

Initial public offering; Pan Pelagic ASA

One of the leading companies in the European pelagic fish industry

25 April 2001



Background for the listing and the share issue

- Position Pan Pelagic for future growth

} ***Overall objective***

- Use the Pan Pelagic share in settlements
- Flexibility in possible transactions
- Flexibility for the shareholders
- Attractiveness of the share in possible future share issues
- Attractiveness of the share in incentive schemes

} ***Listing***

- Strengthen balance sheet for future growth

} ***Share issue***

The transaction

- Number of shares issued: 51,470,590
- Subscription price per share: NOK 13.60
- Total proceeds: NOK 700,000,024
- Start of subscription period: 26 April 2001
- Last day of subscription: 11 May 2001
- Allotment: appr. 22 May 2001
- Preferential rights issued to owners of the shares on: 19 April 2001
- Each share in Pan Pelagic gives one subscription right
- Each subscription right gives the right to an allotment of: 2.25 shares
- Listing of the shares and the preferential rights: 26 April 2001

Agenda:

- ➔ 1. Overview of the pelagic industry
 - 2. Presentation of Pan Pelagic
 - 3. Financial information
- Appendix

Definitions and important pelagic fish species

Pelagic fish

- The pelagic fish species are a type of fish living close to the surface, and appears in a shoal (stim). They travel long distances and consume mainly plancton

Sild - Herring



Makrell - Mackerel



Hestmakrell - Jack Mackerel

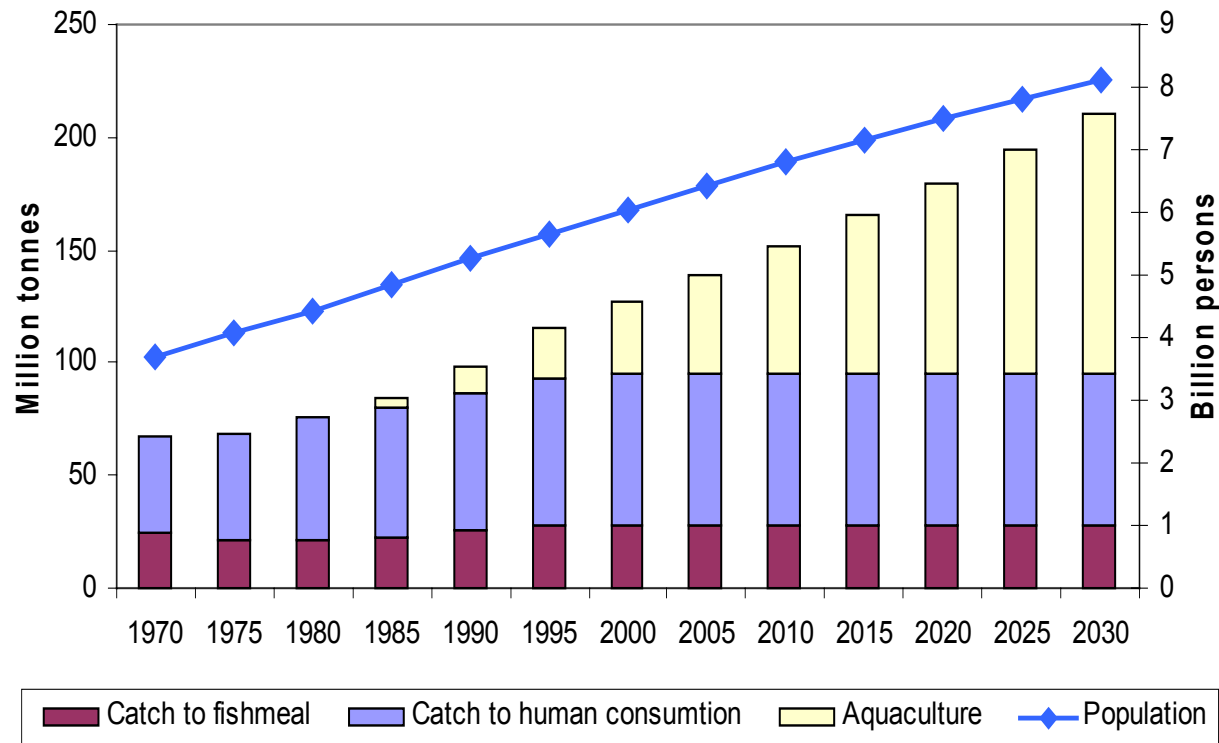


Lodde - Capelin



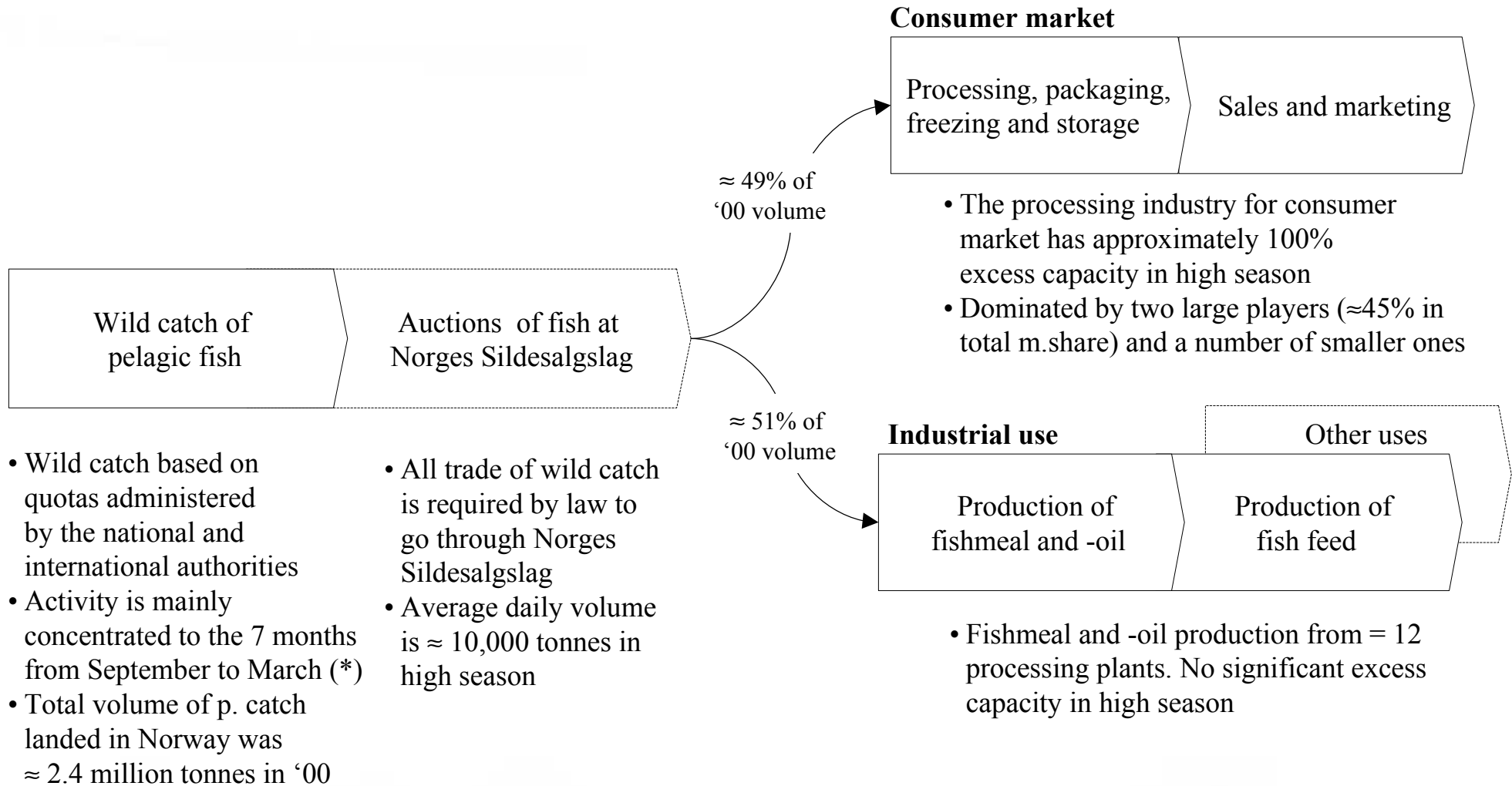
The continued strong growth in demand will represent an increasing pressure on the scarce wild fish resources in the future

- Future demand growth will be a function of increase in per capita consumption and growth in global population
- FAO estimates the global demand for fish for human consumption to almost double in 2030
- Compared to other types of fish - the pelagic fishes generally have a higher level of fat than other species



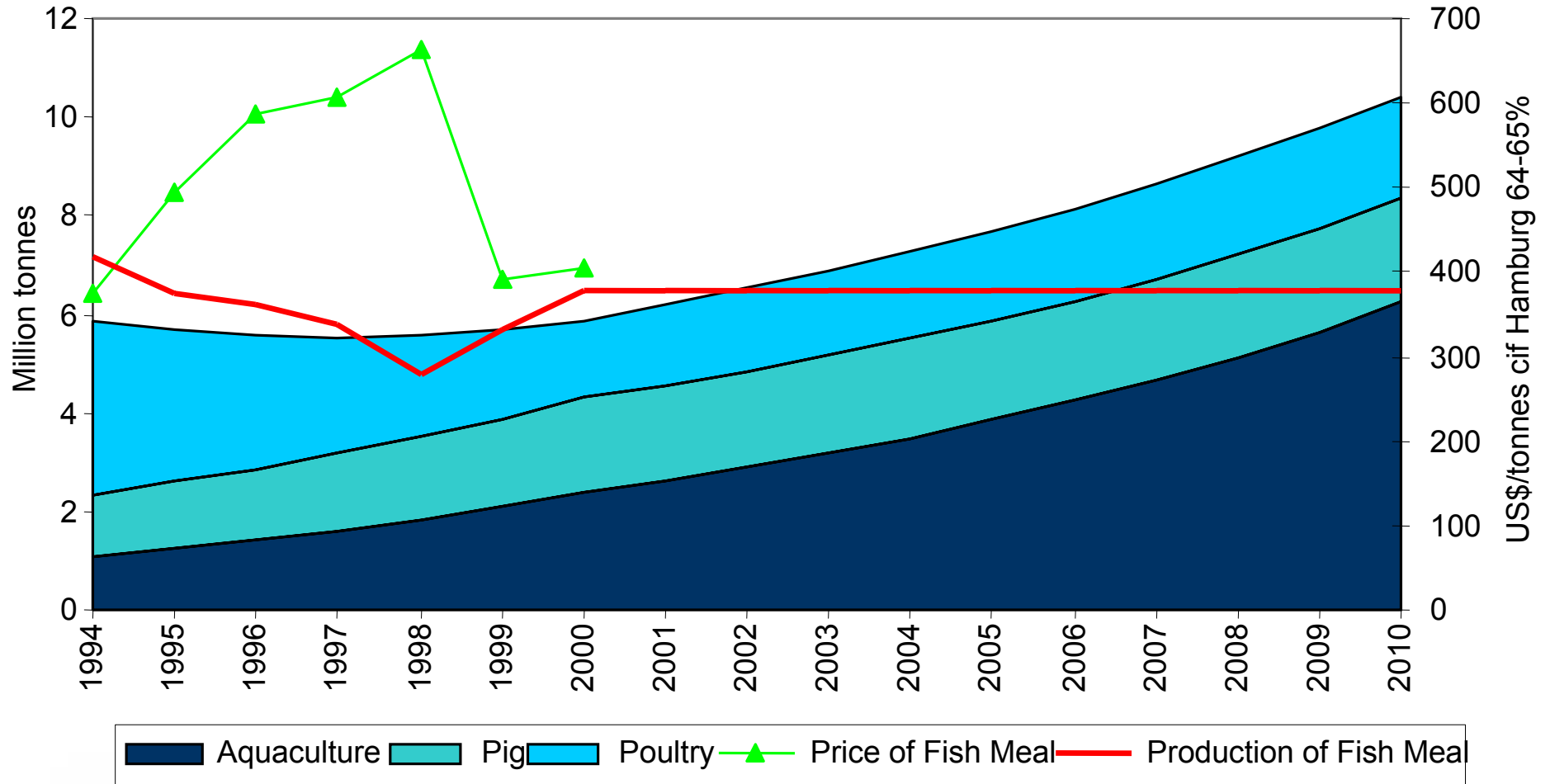
Source: FAO Agriculture "Towards 2015/30", Technical Interim Report, April 2000

Aggregated value chain for the pelagic industry



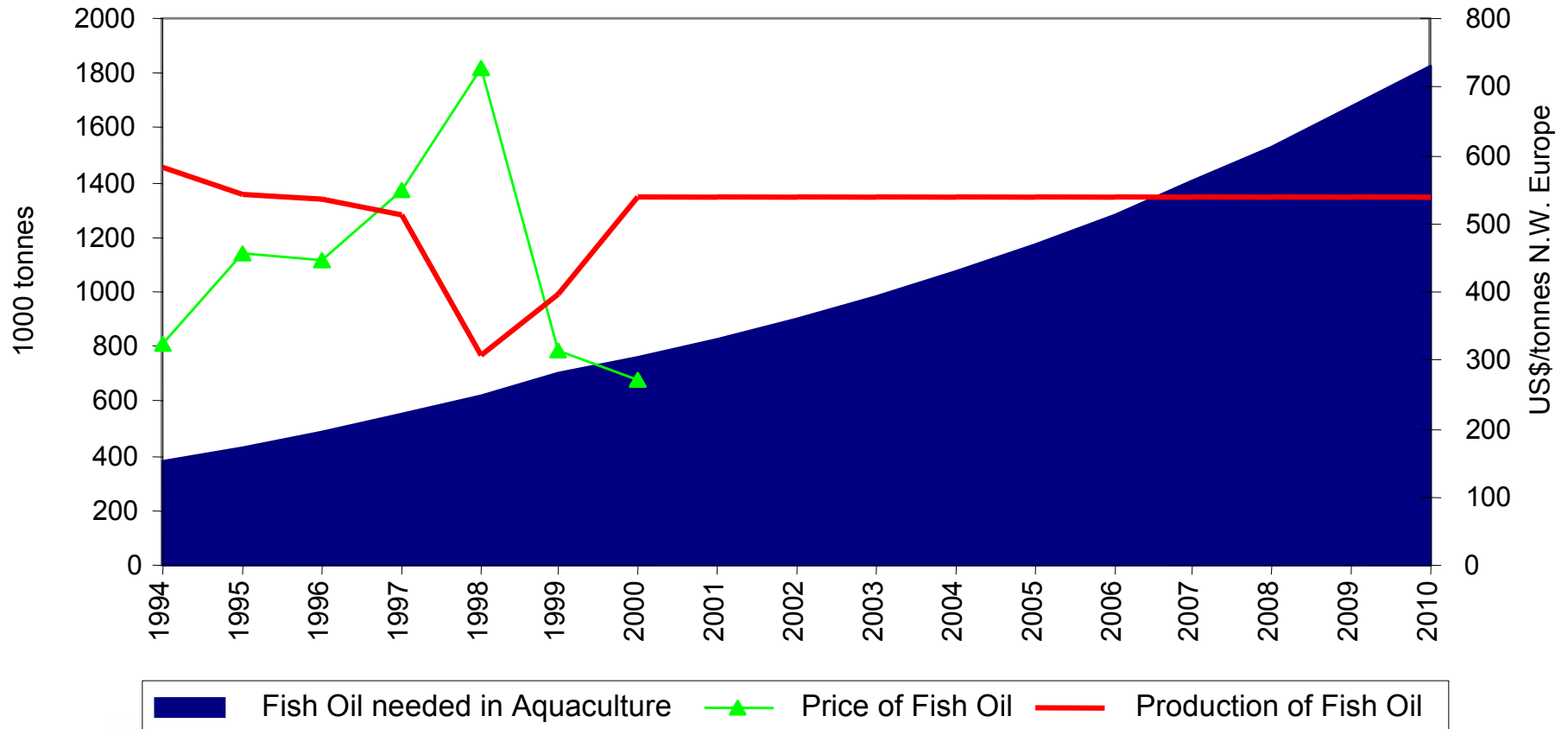
(*) The season for industrial use is through May

Fishmeal - supply and demand



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

Fish oil - supply and demand

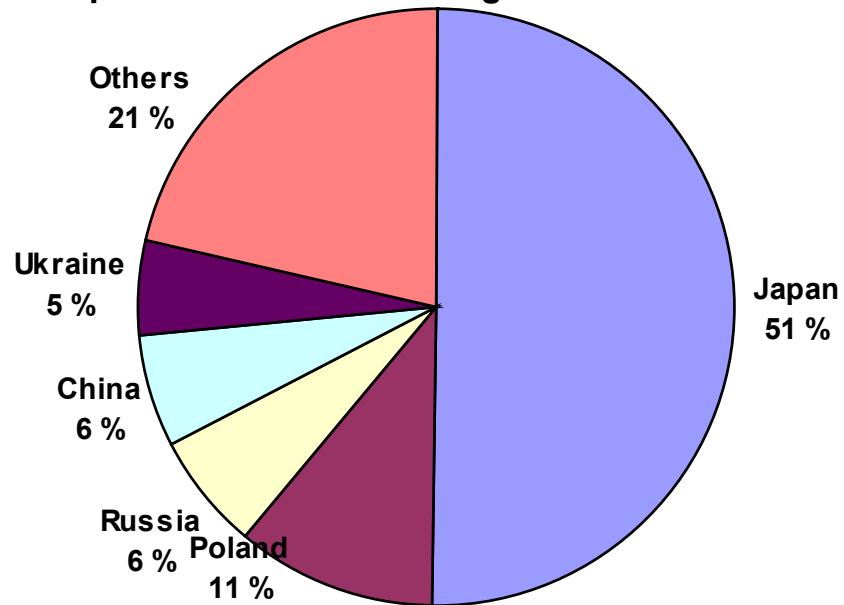


Source: FAO, IFOMA, Oilworld, Kontali Analyse AS

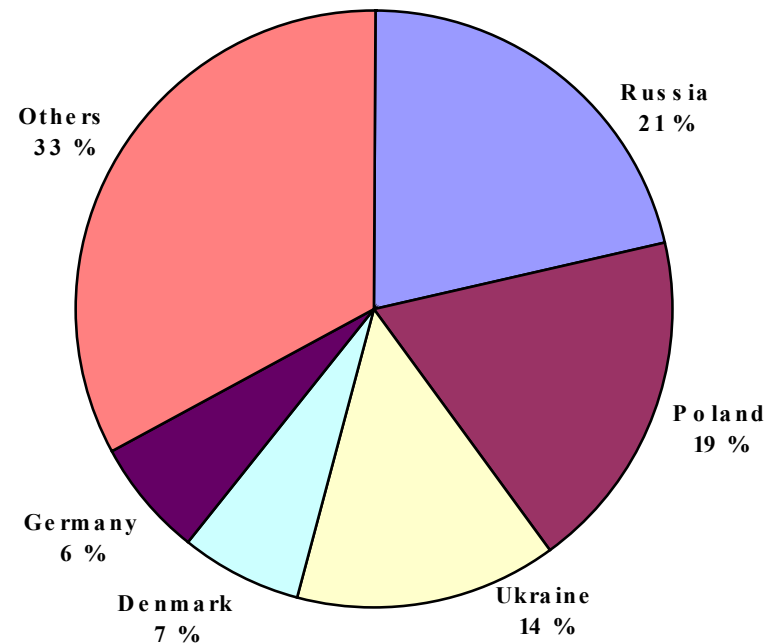
Pelagic consumption - few but big importers

- Atlantic Mackerel, Herring, Jack Mackerel and Capelin are the most attractive pelagic species used for consumption
- The main export markets for Norwegian catch is Russia, Japan, Ukraine and Poland
- The increased demand is mainly driven by Eastern European countries (incl. Russia)

Export markets for Norwegian Mackerel - 2000



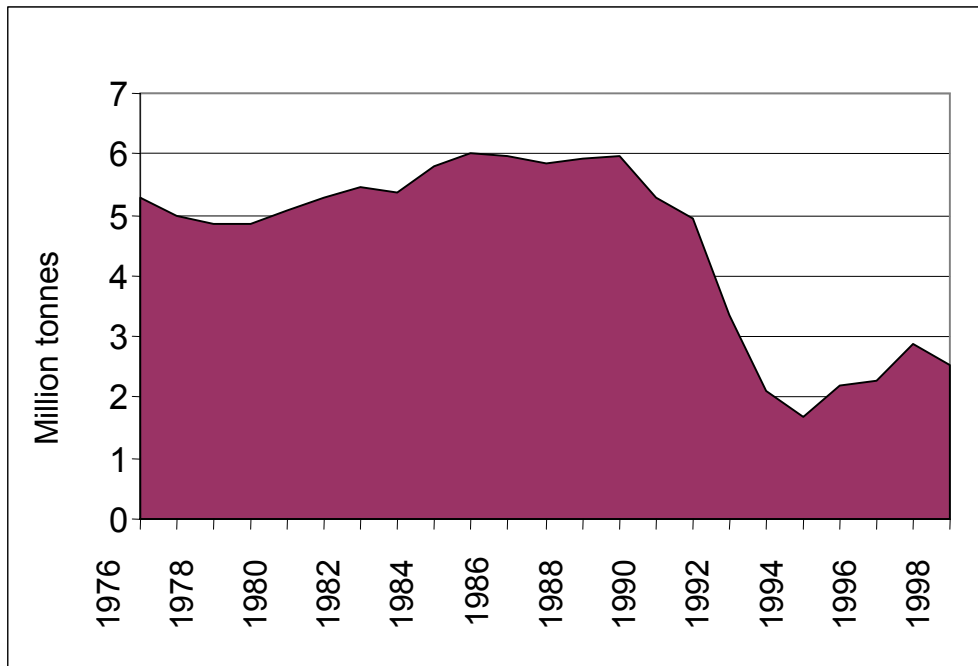
Export markets for Norwegian Herring - 2000



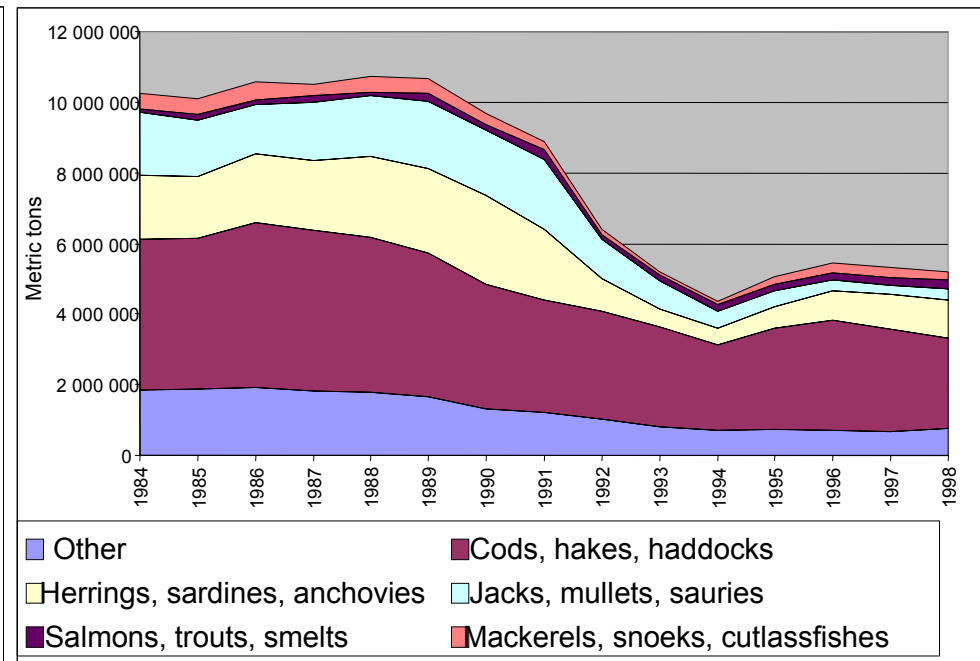
Japan stable, growth in USSR-area consumption

- The export of Mackerel to Japan grew 6% from 98 to 00, with a small decrease from 99 to 00
- The consumption potential is huge in the USSR-area (only 40% of the maximum consumption today)
- The total USSR-catch shows a negative development
- High oil prices and a potentially more stable situation with Putin as President makes Russia exiting also in the future

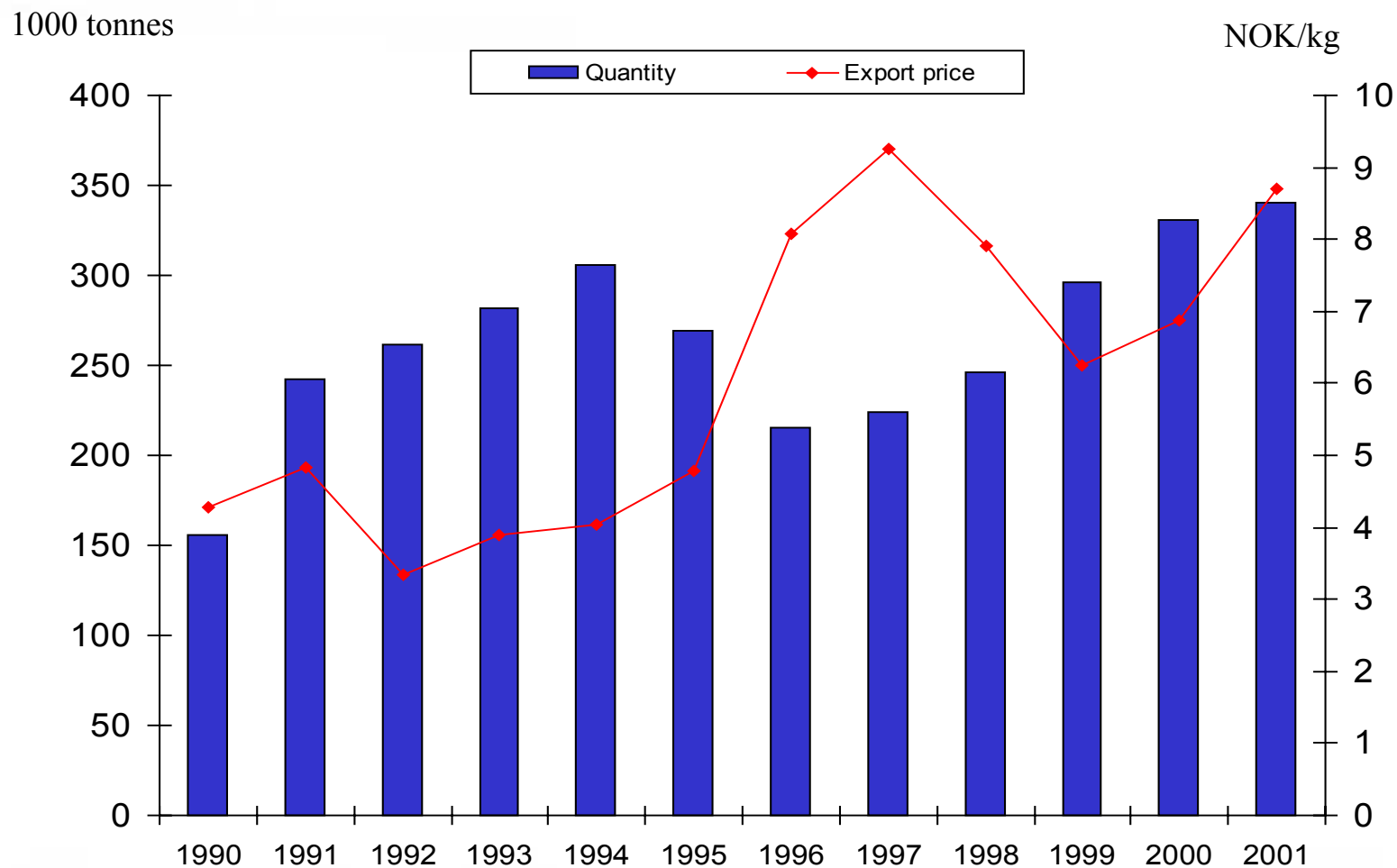
Consumption fish and seafood USSR-area 1976-1998



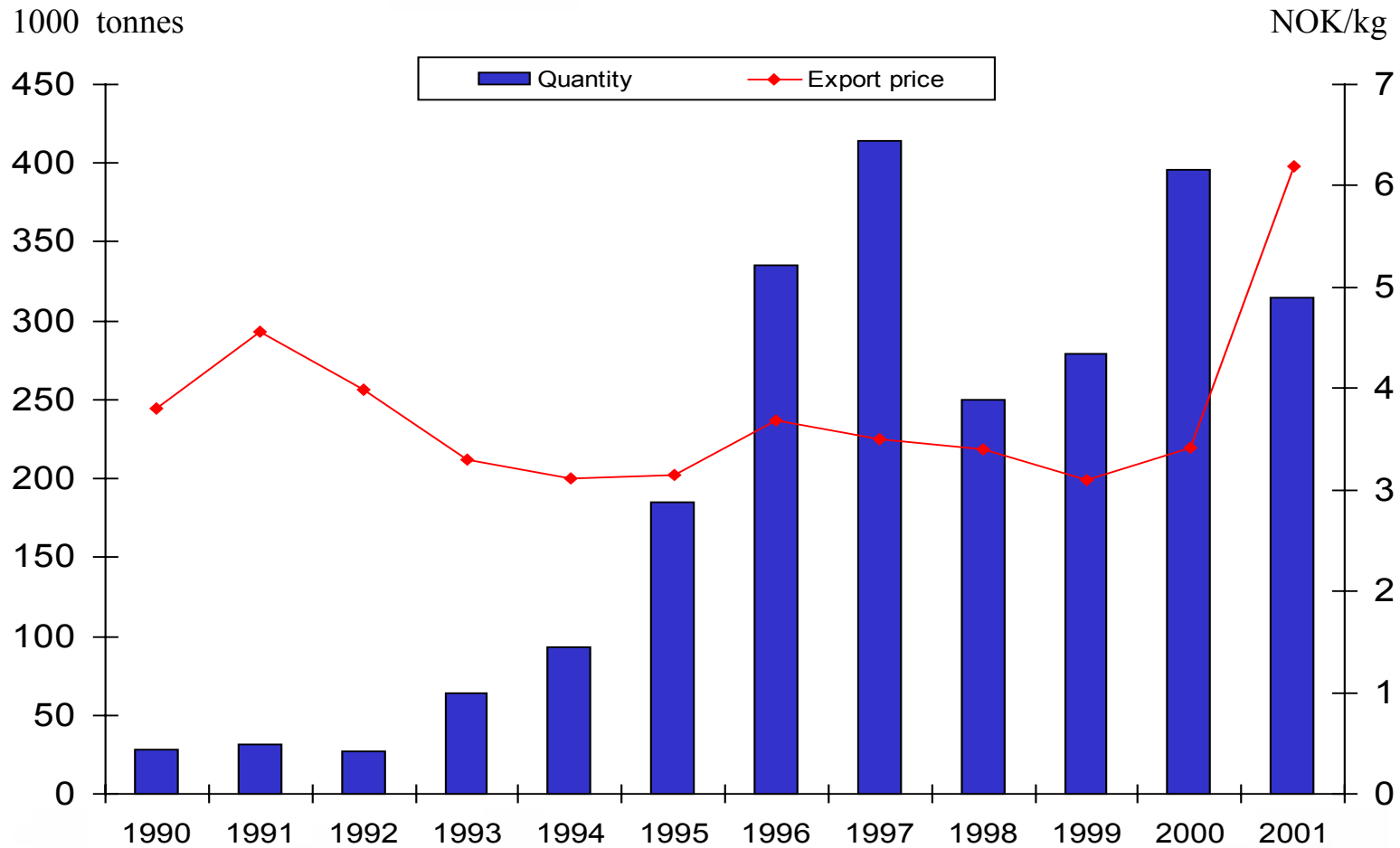
USSR catch 1984-1998



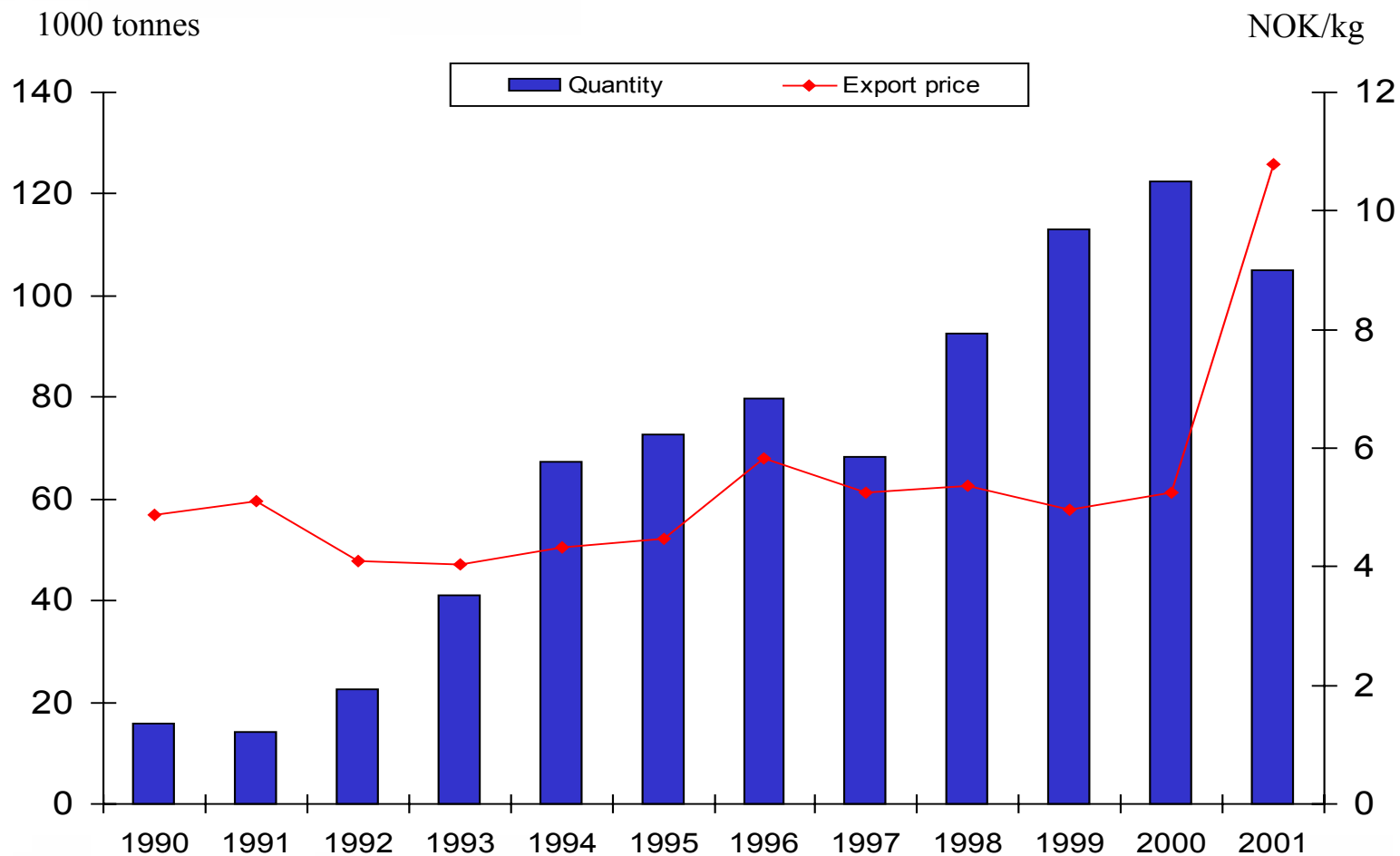
Mackerel – export price and quantity



Herring – export price and quantity



Herring fillet – export price and quantity



Capelin – export price and quantity

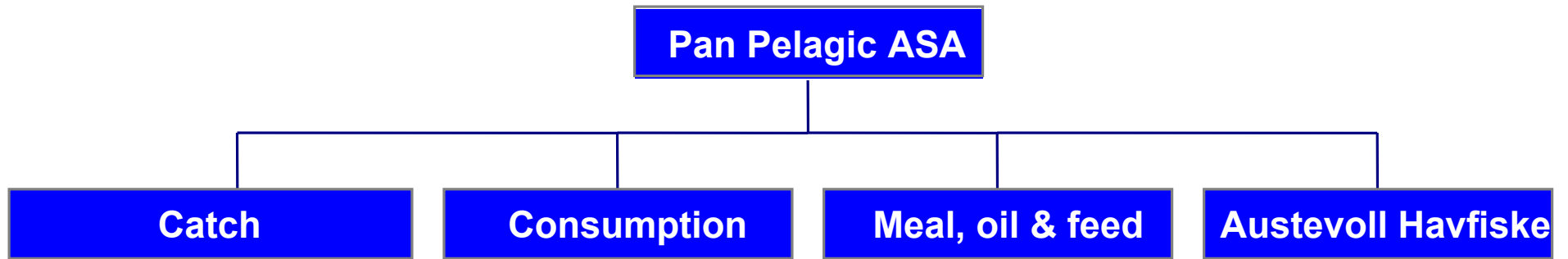


Summary of industry dynamics

- The world wide demand for fish for human consumption is expected to continue growing and reach a total level of 183 million tonnes in 2030 - well above the current level of 98 million tonnes
- Wild catch can not be expected to increase above current level of 85-95 million tonnes - an increasing proportion of fish stocks are exploited above their maximum sustainable level
- Future demand must be supplied from the fish farming industry - the industry is expected to grow from approximately 30 million tonnes to 115 million tonnes in 2030 (+283%)
- Fish farming industry is currently the fastest growing food industry
- The fish farming industry currently consumes a significant part of the available fishmeal and oil (36% and 51% respectively) and increasing rapidly (to 53% and 86% respectively in 2010)
 - *Example: Demand for fish-oil in 2030 with the current %-mix of -oil will be \approx 3.7 million tonnes - more than twice the current max production of 1,400 million tonnes*
- There is increasing concern that the demand for scarce resources of fishmeal and -oil for production of fish feed will increase production cost and reduce industry growth
- Increased demand for pelagic fish for consumption has lead to a significant price increase for Herring and Mackerel

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The Pan Pelagic fishing fleet currently consists of 12 vessels**Table; The Pan Pelagic vessel fleet**

Vessel	Ownership	Type	Built (rebuilt)	Load capacity	Norwegian license*
M/S Havbas	49%	Purse seiner	1948 (90)	745 m3	511 tonnes
M/S Østerbris	49%	Purse seiner/trawler	1999	1,600 m3	450 tonnes
M/S Sørfold	49%	Purse seiner	1950 (85)	850 m3	410 tonnes
M/S Karmøyfisk	49%	Purse seiner	2000	150 m3	210 tonnes
M/S Vesterveg	49%	Purse seiner	1950 (92)	950 m3	434 tonnes
M/S Senior	49%	Purse seiner	2000	1,075 m3	622 tonnes
M/S Kvannøy	49 %	Purse seiner	1967 (90)	820 m3	621 tonnes
M/S Magnarson	49%	Purse seiner/trawler	1971 (95)	1,220 m3	500 tonnes
M/S Barsund	49%	Purse seiner/trawler	1979 (93)	160 m3	N/A
M/S Robin Hood	49%	Purse seiner	1966	110 m3	210 tonnes
M/S Krønán	51% of 33%	Purse seiner/trawler	1948 (95)	1,100 m3	Rus sian quota
M/S Ordinát	70,6%	Purse sei ner/trawler	1978 (86)	2,550 m3	Russian quota

- Norwegian regulations state that 50% or more of the shares in the vessels has to be held by persons actively involved in fishing and that no-one can have ownership totalling more than 5% of the entire Norwegian fleet
- All catches have to be auctioned through Norges Sildesalgslag where Pan Pelagic bid on ordinary basis
- Ten vessels are engaged in fishing on Norwegian quotas while two on Russian quotas

- Pan Pelagic produces fishmeal and -oil from three plants, two in Måløy and one in Vadsø
- The Deknepollen plant was the largest in Norway in '99 with production based on 165,000 tonnes of fish and gutting
- The Måløy plants are based on modern technology and ideally geographically located close to rich fishing areas along the Norwegian coast

Table; Production plants - key statistics (tonnes)

Plant	Fishoil (tonnes)			Fishmeal, LT (tonnes)			Fishmeal, NSM & SM (tonnes)		
	1 998	1 999	2 000	1 998	1 999	2 000	1 998	1 999	2 000
Måløy	13 789	11 722	15 374	34 959	29 834	32 243	7 729	14 550	12 571
Vadsø	N/A	N/A	5 513	N/A	N/A	N/A	N/A	N/A	12 553
Total	13 789	11 722	20 887	34 959	29 834	32 243	7 729	14 550	25 124

*Note that the Ulvesund plant was not in use from May '99 to March '00 due to reconstruction and the Vadsø plant was out of production until 01/2000
Fishmeal is graded in three quality classifications LT, NSM and SM where LT has the best quality*

The processing plants represent appr. 28% of the Norwegian production

- Pan Pelagic processes fish from the best fishing areas in the world, and the products have superior international quality (good fat level and high quality)
- The key operations in the production plants are: landing, grading of fish according to size, processing of fillets or round fish, packaging and freezing

Table; Production plants - key statistics

Plant	Man years in '00	Turnover in '00	Total volume in '00	Freezing capacity	Production capacity	Storage capacity m3
Global Herøy AS	55	201 000	47 500	400 t/day	50 t/hour	11 000
Global Florø AS	65	230 000	60 800	420 t/day	55 t/hour	27 000
Global Liavaag AS	64	200 000	53 600	500 t/day	70 t/hour	18 000
Global Ålesund	77	182 000	26 200	400 t/day	50 t/hour	20 000
Vikomar AS	35	112 000	16 300	400 t/day	45 t/hour	16 000
Måløy Seafood AS	20	86 000	19 500	250 t/day	30 t/hour	5 850
Sir Fish AS	28	103 000	20 200	200 t/day	30 t/hour	1 800
Fonn Egersund AS	62	186 000	18 800	350 t/day	35 t/hour	8 100
Total	406	1 300 000	262 900			

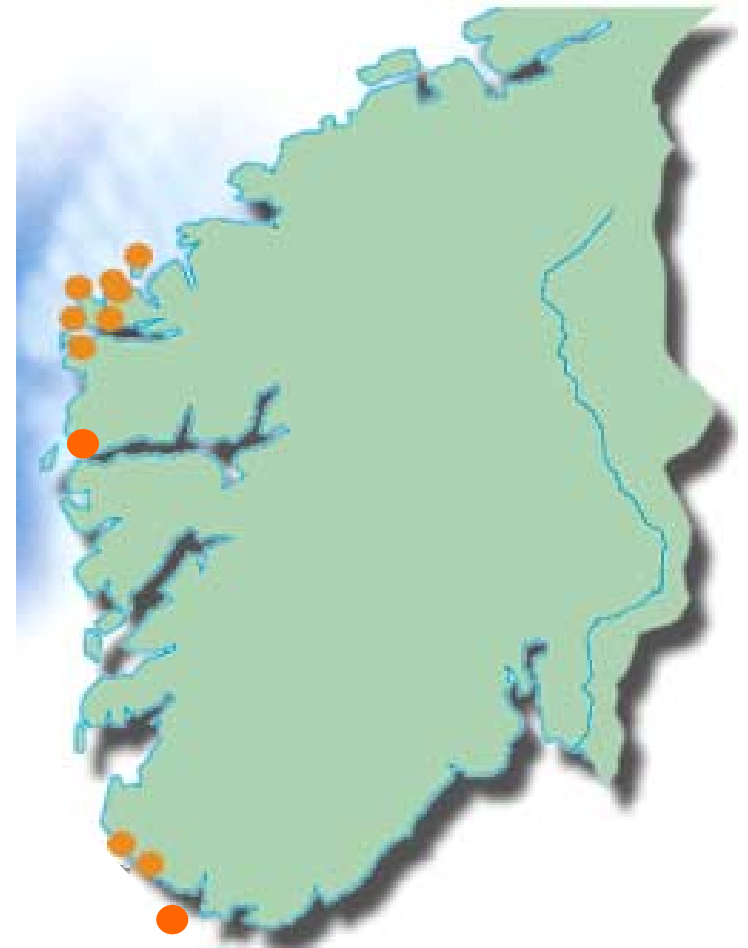
The ten production plants are located at the west coast of Norway

Illustration; The Global Herøy production plant

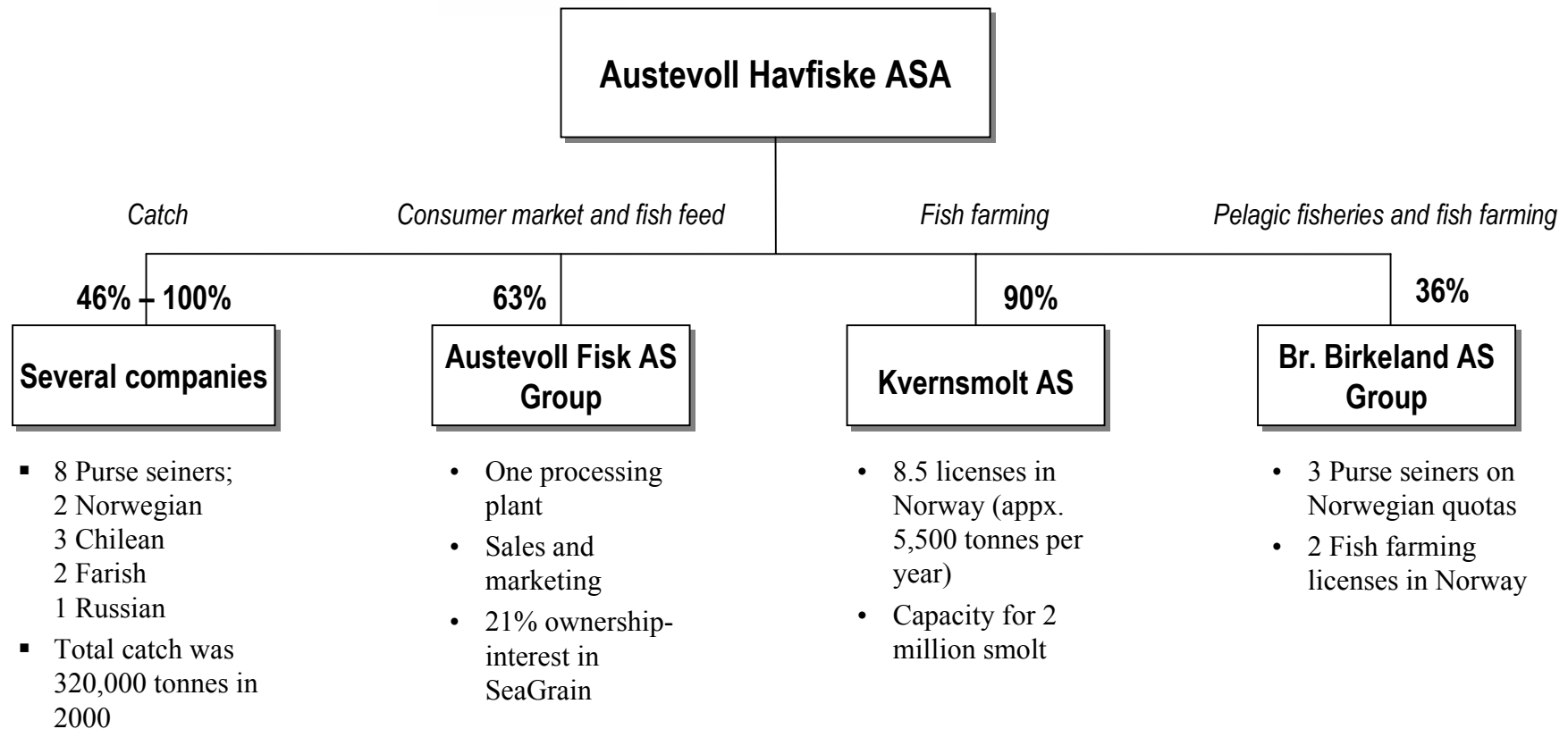
- Global Herøy was established in 1992 and was the first pelagic plant approved according to new EU regulations



Illustration; Location of Pan Pelagic plants



Austevoll Havfiske ASA – company overview



Austevoll Havfiske ASA – Financial figures

Profit & Loss:

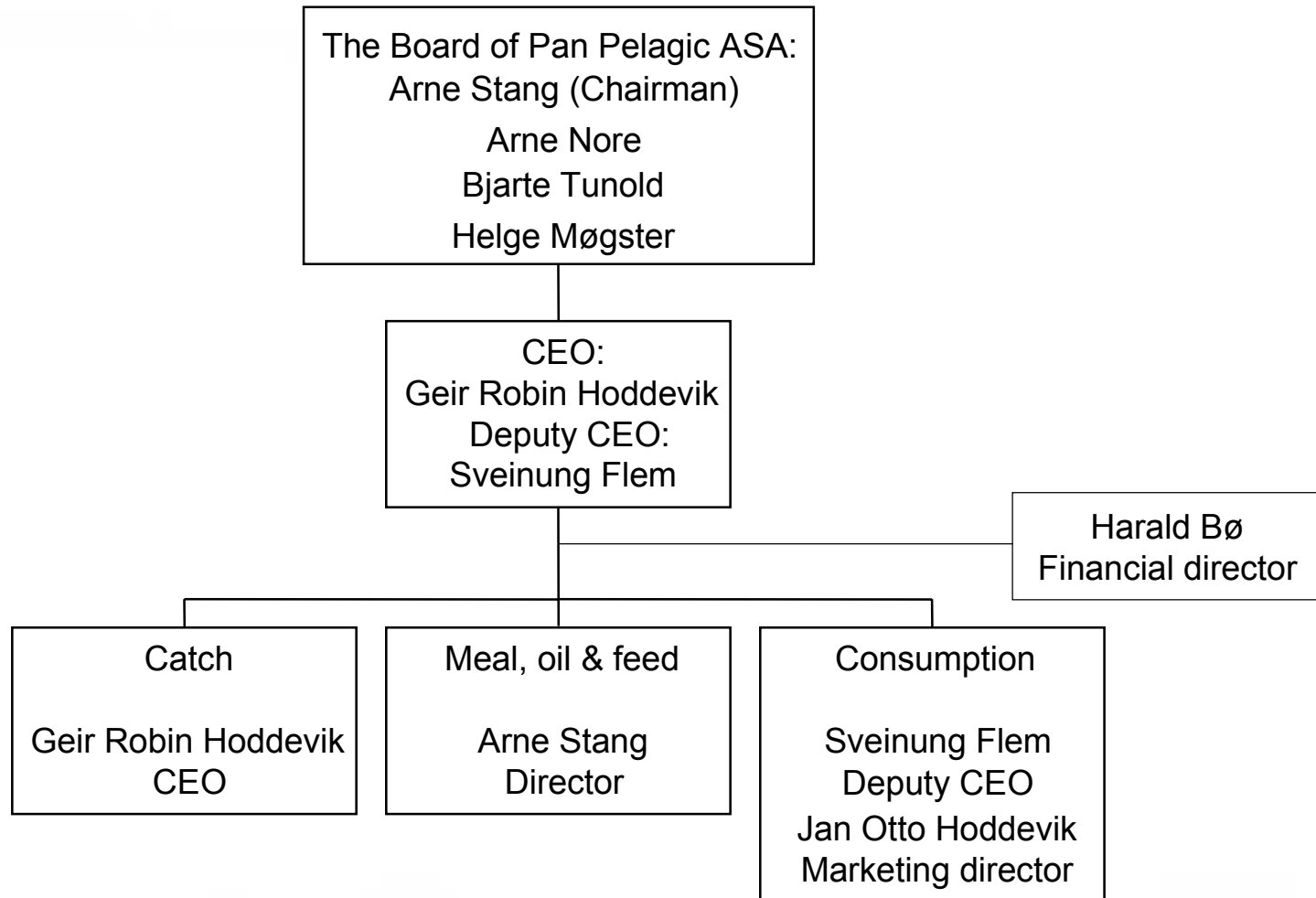
MNOK	1997	1998	1999	2000	2001B*
Revenues	648	929	914	1,016	1,332
EBITDA	102	157	160	147	316
EBIT	42	101	91	85	264
Profit before tax	12	57	42	38	227

* Including a gain of appr. NOK 95 millions from sale of assets

Balance sheet:

MNOK	1998	1999	2000	2001B
Fixed assets	884	949	1,083	1,056
Current assets	273	339	331	435
Total assets	1,157	1,288	1,414	1,491
Equity	260	323	383	549
Long term debt	653	714	762	773
Short term debt	243	250	269	169
Total debt and equity	1,157	1,288	1,414	1,491

Board of Directors and Management



- ⇒ Increase profitability through active restructuring of the industry
 - Increase market share within production for the consumer market from 28% to 40% within 2-4 years through acquisitions
 - Significant potential exists in restructuring of the fishmeal and -oil industry

- ⇒ Continue expansion in wild catch licences / fishing vessels
 - Medium term objective is to increase the number of partly owned vessels
 - Future value appreciation from increased demand will be reflected in the licences

- ⇒ Realising synergy potential from the new fully integrated structure
 - Increased volumes of gutting from consumer processing will result in significant cost savings in the fishmeal and -oil production
 - Strengthen the marketing, sales and distribution through co-operation with Pan Fish
 - Growth in volumes => more cost efficient marketing, sales, logistics, packaging and materials
 - Reduce costs through more efficient processes and planning

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Consolidated P&L accounts for Pan Pelagic ASA

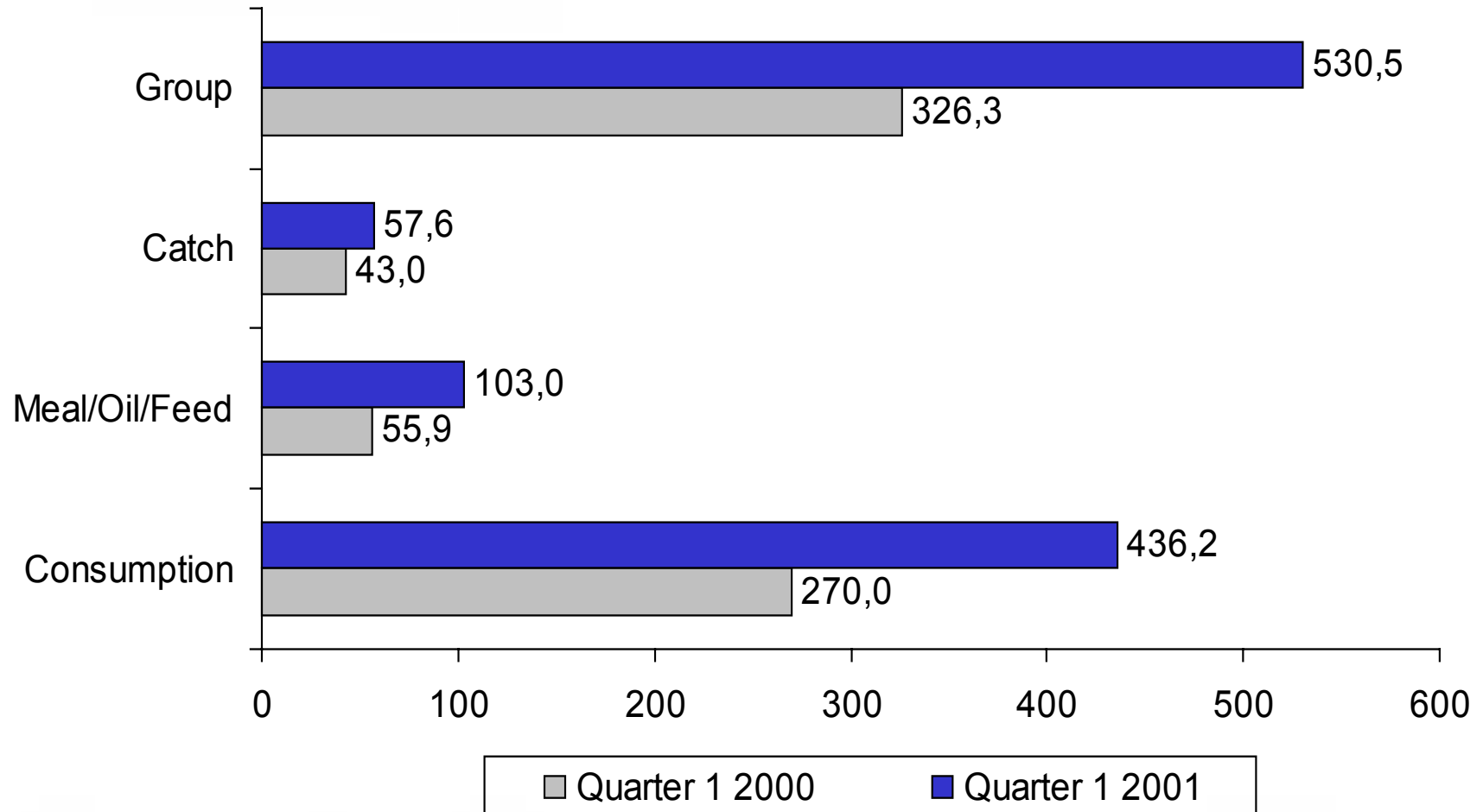
	Acc- ounts	Pro forma	Acc- ounts	Pro forma	Pro forma	Pro forma
Amounts in NOK million	31.3.01	31.3.00	2000	2000	1999	1998
Revenues	531	326	829	1 463	1 524	1 510
Operating result	47	19	52	45	0	-30
Total financial items	11	-13	-9	-60	-46	-24
Result before tax	58	5	44	-15	-46	-54
Tax charge	-12	-1	-11	4	12	16
Minority interest	-2	1	-5	1	-1	0
Result after tax	44	5	28	-10	-35	-37

Consolidated balance sheet for Pan Pelagic ASA

	Acc- ounts	Pro forma	Acc- ounts	Pro forma	Pro forma	Pro forma
Amounts in NOK million	31.3.01	31.3.00	31.12.00	31.12.00	31.12.99	31.12.98
Fixed assets	1,223	1,202	784	1 220	968	960
Current assets	626	458	428	438	412	479
Total assets	1,849	1,659	1 213	1 658	1 380	1 439
Equity	64	-8	22	21	-19	-33
Minority interest	15	17	39	7	12	4
Long-term liabilities	1,327	1,278	904	1 378	1 045	998
Short-term liabilities	444	373	247	252	342	470
Total equity and liabilities	1,849	1,659	1 213	1 658	1 380	1 439

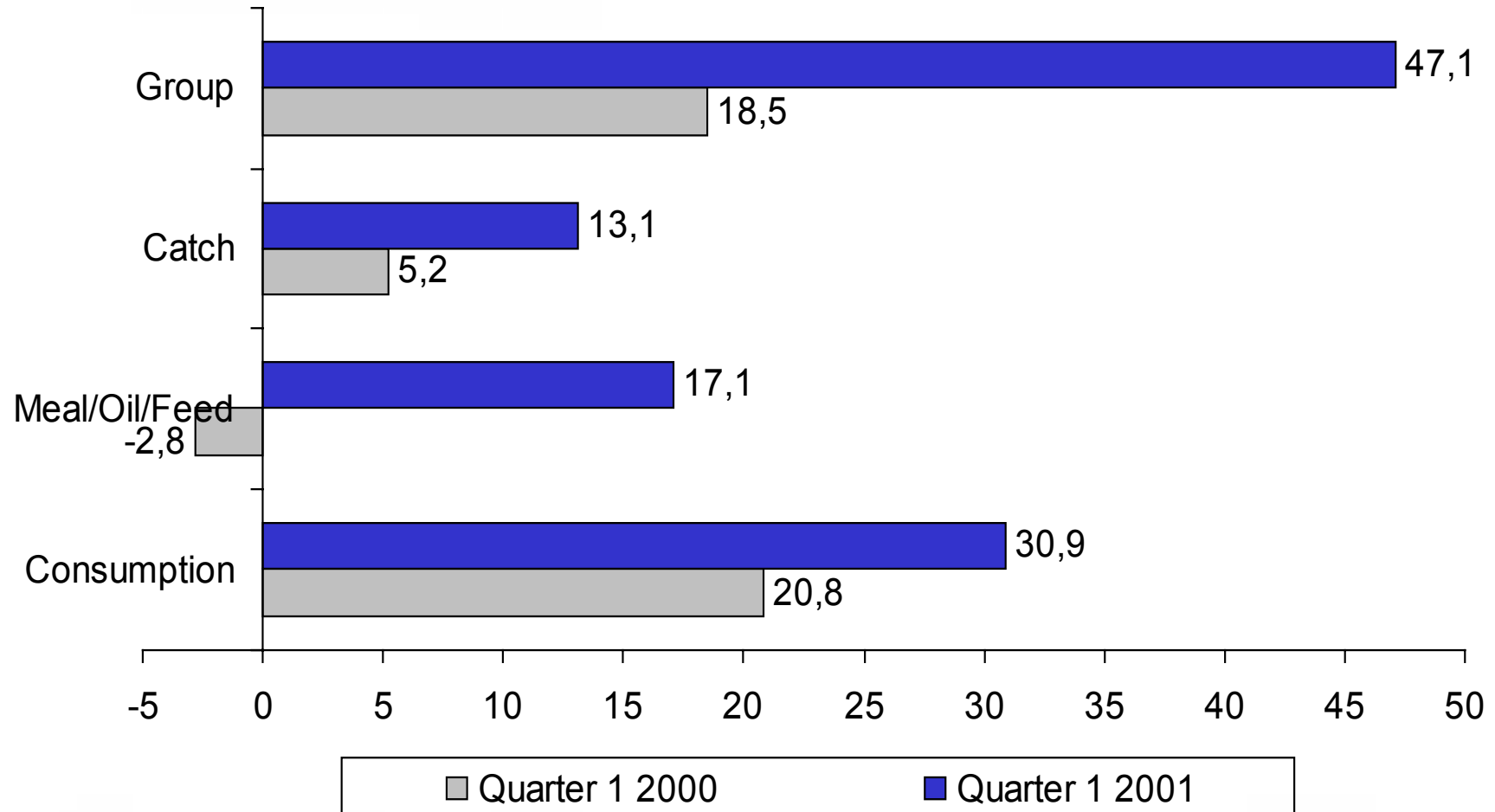
Operating revenues

- The business area "Catch" is not consolidated

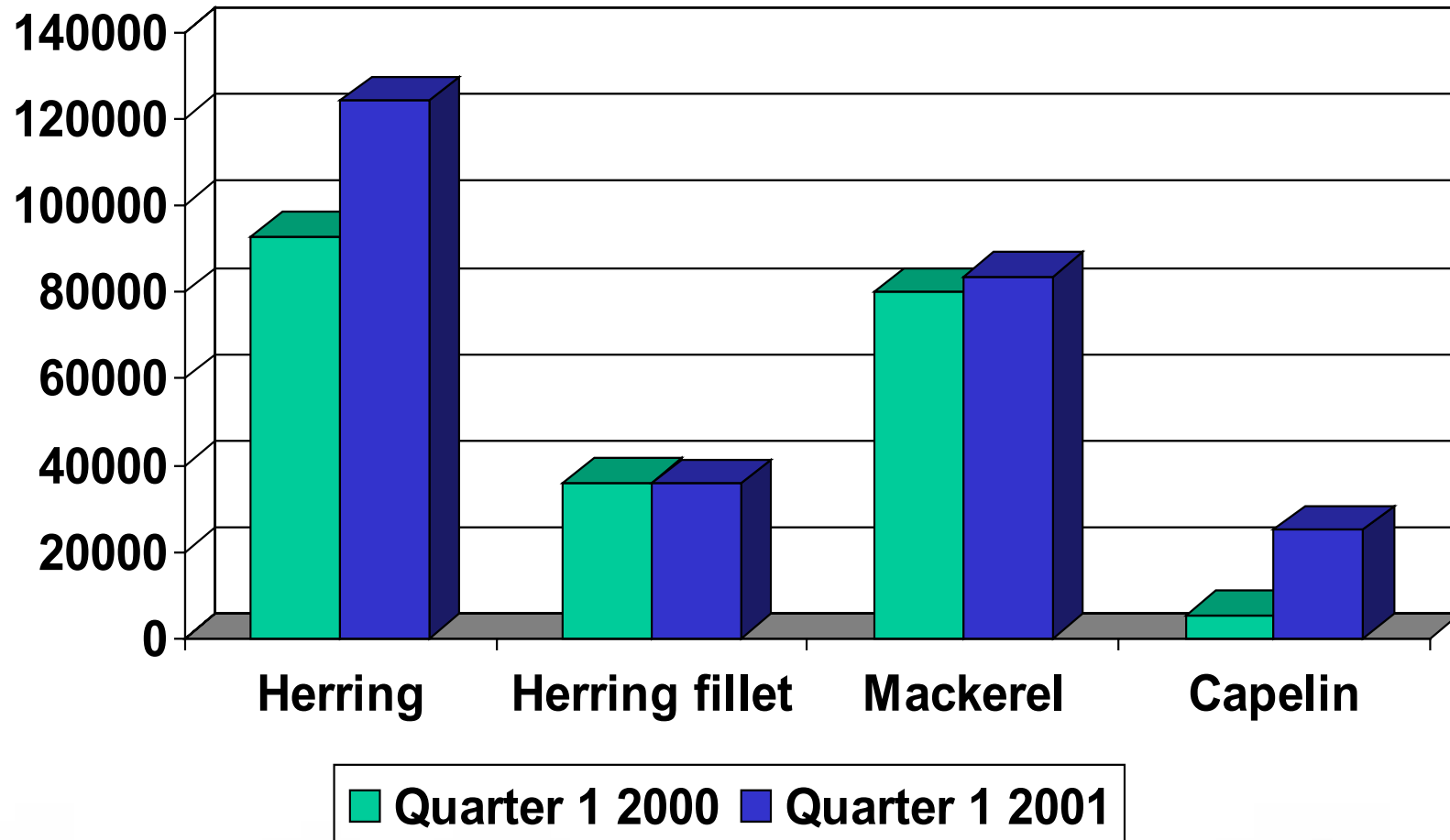


Operating profit

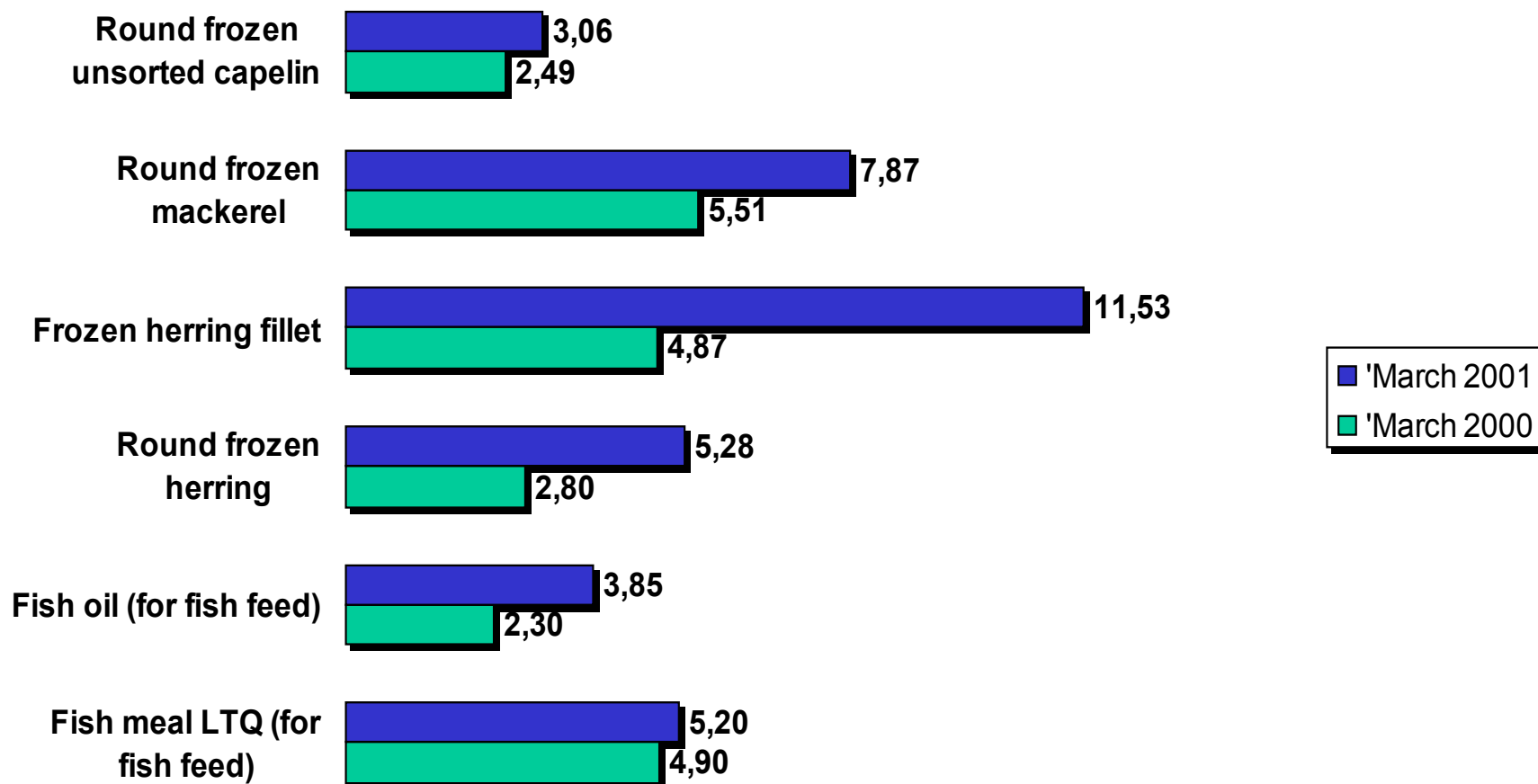
- The business area Catch is not consolidated



Export of pelagic fish products quantity (tons)

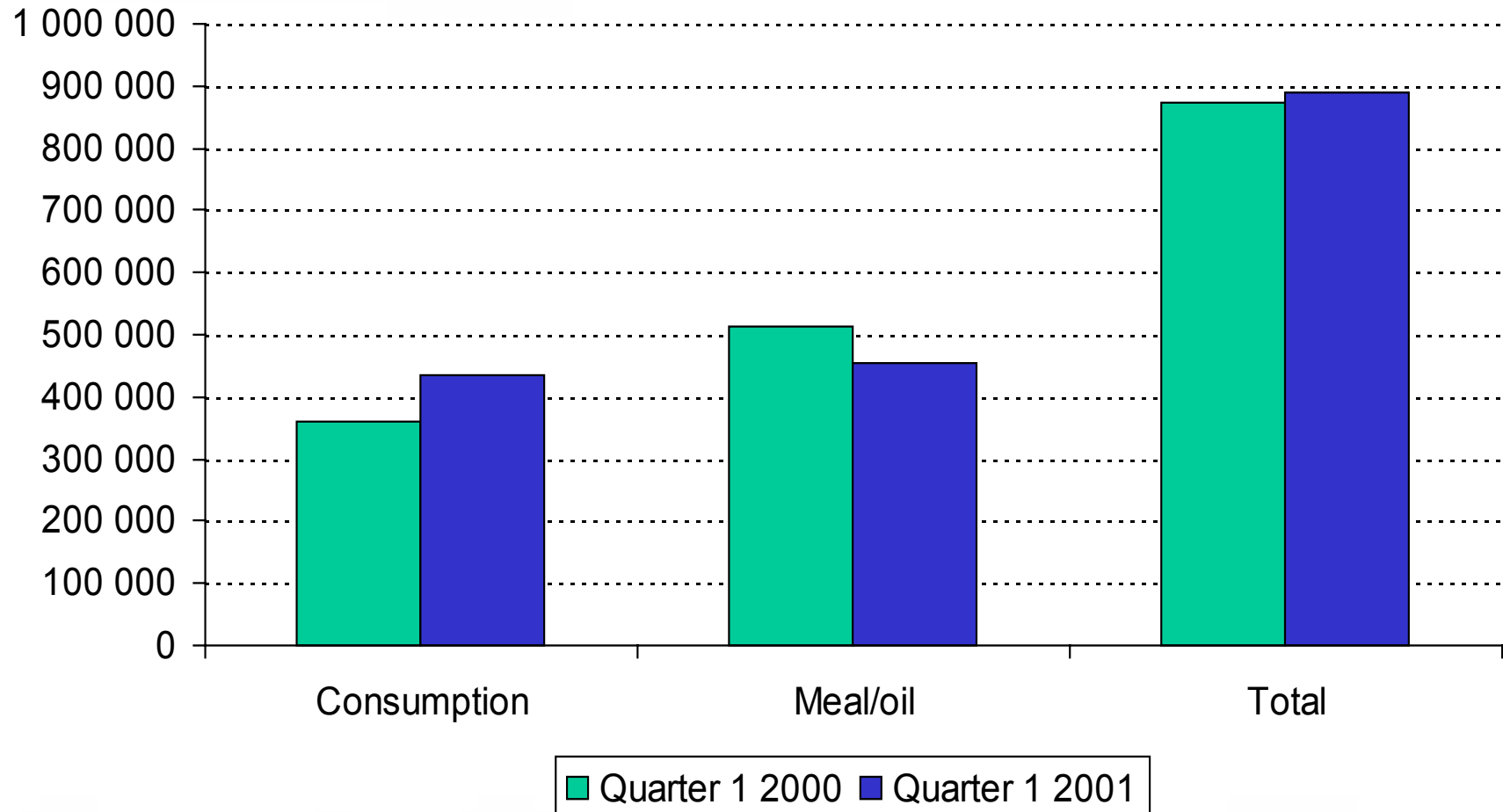


Pelagic industry - price pr kg main products



Pelagic landings in Norway

- quantity (tonnes) – as of week 13



Key events with significant effect on the P&L accounts

- Increased prices for all pelagic species
- Lower quotas for herring, but all catch to human consumption
- Higher quotas for capelin
- Increased demand for fish feed has led to an increase in the prices on fish oil of 67% and an increase in the prices on fish meal of 6% compared to last year

- Pan Pelagic has continued their consolidation of the industry
- The consumption area has experienced higher margins (due to increasing prices during the quarter) at the same volumes as last year
- The fishmeal and –oil area has experienced an increase in both sales and margins compared to last year
- The business area Catch experienced increased prices and a larger part of the catch delivered to the consumption industry
- Austevoll Havfiske had a sales gain of NOK 97.5 million from sale of a fishing vessel

Key events with significant effect on the P&L accounts

- Significant and extraordinary losses on accounts receivable due to the crises in the Russian economy and the Russian devaluation in august 1998
 - E.g. losses on accounts receivable in Global Fish AS amounted to MNOK 28.6 in 1998 and MNOK 47.4 in 1999 - all this is mainly due to the situation in Russia

- Reduced turnover and a negative pressure on prices and operating margin as a result of crises and setback of demand in Russia, Eastern Europe and South-East Asia in 1998
 - Increased costs associated with finding new markets to compensate for setback in Russia, Eastern Europe and South East Asia
 - E.g. total stop in imports from new markets such as Thailand and Korea in '98

- Recovery within the consumption area in 2000, but low margins within fishmeal and –oil
 - Increased prices within all areas in 2001

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The management team is highly experienced within the industry

Geir Robin Hoddevik President and CEO

- Hoddevik has a degree in fishery from the University of Tromsø. He worked for Fiskebåtredernes Forbund in Ålesund from 1981 - 1987, and ran his own fishing boat company in the period 1987 - 1990. In 1989 he established Global Fish AS. From 1989 - 1998 he was a board member in Norges Sildesalgslag. In Pan Pelagic Hoddevik will be responsible for the fishing boat fleet and the purchase and co-ordination of raw material to the plants.

Sveinung Flem Vice President

- Flem has an M.Sc. in business from the Norwegian School of Economics and Business Administration (NHH) in 1980. His work experience include various positions in Bergen Bank, later DnB (1981-1998), including the position as a district bank manager for DnB in Mid-Norway. Since 01.08.99 he has been managing director of Global Fish AS. For Pan Pleagic he will be responsible for business area Consumer.

Arne Stang Director

- Stang is a shipping engineer. In the late 70ies he established his own business dealing with electronics and real estate. In 1994 he bought Måløy Sildoljefabrikk AS, and in 1997 he expanded the Måløy business to include pelagic consumer industry. In Pan Pelagic Stang will be responsible for business area Meal/Oil and Fish feed.

Jan Otto Hoddevik Sales & Marketing Director

- Hoddevik has studied business and marketing. He has worked as as sales and marketing secretary for Saga Boats AS (1972 - 1974), and ran his own clothing company 1974 - 1987. He then worked for a Norwegian/Japanese trading company (1987 - 1989) before establishing Global Fish AS with his brother Geir Robin Hoddevik. He was managing director of Global Fish till 01.08.99. In Pan Pelagic he will be marketing director of business area Consumer.



The board of directors

Arne Stang
Chairman of the board

- Please refer to the presentation of Arne Stang under “The management team”

Bjarte Tunold
Board member

- Tunold has an M.Sc. in business from the Norwegian School of Economics and Business Administration (NHH) from 1987. He became assistant manager of the fishery section of Christiania Bank og Kreditkasse in Oslo in 1988. He was appointed vice president for the bank’s Seattle office 1989 - 1990 and was thereafter president of Christiania Marine AS till 1992. Tunold has been one of the owners of Pan Fish ASA since 1992 and is today president of Pan Fish Aqua Farms Ltd. and Omega Salmon Group Ltd.

Arne Nore
Board member

- Nore has an M.Sc. in business from the Norwegian School of Economics and Business Administration (NHH) 1970. He was a research assistant at the Institute of Fishery at NHH and manager of the budget board for the fishing industry at Fiskeridirektoratet. From 1974 - 1982 he was fishery manager of Sogn og Fjordane county. He was the bank manager of Fiskernes Bank in 1982, and from 1983 - 1992 he was bank manager and later Executive Vice President responsible for fishery and forestry at Christiania Bank og Kreditkasse. Since 1992 Nore has been CEO of Pan Fish ASA.

Helge Møgster
Board member

- Møgster was co-founder of Austevoll Havfiske ASA. Has worked in all capacities in the fishing industry. Extensive experience from the international fisheries, offshore and salmon farming business.

Furthermore, the Board of Directors will be strengthened with 1-2 new members representing the new financial owners after the IPO

