

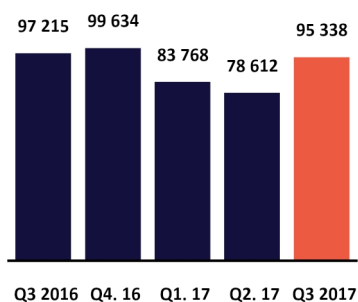


marineharvest

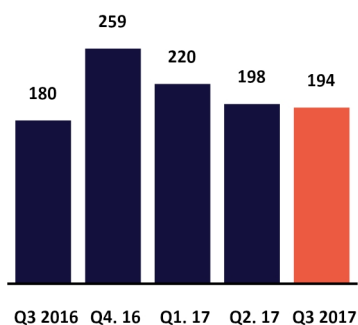
Q3 / 2017 / THIRD QUARTER MARINE HARVEST GROUP

- All-time high Q3 Operational EBIT of EUR 194 million. Financial EBIT of EUR 225 million.
- High prices on strong demand
- Cost decrease in Norway, Chile and Canada compared to Q2 on higher volumes
- Continued performance improvements in Consumer Products
- Quarterly dividend of NOK 3.40 per share

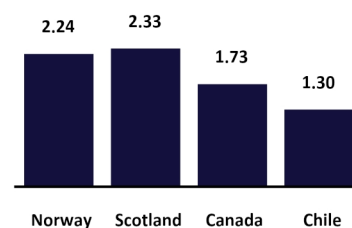
Harvest volume
(GWE) tonnes



Operational EBIT
EUR million



Operational EBIT
EUR per kg



HIGHLIGHTS - THIRD QUARTER 2017

- All-time high third quarter with Operational EBIT of EUR 194.2 million. Financial EBIT of EUR 225.4 million.
- High prices on strong demand.
- Cost decrease for harvested fish in Norway, Chile and Canada compared to the second quarter, on higher volumes. Compared to the third quarter of 2016, production costs decreased in Scotland and Chile.
- Continued performance improvements in Consumer Products, with record high third quarter earnings.
- Harvested volume at 95 338 GWE which is below guidance for the third quarter. Estimated harvest volumes for the full year of 2017 have been reduced to 369 000 GWE. The reductions are mainly a consequence of continued biological issues in Norway.
- Estimated harvest volumes for 2018 are 410 000 GWE.
- Net interest-bearing debt (NIBD) of EUR 664 million.
- Net cash flow per share of EUR 0.12 in the quarter, due to seasonal tie-up of working capital.
- Underlying earnings per share (EPS) of EUR 0.29 in the quarter.
- 28.8% Return on capital employed (ROCE) in the quarter.
- A quarterly dividend of NOK 3.40 per share will be paid out to the shareholders as a repayment of paid in capital.

Main figures ¹⁾	Q3 2017	Q3 2016	YTD Q3 2017	YTD Q3 2016	2016
EUR million					
Operational revenue ²⁾	867.8	850.0	2 643.8	2 491.7	3 509.8
Operational EBITDA ³⁾	231.7	214.6	723.4	546.7	842.7
Operational EBIT ³⁾	194.2	179.9	611.3	440.8	700.2
EBIT	225.4	273.6	489.2	646.9	991.2
Net financial items	-28.0	-44.7	30.0	-163.5	-232.0
Profit or loss for the period	150.6	157.9	434.5	328.4	539.3
Cash flow from operations	132.6	166.6	542.8	530.0	693.2
Total assets	4 489.1	4 443.3	4 489.1	4 443.3	4 810.4
NIBD ⁴⁾	664.0	876.7	664.0	876.7	890.0
Basic EPS (EUR)	0.31	0.35	0.92	0.73	1.20
Underlying EPS (EUR) ⁵⁾	0.29	0.29	0.96	0.71	1.13
Net cash flow per share (EUR) ⁶⁾	0.12	0.26	0.74	0.98	1.23
Dividend declared and paid per share (NOK)	3.20	3.20	9.00	6.30	8.60
ROCE ⁷⁾	28.8%	29.5%	31.5%	23.5%	28.1%
Equity ratio	56.2%	44.3%	56.2%	44.3%	43.0%
Adjusted equity ratio ⁸⁾	54.3%	40.9%	54.3%	40.9%	40.1%
Harvest volume (GWE, salmon)	95 338	97 215	257 718	280 987	380 621
Operational EBIT per kg (EUR) - Total ⁹⁾	2.04	1.85	2.37	1.57	1.84
Norway	2.24	1.98	2.40	1.99	2.18
Scotland	2.33	0.60	2.93	0.58	0.91
Canada	1.73	2.63	2.43	2.30	2.53
Chile	1.30	1.43	1.47	-0.53	0.11

- 1) This interim report is unaudited. Please refer to part 4 of the Annual Report and the appendix to this quarterly report (available on-line on our web site) for detailed descriptions and reconciliations of Alternative Performance Measures (non-IFRS measures).
- 2) Operational revenue: Revenue and other income, including realized gain/loss from currency derivatives related to contract sales of Norwegian origin, and excluding change in unrealized salmon derivatives.
- 3) Calculated by excluding the following items from financial EBITDA/EBIT: Change in unrealized internal margin, change in unrealized gains/losses from salmon derivatives, net fair value adjustment on biomass, onerous contract provisions, restructuring costs, income from associated companies, impairment losses of fixed assets/intangibles and other non-operational items. Operational EBIT also includes realized gain/loss from currency derivatives related to contract sales of Norwegian origin. A reconciliation between Operational EBIT and financial EBIT is provided on the next page, and we also refer to the appendix to this quarterly report (available on-line) for further information. The largest individual difference between Operational EBIT and financial EBIT is the net fair value adjustment on biomass according to IFRS (and the related onerous contracts provision), which is a volatile figure impacted by estimates of future salmon prices as well as other estimates.
- 4) NIBD: Total non-current interest-bearing debt, minus total cash, plus current interest-bearing debt and plus net effect of currency derivatives on interest-bearing debt.
- 5) Underlying EPS: Operational EBIT adjusted for accrued interest payable, with estimated weighted tax rate - per share.
- 6) Net cash flow per share: Cash flow from operations and investments, net financial items paid and realized currency effects - per share.
- 7) ROCE: Annualized return on average capital employed based on EBIT excluding net fair value adjustment on biomass, onerous contract provisions and other non-operational items / Average NIBD + Equity, excluding net fair value adjustment on biomass, onerous contract provisions and net assets held for sale, unless there are material transactions in the period.
- 8) Adjusted equity ratio: Calculated by excluding net fair value adjustment on biomass and onerous contracts provision (both net after tax) from equity, and net fair value adjustment on biomass from sum of equity and liabilities.
- 9) Operational EBIT per kg including allocated margin from Feed and Sales and Marketing.

PROFIT - FINANCIAL RESULTS IN THE QUARTER

The Group's profits hinges on its ability to provide customer value from healthy, tasty and nutritious seafood, farmed both cost effectively and in an environmentally sustainable way that maintains a good aquatic environment and respects the needs of the wider society.

(Figures in parenthesis refer to the same quarter in 2016.)

(EUR million)	Q3 2017	Q3 2016
Operational EBIT	194.2	179.9
Change in unrealized margin	-5.8	-18.2
Gain/loss from derivatives	-3.3	-0.2
Net fair value adjustment on biomass including onerous contracts	27.1	97.1
Restructuring costs	0.1	—
Other non-operational items	-0.1	—
Income from associated companies	13.5	15.2
Impairment losses on fixed assets/intangibles	-0.2	-0.3
EBIT	225.4	273.6

Operational EBIT amounted to EUR 194.2 million in the quarter (EUR 179.9 million) on the back of high achieved prices. The contribution from Feed was EUR 9.4 million (EUR 12.4 million), and Farming contributed EUR 161.9 million (EUR 151.9 million). Markets contributed EUR 16.3 million (EUR 18.1 million) and Consumer Products contributed EUR 10.4 million (EUR 2.6 million). Operational EBIT of EUR 194.2 million in the period was negatively impacted by exceptional items in the amount of EUR 31.2 million (see note 6).

Earnings before financial items and taxes (EBIT) came to EUR 225.4 million (EUR 273.6 million). EBIT includes a net fair value adjustment on biomass including onerous contracts of EUR 27.1 million (EUR 97.1 million), mainly due to higher biomass in sea compared to the end of the second quarter of 2017.

Financial items

(EUR million)	Q3 2017	Q3 2016
Interest expenses	-12.1	-12.1
Net currency effects	8.1	14.2
Other financial items	-24.0	-46.8
Net financial items	-28.0	-44.7

Other financial items included an increase in the fair value of the conversion liability component of convertible bonds of EUR 24.4 million, mainly explained by the changes in the Marine Harvest share price. Net currency effects over profit and loss amounted to EUR 8.1 million.

Cash flow and NIBD

(EUR million)	Q3 2017	Q3 2016
NIBD beginning of period	-550.9	-832.4
Operational EBITDA	231.7	214.6
Change in working capital	-71.9	-19.7
Taxes paid	-16.7	-7.8
Other adjustments	-10.5	-20.6
Cash flow from operations	132.6	166.6
Net Capex	-57.9	-49.6
Other investments and dividends received	-3.3	-0.3
Cash flow to investments	-61.2	-50.0
Net interest and financial items paid	-7.0	-5.3
Other items	-8.3	4.6
Dividend / return of paid in capital	-169.0	-155.2
Translation effect on interest-bearing debt	-0.3	-5.1
NIBD end of period	-664.0	-876.7

Cash flow from operations amounted to EUR 132.6 million (EUR 166.6 million), after a seasonal build-up of working capital.

Net Capex was EUR 57.9 million (EUR 49.6 million). The increase from the third quarter of 2016 is mainly due to the new feed factory in Scotland. Other investments and dividends include received dividends from the associated company Nova Sea of EUR 6.8 million (cash inflow), and increased investment in the joint venture DESS Aquaculture Shipping of EUR 10.5 million (cash outflow).

A quarterly dividend of EUR 169.0 million (EUR 155.2 million), as announced in the previous quarterly report, has been distributed as repayment of paid in capital.



GUIDING PRINCIPLE	AMBITION	ACHIEVEMENT
Profitability	ROCE exceeding 12%	Q3 28.8% YTD 31.5%
Solidity	Long term NIBD target: EUR 1 050 million Farming NIBD / kg EUR 1.8	September 30, 2017 EUR 664 million Farming NIBD / kg EUR 1.0

PROFIT - OPERATIONAL PERFORMANCE AND ANALYTICAL DATA

EUR million	Feed		Farming		Sales and Marketing				Other		Group ¹⁾	
	Q3 2017	Q3 2016	Q3 2017	Q3 2016	Markets		Consumer Products		Q3 2017	Q3 2016	Q3 2017	Q3 2016
					Q3 2017	Q3 2016	Q3 2017	Q3 2016				
External revenue	7.3	5.1	24.3	14.1	479.8	498.1	356.3	332.8	0.0	0.0	867.8	850.0
Internal revenue	124.9	135.4	551.2	551.1	185.1	186.8	11.7	7.6	3.9	3.1	0.0	0.0
Operational revenue	132.2	140.4	575.4	565.2	664.9	684.8	368.0	340.5	3.9	3.1	867.8	850.0
Operational EBIT	9.4	12.4	161.9	151.9	16.3	18.1	10.4	2.6	-3.8	-5.1	194.2	179.9
Change in unrealized margin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.8	-18.2
Gain/loss from derivatives	0.0	0.0	-0.4	-15.0	-2.1	-5.7	-0.3	16.0	-0.4	4.5	-3.3	-0.2
Net fair value adjustment on biomass, onerous contract provisions	-0.2	0.0	27.3	97.1	0.0	0.0	0.0	0.0	0.0	0.0	27.1	97.1
Restructuring costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0
Other non-operational items	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0
Income from associated companies	0.0	0.0	13.6	15.2	0.0	0.0	0.0	0.0	-0.1	0.0	13.5	15.2
Impairment losses of fixed assets	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	-0.3	0.0	0.0	-0.2	-0.3
EBIT	9.2	12.4	202.3	249.2	14.2	12.4	9.9	18.3	-4.3	-0.5	225.4	273.6
Operational EBIT %	7.1%	8.8%	28.1%	26.9%	2.5%	2.6%	2.8%	0.8%	na	na	22.4%	21.2%

1) Group adjusted for eliminations.

Marine Harvest monitors the overall value creation of the operations based on the salmon's source of origin. For this reason Operational EBIT related to our Feed and Sales and Marketing operations is allocated back to the country of origin. The table below and upcoming performance review provide information consistent with the value creation methodology.

Other units reported Operational EBIT of EUR -3.8 million in the quarter (EUR -5.1 million). The currency effects of foreign currency transactions against EUR are recognized as income/cost of EUR 1.2 million in Marine Harvest ASA and Marine Harvest Markets Norway respectively (in the third quarter of 2016, the corresponding effect was EUR 0.1 million).

EUR million	SOURCES OF ORIGIN						Other	Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes		
OPERATIONAL EBIT								
Farming	99.3	20.3	17.7	13.6	9.7	1.4		161.9
Sales and Marketing								
Markets	6.4	3.1	1.6	4.2	0.0	1.0	0.0	16.3
Consumer Products	7.7	2.0	0.0	0.0	0.3	0.0	0.3	10.4
Subtotal	113.3	25.4	19.3	17.8	10.1	2.4	0.3	188.6
Feed	10.9						-1.5	9.4
Other entities ¹⁾							-3.8	-3.8
Total	124.2	25.4	19.3	17.8	10.1	2.4	-5.0	194.2
Harvest volume (GWE, salmon)	55 369	10 912	11 151	13 721	3 120	1 065		95 338
Operational EBIT per kg (EUR) ²⁾	2.24	2.33	1.73	1.30	3.23	2.25		2.04
- of which Feed	0.20	0.00	0.00	0.00	0.00	0.00		0.10
- of which Markets	0.12	0.28	0.14	0.31	0.00	0.95		0.17
- of which Consumer Products	0.14	0.19	0.00	0.00	0.11	0.03		0.11
ANALYTICAL DATA								
Price achievement/reference price (%) ³⁾	107%	116%	99%	109%	na	112%		107%
Contract share (%)	38%	53%	0%	16%	81%	6%		33%
Quality - superior share (%)	94%	96%	92%	89%	88%	91%		93%
Exceptional items incl in Operational EBIT	-25.4	-2.1	-0.7	-0.4	-2.5	0.0		-31.2
Exceptional items per kg (EUR)	-0.46	-0.20	-0.07	-0.03	-0.79	0.00		-0.33
GUIDANCE								
Q4 2017 harvest volume (GWE)	66 000	9 500	11 500	18 000	2 000	4 000		111 000
2017 harvest volume (GWE)	210 000	57 000	41 000	45 500	9 500	6 000		369 000
2018 harvest volume (GWE)	249 000	47 000	46 000	52 500	7 500	8 000		410 000
Q4 2017 contract share (%)	39%	75%	0%	15%	85%	11%		34%

1) Corporate and Holding companies

2) Including Corporate and Holding companies

3) Sales and Marketing Price achievement

MARKET OVERVIEW

Industry

The value of salmon in all main markets continue to grow driven by good demand. As expected and in line with seasonally higher harvesting volumes, spot salmon prices declined in the quarter.

Global harvest of Atlantic salmon amounted to 523 400 tonnes in the third quarter, an increase of 9% compared to the same quarter in 2016. The increased harvesting volumes from all main markets (Norway, Chile, Scotland and Canada) were in line with the supply guidance.

Supply	Q3 2017 Tonnes GWE	Change vs Q3 2016	12 month change	Q2 2017 Tonnes GWE
Norway	283 600	4.3%	-1.6%	235 200
Scotland	40 000	10.2%	5.1%	40 800
Faroe Islands	16 000	8.1%	1.4%	22 000
Ireland	4 100	-6.8%	9.8%	5 100
Total Europe	343 700	5.0%	-0.5%	303 100
Chile	122 100	20.8%	-3.6%	117 300
North America	38 900	3.7%	-4.3%	35 800
Total Americas	161 000	16.2%	-3.7%	153 100
Australia	13 800	24.3%	2.9%	12 200
Other	4 900	6.5%	21.7%	7 000
Total	523 400	8.7%	-1.3%	475 400

Supply from Norway increased by 4% compared to the third quarter of 2016.

Harvest in Scotland grew by 10% compared to the third quarter of 2016. The share of large sized salmon continues to be supportive for increased volumes. Volumes from the Faroe Islands increased by 8% in the quarter compared to the same quarter in 2016. The growth was less than expected and explained by delayed harvesting into Q4.

Volumes from Chile increased by 21% compared to the third quarter of 2016. The increase was driven by a recovery of volumes post the algal bloom in 2016.

In North America volumes increased by 4% which was also in line with expectations.

Reference prices	Q3 2017 Market	Change vs Q3 2016	Q3 2017 NOK	Change vs Q3 2016
Norway ¹⁾	EUR 6.01	-6.3%	NOK 56.16	-5.7%
Chile ²⁾	USD 4.93	-9.5%	NOK 39.20	-13.5%
Chile, GWE ³⁾	USD 5.72	-9.9%	NOK 45.51	-13.9%
North America ⁴⁾	USD 3.25	-4.2%	NOK 25.82	-8.5%
North America GWE ³⁾	USD 6.75	-3.4%	NOK 53.71	-7.7%

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

In the market currency, EUR, prices in Europe decreased by 6% compared to the third quarter of 2016. Salmon prices decreased by 10% in Miami and 4% in Seattle in USD terms.

Market distribution	Q3 2017 Tonnes GWE	Change vs Q3 2016	12 month change
EU	247 000	1.0%	-5.9%
Russia	17 800	2.3%	-11.3%
Other Europe	21 700	23.3%	3.4%
Total Europe	286 500	2.5%	-5.6%
US	99 400	11.1%	-1.4%
Brazil	20 200	6.9%	-12.2%
Other Americas	26 000	10.6%	2.3%
Total Americas	145 600	10.4%	-2.4%
China/Hong Kong	22 500	14.8%	-2.9%
Japan	13 300	-8.9%	-2.3%
South Korea / Taiwan	11 800	31.1%	3.1%
Other Asia	20 900	42.2%	11.8%
Total Asia	68 500	18.3%	2.3%
All other markets	25 700	-0.4%	0.8%
Total	526 300	6.3%	-3.4%

Global consumption increased by 6% in the third quarter compared with the same period in 2016. The overall consumption of salmon was about 3 000 tonnes higher than the volumes harvested, hence the market experienced a minor inventory release in the quarter.

Adjusted for higher contract prices, the value of salmon in all main markets continues to grow.

Consumption in the EU in value terms increased by approximately 5% in the quarter. The key markets in EU such as Germany, the UK and France continue to grow in value terms, however, in volume terms they are negatively impacted by higher retail pricing. Many other countries such as Spain, Italy, Netherlands, Sweden and Finland have experienced solid volume growth in the third quarter compared to the same period in 2016. Consumption in Russia remained stable in the quarter.

US consumption increased by 11% compared with the same quarter in 2016. Growing imports of Chilean salmon and large sized European salmon continue to be the main drivers for the volume increase. Consumption in Brazil increased by 7% as more harvesting of salmon of Chilean origin has recovered.

Consumption in the Asian market increased by an impressive 18% in the quarter compared to the same period last year. Growing exports from Europe to Asia continues, particularly of large sized fresh salmon. Growing exports from Chile to Asia in general, and from Australia to China has also contributed to the positive developments.

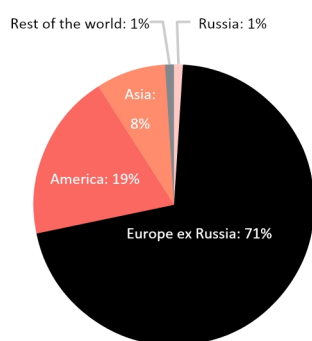
Source: Kontali and Marine Harvest

Marine Harvest

Geographic market presence

Total salmon revenues in the third quarter were distributed as shown in the graph below. Europe is by far the largest market for Marine Harvest's salmon with 71% of the total revenues (69%). France, Germany and the UK are the main markets for our products.

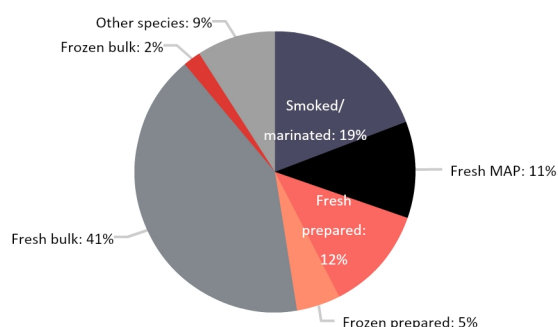
Sales by Geography Q3 2017



Sales by product

The Group's main species is Atlantic salmon. The sales revenue distribution across product categories was as follows in the third quarter:

Sales by product Q3 2017



Fresh bulk salmon represented 41% of total sales revenues (45%), while smoked/marinated and elaborated salmon together accounted for 47 % (44%).

Branding and product development efforts

In the third quarter we continued our efforts to further develop existing brands.

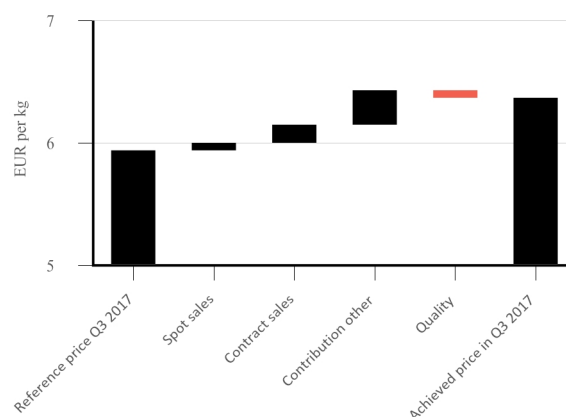
In the US, our Ducktrap smoked seafood facility continues to expand its business and strengthen its market position as a leader in the US smoked seafood category, with volume growth for the Ducktrap brand in the third quarter of 2017 compared to the third quarter of 2016. Also, our Dallas and Miami plants continue to experience demand-driven volume growth. US consumers are responding very well to a wide range of value-added products from Marine Harvest, including pre-packed products.

In Asia, our Mowi brand has seen an impressive 25% volume growth in the third quarter of 2017 compared to the third quarter of 2016. In the last part of the comparable quarter of 2016, Mowi demand was heavily impacted by upwards adjustment of sales prices in order to reflect increased raw material costs. The positive development for this premium brand in 2017 is encouraging.

Price achievement

Prices have been high also in the third quarter, on strong demand. Although the global reference price was 7% lower in the third quarter of 2017 compared to the third quarter of 2016, achieved prices were positively impacted by high contract prices.

Global Price Achievement Q3 2017



Price achieved by the farming units in Norway, Scotland, Canada, Chile and Faroes, including allocated contribution from Feed and Sales & Marketing.

The combined global price achieved was 7% above the reference price in the period. In the third quarter of 2016, the global price achieved was 7% below the reference price. Contract prices have improved significantly, and contracts impacted price achievement positively in the third quarter of 2017 (negatively in 2016).

Price achievement also includes the effect of contribution from our Feed and Sales & Marketing operations. If this contribution is excluded, the global price achievement would have been reduced to 2% above the reference price in the period (in the third quarter of 2016, the global price achievement would have been reduced to 10% below the reference price).

Markets				
Q3 2017	Norwegian	Scottish	Canadian	Chilean
Contract share	38%	53%	0%	16%
Quality - superior share	94%	96%	92%	89%
Price achievement	107%	116%	99%	109%

Average price achievement is measured against reference prices in all markets (NASDAQ for Norwegian, Scottish and Faroese salmon, and Urner Barry for Chilean and Canadian salmon).

PROFIT - OPERATIONAL PERFORMANCE

Salmon of Norwegian origin

EUR million	Q3 2017	Q3 2016
Operational EBIT	124.2	128.3
EBIT	197.7	194.9
Harvest volume (GWE)	55 369	64 640
Operational EBIT per kg (EUR)	2.24	1.98
- of which Feed	0.20	0.19
- of which Markets	0.12	0.15
- of which Consumer Products	0.14	0.04
Exceptional items incl in op. EBIT	-25.4	-33.7
Exceptional items per kg (EUR)	-0.46	-0.52
Price achievement/reference price	107%	91%
Contract share	38%	40%
Superior share	94%	91%

Financial results

Operational EBIT amounted to EUR 124.2 million (EUR 128.3 million) in the third quarter, the equivalent of EUR 2.24 per kg (EUR 1.98). The profitability of the four Norwegian regions varied by EUR 0.43 per kg separating the best performing region (Region North) from the lowest performing region (Region South). The negative effects of lower harvesting volume and increased costs have offset the positive effect of higher achieved prices compared to the third quarter of 2016.

Financial EBIT amounted to EUR 197.7 million (EUR 194.9 million).

Exceptional items related to mortality and lice mitigation negatively impacted Operational EBIT by EUR 25.4 million in the third quarter (EUR 33.7 million).

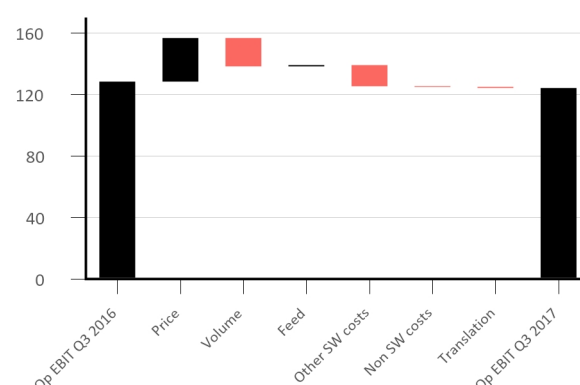
Price and volume development

Market prices have been high also in the third quarter. However, the reference price for salmon of Norwegian origin decreased by 6% compared to the third quarter of 2016 due to increased supply. The average reference price in the third quarter was EUR 6.01 per kg. However, due to improved contracts, overall achieved prices have been higher than in the comparable quarter of 2016. The overall price achieved was 7% above the reference price in the quarter (9% below). Contribution from contracts relative to the reference price was positive in the third quarter (negative in the third quarter of 2016). In addition, the margin allocated from Consumer Products to salmon of Norwegian origin has been improved compared to the third quarter of 2016.

Marine Harvest had a contract share of 38% for salmon of Norwegian origin in the third quarter, compared to 40% in the third quarter of 2016.

Harvested volume in the third quarter was 55 369 tonnes gutted weight (64 640 tonnes gutted weight). The harvest volume was lower than in the comparable quarter last year. This is due to lower production following biological challenges, as well as lower opening biomass.

Operational EBIT Salmon of Norwegian Origin Q3 2017 vs Q3 2016



Costs and operations

The cost level for harvested fish is impacted by biological challenges and negative scale effects from reduced volume. Costs increased in all regions in Norway compared to the third quarter of 2016.

The biological cost¹⁾ of harvested fish increased by 8% compared to the third quarter of 2016, as increased health costs more than offset the effect of reduced feed costs per kg. The reduction in feed costs per kg is mainly a result of reduced feed prices.

As in previous periods, sea lice mitigation costs have been high for the harvested generation. The health cost per kg was at an all-time high level in the third quarter. The primary challenge for the Norwegian farming operations continues to be sea lice, particularly in combination with fish being weakened by other biological challenges, and substantial effort is devoted to mitigating and resolving this challenge.

The estimated exceptional cost related to sea lice mitigation amounted to EUR 22.7 million (EUR 27.2 million) in the third quarter of 2017. Per kg harvested, exceptional sea lice mitigation costs amounted to EUR 0.41 (EUR 0.42) in the quarter.

Incident based mortality losses in the amount of EUR 3.1 million have been recognized in the quarter, of which EUR 0.5 million is included in the cost of lice mitigation and losses above. Losses from incident-based mortality in the third quarter of 2016 amounted to EUR 11.5 million, of which EUR 5.1 million was related to sea lice.

ISA at one site in Region South in the third quarter is expected to negatively impact Operational EBIT in the fourth quarter by approximately EUR 0.8 million, mainly due to harvest of low weight fish.

Costs for harvested fish are expected to remain at the same level in the fourth quarter.

¹⁾ As defined in the Annual Report, section "Analytical information". Total of feed cost and other seawater costs, before transportation to the processing plant.

Salmon of Norwegian origin by region

Regions	South	West	Mid	North	Total
EUR million	Q3 2017	Q3 2017	Q3 2017	Q3 2017	Q3 2017
Operational EBIT	14.0	34.4	28.6	47.2	124.2
Harvest volume (GWE)	6 982	15 510	13 535	19 342	55 369
Operational EBIT per kg (EUR)	2.01	2.22	2.11	2.44	2.24
Superior share	95%	95%	95%	91%	94%

Regions	South	West	Mid	North	Total
EUR million	Q3 2016	Q3 2016	Q3 2016	Q3 2016	Q3 2016
Operational EBIT	22.4	47.1	27.5	31.2	128.3
Harvest volume (GWE)	11 171	20 168	16 480	16 822	64 640
Operational EBIT per kg (EUR)	2.01	2.34	1.67	1.86	1.98
Superior share	94%	97%	83%	91%	91%

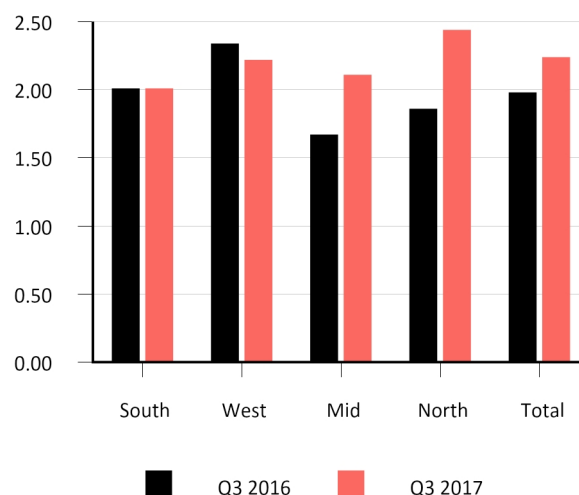
Region South

- Operational EBIT totaled EUR 14.0 million in the third quarter (EUR 22.4 million), or EUR 2.01 per kg (EUR 2.01).
- The cost per kg harvested fish was very high in the quarter. This is due to negative scale effects as a result of low harvest volume, a lower performing generation of fish, and adverse effects from ISA. Biological costs per kg harvested fish in the third quarter increased by 8% from the third quarter of 2016.
- One site was diagnosed with ISA in the quarter. The effect on cost per kg harvested fish in the third quarter was EUR 0.02. Operational EBIT for the fourth quarter is expected to be negatively impacted by EUR 0.8 million, mainly due to harvest of lower average weight.
- A total of 6 982 tonnes gutted weight (11 171 tonnes) was harvested. The volume decrease is mainly due to lower opening biomass.
- No incident based mortality was recognized in the quarter.
- Seawater production was lower than in the third quarter of 2016 due to lower opening balance of biomass. This is partially offset by lower mortality.
- The level of sea lice was lower at the end of the third quarter compared to the third quarter of 2016. The region will continue to utilize non-medicinal lice treatments going forward, including lice skirts.

Region West

- Operational EBIT totaled EUR 34.4 million in the third quarter (EUR 47.1 million), or EUR 2.22 per kg (EUR 2.34).
- Biological costs per kg harvested fish in the third quarter increased by 13% from the third quarter of 2016 mainly due to a 15% increase in lice mitigation and treatment costs.
- A total of 15 510 tonnes gutted weight (20 168 tonnes) was harvested. Biomass in sea and production are lower than last year, and harvesting has been postponed to gain weight.
- Seawater production was lower than in the third quarter of 2016 due to poor growth, as a consequence of a high number of treatments in combination with reduced fish health.
- Sea lice are still a problem for the region, particularly in combination with fish being weakened by other biological challenges. However, sea lice levels were lower than for the comparable quarter of 2016.
- Incident based mortality of EUR 0.8 million was recognized in the quarter. One incident was related to a drop in oxygen levels at one site, and another incident was related to treatment losses.

Operational EBIT per kilo per region Q3 2017 vs Q3 2016 incl. sales margin



Region Mid

- Operational EBIT totaled EUR 28.6 million in the third quarter (EUR 27.5 million), or EUR 2.11 per kg (EUR 1.67).
- The cost per kg harvested fish was high in the quarter due to biological challenges. In the quarter, the region has experienced high mortality and losses related to ERM/Yersiniosis. Biological costs per kg harvested fish in the third quarter increased by 8% from the third quarter of 2016.
- Incident based mortality in the amount of EUR 1.6 million was recognized in the quarter, mainly related to ERM/Yersiniosis and gill disease.
- A total of 13 535 tonnes gutted weight (16 480 tonnes) was harvested. The decreased volume is due to reduced growth and high mortality from biological issues.
- Seawater production was higher than in the third quarter of 2016 due to particularly high mortality in the comparable quarter.
- Sea lice levels at the end of the quarter were lower than the corresponding quarter of 2016. However, the sea lice situation is still challenging, particularly in combination with ERM/Yersiniosis and other biological challenges.

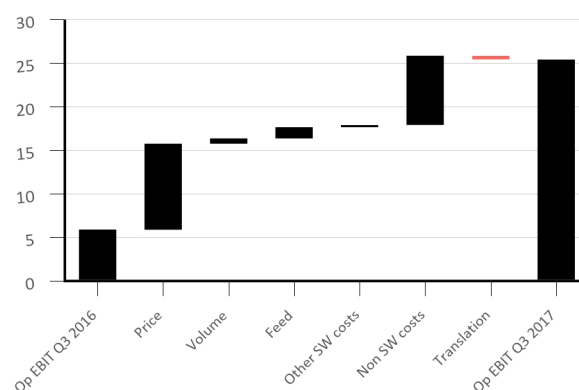
Region North

- The best performing region of Marine Harvest Norway in the third quarter of 2017 measured in Operational EBIT per kg. Operational EBIT totaled EUR 47.2 million in the third quarter (EUR 31.2 million), or EUR 2.44 per kg (EUR 1.86). In the comparable quarter of 2016, ISA impacted Operational EBIT by EUR 7.5 million due to culling and harvesting of low weight fish.
- Biological costs per kg harvested fish in the third quarter increased by 6% from the third quarter of 2016, mainly due to increased health costs.
- Sea lice control has improved compared to the third quarter of 2016.
- A total of 19 342 tonnes gutted weight (16 822 tonnes) was harvested. The volume increase is due to less lice-triggered harvest compared to 2016. Region North was the only region of Marine Harvest Norway with increased harvest volumes compared to the third quarter of 2016.
- Incident based mortality of EUR 0.7 million related to CMS at two sites was recognized in the quarter.
- Seawater production was higher than in the third quarter of 2016, due to higher opening biomass, and the effects of ISA in the comparable quarter.

Salmon of Scottish origin

EUR million	Q3 2017	Q3 2016
Operational EBIT	25.4	5.9
EBIT	22.6	17.9
Harvest volume (GWE)	10 912	9 811
Operational EBIT per kg (EUR)	2.33	0.60
- of which Markets	0.28	0.29
- of which Consumer Products	0.19	0.00
Exceptional items incl in op. EBIT	-2.1	-5.8
Exceptional items per kg (EUR)	-0.20	-0.59
Price achievement/reference price	116%	97%
Contract share	53%	70%
Superior share	96%	94%

Operational EBIT Salmon of Scottish Origin
Q3 2017 vs Q3 2016



Financial results

Operational EBIT amounted to EUR 25.4 million in the third quarter (EUR 5.9 million), the equivalent of EUR 2.33 per kg (EUR 0.60). The results are significantly improved compared to the third quarter of 2016, due to increased harvest volumes, improved biological performance and higher achieved prices. In addition, the margin allocated from Consumer Products to salmon of Scottish origin has been improved compared to the third quarter of 2016.

Financial EBIT amounted to EUR 22.6 million (EUR 17.9 million).

Price and volume development

Although high in the third quarter, market reference prices decreased from 2016 levels on increased supply.

Achieved prices improved in the third quarter of 2017 compared to the third quarter of 2016. The overall price achieved was 16% above the reference price in the quarter (3% below). The relative improvement in price achievement is due to improved contract prices and greater allocated margin from Consumer Products to salmon of Scottish origin. Contribution from contracts relative to the reference price was positive in the third quarter of 2017, but negative in 2016.

The third quarter harvest volume was 10 912 tonnes gutted weight which is an increase from the corresponding quarter in 2016 (9 811 tonnes) due to more biomass in sea at the start of the year and improved fish health.

Costs and operations

The cost level per kg harvested decreased in the third quarter of 2017 compared to the third quarter of 2016, due to improved biological performance.

Biological costs per kg decreased by 4% in the third quarter of 2017 compared to the corresponding quarter of 2016, due to positive scale effects and reduced feed costs. The cost of feed per kg harvested salmon was down by 7% compared to the corresponding quarter of 2016 as a result of decline in feed prices and improved performance.

Incident based mortality of EUR 2.1 million (EUR 5.8 million) was recognized due to CMS and gill issues at three sites in the third quarter.

Treatments have caused slower growth than in the third quarter of 2016. While the general fish health situation has improved for our Scottish operations so far in 2017 compared to previous years, biological performance is expected to be somewhat more challenging in the coming quarters. The sea lice levels at the end of the quarter were higher than at the end of the comparable quarter of 2016.

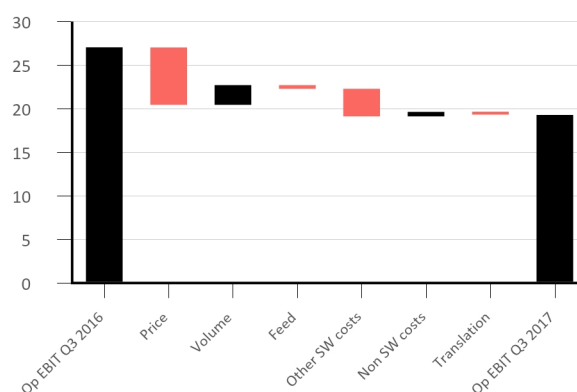
Operational EBIT in the fourth quarter is expected to be negatively impacted by EUR 0.9 million related to mortality caused by a bacterial infection at two sites.

Costs are expected to increase in the fourth quarter, due to harvesting from lower performing sites.

Salmon of Canadian origin

EUR million	Q3 2017	Q3 2016
Operational EBIT	19.3	27.0
EBIT	11.0	41.7
Harvest volume (GWE)	11 151	10 284
Operational EBIT per kg (EUR)	1.73	2.63
- of which Markets	0.14	0.20
- of which Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	-0.7	0.0
Exceptional items per kg (EUR)	-0.07	0.00
Price achievement/reference price	99%	99%
Contract share	0%	0%
Superior share	92%	88%

Operational EBIT Salmon of Canadian Origin
Q3 2017 vs Q3 2016



Financial results

Operational EBIT amounted to EUR 19.3 million in the third quarter (EUR 27.0 million), the equivalent of EUR 1.73 per kg (EUR 2.63). The decrease in Operational EBIT compared to the third quarter of 2016 is mainly due to lower prices and increased costs. These effects have been partially offset by increased harvest volume.

Financial EBIT amounted to EUR 11.0 million (EUR 41.7 million).

Price and volume development

Spot prices in the North American market were high also in the third quarter of 2017. However, prices were below the record levels in 2016 and the first part of 2017, due to increased exports from Europe and Chile into the North American market. Market prices for fresh whole Canadian salmon decreased by 4% in the third quarter of 2017 compared to the third quarter of 2016. The average price per lb gutted weight (Urner Barry 10-12 lb) was USD 3.25 per lb.

Price achievement in the third quarter of both 2017 and 2016 was 1% below the reference price. There were no contracts for salmon of Canadian origin in the third quarter of 2017 or 2016. The superior share was 92% in the third quarter (88%).

Costs and operations

The cost level in the third quarter of 2017 was higher than in the comparable quarter of 2016, mainly due to harvesting from sites with weaker performance, and elevated mortality as a consequence of very low oxygen levels at multiple sites, resulting from a prolonged, warm summer in Western Canada. The biological costs per kg salmon harvested in the quarter increased by 10%. Sea lice levels at the end of the quarter were lower than the comparable quarter of 2016.

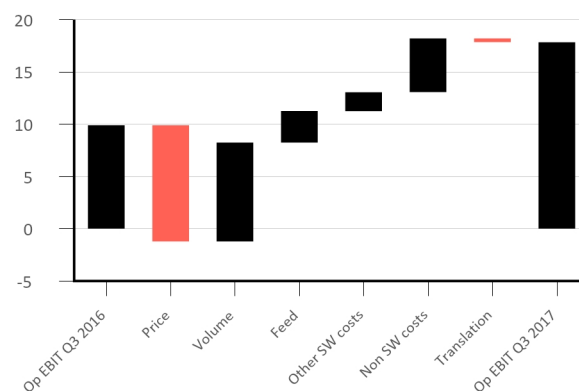
Incident based mortality of EUR 0.7 million was recognized in the third quarter (no incident based mortality in the third quarter of 2016), related to one site where the oxygen level decreased to lethal levels and one site that suffered a harmful plankton bloom.

Production has been lower than in the third quarter of 2016, as feeding had to be reduced and overall mortality was higher, both the effect of environmental challenges caused by the warm summer.

Salmon of Chilean origin

EUR million	Q3 2017	Q3 2016
Operational EBIT	17.8	9.9
EBIT	-0.8	15.4
Harvest volume (GWE)	13 721	6 894
Operational EBIT per kg (EUR)	1.30	1.43
- of which Markets	0.31	0.43
- of which Consumer Products	0.00	0.00
Exceptional items incl in op. EBIT	-0.4	0.0
Exceptional items per kg (EUR)	-0.03	0.00
Price achievement/reference price	109%	101%
Contract share	16%	18%
Superior share	89%	95%

Operational EBIT Salmon of Chilean Origin
Q3 2017 vs Q3 2016



Financial results

Operational EBIT amounted to EUR 17.8 million in the third quarter (EUR 9.9 million), the equivalent of EUR 1.30 per kg (EUR 1.43). Compared to the third quarter of 2016, harvest volumes and costs have improved significantly. This has more than offset the effect of lower market prices. Results in the third quarter of 2016 were impacted by the toxic algal bloom incident in Region X.

Financial EBIT amounted to EUR -0.8 million (EUR 15.4 million).

Price and volume development

The Urner Barry reference price for Chilean salmon was down by 10% compared to the third quarter of 2016 on increased supply. The average price per lb fillet in the quarter (Urner Barry D-trim 3-4 lb) was USD 4.93.

North America remains the most important market for salmon of Chilean origin. Price achievement for Chilean salmon was 4% above the reference price in the quarter (3% below). Price achievement was negatively impacted by USD 1.2 million due to maturity issues.

Contribution from contracts relative to the reference price was positive in the third quarter. The contract share was 16% in the quarter, compared to 18% in the third quarter of 2016.

Harvested volume was 13 721 tonnes gutted weight in the third quarter (6 894 tonnes). Despite early harvesting in the first half of 2017 due to sanitary pressure and maturity issues, volumes in the third quarter increased significantly compared to the third quarter of 2016. This is due to the algal bloom in 2016.

Costs and operations

Seawater production and operations were good in the third quarter. Operational cost in box was USD 4.47 per kg. This is a significant reduction from USD 5.32 per kg in the third quarter of 2016, when costs were negatively impacted by effects of the algal bloom.

Incident based mortality of EUR 0.4 million was recognized in the quarter due to a flooding incident at a hatchery.

The sea lice situation in Region X is challenging, particularly for sites where the fish have been two summers in sea. Sea lice levels at the end of the third quarter have increased compared to last year. The industry is coordinating sea lice mitigation activities.

We expect that price achievement in the fourth quarter will be negatively impacted by approximately USD 1.1 million due to maturity issues.

Costs are expected to increase somewhat in the fourth quarter.

Salmon of Irish origin

EUR million	Q3 2017	Q3 2016
Operational EBIT	10.1	4.6
EBIT	1.6	1.9
Harvest volume (GWE)	3 120	2 901
Operational EBIT per kg (EUR)	3.23	1.60
- of which Markets	0.00	0.01
- of which Consumer Products	0.11	0.02
Exceptional items incl in op. EBIT	-2.5	-1.0
Exceptional items per kg (EUR)	-0.79	-0.33
Price achievement/reference price	na	na
Contract share	81%	80%
Superior share	88%	91%

Operational EBIT amounted to EUR 10.1 million in the third quarter (EUR 4.6 million), which was EUR 3.23 per kg (EUR 1.60 per kg). The strong earnings in the quarter are explained by good operational performance and high prices for organic salmon.

Financial EBIT amounted to EUR 1.6 million (EUR 1.9 million).

Achieved prices were 21% higher than in the third quarter of 2016.

Operational costs are at the same level as in the comparable quarter of 2016, as reduced biological costs per kg harvested have been offset by increased cost related to harmful jellyfish.

Harvest volume was 3 120 tonnes gutted weight, which is somewhat higher than in the comparable quarter of 2016 (2 901 tonnes).

Costs are expected to increase in the fourth quarter.

Salmon of Faroese origin

EUR million	Q3 2017	Q3 2016
Operational EBIT	2.4	9.0
EBIT	7.4	10.4
Harvest volume (GWE)	1 065	2 684
Operational EBIT per kg (EUR)	2.25	3.37
- of which Markets	0.95	0.16
- of which Consumer Products	0.03	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	112%	105%
Contract share	6%	0%
Superior share	91%	89%

Operational EBIT amounted to EUR 2.4 million (EUR 9.0 million), which was EUR 2.25 per kg (EUR 3.37 per kg). September was the first month of harvesting in our Faroes Islands operations since January. With only three licenses, our Faroese operations are subject to a two-year cycle resulting in alternating years with high and low volume.

Financial EBIT amounted to EUR 7.4 million (EUR 10.4 million).

The majority of the harvested salmon in the third quarter of 2017 was sold at favorable prices. However, achieved prices were lower than the record-high levels of Q4 2016 and Q1 2017.

Costs on harvested fish increased by 18% compared to the third quarter of 2016, mainly due to negative scale effects from reduced volume.

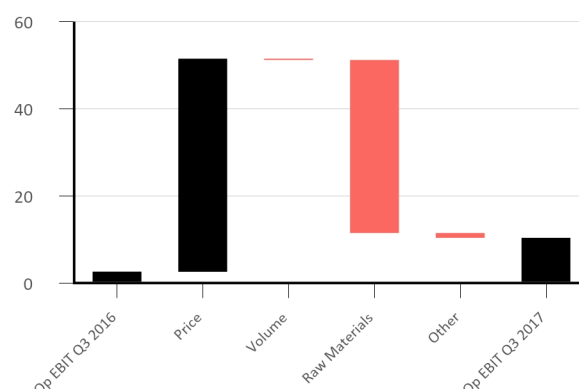
Consumer Products

EUR million	Q3 2017	Q3 2016
Operating revenues	368.0	340.5
Operational EBIT ¹⁾	10.4	2.6
Operational EBIT %	2.8%	0.8%
EBIT ²⁾	9.5	2.3
Volume sold (tonnes product weight)	28 515	31 961
Exceptional items	0.0	0.0
Volume share salmon	77%	80%
Revenue share salmon	84%	83%

¹⁾ Operational EBIT for salmon in Consumer Products is also included in the results per country of origin.

²⁾ After elimination of unrealized gain/loss on group-internal hedging contracts.

Operational EBIT Consumer Products Q3 2017 vs Q3 2016



Financial results

Operational EBIT for Consumer Products was EUR 10.4 million (EUR 2.6 million), which is seasonally record high. The Operational EBIT margin was 2.8% (0.8%).

Financial EBIT²⁾ amounted to EUR 9.5 million (EUR 2.3 million).

Operational EBIT for our Fresh operations in the third quarter of 2017 was above the comparable quarter of 2016. In general, the increase is due to operational improvements, adjustments of sales prices and successful promotions. The development of MAP sales has been particularly good in the quarter.

For our Chilled operations, earnings have been positively affected by adjustments of sales prices and stabilization of raw material costs.

Price and volume development

Consumer Products' operating revenues were EUR 368.0 million (EUR 340.5 million). Average price achieved per sold volume in the third quarter of 2017 has increased compared to the third quarter of 2016.

Total volume sold in the third quarter of 2017 was 28 515 tonnes product weight. The volume has decreased for both Fresh and Chilled sales, as demand is tested by the higher consumer prices.

We are experiencing good sales growth in Eastern Europe. Germany and France continue to be very important regions for the products of Consumer Products. However, higher retail prices have continued to hamper sales to retail customers in these markets.

Costs and operations

Both our Fresh operations and Chilled operations were profit-making in the third quarter. Processing costs have increased due to negative scale effects from reduced volumes and product mix effects.

Consumer Products	Q3 2017		
EUR million	Fresh	Chilled	Total
Volume sold (tonnes prod wt)	13 137	15 378	28 515
Operational EBIT	6.2	4.2	10.4
Operational EBIT per kg (EUR)	0.47	0.27	0.36

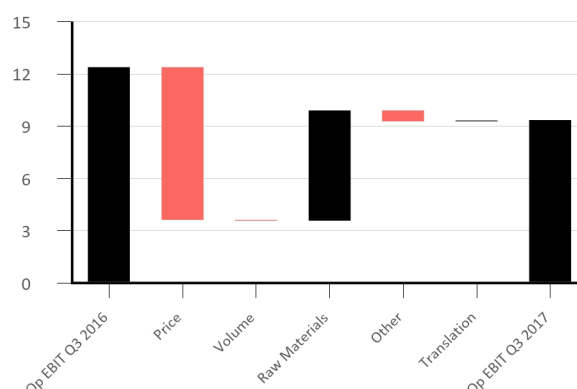
Consumer Products	Q3 2016		
EUR million	Fresh	Chilled	Total
Volume sold (tonnes prod wt)	15 149	16 811	31 961
Operational EBIT	3.0	-0.4	2.6
Operational EBIT per kg (EUR)	0.20	-0.02	0.08

Feed

EUR million	Q3 2017	Q3 2016
Operating revenues	132.2	140.4
Operational EBIT	9.4	12.4
Operational EBIT %	7.1%	8.8%
EBIT	9.2	12.4
Feed sold volume	114 203	114 685
Feed produced volume	89 457	95 342
Exceptional items	0.0	0.0

Operational EBIT for Feed is also included in the results per country of origin (currently only Norway).

Operational EBIT Feed
Q3 2017 vs Q3 2016



Financial results

Operational EBIT was EUR 9.4 million (EUR 12.4 million) in the third quarter of 2017. The Operational EBIT margin was 7.1% (8.8%).

Financial EBIT amounted to EUR 9.2 million (EUR 12.4 million).

Price and volume development

Operating revenues were EUR 132.2 million in the third quarter (EUR 140.4 million).

Volumes sold in the third quarter were 114 203 tonnes, compared to 114 685 tonnes in the third quarter of 2016. Volumes sold in the third quarter of 2017 accounted for 88% of total feed delivered to our Norwegian farming operations (87% in the third quarter of 2016).

Feed prices have decreased in the third quarter of 2017 compared to the third quarter of 2016. Feed prices are set at market terms and benchmarked against third parties. As the largest buyer of salmon feed globally, we are able to efficiently benchmark our own feed against third party suppliers both with regards to price and quality.

Costs and operations

Raw material costs have decreased in the quarter, including fish oil and fish meal. However, this effect has been more than offset by reduced sales price for feed products.

Given the increasing fish feed self-sufficiency, we target further reduction in the third party share of feed going forward. We continue to develop our range of products to reduce the dependency on third party feed purchases.

Construction of our new feed plant in Scotland is progressing. For further information, please refer to the Events section of this report. Operational EBIT for Feed in the third quarter was negatively impacted by EUR 1.5 million related to the construction project.

PLANET - SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

Our operations and long-term profitability ultimately depend on sustainable and environmentally responsible interactions with the natural environment. We rely on qualified personnel to maintain fish health, avoid escapes and minimize the environmental impact of our operations.

Escape prevention

Marine Harvest has a target of zero fish escapes and is constantly striving to prevent escapes and improve methods, equipment and procedures that can minimize or eliminate escapes. Unfortunately, there were 4 escape incidents in the third quarter; 2 in Norway with 11 escaped fish, 1 in Scotland with 7 escaped fish, and 1 in Ireland with 20 000 escaped fish. In the third quarter of 2016, there were 2 escape incidents in Norway with 6 escaped fish.

Fish health

Pancreas Disease (PD): 11 new sites were diagnosed with PD in the third quarter; 8 in Norway and 3 in Scotland. In the third quarter of 2016, 2 new sites (Norway) were diagnosed with PD.

Amoebic Gill Disease (AGD): High presence of a microscopic amoeba named *Paramoeba perurans* can cause AGD, with elevated mortality and reduced performance. Since 2013, the amoeba has also been found in Norway. The presence of the amoeba increases with higher seawater temperatures. Treatments were carried out in several of our farming entities. Marine Harvest's fish health teams and seawater production departments take immediate action when AGD appears.

Infectious Salmon Anaemia (ISA): One new site (Norway Region South) was diagnosed with ISA in the third quarter (1 in the third quarter of 2016, in Norway Region North). Our monitoring and surveillance continues and we maintain strict measures to immediately harvest out sites with ISA according to regulatory requirements.

Enteric Redmouth Disease (ERM) / Yersiniosis: This is caused by the bacteria *Yersinia ruckeri*, which may lead to elevated mortality. To minimize the risk of disease, Marine Harvest uses sound husbandry and management practices and keep our fish in conditions that satisfy their biological needs for food, clean water, space and habitat. In the third quarter, ERM/Yersiniosis caused high mortality and losses in Marine Harvest Norway Region Mid.

Lice management

Marine Harvest actively works to reduce the sea lice load in all farming units. Canada, Ireland and all regions in Norway reported lower sea lice levels at the end of the third quarter of 2017 compared to the end of the third quarter of 2016.

Scotland, Chile and Faroes reported higher lice levels at the end of the third quarter of 2017 compared to the end of the third quarter of 2016.

The share of fish undergone medicinal treatments against sea lice decreased for Norway and Scotland in the third quarter of 2017 compared with the third quarter of 2016. The capacity of non-medicinal solutions has increased in the operating units, reducing the dependency on medicinal treatments. Extensive development and testing of non-medicinal tools and methods continues in collaboration between Marine Harvest's Global R&D and Technical department and operating units.

SRS still a concern for salmon farming in Chile

Salmonid Rickettsial Septicaemia (SRS) is caused by an intracellular bacterium which occurs mainly in Chile. SRS is treated using licensed antibiotics and is the primary reason for our use of antibiotics in our operations. In the third quarter, treatment was carried out at several sites in Chile.

Mortality caused by SRS is still a major challenge in Chilean salmon farming. Reported mortality due to SRS in the third quarter was on the same level as in the comparable quarter. A new SRS vaccine was launched in 2016. The industry has positive expectations, but the effect under commercial conditions is still to be verified.

Medicine use

Marine Harvest focuses on preventing the development and spread of infectious diseases. If fish get infected, they are treated with approved medicines. In the third quarter, our use of antibiotics was 38 grams per ton biomass produced compared to 19 grams per ton in the third quarter of 2016. Of this, 1 gram is related to our Norwegian farming operations (0 gram in the third quarter of 2016), due to ERM/Yersiniosis in Region Mid.

ASC certifications

As of the close of the third quarter of 2017 we had 69 sites certified (50 in Norway, 12 in Canada, 4 in Ireland, 2 in Scotland and 1 in Faroes).

Several additional sites have been audited and are expected to be certified in 2017. Marine Harvest is taking the lead in ASC implementation and we are committed to demonstrate an environmentally responsible development in our organization.

For further information regarding sustainability and biological risk management, reference is made to the 2016 Annual Report and our sustainability reporting at the Global Salmon Initiative (GSI).



GUIDING PRINCIPLE - ISSUE	AMBITION	Q3 2017 Achievement
Ensure sustainable wild-farmed interaction in the farming activity	Zero escapes	Four escape incidents and 20 018 fish lost (two incidents with 6 fish lost in the third quarter of 2016)
Ensure healthy stocks minimizing diseases and losses in the farming activities	Monthly survival rate of at least 99.5% within 2020	Average monthly survival rate in the quarter of 98.5% (98.3% in the third quarter of 2016)

PEOPLE - SAFE AND MEANINGFUL JOBS

The safety, self-respect and personal pride of our employees cannot be compromised if Marine Harvest is to succeed as a company and maintain good relationships with local communities.

Employee Health and Safety

In the third quarter, the Group recorded 55 Lost Time Incidents (LTIs), which is a decrease from 65 in the third quarter of 2016. Measured in LTIs per million hours worked (rolling average), the figure has improved to 8.18 from 9.43 in 2016.

Absenteeism has also decreased to 5.29% from 6.58 % in the same quarter of 2016.

Global Talent, Succession and Work Force Mapping

During the quarter, all business units have performed a mapping of future talents, successors for leadership positions, and long term planning for future key functions.



GUIDING PRINCIPLE - ISSUE	AMBITION	Q3 2017 Achievement
Safe jobs	No lost time incidents (LTI)	LTIs per million hours worked was 8.18. Programs are in place to reduce the number.
Healthy working environment	Absenteeism < 4%	Absenteeism of 5.29% in the quarter.

PRODUCT - TASTY AND HEALTHY SEAFOOD

We aim to continually deliver healthy, tasty and responsibly produced seafood to our customers to deliver long-term financial profitability.

Marine Harvest North America

Gold Medal Endorsement from Chefs in America



Morpol Cold Smoked and Chilean Fresh Never Frozen Skinpack Consumer Products have been awarded the *Masters of Taste Gold Medal Endorsement from Chefs in America*. For nearly thirty years, American consumers have relied on the Gold Medal seal to lead them to superior tasting food and beverage products. This is an example of the Marine Harvest organization working together globally to produce only the finest award-winning products for our customers.

The product was launched in a newly designed package with a large window to view the smoked salmon. The Fresh Never Frozen is Marine Harvest's Chilean skin-pack portions packed in the US.

Pre-packed products

Marine Harvest is experiencing increased demand for pre-packed products from our North American consumers. With our new Dallas and Vancouver plants, as well as the plant in Miami, we are well positioned to supply these markets with a wide range of tasty and healthy products.

Even though pre-packed products represent only 3% of the total sold volume of salmon in the US, the share is increasing. It is also exciting to see that US consumers seem to respond even better than European consumers did at the same stage in the market development of pre-packed products.



GUIDING PRINCIPLE - ISSUE	AMBITION	Q3 2017 Achievement
Food quality and safety	Supply seafood with valuable health benefits for its quality and documented safety	Health targets met
Product innovation	Marine Harvest wants to play an important role in the design and use of products to satisfy customer needs.	Continuous effort with existing brands

EVENTS DURING AND AFTER THE CLOSE OF THE QUARTER

Status for development licenses in Norway

Marine Harvest Norway is still awaiting feedback on its appeal regarding the rejection of 10 development licenses for the "Egg" concept. As described in the previous quarterly reports, Marine Harvest has been granted four development licenses for this closed-end farming concept, but the application was for a total of 14 licenses.

The Directorate of Fisheries has not yet made a final decision regarding development licenses for the "Donut" concept. The authorities have indicated that they may grant licenses, but there is an ongoing discussion regarding the number of licenses. The application was for 8 development licenses (6,240 tonnes).

Marine Harvest Norway has also applied for development licenses for two other concepts: The rejection of the "Beck Cage" concept has been appealed, and we have not received any notifications regarding the application for the "Ship" concept.

Implementation of production capacity adjustment scheme in Norway

The Norwegian Government has introduced amendments to the fish farming regulations regarding production capacity. The coast is divided into 13 areas of production, and the level of sea lice in an area will determine future growth or reduction of production capacity. The new scheme was implemented in October 2017. 2 farming areas out of the 13 were red, 3 were yellow, and the rest were green. Production in the green areas may be increased in late 2017 or early 2018 depending on the level of sea lice. Any reductions in production capacity in the red areas will not be imposed before 2019.

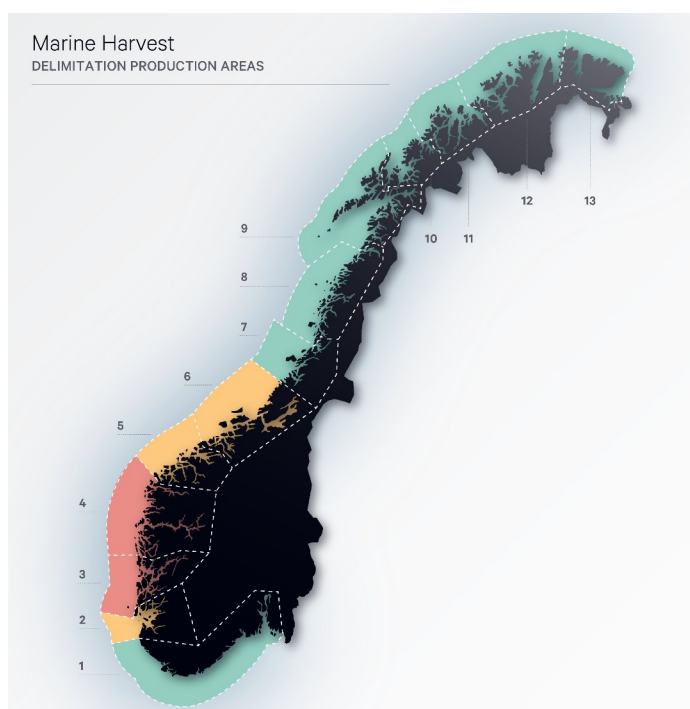


Illustration of the 13 production areas.

Marine Harvest Ireland

The hearing process for Marine Harvest Ireland's licenses application for a new site in Bantry Bay resumed in the third quarter. The application was filed in the last quarter of 2011, and Marine Harvest aims to invest EUR 3.5 million in the new site if granted.

Update on the appeal process for the EU fine related to the Morpol acquisition

On 26 October, the EU General Court decided to maintain the EUR 20 million fine imposed by the EU Commission in 2014 related to the Morpol acquisition. The General Court maintains that Marine Harvest has breached the provisions of the European Merger Control Regulations. Marine Harvest is disappointed by the outcome and that our arguments presented to the General Court have not been accepted. We will now together with our legal advisor conduct a judicial review of the judgment and decide if the judgment shall be appealed to the EU Court of Justice. If an appeal is lodged, a final non-appealable judgment is expected to be made at the end of 2018. Marine Harvest has already recognized a provision of EUR 20 million in the financial statements (recognized in 2014).

RAS III construction at Nordheim is progressing

The construction of the RAS III plant at Marine Harvest Norway's Nordheim facility in Aure, Møre og Romsdal, is progressing according to plan. Due to advanced water recycling technology, this plant will require very low levels of daily fresh water intake. The purpose of the plant is to produce large smolt, which in turn reduces the production time of the fish in sea. This is an important method to address sea lice challenges in our fish farming activities. Full-scale operations are expected to commence in 2019.



The Nordheim facility. Photo: DL, Klevjer

Construction of the new feed plant in Scotland

The construction work is progressing. The construction of the plant is expected to be completed in the second half of 2018. The state-of-the-art feed plant will employ 55 people in a diverse range of permanent jobs and will be one of the most efficient and sustainable fish feed plants globally.



Construction of the feed plant at Kyleakin.

Increased investment in shipping joint venture

Marine Harvest has increased its investment in DESS Aquaculture Shipping, the joint venture with SolstadFarstad with EUR 10.5 million, to a total of EUR 13.4 million. DESS Aquaculture Shipping has a total of four wellboats and one harvest vessel under construction.



Illustration of two of the wellboat projects. Photo: DESS Aquaculture Shipping.

Status on salmon exports to China

Marine Harvest and other Norwegian salmon exporters are still waiting for Chinese and Norwegian authorities to complete the implementation of the protocol agreement signed between the two countries in May. In an update published in September 2017, the Norwegian Food Safety Authority states that it has now replied to all inquiries from Chinese authorities, and that it is awaiting an updated list of approved Norwegian salmon producers. When this work has been completed, exports of Norwegian salmon to China are expected to resume after almost seven years of difficult trade relations.

Marine Harvest Scotland wins top award

Marine Harvest Scotland was double winners at the 2017 Highland Business Awards. These awards are in recognition for the achievements of businesses across the Highlands. The company won Exporter of the Year and the Business of the Year awards. Organized by the Inverness Chamber of Commerce as part of the Highland Business Week 2017, the Highland Business Awards were attended by around 300 business men and women from across the region.



All award winners with Ben Hadfield accepting the Highland Business of the Year Award on behalf of Marine Harvest Scotland.

Marine Harvest awarded Gold in the Farmand Award

Marine Harvest was awarded Gold in the Farmand Award 2017, the annual event to name the best annual report in Norway. For the fourth year in a row, Marine Harvest was on the podium in the Farmand Award.



Marine Harvest's 2016 Annual Report and the Farmand Award.

Marine Harvest awarded second place in the Stockman Award

Marine Harvest was awarded second place in the Stockman Award 2017 by the Norwegian Society of Financial Analysts. The award is an annual event to name the best reporting to, and communication with, the financial markets. The award is based on a thorough review of listed companies' financial reporting and communication, including the annual report, quarterly reports, segment reporting, investor relations activities, web site etc.

Dividend of NOK 3.40 per share

The Board of Directors has decided to pay out a quarterly dividend of NOK 3.40 per share to the shareholders in the form of repayment of paid in capital.

OUTLOOK STATEMENT FROM THE BOARD OF DIRECTORS

The operational result was a third quarter record. Spot prices experienced a seasonal decline, however, improved contract prices contributed significantly to the good results. The value of salmon consumed globally continued to rise in the quarter across all key markets. The results in the farming business unit was good with positive contributions from all farming regions. The results in Consumer Products was negatively impacted by a seasonally low quarter, however, operational performance continues to improve. Feed had a good quarter with a seasonally high factory throughput.

Results in Farming Norway were good in the quarter and was supported by higher contract prices than spot prices. The earnings stability that our sales contracts with retailers provide is comforting. However, harvest volumes were lower than target due to biological challenges. The focus on non-medicinal sea lice treatments continues and evolves. The organization is still learning how to perform treatments even more efficiently supporting biomass growth. Advances are made and transfer of knowledge throughout the organization is emphasized. The production costs in the Norwegian farming entity declined in the quarter compared to the second quarter 2017. It is also reassuring that sea lice mitigation cost per kilo declined year-over-year.

The Scottish farming entity delivered a good set of results supported by higher contract prices. The Board is pleased that the sales contracts contribute positively to the results. Such contracts also provide more stable earnings for us, and price and volume predictability for the customer. The reduced US prices impacted the results negatively for our Canadian farming entity. However, operational performance was as usual steady and resulted in decent results. In Chile, the production costs further declined in the quarter which was pleasing. Growth in harvest volumes follows the recovery post the algal bloom in 2016, and harvest volumes in 2018 will continue to return to pre-algal bloom levels.

Farming Ireland delivered another strong set of results. Organic salmon is a niche product in the salmon market, and the Board is pleased that we are in the forefront of driving this exciting category. Marine Harvest Faroes commenced harvesting after some quarters of growing salmon to market sizes, and it is positive to see that the salmon was sold at favorable prices.

The operational improvements in Consumer Products continues. Both the Fresh and Chilled segments across our European operations were profit making in the quarter. Although some of the factories experienced a volume reduction, the increased sales price and good underlying demand for our products are positive.

Operational performance in Feed continues to be good. Feed production was seasonal high in the quarter and volumes sold where also high. Our feed products are subject to constant benchmarking with regards to price and quality. The Board is pleased to see that our feed is competitive. The construction of the new feed plant at Kyleakin in Scotland is on schedule, and 2018 will be a very interesting year for our Scottish farming operations as internal feed sourcing commences.

Estimated 2017 harvest volumes have been reduced from 377,000 GWE to 369,000 GWE, mainly as a consequence of the biological challenges in our Norwegian farming operations. However, the Board expects the company to recover some of the farming volumes in 2018 which is evident of the guidance of 410,000 GWE. The Board is pleased to see that the production capacity adjustment scheme in Norway is now in effect. This is a good basis for sustainable growth going forward. The recent assessment with eight green zones, three yellow and two red is broadly in line with our view of the current biological situation in Norway.

The Board notes that the current net interest bearing debt level is below the long term target of EUR 1,050 million. The long term net interest bearing debt target is based on harvest volumes of 440,000 tonnes. In the last two years total harvesting volumes are down to 369,000 GWE tonnes. To recover lost volumes and support further organic growth, substantial biomass investments are required, and net interest bearing debt will increase accordingly. Marine Harvest's strategy of being a global integrated provider of seafood continues, and as previously disclosed the company currently undertakes numerous organic growth projects across all three business areas.

Demand for salmon continues to develop favorably. Taking into account the higher contract prices in the quarter, the value of salmon in all main markets grew to record levels. Some key European markets have been negatively impacted in volume terms by higher retail prices. However, the recent demand responsiveness in markets that purchase salmon in the spot market has been pronounced. For example, the market developments in the French fresh category of salmon has been positive in light of the recent drop in European spot prices. Retailers are running promotional campaigns to a much larger extent now than before. Lower spot prices have also sparked increased consumption in many other markets. It is positive to see the demand response as it demonstrates that there is a strong underlying demand for salmon from both existing markets and emerging markets.

Kontali Analyse expects supply growth for 2018 and 2019 to increase by approximately 7% and 3%, respectively. The 12 month forward Nasdaq price has been reduced compared to the previous quarter, and is now EUR 6.1 per kg (NOK 59 per kg).

A quarterly dividend of NOK 3.40 per share will be distributed in the form of repayment of paid in capital.

SUMMARY YEAR TO DATE

- Operational EBIT of EUR 611 million on strong salmon prices. Financial EBIT of EUR 489 million.
- Harvest volume below guidance, mainly due to biological challenges in Norway.
- Production costs increased in Norway and Canada compared to the same period last year. Production costs decreased in Scotland and Chile.
- The acquisition of the assets from the Gray Aqua Group on the East Coast of Canada was completed in the first quarter.
- Completed refinancing of bank facility of EUR 1,206 million in the second quarter.
- Conversion of EUR 375 million convertible bond completed in the second quarter.
- Net cash flow per share of EUR 0.74, Underlying earnings per share (EPS) of EUR 0.96 and EPS of EUR 0.92
- Return on capital employed (ROCE) 31.5%.
- Net interest-bearing debt (NIBD) of EUR 664.0 million.
- Dividend of NOK 9.00 per share has been paid out in 2017, as a repayment of paid in capital.

RISKS

Marine Harvest has not identified any additional risk exposure beyond the risks described in note 3 of this report and the 2016 Annual Report.

Reference is also made to the Planet section and the Outlook section of this report for other comments to Marine Harvest's risk exposure.

Bergen, October 31, 2017

The Board of Directors of Marine Harvest ASA

Ole-Eirik Lerøy
CHAIRMAN OF THE BOARD

Lisbet K. Nærø
DEPUTY CHAIR OF THE BOARD

Cecilie Fredriksen

Ørjan Svanevik

Paul Mulligan

Jean-Pierre Bienfait

Birgitte Ringstad Vartdal

Lars Eirik Hestnes

Stein Mathiesen

Unni Sværen

Alf-Helge Aarskog
CHIEF EXECUTIVE OFFICER

INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited, in EUR million	Note	Q3 2017	Q3 2016	YTD Q3 2017	YTD Q3 2016	2016
Revenue	4	865.6	849.1	2 642.3	2 485.6	3 510.2
Cost of materials		-381.1	-425.0	-1 188.2	-1 294.1	-1 782.2
Net fair value adjustment biomass	5	19.5	91.5	-234.2	213.6	386.2
Salaries and personnel expenses		-119.4	-109.3	-340.7	-318.0	-440.0
Other operating expenses		-142.5	-118.5	-405.1	-342.6	-472.5
Depreciation and amortization		-37.5	-34.7	-112.1	-105.9	-142.5
Onerous contract provisions		7.5	5.6	108.4	-10.8	-108.7
Restructuring cost		0.1	0.0	0.0	-4.6	-5.4
Other non-operational items		-0.1	0.0	0.3	1.3	1.3
Income from associated companies		13.5	15.2	20.9	41.6	62.6
Impairment losses		-0.2	-0.3	-2.1	-19.4	-17.7
Earnings before financial items (EBIT)		225.4	273.6	489.2	646.9	991.2
Interest expenses	7	-12.1	-12.1	-35.1	-36.2	-48.4
Net currency effects	7	8.1	14.2	15.4	13.0	26.9
Other financial items	7	-24.0	-46.8	49.7	-140.3	-210.5
Earnings before tax		197.4	229.0	519.2	483.4	759.2
Income taxes		-46.8	-71.1	-84.7	-155.0	-219.9
Profit or loss for the period		150.6	157.9	434.5	328.4	539.3
Other comprehensive income						
Currency translation differences		7.3	43.8	-129.6	54.6	49.0
Currency translation associated companies		2.2	0.0	-6.5	0.0	6.9
Items to be reclassified to P&L in subsequent periods:		9.5	43.8	-136.1	54.6	55.9
Actuarial gains (losses) on defined benefit plans, net of tax		0.0	0.0	0.0	0.0	-3.4
Other gains and losses in comprehensive income		0.0	0.1	-0.1	0.0	0.9
Items not to be reclassified to profit and loss:		0.0	0.1	-0.1	0.0	-2.5
Other comprehensive income, net of tax		9.5	43.9	-136.2	54.6	53.4
Total comprehensive income in the period		160.1	201.8	298.3	382.9	592.7
Profit or loss for the period attributable to						
Non-controlling interests		-0.2	0.0	0.1	-0.2	-0.3
Owners of Marine Harvest ASA		150.9	157.9	434.4	328.6	539.6
Comprehensive income for the period attributable to						
Non-controlling interests		-0.2	0.0	0.1	-0.2	-0.3
Owners of Marine Harvest ASA		160.3	201.8	298.2	383.1	593.0
Basic earnings per share (EUR)	8	0.31	0.35	0.92	0.73	1.20
Diluted earnings per share (EUR)	8	0.31	0.35	0.89	0.73	1.20
Dividend declared and paid per share (NOK)		3.20	3.20	9.00	6.30	8.60

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited, in EUR million	Note	30.09.2017	30.06.2017	31.12.2016	30.09.2016
ASSETS					
Licenses		728.2	729.0	764.3	757.6
Goodwill		262.3	259.7	268.0	270.5
Deferred tax assets		8.0	6.3	2.6	7.7
Other intangible assets		28.7	29.3	32.4	29.4
Property, plant and equipment		1 051.6	1 022.3	1 008.1	972.7
Investments in associated companies		165.1	147.5	175.0	158.2
Other shares and other non-current assets		3.6	5.1	5.4	5.6
Total non-current assets		2 247.5	2 199.2	2 255.8	2 201.8
Inventory		272.3	260.9	248.2	271.4
Biological assets	5	1 379.1	1 277.7	1 573.8	1 362.2
Current receivables		503.8	438.8	625.1	540.4
Cash		85.6	66.1	103.9	66.0
Total current assets		2 240.7	2 043.5	2 551.0	2 240.0
Asset held for sale		0.9	1.0	3.5	1.5
Total assets		4 489.1	4 243.7	4 810.4	4 443.3
EQUITY AND LIABILITIES					
Equity		2 523.1	2 531.1	2 068.4	1 967.9
Non-controlling interests		1.1	1.3	0.9	0.6
Total equity		2 524.2	2 532.4	2 069.3	1 968.4
Deferred tax liabilities		392.6	380.3	453.5	449.8
Non-current interest-bearing debt		616.8	486.6	993.4	947.0
Other non-current liabilities		127.5	102.7	451.1	368.7
Total non-current liabilities		1 136.8	969.6	1 898.0	1 765.5
Current interest-bearing debt		132.8	130.4	0.1	0.1
Other current liabilities		695.3	611.3	843.1	709.3
Total current liabilities		828.1	741.7	843.1	709.4
Total equity and liabilities		4 489.1	4 243.7	4 810.4	4 443.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

2017

	Attributable to owners of Marine Harvest ASA							Non-controlling interests	Total equity
	Share capital	Other paid in capital	Shared based payment	Foreign currency translation reserve	Foreign currency translation reserve associated companies	Other equity reserves	Total		
Unaudited, in EUR million									
Equity 01.01.2017	351.8	657.5	4.6	209.8	6.9	837.7	2 068.4	0.9	2 069.3
Comprehensive income									
Profit						434.4	434.4	0.1	434.5
Other comprehensive income				-112.9	-6.5	-16.8	-136.2		-136.2
Transactions with owners									
Share based payment						-5.5	-5.5		-5.5
Bond conversion	32.0	596.5					628.5		628.5
Repayment of paid in capital		-322.5				-144.1	-466.6		-466.6
Total equity end of period	383.8	931.5	4.6	96.9	0.4	1 105.7	2 523.1	1.1	2 524.2

2016

	Attributable to owners of Marine Harvest ASA							Non-controlling interests	Total equity
	Share capital	Other paid in capital	Shared based payment	Foreign currency translation reserve	Foreign currency translation reserve associated companies	Other equity reserves	Total		
Unaudited, in EUR million									
Equity 01.01.2016	351.8	1 075.6	6.1	160.4	0.0	300.6	1 894.6	0.9	1 895.6
Comprehensive income									
Profit						539.6	539.6	-0.3	539.3
Other comprehensive income				49.4	6.9	-2.9	53.4		53.4
Transactions with owners									
Share based payment			-1.5			-2.7	-4.2		-4.2
Repayment of paid in capital		-418.1					-418.1		-418.1
Business combinations						1.4	1.4	0.3	1.7
Other changes						1.7	1.7		1.7
Total equity 31.12.2016	351.8	657.5	4.6	209.8	6.9	837.7	2 068.4	0.9	2 069.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited, in EUR million	Q3 2017	Q3 2016	YTD Q3 2017	YTD Q3 2016	2016
Earnings before taxes (EBT)	197.4	229.0	519.2	483.4	759.2
Interest expense	12.1	12.1	35.1	36.2	48.4
Currency effects	-8.1	-14.2	-15.4	-13.0	-26.9
Other financial items	24.0	46.8	-49.7	140.3	210.5
Net fair value adjustment and onerous contracts	-27.1	-97.1	125.9	-202.8	-277.5
Income/loss from associated companies	-13.5	-15.2	-20.9	-41.6	-62.6
Depreciation and impairment losses	37.7	35.0	114.3	125.2	160.2
Change in working capital	-71.9	-19.7	-14.7	90.3	-14.9
Taxes paid	-16.7	-7.8	-147.9	-82.2	-92.6
Restructuring and other non-operational items	-0.7	-1.4	-0.8	-4.5	-4.8
Other adjustments	-0.6	-0.8	-2.2	-1.2	-5.8
Cash flow from operations	132.6	166.6	542.8	530.0	693.2
Proceeds from sale of fixed assets	0.4	0.4	5.6	0.8	12.4
Payments made for purchase of fixed assets	-58.3	-50.0	-184.7	-141.9	-211.6
Proceeds from associates and other investments	6.9	1.0	34.5	16.2	17.1
Proceeds from sale of shares	0.0	0.0	0.0	52.3	52.3
Purchase of shares and other investments	-10.2	-1.3	-20.4	-2.8	-2.8
Cash flow from investments	-61.2	-50.0	-165.0	-75.4	-132.6
Proceeds from new interest-bearing debt	128.7	0.0	149.4	14.0	45.0
Down payment of interest-bearing debt	0.0	14.0	-42.0	-151.8	-151.8
Net interest and financial items paid	-7.0	-5.3	-19.1	-16.4	-22.9
Realized currency effects	-4.3	5.2	-8.3	-0.9	14.8
Repayment of paid in capital	-169.0	-155.2	-466.6	-304.2	-418.1
Other items	0.0	0.0	-6.7	0.0	0.0
Cash flow from financing	-51.6	-141.3	-393.2	-459.3	-533.0
Change in cash in the period	19.9	-24.7	-15.4	-4.7	27.6
Cash - opening balance ¹⁾	52.0	78.7	88.0	60.1	60.1
Currency effects on cash - opening balance	0.0	1.5	-0.7	0.1	0.3
Cash - closing balance ¹⁾	71.9	55.5	71.9	55.5	88.0

¹⁾ Excluded restricted cash

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 GENERAL INFORMATION

Marine Harvest (the Group) consists of Marine Harvest ASA and its subsidiaries, including the Group's interests in associated companies.

These interim financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The interim financial statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these interim financial statements should be read in conjunction with the annual financial statements. The interim report is unaudited.

Note 2 ACCOUNTING PRINCIPLES

All significant accounting principles applied in the consolidated financial statements are described in the Annual Report 2016 (as published on the OSE on April 6, 2017). No new standards have been applied in 2017.

Significant fair value measurements in accordance with IFRS 13:

Biological assets

Biological assets are, in accordance with IAS 41, measured at fair value, unless the fair value cannot be measured reliably. Broodstock, smolt and live fish below 1 kg are measured at cost less impairment losses, as the fair value cannot be measured reliably.

Biomass beyond this is measured at fair value, and the measurement is categorized into Level 3 in the fair value hierarchy, as the input is unobservable input. Live fish over 4 kg are measured to full net value, while a proportionate expected net profit at harvest is incorporated for live fish between 1 kg and 4 kg. The valuation is completed for each Business Unit.

The valuation is based on an income approach and takes into consideration unobservable input based on biomass in sea for each sea water site, estimated growth rate on site level, mortality in the Business Unit, quality of the fish going forward, costs and market price. Special assessment is performed for sites with high/low performance due to disease or other special factors. The market prices are set for each business unit, and are derived from observable market prices where available.

In accordance with IAS 41.16, a provision for onerous contracts is recorded by assessing if there are contracts in which the unavoidable costs of meeting the Group's obligations under the contract (where fair value adjustment of biological assets is included in the unavoidable costs) exceed the economic benefits expected to be received.

Derivative financial instruments and other shares

Derivative financial instruments (including interest swaps, currency swaps and salmon derivatives) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date.

Conversion liability component of convertible bond

The conversion liability component is, subsequent to initial recognition, measured at fair value. The measurement is categorized into Level 2 in the fair value hierarchy, using a valuation technique based on observable data.

Note 3 ESTIMATES AND RISK EXPOSURE

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting principles and recognized amounts of assets, liabilities, income and expenses. The most significant estimates relate to the valuation of biological assets and intangible assets. Estimates and underlying assumptions are reviewed on an ongoing basis, and are based on the management's best assessment at the time of reporting. All changes in estimates are reflected in the financial statements as they occur.

Marine Harvest is exposed to a number of risk factors: Operational risks, strategic risk, reporting risk and compliance risk. The Risk Management section in the Annual Report contains a detailed description of risks and mitigation actions.

Note 4 BUSINESS SEGMENTS

For management purposes, Marine Harvest is organized into three Business Areas, Feed, Farming and Sales and Marketing. Feed and Farming are separate reportable segments. Sales and Marketing is divided in two reportable segments, Markets and Consumer Products.

The performance of the segments is monitored to reach the overall objective of maximizing the Operational EBIT per kg. Consequently, reporting is focused towards measuring and illustrating the overall profitability of harvested volume based on source of origin (Operational EBIT/kg).

The same accounting principles as described for the Group financial statements have been applied for the segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the actual transactions.

Unrealized internal margin from sale of fish feed from Feed to Farming is eliminated in the Group financial statements until the fish that consumed the feed is sold. In the segment reporting the internal profit is included for Business Area Feed.

BUSINESS AREAS	Feed	Farming	Sales and Marketing		Other	Eliminations	TOTAL
			Markets ¹⁾	Consumer Products ¹⁾			
EUR million							
Q3 2017							
External revenue	7.3	24.3	479.8	356.3	0.0	0.0	867.8
Internal revenue	124.9	551.2	185.1	11.7	3.9	-876.7	0.0
Operational revenue	132.2	575.4	664.9	368.0	3.9	-876.7	867.8
Gain/loss from derivatives	0.0	-0.4	-2.1	-0.3	0.6	0.1	-2.2
Revenue in profit and loss	132.2	575.0	662.8	367.7	4.6	-876.6	865.6
Operational EBITDA	11.2	190.2	17.5	15.9	-3.0	0.0	231.7
Operational EBIT	9.4	161.9	16.3	10.4	-3.8	0.0	194.2
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-5.8	-5.8
Gain/loss from derivatives	0.0	-0.4	-2.1	-0.3	-0.4	0.0	-3.3
Net fair value adjustment on biological assets	-0.2	19.7	0.0	0.0	0.0	0.0	19.5
Onerous contract provisions	0.0	7.5	0.0	0.0	0.0	0.0	7.5
Restructuring cost	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Other non-operational items	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1
Income from associated companies	0.0	13.6	0.0	0.0	-0.1	0.0	13.5
Impairment losses and write-downs	0.0	-0.1	0.0	-0.1	0.0	0.0	-0.2
EBIT	9.2	202.3	14.2	9.9	-4.3	-5.8	225.4
Q3 2016							
External revenue	5.1	14.1	498.1	332.8	0.0	0.0	850.0
Internal revenue	135.4	551.1	186.8	7.6	3.1	-883.9	0.0
Operational revenue	140.4	565.2	684.8	340.5	3.1	-883.9	850.0
Gain/loss from derivatives	0.0	-16.0	-5.7	0.0	3.7	17.0	-1.0
Revenue in profit and loss	140.4	549.2	679.1	340.5	6.8	-866.9	849.1
Operational EBITDA	13.5	178.1	19.2	7.9	-4.1	0.0	214.6
Operational EBIT	12.4	151.9	18.1	2.6	-5.1	0.0	179.9
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-18.2	-18.2
Gain/loss from derivatives	0.0	-15.0	-5.7	16.0	4.5	0.0	-0.2
Net fair value adjustment on biological assets	0.0	91.6	0.0	0.0	0.0	0.0	91.6
Onerous contract provisions	0.0	5.6	0.0	0.0	0.0	0.0	5.6
Restructuring cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-operational items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from associated companies	0.0	15.2	0.0	0.0	0.0	0.0	15.2
Impairment losses and write-downs	0.0	0.0	0.0	-0.3	0.0	0.0	-0.3
EBIT	12.4	249.2	12.4	18.3	-0.5	-18.2	273.6

BUSINESS AREAS	Feed	Farming	Sales and Marketing		Other	Eliminations	TOTAL
			Markets ¹⁾	Consumer Products ¹⁾			
EUR million							
YTD Q3 2017							
External revenue	16.3	56.7	1 471.6	1 099.2	0.0	0.0	2 643.8
Internal revenue	244.5	1 629.5	513.8	31.4	14.0	-2 433.1	0.0
Operational revenue	260.8	1 686.2	1 985.4	1 130.6	14.0	-2 433.1	2 643.8
Gain/loss from derivatives	0.0	40.3	-2.3	0.1	3.4	-43.0	-1.5
Revenue in profit and loss	260.8	1 726.5	1 983.0	1 130.7	17.4	-2 476.2	2 642.3
Operational EBITDA	16.8	619.3	47.1	52.5	-12.4	0.0	723.4
Operational EBIT	11.3	535.6	43.6	35.9	-15.0	0.0	611.3
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-7.2	-7.2
Gain/loss from derivatives	0.0	40.6	-2.3	-43.2	-3.1	0.0	-8.0
Net fair value adjustment on biological assets	1.1	-235.4	0.0	0.0	0.0	0.0	-234.2
Onerous contract provisions	0.0	108.4	0.0	0.0	0.0	0.0	108.4
Restructuring cost	0.0	0.6	-0.1	-0.3	-0.2	0.0	0.0
Other non-operational items	0.0	0.3	0.0	-0.1	0.0	0.0	0.3
Income from associated companies	0.0	21.2	0.0	0.0	-0.3	0.0	20.9
Impairment losses and write-downs	0.0	-1.4	-0.2	-0.1	-0.5	0.0	-2.1
EBIT	12.4	469.9	41.0	-7.7	-19.2	-7.2	489.2
YTD Q3 2016							
External revenue	10.9	38.6	1 431.2	1 008.1	2.8	0.0	2 491.7
Internal revenue	263.4	1 544.9	515.1	21.4	12.3	-2 357.1	0.0
Operational revenue	274.3	1 583.5	1 946.3	1 029.5	15.2	-2 357.1	2 491.7
Gain/loss from derivatives	0.0	-14.5	-5.7	0.0	-2.1	16.2	-6.1
Revenue in profit and loss	274.3	1 569.0	1 940.5	1 029.5	13.1	-2 340.9	2 485.6
Operational EBITDA	22.8	456.1	56.8	14.4	-3.4	0.0	546.7
Operational EBIT	17.3	378.2	53.8	-2.1	-6.4	0.0	440.8
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-16.9	-16.9
Gain/loss from derivatives	0.0	-13.2	-5.7	14.7	5.2	0.0	1.1
Net fair value adjustment on biological assets	-0.2	215.3	0.0	0.0	-1.5	0.0	213.6
Onerous contracts provisions	0.0	-10.8	0.0	0.0	0.0	0.0	-10.8
Restructuring cost	0.0	-4.6	0.0	0.0	0.0	0.0	-4.6
Other non-operational items	0.0	1.3	0.0	0.0	0.0	0.0	1.3
Income from associated companies	0.0	41.6	0.0	0.0	0.0	0.0	41.6
Impairment losses and write-downs	0.0	-18.9	-0.2	-0.3	0.0	0.0	-19.4
EBIT	17.1	589.1	47.9	12.4	-2.7	-16.9	646.9

BUSINESS AREAS	Feed	Farming	Sales and Marketing		Other	Eliminations	TOTAL
			Markets ¹⁾	Consumer Products ¹⁾			
EUR million							
2016							
External revenue	16.6	50.0	1 991.5	1 448.8	2.8	0.0	3 509.8
Internal revenue	364.9	2 173.9	735.5	29.6	19.9	-3 323.8	0.0
Operational revenue	381.6	2 223.9	2 727.0	1 478.4	22.7	-3 323.8	3 509.8
Gain/loss from derivatives	0.0	-43.9	-5.7	0.0	4.1	45.9	0.4
Revenue in profit and loss	381.6	2 180.0	2 721.3	1 478.4	26.9	-3 277.9	3 510.2
Operational EBITDA	35.4	690.7	80.2	43.9	-7.4	0.0	842.7
Operational EBIT	28.1	585.9	76.1	21.5	-11.4	0.0	700.2
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-22.1	-22.1
Gain/loss from derivatives	0.0	-42.4	-5.7	44.3	12.1	0.0	8.3
Net fair value adjustment on biological assets	-1.3	389.1	0.0	0.0	-1.5	0.0	386.2
Onerous contract provisions	0.0	-108.7	0.0	0.0	0.0	0.0	-108.7
Restructuring cost	0.0	-4.6	0.0	-0.9	0.0	0.0	-5.4
Other non-operational items	0.0	1.3	0.0	0.0	0.0	0.0	1.3
Income from associated companies	0.0	62.8	0.0	0.0	-0.2	0.0	62.6
Impairment losses and write-downs	-13.5	-17.9	-0.2	0.4	0.0	0.0	-31.2
EBIT	13.3	865.5	70.2	65.3	-1.0	-22.1	991.2

1) In the second quarter of 2017, Marine Harvest CEE (Czech Republic) has been moved from the business area Markets to Consumer Products. Comparison figures have been re-presented accordingly.

Note 5 BIOLOGICAL ASSETS

EUR million	Norway	Scotland	Canada	Chile	Other	TOTAL
Fair value adjustment on harvested fish in the statement of comprehensive income						
Q3 2017	-121.6	-26.8	-21.5	-16.7	-13.3	-199.8
Q3 2016	-162.6	-21.1	-25.2	9.0	-12.4	-212.2
YTD Q3 2017	-406.6	-143.4	-82.2	-47.7	-31.4	-711.2
YTD Q3 2016	-421.7	-51.6	-70.2	0.1	-24.0	-567.4
2016	-661.1	-77.3	-100.6	15.0	-45.7	-869.6
Fair value adjustment on biological assets in the statement of comprehensive income						
Q3 2017	175.1	25.1	13.6	-1.9	10.8	222.6
Q3 2016	224.5	31.9	39.9	-3.6	10.9	303.7
YTD Q3 2017	267.7	72.1	52.4	53.9	39.9	486.0
YTD Q3 2016	522.0	77.1	99.4	47.9	34.9	781.0
2016	836.9	183.4	156.9	32.0	46.6	1 255.8
Fair value adjustment on incident based mortality in the statement of comprehensive income						
Q3 2017	-0.6	-1.1	-0.4	0.0	-1.1	-3.3
YTD Q3 2017	-5.0	-1.3	-0.4	-0.9	-1.4	-9.1
Net fair value adjustment biomass in the statement of comprehensive income						
Q3 2017	52.9	-2.8	-8.3	-18.6	-3.6	19.5
Q3 2016	62.0	10.9	14.7	5.5	-1.4	91.5
YTD Q3 2017	-143.9	-72.6	-30.1	5.3	7.2	-234.1
YTD Q3 2016	100.3	25.5	29.1	48.0	10.9	213.6
2016	175.8	106.1	56.4	47.0	0.9	386.2
Volumes of biomass in sea (1 000 tonnes)						
30.09.2017						270.9
30.06.2017						240.8
31.12.2016						253.4
30.09.2016						251.0
Fair value adjustment on biological assets in the statement of financial position						
30.09.2017						
Fair value adjustment on biological assets	276.5	41.4	46.0	22.0	21.1	406.9
Biomass at cost*						972.2
Total biological assets						1 379.1
30.06.2017						
Fair value adjustment on biological assets	221.8	44.2	54.0	40.2	24.7	384.8
Biomass at cost*						892.9
Total biological assets						1 277.7
31.12.16						
Fair value adjustment on biological assets	432.9	116.0	78.7	19.0	13.9	660.5
Biomass at cost*						913.3
Total biological assets						1 573.8
* Includes costs related to seawater, freshwater, broodstock and cleaningfish						
Reconciliation of changes in carrying amount of biological assets						
Carrying amount 01.07.2017						1 277.7
Cost to stock						407.7
Net fair value adjustment						19.5
Mortality for fish in sea						-9.0
Cost of harvested fish						-324.9
Other						2.1
Currency translation differences						6.0
Total carrying amount of biological assets as of 30.09.2017						1 379.1

Price sensitivities effect on fair value

The sensitivities are calculated based on a EUR 0.1 change of the salmon price in all markets (fish between 1-4 kg is measured proportionately based on their level of completion).

	12.6	1.9	1.9	2.3	0.8	19.6
Onerous contracts provision (included in other current liabilities in the statement of financial position)						
30.06.2017						21.6
Change in onerous contracts provision in the statement of comprehensive income						-7.5
Currency translation differences						-0.4
30.09.2017						13.7

Note 6 EXCEPTIONAL ITEMS

EUR million	Q1 2017	Q2 2017	Q3 2017	YTD 2017
Sea lice mitigation MH Norway	17.0	14.4	22.2	53.6
Incident-based mortality MH Norway	5.8	1.6	3.1	10.5
Incident-based mortality MH Scotland	0.7	1.5	2.1	4.3
Incident-based mortality MH Canada	0.0	0.0	0.7	0.7
Incident-based mortality MH Chile	1.4	0.0	0.4	1.8
Incident-based mortality MH Faroes	0.0	0.0	0.0	0.0
Incident-based mortality MH Ireland	0.2	1.2	2.5	3.9
Exceptional items in Operational EBIT	25.2	18.6	31.2	74.9

Note 7 FINANCIAL ITEMS

EUR million	Notes	Q3 2017	Q3 2016	YTD Q3 2017	YTD Q3 2016	2016
Net interest expenses		-12.1	-12.1	-35.1	-36.2	-48.4
Net currency effect on long term positions		5.5	-4.9	10.5	-4.7	11.6
Net currency effects on short term positions		-9.5	-3.2	4.6	-13.3	-15.5
Net currency effects on short term currency hedges		0.6	23.5	4.4	32.2	5.6
Net currency effects on long term currency hedges		11.4	-1.2	-4.2	-1.2	25.2
Net currency effects		8.1	14.2	15.4	13.0	26.9
Change in fair value financial instruments		0.7	6.0	10.2	7.0	20.8
Change in fair value conversion liability component of convertible bonds	9	-24.4	-52.4	42.6	-147.3	-230.0
Net other financial items		-0.3	-0.4	-3.1	0.0	-1.3
Other financial items		-24.0	-46.8	49.7	-140.3	-210.5
Total financial items		-28.0	-44.7	30.0	-163.5	-232.0

Note 8 EARNINGS PER SHARE

Basic Earnings per share (EPS) is calculated on the weighted average number of shares outstanding during the period.

Convertible bonds that are "in the money" are considered to have a dilutive effect if EPS is reduced when assuming a full conversion into shares at the beginning of the period and reversing all its effects on earnings for the period. On the other hand, if the effect of the above increases EPS, the bond is considered anti-dilutive, and is then not included in diluted EPS. The adjustments to earnings are interest expenses, currency gains/losses and changes in fair value of conversion liability component, adjusted for estimated taxes. Average diluted number of shares is also affected by the share price based bonus call options to senior executives.

The conversion liability component on the 2015 convertible bond was "in the money" at the end of the reporting period, but the effect on EPS was anti-dilutive and the convertible bond is therefore not included in diluted EPS. Year to date the effect is diluted and included in diluted EPS.

The conversion liability component on the 2014 convertible bond was converted during the second quarter and is therefore not included in diluted EPS.

Note 9 CONVERTIBLE BONDS

EUR million

	Statement of financial position			Statement of comprehensive income	
	Non-current interest-bearing debt	Conversion liability components		Net interest expenses	Other financial items
		2014-bond	2015-bond		
Initial recognition					
EUR 375 mill 2014-bond	309.8	59.0			
EUR 340 mill 2015-bond	283.1		51.6		
Subsequent measurement					
Recognized 2014, 2015 and 2016					
Interest effects	44.8			-54.0	
Change in fair value of conversion liability components		263.3	65.7		329.0
Net recognized 2014 and 2015				-54.0	329.0
Recognized 2017					
Q1 and Q2 2017					
Coupon interest				-1.2	
Amortized interest	10.2			-10.2	
Effect of conversion on amortization element	27.6				
Conversion of bond	-375.0	-281.2			
Change in fair value of conversion liability components		-41.1	-26.0		-67.1
Q3 2017					
Coupon interest				-0.1	
Amortized interest	2.9			-2.9	
Change in fair value of conversion liability components			24.4		24.4
Net recognized end of period	303.5	0.0	115.7	-14.5	-42.7

The value of the debt liability component and conversion liability component was determined when the bond was issued. The fair value of the debt liability component was calculated using a market interest rate for an equivalent, non-convertible bond. The residual amount was the fair value of the conversion liability component at initial recognition. The carrying amount of the debt liability component of the convertible bond is classified as non-current interest-bearing debt, and the conversion liability component is classified as other non-current financial liabilities in the statement of financial position.

Note 10 SHARE CAPITAL

	No of shares	Share capital (EUR million)	Other paid in capital (EUR million)
Share capital			
Issued at the beginning of 2017	450 085 652	351.8	657.5
New shares issued ¹⁾	40 082 125	32.0	596.5
Repayment of paid in capital			-322.5
Issued at the end of period	490 167 777	383.8	931.5
Treasury shares			Cost (EUR million)
Treasury shares at the beginning of 2017	0		0
Treasury shares purchased in the period	697 348		11.0
Treasury shares sold in the period	-697 348		-3.3
Treasury shares end of period	0	Trade loss ²⁾ :	7.7

¹⁾ During the first two quarters of 2017 the EUR 375 million convertible bond was converted to shares. Following the conversion Marine Harvest ASA has a share capital of NOK 3,676,258,327.50 divided into 490,167,777 shares, each with a par value of NOK 7.50.

²⁾ The trade loss arises from sale of shares under the share option scheme for senior executives from 2013.

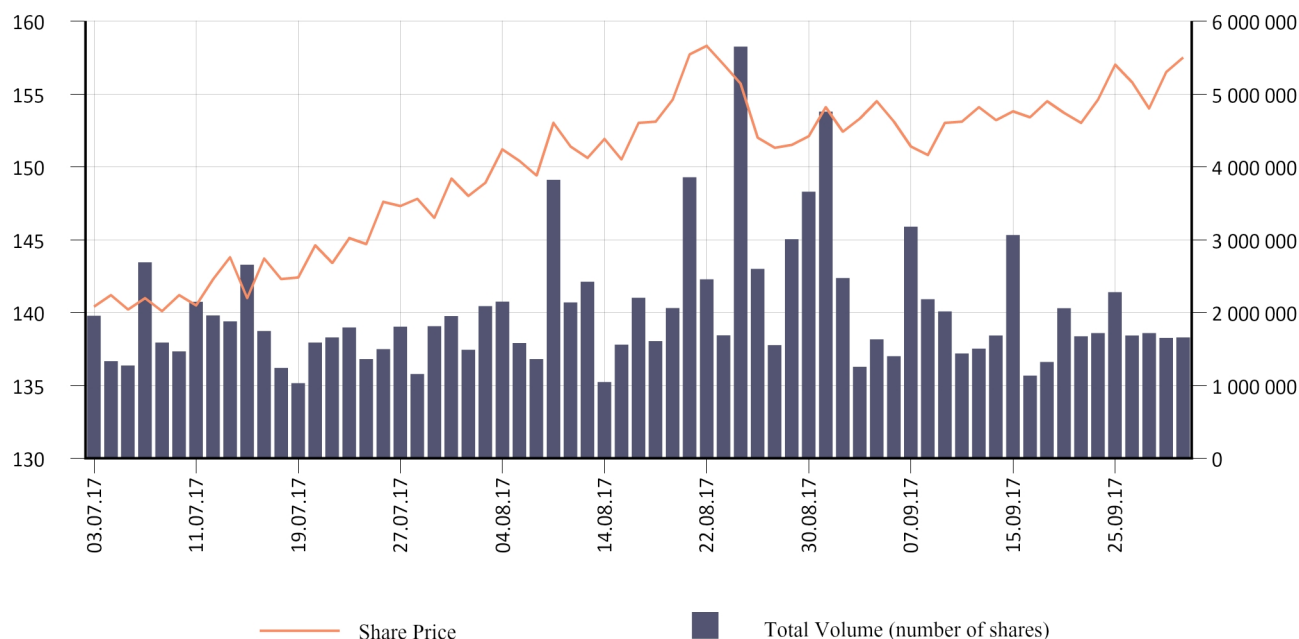
Note 11 SHAREHOLDERS

Major shareholders as of 30.09.2017 :

Name of shareholder	No. of shares	%
Geveran Trading Co Ltd	79 551 603	16.23%
Folketrygdfondet	29 685 496	6.06%
Clearstream Banking S.A.	28 757 241	5.87%
State Street Bank and Trust Comp	11 982 658	2.44%
Jupiter European Fund	9 345 670	1.91%
Citibank, N.A.	9 019 929	1.84%
State Street Bank and Trust Comp	8 260 930	1.69%
State Street Bank and Trust Comp	8 015 270	1.64%
J.P. Morgan Bank Luxembourg S.A.	7 550 931	1.54%
State Street Bank and Trust Comp	6 659 944	1.36%
Verdipapirfondet DNB Norge (IV)	5 628 500	1.15%
J.P. Morgan Chase Bank, N.A., London	5 122 897	1.05%
State Street Bank and Trust Comp	4 987 753	1.02%
The Northern Trust Comp, London Br	4 539 946	0.93%
Invesco Funds	4 255 073	0.87%
J.P. Morgan Bank Luxembourg S.A.	3 974 438	0.81%
J.P. Morgan Chase Bank, N.A., London	3 916 645	0.80%
Euroclear Bank S.A./N.V.	3 904 058	0.80%
J.P. Morgan Chase Bank, N.A., London	3 746 434	0.76%
State Street Bank and Trust Comp	2 983 025	0.61%
Total 20 largest shareholders	241 888 441	49.35%
Total other	248 279 336	50.65%
Total number of shares 30.09.2017	490 167 777	100%

Note 12 SHARE PRICE DEVELOPMENT

Share price development at Oslo Stock Exchange (ticker MHG)



Forward looking statements

This report may be deemed to include forward-looking statements, such as statements that relate to Marine Harvest's goals and strategies, salmon prices, ability to increase or vary harvest volume, production capacity, future capital expenditures and investments and the expected returns therefrom, trends in the seafood industry, restructuring initiatives, exchange rate and interest rate fluctuations, expected research and development expenditures, business prospects and positioning with respect to market, demographic and pricing trends, strategic initiatives, financial target (including ROCE and NIBD), planned operational expenses, product demand and trends, supply trends, expected price levels, and the effects of any extraordinary events and various other matters (including developments with respect to laws, regulations and governmental policies regulating the industry and changes in accounting policies, standards and interpretations) on Marine Harvest's business and results. Forward-looking statements are typically identified by words or phrases, such as "believe," "expect," "anticipate," "intend," "estimate," "may increase," "may fluctuate," "plan," "goal," "target," "strategy," and similar expressions or future or conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements are Marine Harvest's current estimates or expectations of future events or future results. Actual results could differ materially from those indicated by these statements because the realization of those results is subject to many risks and uncertainties. Marine Harvest ASA's annual report for the year ended December 31, 2016 contains additional information about factors that could affect actual results, including: changes to the price of salmon including the value of our biological assets; hedging risks; risks related to fish feed; economic and market risks; environmental risks; operational risks; risks related to escapes, disease and sea lice; product risks; risks related to our acquisitions; financing risks; regulation risks including relating to food safety, the aquaculture industry, processing, competition and anti-corruption; trade restriction risks; litigation risks; tax and accounting risks; strategic and competitive risks; and reputation risks. All forward-looking statements included in this report are based on information available at the time of the release, and Marine Harvest assumes no obligation to update any forward-looking statement.