

P/F Bakkafrost

Condensed Consolidated

Interim Report for

Q3 2012 and 9 months 2012

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Highlights

In the quarter 51% of the total shares in P/F Faroe Farming, a subsidiary of the Bakkafrost Group, were finally sold. Therefore, Faroe Farming is a discontinuing operation in this Interim Report accordingly. If not stated otherwise, the figures commented on in this report relate to continuing operations.

DKK 1,000	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Group - Operating revenue	457,147	369,319	1,273,482	923,899
Group - Operational EBIT*	86,210	69,996	223,878	289,200
Group - Profit for the period (continuing and discontinuing operations)	25,826	159,883	133,163	237,772
Operational EBIT (Farming and VAP)(DKK)	78,458	53,922	215,212	273,126
Operational EBIT*/kg (Farming and VAP)(DKK)	8.06	5.83	6.88	11.98
Operational EBIT*/kg (Farming and VAP) (NOK)	8.00	6.08	6.94	12.55
Farming - Operating revenue	327,408	230,773	936,686	733,429
Farming - Operational EBIT*	75,016	20,709	189,709	237,238
Farming - Operational EBIT margin	23%	9%	20%	32%
Farming - Operational EBIT/kg (DKK)	7.71	2.24	6.06	10.41
Farming - Operational EBIT/kg (NOK)	7.65	2.33	6.12	10.90
VAP - Operating revenue	121,352	111,513	372,456	380,261
VAP - Operational EBIT*	3,442	33,213	25,503	35,888
VAP - Operational EBIT margin	3%	30%	7%	9%
VAP - Operational EBIT/kg (DKK)	0.95	13.01	2.21	3.95
VAP - Operational EBIT/kg (NOK)	0.94	13.56	2.23	4.14
Feed - Operating revenue ***	300,046	276,578	641,204	276,578
Feed - EBITDA ***	41,272	39,810	66,086	39,810
Feed - EBITDA margin ***	13.76%	14.39%	10.31%	14.39%
DKK/NOK (average)	100.74	95.96	99.05	95.51
Basic earnings per share (DKK)	0.53	3.25	2.73	4.85
Cash flow from operations	-54,272	55,648	178,824	323,247
Total Assets**	2,389,926	2,301,774	2,389,926	2,301,774
Net interest bearing debt**	769,521	816,825	769,521	816,825
Equity ratio**	47%	46%	47%	46%
Harvested volume continuing operation (tonnes gutted weight)	9,730	9,243	31,297	22,794
Harvested volume discontinuing operation (tonnes gutted weight)	1,384	-	2,557	-
VAP produced volume (tonnes gutted weight)	3,634	2,553	11,559	9,085
Sold feed tonnes	30,290	30,404	66,351	30,404

* Aligned for fair value adjustment of biomass, onerous contracts provisions and acquisition costs.

** Comparing figures at end 2011.

*** 2011 figures only from 1st July 2011

Summary of the 3rd quarter 2012 and year-to-date 2012

(Figures in parenthesis refer to the same period in 2011)

Bakkafrost quarterly operating EBIT came to a satisfying result of DKK 86.2 million. The result proved Bakkafrost's strong value chain and strategy. All segments had positive margins, where especially the farming segment showed strong performance. The supply of salmon in the quarter was strong, which put the prices under pressure.

During the quarter, Bakkafrost finally sold 51% of the total shares in P/F Faroe Farming, a subsidiary of P/F Bakkafrost. Therefore, Faroe Farming in this report is a discontinuing operation and following the sale classified as an associated company. Accordingly – if not stated otherwise – the figures commented on in this report are for the continuing operations.

The Group made a profit for the continuing and discontinuing operations for the period of DKK 25.8 million (DKK 159.9 million) and for the first 9 months of 2012, the profit came to DKK 133.2 million (DKK 237.8 million).

The total harvested volume in Q3 2012 for the continuing operations was 9,730 tonnes gutted weight (9,243 tgw). The first nine months of 2012, Bakkafrost continuing operations harvested 31,297 tonnes gutted weight (22,794 tgw).

Bakkafrost transferred 3.6 million smolts in Q3 2012, which is in line with the Company's plans. For the first nine months of 2012, Bakkafrost transferred 8.4 million smolts.

The Group had a net interest bearing debt at the end of Q3 2012 amounting to DKK 769.5 million (DKK 816.8 million at year-end 2011) and had undrawn credit facilities of DKK 208.5 million.

In March 2012, Bakkafrost purchased the non-controlling shares in P/F Faroe Farming, corresponding to 21.93% of the shares in the Company. Consequently, Bakkafrost became the sole owner of the shares in P/F Faroe Farming effective from 1st January 2012. The transaction was an equity transaction. Subsequent to the acquisition of the non-controlling interests, Bakkafrost sold 51% of the total shares in P/F Faroe Farming to the Faroese based investment company P/F Tjaldur. The transaction was, among other things, subject to authority approval. After receiving the necessary approval, the transaction was finalised. Therefore, Bakkafrost now complies with the legal requirements stipulating a maximum control of 50% of the licenses in the Faroe Islands. The ownership of 49% of the shares in Faroe Farming is presented as an investment in an associated company.

Based on the harvest for the first 9 months of 2012 it is now estimated that Bakkafrost will harvest 45,000 tgw compared to previously estimated 42,000-44,000 tgw.

The combined farming and VAP segment made an operational EBIT of DKK 78.5 million (DKK 53.9 million) in Q3 2012. Year to date the combined farming and VAP segment made an operational EBIT of DKK 215.2 million (DKK 273.1 million)

The farming segment made an operational EBIT of DKK 75.0 million (DKK 20.7 million). On a year to date basis, the farming segment made an operational EBIT of DKK 189.7 million (DKK 237.2 million).

The VAP segment made an operational EBIT of DKK 3.4 million, which is less than the operational EBIT for Q3 2011, when the VAP segment made an operational EBIT of DKK 33.2 million. The reason for the stronger result in Q3 2011, was the sharp decrease in the salmon price during mid 2011, while the contract prices were on a high level. Year to date, the VAP segment made an operational EBIT amounting to DKK 25.5 million (DKK 35.9 million).

The 3rd segment – fishmeal, oil and feed – made an EBITDA of DKK 41.3 million (DKK 39.8 million) in Q3 2012 and DKK 66.1 million for the first nine months of 2012.

Segment performance per harvested kg

	Q3	Q3	YTD	YTD
Operational EBIT/kg harvested (continuing operations)	2012	2011	2012	2011
Farming EBIT/kg (DKK)	7.71	2.24	6.06	10.41
Farming EBIT/kg (NOK)	7.65	2.33	6.12	10.90
VAP EBIT/kg (DKK)	0.95	13.01	2.21	3.95
VAP EBIT/kg (NOK)	0.94	13.56	2.23	4.14
Feed EBITDA/kg (DKK)	1.36	-	1.00	-
Feed EBITDA/kg (NOK)	1.35	-	1.01	-

Smolt transfer

Bakkafrost Group						
1,000 pieces	2008	2009	2010	2011	2012E	2013E
Farming North, salmon	3,200	4,000	4,100	5,000	6,600	6,500
Farming West, trout	700	300	0	0	0	0
Farming West, salmon	1,400	2,100	4,100	2,600	4,000	3,500
Viking	-	1,700	1,800	1,000	0	0
Total	5,300	8,100	10,000	8,600	10,600	10,000

Financial Review

(Figures in parenthesis refer to the same period in 2011)

Income Statement

The operating revenues amounted to DKK 457.1 million in Q3 2012 (DKK 369.3 million). YTD 2012 the operating revenue amounted to DKK 1,273.5 million (DKK 923.9 million). The increase in the revenue is due to higher harvested volumes at a lower price and the acquisition of the Havsbrún Group in the summer 2011.

Bakkafrost harvested the following:

	Q3	Q3	YTD	YTD
Harvested volumes (t _{gw})	2012	2011	2012	2011
Farming North	6,792	4,879	16,040	17,710
Farming West	2,938	2,302	15,257	3,022
Total harvested volumes (t_{gw})	9,730	7,181	31,297	20,732
Faroe Farming (discontinuing operation)	1,384	2,062	2,557	2,062
Total harvested volumes (t_{gw})	11,114	9,243	33,854	22,794

Operational EBIT was DKK 86.2 million in Q3 2012 (DKK 70.0 million). YTD 2012 operational EBIT was DKK 223.9 million (DKK 289.2)

A fair value adjustment of the Group's biological assets has been recognised in Q3 2012 amounting to DKK -32.4 million (DKK -14.6 million). YTD 2012, a fair value adjustment has been recognised amounting to DKK -23.1 million (DKK -131.9 million).

No provisions for onerous contracts are in Q3 2012 and YTD 2012 (DKK 0 million in Q3 2011 and a provision DKK 2.9 million in YTD 2011).

Income from associated companies in Q3 amounts to DKK -11.7 million (DKK -1.8 million). YTD 2012 it was DKK -14.8 (DKK -1.8 million). The amount relates to the result from Hanstholm Fiskemelfabrik in which Bakkafrost has a shareholding of 34% and Faroe Farming in which Bakkafrost holds 49%.

Net interest in Q3 2012 amounted to DKK -3.2 million (DKK -3.5 million). YTD 2012 net interest amounted to DKK -13.1 million (DKK -7.1 million). The increase in the net interests is due to higher interest bearing debt following the acquisition of Havsbrún in 2011.

Net taxes amounted to DKK -8.6 million in Q3 2012 (DKK -0.3 million). YTD 2012 net taxes amounted to DKK -35.6 million (DKK -22.5 million).

The result for Q3 2012 for the continuing operations was DKK 12.7 million (DKK 159.9 million). YTD 2012 it was DKK 119.7 million (DKK 237.8 million).

The result after tax for Q3 2012 for the discontinuing operations was DKK 13.1 million (DKK 0 million). For the first nine months of 2012 the result was DKK 13.5 million (DKK 0 million).

Thus, the total result for Q3 2012 was DKK 25.8 million (DKK 158.9 million) and the result YTD 2012 was DKK 133.2 million (DKK 237.8 million).

The number of fish in cages (continuing operations) is 8% higher at the end of Q3 2012 than at the same time last year and the biomass is 8.3% higher.

Segments

Bakkafrost has three operating segments: one farming segment, one segment for value added products (VAP) and one segment for the fishmeal, fish oil, and fish feed production. Fresh/frozen salmon is sold on the spot market, while VAP products are sold on long-term contracts.

Distribution of harvested volume (tgv)	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Harvested volume used in VAP production	37%	28%	37%	40%
Harvested volume sold fresh/frozen	63%	72%	63%	60%
Harvested and purchased volume (tgv)	100%	100%	100%	100%

The allocation of raw material between VAP and whole gutted salmon was 37% processed as VAP products and 63% sold as whole gutted salmon in Q3 2012. YTD 2012 37% of the harvested volumes was used for VAP products and 63% was sold as fresh whole salmon.

Relatively the share of the harvested salmon used for VAP products has increased from Q3 2011 to Q3 2012, because the ownership in Faroe Farming is reduced to 49%. Therefore the harvested volumes in Faroe Farming are not incorporated in the figures above.

Farming:

The operating revenue for Bakkafrost's farming segment was DKK 327.4 million in Q3 2012 (DKK 230.8 million). YTD 2012 the operating revenue was DKK 936.7 million (DKK 733.4 million).

Operational EBIT, which is EBIT before fair value adjustments on biological assets, amounted to DKK 75.0 million in Q3 2012 (DKK 20.7 million). YTD 2012 the operational EBIT was DKK 189.7 million (DKK 237.2 million).

Operational EBIT/kg for the farming segment was DKK 7.71 (NOK 7.65) in Q3 2012 compared to DKK 2.24 (NOK 2.33) in Q3 2011. The salmon prices in Q3 2012 have been stronger than in Q3 2011. Operational EBIT/kg YTD 2012 was DKK 6.06 (NOK 6.12) compared to DKK 10.41 (NOK 10.90) YTD 2011.

The result after tax for the farming segment's continuing operations for Q3 2012 was DKK 15.0 million (DKK 125.1 million). YTD 2012 the result was DKK 106.1 million (DKK 199.6 million).

The result after tax for the farming segment's discontinuing operations for Q3 2012 was DKK 13.1 million (DKK 0 million). YTD 2012 the result after tax for the farming segment's discontinuing operations was DKK 13.5 million (DKK 0 million).

The total result after tax for the farming segment for Q3 2012 was DKK 28.2 million (DKK 125.1 million) and YTD 2012 the total result was DKK 119.6 million (DKK 199.6 million).

Value Added Products (VAP):

The operating revenue for the value added segment amounted to DKK 121.4 million in Q3 2012 (DKK 111.5 million in Q3 2011). YTD 2012 the operating revenue was DKK 372.5 million (DKK 380.3 million). Even if the production of VAP products has increased from Q3 2011 to Q3 2012, the revenue has decreased. This is because the contract prices have decreased around 20%. On the other hand the spot prices have increased around 10% from Q3 2011 to Q3 2012.

Operational EBIT amounted to DKK 3.4 million in Q3 2012 (DKK 33.2 million), corresponding to an operational EBIT of DKK 0.95 (NOK 0.94) per kg gutted weight in Q3 2012 (Q3 2011: DKK 13.01 (NOK 13.56) per kg gutted weight). The decrease is due to lower contracts prices and higher spot prices quarter on quarter, which both affect the margin negatively in the VAP segment.

YTD 2012 the operational EBIT/kg was DKK 2.21 (NOK 2.23), compared to DKK 3.95 (NOK 4.14) for the first nine months of 2011.

Fish Meal, Fish Oil and Fish Feed:

Following the acquisition of Havsbrún on 1st July 2011, Bakkafrost included the fishmeal, fish oil and fish feed segment in the Company's consolidated accounts. Therefore the comparing figures for 2011 are the same both for Q3 2011 and YTD 2011.

The operating revenue for the fishmeal, fish oil and fish feed segment amounted to DKK 300.0 million (DKK 276.6 million) in Q3 2012 of which DKK 204.7 million represents sales to Bakkafrost's farming segment corresponding to 68.2%. YTD 2012 the operating revenue was DKK 641.2 million (DKK 276.6 million) of which DKK 422.8 million is sale to Bakkafrost's farming segment corresponding to 65.9%.

EBITDA was DKK 41.3 million (DKK 39.8 million) in Q3 2012, and the EBITDA margin was 13.8%. YTD 2012 EBITDA was DKK 66.1 million (DKK 39.8 million) and the EBITDA margin was 10.3%

Sales of feed amounted to 30,290 tonnes in Q3 2012, of which the farming segment internally used 21,093 tonnes. YTD 2012 the sale of feed amounted to 66,351 tonnes of which 45,296 was used internally.

The result after tax for Q3 2012 was DKK 21.5 million (DKK 28.0 million) and YTD 2012 the result was 30.7 million (DKK 28.0 million).

Statement of Financial Position

The Group's total assets as of 30th September 2012 amounted to DKK 2,389.9 million compared to DKK 2,301.8 million at the end of 2011.

As the activities in Faroe Farming are sold in Q3 2012, significant changes are in most of the line items in the balance sheet compared to end 2011.

The Group's intangible assets amounted to DKK 293.7 million (2011: DKK 370.0 million) and comprise primarily the fair value of farming licences. The decrease is due to the sale of Faroe Farming.

Property, plant and equipment have decreased from DKK 828.5 million at the end of 2011 to DKK 791.8 million at the end of September 2012. The decrease is due to the sale of Faroe Farming.

Non-current financial assets amounted to DKK 83.8 million at the end of September 2012 compared to DKK 35.9 million at the end of 2011. The increase in the financial assets relates to the sale of the majority shares in Faroe Farming as they from Q3 2012 are accounted for as an investment in an associate.

The Group's book value (fair value) of biological assets (fish in the sea) amounted to DKK 629.1 million at the end of September 2012, compared to DKK 700.3 million at the end of 2011. Included in the booked value of the biological assets is a fair value adjustment amounting to DKK 67.4 million compared to DKK 86.0 million at the end of 2011. The decrease in the booked value of the biological assets is also due to the sale of Faroe Farming.

The Group's total inventories amounted to DKK 201.6 million as of 30th September 2012, compared to DKK 179.2 million at year-end 2011. The inventory primarily represents Havsbrún's inventory of fishmeal, fish oil and fish feed, in addition to feed at the feed stations, packing materials and other raw materials.

The Group's total receivables amounted to DKK 380.2 million as of 30th September 2012 compared to DKK 171.1 million at the end of 2011. The increase is due to seasonally high sale of feed in addition to, prolonged payments on debtor's and receivables from associates.

The Group's equity as at 30th September 2012 is DKK 1,114.5 million compared to DKK 1,061.0 million at the end of 2011. The change in equity in 2012 primarily consists of the profit for the period, the acquisition of the non-controlling interests in Faroe Farming, the sale of 51% in Faroe Farming and dividend to the shareholders.

The Group's total non-current liabilities amounted to DKK 951.9 million at the end September 2012 compared to DKK 989.7 million at the end of 2011. Deferred and other taxes amounted to DKK 272.7 million compared to DKK 256.0 million at the end of 2011. Long-term debt decreased from DKK 733.7 million at the end of 2011 to DKK 679.2 million at the end of September 2012. Bakkafrost interests bearing debt consists of two loans: one instalment loan of DKK 425 million, payable with DKK 25 million each quarter, and one loan payable after five years with the full amount of DKK 553 million.

At the end of September 2012, the Group's total current liabilities are DKK 323.5 million compared to DKK 251.0 million at the end of 2011. Short-term interest bearing debt amounts to DKK 100.0 million, and relates to a short-term part of long-term debt as described above. Accounts payable amount to DKK 223.5 million compared to DKK 151.0 million at the beginning of the year.

Bakkafrost equity ratio is 47% compared to 46% at the end of 2011. Bakkafrost aims at increasing the equity ratio to have a strong financial position to enable the Group to follow a strategy of pursuing further growth and profitability. The Board of Directors will continue to attach great importance to this going forward.

Cash Flow

The cash flow from operations in Q3 2012 was DKK -54.3 million (DKK 55.6 million). The Group's negative cash flow from operations is primarily due to seasonal increase in biological assets and increase in receivables due to prolonged customer payment. Cash flow from operations YTD 2012 amounted to DKK 178.8 million (DKK 323.2 million).

The cash flow from investment activities in Q3 2012 amounted to DKK 14.6 million (DKK -657.6 million). In the quarter, Bakkafrost received DKK 46.8 million from the sale of a subsidiary. On the other hand, DKK 32.2 million was paid for investments in fixed assets. The first nine months of 2012 the Group made investment of DKK 69.1 million (DKK -696.4 million) in fixed assets. Net cash flow from investments YTD 2012 is DKK -22.2 million (DKK -696.4).

Cash flow from financing activities totalled DKK 0.6 million in Q3 2012 (DKK 643.8 million) and relates first of all to increased debt offset by financing of an associated company. YTD 2012 cash flow from financing amounted to DKK -163.7 million (DKK 410.4 million) and comprise increased debt, acquisition of minority shares, payment of net interests, dividend to shareholders and financing of an associate.

Net change in cash flow in Q3 2012 amounted to DKK -39.1 million (DKK 41.9 million) and YTD 2012 DKK -7.2 million (DKK 37.3 million).

At the end of 3rd quarter 2012 Bakkafrost had unused credit facilities of DKK 208.5 million of which DKK 12.7 is restricted.

Outlook

The market outlook for our products is good. In the short term, the supply increases compared to one year ago, resulting in spot salmon prices under pressure. However, we expect Q4 to be the point, where the market balance tips over for the benefit of the supply site, resulting in salmon prices to increase. The market price for contracted products follows a more stable pattern with trends instead of short-term fluctuations. Bakkafrost has contracted all the production capacity for the rest of 2012 and have committed some contracts for 2013.

Bakkafrost expects to harvest 45,000 tonnes gutted weight in 2012, compared to previously estimated 42,000-44,000 tonnes gutted weight.

The number of smolts released is one key element of predicting the future production for the Group. Bakkafrost's forecast for the smolt release is unchanged at 10.6 million smolts in 2012.

The raw material situation for Havsbrún is expected to continue to be volatile, affecting the production of own fishmeal and oil. Alternatively, Havsbrún purchases fishmeal and oil on the world market. The raw material prices will likely increase in the near future, affecting Bakkafrost's as well as the total farming industry with increased production costs. The outlook concerning Havsbrún's sales of fish feed is increased to around 90,000 tonnes in 2012.

Improved market balances on the world market for salmon products will likely improve the financial flexibility going forward. Bakkafrost will also in the future focus on further strengthening of the financial position, M&A and organic growth opportunities.

The most significant risks for Bakkafrost are the biological/veterinary- and the market risks. Our strategy is to control these risks with our biological/veterinary and business model.

However, despite aiming to control our own biological/veterinary risk, we also depend on the overall development in the biological/veterinary situation the Faroe Islands as a whole. Therefore, the farming companies in the Faroe Islands, together with the authorities, are monitoring the development of the

biological/veterinary situation and from time to time taking the necessary precautions to secure a sustainable farming industry. The biological/veterinary situation in the Faroes is good, even if the number of sea lice has increased. To reduce the risk from sea lice, Bakkafrost and the other farmers in the Faroe Islands have improved the pest management in order to mitigate the risk.

The other significant risk is the market risk. To reduce this risk, Bakkafrost has a combined market strategy, consisting of sale of VAP products sold on long-term contracts at fixed prices, and sale of fresh whole salmon sold on the spot market. This market strategy has proved to be sustainable over time and accordingly Bakkafrost aims at producing 40-50% of the harvested volumes as value added products. Bakkafrost has increased the harvested volumes in the recent years and will further increase the harvest, although moderate, the coming years. The share sold as VAP is already below the threshold of 40-50% and will be further reduced in the future. Therefore, Bakkafrost intends to make investments to increase the VAP capacity the coming years.

Bakkafrost sees possibilities for optimising the Group's value chain, following the acquisition of a number of companies the recent years. Consequently Bakkafrost plans to invest DKK 170 million in 2013.

Risks

Bakkafrost has not identified any additional risk exposure beyond the risks described in the 2011 Annual and Consolidated Report and Accounts. The 2011 Annual and Consolidated Report and Accounts are available on request from Bakkafrost and on Bakkafrost's website, www.bakkafrost.com.

As explained in the latter report, Bakkafrost is exposed to the salmon price. We expect Q4 to be the point, where the market balance tips over for the benefit of the supply side, resulting in salmon prices to increase.

References are made to the Outlook section, of this report for, other comments to Bakkafrost's risk exposure and note 3.

Post-Balance Sheet Events

At the 5th of October 2012 Mr Odd Eliassen was appointed new Manager for Havsbrún and joined Bakkafrost's Group Management. Mr Eliassen succeeds Mr Bergur Poulsen, who has notified the company of his resignation. Mr Poulsen will continue to serve Bakkafrost/Havsbrún until 31 March 2013.

From 1988 to 1995 Mr Eliassen was sales manager at Havsbrún and from 1995 Director of the Feed Department. In addition to this Mr Eliassen has been a board member of Bakkafrost since 2006. As a consequence of Mr. Eliassen's new position, he resigned as board member of Bakkafrost with effect from 5 October 2012.

Apart from the above, from the date of the statement of financial position until today, no events have occurred which materially influence the information provided by this report.

Glyvrar, November 6th 2012

The Board of Directors of P/F Bakkafrost

Consolidated Profit and Loss Account

For the period ended 30th September 2012

DKK 1,000	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Operating revenue	457,147	369,319	1,273,482	923,899
Purchase of goods	-260,789	-175,091	-535,244	-346,366
Change in inventory and biological assets (at cost)	85,493	53,609	33,837	80,981
Salary and personnel expenses	-46,719	-44,485	-149,118	-108,898
Other operating expenses	-128,833	-110,794	-339,499	-215,992
Depreciation	-20,089	-22,562	-59,580	-44,424
Operational EBIT	86,210	69,996	223,878	289,200
Fair value adjustments on biological assets	-32,420	-14,569	-23,094	-131,919
Impairment of biological assets	0	-656	0	-656
Onerous contracts	0	0	0	2,856
Income from associates	-11,731	-1,809	-14,829	-1,809
Acquisition costs	0	-13,892	0	-14,984
Loss from sale of subsidiary	-17,546	0	-17,546	0
Badwill	0	124,635	0	124,635
Earnings before interest and taxes (EBIT)	24,513	163,705	168,409	267,323
Financial income	1,289	261	1,958	2,721
Net interest expenses	-4,822	-4,307	-16,340	-7,837
Net currency effects	934	932	2,933	-1,120
Other financial expenses	-625	-388	-1,612	-832
Earnings before taxes (EBT)	21,289	160,203	155,348	260,255
Taxes	-8,583	-320	-35,647	-22,483
Profit or loss for the period continuing operations	12,706	159,883	119,701	237,772
Discontinued operations				
Profit or loss from discontinued operations, after tax	13,120	0	13,462	0
Profit or loss for the period	25,826	159,883	133,163	237,772
Profit or loss for the year attributable to				
Non-controlling interests	0	1,023	0	1,023
Owners of P/F Bakkafrost	25,826	158,860	133,163	236,749
Earnings per share (DKK), continuing operations	0.26	3.27	2.73	4.85
Earnings per share (DKK), discontinuing operations	0.27	0.00	0.28	0.00

Statement of Comprehensive Income

For the period ended 30th September 2012

DKK 1,000	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Profit for the period	25,826	158,860	133,163	77,889
Fair value adjustment on financial derivatives		0	-143	0
Fair value adjustment on securities available for sale	0	0	-90	47,009
Tax on fairvalue adjustment	0	0	0	-8,462
Total other comprehensive income for the period	25,826	158,860	132,930	116,436

Consolidated Statement of Financial Position

As of 30th September 2012

DKK 1,000	30 Sep 2012	End 2011
ASSETS		
Non-current assets		
Intangible assets	293,675	369,955
Property, plant and equipment	791,778	828,523
Financial assets	83,799	35,855
Total non-current assets	1,169,252	1,234,333
Current assets		
Biological assets (biomass)	629,121	700,336
Inventory	201,621	179,179
Total inventory	830,742	879,515
Accounts receivable	233,852	154,496
Other receivables	146,365	16,562
Total receivables	380,217	171,058
Cash and cash equivalents	9,715	16,868
Total current assets	1,220,674	1,067,441
TOTAL ASSETS	2,389,926	2,301,774

Consolidated Statement of Financial Position

As of 30th September 2012

DKK 1,000	30 Sep 2012	End 2011
EQUITY AND LIABILITIES		
Equity		
Share capital	48,858	48,858
Other equity	1,065,666	977,596
Non-controlling interests	0	34,557
Total equity	1,114,524	1,061,011
Non-current liabilities		
Deferred taxes and other taxes	272,703	256,023
Long-term interest bearing debts	679,236	733,693
Total non-current liabilities	951,939	989,716
Current liabilities		
Short-term interest bearing debt	100,000	100,000
Accounts payable and other debt	223,464	151,047
Total current liabilities	323,464	251,047
Total liabilities	1,275,402	1,240,763
TOTAL EQUITY AND LIABILITIES	2,389,926	2,301,774

Consolidated Cash Flow Statement

For the period ended 30th September 2012

DKK 1,000	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Earnings before interest and taxes (EBIT)	24,513	163,705	168,409	267,323
Adjustments for write-downs and depreciation	20,089	22,562	59,580	44,424
Adjustments for value adjustments on biomass	32,420	14,569	23,094	131,919
Adjustments for income from associates	11,731	1,809	14,829	1,809
Adjustments for loss from sale of subsidiary	17,546	0	17,546	0
Adjustments for badwill	0	-124,635	0	-124,635
Taxes paid	2,878	0	0	0
Provision for onerous contracts	0	0	0	-2,856
Change in inventory	-112,361	-13,600	-62,549	-41,239
Change in receivables	-88,300	-60,081	-98,112	-56,437
Change in current debts	37,212	51,319	56,027	102,939
Cash flow from operations	-54,272	55,648	178,824	323,247
Cash flow from investments				
Acquisition/sale of subsidiaries and activities, etc., net	46,843	-976,770	46,843	-976,770
Proceeds from sale of fixed assets	0	0	0	882
Purchase of financial assets	0	349,530	0	349,530
Payments made for purchase of fixed assets	-32,235	-30,319	-69,075	-70,167
Change in long-term receivables	0	0	0	155
Cash flow from investments	14,608	-657,559	-22,232	-696,370
Cash flow from financing				
Change of interest bearing debt (short and long)	121,405	647,337	45,543	608,488
Acquisition of minorities	0	0	-30,000	0
Received interest	1,701	261	1,958	2,721
Paid interest	-5,163	-3,763	-15,019	-9,789
Financing of associate	-117,369		-117,369	
Dividend paid	0	0	-48,858	-191,035
Cash flow from financing	574	643,834	-163,745	410,385
Cash flow from discontinuing operations				
Net cash from operating activities	24,059	0	2,179	0
Net cash used for investing activities	0	0	-1,242	0
Net cash used for financing activities	-24,059	0	-937	0
Net cash from discontinuing operations	0	0	0	0
Net change in cash and cash equivalents in period	-39,090	41,923	-7,153	37,262
Cash and cash equivalents – opening balance	48,805	4,466	16,868	9,128
Cash and cash equivalents – closing balance total	9,715	46,389	9,715	46,389

Consolidated Changes in Equity

As of 30th September 2012

DKK 1,000	30 Sep 2012	2011
Total equity 01.01	1,061,010	902,289
Profit for the period to equity	133,163	323,417
Adjustment to 01.01	-558	0
Fair value adjustment on interest rate swap	0	1,589
Fair value adjustment on financial derivatives	-143	0
Reversal of fair value adjustment on securities available for sale	-90	-12,831
Reversal of deferred tax on securities available for sale	0	3,024
Fair value adjustment on purchased non-controlling interests	1,634	0
Total other comprehensive income	1,401	-8,218
Proposed dividend	0	-48,858
Total proposed dividend	0	-48,858
Total recognised income and expense to equity	134,006	266,341
Equity transactions between the Company and its shareholders		
Acquisition of minorities	-31,634	0
Deferred tax on recognised excess fair values	0	0
Equity decrease by acquisition of minorities	-31,634	0
Distribution of dividend	-48,858	-191,035
Proposed dividend	0	48,858
Total equity to shareholders during the year	-48,858	-142,177
Total change in equity during the period	53,514	124,164
Non-controlling acquired in the period	0	36,528
Result for the period	0	-1,971
Non-controlling interests at the end of the period	0	34,557
Total equity at the end of the period	1,114,524	1,061,011

Notes to the Account

Accounting Policy

General Information

P/F Bakkafrost is a limited company incorporated and domiciled in the Faroe Islands.

The Annual and Consolidated Report and Accounts of the Group as at 31st December 2011 are available upon request from the Company's registered office at Bakkavegur 9, FO-625 Glyvrar, Faroe Islands, or at www.bakkafrost.com.

This Condensed Consolidated Interim Report is presented in DKK.

Note 1. Statement of Compliance

This Condensed Consolidated Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU. It does not include all of the information required for the full Annual and Consolidated Report and Accounts and should be read in conjunction with the Annual and Consolidated Report and Accounts for the Group as at 31st December 2011.

This interim report has not been subject to any external audit.

Note 2. Significant Accounting Policies

The accounting policies applied by the Group in this Condensed Consolidated Interim Report are the same as those applied in the Annual and Consolidated Report and Accounts as at and for the year ended 31st December 2011.

Note 3. Estimates and risk exposure

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting principles and recognised amounts of assets, liabilities, income and expenses. The most significant estimates relate to the valuation of biological assets and some financial instruments, which are measured at fair value. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on the management's best assessment at the time of reporting. All changes in estimates are reflected in the financial statements as they occur.

The accounting estimates are described in Note 3 to the financial statements in the Annual Report 2011.

For risk exposure reference is made to the Management Statement in the Annual Report for 2011, where Bakkafrost's operational and financial risk is described, as well as to note 20 (Financial market risk) in the same report.

The risks and uncertainties described therein are expected to remain for the next six months. Since the issuance of the Annual Report for 2011, the markets have been strong, even if we have seen a significant reduction in the salmon price compared to first half of 2011.

The overall risk management is unchanged.

Note 4. Biomass

DKK 1,000	30 Sep 2012	31 Dec 2011
Biological assets carrying amount 01.01	700,336	482,091
Increase due to production or purchases	715,102	740,590
Increase due to acquisitions	0	154,268
Reduction due to harvesting or sale (costs of goods sold)	-631,439	-605,536
Fair value adjustment at the beginning of the period reversed	-86,037	-130,792
Fair value adjustments at the end of the period	67,410	86,037
Biological assets sold	-130,752	0
Reversal of elimination at the beginning of the period	26,322	0
Eliminations	-31,821	-26,322
Biological assets carrying amount at the end of the period	629,121	700,336
Cost price biological assets	593,532	640,621
Fair value adjustments at the end of the period	67,410	86,037
Eliminations	-31,821	-26,322
Biological assets carrying amount	629,121	700,336

Note 5. Segments

Farming segment DKK1,000	Q3 2012	Q3 2011	YTD 2012	YTD 2011
External revenue	240,413	173,097	682,646	458,930
Internal revenue	86,995	57,676	254,040	274,499
Total revenue	327,408	230,773	936,686	733,429
Operating expenses	-239,859	-192,262	-709,855	-458,861
Depreciation and amortisation	-12,533	-17,802	-37,122	-37,330
Operational EBIT	75,016	20,709	189,709	237,238
Fair value adjustments on biological assets	-32,420	-14,569	-23,094	-131,918
Impairment on biological assets	0	-656	0	-656
Acquisition costs	0	-13,892	0	-14,766
Loss from sale of subsidiary	-17,546	0	-17,546	0
Badwill	0	124,635	0	124,635
Earnings before interest and taxes (EBIT)	25,050	116,227	149,069	214,533
Net interest	-6,946	-1,971	-18,925	-4,290
Earnings before taxes (EBT)	18,104	114,256	130,144	210,243
Taxes	-3,062	10,835	-24,011	-10,595
Profit for the period (continuing operations)	15,042	125,091	106,133	199,648
Profit or loss from discontinued operations, after tax	13,120	0	13,463	0
Profit or loss for the period	28,163	125,091	119,597	199,648

Value added products DKK1,000	Q3 2012	Q3 2011	YTD 2012	YTD 2011
External revenue	121,352	111,513	372,456	380,261
Internal purchase of raw material	-86,995	-57,676	-254,040	-274,499
Operating expenses	-29,389	-19,412	-88,432	-66,328
Depreciation and amortisation	-1,526	-1,212	-4,481	-3,546
Operational EBIT	3,442	33,213	25,503	35,888
Provision for onerous contracts	0	0	0	2,856
Acquisition costs	0	0	0	-218
Earnings before interest and taxes (EBIT)	3,442	33,213	25,503	38,526
Net interest	1,025	-262	1,745	-1,509
Earnings before taxes (EBT)	4,467	32,951	27,248	37,017
Taxes	-804	-5,969	-4,905	-6,702
Result for the period, continuing operations	3,663	26,982	22,343	30,315

Fish Meal, Fish Oil and Fish Feed	Q3	Q3	YTD	YTD
DKK1,000	2012	2011	2012	2011
External revenue	95,382	84,709	218,379	84,709
Internal revenue	204,664	191,869	422,825	191,869
Total revenue	300,046	276,578	641,204	276,578
Purchase of goods	-225,393	-209,844	-488,989	-209,844
Operating expenses	-33,381	-26,924	-86,129	-26,924
Depreciation and amortisation	-6,030	-3,548	-17,977	-3,548
Operational EBIT	35,242	36,262	48,109	36,262
Income from associate	-11,731	-1,809	-14,829	-1,809
Earnings before interest and taxes (EBIT)	23,511	34,453	33,280	34,453
Net interest	2,697	-1,269	4,119	-1,269
Earnings before taxes (EBT)	26,208	33,184	37,399	33,184
Taxes	-4,717	-5,186	-6,731	-5,186
Profit for the period	21,491	27,998	30,668	27,998

Reconciliation of reportable segments to Group				
earnings before taxes (EBT)	Q3	Q3	YTD	YTD
DKK1,000	2012	2011	2012	2011
Farming	18,104	114,256	130,144	210,243
Value added products	4,467	32,951	27,248	37,017
Fish Meal, Fish Oil and Fish Feed	26,208	33,184	37,399	33,184
Eliminations	-27,490	-20,188	-39,443	-20,188
Group earnings before taxes (EBT)	21,289	160,203	155,348	260,256

Assets per segment		
DKK1,000	End Q3	End
DKK1,000	2012	2011
Farming	2,550,343	2,368,388
Value added products	61,069	83,279
Fish Meal, Fish Oil and Fish Feed	614,249	677,199
Eliminations	-835,735	-827,092
Group earnings before taxes (EBT)	2,389,926	2,301,774

Note 6. Harvest and Feed Sale

Distribution of harvested volume (tgv)	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Harvested volume used in VAP production	3,634	2,553	11,559	9,085
Harvested volume sold fresh/frozen	6,096	6,690	19,738	13,709
Harvested and purchased volume (tgv)	9,730	9,243	31,297	22,794

Harvested volumes (tgv)	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Farming North	6,792	4,879	16,040	17,710
Farming West	2,938	2,302	15,257	3,022
Total harvested volumes (tgv)	9,730	7,181	31,297	20,732
Faroe Farming (discontinuing operation)	1,384	2,062	2,557	2,062
Total harvested volumes (tgv)	11,114	9,243	33,854	22,794

Distribution of harvested volume (tgv)	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Harvested volume used in VAP production	37%	28%	37%	40%
Harvested volume sold fresh/frozen	63%	72%	63%	60%
Harvested and purchased volume (tgv)	100%	100%	100%	100%

Feed sold volume (tonnes)	Q3 2012	Q3 2011	YTD 2012	YTD 2011
Internal sale	21,093	22,448	45,296	22,448
External sale	9,197	7,956	21,055	7,956
Sold tonnes feed	30,290	30,404	66,351	30,404

Note 7. Discontinuing operation

Sale of controlling interest (51%) in Faroe Farming

In March 2012, Bakkafrost purchased the non-controlling shares in P/F Faroe Farming, corresponding to 21.93% of the shares in the Company. Consequently, Bakkafrost became the sole owner of the shares in P/F Faroe Farming effective from 1st January 2012. The transaction was an equity transaction. Subsequent to the acquisition of the non-controlling interests, Bakkafrost sold 51% of the total shares in P/F Faroe Farming to the Faroese based investment company P/F Tjaldur. The transaction was, among other things, subject to authority approval. After receiving the necessary approval, the transaction was finalised. Therefore, Bakkafrost now complies with the legal requirements stipulating a maximum control of 50% of the licenses in the Faroe Islands. Following the requirements in IFRS 10, Faroe Farming is derecognised from the consolidation at the transaction date and recognised as an associated company according to IAS 28.

Profit and loss for the period	YTD
DKK 1,000	2012
Operating revenue	36,168
Expenses	-35,659
Operational EBIT	509
Fair value adjustments on biological assets	17,033
Earnings before interest and taxes (EBIT)	17,542
Net Financial items	-937
Earnings before interest and taxes (EBIT)	16,605
Tax related to current profit/loss	-77
Tax related to fair value	-3,066
Profit or loss for the period discontinuing operations	13,462

Note 9. Capital commitments

The Group had capital expenditure committed but not provided in these accounts at the date of the Statement of Financial Position of approximately DKK 0.5 million.

Note 10. Transactions with related parties

Note 23 in Bakkafrost's Annual Report for 2011 provide detailed information on related parties' transactions. Bakkafrost is an associated company in Salmar ASA. Salmar ASA owns 25.21% of total outstanding shares in P/F Bakkafrost.

Salmar ASA is a customer in the feed segment. During the first nine months of 2012, Salmar ASA purchased feed amounting to DKK 32.6 million from the Bakkafrost Group. On 30th September 2012, Salmar ASA owed DKK 9.3 million to the Bakkafrost Group.

The last two months Faroe Farming purchased feed amounting to DKK 33.1 million, and Bakkafrost purchased raw material amounting to DKK 35.0 million. On 30th September 2012, Faroe Farming owed DKK 117.4 million to the Bakkafrost Group.

Transactions between P/F Bakkafrost and its subsidiary meet the definition of related party transactions. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions.

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