

Press Release

2000 - a fantastic year for Pan Fish

Strong financial gains

Pan Fish can now look back on a fantastic year far exceeding the previous year's gains. Pre-tax profits were NOK 743.2 million compared with NOK 145.0 million in 1999, an increase of 412%. The gains from the purchase of own shares yields an additional profit of NOK 180.8 million. This of course, is credited to equity rather than recorded on the income statement.

Doubling of sales

The group's sales in 2000 registered NOK 4,740.5 million, while figures for 1999 amounted to NOK 2,210.3 million. This yields an increase in sales of 115%. Operating profits were NOK 773.1 million of which NOK 152.2 million can be attributed to the sale of holdings. In 1999 Pan Fish had an operating profit of NOK 202.5 million, of which NOK 26.6 million is also from the sale of holdings. Realized convertible bonds contributed NOK 22.8 million in 2000.

The best 4th quarter in the history of the company

The end of 2000 saw weak salmon prices which led to lower sales than expected with the consequent reduction in revenues. Still, the fourth quarter of 2000 was the best in the group's history. Sales topped NOK 1,652.5 million where in the 4th quarter of 1999 sales were NOK 735.5 million. Operating profits totalled NOK 129.2 million in the 4th quarter of 2000 while in the same period of 1999 they amounted to NOK 66.1 million. Pan Fish continues to make investments within other areas of fish production thereby ensuring the group's future success in becoming a leading distributor of seafood worldwide.

Strong growth in farming activities

Farming activities contributed with an operating profit of NOK 680.5 million in 2000, compared with NOK 178 million in 1999. For the 4th quarter, the operating profit was NOK 74 million compared with NOK 59.2 million in the same period of 1999. Pan Fish harvested 66,000 tonnes of salmon in the year 2000 while harvesting only 26,000 tonnes in 1999. Low prices in the 4th quarter delayed harvesting which in turn delayed incomes. Growth, though strong was therefore less than expected. On the other hand, production in the Faeroe Islands, where conditions are optimal for farming salmon, show remarkable expansion. Reduced costs created a greater profit margin in farming activities in the group despite lower prices.

Favourable 4th quarter in Value-Added activities

Pan Fish had a striking increase in value-added activities in the 4th quarter of 2000 over the same period of 1999. Operating profits for the 4th quarter increased from a NOK .8 million loss in 1999 to a profit of NOK 21.4 million in 2000. A better utilization of the group's capacities as well as lower prices of raw materials are responsible for these remarkable improvements. For the entire year 2000, operating profits totalled NOK 3.1 million compared against a loss of NOK 1.8 million in 1999.

Sales and logistics activities

This area contributed with an operating profit of NOK 24.4 million for 2000, while operating profits reached NOK 29.4 million in 1999. The 4th quarter of 2000 showed operating profits of NOK 6.9 million as opposed to NOK 7.4 million in the same quarter of 1999.

Strong pelagic activities

Pan Fish ASA has invested considerable amounts in the pelagic sector in 2000. This is a strategic investment because we expect a renewed interest in pelagic species for consumption and as fishfeed. This will most probably lead to a demand for pelagic species since the pelagic populations will most probably not increase. Operating profits for pelagic activities were strong at NOK 40.2 million in the 4th quarter of 2000. Pelagic activities brought in NOK 52.3 million in operating profits in the 5 months the group has been active in the pelagic sector in 2000. Pan Fish was not involved in such activities in 1999.

Farming of other marine life species

In order to achieve the group's strategy of becoming the world's leading distributor of seafood, in the past year Pan Fish has invested substantially in other marine species. Pan Fish can efficiently and effectively provide a broad range of products by expanding the present logistics and distribution systems to include other marine species. As expected, these activities showed a loss of NOK 9.7 million and there were no comparable activities in 1999.

Figures in Mill. NOK	4 th Q. 2000	4 th Q. 1999	31.12.2000	31.12.1999
Operating income	1,652.5	735.5	4,740.5	2,210.3
Operating expenses	1,523.3	669.4	4,007.4	2,007.9
Operating profit	129.2	66.1	733.1	202.5
Net financial items	-69.7	-27.8	10.0	57.5
Profit before taxes	59.7	38.3	743.2	145.0
Earnings per share			4.54	1.01
Diluted earnings per share			4.09	0.90
Total fixed assets			3,556.3	1,002.8
Total current assets			2,577.4	1,473.9
Total assets			6,133.7	2,476.7
Equity			995.0	303.0
Liabilities			5,026.3	2,095.2
Minority interest			112.4	78.5
Total Equity and Liabilities			6,133.7	2,476.7