



Pan Fish

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ANNUAL REPORT 2001



Pan Fish

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PAN PELAGIC
– pelagic fish from catch to
consumption and fish feed.



PAN FISH
– one of the world's largest
salmon producers.



PAN MARINE
White fish and shellfish
– farmed and wild caught.



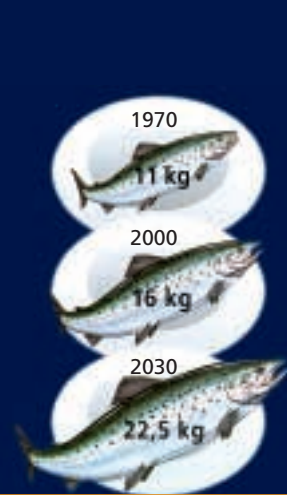
Pan Fish

– one of the world's
largest suppliers
of seafood.

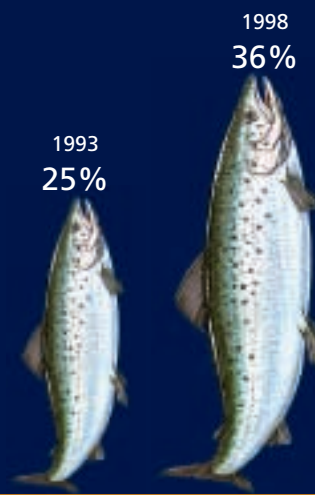
The business concept of Pan Fish is based on...

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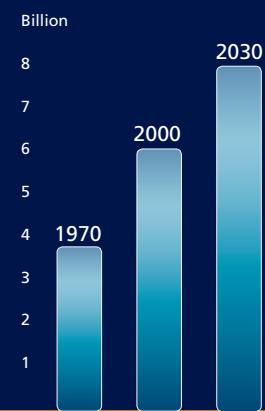
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Everyone is eating more fish.



The proportion of fresh seafood is increasing.



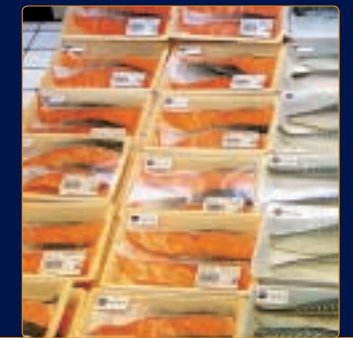
The world population is rapidly increasing.



All the world's major fisheries have been exploited.



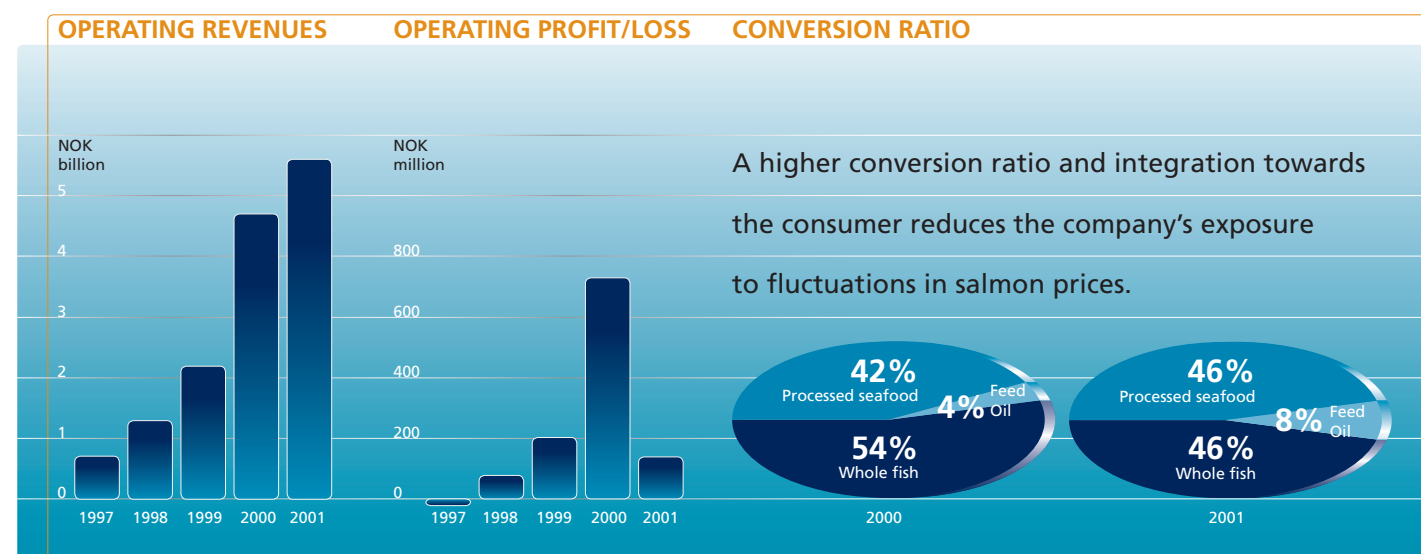
Aquaculture must cover increased demand.



Aquaculture secures stable supplies.

SET OUT BELOW IS A SUMMARY OF THE GROUP'S ACCOUNTS FOR THE LAST 5 YEARS:

	2001	2000	1999	1998	1997
Income statement (NOK million)					
Operating revenues	5 592	4 743	2 210	1 310	722
Operating expenses	5 448	4 009	2 008	1 238	736
Operating profit/loss	144	733	202	72	-14
Net financial items	218	10	-57	-47	-28
Profit/loss before tax	362	743	145	25	-42
Profit/loss for the year	254	534	101	17	-32
Balance sheet (NOK million)					
Fixed assets	5 344	3 567	1 003	329	260
Current assets	2 990	2 580	1 474	738	633
Total assets	8 334	6 147	2 477	1 067	893
Equity including minority interests	1 169	843	382	215	183
Long-term liabilities	4 749	3 802	1 122	551	469
Current liabilities	2 416	1 502	973	301	241
Total liabilities and equity	8 334	6 147	2 477	1 067	893
Key figures					
Earnings per share 1)	1,93	4,54	1,01	0,16	-0,42
Diluted earnings per share 2)	1,89	4,00	0,90	0,12	-0,42
Average number of shares 3)	125 241 000	110 340 000	95 988 756	94 783 060	81 250 708
Number of shares at 31.12	152 661 813	128 567 522	100 163 524	95 544 000	92 900 240
Market price at 31.12	16,50	60,00	18,00	3,25	7,50
Market capitalisation at 31.12 (NOK million)	2 519	7 714	1 803	311	697
Net operating margin 4)	2.60%	15.40%	9.20%	5.50%	-1.90%
Return on equity 5)	25.30%	87.22%	33.80%	8.40%	-25.50%
Return on total assets 6)	9.33%	18.12%	9.71%	8.06%	0.21%
Return on capital employed 7)	14.40%	22.79%	15.18%	15.23%	-1.39%
Net interest-bearing debt (NOK million)	5 649	3 835	1 634	620	556
Net investments (NOK million)	1 408	1 470	384	97	172
Equity ratio	14.00%	13.71%	15.40%	20.20%	20.50%
Adjusted equity ratio 8)	14.00%	13.97%	27.50%	20.20%	20.50%
RISK at 01.01	-1,050	0,035	0,000	0,000	0,000



The decline in the operating profit is due to lower prices for farmed salmon. A movement of NOK 1 per kilo affects the result by approximately NOK 100 million. The fall in prices last year of NOK 8 per kilo explains the substantial decline in profits.

The Pan companies process an increasingly larger proportion of the fish we produce. In 1996 100% of our deliveries were whole fish. In 2001 the processing ratio was 54% and represents a breakthrough for profitability in processing and sales with an operating profit of NOK 128.8 million.

- 1) Profit/loss for the year/Average number of outstanding shares.
- 2) The number of shares has been adjusted by 26 000 shares relating to the outstanding convertible bond issue. The conversion price is NOK 10. The annual profit/loss has been adjusted for the loan's interest cost. In addition, the number of shares has been adjusted for outstanding options issued to employees.
- 3) Adjusted for own shares.
- 4) Operating profit/loss/Operating revenues.
- 5) Profit/loss for the year/Average equity incl. minority interests.
- 6) Profit/loss for the year + Financial expenses/Average total assets.
- 7) Operating profit/loss + Financial income/Average capital employed.
- 8) Equity capital has been adjusted for the convertible bond issue.

We have strengthened our position as a global supplier of seafood

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THE MANAGING DIRECTOR

The price of salmon fell in 2001 to a level where for periods it was difficult to earn money from farming. The reason for the fall was that production increased at a greater rate than demand - even though demand developed very satisfactorily, it takes time to adjust production. We expect a better balance between supply and demand in the near future. The industry in general is insufficiently integrated and farmers have little influence over the market. Strategic alliances focused on integration between production, processing, sales and distribution will be able to a greater extent to influence demand and improve profitability. The price to consumers has on the whole been more stable than the price to farmers.

Until 1995 Pan Fish was purely a salmon farmer. In 1996 the company began to build up its own global marketing network and in 1997 its own processing business. During periods of low prices to farmers and difficult market conditions, Pan Fish has increased the volume of fish to its own processing and sales network.

During 2001 the operating margin for these two business areas showed an improvement from 0.3% to 6.9% and from 1.0% to 1.8%, respectively, in relation to the previous year. In total the processing and sales operation achieved an operating profit of NOK 128.8 million in 2001. We are satisfied with this result given the short time Pan Fish has been involved in this business. The result is probably the best achieved by Norwegian companies in the processing

ARNE NORE
Managing Director,
Pan Fish ASA



and sale of seafood. Pan Fish believes there is considerable potential in this part of the business and will therefore make further developments and efficiency improvements in the group's processing, sales and distribution operations.

2001 was also a good year for the group's pelagic business, particularly for the fishing vessels and herring oil plants. During 2001 and the first quarter of 2002 Pan Fish re-acquired 98.9% of the company. The background to the repurchase was the development in the pelagic sector, with increased shortages of marine raw materials and even greater price increases on fish meal, fish oil and fish feed than expected. At the same time, Pan Fish has been able to extend its vertical integration to include the catch stage and fish meal and oil production, which secures access to marine raw material for Pan Fish's planned production of its own fish feed.

Through the repurchase of Pan Pelagic and its strategic holding in Pan Marine, Pan Fish is positioned as a vertically and horizontally integrated supplier to a steadily growing and more professional market for seafood.

Our position as a global supplier of a broad range of seafood has been strengthened during 2001. Pan Fish is well equipped to meet new challenges and exploit the opportunities in a seafood market undergoing rapid change.

As a **VERTICALLY** **HORIZONTALLY** integrated supplier we believe in a great potential...

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Potential resources

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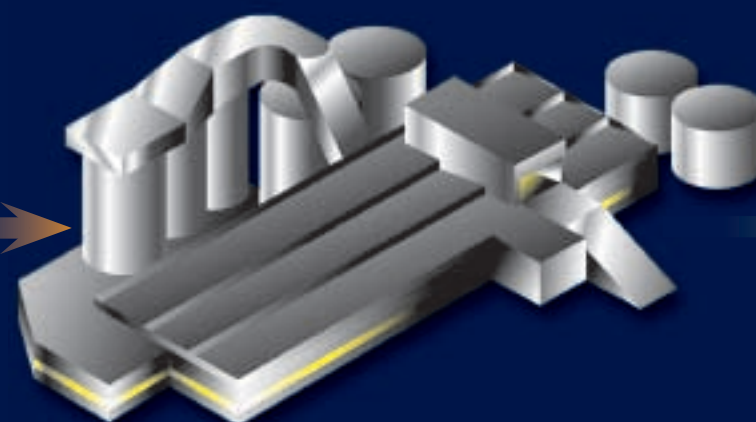
INTEGRATION

The locations and licences for fish farming are not unlimited. Our control over some 10% of the world's facilities (Atlantic salmon) means we are well positioned for future development. However, a shortage of fish feed has made it necessary to secure access to feed for the fish farming business through vertical integration. Pan Fish is prioritising complete solutions.

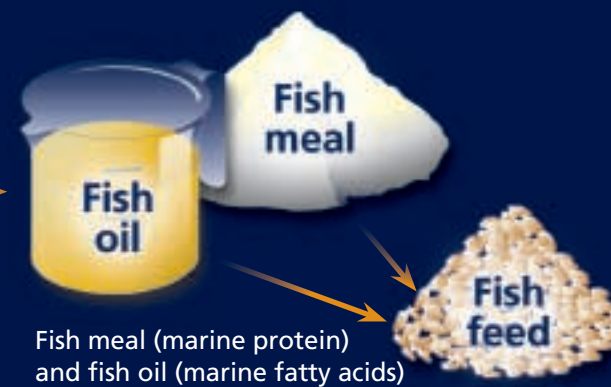
PELAGIC



Capelin, Blue whiting and trimmings from processing of pelagic fish for consumption provide the basis for the production of fish feed.



Through Pan Pelagic, Pan Fish owns three plants for the production of fish feed and oil. This represents approximately 30% of Norwegian production. We are now planning further expansion with integration of fish feed in the same plant.



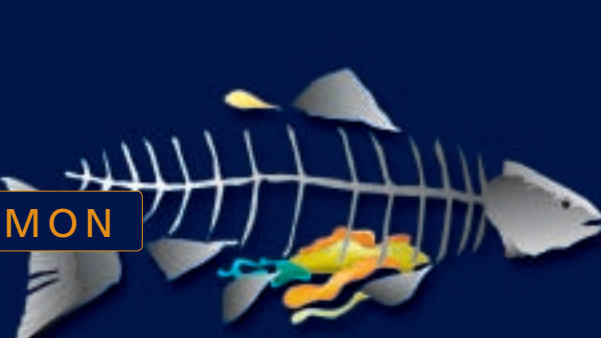
Fish meal (marine protein) and fish oil (marine fatty acids) are the most important ingredients in the production of fish feed.



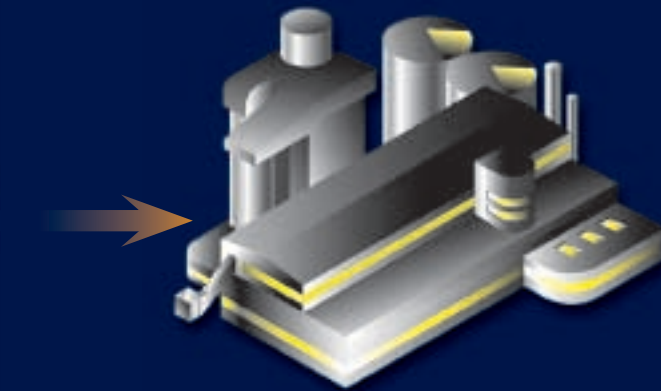
Through our ownership in Pan Pelagic we are involved in the entire process:

- **Catch of pelagic fish** (Interests in vessels and licences).
- **Processing for consumption** (Pan Pelagic owns a number of processing plants). Large quantities of trimmings from this business also provide resources for the production of fish feed.
- **Production of fish meal/oil and fish feed** (Pan Pelagic's three plants produce some 30% of Norwegian production).

SALMON



Trimmings from the production of fish for consumption



Fatty acids / Omega 3
Proteins/Amino acids
Enzymes

Trimmings from the processing of salmon naturally cannot be used in salmon farming. But these are also valuable resources which can be processed for use in other processes and products.

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Potential traceability

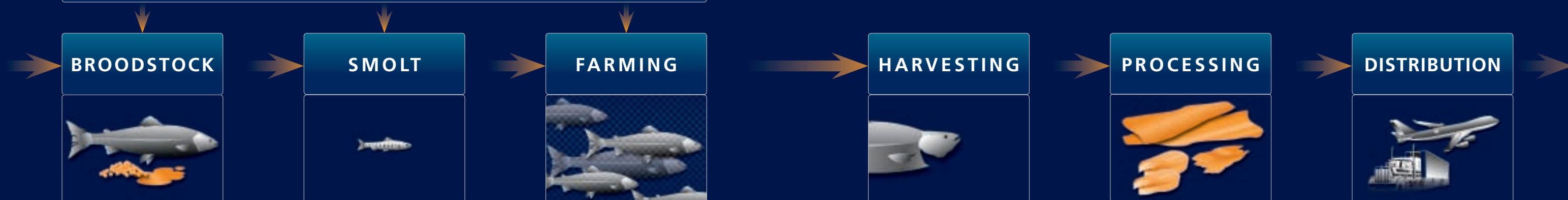
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INTEGRATION

Requirements as to traceability throughout the entire value chain are growing. The major food retail chains are requiring increasingly more documentation and quality assurance. Food safety is an issue. We can document the entire value chain.



FISH FEED



Pan Fish has unique opportunities through our vertical and horizontal integration to respond to requirements as to documentation and traceability – from the sea to the table.

Genetic material in broodstock, diet, growth conditions and location, cleaning routines in the packing plants and refrigerated freight documents are some examples of the quality assurance process.

We also believe there is considerable potential to differentiate products by market and customer preferences. Some demand organic products, others have specific requirements as to the composition of fatty acids (Omega 3) and colour levels. Our control over the entire value chain gives us the opportunity to deliver a tailor-made product.



The Internet-based system MERCATUS has enabled us to establish an important database that records our production. This enables us to check every facility of the Pan Fish system and retrieve all important data on farmed fish. (To date the system has only been introduced in Norway.)

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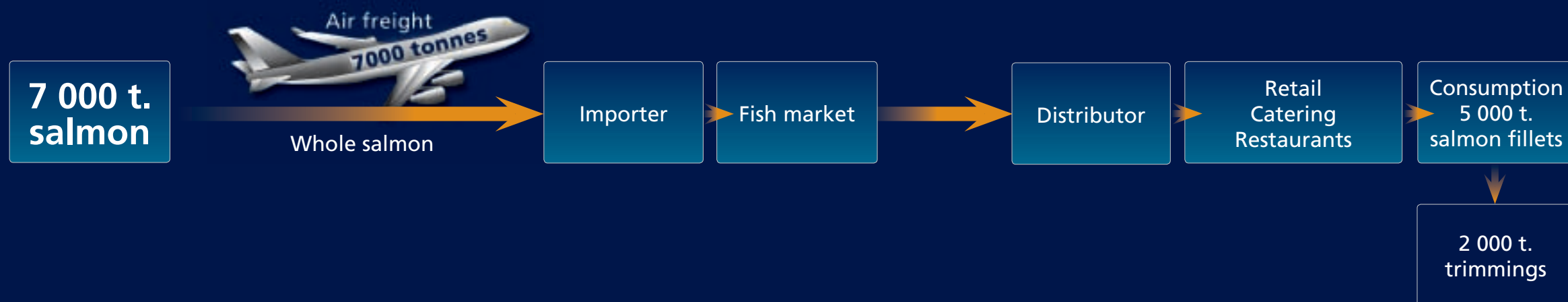
Potential distribution

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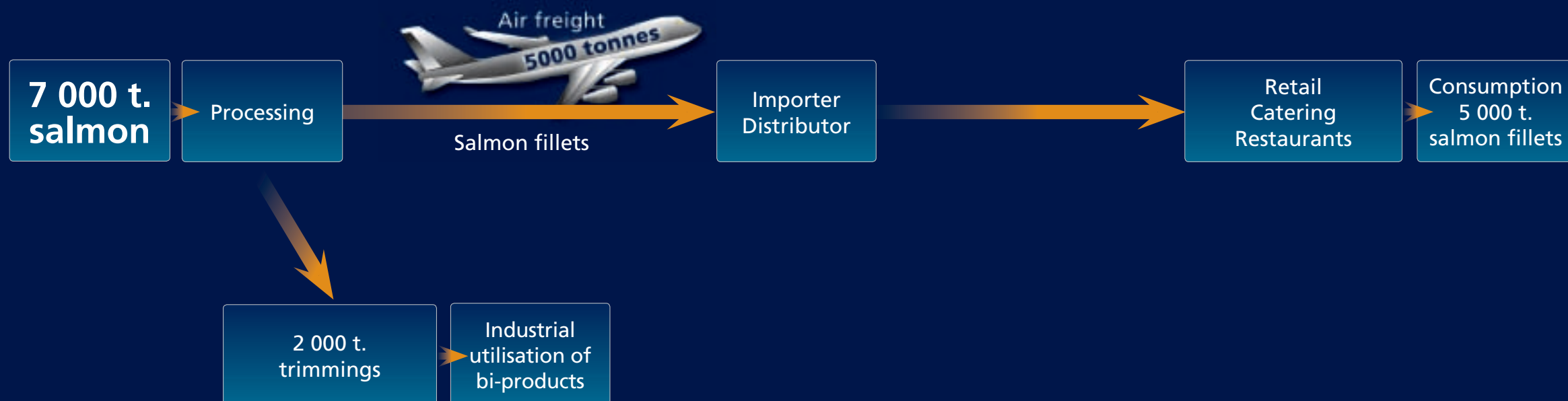
INTEGRATION

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In 2001 we despatched 7 000 tonnes of fresh salmon to Japan. This salmon is supplied as whole fish and is mainly filleted. This is what we do today...



...if we can influence the customer to buy fresh fillet instead of whole fish - and at the same time make distribution more efficient – interesting opportunities arise.



2 000 tonnes of trimmings, which are normally thrown away, become 2 000 tonnes of valuable raw materials for new products.

The potential to save NOK 30 million on reduced air freight volumes.

Cost-efficient processing.

Better prices on processed goods.

Optimised logistics gives fewer stops, less reloading and better capacity utilisation.

Shorter times give fresher fish to consumers.

Better control and traceability through the entire distribution process.

Environmental gains.

Proximity to markets and end users. This gives greater opportunities to influence markets through product development, campaigns, etc.

Potential market

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INTEGRATION

Shop counters weighed down with fresh seafood attract buying customers. Therefore fresh seafood is one of the most important target areas for the steadily expanding, and increasingly global, food retail chains throughout the world.

Pan Fish is already established in all important seafood markets. Based on our farmed products, supplemented with wild caught seafood, the Pan Fish group is positioned to participate actively in this development. Pan Fish focuses on the efficient production and distribution of a broad range of high quality, processed products. In this manner we are creating value for our customers.



PAN FISH

– one of the world's largest salmon producers.



PAN PELAGIC

– pelagic fish from catch to consumption and fish feed.



PAN MARINE

White fish and shellfish
– farmed and wild caught.

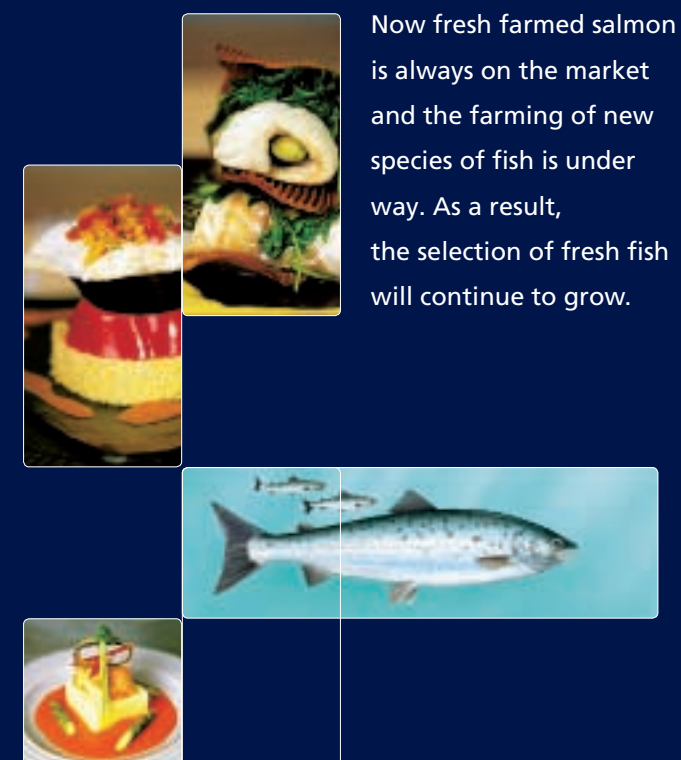
One of the largest retail chains in Great Britain is expanding its involvement in fresh seafood. Today fresh salmon and trout represent 37% of their sales of fish. The chain prioritises fresh produce and comments: "Fresh fish should be a simple choice. Therefore we cut off the head, remove the scales and bones and pack in portions".

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Previously a store's fresh food counter could be empty due to dependence on the season for different types of fish.



PAN SEAFOOD



Now fresh farmed salmon is always on the market and the farming of new species of fish is under way. As a result, the selection of fresh fish will continue to grow.

Pan Fish produces **10%** of all farmed Atlantic salmon.

Pan Fish sells **15%** of all farmed Atlantic salmon.

Through Pan Pelagic - one of Norway's largest producers of fish meal and fish oil - we integrate **feed production** for the fish farming business.

Pan fish owns **98,9%** of Norway's largest producer and exporter of pelagic fish for consumption.

Through holdings in Pan Marine, we obtain access to a much broader product range within **fish and shellfish**.

Pan seafood is now sold in substantial volumes in the world's largest markets...

THE BUSINESS

Pan Fish is one of the three largest groups in the world within the farming, processing, sale and distribution of Atlantic salmon, with a market share of roughly 15%. The company operates in Norway, Denmark, the Netherlands, France, the Faroe Islands, England, Scotland, the west coast of North America, China and Japan. Converted to Norwegian licence equivalents, Pan Fish's production capacity corresponds to approximately 200 salmon farming licences worldwide.

At the end of the first quarter of 2002 Pan Fish owned 98.9% of the shares in Pan Pelagic ASA. The company is Norway's largest producer and exporter of pelagic fish for consumption and one of Norway's largest producers of fish meal and fish oil. As one of the country's leading investors in pelagic fish through investments in vessels, Pan Pelagic catches roughly 10% of the Norwegian pelagic fish quota, which includes herring and mackerel.

Pan Fish also owned directly and indirectly 49.8% of the shares in Pan Marine ASA at the end of the first quarter of 2002. The company farms marine species such as halibut, turbot and cod, as well as handling wild caught seafood. The company is also involved in processing, sales and distribution of seafood.

Pan Fish thus controls the value chain from catching raw materials, to fish feed, to a broad range of processed seafood which is distributed to consumers.

NORWAY

Salmon and trout

Pan Fish's farming of salmon and trout in Norway is organised in Pan Fish Norge AS. The company today undertakes the production of smolt and fish for consumption in Møre og Romsdal and Sogn og Fjordane. In 2001 Pan Fish significantly increased its production potential in Norway through the purchase of the two fish farming companies Salmonor AS, with nine fish-farming licences and a smolt facility on Sognefjord, and Gjolaks AS, with three fish-farming licences and three smolt facilities at Sunnmøre. Through these acquisitions Pan Fish has increased the number of its Norwegian fish-farming licences from 32 to 44, and the number of smolt facilities to 17. Pan Fish Norge also owns a broodstock production licence. Pan Fish today has the capacity to produce approximately 38 000 tonnes of salmon and trout, and approximately 15 million smolt in Norway. In 2001 the fish farms produced 30 000 tonnes of salmon and trout for harvesting.

The purchase of Gjolaks also included a packing plant at Vartdal in Sunnmøre, and the purchase of Salmonor a packing/processing plant on Askøy and a sales company in Bergen. The sales company has now become a department within Pan Fish Sales AS and will work on the European market. Pan Fish carries out its salmon harvesting at Jørgen Vågsholm AS in Herøy, Vikenco AS in Romsdal and at Davik Fiskeindustri AS in Nordfjord. Up until 1 February 2002 Pan Fish also carried out harvesting at Hauge & Furnes Fiskeindustri AS at Vigra. The group has started to plan a new salmon harvesting and packing facility in the former herring and mackerel plant of Global Herøy AS, where operations ceased in the summer of 2001.

Pan Fish undertakes the processing of salmon and trout through the companies Seafood Farmers of Norway AS on Valderøy, Norsk Sjømat AS at Stranda, Vikenco AS and Olsen Seafood AS on Askøy. A steadily increasing proportion of farmed salmon is processed and in 2001 Pan Fish produced 5 000 tonnes of processed products of salmon and trout from its own facilities in Norway.

Pelagic fish

Through Pan Pelagic, Pan Fish owns a number of companies and interests involved in pelagic fish. These include fishing vessels with licences to catch pelagic fish, processing facilities for pelagic fish and fish meal/oil plants. In the first quarter of 2001 Pan Fish decided to distribute 53% of its shares in Pan Pelagic as a dividend to its shareholders. In the second quarter Pan Pelagic raised NOK 700 million in new share capital through an issue and was listed on the stock exchange.

In September 2001 Pan Fish repurchased approximately 17% of the shares in Pan Pelagic and thereby increased its holding to around 65%. The background to the repurchase is commented on by the Managing Director (pages 6-7). In December Pan Fish made an offer to repurchase all the outstanding shares in Pan Pelagic.

Pan Pelagic has direct interests in 14 fishing vessels with licences to catch pelagic species in Norway and two vessels with rights to fish in Russia. Indirectly Pan Pelagic is a co-owner in a further 11 purse seiners through its holding of 19.9% in Austevoll Havfiske AS.

Pan Pelagic also owns five wholly-owned and two partly-owned companies which are involved in processing pelagic fish for consumption, together with two sales companies. The facilities Global Florø and Global Liavaag have been substantially expanded over the last year. At Global Florø the filleting unit's capacity has been doubled and the facility can now produce 200-250 tonnes of fillets every day, while Global Florø now has the largest capacity in Norway for filleting herring and mackerel. Both facilities have the capacity to freeze 650-700 tonnes a day.

In January 2001 Pan Pelagic acquired 48% of Vadsø Sildoljefabrikk AS in Finnmark. The plant can produce 1 800-1 900 tonnes of raw material a day and is the largest herring oil plant in Norway. In January 2002 Pan Fish acquired a further 48% of Vadsø Sildoljefabrikk. During 2001 Pan Pelagic has increased its holding in the two herring oil plants on Måløy from 66% to 99.35%. Through Sea Grain AS, which is partly owned by Pan Fish, Pan Pelagic will establish and operate a plant for the production of fish feed in Måløy.

Marine species

Pan Marine ASA was established in 2000 and co-ordinates the Pan group's involvement in the farming of marine species. The company is also involved in the production and sale of wild caught seafood. In the summer of 2001 Pan Fish decided to distribute 60.2% of its shares in Pan Marine as a dividend to shareholders. Pan Marine raised NOK 300 million through a share issue in 2001 and its shares were opened for trading through the Norwegian Stockbrokers' Association's list of unquoted shares.

Pan Marine is involved today in eight companies engaged in the farming of halibut, turbot and cod, and six Norwegian companies involved in the reception and processing of wild caught seafood. In September 2001 Pan Marine became the majority owner in Sunnmørsfisk AS in Fosnavåg which has in recent years been the leading company in Norway exporting fresh pollack fillets. Outside Norway Pan Marine has a farm for turbot and two distribution centres for seafood in China, a representative office in Taiwan, a distribution company for frozen consumer-packed seafood in the USA and a sales company and distribution company in Canada.

In September 2001 Pan Marine established its own sales company in Ålesund under the name Pan Marine Sales AS. In this connection the white fish sales unit of Aalesundfisk AS was acquired. The goal of Pan Marine is to become a leading company in the sale and distribution of white fish and shellfish. It is expected over time that farmed products will represent an increasingly more important part of sales. This product range will represent an important supplement to the other products in Pan Fish and Pan Pelagic and contribute to the group as a whole being able to offer a broad product range.

company Vestlax Hirtshals AS, which produces smoked salmon and salmon portions. Total production in 2001 amounted to 11 000 tonnes product weight. Vestlax Hirtshals is Europe's second largest salmon smokery.

GREAT BRITAIN

Fish-farming production in Great Britain is organised in the company Lighthouse of Scotland Ltd., which operates on Loch Fyne on the west coast of Scotland. The company owns 21 salmon farming licences and packs fish at its own facilities. Lighthouse of Scotland Ltd. harvested 12 200 tonnes of salmon in 2001. The company also operates Highland Fish Farmers Ltd., which produces around 5 000 tonnes of salmon, in addition to 1.5 million smolt. Lighthouse of Scotland Ltd. also has unutilised production capacity in the northern part of Scotland and on the Orkney Islands.

Pan Fish Sales UK Ltd. has an office in Guildford, where the former sales and marketing business of Seafood Products Ltd. and Eurosea Ltd. have now been grouped, following the company's acquisition by Lighthouse of Scotland Ltd. in 2000.

FRANCE / NETHERLANDS / ITALY

Pan Fish France SA in Poullaouen, Brittany, is one of Europe's



In 2001 NOK 2 161 million of the group's sales were to EU countries. The proportion of processed products is increasing strongly and amounted to approximately NOK 1 000 million. Most of this was produced at our own farms, filleting plants and smokeries in the EU (Denmark/Faroe Islands/France). Proximity to markets gives lower transport costs and reduces exposure to trade policy risks.

THE FAROE ISLANDS

Pan Fish has holdings in, or has established co-operation with, several companies involved in fish farming in the Faroe Islands. The companies manage in total 11 fish-farming licences for salmon and four smolt facilities of varying size.

The companies associated with Pan Fish in the northern Faroe Islands have established co-operation arrangements under the name Vestlaks. During 2001 the company began construction of the smolt facilities Vestsmolt and Laxá, each of which will be able to produce three million smolt.

In the southernmost of the Faroe Islands, Suduroy, Pan Fish has established co-operation arrangements with local parties which include three fish-farming licences in the company Atlantic Seafarms, two smolt facilities, a packing plant and the processing company Sudurlaks and the smokery Atlantic Seafood. A well boat has been acquired from Norway for transporting salmon from the farms to the packing plant. The Faroese fish-farming companies associated with Pan Fish supplied 20 000 tonnes of fish for harvesting in 2001, mostly salmon.

DENMARK

In Denmark Pan Fish is the main shareholder in the processing

largest salmon smokeries. Operations are being developed through substantial rationalisation of the production process and better positioning in new markets. In addition to using Pan Fish's global network of sales offices, Pan Fish France also has its own sales office in Milan, Italy.

At Schiphol in the Netherlands, Pan Fish operates the air freight company Pan Logistics BV (formerly AviAir BV). The company is an important link in the control of the logistics of supplying fresh fish to overseas markets.

EASTERN EUROPE

In November 2001 the Pan Fish group established a presence in the Ukraine through the Pan Pelagic company Global Fish AS. Together with its Ukrainian partners, Global Fish opened a new, modern cold store in Kiev. The cold store will have a capacity of 15 000 tonnes once the entire building has been brought into use, which is planned to take place during 2002. Through this investment Global Fish hopes to increase its sales and strengthen its market position in Eastern Europe.

NORTH AMERICA

Pan Fish has substantial farm production of Atlantic salmon on the west coast of North America. In British Columbia, Canada, activities are now grouped in the company Omega Salmon

Group Ltd. The company today has 24 licences for salmon farming, two hatcheries and two smolt facilities. Production of farmed fish totalled 23 000 tonnes and some 20 000 tonnes round weight were harvested in 2001. This corresponds to 40% of all Atlantic salmon harvested in British Columbia. The Omega Salmon Group Ltd. also owns the packing and processing plant Alpha Processing Ltd. The company has three well boats.

In the USA, Pan Fish owns a total of eight licences for salmon farming in the state of Washington. These are grouped, together with two hatcheries, in the company Cypress Island Inc. and in 2001 they produced 7 000 tonnes of Atlantic salmon while 8 000 tonnes round weight was harvested. This corresponds to 100% of all Atlantic salmon harvested in the state of Washington. Pan Marine owns a majority of the shares in the sales company T. C. Trading Inc. in Vancouver and in Starfish, Inc. in Seattle, which supply frozen seafood. Pan Fish Sales has offices in Seattle and Boston. In Vancouver Pan Marine operates the distribution company AviAir Transport Inc. In 2001 Pan Fish acquired the sales company Atlantic trading Co., Inc. in Miami, which is mainly engaged in the sale of Chilean salmon in the USA.



In 2001 the Pan companies recorded sales of NOK 921 million in Japan – mostly salmon and mackerel. This represented an increase of 44% in relation to the previous year. We have also established an office in Tokyo.

During 2001 Pan Fish presented plans for the development of its fish-farming activities in North America over the next five years. The plans include the establishment of new fish-farming locations in the northern part of British Columbia and a new hatchery on Vancouver Island. In order to meet increased demand for processed seafood, Pan Fish plans to establish a new salmon processing plant in Vancouver.

ASIA

In June 2001 the sales and representative office Pan Fish Japan Ltd. was established in Tokyo. The background to establishing the office was a desire to increase the level of service and further develop sales to existing and new customers in line with the company's strategy for the Japanese market. Pan Fish thus has sales and representative offices in Tokyo, Beijing, Shanghai, Hong Kong and Taipei on Taiwan. Pan companies recorded sales in the Japanese market alone of NOK 921 million in 2001.

Pan Fish co-operates extensively with Pan Marine in Asia. In China Pan Fish Shanghai Ltd. opened a major new distribution centre for fish and seafood in October 2001. The company is owned 51% by Pan Marine. The centre will serve the Chinese market with living, fresh and frozen seafood. The facility also has good capacity for processing and packing. In the last quarter Pan Marine also opened a facility for farming turbot in Qingdao, China. The first fish was introduced to the facility in January 2002 and harvesting is expected towards the end of the year. The facility will supply turbot to China and other Asian countries.

Pan Fish has great expectations regarding the development of the Chinese market. A reduction in trade barriers and customs

duties could allow the sale of increased volumes in a market where purchasing power is growing rapidly.

WORKING ENVIRONMENT

Pan Fish gives high priority to developing a good working environment. Emphasis is placed in both the holding company and subsidiaries on systematic HSE measures (Health, Safety and the Environment). The goal is to create good, safe working conditions, with few or no injuries, as low sick leave as possible and a good social atmosphere. The aim is to achieve this through appropriate routines, clear lines of responsibility and good co-operation. Pan Fish also works closely with the company health service.

Securing a good working environment is a continuous process and Pan Fish will therefore continue to concentrate on achieving this at all levels in the group. It is important that everyone participates actively in efforts to develop a good working environment and management also wishes to assume its responsibility. Know-how and expertise must be developed and maintained and therefore training will be a priority area in the group's operations.

Pan Fish wants everyone who works in the group to feel that they are part of a working environment where regard for, and consideration of, each employee is just as important as expectations as to productivity.

Sick leave was less than 3% of total working hours for the group in 2001. Some personal injuries were recorded in 2001, of which one case resulted in payment under the insurance scheme. Some damage was also reported to the company's assets during 2001.

EXTERNAL ENVIRONMENT

Load on recipient (the immediate environment, i.e. the sea areas around the facilities)

The company's production is undertaken at all times within the limits that nature can sustain. The company carries out controls on discharges to the immediate environment by regularly analysing the seabed sediments below the facilities and by controlled feeding. The company practises regular breaks (fallow periods) at all sea locations as part of our environmental policy.

Substances that are alien to nature include the use of medicines

The use of substances that are alien to nature, such as, for example, antibiotics, is kept at a particularly low level. One of the company's strategic goals is to maintain this trend. Antibiotics are only used where there is a need to combat disease and where the welfare of the fish is considered greater than the negative effects on the environment.

Monitoring of feed quality

Salmon may be exposed to environmental pollution through

feed. In co-operation with our feed producers Pan Fish carefully monitors the quality of feed, including the levels of environmental pollution and heavy metals.

Regard for wild stocks of salmon

Consideration for wild salmon populations is an important element in measures to fight salmon lice and eliminate escapes of fish from the company’s facilities. Through the use of common R&D resources, the company is actively participating in co-operative projects aimed at strengthening the future of wild salmon.

Air pollution - CO² emissions

The company is endeavouring to reduce the business’ contribution to CO² emissions through the efficient utilisation of transport resources, as well as an increased degree of processing of raw materials at the place of origin.

Resource utilisation

The proportion of the landed pelagic catch which is processed

ANNUAL ACCOUNTS

Operations and balance sheet

Pan Fish recorded an operating profit of NOK 143.9 million in 2001 against NOK 733.1 million in the previous year. The operating profit for 2000 included a gain of NOK 152.2 million from the sale of fixed assets. EBITDA before extraordinary write-downs was NOK 421.7 million against NOK 914.2 million in 2000. The demergers of Pan Pelagic and Pan Marine are booked to income under financial items in an amount of NOK 546.5 million. The profit before tax was NOK 361.8 million in 2001. The profit before tax for 2000 was NOK 743.2 million after a contribution of NOK 228.1 million as financial income from the sale of the company’s own holdings of convertible bonds. The profit for the year for the group was NOK 254.3 million in 2001 against NOK 533.7 million in 2000.

The group’s total assets as at 31.12.2001 amounted to NOK 8.33 billion against NOK 6.15 billion at the same date in the previous year. The consolidation of Pan Pelagic, as well as the purchase of

salmon produced continued to fall and was 6% lower in 2001 than 2000. Pan Fish has a production capacity of approximately 150 000 tonnes of Atlantic salmon.

Processing activities

Throughout the year prices for harvested salmon were lower than for corresponding periods in 2000. This provided a basis for higher margins on the production and sale of processed salmon such as smoked and cured salmon and portions. Pan Fish increased production of processed products from its own companies to almost 20 000 tonnes product weight in 2001. The positive development in Pan Fish’s processing activities in Norway, Denmark, the Faroe Islands and France in 2001 resulted in an operating profit of NOK 88.3 million against NOK 3.1 million in 2000. This corresponds to an operating margin of, respectively, 6.9% and 0.3%.

Sales and logistics activities

The sales business also recorded a positive development in results over the year. The operating profit in 2001 was

next year. As a result the Board expects salmon prices to be at a higher level than achieved in 2001. The Board also expects that consumption of seafood will continue to rise further next year and that the proportion sold as fresh food will increase. As the quantity of wild caught fish is not expected to rise in the coming years, the importance of the aquaculture sector as a secure supplier of fresh seafood will increase. In order to further stimulate demand for seafood, Pan Fish is continuously investing in increasing the degree of processing and improving its logistics system.

As a result of the fact that wild fish stocks are not expected to increase in the coming years, there will be further competition for raw materials in the pelagic sector as well. Competition has sharpened due to capacity increases in the production of pelagic products for human consumption. In order to respond to this, Pan Fish has devoted considerable resources aimed at establishing a presence in areas outside Norway where there is less competition for raw materials. In recent years there has been a reduction in production capacity for fish meal and oil,



China is becoming increasingly more interesting for the Pan companies. Through Pan Marine we are now established in Beijing (sales), Shanghai (processing/sales/distribution) and Hong Kong (sales/distribution). Comprehensive supply agreements have already been signed for a number of types of fish with hotel and retail chains and catering companies.



In recent years we have seen strong growth in deliveries to the Russian market and the Baltic States. Between 2000 and 2001 sales increased from NOK 377 million to NOK 567 million. This included both salmon and pelagic species (herring and mackerel). We believe there is considerable potential in further developing the markets in Eastern Europe.

directly to consumer products is less than 40%. Increasing this is a strategic goal. Trimmings from pelagic processing for consumers now represent approximately 40% of the company’s meal and oil production. Catches from threatened wild fish populations are not included in feed raw materials used at Pan Fish’s fish-farming facilities.

Further processing of bi-products from farmed production continues to be one of the challenges in the company’s goals of increased resource utilisation throughout the value chain.

Fish welfare

The company recognises responsibility for the welfare of fish in its fish-farming operations. Present day know-how in this area is relatively undeveloped and, as a result, there are few regulations in the area apart from guidelines on fish density of <25 kg biomass per cubic metre water. Pan Fish believes that fish welfare measures are an important element in securing good growth and a low level of fatalities at its facilities.

The company is contributing through its R&D resources to improving know-how in the field of fish welfare.

CONTINUED OPERATION

The annual accounts have been prepared on a going concern basis since in the opinion of the Board of Directors there are no factors which should suggest otherwise.

the fish-farming companies Gjølaks and Salmonor, are the main reasons for the increase. In spite of the significant growth, the book equity ratio including minority interests was maintained in 2001. The average book value per licence is NOK 9.5 million. This is considerably lower than the market value and the group’s licence values thus represents a hidden reserve. At the year-end Pan Fish owned 5.8 million of its own shares. Equity capital has been reduced by the cost price of the shares. The company had just under 5 200 shareholders at the year-end.

At the end of January Pan Fish carried out a share issue and a sale of its own shares which raised around NOK 300 million for the company. The issue price was set at the closing price on the day before the issue and sale of own shares was undertaken.

In the opinion of the Board, the annual financial statements and notes provide a satisfactory description of the company’s position at the year-end.

Fish-farming operations

The operating result for 2001 was a loss of NOK 29.1 million against a profit of NOK 680.5 million in 2000. The operating result for 2000 included a gain on the sale of fixed assets of NOK 152.2 million. In 2001 Pan Fish harvested 90 000 tonnes of salmon against 64 200 tonnes in 2000. The average sale price to the farmer achieved in 2001 was NOK 21 per kg of packed salmon against NOK 31.89 in 2000. The cost per kilo of

NOK 40.5 million against NOK 24.4 million in 2000. The most important markets for Pan Fish are the EU, the USA and Japan/China. During the last five years Pan Fish has built up a worldwide network for the sale of seafood products. In total Pan Fish sells roughly 15% of total salmon produced in the world.

Pelagic activities

The operating profit for Pan Pelagic was NOK 96.4 million in 2001, of which NOK 72.4 million was consolidated in Pan Fish’s accounts. In 2001 Pan Pelagic has been consolidated as a subsidiary in the period from 01.01. to 31.03. and from 01.09. During the period from 01.04. to 31.08., the company was consolidated as an associated company and reported under financial items.

Pan Marine ASA

Pan Marine’s operating result to 31.05.01 was a loss of NOK 8.4 million. Since 01.06.01 the company has been consolidated as an associated company and Pan Fish’s share of the result was a loss of NOK 3.3 million.

DEVELOPMENT

The Board expects lower growth in the supply of salmon in 2002 compared with the previous year, partly due to a reduction in smolt release. This should lead to a better balance between supply and demand for salmon in the second half of 2002 and

which is likely to continue as an increasingly smaller proportion of catches are being used for feed and oil production. Pan Fish has two plants in the Måløy area and one in Vadsø. All the plants are well located in relation to the fishing grounds and a number of measures are being taken to increase the efficiency of the production process.

The company will continue to limit its rate of investment until earnings are back at a satisfactory level. The Board will also work to improve the company’s financial position through, among other things, disposing of assets which do not form part of the company’s main activities or where there is over-capacity.

THE PARENT COMPANY

Application of profit

Pan Fish ASA is the parent and administration company in the group and had operating revenues of NOK 32.1 million in 2001 against NOK 14.4 million in 2000. The company’s operating revenues mainly consist of management fees from subsidiaries. The operating result in 2001 was a loss of NOK 14.5 million against a loss of NOK 18.1 million in 2000. The parent company received group contributions of NOK 282.1 million in 2001 against NOK 293.1 million in 2000. In connection with, among other things, the demerger of Pan Pelagic ASA and Pan Marine ASA, the company realised gains on shares of NOK 554.8 million. The profit for the year was NOK 612.8 million for 2001 against NOK 395.9 million for 2000. The Board will propose

REPORT OF THE BOARD OF DIRECTORS

to the General Meeting that NOK 612.3 million is transferred to other equity capital and NOK 0.5 million to the valuation differences reserve.

The company's free equity amounted to NOK 333.2 million as at 31.12.01 against NOK 17.3 million as at 31.12.00.

In the opinion of the Board, the annual financial statements provide a satisfactory description of the position of the company and the group at the year-end.

SHAREHOLDER MATTERS

Share capital

During 2001 and the first quarter of 2002 the share capital was increased on several occasions by a total of NOK 12 047 145. The issues took place as a result of the conversion of subordinated loans to share capital, the acquisition of shares in Pan Pelagic against settlement in Pan Fish shares and the provision of capital. 170 398 414 shares, each of NOK 0.50 par value, were outstanding in the company at the end of the first quarter of 2002. At the start of the year Pan Fish and connected parties held 4 590 928 and 1 234 947 Pan Fish shares respectively.

Shareholder policy

The overall goal is to provide the company's shareholders with the best possible increase in the value of shares in Pan Fish ASA.

The company keeps the Oslo Stock Exchange and stockmarket continuously informed on its development through quarterly and annual reports, as well as announcements of important events in the company.

Development in the share price

Low salmon prices compared with the previous two years had a significant negative impact on the development in the company's share price. At the 2000 year-end the price was NOK 60. During the first quarter it fell below NOK 50, before rising above NOK 65. Since the beginning of October 2001 the price has fluctuated in the region around NOK 20.

Repurchase of own shares

The General Meeting first resolved on 28 May 1999 to authorise the Board to repurchase the company's own shares. The authorisation was most recently renewed at an Extraordinary General Meeting on 7 June 2001. Pan Fish has made active use of its own shares as consideration for investments. The current authorisation runs until December 2002 and allows the company to own just over 13 million of its own shares.

Shareholder structure

There were 5 181 registered shareholders in the company at the year-end. See note 7 for the 20 largest shareholders in the company.

Ålesund, 27 March 2002

The Board of Pan Fish ASA


Bjarte Tunold
Chairman


Arne Nore
Managing Director


Gudmun Strømsnes


Jøgvann Djurhuus

INCOME STATEMENT

Figures in NOK 1 000

PAN FISH ASA				PAN FISH - GROUP			
2001	2000	Note	Operating revenues and operating expenses	Note	2001	2000	1999
32 051	14 425	2	Operating revenues	3	5 592 356	4 742 548	2 210 306
0	0		Cost of raw materials and consumables	8	4 194 255	2 660 712	1 604 690
0	0		Change in stocks of finished goods	8	-350 417	194 737	-95 963
13 032	12 538	3,16	Payroll expenses	5, 17	771 476	570 529	228 913
1 947	1 297	4	Depreciation of fixed assets	6	249 657	181 150	58 633
31 592	18 704	3,19	Other operating expenses	4	583 500	402 354	211 585
46 571	32 539		Total operating expenses		5 448 471	4 009 482	2 007 858
-14 520	-18 114		Operating profit/loss		143 885	733 066	202 448
Financial income and financial expenses							
282 100	293 165	13	Income from investments in subsidiaries		0	0	0
-2 857	481	14	Income from investments in associates	16	31 062	8 577	3 512
48 016	13 012		Interest income from group companies		0	0	0
554 821	-200	22	Gain/loss (-) on sale of shares	24	554 243	12 300	0
0	228 126		Gain on sale of own bonds		0	228 126	0
13 336	8 118		Other financial income		41 072	8 576	3 964
2 283	-1 649	8	Currency gains/losses (-)	11	13 687	-11 235	6 178
154 222	58 731	20	Financial expenses		422 170	236 178	71 151
743 477	482 320		Net financial items		217 894	10 166	-57 497
728 957	464 206		Profit before tax		361 779	743 232	144 951
116 156	68 269	10	Tax on ordinary profit	12	107 499	209 567	43 996
612 801	395 937		Profit for the year		254 280	533 665	100 955
Allocation							
457	481		Transferred to reserve for valuation differences		0	0	0
0	265 000		Allocated for dividend		0	265 000	0
612 344	130 456		Transferred to other equity capital		0	0	0
0	0		Share of minority	2	12 980	34 274	4 261
0	0		Share of minority		241 300	234 391	96 694
612 801	395 937		Total		254 280	533 665	100 955
161 735	164 833		Group contributions made (net of tax)				



Pan Fish is the largest company involved in Atlantic salmon in North America. In 2001 consumption of fresh salmon fillets in the USA increased by 40% and our sales of processed salmon products totalled NOK 800 million. This illustrates the increasing shift in production to more processed goods!

BALANCE SHEET

Figures in NOK 1 000

PAN FISH ASA		ASSETS		PAN FISH - GROUP		
2001	2000	Note	Note	2001	2000	1999
FIXED ASSETS						
Intangible assets						
0	0		6	1 435 194	873 268	330 352
3 100	14 719	10	12	0	0	0
0	0		6	586 923	279 943	39 990
3 100	14 719	Total intangible assets		2 022 117	1 153 211	370 342
Tangible fixed assets						
0	9 395	4	6	943 900	749 723	151 666
3 909	3 466	4	6	1 161 557	901 243	349 634
3 253	3 547	4	6	164 897	113 522	36 732
7 162	16 408	Total tangible fixed assets		2 270 354	1 764 488	538 032
Financial fixed assets						
2 496 426	798 645	13		0	0	0
767 392	478 306	5		0	0	0
183 570	1 997	14	16	833 838	167 175	59 110
7 080	250	5		0	4 463	0
5 489	3 447	15	15	36 119	30 900	2 216
944	782	16	17	0	0	0
24 678	391 840	20	21	181 288	447 071	33 100
3 485 579	1 675 267	Total financial fixed assets		1 051 245	649 609	94 426
3 495 841	1 706 394	Total fixed assets		5 343 716	3 567 308	1 002 800
CURRENT ASSETS						
0	3		8	1 877 782	1 525 400	865 207
9 754	79	5	7	763 606	722 484	445 105
113 941	124 551	5, 9		0	0	0
282 100	202 910			0	0	0
0	90 255			0	0	0
9 828	3 108	17	7	265 043	147 832	107 667
415 623	420 903	Total receivables		1 028 649	870 316	552 772
632	109 586	18	19	83 552	184 363	55 900
416 255	530 492	Total current assets		2 989 983	2 580 078	1 473 878
3 912 096	2 236 885	Total assets		8 333 699	6 147 386	2 476 678

PAN FISH ASA			EQUITY AND LIABILITIES		PAN FISH - GROUP		
2001	2000	Note		Note	2001	2000	1999
EQUITY							
Equity paid in							
76 331	64 284	12	Share capital (152 661 813 shares of NOK 0.50 each)	14	76 331	64 284	2 504
-2 296	-2 594	12,21	Own shares	22	-2 904	-2 594	-184
772 064	426 948		Premium reserve		772 064	426 948	209 114
60 625	141 160	12,21	Other equity paid in		60 625	141 160	10 993
906 725	629 798		Total equity paid in		906 116	629 798	222 426
Equity earned							
279 749	-122 490		Other equity		99 664	98 900	80 566
0	0		Minority interests	2	163 519	113 577	78 516
279 749	-122 490		Total equity earned		263 183	212 477	159 082
1 186 474	507 308	11	Total equity	13	1 169 298	842 275	381 508
LIABILITIES							
Provisions for liabilities							
0	0		Pension liabilities	17	2 247	4 567	686
0	0		Deferred tax	12	196 975	174 525	15 987
0	0		Total provisions for liabilities		199 222	179 093	16 673
Other long-term liabilities							
260	15 960	6	Convertible loans	9	260	15 960	167 742
1 026 000	563 000	6	Bond loan	9	763 000	563 000	0
741 902	304 842	6, 7	Debt to credit institutions	10	3 767 762	3 019 593	826 921
0	0		Other long-term liabilities		18 015	25 271	111 150
1 768 162	883 802		Total other long-term liabilities		4 549 037	3 623 824	1 105 813
Current liabilities							
327 611	0	7	Debt to credit institutions	10	1 231 339	406 301	459 540
230 000	0	6	Commercial paper debt	9	230 000	0	0
8 872	30 049		Trade payables		562 536	468 915	389 670
296 882	398 499	9	Debt to group companies		0	0	0
66 821	62 692		Taxes payable	12	106 143	84 048	9 980
1 115	1 697		Accrued salaries and nat.insurance contributions		32 058	43 440	34 534
0	265 000		Dividend payable		0	265 000	0
26 160	87 838		Other current liabilities		254 066	234 490	78 961
957 460	845 775		Total current liabilities		2 416 142	1 502 194	972 685
2 725 623	1 729 577		Total liabilities		7 164 401	5 305 111	2 095 170
3 912 096	2 236 885		Total equity and liabilities		8 333 699	6 147 386	2 476 678

CASH FLOW STATEMENT

Figures in NOK 1 000

NOTES

PAN FISH ASA			PAN FISH - GROUP		
2001	2000		2001	2000	
		Cash flows from operating activities			
728 957	464 206	Profit before tax	361 779	743 232	
-6 754	0	Tax paid for the period	-67 767	-18 971	
-282 100	-293 165	Group contributions and dividends	0	0	
-22	0	Gain/loss on sale of fixed assets	-2 422	-152 052	
-554 821	-227 926	Gain/loss on sale of financial fixed assets	-554 243	-228 126	
1 947	1 297	Ordinary depreciation	249 658	181 150	
2 857	-481	Profit/loss from associates	-31 062	-8 577	
0	0	Change in stocks	-203 457	-340 869	
-21 469	-21 183	Change in trade receivables	10 159	-116 712	
-22 109	14 820	Change in trade payables	-48 578	-91 249	
-72 388	54 228	Change in other accruals	-133 346	1 033	
-225 902	-8 206	Net cash flow from operating activities	-419 279	-31 141	
		Cash flows from investment activities			
9 526	0	Proceeds from sale of tangible fixed assets	25 847	249 374	
0	395 460	Proceeds from sale of financial assets	0	395 460	
-2 204	-13 368	Outflow on purchase of tangible fixed assets	-744 087	-625 493	
13 991	0	Proceeds from sale of shares and interests	0	0	
-588 387	-467 286	Outflow on purchase of shares and interests	-689 966	-1 489 728	
-462 890	-236 334	Outflow on purchase of other investments and loans	0	0	
-1 029 966	-321 528	Net cash flow from investment activities	-1 408 206	-1 470 387	
		Cash flows from financing activities			
900 060	565 000	Proceeds from raising new long-term debt	1 379 037	2 749 915	
74 950	0	Proceeds from raising new short-term debt	156 197	149	
0	-321 700	Outflow on repayment of long-term debt	-438 641	-1 065 860	
327 611	-87 115	Net change in overdraft facility	990 753	-283 085	
-228 754	-35 765	Net purchase and sale of own shares	-228 754	-35 765	
0	284 040	Paid-in equity (conversion of bond loan)	0	284 040	
73 047	34 632	Group contributions and dividends	-120 179	0	
1 146 914	439 092	Net cash flow from financing activities	1 738 413	1 649 394	
0	0	Effect of exchange rate differences	-11 739	-19 404	
-108 954	109 358	Net change in cash and cash equivalents	-100 811	128 463	
109 586	228	Cash and cash equivalents at beginning of period	184 363	55 900	
632	109 586	Cash and cash equivalents at end of period	83 552	184 363	
Acquisitions of subsidiaries are included at the cost price adjusted for liquid assets.					

NOTE 1 BASIC PRINCIPLES – VALUATION AND CLASSIFICATION – OTHER MATTERS

The annual accounts comprise the income statement, balance sheet, cash flow statement and notes, and are presented in accordance with the Companies Act, the Accounting Act and Norwegian GAAP as applicable at 31 December 2001. To make the annual accounts more readable, they have been edited so that the financial statements are in a summary form. The necessary details are given in the notes. This means that the notes are an integral part of the annual accounts.

The annual accounts are based on basic principles relating to historical cost, comparability, the going concern assumption, the all-inclusive income concept and prudence. Transactions are entered at the value of the consideration on the date of the transaction. Income is recognised when it is earned and expenses are recognised in the same period as the related income. These accounting principles are described in further detail below. Where the actual figures are not available at the time of preparing the accounts, good accounting practice requires the management to present best estimates in the income statement and balance sheet. There may be variances between the estimated and actual figures.

Assets/liabilities relating to the stock cycle and items due for payment within a year of the balance-sheet date are classified as current assets/current liabilities. Current assets/current liabilities are valued at the lower/higher of their acquisition cost and net realisable value. Net realisable value is defined as the anticipated future sales price minus expected sales expenses. Other assets are classified as fixed assets. Fixed assets are entered at their acquisition cost. Fixed assets subject to deterioration are depreciated. Where a change in value is not temporary, the fixed asset is written down. Corresponding principles are normally applied to liability items.

1) Consolidation of subsidiaries and associates

SUBSIDIARIES

The consolidated accounts include the parent company and those companies in which Pan Fish ASA owns/controls more than 50% of the shares/votes. This applies to the companies listed in note 2 to the accounts. On consolidation, the cost price paid by the parent company for shares in subsidiaries has been eliminated against the book equity of the subsidiaries on the date of acquisition (acquisition method). Excess values paid for are divided between the identifiable assets in the company’s balance sheet. Additional excess values are entered under Licences (for fish farming companies) and under Goodwill (for other companies). Shortfalls are entered as a reduction of tangible fixed assets.

The exchange rate at 31 December 2001 in the respective countries’ currencies has been used for translating the balance sheets of foreign subsidiaries, while the income statements for foreign subsidiaries have been translated at the average exchange rate for the year. Translation differences in connection with the consolidation of foreign subsidiaries have been entered directly against equity.

Intra-group sales and profits have been eliminated. The same also applies to receivables and liabilities at 31 December 2001.

MINORITY INTERESTS

The share of profit/loss and equity from minority interests is calculated and presented in the consolidated accounts. Minority interests are limited to positive equity in subsidiaries.

ASSOCIATES

Companies in which Pan Fish ASA owns 20-50%, and also has a significant

influence on operational and financial decisions, are defined as associates. Such companies are consolidated according to the equity method. The group’s share in the profit/loss after tax of associates is presented as a separate item under financial items. In the balance sheet, ownership interests are included as Financial fixed assets.

Investments in shares and units, classified as fixed assets, are valued at cost. If the market value is lower than the cost price, and if this is regarded as not being of a temporary nature, the investments are written down accordingly.

2) Accounting principles for significant items in the accounts

THE EARNED INCOME PRINCIPLE

Income is recognised when it is earned. Income is normally earned on the date of delivery of the goods and services sold. Operating revenues are entered minus value added tax, discounts, bonuses, etc.

The sale of subsidiaries is regarded as a part of ordinary operations. Gains on such sales are therefore included in operating revenues. The same applies to gains on the sale of operating assets (losses are included in Other operating expenses).

EXPENSES/THE MATCHING PRINCIPLE

Costs are to be matched with and recognised as expenses in the same period as the related income. Where there is no clear connection between expense and income, expenses must be charged to income as they accrue. On restructuring and winding up of activities, all the related expenses are charged against income from the date the decision was made. Charges relating to the establishment of long-term loans are entered under Financial operating assets and accrued over the loan period.

INTANGIBLE ASSETS

The distribution of excess values relating to the acquisition of companies is described in a separate paragraph under Subsidiaries. That part of the excess value defined as Licences and Goodwill is included under Intangible assets and depreciated as follows:

Licences in Norway:

In Norway, licences are of unlimited duration and transferable, subject to approval by the authorities. Hence there is no ordinary depreciation.

Licences in Canada:

Under current practice, licences in Canada have been renewed automatically. They are not, however, transferable, and their technical life has therefore been set at 30 years. Ordinary depreciation is based on the technical life.

Other licences:

Other licences are depreciated over the life of the licence.

Goodwill:

For the acquisition of companies without licences, excess values that cannot be assigned to specific operating assets are classified as Goodwill. The depreciation rate for the individual Goodwill item is determined on the basis of its economic life when entered in the accounts.

TANGIBLE FIXED ASSETS

Tangible fixed assets are carried in the balance sheet at acquisition cost, minus accumulated depreciation and write-downs. If the net realisable value of the asset is lower than the book value, and this is due to reasons that are not expected to be temporary in nature, the asset is written down to its net realisable value. Costs relating to normal maintenance and repairs are expensed as incurred. The costs of major replacements and renewals

that substantially increase the life of assets are capitalised. Operating assets which are leased on terms whereby the financial rights and liabilities relating to the asset are largely transferred to Pan Fish ASA (financial leasing) are capitalised as operating assets and included as liabilities under interest-bearing liabilities. Operational leasing is expensed as normal hire expenses and classified as an ordinary operating expense.

Ordinary depreciation is calculated according to the straight-line method over the economic life of the asset, on the basis of its original cost. Similar principles are applied to intangible assets. Depreciation is classified under ordinary operating expenses.

STOCKS AND COST OF RAW MATERIALS AND CONSUMABLES
For stocks of live fish at marine sites, each generation is valued at the lower of full cost of production and net realisable value (expected sales value minus sales expenses). The cost of production consists of direct variable costs, indirect variable costs and fixed costs (excluding administrative expenses). Due to the lengthy production period, interest expenses are included.

Raw materials consist of feed, packaging materials and products bought for further processing. These are valued at the lower of acquisition cost and net realisable value.

Work in progress and finished goods comprise self-produced goods such as salmon fillets and smoked salmon, etc., and are valued at the lower of production cost and net realisable value. Except for interest expenses, the production cost is calculated in the same manner as for live fish at marine sites.

Commodities consist of purchased goods intended for direct resale. These are valued in the same manner as raw materials.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES
Forward contracts are used continuously to hedge exposed currency items. All receivables and liabilities hedged in this manner are translated at the forward rate. Other currency items are translated at the exchange rate on the balance-sheet date.

Net currency gains and losses are entered under financial items in the income statement.

RECEIVABLES
Receivables are carried at their nominal value minus a provision for losses on accounts receivable.

PENSION LIABILITIES AND PENSION EXPENSES
The company operates pension schemes entitling the employees to agreed future pension benefits - defined benefit schemes. Pension liabilities are calculated on a straight-line earnings basis, based on assumptions relating to the number of contribution years, discount rates, future returns on pension assets, future adjustment of wages, pensions and benefits from the National Insurance Fund and actuarial assumptions relating to mortality, voluntary redundancy, etc. Pension assets are valued at net realisable value. Net pension liabilities consist of gross pension liabilities minus the net realisable value of pension assets. The group has signed several pension agreements. Some of these were over-funded at 31 December 2001. The surplus amount is included in the balance sheet in those cases where utilisation is regarded as probable. Pension liabilities are shown at net value in the company's balance sheet.

Changes in pension liabilities due to changes in the pension schemes are apportioned over the expected average remaining contribution period. Changes in pension liabilities and pension assets due to changes in and

variances from the assumptions on which the calculations were made (estimate changes) are apportioned over the expected average remaining contribution period, where such deviation constitutes more than 10% of the gross pension liabilities/pension assets.

Net pension expenses, i.e. gross pension expenses minus the estimated return on pension assets, corrected for the apportioned effect of changes in estimates and pension schemes, are classified as ordinary operating expenses and presented together with payroll expenses and other remuneration.

Certain of the foreign subsidiaries operate defined contribution pension schemes. Annual contributions are expensed in the income statement.

DEFERRED TAX AND TAX
Deferred tax is computed on the basis of temporary differences between financial and tax-related values at the end of the accounting year. The computation is based on the nominal tax rate. Positive and negative differences are set off against each other within the same period. A deferred tax benefit arises where temporary differences will give rise to future tax deductions. Deferred tax benefits linked to negative temporary differences and tax-related losses carried forward are capitalised. Only negative differences with a probable future tax-reducing effect are included. Tax for the year consists of changes in deferred tax and deferred tax benefits, together with tax payable for the financial year corrected for any computing errors relating to previous years.

As described above, excess values on the acquisition of subsidiaries are classified as Goodwill and Licences. In accordance with current accounting practice, deferred tax is not computed on assigning items to Goodwill. The same also applies to Licences. This is because the cost price of shares is included in the company accounts. If licences are sold, this will always happen through the sale of the company owning such licences. So, in practice, the question of deferred tax on the value of licences will not arise.

CASH FLOW STATEMENT
The cash flow statement is prepared using the indirect method. Cash and cash equivalents also include bank deposits. Acquisitions of subsidiaries are included at cost price adjusted for liquid assets at the date of purchase.

CLASSIFICATION AND VALUATION OF BALANCE-SHEET ITEMS
Assets linked to the stock cycle are classified as current assets. The same rules apply to current liabilities. Receivables and liabilities not linked to the stock cycle are classified as current assets/current liabilities if they fall due for payment within a year. Other assets are classified as fixed assets, while other liabilities are classified as long-term.

3) Additional information

PRO FORMA ACCOUNTS
Where the comparable figures from previous years are not sufficient to evaluate the company's earning capacity, additional information is provided in the form of pro forma accounts. This is relevant, for instance, when acquisitions are made in the course of the financial year. The pro forma accounts will then present the accounting figures as if the acquisition had taken place at 1 January. In such cases any Goodwill depreciation, etc., is calculated from the same date.

Pro forma accounts have been prepared for both 2000 and 2001.

EARNINGS PER SHARE
The earnings per share calculation is based on the weighted average of outstanding shares for the period. Diluted earnings per share takes account of the diluting effect of convertible loans and of option issues.

NOTE 2 BUSINESS ACTIVITIES AND GEOGRAPHICAL DISTRIBUTION

Pan Fish ASA is the parent company of the Pan Fish group. Its operating revenue consists mainly of administration fees from subsidiaries (see note 13).

NOTE 3 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION

<i>Payroll expenses, etc.:</i>	<i>2001</i>	<i>2000</i>
Salaries	10 465	9 413
National insurance contributions	1 463	1 229
Pension expenses	13	-50
Other payments	1 091	1 946
Payroll expenses	13 032	12 538
Average number of employees	18	19
<i>Payments to executive personnel:</i>	<i>Managing Director</i>	<i>Board of Directors</i>
Salaries	972	119
Other remuneration	172	0

No loans/guarantees have been made to executive personnel, Board membes or related parties. Loans to other employees total NOK 850 000. Interest is calculated at 6%. No executive personnel of the company have contracts involving special severance pay, bonuses, options, etc.

Auditor:
Auditors' fees amounted to NOK 396 000. Additional fees for consultancy amounted to NOK 250 000.

NOTE 4 TANGIBLE FIXED ASSETS

	<i>Office equipment and vehicles</i>	<i>Vessels</i>	<i>Buildings</i>	<i>Total tangible fixed assets 31.12.01</i>	<i>Total tangible fixed assets 31.12.00</i>
Acquisition value at 01.01.01	5 397	3 701	10 318	19 416	6 048
Additions, operating assets	2 120	84	0	2 204	13 368
Disposals, operating assets	-441	0	-10 318	-10 759	0
Acquisition value at 31.12.01	7 076	3 785	0	10 862	19 416
Accumulated depr. at 31.12.01	-3 167	-532	0	-3 699	-3 008
Book value at 31.12.01	3 909	3 253	0	7 162	16 408
Depreciation for the year	1 522	378	47	1 947	1 297
Economic life	3-6 years	10 years	20 years		
Depreciation plan	Straight-line	Straight-line	Straight-line		

NOTE 5 RECEIVABLES

The company's receivables are valued at nominal value. For the translation of receivables in foreign currencies, see note 8. All receivables relating to the stock cycle are due for payment within one year.

NOTE 6LIABILITIES AND BONDS

Pan Fish ASA has a convertible subordinated loan which entitles the lenders to convert the loan into shares during the loan period. In 2001 NOK 15 700 000 of the loan was converted.

At 31 December 2001 outstanding debt was as follows:		Interest rate	Maturity	Conversion price	Outstanding debt	
Bond issue 1997/2002		6.30%	12/31/02	10.-	300 000	
Converted					299 740	
Outstanding debt at 31 December 2001					260	
The company also has the following listed bond issues:		Type of interest	Interest rate	Maturity	Market Price	Debt
Bond issue 2000/2003		Floating	8.57%	12/20/03	80.00%	496 000
Bond issue 2000/2003		Floating	8.32%	12/20/03	87.00%	268 000
Bond issue 2000/2003		Fixed	8.75%	12/20/03	79.50%	237 000
Promissory note issue		Fixed	8.75%	12/20/03		25 000
Total						1 026 000

The interest rate on the floating rate loans is calculated on the basis of 3-month NIBOR. The rates specified are those applicable at 31 December 2001.

<i>During the year certificate loans were taken out for the following amounts and terms:</i>	<i>Interest rate</i>	<i>Maturity</i>	<i>Market Price</i>	<i>Outstanding debt</i>
Loan no. 009057.4	8.13%	03/14/02	97.00%	180 000
Loan no. 010144.7	8.37%	06/13/02	93.00%	50 000
Total				230 000

NOTE 7SECURITY AND GUARANTEES

Pan Fish ASA participates in a group account system that the group has with Nordea (limit NOK 161 000 000) and DnB (limit NOK 300 000 000) and is jointly and severally liable for any outstanding accounts with these banks. The facilities also include lines for forward contracts and guarantees. For the translation of borrowings in foreign currencies, see note 8.

In addition to this, the company has long-term debt to credit institutions totalling NOK 741 902 000. The instalment profile for the loans is as follows:

	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>Total</i>
Debt to credit institutions	236 035	135 400	370 400	67	741 902

The interest rate is based on 3-month NIBOR + approx. 1.5%.

Assets pledged as security for liabilities:

- 1) Operating movable assets, buildings, trade receivables, stocks (including fish-farming chattels) etc. in the following subsidiaries: Lighthouse of Scotland Ltd, Seafood Products Ltd, Pan Fish France SA, Pan Fish Sales AS, Aviair BV, Pan Fish Sales Inc, TC Trading Inc, Kinn Salmon AS.
- 2) Pan Fish ASA's shares in the following subsidiaries (see note 13): Lighthouse of Scotland Ltd. (incl. the subsidiary Pan Fish Sales UK Ltd.), Pan Fish Norge AS, Pan Fish France SA, Norsk Sjømat AS, Pan Fish Sales AS, Cypress Island Inc and (in part) the shares in Pan Pelagic ASA.
- 3) Pan Fish ASA's intra-group receivables from the following subsidiaries: Cypress Island Inc, Omega Salmon Group Ltd, Lighthouse of Scotland Ltd, Pan Fish Sales AS, Pan Fish France SA.

<i>Balance-sheet liabilities secured by mortgages, etc.:</i>	<i>31.12.01</i>	<i>31.12.00</i>
Current debt to credit institutions	327 611	0
Long-term debt to credit institutions	741 902	304 842
Total	1 069 513	304 842

Guarantee liabilities:

Pan Fish ASA has also furnished guarantees for a total of NOK 1 911 932 000 for loans and other credits to subsidiaries. Most of this is secured by mortgages in fixed assets. The guarantees are given in different currencies and translated into NOK on the basis of the exchange rate at 31 December 2001. The corresponding figure for 2000 was NOK 1 728 523 000.

<i>The balance-sheet value (in Pan Fish ASA) of assets furnished as security for mortgage debt:</i>	<i>31.12.01</i>	<i>31.12.00</i>
Receivables from group companies	712 413	406 289
Other receivables	9 754	0
Stocks	0	3
Shares in subsidiaries	1 604 586	386 538
Total	2 326 752	792 830

NOTE 8CURRENCIES, FORWARD CONTRACTS, ETC.

Receivables in foreign currencies are hedged using forward contracts or by drawing on the corresponding currency account. Where forward contracts are used, the receivable is translated at the forward rate. The exchange rate at 31 December 2001 is used in all other cases. A total currency loss of NOK 2 283 000 has been charged to the 2001 accounts. The following forward/swap contracts were outstanding at 31 December 2001:

			<i>Purchase/</i>	<i>Amount in</i>	<i>Forward</i>
<i>Bank</i>	<i>Currency</i>	<i>Maturity</i>	<i>sale</i>	<i>currency</i>	<i>rate</i>
Kredtikassen (forward)	GBP	3/27/02	Sale	760	13.2100
Kredtikassen (swap)	GBP	7/2/02	Sale	35	13.2450
Kredtikassen (swap)	USD	7/2/02	Sale	115	9.5400
Kredtikassen (swap)	FRF	7/2/02	Sale	2 760	1.2305

NOTE 9INTRA-GROUP ACCOUNTS, ETC.

	<i>Trade receivables</i>		<i>Other receivables</i>	
	<i>31.12.01</i>	<i>31.12.00</i>	<i>31.12.01</i>	<i>31.12.00</i>
Group companies	45 071	33 277	68 870	91 274
Associates	9 724	14	0	0
Total	54 795	33 291	68 870	91 274
	<i>Trade creditors</i>		<i>Other current liabilities</i>	
	<i>31.12.01</i>	<i>31.12.00</i>	<i>31.12.01</i>	<i>31.12.00</i>
Group companies	1 784	2 715	295 098	395 784
Associates	0	8	0	0
Total	1 784	2 723	295 098	395 784

NOTE 10TAX

<i>Tax payable is arrived at as follows:</i>	<i>2001</i>	<i>2000</i>
Profit before tax	728 957	464 206
Permanent differences ¹	-217 721	-188 773
Change in temporary differences	-173	-13 848
Tax base for the year	511 063	261 585
Tax 28%	143 098	73 244
Credit on dividends received	-8 561	-8 980
Tax payable on the profit for the year before group contributions	134 537	64 264
<i>The tax charge for the year is arrived at as follows:</i>		
Tax payable on the profit for the year		
before group contributions	134 537	64 264
Provision for tax on foreign dividends in 2000	-16 773	0
Gross change in deferred tax	11 619	-7 903
Deferred tax on own shares booked against equity	-13 227	11 908
Total tax charge for the year	116 156	68 269
<i>Tax payable in the balance sheet is arrived at as follows:</i>		
Tax payable on the profit for the year	134 537	64 264
Withholding tax	-6 754	0
Tax payable on group contributions	-64 453	-64 102
Tax payable on sale of own shares	-42 428	62 529
Assessed tax for previous years	45 919	0
Total tax payable balance sheet	66 821	62 692
<i>Summary of temporary differences:</i>		
Fixed assets	-1 221	-1 231
Shares/interests	469 830	-52 118
Shares, temporary differences not included in the base calculation ²	-480 625	0
Pension assets	945	782
Total	-11 071	-52 567
28 % deferred tax benefit	-3 100	-14 719

1) Includes: non-deductible expenses, such as entertainment, gifts, etc. In addition, the item contains dividends of approx. NOK 73 000 000 and tax-free group contributions received of NOK 282 100 000.

2) Deferred tax is not calculated on differences related to intra-group transfers of shares. The transaction price represents the actual value of the shares at the transaction date. On transfers with tax continuity, the opening value for tax purposes will differ from the actual value. If the tax value is lower than the value in the accounts, the transaction price may reflect a net amount where the present value of the lost tax deduction is deducted. This is not the case in this transaction.

The relationship between the tax note and tax calculated at the average nominal tax rate on the profit before tax:

		<i>2001</i>
Profit before tax		728 957
Estimated income tax based on nominal tax rate	28%	204 108
Effect of non-taxable income, tax-free group contributions received	28%	-78 988
Effect of non-deductible expenses	28%	1 246
Effect of other permanent differences	28%	-5 329
Effect of overestimated income tax 2000	28%	-4 881
Tax charge in accordance with the income statement		116 156
Effective tax rate		15.93%

NOTE 11 CHANGES IN EQUITY

	Share capital	Own shares	Premium reserve	Paid in other equity	Reserve for valuation variances	Other equity	Total
Equity 31.12.00	64 284	-2 594	426 948	141 160	1 296	-123 786	507 308
Change in equity for the year:							
Conversion of loan	786		14 914				15 700
Share issue ²	11 261		330 202				341 463
Purchase and sale of own shares		298				90 438	90 736
Gain/loss on own shares (after tax)				-80 535			-80 535
Profit for the year					456	612 345	612 801
Allocated to dividend 2000 ¹						-301 000	-301 000
Equity 31.12.01	76 331	-2 296	772 064	60 625	1 752	277 997	1 186 474

- 1) The dividend entered for 2000 relates to the distribution of the shares in Pan Marine ASA, approved at an Extraordinary General Meeting in June 2001.
- 2) In accordance with the authority given to the Board, it was resolved to increase the share capital by NOK 11 261 000 in December 2001. The increase in capital was effected through payment in the form of shares in Pan Pelagic ASA. The increase was registered with the Registry of Business Enterprises in January 2002.

The company’s free equity at 31 December 2001 was NOK 333 227 000.

NOTE 12 SHARE CAPITAL AND SHAREHOLDER INFORMATION:

The share capital at 31 December 2001 consisted of 152 661 813 shares of NOK 0.50 nominal value. Each share has one vote at general meetings and otherwise entitles the holder to the same rights in the company. The total number of shareholders was 5 181.

As at 31 December 2001 Pan Fish ASA held 4 590 903 of its own shares. These have been booked as a reduction in equity of, respectively, NOK 2 295 000 as a separate item under share capital and NOK 189 145 000 against other equity.

Options for the purchase of 2 550 000 shares at prices between NOK 7.50 and NOK 70 have been issued to executive personnel of subsidiaries abroad. In addition, there is NOK 260 000 outstanding under a convertible loan issued by the company which gives the right to convert to 26 000 shares.

Shares and options owned by Directors and executive personnel of the company (and connected persons):

Name	Office	Shares	No. of options
Bjarte Tunold	Chairman	1 175 731	0
Arne Nore	Director/Managing Director	12 735 266	0
Gudmun Strømsnes	Director	0	0
Jogvan Djuurhus	Director	718 941	0
Ola Holen	Dep. Managing Director	13 500	0

Ownership structure:

<i>The largest shareholders in Pan Fish ASA at 31.12.2001 were:</i>	Shares	Holding	Voting rights
Arne Nore	10 724 875	7.0 %	7.0 %
Pan Holding AS	7 513 193	4.9 %	4.9 %
Rolf Olsen AS	5 764 816	3.8 %	3.8 %
Strømsnes Invest AS	4 901 395	3.2 %	3.2 %
North Sea Partners Ltd	4 733 699	3.1 %	3.1 %
Pan Fish ASA	4 590 903	3.0 %	3.0 %
Veslik AS	3 482 257	2.3 %	2.3 %
Storebrand Livsforsikring AS	2 715 229	1.8 %	1.8 %
Harald Skaar	2 427 105	1.6 %	1.6 %
Tine Pensjonskasse	2 421 794	1.6 %	1.6 %
Austevoll Havfisk AS	2 000 000	1.3 %	1.3 %
Aksjefondet K-avkastning	1 900 000	1.2 %	1.2 %
Alpha Salmon AS*	1 884 659	1.2 %	1.2 %
Stolten Seafodd AS	1 746 472	1.1 %	1.1 %
Vital Forsikring ASA	1 721 200	1.1 %	1.1 %
Har-Eiendom AS	1 568 488	1.0 %	1.0 %
SND Invest AS	1 559 282	1.0 %	1.0 %
Verdipapirfondet Avanse Norge	1 531 000	1.0 %	1.0 %
SIS Segaintersettle AG	1 435 742	0.9 %	0.9 %
Welcon Holding AS	1 275 916	0.8 %	0.8 %
UBS AG, London Branch	1 250 000	0.8 %	0.8 %
Total 20 largest	67 148 025	44.0 %	44.0 %
Total other	85 513 788	56.0 %	56.0 %
Total number of shares	152 661 813	100.0 %	100.0 %

*Arne Nore owns 99.9% of the shares in Alpha Salmon AS.

The allocation of shares is shown following the issue in connection with the acquisition of 95.8% of Pan Pelagic.

The number of shares in note 12 is based on the VPS ownership register dated 4 January 2002.

NOTE 13 SHARES IN SUBSIDIARIES

	Registered-address	Date of acquisition	Holding	No. of shares	Equity at 31.12.01	Profit/loss 2001	Book value
Lighthouse of Scotland Ltd. (Scotland)	Cairndow	01.05.96	100.00%	7 600 000	98 938	-5 737	87 262
Pan Fish Sales AS (group)	Ålesund	06.02.96	100.00%	30 000	51 283	19 775	44 478
Norsk Sjømat AS	Stranda	03.11.97	100.00%	7 016	24 977	6 590	32 328
Cypress Island Inc. (USA)	Anacortes	07.11.97	100.00%	4 600 000	53 484	-35 393	59 237
Omega Salmon Group (ord.) Canada	Campbell River	30.08.95	100.00%	17 500			
Omega Salmon Group (pref.) Canada	Campbell River	30.08.95	100.00%	2 700 000	149 292	-108 856	169 197
406623 B.C. Ltd. (Canada)	Campbell River	30.08.95	100.00%	200	1	0	682
420857 B.C. Ltd. (Canada)	Campbell River	30.08.95	100.00%	300	2	0	767
Orca Shipping Inc	Campbell River	02.06.00	100.00%	400	-1 557	-2 439	18 998
Pan Fish France SA (France)	Poullaouen	11.04.97	100.00%	7 005 366	37 549	-8 498	94 002
Pan Fish Norge AS (group)	Måløy	18.05.92	100.00%	2 000 000	498 490	429 064	240 169
Pan Pelagic ASA (group)	Ålesund	25.08.00	95.80%	71 192 609	808 400	71 779	1 047 110
PF Vestlaks (Faroe Islands)	Kollafjordur	01.05.00	50.00%	1 500	159 644	17 414	131 000
Grimmergata AS	Ålesund	04.10.00	100.00%	1 000	229	-2 829	3 071
Pan Fish Chile SA	Puerto Mont	17.04.01	100.00%	800 000	7 843	0	7 843
Pan Fish Japan Ltd	Tokyo	28.06.01	100.00%	3 000	-319	-538	225
PF Laksholding (Faroe Islands)	Kollafjordur	01.11.99	50.00%	500 000	7 582	3 042	320 449
PF Laksaling (Faroe Islands)	Kollafjordur	01.11.99	50.00%	3 000 000	28 166	-6 400	203 927
Seafood Farmers of Norway AS	Valderøy	12.12.00	100.00%	28 000	33 283	1 163	35 680
Total							2 496 426

The shares have been included in the accounts in accordance with the cost method. Group contributions from subsidiaries amount to NOK 282 100 000. Pan Pelagic ASA has only been consolidated as a subsidiary for part of the year. The result recorded, however, relates to the whole of 2001.

NOTE 14 ASSOCIATES

	Registered address	Date of acquisition	Holding shares	No. of shares	Equity 31.12.01	Result 2001	Share of result
W. Køltzow AS	Oslo	1/1/95	40.83%	490	4 697	1 118	457
Pan Marine ASA	Ålesund	8/25/00	48.18%	19 274 285	262 900	-23 700	-3 313
Total							-2 857

Associates are included in the accounts in accordance with the equity method. Pan Marine ASA has only been an associate for part of the year.

	Pan Marine ASA	W. Køltzow AS
Acquisition value/opening balance	184 653	1 997
Dividend received	0	-223
Acquired 2001	0	0
Share of result for the year	-3 313	457
Closing balance 31.12.01	181 340	2 230

NOTE 15SHARES AND INTERESTS IN OTHER COMPANIES

<i>Shares/interests:</i>	<i>Holding</i>	<i>Number of shares</i>	<i>Book value</i>
Solnør Gaard Golfbane AS		200	794
Ålesund Byutvikling AS		12 500	138
Traconi AS	7.27%	113 771	4 553
Norway Pelagic Fish AL			5
Total shares and interests			5 489

NOTE 16PENSION LIABILITIES

The company has signed an agreement with Storebrand for a group pension scheme. The agreement covers a total of 15 persons. The pension scheme is treated as a benefit scheme. Calculation of the effect on the income statement and the balance-sheet value of the pension scheme is based on the following assumptions:

Return on pension assets	8.0 %
Discount rate	7.0 %
Annual wage increase	3.0 %
Annual increase in G (nat.ins. multiplier)	3.0 %
Annual pension increase	2.5 %

<i>The year's pension expenses:</i>	<i>2001</i>	<i>2000</i>
The year's pension earnings	247	200
+ Interest expenses relating to pension liabilities	111	97
- Expected return on pension assets	-164	-135
Net pension expenses before nat.insurance contributions	194	162
Estimate changes and variances incl. in income statement	18	19
Accrued nat. insurance contributions	24	25
Net pension expenses after nat. insurance contributions	236	206
<i>Pension assets at 31 December:</i>		
Gross pension liabilities	1 947	1 682
- Pension assets (market value)	-2 403	-2 017
Net pension assets before nat. ins. contributions	-456	-335
Changes and variances not incl. in income statement	-488	-446
Net pension assets after nat. ins. contributions	-944	-782

NOTE 17JOINT AND SEVERAL LIABILITY FOR VALUE ADDED TAX

The company is jointly registered with Pan Fish Sales AS in the VAT register. This means that the companies are jointly and severally liable for any unpaid value added tax. At 31 December 2001 the companies had value added tax owing to them.

NOTE 18BANK DEPOSITS

	<i>31.12.01</i>	<i>31.12.00</i>
Blocked to cover tax	632	481

NOTE 19LEASING AND LEASE AGREEMENTS

The company's contract for the lease of office premises expired 31 December 2001. The annual expense in connection with this lease amounted to approximately NOK 800 000. The company moved to new premises in January 2002. These premises are owned by Grimmergata 5 AS, a subsidiary of Pan Fish ASA.

A contract has also been signed for the lease of 8 cars for a total of approx. NOK 880 000 per annum.

NOTE 20EXPENSES RELATING TO THE SETTING-UP OF LONG-TERM LOANS

Expenses relating to the setting-up of long-term loans are accrued over the loan period. This applies to bond loans (including the discount) taken out in 2000, as well as mortgage loans taken out in 1999 and 2001. The average accrual period is 3 years. Remaining expenses at 31 December 2001 totalled NOK 24 678 000.

NOTE 21OWN SHARES

The justification for buying back own shares is to use them in connection with the acquisition of new companies. At 31 December 2001 the company held 4 590 903 of its own shares, with a total cost price of NOK 191 440 000. For a description of how own shares are classified in the annual accounts, see note 12.

Where acquisitions are paid for by the use of own shares, the quoted price on the date of the agreement for the acquisition is used as the sale price.

There have been several rounds of repurchasing of own shares. In accordance with §5-5 of the Accounting Act, which deals with exchangeable assets, the average acquisition value is used for calculating gains in the accounts. Total gains amount to NOK 60 625 000 and are presented as "Paid-in other equity" in the annual accounts.

NOTE 22GAIN ON SALE OF SHARES

During the financial year shares in Pan Pelagic ASA and Pan Marine ASA, respectively, have been distributed as dividends from Pan Fish ASA. This has meant that gains have been booked to the income statement of approximately NOK 546 500 000.

NOTE 2CONSOLIDATION OF SUBSIDIARIES AND ASSOCIATES

The group accounts comprise the following companies:

	<i>Country:</i>	<i>Owning company:</i>	<i>Holding %</i>
Pan Fish ASA	Norway	Parent company	
Grimmergata 5 AS	Norway	Pan Fish ASA	100.00
Lighthouse of Scotland Ltd	Scotland	Pan Fish ASA	100.00
Pan Fish Sales UK Ltd.	England	Lighthouse of Scotland Ltd	100.00
Omega Salmon Group Ltd	Canada	Pan Fish ASA	100.00
Orca Shipping Inc.	Canada	Pan Fish ASA	100.00
Orca Aquaculture Service Inc	Canada	Orca Shipping Inc.	100.00
Pan Fish France SA	France	Pan Fish ASA	100.00
Pan Fish Chile	Chile	Pan Fish ASA	100.00
Atlantic Trading Co. Inc	USA	Pan Fish ASA	100.00
Cypress Island Inc	USA	Atlantic Trading Co. Inc	100.00
Seafood Farmers of Norway AS	Norway	Pan Fish ASA	100.00
Norsk Sjømat AS	Norway	Pan Fish ASA	100.00
Pan Fish Norge AS	Norway	Pan Fish ASA	100.00
Herøy Fiskefarm AS	Norway	Pan Fish Norge AS	100.00
Barmøy Havbruk AS	Norway	Pan Fish Norge AS	100.00
Gjølaks AS	Norway	Herøy Fiskefarm AS	100.00
Nye Herøylaks AS	Norway	Gjølaks AS	100.00
Gjølaks Settefisk AS	Norway	Gjølaks AS	100.00
Salmonor AS	Norway	Pan Fish Norge AS	100.00
Olsen Seafood AS	Norway	Salmonor AS	100.00
Olsen Havbruk AS	Norway	Salmonor AS	100.00
Olsen Edelsmolt AS	Norway	Olsen Havbruk AS	100.00
Olsen Skarholmen AS	Norway	Salmonor AS	100.00
Bortnen settefisk AS	Norway	Pan Fish Norge AS	100.00
Jørgen Vågsholm AS	Norway	Pan Fish Norge AS	100.00
Hauge & Furnes Fiskeind. AS	Norway	Pan Fish Norge AS	100.00
Vestkapp Havbruk AS	Norway	Pan Fish Norge AS	100.00
Norway Seafarms AS	Norway	Pan Fish Norge AS	100.00
Davik Fiskeindustri AS	Norway	Norway Seafarms AS	100.00
Øyra Laks AS	Norway	Norway Seafarms AS	100.00
Vanylven Stam- og Settefisk AS	Norway	Norway Seafarms AS	100.00
PF Laksaling	Faroe Islands	Pan Fish ASA	50.00
PF Silaaling	Faroe Islands	PF Laksaling	100.00
PF Nordex	Faroe Islands	PF Laksaling	100.00
PF Nordaling	Faroe Islands	PF Laksaling	33.00
PF Laxa	Faroe Islands	PF Nordaling	100.00
PF Nordsmolt	Faroe Islands	PF Nordaling	33.00
PF Laksholding	Faroe Islands	Pan Fish ASA	50.00
PF Hofsa	Faroe Islands	PF Laksholding	33.00
PFSiglufelli	Faroe Islands	PF Laksholding	33.00
PF Atlantic Seafarm	Faroe Islands	PF Laksholding	33.00
PF Salmon River	Faroe Islands	PF Atlantic Seafarm	100.00
PF Sumbalax	Faroe Islands	PF Atlantic Seafarm	100.00
Seafood Farmers AS	Norway	Pan Fish Norge AS	100.00
Møre Settefisk AS	Norway	Seafood Farmers AS	100.00
Aukra Seafood AS	Norway	Pan Fish Norge AS	100.00
Oppdrettslaks AS	Norway	Aukra Seafood AS	50.10
Vikenco AS	Norway	Aukra Seafood AS	100.00
AS Sagafisk	Norway	Aukra Seafood AS	100.00
Delfa Seafarms AS	Norway	Aukra Seafood AS	100.00
Høvik Fiskeanlegg AS	Norway	Aukra Seafood AS	98.00
PF Vestsalmon	Faroe Islands	Pan Fish ASA	50.00
PF Vestlax	Faroe Islands	PF Vestsalmon	100.00
PF Alilax	Faroe Islands	PF Vestsalmon	60.00
PF Vestsmolt	Faroe Islands	PF Vestsalmon	100.00
PF Vestfelli	Faroe Islands	PF Vestsalmon	75.00
PF Sveipur	Faroe Islands	PF Vestsalmon	100.00

	<i>Country:</i>	<i>Owning company:</i>	<i>Holding %</i>
AS Vetlax Hirtshals	Denmark	PF Vestsalmon	100.00
Pan Fish Sales AS	Norway	Pan Fish ASA	100.00
Kinn Salmon AS	Norway	Pan Fish Sales AS	100.00
Pan Fish Sales SA	France	Pan Fish Sales AS	100.00
Pan Fish Sales USA AS	Norway	Pan Fish Sales AS	100.00
Pan Fish Sales Inc.	USA	Pan Fish Sales AS	100.00
Seafood Products Ltd.	England	Pan Fish Sales AS	100.00
AviAir BV	Netherlands	Pan Fish Sales AS	51.00
Pan Pelagic ASA	Norway	Pan Fish ASA	95.80
Global Fish AS	Norway	Pan Pelagic ASA	100.00
Pan Pelagic Management AS	Norway	Global Fish AS	100.00
Global Industri AS	Norway	Global Fish AS	100.00
Global Fish International AS	Norway	Global Fish AS	100.00
Global Aalesund AS	Norway	Global Fish AS	100.00
Global Liavaag AS	Norway	Global Fish AS	100.00
Gloal Vikomar AS	Norway	Global Fish AS	100.00
Global Florø AS	Norway	Global Fish AS	100.00
Pelagic Partners Ltd. AS	Norway	Global Fish AS	100.00
Global Maaløy AS	Norway	Global Fish AS	100.00
Vadsø Sildoljefabrikk AS	Norway	Pan Pelagic ASA	57.00
Welcon Pelagic AS	Norway	Pan Pelagic ASA	100.00
Måløy Sildoljefabrikk AS	Norway	Welcon Pelagic AS	99.35
Deknepollen Eiendom AS	Norway	Welcon Pelagic AS	100.00
Partners In West AS	Norway	Pan Pelagic ASA	75.50

The cost price of shares in subsidiaries is eliminated against the equity of the companies on the date of acquisition. For a description of the treatment of excess values on the acquisition of companies, see note 1 in Accounting principles.

All intra-group transactions and accounts have been eliminated in the group accounts.

<i>Breakdown of minority interests at 31.12.01:</i>	<i>Profit/loss</i>	<i>Balance sheet</i>
From the Pan Fish Norge AS group	-61	3 953
From the P/F Vestsalmon group	7 548	84 129
From the P/F Laksaling group	-3 200	14 083
From the P/F Laxholding group	3 041	7 582
From the Pan Fish Sales AS group	710	1 328
From the Pan Pelagic ASA group (from 1 Jan. to 31 March and from 1 Sep.)	4 713	52 444
From the Pan Marine ASA group (from 1 Jan. to 31 May)	229	0
Total	12 980	163 519

Associates are incorporated using the equity method. This is described in more detail in note 1. Note 16 lists all associates at 31 December 2001 including holding, share of profit/loss and balance-sheet value.

NOTE 3

BUSINESS ACTIVITIES AND GEOGRAPHICAL DISTRIBUTION

Pan Fish ASA is a globally integrated group engaged in the farming, processing, sale and logistics of Atlantic salmon and marine species. The group also has a substantial business within fishing, processing and sale of pelagic species. The activities are run by majority-owned companies in Norway, the EU, North America/Canada and Asia.

<i>Sales can be broken down as follows:</i>	<i>2001</i>	<i>2000</i>
Norway	544 678	680 668
Eastern Europe	567 377	377 364
The rest of Europe	2 160 993	1 622 045
USA/Canada	1 214 860	1 240 543
Japan	920 937	639 359
The rest of Asia	158 302	136 465
Other countries	25 209	46 104
Total	5 592 356	4 742 548

NOTE 4

OTHER OPERATING EXPENSES

This accounting item comprises a total loss on trade receivables of NOK 13 977 000.

NOTE 6

TANGIBLE FIXED ASSETS

	<i>Licences</i>	<i>Goodwill</i>	<i>Buildings and land</i>	<i>Machinery, fittings etc.</i>	<i>Vessels</i>	<i>Total tangible fixed assets</i>
Acquisition value at 01.01.01*	962 593	354 375	865 896	1 732 645	176 898	4 092 407
Additions, operating assets	738 780	298 545	277 152	414 662	52 273	1 781 412
Disposals, operating assets	-227 345	0	-17 905	-97 578	-2 577	-345 405
Acquisition value at 31.12.01	1 474 028	652 920	1 125 143	2 049 729	226 594	5 528 414
Accumulated depreciation at 31.12.01	-38 834	-65 997	-181 243	-888 172	-61 697	-1 235 943
Book value at 31.12.01	1 435 194	586 923	943 900	1 161 557	164 897	4 292 471
Depreciation for the year	14 468	26 940	28 751	164 004	15 494	249 657
Depreciation rates	0-10%	10%	0-10%	5-33%	6.67-20%	
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

* The acquisition value at 01.01.01 has been adjusted for the acquisition cost of tangible fixed assets of companies acquired during 2001.

<i>Goodwill allocated by main acquisitions:</i>	<i>Year of acquisition</i>	<i>Depreciation period</i>	<i>Depreciation for the year</i>	<i>Book value</i>
Company				
Norsk Sjømat AS	1997	10	1 005	5 810
Seafood Products Ltd.	1997	10	1 278	8 684
PF Laksaling	1999	13	3 102	20 520
Welcon Pelagic AS	2000	15	3 487	86 370
Global Fish AS	2000	15	6 371	149 343
Atlantic Trading Co. Inc.	2001	15	2 518	63 697
Salmonor AS	2001	13	1 000	24 000
Pan Pelagic ASA	2001	15	2 410	200 530
Others			5 769	27 970
Total			26 940	586 923

NOTE 5

PAYROLL EXPENSES, NUMBER OF EMPLOYEES AND REMUNERATION

<i>Payroll expenses, etc.:</i>	<i>2 001</i>	<i>2 000</i>
Salaries	686 651	500 990
National insurance contributions	63 297	50 725
Pension expenses	7 047	5 537
Other payments	14 481	13 277
Payroll expenses	771 476	570 529
The average number of employees:	2 697	2 275
<i>Payments to executive personnel:</i>	<i>Managing Director</i>	<i>Board of Directors</i>
Salaries	972	119
Other remuneration	172	0

There have been no loans to/furnishing of security on behalf of executive personnel, Directors or connected persons. Loans to other employees in the group total NOK 6 164 000. The interest rate for most of this amount is calculated at 6%. No executive personnel in the group management have contracts involving special severance pay, bonuses, options, etc.

Auditor
Auditors' fees for the parent company amounted to NOK 396 000. Additional fees for consultancy amounted to NOK 250 000.

NOTE 7

RECEIVABLES

The company's receivables are valued at nominal value, with a deduction of NOK 11 936 000 to cover possible losses. The principle used for translating receivables in foreign currencies is described in note 11. All receivables relating to the stock cycle are due for payment within one year.

NOTE 8

STOCKS

<i>Stocks comprised the following:</i>	<i>31.12.01</i>	<i>31.12.00</i>
Raw materials	97 928	127 490
Live fish at marine sites	1 458 387	1 160 275
Work in progress and finished goods	285 484	191 561
Commodities	35 983	46 074
Total	1 877 782	1 525 400

For stocks of live fish, each generation is valued at the lower of full cost of prouction and net realisable value. Work in progress and finished goods consist of processed goods and are valued at cost of production. Where the cost of production exceeds net realisable value, the necessary write-down has been made. Raw materials and commodities are valued at the lower of acquisition cost and net realisable value.

For a more detailed description of the accounting principles for valuation of stocks, see note 1.

NOTE 9

LIABILITIES AND BONDS

Pan Fish ASA has a convertible subordinated loan which entitles the lenders to convert the loan into shares during the loan period. In 2001 NOK 15 700 000 of the loan was converted.

At 31 December 2001 outstanding debt was as follows:				Conversion price	Outstanding debt
Bond issue 1997/2002	Interest rate	Maturity		10.-	300 000
Converted					299 740
Outstanding debt at 31 December 2001					260
In addition, the company has the following listed bond issues					
	Type of interest	Interest rate	Maturity	Market price	Debt
Bond issue 2000/2003	Floating	8.57%	12/20/03	80.00%	496 000
Bond issue 2000/2003	Floating	8.32%	12/20/03	87.00%	5 000
Bond issue 2000/2003	Fixed	8.75%	12/20/03	79.50%	237 000
Promissory note issue	Fixed	8.75%	12/20/03		25 000
Total					763 000

The interest rate on the floating rate loans is calculated on the basis of 3-month NIBOR. The rates specified are those applicable at 31 December 2001.

<i>During the year new certificate loans were raised in the following amounts and terms:</i>	<i>Interest rate</i>	<i>Maturity</i>	<i>Market price</i>	<i>Debt</i>
Loan no. 009057.4	8.13%	03/14/02	97.00%	180 000
Loan no. 010144.7	8.37%	06/13/02	93.00%	50 000
Total				230 000

NOTE 10 SECURITY AND GUARANTEES

A group account system has been established for the Pan Fish group with Nordea (limit NOK 686 000 000), DnB (limit NOK 395 000 000) and Sparebank Møre (limited NOK 39 000 000). The limit also includes facilites for forward contracts and guarantees. For the translation of borrowings in foreign currencies, see note 11.

- The debt is secured by mortgages in the following assets:
- 1) Operating movable assets, buildings, trade receivables, stocks (including fish-farming chattels) etc. in the following subsidiaries: Lighthouse of Scotland Ltd, Seafood Products Ltd, Pan Fish France SA, Pan Fish Sales AS, Aviair BV, Pan Fish Sales Inc, TC Trading Inc, Kinn Salmon AS, Pan Fish Norge AS and subsidiaries and Pan Pelagic ASA and subsidiaries.
 - 2) Pan Fish ASA's shares in the following subsidiaries (see note 2): Lighthouse of Scotland Ltd. (incl. Pan Fish Sales UK Ltd.), Pan Fish Norge AS, Pan Fish France SA, Norsk Sjømat AS, Pan Fish Sales AS, Cypress Island Inc and (in part) the shares in Pan Pelagic ASA.
 - 3) Pan Fish ASA's intra-group receivables from the following companies: Cypress Island Inc, Omega Salmon Group Ltd, Lighthouse of Scotland Ltd, Pan Fish Sales AS, Pan Fish France SA.

<i>Balance-sheet liabilities secured by mortgages, etc.</i>	<i>31.12.01</i>	<i>31.12.00</i>
Liabilities secured by mortgages	4 309 000	3 323 746
<i>The balance-sheet value of assets furnished as security for mortgage debt:</i>		
Stocks	1 226 770	1 525 400
Trade receivables, etc.	1 480 210	722 484
Operating assets	1 349 951	1 317 463
Other assets	2 082 982	1 073 829
Total	6 139 913	4 639 176

Guarantee liabilities:

In addition, Pan Fish ASA has furnished guarantees for a total of NOK 1 911 932 000 for loans and other credits to subsidiaries. Most of this is also secured by mortgages in fixed assets. The guarantees are given in different currencies and translated into NOK on the basis of the exchange rate at 31 December 2001. The corresponding figure for 2000 was NOK 1 728 523 000.

NOTE 11 CURRENCIES, FORWARD CONTRACTS, ETC.

Receivables in foreign currencies are hedged using forward contracts or by drawing on the corresponding currency account. Where forward contracts are used, the receivable is translated at the forward rate. The exchange rate at 31 December 2001 is used in all other cases.

NOTE 12 TAX

<i>Tax payable is arrived at as follows:</i>	<i>2001</i>	<i>2000</i>
Profit before tax	361 779	743 232
Permanent differences*)	81 568	119 023
Change in temporary differences	10 610	-561 151
Tax base for the year	453 957	301 104
<i>The tax charge for the year is arrived at as follows:</i>		
Tax payable	159 150	95 881
Provision for foreign tax on dividends	-16 773	0
Withholding tax Canada	6 814	37
Gross change in deferred tax	- 41 692	113 649
Total tax charge for the year	107 499	209 567
<i>Tax payable in the balance sheet is arrived at as follows:</i>		
Tax payable on the profit for the year	159 150	95 881
Tax payable on group contributions	-70 832	-64 102
Refunded/Prepaid tax	14 335	-10 260
Tax payable on sale of own shares	-42 428	62 529
Assessed tax previous years	45 918	0
Total tax payable balance sheet	106 143	84 048
<i>Temporary differences include:</i>		
Current assets/current liabilities	868 304	787 385
Fixed assets/long-term liabilities	217 535	177 036
Loss carried forward	- 392 915	-341 004
Total	692 924	623 417
Deferred tax/deferred tax benefit	196 975	174 525

Deferred tax benefits on negative differences are only included where it is likely that such assets will be realised through future earnings.

*) Includes: non-deductible expenses, e.g. entertainment, gifts, etc. In addition, all group items with an effect on the income statement, that do not impact the deferred tax/tax benefit are included under permanent differences.

NOTE 13 EQUITY

<i>Breakdown of changes in equity:</i>		
Equity at 31 December 2000	842 275	
Provision for extraordinary dividend 2000	-301 000	
Exchange rate differences, etc., on consolidation of subsidiaries	-10 921	
<i>Conversion of loans:</i>		
To share capital	786	
To premium reserve	14 914	15 700
Purchases and sales of own shares		-9 460
<i>Issue on purchase of Pan Pelagic ASA:</i>		
To share capital	11 261	
To premium reserve	331 080	
Issue costs booked to equity	-878	341 463
Minority interests 31 December 2000	113 577	
Minority interests' result 2001	12 980	
Other changes in minority interests	36 962	36 962
Total minority interests	163 519	
Profit for 2001	254 279	
Equity at 31 December 2001	1 169 298	

In accordance with an authorisation given to the Board of Directors, an increase in share capital of NOK 11 261 000 was approved in December 2001. The increase in capital was made against payment in the form of shares in Pan Pelagic ASA. The increase was registered in the Registry of Business Enterprises in January 2002.

NOTE 14 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital at 31 December 2001 consisted of 152 661 813 shares of NOK 0.50 nominal value. Each share has one vote at general meetings and otherwise entitles the holder to the same rights in the company. The total number of shareholders was 5 181.

As at 31 December 2001 Pan Fish ASA held 5 808 927 of its own shares. These have been booked as a reduction in equity of, respectively, NOK 2 904 000 as a separate item under share capital and NOK 208 197 000 against other equity.

Options for the purchase of 2 550 000 shares at prices between NOK 7.50 and NOK 70 have been issued to executive personnel of subsidiaries abroad. In addition, there is NOK 260 000 outstanding under a convertible loan issued by the company which gives the right to convert to 26 000 shares.

Shares and options owned by Directors and executive personnel of the company (and connected persons):

<i>Name</i>	<i>Office</i>	<i>Shares</i>	<i>Options</i>
Bjarte Tunold	Chairman	1 175 731	0
Arne Nore	Director/Managing Director	12 735 266	0
Gudmun Strømsnes	Director	0	0
Jogvan Djuurhus	Director	718 941	0
Ola Holen	Dep. Managing Director	13 500	0

Ownership structure:

<i>The largest shareholders in Pan Fish ASA at 31.12.2001 were:</i>	<i>Shares</i>	<i>Holding</i>	<i>Voting rights</i>
Arne Nore	10 724 875	7.0 %	7.0 %
Pan Holding AS	7 513 193	4.9 %	4.9 %
Rolf Olsen AS	5 764 816	3.8 %	3.8 %
Strømsnes Invest AS	4 901 395	3.2 %	3.2 %
North Sea Partners Ltd	4 733 699	3.1 %	3.1 %
Pan Fish ASA	5 808 927	3.0 %	3.0 %
Veslik AS	3 482 257	2.3 %	2.3 %
Storebrand Livsforsikring AS	2 715 229	1.8 %	1.8 %
Harald Skaar	2 427 105	1.6 %	1.6 %
Tine Pensjonskasse	2 421 794	1.6 %	1.6 %
Austevoll Havfisk AS	2 000 000	1.3 %	1.3 %
Aksjefondet K-avkastning	1 900 000	1.2 %	1.2 %
Alpha Salmon AS*	1 884 659	1.2 %	1.2 %
Stolten Seafodd AS	1 746 472	1.1 %	1.1 %
Vital Forsikring ASA	1 721 200	1.1 %	1.1 %
Har-Eiendom AS	1 568 488	1.0 %	1.0 %
SND Invest AS	1 559 282	1.0 %	1.0 %
Verdipapirfondet Avanse Norge	1 531 000	1.0 %	1.0 %
SIS Segaintersettle AG	1 435 742	0.9 %	0.9 %
Welcon Holding AS	1 275 916	0.8 %	0.8 %
UBS AG, London Branch	1 250 000	0.8 %	0.8 %
Total 20 largest	68 366 049	44.0 %	44.0 %
Total other	84 295 764	56.0 %	56.0 %
Total number of shares	152 661 813	100.0 %	100.0 %

*Arne Nore owns 99.9% of the shares in Alpha Salmon AS.

The allocation of shares is shown following the issue in connection with the acquisition of 95.8% of Pan Pelagic.

The number of shares is based on the VPS ownership register dated 4 January 2002.

NOTE 15SHARES AND INTERESTS IN OTHER COMPANIES

<i>Shares/Interests:</i>	<i>No./holding</i>	<i>Acquisition cost</i>	<i>Balance-sheet value</i>
Austlax ISLK	80.00%	DKK 79	85
Davik Industribygg AS	34.00%	1 730	1 730
DnB Holding AS	3 500	147	141
DNO AS	1 500	150	20
Fiskerinæringens Innkjøpsselskap AS	4	40	40
Fjord Seafood ASA	10 000	378	53
Fjordin KFT, Hungary	5.60%	17	17
Flora Laste og Lossekontor AS	25.00%	13	13
Fonn Egersund AS	33.00%	200	200
Fosen Frio, Ukraine	38.00%	2 633	2 633
Herøyterminalen AS	6.71%	50	50
Ijmuiden Diepvries BV	50.00%	1 048	1 048
Maki Fosnavåg AS	5.00%	60	60
Murman Holding AS	24.00%	2 000	2 000
Nordsildmel (interests)	28	28	28
Nordvest Forum AS	0.02%	20	10
Norsenet AS	50.00%	102	102
Norway Royal Salmon	130	160	160
Odinat Shipinvest Ltd.	70.59%	16	16
P/F Atlantic Petroleum	5.00%	DKK 2 000	2 145
P/F Nordsmolt (Faroes)	170	DKK 415	445
P/F Salmon Proteins	15.70%	DKK 1 512	1 622
P/F Smyril Line	8.00%	DKK 6 000	6 435
Pelagic Partners Baltjia	55.00%	35	35
Ringas AS	2 326	116	0
Ringas KS	46.25%	948	
Skar Ltd. JV (Ukraine)		14	14
Smøla-gruppen AS	5.60%	10	10
Solnør Gaard Golfbane	200	794	794
Storebrand ASA	186	9	10
Storhallen i Ålesund AS	1.00%	100	100
Storhallen Ålesund AS	0.50%	50	50
Stranda Treningscenter AS	16.00%	100	100
Sætgården ANS			75
Teigbris AS	10.35%	828	828
Teigbris KS	10.35%	7 452	7 919
Tranconi AS	7.27%	4 553	4 553
Vadsø Byutvikling		10	10
Vigrafor AS	0.50%	116	116
Ålesund Byutvikling AS	12 500	138	138
Other shares and interests			1 366
Total shares and interests			36 119

NOTE 16ASSOCIATES

<i>Company</i>	<i>No./holding</i>	<i>Acquisition cost</i>	<i>Share of profit/loss*</i>	<i>Balance-sheet value for the year</i>
Arctic Uni AS		0	-2 000	0
Austevoll Havf. ASA	19.90%	189 746	23 715	214 322
Bakoia AS	34.00%	13 506	-7 011	3 490
Brødrende Sandøy AS		0	171	0
Dønna Marine Holding AS		0	-81	0
Fagervoll Havf. AS	49.00%	5 500	-433	5 066
Føroya Kassasøla	50.00%	DKK 250	83	426
Hufthammer AS	49.00%	29 015	2 041	31 056
Kamøyfisk AS	49.00%	15 000	2 191	17 032
Kvitskjær AS	49.00%	39 500	2 881	42 381
Magnarson AS	49.00%	29 300	-2 062	27 238
Multi Sea AS		0	-142	0
Multinot AS	49.00%	22 940	10 321	0
Nyholmen AS	49.00%	31 500	4 521	36 020
P/F Fossaaling	50.00%	DKK 1 000	0	1 073
P/F Hellisvad	20.00%	DKK 4 000	0	4 290
Pan Marine ASA	48.20%	184 653	-3 313	181 340
Pan Pelagic ASA		0	-8 240	0
Sea Grain AS	34.00%	74 994	-670	74 320
Silfax Fiskebåtrederi AS	49.00%	39 000	1 610	40 611
Sir Fish AS	47.72%	2 125	1 593	5 066
SP/F Djuphav	33.33%	0	-1 317	0
Trygvason AS	49.00%	49	0	49
Villa Leppefisk AS	80	4 500	-149	4 351
W. Kølzow AS	40.83%	1 997	457	2 230
Østbris AS	49.00%	36 000	2 257	38 789
Excess values				104 689
Total			26 423	833 838

*) The difference between “Income from investments in associates” in the Income Statement and the Note is due to Pan Pelagic ASA which has been consolidated as a subsidiary for only parts of the year. In the note we have chosen to show the whole of Pan Pelagic ASA’s share of the result from associates in 2001.

NOTE 17 PENSION LIABILITIES

Several agreements have been signed for group pension schemes. The agree-ments cover a total of 540 persons. The pension scheme is treated as a benefit scheme. Calculation of the effect on the income statement and the balance-sheet value of the pension scheme is based on the following assumptions:

Return on pension assets	8.0 %
Discount rate	7.0 %
Annual wage increase	3.0 %
Annual increase in G (nat. ins. multiplier)	3.0 %
Annual pension increase	2.5 %

<i>The year's pension expenses:</i>	<i>2001</i>	<i>2000</i>
The year's pension earnings	2 899	1 378
+Interest expenses relating to pension liabilities	240	628
-Expected Return on pension assets	-164	-503
Net pension expenses before nat. insurance contributions	2 975	1 502
Estimate changes and variances incl. in income statement	17	-11
Accrued nat. insurance contributions	23	102
Net pension expenses after nat. insurance contributions	3 015	1 592
<i>Pension liabilities/assets at 31 December</i>		
Gross pension liabilities	9 420	12 595
-Pension assets (market value)	-7 220	-7 567
Net pension liabilities/assets before nat. insurance contributions	2 200	5 027
Changes and variances not incl. in income statement	48	-460
Net pension liabilities/assets after nat. insurance contributions	2 247	4 567

In addition to the above, some of the foreign subsidiaries have pension schemes that could be classified as defined contribution schemes. Annual contributions are charged to the income statement.

NOTE 18 JOINT AND SEVERAL LIABILITY FOR VALUE ADDED TAX

Pan Fish ASA is jointly registered with Pan Fish Sales AS in the VAT register. This means that the companies are jointly and severally liable for any unpaid value added tax. At 31 December 2001 the companies had value added tax owing to them.

NOTE 19 BANK DEPOSITS

	<i>31.12.01</i>	<i>31.12.00</i>
Blocked to cover tax deductions	12 994	11 679
Pledged as security for loans	0	93 610
Total	12 994	105 289

NOTE 20 LEASING AND LEASE AGREEMENTS

All important agreements on the leasing of production equipment are treated in accordance with the rules relating to financial leasing. In such cases the operating assets are capitalised and the related contra entry is included under long-term liabilities. The lease rental is split between instalments and interest payments. See also note 1 on accounting principles.

Contracts have also been signed for the lease of cars, as well as some production equipment, which are treated in accordance with the rules for operational leasing. A total of 22 cars are leased. The annual rental amounts to approximately NOK 2 115 000. The annual rental for the production equipment is approximately NOK 18 445 000. Most of the contracts run for between 3 and 5 years.

Several agreements have also been signed for the lease of office premises. The lease periods vary between 2 and 8 years. Annual rent amounts to approximately NOK 5 150 000.

NOTE 21 EXPENSES RELATING TO THE SETTING-UP OF LONG-TERM LOANS

Expenses relating to the setting-up of long-term loans are accrued over the loan period. This applies to the bond issue (incl. discount) raised in 2000, as well as mortgage loans raised in 1999 and 2001. The average accrual period is 3 years. Remaining expenses at 31 December 2001 totalled NOK 24 678 000.

NOTE 22 OWN SHARES

The justification for buying back own shares is to use them in connection with the acquisition of new companies. At 31 December 2001 the company held 5 808 927 of its own shares, with a total cost price of NOK 2 111 101 000. For a description of how own shares are classified in the annual accounts, see note 14.

Where acquisitions of new companies are paid for by the use of own shares, the quoted price on the date of the agreement for the acquisition is used as the sale price.

There have been several rounds of repurchasing of own shares. In accordance with § 5-5 of the Accounting Act, which deals with exchangeable assets, the average acquisition value is used for calculating gains in the accounts. Total gains amount to NOK 60 625 000 and are presented as Paid-in other equity in the annual accounts.

NOTE 23 PRO FORMA ACCOUNTS

As mentioned in note 1 pro forma accounts are prepared when new companies have been acquired during the accounting year. The pro forma accounts will then present the accounting figures as if the acquisition had taken place at 1 January. This applies to the following companies:

Atlantic Trading Company Inc.
Gjørlags AS
Salmonor AS
Pan Pelagic ASA

From 1 June 2001 Pan Marine ASA was redesignated from subsidiary to associate company in the Pan Fish ASA group and was thus reported under Financial items. In the pro forma accounts this has been done with effect from 1 January.

	<i>2001</i>	<i>2000</i>
Operating revenues	6 410 595	6 279 374
Operating expenses	6 262 000	5 452 423
Operating profit	148 595	826 951
Net financial items	75 850	-99 732
Profit before tax	224 445	727 219

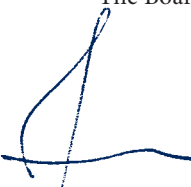
NOTE 24 GAIN ON SALE OF SHARES

During the financial year the shares in Pan Pelagic ASA and Pan Marine ASA, respectively, have been distributed as dividends from Pan Fish ASA. This has involved the booking to income of gains of approx. NOK 546 500 000.

Ålesund, 27 March 2002

The Board of Directors of Pan Fish ASA


Bjarte Tunold
Chairman


Arne Nore
Managing Director


Gudmun Strømsnes


Jøgvan Djurhuus



KPMG AS

P.O. Box 287 Sentrum
N-0001 Ålesund

Klaus Nilsens gate 4
N-6003 Ålesund

Telephone +47 70 10 31 00
Fax +47 70 10 31 30
www.kpmg.no
Enterprise NO 905 174 627 MVA

To the Annual Shareholders' Meeting of Pan Fish ASA

AUDITOR'S REPORT FOR 2001

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of Pan Fish ASA as of 31 December 2001, showing a profit of NOK 612,801,158,- for the parent company and a profit of NOK 254,279,347,- for the group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards and practices an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion,

- the financial statements have been prepared in accordance with law and regulations and present the financial position of the Company and of the Group as of 31 December 2001, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the Company's management has fulfilled its obligation in respect of registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the profit is consistent with the financial statements and comply with the law and regulations.

Ålesund 25 April 2002
KPMG AS

Rune L. Grønvald

State Authorized Public Accountant

Note: This translation of the Norwegian statutory Audit Report has been prepared for information purposes only.



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a Swiss association

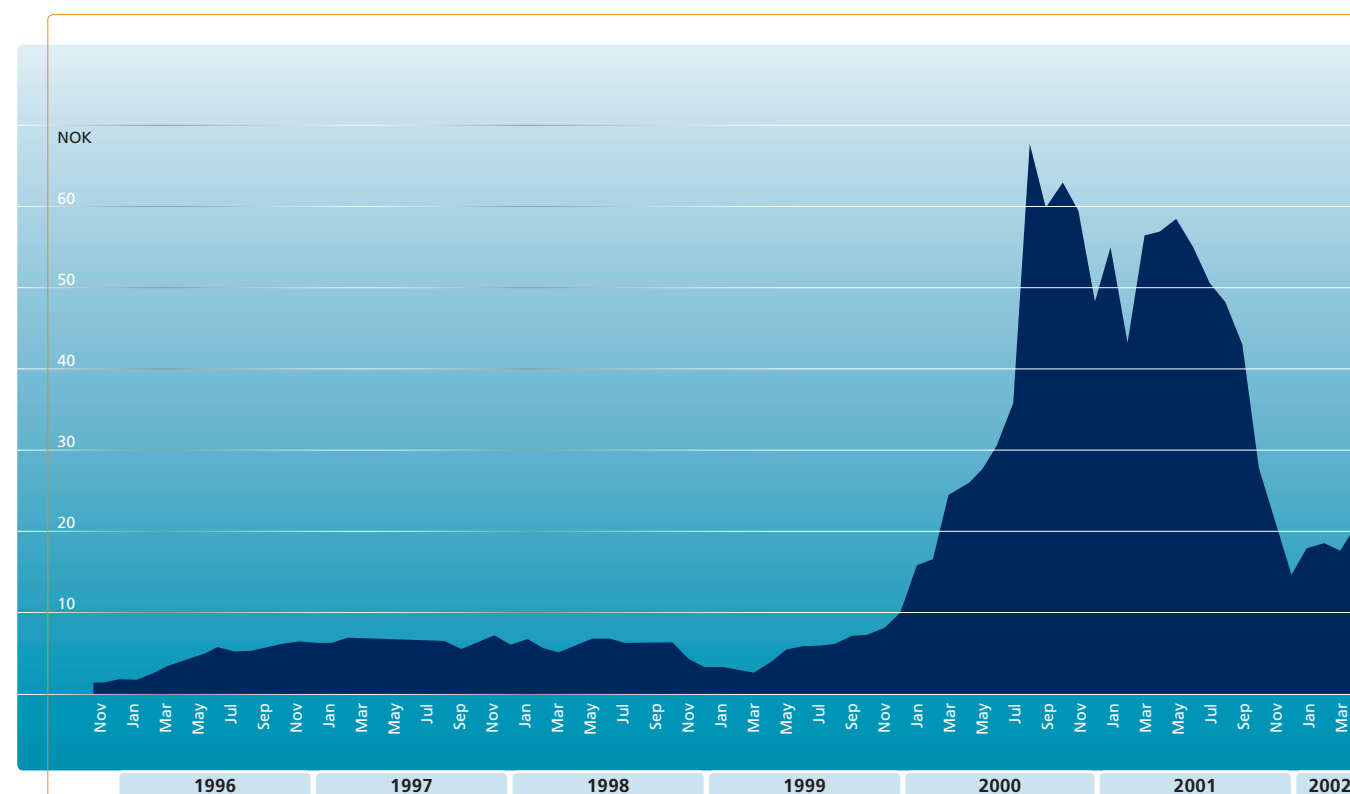
Members of the network
independent of each other
Responsible

Offices in

Oslo
Bergen
Ålesund
Molde
Trondheim
Haugesund
Kristiansund
Lørenskog
Ski
Stavanger
Tromsø
Vestnes
Ålesund

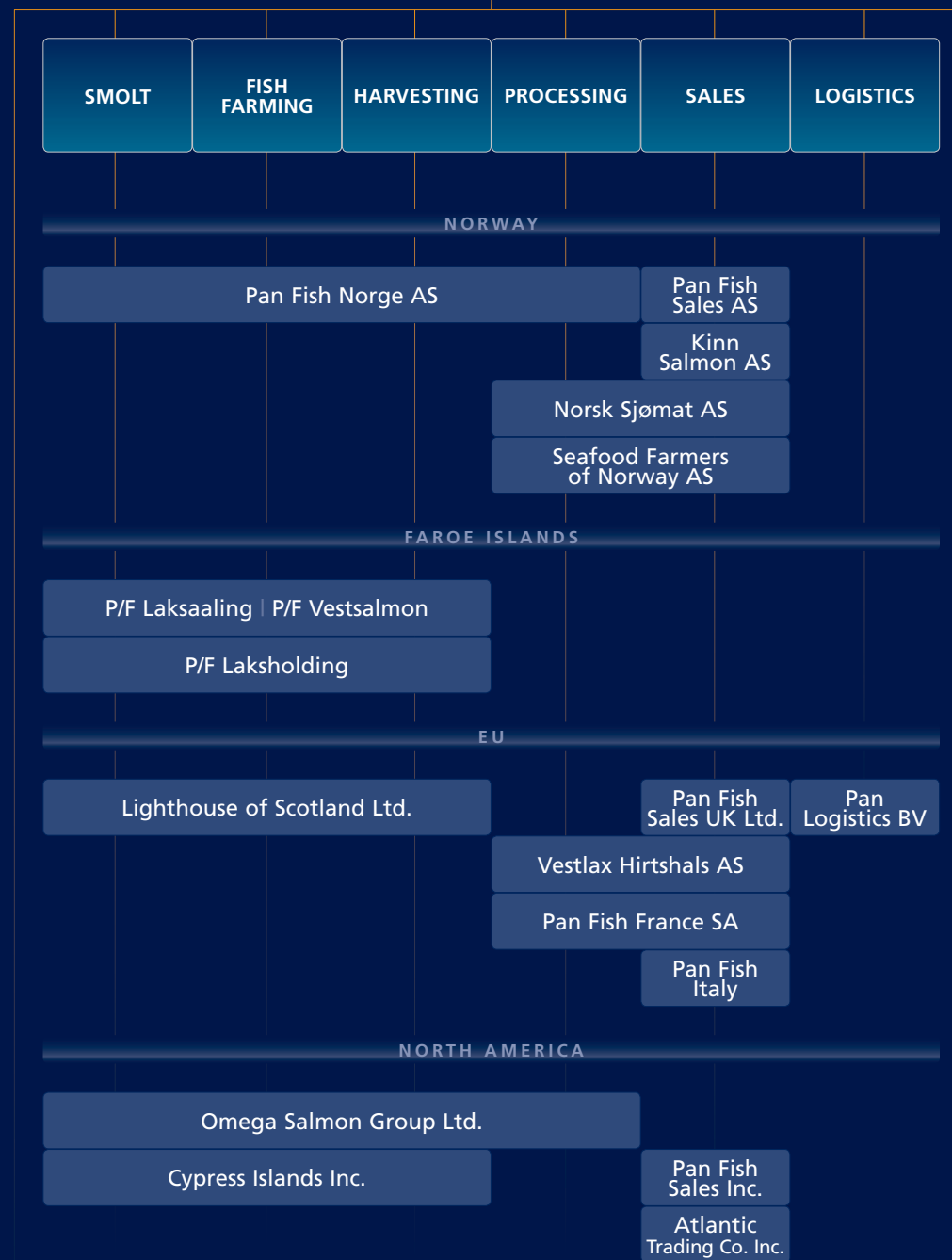
Haugesund
Kristiansund
Lørenskog
Ski
Stavanger
Tromsø
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Ålesund

Haugesund
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Ålesund

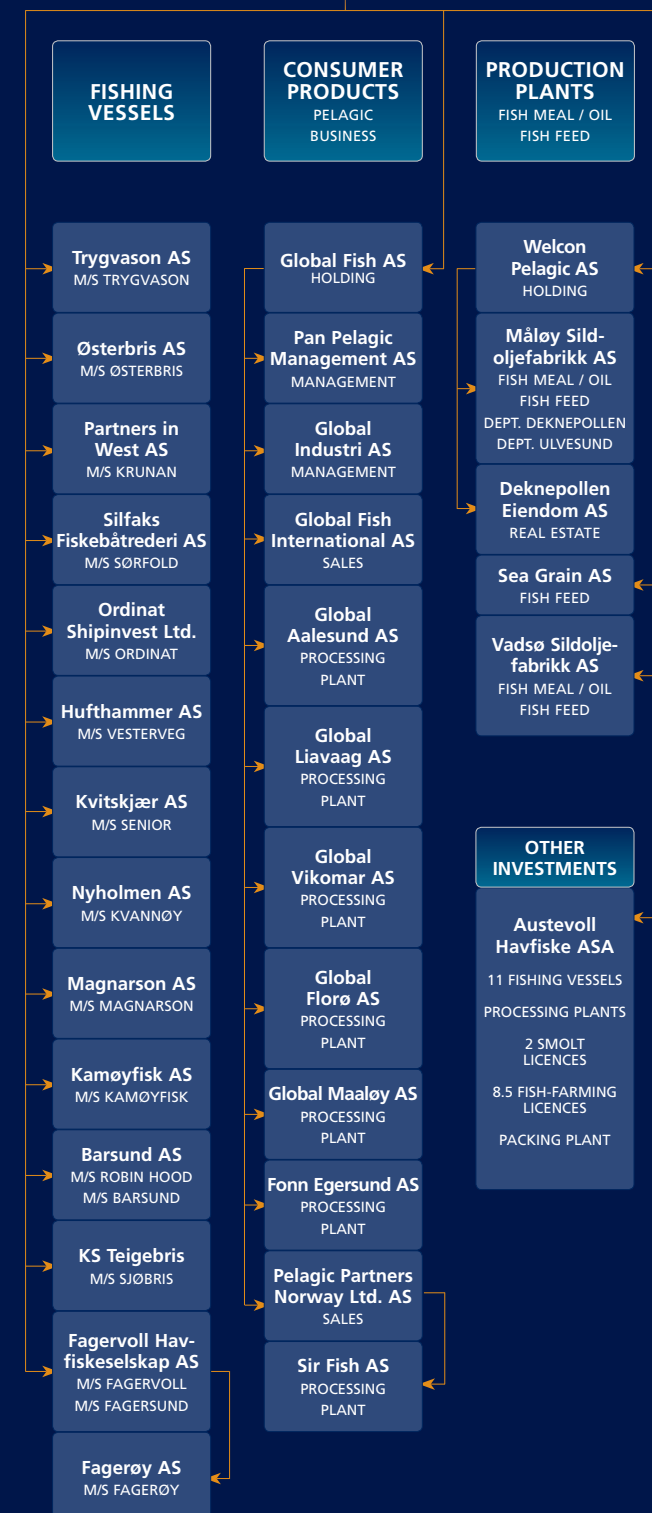




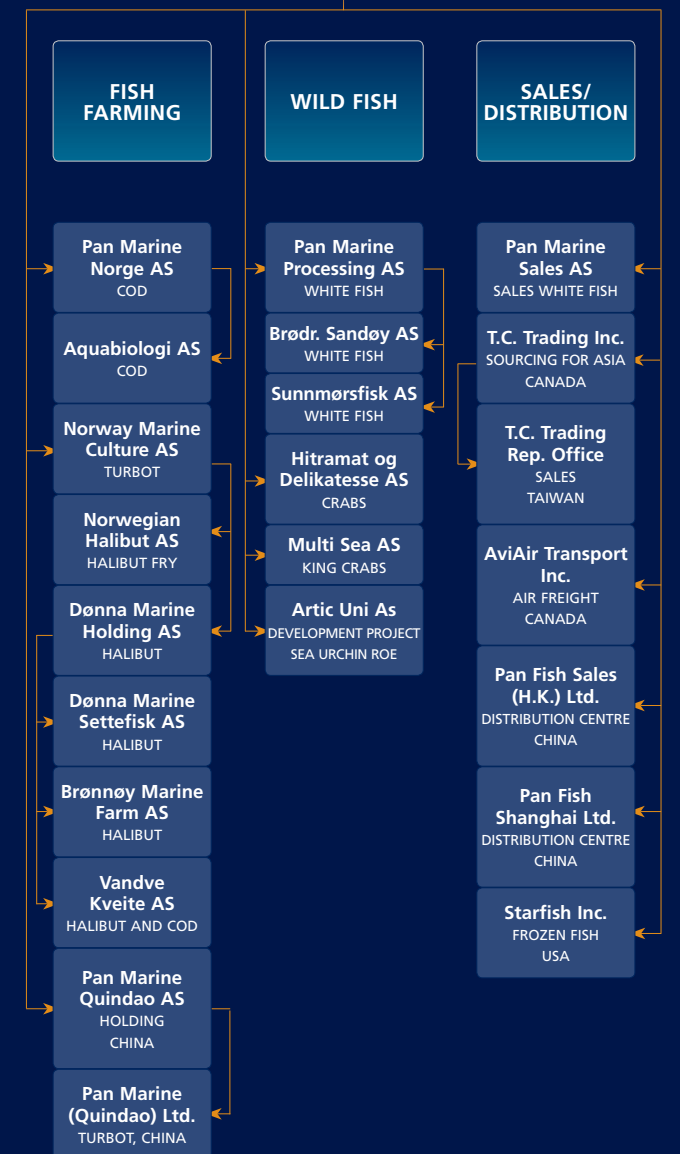
PAN FISH ASA



PAN PELAGIC ASA



PAN MARINE ASA



New head office

50

PAN FISH

51

Photo: Karl-Otto Kristiansen



During the autumn and winter we have grouped Pan Fish, Pan Pelagic and Pan Marine in new offices at Grimmergata 5 in Ålesund.

We now have a modern and efficient head office for all three companies – a centre for seafood. This environment will handle sales totalling some NOK 3.5 billion this year – corresponding to 10-12% of total Norwegian seafood exports of around NOK 30 billion.

As one of the world's major fisheries centres Ålesund is an attractive location for Pan Fish. Fishing traditions from wild catch, aquaculture, processing and sales, with an international orientation, have led to the development of extensive expertise in all aspects of the fisheries industry. Ålesund has a strong position and know-how in white fish, salmon and pelagic species. In addition, the town and surrounding district constitutes a comprehensive and innovative maritime environment which, among other things, has designed and built some of the world's most efficient fishing vessels.