“Leading the blue revolution”

“What does it take for us as an industry and for Marine Harvest in particular to serve tomorrows even better educated consumers in a successful way”

Ole Eirik Lerøy, Chairman Marine Harvest 08.10.2013
Agenda

- Marine Harvest in brief
- Fundamentals
- Marine Harvest going forward
Marine Harvest in brief
A global seafood group

Represented in 21 countries
6200 employees worldwide
Producing 5 million meals of salmon every day
Marine Harvest in brief

› One of the world's leading seafood companies

› The world's largest producer of Atlantic salmon

› Fully integrated value chain from broodstock to ready-to-eat meals

› Pioneering the international development of our industry

› The strategy is to be number one in fish feed, fish farming and value added production – a truly integrated protein company

› Vision: Leading the blue revolution

Produced volume 2012:
392’ GWT

Turnover 2012:
15.4 billion

Meals per day 2012:
5 million

Employees:
6,400 in 21 countries
Food for thought

Source: UN 2004 projections
“Given the projected population growth, it is estimated that at least an additional 40 million tonnes of aquatic food will be required by 2030.”

- Rohana Subasingishe, FAO
Demand is increasing

"…dietary goals can be met by (...) ensuring a regular intake of fish (one to two times per week)."

World Health Organisation

Source: http://www.who.int/nutrition/topics/5_population_nutrient/en/index12.html

World Health Organisation

Estimated aquaculture growth 2000–2050: 134%

Source: http://www.fao.org/docrep/009/A0699e/A0699E09.htm
Environmental friendly food production

Carbon dioxide emission
Kg CO₂-equivalent per kg produced

Kilde: Eurostat aquaculture and Wild catch, Norwegian Seafood Export Council
A unique nutritional package.

**Proteins:**
High quality, easy digestable proteins

**Omega-3:**
High content of Omega-3 fatty acids

**Vitamins:**
Rich in A, D og B12 vitamins

**Mineral:**
High content of iodine & selen, taurin og sterols
Challenges

- Sustainable growth – financially, socially and ecologically
- A new industry – still learning
- Issues must be solved
- Smart regulations needed
- Transparency must increase
As much as 70% of the globe is covered by water. Yet, only 2% of the world’s food supply comes from the ocean.

Everybody agrees that in the future this has to change. More food needs to come from the ocean.

We also need to produce protein more efficiently - Fish has the potential to do this.

... Blue is the new green
A vertical integrated protein company
What is the X-factor of salmon?

Farmed Atlantic Salmon – Global production volume 1990-2013

Source: Kontali Analyse
Untapped potential
Our focus will be salmon for the next 3-5 years
Innovation will continue
Marine Harvest Sales & Marketing Structure

- Europe, Sales & Marketing
- Americas, Sales & Marketing
- Asia, Sales & Marketing
Major step in becoming a leading integrated protein player

- The leading secondary processing entity in Europe

- ~30 thousand tonnes HOG farming assets
  - ~7 thousand tonnes in Norway
  - Location in Northern Norway where MHG is not currently present
  - Well positioned for further licences in this region in 2013 licencing round

- ~23 thousand tonnes in Scotland/Shetland/Orkneys

- About 4,000 employees
Favorable demand development

- **X factor of salmon**: a unique cocktail of versatility combined with health effects, availability and a sense of luxury (but affordable)

- Still limited work done on **product development, category management and brand building**

- Salmon has the right attributes, but has until now been lacking an “industry leader” in developing the market

- **Marine Harvest** will take the industry leader role
*Volumes adjusted in Q2 down in total 15,000 tons
Best control and risk management

- Geographical spread – only company with presence in all Salmon regions
- Sole salmon company controlling the whole value chain, breeding to VAP
- Also Norway divided in 4 separated regions to spread risk
- Biological parameters fluctuates and health challenges varies and are controlled
- Sanitary control and continuous problem solving is vital
- Only company with professional in-house R & D activities
- Unique position for rapid global transfer of Best practice
Growth with solid control of risks

Well positioned to maintain cost leader position

Risk management
Best practices
Scale

Well positioned to lead further restructuring in the salmon business

Management capacity
Operational expertise in all regions
Proven integration experience
Fish feed project proceeding according to plan

› 220 thousand tonnes capacity – 60% of MHG requirement in Norway
› ~NOK 800m investment - Completion July 2014
Continue to develop this division towards independence
Future strategy
Health management
Feed
Environment/social accountability
Investment capital
Market support
Leadership
Creating a global integrated protein company

• Better results over time
• Closer to the consumer, better understanding of demand
• Controlling the value chain – knowledge about the product
• More stable margins – less dependent on cyclicality
• Increased focus on more sustainable operations
• Better return to our shareholders
• Creating the leading company in the industry.
Future strategy

• Global demand drivers are supportive

• Well positioned for M&A and organic growth – geographically spread

• Taking control of the important parts of the value chain
  › Feed
  › Farming
  › VAP – market development.

• Fish protein, the most energy efficient way to produce protein – we need a revolution in regards to how people think when they choose what to eat!

• Marine Harvest – “Leading the blue revolution”