

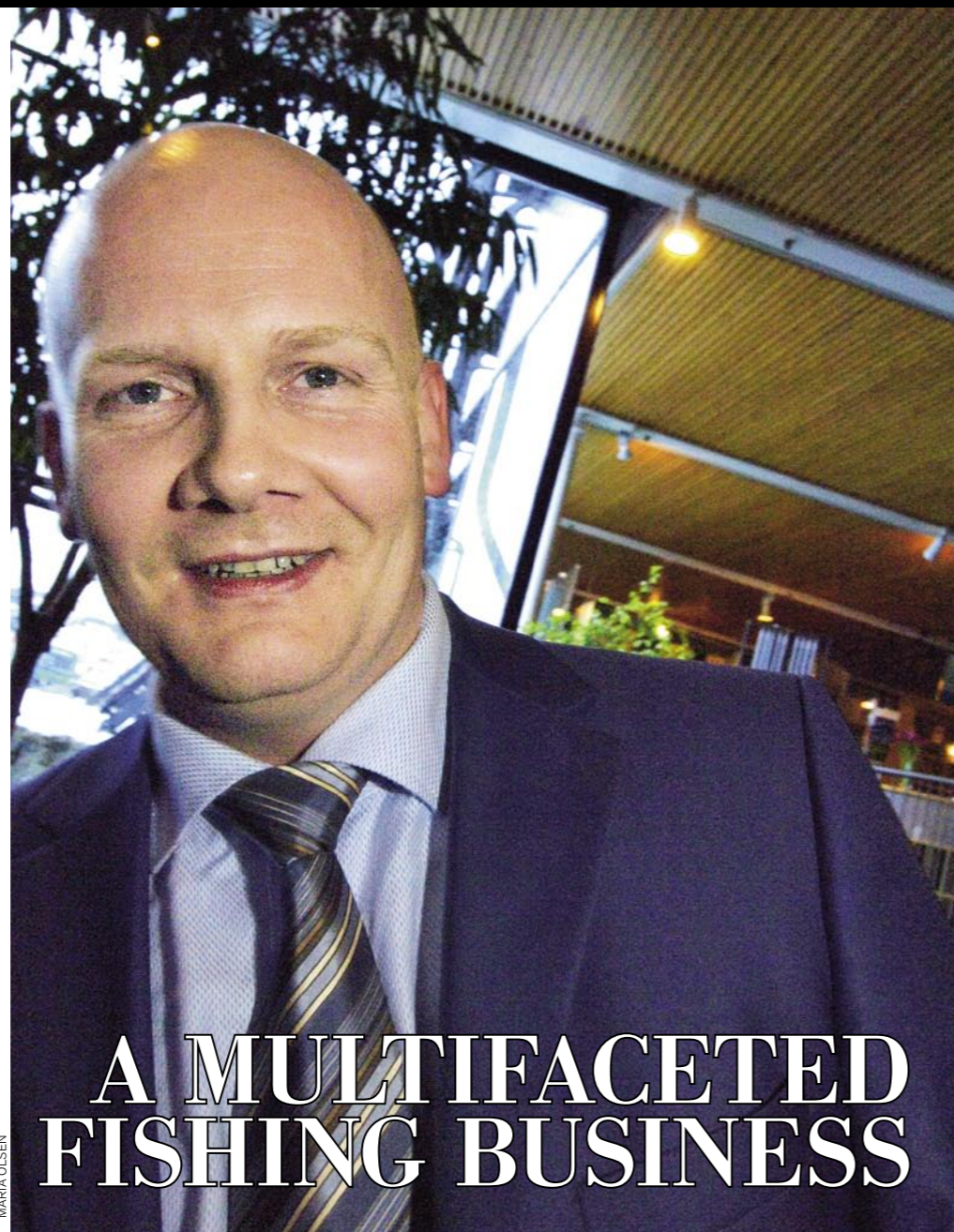
*Diversifying through ventures ranging from real estate to retail business while at the same time investing in a second large shrimp trawler, the Justinussens like to set things in motion—and they're still anchored in the fishing industry.*

THEIR LATEST investment looks like a sign of resilient belief in the profitability of fishing, although they're increasingly seen to diversify beyond fishing related business. In conjunction with a Norwegian partner, Osmundur Justinussen and his two sons, Tummas and Gunnar Justinussen—among the leading owners and operators of fishing vessels in the Faroe Islands—purchased a second shrimper in March 2006: the 1,833-gt freezer trawler now named Friðborg FD 242 (former Napoléon, former Ocean Castle).

The trawler was traded at relatively low price, reportedly DKK 30M (EUR 4M / GBP 3M / USD 5M), but Tummas Justinussen dismissed talk of a bargain. "Ask again in five years," he said. "Then we're more likely to know whether this was a deal worth pursuing."

Mr Justinussen had a point. The Faroese fleet of shrimp trawlers, once the pride of the nation, has over the last few years shrunk from 12 vessels to less than a handful.

The meltdown is the result of a deadly combination of nose-diving shrimp prices, skyrocketing oil prices



MARIA OLSEN

and lost harvesting rights in various waters around the world.

However, with only three Faroese shrimpers in operation today—inclusive of the Friðborg FD 242, which prior to heading for the fishing grounds was going through a 10-week main engine refurbishment to enable heavy fuel oil (HFO) combustion—the few vessels left may stand a chance to survive the tough conditions of shrimp fishing.

Having secured sufficient catch quotas by the Flemish Cap off Newfoundland, east of Greenland and by Svalbard for its two shrimp trawlers—the first one

being the 1,531-gt Havborg FD 1160, purchased in 2004—Mr Justinussen said he "couldn't resist" the offer to purchase the Friðborg FD 242.

"Inasmuch we still believe strongly in the shrimp business and its potential, we really couldn't resist this. I'm quite convinced that the Faroes can have at least three shrimp trawlers."

Acknowledging the very real challenges posed by high costs of fuel and low shrimp prices, Mr Justinussen said that investing in engine refurbishments to allow for HFO burning is essential for large distant-water trawlers like

Managing director Tummas Justinussen (center); the Friðborg FD 242 in the dry dock, with old name Napoléon still visible (right); the Havborg FD 1160 (bottom left); pair Stjørnan FD 1195 and Polarhav FD 1196 (bottom right).

the Havborg FD 1160 and the Friðborg FD 242. "The engine refurbishment for the Havborg was completed some months ago and the investment was quite substantial. We can nonetheless judge by the high costs of fuel and the huge savings effected by the switch to HFO that it was a crucial step to take. Regardless of the slightly improved market price of shrimp, a trawler of this type can in no wise survive financially running on diesel oil."

Aside from shrimp fishing, the Justinussens sold their three inshore trawlers, the now Birtingur FD 727, the Sæborg FD 830 and the Sjóborg FD 457, to vessel operators in Runavík and Leirvík. Home to the head offices of most of the Justinussens' fishing operations, Leirvík was also the place where Mr Justinussen senior grew up. A few years ago Ossi—that's the name by which most people know him—in a gesture of appreciation to the community of Leirvík opened the Boat Museum there, highlighting local fishing history including boat building tradition in what has become a tourist attraction.

Apart from owning and operating two pair trawlers, the Stjørnan FD 1195 and the Polarhav FD 1196, the Justinussens are stakeholders in Tavan, a Leirvík seafood processor and exporter.

In cooperation with the Norwegian shipping magnate Per Sævik, an offshore services company has likewise been formed. "We are making plans for chartering support vessels for the offshore oil and gas exploration industry," Mr Justinussen said.



What has made domestic headlines during the past two years, however, is some of the various ventures the Justinussens have undertaken in the Faroes as well as in Iceland, ranging from real estate to hotel business to retail shops.

With experience from Dekksentrið, a Tórshavn tire service owned by the Justinussens, Gunnar Justinussen has, in just a few years, built a national network of tire service shops in Iceland, named Dekkjálagarinn.

Back in the Faroes, in a 2005 surprise deal, the Justinussens purchased downtown Tórshavn's four-star hotel, the Hotel Hafnia. A few months later they purchased Hjá Gunnleivi, the largest bakery in the Faroes, plus a string of grocery shops. Years earlier they acquired a Volvo/Renault car dealership in Tórshavn, named VR Bilar.



**SJÓBORG**

FO-520 Leirvík

Tel.: +298 443347

Fax: +298 443349

Managing Director: Tummas Justinussen

Fishing vessels, fish harvesting and other business activities inc. business holdings – companies: Sjóborg, Sæborg, Polarstjørnan, Hvarvið, Havborg Supply Service, Tavan, VR Bilar, Hotel Hafnia.

Pair trawlers – saithe (pollock/coley), greater silver smelt (argentine/silver herring), whitefish:

Stjørnan FD 1195 (425 GT)  
Polarhav FD 1196 (425 GT)

Factory trawlers – shrimp:  
Havborg FD 1160 (1,531 GT)  
Friðborg FD 242 (1,833 GT)

On-shore fish processing facility:  
Tavan, Leirvík (minority stake)

Leirvík Boat Museum

Real estate (Faroes and Iceland)

Hotel Hafnia, Tórshavn  
Hjá Gunnleivi bakery, Tórshavn  
Several grocery stores

Car dealership: VR Bilar, Tórshavn

Tire service shops: Dekksentrið (Faroes)  
Dekkjálagarinn (Iceland)

The fishing vessel company that Mr Justinussen senior started as a skipper in the early 1970s—across periods of economic upturns and downturns—is eventually proving multifaceted indeed.