

Marine Harvest

Excellence in seafood

Q4 2007



marineharvest
excellence in seafood



Reflections after first year of operation

- Encouragements
 - Pace of business unit integration well underway
 - Good progress in cost development as result of synergies in most units
 - Management and structure in place to succeed
 - More balanced markets going forward
- Setbacks, concerns and challenges
 - Scale reduction of second largest business unit – Chile
 - Global oversupply of salmon provided head wind from the markets
 - Portfolio surprises added significant stress to the new organisation
 - Negative events and discoveries in “non-core” portfolio
- Åse Aulie Michelet in place as CEO from 1 March
 - Broad international management experience
 - Previous position Executive Vice President of GE Healthcare

Performance in Q4 and 2007

2007 Marine Harvest Group <i>Million NOK</i>	Norway	UK	Canada	VAP	Chile/USA
Adjusted ⁽¹⁾ EBIT per kg	5.1	2.1	5.4	n.a.	(4.6)
EBIT margin (%)	15.4%	5.8%	17.0%	4.7%	-13.7%
Q4 Marine Harvest Group <i>Million NOK</i>	Norway	UK	Canada	VAP	Chile/USA
Adjusted ⁽¹⁾ EBIT per kg	3.5	0.5	1.1	n.a.	(23.9)
EBIT margin (%)	11.6%	1.5%	4.1%	7.6%	-103.7%

Notes:

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



Dual management focus required

1. Continued streamlining and efficiency measures in MHG ex Chile
 - Full focus on development of Norway as main “engine”
 - Scotland and Canada to be optimised as stable niche players
 - Increased market orientation through development of VAP and sales functions
 - Close attention to development of smaller business units
 - “Earn-your-right-to-grow” criteria for development of minor entities

 2. Work-out measures to adjust to grave biological situation in Chile
 - Scope and consequences have become evident
 - Decision to reduce capacity in Region X
 - 3 year work-out plan
 - Down scaling of business to reflect reduced capacity
 - Write down of NOK 466m taken in Q4
 - Plan to cautiously rebuild capacity at sustainable operational risk and cost
 - Marine Harvest confident of long term potential in Chile
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Q4 - Marine Harvest ex Chile

- Operational and financial performance in Q4:
 - Satisfactory in Norway and VAP
 - Not satisfactory in UK and Canada in Q4, but strong progress in 2007
 - Mixed picture for smaller entities
- Most volume intensive quarter (30% of 2007 volume)
- All time high volume absorbed by the markets
- Results affected by low prices and challenging currency climate

Work-out plan for Chile

Due to the continuing ISA situation in Chile, the increasing number of outbreaks affecting farming of Atlantic Salmon in Region X and the consequent losses, the scope of Marine Harvest's operations have to be redesigned.

The following work-out plan has been decided:

- Accelerate the change to land based smolt production in a controlled environment in order to assure supply of safe smolt of high quality
- To establish a land based brood stock facility for safe egg-supply
- To substantially reduce the grow-out in Region X and establish zone management with strict ISA containment measures
- To initiate grow-out in Region XI in areas controlled by Marine Harvest

Work out plan for Chile (cont.)

- The total smolt entry will during 2008 be reduced by ~40% and distributed equally into Region X and Region XI
- The total business of Marine Harvest in Chile will be downsized accordingly during 2008
- Total harvest volume lowered to approx. 50.000 MT HOG in 2008

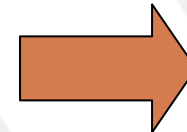
Work out plan for Chile (cont.)

- Significant write-downs in Q4 2007 (466 MNOK) :
 - 102 MNOK inventory write-down
 - 348 MNOK related to expected culling of small fish in ISA infected sites and consequences of further culling of fish in ISA exposed sites
 - 16 MNOK related to smolt (trout)
- Going forward the grow-out strategy will be based on a sustainable production in Region X, XI and XII, taking advantage of the good farming conditions in Region XI and XII

Work out plan for Chile (cont.)

1. Implementation of tough measures

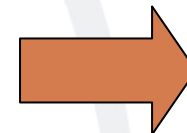
- Eliminate ISA affected sites
- Limit smolt input to low risk areas
- Limit smolt production to low risk freshwater sites
- Adjust expenses & organisation



Year:
2008

2. Focus on efficient production

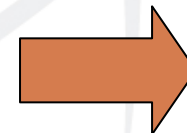
- Biological performance (mortality, FCR and growth)
- Harvest weight
- Reliability
- EBIT / kg HOG



2009

3. Grow the business

- Use operational cash flow for investment & biomass



2010

Fourth Quarter 2007 Financials

Jørgen K Andersen

Q4 Financial highlights

- Revenues NOK 3,721m
- Adjusted EBIT⁽¹⁾ NOK -333m
 - Writedown in Chile of NOK 466m included in adjusted EBIT
 - Impact on EBIT of adverse currency movements appr. NOK 126m
- Harvest volume 100,084 tonnes (HOG)
 - Adj. EBIT per kg (Salmon specie farming) NOK -3.7
- Adj. EBIT margin VAP 7.6%
- Restructuring costs of NOK 35m
- Equity ratio 54.1%

Q4 Profit & Loss

Marine Harvest Group <i>Million NOK</i>	Q4 2007	Q4 2006 (Proforma)	2007	2006 (Proforma)
Operating revenues	3,722	4,477	14,073	15,857
Adjusted ⁽¹⁾ EBITDA	-89	981	1,409	3,619
Adjusted ⁽¹⁾ EBIT	-333	766	604	2,899
Fair value adjustment on biomass	309	3	-354	99
Restructuring costs	-35	-63	-196	-75
EBIT	-58	706	54	2,922
Earnings before tax	-113	661	151	2,616
Net profit from continued operations	-90	1,390	39	2,953
EPS	-0.03	0.40	0.02	0.88
EPS adj. for fair value adjustment	-0.09	0.40	0.10	0.87
Adjusted EBITDA margin	-2.4 %	21.9 %	10.0 %	22.8 %
Adjusted EBIT margin	-8.9 %	17.1 %	4.3 %	18.3 %
Harvest volume, HOG tonnes (salmon species)	100,084	89,590	336,208	315,255
Adjusted EBIT per kilo (salmon specie entities only)	-3.7	8.7	2.2	9.9

Notes:

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



Adjusted EBIT affected by further write-downs

NOK million

Adjusted EBIT before write downs	133
Writedowns communicated 14 January	80
Adjusted EBIT before write downs announced today	53
Further writedowns announced today	386
Reported adjusted EBIT	-333

Norway

- MHG harvest volume growth of 25%
 - Market harvest volume growth of 10%
- Price reduction relative to Q4 2006
 - Q4 average FHL NOK 22.8 (25.9)
- Negative currency effect NOK 78.3m
- Cost reduction relative to Q4 2006
- Costs affected by biological issues
 - Extraordinary costs related to PD* NOK 9m
 - Vaccines and mitigating actions relating to PD expected to contribute favourably in 2008
- Synergy take - out and integration
 - Restructuring costs of NOK 6m
 - 2007 synergy capture NOK 145m
- Adj. EBIT pr kg NOK 3.5 in Q4

Norway	Q4 2007	Q4 2006
<i>Million NOK</i>		
Operating revenues	1,560.0	1,552.6
Adjusted ⁽¹⁾ EBIT	181.7	348.7
Fair value adj. on biomass	532.3	47.3
Restructuring costs	-6.4	0.0
EBIT	707.5	396.1
Adjusted EBIT margin	11.6 %	22.5 %
Harvest volume, HOG tonnes	52,385	41,806
Adjusted EBIT per kilo	3.5	8.3

Norway	2007	2006
<i>Million NOK</i>		
Operating revenues	5,635.4	5,714.8
Adjusted ⁽¹⁾ EBIT	866.3	1,725.5
Fair value adj. on biomass	234.5	26.1
Restructuring costs	-49.4	0.0
EBIT	1,051.4	1,751.6
Adjusted EBIT margin	15.4 %	30.2 %
Harvest volume, HOG tonnes	168,222	141,152
Adjusted EBIT per kilo	5.1	12.2

Notes:

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

Chile/US

- Revenues significantly down - 53%
- Harvest volume down 10% vs. Q4 2006
- Adjusted EBIT of NOK -581m
 - Including writedown of NOK 466m

Chile/USA	Q4 2007	Q4 2006
<i>Million NOK</i>		
Operating revenues	560.1	1,201.0
Adjusted ⁽¹⁾ EBIT	-580.6	276.1
Fair value adj. on biomass	-207.3	110.9
Restructuring costs	-8.7	-3.2
EBIT	-796.6	383.8
Adjusted EBIT margin	-103.7 %	23.0 %
Harvest volume, HOG tonnes (2)	24,341	27,017
Adjusted EBIT per kilo	(23.9)	10.2

Chile/USA	2007	2006
<i>Million NOK</i>		
Operating revenues	3,051.0	4,407.0
Adjusted ⁽¹⁾ EBIT	-418.4	889.9
Fair value adj. on biomass	-417.4	-42.7
Restructuring costs	-17.9	-3.2
EBIT	-853.8	837.8
Adjusted EBIT margin	-13.7 %	20.2 %
Harvest volume, HOG tonnes (2)	90,558	100,415
Adjusted EBIT per kilo	(4.6)	8.9

Notes:

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

(2) Sold volume from own harvesting

- Harvest volume 9,500 tonnes
- Reduced market prices
 - Down NOK 3 per kg from Q4 2006
 - Price achievement above market
 - High contract rate at higher prices in 2008
- Extraordinary mortality cost NOK 12.6m
- Cost improvements relative to Q4 2006
 - Strong focus on maintaining pace of improvement programme going forward
- Improvement measures in Q4
 - Restructuring cost of NOK 5m linked to seawater site closures
- Adj. EBIT pr kg NOK 0.5

UK	Q4 2007	Q4 2006
<i>Million NOK</i>		
Operating revenues	324.7	354.4
Adjusted ⁽¹⁾ EBIT	4.7	46.0
Fair value adj. on biomass	2.9	(110.5)
Restructuring costs	(5.1)	-
EBIT	2.5	-64.5
Adjusted EBIT margin	1.5 %	13.0 %
Harvest volume, HOG tonnes	9,499	8,652
Adjusted EBIT per kilo	0.5	5.3

UK	2007	2006
<i>Million NOK</i>		
Operating revenues	1,014.0	1,348.4
Adjusted ⁽¹⁾ EBIT	58.6	201.2
Fair value adj. on biomass	1.9	86.9
Restructuring costs	(31.3)	-
EBIT	29.3	114.3
Adjusted EBIT margin	5.8 %	14.9 %
Harvest volume, HOG tonnes	27,448	31,003
Adjusted EBIT per kilo	2.1	6.5

Notes:

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

Canada

- Harvested volume up 8%
- Weak prices
 - Price reduction in the US
 - Significant CAD/USD strengthening
 - Currency effect NOK 34m
- Strong focus on cost improvement
- Favourable biological development
- Integration and synergies
 - Q4 integration costs NOK 2.5m
 - 2007 synergies NOK 18m
- Adj. EBIT per kg NOK 1.1

Canada	Q4 2007	Q4 2006
<i>Million NOK</i>		
Operating revenues	260.7	289.5
Adjusted ⁽¹⁾ EBIT	10.6	49.5
Fair value adj. on biomass	-14.9	-24.8
Restructuring costs	-2.5	-3.2
EBIT	-6.8	21.5
Adjusted EBIT margin	4.1 %	17.1 %
Harvest volume, HOG tonnes	9,739	8,992
Adjusted EBIT per kilo	1.1	5.5

Canada	2007	2006
<i>Million NOK</i>		
Operating revenues	1,254.6	1,165.5
Adjusted ⁽¹⁾ EBIT	213.1	227.9
Fair value adj. on biomass	-188.1	205.5
Restructuring costs	-31.6	-3.2
EBIT	-6.6	436.2
Adjusted EBIT margin	17.0 %	19.6 %
Harvest volume, HOG tonnes	39,497	33,987
Adjusted EBIT per kilo	5.4	6.7

Notes:

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

Value Added Products (VAP)

- Revenues down by 4.3% vs Q4 2006
 - Product portfolio changes
 - Customer rationalisation
- Q4 EBIT margin 7.6% (6.6%)
 - Peak margin in Q4 due to Christmas season
- Underlying profit improvements due to
 - Product and customer measures
 - Turnaround of smoking operations
 - Reduction in raw material prices
- 2007 synergies NOK 25m

VAP	Q4 2007	Q4 2006
<i>Million NOK</i>		
Operating revenues	1,218.7	1,272.9
Adjusted ⁽¹⁾ EBIT	92.5	83.9
Restructuring costs	-0.9	-10.9
EBIT	91.6	72.9
Adjusted EBIT margin	7.6 %	6.6 %

VAP	2007	2006
<i>Million NOK</i>		
Operating revenues	3,756.5	3,779.0
Adjusted ⁽¹⁾ EBIT	177.6	87.6
Restructuring costs	-6.6	-10.9
EBIT	171.0	76.6
Adjusted EBIT margin	4.7 %	2.3 %

Notes:

(1) Adjusted for restructuring costs

Balance sheet

Marine Harvest Group	Q4 2007	Q3 2007
<i>Million NOK</i>		
Fixed assets	13,805.1	14,564.9
Current assets	9,272.2	9,287.3
Assets held for sale	0.0	926.9
Total assets	23,077.3	24,779.1
Book equity	12,484.7	13,339.9
Long term liabilities	7,217.9	8,292.0
Current liabilities	3,374.6	3,027.1
Liabilities held for sale	0.0	120.1
Total equity and liabilities	23,077.3	24,779.1
Cash and cash equivalents	362.6	642.9
Net interest bearing debt	6,480.0	6,501.3
Equity ratio	54.1 %	53.8 %
Return on capital employed ⁽¹⁾	-1.8 %	-0.1 %
Return on equity ⁽²⁾	-0.8 %	-0.2 %
Adjusted return on equity ⁽³⁾	-2.4 %	-0.4 %

Notes:

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

(2) Net profit from continued operations / 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	Q4 2007	Q4 2006	2007	2006
<i>Million NOK</i>		(Proforma)		
EBIT before fair value adj. and restructuring costs	-499.4	703.1	407.6	2,823.6
Depreciation and writedowns	316.7	214.4	804.9	720.3
Change in trade receivables/payables and inventory/biomass	373.3	-808.0	361.5	-1,281.8
Taxes paid	-57.0	-85.6	-271.5	-133.4
Other adjustments	-229.6	389.9	-642.9	213.9
Cash flow from operations	-96.0	413.8	659.6	2,342.6
Capital expenditure (fixed assets)	-198.8	-124.2	-610.4	-636.1
Other investments	-13.9	46.2	-77.1	149.5
Cash flow from investments	-212.7	-78.0	-687.5	-486.6
Interest and financial items paid	-96.4	-91.9	-340.1	-402.2
Net downpayment of interest bearing debt	94.1	113.2	-1,398.1	-948.8
Paid in equity	0.0	3.5	13.1	10.4
Cash flow from financing	-2.3	24.8	-1,725.1	-1,340.6
Net change in cash and cash equivalents	-311.0	360.5	-1,753.1	515.4
- Cash and Cash equivalents (opening balance)	642.8	1,823.2	2,182.5	1,629.1
- Currency effect on cash (opening balance)	30.8	-2.9	-66.9	36.4
Cash and Cash equivalents closing balance	362.6	2,180.9	362.6	2,180.9

Net interest bearing debt (NIBD)

Marine Harvest Group	Q4 2007	Q3 2007	2006
<i>Million NOK</i>			
Long term int. bearing debt	5,885.4	6,243.2	7,966.7
Short term int. bearing debt	957.2	901.0	1,625.1
Total int. bearing debt	6,842.6	7,144.2	9,591.8
Cash and cash equiv.	362.6	642.9	2,182.5
Net interest bearing debt	6,480.0	6,501.3	7,409.3



Q4 and 2007 – Global volumes by market

Markets	Estimated volume		Compared to Q4 2006		Compared to year 2006	
	Q4	2007	Volum	%	Volum	%
EU	215,400	712,200	14,000 ↑	7%	61,200 ↑	9%
USA	79,500	312,300	9,100 ↑	13%	18,000 ↑	6%
Russia	26,100	71,300	12,800 ↑	96%	19,600 ↑	38%
Japan	11,500	43,900	-5,860 ↓	-34%	-6,700 ↓	-13%
Brasil	8,500	26,100	2,900 ↑	52%	6,400 ↑	32%
China/Hong Kong	5,500	22,700	100 ↑	2%	2,200 ↑	11%
South Korea/Taiwan	4,600	20,500	-1,800 ↓	-28%	2,100 ↑	11%
Ukraina	4,000	12,500	1,600 ↑	67%	3,900 ↑	45%
Sum main markets	351,100	1,209,000	28,840 ↑	9%	94,200 ↑	8%
Other markets	35,300	132,600	-2,840 ↓	-7%	27,400 ↑	26%

- The most mature market, the EU, developed strongly during 2007
- The Russian market is increasing rapidly
- Japan reduced its volume for the third consecutive year
 - Linked to high prices and weak YEN and high wild catch volumes
- Brazil growing rapidly – Interesting market due to proximity to Chile
- South East Asia had a good development in 2007, but weak Q4

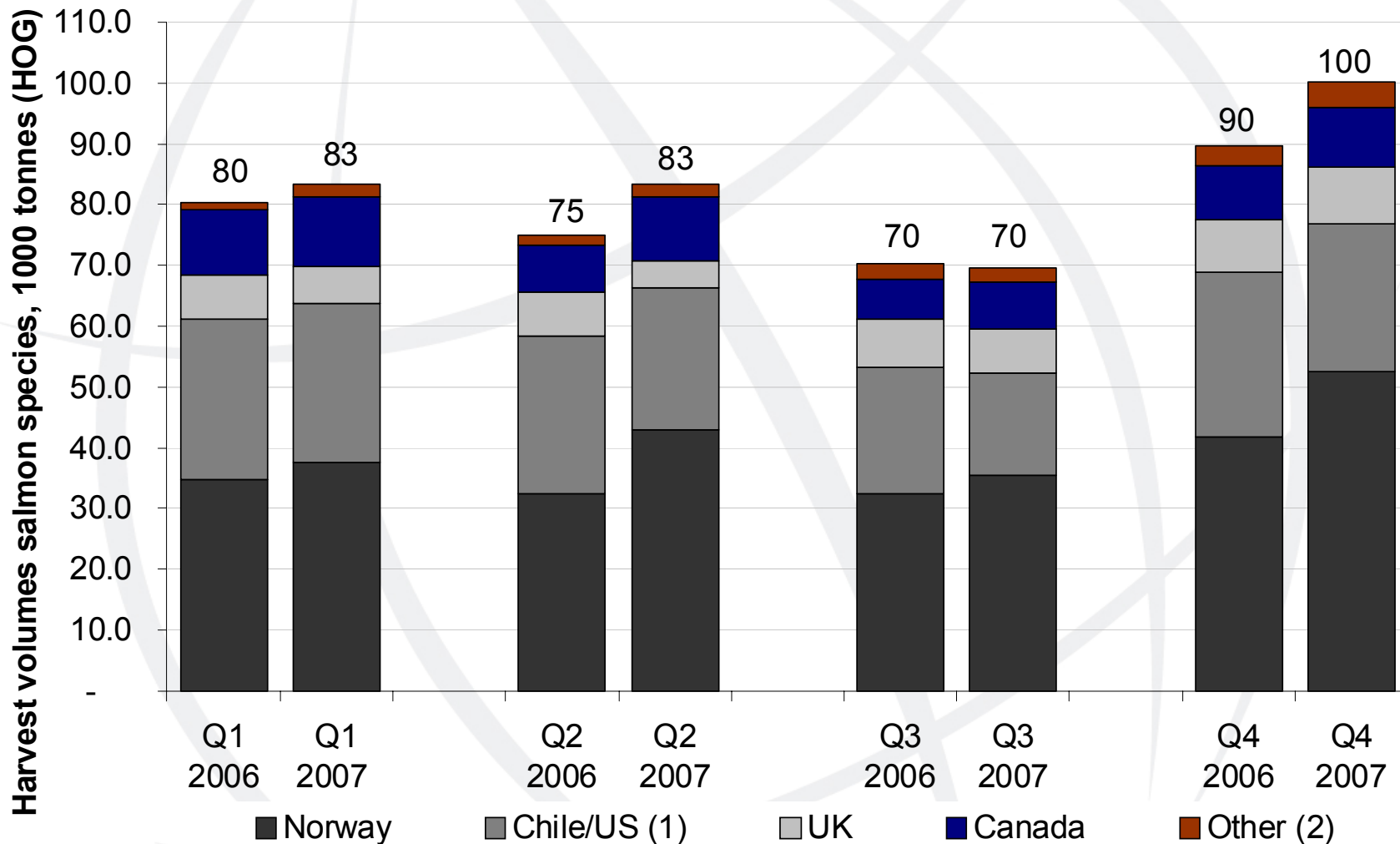
Q4 and 2007 – Global supply development

Suppliers	Estimated volume		Compared to Q4 2006		Compared to year 2006	
	Q4	2007	Volum	%	Volum	%
Norway	211,500	720,700	20,100	↑ 11%	121,700	↑ 20%
UK	45,800	138,700	7,300	↑ 19%	11,200	↑ 9%
Chile	97,300	358,900	1,300	↑ 1%	-9,800	↓ -3%
North America	31,800	123,300	-2,700	↓ -8%	-1,500	↓ -1%
Sum	386,400	1,341,600	26,000	↑ 7%	121,600	↑ 10%
Inflow to US from Europe		38,000			17,200	↑ 83%
Inflow to EU from Chile		67,200			-13,100	↓ -16%
Wildcatch*		1,031,000			190,000	↑ 23%

- The highest Y/Y growth in Norway since 1999 – Highest volume growth ever
- Chilean output reduced for the second consecutive year
 - Trade implications across the Atlantic
- Annual global growth of ~10%
 - Highest since 2001
 - In line with average historic growth between 1990 and 2007
- Wildcatch volume hit a record high due to catches in Russia and the US (Alaska)
 - Primary wild catch season in Q2 and Q3



MHG - 2006 and 2007 harvest volumes



Notes: (1) Sold volumes (2) Ireland and Faroe Islands



Low growth from 2007 volume expected

- Norway
 - 2008 growth in harvest volumes estimated to 7-9% (~60,000 tonnes)
 - Volume expected up from ~720,000 tonnes to ~780,000 tonnes
 - Most intensive volume growth expected first half of 2008
- Scotland
 - 2008 growth in harvest volumes estimated to ~4% (~6,000 tonnes)
 - Volume expected up from ~139,000 tonnes to ~145,000 tonnes
- North America
 - 2008 growth in harvest volumes estimated to ~5% (~6,000 tonnes)
 - Volume expected up from ~123,000 tonnes to ~129,000 tonnes
- Chile
 - 2008 decline in harvest volumes expected in the area of 15% (~55,000 tonnes)
 - Volume expected down from ~360,000 tonnes to ~305,000 tonnes

MHG – 2007 volume estimates

Salmon species	Q1	Q2 – Q4	2008
<i>HOG tonnes</i>			
Norway	37	144	181
Chile	15	35	50
Canada	11	28	39
Scotland	5	21	26
Other Units	2	10	12
Total	70	238	308

- Actual harvest volumes will be affected by e.g.
 - Water temperatures
 - Development in biological growth
 - Biological challenges such as diseases, algae blooms etc
 - Market developments
- Estimates will be updated on a quarterly basis
- Actual harvest volumes will be reported after end of each quarter



Building public industry competence

- Marine Harvest has launched an industry handbook
- The purpose of the handbook is to provide useful industry information to the capital markets and other interested parties
- The handbook is available on www.marineharvest.com

Closing remarks

Acting CEO Leif Frode Onarheim



Closing remarks

- Demanding time for Chile
 - Tough measure required to adapt to reduction in volume
 - MHG is confident of Chile being a leading farming region after a period of decline
 - Industry collaboration and governmental regulations determinant for pace of build-up
- All other countries have gone through similar processes in the past
 - Caused by strong growth combined with lack of structure and regulations
 - Those regions have successfully regained biological stability and normalised costs
- MHG well positioned to succeed with its improvement targets
 - Hard work and diligence required
 - Synergy targets to be incorporated in specific cost targets
 - Targets and performance on targets will be reported to the market
- Improved market balance expected in 2008



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APPENDIX

2006 and 2007 harvest volumes

	2006					2007				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Norway	35	32	32	42	141	38	43	35	52	168
Chile/US (1)	27	26	21	27	100	26	23	17	24	91
UK	7	7	8	9	31	6	4	7	9	27
Canada	11	8	6	9	34	12	10	8	10	39
Other (2)	1	2	3	3	9	2	2	2	4	10
Total	80	75	70	90	315	83	83	69	100	336

Q4 Segment information

Q4 Marine Harvest Group	Norway	Chile/USA	UK	Canada	VAP	Other entities	Total (2)
<i>Million NOK</i>							
Operating revenues	1,560.0	560.1	324.7	260.7	1,218.7	228.9	3,721.6
Adjusted ⁽¹⁾ EBIT	181.7	(580.6)	4.7	10.6	92.5	(41.7)	(332.8)
Fair value adjustment on biomass	532.3	(207.3)	2.9	(14.9)	-	(3.4)	309.5
Restructuring costs	(6.4)	(8.7)	(5.1)	(2.5)	(0.9)	(11.3)	(34.9)
EBIT	707.5	(796.6)	2.5	(6.8)	91.6	(56.4)	(58.2)
Adjusted EBIT margin	11.6 %	-103.7 %	1.5 %	4.1 %	7.6 %	-18.2 %	-8.9 %
Harvest volume, HOG tonnes (3)	52,385	24,341	9,499	9,739	0	4,120 (4)	100,084 (4)
Adjusted EBIT per kilo	3.47	(23.85)	0.50	1.09	n.a.	n.a.	-3.7 (4)

Notes:

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

2007 Segment information

2007 Marine Harvest Group <i>Million NOK</i>	Norway	Chile/USA	UK	Canada	VAP	Other entities	Total (2)
Operating revenues	5,635.4	3,051.0	1,014.8	1,254.6	3,756.5	837.4	14,073.0
Adjusted ⁽¹⁾ EBIT	866.3	(418.4)	58.6	213.1	177.6	(293.4)	603.9
Fair value adjustment on biomass	234.5	(417.4)	1.9	(188.1)	-	15.2	(353.9)
Restructuring costs	(49.4)	(17.9)	(31.3)	(31.6)	(6.6)	(59.5)	(196.3)
EBIT	1,051.4	(853.8)	29.3	(6.6)	171.0	(337.7)	53.6
Adjusted EBIT margin	15.4 %	-13.7 %	5.8 %	17.0 %	4.7 %	-35.0 %	4.3 %
Harvest volume, HOG tonnes (3)	168,222	90,558	27,448	39,497	n.a.	10,483 (4)	336,208 (4)
Adjusted EBIT per kilo	5.15	(4.62)	2.14	5.40	n.a.	n.a.	2.2 (4)

Notes:

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

Key financial issues

- Dividend
 - 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 exposure and hedging

- Main transaction exposures
 - Norway Strong NOK/EUR exposure
 - Canada Strong CAD/USD exposure
 - Chile Moderate CLP/USD exposure
- Transaction exposure
 - Negative EBIT effect of NOK 126m in Q4 2007 compared to Q4 2006
 - Hedging arrangement reduced the effect by NOK 22m
- Currency composition of group debt (YE 2007)
 - EUR 42%
 - USD 35%
 - CAD 10%
 - GBP 6%
 - Other currencies 7%



Hedging of LT currency exposure

- **Policy:** Marine Harvest shall hedge between 50 and 80% of its assumed cost level in NOK against the EUR with a horizon of between two and four years. The board supports the recommendation from the administration on hedging 50-80% the first year, 50-60% the second year, 0-50% the third year and 0-30% the fourth year.
- To implement the strategy, MH ASA during January 2007 entered into a portfolio of forward contracts, one maturing on the last working day of each month, from March 2007 until December 2010. The below table states (for each calendar year), the percentage of assumed NOK costs hedged as well as the average exchange rate for the transactions.

	2007	2008	2009	2010
Percentage hedged	80%	60%	50%	30%
Average exchange rate	8,37	8,43	8,49	8,49

The basis for the hedging is adjusted for the proportion of feed procurement which are based on a USD exposure

As of 31/12/07, the portfolio had a positive market value of NOK 111,1 mill



Hedging of interest rate exposure

- ***Policy:*** Marine Harvest ASA shall at all times hedge between 50 and 75 percent (ratio decreasing over time) of the group's LT interest bearing debt by currency (incl leasing) through fixed interest borrowings or interest derivatives. The hedges shall have an average duration of 3-4 years and the individual hedges shall have duration of minimum 1 year and maximum 7 years.
- To implement the policy, MH ASA in January 2007 entered into interest rate swaps in EUR, USD, CAD and GBP with maturities from 1 to 5 years. The total amount of outstanding swaps as well as its relative portion of the assumed gross debt and the average fixed rate is given in the table below:

Year	EUR		USD		CAD		GBP	
	Total swaps	% of assumed debt	Total swaps	% of assumed debt	Total swaps	% of assumed debt	Total swaps	% of assumed debt
1	337	75 %	286	75 %	54	46 %	6	46 %
2	291	73 %	247	73 %	54	52 %	6	52 %
3	247	71 %	209	71 %	54	59 %	6	60 %
4	205	69 %	174	69 %	54	69 %	6	69 %
5	165	67 %	140	67 %				
Avg fixed rate	4,14 %		5,11 %		4,31 %		5,65 %	

As of 31/12/07, the portfolio had a net negative market value of NOK 19.9m

Note: For CAD and GBP, due to their (relatively) lesser importance, only one interest rate swap has been entered into in each currency. The hedges have been entered into with the focus of being aligned with the hedge ratio of EUR and USD in year 4.

Tax losses carried forward (YE 2007)

Specification of tax losses carried forward (NOL) per country

NOK million	Tax losses carried forward, total
Norway	4,690.0
Canada	512.5
Ireland	13.4
Faroes	76.8
The Netherlands	14.0
France	17.9
Belgium	7.0
Chile	84.6
USA	195.2
Poland	66.1
Japan	251.4
Other	45.1
Total	5,974.0

- Most of the deferred tax assets have been recorded on the balance sheet
- 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



Fair value adjustment on biomass

- Under IFRS (IAS 41) the company is required to calculate a fair value on all its biomass
- Value of biomass at cost is reported as before, and on top of this is calculated a “fair value adjustment” to get to fair value in the balance sheet. Change in this “fair value adjustment” is income or expense reported on separate line in the profit and loss account each period.
- The fair value of biomass is calculated by multiplying the volume of biomass (number of kg’s) with an observed market price (net of harvesting cost and freight to market), and this calculated value is adjusted to reflect that not all biomass is ready for harvest. The fair value adjustment is the difference between the calculated fair value and cost of production.
- The main drivers in the valuation are:
 - Volume of biomass (and average weight per site) at every reporting date
 - Observed market price (at reporting date)
- Fair value adjustment on biomass in the third quarter of 2007 is NOK 16m for the group

Example: Norway (Q2 2007)

- Volume impact limited (-/-10%)
- Market price down -/- 24%) (margin effect bigger!)
- FV adjustment down 78%

