

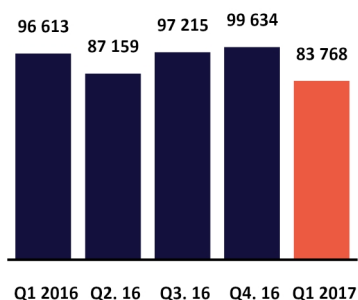


marineharvest

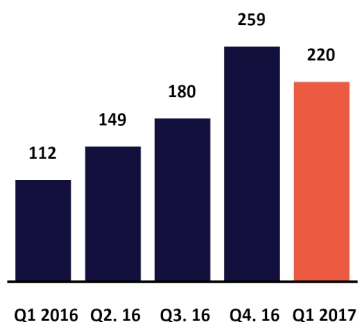
Q1 / 2017 / FIRST QUARTER MARINE HARVEST GROUP

- Record high first quarter Operational EBIT of EUR 220 million. Financial EBIT of EUR 88 million
- All-time high salmon prices in the quarter, driven by strong demand and decline in supply
- Strong performance in Marine Harvest Scotland
- Acquisition of the Gray Aqua Group assets on the East Coast of Canada completed
- Proposed quarterly dividend of NOK 3.00 per share

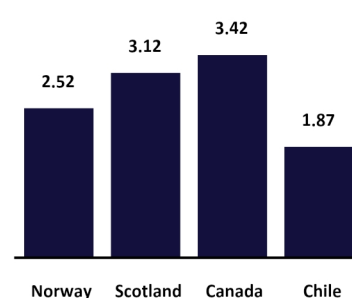
Harvest volume
(GWE) tonnes



Operational EBIT
EUR million



Operational EBIT
EUR per kg



HIGHLIGHTS - FIRST QUARTER 2017

- Record high first quarter Operational EBIT of EUR 219.8 million. Financial EBIT of EUR 88.3 million.
- All-time high salmon prices in the first quarter, driven by strong demand and decline in supply.
- Strong operational performance in Marine Harvest Scotland due to harvesting from good performing sites.
- Production costs increased in all regions except Scotland.
- Harvested volume in line with guidance.
- The acquisition of the assets from the Gray Aqua Group on the East Coast of Canada was completed.
- Net interest-bearing debt (NIBD) of EUR 842 million.
- Net cash flow per share of EUR 0.39 in the quarter.
- 33.7% Return on capital employed (ROCE) in the quarter.
- Underlying earnings per share (EPS) of EUR 0.36 in the quarter.
- A quarterly dividend of NOK 3.00 per share will be paid out to the shareholders as a repayment of paid in capital, subject to approval from the Annual General Meeting on 1 June 2017.

Main figures ¹⁾			
EUR million	Q1 2017	Q1 2016	2016
Operational revenue ²⁾	892.0	809.5	3 509.8
Operational EBITDA ³⁾	256.8	147.7	842.7
Operational EBIT ³⁾	219.8	111.9	700.2
EBIT	88.3	192.7	991.2
Net financial items	136.5	-28.4	-232.0
Profit or loss for the period	212.4	128.0	539.3
Cash flow from operations	247.8	150.1	693.2
Total assets	4 491.1	4 253.5	4 810.4
NIBD ⁴⁾	842.0	960.1	890.0
Basic EPS (EUR)	0.47	0.28	1.20
Underlying EPS (EUR) ⁵⁾	0.36	0.18	1.13
Net cash flow per share (EUR) ⁶⁾	0.39	0.21	1.23
Dividend declared and paid per share (NOK)	2.80	1.40	8.60
ROCE ⁷⁾	33.7%	18.1%	28.1%
Equity ratio	47.9%	45.9%	43.0%
Adjusted equity ratio ⁸⁾	45.1%	43.8%	40.1%
Harvest volume (GWE, salmon)	83 768	96 613	380 621
Operational EBIT per kg (EUR) - Total ⁹⁾	2.62	1.16	1.84
Norway	2.52	1.87	2.18
Scotland	3.12	0.68	0.91
Canada	3.42	1.97	2.53
Chile	1.87	-1.55	0.11

- 1) This interim report is unaudited. Please refer to the Annual Report (part 4) and appendix to this quarterly report (available on-line) for detailed descriptions and reconciliations of Alternative Performance Measures (non-IFRS measures).
- 2) Operational revenue: Revenue and other income, including realized gain/loss from currency derivatives related to contract sales of Norwegian origin, and excluding change in unrealized salmon derivatives.
- 3) Calculated by excluding the following items from financial EBITDA/EBIT: Change in unrealized internal margin, change in unrealized gains/losses from salmon derivatives, net fair value adjustment on biomass, onerous contract provisions, restructuring costs, income from associated companies, impairment losses of fixed assets/intangibles and other non-operational items. Operational EBIT also includes realized gain/loss from currency derivatives related to contract sales of Norwegian origin. A reconciliation between Operational EBIT and financial EBIT is provided on the next page, and we also refer to the appendix to this quarterly report (available on-line) for further information. The largest individual difference between Operational EBIT and financial EBIT is the net fair value adjustment on biomass according to IFRS (and the related onerous contracts provision), which is a volatile figure impacted by estimates of future salmon prices as well as other estimates.
- 4) NIBD: Total non-current interest-bearing debt, minus total cash, plus current interest-bearing debt and plus net effect of currency derivatives on interest-bearing debt.
- 5) Underlying EPS: Operational EBIT adjusted for accrued interest payable, with estimated weighted tax rate - per share.
- 6) Net cash flow per share: Cash flow from operations and investments, net financial items paid and realized currency effects - per share.
- 7) ROCE: Annualized return on average capital employed based on EBIT excluding net fair value adjustment on biomass, onerous contract provisions and other non-operational items / Average NIBD + Equity, excluding net fair value adjustment on biomass, onerous contract provisions and net assets held for sale, unless there are material transactions in the period.
- 8) Adjusted equity ratio: Calculated by excluding net fair value adjustment on biomass and onerous contracts provision (both net after tax) from equity, and net fair value adjustment on biomass from sum of equity and liabilities.
- 9) Operational EBIT per kg including allocated margin from Feed and Sales and Marketing.

PROFIT - FINANCIAL RESULTS IN THE QUARTER

The Group's profits hinges on its ability to provide customer value from healthy, tasty and nutritious seafood, farmed both cost effectively and in an environmentally sustainable way that maintains a good aquatic environment and respects the needs of the wider society.

(Figures in parenthesis refer to the same quarter in 2016.)

(EUR million)	Q1 2017	Q1 2016
Operational EBIT	219.8	111.9
Change in unrealized margin	-1.8	3.0
Gain/loss from derivatives	-6.3	-3.8
Net fair value adjustment on biomass including onerous contracts	-122.5	73.9
Restructuring costs	-0.2	-2.5
Income from associated companies	-0.1	10.3
Impairment losses on fixed assets/intangibles	-0.6	-0.1
EBIT	88.3	192.7

Operational EBIT amounted to EUR 219.8 million in the quarter (EUR 111.9 million) on the back of record high achieved prices. The contribution from Feed was EUR 0.1 million (EUR 1.6 million), and Farming contributed EUR 204.7 million (EUR 90.4 million). Markets contributed EUR 13.3 million (EUR 18.6 million) and Consumer Products contributed EUR 9.6 million (EUR -0.6 million).

Operational EBIT of EUR 219.8 million in the period was negatively impacted by exceptional items in the amount of EUR 25.2 million (refer to Note 6).

Earnings before financial items and taxes (EBIT) came to EUR 88.3 million (EUR 192.7 million). EBIT includes a net fair value adjustment on biomass including onerous contracts of EUR -122.5 million (EUR 73.9 million), mainly due to drop in salmon forward prices.

Financial items

(EUR million)	Q1 2017	Q1 2016
Interest expenses	-11.9	-11.9
Net currency effects	1.1	-1.0
Other financial items	147.3	-15.5
Net financial items	136.5	-28.4

Other financial items include an decrease in the fair value of the conversion liability component of the convertible bond of EUR 143.6 million due to the reduction of the Marine Harvest share price, and positive change in fair value of other financial instruments of EUR 5.3 million.

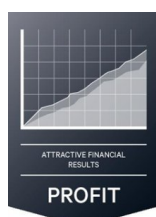
Cash flow and NIBD

(EUR million)	Q1 2017	Q1 2016
NIBD beginning of period	-890.0	-999.7
Operational EBITDA	256.8	147.7
Change in working capital	59.6	34.5
Taxes paid	-59.7	-26.0
Other adjustments	-8.9	-6.2
Cash flow from operations	247.8	150.1
Net Capex	-57.0	-41.0
Other investments	-10.0	-0.8
Cash flow to investments	-67.0	-41.8
Net interest and financial items paid	-4.7	-4.7
Other items	-10.0	-12.4
Convertible bonds converted	21.1	0.0
Dividend / return of paid in capital	-142.8	-67.0
Translation effect on interest-bearing debt	3.6	15.4
NIBD end of period	-842.0	-960.1

Cash flow from operations amounted to EUR 247.8 million (EUR 150.1 million). The first quarter saw a seasonal release of net working capital, offset by tax payments.

Net Capex was EUR 57.0 million (EUR 41.0 million). Investments related to the new feed factory in Scotland, as well as fresh water expansions in our farming regions, are the main drivers behind the increased Capex compared to the first quarter of 2016. Other investments includes payment of EUR 12.1 million related to the purchase of farming assets on the East Coast of Canada (refer to Note 13), partly offset by contributions from associated companies.

A quarterly dividend of EUR 142.8 million (EUR 67.0 million), as announced in the report for the fourth quarter of 2016, has been distributed as repayment of paid in capital.



GUIDING PRINCIPLE	AMBITION	ACHIEVEMENT
Profitability	ROCE exceeding 12%	Q1 33.7% YTD 33.7%
Solidity	Long term NIBD target: EUR 1 050 million Farming NIBD / kg EUR 1.8	March 31, 2017 EUR 842 million Farming NIBD / kg EUR 1.3

PROFIT - OPERATIONAL PERFORMANCE AND ANALYTICAL DATA

EUR million	Feed		Farming		Sales and Marketing				Other		Group ¹⁾	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Markets		Consumer Products		Q1 2017	Q1 2016	Q1 2017	Q1 2016
					Q1 2017	Q1 2016	Q1 2017	Q1 2016				
External revenue	5.0	2.0	7.6	23.3	543.7	463.8	335.6	318.6	0.0	1.8	892.0	809.5
Internal revenue	58.5	62.5	564.3	486.4	145.7	146.3	5.7	8.7	5.2	5.4	0.0	0.0
Operational revenue	63.6	64.5	571.9	509.7	689.4	610.0	341.3	327.3	5.2	7.2	892.0	809.5
Operational EBIT	0.1	1.6	204.7	90.4	13.3	18.6	9.6	-0.6	-8.0	1.9	219.8	111.9
Change in unrealized margin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.8	3.0
Gain/loss from derivatives	0.0	0.0	39.7	-3.5	0.4	0.0	-39.9	3.5	-6.4	-3.8	-6.3	-3.8
Net fair value adjustment on biomass, onerous contract provisions	1.4	-0.3	-123.9	75.7	0.0	0.0	0.0	0.0	0.0	-1.5	-122.5	73.9
Restructuring costs	0.0	0.0	0.0	-2.5	-0.1	0.0	0.0	0.0	-0.1	0.0	-0.2	-2.5
Income from associated companies	0.0	0.0	0.0	10.3	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	10.3
Impairment losses of fixed assets	0.0	0.0	-0.6	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.6	-0.1
EBIT	1.5	1.3	120.0	170.4	13.5	18.6	-30.3	2.8	-14.6	-3.3	88.3	192.7
Operational EBIT %	0.2%	2.5%	35.8%	17.7%	1.9%	3.0%	2.8%	-0.2%	na	na	24.6%	13.8%

1) Group adjusted for eliminations.

Marine Harvest monitors the overall value creation of the operations based on the salmon's source of origin. For this reason Operational EBIT related to our Feed and Sales and Marketing operations is allocated back to the country of origin. The table below and upcoming performance review provide information consistent with the value creation methodology.

Other units reported Operational EBIT of EUR -8.0 million in the quarter (EUR 1.9 million). The currency effects of foreign currency purchases against EUR are recognized as income/cost of EUR 2.6 million in Marine Harvest Markets Norway and Marine Harvest ASA respectively (in the first quarter of 2016, the corresponding effect was EUR -5.3 million).

EUR million	SOURCES OF ORIGIN						Other	Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes		
OPERATIONAL EBIT								
Farming	108.9	50.2	28.7	10.9	0.8	5.1		204.7
Sales and Marketing								
Markets	7.1	3.8	1.5	0.9	0.0	0.0	0.0	13.3
Consumer Products	7.5	1.4	0.0	0.0	0.1	0.0	0.6	9.6
Subtotal	123.5	55.4	30.2	11.9	0.9	5.2	0.6	227.7
Feed	0.1							0.1
Other entities ¹⁾							-8.0	-8.0
Total	123.6	55.4	30.2	11.9	0.9	5.2	-7.4	219.8
Harvest volume (GWE, salmon)	49 026	17 772	8 852	6 336	633	1 148		83 768
Operational EBIT per kg (EUR) ²⁾	2.52	3.12	3.42	1.87	1.48	4.51		2.62
- of which Feed	0.00	0.00	0.00	0.00	0.00	0.00		0.00
- of which Markets	0.14	0.21	0.17	0.14	0.00	0.00		0.16
- of which Consumer Products	0.15	0.08	0.00	0.00	0.17	0.02		0.11
ANALYTICAL DATA								
Price achievement/reference price (%) ³⁾	93%	97%	99%	91%	na	100%		95%
Contract share (%)	54%	41%	0%	25%	86%	5%		43%
Quality - superior share (%)	94%	96%	89%	88%	85%	84%		93%
Exceptional items incl in Operational EBIT	-22.8	-0.7	0.0	-1.4	-0.2	0.0		-25.2
Exceptional items per kg (EUR)	-0.47	-0.04	0.00	-0.22	-0.38	0.00		-0.30
GUIDANCE								
Q2 2017 harvest volume (GWE)	45 000	16 500	9 000	9 000	3 500	—		83 000
2017 harvest volume (GWE)	242 000	58 500	42 000	45 000	9 500	6 000		403 000
Q2 2017 contract share (%)	57%	43%	0%	31%	75%	0%		46%

1) Corporate and Holding companies

2) Including Corporate and Holding companies

3) Sales and Marketing Price achievement

MARKET OVERVIEW

Industry

Continued strong demand and a decline in global supply resulted in record high salmon prices in the quarter. The salmon price increased significantly year over year in all markets.

Global harvest of Atlantic salmon amounted to 470 600 tonnes in the first quarter, a decrease of 4% compared to the same quarter in 2016. Despite the reduced harvesting in Chile as a result of the algal bloom in 2016, the global reduction in harvesting was slightly less than expected. The main driver for this was more harvesting than expected from Norway.

Supply	Q1 2017 Tonnes GWE	Change vs Q1 2016	12 month change	Q4 2016 Tonnes GWE
Norway	249 700	2.5%	-3.2%	289 500
Scotland	33 900	0.6%	-8.5%	36 600
Faroe Islands	14 900	-11.8%	-6.8%	20 100
Ireland	3 300	13.8%	-9.2%	3 800
Total Europe	301 800	1.5%	-4.1%	350 000
Chile	119 500	-17.1%	-21.8%	115 700
North America	31 600	-5.1%	1.8%	37 200
Total Americas	151 100	-14.9%	-16.9%	152 900
Australia	13 000	7.4%	-6.0%	11 400
Other	4 700	9.3%	10.8%	4 100
Total	470 600	-4.2%	-8.2%	518 400

Supply from Norway increased by 2.5% compared to the first quarter of 2016. The increase was more than expected and mainly driven by biological challenges in relation to sea lice and PD. Early harvesting of fish resulted in more fish being made available in the market. Notwithstanding the early harvesting, average weights have increased slightly as biomass growth has been better than expected. This is also evident from growth in total feed sales in the quarter.

Scottish volumes were approximately unchanged compared to the same period last year which was slightly less than expected. Scotland harvested an increased share of large sized fish in the quarter. Volumes from the Faroe Islands declined by 12% in the quarter compared to the same quarter in 2016 as early harvesting in relation to ISA materialized in the quarter.

Volumes from Chile decreased by 17% compared to the first quarter of 2016. The reduction was driven by the algal bloom in March 2016. However, the decline was less than expected as a higher number of fish was harvested. This has somewhat reduced the biomass available for harvesting throughout the remainder of 2017.

In North America volumes were approximately unchanged compared to the first quarter in 2016. This was in line with expectations. Supply originating from Canada continues to be relatively stable.

Reference prices	Q1 2017 Market	Change vs Q1 2016	Q1 2017 NOK	Change vs Q1 2016
Norway ¹⁾	EUR 7.27	18.2%	NOK 65.32	11.5%
Chile ²⁾	USD 6.18	43.8%	NOK 52.13	40.7%
Chile, GWE ³⁾	USD 7.45	59.9%	NOK 62.87	56.4%
North America ⁴⁾	USD 4.03	37.8%	NOK 34.00	34.8%
North America GWE ³⁾	USD 8.41	44.5%	NOK 70.97	41.4%

1) NASDAQ average superior GWE/kg (gutted weight equivalent)

2) Urner Barry average D trim 3-4 lbs FOB Miami

3) Reference price converted back-to-plant equivalent in GWE/kg

4) Urner Barry average GWE 10-12 lbs FOB Seattle

In the market currency, EUR, prices in Europe increased by 18% compared to the first quarter of 2016. Salmon prices increased by 44% in Miami and 38% in Seattle in USD terms.

Market distribution	Q1 2017 Tonnes GWE	Change vs Q1 2016	12 month change
EU	206 400	-8.1%	-5.3%
Russia	13 300	-28.9%	-35.3%
Other Europe	18 400	5.1%	-8.7%
Total Europe	238 100	-8.7%	-8.0%
US	98 100	-4.8%	-5.2%
Brazil	20 400	-26.1%	-23.1%
Other Americas	25 400	6.3%	-4.3%
Total Americas	143 900	-6.9%	-8.0%
China/Hong Kong	17 400	-13.4%	-3.2%
Japan	13 900	-6.1%	-0.7%
South Korea / Taiwan	10 300	-6.4%	-12.3%
Other Asia	20 900	11.8%	0.4%
Total Asia	62 500	-3.3%	-3.3%
All other markets	27 300	7.9%	2.6%
Total	471 800	-6.6%	-6.9%

Global consumption declined by 7% in the first quarter compared with the same period in 2016. The overall consumption of salmon was approximately the same as the volumes harvested, hence inventory changes in the quarter were limited.

Reduced supply has negatively impacted salmon consumption in the quarter in all main markets. In value terms, however, demand is higher than ever.

Consumption in the EU in value terms was up by approximately 10% year over year. Particularly, the Benelux markets developed favorably in the quarter. France, on the other hand, continues to be challenging. In Russia, consumption decreased by 29% compared to the first quarter of 2016, primarily as sourcing from Chile and Faroe Islands is directed towards the higher paying fresh European and US market.

US consumption decreased by 5% compared to the same quarter in 2016. The decline continues to be less than the reduction in supply from Chile and Canada as producers in those countries prioritize selling into the US market. A significant increase in imports of large sized fish from Europe materialized in the quarter. In value terms the US market grows and develops favorably. In Brazil, consumption declined by 26% compared to the same quarter in 2016. The lack of available Chilean salmon continues to constrain the volumes available for the Brazilian restaurant market.

Consumption in the Asian market developed favorably in the quarter as exports from Europe to Asia has on a relative basis increased compared to other markets. Large sized fresh whole salmon in particular has driven the increased trade flow.

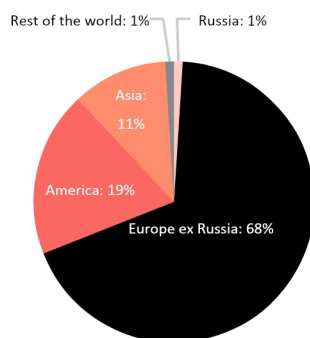
Source: Kontali and Marine Harvest

Marine Harvest

Geographic market presence

Total salmon revenues in the first quarter were distributed as shown in the graph below. Europe is by far the largest market for Marine Harvest's salmon with 68% of the total revenues (69%). France, Germany and UK are the main markets for our products. As a result of the ban on the import of salmon from most European production countries, our sales to Russia originate from the Faroe Islands and Chile.

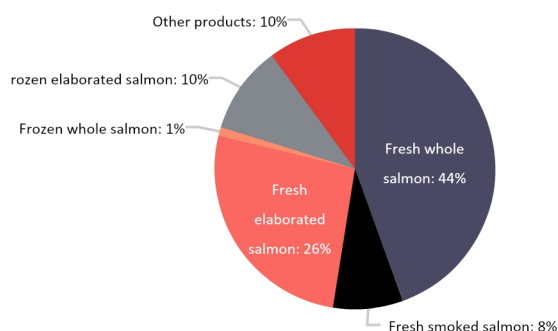
Sales by Geography Q1 2017



Sales by product

The Group's main species is Atlantic salmon. The sales revenue distribution across products was as follows in the first quarter:

Sales by product Q1 2017



Fresh whole salmon represented 44% of total sales revenues (40%), while fresh smoked salmon and fresh and frozen elaborated salmon together accounted for 44% (48%). The share of smoked and elaborated products decreased compared to the first quarter of 2016.

Branding and product development efforts

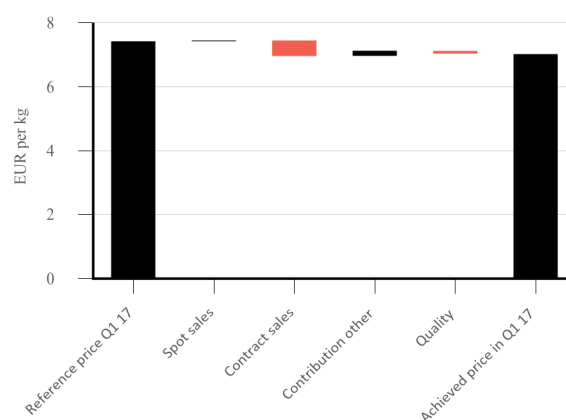
In the first quarter we continued our efforts to further develop existing brands. We are pleased to announce that the organizers of the Brussels Seafood Excellence Global Awards 2017 chose eight of Marine Harvest's products as finalists in the competition for best retail product and best food service industry product. Thus, Marine Harvest was the leading seafood company in the competition.

In the US, our Ducktrap smoked seafood facility continues to expand its business and strengthen its market position as a leader in the US smoked seafood category. The Ducktrap brand remains a trusted, well-recognized and preferred brand among discerning customers and chefs in the US, with 4% volume growth in the first quarter of 2017 compared to the first quarter of 2016.

Price achievement

Prices in all markets were significantly higher than in the first quarter of 2016 due to strong demand and lower volumes available for harvest.

Global Price Achievement
Q1 2017



Price achieved by the farming units in Norway, Scotland, Canada, Chile and Faroes.

The global reference price was 28% higher in the first quarter of 2017 compared to the first quarter of 2016. The combined global price achieved was 5% below the reference price in the period. In the first quarter of 2016, the global price achieved was 10% below the reference price. The contribution from contracts relative to the reference price was negative in the first quarter of both 2016 and 2017, but the relative effect was larger in 2016.

Markets				
Q1 2017	Norwegian	Scottish	Canadian	Chilean
Contract share	54%	41%	0%	25%
Quality - superior share	94%	96%	89%	88%
Price achievement	93%	97%	99%	91%

Average price achievement is measured against reference prices in all markets (NASDAQ for Norwegian, Scottish and Faroese salmon, and Urner Barry for Chilean and Canadian salmon).

PROFIT - OPERATIONAL PERFORMANCE

Salmon of Norwegian origin

EUR million	Q1 2017	Q1 2016
Operational EBIT	123.6	100.9
EBIT	63.5	114.3
Harvest volume (GWE)	49 026	53 984
Operational EBIT per kg (EUR)	2.52	1.87
- of which Feed	0.00	0.03
- of which Markets	0.14	0.16
- of which Consumer Products	0.15	0.11
Exceptional items incl in op. EBIT	-22.8	-18.1
Exceptional items per kg (EUR)	-0.47	-0.34
Price achievement/reference price	93%	88%
Contract share	54%	55%
Superior share	94%	93%

Financial results

Operational EBIT amounted to EUR 123.6 million (EUR 100.9 million) in the first quarter, the equivalent of EUR 2.52 per kg (EUR 1.87). The profitability of the four Norwegian regions varied significantly, with EUR 0.90 per kg separating the highest performing region (Region South) from the lowest performing region (Region North).

Financial EBIT amounted to EUR 63.5 million (EUR 114.3 million).

All-time high salmon price is the main contributor to the strong earnings in the first quarter. However, contracts and cost increases driven by higher feed and lice mitigation costs partially offset the effect of significantly higher spot prices. Exceptional items related to mortality and lice mitigation negatively impacted Operational EBIT by EUR 22.8 million in the first quarter (EUR 18.1 million).

Price and volume development

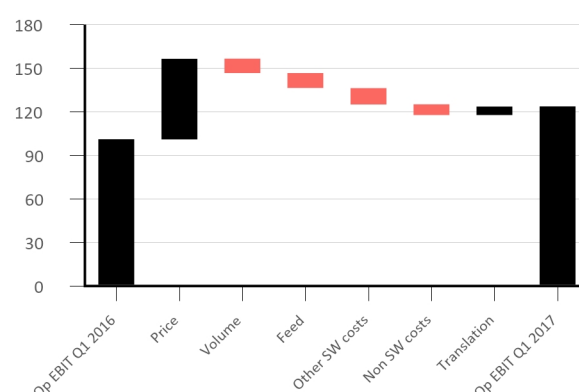
The reference price for Salmon of Norwegian origin increased by 18% compared to the first quarter of 2016 due to strong demand and lower supply. The average reference price in the first quarter was EUR 7.27 per kg.

Marine Harvest had a contract share of 54% for salmon of Norwegian origin in the first quarter, compared to 55% in the first quarter of 2016.

The overall price achieved was 7% below the reference price in the quarter (12% below). Average contract prices improved in the quarter, but were still not at the same level as spot prices in the period. The superior share was 94% (93%).

Harvested volume in the first quarter was 49 026 tonnes gutted weight (53 984 tonnes gutted weight). The harvest volume was lower than in the comparable quarter last year. This is due to lower production following biological challenges, as well as lower opening biomass.

Operational EBIT Salmon of Norwegian Origin Q1 2017 vs Q1 2016



Costs and operations

The cost level increased in Regions West, Mid and North compared to the first quarter of 2016, but decreased in Region South. The biological cost¹⁾ of harvested fish increased by 15% compared to the first quarter of 2016.

The cost of feed per kg harvested salmon was up by 13% compared to the corresponding quarter in 2016 as a result of increased feed conversion ratios and increased feed prices. Feed conversion ratios have been negatively impacted by reduced feeding appetite following mechanical lice treatments.

As in previous periods, sea lice mitigation costs have been high for the harvested generation. The health cost per kg salmon harvested in the first quarter of 2017 increased by 10% compared to the corresponding quarter in 2016. However, the health cost per kg decreased by 10% from the all-time high level in the fourth quarter of 2016, and sea lice levels were reduced or stable compared to the first quarter of 2016 in all regions. Nevertheless, the primary challenge for the Norwegian farming operations continues to be sea lice, and substantial effort is devoted to mitigating and resolving this challenge.

The estimated exceptional cost related to sea lice mitigation amounted to EUR 17.0 million (EUR 15.5 million) in the first quarter of 2017. Per kg harvested, exceptional sea lice mitigation costs amounted to EUR 0.35 (EUR 0.32) in the quarter.

Incident based mortality losses in the amount of EUR 5.8 million have been recognized in the quarter, mainly caused by gill issues and CMS. Losses from incident-based mortality in the first quarter of 2016 amounted to EUR 2.6 million, of which EUR 1.7 million was related to sea lice.

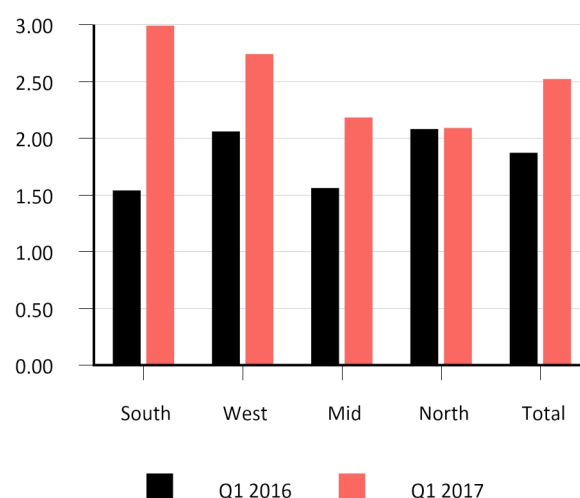
¹⁾ As defined in the Annual Report, section "Analytical information". Total of feed cost and other seawater costs, before transportation to the processing plant.

Salmon of Norwegian origin by region

Regions	South	West	Mid	North	Total
EUR million	Q1 2017	Q1 2017	Q1 2017	Q1 2017	Q1 2017
Operational EBIT	39.1	33.3	38.1	13.2	123.6
Harvest volume (GWE)	13 052	12 162	17 494	6 318	49 026
Operational EBIT per kg (EUR)	2.99	2.74	2.18	2.09	2.52
Superior share	96%	94%	93%	92%	94%

Regions	South	West	Mid	North	Total
EUR million	Q1 2016	Q1 2016	Q1 2016	Q1 2016	Q1 2016
Operational EBIT	17.2	38.1	14.1	31.6	100.9
Harvest volume (GWE)	11 189	18 544	9 055	15 196	53 984
Operational EBIT per kg (EUR)	1.54	2.06	1.56	2.08	1.87
Superior share	94%	94%	93%	92%	93%

Operational EBIT per kilo per region Q1 2017 vs Q1 2016 incl. sales margin



Region South

- The best performing region in Marine Harvest Norway in the first quarter of 2017 measured in Operational EBIT per kg. Operational EBIT totaled EUR 39.1 million in the first quarter (EUR 17.2 million), or EUR 2.99 per kg (EUR 1.54).
- Biological costs per kg harvested fish in the first quarter decreased by 2% from the first quarter in 2016, due to harvesting from a better performing generation of fish.
- A total of 13 052 tonnes gutted weight (11 189 tonnes) was harvested. The volume increase is mainly due to higher average harvest weight.
- Incident based mortality in the amount of EUR 1.3 million was recognized in the quarter due to a bacteria incident in the hatchery at Fjæra.
- Seawater production was lower than in the first quarter of 2016 due to lower opening biomass. This is partially offset by lower mortality.
- The level of sea lice was lower at the end of the first quarter compared to the first quarter of 2016. However, sea lice is still a challenge, and the region is currently seeking to improve its non-medicinal lice treatment capacity going forward.

Region West

- Operational EBIT totaled EUR 33.3 million in the first quarter (EUR 38.1 million), or EUR 2.74 per kg (EUR 2.06). This is the second best performing region in Marine Harvest Norway in the quarter.
- Biological costs per kg harvested fish in the first quarter increased from the first quarter in 2016 due to a 15% increase in feed costs and a 24% increase in lice mitigation and treatment costs.
- A total of 12 162 tonnes gutted weight (18 544 tonnes) was harvested. The volume decrease is mainly due to lower growth.
- Seawater production was lower than in the first quarter of 2016, due to lice treatments and early harvesting.
- In addition to sea lice, gill issues have continued to be a problem in the first quarter. Incident based mortality in the amount of EUR 0.5 million was recognized in the quarter, mainly due to gill issues.

Region Mid

- Operational EBIT totaled EUR 38.1 million in the first quarter (EUR 14.1 million), or EUR 2.18 per kg (EUR 1.56).
- Health cost per kg harvested fish in the first quarter decreased by 31% from a very high level in the first quarter of 2016. However, the effect of this reduction was more than offset by increases in other biological costs, mainly due to feed costs.
- CMS is currently a challenge for the region. Incident based mortality in the amount of EUR 4.0 million was recognized in the quarter, mainly related to CMS.
- A total of 17 494 tonnes gutted weight (9 055 tonnes) was harvested. The increased volume is mainly due to the fact that the harvest volume in the first quarter of 2016 was exceptional low as the processing plant was closed the first five weeks of 2016. In addition to this effect, the harvest volume in the first quarter of 2017 increased due to early harvesting following biological issues, related to CMS and lice.
- Seawater production was at the same level as in the first quarter of 2016.
- The region continues to experience challenges related to sea lice, but non-medical treatment tools have been applied with good effect in the quarter. Sea lice levels at the end of the first quarter were stable compared to the first quarter of 2016.

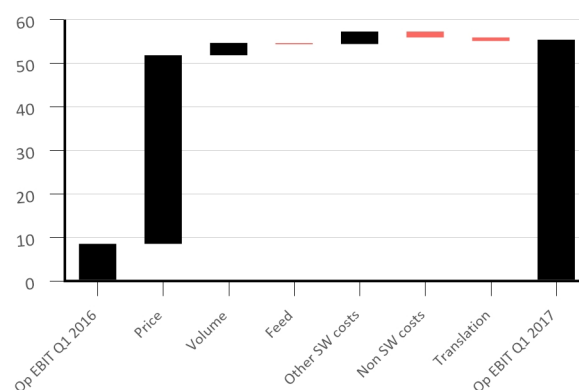
Region North

- Operational EBIT totaled EUR 13.2 million in the first quarter (EUR 31.6 million), or EUR 2.09 per kg (EUR 2.08).
- Biological costs per kg harvested fish in the first quarter increased from the first quarter in 2016. In addition to a 10% increase in feed costs and a 35% increase in health costs, repairs and maintenance costs have increased in order to comply with new regulations related to transport vessels used in the farming operations in the region. Costs are impacted by scale effects from significantly reduced volumes and temporary closure of the Herøy processing plant in February and March.
- A total of 6 318 tonnes gutted weight (15 196 tonnes) was harvested. The volume decrease is due to ISA issues in 2016 and early harvesting related to sea lice issues.
- No incident based mortality was recognized in the quarter.
- Seawater production was lower than in the first quarter of 2016, due to lower opening biomass.
- Sea lice pressure decreased compared to first quarter of 2016.

Salmon of Scottish origin

EUR million	Q1 2017	Q1 2016
Operational EBIT	55.4	8.5
EBIT	18.0	11.9
Harvest volume (GWE)	17 772	12 620
Operational EBIT per kg (EUR)	3.12	0.68
- of which Markets	0.21	0.29
- of which Consumer Products	0.08	-0.53
Exceptional items incl in op. EBIT	-0.7	0.2
Exceptional items per kg (EUR)	-0.04	0.01
Price achievement/reference price	97%	85%
Contract share	41%	59%
Superior share	96%	92%

Operational EBIT Salmon of Scottish Origin
Q1 2017 vs Q1 2016



Financial results

Operational EBIT amounted to EUR 55.4 million in the first quarter (EUR 8.5 million), the equivalent of EUR 3.12 per kg (EUR 0.68). The record high results in the quarter is due to strong prices, increased harvest volume and harvesting from good performing sites. In the comparable quarter of 2016, Operational EBIT was negatively impacted by allocated losses of EUR 6.8 million from the Rosyth processing plant. This plant was profit-making in the first quarter of 2017.

Financial EBIT amounted to EUR 18.0 million (EUR 11.9 million).

Price and volume development

The reference price in local currency was up by approximately 33% in the first quarter of 2017 compared to the first quarter of 2016. The price level reflects strong demand and reduced supply of salmon of Scottish origin following health issues in 2016.

The overall price achieved was 3% below the reference price in the quarter (15% below). The relative improvement in price achievement is mainly due to improved margin on sales from the Rosyth processing plant, which was loss-making in the first quarter of 2016. Compared to spot prices, contracts impacted the price achievement negatively for the first quarter of both 2017 and 2016.

The first quarter harvest volume was 17 772 tonnes gutted weight which is an increase from the corresponding quarter in 2016 (12 620 tonnes) due to higher average weight and hence more biomass in sea at the start of the year, combined with strong production and improved fish health.

Costs and operations

The cost level per kg harvested decreased in the first quarter of 2017 compared to the first quarter 2016, due to harvesting from good performing sites and scale effects from increased volumes.

Biological costs per kg decreased by 4% in the first quarter of 2017 compared to the corresponding quarter of 2016. The cost of feed per kg harvested salmon was up by 1% compared to the corresponding quarter of 2016 as a result of increased feed prices. Other seawater costs decreased by 10% due to improved biology and scale effects from increased volumes. The level of sea lice was reduced compared to the first quarter of 2016.

Non-seawater costs per kg have increased compared to the first quarter of 2016, mainly due to incident-based mortality. In the first quarter of 2017, incident-based mortality of EUR 0.7 million was recognized due to CMS at two sites. In the comparable quarter, net effect from incident-based mortality was positive due to effect from insurance on prior incidents.

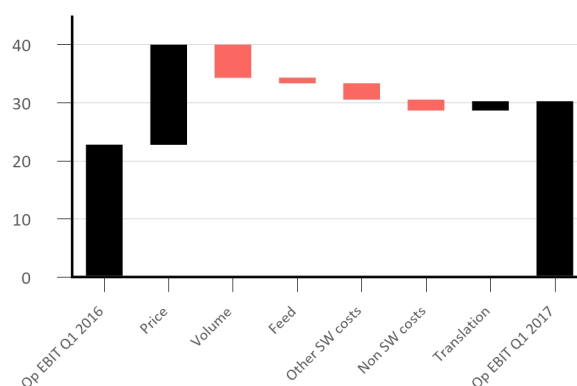
As a result of improved biology, growth performance has been favorable in the quarter. The company will continue to have a strong focus on feeding and improved growth in order to further streamline and optimize its operations.

As we were harvesting from good performing sites in the first quarter, the cost level is expected to increase going forward.

Salmon of Canadian origin

EUR million	Q1 2017	Q1 2016
Operational EBIT	30.2	22.8
EBIT	12.8	48.8
Harvest volume (GWE)	8 852	11 551
Operational EBIT per kg (EUR)	3.42	1.97
- of which Markets	0.17	0.27
- of which Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	0.0	0.0
Exceptional items per kg (EUR)	0.00	0.00
Price achievement/reference price	99%	101%
Contract share	0%	0%
Superior share	89%	88%

Operational EBIT Salmon of Canadian Origin
Q1 2017 vs Q1 2016



Financial results

Operational EBIT amounted to EUR 30.2 million in the first quarter (EUR 22.8 million), the equivalent of EUR 3.42 per kg (EUR 1.97). The increase in Operational EBIT compared to the first quarter of 2016 is mainly due to improved spot market prices.

Financial EBIT amounted to EUR 12.8 million (EUR 48.8 million).

Price and volume development

Market prices for fresh whole Canadian salmon remained strong in the first quarter on continued high demand. However, there has been downward pressure on prices due to increased European export into the North American market.

The average price per lb gutted weight (Urner Barry 10-12 lb) was USD 4.03 per lb, which is an increase of 38% from the first quarter of 2016.

Price achievement in the first quarter was 1% below the reference price (1% above in the first quarter of 2016). There were no contracts for salmon of Canadian origin in the first quarter of 2017 or 2016. The superior share was 89% in the quarter (88%).

Harvested volume was 8 852 tonnes gutted weight in the first quarter, a decrease from the comparable quarter last year (11 551 tonnes). The decrease is mainly due to lower opening biomass in sea.

Costs and operations

The cost level in the first quarter of 2017 was higher than in the comparable quarter of 2016. Biological costs per kg salmon harvested in the quarter increased by 13% compared to the first quarter of 2016. The cost of feed per kg harvested salmon was up by 6% compared to the corresponding quarter in 2016 as a result of increased feed prices and increased feed conversion ratio. Other seawater costs increased by 21%, mainly due to negative scale effects from decreased volumes.

Production has been somewhat lower than in the first quarter of 2016, due to lower opening biomass in sea, and colder than usual temperatures. Improved operational practices have shortened the life cycles and given a slightly different harvest pattern.

No incident-based mortality has been recognized in the first quarter of 2017 or 2016.

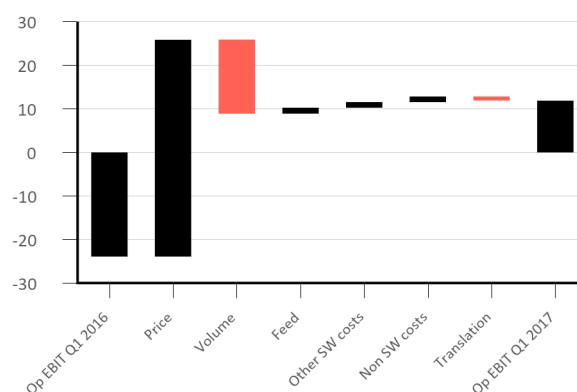
Marine Harvest Atlantic Canada has been established

In the first quarter of 2017, Marine Harvest completed the transaction related to purchase of farming assets on the East Coast of Canada. The assets were acquired from the Receiver of the Gray Aqua Group. Marine Harvest is currently working on staffing the newly established Marine Harvest Atlantic Canada organization, and is preparing a production plan and an investment framework.

Salmon of Chilean origin

EUR million	Q1 2017	Q1 2016
Operational EBIT	11.9	-23.9
EBIT	31.4	8.7
Harvest volume (GWE)	6 336	15 384
Operational EBIT per kg (EUR)	1.87	-1.55
- of which Markets	0.14	0.21
- of which Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	-1.4	-9.5
Exceptional items per kg (EUR)	-0.22	-0.62
Price achievement/reference price	91%	95%
Contract share	25%	9%
Superior share	88%	87%

Operational EBIT Salmon of Chilean Origin
Q1 2017 vs Q1 2016



Financial results

Operational EBIT amounted to EUR 11.9 million in the first quarter (EUR -23.9 million), the equivalent of EUR 1.87 per kg (EUR -1.55). A strong price increase compared to the first quarter of 2016 is the main driver behind the increased results. In addition, the cost level has improved, as costs in the first quarter of 2016 were heavily impacted by the algal bloom in region X. Significantly reduced harvest volumes following the algal bloom is also the main driver behind the price increase.

Financial EBIT amounted to EUR 31.4 million (EUR 8.7 million).

Price and volume development

The Urner Barry reference price for Chilean salmon was up by 44% compared to the first quarter of 2016. This is mainly a result of strong demand and lower harvesting volumes in the industry following the algal bloom. The average price per lb fillet in the quarter (Urner Barry D-trim 3-4 lb) was USD 6.18.

North America remains the most important market for salmon of Chilean origin. Shortage of Chilean salmon in general has been a key driver of prices to record-high levels.

Price achievement for Chilean salmon was 9% below the reference price in the quarter. Price achievement was negatively impacted by maturity issues detected in three sites.

The contract share was 25% in the quarter, compared to 9% in the first quarter of 2016.

Harvested volume was 6 336 tonnes gutted weight in the first quarter (15 384 tonnes). The significant reduction is a result of the algal bloom.

Costs and operations

Operational cost in box was USD 5.38 per kg (USD 5.30 per kg in the first quarter of 2016, adjusted for exceptional items related to the algal bloom).

Incident based mortality losses in the amount of EUR 1.4 million were recognized in the first quarter, mainly related to a low-scale algal bloom and SRS. In the first quarter of 2016, EUR 9.5 million was recognized related to incident based mortality, mainly caused by the algal bloom.

As described in previous quarters, the recent complex regulatory changes for fish farming in Chile are expected to contribute to an increase of the cost level going forward. Price achievement in the second quarter is expected to be negatively impacted by maturity issues at some sites.

Salmon of Irish origin

EUR million	Q1 2017	Q1 2016
Operational EBIT	0.9	-2.6
EBIT	13.4	-1.4
Harvest volume (GWE)	633	1 410
Operational EBIT per kg (EUR)	1.48	-1.84
- of which Markets	0.00	0.03
- of which Consumer Products	0.17	0.00
Exceptional items incl in op. EBIT	-0.2	-1.8
Exceptional items per kg (EUR)	-0.38	-1.25
Price achievement/reference price	na	na
Contract share	86%	84%
Superior share	85%	87%

Operational EBIT amounted to EUR 0.9 million in the first quarter (EUR -2.6 million), which was EUR 1.48 per kg (EUR -1.84 per kg). Achieved prices were 19% higher in the first quarter of 2017 than in the first quarter of 2016, and 17% higher than in the fourth quarter of 2016.

Financial EBIT amounted to EUR 13.4 million (EUR -1.4 million).

Operational costs have been reduced by 22% in the first quarter of 2017 compared to the first quarter of 2016. The cost reduction is caused by lower biological costs, partially offset by higher indirect costs due to scale effects. In addition incident based mortality in the first quarter of 2016 negatively impacted the operational cost by 0.9 EUR/kg compared to the first quarter of 2017.

Incident-based mortality of EUR 0.2 million has been recognized in the quarter, an improvement from the EUR 1.8 million recognized in the first quarter of 2016.

Harvest volume was 633 tonnes gutted weight, which is somewhat lower than in the comparable quarter of 2016 (1 410 tonnes). Harvesting has been slowed down in the first quarter in order to increase harvest weights and volumes in later quarters.

Salmon of Faroese origin

EUR million	Q1 2017	Q1 2016
Operational EBIT	5.2	3.9
EBIT	3.2	8.0
Harvest volume (GWE)	1 148	1 664
Operational EBIT per kg (EUR)	4.51	2.34
- of which Markets	0.00	0.05
- of which Consumer Products	0.02	0.00
Exceptional items incl in op. EBIT	0.0	-0.2
Exceptional items per kg (EUR)	0.00	-0.15
Price achievement/reference price	100%	105%
Contract share	5%	0%
Superior share	84%	86%

Operational EBIT amounted to EUR 5.2 million (EUR 3.9 million), which was EUR 4.51 per kg (EUR 2.34 per kg). There were no incident based mortality in the Faroe Islands operations in the first quarter of 2017.

Financial EBIT amounted to EUR 3.2 million (EUR 8.0 million).

Operational costs are down by 11% compared to the first quarter of 2016, partially offset by negative scale effects due to decreased harvest volume and effects of high mortality in December 2016. Our Faroese operations are subject to a two year cycle resulting in alternating years with high and low volume. As a consequence, there will be no harvesting from February to September in 2017. As a result of good growth in the generation to be harvested in the fall of 2017, the estimated harvest volume has been increased compared to the guidance from the fourth quarter.

In 2016, a 4.5% fee on harvesting revenue was applied by the authorities in the Faroe Islands. In the first quarter of 2017, the fee negatively impacted Operational EBIT by EUR 0.4 million (EUR 0.5 million).

Consumer Products

EUR million	Q1 2017	Q1 2016
Operating revenues	341.3	327.3
Operational EBIT ¹⁾	9.6	-0.6
Operational EBIT %	2.8%	-0.2%
EBIT ²⁾	9.1	-0.3
Volume sold (tonnes product weight)	26 538	30 099
Exceptional items	0.0	0.0
Volume share salmon	73%	75%
Revenue share salmon	80%	79%

¹⁾ Operational EBIT for salmon in Consumer Products is also included in the results per country of origin.

²⁾ After elimination of unrealized gain on group-internal hedging contracts.

Financial results

Operational EBIT for Consumer Products was EUR 9.6 million (EUR -0.6 million). Earnings have improved by EUR 10.2 million compared to the first quarter of 2016, of which EUR 8.6 million is related to improved results of the Rosyth plant. The Operational EBIT margin was 2.8% (-0.2%).

Financial EBIT²⁾ amounted to EUR 9.1 million (EUR -0.3 million).

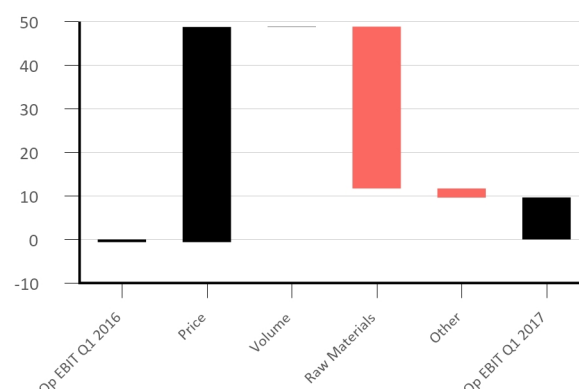
Operational EBIT for our Fresh operations in the first quarter of 2017 was above the comparable quarter of 2016. In general, the increase is due to operational improvements, but also successful promotions and adaption of sales prices to the upsurge in raw material costs. In 2016, the results were heavily impacted by preparation costs and start-up costs for the Rosyth plant.

For our Chilled operations, earnings have been affected by lower volumes, partly offset by higher achieved prices. Volumes have been adversely impacted by effects from the development in sales prices. Also, the Easter holiday, which traditionally is a high season for our Chilled products, was in the second quarter of 2017 instead of the first quarter as in 2016.

Price and volume development

Consumer Products' operating revenues were EUR 341.3 million (EUR 327.3 million). Average price achieved per sold volume in the first quarter of 2017 has increased compared to the first quarter of 2016. Sales prices have improved due to adjustments of prices to reflect significantly increased raw material prices.

Operational EBIT Consumer Products Q1 2017 vs Q1 2016



Total volume sold in the first quarter of 2017 was 26 538 tonnes product weight. The volume has decreased for both Fresh and Chilled sales.

We are experiencing good sales growth in Benelux and the UK. Germany and France continue to be very important regions for the products of Consumer Products. However, higher retail prices have hampered sales to retail customers. We continue our efforts to grow sales through the introduction of new products and through cross-selling of existing products.

Costs and operations

Both our Fresh operations and Chilled operations were profit-making in the first quarter. Processing costs have increased due to scale effects from reduced volumes.

Consumer Products	Q1 2017		
	Fresh	Chilled	Total
EUR million			
Volume sold (tonnes prod wt)	11 195	15 343	26 538
Operational EBIT	5.2	4.5	9.6
Operational EBIT per kg (EUR)	0.46	0.29	0.36

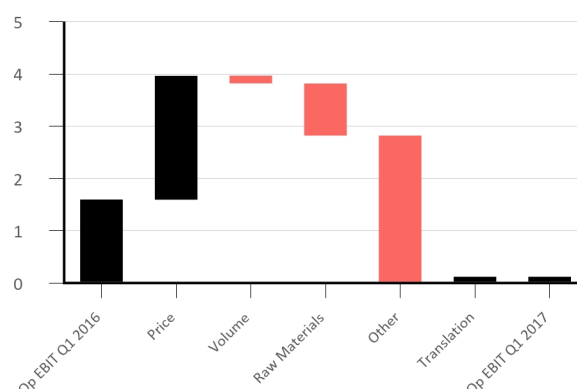
Consumer Products	Q1 2016		
	Fresh	Chilled	Total
EUR million			
Volume sold (tonnes prod wt)	12 481	17 618	30 099
Operational EBIT	-6.9	6.3	-0.6
Operational EBIT per kg (EUR)	-0.55	0.36	-0.02

Feed

EUR million	Q1 2017	Q1 2016
Operating revenues	63.6	64.5
Operational EBIT	0.1	1.6
Operational EBIT %	0.2%	2.5%
EBIT	1.5	1.3
Feed sold volume	49 042	53 807
Feed produced volume	51 699	50 407
Exceptional items	0.0	0.0

Operational EBIT for Feed is also included in the results per country of origin (currently only Norway).

Operational EBIT Feed
Q1 2017 vs Q1 2016



Financial results

Operational EBIT was EUR 0.1 million (EUR 1.6 million) in the first quarter of 2017. The Operational EBIT margin was 0.2% (2.5%).

Financial EBIT amounted to EUR 1.5 million (EUR 1.3 million).

Price and volume development

Operating revenues were EUR 63.6 million in the first quarter (EUR 64.5 million). Volumes sold in the first quarter were 49 042 tonnes, compared to 53 807 tonnes in the first quarter of 2016.

Sold volume is impacted by reduced demand for feed in the Norwegian farming operations. The first quarter is also traditionally a low season for our feed operations. However, estimated demand in the peak season of 2017 remains strong.

Volumes sold in the first quarter of 2017 accounted for 91% of total feed delivered to our Norwegian farming operations (86% in the first quarter of 2016).

We maintain our focus on our efficiency improvement projects and our recent plant upgrades have resulted in an annual production capacity of ca. 330 000 tonnes.

Feed prices are set at market terms and benchmarked against third parties. As the largest buyer of salmon feed globally, we are able to efficiently benchmark our own feed against third party suppliers both with regards to price and quality.

Costs and operations

Operational EBIT per kg decreased in the first quarter of 2017 compared to the same quarter last year.

Underlying raw material costs have increased in the quarter, and currency effects have also been unfavorable for costs of raw materials utilized in our feed production. Raw material costs per kg produced volume are expected to decrease somewhat in the second quarter. The quota for the first anchoveta season of 2017, as announced by Peruvian authorities, represents an increase of 56% compared to last year. This is expected to have positive effect on the prices of fishmeal and fish oil, which are input factors in the production of feed.

Given the significant increase in fish feed self-sufficiency, we target further reduction in the third party share of feed going forward. We continue to develop our production of smolt and broodstock diets to reduce the dependency on third party feed purchases in this area.

Marine Harvest has been granted approval by local authorities to build the feed plant in Scotland, and constructions at the site have now started. For further information, refer to the Events section of this report.

PLANET - SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

Our operations and long-term profitability ultimately depend on sustainable and environmentally responsible interactions with the natural environment. We rely on qualified personnel to maintain fish health, avoid escapes and minimize the environmental impact of our operations.

Escape prevention

Marine Harvest has a target of zero fish escapes and is constantly striving to prevent escapes and improve methods, equipment and procedures that can minimize or eliminate escapes. Unfortunately, there were 2 escape incidents in the first quarter; 1 in Norway with 1 escaped fish and 1 in Canada with 2 escaped fish (in the first quarter of 2016 there were 5 incidents with 6 900 fish escaped in total; 2 in Norway, 2 in Canada and 1 in Ireland)

Fish health

Pancreas Disease (PD): 3 new sites were diagnosed with PD in the first quarter, compared to 4 in the first quarter of 2016.

Amoebic Gill Disease (AGD): High presence of a microscopic amoeba named *Paramoeba perurans* can cause AGD, with elevated mortality and reduced performance. Since 2013, the amoeba has also been found in Norway. The presence of the amoeba increases with higher seawater temperatures. Treatments were carried out in several of our farming entities. Marine Harvest's fish health teams and seawater production departments take immediate action when AGD appears.

Infectious Salmon Anaemia (ISA): No new sites were diagnosed with ISA in the first quarter. Our monitoring and surveillance continues and we maintain strict measures to immediately harvest out sites with ISA according to regulatory requirements.

Lice management

Marine Harvest actively works to reduce the sea lice load in all farming units. Canada, Scotland, Chile, Faroes and regions North and South in Norway reported lower sea lice levels at the end of the first quarter of 2017 compared to the end of the first quarter of 2016. Ireland and regions Mid and West in Norway reported stable lice levels at the end of the first quarter of 2017 compared to the end of the first quarter of 2016.

The share of fish undergone medicinal treatments against sea lice has been reduced by 50% in the first quarter of 2017 compared to the first quarter of 2016. The capacity of non-medicinal solutions has increased in the operating units, reducing the dependency on medicinal treatments. Extensive development and testing of non-medicinal tools and methods continues in collaboration between Marine Harvest's Global R&D and Technical department and operating units.

SRS still a concern for salmon farming in Chile

Salmonid Rickettsial Septicaemia (SRS) is caused by an intracellular bacterium which occurs mainly in Chile. SRS is treated using licensed antibiotics and is the primary reason for our use of antibiotics in our operations. In the first quarter, treatment was carried out at several sites in Chile.

Mortality caused by SRS were significantly reduced in first quarter of 2017 compared to first quarter of 2016, but SRS is still a major biological concern in Chilean salmon farming. A new vaccine was launched in 2016. The industry has positive expectations, but the effect under commercial conditions is still to be verified.

Medicine use

Marine Harvest focuses on preventing the development and spread of infectious diseases. If fish get infected, they are treated with approved medicines. In the first quarter, our use of antibiotics was 88 grams per ton biomass produced compared to 104 grams per ton in the first quarter of 2016.

Additional farms ASC certified

In 2013, we announced our commitment to have 100% of our farms ASC certified by 2020. As of the close of the first quarter of 2017 we had 61 sites certified (44 in Norway, 3 in Chile, 4 in Ireland, 7 in Canada, 2 in Scotland and 1 in Faroes).

Several additional sites have been audited and are expected to be certified in 2017. Marine Harvest is taking the lead in ASC implementation and we are committed to demonstrate an environmentally responsible development in our organization.

For further information regarding sustainability and biological risk management, reference is made to the 2016 Annual Report and our sustainability reporting at the Global Salmon Initiative (GSI).

GSI featured in the Huffington Post

The Global Salmon Initiative (GSI) is a leadership initiative by global farmed salmon producers, including Marine Harvest, focused on making significant progress towards fully realizing a shared goal of providing a highly sustainable source of healthy protein, while minimizing the environmental footprint and continuing to improve social contribution.

The article "The business of sustainable salmon" in the American online newspaper Huffington Post from 18 April gives a positive overview of the GSI, its establishment, activities and overall ambitions.



GUIDING PRINCIPLE - ISSUE	AMBITION	Q1 2017 Achievement
Ensure sustainable wild-farmed interaction in the farming activity	Zero escapes	Two escape incidents and 3 fish lost (five incidents with 6 900 fish lost in the first quarter of 2016)
Ensure healthy stocks minimizing diseases and losses in the farming activities	Monthly survival rate of at least 99.5% within 2020	Average monthly survival rate in the quarter of 99.0% (98.7% in the first quarter of 2016)

PEOPLE - SAFE AND MEANINGFUL JOBS

The safety, self-respect and personal pride of our employees cannot be compromised if Marine Harvest is to succeed as a company and maintain good relationships with local communities.

Employee Health and Safety

In the first quarter, the Group recorded 36 Lost Time Incidents (LTIs), which is a decrease from 63 in the first quarter of 2016.

Measured in LTIs per million hours worked (rolling average), the figure has improved to 9.08 from 11.11 in 2016.

Absenteeism has increased to 5.8% from 5.1% in the same quarter of 2016. Absenteeism is at the same level as in the fourth quarter.

International Mobility

During the first quarter, a total of 42 employees were on different types of international assignments in the group.

European Works Council

In the first quarter, the Special Negotiating Body (SNB), representing European employees, and the Central Management Representatives (CMR) of Marine Harvest met. The SNB decided to continue the process to develop, together with the CMR, an agreement for information and consultation at European level.



GUIDING PRINCIPLE - ISSUE	AMBITION	Q1 2017 Achievement
Safe jobs	No lost time incidents (LTI)	LTIs per million hours worked was 9.08. Programs are in place to reduce the number.
Healthy working environment	Absenteeism < 4%	Absenteeism of 5.8% in the quarter.

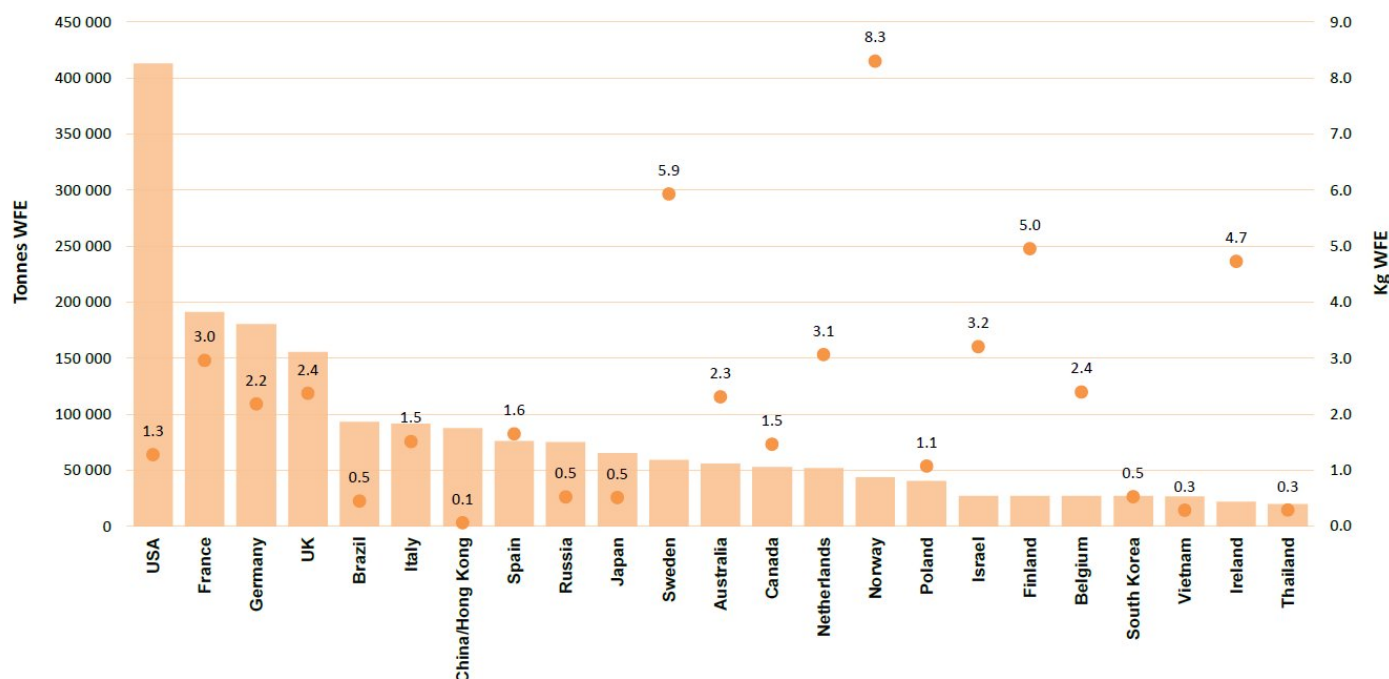
PRODUCT - TASTY AND HEALTHY SEAFOOD

We aim to continually deliver healthy, tasty and responsibly produced seafood to our customers to deliver long-term financial profitability.

Market size and consumption per capita - untapped potential

The potential of the seafood market is undisputed, including markets such as USA, Brazil, Russia and China. At the moment, the US is by far the largest salmon market, with an annual consumption of ca. 410 000 tonnes. The US consumes ca. 1.3 kg salmon per capita per year. By comparison, an average EU citizen eats ca. 2.5

kg every year. Had US consumers eaten as much as their EU counterparts, the market would almost double. The US' ongoing health situation, changing consumer behavior and the growing accessibility of healthy and tasty seafood which is easy to prepare, make for an exciting future for the industry. Recent Marine Harvest initiatives in the US market include the opening of a new plant in Dallas, Texas at the end of 2016, and the decision to build a new plant near Vancouver in Canada. Marine Harvest will continue its activities to develop the US market in 2017, including the introduction of more value-added products.



Market size and consumption per capita

Marine Harvest Asia

There is great potential for increased sales of salmon products in Asia. As business practices and eating habits vary between different countries in the Asian market, Marine Harvest differentiates our marketing strategies from country to country. Our premium brand in Japan, Mowi, is perceived as an exclusive and healthy product. In Taiwan, our Supreme Salmon brand has introduced a ready-to-cook line to increase consumer's awareness and inspire them to cook our product in new ways.



Mowi Salmon

Superior since 1964



Supreme Salmon

美威

Consumer Products in Europe

We are pleased to announce that the organizers of the Brussels Seafood Excellence Global Awards 2017 chose eight of Marine Harvest's products as finalists in the competition for best retail product and best food service industry product. Thus, Marine Harvest was the leading seafood company in the competition. The eight products in the finals were: Cod Mousseline, Salmon Roll, Christmas Baubles, Mini-wraps, Mini-tartare, Wooden Basket Salmon Crumble, BBQ Salmon Tournedos and Mediterranean Whitefish Tortilla.

Marine Harvest to add freshness indicators

Marine Harvest is planning to add a freshness indicator to its products in Europe, in order to give consumers a tool that shows accurate and real time freshness and shelf life. The plan is to introduce "Keep-it" indicators in ten European markets by 2019. Test launches will take place in selected countries in 2017. Throughout the cold chain, "Keep-it" will track the actual temperature impact on the fish product in real time, thus enabling a more dynamic and precise shelf life than traditional date stamping. Our aim is to provide a better tool for producers, retailers and consumers than today's static date stamp.

Marine Harvest North America

Rebel Fish

Rebel Fish is a differentiated concept that offers six different seasonings and excels in convenience, ease of use and taste. Customers and consumers have welcomed our recent packaging makeover of our Rebel Fish brand and the marketing campaign carried out in movie theaters. We will strengthen our focus and efforts in development of sales of the Rebel Fish products during 2017.



The Salmon Kitchen

To increase consumption of salmon and other fish in the US market, it is necessary to increase knowledge of how to prepare the food. Our web page thesalmonkitchen.com has been established to help bring down barriers to salmon preparation at home. Through social media we aim to assist consumers in their everyday cooking. The website features delicious seafood recipes, nutritional facts about salmon, a store locator along with more information about our products.



GUIDING PRINCIPLE - ISSUE	AMBITION	Q1 2017 Achievement
Food quality and safety	Supply seafood with valuable health benefits for its quality and documented safety	Health targets met
Product innovation	Marine Harvest wants to play an important role in the design and use of products to satisfy customer needs.	Continuous effort with existing brands

EVENTS DURING AND AFTER THE CLOSE OF THE QUARTER

Purchase of farming assets on the East Coast of Canada completed

In the first quarter of 2017, Marine Harvest completed the transaction related to purchase of farming assets on the East Coast of Canada. The assets were acquired from the Receiver of the Gray Aqua Group. Marine Harvest is currently working on staffing the newly established Marine Harvest Atlantic Canada organization. Jamie Gaskill has been appointed Managing Director of the new company. Mr Gaskill, who is a Canadian citizen, comes from the position as Managing Director of Marine Harvest Norway Region South. Prior to his assignment in Norway he was the Production Director at Marine Harvest Canada, and has extensive operational experience from both coasts of Canada. Marine Harvest Atlantic Canada is now preparing a production plan and an investment framework. Please refer to note 13 for more information regarding the purchase.

Status for development licenses in Norway

As described in the report for the fourth quarter, the Norwegian Directorate of Fisheries has informed Marine Harvest Norway that the closed-end farming composite "Egg" concept qualifies in general for the development licenses scheme and that the authorities may award development licenses for this project. In the first quarter, the Directorate of Fisheries has also informed Marine Harvest Norway that the "Donut" concept qualifies in general and may be awarded development licenses. Marine Harvest Norway is pleased with this positive feedback. We will continue to work with the authorities, and hope they will reach a final conclusion soon in order for the projects to commence. In addition to the above mentioned concepts, Marine Harvest Norway has also applied for development licenses for two other concepts: The "Beck Cage" concept has been rejected by the Directorate of Fisheries, and we have not received any notifications regarding the application for the "Ship" concept.

New Irish farming collaboration

Marine Harvest Ireland has entered into an agreement with Mannin Bay Salmon Company to grow organic salmon on sites in Bertraghboy Bay in Galway. The five year agreement will see collaboration on the production of three crops of salmon meaning continuity of supply for local processor, Kilkieran Salmon and the MHI Rinmore Processing plant in Donegal. Marine Harvest Ireland will supply new pens, marine vessels and related infrastructure in addition to management and technical support.

New Managing Director of Marine Harvest Chile

Fernando Villarroel has been appointed new Managing Director of Marine Harvest Chile. He has been working in the aquaculture sector since 1997 and holds degrees in management and in financial auditing from Universidad Austral de Chile. Mr Villarroel comes from the position as Chief Operating Officer (COO) of Cermaq Canada. In his new position, he will be reporting to the COO Farming Chile and Norway, Per-Roar Gjerde.

Construction of the new feed plant in Scotland has started

Marine Harvest has been granted approval by local authorities to build the feed plant in Scotland. The construction work has now started, and at this stage in the process, the primary activity is piling. The construction of the EUR 110 million plant is expected to be completed in the second half of 2018. The state-of-the-art feed plant will employ 55 people in a diverse range of permanent jobs and will be one of the most efficient and sustainable fish feed plant globally.

Marine Harvest will also start to investigate the business case for the construction of a small scale fish meal and fish oil plant in Scotland as part of a drive to utilize all edible by products from salmon processing and, at the same time, provide a more sustainable solution for salmon mortality.



Construction of the feed plant at Kyleakin has started. At this stage, the primary activity is piling.

Strategic partnership with Espersen on whitefish

Marine Harvest and Espersen have entered into a strategic partnership for processing and distribution of whitefish products. Through our extensive distribution network, Marine Harvest will distribute chilled whitefish products produced by Espersen, with focus on value-added products such as loins and fillets. With this partnership, Marine Harvest is able to offer European customers an even wider assortment of chilled seafood products than today.

DESS Aquaculture Shipping declares a new option

DESS Aquaculture Shipping, the joint venture between Marine Harvest and Deep Sea Supply, has exercised its option to build another wellboat. The vessel has a contractual delivery date in the second quarter of 2018, and will enter into a five year contract with Marine Harvest Norway. The joint venture has contracted a total of two wellboats and one harvest vessel.

Delisting from NYSE completed

As described in the report for the fourth quarter, the Board of Directors resolved to delist Marine Harvest's American Depositary Shares ("ADSs") from the New York Stock Exchange ("NYSE") and to terminate the registration of the ADSs and shares under the U.S. Securities Exchange Act of 1934. The delisting of the ADSs from NYSE has been performed in the first quarter. The ADSs are traded in the OTC market in the US. The Marine Harvest share will continue to be listed on the Oslo Stock Exchange.

Conversion of the EUR 375 million convertible bond

In February and March, Marine Harvest ASA issued 2,214,887 new shares, as bondholders representing EUR 21.1 million of the EUR 375 million convertible bond loan issued by Marine Harvest ASA exercised the option to convert bonds to equity. The option is in accordance with the bond agreement. The conversion price was EUR 9.5273 per share for EUR 21.0 million and EUR 9.3458 for EUR 0.1 million, and each new share was issued with a nominal value of NOK 7.50. Following the completion of these conversions, Marine Harvest ASA's share capital was NOK 3,392,254,50, divided into 452,300,539 total shares, each with a nominal value of NOK 7.50.

In May, Marine Harvest exercised its right to redeem the remaining outstanding bond loan at par value plus accrued interests. The loan agreement provides the bondholders the period up to and including 11 May 2017 to convert their bonds into shares. The remaining outstanding loan amount is EUR 353.9 million and the current conversion price is EUR 9.3458 per share. If bondholders decide to convert all remaining bonds into shares, Marine Harvest will issue approximately 37.9 million new shares. Bonds that are not converted into shares will be redeemed at par value plus accrued interest on 6 June 2017.

Refinancing of bank facility

On May 10, Marine Harvest ASA entered into a Term Sheet to refinance its existing bank facility with a senior secured five year EUR 1,206 million multi-currency revolving credit facility with DNB, Nordea, ABN Amro, Rabobank, Danske Bank and SEB. The Facility includes an accordion increase option, which provides flexibility for the parties to agree on an increased size of the Facility by additional EUR 200 million during the term of the Facility. The principal financial covenant of the Facility is an equity ratio of no less than 35%. The refinancing is subject to final documentation.

Marine Harvest has launched the Industry Handbook for 2017

Marine Harvest has published the 2017 version of the Industry Handbook. Please refer to our web site at marineharvest.com for details.

Dividend of NOK 3.00 per share

The Board of Directors has decided to pay out a quarterly dividend of NOK 3.00 per share to the shareholders in the form of repayment of paid in capital, subject to approval from the Annual General Meeting on 1 June 2017.

OUTLOOK STATEMENT FROM THE BOARD OF DIRECTORS

The operational result was a new first quarter record high. All business areas contributed positively to the results, led by the Farming division. On the back of continued strong demand for salmon the prices reached new highs in most markets. Marine Harvest's comprehensive portfolio of sales contracts continued to roll over on improved prices which in turn contributed to record high realized prices. The Consumer Products segment continues to develop and results were positively impacted by operational improvements. The Feed business area had a seasonal slowdown and performance was therefore as expected lower than in previous quarter.

Earnings from Farming Norway were very good in the quarter. Notwithstanding a high contract share, the achieved salmon price in the quarter was record high. Realized prices improved mainly as contract prices rolled over on higher prices. Production costs in the Norwegian farming operations increased in the quarter and were negatively impacted by seasonal harvesting volumes. Cost to stock is high and the Board therefore expect costs to remain elevated in the next quarter.

The challenges in relation to sea lice continue, however, the Board notes the significant shift in treatment methodology so far in 2017. Non-medicinal treatments and cleanerfish are now the predominant mitigators of sea lice. Marine Harvest has so far in 2017 reduced the medicinal treatments extensively compared to 2016, and the Board expects that this shift will contribute to reduce the sea lice challenge. The Board will carefully monitor how the situation develops.

The Board commends the Scottish organization with the impressive results achieved in the quarter. In particular, the low production cost is pleasing. The favorable cost development comes as a result of the completed reorganization, but also harvesting from some good sites with low cost to stock.

The Canadian farming operations continue to deliver solid results. The acquisition of the Gray Aqua Group was completed in the quarter. Marine Harvest is currently not present on the East Coast of Canada, and as such, the Board is excited about this opportunity. The addition of farming salmon on the East Coast of Canada to Marine Harvest's geographic diversified farming structure fits extremely well. A Managing Director of the new East Coast entity has been appointed and an investment framework and a production plan for the new region is currently being undertaken.

The Chilean farming operations also delivered good results in the quarter. Realized prices were good and volumes will gradually recover to pre algal bloom levels going forward. A new Managing Director of Marine Harvest Chile has been appointed and the Board is confident that recent organizational changes in Chile will strengthen the operations ahead.

Despite increased raw material costs and Easter sales not falling in the first quarter this year, Consumer Products delivered improved results compared to last year. The Board is satisfied that both the Fresh and Chilled segments contributed with positive results. Both operational improvements and shorter lead time to adjust sales prices to compensate for increased raw material costs were the main contributors to the improved results. The Board is encouraged about the strategic partnership with Espersen for processing and distribution of whitefish products. Marine Harvest is already processing a significant amount of non-salmon products, and this partnership will ensure that customers are offered an even wider product selection going forward. The Board is also supportive of the ongoing activities in the North American market, including the introduction of more value-added products and initiatives to improve market access to fresh fish.

The first quarter is the low season for Feed, and as such, volumes and operational results are seasonally low. The Board is pleased with the approval of the new feed plant in Scotland, and that the construction work has commenced. The plant is expected to be completed in the second half of 2018.

Demand for salmon continues to be good and supported by several megatrends. Consumption of fresh salmon and in particular the growth of the sushi segment is truly impressive. Such developments will be further supported by Marine Harvest's commitment to grow the downstream operations and continued focus on new product development. Salmon is currently sold into more than 150 countries worldwide. Furthermore, the Board is excited about the prospects for growth in China as trade between Norway and China normalizes.

The supply growth for 2017 is expected to increase by approximately 3% by Kontali Analyse. This is an increase of one percentage point from the previous quarter. The 12 month forward Nasdaq price is currently EUR 6.5 per kg (NOK 62 per kg).

A quarterly dividend of NOK 3.00 per share will be distributed in the form of repayment of paid in capital, subject to approval from the Annual General Meeting on 1 June 2017.

SUMMARY YEAR TO DATE

Please refer to Highlights from the first quarter of 2017 (year to date) on page 2 of this report.

RISKS

Marine Harvest has not identified any additional risk exposure beyond the risks described in note 3 of this report and the 2016 Annual Report.

Reference is also made to the Planet section and the Outlook section of this report for other comments to Marine Harvest's risk exposure.

Bergen, May 9, 2017

The Board of Directors of Marine Harvest ASA

Ole-Eirik Lerøy
CHAIRMAN OF THE BOARD

Lisbet K. Nærø
DEPUTY CHAIR OF THE BOARD

Cecilie Fredriksen

Ørjan Svanevik

Paul Mulligan

Jean-Pierre Bienfait

Birgitte Ringstad Vartdal

Lars Eirik Hestnes

Stein Mathiesen

Unni Sværen

Alf-Helge Aarskog
CHIEF EXECUTIVE OFFICER

INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited, in EUR million	Note	Q1 2017	Q1 2016	2016
Revenue	4	893.7	804.8	3 510.2
Cost of materials		-406.6	-443.0	-1 782.2
Net fair value adjustment biomass	5	-215.7	88.0	386.2
Salaries and personnel expenses		-114.8	-109.7	-440.0
Other operating expenses		-123.6	-105.2	-472.5
Depreciation and amortization		-37.0	-35.8	-142.5
Onerous contract provisions		93.2	-14.1	-108.7
Restructuring cost		-0.2	-2.5	-5.4
Other non-operational items		0.0	0.0	1.3
Income from associated companies		-0.1	10.3	62.6
Impairment losses		-0.6	-0.1	-17.7
Earnings before financial items (EBIT)		88.3	192.7	991.2
Interest expenses	7	-11.9	-11.9	-48.4
Net currency effects	7	1.1	-1.0	26.9
Other financial items	7	147.3	-15.5	-210.5
Earnings before tax		224.8	164.4	759.2
Income taxes		-12.4	-36.4	-219.9
Earnings for the period, continued operations		212.4	128.0	539.3
Profit from discontinued operations, net of tax		0.0	0.0	0.0
Profit or loss for the period		212.4	128.0	539.3
Other comprehensive income				
Currency translation differences		-14.0	3.1	49.0
Currency translation associated companies		-1.4	0.0	6.9
Items to be reclassified to P&L in subsequent periods:		-15.4	3.1	55.9
Actuarial gains (losses) on defined benefit plans, net of tax		0.0	0.0	-3.4
Other gains and losses in comprehensive income		0.0	-3.8	0.9
Items not to be reclassified to profit and loss:		0.0	-3.8	-2.5
Other comprehensive income, net of tax		-15.4	-0.7	53.4
Total comprehensive income in the period		196.9	127.3	592.7
Profit or loss for the period attributable to				
Non-controlling interests		0.3	0.0	-0.3
Owners of Marine Harvest ASA		212.1	128.0	539.6
Comprehensive income for the period attributable to				
Non-controlling interests		0.3	0.0	-0.3
Owners of Marine Harvest ASA		196.7	127.3	593.0
Basic earnings per share (EUR)	8	0.47	0.28	1.20
Diluted earnings per share (EUR)	8	0.23	0.28	1.20
Dividend declared and paid per share (NOK)		2.80	1.40	8.60

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited, in EUR million	Note	31.03.2017	31.12.2016	31.03.2016
ASSETS				
Licenses		763.3	764.3	738.4
Goodwill		267.0	268.0	261.9
Deferred tax assets		6.7	2.6	9.4
Other intangible assets		31.5	32.4	27.6
Property, plant and equipment		1 037.2	1 008.1	952.4
Investments in associated companies		174.1	175.0	129.8
Other shares and other non-current assets		3.6	5.4	3.1
Total non-current assets		2 283.5	2 255.8	2 122.7
Inventory		244.9	248.2	268.7
Biological assets	5	1 352.5	1 573.8	1 166.3
Current receivables		516.3	625.1	599.1
Cash		92.8	103.9	94.9
Total current assets		2 206.5	2 551.0	2 129.0
Asset held for sale		1.1	3.5	1.8
Total assets		4 491.1	4 810.4	4 253.5
EQUITY AND LIABILITIES				
Equity		2 151.4	2 068.4	1 951.7
Non-controlling interests		1.2	0.9	0.9
Total equity		2 152.6	2 069.3	1 952.7
Deferred tax liabilities		413.1	453.5	399.4
Non-current interest-bearing debt		798.8	993.4	1 054.9
Other non-current liabilities		291.1	451.1	254.8
Total non-current liabilities		1 503.0	1 898.0	1 709.1
Current interest-bearing debt		136.0	0.1	0.1
Other current liabilities		699.4	843.1	591.6
Total current liabilities		835.4	843.1	591.8
Total equity and liabilities		4 491.1	4 810.4	4 253.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

2017

Unaudited, in EUR million	Attributable to owners of Marine Harvest ASA							Non-controlling interests	Total equity
	Share capital	Other paid in capital	Shared based payment	Foreign currency translation reserve	Foreign currency translation reserve associated companies	Other equity reserves	Total		
Equity 01.01.2017	351.8	657.5	4.6	209.8	6.9	837.7	2 068.4	0.9	2 069.3
Comprehensive income									
Profit						212.1	212.1	0.3	212.4
Other comprehensive income				-12.4	-1.4	-1.6	-15.4		-15.4
Transactions with owners									
Share based payment			-1.2			-5.5	-6.7		-6.7
Bond conversion	1.9	34.0					35.9		35.9
Repayment of paid in capital		-83.6				-59.2	-142.8		-142.8
Total equity end of period	353.7	607.9	3.4	197.4	5.5	983.5	2 151.4	1.2	2 152.6

2016

Unaudited, in EUR million	Attributable to owners of Marine Harvest ASA							Non-controlling interests	Total equity
	Share capital	Other paid in capital	Shared based payment	Foreign currency translation reserve	Foreign currency translation reserve associated companies	Other equity reserves	Total		
Equity 01.01.2016	351.8	1 075.6	6.1	160.4	—	300.6	1 894.6	0.9	1 895.6
Comprehensive income									
Profit						539.6	539.6	-0.3	539.3
Other comprehensive income				49.4	6.9	-2.9	53.4	—	53.4
Transactions with owners									
Share based payment			-1.5			-2.7	-4.2		-4.2
Repayment of paid in capital		-418.1					-418.1		-418.1
Business combinations						1.4	1.4	0.3	1.7
Other changes						1.7	1.7		1.7
Total Equity 31.12.2016	351.8	657.5	4.6	209.8	6.9	837.7	2 068.4	0.9	2 069.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited, in EUR million	Q1 2017	Q1 2016	2016
Earnings before taxes (EBT)	224.8	164.4	759.2
Interest expense	11.9	11.9	48.4
Currency effects	-1.1	1.0	-26.9
Other financial items	-147.3	15.5	210.5
Net fair value adjustment and onerous contracts	122.5	-73.9	-277.5
Income/loss from associated companies	0.1	-10.3	-62.6
Depreciation and impairment losses	37.6	35.9	160.2
Change in working capital	59.6	34.5	-14.9
Taxes paid	-59.7	-26.0	-92.6
Restructuring and other non-operational items	1.2	-2.6	-4.8
Other adjustments	-1.8	-0.3	-5.8
Cash flow from operations	247.8	150.1	693.2
Proceeds from sale of fixed assets	0.0	0.2	12.4
Payments made for purchase of fixed assets	-57.0	-41.2	-211.6
Proceeds from associates and other investments	2.1	0.0	17.1
Proceeds from sale of shares	0.0	0.0	52.3
Purchase of shares and other investments	-12.1	-0.8	-2.8
Cash flow from investments	-67.0	-41.8	-132.6
Proceeds from new interest-bearing debt	0.0	0.0	45.0
Down payment of interest-bearing debt	-42.0	-7.3	-151.8
Net interest and financial items paid	-4.7	-4.7	-22.9
Realized currency effects	-2.2	-7.1	14.8
Repayment of paid in capital	-142.8	-67.0	-418.1
Cash flow from financing	-191.7	-86.1	-533.0
Change in cash in the period	-11.0	22.3	27.6
Cash - opening balance ¹⁾	88.0	60.1	60.1
Currency effects on cash - opening balance	0.2	-0.4	0.3
Cash - closing balance ¹⁾	77.2	82.0	88.0

¹⁾ Excluded restricted cash

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 GENERAL INFORMATION

Marine Harvest (the Group) consists of Marine Harvest ASA and its subsidiaries, including the Group's interests in associated companies.

These interim financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The interim financial statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these interim financial statements should be read in conjunction with the annual financial statements. The interim report is unaudited.

Note 2 ACCOUNTING PRINCIPLES

All significant accounting principles applied in the consolidated financial statement are described in the Annual Report 2016 (as published on the OSE on April 6, 2017). No new standards have been applied in 2017.

Significant fair value measurements in accordance with IFRS 13:

Biological assets

Biological assets are, in accordance with IAS 41, measured at fair value, unless the fair value cannot be measured reliably. Broodstock, smolt and live fish below 1 kg are measured at cost less impairment losses, as the fair value cannot be measured reliably.

Biomass beyond this is measured at fair value, and the measurement is categorized into Level 3 in the fair value hierarchy, as the input is unobservable input. Live fish over 4 kg are measured to full net value, while a proportionate expected net profit at harvest is incorporated for live fish between 1 kg and 4 kg. The valuation is completed for each Business Unit.

The valuation is based on an income approach and takes into consideration unobservable input based on biomass in sea for each sea water site, estimated growth rate on site level, mortality in the Business Unit, quality of the fish going forward, costs and market price. Special assessment is performed for sites with high/low performance due to disease or other special factors. The market prices are set for each business unit, and are derived from observable market prices where available.

In accordance with IAS 41.16, a provision for onerous contracts is recorded by assessing if there are contracts in which the unavoidable costs of meeting the Group's obligations under the contract (where fair value adjustment of biological assets is included in the unavoidable costs) exceed the economic benefits expected to be received.

Derivative financial instruments and other shares

Derivative financial instruments (including interest swaps, currency swaps and salmon derivatives) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date.

Conversion liability component of convertible bond

The conversion liability component is, subsequent to initial recognition, measured at fair value. The measurement is categorized into Level 2 in the fair value hierarchy, using a valuation technique based on observable data.

Note 3 ESTIMATES AND RISK EXPOSURE

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting principles and recognized amounts of assets, liabilities, income and expenses. The most significant estimates relate to the valuation of biological assets and intangible assets. Estimates and underlying assumptions are reviewed on an ongoing basis, and are based on the management's best assessment at the time of reporting. All changes in estimates are reflected in the financial statements as they occur.

Marine Harvest is exposed to a number of risk factors: Operational risks, strategic risk, reporting risk and compliance risk. The Risk Management section in the Annual Report contains a detailed description of risks and mitigation actions.

Note 4 BUSINESS SEGMENTS

For management purposes, Marine Harvest is organized into three Business Areas, Feed, Farming and Sales and Marketing. Feed and Farming are separate reportable segments. Sales and Marketing is divided in two reportable segments, Markets and Consumer Products.

The performance of the segments is monitored to reach the overall objective of maximizing the Operational EBIT per kg. Consequently, reporting is focused towards measuring and illustrating the overall profitability of harvested volume based on source of origin (Operational EBIT/kg).

The same accounting principles as described for the Group financial statements have been applied for the segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the actual transactions.

Unrealized internal margin from sale of fish feed from Feed to Farming is eliminated in the Group financial statements until the fish that consumed the feed is sold. In the segment reporting the internal profit is included for Business Area Feed.

BUSINESS AREAS	Feed	Farming	Sales and Marketing		Other	Eliminations	TOTAL
			Markets	Consumer Products			
EUR million							
Q1 2017							
External revenue	5.0	7.6	543.7	335.6	0.0	0.0	892.0
Internal revenue	58.5	564.3	145.7	5.7	5.2	-779.4	0.0
Operational revenue	63.6	571.9	689.4	341.3	5.2	-779.4	892.0
Gain/loss from derivatives	0.0	39.4	0.4	0.0	1.6	-39.7	1.7
Revenue in profit and loss	63.6	611.3	689.8	341.3	6.8	-819.1	893.7
Operational EBITDA	2.0	232.2	14.5	15.2	-7.1	0.0	256.8
Operational EBIT	0.1	204.7	13.3	9.6	-8.0	0.0	219.8
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-1.8	-1.8
Gain/loss from derivatives	0.0	39.7	0.4	-39.9	-6.4	0.0	-6.3
Net fair value adjustment on biological assets	1.4	-217.1	0.0	0.0	0.0	0.0	-215.7
Onerous contract provisions	0.0	93.2	0.0	0.0	0.0	0.0	93.2
Restructuring cost	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.2
Income from associated companies	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
Impairment losses and write-downs	0.0	-0.6	0.0	0.0	0.0	0.0	-0.6
EBIT	1.5	120.0	13.5	-30.3	-14.6	-1.8	88.3
Q1 2016							
External revenue	2.0	23.3	463.8	318.6	1.8	0.0	809.5
Internal revenue	62.5	486.4	146.3	8.7	5.4	-709.2	0.0
Operational revenue	64.5	509.7	610.0	327.3	7.2	-709.2	809.5
Gain/loss from derivatives	0.0	-3.1	0.0	0.0	-5.3	3.7	-4.7
Revenue in profit and loss	64.5	506.6	610.0	327.3	1.9	-705.5	804.8
Operational EBITDA	3.8	116.3	19.6	4.9	3.0	0.0	147.7
Operational EBIT	1.6	90.4	18.6	-0.6	1.9	0.0	111.9
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	3.0	3.0
Gain/loss from derivatives	0.0	-3.5	0.0	3.5	-3.8	0.0	-3.8
Net fair value adjustment on biological assets	-0.3	89.9	0.0	0.0	-1.5	0.0	88.0
Onerous contract provisions	0.0	-14.1	0.0	0.0	0.0	0.0	-14.1
Restructuring cost	0.0	-2.5	0.0	0.0	0.0	0.0	-2.5
Income from associated companies	0.0	10.3	0.0	0.0	0.0	0.0	10.3
Impairment losses and write-downs	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1
EBIT	1.3	170.4	18.6	2.8	-3.3	3.0	192.7

BUSINESS AREAS	Feed	Farming	Sales and Marketing		Other	Eliminations	TOTAL
			Markets	Consumer Products			
EUR million							
2016							
External revenue	16.6	50.0	2 068.4	1 371.9	2.8	0.0	3 509.8
Internal revenue	364.9	2 173.9	666.1	29.5	19.9	-3 254.3	0.0
Operational revenue	381.6	2 223.9	2 734.5	1 401.4	22.7	-3 254.3	3 509.8
Gain/loss from derivatives	0.0	-43.9	-5.7	0.0	4.1	45.9	0.4
Revenue in profit and loss	381.6	2 180.0	2 728.8	1 401.4	26.9	-3 208.4	3 510.2
Operational EBITDA	35.4	690.7	82.1	42.0	-7.4	0.0	842.7
Operational EBIT	28.1	585.9	77.9	19.7	-11.4	0.0	700.2
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-22.1	-22.1
Gain/loss from derivatives	0.0	-42.4	-5.7	44.3	12.1	0.0	8.3
Net fair value adjustment on biological assets	-1.3	389.1	0.0	0.0	-1.5	0.0	386.2
Onerous contract provisions	0.0	-108.7	0.0	0.0	0.0	0.0	-108.7
Restructuring cost	0.0	-4.6	0.0	-0.9	0.0	0.0	-5.4
Other non-operational items	0.0	1.3	0.0	0.0	0.0	0.0	1.3
Income from associated companies	0.0	62.8	0.0	0.0	-0.2	0.0	62.6
Impairment losses and write-downs	-13.5	-17.9	-0.2	0.4	0.0	0.0	-31.2
EBIT	13.3	865.5	72.0	63.5	-1.0	-22.1	991.2

Note 5 BIOLOGICAL ASSETS

EUR million	Norway	Scotland	Canada	Chile	Other	TOTAL
Fair value adjustment on harvested fish in the statement of comprehensive income						
Q1 2017	-176.6	-69.0	-34.9	-14.6	-4.5	-299.6
Q1 2016	-119.8	-11.3	-16.4	-14.7	-4.1	-166.3
2016	-661.1	-77.3	-100.6	15.0	-45.7	-869.6
Fair value adjustment on biological assets in the statement of comprehensive income						
Q1 2017	10.5	17.2	17.8	35.1	16.5	97.1
Q1 2016	138.4	18.7	42.4	47.3	7.6	254.3
2016	836.9	183.4	156.9	32.0	46.6	1 255.8
Fair value adjustment on incident based mortality in the statement of comprehensive income						
Q1 2017	-3.5	-8.8	—	-0.9	—	-13.2
Net fair value adjustment biomass in the statement of comprehensive income						
Q1 2017	-169.6	-60.5	-17.1	19.6	11.9	-215.7
Q1 2016	18.6	7.4	26.0	32.6	3.5	88.0
2016	175.8	106.1	56.4	47.0	0.9	386.2
Volumes of biomass in sea (1 000 tonnes)						
31.03.2017						241.0
31.12.2016						253.4
Fair value adjustment on biological assets in the statement of financial position						
31.03.2017						
Fair value adjustment on biological assets	262.4	54.9	61.6	38.3	25.8	443.0
Biomass at cost*						909.5
Total biological assets						1 352.5
31.12.2016						
Fair value adjustment on biological assets	432.9	116.0	78.7	19.0	13.9	660.5
Biomass at cost*						913.3
Total biological assets						1 573.8
* Includes costs related to seawater, freshwater, broodstock and cleaningfish						
Reconciliation of changes in carrying amount of biological assets						
Carrying amount 01.01.2017						1 573.8
Cost to stock						299.6
Net fair value adjustment						-215.7
Mortality for fish in sea						-8.4
Cost of harvested fish						-287.6
Other						0.3
Currency translation differences						-9.5
Total carrying amount of biological assets as of 31.03.2017						1 352.5
Price sensitivities effect on fair value						
The sensitivities are calculated based on a EUR 0.1 change of the salmon price in all markets (fish between 1-4 kg is measured proportionately based on their level of completion).						
	10.2	2.1	2.0	1.8	0.7	16.8
Onerous contracts provision (included in other current liabilities in the statement of financial position)						
31.12.2016						124.6
Change in onerous contracts provision in the statement of comprehensive income						(93.2)
Currency translation differences						0.4
31.03.2017						31.8

Note 6 EXCEPTIONAL ITEMS

EUR million	Q1 2017
Sea lice mitigation MH Norway	17.0
Incident-based mortality MH Norway	5.8
Incident-based mortality MH Scotland	0.7
Incident-based mortality MH Canada	0.0
Incident-based mortality MH Chile	1.4
Incident-based mortality MH Faroes	0.0
Incident-based mortality MH Ireland	0.2
Exceptional items in Operational EBIT	25.2

Note 7 FINANCIAL ITEMS

EUR million	Notes	Q1 2017	Q1 2016	2016
Net interest expenses		-11.9	-11.9	-48.4
Net currency effect on long term positions		-1.1	-2.0	11.6
Net currency effects on short term positions		4.5	-11.2	-15.5
Net currency effects on short term currency hedges		-1.0	13.1	5.6
Net currency effects on long term currency hedges		-1.3	-0.9	25.2
Net currency effects		1.1	-1.0	26.9
Change in fair value financial instruments		5.3	18.0	20.8
Change in fair value conversion liability component of convertible bonds	9	143.6	-33.3	-230.0
Net other financial items		-1.6	-0.1	-1.3
Other financial items		147.3	-15.5	-210.5
Total financial items		136.5	-28.4	-232.0

Note 8 EARNINGS PER SHARE

Basic Earnings per share (EPS) is calculated on the weighted average number of shares outstanding during the period.

Convertible bonds that are "in the money" are considered to have a dilutive effect if EPS is reduced when assuming a full conversion into shares at the beginning of the period and reversing all its effects on earnings for the period. On the other hand, if the effect of the above increases EPS, the bond is considered anti-dilutive, and is then not included in diluted EPS. The adjustments to earnings are interest expenses, currency gains/losses and changes in fair value of conversion liability component, adjusted for estimated taxes. Average diluted number of shares is also affected by the share price based bonus call options to senior executives.

The conversion liability component on the 2014 convertible bond was "in the money" at the end of the reporting period, and the effect on EPS was dilutive, and the convertible bond is therefore included in diluted EPS. The conversion liability component on the 2015 convertible bond was not "in the money" at the end of the reporting period, and a dilution effect has not been calculated.

Note 9 CONVERTIBLE BONDS

EUR million

	Statement of financial position			Statement of comprehensive income	
	Non-current interest-bearing debt	Conversion liability components		Net interest expenses	Other financial items
		2014-bond	2015-bond		
Initial recognition					
EUR 375 mill 2014-bond	309.8	59.0			
EUR 340 mill 2015-bond	283.1		51.6		
Subsequent measurement					
Recognized 2014, 2015 and 2016					
Interest effects	44.8			-54.0	
Change in fair value of conversion liability components		263.3	65.7		329.0
Net recognized 2014 and 2015				-54.0	329.0
Recognized 2017					
Q1 2017					
Coupon interest				-0.9	
Amortized interest	7.6			-5.8	
Converted	-21.1	-16.5			
Change in fair value of conversion liability components		-102.5	-41.0		-143.6
Net recognized end of period	624.3	203.3	76.3	-6.7	-143.6

The value of the debt liability component and conversion liability component was determined when the bond was issued. The fair value of the debt liability component was calculated using a market interest rate for an equivalent, non-convertible bond. The residual amount was the fair value of the conversion liability component at initial recognition.

The carrying amount of the debt liability component of the convertible bond is classified as non-current interest-bearing debt, and the conversion liability component is classified as other non-current financial liabilities in the statement of financial position.

For information about issue of shares in 2017 through partial conversion of bond, see the "Events" section of this report.

Note 10 SHARE CAPITAL

	No of shares	Share capital (EUR million)	Other paid in capital (EUR million)
Share Capital			
Issued at the beginning of 2017	450 085 652	351.8	657.5
New shares issued ¹⁾	2 214 887	1.9	34.0
Repayment of paid in capital			-142.8
Issued at the end of period	452 300 539	353.7	548.7
Treasury Shares			Cost (EUR million)
Treasury shares at the beginning of 2017	0		0
Treasury shares purchased in the period	697 348		11.0
Treasury shares sold in the period	-697 348		-3.3
Treasury shares end of period	0	Trade loss ²⁾	7.7

¹⁾ For information about issue of shares in 2017 through partial conversion of bond, see the "Events" section of this report.

²⁾ The trade loss arises from sale of shares under the share option scheme for senior executives from 2013.

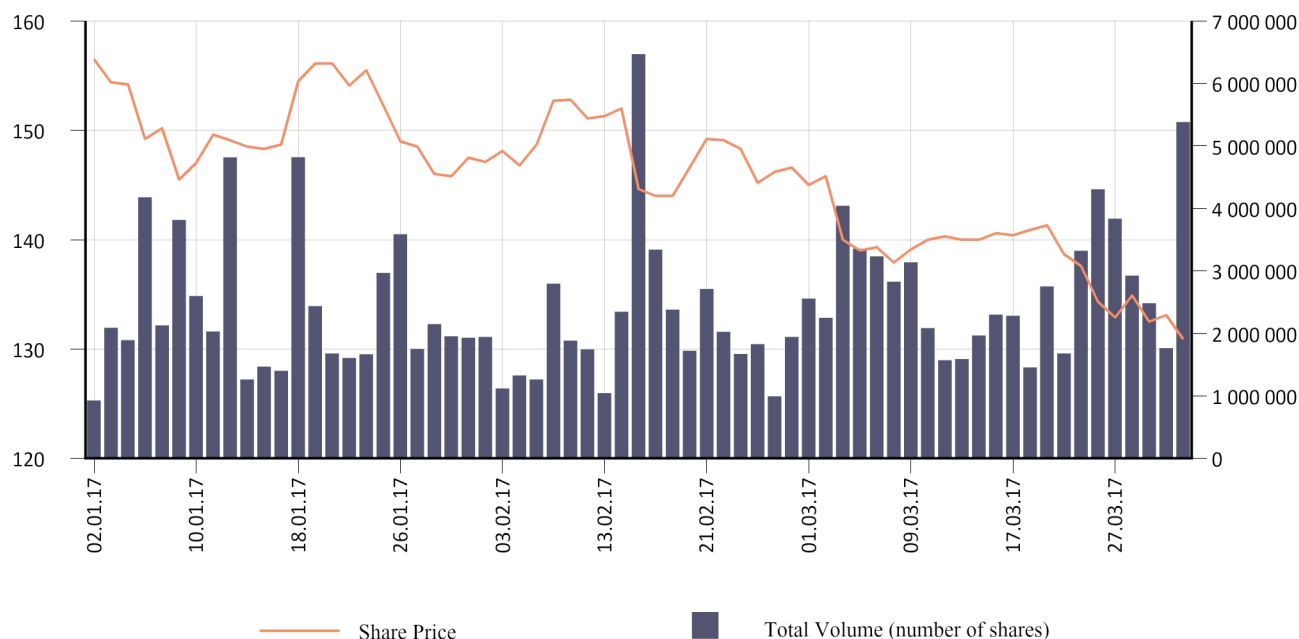
Note 11 SHAREHOLDERS

Major shareholders as of 31.03.2017 :

Name of shareholder	No. of shares	%
Geveran Trading Co Ltd	79 551 603	17.59%
Folketrygdfondet	30 712 577	6.79%
Clearstream Banking S.A.	24 093 064	5.33%
State Street Bank & Trust Comp	10 945 262	2.42%
Citibank, N.A.	8 652 989	1.91%
State Street Bank & Trust Comp	8 517 767	1.88%
State Street Bank & Trust Comp	8 444 535	1.87%
J.P. Morgan Bank Luxembourg S.A.	8 425 747	1.86%
State Street Bank & Trust Comp	6 118 416	1.35%
Jupiter European Fund	5 795 670	1.28%
J.P. Morgan Chase Bank, N.A., London	4 522 365	1.00%
J.P. Morgan Chase Bank, N.A., London	4 306 697	0.95%
Invesco Funds	4 255 073	0.94%
Euroclear Bank S.A./N.V.	4 102 664	0.91%
Verdipapirfondet DNB Norge (IV)	3 411 461	0.75%
KLP Aksjenorge Indeks	3 097 483	0.68%
The Bank Of New York Mellon SA/NV	2 983 052	0.66%
J.P. Morgan Chase Bank, N.A., London	2 798 639	0.62%
The Bank Of New York Mellon SA/NV	2 741 262	0.61%
State Street Bank & Trust Comp	2 665 020	0.59%
Total 20 largest shareholders	226 141 346	50.00%
Total other	226 159 193	50.00%
Total number of shares 31.03.2017	452 300 539	100%

Note 12 SHARE PRICE DEVELOPMENT

Share price development at Oslo Stock Exchange (ticker MHG)



Note 13 BUSINESS COMBINATIONS

Purchase of farming assets on the East Coast of Canada (Gray Aqua)

In December 2016, Marine Harvest was nominated by the Receiver of the assets owned by the Gray Aqua Group to purchase the assets. Gray Aqua is based on the East Coast of Canada. The acquisition price on a cash and debt free basis was CAD 17 million (equivalent to EUR 12.1 million). The acquisition has been accounted for as a business combination. Marine Harvest has established Marine Harvest Atlantic Canada as the owner of the acquired assets.

At the date of completion of the transaction, March 31, 2017, Marine Harvest could exercise rights over the assets, and hence had obtained control. Thus, March 31, 2017 has been identified as the acquisition date, and the assets have been consolidated into the group financial statements as of this date.

The acquisition is important from a strategic point of view, as it further broadens Marine Harvest's global farming footprint in a country where we are already present on the West Coast. The market for salmon in North-East America continues to develop very favorably, and the acquisition represents as such a compelling value proposition.

The acquired assets include one hatchery in New Brunswick, two farming licenses in New Brunswick, seven farming licenses in Newfoundland, and one processing plant in Newfoundland. Currently no fish has been stocked in the above mentioned licenses. In addition, Gray Aqua has applied for 17 farming licenses in Newfoundland which are yet to be approved. Marine Harvest is currently working on staffing the newly established Marine Harvest Atlantic Canada organization, and is preparing a production plan and an investment framework.

A preliminary purchase price allocation (PPA) was carried out per end of March 2017. The values were preliminary allocated to licenses (EUR 6.8 million) and fixed assets (EUR 5.3 million) in the consolidated statement of financial position per March 31, 2017. Transaction costs amounted to EUR 0.3 million, and except from this, the business combination has not impacted the consolidated statement of comprehensive income in the first quarter of 2017.

Forward looking statements

This report may be deemed to include forward-looking statements, such as statements that relate to Marine Harvest's goals and strategies, salmon prices, ability to increase or vary harvest volume, production capacity, future capital expenditures and investments and the expected returns therefrom, trends in the seafood industry, restructuring initiatives, exchange rate and interest rate fluctuations, expected research and development expenditures, business prospects and positioning with respect to market, demographic and pricing trends, strategic initiatives, financial target (including ROCE and NIBD), planned operational expenses, product demand and trends, supply trends, expected price levels, and the effects of any extraordinary events 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. Forward-looking statements are typically identified by words or phrases, such as "believe," "expect," "anticipate," "intend," "estimate," "may increase," "may fluctuate," "plan," "goal," "target," "strategy," and similar expressions or future or conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements are Marine Harvest's current estimates or expectations of future events or future results. Actual results could differ materially from those indicated by these statements because the realization of those results is subject to many risks and uncertainties. Marine Harvest ASA's annual report for the year ended December 31, 2016 contains additional information about factors that could affect actual results, including: changes to the price of salmon including the value of our biological assets; hedging risks; risks related to fish feed; economic and market risks; environmental risks; operational risks; risks related to escapes, disease and sea lice; product risks; risks related to our acquisitions; financing risks; regulation risks including relating to food safety, the aquaculture industry, processing, competition and anti-corruption; trade restriction risks; litigation risks; tax and accounting risks; strategic and competitive risks; and reputation risks. All forward-looking statements included in this report are based on information available at the time of the release, and Marine Harvest assumes no obligation to update any forward-looking statement.