

P/F Bakkafrost

Condensed Consolidated

Interim Report for

Q1 2012

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Highlights

On 26 March 2012, Bakkafrost announced that it had sold 51% of the total shares in P/F Faroe Farming, a subsidiary of P/F Bakkafrost. Accordingly, Faroe Farming is a discontinuing operation in this financial report.

The figures in the table below are for the continuing operations if not stated otherwise.

DKK 1,000	Q1 2012	Q1 2011
Group - Operating revenue	400,065	240,280
Group - Profit for the period (continuing and discontinuing operations)	16,427	103,519
Operational EBIT (Farming and VAP)(DKK)	60,257	91,984
Operational EBIT*/kg (Farming and VAP)(DKK)	5.31	16.85
Operational EBIT*/kg (Farming and VAP) (NOK)	5.42	17.68
Farming - Operating revenue	312,468	212,599
Farming - Operational EBIT*	48,761	90,568
Farming - Operational EBIT margin	16%	43%
Farming - Operational EBIT/kg (DKK)	4.30	16.59
Farming - Operational EBIT/kg (NOK)	4.38	17.41
VAP - Operating revenue	121,497	130,823
VAP - Operational EBIT*	11,496	1,416
VAP - Operational EBIT margin	9%	1%
VAP - Operational EBIT/kg (DKK)	2.89	0.48
VAP - Operational EBIT/kg (NOK)	2.95	0.50
Feed - Operating revenue	150,118	-
Feed - EBITDA	11,078	-
Feed - EBITDA margin	7%	-
DKK/NOK (average)	98.02	95.30
Basic earnings per share (DKK)	0.34	2.12
Cash flow from operations	33,179	100,775
Total Assets**	2,298,965	2,301,774
Net interest bearing debt**	764,088	816,825
Equity ratio**	43%	46%
Harvested volume continuing operation (tonnes gutted weight)	11,348	5,460
Harvested volume discontinuing operation (tonnes gutted weight)	881	0
VAP produced volume (tonnes gutted weight)	3,975	2,974
Sold feed tonnes	15,299	-

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

** Comparing figures at end 2011.

Summary of the First Quarter 2012

Bakkafrost made an acceptable result in the first quarter of 2012 where all segments had positive operating margins. The salmon prices in the quarter were stronger than anticipated, and this had a positive effect on Bakkafrost's results. The farming segment was the best performing segment with significant higher harvested volumes compared to the same quarter last year, but to lower salmon prices. The VAP segment performed well, with higher volumes and margins per kilo compared to 1Q 2011. The fishmeal, oil and feed segment also performed satisfying in a low seasonal quarter.

On 26 March 2012, Bakkafrost announced that it had sold 51% of the total shares in P/F Faroe Farming, a subsidiary of P/F Bakkafrost. Therefore, Faroe Farming is a discontinuing operation in this Interim Report for Q1 2012. Accordingly the figures commented in this report are for the continuing operations if not stated otherwise.

The combined farming and VAP segment made an operational EBIT of DKK 60.3 million, corresponding to an EBIT/kg of DKK 5.31 (NOK 5.42), compared to an EBIT/kg of DKK 16.85 (NOK 17.68) in Q1 2011.

The pure farming segment made an operational EBIT of DKK 48.7 million, corresponding to an EBIT/kg of DKK 4.30 (NOK 4.38), compared to an EBIT/kg of DKK 16.59 (NOK 17.41) in Q1 2011.

The VAP segment made an operational EBIT of DKK 11.5 million, which is significantly higher compared to 1Q 2011, when the VAP segment made an operational EBIT of DKK 1.4 million. The result for Q1 2012 corresponds to an EBIT/kg of DKK 2.89 (NOK 2.95) (Q1 2011: DKK 0.48 (NOK 0.50)).

The third segment – fishmeal, oil and feed – made an EBITDA of DKK 11.1 million.

The total harvested volume in Q1 2012 for the continuing operations was 11,348 tonnes gutted weight (5,460 tonnes gutted weight in Q1 2011). For both continuing and discontinuing operations, the total harvested volume was 12,229 tonnes gutted weight.

Segment performance per kg:

	Q1 2012	Q1 2011
Operational EBIT/kg harvested (continuing operations)		
Farming EBIT/kg (DKK)	4.30	16.59
Farming EBIT/kg (NOK)	4.38	17.41
VAP EBIT/kg (DKK)	2.89	0.48
VAP EBIT/kg (NOK)	2.95	0.50
Feed EBITDA/kg (DKK)	0.72	-
Feed EBITDA/kg (NOK)	0.74	-

Bakkafrost transferred 2.6 million smolts in Q1 2012, which is in line with the company's plans. None of the transferred smolts is in Faroe Farming.

The Group had a net interest bearing debt at the end of Q1 2012 amounting to DKK 764.1 million (DKK 816.8 million at year-end 2011) and had undrawn credit facilities of DKK 310.9 million.

On 26 March 2012, Bakkafrost announced that it had reached an agreement to acquire the non-controlling shares in P/F Faroe Farming, corresponding to 21.93% of the shares in the Company. With

the agreement Bakkafrost will become the owner of 100% of the shares in P/F Faroe Farming effective from 1 January 2012. The transaction is an equity transaction. Subsequent to the acquisition of the non-controlling interests, P/F Bakkafrost has sold 51% of the total shares in P/F Faroe Farming to the Faroese based investment company P/F Tjaldur. Faroe Farming expects to harvest 6,000 t_{gw} in 2012. Therefore, Bakkafrost will harvest in the range of 42,000-44,000 t_{gw} in 2012, compared to previously guided 48,000-50,000 t_{gw}. Following these two transactions, P/F Bakkafrost complies with the legal requirements of not controlling more than 50% of the licenses in the Faroe Islands. The transaction is subject to authority approval. Faroe Farming's activities are classified as discontinuing operations in these accounts.

Smolt transfer

Bakkafrost Group					
1,000 pieces	2008	2009	2010	2011	2012E
Farming North, <i>salmon</i>	3,200	4,000	4,100	5,000	4,500
Farming West, <i>trout</i>	700	300	0	0	0
Farming West, <i>salmon</i>	1,400	2,100	4,100	2,600	5,000
Viking/Faroe Farming	-	1,700	2,800	1,000	1,100*
Total	5,300	8,100	11,000	8,600	10,600

*1,000 million pieces relating to Faroe Farming is not included in this number.

Financial Review

Income Statement

The operating revenues amounted to DKK 400.1 million in Q1 2012 (DKK 240.3 million in Q1 2011). The reason for the increase in the revenue quarter-on-quarter is higher harvested volumes, to a lower price, and the acquisition of the Havsbrún Group in the summer 2011.

Bakkafrost harvested the following:

	Q1 2012	Q1 2011
Harvested volumes (t _{gw})		
Farming North	1,329	3,913
Farming West	10,019	1,547
Faroe Farming (discontinuing operation)	881	-
Total harvested volumes (t_{gw}) (continuing and discontinuing operations)	12,229	5,460

Operational EBIT was DKK 60.1 million in Q1 2012 (DKK 92.0 million in Q1 2011).

A fair value adjustment of the Group's biological assets has been recognised in Q1 2012, amounting to DKK -7.4 million (DKK 41.1 million in Q1 2011). No provisions for onerous contracts are in Q1 2012 (-5.2 million in Q1 2011).

Income from associates amounts to DKK -3.1 million and is the result from Hanstholm Fiskemelfabrik in which Bakkafrost owns 34%.

Net interest in Q1 2012 amounted to DKK -7.6 million (DKK -0.7 million in Q1 2011). The increase in the net interests is due to higher interest bearing debt following the acquisition of Havsbrún in 2011.

Taxes amounted to DKK -6.7 million in Q1 2012 (DKK -23.6 million in Q1 2011).

The result for Q1 2012 for the continuing operations was DKK 35.2 million (DKK 103.5 million in Q1 2011).

The result for Q1 2012 for the discontinuing operations after tax was DKK -18.8 million (DKK 0 million in Q1 2011).

The total result for the period was thus 16.4 million (DKK 103.5 million in Q1 2011).

The number of fish in cages (continuing operations) is 8% higher at the end of Q1 2012 than at the same time last year. The average size of the fish is 19% higher. This enables Bakkafrost to utilise its farming capacity better going forward.

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 volumes (gwt) (continuing and discontinuing operations)	Q1 2012	Q1 2011
Harvested volume used in VAP production	33%	54%
Harvested volume sold fresh/frozen	67%	46%
Total	100%	100%

The raw material split between sold whole gutted and VAP was 67% whole gutted and 33% VAP products in Q1 2012 (continuing and discontinuing operations). The reason for the lower percentage used in VAP production in Q1 2012 compared to Q1 2011 is the increase in volumes in the period. Bakkafrost aims to produce around 40% of the harvested volume as VAP products.

Farming:

The operating revenue for Bakkafrost's farming segment was DKK 312.5 million in Q1 2012 (DKK 212.6 million in Q1 2011).

Operational EBIT, which is EBIT before fair value adjustments on biological assets amounted to DKK 48.7 million in Q1 2012 (DKK 90.6 million in Q1 2011).

Operational EBIT/kg for the farming segment was DKK 4.30 (NOK 4.38) in Q1 2012, compared to DKK 16.59 (NOK 17.41) in Q1 2011. Most of the difference is due to the decrease in the salmon prices.

The result after tax for the farming segments continuing operations for Q1 2012 was DKK 28.7 million (DKK 107.3 million in Q1 2011).

The result after tax for the farming segment discontinuing operations for Q1 2012 was DKK -18.8 million (DKK 0 million in Q1 2011).

The total result after tax for the farming segment for Q1 2012 was DKK 10.0 million (DKK 107.3 million in Q1 2011).

Value Added Products (VAP):

The operating revenue for the value added segment amounted to DKK 121.5 million in Q1 2012 (DKK 130.8 million in Q1 2011).

Operational EBIT amounted to DKK 11.5 million in Q1 2012 (DKK 1.4 million in Q1 2011). This corresponds to an operational EBIT of DKK 2.89 (NOK 2.95) per kg gutted weight in Q1 2012 (Q1 2011: DKK 0.48 (NOK 0.50) per kg gutted weight).

Following the peak in the salmon prices in H1 2011, the prices for fresh salmon have decreased significantly. This has affected the VAP segment positively, as it purchases its raw material based on the prices on the spot market. However, during Q4 2011 and Q1 2012, the contract prices have decreased, reflecting the decrease in the spot prices. This, on the other hand, will stimulate demand for the VAP products.

Fish Meal, Fish Oil and Fish Feed:

From Q3 2011, when Bakkafrost acquired Havsbrún, Bakkafrost started to report the fish meal, fish oil and fish feed segment in the consolidated accounts.

The operating revenue for the fish meal, fish oil and fish feed segment amounted to DKK 150.1 million in Q1 2012 of which DKK 104.1 million is sale to Bakkafrost's farming segment corresponding to 69%. Some of the external sale of fish feed is in addition sale of fish meal.

EBITDA was DKK 11.1 million in Q1 2012, and the EBITDA margin was 7.4%. This is lower than Q3 and Q4 2011 due to low seasonal sale of fish feed.

The sale of feed amounted to 15,299 tonnes in Q1 2012, of which the farming segment internally used 11,827 tonnes, corresponding to 77.3%.

The result after tax for Q1 2012 was DKK 2.1 million.

Statement of Financial Position

The Group's total assets as of 31 March 2012 amounted to DKK 2,299.0 million, compared to DKK 2,301.8 million at the end of 2011.

As the activities in Faroe Farming is classified as held for sale, 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 planned sale of Faroe Farming.

Property, plant and equipment have decreased from DKK 828.5 million at the end of 2011 to DKK 779.1 million at the end of March 2012. The decrease is due to the planned sale of Faroe Farming.

The Group's book value (fair value) of biological assets (fish in the sea) amounted to DKK 567.5 million at the end of March 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 79.2 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 198.6 million as of 31 March 2012, compared to DKK 179.2 million as of year-end 2011. The inventory primarily represents Havsbrún's inventory of fish meal, fish oil and fish feed, but also of feed at the feed stations, packing materials and other raw materials.

The Group's total receivables amounted to DKK 220.7 million as of 31 March 2012, compared to DKK 171.1 million at the end of 2011.

Assets held for sale amounted to DKK 170.9 million (2011: DKK 0 million) and cover the fair value of the assets in Faroe Farming.

The Group's equity at 31 March 2012 is DKK 998.7 million, compared to DKK 1,061.0 million at the end of 2011. The change in equity in 2012 consists primarily of the profit for the period, the acquisition of the non-controlling interests in Faroe Farming and dividend to the shareholders. Bakkafrost paid out dividend amounting to DKK 48.9 million to the shareholders of Bakkafrost in April 2012, corresponding to DKK 1 per share.

The Group's total non-current liabilities amounted to DKK 940.7 million at the end March 2012, compared to DKK 989.7 million at the end of 2011. Deferred taxes amounted to DKK 242.0 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 698.6 million at the end of March 2012. Bakkafrost interests bearing debt consists of two loans: one instalment loan of DKK 475 million, payable with DKK 25 million each quarter, and one loan payable after five years with the full amount of DKK 600 million.

The Group's total current liabilities are DKK 325.5 million at the end of March 2012, 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 225.5 million compared to DKK 151.0 million at the beginning of the year. At the end of Q1 2012 account payable and other debt includes dividend payable amounting to DKK 48.9 million.

Liabilities held for sale amounted to DKK 34.1 million (2011: DKK 0 million) and cover the liabilities in Faroe Farming.

Bakkafrost equity ratio is 43% compared to 46% at the end of 2011. The decrease is due to the purchase of the non-controlling interest in Faroe Farming and the dividend of DKK 48.9 million approved on the AGM in late March 2012. 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 place great emphasis on this going forward.

Cash Flow

The cash flow from operations in Q1 2012 was DKK 33.2 million (DKK 100.8 million in Q1 2011). The reason for the strong cash flow from operations is due a good result from the operation combined with the classification of Faroe Farming as a discontinuing operation.

The cash flow from investment activities in Q1 2012 amounted to DKK -17.0 million (DKK -20.2 million in Q1 2011) and is due to investments made in all parts of the Groups value chain.

Cash flow from financing activities totalled DKK 6.1 million in Q1 2012 (DKK -35.8 million in Q1 2011).

Net cash flow used for discontinuing operations amounted to DKK -4.6 million compared to nil in Q1 2011.

Net cash flow in Q1 2012 amounted to DKK 17.7 million (DKK 44.8 million Q1 2011).

At the end of first quarter 2012, Bakkafrost had unused credit facilities of DKK 310.9 million.

Outlook

The salmon prices were stronger in the first quarter than anticipated earlier, but significantly lower than in Q1 2011. The reduction in the salmon price Q on Q has had a positive impact on volumes sold. The market for salmon has grown significantly since the price drop, and there are still signs in the market for additional growth. Therefore, we expect this additional growth to have a high impact on the balance in the market in the coming months.

Bakkafrost is a financial strong company with a high quality product and competitive cost structure in the production. The company has a combined market strategy as a farming company and a processor with VAP products sold on long-term contracts prices. The price drop highly negatively affects the farming segment; while the VAP segment, on the other hand, is better off with lower salmon prices.

Bakkafrost expects to harvest between 42,000 to 44,000 tonnes gutted weight in 2012, compared to 36,343 tonnes gutted weight in 2011. The expected harvest of Faroe Farming (2012: 6,000 tonnes) is not included in this estimate. The reason is that Bakkafrost intends to reduce its interests in Faroe Farming, so that it is not under control by Bakkafrost. By doing this Bakkafrost fulfils the legal requirement in the Faroese Farming legislation of not controlling more than 50% of the farming licenses in the Faroe Islands.

Bakkafrost expects to transfer 10.6 million smolts in 2012 excluding Faroe Farming.

To adjust, utilise and optimise the capacity in the Bakkafrost value chain, Bakkafrost's plans with regard to investments are unchanged. Bakkafrost plans to make investment of around DKK 115 million in 2012.

Bakkafrost's VAP division has contracted VAP products corresponding to around 9,000 tkg of salmon for 2012. This is 1,000 tkg less than by the end of Q4 2011.

The raw material situation for Havsbrún expects to continue to be volatile affecting the production of own fish meal and oil. Alternatively, Havsbrún purchases fish meal and oil on the world market for these resources. Havsbrún's outlook concerning sale of fish feed is unchanged at around 85,000 tonnes in 2012.

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.

Post- Balance Sheet Events

From the date of the statement of financial position until today, no events have occurred which materially impact the information provided by this report.

Glyvrar, 22 May 2012

The Board of Directors of P/F Bakkafrost

Rúni M. Hansen
Chairman of the Board

Johannes Jensen
Vice-Chairman of the Board

Trine Sæther Romuld

Virgar Dahl

Annika Frederiksberg

Odd Eliassen

Regin Jacobsen
CEO

Consolidated Profit and Loss Account

For the period ended 31 March 2012

DKK 1,000	Q1 2012	Q1 2011
Continuing operations		
Operating revenue	400,065	240,280
Purchase of goods	-140,182	-76,454
Change in inventory and biological assets (at cost)	-30,392	19,633
Salary and personnel expenses	-50,777	-29,322
Other operating expenses	-98,966	-51,395
Depreciation	-19,747	-10,758
Operational EBIT	60,001	91,984
Fair value adjustments on biological assets	-7,385	41,074
Onerous contracts	0	-5,192
Income from associates	-3,098	0
Earnings before interest and taxes (EBIT)	49,518	127,866
Financial income	66	2,016
Net interest expenses	-5,648	-1,327
Net currency effects	-1,607	-1,365
Other financial expenses	-432	-67
Earnings before taxes (EBT)	41,897	127,123
Taxes	-6,708	-23,604
Profit or loss for the period continuing operations	35,189	103,519
Discontinued operations		
Profit or loss from discontinued operations, after tax	-18,763	0
Profit or loss for the period	16,427	103,519
Earnings per share (DKK), continuing operations	0.72	2.12
Earnings per share (DKK), discontinuing operations	-0.38	0.00

Statement of Comprehensive Income

For the period ended 31 March 2012

DKK 1,000	Q1 2012	Q1 2011
Profit for the period	16,427	103,519
Fair value adjustment on financial derivatives	120	0
Fair value adjustment on purchased non-controlling interests	1,634	0
Fair value adjustment on securities available for sale	0	47,009
Tax on fair value adjustment	0	-8,462
Total comprehensive income for the period	18,181	142,066

Consolidated Statement of Financial Position

As of 31 March 2012

DKK 1,000	31 March 2012	End 2011
ASSETS		
Non-current assets		
Intangible assets	293,675	369,955
Property, plant and equipment	779,067	828,523
Financial assets	32,525	35,855
Deferred tax asset	1,341	0
Total non-current assets	1,106,609	1,234,333
Current assets		
Biological assets (biomass)	567,537	700,336
Inventory	198,585	179,179
Total inventory	766,122	879,515
Accounts receivable	200,324	154,496
Other receivables	20,450	16,562
Total receivables	220,774	171,058
Cash and cash equivalents	34,546	16,868
Total current assets	1,021,442	1,067,441
Assets held for sale	170,914	0
TOTAL ASSETS	2,298,965	2,301,774

Consolidated Statement of Financial Position

As of 31 March 2012

DKK 1,000	31 March 2012	End 2011
EQUITY AND LIABILITIES		
Equity		
Share capital	48,858	48,858
Other equity	949,841	977,596
Non-controlling interests	0	34,557
Total equity	998,699	1,061,011
Non-current liabilities		
Deferred taxes and other taxes	242,022	256,023
Long-term interest bearing debts	698,634	733,693
Total non-current liabilities	940,656	989,716
Current liabilities		
Short-term interest bearing debt	100,000	100,000
Accounts payable and other debt	225,495	151,047
Total current liabilities	325,495	251,047
Liabilities held for sale	34,115	0
Total liabilities	1,300,266	1,240,763
TOTAL EQUITY AND LIABILITIES	2,298,965	2,301,774

Consolidated Cash Flow Statement

For the period ended 31 March 2012

DKK 1,000	Q1 2012	Q1 2011
Earnings before interest and taxes (EBIT)	49,518	127,866
Adjustments for write-downs and depreciation	19,747	10,758
Adjustments for value adjustments on biomass	7,385	-41,074
Adjustments for income from associates	3,098	0
Provision for onerous contracts	0	5,192
Change in inventory	38,874	-19,901
Change in receivables	-55,918	15,282
Change in current debts	-29,525	2,652
Cash flow from operations	33,179	100,775
Cash flow from investments		
Payments made for purchase of fixed assets	-17,011	-20,246
Purchase of shares and other investments	-3	0
Cash flow from investments	-17,014	-20,246
Cash flow from financing		
Change of interest bearing debt (short and long)	-35,057	-35,006
Received interest	111	2,016
Paid interest	-7,788	-2,759
Change in dividend payable	48,858	0
Cash flow from financing	6,124	-35,750
Cash flow from discontinuing operations		
Net cash from operating activities	-3,942	0
Net cash used for investing activities	-503	0
Net cash used for financing activities	-166	0
Net cash used for discontinuing operations	-4,611	0
Net change in cash and cash equivalents in period	17,678	44,779
Cash and cash equivalents – opening balance	16,868	9,128
Cash and cash equivalents – closing balance total	34,546	53,907

Consolidated Changes in Equity

As of 31 March 2012

DKK 1,000	31 March 2012	2011
Total equity 01.01	1,061,011	902,289
Profit for the period to equity	16,427	323,417
Fair value adjustment on interest rate swap	0	1,589
Fair value adjustment on financial derivatives	120	0
Reversal of fair value adjustment on securities available for sale	0	-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	1,754	-8,218
Proposed dividend	0	-48,858
Total proposed dividend	0	-48,858
Total recognised income and expense to equity	18,181	266,341
Acquisition of non-controlling interests	-31,634	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	-62,311	124,164
Non-controlling interests 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	998,699	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 and for the year ended 31 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 and for the year ended 31 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 31 December 2011.

Note 3. Biomass

DKK 1,000	31 March 2012	2011
Biological assets carrying amount 01.01	700,336	482,091
Increase due to production or purchases	166,147	740,590
Increase due to acquisitions	0	154,268
Reduction due to harvesting or sale (costs of goods sold)	-232,610	-605,536
Fair value adjustment at the beginning of the period reversed continuing operations	-86,037	-130,792
Fair value adjustments at the end of the period	79,236	86,037
Biological assets available for sale	-67,543	0
Reversal of elimination at the beginning of the period	26,322	0
Eliminations	-18,314	-26,322
Biological assets carrying amount at the end of the period	567,537	700,336
Cost price biological assets	506,615	640,621
Fair value adjustments at the end of the period	79,236	86,037
Eliminations	-18,314	-26,322
Biological assets carrying amount	567,537	700,336

Note 4. Segments

Farming segment – Profit and loss for the period	Q1	Q1
DKK1,000	2012	2011
External revenue	232,548	109,390
Internal revenue	79,920	103,209
Total revenue	312,468	212,599
Operating expenses	-251,412	-112,427
Depreciation and amortisation	-12,295	-9,604
Operational EBIT	48,761	90,568
Fair value adjustments on biological assets	-7,385	41,074
Earnings before interest and taxes (EBIT)	41,376	131,642
Net interest	-8,498	100
Earnings before taxes (EBT)	32,878	131,742
Taxes	-4,117	-24,436
Profit for the period (continuing operations)	28,761	107,306
Profit or loss from discontinued operations, after tax	-18,763	0
Profit or loss for the period	9,999	107,306

Value added products – Profit and loss for the period DKK1,000	Q1 2012	Q1 2011
External revenue	121,497	130,823
Internal purchase of raw material	-79,920	-103,209
Operating expenses	-28,587	-25,044
Depreciation and amortisation	-1,494	-1,154
Operational EBIT	11,496	1,416
Provision for onerous contracts	0	-5,192
Earnings before interest and taxes (EBIT)	11,496	-3,776
Net interest	315	-843
Earnings before taxes (EBT)	11,811	-4,619
Taxes	-2,126	832
Result for the period, continuing operations	9,685	-3,787

Feed – Profit and loss for the period DKK1,000	Q1 2012	Q1 2011
External revenue	46,020	0
Internal revenue	104,098	0
Total revenue	150,118	0
Purchase of goods	-114,944	0
Operating expenses	-24,096	0
Depreciation and amortisation	-5,958	0
Operational EBIT	5,120	0
Income from associate	-3,098	0
Earnings before interest and taxes (EBIT)	2,022	0
Net interest	562	0
Earnings before taxes (EBT)	2,584	0
Taxes	-465	0
Profit for the period	2,119	0

Note 5. Harvest and Feed Sale

Distribution of harvested volumes (tgw)	Q1 2012	Q1 2011
Harvested volumes used in VAP production	3,975	2,974
Harvested volumes sold fresh/frozen	8,254	2,486
Harvested and purchased volume (tgw)(continuing and discontinuing operations)	12,229	5,460

*Proforma includes Faroe Farming and Viking for H1 2011.

Harvested volumes (tgw)	Q1 2012	Q1 2011
Farming North	1,329	3,913
Farming West	10,019	1,547
Faroe Farming (discontinuing operations)	881	-
Total harvested volumes (tgw) (continuing and discontinuing operations)	12,229	5,460

Distribution of harvested volume (gwt)	Q1 2012	Q1 2011
Harvested volume used in VAP production	33%	54%
Harvested volume sold fresh/frozen	67%	46%
Harvested and purchased volume (gwt)	100%	100%

Feed sold volume (tonnes)	Q1 2012	Q1 2011
Internal sale	11,827	-
External sale	3,472	-
Sold tonnes feed	15,299	-

Note 6. Discontinuing operation

Sale of controlling interest (51%) in Faroe Farming

Subsequent to the acquisition of the non-controlling interests in Faroe Farming, P/F Bakkafrost has sold 51% of the total shares in P/F Faroe Farming to the Faroese based investment company P/F Tjaldur. Faroe Farming will harvest 6,000 tgv in 2012. Therefore, Bakkafrost will harvest in the range of 42,000-44,000 tgv in 2012, compared to previously guided 48,000-50,000 tgv. Following these two transactions, P/F Bakkafrost complies with the legal requirements of not controlling more than 50% of the licenses in the Faroe Islands. The transaction is subject to authority approval, and thus the Faroe Farming activities are disclosed in these accounts as discontinuing operations.

Profit and loss for the period DKK 1,000	Q1 2012
Operating revenue	23,208
Expenses	-24,562
Operational EBIT	-1,354
Fair value adjustments on biological assets	-11,367
Impairment loss recognised on re-measurement to fair value	-7,451
Earnings before interest and taxes (EBIT)	-20,172
Net Financial items	-166
Earnings before interest and taxes (EBIT)	-20,338
Tax related to current profit/loss	234
Tax related to fair value	1,341
Profit or loss for the period discontinuing operations	-18,762

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