Marine Harvest
How to re-vitalize the US market
Havbrukskonferansen, Oslo 22 November 2011
Marine Harvest at a glance

- Turnover NOK 15.2bn
- Salmon volume 338 thousand tonnes (HOG)
- 5,000 employees
- Presence in 21 countries
- Global market share of ~25%
  - Farmed Atlantic Salmon
- Leading producer in:
  - Norway
  - Canada (West Coast)
  - Scotland
  - Chile
- Extensive value adding processing of convenient, healthy, natural and fresh salmon and other species
  - Europe (MH VAP)
  - Americas (USA and Chile)
  - Japan
Marine Harvest - Global farming network

<table>
<thead>
<tr>
<th>Region</th>
<th>Harvest volume, thousand tonnes (HOG)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>892</td>
</tr>
<tr>
<td>Chile</td>
<td>193</td>
</tr>
<tr>
<td>North America</td>
<td>120</td>
</tr>
<tr>
<td>UK</td>
<td>135</td>
</tr>
<tr>
<td>Other</td>
<td>99</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Marine Harvest's volumes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>214</td>
</tr>
<tr>
<td>Chile</td>
<td>26</td>
</tr>
<tr>
<td>North America</td>
<td>33</td>
</tr>
<tr>
<td>UK</td>
<td>49</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Share of harvest volumes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>24%</td>
</tr>
<tr>
<td>Chile</td>
<td>14%</td>
</tr>
<tr>
<td>North America</td>
<td>28%</td>
</tr>
<tr>
<td>UK</td>
<td>36%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
</tr>
</tbody>
</table>
Development in global supply (CAGR 5%)

Increase of ~150 k tonnes (8-12%)

Source: Kontali
Gravity:
Available volume clears at the right price

- Supply growth of 6-7% has historically led to neutral price effect
  - Proxy of annual demand growth

<table>
<thead>
<tr>
<th>Y-o-Y</th>
<th>Global supply growth</th>
<th>Change in av. price FCA Oslo</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>13%</td>
<td>-25%</td>
</tr>
<tr>
<td>2001-02</td>
<td>7%</td>
<td>-10%</td>
</tr>
<tr>
<td>2002-03</td>
<td>8%</td>
<td>-3%</td>
</tr>
<tr>
<td>2003-04</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>2004-05</td>
<td>4%</td>
<td>17%</td>
</tr>
<tr>
<td>2005-06</td>
<td>2%</td>
<td>23%</td>
</tr>
<tr>
<td>2006-07</td>
<td>10%</td>
<td>-21%</td>
</tr>
<tr>
<td>2007-08</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>2008-09</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>2009-10</td>
<td>-4%</td>
<td>24%</td>
</tr>
</tbody>
</table>

$r = -0.90$

Source: Kontali
## Development in reference prices

<table>
<thead>
<tr>
<th>Reference prices</th>
<th>Q3 2011 NOK</th>
<th>Change vs Q3 2010</th>
<th>Q3 2011 Market (4)</th>
<th>Change vs Q3 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway (1)</td>
<td>NOK 25.69</td>
<td>-32.3%</td>
<td>EUR 3.31</td>
<td>-30.6%</td>
</tr>
<tr>
<td>Chile (2)</td>
<td>NOK 21.64</td>
<td>-29.4%</td>
<td>USD 3.93</td>
<td>-20.8%</td>
</tr>
<tr>
<td>North America (3)</td>
<td>NOK 13.56</td>
<td>-25.6%</td>
<td>USD 2.47</td>
<td>-16.5%</td>
</tr>
</tbody>
</table>

Notes:
1. Average superior HOG price per kg (FHL/NSL Oslo)
2. Average C trim price per lb (Urner Barry Miami 2-3 lb)
3. Average superior HOG price per lb (Urner Barry Seattle 10-12 lb)
4. Market price in local currency

![Price and Global Volume Allocation to the EU Market](image1)

![Price & Global Volume Allocation to the US Market](image2)

Source: Kontali
Global volumes by market

- EU, 49%
- USA, 18%
- Russia, 8%
- China/Hong Kong, 3%
- Brasil, 3%
- Japan, 2%
- South Korea/Taiwan, 2%
- Ukraine, 1%
- Other, 15%

Note: (1) Atlantic Salmon (HOG tons), Q3 2011
Source: Kontali
Development in key markets

EU MARKET (CAGR 4%)

US (CAGR 0.4%)

RUSSIA (CAGR 13%)

OTHER MARKETS (CAGR 9%)

Source: Kontali
Development in the US market

Source: Kontali
Yearly salmon consumption per capita ~1 kg\(^{(1)}\) in the US
- ~4.5 kg\(^{(1)}\) per capita in Norway

Note: Product weight, all salmonid species
MHG - Skill based organisational setup

Functional organisation based on required skills to optimise overall value creation

Total value creation commodity operations (Op. EBIT/kg)  Added value (Op. EBIT %)

Cost achievement focus  Margin achievement  Value added focus

Reporting continuity based on source of origin

Farming Norway  Sales Europe  External sales
Farming Scotland  Sales Americas 1)  VAP Europe
Farming Canada  Sales Asia 2)  External sales
Farming Chile  
Farming Ireland  
Farming Faroes  Spot transfers at reference price  Spot transfers at reference price  External pricing point for
Back-to-back on third party contracts  Contract prices reflecting third party contracts  spot and contract sales

Notes:
1) Includes smoking operations in Chile (Delifish) and the US (Ducktrap), and pin-bone out operations in Miami and Los Angeles
2) Includes pin-bone out operations in Japan and China

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MHG - Well positioned in the US market

- Processing plants and warehouses located close to Miami and Los Angeles International Airports.
- Only Salmon producer with own processing, distribution and storage facilities in both coasts of the US
- Full Control and traceability from egg production until final customer
- Complete USA distribution coverage
How to grow the US Market - Retail

• Price and stability in quality

• Accessibility
  • Consistent availability throughout the year
  • Logistics
  • Product development
  • Category management

• Market reputation key parameter
  • Provide clear, strong answers to the basic reputation issues
  • Continuous focus on environmental sustainability, ethics, food safety
  • Key consumer concerns to be addressed
Greenpeace Campaign on U.S. Retailer Costco To Protect Oceans Ends With Chain Creating New Seafood Policy

Press release - February 25, 2011

Amsterdam, 24 February 2011 – U.S. retail giant Costco has officially revised its seafood sustainability policy(1), a direct result of an eight-month Greenpeace campaign to pressure the retailer to remove vulnerable “red-list” species and address ocean destruction. Costco will discontinue sales of twelve unsustainable seafood species and will pursue aquaculture certification standards for salmon and shrimp: two of the chain’s highest-volume seafood sellers.

2. Farmed Atlantic salmon is a signature item for us, and we believe that aquaculture generally is a critical source of affordable protein. A large supplier, Marine Harvest, is devoted to improving practices concerning salmon farming around the world and it has reported extensively on those efforts. http://www.marineharvest.com/en/investor1/Press-releases/2010/Marine-Harvest-Sustainability-Report-2009/. We
How to grow the US Market – Food service

• Price and stability in quality
• Menu development with chain restaurants
• New concepts (Health, taste, ethnic food, sustainability)
• Tailor-made products for chain restaurants (VAP)
Summary

- MHG well positioned to cater for further growth in the US market
- The only company with salmon production in all regions
- Processing of fresh and smoked salmon within the US market
- Proven logistics
  - Can serve all states in the US form our three factories
- Focus on developing the market by new
  - Convenient
  - Tasty
  - Healthy
  - Sustainable salmon products