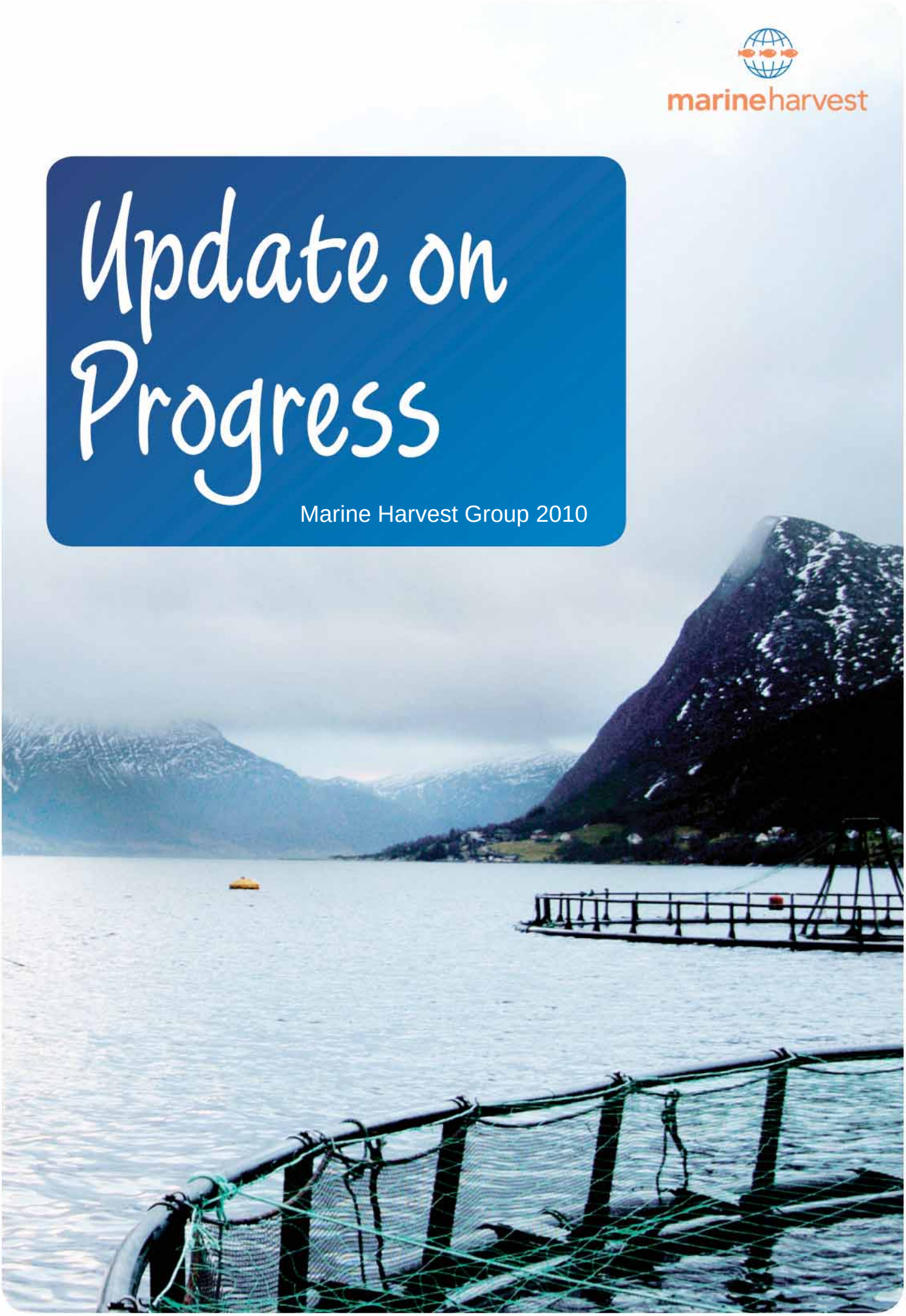
marineharvest

Update on Progress

Marine Harvest Group 2010



Contents

Marine Harvest Ireland wins Seafood Exporter Award 2010

In November 2010, Marine Harvest Ireland (MHI) won the Seafood Exporter Award 2010**,** sponsored by the Irish Food Board. The prize recognises that MHI had made significant progress in securing and building export markets and exports 80% of its organic and premium salmon to Europe, USA and Japan. Jan Feenstra, Managing Director of MHI received the award from the Irish Minister for Enterprise, Trade and Innovation. Marine Harvest Ireland employs 255 staff, mainly in rural north-west Ireland and is proud to support rural coastal communities. Its main products are:

- The Organic Salmon Co. brand, sold as head-on gutted, fillets and portions, either fresh or frozen. Also available in retail-ready packaging
- Donegal Silver brand premium Eco-Labels salmon, sold as head-on gutted, fillets and portions, either fresh or frozen. Also available in retail-ready packaging

WELCOME TO MARINE HARVEST

Introduction

by our Chief Executive, Alf-Helge Aarskog

Welcome to Marine Harvest's Update on Progress. This year for the first time we are using two documents to tell our stakeholders how - as the world's leading seafood company - we have improved our sustainability performance in 2010. In this document our focus is on the facts and figures of sustainability performance. If you are looking for a broader discussion on how we are handling the sustainability issues that matter to our industry, please take a look at *Sustainable Seafood: the Marine Harvest way* published in May 2010. Our commitment to sustainability is deeply embedded into the way we operate both in our internal processes and in our external relationships. As a signatory to the United Nations Global Compact, we believe that the long-term sustainability of farmed salmon and wild fish stocks is only possible by considering them at the same time as healthy environments, strong and stable communities and economic success.

This report covers global concerns and we are proud of our recent successes and improved performance. As you can see on the previous page, our sustainability performance is often recognised in the awards we win and by year-on-year improvements in our performance. Our sea lice management performance has been a challenge this year that we have sought to address by a concerted effort to gradually reduce dependence on veterinary medicines. Fish health remains an area where our integrated approaches and consistent efforts continue to be rewarded. Also in 2010 we recorded improvements in our safety satistics, but further improvement is needed. This year we also invested in our sustainability measurement systems and we are pleased to be able to report our energy and carbon in more depth.

At Marine Harvest we're proud of the role our sustainability reporting plays in facilitating engagement with the people that matter most to us. We'd like to invite you to take part in the wider dialogue on the sustainability of our business. I look forward to hearing from you and to reporting back next time on how we have advanced.

Note. *Sustainable Seafood: the Marine Harvest way* is available at http://www.marineharvest.com/en/CorporateResponsibility/

WELCOME TO MARINE HARVEST

Marine Harvest in brief

As the world's leading seafood company we service over 50 markets worldwide. Our 2010 production of 296,000 tonnes makes us the biggest producer of farmed salmon with approximately one-fifth of global production. In addition to fresh and frozen salmon, we offer a wide range of value-added products such as coated seafood, ready-to-eat meals, delicious finger food and smoked seafood. Though salmon is the main farmed product, we also farm our own Sterling White halibut.

We employ 5,000 people worldwide and have operations in 21 countries. Our salmon farming and processing activities are found in Norway, Chile, Scotland, Canada, Ireland and the Faroes. Value-adding processing activities take place in the USA, France, Belgium, the Netherlands, Poland, Japan and Chile. In addition we have sales offices worldwide. Our head office is located in Bergen, Norway and our shares are listed on the Oslo Stock Exchange.

Until March 2011 our operational structure was based on a group management team of seven. In addition to the CEO, CFO and Director of Corporate Development, the managing directors of Norway, Chile, VAP Europe and Group Operations Canada, Scotland and Others were represented. This structure has now been simplified based on group-wide Farming and Sales and Marketing functions.

At Marine Harvest, we believe that sustainability is a precondition for creating long-term competitive results. Our ability to fund our business hinges on our profitability, our long-term value creation and our financial solidity. We see increasing interest from our shareholders and potential investors in discussing different issues related to sustainability. Corporate governance and investor communication impacts our funding through investors' and bankers' trust in our management and company, as well as their ability to make their own assessments of future value creation and risks related to our business.

Our sustainability approach is defined by our corporate vision of 'Seafood for a better life' and our four closely inter-related guiding principles. Ultimate responsibility for sustainability rests with the Board of Directors. Follow-up and implementation is carried out by the Group Management Team and the heads of our Business Units. Employees trained in relevant disciplines, supported by a small group directorate, then manage individual aspects of sustainability.

Our Vision and Principles

WELCOME TO MARINE HARVEST

Group economic results 2009/ 2010

2010 was a good year for Marine Harvest, with improved performance in Norway and return to profitability in Chile.

2010 was a good year for Marine Harvest and global demand for our product was strong. Our net profit was NOK 3108 million in 2010, compared to NOK 1302 million in 2009. The improved profitability was a result of strong global demand for salmon combined with limited global supply and improved prices achieved at Marine Harvest Norway where we are also on course to reduce costs. We have returned to profitability in Chile with a downscaled organisation adapted to the current situation in the Chilean industry. At this stage, it is more important for us to maintain good biological conditions in Chile, than to grow quickly.

Group economic results 2009-2010

	2010	2009
Revenue and other income (NOK million)	**15,191.4**	14,651.2
Harvest volume of salmonids (HOG), tonnes	**295,683**	327,100
Operational EBITDA (NOK million)	**3,844.4**	2,207.3
Operational EBIT (NOK million)	**3,191.3**	1,519.6
Profit or loss for the year (NOK million)	**3,108.5**	1,302.2
Operational EBITDA margin	**25.3%**	15.1%
Operational EBIT margin	**21%**	10.4%
Total assets (NOK million)	**23,528.8**	20,389.3
Net interest-bearing debt (NOK million)	**5,518**	5,075
Total equity (NOK million)	**12,570.7**	11,460.5
Equity	**53.4%**	56.2%
NIBD/Equity	**0.41**	0.44
ROACE	**19.7%**	6.2%
Cash flow from operations (NOK million)	**2,599.6**	2,369.8
Net cash flow (NOK million)	**146.8**	-200.4
Earnings per share (NOK) – basic and diluted	**0.87**	0.37
Share price (high)	**6.44**	4.82
Share price (low)	**4.24**	1.05
Share price at year-end	**6.17**	4.23
Number of shares at year-end (million)	**3,574.9**	3,574.9
Market value (cap) at year-end (NOK million)	**22,057.1**	15,121.8
Number of employees at year-end	**5,058**	4,947

FOOD SAFETY

Food safety and quality

Our core ambition is to provide tasty, healthy and safe seafood to consumers throughout the world.

Food safety

Our fundamental objective is to produce safe and nutritious food. We achieve good food safety through three main overlapping product assurance programmes: control of undesirable substances, control of food-borne pathogens and tracking and tracing. Procedures and systems are ready and waiting to handle non-conformities, including corrective actions, rapid alerts and product recalls no matter how insignificant. In 2010 we continued to implement our common incident-reporting system introduced the year before. This gives an even greater focus on the importance of incident reporting, alert reactions and handling of incidents. As a result, the number of incident reports has gone up to 43 in total. A higher number of reported incidents is mainly a result of improved reporting. However, the number of incidents upgraded to our 'crisis' status remains low. Of these only five related to food safety issues and only minimal volumes of product were eventually recalled or withdrawn. These related to product labelling issues and Marine Harvest-initiated microbiological monitoring.

Undesirable substances

These may be present at trace levels in the environment or in the raw materials used in fish feed. Examples include dioxins, PCBs and heavy metals which accumulate in the marine environment and therefore are present in seafood, as well as residues from medicines used to treat disease. Around the world we operate an extensive control programme to ensure safe feed and food including a monitoring programme for undesirable substances using approved laboratories applying accredited methods. Our monitoring (summary outputs are shown in our charts on the next page) confirms that any traces of undesirable substances are far below scientifically established statutory limits worldwide. Occasionally, medicines are prescribed for our fish by veterinarians in accordance with legal requirements. We strictly observe the specified withdrawal periods and fish are checked for any residues before harvest.

Food-borne pathogens

We have detailed systems for monitoring and controlling pathogens such as micro-organisms (bacteria and viruses) and parasites. Our sampling procedures, the methods of analysis and the notification and handling of non-conformities are all laid down in company operating procedures.

Tracking and tracing

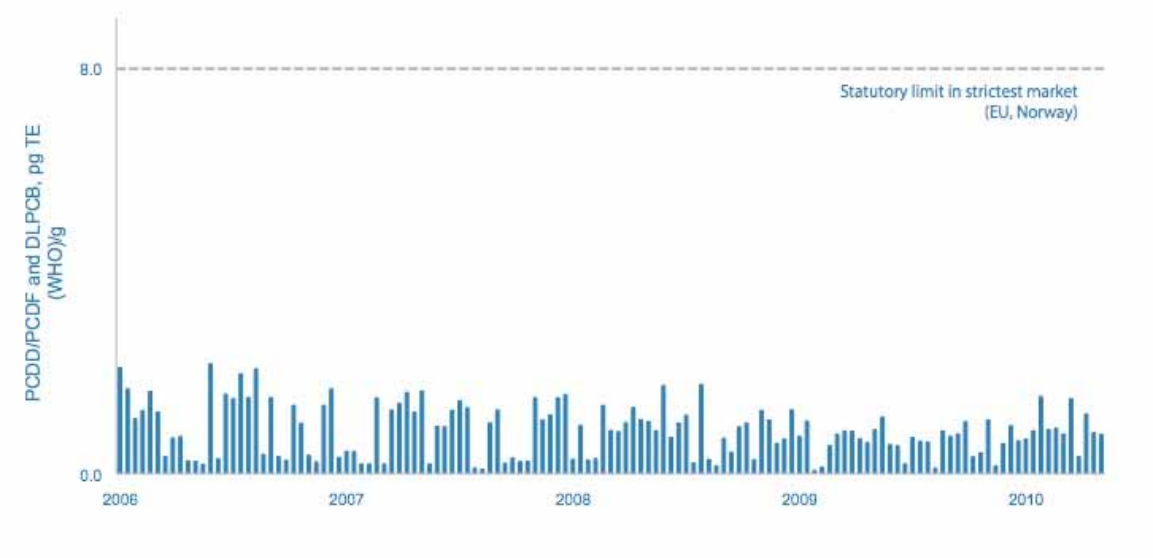
On the rare occasion that an adverse incident occurs, tracking and tracing is an important tool to pinpoint the set of factors leading to the event. All our production and processing facilities keep records of all deliveries, from fish eggs and feed, to ingredients for value-added processing and packaging material. Every production step is recorded, which means it is possible to trace any product back to its origins. Every box or package of fish delivered from our processing plants has a batch number on the label, which is the key for tracing purposes.

FOOD SAFETY

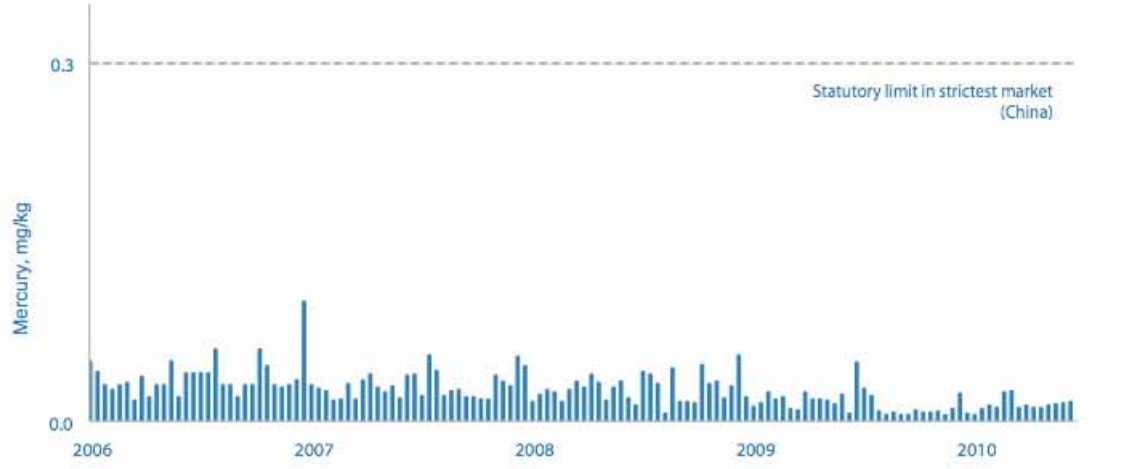
Food quality

Marine Harvest's objective is to deliver food with high technical and nutritional quality to meet customer requirements and consumer expectations. Technical quality means the food conforms to the specifications agreed with customers. Nutritional quality relates to the role of fish and fish products as natural healthy food. Fish, and specifically fatty fish like farmed atlantic salmon, contain nutritious and easily digestible proteins and are rich in important minerals, vitamins and the long chain omega-3 fatty acids EPA and DHA. Important minerals found in fish include iodine and selenium. Key vitamins in fish are vitamins A, D, E, B1, B2, B3, B6 and B12. *Sustainable Seafood: the Marine Harvest* way has more detail on how we manage food safety and quality including our interactions with clients and external quality certification schemes.

Fish flesh results sum of dioxin, furans and dioxin-ike PCBs in Marine Harvest Group farmed species 2006–2010



Fish flesh total mercury results in Marine Harvest Group farmed species 2006–2010



PEOPLE

People

Protecting the safety, health and human rights of our employees is a core value for us.

Meaningful work

At Marine Harvest we aim to be an open, positive and supportive working community which shows respect and support for individuals and the diverse cultures where we operate and from where our employees are drawn. Our Code of Conduct is our principal guide for how we work together.

Communicating with stakeholders

Marine Harvest encourages all employees to voice opinions and bring disagreements into the open – in a respectful and solution-oriented manner. We encourage our employees to:

- Support Marine Harvest's open and positive culture
- Create best practice networks
- Improve internal active sharing of news and information

Electronic communications are an important way for a global company like Marine Harvest to keep in touch. Our intranet has a corporate section for where we publish news, new employee information, media stories on the company, and technical information on subjects such as fish health, new technology and innovation. In addition, all Business Units have separate sections where they publish local news in their local language. The intranet is also the main channel for our CEO when communicating with all employees. As around half of our 5,000 employees do not use a computer at work, the Business Units also circulate local newsletters at sites and factories to ensure all employees stay informed. Our Norwegian operations are connected via our 'Harvest' magazine published quarterly in hard copy and electronic formats. To understand what kind of improvements external stakeholders expect of the salmon industry, we engage in direct discussions with organisations, including customers, suppliers, government agencies, researchers and NGOs.

Employee breakdown

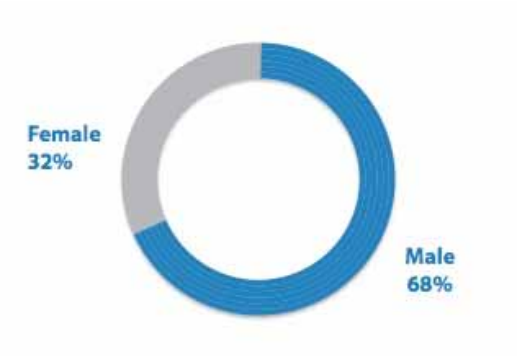
The fish farming industry has traditionally been an industry with a majority of male employees. As of end 2010 the proportions of male and female employees were 68% and 32% respectively. In 2010, the Group had female managers in the senior management teams of most subsidiaries. The Group continues to work actively to promote diversity in senior management positions globally. In 2011, the top management team of Marine Harvest will be changed. Going forward, the team will consist of four members, one of whom is a woman. Of the 10 members in the Marine ASA Board, there are five women.

PEOPLE

Labour conditions

Engaging in open and free dialogue with employees concerning labour relations is enshrined in our Code of Conduct. We believe all our workers have the right to freely form and join groups for the promotion and defence of their occupational interests, including the right to engage in collective bargaining by joining a trade union. We are committed to the abolition of child labour, and all forms of forced or compulsory labour. We will not employ anyone under the age of completion of compulsory schooling as set by national law, and, in any event, not less than 15 years of age. We support and comply with all applicable laws and the Universal Declaration of Human Rights and require a similar commitment from participants in our supply chain. An important prerequisite of compliance is the awareness of the potential risk of human rights violations – whether due to local conditions, custom, practices or otherwise. As with any potential contravention of our Code of Conduct, risky situations or allegations of human rights violations are investigated and followed up. Many of our operations have whistleblower protection programmes in place.

Employee diversity 2010



Training and development

To remain a leader in aquaculture we require our employees to be at the top of their game. Development and training are important facilitators of these skills and abilities whether taken formally through training courses or on-the-job experience which broadens and deepens practical understanding. All our operations support opportunities for development, training and education. In 2010 2,867 operative level employees and 739 sales, administrative and management staff attended training (these figures include multiple counts for people that attended more than one training course).

Temporary employees

Around the world, our businesses occasionally need to hire temporary workers for a number of reasons, such as seasonal demand or lack of native workers with the essential expertise. Our local HR departments are committed to following national and international recruitment laws and requirements. Over and above these, the temporary workers we employ have the same benefits and conditions as local and native workers, including equal pay for equal work. When hiring, we always first attempt to find qualified native workers before hiring foreign personnel. We also search our internal database for qualified transferable employees in other Business Units. In 2010 we discovered unsatisfactory working arrangements tied to the use of temporary workers hired from three different contractors at one of our processing facilities in Norway. This led to changes in use of contractors, and new and stricter contractual demands for use of temporary workers.

PEOPLE

Safety performance

In 2010, the group recorded 123 lost time incidents (LTI), down from 219 in 2009. Our ambition for 2010 was to cut the 2009 number by more than half. Despite missing our target we were successful in cutting the number of incidents by over 43%. This was achieved by additional training and the embedding of our integrated safety management system. We are reinvigorating training by our commitment to undertake a major new initiative, focusing on individual attitude and responsibility for safety. There were no fatalities on 2010.

Our highest sick leave and injury rates are the cuts and strains found in the harvesting and processing plants. Strains are also the main cause of long-term sick leave in the company. We are working to prevent such injuries and provide alternative work in cases where this is necessary. Various measures and awareness schemes, such as job rotation and competence development, have had a positive effect. The overall absentee rate in 2010 was 3.8% compared to 4.1% in 2009.

Chilean Business Unit leads the way

In December 2010, Marine Harvest Chile received SOFOFA's Corporate Social Responsibility Award, recognising the outstanding contribution made by the company to the community and its workers. Employment programmes for former employees, training abroad and a healthy lifestyle programme are among the efforts implemented over the past few years. Earlier in the year Technical Director, Berta Contreras, was named Patagonia's Best Female Executive in an award given by the local newspaper El Llanquihue.

ENVIRONMENT

Environment

We work hard every day to ensure our fish stay healthy and that our production leaves minimal environmental footprints.

Net maintenance

Net fouling is a serious concern as it reduces the free flow of water through the pens if permitted to accumulate, potentially resulting in oxygen reduction and stress to the fish. Net fouling is also believed to increase the sea lice occurrence in our farms. Our industry has historically used copper-based substances to control fouling. However, it has been criticised as a source of persistent marine pollution and concentrations are strictly regulated by all local authorities. In some regions, the move away from copper has been achieved through frequent replacement of nets. In other regions, fouling control is maintained by training technicians to use dedicated net cleaning procedures and equipment. It is our intention to continue to replace anti-fouling chemicals with more environmentally friendly alternatives.

Treatment of nets 2008-2010

Business Unit	2010	2009	2008
	% nets treated		
Ireland	0	0	0
Sterling White Halibut	100	0	0
Chile	59	100	100 in summer / 60 in winter
Norway	90	93	67
Canada	4	69	92
Scotland	26	5	23
Faroes	100	53	65

Fish escapes

Reducing the number of fish escapes is an important focus for us. Escapes may potentially affect the integrity of low-numbered wild fish populations and may also be expensive if large numbers of fish are involved. Escapes from fish farms can happen in a number of ways including human error, equipment failure or predator attack. In every case, it is our responsibility to ensure our fish stocks are kept safe and secure. In collaboration with equipment suppliers, we are actively pursuing new technologies and improved specifications in netting material and pen, net and mooring design.

ENVIRONMENT

Escape incidents reported

Business Unit	Activity	2010 Number of escape incidents	2010 Number of fish lost	2010 Estimated average weight	2009 Number of escape incidents	2009 Number of fish lost	2009 Estimated average weight	2008 Number of escape incidents	2008 Number of fish lost	2008 Estimated average weight
Ireland	Broodstock and juveniles	0	0	0	0	0	0	0		
	On-growing	2	85,073	1kg	0	0	0	0		
Sterling White Halibut	Broodstock and juveniles	0	0	0	0	0	0	0		
	On-growing	0	0	0	1	100	5 kg	0		
Chile	Broodstock and juveniles	0	0	0	0	0	0	0		
	On-growing	0	0	0	1	71,066	2.7 kg	0		
Norway	Broodstock and juveniles	1	15	130 g	1	19	5 g	2	500	0.1 kg
	On-growing	2	663	3.3 kg	2	1,000	2.5 kg	2	45	0.8 kg
Canada	Broodstock and juveniles	0	0	0	0	0	0	1	20	juveniles
	On-growing	4	43,623	2.4kg	4*	50,059	4kg*	3	108,589	2 kg
Scotland	Broodstock and juveniles	1	10,775	80 g	0	0	0	0		
	On-growing	3	336	2 kg	5	11,478	3.6 kg	2	7,444	5 kg
Faroes	Broodstock and juveniles	0	0	0	0	0	0	0		
	On-growing	2	3,535	2 kg	1	50	125 g	1	2,000	3 kg
TOTAL		15	144,020		15	133,772		11	118,598	

*NB Canadian datapoints restated for 2009

Stocking densities

We stock our fish at densities that balance welfare, reduce the risk of disease and enhance stock performance. Specified maximum stocking densities for salmon at harvest range between 14 and 31kg per cubic metre, depending on territory. At maximum stocking density our fish occupy less than 3% of the available cage volume and have more than 97% of the space to move freely and express normal behaviour. During poor weather conditions, and in the interests of welfare, harvests can be delayed, which may lead to stocking densities temporarily exceeding the target maximum. Stocking density performance at Marine Harvest Ireland continues to reflect the shifting local licensing regime. We are working closely as an industry and individually with the Irish Government to update licencing arrangements to meet recent EU regulations, technologies and practices. Our decision to double the number of pens for the same biomass has secured our organic status within existing permissions.

ENVIRONMENT

Stocking density reported for sea, lake or loch farms in kg/m3

Business Unit	2010 Actual maximum	2010 Target maximum	2010 % of pens exceeding maximum	2009 Actual maximum	2009 Target maximum	2009 % of pens exceeding maximum	2008 Actual maximum in cages at harvest	2008 Target for maximum density in cages at harvest	2008 % of cages above target maximum
Ireland	17	10	32	31	10 or 20	30	15	20	0
Sterling White Halibut	10	50	0	50	50	0		50	0
Chile	15	15	0	14	15	0	14	17	0
Norway	24	22.5	3	27	25	7	23	23	0.475
Canada	22	20	7	31	24	5	29.4	24	7.5
Scotland	17	17	0	18	17	3	19	17	4
Faroes	26	25	2	24	20	16	20	20	5

Fallowing and coordinated approaches

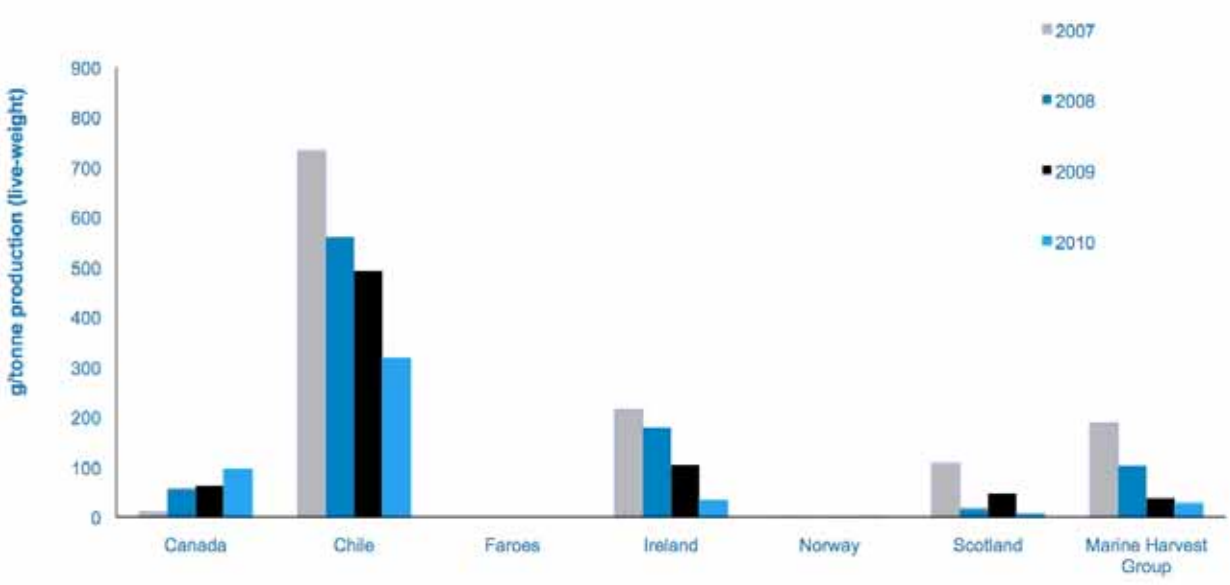
Leaving a site empty between production cycles – known as fallowing – is an integral component of good farming practice. It allows for the resting or restoration of the local environment and reduces the risk of re-infection of disease and parasites. We promote co-ordinated fallowing and synchronised production with industry peers to further reduce biological risks within operational areas.

Fallowing periods reported for sea, lake or loch farms (2008-2010) in weeks

Business Unit	Activity	2010 Average fallow period	2010 Target for minimum fallow period	2010 % of sites below target minimum	2009 Average fallow period	2009 Target for minimum fallow period	2009 % of sites below target minimum	2008 Average fallow period	2008 Target for minimum fallow period	2008 % of sites below target minimum
Ireland	Freshwater	N/A			N/A					
	Seawater	17	6	0	11	4	9	7	6	43
Sterling White Halibut	Seawater			No fallowing			No fallowing			
Chile	Freshwater	4	4	0	8	4	0	9	9	0
	Seawater	60	12	0	52	12	0	12	12	0
Norway	Freshwater	N/A		0	N/A					
	Seawater	18	8	0	14	8	0	16	8	6
Canada	Freshwater	24	16	0	4	4	12	22	4	0
	Seawater	13	12	40	13	8	2	12	8	2
Scotland	Freshwater	6	6	0	6	6	0	6	6	0
	Seawater	30	6	0	15	6	0	13	6	0
Faroes	Freshwater	N/A			N/A					
	Seawater	34	8	0	8	8	0	14	8	0

ENVIRONMENT

Antibiotics use by country 2007–2010



Antibiotics

In 2010, we used 10,614 kg of antibiotics for disease control, a 22% reduction from 13,644 kg in 2009. For salmon production, total live-weight produced in 2010 was 376,576 tonnes, resulting in a group-wide average of 28.2 g per tonne compared to 37.9 g per tonne in 2009. This reduction was mainly due to lower usage in Chile and Ireland where the majority of antibiotics were used. In Chile we reduced the volume of antibiotics used from 2009 to 2010 by over 35%. This compares to Marine Harvest Norway, where antibiotic use continued to be extremely low with only 0.003 grams used per tonne of production.

Antifungal products are used in some hatcheries and freshwater production to control fungal infections of eggs, fry and after vaccinations. In 2010, a total of 27,875 litres were used in our operations (29,317 litres in 2009). Stable usage of anti-fungals has been achieved by producing good quality eggs and smolts in our operations and maintaining standards of hygiene and biosecurity to reduce the impact of fungus.

Our approach to sea lice management

Sea lice are naturally occurring external parasites that feed on the mucus and skin of marine fish but are harmless to humans. High numbers of sea lice can also stress the fish, affect growth and generally reduce the fish quality. We regularly monitor the occurrence of sea lice on our fish, checking that numbers are below trigger levels for treatment. Trigger levels vary depending on the type of lice, time of year and local differences in lice species as well as the presence of wild fish species. To control sea lice we have tried and tested operational standards in place. Experience tells us that the most effective approaches integrate both medical and non-medical routes. Non-medical methods include use of cleaner fish such as the ballan wrasse and feed supplements, as well as good production management such as synchronised fallowing, attention to clean nets and adjusting stocking densities.

Sea lice trends

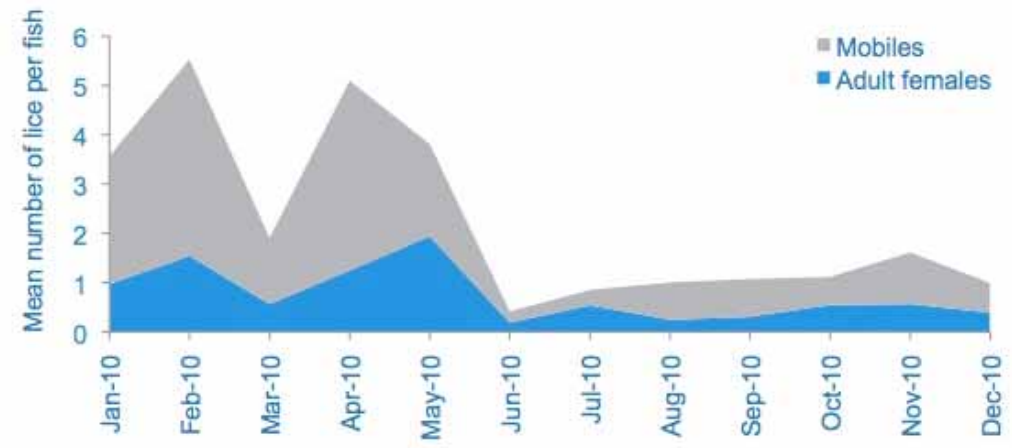
We measure sea lice occurrence in terms of the mean number of sea lice per fish, compared to local trigger levels set by the authorities to minimise risk for negative impacts on wild salmon. The main goal of these trigger levels, which regulates when salmon must be treated, is to ensure a low number of mature sea lice during migration of wild salmon smolt. As the graphs show, our success in managing sea lice numbers continued during 2010.

Our main sea lice challenge is reduced sensitivity of sea lice to specific veterinary medicines. Although our integrated approach to sea lice control includes medical and non-medical controls, medicines will remain a necessary component. Taking a long-term view to protect sensitivities to medicines in Norway, in 2008 we took one of our key medicines out of regular use. Trigger levels for sea lice treatment were also raised during the autumn and winter from September 2009. The joint effect of this was a higher sea lice level on farmed fish during the autumn-winters of 2009 and 2010. Since that time

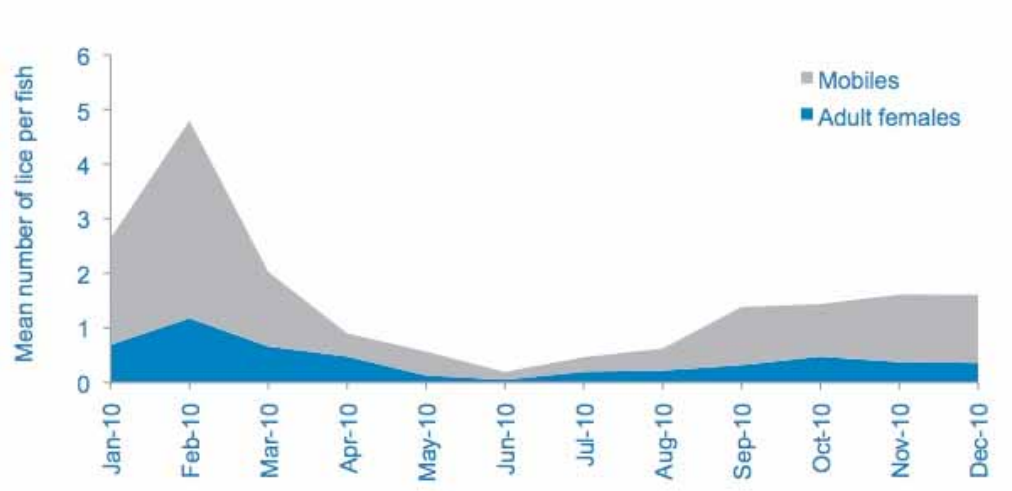
ENVIRONMENT

we have gradually achieved a lower sea lice level also in Norway. Our broad long-term efforts to maintain a low level of sea lice for the years to come, are described in *Sustainable Seafood: the Marine Harvest Way*.

MH Faroes mean number of sea lice 2010

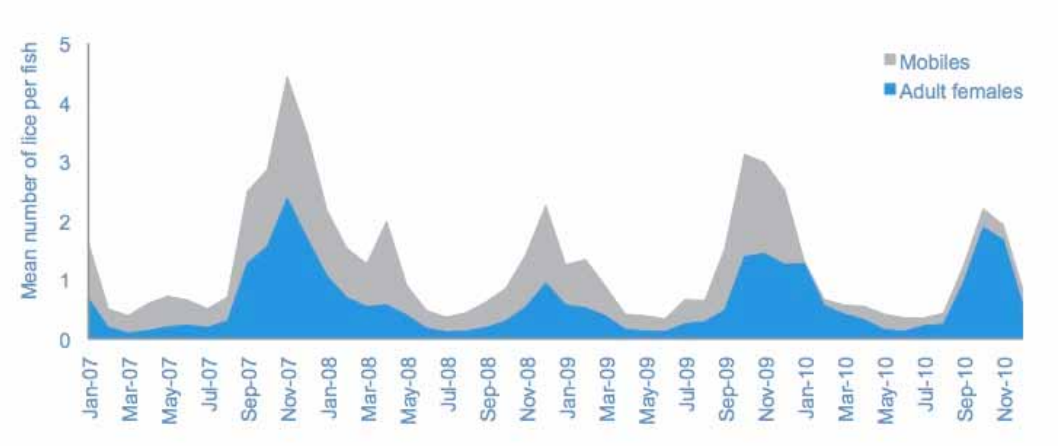


MH Ireland mean number of sea lice 2010

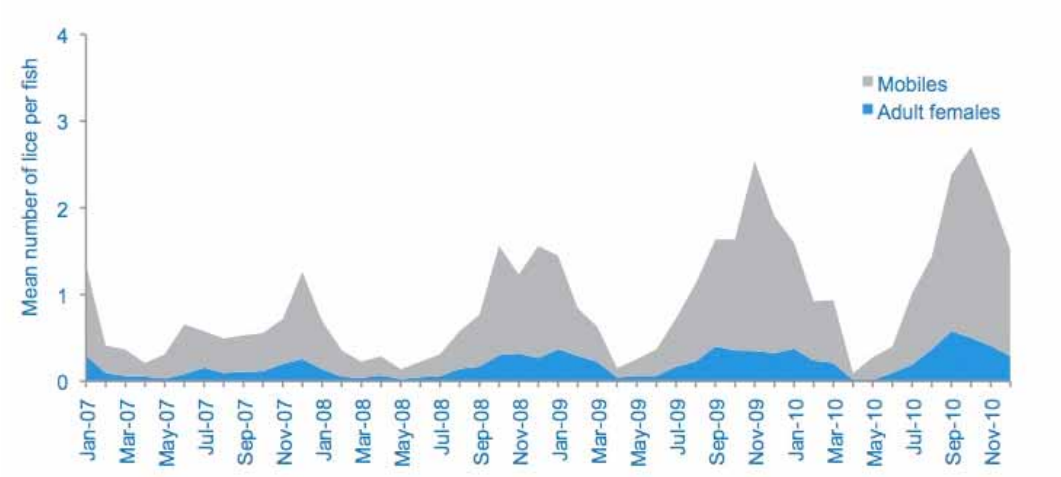


ENVIRONMENT

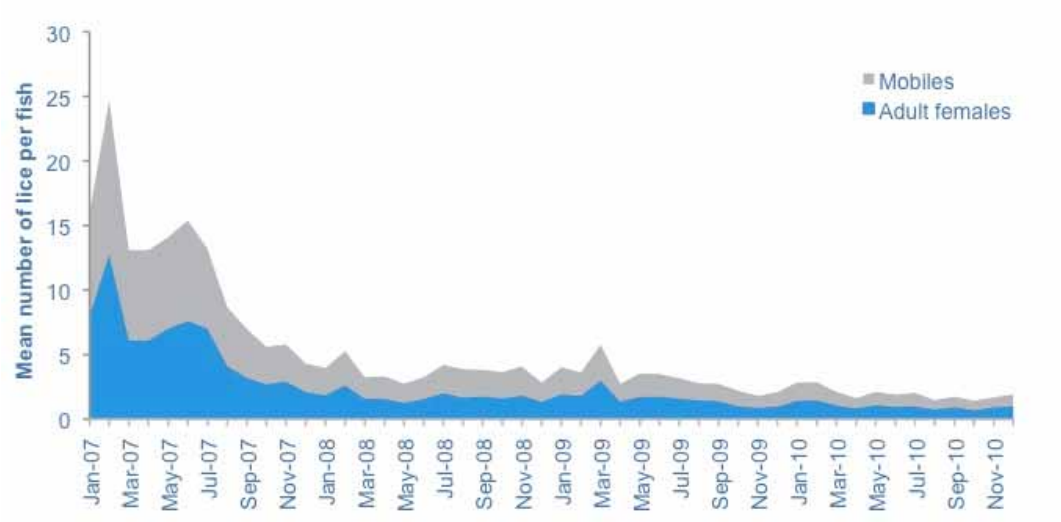
MH Canada mean number of sea lice 2007–2010



MH Norway mean number of sea lice 2007–2010

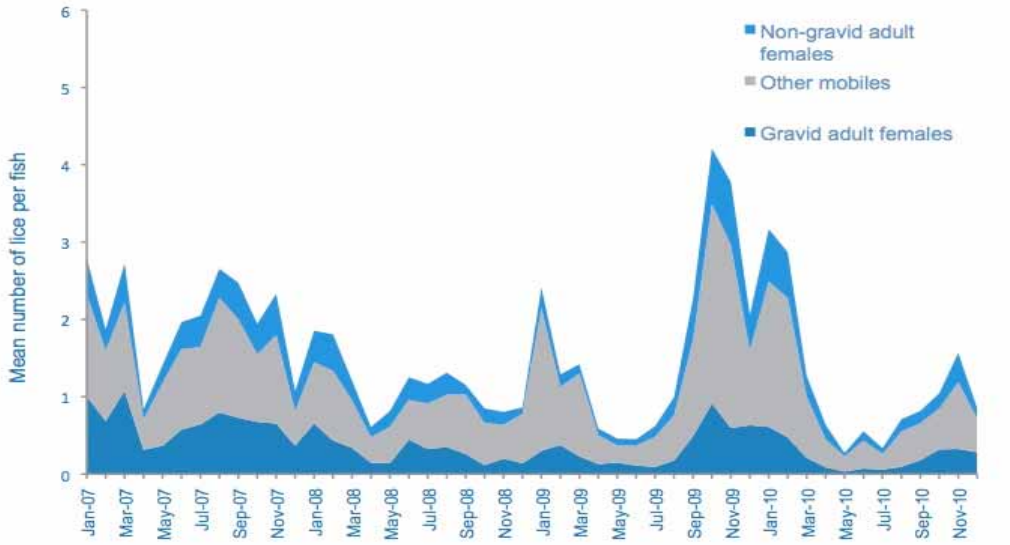


MH Chile mean number of sea lice 2007–2010



ENVIRONMENT

MH Scotland mean number of sea lice 2007–2010



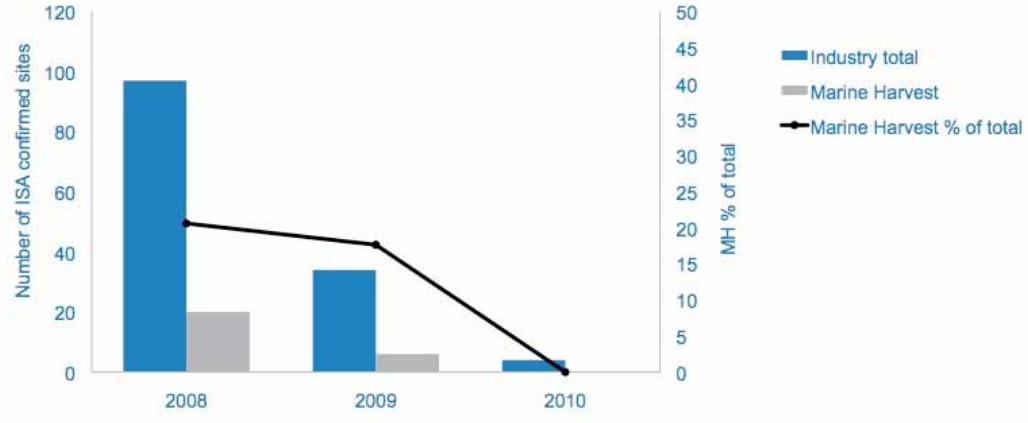
New developments in sea lice control

We take a strategic and integrated approach to managing sea lice which seeks to maintain control at low levels by using the most sustainable and environmentally friendly approaches. As well as using medical approaches we are constantly seeking and developing new non-medical approaches through our R & D programme while retaining the use of medicines as contingency within a rotating treatment system. Recent non-medical treatments include the use of cleaner fish (ballan wrasse) and increased efforts to farm them. We have also installed lice filters at all processing plants, invested in sea lice gene sequencing research and intensified efforts to co-ordinated delousing and including working with our neighbours on zonal and synchronous approaches. Within the arsenal of medical approaches we call upon a variety of licensed medicines. We used 414 kg of oral active ingredients in 2010 (down from 1,471 in 2009). Sea lice control is also dispensed using medicinal baths. In 2010, we used 774 kg of active ingredients (510 kg 2009). A specialist form of treament is the use of hydrogen peroxide baths. In 2010, 1,930,519 litres were used compared to 275,104 in 2009. Variations in the amounts of individual treatments reflect their suitability to the pattern of sea lice infestation as well as aspects of the sea lice life cyle.

Infectious salmon anaemia (ISA) outbreaks in Chile stabilising

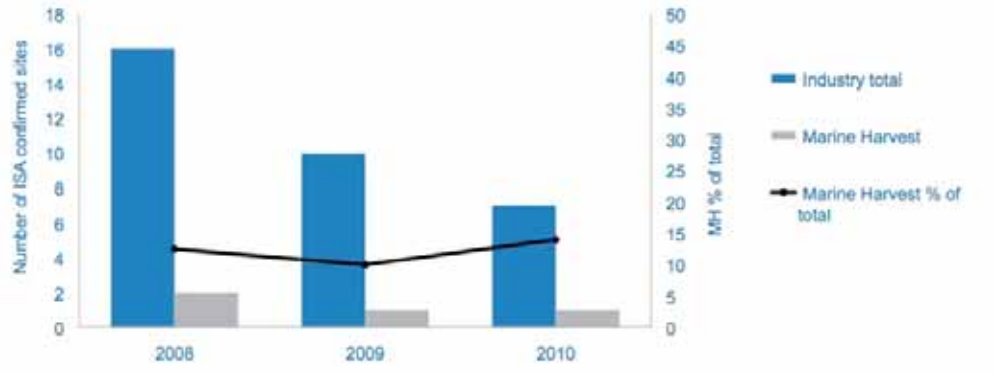
Throughout 2010, we continued to apply the strict vigilance, monitoring, contagion and risk management tools at our disposal, integrating these with new controls and regulations. We believe that the ISA situation in Chile is stabilising as a consequence of the reduction in fish stocks, implementation of strict sanitary measures and procedures, improved husbandry and management, heightened surveillance, coordinated zone production and fallowing, and vaccination. Throughout the recent outbreak, we have maintained a transparent and open dialogue with the industry, sharing knowledge, experiences and practices to mitigate.

Number of ISA confirmed sites in Chile 2008–2010



ENVIRONMENT

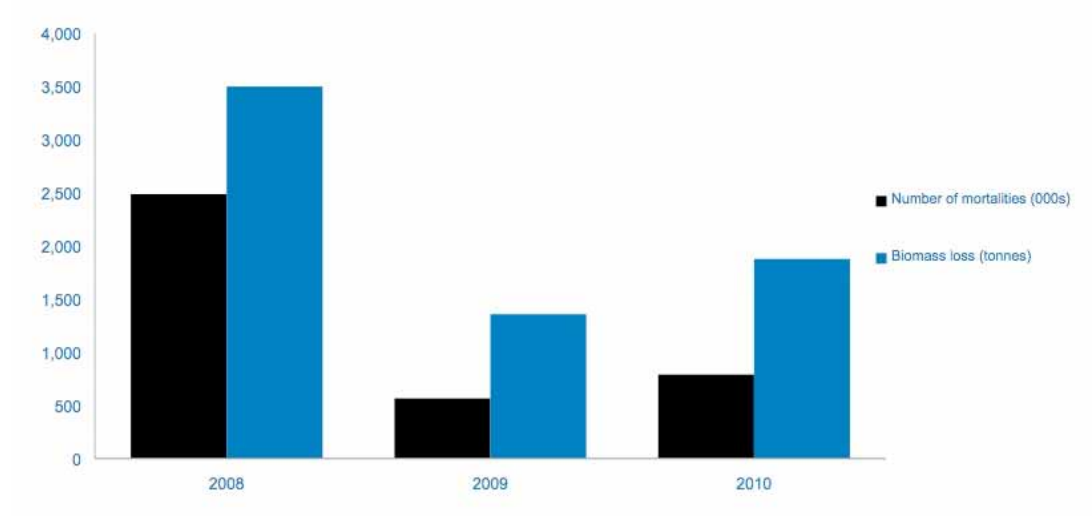
Number of ISA confirmed sites in Norway 2008–2010



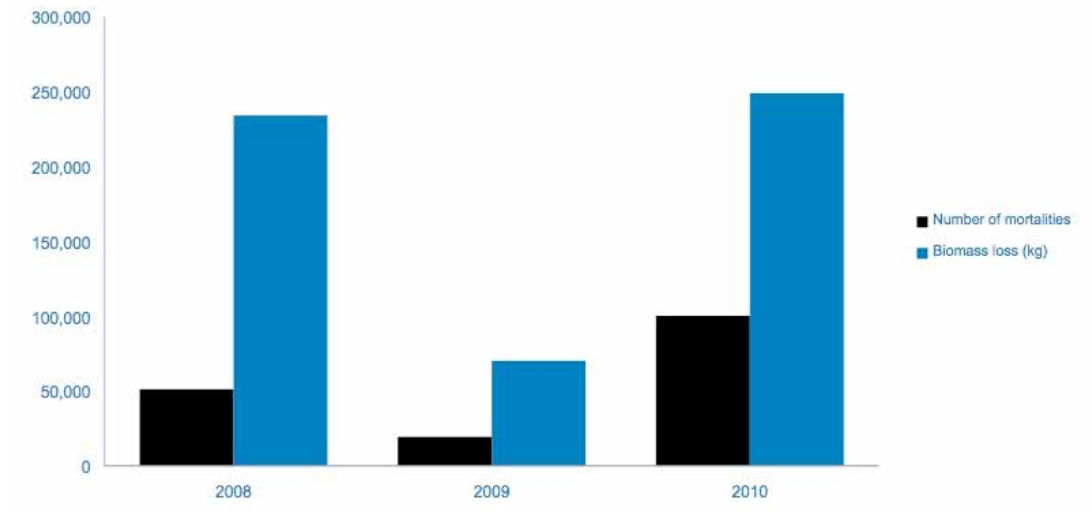
Pancreas disease in Marine Harvest

During 2010, along with our peers, pancreas disease (PD) continued to affect some of our sites, mainly in Ireland and Norway. Disappointingly, incidences in the Norwegian industry increased over the year with a total of 88 cases (diagnosed and suspect) in 2010 compared to 74 in 2009 (19% increase). Similarly, in Marine Harvest Norway the number of cases in the PD-affected zone (South and West regions) increased by 17% (from 12 in 2009 to 14 in 2010).

Pancreas disease Marine Harvest Norway 2008–2010



Pancreas disease Marine Harvest Scotland 2008-2010



ENVIRONMENT

Energy

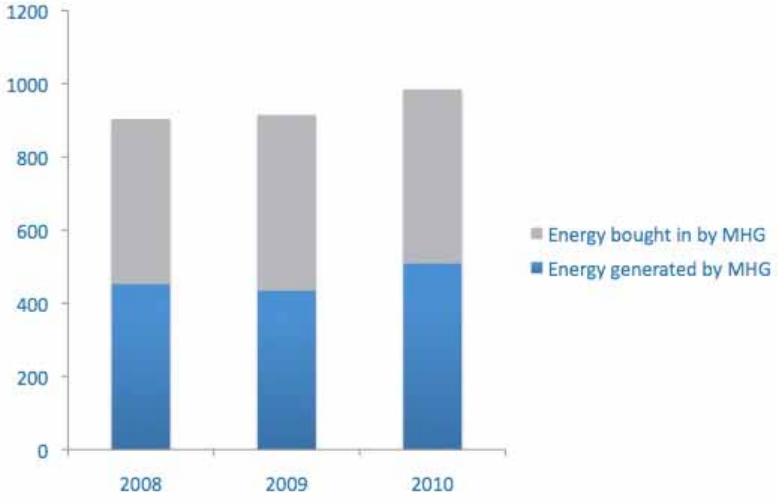
Salmon farming is an energy-efficient form of meat production, particularly when compared to the farming of land-based animals. Nonetheless, we are working across our business using a life cycle assessment approach to become more energy-efficient. This will not only cut costs but reduce the environmental footprint of our operations which often rely on energy from non-renewable sources that emit carbon dioxide.

During 2010 we devoted considerable effort in improving the capture and robustness of our energy information. One consequence of these more effective processes is a small rise in the total energy we have used (7.6%). Of our 984.3 terajoules total consumption, energy we generated accounts for 509.4 TJ and energy we bought in 474.9 TJ. Most of the energy we use comes from electricity we buy in. This is mainly used at our processing, sales and distribution centres. We also use large amounts of natural gas for heating. Significant amounts of diesel and petrol are used at our production facilities where transportation is an integral part of operations.

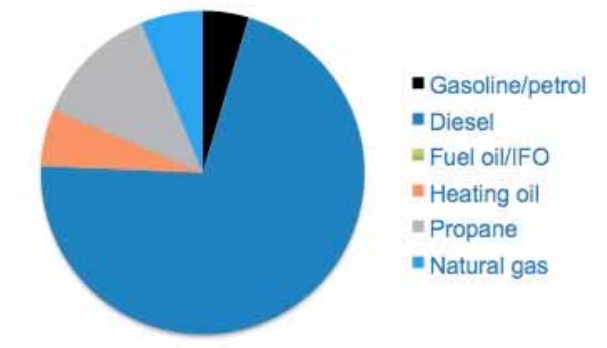
Going forward, we expect our energy management programmes will deliver improvements in our performance even though we continue to invest in energy intensive processing capacity. From a life cycle perspective increased processing capacity, such as in filleting, is more energy efficient overall as it reduces energy consumption in the transportation undertaken by our customers.

This year for the first time we are reporting the Scope 1 & 2 greenhouse gas emissions associated with our operations. Energy we generated (Scope 1) accounted for 38,752 tonnes CO_2, while energy we bought in (Scope 2) was 25,043 tonnes CO_2. Together this equals 63,795 tonnes CO_2. This was prepared using the WRI/WBCSD approach. As many of our farming operations are based near mountainous areas much of the electricity we purchase comes from renewable hydro-electric sources.

Marine Harvest total energy use and breakdown 2008 2010 (terajoules)



Fuel sources for energy generated by Marine Harvest 2010 (%)



ENVIRONMENT

Waste

Establishing a system for waste tracking by type and treatment, as specified in our Qmarine quality system, is an ongoing process and reporting in this area will be strengthened in future sustainability reports.

Waste treatment in 2010 (2009) (%)

Business Unit	Recycled by Marine Harvest	Recycled by third parties	Composted	Incinerated	Landfill	Third-party collection and unknown disposal
Ireland	0 (0)	57 (53)	21 (16)	21* (28)	1 (3)	0 (0)
Sterling White Halibut	0 (0)	100 (35)	0 (0)	0 (65)	0 (0)	0 (0)
Chile	0 (0)	97 (97)	0 (0)	1 (1)	2 (2)	0 (0)
Norway	0 (0)	80 (64)	3 (4)	6 (25)	5 (4)	6 (3)
VAP	0 (0)	63 (77)	20 (1.6)	14 (16)	3 (5)	0 (0.4)
Canada	0 (37)	40 (7)	30 (17)	0 (3)	30 (33)	0 (3)
Scotland	10 (9)	45 (42)	15 (17)	25 (27)	5 (5)	0 (0)

*Note. At MHI 21% of waste is rendered

Waste water

In 2010, we discharged 1,927,713 m^3 of water from our production facilities down 25% from 2009. Waste water from our processing facilities contains organic matter and may potentially carry fish pathogens and so needs treatment before returning to the natural environment. Our waste water is transferred to water treatment works for purification, which may include disinfection as required by local legislation before discharge, often to the sea. We are in the process of installing disinfection systems in all our processing facilities, even where this is not required by law.

Waste water at processing plant in 2009 and 2010

	2010			2009		
Business Unit	Total m^3	To sea or public drains	Is the waste water treated prior to discharge in accordance with official regulations	Total m^3	To sea or public drains	Is the waste water treated prior to discharge in accordance with official regulations
Ireland	115,823	Sea	Yes	95,000	Sea	Yes
Sterling White Halibut	Reported with Norway	Reported with Norway	Yes	Reported with Norway	Reported with Norway	Yes
Chile	37,000	Sea	Yes	228,281	Sea	Yes
Norway	1,345,514	Sea	Yes	1,455,480	Sea	Yes
VAP	261,470	Public and sea	Yes	338,471	Mainly public	Yes
Canada	255,667	Sea	Yes	293,200	Sea	Yes
Scotland	173,709	Public	Yes	171,112	Public	Yes
Faroes	Processed by third party	Sea	Yes	Processed by third party	Sea	Yes

ABOUT OUR 2010 REPORTS

About our 2010 reports

Communicating about sustainability with our stakeholders in a way that meets their needs is fundamental to our reports.

New reporting structure

Following stakeholder feedback, this year we have taken a dual approach to our sustainability reporting communications. Our Update on Progress looks into our sustainability performance in 2010 and revisiting the data covered in our 2009 Sustainability Report. Accompanying this report is *Sustainable Seafood: the Marine Harvest wa y*. Published in May 2011, this 44-page document takes a question and answer approach to discussing the big issue as we see them in seafood sustainability. Both documents are available as hard copy and downloadable pdfs.

Report coverage

Our Update on Progress 2010 covers all parts of the fish farming to food product value chains where Marine Harvest companies are active. These include breeding, hatcheries, farming of juveniles and adult fish, harvesting and processing of fish, sales and distribution, and value-added processing of seafoods with associated sales and distribution. Since our last sustainability report in 2009, there have been no significant changes in our size, structure or ownership. In this report we are restating five economic indicators in line with our Annual Report. These are; Operational EBITDA, Operational EBIT, Cash flow from operations revenue and Net cash flow.

While we continue to develop our performance reporting systems, this annual update shares the same scope of reporting as previously. It covers all Marine Harvest businesses, except jointly owned businesses where we do not have a controlling interest. This report and its data covers the calendar year 2010. Financial information in this report is taken from our audited annual report and accounts. At this time we do not consider external third-party assurance of the sustainability report will add significantly to our internal assurance processes.

Materiality process

Public scrutiny of the potential negative impacts of food production are increasing and aquaculture is no exception. Our stakeholders increasingly demand openness and transparency on production practices and our reports are an important way to reach the most relevant stakeholders. In determining the content of the report, we have referred to stakeholder feedback received following our previous reports and our recent engagements with employees, investors, customers, consumers and suppliers. We expect these to be the main audiences for this report. These audiences have been selected as they are essential for facilitating and defining our success. International standards, principally the Global Reporting Initiative (GRI) were also considered in determining report content and approach and are the basis of our potential environmental impacts table which can be found on page 30 in our *Sustainable Seafood: the Marine Harvest way* brochure. This report is self-assured to GRI Application Level C. It also constitutes our United Nations Global Compact, Communication on Progress (CoP). Our CoP index and GRI table can be found on the inside back cover.

ABOUT OUR 2010 REPORTS

Global Reporting Initiative Index

Indicator	Summary indicator description	Sustainable Seafood: the Marine Harvest way	Update on Progress	Annual Report 2010
1.1	Statement from CEO	1	3	
2.1	Name of the organization.			16
2.2	Primary brands, products, and/or services	14-15		
2.3	Operational structure			8-10, 61-62
2.4	Location of organization's headquarters	2	Back cover	
2.5	Major operation	2		
2.6	Ownership and legal form			16
2.7	Markets served	2, 15		
2.8	Scale of the organization		5	
2.9	Changes in size, structure or ownership		21	
2.10	Awards		2, 9	
3.1	Reporting period		21	
3.2	Date of previous report		21	
3.3	Reporting cycle		21	
3.4	Contact point		Back Cover	
3.5	Process for defining report content		21	
3.6	Boundary of the report		21	
3.7	Specific limitations on the scope or boundary		21	
3.8	Basis for reporting		21	
3.10	Re-statements of information		21	
3.11	Changes in the scope, boundary, or measurement		21	
3.12	GRI Table		22	
4.1	Governance structure of the organization			16-20
4.2	Chair also an executive officer			22
4.3.	Number of independent directors			18
4.4	Shareholders and employees engagement			18
4.14	List of stakeholder groups engaged		21	
4.15	Basis selection of stakeholders with whom to engage		21	
EC 1	Direct economic value generated and distributed			72-80
EC 3	Coverage of the organization's defined benefit plan obligations			79
EN 3* and EN 4*	Direct and indirect energy consumption by primary energy source		19	
EN 16	Total direct and indirect greenhouse gas emissions by weight		19	
EN 21*	Total water discharge by quality and destination		20	
EN 22*	Total weight of waste by type and disposal method		20	
LA 7*	H & S data	37	9	
LA 10	Average hours of training per year per employee		9	
LA 13*	Composition of board and employees		4	
HR 6*	Elimination of child labor		9	
PR 2	Product H & S Compliance		6	

*This indicator is particularly relevant to our United Nations Global Compact Communication on Progress

This page is left intentionally blank

Edited by Salterbaxter

Marine Harvest ASA
PO Box 4102 Sandviken
5835 Bergen
Norway

Telephone +47 21 56 23 00
Email: corporate@marineharvest.com

www.marineharvest.com