



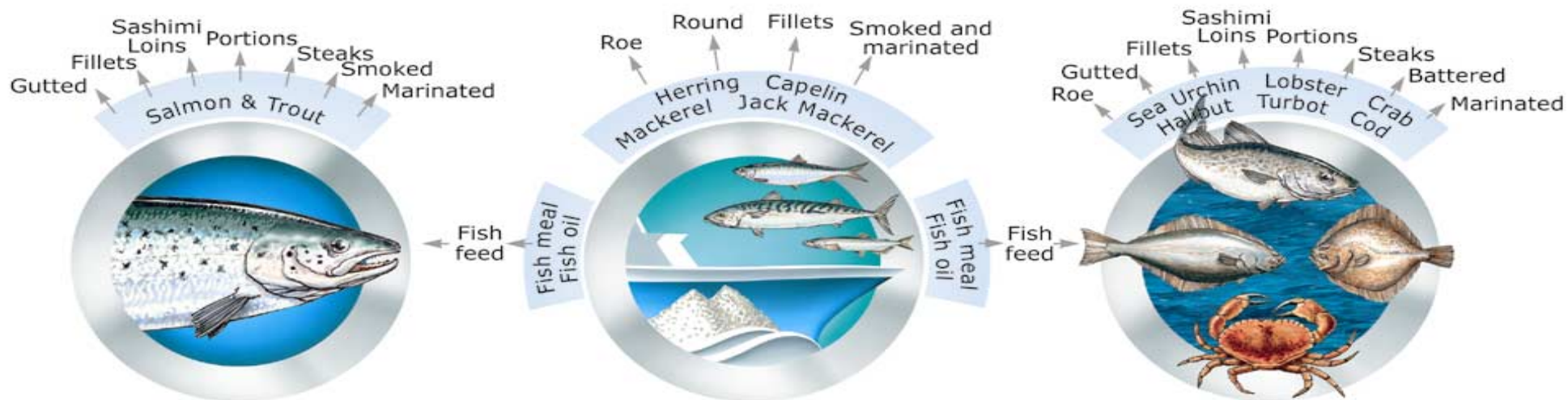
*Pan Fish*

# PAN FISH ) 4. Quarter 2001

Arne Nore, CEO

Tuesday, 26th February 2002

# ) THE PAN FISH SEAFOOD RANGE



## PAN FISH

A major salmon farmer

## PAN PELAGIC

Pelagics from catch to consumption and feed for aquaculture

## PAN MARINE

Innovators in fish farming of new species

MARKETING & DISTRIBUTION

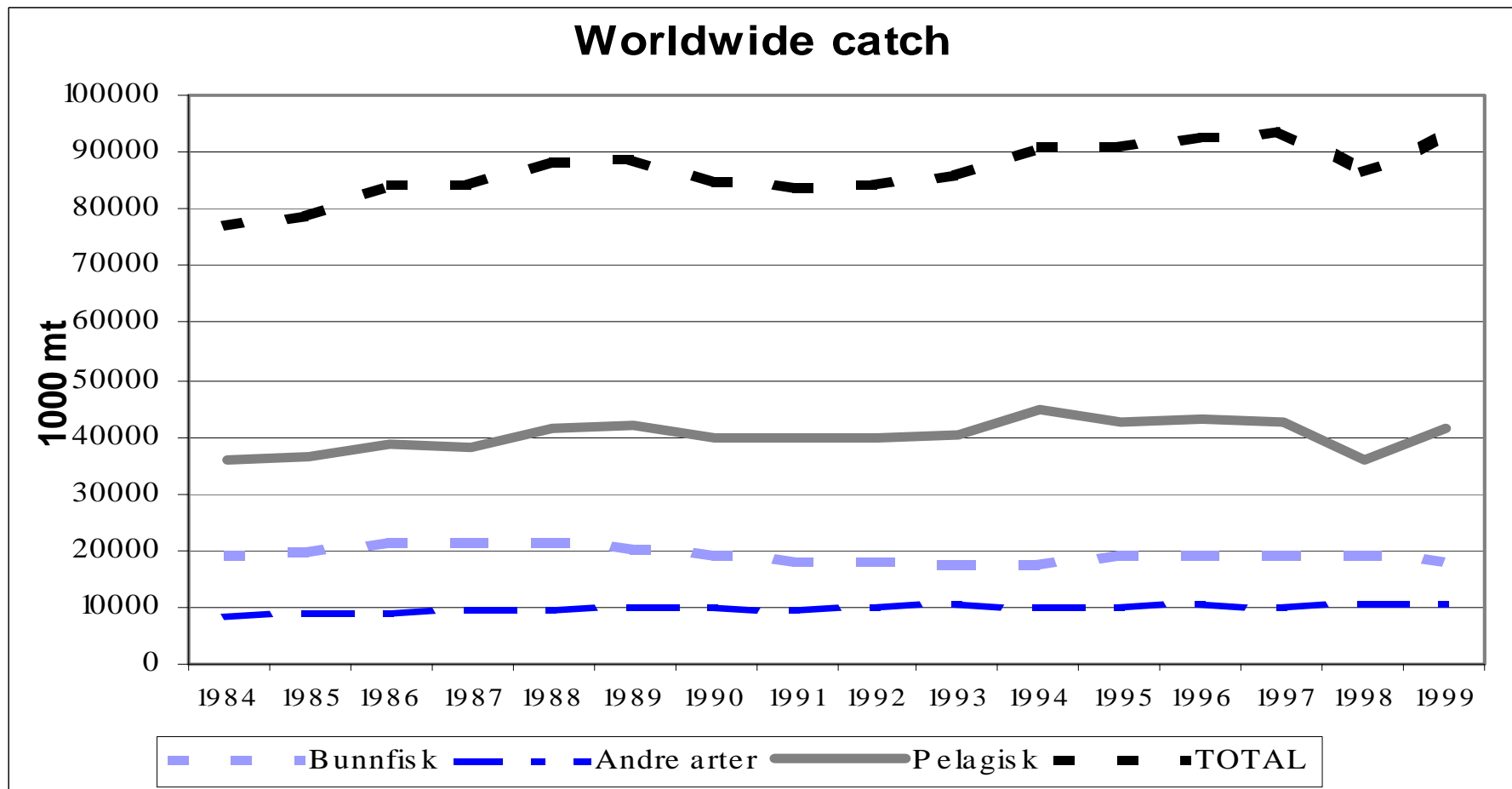
**THE PAN SEAFOOD RANGE**



*Pan Fish*

PAN FISH ) Fully integrated  
value chain

# ) Pelagics - A huge group of wild fish species



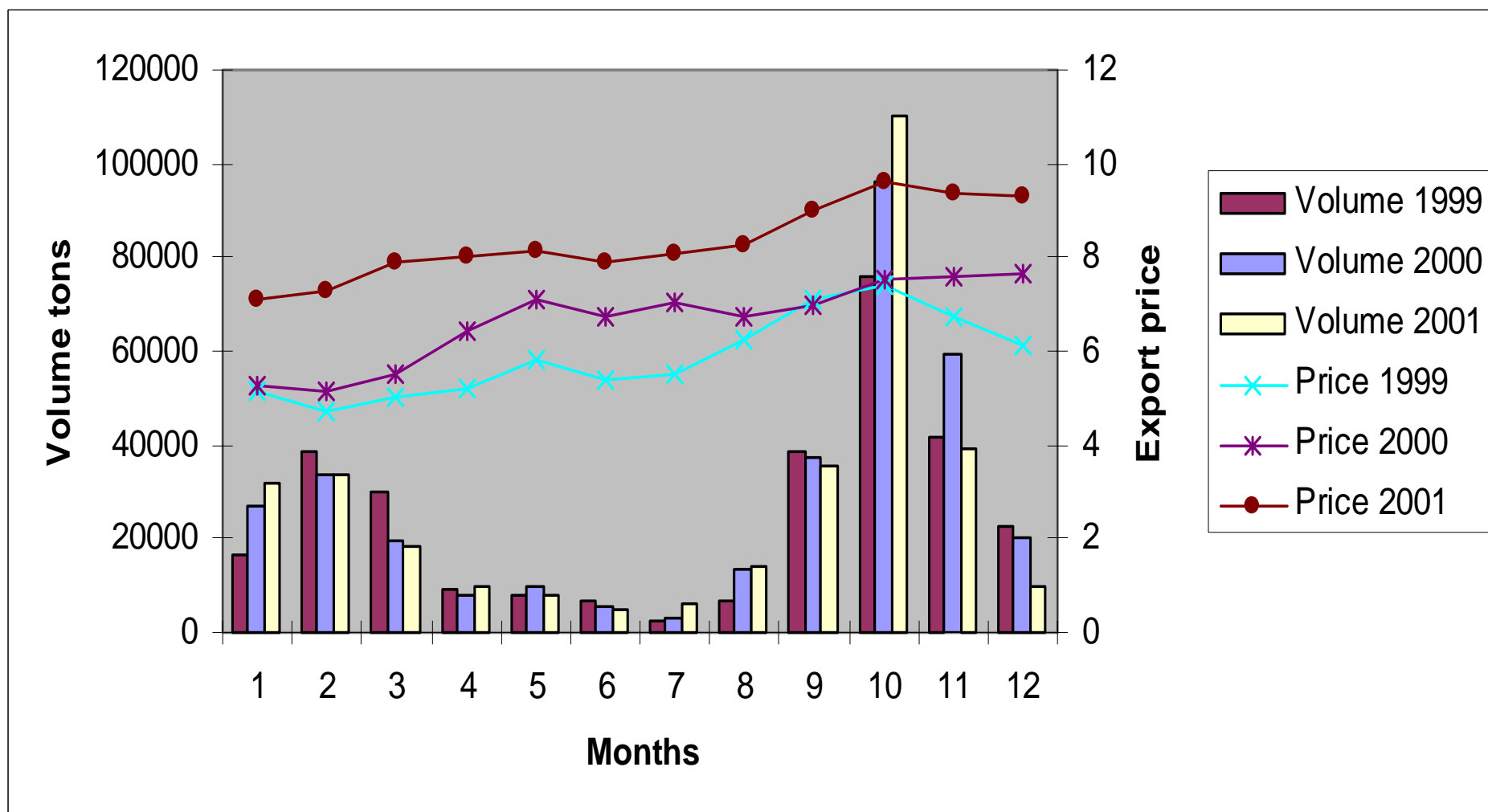
# ) Consumption Business Area

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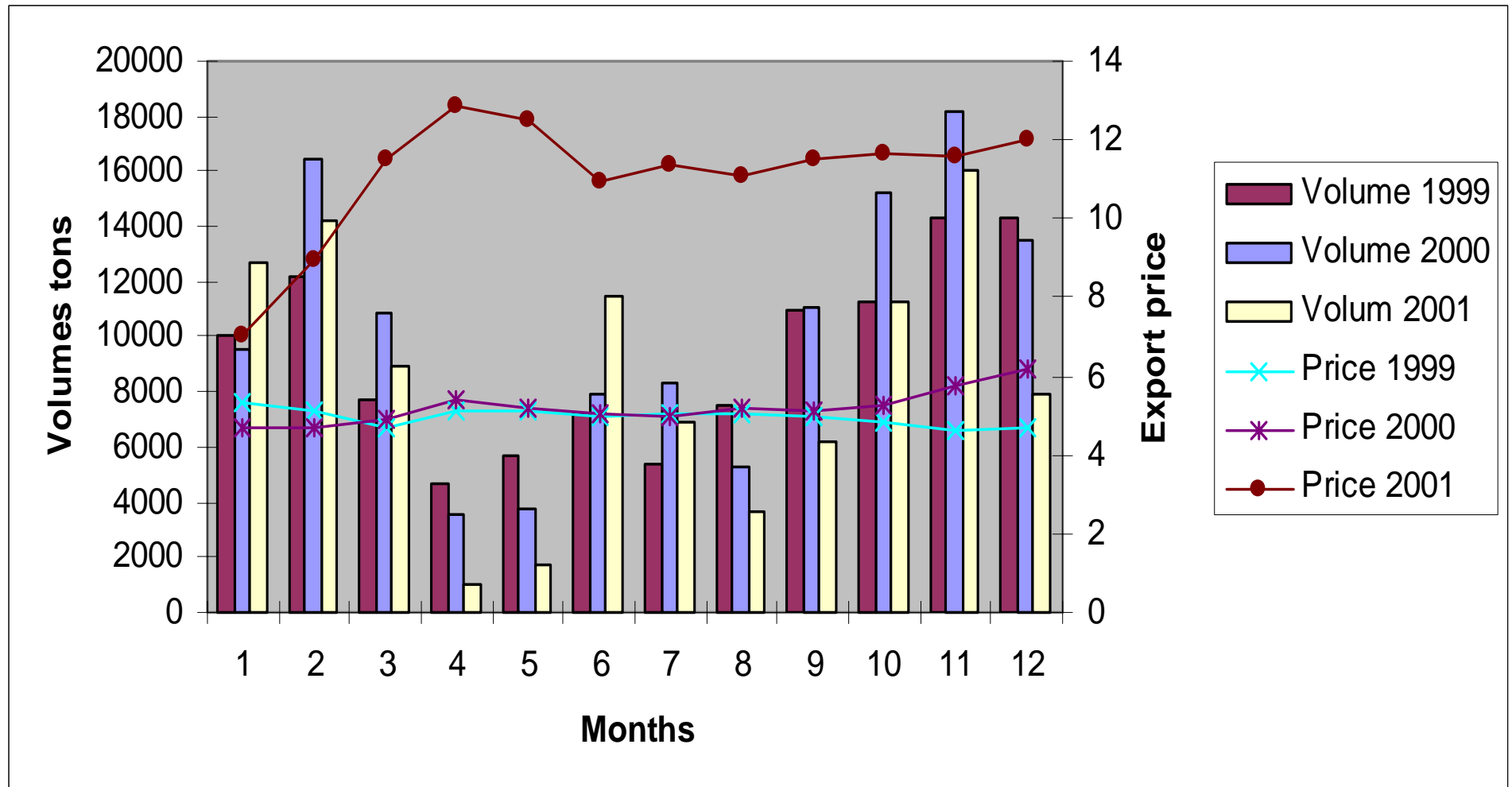


- 5 fully and 2 partly owned production plants
- Production plants located on the west coast of Norway
- 2 fully owned sales companies
- Leading producer and exporter of pelagic fish and fish products from Norway
- Raw material landings 200 000 t
- 20% of total Norwegian production and export

# ) Mackerel export – prices and quantities

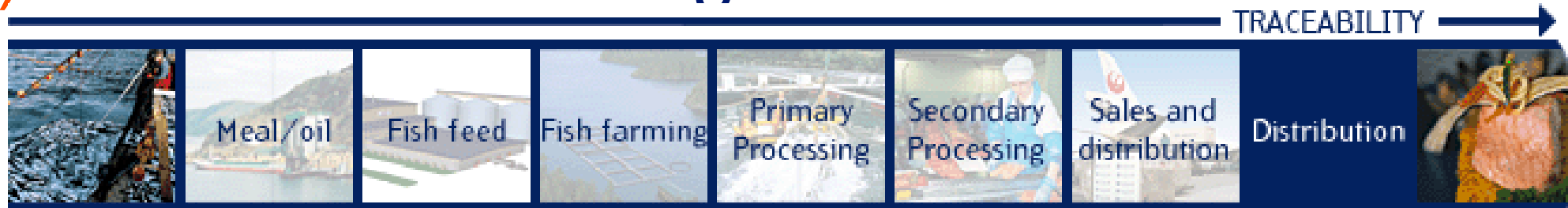


# ) Herring fillet export – prices and quantities





# ) Catch – Pan Pelagic ASA

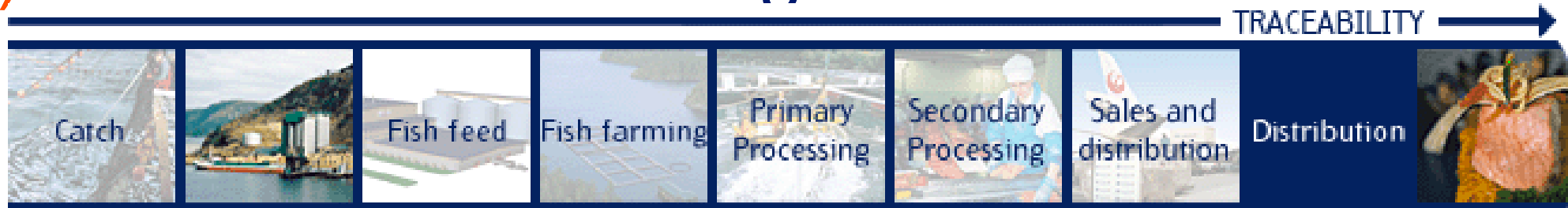


- Pan Pelagic has part-ownerships in 28 vessels with quotas for catch of pelagic species
- Positive development in quota prices
- Hedge against change in feed prices





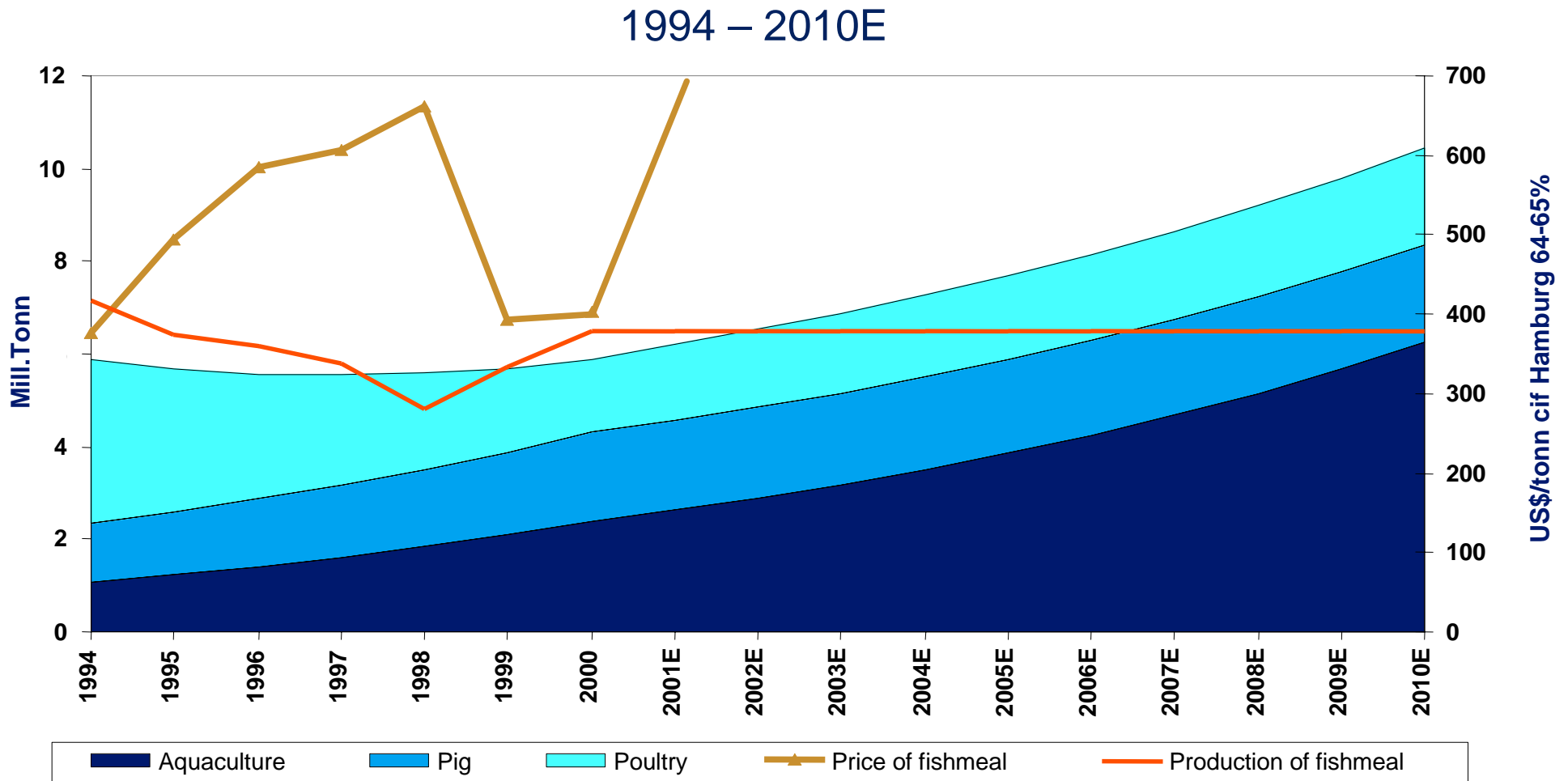
# ) Meal/oil – Pan Pelagic ASA



- Strong demand for fishmeal and oil
- Fish oil prices more than doubled last 12 months
- Fishmeal prices up more than 20% last 12 months
- Fishmeal & oil factories:
  - Måløy      2
  - Vadsø      1
  - Horsøy     1
- Yearly rawmaterial supply 410-460.000 tonnes



# ) Fishmeal – supply & demand



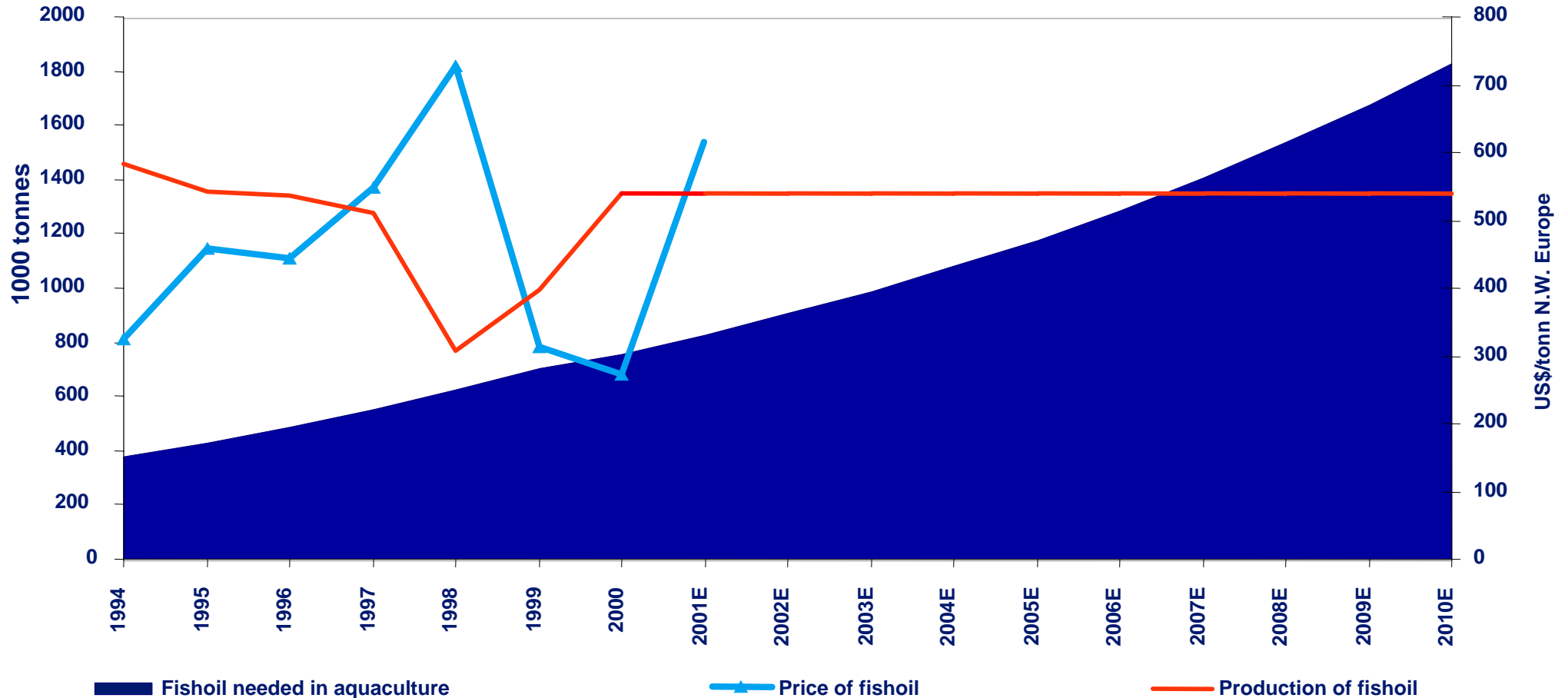
Price of fishmeal: Quoted c&f Hamburg, 64-65% protein.

Assumptions demand 2000-2010: Unchanged FCR and fishmeal content in the feed.

Sources: FAO, IFOMA, Oilworld, Kontali Analyse AS.

# ) Fish oil – supply & demand

1994 – 2010E



Price of fishoil; Quoted North-Western Europe, any origin

Assumptions demand 2000-2010: Unchanged FCR and fishoil content in the feed

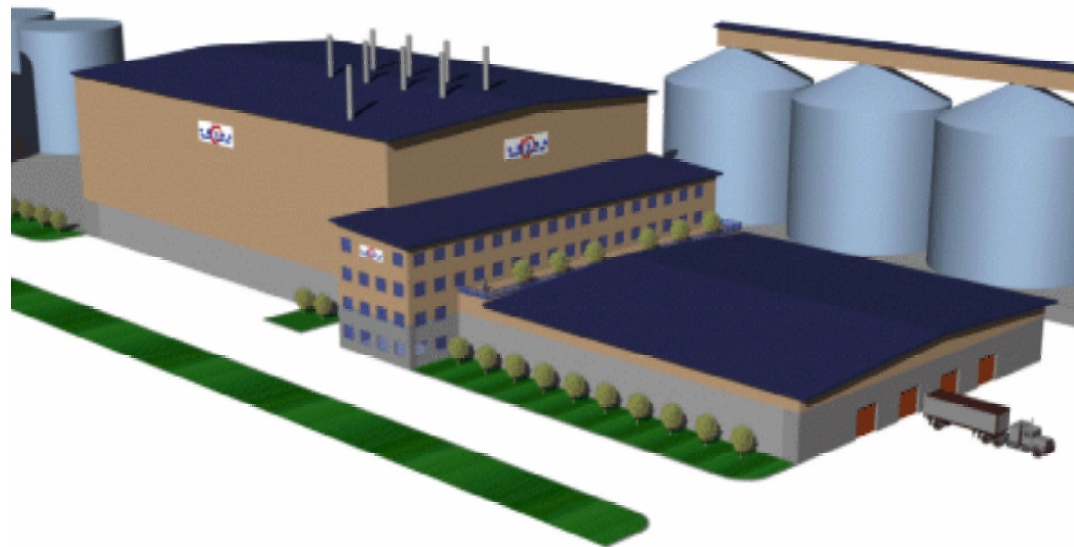
Sources: FAO, IFOMA, Oilworld, Kontali Analyse AS.



# ) Fish feed

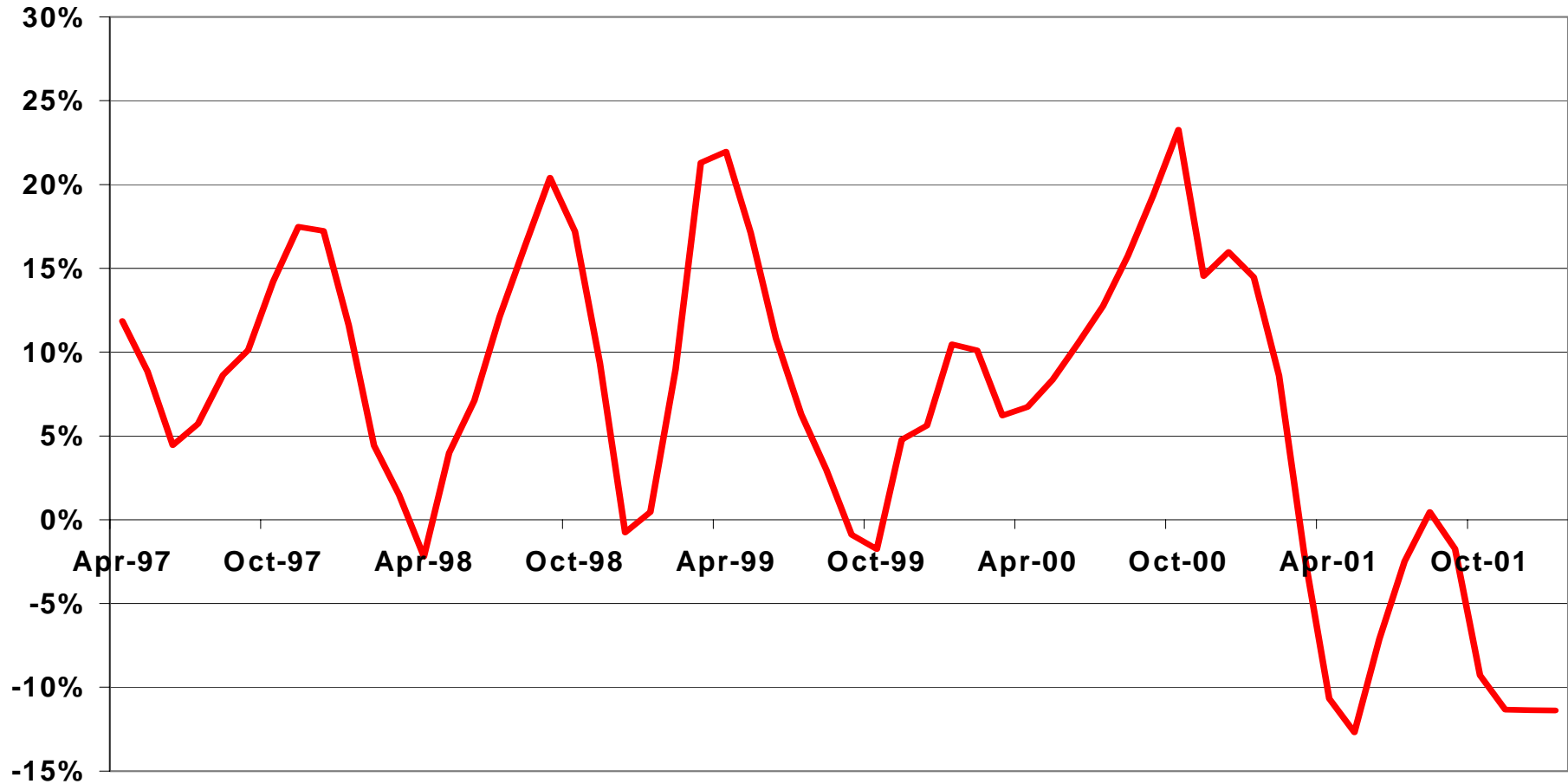


- Integration of fish feed production:
- Sea Grain AS (ownership 35%) will start feed production in august 2002
- Pan Pelagic will start feed production in 2003 in:
  - Vancouver
  - Måløy



# ) Feed consumption in Norway continues to be extremely low!

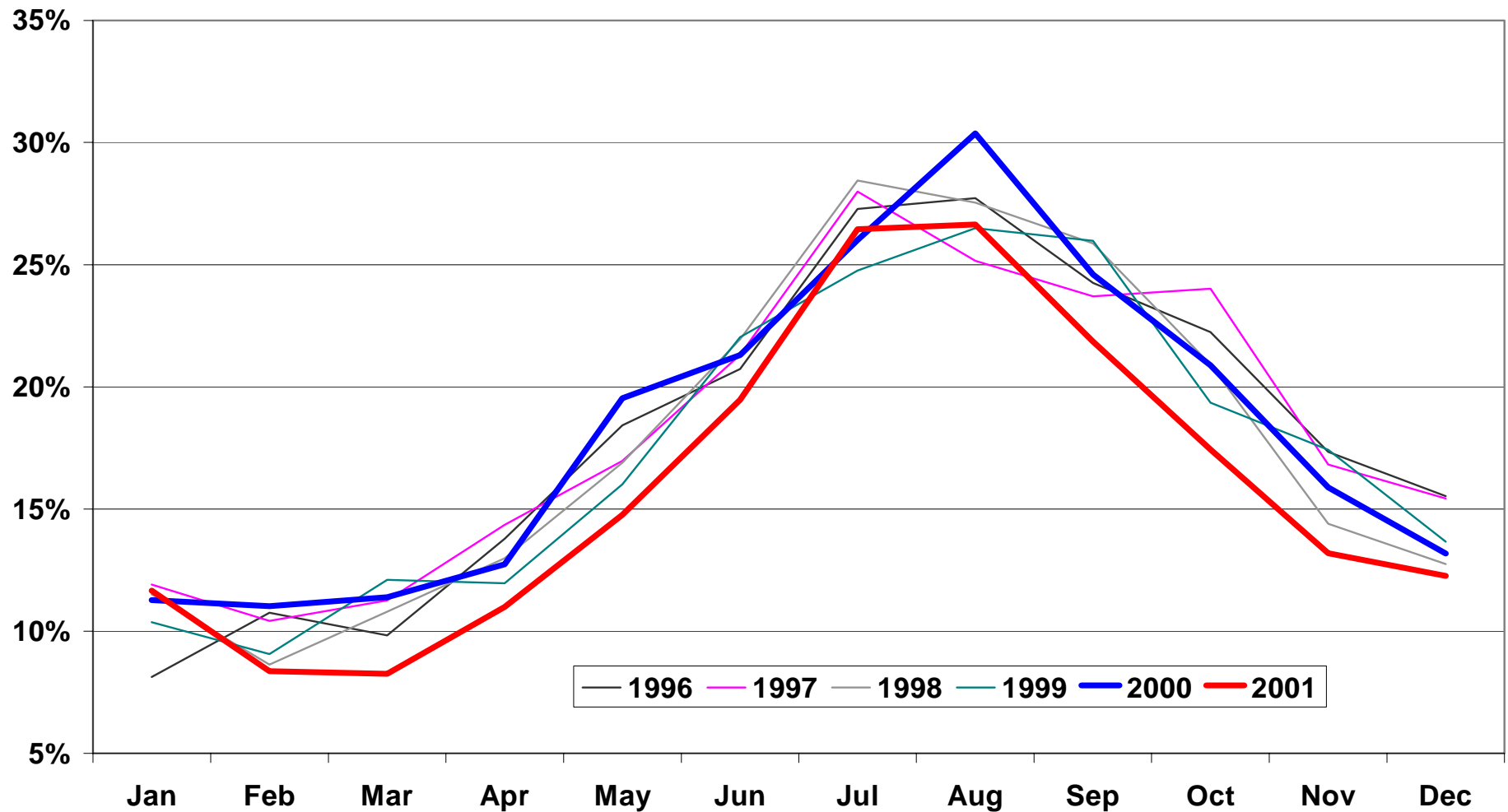
Growth in feed consumption (3m rolling average)



Source: FPF, First Securities

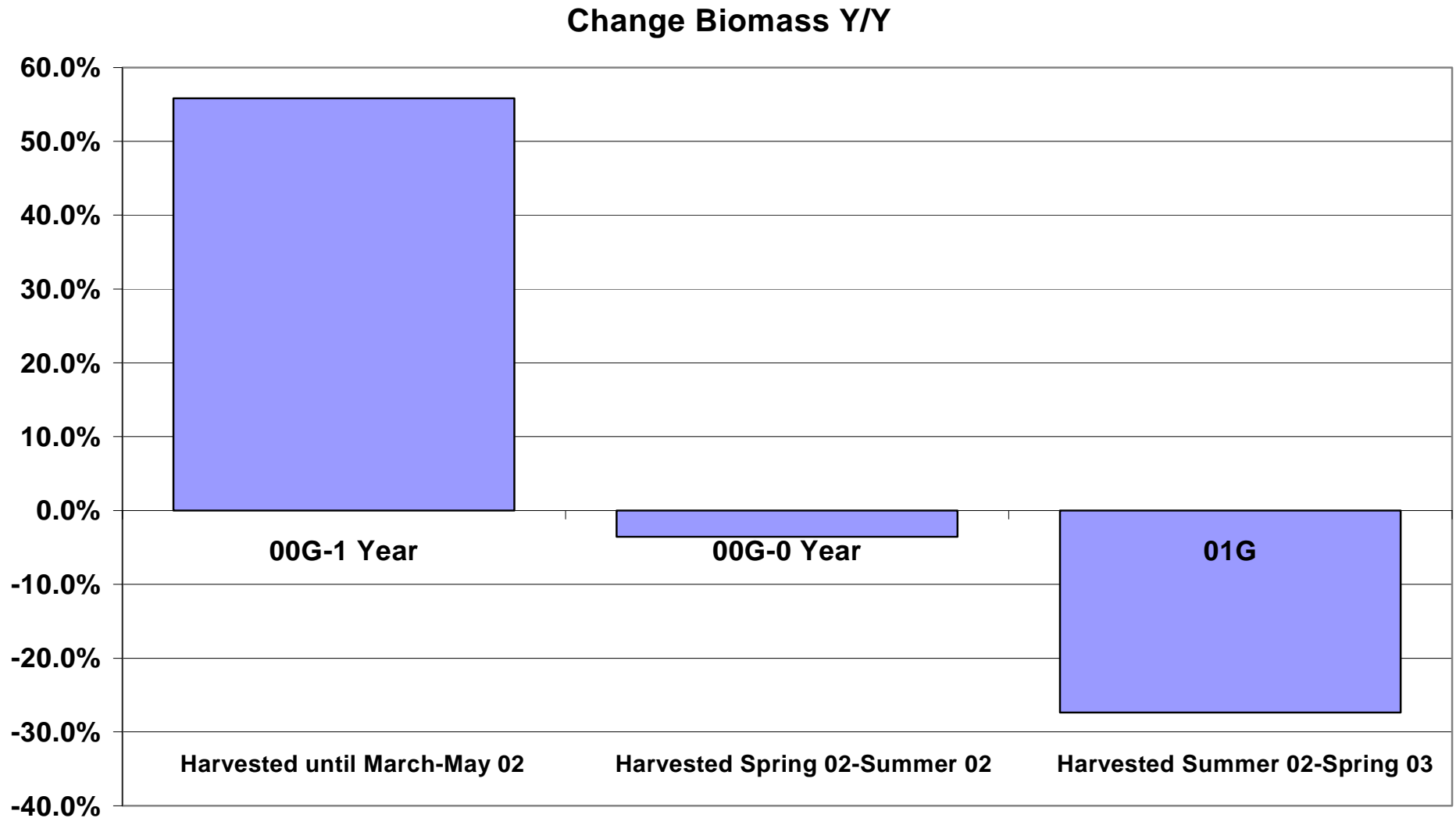
) Last year's feed/biomass ratio is the lowest within the last 6 years

Feed consumption/biomass



Source: FPF, Kontali, First Securities

# ) Supply - Generation and year differences

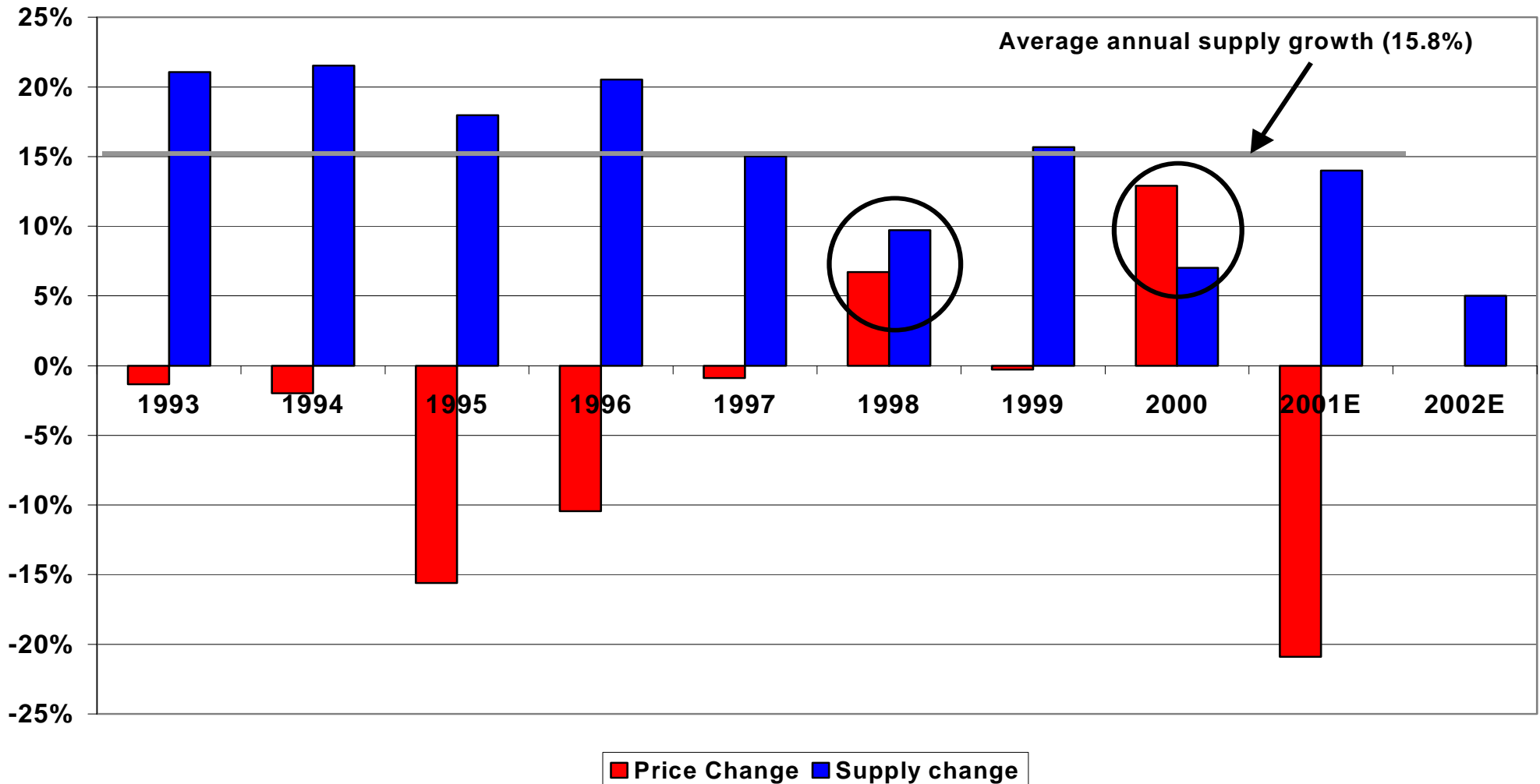


Source: Kontali, First Securities



# Sharp decline in supply growth this year implies increasing prices

### Supply growth vs. Price



Source: EFF, SSB, Kontali, First Securities

# ) Market - Supply summary

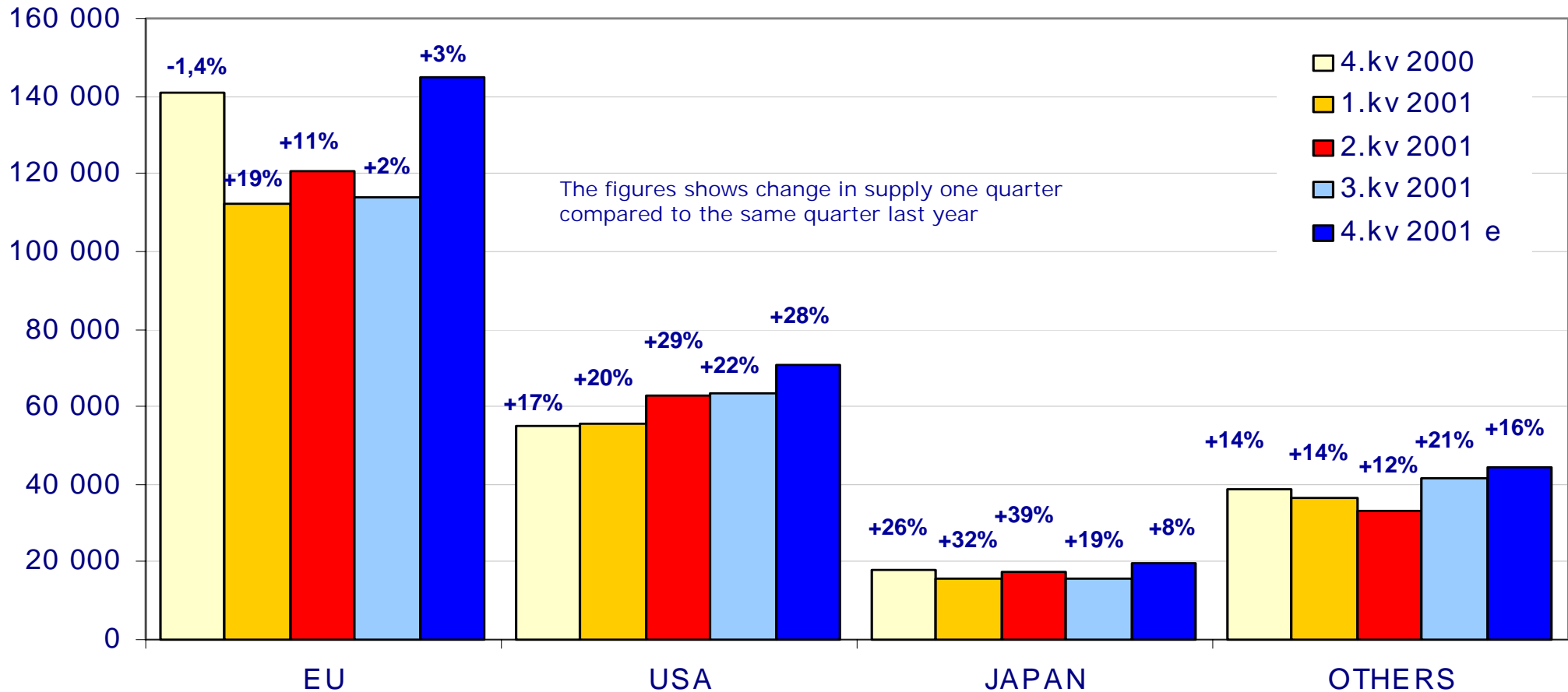
- We expect the supply-side to contract this year, moving towards a strongly improved market balance
- No growth, possibly reduction in production for the first time in more than 10 years

	1997	1998	1999	2000	2001E	Pan Fish 2002E
Norway	316	343	411	422	419	419
UK	100	111	126	123	155	140
Faroe Islands	21	19	36	30	50	50
Ireland	16	17	19	19	22	22
Iceland	3	3	4	4	5	5
<b>Total Europe</b>	<b>456</b>	<b>493</b>	<b>596</b>	<b>598</b>	<b>651</b>	<b>636</b>
Canada	48	56	67	70	84	84
USA	19	21	23	22	24	20
<b>Total North-America</b>	<b>67</b>	<b>77</b>	<b>90</b>	<b>92</b>	<b>108</b>	<b>104</b>
Chile	97	107	102	150	220	200
Others	8	9	10	11	12	13
<b>Total</b>	<b>628</b>	<b>686</b>	<b>798</b>	<b>851</b>	<b>991</b>	<b>953</b>
<b>Annual growth</b>	<b>15,0 %</b>	<b>9,2 %</b>	<b>16,3 %</b>	<b>6,6 %</b>	<b>16,5 %</b>	<b>-2,1 %</b>

Source: Kontali, Pan Fish

# Market development for the main Atlantic salmon markets

Figures in tonnes round weight

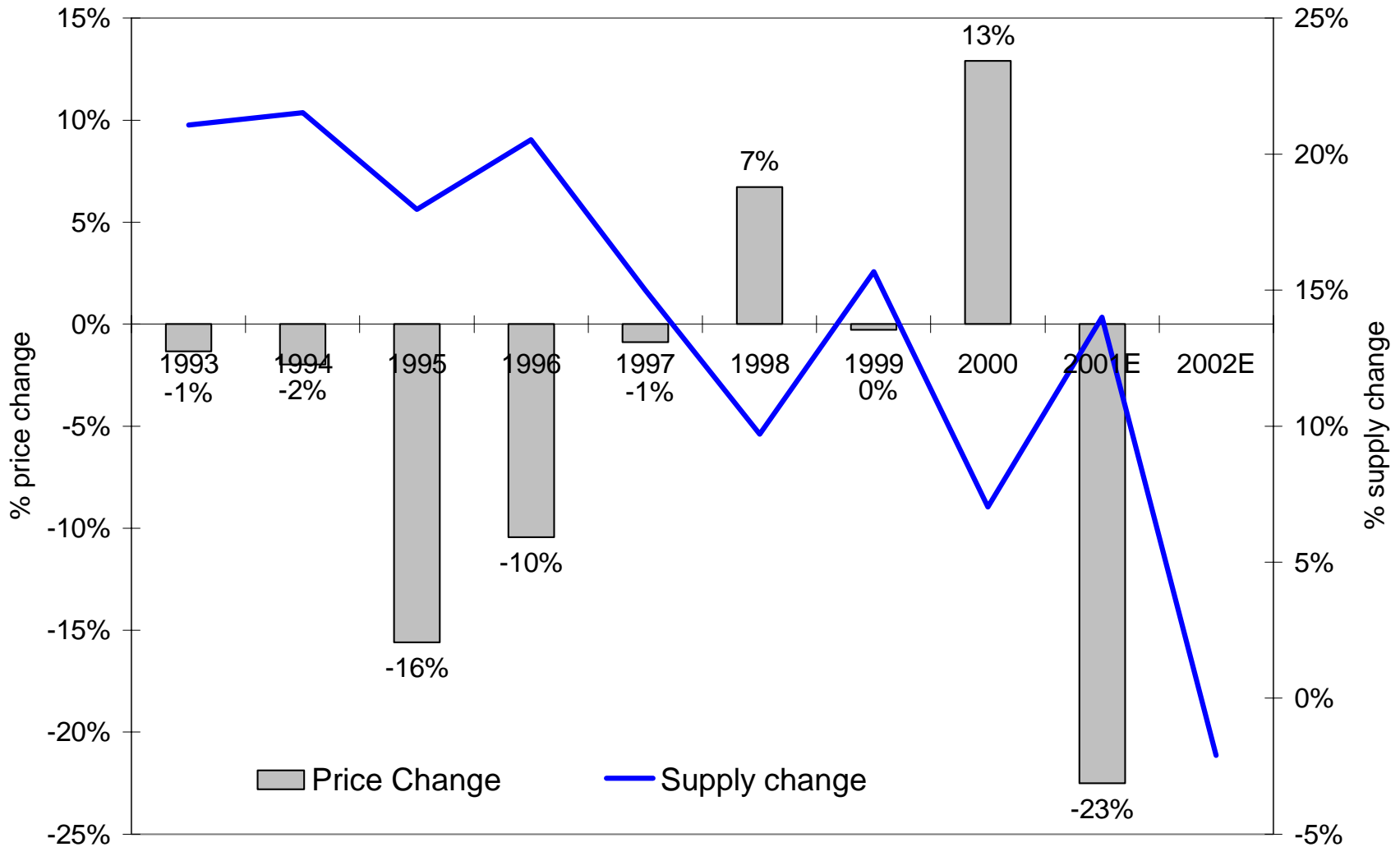


Increase in year 2001 compared to year 2000:

EU: +8 %, USA: +25 %, JAPAN: +23 %, OTHERS: +16 %

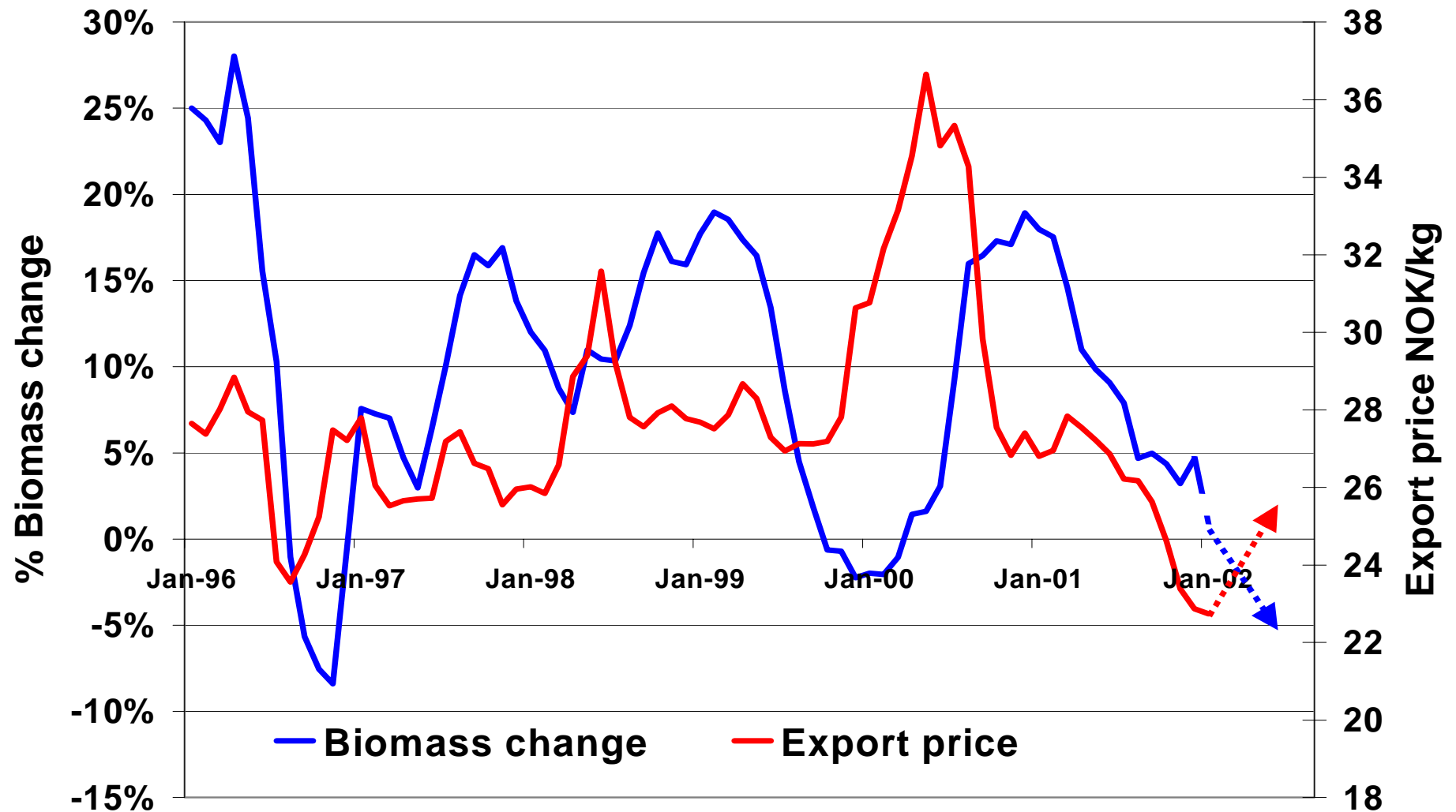
Source: Kontali Analyse AS, 13.11.2001

# ) Market - Strong relationship between supply growth and price change



Source: Kontali, First Securities

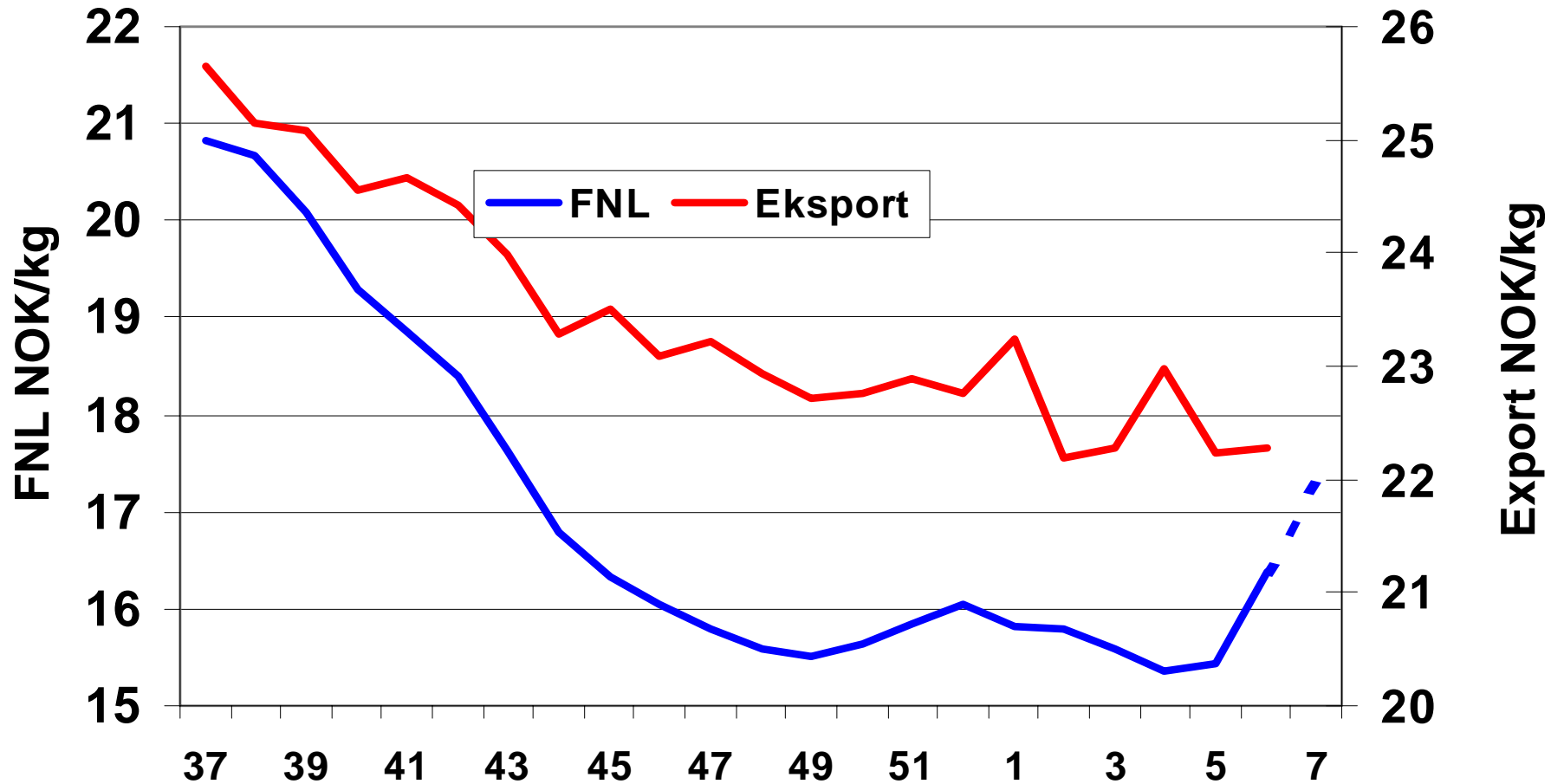
# ) We're close to the bottom of the cycle



Source: EFF, SSB, Kontali, First Securities

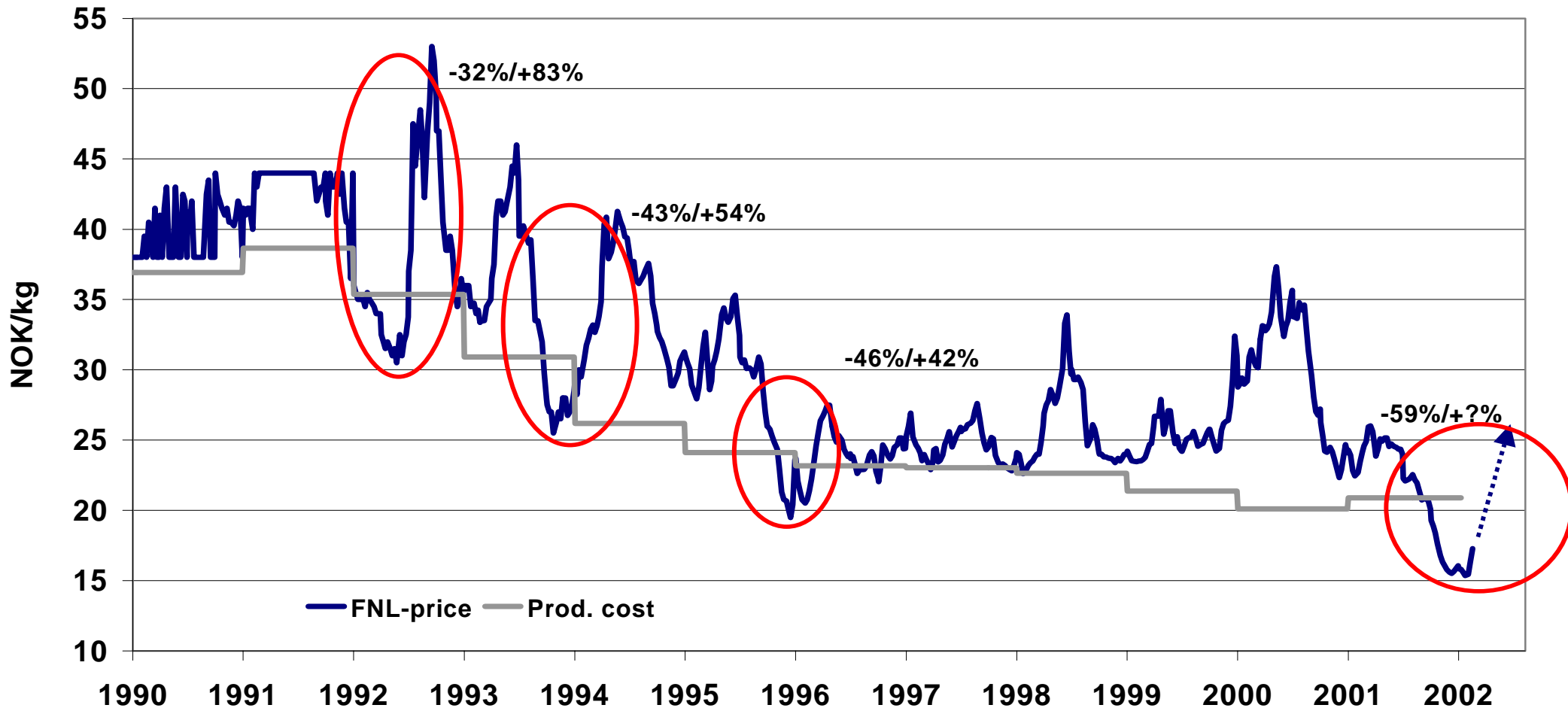
# ) Prices are picking up!

FNL and Export prices



# ) The rebound will be steep!

## FNL-price vs. production costs

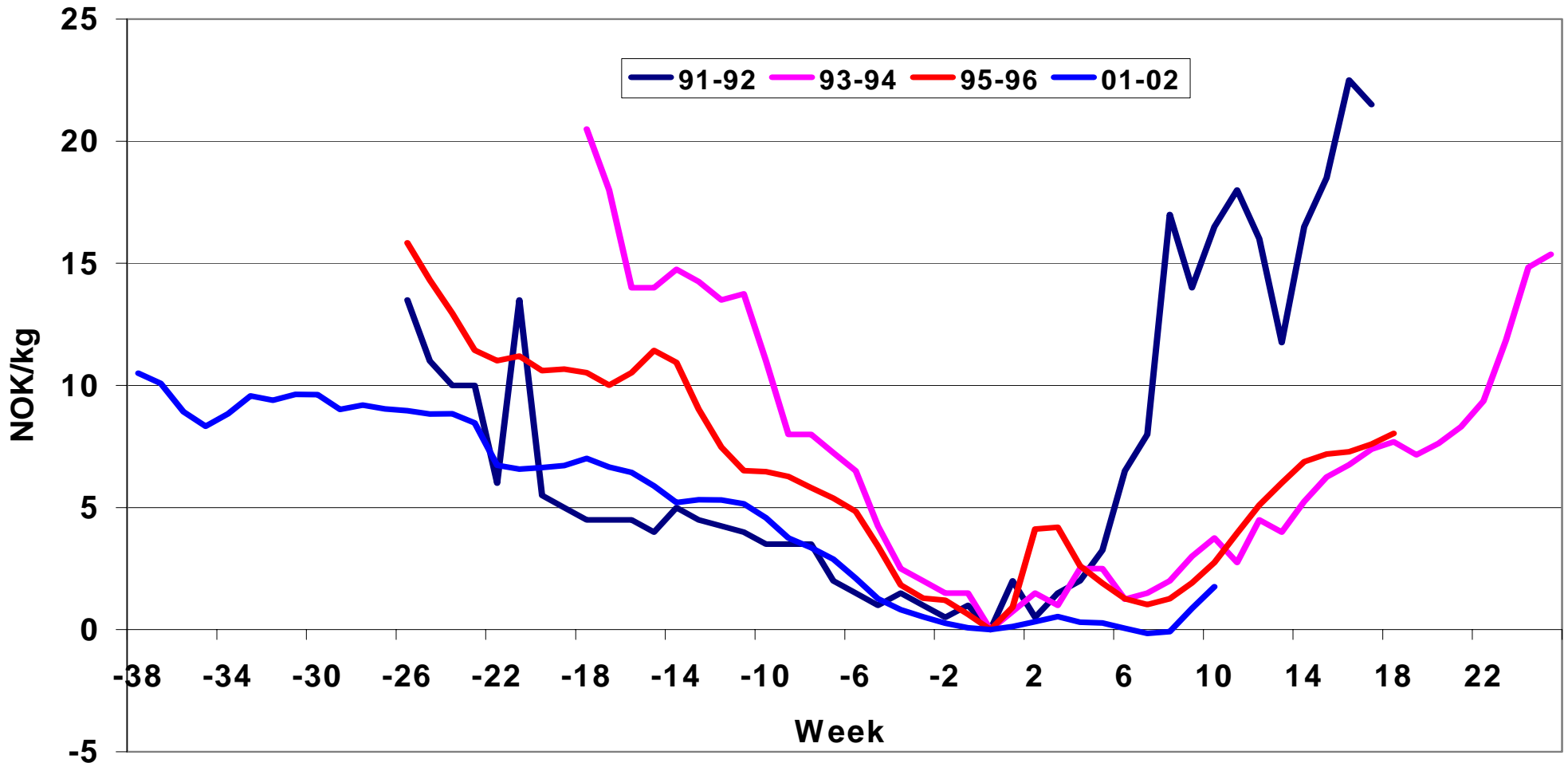


Source: FHL Havbruk, Kontali, First Securities



# ) Usually a steep increase from bottom...

Price development in periods with prices below cost



Source: FHL Havbruk, First Securities

# ) Pan Fish – Sales of Atlantic salmon

<b>Tonnes live weight</b>	<b>1999</b>	<b>2 000</b>	<b>2 001</b>	<b>2002E</b>
<b>Harvested volume</b>				
Norway/Faroe Islands	5 200	33 600	50 000	65 000
Scotland	9 000	10 600	12 200	12 000
North-America	12 000	20 000	27 800	40 000
<b>TOTAL</b>	<b>26 200</b>	<b>64 200</b>	<b>90 000</b>	<b>117 000</b>
<b>Traded volume</b>				
Norway	10 000	15 000	20 000	20 000
Britain incl. the Faroes	4 000	12 000	6 000	6 000
America (incl. Chile)	4 000	10 000	18 000	20 000
<b>TOTAL</b>	<b>18 000</b>	<b>37 000</b>	<b>44 000</b>	<b>46 000</b>
<b>Total volume</b>	<b>44 200</b>	<b>101 200</b>	<b>134 000</b>	<b>163 000</b>
<b>Market share</b>	<b>8 %</b>	<b>12 %</b>	<b>13 %</b>	<b>15 %</b>



PAN FISH ) Vertical integration  
towards consumers

# ) Processing & distribution

TRACEABILITY →



- Vertical integration towards consumer
- Focus on more efficient
  - primary processing
  - secondary processing
  - sales & distribution



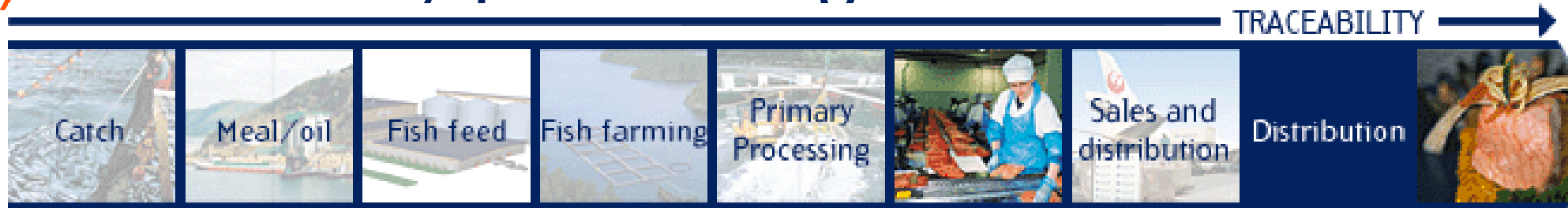
# ) Primary processing



- Integration of harvesting and filleting
- Efficient logistic solutions from each production region
- Sentralised primary processing in our production regions
  - Norway
  - The Fareos
  - Loch Fyne region, Scotland
  - West coast of Canada and the USA



# ) Secondary processing



Establish secondary processing and distribution in main markets;

- Vestlax – one of the worlds most profitable smokehouses
- Delfa
- Norsk Sjømat
- Seafood Farmers of Norway
- Pan Fish France
  
- Contracts
- Distribution centres





# ) Sales and distribution







*Pan Fish*

# PAN FISH ) Financial Performance

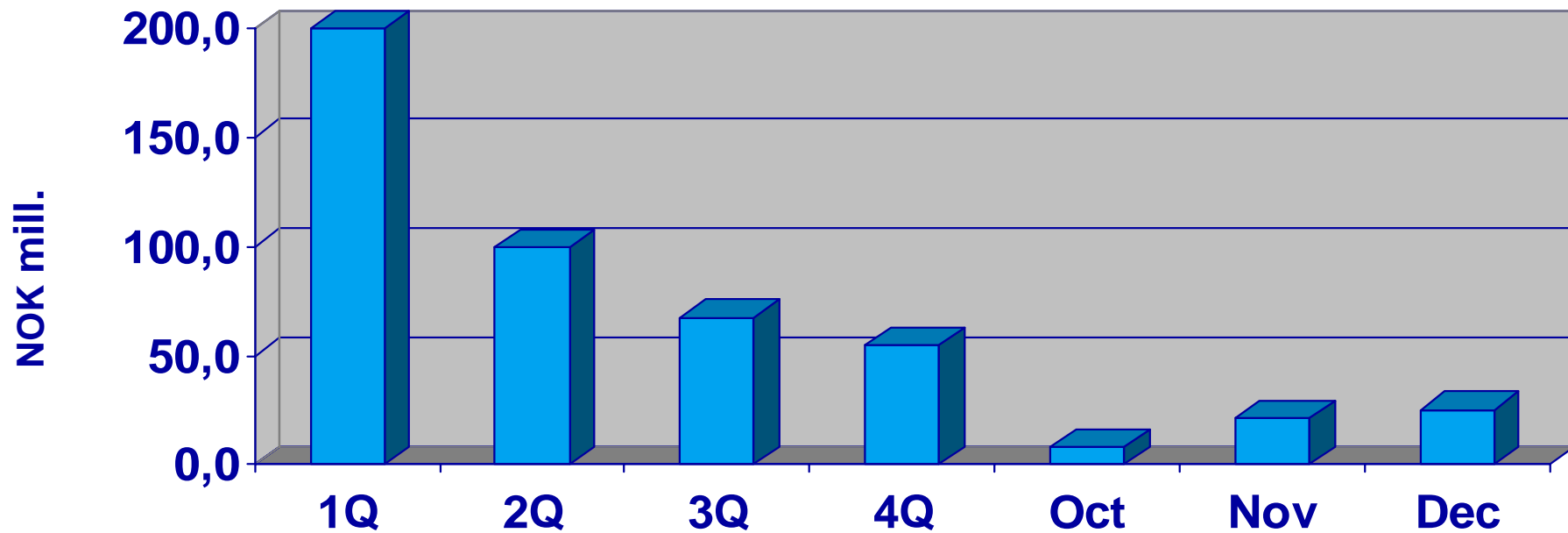
# ) Income statement

Mill. NOK

	4.Q 2001	4.Q 2000	31.12.2001	31.12.2000
Sales revenues	1 715,2	1 652,5	5 592,4	4 742,5
Other operating expenses	1 660,6	1 459,1	5 170,7	3 828,3
<b>EBITDA</b>	<b>54,6</b>	<b>193,4</b>	<b>421,7</b>	<b>914,2</b>
Write-offs	37,0	-	37,0	-
Depreciation	70,9	64,2	240,8	181,1
<b>Operating profit</b>	<b>-53,3</b>	<b>129,2</b>	<b>143,9</b>	<b>733,1</b>
Income from associates	16,6	0,8	32,7	8,6
Net financial items	-108,5	-70,3	185,2	1,6
<b>Total financial items</b>	<b>-91,9</b>	<b>-69,5</b>	<b>217,9</b>	<b>10,2</b>
Extraordinary items	-	-	-	-
<b>Profit before taxes</b>	<b>-145,2</b>	<b>59,7</b>	<b>361,8</b>	<b>743,3</b>



# ) EBITDA – Pan Fish Group



# ) Balance sheet

Mill. NOK	At 31.12.2001	At 31.12.2000
Licences	1 435,2	873,3
Goodwill	588,2	279,9
Buildings, machinery, etc.	2 273,3	1 764,5
Investm. in assoc./shares/receiv.	1 076,6	649,6
<b>Total fixed assets</b>	<b>5 373,3</b>	<b>3 567,3</b>
Inventories	1 877,8	1 525,4
Account receivables	1 028,8	870,3
Liquid assets	83,6	184,4
<b>Total current assets</b>	<b>2 990,2</b>	<b>2 580,1</b>
<b>Total assets</b>	<b>8 363,5</b>	<b>6 147,4</b>
<b>Total equity</b>	<b>1 012,2</b>	<b>728,7</b>
Minority interest	161,7	113,6
Convertible loan	0,3	16,0
Long-term liabilities	4 725,5	3 786,9
Current liabilities	2 463,8	1 502,2
<b>Total liabilities</b>	<b>7 189,6</b>	<b>5 305,1</b>
<b>Total equity and liabilities</b>	<b>8 363,5</b>	<b>6 147,4</b>
Net interest-bearing liabilities	5 649,0	3 835,0



# ) Fish Farming - Group

	4.Q 2001	4.Q 2000	At 31.12.2001	At 31.12.2000
<b>Tonnes, round weight</b>				
<b>Sales</b>	22 372	16 700	89 270	64 200
<b>NOKm:</b>				
<b>Sales revenues</b>	467,9	446,8	2 053,6	2 116,7
<b>Operating profit</b>	-105,6	74,0	-29,1	680,5
<b>Operating margin</b>	-22,6 %	16,6 %	-1,4 %	32,1 %
<b>NOK/kg round weight</b>				
<b>Sales price</b>	10,89	19,22	14,43	23,42
<b>Cost of production</b>	13,82	14,66	14,83	15,69
<b>Margin</b>	-2,93	4,56	-0,40	7,73



# ) Processing - Sales

Mill. NOK

	4.Q 2001	4.Q 2000	At 31.12.2001	At 31.12.2000
<b><i>Processing</i></b>				
Sales revenues	359,0	425,5	1 272,9	1 057,0
Operating profit	28,2	21,4	88,3	3,1
Operating margin	7,9 %	5,0 %	6,9 %	0,3 %
<b><i>Sales</i></b>				
Sales revenues	548,9	624,3	2 299,0	2 350,6
Operating profit	15,1	6,9	40,5	24,4
Operating margin	2,7 %	1,1 %	1,8 %	1,0 %



# ) Pan Pelagic ASA

Mill. NOK

	4.Q 2001	At 31.12.2001*
Sales revenues	639,5	1 344,7
Operating profit	14,1	72,4
Operating margin	2,2 %	5,4 %

\*I 2001 har Pan Pelagic vært konsolidert som datterselskap i periodene 1.01-31.03 og 01.08-31.12  
I perioden fra 01.04-31.08 var selskapet konsolidert som tilknyttet selskap og rapportert  
under finansposter

