



# Marine Harvest

*Q2 2017 Presentation*  
*24 August 2017*

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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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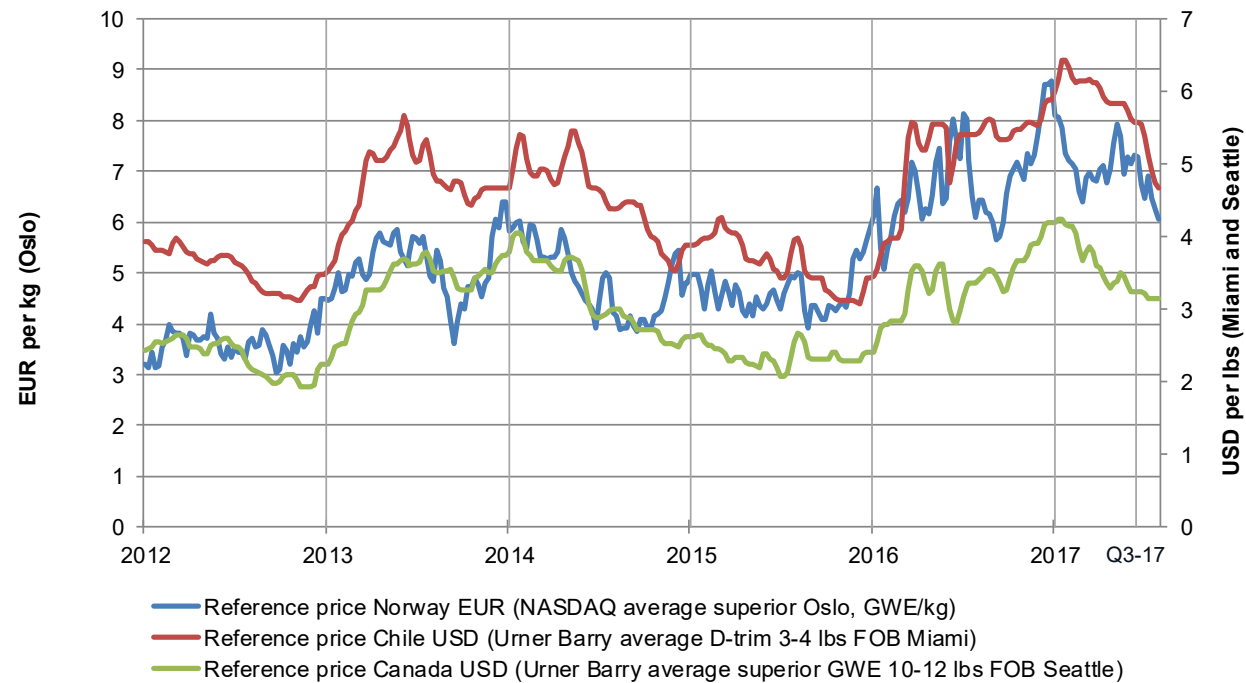
## Highlights

- *All-time high second quarter Operational EBIT of EUR 198 million*
- *High salmon prices in all markets*
- *Strong performance in Scotland, Ireland and Consumer Products*
- *Reduced harvest volumes in Norway related to sea lice and connected biological issues*
- *NIBD of EUR 551 million due to strong cash flow and EUR 375 million bond conversion*
- *Quarterly dividend of NOK 3.20 per share*

## Key financials

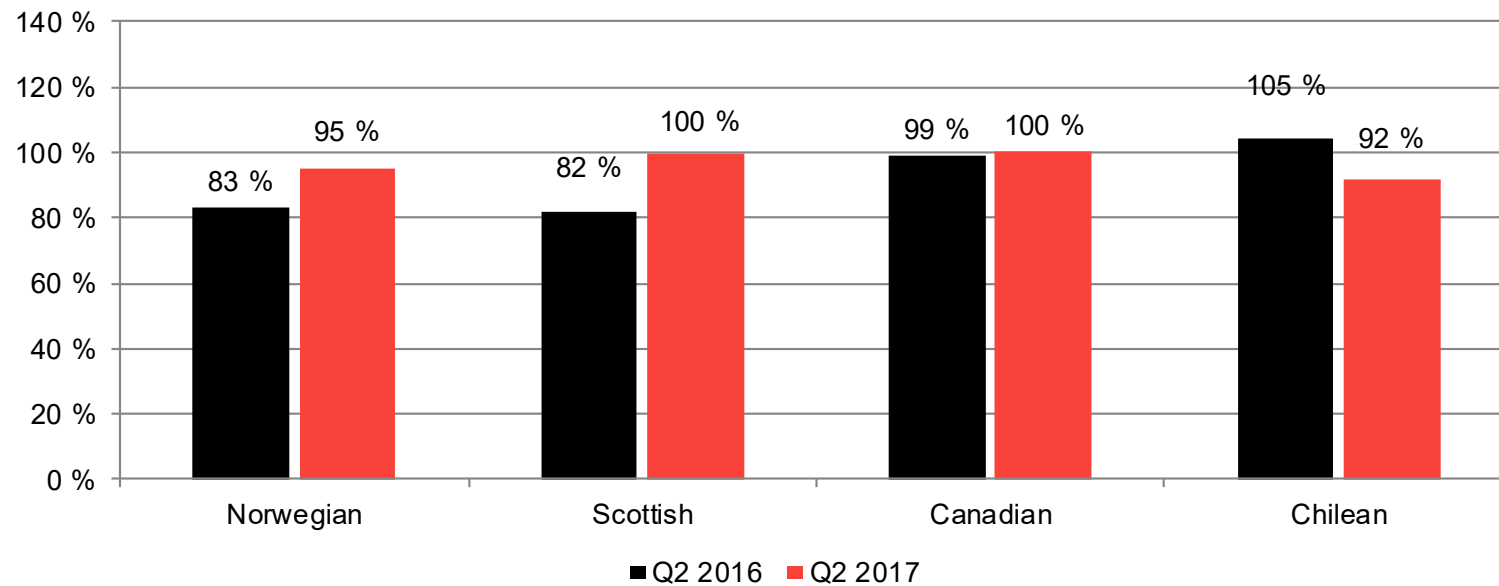
Marine Harvest Group - main figures	Q2 2017	Q2 2016	YTD Q2 2017	YTD Q2 2016	2016
Unaudited EUR million					
Operational revenue and other income	884.1 6%	832.1	1,776.1	1,641.6	3509.8
Operational EBIT <sup>1)</sup>	197.9 33%	149.0	417.1	260.9	700.2
Cash flow from operations	162.3	213.3	410.1	363.4	693.2
Net interest-bearing debt (NIBD)	550.9	832.4	550.9	832.4	890.0
Basic EPS (EUR)	0.14	0.09	0.62	0.38	1.20
Underlying EPS (EUR) <sup>1)</sup>	0.31	0.24	0.67	0.42	1.13
Net cash flow per share (EUR) <sup>1)</sup>	0.24	0.50	0.62	0.72	1.23
Dividend declared and paid per share (NOK)	3.00	1.70	5.80	3.10	8.60
ROCE <sup>1)</sup>	31.2%	23.8 %	32.4 %	21.1 %	28.1 %
Adjusted equity ratio <sup>1)</sup>	58.1%	43.3 %	58.1 %	43.3 %	40.1 %
Harvest volume (gutted weight tonnes salmon)	78 612 -10%	87 159	162 380	183 772	380 621
Operational EBIT - EUR per kg <sup>1)</sup> - Total	2.52	1.71	2.57	1.42	1.84
Norway	2.50	2.12	2.50	1.99	2.18
Scotland	3.10	0.47	3.11	0.58	0.91
Canada	2.34	2.34	2.87	2.15	2.53
Chile	1.46	-0.23	1.64	-1.14	0.11

## Salmon prices – weekly reference prices



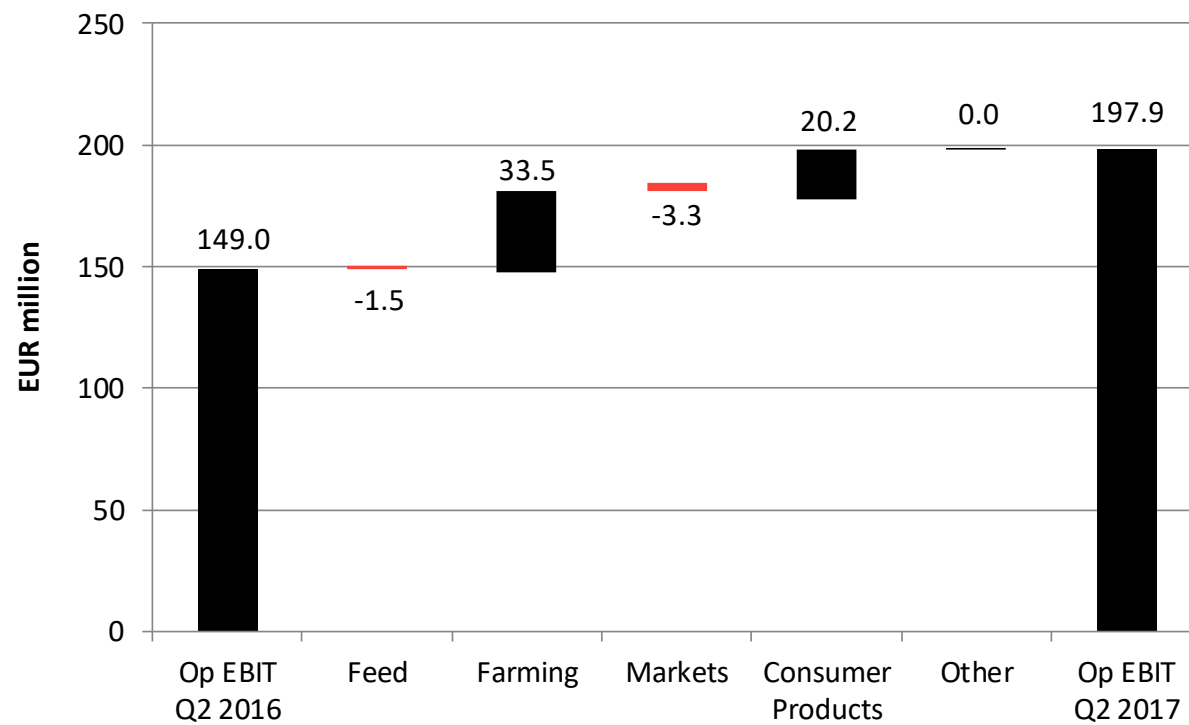
- *High salmon prices in all markets in the quarter*

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



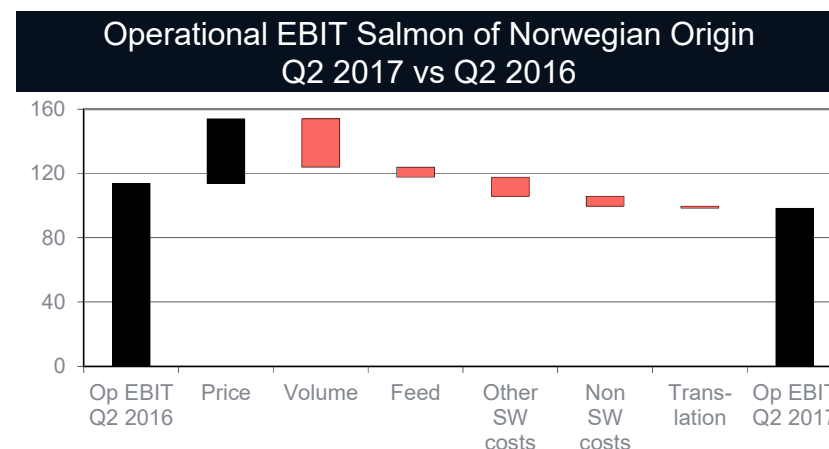
Contract share	64 %	39 %	0 %	28 %
Superior share	91 %	97 %	90 %	86 %

## Operational EBIT comparison



## Norway

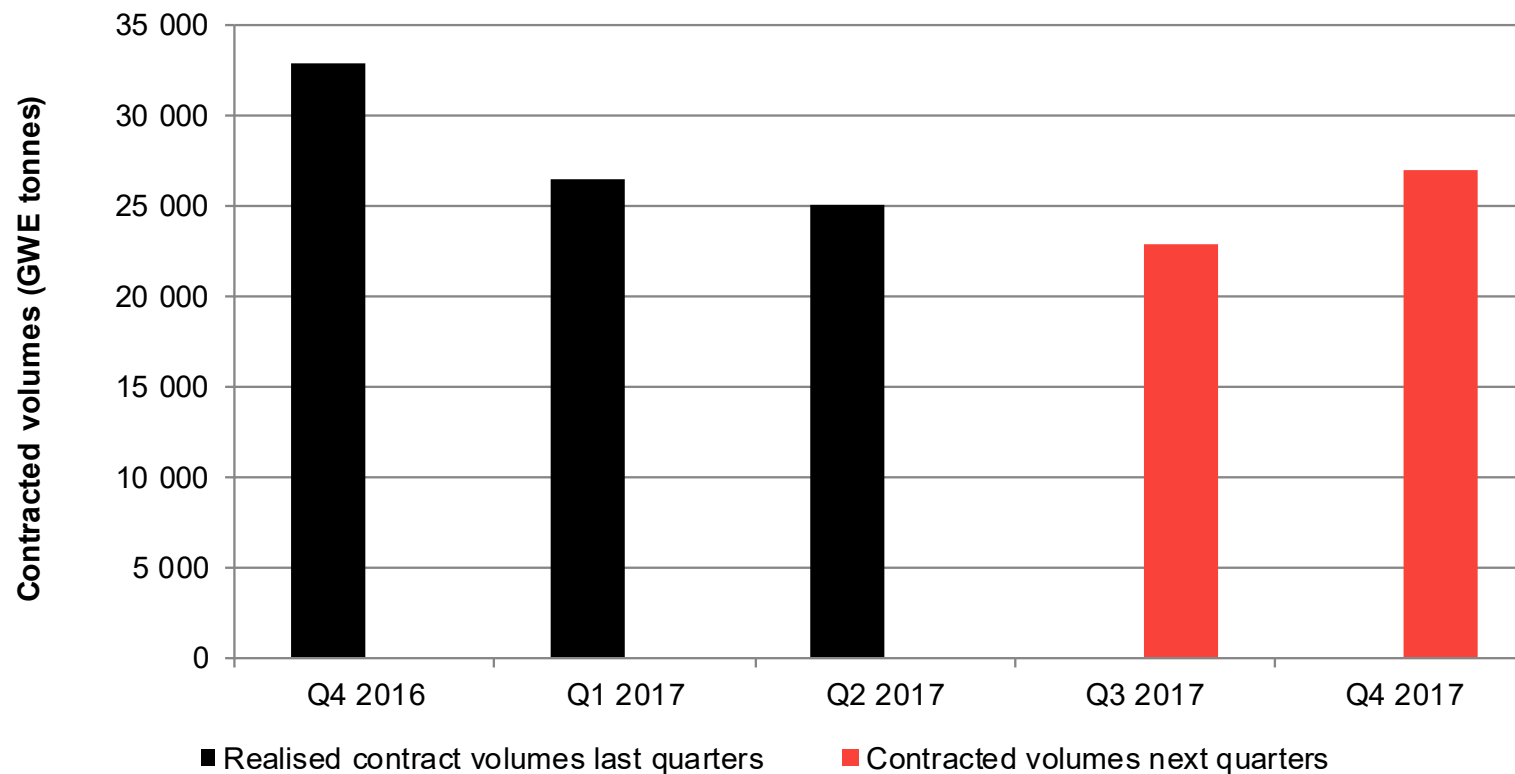
SALMON OF NORWEGIAN ORIGIN		
EUR million	Q2 2017	Q2 2016
<b>Operational EBIT</b>	<b>98.4</b>	<b>113.9</b>
Harvest volume (GWE)	39 372	53 743
<b>Operational EBIT per kg (EUR)</b>	<b>2.50</b>	<b>2.12</b>
- of which Feed	0.05	0.06
- of which Markets	0.17	0.18
- of which Consumer Products	0.30	-0.03
Exceptional items incl in op. EBIT	-16.0	-18.7
Exceptional items per kg (EUR)	-0.41	-0.35
Price achievement/reference price	95%	83%
Contract share	64%	52%
Superior share	91%	92%



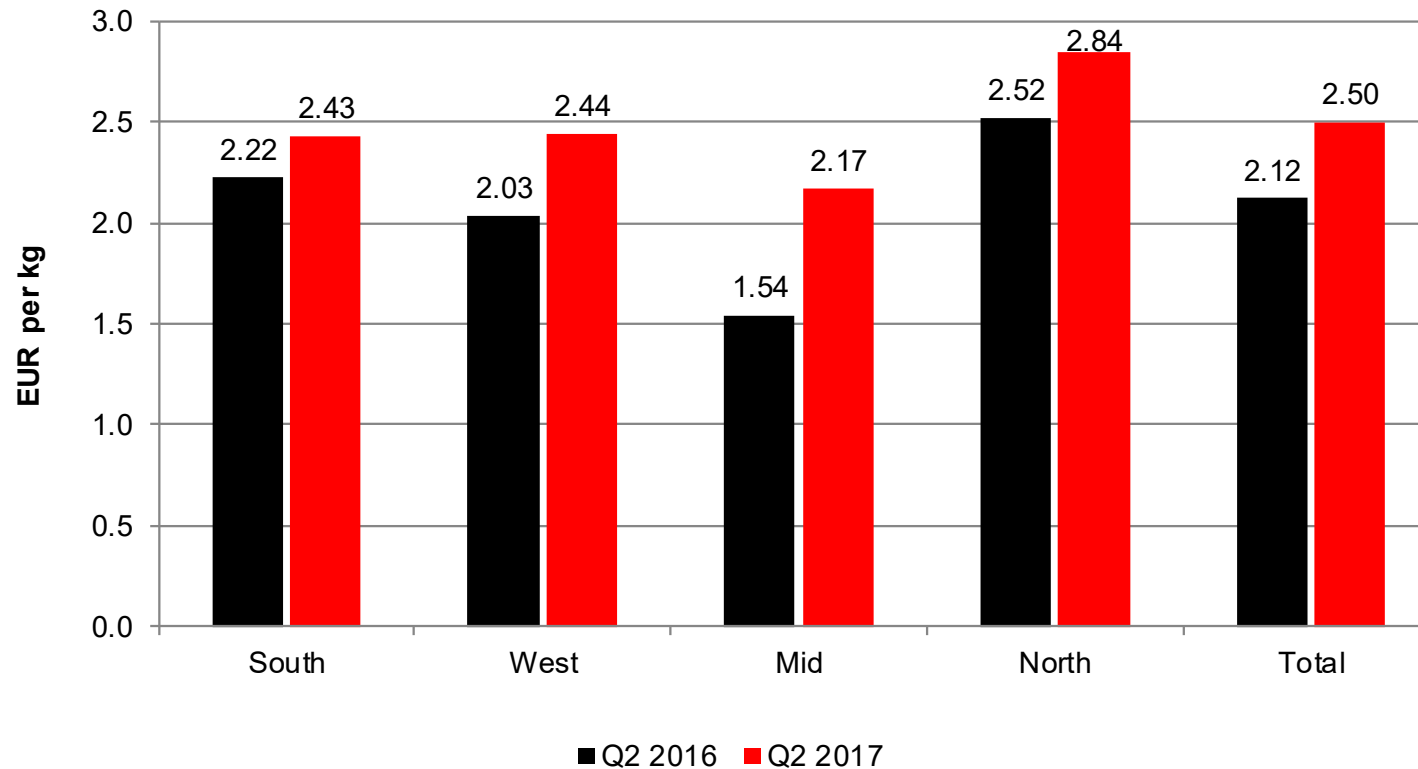
- *Strong earnings supported by seasonally record high spot prices and higher contract prices*
- *Sea lice and connected biological issues*
  - High contract share in the quarter
  - Reduced harvest guidance for second half 2017
- *Cost reduction expected in second half 2017*



## Norway: Sales contract portfolio

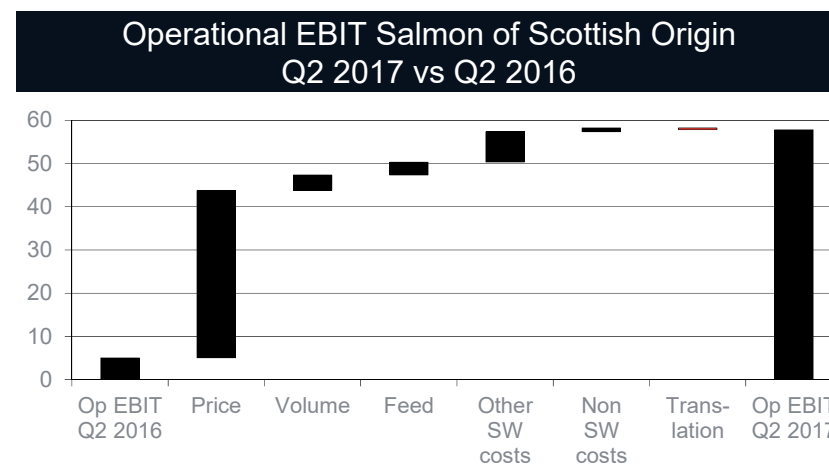


## Norway: Operational EBIT/kg per region



## Scotland

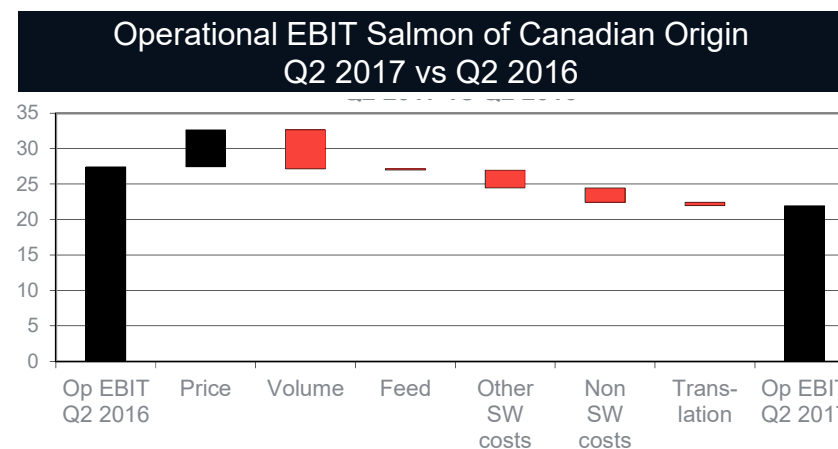
SALMON OF SCOTTISH ORIGIN		
EUR million	Q2 2017	Q2 2016
<b>Operational EBIT</b>	<b>57.5</b>	<b>5.0</b>
Harvest volume (GWE)	18 515	10 809
<b>Operational EBIT per kg (EUR)</b>	<b>3.10</b>	<b>0.47</b>
- of which MH Markets	0.27	0.28
- of which MH Consumer Products	0.15	-0.35
Exceptional items incl in op. EBIT	-1.5	0.0
Exceptional items per kg (EUR)	-0.08	0.00
Price achievement/reference price	100%	82%
Contract share	39%	69%
Superior share	97%	95%



- *Record results on strong prices and good operations*
- *Harvested from good performing sites*
  - Lower costs in the quarter
- *Costs are expected to increase in the second half 2017*
  - Reduced volumes and harvesting from lower performing sites

## Canada

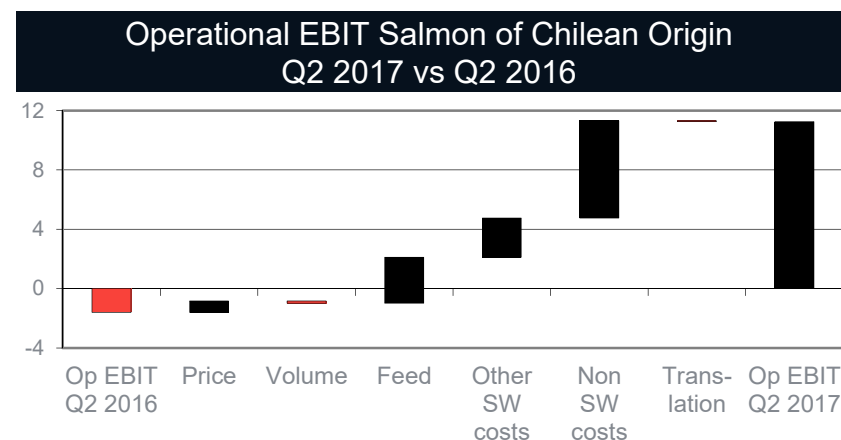
SALMON OF CANADIAN ORIGIN		
EUR million	Q2 2017	Q2 2016
<b>Operational EBIT</b>	<b>21.9</b>	<b>27.4</b>
Harvest volume (GWE)	9 350	11 745
<b>Operational EBIT per kg (EUR)</b>	<b>2.34</b>	<b>2.34</b>
- of which MH Markets	0.17	0.08
- of which MH Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	0.0	0.0
Exceptional items per kg (EUR)	0.00	0.00
Price achievement/reference price	100%	99%
Contract share	0%	0%
Superior share	90%	90%



- *Good profit in the quarter*
- *Lower quarterly volumes and harvesting from sites with higher costs*
- *Controlled sea lice situation and good seawater growth*

## Chile

SALMON OF CHILEAN ORIGIN		
EUR million	Q2 2017	Q2 2016
<b>Operational EBIT</b>	<b>11.3</b>	<b>-1.6</b>
Harvest volume (GWE)	7 741	7 076
<b>Operational EBIT per kg (EUR)</b>	<b>1.46</b>	<b>-0.23</b>
- of which MH Markets	0.17	0.57
- of which MH Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	0.0	-3.8
Exceptional items per kg (EUR)	0.00	-0.54
Price achievement/reference price	92%	105%
Contract share	28%	23%
Superior share	86%	90%



- *Improved profits post algal issue in 2016*
- *Better cost performance*
  - Full cost in box USD 5.07 per kg (GWE) in the quarter
- *Price achievement in the third quarter is expected to be negatively impacted by approx. USD 2.5m related to maturity issues at some sites*

## Ireland and Faroes

SALMON OF IRISH ORIGIN		
EUR million	Q2 2017	Q2 2016
<b>Operational EBIT</b>	<b>12.2</b>	<b>1.3</b>
Harvest volume (GWE)	3 634	1 452
<b>Operational EBIT per kg (EUR)</b>	<b>3.35</b>	<b>0.86</b>
- of which MH Markets	0.00	0.00
- of which MH Consumer Products	0.12	-0.09
Exceptional items incl in op. EBIT	-1.2	-0.2
Exceptional items per kg (EUR)	-0.32	-0.11
<i>Price achievement/reference price</i>	<i>na</i>	<i>na</i>
<i>Contract share</i>	<i>79%</i>	<i>85%</i>
<i>Superior share</i>	<i>91%</i>	<i>95%</i>

SALMON OF FAROESE ORIGIN		
EUR million	Q2 2017	Q2 2016
<b>Operational EBIT</b>	<b>-0.4</b>	<b>5.7</b>
Harvest volume (GWE)	0	2 334
<b>Operational EBIT per kg (EUR)</b>	<b>0.00</b>	<b>2.46</b>
- of which MH Markets	0.00	0.05
- of which MH Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	0.0	-0.3
Exceptional items per kg (EUR)	0.00	-0.11
<i>Price achievement/reference price</i>	<i>na</i>	<i>92%</i>
<i>Contract share</i>	<i>0%</i>	<i>0%</i>
<i>Superior share</i>	<i>na</i>	<i>84%</i>

- *Very good contribution from Marine Harvest Ireland*
- *Marine Harvest Faroes: No harvesting prior to September 2017*

## Consumer Products

CONSUMER PRODUCTS		
EUR million	Q2 2017	Q2 2016
Operating revenues	405.1	344.8
<b>Operational EBIT</b>	<b>15.4</b>	<b>-4.8</b>
Operational EBIT %	3.8%	-1.4%
Volume sold (tonnes prod. weight)	31 357	32 783
Exceptional items	0	0
<i>Volume share salmon</i>	<i>78%</i>	<i>79%</i>
<i>Revenue share salmon</i>	<i>85%</i>	<i>81%</i>



Marine Harvest branded cedar plank

- *Operational improvements and sales price adjustments continue*
  - Morpol, Rosyth, Pieters and Boulogne
- *Value of salmon sold continue to rise across all key markets*

## Feed

FEED		
EUR million	Q2 2017	Q2 2016
Operating revenues	65.0	69.4
<b>Operational EBIT</b>	<b>1.8</b>	<b>3.3</b>
Operational EBIT %	2.8%	4.7%
Feed sold volume	56 394	55 956
Feed produced volume	79 440	74 821
Exceptional items	0	0

- *Seasonally low volume quarter*
- *88% feed self sufficient in Norway*
- *Lower raw material costs*
- *Feed plant in Scotland under construction*

Norway



*Construction site of new feed plant in Scotland*





# Second Quarter 2017 Financials, Markets and Harvest Volumes

## Profit and Loss

Marine Harvest Group EUR million	Q2 2017	Q2 2016	YTD Q2 2017	YTD Q2 2016	2016
<b>Operational revenue and other income</b>	<b>884.1</b> 6%	<b>832.1</b>	<b>1776.1</b>	<b>1641.6</b>	<b>3 509.8</b>
<b>Operational EBIT <sup>1)</sup></b>	<b>197.9</b> 33%	<b>149.0</b>	<b>417.1</b>	<b>260.9</b>	<b>700.2</b>
Change in unrealized internal margin	0.4	-1.7	-1.4	1.2	-22.1
Gain/loss from derivatives	1.5	5.0	-4.7	1.4	8.3
Net fair value adjustment of biomass, onerous contracts	-30.4	31.8	-152.9	105.7	277.5
Restructuring costs	0.2	-2.1	0.0	-4.6	-5.4
Other non-operational items	0.3	1.3	0.3	1.3	1.3
Income from associated companies	7.5	16.2	7.4	26.5	62.6
Impairment losses - fixed assets	-1.3	-19.0	-1.9	-19.1	-31.2
<b>EBIT</b>	<b>176.1</b>	<b>180.5</b>	<b>263.8</b>	<b>373.3</b>	<b>991.2</b>
Net financial items	-84.1	-90.5	58.0	-118.8	-232.0
<b>Earnings before tax</b>	<b>92.0</b>	<b>90.0</b>	<b>321.8</b>	<b>254.4</b>	<b>759.2</b>
<b>Profit or loss for the period</b>	<b>66.5</b>	<b>42.5</b>	<b>283.9</b>	<b>170.5</b>	<b>539.3</b>
Basic EPS (EUR)	0.14	0.09	0.62	0.38	1.20
Underlying EPS (EUR)	0.31 29%	0.24	0.67	0.42	1.13
Net cash flow per share (EUR)	0.24	0.50	0.62	0.72	1.23
Dividend declared and paid per share (NOK)	3.00	1.70	5.80	3.10	8.60
Operational EBIT margin	22.4%	17.9%	23.5%	15.9%	19.9%
Harvest volume, GWE tonnes (salmonids)	78 612 -10%	87 159	162 380	183 772	380 621
Operational EBIT per kg incl margin from Sales and Marketing <sup>1)</sup>	2.52	1.71	2.57	1.42	1.84
ROCE <sup>1)</sup>	31.2 %	23.8 %	32.4 %	21.1 %	28.1 %

## Financial position

Marine Harvest Group EUR million	30.06.2017	30.06.2016	31.12.2016
Non-current assets	2 199.2	2 138.9	2 255.8
Current assets (including assets held for sales)	2 044.5	2 059.4	2 554.5
<b>Total assets</b>	<b>4 243.7</b>	<b>4 198.4</b>	<b>4 810.4</b>
Equity	2 532.4	1 921.5	2 069.3
Non-current liabilities	969.6	1 653.7	1 898.0
Current liabilities	741.7	623.2	843.1
<b>Total equity and liabilities</b>	<b>4 243.7</b>	<b>4 198.4</b>	<b>4 810.4</b>
Net interest-bearing debt	550.9	832.4	890.0
Adjusted equity ratio	58.1%	43.3%	40.1%

## Cash Flow and Net Interest Bearing Debt

Marine Harvest Group EUR million	Q2 2017	Q2 2016	YTD Q2 2017	YTD Q2 2016	2016
<b>NIBD beginning of period</b>	<b>- 842.0</b>	<b>- 960.1</b>	<b>-890.0</b>	<b>-999.7</b>	<b>-999.7</b>
Operational EBITDA	235.5	184.4	491.7	332.0	842.7
Change in working capital	-3.0	75.4	57.2	110.0	-14.9
Taxes paid	-71.5	-48.5	-131.3	-74.5	-92.6
Other adjustments	1.3	2.0	-7.5	-4.2	-42.0
<b>Cash flow from operations</b>	<b>162.3</b>	<b>213.3</b>	<b>410.1</b>	<b>363.4</b>	<b>693.2</b>
Net Capex	-64.2	-50.4	-121.2	-91.4	-199.2
Cash received from sale of shares	0.0	52.3	0.0	52.3	52.3
Other investments	24.6	14.5	14.6	13.7	14.3
<b>Cash flow from investments</b>	<b>-39.6</b>	<b>16.4</b>	<b>-106.5</b>	<b>-25.4</b>	<b>-132.6</b>
Net interest and financial items paid	-7.5	-6.5	-12.2	-11.2	-22.9
Other items	-8.8	-9.5	-18.8	-21.9	-7.2
Bonds converted to equity	328.0	0.0	349.1	0.0	0.0
Dividend distributed	-154.8	-82.0	-297.5	-149.0	-418.1
Translation effect on interest-bearing debt	11.5	-4.0	15.1	11.4	-2.7
<b>NIBD end of period</b>	<b>- 550.9</b>	<b>- 832.4</b>	<b>- 550.9</b>	<b>- 832.4</b>	<b>- 890.0</b>
<b>Debt distribution <sup>1)</sup>:</b>					
EUR	65%	73%	65%	73%	70%
USD	12%	13%	12%	13%	13%
GBP	4%	1%	4%	1%	4%
Other currencies	20%	13%	20%	13%	13%

<sup>1)</sup> Debt distribution including effect of cross currency swaps.

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## 2017 Cash Flow Guidance

- *Working capital buildup EUR ~120m*
  - Support further organic growth
- *Capital expenditures EUR ~250m*
  - Freshwater expansion projects EUR ~60m
  - New feed plant in Scotland EUR ~35m (in total EUR ~ 110m)
  - Consumer Products expansion initiatives EUR ~25m
- *Interest paid EUR ~25m*
- *Taxes paid EUR ~180m (EUR 30m increase due to pre-payments of tax in Scotland and Canada)*
- *Quarterly dividend payment in Q3 2017 of NOK 3.20 per share (repayment of paid in capital)*

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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 14.4900
- *NOK 1,250m bond issued in March 2013*
  - Tenor 5 years, NIBOR + 3.5%
- *Long term NIBD target remains at EUR 1,050m*

## Supply development

Suppliers	Estimated volumes		Compared to Q2 2016			Est. volumes Q1 2017
	Q2 2017	Q2 2016	Volume		%	
Norway	235 200	248 900	-13 700	↓	-5.5%	249 400
Scotland	39 200	35 100	4 100	↑	11.7%	35 800
Faroe Islands	22 000	17 800	4 200	↑	23.6%	14 100
Ireland	4 900	3 500	1 400	↑	40.0%	2 300
<b>Total Europe</b>	<b>301 300</b>	<b>305 300</b>	<b>-4 000</b>	<b>↓</b>	<b>-1.3%</b>	<b>301 600</b>
Chile	117 300	93 100	24 200	↑	26.0%	118 300
North America	34 900	40 100	-5 200	↓	-13.0%	29 500
<b>Total Americas</b>	<b>152 200</b>	<b>133 200</b>	<b>19 000</b>	<b>↑</b>	<b>14.3%</b>	<b>147 800</b>
Australia	12 400	11 300	1 100	↑	9.7%	12 600
Other	7 000	5 300	1 700	↑	32.1%	5 900
<b>Total</b>	<b>472 900</b>	<b>455 100</b>	<b>17 800</b>	<b>↑</b>	<b>3.9%</b>	<b>467 900</b>

Source: Kontali

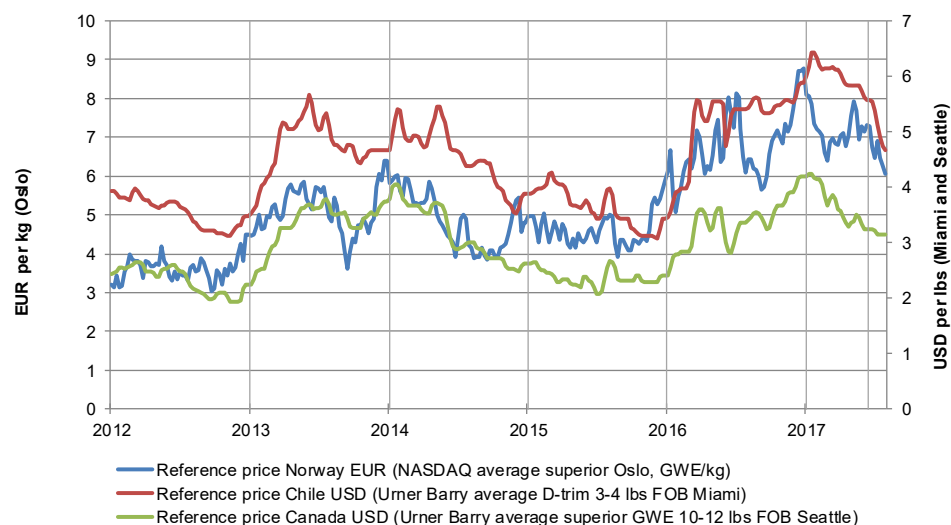
- *Global supply growth in line with expectations*
- *Europe: Approx 16,000 tonnes less than expected mainly driven by lower average weights and slightly fewer than expected harvested individuals in Norway*
- *Chile: Approx 19,000 tonnes more than expected driven by more fish harvested and higher average weights*

## Development in reference prices

Reference prices	Q2 2017 Market	Change vs Q2 2016	Q2 2017 NOK	Change vs Q2 2016
Norway (1)	EUR 7.22	5.4%	NOK 67.72	6.0%
Chile (2)	USD 5.82	9.4%	NOK 49.56	12.8%
Chile, GWE (3)	USD 6.93	17.1%	NOK 59.02	20.8%
North America (4)	USD 3.39	3.2%	NOK 28.86	6.4%
North America, GWE (3)	USD 7.00	1.2%	NOK 59.61	4.4%

**Notes:**

- (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





## Global volume by market

Markets	Estimated volumes		Compared to Q2 2016		Est. volumes Q1 2017	12 month comparison		
	Q2 2017	Q2 2016	Volume	%		LTM	PTM	%
EU	203 600	225 600	-22 000	↓ -9.8%	205 700	908 700	972 000	-6.5%
Russia	12 500	12 600	-100	↓ -0.8%	14 000	63 900	84 600	-24.5%
Other Europe	16 900	16 700	200	↑ 1.2%	18 100	72 300	76 400	-5.4%
<b>Total Europe</b>	<b>233 000</b>	<b>254 900</b>	<b>-21 900</b>	<b>↓ -8.6%</b>	<b>237 800</b>	<b>1 044 900</b>	<b>1 133 000</b>	<b>-7.8%</b>
USA	96 300	95 400	900	↑ 0.9%	97 900	367 500	386 500	-4.9%
Brazil	18 100	17 600	500	↑ 2.8%	20 400	77 000	96 100	-19.9%
Other Americas	25 200	25 400	-200	↓ -0.8%	24 000	101 400	108 500	-6.5%
<b>Total Americas</b>	<b>139 600</b>	<b>138 400</b>	<b>1 200</b>	<b>↑ 0.9%</b>	<b>142 300</b>	<b>545 900</b>	<b>591 100</b>	<b>-7.6%</b>
China / Hong Kong	18 000	20 200	-2 200	↓ -10.9%	17 200	74 000	79 900	-7.4%
Japan	14 200	12 500	1 700	↑ 13.6%	13 900	59 400	59 900	-0.8%
South Korea / Taiwan	11 200	10 700	500	↑ 4.7%	10 300	39 700	44 600	-11.0%
Other Asia	20 900	16 000	4 900	↑ 30.6%	20 300	71 700	69 300	3.5%
<b>Total Asia</b>	<b>64 300</b>	<b>59 400</b>	<b>4 900</b>	<b>↑ 8.2%</b>	<b>61 700</b>	<b>244 800</b>	<b>253 700</b>	<b>-3.5%</b>
All other markets	24 900	24 200	700	↑ 2.9%	28 200	107 100	103 800	3.2%
<b>Total</b>	<b>461 800</b>	<b>476 900</b>	<b>-15 100</b>	<b>↓ -3.2%</b>	<b>470 000</b>	<b>1 942 700</b>	<b>2 081 600</b>	<b>-6.7%</b>
Inflow to US from Europe	24 800	20 500	4 300	↑ 21.0%	26 000	89 900	80 100	12.2%
Inflow to EU from Chile	6 200	12 700	-6 500	↓ -51.2%	10 200	35 100	50 100	-29.9%

- *In value terms demand for salmon is higher than ever and continues to grow*
- *EU: Consumption up by approximately 5% in value terms*
- *US: Access to more Chilean salmon and import growth of large sized European salmon*
- *Asia: Solid consumption increase*

## Industry supply outlook

### Supply growth of 3-5% in 2017

	2014	2015	2016	2017E	2017E			
GWE tonnes (thousands)					Low	Y/Y growth	High	Y/Y growth
Norway	1 079	1 111	1 054	1 081	1 073	2 %	1 089	3 %
UK	153	150	142	156	154	9 %	158	12 %
Faroe Islands	74	68	70	73	71	2 %	75	8 %
<b>Total Europe</b>	<b>1 307</b>	<b>1 328</b>	<b>1 265</b>	<b>1 310</b>	<b>1 298</b>	<b>3 %</b>	<b>1 322</b>	<b>4 %</b>
Chile	525	538	454	493	487	7 %	499	10 %
North America	107	140	148	143	141	-4 %	145	-2 %
<b>Total Americas</b>	<b>632</b>	<b>678</b>	<b>602</b>	<b>636</b>	<b>628</b>	<b>4 %</b>	<b>644</b>	<b>7 %</b>
Other	67	79	79	85	83	6 %	87	11 %
<b>Total</b>	<b>2 005</b>	<b>2 085</b>	<b>1 946</b>	<b>2 031</b>	<b>2 009</b>	<b>3 %</b>	<b>2 053</b>	<b>5 %</b>

	Q3 2014	Q3 2015	Q3 2016	Q3 2017E	Q3 2017E			
GWE tonnes (thousands)					Low	Q/Q growth	High	Q/Q growth
Norway	277	274	272	286	282	4 %	290	7 %
UK	43	44	36	40	39	8 %	41	13 %
Faroe Islands	17	17	15	20	19	29 %	21	42 %
<b>Total Europe</b>	<b>337</b>	<b>334</b>	<b>323</b>	<b>346</b>	<b>340</b>	<b>5 %</b>	<b>352</b>	<b>9 %</b>
Chile	129	131	101	119	116	15 %	122	21 %
North America	28	35	38	39	38	1 %	40	7 %
<b>Total Americas</b>	<b>157</b>	<b>167</b>	<b>139</b>	<b>158</b>	<b>154</b>	<b>11 %</b>	<b>162</b>	<b>17 %</b>
Other	18	21	20	20	19	-5 %	21	5 %
<b>Total</b>	<b>512</b>	<b>521</b>	<b>481</b>	<b>524</b>	<b>513</b>	<b>7 %</b>	<b>535</b>	<b>11 %</b>

	Q4 2014	Q4 2015	Q4 2016	Q4 2017E	Q4 2017E			
GWE tonnes (thousands)					Low	Q/Q growth	High	Q/Q growth
Norway	301	310	290	310	306	6 %	314	8 %
UK	36	41	37	41	40	9 %	42	15 %
Faroe Islands	23	22	20	17	16	-20 %	18	-10 %
<b>Total Europe</b>	<b>360</b>	<b>372</b>	<b>346</b>	<b>368</b>	<b>362</b>	<b>5 %</b>	<b>374</b>	<b>8 %</b>
Chile	138	152	116	138	135	17 %	141	22 %
North America	31	37	37	40	39	5 %	41	10 %
<b>Total Americas</b>	<b>169</b>	<b>189</b>	<b>153</b>	<b>178</b>	<b>174</b>	<b>14 %</b>	<b>182</b>	<b>19 %</b>
Other	19	22	20	20	19	-3 %	21	7 %
<b>Total</b>	<b>547</b>	<b>583</b>	<b>519</b>	<b>566</b>	<b>555</b>	<b>7 %</b>	<b>577</b>	<b>11 %</b>

- Modest supply growth expected in 2017
- Kontali expects global supply growth of 7% in 2018
  - Europe 6%
  - Americas 8%

## MHG 2017 volume guidance

Salmon species GWE tonnes (1000)	2015 Actual	Q1 2016 Actual	Q2 2016 Actual	Q3 2016 Actual	Q4 2016 Actual	2016 Actual	Q1 2017 Actual	Q2 2017 Actual	Q3 2017 Guidance	Q4 2017 Guidance	2017 Guidance
Norway	255	54	54	65	64	236	49	39	60	69	217
Scotland	50	13	11	10	12	45	18	19	12	11	59
Canada	40	12	12	10	10	43	9	9	12	11	41
Chile	62	15	7	7	8	37	6	8	14	16	44
Other Units	13	3	4	6	7	19	2	4	4	7	16
<b>Total</b>	<b>420</b>	<b>97</b>	<b>87</b>	<b>97</b>	<b>100</b>	<b>381</b>	<b>84</b>	<b>79</b>	<b>101</b>	<b>114</b>	<b>377</b>

- *2017 volume guidance reduced by 26,000 tonnes to 377,000 tonnes GWE*
  - Norway: reduced by 25,000 tonnes due to biological issues
  - Minor adjustments in all other farming areas

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## Outlook

- *Overall modest global supply growth*
  - Future prices (NASDAQ) next twelve months EUR 6.7 per kg (NOK 63 per kg)
- *Several important organic growth initiatives ongoing (Feed, Farming, Consumer Products)*
- *Normalisation of trade relations between Norway and China*
- *Quarterly dividend of NOK 3.20 per share (repayment of paid in capital)*



# 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 1,050m*
    - EUR 1.8 per kg harvest volume (equivalent to ca NOK 15 per kg)
    - Residual attributed to non-farming businesses

## Contract coverage and sales contract policy

SALES CONTRACT POLICY		
	Min hedging rate (1)	Max hedging rate (1)
Norway (2) (3)	22.5 %	50.0 %
Scotland	40.0 %	75.0 %
Canada	0.0 %	30.0 %
Chile (3)	22.5 %	50.0 %
Ireland	40.0 %	100.0 %
Faroes	0.0 %	30.0 %

**Notes:**

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

(2) External and internal contract (including financial futures)

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

- Q3 2017 contract shares (% of guided volume):
  - Norway 39%
  - Scotland 55%
  - Canada 0%
  - Chile 24%
- Contracts typically have a duration of 3-12 months
  - Contracts are entered into on a regular basis
  - Policy opens for contracts of up to 48 month duration

## Quarterly segment overview

EUR million	SOURCES OF ORIGIN QTD						Other <sup>1)</sup>	Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes		
<b>OPERATIONAL EBIT</b>								
FARMING	78.1	49.7	20.3	10.0	11.7	-0.3		169.5
SALES AND MARKETING								
Markets	6.6	5.0	1.6	1.3	0.0	-0.1	0.0	14.4
Consumer Products	11.6	2.8	0.0	0.0	0.4	0.0	0.5	15.4
<b>SUBTOTAL</b>	<b>96.4</b>	<b>57.5</b>	<b>21.9</b>	<b>11.3</b>	<b>12.2</b>	<b>-0.4</b>	<b>0.5</b>	<b>199.3</b>
Feed	2.0						-0.2	1.8
Other entities <sup>1)</sup>							-3.2	-3.2
<b>TOTAL</b>	<b>98.4</b>	<b>57.5</b>	<b>21.9</b>	<b>11.3</b>	<b>12.2</b>	<b>-0.4</b>	<b>-2.9</b>	<b>197.9</b>
Harvest volume (GWE, salmon)	39 372	18 515	9 350	7 741	3 634	0		78 612
Operational EBIT per kg (EUR) <sup>1)</sup> - total Group	2.50	3.10	2.34	1.46	3.35	0.00		2.52
- of which Feed	0.05	0.00	0.00	0.00	0.00	0.00		0.02
- of which Markets	0.17	0.27	0.17	0.17	0.00	0.00		0.18
- of which Consumer Products	0.30	0.15	0.00	0.00	0.12	0.00		0.20
<b>ANALYTICAL DATA</b>								
Price achievement/reference price (%) <sup>1)</sup>	95%	100%	100%	92%	na	na		96%
Contract share (%)	64%	39%	0%	28%	79%	0%		48%
Quality - superior share (%)	91%	97%	90%	86%	91%	na		92%
Exceptional items included in Operational EBIT	-16.0	-1.5	0.0	0.0	-1.2	0.0		-18.6
Exceptional items per kg (EUR)	-0.41	-0.08	0.00	0.00	-0.32	0.00		-0.24
<b>GUIDANCE</b>								
Q3 2017 harvest volume (GWE)	60 000	11 500	12 000	14 000	3 000	500		101 000
2017 harvest volume (GWE)	217 000	59 000	41 000	44 000	10 000	6 000		377 000
Q3 2017 contract share (%)	39%	55%	0%	24%	83%	10%		35%



## YTD segment overview

EUR million	SOURCES OF ORIGIN YTD							Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes	Other <sup>1)</sup>	
<b>OPERATIONAL EBIT</b>								
FARMING	186.5	99.9	49.0	20.9	12.6	4.8		373.7
SALES AND MARKETING								
Markets	13.2	8.8	3.1	2.2	0.0	-0.1	0.0	27.2
Consumer Products	19.6	4.2	0.0	0.0	0.5	0.0	1.1	25.5
<b>SUBTOTAL</b>	<b>219.3</b>	<b>112.8</b>	<b>52.2</b>	<b>23.1</b>	<b>13.1</b>	<b>4.8</b>	<b>1.1</b>	<b>426.4</b>
Feed	2.1						-0.2	1.9
Other entities <sup>1)</sup>							-11.2	-11.2
<b>TOTAL</b>	<b>221.4</b>	<b>112.8</b>	<b>52.2</b>	<b>23.1</b>	<b>13.1</b>	<b>4.8</b>	<b>-10.3</b>	<b>417.1</b>
Harvest volume (GWE, salmon)	88 398	36 287	18 202	14 077	4 267	1 148		162 380
Operational EBIT per kg (EUR) <sup>1)</sup> - total Group	2.50	3.11	2.87	1.64	3.07	4.14		2.57
- of which Feed	0.02	0.00	0.00	0.00	0.00	0.00		0.01
- of which Markets	0.15	0.24	0.17	0.16	0.00	-0.07		0.17
- of which Consumer Products	0.22	0.11	0.00	0.00	0.13	0.03		0.16
<b>ANALYTICAL DATA</b>								
Price achievement/reference price (%) <sup>1)</sup>	94%	99%	100%	91%	na	100%		95%
Contract share (%)	58%	40%	0%	27%	0.80	0.05		45%
Quality - superior share (%)	93%	96%	89%	87%	90%	84%		92%
Exceptional items included in Operational EBIT	-38.8	-2.2	0.0	-1.4	-1.4	0.0		-43.8
Exceptional items per kg (EUR)	-0.44	-0.06	0.00	-0.10	-0.33	0.00		-0.27

## 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	269.3	126.4	61.1	48.4	33.6	0.0	631.7	405.1	65.0	4.9	-761.5	884.1
Operating EBITDA	92.8	54.0	23.7	14.2	12.6	0.2	15.7	20.9	3.6	-2.3	0.0	235.5
Operating EBIT	78.1	49.7	20.3	10.0	11.7	-0.3	14.4	15.4	1.8	-3.2	0.0	197.9
Fair Value adj on biomass, contracts/ unrealised derivatives	-20.9	-6.6	-4.8	4.3	-4.2	3.1	-0.6	-2.9	0.0	3.7	0.0	-28.9
Unrealized margin adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Restructuring cost	0.0	0.6	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	-0.2	0.0	0.2
Other non-operational items	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Income/loss from associated companies	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	7.5
Write-down of fixed assets/intangibles	-0.8	0.0	0.0	0.1	0.0	0.0	-0.2	0.1	0.0	-0.5	0.0	-1.3
EBIT	64.1	44.0	15.5	14.4	7.6	2.7	13.7	12.2	1.8	-0.3	0.4	176.1
Contribution to operational EBIT from S&M	18.3	7.8	1.6	1.3	0.4	-0.1	-14.4	-15.4		0.5		0.0
Contribution to operational EBIT from Feed	2.0								0.0	-0.2		
Operational EBIT incl contribution from S&M	98.4	57.5	21.9	11.3	12.2	-0.4	0.0	0.0	0.0	-2.9	0.0	197.9
Harvest / sales volume	39 372	18 515	9 350	7 741	3 634	0		31 357	56 394			
Operational EBIT/kg incl contribution from S&M (EUR)	2.50	3.10	2.34	1.46	3.35	0.00						2.52
-of which S&M	0.46	0.42	0.17	0.17	0.12	0.00						0.38
-of which Feed	0.05											0.02

\*Volume = harvested volume salmon in tonnes gutted weight

## Development in harvest volumes

	2011	2012	2013	2014	2015					2016					2017				
	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3E	Q4E	Total
Norway	217.5	255.3	222.5	258.0	65.2	64.0	58.9	66.6	254.8	54.0	53.7	64.6	63.6	236.0	49.0	39.4	60.0	68.6	217.0
Scotland	50.2	40.3	48.4	48.9	7.1	12.4	16.6	14.1	50.1	12.6	10.8	9.8	11.8	45.0	17.8	18.5	11.5	11.2	59.0
Canada	33.9	40.2	33.1	26.7	10.5	11.6	8.7	9.4	40.1	11.6	11.7	10.3	9.8	43.3	8.9	9.4	12.0	10.8	41.0
Chile	26.0	40.2	28.3	67.5	16.1	13.2	18.4	14.8	62.5	15.4	7.1	6.9	7.6	36.9	6.3	7.7	14.0	15.9	44.0
Other (1)	15.3	16.3	11.5	17.8	0.6	2.9	3.4	5.7	12.7	3.1	3.8	5.6	6.9	19.3	1.8	3.6	3.5	7.1	16.0
Total	342.8	392.3	343.8	418.9	99.5	104.2	106.0	110.6	420.1	96.6	87.2	97.2	99.6	380.6	83.8	78.6	101.0	113.6	377.0

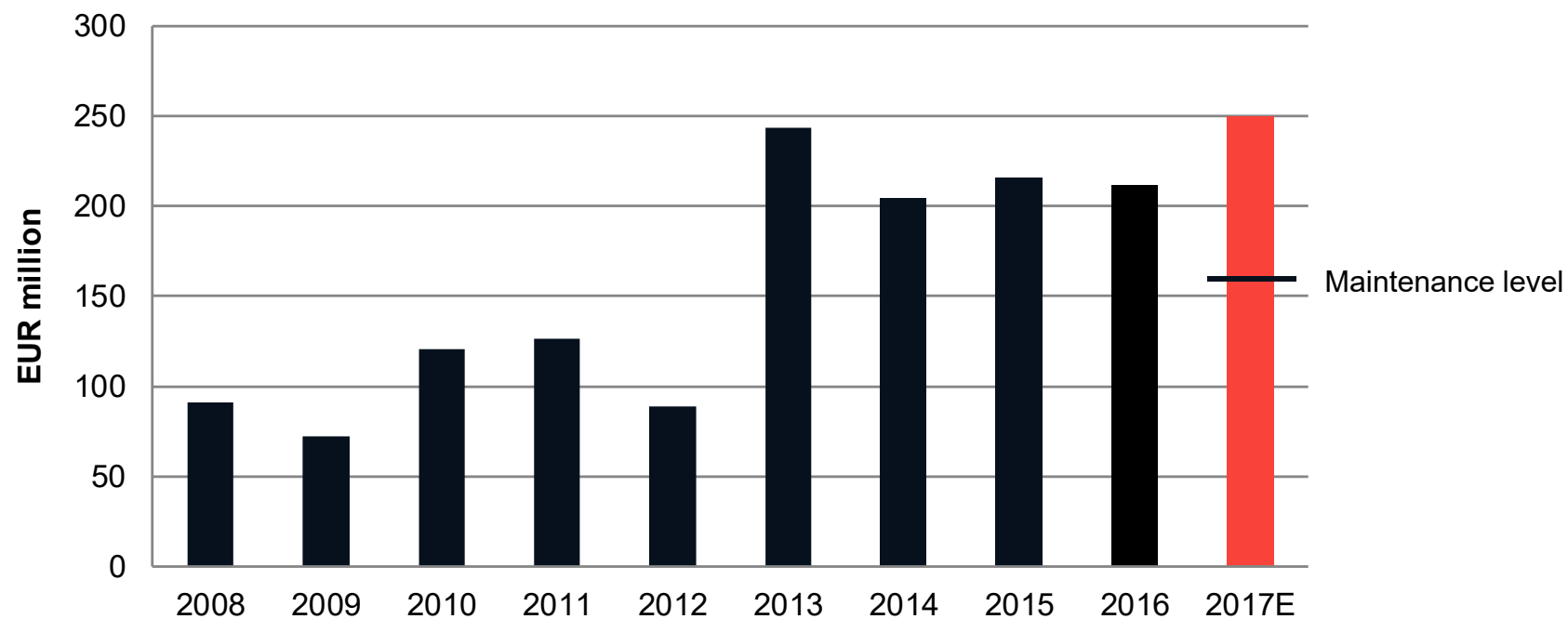
### GROWTH RELATIVE TO SAME PERIOD IN PREVIOUS YEAR

	2011	2012	2013	2014	2015					2016					2017				
	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3E	Q4E	Total
Norway	7 %	17 %	-13 %	16 %	18 %	-7 %	-8 %	-5 %	-1 %	-17 %	-16 %	10 %	-5 %	-7 %	-9 %	-27 %	-7 %	8 %	-8 %
Scotland	51 %	-20 %	20 %	1 %	-32 %	-32 %	21 %	121 %	3 %	77 %	-12 %	-41 %	-16 %	-10 %	41 %	71 %	17 %	-5 %	31 %
Canada	1 %	19 %	-18 %	-19 %	65 %	79 %	23 %	38 %	50 %	10 %	1 %	19 %	4 %	8 %	-23 %	-20 %	17 %	11 %	-5 %
Chile	146 %	55 %	-30 %	139 %	-9 %	-19 %	10 %	-11 %	-7 %	-4 %	-47 %	-63 %	-49 %	-41 %	-59 %	9 %	103 %	110 %	19 %
Other (1)	-4 %	7 %	-29 %	54 %	-76 %	-32 %	-38 %	6 %	-29 %	399 %	28 %	64 %	21 %	53 %	-42 %	-4 %	-37 %	3 %	-17 %
Total	16 %	14 %	-12 %	22 %	8 %	-9 %	-1 %	5 %	0 %	-3 %	-16 %	-8 %	-10 %	-9 %	-13 %	-10 %	4 %	14 %	-1 %

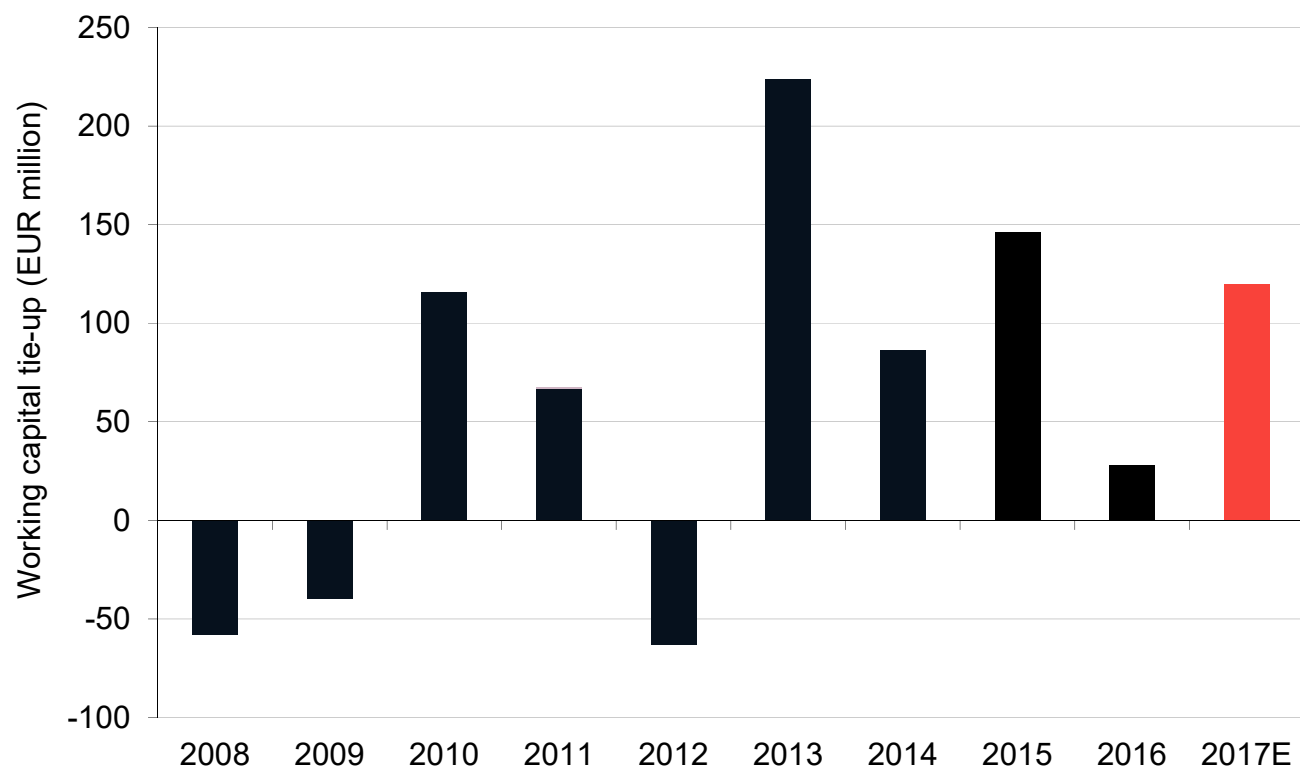
#### Notes:

(1) Ireland and the Faroes

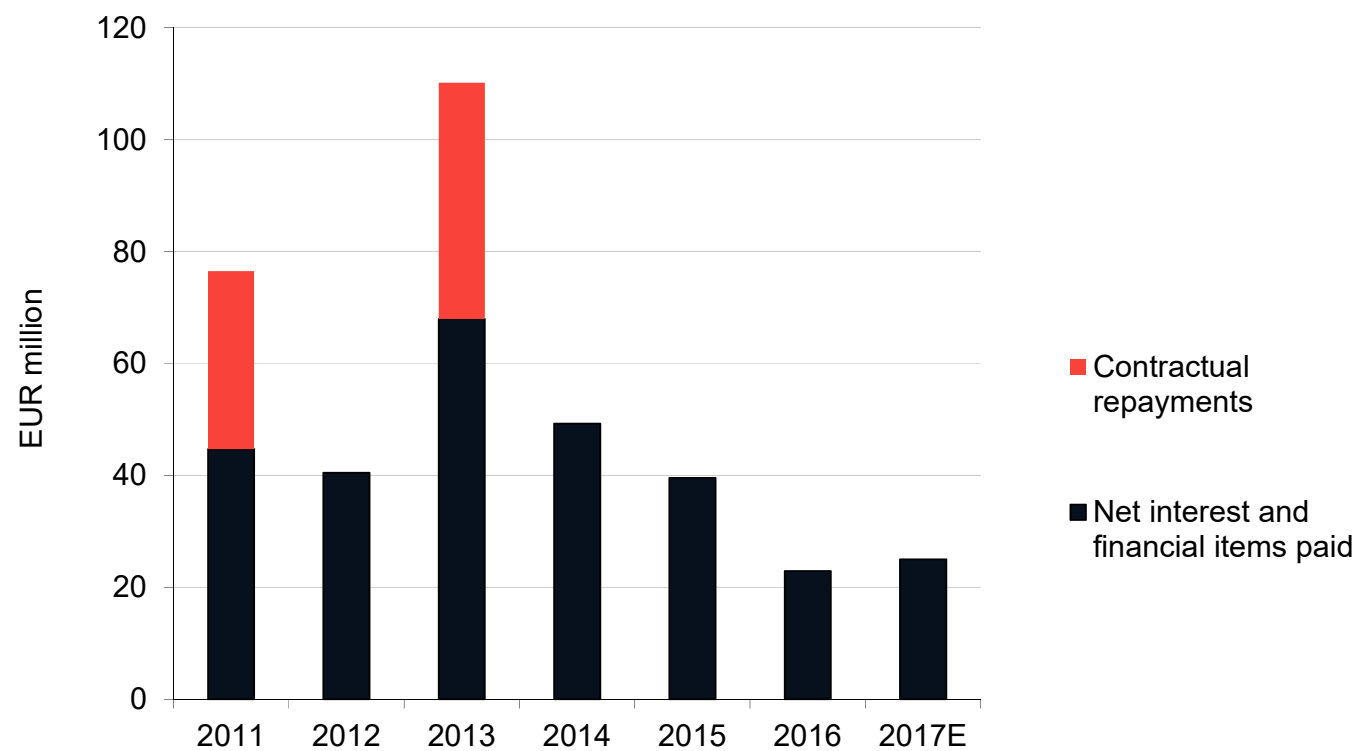
## Net capital expenditure guidance



## Net working capital guidance



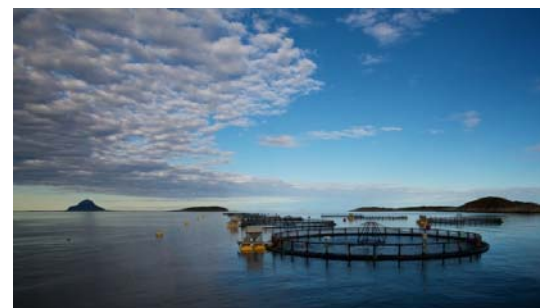
## Guidance on financial commitments and cost of debt



## Nova Sea

	Ownership %	Harvest volume (GWE)				EBIT (1) per kg				NIBD EURm
		2015	2016	Q2 2016	Q2 2017	2015	2016	Q2 2016	Q2 2017	Q2 2017
Nova Sea	48%	37 422	37 064	10 775	6 997	1.57	2.97	3.11	3.07	-2.9

- *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 500m (paid in Q2-17)*
  - Marine Harvest's direct share NOK ~213m
- *Proportion of income after tax reported as income from associated companies in Marine Harvest Norway*
  - EUR 7.1m in Q2 2017



## Debt distribution and interest rate hedging

DEBT VOLUME HEDGED AND FIXED RATES OF INTEREST RATE HEDGES (MARCH-MARCH) <sup>(1)</sup>													
CURRENCY	DEBT 30/06/2017 <sup>(2)</sup>	2017		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>	Nominal value	Fixed rate <sup>(3)</sup>
EUR m	385.9	586.0	1.35 %	860.3	2.16 %	1 296.5	2.50 %	716.6	1.24 %	380.0	2.20 %	-	0.00 %
USD m	87.0	138.5	3.12 %	138.5	3.21 %	167.5	2.93 %	78.3	2.31 %	78.3	2.31 %	60.0	4.13 %
GBP m	21.1	34.0	3.13 %	34.0	3.13 %	34.0	3.13 %	23.5	2.83 %	23.5	2.83 %	-	0.00 %
Other (EUR m)	130.9												

Market value of IRS contracts in MEUR (30/06/17):

-77.9

Mark to market valuation effect in Q2<sup>(4)</sup>:

3.8

Difference in fixed vs floating rate settled in cash in Q2

-3.0

### Notes:

(1) MHG chooses March as the starting month for all new interest hedging contracts

(2) Debt at book value after taking cross currency swaps into account

(3) Financing margin not included

(4) Quarterly change in market value booked against P/L

- *External interest bearing debt is distributed as follows: EUR 65%, USD 12%, GBP 4%, other currencies 20%*
- *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
2017	99.6	9.61	14.4	1.32
2018	199.2	9.54	28.8	1.32
2019	116.2	9.47	16.8	1.32
<b>P/L effect of contracts maturing in Q2</b>	-1.1	(MEUR)		
	MEUR			
<b>Market value 31/03/2017</b>	<b>6.6</b>			
Change (1)	-13.5			
<b>Market value 30/06/2017</b>	<b>-6.9</b>			

### DESIGNATED MARKET CURRENCIES

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

## Tax losses carried forward (YE 2016)

Marine Harvest Group 31.12.2016 EUR million	Recognised*	Unrecognised	Total
USA	8.2	26.7	35.0
Poland	8.0	7.2	15.3
France	4.6	45.1	49.7
Chile	0.0	130.3	130.3
Italy	0.0	0.4	0.4
Taiwan	0.0	1.1	1.1
China	0.7	0.0	0.7
Norway	13.2	0.0	13.2
Other	0.2	0.0	0.2
<b>Total</b>	<b>34.9</b>	<b>210.9</b>	<b>245.8</b>

\*Deviation from the Annual report 2016 is related to changes in tax rates and reported specification.

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