



BioMar Holding A/S

Stock Exchange Announcement

INTRODUCTION TO ANNUAL REPORT 2006

14 March 2007

The following is a translation of the BioMar Holding A/S stock exchange announcement of 14 March 2007. In case of any discrepancy between the Danish version and this translation, the Danish wording shall be applicable.

Introduction to the Annual Report 2006 for BioMar Holding A/S

The Board of Directors for BioMar Holding A/S today approved the company's Annual Report for 2006. Several factors have had a positive effect on the financial results of BioMar in 2006:

- Climatic conditions were beneficial in 2006. Water temperatures in the last few months of the year were higher than usual in most of Europe, and in particular in Norway and the UK. This led to increased fish growth, and BioMar's volume sold exceeded expectations.
- Fish prices – and salmon prices in particular – were high throughout 2006, which meant better profitability and financial position for BioMar's customers. Furthermore, the share of profits from associated company Sjøtroll Havbruk AS were also at a high level.
- The price of raw materials – in particular fishmeal – rose considerably during the course of the year. Most of BioMar's customer contracts include clauses where changes in raw material prices can be passed on to the customer in whole or part in the form of revised feed prices. BioMar managed raw material price increases well in 2006, and even limited increases in raw material cost by escalating substitution of marine raw materials with alternatives. BioMar was therefore able to maintain its margins.
- BioMar North Sea and BioMar Americas were close to full capacity utilisation in the peak season. This was a major contributor to high efficiency at several of BioMar's factories.

Financial development in 2006

- Net turnover for 2006 comprises DKK 3,274 million compared to DKK 2,622 million in 2005. This slightly exceeds expectations for net turnover between DKK 3,000 – 3,200 million.
- EBIT for 2006 comprised DKK 232 million. This slightly exceeds expectations for EBIT between DKK 200 – 220 million.

Adjusted for non-recurring items, including the reversion of a previously recognised provision for pension obligations of DKK 30 million in 2006, EBIT increased from DKK 135 million in 2005 to DKK 202 million in 2006 equivalent to an increase of 50 %.

- Profit before tax for 2006 comprised DKK 285 million. This slightly exceeds expectations for EBIT between DKK 240 – 270 million.

Adjusted for non-recurring items Profit before tax increased from DKK 180 million in 2005 to DKK 255 million in 2006 equivalent to an increase of 42 %.

Expectations for 2007

The expectations for the financial year 2007 appear below:

- The net revenue is expected to be approx. DKK 3.6 billion compared to DKK 3.3 billion in 2006.
- EBIT is expected to be approx. DKK 200 million compared to an adjusted EBIT in 2006 of DKK 202 million.
- Profit before tax of continuing activities is expected to be approx. DKK 175 million kr.. This should be compared to adjusted profit before tax in 2006 excluding Sjøtroll Havbruk AS of DKK 181 million. This is because Sjøtroll Havbruk AS is not classified as a continuing activity consequently the share of profits from Sjøtroll Havbruk AS is not included in the expectations. The profit share of the associated company Sjøtroll Havbruk AS was DKK 74 million in 2006 out of an adjusted profit before tax of DKK 255 million.

It is expected that Sjøtroll Havbruk AS in 2007 will realise results at least at the same level as in 2006. However, this expectation is subject to significant uncertainty, as the result of Sjøtroll Havbruk AS is extremely sensitive to changes in the prices of salmon and trout. BioMar will recognise 100 % of the profit share from Sjøtroll Havbruk AS plus eventual value adjustments in a separate income statement line item as "Profit/loss after tax of discontinued activities". Upon the distribution of the results for the year, the minority shareholders of Sjøtroll Havbruk AS will receive 49.1 % thereof.

The expectations to revenue and results of BioMar should be viewed in the light of very favourable market conditions during 2006 concerning climatic conditions, fish prices, changes in raw material prices and capacity utilization. The market conditions may change in 2007 to less favourable conditions for BioMar, furthermore it is not to be assumed that BioMar will be able to handle changes in market and internal conditions to the same satisfaction as in 2006. The expectations to revenue and results in 2007 are based upon normal climatic conditions as well as continued stable fish prices.

Other significant factors

- On 2 March 2007 BioMar acquired 13.7% of the shares in Sjøtroll Havbruk AS from North Sea Invest AS for NOK 200 million. In doing so BioMar obtains a majority stake of 50.9 % of Sjøtroll Havbruk AS. The acquisition will be financed through existing cash and credit facilities. The agreement is conditional on adequate approvals from relevant authorities.

BioMar has on several occasions communicated that it is not the long term strategy of BioMar to participate in fish farming activities and that the ownership of Sjøtroll Havbruk AS is evaluated on an ongoing basis. The management of BioMar expects, based upon a majority stake, that the possibility of divesting the ownership interest in Sjøtroll Havbruk AS on satisfactory terms will be improved.

- Cash flow from operating activities comprised DKK 242 million in 2006, and net interest-bearing debt as at the end of 2006 was DKK 178 million. The group's financial strength and capital reserves are deemed to contain significant potential for the continued development of the company in line with the ambitious strategy "Going for Global Growth" that is described in the annual report. On this basis, the Board of Directors Board proposes payment of a dividend of DKK 4 per share, equivalent to DKK 44 million.

Yours faithfully,

Jens Bjerg Sørensen
Chairman of the Board

Nils Agnar Brunborg
CEO

Contacts:

CEO
Nils Agnar Brunborg, tel. +45 25 50 50 18

Investor Relations Manager
Jens Michael Haurum, tel. +45 96 61 31 24