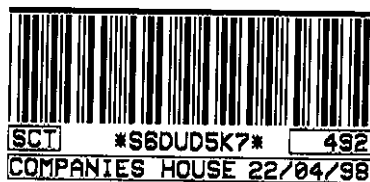


# Castle MacLellan Foods Limited

## Annual report for the 16 months ended 31 December 1997

|                                   | Pages  |
|-----------------------------------|--------|
| Directors and advisers            | 1      |
| Directors' report                 | 2 - 3  |
| Report of the auditors            | 4      |
| Profit and loss account           | 5      |
| Balance sheet                     | 6      |
| Notes to the financial statements | 7 - 16 |



## Directors and advisers

### Directors

P J Bone (Chairman)  
F Bergesen  
A R Cunningham

### Auditors

Coopers & Lybrand  
Hadrian House  
Higham Place  
Newcastle upon Tyne  
NE1 8BP

### Secretary and registered office

P Stewart  
Riverside  
Dee Walk  
Kirkcudbright  
DG6 4DR

### Solicitors

Dickinson Dees  
Cross House  
Westgate Road  
Newcastle upon Tyne  
NE99 1SB

### Bankers

Bank of Scotland  
15 St Mary Street  
Kirkcudbright  
DG6 4AD

**Directors' report  
for the 16 months ended 31 December 1997**

The directors present their report and the audited financial statements for the 16 months ended 31 December 1997. Comparatives are stated for the year ended 31 August 1996.

**Principal activities**

The principal activity of the company remains the manufacturing and sale of pâté.

**Review of business and future developments**

The profit and loss account is set out on page 5.

The Directors are delighted to record, after most amicable negotiations, that 100% share capital of the company was acquired by Kavli Ltd, in June 1997.

This will without doubt strengthen our market position and see the substantial growth attained through 1996/97 continue. Plans are well advanced for expansion to our manufacturing facilities doubling current capacity. New and innovative products will be launched in March 1998 together with exciting new packaging for our existing product range.

Heavy investment in new equipment will allow us to aggressively pursue new market sectors and advance plans for innovative new product development.

**Dividends**

A dividend of £131,750 has been paid in the year.

**Research and development**

The company is committed to development activities to secure its position in the market in which it operates.

**Directors and their interests**

The directors of the company during the period, were:

|                |                                                     |
|----------------|-----------------------------------------------------|
| F Bergesen     | (appointed 25 June 1997)                            |
| P J Bone       | (appointed 25 June 1997)                            |
| A R Cunningham | (appointed 15 December 1997)                        |
| W Kjølås       | (appointed 25 June 1997; resigned 15 December 1997) |
| J Carswell     | (resigned 25 June 1997)                             |
| C S Warden     | (resigned 25 June 1997)                             |
| C G Wilson     | (resigned 25 June 1997)                             |

The interests of the directors in the share capital of the company at 31 December 1997, together with their interests at 1 September 1996, were:

|                            | At<br>31 December<br>1997 | At<br>1 September<br>1996 |
|----------------------------|---------------------------|---------------------------|
| Ordinary shares of £1 each |                           |                           |
| Mr C S Warden              | -                         | 66,500                    |
| Mr J Carswell              | -                         | 52,500                    |
| Mr C G Wilson              | -                         | 25,000                    |

Other than shown in the table above no director had any interest in the shares of the company or in the share capital of Kavli Holdings A/S, the ultimate parent company and its subsidiaries at 31 December 1997.

## Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

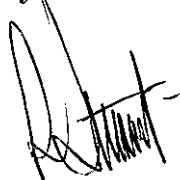
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



Secretary  
10 March 1998

## Report of the auditors to the members of Castle MacLellan Foods Limited

We have audited the financial statements on pages 5 to 16.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

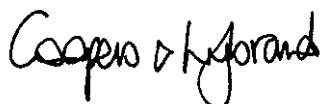
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1997 and of its profit for the 16 months then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
10 March 1998

**Profit and loss account  
for the 16 months ended 31 December 1997**

|                                                      | Notes | 16 month<br>period to<br>31 December<br>1997<br>£ | Year<br>ended<br>31 August<br>1996<br>as restated<br>£ |
|------------------------------------------------------|-------|---------------------------------------------------|--------------------------------------------------------|
| Turnover                                             |       | 3,423,878                                         | 1,748,794                                              |
| Net operating expenses                               | 2     | (3,020,774)                                       | (1,625,640)                                            |
| Exceptional operating expense                        | 4     | (65,000)                                          | -                                                      |
| <b>Operating profit</b>                              |       | <b>338,104</b>                                    | <b>123,154</b>                                         |
| Interest receivable                                  |       | 1,257                                             | 857                                                    |
| Interest payable                                     | 5     | (64,617)                                          | (39,972)                                               |
| <b>Profit on ordinary activities before taxation</b> |       | <b>274,744</b>                                    | <b>84,039</b>                                          |
| Taxation                                             | 6     | (124,000)                                         | (20,161)                                               |
| <b>Profit on ordinary activities after taxation</b>  |       | <b>150,744</b>                                    | <b>63,878</b>                                          |
| Dividend                                             | 7     | (131,750)                                         | -                                                      |
| <b>Retained profit for the period</b>                | 17    | <b>18,994</b>                                     | <b>63,878</b>                                          |

All of the operations of the company are continuing.

There are no recognised gains or losses in the year other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet  
at 31 December 1997**

|                                                                | Notes | 1997<br>£             | 1996<br>£             |
|----------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                            |       |                       |                       |
| Tangible assets                                                | 8     | <u>842,667</u>        | <u>690,967</u>        |
| <b>Current assets</b>                                          |       |                       |                       |
| Stocks                                                         | 9     | 155,184               | 119,814               |
| Debtors                                                        | 10    | 595,438               | 281,998               |
| Cash at bank and in hand                                       |       | <u>44,463</u>         | <u>27,118</u>         |
|                                                                |       | <u>795,085</u>        | <u>428,930</u>        |
| Creditors: amounts falling due within one year                 | 11    | <u>(994,768)</u>      | <u>(659,153)</u>      |
| <b>Net current liabilities</b>                                 |       | <u>(199,683)</u>      | <u>(230,223)</u>      |
| <b>Total assets less current liabilities</b>                   |       | <u>642,984</u>        | <u>460,744</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 12    | (179,434)             | (34,099)              |
| <b>Provisions for liabilities and charges</b>                  | 13    | (59,729)              | (33,476)              |
| <b>Accruals and deferred income</b>                            | 14    | <u>(77,447)</u>       | <u>(85,789)</u>       |
| <b>Net assets</b>                                              |       | <u><u>326,374</u></u> | <u><u>307,380</u></u> |
| <b>Capital and reserves</b>                                    |       |                       |                       |
| Called-up share capital                                        | 16    | 145,000               | 145,000               |
| Capital redemption reserve                                     | 17    | 120,000               | 120,000               |
| Revaluation reserve                                            | 17    | -                     | 3,200                 |
| Profit and loss account                                        | 17    | <u>61,374</u>         | <u>39,180</u>         |
| <b>Equity shareholders' funds</b>                              | 18    | <u><u>326,374</u></u> | <u><u>307,380</u></u> |

The financial statements on pages 5 to 16 were approved by the board of directors on 10 March 1998 and signed on its behalf by:

  
Director

**Notes to the financial statements  
for the period ended 31 December 1997****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The company prepares its annual financial statements in accordance with the historical cost convention as modified by the revaluation of certain fixed assets.

**Changes in presentation of the financial statements**

Following the acquisition of the company by Kavli Limited, the format of the profit and loss account and the associated notes has been modified to be consistent with the immediate parent company's financial statements. Comparative figures have therefore been restated.

Certain of the depreciation rates have been amended since the date of acquisition, the impact of which is not significant.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement as it is a wholly owned subsidiary of Kavli Limited.

**Turnover**

Turnover, which excludes VAT, represents the value of goods invoiced to customers during the period, less returns.

**Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets less their estimated residual values over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

|                                | %                                                                     | Method           |
|--------------------------------|-----------------------------------------------------------------------|------------------|
| Freehold buildings             | 2.5                                                                   | Straight line    |
| Plant and machinery            | 10                                                                    | Straight line    |
| Motor vehicles                 | 20                                                                    | Reducing balance |
| Equipment under finance leases | over the shorter of the primary lease term<br>or expected useful life |                  |

Freehold land is not depreciated.

## **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises the invoiced value of goods purchased plus direct labour and attributable overheads, where applicable.

## **Foreign currencies**

Liabilities arising in overseas currencies are converted into sterling at the exchange rate ruling on the date the goods entered the United Kingdom. Payments are converted at the actual rates incurred. The resulting exchange differences are charged or credited to the profit and loss account in the period in which they arise. At the end of the financial year foreign currency balances are translated into sterling at the rate of exchange ruling at that date.

## **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

## **Pension costs**

The company operates one defined contribution pension scheme and one defined benefit pension scheme for certain of its employees. The funds of the schemes are administered by Trustees and are separate from the company.

Pension costs in respect of the defined contribution scheme are charged to the profit and loss account in the year in which they are incurred.

Pension costs in respect of the defined benefit scheme are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

## **Government grants**

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the useful life of the related asset. Other grants are credited to the profit and loss account when received.

## Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

## 2 Net operating expenses

|                                                          | 1997<br>£        | 1996<br>£        |
|----------------------------------------------------------|------------------|------------------|
| Changes in stocks of work in progress and finished goods | (9,629)          | (14,996)         |
| Raw materials                                            | 1,665,993        | 875,846          |
| Staff costs (excluding compensation for loss of office)  | 576,121          | 379,067          |
| Amortisation of government grants                        | (8,342)          | (4,317)          |
| Depreciation charge for the year                         |                  |                  |
| Tangible owned fixed assets                              | 52,168           | 17,797           |
| Tangible leased assets                                   | 10,973           | 15,128           |
| Other operating charges                                  | 666,476          | 332,638          |
| Development expenditure                                  | 33,802           | 13,078           |
| Hire of plant and machinery - operating leases           | 19,836           | 7,588            |
| Auditors' remuneration                                   |                  |                  |
| Audit                                                    | 5,000            | 3,750            |
| Other services                                           | -                | 107              |
| Loss/(profit) on sale of tangible fixed assets           | 8,376            | (46)             |
| <b>Total</b>                                             | <b>3,020,774</b> | <b>1,625,640</b> |

## 3 Employee information

The average monthly number of persons (including executive directors) employed by the company during the period was:

|                | 1997      | 1996      |
|----------------|-----------|-----------|
| Production     | 23        | 20        |
| Sales          | 2         | 2         |
| Administration | 11        | 11        |
| <b>Total</b>   | <b>36</b> | <b>33</b> |

Staff costs for the above:

|                                   | 1997<br>£      | 1996<br>£      |
|-----------------------------------|----------------|----------------|
| Wages and salaries                | 589,714        | 346,543        |
| Social security costs             | 41,843         | 22,431         |
| Other pension costs (see note 15) | 9,564          | 10,093         |
|                                   | <u>641,121</u> | <u>379,067</u> |

## 4 Directors' emoluments

|                                                   | 1997<br>£      | 1996<br>£     |
|---------------------------------------------------|----------------|---------------|
| Aggregate emoluments (including benefits in kind) | 40,540         | 76,221        |
| Compensation for loss of office                   | 65,000         | -             |
|                                                   | <u>105,540</u> | <u>76,221</u> |

The company contributed to a defined benefit pension scheme in respect of two of the directors in the period.

The compensation for loss of office paid to the directors on the acquisition of the company on 25 June 1997 by Kavli Limited has been disclosed as an exceptional operating expense in the profit and loss account.

## 5 Interest payable

|                                                    | 1997<br>£     | 1996<br>£     |
|----------------------------------------------------|---------------|---------------|
| Bank interest                                      | 56,483        | 31,535        |
| Loan interest                                      | 152           | 182           |
| Hire purchase interest and finance leasing charges | 7,982         | 8,255         |
|                                                    | <u>64,617</u> | <u>39,972</u> |

## 6 Taxation

|                                                    | 1997<br>£      | 1996<br>£     |
|----------------------------------------------------|----------------|---------------|
| On the profit on ordinary activities in the year:  |                |               |
| United Kingdom corporation tax at 31% (1996: 25%): |                |               |
| Current                                            | 97,747         | 11,076        |
| Deferred                                           | 3,062          | 9,085         |
|                                                    | <u>100,809</u> | <u>20,161</u> |
| Underprovision in respect of prior years:          |                |               |
| Deferred                                           | 23,191         | -             |
|                                                    | <u>124,000</u> | <u>20,161</u> |

## 7 Dividend

|                                  | 1997<br>£      | 1996<br>£ |
|----------------------------------|----------------|-----------|
| Ordinary:                        |                |           |
| Interim paid of 90.86p per share | 131,750        | -         |
|                                  | <u>131,750</u> | <u>-</u>  |

## 8 Tangible fixed assets

|                                    | Freehold<br>land and<br>buildings<br>£ | Plant<br>and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|------------------------------------|----------------------------------------|--------------------------------|------------------------|------------------|
| <b>Cost</b>                        |                                        |                                |                        |                  |
| At 1 September 1996                | 420,743                                | 425,520                        | 28,658                 | 874,921          |
| Additions                          | 160,080                                | 61,337                         | -                      | 221,417          |
| Disposals                          | -                                      | (16,540)                       | -                      | (16,540)         |
| <b>At 31 December 1997</b>         | <u>580,823</u>                         | <u>470,317</u>                 | <u>28,658</u>          | <u>1,079,798</u> |
| <b>Depreciation</b>                |                                        |                                |                        |                  |
| At 1 September 1996                | 5,631                                  | 174,741                        | 3,582                  | 183,954          |
| Charge for the year                | 8,065                                  | 46,983                         | 8,093                  | 63,141           |
| Eliminated in respect of disposals | -                                      | (9,964)                        | -                      | (9,964)          |
| <b>At 31 December 1997</b>         | <u>13,696</u>                          | <u>211,760</u>                 | <u>11,675</u>          | <u>237,131</u>   |
| <b>Net book value</b>              |                                        |                                |                        |                  |
| At 31 December 1997                | <u>567,127</u>                         | <u>258,557</u>                 | <u>16,983</u>          | <u>842,667</u>   |
| <b>Net book value</b>              |                                        |                                |                        |                  |
| At 31 August 1996                  | <u>415,112</u>                         | <u>250,779</u>                 | <u>25,076</u>          | <u>690,967</u>   |

Included in the total net book value above was £73,862 (1996: £133,540) in respect of assets held under finance leases or hire purchase contracts.

In the opinion of the directors the book value of the land and buildings above is not significantly different to the market value.

## 9 Stocks

|                               | 1997<br>£      | 1996<br>£      |
|-------------------------------|----------------|----------------|
| Raw materials and consumables | 121,048        | 95,307         |
| Work in progress              | 2,841          | 4,726          |
| Finished goods                | 31,295         | 19,781         |
|                               | <u>155,184</u> | <u>119,814</u> |

## 10 Debtors

|               | 1997<br>£      | 1996<br>£      |
|---------------|----------------|----------------|
| Trade debtors | 547,810        | 245,009        |
| Other debtors | 47,628         | 36,989         |
|               | <u>595,438</u> | <u>281,998</u> |

## 11 Creditors: amounts falling due within one year

|                                                              | 1997<br>£      | 1996<br>£      |
|--------------------------------------------------------------|----------------|----------------|
| Bank loan                                                    | 21,117         | -              |
| Bank overdraft                                               | 627,130        | 362,741        |
| Trade creditors                                              | 201,169        | 213,647        |
| Obligations under finance leases and hire purchase contracts | 19,240         | 34,433         |
| Amounts owed to group undertakings                           | 9,000          | -              |
| Corporation tax                                              | 64,778         | 5,497          |
| Other taxes and social security                              | 10,353         | 9,231          |
| Other creditors                                              | 41,981         | 33,604         |
|                                                              | <u>994,768</u> | <u>659,153</u> |

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

## 12 Creditors: amounts falling due after more than one year

|                                                              | 1997<br>£      | 1996<br>£     |
|--------------------------------------------------------------|----------------|---------------|
| Bank loans                                                   | 174,121        | -             |
| Obligations under finance leases and hire purchase contracts | 4,863          | 32,524        |
| Other creditors                                              | 450            | 1,575         |
|                                                              | <u>179,434</u> | <u>34,099</u> |

The net obligations under finance leases and hire purchase contracts fall due between two and five years.

## 13 Provisions for liabilities and charges

### Deferred taxation

Deferred taxation provided in the financial statements and the amount unprovided of the total potential liability, are as follows:

|                                              | Amount provided |               | Amount unprovided |               |
|----------------------------------------------|-----------------|---------------|-------------------|---------------|
|                                              | 1997<br>£       | 1996<br>£     | 1997<br>£         | 1996<br>£     |
| Tax effect of timing differences because of: |                 |               |                   |               |
| Excess of tax allowances over depreciation   | 63,735          | 33,476        | -                 | -             |
| Short term timing differences                | (4,006)         | -             | -                 | -             |
|                                              | <u>59,729</u>   | <u>33,476</u> | <u>-</u>          | <u>-</u>      |
|                                              |                 |               |                   | £             |
| At 1 January 1997                            |                 |               |                   | 33,476        |
| Transferred to profit and loss account       |                 |               |                   | 26,253        |
| At 31 December 1997                          |                 |               |                   | <u>59,729</u> |

## 14 Accruals and deferred income

|                         | £             |
|-------------------------|---------------|
| Government grants       |               |
| At 1 September 1996     | 85,789        |
| Amortised in the period | (8,342)       |
|                         | <hr/>         |
| At 31 December 1997     | <u>77,447</u> |

This represents the balance of a Department of Trade and Industry grant and a Scottish Office Industrial Development grant, received for the development of the Riverside, Dee Walk, Kirkcudbright premises of the company. The grants are being released to the profit and loss account over the expected useful lives of the assets to which they relate.

## 15 Pension and similar obligations

The company operates two contributory pension schemes, a funded defined contribution scheme and a funded defined benefit scheme. Contributions are charged in the profit and loss account as they are incurred. The charge for the year was £9,564 (1996: £10,093).

At 31 December 1997 an accrual for £923 (1996: £645) was included in the balance sheet in respect of pension payments.

## 16 Called-up share capital

|                                                                | 1997<br>£ | 1996<br>£ |
|----------------------------------------------------------------|-----------|-----------|
| <b>Authorised</b>                                              |           |           |
| 370,000 ordinary shares of £1 each                             | 370,000   | 250,000   |
| 120,000 12% cumulative redeemable preference shares of £1 each | -         | 120,000   |
|                                                                | <hr/>     | <hr/>     |
| <b>Allotted, called-up and fully paid</b>                      |           |           |
| 145,000 ordinary shares of £1 each                             | 145,000   | 145,000   |
|                                                                | <hr/>     | <hr/>     |

The preference shares were redeemed by the company in the year to 31 August 1995. On 25 June 1997 the 120,000 unissued preference shares of £1 each were redesignated as ordinary shares of £1 each.

## 17 Reserves

|                                    | Revaluation<br>reserve<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ |
|------------------------------------|-----------------------------|---------------------------------------|------------------------------------|
| Balance at 1 September 1996        | 3,200                       | 120,000                               | 39,180                             |
| Transfer to profit and loss        | (3,200)                     | -                                     | 3,200                              |
| Profit for the period              | -                           | -                                     | 18,994                             |
| <b>Balance at 31 December 1997</b> | <b>-</b>                    | <b>120,000</b>                        | <b>61,374</b>                      |

The revaluation reserve represents the surplus which has arisen on the revaluation of items of plant and machinery.

The capital redemption reserve represents the nominal value of preference shares redeemed.

## 18 Reconciliation of movements in shareholders' funds

|                             | 1997<br>£      | 1996<br>£      |
|-----------------------------|----------------|----------------|
| Profit for the period       | 18,994         | 63,878         |
| Issue of share capital      | -              | 5,000          |
|                             | <b>18,994</b>  | <b>68,878</b>  |
| Opening shareholders' funds | <b>307,380</b> | <b>238,502</b> |
| Closing shareholders' funds | <b>326,374</b> | <b>307,380</b> |

## 19 Leasing commitments

At 31 December 1997 the company had annual commitments under non-cancellable operating leases, none of which related to land and buildings, as detailed below:

|                                   | 1997<br>£    | 1996<br>£    |
|-----------------------------------|--------------|--------------|
| Expiring within two to five years | <b>5,460</b> | <b>3,265</b> |

**20 Capital commitments**

|                                                                                                        | 1997<br>£     | 1996<br>£ |
|--------------------------------------------------------------------------------------------------------|---------------|-----------|
| Capital expenditure that has been contracted for but has not been provided in the financial statements | <u>65,000</u> | <u>-</u>  |

**21 Related party transactions**

The company has taken advantage of the exemption under FRS 8 'Related Party Disclosures' not to disclose details of intra-group transactions. There are no other transactions which fall to be disclosed under the terms of FRS 8.

Total payments which have been made on normal commercial terms from the company to Mr C Wilson until 25 June 1997, the date on which Mr Wilson ceased to be a director of Castle MacLellan Foods Limited, were £12,858.

**22 Ultimate and immediate parent companies**

The company is a wholly owned subsidiary of Kavli Limited, a company registered in England. The ultimate parent company is Kavli Holdings A/S, a company incorporated in Norway.

Copies of the ultimate holding company's financial statements can be obtained from:

Kavli Holdings A/S  
C. Sundtsgt. 37  
N-5004 Bergen  
Norway