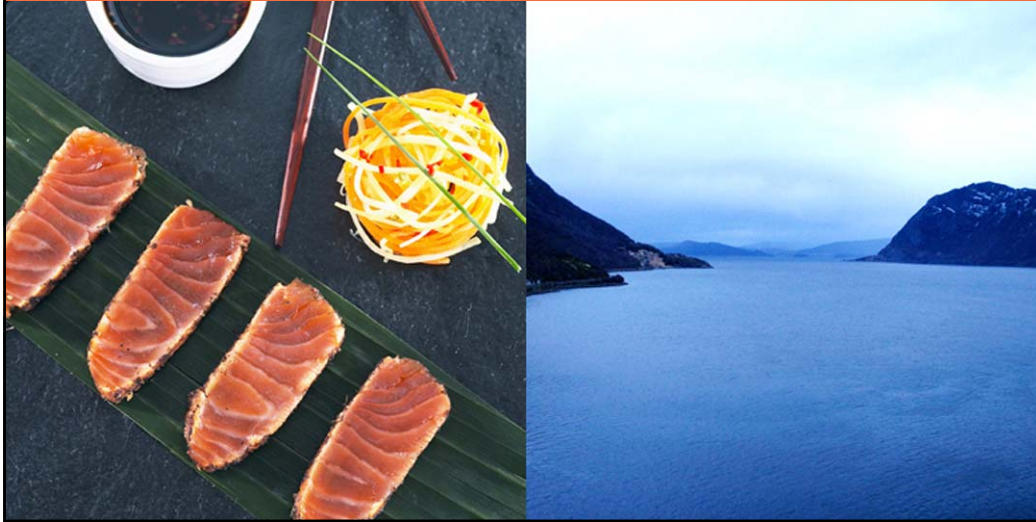


Pan Fish Group

DnB Nor Seafood Summit – 5th of October 2006



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Heading given for my 25 minutes



Opportunities in the wider seafood industry



All pictures used in this presentation are from Pan Fish / Fjord Seafood and represent the finest of seafood products



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The wider seafood industry - an coming success



- It is easy to conclude that we are in a fantastic market – **the wider seafood sector**
- Aquaculture species will experience almost unlimited growth over the next decade
- The shift to consumer convenience – value added products will drive consumption
- Just start to learn the new names – Tilapia and Pangasius – high quality cost effective seafood protein – and do not forget that shrimps is a major product



Shrimps



Tilapia



Pangasius



A wider product range in the wider seafood industry

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Pan Fish in the wider seafood industry



- The global seafood industry is about to go through a total change
 - We have only seen the beginning and it is about much more than salmon in Norway
- Pan Fish Group has decided to be a driving force in this development
 - In the new company, build on Marine Harvest, Fjord Seafood and Pan Fish we do have the necessary management, competence and financial resources
- A new company is about to be formed
 - The new company is drawing on the very best from the leading global farming and seafood companies
 - Offer an unique opportunity to achieve operational excellence, take out synergies as well as establishing a unique competence and management pool



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Operational focus and strategic growth will both be given sufficient resources

A new Pan Fish Group Vision shall be developed



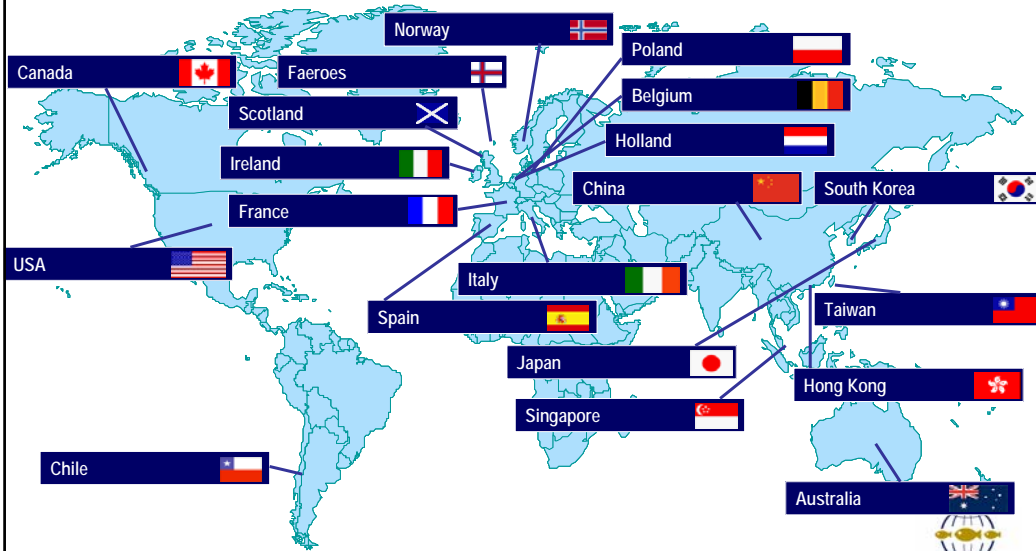
- **Keywords for our new vision**
- **More** consumers will buy **more** seafood and they will demand safe, healthy and sustainable seafood
- They will buy both wild & farmed products, but the entire growth in supply will come from aquaculture
- Good taste, convenient presentation and easy access will be important for our customer
- We will be working in an ever more competitive environment
- **We will create a differentiated and unique seafood company in this wider industry!**



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Increased marketing investments will have much focus for the new company

Pan Fish Group – global excellence in seafood



A strenght will be the global business competence in the combined company!

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Flat and lean organisational structure



Framework for the new Group structure



Corporate Head office (Oslo, Norway)

CFO area

HR / Communication

Business Devlp. / Strategy

Feed / Technology

South East Asia

Farming
Norway / Faeroes

Farming
UK / Ireland

Farming / VAP
Chile / USA

Farming Canada

VAP Seafood



Focus on operation & business development is key in our organisational set up

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Operational and strategic focus



Farming

- ▶ Control from egg to customer – within an increasing number of species
- ▶ Excellence on farming practices, sustainability and quality
- ▶ Partnership based customer strategy

Value Added Seafood Products

- ▶ High level seafood products to retail and food service
- ▶ Strong focus on product development & wide innovation
- ▶ Wide seafood product range beyond own (increasing) farmed species

Group / Corporate Management

- ▶ Finance / Controlling / Tax / IT
- ▶ R&D and Business / Strategy development
- ▶ HR / Communication



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Consumption can be stimulated through innovation of new products

Short term focus



- Integration of three companies and building one company culture
 - Combining the best from the three
- Take out of synergy and achieve operational excellence
 - Go for the best in class position
 - Take cost leader role in fish farming
- Growth in EBIT within VAP
 - Improvements driven by improved product, customer and market mix and processing strategies
- Targeted strategic growth
- And – our operational cash flow will have huge focus!



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A few slides on figures



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Historically strong performance for the new group



- 1st half 2006 Operating income of NOK 7,8 billion
- 1st half 2006 EBITDA of NOK 1,8 billion
- 1st half 2006 Harvesting of approx 173,500 tgw
- Total Assets per 30.06.06 of NOK 25,3 billion (EK 49%)
- Strong performance Q1/Q2 2006, but still huge room for improvements in the quarters to come



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Pro Forma figures New Group



	PF	FS	MH	Group
<i>PRO FORMA PROFIT & LOSS</i> (NOKm)	1.1-30.06 2006	1.1-30.06 2006	1.1-30.06 2006	1.1-30.06 2006
Operating income	1 277.8	2 017.8	4 549.3	7 844.9
EBITDA	317.0	420.3	1 074.2	1 811.4
Op. profit before value adj. biomass	222.7	360.4	898.7	1 481.8
EBIT	293.1	296.6	783.8	1 373.6
<i>PRO FORMA BALANCE</i> (NOKm)	PF + FS	MH	Group Adj.	Group
Fixed assets	7 945	2 595	4 815	15 355
Current assets	13 295	6 138	-9 422	10 011
Total Assets	21 240	8 734	-4 607	25 366
Equity	11 991	5 393	-5 022	12 362
Long term liabilities	7 475	1 685	415	9 575
Short term liabilities	1 773	1 656	0	3 430
Total Equity and liabilities	21 240	8 734	-4607	25 366



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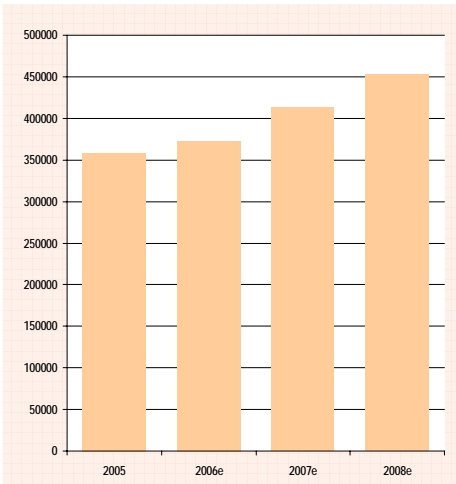
Production volumes going forward – Q1 estimates



Harvesting Volumes, 2006e / 2008e

Harvesting tgw	2006 Estimates	2008 Targets
Norway	153 - 156 000	183 000
Scotland	57 - 60 000	68 000
North-America	35 - 36 000	51 000
Faroese	2 - 3 000	6 000
Ireland	6 - 7 000	10 000
Chile	109 - 111 000	135 000
Total	360 - 373 000	453 000

Harvest volume development 2005 – 2008e, TGW



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The seafood industry – short and long term



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The first 6 months of 2006 – what happened?



1. The extremely low supply growth hindered growth in consumption
2. Less new consumers and reduced repetitive purchase from existing customers
3. The strong underlying demand drove prices to a level which would have been destructive if it had continued
4. The consumer can NOT cope with price levels >NOK 40.00 – if volume growth is our objective
5. We need a stronger supply growth going forward
 1. To fuel consumption
 2. Support the seafood industry
 3. Increase shelf space



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We do not need price booms like we saw the last few months

We are early in the industrial development



- We will see ever decreasing production cost for salmon
 - Feed prices a short term issue
 - New techniques, improved genetics, focus on fish health, higher competence, larger clusters, large super effective processing plants are all elements which will drive down costs
- New species will be brought to the market, enabling the seafood industry to develop new product and guaranty deliveries for a wider product range
- We need volume increases and a price level which is can drive demand
- **NOK 28.00 to 32.00 is probably not a problem. The market should easily take 5 - 8% supply growth on such prices**
- The best in class producer has a cost level around NOK 16.00 – in line with our target

But we need increased marketing effort throughout the value chain

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Understanding the market – to be improved



- The analysts need to have a more educated view on the wider seafood market
- They need to put the Kontali and Urner Barry figures into perspective
- More focus on sustainable margin, not Norwegian spot price only
- Higher and qualified focus on the demand and market side
- Focus on opportunities for increased earnings rather than only the downside on marginal supply growth
- And seafood in 2006 is more than Norwegian salmon



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The wider seafood market – what is it



- The global demand for healthy seafood will continue to increase – in some market strongly
- Wild catches will at best be status quo
- Increase in demand have to be covered by aquaculture
- Demand for safe, traceable, sustainable seafood products will open for enormous market opportunities
- If we use the opportunities presented to us on a silver plate well – there is a bright future ahead of us
 - Tilapia, Pangasius and maybe Bass & Bream
 - We need growth in production, minimum 5 – 8 % globally



Investments in VAP is a prerequisite for growth in consumption

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The supply side in 2007



- | | | |
|-----------------|----------------------|---------------|
| • Norway | low growth | 3/ 5% |
| • Chile | <u>uncertain</u> | 8/18% |
| • Scotland | medium growth | 5/10% |
| • Canada | medium growht | 5/10% |
| • Faroes | strong from low base | |
|
 | | |
| • Total | medium | 5 / 8% |
| <hr/> | | |
| • Demand | increasing | |



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Some final reflections and summary



- Pan Fish will develop a flat, empowered and cost effective organisation
 - Efficient decision making close to the core business
- Integration and synergies will stand out as key profit drivers
 - Significant cost reductions to be seen over next 12 – 24 months
- An uncompromised cost leadership in farming
 - More about operational excellence than anything else



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Some final reflections and summary

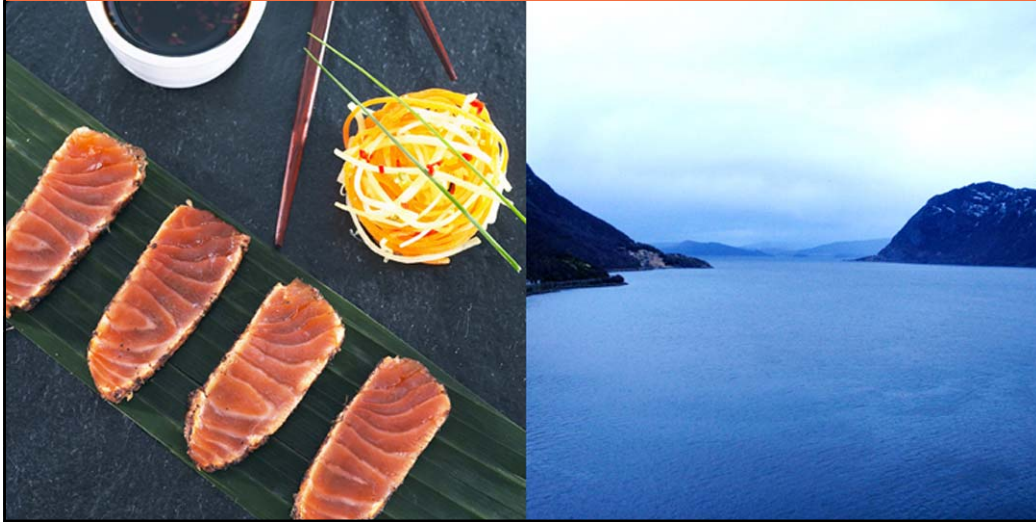


- Targeted strategic growth to fuel increased shareholder value
 - The wider seafood industry will look entirely different in 24 months –
 - We shall take an active “shaper” role
- A leading role in downstream seafood
 - Product development and marketing
 - Increase in EBIT margin due to synergies, increased market investments and improved operations
- The new volume species will take an important role in our growth
- **We are realistic – but there are all reasons to be optimistic**



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The wider seafood industry – a fantastic future



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