marineharvest

# Marine Harvest

## Q4 2013 Presentation

# Forward looking statements

This presentation may be deemed to include forward-looking statements, such as statements that relate to Marine Harvest’s contracted volumes, goals and strategies, including strategic focus areas, salmon prices, ability to increase or vary harvest volume, production capacity, expectations of the completion and capacity of our fish feed plant, trends in the seafood industry, including industry supply outlook, exchange rate and interest rate hedging policies and fluctuations, dividend policy and guidance, asset base investments, capital expenditures and net working capital guidance, NIBD target, cash flow guidance and financing update, guidance on financial commitments and cost of debt and various other matters (including developments with respect to laws, regulations and governmental policies regulating the industry and changes in accounting policies, standards and interpretations) on Marine Harvest's business and results. These statements speak of Marine Harvest’s plans, goals, targets, strategies, beliefs, and expectations, and refer to estimates or use similar terms. Actual results could differ materially from those indicated by these statements because the realization of those results is subject to many risks and uncertainties.

Our registration statement on Form 20-F filed with the US Securities and Exchange Commission in 2014 contain information about specific factors that could cause actual results to differ, and you are urged to read them. Marine Harvest disclaims any continuing accuracy of the information provided in this presentation after today.

# Highlights

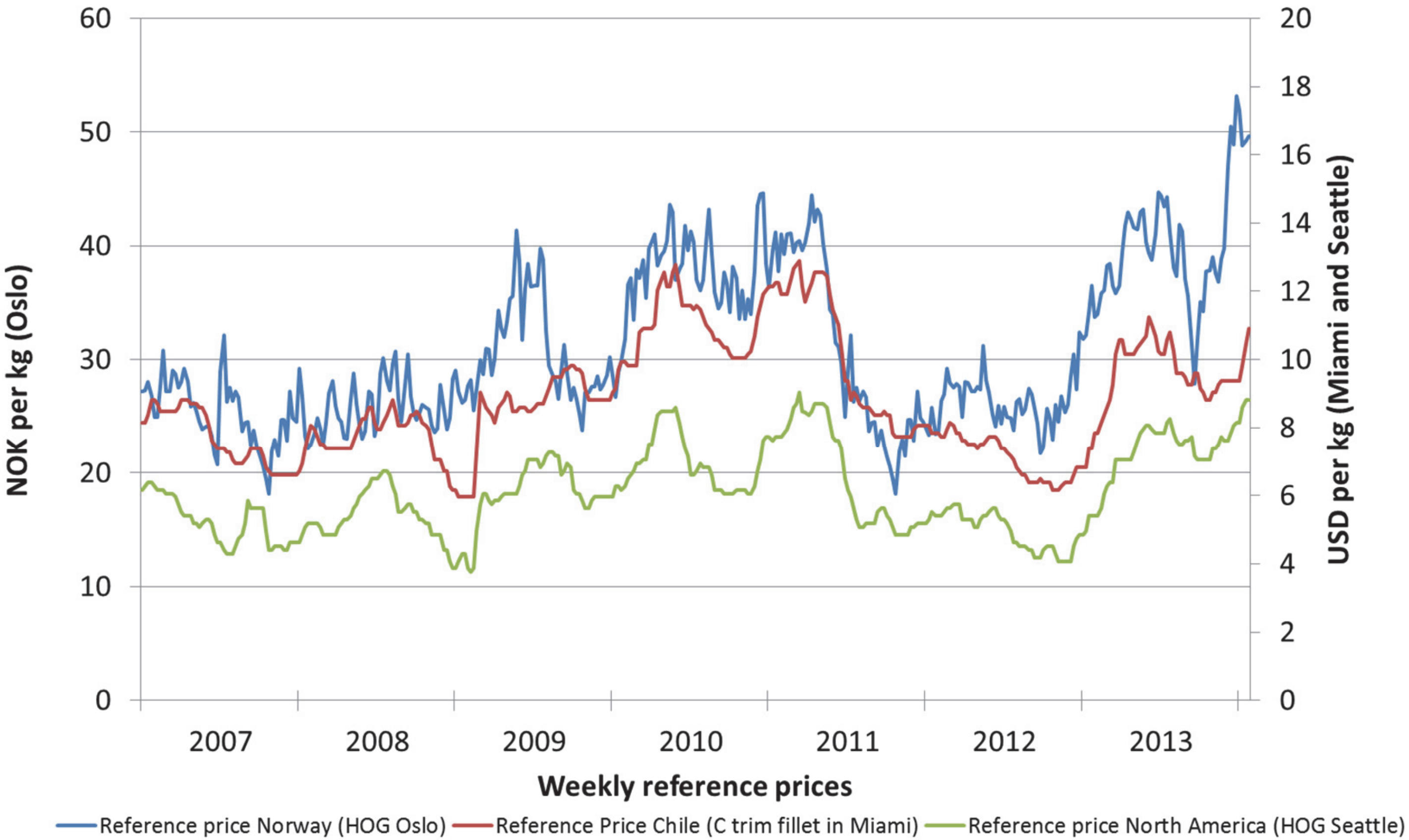
- All time high revenues
- Strong market driven by increased demand
- Operational EBIT NOK 1,034 million
- Listed on NYSE 28 January 2014
- Quarterly dividend of NOK 1.20 per share (ex. 10:1 reverse split)

# Key financials

| Marine Harvest Group - main figures<br>NOK million | Q4. 13 | Q4. 12 | 2013 | 2012 |
|---|---|---|---|---|
| Operational revenue and other income | **6 743** | 4 071 | 19 230 | 15 569 |
| Operational EBIT [1)] | **1 034** | 64 | 3 210 | 643 |
| Cash flow from operations | **- 51** | - 169 | 1 982 | 1 553 |
| Net interest-bearing debt (NIBD) | **7 797** | 5 381 | 7 797 | 5 381 |
| Underlying EPS as of 31.12 2013 (NOK) [2)] | **0.18** | -0.01 | 0.54 | 0.06 |
| Net cash flow per share as of 31.12.2013 (NOK) [3)] | **-0.19** | -0.09 | -0.04 | 0.26 |
| Underlying EPS - after reverse split (10:1) (NOK) [2)] | **1.83** | -0.09 | 5.37 | 0.63 |
| Net cash flow per share - after reverse split (NOK) [3)] | **-1.92** | -0.86 | -0.41 | 2.55 |
| ROCE [4)] | **20.3%** | 2.0% | 18.2% | 3.9% |
| Harvest volume (gutted weight tonnes, salmon) | **103 378** | 103 215 | 343 772 | 392 306 |
| Operational EBIT - NOK per kg[3] | | | | |
| Norway | **12.03** | 3.62 | 10.83 | 3.23 |
| Scotland | **10.23** | -1.14 | 12.45 | 3.80 |
| Canada | **10.20** | -4.81 | 10.19 | -3.48 |
| Chile | **2.48** | -8.17 | -2.32 | -2.26 |

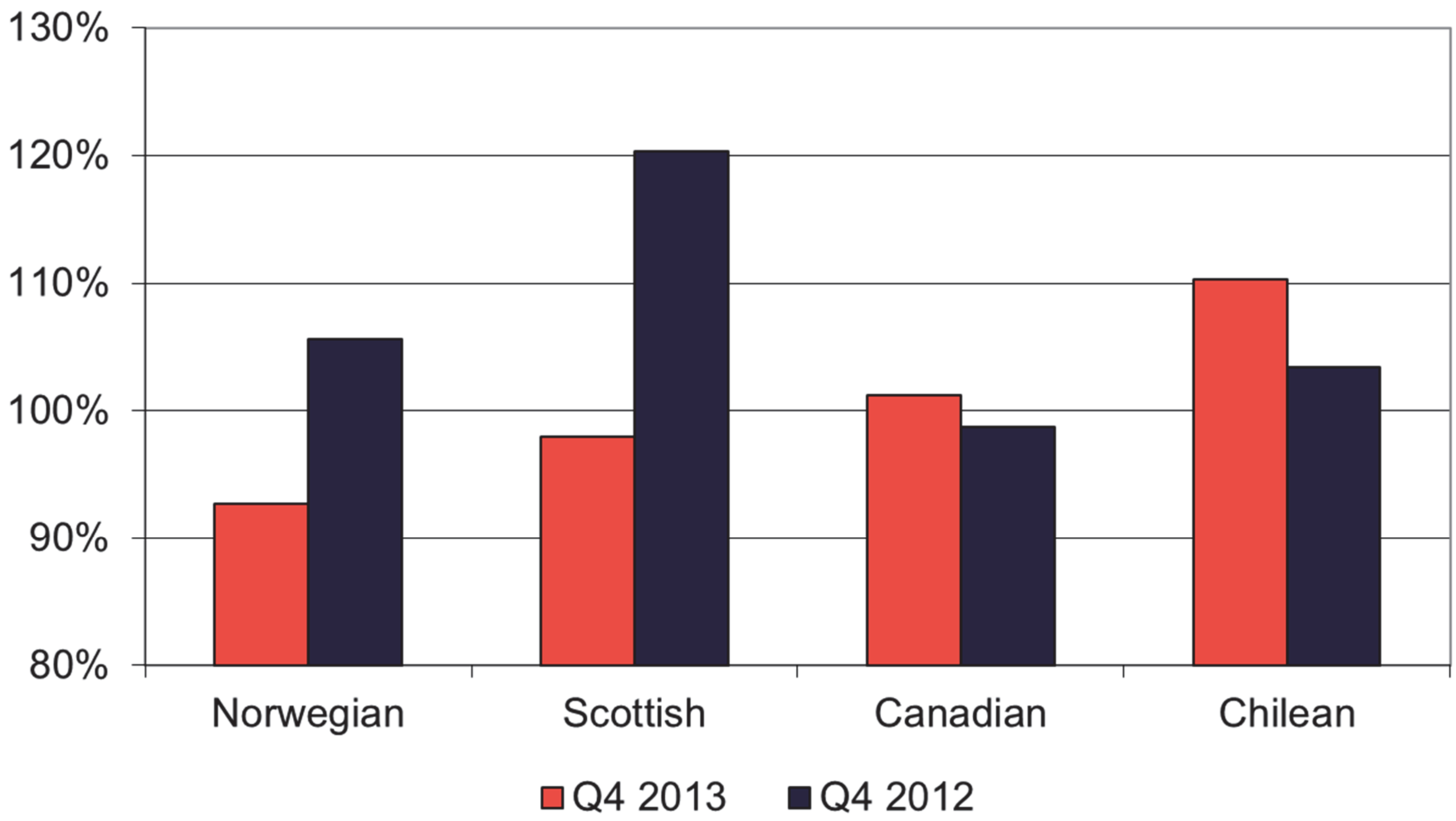
Notes in appendix

# Record high prices in Europe




- Global supply growth ~4%
- Strong prices in all markets
- Price of Canadian salmon in Seattle outperformed Chilean salmon in Miami

# Price achievement by origin

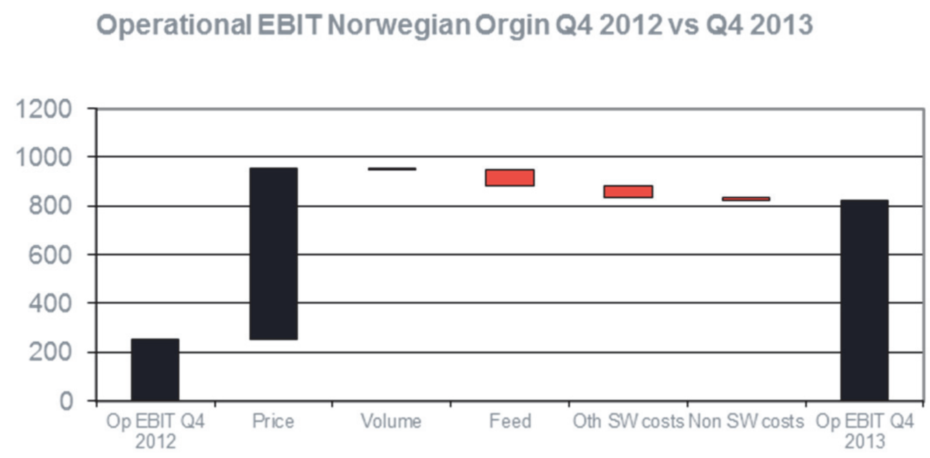



| | Norwegian | Scottish | Canadian | Chilean |
|---|---|---|---|---|
| **Contract share** | 36% | 73% | 0% | 27% |
| **Superior share** | 92% | 90% | 88% | 91% |

Note: Q3 2013 average price achievement is measured versus reference prices in all markets (Norway/Faroes (NOS), Scotland (NOS+ NOK 2.89), Canada (UB Seattle), Chile (UB Miami))

# Norway

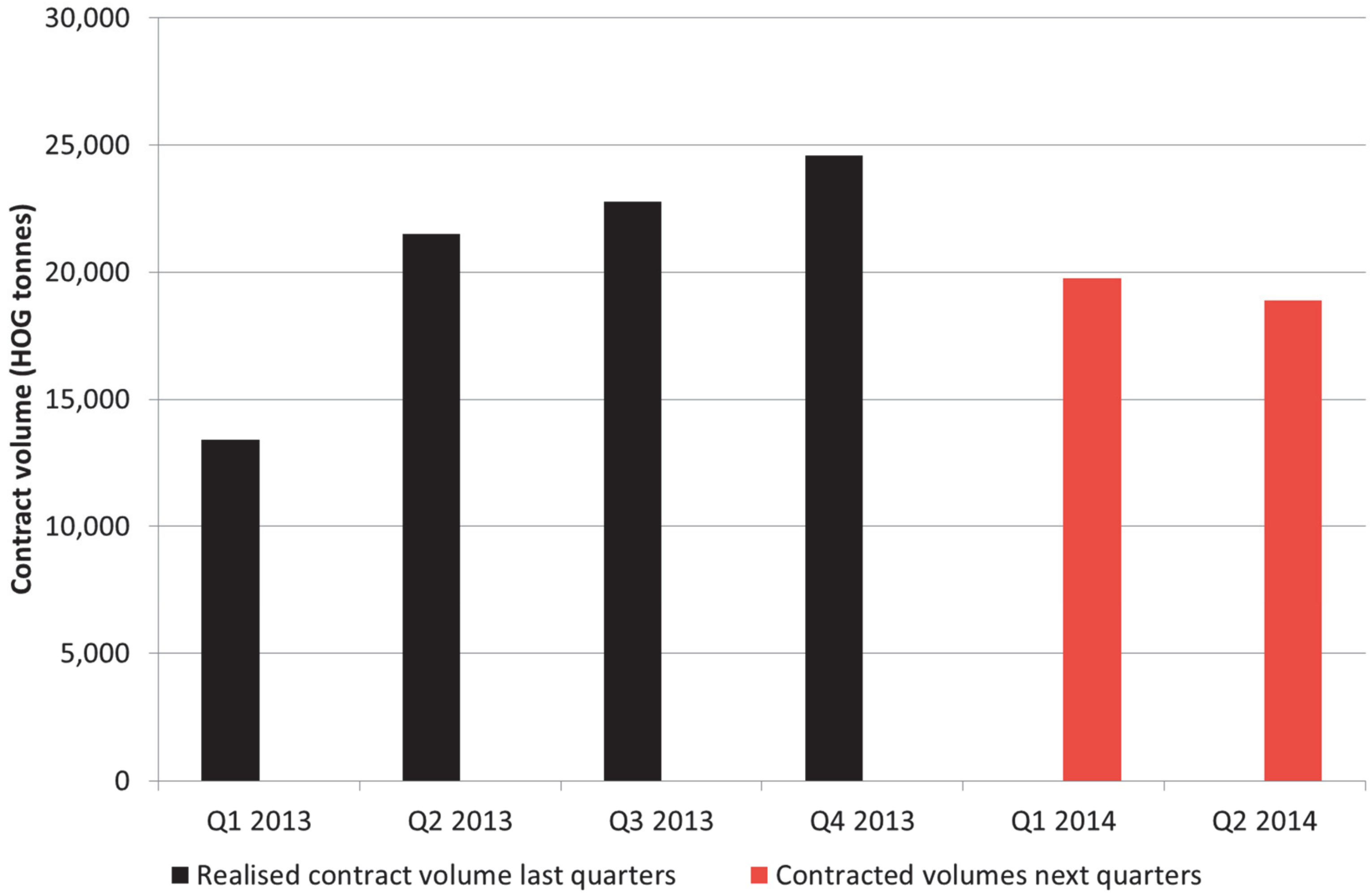
| SALMON OF NORWEGIAN ORIGIN<br>NOK million | Q4 2013 | Q4 2012 |
|---|---|---|
| **Operational EBIT** | **825** | **254** |
| Harvest volume | 68 581 | 70 061 |
| **Operational EBIT per kg** | **12.03** | **3.62** |
| - of which MH Markets | 0.64 | 0.88 |
| - of which MH VAP Europe | -0.35 | 0.14 |
| - of which Morpol Processing | 0.23 | na |
| Exceptional items incl in op. EBIT | -80 | -41 |
| Exceptional items per kg | -1.17 | -0.59 |
| *Price achievement/reference price* | *93%* | *106%* |
| *Contract coverage* | *36%* | *29%* |
| *Superior share* | *92%* | *93%* |




- Strong market led to significant margin improvement
  - Price achievement negatively impacted by sales contracts
- Increased costs
  - High feed cost
- High sea lice awareness

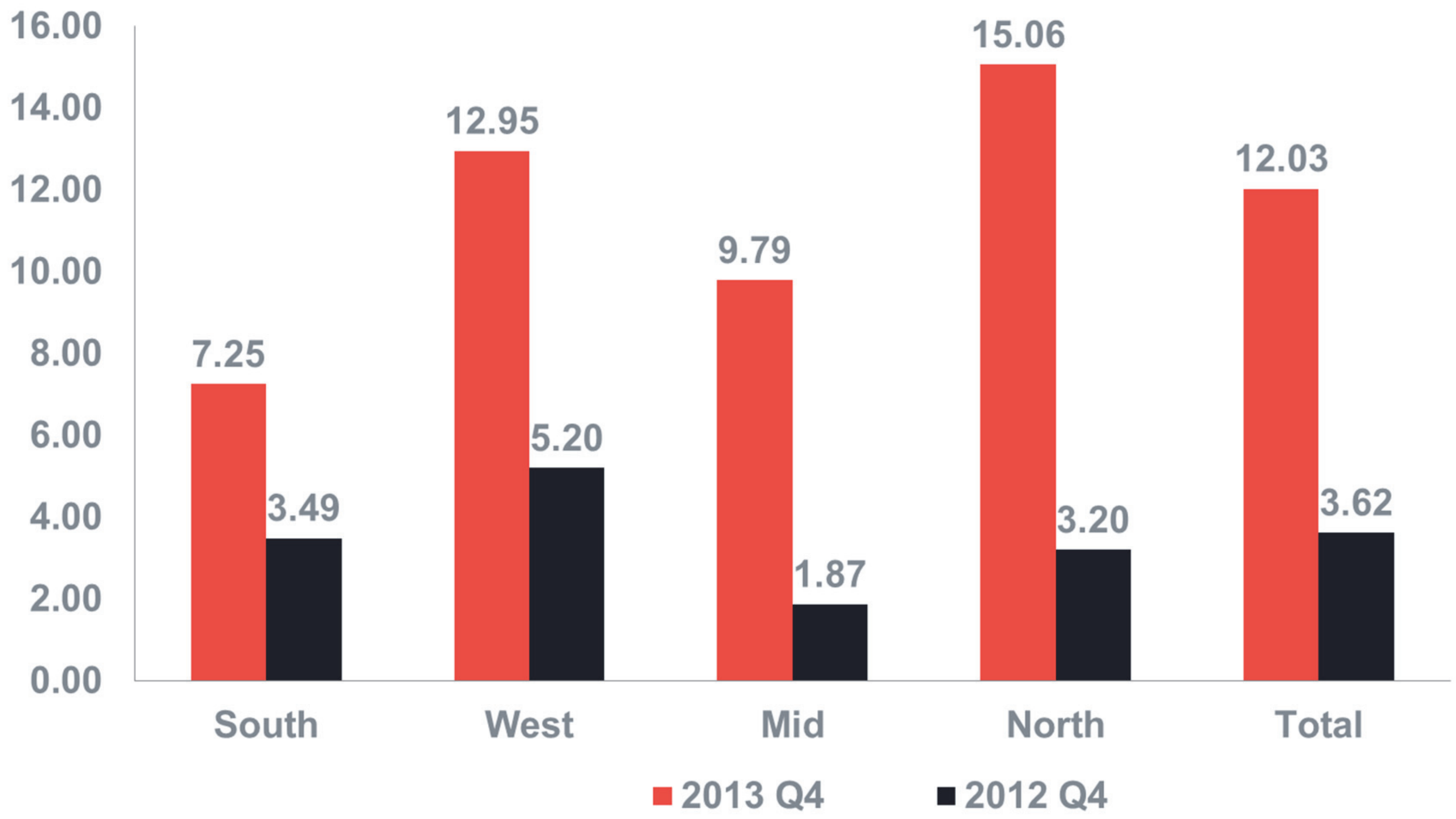
Note: Details on Nova Sea listed in appendix

# Norway: Sales contract portfolio




Note: Marine Harvest Norway's fixed price/fixed volume contracts with third party customers and MH's processing entities. MH's processing entities covers a large proportion of their sales exposure through third party end product contracts.

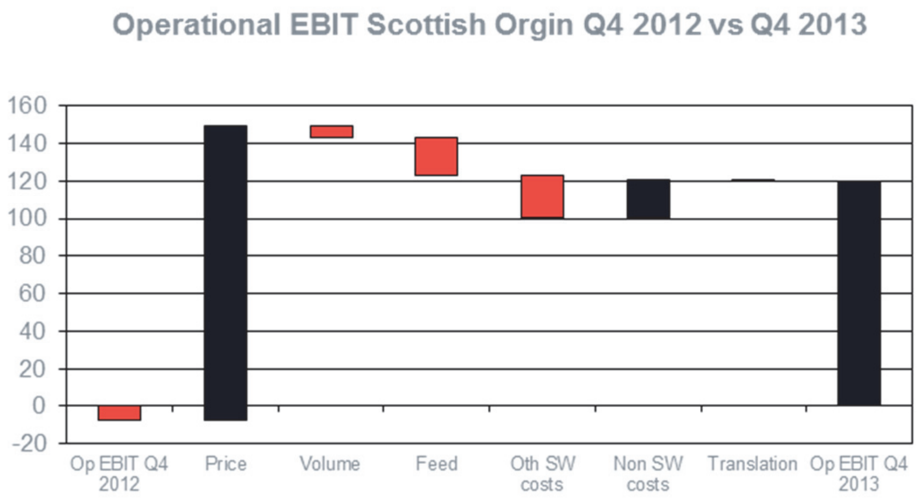
# Norway: Operational EBIT/kg per region




Including contribution from Sales and Marketing

# Scotland

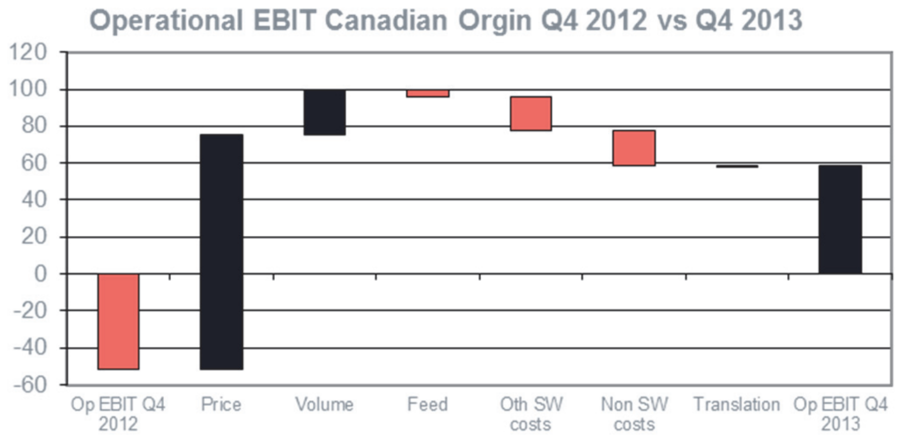
| SALMON OF SCOTTISH ORIGIN<br>NOK million | Q4 2013 | Q4 2012 |
|---|---|---|
| **Operational EBIT** | **120** | **- 8** |
| Harvest volume | 11 716 | 6 718 |
| **Operational EBIT per kg** | **10.23** | **-1.14** |
| - of which MH Markets | 2.99 | 0.36 |
| - of which MH VAP Europe | -0.26 | 0.12 |
| - of which Morpol Processing | 0.65 | na |
| Exceptional items incl in op. EBIT | - 17 | 0 |
| Exceptional items per kg | -1.49 | 0.00 |
| *Price achievement/reference price* | *98%* | *120%* |
| *Contract coverage* | *73%* | *77%* |
| *Superior share* | *90%* | *97%* |




- Strong price achievement despite high contract coverage
- 15% higher feed costs despite improved feed conversion ratio
- Other seawater costs impacted by early harvest due to AGD (one site)
- Non-seawater costs positively impacted by fixed cost dilution

# Canada

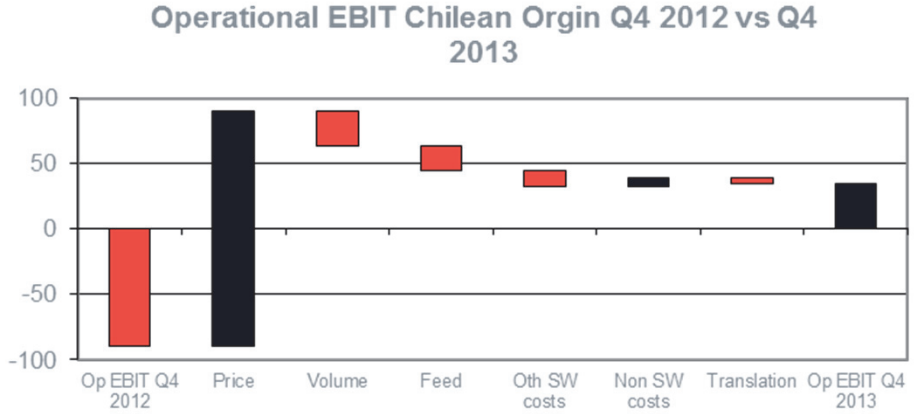
| SALMON OF CANADIAN ORIGIN<br>NOK million | Q4 2013 | Q4 2012 |
|---|---|---|
| **Operational EBIT** | **58** | **- 52** |
| Harvest volume | 5 726 | 10 753 |
| **Operational EBIT per kg** | **10.20** | **-4.81** |
| - of which MH Markets | 1.86 | 0.92 |
| - of which MH VAP Europe | 0.00 | 0.00 |
| - of which Morpol Processing | 0.00 | na |
| Exceptional items incl in op. EBIT | -2 | -10 |
| Exceptional items per kg | -0.43 | -0.92 |
| *Price achievement/reference price* | *101%* | *99%* |
| *Contract coverage* | *0%* | *4%* |
| *Superior share* | *88%* | *83%* |




- 83% increase in market prices for Canadian salmon in the quarter
  - 100% spot exposure
- Higher biological costs and adverse effect from fixed cost dilution

# Chile

| SALMON OF CHILEAN ORIGIN<br>NOK million | Q4 2013 | Q4 2012 |
|---|---|---|
| **Operational EBIT** | **35** | **- 90** |
| Harvest volume | 14 136 | 11 005 |
| **Operational EBIT per kg** | **2.48** | **-8.17** |
| - of which MH Markets | 1.15 | -0.16 |
| - of which MH VAP Europe | 0.00 | 0.00 |
| - of which Morpol Processing | 0.00 | na |
| Exceptional items incl in op. EBIT | -1 | -26 |
| Exceptional items per kg | -0.06 | -2.36 |
| *Price achievement/reference price* | *110%* | *103%* |
| *Contract coverage* | *27%* | *22%* |
| *Superior share* | *91%* | *86%* |




- Increased market prices and strong price achievement in the quarter
  - Price of Chilean salmon however lagging Canadian in the US market
- Very high costs in the quarter due to tough biological conditions
  - USD 5.0 per kg HOG in box
- Biological concerns remain

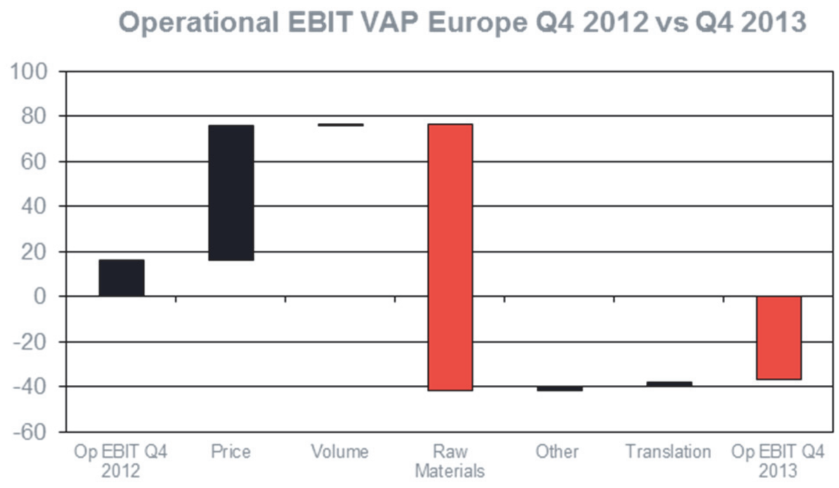
# Ireland and Faroes

| SALMON OF IRISH ORIGIN<br>NOK million | Q4 2013 | Q4 2012 |
|---|---|---|
| **Operational EBIT** | **- 36** | **- 10** |
| Harvest volume | 1 345 | 2 736 |
| **Operational EBIT per kg** | **-26.76** | **-3.55** |
| - of which MH Markets | 0.03 | 0.05 |
| - of which MH VAP Europe | -0.22 | 0.22 |
| - of which Morpol Processing | 0.00 | na |
| Exceptional items incl in op. EBIT | -23 | -23 |
| Exceptional items per kg | -16.76 | -8.33 |
| *Price achievement/reference price* | *na* | *na* |
| *Contract coverage* | *93%* | *92%* |
| *Superior share* | *78%* | *93%* |

| SALMON OF FAROESE ORIGIN<br>NOK million | Q4 2013 | Q4 2012 |
|---|---|---|
| **Operational EBIT** | **27** | **13** |
| Harvest volume | 1 874 | 1 943 |
| **Operational EBIT per kg** | **14.48** | **6.45** |
| - of which MH Markets | 0.06 | 0.55 |
| - of which MH VAP Europe | 0.00 | 0.01 |
| - of which Morpol Processing | 0.00 | na |
| Exceptional items incl in op. EBIT | 0 | 0 |
| Exceptional items per kg | 0.00 | 0.00 |
| *Price achievement/reference price* | *95%* | *101%* |
| *Contract coverage* | *4%* | *21%* |
| *Superior share* | *98%* | *96%* |

# Value Added Products Europe (VAP Europe)

| MH VAP EUROPE<br>NOK million | Q4 2013 | Q4 2012 |
|---|---|---|
| Operating revenues | 1 359 | 1 140 |
| **Operational EBIT** | **- 37** | **16** |
| Operatonal EBIT % | -2.7% | 1.4% |
| Volume sold (tonnes product weight) | 17 247 | 17 084 |
| Exceptional items | 0 | 0 |
| *Volume share salmon* | *64%* | *62%* |
| *Revenue share salmon* | *72%* | *68%* |
| *Gross margin share salmon* | *63%* | *70%* |




- Poor performance in the quarter
  - Inability to pass through higher raw material costs
  - Strike hampered optimal Christmas sales
- High structural costs being addressed
  - Restructuring programme will yield cost improvements from 2H 2014

# Morpol Processing

| MORPOL PROCESSING NOK million | Q4 2013 |
|---|---|
| Operating revenues | 1 357 |
| **Operational EBIT** | **64** |
| Operatonal EBIT % | 4.7% |
| Volume sold (tonnes product weight) | 27 738 |
| Exceptional items | 0 |
| *Volume share salmon* | *90%* |
| *Revenue share salmon* | *88%* |

- Strong performance despite very high market prices
  - Raw material break even price of ~NOK 44 in the quarter
  - Strong cost performance in the quarter

- Q1 2014 profitability challenged by current high raw material price

Please see historic figures for Morpol in appendix

# Fish feed project proceeding according to plan

- 220 thousand tonnes capacity – 60% of MHG requirement in Norway(1)
- ~NOK 800m investment - Completion July 2014

Notes: (1) Based on 2014 harvest volume estimate

# Fourth Quarter 2013
# Financials, Harvest Volumes and Markets

# Profit and Loss

| Marine Harvest Group<br>NOK million | Q4. 13 | Q4. 12 | 2013 | 2012 |
|---|---|---|---|---|
| **Operational revenue and other income** | **6 743** | **4 071** | **19 230** | **15 569** |
| **Operational EBIT** [1)] | **1 034** | **64** | **3 210** | **643** |
| Unrealised gains on salmon derivatives | -12 | -19 | -30 | -106 |
| Fair value adjustment on biological assets | 1 155 | 402 | 1 825 | 350 |
| Onerous contracts provisions | - 142 | - 25 | - 125 | - 6 |
| Restructuring costs | - 34 | 0 | - 273 | - 1 |
| Non-operational legal issues | 0 | 0 | - 74 | 0 |
| Income/loss from associated companies | 116 | 30 | 222 | 88 |
| Impairment losses | - 57 | 3 | - 65 | - 1 |
| **EBIT** | **2 059** | **455** | **4 690** | **969** |
| Net financial items | -385 | 58 | -1,205 | -180 |
| **Earnings before tax** | **1 674** | **513** | **3 486** | **789** |
| **Profit or loss for the period** | **1 310** | **289** | **2 541** | **413** |
| Underlying EPS as of 31.12 2013 (NOK) [2)] | 0.18 | -0.01 | 0.54 | 0.06 |
| Net cash flow per share as of 31.12.2013 (NOK) [3)] | -0.19 | -0.09 | -0.04 | 0.26 |
| Underlying EPS - after reverse split (10:1) (NOK) [2)] | 1.83 | -0.09 | 5.37 | 0.63 |
| Net cash flow per share - after reverse split (NOK) [3)] | -1.92 | -0.86 | -0.41 | 2.55 |
| Operational EBIT margin | 15.3% | 1.6% | 16.7% | 4.1% |
| Harvest volume, HOG tonnes (salmonids) | 103 378 | 103 215 | 343 772 | 392 306 |
| Operational EBIT per kg incl margin from Sales and Marketing [2)] | 10.26 | 1.05 | 9.76 | 1.95 |
| ROCE [3)] | 20.3 % | 2.0 % | 18.2 % | 3.9 % |

1) Adjusted for unrelised gains/losses from salmon derivatives, fair value adjustment of biomass, onerous contracts provisions, income/loss from associated companies, restructuring costs and w rite-dow ns of fixed assets/intangibles.

2) Operational EBIT including contribution from Sales and Marketing divident by harvest volume (HOG tonnes, salmonids), excluding Sterling Halibut, Headquarter and Holding companies

3) ROCE: Annualised return on average capital employed based on EBIT excluding fair value adjustment of biomass and onerous contracts provisions /average (NIBD + Equity)

4) Underlying EPS: Operational EBIT adjusted for accrued payable interest, w ith estimated w eighted tax rate

5) Net cash flow per share: Cash flow from operations and investments, net financial items paid and realised currency effects

# Financial Position

| Marine Harvest Group<br>NOK million | 31.12.2013 | 31.12.2012 |
|---|---|---|
| Non-current assets | 16 469 | 13 580 |
| Current assets | 16 086 | 9 738 |
| Assets held for sale | 1 046 | 0 |
| **Total assets** | **33 601** | **23 317** |
| Equity | 16 372 | 11 689 |
| Non-current liabilities | 11 721 | 8 297 |
| Current liabilities | 5 320 | 3 332 |
| Liabilities held for sale | 188 | 0 |
| **Total equity and liabilities** | **33 601** | **23 317** |
| Net interest-bearing debt | 7 797 | 5 381 |
| NIBD/Equity | 47.6% | 46.0% |
| Equity ratio | 48.7% | 50.1% |

- NIBD/Equity within target of less than 50%

# Cash Flow and Net Interest Bearing Debt

| Marine Harvest Group<br>NOK million | Q4. 13 | Q4. 12 | 2013 | 2012 |
|---|---|---|---|---|
| **NIBD beginning of period** | **-7 882** | **-5 005** | **-5 381** | **-6 467** |
| Operational EBITDA | **1 269** | **234** | **3 972** | **1 321** |
| Change in working capital | **-1 236** | **- 373** | **-1 787** | **472** |
| Taxes paid | **- 69** | **- 22** | **- 116** | **- 123** |
| Other adjustments | **- 15** | **- 8** | **- 89** | **- 117** |
| **Cash flow from operations** | **- 51** | **- 169** | **1 982** | **1 553** |
| Capex | **- 590** | **- 239** | **-1 901** | **- 662** |
| Other investments | **- 272** | **- 424** | **- 851** | **- 395** |
| **Cash flow from investments** | **- 862** | **- 663** | **-2 752** | **-1 058** |
| Net interest and financial items paid | **- 158** | **- 63** | **- 527** | **- 302** |
| Other items | **- 164** | **56** | **63** | **145** |
| Bonds converted to equity | **1 783** | **0** | **1 783** | **0** |
| Dividend distributed | **- 277** | **0** | **- 826** | **0** |
| NIBD from consolidation of Morpol | **0** | **0** | **-1 681** | **0** |
| Net equity paid-in / Purchase own shares | **0** | **425** | **0** | **425** |
| Translation effect on interest-bearing debt | **- 187** | **38** | **- 543** | **323** |
| **NIBD end of period** | **-7 797** | **-5 381** | **-7 882** | **-5 381** |
| Debt distribution [1)]: | | | | |
| EUR | 62% | 79% | 62% | 79% |
| USD | 14% | 14% | 14% | 14% |
| GBP | 4% | 4% | 4% | 4% |
| Other currencies | 20% | 3% | 20% | 3% |

(1) Debt distribution including effect of cross currency swaps.
(2) Currency effect on debt in Q4 is NOK 187 million.

# 2014 Cash Flow Guidance and Financing Update

- 2014 cash flow estimates
  - Working capital buildup NOK 800m
    - Requirements for commencing operations in feed plant
    - Organic growth farming – Scotland and Canada
  - Capital expenditures NOK 1,700m
    - NOK 1,000m – Maintenance
    - NOK 500m – Structural investments – organic growth and strengthen assets
    - NOK 200m - Feed plant in Norway
  - Interest expenses NOK 400m
  - Tax payables NOK 280m
- Quarterly dividend of NOK 1.2 per share (post 10:1 reverse split)
- 2014 NIBD target to be set in Q1 report
- Bank facilities to be refinanced during 1H 2013 (see appendix)

Due to seawater growth patterns, WC is highly seasonal
Slow seawater growth in 1H leads to working capital release and high seawater growth in 2H leads to working capital build up

# Supply development Q4 2013

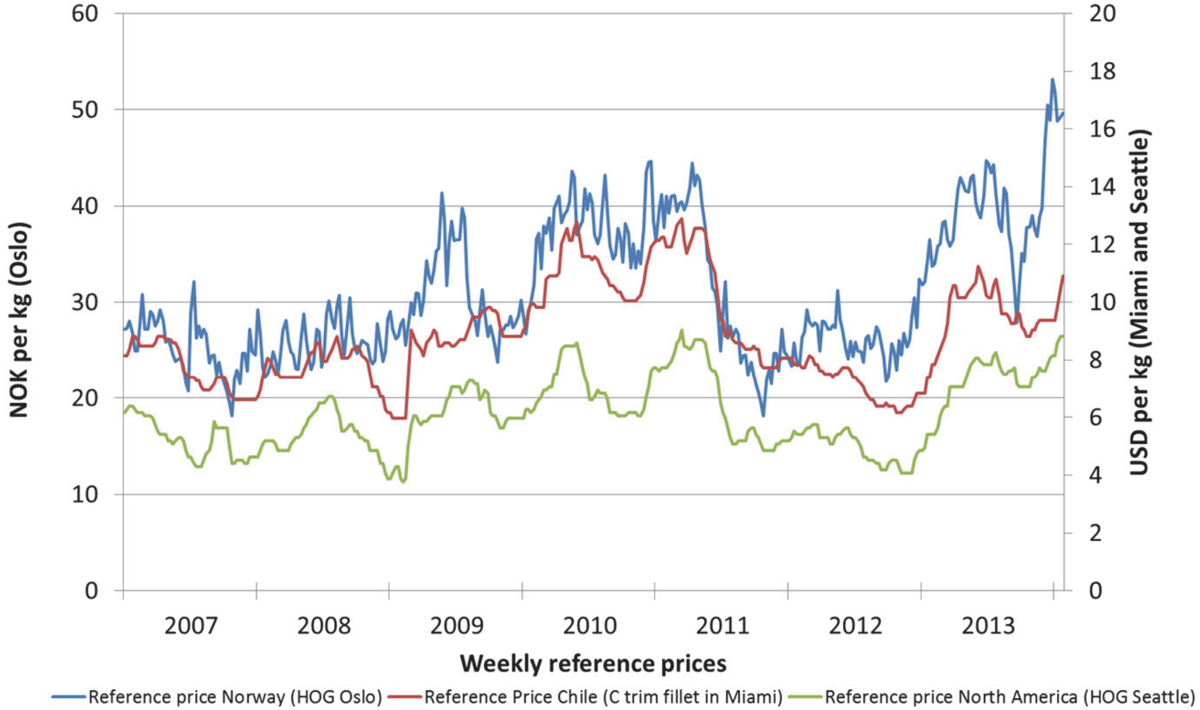
| | Estimated volumes Q4 2013 | Estimated volumes Q4 2012 | Compared to Q4 2012 Volume | Compared to Q4 2012 % | Est. volumes Q3 2013 |
|---|---|---|---|---|---|
| **Suppliers** | | | | | |
| Norway | 308,800 | 304,200 | 4,600 | 1.5% | 255,500 |
| Chile | 115,700 | 96,100 | 19,600 | 20.4% | 101,500 |
| Scotland | 41,100 | 35,500 | 5,600 | 15.8% | 36,200 |
| North America | 28,300 | 37,500 | -9,200 | -24.5% | 29,400 |
| Faroe Islands | 17,400 | 18,400 | -1,000 | -5.4% | 15,600 |
| Australia | 9,600 | 9,300 | 300 | 3.2% | 7,600 |
| Ireland | 2,500 | 3,900 | -1,400 | -35.9% | 2,200 |
| Other | 4,100 | 3,900 | 200 | 5.1% | 3,700 |
| **Sum** | **527,500** | **508,800** | **18,700** | **3.7%** | **451,700** |
| Europe | 369,800 | 362,000 | 7,800 | 2.2% | 309,500 |
| Americas | 144,000 | 133,600 | 10,400 | 7.8% | 130,900 |

Source: Kontali

- 4% increase in global harvest volumes – in line with expectations
  - 2% in Europe
  - 8% increase in the Americas

**Note:** (1) Atlantic Salmon (HOG tons)

# Development in reference prices




| Reference prices | Q4 2013 NOK | Change vs Q4 2012 | Q4 2013 Market (4) | Change vs Q4 2012 |
|---|---|---|---|---|
| Norway (1) | NOK 40.97 | 55.9% | EUR 4.98 | 39.5% |
| Chile (2) | NOK 55.45 | 52.3% | USD 9.16 | 43.1% |
| North America (3) | NOK 45.26 | 82.8% | USD 7.48 | 71.7% |

**Notes:**
(1) Average superior HOG price per kg (FCA Oslo)
(2) Average C trim price per kg (Urner Barry Miami 2-3 lb), equivalent to NOK 36.0 and USD 6.0 HOG
(3) Average superior HOG price per kg (Urner Barry Seattle 10-12 lb)
(4) Market price in local currency

# Global volume by market

| Markets | Estimated volumes Q4 2013 | Estimated volumes Q4 2012 | Compared to Q4 2012 Volume | Compared to Q4 2012 % | Est.volumes Q3 2013 | Estimated volumes 2013 | Estimated volumes 2012 |
|---|---|---|---|---|---|---|---|
| EU | 236,900 | 233,600 | 3,300 | 1.4% | 208,600 | 818,500 | 825,600 |
| USA | 85,800 | 79,500 | 6,300 | 7.9% | 79,400 | 336,900 | 310,100 |
| Russia | 45,500 | 48,200 | -2,700 | -5.6% | 32,800 | 144,200 | 154,400 |
| Brasil | 22,400 | 20,800 | 1,600 | 7.7% | 20,100 | 76,000 | 56,700 |
| China / Hong Kong | 17,800 | 15,500 | 2,300 | 14.8% | 16,300 | 59,400 | 53,700 |
| Japan | 17,700 | 13,800 | 3,900 | 28.3% | 13,200 | 53,300 | 56,800 |
| South Korea/Taiwan | 8,500 | 10,400 | -1,900 | -18.3% | 8,400 | 34,200 | 32,400 |
| Ukraina | 6,900 | 9,500 | -2,600 | -27.4% | 6,600 | 28,000 | 23,900 |
| **Sum main markets** | **441,500** | **431,300** | **10,200** | **2.4%** | **385,400** | **1,550,500** | **1,513,600** |
| Other markets | 84,000 | 75,100 | 8,900 | 11.9% | 69,200 | 284,000 | 273,900 |
| **Total all markets** | **525,500** | **506,400** | **19,100** | **3.8%** | **454,600** | **1,834,500** | **1,787,500** |
| | | | | | | | |
| Inflow to US from Europe | 25,400 | 16,200 | 9,200 | 56.8% | 19,600 | 82,200 | 67,400 |
| Inflow to EU from Chile | 9,500 | 8,500 | 1,000 | 11.8% | 12,300 | 46,600 | 24,300 |
| Inflow to Russia from Chile | 8,200 | 3,500 | 4,700 | 134.3% | 5,230 | 25,600 | 5,400 |

Source: Kontali

- EU growth in line European supply growth
- Very strong demand in the US markets
  - Import from Europe increasing for the first time in several quarters
- Russian consumers sensitive to current high prices
- Generally good demand in South America and Asia

**Note:** Atlantic Salmon (HOG tons)

# Industry supply outlook

| HOG tonnes (thousands) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Estimates 2014 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Low | Y/Y growth | High | Y/Y growth |
| Norway | 667 | 770 | 850 | 905 | 1065 | 1029 | 1,110 | 8% | 1,150 | 12% |
| Chile | 363 | 215 | 117 | 199 | 328 | 421 | 400 | -5% | 430 | 2% |
| North America | 125 | 124 | 126 | 124 | 140 | 122 | 120 | -1% | 130 | 7% |
| UK | 123 | 130 | 129 | 139 | 143 | 142 | 130 | -8% | 140 | -1% |
| Other | 69 | 88 | 89 | 103 | 121 | 121 | 120 | -1% | 125 | 3% |
| **Total** | **1,347** | **1,328** | **1,310** | **1,471** | **1,797** | **1,836** | **1,880** | **2%** | **1,975** | **8%** |

| HOG tonnes (thousands) | Q1 2008 | Q1 2009 | Q1 2010 | Q1 2011 | Q1 2012 | Q1 2013 | ESTIMATES Q1 2014 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Low | Q/Q growth | High | Q/Q growth |
| Norway | 155 | 163 | 196 | 190 | 242 | 232 | 235 | 1% | 245 | 6% |
| Chile | 80 | 92 | 30 | 33 | 67 | 109 | 105 | -4% | 110 | 1% |
| North America | 30 | 30 | 31 | 26 | 34 | 32 | 28 | -13% | 30 | -7% |
| UK | 29 | 27 | 32 | 30 | 35 | 28 | 25 | -12% | 27 | -5% |
| Other | 15 | 21 | 19 | 23 | 31 | 31 | 30 | -2% | 32 | 5% |
| **Total** | **308** | **333** | **307** | **303** | **408** | **433** | **423** | **-2%** | **444** | **3%** |

| HOG tonnes (thousands) | Q2-Q4 2008 | Q2-Q4 2009 | Q2-Q4 2010 | Q2-Q4 2011 | Q2-Q4 2012 | Q2-Q4 2012 | ESTIMATES Q2-Q4 2013 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Low | Q/Q growth | High | Q/Q growth |
| Norway | 512 | 607 | 654 | 715 | 823 | 797 | 875 | 10% | 905 | 14% |
| Chile | 283 | 123 | 86 | 166 | 261 | 312 | 295 | -5% | 320 | 3% |
| North America | 95 | 95 | 95 | 98 | 107 | 89 | 92 | 3% | 100 | 12% |
| UK | 94 | 103 | 97 | 109 | 109 | 114 | 105 | -8% | 113 | -1% |
| Other | 54 | 68 | 69 | 80 | 90 | 91 | 90 | -1% | 93 | 2% |
| **Total** | **1,038** | **995** | **1,003** | **1,168** | **1,389** | **1,403** | **1,457** | **4%** | **1,531** | **9%** |

Actual harvest volumes will be affected by e.g. water temperatures, development in biological growth, biological challenges such as diseases, algae blooms etc. and market developments.

# MHG – 2014 volume guidance

| **Salmon species** *HOG tons (1000)* | **Q1 2013** *Actual* | **Q2 2013** *Actual* | **Q3 2013** *Actual* | **Q4 2013** *Actual* | **2013** *Actual* | **Q1 2014** *Estimate* | **Q2-Q4 2014** *Estimate* | **2014** *Estimate* |
|---|---|---|---|---|---|---|---|---|
| **Norway** | **47** | **54** | **53** | **69** | **222** | **47** | **208** | **255** |
| Growth % | -25% | -16% | -9% | -2% | -13% | -1% | 18% | 14% |
| **Chile (1)** | **8** | **0** | **6** | **14** | **28** | **15** | **42** | **56** |
| Growth % | -15% | -100% | -40% | 28% | -30% | 76% | 107% | 98% |
| **Canada** | **12** | **9** | **6** | **6** | **33** | **6** | **22** | **28** |
| Growth % | 15% | -16% | -25% | -47% | -18% | -51% | 6% | -15% |
| **Scotland** | **10** | **13** | **14** | **12** | **48** | **10** | **40** | **50** |
| Growth % | 4% | 17% | 6% | 74% | 20% | 5% | 2% | 2% |
| **Other Units** | **3** | **4** | **2** | **3** | **12** | **3** | **15** | **17** |
| Growth % | -39% | 2% | -45% | -31% | -29% | -7% | 63% | 47% |
| **Total** | **80** | **79** | **81** | **103** | **344** | **80** | **325** | **405** |
| Growth % | -17% | -20% | -13% | 0% | -12% | 0% | 23% | 18% |

- Assets to be divested in Shetland and Orkneys are excluded from the figures

Actual harvest volumes will be affected by e.g. water temperatures, development in biological growth, biological challenges such as diseases, algae blooms etc. and market developments.

# Outlook

- Strong market poses attractive 2014 net cash flow opportunity
  - Forward prices of NOK 38.5 per kg for Q2-Q4 2014
  - However, higher 2H 2014 supply growth year on year
- Relatively high investments in 2014 to cater for organic growth
- Strategic focus areas
  - Successful development of green-field feed capacity
  - Acquisitions in Norway and Chile
  - Integration of Morpol
- High sea lice awareness in Norway – Chile remains concerning
- Risk of adverse regulatory change in Norway somewhat reduced
- Quarterly dividend of NOK 1.2 per share (post 10:1 reverse split)

# Appendix

# Q1 contract coverage and sales contract policy

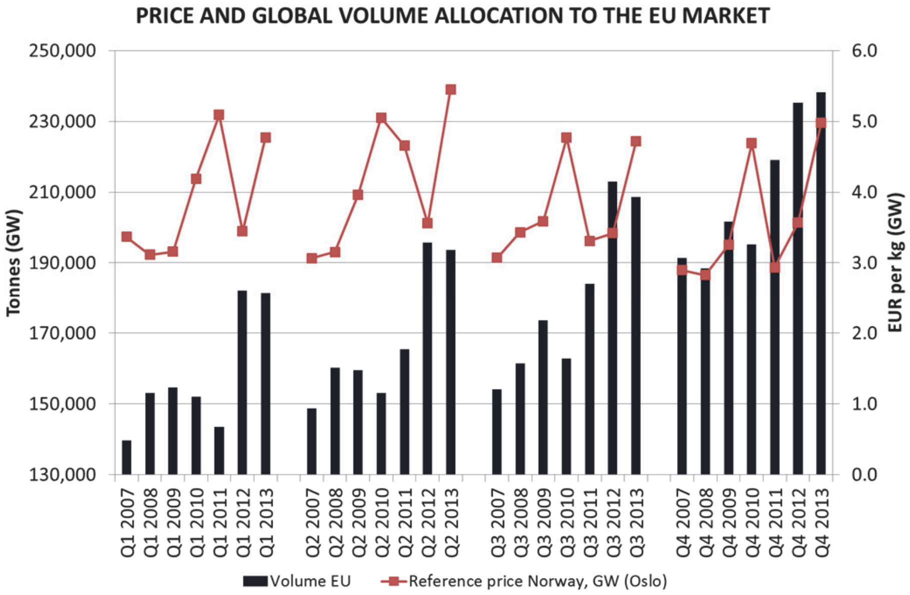
- Q1 2014 contract shares (% of guided volume):
  - Norway 42%
  - Scotland 69%
  - Canada 0%
  - Chile 36%

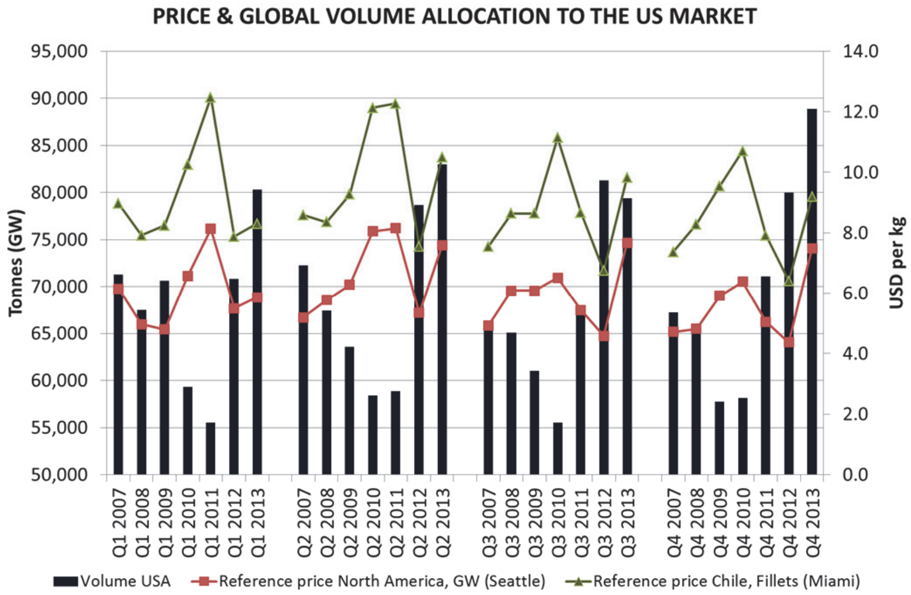
| SALES CONTRACT POLICY | Min hedging rate (1) | Max hedging rate (1) |
|---|---|---|
| Norway (2) (3) | 22.5 % | 50.0 % |
| Chile (3) | 22.5 % | 50.0 % |
| Canada | 0.0 % | 30.0 % |
| Scotland | 40.0 % | 75.0 % |
| Ireland | 0.0 % | 30.0 % |
| Faroes | 0.0 % | 30.0 % |
| **Weighted average** | **22.1 %** | **50.8 %** |

**Note:**
(1) Hedging rates for the next quarter, limits dropping over time
(2) External and internal contract (including financial futures)
(3) Contract rate can be increased to 65% under special circumstances

- Contracts typically have a duration of 3-12 months
  - Contracts are entered into on a regular basis
  - Policy opens for contracts of up to 36 month duration

# Development in reference prices

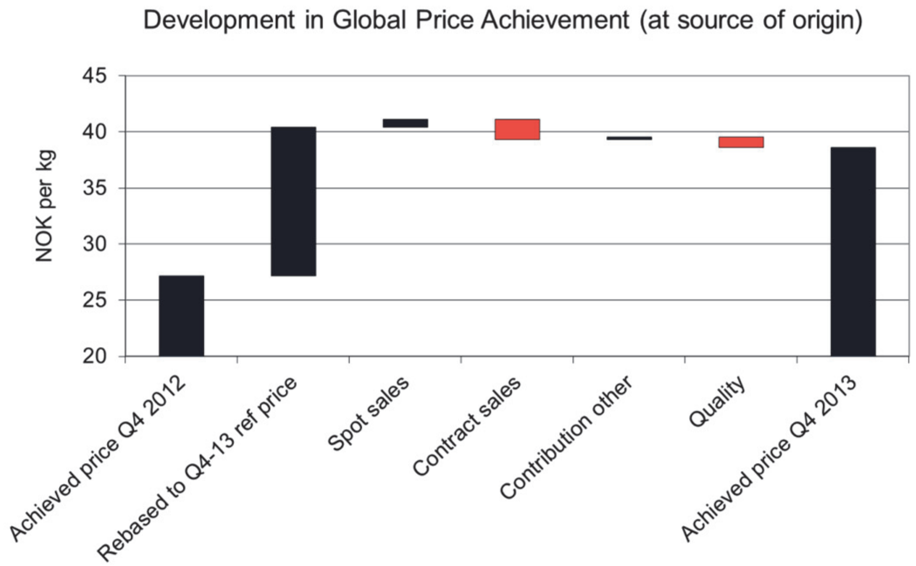


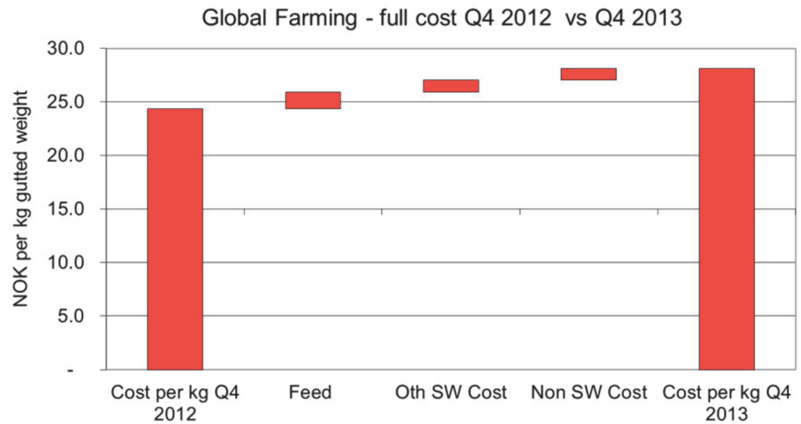




| Reference prices | Q4 2013 NOK | Change vs Q4 2012 | Q4 2013 Market (4) | Change vs Q4 2012 |
|---|---|---|---|---|
| Norway (1) | NOK 40.97 | 55.9% | EUR 4.98 | 39.5% |
| Chile (2) | NOK 55.45 | 52.3% | USD 9.16 | 43.1% |
| North America (3) | NOK 45.26 | 82.8% | USD 7.48 | 71.7% |

**Notes:**
(1) Average superior HOG price per kg (FCA Oslo)
(2) Average C trim price per kg (Urner Barry Miami 2-3 lb), equivalent to NOK 36.0 and USD 6.0 HOG
(3) Average superior HOG price per kg (Urner Barry Seattle 10-12 lb)
(4) Market price in local currency

# Key performance indicators

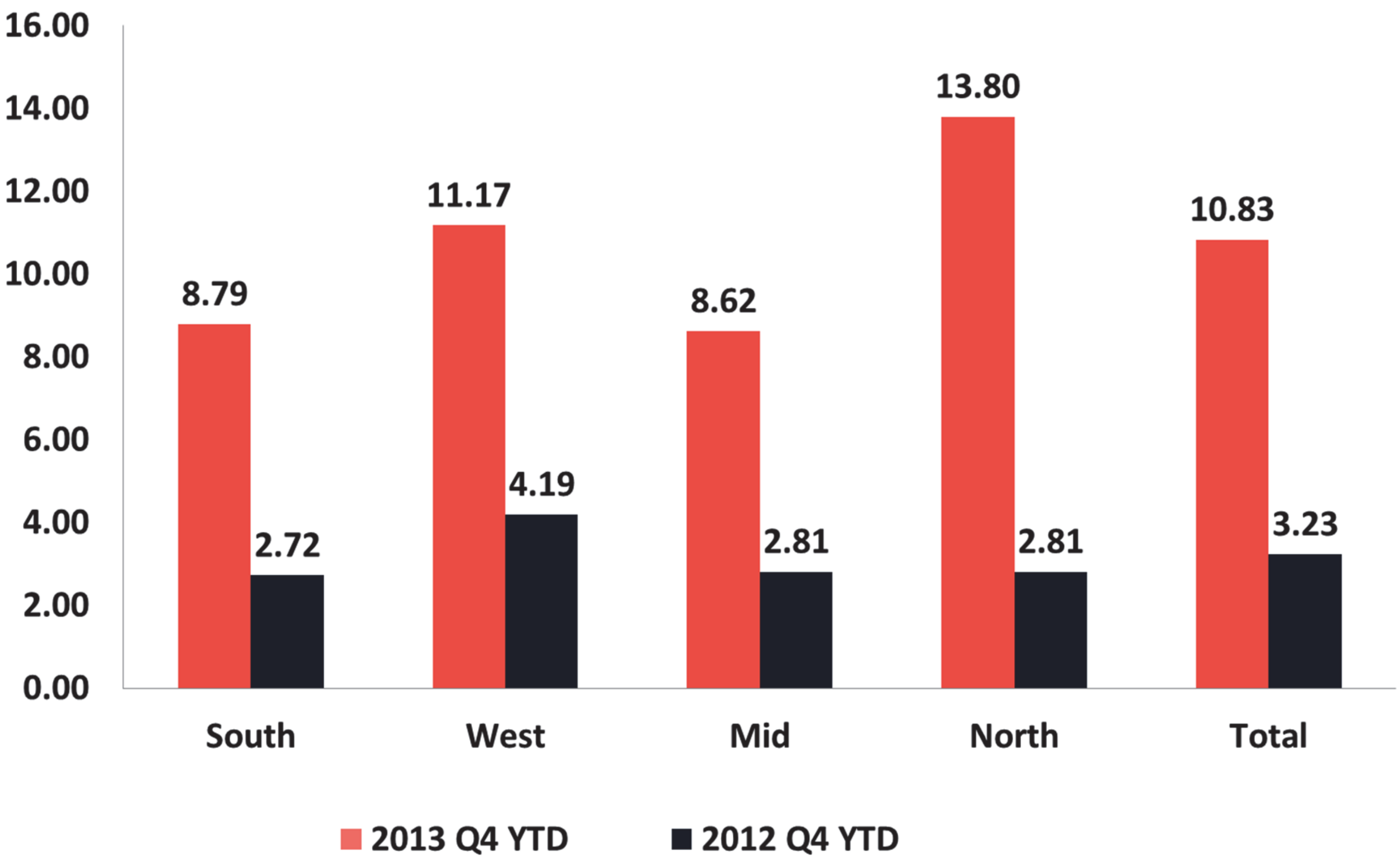



| Sales and Marketing | MH Markets Q4. 13 | MH VAP EUROPE Q4. 13 | MORPOL PROCESSING Q4. 13 |
|---|---|---|---|
| Operational revenues and other income | 4 518 | 1 359 | 1 357 |
| Operational EBIT | 106 | - 37 | 64 |
| **EBIT margin %** | **2.3%** | **-2.7%** | **4.7%** |

| | Q4. 13 | Q4. 12 |
|---|---|---|
| **Group EBIT per kg (NOK)** | 10.26 | 1.05 |
| - Contribution from Farming (NOK) | 8.97 | 0.22 |
| - Contribution from Markets (NOK) | 1.02 | 0.67 |
| - Contribution from VAP (NOK) | -0.36 | 0.16 |
| - Contribution from Morpol Processing (NOK) | 0.62 | na |
| Group Harvest Volume (k tonnes) | 103 378 | 103 215 |
| **Operational EBIT from source of origin (NOK m)** | 1 060 | 108 |
| Operational EBIT from other units (NOK m) | - 26 | - 44 |
| **Group operational EBIT** | 1 034 | 64 |

# Norway: Operational EBIT/kg per region YTD




Including contribution from Sales and Marketing

# Key financials

| Marine Harvest Group - main figures<br>NOK million | Q4. 13 | Q4. 12 | 2013 | 2012 |
|---|---|---|---|---|
| Operational revenue | **6 743** | 4 071 | 19 230 | 15 569 |
| Operational EBITDA [1)] | **1 269** | 234 | 3 972 | 1 321 |
| Operational EBIT [1)] | **1 034** | 64 | 3 210 | 643 |
| EBIT | **2 059** | 455 | 4 690 | 969 |
| Net financial items | **- 385** | 58 | -1 205 | - 180 |
| Profit or loss for the period | **1 310** | 289 | 2 541 | 413 |
| Cash flow from operations | **- 51** | - 169 | 1 982 | 1 553 |
| Total assets | **33 601** | 23 317 | 33 601 | 23 317 |
| Net interest-bearing debt (NIBD) | **7 797** | 5 381 | 7 797 | 5 381 |
| Earnings per share as of 31.12 2013 (NOK) | **0.34** | 0.08 | 0.67 | 0.11 |
| Underlying EPS as of 31.12 2013 (NOK) [2)] | **0.18** | -0.01 | 0.54 | 0.06 |
| Net cash flow per share as of 31.12.2013 (NOK) [3)] | **-0.19** | -0.09 | -0.04 | 0.26 |
| Earnings per share - after reverse split (10:1) (NOK) | **3.40** | 0.79 | 6.71 | 1.14 |
| Underlying EPS - after reverse split (10:1) (NOK) [2)] | **1.83** | -0.09 | 5.37 | 0.63 |
| Net cash flow per share - after reverse split (NOK) [3)] | **-1.92** | -0.86 | -0.41 | 2.55 |
| ROCE [4)] | **20.3%** | 2.0% | 18.2% | 3.9% |
| Equity ratio | **48.7%** | 50.1% | 48.7% | 50.1% |
| NIBD/Equity | **47.6%** | 46.0% | 47.6% | 46.0% |
| Harvest volume (gutted weight tonnes, salmon) | **103 378** | 103 215 | 343 772 | 392 306 |
| Operational EBIT - NOK per kg 5[)] | | | | |
| Norway | **12.03** | 3.62 | 10.83 | 3.23 |
| Scotland | **10.23** | -1.14 | 12.45 | 3.80 |
| Canada | **10.20** | -4.81 | 10.19 | -3.48 |
| Chile | **2.48** | -8.17 | -2.32 | -2.26 |

1) Excluding change in unrealised gains/losses from salmon derivatives, fair value adjustment of biomass, onerous contracts provisions, results from associated companies, restructuring costs, write-downs of fixed assets/intangibles and other non-operational items.

2) Underlying EPS: Operational EBIT adjusted for accrued payable interest, with estimated weighted tax rate.

3) Net cash flow per share: Cash flow from operations and investments, net financial items paid and realised currency effects (Purchase of shares in Morpol ASA and gain from the investment in Cermaq ASA are not included).

4) ROCE: Annualised return on average capital employed based on EBIT excluding fair value adjustment of biomass, onerous contracts provisions and other non-operational items / Average NIBD + Equity, excluding fair value adjustment of biomass, , onerous contracts provisions and, until fourth quarter, the investment in Morpol ASA,

5) Operational EBIT per kg including allocated margin from Sales and Marketing (from own salmon).

# Q4 segment overview

| Marine Harvest Group - analytical figures | SOURCES OF ORIGIN | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| NOK million | Norway | Scotland | Canada | Chile | Ireland | Faroes | Other [1)] | MH Group |
| **OPERATIONAL EBIT** | | | | | | | | |
| MH FARMING | 789 | 80 | 48 | 19 | - 36 | 27 | | 928 |
| MH SALES AND MARKETING | | | | | | | | |
| MH Markets | 44 | 35 | 11 | 16 | 0 | 0 | 0 | 106 |
| MH VAP Europe | - 24 | - 3 | 0 | 0 | 0 | 0 | - 10 | - 37 |
| Morpol Processing | 16 | 8 | 0 | 0 | 0 | 0 | 41 | 64 |
| SUBTOTAL | **825** | **120** | **58** | **35** | **- 36** | **27** | **31** | **1 060** |
| Other enities [2)] | | | | | | | -26 | - 26 |
| TOTAL | **825** | **120** | **58** | **35** | **- 36** | **27** | **5** | **1 034** |
| Harvest volume gutted weight tonnes (salmon) | 68 581 | 11 716 | 5 726 | 14 136 | 1 345 | 1 874 | | 103 378 |
| Operational EBIT per kg (NOK) [3)] | 12.03 | 10.23 | 10.20 | 2.48 | -26.76 | 14.48 | | 10.26 |
| - of which MH Markets | 0.64 | 2.99 | 1.86 | 1.15 | 0.03 | 0.06 | | 1.02 |
| - of which MH VAP Europe | -0.35 | -0.26 | 0.00 | 0.00 | -0.22 | 0.00 | | -0.36 |
| - of which Morpol Processing | 0.23 | 0.65 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.62 |
| Price achievement/reference price (%) [4)] | 93% | 98% | 101% | 110% | | 95% | | 95% |
| Contract coverage (%) [6)] | 36% | 73% | 0% | 27% | 93% | 4% | | 36% |
| Quality - superior share (%) [6)] | 92% | 90% | 88% | 91% | 78% | 98% | | 91% |
| Exceptional items (NOK million) [5)] | -80 | -17 | -2 | -1 | -23 | 0 | | -124 |
| Exceptional items per kg (NOK) [5)] | -1.17 | -1.49 | -0.43 | -0.06 | -16.76 | 0.00 | | -1.19 |
| **GUIDANCE** | | | | | | | | |
| Q1 2014 harvest volume gutted weight tonnes | 47 000 | 10 000 | 6 000 | 14 500 | 500 | 2 000 | | 80 000 |
| 2014 harvest volume gutted weight tonnes | 254 500 | 49 500 | 28 000 | 56 000 | 8 000 | 9 000 | | 405 000 |
| Q1 2014 contract share | 42% | 69% | 0% | 36% | 95% | na | | 45% |

1) Operational EBIT arising from non salmon speices and 3rd party fish not allocated to source of origin

2) Sterling White Halibut, Headquarter and Holding companies

3) Excluding Sterling White Halibut, Headquarter and Holding companies

4) MH Marktes' price achievement to third party, MH VAP Europe and Morpol Processing

5) Exceptional items impacting operational EBIT. Refer to Note 6 to theinterim financial statements for further details

6) Exluding Morpol

# 2013 segment overview

| Marine Harvest Group - analytical figures | SOURCES OF ORIGIN | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| NOK million | Norway | Scotland | Canada | Chile | Ireland | Faroes | Other [1)] | MH Group |
| **OPERATIONAL EBIT** | | | | | | | | |
| MH FARMING | 2 245 | 494 | 288 | - 78 | - 30 | 81 | | 3 001 |
| MH SALES AND MARKETING | | | | | | | | |
| MH Markets | 187 | 105 | 48 | 13 | 1 | 3 | - 10 | 347 |
| MH VAP Europe | - 37 | - 4 | 0 | 0 | - 1 | 0 | - 16 | - 58 |
| Morpol Processing | 16 | 8 | 0 | 0 | 0 | 0 | 41 | 64 |
| SUBTOTAL | **2 410** | **603** | **337** | **- 66** | **- 30** | **84** | **15** | **3 354** |
| Other enities [2)] | | | | | | | -144 | - 144 |
| TOTAL | **2 410** | **603** | **337** | **- 66** | **- 30** | **84** | **- 129** | **3 210** |
| Harvest volume gutted weight tonnes (salmon) | 222 494 | 48 389 | 33 059 | 28 281 | 5 883 | 5 665 | | 343 772 |
| Operational EBIT per kg (NOK) [3)] | 10.83 | 12.45 | 10.19 | -2.32 | -5.02 | 14.86 | | 9.76 |
| - of which MH Markets | 0.84 | 2.16 | 1.46 | 0.45 | 0.23 | 0.48 | | 1.01 |
| - of which MH VAP Europe | -0.17 | -0.08 | 0.00 | 0.00 | -0.14 | 0.00 | | -0.17 |
| - of which Morpol Processing | 0.07 | 0.16 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.19 |
| Price achievement/reference price (%) [4)] | 94% | 92% | 101% | 97% | | 98% | | 95% |
| Contract coverage (%) | 37% | 61% | 32% | 2% | 93% | 6% | | 37% |
| Quality - superior share (%) | 88% | 97% | 83% | 86% | 93% | 96% | | 92% |
| Exceptional items (NOK million) [5)] | -188 | -17 | -17 | -18 | -55 | 0 | | -295 |
| Exceptional items per kg (NOK) [5)] | -0.84 | -0.36 | -0.51 | -0.64 | -9.38 | - | | -0.86 |
| **GUIDANCE** | | | | | | | | |
| Q1 2014 harvest volume gutted weight tonnes | 47 000 | 10 000 | 6 000 | 14 500 | 500 | 2 000 | | 80 000 |
| 2014 harvest volume gutted weight tonnes | 254 500 | 49 500 | 28 000 | 56 000 | 8 000 | 9 000 | | 405 000 |
| Q1 2014 contract share | 42% | 69% | 0% | 36% | 95% | na | | 45% |

[1)] Operational EBIT arising from non salmon speices and 3rd party fish not allocated to source of origin

[2)] Sterling White Halibut, Headquarter and Holding companies

[3)] Excluding Sterling White Halibut, Headquarter and Holding companies

[4)] MH Marktes' price achievement to third party, MH VAP Europe and Morpol Processing

[5)] Exceptional items impacting operational EBIT. Refer to Note 6 to theinterim financial statements for further details

[6)] Exluding Morpol

# Q4 segment overview

| MH Operating Units | Farming | Farming | Farming | Farming | Farming | Farming | MH Sales and Marketing | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Norway | Scotland | Canada | Chile | Ireland | Faroes | Markets | VAP EU | Morpol | Other[1)] | Elim | MH Group* |
| Revenues and other income | 2 561 | 674 | 260 | 484 | 98 | 88 | 4 518 | 1 359 | 1 357 | 114 | - 4 769 | 6 743 |
| Operating EBITDA | 881 | 106 | 67 | 42 | - 28 | 30 | 112 | - 15 | 99 | - 24 | 0 | 1 269 |
| Operating EBIT | 789 | 80 | 48 | 19 | - 36 | 27 | 106 | - 37 | 64 | - 26 | 0 | 1 034 |
| Fair Value adj on biomass, contracts/ unrealised derivates | 791 | 63 | 43 | 32 | - 1 | 78 | 0 | 0 | 0 | - 7 | 0 | 1 000 |
| Restructuring cost | 0 | 0 | - 4 | 0 | 0 | 0 | 0 | - 31 | 0 | 0 | 0 | - 34 |
| Other non-operational items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Income/loss from associated companies | 116 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 116 |
| Write-down of fixed assets/intangibles | - 1 | 0 | - 2 | 0 | 0 | 0 | - 6 | - 40 | - 8 | 0 | 0 | - 57 |
| EBIT | 1 696 | 144 | 85 | 51 | - 37 | 105 | 99 | - 108 | 56 | - 33 | 0 | 2 059 |
| Contribution to operational EBIT from S&M | 36 | 40 | 11 | 16 | 0 | 0 | - 106 | 37 | - 64 | 31 | | 0 |
| Operational EBIT incl contribution from S&M | 825 | 120 | 58 | 35 | - 36 | 27 | 0 | 0 | 0 | 5 | 0 | 1 034 |
| Harvest / sales volume | 68 581 | 11 716 | 5 726 | 14 136 | 1 345 | 1 874 | 95 224 | 17 247 | 27 738 | | | |
| Operational EBIT/kg incl contribution from S&M | 12.03 | 10.23 | 10.20 | 2.48 | - 26.76 | 14.48 | | | | | | |
| -of whitch S&M | 0.52 | 3.38 | 1.86 | 1.15 | - 0.19 | 0.06 | | | | | | |

*Volume = harvested volume salmon in tonnes gutted weight

[1)]Inclusive MH Feed

# Development in harvest volumes

| | 2007 | 2008 | 2009 | 2010 | 2011 | | | | | 2012 | | | | | 2013 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Total** | **Total** | **Total** | **Total** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| **Norway** | **168.2** | **171.1** | **201.7** | **202.5** | 48.4 | 54.1 | 47.6 | 67.4 | **217.5** | 62.7 | 64.0 | 58.5 | 70.1 | **255.3** | 47.3 | 53.5 | 53.1 | 68.6 | **222.5** |
| **Chile (1)** | **90.6** | **75.4** | **36.2** | **10.6** | 2.7 | 1.2 | 11.0 | 11.0 | **26.0** | 9.7 | 9.6 | 9.9 | 11.0 | **40.2** | 8.3 | - | 5.9 | 14.1 | **28.3** |
| **Canada** | **39.5** | **36.1** | **36.5** | **33.5** | 9.5 | 7.8 | 8.0 | 8.7 | **33.9** | 10.6 | 10.6 | 8.3 | 10.8 | **40.2** | 12.2 | 8.9 | 6.2 | 5.7 | **33.1** |
| **Scotland** | **31.1** | **32.3** | **37.7** | **33.1** | 10.4 | 13.0 | 14.0 | 12.8 | **50.2** | 9.2 | 11.4 | 13.0 | 6.7 | **40.3** | 9.6 | 13.3 | 13.8 | 11.7 | **48.4** |
| **Other (2)** | **10.5** | **11.8** | **15.0** | **16.0** | 4.2 | 3.9 | 2.5 | 4.7 | **15.3** | 4.4 | 3.6 | 3.7 | 4.7 | **16.3** | 2.7 | 3.6 | 2.0 | 3.2 | **11.5** |
| **Total** | **339.8** | **326.6** | **327.1** | **295.7** | **75.2** | **79.9** | **83.1** | **104.6** | **342.8** | **96.7** | **99.2** | **93.2** | **103.2** | **392.3** | **80.0** | **79.4** | **80.9** | **103.4** | **343.8** |

**GROWTH RELATIVE TO SAME PERIOD IN PREVIOUS YEAR**

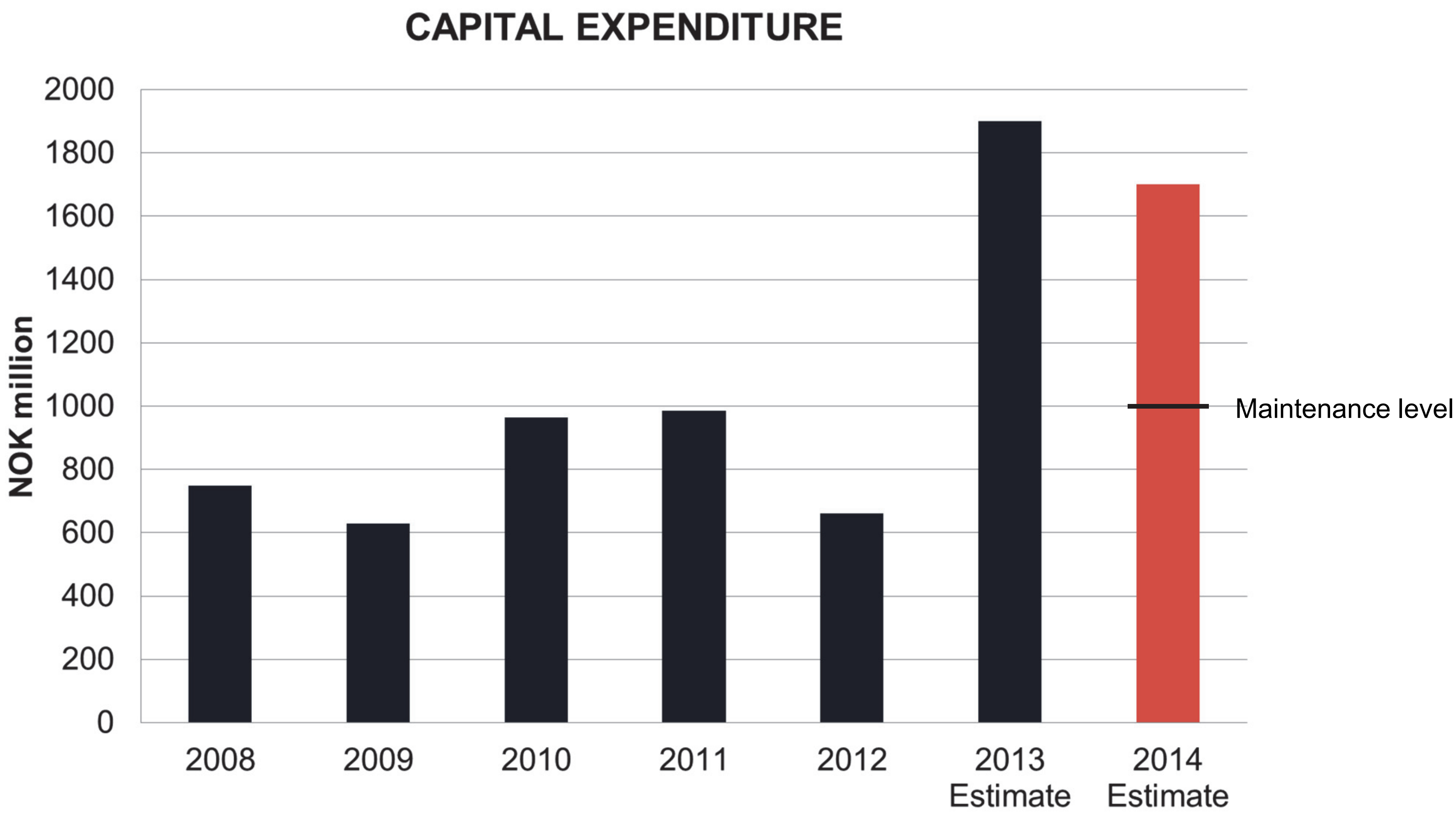
| | 2007 | 2008 | 2009 | 2010 | 2011 | | | | | 2012 | | | | | 2013 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Total** | **Total** | **Total** | **Total** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| **Norway** | **19%** | **2%** | **18%** | **0%** | -3% | 12% | 8% | 12% | **7%** | 30% | 18% | 23% | 4% | **17%** | -25% | -16% | -9% | -2% | **-13%** |
| **Chile (1)** | **-10%** | **-17%** | **-52%** | **-71%** | 94% | -29% | 1391% | 63% | **146%** | 255% | 728% | -11% | 0% | **55%** | -15% | -100% | -40% | 28% | **-30%** |
| **Canada** | **16%** | **-9%** | **1%** | **-8%** | -13% | 14% | 24% | -8% | **1%** | 12% | 36% | 4% | 23% | **19%** | 15% | -16% | -25% | -47% | **-18%** |
| **Scotland** | **0%** | **4%** | **17%** | **-12%** | 53% | 82% | 56% | 25% | **51%** | -11% | -13% | -8% | -47% | **-20%** | 4% | 17% | 6% | 74% | **20%** |
| **Other (2)** | **21%** | **12%** | **28%** | **7%** | 9% | -12% | -33% | 16% | **-4%** | 4% | -8% | 48% | 0% | **7%** | -39% | 2% | -45% | -31% | **-29%** |
| **Total** | **8%** | **-4%** | **0%** | **-10%** | **3%** | **17%** | **30%** | **16%** | **16%** | **29%** | **24%** | **12%** | **-1%** | **14%** | **-17%** | **-20%** | **-13%** | **0%** | **-12%** |

**Notes:**
(1) Sold volume, harvested volume from Q2 2011 onwards
(2) Ireland and the Faroes

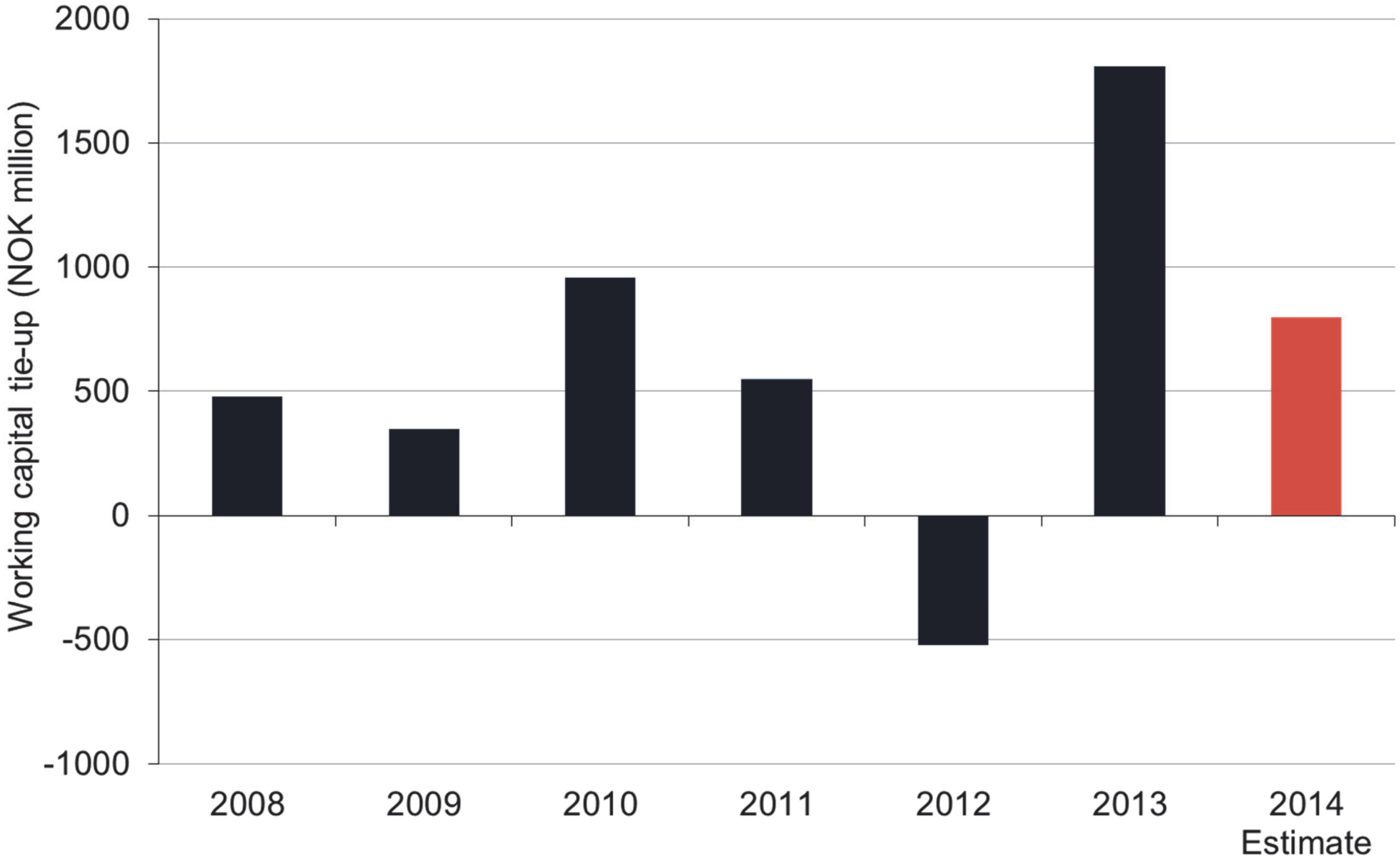
# Morpol ASA – Historical data

| NOK million | Q1 2010 | Q2 2010 | Q3 2010 | Q4 2010 | Q1 2011 | Q2 2011 | Q3 2011 | Q4 2011 | Q1 2012 | Q2 2012 | Q3 2012 | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total revenue** | **731** | **660** | **742** | **1,314** | **994** | **889** | **805** | **1,170** | **904** | **854** | **794** | **1,201** | **953** | **1,129** | **1,113** |
| **EBITDA before fair value adjustments** | **54** | **-3** | **17** | **122** | **77** | **121** | **143** | **141** | **107** | **77** | **68** | **89** | **-2** | **21** | **119** |
| *- of which Salmon Farming (UK and Norway)* | *0* | *0* | *14* | *65* | *76* | *91* | *41* | *-8* | *30* | *33* | *20* | *53* | *61* | *92* | *86* |
| *-of which other farming (Belize&Vietnam)* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *-9* | *-2* | *-3* | *-4* | *-10* | *2* | *0* | *-5* |
| *- of which secondary processing* | *54* | *-3* | *26* | *69* | *18* | *37* | *112* | *163* | *84* | *59* | *58* | *49* | *-65* | *-74* | *35* |
| *- of which Group activities* | *0* | *0* | *-24* | *-11* | *-17* | *-7* | *-10* | *-5* | *-6* | *-12* | *-6* | *-4* | *-1* | *2* | *3* |
| **EBIT before fair value adjustments** | **42** | **-17** | **0** | **99** | **49** | **92** | **115** | **105** | **74** | **47** | **34** | **46** | **-39** | **-15** | **82** |
| *- of which Salmon Farming (UK and Norway)* | *0* | *0* | *11* | *55* | *63* | *78* | *29* | *-22* | *17* | *20* | *4* | *38* | *46* | *76* | *69* |
| *-of which other farming (Belize&Vietnam)* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *-16* | *-4* | *-4* | *-5* | *-12* | *1* | *-2* | *-7* |
| *- of which secondary processing* | *42* | *-17* | *12* | *56* | *2* | *20* | *96* | *149* | *67* | *43* | *42* | *24* | *-84* | *-92* | *17* |
| *- of which Group activities* | *0* | *0* | *-24* | *-11* | *-17* | *-7* | *-10* | *-5* | *-6* | *-12* | *-6* | *-4* | *-1* | *2* | *3* |
| Fair value adjustments, Impairment and Trading Der | 0 | 0 | -12 | -22 | 3 | -36 | -7 | -407 | -3 | 10 | -21 | 68 | 27 | 13 | -14 |
| **EBIT** | **42** | **-17** | **-12** | **77** | **52** | **55** | **108** | **-302** | **71** | **56** | **13** | **114** | **-12** | **-3** | **69** |
| **ANALYTICAL DATA FARMING** | | | | | | | | | | | | | | | |
| Harvest volume (HOG) Norway | n.a. | n.a. | n.a. | n.a. | 2,025 | 1,348 | 147 | 2,084 | 1,616 | 1,037 | 1,120 | 2,962 | 2,309 | 347 | 1,030 |
| EBIT per kg Norway (1) | n.a. | n.a. | n.a. | n.a. | 14.5 | 13.5 | -34.4 | 2.4 | 1.4 | 3.9 | 0.5 | 5.0 | 14.1 | 12.1 | 6.1 |
| Harvest volume (HOG) UK | 4,794 | 7,011 | 1,604 | 6,137 | 3,064 | 4,917 | 6,128 | 6,694 | 6,006 | 6,740 | 5,459 | 5,201 | 2,473 | 6,662 | 7,201 |
| EBIT per kg UK (1) | 8.5 | 14.2 | 7.0 | 8.9 | 11.1 | 12.2 | 5.5 | -4.1 | 2.5 | 2.4 | 0.6 | 4.4 | 5.6 | 10.8 | 8.7 |
| EBIT margin farming | 28% | 46% | 4% | 24% | 27% | 15% | 10% | -149% | 3% | 6% | 3% | 3% | 35% | 27% | 14% |
| **ANALYTICAL DATA SECONDARY PROCESSING** | | | | | | | | | | | | | | | |
| Processed volume, product weight | 16,221 | 15,817 | 16,273 | 22,423 | 17,816 | 12,449 | 11,445 | 18,890 | 16,045 | 14,579 | 15,110 | 23,013 | 19,389 | 17,869 | 19,065 |
| EBIT per kg, product weight | 2.6 | -1.0 | 0.8 | 2.5 | 0.1 | 1.6 | 8.4 | 7.9 | 4.2 | 3.0 | 2.8 | 1.1 | -4.3 | -5.2 | 0.9 |
| EBIT margin secondary processing | 6% | -3% | 2% | 5% | 0% | 3% | 17% | 15% | 9% | 7% | 6% | 2% | -9% | -10% | 2% |
| Working capital farming, including biomass at cost | n.a. | n.a. | 293 | 300 | 310 | 296 | 461 | 580 | 531 | 488 | 539 | 540 | 464 | 525 | 523 |
| Working capital secondary processing | n.a. | n.a. | 363 | 513 | 705 | 666 | 538 | 658 | 474 | 495 | 448 | 591 | 564 | 503 | 621 |

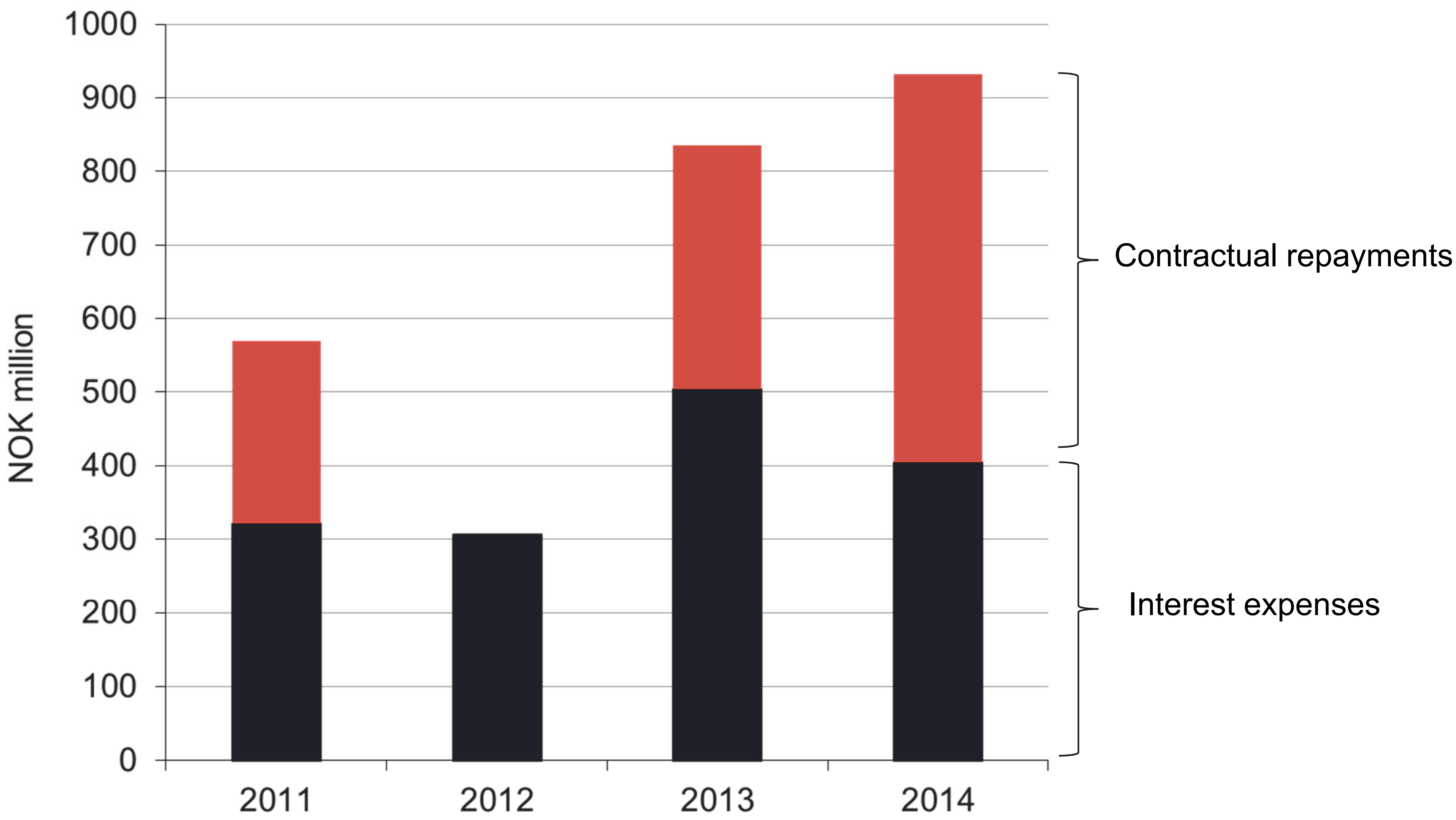
# 2014 Net capital expenditure guidance



# 2014 Net working capital guidance



# Guidance on financial commitments and cost of debt



# Dividend policy

- The dividend level shall reflect the present and future cash generation potential of the Company
- Marine Harvest will target a net interest-bearing debt/equity ratio of less than 0.5x
- When target level is met, at least 75% of the annual free cash flow after operational and financial commitments will be distributed as dividend

- Dividend policy operationalized by defining a target average NIBD for each calendar year
- Dividends applied to manage NIBD around the target level
- 2014 NIBD target to be defined in Q1 2014 report

# Nova Sea

| | Ownership % | Harvest volume (HOG) 2012 | 2013 | Q4 2012 | Q4 2013 | EBIT(1) per kg 2012 | 2013 | Q4 2012 | Q4 2013 | NIBD 31/12/2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Nova Sea | 48% | 34,529 | 34,910 | 9,528 | 13,134 | 4.3 | 13.4 | 4.4 | 14.4 | 323 |

- Leading integrated salmon producer in Northern Norway
  - 33.33 wholly owned licenses
  - 4 partly owned licenses
- Marine Harvest has an ownership in Nova Sea of ~48% through direct and indirect shareholdings
- 2013 dividends of NOK 40m (Q2)
  - Marine Harvest's share NOK ~20m
- Proportion of income after tax reported as income from associated companies in Marine Harvest Norway
  - NOK 111.8 million in Q4 2013
    - IFRS adjustment of biomass NOK 59.2m

# Overview of financing

- EUR 775m Facility Agreement
  - Maturity – Q1 2015
  - Lenders: DNB, Nordea, Rabobank and ABN Amro
  - Semi annual repayments of EUR 16m (current availability EUR 695m)
  - Covenants:
    - Declining NIBD/EBITDA(1) ratio
      - 3.25x up to  Q4 2012
      - 3.25 up to Q2 2014
      - 3.00 thereafter
    - 40% equity ratio

- Convertible bond
  - EUR 350 issued in May 2013
    - Tenor 5 years, annual coupon 2.375%, conversion price EUR 9.9088

- NOK 1,250m bond issued in February 2013
  - Tenor 5 years, NIBOR + 3.5%

Note: (1) Twelve month trailing EBITDA adjusted for certain items

# Debt distribution and interest rate hedging

DEBT VOLUME HEDGED AND FIXED RATES OF INTEREST RATE HEDGES (MARCH-MARCH) (1)

| CURRENCY | DEBT 31/12/2013(2) | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018-2021 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Nominal value | Fixed rate(3) | Nominal value | Fixed rate(3) | Nominal value | Fixed rate(3) | Nominal value | Fixed rate(3) | Nominal value | Fixed rate(3) | Nominal value | Fixed rate(3) |
| EUR m | 606.0 | 642.2 | 1.84% | 651.6 | 1.63% | 887.9 | 2.38% | 897.8 | 1.84% | 626.4 | 1.55% | 283.0 | 2.54% |
| USD m | 200.8 | 215.0 | 2.55% | 215.5 | 2.61% | 216.0 | 2.64% | 215.0 | 2.64% | 107.5 | 2.41% | 107.5 | 2.41% |
| GBP m | 35.6 | 52.5 | 3.03% | 53.0 | 2.82% | 52.5 | 2.91% | 47.0 | 2.53% | 23.5 | 2.81% | 23.5 | 2.81% |
| Other (NOK m) | 1,717.8 | | | | | | | | | | | | |

| | |
|---|---|
| Market value of IRS contracts in MNOK (31/12/13): | -311.1 |
| Mark to market valuation effect in Q4(4): | -25.7 |
| Difference in fixed vs floating rate settled in cash in Q4 | -29.6 |

**Notes:**
(1) MHG choses March as the starting month for all new interest hedging contracts
(2) Debt at book value after taking cross currency swaps into account
(3) Financing margin not included
(4) Quarterly change in market value booked against P/L and against other comprehensive income

**POLICY:**

- External interest bearing debt is distributed as follows: EUR 61%, USD 13%, GBP 4%, other currencies 22%
- Marine Harvest ASA shall hedge 100% of the Group's long-term interest-bearing debt by currency with fixed interest or interest rate derivatives for the first 5 years and 50% for the 5 following years. Interest-bearing debt includes external interest-bearing debt and leasing in the parent company or subsidiaries. The interest rate hedges shall be based on the targeted currency composition. Interest rate exposure in other currencies than EUR, USD and GBP shall not be hedged

***Please note that the current portfolio deviates from the policy due to inter alia the recent bond and convertible bond issuance. The policy will be reviewed.***

Policy last updated 7 February 2012.

# Hedging and long term currency exposure

## POLICY

- EUR/NOK
  - Marine Harvest shall hedge between 0% and 30% of its assumed annual expenses in NOK against the EUR with a horizon of one year. The annual hedging shall be evenly distributed across the months of the year.
- USD/CAD
  - Marine Harvest shall not hedge the USD/CAD exposure.
- USD/CLP
  - Marine Harvest shall not hedge the USD/CLP exposure

- Internal transaction hedging relating to bilateral sales contracts
  - As of 1 April 2011, all bilateral sales contracts are subject to internal currency hedging of the exposure between the invoicing currency and NOK
  - The operating entities hedge this exposure towards the parent company. In accordance with the general hedging policy, this exposure is not hedged towards external counterparties
  - The purpose of the internal hedging is to allow for a more accurate comparison between the MH Farming entities (including contribution from Sales) and peers with respect to price achievement and operational EBIT

Policy last updated 7 February 2012.

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# Long term currency hedging

**CURRENT PORTFOLIO 31/12/2013**

| STRATEGIC CURRENCY HEDGING | EUR/NOK | | USD/CAD | | USD/CLP | |
|---|---|---|---|---|---|---|
| | MEUR | Rate | MUSD | Rate | MUSD | Rate |
| 2014 | 200 | 8.19 | | | | |
| **P/L effect of contracts in Q3** | **4** | (MNOK) | | | | |
| | MNOK | | | | | |
| **Market value 30/09/2013** | **6** | | | | | |
| Change (1) | -56 | | | | | |
| **Market value 31/12/2013** | **-50** | | | | | |

Note:
(1) Quarterly changes in market value booked against equity until maturity

| DESIGNATED MARKET CURRENCIES | |
|---|---|
| Norway | EUR |
| Chile | USD |
| Canada | USD |
| Scotland | GBP |
| VAP | EUR |
| Faroes | DKK |
| Cold Water Species | NOK |
| Asia | USD |

# Impact of currency/interest rate movements

| Average rates | 1 CAD | 1 EUR | 1 GBP | 1 USD |
|---|---|---|---|---|
| Q4 2013 vs Q4 2012 | 0.6% | 11.8% | 7.3% | 6.5% |

| End of quarter rates | 1 CAD | 1 EUR | 1 GBP | 1 USD |
|---|---|---|---|---|
| 31/12/13 vs. 30/9/13 | -2.0% | 3.3% | 3.6% | 1.3% |

- Impact on Profit and Loss (versus Q4 2012)
  - Currency impact on net financial items
    - Negative impact of NOK 40m (Positive NOK 123m)

- Impact from currency on Financial Position (versus 30/9/13)
  - Increase in interest-bearing debt due to currency NOK 187m

# Fair value adjustment of biomass

- Under IFRS (IAS 41) the company is required to value biological assets at a fair market value.
- During the second half of 2011, the largest salmon farming companies in Norway, with support from audit firms, formed an industry working group where the objective was to reach a converged and improved common approach for estimating the fair value of the biomass in accordance with IAS 41.
- Following the working group's conclusions, Marine Harvest has with effect from the fourth quarter 2011, refined its calculation model. The model enhancements have been made to capture the fair value development during the lifetime of the fish in an improved manner. The revised model split the biomass into 3 groups based on size:
  - Fish below 1 kg live weight ("smolt") is valued at accumulated cost
  - Fish between 1 kg and 4 kg live weight (immature fish) incorporates a proportionate share of the expected net profit at harvest
  - Fish above 4 kg (mature fish) is valued at the expected net value
- The main drivers in the valuation are:
  - Volume of biomass (and average weight per site) at every reporting date
  - Expected cost at harvest
  - Expected value at harvest (based on externally quoted forward prices where applicable and/or the most relevant price information available for the period in which the fish is expected to be harvested)
- Operationally, the value of biomass is reported at cost. In the Group accounts, "fair value adjustments" are added to costs of each operating unit and combined, the two elements constitute the fair value of biomass. The change in "fair value adjustment" is income or expense classified on a separate line in the Profit and Loss statement in each period. This item is not included in Operational EBIT.

# Tax losses carried forward (YE 2013)

| Marine Harvest Group 31.12.2013<br>NOK million | Recognised | Unrecognised | Total |
|---|---|---|---|
| Chile | 186 | 0 | 186 |
| USA | 58 | 3 | 61 |
| Germany | 58 | 0 | 58 |
| The Netherlands | 49 | 0 | 49 |
| Ireland | 36 | 0 | 36 |
| France | 20 | 146 | 166 |
| Poland | 18 | 111 | 129 |
| Vietnam | 12 | 27 | 39 |
| Other | 11 | 5 | 16 |
| **Total** | **448** | **292** | **740** |

- Most of the deferred tax assets have been recognised on the statement of financial position
- The NOL's will be used to offset taxable profit in the countries going forward
- The utilisation of the deferred tax asset on NOL's gives rise to a tax expense in the accounts which do not normally have any cash effect

Details will be made available in the 2012 Annual Report

# The Board's current authorisations

- The Board was given the following proxies at the AGM
  - General share capital increase (up to 10% of share capital)
    - Proxy to set aside shareholders pre-emption right to subscribe
  - Targeted authority to increase share capital
    - Issuance of up to 82m shares in one or more occasion
    - Authority may only be used to issue shares to shareholders in Cermaq ASA as full or partial consideration for transfer of shares in Cermaq ASA to the company.
  - Purchase of own shares (up to 10% of share capital)
    - Maximum price: NOK 120 per share
    - Minimum price: NOK 7.5 per share
  - Issuance of new convertible bond
    - Maximum amount: NOK 3,200m
    - Maximum number of shares to be issued as settlement: 64m
- Authorisation to issue dividend from EGM of 15 November
  - Up to NOK 500m

# Sensitivities

| ESTIMATED SENSITIVITIES ON ANNUAL RESULTS NOK million | OP. EBIT EFFECT | CASH FLOW EFFECT | DRIVER |
|---|---|---|---|
| Change in global average salmon price of NOK 1 (1) | 405 | 370 (2) | Annual harvest volume |
| Change in total harvest volume of 10,000 tonnes (3) | 60 | 55 (2) | Marginal volume |
| Change in global feed price of NOK 1 per kg | 430 (4) | 635 (4) (5) | Feed consumption |

Notes:
(1) Assuming all sales at spot prices, Please see contract policy and estimated contract rates in the latest quarterly presentation
(2) Normally 30 days credit on sale of salmon, effect assumes stable volume between years and across months
(3) Assuming EBIT per kg of NOK 6
(4) Annual harvest volume converted to live weight multiplied with feed conversion ratio (335 divided by 0.83 multiplied with 1.3 and NOK 1 = ~635) Assuming stable production and feed consumption between years and across months
(5) 60 days credit time on feed