A World of Potential

2006 Annual Report

marineharvest
excellence in seafood

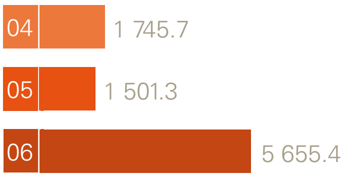
The Marine Harvest ASA Group is a result of the merger between Pan Fish ASA, Fjord Seafood ASA and Marine Harvest N.V. in 2006. Pan Fish ASA acquired Fjord Seafood ASA 1 April 2006, whereas the acquisition of Marine Harvest N.V. was closed 29 December 2006. Pan Fish ASA changed its name to Marine Harvest ASA in January 2007.

How to read this report. All references to Marine Harvest N.V. relate to the former Marine Harvest N.V. Group while all references to Marine Harvest ASA Group relates to the combined new company. The first section of this report includes information for all three companies with the intent to present the new Group. As Marine Harvest N.V. was acquired at year-end 2006 the profit and loss statement of Marine Harvest N.V. for 2006 is not included in the annual accounts of Marine Harvest ASA Group. The balance sheet of Marine Harvest N.V. is consolidated in the balance sheet of Marine Harvest ASA Group at year-end 2006. The annual accounts and Board of Director's report therefore do not include information related to the profit and loss in Marine Harvest N.V. in 2006.

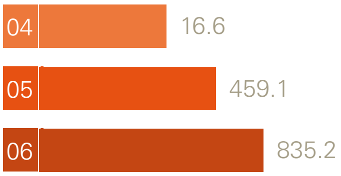
Key Figures

	2006	2005	2004
Operating income (MNOK)	5 655.4	1 501.3	1 745.7
Harvesting farming (HOG)	107 813	48 108	49 143
EBITDA (MNOK)	1 123.0	274.6	132.0
EBITDA margin	19.9%	18.3%	7.6%
EBIT (MNOK)	835.2	459.1	16.6
EBIT margin	14.8%	30.6%	1.0%
Profit before tax (MNOK)	1 011.1	386.7	-106.5
Profit before tax margin	17.9%	25.8%	-6.1%
Net Profit (MNOK)	1 853.7	381.5	-239.4
Net Profit margin*	32.8%	25.4%	-13.7
Total assets (MNOK)	27 354.0	4 157.7	3 062.3
Net interest bearing debt (MNOK)	7 398.8	1 600.3	2 000.9
Equity (MNOK)	13 589.1	1 778.3	366.9
Equity %	49.7%	42.8%	13,0%
Cash flow from operations (MNOK)	611.8	66.3	120.8
Net cash/cash & cash equivalents (MNOK)	2 182.5	152.7	167.7
Earnings per share (NOK)	0.61	0.41	-0.74
Share price (high)	7.38	2.26	4.87
Share price (low)	1.98	1.05	1.24
Share price per 31.12**	5.70	2.09	1.86
Number of shares per 31.12	3 472 648 331	1 383 456 258	502 300 000
Market value per 31.12 (KNOK)	19 794 095 487	2 891 485 512	934 278 405
Number of employees***	3 935	858	938

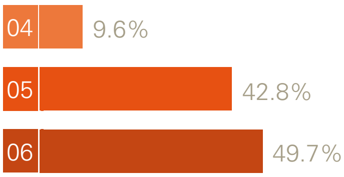
* In 2006 the total change in deferred taxes value was NOK 772 million.
** This is the share price 29 December 2006 from OSE
*** At year-end 2006 there was 9 035 employees (incl. Marine Harvest N.V.)



Operating revenue (Figures in NOK million)



Operating profit – EBIT (Figures in NOK million)



Equity %

Highlights

1st half 2006

Acquired Kritsen: Pan Fish signed an agreement to take over the remaining 66.7 percent of the shares in the French smoking house Kritsen.
Increased ownership in Aalesundfisk AS: Pan Fish entered into an agreement with the other shareholders in the Norwegian exporter of seafood Aalesundfisk AS, to commit NOK 9.75 million in a share issue. Through the acquisition of Aqua Farms Pan Fish achieved a shareholding of 27.4 percent in Aalesundfisk. After the share issue Pan Fish owned 44.2 percent of the outstanding shares in the company.
Acquired 25.7 percent of Fjord Seafood ASA: Pan Fish acquired Geveran Trading Ltd's holding of 25.7 percent in Fjord Seafood ASA. The transaction price was NOK 1.3 billion.
Acquired Marine Harvest N.V.: Pan Fish acquired all outstanding shares in Marine Harvest N.V. The transaction price was EUR 1.325 billion (EV).
Increased ownership in Fjord Seafood ASA: Pan Fish increased its ownership in Fjord Seafood ASA from 25.7 percent to 57.7 percent.

2nd half 2006

Divested shares in Aalesundfisk AS: Pan Fish AS's shares in Aalesundfisk were divested to the main shareholder in the company. Due the latest acquisitions of Marine Harvest and Fjord Seafood, Aalesundfisk was no longer seen to fit into the Group.
Marine Harvest N.V. transaction approved: The UK competition authority, authorised Pan Fish' acquisition of Marine Harvest. With the approval from the UK Competition Commission, Pan Fish ASA had received the relevant authorisation from all relevant Competition Authorities.
Marine Harvest N.V. transaction closed: The transaction of Marine Harvest N.V. was closed 29 December 2006 and Pan Fish formally resumed ownership and control of Marine Harvest N.V.
New management in place.

1st half 2007

Marine Harvest approved as new name: The new name Marine Harvest ASA was approved by the shareholders. The logo is a refreshed logo of Pan Fish. In addition the company will carry on the Fjord Seafood-endorsement "Excellence in seafood".

< Highlights and key figures 06 (inside flap)

The sea has always been a crucial source of food as well as livelihood for man. Today, seafood is more popular and more essential than ever, with powerful trends driving the demand for high-quality seafood all over the world. As the world's leading seafood company, Marine Harvest is ideally positioned to grow with these trends and be a driving force in the development of the industry.

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Highlights and key figures 06 (inside flap)

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2006 has been a fantastic year. With a background as one of the "outsiders" in the industry, we built a position as the world's leading seafood company.

One analysis after another during the last 10 to 20 years has concluded that farmed seafood is the food segment that will experience the most dramatic growth. The reasons have been as many as they have been sound. Seafood is healthy food, it is safe food, it is produced according to sustainable principles, and last but not least, seafood tastes good. When recognised institutions such as Harvard Medical School maintain that farmed salmon is one the healthiest types of seafood, consumers take note and are stimulated to give more seafood products a try.

Trend

Seafood is becoming increasingly more popular. High nutrition content, safe production – and the rich taste – are promoting this trend.

But taste is not the only reason for the upturn in our industry. When the origin of the products is traceable and can be documented, consumers, supermarket chains and processing plants that put their brand on the products can have confidence in the safety of the end product. Consumers are then guaranteed that all raw materials have been quality assured and checked for origin, where thorough qualityassurance systems and certificates are key parts of the value chain.

If we consider the salmon market in particular, a very interesting trend that positively affects growth is that our products are highly regarded in the youth segment; not only due to our inroads in the rapidly growing sashimi market, but also because this emerging generation regards salmon as tasty and healthy food. This gives us in the industry great belief in the future.

The fact that our industry deals with biological material gives us special challenges. Nutrition is one of these. The wild fish catch, which has been and continues to be an important feed ingredient, is not developing well and may even be stagnating. Sceptics use this to feed their anxiety over the availability of raw materials. Our response is to remind them that as for other animals, or humans for that matter, there is more than one type of food that lends itself to keeping farmed fish healthy and developing. Many decades of nutrition research has yielded comprehensive knowledge about what farmed fish need to grow and stay healthy. While many fish species are vegetarians to start with, species such as salmon can live and grow on a quite varied diet, where there is no need for it to be dominated by pure marine protein. This means that in the years to come we will see more and more of this red, omega-3 rich fish, regardless of whether catches of wild fish stay at the current level or are increased. Bearing this in mind, Marine Harvest is putting even greater effort into research and development.

The industry is young and can point to remarkable growth – average annual growth has topped seven percent during the last ten years. But there could have been even more growth and the range of products offered to customers could have been more attractive. The future lies in concentrating production on fewer and larger units. This will drive raw material costs down, supplier regularity up, and further improve the totally integrated quality and traceability systems. It will also bring production planning closer to and more in step with market and consumer developments. We will also intensify our efforts in product development based on a wide range of farmed species – where salmon will continue to be the key element, not only when it comes to volume, but also not least value.

Atle Eide, Chief Executive Officer

Development

Development of new feed mixes gives us new stable sources of nutrition. The fish thus develops its natural growth potential.

The direct contact between our fully integrated company and the professional and very demanding distribution systems will be a crucial element in the growth we will be seeing. New product varieties will enable us to expand the category within the retail sector and food services, and we see that the direct contact between these two stages is a vital part of this development. At the same time, we see that the development of retail and food services in new markets promotes our products to new consumers, thus increasing demand.

The challenge for our industry is, and in 2007 will continue to be, our inability to satisfy demand for several of the species. This has periodically resulted in high prices and undermined the revenue potential for our distribution partners. We are nevertheless convinced that better knowledge about fish biology, availability of new types of raw material and expanding capacity will increase the supply of salmon and other farmed species in the coming years.

In recent years the industry has undergone a revolution, and 2006 will most likely be part of fish-farming history, as a memorable year. Strongly supported by the main share holder Geveran Trading, Pan Fish ASA underwent comprehensive structural changes, involving major takeovers of the large companies Fjord Seafood and Marine Harvest, and also smaller companies, such as Kritsen Holding, Akva-Farms, Cohrrie Mohr and Murray. In many ways this has provided the foundation for a completely new company which at the end of January 2007 took the name Marine Harvest – a name which with its history dating back to 1965 is a hallmark in the fish-farming industry.

Opportunities

The fish-farming industry can look forward to great opportunities. Additional mergers will provide the basis for more efficient operations and more exciting meals for consumers.

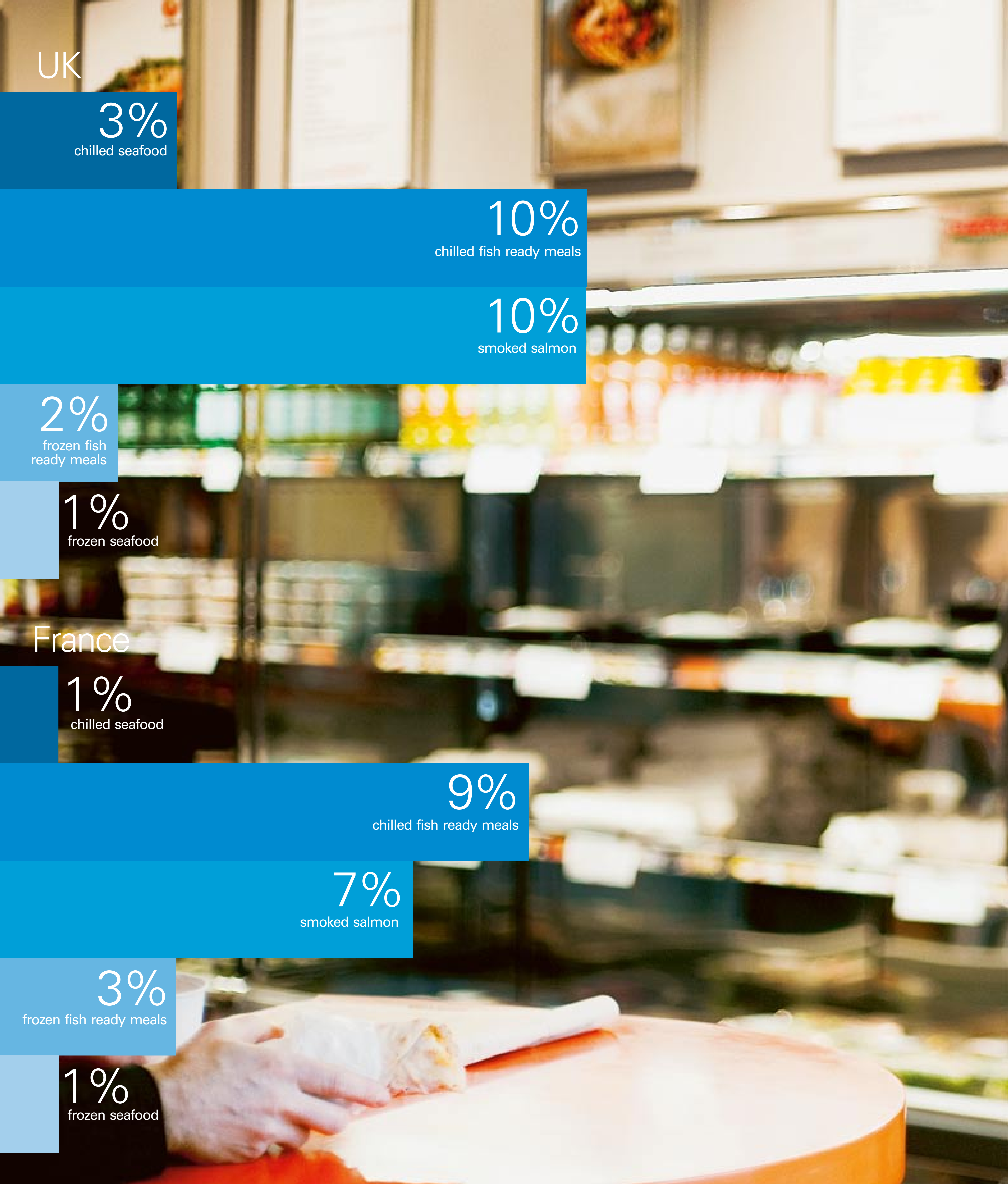
Marine Harvest is today one of the largest and most important companies in the global seafood industry. Well planted in the culture of all the companies now forming the "new" Marine Harvest, the new management team, which comes from Pan Fish, Marine Harvest and Fjord Seafood, will work in close cooperation with the board of directors and the owners to build a giant in the global seafood industry. This giant will create shareholder value, profitable growth for our customers and proactively contribute to the growth of many small local communities across the world. We have selected as our vision "Seafood for a better life", and this in our opinion reflects all the opportunities we see in this industry.

Marine Harvest shall play a key role in the development ahead – both by developing markets and participating in consolidation.

Atle Eide
Chief Executive Officer

Hong Kong Sushi Heaven

The sushi trend drives the consumption of fresh seafood all over the world. Hardly any place is this more evident than in Hong Kong, a trendsetting city in Southeast Asia and the gateway to China. The abundance of colourful and delicious sushi dishes, in which every other sushi piece is salmon, attracts both young and old people to Hong Kong's supermarkets to shop their lunch-on-the-go or family evening dinner.



Tasty European Convenience

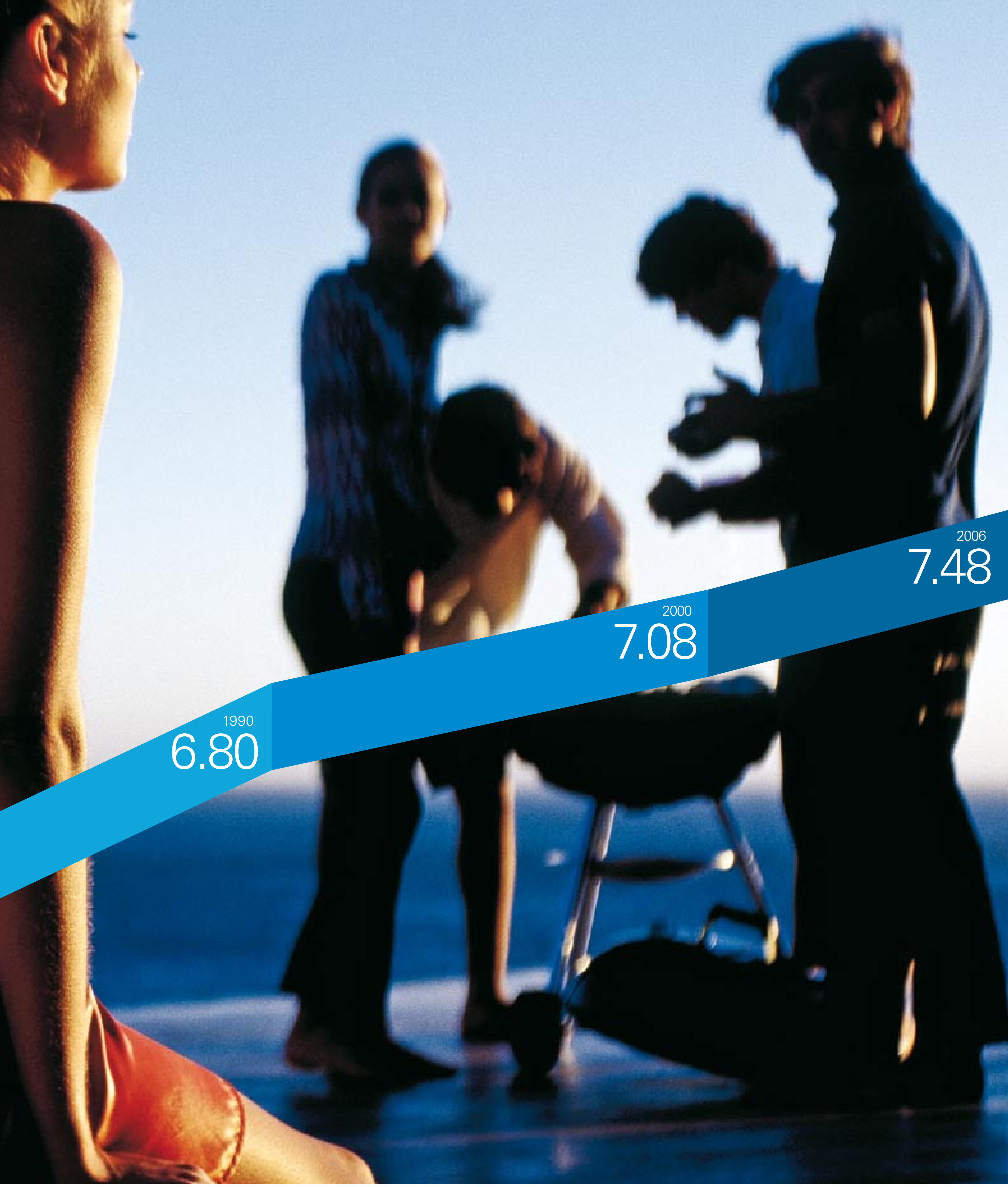
Compound annual growth (CAGR) 2006–2010 in value added seafood in UK and France. Source: Datamonitor, TNS, GFK and Marine Harvest

While the European Union makes up one large market, it still consists of distinctly characteristic national markets, each with its own ways and traditions when it comes to preparing and enjoying seafood. However, strong trends transcend borders and fuel seafood consumption all over Europe – sophisticated cuisine in the French tradition, more "value-added" products like smoked salmon; and greater convenience through new ways of making, distributing, packing and preparing seafood, are some examples.

Salmon – the Russian Way

Russians have always been a fish-loving people. Now – with increasing living standards and a rapid build-out of a nation-wide retail and distribution system, fresh salmon is becoming a favourite on Russian tables. Lightly salted the Russian way, for supper or as a snack, salmon is set to make its way across the vast country with unprecedented speed, from the Baltic Sea to the Pacific, from the North Atlantic to the Black Sea.

Surfing the American Health Wave



They say everything is big in the US. Seafood is big too – the US is the world's largest marked for seafood. But the average American consumes less than 900 grams of salmon per year. So the salmon market could be bigger still – much bigger. Tasty, low-calorie and rich on vital fatty acids, the salmon feeds right into the escalating trend – no place more prominent than in the US – that recognises food's importance for a healthy, happy life.

This is Marine Harvest. We feed people on five continents with a wide variety of seafood. Quality products on all stages of the value chain give us a unique position in the market.

Marine Harvest is the world's leading seafood company with a global market share in salmon and trout close to 30 percent. The company has operations in all areas where salmon is produced. In addition to filet production and further processing in Norway, Scotland, Ireland, Chile and Canada, Marine Harvest has extensive value added processing activities in USA, France, Belgium, Poland and the Netherlands.

The product range is wide and includes coated seafood, ready to eat-meals, delicious finger food and a variety of smoked seafood. In addition to salmon farming, the company also produces other species like halibut and yellowtail.

Marine Harvest is present in 20 countries and has 9 000 employees worldwide. The head office is located to Oslo, Norway. Marine Harvest is listed on the Oslo Stock Exchange (:MHG) and has more than 20 000 shareholders.

Fjord Seafood ASA

- 1996 Fjord Seafood founded as Torgnes Invest.
- 2000 Listed on the Oslo Stock Exchange.
- 2000 Acquired 50 percent of Pieters N.V. in Belgium.
- 2002 Private placement of MNOK 526.
- 2003 New vision and strategy introduced. Direct placement strengthened equity by MNOK 97. All companies in the group changed names to include Fjord Seafood.
- 2006 Fjord Seafood is acquired by Pan Fish. Acquire Ultra Frais and Delifish. De-listed from the Oslo Stock Exchange on July 6.

Pan Fish ASA

- 1992 Pan Fish founded.
- 1997 Listed on the Oslo Stock Exchange.
- 2001 Pan Pelagic and Pan Marine spun off.
- 2002 Share issue.
- 2003 Pan Fish refinanced. New board of directors elected. Atle Eide appointed as CEO.
- 2004 Further refinancing.
- 2005 Final refinancing carried out. 500 MNOK in debt converting and two share issues conducted. Geveran Trading Ltd. bought 47 percent of the company.
- 2006 Pan Fish acquired Marine Harvest and Fjord Seafood. Acquired Kritsen, smoking plant in France. Head office moved to Oslo. Name changed to Marine Harvest.

Marine Harvest N.V.

- 1965 Marine Harvest founded.
- 1994 Merged with McConnell Salmon.
- 1999 Nutreco acquired Marine Harvest McConnell.
- 2000 Nutreco acquired Hydro Seafood and became the world's leading fish farming company producing cod, halibut, barramundi, yellowtail and salmon.
- 2003 Sales and marketing grouped into three sales organizations. No longer limited by the supply of salmon from any particular country.
- 2004 Extended product range by addition of organic Atlantic salmon through acquisition of Clare Island Sea Farm.
- 2005 Marine Harvest and Stolt Sea Farm merged, Nutreco 75%, Stolt 25%. Added sturgeon and tilapia production in addition to salmon.
- 2006 Marine Harvest was acquired by Pan Fish.

29 December 2006 merger into the new Marine Harvest Group.

Breeding

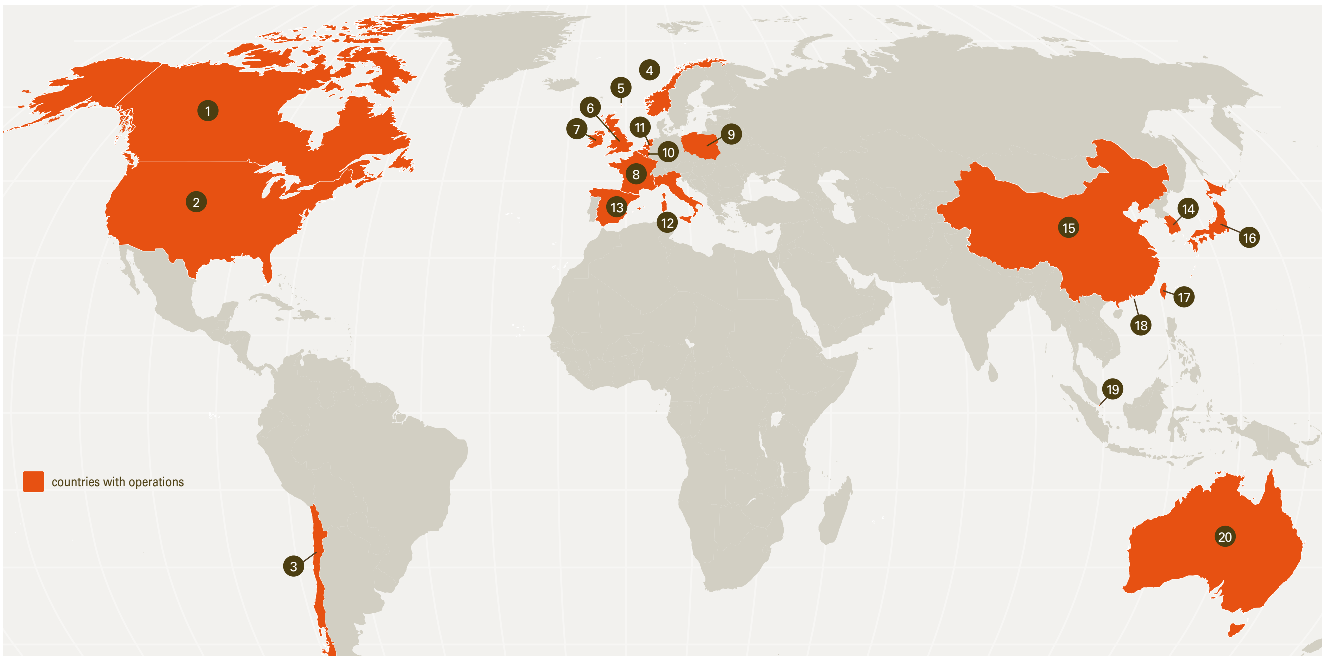
Broodstock: Bred on selected characteristics eg. growth, disease resistance, maturation, colour.

Spawning and fertilisation: Eggs stripped from females and mixed with milt.

Eyed eggs: After 25–30 days fertilized eggs show "eyes". The development is depending on temp. 5 000 eggs/ litre.

Alevins: Small (<2.5 cm). Yolk sack providing first stage nutrition. When absorbed the fish start feeding.

Fry/Parr: Start feeding of small fish. Temp 12–14 °C. Fish is growing in fresh-water sites to around 60–100g. Vaccination and grading important. Adaptation to life in seawater (smoltification).



1 Canada	3 Chile	5 Faroes	7 Ireland	9 Poland	11 The Netherlands	13 Spain *	15 China *	17 Taiwan *	19 Singapore *
2 USA	4 Norway	6 Scotland	8 France	10 Belgium	12 Italy *	14 South Korea	16 Japan	18 Hong Kong	20 Australia *

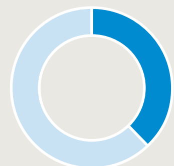
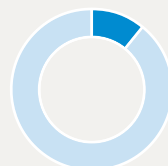
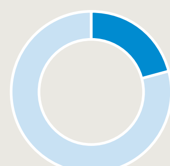
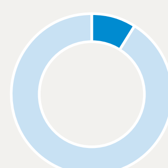
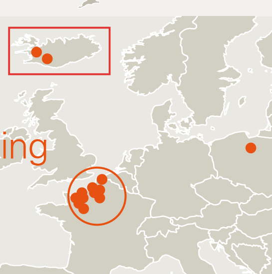
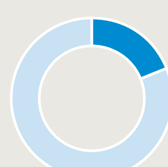
* Sales office

Value chain

The total production cycle takes approximately 10–16 months in freshwater plus 14–22 months in seawater; in sum 24–36 months. In addition to Atlantic salmon, Marine Harvest also produces other species like trout, halibut and yellowtail.

Growing		Harvesting	Processing	Value added products
Transfer to seawater sites by wellboat or trucks.	On-growing in sea-water sites to around 4.5–5.5 kg (approx. 16–22 months depending on temperature). Transport to packing station.	Harvesting, gutting and packing.	Secondary processing.	The seafood is further processed into different products like: • delicious finger-food • coated seafood • smoked salmon • ready-meals In addition to our farmed species, we also make processed products from seafood like prawns, crayfish, etc.

Activities and products. The company is ideally positioned for future growth with operations in 20 countries.

Business Unit	Production	Turnover *
Norway 	Activities: Farming, processing, distribution and sales Main products: Salmon (whole fish and filets)	 38%
Scotland 	Activities: Farming, processing, smoking, distribution and sales Main products: Salmon (whole fish and filets) and smoked salmon	 11%
Americas (Chile, USA) 	Activities: Farming, processing, smoking, distribution and sales Main products: Salmon (filets, cutlets and portions) in addition to a wide range of smoked seafood products	 21%
Canada 	Activities: Farming, processing, distribution and sales Main products: Atlantic salmon in addition to some Pacific salmon (whole salmon and filets)	 9%
Value Added Processing 	Activities: Sourcing, primary and secondary processing, product development and distribution Main products: Natural filets, steaks, portions and loins of white fish and salmon, coated seafood, smoked seafood and elaborated seafood Main species used in the production: Atlantic Salmon, Cod, Alaska Pollack, Shrimps, Plaice, Redfish, Pangasius	 19%
Other Countries 	Cold Water Marine Species Activities: Farming other species Main products: Halibut, Cod (juvenile production)	Faroes Activities: Farming Main products: Salmon (whole fish)

* Percentage of total turnover proforma new Marine Harvest.

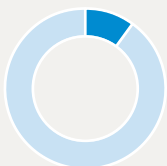
EBIT **

Key Figures ***

61 %

	2006
Total Harvested HOG (tons)	139 558
Turnover (NOK million)	6 020.9
EBIT (before fair value adj. on biomass) (NOK million)	1 725.7

	2006
Freshwater capacity (no. of fish)	43 000 000
Seawater capacity (tons)	225 000
Harvest capacity (tons)	189 000
Total Employees	1 122

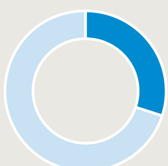


10%

	2006*
Total Harvested HOG (tons)	44 684
Turnover (NOK million)	1 734.3
EBIT (before fair value adj. on biomass) (NOK million)	270.3

	2006*
Freshwater capacity (no. of fish)	12 000 000
Seawater capacity (tons)	58 795
Harvest capacity (tons)	51 250
Total Employees	747

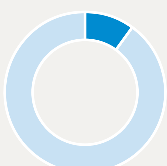
*Figures excl. Pan Fish Scotland.



30%

	2006
Total Harvested HOG (tons)	104 806
Turnover (NOK million)	3 261.2
EBIT (before fair value adj. on biomass) (NOK million)	849.3

	2006
Freshwater salmon capacity (no. of fish)	43 140 000
Freshwater coho, trout capacity (no. of fish)	10 600 000
Seawater capacity (tons)	152 194
Harvest capacity (tons)	124 946
Total Employees	4 589



10%

	2006
Total Harvested HOG (tons)	33 860
Turnover (NOK million)	1 445.4
EBIT (before fair value adj. on biomass) (NOK million)	282.1

	2006
Freshwater capacity (no. of fish)	12 000 000
Seawater capacity (tons)	55 000
Harvest capacity (tons)	40 000
Total Employees	495

2%

	2006*
Produced volume (tons)	38 351
Total sold volume (tons)	45 697
Turnover (NOK million)	3 031.9
EBIT (NOK million)	66.2
Total Employees	1 858

* Figures excl. Marine Harvest N.V.

Growth in fresh seafood*	2006
Chilled/fresh seafood, CAGR 06–10	3.0%
Coated seafood, CAGR 06–10	4.7%
Chilled raw fish, CAGR 06–10	4.1%
Chilled fishbased ready meals, CAGR 06–10	7.9%

* Compound Annual Growth Rate 2006–2010, Poland, Spain, UK, Germany, Russia, France.
Source: Datamonitor/Marine Harvest

Ireland
Activities: Traditional salmon farming and organic salmon
Main products: Traditional salmon and organic salmon

Asia
Activities: Sales and farming (yellow tail)
Main products: Salmon and yellow tail

Japan
Activities: Sales
Main products: Salmon (whole fish and filets)

** Percentage of total EBIT proforma new Marine Harvest (before fair value adj. of biomass).

*** Proforma new Marine Harvest.

Shaping the future of the seafood industry. As the world's leading seafood company, we constantly strive to find new and better ways to supply tasty and healthy food for consumers – and take care of the environment we operate in.

Making ready-made meals tastier in Europe

Healthy convenience food such as fresh pre-packed seafood is a growing market.

The ready-made meals from Marine Harvest Europe are satisfying the European consumers' needs for healthy convenience food. The packaging technology is under continuous development to ensure fresh and tasteful seafood meals.

The eating habits of the European consumer started to shift significantly 20 years ago when more women entered the job market, people discovered new eating habits during their travels, and health, sports and leisure moved to the top of people's minds. The new trends favoured the growth of healthy convenience food such as fresh pre-packed seafood.

Marine Harvest Europe started to investigate in pre-packed seafood in the early 90's, an effort that resulted in a leader's position in Belgium, The Netherlands and France.

Together with trusted suppliers, the Modified Atmosphere Packaging technique was further developed to improve the quality of packaged foods. In 2006 one of the major investment involved the transition from the horizontal flow packed to the top seal technology. This technology gives the product more space inside the packing, and the fish looks better visually when displayed in the shops.

The successful quality packaging strategy was strengthened by acquiring the two French pre-packing units Ultra Frais Lorient and Ultra Frais Boulogne. The two companies are both top market players in France. This second major investment increased the activity radius and gave the opportunity to conquer the French pre-packed market segment. Like in Belgium and The Netherlands, the French consumer has truly discovered the advantages of pre-packed seafood.

In the early start, the products sold were fresh fish, served on trays in delicate portions. Later different types of marinades and flavours were added, giving the products more taste and variety. One of the products which take the technique to its full length today, is the Dream Steam product - a full meal including seafood, vegetables and sauce which can be put directly into the microwave and heated, with the lid still on the box.

Marine Harvest Chile's land based freshwater production has many advantages compared to traditional lake based production.

Saving water in Marine Harvest Chile

At the Río Blanco Ecopiscicultura in Marine Harvest Chile, the use of sophisticated technology allows the freshwater production of fry and alevin to take place on land in one location.

– The project is a true example of sustainable innovation within aquaculture as it optimizes the production process and minimizes the environmental impact, says Freshwater Director Oscar Garay in Marine Harvest Chile.

A high-tech system ensures intensive water recirculation so that fish can be grown in indoor tanks in the safest possible conditions. With the land-based system, it is possible to substitute six lake-based cultivation centres, which enables us to minimize environmental impacts in lake zones and natural water currents.

Large biofilters enabels recirculation of used water, and only a small percentage of the water needs to be replaced daily. The first part of the project started up in 2004 and encompassed the stages of broodstock,

More humane harvest methods in Marine Harvest Canada

A new harvest method in Marine Harvest Canada improves fish welfare during harvesting, and at the same time ensures higher product quality and lower costs.

The principal change compared to the old harvest method is that the fish are stun, bled and chilled at the production site, rather than being transported live over long distances.

– The new harvest method is much better for the fish as it literally swims into the stunning machine where it is rendered uncouncious before it even knows what is going on, says Harvesting Manager Peter Fussell in Marine Harvest Canada, the driving force behind the project.

Since the very beginning in 2002, Fussell and his team has tirelessly been chasing improvements with regards to welfare, quality and cost. The system has been through a three step evolutionary process. The fish was first put down by a manual percussion stunner, then by an automatic percussion stunner and manual bleeder, and finally by an automatic stunner and automatic bleeder.

The automation of the harvest process has given excellent results with respect to costs and quality. The new equipment has reduced the number of people required for harvesting by more than 50 percent. In addition, the welfare of the fish is improved as the fish is stunned and bled almost immediately after leaving the water. All blood water is fully contained, due to bio-security reasons. Finally, the new equipment allows a harvest range of more than 200 km's, still reaching the plant with enough time to process pre-rigor fish.

– This is an ever-evolving project and my goal is to further increase quality and decrease costs. As harvest equipment evolves in the future, we are going to continue to evolve with it, says Fussell.

The automation of the harvest process has given excellent results.

incubation, hatchery, fry and alevin. In October 2006, the construction of the first stage of Rauco Ecopiscicultra, with the new water re-circulation technology in place was completed. The plant aimed to produce 40 million of 10-grams fry per year, is situated close to the head office of Marine Harvest Chile in Puerto Montt.

The second part of the project consisted of a land-based smoltification site located on the Chiloé Island, close to the seawater operations. The site is designed to receive alevin and complete the salmon's smoltification process. The site's exceptional geographic situation allows the simultaneous use of fresh water and sea water, which helps facilitate the physical change and prepare the fish for the next stage in the sea. The projected capacity for the final project is 20 million smolt per year.

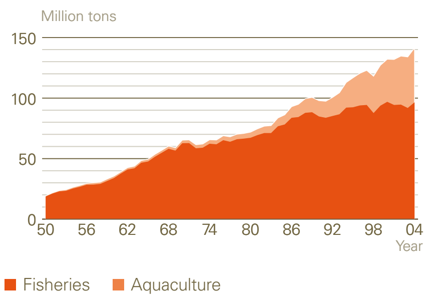
Marine Harvest Chile's land based smolt production has many advantages compared to traditional lake based production. The target is to achieve five yearly production cycles, which increases the stability in smolt delivery. In addition, the environmental impact is reduced due to the limited use of freshwater in the production. The new farming method provides optimal sanitary conditions and reduces risks for diseases. The excellent production conditions at the smolt stage contributes to improved performance at the seawater stage.

Management Review

The global market for seafood. The trend towards healthier food propels the consumption of seafood forward. And aquaculture is the engine that drives the increased global production of fish.

A growing taste for healthy food

There is a global increase in demand for seafood. This growth is a result of several factors, such as availability, product innovation and increased focus on healthy food. Seafood is sold to end consumers through both retail and foodservice (restaurants, canteens, cafés) outlets. The availability of wild catch fish is nearly unchanged over the last decade, which means that the growth in availability stems from farmed species.



During the last decade, increase in global fish production has been driven by aquaculture. Source: FAO

This trend is expected to continue and FAO estimates that by 2030, around 50 percent of annual production will come from aquaculture.

Innovation in products eases preparation of seafood at home. Increased focus on health issues such as obesity and cardio-vascular diseases has stimulated the demand for seafood, which is a rich source of Omega-3 fatty acids.

The market for processed seafood products is increasing at the expense of gutted fish. Processed products such as skinless filets, portions and ready-to-heat meals or meal components are becoming popular in many countries. This is particularly evident in markets such as the UK and the Netherlands, however the markets in France and Spain are following suit.

Improved processing and packaging technology combined with improved logistics enable producers and distributors to offer consumers seafood in a convenient and appealing presentation. Different parts of the fish filet can also be utilized and presented in different products. The loin, for example, can be sold as a premium fresh product whereas tails might be sold in combination with a taste additive such as marinade or with vegetables in a ready-to-heat meal. The trend in product development is expected to continue for both fresh and frozen products, offering innovative, new and convenient solutions to the consumers at the right prices.

As supply of premium wild catch fish such as cod, plaice, redfish, and dover sole is limited, prices for such fish are increasing. Farmed seafood, for example salmon, trout, tilapia and catfish, provides both value for money and have a stable availability. The farming of other species, such as for example cod, halibut and tuna, is also being developed. Atlantic Salmon is by far the most important farmed specie for consumption in Europe and the US. It is expected that the importance of farmed species will increase in everyday consumption of seafood in many markets.

Farmed salmon on the rise

The world market for salmon has grown steadily over the last years. The catch of wild salmon has been stable while farmed salmon production has grown significantly. Today farmed salmon constitutes more than 60 percent of the total salmon offer. The total production of Salmonids in the world consists of eight main species. Atlantic Salmon is by far the most important (44%), followed by Trout (18%), Pink (17%), and Chum (10%)*.

Norway and Chile are the main producing countries of Atlantic salmon, with more than ¾ of the production in 2006.

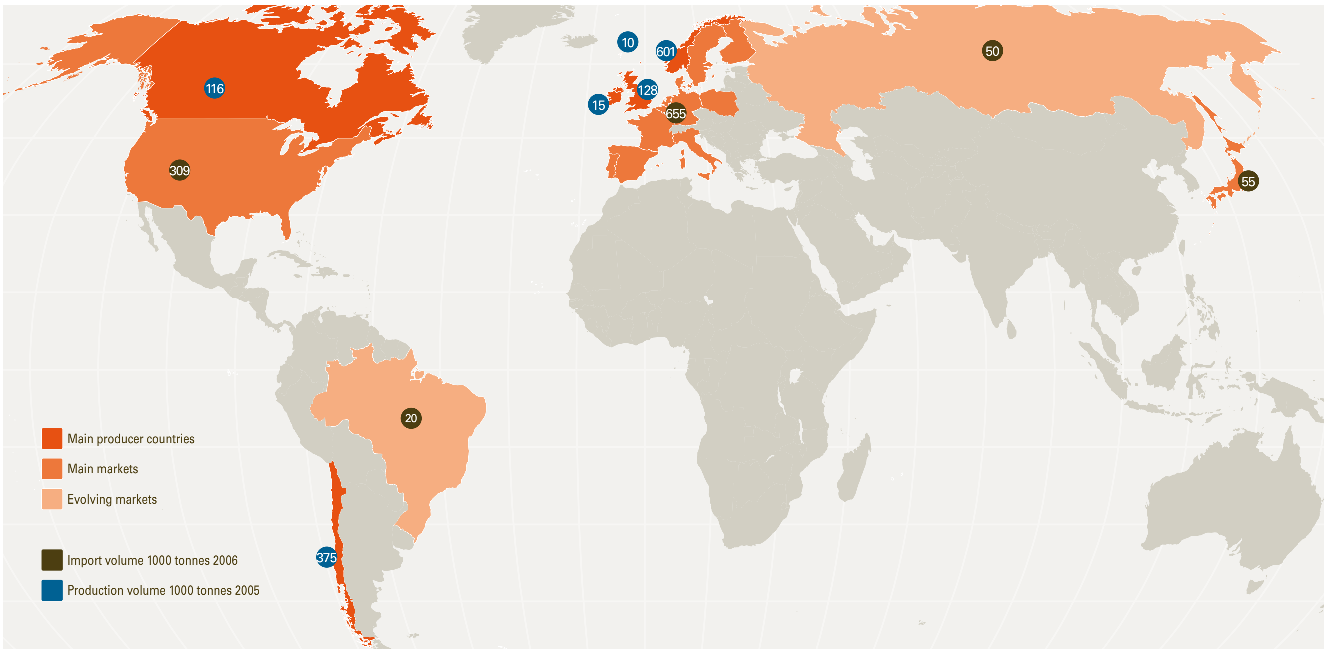
In 2006, the increase in supply was historically low at only 2 percent. In the future, global production is expected to grow at a speed of 4–8 percent every year. Most of the growth is expected to be from Chile and Norway, though relative increase can be larger for other areas.

HARVEST QUANTITY – WORLD-WIDE

In thousand tons WFE	2001	2002	2003	2004	2005	2006E	06/05
Norway	411	444	508	537	572	597	4%
Chile	245	268	281	346	385	371	-4%
UK	131	140	161	150	120	128	7%
Canada	99	112	92	89	108	115	7%
Faroe Isl.	41	42	47	37	17	12	-33%
Ireland	24	22	18	12	12	15	17%
USA	21	13	18	13	10	10	4%
Others	16	17	20	24	25	23	-5%
Total	**989**	**1 059**	**1 145**	**1 209**	**1 249**	**1 271**	**2%**

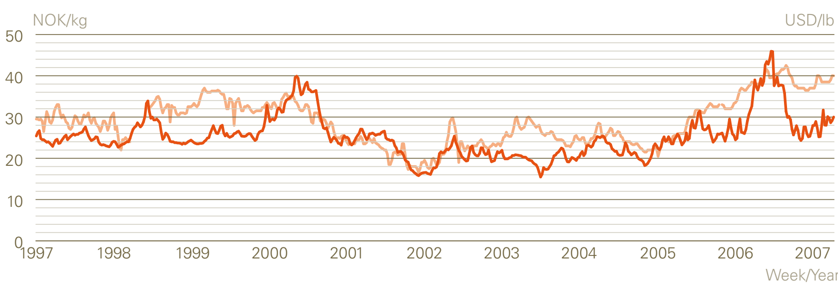
Harvesting figures (WFE) for producing countries. Norway and Chile are the leading producers world-wide. Source: Kontali Analyse AS (January 2007)

* Source: Kontali Analyse, "Salmon World 2006"



The world market for farmed Atlantic salmon with the most important producers and markets. Source: Kontali Analyse

Prices for Atlantic Salmon are fluctuating. In 2001–2004 the prices went as low as NOK 15.46 (FHL 4–5 kg superior delivered Oslo). In 2006, the average price for Norwegian salmon in one week reached a peak close to NOK 46 per kg, a level that has not been experienced since early 1990's. Prices for Chilean salmon is following a similar pattern as Norwegian salmon, and during 2006 prices were also at a high level.



2006 prices for Norwegian and Chilean salmon. Source: FHL, Urner Barry

Prices are negotiated between seller and buyer either on a daily basis or on longer term contracts. Several independent companies are trying to develop a market for financial future contracts. Still, this market is not yet fully liquid. The underlying principles for price setting is similar for all farmed salmon. However, salmon products from Chile are to a larger degree sold on longer term contracts than salmon from Norway.

Agreed prices are affected by supply and demand at the time of negotiations, historical prices and future expectations of supply. As several factors affect growth of the biomass, actual output at any given time might differ from expectations. Sudden changes to output due to severe weather conditions might also affect output over a few business days. Reduced output normally causes prices to increase.

AN INTERNATIONAL SEAFOOD WAVE

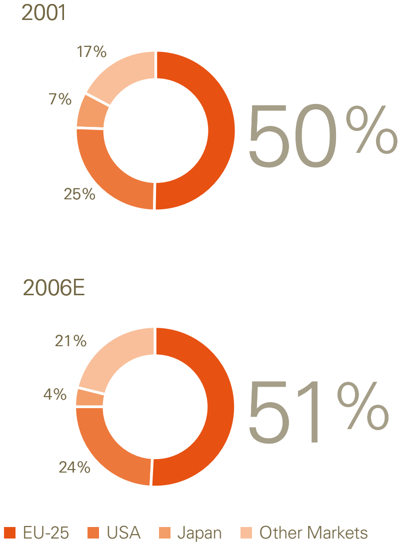
The world-wide consumption of salmon and seafood products is increasing steadily. Main drivers are changes in cuisine as a consequence of increased travel and the globalisation of food trends. Seafood has particularly caught on in upscale markets. Today, the main markets for Atlantic salmon are Europe, Russia, USA and other American countries. Growth is particularly high in markets such as Russia and Brazil, and there is an emerging interest in salmon products in Eastern European markets. As societies become richer, the appetite for healty, tasty seafood grows stronger.

Market access is a further key element in price determination. In particular, this is the case for Norwegian salmon. In January 2006, the EU imposed a minimum import price (MIP) on valid for 5 years. Moreover, Russia imposed a ban on imports of fresh Norwegian fish from 1 January 2006. The import duty for whole, gutted salmon from Norway to the USA is close to 25 percent. On the other hand, from July 2006 a free trade agreement became effective between South Korea and Norway, and import duty to India has been reduced. Russia has during the year lifted the ban for selected Norwegian companies, including Marine Harvest. Trade restrictions have become a part of normal business for salmon and pose a risk.

Strong growth in new markets

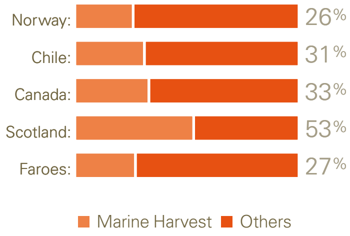
The main markets for Atlantic salmon are Europe, Russia, USA and Japan. Growth is particularly high in markets such as Russia and Brazil, and there is an emerging interest in salmon products in Eastern European markets.

In Marine Harvest, production from Norway, the UK, Ireland and the Faroe Islands are mainly sold into EU, Russia, Japan, China and Hong Kong. Salmon produced in Chile and Canada is sold in the USA, Canada and countries in South America. Some products are also exported to Europe and Japan.



Global share of consumption: Over the last few years, relative consumption growth has been significantly higher in markets outside the EU, USA and Japan.

Source: Kontali Analyse



Market share: Marine Harvest is by far the world's largest producer of Atlantic Salmon. An overview of Marine Harvest's share of the global production is presented above in each production region for 2006.

Source: Kontali and Marine Harvest 1000 tons WFE

Strategy, value drivers and risk. Continuous attention to fish health and sustainability create a strong foundation for our business.

Good husbandry drives profitability

Marine Harvest has a lowest-cost strategy for its farming production. This strategy calls for minimizing production cost per kilo, while preserving quality, the environment and taking good care of fish health.

Our production sites follow strict procedures for evaluation of freshwater and rearing facilities, and combines good husbandry practices with the use of proven and effective vaccines to achieve the best biological performance.

Fish welfare

The quality of the product – and the taste of the final meal – is intrinsically linked to good farming practices.

Feeding is done through automated systems, and feed usage is monitored closely, normally as a combination of surface inspection of appetite, in-cage camera monitoring, lift-ups or other methods.

We monitor the environment in order to satisfy statutory requirements and quality standards. Samples are taken from the seabed beneath the cages to monitor impact of farming activities, and in some areas stomach contents of wild fish are checked for presence of salmon feed.

Continuous dialogue with clients

The fish is harvested and processed in state-of-the-art processing plants. Marine Harvest aims to work with large clients in order to simplify the transaction and logistic process. Despite a significant geographical distance between the production and most of our clients, we maintain a close customer relation through frequent interaction, including inviting clients to audit our production processes. Such audits ensure compliance with international standards or the customers' own standards. The front-end of the organization include sales representation in most major markets in addition to a sales organization located close to the production in all production regions. In Chile the industry, through its organisation Salmon Chile, has taken an initiative to develop an integrated farming quality system, SIGES. Marine Harvest is a strong supporter of this initiative and is now implementing SIGES in the farming operations.

Within the seafood processing area (VAP) the company aims to work with large clients such as retailers, food service distributors and food service chains in order to develop joint programs, and tailor the products to the customers' needs. Linking the farming activities to the VAP activities gives the company control over the value chain and enables documentation of quality and traceability as well as securing availability. Within the processing area, customer prepared quality standards such as BRC and IFS are documenting the standards of the processes.

Quality systems mitigate risk

The most critical single factor for succeeding is our employees. Continuous focus on best practice, health and safety issues, competence development and being an attractive employer are all critical success factors. We will give these issues high priority in all business units, as well as from corporate level.

The seafood industry, and in particular the farming industry, is subject to political, financial and operational risk. Marine Harvest is continuously working to mitigate risk factors through improvements of quality assurance systems and standard operating procedures. Demand and reputation are at risk at all times, in particular in relation to fish diseases, escapes, unwanted substances in the products, environmental issues, feed raw materials, etc. The farming industry is subject to control

OPPORTUNITIES

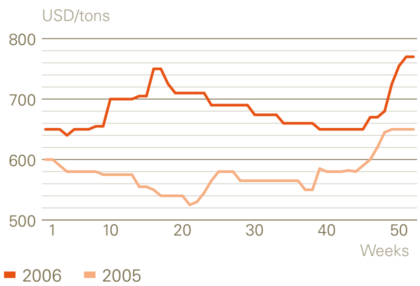
The tight relation between Marine Harvest and the clients provides feedback and improvement opportunities for both parties, as well as opportunities for joint business development. The new quality standard EurepGAP is a direct result of collaboration between retailers and salmon producers, and companies in the Marine Harvest Group have been directly involved in its development.

and regulations from local governments. Statutory requirements normally have the aim of securing sustainability and protecting the environment, but may also have specific goals in terms of inhabitation and owner-ship structure. Moreover, trade of farmed seafood products are subject to trade barriers, such as import ban, import duty, minimum prices or quotas. Such measures are usually implemented temporarily.

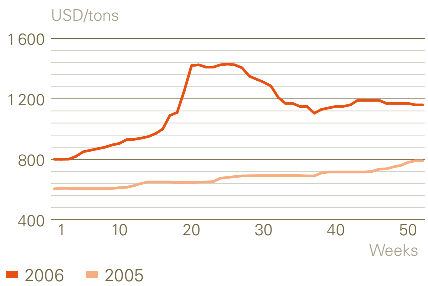
Quality assurance

We operate advanced quality systems that capture the range of of risks associated with the aquaculture business.

The farming industry is subject to significant biological risk. Outbreak of diseases represents suffering for the fish and may in some cases require culling of large numbers. Diseases may also affect growth and hence cost of production, as well as quality and achieved prices for the end products. Water temperature is another factor that strongly influences growth and biomass production as fish grow faster on high water temperatures (up to a limit). Low oxygen levels, algae blooms and sea lion attacks are other environmental factors that can cause serious set-backs in production and economic loss, as can storms that result in damaged sea cages and escapes of fish. Although Marine Harvest has a zero-tolerance for escapes, we have still not been able to prevent them entirely. This is not satisfactory, and we must continue to focus on this issue until our goal has been reached. Marine Harvest uses effective vaccines where available in all production regions. At the time being, there is no such effective vaccine in place in Chile (Ricketsia being the main disease), and



Fish oil price: In 2006 fish oil prices were considerably higher that the year before, making an impact on company profits.



Fish meal price: Increasing fish meal prices is an important reason why we focus on finding more cost efficient feed solutions.

Marine Harvest is working together with the industry in Chile in developing and testing such a vaccine.

Developing new, better feed

The price of feed, the single largest cost factor, fluctuates and is closely linked to the global prices for fish meal and marine oils. During the last 18 months, prices of fish meal and marine oils have increased significantly, as can be seen from the figure above.

Increasing the number of safe and sustainable high quality feed raw materials is essential for continued growth of the fish farming industry, and Marine Harvest will continuously challenge the feed manufacturers in this area.

Marine Harvest, both from a sustainable point of view as well as to achieve lower production cost, work together with the feed suppliers in developing new feed formulation, reducing the level of fish meal and fish oil, but without compromising the high quality of the product. Main substitutes are various vegetable raw materials such as soya. This change has already started and will continue in the coming years. In addition, the company has a significant risk related to price. Marine Harvest's financial position and future development depend to a considerable extent on the price of farmed salmon, which historically has been subject to substantial fluctuations. Farmed salmon is a raw material, and it is therefore reasonable to assume that the market price in the foreseeable future will continue to follow a cyclical pattern. Supply and demand may from time to time become imbalanced for farmed salmon. This price cyclicality has historically been significant. Short term this risk is somewhat reduced by having fixed price contracts for parts of the volume.

Better feed

Developing new feed sources makes us less vulnerable to price fluctuations – and strengthens our ability to produce fish more sustainably.

The financial results of the company are also impacted by changes in exchange and interest rates. Further described in the Boards of Directors report.

Strong commitment to sustainability

Marine Harvest strongly believes in sustainable production of fish and therefore aims to minimise the environmental impact of its activities and aspires to operate in harmony with the environment. In addition to the feed issues mentioned earlier, our focus in 2006 has been on maintaining biodiversity and minimising chemical input, waste and energy use.

Good neighbour

A comprehensive environmental strategy reduces the impacts on the surroundings where we operate.

Marine Harvest wants to minimise the impact of its activities on biodiversity, with special attention to wild salmon populations, predators and benthic fauna. We have been focussing on our programmes to monitor escapes and continued developing methods and equipment that minimise them.

With respect to predators, Marine Harvest's objective has been to prevent attacks by using passive control methods, such as anti-predator nets, both for birds and for marine mammals, and acoustic scarers, where permitted. When attacks have been too aggressive and persistent, killing has exceptionally been allowed, but always in accordance with local regulations and in the most humane way possible.

The impact of our farms on the seabed is first estimated, based on predictive models that take account of the depth under the cages and the currents. Then it is monitored on a regular basis to assess potential effects on the benthic fauna. Fallowing of sites is a routine to allow regeneration of the sediment under the cages.

Chemicals released from our operations into the environment are mainly two types of compounds: antifoulants and medicines. Antifoulants are chemical compounds used to prevent fouling, that is the growth of algae on nets and cages. These hinder water circulation through the cages and might cause oxygen depletion. Marine Harvest has conducted projects to identify effective eco-friendly antifoulants and physical control methods, such as net cleaning systems or systems using alternating nets in the same pen (environmental nets).

The use of medicines and disinfectants is closely monitored in our operations, and our objective to minimise their use has been achieved through good health management and vaccination.

Energy use and waste management are fundamental pillars of our sustainability strategy. Many of our farming operations and processing plants are ISO 14001 certified. This means that they pay close attention to reducing the use of energy and to find more environmentally friendly energy sources. We manage waste systematically in three main areas: solid waste, mortalities and organic waste. Recycling is a good alternative for solid waste, especially for feedbags. Mortalities are in general incinerated or put into silage. Organic waste can be reduced by avoiding over-feeding, and thus reducing uneaten feed (contributing to a lower feed conversion ratio, FCR) and by using high digestibility feeds, which reduce the amount of faeces.

Optimizing biomass

Production optimisation is given the highest priority and forms the basis of all operation. In 2006, programmes have been conducted to improve biomass control and FCR. Production optimisation is important in order to produce high quality salmon in a cost effective way. There are different regulations in the different production regions with respect to how much are the maximum production per location. In all production regions you need a licence before starting the production.

Control of biomass requires a constant and accurate follow-up of both number of fish in the cage and average weight all the way throughout the production cycle. Weight estimation can be carried out either by manual weighing or using specific equipment placed into the cages at sea. Fish number come mainly from hatchery counts or are estimated using scanners in conjunction with stocking and grading (wellboats or barges). Building on this, standard operating procedures are being developed to ensure that all Marine Harvest production sites have the same, appropriate level of biomass control.

Optimizing operations

Continuous improvements in all aspects of production are reflected in the steady upward trend in production and profitability.

Marine Harvest has developed growth and production models and data analysis tools to help site managers evaluate and under-stand reasons for variable growth and FCR. A continuous FCR improvement programme is in place in several of the operations to provide support in interpretation of production results and evaluate feeding regimes.

Financial review. 2006 was a solid year for Marine Harvest. We strengthened our position as the industry shaper and expanded our menu in the seafood market.

Marine Harvest ASA (former Pan Fish ASA) acquired all shares in Fjord Seafood ASA in April 2006, and the consolidated accounts include the profit and loss statement of Fjord Seafood from April 2006. Pan Fish ASA acquired all shares in Marine Harvest N.V. on 29 December, so the accounts for the group for 2006 do not include any profit or loss elements from Marine Harvest N.V. The balance sheet for 31 December 2006 includes all assets and liabilities for the three groups.

Pan Fish ASA changed its name to Marine Harvest ASA in a general assembly held on 30 January 2007.

The description in the following will mainly focus on the operations of the former Pan Fish and Fjord Seafood operations as these are the operations that have contributed to the results in 2006, but information and comments about the former Marine Harvest N.V. operations will be included where found useful.

FINANCIAL SUMMARY 2006
Marine Harvest Group*

Figures in NOK million	2006	2005
Operating revenues	**5 655.4**	1 501.3
EBITDA before fair value adj. on biomass	**1 123.0**	274.6
EBIT before fair value adj. on biomass	**807.1**	387.5
EBIT	**835.2**	459.1
EBT	**1 011.1**	386.7
Net profit (continued operations)	**1 746.9**	376.7
EBIT margin	**14.8%**	**30.6%**
EPS (NOK)	**0.61**	**0.41**

* Fjord Seafood included from the Q2 of 2006, Marine Harvest N.V. not included.

FINANCIAL SUMMARY 2006
Marine Harvest Group*

Figures in NOK million	2006 Pro forma	2005 Pro forma
Operating revenues	**6 613.8**	5 370.8
EBITDA before fair value adj. on biomass	**1 308.9**	798.9
EBIT before fair value adj. on biomass	**962.7**	761.5
EBIT	**1 048.6**	976.1
EBT	**1 190.7**	1 026.9
Net profit (continued operations)	**1 892.0**	940.9
EBIT margin	**15.9%**	**18.2%**

* Pro forma figures including Fjord Seafood for the full year. The pro forma figures do not include Marine Harvest N.V.

5 655 MNOK

The group had a very good year in 2006. Consolidated operating revenues were NOK 5 655 million in 2006, and consolidated profit before tax was NOK 1 011 million in 2006.

In the consolidated accounts for 2006 Fjord Seafood operations are only included from the second quarter.

Operating revenues

Pro forma operating revenues for the group (former Pan Fish group and Fjord Seafood group) amounted to NOK 6 614 million in 2006 on a full year basis. The primary causes for the increase of NOK 1 243 million from last years pro forma revenues are:

- Acquisitions in Chile – 42
- Acquisitions in France – 643
- Growth in revenues in Norway – 355
- Growth in revenues in Canada – 119
- Growth in revenues in Faroes – 88

*Figures in NOK million

The growth in revenues is partly due to the prices of salmon being higher than in 2005.

EBITDA before fair value adjustment on biomass

The group achieved an EBITDA before fair value adjustment on biomass of NOK 1 309 million on a pro forma basis in 2006. This is an increase of NOK 510 million from the previous year. Costs related to restructuring have been expensed with NOK 41 million in 2006.

The strong prices and increased volumes explain parts of the improvements in profit, but all entities have also achieved a good development in the production costs which contributes to the improved profits.

EBIT before fair value adjustment on biomass

The group achieved an EBIT before fair value adjustment on biomass of NOK 963 million on a pro forma full year basis. This is an increase of NOK 201 million from the previous year. The increase can be split as follows:

- Acquisitions in Chile – 5
- Acquisitions in France – 22
- Improvement in Norway – 20
- Improvement in Chile/USA – 132
- Improvement in Canada – 90
- Improvement in Faroes – 32

*Figures in NOK million

EBIT

The group (former Pan Fish group and Fjord Seafood group) achieved an EBIT after fair value adjustment on biomass of NOK 1 049 million on a pro forma full year basis. This is an increase of NOK 73 million from the previous year.

The group has adjusted its valuation of biomass in line with the requirements of the Ministry of Finance in Norway (IAS 41). The fair value adjustment in 2006 amount to NOK 86 million compared to NOK 215 million in 2005. The fair value adjustment on biomass is related to the weight of the biomass and the volume of biomass at each periodic closing.

Financial items and taxes

The group had positive net financial items of NOK 142 million on a pro forma full year basis in 2006. The prepayment for the shares in Marine Harvest N.V. gave an interest income of NOK 287 million for 2006, and in addition the currency gain on the prepayment made in EUR was NOK 195 million in 2006.

Recognition of deferred tax assets within the former Pan Fish group resulted in a net positive tax income in 2006 of NOK 701 million on a full year pro forma basis.

Net profit for the year

The group achieved and net profit from continued operations of NOK 1 892 million on a pro forma full year basis. Same figure for 2005 was NOK 941 million.

The consolidated accounts for 2006, where Fjord Seafood is included from the second quarter of 2006, shows a net profit for the year 2006 of NOK 1 747 million from continued operations. Net profit including profit from discontinued operations amounts to NOK 1 854 million in 2006.

MARINE HARVEST GROUP [1]

Figures in NOK million	2006 Pro forma	2005 Pro forma
Cash flow from operations	**722.6**	564.4
Cash flow from investments	**-368.6**	-66.4
Cash flow from financing	**1 179.2**	-105.9
Net cash flow in period	**1 533.2**	392.1
Currency effects	**6.2**	5.4
Cash at end of period [2]	**2 182.5**	**662.1**

1) Pro forma figures including Fjord Seafood for the full year. The pro forma figures do not include Marine Harvest N.V.
2) Including cash in Pan Fish Scotland which is held for sale.

MARINE HARVEST N.V. – NOT CONSOLIDATED [1]

Figures in NOK million	2006	2005 8 months
Operating revenues	**8 986.3**	5 765.8
EBITDA before fair value adj. on biomass	**2 224.9**	596.1
EBIT before fair value adj. on biomass	**1 883.7**	353.0
EBIT	**1 884.5**	812.5
EBT	**1 989.1**	825.3
Net profit	**1 619.0**	628.2
EBIT margin	**21.0%**	**14.1%**

1) Full year figures for Marine Harvest N.V. and subsidiares are not consolidated in the figures of Marine Harvest ASA (former Pan Fish) during 2006, but only included in the balance sheet at year-end 2006. Still presented here to allow for insight in the operations of the group.

723 MNOK

The Marine Harvest Group generated cash flow from operations of NOK 723 million in 2006 on a full year pro forma basis. This do not include Marine Harvest N.V.

Marine Harvest had net cash flow from operations of NOK 723 million on a pro forma full year basis in 2006, and this is an improvement of NOK 158 million from 2005.

Cash flow from financing was NOK 1 179 million on a pro forma basis in 2006. New financing has been established for previous debt, and new equity has been received with NOK 9 920 million. Cash payment for the shares in Fjord Seafood and Marine Harvest N.V. amounted to NOK 14 229 million but Marine Harvest N.V. had cash of NOK 1 825 million when acquired at year-end 2006. Cash payments for other acquisitions (France and Chile) amounted to NOK 76 million. In total net cash from business combinations amounted to NOK 12 480 million in 2006.

8 986 MNOK

The Marine Harvest N.V. had a very pleasing year in 2006. Operating revenues amounted to NOK 8 986 million in 2006, and profit before tax was NOK 1 989 million in 2006. The revenues and profit of Marine Harvest N.V. are not included in the consolidated accounts of Marine Harvest ASA (former Pan Fish ASA) for 2006.

Marine Harvest N.V. financial development in 2006

The Marine Harvest N.V. achieved operating revenues of NOK 8 986 million in 2006. The Marine Harvest N.V. was established in April 2005, so the revenues amounted to NOK 5 766 million for the 8 months of 2005. Revenues for 2006 were positively influenced by the prices of salmon, which was substantially higher than in 2005.

EBITDA before fair value adjustment on biomass in 2006 amounted to NOK 2 225 million and EBIT before fair value adjustment on biomass was NOK 1 884 million in 2006. NOK 24 million has been expensed related to restructuring in 2006.

The EBIT was affected by the better margins (due to higher sales prices), synergies from the merger with Stolt Seafarm, and the focus on cost that has been established in the whole group.

Due to strong cash flow during 2006 the Marine Harvest N.V. had no net interest bearding debt, but net interest bearing assets of NOK 169 million at year-end 2006. After positive financial items in the income statement for 2006 the profit before tax was NOK 1 989 million in 2006.

The Marine Harvest N.V. group has produced a set of financial statements for 2006 that are available on the website of Marine Harvest.

Norway

Favourable prices benefited the Norwegian operations throughout the year. The achieved prices were however somewhat below the spot market price due to strategic contracts.

The operations strive towards becoming the lowest cost producer and good progress was made especially in the processing area in 2006. Due to significantly increasing feed prices and some biological challenges, the total cost per kg harvested increased slightly between 2005 and 2006.

Chile

The three main Chilean markets, USA, Latin America and Asia were all very strong during 2006. The operation also benefited from a favourable product and market mix, all contributing to high achieved prices.

During the second half of 2006 the sanitary condition in Chile became more challenging both in the fresh water as well as the sea water area. As a result the industry faced high mortality and low growth. Also Marine Harvest suffered losses in this regard and write downs were made during the year in the amount of NOK 5,6 million. Due to the biological challenges combined with increasing feed prices, the total cost per kg harvested increased slightly also in Chile between 2005 and 2006.

MARINE HARVEST GROUP[1] – PRO FORMA SEGMENT REVIEW

As the operations in 2006 have been the former Pan Fish and Fjord Seafood operations, these are presented in this pro forma combined overview.

Financial figures	Operating revenues		EBIT before fair value adjustment		EBIT		EBIT before fair value adjustment, margin	
Figures in NOK million	2006	2005	2006	2005	2006	2005	2006	2005
Norway (farming)	2 512.6	2 158.5	666.0	646.2	766.2	718.6	26.5%	29.9%
Chile (farming)	1 086.2	953.6	261.9	134.1	227.5	211.3	24.1%	14.1%
Scotland (farming)	159.6	155.2	16.8	10.4	3.5	23.1	10.5%	6.7%
Canada (farming)	400.2	281.6	60.8	-29.2	83.0	22.9	15.2%	-10.4%
Faroes (farming)	89.5	1.1	22.1	-9.8	32.0	-9.8	24.7%	-890.9%
Value added processing (VAP)	3 031.9	2 176.9	66.2	77.5	66.2	77.5	2.2%	3.6%
Eliminations	-666.2	-356.1	-131.2	-67.7	-129.9	-67.5	19.7%	19.0%
Total	6 613.8	5 370.8	962.6	761.5	1 048.5	976.1	14.6%	14.2%

Operational figures	EBIT/kg HOG		Biological cost /kg HOG		Superior share		Harvest in tons, gutted weight		Prod/growth in tons, round weight	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Norway (farming)	18.29	15.32	14.69	13.67	85.9%	88.1%	36 635	41 884	58 318	52 495
Chile (farming)	10.67	4.69	13.79	11.41	91.1%	93.7%	24 693	28 767	26 981	32 540
Scotland (farming)	2.00	1.32	20.70	19.94	85.9%	94.5%	8 434	7 902	10 207	10 187
Canada (farming)	n/m	n/m	15.87	22.63	90.0%	39.6%	1 472	167	4 421	3 303
Faroes (farming)	18.46	-	14.37	-	85.3%	0.0%	1 204	-	2 501	335
Total	n/m	n/m	n/m	n/m	n/m	n/m	72 439	78 721	102 428	98 860

1) Marine Harvest Group is the former Pan Fish group including Fjord Seafood. The figures i the table are pro forma figures for the full year.

REPORTING STRUCTURE

Marine Harvest operates in business segments which are different with respect to production efficiency, operational challenges and access to markets. The reporting structure reflects how the operations are monitored and managed, and the planning and financial reporting follows the same structures. Operations in each country where salmon farming is taking place is reported as separate segments, and the value added processing activities in Europe is reported as one segment.

Scotland

The continued operations in Scotland made operational progress in 2006. Better utilization of assets and the discontinuation of contract farming contributed to costs improvement that outweighed the feed price increases and contributed to stable total cost per kg harvested compared to 2005.

Scotland – discontinued operations: Pan Fish Scotland will be sold during 2007 and is therefore reported as held for sale. Favourable market prices benefited the operation throughout the year. Operationally the unit has suffered some set backs in the form of early maturation and increased mortality. Combined with increasing feed price this has resulted in higher cost per kg harvested than in 2005.

An operational flaw in the feed supplied contributed to reduced eye-sight (cataract) for the fish fed from this batch. The feed manufacturer has recognized the responsibility, but the settlement has not been finalized. An accrual for this and some other elements amounts to NOK 11,1 million in the year end closing.

Canada

Prices in the American market were stable and favourable in 2006. Without contract sales the Canadian operations could fully benefit from the spot price increase.
On the operational side, improved efficiency in the processing plant combined with increased volume in general, contributed to significantly reduced cost per kg harvested compared to 2005.

Faroes

The Faroes operations have shown significant improvement in both financial and operational indicators after the restructuring process carried out in 2004–2005. Operationally the unit has achieved good growth and low mortality of biomass which financially is reflected in good profitability despite only harvesting fish in the second half of the year (after following for ISA in 2004).

VAP

The value added activities in Europe had a challenging year due to high prices on raw materials. Through the year, end product prices were raised to compensate for the increasing raw material costs, and some volume was lost as the big retail chains delayed planned promotions towards the end of the year.

The Belgian operation was hard hit by the high raw material prices combined with fixed end product prices during the first half of the year. In the second half, contracts were renegotiated and profitability improved.

Among the VAP entities, the Belgian plant is the most diverse in products and processes and new products are continuously being developed to satisfy the changing consumer demand. Under the European Seafood Exposition in Brussels in May 2006, the concept Fish delight won first price in the category “Health and Nutrition”.

During the year two new operational units were added to the group through the acquisition of Charly Guennec Ultra Frais Boulogne and Ultra Frais Lorient. A significant restructuring and integration work has been initiated to optimize the total French operations. This process will continue in 2007.

As all French entities are mainly salmon based, the very high salmon prices hurt profitability throughout the year. Toward the end of the year the price of raw material fell and combined with operational improvement and good volume, this contributed to a record strong closing of the year, particularly for the smokehouses.

The Netherlands

The Dutch operation is mainly producing and selling breaded whitefish products. High whitefish prices combined with fixed contracts hurt profitability during the first half of the year. Good improvement in the second half contributed to an operationally good year overall. Restructuring costs in the amount of NOK 11 million were however accrued for at year end as a major customer has decided to take production in-house (25 percent of total Dutch volume). This will cause a temporary downscaling of the Marine Harvests Dutch operation.

Increase

During 2006 the acquisition of Fjord Seafood and Marine Harvest has lead to a substantial increase in the size of the company. At the end of 2006 Marine Harvest N.V. is consolidated in the balance sheet of the group.

Intangible assets

Book value of licences amount to NOK 5 622 million at year-end 2006. Of this NOK 2 474 million is a preliminary allocation of excess value in the acquisition of Marine Harvest N.V. which will be adjusted when the Purchase Price Allocation (PPA) is completed during 2007. Book value of goodwill amount to NOK 4 160 million and NOK 989 million is related to the preliminary PPA of acquisition of Marine Harvest N.V.

Biomass

Total book value of biomass is NOK 6 311,7 million. NOK 4 285 million of this is biomass in the Marine Harvest N.V. entities.

The biomass has been valuated according to the new model established after the decision of the Ministry of Finance in Norway, made public on December 20, 2006. The fair value adjustment included in the balance sheet at year-end 2006 amount to NOK 1 224 million.

Net interest bearing debt

The Group has a net interest bearing debt of NOK 7 399 million at year-end 2006. In December 2006 the debt in the former Pan Fish Group and the former Fjord Seafood Group (excluding Chile) has been refinanced. In first quarter of 2007 all remaining debt has been refinanced by the same syndicate.

The net interest bearing debt at year end 2006 are specified in the table above. In February 2007 the group paid all installments agreed for 2007.

Equity

Book value of equity at year-end 2006 was NOK 13 589 million. In the first quarter of 2006 NOK 7 221 million was raised in connection with the announced acquisition of Marine Harvest N.V. and Fjord Seafood, and additional NOK 2 679 million was raised in the second quarter of 2006. The group has an equity ratio of 49.7 percent and this together with a sound long term debt financing suggest that the company has a solid financial platform, that also gives ability to further structure the industry both on farming and on Value Added Processing.

MARINE HARVEST GROUP

Figures in NOK million	2006[1]	2005[2]
Intangible assets	**10 474.0**	1 176.8
Fixed assets	**3 558.1**	1 205.8
Other non-current assets	**583.9**	72.8
Biomass	**6 311.7**	1 060.3
Inventory	**948.6**	73.8
Other current assets	**5 477.6**	568.2
Total assets	**27 353.9**	**4 157.6**
Book equity	**13 589.1**	1 778.3
Non-current liabilites	**9 485.4**	1 705.7
Current liabilities	**4 279.3**	673.6
Total equity and liabilities	**27 353.9**	**4 157.6**
Cash	**2 182.5**	152.7
Net interest bearing debt	**7 398.6**	1 643.2
Equity ratio	**49.7%**	**42.8%**

1) Marine Harvest consolidated at year end 2006. The accounts include the operations of former Pan Fish, Fjord Seafood and Marine Harvest N.V.

2) Consist of the former Pan Fish Group.

MARINE HARVEST GROUP[1]

Figures in NOK million	31.12.06
Long term interest bearing debt	7 997.8
Short term interest bearing debt	1 583.3
Total debt	9 581.1
- Cash	2 182.5
Net interest bearing debt	**7 398.6**

Installments

EUR 40 mill each half year till 2011.

1) Marine Harvest consolidated, including the former Pan Fish, Fjord Seafood and Marine Harvest N.V.

Corporate Social Responsibility. For Marine Harvest, the responsibility is to provide consumers with more healthy and nutritious food without compromising the environment.

As industry leader, we accept our responsibility to lead progress in aquaculture along a path of continuing improvement. One of the keys to realising the true potential of aquaculture, is to ensure that we develop the industry in general, and our business in particular, in a sustainable manner.

Safe seafood

Delivering high quality food to consumers is the driving force in our business philosophy.

We must define and implement practices that are responsible towards the environment and society, while maintaining a viable and profitable company. This is the essence of corporate social responsibility (CSR). For Marine Harvest, the objective is to provide consumers with increasing amounts of healthy, nutritious food without compromising the environment. That means preserving the opportunity people have to enjoy recreation or earn a living in that environment, both today and for future generations.

In 2006, in an external demonstration of what has been an internal commitment for many years, Marine Harvest N.V. published a CSR report. The report described how attention to the potential impacts of the business activities, both positive and negative, are embedded in the management approach of the company. It listed areas of attention for the development of sustainable aquaculture, described examples of CSR in action and recorded a number of key performance indicators. These included consumption of resources, impacts on the environment and relationships with employees and local communities.

During 2007, as part of the integration process, our management will develop further this industry-leading role and establish a comprehensive CSR approach for the new Marine Harvest ASA (Pan Fish ASA, Fjord Seafood ASA and Marine Harvest N.V.).

CSR IN ACTION

Food Quality

Marine Harvest can influence three aspects of food quality; technical quality, eating quality and nutritional quality. Attention to these enable us to provide products that fulfil the specifications agreed with customers and the expectations of consumers. Technical quality refers to the conformity of Marine Harvest products to clearly defined and agreed product specifications and their microbiological quality, which determines their shelf life. Specifications cover parameters such as quality grade, trim, fat content, pigmentation and packaging specifications.

Eating quality is more subjective, being based on sensorial attributes. It can be assessed by taste panels and the results monitored to provide feedback to production activities.

Nutritional quality relates to the role of fish and fish products as natural healthy food. Fish, and specifically fatty fish, are rich in minerals, vitamins and the long chain omega-3 fatty acids EPA and DHA - nutrients that are highly beneficial for human health.

Food safety

Supplying safe food is a top priority and is integral in all operations of a responsible food company.

The assurance of food safety is based on control of undesirable substances and medicine residues; control of food-borne diseases; as well as tracking and tracing. Procedures for handling non-conformities, including corrective actions, rapid alerts and product recalls must be in place.

Fish Welfare

The broad requirements for welfare consist of good farm management and husbandry practices, and good health management aimed at rearing fish under conditions that suit their biological needs. Typical considerations include stocking density, health and handling practices.

FOOD SAFETY – A PRESSING ISSUE

Over the last decades, food safety has become a pressing issue. Food scandals that have swept through parts of European agriculture and Asia, and uncertainties about gene modified crops, have raised awareness about the safety of daily diets in the age of industrialized food production. The seafood industry has also been challenged to document the traceability and safety of the products. It is deeply engrained in the business philosophy of Marine Harvest to ensure that our fish are produced in a safe way – and to document the safety standards that all our operations strictly adhere to.

Examples from Norway and Scotland illustrate the value of cooperation. Marine Harvest is participating in a cooperative Hardangerfjord sea lice project in Norway. Funding for the project is provided by the Fishery and Aquaculture Research Fund (Norway), Canada's Network of Centres of Excellence – AquaNet, the Norwegian Research Council and the Norwegian Directorate for Nature Management.

The Hardangerfjord system has salmon production sites from several companies. In a move to coordinate actions to control sea lice, Marine Harvest is represented on the Hardanger Fish Health Network (HFN), which incorporates the majority of the salmon farming enterprises active in the fjord system. Recent survey results show that combined efforts of the farmers and HFN have diminished the sea lice pressure on both farmed salmon and on wild populations.

Marine Harvest Scotland is developing an intensive – and so far unique – project for monitoring and predicting sea lice resistance to the sea lice treatment Emamectin, wild fish and organic farms are included. The project is co-sponsored by Schering-Plough, the producer of Emamectin, and a university grant.

Environmental Responsibility

A responsible company aims to minimise the environmental impact of its activities and to operate in harmony with the environment, neither depleting resources beyond their capacity, nor introducing into the environment materials or substances that are detrimental. Environmental priorities are sustainable feed, the maintenance of biodiversity, effective waste management and the minimisation of chemical input and energy use.

Marine Harvest Chile has opened a hatchery and integrated freshwater site that is based on recirculation methods and can supply 40 million young fish a year. The recirculation technology used means that only a small amount of freshwater is required each day and the small volume of effluent from the plant have minimal environmental impact. At the same time, the control, cleaning and filtering of water on the site are setting high standards of hygiene and physical conditions for the fish. This leads to healthier fish and faster growth, from breeding through to alevins ready for smoltification. As a result, production costs are lower, far less freshwater is used in the production of the alevins and the activity does not impinge on freshwater resources such as rivers and lakes. You can read more about this project on page 16.

Health

Care for our employees is expressed through an array of HSE-programmes and fair employment standards.

In 2006, Marine Harvest opened the first stage of a smoltification plant using similar recirculation technology. It is located on Chiloe Island, close to the coast, and has access to fresh- and seawater. The plant should provide similar benefits to the freshwater production facility and, when fully developed, will supply 20 million smolt a year for on growing in the offshore marine sites.

Marine Harvest in Chile also has a long-running environment programme that takes responsibility for waste and pollution. Activities include recycling of paper, plastics, rubber boots and batteries; recycling of solid wastes to avoid the use of landfill dumps; recovery of used food containers; recycling salmon wastes into fish flour and fish oil; and fitting gas-powered motors on small boats. In addition, the use of well boats eliminates pollution from harvesting at the production sites.

Social responsibility

Social responsibility covers fair opportunities for employees, taking account of the concerns of the communities where the company is present and paying attention to the concerns of wider society.

Providing fair employment, with appropriate attention to health and safety, serves to attract and retain the best employees. It is in the interests of the company and its workforce to maintain these standards. Additionally, profitable activities with equitable employment policies bring benefits to the local community.

Aquaculture farms are usually located in remote coastal areas. Many production employees in Europe and the Americas therefore live in these areas, where employment opportunities are limited. Aquaculture companies have a significant economic and social role in these communities.

Social activities in Chile

Marine Harvest has established positive practices in Chile towards employees, their families and local communities. 2006 was a notable year is this respect. The dental clinic provided by Marine Harvest carried out 5 000 check ups and treatments for employees and families. In addition to regular dental work, the clinic provides orthodontic treatment at very low cost. Marine Harvest has also provided a mobile dental unit, since 2003, to offer dental care at out-of-town sites and it supports a Well-Being service to which 67 percent of the workforce is affiliated. A psychosocial team of social worker, psychologist and lawyer provides additional support. Marine Harvest received several awards in 2006, including one from the institute for safety at work (IST) for the preventive

RESPONSIBILITY
Marine Harvest Norway is partner with the Norwegian NGO Bellona. Pan Fish Norway and Fjord Seafood Norway provided financial support to Bellona in 2006. Current projects with Bellona cover topics such as food safety, alternative raw materials for feed, the reduction of escapes and sea lice. Marine Harvest is also working closely with other NGOs.

management procedures implemented at the Tepual processing plant. These led to plant recording the lowest rate of incidents in the salmon farming industry in 2005, and it has continued to be low.

Also, processing plants in 2006 set the goal of fewer safety incidents than the best year from the previous five. All had good results and most surpassed the goal: Teupa plant ran for nine months with no incidents. Also, regulations applying to Marine Harvest's relationships with contract workers were improved.

Other awards recognised achievements in training, activities to discourage the use of drugs, support for a foundation that cares for mentally challenged children and adults that have been abandoned and are at risk, and support for an organisation promoting children's rights.

Similar projects, which have gained awards in earlier years, are committed to overcoming poverty and isolation in the remote locations in which it operates. Initiatives include a school levelling programme that continues the education of employees, support for rural schools, including training to work in aquaculture to help pupils gain employability. In addition, in 2006, the company provided support for the construction of roads, installation of electricity and of portable water supplies.

In 2006, Marine Harvest Chile opened a gymnasium for employees and their families. Several activities, both physical and cultural are now based there. Among these is the Chameleon theatre group, which is active in the prevention of alcohol and drug abuse. Other activities include folk music, aerobics and a youth football club.

Marine Harvest also continued its established sponsorship of cultural events, including the Frutillar Music Week, and sports teams, including basket-ball teams and the Puerto Montt football team.

External CSR initiatives

Providing a lead will involve Marine Harvest in discussions relating the aquaculture in general as well as those relating specifically to the company.

Representatives of Marine Harvest participate, as members of the Steering Committee, in the Salmon Aquaculture Dialogue that was initiated in February 2004 by WWF USA. The aim is to address the key issues and challenges of sustainable salmon farming and the dialogue involves stakeholders from all salmon producing regions. The Salmon Aquaculture Dialogue provides a meeting place where views and concerns can be exchanged in a constructive manner. Its final goal is to develop and implement verifiable environmental and social performance levels that measurably reduce or eliminate key impacts of salmon farming and that are acceptable to all stakeholders.

Among the participants is a group of Non Governmental Groups (NGOs) based in British Columbia. Together they form the Coastal Alliance for Aquaculture Reform (CAAR). Following separate discussions throughout 2005, in January 2006 Marine Harvest Canada and the nine member groups of the CAAR announced the completion of a "Framework for Dialogue" that will foster collaborative efforts toward solving the conflicts surrounding open netcage salmon farming in British Columbia. The initiative is supported by the Provincial government.

Board of Directors Report 2006

As of 29 December 2006 the three former groups, Pan Fish Group, Fjord Seafood Group and Marine Harvest N.V. Group have been integrated into Marine Harvest.

In 2006, Pan Fish ASA, the company's name last year, strategically reorganised and significantly changed the company and the entire fish-farming industry. By taking over other companies and merging with Fjord Seafood ASA and Marine Harvest N.V., Marine Harvest has become the leading global actor in the rapidly growing fish-farming industry. Marine Harvest has also succeeded in establishing a sustainable, leading and profitable basis for further positive development of the new group and the fish-farming industry.

Marine Harvest is the world's largest aquaculture company with a global market share of almost 30 percent for salmon and trout. With its 9000 employees the company operates in 20 countries on five continents and maintains a presence in all the regions where salmon is harvested. In addition to fish-farming, the company produces filets in Norway, Scotland, Ireland and Canada. We also have extensive processing activities in Chile, the USA, France, Belgium, Poland and the Netherlands. The wide range of products includes everything from basic processing to tasty seafood dishes. In addition to salmon and trout, the company also farms other species, such as halibut and yellowtail. Marine Harvest's headquarters is in Oslo. The company has more than 20 000 shareholders and is listed on the Oslo Stock Exchange under the ticker MHG.

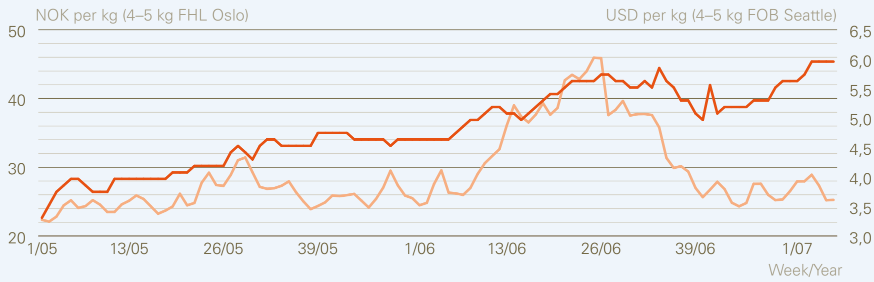
The Fjord Seafood Group is consolidated in the accounts as of 1 April 2006. The transaction relating to the Marine Harvest N.V. Group was finalised on 29 December 2006 and the profit and loss account for 2006 thus provides no figures from the Marine Harvest N.V. Group. The balance as of 31 December 2006 includes all the companies, including the former Pan Fish Group, the Fjord Seafood Group and the Marine Harvest N.V. Group.

In 2006, the company's turnover amounted to NOK 5 655.4 million compared to NOK 1 501.3 million in 2005. The group's financial results for 2006 came to NOK 1 746.9 million compared to NOK 376.7 million in 2005. In 2006, a total of 91 835 tons of salmon were slaughtered (gutted weight) compared to 41 835 tons in 2005, an increase of 220 percent. In all, 28 878 tons of processed seafood were sold in 2006. This is an increase of 26 339 tons compared to 2005. The annual accounts have been charged with NOK 41.4 million in restructuring expenses in 2006. In the annual accounts operations held for sale are presented net under the entry results from discontinued operations. For 2006 this applies to Pan Fish Scotland. This operation will be sold under an agreement with the French business-competition authorities in connection with approval of the purchase of Marine Harvest N.V.

2006 was a good year for prices in the EU and USA markets. The FHL (Norwegian Seafood Federation) price in 2006 started at around NOK 24.00/kg and exceeded NOK 44.00/kg in late summer (Superior FCA Oslo). The average for 2005 was NOK 31.36/kg compared to NOK 25.36/kg in 2005. In the American market, prices have reached historical highs and have been rising in the course of the year. At the start of 2007 prices continue to be high in both the EU and USA markets.

The fish-farming operations have maintained their focus on reducing costs, but despite this have still experienced a negative cost development in some regions in 2006 due to rising feed prices and higher mortality rates.

Svein Aaser
Born: 1946
Position: Executive Director Seatankers
Education: Graduate from the Norwegian School of Economics and Business Administration and a degree from IMEDE.
Background: Aaser was group chief executive in DnB NOR until year 2006. Aaser is former president and CEO of Hafslund Nycomed and deputy CEO of Nycomed Amersham. Aaser has also been managing director of Storebrand Skade, NORA matprodukter and of Stabburet/ Norway. From 1992–94 he was president of NHO (Confederation of Norwegian Enterprise).



Processing operations in the group had a good year in spite of high raw material prices during most of the year. The smoking operations achieved particularly satisfying figures due to improvements in operations, reduced costs, increased prices and increased volumes.

Throughout 2006 the company has strengthened its operational basis substantially through takeovers and organic growth. In 2006 two major strategic takeovers were undertaken as the Fjord Seafood Group and the Marine Harvest N.V. Group were taken over. As the leading actor in the fish-farming and seafood industries, the company will continue to take an active part in the on-going consolidation if this contributes to increasing Marine Harvest's share-holder values.

ABOUT THE ANNUAL ACCOUNTS

The group accounts have been drawn up in accordance with the International Financial Reporting Standards (IFRS). The company accounts for Marine Harvest ASA have been drawn up in accordance with generally accepted accounting principles in Norway, as IFRS is only compulsory for the group accounts.

General trends in the results for Marine Harvest Group in 2006 are:

- Advantageous sales prices throughout the year
- Good results from processing operations, particularly smoking plants in Europe
- Higher feed prices
- Better utilization of capacity with respect to licences and processing plants
- Isolated events in operations that have impacted harvesting plans and led to increased costs for gutted fish
- Takeover activities and initial restructuring

The profit and loss account

The group's profit and loss account shows turnover, costs and profit for the activities that have been continued. Operations that have been sold or are to be sold are presented net under the entry revenues for discontinued operations. In 2006, the Marine Harvest Group had a turnover of NOK 5 655.4 million compared to NOK 1 501.3 million in 2005. The increase in revenues is due to the merger with the former Fjord Seafood Group at the start of the second quarter of 2006, contributing a turnover of NOK 2 917.3 million. The French company Kritsen was also taken over in 2006 and NOK 535.2 million of the revenues comes from this company's operations.

Kathrine Mo
Born: 1965
Position: Chief of Marketing, Telenor Norway
Education: Licence HEC degree from Lausanne in Switzerland
Background: Director in SLB/HEI! 2001–2002. Marketingdirector in Coca Cola Oslo for the Nordic and Baltic regions/Russia in 1995, rising in 1999 to the position of country manager for Norway. 1993–1995 in Ringnes within brand development and management. From 1988–1993 Procter & Gamble within brand development and management.

The group achieved an operating result for continued operations in 2006 of NOK 835.2 million compared to NOK 459.1 million in 2005. This improvement is primarily due to higher prices, and the fact that the Fjord Seafood Group and Kritsen were not included in the comparative figures for last year. The annual accounts have been debited a total of NOK 41.4 million for restructuring costs in 2006.

Financial items in 2006 totalled NOK 175.9 million compared to NOK -72.4 million in 2005. Prepayment of shares of Marine Harvest N.V. has given accounting interest income of NOK 286.5 million in 2006, and the currency exchange gains on the prepayment have amounted to NOK 195.4 million for the year. The group has had interest costs amounting to NOK 358.8 million in 2006. In 2006 the group has activated deferred tax benefits connected to deficits to be carried forward by more than NOK 800 million in total, so that the net taxable income in the accounts for 2006 was NOK 735.8 million.

The group's profit from continued operations in 2006 NOK came to 1 746.9 million compared to NOK 376.7 million in 2005. Net profit for the year was NOK 1 853.7 million including revenues from operations put up for sale.

Cash flow and liquidity

In 2006, the net cash flow from operational activities came to NOK 611.8 million compared to NOK 66.3 million in 2005. Net cash flow from investment activities was NOK –344.0 million in 2006 compared to NOK –256.5 million in 2005. Investments in operating assets came to NOK 355.6 million in 2006. The group's financing activities in 2006 generated a net cash flow of NOK 1 770.2 million in 2006. In connection with the purchases of Fjord Seafood and Marine Harvest N.V., several share issues were carried out in 2006, giving a total of NOK 9 919.9 million in new equity capital. Furthermore, NOK 4 430.3 million net was added in new loan financing in 2006. The net cash flow from the purchases of Fjord Seafood and Marine Harvest N.V. amounted to NOK -12 243.2 million in 2006. At the end of 2006 the group had NOK 2 182.5 million in liquid assets. At the start of the new year, the group has paid all stipulated instalments for 2007, totalling NOK 880 million.

Balance

The group's total balance as of 31 December 2006 amounted to NOK 27 354 million. During the year, the balance has increased by NOK 23 196.4 million due to the takeover of Fjord Seafood ASA and Marine Harvest N.V.

Of the group's book assets, NOK 5 622.5 million constituted the book value of licences and NOK 4 159.8 million the book value of goodwill. The group has also entered deferred tax benefits of NOK 641.3 million into the accounts at the end of 2006. Total book assets relating to intangible assets amounts to NOK 10 497.9 million as of 31 December 2006.

In connection with the takeover of Fjord Seafood, a preliminary allocation of excess values of identifiable assets and debts was undertaken. This allocation was finalised at the end of 2006 and has resulted in excess values for licences of NOK 491 million, for other intangible assets NOK 37 million, for fixed assets NOK 390 million and other assets NOK 7 million. Deferred taxes have been increased by NOK 239 million and thus goodwill

Arne Hjeltnes
Born: 1963
Position: As of 1 April, Hjeltnes holds the position as Communication Director in Marine Harvest ASA. He is no longer member of the Board.
Education: Graduate from Norwegian School of Management (BI)
Background: Director for tourism Americas, Innovation Norway New York 2005-2006. Director South East Asia, Norwegian Seafood Export Council, Hong Kong. Producer and director, TV2 Norway.

relating to the purchase came to NOK 1 869 million at the end of 2006. Goodwill will be allocated according to business areas in 2007.

In connection with the purchase of Marine Harvest N.V., a preliminary allocation of excess values was carried out where NOK 2 474 million is assigned to licences, NOK 152 million is assigned to shares, and NOK 415 million is entered as deferred taxes for these items. This means that goodwill after the preliminary allocation amounts to NOK 989 million. The allocation will be finalised in 2007.

As of 31 December 2006 the group had net interest-carrying debts of NOK 7 398.6 million, consisting of gross interest-carrying debts of NOK 9 581.1 million and liquid assets of NOK 2 182.5 million. Of the gross interest-carrying debt, the debt to the newly founded group syndicate came to NOK 7 030.3 million. Other gross debt primarily comprised gross debt in Marine Harvest N.V. and in the group's Chilean activities, amounting to a total of NOK 1 858.9 million. These debt items will be refinanced with funds from the new syndicate during the first four months of 2007. As of 31 December 2006 the group also had an interim financing loan amounting to NOK 250 million connected to the redemption of the previous shareholders in Fjord Seafood. This loan was repaid on the final due date, on 31 January 2007. Financial leasing debt came to NOK 230.6 million and other gross debt items come to NOK 211.3 million. At year end, Marine Harvest ASA satisfies all the covenants stipulated in the group's loan agreements. The book equity for the group as of 31 December 2006 is NOK 13 589.1 million, corresponding to an equity share of 49.7 percent.

Overall in 2006, the group has added net NOK 9 917.4 million in new equity. In connection with the financing of the takeover of Marine Harvest N.V., a private placement of NOK 5 450 million was carried out through the issue of 1 250 million new shares. The placement was carried out at NOK 4.36 per share. A number of capital contributions totalling NOK 4 639 million have been made through the issue of a total of 826 million shares in connection with the incremental purchase of Fjord Seafood. Two capital contributions have also been carried out in connection with the execution of options for leading employees, totalling NOK 28 million through the issue of 13.6 million shares. The total amount of expenses in connection with all share issues in 2006 is NOK 199.6 million.

Significant events in the accounting year

Takeover of Fjord Seafood and Marine Harvest N.V. In March 2006, it was announced that Pan Fish had entered into an agreement to take over all the shares of Marine Harvest N.V. This takeover could not take place before the competition authorities in several countries had granted their approval. Final approval was granted on 20 December 2006, and the takeover was finalised on 29 December 2006. In connection with this approval, Marine Harvest has undertaken to sell the Scottish operations from the former Pan Fish Group within 12 months, counting from November 2007. These operations are therefore presented in the report as operations planned for sale in separate accounts.

In the period March to June the former Pan Fish incrementally took over more of Fjord Seafood, and Fjord Seafood was consolidated as of April 2006. Mandatory redemption of shares was initiated for a small number of shareholders. This mandatory share redemption has been finalised, but disagreement continues about the final settlement for 534 600 shares where the price has not been finally accepted.

The two takeovers were the key elements of a plan to establish Pan Fish as the world's leading seafood company. In the autumn of 2006 much work has been put into developing a strategy for establishing a good synergetic foundation and to ensure that the three former groups operate as one group from now on. At the start of 2007 the group has established a solid platform for further growth, and under the name Marine Harvest the company will be a driving force for even more restructuring in the seafood sector, while realizing synergies and good profits.

The two takeovers are detailed below in the report.

In 2006 the group has also strengthened its position within processing through a number of takeovers in France and Chile.

Fair value adjustment of the biomass pursuant to IAS 41 Similar to other listed fish-farming companies, Marine Harvest received notification from the Financial Supervisory Authority of Norway to amend its accounting practice for live fish. On 20 December 2006, the Norwegian authorities ruled on the company's appeal of the way in which IAS 41 has been interpreted with respect to the valuation of live fish, where the company was ordered to amend its accounting practice. As a result, a larger portion of the biomass must, at any given time, be valued at a theoretically estimated fair market value. The valuation must be based on a "hypothetical market price which would arise in an active market for live, immature farmed salmon". The company has developed a model for such trading and has based the valuation on this "theoretical value in a hypothetical market". The model is based on observed market prices and the prices are adjusted to reflect the difference in value of fish sold and live salmon. The calculated value of the biomass will vary more from one period to the next during the year depending on the size and distribution of the biomass than what would have been the case when using the previously applied model. All figures for previous periods have been adjusted accordingly.

Important events after the end of the accounting year

Pan Fish ASA has changed its name to Marine Harvest ASA As a stage in the major restructuring and merger of Pan Fish ASA, Fjord Seafood ASA and Marine Harvest N.V., much consideration was given to the new company's name and profile. It has been decided that the group in the future shall profile the name Marine Harvest and use elements from the profile of Pan Fish (logo) and Fjord Seafood (vision) in its work. The group's parent company therefore changed its name to Marine Harvest ASA at an extraordinary general meeting held on 30 January 2007.

The board is unaware of any significant events after the end of the accounting year beyond what has been mentioned above that merit consideration or should have been included in the annual accounts and report.

FISH-FARMING AND SALE OF OWN PRODUCED SALMON

In 2006, Marine Harvest harvested 91 835 tons of salmon (gutted weight – the figure excludes Pan Fish Scotland which is reported as a discontinued operation in 2006). The

Eldbjørg Sture
Born: 1956
Position: Consultant
Education: Graduate from Norwegian School of Economics and Business Administration (NHH). Master of Management program e-business, Norwegian School of Management.
Background: Independent consultant from 2005. Formerly in the DnB NOR corporation in various executive positions within corporate customers, shipping, capital market and corporate risk management. Head of division with responsibility for the investment bank's strategy and business development as well as all business support functions.

MARINE HARVEST - FARMING

	Norway*		Faroes		Scotland		Chile**		Canada		Total farming	
Figures in NOK million	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Turnover	**2 075 140**	959 391	**89 518**	1 053	**116 476**	-	**810 315**	-	**400 200**	281 633	**3 684 989**	1 242 077
EBITDA before value adj. biomass	**736 409**	242 455	**32 903**	996	**19 339**	-	**221 735**	-	**121 938**	26 542	**1 132 324**	269 994
EBIT before value adj. biomass	**607 263**	179 098	**22 112**	-9 828	**8 890**	-	**180 399**	-	**60 990**	-29 209	**879 655**	140 061
EBIT	**636 052**	176 498	**32 012**	-9 828	**50**	-	**156 501**	-	**82 990**	19 291	**907 605**	185 961
EBITDA before value adj. biomass %	**35.5%**	25.3%	**36.8%**	-	**16.6%**	-	**27.4%**	-	**30.5%**	9.4%	**30.7%**	21.7%
EBIT before value adj. biomass %	**29.3%**	18.7%	**24.7%**	-	**7.6%**	-	**22.3%**	-	**15.2%**	-10.4%	**23.9%**	11.3%
EBIT %	**30.7%**	18.4%	**35.8%**	-	**0.0%**	-	**19.3%**	-	**20.7%**	6.8%	**24.6%**	15.0%
EBIT/kg gutted weight (HOG)	**11.06**	6.14	**11.14**	-	**0.02**	-	**8.77**	-	**7.88**	4.73	**9.88**	5.66
Biological cost/kg gutted weight (HOG)	**14.72**	14.91	**14.64**	-	**19.39**	-	**13.13**	-	**17.82**	19.75	**14.92**	16.02
Superior share	**85.3%**	91.0%	**88.0%**	-	**94.7%**	-	**90.4%**	-	**91.9%**	94.2%	**87.5%**	92.1%
Harvested gutted weigtht (HOG)	**57 521**	28 760	**2 873**	-	**3 061**	-	**17 843**	-	**10 537**	4 080	**91 835**	32 839
Growth in biomass (live weight)	**86 514**	36 374	**6 478**	1 199	**4 081**	-	**19 835**	-	**15 378**	11 739	**132 286**	53 750

* EBIT for Norway in 2005 does not include reversal of write downs on licences with NOK 252 million

** Chilean farming figures include smokeries and a sales office in USA

pro forma harvested volume for the Marine Harvest Group, including the first three months of 2006 for the Fjord Seafood Group and the Marine Harvest N.V. Group, is 325 781 tons (gutted weight excluding Pan Fish Scotland). The figure comprises Atlantic salmon, coho, trout and chinook.

For 2007, preliminary harvesting plans estimate a volume in the region of 390 000 – 410 000 tons (gutted weight). The board of Marine Harvest has decided that starting in 2007 the increase in planted smolt shall not exceed 5 percent for the group as a whole compared to the same figure for 2006.

Norway

In 2006, Marine Harvest Norway (combined figures for the former Pan Fish Norway and Fjord Seafood Norway for the period 1 April to 31 December 2006) produced 85 488 tons of fish (live weight) compared to 40 797 tons in 2005, an increase of 45 000 tons. Of this increase, 35 286 tons come from the consolidation of Fjord Seafood. During the same period of time, 57 521 tons of fish were harvested (gutted weight), which is an increase of 21 909 tons from 2005. Fjord Seafood contributed 22 774 tons in 2006 compared to 0 in 2005. Smolt output for the two units considered together increased by almost 12 percent from 2005 to 2006 so that significant growth in the harvested volume must also be expected in 2007.

Throughout the year the market price maintained a favourable level. In accordance with the group's sales strategy, parts of the volume are allocated to contract sales. The high spot price is thus not fully reflected in the prices attained in 2006.

On the cost side, we are continuing efforts to reduce production costs. Better utilization of the capacity both for licences and processing plants pushed the figures in the right direction in 2006, but a substantial increase in feed prices combined with a slightly weaker generation of harvested fish has resulted in an increase in the cost per kilo of fish compared to 2005. Implementation of best practice at the three companies constituting the group after the merger is expected to contribute to substantial cost reductions in the future. EBIT before fair value adjustment of the biomass for 2006 is NOK 607.3 million compared to NOK 426.9 million in 2005. The figure for 2005 does not consider the reversal of write offs of licences on NOK 252 million. The contribution from the previous Fjord Seafood in 2006 is NOK 275.2 million. Fjord Seafood was not part of Marine Harvest in 2005.

Scotland

As Pan Fish Scotland will be sold in 2007, the two units that in 2006 were part of the group (Pan Fish Scotland and for the last nine months of the year Fjord Seafood Scotland) are looked at separately.

Operations to be continued in Scotland In 2006, Marine Harvest Scotland produced 4081 tons (live weight), while the harvested volume in the same period was 3061 tons (gutted weight). EBIT prior to the fair value adjustment of the biomass for 2006 came to NOK 8.7 million. This operation was not part of the group in 2005.

The Scottish operations also benefited from high prices throughout the year, even though they did not have a full spot price effect due to contracts. The cost of harvested fish was at the same level as in 2005 in spite of the strong feed price hike. More efficient operations and the end of expensive rental production have contributed to this.

Improvement of results beyond what has already been achieved in 2006 is expected when operations are merged with Marine Harvest N.V.'s Scottish operations and further optimization of all stages of the value chain can occur.

Operations to be sold in 2007 – Pan Fish Scotland In 2006, Pan Fish Scotland produced 19 595 tons (live weight) compared to 16 902 tons in 2005. The harvested volume during this period came to 15 590 tons (gutted weight) compared to 12 932 tons in 2005. For 2006, EBIT before fair value adjustment of the biomass came to NOK 96.4 million compared to NOK 17.6 million in 2005.

Good prices also contributed positively to Pan Fish Scotland in 2006. In addition to contract sales at fixed prices, a lower proportion of superior fish has negatively impacted the prices achieved. Fish of Tasmanian races have been characterized by early maturity, with a corresponding downgrading in classification.

Compared to 2005, the cost of harvested fish has increased slightly due to higher feed prices and operational challenges.

Canada

In 2006, Marine Harvest Canada produced 15 378 tons (live weight) compared to 11 739 tons in 2005. In 2006, 10 537 tons (gutted weight) were harvested compared to 6 223 tons in 2005 (whereof 2 143 tons in the USA). In 2006, EBIT before fair value adjustment of the biomass came to NOK 61.0 million compared to NOK -21.2 million in 2005.

The American market has also experienced favourable prices throughout the year. Marine Harvest Canada has also been able to exploit the high spot prices during this period as no contract sales have been entered into for Canadian fish.

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Born: 1962
Position: Private advisory company
Education: Master of Business Administration from Northeastern University, Boston, USA .
Background: Financial analyst and investment banker with Orkla Finans; later Enskilda Securities. Since 2002 private advisory services for DnB NOR ASA, the Ministry of Trade and Industry and the Ministry of Petroleum and Energy. Member of the board in companies within the DnB NOR Group, Formuesforvaltning AS and entities within the Norwegian Social Pharmacy Foundation.

Due to the improvement in exploitation of the capacity of the processing plant and higher volumes, the cost per kilo of harvested fish has dropped substantially from 2005. After the merger with Marine Harvest N.V.'s Canadian operations, there will be further optimisation of operations through more efficient use of fixed assets and transfer of best practice.

Chile/the USA

Marine Harvest Chile/(USA) has been consolidated from 1 April 2006, and in the period from 1 April to 31 December produced 19 835 tons (live weight), while the harvested volume during the same period was 17 843 tons (gutted weight). For 2006, EBIT before fair value adjustment of the biomass came to NOK 181.2 million. This part of the operations was not included in the group in 2005.

As was the case for Canada, Marine Harvest's Chilean operations have benefited from the favourable prices in the American market in 2006. Moreover, excellent prices were achieved for large fish sold in the Asian market in the second quarter. A better mix of products and markets has also contributed to higher attained prices.

The cost of harvested fish was slightly higher in 2006 than the previous year due to rising feed prices and reduced growth during the second half of the year. The industry in Chile faces challenges in connection with increasing mortality and low growth due to the more challenging disease situation. The industry recognizes the challenges and the largest actors are working together to find solutions.

The Faroes

In 2006, 6 476 tons (live weight) were produced on the Faroes. The growth was relatively modest in 2005 as fish were only put out in May 2005 after the facility had been kept inoperative due to ISAV (Infectious Salmon Anaemia Virus). The harvest rate was 2 873 tons (gutted weight) in 2006, while in 2005 no fish were harvested on the Faeroes. EBIT in 2006 ended at NOK 22.1 million.

Following a financial and operational restructuring process the operations showed good results in 2006. Operationally the unit has achieved good figures and very low mortality. This is reflected in good financial profitability even though the company has only harvested fish for half of the year.

PROCESSING (VAP)

MARINE HARVEST - PROCESSING (VAP)

	Belgium		Netherlands		France		Total VAP	
Figures in NOK million	2006	2005	2006	2005	2006	2005	2006	2005
Turnover	1 040 651	-	219 368	-	1 366 633	289 934	2 554 600	375 459
EBITDA	37 778	-	5 001	-	50 333	6 193	93 112	-25 022
EBIT	11 735	-	-4 635	-	38 709	5 508	45 671	-25 707
EBITDA %	3.6%	-	2.3%	-	3.7%	2.1%	3,6%	-6.7%
EBIT %	1.1%	-	-2.1%	-	2.8%	1.9%	1,8%	-6.8%
Volume sold (tons)	15 714	-	6 099	-	15 681	2 539	37 494	2 539
Volume produced (tons)	9 888	-	5 980	-	15 514	2 551	31 382	2 551

Through the takeover of the Fjord Seafood Group and Kritsen, the smoke enterprise in France, Marine Harvest has strengthened its position significantly when it comes to further processing seafood. The takeovers have also introduced other species and types of processing to the product range. The range of products now includes all types of seafood, including smoked and coated products, instant meals and catering products, as well as filets and portion packages. Raw materials in addition to salmon include whitefish and shellfish.

High prices for salmon and other fish raw materials have pressed the margins over the past year. Prices of raw materials declined toward the end of the year, which contributed to a strong finish for the processing operations at year end. In spite of the quite limited overlapping between different processing units after the merger between Pan Fish, Marine Harvest N.V. and Fjord Seafood, gains are also expected in this field from optimization of operations. The Marine Harvest Group will be a significant force in the coming years in the field of processing seafood products in Europe.

Operating results (EBIT) in 2006 came to NOK 48.2 million.

ABOUT THE GOING CONCERN ASSUMPTION

Pursuant to section 3-3 of the Norwegian Accounting Act, the board confirms that the annual accounts have been drawn up based on an assumption of going concern. This is based on the results reported, the group's business strategy, the financial situation and submitted budgets.

ABOUT THE WORKING ENVIRONMENT

Activities aimed at developing a good and safe working environment have high priority in the Marine Harvest Group. All departments and sections of the group are systematically working on HES activities (Health, Environment and Safety). All regions have HES officers who focus on determining and developing competence, job satisfaction, the environment and safety. The group's aim is that its operations have no detrimental effects on people and the environment, and that they are in accordance with the principles for sustainable development.

The group finds that the highest sickness absence and injury rates are in the harvesting and processing plants. Long-term sickness absence connected to various types of strain injuries is the greatest reason for the high sickness absence rates in this part of our operations. We are working proactively to prevent such injuries and to provide for alternative work in cases where this is necessary. However, various measures and awareness-raising schemes, such as job rotation, competence development and restrictions on the use of overtime appear to have a preventive effect on the sickness absence statistics. The group attaches great importance to having local management follow developments closely when it comes to sickness absence and injuries.

The figures presented below are based on measurements undertaken at the former Pan Fish Group and the former Fjord Seafood Group for all of 2006 and all of 2005. Marine Harvest N.V. is not included in these figures. The total reported sickness absence for the former Pan Fish Group alone in 2005 was 5.24 percent.

Solveig Strand
Born: 1961
Position: General Manager
Education: IT/ Economic degree.
Background: Managing Director of companies within the Strand Group. Former Parliament secretary for the Ministry of Fisheries. Member of the county council of Møre i Romsdal.

Sickness absence	Aquafarming* 2006	Aquafarming* 2005	Processing** 2006	Processing** 2005	Sales and administration*** 2006	Sales and administration*** 2005	Total 2006	Total 2005
Absence due to illness	**2.5%**	1.8%	**5.6%**	5.3%	**2.2%**	2.6%	**4.4%**	4.1%
Absence due to injury	**0.1%**	0.1%	**1.0%**	0.4%	**0.0%**	0.0%	**0.7%**	0.3%
Total absence	**2.6%**	**1.9%**	**6.6%**	**5.7%**	**2.2%**	**2.6%**	**5.1%**	**4.4%**

* Employees at freshwater plants and sea plants ** Employees at slaughtering and processing plants

*** Office workers

Split business units sickness absence	2006	2005
Norway	**6.0%**	4.7%
Chile/USA	**3.3%**	2.9%
Canada	**1.4%**	5.7%
UK	**2.7%**	1.6%
VAP	**7.2%**	6.5%
Total	**5.1%**	**4.4%**

A total of 48 652 days were registered in 2006 as sickness absence.

There are large variations in sickness absence from one business area to the next in the group. With the exception of Canada there has been a rise in the sickness absence percentage in all regions that are attributed to sickness and injuries. The VAP division has the highest sickness absence and this may be explained by the fact most of the processing plants come under this division.

The Marine Harvest Group has given high priority to HES activities. Management will therefore have an even greater focus on this field in 2007, recognizing that there is room for major improvements in several areas in this field. The principal cause of the increase in sickness absence is assumed to be the higher level of activity and greater workloads.

EQUAL RIGHTS

On average there have been 4 090 employees in 2006, whereof 1 504 were women. After the purchase of Marine Harvest N.V., which was finalised on 29 December 2006, there will be around 9 100 employees in 2007.

The fish-farming industry in general is one where there traditionally has been and continues to be a preponderance of male employees. There is, however, a preponderance of women in the slaughtering and processing plants. In 2006, the group has had female managers in senior management of most subsidiaries. The group will work actively to have more women in senior management positions in the regional companies. Of the eight members of the Marine Harvest ASA board, three are women.

FACTORS THAT MIGHT INFLUENCE THE EXTERNAL ENVIRONMENT

Sustainable fish-farming can only be operated in harmony with the external environment. Interacting with nature is an important pillar on which to build cost-efficient fish-farming. Knowledge about what fish need for nutrition, health and growth is therefore decisive. Just as with other intensive animal cultures, any negative environmental influence from operations will quickly have detrimental impact the abilities of the fish to grow and develop naturally, in addition to the fact that the facilities would be unusable after only a few years. Such development is incompatible with Marine Harvest's role as a resource manager and the company's objective of being a model company when it comes to sustainable fish-farming.

Marine Harvest's aim is that the operations will be continued without leaving lasting "footprints" in the environment. On all levels of the company systematic work is being undertaken to enable this. Among the considerations:

- Burden on the recipient (sea areas surrounding the fish cages)
- Use of medications
- Consideration of wild fish stocks

The board is well satisfied with the attitudes on which Marine Harvest bases its work with environment issues, but wishes this field to have an even stronger focus in the coming years. The company shall proactively exercise influence on other industry actors and authorities to achieve additional progress in the environmental field. Preventing fish from escaping, improving fish health, combating salmon lice and additional focus on sustainable feed ingredients are some of the areas that will receive extra focus.

CORPORATE GOVERNANCE

Marine Harvest will comply with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES) on 28 November 2006. Group compliance and any deviations from the code of practice will be commented upon in the annual report in the chapter entitled Corporate Governance. Marine Harvest finds that corporate governance is a requirement for increased shareholder value, investor trust and low capital costs.

Good corporate governance builds on responsible communication between shareholders, the board and corporate management in the endeavour to develop the company's role as the leading industrial actor in the aquaculture industry.

The board has been working on corporate governance throughout 2006 and the start of 2007. The group's steering documents have been reviewed and revised. Comprehensive strategic and integration activities are continuing on all levels of the group. It is expected that this will especially impact risk management and internal control in the group, and it is also expected that internal control systems will be developed further in the wake of the integration.

RISK

As the Marine Harvest Group's operations are international, decentralized and based on biological material, the company is exposed to a number of risks. The board deems it important that the group should initiate necessary measures to control risks, restrict individual risk or hazards and keep the total risk situation within acceptable limits.

Operational risks/biological risks

Fish-farming is carried out in relatively open waters which supply the best conditions for a healthy environmental and healthy fish. This places heavy demands on personnel and equipment, which the company is keenly aware of. Our production facilities are continually exposed to natural forces, representing a degree of risk of fish escaping and cages breaking. The company has had fish escape in 2006. Our zero escape ambition is nevertheless still our goal, as this is deemed to be attainable.

Leif Frode Onarheim
Born: 1934
Position: Associate Partner
Education: MBA, Graduate from Norwegian School of Economics and business administration (NHH).
Background: Boardmember in Løvenskiold Vækerø AS and Parking Inc., Chicago. NHO and Member of Parliament. President of Norwegian School of Management and President of Confederation of Norwegian Business and Industry, Former President &CEO, Nora Industrier AS.

Animal husbandry in intensive cultures at all times represents a certain risk of disease. Fish are particularly vulnerable when they start to live in the sea as they are then subjected to stress and have to become accustomed to a completely new environment. The risk of disease is reduced through good smolt, good animal husbandry and selecting good locations. All levels of the organization are working systematically to reduce the risk of disease and the loss of fish through mortality.

Market risks

Marine Harvest's financial position and development depend significantly on price developments for fish-farmed salmon, and these prices historically have had major fluctuations.

Salmon has now become a major commodity. As the world's leading producer, Norway has great financial interests in seeing this industry develop and expand. This means that Norway might be subjected to trade policy measures against Norwegian seafood industries, where these would undermine the foundation for long-term profitable operations.

Furthermore, salmon as food has been subjected more often to critical journalism based on statements and publications from various research communities. This type of attack has had and may potentially result in temporary damage to the industry, and can only be counteracted by solid and well-documented information from professional spokespersons for the industry. As of today the industry has solid and uniform support from national authorities in Canada, the USA, the EU and Norway.

Currency risks

Marine Harvest has substantial international activities and is exposed to changes in the currency exchange rates as a natural part of its business operations. Fluctuations in the currency exchange rates will therefore continually influence Marine Harvest's operating profits and revenues. Marine Harvest aims to limit impact as far as possible and reasonable on revenue effects caused by fluctuations in currencies where the company is vulnerable.

Credit risks

Credit risks are here defined as accounting losses the group would suffer if one or more contractual partners do not meet their obligations, and dependency on a small number of major customers. A large proportion of the group's accounts receivable are credit insured and credit ratings are undertaken of all new customers. Historically, the group has suffered minor losses on accounts receivable. The group is not substantially exposed in relation to any individual customer or contractual partner as of 31 December 2006

Interest risks

The group is generally financed using floating interest rates for debts to financing institutions and leasing debts. To minimize the risk connected to fluctuations of floating interest rates the group has a strategy where 50–75 percent of the group's interest-bearing debts shall be secured by loans with fixed interest rates or by interest derivatives with an average loan period of three or four years. 2006 was a year dominated by the implementation of refinancing of loan debts. The security strategy was not implemented until 2007.

Liquidity risks

The largest single factor in connection with liquidity risks is fluctuation in salmon prices. Some fixed price contracts have been entered into that limit this risk, but the bulk of the volumes planned for slaughter in 2007 will be subject to the current market price. Other key liquidity risks are primarily connected to fluctuations in production and slaughter volumes and changes in the feed price, which is the most important individual factor on the cost side.

In 2006 the group has negotiated long-term financing for the entire group.

THE PARENT COMPANY/ALLOCATION OF PROFITS

At the end of 2006 Marine Harvest ASA had 20 employees. Marine Harvest ASA does not have its own operations that could pollute the external environment. Of the 20 employees, seven are women. The company has a very low sickness absence rate.

Marine Harvest ASA is the parent company of the group and had NOK 30.2 million in operating revenue in 2006 compared to NOK 29.5 million in 2005. The company's operating revenue generally stems from administration fees collected from the subsidiary companies. The operating result came to NOK -75.0 million compared to NOK 0.8 million in 2005.

Net finance items in 2006 amounted to NOK 701.0 million compared to NOK 293.1 million in 2005. Interest costs amounted to NOK -285.4 million in 2005 compared to MNOK -82.1 in 2005.

Net reversal of written-off investments in subsidiaries amounts to NOK 338.0 million in 2006 compared to NOK 281.9 million in 2005. The other items are primarily related to calculated interest income of NOK 286.5 million and exchange rate gains on the prepayment of Marine Harvest N.V. of NOK 353.7 million.

In 2006 Marine Harvest ASA has also recognized deferred tax benefits in the balance. This has given a tax income of NOK 880.7 million in 2006 compared to NOK 158.4 million in 2005. The recognition is based on expected revenues in the Norwegian subsidiary companies.

The annual result came to NOK 1 506.8 million compared to NOK 452.2 million in 2005.

At the end of 2006 Marine Harvest ASA has equity equal to NOK 13 347.1 million, giving an equity share of 64.9 percent. The company's free equity capital is NOK 993.5 million after adjusting for deferred tax benefits amounting to NOK 1 039 million in the accounts.

The board will propose to the annual general meeting that the annual result should be allocated as follows:

- Transferred to other equity capital 1 506 760 504
- Total 1 506 760 504

In the opinion of the board the annual accounts provide a satisfactory description of the company's and the group's positions at the end of the year.

FUTURE PROSPECTS

At the start of 2007 the market is strong for the company's main product, gutted superior fresh salmon. This reflects increasing demands and confidence in fish-farmed salmon as

Tor Olav Trøim
Born: 1963
Position: VP and director of Frontline Ltd.
Education: Master of Science from NTH University of Technology in Trondheim, Norway in 1985.
Background: Extensive background as a Director, in companies like Knightsbridge Tankers Ltd, Aktiv Kapital ASA and Golar LNG, he is also President and Chief Executive Officer of Ship Finance International. Until April, 2000 Mr. Trøim was the Chief Executive Officer of Frontline Management AS Prior to his service with Frontline, Mr. Trøim served as Managing Director and a member of the Board of Directors of DNO AS, a Norwegian oil company.

healthy and nutritious food. Prices are higher in both the EU and USA markets, two of the most important markets for salmon, and based on all known information, prospects are good for a healthy balance between the production of salmon and the expected demand in the next two years. Production costs are also expected to drop in all regions Marine Harvest is operating in. The falling costs are in part due to higher volumes, and are also a result of better biological operations of current plants and the synergetic effects that are attained from the merger of Pan Fish ASA, Fjord Seafood ASA and Marine Harvest N.V. The volume increase primarily comes from the company building biomass for organic growth within the existing structure.

Marine Harvest will also be interested in raising capacity through takeovers where this supports or strengthens the company's basic vision of being an industry shaper. The company will also assess whether to diversify more of production by starting to farm other species than Atlantic salmon. The company also harvests other species such as rainbow trout or Pacific salmon (coho), as well as yellowtail and halibut in small quantities. In the coming years, the company shall assess the potential in the production of warm-water species, such as sea bream/sea bass and tilapia.

Marine Harvest's downstream category, where some of the company's own salmon and other marine protein sources are processed, will provide good and exciting possibilities for developing the group further.

All in all, this provides the basis for optimism when it comes to the expected financial development for the Marine Harvest group in the future. The board nevertheless points out that on general grounds the assessments of the future must be seen with some degree of uncertainty. When it comes to fish-farming, the growth in Chile is generally dependent to a high degree on biological factors. In 2006 there were problems in the market for the salmon industry in Russia with import restrictions on products from Norway to Russia. As Russia again has opened the market and the underlying growth of the company's products in Russia has continued and is expected to grow further, this is expected to give better market access in 2007.

Marine Harvest is planning to harvest an amount in the region of 390 000 to 410 000 tons gutted weight in 2007.

Oslo, 29 March 2007

Svein Aaser Chairman of the Board	Arne Hjeltnes	Kathrine Mo
Leif Frode Onarheim	Solveig Strand	Jon Gunnar Pedersen
Tor Olav Trøim	Eldbjørg Sture	Atle Eide Chief Executive Officer

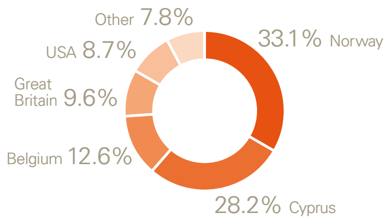
2006 was a year where the Marine Harvest share was characterised by the acquisitions of Marine Harvest N.V. and Fjord Seafood ASA, as well as positive market developments.

During 2006 Marine Harvest increased the shareholder base through a number of share issues in which the number of shares was increased by 2.090 million to 3.473 million. As of year end 2006 Marine Harvest had a diversified and international shareholder base with a total of 23 018 shareholders.

At year end the Marine Harvest's largest shareholder, Geveran Trading Co. Ltd., held 28.2 percent of the shares in the Company.

Share price performance

The Marine Harvest share price had a year on year increase of 273 percent in 2006. The share was highly liquid and volumes of 5.3 times the year end number of shares were traded during the year. The market capitalisation increased by NOK 16 903 million to NOK 19 793 million. A total of NOK 9 917.4 million (net after issue costs) was raised through share issues during the year.



Share holdings per country year end 2006

Marine Harvest's dialogue with the capital market

Marine Harvest's ambition is to offer prompt, relevant and timely information to the investor market. The Marine Harvest web-site www.marineharvest.com contains up-to-date information on company information, the Company's financial performance, financial calendar, a list of the largest shareholders, web casts and

TOP 20 SHAREHOLDERS YEAR END 2006

Shareholder	Shares	%	% of votes
Geveran Trading Co Ltd	977 972 542	28,2%	28,2%
Bank of New York, Brussels Branch	154 407 626	4,4%	4,4%
State Street Bank And Trust Co.	117 704 312	3,4%	3,4%
Folketrygdfondet	94 737 125	2,7%	2,7%
Bank of New York, Brussels Branch	72 384 735	2,1%	2,1%
Vital Forsikring Asa	52 795 833	1,5%	1,5%
Morgan Stanley & Co. Inc.	49 136 117	1,4%	1,4%
Bank of New York, Brussels Branch	48 980 183	1,4%	1,4%
Bank of New York, Brussels Branch	39 575 688	1,1%	1,1%
Pictet & Cie Banquiers	33 726 570	1,0%	1,0%
Bank of New York, Brussels Branch	33 279 492	1,0%	1,0%
JPMorgan Chase Bank	32 107 300	0,9%	0,9%
Skagen Kon-tiki	27 999 457	0,8%	0,8%
DnB Nor Norge (Iv)	26 739 665	0,8%	0,8%
Danske Bank A/s	25 578 440	0,7%	0,7%
Mellon Bank AS Agent for Clients	24 057 732	0,7%	0,7%
MP Pensjon	23 778 000	0,7%	0,7%
Verdipapirfond Odin Norge	23 340 088	0,7%	0,7%
JPMorgan Chase Bank	23 192 230	0,7%	0,7%
Pareto Aksje Norge	22 263 200	0,6%	0,6%
Total top 20	**1 903 756 335**	**54,8%**	**54,8%**
Others	**1 568 791 994**	**45,2%**	**45,2%**
Total all shareholders	**3 472 548 329**	**100,0%**	**100,0%**

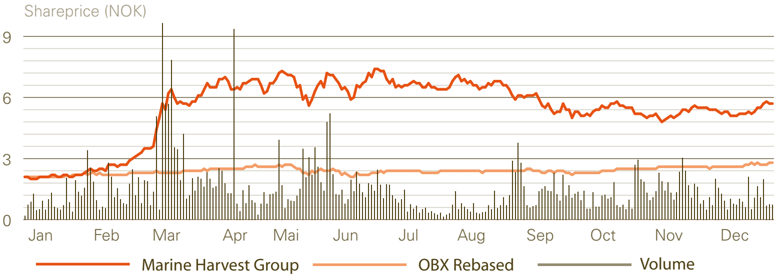
FINANCIAL CALENDAR

16.05.2007	Presentation Q1
15.08.2007	Presentation Q2
15.11.2007	Presentation Q3

other important information. Marine Harvest is in compliance with the recommendations of the Oslo Stock Exchange with regards to information to the capital markets.

Dividend outlook

The operational and financial performance as well as the market outlook enabled a relatively high gearing of the transactions executed in 2006. Marine Harvest will in the short term prioritise repayment of interest bearing debt in order to bring the gearing down to a more comfortable level.



KEY DATA PER SHARE 2004–2006

	2006	2005	2004
Market capitalisation (NOK million)	**19 794**	2 891	929
Number of shares traded (million)	**18 545**	7 363	254
No. of shares at year-end (million)	**3 473**	1 383	502
Income after tax (NOK million)	**1 854** [1]	340	-236
Book equity (NOK million)	**13 589**	1 600	367
Market prize at year-end (NOK)	**5.70**	2.09	1.86
Highest market prize during the year (NOK)	**7.40**	2.26	4.87
Lowest market prize during the year (NOK)	**1.98**	1.05	1.24
P/E ratio	**10.68** [1]	8.36	neg

[1] Income after tax excluding Marine Harvest N.V.

SHARE ISSUES 2006

Date	Share issue (purpose)	Shareprice (NOK)	No. of shares	Gross proceeds (NOK)
06 Mar	Share issue (share payment to Trading Co Ltd.)	4.36	280 195 692	1 221 653 217
06 Mar	Share issue (acquisition of Marine Harvest)	4.36	1 250 000 000	5 450 000 000
15 Mar	Share issue (combination offer) (acquisition of Fjord Seafood)	5.79	120 000 000	694 800 000
07 Apr	Share issue (acquisition of Fjord Seafood)	6.40	136 712 319	874 958 842
07 Apr	Share issue (acquisition of Fjord Seafood)	6.40	269 537 681	1 725 041 158
29 May	Share issue (repair issue)	6.40	19 146 379	122 536 826
02 Jun	Share issue (employee option program)	2.06	8 700 000	17 922 000
11 Oct	Share issue (employee option program)	2.06	4 900 000	10 094 000
	Total		**2 089 192 071**	**10 117 006 043**

Financial Accounts

Profit and Loss Statement

Marine Harvest Group

Figures in NOK million

	Note	2006	2005	2004
Operating income	4	5 655.4	1 501.3	1 745.7
Costs of goods sold		-2 730.7	-774.0	-1 110.4
Salaries	6/7/10	-861.1	-255.1	-287.8
Restructuring expenses	8	-41.4	-	-
Other operating expenses	9	-899.1	-197.5	-215.4
Operating profit before depreciation (EBITDA)		1 123.0	274.6	132.0
Depreciation	11/12	-315.9	-139.1	-127.6
Reversal of write downs	11/13	-	252.0	-
Operating profit before fair value adj. biomass		807.1	387.5	4.4
Fair value adjustment on biomass	20	28.1	71.6	12.2
Operating profit (EBIT)		835.2	459.1	16.6
Income from associates	13	23.7	1.4	1.8
Financial income	14	586.0	90.0	65.0
Interest expenses	14	-356.9	-155.7	-169.0
Financial expenses	14	-76.8	-8.0	-20.9
Profit (loss) before taxes		1 011.1	386.7	-106.5
Tax on ordinary result	15	-36.2	-	-3.1
Change in deferred taxes	15	772.0	-10.0	-
Net income from ongoing operations		1 746.9	376.7	-109.5
Income in operations held for sale	22	106.8	4.8	-129.9
Net income		1 853.7	381.5	-239.4
Minority interest	18	3.4	-5.0	-16.1
Profit to shareholders of Marine Harvest ASA		1 850.4	386.5	-223.3

Figures in NOK

Earnings per share	16	0.61	0.41	-0.74
Diluted earnings per share	16	0.61	0.41	-0.69

Balance Sheet

Marine Harvest Group

Figures in NOK million

	Note	2006	2005
ASSETS			
Non-current assets			
Licences	12	5 622.5	1 037.8
Deferred tax asset	15	641.3	-
Goodwill	12	4 159.8	128.7
Other intangible assets	12	50.4	10.3
Total intangible assets		10 474.0	1 176.8
Fixed assets	11	3 558.1	1 205.8
Shares, other financial assets	13/21	583.9	72.8
Total tangible assets		4 142.0	1 278.6
Total non-current assets		14 616.0	2 455.4
Current assets			
Inventory	19	948.6	73.8
Biological assets	20	6 311.7	1 060.3
Accounts receivables		2 443.7	334.6
Other receivables		211.4	80.9
Cash and cash equivalents	26	2 182.5	152.7
Total current assets		12 097.9	1 702.3
Assets held for sale	22	640.0	-
Total assets		27 354.0	4 157.7

EQUITY AND LIABILITIES	Note	2006	2005
Equity			
Share capital	17	2 604.5	1 037.6
Other equity		10 964.6	726.1
Minority interest		20.0	14.6
Total equity	18	13 589.1	1 778.3
Non-current liabilities			
Deferred taxes	15	1 326.8	84.4
Long-term interest bearing debt	23/25	7 956.0	1 610.5
Other long-term liabilities	24	202.6	10.8
Total non-current liabilities		9 485.4	1 705.7
Current liabilities			
Short-term interest bearing debt	23/26	1 625.1	185.4
Accounts payable		1 787.4	222.6
Other short-term liabilities		752.9	265.6
Total current liabilities		4 165.4	673.6
Liabilities held for sale	22	113.9	-
Total Equity and Liabilities		27 354.0	4 157.6

Oslo, 29 March 2007

Svein Aaser
Chairman of the Board

Arne Hjeltnes

Kathrine Mo

Leif Frode Onarheim

Solveig Strand

Jon Gunnar Pedersen

Tor Olav Trøim

Eldbjørg Sture

Atle Eide
Chief Executive Officer

Cash Flow Statement

Marine Harvest Group

Figures in NOK million

	Note	2006	2005
Cash flow from operations			
Earnings before tax (incl. entities held for sale)		1 116.3	391.5
Taxes paid	15	-31.2	-
Adjustments for write-downs and depreciation	11	342.5	-77.3
Adjustments for interest paid	14	321.8	96.7
Adjustments for gain and loss on disposal of assets	11	12.5	-
Adjustments for profit from associates	13	-23.7	-1.4
Change in inventory, acc. payables and acc. receivables		-728.0	-384.4
Adjustments for calculated interest and agio on prepayment of Marine Harvest N.V.	14	-481.9	-
Other adjustments		83.6	41.2
Cash flow from operations		611.8	66.3
Cash flow from investments			
Proceeds from sale of fixed assets	11	47.2	21.7
Payments made for purchase of fixed assets	11	-355.6	-99.7
Proceeds from sale of shares and other investments		6.8	-
Purchase of shares and other investments	21	-42.4	-178.5
Cash flow from investments		-344.0	-256.5
Cash flow from financing			
Proceeds from new interest-bearing debt (short and long)	23/26	7 304.1	52.1
Down payment of interest-bearing debt (short and long)	23/26	-2 894.5	-226.3
Interest paid	14	-321.8	-96.7
Net cash effect on business combinations	30	-12 243.2	-
Equity paid-in	18	9 919.9	449.3
Change in other financing items		5.7	-
Cash flow form financing		1 770.2	178.5
Currency effects on cash		9.0	-3.3
Net change in cash & cash equivalents in period		2 047.1	-15.0
Cash & cash equivalents – opening balance		152.7	167.7
Net change in cash & cash equivalents in period		2 047.1	-15.0
Cash & cash equivalents – closing balance total	26	2 199.9	152.7
Cash & cash equivalents in entities held for sale		17.4	-
Cash & cash equivalents – closing balance	26/30	2 182.5	0.0

Changes in Equity

Marine Harvest Group

Figures in NOK million

	Note	2006	2005
Total equity previous year	18	1 778.3	366.9
Implementation effect IAS 39		-	13.6
Effect of new principles for valuation of biomass under IAS 41	20	-	18.1
Total equity 01.01.		1 778.3	398.6
Profit for the year to equity		1 853.7	381.5
Gains and losses charged directly to equity in the year			
Net equity effect at first time consolidation of Fjord Seafood	29	11.5	-
Costs related to capital increases		-199.6	-
Tax on costs charged directly to equity	15	-4.5	-
Translation differences		23.7	-3.2
Other gains and losses charged directly to equity		9.0	4.2
Total gains and losses charged directly to equity		-159.9	1.0
Total recognised income and expense to equity		1 693.8	382.5
Equity transactions between the company and its shareholders			
New equity received from option exercise by employees	7/17	10.4	-
Conversion of debt		-	609.7
New equity received, capital increases	17	10 106.6	387.5
Total equity from shareholders in the year		10 117.0	997.2
Total change in equity in the year		11 810.8	1 379.7
Total equity at year-end	18	13 589.1	1 778.3

Notes – Marine Harvest Group

NOTE #01 General information

Marine Harvest ASA is a Norwegian company located at Stortingsgaten 8, 0161 Oslo. Marine Harvest ASA was earlier named Pan Fish ASA, but as part of the merger between Pan Fish, Fjord Seafood and Marine Harvetst N.V. the parent company changed its name to Marine Harvest ASA at an Extraordinary General Meeting held on 30 January 2007. Marine Harvest ASA is a publicly listed company at Oslo Stock Exchange, and the ticker is MHG.

The nature of the group's operations and its principal activities are described in notes 3 and 4. Marine Harvest has operations in 20 countries and the business areas are Norway, Chile, Canada, UK and VAP.

Given that Marine Harvest N.V. was acquired at the end of 2006, this company's financial results are not included in the Group's consolidated figures for 2006. The consolidated balance sheet includes Marine Harvest N.V. at the end of 2006. These financial statements are presented in NOK, and all figures are presented in millions. The companies in the group have their national currency as functional currency, except for the Chilean companies which have USD as their functional currency. The parent company has NOK as functional currency.

Comparable figures for two years are presented for the income statement, one-year comparison is provided for the balance sheet and for the cash flow statement.

The financial statements were authorized for issue by the directors on 29 March 2007.

Fjord Seafood and Marine Harvest N.V. are not included in figures for previous fiscal years, unless otherwise stated in the notes.

NOTE #02 Significant accounting policies

Basis of Accounting

The annual report comprises the income statement, balance sheet, specification of changes in equity, cash flow statement, and note disclosures for the Group and for the parent company. The accounting year equals the calendar year. The accounts for the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB).

At the end of 2006, some new standards, changes in existing standards and interpretations have been issued, but not yet become effective: IFRS 7, IFRS 8, IFRS 4 (revised instructions), IAS 1 (changes) and IFRIC 7 to IFRIC 12. The changes and interpretations relevant for Marine Harvest Group are mentioned below. The standards are not used by Marine Harvest as per 31 December 2006.

IFRS 7 – "Financial instruments: Information" deal with new note requirements for financial instruments and could lead to extended note requirements for Marine Harvest. The standard is effective from 2007.

In addition IFRS 8 "Operational segments" is agreed on and will be implemented in 2009. The standard will require changes in the segment reporting.

The accounts for the parent company have been prepared in accordance with Norwegian GAAP and the accounting principles are presented in a separate note in the accounts for the parent company.

The financial statements have been prepared on the historical cost basis, except for where IFRS require recognition at fair value, mainly related to the revaluation of certain financial instruments, available-for-sale investments and valuation of biomass.

Preparation of the accounts involves the use of estimates and assumptions. Changes in estimates and assumptions are accounted for when they occur. Descriptions about the various estimates applied are given in the notes to the accounts where relevant, and in particular addressed in note 31.

Consolidation principles

Consolidation

The consolidated accounts present the financial position, the financial results and the cash flow for the Group as a combined entity. The accounting principles have been applied consistently by all companies in the Group, and the accounting principles have been consistent through the years which the accounts relate to.

Subsidiaries

The Group's consolidated accounts comprise the accounts of companies in which the parent company or subsidiaries have a direct or indirect controlling influence. A controlling influence normally exists if a party directly or indirectly owns more than 50 percent of the voting capital in the controlled entity. Recently acquired subsidiaries are included from the time a controlling interest is obtained. Divested subsidiaries are included in the consolidated accounts up to the point of divestiture.

Investment in associates

Associated companies are defined as companies in which the Group has considerable influence and can exercise significant but not controlling influence (normally ownership of 20-50 percent). Associated companies are included in the Group accounts according to the equity method. The Group's share of profit in an associated company is its proportionate amount of the after-tax profit of the associated company, less any depreciation of the surplus value (due to the cost of the ownership interest exceeding the acquired share of booked equity). In the income statement, the share of profit in associated companies is shown under financial items. In the balance sheet, ownership interests in associated companies are entered as non-current assets.

Elimination of internal transactions

All transactions and balances between companies in the Group are eliminated.

Elimination of shareholdings in subsidiaries

Shareholdings in subsidiaries are eliminated in the Group Accounts according to the acquisition method. The difference between the cost price of the net ownership interest and the recorded value of the net assets at the time of acquisition (excess value) is analyzed and allocated to the individual balance sheet items according to their fair value. Any further additional value is capitalized as goodwill. If the cost price of the net ownership interest is lower than the value of the acquired assets, the difference (badwill) is charged directly to the income statement. Deferred tax provisions are made for the excess values, except for goodwill. The nominal tax rate is used when calculating deferred tax.

Minority interests

Minority interests' shares of after-tax profit are shown as a separate item in the income statement. In the balance sheet and the specification of equity, the minority interest is included in equity, but specified on a separate line.

Dis-continued operations/assets held for sale

Non-current assets and groups of non-current assets and liabilities are classified as held for sale if their carrying amount is expected to be recoverable through sales transactions rather than through value in use, it is expected that the sale is likely to occur within one year from closing date, and management has a clear commitment to sell the assets. Non-current assets and groups of non-current assets and liabilities held for sale are measured at the lower of the carrying amount and fair value less sales cost. Changes in fair value after classification as assets held for sale are charged directly to equity. Net profit from discontinued operations including gain or loss on sale of discontinued operations and assets held for sale is presented on separate line in the income statement. In the balance sheet assets and liabilities held for sale are also presented on separate lines.

Foreign currencies

Translation of accounts of foreign subsidiaries

The consolidated financial statements are presented in NOK, which is the Parent Company's functional currency. Functional currencies in subsidiaries are the local currency, except for in Chile where the functional currency is USD.

Profit and loss transactions in foreign subsidiaries are translated using the average exchange rate for the consolidation period. The balance sheet of a foreign subsidiary is translated at the exchange rate on the balance sheet date.

Differences owing to profit and loss transactions being translated at the average exchange rate and balance sheet value translation at the exchange rate on the balance sheet date are booked against equity. Accumulated translation differences are charged to the income statement when a subsidiary is divested.

Transactions in foreign currency

Transactions made in a foreign currency are translated using the currency rate at the time of the transaction.

Receivables, debt and monetary items in foreign currency are valued at the currency rate at closing date and the translation differences are charged to the income statement continuously. Other assets and debt in foreign currency, are valued at the currency rate on the transaction date.

Financial instruments

The Group enters into financial instruments to limit the currency exposure and the interest risk exposure that occurs in the operations. Financial instruments are not entered into for trading purposes.

Financial instruments are recognized at cost. Transaction costs are included in cost. After initial recognition they are carried at fair value. Gains or losses on valuation at fair value are recognized in the income statement when it occurs. In accordance with IAS 39, Financial Instruments: Recognition and Measurement, financial instruments are classified in the following categories:

Financial derivatives

Marine Harvest uses financial derivatives to reduce its exposure to fluctuations in foreign currencies. These instruments, mainly forward exchange contracts and interest rate swaps, are recognized at fair value. The same applies for interest rate swaps that are entered into with the purpose to reduce the Group's interest rate risk. Fair value of an interest rate swap is the estimated amount the company would receive or pay to redeem the agreement on the balance sheet date, considering the current market interest rate level. Profit and loss arising from revaluations to fair value is recognized immediately in the income statement.

Investments in shares available-for-sale

Investments in shares held by the Group, except for shares in subsidiaries and associates, are stated at fair value. Marine Harvest classifies all investments in shares under IAS 39 as available-for-sale with gains or losses being recognized directly in equity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost. Upon recognition, these assets are measured at fair value less directly related transaction expenses. In successive periods interest-bearing liabilities and receivables are measured at amortized cost, and any differences between acquisition cost and redemption value is accounted for over the borrowing period by using the effective interest method.

Classification principles

Assets and liabilities

Assets and liabilities associated with the regular business cycle, or held for trading, and items due for payment within one year from the balance sheet date as well as cash, are classified as current assets or short-term liabilities. All other assets are classified as non-current assets. Other liabilities and provisions for long-term liabilities are classified as long-term.

Discontinued operations/assets held for sale

Net result in discontinued operations and operations held for sale is presented separately in the income statement. In the balance sheet assets and liabilities owned by operations that are for sale, are presented on separate lines.

Equity

Financial instruments are classified as debt or equity in accordance with the underlying economic realities.

Interest, dividends, gains or losses related to a financial instrument that is classified as debt, will be presented as an expense or income in the income statement. Distributions to owners of financial instruments classified as equity will be taken directly to equity.

Convertible bonds made up of both a debt and equity element, are, when issued, separated into two components that are reported separately as debt and equity respectively.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represent amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognized when the goods are delivered and title has passed.

Changes in estimated fair value on biomass are recognized in the income statement at every closing. The fair value adjustment is reported on a separate line; "fair value adjustment on biomass". The change in fair value adjustment is calculated as the change in fair value of the biomass less the change in accumulated cost of production for the biomass.

Interest income is accrued on a time basis.

Dividends on shareholdings are recognized as income when the distribution of dividend is confirmed from the distributor. Dividend received on profits earned before the acquisition of the shareholding is deducted in the cost price of the shares if the shares are carried at cost in the balance sheet.

Investment grants are recognized as income with an amount corresponding to the depreciation schedule of the related assets. The recognition in the income statement is classified as a reduction of depreciation. In the balance sheet, the remainder of the investment grants to be charged to the income statement in later periods is classified as debt.

Farming licenses

The value of licenses acquired by the company (mainly licenses for farming of salmon), is capitalized. Licenses that are considered perpetual are not subject to amortization, but an impairment test is performed annually. Impairment write down/losses are reversed if the value recovers.

Goodwill

The difference between net fair value of acquired assets and liabilities and the acquisition cost is capitalized as goodwill. The goodwill in the balance sheet is carried at acquisition cost less any write downs made after acquisition. The goodwill is allocated to the cash generating units which is expected to contribute to synergy capture and future profits when the acquisition was made. The goodwill is subject to an annual impairment testing, and any impairment loss is recognized in the income statement. Impairment losses on goodwill are not reversed in later periods.

When selling a subsidiary or an associated company, the goodwill related to the investment is included in the calculated gain/loss in the sale.

Following an acquisition a preliminary purchase price allocation may be adjusted within one year after the acquisition if new information suggest so. The adjustment would normally lead to changes in goodwill.

Property, plant and equipment

Property, plants and equipment are entered in the balance sheet at acquisition cost less accumulated depreciation and write-downs. Costs associated with normal maintenance and repairs are expensed when they occur. Costs of major replacements and renewals that substantially extend the economic lifetime of production equipment and plants, are capitalized. Assets are considered fixed assets if the useful economic lifetime exceeds one year.

Ordinary straight-line depreciation is applied over the useful life of the asset, based on the asset's historical cost price and estimated residual value at disposal. If a substantial part of an asset has an individual and different useful life, this part is depreciated individually. Depreciation is classified as operational expenses in the income statement. The asset's residual value and useful life is evaluated annually.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset. Such gains or losses are recognized as other income (net).

Impairment of property, plant and equipment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there are any indications that those assets have suffered an impairment loss.

If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounting rate that reflects current interest rates and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are reported separately in the profit and loss statement.

Impairment losses recorded in previous periods are reversed if the recoverable amount in a later period exceeds book value. The reversal will not make the book value exceed the historical cost of the asset.

Fixed assets that are not in use, or are held for sale, are valued individually. For other assets the valuation unit is defined at the lowest level where the cash flow can be separated.

Leasing

Assets leased on terms that largely transfer rights and obligations to the Group (financial leasing) are capitalized as fixed assets, and the financial obligations are entered as other long-term debt. Other lease expenses are treated as regular leasing costs, and presented as ordinary operating expenses (operational leasing).

Leased items that are recorded in the balance sheet are subject to depreciation according to useful life of the asset, and the leasing liabilities are reduced with the leasing fees paid, after deduction of interest.

Inventory

Inventories comprise eggs, feed, packaging materials and finished goods.

Inventories of goods are stated at the lower of cost and net realizable value.

The cost of processed goods is a full production cost that includes direct material costs, direct personnel expenses, and a percentage of indirect processing costs. Interest costs are not included in value of inventory. The cost price of purchased goods is the actual purchase price. Cost is based on the first-in first-out principle.

If fish farmed by the Group is included in inventory in the processing entity, the value of this fish is the fair value established under IAS 41. Internal profit in such fish is therefore not eliminated in the Group accounts.

Biological assets

Biological assets comprise juveniles, smolt and fish in the sea. In accordance with IAS 41, biological assets are normally carried in the balance sheet at estimated fair value less cost related to harvest. The changes in fair value of biological assets are presented on a separate line in the income statement. The Financial Supervisory Authority (Kredittilsynet FSA) in Norway did not accept the former practice established on the use of IAS 41, and instructed the listed companies in Norway to change its reporting on this matter. Several companies, amongst them Marine Harvest ASA (former Pan Fish ASA), appealed this instruction to the Minstry of Finance in Norway. On 20 December 2006 the company received a final decision from the Ministry, which even though not supporting the FSA in all details, led to changes in the reporting. According to the decision the valuation should aim to establish an estimated market price at closing date that would have occurred in an active market for live immature fish. Active markets for sale of live fish do not exist so the estimated price is a theoretical price. In accordance with the instructions from the Ministry a model has been established to calculate a fair value on the biomass based on observed market prices, which are then adjusted to reflect that the observed prices are not prices for live fish. A larger part of the biomass will be valued at a calculated fair value and the calculated value of the biomass will vary more from period to period during the year depending of the volume and the nature of the biomass, than what it did using previous principles.

In areas where no external market price exists the valuation is based on internal achieved prices. The prices are reduced for harvesting costs and freight costs to market, to arrive at a net value for the farmer. The valuation reflects expected quality grading.

The change in estimated fair value is charged to the profit and loss account, and in the accounts these adjustments are reported separated (own line) from the related cost of the biomass when harvested. Accumulated direct and indirect production costs for fish harvested are classified as costs of goods sold whereas the change in the fair value adjustment is recognized on a separate line called "fair value adjustment on biomass".

Fixed-price contracts

The company holds long term sale and buy contracts related to salmon products. These contracts do not contain any element of embedded derivates and are therefore not treated as financial instruments. The contracts are settled based exclusively on the assumption that reception or delivery of salmon products should take place. The contracts are not tradable, nor do they contain a clause for settlement in cash or cash equivalents.

Provisions are made for fixed-price contracts that oblige the company to sell fish at a price lower than the calculated fair value of the biomass.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash in the balance sheet comprise cash at hand and in banks and short-term deposits which without significant currency risk can be converted to cash within three months.

Taxes

Taxes for the year in the profit and loss statement comprise taxes on the taxable profit for the year, changes in deferred taxes and adjustments in previous year's taxes. Taxes on transactions that are recorded directly to equity do not form part of the tax expense for the year.

Tax payable is calculated using the nominal tax rate at the balance sheet date.

Deferred tax is calculated on the basis of temporary differences between accounting and taxation values at the close of the accounting year. Temporary differences related to goodwill that are not tax-deductible are not taken into consideration when calculating deferred taxes. Deferred tax assets arise from temporary differences that give rise to future tax deductions. Deferred tax assets are only recognized in the balance sheet if it is likely that it can be utilized directly or by netting a deferred tax liability.

Tax increasing and tax decreasing timing differences are offset against each other to the extent that the taxes can be netted within one tax regime.

Pension accounting

Contribution plans

Obligations to make payments to pension schemes that are contribution plans are expensed when they occur. The employer has no obligations under these pension schemes other than making regular payments according to agreement.

Defined benefit plans

Pension schemes where the employer has guaranteed the pensioner a defined benefit from the plan are accounted for based on the net present value of liability for the company. The net liability in each scheme is the difference between the net present value of the liability in the scheme and the fair value of the assets available in the pension scheme. The net obligation is calculated using actuarial assumptions and expertise. The change in net liability is recorded in the accounts at every closing.

Provisions for liabilities

A provision is recognized in the accounts if the company has a legally or constructive obligation related to a past event, and it is likely that the obligation will lead to a financial loss for the company. Provisions for restructuring are recorded only if the company has authorized specific plans and commitments to carry out the restructuring. No provision is made for future operating losses. Long-term provisions are valued based on discounted expected cash flows.

Share based payments

Senior executives of the Group have received remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ('equity-settled transactions'). The Group has no share options which are settleable in cash ('cash-settled transactions'). The fair value of the options is recognized as a payroll expense with a corresponding increase in equity. The fair value is measured when the options are assigned and are distributed over the period until the employees have earned an unconditional right to make use of them.

Trade payables

Trade payables do not carry any interest and are stated at their nominal value.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other short-term, liquid placements that can be converted rapidly into cash.

Cash flow effects from merged or acquired companies are included as of the time the companies were integrated for accounting purposes. The net cash effect from the consolidation of the acquired company, e.g the cash outlay in the acquisition less the cash available in the acquired entity at acquisition is presented as net cash effect on business combinations, and is presented as part of cash flow from financing.

Acquisition and sale of other shares is classified as investment activities in the cash flow statement.

NOTE #03 Group companies

The consolidated financial statements include the following companies

	Country	Ownership %
Parent company		
Marine Harvest ASA	Norway	
Subsidiaries – Norway		
Pan Fish Norge AS	Norway	100.00%
Pan Fish Norway AS	Norway	100.00%
Kinn Salmon AS	Norway	100.00%
Aqua Farms Herand AS	Norway	100.00%
Urke Fiskeoppdrett AS	Norway	50.00%
Aqua Farms Vartdal AS	Norway	50.00%
Kritsen Holding AS	Norway	100.00%
Pan Fish Sales USA AS	Norway	100.00%
Fjord Seafood ASA	Norway	100.00%
Fjord Seafood Norway AS	Norway	100.00%
Fjord Forsøksstasjon Helgeland AS	Norway	51.10%
Pieters Holding AS	Norway	100.00%
Atlantic Halibut AS	Norway	100.00%
Cod Culture Norway AS	Norway	100.00%
Glomfjord Smolt AS	Norway	100.00%
Imsland Smolt AS	Norway	100.00%
Marine Harvest AS	Norway	100.00%
Marine Harvest Investment AS	Norway	100.00%
Marine Harvest Norway AS	Norway	100.00%
Marine Harvest Trading AS	Norway	100.00%
Rygro AS	Norway	100.00%
Sandvold Havbruk AS	Norway	100.00%

	Country	Ownership %
SSF Halibut AS	Norway	100.00%
Agder Smolt AS	Norway	100.00%
Subsidiaries – Europe		
Pan Fish Scotland Ltd	Scotland	100.00%
Murray Seafood Ltd	Scotland	100.00%
Corrie Mohr Salmon Ltd	Scotland	100.00%
Minnamurra Ltd	Scotland	100.00%
Fjord Seafood Scotland Farming Ltd	Scotland	100.00%
Pieters UK Ltd	Scotland	100.00%
Fjord Seafood Scotland Ltd	Scotland	100.00%
Atlantic Sea Products Ltd	Scotland	100.00%
Borsea Hatcheries Ltd	Scotland	100.00%
Borsea Ltd	Scotland	100.00%
Eishken Estate Ltd	Scotland	100.00%
Followstart Ltd	Scotland	100.00%
Harlosh Salmon Company Ltd	Scotland	100.00%
Marine Harvest (Properties) Ltd	Scotland	100.00%
Marine Harvest (Scotland) Ltd	Scotland	100.00%
Marine Harvest McConnell Ltd	Scotland	100.00%
Marine Harvest Scotland Ltd	Scotland	100.00%
McConnel Salmon Ltd	Scotland	100.00%
Pairc Salmon Ltd	Scotland	100.00%
Stolt Sea Farm Ltd	Scotland	100.00%
Bradan (Maoil Rua) Teo	Ireland	100.00%
Bradan Fanad Teo	Ireland	100.00%
Bradan Proiseal Teo	Ireland	100.00%
Comhlucht Lascaireachta Fanad Teoranta	Ireland	100.00%
Fanad Pettigeo Teo	Ireland	100.00%
Feirm Farraige Oilean Chliara Teoranta	Ireland	100.00%
Pan Fish Faroes	Faroes	72.50%
Belisco Ehf	Iceland	100.00%
Fjord Seafood Spain S.L.U	Spain	100.00%
Breskens BV	The Netherlands	100.00%
Gebr Sterk Holding BV	The Netherlands	100.00%
Gebr Sterk Beheer BV	The Netherlands	100.00%
Sterk Specials BV	The Netherlands	100.00%
Fjord Seafood Sterk BV	The Netherlands	100.00%
Lidur Co BV	The Netherlands	100.00%
Marine Harvest International BV	Scotland	100.00%
Marine Harvest Holland BV	Scotland	100.00%
Fjord Seafood Pieters NV	Belgium	100.00%
Fjord Seafood Services CC	Belgium	100.00%
Marine Harvest Belgium NV	Belgium	100.00%
Marine Harvest Insurance NV	Belgium	100.00%
Fjord Seafood Appéti' Marine SAS	France	100.00%
Fjord Seafood LMB SAS	France	100.00%
Fjord Seafood Rolmer SAS	France	100.00%
UF Lorient SAS	France	100.00%
UF Boulogne SA	France	100.00%
J.L. Solimer sarl	France	100.00%
Kritsen SAS	France	100.00%
Pan Fish France SA	France	100.00%
Marine Harvest France SAS	France	100.00%
Marine Harvest France SNC	France	100.00%
Kritsen Italy	Italy	100.00%
Marine Harvest Poland Sp. Zoo	Poland	100.00%
Subsidiaries – Americas		
Pan Fish Canada Inc.	Canada	100.00%
Marine Harvest Canada Inc.	Canada	100.00%
Marine Harvest North America Inc.	Canada	100.00%
North America Tilapia	Canada	100.00%

	Country	Ownership %
Pan Fish USA Inc.	USA	100.00%
Fjord Seafood USA Holding LLC	USA	100.00%
Ducktrap River Fish Farm LLC	USA	100.00%
Fjord Seafood USA LLC	USA	100.00%
Marine Harvest Americas Inc.	USA	100.00%
Marine Harvest US Inc.	USA	100.00%
Heartland Enterprises Ltd.	British Virgin Islands	100.00%
Salmoamerica Ltd.	British Virgin Islands	100.00%
Cultivadora de Salmones Linao Ltd	Chile	100.00%
Fjord Seafood Chile S.A.	Chile	100.00%
Salmones Americanos Ltda.	Chile	100.00%
Salmones Tecmar S.A.	Chile	100.00%
Salmones Lican Ltda.	Chile	100.00%
Delifish Ltda	Chile	100.00%
Marine Harvest Chile SA	Chile	100.00%
Ocean Horizons	Chile	100.00%
Aquamerica International Holding S.A.	Panama	100.00%
Panamerica International Holding S.A.	Panama	100.00%
Salmoamerica Corp.	Panama	100.00%
Subsidiaries – Asia		
Marine Harvest Hong Kong Cy Ltd	Hong Kong	100.00%
Pan Fish Japan Ltd.	Japan	60.00%
Marine Harvest Japan KK	Japan	100.00%
Scandi Food YK	Japan	100.00%
South Sea Food KK	Japan	100.00%
Stolt Seafarm KK	Japan	100.00%
Marine Harvest Korea Co. Ltd	Korea	100.00%
Marine Harvest Singapore Pte Ltd	Singapore	100.00%
Norfisk Trading Pte Ltd	Singapore	100.00%
Subsidiaries – Australia		
Marine Harvest Australia Pty Ltd	Australia	100.00%

NOTE #04 Business segments

Identification of segments

Marine Harvest has structured its operations in six divisions. The Norway division are the fish farming operations and sales operations in Norway, which is producing and selling Atlantic salmon. The operations in Norways also include several harvesting and processing facilities, which produce filets. The Chile/USA division includes the Group's operations in Chile and in the US where Chile is farming Atlantic salmon, which mainly is sold in the US through the sales operations in Miami. Operations in Chile also encompass a processing facility. The division in Canada are the fish farming operations and a harvesting facility in Canada, the division in UK are the fish farming operations and processing in Scotland and the division on the Faroes are the fish farming operations at the Faroes.

In the farming operations the genetic material of salmon and the growth of fish is the main driver of the business and profits. Operations are exposed to climate and changing weather conditions. The major cost component in the farming operations are feed. The processing facilities are particularly dependent on a regular supply of fish.

The VAP division consists of the Central European operations that process and sell elaborated seafood in the European market, of which 1/3 are based on Atlantic salmon, 1/3 are based on whitefish, and 1/3 on other seafood.

In the VAP division, product development and yield on raw materials are the main drivers of business and profits. Product development is done in close relationship with customers and major customers are retail chains, catering etc.

Accounting principles applied for the segment reporting

The same accounting principles as described for the Group accounts have been applied for the segment reporting. Marine Harvest ASA costs have been allocated to the segments, and are presented as part of the income and expenses in the segments. 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. Investments in the period comprises of additions to tangible and intangible assets. The business of Fjord Seafood is included in the figures from the 1 April 2006.

Key figures by business area for 2006

The table below presents key figures by business area for 2006.

Figures in NOK million	Sales revenues, external customers	Sales revenues, other divisions	Total sales income	Depreciation and write-downs	Other operating expenses	Operating profit	Fair value included in operating profit	Total book value of assets	Liabilities	Investments in the period	Number of employees at 31.12.
Norway	1 701.4	373.9	2 075.2	-129.2	-1 310.0	636.1	28.7	4 168.5	2 200.6	119.0	458
Chile/USA	809.2	1.2	810.3	-41.3	-612.5	156.5	-23.9	1 788.7	792.9	78.5	1 341
Canada	400.2	-	400.2	-60.9	-256.3	83.0	22.2	1 061.4	795.5	37.3	212
UK	14.8	101.6	116.5	-10.4	-106.0	0.1	-8.8	259.5	122.2	16.2	150
VAP (Europe)	2 554.6	0.0	2 554.6	-62.8	-2 446.3	45.6	-	2 587.2	1 734.2	45.1	1 671
Faroes	74.1	15.4	89.5	-10.8	-46.7	32.0	9.9	237.1	111.1	12.4	26
Others/elim	101.1	-492.1	-391.0	-0.5	273.4	-118.0	-	12 387.2	3 670.0	2.3	18
Total	5 655.4	0.0	5 655.4	-315.9	-4 504.3	835.2	28.1	22 489.6	9 426.5	310.8	3 876
Income in operations held for sale	496.1	-	496.1	-26.7	-362.5	106.9	7.5	640.0	113.9	44.8	178

Key figures by business area for 2005

The table below presents key figures by business area for 2005

Figures in NOK million	Sales revenues, external customers	Sales revenues, other divisions	Total sales income	Depreciation and write-downs	Other operating expenses	Operating profit	Fair value included in operating profit	Total book value of assets	Liabilities	Investments in the period	Number of employees at 31.12.
Norway	830.8	128.6	959.4	188.7[1]	-697.6	450.5	19.4	2 135.4	1 530.0	54.9	295
Canada	281.6	-	281.6	-58.5	-200.2	22.9	52.2	950.8	831.7	5.4	221
VAP (Europa)	290.0	-	290.0	-6.0	-278.5	5.5	-	188.6	136.4	6.2	191
Faroes	1.1	-	1.1	-11.1	0.2	-9.8	-	154.1	79.9	8.0	24
Others/elim.	97.8	-128.6	-30.8	-0.2	21.0	-10.0	-	161.4	-345.4	-	17
Total	1 501.3	0.0	1 501.3	112.9	-1 155.1	459.1	71.6	3 590.3	2 232.6	74.5	748
Income in operations held for sale	467.6	-	467.6	-39.2	-413.0	15.4	20.8	567.2	146.7	25.2	184

1) This includes reservation of write-offs on concessions from previous years in the amount of NOK 252 million.

Key figures by business area for 2004

The table below presents key figures by business area for 2004

Figures in NOK million	Sales revenues, external customers	Sales revenues, other divisions	Total sales income	Depreciation and write-downs	Other operating expenses	Operating profit	Fair value included in operating profit	Total book value of assets	Liabilities	Investments in the period	Number of employees at 31.12.
Norway	769.4	181.0	950.4	-60.0	-820.1	70.3	24.4	1 211.7	977.6	34.1	199.0
Canada	421.5	-	421.5	-42.2	-423.1	-43.8	-12.2	792.6	768.4	11.7	163.0
VAP (Europa)	293.2	-	293.2	-7.9	-279.4	5.9	-	315.4	261.1	6.5	383.0
Faroes	160.0	60.2	220.2	-15.9	-209.5	-5.2	-	138.2	59.1	-	7.0
Others/elim	101.6	-241.2	-139.6	-1.6	130.6	-10.6	-	239.6	328.9	17.9	17.0
Total	1 745.7	0.0	1 745.7	-127.6	-1 601.5	16.6	12.2	2 697.5	2 395.1	70.2	769
Income in operations held for sale	590.7	-	590.7	-81.9	-605.7	-96.9	-15.9	382.9	300.3	22.3	404

Operating income by customers' location

The table below presents the operating income for Marine Harvest split by main geographicals markets.

	2006	2005	2004
Figures in NOK million			
Norway	313.6	112.4	133.7
Europe	3 794.1	924.6	928.9
USA/Canada	1 119.4	277.9	419.1
Japan	258.2	166.6	216.8
Rest of Asia	155.1	16.0	34.1
Other regions	15.1	3.8	13.1
Total operating income	5 655.4	1 501.3	1 745.5

NOTE #05 Proforma figures

Marine Harvest ASA (former Pan Fish) took control over Fjord Seafood ASA as of the second quarter of 2006. In the following, Proforma figures for Pan Fish and Fjord Seafood consolidated is presented.

The Proforma figures are prepared to show the joint activity as one economical unit for the period, provided that the take-over did take place at the beginning of the accounting period. The Proforma figures are based upon the reported accounts of the two individual companies/groups, and the consolidation is done by adding up the income statements for the period. To the extent that there has been any transactions between the two companies, these have been eliminated in the Proforma figures. Both companies have reported according to IFRS and there are no differences in the accounting principles in the two companies, that have significance for the Proforma figures. Adjustments due to the established excess values on identified assets and liabilities in Fjord Seafood is included in the figures from the actual time of acquisition (1 April 2006). The comparable figures for 2005 are revised as a consequence of the change in the use of IAS 41.

Marine Harvest ASA (former Pan Fish) purchased all of the shares in Marine Harvest N.V. by the end of 2006. As Marine Harvest N.V. do not any have any impact on the Income statement for 2006, Marine Harvest N.V. has not been included in these Proforma figures. In note 29 about the acquisitions made in 2006 there are presented separate proforma figures including Marine Harvest N.V.

Pro forma Income statement Marine Harvest Group (former Pan Fish and Fjord Seafood)

	Pro Forma 2006	Pro Forma 2005
Figures in NOK million		
Operating income	6 613.8	5 370.8
Costs of goods sold	-3 212.9	-2 877.0
Salaries	-994.4	-813.2
Restructuring cost	-41.4	-
Other operating Expences	-1 056.2	-881.6
Operating profit (loss) before depreciation (EBITDA)	1 308.9	798.9
Depreciation	-346.2	-266.2
Write downs	-	228.8
Operating profit before value adj. on biomass	962.7	761.5
Fair value adjustment on biomass	85.9	214.6
Operating profit (EBIT)	1 048.6	976.1
Income from associates	9.2	1.9
Other financial items	133.0	48.9
Profit before taxes	1 190.8	1 026.9
Tax on ordinary result	-53.1	-33.5
Change in deferred taxes	754.3	-52.5
Net income from ongoing operations	1 892.0	940.9
Income in operations held for sale	106.8	4.8
Net income	1 998.8	945.7

NOTE #06 Payroll and other personnel expenses

Breakdown of payroll expenses

	2006	2005	2004
Figures in NOK thousand			
Wages and salaries	675.4	207.3	229.5
Social insurance contributions	113.2	32.4	32.2
Pension expenses	25.0	3.3	6.9
Other benefits	47.5	12.1	19.2
Total payroll expenses	861.1	255.1	287.8
Average number of full-time employees	3 935	858	938

At year-end 2006, there were 9 035 full-time employees in the Group. This includes Marine Harvest N.V. employees, which was consolidated 29 December 2006.

NOTE #07 Remuneration to corporate management

Remuneration to members of the corporate management team that are or have been employeed by the parent company is specified in notes to the parent company accounts. In the following remnureation to other key personnel in the group is presented.

Key personnel are, in addition to the board of directors, employees that have been or are part og the corporate management team and have had substansial influence in important decision-making processes for the group after the acquisition of Fjord Seafood in March 2006.

The corporate management team have individual contracts that regulates salaries, bonuses, post-employment benefits and termination benefits.

Salary and other benefits paid

	Salary	Bonus	Other
Figures in NOK thousand			
Title			
Technical Director	1 084	-	12
Director of Business Development & Strategy	1 891	50	13
Managing Directors	5 690	1 109	1 498

In 2005 Corporate Management was paid KNOK 10 300 in salaries, of which KNOK 9 180 was fixed pay, other contributions amounted to KNOK 1 807.

Pensions
The Corporate Management Team are included in collective pension agreements or have individual pension agreements. Further information about the pension agreements are given in separate note to the accounts.

Post employment benefits
In the agreements with the mentioned employees, there are also included clauses concerning post employment, and the clauses entitles the employees to receive post employment payments based upon annual salary. None of the mentioned employees are entiled to receive payment longer than two years after termination.

Options
A stock option programme has been established, that grants stock options to some of the key personnel of the former Pan Fish group. The details about the stock option program are presented in note 17.

Loans to employees
Loans to employees amounted to NOK 263 thousand.

NOTE #08 Restructuring

The Group has expensed and amount of NOK 41.4 million as restructuring costs in 2006.

Consultancy fees and assistance in connection with the strategy development and integration processess after the major acquisitions has amounted to NOK 20.7 million in the year. Furthermore costs of NOK 8.8 milion has been expensed related to severance pay as a consequence of the new management structure. In Holland NOK 11 million has been expensed related to changes in the operations as a consequence of a major client taking over production previously performed by the company in the Netherlands.

The restructuring will be utilized in 2007.

NOTE #09 Auditor's fees

Audit fee 2006

Figures in NOK thousand	Ernst & Young Parent company	Other Ernst & Young Subsidiaries	Ernst & Young Total	Other appointed auditors
Audit services	950	1 576	2 526	7 455
Other authorization services	944	-	944	9
Tax advisory services	374	60	434	190
Other services non-audit related	630	48	678	11
Total fees for 2006	2 898	1 684	4 582	7 665

Audit fee 2005

Figures in NOK thousand	Ernst & Young Parent company	Other Ernst & Young Subsidiaries	Ernst & Young Total	Other appointed auditors
Audit services	450	1 676	2 126	529
Other authorization services	-	67	67	29
Tax advisory services	209	21	230	-
Other services non-audit related	452	35	487	356
Total fees for 2005	1 111	1 799	2 910	914

Auditor's fee is stated exclusive value added tax.

NOTE #10 Pensions

Defined benefit plans

Pensions is not a significant component of the finacial statment, but it is given account for below.

AFP in Norway

The Group has an early retirement plan for its employees in Norway (AFP). The early retirement plan has only been used in a very limited extent, and the financial effects of this plan is minimal for the Group.

Pension scheme in Marine Harvest ASA

Marine Harvest ASA has entered into a collective defined contribution plan with Vital for eight employees. In addition to this, four employees are entitled to a top-hat agreement through a life annuity plan. Both plans are treated as defined benefit plans. When estimating the net value of the scheme, normal actuarial assumptions are applied.

Pension scheme in Fjord Seafood AS

In 2004, individual pension agreements in Fjord Seafood ASA were replaced by a collective defined benefit plan. The pension earnings amounted to NOK 247 674 in 2006 and there has been paid in NOK 228 430 (ex. social security) to the scheme in 2006. The pension scheme has a net value of NOK 332 036 at year-end 2006. When estimating the net value of the scheme, normal actuarial assumptions are applied. Estimated remaining average time to retirement in the scheme is 14 years, and 2 persons are included in the shceme. The pensionaires are entitled to a pension of approx. 67 percent of salary at retirement, when the pensionaires are in an age of 67 to age of 82. All changes in estimates are accounted for when they occur.

Pension plan for Group CEO

The CEO has right to pension from turned 62 years, with 66 percent salary at retirement. Upon leaving the company, pension will be based on earned time in the company since 2005.

Pension schemes in France

The entities in France have established agreements where the employees are entitled to payments after retirement according to a defined benefit plan, limited upward to maximum one year's salary. There are 778 employees in France that are included in these pension schemes, and the net obligations amount to TEUR 786. The calculation is based on normal, actuarial assumptions. A discount rate of 4.25 percent and an expected increase in salaries of 2–4 percent are taken into consideration in the calculation. Estimated remaining average time to retirement in the schemes are 24 years. There are not established any funds for these pension plans, and therefore not estimated any return on pension assets in the scheme. All changes in estimates are accounted for when they occur.

Contribution plans

Contribution plan Marine Harvest ASA

There exist a contribution plan for 15 employees, where the cost associated with the plan are expensed when they coccur.

Life annuity for employees in Norway with salaries exceeding 9 times the Norwegian national insurance base amount

Some employees in the Norwegian Group companies with salaries that exceed 9 times the Norwegian national insurance base amount are included in a group plan that offers investment alternatives. Under Norwegian accounting standards for pension expenses, this plan is treated as a contribution plan, where the costs associated with the plan are expensed when they occur. The plan covered a total of 10 persons at year-end 2006.

Contribution plan in Belgium

There has been established a contribution plan in Belgium for groups of employees in Belgium, totalling 51 employees. The premium in the schemes are calculated as a percentage of yearly salary, and both the company and the employee contribute to the scheme. Any costs related to the plan are expensed when they occur. According to the law in Belgium the contribution plan has a minimum return guarantee and in 2006 the return exceeded this minimum guarantee.

Pension scheme in Pan Fish Norway and Fjord Seafood Norway

Pan Fish Norway have entered into a defined contribution plan for 234 employees. All employees with an employment of more than 20 percent are included in the scheme where 2.5 percent of the salary between 1 and 12 G is paid in by the employer. A corresponding agreement exists also in Fjord Seafood Norway for 232 employees. In this scheme, 3 percent of the salary is paid in by the company.

Pension scheme in Marine Harvest N.V.

Marine Harvest has both defined benefit and defined contribution plans that provide pension benefits for employees upon retirement. The company has defined benefits plans in Norway and United Kingdom.

Per 1 April 2006, Marine Harvest Norway changed the pension agreements from defined benefit to defined contribution for the maturity of the employees. This change impacts 8 plans. As a result of this change a curtailment gain of EUR 12.4 million has been recorded. There are at 31 December 2006 some defined benefit plans left in Norway for e.g. retired employees and early retirement amounting to a net pension liability of EUR 2.8 million. These plans are for a limited number of employees at 31 December 2006. All the other employees in Marine Harvest Norway are included in the new agreement which is a defined contribution plan.

The UK pension liability of EUR 9 million at 31 December 2006 represents a closed defined benefit scheme. This obligation is a final salary scheme. The actual assets are for 63 percent invested in equity and for 37 percent in government security bonds.

NOTE #11 Tangible fixed assets

Specification of tangible fixed assets

Figures in NOK million	Land, buildings and property	Plant and equip-ment	Ships and boats	Fixture and fittings	Total 2006	Total 2005
Acquisition cost at 01.01.	602.2	1 508.3	196.5	34.3	2 341.4	2 109.8
Acquisition of Fjord Seafood accum. acquisition cost as of 01.04.06	566.5	982.4	27.6	94.3	1 670.9	-
Purchase price allocations in connection with Fjord Seafood acquisition	137.7	226.5	20.9	1.6	386.7	-
Additions in the year	39.4	255.4	43.1	11.1	349.0	219.2
Additions in the year from business combinations	30.4	51.6	-	1.0	83.0	-
Disposals	-36.9	-89.5	-5.7	-11.1	-143.2	-144.9
Foreign currency adjustments	3.8	-31.5	-2.1	1.4	-28.4	93.6
Acquistion cost at 31.12.	1 343.2	2 903.2	280.3	132.7	4 659.4	2 277.7
Acc. depreciation and write-downs as of 01.01.	197.5	707.2	104.1	21.9	1 030.6	999.5
Acquisition of Fjord Seafood acc. depreciation and write-downs at 01.04.06	279.8	731.9	25.6	80.7	1 118.1	-
Depreciation in the year	53.8	228.1	17.8	9.8	309.4	147.5
Write-downs in the year	3.0	3.7	-	0.1	6.8	17.9
Acc. depreciation and write-downs of disposed assets	-15.9	-59.7	-4.2	-10.3	-90.1	-127.5
Foreig currency adjustments	8.5	10.8	-1.4	1.0	18.9	34.5
Acc. depreciation and write-downs as of 31.12.	526.6	1 622.0	142.0	103.2	2 393.7	1 071.9
Book value as of 31.12.	816.6	1 281.3	138.3	29.5	2 265.6	1 205.8
Book value in Marine Harvest N.V.	416.0	1 033.9	-	66.7	1 516.6	-
Of which book value – operations held for sale at 31.12.	48.7	127.4	43.7	4	224.2	200.5
Book value at 31.12. excl. operations held for sale	1 183.9	2 187.7	94.6	91.8	3 558.1	1005.3
Economic lifetime (years)	10–20	5–10	15–20	3–5	3–20	3–20
Depreciation schedule	Linear	Linear	Linear	Linear	Linear	Linear

Leasing recorded in the balance sheet

The Group have to some extent financed its fixed assets through financial leasing. In the table above the following figures for financial leasing are included;

Figures in NOK million	2006	2005
Acquisition cost as of 31.12.	458.0	245.3
Accumulated depreciation and write-downs as of 31.12.	-214.0	-66.0
Foreign currency adjustments	-0.9	19.3
Book value as of 31.12.	243.1	198.7

Gain/loss on sale of fixed assets

The Group has sold fixed assets throughout the year, and the net gain of this amounts to NOK 12.5 million.

NOTE #12 Intangible fixed assets

Figures in NOK million	Goodwill	Farming licenses	Other intangible fixed assets	Total 2006	Total 2005
Acquisition cost as of 01.01.	589.6	1 529.0	27.6	2 146.2	1 868.9
Acquisition of Fjord Seafood ASA	3 282.4	1 785.2	32.8	5 100.5	-
Additions in the year	60.1	7.3	-	67.4	286.4
Disposals	-	-1.0	-	-1.0	-24.6
Foreign currency adjustments	8.3	-38.7	0.2	-30.3	15.5
Acquisition cost as of 31.12.	3 940.4	3 281.8	60.6	7 282.8	2 146.2
Acc. amortisation and impariment as of 01.01.	478.4	487.0	4.0	969.5	1 224.8
Acquisition of Fjord Seafood ASA	390.3	287.7	0.6	678.6	-
Amortisation for the year	-	20.1	9.6	29.7	-23.5
Impariment in the year	-	-	-	-	12.9
Acc. Amortisation and impariment on disposal	-0.6	-0.4	-	-1.0	-252.0
Foreign currency adjustments	-4.7	-11.1	-	-15.8	7.3
Balance of amort. and impariment as of 31.12.	863.4	783.3	14.3	1 661.0	969.5
Book value as of 31.12.	3 077.0	2 498.6	46.3	5 621.9	1 176.8
Book value as of 31.12. Marine Harvest N.V.	1 109.3	3 140.5	4.1	4 253.8	-
Book value as of 31.12. Assets held for sale	26.5	16.5	-	43.0	45.4
Book value as of 31.12. excl. asset held for sale	4 159.8	5 622.5	50.4	9 832.7	1 131.4

Farming licenses and other intangible assets which have an indefinite useful life is not subject to amortisation, but licenses and other intangible assets which has a definite lifetime is amortised over the estimated useful life. For farming licences in Scotland and in Canada there are formal requirements for renewal of the licenses every 10'th year, and therefore these licenses have been amortised over 10 years.

Impairment testing

Impairment testing is done once a year. The impairment testing is done by estimating the net present value of estimated future cash flows for the cash generating units and comparing the net present value of the cash flow towards the book value of all assets held by the cash generating unit.

The goodwill is allocated to the same cash generating units which also hold licenses. The impaiment test is done for the cash genereating units without seeing any need for write-downs. The estimate to see if there is a need for write-down is done by calculating a value based on continued operations and a discounting of the future estimated cash flow. The estimated cash flow is based on continued operation for the unit being within the Marine Harvest Group, and estimated cash flow is based on expected development in results and margins, including development in sales and in operational costs. The basis for the estimated cash flow is confirmed budgets for the following year and the plan for the next three years. In the calculataion there are not any assumptions related to that there will be a growth in estimated cash flow after three years. The key assumptions in the calculations are development in profits (EBITDA), which are affected by a number of factors such as the consumption of feed and raw materials, the price of feed and raw materials, market prices for the products, capital expenditures and development in working capital. In the imparment testing a WACC (Weighted average cost of capital employed) of 9 percent has been used for the discounting. The calcuation is highly influenced of expected development in the price of salmon and the calculation therefore consider different alternative prices.

In addition to the calculation above against estimated cash flow, the book value of the licenses is also evaluated against the average book value of the licenses. After good results and solid future prospects, there are indications of any impairment in 2006.

Since the allocation of excess values related to the acquisition of Fjord Seafood and Marine Harvest N.V. is only preliminary, there are not done any impairment testing related to intangible assets for these entities after they have been consolidated into the Group. There are no indication of need for write-downs in the acquired entities. For further information see note 29, acquisition in the year.

NOTE #13 Investment in associates

Associated companies are companies where the Group has a significant ownership interest, ranging from 20–50 percent, and where the Group is able to exercise significant influence. Associated companies are recorded in the Group accounts in accordance with the equity method.

Company	Head office	Ownership	Acquisition Owned by	Book value cost	Share of profit 1.1.06	Received dividend 2006	Book value 2006	31.12.06
Figures in NOK million								
AF Vartdal AS	Vartdal	50%	Aqua Farm Group	35.6	39.2	7.5	-3.0	43.7
Urke Fiskeoppdrett AS	Norangsfjorden	50%	Aqua Farm Group	8.5	5.0	1.5	-	6.5
Aalesundfisk AS[1]	Ålesund	0%	Marine Harvest ASA	-	-	-2.1	-	-
Åsen Settefisk AS	Åsen	30%	Fjord Seafood AS	1.8	8.5	2.0	-	10.2
NFBP	Island	20%	Belisco EHF	2.2	2.2	-	-	2.2
Center for Aquaculture Competence AS	Hjelmeland	33%	Marine Harvest Norway AS	0.2	19.2	-	-	14.3
Finnøy Fisk AS	Finnøy	45%	Marine Harvest Norway AS	4.7	4.1	-	-	13.2
Nova Sea AS	Lovund	44%	Marine Harvest Norway AS/ Fjord Seafood AS	46.1	146.7	-	-	248.8
Vagafossen Settefisk AS	Vikedal	48%	Marine Harvest Norway AS	1.3	5.4	-	-	4.2
Fjord Seafood ASA[2]	Oslo	100%	Marine Harvest ASA	-	-	14.6	-	-
Other				-	0.5	-	-	0.5
Total				100.8	230.8	23.7	-3.0	342.6

[1] On 12 January were 27.4 percent of the shares in Aalesund Fisk purchased for NOK 9.75 million and on the 7 July were further 16.8 percent purchased for NOK 2.6 millions from Aqua Farms. The total cost price for 44.2 percent of Ålesund Fisk was therefore NOK 10.2 millions. Trough the year there is booked a share of profit of NOK -2.1 millions. The shares were sold the 15 November for NOK 9.8 millions, which resulted in a loss for Marine Harvest of NOK 0.4 millions.

[2] On 6 March were 25.7 percent of the shares in Fjord Seafood ASA purchased for NOK 1 221 millions and on 15 March were further 12.26 percent purchased for NOK 669 millions. Fjord Seafood were treated as a associated compani until the 7 April, when additional 17.7 percent of the shares were purchased for NOK 874 millions and the company became a subsidary company. There were booked a share of profit of total 14.6 millions in Marine Harvest ASA, in the period when Fjord Seafood ASA was an associated company.

Marine Harvest N.V. has an investement in joint venture as at 31 December 2006. The company is named Engelwood Packing Co. Ltd. As of 31 December 2006 the book value of assets were 27.2 KNOK, the revnue was 45.9 KNOK and the operating result before tax was NOK 0.4 millions.

NOTE #14 Net financial items

	2006	2005	2004
Figures in NOK million			
Calculated interest on prepayment Marine Harvest N.V.	286.5	-	-
Change in market value in interest rate contracts	44.3	7.3	-
Agio on prepayment Marine Harvest N.V.	231.2	-	-
Other financial income	24.0	82.7	65.0
Total financial income	586.0	90.0	65.0
Interest expences	-356.9	-155.7	-169.0
Total interest expences	-356.9	-155.7	-169.0
Gain/loss on sale of shares	-5.0	20.2	2.5
Other agio/disagio	-60.4	-5.6	-12.5
Other financial items	-11.4	-22.6	-10.9
Total financial expences	-76.8	-8.0	-20.9
Total net financial items	152.3	-73.7	-124.9

NOTE #15 Taxes

Tax for the year in the profit and loss account

Figures in NOK million	2006	2005	2004
Norway	1.7	-	-1.6
Foreign units	-36.8	-5.5	-1.5
Total tax payable	-35.1	-5.5	-3,1
Norway	662.3	-	-
Foreign units	109.7	-4.5	-
Total change in deferred tax/tax benefit	772.0	-4.5	-
Correction of earlier year's taxes	-1.1	-	-
Taxes related to profit for the year	735.8	-10.0	-3.1

Reconciliation between nominal and effective tax rate

Figures in NOK million	2006	2005	2004
Profit before tax	1 011.1	386.8	-106.5
Nominal tax rate	28%	28%	28%
Tax calculated with nominal tax rate	-283.1	-108.3	29.8
Permanent difference, tax conversion in Pan Fish Norway	-	-	78.1
Permanent difference reported by the entities	13.9	5.1	6.4
Derecognition of deferred tax assets	-	-	-122.2
Withholding tax	-0.8	-4.1	-1.6
Tax free gain on sale of shares	-	8.9	-
Utilisation of tax losses not recognised	-	89.2	-
Recognition of deferred tax assets not recognised previously	868.4	-	-
Not taxable currency gain and interest on prepayment Marine Harvest	134.9	-	-
Effects from different tax rate in the various juridistrictions	20.0	1.5	-
Other differences	-17.6	-2.3	6.4
Actual tax in the profit and loss account	735.8	-10.0	-3.1

Tax for the year recognised directly in equity

Figures in NOK million	2006	2005	2004
Deferred tax related to income charged directly to equity	-4.6	-	-

Tax payable in the balance sheet

Figures in NOK million	2006	2005	2004
Total tax payable in Norway	-	-	-
Tax payable, foreign units	55.3	4.3	1.5
Tax payable, forreign units in Marine Harvest N.V.	93.9	-	-
Tax payable in the balance sheet	149.2	4.3	1.5

Specification of basis for deferred tax/tax assets

At year-end 2006 the Marine Harvest N.V. group has been consolidated in the accounts. As Marine Harvest N.V. has not been part of the group for 2006 the specifications below are separated so that figures for the forme Pan Fish and Fjord Seafood entites are presented separately from the Marine Harvest N.V. group figures.

Basis for deferred tax/tax assets in the former Pan Fish and Fjord Seafood entities

(Tax increasing)/reducing temporary differences	2006	2005	2004
Figures in NOK million			
Non-current assets	2 653.0	558.8	210.3
Current assets	1 514.8	300.6	170.3
Provisions for liabilities	-148.2	77.6	-12.7
Tax losses carried forward	-5 076.0	-4 047.4	-3 920.4
Other differences	-127.0	-	-
Total temporary differences	-1 183.4	-3 110.4	-3 552.5
Tax losses carried forward in Norway	-4 515.9	-3 312.6	-3 376.8
Other temporary differences in Norway	2 697.5	950.4	326.3
Tax losses carried forward abroad	-560.1	-734.8	543.6
Other temporary differences abroad	1 195.1	-13.4	41.6
Total temporary differences former Pan Fish and Fjord Seafood	-1 183.4	-3 110.4	-3 552.5
Deferrred tax assets in the balance sheet related to former Pan Fish and Fjord Seafood	604.2	-	-
Deferred tax liabilities in the balance sheet related to former Pan Fish and Fjord Seafood	-256.1	-9.6	-

Deferred tax recognised in the balance sheet related to Marine Harvest N.V. entities at year-end 2006

	Deferred tax asset	Deferred tax liability
Figures in NOK million		
Non-current assets	-135.9	569.9
Current assets	-135.9	770.3
Provisions for liabilities	-33.0	23.1
Tax losses carried forward	-18.1	-
Other differences	-30.5	23.9
Set off of tax	316.3	-316.3
Recognised in balance sheet at year-end related to 2006 Marine Harvest N.V.	37.1	-1 070.7

Total deferred tax asset/liability in balance sheet

	2006	2005	2004
Figures in NOK million			
Deferred tax assets related to former Pan Fish and Fjord Seafood	604.2	-	-
Deferred tax assets related to former Marine Harvest N.V. group	37.1	-	-
Total book value of deferred tax assets	641.3	-	-
Deferred tax liability related to former Pan Fish and Fjord Seafood	-256.1	-9.6	-
Deferred tax liability related to former Marine Harvest N.V. group	-1 070.7	-	-
Total book value of deferred tax liabilities	-1 326.8	-9.6	-

The Group has recorded considerable deferred tax assets in 2006. This is based on the expectation of good earnings in the future for most of the entities in the Group. Incidentally Marine Harvest N.V. has considerable deferred tax liabilitites in several regions, which give grounds for the activating of deferred tax assets to be used for netting of taxes. Due to the fact that the acquisiton of Marine Harvest N.V. was formally closed at the end of 2006 and the excess values are preliminary it has not been done any netting of taxes between the three companies former Pan Fish and Fjord Seafood versus Marine Harvest N.V.

Maturity of tax losses

To year	Norway	Abroad	Total
2007	-	4.5	4.5
2011	-	174.7	174.7
2012	-	101.1	101.1
2013	-	16.9	16.9
2014	-	4.0	4.0
2015	-	36.9	36.9
2016	-	-	-
>2016	4 515.8	222.0	4 737.8
Total	4 515.8	560.1	5 075.9

Tax rates applied

Country	2006	2005
USA	40.00 %	40.00 %
Spain	35.00 %	35.00 %
Canada	34.12 %	35.62 %
Belgium	33.99 %	33.99 %
France	33.33 %	33.33 %
Scotland	30.00 %	30.00 %
The Netherlands	29.60 %	31.50 %
Norway	28.00 %	28.00 %
Faroe Islands	18.00 %	18.00 %
Chile	17.00 %	17.00 %

NOTE #16 Earnings per share

Earnings per share (eps)/diluted earnings per share

	2006	2005	2004
Figures in NOK million			
Profit for the year after tax	1 850.4	386.5	-223.3
Profit for the year from continued operations	1 743.6	381.7	-93.4
Profit for the year from discontinued operations	106.8	4.8	-129.9
Time-weighted average of shares issued and outstanding [1)]	3 048.0	949.4	302.9
Diluted number of shares [2)]	3 055.8	945.4	324.1
Figures in NOK			
Earnings per share	0.61	0.41	-0.74
Diluted earnings per share	0.61	0.41	-0.69
Earnings per share from continued operations	0.57	0.40	-0.31
Diluted earnings per share from continued operations	0.57	0.40	-0.29
Earnings per share from discontinued operations	0.04	0.01	-0.43
Diluted earnings per share from discontinued operations	0.03	0.01	-0.40

[1)] Determination of average number of shares

	2006	2005	2004
Number of shares outstanding as of 01.01.	1 383 456 258	502 300 218	
Excercise of stock options, 11.10.06 – 4 900 000 shares	1 088 889	-	-
Excercise of stock options, 02.06.06 – 8 700 000 shares	5 050 833	-	-
Share issue, 29.05.06 – 19 146 379 shares	11 275 090	-	-
Share issue, 07.04.06 – 269 537 681 shares	197 660 966	-	-
Share issue, 15.03.06 – 120 000 000 shares	95 333 333	-	-
Share issue, 06.03.06 – 1 250 000 000 shares	1 024 305 556	-	-
FJO shares bought, payment in shares 07.0406 – 136 712 319 shares	100 255 701	-	-
FJO/PAN stock exchange, 06.03.06 – 280 195 692 shares	229 604 803	-	-
Conversion of debt, 30.11.05 – 25 339 713 shares	-	2 111 643	-
Share issue, 17.10.05 – 123 400 000 share	-	25 365 556	-
Conversion of debt, 31.08.05 – 12 012 458 shares	-	4 004 153	-
Conversion of debt, 13.06.05 – 20 403 869	-	11 222 128	-
Share issue, 06.06.05 – 200 000 000 shares	-	115 555 556	-
Share issue, 06.06.05 – 500 000 000 shares	-	288 888 889	-
Average number of shares outstanding	3 048 031 429	949 448 143	302 890 000
Number of shares as of 31.12.	3 472 648 331	1 383 456 258	502 300 000

[2)] Determination of diluted average number of shares

Stock option programs exist for a number of employees and for management of Marine Harvest (see note on equity). Under these options the holder is entitled to subscribe for shares in the company, and therefore the stock options represents potential shares when calculating diluted earnings per share.

	2006	2005	2004
Average number of shares outstanding *	3 048 031 429	949 448 143	302 890 000
Potential shares	7 766 544	-4 062 752	21 225 000
Diluted number of shares	3 055 797 973	945 385 391	324 115 000

NOTE #17 Share capital and paid-in capital

	2006	2005
Total number of shares (thousand)	3 472 648	1 383 456
Nominal value as of 31.12	0.75	0.75
Share capital (total number of shares at nominal value)	2 604 486	1 037 592
Share premium reserve	8 684 840	334 295
Other paid-in capital	25 119	17 836
Paid-in capital	11 314 445	1 389 723

Overview of the largest shareholders 29.12.2006

Name of shareholder	Number of shares	Owner's share%
Geveran Trading CO Ltd	977 972 542	28.16%
Bank of New York, Brussels branch	154 407 626	4.45%
State Street Bank and Trust CO.	117 704 312	3.39%
Folketrygdfondet	94 737 125	2.73%
Bank of New York, Brussels branch	72 384 735	2.08%
Vital Forsikring ASA	52 795 833	1.52%
Morgan Stanley & CO. INC.	49 136 117	1.41%
Bank of New York, Brussels branch	48 980 183	1.41%
Bank of New York, Brussels branch	39 575 688	1.14%
Pictet & Cie Banquires	33 726 570	0.97%
Bank of New York, Brussels branch	33 279 492	0.96%
JP Morgan Chase Bank	32 107 300	0.92%
Skagen Kon-Tiki	27 999 457	0.81%
DNB Nor Norge (IV)	26 739 665	0.77%

Danske Bank A/S	25 578 440	0.74%
Mellon Bank AS Agent for clients	24 057 732	0.69%
MP Pensjon	23 778 000	0.68%
Verdipapirfond Odin Norge	23 340 088	0.67%
JP Morgan Chase Bank	23 192 230	0.67%
Pareto aksje Norge	22 263 200	0.64%
Total 20 largest	1 903 756 335	54.82%
Total other	1 568 891 994	45.18%
Total number of shares	3 472 648 329	-

Shareholders by country

Norway	33.1%
Cyprus	28.2%
Belgium	12.6%
Great Britain	9.6%
USA	8.7%
Other	7.8%

Shares owned by board members and management

The Board of Directors own 221 000 shares and 0 options. Group management and other management own 5 858 560 shares and 12 500 000 options.

Shareholders rights

There are no courrent limitations in voting rights or trade limitations realted to the Marine Harvest share.

Authorization to issue shares

The board is auhorized to increase the company's share capital with up to KNOK 650 202.8, by issuig up to 866 937 082 new shares at par value of 0.75 each. The authorization may be used one or several times until the stipulated amount is reached. Payment of share contribution may be done in assets (other than cash). The board's authorization is valid for the period until the ordinary general meeting 2007, yet for a period of maximum 12 months as from 14 July 2006.

Option arrangements

Marine Harvest ASA has a stock option programme for some senior executives that was approved the 22 December 2005.

The stock option programme consist of three separate tranches with different terms to maturity. The strike price is set to NOK 2.06 which corresponds to the average listed share price for Pan Fish over the last three days before the option program was approved by the board.

The stock option programme requires that the gain that is distributed upon an immediate realization of the options, adjusted for expected tax, is reinvested in Pan Fish shares and that these shares are kept for a minimum of 12 months.

In total there are 12 500 000 options, which not have been exercised as of 31 December 2006.

NOTE #18 Equity

Spesification of changes in equity 2006

	Majority's share of equity						
	Share capital	Share premium account	Retained earnings	Other equity	Total	Minority interest	Total equity
Figures in NOK million							
Equity at 31.12.05	1 037.6	334.3	17.6	374.2	1 763.7	14.6	1 778.3
Net profit after tax	-	-	-	1 850.4	1 850.4	3.3	1 853.7
Share issues	1 566.9	8 550.1	-	-	10 117.0	-	10 117.0
Costs related to share issues	-	-199.6	-	-	-199.6	-	-199.6
Net equity effect of first time consolidation of Fjord Seafood	-	-	-	9.7	9.7	1.8	11.5
Tax charged directly to equity	-	-	-	-4.5	-4.5	-	-4.5
Other minor gains and losses charged directly to equity	-	-	-	9.0	9.0	-	9.0
Currency translation differences	-	-	-	23.4	23.4	0.3	23.7
Equity at 31.12.06	2 604.5	8 684.8	17.6	2 262.2	13 569.1	20.0	13 589.1

Share issues during 2006

Share issue 06.03.2006

Former Pan Fish ASA has on 6 March, completed a private placement of a total of 1 250 billion new shares, each at par value NOK 0.75, at a subscription price of NOK 4.36 per share. Gross proceeds from the private placement amounted to NOK 5.45 billion. The private placement was directed to a selected group of professional Norwegian and international investors.

Share issue 15.03.2006

Former Pan Fish ASA has on 15 March, completed a private placement of a total of 120 million new shares, each at par value NOK 0.75, at a subscription price of NOK 5.79 per share. Gross proceeds from the private placement amounted to NOK 694.8 million.

Share issue 29.05.2006

19 146 379 shares has been allocated in the share issue of up 25 390 625 shares directed at investors who held 5 000 shares or more in Pan Fish on 7 April 2006 and who where not invited to purchase shares in the share sale on the same day. The subscription price was NOK 6.40 which gives a total subscription amount of NOK 122.5 million.

Stock options exercise 02.06.2006

Key personnel in Pan Fish Group has exercised one third of their option scheme, to a subscription price of NOK 2.06 per share. A total of 8 700 000 options were exercised.

Stock options exercise 05.10.2006

Group CEO has exercised 4.9 million options to a subscription price of NOK 2.06 per share.

Spesification of changes in equity 2005

	Majority's share of equity						
Figures in NOK million	Share capital	Share premium account	Retained earnings	Other equity	Total	Minority interest	Total equity
Equity at 31.12.04	1 004.6	-	-	-660.4	344.2	22.8	366.9
Implementation effect of IAS 39	-	-	17.6	-4.0	13.6	-	13.6
Effect of new principles for calculation of IAS 41	-	-	-	18.1	18.1	-	18.1
Equity at 01.01.05	1 004.6	0.0	17.6	-646.3	375.9	22.8	398.6
Net profit after tax	-	-	-	386.5	386.5	-5.0	381.5
Conversion of debt	418.3	189.4	-	2.0	609.7	-	609.7
Capital decrease	-627.9	-	-	627.9	-	-	-
Share issues	242.6	144.9	-	-	387.5	-	387.5
Equity effect – transition from associate to group company	-	-	-	4.0	4.0	-	4.0
Net change minority	-	-	-	3.2	3.2	-3.2	-
Other minor gains and losses charged directly to equity	-	-	-	0.2	0.2	-	0.2
Currency translation differences	-	-	-	-3.3	-3.3	-	-3.3
Equity at 31.12.05	1 037.6	334.3	17.6	374.2	1 763.7	14.6	1 778.3

NOTE #19 Inventory

Inventory

Figures in NOK million	2006	2005
Raw materials	144.2	36.2
Work in progress	67.1	9.7
Finished goods	222.4	17.5
Inventory ex. asset held for sale	433.7	63.3
Raw materials Marine Harvest N.V.	149.9	-
Finished goods Marine Harvest N.V.	364.9	-
Total inventory ex. asset held for sale	948.6	63.3
Book value inventory in Pan Fish Scotland held for sale	7.2	10.4
Total Inventory incl. asset held for sale	955.8	73.8

Raw materials include eggs, packaging materials and feed. Work in progress include semi-finished goods and spare parts. Finished goods include all products ready for sale.

NOTE #20 Biological assets

Book value of biological assets

Figures in NOK million	2006	2005
Book value of biomass (former Pan Fish and Fjord Seafood entities)	2 027.1	809.7
Book value of biomass Marine Harvest N.V.	4 284.6	-
Total book value of biological assets in Marine Harvest group 2006	6 311.7	-
Book value of biological assets Pan Fish Scotland held for sale	288.0	250.6
Total book value of biological assets (former Pan Fish group) 2005	-	1 060.3

Reconciliation of changes in book value of biological assets

Figures in NOK million	2006	2005
Book value 01.01.	809.7	504.3
Book value in acquired entities	754.9	18.6
Increase due to purchases	1 829.2	743.0
Gain/loss from change in fair value	28.1	71.6
Write-down fish in sea in period	-0.1	21.9
Decreases due to sales	-1 371.3	-549.7
Translation differences	-23.3	-
Book value of biological assets at year end for Marine Harvest group (ex. Pan Fish Scotland and Marine Harvest N.V.)	2 027.1	809.7

Fair value adjustments on biological assets in the balance sheet

Figures in NOK million	31.12.06	31.12.05
Norway	246.9	70.9
Chile/USA	55.2	-
Canada	76.0	53.7
UK	5.8	-
Faroes	9.9	-
Fair value adjustment on biomasse in Marine Harvest N.V.	830.4	-
Fair value adjustment on biomass in Pan Fish Scotland held for sale	36.4	29.1
Total fair value adjustment in the balance sheet	1 260.6	153.7

Fair value adjustments on biological assets in the profit & loss statement

Figures in NOK million	2006	2005	2004
Norway	28.8	19.5	24.4
Chile/USA	-24.0	-	-
Canada	22.2	52.1	-12.2
UK	-8.8	-	-
Faroes	9.9	-	-
Fair value adjustment exlcuding Pan Fish Scotland held for sale	28.1	71.6	12.2
Fair value adjustment on biomass in Pan Fish Scotland held for sale	7.5	20.8	-15.9
Total fair value on biological assets in the profit and loss statement	35.6	92.4	-3.7

Volumes of biomass

In tons	2006	2005
Volume of biomass harvested during the year in former Pan Fish and Fjord Seafood (9 months) (gutted weight, HOG)	107 813	48 108
Volume of biomass harvested during the year in former Marine Harvest N.V. (gutted weight, HOG)	189 738	-
Volume of biomass in the sea at year-end former Pan Fish and Fjord Seafood (live weight)	108 257	47 962
Volume of biomass in the sea at year-end former Marine Harvest N.V. (live weight)	188 241	192 328

Valuation of biological assets

IAS 41 require that biomass being accounted for at estimated fair value net of sales costs and harvesting costs.

The Financial Supervisory Authority (Kredittilsynet – FSA) in Norway did not accept the current practice established on the use of IAS 41, and instructed the listed companies in Norway to change its reporting on this matter. On 20 December 2006 the company received a final decision from the Ministry of Finance in Norway, which even though not supporting the FSA in all details, lead to changes in the reporting. As a consequence of this decision Marine Harvest has changed its reporting of the value of its live fish. According to the decision the valuation should aim to establish an estimated market price at closing date that would have occured in a (non-existing) active market for live immature fish. In accordance with the instructions from the Ministry a model has been established to calculate a fair value on the biomass based on observed market prices, which are then adjusted to reflect that the observed prices are not prices for live fish. A larger part of the biomass will be valued at a calulated fair value and the calculated value of the biomass will vary more from period to period during the year depending of the volume and the nature of the biomass, than what it did using previous principles.

In areas where no external market price exists the valuation is based on internal achived prices. The prices are reduced for harvesting costs and freight costs to market, to arrive at a net value for the farmer. The valuation reflects expected quality grading. In the accounts the change in estimated fair value is charged to the profit and loss account on a monthly basis, and in the accounts these adjustments are reported separated (own line) from the related cost of the biomass when harvested.

About the valuation model

The valuation is done for each region and is based on biomass in sea for each location in the region. The specification of biomass include total number of fish, estimated average weight and biological cost for the biomass. In the calculation the value is estimated by setting a value for the total kilo of biomass. Number of kilo biomass is multiplied by a value per kilo which reflect the actual value. The price used is the price for saleable fish. In Norway and Canada they are using the external market price in the valuation. In the other regions own achieved prices are being used. For the fish that are not saleable the price in the calculation is adjusted to include only part of the earning. The earning is estimated based on normal costs related to the fish and observed prices. The valuation take into consideration that not all the fish are of the same quality.

Change in reported figures for previous years due to change in valuation of biomass

The new valuation of biomass has lead to reworking of the figures reported for previous years. A larger part of the biomass is being valued at an estimated fair value. The book value of the biomass at the start of 2004 increased with NOK 21.2 million of which NOK 9 million was related to biomass in Pan Fish Scotland, and NOK 7.1 million was related to biomass in USA. Both Pan Fish Scotland and Pan Fish USA are reported as held for sale in 2004 so the increase in value of biomass for continued operations was NOK 5 million a the start of 2004. The fair value adjustment on biomass in the profit and loss account for 2004 was increased with NOK 8.9 million for continued operations and reduced with NOK 12 million for the operations held for sale. In 2005 the effect in the profit and loss account was increased fair value adjustment of NOK 41.9 million in total, of which NOK 25.6 million was related to continued operations and NOK 16.3 million was related to operations held for sale.

By the end of 2005 the change in fair value in the balance sheet of the biomass was an increase of NOK 60 million.

Significant assumptions for determining fair value of live fish

The estimate of fair value of biomass will always contain uncertain assumptions, even though the company has built substantial expertise in assessing these factors. The volume of biomass is in itself an estimate that is based on the smolt put to sea, the estimated growth from the smolt stage, estimated mortality based on observed mortality in the period etc. Based on experience some mortality will occur during harvest and this is reflected in the calculation. The quality of the fish is difficult to assess prior to harvesting, and the estimates of quality is quite uncertain. Each individual fish in the sea grows independently from the other fish, and even in a situation with good estimates of the average weight of the fish there will be considerable variance in quality and weight of the fish actually in the cage.

The price assumption is very important for the valuation. With biomass in sea of 296 000 tons a change in price of 1 NOK per kilo will give a change in the valuation of NOK 246 million.

NOTE #21 Shares and holdings in other companies

Shares and holdings where the group does not have significant influence are recorded at fair value.

Shareholdings

Company	Number of shares	Ownership%	Acquisition cost	Book value
Stofnfiskur	10 633 341	7.8%	6.0	6.0
Aqua Gen AS	296 117	11.1%	15.4	9.7
Aquarius AS	11 428	3.1%	1.1	1.1
Lovund Invest AS	500	9.1%	0.5	1.6
Other shares	-	-	4.5	4.0
Total book value of shares and holdings in the Group	-	-	27.5	22.4

NOTE #22 Operations held for sale

During the aquisition of Marine Harvest N.V. and Fjord Seafood ASA, Pan Fish (now Marine Harvest ASA) has decided to sell Pan Fish Scotland Group. Pan Fish Scotland Group is therefor reported as held for sale in the annual report 2006. Pan Fish Scotland Group is owned 100 percent by Marine Harvest ASA and consist of the parent company Pan Fish Scotland and the subsidiary Murray Seafood and Corrie Mhor.

The main activity to Pan Fish Scotland Group is farming and sale of salmon. In 2006 the company produced and harvested approximately 20 000 tons round weight. Over 80 percent of the turnover are to EU, mainly UK and France. Pan Fish Scotland is located in the north westerly part of Scotland. Average employees were 178 in Pan Fish Scotland Group in 2006.

Finacial key figures – operations held for sale *

	2006	2005	2004
Figures in NOK million			
Operating income	496.1	467.6	590.7
Operating profit (EBIT)	107.0	15.4	-96.9
Net Finance	-1.8	-10.2	-22.8
Tax	1.6	-0.3	-
Profit for the period – operations held for sale	106.8	4.8	-129.9
Adjustment for managment fee	-3.2	-2.4	-2.3
Adjustment for internal interest	-27.7	-18.7	-14.5
Profit for the period – operations held for sale "stand alone"	75.9	-16.3	-146.7
Cash flow			
From operations	64.3	-17.0	-
From investments	-44.8	22.9	-
From financing	-4.4	-10.2	-
Net Cash flow	15.2	-4.3	-

Balance sheet

	2006
Figures in NOK million	
Total fixed assets	281.3
Biological assets	288.0
Inventory	7.2
Other current assets	78.9
Total assets	655.4
Total equity	181.6
Long-term interest bearing debt (group internal)	352.0
Other long- term liabilities	13.7
Short-term interest bearing debt	-
Other short term liabilities	108.1
Total equity and liabilities	655.4

* Pan Fish Scotland in 2006. For 2005 is also Pan Fish USA and Vestlax Hirtshals included.

Marine Harvest has in 2005 sold the assets of the fish farming company Pan Fish USA. Further, the processing company Vestlax Hirtshals AS, Denmark, was liquidated through bankruptcy. Both companies were wholly-owned subsidiaries of Marine Harvest ASA. Information about the accounting effects for the Group is given below.

Vestlax Hirsthals

The operations of Vestlax were ended in May 2005 in connection with the introduction of customer penalty duties on Norwegian salmon to the EU. This led to an impairment of fixed assets of NOK 17.9 million. The impairment took the equity in the Group related to the Danish operations to zero. No further losses were therefore taken by the Group as the company was declared bankrupt in August 2005, except for a loss of NOK 1.2 million related to accumulated translation differences in the equity that was taken to the income statement at the disposal of the subsidiary.

Pan Fish USA

In may 2005 Marine Harvest sold the entire inventory of fish and part of the equipment and assets belonging to Pan Fish USA. The transaction led to a total gain on disposal of MUSD 8.3, equivalent to NOK 52.6 million. As part of the agreement, Pan Fish USA has entered into a contract with Smoki Foods concerning rental of major part of the water based production equipment used by the American operations. The agreement implies that the purchaser within a three years period keeps the right to purchase the equipment for MUSD 7.8, equivalent NOK 49.1 million. If the right is not acted upon, Pan Fish will transfer the production equipment to other production sites. The full value of the sale of the operations in Pan Fish USA, is USD 16.1 million, equivalent to NOK 101.7 million over a three years period. The value is the same if Smoki Foods uses their option or if these assets are used/moved to other entities.

NOTE #23 Debt to financial institutions

Long term debt and leasing liabilities to financial institutions

The group's long term interest bearing debt at the end of 2005 amounted to NOK 1 493.7 million. In 2006 the group has refinanced the very large part of the debt and in addition substantial new debt has been raised in connection with the acqusitions during 2006. These changes makes any comparisons with 2005 not relevant, and therefore comparable figures for 2005 has not been presented in the following.

Currency	Borrowings in local currency	Borrowings in NOK
NOK	766.2	766.2
USD	198.8	1 243.4
EUR	641.8	5 287.4
CAD	36.2	195.1
DKK	43.4	47.9
GBP	0.2	2.5
Long term debt in Marine Harvest N.V.	-	1 171.4
Total long term debt and leasing liabilities to financial institutions	-	8 713.9
First years installment on debt including leasing	-	757.9
Long term interest bearing debt and leasing	-	7 956.0

Of the book value of the interest bearing debt is NOK 85.5 million capitalised borrowing cost, which do not have any cash flow effects. Of the long term debt, is NOK 78.2 million a convertible bond loan. A siqnificant part of the long term debt is further described in note
15 in the financial statment of the parent company.

The group's repayment schedule

Figures in NOK million	2007	2008	2009	2010	2011	Later	Total
Annual installments, debt incl. leasing	757.6	745.2	745.8	753.0	5 490.5	221.6	8 713.6

Covenants

At year-end 2006 the group are in a process of refinancing existing debt under one global syndicate. The loan agreements contains a number of standard financial covenants related to earings (mainly NIBD/EBITDA) and solidity (equity ratio) which has to be met by the group. Furthermore, the ability for the group to take on new debt is limited by the loan agreements.

NOTE #24 Other long term debt

Figures in NOK million	2006	2005
Deferred income investment grants	0.3	-
Net pension obligations	9.2	3.5
Loss on office rental contracts	6.2	-
Other provisions and other long term debt	39.6	7.2
Total other long term debt	55.4	10.8
Deferred income, investments grants Marine Harvest N.V.	28.0	-
Net pension Obligation Marine Harvest N.V.	119.2	-
Total other long term debt	202.6	10.8

NOTE #25 Secured liabilities and guarantees given

Book value of debt secured by mortgages and pledges

Figures in NOK million	2006	2005
Debt to financial institutions	7 404.8	1 295.0
Leasing debt	214.2	198.7
Leaseing debt in Marine Harvest N.V.	16.4	-
Total debt secured by mortgages and pledges	7 619.0	1 493.7
Guarantee liabilities	131.2	160.6

The new loans have been established with security in current assets, licenses (where applicable), and movables in the larger entities in the group, and guarantees from these. In addition the shares in larger subsidiaries have been pledged in favour of the bank syndicate.

Book value of assets pledged as security for debt

Figures in NOK million	2006	2005
Tangible fixed assets and licenses	3 000.6	1 205.9
Inventory and biomass	2 311.9	950.0
Receivables	622.0	278.4
Other assets	2.3	338.9
Total assets pledged as security	5 936.8	2 773.1
Of which owned by Pan Fish Scotland, held for sale	478.3	-

NOTE #26 Short term interest bearing debt and restricted funds

Short term interest bearing debt to financial institutions

Figures in NOK million	2006	2005
First year's installment on debt	757.6	80.9
Bank overdrafts	79.7	52.4
Other short term interest bearing debt	304.3	52.1
Short term interest bearing debt in Marine Harvest N.V.	483.6	-
Total short term interest bearing debt	1 625.1	185.4

Unused drawing rights

Figures in NOK million	2006	2005
Unused part of bank overdraft facility	177.4	-
Unused part of other drawing rights	447.7	-
Unused part of drawing rights in Marine Harvest N.V.	1 733.7	-
Total unused drawing rights	2 358.8	-

Restricted funds

Figures in NOK million	2006	2005
Tax withholdings	12.2	5.8
Other restricted funds	15.1	25.6
Total restricted funds	27.3	31.4

NOTE #27 Financial market risk

Currency exposure

1. Currency exposure in the balance sheet

The group has currency exposure towards several currencies as the group is present in 20 countries around the world. To reduce the currency exposure the group has established a policy under which it finances the operations in Great Britain and Canada in their local currencies, while the remaining debt is hedged with a structure of 60 percent in EUR and 40 percent in USD.

At year-end 2006 the group had net interest bearing debt with the following currency structure:

Figures in NOK million	NOK	USD	EUR	GBP	JPY	DKK	CAD	Other	Total
Cash (in Pan Fish and Fjord Seafood entities)	482.9	110.6	-88.9	-81.2	-9.9	-	-56.9	1.1	357.7
Short term interest bearing debt	286.9	51.1	750.0	1.4	0.1	38.3	13.7	-	1 141.5
Long term interest bearing debt	736.4	1 203.6	4 617.2	1.1	-	44.9	181.4	-	6 784.7
Net interest bearing debt in former Pan Fish and Fjord Seafood	540.4	1 144.2	5 456.1	83.6	10.0	83.2	252.0	-1.1	7 568.5
Net interest bearing debt in Marine Harvest N.V entities	-99.7	229.8	-148.3	-46.1	-18.9	-	-70.8	-15.7	-169.7
Net interest bearing debt	440.8	1 374.0	5 307.8	37.5	-9.0	83.2	181.2	-16.7	7 398.8

To manage the risk in accordance with the policy the group has entered into the following currency/basis swaps at year-end 2006;

Group receives			Group pays				
Currency	Amount	Interest rate	Currency	Amount	Interest rate	Maturity	Market value
NOK	39.4	Nibor + 2.5%	EUR	5.0	Euribor +2.4%	April 2007	-1.8
NOK	285.8	Nibor + 1.25%	CAD	54.0	Bankbills +1.56%	January 2009	-5.3
NOK	262.1	Nibor + 0.09%	GBP	22.5	Libor	January 2008	-13.9

2. Exposure related to sale in forreign currency (exposure of transactions)

The large part of the currency exposure is related to sale in foreign currency in the Norwegian operations, as the large part of sales are in foreign currency (mainly EUR, GBP; USD and JPY) while the operating cost are in NOK, and in Chile where a large part of the costs are in Chilean pesos, while the sales mainly are in USD. A policy has been established on hedging for currency exposure in transactions. This policy defines minimum and maximum share of hedging, as well as hedging periods for different currencies.

At year-end 2006 the group had a portfolio of currency hedging instruments with a total contract value of NOK 677.6 million. The large part of the outstanding commitments had maturity during the first half of 2007 and no contracts are due after January 2008. At year-end 2006 the portfolio had a net negative market value of NOK 5.2 million.

In the Marine Harvest N.V. group the portfolio of currency hedging instruments had a total contract value of NOK 1 407.9 million. At year-end 2006 the portfolio had a net negative market value of NOK 4.9 million.

Interest risk

The floating part of the loan portfolio carries interest periods of up to six months. A policy has been established under which between 50 percent and 75 percent of the interest bearing debt of the group shall be hedged through fixed interest borrowings or interest derivatives. The hedging portfolio should have an average maturity of three to four years.

At year-end 2006 the group had a portfolio of interest swaps. The swaps entered into are;

Currency	Amount	The group pays	The group receives	Maturity	Market value
NOK	400 000	Fast 6.94% p.a.	3M Nibor	September 2008	-15,3
NOK	350 000	Fast 4.30% p.a.	3M Nibor	December 2014	12,2
NOK	350 000	Fast 3.03% p.a.	3M Nibor	December 2007	4,4

In addition to the above the Marine Harvest N.V. has a portfolio of interest derivatives maturing between July 2007 and January 2009. At year-end 2006 the portfolio had a market value of NOK 20.9 million.

As part of the implementation of the policy referred to above, all the interest swaps outstanding at year-end 2006 have been terminated in January 2007. The group realised a gain equal to the market value at year-end 2006.

NOTE #28 Related party transactions

On 6 March 2006 Marine Harvest ASA (then Pan Fish ASA) signed an agreement for the acquistion of all outstanding shares in Marine Harvest N.V. for EUR 1 175 million. Formally, the shares were acquired from Geveran Trading who bought the shares from Nutreco and Stolt Sea. The agreement between Marine Harvest ASA and Geveran was concluded on the same terms as the agreement between Geveran and the sellers. While waiting for the authorities to grant their approval, Marine Harvest made a prepayment of EUR 1 175 million on 28 March 2006. All approvals and formalities were in place on 29 December 2006 and this was the date of the transfer of formal ownership of the shares.

In addition to the acquistion of Marine Harvest N.V. the company also signed an agreement on 6 March 2006 with Geveran Trading for the purchase of 151 758 164 shares, corresponding to 25.7 percent in Fjord Seafood. The acquistion was undertaken at the closing price of Fjord Seafood's shares on 3 March. This represented a swap ratio of 1 846 Marine Harvest (then Pan Fish) shares for each Fjord Seafood share. The acquistion was financed by means of a private placement with Geveran Trading of 280 195 693 new shares at a price of NOK 4.36, giving a transaction cost of just over NOK 1.2 billion. The private placement was carried out on the basis of an authorisation to issue new shares granted to the Board of Directors by the Extraordinary General Meeting of 13 July 2005. Following this transaction, Geveran Trading owned no shares in Fjord Seafood.

Repayment of debt to Queensmere Trading Corporation was made during the year amounting to USD 7.7 million. Queensmere Trading Corporation is owned by Mr John Fredriksen who through Geveran Trading is the major shareholder in Marine Harvest ASA. The terms were equal to the terms in the syndicated loan and therefore at arms' length.

Marine Harvest ASA entered into an agreement with Arne Hjeltnes,who is a member of the Board of Directors of Marine Harvest ASA. The agreement was confirmed by the Board of Directors. Mr Hjeltnes was engaged in connection with the integration project of the former Pan Fish, Fjord Seafood and Marine Harvest entities. For the period 15 July 2006 to 31 March 2007 Mr Hjeltnes was working with branding strategy, profiel and marketing planning. The agreement stipulate prices that were in line with market prices for these kind os services. As from 1 April 2007 Mr Hjeltnes is employeed in Marine Harvest ASA as Director of communication, and he will then withdraw from the Board of Directors.

The Chief Executive Officer, the Corporate Management team, and some other employees are considered related parties under IAS 24, and information about remuneration to these employees are given in a separate note to the accounts.

No other transactions with related parties have occurred in the period.

NOTE #29 Acquisitions in the year

Acquisition of Fjord Seafood

During the period from March to June 2006 Marine Harvest ASA (former Pan Fish ASA) acquired 100 percent of the shares in Fjord Seafood.

The Fjord Seafood Group is a global supplier of processed seafood, with operations in nine countries. At its production facilities in Belgium, the Netherlands, France, the UK, the USA and Chile, the Group produces a wide range of seafood products for sale to customers in Europe, the USA and Asia. The Fjord Seafood Group is one of the world's largest salmon farming companies, with fish farms in Chile, Norway and the UK. Prior to its acquisition, Fjord Seafood ASA was listed on the Oslo Stock Exchange and had its head office in Oslo.

Marine Harvest ASA purchased 25.7 percent of the shares in Fjord Seafood from Geveran Trading Ltd (a closely related party to Marine Harvest ASA) on 6 March 2006, while a further 14.24 percent was bought on the open market on 16 March. At the end of the first quarter 2006, therefore, Marine Harvest ASA owned 39.9 percent of the shares in Fjord Seafood ASA. In the first few days of April an additional 17.7 percent of Fjord Seafood's shares were acquired, and by the end of June 2006 Marine Harvest ASA controlled 100 percent of that company's shares.

The total acquisition cost for Fjord Seafood amounts to NOK 4 881.3 million, including purchase costs of approx. NOK 4 million. NOK 2 096.6 million of the acquisition cost has been settled through the issue of 425 396 379 shares in Marine Harvest ASA, and NOK 2 784.7 million has been settled through cash payment.

A preliminary allocation of excess values was made in the second quarter of 2006. Excess values were allocated with NOK 1 186.6 million on farming licenses, NOK 252 million on deferred tax on farming licenses and NOK 1 690 million on goodwill.

By the end of 2006 some work is remaining before the purchase price allocation is completed as goodwill has not been allocated to the different cash generating units. Goodwill has not been allocated to the cash generating units for practical reasons, in particular due to complex and work demanding integration processes ongoing in all parts of the group. The allocation of excess values related to identified assets and liabilities has been completed.

Balance sheet of the Fjord Seafood group

Figures in NOK million	Balance sheet when acquired 31.03.06	Excess values	Fair value when consolidated
Intangible assets	2 054.2	2 423.4	4 477.6
Other fixed assets	568.4	392.3	960.7
Cash	237.4	-	237.4
Current assets	1 546.3	7.2	1 553.5
Total assets	4 406.3	2 822.9	7 229.2
Equity	2 315.1	2 583.9	4 899.0
Long-term debt and liabilities	1 470.2	239.0	1 709.2
Current debt	621.0	-	621.0
Total equity and liability	4 406.3	2 822.9	7 229.2

Net excess values and goodwill totalled NOK 2 583.9 million when Fjord Seafood was acquired, of which goodwill amount to NOK 1 892.4 million. The acquisition of Fjord Seafood is an important part of Marine Harvest's strategy to establish the world's leading seafood group and contribute to the consolidation of the aquaculture industry. Marine Harvest expect to realise significant synergetic effect, as a consequence of the buy up. After several years of wide-ranging restructuring, Fjord Seafood has become a very profitable group, whose shares have also achieved a much better price on the Oslo Stock Exchange in recent years. Overall, these factors have resulted in the fair value of the company far outstripping the consolidated book equity.

Main figures of Fjord Seafood Group in 2006

Figures in NOK million	Q1	Q2–Q4	2006
Operating income	958.5	3 165.8	4 124.2
Operating profit (EBIT)	213.4	372.3	585.7
Profit before taxes (EBT)	194.3	309.9	504.2
Net income	159.7	227.1	386.8

Pro forma figures for the combined Pan Fish and Fjord Seafood are presented in note 5.

Acquisition of Marine Harvest N.V.

On 6 March 2006 Marine Harvest ASA entered into an agreement with Geveran Trading Co. Ltd. to acquire all shares in Marine Harvest N.V. The acquisition had to be cleared with several competition authorities worldwide, which clearance process was finalised on 29 December 2006. The acquisition of Marine Harvest N.V. was formally closed 29 December 2006.

The total acquisition cost for Marine Harvest N.V. amounts to NOK 10 004.5 million, including purchase costs of approx. NOK 38.4 million and capitalized interest on prepayment of NOK 286.5 million. The acquisition cost has been settled by a cash payment, made in March 2006.

Marine Harvest N.V. is the world's leading fish farming company and the leading producer and supplier of farmed salmon in the world. Marine Harvest N.V. companies are also important suppliers of sea trout and are pioneering the farming of new species in the aquaculture industry. Marine Harvest N.V. companies are present in all production stages of the aquaculture value chain and supply to customers in the retail, food service and industry sectors. In 2006 Marine Harvest N.V. employed 5 100 people across the world and has production in countries on five continents. The headquarters of Marine Harvest N.V. was located in Amersfoort in the Netherlands.

Marine Harvest N.V. Europe is covering the sales and marketing operations in Europe and the production and processing in Norway, Scotland, Ireland, France, Belgium and Poland. Marine Harvest N.V. Asia/Pacific covering sales in Japan and the rest of Asia and Australia, plus the production of yellowtail in Japan and barramundi in Australia. Marine Harvest N.V. North America is covering the sales and marketing operations in the USA and Canada, and the production and processing operations in West Canada. Marine Harvest N.V. Chile is covering the production and processing operations in Chile and sales in South America.

The consolidation of Marine Harvest N.V. in the group accounts is based on a preliminary purchase price allocation, as the acquisition only was completed at year-end 2006. Below is the balance sheet of Marine Harvest N.V. when acquired and after preliminary allocation of excess value.

Balance sheet of the Marine Harvest N.V. group

Figures in NOK million	Balance sheet when acquired 31.12.06	Excess values, prelim. allocation	Preliminary fair value when consolidated
Licenses	666.5	2 474.0	3 140.5
Goodwill	120.3	988.9	1 109.2
Other intangible assets	65.1	-	65.1
Other fixed assets	1 803.3	152.0	1 955.3
Cash	1824.7	-	1824.7
Other current assets	6148.9	-	6148.9
Total fixed assets	10 628.8	3 614.9	14 243.7
Equity	6 804.6	3 199.9	10 004.5
Long-term debt and liabilities	1 954.8	415.0	2 369.8
Current debt	1 869.3	-	1 869.3
Total equity and liabilities	10 628.8	3 614.9	14 243.7

Excess values and the goodwill will be adjusted when the purchase price allocation is completed during 2007.

Net excess values and goodwill in the acquisition based on the preliminary purchase price allocation totalled NOK 3 614.9 million, of which goodwill amount to NOK 989 million.

The acquisition of Marine Harvest N.V. is a crucial step in the process of establishing the world's leading aquaculture company. The combination of former Pan Fish, Fjord Seafood and Marine Harvest represent a unique basis for further growth in a fragmented industry and the group intends to take the position as the industry shaper. Marine Harvest N.V. has carried out a substantial internal restructuring programme in 2005 and 2006 and has generated substantial profit in 2006. Marine Harvest N.V. will, in addition to generate substantial profit, contribute with significant synergetic effects for the group going forward. These factors have resulted in the fair value of the company exceeding the consolidated book equity.

Main figures of Marine Harvest N.V. in the year

Figures in NOK million	2006
Operating income	9 263.1
Operating profit (EBIT)	1 878.9
Profit before taxes (EBT)	1 989.1
Net income	1 618.9

Pro forma figures Marine Harvest/Marine Harvest N.V.

As Marine Harvest N.V. was aquired by the end of 2006, it is not included in the profit and loss account for 2006.

In the following, pro forma figures is presented where, Fjord Seafood and Marine Harvest N.V. is included for the whole 2006.

The pro forma figures are intended to show the Group's overall performance and the most important effects on the accounts in the hypothetical event that the acquisition had taken place before the start of the accounting period.

The pro forma figures have been arrived at by adding together the profit and loss accounts of the independent companies for the periods concerned. No transactions of material significance have taken place between the companies in the period. No adjustments has been made to reflect changes in depreciation or other adjustments coming from the purchase price allocation of Marine Harvest N.V, but adjustments due to the established excess values on identified assets and liabilities in Fjord Seafood is included in the figures from the actual time of acquisition (1 April 2006).

Profit and loss figures for Marine Harvest N.V. have been converted at an NOK/EUR rate of 8.04649.

Proforma profit and loss account

	Marine Harvest 2006 [1]	Marine Harvest N.V. 2006	Pro forma 2006
Figures in NOK million			
Operating income	6 613.8	9 263.1	15 877.0
Operating expenses	-5 305.0	-6 998.8	-12 303.8
EBITDA before fair value adj. on biomass	1 308.8	2 264.3	3 573.1
Depreciation	-346.2	-386.2	-732.4
EBIT before fair value adj. on biomass	962.6	1 878.1	2 840.7
Fair value adjustment on biomass	85.9	0.8	86.7
EBIT (operating profit)	1 048.5	1 878.9	2 927.4

[1] Consist of the former Pan Fish and Fjord Seafood

Acquisition of Kritsen Holding AS

Acquired Kritsen Holding had revenue of NOK 535.2 million and an operational profit of NOK 19.7 million in 2006. Net profit for the year amounted to NOK 11.5 millions.

Marine Harvest ASA (former Pan Fish ASA) entered into an agreement of the acquisition of the remaining 66.66 percent of the shares in Kritsen Holding for NOK 20 million in January 2006. After this share purchase, Marine Harvest ASA owns 100 percent of the Kritsen Group. The accumulated cost price for the Kritsen operations amounts to NOK 30 million. Kritsen is the largest smokehouse in France and the acquisition secure the group a solid position within VAP also in France.

Acquisition of CG Ultra Frais

In May 2006 Marine Harvest's subsidiaries Fjord Seafood Appeti Marine and Fjord Seafood LMB agreed to acquire all the shares in the companies CG Ultra Frais Boulogne Sur Mer and CG Ultra Frais Lorient as well as an associated holding company in France. The acquisition was intended to strengthen the Group's position in the French market for fresh, packaged products, and the acquired companies will be closely integrated with its other business activities in France. The most important fish species in production are salmon, coaley/saithe, cod and whiting. The companies are well positioned in the French market and sales are divided evenly between the retail and food service markets.

A total of approx. NOK 16.8 million was paid for the three companies. Annual operating revenues amount to approx. NOK 180 million from a production volume of some 2 900 tons. The book value of assets in the companies totals approx. NOK 50 million. The companies have been consolidated since 1 June 2006 and had total operating revenues of NOK 16.5 million.

Acquisition of Delifish

In July 2006 Marine Harvest acquired Chile's largest smokehouse, Delifish, which is located in Santiago and has around 170 employees. The acquisition was intended to consolidate the Group's position and capacity within the smoked seafood segment in the American market. Delifish is a well-known name among American retailers and Japanese distributors, with approx. 35 percent of sales going to Japan, approx. 35 percent to the USA and approx. 30 percent to Latin America. Delifish has achieved an annual growth in operating revenues of around 20 percent in recent years.

A total of approx. NOK 59.7 million was paid for the company. The company is consolidated from July 2006, and it had total revenue of NOK 41.7 million in 2006. The net income for 2006 was NOK -4.6 million.

Completion of the purchase price allocation related to Aqua Farms

100 percent of the shares in Aqua Farms were acquired by Marine Harvest ASA (former Pan Fish ASA) on 1 November 2005. The purchase price was NOK 285 million. In the annual accounts for 2005 the purchase price allocation was a preliminary allocation in line with IFRS 3. The purchase price allocation has been completed at year-end 2006 and the following adjustments have been made from the preliminary purchase price allocation:

- Fair value adjustment on biomass has been increased with NOK 1.9 million from NOK 15.7 million to NOK 17.6 million. The change is made as a consequence of the new valuation of biomass under IAS 41.
- Deferred tax has been increased from nil in the preliminary allocation to NOK 74.8 million in the final allocation. In the preliminary allocation the deferred tax was offset towards other deferred tax assets in the group.
- The goodwill has increased with NOK 73.2 million from NOK 28.8 million to NOK 102 million as a consequence of the adjustments in fair value on biomass and deferred tax.

NOTE #30 Accounting estimates

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 carrying amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and other factors perceived to be relevant and probable when the judgments were made. The judgments affect the carrying amounts of assets and liabilities when no other sources have been applied in the valuation. Estimates are reviewed on an ongoing basis and actual values and results may deviate from these estimates. Changes to accounting estimates are recognized in the period in which the estimates are revised.

Valuation of biomass

The valuation of biomass in the sea involves estimates of both volume and quality of the biomass. When valuating the biomass, the most updated data on development in biomass is used, and the estimated quality grading is based on historical grading. According to IAS 41, the biomass is carried in the balance sheet at estimated fair value on the balance sheet date. The principles of valuation are described further in the note on biological assets.

Impairment testing of licences and goodwill

The Group performs a yearly impairment testing for goodwill and farming licenses as described in the accounting principles. Recoverable amount for the cash-generating units is calculated based on going-concern and reflecting that the cash generating unit is kept within the Group. In these calculations, the use of estimates is an important element. These calculations are based on reasonable assumptions in relation to profitability and development in the future, and the estimates are based on budgets for the coming years. The goodwill in the acquisition of Fjord Seafood has not been allocated to cash generating units and therefore not made subject to impairment testing. Such impairment testing will be performed after final allocation of goodwill to the cash generating units, and this allocation will be completed in the first quarter of 2007. The consolidation of Marine Harvest N.V. is based on a preliminary purchase price allocation, and the goodwill based on this preliminary allocation is not allocated to cash generating unit either.

The value of the licenses are affected by a number of parameters such aslong term growth in demand, competitive situation and behavior and expectations concerning long term profit margins. The different parameters can have different significance for the license values over time. Changes in these assumptions will cause corresponding impairments, or reversals of impairments, of the license values.

Goodwill is affected by the same factors as the licenses, but is in addition dependent on the ability to realize synergies and economies of scale from business combinations and other operation-related excess values. If the book value of goodwill cannot be sustained, an impairment loss is expensed. Previous goodwill impairments cannot be reversed.

Accounting for deferred taxes

The accounting of deferred taxes reflects the national tax regulations of each country. The calculation of deferred taxes and deferred tax assets, and the accounting of these are based on existing tax regulations and expectations of profitability in the future. According to IAS 12, the nominal tax rate is used for calculating deferred tax. This means that items that will mature in the indefinite future is taken into the accounts to nominal value, even though the net present value of these items will be lower.

Excess values for purchased entities

The allocation of excess values for both Fjord Seafood and Marine Harvest N.V. are preliminary. When the finale valuation is done the values for both assets and liabilities can be adjusted. The goodwill will be adjusted correspondingly. In note 29 further information about acquisition in the year is given.

NOTE #31 Contingent liabilities

Dispute concerning delivery of smolt from Fjord Seafood Norway AS

Two companies in Northern Norway took legal proceedings against Fjord Seafood Norway AS, with demands to be compensated for lacking supply of smolt. In the legal proceedings, held in Brønnøy tingrett autumn 2006, the court ruled in favor of Fjord Seafood Norway and Fjord Seafood Norway was warded compensation for the cost of the case.

The sentence is appealed and the timing for a new legal proceedings is not known. There has not been made any provision for the demands.

Legal proceedings concering delivery to Royal Greenland

Royal Greenland has taken legal proceedings against Marine Harvest ASA, the CEO and a former employee, with claims concerning deliveries to Royal Greenland. The case is closer described in the notes to the financial statement to the parent company.

NOTE #32 Subsequent events

In an Extraordinary General Meeting held on 30 January 2007, it was decided that the company would change its name to Marine Harvest ASA. The change of the name is part of the integration of the Pan Fish, Fjord Seafood and Marine Harvest entities.

The General Assembly also decided that the company's head office and business address shall be in Oslo.

Furthermore, the General Assembly decided that the number of members og the board shall increase from 6 to 12.

Profit and Loss Statement

Marine Harvest ASA

Figures in NOK million

	Note	2006	2005	2004
Operating revenue		30.2	29.5	13.9
Payroll expenses	2/18	-44.1	-16.0	-16.1
Depreciation	5	-0.1	-0.2	-0.3
Other operating expenses	3	-60.9	-12.4	-19.4
Total operating expenses		-105.2	-28.7	-35.8
Profit from operations		-75.0	0.8	-21.9
Intercompany interest income	7/11	87.5	75.1	96.0
Other financial income	7	366.5	20.4	13.7
Total financial income		454.0	95.6	109.7
Impairment/reversed impairment of financial assets	6/7	338.0	281.9	-291.9
Income from associates	8	12.5	-	2.4
Other interest expenses	7/11/15	-285.4	-82.0	-114.6
Other financal expenses	7	181.8	-2.3	-103.4
Total financial expenses		247.0	197.5	-507.4
Profit before tax		626.0	293.9	-419.6
Income tax expense/-income	4	880.7	158.4	-1.6
Net profit (loss)		1 506.8	452.2	-421.2
Distribution of result				
Share premium fund		-	-	-31.1
Retained earnings		1 506.8	452.2	-390.1
Total distribution		1 506.8	452.2	-421.2

Balance Sheet

Marine Harvest ASA
Figures in NOK million

	Note	2006	2005	2004
ASSETS				
Non-current assets				
Intangible assets				
Deferred tax asset	4	1 039.2	0.2	-
Total intangible assets		1 039.2	0.2	-
Tangible assets				
Fixtures and fittings, tools, office machinery etc.	5	0.7	0.4	0.4
Total tangible assets		0.7	0.4	0.4
Financial assets				
Investments in subsidiaries	7	16 600.1	1 265.3	608.0
Intercompany long term receivables	11/7	2 823.1	1 420.6	1 249.0
Investments in associates	8	-	-	23.9
Investments in shares	6	0.8	3.1	57.3
Other long term receivables	9	6.0	8.0	3.7
Total financial assets		19 430.1	2 697.0	1 941.8
Total non-current assets		20 470.0	2 857.7	1 942.2
CURRENT ASSETS				
Receivables				
Trade receivables		1.2	0.2	0.3
Other short term receivables		4.9	18.0	10 836
Total receivables		6.1	18.3	11.1
Cash and cash equivalents	12	85.0	67.6	150.4
Total current assets		91.1	85.8	161.6
Total assets		20 561.0	2 943.5	2 103.8

	Note	2006	2005	2004
EQUITY AND LIABILITIES				
Equity				
Share capital	13/14	2 604.5	1 037.6	1 004.6
Share premium fund	13	8 684.8	334.3	-
Other paid-in capital	13	25.1	17.8	-
Total paid-in capital		11 314.4	1 389.7	1 004.6
Retained earnings	13	2 032.7	525.9	-550.2
Total retained earnings		2 032.7	525.9	-550.2
Total equity		13 347.1	1 915.6	454.4
Liabilities				
Non-current liabilities				
Convertible loans	15	-	-	45.9
Bonds	15	78.9	73.9	78.2
Liabilities to financial institutions	15	5 997.0	792.2	1 428.1
Pension obligations	18	4.9	3.0	2.0
Total non-current liabilities		6 080.8	869.1	1 554.3
Current liabilities				
Liabilities to financial institutions		909.0	-	-
Liabilities to shareholder	15	-	52.1	-
Trade accounts payable		38.0	6.5	10.4
Intercompany liabilities	11	151.8	-	3.7
Tax payable	4	-	-	-
Accrued salary expense and public taxes payable		0.2	1.2	1.7
Other current liabilities	10	34.0	98.9	79.3
Total current liabilities		1 133.1	158.8	95.1
Total liabilities		7 213.9	1 027.9	1 649.4
Total equity and liabilities		20 561.0	2 943.5	2 103.8

Oslo, 29 March 2007

Svein Aaser
Chairman of the Board

Arne Hjeltnes

Kathrine Mo

Leif Frode Onarheim

Solveig Strand

Jon Gunnar Pedersen

Tor Olav Trøim

Eldbjørg Sture

Atle Eide
Chief Executive Officer

Cash Flow Statement

Marine Harvest ASA

Figures in NOK million

	2006	2005	2004
Cash flow from operating activities			
Net profit before income taxes	262.0	293.9	-419.6
Tax paid	1.8	-1.9	-1.6
Depreciation, including gain(-) and loss(+) on disposal of assets	0.1	0.2	-0.1
Reversed impairment (-), impairment (+) and gain(-), loss(+) on disposal of shares	8 261.9	-283.7	316.1
Reversal of calculated interes income and exchange gain on prepayment	-640.2	-	-
Change in trade receivables and trade accounts payable	-	-3.8	-2.1
Change in other accruals	19.9	17.3	-57.4
Net cash flow from operating activities	7 644.2	21.9	-165.7
Cash flow from investing activities			
Payments regarding sale of fixed assets	-	-	3.2
Disbursments regarding investments in fixed assets	-0.5	-0.2	-
Payments regarding sales of shares in other companies	3.8	127.5	32.2
Disbursements regarding acquisitions of shares in other companies	-14 998.6	-295.4	-11.3
Changes regarding purchase/sales of other investments	-21.4	-10.8	3.5
Net cash flow from financing activities	-15 016.6	-178.9	27.7
Cash flow from financing activities			
Proceeds from new interest-bearing debt (short term and long term)	6 906.9	52.1	-
Repayment of interest-bearing debt (short term and long term)	-845.1	-135.1	-7.2
Change in intercompany balances*	-58.8	-2921.	28.7
Paid-in capital	9 917.4	449.3	165.1
Net cash flow from financing activities	15 920.4	74.2	186.7
Net change in cash and cash equivalents	8 549.0	-82.8	48.7
Cash and cash equivalents at 01.01.	67.6	150.4	101.8
Net change in cash and cash equivalents	17.4	-82.8	48.7
Cash and cash equivalents at 31.12	85.0	67.6	150.4

* "Change in intercompany balances" has been adjusted for receivables from subsidiaries that have been converted to equity.

Notes – Marine Harvest ASA

NOTE #01 Accounting principles

The financial statements of Marine Harvest ASA have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles. Marine Harvest ASA is the parent company in the Group. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and published by the International Accounting Standards Board (IASB). Reference is made to note 1 in the consolidated financial statements for significant accounting principles according to IFRS for the consolidated financial statements. Below follows a presentation of the accounting principles as applied in the financial statements of Marine Harvest ASA.

Financial investments
In the parent company, investments in subsidiaries, joint ventures and associates are recognized at cost unless write-downs have been necessary. Investments are written down to fair value when the decrease in value is caused by conditions not assumed to be temporary and the write-down is considered necessary based on generally accepted accounting principles in Norway. The write-downs are reversed when the basis for the write-downs is no longer present.

Revenue recognition
Revenues are recognized at the time of transaction. The compensation is entered as income when both control and risk have been transferred.

Matching principles
Accruals in the financial statement are recorded based on matching of accrued revenues and expenses in the period, as well as based on the prudence principle according to generally accepted accounting principles. Any unrealized loss that is probable and quantifiable, as well as implicit liabilities and impositions, are recorded in accordance with generally accepted accounting principles.

Classification and measurement of balance sheet items
Assets intended for permanent ownership or use are classified in the balance sheet as non-current assets. Other assets are classified as current assets. Liabilities that are due later than one year after balance sheet date, including the first installment on these loans, have been classified as long term liabilities. Other liabilities are classified as current liabilities.

Contingent liabilities
Contingent liabilities are recognized if they can be reliably measured and the probability of occurrence is more than 50 percent. The best estimate is used to calculate the settlement value.

Cash and cash equivalents
Cash and cash equivalents are defined as cash in hand and bank deposits.

Trade receivables
Trade receivables are recognized and carried at nominal value-less a provision for bad debts. Provision for bad debts is made based on separate evaluations of specific receivables and an evaluation of the level of trade receivables in general.

Foreign currency translation
Monetary assets, receivables and liabilities denominated in foreign currencies are translated at the currency rate at the balance sheet date. The Group's foreign currency policy is to balance differences between receivables and liabilities denominated in foreign currencies through the use of financial instruments such as bank accounts in foreign currencies and forward contracts.

Fixed assets
Fixed assets are stated at cost less accumulated depreciation and impairment. Expenditures for maintenance and repairs are expensed when incurred, whereas improvements and upgrading are capitalized and depreciated with the asset. Depreciations are based on the straight-line method and are established based on an assessment of the useful life for the specific asset.

Assets where individual assessments indicates that fair value is lower than the carrying amount, are written down. Fair value is defined as the higher of sales price and the net present value of expected future cash flows.

Leases, that provide Pan Fish/the group with substantially all rights and obligations, are accounted for as capital leases and recorded as assets under fixed assets. The present value of the lease payments is recorded as an interest bearing liability under long-term debt. The assets are depreciated according to schedule, and the liability is reduced by the amount of the lease payments less the effective interest expense. For other leases, the lease payments are recognized as an expense over the lease term.

Shares and long-term investments
Shares and other securities are classified as non-current financial assets and stated at cost. Impairments are undertaken individually if the fair value is lower than cost and the decrease in value is not considered to be temporary. Gain and loss on shares and other securities are recorded as financial items.

Taxes
The tax expense in the profit and loss account includes current taxes and changes in deferred taxes. Deferred tax assets/liabilities in the balance are nominal figures, calculated based on temporary differences between financial statement values and tax values, as well as any tax loss carry-forwards at the balance sheet date.

Temporary differences increasing or reducing tax that will, or may, reverse in the same period are offset. Deferred tax assets that cannot be offset, are recorded in the balance sheet if it is more likely than not that they can be utilized. Deferred tax liabilities and deferred tax assets are presented as net amounts.

Pensions

Recognized pension obligations are based on linear contribution profiles and the anticipated salaries at the time of retirement. Plan amendments are amortized over the expected average remaining working years of the employees participating in the plan. The same principle is applied for actuarial gains and losses that arise in calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets.

Net pension cost in the period is recognized in payroll expenses and is comprised of the period's service cost, interest on the pension liability and the expected rate of return on pension plan assets. The pension obligations are calculated based on long term assumptions concerning future discount rate, rate of return, salary increase, inflation and pension regulation.

Restructuring costs

Provisions for restructuring costs and impairment of assets will be made if the company within the balance sheet date has published or started a restructuring plan, which identifies what parts of the company, and approximately how many employees that will be affected, the actions that will be taken, and when the plan will be implemented. Provisions are made only for costs that cannot be associated with future earnings.

Changes in accounting principles and corrections

The effect of changes in accounting principles and corrections due to material errors in past years financial statements is taken to equity.

Cash flow statement

The cash flow statement shows the overall cash flow from operating, investing and financing activities. The statement illustrates the effect of the various activities on cash and cash equivalents. Cash is defined as cash in hand, bank deposits and other liquid investments that immediately and with an insignificant risk of currency losses can be converted to cash holdings. The cash flow statement is prepared based on the indirect method.

Bond

Convertible debt instruments made up of both a debt and equity element, are, when issued, separated into two components that are reported separately as debt and equity respectively. The debt element reflects the contractual obligation to distribute cash. The equity element reflects the call option that gives the owner of the bond a right to convert the debt instrument to equity. Total interest expenses are accrued linearly over the term of the bond using the effective interest rate method.

Financial instruments

Pan Fish use financial instruments in order to reduce the exposure to fluctuations in foreign currencies. The financial instruments, mainly forward contracts and cross currency interest rate swaps, are recognized at fair value. The same applies for interest rate swaps which are entered into in order to reduce the interest risk exposure of the group. No hedge accounting is applied in the accounts.

NOTE #02 Payroll expenses, number of employees, remunerations, loans to employees etc.

Figures in NOK thousand	2006	2005	2004
Salaries	18 013	9 816	8 552
Social security taxes	9 254	2 161	2 565
Pension costs (excluding employer's social security contributions)	2 296	2 245	3 104
Other contributions	14 535	1 877	1 852
Total payroll expenses	44 098	16 099	16 073
Loans to employees	175	460	750
Average number of employees	15*	9	10

* At the end of 2005 a total of 20 persons are employed.

Salaries and comensation to key personnel

The CEO has a bonus scheme up to 50 percent of base salary from 2007. If the employment is terminated, the CEO has also, given fulfilment of certain conditions, entered into an agreement post employment payments equivalent to 2 year's payment of salary, in excess of the time of notice of 6 months. The CEO has in 2006 exersiced all options and reference is made to note 19 for more detailed description. The CEO has the right to early retirement with an early retirement of 66 percent of his salary from 62 to 67 years.

8 employees have, given the fulfillment of certain conditions, entered into agreements of one year's payment of salary, if they must resign from their offices. In connection with the moving of the head office from Stavanger to Oslo NOK 4 062 000 including social security tax is provided for as pay after termination of employment for employees resigning in the first half of 2007, including the CFO. Loans to employees are at end of 2006 NOK 175 000, and are given to one employee. Initial loan was NOK 750 000. A norm rent is paid (3.5 percent in 2006) and payments are carried out monthly. No security is furnished for the loan, and no provisions are made for the amount outstanding.

Specification of wages to management

	2006		2005	
	Group CEO	CFO	Group CEO	Other executives*
Figures in NOK thousand				
Paid salaries	2 951 261	1 419 804	2 988 968	2 359 596
of which fixed salaries	2 480 154	1 232 104	2 450 000	1 936 300
Other taxable contributions	146 419	25 838	144 370	21 064
Paid pension premium	374 322	160 052	395 698	300 780
Total	3 472 002	1 605 694	3 529 036	2 681 440

* Other executives are the CFO and the Commercial Director.

Fees to the Boars of Directors

The fees to the Board of Directors amounted to NOK 1 183 333 in 2006, whereof NOK 499 999 relates to 2006. The following is paid to board members in 2006:

	2006
Figures in NOK	
Svein Aaser (Chairman of the Board)*	-
Gabriel Smith	450 000
Tor Olav Trøim	183 333
Kathrine Mo	200 000
Bjørn Simonsen	200 000
Arthur Duus	200 000
Arne Hjeltnes*	-
Leif Frode Onarheim*	-
Solveig Strand*	-
Jon Gunnar Pedersen*	-
Eldbjørg Sture*	-

* New persons in the board in 2006 and they have therefore not received any remuneration for 2006.

In the balance sheet per 31 December 2006 there is a provsion of NOK 1 520 000 related to remuneration of board members.

Internal policy for remuneration to key personnel

Salary

The CEO and the Chairman of the Board decide the remuneration to other key personnel. Extra ordinary remuneration can be given on individual basis to key personnel in the Marine Harvest group. The criterias for such payments must be based on results achived and are decided upon in accordance with ordinary systems for compensatory allowance for the different areas. The policy shall make the group able to compete in the labour market and the systems shall contribute to further profitability for the group, and co-operation and organizational development in the organization. It is important that the system is based on achieved results without increasing the risk or being damaging to the reputation of Marine Harvest group. The management will be compensated with a combination of fixed salary, bonuses and stock options. The Board will in a separate proposal for the General Assembly propose to give the authority which is necessary to establish an incentive system based on shares for key personnel.

Pensions

To ensure access to qualified key personnel the pension plans will be based on the pension systems for the other employees but also be in line with positions in competitive companies it is natutal to compared Marine Harvest group with. The Board will have an overview of the total costs of the pension systems. The system shall be competitive on the relevant labour markets. The costs for the group related to the pension systems, will normally be covered by insurance through contracts with insurance companies.

Severance pay

In predetermined agreements where a person in the management deprive the provision related to protection against dismissal in the health and safety at work act it can be established a right to receive servance pay. An appointment in a new position in another company will normally lead to proportional reduction in the severance payment. The reduction can not take place before the ordinary period of notice has expired. When doing staff reductions serverance pay can be agreed for staff bearing voluntarily. The severance pay can be stopped if the general terms of agreements for dismissal exist.

Payment in kind

Kind and value of payment in kind should be in line with what is common for managers in our business sector.

NOTE #03 Other operating expenses

Figures in NOK million	2006	2005	2004
Sales- and marketing costs	5.9	3.7	3.6
Restructuring costs*	21.7	-	-
Losses on accounts receivable	2.0	-	0.7
Other operating expenses**	31.4	8.7	15.1
Total other operating expenses	60.9	12.5	19.4

* Restructuring costs are primarily related to use of external consultants in connection with the planning of the integration of the companies acquired in 2006. In addition to this a provision for moving costs of the head office and termination pay is also included, ref note 2.

** Includes fees to external auditor, lawyers, and other fees, operational leasing, including rental of administration buildings, and other operating expenses

Agreed auditing fee for statutory audit for the fiscal year 2006, for Marine Harvest ASA, amounts to NOK 950 000 excluding VAT. Fees to the auditor related to tax counselling amounts to NOK 373 996 and fees for other non-audit services amounts to NOK 944 150 (both excluding VAT). See also note 9 in the Group financial statements.

NOTE #04 Taxes

Figures in NOK million	2006	2005	2004
Specification of this year's tax expense			
Tax payable	-	-	-
Witholding tax, changes compared to earlier years	-1.8	1.9	1.6
Changes in deferred taxes	-878.9	-160.3	-
Taxes:	-880.7	-158.4	1.6
Specification of temporary differences and losses carried forward:			
Fixed assets	-1.4	-1.8	-2.5
Current assets	-40.9	-44.8	-92.4
Net pension liability	-4.9	-3.0	-2.0
Profit and loss account	-0.5	-0.6	-0.7
Losses carried forward	-3 597.2	-2 926.9	-2 989.0
Other provisions for liabilities	-66.4	-107.5	-80.3
Total basis for deferred taxes/deferred tax asset:	-3 711.4	-3 084.6	-3 166.9
Nominal tax rate			
Deferred taxes/deferred tax asset	-1 039.2	-863.7	-886.8
Recorded deferred taxes/deferred tax asset	-1 039.2	-160.3	0

Marine Harvest ASA has recorded NOK 1 039.2 million of deferred tax assets, which is an increase of NOK 878.9 million from NOK 160.3 million in 2005. The recognition is based on an expectation that the Norwegian companies in the group will be able to give group contributions in the coming years. A substantial part of the increase is due to the fact that there are significant tax increasing temporary differences that the tax asset can be netted against. The fact that the Norwegian farming activity has become significantly larger in 2006 due to acquisitions also contributes to why Marine Harvest can recognize these deferred tax asssets.

There is no deadline for the utilization of losses carried forward in Norway.

See also note 7 for a description of the tax treatment of the prepayment of Marine Harvest N.V.

NOTE #05 Fixed assets

Figures in NOK million	Tangible fixed assets.
Accumulated cost 01.01.06	0.9
Acquisitions	0.4
Disposals	-
Accumulated cost 31.12.06	1.3
Accumulated depreciation and impairment as of 01.01.06	0.5
Disposals	-
Depreciations	0.2
Write-downs	-
Accumulated depreciation and impairment as of 31.12.06	0.7
Book value 31.12.06	0.7
Economic life	3–6 years
Depreciation schedule	Linear

This year's acquistion is related to office equipment and furniture purchased from Fjord Seafood AS. The assets were bought at fair value. In 2005 it has been invested NOK 195 000 in "indefinite life" assets. These assets are not depreciated.

NOTE #06 Other shares

During 2006 the company sold its shares in Magnarson AS and PacPro AS at a total gain of NOK 1.5 million and a total price of NOK 3.7 million. Remaining shares in other companies that are not subsidiaries are booked at NOK 0.8 million.

NOTE #07 Shares in subsidiaries

Company	Business address	Date of purchase	Owner's share	Number of shares	Equity as of 31.12	Result this year	Write down of the period	Book value as of 31.12
Figures in NOK million								
Marine Harvest N.V.	Amersfoort	29.12.06	100%	225 000	6 804.6	1 619.9	-	10 004.5
Fjord Seafood AS	Oslo	07.04.06	100%	590 452 360	2 669.0	45.3	-	4 884.4
Pan Fish Norge AS	Ålesund	18.05.92	100%	282 000 000	585.0	-84.1	275	1 055.4
Pan Fish Sales USA AS	Ålesund	15.07.03	100%	50	6.9	0.1	-	7.5
Pan Fish Scotland Ltd.	Cairndow	01.05.96	100%	7 600 000	154.1	79.2	-16	179.4
Pan Fish USA Inc.	Anacortes	07.11.97	100%	4 600 000	-34.3	-0.8	-	-
Pan Fish Canada Inc.	Campbell River	30.08.95	100%	2 717 500	211.9	119.3	21	287.9
Pan Fish Faroes	Kollafjordur	01.11.99	72.6%	1	46.6	12.6	38	84.5
Kritsen Holding AS	Florø	02.01.06	100%	15 333	41.8	11.5	-	28.0
Pan Fish France SA	Pollaouen	11.04.97	100%	7 005 366	67.1	19.4	21	67.8
Pan Fish Japan Ltd.	Tokyo	28.06.01	60%	3 000	-0.2	-0.2	-	0.9
Total							339	16 600.1

Shares in subsidiaries are recorded using the cost method. The share of votes is equal to the owner share in all subsidiaries.

There is made a conversion from loan to shares in Pan Fish Canada at NOK 57.3 million. At the same time there is reversed prior write-downs of shares in subsidiaries at NOK 355 millioner. A write-off of NOK 16 million of the shares in Pan Fish Scotland has also been recorded. The basis for the write-off and the reversals is the equity that the subsidiaries in question contribute with in the group accounts.

Further, there is made capital increase in Pan Fish Faroes with NOK 21.4 million.

Aqua Farms has been merged with Pan Fish Norway during the year.

Below is a specification of total loans and receivables to other group companies

Group companies	Book value of receivable 31.12.2006
Figures in NOK million	
Fjord Seafood AS	1 124.9
Kritsen Holding AS	36.8
Kritsen SAS	95.1
Pan Fish Norway AS	433.8
Pan Fish Norge AS	222.9
Pan Fish Sales USA AS	-6.5
Pan Fish Scotland Ltd	359.2
Pan Fish Canada Inc	358.5
Pan Fish Faroes	2.5
Pan Fish France SA	35.2
Pan Fish Japan Ltd	2.1
Total	2 664.6

Below is a specification of the separate postings included in net financial items in the profit and loss statements.

Intercompany interest income	87.5
Calc. int. income on prepayment of Marine Harvest N.V.*	286.5
Other financial income	80.0
Total financial income (+)	454.0
Net reversal of write-offs in shares and loans to subsidiaries	338.0
Profit share from associated companies **	12.5
Currency effect on the prepayment of Marine Harvest N.V.*	353.7
Other agio/disagio	-158.9
Change in market value interest swaps	44.2
Other interest expenses	-285.4
Other financial expenses	-57.2
Total financial expenses (-)	246.9
Net financial items	701.0

* Calculated interest income on the prepayment of Marine Harvest N.V. is based on an interest of approximately 4 percent and reflects the alternative cost of the prepayment of the shares. The shares in Marine Harvest N.V. were paid 28 March 2006, but the shares were not acquired before 29 December 2006. the calculated interest income of NOK 286.5 million is therefore included in the cost price of the shares. The exchange rate at the time of payment was EUR 7.937. The payment was EUR 1 175 million. At the acquistion date, the exchange rate had risen to EUR 8.238. On this basis, an exchange gain of NOK 353.7 million is calculateed on the prepayment and also added to the cost price of the shares. Both these effects are treated as permantent differences in the tax calculation.

** See note 8 for specification of investments in associated companies.

NOTE #08 Shares in associates

In the beginning of 2006 Marine Harvest ASA had no shares in associated companies. On 6 March 25.70 percent of the shares in Fjord Seafood ASA were acquired for NOK 1221 million and on 15 March another 14.27 percent were acquired for NOK 669 million. Fjord Seafood is treated as an associated company until 7 April when still another 17.70 percent of the shares were acquired for NOK 874 million and the company became a subsidiary. In the period as an associated company a profit share of NOK 14.6 million from Fjord Seafood was recognized in the accounts of Marine Harvest ASA.

On 12 January NOK 9.75 million were invested in 27.4 percent of the shares in Ålesund Fisk and 7 July Aqua Farms' 16.8 percent of the shares in the same company were acquired for NOK 2.6 million. Total cost price in Marine Harvest ASA for 44.2 percent of the shares in Ålesund Fisk was therefore NOK 10.2 million. During the year a profit share of NOK -2.1 million has been recorded. The company was sold 15 november at a price of NOK 9.8 million at a loss of NOK 0.4 million.

NOTE #09 Other long-term receivables

Figures in NOK million	2006	2005	2004
Receivables due more than year after the balance sheet date.	6.0	8.0	3.7

The above mentioned figure consists in its entirety of sales credit related to the disposal of Østerbris. The total sales credit is NOK 8 million, whereof NOK 2 million is due in 2007. The remaining NOK 6 million is to be paid back over a period of 3 years, and this amount is interest bearing.

NOTE #10 Provisions, contingent liabilities and contingent assets

Figures in NOK million	Restructuring provisions	Lease provisions	Interest swap	Forward contracts	Other provisions	Total provisions
01.01.06	-	16.0	42.9	32.2	2.3	93.4
New provisions	6.1	-	-1.3	21.0	18.5	44.3
Reversed provisions	-	-	-42.9	-32.2	-0.5	-75.6
Settlements offset by provisions	-	-14.3	-	-	-	-14.3
Per 31.12.2006	6.1	1.8	-1.3	21.0	20.3	47.8

Royal Greeland has taken Marine Harvest ASA and former board members of Vestlax Hirtshals AS, Atle Eide and Therese Log Bergjord to court. Both are employed in Marine Harvest ASA. The backround for the legal proceedings is a claim related to breach of contract of a delivery to Royal Greenland. The case is expected to start in the first half of 2007. Marine Harvest ASA has established a surety where the company takes on all responsibilities and all commitments that Atle Eide and Therese Log Bergjord may be convicted for. The claim from Royal Greenland amounts to DKK 11 million. There are provisions in the accounts for this contingent liability.

Other provisions in the table above are related to fees to board members, options for management, borrowing costs, wage bonuses and minority shareholders in Fjord Seafood.

There are no current unrecognized contingent liabilities or contigent assets related to Marine Harvest ASA.

NOTE #11 Intercompany balances

Figures in NOK million	2006	2005	2004
Intercompany receivables	-	-	-
Intercompany liabilities	-151.8	-	-3.7
Total short-term intercompany balances	-151.8	-	-3.7
Intercompany long-term receivables	2 823.1	1 420.6	1 248.9
Total long-term balances	2 823.1	1 420.6	1 248.9
Net intercompany balances	2 671.4	1 420.6	1 245.3

There are no agreed upon maturity date for the intercompany loans. Repayment is not expected to take place within 2007. All intercompany loans are therefore classified as long-term. Of the total liabilitites of NOK 151.8 million, NOK 145 million are against Fjord Seafood AS. This is a credit facility drawn up. In addition to the booked values of loans to subsidiaries, NOK 36.5 million in loans to Pan Fish USA are written off.

Loans to subsidiaries are carrying interests and have been granted on normal market conditions.

NOTE #12 Restricted bank deposits

Figures in NOK million	31.12.06	31.12.05	31.12.04
Restricted deposits related to payroll taxes	1.9	0.5	0.6
Other restricted deposits	18.5	23.4	82.3
Total	20.5	23.9	82.9

Other restricted deposits mainly consist of bank guarantees related to the compulsory redemption of minority shareholders in Fjord Seafood as well as local debt in Pan Fish Canada to EksportFinans.

NOTE #13 Changes in shareholder's equity

Figures in NOK million	Issued capital	Share premium reserve	Retained earnings	Other equity	Total
Equity 01.01	1 037.6	334.3	17.8	525.9	1 915.6
Share issues	1 566.9	8 550.1	-	-	10 117.0
Issue costs	-	-199.6	-	-	-199.6
Options to management	-	-	7.3	-	7.3
Net profit of the year	-	-	-	1 506.8	1 506.8
Equity 31.12	2 604.5	8 684.8	25.1	2 032.7	13 347.1

The share issues conducted in 2006 are related to the acquisition of Marine Harvest N.V. and Fjord Seafood in addition to share issues related to exercising options to management. Reference is made to note 19.

NOTE #14 Share capital and paid-in capital

	2006	2005	2004	2003
Total number of shares (thousand)	3 472 648	1 383 456	502 300	20 272 457
Nominal value as of 31.12	0.75	0.75	2.00	0.04
Share capital (Total number of shares at nominal value)	2 604 486	1 037 592	1 004 600	810 898
Value of treasury stock at nominal value (-)	-	-	-	-
Share premium reserve	8 684 840	334 295	-	-
Other paid-in capital	25 119	17 836	-	-
Paid-in capital	11 314 445	1 389 723	1 004 600	810 898

Owner structure

Reference is made to note 17 in the group accounts for specification of the largest shareholders in Marine Harvest ASA at year end 2006.

Shares owned by Board members and management

The table below shows the number of shares and rights to shares held and/or represented by members of the Board and management per 31 December 2005. These numbers also include shares held by spouse and children under 18 years, and shares held by companies where Board members or management have significant influence.

	Number of shares	Options
Board of Directors		
Svein Aaser (Chairman of the Board)	20 000	0
Arne Hjeltnes	0	0
Kathrine Mo	5 000	0
Leif Frode Onarheim	122 000	0
Jon Gunnar Pedersen	25 000	0
Solveig Strand	20 000	0
Eldbjørg Sture	24 000	0
Tor Olav Trøim	20 000	0

(Tor Olav Trøim has in addition entered into cash settled total return equity swaps which has given him an exposure of 3.5 million shares)

Managment employees*		
CEO Atle Eide **	2 810 866	0
CFO Trine Sæther Romuld	474 510	2 000 000
Commercial director, Therese Log Bergjord	380 000	1 500 000
Øyvind Tørlen, CEO Pan Fish Norway	474 510	2 000 000
Odd Geir Oddsen, CEO Pan Fish Scotland	474 510	2 000 000
Ragnar Joensen, CEO Pan Fish Faroes	358 723	1 500 000
Keith Bullough, CEO Pan Fish Canada	444 297	2 000 000
Andrew Colvin, CEO Pan Fish France	441 124	1 500 000
Total number of shares held by Board members and management	6 079 560	12 500 000
Total number of shares held by Board members and management in % of total outstanding shares	0.2%	
Total number of options held by Board members and management in % of total outstanding shares		0.4%

* Management employees are here defined as persons that have been granted options.
** Atle Eide has in addition entered into a cash settled total return equity swaps giving him an exposure of 1.5 million shares

Shareholders rights

There are no current limitations in voting rights or trade limitations related to the Marine Harvest ASA share.

NOTE #15 Liabilities to financial institutions

Figures in NOK million	2006	2005	2004
Long-term debt to financial institutions as of 01.01	792.2	1 428.1	1 767.5
New loans	5 997.8	-	-
Downpayment on loans	-792.9	-	-
Conversion of long-term debt	-	-500.0	-332.2
Ordinary loan installments	-	-135.9	-7.2
Long-term debt to financial institutions as of 31.12	5 997.0	792.2	1 428.1
Pension obligations 31.12	4.9	3.0	2.0
Other non interest bearing long-term debt as of 31.12	78.9	73.9	124.2
Total long-term debt as of 31.12	6 080.9	869.1	1 554.3

In addition to long term debt to credit institutions NOK 579.5 million are classified as short term debt to credit institutions, which are first year instalments. Other non interest bearing long-term debt as of 31 December 2006 includes a convertible bond loan of NOK 78.2 million. In the financial statements this loan is recognized with the amount of NOK 78.9 million, as the equity element of the loan is isolated. Total interest expenses related to long-term debt to financial institutions were NOK 285.4 million in 2006, corresponding to an average annual interest rate of 7.3 percent.

Repayment profile on long-term debt to financial institutions

Year	2007	2008	2009	2010	2011	Total
Installment*	659.0	659.0	659.0	659.0	3 690.4	6 326.5

* The installments in 2007 are classified as short term debt in the balance sheet.

The repayment profile described is in line with the contractual obligations to the syndicate. Based on the cash flow generated in a calendar year, the installment obligations could, under given circumstances, increase beyond what has been described in the above. In addition, a short term loan to DnB Nor of NOK 250 million are payed off in the beginning of 2007.

Financing of the Marine Harvest Group is principally through the parent company Marine Harvest ASA. External financing in the subsidiaries are only be established if this is optimal for the group for operational or tax purposes.

The following programs are the main financing sources of Marine Harvest Group per 31 December 2006:

EUR 1 100 000 000 Syndicated loan facility

In March 2006 a syndicated borrowing limit of EUR 900 million was arranged by a group of big European banks. In connection with a general syndication the borrowing limit was through a change of agreement in December 2006 extended to EUR 1 100 million to also include refinancing of the existing interest bearing debt in Fjord Seafood.

The borrowing facility consists of a repayment loan of EUR 550 million together with two rolling credit facilities of a total of EUR 550 million. Available drawing rights per 31 December 2006 was NOK 357.6 million. The repayment loan represents the external loan financing of Marine Harvest ASAs purchase of Marine Harvest N.V, while the rolling credit facilities refinance the existing interest bearing debt in the parent company and its subsidiaries.

The repayment loan runs with instalments of EUR 40 million every six months and has final maturity in March 2011, which also is final maturity for the rolling credit facilities.

The rolling credit facilities can be used by Marine Harvest ASA and chosen subsidiaries. In addition parts of the rolling credit facilities will be allocated as bilateral credits (including cash credits and facilities for emission of guarantees) between syndicate banks and group companies.

In the syndicate loan agreement it has been stated covenants towards the financial ratio of net interest bearing debt to EBITDA together with equity ratio. The group is per 31 December 2006 within the covenants drawn in the loan agreement.

Net interest bearing debt to EBITDA is also the basis for determination of the interest margin in the syndicated financing. Based on the results in the group the loan margin could vary between 0.50 percent p.a. and 1.50 percent p.a. above the internal interest bank rate.

NOK 250 000 000 bridge financing

In connection with redemption of shareholders in Fjord Seafood, an agreement was made in June 2006 with the main participants of the syndicate of a short term loan for financing the redemption. This loan is recorded as short term interest bearing debt per 31 December 2006 and is priced identical as the syndicated loan facilitiy. The loan was repayed on maturity date 31 January 2007.

Bond

In connection with the refinancing in January 2003, a subordinated convertible bond of NOK 78 million was established. The bond matures in 2013, is free of interest during the first 5 years, and is thereafter interest-bearing with an interest rate of NIBOR + 200 basis points. The bond can be converted to equity within the first 5 years of maturity at a conversion rate of NOK 95.32 per share. The share capital may, through the conversion of this bond, be increased by up to NOK 615 671.25 divided on 767 134 shares with a face value of NOK 0.75.

NOTE #16 Assets pledged as security and guarantee liabilities

Assets pledged as security and guarantee liabilities

Marine Harvests syndicated loan facility is secured by sureties from the larger subsidiaries of the group. In addition Marine Harvest ASA has pledged the ownership in its subsidiaries, as well as certain current assets. The larger subsidiaries of the group have also granted a pledge in their current assets, partly as a pledge in favour of a third party and partly as security for the fulfilment of the above mentioned sureties.

	2006	2005	2004
Figures in NOK million			
Secured group debt	6 992.2	792.2	1 428.1
Book value of assets pledged as security			
Receivables	1 190.2	1 428.6	1 248.9
Fixed assets	-	0.4	0.4
Other (shares in subsidiaries)	16 508.4	1 265.3	607.9
Total book value of assets pledged as security	17 698.6	2 694.3	1 857.4

Guarantee liabilities

	2006	2005	2004
Figures in NOK million			
Nominal value of guarantee liabilities	9 162.6	160.6	296.5

NOK 9.1 million of the guarantee liabilities applies to the cross guarantee financing to DnB NOR.

NOTE #17 Financial derivatives

Foreign exchange risk

Marine Harvest aims to minimize the company's total foreign exchange rate and interest rate exposure. Receivables denominated in foreign currencies are primarily hedged through the use of forward and/or interest rate swap contracts. Marine Harvest ASA has as of 31 December 2006 entered into the following forward/interest rate swap contracts. The contracts are measured at fair value as of 31 Deccember 2006.

	Currency	Currency amount	Maturity	Pays	Receives	Forward exchange rate	Book value
Figures in NOK million							
Cross currency interest rate swap	CAD	54.0	January 2009	CAD BB+1.56%	NIBOR+1.25%	5.2919	-5.4
Cross currency interest rate swap	GBP	22.5	January 2008	LIBOR	NIBOR+0.09%	11.6500	-13.9
Cross currency interest rate swap	EUR	5.0	April 2007	EURIBOR+2.4%	NIBOR+2.5%	7.8800	-1.8
Total							-21.0

The forward and cross currency interest rate swaps are recorded at fair value in the balance sheet.

Interest rate risk

Interest rate risk arise in the short and medium term as the majority of the company's interest-bearing debt is subject to floating interest rates. As of 31 December 2006, the company has entered into three interest rate swap contracts totaling NOK 1 100 million, with terms to maturity ranging from 1.5 to 8 years. All three contracts are recorded at fair value as of 31 December 2006.

	Currency	Currency amount	Maturity	Pays	Receives	Book value
Figures in NOK million						
Interest rate swap	NOK	400	19.09.08	6.92%	NIB 3m	-15.3
Interest rate swap	NOK	350	15.12.14	4.30%	NIB 3m	12.2
Interest rate swap	NOK	350	13.12.07	3.03%	NIB 3m	4.4
Total						1.3

The interest swap contracts are recorded at fair value in the balance sheet. A gain of NOK 44.2 million related to the interest swaps is recorded in the income statement in 2006. All interest swap contracts are terminated as from 29 January 2007.

NOTE #18 Pensions

A group pension plan for 8 persons has been entered into with the insurance company Vital. The company is not obligated to have a pension scheme. In addtion, a top hat agreement through life annuity for 4 persons has been made. Both plans are treated as defined contribution plans. The following principal assumptions have been made:

	2006	2005
Expected rate of return	5.00%	6.00%
Discount rate	4.35%	5.00%
Expected salary increase	3.50%	3.50%
Expected social security increase	2.50%	2.50%
Expected pension regulation	2.00%	2.00%

Net pension cost

	2006	2005
Figures in NOK thousand		
Service cost	2 274	2 230
Interest on the pension obligation	175	122
Return on pension plan assets	-122	-92
Amortization of loss/(gain)	-32	-15
Net pension cost ex. social security tax	2 296	2 245
Social security tax	242	125
Net pension cost incl. social security tax	2 538	2 370

Funding status

Figures in NOK thousand	31.12.06	31.12.05
Accumulated benefit obligation	5 154	3 108
Present value of future salary increase	2 343	1 274
Projected benefit obligation	7 497	4 382
Market value of pension plan assets	-2 859	-2 307
Unamortized prior service cost	-345	652
Social security tax	654	293
Net pension obligations incl. social security tax	4 947	3 020

NOTE #19 Share-based payment transactions

Marine Harvest ASA has a stock options program for some key personnel which was established 22 December 2005.

The option program consists of three separate tranches with different terms to maturity. The first tranch matured 10 days days after the presentation of first quarter 2006. All options that matured were exercised. Maturity for the last two tranches is 10 days after fourth quarter 2006 and fourth quarter 2007 respectively. The different tranches are valued separately as they have different time values. Each of the three tranches consist of 8.7 million options, in total 26.1 million options, equivalent to 0.75 percent of the total outstanding shares as of 31 December 2006. The strike price is set to NOK 2.06 which corresponds to the average share price for Marine Harvest over the last three days before option program was approved by the board. Closing price on 22 December 2005 was 2.03, i.e. the options had no value at the time of allotment. The board can declare to roll-forward the options to later periods. The intrinsic value at the balance sheet date is NOK 3.64 per option.

The settlement of the options will be equity-based.

Black-Scholes option pricing model has been applied. The volatility is set to 40 percent and is based on historic listed share prices. The calculations on the time of establishment are based on a risk-free interest rate of 3.45 percent.

The costs of the option program were estimated to NOK 9 522 882, of which NOK 227 315 was taken to the income statement in 2005. In connection with Atle Eide accepting the position as CEO in the new Marine Harvest Group the Board of directors changed the conditions related to previous distributed options so that Eide immediately could exercise these with no further conditions attached to these or previous distributed options. Based on this Eide on 5 October 2006 called 4.9 million options at subscription rate NOK 2.06 per share. Eides share of the total remaining option costs was charged as an expense of NOK 2 617 717.
Total option costs in 2006 are NOK 7 283 018.

The total recognized commitment related to the options at the balance sheet date is NOK 4 249 869.

The stock option program assumes that the gain that is distributed upon an immediate realization of the options, adjusted for expected tax, is reinvested in Marine Harvest shares and that these shares are kept for a minimum of 12 months.

Options have been distributed to the following key personnel:
Atle Eide, CEO, 7 350 000 options, all are exercised
Trine Sæther Romuld, CFO, 3 000 000 options, of which 1 000 000 are exercised
Øyvind Tørlen, CEO Pan Fish Norway, 3 000 000 options, of which 1 000 000 are exercised
Odd Geir Oddsen, CEO Pan Fish Scotland, 3 000 000 options, of which 1 000 000 are exercised
Keith Bullough, CEO Pan Fish Canada, 3 000 000 options, of which 1 000 000 are exercised
Ragnar Joensen, CEO Pan Fish Faroes, 2 250 000 options, of which 750 000 are exercised
Andrew Colvin, CEO Pan Fish France, 2 250 000 options, of which 750 000 are exercised
Therese Log Bergjord, Commercial director, 2 250 000 options, of which 750 000 are exercised

NOTE #20 Subsequent events

Reference is made to note 32 in the Group financial accounts for information on subsequent events.

Auditor´s Report

ERNST & YOUNG

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Medlemmer av Den norske Revisorforening

To the General Meeting of
Marine Harvest ASA

Auditor's report for 2006

We have audited the annual financial statements of Marine Harvest ASA as of 31 December 2006, showing a profit of NOK 1.506.761.000,- for the Parent Company and a profit of NOK 1.853.700.000,- for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the balance sheet, the statements of income and cash flows, the statement of equity and the accompanying notes. Simplified IFRSs pursuant to the Norwegian Accounting Act § 3-9 have been applied in the preparation of the financial statements of the Parent Company. IFRSs as adopted by the EU have been applied in the preparation of the financial statements of the Group. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- The financial statements of the Parent Company are prepared in accordance with laws and regulations and present fairly, in all material respects the financial position of the Company as of 31 December 2006, and the results of its operations and cash flows and the changes in equity for the year then ended, in accordance with simplified IFRSs pursuant to the Norwegian Accounting Act § 3-9
- The financial statements of the Group are prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2006, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with IFRSs as adopted by the EU
- The Company's management has fulfilled its duty to properly record and document the Company's accounting information as required by law and bookkeeping practice generally accepted in Norway
- The information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with law and regulations.

Bergen, March 29th 2007
ERNST & YOUNG AS

Eirik Moe
State Authorised Public Accountant (Norway)
(sign.)

Note: The translation to English has been prepared for information purposes only.

Arendal, Bergen, Bø, Drammen, Fosnavåg, Fredrikstad, Holmestrand, Horten, Hønefoss, Kongsberg, Kragerø, Kristiansand, Larvik, Levanger, Lillehammer, Moss, Måløy, Notodden, Oslo, Otta, Porsgrunn/Skien, Sandefjord, Sortland, Stavanger, Steinkjer, Tromsø, Trondheim, Tønsberg, Vikersund, Ålesund

Corporate Governance. Marine Harvest considers good corporate governance to be an underpinning for increased shareholder value, investor confidence and low capital costs.

Marine Harvest will comply with the Norwegian Code of Practice for Corporate Governance of 28 November 2006; issued by the Norwegian Corporate Governance Board (NUES). The group's compliance with and any deviations from the code of practice are explained below.

Good corporate governance rests on responsible communication between shareholders, the board of directors and executive management in the long-term pursuit to develop the company's role as the leading player in the aquaculture industry.

Corporate governance is a theme that the group's board of directors has discussed much throughout 2006 and into 2007. The group's steering documents have been reviewed and revised. We are continuing our work on comprehensive strategy and integration measures on all levels of the group. It is expected that this will particularly impact risk management and internal control in the group, and a further development of internal control systems is expected in the wake of the integration.

Norwegian code of practice for corporate governance

Each item in the Norwegian code of practice is reviewed below. The text from the the code of practice is given below and directly underneath each point there follows a description of Marine Harvest's compliance with the code. Please go to www.oslobors.no/ob/cg for the complete version of the code of practice with commentary. The description is basically structured in accordance with the code of practice. Special descriptions of relevant matters that are not dealt with elsewhere in the annual report are also given.

1. Implementation and reporting on corporate governance

1.1 The board of directors must ensure that the company implements sound corporate governance.

1.2 The board of directors must provide a report on the company's corporate governance in the annual report. If the company does not fully comply with this code of practice, this must be explained in the report.

1.3 The board of directors should define the company's basic corporate values and formulate ethical guidelines in accordance with these values.

The board has decided that the Norwegian Code of Practice for Corporate Governance shall be complied with. The board has reviewed the code of practice and the company's implementation of corporate governance. An explanation and presentation of the group's basic corporate values, see Management Review page 19.

The group is updating the business ethics guidelines as part of the integration process. Compliance and follow-up of these will be subjected to a thorough internal process.

The company has no other deviations from the code of practice.

2. Business

2.1 The company's business should be clearly defined in its articles of association.

2.2 The company should have clear objectives and strategies for its business within the scope of the definition of its business in its articles of association.

2.3 The annual report should include the business activities clause from the articles of association and describe the company's objectives and principal strategies.

Articles of Association of Marine Harvest ASA

Latest amendments made 12 March 2007

§1 The name of the company is Marine Harvest ASA. The company is a public limited company.

§2 The registered office of the company shall be in Oslo.

§3 The object of the company is production, refinement, sale and distribution of seafood and goods used in seafood production, either directly or through participation in other companies and hereto-related activities.

§4 The share capital is NOK 2 609 173 746.75 divided into 3 478 898 329 shares at a nominal value of NOK 0.75 each.

§5 The board of directors shall consist of 6 to 12 members. The board members shall be elected for a period of two years. The chairman of the board shall be elected by the shareholders' meeting.

§5a The company shall have a nominating committee consisting of up to three members according to the decision of the shareholders' meeting. The nominating committee shall be elected for a period of two years. The nominating committee shall submit its recommendations to the shareholders' meeting. The nominating committee's recommendation shall also include recommendations regarding remuneration to the members of the board. The shareholders' meeting may resolve directives for the nominating committee's work.

§6 The signature of the company is held by the chairman of the board and one board member jointly or by two board members jointly. The board may grant power of procuration.

§7 The agenda of an ordinary shareholders' meeting shall include:
- The board's annual report.
- Approval of financial statement and balance sheet.
- Allocation of profit or coverage of deficit in accordance with the declared dividend and balance sheet.
- Other matters which according to law or the company's articles of association shall be decided by the shareholders' meeting and are mentioned in the summons

§8 The provisions of the Companies Act, as they may from time to time be amended, shall apply.

The objective of Marine Harvest's business is to produce, process, sell and distribute seafood. The company may own other companies as well as produce, sell and distribute products that are used in the production of seafood.

This is stated in article 3 of the company's articles of association. The company's articles of association are printed on page 106 of the annual report and on the company's website. The group's vision and strategy are presented on page 22 in the annual report under "Management's review". Will be further developed during the integration process.

The company has no deviations from the code of practice.

3. Equity and dividends

3.1 The company should have an equity capital at a level appropriate to its objectives, strategy and risk profile.
3.2 The board of directors should establish a clear and predictable dividend policy as the basis for the proposals on dividend payments that it makes to the general meeting. The dividend policy should be disclosed.
3.3 Mandates granted to the board of directors to increase the company's share capital should be restricted to defined purposes and should be limited in time to no later than the date of the next annual general meeting. This should also apply to mandates granted to the board for the company to purchase its own shares.

Equity

Marine Harvest shall have equity suitable for the demands on operations, taking into consideration that fish farming is an extremely cyclical business. The group equity as of 31 December 2006 amounted to NOK 13 589.1 million, which is 49.7 percent of the total capital. The board deems this to be adequate for the company's strategy and risk profile.

Dividend policy

Marine Harvest shall establish and maintain a financial position that will enable the company to lead the further restructuring of the seafood industry. The company shall maximise shareholder values by both increasing the value of the company's equity and distributing shareholders' dividends. Equity not deemed necessary for further growth shall be returned to shareholders as dividends, redemption of shares or in other ways. For a business cycle, where the company is in normal operations, the company aims to pay approximately half of the annual surplus after taxes as dividends.

Capital increase

At the extraordinary general meeting on 14 July 2006, the board was authorised to raise the share capital by up to NOK 650.2 million by issuing 866 937 082 new shares at NOK 0.75 each. A capital increase pursuant to the authorisation is to be carried out in the manner and at the time the board at any time deems most appropriate considering the needs of the company and the shareholders. The board's authorisation was valid until the ordinary general meeting in 2007. The board also has the mandate to initiate a share issue in connection with option programmes for executive management. The share capital may be raised by NOK 19 575 000 by issuing up to 26 100 000 new shares at NOK 0.75 each. A total of 13 600 000 shares have already been subscribed to as of 31 December 2006.

In 2006 the group carried out share issues in connection with the purchase of Fjord Seafood and Marine Harvest N.V., in addition to exercising options for executive management. A total of NOK 10.1 billion was subscribed for in the course of the year before payment of issue expenses. The share capital was raised by NOK 1 566 894 055 through new subscriptions to a total of 2 081 836 317 shares at nominal value NOK 0.75 each. We refer to page 49 in the annual report for a more detailed description of capital increases in 2006. See also note 13, Marine Harvest ASA, and note 18, Marine Harvest Group in the accounts.

Purchasing own shares

At the ordinary general meeting on 30 May 2006, the board was given authorisation to acquire own shares which are fully paid up pursuant to sections 9-2 to 9-4 of the Public Limited Companies Act. No more than NOK 12.00 must be paid for each share acquired pursuant to this authorisation and no less than NOK 0.75 per share. The author isation may be used once or several times. It has so far not been used. The authorisation was valid up to the ordinary general meeting 2007.

The share issue authorisation in question represents a deviation. The current share issue authorisation is time limited, given for a certain period, but cannot be said to be for a defined purpose as stipulated by the code of practice.

The company has no other deviations from the code of practice.

4. Equal treatment of shareholders and transactions with close associates

4.1 The company should only have one class of shares.
4.2 Any decision to waive the pre-emptive rights of existing shareholders to subscribe for shares in the event of an increase in share capital must be justified.
4.3 Any transactions the company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the company's shares, the

company should consider other ways to ensure equal treatment of all shareholders.
4.4 In the event of any not immaterial transactions between the company and shareholders, members of the board of directors, members of the executive management or close associates of any such parties, the board should arrange for a valuation to be obtained from an independent third party. This also applies to transactions between companies in the same group where any of the companies involved have minority shareholders.
4.4 The company should operate guidelines to ensure that members of the board of directors and the executive management notify the board if they have any material direct or indirect interest in any transaction entered into by the company.

Class of shares
Shares in the group are exclusively class A shares. The articles of association include no restrictions on voting rights. Refer also to the explanations of capital increase on page 49 in the annual report.

Transactions in own shares
The company's shares are liquid. In the event of transactions in own shares the board aims to comply with the code of practice.

Transactions with close associates
Transactions with close associates are described in note 28, Marine Harvest Group.

Guidelines for members of the board of directors and the executive management
The board's mandate states that members of the board are obliged to report to the board's secretary as to any material involvement (work or investments) they might have which might have relevance for their work on the board.

Deviations from the code of practice exist with respect to some transactions carried out in 2006 with close associates. These are described in more detail in note 28, Marine Harvest Group, in the annual accounts. The code of practice's recommendation that a valuation from an independent third party should be arranged has here not been complied with. The board nevertheless finds that all transactions with close associates have been undertaken on market terms.

The company has no other deviations from the code of practice.

5. Freely negotiable shares

5.1 Shares in listed companies must, in principle, be freely negotiable. Therefore no form of restriction on negotiability should be included in a company's articles of association.

The company has no deviations from the code of practice.

6. General meetings

6.1 The board of directors should take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the company, and that the general meetings are an efficient forum for the views of shareholders and the board. Such steps should include:
6.1.1 Sending shareholders the supporting information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, no later than two weeks prior to the date of the general meeting.
6.1.2 Ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting.
6.1.3 Setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible.
6.1.4 Ensuring that shareholders who cannot attend the meeting in person can vote by proxy.
6.1.5 Ensuring that the members of the board of directors, the nomination committee and the auditor are present at the general meeting.
6.1.6 Making arrangements to ensure an independent chairman for the general meeting.

Up to now, the entire board has not participated in the annual general meeting. The chairman of the board has always attended. Members of the board have now been requested to participate at the company's general meetings. Electing the chairman for the meeting is a permanent item on the agenda for the general meeting. Up to now the chairman of the board has been elected to chair the meeting of the attending shareholders.

The company has no other deviations from the code of practice.

7. Nomination committee

7.1 The company should have a nomination committee, and the general meeting should elect the chairperson and members of the nomination committee, and should also determine the committee's remuneration.
7.2 The nomination committee should be laid down in the articles of association.
7.3 The members of the nomination committee should be selected to take into account the interests of shareholders in

general. The majority of the committee should be independent of the board of directors and the executive management. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the board. No more than one member of the nomination committee should be a member of the board of directors, and any such member should not offer himself for re-election. The nomination committee should not include the company's chief executive or any other member of the company's executive management.

7.4 The nomination committee's duties are to propose candidates for election to the corporate assembly and the board of directors and to propose the fees to be paid to members of these bodies.

7.5 The nomination committee should justify its recommendations.

7.6 The company should provide information on the membership of the committee and any deadlines for submitting proposals to the committee.

The company shall have a nomination committee consisting of a total of three members to be elected by the annual general meeting. Members of the nomination committee are elected for two years at a time. The nomination committee submits its recommendations to the annual general meeting. The nomination committee's recommendations shall also include proposals as to the fees to be paid to the members of the board. The above is stated in article 5A of the company's articles of association which were adopted at the extraordinary general meeting on 14 July 2006. The current committee was elected at the ordinary general meeting on 13 July 2005 and consists of:

- Gabriel Smith (chairman), former chairman of the board of Pan Fish, Managing Director Tinfoss
- Erling Lind, Law firm Wiersholm Mellbye og Bech
- Yngve Myhre, Group CEO at Aker Seafoods

Information on the nomination committee and time limits for input has until now not been made available to shareholders other than upon direct inquiry. This will be changed starting in 2007. The current members of the nomination committee will function until the ordinary general meeting in 2007, when a new election of members to the committee will be held. The code of practice has previously not been fully complied with in that the chairman of the nomination committee has not been elected by the general meeting. This will be changed starting in 2007.

The company has no other deviations from the code of practice.

8. The corporate assembly and its board, composition and independence

8.1 The composition of the corporate assembly should be determined with a view to ensuring that it represents a broad cross-section of the company's shareholders.

8.2 The composition of the board of directors should ensure that the board can attend to the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. Attention should be paid to ensure that the board can function effectively as a collegiate body.

8.3 The composition of the board of directors should ensure that it can operate independently of any special interests. At least half of the shareholder-elected members of the board should be independent of the company's executive management and material business contacts. At least two of the members of the board elected by shareholders should be independent of the company's main shareholder(s).

8.4 The board of directors should not include representatives of the company's executive management. If the board does include members of the executive management, the company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the board, including the use of board committees to help ensure more independent preparation of matters for discussion by the board, cf. Section 9.

8.5 The chairman of the board of directors should be elected by the general meeting so long as the Public Companies Act does not require that the chairman shall be appointed either by the corporate assembly or by the board of directors as a consequence of an agreement that the company shall not have a corporate assembly.

8.6 The term of office for members of the board of directors should not be longer than two years at a time.

8.7 The annual report should provide information to illustrate the expertise and capacity of the members of the board of directors and identify which members are considered to be independent.

8.8 Members of the board of directors should be encouraged to own shares in the company.

Members of the board are presented on pages 34 to 47 in the annual report. All members of the board elected by shareholders are considered to be independent and independent of the group's executive management. This also applies to material business partners. We refer to note 28, Marine Harvest Group, in the annual accounts for a description of assignments carried out for the company by one of the board members beyond the duties as a member of the board.

The requirement of the code of practice as to the number of board members independent of the main shareholder(s) is complied with. The chairman of the board and one of the board members are employed by companies controlled by the company's majority shareholder. The board finds it positive that long-term shareholders are represented on the board.

For more detailed information on the shares owned by the members of the board we refer to note 14, Marine Harvest ASA in the annual report.

The company has no deviations from the code of practice.

9. The work of the board of directors

9.1 The board of directors should produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation.
9.2 The board of directors should issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.
9.3 A deputy chairman should be elected for the purpose of chairing the board in the event that the chairman cannot or should not lead the work of board.
9.4 The board should consider appointing board committees in order to help ensure thorough and independent preparation of matters relating to financial reporting and compensation paid to the members of the executive management. Membership of such committees should be restricted to members of the board who are independent of the executive management.
9.5 The board of directors should provide details in the annual report of any board committees appointed.
9.6 The board of directors should evaluate its performance and expertise annually.

The instructions for the board of directors are comprehensive and were last revised on 14 November 2006. The instructions comprise the following items: purpose, the board of director's duties, responsibilities and authority, board meetings, the group CEO's duties in relation to the board, participation in board meetings, case preparation and documentation, procedures in meetings, minutes, obligation of confidentiality.

Clear work allocation has been set up between the board of directors and the executive management. The chairman of the board is responsible for the board of directors' work being carried out in an effective and proper manner in accordance with the duties the board of directors has. The group CEO is responsible for the company's executive management. The board has drawn up special instructions for the group CEO.

The board of directors has considered, but opted to not establish permanent board committees. The board shows particular diligence in connection with cases that naturally should be prepared by a possibly permanent compensation or auditing committee for careful processing of cases referring to financial reporting and fees for the executive management. In addition, parts of the board of directors are constituted as ad hoc working groups. This applies, for example, to the review of the guidelines for corporate governance. This also applies in integration activities where the chairman of the board is included in a working group together with parts of the group executive management. An ad hoc board committee has also been appointed to work on guide lines for payment and options for the executive management. In cases where board committees are used, they are considered to be for case preparation where final decisions are to be made by the board of directors.

In 2007, the company shall extend the articles of association to include the stipulation that the deputy chairman of the board should also be elected by the general meeting, in addition to the chairman of the board.

There is a deviation from the code of practice in connection with the board's self-evaluation. The board's work form and interaction are under continuous discussion. In this connection the board also evaluates itself in relation to corporate governance. However, no formal evaluation of the board's work has been produced that could be made available to the nomination committee. This will in the future be included in the board's annual plan as an annual evaluation.

The company has no other deviations from the code of practice.

10. Risk management and internal control

10.1 The board of directors must ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. Internal control and the systems should also encompass the company's corporate values and ethical guidelines.
10.2 The board of directors should carry out an annual review of the company's most important areas of exposure to risk and its internal control arrangements.
10.3 The board of directors should provide an account in the annual report of the main features of the company's internal control and risk management systems as they relate to the company's financial reporting.

There are three main aims of the group's internal control systems:

- Effective business operations
- Correct and timely financial reporting
- Compliance with legislation and rules the company comes under, including the company's own ethical guidelines and basic corporate values

The Marine Harvest Group is decentralised with significant responsibility and authority delegated to the various local business entities in the group. This has significance for the implementation of risk management and the design and implementation of internal control. The local control environment defines how effective the internal control is and the local management teams have the primary responsibility for risk assessment and carrying out control activities. The executive management and the head office primarily have a monitoring role in relation to risk management.

Accounts controls are ensured through various types of segregation of duties, guide lines and approval procedures. The group's central accounting department has the overriding responsibility for establishing and following up the guidelines and principles. The group has no special department for internal auditing.

The auditor produces an annual review of the internal control linked to financial reporting. The auditor's report is presented to the board of directors. The company uses these reviews actively as risk assessment and as tools for continuous improvement of the internal control systems in the group. We also refer to item 15 in the code of practice.

The responsibility for the commercial content of contracts and agreements resides with each business area together with the responsibility for fish health, food safety, traceability, hygiene and health, environment and safety. When it comes to follow-up and control in relation to the group's basic corporate values and ethical guidelines, this is undertaken on the line as part of the day-to-day operations.

The group is undergoing a comprehensive restructuring, whereby the activities of what were previously the three largest actors in the industry are being integrated. This also impacts risk management and internal control as the design of some procedures and the division of responsibilities may be undergoing changes due to modifications in the operational structure. Therefore, during this phase the organisation is now going through, both the board of directors and management will have a special focus on the efficiency of internal control systems.

Up to now, the board has not undertaken an annual total review of the company's total risk picture. This will be implemented from 2007. Up to now, no comprehensive written description of the internal control systems has been produced for the new group. This is currently being produced.

The company has no other deviations from the code of practice.

11. Remuneration of the board of directors

11.1 The remuneration of the board of directors should reflect the board's responsibility, expertise, time commitment and the complexity of the company's activities.
11.2 The remuneration of the board of directors should not be linked to the company's performance. The company should not grant share options to members of its board.
11.3 Members of the board of directors and/or companies they are associated with should not take on specific assignments for the company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments, this should be disclosed to the full board. The remuneration for such additional duties should be approved by the board.
11.4 The annual report should provide information on all remuneration paid to each member of the board of directors. Any remuneration in addition to the normal directors' fees should be specifically identified.

A proposal for the remuneration is submitted by the nomination committee. Remuneration of members of the board of directors is not linked to financial results, option programmes or similar. We also refer to note 2, Marine Harvest ASA, in the annual report concerning fees to the observers and the board.

Note 28 in Marine Harvest Group in the annual report outlines which members of the board have taken on special duties for the company in addition to their board duties.

The company has no deviations from the code of practice.

12. Remuneration of the executive management

12.1 The board of directors should establish guidelines for the remuneration of the members of the executive management. These guidelines should be communicated to the general meeting for information annually.
12.2 The salary and other remuneration of the chief executive should be decided by a convened meeting of the board of directors.
12.3 Share option schemes and arrangements to award shares to employees should be approved in advance by the general meeting. Proposals on share option schemes should include details

of the allocation criteria, the actual value of the option schemes, the accounting consequences for the company and the potential share dilution.
12.4 The annual report should provide information on the guidelines for the remuneration of the members of the executive management. This should also apply to information on all elements of the remuneration of the chief executive and each member of the executive management.

The board of directors assesses on an annual basis the competitiveness of the company's salary system to ensure that the company has the ability to attract, retain and motivate the executive management. The terms for the group CEO are established by the board. Salary and remuneration of the other members of executive management are determined by the group CEO.

The conditions for payment of performance-based remuneration and salaries for members of the executive management are described in note 2, Marine Harvest ASA in the annual report.

Guidelines for remuneration of members of the executive management have previously not been submitted to the general meeting for orientation in accordance with the code of practice. An ad hoc board committee is working on a proposal for guidelines for salaries to members of the executive management. The board will present its proposal for guidelines at the ordinary general meeting in 2007.

The company has no other deviations from the code of practice.

13. Information and communications

13.1 The board of directors should establish guidelines for the company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.
13.2 The company should publish an overview each year of the dates for major events such as its annual general meeting, publication of interim reports, public presentations, dividend payment date if appropriate etc.
13.3 All information distributed to the company's shareholders should be published on the company's website at the same time it is sent to shareholders.
13.4 The board should establish guidelines for the company's contact with shareholders other than through general meetings.

The aim of the guidelines for the company's information policy is to contribute to correct pricing of Marine Harvest shares by giving the stock market in-depth, relevant and accurate information about the company and its activities.

Marine Harvest attaches much importance to having an open dialogue with actors in the stock market. Relevant information is presented in the form of press releases and in special cases also through special notifications to shareholders, and also pursuant to section 23-2 of the Stock Exchange Regulations. Moreover, special presentations are also given to investors and analysts. An overview of dates for important events can be found under the financial calendar on the company's website, www.marineharvest.com.

It is an absolute requirement in the company's guidelines that IR activities shall strengthen the company's credibility and confidence in the stock market by enabling all stakeholders to have access to the same information.

IR instructions have been produced that deal with the company's contact with shareholders outside the general meeting. All media enquiries that can be linked to Marine Harvest ASA and assignments linked to the group shall be channelled to the group CEO or a person designated by him. All media enquiries concerning operational issues connected to the various business areas of the group may be answered by, in addition to the group CEO, the person in charge of the area, nevertheless always within the media policy in force.

The company has no deviations from the code of practice.

14. Take-overs

14.1 The board of directors should establish guiding principles for how it will act in the event of a take-over bid.
14.2 During the course of a take-over process, the board of directors and manage ment of both the party making the offer and the target company have an independent responsibility to help ensure that shareholders in the target company are treated equally, and that the target company's business activities are not disrupted unnecessarily. The board of the target company has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.
14.3 The board of directors should not seek to hinder or obstruct take-over bids for the company's activities or shares unless there are particular reasons for this. In the event of a take-over bid for the company's shares, the company's board of directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

14.4 If an offer is made for the company's shares, the board of directors should issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the board finds itself unable to give a recommendation to shareholders on whether or not to accept the offer, it should explain the background for not making such a recommendation. The board's statement on a bid should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific member of the board have excluded themselves from the board's statement.
The board should consider whether to arrange a valuation from an independent expert. If any member of the board or executive management, or close associate of such individuals, or anyone who has recently held such a position, is either the bidder or has a particular personal interest in the bid, the board should obtain an independent valuation in any case. This shall also apply if the bidder is a major shareholder. Any such valuation should be either appended to the board's statement, be reproduced in the statement or referred to in the statement.
14.5 Any transaction that is in effect a disposal of the company's activities should be decided by a general meeting, except in cases where such decisions are required by law to be decided by the corporate assembly.

The company has established a contingency plan for any take-over bids. The contingency plan includes the practical steps the management and the board of directors shall undertake in a take-over bid situation. The plan deals with all the items listed in the code of practice.

The company has no deviations from the code of practice.

15. Auditor

15.1 The auditor should submit the main features of the plan for the audit of the company to the board of directors annually.
15.2 The auditor should participate in meetings of the board of directors that deal with the annual accounts. At these meetings the auditor should review any material changes in the company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company.
15.3 The auditor should at least once a year present to the board of directors a review of the company's internal control procedures, including identified weaknesses and proposals for improvements.
15.4 The board of directors should hold a meeting with the auditor at least once a year at which neither the chief executive nor any other member of the executive management is present.
15.5 The board of directors should establish guidelines in respect of the use of the auditor by the company's executive management for services other than the audit. The board should receive annual written confirmation from the auditor that the auditor continues to satisfy the requirements for independence.
In addition, the auditor should provide the board with a summary of all services in addition to audit work that have been undertaken for the company.
15.6 The board of directors must report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

The board of directors strives to have close and open cooperation with the company's auditor. The board obtains annual confirmation that the auditor satisfies the independence and objectivity requirements pursuant to the Auditors Act. The main features of the auditor's planned work are presented to the board once a year. The board here particularly assess whether the auditor exercises an adequate control function. Guidelines have been produced that regulate management's access to use the auditor for other services than auditing. The guidelines are based on circular 23/2003 from the Financial Supervisory Authority of Norway, relating to management access to use the auditor as a consultant.

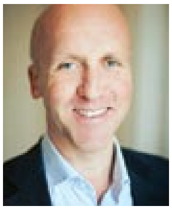
The auditor participates at board meetings that deal with the annual accounts. The board also has meetings with the auditor at least once annually to review the auditor's report on his or her view on the company's accounting principles, risk areas and internal control procedures.

The auditor's fee is divided between auditing and other services as mentioned in note 3, Marine Harvest ASA, in the annual report.

Up to now, no practice has been established that at least one meeting should be arranged annually between the auditor and the board without the attendance of the group CEO or other members of the executive management. This is not part of the auditor's instructions. The board shall ensure this is implemented starting in 2007.

The company has no other deviations from the code of practice.

Group management

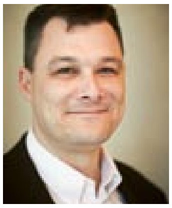


Atle Eide (born 1957)
CEO

Nationality: Norwegian
Education: Economics degree from Agder University College/ Norwegian School of Management (BI) 1981.
Experience: Eide comes from the position as CEO of the "old" Pan Fish Group. He has previously held positions as CEO Kverneland Group, CEO Hydro Seafood, Managing Director Skretting (Nordic Operations) and Executive Vice President Eikmaskin Group.
Board appointments: Former board member or chairman of various companies/organisations including Energivekst (Hitech Vision), Statkorn Holding (Cermaq), Norway Royal Salmon, Alsaker Fjordbruk, SalMar, Fokus Bank ASA , FHL and FHL Aquaculture.

Trine Sæther Romuld (born 1968)
CFO

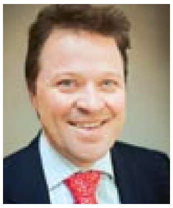
Nationality: Norwegian
Education: Certified Public Accountant from the Norwegian School of Economics and Business Administration (NHH) in 1993.
Experience: Romuld has 9 years experience from Ernst & Young AS and Arthur Andersen & Co, where she carried out audit and advisory work for large and medium-sized companies. She has also 4 years experience in Transocean Inc where she was Finance Manager for the Norwegian part of the business. This provided her with extensive operational, financial and management experience. She joined Pan Fish as Group Controller in September 2003, she was appointed CFO August 2004.
Board appointments: EMGS ASA



Peter Gillies (born 1965)
Director Human Resources
Nationality: American by birth and holds Dutch and US citizenship
Education: Master's and doctorate in business (organizational psychology).
Experience: Gillies' previous position was Director of Learning & Development at Nutreco BV in the Netherlands and his back ground includes a number of general management positions in the information technology, automotive, and construction industries. He has broad experience with all aspects of organizational development.
Board appointments: W. C. Redmon Co. (2001–2005)

Petter Arnesen (born 1957)
Technical Director
Nationality: Norwegian
Education: Master of Science and Ph.D from the Norwegian University of Life Sciences (UMB)
Experience: Arnesen has long experience in the aquaculture industry and aquaculture research. He held the position in Fjord Seafood of Vice President of Corporate Quality and Feed. He has also held international executive positions, including BioMar in Chile as Executive Director, and BioMar as R&D Director, plus a number of other related capacities including researcher at the Institute for Aquaculture Research (Akvaforsk).

Thomas Farstad (born 1971)
Director Business Development & Strategy
Nationality: Norwegian
Education: MBA from INSEAD in France (2001) and a MSc. in Engineering from MIT, USA (1996).
Experience: Farstad was Managing Director of Fjord Seafood Norway up until the merger with Pan Fish. His background includes Director Strategy and Business Development at Fjord Seafood, Associate at McKinsey & Co., and Project Engineer at Aker Maritime.



Arne Hjeltnes (born 1963)
Director Communication
Nationality: Norwegian
Education: MBA studies in marketing at the Norwegian School of Management (BI), Oslo (1982–86).
Experience: Hjeltnes was Director of Tourism for Innovation Norway in New York before he joined Marine Harvest ASA (former Pan Fish ASA) as a board member and consultant in July 2006. From 2002–2005 Hjeltnes held the position as Chief Representative, Norwegian Seafood Export Council, in Southeast Asia. He brings comprehensive experience within both the marketing and seafood industry.
Board appointments: Voss Water ASA, Special Olympics Norway.

Extended group management:

Marit Solberg (born 1956)

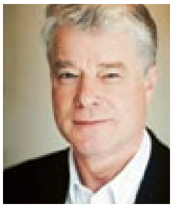
Managing Director Norway

Nationality: Norwegian

Education: MSc. in Microbiology from University of Bergen

Experience: Solberg held the position as Managing Director of Marine Harvest in Norway. She has long experience in the aquaculture industry and was Regional Director for Marine Harvest Norway for several years and previously held senior management positions in Hydro Seafood as well as MOWI AS. Since 2002 Solberg has managed the extensive and highly successful turnaround of the Marine Harvest operations in Norway. She has a wide background in technical and production areas as well as merger and change management experience.

Board appointments: Present Board member of Norwegian Seafood Federation Aquaculture (FHL).



Torben Petersen (born 1946)

Managing Director Chile

Nationality: Danish

Education: M.Sci. Chemical Engincering (1970) from The Technical University of Denmark (DTH) and Ph. D. (1974) from The Danish Academy of Technical Sciences.

Experience: Petersen held the position of Executive Vice President Americas for Fjord Seafood. He has many years experience in aquaculture with former positions as CEO of Fjord Seafood Chile and Managing Director of Compania Pesquera Camanchaca, Camanchaca Seafood Division. Petersen has also served in Greenland Home Rule as a consultant, Manager of Production and Development at Pesquera Inquique and General Manager at Joint Trawlers.

Vincent Erenst (born 1958)

Managing Director Canada

Nationality: Dutch

Education: BSc. Biology of the State University of Groningen, The Netherlands (1981), MSc. Biology with specialization in aquaculture & fisheries of the Wageningen University, The Netherlands (1987)

Experience: Erenst held the position as Managing Director North America for Marine Harvest. He has vast aquaculture understanding coupled with wide international experience, most recently in Ecuador where he was Managing Director of Enaca, a large tilapia producer. Erenst has served as Managing Director in six different countries and has gained valuable experience in mergers and integrations as well as change management.

Jo Dekeyzer (born 1967)

Managing Director VAP

Nationality: Belgian

Education: Master degree in Electro-Mechanical Engineering. (also qualified in process analysis and supply chain management).

Experience: Dekeyzer held the position as Managing Director for Fjord Seafood Europe. He brings great experience in Operations management, processing and market knowledge. Dekeyzer has had a varied career within the added value seafood business, serving in senior management positions in Fjord Seafood, Executive Director for Operations in the Pieters Group, and as Technical Manager in Morubel NV.

Board appointments: Different appointments in group companies.

Alan Sutherland (born 1959)

Managing Director Scotland

Nationality: Scottish

Education: Bachelor of Science degree from the University of Aberdeen in Zoology (1982).

Experience: Sutherland held the position as Production Director of Pan Fish Canada. He has a long history in aquaculture having worked in a number of positions internationally including Production Manager in Canada, US and Scotland for Pan Fish and Farm Manager for Kendal Fish Farms, Selcoth Fisheries, and Rothesay Seafoods.

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