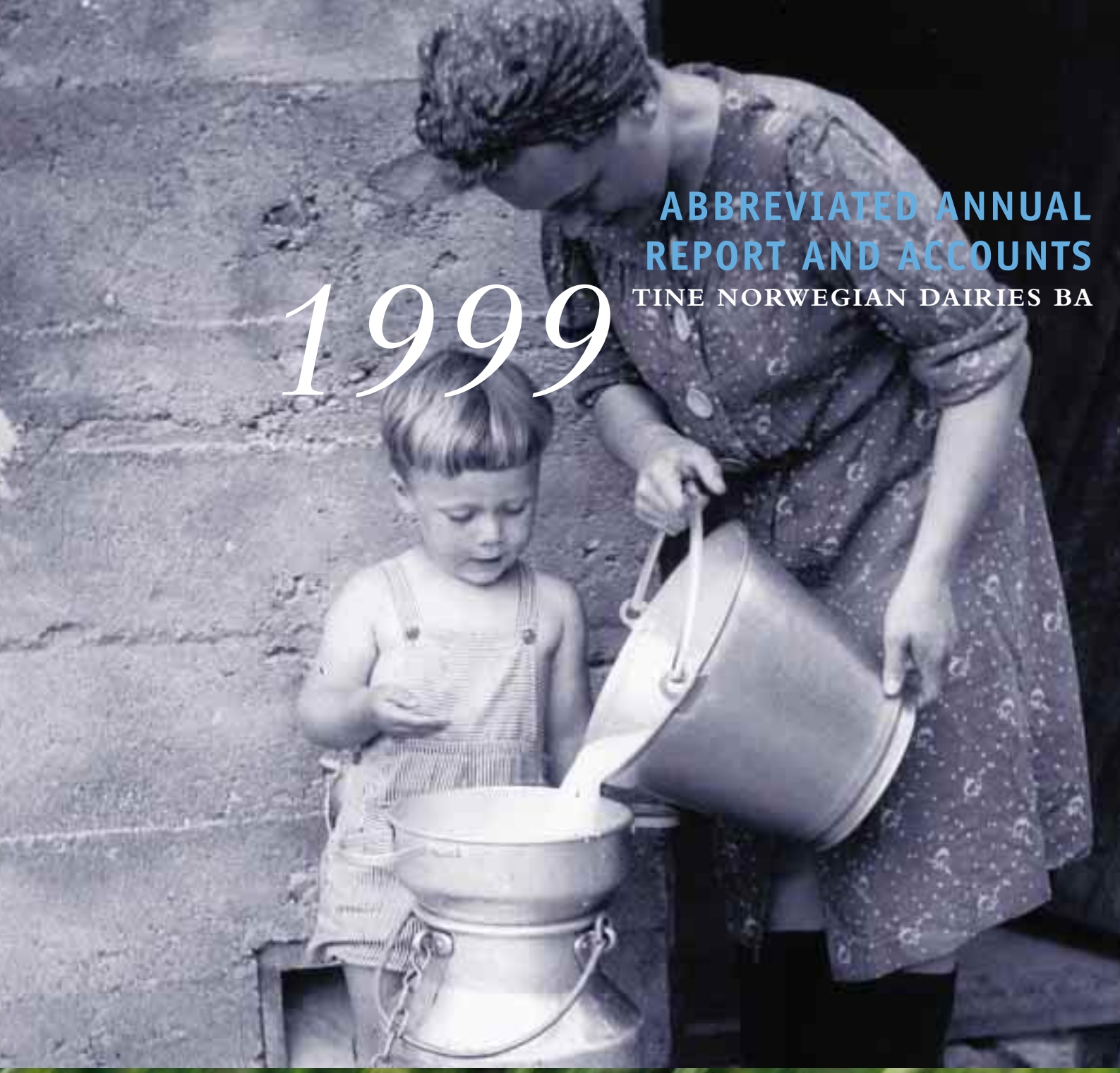
ABBREVIATED ANNUAL REPORT AND ACCOUNTS

TINE NORWEGIAN DAIRIES BA

1999



Energy

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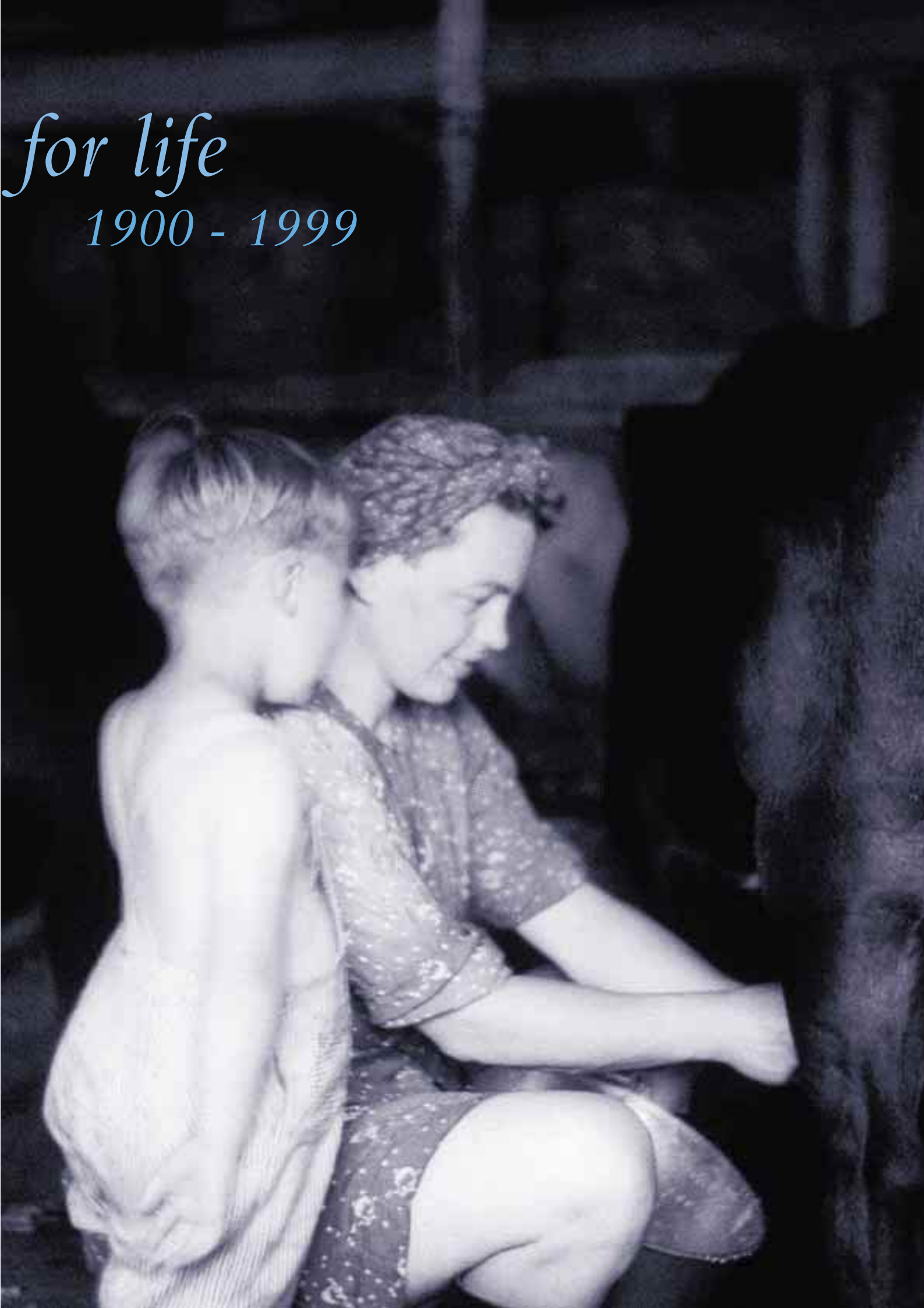
for life

1900 - 1999



The Dairy Cooperative

TINE Dairies' business vision:

TINE Dairies create value by means of a finely balanced interplay between natural resources, agriculture and market forces.

TINE Dairies - Norway's leading food supplier - process pure and natural ingredients into high-quality, healthy food products geared to consumer demands.

TINE Dairies are owned by the cooperative of Norwegian milk producers. The dairy cooperative is owned by 23,000 milk producers, all of whom own shares in one of the country's dairy companies. The dairy companies in turn own TINE Norwegian Dairies which has overall responsibility for the planning of production and distribution, product development and quality assurance as well as for the marketing and exporting of TINE products.

TINE products are produced at 73 plants, managed by the dairy companies.

The dairy cooperative achieved a total turnover of NOK 10.6 billion in 1999.

Significant events in 1999

*** For the third year running, TINE Norwegian Dairies came first in the market profile survey on Norway's major companies carried out by the daily paper Aftenposten and MMI (Market and Media Institute).**

*** Staff and owners alike have been engaged in discussions on the future challenges facing TINE, and work on a new strategic plan has been an on-going project throughout the year.**

*** It has been necessary to implement measures to regulate production due to market instability.**

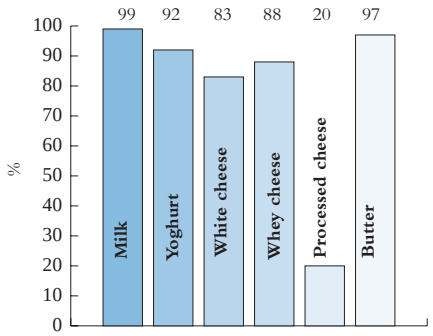
*** Product collaboration with other national and international operators has been initiated.**

TINE - key figures 1999

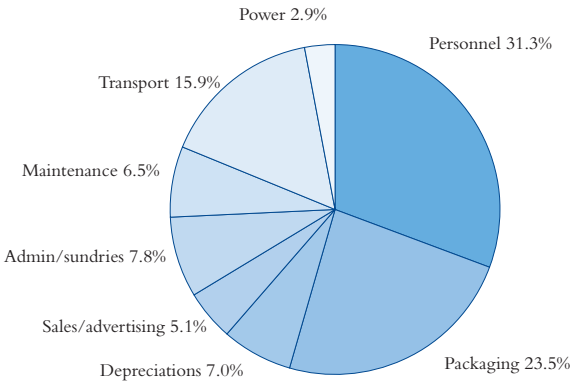
		1998	1999
Milk producers – cow's milk		24,178	22,698
Milk producers – goat's milk		796	731
Total no. of dairy cows		321,736	322,791
No. of dairy cows per herd		13.3	13.8
Total no. of goats		55,474	53,477
No. of milk goats per herd		67.2	69.3
Production per cow		6,2000 kg	6,108 kg
Production per goat		559 kg	556 kg
Average delivery per dairy farmer:	Cow's milk	68,840 litres	71,846 litres
	Goat's milk	27,854 litres	29,004 litres
Average total delivery	Cow's milk	1,664 mill. litres	1,631 mill. litres
	Goat's milk	22.2 mill. litres	21.2 mill. litres
Turnover:			
The dairy cooperative in total		NOK 10.8 bill.	NOK 10.6 bill.
TINE Norwegian Dairies		NOK 5.6 bill.	NOK 5.0 bill.
Capital strength in rel. to share capital		54,11 %	56.4 %
Debt-equity ratio		0.85	0.74
Average interest period		33.4 days	32.5 days
Number of staff:			
The dairy cooperative in total		5,000 persons	4,730 persons
TINE Norwegian Dairies		800 persons	787 persons
TINE Dairies' basic price:		**1998**	**(Cow's and goat's milk)**
	– cow's milk	NOK 3.06 1st half-year	NOK 3.13 1/1-31/3
		NOK 3.13 2nd half-year	NOK 3.10 1/4-30/6
			NOK 3.05 2nd half-year
	– goat's milk	NOK 4.75 1st half-year	
		NOK 3.13 2nd half-year*)	
Average payment to each producer		NOK 3.33 per litre	NOK 3.19 per litre

* From 01/07/98 the goat's milk subsidy was incorporated into the basic subsidy for goats. From this date, the basic price has been the same for both cow's and goat's milk.

Value of TINE's market shares



The dairy cooperative's operating costs



TINE

A strong, competitive TINE

Competition is healthy, whether you are a top sportsman or a major operator in the food industry. Until quite recently, the dairy cooperative had little or no competition and had therefore no means of gauging its strength in the market. I am glad to say that this state of affairs has now changed and that there are now several operators competing to satisfy consumer demand for dairy products.

The Government White Paper no. 19 on "Norwegian Agriculture and Food Production", presented in December 1999, envisages a more consumer-oriented agriculture. Consumers are to be assured of stable and satisfactory food supplies and a greater range and diversity of products. TINE will play its part to meet these new demands and contribute to the success of the government's strategy.

Political objectives and parameters for Norwegian agriculture are subject to change at an ever-increasing rate. We are continually receiving new directives and feel that we are operating under increasingly difficult conditions. In order to achieve the highest possible yield from the resources at our disposal, it is essential that the decisions and adjustments we make are kept within the given parameters.

Early on in the year, the management at TINE initiated a process of enquiry - both amongst the owners (dairy producers) and the staff - to chart our course of action and areas of priority for the period up to 2005. This process, entitled TINE 2005, will be concluded at the annual meeting in 2000.

Increased competitiveness

A natural conclusion of the appraisals carried out during this process of enquiry is that TINE must increase its competitive strength. This means increasing efficiency at all levels, from the dairy farm to the shop shelf. Production costs per unit must be reduced.

Branded goods must be further developed in order to give consumers that extra value they demand when buying TINE products. Consumers are no longer one homogenous category of people all eating the same things. Diversity is the watchword of our society and is reflected in consumers' choice of products. TINE's product range must include something to satisfy all tastes. For this reason it is important to develop niches in the food market before other operators move in to fill them.

As far as international parameters are concerned, it is important to work for strong import protection. A basic premise must be that we are able to produce our own food in Norway.

Production balance

A prerequisite of efficiency is that production volumes relate to total market demand. Overproduction yields little profit and it is therefore encouraging that the state and representatives from the agricultural sector have adopted regulations which will result in a favourable balance between production and sales in 2000.

In some areas, collaboration with other operators can lead to the best results - for both parties. Although TINE Norwegian Dairies has signed several production contracts with other organizations both at home and abroad, this area of business development is still in its infancy, especially as regards collaboration with other operators across trade and territorial boundaries. It is still too early to make any statement about the potential concrete results of such developments.

Even though we strengthen our competitiveness and maintain our leading position in the market, it is difficult to envisage the dairy cooperative as a growth sector. Nevertheless, our earning capacity can still remain stable. The future lies not only in cutting costs, but in innovation - finding viable ways of increasing our earnings so that we have more to plough back to the milk producers.

Einar Enger
President and CEO

PROFIT AND LOSS ACCOUNT

(Figures in NOK 1,000)

	1994	1995	1996	1997	1998	1999
OPERATING INCOME						
Sales income	9 795 677	9 461 671	9 692 402	10 250 254	10 467 384	10 250 307
Subsidies (Dept. of Agriculture)	928 931	913 435	593 843	162 469	0	0
Profit on sales of capital assets	21 515	11 885	39 258	5 954	2 610	57 294
Other income	260 056	264 800	234 237	273 413	327 070	289 825
Total operating income	**11 006 178**	**10 651 791**	**10 559 740**	**10 692 090**	**10 797 063**	**10 597 426**
OPERATING COSTS						
Packaging/sundries	1 276 828	1 231 887	1 056 971	1 229 975	1 268 388	1 242 903
Personnel costs	1 392 496	1 414 169	1 460 233	1 545 478	1 594 803	1 658 431
Other costs:						
Ordinary depreciations	330 746	353 062	323 771	351 282	355 400	371 657
Transport	698 556	709 251	729 584	775 805	811 215	839 072
Power	169 970	156 807	181 872	165 169	149 256	155 492
Operating materials/maintenance	296 720	296 465	269 277	283 001	299 830	341 275
Administrative expenses/sundries	442 132	434 231	437 879	448 667	445 674	413 185
Sales and advertising costs	215 256	204 531	218 834	251 567	287 461	268 553
Purchase of milk quotas	52 877	0	0	0	0	0
Loss on sales of capital assets	0	0	0	0	0	13 686
Loss on bad debts	3 561	2 010	2 434	3 255	2 947	3 399
Total other costs	**2 209 820**	**2 156 357**	**2 163 650**	**2 278 747**	**2 351 783**	**2 406 319**
Total operating costs	**4 879 144**	**4 802 413**	**4 680 854**	**5 054 200**	**5 214 973**	**5 307 653**
Operating result	**6 127 034**	**5 849 377**	**5 878 886**	**5 637 890**	**5 582 090**	**5 289 773**
Net financial costs	**-19 977**	**1 874**	**-17 854**	**5 749**	**14 704**	**-2 036**
Profit before basic price paid out to milk producers	**6 147 011**	**5 847 503**	**5 896 739**	**5 632 141**	**5 567 386**	**5 291 809**
Allocated to taxes and funds	-237	-5 242	74 354	6 191	-35 659	23 653
Paid out to milk producers	**6 147 247**	**5 852 746**	**5 822 385**	**5 625 949**	**5 603 045**	**5 268 156**
Profit	**0**	**0**	**0**	**0**	**0**	**0**

BALANCE SHEET

ASSETS	1994	1995	1996	1997	1998	1999
Intangible assets						
Deferred tax benefit	0	0	1 533	7 003	0	10 492
Total intangible assets	**0**	**0**	**1 533**	**7 003**	**0**	**10 492**
Sites, buildings and other real estate						
Buildings	1 222 195	1 218 473	1 229 430	1 174 235	1 185 341	1 104 716
Houses, sites and land	53 663	54 131	49 907	48 968	56 951	64 472
Total sites, buildings and other real estate	**1 275 858**	**1 272 604**	**1 279 337**	**1 223 204**	**1 242 292**	**1 169 188**
Vehicles, fixtures and equipment	**1 257 093**	**1 223 484**	**1 296 227**	**1 295 653**	**1 280 853**	**1 334 988**
Financial assets						
Shares and interests in subsidiaries, associated companies	0	0	0	0	0	73 173
Other shares and interests	75 974	82 111	78 085	77 385	79 577	99 136
Other receivables	213 724	171 835	190 410	239 954	101 378	122 627
Total financial assets	**289 699**	**253 946**	**268 495**	**317 339**	**180 955**	**294 936**
Current assets						
Stock in hand	1 043 506	1 055 898	1 154 974	1 111 823	1 167 419	1 141 146
Receivables, customers	688 936	726 379	784 670	954 449	1 046 920	865 046
Outstanding VAT repayments	148 568	96 486	101 300	123 861	50 785	36 619
Other short-term receivables	172 461	184 794	129 295	116 600	60 271	46 450
Cash deposits, bank and post office	1 159 921	1 028 917	1 032 549	971 674	743 560	777 263
Total current assets	**3 213 392**	**3 092 473**	**3 202 788**	**3 278 407**	**3 068 955**	**2 866 524**
TOTAL ASSETS	**6 036 041**	**5 842 506**	**6 048 380**	**6 121 605**	**5 773 055**	**5 676 128**
EQUITY AND LIABILITIES						
Equity						
Share capital	38 482	42 534	42 783	43 788	38 776	31 180
Distributable reserves	3 257 874	3 261 393	3 212 365	3 149 991	3 084 744	3 170 082
Total equity	**3 296 356**	**3 303 928**	**3 255 148**	**3 193 779**	**3 123 519**	**3 201 262**
Deferred tax/pension payments	**37 574**	**31 277**	**48 872**	**70 093**	**46 057**	**117 332**
Long-term liabilities						
Mortgage loans	312 340	298 639	543 307	513 754	436 097	498 399
Total long-term liabilities	**312 340**	**298 639**	**543 307**	**513 754**	**436 097**	**498 399**
Short-term liabilities						
Debts payable to suppliers, incl. milk producers	1 590 764	1 561 435	1 451 803	1 586 452	1 445 785	1 402 422
Bank overdraft	425 633	258 164	386 743	381 698	391 405	124 167
Tax, VAT, tax deductions, employers' social security contributions	166 989	156 031	180 785	186 085	174 266	166 611
Accrued, unassessed tax/tax payable	5 917	6 476	7 110	5 790	10 656	8 159
Other short-term liabilities	200 466	226 555	174 611	183 956	145 269	157 776
Total short-term liabilities	**2 389 769**	**2 208 662**	**2 201 052**	**2 343 980**	**2 167 381**	**1 859 135**
TOTAL LIABILITIES AND EQUITY	**6 036 041**	**5 842 506**	**6 048 380**	**6 121 605**	**5 773 054**	**5 676 128**

Management report

MARKET/SALES

TINE was exposed to increased competition from both domestic and international operators in 1999. Synnøve Finden followed up their market investment in white cheese and also launched their "Gudbrandsdal" cheese in the second half of the year. The farm dairies and the dairy "Gausdalsmeieriet" have won substantial shares of milk sales in their local markets. Arla continues to expand its investments in Norway. At the same time, imports have risen, partly in the form of traditional cheeses and partly as ready-baked pizzas topped with foreign cheese.

The sales results for 1999 comply by and large with the revised budget for liquid products. Compared to 1998, there was a 6% reduction in sales of milk (whole, semi-skimmed and skimmed). The total market for these types of milk amounts to 495 million litres. Sales of yoghurt, sour cream, cream and flavoured milk rose by 1.5%.

As regards solids, white cheese and whey cheese sales fell by 2 and 5% respectively in relation to the previous year. TINE's processed cheeses, porridges and desserts (the "Piano" range) showed satisfactory process. Sales of butter fell by 2%, and production totalled a weight of just over 8,500 tons.

At the beginning of the year, the flavoured milk products "Ox" were withdrawn from the market because sales were lower than expected. TINE's desserts are marketed under the name of "Piano". During the course of the year the following new products were launched: rice lunch, creamed rice and portion-packed puddings. After a somewhat difficult start, "Piano" is now well established as TINE's dessert brand. Yoghurt Mousse was introduced in August, while Go'Morgen yoghurt and Milkshake have been given new packaging. In the second half-year, TINE launched two varieties of iced coffee. These new products have in general produced very encouraging results. The high demand led to intermittent supply problems for some products. Apart from loss of sales, this situation is a source of irritation to both retailers and consumers.

Work involved in setting up a TINE Consumer Centre, with a freephone for the use of consumers, has been carried out throughout the year. The centre will be fully operative by the end of January 2000. TINE has also developed an original TINE-melody for the freephone service which will be implemented from the New Year.

A number of operators are continually showing an interest in our main markets. The retail chains welcome the competition, both with a view to expanding their sales of dairy products and to winning better terms from TINE. However, up until now it does not look as if stronger competition has increased the volume of the total markets to any considerable degree. With TINE's point of departure, the organization must be prepared to lose even more sales volume in 2000 as a result. The approved budgets for sales and costs point to the same level of market activity for our established products, but to fewer new product launches than in 1999.

Ecological products

The "Dalsgården" series now consists of Dalsgården Semi-skimmed Milk, Dalsgården Yoghurt (apple and wild berries) and Dalsgården Cream. Dalsgården raspberry-flavoured Soured Milk and Dalsgården Dairy Sour Cream were withdrawn from the market in 1999 due to excessively low sales.

The total volume of Dalsgården products sold was 2.3 million litres. Dalsgården Semi-skimmed Milk accounted for 90% of these sales. Most of the Dalsgården products are sold via retailers, but about 90% of Dalsgården Yoghurt is sold to the large-scale catering sector. We have high expectations of the most important objective for 2000: the launch of Dalsgården Cheese. In addition, the distribution of certain products in the series will be widened.

INTERNATIONAL OPERATIONS

TINE exported a total of 30,800 tons in 1999, of which 20,400 tons consisted of cheese, 6,000 tons of butter and 2,000 tons of blended products for industrial purposes. TINE's biggest export markets are Japan, the USA, Canada, Australia and the European Union.

Market developments and results ran according to our strategies and objectives in 1999 and TINE's subsidiaries and collaborative partners are working to steadily strengthen the market position of our branded products. 15% of the milk volume was sold on the international market in 1999.

Asia/Oceania

Japan is TINE's largest export market, where our flagship, Norvegia, has over the last 30 years become a very popular product in high demand as an ingredient in the Japanese food-processing industry. There is a trend towards a higher consumption of cheese in Japan and sales of our brand products have shown an upward trend as a consequence.

Exports to Australia increased by 7.5% from 1998, and apart from New Zealand varieties, Jarlsberg is still the most popular imported cheese.

USA/Canada

TINE's North-American subsidiary, Norseland Inc., has again achieved a very positive financial result. Jarlsberg reached the highest level of sales since 1984 and maintained its position as the most popular imported variety on the American cheese market.

In Canada, Jarlsberg was awarded two first prizes at The Royal Agricultural Winter Fair 1999: for the best dairy product and within its own product category.

The European Union

Demand for TINE's cheeses among consumers in the EU is higher than we can satisfy due to our WTO obligations. Supply was particularly low in relation to demand in Great Britain. Jarlsberg's position in these markets has remained stable in spite of a somewhat reduced marketing offensive.

The goat's cheese "Snøfrisk" enjoys a strong market position in Germany. There was a slight fall in volume in our most important export markets - Germany, Sweden and England - in line with allocated quotas.

New products and markets

Our international department is working systematically to find new potential markets and niches for our products. International trade regulations, implemented for example by WTO, place limits on our international expansion, but at the same time open up export potential for new and untraditional products. Products based on goat's milk are amongst those which show an interesting export potential. The first deliveries of goat's milk powder to Taiwan started up in 1999.

In collaboration with international partners, and using the expertise of TINE's research and development team, we are seeking to increase the proportion of milk components in various ingredients and end-products.

TINE's international sales of ingredients have risen by over 35% from 1998 to around 17,000 tons in 1999, in other words an increase in value compared to exports of bulk products, without coming into conflict with the WTO agreement.

TINE Ingredients

We aim to maintain our position as the leading supplier of milk ingredients to the food-processing industry. A thorough analysis of the competitive situation on the ingredients market led to an internal reorganization. As of 1 October 1999, sales to the Norwegian food industry have been organized in such a way as to increase the value chain between customers, TINE Norwegian Dairies and TINE Dairies. At the same time the division changed its name to "TINE Ingredients".

The encouraging sales results achieved by TINE Ingredients during 1999 reflect the continuing increase in turnover of processed food products. Our largest customers in this sector in terms of turnover are the pizza, convenience foods, ice cream, bakery and chocolate industries. These customer groups are faced with an increasing degree of international competition, but are protected to a certain extent by the raw materials compensation system under the terms of Norway's Economic Agreement with the EU. The objective here is that the food-processing industry should use Norwegian milk-based raw materials wherever these satisfy standards of quality and profitability.

THE RESEARCH AND DEVELOPMENT CENTRE

Product development

TINE now has two fully operational development centres: one at Voll in Jæren and one at Kalbakken in Oslo. The new research centre at Kalbakken has become a channel for developing new products specially adapted to customer needs. Our research capacity has been extended and we are now even better equipped to meet future needs in the field of product development.

The activity level has been particularly high during 1999. Many new products and concepts have been developed and launched in line with the need to adapt our product range to new demands, whether these stem from customers or the authorities. A typical example is the new type of milk Tine Melk Extra Light which was launched in January 2000. Throughout the product development stage, TINE consulted and followed the guidelines of the State Advisory Council for Nutrition and Physical Activity. The result is a milk with a 0.7% fat content and enriched with vitamin D.

Another example of a product adapted to new demands is Iced Coffee, which is currently available in two varieties: Expresso and Cappuccino. Both the product and the packaging have a modern appeal and have been well received in the market.

Keeping up food traditions is also a modern trend, and locally made products have become popular in various parts of the country. TINE contributes with expertise and technological assistance in order to find the best possible product solutions. Food safety is a major factor in this connection.

Other major product development projects in 1999 include:

- *"Go'Morgen" (Good Morning Yoghurt): new packaging*
- *"Piano": new dessert varieties and new packaging for existing varieties*
- *Yoghurt Mousse in four varieties*

Ingredients and convenience foods: In collaboration with TINE Ingredients, the Research and Development Centre is developing both standard and specially adapted milk products destined for other food-processing industries and the animal fodder industry.

Research

Research and nutrition:
TINE's research projects within the field of nutrition are often conducted in collaboration with other research bodies, either within the agricultural co-operative or externally.

Two examples of research projects carried out during 1999 are the significance of milk in the diet in connection with diabetes and osteoporosis respectively.

TINE aims to increase the degree of nutritional expertise involved in product development and to promote TINE's nutrition strategies vis-à-vis the authorities and the trade. In order to safeguard milk's market status, it is essential that we increase our knowledge about the consequences for nutrition and health derived from the consumption of milk and milk products.

Business development

A great deal of our research resources are also ploughed into business development: new products or services within completely new, or partly new, markets.

Support for the dairies

A substantial part of the work of the Research and Development Centre is directed towards the dairies, encompassing a wide range of activities, from guidance on quality assurance problems or the choice of new production equipment, to the establishment of new production systems or investigations into structural rationalization programmes.

Product legislation

A great number of laws and regulations govern the production of dairy products, both those that come from TINE Dairies and from farms. TINE has the expertise necessary to guide producers on issues concerning production and has a duty to distribute information on new regulations to the appropriate persons and production units.

GMO (Gene-modified organisms)

We maintain efforts to increase our knowledge on ingredients and additives in order to make sure that they comply with our requirements and with consumer demands as regards their GMO-status.

Quality assurance

Our investments in quality at the TINE Dairies have shown results: of 72 production plants, 57 have now been granted an official quality assurance certificate. Certification is not an aim in itself, but there is no doubt that official approval of quality systems brings benefits for our production plants.

LOGISTICS/IT/PURCHASING

Milk deliveries

The dairy cooperative's total delivery of cow's milk amounted to 1,631 million litres in 1999, as against 1,664 million litres in 1998. The 31 million litre reduction was due to a fall in the number of producers and to the fact that sold quotas were withheld by the authorities.

The nationwide total of cow's milk deliveries was 1,645.4 million litres, as opposed to 1,669.8 million litres in 1998. The total reduction from 1998 to 1999 was therefore 24.4 million litres.

Deliveries of goat's milk amounted to 21.2 million litres, in other words a drop of 0.7 million compared to 1998.

Efficiency control

A Control Department began operating at TINE Norwegian Dairies from 1 August 1999. The new department's main objective is to help to increase profitability at all levels within the dairy cooperative. Much of the work has been devoted to developing ways of improving our decision-making processes, often in accordance with TINE's on-going strategic plan, TINE 2005. Attention has been focused on the following areas:

Profitability management: Projects related to product optimization, optimization of plant structure and investment analyses.

	Klepp	Ulven	Trondhiem	Dairy plants	Total
Portion-packed cheese	8,566	1,737	9,978	3,496	23,777 tons
Sliced cheese	1,290	919	1,105	-	3,314 tons
Grated cheese	2,066	-	1,942	-	4,008 tons
Total	11,922	2,656	13,025	3,496	31,099 tons

Milk utilization: Calculations on the optimum adaptation of the production plan for the year 2000 in relation to the milk surplus that has arisen and on the best possible allocation of milk between the companies.

Business development: Calculations on the consequences of the new partnership agreements entered into.

Market regulation/systems: Contact with the Sales Council and calculations on the consequences of the activities we implement to regulate the market.

Further development of Movex

Our joint, computerized logistics system, Movex, is now functioning throughout the TINE organization. The last dairies started using Movex during 1999 and it is highly advantageous that all units are now linked to the same computer system. The next steps will be to exploit the system to its fullest potential and to further develop Tinex Standard which processes the various units' basic data and routines.

Strategic IT plan at TINE

A comprehensive IT plan has been drawn up in order to catalogue TINE's IT needs on the basis of existing strategies and operations. TINE's objectives for the use of IT in relation to business strategy and for the internal use of IT have been defined and investment areas earmarked in order of priority. This will be followed by a separate plan of action regarding IT development over the next two years.

The central warehouses

TINE Norwegian Dairies has three warehousing departments situated at Ulven (Oslo), Klepp and Trondheim respectively which distribute cheese produced in Norway to the wholesalers. The main activity at these plants is the packing of cheese in standard-weight packs (see table).

OPTIMA

The OPTIMA project has been initiated to optimize the flow of products distributed via TINE Norwegian Dairies' various departments. The aim of the project is that products should pass directly from the dairy to the customer instead of being sent from one department to the other. This will mean that products only pass through one department and will lead to a reduction in the flow of products at all TINE departments, especially at Ulven.

A system of electronic data exchange between the dairy companies with respect to orders, order confirmations, stocks and invoicing is currently being set up. The first dairy is already exchanging information of this kind with TINE Norwegian Dairies. This system will result in large savings in resources and will enable us to update information in our systems more quickly and accurately.

The distribution of cheese, butter and yoghurt between dairies, departments and wholesalers will increase in the future due to more specialized production. Our transport costs will rise as a result. OPTIMA appraises the principles and measures required to optimize distribution.

It is hoped that the OPTIMA project will lead to positive results in the 2000 accounts for TINE Norwegian Dairies.

Statistics

1. Production of TINE products
2. Domestic sales, solids (TINE)
3. Domestic sales, fluids (TINE)
4. Consumption per capita 1995-1999 (in total)
5. Cheese exports per country
6. Exports per category
7. Total exports
8. Indication of milk utilization
9. Average price paid to producers
10. Development of the National Basic Price/TINE Dairies' Basic Price 1985-1999

1. Production of TINE products (in tons)

	1999	1998
White cheese	63,158	69,083
Whey cheese	12,904	14,336
Processed cheese	1,319	1,303
Butter/margarine	13,817	10,180

2. Domestic sales, solids (TINE)

	1999 (in tons)	% of 1998
White cheese, total	43,763	- 2.1
Whey cheese, total	10,489	- 4.7
Processed cheese, total	1,292	+1.4
Butter/margarine	17,171	- 1.4
Desserts with cream topping	9,613	+3.2

3. Domestic sales, fluids (TINE)

	1999 (in '000 litres)	% of 1998
TINE Milk (all varieties)	532,140	- 5.9
TINE Cream	24,547	+ 0.4
TINE Sour Cream	11,988	+ 4.2
TINE Yoghurt	29,645	+ 0.6

4. Consumption per capita

	1995	1996	1997	1998	Total 1999	
Milk, total	143.85	139.23	133.29	128.57	121.54	litres
Yoghurt	5.42	5.90	6.61	6.65	6.72	litres
Cream/sour cream	7.78	7.89	7.88	8.13	8.22	litres
Cheese (white, whey and processed)	14.77	15.30	15.32	15.10	14.75	kg
Butter/margarine	4.05	4.20	3.98	3.93	3.89	kg

5. Cheese exports per country (in tons)

	1998	1999
Japan	9,549	7,991
USA	8,886	7,468
Australia	1,324	1,424
Germany	1,238	1,166
Canada	1,058	977
England	1,076	1,016
Sweden	644	650
Denmark	113	100
Other markets	2,076	1,584
Total	25,964	22,376

6. Exports per category (in tons)

	1998	1999
Jarlsberg	12,996	11,312
Norvegia	9,058	7,851
"Japanprim"	2,847	2,066
Whey cheese	450	475
"Ridder" cheese	185	161
"Snøfrisk" cheese	146	158
Frozen curd	163	123
Other dairy products	119	230
Total	25,964	22,376

7. Total exports (in tons)

	1998	1999
White cheese	22,631	19,815
"Japanprim"	2,847	2,066
Butter	1,922	5,971
Milk conserves	874	2,422
Whey cheese	450	475
Other dairy products	644	50
Total	29,368	30,799

8. Indication of milk utilization (in mill. litres)

	1998	1999	2000
Domestic sales			
Retail milk sales	628	607	588
Industrial milk sales	89	96	97
Cream ingredient (for ice cream)	21	20	20
White cheese	527	513	501
Whey cheese/casein	25	20	15
Edible fat	16	15	15
UHT	21	21	22
Special milk powder/casein	35	33	33
Skimmed milk powder	65	65	65
Returns	1	1	1
Total domestic sales	1,428	1,391	1,357
Export sales			
White cheese	240	190	150
Whey cheese	3	3	3
Special milk powder/casein	2	25	67
Total exports	245	218	220
Total domestic and export sales	1,673	1,609	1,577
Milk supplied	1,663	1,632	1,546
Surplus/deficit	- 10	23	- 31
Surplus products from the previous year	27	17	40
of which:			
white cheese	12	0	0
skimmed milk powder/casein	5	40	9

9. Average price paid to producers 1986-1999 (NOK per litre)*

1986:	2.57
1987:	2.67
1988:	2.78
1989:	3.03
1990:	3.16
1991:	3.25
1992:	3.40
1993:	3.16
1994:	3.21
1995:	3.13
1996:	3.20
1997:	3.20
1998:	3.33
1999:	3.19

* Prices shown represent the milk price paid excl. state subsidies. From 01/07/98 the price paid for cow's and goat's milk has been the same.

10. Development of the National Basic Price/TINE Dairies' Basic Price 1985-1999 (NOK per litre)

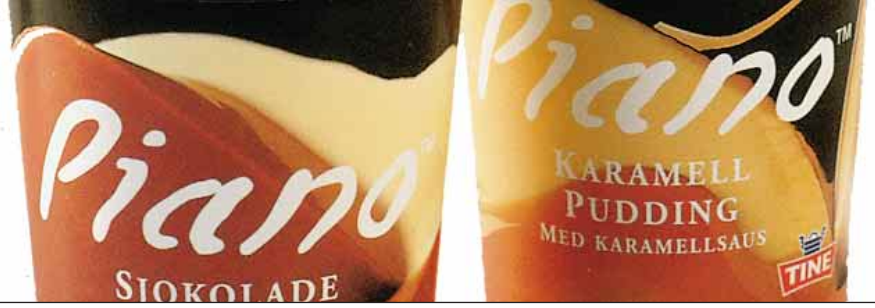
National Basic Price

	Cow's milk	Goat's milk
1985:	2.55	3.91
1986:	2.83	4.09
1987:	2.92	4.22
1988:	3.10	4.45
1989:	3.26	4.76
1990:	3.39	5.02
1991:	3.47	5.14
1992:	3.50	5.18
1993:	3.29	4.95
1994:	3.38	5.07
1995:	3.18	4.93
1996:	3.22	4.91
1997, Jan-June:	2.95	4.52

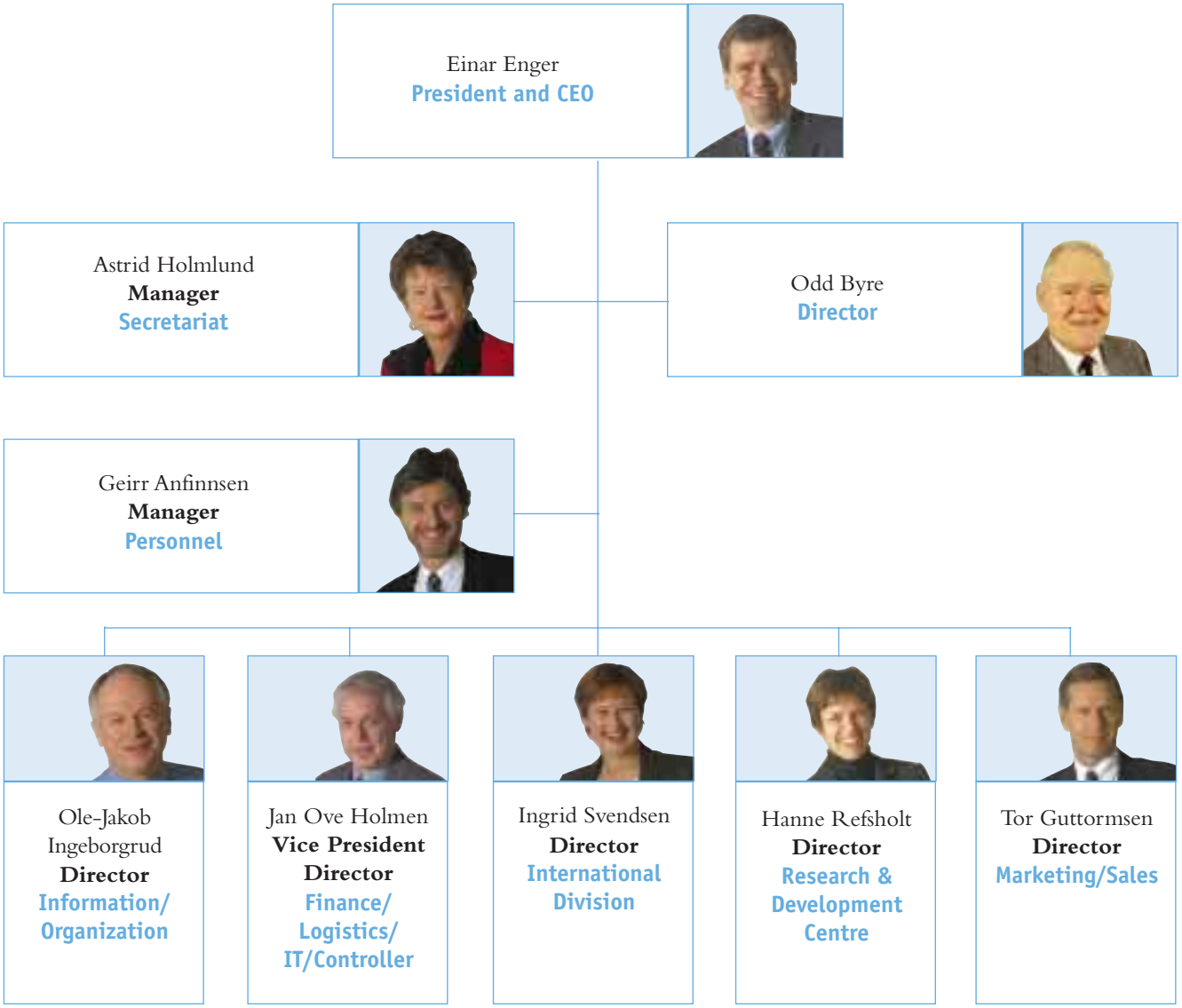
TINE Dairies' Basic Price

	Cow's milk	Goat's milk
1997, July-Dec:	3.23	4.92
1998, Jan-June:	3.06	4.75
1998, July-Dec:	3.13	3.13*
1999, 1/1-29/2:	3.13	3.13
1999, 1/3-30/6:	3.10	3.10
1999, July-Dec:	3.05	3.05

* From 01/07/98 the goat's milk subsidy became an integral part of the basic subsidy for goat's milk. From this date, the same basic price has applied to both cow's and goat's milk.



TINE Norwegian Dairies BA - Management Organization Plan



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President/CEO: David M. Brohel

TINE Norwegian Dairies GmbH
Postfach 74 04 63,
D-22094 Hamburg, Germany
Telephone: +49 40 73 10 640
Managing Director: Detlef Martens

TINE DAIRIES

TINE Finnmark BA
Meieriveien 1, N-9500 Alta
Telephone: +47 78 44 93 40
Telefax: +47 78 44 93 49
E-mail: tine.finnmark@tine.no
Milk received: 26 mill. litres
No. of suppliers: 354
No. of plants: 2
Managing Director: Arne Hammari

TINE Nord-Norge BA
Skogvn. 18, N-9480 Harstad
Telephone: +47 77 05 80 00
Telefax: +47 77 05 80 90
E-mail: tine.nord-norge@tine.no
Milk received: 152 mill. litres
No. of suppliers: 2,373
No. of plants: 9
Managing Director: Kåre A. Markussen

TINE Midt-Norge BA
Tunga Agricultural Centre,
N-7005 Trondheim
Telephone: +47 73 90 37 00
Telefax: +47 73 90 37 01
E-mail: tmn@tine.no
Milk received: 459 mill. litres
No. of suppliers: 6,041
No. of plants: 15
Managing Director: Stein Aasgaard

TINE Meieriet Vest BA
Post box 1312 Sentrum,
N-6001 Ålesund
Telephone: +47 70 10 08 00
Telefax: +47 70 10 08 02
E-post: tmv@tine.no
Milk received: 147 mill. litres
No. of suppliers: 2,563
No. of plants: 7
Managing Director: Leif Arne Berg

TINE Vestlandsmeieriet BA
Post box 6030 Postterminalen,
N-5892 Bergen
Telephone: +47 55 27 48 00
Telefax: +47 55 27 09 53
E-post: vm.hk@tine.no
Received milk: 135 mill. litres
No. of suppliers: 2,500
No. of plants: 6
Managing Director: Karl Inge Rekdal

TINE Meieriet Sør BA
Grannessletta, N-4050 Sola
Telephone: +47 51 64 62 00
Telefax: +47 51 64 62 15
E-mail: tms@tine.no
Milk received: 340 mill. litres
No. of suppliers: 4,306
No. of plants: 13
Managing Director: Trond Smeby

TINE Østlandsmeieriet BA
Prinsensgt. 2, N-0152 Oslo
Telephone: +47 22 40 23 00
Telefax: +47 22 40 23 01
E-mail: ostlandsmeieriet@tine.no
Milk received: 245 mill. litres
No. of suppliers: 3,675
No. of plants: 14
Managing Director: Ole Wæhre

TINE Fellesmeieriet BA
Post box 113 Kalbakken,
N-0902 Oslo
Telephone: +47 22 89 90 00
Telefax: +47 22 89 90 05
E-mail: tine.fellesmeieriet@tine.no
Milk received: 115 mill. litres
No. of suppliers: 1,418
No. of plants: 4
Managing Director: Stein Øiom

TINE Østfoldmeieriet BA
Torsgt. 2, N-1738 Borgenhaugen
Telephone: +47 69 10 46 00
Telefax: +47 69 10 46 02
E-mail: tine.ostfoldmeieriet@tine.no
Milk received: 22 mill. litres
No. of suppliers: 241
No. of plants: 1
Director: Erik Lie

TINE Drammen Meieri BA
Austadgt. 18, N-3043 Drammen
Telephone: +47 32 81 97 70
Telefax: +47 32 81 35 45
E-mail: tine.drammen@tine.no
Milk received: 15 mill. litres
No. of suppliers: 189
No. of plants: 1
Manager: Torbjørn Engen

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