

Icelandic Group hf.  
Consolidated Financial Statements  
Year Ended 31 December 2015  
in euro

Icelandic Group hf.  
Borgartún 27  
105 Reykjavík  
Iceland  
Reg. no. 461296-2119

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# Endorsement and Statement by the Board of Directors and the CEO

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Icelandic Group hf. is a holding company for manufacturing and marketing companies specialising in seafood on international markets.

Icelandic Group's consolidated financial statements for the year 2015 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The financial statements comprise the consolidated financial statements of Icelandic Group hf. (the "Company") and its subsidiaries (the "Group"), which were 14 at 31 December 2015.

## Operations in 2015

According to the statement of comprehensive income total comprehensive income amounted to € 9.6 million for the year. The Group's income from continued operations amounted to € 536.4 million for the year. According to the statement of financial position total assets at year end amounted to € 295.1 million and equity amounted to € 139.7 million. The equity ratio of the Group was 47% at year-end.

The average number of full time employees was 1,604 in 2015. Total salaries and salary-related expenses were € 63.7 million.

The Board of Directors will submit a proposal to the Annual General Meeting that no dividend will be paid to shareholders. Reference is made to the financial statements regarding deployment of net profit and other changes in equity.

## Restructuring of the Group

In December 2015, the Group announced it has reached an agreement on the sale of the Group's subsidiaries in Asia. The sale will be concluded in beginning of year 2016. The operations of those subsidiaries are classified as discontinued operation and recognised as a specific item in the profit or loss, in addition to comparative figures for the year 2014. The effects of the disposal are recognized in discontinued operation for the year 2015. Note no. 7 includes information on income, expenses and loss on discontinued operation.

## Share capital and Articles of Association

There are two shareholders at year end. Majority shareholder is Framtakssjóður Íslands slhf. reg. no. 651109-0510, which owns 99.99% of the shares and Icelandic Group Investments ehf., reg. no. 520612-0760. Further information on matters related to share capital is disclosed in note 24.

The Company's Board of Directors comprise five members elected at the annual general meeting for a term of one year. Those persons willing to stand for election must give formal notice thereof to the Board of Directors at least five days before the annual general meeting. The Company's Articles of Association may only be amended at a legitimate shareholders' meeting, provided that amendments and their main aspects are clearly stated in the invitation to the meeting. A resolution will only be valid if it is approved by at least 2/3 of votes cast and is approved by shareholders controlling at least 2/3 of the share capital represented at the shareholders' meeting.

## Endorsement and statement by the Board of Directors and the CEO, contd.:

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### Statement by the Board of Directors and the CEO

The annual consolidated financial statements for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional Icelandic disclosure requirements for consolidated financial statements.

According to our best knowledge it is our opinion that the annual consolidated financial statements give a true and fair view of the consolidated financial performance of the Group for the year 2015, its assets, liabilities and consolidated financial position as at 31 December 2015 and its consolidated cash flows for the year 2015.

Further, in our opinion the consolidated financial statements and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describes the principal risks and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the annual consolidated financial statements of Icelandic Group hf. for the year 2015 and confirm them by means of their signatures. The Board of Directors and the CEO recommend that the consolidated financial statements will be approved at the annual general meeting of Icelandic Group hf.

Reykjavík, 22 February 2016.

Board of Directors:

Herdís Dröfn Fjeldsted  
Ingunn Björk Vilhjálmisdóttir  
Kristján Ágústsson  
Vilhjálmur Egilsson  
Ævar Agnarsson

CEO:

Árni Geir Pálsson

# Independent Auditor's Report

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To the Board of Directors and Shareholders of Icelandic Group hf.

We have audited the accompanying consolidated financial statements of Icelandic Group hf., which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

## **The Board of Directors and CEO's Responsibility for the Financial Statements**

The Board of Directors and CEO are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Icelandic Group hf. as at 31 December 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

## **Report on the Board of Directors report**

Pursuant to the legal requirement under Article 104, Paragraph 2 of the Icelandic Financial Statement Act No. 3/2006, we confirm that, to the best of our knowledge, the report of the Board of Directors accompanying the financial statements includes the information required by the Financial Statement Act if not disclosed elsewhere in the Financial Statements.

Reykjavík, 22 February 2016.

**KPMG ehf.**

Margret G. Flóvenz

# Consolidated Statement of Comprehensive Income for the year 2015

	Notes	2015	2014 Restated *
<b>Continuing operations</b>			
Revenue .....	8	536.381	493.883
Cost of goods sold .....		( 466.099)	( 432.266)
<b>Gross profit</b> .....		70.282	61.617
Operating expenses .....	9	( 59.336)	( 57.773)
Impairment losses .....	11	0	( 6.715)
<b>Operating profit (loss)</b> .....		10.946	( 2.871)
Finance income .....		2.304	977
Finance costs .....		( 2.634)	( 2.834)
Net finance costs .....	12	( 330)	( 1.857)
<b>Profit (loss) before income tax</b> .....		10.616	( 4.728)
Income tax .....	13,14	( 2.706)	( 672)
<b>Profit (loss) for the year from continuing operations</b> .....		7.910	( 5.400)
<b>Discontinued operations</b>			
(Loss) profit from discontinued operation, net of income tax .....	7	( 3.898)	606
<b>Profit (loss) for the year</b> .....		<b>4.012</b>	<b>( 4.794)</b>
<b>Other comprehensive income (loss)</b>			
<b>Items that are or may be reclassified to profit or loss</b>			
Foreign currency translation differences for foreign operation .....		4.888	4.791
Foreign currency translation differences for discontinued operations .....		697	0
<b>Other comprehensive income for the year</b> .....		<b>5.585</b>	<b>4.791</b>
<b>Total comprehensive income (loss) for the year</b> .....		<b>9.597</b>	<b>( 3)</b>
<b>Earnings per share</b>			
Basic and diluted earnings (loss) per share (each share is 1 Icelandic króna) .	27	0,0028	( 0,0034)
<b>Earnings per share - Continuing operations</b>			
Basic and diluted earnings (loss) per share (each share is 1 Icelandic króna) .	27	0,0056	( 0,0038)

The notes on pages 10 to 36 are integral part of these financial statements

\* The comparative figures have been re-presented to show the discontinued operations separately from continuing operations

# Consolidated Statement of Financial Position as at 31 December 2015

	Notes	2015	2014
<b>Assets</b>			
Property, plant and equipment .....	15-19	39.694	39.968
Goodwill and other intangible assets .....	20	69.613	66.364
Other investments .....	21	5.631	1.432
Deferred tax assets .....	30	316	787
Total non-current assets		115.254	108.551
Inventories .....	22	62.993	73.278
Trade and other receivables .....	23	66.399	63.534
Cash and cash equivalents .....		24.555	19.902
Assets held for sale .....	7	25.912	0
Total current assets		179.859	156.714
<b>Total assets</b>		295.113	265.265
 <b>Equity</b>			
Share capital .....	24	8.050	8.050
Share premium .....	25	78.054	78.054
Translation reserve .....	26	12.075	6.490
Retained earnings .....		41.483	37.471
Total equity		139.662	130.065
 <b>Liabilities</b>			
Loans and borrowings .....	28,29	34.932	37.010
Deferred income tax liability .....	30	2.655	2.174
Total non-current liabilities		37.587	39.184
Loans and borrowings .....	28,29	23.360	23.667
Trade and other payables .....	31	74.580	72.349
Liabilities held for sale .....	7	19.924	0
Total current liabilities		117.864	96.016
Total liabilities		155.451	135.200
<b>Total equity and liabilities</b>		295.113	265.265

The notes on pages 10 to 36 are integral part of these financial statements

## Consolidated Statement of Changes in Equity for the year 2015

	Share capital	Share premium	Translation reserve	Retained earnings	Total equity
<b>Changes in equity in 2014</b>					
Equity as at 1.1.2014 .....	8.050	78.054	1.699	42.265	130.068
Total comprehensive loss .....			4.791	(4.794)	( 3)
<b>Equity as at 31.12.2014</b> .....	<u>8.050</u>	<u>78.054</u>	<u>6.490</u>	<u>37.471</u>	<u>130.065</u>
<b>Changes in equity in 2015</b>					
Equity as at 1.1.2015 .....	8.050	78.054	6.490	37.471	130.065
Total comprehensive income .....			5.585	4.012	9.597
<b>Equity as at 31.12.2015</b> .....	<u>8.050</u>	<u>78.054</u>	<u>12.075</u>	<u>41.483</u>	<u>139.662</u>

The notes on pages 10 to 36 are integral part of these financial statements



# Consolidated Statement of Cash Flows for the year 2015

	Notes	2015	2014
<b>Cash flows from operating activities</b>			
Operating profit (loss) .....		10.946	( 1.614)
Difference between operating profit (loss) and cash from operations:			
Net gain on sale of assets .....	(	359)	( 24)
Depreciation and amortisation .....	11	7.377	8.111
Impairment losses .....	11	0	6.715
Change in operating assets and liabilities .....	34	240	( 12.054)
Cash generated from operations		18.204	1.134
Interest income and dividend received .....		323	281
Interest and finance costs paid .....	(	3.206)	( 3.557)
Income tax paid .....	(	1.850)	( 1.321)
Net cash provided by (used in) operating activities		13.471	( 3.463)
<b>Cash flows from investing activities</b>			
Investment in property, plant and equipment .....	15	( 4.936)	( 2.713)
Proceeds from sale of property, plant and equipment .....		776	140
Investment in intangible assets .....	20	( 412)	( 513)
Acquisition of subsidiaries, net of cash acquired .....		0	( 12.154)
Cash of discontinued operations .....	(	1.123)	0
(Increase) decrease in bonds and other long-term receivables .....	(	1)	100
Net cash used in investing activities		( 5.696)	( 15.140)
<b>Cash flows from financing activities</b>			
Long-term debt proceeds .....		5.966	2.528
Long-term debt repaid .....	(	8.348)	( 8.944)
Short-term debt, change .....	(	1.245)	( 2.700)
Net cash used in financing activities		( 3.627)	( 9.116)
<b>Increase (decrease) in cash and cash equivalents</b> .....		4.148	( 27.719)
<b>Effect of exchange rate fluctuations on cash held</b> .....		505	1.069
<b>Cash and cash equivalents at 1 January</b> .....		19.902	46.552
<b>Cash and cash equivalents at 31 December</b> .....		24.555	19.902

The notes on pages 10 to 36 are integral part of these financial statements

# Notes

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## 1. Reporting entity

Icelandic Group hf. is a company domiciled in Borgartún 27, Reykjavík, Iceland. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries, together referred to as the "Group" and individually as "Group entities", and the Group's interest in associates. The Group is involved in manufacturing and marketing of seafood in international markets (see note 6).

## 2. Basis of preparation

### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

The consolidated financial statements were approved by the Board of Directors on 22 February 2016.

### b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- \* Financial instruments at fair value though profit or loss are measured at fair value
- \* Derivative financial instruments are measured at fair value

The methods used to measure fair values are discussed further in note 4.

### c. Functional and presentation currency

The consolidated financial statements are presented in euro, which is the Company's functional currency. All financial information presented in euro has been rounded to the nearest thousand.

### d. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements is included in note 20 on measurement of the recoverable amounts of cash-generating units containing goodwill.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

## Notes, contd.:

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### **a. Basis of consolidation**

#### **(i) Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date - i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payments awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

#### **(ii) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

## Notes, contd.:

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### **3. Significant accounting policies, contd.:**

#### **a. Basis of consolidation, contd.:**

##### **(iii) Associates (equity accounted investees)**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost, which includes transaction costs. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

##### **(iv) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### **b. Foreign currency**

##### **(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

##### **(ii) Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euro at exchange rates at the date of transactions.

Foreign currency differences arising on translation are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of translation difference is allocated to the non-controlling interests. When a foreign operations is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

## Notes, contd.:

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### 3. Significant accounting policies, contd.

#### c. Financial instruments

##### (i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Financial assets and liabilities are recognised on the date that they are originated.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

##### *Financial assets at fair value through profit or loss*

An instrument is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchases and sales decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

##### *Held-to-maturity investments*

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Loan and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loan and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

##### *Other*

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

Accounting for finance income and expenses is discussed in note 3. m.

##### (ii) Derivative financial instruments

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

##### *Cash flow hedges*

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

## Notes, contd.:

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### **3. Significant accounting policies, contd.:**

#### **c. Financial instruments, contd.:**

##### **(ii) Derivative financial instruments, contd.:**

###### *Other non-trading derivatives*

When a derivative financial instruments is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

##### **(iii) Share capital**

###### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares is recognised as a deduction from equity, net of tax effects.

###### *Repurchase of share capital (treasury shares)*

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity.

##### **(iv) Dividends**

Dividends are recognised as a decrease in equity in the period in which they are approved by the Company's shareholders.

#### **d. Property, plant and equipment**

##### **(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that is directly attributable to the acquisition of the asset and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within revenue in profit or loss.

##### **(ii) Subsequent costs**

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

##### **(iii) Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives are as follows:

## Notes, contd.:

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### 3. Significant accounting policies, contd.:

#### d. Property, plant and equipment, cont.:

##### (iii) Depreciation, contd.:

	<b>Useful lives</b>
Buildings .....	10 - 50 years
Other operating assets .....	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### e. Goodwill and other intangible assets

##### (i) Goodwill

Goodwill arises up on the acquisition of subsidiaries.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately as income in profit or loss.

##### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses.

##### (ii) Intangible assets

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

##### (iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

##### (iv) Amortisation

Amortisation is calculated over the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

	<b>Useful lives</b>
Business relationship .....	10 - 15 years
Other intangible assets .....	0 - 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Notes, contd.:

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### 3. Significant accounting policies, contd.:

#### f. Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Group's statement of financial position.

#### g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production and conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. The cost of inventory may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

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

#### h. Impairment

##### (i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.



## Notes, contd.:

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### **3. Significant accounting policies, contd.:**

#### **h. Impairment, contd.:**

##### **(ii) Non financial assets**

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Goodwill acquired in a business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### **i. Employee benefits**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### **j. Provisions**

A provision is recognised in the statement of financial position if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

## Notes, contd.:

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### **3. Significant accounting policies, contd.:**

#### **k. Revenue**

##### **(i) Goods sold**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenues is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs or the possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards vary depending on the individual terms of the contract of sale.

#### **l. Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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

#### **m. Finance income and costs**

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to acquisition or construction of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in net gain or net loss position.

#### **n. Income tax**

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

## Notes, contd.:

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### **3. Significant accounting policies, contd.:**

#### **n. Income tax, contd.:**

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

#### **o. Discontinued operations**

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

#### **p. Assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are primarily measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on disposal group is allocated first to goodwill, and then to the remaining assets, deferred tax assets, employee benefits, investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

#### **q. Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## Notes, contd.:

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### **3. Significant accounting policies, contd.:**

#### **r. Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All segment's operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

#### **s. New standards and interpretations not yet adopted**

The Group has adopted all International Financial Reporting standards, interpretations and amendments to standards that the EU has adopted and have become effective for the year 2015 and are relevant for the Group. A few new standards, amendment to standards and interpretations have not become effective for the year 2015 and have not been applied in preparing these consolidated financial statements. It is not expected that those standards and interpretations will have material effect on the financial statements of the Group when adopted.

### **4. Determination of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **(i) Property, plant and equipment**

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

#### **(ii) Intangible assets**

The fair value of business relationships acquired in a business combination is determined using the multiperiod excess earnings method. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

#### **(iii) Inventories**

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

#### **(iv) Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes.

## Notes, contd.:

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### 4. Significant accounting policies, contd.:

#### (v) Derivatives

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

#### (vi) Financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

### 5. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- \* Credit risk
- \* Liquidity risk
- \* Market risk

This note presents information about the Group's exposure to each of the above risks as well as operational risk, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has commended the CEO day to day developing and monitoring of the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

#### *Trade and other receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customer operate, has less of an influence on credit risk. Approximately 70% (2014: 71%) of the Group's sales from continuing operations is attributable to sales transactions with its five largest customers.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Most of the Group's customers have been transacting with the Group for many years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

## Notes, contd.:

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### 5. Financial risk management, contd.:

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss components that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

#### *Guarantees*

The Group's policy is to provide financial guarantees only to subsidiaries. At 31 December 2015 guarantees provided to subsidiaries amounting to € 10.3 million (2014: € 12.9 million) were outstanding.

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains lines of credit amounting to € 22.4 million (2014: € 12.1 million) that can be drawn down to meet short-term financing needs.

#### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### *Currency risk*

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the euro (€), but also the Pound Sterling (GBP) and U.S. Dollars (USD). The currencies in which these transactions primarily are denominated are GBP and USD.

#### *Interest rate risk*

Most of the Group's borrowings are on a floating rate basis.

#### *Other market price risk*

Other market price risk is limited. Shares at fair value through profit or loss is immaterial part of the Group's operations.

#### **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

## Notes, contd.:

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### 5. Financial risk management, contd.:

#### Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on equity as well as reasonable profitability considerations.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board considers reasonable profitability considerations to be in the range of 8.9 percent to 12.1 percent; in 2015 the return from operations was positive by 2.9 percent (2014: negative by 3.7 percent). In comparison the weighted average interest expense on interest-bearing borrowings, excluding liabilities with imputed interest, was 3.9 percent (2014: 4.5 percent).

## Notes, contd.:

### 6. Operating segments

The Group comprises the following main reportable segments:

- \* *Production*: Processing seafood into value added products.
- \* *Sales and marketing*: Sales and marketing of seafood without further processing.
- \* *Holding and servicing*: Parent company and companies that provide logistic and quality service to other group companies.

<b>Business segments</b>						
<b>2015</b>	<b>Production</b>	<b>Sales and marketing</b>	<b>Holding and servicing</b>	<b>Discontinued operations</b>	<b>Eliminations</b>	<b>Consolidated</b>
Revenue from external customers .....	451.983	84.056	342	92.131	0	628.512
Inter-segment sales .....	12.510	9.021	4.317	1.354	( 27.202)	0
Total segment revenue .....	<u>464.493</u>	<u>93.077</u>	<u>4.659</u>	<u>93.485</u>	<u>( 27.202)</u>	<u>628.512</u>
Segment result .....	8.561	3.091	( 706)	( 1.421)	0	9.525
Net finance costs .....	( 1.251)	( 574)	1.495	( 1.352)	0	( 1.682)
Profit (loss) before income tax .....	7.310	2.517	789	( 2.773)	0	7.843
Income tax .....	( 1.820)	( 659)	( 227)	( 1.125)	0	( 3.831)
Profit (loss) for the year .....	<u>5.490</u>	<u>1.858</u>	<u>562</u>	<u>( 3.898)</u>	<u>0</u>	<u>4.012</u>
Segment assets .....	115.557	48.815	140.531	25.912	( 35.702)	295.113
Segment liabilities .....	27.155	34.907	109.167	19.924	( 35.702)	155.451
Capital expenditure .....	1.122	14	4.212	20	0	5.368
Depreciation, impairment and amortisation .....	1.687	52	5.638	9	0	7.386
<b>2014</b>						
Revenue from external customers .....	415.641	77.777	465	87.073	0	580.956
Inter-segment sales .....	23.840	14.318	4.639	889	( 43.686)	0
Total segment revenue .....	<u>439.481</u>	<u>92.095</u>	<u>5.104</u>	<u>87.962</u>	<u>( 43.686)</u>	<u>580.956</u>
Segment result .....	( 4.639)	2.934	( 1.166)	1.257	0	( 1.614)
Net finance costs .....	( 579)	( 749)	( 529)	( 578)	0	( 2.435)
Profit (loss) before income tax .....	( 5.218)	2.185	( 1.695)	679	0	( 4.049)
Income tax .....	( 516)	( 654)	498	( 73)	0	( 745)
Profit (loss) for the year .....	<u>( 5.734)</u>	<u>1.531</u>	<u>( 1.197)</u>	<u>606</u>	<u>0</u>	<u>( 4.794)</u>
Segment assets .....	200.826	44.824	37.313	21.798	( 39.496)	265.265
Segment liabilities .....	68.752	28.585	60.581	16.778	( 39.496)	135.200
Capital expenditure .....	20.395	85	131	19	0	20.630
Depreciation, impairment and amortisation .....	14.445	230	144	7	0	14.826



## Notes, contd.:

### 7. Discontinued operation

In December, the Company announced it has reached an agreement on the sale of subsidiaries in Asia. The sale will be concluded beginning of year 2016.

#### Results of discontinued operation

	2015	2014
Sales .....	93.484	87.780
Cost of goods sold .....	( 90.606)	( 83.792)
Gross profit .....	2.878	3.988
Operating expenses .....	( 2.299)	( 2.731)
Operating profit .....	579	1.257
Net finance costs .....	( 370)	( 578)
Profit before income tax .....	209	679
Income tax .....	( 25)	( 73)
Profit from discontinued operations .....	184	606
Provision .....	( 2.000)	0
Loss on sale of discontinued operations .....	( 982)	0
Tax impact of sale .....	( 1.100)	0
(Loss) profit from discontinued operation, net of income tax .....	( 3.898)	606
Basic and diluted earnings per share .....	( 0,0027)	0,0004

#### Cash flows from discontinued operation

Net cash generated from operating activities .....	( 3.287)	( 451)
Net cash used in investing activities .....	( 12)	( 7)
Net cash provided by financing activities .....	2.864	( 889)
Net cash flow for the year .....	( 435)	( 1.347)

#### Effect of disposal on the financial position of the Group

	2015
Property, plant and equipment .....	( 44)
Intangible assets .....	( 7)
Other investments .....	( 86)
Deferred tax assets .....	( 544)
Inventories .....	( 18.384)
Trade and other receivables .....	( 6.051)
Cash and cash equivalents .....	( 796)
Assets held for sale .....	( 25.912)
Loans and borrowings, non-current .....	254
Loans and borrowings, current .....	3.738
Trade and other payables .....	15.932
Liabilities held for sale .....	19.924
Net assets and liabilities .....	( 5.988)
Consideration to be settled in Q1 2016 .....	5.090
Cash and cash equivalents disposed of .....	( 796)
Estimated net cash inflow .....	4.294

Expenses related to the disposal of the subsidiaries are included in the results of discontinued operations.

## Notes, contd.:

### 8. Revenue

Revenue is specified as follows:

	Continuing operations		Discontinued operations		Total	
	2015	2014	2015	2014	2015	2014
Sales .....	536.198	493.333	93.171	87.958	629.369	581.291
Other revenues .....	183	550	313	4	496	554
Revenue, total .....	<u>536.381</u>	<u>493.883</u>	<u>93.484</u>	<u>87.962</u>	<u>629.865</u>	<u>581.845</u>

### 9. Operating expenses

Operating expenses are specified as follows:

	2015	2014
Salaries and salary-related expenses .....	30.865	28.526
Other operating expenses .....	26.134	26.778
Depreciation and amortisation .....	2.337	2.469
Total operating expenses .....	<u>59.336</u>	<u>57.773</u>

### 10. Salaries and salary-related expenses

Salaries and salary-related expenses are allocated as follows on items in the profit or loss:

	Continued operations		Discontinued operations		Total	
	2015	2014	2015	2014	2015	2014
Cost of goods sold .....	31.539	30.310	0	0	31.539	30.310
Operating expenses .....	<u>30.865</u>	<u>28.526</u>	<u>1.311</u>	<u>1.276</u>	<u>32.176</u>	<u>29.802</u>
Total salaries and salary-related expenses .....	<u>62.404</u>	<u>58.836</u>	<u>1.311</u>	<u>1.276</u>	<u>63.715</u>	<u>60.112</u>
Average number of employees (full year equivalents) .....	1.604	1.736				
Positions with the Group at the end of the year .....	1.661	1.625				

Salaries and fringe benefits paid to the Board of Directors and key management for their work for companies within the Group are specified as follows:

	2015	2014
<b>Board of Directors:</b>		
Herdís Dröfn Fjeldsted, Chairman of the Board* .....	45	39
Kristján Ágústsson, former alternative Board Member and Board Member from 1 November 2014* .....	23	3
Ingunn Björk Vilhjámsdóttir, Board Member .....	23	21
Vilhjálmur Egilsson, Board Member .....	23	21
Ævar Agnarsson, Board Member .....	21	19
Rebekka Jóelsdóttir, alternative Board member* .....	2	0
<b>Chief Executive Officer:</b>		
Árni Geir Pálsson, former Board Member and CEO from 1 November 2014 .....	243	56
Magnús Bjarnason, CEO to 31 October 2014 .....	162	239

\* The salaries of one Board Member and one alternative Board Member are paid to Framtakssjóður Íslands slhf.

## Notes, contd.:

### 11. The Group's depreciation charge in profit or loss is specified as follows:

	2015	2014
Depreciation of property, plant and equipment, see note 15 .....	6.564	7.157
Impairment of land and operating assets, see note 15 .....	0	1.483
Amortisations of intangible assets, see note 20 .....	813	947
Impairment losses of intangible assets, see note 20 .....	0	5.232
Total .....	<u>7.377</u>	<u>14.819</u>

Depreciation, amortisation and impairment loss is allocated as follows on operating items:

Cost of goods sold .....	5.040	5.635
Operating expenses .....	2.337	2.469
Impairment losses .....	0	6.715
Total .....	<u>7.377</u>	<u>14.819</u>

### 12. Net finance costs

Net finance costs are specified as follows:

	2015	2014
Interest income .....	278	451
Dividend income .....	50	3
Net currency gain .....	1.976	523
Finance income, total .....	<u>2.304</u>	<u>977</u>
Interest expenses .....	( 2.634)	( 2.834)
Finance costs, total .....	<u>( 2.634)</u>	<u>( 2.834)</u>
Net finance costs .....	<u>( 330)</u>	<u>( 1.857)</u>

### 13. Income tax expense

Income tax recognised in profit or loss is specified as follows:

	2015	2014
Current tax expense .....	2.223	1.427
Deferred tax expense .....	483	( 755)
Total income tax in continuing operations .....	<u>2.706</u>	<u>672</u>

### 14. Effective tax rate is specified as follows:

	2015		2014	
Profit (loss) for the year .....	7.910		( 5.400)	
Total income tax .....	2.706		672	
Profit excluding income tax .....	<u>10.616</u>		<u>( 4.728)</u>	
Income tax using Icelandic corporation tax rate .....	20,0%	( 2.123)	20,0%	946
Effect of tax rate in foreign jurisdictions .....	2,9%	( 305)	( 18,5%)	( 874)
Current-year losses for which no deferred tax asset is recognised .....	3,1%	( 327)	( 19,9%)	( 941)
Non-deductable expenses .....	4,4%	( 464)	( 0,3%)	( 16)
Other items .....	( 4,8%)	513	4,5%	213
Effective tax rate .....	<u>25,5%</u>	<u>( 2.706)</u>	<u>( 14,2%)</u>	<u>( 672)</u>

The main reason for fluctuations in effective income tax rate in the statement of comprehensive income is explained by different geographical composition of profit or loss before taxes in individual companies and periods, tax assets that are not capitalized and presentation of transactions in the statement of comprehensive income between continuing and discontinuing operations.

## Notes, contd.:

### 15. Property, plant and equipment

Property, plant and equipment is specified as follows:

	Buildings and land	Other operating assets	Total
<b>Cost or deemed cost</b>			
Balance at 1 January 2014 .....	30.397	79.876	110.273
Acquisitions of subsidiaries .....	178	435	613
Purchases during the year .....	2.396	3.602	5.998
Disposals .....	0	( 936)	( 936)
Exchange rate differences .....	1.366	4.743	6.109
Balance at 31 December 2014 .....	34.337	87.720	122.057
Purchases during the year .....	50	4.886	4.936
Disposals .....	( 585)	( 1.003)	( 1.588)
Disposals of subsidiaries .....	0	( 151)	( 151)
Exchange rate differences .....	1.407	4.591	5.998
Balance at 31 December 2015 .....	35.209	96.043	131.252
<b>Depreciation and impairment losses</b>			
Balance at 1 January 2014 .....	9.920	60.209	70.129
Depreciation .....	976	6.188	7.164
Impairment losses .....	242	1.241	1.483
Disposals .....	0	( 821)	( 821)
Exchange rate differences .....	385	3.749	4.134
Balance at 31 December 2014 .....	11.523	70.566	82.089
Depreciation .....	957	5.607	6.564
Disposals .....	( 250)	( 888)	( 1.138)
Disposals of subsidiaries .....	( 107)	( 107)	( 107)
Exchange rate differences .....	313	3.837	4.150
Balance at 31 December 2015 .....	12.543	79.015	91.558
<b>Carrying amounts</b>			
1.1.2014 .....	20.477	19.667	40.144
31.12.2014 .....	22.814	17.154	39.968
31.12.2015 .....	22.666	17.028	39.694
Depreciation ratios .....	2-10%	10-20%	

Icelandic Seachill Ltd., UK a subsidiary of Icelandic Group hf., following a strategic review decision, withdrew from Ready Meals production at its West site facility. As a result impairment losses on assets related to the Ready Meals production of € 1.2 million was recognised in the year 2014.

Land owned by Ecomsa S.A., Spain was written down by € 242 thousand in 2014 as a result of impairment test.

### 16. Finance leases

Equipment and machinery for which the Group has concluded lease agreements are capitalized despite the ownership right of the lessor according to the agreements. The remaining balance of the lease agreements amounted to € 380 thousand at year-end 2015 (2014: € 431 thousand).

### 17. Operating leases

The Group has entered into operating lease contracts for machinery and production equipment. Commitments from these contracts are not included in the statement of financial position.

### 18. Mortgages and Guarantees

Mortgages and guarantees for debt with a remaining balance of € 27,173 thousand (2014: € 29,275 thousand) were registered against the Group's property, plant and equipment at year-end.

### 19. Insurance value

Insurance and book value at year-end were as follows:	2015	2014
Insurance value of buildings .....	51.476	51.273
Book value of buildings .....	22.666	22.814
Insurance value of other operating assets .....	67.459	63.470
Book value of other operating assets .....	17.028	17.154

## Notes, contd.:

### 20. Intangible assets

The Group's intangible assets are specified as follows:

	Goodwill	Business relationships	Fishing quota	Other intangible assets	Total
<b>Cost</b>					
Balance at 1.1.2014 .....	63.367	4.528	0	4.707	72.602
Purchases during the year .....	3.627	1.625	8.192	529	13.973
Disposals .....	( 3.909)	( 587)	0	( 276)	( 4.772)
Exchange rate differences .....	3.741	0	0	257	3.998
Balance at 31.12.2014 .....	66.826	5.566	8.192	5.217	85.801
Adjustment to opening balance .....	( 12.479)	0	0	0	( 12.479)
Purchases during the year .....	0	0	0	412	412
Disposals .....	0	0	0	( 60)	( 60)
Disposals of subsidiaries .....				( 24)	( 24)
Exchange rate differences .....	3.044	0	581	322	3.947
Balance at 31.12.2015 .....	57.391	5.566	8.773	5.867	77.597
<b>Amortisations and impairment losses</b>					
Balance at 1.1.2014 .....	12.201	1.082	0	3.828	17.111
Amortisation for the year .....	0	269	0	678	947
Impairment losses .....	3.613	1.619	0	0	5.232
Disposals .....	( 3.909)	( 587)	0	( 183)	( 4.679)
Exchange rate differences .....	574	7	0	245	826
Balance at 31.12.2014 .....	12.479	2.390	0	4.568	19.437
Adjustment to opening balance .....	( 12.479)	0	0	0	( 12.479)
Amortisation for the year .....	0	254	0	559	813
Disposals .....	0	0	0	( 60)	( 60)
Disposals of subsidiaries .....				( 17)	( 17)
Exchange rate differences .....	0	0	0	289	289
Balance at 31.12.2015 .....	0	2.644	0	5.339	7.984
<b>Carrying amounts</b>					
1.1.2014 .....	51.166	3.446	0	879	55.491
31.12.2014 .....	54.347	3.176	8.192	649	66.364
31.12.2015 .....	57.391	2.922	8.773	528	69.613

Depreciations ratios ..... 8-10% 4-20%

#### Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating entities which represent the lowest level within the Group, at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	2015	2014
Icelandic Seachill Ltd .....	53.227	50.183
Icelandic Gadus NV .....	4.164	4.164
Total goodwill .....	57.391	54.347

The value in use of each unit was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

Cash flows were projected based on actual operating results and a five year business plan for each unit approved by management. Cash flows for future periods were extrapolated using a constant growth rate.

The anticipated annual real revenue growth rate included in the cash flow projection was plus 1.9% to plus 2.8% for the years 2016 to 2020. Future growth ranged between 1.0% and 2.0%. A long term growth rate into perpetuity has been determined as the lower of the nominal GDP rates for the country in which the division is based and the long-term compound annual growth rate in EBITDA estimated by management.

A post-tax discount rate between 7.5% and 9.3% was applied in determining the recoverable amount of the respective cash generating units. The discount rate was estimated based on the industry's capital structure and risk profile along with company specific metrics.

All the carrying amount of goodwill is related to the production companies.

## Notes, contd.:

### 21. Other investments

The Group's other investments are specified as follows:	<b>2015</b>	<b>2014</b>
Held-to-maturity investments .....	4.998	595
Equity accounted investees .....	723	729
Financial assets designated at fair value through profit or loss .....	114	108
	<u>5.835</u>	<u>1.432</u>
Current maturities .....	( 204)	0
Total other investments .....	<u>5.631</u>	<u>1.432</u>

Held-to-maturity investments have interest rate of 2.3% - 8.0% (2014: 8.0%) and mature in year 2017.

The financial assets designated at fair value through profit or loss are equity securities.

The Group's exposure to credit, currency and interest rate risks related to other investments is disclosed in note 32.

### 22. Inventories

Inventories are specified as follows:	<b>2015</b>	<b>2014</b>
Raw material and work in process .....	26.577	36.562
Finished goods .....	36.416	36.716
Total inventories .....	<u>62.993</u>	<u>73.278</u>

### 23. Trade and other receivables

Trade and other receivables are specified as follows:	<b>2015</b>	<b>2014</b>
Trade receivables .....	62.076	58.865
Other receivables .....	3.059	2.954
Prepaid expenses .....	1.264	1.715
Total trade and other receivables .....	<u>66.399</u>	<u>63.534</u>

The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in note 32.

### Equity

#### 24. Issued shares

The Company's total number of shares according to its Articles of Association are 1,576.6 million (2014: 1,576.6 million). Issued shares at year-end numbered 1,576.6 million (2014: 1,576.6 million) and is all paid for. The owners of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share of one ISK at meetings of the Company. The Company held 157.6 million treasury shares at the year end (2014: 157.6 million shares).

#### 25. Share premium

Share premium represents excess of payments above nominal value (ISK 1 per share) that shareholders have paid for shares sold by the Company less payments above nominal value that the Company has paid for treasury shares. According to Icelandic Companies Act, 25% of the nominal share capital must be held in reserve which can not be paid out as dividend to shareholders.

#### 26. Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### 27. Earnings per share

The calculation of basic earnings per share was based on the profit attributable to shareholders of the Parent Company and a weighted average number of shares outstanding during the year calculated as follows:

<b>Earnings per share:</b>	<b>2015</b>	<b>2014</b>
Profit (loss) for the year attributable to equity holders of the parent .....	4.012	( 4.794)
Weighted average number of ordinary shares .....	1.418.963	1.418.963
Earnings per share of ISK 1 .....	0,0028	( 0,0034)
<b>Earnings per share - continuing operations:</b>		
Profit (loss) for the year attributable to equity holders of the parent .....	7.910	( 5.400)
Weighted average number of ordinary shares .....	1.418.963	1.418.963
Earnings per share of ISK 1 .....	0,0056	( 0,0038)

Diluted earnings per share is equal to basic earnings per share as the Company has not entered into share options agreements and has no convertible loans.

## Notes, contd.:

### 28. Loans and borrowings

Loans and borrowings are specified as follows:

2015	Non-current liabilities	Current liabilities	Total
Currency			
GBP .....	27.503	0	27.503
EUR .....	14.886	15.821	30.707
ISK .....	82	0	82
Loans and borrowings, total .....	42.471	15.821	58.292
Current maturities of non-current liabilities .....	( 7.539)	7.539	0
Loans and borrowings according to statement of financial position .....	34.932	23.360	58.292
<b>2014</b>			
GBP .....	29.160	1.457	30.617
EUR .....	13.241	15.731	28.972
JPY .....	387	653	1.040
ISK .....	48	0	48
Loans and borrowings, total .....	42.836	17.841	60.677
Current maturities of non-current liabilities .....	( 5.826)	5.826	0
Loans and borrowings according to statement of financial position .....	37.010	23.667	60.677

Property, plant and equipment, intangible assets, shares in subsidiaries, inventory and accounts receivable have been pledged against loans in the amount of €37.5 million (2014: €41.9 million).

### 29. Non-current loans and borrowings are payable as follows:

	2015	2014
Year 2015 .....	-	5.826
Year 2016 .....	7.539	5.903
Year 2017 .....	8.943	7.623
Year 2018 .....	24.663	22.614
Year 2019 .....	240	76
Year 2020 .....	12	4
Subsequent .....	1.074	790
Non-current loans and borrowings including current maturities .....	42.471	42.836

### 30. Deferred tax assets and liabilities

Deferred tax asset and liabilities are specified as follows:

	Deferred tax assets	Deferred tax liability	Net
Balance at 1.1.2014 .....	( 1.139)	2.732	1.593
Income tax on operations .....	186	559	745
Income tax payable 2015 on 2014 activities .....	0	( 494)	( 494)
Exchange rate difference, prepaid tax and other changes .....	166	( 623)	( 457)
Balance at 31.12.2014 .....	( 787)	2.174	1.387
Income tax on operations .....	632	2.074	2.706
Income tax payable 2016 on 2015 continuing activities .....	( 2)	( 281)	( 283)
Exchange rate difference, prepaid tax and other changes .....	( 159)	( 1.312)	( 1.471)
Balance at 31.12.2015 .....	( 316)	2.655	2.339

The deferred income tax liability is attributable to the following items:

	2015	2014
Property, plant and equipment .....	1.261	952
Intangible assets .....	1.482	1.507
Tax losses carried forward .....	( 85)	( 435)
Other items .....	( 319)	( 637)
Net income tax liability at year-end .....	2.339	1.387

## Notes, contd.:

### 31. Trade and other payables

Trade and other payables are specified as follows:	<b>2015</b>	<b>2014</b>
Trade payables .....	60.886	60.836
Taxes for the year .....	283	494
Other payables .....	13.411	11.019
Total trade and other payables .....	<u>74.580</u>	<u>72.349</u>

### Financial instruments

### 32. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>2015</b>	<b>2014</b>
Held-to-maturity investments .....	4.998	595
Loans and receivables .....	65.135	61.819
Cash and cash equivalents .....	24.555	19.902
	<u>94.688</u>	<u>82.316</u>

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

United Kingdom .....	27.264	23.130
Continental Europe .....	32.850	28.374
Asia .....	1.938	6.555
Iceland .....	24	806
	<u>62.076</u>	<u>58.865</u>

The Group's five most significant customers account for € 34.2 million of the trade receivables carrying amount at 31 December 2015 (2014: €29.3 million).

### Impairment losses

The aging of accounts receivables at the reporting date was:

	<b>2015</b>		<b>2014</b>	
	Gross	Impairment	Gross	Impairment
Past due 0-30 days .....	55.467	198	54.257	248
Past due 31-90 days .....	4.905	158	4.064	197
Past due 91-180 days .....	502	46	592	57
Past due 181-360 days .....	220	70	497	87
More than one year .....	4.448	2.995	876	832
	<u>65.542</u>	<u>3.466</u>	<u>60.286</u>	<u>1.421</u>

Provision for losses on trade and other receivables are specified as follows:

	<b>2015</b>	<b>2014</b>
Provision at 1 January .....	1.421	1.338
Changes in provision for the year .....	2.010	59
Exchange rate difference .....	35	24
Provision at 31 December .....	<u>3.466</u>	<u>1.421</u>



## Notes, contd.:

### 32. Financial instruments, contd.:

#### Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>31 December 2015</b>						
<b>Non-derivative financial liabilities</b>						
Non-current loans and borrowings .....	34.932	38.004	1.850	18.453	10.903	6.798
Current loans and borrowings .....	23.360	23.360	23.360	0	0	0
Trade and other payables .....	74.580	74.580	74.580	0	0	0
	<u>132.872</u>	<u>135.944</u>	<u>99.790</u>	<u>18.453</u>	<u>10.903</u>	<u>6.798</u>

#### 31 December 2014

#### Non-derivative financial liabilities

Non-current loans and borrowings .....	37.010	40.831	1.960	8.491	29.950	430
Current loans and borrowings .....	23.667	23.667	23.667	0	0	0
Trade and other payables .....	72.349	72.349	72.349	0	0	0
	<u>133.026</u>	<u>136.847</u>	<u>97.976</u>	<u>8.491</u>	<u>29.950</u>	<u>430</u>

#### Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	EUR	GBP	USD	ISK	Other
<b>31 December 2015</b>					
Cash and cash equivalents .....	330	739	689	1.237	94
Trade receivables .....	111	0	617	2	0
Loans and borrowings .....	0	0	0	(52)	0
Trade payables .....	(11)	(4)	(656)	(719)	(8)
Gross balance exposure .....	<u>430</u>	<u>735</u>	<u>650</u>	<u>468</u>	<u>86</u>

#### 31 December 2014

Cash and cash equivalents .....	2.211	278	474	2.046	95
Trade receivables .....	719	19	3.803	0	0
Trade payables .....	(72)	(7)	(5.290)	(165)	0
Gross balance exposure .....	<u>2.858</u>	<u>290</u>	<u>(1.013)</u>	<u>1.881</u>	<u>95</u>

The following significant exchange rates of EUR applied during the year:

	Average rate		Reporting date spot rate	
	2015	2014	2015	2014
GBP .....	0,7255	0,8060	0,7356	0,7802
JPY .....	134,2695	140,3324	131,3053	145,2691
NOK .....	8,9262	8,3530	9,5845	9,0007
DKK .....	7,4594	7,4561	7,4629	7,4459
USD .....	1,1090	1,3267	1,0901	1,2152
ISK .....	145,9375	154,4358	140,9300	153,8400

## Notes, contd.:

### 32. Financial instruments, contd.:

#### Sensitivity analysis

A 10 percent strengthening of the euro against the above mentioned currencies at 31 December would have decreased pre-tax profit € 225 thousand (2014: decreased pre-tax profit by € 411 thousand). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10 percent weakening of the euro against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

#### Interest rate risk

##### Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amount	
	2015	2014
<b>Variable rate instruments</b>		
Financial assets .....	24.555	19.902
Financial liabilities .....	( 57.225)	( 59.887)
	<u>( 32.670)</u>	<u>( 39.985)</u>

#### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Profit or loss	
	100bp increase	100bp decrease
<b>31 December 2015</b>		
Variable rate instruments .....	327	( 327)
Cash flow sensitivity (net) .....	<u>327</u>	<u>( 327)</u>
<b>31 December 2014</b>		
Variable rate instruments .....	400	( 400)
Cash flow sensitivity (net) .....	<u>400</u>	<u>( 400)</u>

#### Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	31 December 2015		31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Held-to-maturity investments .....	4.998	4.998	595	595
Financial assets designated at fair value				
through profit or loss .....	114	114	108	108
Loans and receivables .....	65.135	65.135	61.819	61.819
Cash and cash equivalents .....	24.555	24.555	19.902	19.902
Loans and borrowings, non-current .....	( 34.932)	( 34.145)	( 37.010)	( 36.176)
Loans and borrowings, current .....	( 23.360)	( 23.360)	( 23.667)	( 23.667)
Trade and other payables .....	( 74.580)	( 74.580)	( 72.349)	( 72.349)
Gross balance exposure .....	<u>( 38.070)</u>	<u>( 37.283)</u>	<u>( 50.602)</u>	<u>( 49.768)</u>

### 33. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015	2014
Less than one year .....	844	679
Between one and five years .....	1.309	1.010
More than five years .....	20	11
Total non-cancellable operating lease rentals .....	<u>2.173</u>	<u>1.700</u>

## Notes, contd.:

### 34. Statement of Cash Flows

Change in operating assets and liabilities, adjusted for assets and liabilities held for sale, in the statement of cash flows are specified as follows:

	2015	2014
Inventories, increase .....	( 528)	( 7.772)
Trade and other receivables, (increase) decrease .....	( 5.787)	3.364
Trade and other payables, increase (decrease) .....	6.555	( 7.646)
Change in operating assets and liabilities .....	<u>240</u>	<u>( 12.054)</u>

### 35. Cash flows from operating activities are specified as follows:

	2015	2014
Profit (loss) for the year .....	4.012	( 4.794)
Difference between gain and cash flows from operations:		
Net gain on sale of assets .....	( 359)	( 24)
Depreciations and amortisation .....	7.377	8.111
Impairment losses .....	0	6.715
Other items .....	862	4.838
Working capital provided by operating activities .....	<u>11.892</u>	<u>14.846</u>

### 36. Related parties

#### Identity of related parties

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the party in making financial or operational decisions. The Group's related parties include: Key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members, subsidiaries and associates. 99,99% of the Company is owned by Framtakssjóður Íslands slhf., which is in majority ownership of Icelandic pension funds.

#### Transactions with related parties

The Group has transactions with related parties. Transaction with such parties are made in the ordinary course of business and on substantially the same terms as comparable transactions with other parties.

#### Transactions with key management personnel

Executive directors of the Group and their relatives control none of the voting shares of the Company (2014: none). Information on salaries and benefits of management paid for their work for the Company are disclosed in note 10.

#### Other related party transactions

No parties defined as related parties have carried out general transactions with the Group.

## Notes, contd.:

### 37. Group entities

Subsidiaries numbered 14 at year-end (2014: 14) and are all included in the consolidated financial statements. They are:

31 December 2015		Share	Share
Ecomsa S.A., Spain .....	100%	Icelandic Japan K.K., Japan .....	100%
Gadus B.V., The Netherlands .....	100%	Icelandic Ny-Fiskur hf., Iceland .....	100%
Icelandic Acquisition Ltd., UK .....	100%	Icelandic Norway AS, Norway .....	100%
Icelandic China Trading Co. Ltd., China .....	100%	Icelandic Produit de la Mer, France .....	100%
Icelandic Gadus NV, Belgium .....	100%	Icelandic Seachill Ltd., UK .....	100%
Icelandic Hong Kong Ltd., Hong Kong .....	100%	Icelandic Trademark ehf., Iceland .....	100%
Icelandic Iberica S.A., Spain .....	100%	Útgerðarfélag Sandgerðis ehf., Iceland .....	100%

31 December 2014		Share	Share
Ecomsa S.A., Spain .....	100%	Icelandic Japan K.K., Japan .....	100%
Gadus B.V., The Netherlands .....	100%	Icelandic Ny-Fiskur hf., Iceland .....	100%
Icelandic Acquisition Ltd., UK .....	100%	Icelandic Norway AS, Norway .....	100%
Icelandic China Trading Co. Ltd., China .....	100%	Icelandic Produit de la Mer, France .....	100%
Icelandic Gadus NV, Belgium .....	100%	Icelandic Seachill Ltd., UK .....	100%
Icelandic Hong Kong Ltd., Hong Kong .....	100%	Icelandic Trademark ehf., Iceland .....	100%
Icelandic Iberica S.A., Spain .....	100%	Útgerðarfélag Sandgerðis ehf., Iceland .....	100%

### 38. Financial Ratios

Financial ratios for the consolidated financial statements:	2015	2014
Current ratio .....	1.53	1.63
Equity ratio .....	47,3%	49,0%
Return on equity .....	2.9%	-3.7%
Internal value .....	17.35	16.16
EBITDA continued operations .....	18.323	12.607
EBITDA ratio continued operations .....	3.4%	2.7%