's most important export market, and pays well for fresh cod fillets. Aker Seafoods accordingly takes a very positive view of the platform it has secured in this market through the investment in processing company Viviers de France.

Its acquisition in Mare has intensified Aker Seafoods' commitment to farming and rearing cod in 2008. That fits well with the group's raw material strategy, and will enhance its opportunities to produce fresh high-value products at a time when raw material supplies are limited.

Oslo, 15 Februar 2008

The Board of Directors Aker Seafoods ASA

Lisbeth Berg-Hansen

Leif-Arne Langøy *Chairman of the Board*	Bjarne Borgersen *Vice Chairman of the Board*	Leiv Grønnevet *Board member*	Lisbeth Berg-Hansen *Board member*
Marit Arnstad *Board member*	Bjarne Kristiansen *Board member*	Harold Egil Nilsen *Board member*	Ann Jorunn Olsen *Board member*

Yngve Myhre
Managing director

Aker Seafoods Group

Consolidated profit and loss account 1.1-31.12

2005	2006	**2007**	*Amounts in NOK million*	*Note*	**Pro forma[1)] 2007**
1 717	2 093	**2 210**	Operating revenues	*4*	**2 317**
22	27	**20**	Other income	*4*	**20**
(899)	(1 105)	**(1 171)**	Cost of goods and changes in inventory	*5*	**(1 234)**
(408)	(514)	**(524)**	Wages and other personnel expenses	*6*	**(549)**
(296)	(306)	**(357)**	Other operating expenses	*7*	**(365)**
135	195	**178**	Operating profit before depreciation and amortization		**189)**
(75)	(83l)	**(82)**	Depreciation and amortisation	*11,12*	**(83)**
-	40	**6**	Impairment changes and non recurring items	*8*	**6**
60	152	**102**	Operating profit	*4*	**112**
23	22	**23**	Financial income	*9*	**23**
(66)	(71)	**(106)**	Financial expenses	*9*	**(108)**
(5)	1	**0**	Share of profit of associated companies	*13*	**0**
11	104	**20**	Profit before tax	*3*	**28**
(4)	18	**(11)**	Tax expense	*10*	**(14)**
8	122	**9**	Profit for the year		**14**
			Attributable to:		
3	120	**8**	Equity holders of the parent		**11**
5	2	**1**	Minority interest	*23*	**3**
48 646 016	48 565 116	**48 598 291**	Average number of shares	*20,21*	**48 598 291**
0.06	2.47	**0.16**	Earnings per share 2)	*20*	**0.23**

1) The acquisition of Norwegian Fish Company Export AS and Pesquera Ancora S.L. happened with accounting effect from July 1st 2007 for NFC and October 1st 2007 for Pesquera Ancora. In order to increase the information value of the 2007 figures, pro forma figures, as if the acquisitions were made January 1st 2007, are presented.

2) Profit attributable to the equity holders of the parent/average number of shares.

Aker Seafoods Group

Consolidated balance sheet of December 31

Amounts in NOK million	*Note*	2007	2006
ASSETS			
Vessels, property, plant and equipment	*11*	895	761
Intangible assets	*12*	1 133	911
Deferred tax assets	*10*	165	159
Investments in associates companies	*13*	20	6
Other shares	*14*	23	8
Interest-bearing long-term receivables	*15*	117	216
Other non-current assets	*16*	7	7
Total non-current assets		2 361	2 066
Inventories	*17*	229	185
Other trade and other interest-free receivables	*18*	276	305
Derivatives	*29*	13	
Cash and cash equivalents	*19*	189	150
Total current assets		708	639
Total assets		3 069	2 706
EQUITY AND LIABILITIES			
Share capital	*21*	243	243
Additional paid-in capital	*21*	657	656
Own shares	*21*	(1)	(2)
Retained earnings		49	66
Total equity attributable to equity holders of the parent		947	963
Minority interest	*23*	87	17
Total equity		1 034	980
Interest-bearing loans	*24*	1 230	1 115
Deferred tax liabilities	*10*	320	250
Pension liability	*26*	19	18
Total non-current liabilities		1 569	1 383
Interest-bearing short-term debt	*27*	86	63
Trade and other payables		380	279
Income tax payable	*10*	-	0
Total current liabilities		465	342
Total liabilities		2 034	1 725
Total equity and liabilities		3 069	2 706

Oslo, February 15th, 2008
Board of Directors Aker Seafoods ASA

Leif-Arne Langøy
Board chairman

Bjarne Borgersen
Deputy chairman

Leiv Grønnevet
Board member

Lisbeth Berg-Hansen
Board member

Marit Arnstad
Board member

Bjarne Kristiansen
Board member

Harold Egil Nilsen
Board member

Ann Jorunn Olsen
Board member

Yngve Myhre
Managing director

Aker Seafoods Group

Consolidated statement of changes in equity

Amounts in NOK million	*Note*	Total paid in capital	Retained earnings	Total	Minority interest	**Total equity**
Balance at December 31, 2005		895	(10)	885	20	**905**
Added associated companies/reclassefy		4	(3)	1	-	**1**
Share of excess values through merger in associated companies		-	(4)	(4)	4	**-**
Purchase of own shares		(2)	-	(2)	-	**(2)**
Others recognised directly in equity		-	(4)	(4)	-	**(4)**
Currency translation differences		-	4	4	-	**3**
Net income recognised directly in equity		2	(7)	(5)	4	**(2)**
Profit for the year			120	120	2	**122**
Total recognised income and expense		2	113	115	5	**120**
Purchase of minority interests			-	-	(8)	**(8)**
Dividend to share holders			(37)	(37)	-	**(37)**
Balance at December 31, 2006	*21*	897	66	963	17	**980**
Tilgang datterselskaper min. andel			-	-	69	**69**
Rente og valutaderivater ført direkte mot EK			17	17	-	**17**
Purchase/sale of own shares		2	-	2	-	**2**
Others recognised directly in equity			-	-	-	**-**
Currency translation differences			(5)	(5)	-	**(5)**
Net income recognised directly in equity		2	12	13	69	**82**
Profit for the year			8	8	1	**9**
Total recognised income and expense		2	19	21	70	**91**
Dividend to shareholders		-	(37)	(37)	-	**(37)**
Purchase of minority interests		-	-	-	-	**-**
Balance at December 31, 2007	*21*	899	49	947	87	**1 034**

Currency translation differences
Currency translation differences consist of changes in currency exchange rates that occur when translating the annual accounts of the foreign businesses to NOK.

Aker Seafoods Group

Consolidated cash flow statement

2006	2007	Amounts in NOK million	Note	Pro forma 2007
104	**20**	Profit before tax		**28**
51	**69**	Net interest costs		**71**
(6)	**(43)**	Sales losses/gains and write-downs		**(43)**
83	**82**	Depreciation and amortization		**83**
(1)	**0**	Share of earnings in associated companies		**0**
(69)	**(91)**	Interest paid		**(93)**
18	**22**	Dividend received		**22**
(2)	**(4)**	Taxes paid		**(4)**
3	**12**	Unrealized foreign exchange gain/loss and other non-cash items		**3**
(11)	**63**	Changes in other net operating assets		**63**
171	**131**	Net cash flow from operating activities		**131**
22	**191**	Proceeds from sale of vessels, property, plant and equipment		**191**
(22)	**0**	Disposals of subsidiary, net of cash disposed		
(72)	**(256)**	Acquisition of property, plant and equipment		**(256)**
(25)	**(102)**	Acquisition of shares and equity investments in other companies		**(102)**
	(91)	Disposals regarding intangable assets		**(91)**
(2)	**0**	Net cash flow from other investments		
(100)	**(258)**	Net cash flow from investing activities		**(258)**
	156	Proceeds from issuance of long-term interest-bearing debt		**156**
(51)	**(52)**	Payment of finance lease liabilities		**(52)**
(58)	**0**	Repayment of short-term interest-bearing debt		
(2)	**100**	Repayment of long-term interest-bearing debt		**100**
(36)	**(37)**	Dividends paid		**(37)**
(148)	**167**	Net cash flow from financing activities		**167**
(76)	**39**	Cash flow for the year		**39**
226	**150**	Cash and cash equivalents as of January 1		**150**
150	**190**	Cash and cash equivalents as of December 31	*19*	**190**

Note 1: Accounting principles, basis for preparation, and estimates

About the Group
Aker Seafoods is a Norwegian company, domiciled in Norway. The 2007 consolidated financial statements of Aker Seafoods include the financial statements of the parent company, Aker Seafoods ASA, its subsidiaries, and interests in associated companies and jointly controlled entities.

Basis for preparation
Statement of compliance
Aker Seafoods presents its consolidated Group accounts in accordance with International Financial Reporting Standards (IFRS) and associated interpretations as determined by the EU, Norwegian requirements for disclosure pursuant to the Norwegian accounting act, and applicable stock-exchange laws, rules and regulations in force as of 31 December 2007.

The following IFRSs and interpretations that were issued before 28 February 2008, whose application is not mandatory as of 31 December 2007, have not been applied by the Group: IFRS 8, revised IAS 23, new IAS 1, and IFRIC 11, 12, 13, and 14. To date, based on evaluations, these standards and interpretation statements are not expected to materially affect reported figures. In 2007, the Group adopted IFRS 7, revised IAS 1, and IFRIC 7, 8, 9, and 10 without any material impact on reported figures. The requirements in IFRS 7 and IAS 1 have, however, resulted in new note information to the accounts.

The consolidated financial statements for the 2007 accounting year were approved by the Board of Directors on 15 February 2008. The annual accounts will come before Aker Seafoods' 3 April 2008 annual shareholders' meeting for final approval. Until such final approval, the Board is authorized to make modifications to the annual accounts.

Basis of measurement
These consolidated financial statements have been prepared based on historical cost, with the following exceptions:
- Derivatives are valued at fair value
- Financial instruments at fair value through profit and loss are valued at fair value
- Financial assets that are available for sale are measured at fair value

Principles used to determine fair value are described in greater detail below.

Functional currency and presentation currency
Consolidated financial statements are presented in million Norwegian kroner (NOK million). The Norwegian krone (NOK) is the functional currency of the parent company.
Use of estimates and assumptions

Preparation of annual financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting principles, as well as the reported amounts of assets and liabilities, income and expenses. Actual results may differ from amounts arrived at based on these assumptions.

Estimates and underlying assumptions are reviewed and assessed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors considered to be reasonable under the circumstances. Changes to accounting estimates are recognized in the period in which the estimates are revised and in any future periods that are affected.

Areas in which, in applying the Group's accounting principles, there tends to be uncertainty as to material estimations and critical assumptions and assessments, are described in the following paragraphs and in relevant notes to the accounts:

(a) Goodwill impairment estimation
In accord with applicable accounting principles, the Group tests annually to determine whether goodwill recorded in the balance sheet has suffered any impairment. The estimated recoverable amount is determined based on the present value of budgeted cash flows for the cash-generating unit. Such determination requires the use of estimates that are consistent with the market valuation of the Group.

(b) Tax
The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required to determine provisions for income taxes worldwide. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes allocations for liabilities for anticipated tax audit issues, based on estimates of potential additional taxes due following tax audits. Where the final tax outcome of these matters is different from the amounts that have been recorded, such differences will impact the income tax and deferred tax provisions for the period in which such determination is made.

(c) Pension rights
The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using several actuarial assumptions. The assumptions used in determining net pension costs and income include an applicable discount rate. Any changes in these assumptions will impact the calculated pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is to be used to determine the present value of estimated future cash outflows expected to be required to fulfill the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality government and/or corporate bonds denominated in the currency in which the benefits are payable and that have terms to maturity approximating the terms of the related pension liability. The discount rate and other key assumptions for determining the pension obligation are disclosed in note 26.

(d) Financial instruments
The Group is exposed to the following risks resulting from its use of financial instruments: credit risk, liquidity risk, and market risk (including currency- and interest risk).

Note 29 presents information about the Group's exposure to the above-mentioned risks, the Group's objectives, principles and processes for measuring and managing risk, and the Group's capital management.

(e) Contingencies and legal claims
With its extensive worldwide operations, companies included in the Group are in the course of their activities involved in legal disputes. Provisions have been made to cover the expected outcome of the disputes to the extent negative outcomes are likely and reliable estimates can be made. However, the final outcome of these cases will always be subject to uncertainties and resulting liabilities may exceed booked provisions. (See Note 30).

Accounting principles
The accounting principles presented below have been applied consistently for all periods and companies that are presented in the consolidated financial statements.

Comparative figures have been reclassified in accordance with this year's presentation. Further, comparative figures for the profit and loss account have been restated so that acquired activities are presented as if they were acquired at the start of the comparative period (see Note 2).

Group accounting and consolidation principles
Subsidiaries
Subsidiaries are entities of which Aker Seafoods controls the company's operating and financial policies. Generally, the Group owns, directly or indirectly, more than fifty percent of the voting rights of such companies. Potential voting rights that may be exercised are considered when assessing whether an entity is controlled. Subsidiaries are included in the consolidated accounts from the day control is achieved until control ceases. Wherever necessary, subsidiaries' principles for financial statement preparation are adjusted

to ensure compatibility with the Group accounting principles.

Investments in associates
The Group's investment in an associate (associated company) is accounted for under the equity method of accounting. An associate is defined as a company over which the Group has significant influence but that is not a subsidiary or a jointly controlled enterprise. Generally, the Group holds between 20% and 50% of the voting rights of associates. Potential voting rights that may be exercised are considered when assessing whether an entity is under significant influence.

Investments in associates are recognized using the equity method, and are initially recognized at acquisition cost. Investments include goodwill at acquisition, less accumulated losses upon impairment. The consolidated financial statement reflects the Group's share of profit/loss from operations of the associate, its share of costs, and its share of equity changes, after restatement to accord with the Group's accounting principles, from the time significant influence is established until such influence ceases. When the Group's share of losses exceeds the balance sheet value of the investment, the Group's balance sheet value is reduced to zero and additional losses are not recognized unless the Group has incurred or guaranteed obligations in respect of the associated company.

Jointly controlled entities
Jointly controlled entities are business entities that the Group controls jointly with others via a contractual agreement between the parties. The consolidated financial statements include the Group's proportionate shares of the entity's assets, liabilities, income, and expenses, line-by-line, from the time joint control is achieved until joint control ceases.

Minority interests
Minority interests have been disclosed separately from the parent company owners' equity and liabilities in the balance sheet, and are recorded as a separate item in the consolidated profit and loss account.

EBITDA
Aker Seafoods defines EBITDA as operating profit before depreciation, amortization, impairment changes, and non-recurring items, as presented in the consolidated profit and loss account.

Impairment changes and non-recurring items
Impairment changes and non-recurring items includes write-downs of goodwill, significant write-downs and reversals of write-downs on real estate, facilities, and equipment, significant losses and gains on the sale of operating assets, restructuring costs, and other material items that are not deemed to be of a recurring nature. Operating profit includes the amount arrived at for impairment changes and non-recurring items.

Other items
Other items include gains on the sale of subsidiaries and significant gains and losses that are not part of the Group's operational activities. Profit before tax includes the amount arrived at for Other items.

Foreign currency translations and transactions
Functional currency
Initial recording of items included in the financial statements of each Group subsidiary is in its functional currency, i.e., the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary. The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the parent company.

Transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group companies using the exchange rates prevailing at the date of each transaction. Receivables and liabilities in foreign currencies are translated into the functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Foreign currency exchange differences arising with respect to the translation of operating items are included in operating profit in the profit and loss account, and those arising with respect to the translation of financial assets and liabilities are recorded net as a financial item in the profit and loss account.

Group companies
Profit and loss accounts and cash flow statements of subsidiaries whose functional currencies are not NOK are translated into NOK at average exchange rates for the period. Balance sheet items are translated at the average exchange rates on the balance sheet date. Translation differences that arise from translation of net investments in foreign activities and from related hedging objects, are specified as translation differences under shareholders' equity. When a foreign entity is sold, translation differences are recognized in the profit and loss account as part of the gain or loss on sale.

Foreign exchange gains or losses on receivables from and liabilities payable to a foreign activity are recognized in the profit and loss with exception of when the settlement is neither planned nor likely to occur in the foreseeable future. Such foreign exchange gains or losses are considered to form part of the net investment in the foreign activity, and recognized directly in equity as a translation reserve entry.

Elimination of transactions upon consolidation
Intragroup balances and transactions, and any unrealized gains and losses or revenues and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated in proportion to the Group's ownership interest. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Transactions with closely related parties
All transactions, agreements, and business dealings with closely related parties are conducted at normal market terms.

Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk, and price risk), credit risk, liquidity risk, and cash-flow interest-rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out under policies prepared by the Board of Directors. The Board provides guidelines for overall financial risk management.

Financial instruments
Non-derivative financial instruments
Non-derivative financial instruments comprise investments in debt and equity instruments, customer receivables and other receivables, cash and cash equivalents, loans, accounts payable, and other debt.

Non-derivative financial instruments that are not recognized at fair value in the profit and loss account, are measured at initial recognition at fair value plus all directly attributable transaction costs. After initial recognition, the instruments are measured as discussed below.

Cash and bank deposits, including deposits on special terms and conditions, constitute cash and cash equivalents.

Principles used in accounting for financial income and costs are described in a separate paragraph.

Investments held to maturity
Where the Group has both the intention and ability to hold bonds to maturity, they are classified as held-to-maturity. Investments held to maturity are measured at their amortized cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets
Investments in equity instruments and certain debt instruments are classified as financial assets that are available for sale. After initial recognition, they are measured at fair value. Changes in fair value are recognized directly in equity, except in the case of impairment losses (see paragraph on Impairment losses), and foreign exchange gains and losses on available-for-sale monetary items. Once an investment has been derecognized, the accumulated gain or loss is transferred from equity to profit and loss.

Financial assets at fair value through profit and loss
A financial instrument is classified as recorded at fair value through profit and loss if it is designated as such at initial recognition or held for trading. Financial instruments are classified as recorded at fair value through profit and loss if the asset is managed, and purchase and sale decisions related to it are made based on fair value issues. After initial recognition, transaction costs that are attributable to the asset are recognized in the profit and loss account when incurred. Financial instruments that are recorded at fair value through profit and loss are measured at fair value; any value changes are recognized in the profit and loss account.

Other non-derivative financial instruments
Other non-derivative financial instruments are measured at amortized cost, using the effective interest method, less any impairment losses.

Financial derivatives
The Group uses financial derivative instruments to hedge its exposure to foreign exchange and interest-rate risks. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in the profit and loss account as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Embedded derivatives are separated from the host contract and accounted for separately if (1) the economic characteristics and risks of the host contract and the embedded derivatives are not closely related, (2) a separate instrument with the same terms and conditions as the embedded derivative would meet the derivative definition, and (3) the combined instrument is not measured at fair value through profit and loss.

Changes in fair value of embedded derivatives that can be separated from the host contract, are recognized in the profit and loss account on a current basis.

Hedging
At the time a contract is entered into, the Group identifies whether it is a hedge of fair value of a recognized asset or liability (fair value hedge), a hedge of a future transaction (cash flow hedge), or a hedge of a “firm commitment” (fair value hedge).

Fair value hedges
Changes in the fair value of derivatives that have been identified and qualify for fair value hedging and that are effective hedges, are recognized in the profit and loss account, along with any changes in the fair value of the asset or liability that is being hedged.

Cash flow hedges
Changes in the fair value of a derivative hedging instrument that is designated as a cash flow hedge are recognized directly in equity to the extent the hedging is effective. Fair value changes in the ineffective part of the hedge are recognized at fair value in the profit and loss account.

When a hedging instrument no longer meets the criteria for hedging accounting, expires, or is sold, terminated, or exercised, hedging accounting is terminated. Any cumulative gain or loss previously recognized in equity, remains there until the forecast transaction occurs. If the hedged transaction is a non-financial asset, the amount recognized in equity is transferred to the asset’s carrying value in the balance sheet upon recognition. In other cases, the amount recognized in equity is transferred to profit and loss in the same period that the hedged item affects profit and loss.

Hedging of net investments in foreign operations
With regard to an instrument used to hedge a net investment in a foreign operation, the proportion of gain or loss that is determined to be an effective hedge, is recognized directly in equity. The ineffective portion is recognized immediately in the profit and loss account.

Economic hedges
Where a derivative financial instrument is used as an economic hedge of the foreign exchange exposure of a recognized monetary asset or liability, no hedge accounting is applied. Changes in the fair value of such derivatives are recognized in profit and loss as part of any foreign currency gains or losses.

Share capital
Ordinary shares
Ordinary shares are classified as equity. Costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)
When share capital that was recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction in equity, net of any tax effect.

Repurchased shares are classified as treasury shares and are presented separately as a deduction from total equity. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in equity; any resulting surplus or deficit on the transaction is transferred to or charged against retained earnings.

The translation reserve comprises all foreign exchange differences arising from translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge Aker Seafoods’ net investments in foreign subsidiaries.

The hedging reserve applies to cash flow hedges entered into in order to hedge against changes in income and expenses that may arise from exchange rate fluctuations. The profit effect of such transactions is included in the profit and loss account upon recognition of project revenues and expenses according to progress based on an updated total calculation for the project. The hedging reserve represents the value of such hedging instruments that are not yet recognised in the income statement.

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognized.

Property, plant, and equipment

Recognition and measurement
Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses.

Acquisition cost includes expenditures directly attributable to the asset’s acquisition. Acquisition cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Acquisition cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Borrowing costs associated with loans to finance the construction of property, plant and equipment is capitalized over the period necessary to complete an asset and make it ready for its intended use. Other borrowing costs are expensed.

When significant parts of an item of property, plant, and equipment have different useful lives, major components are accounted for as separate items of property, plant, and equipment.

Gain or loss on the disposal of an item of property, plant, and equipment is determined by comparing the disposal proceeds with the carrying amount of that item; the result is included in operating profit before depreciation and amortization. If the amount is material and is not deemed to be of a recurring nature, the amount is presented under Impairment changes and non-recurring items.

Assets that will be disposed, which are classified as held-for-sale, are reported at the lower of the carrying amount or the fair value less selling costs.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits in the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day maintenance of property, plant and equipment are recognized in profit and loss as incurred.

Depreciation

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Group will acquire ownership at the end of the lease term. Land is not depreciated.

Estimated useful lives for the current and comparative periods are as follows:

Vessels	20-30 years
Machinery and transportation vehicles	3-20 years
Buildings and residences	10-50 years

Depreciation methods, useful lives, and residual values, are reviewed at each balance sheet date.

Intangible assets

Goodwill

All business combinations are accounted for using the acquisition method. Goodwill on acquisitions of subsidiaries, associates, and jointly controlled entities represents the difference between the acquisition cost at the time the entity is acquired and the fair value of the net identifiable assets acquired.

Goodwill is allocated to cash-generating units and is tested annually for impairment. For associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Negative goodwill arising on an acquisition is recognized directly in the profit and loss account.

Goodwill arising upon the acquisition of minority interests (stepwise acquisitions) is calculated as the difference between acquisition costs and the carrying amount of net assets at the time of each acquisition.

Goodwill is valued at acquisition cost, less any accumulated impairment losses.

Research and development

Expenditure on research activities, undertaken to gain new scientific or technical knowledge and understanding, is recognized in profit and loss in the period it is incurred.

Other intangible assets

Other acquired intangible assets (patents, trademarks, fishing licenses, and other rights) are stated in the balance sheet at cost less accumulated amortization and impairment losses. Expenditures on internally generated goodwill and brand names are recognized in profit and loss for the period in which they are incurred.

Leasing agreements (Group as lessee)

Leases of property, plant and equipment in which the Group has substantially all the risks and rewards of ownership, are classified as financial leases.

Financial leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Following initial capitalization, the same accounting principle that applies to the corresponding asset is used. Lease payments are apportioned between financial expenses and reduction in the lease liability.

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the profit and loss account on a straight-line basis over the period of the lease, such that a constant periodic interest rate is calculated on the remaining balance sheet liability.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor and other direct costs, and related production overhead (based on normal operating capacity), but excludes borrowing costs. Acquisition cost for inventories may also include elements transferred from equity. The latter may be gains or losses associated with cash flow hedging for foreign currency purchases.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Impairment

Financial assets

Financial assets are assessed on each balance sheet date to determine whether there is any objective evidence of impairment. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss with respect to a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated based on its fair value.

Individually significant financial assets are tested for impairment on an individual basis, and the remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Impairment losses are recognized in the profit and loss account. Accumulated loss on an available-for-sale financial asset previously recognized in equity is transferred to profit and loss.

Impairment losses are reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the profit and loss account. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there are indications of impairment. If such indications exist, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use or its fair value less sales costs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The pre-tax discount rate reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together in the smallest groups of assets that generate cash inflows from continuing use, and that are largely independent of the cash inflows of other assets or groups of assets (the cash generating unit). For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the synergies of the combination.

Any impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

Impairment losses associated with goodwill are not reversed. For other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists.

Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Pension obligations

The Group has both defined benefit and defined contribution plans. For defined benefit plans, the liability recognized is the present value of the defined benefit obligation at the balance sheet date, minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows. The cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the service lives of employees. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, and amendments to pension plans are recognized over the average remaining service lives of the employees concerned.

For defined contribution plans, contributions are paid into pension insurance plans. Once the contributions have been paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the profit and loss account in the period to which the contributions relate.

Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that payments or other outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined as the present value of expected future cash flows, discounted by a market-based pre-tax discount rate. The interest rate applied reflects current market assessments of the time value of money and the risks specific to the liability.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either begun or has been announced to the affected parties.

Revenue recognition

Revenue is recognized only if it is probable that future economic benefits will flow to Aker Seafoods, and that these benefits can be measured reliably. Revenue includes gross inflows of economic benefits that Aker Seafoods receives for its own account.

Revenue from the sale of goods is recognized when Aker Seafoods has transferred the significant risks and rewards of ownership to the buyer, and no longer retains control or managerial involvement over the goods.

Government grants

An unconditional government grant is recognized in the profit and loss account when the Group is entitled to receiving the funding. Other public funding is initially recognized in the balance sheet as deferred revenues when it is reasonably certain that the funding will be received and that the terms and conditions associated with the funding will be met.

Grants that compensate for incurred expenses are recognized in the profit and loss account on a systematic basis in the same periods in which the expenses are incurred. Funding that compensates for acquisition costs of an asset, is recognized in the profit and loss account on a systematic basis over the asset's useful life.

Expenses

Lease payments

Lease payments under operating leases are recognized in the profit and loss account on a straight-line basis over the lease period. Any lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

In financial leases, minimum lease payments are apportioned between financial expenses and a reduction in the outstanding liability. The finance expense is allocated to each period during the lease term, so as to produce a constant periodic interest rate on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease, when the contingencies of the variable lease have been met and the adjustment amount is known.

Financial income and expenses

Financial income comprises interest income on financial investments (including financial assets classified as available for sale), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial asset at fair value through profit and loss, and gains on hedging instruments recognized in profit and loss. Interest income is recognized using the effective interest method.

Dividend income is recognized when approved by the shareholders' meeting of the company in question.

Financial expenses comprise interest expenses on borrowing, the interest effect of downward discounted provisions, changes in the fair value of financial assets at fair value through profit and loss, impairment losses on financial assets charged to profit and loss, and losses on hedging instruments that are recorded in the profit and loss account. Borrowing costs are recognized in profit and loss using the effective interest method. However, the cost of loans assumed to finance the construction of property, plant and equipment are capitalized over the period required to complete the asset and ready it for its intended use. Foreign currency gains and losses are reported on a net basis.

Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted as of the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is calculated based on the temporary differences between the balance sheet values and the taxation values of assets and liabilities.

Deferred tax is not recognized for the following temporary differences:

- Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.
- Differences relating to investments in subsidiaries and jointly controlled entities, to

the extent that it is probable that they will not reverse in the foreseeable future.
- Tax-increasing temporary differences upon initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.
Deferred tax assets and liabilities are offset if:
- There is a legally enforceable right to offset current tax liabilities and assets
- They relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but for which settlement of current tax liabilities and assets on a net basis is intended, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset will be recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

Discontinued operations
A discontinued operation is a component of the Group's business operations that represents a separate, major line of business or geographical area of operations that has been disposed of or is held for sale. It may also be a subsidiary acquired for the sole purpose of resale. Classification as a discontinued operation occurs at the earlier of the following:
- Upon disposal, or
- When the operation meets the criteria to be classified as held for sale

When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the beginning of the reporting period.

Dividends
Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders.

Earnings per share
The calculation of ordinary earnings per share is based on the profit attributable to ordinary shares using the weighted average number of shares outstanding during the reporting period, after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of ordinary earnings per share, and gives effect to all ordinary shares with dilutive potential that were outstanding during the period, that is:
- The net profit for the period attributable to ordinary shares is increased by the after-tax amount of dividends and interest recognized in the period in respect of the ordinary shares with dilutive potential, and adjusted for any other changes in income or expenses that would result from the conversion of the ordinary shares with dilutive potential.
- The weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all ordinary shares with dilutive potential, increases the weighted average number of ordinary shares outstanding.

Comparative figures
When necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Segment reporting
Segment reporting is based on the dominant source and nature of the risks and returns of the Group, as well as the Group's internal reporting structure.

The Group has designated business segments as its primary reporting segments, and geographical segments as its secondary reporting segments.

Transactions between segments are conducted at market terms and conditions.

The Group comprises the following business segments:
- Harvesting
- Processing Norway
- Processing Denmark/Sweden

The Aker Seafoods Group has the following geographical segments in Norway and the European Union. Comparative data is generally restated for changes in segments.

Determination of fair value
Accounting principles and note disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information on the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

Property, plant, and equipment
The fair value of property, plant, and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The market value of items of plant, equipment, fixtures and fittings, is based on market prices for similar items.

Intangible assets
The fair value of patents and trademarks acquired in a business combination is the fair value based on the estimated discounted royalty payments that would have been paid if the Group had not had control of the patent or brand name. The fair value of other intangible assets is based on the discounted projected cash flow from usage or sale of the assets.

Inventories
The fair value of inventories acquired in a business combination is determined based on their estimated selling price in the ordinary course of business, less the estimated costs of completion and sale, with the addition of a profit margin based on the effort required to complete and sell the inventories.

Investments in equity and debt securities
The fair value of financial assets at fair value through profit and loss, investments held-to-maturity and financial assets available for sale is determined by reference to the bid price quoted at the reporting date. The fair value of investments held to maturity is determined for disclosure purposes only.

Trade and other receivables
The fair value of accounts receivable and other receivables, other than construction work in progress, is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Derivatives
The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future cash flows of principal and interest, discounted at the market rate of interest at the balance sheet date.

For convertible bonds, the conversion right and the loan are separated. As to the loan component, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. Regarding financial leases, the market rate of interest is determined by reference to similar lease agreements.

Note 2: Acquisitions of associated companies

Acquisition of Norwegian Fish Company Export AS

The company operates two receiving- and processing facilities in Sørvær and Berlevåg and has a sales organization in Kristiansund. The headquarter is in Kristiansund.

Details regarding the transaction is as follows:

Purchase price (NOK million)	
- Expenses related to the purchase	0
- Cash payments and sales credit	7
- Payments in shares	2
Total purchase price	9
Actual value of net assets acquired	6
Goodwill	3

Assets and liabilities from the acquisition is as follows:

Amounts in NOK million	Actual value	Adjustments	Values in company
Real estate, plants and equipment	29	17	12
Other long term operating assets	4	-	4
Short term operating assets	14	-	14
Cash and cash equivalents	3	-	3
Total assets	51	17	33
Interest bearing loans	(16)	-	(16)
Long term allocations		-	
Payables and other short term liabilities	(22)	(5)	(18)
Short term allocations		-	
Net assets	12	12	(0)
Minority interests	(6)	(6)	0
Net assets acquired	6	6	(0)

In the six month period until December 31st 2007 NFC contributed with a negative earnings of NOK 1 291 million in the consolidated profit and loss statement.

Acquisition of Pesquera Ancora

The company operates two trawlers in the Barents sea and has about one fourth of the Spanish whitefish quota in the region. The headquarter is in Vigo, Spain.

Details regarding the transaction is as follows:

Purchase price (NOK million)	91
- Expenses related to the purchase	1
- Cash payments and sales credit	91
Total purchase price	93
Actual value of net assets acquired	93
Goodwill	0

Assets and liabilities from the acquisition is as follows:

Amounts in NOK million	Actual value	Actual value adjustments	Balance sheet values in company
Quotas	126	126	0
Real estate, plants and equipment	67	59	7
Other long term operating assets	11	(16)	27
Short term operating assets	21	(1)	22
Cash and cash equivalents	1	-	1
Total assets	225	168	58
Interest bearing loans	(0)	-	(0)
Long term allocations	(53)	(53)	-
Payables and other short term liabilities	(17)	-	(17)
Short term allocations	(0)	-	(0)
Net assets	154	115	40
Minority interests	(62)	(46)	(16)
Net assets acquired	93	69	24

In the two month period until December 31st 2007 Pesquera Ancora contributed with a negative earnings of NOK 1,312 million in the consolidated profit and loss statement.

Purchase of the activity in Fiskmästern

Aker Seafoods purchased in May 2007 the activity in Fiskmästern from Domstein Enghav AB. The company operates within the secondary processing segment and delivers products to the Swedish market. Excess value at the time of purchase is NOK 4 million and is related to goodwill.

Note 3: Business and geographical segments

Segment information is presented in respect of the Group's business and geographical segments.The primary format, business segments, is based on the Group's management and internal reporting structure. The operating companies in the Group which represent the different business segments provide different products and services and they are subject to different risk and returns. See the Board of Directors' report for a description of the operating companies.

Operating revenue in geographical segments are based on the geographical location of customers whereas Segment assets and Capital expenditure are based on geographical location of the companies.

Inter-segment pricing are set on an arm's length basis in a manner similar to transactions with third parties.

2007 - Business segments

Amounts in NOK million	*Note*	Harvesting	Processing Norway	Processing Denmark and Sweden	Other	**Consolidated**
External operating revenues		336	1 272	617	5	**2 230**
Inter-segment revenues		251	65	1	(316)	**0**
Operating revenues		587	1 336	618	0	**2 230**
EBITDA		143	41	28	(34)	**178**
Depreciation and amortization	*11, 12*	(39)	(26)	(14)	(3)	**(82)**
Impairment changes and non recurring items	*8*	6	0		0	**6**
Operating profit		110	15	14	(38)	**102**
Share of earnings in associated companies	*13*	0	0	0	0	**0**
Net financial items	*9*	(24)	(44)	0	(14)	**(82)**
Profit before tax		86	(29)	14	(51)	**20**
Tax expense	*10*	(18)	(3)	(4)	14	**(11)**
Profit for the year		68	(33)	10	(37)	**9**
Vessels, property, plant and equipment	*11*	511	251	41	91	**895**
Intangible assets	*12*	993	5	4	131	**1 133**
Investment in associates	*13*	2	1 208	97	(1 286)	**22**
Inventories and interest-free receivables	*17*	93	371	109	(55)	**519**
Other assets [1)]	*16*	497	318	50	(365)	**500**
Total assets		2 098	2 153	302	(1 484)	**3 069**
Trade and other payables		153	167	55	3	**378**
Current Provisions not including Dividend payable		0	0	0	0	**0**
Other liabilities [2)]		1 119	781	98	(341)	**1 657**
Total liabilities		1 272	948	153	(339)	**2 034**
Capital expenditure [3)]	*11, 12*	204	38	14	2	**258**

Accounts 2006 - Business segments

Amounts in NOK million	*Note*	Harvesting	Processing Norway	Processing Denmark and Sweden	Other	**Consolidated**
External operating revenues		331	1 160	616	13	**2 120**
Inter-segment revenues		232	77	1	(310)	**0**
Operating revenues		563	1 237	617	0	**2 120**
EBITDA		149	60	25	(40)	**195**
Depreciation and amortization	*11, 12*	(40)	(29)	(14)	0	**(83)**
Impairment changes and non recurring items	*8*	0	0	0	40	**40**
Operating profit		109	31	11	0	**151**
Share of earnings in associated companies	*13*	0	0	0	1	**1**
Net financial items	*9*	(20)	(24)	1	(5)	**(49)**
Profit before tax		89	7	12	(5)	**104**
Tax expense	*10*	(23)	58	(3)	(13)	**18**
Profit for the year		66	65	9	(17)	**122**
Vessels, property, plant and equipment	*11*	478	225	49	9	**761**
Intangible assets	*12*	906	5	0	0	**911**
Investment in associates	*13*	3	1 188	0	(1 178)	**14**
Inventories and interest-free receivables	*17*	119	335	102	(67)	**489**
Other assets [1)]	*16*	406	448	48	(370)	**532**
Total assets		1 911	2 202	199	(1 606)	**2 706**
Trade and other payables		84	139	53	2	**278**
Current Provisions not including Dividend payable		12	45	6	(63)	**0**
Other liabilities [2)]		1 061	753	0	(368)	**1 447**
Total liabilities		1 158	937	59	(429)	**1 725**
Capital expenditure [3)]	*11, 12*	58	33	7	2	**100**

Accounts 2005 - Business segments

Amounts in NOK million	*Note*	Harvesting	Processing Norway	Processing Denmark and Sweden	Other	**Consolidated**
External operating revenues		284	849	606	0	**1 739**
Inter-segment revenues		137	16	0	(153)	**0**
Operating revenues		422	865	606	(155)	**1 739**
EBITDA		82	41	24	(12)	**135**
Depreciation and amortization	*11, 12*	(37)	(23)	(15)	0	**(75)**
Impairment changes and non recurring items	*8*	0	0	0	0	**0**
Operating profit		45	18	9	(12)	**60**
Share of earnings in associated companies	*13*	(1)	0	0	(4)	**(5)**
Net financial items	*9*	(19)	(7)	2	(19)	**(43)**
Profit before tax		25	11	11	(35)	**12**
Tax expense	*10*	0	0	(4)	0	**(4)**
Profit for the year from continued operations		25	11	7	(35)	**8**
Profit from discontinued operations		0	0	0	0	**0**
Profit for the year		25	11	7	(35)	**8**
Property, plant and equipment	*11*	501	238	55	9	**803**
Intangible assets	*12*	253	5	0	619	**877**
Investment in associates	*13*	14	131	0	(135)	**10**
Inventories and interest-free receivables	*17*	29	108	23	(4)	**204**
Other assets [1)]	*16*	388	376	107	(78)	**856**
Total assets		1 185	858	185	411	**2 750**
Trade and other payables		53	56	37	18	**189**
Current Provisions not including Dividend payable		16	54	14	2	**86**
Other liabilities [2)]		1 012	418	7	68	**1 569**
Total liabilities		1 081	528	58	88	**1 844**
Capital expenditure [3)]	*11, 12*	438	82	12	164	**698**

Pro forma 2007 - Business segments

Amounts in NOK million	*Note*	Harvesting	Processing Norway	Processing Denmark and Sweden	Other	**Consolidated**
External operating revenues		375	1 340	617	5	**2 337**
Inter-segment revenues		251	75	1	(328)	**0**
Operating revenues		626	1 415	618	0	**2 337**
EBITDA		154	42	28	(34)	**189**
Depreciation and amortization	*11, 12*	(40)	(26)	(14)	(3)	**(83)**
Impairment changes and non recurring items	*8*	6	0		0	**6**
Operating profit		120	15	14	(38)	**112**
Share of earnings in associated companies	*13*		0	0	0	**0**
Net financial items	*9*	(25)	(45)	0	(14)	**(84)**
Profit before tax		95	(30)	14	(51)	**28**
Tax expense	*10*	(18)	(6)	(4)	14	**(14)**
Profit for the year		77	(36)	10	(37)	**14**
Vessels, property, plant and equipment	*11*	511	251	41	91	**895**
Intangible assets	*12*	993	5	4	131	**1 133**
Investment in associates	*13*	2	1 208	97	(1 286)	**22**
Inventories and interest-free receivables	*17*	93	371	109	(55)	**519**
Other assets [1)]	*16*	497	318	50	(365)	**500**
Total assets		2 098	2 153	302	(1 484)	**3 069**
Trade and other payables		153	167	55	3	**378**
Current Provisions not including Dividend payable		0	0	0	0	**0**
Other liabilities [2)]		1 119	781	98	(341)	**1 657**
Total liabilities		1 272	948	153	(339)	**2 034**
Capital expenditure [3)]	*11, 12*	204	38	14	2	**258**

1) Other assets include Deferred tax assets, Financial assets, Interest-bearing receivables and Cash and Cash equivalents and other financial assets.

2) Other liabilities include Non-current liabilities, Interest-bearing short-term debt, Income tax payable and Dividend payable.

3) Capital expenditure comprises additions to property, plant and equipment (note 11) and Intangible assets (note 12). Including additions resulting from acquisitions through business combinations.

Note 4: Operating revenue and other income

Geographical segments

	Operating revenues by customer location			
Amounts in NOK million	**2007**	2006	2005	**2007**
Norway	**605**	631	495	**637**
EU	**1 513**	1 340	1 157	**1 588**
America/Canada	**58**	71	-	**58**
Asia	**1**	29	61	**1**
Other areas	**53**	49	26	**53**
Total	**2 230**	2 120	1 739	**2 337**

Geographical segments

	Capital expenditure by company location			
Amounts in NOK million	**2007**	2006	2005	**2007**
Norway	**2 710**	2 485	2 565	**2 710**
EU	**359**	221	185	**359**
Total	**3 069**	2 706	2 750	**3 069**

Analysis of sales by category

Amounts in NOK million	**2007**	2006	2005	**Pro forma 2007**
Sales of goods	**2 210**	2 093	1 717	**2 317**
Revenue from services	**20**	27	22	**20**
Total	**2 230**	2 120	1 739	**2 337**

Note 5: Cost of goods and change in inventory

Cost of goods and change in inventory consist of:

2005	2006	2007	*Amounts in NOK million*	**Pro forma 2007**
886	1 116	1 223	Cost of goods	**1 286**
13	(11)	(52)	Change in inventory	**(52)**
899	1 105	1 171	Total	**1 234**

Note 6: Wages and other personnel expenses

Wages and other personnel expenses consist of:

2005	2006	**2007**	*Amounts in NOK million*	**Pro forma 2007**
368	469	**479**	Wages	**499**
16	16	**16**	Social security contributions	**20**
15	13	**14**	Pension costs (note 27)	**14**
10	15	**15**	Other expenses	**16**
408	514	**524**	Total	**549**
1 136	1 191	**1 301**	Average number of employees	**1 354**
1 200	1 167	**1 324**	Number of employees, year end	**1 324**

Number of employees at year end is divided geograpically as follows:

922	894	**986**	Norway	**986**
278	273	**338**	The EU	**338**
-	-	**-**	Other	
1 200	1 167	**1 324**	Total	**1 324**

Note 7: Other operating expenses

Other operating expenses consist of:

2005	2006	**2007**	*Amounts in NOK million*	**Pro forma 2007**
5	3	**2**	Rent and leasing expenses (note 26)	**2**
4	(3)	**3**	Impairment loss on trade receivables	**2**
	1	**3**	Hired labour	**3**
287	306	**348**	Other operating expenses	**358**
296	306	**357**	Total	**365**

Hired labour consists of personnell without personal employee agreement and external consultants

Payments/fees to auditors for the Aker Seafoods ASA Group are included in Other operating expenses, and is devided as follows:

2005	2006	**2007**	*Amounts in NOK thousands*	Ordinary auditing	Consulting services	**Pro forma 2007**
825	528	**583**	Aker Seafoods ASA	270	313	**583**
2 985	2 853	**1 629**	Subsidiaries	1 219	470	**1 689**
3 810	3 381	**2 212**	Total	1 489	783	**2 272**

Consulting services from the auditors consists of the following:

2005	2006	**2007**	*Amounts in NOK thousands*	**Pro forma 2007**
374	42	**304**	Other assurance services	**304**
266	124	**14**	Tax advisory services	**14**
224	650	**465**	Non-audit services	**465**
509	8	**-**	Merger cost and other operating expenses	**-**
1 373	824	**783**	Total	**783**

Note 8: Impairment changes and non recurring items

Impairment changes and non recurring items include impairment losses on goodwill, impairment loss and impairment reversal on property, plant and equipment, major losses on the sale of operating assets, restructuring costs and other material matters not expected to be of a recurring nature.

The items are as follows:

2005	2006	**2007**	*Amounts in NOK million*	**Pro forma 2007**
-	40	**-**	Success fee after the listing of Aker Biomarine ASA	
-	-	**42**	Sale of the vessel "Vesttind"	**42**
-	-	**(6)**	Confiscation fine of the vessel "Stamsund"	**(6)**
		(16)	Sentence in the triple trawler case	**(16)**
-	-	**(15)**	NOx tax – additional tax for 2007	**(15)**
-	40	**6**	Total	**6**

2007:
Nordland Havfiske AS sold in June 2007 the vessel "Vesttind" without quotas. The transaction created an accounting profit of NOK 42.4 million.

Nordland Havfiske AS was in the court of appeal sentenced to pay compensation of NOK 15.6 million for breach on third party's patented triple trawl technology for harvesting shrimps.

Related to structuring of the fleet in Aker Seafoods, the vessel m/tr Stamsund was fined NOK 5.5 million which was cost allocated in 2007.

Related to NOx tax from January 1st 2007 of NOK 15 per kilo NOx there were decided that an environment agreement with an investment pool were to be established. Such agreement was agreed on from January 1st 2008 with a NOx tax of NOK 4 per kilo NOx for the harvesting fleet. There are however no agreement for the excess tax in 2007 which the company has paid. The excess NOx tax is stated as a non recurring item.

2006:
In connection with the IPO and the OTC listing of Aker BioMarine ASA, Aker Seafoods received a success fee of NOK 50 million. The fee was entered as non recurring item. In addition there are cost allocations of NOK 10 million entered as a non recurring item. The net effect for Aker Seafoods in 2006 was NOK 40 million.

Note 9: Financial income and financial expenses

2005	2006	2007	Amounts in NOK million	Pro forma 2007
8	9	**9**	Interest income loans and receivables	**9**
9	9	**14**	Interest income bank and other	**14**
1	-		Dividend income	
-	4	**1**	Foreign exchange gain	**1**
5	0	**0**	Other financial income	**0**
23	22	**23**	Financial income	**23**
(58)	(69)	**(91)**	Interest expense	**(93)**
(6)	0	**(0)**	Foreign exchange gain/loss	**(0)**
(5)	(2)	**(15)**	Other financial expenses	**(15)**
(68)	(71)	**(106)**	Financial expenses	**(108)**
(45)	(49)	**(82)**	Net financial items	**(84)**

Other financial costs in 2007 includes change in value of the company's 350 889 shares in Aker BioMarine of NOK 12 million.

Note 10: Tax

INCOME TAX EXPENSE
Recognised in the income statement

2005	2006	2007	Amounts in NOK milllion	Pro forma 2007
			Current tax expense:	
(2)	(4)	**(4)**	Current year	**(7)**
(2)	(4)	**(4)**	Total current tax expense	**(7)**
			Deferred tax expense:	
(2)	(25)	**(7)**	Change in deferred tax	**(7)**
(2)	(25)	**(7)**	Total deferred tax expense	**(7)**
(4)	(29)	**(11)**	Total income tax expense in income statement	**(14)**

Reconciliation of effective tax rate

2005	2006	2007	Amounts in NOK milllion	Pro forma 2007
12	104	**20**	Profit/loss before tax	**28**
(3)	(29)	**(6)**	Nominal tax rate Norway 28%	**(8)**
-	-	**-**	Difference tax rate Norway and abroad	**(1)**
(1)	-	**(5)**	Non-deductable expenses	**(5)**
	47		Utilisation of previously unrecognised tax losses	
(4)	18	**(11)**	Total tax cost in income statement	**(14)**

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

2005	2006	2007	Amounts in NOK milllion	Pro forma 2007
25	-	**-**	Deferred tax assets	**-**
(25)	0	**0**	Deferred tax liabilities	**0**

2005	2006	2007	Amounts in NOK million	Pro forma 2007
-	-	**-**	**Dedecutible temporary difference**	**0**
166	0	**-**	Tax losses	**0**

2007:
The total deferred tax is NOK 139 million. The Board of Directors expect increased taxable profit going forward, so that the deferrad tax will be utilized during 4-6 years.

2006:
The integration with West Fish Aarsæther has been evaluated, and deferred tax assets have been recognised during 2006.

The gross movement on the deferred income tax account is as follows:

2005	2006	**2007**	*Amounts in NOK million*	**Pro forma 2007**
(133)	(107)	(91)	Balance as of January 1, 2007	**(91)**
1	0	0	Exchange differences	**0**
23	(1)	(58)	Acquisition/sale of subsidiary	**(58)**
	22	(7)	Income statement charge	**(7)**
2	(5)	0	Deferred tax cost	**0**
0	0	1	Tax charged to equity	**1**
(107)	(91)	(155)	End of the year	**(155)**
105	159	165	Deferred tax assets	**165**
(212)	(250)	(320)	Deferred tax liabilities	**(320)**
(107)	(91)	(155)	End of the year	**(155)**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets:

Amounts in NOK million	Provisions of assets	Deferred tax	Pensions other	**Total**
As of January 1, 2005	7	1	14	**22**
Charged/(credited) to the income	8	68	7	**83**
As of December 31, 2005	15	69	21	**105**
Charged/(credited) to the income	8	66	(19)	**54**
Exchange differences	0	0	0	**0**
As of December 31, 2006	23	135	2	**159**
Charged/(credited) to the income	(1)	5	3	**7**
Exchange differences	0	0	0	**0**
As of December 31, 2007	21	139	5	**165**

Deferred tax liabilities:

Amounts in NOK million	Provisions of assets	Fair value gains	Pentions allocations other	**Total**
As of January 1, 2005	(165)	0	(50)	**(215)**
Charged/(credited) to the income	0	0	3	**3**
As of December 31, 2005	(165)	0	(47)	**(212)**
Charged/(credited) to the income	109	(126)	(21)	**(38)**
Charged to equity	0	0		**0**
As of December 31, 2006	(57)	(126)	(67)	**(250)**
Charged/(credited) to the income	20	4	(36)	**(12)**
Acquisition/sale of subsidiary	(5)		(54)	**(59)**
Exchange differences				**0**
As of December 31, 2007	(41)	(122)	(157)	**(320)**

Deferred tax recorded against equity:

Amounts in NOK million	**2007**	2006	2005
Deferred tax benefit	**2**		
Deferrede tax	**3**	-	-

Deferred tax, tax expenses and tax payable per geographical segment:

Income tax expenses, net deferred tax liabilities/receivable and income tax payable/receivable are divided geographical as follows:

2007

Amounts in NOK million	Current tax	Change in deferred tax	Tax expenses	Net deferred tax liabilities	Tax payable
Norway	0	(7)	(7)	157	(320)
The EU	(4)	0	(5)	8	0
Total	(4)	(7)	(11)	165	(320)

2006

Amounts in NOK million	Current tax	Change in deferred tax	Tax expenses	Net deferred tax liabilities	Tax payable
Norway	0	22	22	150	(250)
The EU	(4)	1	(3)	9	
Total	(4)	22	18	159	(250)

2005

Amounts in NOK million	Current tax	Change in deferred tax	Tax expenses	Net deferred tax liabilities	Tax payable
Norway	0	0	0	97	(212)
The EU	(2)	(2)	(4)	8	0
Total	(2)	(2)	(4)	105	(212)

The numbers above are based on preliminary estimates on several tax-free gains, non-tax deductible costs and different period allocations between the financial statements and the tax statements. Final figures will be used when reporting the tax statement, and may differ from the above figures.

Note 11: Vessels, property, plant and equipment

Movements in property plant and equipment for 2007 are shown below:

Amounts in NOK million	Vessels	Machinery Vehicles	Buildings Housing	**Total**
Cost balance at January 1, 2007	804	488	447	**1 739**
Acquisitions through business combinations	67	4	27	**98**
Other acquisitions	133	109	20	**262**
Acquisitions through financial leasing		1	11	**12**
Disposals and scrapping	(174)	(20)	(4)	**(198)**
Effect of movements in foreign exchange		(5)	(4)	**(9)**
Cost balance at December 31, 2007	830	577	496	**1 903**
Depreciation and impairment losses at January 1, 2007	374	358	245	**977**
Depreciation charge for the year	34	33	15	**82**
Disposals and scrapping	(42)	(3)	(2)	**(46)**
Effect of movements in foreign exchange		(4)		**(4)**
Depreciation and impairment losses at December 31, 2007	367	383	258	**1 008**
Book value at December 31, 2001	463	194	238	**895**
1) Balance sheet value og lease ammounts to:	-	1	11	**12**

Norland Havfiske AS sold on June 2007 the vessel m/tr *Vesttind* for NOK 196 million. The group has acquired two new vessels during 2007; M/tr *Polaris* and m/tr *Soløyvåg* for NOK 125 million and NOK 36 million. The vessels are according to IFRS decomposed and divided among the posts ships and equipment. After acquiring the vessels they are reconstructed for NOK 25 million. Other acquisitions are related to upgrading.

Acquisitions related through business combinations are related to the acquisition of Pesquera Ancora with NOK 67 million and Norwegian Fish Export AS with NOK 31 million.

Acquisitions through financial leasing is related to the processing facility Tromvik Fiskeindustri in Tromvika. The lease period is five years with annual lease costs of between NOK 1.2 million and NOK 1.8 million. The lease is depending on the volume of fish through the facilities.

Movements in property plant and equipment for 2006 are shown below:

Amounts in NOK million	Vessels	Machinery Vehicles	Buildings Housing	**Total**
Cost balance at January 1, 2006	905	684	530	**2 119**
Other acquisitions	45	33	12	**90**
Disposals and scrapping	(146)	(229)	(95)	**(470)**
Cost balance at December 31, 2006	804	488	447	**1 738**
Depreciation and impairment losses at January 1, 2006	464	542	308	**1 314**
Depreciation charge for the year	36	31	16	**83**
Disposals	(126)	(215)	(79)	**(420)**
Depreciation and impairment losses at December 31, 2006	374	358	245	**978**
Book value at December 31, 2006	430	129	202	**761**

Note 12: Intangible assets

Movements in intangible assets for 2007 are shown below:

Amounts in NOK million	Goodwill	Licenses etc.	**Total**
Cost balance at 1 January 2007	0	918	**918**
Acquisitions through business combinations	9	126	**135**
Other acquisitions		87	**87**
Disposals			
Cost balance at December 31, 2007	9	1 131	**1 140**
Amortisation and impairment losses at January 1, 2007		7	**7**
Acquisitions through business combinations			
Disposals			
Depreciation and impairment losses at December 31, 2007	0	7	**7**
Book value at December 31, 2007	9	1 124	**1 133**

At the end of 2007, the Aker Seafoods Group owns 29.6 cod and haddock licenses, 31.8 saithe licenses, 6 shrimp licenses and 2 greater silver smelt licenses. In 2007 a cod license entitled the holder to harvest 639 tons of cod, 490 tons of haddock and 823 tons of saithe north of the 62nd parallel. Additionally 200 tons of cod were granted per vessel as a district quota in Finnmark and 80 tons per vessel in Nordland. Aker Seafoods operated 14 vessels in 2007. The shrimp licenses and greater silver smelt licenses are not limited by quantity.

Delivery conditions are recognized with the regional licenses belonging to Nordland and Finnmark. These conditions are considered when estimating the value of licenses.

New structural quota scheme was established by the Parliament in July 2007. Structural quotas was determined to have a limited life of 25 years for existing quotas (from 1/1/2008) and 20 years for new structural quotas (structured after the resolution. Further it was decided that structural quotas which expires will be given back to the group of companies who own structural quotas.

After 25 years the quotas expire but are given back to the group. The companies who structure along with the average of the group will be given their share of expired quotas back. Aker Seafoods is the largest quota owner with 29.3 of total 91 quotas. Aker Seafoods has structured close to the average of the industry. Aker Seafoods considers therefore the quotas as everlasting, hence there are not recorded any depreciation on the structured quotas.

Because current fishing quotas are far lower than the harvesting capacity of a modern trawler, it is possible to substantially improve efficiency by gathering more than one quota in a single vessel. This has also increased the demand for cod licenses from fishing companies with surplus harvesting capacity. The prices for cod, saithe and haddock have also risen in the last two years, which also increases the earnings per license. The shrimp situation has differed, however, by virtue of low prices the last two years. The Aker Seafoods Group has only harvested shrimp to a limited extent in 2007, as vessels have been deployed on other, more profitable operations. Aker Seafoods has operated 14 vessels the last two years.

In connection with the presentation of the 2007 financial statements, an external valuation of the licenses was performed. The cod licenses were valued at NOK 50 million per license, the shrimp licenses at NOK 2 million per license and the greater silver smelt licenses at NOK 5 million per license. The value assessments is based on the market value of this type of license

Amounts in NOK million sensitivity analysis on quotas	Change in sales	Change in EBITDA
Changes in the Harvesting segment:		
10% change in the price of cod will lead to the following changes	29	10
10% change in the quantity of cod will lead to the following changes	29	10
10% change in the quantity of cod, saithe and haddock will lead to the following changes	59	16

Distribution of Goodwill

Amounts i NOK million	**2007**	2006
Fiskmäster´n	**4**	-
Norwegian Fish Company	**5**	-
Total	**9**	-

Movements in intangible assets for 2006 are shown below:

Amounts in NOK million	Goodwill	Licenses etc.	**Total**
Cost balance at 1 January 2006	11	882	893
Acquisitions through business combinations			0
Other acquisitions		36	36
Disposals	(11)		(11)
Effect of movements in foreign exchange			0
Cost balance at December 31, 2006	0	918	918
Amortisation and impairment losses at January 1, 2006	9	7	16
Amortization			0
Disposals	(9)		(9)
Depreciation and impairment losses at December 31, 2006	0	7	7
Book value at December 31, 2006	0	911	911

Note 13: Investments in associates

Amounts in NOK million	**2007**	2006
As of January 1	**6**	5
Acquisitions	**13**	0
Disposals	**0**	0
Share of loss/profit	**0**	1
As of December 31	**20**	6

The movements of investments in associates companies are allocated on companies as follows

2007

Amounts in NOK million	Balance beginning as of January 1	Acquisitions and disposals	Share of loss/ profit	Balance end of year
Tobø Fisk AS	3		-	3
Artic Innomar AS	1	1	-	2
Mare AS		5	-	5
Finnmark Kystfiske AS		1	-	1
Arctic Stockfish Kvalsund AS	0	5	-	5
Vestvågøy Kystrederi AS	2	1	-	3
Other companies	1	0	-	1
Total	6	13	0	20

2006

Amounts in NOK million	Balance beginning as of January 1	Acquisitions and disposals	Share of loss/ profit	Balance end of year
Tobø Fisk AS	2	-	1	3
Artic Innomar AS	1	-	-	1
Other companies	2	-	-	2
Total	5	0	1	6

2007

Amounts in NOK million	Country	Registered offirce	Assets	Liabilities	Equity	Revenues	Profit/loss	Share of interest held
Tobø Fisk AS	Norway	Havøysund	37	24	14	60	1	38.4%
Arctic Innomar AS	Norway	Hammerfest	3	2	1	1	-	40.0%
Mare AS	Norway	Havøysund	8	5	3	8	(0.4)	30.0%
Finnmark Kystfiske AS 1)	Norway	Hammerfest					-	49.0%
Arctic Stockfish Kvalsund AS 1)	Norway	Hammerfest					-	46.1%
Vestvågøy Kystrederi AS	Norway	Stamsund	6	0	6	0	-	49.6%

1) Equity and profit (share of company's) in associated company is based on preliminary estimates and may differ from final figures. The companies that are started in 2007 and have not reported their annual accounts are valued at cost.

2006

Amounts in NOK million	Country	Registered offirce	Assets	Liabilities	Equity	Revenues	Profit/loss	Share of interest held
Tobø Fisk AS	Norway	Havøysund	36	22	14	61	2	38.4%
Arctic Innomar AS	Norway	Hammerfest	3	2	1	1	0	40.0%
Other companies	Norway		-	-	-	-	-	-

Note 14: Other share investments

Other share investments comprise the following items:

Amounts in NOK million	**2007**	2006
Shares in Aker BioMarine ASA	**8**	-
Shares in Færøy Seafoods	**11**	-
Shares in other companies	**4**	8
Total	**23**	8

The other share investments are allocated as follows

Shares in other companies available for sale	**23**	8
Total	**23**	8

Note 15: Interest-bearing long-term receivables

Financial interest-bearing long-term receivables consist of the following items:

Amounts in NOK million	**2007**	2006
Loans to Aker Seafoods Holding AS	**92**	192
Other interest-bearing long-term receivables	**25**	24
Total	**117**	216

The interest-bearing receivable of Aker Seafoods Holding AS matures in 2012.

Interest rate on interest-bearing long-term receivables are as follows

	2007	2006
Interest-bearing long-term receivables	**Nibor + 1.75%**	Nibor + 1.75%

Note 16: Other non-current assets

Other non-current assets consist of the following items:

Amounts in NOK million	**2007**	2006
Other interest-free long-term receivables	**7**	7
Total	**7**	7

Note 17: Inventories

Inventory comprises the following items:

Amounts in NOK million	**2007**	2006
Raw materials	**60**	33
Work in progress	**5**	13
Finished goods – frozen merchandise	**146**	120
Trawler equipment	**19**	18
Total	**229**	185

Of the total value of the Aker Seafoods ASA Group's inventories as of December 31, 2007, NOK 83 million is valued at fair value less cost to sell. The rest of the inventory is valued at full production cost.
Of the total value of the Aker Seafoods ASA Group's inventories as of 31 Dec 2006, NOK 92 million is valued at fair value less cost to sell. The rest of the inventory is valued at full production costs. Of this are goods sold during 2007 booked at fair value less cost to sell.

Note 18: Trade and other non-interest bearing receivables

Trade and other non interest bearing receivables comprise the following:

Amounts in NOK million	**2007**	2006
Trade receivable	**241**	251
Other short-term interest-free receivables	**36**	54
Total	**276**	305

Note 19: Cash and cash equivalentes

Cash and cash equivalents comprise the following items:

Amounts in NOK million	**2007**	2006
Cash and bank deposits	**185**	143
Restricted bank deposits	**5**	7
Cash and cash equivalentes	**190**	150
Bank overdrafts	**-**	-
Cash and cash equivalentes in the statement of cash flows	**190**	150

The group has unitilized bank overdraft limit of NOK 70 million as of 31 December 2007 (2006: NOK 70 million).

Note 20: Earnings per share and dividend per share

Earnings per share

2005	2006	**2007**	*Amounts in NOK million*	**Pro forma 2007**
3	120	**8**	Profit attributable to equity holders of the Company	**11**
			Reconciliation items (individual for each class of instrument)	
3	120	**8**	Profit used to determine diluted earnings per share	**11**
48 646 016	48 565 116	**48 646 016**	Weighted average number of ordinary shares in issue	**48 646 016**
	(80 900)	**(47 725)**	Own shares	**(47 725)**
48 646 016	48 484 216	**48 598 291**	Weighted average number of ordinary shares for diluted earnings per share	**48 598 291**
0.06	2.48	**0.16**	Earnings per share	**0.23**
5	5	**5**	Diluted earnings per share (NOK per share)	**5**

Dividends per share
The dividends paid in 2007 were NOK 0.75 per share.
A dividend in respect of 2007 of NOK 0.75 per share, amounting to a total dividend of NOK 36.4 million is to be proposed at the Annual General Meeting on April 3, 2008. These financial statements do not reflect this dividend payable.

Note 21: Paid in capital

The total authorised and issued number of shares is 48 646 016 (2006: 48 646 016). All issued shares is fully paid.
Par value per share is NOK 5. The Company's has just one class of shares and all shares have equal rights in the company.

Amounts in NOK million	Share Capital	Share premium	Other paid in capital	Reserve for own shares	**Total paid in capital**
Per Desember 31, 2005	243	652	-	-	**895**
Reclassification	-	4			**4**
Reduction of share premium, transferred to other paid in capital		(300)	300		**-**
Purchase of own shares		-		(2)	**(2)**
Per Desember 31, 2006	243	356	300	(2)	**897**
Reclassification					**-**
Sale of own shares			1	1	**2**
Purchase of own shares				(1)	**(1)**
Per Desember 31, 2007	243	356	301	(1)	**899**

Reconciliation of number of shares

Amounts in NOK million	Share Capital	Face value	Number of shares
Per Januar 1, 2007	243	5	48 646 016
Own shares	0	5	(47 725)
Shares in the market December 31, 2007	243	5	48 598 291

Note 22: Group entities

The largest subsidiaries in the Aker Seafoods Group accounts are presented in the table below. Company shareholdings owned directly by Aker Seafoods ASA are emphasized.

	Group's ownership	Group's share of votes	Business address City/Location	Business address Country
Direlctly owned				
Aker Seafoods Finnmark AS	100%	100%	Hammerfest	Norge
Aker Seafoods Melbu AS	100%	100%	Melbu	Norge
Aker Seafoods JM Johansen AS	100%	100%	Stamsund	Norge
Aker Seafoods Denmark A/S	100%	100%	Grenå	Danmark
Aker Seafoods UK Ltd.	100%	100%	Grimsby	England
Norwegian Fish Company Export AS	50%	50%	Kristiansund	Norge
Aker Seafarms AS	100%	100%	Hammerfest	Norge
Nondirectly owned				
Hammerfest Industrifiske AS	60%	60%	Hammerfest	Norge
Norway Seafoods Hammerfest Eiendom AS	100%	100%	Hammerfest	Norge
Nordland Havfiske AS	96%	96%	Stamsund	Norge
Finnmark Havfiske AS	98%	98%	Hammerfest	Norge
Skjærbrygga AS	100%	100%	Stamsund	Norge
Melbu Fryselager	67%	67%	Melbu	Norge
Aker Seafoods Båtsfjord AS	100%	100%	Båtsfjord	Norge
Aker Seafoods Nordkyn AS	100%	100%	Kjøllefjord	Norge
Aker Seafoods Eiendom AS	100%	100%	Ålesund	Norge
Aker Seafoods Nordland AS	100%	100%	Stamsund	Norge
Berlevågtrål III AS	100%	100%	Berlevåg	Norge
Aker Seafoods Sweden AB	100%	100%	Kungshamn	Sverige
Pesquera Ancora S.L.	60%	60%	Vigo	Spania

In the consolidated accounts of Aker Seafoods, the following exchange rates have been used in translating the accounts of foreign subsidiaries and associated companies:

Country	Currency		Average rate 2007	Rate at Dec. 31, 2007	Average rate 2006	Rate at Dec. 31, 2006	Average rate 2005	Rate at Dec. 31, 2005
Great Britain	GBP	1	11.72	10.78	11.80	12.30	11.72	11.65
USA	USD	1	5.86	5.39	6.41	6.26	6.44	6.75
Denmark	DKK	100	107.52	106.42	107.89	110.40	107.45	107.16
Sweden	SEK	100	86.60	84.19	86.98	90.94	86.33	84.70
The European Union	EUR	1	8.01	7.95	8.05	8.24	8.01	8.01

Average rate in 2007 is used in the profit and loss accounts. Rate as of 31. December 2007 is used in the balance sheet.

Note 23: Minority interest

Amounts in NOK million	Minority share	**2007**	2006
Nordland Havfiske AS	3.6%	**12**	11
Finnmark Havfiske AS	2.4%	**4**	6
Norwegian Fish Company Export AS	50.0%	**9**	
Pesquera Ancora S.L.	40.0%	**61**	
Melbu Fryselager AS	33.0%	**0**	
Total		**87**	17

Change in minority interests in 2007 can be refered to the following companies:

Amounts in NOK million	Balance sheet 1 January	Acquistions and disposals	Minority share	Effect from currency changes	Balance sheet 31 December
Nordland Havfiske AS	11		1		12
Finnmark Havfiske AS	6	(2)	0		4
Norwegian Fish Company Export AS		9	0		9
Pesquera Ancora S.L.		62	0		61
Melbu Fryselager AS	0	0	0		0
Total	17	69	1	0	87

Change in minority interests in 2006 can be refered to the following companies:

Amounts in NOK million	Balance sheet 1 January	Acquistions and disposals	Minority share	Effect from currency changes	Balance sheet 31 December
Nordland Havfiske AS	8	2	1		11
Finnmark Havfiske AS	3	2	1		6
Nordic Group AS	8	(8)			0
Total	20	(4)	2	0	17

Note 24: Interest-bearing loans and liabilities

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 29.

Amounts in NOK million	**2007**	2006
Non-current interest bearing liabilities		
Secured bank loans	**826**	720
Unsecured bond issues	**396**	395
Other non-current liabilities	**8**	-
Sum langsiktige forpliktelser	**1 230**	1 115
Current liabilities		
Current portion of secured bank loans	**68**	52
Unsecured bank facility (Bank overdrafts)	**7**	-
Other current liabilities	**11**	11
Total current liabilities	**86**	63

Changes of liabilities in the Group in 2007:

Amounts in NOK million	Short term	Long term	**Total**
Interest bearing liabilities January 1, 2007	63	1 115	**1 178**
New unsecured bond issues		156	**156**
New secure bank loans			**0**
Other borrowings	7	26	**32**
Total payment from long and short term borrowings	70	1 297	**1 366**
Refinancing of secure bank loans			**0**
Sold subsidiaries			**0**
First year instalment and other payments of loans	16	(67)	**(51)**
Total payment of long and short term loans	16	(67)	**(51)**

Amounts in NOK million (cont.)	Short term	Long term	**Total**
Interest			**0**
Exchange adjustment			**0**
Interest bearing liabilities December 31, 2007	86	1 230	**1 315**

The groups interest bearing debt has the following scheduled repayment:

Due year *Amounts in NOK million*	Secured bank loans	Unsecured bond issues
2008	68	-
2009	68	-
2010	68	400
2011	68	-
2012	68	-
2013	68	-
After 2013	524	-
Total	930	400

The trawler fleet and shares in the trawling companies provide security for the secured debt. The loan matures in 2015. The bond loan is placed in the Icelandic market and is listed on the ICEX. The bond loan is unsecured and matures in 2010. Aker Seafoods ASA has covenants in the loan agreements that are linked to minimum equity ratio. The Company is not in violation of the covenants on loans. The group has unitilized bank overdraft limit of NOK 70 million as of 31 December 2007.

Mortgage charges
The Aker Seafoods ASA Group has a consolidated accounts scheme. The participants/companies in the scheme are liable jointly and severally as guarantors for each outstanding amount under the consolidated accounts agreement.

Secured loans

Amounts in NOK million	**2007**	2006
Secured bank loans	**826**	720
Current portion of secured bank loans	**68**	52
Unsecured bank facility and other short term loans	**18**	11
	912	783
Book value of security for bank loans	**1 524**	1 427
Intangible assets, inventory and receivables		

NET INTEREST BEARING DEBT

Net interest bearing debt consists of the following:

Amounts in NOK million	**2007**	2006
Cash and cash equivalents	**189**	150
Interest-bearing long-term receivables	**117**	216
Interest bearng short term receivables		
Total interes bearing assets	**306**	366
Interest bearing long term debt 1)	**(1 230)**	(1 115)
Interest bearing short term debt	**(86)**	(63)
Total interest bearing debt	**(1 315)**	(1 178)
Net interest bearing debt (-) / assets (+)	**(1 009)**	(812)

Financial liabilities

Financial liabilities are due as follows

Amounts in NOK million	Minimum rent 2007	Interests 2007	Repayment 2007	Minimum rent 2006	Interests 2006	Repayment 2006
Less than a year	3	0	3	0	-	-
Between one and five years	5	1	4	0	-	-
More than five years	0	-	-	0	-	-
Total	8	1	7	0	0	0

Rent of the plant in Tromvika is depending on the volume of fish that are processed trough the plant. Minimum rent is NOK 3.2 million the first year, then NOK 1.2 million annually for four years.

Note 25: Operating leases

Non-cancellable operating lease rentals of which the company is the leaser. Charged to profits in 2007-2006

Amounts in NOK million	**2007**	2006
Less than five years	3	3
More than five years	-	-
Total	3	3

Note 26: Pension expenses and pension liabilities

The Aker Seafoods Group's Norwegian companies mainly cover their pensions through group pension plans in life insurance companies. Under IAS 19 Employee Benefits, the plans have been treated for accounting purposes as defined benefit plans.

Some companies have pension plans where the employer provides an agreed-upon contribution that is managed in separate pension savings plan, (defined contribution plans).The contributions are recorded as pension expenses for the period.

The Group also has uninsured pension liabilities for which provisions have been made.

Actuarial calculations have been made to determine pension liabilities and pension expenses in connection with the Group's benefit plans. The following assumptions have been made when calculating liabilities and expenses in Norway:

	2007	2006	2005
Expected return	**6.0%**	5.5%	5.5%
Discount rate at 31 December	**5.0%**	4.5%	4.5%
Wage growth	**4.3%**	3.0%	3.0%
Social security base adjustment/inflation	**3.8%**	2.5%	2.5%
Pension adjustment	**2.5%**	2.0%	2.0%

Pension expense recognised in the income statement:

Amounts in NOK million	**2007**	2006	2005
Current service cost	**4**	3	4
Interest cost	**2**	3	3
Expected return on pension funds	**(2)**	(3)	(3)
Amortization of actuarial gains and losses	**-**	(0)	(0)
Amortization of past service cost		1	2
Net pension expenses	**4**	4	6
Contribution plans (employer's contribution)	**10**	9	11
Total net pension expenses	**14**	13	17

Net pension funds and liabilities:

Amounts in NOK million	**2007**	2006
Liabilities regarding secured benefits (fund based)	**(54)**	(57)
Liabilities regarding unsecured benefits (non fund based)	**(3)**	(3)
Actual value plan assets	**39**	35
Calculated net present value of pension liabilities	**(18)**	(25)
Costst related to previous periods pension benefits, not included in the balance sheet	**1**	7
Net liability for benefit based pensions	**(17)**	(18)
Net assets	**39**	35
Net liability	**(56)**	(53)

Changes in the present value of the defined benefit obligations are as follows:

Amounts in NOK million	**2007**	2006
Net liability at January 1	**(18)**	(18)
Costs related to the period's pension benefits	**(4)**	(4)
Acquisitions and discountinued operations	**3**	
Pension payments	**3**	4
Effect from change in currence exchange rates		
Net liability at December 31	**(17)**	(18)

Penion expenses share per main categry of total pention expenses

Amounts in NOK million	**2007**	2006
Bonds	**64%**	42%
Money market	**25%**	49%
Stocks	**7%**	7%
Real estate	**0%**	0%
Other	**4%**	2%
Total	**100%**	100%

The group expects to pay about NOK 4 million into pension deposits in 2008.
The groups Norwegian operations is subjected to mandatory pension arrangement and the group satisfies the requirements in the law.

Economic assumptions (Norwegian plans)
Discount rate is based upon the Norwegian state bond interest rate.
Rate of return on assets is expected to be higher than the discount rate as the assets are placed in financial instruments with higher risk than state bonds. Experience shows that the long term rate of return on assets is about 1 per cent higher than the discount rate. The company has therefore used an expected rate of return of 6.0 per cent.

Discount rate is based on Norwegian state bond interest rate. Below is the effect on pension costst and liabilities with 1 per cent Increase or reduction in the discount rate. In addition to 1 per cent increase and reduction in wagecosts.

Amounts in NOK million	1 per cent increase	1 per cent reduction
Discount rate	6%	4%
Pension costs inluding interests - SCC	3	5
Pension costs including wage increase - PBO	51	66
Wage increase	5.3%	3.3%
Pension costs inluding interests - SCC	5	4
Pension costs including wage increase - PBO	61	54

Historical information

Amounts in NOK million	**2007**	2006
Defined Benefit obligation funded and non-funded plans	**(56)**	(53)
Actual value plan assets	**39**	35
Net present value of pension (liabilities) / assets	**(17)**	(18)

Note 27: Interest-bearing short-term debt

Interest-bearing short-term debt comprises the following items:

Amounts in NOK million	**2007**	2006
Bank overdrafts	**7**	-
Other interest-bearing short-term debt	**79**	63
Total	**86**	63

Other Interest-bearing short-term debt comprises the following items:

Amounts in NOK million	**2007**	2006
Current portion of longt term interest bearing debt	**68**	52
Other interest-bearing short-term debt	**18**	11
Total	**86**	63

Note 28: Net interest-bearing debt

Net interest-bearing debt comprise the following items:

Amounts in NOK million	**2007**	2006
Cash and bank deposits	**189**	150
Financial interest-bearing fixed assets	**117**	216
Interest-bearing short-term receivables	**-**	-
Total interest-bearing assets	**306**	366
Interest-bearing long-term debt	**(1 230)**	(1 115)
Interest-bearing short-term debt	**(86)**	(63)
Total interest-bearing debt	**(1 315)**	(1 178)
Net interest-bearing (debt) (-)/asset(+)	**(1 009)**	(812)

Note 29: Financial instruments

Ordinary activities generate exposure to credit risks, interest-rate risks and foreign exchange risk. Financial derivatives are used to hedge against exchange-rate fluctuations.

Credit risk

The executive management has laid down the guidelines for credit insurance, and the exposure to credit risk is followed up continually. Credit evaluations are performed on all customers requiring credit over NOK 100 000. Bad debt expense in relation to consolidated net sales was approximately 0.15 per cent and 0.05 per cent in 2007 and 2006, respectively. The Group does not require collateral in respect of financial assets.

No significant concentration of credit risk existed on the balance sheet date. The maximum credit risk exposure is reflected in the balance sheet value of each financial asset, including financial derivatives.

Exposure to credit risk

Amounts in NOK million	**2007**	2006
Actual value with income statment effect	**-**	-
Hold for sale	**-**	-
Hold to maturity	**-**	-
Receivables	**241**	251
Other receivables and loans	**153**	54
Interest rate hedging	**10**	-
Currency hedging	**4**	(4)
Other hedging	**-**	-
Total	**407**	301

Actual value is equal to recorded sheet value.

Depreciation to actual value

Age distributed receivalbles list is as follows:

Amounts in NOK million	**Gross 2007**	Depreciated 2007
Not overdue	**140**	-
Overdue 0-30 days	**63**	-
Overdue 31-120 days	**33**	-
Overdue 121 - 365 days	**1**	1
Overdue more than 1 year	**4**	2
Total accounts receivables	**241**	3
Depreciated through the year	**-**	3

Liquidity risk

Overview over due dates and timing of repricing of receivables and loans:
For interest bearing financial liabilities, the following tabel shows an overview of ammount due, both for loan and for interests per main loan category

	2007 loan due							2007 loan and interest due						
Amounts i NOK millon	Book value	Cash flow	Up to 6 months	6–12 months	1–2 years	2–5 years	Over 5 years	Book value	Cash flow	Up to 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
Non financial derivates:	-							-						
	-							-						
Interest-bearing long-term loans	826	826	34	34	136	204	418	826	1 103	61	60	185	265	532
Unsecured bond issues	396	396	-	-	-	396	-	476	476	16	16	32	412	
Financial leases	8	8	0	0	1	6	-	10	10	1	1	1	7	
Other long term liabilities	-	-						-	-					
Bank overdrafts	7	7	7					7	7	7				
Other short term liabilities	11	11	11					11	11	11				
Financial derivates:								-						
Interest rate swap fpr hedging	10	(368)	(23)	(23)	(92)	(138)	(92)	10	(368)	(23)	(23)	(92)	(138)	(92)
Currency exchange rate hedging	-							-						
Cash flow in	4	208	208					4	208	208				
Cash flow out	-							-						
Total	1 262	1 088	237	11	45	468	326	1 344	1 446	280	53	127	546	440

The table below indicates which period the hedged cash flows and underlaying object can be expected to occur:

Amounts in million	Book value	Expected cash flow	Up to 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Assets							
Liabilities		826	34	34	136	204	418
Interest rate swap							
Receivables							
Liabilities		(368)	(23)	(23)	(92)	(138)	(92)
Total		458	11	11	44	66	326

The table below indicates which period the hedged cash flows and underlaying object is expected to have effect in the profit and loss accounts:

Amounts in million	Book value	Expected cash flow	Up to 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Assets							
Liabilities							
Interest rate swap							
Receivables							
Liabilities		(368)	(23)	(23)	(92)	(138)	(92)
Total		(368)	(23)	(23)	(92)	(138)	(92)

Interest rate risk

At the balance day, the interest rate profile for Akers Seafoods' financial instruments are as follows:

Amounts in NOK million	**2007**	2006
Fixed interest rate:	-	-
Cash and cash equivialents	-	-
Other interest bearing assets	-	-
Interest bearing debt exclusive building loan		
Building loan		
Net interest bearing debt at fixed interest rate	-	-

Amounts in NOK million	2007	2006
Sliding interest rate:		
Cash and cash equivialents	189	150
Other interest bearing assets	117	216
Interest bearing debt exclusive building loan		
Building loan		
Net interest bearing debt at sliding interest rate	306	366

Cash flow analysis and actual value analysis of financial derivates with sliding interest rate
2007

	Accounts		Equity	
Amounts in NOK million	100 pnt increase	100 pnt decrease	100 pnt increase	100 pnt decrease
			-	-
Sliding rate in derivates	(9)	9	-	-
Interest rate swaps - hedging cash flow	-	-	12	(12)
Interest rate swaps - not hedging cash flow	-	-	-	-
Cash flow effect	(9)	9	12	(12)

Interest rate swap agreements

Aker Seafoods ASA secured parts of its mortgage debt with a rate swap agreement per 31 December 2007. Of a total of NOK 826 million, NOK 368 million is secured until April 2015. For other loans and interest bearing financial goods, there's a floating rate of interest. Actual value of the agreement is NOK 9 million per 31 December 2007.

Effective interest rates

The following table shows the redemption yield on the balance sheet date for interest-bearing financial assets and interest-bearing financial liabilities. Re-pricing of all interest-bearing financial assets and liabilities occurs every three and six months as this is also the intervals used for setting interest rates on margins. All interest-bearing financial assets and interest-bearing financial liabilities have floating interest rates.

Amounts in NOK million	*Note*	2007 Effectiv interest	2006 Effectiv interest
Cash and cash equivalents*	*19*	5.0%	2.9%
Interest-bearing long-term receivables	*15*	7.0%	4.9%
Interest-bearing long-term loans and credits	*24*	6.5%	4.7%
Unsecured bond issues:	*24*	8.1%	6.0%
Bank overdrafts	*24*	6.5%	4.7%

Foreign currency risk

The Group incurs foreign currency risk on sales that are denominated in a currency other than NOK. The currencies giving rise to this risk are primarily EUR, GBP, DKK and USD.

Roughly 50 per cent of all receivables in EUR and GBP are hedged. Roughly 50 per cent of the foreign-exchange risk is associated with anticipated sales. The subsequent six months are also hedged at all times. Forward foreign exchange contracts are used for hedging the foreign-exchange risk. All forward foreign exchange contracts expire less than one year after the balance sheet date.

The Group ensures that the net exposure linked to other monetary assets and liabilities in foreign currency is kept at an acceptable level by buying and selling foreign currency at the current rate of exchange when it is necessary to manage a short-term imbalance.

Aker Seafoods' portfolio of currency derivatives at 31 December 2005, which hedges against future sales, consists of the following currencies and times of maturity. The amounts indicate the underlying principal and actual value.

The good debts contracts has a value of NOK 4 million per 31 December 2007.

Amounts in million of relevant value	2008	After 2008	Total
Sell EUR	188	0	188
Sell GBP	20	0	20
Sell total	208	0	208
Buy EUR	0	0	0
Buy GBP	0	0	0
Buy total	0	0	0
Net position	208	0	208

Total currency exposure is as follows:

	Euro	USD	GBP	DKK
Receivables	71	12	12	65
Cash and cash equivalents				
Other assets	39	-	-	82
Interest bearing dept	45	8	8	1
Payables				
Other debt				
Gross exposure according to balance sheet	65	4	4	146

In the consolidated accounts of Aker Seafoods, the following exchange rates have been used in translating the accounts of foreign subsidiaries and associated companies:

Country	Currency		Average echange rate 2007	Rate 31-12-07	Average echange rate 2006	Rate 31-12-06
Great Britain	GBP	1	11.72	10.78	11.80	12.30
USA	USD	1	5.86	5.39	6.41	6.26
Denmark	DKK	100	107.52	106.42	107.89	110.40
Sweden	SEK	100	86.60	84.19	86.98	90.94
The European Union	EUR	1	8.01	7.95	8.05	8.24

Average exchange rate and rate per 31 December 2007 are used for foreign currency conversion of the consilidated profit and loss statement and balance sheet.

Sensitivity, increase/decrease of currency exchange rate against NOK

	Accounts		Equity	
Amounts i NOK million	10% increase	10% decrease	10% increase	10% decrease
Euro	86	(86)	4	(4)
USD	6	(6)	-	-
GPB	10	(10)	-	-
DKK	62	(62)	15	(15)

Anticipated transactions

Forward foreign exchange contracts hedging anticipated transactions are classified as cash-flow hedges. The contracts are valued at fair value. The fair value of forward foreign exchange contracts per 1 January 2005 is adjusted against the hedging reserves on the opening balance sheet at the same date. The net fair value of forward foreign exchange contracts used for hedging anticipated transactions was NOK 3.9 million at 31 December 2007. Loss in corresponding figures in 2006 came to NOK 3.6 million.

Recognised assets and liabilities

Amounts i NOK million	Balance-sheet value	Fair value	Balance-sheet value	Fair value
Other share investments	22	22	8	8
Interest-bearing external receivables	117	117	216	216
Trade receivables	241	241	251	251
Cash and cash equivalents	190	190	150	150
Forward foreign exchange contracts:		0		0
Assets	4	4	0	0
Liabilities	0	0	4	4
Long-term interest-bearing debt (see specification in separate note)	1 230	1 230	1 115	1 115
Short-term interest-bearing debt (see specification in separate note)	86	86	63	63
Trade creditors	380	380	279	279
Total	2 269	2 269	2 085	2 085
Unrealised (losses) / gains		0		0

Fair value is based on the market price quoted at the balance sheet date or the discounted value of future cash flows. By using the discount cash-flow method, future cash flow estimates are based on the best estimate of the management. The discount rate is the going rate of interest for similar instruments on the balance sheet date. Nominal amounts are regarded as reflecting fair value for claims/liabilities with a term of more than one year and for this reason are not shown in the table.

Ved bruk av diskontert kontantstrømsmetode, er estimerte fremtidige kontantstrømmer basert på ledelsens beste estimat og diskonteringsrenten er markedsrenten for tilsvarende instrumenter på balansedagen. Pålydende beløp anses for å reflektere virkelig verdi for fordringer / forpliktelse med varighet på mindre enn ett år og vises derfor ikke i tabellen.

Note 30: Contingencies and capital commitments

CONTINGENT LIABILITIES

Guarantee obligations
At year-end 2007 and 2006, the Aker Seafoods Group had guarantee obligations not shown on the balance sheet in the amount of NOK 28 million. The guarantees are payment bonds provided on behalf of the subsidiaries towards external contractors.

Legal claims
At the balance sheet date the Aker Seafoods Group has not received any substantial legal claims and is not involved in any substantial lawsuits.

CONTINGENT ASSETS
No such items/information in the existing notes.

Note 31: Transactions and agreements with related parties

Aker Seafoods Group's annual accounts include the following transactions and outstanding accounts with Aker ASA, and companies controlled by Aker ASA.

The following transactions were carried out with related parties:

Transactions with related parties	**2007**	2006	2005
Operating revenues	**1**	8	6
Non recurring operating revenues	**-**	50	-
Operating expenses	**(4)**	(6)	(5)
Financial revenue	**9**	9	7
Short-term receivables	**-**	20	14
Long-term receivables	**92**	192	178

Services are provided on an arm's length basis. Operating revenues and costs are office rent and costs paid to and received from other companies in the Aker Group. Non recurring operating revenues is the success fee paid in connection with the listing of Aker BioMarine.

Note 32: Total salery and other remuneration for the Board, CEO and other group management

Amount in NOK
2007:

Payment to executive management	Salary and remuneration	Bonus	Pension benefits	Total
Yngve Myhre	2 096 482	3 497 500	124 456	5 718 438
Bent M. Skisaker	418 082	537 500	14 919	970 501
Trond Williksen	0	1 843 170	0	1 843 170
Gunnar V. Aasbø	871 582	10 000	66 278	947 860
Jan Erik Angelsen	824 465	22 727	115 609	962 801
Morten Hyldborg Jensen	974 729	648 157	119 142	1 742 028
Terje Kjølsøy	1 011 997	252 947	121 325	1 386 269
Total	6 197 337	6 812 001	561 729	13 571 067

Senior employees do not have loans in the Company. There are no stock option agreements for the employees of the Company.

2006:

Payment to executive management	Salary and remunerationr	Bonus	Pension benefits	Total
Yngve Myhre	1 934 371	899 500	113 767	2 947 638
Bent M. Skisaker	1 066 613	426 000	142 096	1 634 709
Trond Williksen	1 055 672	414 750	143 451	1 613 873
Morten Hyldborg Jensen	869 001	281 620	119 717	1 270 338
Bjørnar Kleiven	767 393	322 000	240 500	1 329 893
Terje Kjølsøy	970 283	55 126	204 184	1 229 593
Total	6 663 333	2 398 996	963 715	10 026 044

Senior employees do not have loans in the Company. There are no stock option agreements for the employees of the Company.

Amounts in NOK

Payment to members of the Board	Salary
Leif-Arne Langøy	300 000
Bjarne Borgersen	250 000
Geir Arne Drangeid	100 000
Lisbeth Berg-Hansen	200 000
Leiv Grønnevet	200 000
Marit Arnstad	200 000
Bjarne Kristiansen	100 000
Harold Egil Nilsen	100 000
Andre Steffensen	50 000
Ann Jorunn Olsen	50 000
Total	1 500 000

Geir Arne Drangeid left the Board of Directors in March 2007. André Steffensen left the Board and Ann Jorunn Olsen was elected to the Board in March 2007. Salaries for Leif-Arne Langøy and Geir Arne Drangeid were paid to their employer Aker ASA.

Guidelines for remuneration for the president, chief executive officer and senior employees:
The main goal of the remunerations system for senior employees is to stimulate to a strong and continued result focused organization which contributes to increased shareholder value. The total remuneration to senior employees consist of competitive base salary, few standard additional benefits and result based bonus.

The president and the senior employees are members of the retirement pension and insurance arrangement which is applicable to all employees of Aker Seafoods ASA. The company uses standard employee contracts and standard terms regarding terms of notice, salary at the time of termination for the CEO and members of the group management. There are no stock options program for employees in Aker Seafoods.

The result based bonus agreement will contribute to achieve good financial results and management according to the company's values and business ethics.

The result based bonus is based upon financial and personal goals, according to the company's values and development of the company's stock price. The bonus represent a potential upside for management to get up to 100 per cent of their base salary, and is paid over a period of three years. Half of gained bonus is paid the following year, the rest is paid two years later supplemented with a employee addition if the employee is still with the company. The annual bonus paid is limited to one year base salary, and the limitation will be fully effective the two next years. When going through with special projects there is a possibility of awarding additional bonus exceeding the limitations mentioned above.

Note 33: Remuneration agreement in the event of cessation of the employment/pension

The CEO is guaranteed 12 months' salary at the time of termination.
Other members of the management group do not have a redundancy pay agreement, besides the ordinary 6 months' notice of termination.

Note 34: Shares owned by the president and chief executive officer, Board of directors and senior employees of Aker Seafoods ASA

The following number of shares were owned by the Board of Directors and Management Team and their relatives as of February 22, 2008:

Board of Directors	Number of shares
Leif-Arne Langøy (via LAPAS AS)	38 400
Bjarne Borgersen	2 200
Leiv Grønnevet	1 200
Harold Nilsen	400
Management Team	
Yngve Myhre	14 200
Gunnar V. Aasbø	17 600
Terje Kjølsøy	0
Jan Erik Angelsen	2 600
Morten Hyldborg Jensen	1 600

There are no stock options agreements between Aker Seafoods ASA and senior employees or employee representatives.

An overview of the 20 largest shareholders at February 22, 2008:

Largest shareholders	Share
Aker Seafoods Holding	64.95 %
DnB NOR Markets	11.92%
Verdipapirfond Odin	4.34%
Verdipapirfond Odin	4.28%
Goldman Sachs Int. Security Client Segr	3.28%
Deutsche Bank AG Lon Prime Brokerage Full	1.76%
DnB NOR SMB VPF	1.67%
Teigen Frode Naka Racha TLD, 87/2	1.54%
Verdipapirfondet Odi c/o Odin Forvaltning	0.52%
MP Pensjon	0.44%
Deutsche Bank AG Lon Deutsche Bank AG NY	0.41%
Aksjefondet Odin NOR c/o Odin Forvaltning	0.38%
Gåsø Næringsutvikling	0.36%
Verdipapirfondet Odi c/o Odin Forvaltning	0.30%
Vital Forsikring ASA Omløpsmidler	0.29%
SIS Segaintersettle Account 2	0.23%
Verdipaipirfondet HAN Norge	0.19%
Deutche Bank AG Lon	0.17%
DnB NOR Norge (IV) VPF	0.17%
SIS Segaintersettle	0.16%
Others	2.63%
Total	100.0 %

Note 35: Events after the balance sheet date

In January 2008, the Company entered an agreement of bying the French company Viviers de France. The company's primary activity is processing white-fish and trout in France. In addition, the company has shore-based trout farming in France and Spain.

The purchase will be finalized in Q1 2008.

Aker Seafoods ASA

Profit and loss account 1.1 - 31.12

Amounts in NOK 1 000	*Note*	**2007**	2006
Operating revenues		**1 240 460**	1 204 784
Other income		**1 972**	1 350
Total revenues	*2*	**1 242 432**	1 206 134
Cost of goods and changes in inventory	*4*	**(1 208 796)**	(1 183 620)
Wages and other personnel expenses	*3*	**(31 899)**	(35 718)
Other expenses	*5*	**(18 382)**	(14 613)
Operating profit before depreciation and amortisation		**(16 645)**	(27 817)
Depreciation and amortisation	*8*	**(2 609)**	(1 525)
Impairment changes and non recurring items	*9*	**-**	40 000
Operating profit		**(19 254)**	10 658
Net financial items	*6*	**(15 219)**	382
Profit after financial items		**(34 473)**	11 040
Tax on ordinary profit	*7*	**6 072**	(3 227)
Profit for the year		**(28 401)**	7 813

Allocation of profit/Loss for the year		
Profit/loss for the year	**(28 401)**	7 813
Dividends	**(36 449)**	(36 424)
Transferred from/allocated to retained earnings	**64 850**	28 611
Total	**-**	-

Aker Seafoods ASA

Balance sheet as of 31 December

Amounts in NOK 1 000	*Note*	**2007**	2006
ASSETS			
Deferred tax benefit	*17*	**10 007**	3 689
Property, plant and equipment	*8*	**14 692**	4 399
Total intangible assets		**24 699**	8 088
Shares in subsidiaries	*12*	**758 235**	748 748
Shares in associated companies	*11*	**4 002**	3 744
Shares in other companies		**8 481**	200
Long- term receivables from Group companies	*10*	**401 524**	309 554
Other long-term receivables	*10*	**100 337**	201 563
Total financial fixed assets		**1 272 579**	1 263 809
Total fixed assets		**1 297 278**	1 271 897
Inventories	*13*	**12 047**	5 629
Trade and other receivables	*14*	**122 397**	148 845
Short-term receivables on Group companies	*10*	**48 290**	112 711
Other short-term receivables		**1 402**	8 173
Derivatives		**3 907**	
Bank deposits, cash in hand, etc	*24*	**1 325**	1 414
Total current assets		**189 368**	276 772
Total assets		**1 486 646**	1 548 669
EQUITY AND LIABILITIES			
Share capital		**243 230**	243 230
Own shares		**(1 486)**	(2 139)
Share premium reserves		**355 645**	355 645
Other paid in capital		**231 099**	287 021
Total paid in equity	*15*	**828 488**	883 757
Other equity		**-**	-
Total retained earnings		**-**	-
Total equity	*15*	**828 488**	883 757
Pension liability	*18*	**6 123**	7 683
Total provisions		**6 123**	7 683
Long-term debt to Group companies	*16*	**51 476**	51 476
Other long-term debt interest- bearing	*16*	**465 223**	395 217
Total other long-term debt and provisions		**516 699**	446 693
Bank overdrafts	*24*	**34 225**	47 827
Trade and other payables		**27 712**	21 310
Short-term debt to Group companies	*10*	**57 320**	106 906
Dividends		**12 753**	12 728
Other short-term debt		**3 326**	21 765
Total short-term debt		**135 336**	210 536
Total equity and debt		**1 486 646**	1 548 669

Oslo, February 15th, 2008
Board of Directors Aker Seafoods ASA

Leif-Arne Langøy *Board chairman*	Bjarne Borgersen *Deputy chairman*	Leiv Grønnevet *Board member*	Lisbeth Berg-Hansen *Board member*
Marit Arnstad *Board member*	Bjarne Kristiansen *Board member*	Harold Egil Nilsen *Board member*	Ann Jorunn Olsen *Board member*

Yngve Myhre
Managing director

Aker Seafoods ASA

Cash flow statement 1.1 - 31.12

Amounts in NOK 1 000	*Note*	**2007**	2006
Profit after financial items		**(34 473)**	11 040
Net interest income and expenses		**3 256**	2 292
Depreciation and amortisation	*8*	**2 609**	1 525
Group Contribution		**(879)**	
Interest expenses	*6*	**(40 177)**	(33 680)
Interest income		**36 921**	31 388
Unrealized foreign exchange (loss)/gain (-)	*6*	**(10 984)**	(3 627)
Change in short-term items etc		**32 512**	(17 217)
Cash flow from operating activities		**(11 215)**	(8 279)
Payments for acquisitionas of intangible fixed assets	*8*	**(731)**	(6 214)
Acquisition of shares and equity investments in other companies		**(18 026)**	
Proceeds from sales of financial fixed assets		**1 226**	3 368
Payments for acquisitions of financial fixed assets		**(91 970)**	(48 488)
Cash flow from investments activities		**(109 501)**	(51 334)
Proceeds new interest-bearing debt		**70 000**	10 000
Payments interest-bearing debt		**(13 602)**	-
Repayment of long-term interest-bearing debt		**100 000**	
New interest-bearing debt - bank overdraft	*24*		47 827
Dividends	*15*	**(36 424)**	(36 485)
Group contribution		**-**	25 729
Own shares/Paid in capital	*15*	**653**	(2 141)
Cash flow from financing acticities		**120 627**	44 930
Cash flow for the year		**(89)**	(14 683)
Bank deposits, cash in hands etc in the beginning of the period		**1 414**	16 097
Bank deposits, cash at hands etc in the end of the period	*24*	**1 325**	1 414

Note 1: Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Short term investments

Short term investments (stocks and shares are valued as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other investment income.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the esimated future cash flows are discounted to their present value.

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime

Pensions

Pension costs and pension liabilities are estimated on the basis of linear earnings and future salary. The calculation is based on assumptions of discount rate, future wage adjustments, pension and other payments from the national insurance fund, future return on pension funds and actuarial assumptions for deaths, voluntary resignation etc. Pension funds are valued at fair value and deducted from net pension liabilities in the balance sheet. Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. When the accumulated effect of changes in estimates, changes in assumptions and deviations from actuarial assumptions exceed 10 percent of the higher of pension obligations and pension plan assets, the excess amount is recognized over the estimated average remaining service period.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 28 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term higly liquid placement with original maturities of three months or less.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement,the measurement of assets and liabilites and the disclosre of contigent assest and liablilities on the balanse sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expenced as occured.

Note 2: Operating revenues

Geographical segments:

Amounts in NOK 1 000	**2007**	2006
Norway	**249 879**	290 763
EU	**925 919**	815 280
North America	**54 966**	70 862
Asia	**1 234**	29 229
Other	**10 434**	-
Total	**1 242 432**	1 206 134

Note 3: Wages and other personnel expences

Wages and other personnel expenses consist of the following:

Amounts in NOK 1 000	**2007**	2006
Wages and salaries	**22 782**	27 350
Social security	**4 870**	3 791
Other expences	**104**	1 176
Pension cost	**4 143**	3 401
Total	**31 899**	35 718
Average number of employees	**33**	36

Total salary and other remuneration for the Board, CEO and other members of Group management in Aker Seafoods ASA, see Note 33 in the Group Consolidated Accounts.

Note 4: Cost of goods and change in inventory

Amounts in NOK 1 000	**2007**	2006
Cost of goods	**1 215 213**	1 189 249
Change in inventory	**(6 417)**	(5 629)
Total	**1 208 796**	1 183 620

Note 5: Auditor's fee

Auditor's fee is included in in other expenses and consists of the following:

Amounts in NOK 1 000	Ordinary audit	Other statements	Other services	**2007**	2006
Audit	270	313	0	**583**	528
Total	-	-	-	**583**	528

Note 6: Net financial items

Net financial items consists of the following:

Amounts in NOK 1 000	**2007**	2006
Interest income on bank deposits	**4 652**	5 015
Interest income group companies	**32 269**	26 373
Received group contribution from subsidiaries	**879**	-
Other financial items (mainly foreign exchange)	**735**	3 795
Total financial income	**38 535**	35 183
Interest expence external	**(36 922)**	(31 175)
Interest expence group companies	**(3 255)**	(2 505)
Other financial expences (mainly foreign exchange and bank expences)	**(13 577)**	(1 121)
Total financial expences	**(53 754)**	(34 801)
Net fiananciel items	**(15 219)**	382

Other financial expences in 2007 includes change in value of the company's 350 889 shares in Aker BioMarine of NOK 11.719 million.

Note 7: Estimated taxable profit

Tax expence:

Amounts in NOK 1 000		**2007**	2006
Profit before tax		**(34 473)**	11 040
Net not deductible items		**11 908**	(136)
Change in differences		**(1 145)**	6 473
Used tax losses carried forward		**-**	(17 377)
Estimated taxable income		**(23 710)**	(0)
Tax payable (28%)	-	**-**	-

Tax income:		**2007**	2006
Tax payable in the Profit and Loss account			
Change in deferred tax	-	**(6 072)**	3 227
Tax income	-	**(6 072**	3 227

Deferred tax is described in note 17.

Note 8: Property and equipment

Movements in property and equipment for 2007 are shown below:

Amounts in NOK 1 000	Property and equpment	Buildings estates	Realestate	**Total**
Cost balance at 1. January 2007	5 924	-	0	**5 924**
Acquisitionas	731	852		**1 583**
Acquisitionas financial leasing	800	7 519	3 000	**11 319**
Cost balance at 31. December 2007	7 455	8 371	3 000	**18 826**
Depreciation and impairmment losse at 1. January 2007	1 525	-	0	**1 525**
Depreciation charge for the year	2 233	376		**2 609**
Depreciation and impairmment losse at 31. December 2007	3 758	376	0	**4 134**
Book value at 31. December 2007	3 697	7 995	3 000	**14 692**

NOTE 9: Impairment changes and non reccuring items (2006)

In connection with a capital increase in Aker BioMarine, Aker Seafoods received a success fee of NOK 50 million. The net amount, after provision for related expenses of NOK 10 million, is taken to income as non recurring items.

Note 10: Receivables

Receivables consists of the following:

Amounts in NOK 1 000	**2007**	2006
Due within 1 year	**-**	-
Due after 1 year	**501 861**	511 117
Total	**501 861**	511 117

Interest conditions are according to marked conditions.

Other short-term receivable on group companies consists of account recieovable from other group companies.
Short-term debt to Group companies consists of dividends to Aker Seafoods Holding AS, NOK 23.7 million.
The rest consists of trade and other payables to group companies

Note 11: Shares etc

Shares in associated companies consist of the following:

Amounts in NOK 1 000	Head quarters	Ownership in%	Equity as of 31 Dec [1]	Profit after financial items [1]	Book value
Tobø Fisk AS	Havøysund	38.35	14 300	2 300	2 744
Arctic Innomar AS	Hammerfest	20.00	1 600	-	1 000
Tromvik Fisk AS [1]	Tromsø	40.00		-	258
Total					4 002

1) Equity and profit (share of the company) is based preliminary estimates and could deviate from final amounts.
The shares are valued according to the historical cost method.

Other shares consist of the following:

Amounts in NOK 1 000	Head quarters	Number of shares	Book value 2007	Book value 2006
Aker BioMarine ASA	Oslo	350 889	8 281	-
Aker Barents Base AS	Vardø		200	200
Total			8 481	200

Note 12: Shares in subsidiaries

Shares in subsidiaries consist of the following as of 31 December 2007:

Amounts in 1 000 NOK	Head quarters	Ownership in% [2]	Equity as of 31 Dec [1]	Profit after financial items [1]	Book value
Aker Seafoods J.M. Johansen AS	Stamsund	100	106 463	13 200	193 000
Aker Seafoods Melbu AS	Melbu	100	90 110	5 731	200 000
Aker Seafoods Denmark AS	Grenaa	100	147 221	18 686	170 000
Aker Seafoods Finnmark AS	Hammerfest	100	123 735	1 446	180 110
Aker Seafoods Nordland AS	Stamsund	100	576	0	40
Aker Seafarms AS	Havøysund	100	156	(18)	598
Norwegian Fish Company Export AS	Kristiansund N	50	1 510	(273)	9 487
Aker Seafoods UK Ltd.	Grimsby	100	(1 628)	(1 489)	5 000
Total aksjer i datterselskaper					758 235

2) Ownership and voting power are the same for all companies.

Note 13: Inventories

The inventory consists of finished goods. The inventory is valued at the lowest of full production costs and fair value less costs to sell.

Note 14: Trade and other interest free receivables

Amounts in NOK 1 000	**2007**	2006
Trade and other receivables	**122 397**	149 520
Provision for bad debt	**-**	(675)
Booked value of Trade and other receivables	**122 397**	148 845

The company has credit insurance, under which sales is covered on continuous basis.

Note 15: Equity

The shares in Aker Seafoods ASA as of 31 December 2007 consists of 48 646 016 shares at par value NOK 5. Own shares are 47 725 and outstanding number of shares is 48 598 291. All shares has equal voting power.

The largest share holders as of 22 February 2008:	
Aker Seafoods Holding	64.95%
DnB NOR Markets	11.92%
Verdipapirfond Odin	4.34%
Verdipapirfond Odin	4.28%
Goldman Sachs Int. Security Client Segr	3.28%
Deutsche Bank AG Lon Prime Brokerage Full	1.76%
DnB NOR SMB VPF	1.67%
Teigen Frode Naka Racha TLD, 87/2	1.54%
Verdipapirfondet Odi c/o Odin Forvaltning	0.52%
MP Pensjon	0.44%
Deutsche Bank AG Lon Deutsche Bank AG NY	0.41%
Aksjefondet Odin NOR c/o Odin Forvaltning	0.38%
Gåsø Næringsutvikling	0.36%
Verdipapirfondet Odi c/o Odin Forvaltning	0.30%
Vital Forsikring ASA Omløpsmidler	0.29%
SIS Segaintersettle Account 2	0.23%
Verdipaipirfondet HAN Norge	0.19%
Deutche Bank AG Lon	0.17%
DnB NOR Norge (IV) VPF	0.17%
SIS Segaintersettle	0.16%
Other	2.63%
Total	100.0%

Changes in shareholders equity in 2006 are shown below:

Amounts in NOK 1 000	Share capital	Own shares	Share premium reserve	other paid in capital	Total paid-in capital	Retained earnings	**Total equity**
Equity as of 01.01.	243 230	(2 139)	355 645	287 021	883 757	-	**883 757**
Currency translation and derivatives				7 779	7 779	-	**7 779**
Own shares		654		1 148	1 801		**1 801**
Dividends				(36 449)	(36 449)	-	**(36 449)**
Profit and loss			-	(28 401)	(28 401)	-	**(28 401)**
Equity as of 31.12.	243 230	(1 485)	355 645	231 098	828 488	-	**828 488**

Note 16: Debt

Interest bearing long-term debt externalis as shown below:

Foreign exchange Amounts in NOK 1 000	**2007**	2006
NOK	516 699	446 693
EUR	-	-
Total	516 699	446 693

Interest- bearing long therm debt external of NOK 400 million is reduced by bank cost of NOK 3.4 million.

Interest bearing long-term debt has the following schedule repayment:

Amounts in NOK 1 000	Convertible loan	Debt to credit institutions	Groupdebt	**Total**
2007		-		**-**
2008	(756)	(10 000)		**(10 756)**
2009	(801)	(10 000)		**(10 801)**
2010	(849)	(406 617)		**(407 466)**
After 2010	(6 200)	(40 000)	(51 476)	**(97 676)**
Total 2007	(8 606)	(466 617)	(51 476)	**(526 699)**
Total 2006		(395 217)	(51 476)	**(446 693)**

The company has cross guarantees against other group companies.
Interest rates are according to market conditions. Average yearly interest rate on the loans against credit intstitutions is 6 months Nibor + 2.77% margin.

The bond loan is placed in the Icelandic market, and is listed on ICEX. The bond loan is unsecured and is due in 2010.

Aker Seafoods ASA has covenants in the debt agreement related to minimum equity.

Note 17: Deferred tax

Amounts in NOK 1 000	**2007**	2006	Change in deferred tax
Other differences	**4 172**	4 587	(415)
Pension	**(6 123)**	(7 683)	1 560
Change in differences	**(1 951)**	(3 096)	1 145
Tax losses carried forward	**(33 788)**	(10 079)	(23 709)
Total basis, deferred tax	**(35 739)**	(13 175)	
Net deferred tax 28%	**(10 007)**	(3 689)	6 319

Tax expence in note 7.

Note 18: Pensjonscosts and liabilities

The company covers its pensions mainly through a group pension plan in a life insurance company. The plan has been treated for accounting purposes as a defined benefit plan. Aker ASA also has uninsured pensions liabilities for which provisions have been made. Actuarial calculations have been made to determine pension liabilities and pension expenses based on the following:

	2007	2006
Expected return	**6.0%**	5.5%
Discount rate	**5.0%**	4.5%
Wage increases	**4.3%**	3.0%
Social security base adjustment/inflation	**3.8%**	2.5%
Pension adjustment	**2.5%**	2.0%

PENSION EXPENCES

Amounts in NOK 1 000	**2007**	2006
Present value of the year's pension earnings	**(3 138)**	(2 892)
Interest cost on accrued pension liabilities	**(2 035)**	(2 418)
Expected return on pension funds	**1 827**	2 499
Allocated effect of change in estimates and pension plans	**(797)**	(590)
Change in social security		
Net pension expences	**(4 143)**	(3 401)
Other		-
Net pension total	**(4 143)**	(3 401)

NET PENSION LIABILITIES/ASSETS AS OF 31 DEC:

Amounts in NOK 1 000	**2007**	2006
Present value of accrued pension liabilities	**(37 003)**	(39 476)
Value of future wage increases	**(7 139)**	(7 939)
Calculated pension liabilities	**(44 142)**	(47 415)
Value of pension funds	**35 411**	32 715
Calculated net pension funds/(liabilities)	**(8 731)**	(14 700)
Amortization [2)]	**3 365**	7 967
Social security	**(757)**	(950)
Net pension funds/(liabilities) 3)	**(6 123)**	(7 683)
Net pension funds/(liabilities) in the balance sheet	**(6 123)**	(7 683)
Number of persons	**32**	32

1) Under-funded plans: The value of the pension liability exceeds the value of the pension funds.
Over-funded plans: The value of the pension funds exceeds the value of the pension liability.
2) Amortization: The effect of changes in estimates and pension plans not recorded in the profit and loss account.
3) A provision is made for employment tax on contracts with net pension liabilities.1)

Aker Seafoods ASA's net liabilities are presented in the balance sheet as an interest-free long-term liability. Net pension funds are recorded in the balance sheet as interest-free long-term receivables. Pension funds are invested in accordance with the general guidelines for life insurance companies. Recorded pension liablilities are calculated on the basis of estimated pension liabilities and accrued in accordance with generally accepted accounting principles. The pension liability recorded in the accounts is not the same as the pension rights legally earned as of 31 December. In 2005 implementation of IFRS has taken place regarding pension. The effekct on equity was NOK 4.43 million after tax.

Note 19: Financial market risk

The company are exposed to risk associated with the value of the investments in subsidiaries, due to changes in market prices for raw materials and semi-processed goods, to the extent that such fluctuations result in changes to these companies' competitiveness and earnings potential over time.

Exposure to risk arising from foreign currency exchange rate fluctuations is identified and reduced through continuous monitoring and adjustment of the Group's collective portfolio of loans and financial instruments. Exchange risk related to investments in foreign currencies is hedged by modifications to the loan portfolio and/or via other financial instruments.

The company enter into ongoing hedging transactions related to individual subsidiaries' sales in foreign currencies. Such hedging is done to reduce the exchange rate risk affecting sales contracts. Unrealized recorded loss on hedge contracts as of 31 December 2007 is NOK 3.9 million (2006: NOK 3.6 million in loss). The effect is recorded directly throw equity.

Note 20: Leasing agreement

The company hire adminastrative services og office from Aker ASA according to market conditions.

Financial liabilities are due as follows

Amounts in NOK 1 000	Minimum rent 2007	Interests 2007	Repayment 2007	Minimum rent 2006	Interests 2006	Repayment 2006
Less than a year	3	0	3	0	-	-
Between one and five years	5	1	4	0	-	-
More than five years	0	-	-	0	-	-
Total	8	1	7	0	0	0

Rent of the plant in Tromvika is depending on the volume of fish that are processed trough the plant. Minimum rent is NOK 3.2 million the first year. then NOK 1.2 million annualy for four years.

Note 21: Guarantee obligations

The company has guarantee obligations of NOK 886 million related to debt for some of their subsidiaries.
The group has cross bank account system, included cross guarantees.
There is no pledge on the companies assets.

Note 22: Events after the balance sheet date

No spesific events has occured.

Note 23: Legal disputes

No spesific events as of 31 December 2007.

Note 24: Restricted cash

NOK 1.3 million of the company's cash and bank deposits are restricted. The company has a Group credit facility in DnBNOR ASA amounting to NOK 70 million. As per 31 December 2007 the overdraft on this facility amounted to NOK 24.2 million.

Total deposit of the Group account facility amonted to NOK 169 million as per 31 December 2007.

KPMG AS
P.O. Box 7000 Majorstuen
Sørkedalsveien 6
N-0306 Oslo

Telephone +47 21 09 21 09
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Annual Shareholders' Meeting of Aker Seafoods ASA

AUDITOR'S REPORT FOR 2007

Respective Responsibilities of Directors and Auditors
We have audited the annual financial statements of the Aker Seafoods ASA as of 31 December 2007, showing a loss of NOK 28 401 000 for the parent company and a profit of NOK 9 000 000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to prepare the parent company's financial statement. The rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU have been applied to prepare the group accounts. These financial statements and the Board of Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion
We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion
In our opinion,

- the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the parent Company as of 31 December 2007, the results of its operations and its cash flows for the year then ended, in accordance with the rules of the Norwegian accounting act and good accounting practice in Norway
- the group accounts are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as of 31 December 2007, the results of its operations, its cash flows and the changes in equity for the year then ended, in accordance with the rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and comply with the law and regulations.

Oslo, 3 March 2008
KPMG AS

Vegard Tangerud
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only

Analytical information

Quarterly development per business segment 2006-2007

	2007	4Q07	3Q07	2Q07	1Q07	**2006**	4Q06	3Q06	2Q06	1Q06
Operatig revenues										
Harvesting	**626**	132	126	159	209	**563**	143	121	119	180
Processing Norge	**1 414**	266	240	437	472	**1 237**	324	225	341	346
Processing Danmark	**618**	144	131	160	183	**616**	148	133	158	177
Eliminations and other	**(322)**	(76)	(70)	(68)	(109)	**(296)**	(78)	(79)	(41)	(98)
Total operating revenues	**2 336**	466	427	688	755	**2 120**	538	400	577	605
EBITDA										
Harvesting	**154**	24	24	37	69	**149**	42	25	29	53
Processing Norge	**42**	(7)	4	19	26	**53**	18	12	13	11
Processing Danmark	**28**	8	6	7	8	**25**	7	4	5	9
Eliminations and other	**(34)**	(11)	(6)	(9)	(8)	**(32)**	(11)	(6)	(9)	(6)
Total EBITDA	**189**	13	27	54	96	**195**	56	35	38	67
EBITDA ratio										
Harvesting	**24.6%**	18.0%	19.0%	23.1%	33.2%	**26.5%**	29.6%	20.3%	24.5%	29.6%
Processing Norge	**2.9%**	(2.7%)	1.6%	4.4%	5.4%	**4.3%**	5.5%	5.3%	3.7%	3.1%
Processing Danmark	**4.5%**	5.3%	4.3%	4.1%	4.5%	**4.1%**	4.6%	3.1%	3.3%	5.1%
Total EBITDA ratio	**8.1%**	2.8%	6.4%	7.8%	12.7%	**9.2%**	10.4%	8.7%	6.6%	11.0%
EBIT										
Harvesting	**120**	(9)	13	69	46	**109**	38	12	17	43
Processing Norge	**15**	(13)	(3)	12	19	**25**	10	5	6	4
Processing Danmark	**14**	5	2	3	5	**11**	3	0	2	6
Eliminations and other	**(38)**	(12)	(7)	(10)	(9)	**6**	28	(6)	(9)	(7)
Total EBIT	**112**	(29)	6	74	61	**152**	79	11	16	46

Developement of key performance indicators 2002-2007

Profit and loss statement figures	**2007**	2006	2005[1)]	2004[1)]	2003[1)]	2002[1)]
Operating revenues						
Harvesting	**626**	563	520	471	399	451
Processing Norge	**1 414**	1 237	1 117	1 117	1 116	1 547
Processing Danmark	**618**	616	606	673	805	839
Eliminations and other	**(322)**	(296)	73	141	111	155
Total operating revenues	**2 336**	2 120	2 316	2 402	2 431	2 992
EBITDA						
Harvesting	**154**	149	120	102	72	75
Processing Norge	**42**	53	49	44	40	12
Processing Danmark	**28**	25	24	16	62	23
Eliminations and other	**(34)**	(32)	(12)	0	5	(38)
Total EBITDA	**189**	195	181	162	179	72
EBITDA ratio						
Harvesting	**24.6%**	26.5%	23.1%	21.7%	18.0%	16.6%
Processing Norge	**2.9%**	4.3%	4.4%	3.9%	3.6%	0.8%
Processing Danmark	**4.5%**	4.1%	4.0%	2.4%	7.7%	2.7%
Total EBITDA ratio	**8.1%**	9.2%	7.8%	6.7%	7.4%	2.4%
EBIT	**112**	152	98	121	64	(45)
EBT	**28**	104	41	58	(10)	18
Profit for the year	**14**	122	37	52	(14)	(31)
Earnings per share	**0.29**	2.47	0.63	1.10	(0.29)	0.14

Balance sheet figures		2007	2006	2005	2004[1)]	2003[1)]	2002[1)]
Total assets		**3 069**	2 706	2 750	2 589	2 594	2 835
Total equity		**1 034**	980	905	830	793	757
Equity ratio		**33.7%**	36.2%	32.9%	32.1%	30.6%	26.7%
Cash equivalents and bank overdrafts		**259**	220	226	105	75	129
Interest-bearing debt		**1 315**	1 178	1 337	1 301	1 485	1 493
Net interest-bearing debt		**1 009**	812	892	1 004	1 281	1 199
Cash flow							
Net cash flow from operating activities		**131**	171	114	153		
Net cash flow from investing activities		**(258)**	(100)	(117)	51		
Net cash flow from financing activities		**167**	(148)	124	(174)		
Cash flow per share		**0.82**	(1.58)	2.49	0.62		
Yield							
Return on investment[2)]		**0.5%**	4.5%	1.4%	2.0%	(0.5%)	(1.1%)
Return on equity[3)]		**1.4%**	12.9%	4.3%	6.4%	(1.8%)	(4.1%)

	Unit	2007	2006	2005	2004[1)]	2003[1)]	2002[1)]
Employees							
Number of employees at year end	Employees	**1 324**	1 178	1 267	1 473	-	-
Number of employees abroad at year end	Employees	**338**	259	267	280	331	391
Harvesting							
Total harvested volume white fish (H&G) and schrimps	Tons	**40 378**	39 851	41 363	38 164		
Number of trawlers	Trawlers	**14**	14	15	18	21	24
Raw material price (H&G) according to Norges Råfisklag:							
Cod	NOK per kg	**24.42**	21.33	19.11	17.28	15.06	18.00
Haddoc	NOK per kg	**14.67**	13.75	10.46	8.81	8.94	13.25
Saithe	NOK per kg	**6.62**	6.10	5.63	4.65	4.32	5.45
Processing Norway							
Total produced volume of white fish filet	Tons	**14 619**	15 106	15 018	15 212	14 362	13 231
Share of fresh filet from Aker Seafoods	Per cent	**24%**	24%	22%	15%	6%	4%
Export prices per kg according to EFF:							
Cod, fresh	NOK per kg	**86.2**	78.3	69.3	64.1	54.4	53.8
Cod, frozen	NOK per kg	**53.5**	45.7	41.8	41.4	39.6	42.8
Haddoc, fresh	NOK per kg	**59.5**	52.6	41.0	36.5	30.6	37.7
Haddoc, frozen	NOK per kg	**41.8**	37.3	31.4	28.8	28.4	41.1
Saithe, fresh	NOK per kg	**27.3**	28.4	22.8	19.7	18.9	18.8
Saithe, frozen	NOK per kg	**19.4**	19.6	15.8	16.3	17.8	20.5
Processing Denmark							
Total produced volume of white fish filet, plaice and salmon	Tons	**4 391**	4 676	4 099	3 919	4 724	5 932
Total produced volume MAP	Tons	**2 231**	2 078	2 059	1 947	1 882	1 659
Export prices per kg according to Danmarks Statistikk:							
Cod, fresh	NOK per kg	*	58.32	55.00	40.57	43.09	51.58
Cod, frozen	NOK per kg	*	37.21	35.97	33.55	36.54	37.96
Haddoc, frozen	NOK per kg	*	29.61	30.63	27.52	24.90	38.66
Saithe, fresh	NOK per kg	*	23.73	21.44	17.91	18.69	20.71
Saithe, frozen	NOK per kg	*	18.96	17.31	15.11	16.19	14.84

1) 2004 and 2005 figures are pro forma IFRS, 2002 and 2003 figures are pro forma NGAAP

2) Return on equity = profit for the year / average equity (1/1 + 31/12) / 2

3) Return on investment = profit for the year / average total assets (1/1 + 31/12) / 2

** Price statistics for Denmark 2007 is not availabe at print date*

Shares and shareholder matters

Aker Seafoods is committed to maintaining an open and direct dialogue with its shareholders, potential investors, analysts, brokers, and the financial community in general. The timely release of information to the market that could affect the company's share price helps ensure that Aker Seafoods' share price reflects its underlying value.

Aker Seafoods' goal is that the company's shareholders will, over time, receive competitive returns on their investments through a combination of dividends and share price growth. Over time, it is a goal to have a reasonable share of the company's net result as a dividend payment.

The Board of Directors has proposed a per-share dividend of NOK 0.75 be paid for the 2007 accounting year.

Year	Dividend per share
2005	0.75
2006	0.75
2007 - proposed	0.75

Shares and share capital

Aker Seafoods has 48 646 016 ordinary shares; each share has a par value of NOK 5 (see Note 20 to the company's 2007 accounts). As of February 4 , the company had 691 shareholders, of whom 6.2 percent were non-Norwegian shareholders.

Aker Seafoods has a single share class. Each share is entitled to one vote. The company held 47 725 of its own (treasury) shares as of February 4, 2008. In 2007, no share issues were carried out.

Stock-exchange listing

Aker Seafoods was listed on the Oslo Stock Exchange on 13 May, 2008. The company's shares are listed on the Oslo Stock Exchange's main (OSEBX) list (ticker: AKS). Aker Seafoods' shares are registered in the Norwegian Central Securities Depository; the shares have the securities registration number ISIN NO 001 026912. DnB NOR is the company's registrar.

Majority shareholder

Aker Seafoods' majority shareholder is the industrial company Aker ASA, which holds 65.0 per cent of the company's shares. The Aker group comprises companies that legally and financially are independent units — as is Aker Seafoods. Nevertheless, Aker companies have many commonalities, and the active ownership of Aker ASA provides a unifying influence.

Aker's long-term industrial approach, its shareholder structure and its management model imbue Aker companies with autonomy and decisiveness. Just as Aker ASA carries the imprint of its main shareholder Kjell Inge Røkke (via his privately held company TRG), Aker puts its mark on the development of each company.

Through the exercise of active ownership, Aker intends to create value that benefits all stakeholders.

From time to time, agreements are entered into between two or more Aker companies. The boards of directors and other parties involved in the decision-making processes related to such agreements are all critically aware of the need to handle such matters in the best interests of the involved companies, in accordance with good corporate governance practice. If needed, external, independent opinions are sought.

Current Board authorizations

The Board was mandated by the annual general meeting of Aker Seafoods 29 March 2007 to increase the company's share capital by up to NOK 48 646 015 through the issue of new shares. The authorisation includes the right to set aside shareholders' preferential rights under Section 10-4 of the Norwegian Public Limited Liability Companies Act. The authorisation also includes share capital increase by non-cash payment or a right to charge the company with special obligations, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act. In addition, the authorisation comprises resolution to merge pursuant to Section 13-5 of the Norwegian Public Limited Liability Companies Act. The authorisation may not be used to the extent that a share capital increase would require the approval under the Norwegian Act on Participation in Fisheries or similar regulations or result in that more than 40 per cent of the company's shares are owned by foreigners. The authorisation is valid until the earliest of the date of the annual general meeting of 2008 or 30 June 2008. The mandate had not been exercised at February 22 2008.

At the same time, the board was mandated to purchase the company's own shares to a total nominal value of up to NOK 23 918 505. Notwithstanding the foregoing, the company may not acquire treasury shares to the extent that the company's aggregate holding of treasury shares after the acquisition exceed 10 per cent of the share capital. The authorisation may not be used to the extent that the acquisition would require approval under the Norwegian Act on Participation in Fisheries or similar regulations or result in that more than 40 per cent of the company's shares are owned by foreigners. The highest per-share price to be paid under the authorisation is NOK 100, the lowest per-share price is NOK 20. The Board is free to decide the method of acquisition and disposal of the company's shares. The power of attorney is valid from the date of the annual general meeting of 2007 and until the earliest of the date of the annual general meeting of 2008 or 30 June 2008. The mandate had not been exercised at February 22 2008.

Stock option plans

Aker Seafoods does not have any share options schemes.

Investor relations

Aker Seafoods seeks to maintain an open and direct dialogue with shareholders, financial analysts, and the financial market in general. In addition to meetings with analysts and investors, the company schedules regular presentations at major financial centers in Europe and the United States. Visitors to Aker Seafoods' website at www.akerseafoods.com can subscribe to email delivery of Aker Seafoods' news releases.

All Aker Seafoods' press releases, and investor relations (IR) publications, including archived material, are available at the company's website: www.akerseafoods.com.

Geographic distribution of ownership
As of 22 February 2008

Nationality	Ownership
Non-Norwegian	8.1%
Norwegian	91.9%
Total	100.0%

This online resource includes the company's quarterly and annual reports, prospectuses, corporate presentations, articles of association, financial calendar, and its Investor Relations and Corporate Governance policies, along with other information.

Shareholders can contact the company at http://www.akerseafoods.com/contact.cfm

Electronic interim and annual reports

Aker Seafoods encourages its shareholders to subscribe to the company's annual reports via the electronic delivery system of the Norwegian Central Securities Depository (VPS). Please note that VPS services (VPS Investortjenester) are designed primarily for Norwegian shareholders. Subscribers to this service receive annual reports in PDF format by email. VPS distribution takes place at the same time as distribution of the printed version of Aker Seafoods' annual report to shareholders who have requested it.

Quarterly reports, which are generally only distributed electronically, are available from the company's website and other sources. Shareholders who are unable to receive the electronic version of interim reports, may subscribe to the printed version by contacting Aker Seafood's investor relations staff.

Analytic coverage

The following securities brokers provide analytic coverage of Aker Seafoods (as of 31 December 2007):

Company	Telephone
DnB NOR Markets, Klaus Hatlebrekke	+47 97 51 67 57
Pareto, Knut-Ivar Bakken	+47 95 21 27 41
Orion Securities, Anton Dizik	+37 05 23 92 158
Fondfinans, Bent Rølland	+47 99 02 49 31
Glitnir Securities, Henning Lund	+47 95 25 58 39

Nomination committee

The company's nomination committee has the following members: Kjell Inge Røkke, Gerhard Heiberg and Rune Bjerke.

Shareholders who wish to contact Aker Seafoods' nomination committee may do so through Aker Seafoods' website: http://www.akerseafoods.com/contact.cfm

Annual shareholders' meeting

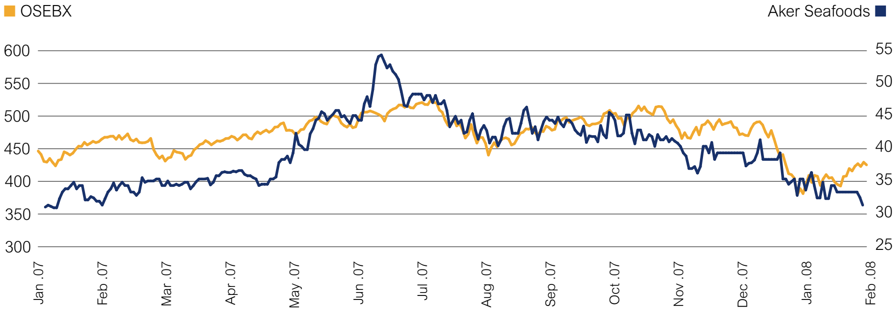
Aker Seafoods' annual shareholders' meeting is normally held in late March or early in April. Written notification is sent to all shareholders individually or to the shareholders' nominee. To vote at shareholders' meetings, shareholders (or their duly authorized representatives) must either be physically present, or must vote by proxy.

2007 share data

The company's total market capitalization as of 31 December 2007 was NOK 1 844 million.

During 2007, a total of 27 604 426 Aker Seafoods' shares traded, corresponding to 57 per cent of the company's stock. The shares traded on 237 of 250 possible trading days; the average daily trading volume was 116 474 shares.

Share price development



Ownership structure by number of shares held

As of 22 February 2008

Shares held	No. of shareholders	Percent of share capital
1–100	65	0.0%
101–1000	391	0.4%
1001–10 000	151	0.9%
10 001--100 000	27	2.0%
100 001–500 000	8	3.0%
Over 500 000	8	93.7%
Total	650	100%

2007 share data

Highest traded	NOK	54.75
Lowest traded	NOK	29.80
Share price as of 31 December	NOK	37.90
Shares issued as of 31 December	Number of shares	48 646 016
Own (treasury) shares as of 31 Dec.	Number of shares	47 725
Shares issued and outstanding as of 31 Dec.	Number of shares	48 598 291
Market capitalization as of 31 Dec.	NOK million	1 844
Turnover ratio for 2007	Per cent	56.7
Proposed per-share dividend	NOK per share	0.75

Share capital development

In the three most recent years (All amounts in NOK)

Date	Change in share capital	Share capital	Number of shares	Par value
1 January 2005 (or date of incorporation)	-	100 000 000	20 000 000	5.00
Issue 2005	100 000 000	-	-	-
Issue 2005 (acquisition of Aarsæther)	43 230 080	-	-	-
31 December 2005	-	243 230 080	48 646 016	5.00
Possible changes in 2006	-	-	-	-
31 December 2006	-	243 230 080	48 646 016	5.00
Possible changes in 2007	**-**	**-**	**-**	**-**
31 December 2007	**-**	**243 230 080**	**48 646 016**	**5.00**

Twenty largest shareholders

As of 22 February 2008

Name	Numer of shares held	Ownership share	Nationality
Aker Seafoods Holding	31 594 910	64.95%	NOR
DnB NOR Markets	5 800 531	11.92%	NOR
Verdipapirfond Odin	2 113 160	4.34%	NOR
Verdipapirfond Odin	2 081 240	4.28%	NOR
Goldman Sachs Int. Security Client Segr	1 593 700	3.28%	GBR
Deutsche Bank AG Lon Prime Brokerage Full	855 235	1.76%	DEU
DnB NOR SMB VPF	810 100	1.67%	NOR
Teigen Frode Naka Racha TLD, 87/2	750 000	1.54%	NOR
Verdipapirfondet Odi c/o Odin Forvaltning	255 000	0.52%	NOR
MP Pensjon	213 000	0.44%	NOR
Deutsche Bank AG Lon Deutsche Bank AG NY	200 165	0.41%	DEU
Aksjefondet Odin NOR c/o Odin Forvaltning	184 351	0.38%	NOR
Gåsø Næringsutvikling	177 175	0.36%	NOR
Verdipapirfondet Odi c/o Odin Forvaltning	145 490	0.3%	NOR
Vital Forsikring ASA Omløpsmidler	142 249	0.29%	NOR
SIS Segaintersettle Account 2	123 587	0.25%	CHE
Verdipaipirfondet HAN Norge	90 000	0.19%	NOR
Deutche Bank AG Lon	84 700	0.17%	DEU
DnB NOR Norge (IV) VPF	82 631	0.17%	NOR
SIS Segaintersettle	67 213	0.14%	CHE
Total, 20 largerst shareholders	**47 364 437**	93.37%	
Other shareholders	1 281 579	2.63%	
Total	**48 646 016**	100%	

Corporate governance

The Group's Corporate Governance policy was adopted by the Board of Aker Seafoods ASA in February 2008. The corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance, dated 4 December 2007. The following presents Aker Seafoods ASA's practice regarding each of the recommendations contained in the Code of Practice. Any deviations from the recommendations are found under the item in question.

Purpose

Aker Seafoods ASA's Corporate Governance principles ensure an appropriate division of roles and responsibilities among the company's owners, its Board of Directors, and its executive management and that business activities are subject to satisfactory control. The appropriate division of roles and satisfactory control contribute to the greatest possible value creation over time, to the benefit of owners and other stakeholders.

Values and ethical guidelines

The Board has adopted the Group's corporate values and ethical guidelines. Aker ASA's corporate values are presented on page 8 of this annual report.

Business

Aker Seafoods ASA's business purpose clause is as follows:

"The group's activities consist of trading, production and marketing of fish and fish products, investing in and owning operating trawlers and production equipment related to the group's business activities, including operating fishing and fishery production trawlers and equipment, as well as offering corporate advice and participating in other activities within the group's activity area. The group shall incidentally participate in economic activities, including owning and administrating real estate, securities and other assets, as well as owning subsidiaries with the same or similar objectives as Aker Seafoods".

The function of the business purpose clause ensures that shareholders have control of the business and its risk profile, without limiting the Board or management's ability to carry out strategic and financially viable decisions within the defined purpose. The Group's financial goals and main strategies are presented on page 7 of this report and in the Board of Director's report.

Equity and dividends

Equity

The Group's equity as of 31 December 2007 amounted to NOK 1 034 million, which corresponds to an equity ratio of 33.7 percent. Aker Seafoods ASA regards the Group's current equity structure as appropriate and adapted to its objectives, strategy, and risk profile.

Dividends

Aker Seafoods ASA's dividend policy is included in the section Shares and shareholder information, see page 52 of this annual report. The company's dividend policy is among the factors considered as part of the Board's proposal for allocation of profit for 2007.

Board authorizations

The Board's proposals for future Board authorizations are to be limited to defined issues and to be valid only until the next annual shareholders' meeting.

Current Board authorizations to increase share capital and acquire own (treasury) shares are presented in the section Shares and Shareholder information on page 52 of this annual report.

Equal treatment of shareholders and transactions with close associates

The company has a single class of shares, and all shares carry the same rights in the company. Equal treatment of all shareholders is crucial. If existing shareholders' preemptive rights are waived upon an increase in share capital, the Board must justify the waiver. Transactions in own (treasury) shares are executed on the Oslo Stock Exchange or by other means at the listed price.

If there are material transactions between the company and a shareholder, Board member, member of executive management, or a party closely related to any of the aforementioned, the Board shall ensure that independent valuations are available. The preceding sentence also applies to transactions between Aker Seafoods ASA and Group companies in which there are minority interests.

Aker Seafoods ASA has prepared guidelines designed to ensure that members of the Board of Directors and executive management notify the Board of any direct or indirect stake they may have in agreements entered into by the company.

See additional information on transactions with related parties in Note XX to the consolidated accounts.

Freely negotiable shares

Aker Seafoods ASA's shares are freely negotiable. No restrictions on transferability are found in the company's articles of association/incorporation.

Annual shareholders' meetings

The company encourages shareholders to participate in shareholders' meetings. It is the company's priority to hold the annual general meeting as early as possible after the year-end. Notice of general shareholders' meetings and comprehensive supporting information is made available for the shareholders on the company's homepage and sent to the shareholders according to the deadlines stated in the Norwegian Public Company Act (allmennaksjeloven). The deadline for shareholders to register to the general shareholder's meetings is set as close to the date of the meeting as possible. Shareholders who are unable to attend the meeting in person may vote by proxy. Both on the attendance and proxy form and the notice of meeting, all procedures for registration are thoroughly explained. In addition, information on how to propose a resolution to the items on the agenda at the General Meeting will be included in the notice.

Pursuant to Aker Seafoods ASA's articles of association, the Chairman of the Board, or other person appointed by the Chairman, chairs general shareholders' meetings. To the extent possible, Board members, the nomination committee leader, and auditor attend annual shareholders' meetings.

In its work, the nomination committee emphasize on composing a board that works as a team, and that the Board members' experience and qualifications supply each other. The shareholder's meeting is therefore invited to vote for a complete Board.

Minutes of shareholders' meetings are published as soon as practically possible on the Oslo Stock Exchange, www.newsweb.no (ticker: AKS) and on the company's homepage www.akerseafoods.com, under the heading "Investor Relations".

Nomination committee

Aker Seafoods ASA has a nomination committee (see page 53). The nomination committee is to comprise no fewer than three members. Each member is normally elected for a two-year period. The composition of the nomination committee reflects the interests of the shareholders, and the nomination committee members' independence from Aker Seafoods ASA's Board and executive management. Nomination committee members and Chairman are elected by the company's annual shareholders' meeting, which also determines remuneration payable to committee members.

Pursuant to Aker ASA's articles of association, the nomination committee recommends candidates for members of the Board of Directors. The nomination committee also makes recommendations as to remuneration of Board members. The nomination committee should justify its recommendation.

Deadline for submitting proposals for Board candidates is 31 October 2008.

Board composition and independence

The company does not have corporate assembly. The employees' rights to representation and codetermination are secured by extended Board representation by the employee's.

Pursuant to the company's articles of association, the Board comprises between seven and ten members. A suggestion of whom to be appointed Chairman is normally included in the recommendation from the nomination committee and approved by the shareholder's meeting. The Board elects its own Deputy Board Chairman. Board members are elected for a period of two years.

The majority of the shareholder-elected Board members are independent of the company's executive management and its significant business associates. Further, no fewer than two of the shareholder-elected Board members are independent of the company's main shareholder. Aker Seafoods ASA does not have any Board committees.

The current composition of the Board is presented on page 58 of this annual report; the Board members' expertise, capabilities, and independence are also presented. Board members' shareholdings are presented in Note 34 to the consolidated accounts. The company encourages the Board members to invest in the company shares. The shareholder-elected Board members represent a combination of expertise, capabilities, and experience from the finance business, industry, and NGOs.

Two of the shareholder-elected Board members are up for election in 2008. The recommendation from the nomination committee will be published on the company's homepage and the Oslo Stock Exchange on www.newsweb.no as soon as it is available.

The work of the Board of Directors

The Board of Aker Seafoods ASA annually adopts a plan for its work, emphasizing goals, strategies, and implementation. Also, the Board has adopted board instructions that regulate areas of responsibility, tasks, and division of roles of the Board, Board Chairman, and President and CEO/general manager. The Board instructions also feature rules governing Board schedules, rules for notice and chairing of Board meetings, decision-making rules, the President and CEO's/general manager's duty and right to disclose information to the Board, professional secrecy, impartiality, and other issues.

The Board evaluates its own performance and expertise once a year.

Risk management and internal control

The Board is to ensure that the company maintains solid in-house control practices and appropriate risk management systems tailored to the company's business activities. The Board annually reviews the company's most important risk areas and internal control systems and procedures, and the main elements of these assessments are mentioned in the Board of Directors' report.

Remuneration of the Board of Directors

Board remuneration reflects the Board's responsibility, expertise, time spent, and the complexity of the business. Remuneration does not depend on Aker Seafoods ASA's financial performance. Board members and companies with whom they are associated are not to take on special tasks for the company beyond their Board appointments.

Additional information on remuneration paid to Board members for 2007 is presented in Note 32 to the consolidated accounts.

Remuneration of executive management

The Board has adopted guidelines for remuneration of executive management in accordance with the Norwegian Public Limited Company Act (Allmennaksjeloven § 6-16a). Salary and other remuneration of the President and CEO of Aker Seafoods ASA's, are determined in a Board of Directors meeting.

Aker Seafoods ASA does not have stock option plans or other such share award programs for employees. Further information on remuneration for 2007 for members of Aker ASA's executive management is presented in Note 32 to the consolidated accounts. The Group's guidelines for remuneration to executive management are discussed in Note 32 and will be presented to the shareholder at the annual general meeting.

Information and communications

The company has prepared an IR policy, which is available on the company's homepage and on page 52 in this annual report. The company's reporting of financial and other information is based on openness and on equal treatment of shareholders, the financial community, and other interested parties.

The long-term purpose of Aker Seafoods ASA's IR activities is to ensure the company's access to capital at competitive terms and to ensure shareholders correct pricing of shares. These goals are to be accomplished through correct and timely distribution of information that can affect the company's share price; the company is also to comply with current rules and market practices, including the requirement of equal treatment.

All stock exchange notifications and press releases are made available on the company's homepage. Stock exchange notices are also available from www.newsweb.no. All information that is distributed to shareholders is simultaneously published on Aker Seafoods ASA's homepage. The company endeavors to hold open presentations in connection with the reporting of the results and the presentations are often transmitted directly on the internet.

The company's financial calendar is found on page 4 of this annual report.

Takeovers

The company has not produced special principles for how it will act in the event of a takeover bid. Through his private TRG-companies, Mr Kjell Inge Røkke controls a total of 67.8 per cent of the shares in Aker ASA, who controls 65.0 per cent of the shares in Aker Seafoods ASA.

Auditor

The auditor makes an annual presentation to the Board of a plan for the auditing work for the year. Further, the auditor has provided the Board with a written confirmation that the requirement of independence is met.

The auditor participates in the Board meeting that deals with the annual accounts, and the auditor has reviewed the companies' internal control with the Board. The auditor has been authorized to participate at one Board meeting, at which no representatives of executive management are present.

Guidelines have been established for executive management's use of auditors for services other than auditing. Auditors are to provide the Board with an annual overview of services other than auditing that have been supplied to the company.

Remuneration for auditors is presented in Note 7 to the consolidated accounts, detailed in auditing and other services. In addition these details are presented at the annual general meeting.

Leif-Arne Langøy

Board Chairman

Mr. Leif-Arne Langøy (born 1956) has been President & CEO of Aker ASA, former Aker RGI, since 2003. Since 2006 he has also been the board Chairman. He has previously served as President & CEO of the Aker Yards Group, and as a Managing Director for Aker Brattvaag for 13 years. He is also Chairman of the board of Aker Holding, Aker Kværner, Aker Drilling, Aker Floating Production, Aker BioMarine and Aker Exploration, deputy Chairman of TRG Holding and board member of Aker Philadelphia Shipyard. Langøy holds an MBA degree from the Norwegian School of Economics and Business Administration. As of February 4th, Mr. Langøy holds 38 400 shares in the company, and no stock options. Mr. Langøy is a Norwegian citizen. He has been elected for the period 2006–2008.

Bjarne Borgersen

Deputy Chairman

Mr. Bjarne Borgersen (born 1953) has extensive experience from the Norwegian financial sector, i.a. as CEO of Fokus Bank. Mr. Borgersen has also been CEO of Norsk Lotteridrift, and is currently partner at Borgersen & Partners AS. In addition to broad experience from senior management in various companies, Mr. Borgersen has several board positions, and is currently chairman of the board of Selvaag Gruppen AS. He has a law degree from the University of Oslo. As of February 4th, Mr. Borgersen holds no shares in the company, and has no stock options. Mr. Borgersen is a Norwegian citizen. He has been elected for the period 2007–2009.

Leiv Grønnevet

Board member

Mr. Leiv Grønnevet (born 1943) has a wide experience related to various sectors of Norwegian and international fishing industry. He served as State Secretary in The Norwegian Ministry of Fisheries from 1981–1984. For 10 years, he was CEO of the Norwegian Fishing Vessel Owners Association. From 1992–2003 he was head of the Fisheries Division of Christiania Bank/ Nordea. Today, he is a senior advisor at the consulting company SINTEF MRB AS. Mr. Grønnevet has been member or chairman of a number of companies and task forces dealing with fishing industry and fishery research issues. He has an MBA from the Norwegian School of Economics and Business Administration. As of February 4th, Mr. Grønnevet holds 1 200 shares in the company, and no stock options. Mr. Grønnevet is a Norwegian citizen. He has been elected for the period 2005–2007.

Lisbeth Berg-Hansen

Board member

Ms. Lisbeth Berg-Hansen (born 1963) has a wide experience from various sectors of Norwegian fishing industry, and she holds and has held a number of major positions in Norwegian politics and organizational life. She has served as State Secretary for the Prime Minister, and as a political advisor at The Norwegian Ministry of Fisheries. Ms. Berg-Hansen has also served as chairman at The Norwegian Seafood Federation (Fiskeri- og Havbruksnæringens Landsforening) and is currently Vice President of the Confederation of Norwegian Business and Industry (NHO). As of February 4th, Ms. Berg-Hansen holds no shares in the company, and no stock options. Ms. Berg-Hansen is a Norwegian citizen. She has been elected for the period 2007–2009.

Marit Arnstad

Board member

Ms. Marit Arnstad (born 1962) is an adviser in the law firm Schjødt in Trondheim. Ms. Arnstad has had several leading positions in politics. She has been Minister of Petroleum and Energy, the parliamentary leader of the Centre Party, and a member of the Stortinget (the Norwegian Parliament). She has a broad experience as a board member, i.a. as Chairman at the Norwegian University of Science and Technology. She has a law degree from the University of Oslo. As of February 4th, Ms. Arnstad holds no shares in the company, and no stock options. Ms. Arnstad is a Norwegian citizen. She has been elected for the period 2006–2008.

Bjarne Kristiansen

Employee representative

Mr. Bjarne Kristiansen (born 1955) has worked in the fishing industry since 1973 and has been the chief union representative since 1966. Mr. Kristiansen is also an employee representative at Aker ASA's Board of Directors. As of February 4th,

Bjarne Kristiansen holds no shares in Aker Seafoods, and no stock options. Mr. Kristiansen is a Norwegian citizen. He has been elected for the period 2007–2009.

Harold Egil Nilsen

Employee representative

Mr. Harold Egil Nilsen (born 1947) has been employed at the Aker Seafoods' Hammerfest plant since 1973. He is also an employee representative at Aker Seafoods Finnmark AS' board of directors. As of February 4th, Mr. Nilsen holds 400 shares in Aker Seafoods, and no stock options. Mr. Nilsen is a Norwegian citizen. He is elected for the period 2007–2009.

Ann Jorunn Olsen

Employee representative

Ms. Ann Jorunn Olsen (born 1978) has been employed on fishing trawlers since 1997, and for the last nine years, she has been employed as factory manager/foreman on a freezer trawler. Ms. Olsen is the main employee representative at Finnmark Havfiske AS, a representative for M/Tr *Nordfjordtrål* and has a number of duties both in and on behalf of the Norwegian Seaman's Union. Ms. Olsen has been a member of the board since 2007. Ms. Olsen is a Norwegian citizen. As of February 4th, Ms. Olsen holds no shares in Aker Seafoods, and no stock options. Ms. Olsen is a Norwegian citizen. She is elected for the period 2007–2009.

Yngve Myhre
President & CEO

Mr. Yngve Myhre (born 1969) was appointed President & CEO for Norway Seafoods in 2001 and continued as President and CEO for Aker Seafoods after the merger. Mr. Myhre has previously held senior management positions in Seafarm Invest and Hydro Seafood for eight years prior to joining Norway Seafoods. Mr. Myhre has several directorships including the Norwegian Fishing Vessel Owners Association. Mr. Myhre holds a Master of Business in Sciences/Siviløkonom from Bodø Graduate School of Business. As of February 4th, Mr. Myhre holds 14 200 shares in the company, and has no stock options. Mr. Myhre is a Norwegian citizen.

Jan Erik Angelsen
EVP Business Development

Mr. Jan Erik Angelsen (born 1964) was appointed Executive Vice President for Business Development in March 2007. Prior to this, Mr. Angelsen worked as chief executive officer of Nordnorsk Vekst AS. Mr. Angelsen has previous experience from companies within fisheries and finance. He holds a BA in Fisheries and Business from Bodø University College and an MBA in Business Administration from the Pacific Lutheran University, Washington, USA. Mr. Angelsen has international work experience from the U.S. and from project activities in the Russian Northwest. As of February 4th, Mr. Angelsen holds 2 600 shares in the company, and has no stock options. Mr. Angelsen is a Norwegian citizen.

Morten Hyldborg Jensen
EVP Sales

Mr. Morten Hyldborg Jensen (born 1965) was appointed Executive Vice President Sales in 2002. Mr. Hyldborg Jensen has 15 years of industry experience as sales manager in Denmark, Germany, UK and Norway. Mr. Hyldborg Jensen holds a degree in international marketing and business administration. As of February 4th, Mr. Hyldborg Jensen holds 1 600 shares in the company, and no stock options. Mr. Hyldborg Jensen is a Danish citizen.

Gunnar Aasbø
CFO

Mr. Gunnar Aasbø (born 1974) was appointed CFO in Aker Seafoods in March 2007. Prior to this, Mr. Aasbø worked as CFO in Coop NKL, and has also been a consultant in Accenture. Mr. Aasbø has an MBA from the Norwegian School of Economics and Business Administration. As of February 4th, Mr. Aasbø holds 17 600 shares in the company, and has no stock options. Mr. Aasbø is a Norwegian citizen.

Terje Kjølsøy
EVP Production/processing

Mr. Terje Kjølsøy (born 1968) was appointed Processing Manager for West Fish Aarsæther AS in 2001 and Marketing Director in 2003-05. After Aker Seafoods' acquisition of West Fish he was appointed Sales Director. In October 2006, he was appointed Executive Vice President for production/processing. Mr. Kjølsøy has an education within fisheries and aquaculture management and extensive experience from his work within the fishing industry. He is also Chairman of the Board of Norwegian Seafood Federation, industry and export. As of February 4th, Mr. Kjølsøy holds no shares in the company, and has no stock options. Mr. Kjølsøy is a Norwegian citizen.

Aker Seafoods ASA
Fjordalleen 16
P O Box 1301 Vika
NO-0112 Oslo, Norway

Telephone: +47 24 13 01 60
Telefax:+47 24 13 01 61

firmapost@akersea.com
www.akerseafoods.com

Aker Seafoods ASA
Ålesund department
Løvenvoldg. 11
P O Box 876
NO-6001 Ålesund, Norway

Telephone: +47 70 11 86 00
Telefax: +47 70 11 86 80

firmapost@akersea.com
www.akerseafoods.com

Aker Seafoods Finnmark AS
Havnevn. 50, Rypefjord
P O Box 305
NO-9615 Hammerfest, Norway

Telephone: +47 78 40 66 00
Telefax: +47 78 40 66 50

firmapost.hammerfest@akersea.no
www.akerseafoods.com

Aker Seafoods Nordland AS
Buøyvn. 7
NO-8340 Stamsund, Norway

Telephone: +47 76 05 52 00
Telefax: +47 76 05 52 01

firmapost.melbu@akersea.no
www.akerseafoods.com

Aker Seafoods Denmark A/S
Ndr. Kajgade 7
DK-8500 Grenaa, Denmark

Telephone: +45 87 58 20 00
Telefax: +45 87 58 20 01

akersea@akersea.dk
www.akerseafoods.dk

Aker Seafoods UK Ltd.
Innovation Way
Grimsby
North East Lincolnshire
DN37 9TT, United Kingdom

Telephone: +44 1472 355 324
Telefax: +44 1472 241 031

Editor:
Aker Seafoods
Apeland Informasjon

Translation:
Rolf E Gooderham

Photo:
Elisabeth Sperre Alnes, Apeland Informasjon
Nordland Havfiske, Aker Seafoods
Jo Michael
Anders Carlsson
Scanpix

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Per Eide Studio
Kjell Ove Storvik
Tom Haga
Ragge Strand
Jim Hensley
Alf Børjesson
Per Eide

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www.akersea.com

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