EWOS®

Q1 - 2015
Interim Financial Report
EWOS Group

The Global Innovator in Aquafeed

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DISCLAIMER

EWOS Group AS is providing the following consolidated financial results for the first quarter of 2015 to holders of its NOK 1,040,000,000 Senior Subordinated Floating Rate Notes due 2021, and, on behalf of EWOS Holding AS to holders of its EUR 225,000,000 6.75% Senior Secured Notes due 2020 and NOK 1,810,000,000 Senior Secured Floating Rate Notes due 2020.

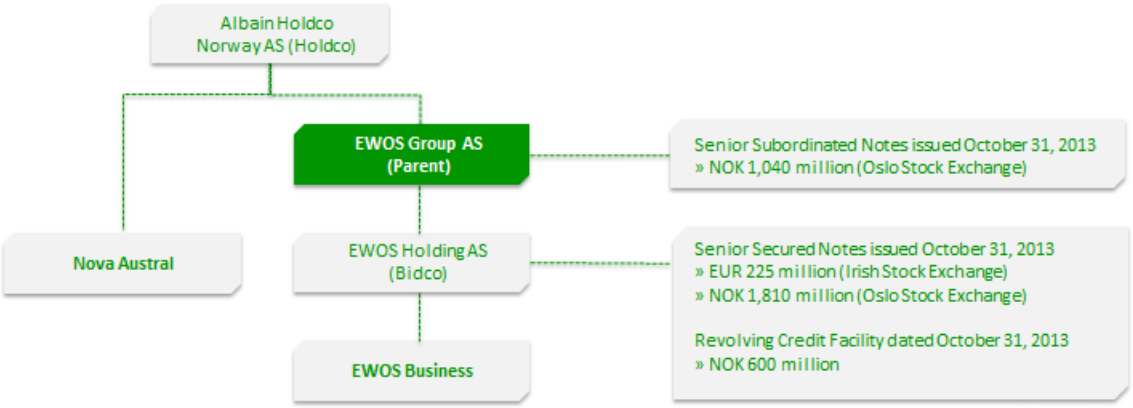
This report is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy the notes or any other security.

This report may include forward-looking statements which are based on our current expectations and projections about future events. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

PRESENTATION OF THE GROUP

EWOS is a leading supplier of feed and nutrition for the international aquaculture industry. EWOS has produced fish feed for decades and today the Group operates in all four of the world's major salmon farming regions: Norway, Chile, Canada and Scotland. In addition, EWOS has entered the feed market for other species through our operation in Vietnam. EWOS continuously invests in research and development in order to maintain innovation leadership in its field.

EWOS Group is owned by Albain Holdco Norway AS. The following illustrates the Group structure from Norwegian holding company level:



On October 22, 2014 Albain Holdco Norway AS, through a directly owned subsidiary other than EWOS Group AS, completed the acquisition of the Chilean fish farming company Nova Austral. This acquisition is made outside of the listed bond group, and Nova Austral's operation is not consolidated into the financial reporting of either the EWOS Group or EWOS Holding, the two companies with listed bonds on either the Oslo Stock Exchange or the Irish Stock Exchange.

If not explicitly mentioned otherwise, the financial information contained herein relates to the unaudited financial information on a consolidated basis at EWOS Group AS level for the first quarter of 2015 compared to the first quarter of 2014.

For further information, please refer to the Annual Reports 2014 as published on www.reporting.ewos.com

COMMENTS BY THE CEO

Highlights in the first quarter 2015

- 6.4% underlying increase in revenues
- 34.4% increase in Adjusted EBITDA
- Strong Q1 performance in all markets

EWOS delivered a better result in Q1 2015 compared to Q1 2014, despite flat volumes. Our cost measures are starting to take effect, and our health and performance feeds continue to deliver what our customers expect. For many of our customers, our health feeds have become part of their integrated plans for preventive health management.

This spring the Norwegian Parliament is processing a White Paper about predictable and sustainable growth in aquaculture. EWOS is actively working to influence the political process, focusing on predictable growth as one of our key messages. Growth in new licenses is unpredictable, but we believe that utilization of existing licenses is also important. There is potential for many farmers to produce more fish within their allowed biomass.

For the best utilization of the maximum allowable biomass, we are proud to offer the best performance feed on the market, Rapid. Appropriate use of this product can increase production within the allowed biomass by 12 to 15 percent. This winter one of our customers reported their best growth results ever. In a large farm with ten full-scale pens involving more than one million fish, Rapid led to more than 20 percent better growth than benchmark pens. The additional growth at this scale created an estimated 25 million NOK in additional biomass value compared to standard feed. Choice of feed really matters.

In Q1, sales volumes were stable with 239.0 thousand tonnes in the first quarter of 2015 compared to 240.5 thousand tonnes for the same period in 2014. Volume increased significantly in Canada and Vietnam, while it was stable in Norway and decreased in Chile and Scotland. Operating revenues increased by 20.3% to NOK 2,700.8 million for the first quarter in 2015 compared to NOK 2,244.1 million in the first quarter in 2014 driven by higher raw material prices and a weakening Norwegian Kroner.

Adjusted EBITDA for the first quarter in 2015 ended at NOK 173.2 million, an improvement from NOK 128.9 million in the first quarter in 2014. The increase in Adjusted EBITDA was strongly affected by currency translation effect from the decline in the Norwegian Kroner, but also supported by good product mix and cost containment.

Einar Wathne
CEO EWOS Group

KEY FINANCIAL FIGURES

	1st quarter		Year
	2015	2014	2014
Unaudited NOK million		(restated)	
Operating revenues	2,700.8	2,244.1	11,598.5
Adjusted EBITDA [1)]	173.2	128.9	724.5
Adjusted EBITDA margin	6.4 %	5.7 %	6.2 %
Net cash flow from operating activities	(18.2)	(1.4)	347.6
Capital expenditures [2)]	(40.8)	(39.9)	(153.6)
Net interest bearing debt	4,225.6	3,782.9	4,227.4

1) Adjusted EBITDA represents EBITDA as adjusted for certain non-recurring and/or non-cash costs. Adjusted EBITDA is presented because it may be a relevant measure for assessing underlying performance for a given period. This measure is not a defined financial indicator under IFRS.
2) Capital expenditures reported represent the cash effects of purchases of property, plant and equipment.

MARKET CONDITIONS

Feed markets

The global salmonid feed markets experienced 1% volume growth in the first quarter of 2015 compared to the same period of 2014. According to Kontali the global market was 796 thousand tonnes in the first quarter of 2015, compared to 788 thousand tonnes last year.

In Norway there was market growth of 5%, and the biological and temperature conditions were good during the quarter. In Chile there was a contraction in the market of 6% due to a combination of biological challenges, low prices for Atlantic salmon in the US market, and financial constraints among several players in the industry.

In Scotland growth was 2% in the first quarter of 2015 compared to the first quarter of 2014. In North America the increase in the feed market in the quarter was 12% as farmers are increasing their production as biological conditions have improved. We estimate that market growth was even higher in Western Canada.

For the full year, Kontali forecasts the global salmonid feed market to grow by 2.6% compared to 2014.

Raw material markets

Marine raw materials peaked at historic price levels early in the first quarter. By the end of the quarter the Peruvian marine institute (IMARPE) had identified a large biomass and the authorities issued a 2.58 million tons anchoveta quota for this fishing season. The quota was larger than expected and prices started to fall immediately. Marine raw material prices will continue lower through the second quarter on the large Peruvian quota and good production also in Europe. Prices for vegetable raw materials stabilized at lower levels during the first quarter on record soy production in Brazil and markets in balance.

Competitive situation

Continued competition is expected for feed contracts in all the markets in which EWOS operates. In Norway, the completion of Marine Harvest's new feed factory has increased capacity in the market, leading to a more challenging competitive environment in the near term as their current suppliers adjust to Marine Harvest's decision to insource production. Margins in Norway remain below levels appropriate to support long term research and capacity increases. In this environment, EWOS is focused on defending its historical share of the non-insourced market while delivering the most innovative feed solutions to customers. As of Q1, EWOS is behind on market share goals and will work hard to win back volume in upcoming negotiations. In Chile, the salmon farming market remains dynamic with continued consolidation among salmon farmers. We continue to assess the implications of this consolidation for our feed business.

OPERATING AND FINANCIAL REVIEW

Results of operations

The table below sets forth certain line items from the unaudited consolidated income statement of the EWOS Group for the first quarter 2015 and for the first quarter 2014.

	1st quarter			
Unaudited NOK million	2015	2014	Variance	Variance %
Operating revenues	**2,700.8**	**2,244.1**	**456.7**	**20.3**
Cost of materials	(2,148.2)	(1,771.6)	(376.6)	21.3
Personnel expenses	(126.6)	(102.9)	(23.7)	23.1
Other operating expenses	(264.5)	(255.2)	(9.3)	3.7
Depreciations and amortisations	(94.6)	(83.4)	(11.2)	13.4
Operating results before fair value adjustments of biological assets	**66.9**	**31.1**	**35.8**	**115.1**
Fair value adjustments of biological assets	(16.7)	(9.9)	(6.8)	68.5
Operating result	**50.2**	**21.2**	**29.0**	**136.9**

Sales volume and operating revenues

Operating revenue increased by NOK 456.7 million, or 20.3%, from NOK 2,244.1 million in the first quarter 2014 to NOK 2,700.8 million in the first quarter 2015. This increase was primarily due to increase in raw material prices passed through to customers and currency translation effects from a decline in the Norwegian Kroner versus the US Dollar.

	Sales volume (in thousands of tonnes)			Operating Revenues (NOK million)		
	1st quarter			1st quarter		
	2015	2014	Variance %	2015	2014	Variance %
Norway	96.0	97.6	(1.7)	1,024.6	912.2	12.3
Chile	92.5	99.3	(6.9)	1,098.4	923.9	18.9
Canada	18.2	11.1	63.5	225.3	108.3	108.1
Scotland	17.4	20.0	(12.7)	232.5	220.0	5.7
Vietnam	16.2	13.4	21.2	91.6	52.8	73.6
(Eliminations/other)	(1.2)	(0.8)		28.2	27.0	
Total	**239.0**	**240.5**	**(0.6)**	**2,700.8**	**2,244.1**	**20.3**

Operating revenue in Norway increased by NOK 112.4 million, or 12.3%, from NOK 912.2 million in the first quarter 2014 to NOK 1,024.6 million in the first quarter 2015. This increase was primarily due to higher raw material prices passed on to customers with some contribution of higher sales of functional feed with a higher price per kg.

Operating revenue in Chile increased by NOK 174.5 million, or 18.9%, from NOK 923.9 million in the first quarter 2014 to NOK 1,098.4 million in the first quarter 2015. Underlying revenues in local currency in this period were down due to reduction in sales volume by 6.9% from 99.3 thousand tonnes in the first quarter 2014 to 92.5 thousand tonnes in the first quarter 2015. This reduction corresponds to the general market development in Chile caused by biological challenges, low prices for Atlantic salmon in the US market, and financial constraints among several customers. However, the revenue reduction was more than offset by a favourable currency translation of the US Dollar to the reporting currency Norwegian Kroner.

Operating revenue in Canada increased by NOK 117.1 million, or 108.1%, from NOK 108.3 million in the first quarter 2014 to NOK 225.3 million in the first quarter 2015. This was mainly due to an increase in sales volume of 63.5% resulting from improved biological conditions in Western Canada and increase in raw material prices passed through to customers.

Operating revenue in Scotland increased by NOK 12.5 million, or 5.7%, from NOK 220.0 million in the first quarter 2014 to NOK 232.5 million in the first quarter 2015. This increase was due to currency translation effect from the increase of the British Pound versus the Norwegian Kroner, which more than offset the decrease in sales volumes of 12.7%.

Operating revenue in Vietnam increased significantly by NOK 38.8 million, or 73.6%, from NOK 52.8 million in the first quarter 2014 to NOK 91.6 million in the first quarter 2015. This increase was partly due to a strengthening of EWOS's market share and increased exports which led to an increase in sales volumes of

21.2%. A favourable currency translation of the Vietnam Dong to the reporting currency Norwegian Kroner also contributed to growth.

Cost of raw materials

Cost of raw materials increased by NOK 376.6 million, or 21.3%, from NOK 1,771.6 million in the first quarter 2014 to NOK 2,148.2 million in the first quarter 2015. This increase was primarily due to higher raw material prices and the impact of currency translation effects from the increase of the US Dollar versus the Norwegian Kroner.

Personnel expenses

Personnel expenses increased by NOK 23.7 million, or 23.1%, from NOK 102.9 million in the first quarter 2014 to NOK 126.6 million in the first quarter 2015. This change was primarily due to increases related to new corporate functions, including assumption of the IT organisation from Cermaq after the expiration of the transition service agreement. Currency translation effects from the stronger US Dollar versus the Norwegian Kroner also have led to an increase in personnel expenses.

Other operating expenses

Other operating expenses increased by NOK 9.3 million, or 3.7%, from NOK 255.2 million in the first quarter 2014 to NOK 264.5 million in the first quarter 2015. On a fixed currency basis operating expenses decreased, mainly due to reduction in customer freight in Chile, lower energy cost as well as reduction in third party cost partly related to the assumption of IT from Cermaq mentioned above. This decrease in cost was more than offset by the impact of currency translation effects from the stronger US Dollar versus the Norwegian Kroner.

Operating results

Operating results increased by NOK 29.0 million from a profit of NOK 21.2 million in the first quarter 2014 to a profit of NOK 50.2 million in the first quarter 2015. The main reason for this increase is a positive impact from currency translation effects from the stronger US Dollar versus the Norwegian Kroner, along with strong sales of performance and health feeds.

Adjusted EBITDA

Adjusted EBITDA increased by NOK 44.3 million, or 34.4%, from NOK 128.9 million in the first quarter 2014 to NOK 173.2 million in the first quarter 2015. A major part of the increase in adjusted EBITDA is caused by currency translation effects from the stronger US Dollar versus the Norwegian Kroner. On a constant currency basis, Adjusted EBITDA increased by NOK 9.4 million to NOK 138.3 million in the first quarter 2015. This improvement is a result of strong health and performance feed sales and operational efficiency such as lower customer freight and energy cost.

The following table reconciles EBITDA to Adjusted EBITDA for the periods indicated:

	1st quarter		Year
Unaudited NOK million	2015	2014	2014
EBITDA	**167.8**	**118.7**	**674.6**
Expected savings from fleet improvement (a)	-	1.3	2.6
Non-cash effects relating to currency derivatives (b)	0.6	(2.0)	(13.0)
Provision for tax claim (c)	-	-	14.6
Transition related costs (d)	4.7	10.9	71.1
Change in deferred consideration to Cermaq net of Acuinova losses (e)	-	-	(43.8)
Exit cost (f)	-	-	12.0
Other non-recurring items (g)	-	-	6.6
Adjusted EBITDA	**173.2**	**128.9**	**724.5**

(a) Gives pro forma effect to quarterly cost savings associated with replacing on-and-off loading of salmonid feed using big bags by direct delivery of salmonid feed in bulk to salmonid farms ("silos-to-silos delivery").

(b) Represents non-cash effects on derivatives used to hedge currency risk related to the acquisition of raw materials. In 2014 an unrealised fair value gain on derivatives used to hedge currency risk related to acquisition of raw materials of NOK 13 million was recognised in cost of raw materials compared to a loss of NOK 3 million in 2013.

(c) A provision was recognised in the second quarter 2013 and an increase was recognised in fourth quarter 2014 in connection with a claim by the Norwegian tax authorities that the Norwegian operations have benefitted from certain tax refunds in connection with fuel deliveries in violation of Norwegian tax laws. The claim has not yet been settled.

(d) Costs incurred in connection with the establishment of permanent corporate functions and initial corporate strategy review.

(e) In October 2014 EWOS Group and Cermaq have agreed on a settlement of the contingent consideration arising from the purchase of the EWOS Business from Cermaq in 2013 and a net gain has been recognised which represents the net effect of the reduction in the liability towards Cermaq and the expected losses related to the debt collection case in Chile against Acuinova.

(f) Termination fee paid in relation to certain time charter agreements for old vessels in order to secure fleet efficiency.

(g) Other non-recurring items include net loss for exceptional inventory obsolescence after compensation received from suppliers and loss from sale and scrapping of fixed assets.

EBITDA

EBITDA increased by NOK 49.1 million, or 41.1%, from NOK 118.7 million in the first quarter 2014 to NOK 167.8 million in the first quarter 2015 mainly affected positively by currency translation effects from the stronger US Dollar versus the Norwegian Kroner, operating improvements in Chile and reduced special items in 2015 such as transition related costs (see table above).

Capital expenditures

Capital expenditures decreased by NOK 0.9 million, or 2.3%, from NOK 39.9 million in the first quarter to NOK 40.8 million in the first quarter 2015. The expenditures in 2015 mainly relate to investments regarding the EWOS Fish Health Centre in Chile and efficiency investments in Scotland and Norway.

Cash flow

Unaudited NOK million	1st quarter 2015	1st quarter 2014	Year 2014
Net cash flow from operating activities	(18.2)	(1.4)	347.6
Net cash flow from investing activities	4.5	(37.2)	(181.9)
Net cash flow from financing activities	(58.5)	(62.2)	(568.6)
Foreign exchange effect	16.7	(7.5)	43.6
Net change in cash and cash equivalents for the period	**(55.5)**	**(108.3)**	**(359.3)**
Cash and cash equivalents at the beginning of the period	417.7	777.0	777.0
Cash and cash equivalents at the end of the period	**362.2**	**668.7**	**417.7**

Cash from operating activities in the first quarter 2015 showed an outflow of NOK 18.2 million. During the first quarter of 2015 there was a negative change in net operating working capital due to increase in inventory, partly offset by a decrease in accounts receivables and increase in current liabilities. Inventory and current liabilities increased in line with higher raw material costs and normal cyclicality. The decrease in accounts receivable was mainly related to a cash settlement of USD 19.5 million from the Acuinova bankruptcy estate and credit insurers, payments of USD 14 million from Nova Austral and an increase in factoring to offset higher customer working capital demands in Chile.

Net cash inflow from investing activities in the first quarter 2015 was NOK 4.5 million primarily due to proceeds from settlement of short term bridge loan of USD 5.5 million granted to Nova Austral in December 2014, offset by capital expenditures of NOK 40.8 million, as further described above.

Cash outflow from financing activities in the first quarter was NOK 58.5 million, primarily due to payment of interest.

Cash and cash equivalents decreased by NOK 55.5 million during first quarter of 2015 from NOK 417.7 million per December 31, 2014 to NOK 362.2 million as of March 31, 2015.

Financial position

Net interest bearing liabilities

Net interest bearing debt of the EWOS Group and its subsidiaries, including EWOS Holding, on a consolidated basis was NOK 4,225.6 million as of March 31, 2015, compared to NOK 4,227.4 million as of December 31, 2014. Currency translation effect from the improvement in the Norwegian Kroner versus Euro from the beginning to the end of the period has led to a decrease in the value of the Euro senior secured notes. This was offset by decrease in cash and cash equivalents during the period, ref cash flow comments above.

Capitalisation

The following table sets forth, in each case as of March 31, 2015, the cash and cash equivalents and capitalisation of the EWOS Group and its subsidiaries, including EWOS Holding, on a consolidated basis. The change in equity from December 31, 2014 to March 31, 2015 is due to the positive total comprehensive income, ref interim financial statements at the end of this report.

	As of March 31, 2015		As of December 31, 2014	
	(NOK millions)	(Euro millions)[1]	(NOK millions)	(Euro millions)[1]
Cash and cash equivalents	362.2	41.6	417.7	46.2
Indebtedness:				
RCF - Ancillary Multi Option Facility	7.8	0.9	-	-
EUR Senior Secured Notes	1,958.3	225.0	2,035.4	225.0
NOK Senior Secured Notes	1,810.0	208.0	1,810.0	200.1
Senior Subordinated Notes	1,040.0	119.5	1,040.0	115.0
Finance leases	1.5	0.2	1.7	0.2
Total third-party indebtedness	4,817.6	553.5	4,887.1	540.2
Total equity	2,568.8	295.1	2,236.8	247.3
Total capitalization	7,386.4	848.7	7,123.9	787.5

(1) Amounts denominated in Norwegian kroner have been converted from Norwegian kroner to Euro using an exchange rate of EUR 1 = NOK 8.7035 as of March 31, 2015 and EUR 1 = NOK 9.0462 as of December 31, 2014.

Update of material risk factors

With the exception of the update below, no significant changes in risk factors have been identified which will affect the Group through the coming quarter. For additional explanations regarding risks and uncertainties, please refer to the Board of Directors Report section Risk and Risk Management and Note 22 Financial Risk Management in the 2014 Annual Report.

Increased credit risk in Chile

There are challenging market conditions for Chilean salmon farmers caused by low prices on Chilean salmon due to the very strong supply increase from Chile in recent years. In addition, Chilean farmers are challenged by stronger competition from Norwegian salmon due to reduced demand from Russia and the strong USD compared to Norwegian Kroner. EWOS's customers in Chile are facing financial constraints and are asking for longer credit on their feed payables. In some cases, EWOS is supporting customers with longer terms while mitigating this risk by increasing non-recourse factoring and credit insurance.

Material changes in liquidity and capital resources

The Group continually analyses its liquidity and capital resources position. The Group has assessed its currently available capital resources and its current liquidity position as satisfactory and not noted any material changes in the current period.

Differences between EWOS Group and EWOS Holding

The table below sets out material differences between consolidated financial statements for EWOS Group and EWOS Holding. The main differences are related to the Senior Subordinated Notes in EWOS Group and related interest expenses.

	1st quarter 2015			1st quarter 2014 (restated)		
	EWOS Group	EWOS Holding	Difference	EWOS Group	EWOS Holding	Difference
Net income (loss)	**35.3**	**53.1**	**(17.8)**	**(45.6)**	**(27.5)**	**(18.1)**
Total assets	**10,198.9**	**10,312.3**	**(113.4)**	**8,704.0**	**8,692.3**	**11.8**
Total equity	2,568.8	3,666.3	(1,097.5)	1,872.9	2,887.5	(1,014.6)
Total non-current liabilities	5,045.1	4,078.3	966.8	4,874.6	3,867.3	1,007.3
Total current liabilities	2,584.9	2,567.6	17.3	1,956.5	1,937.5	19.0
Total equity and liabilities	**10,198.9**	**10,312.3**	**(113.4)**	**8,704.0**	**8,692.3**	**11.8**

CONDENSED INTERIM FINANCIAL STATEMENTS

Consolidated income statement

EWOS Group

Unaudited NOK million	1st quarter 2015	1st quarter 2014 (restated)	Year 2014
Operating revenues	**2,700.8**	**2,244.1**	**11,598.5**
Cost of materials	(2,148.2)	(1,771.6)	(9,333.7)
Personnel expenses	(126.6)	(102.9)	(443.9)
Other operating expenses	(264.5)	(255.2)	(1,178.2)
Other income and expenses	-	-	11.6
Depreciations and amortisations	(94.6)	(83.4)	(337.0)
Operating result before fair value adjustments of biological assets	**66.9**	**31.1**	**317.3**
Fair value adjustments of biological assets	(16.7)	(9.9)	6.7
Operating result	**50.2**	**21.2**	**324.0**
Share of net income from associates	0.7	0.4	0.2
Financial items, net	(11.9)	(90.1)	(629.1)
Income (loss) before taxes	**39.0**	**(68.5)**	**(304.9)**
Income taxes	(3.7)	23.0	78.4
Net income (loss)	**35.3**	**(45.6)**	**(226.5)**

Consolidated statement of comprehensive income

EWOS Group

Unaudited NOK million	1st quarter 2015	1st quarter 2014 (restated)	Year 2014
Net income (loss)	**35.3**	**(45.6)**	**(226.5)**
Other comprehensive income, net of tax:			
Items to be reclassified to profit or loss in subsequent periods:			
Currency translation differences	296.7	(52.6)	676.1
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on defined benefit plans	-	-	(14.6)
Other comprehensive income	**296.7**	**(52.6)**	**661.5**
Total comprehensive income	**332.0**	**(98.1)**	**435.0**
Attributable to:			
Shareholders of EWOS Group AS	331.8	(98.1)	434.7
Non-controlling interests	0.1	(0.0)	0.3

Consolidated statement of financial position

EWOS Group

Unaudited NOK million	March 31, 2015	December 31, 2014	March 31, 2014 (restated)
ASSETS			
Deferred tax assets	6.3	6.6	2.6
Goodwill	2,531.4	2,408.2	2,108.3
Intangible assets	746.8	729.9	783.0
Property, plant and equipment	2,213.2	2,184.9	2,096.5
Investments in associated companies	9.4	9.1	9.2
Other non-current financial assets	512.8	478.5	208.3
Total non-current assets	**6,019.8**	**5,817.4**	**5,208.0**
Inventories	1,777.0	1,379.3	1,069.2
Trade and other receivables	1,945.9	1,984.3	1,758.2
Assets held for sale	94.0	94.0	-
Cash and cash equivalents	362.2	417.7	668.7
Total current assets	**4,179.1**	**3,875.2**	**3,496.1**
Total Assets	**10,198.9**	**9,692.6**	**8,704.0**
EQUITY AND LIABILITIES			
Equity atributable to shareholders of EWOS Group AS	2,568.0	2,236.1	1,872.5
Non-controlling interests	0.8	0.7	0.4
Total equity	**2,568.8**	**2,236.8**	**1,872.9**
Pension liabilities	48.9	47.7	26.8
Deferred tax liabilities	290.5	310.8	382.0
Interest bearing non-current liabilities	4,579.1	4,644.2	4,450.7
Other non interest bearing non-current liabilities	126.7	118.0	15.1
Total non-current liabilities	**5,045.1**	**5,120.7**	**4,874.6**
Trade and other payables	2,584.9	2,335.1	1,956.5
Total current liabilities	**2,584.9**	**2,335.1**	**1,956.5**
Total equity and liabilities	**10,198.9**	**9,692.6**	**8,704.0**

Consolidated statement of cash flow

EWOS Group

Unaudited NOK million	1st quarter 2015	1st quarter 2014 (restated)	Year 2014
Net income(loss) before taxes	**38.9**	**(68.5)**	**(304.9)**
Depreciations and amortisations	94.6	83.4	337.0
Net interest expense and other financial income	91.6	111.8	417.1
Income taxes paid	(24.6)	(19.3)	(59.8)
Change in inventory, accounts receivable and accounts payable	(145.2)	(45.1)	(96.7)
Change in other financial assets and liabilities	(65.3)	(13.7)	169.1
Change in other current operating assets and liabilities	(8.4)	(50.1)	(114.1)
Net cash flow from operating activities	**(18.2)**	**(1.4)**	**347.6**
Proceeds from sale of property, plant, equipment	0.0	0.2	7.4
Purchases of property, plant, equipment	(40.8)	(39.9)	(153.6)
Net payments loans to related parties	42.7	-	(40.8)
Net payments shares and other investments	2.6	2.5	5.0
Net cash flow from investing activities	**4.5**	**(37.2)**	**(181.9)**
Net proceeds from borrowing and drawing facilities	7.6	(0.2)	(1.0)
Net interest paid and other financial items	(66.0)	(62.0)	(398.4)
Repayment of equity to owner of EWOS Group AS	-	-	(169.2)
Net cash flow from financing activities	**(58.5)**	**(62.2)**	**(568.6)**
Foreign exchange effect	16.7	(7.5)	43.6
Net change in cash and cash equivalents for the period	**(55.5)**	**(108.3)**	**(359.3)**
Cash and cash equivalents at the beginning of the period	**417.7**	**777.0**	**777.0**
Cash and cash equivalents at the end of the period	**362.2**	**668.7**	**417.7**

Consolidated statement of changes in equity

EWOS Group

Unaudited NOK million	Attributable to equity holders of EWOS Group AS					Non-controlling interests	Total equity
	Paid in Capital	Actuarial gains and losses Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total		
Equity as of December 31, 2013	**1,640.7**	**(1.8)**	**(105.8)**	**52.0**	**1,585.0**	**0.4**	**1,585.5**
Net income (loss) for the period	-	-	(226.7)	-	(226.7)	0.2	(226.5)
Other comprehensive income	-	(14.6)	-	676.0	661.4	0.1	661.5
Total comprehensive income	-	(14.6)	(226.7)	676.0	434.7	0.3	435.0
Convertion of debt	385.6	-	-	-	385.6	-	385.6
Distribution to shareholders	(169.2)	-	-	-	(169.2)	-	(169.2)
Net losses charged to Paid in Capital	(103.9)	-	103.9	-	-	-	-
Equity as of December 31, 2014	**1,753.2**	**(16.5)**	**(228.6)**	**728.0**	**2,236.1**	**0.7**	**2,236.8**
Net income (loss) for the period	-	-	35.2	-	35.2	0.1	35.3
Other comprehensive income	-	-	-	296.7	296.7	0.1	296.7
Total comprehensive income	-	-	35.2	296.7	331.8	0.1	332.0
Equity as of March 31, 2015	**1,753.2**	**(16.5)**	**(193.4)**	**1,024.7**	**2,568.0**	**0.8**	**2,568.8**

Unaudited NOK million	Attributable to equity holders of EWOS Group AS					Non-controlling interests	Total equity
	Paid in Capital	Actuarial gains and losses Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total		
Equity as of December 31, 2013	**1,640.7**	**(1.8)**	**(105.8)**	**52.0**	**1,585.0**	**0.4**	**1,585.5**
Net income (loss) for the period (restated)	-	-	(45.6)	-	(45.6)	(0.0)	(45.6)
Other comprehensive income	-	-	-	(52.6)	(52.6)	(0.0)	(52.6)
Total comprehensive income	-	-	(45.6)	(52.6)	(98.1)	(0.0)	(98.1)
Convertion of debt	385.6	-	-	-	385.6	-	385.6
Equity as of March 31, 2014 (restated)	**2,026.3**	**(1.8)**	**(151.4)**	**(0.6)**	**1,872.5**	**0.4**	**1,872.9**

Notes to the consolidated financial statements

EWOS Group

Note 1 – General accounting principles

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the Annual Reports 2014. The condensed consolidated interim financial statements have not been audited or subject to a review by the auditors.

Accounting principles applied in the preparation of these condensed consolidated interim financial statements for the first quarter 2015 are consistent with those applied in the annual consolidated financial statements for 2014. For information about the standards and interpretations effective from January 1, 2015, please refer to Note 1 in the annual consolidated financial statements for 2014. The standards and interpretations effective from January 1, 2015 did not have an impact on the Group's consolidated interim financial statements.

Note 2 – Correction of 2014 interim financial statements

As disclosed in note 4 in the 2014 Annual Report the financial statements for 2013 were restated to reflect a gain and a receivable that were not recognised when issuing the 2013 Annual Report. The financial statements for interim periods in 2014 are being restated accordingly. The restatement is related to the following transaction:

On September 11, 2013, prior to the closing of the acquisition of the EWOS Business on October 31, 2013, the Group entered into deal contingent currency forward contracts with Albain Finco S.À R.L. The currency forward contracts where closed on October 31, 2013 with a gain of NOK 173.6 million, but not settled by cash, and the Group earned a receivable on Albain Finco S.À R.L.

	1st quarter 2014		
Unaudited NOK million	As previously reported	Effect of restatement	Restated
Consolidated income statement for the period ended March 31, 2014			
Financial income	(95.2)	5.1	(90.1)
Income taxes	24.3	(1.4)	23.0
Net income (loss)	**(49.3)**	**3.8**	**(45.6)**
Consolidated statement of financial position as of March 31, 2014			
Other non-current financial assets	26.0	182.3	208.3
Equity attributable to equity holders of Albain Holdco Norway AS	1,739.9	133.0	1,872.9
Deferred tax liabilities	332.8	49.2	382.0

Note 3 – Financial items

	1st quarter		Year
Unaudited NOK million	2015	2014	2014
Interest expenses	(97.5)	(95.8)	(396.1)
Net foreign exchange gains (losses)	56.5	22.9	(197.7)
Net change in fair value on financial instruments	23.2	(1.2)	(14.2)
Other net financial income (expenses)	5.8	(16.0)	(21.0)
Net financial income (expenses)	**(11.9)**	**(90.1)**	**(629.1)**

Note 4 – Interest bearing liabilities

The EUR Senior Secured Notes was listed on the Irish Stock Exchange January 9, 2014 while the NOK Senior Secured Notes and NOK Senior Subordinated Notes were listed on the Oslo Stock Exchange March 26, 2014. Fair value of interest bearing liabilities recognised at amortised cost:

	As of March 31, 2015		As of December 31, 2014	
Unaudited NOK million	Carrying amount	Fair value	Carrying amount	Fair value
Interest bearing non-current liabilities	4,579.1	4,686.9	4,644.2	4,380.0

The fair value of the interest bearing liabilities was NOK 4,776.5 million as of May 21, 2015.

Note 5 – Segment table

Specification of segment information:

NOK million	Operating revenue	Gross profit	Capital expenditures [1)]	Total assets
First quarter 2015 (unaudited)				
Salmon feed	2,569.8	528.1	36.1	9,514.9
Other	138.4	23.9	4.7	684.0
Eliminations	(7.5)	0.6	-	-
Group	**2,700.8**	**552.6**	**40.8**	**10,198.9**
First quarter 2014 (unaudited and restated)				
Salmon feed	2,156.8	449.4	36.0	8,075.7
Other	90.6	22.8	3.9	628.4
Eliminations	(3.2)	0.3	-	-
Group	**2,244.1**	**472.5**	**39.9**	**8,704.0**
Year 2014				
Salmon feed	11,294.7	2,193.2	131.2	9,002.6
Other	339.6	72.5	22.4	690.0
Eliminations	(35.8)	(0.9)	-	
Group	**11,598.5**	**2,264.9**	**153.6**	**9,692.6**

1) Capital expenditures reported represent the cash effects of purchases of property, plant and equipment.

Included in revenues arising from the direct sales of Salmon feed of NOK 11,598.5 million in year ended 2014 are revenues from sales to the Group's two largest customers of NOK 2,370 million and NOK 1,450 million respectively.

Note 6 - Asset held for sale

EWOS owns two commercial fish farming licences in Norway which have been operated in cooperation with an external party. In February 2015 an agreement was entered into to sell these licenses and the transaction has been closed in May 2015. The licenses are classified as Assets held for sale in the Statement of financial position as of March 31, 2015 and December 31, 2014. The final sales agreement as amended at closing also included the sale of EWOS's share in the biomass that has been jointly owned and operated with an external party together with the licenses.

Note 7 – Events after the reporting period

There are no events after the reporting period in relation to these financial statements.

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