

EDITORIAL

Editorial

- Klaus B. Nielsen

Russian Olympic Games

- Alisa Belova

'One global consumer' process

- Allan Grøn Sørensen

We ride to Paris with Rynkeby

- Stig, Preben, Birgitte & Helle

Good learning from more audits

- Bente Josefsen

WeDoPro - the place to find your projects with IT Development

- Ib Andersen

Investment at Espersen Polska

- Adam Basalaj

New products in Russia

- Niels Jensen

Employee satisfaction survey converted into action

- Bente Josefsen

Seafood Expo Global

- Betina Beck

Silver medal

- Allan Grøn Sørensen



Klaus B. Nielsen

As I am writing this, summer has finally come - at least in Denmark, and it sure was about time.

Since the latest edition of Espersen News in March, we have seen a commodity market that shows signs of stability.

Furthermore, we are coming to the end of "old" contracts with record-high prices of fish.

This materialises in actual positive contribution margins for our filet products, and what a nice feeling to start the holidays with!

However, there is still work to be done before we have satisfactory earnings, and this means that we will be continuing our cut-back initiatives at the same speed – but it does seem as if there is light at the end of the tunnel.

Also in the area of foreign exchange, stability is higher than in previous years, even though it is impossible to tell what the instability in Greece will mean to us.

Traditionally, we have always spent the summer maintaining buildings, machinery, etc.

We will do the same this year, and as you can read in the newsletter, a long-desired expansion of the factory in Koszalin, Poland is about to happen.

The expansion prepares us for concentrating on higher flatfish production as well as production of chilled products. We look forward to moving into these areas to a greater extent than before.

Last, but not least, Espersen will take over the client portfolio of processed frozen goods (VAP Frozen) from Norway Seafoods at 1 August 2015, as announced in the beginning of June this year.

In short, this means that all client agreements relating to Norway Seafoods' production of processed frozen goods (VAP Frozen) in Denmark will be transferred to Espersen.

The transaction comprises all existing client agreements, specifications and other intangible assets relating to sale of these products to the client in the VAP Frozen business in Denmark.

The products will be produced in our factories in Fredericia and Koszalin and will be implemented in the period August–November 2015.

In the period from August to October, the production will continue to be maintained by Norway Seafoods.

As previously mentioned, Allan G. Sørensen, Marketing Manager in Consumer, is primary responsible for the project supported by the Consumer Management Team.

Ole, Max and I would like to take this opportunity to wish all employees and your families a very good summer!



Ancient Russian Olympic Games



Alisa Belova

On 20 June, 59 employees from Espersen Russia took part in the Summer Activity Event "Ancient Russian Olympic Games" arranged in the unique Museum of Wooden Folk Architecture "Vitoslavlitsy".

We threw 5 kg bags of flour, pulled a rope, played Gorodki, played soccer where the ball was a bag filled with 2 kg of buckwheat and legs of 2 players were tied together, and many other old Russian games.

It was great fun, and a possibility to get to know colleagues from other departments. The weather was very good: warm and sunny. All employees got small corporate presents (thermo cups), and the three most active players each received a gift certificate. After the activities, we had dinner at a restaurant designed in ancient Russian style, "Podvorie" (Farmstead).

'One global consumer' process

Allan Grøn Sørensen

It has now been six months since we went on air with the first part of "One global consumer process". At that time, it was PDB (product development brief) and the goods creation process, we worked on making global. Making the processes flow the way we wanted them to did pose some challenges, but little by little, as the teething troubles were cleared, processes were running smoother and smoother. There is still some work to be done before we reach the finish-line, but we will get there, and we see improvements every day.

In the intervening period, Ib and I have been working on mapping the processes for "change of product" and "delisting of a product". We have also now come to the point that the system has been tested, and, when the final adjustments are in place, we will be ready for implementation. We are confident that also the two new processes will ease our workday.

We ride to Paris with Team Rynkeby

Stig, Preben, Birgitte and Helle

After almost a year of training on the roads of Bornholm, also the Bornholm team will be starting the first stage towards Paris on Friday 3/7, and 1300 km later we are planned to arrive in the city of cities on 10/7.

We are four colleagues from Bornholm, Stig, Preben, Birgitte and Helle, who in company with many others collect money for the Children's Cancer Fund.

We have a fantastic team – team-spirit and helpfulness are super, and spirits are high: we are all going to Paris, and we can't wait!

Great thanks to ESPERSEN which supports us with a contribution that goes uncut to the Children's Cancer Fund.

PS! For the Tour de France fans: we will also be climbing the Mur de Huy – the day after the Tour field!

Good learning from more audits

Bente Josefsen

In Consumer's productions, we have had more client audits in the first five months of 2015 than ever before. There have been minor deviations that we need to solve and prevent from happening again, but overall, we have achieved satisfactory or very satisfactory results.

Another trend we see is non-advertised/ non-agreed audits. The clients have been speaking of this for many years without ever actually doing it, but now the customers put action behind their words.

For instance, we had an unplanned audit focusing on GMP (good manufacturing practice) in Hasle, and the factory should be proud of the result as they reached the same high score as Koszalin did a couple of months before at a planned audit.

The learning from these increased client audits and unplanned audits is that the requirements of production of high uniform product quality and high food safety have increased. As we do not see a concurrent increase in the number of complaints - in some areas quite the contrary - we are convinced that we are ready for these challenges.

However, it means that we are required to work dedicatedly with current improvements and well-established and operational work methods and quality behaviour.

WeDoPro – the place to find your projects with IT Development

Ib Andersen



When projects and tasks arrive in IT Development, we place them in our project portfolio management portal, WeDoPro. Here, we create a one-pager for each project or task stating who are stakeholders from operation, what has to be done to fulfil the scope of the project, and we also prioritize it from different business and operational perspectives.

The priority is important to us, because this tells us the importance of the project to operations, and when we plan which projects to work with; the priority is used for selecting the projects that are most important to operations first.

You can access the portal and see all the one-pagers in our project portfolio yourself by clicking on the tile WeDoPro on the right-hand side of the screen at our Intranet WeDo.

If you have a project or task with IT Development, you will find it here. You can search the portfolio, or use the filter option, to help finding your own task. In the priority column you can see how your tasks are prioritized among all the other tasks of IT Development.

You can open the one-pager and see a more detailed view about the scope of the project, and also a detailed split of how and why the project is prioritized as it is.

If you have a project for which you are business responsible, and you think that either the scope, the prioritization or other details are incorrect, please do not hesitate to contact either the person mentioned as 'Assigned to' or me to correct the information.

Please also use the opportunity to go through tasks where you are business representative, and evaluate whether your tasks are still relevant, and in case you find any projects or tasks that are obsolete, please inform us so that we can update accordingly.

WeDoPro is the place to go, if you want influence or change the status of the projects performed by IT Development.

Investment Espersen Polska

Adam Basalaj

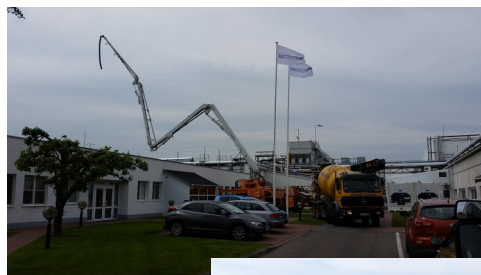
The changing realities of the global economy as well as the requirements of our customers led to the decision to expand the factory in Koszalin.

For several months, a team of Eli James Thomson, Mark Lemański, Jens Moltzen, Mariusz Bąkiewicz, and Barbara Login worked on a detailed investment plan.

The expansion consists of three parts: a social area, the flatfish production and the chilled fish production.

Until now, the Filet Factory in Koszalin has been able to host 700 employees. The expansion gives us the possibility of employing up to 1150 workers. The flat fish and chilled fish processing are the new concepts that give us ample opportunities to expand into new markets and product categories. As such, it fits excellently into the Company's growth program.

In connection with the expansion, we will improve the fire protection, remove the intersection of transport routes, optimize logistics within the plant, and simplify



movement of workers.

Construction started on 1 June and is to be completed in August. The same month we expect to start the first production of flat and chilled fish.

In order to keep focus on our core business which is frozen products, it has been decided that Management of the new production areas will be independent. The manager responsible for the production of chilled fish and flatfish will report directly to the head of the whole factory.

We strongly believe that together with Sales we will contribute to placing Espersen in a new and improved market position.



NEW PRODUCTION IN RUSSIA

Niels Jensen

In March 2015, we had our first Production of FIFI for Iglo Russia.



Project leader Mikhail Kislov on the first photo.

We are especially thankful for the support we have received from Stig Nielsen and Mikael Paasch and Arthur Stronjy on this project.

We are very close to starting up production on the next two products which are Crispino, and Mega Filet - this is planned for July and September 2015, respectively.

Employee satisfaction survey – result converted into action

Bente Josefsen

At Consumer's three factories, we have been processing the results of the employee satisfaction survey. Even though we do see progress, the survey also shows that there are still some improvements to be made. This has materialised in actual action plans and action points, such as:

- Improved handling/solving of conflicts*
- Improved communication in the everyday work as to work assignments/allocation*
- More visible management*
- More praise and recognition in the work*

In Fredericia, the activities were determined at a workshop attended by managers, shop stewards and working environment representatives as well as five hourly paid employees. It was good to see that all quickly agreed which areas to focus on this year and how.

SEAFOOD EXPO GLOBAL

Betina Beck

On 21-23 April 2015, Espersen attended the yearly Seafood Expo Global in Brussels.



This fair is the largest seafood fair in the world and attracts more than 25,000 buyers and suppliers. The fair provides an excellent opportunity for visibility and profiling Espersen as a company as well as our products - and to meet with existing and potential new customers.

Among our main customers, we were visited by McDonald's, Migros and Findus. We also had meetings with potential new customers from France, Italy, Portugal, Belgium, Sweden and Russia.



At our stand we served tastings of some of our best fish products, and as usual, this was very popular. For the fair we also made a new Product Catalogue, featuring a variety of our products.

SILVER AWARD

Allan Grøn Sørensen

We are proud to announce that our Tesco product, 640g Salmon Wellington, won the Silver award at The Grocer Own Label Food & Drink Awards 2015. The wining logo will be displayed on the box from next reprint. I believe this is another recognition of the high quality standards Espersen supply. Thanks to the team for their efforts!