



marineharvest



Marine Harvest

Q2 2016 Presentation
18 August 2016

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 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 concerning 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.

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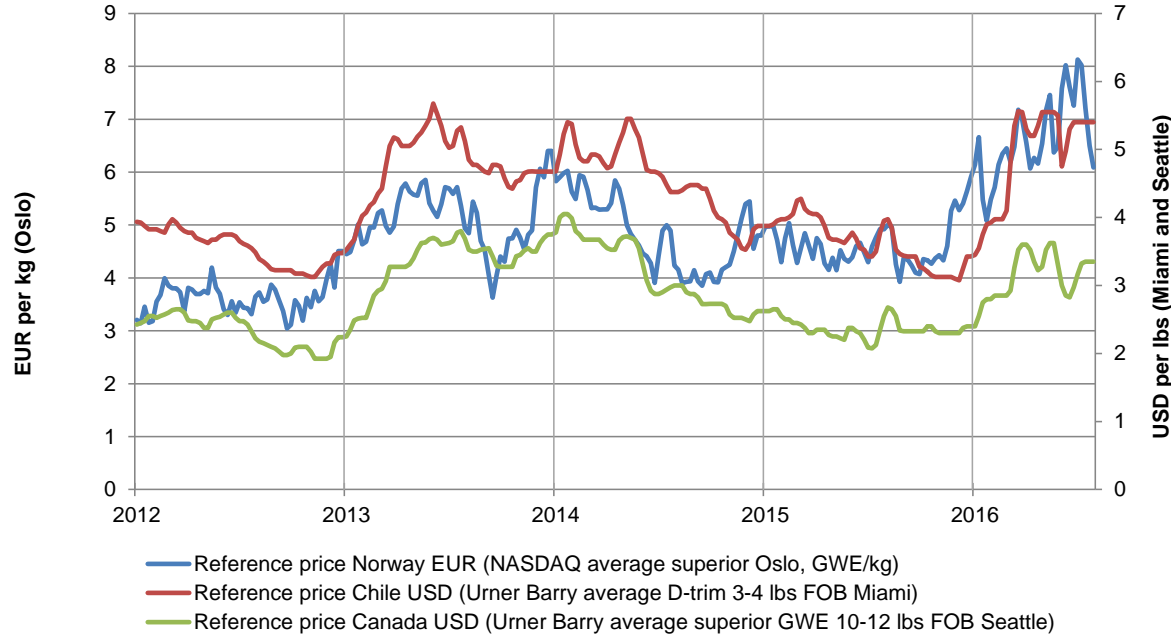
Highlights

- *Record high operational EBIT of EUR 149 million*
- *Unprecedented prices on strong demand and reduced supply*
- *Establishment of aquaculture shipping JV*
- *Divestment of shares in Grieg Seafood*
- *Quarterly dividend of NOK 3.20 per share*
 - NOK 1.10 per share is related to the divestment of shares in Grieg Seafood

Key financials

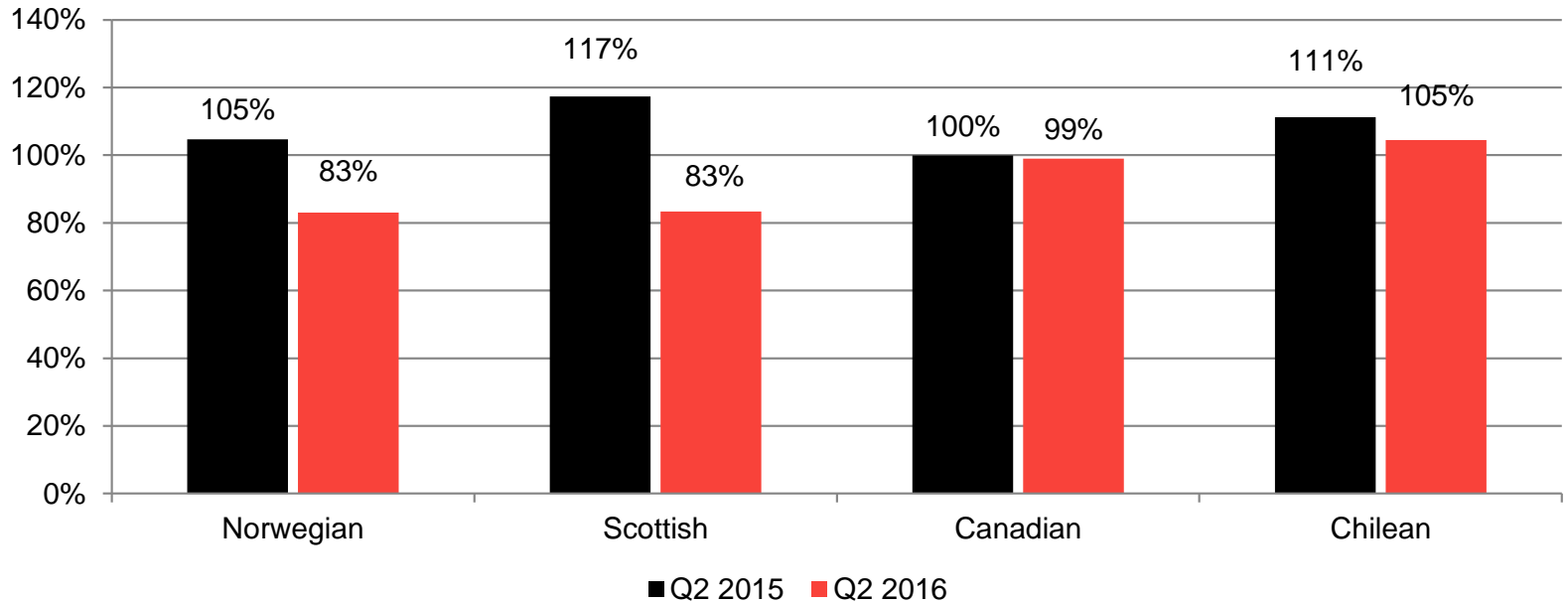
Marine Harvest Group - main figures	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	2015
Unaudited EUR million					
Operational revenue and other income	832.1	767.3	1 641.6	1 502.6	3 121.1
Operational EBIT ¹⁾	149.0	84.0	260.9	179.3	346.8
Cash flow from operations	213.3	85.2	363.4	146.4	233.3
Net interest-bearing debt (NIBD)	832.4	875.5	832.4	875.5	999.7
Underlying EPS (EUR) ²⁾	0.24	0.13	0.42	0.27	0.52
Net cash flow per share (EUR) ³⁾	0.50	0.14	0.72	0.11	0.01
Dividend declared and paid per share (NOK)	1.70	1.30	3.10	2.50	5.20
ROCE ⁴⁾	23.8%	9.8 %	21.1 %	12.3 %	13.1 %
Harvest volume (gutted weight tons salmon)	87 159	104 158	183 772	203 635	420 148
Operational EBIT - EUR per kg ⁵⁾ - Total	1.71	0.81	1.42	0.88	0.83
Norway	2.12	1.22	1.99	1.37	1.37
Scotland	0.47	0.64	0.58	0.52	0.35
Canada	2.34	0.26	2.15	0.41	0.34
Chile	-0.23	-0.53	-1.14	-0.64	-0.82

Salmon prices – weekly reference prices



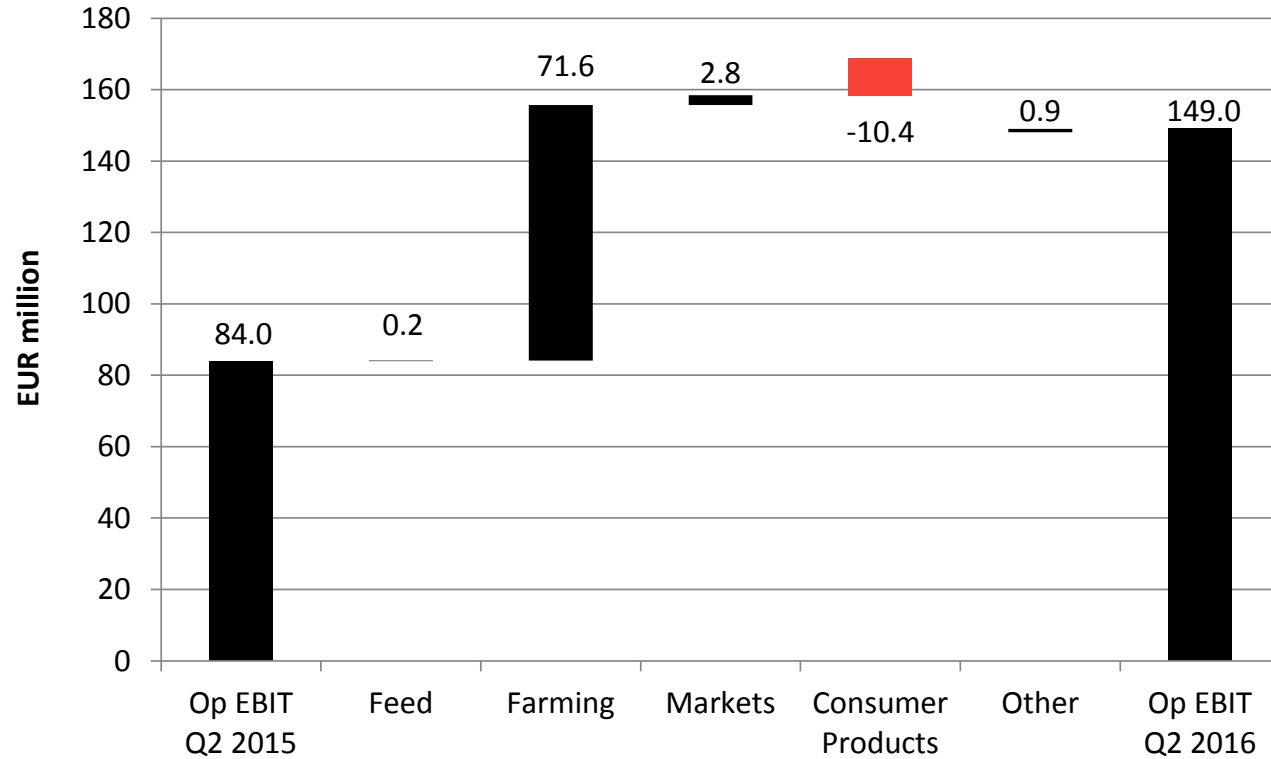
- *Prices in Europe and Asia at record high levels*
- *Improving prices in Americas*

Price achievement, contract & superior share



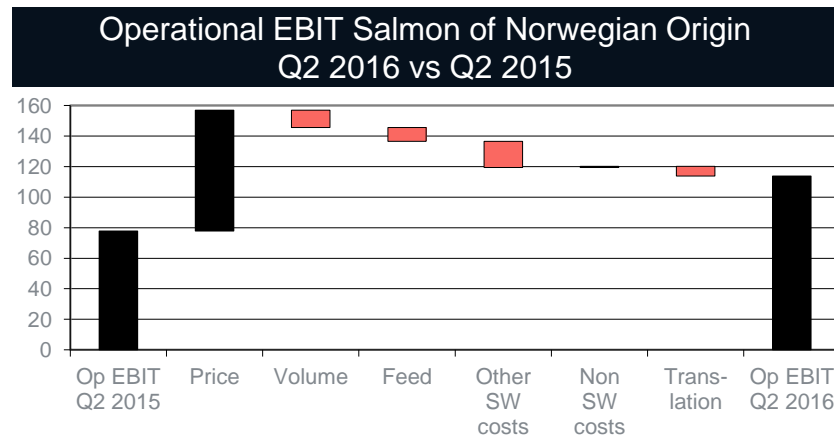
Contract share	52%	69%	0%	23%
Superior share	92%	95%	90%	90%

Operational EBIT comparison



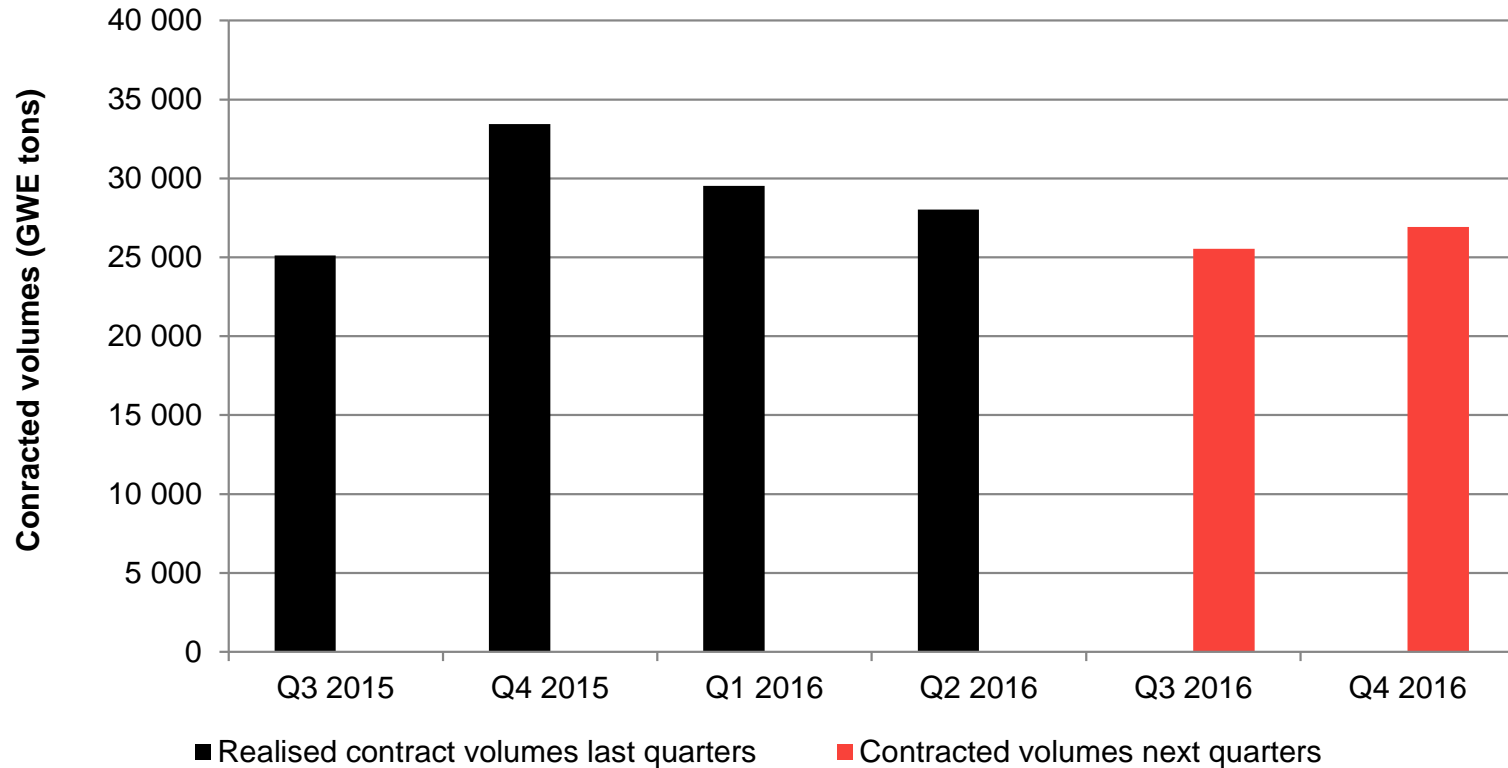
Norway

SALMON OF NORWEGIAN ORIGIN		
EUR million	Q2 2016	Q2 2015
Operational EBIT	113.9	77.9
Harvest volume (GWT)	53 743	64 036
Operational EBIT per kg (EUR)	2.12	1.22
- of which Feed	0.06	0.05
- of which Markets	0.18	0.10
- of which Consumer Products	-0.03	0.08
Exceptional items incl in op. EBIT	-18.7	-15.6
Exceptional items per kg (EUR)	-0.35	-0.24
<i>Price achievement/reference price</i>	<i>83%</i>	<i>105%</i>
<i>Contract share</i>	<i>52%</i>	<i>33%</i>
<i>Superior share</i>	<i>92%</i>	<i>90%</i>



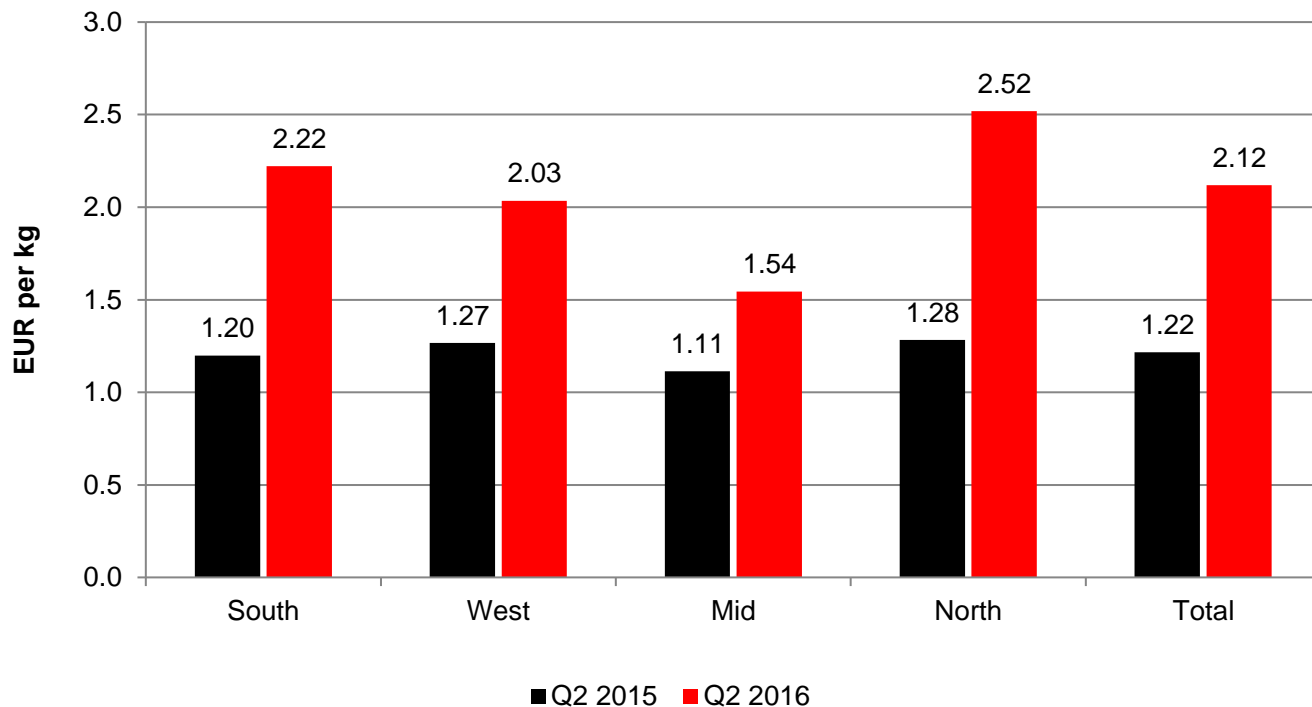
- *Good results in the quarter driven by record high prices*
 - Contract share of 52% negatively impacted price achievement
- *High costs*
 - Higher sea lice mitigation costs
 - Higher feed cost per kg harvested due to higher eFCR
 - Expect high costs also in the third quarter

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 cover a large proportion of their sales exposure through third party end product contracts.

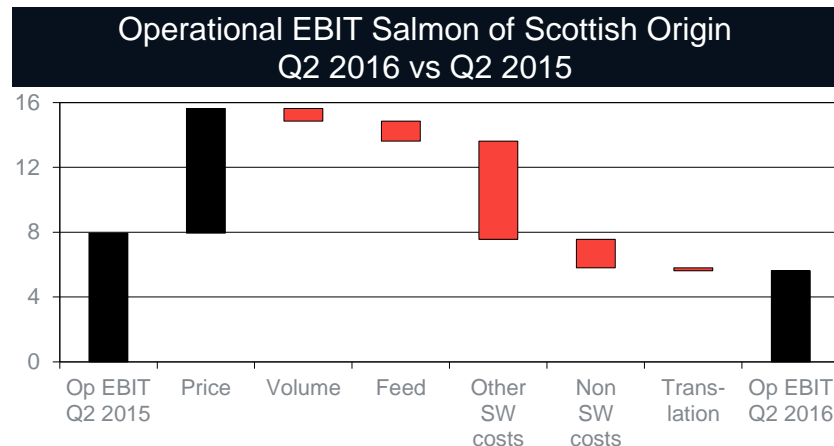
Norway: Operational EBIT/kg per region



- *ISA outbreak in one site in Region North. Will impact operational results negatively in Q3 2016 (approx EUR 8 million)*

Scotland

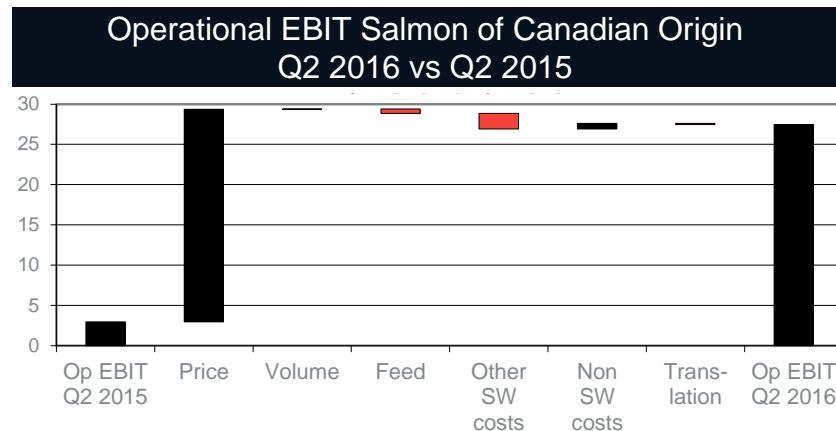
SALMON OF SCOTTISH ORIGIN		
EUR million	Q2 2016	Q2 2015
Operational EBIT	5.0	7.9
Harvest volume (GWT)	10 809	12 351
Operational EBIT per kg (EUR)	0.47	0.64
- of which MH Markets	0.28	0.30
- of which MH Consumer Products	-0.35	0.03
Exceptional items incl in op. EBIT	0.0	-0.4
Exceptional items per kg (EUR)	0.00	-0.03
<i>Price achievement/reference price</i>	<i>83%</i>	<i>117%</i>
<i>Contract share</i>	<i>69%</i>	<i>45%</i>
<i>Superior share</i>	<i>95%</i>	<i>96%</i>



- *Results impacted by high contract share*
- *Good spot price contribution*
- *Losses at Rosyth plant impacted results of EUR 3.5 million*
- *Prior biological challenges affected farming costs*
- *Costs expected to remain high in the third quarter*

Canada

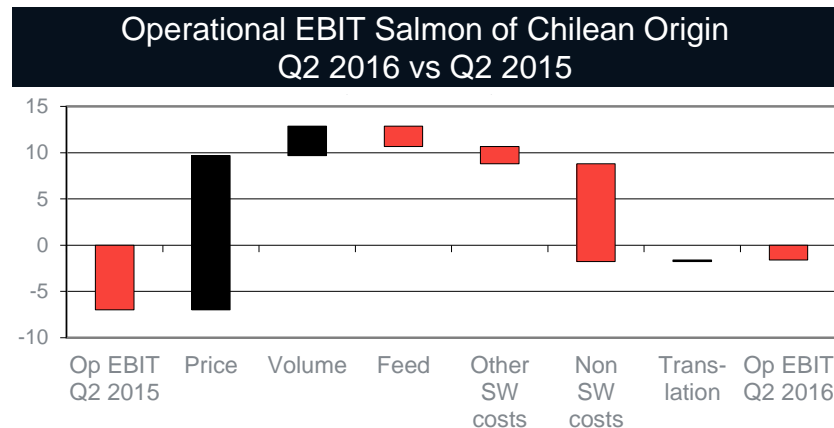
SALMON OF CANADIAN ORIGIN		
EUR million	Q2 2016	Q2 2015
Operational EBIT	27.4	3.0
Harvest volume (GWT)	11 745	11 583
Operational EBIT per kg (EUR)	2.34	0.26
- of which MH Markets	0.08	0.10
- of which MH Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	0.0	-0.4
Exceptional items per kg (EUR)	0.00	-0.03
<i>Price achievement/reference price</i>	<i>99%</i>	<i>100%</i>
<i>Contract share</i>	<i>0%</i>	<i>0%</i>
<i>Superior share</i>	<i>90%</i>	<i>91%</i>



- *Record high operating results*
- *Favorable price development and stable volumes*
- *Higher costs expected in the third quarter*

Chile

SALMON OF CHILEAN ORIGIN		
EUR million	Q2 2016	Q2 2015
Operational EBIT	-1.6	-7.0
Harvest volume (GWT)	7 076	13 240
Operational EBIT per kg (EUR)	-0.23	-0.53
- of which MH Markets	0.57	0.25
- of which MH Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	-3.8	3.1
Exceptional items per kg (EUR)	-0.54	0.23
<i>Price achievement/reference price</i>	<i>105%</i>	<i>111%</i>
<i>Contract share</i>	<i>23%</i>	<i>17%</i>
<i>Superior share</i>	<i>90%</i>	<i>90%</i>



- *Increased prices during the quarter on reduced supply*
- *Significant volume reduction due to the algal bloom*
- *Negative effects of the algal bloom of EUR 3.8 million in the quarter*
- *Announced restructuring of MH Chile initiated in the quarter*
 - *Impairment of fixed assets (EUR 19 million) and restructuring provision (EUR 2.2 million)⁽¹⁾*
- *Full cost in box USD 6.24 per kg (GWE) in the quarter (adjusted for algal bloom effect)*
- *New regulations have major deficiencies*

Ireland and Faroes

SALMON OF IRISH ORIGIN		
EUR million	Q2 2016	Q2 2015
Operational EBIT	1.3	6.2
Harvest volume (GWT)	1 452	2 948
Operational EBIT per kg (EUR)	0.86	2.11
- of which MH Markets	0.00	0.00
- of which MH Consumer Products	-0.09	0.06
Exceptional items incl in op. EBIT	-0.2	-0.1
Exceptional items per kg (EUR)	-0.11	-0.03
<i>Price achievement/reference price</i>	<i>na</i>	<i>na</i>
<i>Contract share</i>	<i>85%</i>	<i>90%</i>
<i>Superior share</i>	<i>95%</i>	<i>94%</i>

SALMON OF FAROESE ORIGIN		
EUR million	Q2 2016	Q2 2015
Operational EBIT	5.7	0.0
Harvest volume (GWT)	2 334	0
Operational EBIT per kg (EUR)	2.46	0.00
- of which MH Markets	0.05	0.00
- of which MH Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	-0.3	0
Exceptional items per kg (EUR)	-0.11	0.00
<i>Price achievement/reference price</i>	<i>92%</i>	<i>0%</i>
<i>Contract share</i>	<i>0%</i>	<i>0%</i>
<i>Superior share</i>	<i>84%</i>	<i>0%</i>

- *High costs in Ireland (adverse weather and biological challenges)*
- *Very good contribution from Marine Harvest Faroes in the quarter*

Consumer Products

CONSUMER PRODUCTS		
EUR million	Q2 2016	Q2 2015
Operating revenues	325.1	264.4
Operational EBIT	-4.8	5.5
Operational EBIT %	-1.5%	2.1%
Volume sold (tons product weight)	30 457	25 541
Exceptional items	0	0
<i>Volume share salmon</i>	<i>78%</i>	<i>73%</i>
<i>Revenue share salmon</i>	<i>80%</i>	<i>77%</i>



- *High raw material prices negatively impacted costs*
- *Strong demand in the German, UK, BeNeLux and Southern European markets*
- *French salmon market continues to be challenging*
- *Rosyth turnaround on track*
 - Losses of EUR 3.5 million in the second quarter
 - Break-even is still expected in the third quarter

Feed

FEED		
EUR million	Q2 2016	Q2 2015
Operating revenues	69.4	58.4
Operational EBIT	3.3	3.1
Operational EBIT %	4.7%	5.3%
Feed sold volume	55 956	47 608
Feed produced volume	74 821	58 189
Exceptional items	0	0



- *Good production level in the quarter*
- *Production ambition of 320,000 tonnes in 2016*

Aquaculture shipping JV announces two newbuild contracts

- *Type:* 3,000 m³ multipurpose well boat
- *Destination:* Canadian farming operations
- *Price:* NOK 225 million, of which NOK 25 million relates to freshwater production
- *Delivery:* Q3 2017
- *Options:* Three well boats



- *Type:* Harvest vessel
- *Destination:* Norwegian farming operations, Region South
- *Price:* NOK 179 million*
- *Delivery:* Q1 2018
- *Options:* One vessel
- *Capacity:* Annual capacity to kill and transport approximately 40,000 GWT





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Second Quarter 2016 Financials, Markets and Harvest Volumes

Profit and Loss

Marine Harvest Group EUR million	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	2015
Operational revenue and other income	832.1 8%	767.3	1 641.6 9%	1 502.6	3 121.1
Operational EBIT ¹⁾	149.0 78%	84.0	260.9 46%	179.3	346.8
Change in unrealized internal margin	-1.7	0.8	1.2	2.1	-2.2
Unrealized salmon derivatives	5.1	1.1	1.4	-4.5	-12.5
Net fair value adjustment of biomass, onerous contracts	31.8	-77.7	105.7	-141.3	9.3
Restructuring costs	-2.1	-14.6	-4.6	-14.5	-15.2
Other non-operational items	1.3	2.5	1.3	2.5	2.4
Income from associated companies	16.2	0.7	26.5	2.1	23.4
Impairment losses - fixed assets	-19.0	-3.2	-19.1	-3.1	-6.8
EBIT	180.5	-6.4	373.3	22.5	345.3
Net financial items	-90.5	10.3	-118.8	34.1	-95.2
Earnings before tax	90.0	3.8	254.4	56.7	250.1
Profit or loss for the period	42.5	4.3	170.5	44.1	158.3
EPS (EUR)	0.09	0.01	0.38	0.10	0.36
Underlying EPS (EUR)	0.24	0.13	0.42	0.27	0.52
Net cash flow per share (EUR)	0.50	0.14	0.72	0.11	0.01
Dividend declared and paid per share (NOK)	1.70	1.30	3.10	2.50	5.20
Operational EBIT margin	17.9%	10.9%	15.9%	11.9%	11.1%
Harvest volume, HOG tons (salmonids)	87 159 -16%	104 158	183 772 -10%	203 635	420 148
Operational EBIT per kg incl margin from Sales and Marketing ²⁾	1.71	0.81	1.42	0.88	0.83
ROCE ³⁾	23.8 %	9.8 %	21.1 %	12.3 %	13.1 %

Financial position

Marine Harvest Group	30.06.2016	30.06.2015	31.12.2015
EUR million			
Non-current assets	2 138.9	2 165.9	2 134.9
Current assets	2 057.7	1 821.0	2 059.4
Assets held for sale	1.8	0.9	1.8
Total assets	4 198.4	3 987.9	4 196.1
Equity	1 921.5	2 031.3	1 895.6
Non-current liabilities	1 653.7	1 401.8	1 684.6
Current liabilities	623.2	554.8	615.9
Total equity and liabilities	4 198.4	3 987.9	4 196.1
Net interest-bearing debt	832.4	875.5	999.7
Equity ratio	45.8%	50.9%	45.2%

Cash Flow and Net Interest Bearing Debt

Marine Harvest Group	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015	2015
EUR million					
NIBD beginning of period	-960.1	-866.5	-999.7	-1 032.6	-1 032.6
Operational EBITDA	184.4	119.5	332.0	249.2	486.6
Change in working capital	75.4	13.8	110.0	-32.4	-146.2
Taxes paid	-48.5	-40.3	-74.5	-55.2	-68.3
Other adjustments	2.0	-7.9	-4.2	-15.2	-38.8
Cash flow from operations	213.3	85.2	363.4	146.4	233.3
Net Capex	-50.4	-49.2	-91.4	-107.6	-210.3
Other investments	66.8	42.3	66.0	42.9	22.0
Cash flow from investments	16.4	-6.9	-25.4	-64.7	-188.3
Net interest and financial items paid	-6.5	-7.0	-11.2	-21.0	-39.5
Other items	-9.4	-22.0	-21.9	-31.9	-13.7
Bonds converted to equity	0.0	0.0	0.0	275.7	318.2
Dividend distributed	-82.0	-68.3	-148.9	-124.7	-255.9
Translation effect on interest-bearing debt	-4.0	10.1	11.4	-22.7	-21.1
NIBD end of period	-832.4	-875.5	-832.4	-875.5	-999.7

Debt distribution ¹⁾:

EUR	73%	69%	73%	69%	72%
USD	13%	13%	13%	13%	13%
GBP	1%	4%	1%	4%	4%
Other currencies	13%	14%	13%	14%	11%

¹⁾ Debt distribution including effect of cross currency swaps.

2016 Cash Flow Guidance

- *Working capital buildup EUR ~30m*
 - Support further organic growth
- *Capital expenditures EUR ~190m*
 - Freshwater expansion projects EUR ~50m
- *Interest expenses EUR ~30m*
- *Tax payables EUR ~75m*

- *Long term NIBD target of EUR 1,050m*

- *Quarterly dividend in Q3 2016 of NOK 3.20 per share (repayment of paid in capital)*
 - NOK 1.10 per share is related to the divestment of shares in Grieg Seafood

- *EUR as reporting and functional currency commenced in the first quarter of 2016*

Overview financing

- ***EUR 805m Facility Agreement***
 - Maturity – Q4 2019
 - Covenants:
 - 35% equity ratio
 - Accordion option EUR 45m
 - Lenders: DNB, Nordea, Rabobank and ABN Amro

- ***EUR 340m issued in November 2015***
 - Tenor 5 years, annual coupon 0.125%⁽¹⁾, conversion price EUR 15.7020

- ***EUR 375m issued in May 2014***
 - Tenor 5 years, annual coupon 0.875%⁽¹⁾, conversion price EUR 9.9226

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

Supply development

Suppliers	Estimated volumes		Compared to Q2 2015		Est. volumes Q1 2016
	Q2 2016	Q2 2015	Volume	%	
Norway	248 000	267 500	-19 500	↓ -7.3%	243 700
Scotland	36 300	36 900	-600	↓ -1.6%	31 900
Faroe Islands	17 500	17 500	0	→ 0.0%	16 400
Ireland	2 900	4 100	-1 200	↓ -29.3%	2 900
Total Europe	304 700	326 000	-21 300	↓ -6.5%	294 900
Chile	95 200	118 600	-23 400	↓ -19.7%	138 500
North America	38 400	38 600	-200	↓ -0.5%	33 500
Total Americas	133 600	157 200	-23 600	↓ -15.0%	172 000
Australia	11 900	10 700	1 200	↑ 11.2%	12 600
Other	4 900	5 200	-300	↓ -5.8%	4 200
Total	455 100	499 100	-44 000	↓ -8.8%	483 700

Source: Kontali

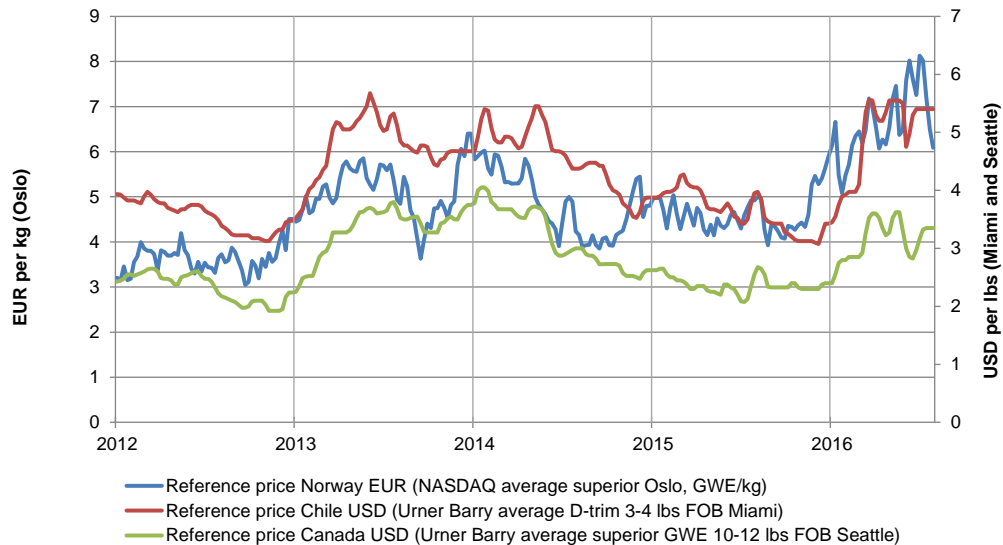
- *Global supply growth in the low end of expectations*
- *Norway: As expected. Reduction caused by harvesting of smaller sized fish and biological challenges*
- *Chile: Steeper decline than expected due to the fishermen's protest. Algal bloom effecting volumes*
- *Other regions in line with guidance*

Development in reference prices

Reference prices	Q2 2016 Market	Change vs Q2 2015	Q2 2016 NOK	Change vs Q2 2015
Norway (1)	EUR 6.85	54.8%	NOK 63.89	68.5%
Chile (2)	USD 5.32	42.7%	NOK 43.91	51.9%
Chile, GWE (3)	USD 5.74	63.1%	NOK 47.37	73.6%
North America (4)	USD 3.28	43.2%	NOK 27.11	52.4%
North America, GWE (3)	USD 6.83	47.2%	NOK 56.37	56.7%

Notes:

- (1) NASDAQ average superior GWE/kg (gutted weight equivalent)
- (2) Umer Barry average D trim 3-4 lbs FOB Miami
- (3) Reference price converted back-to-plant equivalent in GWE/kg
- (4) Umer Barry average GWE 10-12 lbs FOB Seattle



Global volume by market

Markets	Estimated volumes		Compared to Q2 2015		Est. volumes Q1 2016	12 month comparison		
	Q2 2016	Q2 2015	Volume	%		LTM	PTM	%
EU	226 200	234 900	-8 700	↓ -3.7%	222 800	970 800	951 700	2.0%
Russia	13 600	25 700	-12 100	↓ -47.1%	20 100	88 300	116 600	-24.3%
Other Europe	16 700	19 700	-3 000	↓ -15.2%	17 300	76 500	85 600	-10.6%
Total Europe	256 500	280 300	-23 800	↓ -8.5%	260 200	1 135 600	1 153 900	-1.6%
USA	96 800	95 900	900	↑ 0.9%	103 300	388 000	351 300	10.4%
Brazil	17 600	21 000	-3 400	↓ -16.2%	27 600	96 100	93 900	2.3%
Other Americas	23 800	24 700	-900	↓ -3.6%	24 300	108 600	104 800	3.6%
Total Americas	138 200	141 600	-3 400	↓ -2.4%	155 200	592 700	550 000	7.8%
China / Hong Kong	20 000	19 100	900	↑ 4.7%	19 400	78 900	75 800	4.1%
Japan	12 400	10 700	1 700	↑ 15.9%	14 800	59 800	51 400	16.3%
South Korea / Taiwan	10 600	10 900	-300	↓ -2.8%	11 000	44 600	43 700	2.1%
Other Asia	17 600	13 900	3 700	↑ 26.6%	20 000	73 100	68 400	6.9%
Total Asia	60 600	54 600	6 000	↑ 11.0%	65 200	256 400	239 300	7.1%
All other markets	22 400	21 300	1 100	↑ 5.2%	24 100	99 600	88 900	12.0%
Total	477 700	497 800	-20 100	↓ -4.0%	504 700	2 084 300	2 032 100	2.6%
Inflow to US from Europe	21 100	19 000	2 100	↑ 11.1%	19 200	81 300	71 800	13.2%
Inflow to EU from Chile	12 700	8 700	4 000	↑ 46.0%	17 100	47 800	41 600	14.9%

- *Strong underlying demand globally*
- *Europe: Key markets (UK, Germany, Southern Europe) continue to show strong demand*
- *Russia negatively impacted by high salmon prices*
- *Strong growth in Asia*

Industry supply outlook: Guidance of declining growth of -8% to -6% for 2016

GWEtonnes (thousands)	2013	2014	2015	2016	Estimates 2016			
					Low	Y/Y growth	High	Y/Y growth
Norway	1 029	1 079	1 111	1 068	1 058	-5%	1 077	-3%
UK	142	153	150	150	148	-1%	153	2%
Faroe Islands	65	74	69	72	71	2%	74	7%
Total Europe	1 237	1 307	1 330	1 290	1 276	-4%	1 304	-2%
Chile	421	525	532	420	414	-22%	426	-20%
North America	122	107	140	143	141	1%	146	4%
Total Americas	543	632	672	563	556	-17%	571	-15%
Other	58	66	82	82	81	-1%	84	2%
Total	1 837	2 005	2 083	1 936	1 913	-8%	1 958	-6%

- 2016 guidance: -8% to -6%

- 2017: Kontali expects 3% growth

- Europe: +4%

- Americas: 0%

GWEtonnes (thousands)	Q3 2013	Q3 2014	Q3 2015	Q3 2016	ESTIMATES Q3 2016			
					Low	Q/Q growth	High	Q/Q growth
Norway	258	277	274	270	266	-3%	274	0%
UK	39	43	44	40	38	-12%	41	-5%
Faroe Islands	15	17	17	17	16	-4%	17	5%
Total Europe	312	337	334	326	320	-4%	333	0%
Chile	100	129	128	92	90	-30%	95	-26%
North America	30	28	35	35	34	-4%	36	2%
Total Americas	130	157	163	127	123	-24%	130	-20%
Other	15	18	22	21	20	-7%	22	0%
Total	457	512	519	474	463	-11%	485	-7%

GWEtonnes (thousands)	Q4 2013	Q4 2014	Q4 2015	Q4 2016	ESTIMATES Q4 2016			
					Low	Q/Q growth	High	Q/Q growth
Norway	309	301	310	306	301	-3%	311	1%
UK	41	36	41	42	41	1%	43	6%
Faroe Islands	18	23	23	22	21	-7%	23	0%
Total Europe	368	360	373	370	363	-3%	377	1%
Chile	116	138	152	94	91	-40%	97	-36%
North America	29	31	37	37	36	-3%	38	3%
Total Americas	144	169	188	131	127	-33%	135	-28%
Other	15	19	23	22	21	-6%	23	0%
Total	527	547	584	523	511	-13%	535	-8%

MHG 2016 volume guidance

Salmon species GWE tons (1000)	2014 Actual	Q1 2015 Actual	Q2 2015 Actual	Q3 2015 Actual	Q4 2015 Actual	2015 Actual	Q1 2016 Actual	Q2 2016 Actual	Q3 2016 Guidance	Q4 2016 Guidance	2016 Guidance
Norway	258	65	64	59	67	255	54	54	63	82	253
Chile	68	16	13	18	15	62	15	7	7	7	36
Canada	27	10	12	9	9	40	12	12	9	12	44
Scotland	49	7	12	17	14	50	13	11	10	16	49
Other Units	18	1	3	3	6	13	3	4	5	6	18
Total	419	99	104	106	111	420	97	87	94	122	400

- *2016 reduced guidance from 414,000 tons GWE to 400,000 tons GWE*
 - Norway reduced by 9,000 tons (low growth due to treatment starvation)
 - Scotland reduced by 5,000 tons (low growth due to treatment starvation)

Outlook

- *Market balance expected to be tight in 2016 (negative supply growth)*
 - Future prices (NASDAQ) next twelve months have increased to EUR 6.4 per kg (NOK 59 per kg)
- *Strong consumer demand in Europe and Asia*
- *New Chilean regulations have major deficiencies*
- *Aquaculture shipping joint venture to influence the supply chain*
 - Reduce cost and improve biology
- *Quarterly dividend of NOK 3.20 per share (repayment of paid in capital)*
 - NOK 1.10 per share is related to the divestment of shares in Grieg Seafood



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Appendix

Dividend policy

- *The quarterly dividend level shall reflect the present and expected future cash flow generation of the Company*
 - *To this end, a target level for net interest bearing debt is determined, reviewed and updated on a regular basis*
 - *When the target is met, at least 75% of the annual free cash flow after operational and financial commitments will be distributed as dividends*
-
- *Long term NIBD target of EUR 1,050m*
 - EUR 1.8 per kg harvest volume (equivalent to ca NOK 15 per kg)
 - Residual attributed to non-farming businesses

Contract coverage and sales contract policy

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	40.0 %	100.0 %
Faroes	0.0 %	30.0 %

Notes:

- (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

- Q3 2016 contract shares (% of guided volume):
 - Norway 41%
 - Scotland 67%
 - Canada 0%
 - Chile 25%
- *Contracts typically have a duration of 3-12 months*
 - Contracts are entered into on a regular basis
 - Policy opens for contracts of up to 48 month duration

Quarterly segment overview

EUR million	SOURCES OF ORIGIN QTD							Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes	Other ¹⁾	
OPERATIONAL EBIT								
FARMING	102.4	5.8	26.5	-5.6	1.4	5.6		136.0
SALES AND MARKETING								
Markets	9.6	3.0	1.0	4.0	0.0	0.1	0.0	17.8
Consumer Products	-1.5	-3.8	0.0	0.0	-0.1	0.0	0.5	-4.8
SUBTOTAL	110.6	5.0	27.4	-1.6	1.3	5.7	0.5	149.0
Feed	3.3							3.3
Other entities ²⁾							-3.2	-3.2
TOTAL	113.9	5.0	27.4	-1.6	1.3	5.7	-2.7	149.0
Harvest volume (GWT, salmon)	53 743	10 809	11 745	7 076	1 452	2 334		87 159
Operational EBIT per kg (EUR) ³⁾ - total Group	2.12	0.47	2.34	-0.23	0.86	2.46		1.71
- of which Feed	0.06	0.00	0.00	0.00	0.00	0.00		0.04
- of which Markets	0.18	0.28	0.08	0.57	0.00	0.05		0.20
- of which Consumer Products	-0.03	-0.35	0.00	0.00	-0.09	0.00		-0.06
ANALYTICAL DATA								
Price achievement/reference price (%) ⁴⁾	83%	83%	99%	105%	n/a	92%		87%
Contract share (%)	52%	69%	0%	23%	85%	0%		44%
Quality - superior share (%)	92%	95%	90%	90%	95%	84%		92%
Exceptional items included in Operational EBIT	-18.7	0.0	0.0	-3.8	-0.2	-0.3		-22.9
Exceptional items per kg (EUR)	-0.35	0.00	0.00	-0.54	-0.11	-0.11		-0.26
GUIDANCE								
Q3 2016 harvest volume (GWT)	63 000	10 000	9 000	7 000	3 000	2 000		94 000
2016 harvest volume (GWT)	253 000	49 000	44 000	36 000	8 000	10 000		400 000
Q3 2016 contract share (%)	41%	67%	0%	25%	85%	0%		39%

YTD segment overview

EUR million	SOURCES OF ORIGIN YTD							Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes	Other ¹⁾	
OPERATIONAL EBIT								
FARMING	187.5	17.3	46.1	-32.7	-1.2	9.4		226.4
SALES AND MARKETING								
Markets	18.2	6.7	4.1	7.2	0.0	0.2	0.0	36.4
Consumer Products	4.3	-10.5	0.0	0.0	-0.1	0.0	0.9	-5.4
SUBTOTAL	209.9	13.6	50.2	-25.5	-1.3	9.6	0.8	257.3
Feed	4.9							4.9
Other entities ²⁾							-1.3	-1.3
TOTAL	214.8	13.6	50.2	-25.5	-1.3	9.6	-0.5	260.9
Harvest volume (GWT, salmon)	107 727	23 429	23 296	22 460	2 863	3 997		183 772
Operational EBIT per kg (EUR) ³⁾ - total Group	1.99	0.58	2.15	-1.14	-0.47	2.41		1.42
- of which Feed	0.05	0.00	0.00	0.00	0.00	0.00		0.03
- of which Markets	0.17	0.29	0.18	0.32	0.01	0.05		0.20
- of which Consumer Products	0.04	-0.45	0.00	0.00	-0.05	0.00		-0.03
ANALYTICAL DATA								
Price achievement/reference price (%) ⁴⁾	90%	85%	100%	98%	n/a	97%		91%
Contract share (%)	55%	59%	0%	9%	84%	0%		38%
Quality - superior share (%)	93%	93%	89%	88%	91%	85%		92%
Exceptional items included in Operational EBIT	-36.8	0.2	0.0	-13.3	-2.0	-0.5		-52.4
Exceptional items per kg (EUR) ⁵⁾	-0.34	0.01	0.00	-0.59	-0.69	-0.12		-0.29
GUIDANCE								
Q3 2016 harvest volume (GWT)	63 000	10 000	9 000	7 000	3 000	2 000		94 000
2016 harvest volume (GWT)	253 000	49 000	44 000	36 000	8 000	10 000		400 000
Q3 2016 contract share (%)	41%	67%	0%	25%	85%	0%		39%

Quarterly segment overview

MH Operating Units EUR million	FARMING					MH Sales and Marketing						Group*
	Norway	Scotland	Canada	Chile	Ireland	Faroes	Markets	Consumer Products	MH Feed	Other	Elim	
Revenues and other income	309.2	61.9	72.6	39.6	11.1	14.2	654.3	325.1	69.4	4.9	-730.2	832.1
Operating EBITDA	114.8	10.0	29.3	-0.7	2.2	6.1	18.8	0.8	5.4	-2.2	0.0	184.4
Operating EBIT	102.4	5.8	26.5	-5.6	1.4	5.6	17.8	-4.8	3.3	-3.2	0.0	149.0
Fair Value adj on biomass, contracts/ unrealised derivatives	22.2	7.3	-11.5	9.9	3.4	5.1	0.0	-4.6	0.2	5.0	0.0	36.9
Unrealized margin adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.7	-1.7
Restructuring cost	0.0	0.1	0.0	-2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.1
Other non-operational items	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Income/loss from associated companies	16.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.2
Write-down of fixed assets/intangibles	0.0	0.0	0.0	-18.8	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	-19.0
EBIT	141.9	13.2	15.0	-16.7	4.8	10.7	17.6	-9.4	3.4	1.8	-1.7	180.5
Contribution to operational EBIT from S&M	8.2	-0.7	1.0	4.0	-0.1	0.1	-17.8	4.8		0.5		0.0
Contribution to operational EBIT from Feed	3.3								-3.3			
Operational EBIT incl contribution from S&M	113.9	5.0	27.4	-1.6	1.3	5.7	0.0	0.0	0.0	-2.7	0.0	149.0
Harvest / sales volume	53 743	10 809	11 745	7 076	1 452	2 334	0	30 457	55 956			
Operational EBIT/kg incl contribution from S&M (EUR)	2.12	0.47	2.34	-0.23	0.86	2.46						1.71
-of which S&M	0.15	-0.07	0.08	0.57	-0.09	0.05						0.15
-of which Feed	0.06											0.04

*Volume = harvested volume salmon in tonnes gutted weight

Development in harvest volumes

	2010	2011	2012	2013	2014					2015					2016E				
	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3E	Q4E	Total
Norway	202.5	217.5	255.3	222.5	55.1	68.7	64.3	69.9	258.0	65.2	64.0	58.9	66.6	254.8	54.0	53.7	63.0	82.3	253.0
Chile	10.6	26.0	40.2	28.3	17.7	16.4	16.7	16.6	67.5	16.1	13.2	18.4	14.8	62.5	15.4	7.1	7.0	6.5	36.0
Canada	33.5	33.9	40.2	33.1	6.4	6.5	7.1	6.8	26.7	10.5	11.6	8.7	9.4	40.1	11.6	11.7	9.0	11.7	44.0
Scotland	33.1	50.2	40.3	48.4	10.5	18.3	13.7	6.4	48.9	7.1	12.4	16.6	14.1	50.1	12.6	10.8	10.0	15.6	49.0
Other (1)	16.0	15.3	16.3	11.5	2.6	4.3	5.5	5.4	17.8	0.6	2.9	3.4	5.7	12.7	3.1	3.8	5.0	6.1	18.0
Total	295.7	342.8	392.3	343.8	92.2	114.2	107.3	105.1	418.9	99.5	104.2	106.0	110.6	420.1	96.6	87.2	94.0	122.2	400.0

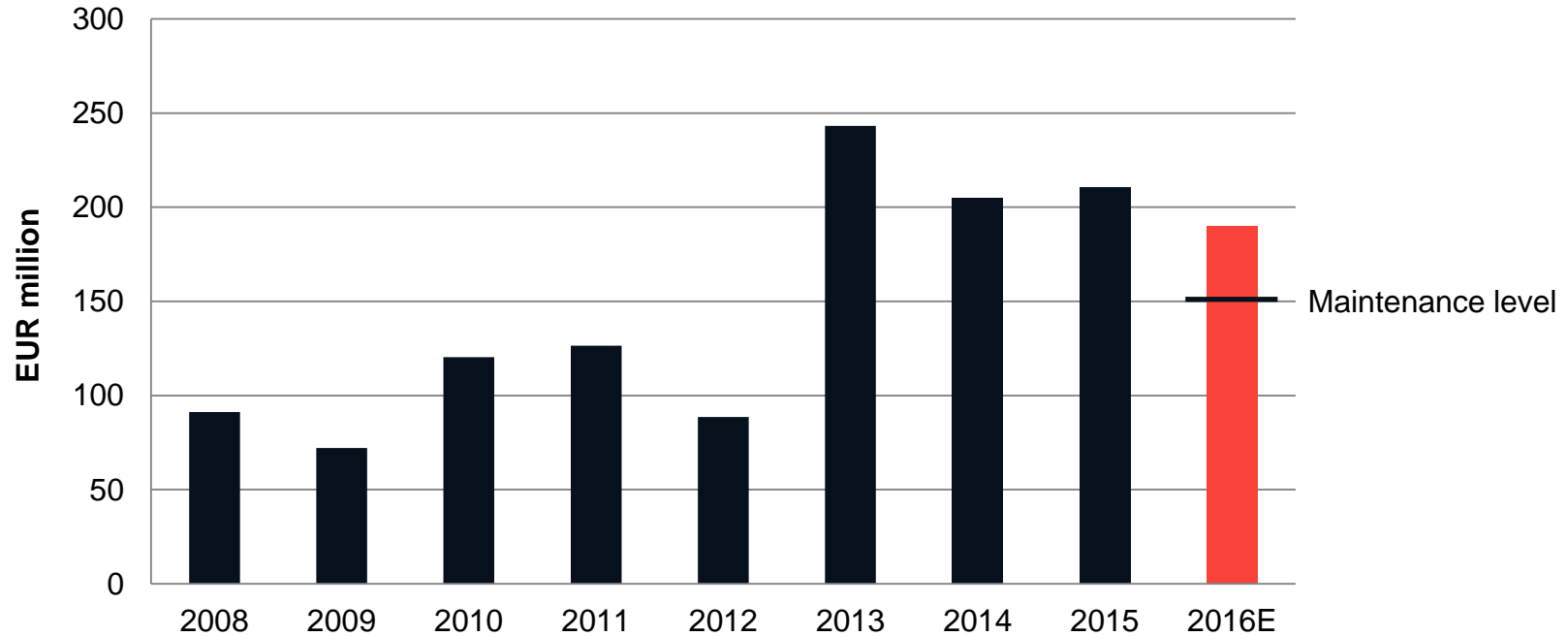
GROWTH RELATIVE TO SAME PERIOD IN PREVIOUS YEAR

	2010	2011	2012	2013	2014					2015					2016E				
	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3E	Q4E	Total
Norway	0%	7%	17%	-13%	17%	28%	21%	2%	16%	18%	-7%	-8%	-5%	-1%	-17%	-16%	7%	23%	-1%
Chile	-71%	146%	55%	-30%	115%	n.a.	184%	17%	139%	-9%	-19%	10%	-11%	-7%	-4%	-47%	-62%	-56%	-42%
Canada	-8%	1%	19%	-18%	-48%	-28%	14%	19%	-19%	65%	79%	23%	38%	50%	10%	1%	4%	25%	10%
Scotland	-12%	51%	-20%	20%	9%	37%	0%	-46%	1%	-32%	-32%	21%	121%	3%	77%	-12%	-40%	10%	-2%
Other (1)	7%	-4%	7%	-29%	-4%	20%	172%	67%	54%	-76%	-32%	-38%	6%	-29%	399%	28%	47%	8%	42%
Total	-10%	16%	14%	-12%	15%	44%	33%	2%	22%	8%	-9%	-1%	5%	0%	-3%	-16%	-11%	11%	-5%

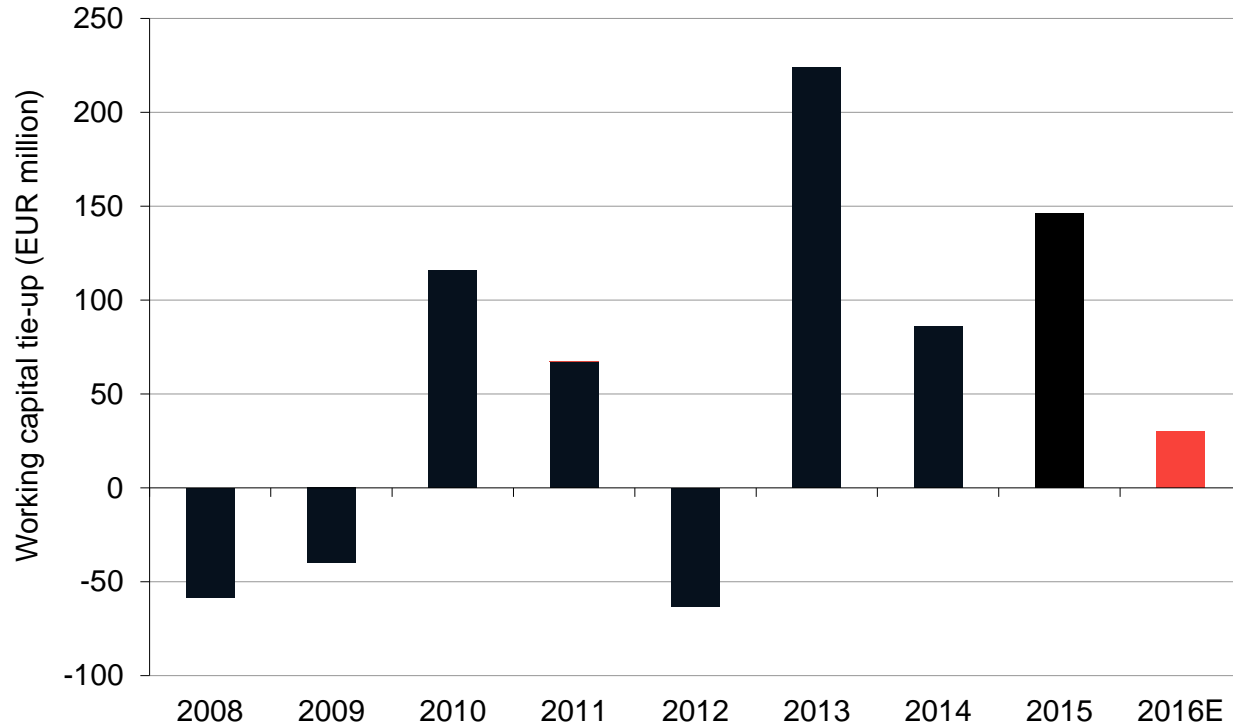
Notes:

(1) Ireland and the Faroes

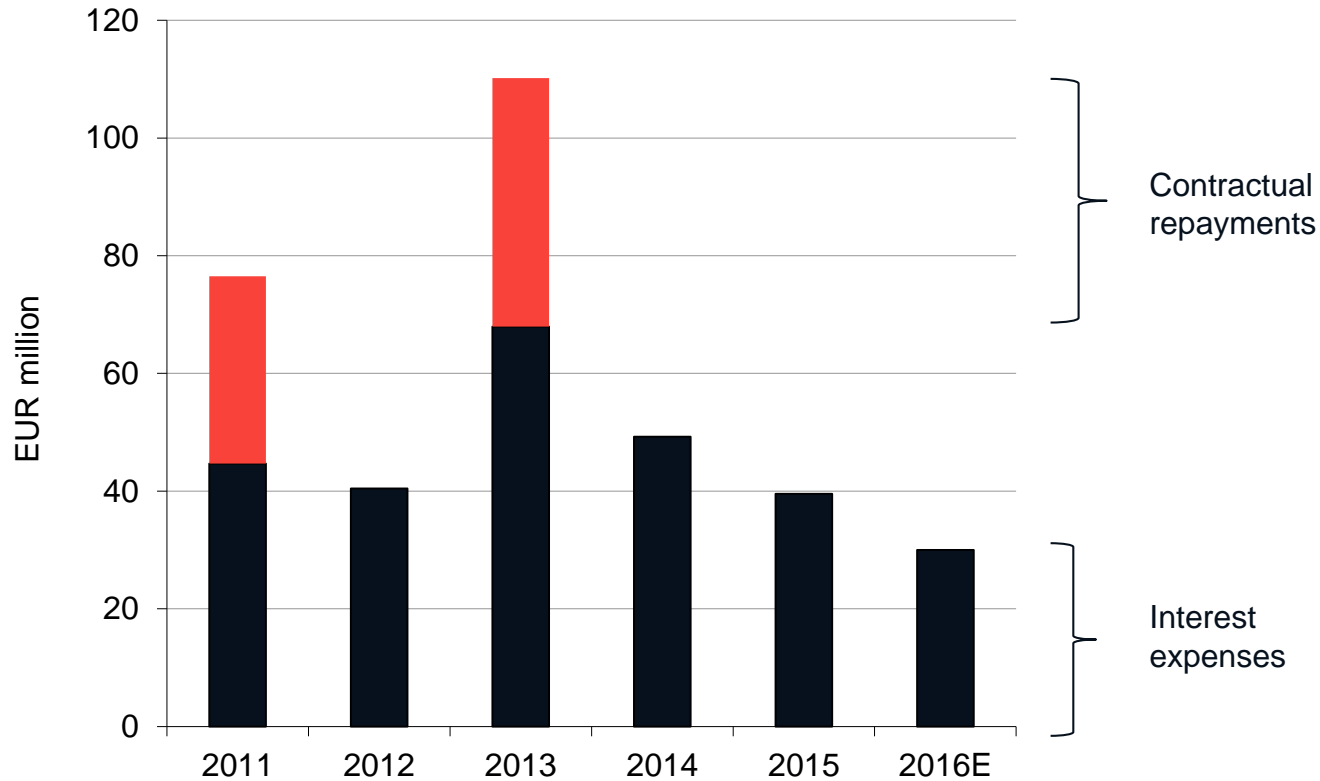
Net capital expenditure guidance



Net working capital guidance



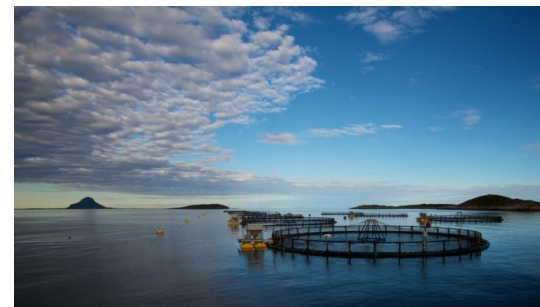
Guidance on financial commitments and cost of debt



Nova Sea

	Ownership %	Harvest volume (GWE)				EBIT per kg EUR				NIBD EURm
		2014	2015	Q2 2015	Q2 2016	2014	2015	Q2 2015	Q2 2016	Q2 2016
Nova Sea	48%	38 739	37 422	8 715	10 775	1.47	1.57	1.44	3.11	20.2

- *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*
- *2015 dividends of NOK 200m (paid in Q2-16)*
 - Marine Harvest's direct share NOK ~86m
- *Proportion of income after tax reported as income from associated companies in Marine Harvest Norway*
 - EUR 15.3m in Q2 2016
 - IFRS adjustment of biomass EUR 3.8m



Debt distribution and interest rate hedging

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

CURRENCY	DEBT 30/06/2016 ⁽²⁾	2016		2017		2018		2019		2020		2021		2022	
		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⁾	Nominal value	Fixed rate ⁽³⁾
EUR m	647.3	797.4	0.94%	938.0	1.21%	1 226.1	1.80%	1 296.5	2.50%	716.6	1.24%	380.0	2.20%	-	0.00%
USD m	149.0	151.0	2.91%	138.5	3.12%	138.5	3.21%	167.5	2.93%	78.3	2.31%	78.3	2.31%	60.0	4.13%
GBP m	5.2	34.0	3.04%	34.0	3.13%	34.0	3.13%	34.0	3.13%	23.5	2.83%	23.5	2.83%	-	0.00%
Other (EUR m)	134.8														

Market value of IRS contracts in MEUR (30/06/16):

-100.9

Mark to market valuation effect in Q2⁽⁴⁾:

-7.9

Difference in fixed vs floating rate settled in cash in Q2

-2.0

Notes:

(1) MHG chooses 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

- *External interest bearing debt is distributed as follows: EUR 73%, USD 13%, GBP 1%, other currencies 13%.*
- *Policy: Marine Harvest ASA shall hedge 70%-100% of the Group's long-term interest-bearing debt by currency with fixed interest or interest rate derivatives for the first 4 years and 0%-60% 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*

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 two years. The annual hedging shall be evenly distributed across the months of the year.
- **USD/CAD**
 - Marine Harvest shall hedge between 0% and 30% of its assumed annual expenses in CAD against the USD with a horizon of two years. The annual hedging shall be evenly distributed across the months of the year.
- **USD/CLP**
 - Marine Harvest shall not hedge the USD/CLP exposure
- **Internal transaction hedging relating to bilateral sales contracts**
 - All bilateral sales contracts are subject to internal currency hedging of the exposure between the invoicing currency and EUR
 - 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

Strategic currency hedging

STRATEGIC CURRENCY HEDGING	EUR/NOK		USD/CAD	
	MEUR	Rate	MUSD	Rate
2016	99.6	8.99	14.4	1.32
2017	199.2	9.40	28.8	1.32
2018	99.6	9.63	3.6	1.35
P/L effect of contracts maturing in Q2	0.9	(MEUR)		
	<u>MEUR</u>			
Market value 31/03/2016	-8.4			
Change (1)	4.9			
Market value 30/06/2016	-3.5			

DESIGNATED MARKET CURRENCIES

Norway	EUR
Chile	USD
Canada	USD
Scotland	GBP
Feed	EUR
VAP	EUR
Morpol	EUR
Faroes	EUR
Asia	USD

Tax losses carried forward (YE 2015)

Marine Harvest Group 31.12.2015 EUR million	Recognised	Unrecognised	Total
USA	7.6	0.0	7.6
Poland	16.3	1.2	17.5
France	5.5	44.3	49.8
Germany	1.0	0.0	1.0
Chile	3.2	72.0	75.2
Italy	0.0	0.4	0.4
Taiwan	0.0	2.0	2.0
China	0.4	0.0	0.4
Other	0.1	0.0	0.1
Total	34.1	119.9	154.0

- *Most of the deferred tax assets have not 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*