2017

World’s 100 Largest Seafood Companies

The seafood industry yearbook

A comprehensive review of the sector’s heavyweights featuring detailed ranking based on 2016 sales, alongside a profile of each player, describing their key activities, recent developments and outlook

undercurrentnews

seafood business news from beneath the surface

Report author:

Jason Smith

AMERICAS EDITOR, UNDERCURRENT NEWS

Jason has been a journalist for ten years writing about business and government at newspapers in Mexico, California and the British Virgin Islands prior to *Undercurrent News*. He frequently writes about civil and criminal matters, regulatory issues, M&A, finance and markets.

Edited by:

Tom Seaman

EDITOR AND CO-FO[illegible]DER, [illegible]NDERCURRENT NEWS

Tom is the [illegible]ditor [illegible] [illegible]rent News*, which he co-founded in 2012. He has be[illegible]orting [illegible]e seafood industry since 2005, including as assistan[illegible] [illegible]f Fish[illegible] News International, and online editor at [illegible]fish Me[illegible]

DESIGN BY:
Jovana Markovic, Graphic Designer

PUBLISHED IN OCTOBER 2017 BY:
Undercurrent News Ltd.
E1 Studios, 7 Whitechapel road,
London E1 1DU. United Kingdom

DISCLAIMER

While every effort has been made to ensure the accuracy of the contents of this publication, *Undercurrent News* assumes no liability or responsibility for the completeness, accuracy or usefulness of this report.

Table of Contents

WORLD'S 100 LARGEST SEAFOOD COMPANIES

Introduction

Published by *Undercurrent News*, this yearly report sets out to identify and give insight into the largest players in the seafood industry, upstream to downstream, by ranking them according to their latest turnover figures and summarizing key details and events from the past year.

Highly fragmented and diversified, and still l[illegible]ely dominated by private companies, [illegible]try [illegible] tough one to get an overview of.

This year's ranking in f[illegible] seven n[illegible] companies of which six h[illegible] been [illegible]ut by us in our previou[illegible]orts; a r[illegible]r that mapping the industr[illegible] players and th[illegible] revenues is a constant [illegible].

To keep our rank[illegible]used, our report does not include any third-party players such as feed producers, equipment makers or distributors, unless they have substantial activities in directly producing, trading or processing seafood. This means, for instance, that major broadline distributors such as the US' Sysco Corp are not included in this ranking.

As in our past reports, our ranking's reliance on the US dollar as the benchmark for comparison has some unintended consequences on the list, as exchange rate variations will disadvantage or favor different currencies each year.

The geographical m[illegible]or the [illegible]7 list, which reflects [illegible]016's revenues, [illegible]y similar to previou[illegible]s, with some [illegible]ferences. This edition fe[illegible] a d[illegible] com[illegible]es hailing from the US, [illegible]mpa[illegible] to 14 [illegible]t year's list. Icicle Seafoods was ac[illegible]ed by Canada's Cooke Aquaculture and [illegible]tor Southwind Foods' 2016 sales came up sh[illegible]

[illegible]anese companies, many of which are owned by giant conglomerates that dabble in seafood, took up 24 spots on this ranking. Wholesaler and processor Toyo Suisan didn't make the cut this year.

Despite their executives' outsized ambitions and the indisputably impressive scale of their infrastructure investments, Chinese firms still have a ways to go to catch up to Japan's.

Five Chinese firms -- including Hong Kong-based Pacific Andes International Holdings -- made the list, compared to six on last year's list, as [illegible] fell short.

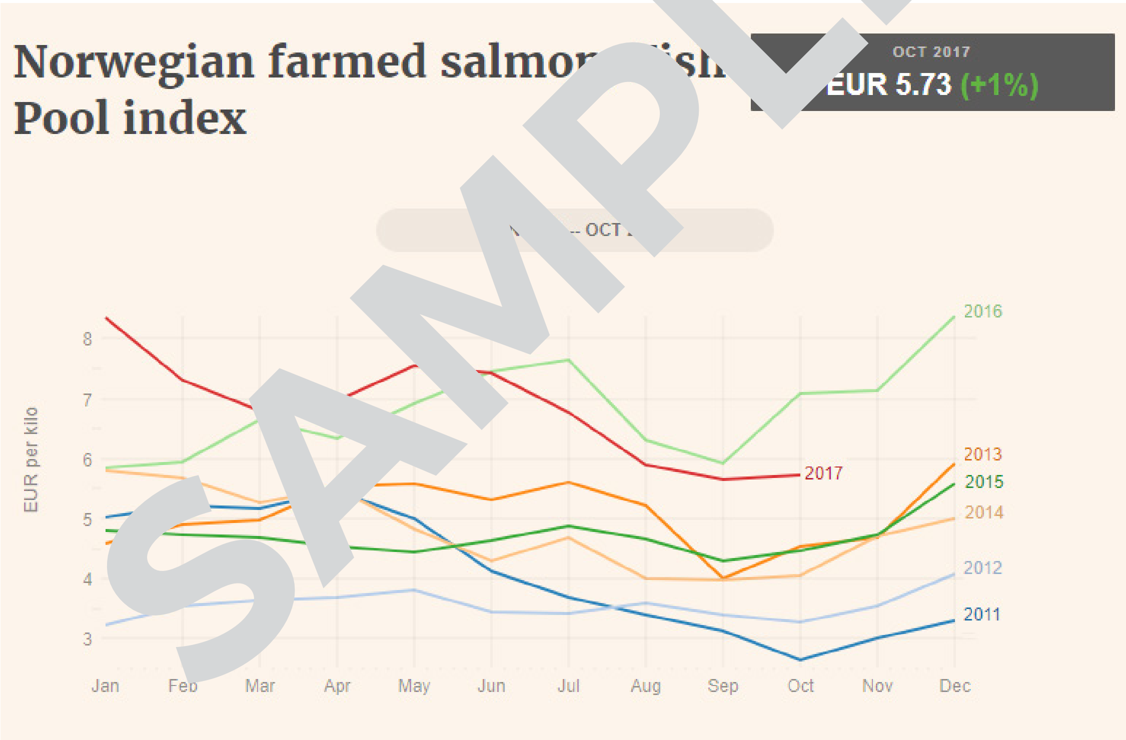
Unsurprisingly given the sustained upswing in farmed Atlantic prices, Chilean and Norwegian salmon farmers and traders reigned supreme this year, reshaping the fourth quartile of the ranking. The 2016 ranking, based on 2015's sales, included only seven Norwegian firms and five Chilean ones. This year, eight firms from Norway and seven from Chile made the cut.

In total, eight top 100 veterans didn't make the grade this year, the four aforementioned firms as well as [redacted]

Seven newcomers were ready to take their places: [redacted]

As with every year, the ranking is also a reflection of some of the key trends that shaped the seafood sector in 2016/2017.

Three trends in particular stick out. The first is the ascendency of salmon firms, which is of course owing to prices that are now lower compared to their winter 2017 highs but still well above 2015's doldrums.



The Fish Pool Index of Norwegian salmon prices, from Jan 2011 to Oct 2017. in EUR per kilo. Source: Undercurrent News' prices portal. The index reflects the average monthly spot price of buying and selling of fresh Atlantic Salmon, FCA Oslo, for salmon of 3-6 kilos, superior quality, head-on gutted.

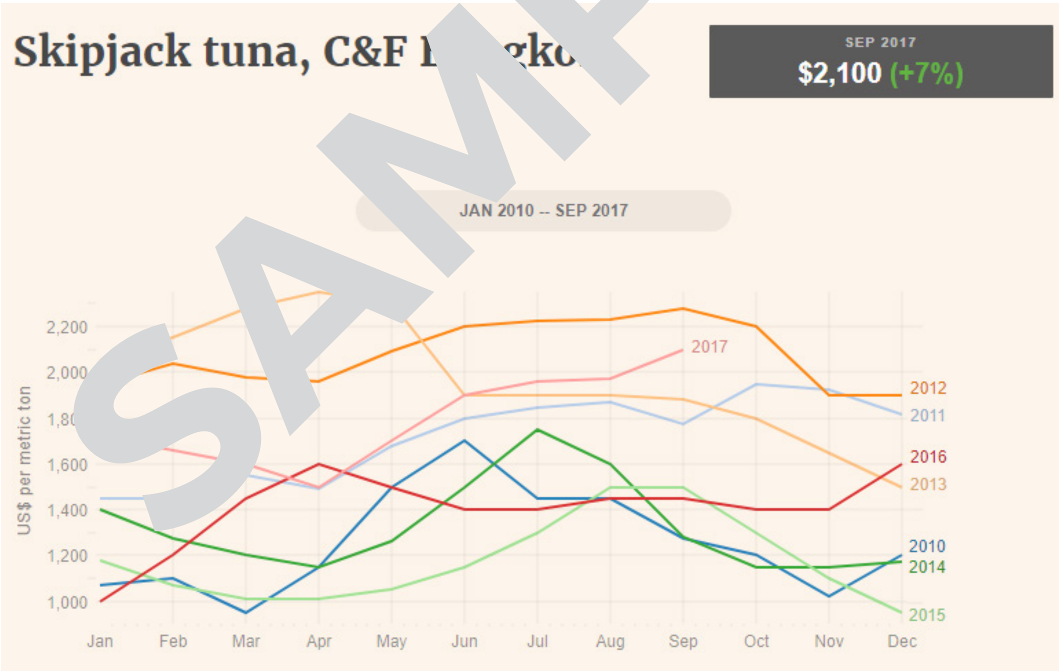
The second -- as many companies' merger and acquisitions strategies highlights -- is the sheer pace of dealmaking in the last two years. As detailed in our Seafood's Top Dealmakers report published in May 2017, the frenzied pace of M&A is a combination of factors such as forecasted growth in seafood consumption fueled by Asia and a desire to consolidate access to resource among the biggest and best-financed firms.

Cooke is an easy example of this having all in the span of a few months picked up Uruguayan hake processor Fripur, wild-caught Alaska mini-conglomerate Icicle and, most recently, US fishmeal and fish oil producer Omega Protein.

But cross-species, cross-border deals are becoming de rigueur. Witness Norway's Austevoll Seafood branching out from salmon into whitefish and the Netherlands' Parlevliet & Van der Plas (P&P) moving from its groundfish roots into whitefish, shrimp and tuna. Partnership has been another feature of recent M&A. P&P had successfully teamed up with Iceland's Samherji in the past and the pair reportedly a frontrunner for the Peruvian fishmeal and fish oil production assets of China Fishery, the cash cow of the bankrupt Pacific Andes group.

Thirdly, value-added processors continue to face hard times. Young's Seafood in the UK and Canada's High Liner Foods are evidence of this. New product development remains in the fore as consumer interest in breaded and battered seafood continues to wane.

Some old challenges facing the sector appear to be easing. After prolonged stagnancy, tuna prices started recovering in 2016 but are now harming canners' [illegible] Shrimp production is recovering from early mortality syndrome (EMS) and the worst of the El Niño impact on Pacific catches appears over. The Russian import embargo remains in place but many firms have adapted.



Prices of whole round frozen skipjack tuna, C&F Bangkok, from January 2010 to September 2017. Source: Undercurrent News' prices portal

While there appears cause for optimism, new challenges have emerged and continue to persist. The uncertainty caused by the UK's Brexit decision and the administration of unpredictable US president Donald Trump aren't likely good for trade or investment. While EMS isn't destroying shrimp farmers' livelihoods, concerns about antibiotics and sea lice continue to roil the salmon industry. Pollock prices seem interminably depressed even though producers' new product innovations remain promising.

But for the seafood industry generally the macroeconomic fundamentals remain strong. New money and interest is circling the sector. Some notable exceptions aside, the companies that make up our 2017 Top 100 appear poised to grow.

METHODOLOGY

This report focuses on companies that directly produce, harvest / farm, trade or process seafood. This means that large distributors such as Sysco, or suppliers of feed such as Cargill, are not included in the ranking. To keep it like for like, non-seafood related revenue of companies listed in the ranking has been deducted from the total wherever possible.

The data is compiled using a combination of publicly available information and figures provided by company management. In cases where companies declined to divulge their revenues, these were estimated, based on knowledge from industry sources.

To compare all the revenues in dollar terms, we converted them at the same exchange rate, detailed under the ranking table. The exchange rate used is the rate at the time the annual results were reported. So, the rate for JPY/USD is the rate from March 31, 2017, as Japanese companies end their financial year on March 31. That said, this is no exact science and the dollar figures should be taken as indications.

World's 100 largest seafood companies, by 2016 revenue

Ranking			Company	Sales (in millions) 2016		2015		Currency	Y-o-y variance ∂	End of latest FY reported	Country	Ownership
2015	2016	2017		Local currency	USD	Local currency	USD					
[illegible]	[illegible]	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	24%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-5%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	90%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-5%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	38%	30-Nov-2016	[illegible]	Public
[illegible]	[illegible]	20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-4%	31-Mar-2017	[illegible]	Public

 # Represents seafood-related turnover of the company, not the company's total turnover. Excludes any substantial fishmeal/ feed-related revenue
§ 2015 turnover modified from our 2016 report, either restated by company or modified by Undercurrent News due to updated information
** Estimate by Undercurrent News, using information from industry sources.*
*** Marine Harvest reported their accounts in EUR instead of NOK, starting in 2016*
∂ Represents variance in revenue in the company's currency of reporting, where that is different from USD

Ranking			Company	Sales (in millions) 2016		2015		Currency	Y-o-y variance ∂	End of latest FY reported	Country	Ownership
2015	2016	2017		Local currency	USD	Local currency	USD					
[illegible]	[illegible]	21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	23%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	30-Jun-2016	[illegible]	Private
[illegible]	[illegible]	24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3%	31-Dec-2016	[illegible]	State-owned
[illegible]	[illegible]	25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	50%	30-Sep-2016	[illegible]	State-owned
[illegible]	[illegible]	26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-23%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-5%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-3%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3%	30-Sep-2017	[illegible]	Public
[illegible]	[illegible]	30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-4%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	34	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	36	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	42%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	38	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-14%	28-Sep-2016	[illegible]	Public
[illegible]	[illegible]	40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11%	31-Dec-2016	[illegible]	Private

 # Represents seafood-related turnover of the company, not the company's total turnover. Excludes any substantial fishmeal/ feed-related revenue
§ 2015 turnover modified from our 2016 report, either restated by company or modified by Undercurrent News due to updated information
** Estimate by Undercurrent News, using information from industry sources.*
*** Marine Harvest reported their accounts in EUR instead of NOK, starting in 2016*
∂ Represents variance in revenue in the company's currency of reporting, where that is different from USD

Ranking			Company	Sales (in millions)				Currency	Y-o-y variance ∂	End of latest FY reported	Country	Ownership
				2016		2015						
2015	2016	2017		Local currency	USD	Local currency	USD					
[illegible]	[illegible]	41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1%	31-Mar-2016	[illegible]	Private
[illegible]	[illegible]	43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-15%	30-Sep-2016	[illegible]	Private
[illegible]	[illegible]	46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	34%	30-Sep-2016	[illegible]	Public
[illegible]	[illegible]	48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-12%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-19%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-3%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	55	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	28%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	29%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	59	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1%	31-Mar-2017	[illegible]	Private
[illegible]	[illegible]	60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2%	31-Mar-2017	[illegible]	Private

 # Represents seafood-related turnover of the company, not the company's total turnover. Excludes any substantial fishmeal/ feed-related revenue
§ 2015 turnover modified from our 2016 report, either restated by company or modified by Undercurrent News due to updated information
** Estimate by Undercurrent News, using information from industry sources.*
*** Marine Harvest reported their accounts in EUR instead of NOK, starting in 2016*
∂ Represents variance in revenue in the company's currency of reporting, where that is different from USD

Ranking			Company	Sales (in millions) 2016		2015		Currency	Y-o-y variance ∂	End of latest FY reported	Country	Ownership
2015	2016	2017		Local currency	USD	Local currency	USD					
[illegible]	[illegible]	61	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	Joint 62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	Joint 62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	66	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-22%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	Joint 69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	Joint 69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-23%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8%	30-Jun-2016	[illegible]	Private
	[illegible]	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	Joint 76	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-4%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	Joint 76	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	32%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3%	31-Mar-2017	[illegible]	Private
[illegible]	[illegible]	79	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	18%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0%	31-Dec-2016	[illegible]	Private

 # Represents seafood-related turnover of the company, not the company's total turnover. Excludes any substantial fishmeal/ feed-related revenue
§ 2015 turnover modified from our 2016 report, either restated by company or modified by Undercurrent News due to updated information
** Estimate by Undercurrent News, using information from industry sources.*
*** Marine Harvest reported their accounts in EUR instead of NOK, starting in 2016*
∂ Represents variance in revenue in the company's currency of reporting, where that is different from USD

Ranking			Company	Sales (in millions)				Currency	Y-o-y variance ∂	End of latest FY reported	Country	Ownership
				2016		2015						
2015	2016	2017		Local currency	USD	Local currency	USD					
[illegible]	[illegible]	81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1%	31-Mar-2017	[illegible]	Private
[illegible]	[illegible]	82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	30-Sep-2016	[illegible]	Private
[illegible]	[illegible]	84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-3%	31-Mar-2017	[illegible]	Private
[illegible]	[illegible]	Joint 85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	18%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	Joint 85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	82%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-3%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	27%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	53%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16%	31-Mar-2017	[illegible]	Public
[illegible]	[illegible]	91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	82%	31-Dec-2016	[illegible]	Public
[illegible]	[illegible]	94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%	30-Sep-2016	[illegible]	Public
[illegible]	[illegible]	Joint 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-14%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	Joint 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5%	30-Sep-2016	[illegible]	Public
[illegible]	[illegible]	97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-17%	31-Dec-2016	[illegible]	Private
[illegible]	[illegible]	98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	39%	30-Jun-2016	[illegible]	Public
[illegible]	[illegible]	99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4%	28-Feb-2016	[illegible]	Private
[illegible]	[illegible]	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11%	31-Dec-2016	[illegible]	Private

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

 # Represents seafood-related turnover of the company, not the company's total turnover. Excludes any substantial fishmeal/ feed-related revenue

§ 2015 turnover modified from our 2016 report, either restated by company or modified by Undercurrent News due to updated information

** Estimate by Undercurrent News, using information from industry sources.*

*** Marine Harvest reported their accounts in EUR instead of NOK, starting in 2016*

∂ Represents variance in revenue in the company's currency of reporting, where that is different from USD

COMPANY PROFILES

Nippon Suisan Kaisha

2016 turnover:	[illegible]
2015 turnover:	[illegible]
Ownership:	Public (1332:Tokyo)
Country:	Japan
Key executive:	Shinsuki Ohki, president and CEO

A: Nishi-Shimbashi Square, 1-3-1, Nishi-Shimba[illegible] Minato[illegible] Tokyo 105-8676
T: +81 3244 7000
E: ir@nissui.co.jp

Activities:	P[illegible]ing | fi[illegible] | aquaculture | trading | distribution | m[illegible]
Brands:	Nip[illegible] Co[illegible]y | Mogami Foods | Nigico | Nippo Shokuhin | [illegible] | Ki[illegible] & Prince | Hachikan Kaneko Sangyo | Gorton's | [illegible]arine | Nissui Thailand | Thail Delmar | Shangdong Santo[illegible] Nissui
Shareho[illegible]	
Subsidia[illegible]:	Unisea | Empedes Pesantar | Sealord | Salmones Antártica | Kurose Suisan | Seinan Suisan | Kaneko Sangyo | F.W. Bryce | Nordic Seafood | Europacifico | J.P. Klausen
Species:	Tilapia | wild salmon | farmed salmon | shrimp | squid | trout | pollock | surimi | crab

Nippon Suisan Kaisha, the world's second largest seafood company, is in the midst of a leadership transition as CEO Norio Hosomi, in place since 2012, stepped down June 28, 2017.

The globe-spanning Japanese company, which is better known by its abbreviation, Nissui, saw Shinsuke Ohki, a board member who previously served as the group's managing executive officer, take the CEO role.

Nearly three-fourths of the group's JPY 635 billion ($5.7bn) in revenues in 2016 and four-fifths of its JPY 226bn operating income came from domestic operations. Stronger economic performance in Japan somewhat encouraged seafood consumption, the firm said. And a better year for Chilean salmon, which boosted sales at Nissui's Salmones Antartica operation, helped offset sales shortfalls at the group's US businesses.

Domestic sales of frozen food, both for household and institutional uses, performed well in part due to the

lower cost for imported raw materials thanks to a stronger yen. Sales of chilled foodstuffs, such as salads and prepared foods sold at convenience stores, have also increased.
Additionally, the company's Japanese fishing operation has recently seen good catches of bonito and yellowtail at the same time that vessel repair and fuel costs dropped due to the lower cost of oil.

Meanwhile, Nissui continues its research and development efforts in aquaculture in order to bring new species to market. Nissui announced in June 2016 that it is having some success with producing fully-farmed bluefin tuna through its Kaneko Sangyo operation. It aims to begin bluefin sales by the winter of 2017 under the Kitsuna Gold Label brand name.

Additionally, success in hatching octopus eggs has led the company to an[illegible]ns to s[illegible]l fully-farmed octopus to retailers and restaurants across Japan as early as 2020.

Value-added focus

Given Japan's demographics and the population's a[illegible], Nissu[illegible]s little[illegible]pe of pursuing substantial growth at home by increasing volume. It must inste[illegible]cus o[illegible]alue-added offerings domestically, executives have said.

Value-added products in the US market, howe[illegible] su[illegible]s the group's Gloucester, Massachusetts-based Gorton's brand have suffered as t[illegible]aded-and-battered seafood category continues to shrink. Gorton's remains the US's nu[illegible] one [illegible]en seafood brand but tougher competition has hurt sales in recent quarters.

Georgia-based processor [illegible] & [illegible]afood, which sells frozen foods for foodservice, was the sole bright spot, a[illegible]ult of lo[illegible]w material prices for shrimp, the company said in February.
The group'[illegible]s woes [illegible] co[illegible]unded by falling income at its upstream businesses -- Unisea, Glacier Fish Comp[illegible]usiness F.W. Bryce -- as the roe ratio at its pollock operation fell. Surimi and fillet sales also faced w[illegible] markets.

Unisea, which owns a large processing plant in Dutch Harbor, Alaska, and Glacier, which operates three pollock fishing vessels, have been badly hit by historically low pollock prices. This comes on top of the lower roe ratio.

In December, sources told *Undercurrent News* that Unisea intended to drastically reduce production of pin-bone out pollock fillet blocks for season A to only 15% of normal volumes as a result of oversupply. Some European sources were skeptical this would be implemented.

Latin America, Europe

Chilean trout and salmon sales helped offset weakness elsewhere. Volumes produced by Salmones Antartica fell following March 2016's wave of disastrous algal blooms in Chile, but subsequently higher prices received industry-wide improved the bottom line.

In Europe, Nissui-owned pollock and frozen fish supplier JP Klausen saw its earnings drop, part of the fallout when one of its customers, Pickenpack Europe, faltered amid financial difficulties.

Klausen supplied single-frozen pollock blocks to the company, which unexpectedly had to cut its purchases. That caused an inventory buildup and in turn weighed on the finances of Klausen's immediate parent company, the Danish seafood importer, processor and distributor Nordic Seafood.
In June 2016, Nissui announced a leadership change to its European operations with the appointment of Terutaka Kuraishi as its CEO. He replaced Tatsuo Ishii, who rotated back to Tokyo.

The European division's remit has since expanded, taking on the United Kingdom whitefish processing operation Sealord Caistor, a supplier of high-end grocer Waitrose. The New Zealand firm Sealord, which is 50% owned by Nissui, sold the business in an effort to focus more on its core fishing competencies. The deal, which was completed in May 2017, was first reported by *Undercurrent News* [illegible] earlier.

Waitrose business

The UK operation, now renamed Caistor Seafoods, has seen its profits under pressure in recent times. The firm saw raw material supply and prices hit margins in 2015 but saw a recovery in 2016. Turnover rose 11% to £55.3 million ($72.1m) for the year to Sept. 2016. Caistor's gross profit rose from £3.8m to £4.5m, and operating profit rose from £696[illegible] to [illegible]m.

However, those profits may not last as the Waitrose business is under threat from Icelandic Seachill, the chilled private label whitefish and salmon supplier for grocer Tesco and owner of The Saucy Fish Co. brand. In early 2017, Seachill began supplying Waitrose with Saucy Fish fishcakes, following that up with deals to supply Seachill-branded lightly dusted haddock, battered haddock and breaded cod.

Caistor continues to manufacture products for Waitrose. Nissui granted the company new leadership in the form of Da[illegible]ou, a Frenchmen with a hard-driving reputation who co-founded France's Cite Marine. He is likely to shake up the business. In October, *Undercurrent* reported the exit of CEO Adrian Crookes from the business, with an executive from outside the seafood sector, named Joe Rainert, replacing him.

Cite Marine, which Nissui invested in in 2007, is undergoing an expansion. In June 2017, the company, which has annual sales of around €200m ($235m), purchased its smaller rival Halieutis Fish & Co, which has sales of around €30m and a 5,500-square-meter plant in Lorient, France. Cite Marine has invested €13m in order to expand its own plant by 7,000 square meters.

COMPANY PROFILES

Marine Harvest

2016 turnover:	[illegible]
2015 turnover:	[illegible]
Ownership:	Public (MHG:Oslo, NYSE)
Country:	Norway
Key executive:	Alf-Helge Aarskog, C[illegible]O

A: Sandviksboder 78A, 5035 Bergen
T: +47 21 56 2300
E: corporate@marineharvest.com

Activities:	Fa[illegible] proces[illegible]g | trading | distribution | import | export | fe[illegible]
Brands:	[illegible]sh | Ducktrap | Kritsen | Pieters | Mowi
Subsidiaries:	[illegible]onsumer Products | Morpol
Shareh[illegible]:	[illegible] Fredriksen (through Geveran Trading), 16.47%
Species:	[illegible]tlantic salmon

Bergen, Norw[illegible]based Marine Harvest is growing more comfortable in its position as the world's larges[illegible]er and value-added producer of salmon. While it is expanding on several fronts and looking toward offshore farming, continued troubles with sea lice are eating into profits.

Marine Harvest operates farms in Norway, Scotland, Canada, Chile, the Faroe Islands and Ireland. With the exception of Canada and the Faroes, production in all other regions fell in 2016. The company's overall output in 2016 was 380,621 metric tons of gutted weight salmon, a 9.4% fall year-on-year. Roughly 60% of this total came from Norway with Scottish, Canadian and Chilean production contributing another 10% each. Irish and Faroese output made up the remainder.

Marine Harvest also operates salmon processing plants in Europe, Asia and North America and became the largest value-added salmon processor in the world with the acquisition of Morpol in Poland in 2012. That year, 78% of Marine Harvest's sales were of whole salmon with 16% sold elaborated fresh and another 6% sold smoked. In 2016, only 54% was sold whole, with the fresh and smoked categories making up 28% and 18% of sales, respectively.

Continued profitability

The drop in global farmed salmon volumes, prompted mainly by algal bloom issues in Chile and sea lice in Norway, was a boon for Marine Harvest as increased world prices brought it record profitability. Writing in the company's annual report CEO Alf-Helge Aarskog said 2016 was Marine Harvest's "best year ever" in terms of profitability yet he remains concerned with "biological challenges facing our industry, in particular with regards to sea lice".

The company's revenues, which are now being presented in terms of euros rat[illegible] than Norwegian krone, grew by 13% in 2016 to €3.5 billion ($3.7bn). Earnings before interest and [illegible]s (ebit[illegible]ose 187% to €991m in 2016. That trend continued into the first half of the year.

But production costs are up.

"As in previous periods, sea lice mitigation costs have [illegible] for [illegible]ed generation," said Marine Harvest. "The health cost per kg salmon ha[illegible]ted in t[illegible]irst qu[illegible]er of 2017 increased by 10%."

While health costs were lower compared to [illegible]6, an[illegible]e high, sea lice populations remained lower or stable in all of the company's production r[illegible].

The company has been exploring [illegible]h," the sea lice-eating species wrasse and lumpfish, as an alternative to antibiotics. But the us[illegible]costly new technologies -- "hydrolicers" and "thermolicers" -- garnered bad press w[illegible]erged that [illegible]175,000 of its salmon in Scotland were killed during treatment.

Despite thos[illegible]lems, hig[illegible]bal salmon prices appear set to continue, which will help the company's bottom lin[illegible]nd th[illegible]t re[illegible]mption of Norwegian exports to China, which were suspended amid a diplomatic [illegible]ween [illegible] countries, is also good news for Marine Harvest.

The company's p[illegible]uction volumes, however, will fall to "historic lows" in 2017, 377,000t, it said while releasing Q2 2017 results in August. Marine Harvest blamed challenging "biological conditions" in Norway for the downward revision.

Norwegian growth?

The company appears unlikely to grow its production much further in Norway -- at least not by using a government sponsored model called flexible maximum allowed biomass. The company declined to apply for the voluntary program, a rule that allows farmers to leave salmon in the water longer over the summer months in a bid to boost volume growth.

While Marine Harvest is deploying capital in its home country -- it acquired smolt producer Vagafossen Settefisk giving it access to an additional 2m smolt annually -- recently announced investments have come from its overseas operations.

For example, the company plans to spend up to €25m on its Irish farms but this will depend on the speed of its regulatory process there.

Canadian operations

Marine Harvest's western Canadian operations have recently also been under fire. Like rival Cermaq, Marine Harvest's farms in British Columbia were served with "eviction notices" from First Nations groups upset with lower than expected wild salmon runs from the Fraser River, which they blamed on salmon farmers.

In a related matter, following an August 2016 visit to Marine Harvest farms by anti-farmed salmon activist Alexandra Morton aboard a Sea Shepherd vessel, the company sued, alleging trespass. That lawsuit is still before the courts.

But improvements to its British Columbia farms are on [illegible] April [illegible] Marine Harvest awarded construction of 87 120-meter diameter high-density polyethylene circular fish pens to Poseidon Ocean Systems, which is dealing on behalf of manufacturer [illegible]Net.

Two months prior to that announcement Marine Harvest said it would spend $11.2m to purchase the assets of Gray Aqua Group in order [illegible] Marine Harvest Atlantic Canada. The assets included two farming lic[illegible] and a hatchery in New Brunswick as well as [illegible] and a processing plant in Newfoundland.

> **As in previous periods, sea lice mitigation costs have been high for the harvested generation.The health cost per kg salmon harvested in the first quarter of 2017 increased by 10%.**
>
> -- Marine Harvest

No fish have been st[illegible] at [illegible] sites yet but the company [illegible] it [illegible]es to eventually produce 15,000 to 20,[illegible] annually using the operation. Smolt [illegible]ing is expected to begin in 2019 and the first harvest is planned in 2020.

The company is also likely to be very interested in acquiring east coast Canadian salmon farming firm Northern Harvest Sea Farms and US processor North Coast Seafoods, sources familiar with the sale process told *Undercurrent News.*

Winning the bid for Northern Harvest and North Coast, which have turnover of around $300 million and ebitda of around $40m, would solve a key problem thwarting Marine Harvest's east coast expansion plans: a lack of egg production.

Canadian rival Cooke Aquaculture, which is also interested in making a bid, and Northern Harvest currently control the supply of approved eggs for farming on the east coast. So, Marine Harvest is faced with the expensive task building up its own egg production capacity as rivals are unlikely to sell the firm their eggs.

Chilean regulations

In Chile, Marine Harvest joined a lawsuit in June 2016 launched by trade group SalmonChile to challenge the country's new aquaculture laws. Under the laws companies will be incentivized for reducing production from current levels or not growing output at a production site by more than 3% annually.

The government will also apply a risk-scoring system for each site to determine quotas that will determine whether any given company will be ordered to reduce biomass. One of the main criteria to assess risk will be on based on fish mortality rates, according to a government report.

Marine Harvest said it is concerned the rules will raise the Chilean industr[illegible]ction c[illegible]s, affecting profitability. The company later left SalmonChile over disagreements with fel[illegible]em[illegible] about the rules.

Offshore aquaculture

Increasingly though, Marine Harvest is looking to [illegible] salmo[illegible]shore, [illegible]ely through one of four different projects at various stages of research: the [illegible]ut:; the "beck cage"; the "egg"; and the converted cargo vessel.

Aarskog, the CEO, has said that Ma[illegible] Harves[illegible]ill [illegible]ly the single most cost-effective farming technology for the future.

The donut concept will [illegible]-proof an[illegible]ture a flow concept which will see salmon swim against the current, as they woul[illegible] a [illegible]sed system on land. The egg — a closed system with 90% of the construction submerge[illegible]vater — has the capacity to accommodate 1,000t of salmon, while combatting [illegible]utbreaks a[illegible]scapes.

The beck ca[illegible]lexib[illegible]submersible offshore farming cage with a capacity of 200,000 fish, but in March 2017, Norwe[illegible]gulators denied permit applications for this concept, citing technical challenges. The company ma[illegible]ppeal.

Marine Harvest is also eying the use of converted cargo ships to produce salmon in closed tanks. Regulators have given their blessing to further development of the donut and egg systems. A decision on the cargo vessel plan is still pending.

Separate to its offshore plans, the company's service vessel fleet has become an increasingly important part of its operations. In June 2016, Marine Harvest entered into a joint venture with supply vessel firm Deep Sea Supply, to build, own and operate aquaculture vessels, which will then be chartered to the salmon farmer. This is expected to reduce building costs.

That same month, Marine Harvest exited a fledgling side business, its halibut farming operation Sterling White Halibut, with a sale to Norwegian electronics firm Tec Con Holding.

Value-added

The biggest development in the company's value-added processing business has been the 8,500-square-meter expansion of its Morpol salmon processing plant in Ustka, Poland.
The now 95,000-square-meter facility has extra capacity to enter the market for sushi, and is also working on fish soups.

Also, Marine Harvest and Danish whitefish processing giant A. Espersen inked a strategic partnership in March 2017 for the processing and distribution of chilled whitefish products. The agreement focuses on value-added products such as loins and fillets and covers breaded and na... whit...

Morpol, which is appealing a €20m fine issued by EU competition regulators, ...ly ... of Marine Harvest's European processing. They also includes facilities in ...ium, the Nethe...ds, France and Rosyth, United Kingdom.

The Rosyth plant, which took over the salmon pro...ng cont... for UK retailer J. Sainsbury from Young's Seafood, initially incurred losses but has sin... ...itability.

Additionally, Marine Harvest is expanding its ...ng foo...int into the US state of Texas with a plant in Dallas. The company already has ...cessing ...nts ...he US east and west coasts, in Miami, Florida and Los Angeles, California.

In the northeastern stat... ...e, Marine ...vest-owned salmon smoker Ducktrap River is also expanding, having purch...d a ne... ...lding that will put its output in the ranks of the US' top three salmon smokers.

Despite th... expa... the ... performance of its skinless, ready-to-cook Rebel Fish brand has not yet met exp...ns. M...e Harvest officials have maintained that they still have faith in the brand's prospects in the long...

GRUPO NUEVA PESCANOVA

Nueva Pescanova

2016 turnover:	[illegible]
2015 turnover:	[illegible]
Ownership:	Public (PVA:SM)
Country:	Spain
Key executive:	Ignacio Gonzalez, CEO

A: Rúa José Fernández López. s/n, Chapela Redondela, Pontevedra
T: +34 986 81 8100
E: info@pescanova.es

Activities:	F[illegible]ing | [illegible] | aquaculture | trading | distribution | ma[illegible] | impo[illegible] | export
Brands:	Pescanova
Subsidiaries:	[illegible]manica | Promarisco | Nova Honduras | Serviconsa | Nova Guatemala | Bajamar Septima | Seabel | Krustanord | Pescanova USA | Pescafina | Argenova | Novanam | Insuina | Acuinova Portugal
Shareholders:	Banco Sabadell | Banco Popular | CaixaBank | Novagalicia Banco | BBVA
Species:	salmon | shrimp | turbot | tilapia | cod | hake | surimi | trout | coho | giant squid

Four years after the discovery of fraud, the restructuring of a €3.6 billion debt pile and the emergence of a slimmer seafood conglomerate owned by its creditors, Nueva Pescanova is back on a growth path.

Some hurdles still exist -- shareholders in the old company and the creditor-backed new company appear interminably locked in litigation -- but others have been cleared, such as the sale of a troubled turbot farm in Portugal that was a drag on profits.

And with a better financial structure, considerable capital investment plans and eyes to new markets, Nueva Pescanova's leadership believes that its worst days are behind it.

The company's revenue rose to €1.060bn ($1.134bn), up 35% from 2015 and its earnings before interest, taxes, depreciation and amortization (ebitda) nearly doubled to €68 million. That's in line with the company's strategic plan to achieve total sales of at least €1.44bn in 2020, up 8% in the 2016-2020 period, and ebitda of €139m in 2020, up 23% over the same four year-period.

"Our goal is to move from sales of €1bn in 2015 to €1.5bn in 2020 and to increase profitability from €35m in 2015 to almost €140m in 2020. With the strategic plan, we want the company to be again a leader, strong and viable," Pescanova's CEO, Ignacio Gonzalez, told *Undercurrent News* in June 2017.

Nueva Pescanova's assets

The vertically-integrated wild-catch and aquaculture company maintains [illegible] network of subsidiaries and one of the strongest retail brands in Europe, particularly in its home mar[illegible] In ad[illegible]n to aquaculture research-and-development efforts, and reinvestment in its pr[illegible]sing facilities a[illegible]et, the company plans to increase its sales in North America.

The company's strategic plan for the next four year[illegible]esees t[illegible] growth [illegible] sales channels aimed at wholesalers and processors as well as an increase in [illegible] firm[illegible] presence in retail and foodservice channels in five major markets: the US, Spain, Portug[illegible]nce a[illegible]ly.
Those countries have a big potential for Pesca[illegible] species [illegible] for its frozen business, the firm believes.

Pescanova judges its presence in t[illegible]d Italian retail sectors as incipient and that more effort will be needed to strengthen its positi[illegible]ere.

"Nueva Pescanova has be[illegible] in t[illegible] American market for 20 years; until now with very little presence in the retail sector, so the [illegible]'s a [illegible]rket to be conquered for the company. We intend to double the size of the company [illegible] US by 2[illegible] our most popular products c[illegible]ently i[illegible] US a[illegible] shrimp, mahi mahi, suri[illegible]pha[illegible]ds," Gonzalez said.

In Spain and Port[illegible], Pescanova is the leading brand in the frozen seafood sector.

"We want to further strengthen our position, also developing market in chilled, betting on R&D in products and increased distribution," Gonzales said. "As for Italy and France, our challenge is to reach penetration levels similar to those of our products in Spain and Portugal. Our strategic species in these countries are shrimp, hake, cephalopods, surimi, cod, turbot, etc..."

Wholesale and processing sectors in Brazil and South Africa also offer potential for the firm's

> **"**
>
> **Our goal is to move from sales of €1bn in 2015 to €1.5bn in 2020 and to increase profitability from €35m in 2015 to almost €140m in 2020. With the strategic plan, we want the company to be again a leader, strong and viable.**
>
> -- Ignacio Gonzalez

business in the future. In those sectors, China, Japan and Greece are also relevant for Nueva Pescanova's business and the firm also plans to strengthen its position in South Korea, the UK and Germany. Additionally, the firm plans a €125m capital investment plan to be carried out over the next five years. This includes investments of €65m in maintenance, €42.5m in its fleet maintenance and another €17m in other related expenditures.

The firm will replace seven of its subsidiary Pescamar's 32 shrimp vessels in Mozambique, which catch some 3,000 metric tons of shrimp per year. It will also commission two freezer trawlers for the Namibian branch, Novanam.

The firm will also invest €4.5m in the Pescanova biomarine center, to optimize aquaculture production and develop species such as sole and octopus.

Restructuring plan

Arriving at this point has been a rocky path for both shareholders and creditors. Pescanova had been one of the world's biggest seafood companies with revenues that were initially reported at €1.67bn in 2011 and earnings of €50m. But it later emerged that the company was using a complex web of hidden subsidiaries to inflate revenues and hide losses.

A forensic audit carried out by the [illegible] estimated that the company's 2011 revenues were significantly lower, €1.36bn, and the company had actually incurred a €260m loss that year. The revelations of these practices led to the [illegible] of chairman Manuel Fernandez de Sousa-Faro -- son of the company's founder -- who [illegible] from his post on July 17, 2013. He had first joined the company in 1976, before taking over from his father as chairman in 1980.

Fernandez had been [illegible] to court to testify over allegations of having distorted the company's annual accounts, [illegible] information and carried out insider trading. He is yet to face trial, which was scheduled in the fall of 2016 but has been pushed back.

Bankruptcy

The company filed for bankruptcy in 2013 under the supervision of a Spanish court and emerged in 2014, following a write-off of €2bn of the company's €3.6bn debt pile.

Ten of the group's Spanish subsidiaries — Bajamar Séptima, Pescanova Alimentación, Frivipesca Chapela, Frinova, Frigodis, Fricatamar, Pescafresca, Pescafina Bacalao, Novapesca Trading and Insuiña — filed for bankruptcy in 2014 and underwent a restructuring approved at a 2015 shareholders' meeting.

The result of those actions means that the old Pescanova, a publicly listed company in Spain with thousands of investors, was converted into a holding company with the group's business units and assets transferred to new entity, Nueva Pescanova.

Nueva Pescanova is majority owned by a group of creditor banks previously owed money from a group known as the "G7" — CaixaBank, Sabadell, Popular, Abanca, BBVA, Bankia and UBI Banca. Those creditors all took steep "haircuts" when the debt write-off occurred but chose to keep the group alive as a whole rather than liquidating each subsidiary and selling off the assets.

As part of the restructuring the old debt was replaced with debt on more favorable terms and the old Pescanova was converted to a holding company still owned by the old shareholders. The principal asset of that holding company was the 20% stake in Nueva Pescanova. That stake was diluted in April 2017 down to less than 2% with the issuance of 135.4 million shares with a value of €1 each. However, their value investment was strengthened as much of the new capital went to paying down debt.

Despite the nearly 90% "haircuts" the banks took in issuing the new debt, their prospects of recovery were better than the situation that the Pescanova shareholders found themselves in. Post-bankruptcy, those shareholders only received 10 cents for every dollar invested, and those 10 cents came on unattractive terms. Fifty-seven percent of shareholder recovery was paid in the form of commercial paper that carried a 3% interest rate, payable ten years' later.

The rest of their compensation came in the form of commercial paper with an even lower interest rate, 1%, that didn't mature until 2039. So angry at the treatment and their valuation, many shareholders decided to sue instead of settling with creditors. Some suits aim to overturn the 2014 bankruptcy plan while others claim they were damaged by the capital increase. Litigation remains ongoing in Spanish courts.

Foreign operations

Another consequence of the restructuring has been a shedding of some of the group's foreign assets. In 2014, Pescanova's two Chilean salmon farmers, Nova Austral and Acuinova Chile, which had also entered bankruptcy proceedings, were sold by their liquidator.

Nova Austral was acquired by Norwegian feed producer Ewos Group, which was one of its creditors, in September 2015. The amount was undisclosed, although Bloomberg reported the sale was agreed at $183m. Later the same month, Marine Harvest bought Acuinova Chile, which has a capacity to produce about 40,000t head-on gutted salmon a year, for $120m.

And its Portuguese turbot farming operation, Acuinova, which had a capacity of 2,000t annually, left Nueva Pescanova in July. The unit had been plagued by financial and operational problems, and posted a loss of €17.4m in 2014. The buyer was a Portuguese firm named Ondas e Versos.

COMPANY PROFILES

Bolton Alimentari

2016 turnover: [illegible]
2015 turnover: [illegible]
Ownership: Private
Country: Italy
Key executive: Ernesto Tr[illegible] CEO

A: Via L. Einaudi 18/22, Cermenate, [illegible]
T: +39 031 779111
E: mail@boltonalimentari.it

Activities: [illegible]ng | sales
Brands: [illegible]io Mare | Palmera | Saupiquet
Subsidi[illegible]: [illegible]piquet | Rio Mare | Palmera | Conservas Garavilla (55%) | [illegible]alvo (38%) | Tri Marine International (stake)
[illegible]areholde[illegible]: Bolton Group SRL (100%)
Species: Tuna | salmon | mackerel | sardines

Italy's Bolton Alimentari is the food production arm of the Bolton Group, which is headquartered in the Netherlands. The company owns the tuna brands Rio Mare and Palmera in Italy and Saupiquet in France.

In addition to those brands, the firm has been an aggressive buyer of stakes in other tuna sellers, namely Conservas Garavilla and Grupo Calvo in Spain as well as Bellevue, Washington's Tri Marine International, one of the world's largest suppliers of tuna raw material.

In 2016 the company's sales hit [illegible] ([illegible]), which represents a 4% rise in domestic currency terms compared to 2015. However, when exchange rates are taken into account, the dollar value of those sales stayed roughly the same.

Tuna troubles

However, the good times may not last for the world's tuna canners as sustainability measures -- which have a high cost -- are beginning to bite bottom lines even though the measures are increasingly seen as indispensable.

Confronted with that reality Bolton sees change in its future as the company is "condemned to create value, Luciano Pirovano, international marketing and CSR director said in September 2017 at the the Worldwide Tuna Conference in Vigo, Spain.

"Can we manage the cost increase in the future? We are condemned, forced to create value," he said.

In the future, there will likely be a "decline in volumes" and, if the industry gets it right with innovation and higher prices, "an increase in values", said Pirovano.

"We are condemned to be innovative. We need to u[illegible] the to[illegible] we have to inspire consumers. Tuna has a five-year shelf life, but we want the consumers to [illegible] product so much that they buy the product and they eat it, not keep in the kitchen for y[illegible] he said.

Rio Mare, Bolton's flagship brand, [illegible] been in[illegible]ating [illegible] of late launching a new range of Marine Stewardship Council-certified tuna [illegible] using organic olive oil in May 2017.

Bolton's expansion

Although CEO Ernesto Tro[illegible] leads the company, the nonagenarian Bolton founder Joseph Nissim is still known t[illegible] very much [illegible] top of all major decisions.

Can we manage the cost increase in the future? We are condemned, forced to create value.

-- Luciano Pirovano

He started Bolton in 1949 as a local Italian company but began making investments in food suppliers in the 1950s and grew into a major conglomerate.

The acquisitive streak in seafood that began with the 1999 purchase of French canner Saupiquet hasn't slowed.

In April 2012, Bolton further expanded its tuna empire by buying a 38% stake in Calvo Group, the Spanish canned tuna producer, home to the Calvo, Nostromo and Gomes da Costa brands, for $132m.

In December 2013, the European Commission then approved Bolton's acquisition of a portion of US-based tuna catching, trading, processing and sales giant Tri Marine International, giving a green light for a deal that unites two companies with combined turnover of close to $3 billion.
Then, in April 2015, *Undercurrent News* revealed that Bolton had won the sale process for Spain's Conservas

Garavilla, the owner of the second largest Spanish tuna brand, Isabel.

Bolton acquired a 55% stake in Garavilla from MCH Private Equity, after a sale process that sources said attracted several big industry names, including Asian tuna players Dongwon Industries and Thai Union Frozen Products.