

Third Quarter 2005



PAN FISH
www.panfish.com

Continued improvement and focus on lowest-cost strategy

Pan Fish delivered a substantial jump in profits for the third quarter this year, compared with the same period in 2004. The improvement is largely the result of lower costs and a strong global salmon market. Salmon prices have been higher than for several years, and there is good reason for optimism with regard to the market outlook in the medium term.

The company has a sound financial base which will allow it to achieve its aim of rebuilding production levels. The Pan Fish Group is well positioned to make additional important strategic advances. Both organic growth and growth through acquisitions will be achieved within the framework of the strategy which the company has drawn up: to be “the lowest-cost supplier of quality salmon”. The two recent acquisitions in Scotland and, not least, the takeover of Aqua Farms, are products of this strategy and will help to build a stronger Pan Fish.

The board of directors expects further restructuring within the aquaculture industry going forward, and Pan Fish will actively seek to exploit those opportunities which can contribute to strengthening the company.

Highlights in the third quarter 2005

- **Gross operating revenues totalled NOK 456.4 million in the third quarter 2005, compared with NOK 547.6 million in the same period last year.**
- **Operating profit before depreciation (EBITDA) amounted to NOK 133.1 million in the third quarter 2005, compared with NOK 17.7 million in the corresponding period in 2004.**
- **Adjusted for the change in unrealised biomass revenues (as per IFRS), operating profit after depreciation (EBIT) was NOK 61.6 million higher than in the same quarter last year.**
- **The Group’s consolidated profits in the third quarter 2005 totalled NOK 81.8 million, compared with a loss of NOK 66.5 million in the third quarter 2004.**
- **Pan Fish had net interest-bearing debt of NOK 1,284.3 million at the end of the third quarter 2005 and an equity ratio of 36.9 per cent.**

The Pan Fish Group’s operational and financial performance in the third quarter 2005

The Group’s operating revenues totalled NOK 456.4 million in the third quarter 2005, compared with NOK 547.6 million in the same period last year. The fall in revenues is largely the result of a 22.9 per cent cut in harvesting levels, corresponding to 3,554 tonnes round weight compared with the third quarter 2004.

Operating profit before depreciation (EBITDA) amounted to NOK 133.1 million in the third quarter 2005, compared with NOK 17.7 million in the same period in 2004. Operating profit

after depreciation (EBIT) in the third quarter 2005 totalled NOK 97.8 million, compared with a loss of NOK 23.3 million in the third quarter 2004.

In the third quarter 2005 the *change in unrealised biomass revenues* (an item introduced following the transition to IFRS) amounted to NOK 62.6 million, compared with a corresponding change in the third quarter 2004 of NOK 3.1 million.

<i>(NOK mill)</i>	3Q-05	3Q-04	Change
<i>Change in unrealised biomass revenues</i>	62.6	3.1	
EBITDA reported	133.1	17.7	115.4
EBITDA adjusted	70.5	14.6	55.9
EBIT reported	97.8	-23.3	121.1
EBIT adjusted	35.2	-26.4	61.6

Net financial items stood at NOK -15.8 million in the third quarter 2005, compared with NOK -43.1 million in the same period last year. The table below shows a detailed breakdown of financial items.

<i>(NOK mill)</i>	3Q-05	3Q-04
Net interest expenses	-29.9	-40.6
Change in recognised market value of fixed-interest contracts	9.9	-6.8
Currency and other financial items	4.2	4.3
Net financial items	-15.8	-43.1

Profit before tax amounted to NOK 82.1 million in the third quarter 2005, compared with a loss before tax of NOK 66,5 million in the corresponding quarter in 2004. The Group made a net profit of NOK 81.8 million in the third quarter 2005, compared with a net loss of NOK 66.5 million in the third quarter 2004.

Earnings per share amounted to NOK 0.07 for the third quarter 2005, compared with a loss per share of 0.13 in the same quarter the year before. Diluted earnings per share amounted to NOK 0.06 for the third quarter 2005¹, compared with a diluted loss per share of NOK 0.13 in the third quarter 2004².

The Pan Fish Group's balance sheet for the third quarter 2005

At the end of the third quarter 2005 the Group's balance sheet totalled NOK 3,141.5 million, compared with 3,318.2 million at the same point in 2004. As at 30 September 2005, NOK 25.9 million in goodwill deriving from the acquisition of Murray Seafoods and Oppdrettslaks has been recorded in the accounts.

Debt

The Group had a net interest-bearing debt of NOK 1,284.3 million at the end of the third quarter 2005, compared with NOK 1,238.8 million in the previous quarter and NOK 1,898.6 million at the end of the third quarter 2004.

¹ Adjusted for a liquidity loan of NOK 42.0 million from Nordea, convertible at a rate of NOK 1,65559 per share, corresponding to 25.3 million shares.

² Adjusted for a convertible subordinated loan amounting to NOK 45.9 million from Nordea, convertible at a rate of NOK 2.25 per share, corresponding to 20.4 million shares.

Interest-bearing debt (NOK 1,000)	30.09.2005
Long-term interest-bearing debt to financial institutions	1,246,550
Bond loans (not interest-bearing until 2008) *	72,734
Capitalised leasing liabilities	199,217
Total interest-bearing debt	1,518,501
Cash and cash equivalents	234,227
Net interest-bearing debt	1,284,274

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

Equity

At the end of the third quarter 2005 the Pan Fish Group had book equity of NOK 1,158.7 million, corresponding to an equity ratio of 36.9 per cent. The parent company, Pan Fish ASA, had book equity of NOK 1,236.4 million at the same date.

Equity reconciliation for the Pan Fish Group (NOK million)	3Q 2005 (1.7-30.09)	YTD 2005 (1.1-30.09)
Equity at start of period	1,060.1	366.8
Net profit after minority interests	81.8	41.7
Debt conversion/share issues	19.9	750.8
Currency and other adjustments	-3.1	-0.6
Equity at end of period	1,158.7	1,158.7

The Pan Fish Group's cash flow

Pan Fish had a net cash outflow of NOK 71.3 million in the third quarter 2005. The cash flow from operating activities amounted to NOK 3.9 million during the quarter, compared with NOK 59.3 million the year before. Cash and cash equivalents stood at NOK 234.2 million at the end of the third quarter 2005.

Events taking place after the balance sheet day

Acquisition of Aqua Farms

Pan Fish has contracted to acquire 99.9 per cent of the shares in Aqua Farms at a price corresponding to NOK 285 million for 100 per cent of the company's equity. Aqua Farms operates 16 licences, three of which it owns on a 50 per cent basis. This acquisition increases Pan Fish Norway's production capacity by approx. 14,000 tonnes round weight per year. Interest-bearing debt and equity at the date of takeover, 1 November 2005, are estimated at NOK 200 million and NOK 140 million respectively.

Aqua Farms is located in the same geographical area as Pan Fish Norway, and the acquisition will therefore lead to the creation of one of the world's most effective clusters for Atlantic salmon farming. In addition, Aqua Farms owns 27.4 per cent of Aalesundfisk and 33.3 per cent of France's third largest smokery, Kritsen. For further information, please see the press release and stock market announcement of 10 October 2005.

Private placement

In connection with the acquisition of Aqua Farms, Pan Fish undertook a share issue on 10 October 2005. Following the completion and registration of this private placement, the company's share capital amounts to NOK 1,018,587,408.75, divided into 1,358,116,545 shares, each having a face value of NOK 0.75. The private placement raised gross proceeds of NOK 206.1 million.

Segment information

Pan Fish reports segment information for fish farming as a whole and for its four geographic regions separately. Information on value added products (VAP) is also reported separately.

Production and sale of farmed fish

The fish farming business comprises the four companies: Pan Fish Norway, Pan Fish Faeroes, Pan Fish Scotland and Pan Fish Canada.

Key figures 3Q-05 Fish Farming (NOK million)	Norway		Faeroes		Scotland		North America		Total fish farming	
	3Q05	3Q04	3Q05	3Q04	3Q05	3Q04	3Q05	3Q04	3Q05	3Q04
Gross operating revenues	255.5	253.5	0.0	28.7	96.1	80.0	70.8	125.7	422.4	487.9
of which unrealised biomass revenues*	36.4	8.9	0.0	0.0	-5.3	-7.6	31.5	1.8	62.6	3.1
EBITDA	101.1	24.0	-0.9	3.0	4.1	-5.9	31.3	-0.4	135.6	20.7
EBIT	86.1	9.5	-3.7	-1.7	0.3	-9.9	16.9	-11.9	99.6	-14.0
Harvesting, tonnes round weight	7 862	7 457	0	0	3 876	3 959	201	4 077	11 939	15 493
Production, tonnes round weight	13 010	11 560	335	0	4 337	4 074	3 303	2 909	20 985	18 543
Fixed assets	745.3	769.3	119.9	169.1	238.8	147.8	572.1	614.0	1676.1	1700.2
Stocks **	380.6	333.3	21.3	5.5	221.5	201.1	255.7	219.7	879.1	759.6
Total balance sheet	1241.6	1276.3	143.6	225.1	544.5	389.2	868.0	911.3	2797.7	2801.9

*) Change in unrealised biomass revenues

**) The biomass is valued in accordance with IAS 41

As planned, no harvesting of the company's own farmed fish took place in Canada during the third quarter. Operating revenues for this business area derive from the sale of external volumes. Harvesting of own farmed fish will resume in Canada in the fourth quarter. In the Faeroes, smolts were transferred to the sea in June and September/October. Harvesting in the Faeroes will commence during the second quarter 2006.

Production costs 3Q-05 (gutted weight, local currency)	Norway (NOK)		Scotland (GBP)		North America (CAD)		Faeroes (DKK)	
	3Q05	2Q05	3Q05	2Q05	3Q05	2Q05	3Q05	2Q05
Biological cost	14.90	15.81	1.98	1.73	n/m	n/m	n/m	n/m
Harvesting/transport	3.17	3.65	0.27	0.21	n/m	n/m	n/m	n/m
SG&A	1.10	1.03	0.13	0.04	n/m	n/m	n/m	n/m
Total EBIT cost*	19.17	20.49	2.38	1.98	n/m	n/m	n/m	n/m
of which depreciation	1.13	1.60	0.10	0.10	n/m	n/m	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.

The cost of harvested fish is falling satisfactorily in Norway. The increase in the cost of harvested fish in Scotland compared with the previous quarter is due to weak biological results for the autumn 2003 generation. As previously announced, lower costs are expected for both the spring and autumn 2004 generations, which will be ready for harvesting during the fourth quarter 2005 and first half of 2006. The cost of marine-phase fish is decreasing as planned in the other regions, and the marginal growth cost of the fish currently in production is falling in all regions. This will in turn result in lower costs when this fish is ready for harvesting.

Value Added Products (VAP)

The VAP business consists of Pan Fish France, which is France's fourth largest salmon smokery. (The figures for the third quarter 2004 also include Vestlax Hirtshals).

Key figures 3Q-05 VAP (NOK million)	Total VAP	
	3Q-05	3Q-04
Gross operating revenues	48.0	92.4
EBITDA	-2.5	-1.8
EBIT	-4.4	-7.7
Fixed assets	46.2	129.7
Stocks	28.6	43.9
Total balance sheet	131.5	267.1

The VAP business posted a still unsatisfactory NOK 4.4 million operating loss in the third quarter 2005, compared with an operating loss of NOK 7.7 million in the same quarter 2004. High raw materials prices throughout the year have put enormous pressure on margins within the VAP business. Pan Fish France has implemented a number of measures to improve production efficiency, including a major cut in its workforce, whose impact will be felt on into 2006. The company's financial performance is expected to improve in the fourth quarter.

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.

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. 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.

Pan Fish focuses on employee training and encourages the active involvement of all staff to ensure that all those who work at our farming facilities, processing plants and sales offices, where day-to-day value creation takes place, have a high level of professional competence. The company's decentralised organisational model is based on the delegation of authority and responsibility for value creation to the operative units, and is one of the main reasons why Pan Fish has succeeded in turning itself around over the past few years.

The board of directors expects the current consolidation in the industry to continue, and is of the opinion that Pan Fish has access to the capital and competence it needs to take advantage of whatever opportunities may arise during this process. However, any such consolidation will only be considered if it enhances the company's lowest-cost strategy.

Market and outlook

The EU market remained strong throughout the third quarter, and prices have been considerably higher than during the previous two years. In the months to September exports of fresh salmon from Norway were 11 per cent higher than in the same period last year and 16 per cent higher than in 2003. The average export price in the months to September was NOK 3.00/kg higher than in the same period in 2004 and NOK 5.00/kg higher than in 2003.

The US market also remained strong throughout the third quarter. The price of fresh salmon fillet is currently extremely high, passing USD 7.00/kg in July for the first time since 2000. So far few figures are available for the quarter as a whole, but in July it was still the supply of

North American produced salmon that kept volumes up, while Chile slipped back slightly. The price remained over USD 7.00/kg in August and September.

In the next few years global production is set to remain stable or grow only moderately. The biggest area of uncertainty relates to Chile, which looks like achieving lower growth than previously forecast. At the same time there is good reason to believe that the underlying growth in demand will remain strong, in keeping with the current trend. In total this gives grounds for optimism with regard to the market outlook in the short to medium term.

Pan Fish will harvest between 15,000 and 16,000 tonnes gutted weight in the fourth quarter 2005. Output will be further boosted by the inclusion of volumes from Aqua Farms in November and December.

Oslo, 24 October 2005

The Board of Directors of
Pan Fish ASA

Financial statements for the third 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)

	1.7-30.09.	1.7.-30.09.	1.1.-31.12
Resultatregnskap/Profit and Loss Account	2005	2004	2004
Driftsinntekter/ Operating income	456,4	547,6	2 335,4
Herav endring urealisert inntekt biomasse/Of this change unrealized income biomass	62,6	3,1	-1,0
Driftskostnader/ Operating expenses	-323,3	-529,9	-2 165,1
Driftsresultat før avskrivninger/Operating profit before depreciation (EBITDA)	133,1	17,7	170,3
Avskrivning/ Depreciation	-35,2	-41,0	-186,5
Nedskrivninger og avsetninger/ Write downs and provisions	0,0	0,0	-63,0
Driftsresultat/Operating profit (EBIT)	97,8	-23,3	-79,2
Resultat tilknyttede selskap/ Income from associates	-0,4	-0,5	1,8
Netto finansposter/ Net financial items	-15,4	-42,6	-156,0
Nedskrivninger og avsetninger finansielle poster/ Write downs and provisions financial items	0,0	0,0	0,0
Sum finansposter/Total financial items	-15,8	-43,1	-154,2
Resultat før skatt/Profit before taxes	82,1	-66,5	-233,5
Skattekostnad/ Taxes	-0,2	0,0	-3,1
Resultat for videreført virksomhet/Net income for ongoing operations	81,8	-66,5	-236,6
Resultat for ikke videreført virksomhet*/ Income non-ongoing operations*	0,0	0,0	0,2
Konsernets resultat/Net profit	81,8	-66,5	-236,3
Minoritetsinteresser/ Minority interest	-1,4	-3,1	-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.

	30.09	30.09	31.12
Balanse/Balance Sheet	2005	2004	2004
Anleggsmidler/Fixed assets			
Konsesjoner/ Licences	591,0	593,6	575,6
Utsatt skattefordel/ Deferred tax asset	0,0	0,0	0,0
Goodwill	25,9	0,0	0,0
Maskiner, bygninger/ Machinery, buildings etc.	1 092,0	1 195,8	1 110,9
Aksjer, andre eiendeler/ Shares, other assets	28,3	105,2	97,1
Sum anleggsmidler/Total fixed assets	1 737,2	1 894,6	1 783,5
Omløpsmidler/Current assets			
Varebeholdning/ Inventory	907,7	804,4	755,3
Fordringer/ Receivables	262,4	280,8	328,8
Likvider/ Cash and equivalents	234,2	338,4	167,8
Sum omløpsmidler/Total current assets	1 404,3	1 423,6	1 251,9
Sum eiendeler/Total assets	3 141,5	3 318,2	3 035,4
Aksjekapital/ Share capital	926,0	1 004,6	1 004,6
Annen egenkapital/ Other equity	216,4	-518,1	-660,2
Minoritetsinteresser/ Minority interest	16,3	47,0	22,4
Sum egenkapital/Total equity	1 158,7	533,5	366,8
Gjeld/Liabilities			
Ansvarlig lån/ Subordinated loan	0,0	45,9	45,9
Konvertible lån/ Convertible loan	72,7	78,2	78,2
Annen langsiktig gjeld/ Other long-term liabilities	1 461,3	2 096,9	2 086,1
Kortsiktig gjeld/ Short-term liabilities	448,8	563,7	458,4
Sum gjeld/Total liabilities	1 982,8	2 784,7	2 668,6
Sum EK og gjeld/Total Equity and Liabilities	3 141,5	3 318,2	3 035,4

	1.1-30.09.	1.1.-30.09.	1.1.-31.12.
Nøkkeltall/Key Figures	2005	2004	2004
Utgående antall aksjer / Number of shares end of period (mill)	1 235	502	502
Resultat pr. aksje/ Earnings per share	0,07	-0,13	-0,47
Utvannet resultat pr. aksje/ Diluted earnings per share	0,06	-0,13	-0,45
Driftsmargin før avskrivninger/ EBITDA margin	29,2 %	3,2 %	7,3 %
Driftsmargin/ EBIT margin	21,4 %	neg.	neg.
Egenkapitalandel/ Equity ratio	36,9 %	16,1 %	12,1 %
Netto rentebærende gjeld/ Net interest bearing debt	1 284,3	1 898,6	1 964,8

Financial statements YTD 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)

	1.1.-30.09. 2005	1.1.-30.09. 2004	1.1.-31.12. 2004
Resultatregnskap/Profit and Loss Account			
Driftsinntekter/ Operating income	1 377,5	1 781,3	2 335,4
Herav endring urealisert inntekt biomasse/Of this change unrealized income biomass	64,0	-5,1	-1,0
Driftskostnader/ Operating expenses	-1 148,6	-1 621,6	-2 165,1
Driftsresultat før avskrivninger/Operating profit before depreciation (EBITDA)	228,9	159,7	170,3
Avskrivning/ Depreciation	-113,9	-136,3	-186,5
Nedskrivninger og avsetninger/ Write downs and provisions	-17,9	0,0	-63,0
Driftsresultat/Operating profit (EBIT)	97,1	23,4	-79,2
Resultat tilknyttede selskap/ Income from associates	-0,3	-0,5	1,8
Netto finansposter/ Net financial items	-54,8	-118,1	-156,0
Nedskrivninger og avsetninger finansielle poster/ Write downs and provisions financial items	0,0	0,0	0,0
Sum finansposter/Total financial items	-55,2	-118,7	-154,2
Resultat før skatt/Profit before taxes	41,9	-95,3	-233,5
Skattekostnad/ Taxes	-0,2	0,0	-3,1
Resultat for videreført virksomhet/Net income for ongoing operations	41,7	-95,3	-236,6
Resultat for ikke videreført virksomhet*/ Income non-ongoing operations*	0,0	0,2	0,2
Konsernets resultat/Net profit	41,7	-95,1	-236,3
Minoritetsinteresser/ Minority interest	-3,1	-14,1	-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.

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	1.1.-30.09. 2005	1.1.-30.09. 2004	1.1.-31.12. 2004
Nøkkeltall/Key Figures			
Utgående antall aksjer / Number of shares end of period (mill)	1 235	502	502
Resultat pr. aksje/ Earnings per share	0,03	-0,19	-0,47
Utvannet resultat pr. aksje/ Diluted earnings per share	0,03	-0,18	-0,45
Driftsmargin før avskrivninger/ EBITDA margin	16,6 %	9,0 %	7,3 %
Driftsmargin/ EBIT margin	7,0 %	1,3 %	neg.
Egenkapitalandel/ Equity ratio	36,9 %	16,1 %	12,1 %
Netto rentebærende gjeld/ Net interest bearing debt	1 284,3	1 898,6	1 964,8

Statement of cash flow and equity

Statement of cash flow				
NOK million	1.7-30.09 2005	1.7-30.09 2004	1.1-30.09 2005	1.1-30.09 2004
Cash flow from operation activities				
Result before tax	81,8	-66,5	41,8	-95,1
Reversal of unrealised income biomass	-64,0	-3,1	-65,4	5,1
Adjustment for depreciation and write-downs	35,2	41,0	131,8	136,3
Adjustment for gains/losses on sale of fixed assets	-0,8	3,0	-2,4	1,7
Adjustment for income associated companies	0,4	0,6	0,4	0,6
Change in inventories, receivables and payables	-107,6	59,0	-97,5	162,1
Change in accruals	58,9	25,3	32,2	-119,9
Net cash flow from operating activities	3,9	59,3	40,7	90,8
Cash flow from investing activities				
Receipts from sale of property, plant and equipment (pp&e)	2,4	0,0	15,5	4,5
Payments for purchase of pp&e	-36,0	-17,9	-71,6	-52,9
Receipts from sale of shares/parts in other companies	80,0	41,3	122,5	48,5
Payments for purchase of shares/parts in other companies	-63,9	0,0	-63,9	0,0
Net cash flow from investing activities	-17,5	23,4	2,5	0,1
Cash flow from financing activities				
Receipts from new interest-bearing debt (short and long term)	2,7	0,0	64,5	0,0
Repayment of interest-bearing debt (short and long term)	-46,8	-7,7	-174,9	-10,8
Change in financial leasing liabilities	-12,1	-14,6	-40,4	-46,8
Equity paid-in (share issue and sale of own shares)	0,0	165,1	185,0	165,1
Net cash flow from financing activities	-56,2	142,8	34,3	107,5
Effect of currency translations	-1,5	-6,0	-10,9	3,4
Net change in cash & cash equivalents	-71,3	219,5	66,5	201,8
Cash & cash equivalents - opening balance	305,5	118,9	167,7	136,6
Net change in cash and cash equivalents	-71,3	219,5	66,5	201,8
Cash & cash equivalents - closing balance	234,2	338,4	234,2	338,4

Equity statement		
NOK million	1.6-30.09 2005	1.1-30.09 2005
Majority equity 30.06.2005	1 042,4	344,4
Majority's share of result	83,2	44,8
Share issue	19,9	750,8
Implementation effects IFRS financial instruments	0,0	13,6
Translation differences divestment of subsidiaries	-1,6	-1,6
Currency translation differences	-1,5	-9,7
Majority equity 30.09.2005	1 142,4	1 142,3
Minority equity 30.06.2005	17,7	22,4
Minority's share of result	-1,4	-3,1
Other changes in minority interests	0,0	-2,9
Minority equity 30.09.2005	16,3	16,3
Group equity 30.09.2005	1 158,7	1 158,7

Segment figures

3Q 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	255,5	27,9	36,4	101,1	86,1	19,4	745,3	380,6	1241,6
Farming Faeroes	0,0	0,0	0,0	-0,9	-3,7	0,9	119,9	21,3	143,6
Farming Scotland	96,1	4,0	-5,3	4,1	0,3	11,2	238,8	221,5	544,5
Farming North America	70,8	0,0	31,5	31,3	16,9	4,0	572,1	255,7	868,0
Total Farming*	422,4	31,9	62,6	135,6	99,6	35,5	1676,1	879,1	2797,7
VAP*	48,0	0,0	0,0	-2,5	-4,4	0,5	46,2	28,6	131,5
Other	20,3	2,4	0,0	2,9	2,9	0,0	2005,5	0,1	2260,5
Eliminations*	-34,3	-34,3	0,0	-2,9	-0,3	0,0	-1990,6	-0,1	-2048,2
Sum	456,4	0,0	62,6	133,1	97,8	36,0	1737,2	907,7	3141,5

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

3Q 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	253,5	48,2	8,9	24,0	9,5	9,4	769,3	333,3	1276,3
Farming Faeroes	28,7	0,7	0,0	3,0	-1,7	-0,3	169,1	5,5	225,1
Farming Scotland	80,0	11,7	-7,6	-5,9	-9,9	5,3	147,8	201,1	389,2
Farming North America	125,7	0,0	1,8	-0,4	-11,9	2,3	614,0	219,7	911,3
Total Farming*	487,9	60,5	3,1	20,7	-14,0	16,7	1700,2	759,6	2801,9
VAP*	92,4	0,0	0,0	-1,8	-7,7	1,2	129,7	43,9	267,0
Andre	30,7	2,9	0,0	-1,2	-1,6	0,0	2094,3	1,7	2549,7
Eliminations*	-63,4	-63,4	0,0	0,0	0,0	0,0	-2029,6	-0,1	-2300,4
Sum	547,6	0,0	3,1	17,7	-23,3	17,9	1894,6	804,4	3318,2

* 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 third quarter 2005 has therefore been prepared in accordance with IFRS. Comparable figures for 2004 as a whole and the third 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. 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. This solution has from an industry perspective been substantiated by the fact that fish smaller than 4 kilo can not be measured accurately enough within the framework of the standard. At the same time Pan Fish is of the opinion that accumulated production cost will be the best estimate on the real value of fish that is not yet ready for harvesting.

The difference between real value and accumulated cost is allocated to the biomass as a fair value adjustment. The change in this adjustment from one quarter to the next generates the result effect for the present quarter. Pan Fish reports this adjustment of income as change in unrealised income biomass on a separate line in the profit and loss statement.

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

Accounting of biomass (MNOK)

	Fair value adjustment 31.12.2004	P&L effect 1. kvartal	Fair value adjustment 31.03.2005	P&L effect 2. kvartal	Fair value adjustment 30.06.2005	P&L effect 3. kvartal	Fair value adjustment 30.09.2005
Norway	21,9	-5,9	16,0	-1,2	14,8	36,4	51,2
Scotland	1,8	4,0	5,8	8,2	14,1	-5,3	8,8
North America	3,7	9,3	13,0	-13,0	0,0	31,5	31,5
TOTAL	27,5	7,3	34,8	-5,9	28,9	62,6	91,5

Fair value adjustments are the difference between fair value and the accumulated cost on fish in sea. The P&L effects arise as the net figure between the fair value adjustment of the quarter and the reversal of last quarter's fair value adjustment.

Fish above 4 kg round weight (tonnes)

	31.12.2004	31.03.2005	30.06.2005	30.09.2005	Share of total biomass above 4kg per 30.09.2005
Norway	4 698	3 347	2 773	9 938	47 %
Scotland	1 073	2 505	2 500	1 961	23 %
North America	3 021	3 670	0	6 052	70 %
TOTAL	8 791	9 522	5 272	17 951	46 %

Fish above 4 kg round weight is the part of the biomass that is fair value adjusted in the financial statements. Variations in the size distribution contribute to increase the volatility in the P&L.

Calculated price round weight fish in sea (NOK)

	Price SUP per kg gw	Calculated price round weight
Norway	23,83	16,82
Scotland	29,46	21,61
North America	31,86	21,26

The price of superior per kg gutted weight is an estimate of the market price back to farm on the closing date. This price may deviate from achieved prices. Calculated price round weight is adjusted for the price-effect of expected downgrade, market price of processing services and weight losses from gutting.

Fair value adjustment 30.09.2005

	Biomass above 4 kg (tonnes)	Calculated price round weight	Fair value (MNOK)	Historic cost (MNOK)	Fair value adjustment (MNOK)
Norway	9 938	16,82	167,2	116,0	51,2
Scotland	1 961	21,61	42,4	33,6	8,8
North America	6 052	21,26	128,7	97,2	31,5
SUM	17 951	na	338,3	246,8	91,5

On those localities where the fish is bigger than 4 kg on average, an estimation of fair value is made based on the assumption that the fish will be harvested immediately. Fair value is calculated by multiplying the biomass in question with the calculated price round weight fish in sea.