

Second Quarter 2005



PAN FISH
www.panfish.com

Strong market, rising volumes and lower costs ahead

The substantial reduction in the company's stocks of live fish (biomass) that was undertaken in the period up to and including 2004 has resulted in low harvesting levels in 2005. This is also reflected in Pan Fish's results for the second quarter 2005. However, the biomass increased during the quarter and will continue to expand until the company returns to full production in 2007-2008. As planned, production costs for the fish that will be harvested in the coming periods continue to fall sharply. Pan Fish has the financial strength to restore production to a target level of approx. 100,000 tonnes round weight within the framework of its existing infrastructure and production licences.

Continued robust growth in consumer demand and a controlled expansion of supply has resulted in a strong market for farmed salmon throughout 2005. Salmon prices in both the EU and the USA have been higher than for several years, and there is every reason to believe the market will remain buoyant. The board of directors is anticipating extensive industry consolidation over the next few years, and believes that Pan Fish has the capital and competence it needs to play an active role in this process. The company is now entering a strong market with a sound balance sheet, falling production costs and rising volumes.

Highlights in the second quarter 2005

- **Gross operating revenues totalled NOK 461.8 million in the second quarter 2005, compared with NOK 592.0 million in the same period in 2004.**
- **Operating profit before depreciation (EBITDA) totalled NOK 36.6 million in the second quarter 2005, compared with NOK 41.6 million in the same period in 2004.**
- **The net result for the Group in second quarter 2005 was NOK -32.8 million, compared to NOK -9.7 million in second quarter 2004.**
- **The fall in operating revenues and profit is largely the result of a 35 per cent cut in harvesting volumes compared with the second quarter of 2004, corresponding to 5,891 trw.**
- **Net interest bearing debt was reduced by NOK 711.7 during the second quarter 2005.**
- **The company had an equity ratio of 35 per cent at the end of the second quarter, which provides a sound long-term financial base with which to rebuild production levels.**

The Pan Fish Group's operational and financial performance in the second quarter 2005

The Group's gross operating revenues totalled NOK 461.8 million in the second quarter 2005, compared with NOK 592.0 million in the same period in 2004. The reduction is due to a 35 per cent cut in harvesting volumes as well as lower sales revenues in the secondary processing (VAP) business.

Operating profit before depreciation (EBITDA) totalled NOK 36.6 million in the second quarter 2005, compared with NOK 41.6 million in the same period in 2004. After depreciation and write-downs of

NOK 17.9 million relating to Pan Fish Denmark, the Group made an operating loss after depreciation (EBIT) in the second quarter 2005 of NOK 20.4 million, compared with a loss of NOK 7.5 million in the same period in 2004.

The *change in unrealised biomass revenues* (an item introduced following the transition to IFRS) in the second quarter 2005 amounted to NOK –5.9 million, compared with a corresponding change in the second quarter 2004 of NOK –47.3 million. The change in unrealised biomass revenues in the second quarter 2005 includes a NOK 13.0 million reduction resulting from the sale of Pan Fish USA’s entire biomass.

<i>(NOK million)</i>	2Q-05	2Q-04	Change
<i>Change in unrealised biomass revenues</i>	-5.9	-47.3	
EBITDA reported	36.6	41.6	-5.0
EBITDA adjusted	42.5	88.9	-46.4
EBIT reported	-20.4	-7.5	-12.9
EBIT adjusted	-14.5	39.8	-54.3

Net financial items stood at NOK –12.3 million in the second quarter 2005, compared with NOK –2.2 million in the same period last year. The table below shows a breakdown of financial items for the quarter compared with the same quarter in 2004.

<i>(NOK million)</i>	2Q-05	2Q-04
Net interest expenses	-36.0	-42.0
Recognised gain on sale of financial assets (Østerbris)	18.0	0.0
Change in book value of financial assets (Austevoll Havfiske)	30.0	33.0
Change in recognised market value of fixed interest contracts	-22.3	9.5
Currency and other financial items	-2.0	-2.7
Net financial items	-12.3	-2.2

Pan Fish made a loss before tax of NOK 32.8 million in the second quarter 2005, compared with a loss of NOK 9.7 million in the same quarter last year. The Group made a net loss of NOK 32.8 million in the second quarter 2005, compared with a net loss of NOK 9.7 million in the second quarter in 2004.

The loss per share amounted to NOK 0.03 for the second quarter 2005, compared with NOK 0.00 in the same quarter the year before. The diluted loss per share amounted to NOK 0.03 for the second quarter 2005¹, compared with NOK 0.00 for the same quarter in 2004².

The Pan Fish Group’s balance sheet for the second quarter 2005

At the end of the second quarter 2005 the Group’s total balance sheet stood at NOK 3,031.8 million, compared with NOK 3,162.6 million at the same point in 2004.

Debt

The Group’s net interest-bearing debt has been halved since the second quarter 2004, from NOK 2,659.6 million to NOK 1,238.8 million at the end of the second quarter 2005. The substantial reduction is a result of the refinancing process that the company undertook during the autumn of 2004 and the summer of 2005.

Interest-bearing debt (NOK 1,000)	30.06.2005
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¹ Adjusted for a liquidity loan of NOK 61.8 million from Nordea and DnB NOR, convertible at a rate of NOK 2.00 per share, corresponding to 30.9 million shares.

² Adjusted for a convertible subordinated loan amounting to NOK 18.4 million from Nordea, convertible at a rate of NOK 0.05 per share, corresponding to 3.7 million shares (adjusted for the 100:1 share consolidation implemented on 19 August 2004).

Long-term interest-bearing debt to financial institutions	1,267,532
Bond loans (not interest-bearing until 2008) *	71,558
Capitalised leasing liabilities	205,145
Total interest-bearing debt	1,544,235
Cash and cash equivalents	305,481
Net interest-bearing debt	1,238,754

*) The face value of the loan is NOK 78,248,000. Its treatment in the accounts complies with IFRS

Equity

At the end of the second quarter 2005 the Pan Fish Group had book equity of NOK 1,060.1 million, corresponding to an equity ratio of 35 per cent. The parent company, Pan Fish ASA, had book equity of NOK 1,220.0 million at the same date.

Equity reconciliation for the Pan Fish Group (NOK million)	2Q 2005 (1.4-30.06)	1 half 2005 (1.1-30.06)
Equity at start of period	371.0	366.8
Net loss after minority interests	-32.8	-40.1
Debt conversion/share issues	732.2	732.2
Currency and other adjustments	-10.3	1.2
Equity at end of period	1 060.1	1 060.1

The Pan Fish Group's cash flow

Pan Fish generated a cash flow of NOK 123.7 million in the second quarter 2005. The cash flow from operating activities amounted to NOK 19.2 million during the quarter, compared with NOK 22.2 million the year before. Cash and cash equivalents stood at NOK 305.5 million at the end of the second quarter 2005.

Segment information

Pan Fish reports segment information for the production, harvesting and sale of farmed fish as a whole and for its four geographic regions separately. Information on value added products (VAP) is also reported separately, as is information on other businesses where this is deemed relevant.

Production and sale of farmed fish

The fish farming business is currently organised into four regions: Pan Fish Norway, Pan Fish Faeroe Islands, Pan Fish Scotland and Pan Fish North America (Pan Fish USA is included up to and including April 2005).

Key figures 2Q-05 Fish Farming (NOK million)	Norway		Faeroes		Scotland		North America		Total fish farming	
	2Q-05	2Q-04	2Q-05	2Q-04	2Q-05	2Q-04	2Q-05	2Q-04	2Q-05	2Q-04
Gross operating revenues	209.4	255.1	0.5	69.7	99.9	108.6	102.1	85.7	411.9	519.1
of which unrealised biomass revenues	-1.2	-32.0	0.0	0.0	8.2	8.8	-13.0	-24.1	-5.9	-47.3
EBITDA	35.8	9.0	1.1	4.3	21.9	24.2	-7.7	3.5	51.1	41.0
EBIT	20.7	-5.5	-1.4	0.2	18.3	20.6	-20.4	-18.1	17.2	-2.8
Harvesting, tonnes round weight	6 560	8 662	0	0	3 636	4 464	726	3 687	10 922	16 813
Production, tonnes round weight	7 334	6 895	72	0	2 913	3 837	2 768	3 178	13 087	13 910
Fixed assets	742.8	784.4	122.3	170.0	135.4	151.8	555.3	609.9	1555.8	1716.1
Stocks *	307.8	295.8	14.7	8.5	196.0	218.3	158.6	223.9	677.1	746.5
Total balance sheet	1186.2	1267.1	138.0	229.8	394.3	416.8	766.8	912.3	2485.3	2826.0

*) The biomass is valued in accordance with IAS 41

Operating revenues in North America during the second quarter 2005 derive from the sale of Pan Fish USA's entire biomass, as well as external volumes. Canada will have some harvesting volumes in the third quarter, which will increase into the fourth quarter. The transfer of smolt to the sea was resumed

in the Faeroes in June, and a further transfer is planned this autumn. Harvesting in the Faeroes will therefore restart at the end of 2006.

Production costs 2Q-05 (guttet weight, local currency)	Norway (NOK)		Scotland (GBP)		North America** (CAD)		Faeroes** (DKK)	
	2Q05	1Q05	2Q05	1Q05	2Q05	1Q05	2Q05	1Q05
Biological cost	15.81	15.21	1.73	1.75	n/m	3.59	n/m	n/m
Harvesting/transport	3.65	3.68	0.21	0.24	n/m	0.72	n/m	n/m
SG&A	1.03	0.96	0.04	0.11	n/m	0.24	n/m	n/m
Total EBIT cost*	20.49	19.85	1.98	2.10	n/m	4.56	n/m	n/m
of which depreciation	1.60	1.62	0.10	0.10	n/m	0.74	n/m	n/m
2007/2008 cost target	15.50 - 16.00		1.37 - 1.45		3.33 - 3.53		14.50 - 15.50	

*) Total production cost, incl. depreciation, of gutted fish, packed in boxes and ready for delivery at the processing plant.

***) There was no production in Canada or the Faeroes during the second quarter 2005.

Efforts to reduce production costs are progressing as planned, and the cost of the biomass currently in the marine phase is falling sharply in all regions compared with previous generations. This will result in lower production costs when these fish are harvested in the coming quarters and on into 2006.

Value Added Products (VAP)

The VAP business comprises Pan Fish France and Vestlax Hirtshals. Pan Fish France specialises in the production of smoked salmon for the French and Italian markets. There is currently no activity in Denmark.

Key figures 2Q-05 VAP (NOK million)	Total VAP	
	2Q-05	2Q-04
Gross operating revenues	74.4	131.8
EBITDA	-9.4	-6.8
EBIT	-32.1	-11.9
Fixed assets	126.8	136.0
Stocks	21.8	44.6
Total balance sheet	223.5	297.6

The operating loss of NOK 32.1 million includes NOK 17.9 million in depreciation and write-downs in Pan Fish Denmark. The business area's weak performance can largely be ascribed to the demanding market situation with extremely high raw material costs during the quarter.

After lengthy discussions with the banks which have been financing Vestlax Hirtshals, it was decided to wind up the business. The parties' positions meant that it was necessary to do this by putting the company into liquidation. Provisions have been made to cover all costs associated with this process.

Strategy, organisation and development

Pan Fish's objective is to supply the global market with quality salmon at the lowest cost in the industry. The goal of cost leadership is firmly rooted throughout the organisation and will be achieved through sustainable operations and a firm focus on fish health. Creating and developing adequate systems to identify and correct any non-conformances as early as possible in the production cycle is a crucial element in these efforts.

The other cornerstone of the company's strategy is that Pan Fish should produce and supply a product that meets the stringent quality, food safety and traceability standards set by the world's leading salmon buyers, both with regard to whole fish or ready-processed products. Pan Fish will consistently supply the quality required by our partner customers with the precision that is crucial to their ability to offer consumers a product that is of the very highest standard.

Critical decisions are taken every day at each fish farming facility, which is why Pan Fish focuses on employee training and active involvement. It is vital to ensure that the people who work in those areas where day-to-day value creation takes place have a high level of professional competence. The company's organisational model is based on the wide-ranging delegation of authority and responsibility for value creation to the operative units. This organisational principle is also one of the main reasons why Pan Fish has succeeded in turning itself around over the past few years, and is a key to becoming the lowest-cost producer.

The long-term objective of the fish farming business is to restore production to a level that reflects the capacity inherent in the company's existing infrastructure. This means an output of some 100,000 tonnes round weight per year.

Market outlook

The EU market is currently extremely strong. Exports of fresh salmon from Norway rose by 13 per cent in the second quarter 2005 compared with the corresponding quarter in 2004. At the same time, the average export price was NOK 2.50/kg higher than in the second quarter last year, and the trend was positive throughout the quarter. Prices similar to those achieved in June and July this year have not been seen since 2000. At the end of June exports from Norway were 12 per cent higher than at the same point in 2004, and the total supply of salmon to the EU was around 10 per cent higher than at the same point last year. While exports to France, the UK and Poland rose sharply, sales to Denmark and Germany have fallen. The sharp rise in exports to Russia fell back somewhat during the second quarter, though total sales are double that achieved in 2004. Thus far in 2005 the EU market has been strongly affected by the ongoing trade dispute, and not least the imposition of a punitive import duty on Norwegian salmon. With effect from the second quarter, however, the EU has modified its temporary measures, switching from an import duty to a minimum import price. Negotiations between the Norwegian salmon farming industry and the EU are expected to result in a final agreement by the end of January 2006.

The American market has also improved in relation to the year before, both with regard to prices and volumes. As in the European market, current price levels have not been seen for several years. As a natural consequence of the strong EU market, there has been a reduction in the shipping of export volumes from Europe to North America this year. Chile's output growth looks set to be lower in 2005 than previously forecast, which is good for the market balance both in the EU and America. In light of the expected development in future production volumes in the Northern hemisphere, there is reason to believe that the market will be reasonably well balanced over the next couple of years.

Pan Fish will harvest between 27,000 and 32,000 tgw in the second half 2005.

Oslo, 25 August 2005

The Board of Directors of
Pan Fish ASA

Financial statements for the second quarter 2005

The quarterly report is in accordance with IFRS, cf. IAS 34 Interim Financial Reporting

Konsernet Pan Fish ASA (tall i mill)/Pan Fish ASA Group (figures in NOK mill)

	1.4-30.06. 2005	1.4.-30.06. 2004	1.1.-31.12. 2004
Resultatregnskap/Profit and Loss Account			
Driftsinntekter/ Operating income	461,8	592,0	2 335,4
Herav endring urealisert inntekt biomasse/Of this change unrealized income biomass	-5,9	-47,3	-1,0
Driftskostnader/ Operating expenses	-425,2	-550,4	-2 165,1
Driftsresultat før avskrivninger/Operating profit before depreciation (EBITDA)	36,6	41,6	170,3
Avskrivning/ Depreciation	-39,2	-49,1	-186,5
Nedskrivninger og avsetninger/ Write downs and provisions	-17,9	0,0	-63,0
Driftsresultat/Operating profit (EBIT)	-20,4	-7,5	-79,2
Resultat tilknyttede selskap/ Income from associates	0,0	0,1	1,8
Netto finansposter/ Net financial items	-12,3	-2,3	-156,0
Nedskrivninger og avsetninger finansielle poster/ Write downs and provisions financial items	0,0	0,0	0,0
Sum finansposter/Total financial items	-12,3	-2,2	-154,2
Resultat før skatt/Profit before taxes	-32,8	-9,7	-233,5
Skattekostnad/ Taxes	0,0	0,0	-3,1
Resultat for videreført virksomhet/Net income for ongoing operations	-32,8	-9,7	-236,6
Resultat for ikke videreført virksomhet*/ Income non-ongoing operations*	0,0	0,0	0,2
Konsernets resultat/Net profit	-32,8	-9,7	-236,3
Minoritetsinteresser/ Minority interest	-0,8	-7,7	-16,5

*) Virksomhet som var avhendet/besluttet avhendet før regnskapsavleggelse, presenteres netto under linjen for Resultat for ikke videreført virksomhet/
Companies that were sold/or were intended to be sold are presented as net amounts under Income non-ongoing operations.

	30.06. 2005	30.06. 2004	31.12. 2004
Balanse/Balance Sheet			
Anleggsmidler/Fixed assets			
Konsesjoner/ Licences	573,3	596,5	575,6
Utsatt skattefordel/ Deferred tax asset	0,0	0,0	0,0
Goodwill	0,0	0,0	0,0
Maskiner, bygninger/ Machinery, buildings etc.	1 080,0	1 209,7	1 110,9
Aksjer, andre eiendeler/ Shares, other assets	112,3	109,2	97,1
Sum anleggsmidler/Total fixed assets	1 765,5	1 915,4	1 783,5
Omløpsmidler/Current assets			
Varebeholdning/ Inventory	699,0	791,8	755,3
Fordringer/ Receivables	261,8	336,5	328,8
Likvider/ Cash and equivalents	305,5	118,9	167,8
Sum omløpsmidler/Total current assets	1 266,3	1 247,2	1 251,9
Sum eiendeler/Total assets	3 031,8	3 162,6	3 035,4
Egenkapital/Equity			
Aksjekapital/ Share capital	917,0	810,9	1 004,6
Annen egenkapital/ Other equity	125,4	-901,6	-600,2
Minoritetsinteresser/ Minority interest	17,7	50,5	22,4
Sum egenkapital/Total equity	1 060,1	-40,2	366,8
Gjeld/Liabilities			
Ansvarlig lån/ Subordinated loan	0,0	18,4	45,9
Konvertible lån/ Convertible loan	71,5	78,2	78,2
Annen langsiktig gjeld/ Other long-term liabilities	1 502,7	2 442,2	2 086,1
Kortsiktig gjeld/ Short-term liabilities	397,5	664,0	458,4
Sum gjeld/Total liabilities	1 971,6	3 202,8	2 668,6
Sum EK og gjeld/Total Equity and Liabilities	3 031,8	3 162,6	3 035,4

	1.4-30.06. 2005	1.4.-30.06. 2004	1.1.-31.12. 2004
Nøkkeltall/Key Figures			
Utgående antall aksjer/ Number of shares end of period (mill)	1 223	20 272	502
Resultat pr. aksje/ Earnings per share	-0,03	0,00	-0,47
Utvannet resultat pr. aksje/ Diluted earnings per share	-0,03	0,00	-0,45
Driftsmargin før avskrivninger/ EBITDA margin	7,9 %	7,0 %	7,3 %
Driftsmargin/ EBIT margin	neg.	neg.	neg.
Egenkapitalandel/ Equity ratio	35,0 %	neg.	12,1 %
Netto rentebærende gjeld/ Net interest bearing debt	1 238,8	2 659,6	1 964,8

Financial statements for the first half 2005

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Konsernet Pan Fish ASA (tall i mill)/Pan Fish ASA Group (figures in NOK mill)

	1.1.-30.06. 2005	1.1.-30.06. 2004	1.1.-31.12 2004
Resultatregnskap/Profit and Loss Account			
Driftsinntekter/ Operating income	921,1	1 233,7	2 335,4
Herav endring urealisert inntekt biomasse/Of this change unrealized income biomass	1,4	-8,3	-1,0
Driftskostnader/ Operating expenses	-825,3	-1 091,7	-2 165,1
Driftsresultat før avskrivninger/Operating profit before depreciation (EBITDA)	95,8	142,0	170,3
Avskrivning/ Depreciation	-78,6	-95,3	-186,5
Nedskrivninger og avsetninger/ Write downs and provisions	-17,9	0,0	-63,0
Driftsresultat/Operating profit (EBIT)	-0,7	46,7	-79,2
Resultat tilknyttede selskap/ Income from associates	0,0	0,0	1,8
Netto finansposter/ Net financial items	-39,4	-75,5	-156,0
Nedskrivninger og avsetninger finansielle poster/ Write downs and provisions financial items	0,0	0,0	0,0
Sum finansposter/Total financial items	-39,4	-75,5	-154,2
Resultat før skatt/Profit before taxes	-40,1	-28,8	-233,5
Skattekostnad/ Taxes	0,0	0,0	-3,1
Resultat for videreført virksomhet/Net income for ongoing operations	-40,1	-28,8	-236,6
Resultat for ikke videreført virksomhet*/ Income non-ongoing operations*	0,0	0,2	0,2
Konsernets resultat/Net profit	-40,1	-28,6	-236,3
Minoritetsinteresser/ Minority interest	-1,7	-11,0	-16,5

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Aksjekapital/ Share capital	917,0	810,9	1 004,6
Annen egenkapital/ Other equity	125,4	-901,6	-600,2
Minoritetsinteresser/ Minority interest	17,7	50,5	22,4
Sum egenkapital/Total equity	1 060,1	-40,2	366,8
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Resultat pr. aksje/ Earnings per share	-0,03	0,00	-0,47
Utvannet resultat pr. aksje/ Diluted earnings per share	-0,03	0,00	-0,45
Driftsmargin før avskrivninger/ EBITDA margin	10,4 %	11,5 %	7,3 %
Driftsmargin/ EBIT margin	neg.	3,8 %	neg.
Egenkapitalandel/ Equity ratio	35,0 %	neg.	12,1 %
Netto rentebærende gjeld/ Net interest bearing debt	1 238,8	2 659,6	1 964,8

Statement of cash flow and equity

Statement of cash flow				
NOK million	1.4-30.06 2005	1.4-30.06 2004	1.1-30.06 2005	1.1-30.06 2004
Cash flow from operating activities				
Loss before tax	-32.8	-9.7	-40.1	-28.6
Reversal of unrealised biomass revenues	5.9	47.3	-1.4	8.2
Adjustment for depreciation & write-downs	57.1	49.1	96.5	95.3
Adjustment for gains/losses on sale of fixed assets	-0.3	-9.6	-1.6	-9.7
Adjustment for income from associated companies	0.0	-0.1	0.0	0.0
Change in inventories, receivables and payables	3.2	-57.7	10.0	88.1
Change in other time-limited items	-14.0	11.8	-26.8	-40.9
Net cash flow from operating activities	19.2	31.1	36.7	112.4
Cash flow from investing activities				
Receipts from sale of property, plant & equipment	4.9	3.0	13.1	4.5
Payments for purchase of property, plant & equipment	-25.0	-21.2	-35.6	-35.0
Receipts from sale of shares in other companies	42.5	5.0	42.5	7.2
Net cash flow from investing activities	22.3	-13.2	19.9	-23.3
Cash flow from financing activities				
Receipts from new interest-bearing debt (long and short term)	0.0	0.0	61.8	0.0
Repayment of interest-bearing debt (long and short term)	-83.3	-9.1	-128.0	-82.8
Change in financial leasing liabilities	-12.2	-21.9	-28.3	-33.5
Equity paid in (share issue and sale of own shares)	185.0	0.0	185.0	0.0
Net cash flow from financing activities	89.5	-30.9	90.5	-116.2
Effect of currency translations	-7.4	5.3	-9.4	9.4
Net change in cash & cash equivalents	123.7	-7.7	137.8	-17.7
Cash & cash equivalents – opening balance	181.8	126.6	167.7	136.6
Net change in cash & cash equivalents	123.7	-7.7	137.8	-17.7
Cash & cash equivalents – closing balance	305.5	118.9	305.5	118.9

Equity		
Figures in NOK millioner	1.4-30.06 2005	1.1-30.06 2005
Majority equity 31.03.05		
Majority's share of loss	-32.0	-38.4
Share issue	732.2	732.2
Effect of implementing IFRS financial instruments	0.0	13.6
Currency translation differences	-7.4	-9.4
Majority equity 30.06.05	1 042.4	1 042.4
Minority equity 31.03.05		
Minority's share of loss	-0.8	-1.7
Other changes in minority interests	-2.9	-2.9
Minority equity 30.06.05	17.7	17.7
Group equity 30.06.05	1 060.1	1 060.1

Segment figures

2Q 2005 (IFRS)	Gross operating revenues	Of which internal sales	Of which unrealised biomass revenues	EBITDA	EBIT	Investments	Fixed assets	Stocks	Total balance sheet
Farming Norway	209.4	44.9	-1.2	35.8	20.7	13.3	742.8	307.8	1186.2
Farming Faeroes	0.5	0.0	0.0	1.1	-1.4	3.4	122.3	14.7	138.0
Farming Scotland	99.9	3.9	8.2	21.9	18.3	6.6	135.4	196.0	394.3
Farming North America	102.1	0.0	-13.0	-7.7	-20.4	0.3	555.3	158.6	766.8
Total Farming*	411.9	48.8	-5.9	51.1	17.2	23.6	1555.8	677.1	2485.3
VAP*	74.4	0.0	0.0	-9.4	-32.1	1.4	126.8	21.8	223.5
Other	26.9	2.6	0.0	-5.1	-5.5	0.0	1976.5	0.2	2281.4
Eliminations*	-51.4	-51.4	0.0	0.0	0.0	0.0	-1893.6	-0.1	-1958.4
Sum	461.8	0.0	-5.9	36.6	-20.4	25.0	1765.5	699.0	3031.8

*Eliminations and group adjustments made under Farming/VAP are included in Eliminations

2Q 2004 (IFRS)	Gross operating revenues	Of which internal sales	Of which unrealised biomass revenues	EBITDA	EBIT	Investments	Fixed assets	Stocks	Total balance sheet
Farming Norway	255.1	65.7	-32.0	9.0	-5.5	5.3	784.4	295.8	1267.1
Farming Faeroes	69.7	12.2	0.0	4.3	0.2	0.3	170.0	8.5	229.8
Farming Scotland	108.6	6.7	8.8	24.2	20.6	5.3	151.8	218.3	416.8
Farming North America	85.7	0.0	-24.1	3.5	-18.1	7.1	609.9	223.9	912.3
Total Farming*	519.1	84.6	-47.3	41.0	-2.8	18.0	1716.1	746.5	2826.0
VAP*	131.8	0.0	0.0	-6.8	-11.9	3.2	136.0	44.6	297.6
Andre	35.9	10.4	0.0	7.4	7.2	0.0	2151.7	0.8	2346.4
Eliminations*	-94.8	-94.8	0.0	0.0	0.0	0.0	-2088.4	-0.1	-2307.4
Sum	592.0	0.0	-47.3	41.6	-7.5	21.2	1915.4	791.8	3162.6

* Eliminations and group adjustments made under Farming/VAP are included in Eliminations

IFRS (International Financial Reporting Standard)

With effect from 1 January 2005, the International Financial Reporting Standards (IFRS) have become the valid accounting standards for listed companies in Norway and Europe. The report for the second quarter 2005 has therefore been prepared in accordance with IFRS. Comparable figures for 2004 as a whole and the second quarter 2004 have also been calculated. In connection with the transition to IFRS, the standards applicable as at 31 December 2005 shall be used. Changes in the standards up to 31 December 2005 or changes in their interpretation may, therefore, have an impact on the figures. In the majority of areas Norwegian accounting standards are in accordance with IFRS, but the transition to the new standards has had a particular impact on Pan Fish's valuation of its biomass (live fish stocks) since the IFRS stipulate that, as a rule, the biomass shall be recorded at market value in the balance sheet.

Valuation of the company's biomass – IAS 41

The company's stocks of live fish will be valued in accordance with IAS 41 and shall, as a rule, be recorded at fair value. This represents a significant change in relation to previous accounting practice, in which the biomass was valued in accordance with the lower value principle (lower value of acquisition cost and fair value). The new rules laid down in IAS 41 introduce a significant element of volatility to the determination of Pan Fish's financial status. However, the standard does permit an exception to the fair value rule if this cannot be reliably measured. In such cases the lower value principle shall be applied. Together with several of the largest companies in the industry, Pan Fish has been working for the adoption of a common interpretation of the standard. The principle that has been adopted is that all fish larger than 4 kg shall be valued at fair value, while smolt and fish weighing less than 4 kg shall be valued in accordance with the lower value principle. Pan Fish shows these revenue corrections on a separate line in the profit and loss account under the heading "Change in unrealised biomass revenues".

The impact on the financial results at the end of the second quarter 2005 is presented in more detail below:

Valuation of the biomass* (NOK million)

	Fair value adjustment 31.12.2004	Impact on 1Q results	Fair value adjustment 31.03.2005	Impact on 2Q results	Fair value adjustment 30.06.2005
Norway	21.9	-5.9	16.0	-1.2	14.8
Scotland	1.8	4.0	5.8	8.2	14.1
North America	3.7	9.3	13.0	-13.0	0.0
TOTAL	27.5	7.3	34.8	-5.9	28.9

* Fair value adjustments are the difference between fair value and accumulated costs for marine phase fish. Their impact on the results is the net of the quarter's fair value adjustment and the reversal of the previous quarter's fair value adjustment.

Fish over 4 kg round weight (tonnes)**

	31.12.2004	31.03.2005	30.06.2005
Norway	4 698	3 347	2 773
Scotland	1 073	2 505	2 500
North America	3 021	3 670	0
TOTAL	8 791	9 522	5 272

** The biomass subject to fair value adjustment in the accounts comprises fish over 4 kg round weight. Fluctuations in the composition of the biomass (size distribution) therefore increase the volatility of the financial results.

Price superior gutted weight* (NOK)**

	31.12.2004	31.03.2005	30.06.2005
Norway	23.57	24.00	25.28
Scotland	25.26	28.11	32.87
North America	22.04	26.68	na

*** Estimated market price on the balance sheet day. When valuing the entire biomass, this price is adjusted with respect to expected quality variations, conversion to round weight and expected transport and harvesting costs.