

Marine Harvest

Excellence in seafood

Q1 2007



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Operational highlights

- Strong demand growth in all markets
- Norway - solid performance
- Canada - further improvements to come
- Scotland - major restructuring in progress – P&L effect 2008/09
- Biological challenges in Chile continues to affect costs adversely
 - Margins currently compensated by higher prices
 - Manageable, but it will take time to see serious improvements
 - Dependent on strong prices to maintain EBIT through industry turnaround
- VAP improving
- Organisational integration according to plan
- Decisions and implementation relating to synergies according to plan

First Quarter Financials

CFO Trine Sæther Romuld

Financial highlights

- Revenues NOK 3,803m
- Adjusted EBIT⁽¹⁾ NOK 589m
- EBIT/kg (Salmon specie farming) NOK 7.62
- EBIT margin VAP 2.1%
- Quarterly EPS NOK 0.10
 - Adjusted quarterly EPS⁽²⁾ NOK 0.12
- Net interest bearing debt NOK 6,710m
- Equity ratio 55%
- Harvest volume 84,159 tonnes (HOG)

Notes:

(1) Before fair value adjustment and restructuring costs

(2) Adjusted for fair value adjustment

Q1 Profit & Loss

Marine Harvest Group	Q1 2007	Q1 2006	2006
<i>Million NOK</i>			
Operating revenues	3,803	3,708	15,878
Adjusted ⁽¹⁾ EBITDA	756	699	3,648
Adjusted ⁽¹⁾ EBIT	589	539	2,916
Fair value adjustment on biomass	-97	266	87
Restructuring costs	-44	0	-75
EBIT	448	805	2,927
Earnings before tax	466	732	2,621
Net profit ⁽²⁾	350	652	3,069
EPS	0.10	0.19	0.88
EPS adj. for fair value adjustment	0.12	0.13	0.87
Adjusted EBITDA margin	19.9 %	18.9 %	23.0 %
Adjusted EBIT margin	15.5 %	14.5 %	18.4 %
Harvest volume, HOG tonnes (salmon species)	84,158	82,467	325,781
Adjusted EBIT per kilo (salmon specie entities only)	7.63	7.42	9.63

Notes:

(1) Adjusted for fair value adjustment of biomass and restructuring costs

(2) Includes profit from discontinued operations of NOK 18m

Q1 segment information

Marine Harvest Group <i>Million NOK</i>	Norway	Chile/USA	UK	Canada	VAP	Other entities	Total⁽²⁾
Operating revenues	1,408.5	1,161.6	263.70	413.8	897.5	227.6	3,802.7
Adjusted ⁽¹⁾ EBIT	303.8	194.5	19.20	110.2	18.5	-57.6	588.8
Fair value adjustment on biomass	36.9	-107.3	39.60	-65.7	0.0	-0.2	-96.7
Restructuring costs	-4.0	-15.0	-	-25.1	1.6	-1.2	-43.7
EBIT	336.7	72.2	58.8	19.4	20.1	-59.0	448.4
Adjusted EBIT margin	21.6 %	16.7 %	7.3 %	26.6 %	2.1 %	-25.3 %	15.5 %
Harvest volume, HOG tonnes (3)	37,528	26,104	7,005	11,528	n.a.	1,994 (4)	84,159 (5)
Adjusted EBIT per kilo	8.10	7.45	2.76	9.56	n.a.	n.a.	7.63 (5)

Notes:

- (1) Adjusted for fair value adjustment of biomass and restructuring costs
- (2) After eliminations
- (3) Sold volume from own harvesting in Chile
- (4) Salmon specie volume only
- (5) Based on volume and adj EBIT from salmon specie operations

BU Update – Norway

- Harvest volume up 8.4%
- EBIT/kg NOK 8.10
 - Harvest from sites affected by high water temperatures in 2006
 - Higher feed prices
 - Large regional differences indicate a solid potential for improvement
 - EBIT/kg margin in Region Mid Norway NOK 10.60
- Other comments
 - Focus on synergy extraction
 - Cross regional learning to bring the total EBIT/kg to a higher level
 - Simplify harvest plan structure

Norway	Q1 2007	Q1 2006
<i>Million NOK</i>		
Operating revenues	1,408.5	1,325.2
Adjusted ⁽¹⁾ EBIT	303.8	291.6
Fair value adj. on biomass	36.9	309.4
Restructuring costs	-4.0	0.0
EBIT	336.7	601.0
Adjusted EBIT margin	21.6 %	22.0 %
Harvest volume, HOG tonnes	37,528	34,614
Adjusted EBIT per kilo	8.10	8.42

Notes:

(1) Adj. for fair value adj. of biomass and restructuring costs

BU Update – Chile/US

- Harvest volume sold - down 2%
- US prices strong
- EBIT/kg NOK 7.45
 - Strong in spite of increased costs
 - Slow growth, elevated mortality and high feed conversion rate
 - Out of ordinary mortality expensed (NOK 63.4m in Q1)
 - Cost increase compensated by increased prices
- Restructuring costs of NOK 15m
 - Primarily related to severance payments

Chile/USA	Q1 2007	Q1 2006
<i>Million NOK</i>		
Operating revenues	1,161.6	1,051.2
Adjusted ⁽¹⁾ EBIT	194.5	206.5
Fair value adj. on biomass	-107.3	34.3
Restructuring costs	-15.0	0.0
EBIT	72.2	240.8
Adjusted EBIT margin	16.7 %	19.6 %
Harvest volume, HOG tonnes (2)	26,104	26,626
Adjusted EBIT per kilo	7.45	7.76

Notes:

(1) Adj. for fair value adj. of biomass and restructuring costs

(2) Sold volume from own harvesting

BU Update – UK

- Harvest volume down 23.6%
 - Poor growth conditions
- EBIT/kg NOK 2.76
 - Accretion of fixed costs due to lower harvest volumes
 - Biological challenges by use of inferior sites
 - Highly variable performance between sites
- Split of operations decided
 - Marine Harvest UK
 - Low cost structure identified
 - Low performing sites to be followed when harvested out
 - Significant cost reductions by 2008/09
 - Harvest volume to be reduced to appr 27,000 t
 - Scottish/Outer Hebrides Seafood
 - Developed as specialised player
 - New owner may be sought (5-6,000 tonnes)

UK	Q1 2007	Q1 2006
<i>Million NOK</i>		
Operating revenues	263.70	287.9
Adjusted ⁽¹⁾ EBIT	19.40	32.5
Fair value adj. on biomass	39.60	-8.3
Restructuring costs	-	0.0
EBIT	59.0	24.3
Adjusted EBIT margin	7.4 %	11.3 %
Harvest volume, HOG tonnes	7,005	9,165
Adjusted EBIT per kilo	2.76	3.55

Notes:

(1) Adj. for fair value adj. of biomass and restructuring costs

BU Update – Canada

- Harvest volume up 5.9%
- Strong price environment
- EBIT/kg NOK 9.56
 - Good growth conditions
 - No material biological issues
 - Costs slightly down
- Restructuring costs of NOK 25.1m
 - Primarily linked to processing plant closure

Canada	Q1 2007	Q1 2006
<i>Million NOK</i>		
Operating revenues	413.8	365.8
Adjusted ⁽¹⁾ EBIT	110.2	65.8
Fair value adj. on biomass	-65.7	-38.7
Restructuring costs	-25.1	0.0
EBIT	19.4	27.1
Adjusted EBIT margin	26.6 %	18.0 %
Harvest volume, HOG tonnes	11,528	10,889
Adjusted EBIT per kilo	9.56	6.04

Notes:

(1) Adj. for fair value adj. of biomass and restructuring costs



BU Update – Value Added Products (VAP)

- Operating revenues up 15.6%
 - Higher volumes in French smokehouses
 - Good development in Belgian operations
- Increase in EBIT margin
 - Stronger in smoked products
 - Positive effects of restructuring in French smoking operations (05/06)
 - Strong focus on product development
 - Stable development in the fresh and frozen business but lower profitability due to adverse development in product mix

VAP	Q1 2007	Q1 2006
<i>Million NOK</i>		
Operating revenues	897.5	776.2
Adjusted ⁽¹⁾ EBIT	18.5	13.3
Restructuring costs	1.6	0.0
EBIT	20.1	13.3
EBIT margin	2.1 %	1.7 %

Notes:

(1) Adjusted for restructuring costs

Balance sheet

Marine Harvest Group	Q1 2007	YE 2006
<i>Million NOK</i>		
Fixed assets	14,428.6	14,616.0
Current assets	10,276.8	12,097.9
Assets held for sale	686.8	640.0
Total assets	25,392.2	27,353.9
Book equity	13,896.7	13,589.1
Long term liabilities	8,430.8	9,485.5
Current liabilities	2,961.7	4,165.4
Liabilities held for sale	103.0	113.9
Total equity and liabilities	25,392.2	27,353.7
Cash and cash equivalents	967.9	2,182.5
Net interest bearing debt	6,710.0	7,398.6
Equity ratio	54.7 %	49.7 %
Return on capital employed ⁽¹⁾	2.9 %	13.9 %
Return on equity ⁽²⁾	2.5 %	22.6 %
Adjusted return on equity ⁽³⁾	3.1 %	22.1 %

Notes:

(1) Adjusted EBIT / Book equity + Net interest bearing debt (End of period balance sheet figures)

(2) Net profit / Book equity (End of period balance sheet figures)

(3) Net profit adjusted for fair value adjustment/Book equity (End of period balance sheet figures)

Cash flow

Marine Harvest Group	Q1 2007
<i>Million NOK</i>	
Adjusted ⁽¹⁾ EBIT	545.1
Depreciation and writedowns	166.8
Change in trade receivables/payables and inventory/biomass	20.6
Taxes paid	-20.5
Other adjustments	51.7
Cash flow from operations	763.7
Capital expenditure (fixed assets)	-84.9
Other investments	19.1
Cash flow from investments	-65.8
Interest and financial items paid	-80.5
Net downpayment of interest bearing debt	-1,822.0
Paid in equity	13.1
Cash flow from financing	-1,889.4
Net change in cash and cash equivalents	-1,191.5
- Cash and Cash equivalents (opening balance)	2,182.5
- Currency effect on cash (opening balance)	-23.1
Cash and Cash equivalents closing balance	967.9

Notes:

(1) Adjusted for fair value adjustment of biomass

Net interest bearing debt (NIBD)

Marine Harvest Group	Q1 2007	YE 2006	Change
<i>Million NOK</i>			
Long term int. bearing debt	6,819.1	7,956.0	(1,136.9)
Short term int. bearing debt	858.8	1,625.1	(766.3)
Total int. bearing debt	7,677.9	9,581.1	(1,903.2)
Cash and cash equiv.	967.9	2,182.5	(1,214.6)
Net interest bearing debt	6,710.0	7,398.6	(688.6)

Note: Accounting NIBD depicted above. Cash NIBD appr. NOK 78m higher



Other financial issues

- Share repurchase programme recommended by the Board to the AGM
 - Up to 10% of outstanding shares
- Total fixed sales contracts entered into for 2007 appr. 24%
 - Proportion of volume sold on fixed contract in Q1 appr. 36%
- Capital expenditure
 - Ordinary capital expenditure slightly below depreciation
 - Higher in 2007/8 due to capex relating to synergies
- Tax
 - Paid taxes in Q1 NOK 20.5 (Holland and Chile)
 - Year end tax losses per country depicted in appendix

Markets, Operations and Outlook

CEO Atle Eide



Global demand development and outlook

- Demand stimulated by increasing prices on protein substitutes
- USA
 - Total market 340 000 tonnes in 2006
 - Underlying strong demand – prices at all time high
 - Important to bring Chilean production back on track to maintain growth momentum
 - Critical to maintain high prices during Chilean turnaround
- Russia
 - Prove very strong demand after re-opening of market
 - 82% growth out of Norway first 4 months of 2007
 - Potentially 80 - 100 000 tonnes in 2007 (appr. 50 000 tonnes in 2006)
- Asia
 - Large potential - up 10 000 or more tonnes in 2007
 - 42% growth out of Norway Q1
 - MHG with unique presence in market
- EU market will continue to grow
 - 650 000 tonnes in 2006 – up another 30 000 tonnes in 2007
 - Plus 10% Q1 out of Norway – stable from other countries
- **Total global growth – 100 000 to 150 000 tonnes**
 - Marketing and focused sales efforts needed in all markets



Global supply development and outlook

- Global prices Q1 months “all time high”
- Kontali (estimate made for MHG)
 - Total growth in Norway might be as high as 15% for 2007.
 - 16% export growth first 4 months vs. 14% growth last 7 months 2007
 - Similar figures for 2006 vs. 2005 were 8% and 3%
- Assumption in Kontali model
 - High on growth vs. 5 years average
 - Lower than last two years on mortality
- Estimated smolt output in 2007 for Norway is estimated up 9%
 - Made 4 months ago and is most probably too high, due to among others the change in MHG output plans and overall optimistic ova productivity
 - Will probably end between 5 – 7% (MHG best EST)
- Chilean growth uncertain
 - MHG total year estimate of 0 – 8% growth



Global harvest volume to grow 2 - 8% in 2007

- Expected market supply per production region (WFE)
 - 655 – 684,000 tonnes in Norway
 - 14 - 15,000 tonnes in the Faroe Islands
 - 371 - 407,000 tonnes in Chile
 - 128 - 133,000 tonnes in the UK
 - 128 - 129,000 tonnes in North America
- Total 2007 harvest volume 1,296 - 1,368 thousand tonnes (WFE)
- Total 2006 harvest volume 1,270 thousand tonnes (WFE)

Chile main uncertainty



Norway

NORWAY - Production Update Harvest Quantity

In tonnes wfe

	2004	2005		2006E		2007E		2008E	
January	39 800	38 500	-3 %	42 000	9 %	49 500	18 %	51 800	5 %
February	35 000	39 100	12 %	43 300	11 %	49 700	15 %	54 200	9 %
March	43 500	47 300	9 %	54 800	16 %	64 400	18 %	67 700	5 %
April	38 100	45 900	20 %	43 600	-5 %	49 900	14 %	55 600	11 %
May	38 300	41 500	8 %	42 900	3 %	51 600	20 %	54 100	5 %
June	45 900	43 900	-4 %	47 200	8 %	52 600	11 %	52 200	-1 %
July	44 900	41 600	-7 %	36 800	-12 %	46 200	26 %	54 900	19 %
August	40 100	42 300	5 %	43 400	3 %	50 400	16 %	59 600	18 %
September	49 300	55 100	12 %	52 400	-5 %	60 200	15 %	67 200	12 %
October	48 200	52 800	10 %	58 500	11 %	62 300	6 %	68 500	10 %
November	51 800	57 600	11 %	66 600	16 %	75 000	13 %	72 400	-3 %
December	62 100	66 600	7 %	65 900	-1 %	73 000	11 %	80 200	10 %
Total	537 000	572 200	7 %	597 400	4 %	684 800	15 %	738 400	8 %
First four		170 800		183 700	8 %	213 500	16 %	229 300	7 %
Last eight		401 400		413 700	3 %	471 300	14 %	509 100	8 %
Last four		274 400		286 800	5 %	320 900	12 %	347 900	8 %



Chilean Export of Atlantic Salmon 06/07

- Volume 2006/07 in Q1
 - Net product weight 52,000 tonnes vs. 53,000
- US market represents 54% of volumes in 2007
- EU represents 20%



Biological challenges in Chile - issues

- Diseases and sea lice the major problem
 - Increased mortality, FCR and grow-out time
 - Average harvest size reduced by 7%
- Experience
 - All salmon farming countries have been through what Chile experience today
- Why have nothing been done
 - The Chilean Salmon farmers has been slow in approaching the problem, however actions on zone management and best practice are in development
- Actions
 - MHG and other global companies in Chile have all necessary experience in what need to be done and are willing to assume a leading role in the turn-around.



Biological challenges in Chile - measures

- It will take time
 - Worst case it will take 1 to 2 years before the industry is back in a normal development / growth track
 - Agreements to be made, implementation to be done, time to see effect on cost
- Corrective actions – need to be urgently implemented (examples)
 - Area management, under implementation since January 2007
 - All in/out strategies and necessary following of sites
 - Strict polices on harvest and transport when disease are seen
 - Spread production over a larger area, stopping production on problem sites and areas.
 - It is necessary to bring the authorities into the solution – voluntary actions must be backed up by regulation
 - Improve smolt quality and balance smolt input in order to assume sustainable production.
 - Focus on improved use of treatments and development of new vaccines.

Synergies and restructuring 2007- 2009

Expected net synergies 2007-2009	2007	2008	2009
Million NOK			
Synergies	200	500	900
Restructuring costs	160	70	0
Net synergies (EBIT)	40	430	900

Breakdown of expected synergies by BU	2009
Million NOK	
Norway	270
Chile	180
Scotland	40
Canada	60
VAP	155
Other	195
Total	900

Note:

(1) The above estimates are rough and there may be differences between years



Harvest volumes 2007

- Previous guiding ex Pan Fish Scotland was 370,000 – 390,000
- Overall guiding maintained
 - No further guiding given for Pan Fish Scotland
- The harvest in Q4/2007 will be significant higher than Q2 and Q3
 - Both quarters will volume wise be similar to Q1
- Actual harvest volumes will be affected by e.g.
 - Water temperatures
 - Development in biological growth
 - Biological challenges such as diseases, algae blooms etc
 - Management decisions
- Largest uncertainty relates to volumes out of Chile
- Estimates will be updated regularly
 - General update every quarterly presentation
 - Major changes may be announced in between quarters



Strategy going forward

- Growth ambitions in Value Added Seafood products will be given increased attention
 - Ambition to become fully integrated Seafood company confirmed
- Marine Harvest confirm our ambitions to grow into major new species
 - Tilapia
 - Sea Bass / Sea Bream



Closing remarks

- Industry restructuring will continue
 - In VAP
 - In Farming
- Balanced supply / demand situation in 2007 and 2008
 - But industry still cyclical until further restructuring and integration have taken place
- Q1 in line with operating plans, but cost higher than target going forward
 - Synergy capture, integration and sharing of best practise will drive down cost
- Chile one-off cost in Q1 of NOK 65 million linked to mortality
 - Industry reshaping in Chile will bring back biological control and lower cost level – will take some time
- Integration and synergy take out according to plan
 - NOK 900 million target will be met



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APPENDIX



Key financial issues (Previous statements)

- Dividend
 - Strong cash flow has enabled a high gearing in the 2006 transactions
 - Priority will be given to reduce NIBD to a lower level
 - Thereafter strong focus on dividend
- Capital expenditure
 - Operational capital expenditure expected to be in line with or lower than depreciation
- Hedging strategy established with focus on stabilising cash flow
 - Will lead to accounting effects going forward (no cash effect)
- Currency mix of interest bearing debt
 - Canadian and UK entities financed in domestic currencies
 - Remaining debt in EUR and USD (approximately 60/40 ratio)

Tax losses carried forward (YE 2006)

Specification of tax losses carried forward (NOL) per country

NOK million	Tax losses carried forward, total
Norway	4,613.6
Canada	351.5
Scotland	306.5
Ireland	27.9
Faroes	87.3
The Netherlands	32.5
France	56.6
Belgium	11.0
Chile	53.6
USA	672.9
Poland	20.3
Japan	250.4
Singapore	16.7
Total	6,500.9

- Deferred tax assets has been recorded for MNOK 5,139.2 of the NOL's specified above
- The NOL's will be used to offset taxable profit in the countries going forward
- The utilisation of the deferred tax asset on NOLs' gives rise to a tax expense in the accounts which do not normally have any cash effect