



# Marine Harvest

*Q1 2018 Presentation*  
*9 May 2018*

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## Forward looking statements

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

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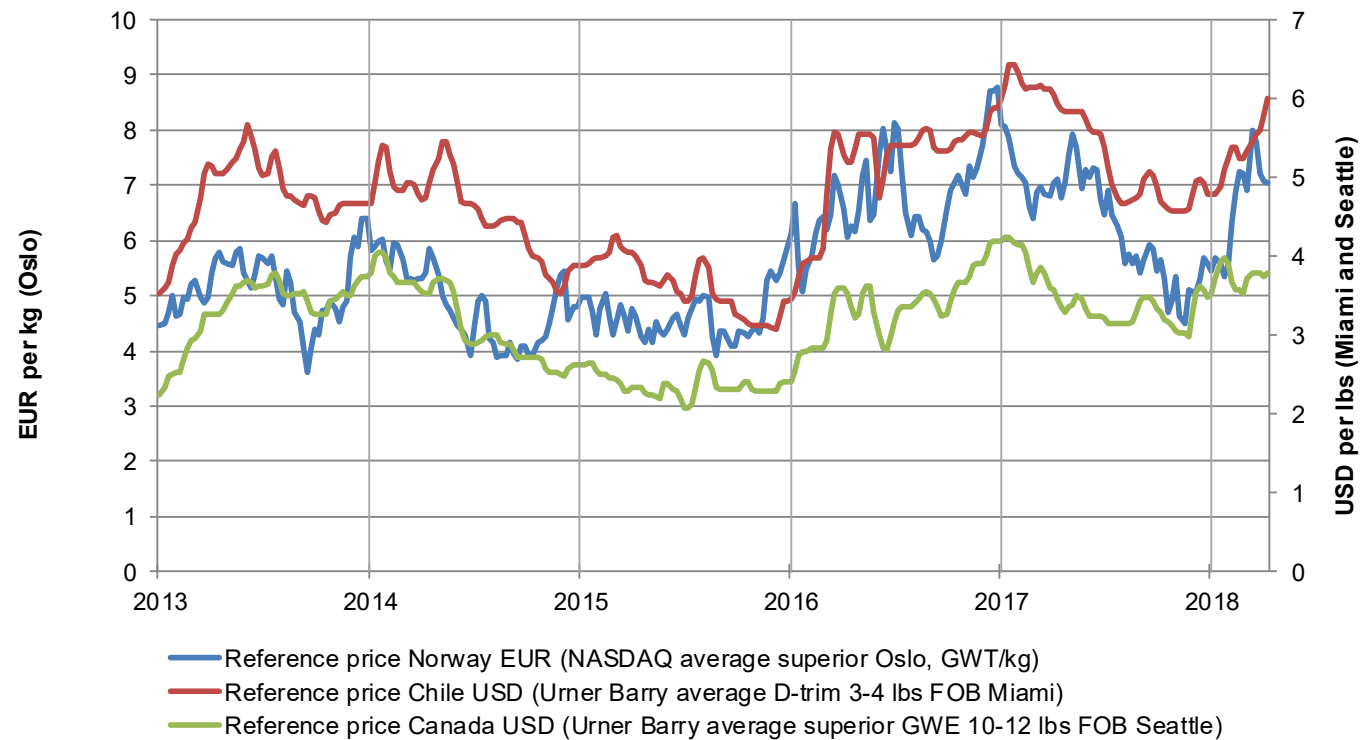
## Highlights

- *Operational EBIT of EUR 158 million in the quarter*
- *Strong demand and increased prices from Q4 in all markets*
- *Cost decrease in Norway compared to Q4*
- *Seasonally record high results in Consumer Products and Ireland*
- *Quarterly dividend of NOK 2.60 per share to be paid in Q2-2018*

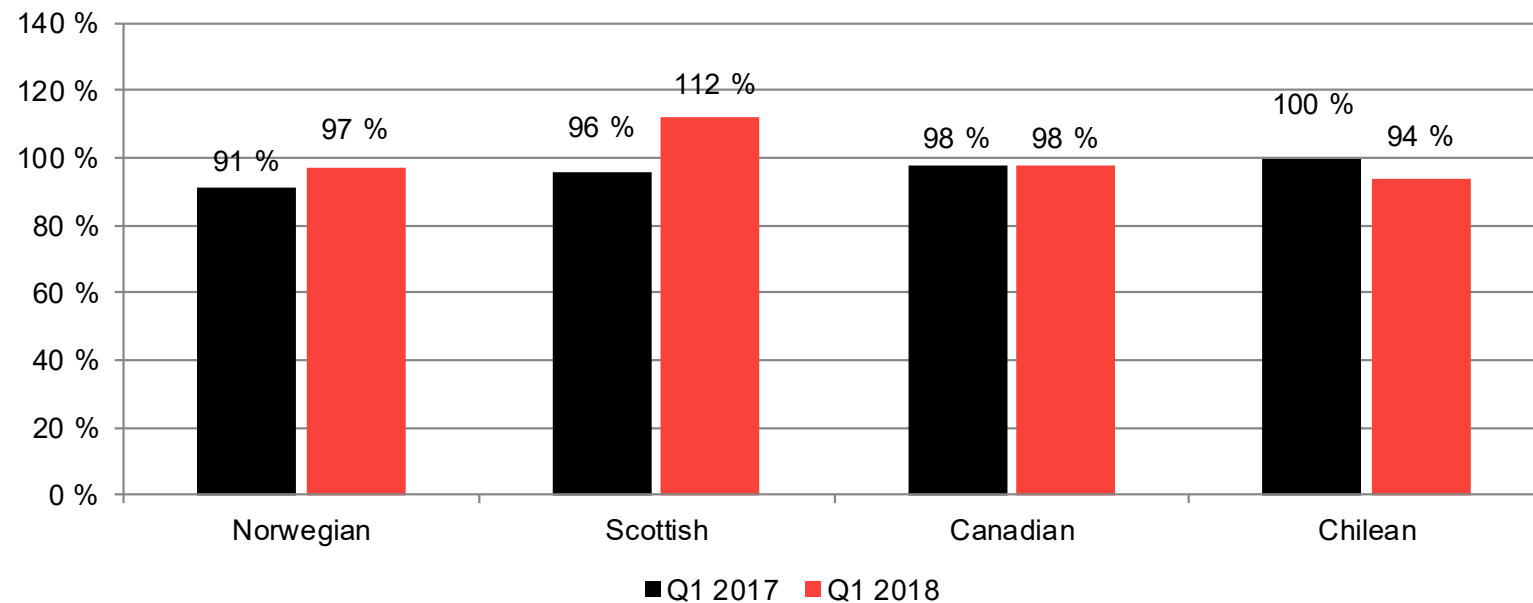
## Key financials

Marine Harvest Group - main figures		Q1 2018	Q1 2017	2017
Unaudited EUR million				
Operational revenue and other income		862.1 -3%	892.0	3,653.8
Operational EBIT <sup>1)</sup>		157.6 -28%	219.2	792.1
EBIT		269.6	88.3	484.9
Cash flow from operations		191.8	247.8	632.4
Net interest-bearing debt (NIBD)		856.6	842.0	831.9
Basic EPS (EUR)		0.36	0.47	0.97
Underlying EPS (EUR) <sup>1)</sup>		0.24	0.36	1.23
Net cash flow per share (EUR) <sup>1)</sup>		0.21	0.39	0.74
ROCE <sup>1)</sup>		25.3%	33.7 %	26.7 %
Adjusted equity ratio <sup>1)</sup>		50.8%	45.1 %	51.7 %
Harvest volume (GWT)		81 212 -3%	83 768	370 346
Operational EBIT - EUR per kg <sup>1)</sup> - Total		1.94	2.62	2.15
Norway		2.26	2.52	2.20
Scotland		1.85	3.12	2.55
Canada		1.10	3.42	2.06
Chile		1.36	1.87	1.30

## Salmon prices – weekly reference prices

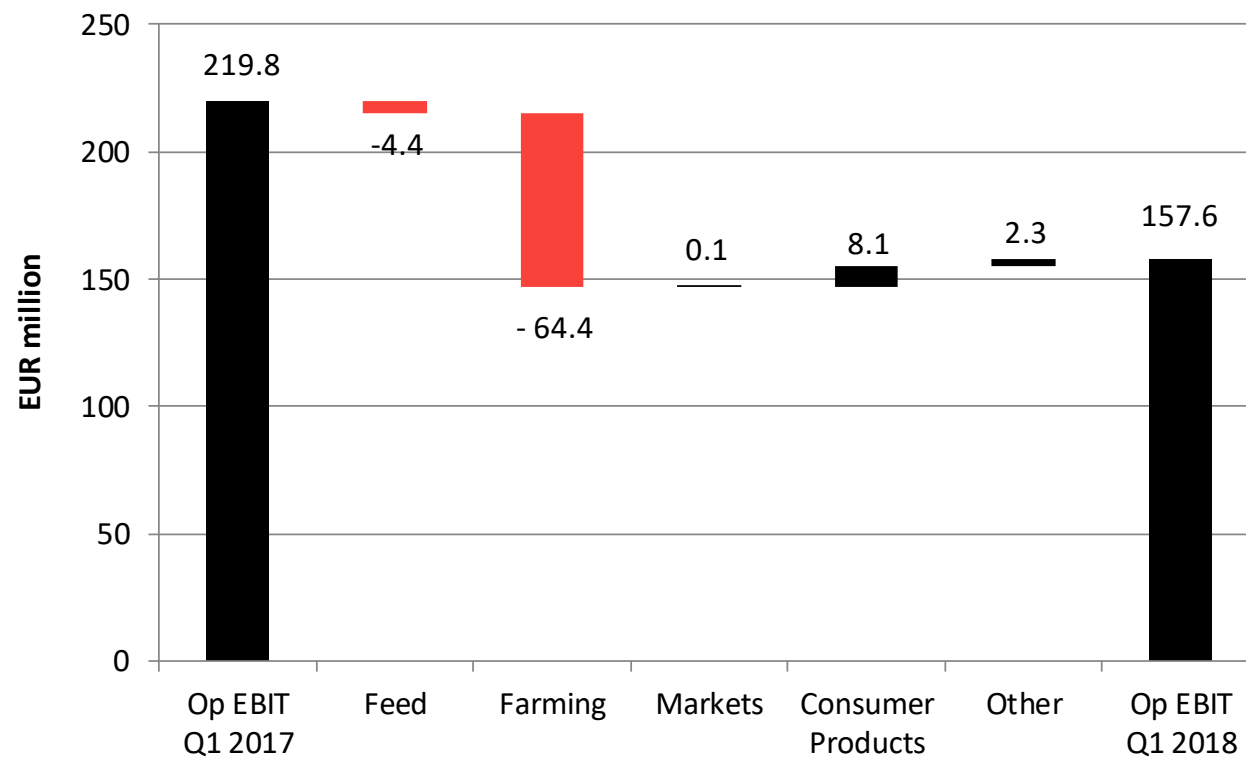


## Price achievement <sup>(1)</sup>, contract & superior share



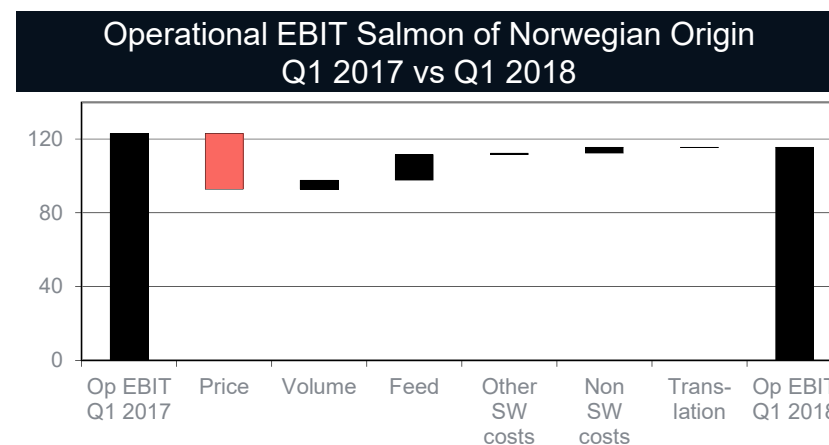
Contract share	40 %	67 %	0 %	20 %
Superior share	92 %	96 %	86 %	87 %

## Operational EBIT comparison



## Norway

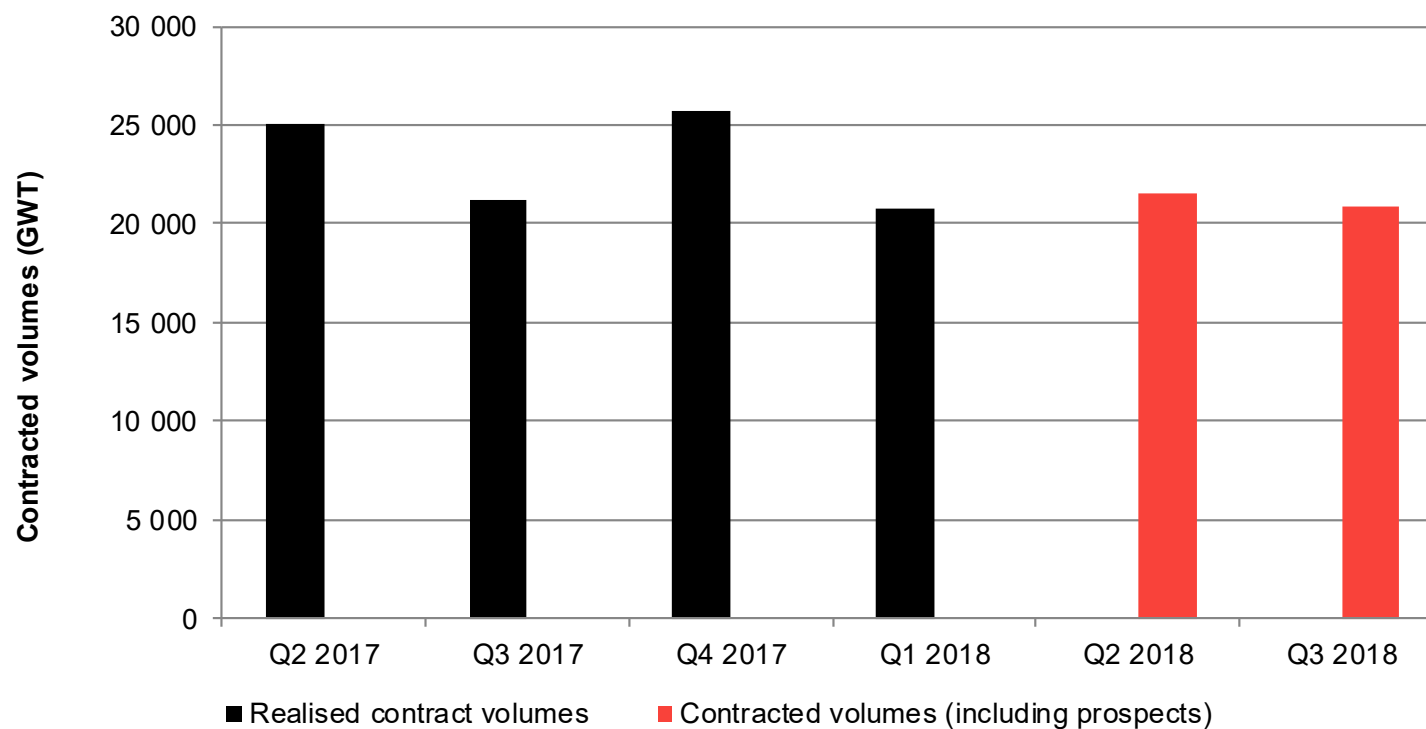
SALMON OF NORWEGIAN ORIGIN		
EUR million	Q1 2018	Q1 2017
<b>Operational EBIT</b>	<b>115.6</b>	<b>123.6</b>
<b>EBIT</b>	<b>178.9</b>	<b>63.5</b>
Harvest volume (GWT)	51 050	49 026
<b>Operational EBIT per kg (EUR)</b>	<b>2.26</b>	<b>2.52</b>
- of which Feed	-0.06	0.00
- of which Markets	0.09	0.10
- of which Consumer Products	0.25	0.20
<i>Price achievement/reference price</i>	<i>97%</i>	<i>91%</i>
<i>Contract share</i>	<i>40%</i>	<i>54%</i>
<i>Superior share</i>	<i>92%</i>	<i>94%</i>



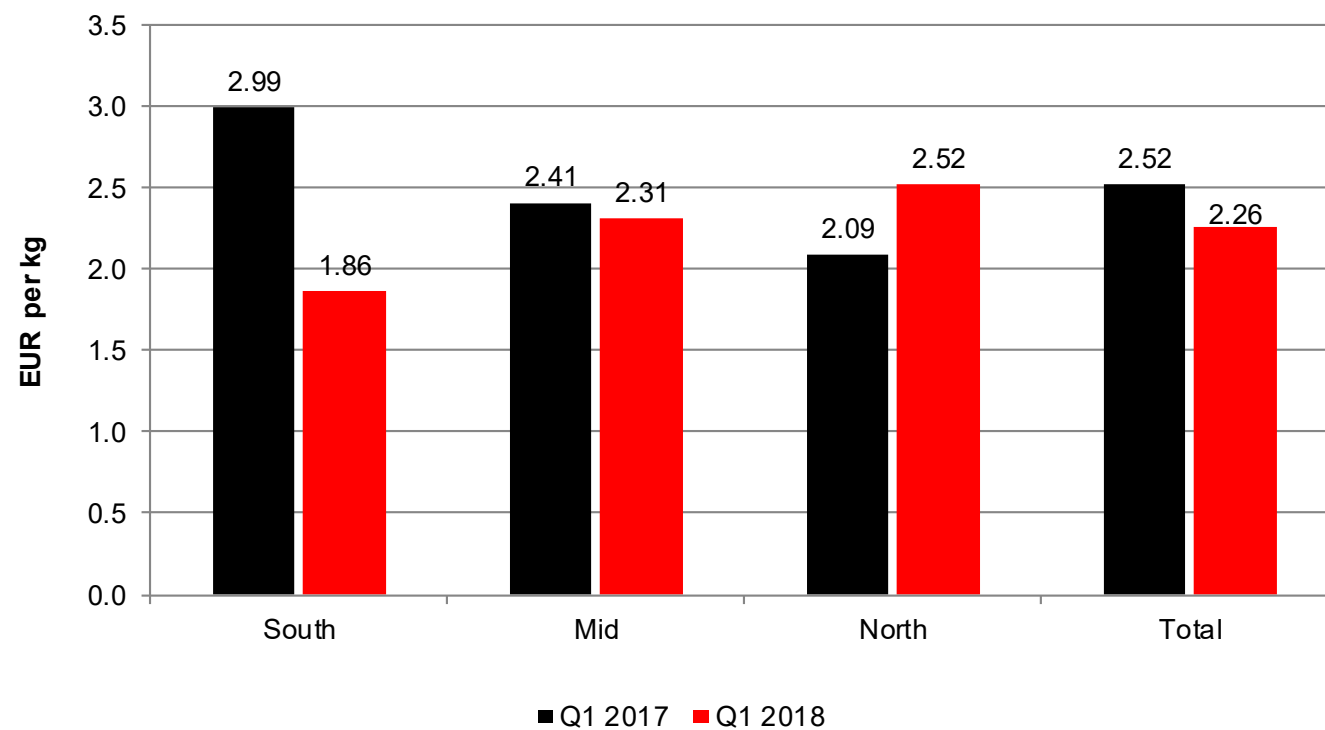
- *Good earnings supported by reduced feed and health costs*
- *Cold winter in Norway, hence industry biomass reduced*
- *Improved biology on 17G vs 16G*
- *Costs expected to increase somewhat in the second quarter*



## Norway: Sales contract portfolio

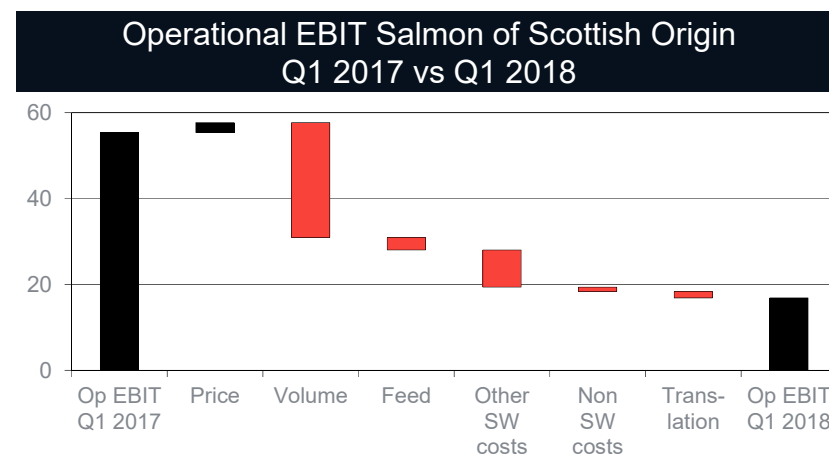


## Norway: Operational EBIT/kg per region



## Scotland

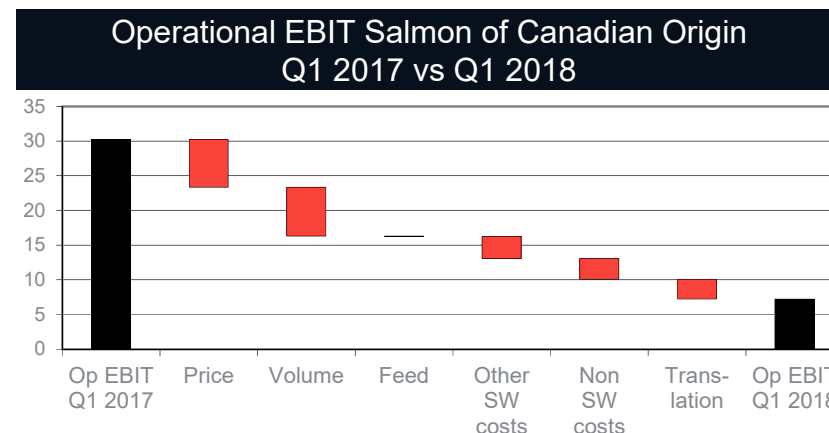
SALMON OF SCOTTISH ORIGIN		
EUR million	Q1 2018	Q1 2017
<b>Operational EBIT</b>	<b>16.1</b>	<b>55.4</b>
<b>EBIT</b>	<b>14.7</b>	<b>75.0</b>
Harvest volume (GWT)	8 691	17 772
<b>Operational EBIT per kg (EUR)</b>	<b>1.85</b>	<b>3.12</b>
- of which MH Markets	0.23	0.19
- of which MH Consumer Products	0.34	0.10
<i>Price achievement/reference price</i>	<i>112%</i>	<i>96%</i>
<i>Contract share</i>	<i>67%</i>	<i>41%</i>
<i>Superior share</i>	<i>96%</i>	<i>96%</i>



- *Satisfactory earnings with good contributions from sales contracts*
- *Reduced harvest volumes due to lower biomass and timing of smolt stockings*
- *Increased costs in the quarter (scale, mortality)*
- *Costs expected to remain elevated in the next quarter*

## Canada

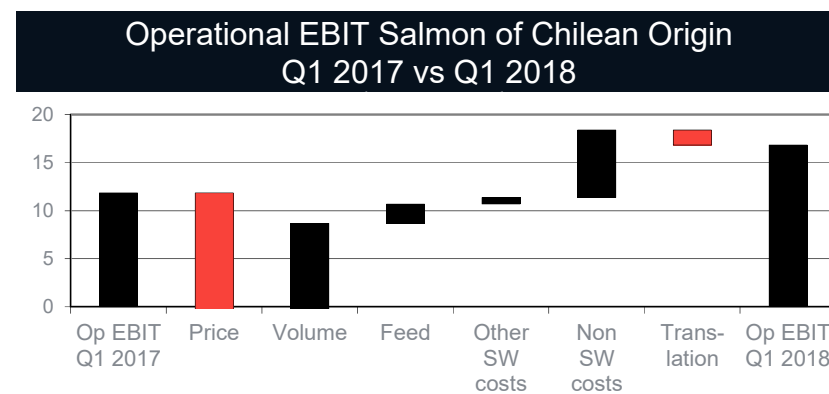
SALMON OF CANADIAN ORIGIN		
EUR million	Q1 2018	Q1 2017
<b>Operational EBIT</b>	<b>7.2</b>	<b>30.2</b>
<b>EBIT</b>	<b>19.4</b>	<b>59.8</b>
Harvest volume (GWT)	6 592	8 852
<b>Operational EBIT per kg (EUR)</b>	<b>1.10</b>	<b>3.42</b>
- of which MH Markets	0.17	0.17
- of which MH Consumer Products	0.00	0.00
<i>Price achievement/reference price</i>	<i>98%</i>	<i>98%</i>
<i>Contract share</i>	<i>0%</i>	<i>0%</i>
<i>Superior share</i>	<i>86%</i>	<i>89%</i>



- *Reduced spot prices impacted earnings negatively*
- *Cold winter in BC, hence lower growth than expected in the quarter*
- *Biological challenges in H2-2017 reduced biomass and increased cost-to-stock*

## Chile

SALMON OF CHILEAN ORIGIN		
EUR million	Q1 2018	Q1 2017
<b>Operational EBIT</b>	<b>16.8</b>	<b>11.9</b>
<b>EBIT</b>	<b>25.8</b>	<b>31.4</b>
Harvest volume (GWT)	12 392	6 336
<b>Operational EBIT per kg (EUR)</b>	<b>1.36</b>	<b>1.87</b>
- of which MH Markets	0.17	0.02
- of which MH Consumer Products	0.30	0.13
<i>Price achievement/reference price</i>	<i>94%</i>	<i>100%</i>
<i>Contract share</i>	<i>20%</i>	<i>25%</i>
<i>Superior share</i>	<i>87%</i>	<i>88%</i>



- *Spot prices reduced on higher supply*
- *Reduced costs compared to first quarter 2017*
  - Significantly higher volumes post algal bloom in 2016
  - Lower RFS costs and overhead costs
- *Costs expected to increase somewhat in the second quarter on lower volumes*

## Ireland and Faroes

SALMON OF IRISH ORIGIN		
EUR million	Q1 2018	Q1 2017
<b>Operational EBIT</b>	<b>6.4</b>	<b>0.9</b>
<b>EBIT</b>	<b>11.3</b>	<b>13.4</b>
Harvest volume (GWT)	1 457	633
<b>Operational EBIT per kg (EUR)</b>	<b>4.37</b>	<b>1.48</b>
- of which MH Markets	0.00	0.00
- of which MH Consumer Products	0.30	0.17
<i>Price achievement/reference price</i>	<i>na</i>	<i>na</i>
<i>Contract share</i>	<i>84%</i>	<i>82%</i>
<i>Superior share</i>	<i>93%</i>	<i>85%</i>

SALMON OF FAROESE ORIGIN		
EUR million	Q1 2018	Q1 2017
<b>Operational EBIT</b>	<b>1.2</b>	<b>5.2</b>
<b>EBIT</b>	<b>7.2</b>	<b>3.2</b>
Harvest volume (GWT)	1 030	1 148
<b>Operational EBIT per kg (EUR)</b>	<b>1.19</b>	<b>4.51</b>
- of which MH Markets	0.71	0.00
- of which MH Consumer Products	0.00	0.03
<i>Price achievement/reference price</i>	<i>113%</i>	<i>99%</i>
<i>Contract share</i>	<i>0%</i>	<i>5%</i>
<i>Superior share</i>	<i>89%</i>	<i>84%</i>

- *Continued very good contribution from Marine Harvest Ireland*
  - Costs expected to increase in the second quarter
- *Results in Marine Harvest Faroes impacted by timing of harvest and low weights*
  - Low volumes in the second quarter due to site structure

## Consumer Products <sup>(1)</sup>

CONSUMER PRODUCTS		
EUR million	Q1 2018	Q1 2017
Operating revenues	498.7	434.1
<b>Operational EBIT</b>	<b>20.9</b>	<b>12.9</b>
Operational EBIT %	4.2%	3.0%
<b>EBIT</b>	<b>23.9</b>	<b>12.4</b>
Volume sold (tonnes prod. weight)	39 928	33 148

- *New reporting structure includes Americas and Asia*
- *Record first quarter results on 20% volume increase*
  - Partially driven by Easter in Q1-18 vs Q2-17
- *Impressive demand in the first quarter*



## Feed

FEED		
EUR million	Q1 2018	Q1 2017
Operating revenues	61.6	63.6
<b>Operational EBIT</b>	<b>-4.3</b>	<b>0.1</b>
Operational EBIT %	-6.9%	0.2%
<b>EBIT</b>	<b>-4.2</b>	<b>-3.8</b>
Feed sold volume	54 440	49 042
Feed produced volume	72 224	51 699

- *Low season for MH Feed*
- *Reduced feed prices year-over-year, however, up since end 2017*
- *Produced volumes exceeded sold volumes to prepare for high season*
- *Construction of the new feed plant in Scotland delayed to Q4 2018*

Norway



Scotland: Construction site of new plant







# First Quarter 2018 Financials, Markets and Harvest Volumes

## Profit and Loss

Marine Harvest Group EUR million	Q1 2018	Q1 2017	2017
<b>Operational revenue and other income</b>	<b>862.1</b> -3%	<b>892.0</b>	<b>3,653.8</b>
<b>Operational EBIT <sup>1)</sup></b>	<b>157.6</b> -28%	<b>219.8</b>	<b>792.1</b>
Change in unrealized internal margin	4.4	-1.8	5.7
Gain/loss from derivatives	6.3	-6.3	-20.2
Net fair value adjustment of biomass, onerous contracts	89.4	-122.5	-220.5
Restructuring costs	-0.9	-0.2	-2.5
Other non-operational items	0.1	0.0	0.3
Income from associated companies	12.6	-0.1	33.7
Impairment losses - fixed assets	0.1	-0.6	-103.8
<b>EBIT</b>	<b>269.6</b>	<b>88.3</b>	<b>484.9</b>
Net financial items	-37.8	136.5	37.7
<b>Earnings before tax</b>	<b>231.8</b>	<b>224.8</b>	<b>522.6</b>
<b>Profit or loss for the period</b>	<b>179.1</b>	<b>212.4</b>	<b>462.7</b>
Basic EPS (EUR)	0.36	0.47	0.97
Underlying EPS (EUR)	0.24	0.36	1.23
Net cash flow per share (EUR)	0.21	0.39	0.74
Dividend declared and paid per share (NOK)	2.60	2.80	12.40
Operational EBIT margin	18.3%	24.6%	21.7%
Harvest volume, GWT (salmon)	81 212 -3%	83 768	370 346
Operational EBIT per kg incl margin from Sales and Marketing <sup>1)</sup>	1.94	2.62	2.14
ROCE <sup>1)</sup>	25.3 %	33.7 %	26.7 %

- Net fair value adjustment of biomass of EUR 89 million

- Net financial items impacted by EUR 35 million negative fair value effect of the convertible bond

## Financial position

Marine Harvest Group EUR million	31.03.2018	31.03.2017	31.12.2017
Non-current assets	2 202.3	2 283.5	2 166.7
Current assets (including assets held for sales)	2 213.6	2 207.6	2 163.5
<b>Total assets</b>	<b>4 415.9</b>	<b>4 491.0</b>	<b>4 330.3</b>
Equity	2 343.8	2 152.6	2 315.4
Non-current liabilities	1 436.0	1 503.0	1 215.2
Current liabilities	636.1	835.4	799.7
<b>Total equity and liabilities</b>	<b>4 415.9</b>	<b>4 491.0</b>	<b>4 330.3</b>
Net interest-bearing debt	856.6	842.0	831.9
Adjusted equity ratio	50.8%	45.1%	51.7%

## Cash Flow and Net Interest Bearing Debt

Marine Harvest Group EUR million	Q1 2018	Q1 2017	2017
<b>NIBD beginning of period</b>	<b>- 831.9</b>	<b>- 890.0</b>	<b>-999.7</b>
Operational EBITDA	194.8	256.8	842.7
Change in working capital	38.5	59.6	-14.9
Taxes paid	-50.5	-59.7	-92.6
Other adjustments	8.9	-8.9	-42.0
<b>Cash flow from operations</b>	<b>191.8</b>	<b>247.8</b>	<b>693.2</b>
Net Capex	-76.7	-57.0	-199.2
Cash received from sale of shares	0.0	0.0	52.3
Other investments and dividends received	-8.7	-10.0	14.3
<b>Cash flow from investments</b>	<b>-85.3</b>	<b>-67.0</b>	<b>-132.6</b>
Net interest and financial items paid	-6.9	-4.7	-22.9
Other items	8.4	-10.0	-7.2
Net convertible bonds converted	0.0	21.1	0.0
Dividend / return of paid in capital	-132.5	-142.8	-418.1
Currency effect on interest-bearing debt	-0.1	3.6	-2.7
<b>NIBD end of period</b>	<b>- 856.6</b>	<b>- 842.0</b>	<b>- 890.0</b>
<b>NIBD distribution <sup>1)</sup>:</b>			
EUR	90%	69%	74%
USD	12%	14%	13%
GBP	3%	4%	4%
Other currencies	-5%	14%	10%

<sup>1)</sup> Distribution including effect of cross currency sw aps. NIBD distribution for Q1-18 and 2017. Gross debt distribution for Q1-2017

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## 2018 Cash Flow Guidance

- *Working capital buildup EUR ~120m*
  - Support further organic growth
- *Capital expenditures EUR ~290m*
  - Freshwater expansion projects EUR ~35m
    - Sandøra (Region North Norway), Norheim (Region Mid Norway), Inchmore (Scotland)
  - Sea water expansion projects EUR ~30m
    - Scotland, Canada, Chile
  - 2% MAB capacity increase in Norway EUR ~20m
  - New feed plant in Scotland EUR ~60m
  - Consumer Products expansion initiatives EUR ~20m
    - Miami, Ducktrap
- *Interest paid EUR ~35m*
- *Taxes paid EUR ~150m*
- *Quarterly dividend payment in Q2-2018 of NOK 2.60 per share as ordinary dividend*

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## Overview financing

- *Refinanced bank facility: EUR 1,206m Facility Agreement*
  - Maturity: 5 years
  - Covenant: 35% equity ratio
  - Accordion option: EUR 200m
  - Lenders: DNB, Nordea, ABN Amro, Rabobank, Danske Bank and SEB
- *EUR 340m convertible bond issued in November 2015*
  - Tenor 5 years, annual coupon 0.125%<sup>(1)</sup>, conversion price EUR 13.6347
- *Long term NIBD target of EUR 1,200m*
  - New feed factory in Scotland
  - Farming NIBD/kg ratio of 2.0 on expected higher long-term earnings

## Supply development

Suppliers	Estimated volumes		Compared to Q1 2017			Est. volumes Q4 2017
	Q1 2018	Q1 2017	Volume		%	
Norway	263 300	249 300	14 000	↑	5.6%	321 800
Scotland	31 100	35 800	-4 700	↓	-13.1%	40 300
Faroe Islands	16 500	15 600	900	↑	5.8%	18 500
Ireland	3 500	2 400	1 100	↑	45.8%	3 900
<b>Total Europe</b>	<b>314 400</b>	<b>303 100</b>	<b>11 300</b>	<b>↑</b>	<b>3.7%</b>	<b>384 500</b>
Chile	153 400	118 100	35 300	↑	29.9%	158 000
North America	30 800	30 200	600	↑	2.0%	39 800
<b>Total Americas</b>	<b>184 200</b>	<b>148 300</b>	<b>35 900</b>	<b>↑</b>	<b>24.2%</b>	<b>197 800</b>
Australia	13 200	12 400	800	↑	6.5%	16 400
Other	7 200	5 800	1 400	↑	24.1%	4 500
<b>Total</b>	<b>519 000</b>	<b>469 600</b>	<b>49 400</b>	<b>↑</b>	<b>10.5%</b>	<b>603 200</b>

Source: Kontali

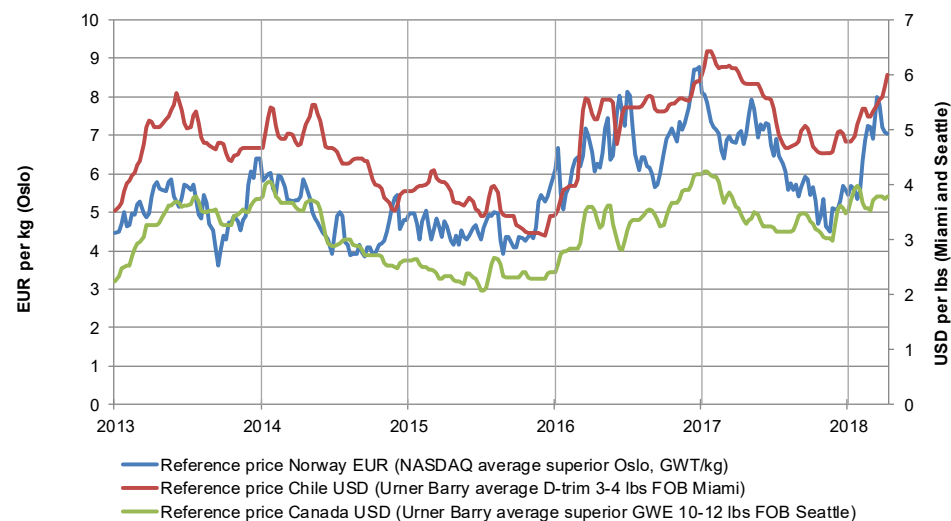
- Supply growth in all main markets (Norway, Chile, Scotland and Canada) – in line with guidance
- Norway/Scotland. Harvested less than expected. Cold winter and reduced biomass
- Chile: Harvested more than expected. Algal bloom accelerated harvest

## Development in reference prices

	Q1 2018 Market	Change vs Q1 2017	Q1 2018 NOK	Change vs Q1 2017
Norway (1)	EUR 6.25	-14.1%	NOK 60.21	-7.8%
Chile (2)	USD 5.12	-17.2%	NOK 40.13	-23.0%
Chile, GWT (3)	USD 6.02	-19.2%	NOK 47.21	-24.9%
North America (4)	USD 3.69	-8.3%	NOK 28.96	-14.8%
North America, GWT (3)	USD 7.72	-8.2%	NOK 60.54	-14.7%

### Notes:

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





## Global volume by market

Markets	Estimated volumes		Compared to Q1 2017		Est. volumes Q4 2017	12 month comparison		
	Q1 2018	Q1 2017	Volume	%		LTM	PTM	%
EU	217 600	204 200	13 400	↑ 6.6%	268 200	933 100	924 500	0.9%
Russia	21 300	14 100	7 200	↑ 51.1%	23 200	75 500	65 000	16.2%
Other Europe	20 300	18 100	2 200	↑ 12.2%	24 500	81 700	73 800	10.7%
<b>Total Europe</b>	<b>259 200</b>	<b>236 400</b>	<b>22 800</b>	<b>↑ 9.6%</b>	<b>315 900</b>	<b>1 090 300</b>	<b>1 063 300</b>	<b>2.5%</b>
USA	109 900	100 200	9 700	↑ 9.7%	103 000	406 200	375 300	8.2%
Brazil	24 500	20 400	4 100	↑ 20.1%	21 800	84 100	76 500	9.9%
Other Americas	28 600	24 700	3 900	↑ 15.8%	31 800	113 200	104 900	7.9%
<b>Total Americas</b>	<b>163 000</b>	<b>145 300</b>	<b>17 700</b>	<b>↑ 12.2%</b>	<b>156 600</b>	<b>603 500</b>	<b>556 700</b>	<b>8.4%</b>
China / Hong Kong	23 800	17 300	6 500	↑ 37.6%	27 300	92 500	76 500	20.9%
Japan	12 600	14 000	-1 400	↓ -10.0%	15 900	56 300	57 800	-2.6%
South Korea / Taiwan	14 300	10 300	4 000	↑ 38.8%	12 100	49 500	39 200	26.3%
Other Asia	20 400	20 400	0	→ 0.0%	21 400	83 500	67 400	23.9%
<b>Total Asia</b>	<b>71 100</b>	<b>62 000</b>	<b>9 100</b>	<b>↑ 14.7%</b>	<b>76 700</b>	<b>281 800</b>	<b>240 900</b>	<b>17.0%</b>
All other markets	28 500	27 900	600	↑ 2.2%	29 900	108 800	104 900	3.7%
<b>Total</b>	<b>521 800</b>	<b>471 600</b>	<b>50 200</b>	<b>↑ 10.6%</b>	<b>579 100</b>	<b>2 084 400</b>	<b>1 965 800</b>	<b>6.0%</b>
Inflow to US from Europe	23 600	26 100	-2 500	↓ -9.6%	25 100	92 800	86 000	7.9%
Inflow to EU from Chile	10 900	10 200	700	↑ 6.9%	12 200	39 000	41 600	-6.3%

- *EU: Impressive demand response in the Fresh category. Chilled/Smoked category stable*
- *US: Growth continues. LTM volumes of > 400,000 GWT*
- *Asia: Strong growth*

## Industry supply growth 2018E

GWT (1,000)	2015	2016	2017	2018	Estimates 2018			
					Low	Y/Y growth	High	Y/Y growth
Norway	1 111	1 054	1 087	1 150	1 135	4 %	1 165	7 %
UK	150	142	157	140	135	-14 %	145	-8 %
Faroe Islands	68	70	72	66	63	-13 %	68	-6 %
<b>Total Europe</b>	<b>1 328</b>	<b>1 265</b>	<b>1 316</b>	<b>1 356</b>	<b>1 333</b>	<b>1 %</b>	<b>1 378</b>	<b>5 %</b>
Chile	538	454	521	545	530	2 %	560	7 %
North America	140	152	146	150	145	0 %	155	7 %
<b>Total Americas</b>	<b>678</b>	<b>606</b>	<b>667</b>	<b>695</b>	<b>675</b>	<b>1 %</b>	<b>715</b>	<b>7 %</b>
Other	79	79	91	98	95	4 %	100	9 %
<b>Total</b>	<b>2 085</b>	<b>1 949</b>	<b>2 074</b>	<b>2 148</b>	<b>2 103</b>	<b>1 %</b>	<b>2 193</b>	<b>6 %</b>

GWT (1,000)	Q2 2015	Q2 2016	Q2 2017	Q2 2018 estimate	Estimates Q2 2018			
					Low	Q/Q growth	High	Q/Q growth
Norway	267	249	235	252	248	5 %	256	9 %
UK	37	35	41	35	33	-19 %	36	-12 %
Faroe Islands	17	18	22	15	14	-37 %	16	-28 %
<b>Total Europe</b>	<b>321</b>	<b>302</b>	<b>298</b>	<b>302</b>	<b>295</b>	<b>-1 %</b>	<b>308</b>	<b>3 %</b>
Chile	121	93	118	120	115	-2 %	125	6 %
North America	39	40	36	37	35	-4 %	38	5 %
<b>Total Americas</b>	<b>159</b>	<b>133</b>	<b>154</b>	<b>157</b>	<b>150</b>	<b>-3 %</b>	<b>163</b>	<b>6 %</b>
Other	19	20	24	24	23	-3 %	25	6 %
<b>Total</b>	<b>500</b>	<b>455</b>	<b>476</b>	<b>482</b>	<b>468</b>	<b>-2 %</b>	<b>496</b>	<b>4 %</b>

GWT (1,000)	H2 2015	H2 2016	H2 2017	H2 2018 estimate	Estimates H2 2018			
					Low	Y/Y growth	High	Y/Y growth
Norway	584	561	603	635	624	4 %	646	7 %
UK	84	73	80	74	71	-12 %	78	-3 %
Faroe Islands	39	35	34	34	33	-5 %	36	3 %
<b>Total Europe</b>	<b>707</b>	<b>669</b>	<b>717</b>	<b>743</b>	<b>727</b>	<b>1 %</b>	<b>759</b>	<b>6 %</b>
Chile	284	217	285	272	262	-8 %	282	-1 %
North America	72	78	79	83	79	0 %	86	9 %
<b>Total Americas</b>	<b>356</b>	<b>295</b>	<b>364</b>	<b>354</b>	<b>341</b>	<b>-6 %</b>	<b>368</b>	<b>1 %</b>
Other	42	40	47	50	48	2 %	51	8 %
<b>Total</b>	<b>1 105</b>	<b>1 003</b>	<b>1 129</b>	<b>1 147</b>	<b>1 116</b>	<b>-1 %</b>	<b>1 178</b>	<b>4 %</b>

- 2018 guidance revised down to 1-6% (3-8% previous quarter)

- Europe 3%
- Americas 4%

## MHG volume guidance

Salmon species GWT (1,000)	2016 Actual	Q1 2017 Actual	Q2 2017 Actual	Q3 2017 Actual	Q4 2017 Actual	2017 Actual	Q1 2018 Actual	Q2 2018 Guidance	2018 Guidance
Norway	236.0	49.0	39.4	55.4	66.4	210.2	51.1	52.0	242.0
Scotland	45.0	17.8	18.5	10.9	13.0	60.2	8.7	9.0	47.0
Canada	43.3	8.9	9.4	11.2	10.0	39.4	6.6	9.5	43.0
Chile	36.9	6.3	7.7	13.7	17.1	44.9	12.4	9.3	52.5
Other Units	19.3	1.8	3.6	4.2	6.1	15.7	2.5	2.2	15.5
<b>Total</b>	<b>380.6</b>	<b>83.8</b>	<b>78.6</b>	<b>95.3</b>	<b>112.6</b>	<b>370.3</b>	<b>81.2</b>	<b>82.0</b>	<b>400.0</b>

- *2018 volume guidance reduced from 410,000 tonnes GWT to 400,000 tonnes GWT due to less growth in sea*
  - Norway: Reduced by 7,000 tonnes GWT
  - Canada: Reduced by 3,000 tonnes GWT

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## Outlook

- *Strong financial position*
- *Organic growth initiatives (Feed, Farming, Consumer Products)*
- *Information submitted to the Canadian competition authorities regarding conditional agreement to acquire Northern Harvest on the East Coast*
- *Global cost savings program of EUR 50 million well under way*
- *Positive demand response in several markets*
  - Fish Pool forward price (12 months) at EUR 6.4/kg, up from EUR 5.5/kg since February
- *Quarterly dividend payment in Q2-2018 of NOK 2.60 per share as ordinary dividend*



# Appendix

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## Dividend policy

- *The quarterly dividend level shall reflect the present and expected future cash flow generation of the Company*
  - *To this end, a target level for net interest bearing debt is determined, reviewed and updated on a regular basis*
  - *When the target is met, at least 75% of the annual free cash flow after operational and financial commitments will be distributed as dividends*
- 
- *Long term NIBD target of EUR 1,200m*
    - New feed factory in Scotland
    - Farming NIBD/kg ratio of 2.0 on expected higher long-term earnings

## Contract coverage and sales contract policy

SALES CONTRACT POLICY		
	Min hedging rate	Max hedging rate <sup>(1)</sup>
Norway <sup>(2)</sup>	0.0 %	50.0 %
Scotland	0.0 %	75.0 %
Canada	0.0 %	30.0 %
Chile <sup>(2)</sup>	0.0 %	50.0 %
Ireland	0.0 %	100.0 %
Faroes	0.0 %	30.0 %

**Notes:**

(1) Hedging rates for the next quarter, limits dropping over time

(2) Contract rate can be increased to 65% under special circumstances

- Q2 2018 contract shares (% of guided volume):

- Norway 39%
- Scotland 73%
- Canada 0%
- Chile 22%

- Contracts typically have a duration of 3-12 months

- Contracts are entered into on a regular basis

## Quarterly segment overview

EUR million	SOURCES OF ORIGIN QTD						Other <sup>1)</sup>	Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes		
<b>OPERATIONAL EBIT</b>								
FARMING	101.8	11.1	6.1	11.0	5.9	0.5		136.5
SALES AND MARKETING								
Markets	4.5	2.0	1.1	2.1	0.0	0.7	-0.2	10.1
Consumer Products	12.6	3.0	0.0	3.7	0.4	0.0	1.2	21.0
<b>SUBTOTAL</b>	<b>118.9</b>	<b>16.1</b>	<b>7.2</b>	<b>16.8</b>	<b>6.4</b>	<b>1.2</b>	<b>1.0</b>	<b>167.6</b>
Feed	-3.3						-1.0	-4.3
Other entities <sup>1)</sup>							-5.7	-5.7
<b>TOTAL</b>	<b>115.6</b>	<b>16.1</b>	<b>7.2</b>	<b>16.8</b>	<b>6.4</b>	<b>1.2</b>	<b>-5.7</b>	<b>157.6</b>
Harvest volume (GWT)	51 050	8 691	6 592	12 392	1 457	1 030		81 212
Operational EBIT per kg (EUR) <sup>1)</sup> - total Group	2.26	1.85	1.10	1.36	4.37	1.19		1.94
- of which Feed	-0.06	0.00	0.00	0.00	0.00	0.00		-0.05
- of which Markets	0.09	0.23	0.17	0.17	0.00	0.71		0.12
- of which Consumer Products	0.25	0.34	0.00	0.30	0.30	0.00		0.26
<b>ANALYTICAL DATA</b>								
Price achievement/reference price (%) <sup>1)</sup>	97%	112%	98%	94%	na	113%		98%
Contract share (%)	40%	67%	0%	20%	84%	0%		37%
Quality - superior share (%)	92%	96%	86%	87%	93%	89%		91%
Exceptional items included in Operational EBIT	-2.8	-1.0	-1.1	-0.1	-0.4	0.0		-5.3
Exceptional items per kg (EUR)	-0.05	-0.11	-0.16	-0.01	-0.28	0.00		-0.06
<b>GUIDANCE</b>								
Q2 2018 harvest volume (GWT)	52 000	9 000	9 500	9 300	1 500	700		82 000
2018 harvest volume (GWT)	242 000	47 000	43 000	52 500	7 500	8 000		400 000
Q2 2018 contract share (%)	39%	73%	0%	22%	85%	0%		37%



## Quarterly segment overview

MH Operating Units	FARMING						MH Sales and Marketing					
EUR million	Norway	Scotland	Canada	Chile	Ireland	Faroes	Markets	Consumer Products	MH Feed	Other	Elim	Group*
Revenues and other income	310.2	59.6	40.3	60.6	16.5	5.1	503.6	498.9	61.6	4.4	-698.7	862.1
Operating EBITDA	116.7	15.6	9.6	14.7	6.9	1.2	10.2	27.3	-2.4	-4.9	0.0	194.8
Operating EBIT	101.8	11.1	6.1	11.0	5.9	0.5	10.1	20.9	-4.3	-5.7	0.0	157.6
Fair Value adj on biomass, contracts/ unrealised derivatives	50.6	-0.5	12.2	8.9	4.9	6.0	-2.5	9.9	0.1	6.1	0.0	93.1
Unrealized margin adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	4.4
Restructuring cost	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.9
Other non-operational items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Income/loss from associated companies	12.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	12.6
Write-down of fixed assets/intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
EBIT	165.0	9.8	18.3	19.9	10.9	6.5	7.6	31.0	-4.2	0.3	4.4	269.6
Contribution to operational EBIT from S&M	17.1	5.0	1.1	5.8	0.4	0.7	-10.1	-20.9		1.0		0.1
Contribution to operational EBIT from Feed	-3.3								4.3	-1.0		0.0
<b>Operational EBIT incl contribution from S&amp;M</b>	<b>115.6</b>	<b>16.1</b>	<b>7.2</b>	<b>16.8</b>	<b>6.4</b>	<b>1.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.7</b>	<b>0.0</b>	<b>157.6</b>
Harvest / sales volume	51 050	8 691	6 592	12 392	1 457	1 030		34 381	54 440			
Operational EBIT/kg incl contribution from S&M (EUR)	2.26	1.85	1.10	1.36	4.37	1.19						1.94
-of which S&M	0.33	0.57	0.17	0.47	0.30	0.71						0.38
-of which Feed	-0.06											-0.05

\*Volume = harvested volume salmon in tonnes gutted weight (GWT)

## Development in harvest volumes

GWT (1,000)	2013 Total	2014 Total	2015 Total	2016					2017					2018E		
				Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2E	Total
Norway	222.5	258.0	254.8	54.0	53.7	64.6	63.6	236.0	49.0	39.4	55.4	66.4	210.2	51.1	52.0	242.0
Scotland	48.4	48.9	50.1	12.6	10.8	9.8	11.8	45.0	17.8	18.5	10.9	13.0	60.2	8.7	9.0	47.0
Canada	33.1	26.7	40.1	11.6	11.7	10.3	9.8	43.3	8.9	9.4	11.2	10.0	39.4	6.6	9.5	43.0
Chile	28.3	67.5	62.5	15.4	7.1	6.9	7.6	36.9	6.3	7.7	13.7	17.1	44.9	12.4	9.3	52.5
Other (1)	11.5	17.8	12.7	3.1	3.8	5.6	6.9	19.3	1.8	3.6	4.2	6.1	15.7	2.5	2.2	15.5
Total	343.8	418.9	420.1	96.6	87.2	97.2	99.6	380.6	83.8	78.6	95.3	112.6	370.3	81.2	82.0	400.0

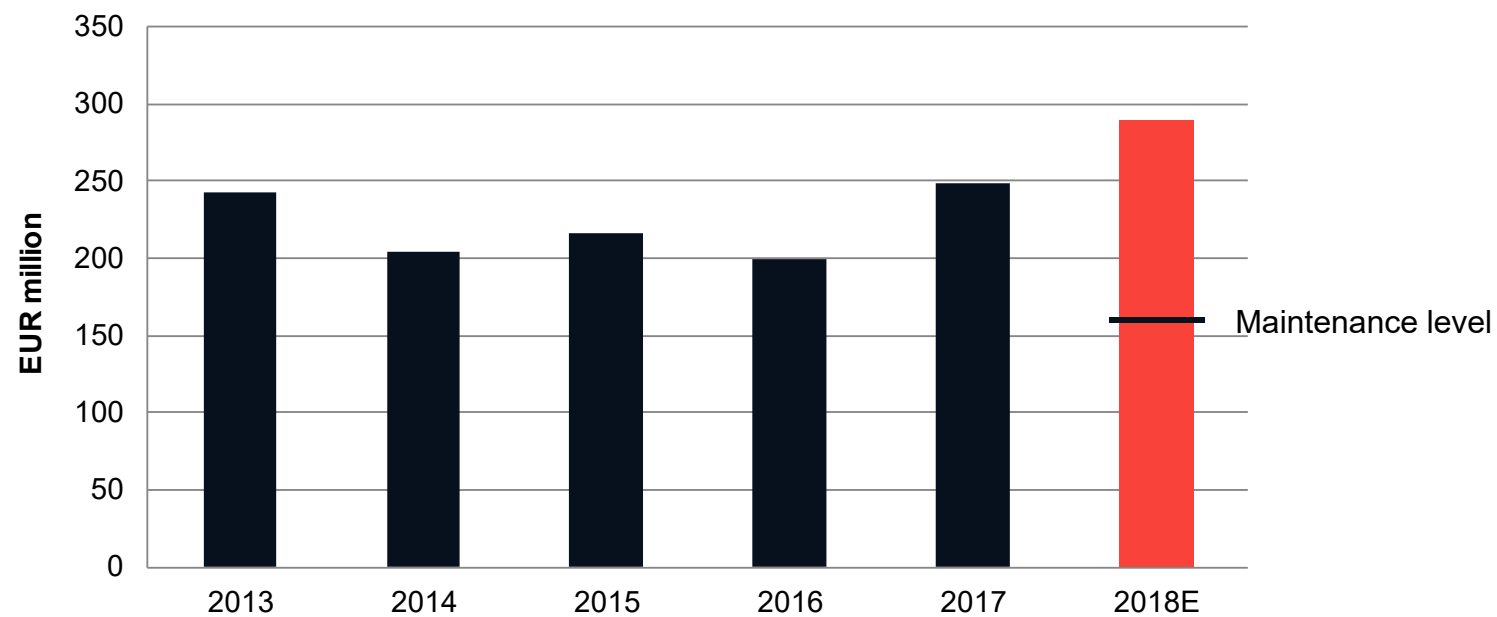
### Growth relative to same period in previous year

	2013 Total	2014 Total	2015 Total	2016					2017					2018E		
				Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2E	Total
Norway	-13 %	16 %	-1 %	-17 %	-16 %	10 %	-5 %	-7 %	-9 %	-27 %	-14 %	4 %	-11 %	4 %	32 %	15 %
Scotland	20 %	1 %	3 %	77 %	-12 %	-41 %	-16 %	-10 %	41 %	71 %	11 %	10 %	34 %	-51 %	-51 %	-22 %
Canada	-18 %	-19 %	50 %	10 %	1 %	19 %	4 %	8 %	-23 %	-20 %	8 %	3 %	-9 %	-26 %	2 %	9 %
Chile	-30 %	139 %	-7 %	-4 %	-47 %	-63 %	-49 %	-41 %	-59 %	9 %	99 %	126 %	22 %	96 %	20 %	17 %
Other (1)	-29 %	54 %	-29 %	399 %	28 %	64 %	21 %	53 %	-42 %	-4 %	-25 %	-11 %	-19 %	40 %	-39 %	-1 %
Total	-12 %	22 %	0 %	-3 %	-16 %	-8 %	-10 %	-9 %	-13 %	-10 %	-2 %	13 %	-3 %	-3 %	4 %	8 %

### Notes:

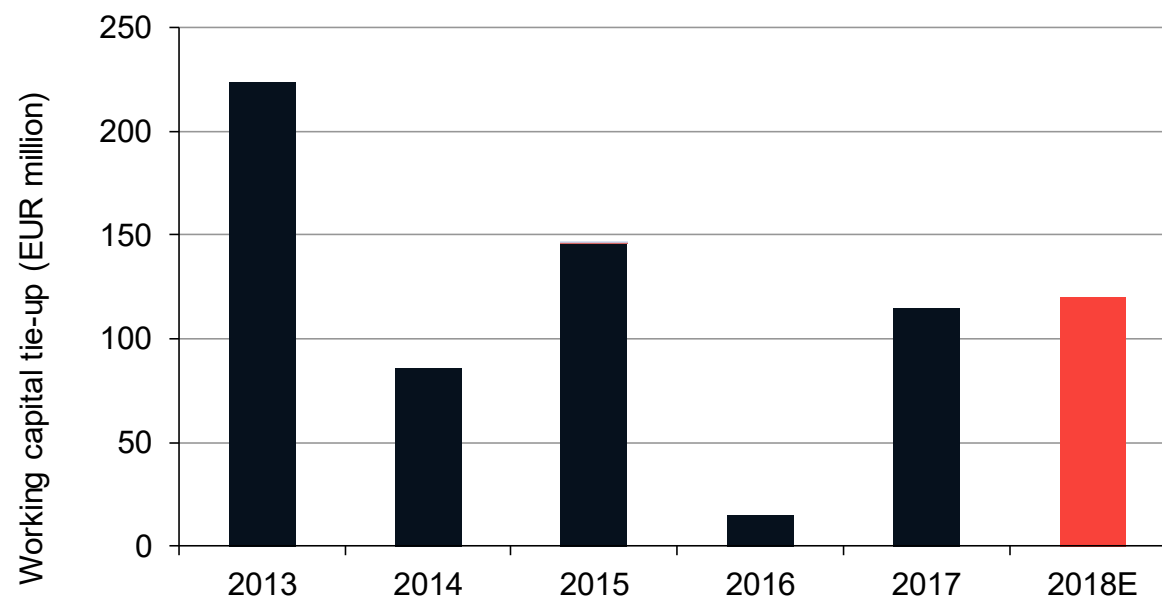
(1) Ireland and the Faroes

## Net capital expenditure guidance

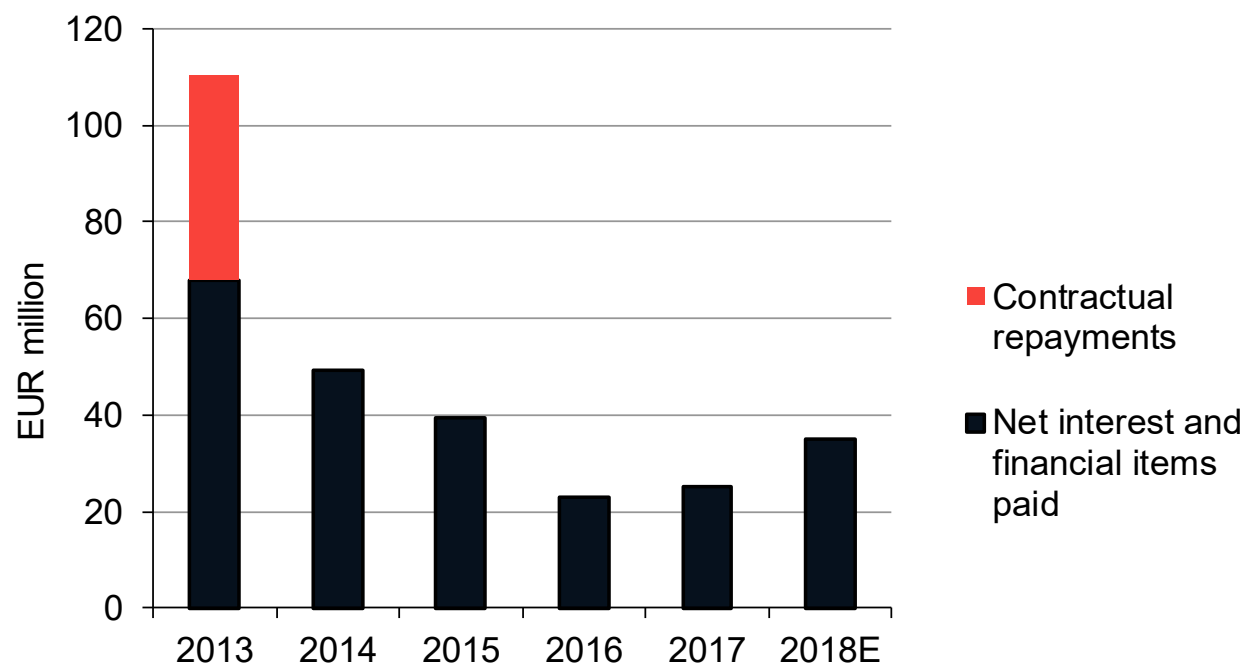


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## Net working capital guidance



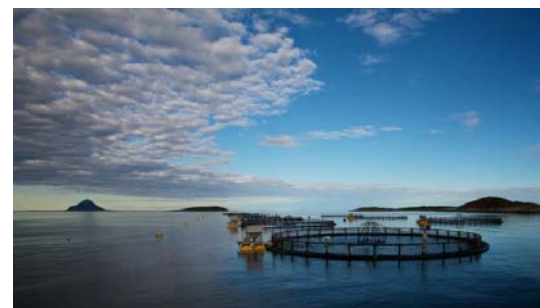
## Guidance on financial commitments and cost of debt



## Nova Sea

	Ownership %	Harvest volume (GWT)				EBIT (1) per kg				NIBD EURm
		2016	2017	Q1 2017	Q1 2018	2016	2017	Q1 2017	Q1 2018	Q1 2018
Nova Sea	48%	37 064	40 700	11 295	7 126	2.98	2.72	3.58	2.58	-23.0

- *Leading integrated salmon producer in Northern Norway*
  - 33.33 wholly owned licenses
  - 4 partly owned licenses
- *Marine Harvest has an ownership in Nova Sea of ~48% through direct and indirect shareholdings*
- *2016 dividends of NOK 650m (paid in Q2-17 & Q3-17)*
  - Marine Harvest's direct share NOK ~277m
- *Proportion of income after tax reported as income from associated companies in Marine Harvest Norway*
  - EUR 12.0m in Q1 2018



## Debt distribution and interest rate hedging

DEBT VOLUME HEDGED AND FIXED RATES OF INTEREST RATE HEDGES (MARCH-MARCH) <sup>(1)</sup>											
CURRENCY	DEBT 31/03/2018 <sup>(2)</sup>	2018		2019		2020		2021		2022	
		Nominal value	Fixed rate <sup>(3)</sup>	Nominal value	Fixed rate <sup>(3)</sup>	Nominal value	Fixed rate <sup>(3)</sup>	Nominal value	Fixed rate <sup>(3)</sup>	Nominal value	Fixed rate <sup>(3)</sup>
EUR m	794.6	860.3	2.16 %	1 296.5	2.50 %	716.6	1.24 %	380.0	2.20 %	-	0.00 %
USD m	144.0	138.5	3.21 %	167.5	2.93 %	78.3	2.31 %	78.3	2.31 %	60.0	4.13 %
GBP m	29.1	34.0	3.13 %	34.0	3.13 %	23.5	2.83 %	23.5	2.83 %	-	0.00 %
Other (EUR m)	3.0										

Market value of IRS contracts in MEUR (31/03/18):

-68.7

Mark to market valuation effect in Q1 <sup>(4)</sup>:

3.9

Difference in fixed vs floating rate settled in cash in Q1

-2.7

### Notes:

- (1) March is the starting month for all interest hedging contracts
- (2) Debt at book value after taking cross currency swaps into account
- (3) Financing margin not included
- (4) Quarterly change in market value booked against P/L

- *External interest bearing debt is distributed as follows: EUR 90%, USD 12%, GBP 3%, other currencies -5%*
- *Policy: Marine Harvest ASA shall over time hedge 0%-35% of the Group's long-term interest-bearing debt by currency with fixed interest or interest rate derivatives for the first 5 years, and 0% fixed rates thereafter. Interest-bearing debt includes external interest-bearing debt and leasing in the parent company or subsidiaries. The interest rate hedges shall be based on the targeted currency composition. Interest rate exposure in other currencies than EUR, USD, GBP and NOK shall not be hedged*

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## Hedging and long term currency exposure

### ***POLICY***

- ***EUR/NOK***
  - Marine Harvest shall hedge between 0% and 30% of its assumed annual expenses in NOK against the EUR with a horizon of two years. The annual hedging shall be evenly distributed across the months of the year.
- ***USD/CAD***
  - Marine Harvest shall hedge between 0% and 30% of its assumed annual expenses in CAD against the USD with a horizon of two years. The annual hedging shall be evenly distributed across the months of the year.
- ***USD/CLP***
  - Marine Harvest shall not hedge the USD/CLP exposure
- ***Internal transaction hedging relating to bilateral sales contracts***
  - All bilateral sales contracts are subject to internal currency hedging of the exposure between the invoicing currency and EUR
  - The operating entities hedge this exposure towards the parent company. In accordance with the general hedging policy, this exposure is not hedged towards external counterparties
  - The purpose of the internal hedging is to allow for a more accurate comparison between the MH Farming entities (including contribution from Sales) and peers with respect to price achievement and operational EBIT



## Strategic currency hedging

STRATEGIC CURRENCY HEDGING	EUR/NOK		USD/CAD	
	MEUR	Rate	MUSD	Rate
2018	149.4	9.49	21.6	1.32
2019	199.2	9.57	26.4	1.30
2020	49.8	10.00	0.0	0.00
<b>P/L effect of contracts realized in Q1 (MEUR)</b>	<b>0.7</b>			
	MEUR			
<b>Market value 31/12/2017</b>	<b>-14.4</b>			
Change (1)	4.5			
<b>Market value 31/03/2018</b>	<b>-9.9</b>			

### DESIGNATED MARKET CURRENCIES

Norway	EUR
Chile	USD
Canada	USD
Scotland	GBP
Ireland	EUR
Faroe Islands	EUR
Consumer Products Europe	EUR
Asia	USD
Feed	EUR