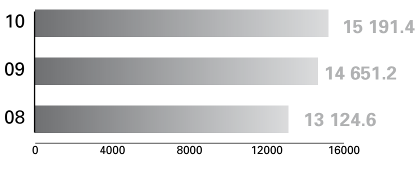
2010

ANNUAL REPORT
MARINE HARVEST

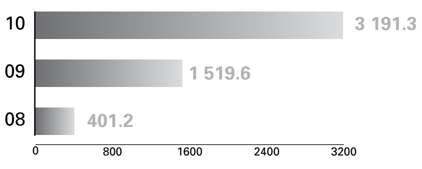
marine harvest
excellence in seafood

KEY FIGURES	2010	2009	2008
Revenue and other income (NOK million)	**15 191.4**	14 651.2	13 124.6
Harvest volume of salmonids (HOG). tons	**295 683**	327 100	326 864
Operational EBITDA (NOK million)	**3 844.4**	2 207.3	1 086.5
Operational EBIT (NOK million)	**3 191.3**	1 519.6	401.2
Profit or loss for the year (NOK million)	**3 108.5**	1 302.2	-2 852.0
Operational EBITDA margin	**25.3 %**	15.1%	8.3%
Operational EBIT margin	**21.0 %**	10.4%	3.1%
Total assets (NOK million)	**23 528.8**	20 389.3	22 736.4
Net interest-bearing debt (NOK million)	**5 218.0**	5 075.0	7 740.6
Total equity (NOK million)	**12 570.7**	11 460.5	9 624.6
Equity %	**53.4 %**	56.2%	42.3%
ROACE	**19.7 %**	6.2%	-7.7%
Cash flow from operations (NOK million)	**2 599.6**	2 369.8	1 286.2
Net cash flow (NOK million)	**146.8**	-200.4	10.0
Earnings per share (NOK) - basic and diluted	**0.87**	0.37	-0.82
Share price (high)	**6.44**	4.82	4.26
Share price (low)	**4.24**	1.05	0.97
Share price at year-end	**6.17**	4.23	1.05
Number of shares at year-end (million)	**3 574.9**	3 574.9	3 478.9
Market value (cap) at year-end (NOK million)	**22 057.1**	15 121.8	3 652.8
Number of employees at year-end	**5 058**	4 947	7 071

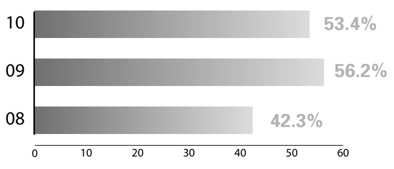
REVENUE AND OTHER INCOME
(NOK MILLION)



OPERATIONAL EBIT
(NOK MILLION)



EQUITY %



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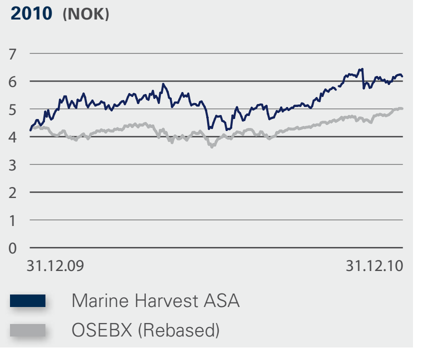
Main events

Strong demand
Strong underlying demand and tight global supply resulted in a solid market and increased prices for salmon in 2010

New long term financing
Secured 5 year financing, including a EUR 600 million bank facility and a EUR 225 million convertible bond at competitive terms

Chile returned to profitability
Marine Harvest Chile successfully adapted to a lower activity level and achieved an operational EBIT of NOK 110 million in 2010, compared to a loss of NOK 466 million in 2009

Harvest volume
296 000 tons gutted weight harvested in 2010, a reduction of 10% compared to 2009. The reduction was mainly a result of the downscaling to reduce risk in Chile

Share price development


Cash dividend proposed
The company paid out NOK 0.60 in dividend during 2010. Dividend of NOK 0.80 per share has been proposed for the AGM in May 2011

Strong financial position
ROACE of 19.7%. Net interest bearing debt (NIBD) remained stable and ended at NOK 5 218 million while the NIBD/Equity ratio was reduced from 0.44 to 0.41

New CEO
Alf-Helge Aarskog took up his position as CEO in Marine Harvest ASA as of July 19, 2010

Dear shareholders

2010 was a very good year for Marine Harvest, with improved performance in Marine Harvest Norway and return to profitability in Marine Harvest Chile. Substantial efforts have been put in to achieve these improvements, and I am proud of what we have accomplished during the year.

The net profit amounted to NOK 3 108 million in 2010, compared to NOK 1 302 million in 2009. The improved profitability was a result of strong global demand for salmon, and improved price achievement for Marine Harvest Norway. The cash flow from operations was NOK 2 600 million, compared to NOK 2 370 million in 2009. In contrast to 2009, we started building up biomass again in 2010 and increased investments in biological assets with approximately NOK 900 million. Based on the good results in 2010 and strong contract prices for 2011, the board has proposed a dividend of NOK 0.80 per share for the AGM in May 2011.

IMPROVED PROFITABILITY IN NORWAY

With a strong market for salmon, our aim has been to improve the price achievement and reduce the cost level in Norway. We have started a three year investment program in freshwater capacity to improve smolt quality, reduce smolt cost and increase flexibility, to be able to produce larger smolt. This is part of the solution to reduce mortality and improve capacity utilisation in sea water. We continue our work to shift production to sea water sites with better growth conditions and reduced environmental impact. In 2009, we took a clear position on the need for improvements in industry conduct and the need for stricter regulation in Norway, to reduce bio-security risks and environmental impact. In parallel, we shifted our strategy for sea lice mitigation, in order to reduce the dependency of medication. In 2010, we have seen the first results of improved industry co-operation, a gradual shift in regulations with better zoning, and good results from our use of cleaner fish (ballan wrasse). There are, however, still unsolved challenges, specifically with regard to Pancreas Disease and sea lice, and we need further improvements to reduce the risks in these areas.

We have excess license capacity for production growth in Norway, and therefore increased smolt stocking in 2010. We will increase our smolt stocking also in 2011, and we expect growth in harvest volumes in 2011 and 2012. Further improvement in capacity utilisation can be achieved through reduced mortality and better operations. Improved capacity utilisation, investments in our freshwater operations, the move towards larger and better sites, and operational improvements, should reduce the production cost with approximately NOK 1.50 per kilo from 2010 to 2014. Marine Harvest Norway is on track to deliver the cost reductions announced in September 2010.

With the current regulatory regime, we have limited potential for growth through acquisitions. We will however acquire smaller operations where the price is right and we can achieve improvements to bio-security in specific areas. We believe the current Norwegian ownership regulations are in conflict with the EEA-agreement, and we have filed a complaint with the EFTA Surveillance Authority to bring about a change in these regulations.

RETURN TO PROFITABILITY IN CHILE

We sold 10 500 tonnes gutted weight of our own Chilean salmon in 2010, down from close to 100 000 tonnes in the peak year 2006. At this stage, it is more important for us to maintain good biological conditions in Chile, than to grow quickly. We stocked only 8 million smolt in 2010, and we will continue to focus on quality of operations, bio-security, fish health and better yield per smolt. A too rapid growth will often lead to increased health risks for the fish and we will not contribute to this.

The biological status in our farms was very good in 2010. We have succeeded in achieving profitability in Chile, with a smaller organisation adapted to the current situation. We will continue to invest in hatcheries in Chile, to secure access to good quality smolt and prepare for future growth.

If the biological situation continues to develop favourably, we see great potential for our Chilean operations with increased demand for salmon in Brazil and other markets in the near proximity to Chile.

STRENGTHENING SALES AND MARKETING

The large shifts in global sourcing of salmon caused by the collapse in Chile, has confirmed that there is a global market for salmon. With production in six countries on three continents and unrivalled sales and logistics operations, Marine Harvest has proven the market value of capacity, flexibility and global reach. To maximise the benefits of this global market reach, and further strengthen our market orientation, Marine Harvest will in 2011 reorganise its sales and marketing activities. We change from one sales organisation in every country of production to one global sales organisation where all sales, marketing and value-added production are gathered under one umbrella. Our ambition is to utilise our size, network and competence to improve market intelligence, sales effectiveness, logistics, product development and marketing.

The new sales and marketing organisation will have activities in more than 20 countries. The main areas of operations are Europe, the Americas and Asia.

A part of this new organization is value added production. Marine Harvest has value-added production in France, Belgium, Holland, Poland, Japan, Chile, and in the USA. We believe that developing consumer friendly products in cooperation with key retailers, will be important for the future and will continue to develop this segment of the business. Salmon has been farmed for a little over forty years, and still has a good potential for product development.

GOOD DEVELOPMENT WITH REGARD TO THE GROUP'S GUIDING PRINCIPLES – THE 4P'S

In 2010, we met many of our ambitions as derived from our guiding principles. Improved profitability, good solidity, reduced dependency on marine raw materials and reduced use of antibiotics were favourable accomplishments during the year. With regard to employee safety, we saw significant improvements compared to 2009, with a reduction in the number of accidents per million hours worked of 38%. Our ambition is a further steep reduction in lost time incidents in 2011, and actions to accomplish this will be my top priority.

POSITIVE OUTLOOK FOR 2011

2010 was a good year for Marine Harvest. Global demand for our product is strong. We have returned to profitability in Chile and are on course to reduce costs in Norway. Our long-term efforts to secure a sustainable development of our industry are gaining momentum, and we have taken the first step to strengthen our global sales and marketing operations.

Marine Harvest has achieved a strong financial position. We are returning a good direct return on investments to our owners, while increasing investments in order to achieve long-term sustainable growth. From 2009 to 2010, capital expenditure was increased from NOK 650 million to NOK 1 billion.

The outlook for 2011 is prosperous. We expect a substantial increase in our harvest volumes and have already secured a high contract share on prices up to NOK 40 per kg for 2011.

Marine Harvest's ambition is to be the leading seafood company, globally. We believe there is a significant potential for improvements in our industry, and that taking a leading role will prove profitable. Our key priorities in 2011 will be employee safety, operational excellence, reduced biological and environmental risks, and strengthening our sales and marketing efforts.

Afl-Helge Aarskog

Marine Harvest's guiding principles and corporate ambitions

Profit
Attractive financial results

People
Safe and meaningful jobs

Product
Tasty and healthy seafood providing customer value

Planet
Sustainable and environmentally responsible development

The corporate mission of "Seafood for a Better Life" and four closely interrelated guiding principles are defined to assist the Group in its decision making. The 4 P principles cover Profit, People, Product and Planet.

Profit: "Attractive financial results"
People: "Safe and meaningful jobs"
Product: "Tasty and healthy seafood providing customer value"
Planet: "Sustainable and environmentally responsible development"

To each of the principles there are stated ambitions that will serve different purposes:

- The ambitions will determine the target setting with regard to performance throughout the organisation. 2010 was the first year where this system was rolled out in a systematic manner
- The principles and ambitions are embedded in the budget process and drive performance
- The Group's risk assessment and internal control processes are linked to the Group's ambitions, plans and risks with regard to reaching the targets

Through the established group-wide quality program, Qmarine, Marine Harvest continuously develops and implements procedures to improve operational efficiency and effectiveness, increase quality and reduce risks. The introduction of the four guiding principles gives an overall strategic perspective and stricter priority to the continuous improvement efforts already ongoing, through the work with Qmarine and other group efforts.

By integrating the principles in the business processes, Marine Harvest will, in a systematic way, ensure that the principles contribute to the development of the company as the leading seafood company and add to value creation.

In February 2011, the Group decided to change the organisation from a geographic to a functional structure with two business units; Farming and Sales and Marketing. The purpose of the reorganisation is to focus the Group's activities to improve coordination, development of best practices and value creation. The reorganisation of the Group's technical team is expected to contribute further to transfer of best practices and value creation. All in all, it is expected that the new organisation will contribute to improved margins and overall performance going forward.

The 2010 achievements and the 2011 priorities with regard to the four guiding principles are:

	Guiding Principle	Ambitions	2010 Achievement	2011 Priorities
Profit	**Profitability**	Deliver a ROACE of at least 10% over a cycle (4-5 yrs)	• ROACE 19.7% for the year • Return to profitability in Chile • Improved operations in Norway	• Extensive CAPEX program to improve efficiency • Careful rebuilding of the Chilean operations
	Relative competitiveness	Be the most profitable listed farming company over a cycle	• Reduced the gap in ROACE compared to the best performer, but still room for improvement	• Capitalising on new organisation • Key priorities linked to margin improvement and transfer of best practice • Optimising the portfolio
	Solidity	NIBD/Equity ratio below 0.5	• NIBD/equity of 0.41 • Secured 5 years financing at competitive terms	• Remain well within the solidity target while: - Running a high CAPEX program and - Delivering competitive dividends
People	**Employee safety**	Be the safest in the sector	• Harmonised reporting • LTI per million hours of 10.9 a reduction of 38% compared to 2009	• Run safety programmes • Reduce LTIs per million hours with 30% compared to the 2010 level
	Culture	A culture supporting development of employees and driving Group wide best practice	• Trained employees for the rebuilding of Marine Harvest Chile • Transfer of best practices between units	• Secure the benefits of the new functional organisation • Further develop best practice networks
Product	**Food quality and safety**	Supply seafood with valuable health benefits, preferred for quality and documented safety	• Established minimum level of omega-3 fatty acids in all Marine Harvest salmon	• Improve product control • No compromises with regard to the minimum omega-3 level
	Customer value	Be the preferred supplier that exceeds customers expectations based on product knowledge and supply chain expertise	• Integrated supply chain with the most important customers	• Capitalise on the new sales and marketing business unit to become the preferred global supplier
Planet	**Feed sustainability**	Only use marine feed ingredients certified as sustainable and reduce dependency on marine proteins	• Reduced dependency on marine raw materials	• Continue to look for marine raw material substitution alternatives • Document possibilities and implications of increased substitution
	Environmental impact	Activities shall not leave lasting footprints in the environment	• 15 escape incidents in 2010 (same as in 2009) • Use of antibiotics (mainly Chile) reduced by 14% to 28.1 g/tonne produced	• Zero escapes • Further reduction in the use of antibiotics
	Fish health	Reduce risk of disease outbreaks and implications	• Worked closely with the industry, authorities and academia to control PD, ISA and sea lice. • No ISA outbreaks in Chile in 2010 • Improved sea lice situation in Norway compared to year-end 2009	• Continue all initiatives • Support the coordinated sea lice research programmes in Norway • Contribute actively to grow the Chilean production in a sustainable way

Board of Directors Report

Strong demand and high prices, combined with better operational performance, contributed to improved operational EBIT, compared to 2009.

The Board would like to thank the employees for their efforts and contributions to make Marine Harvest a leading seafood company.

STRONG MARKETS AND OPERATIONAL IMPROVEMENT

Marine Harvest achieved significantly higher margins in 2010, compared to 2009, due to strong demand and a global reduction in harvest volumes, combined with improved operational performance. The reduction in harvest volumes was driven by the volume reduction in Chile as a result of the ISA-related challenges. Prices in the market currencies (EUR and USD) increased significantly during the year. The Norwegian reference price in EUR had the most substantial increase with 35%, while the reference price in North America in USD increased by 16% and 28% for Canadian and Chilean salmon respectively. The favourable market conditions are expected to continue in 2011.

Successful transition in Chile

In Chile, Marine Harvest successfully adapted to a lower activity level. The Board would like to thank the Chilean team for their efforts in the transition period and for their focus on reducing the negative impact of the substantial downscaling process on people and the society. Marine Harvest Chile's effort to help former employees in their pursuit of new employment was recognised with a Corporate Social Responsibility Award in 2010. A gradual process to rebuild the operations in Chile was started during the year with stocking of 8 million smolt. Preparation for growth has also been initiated through approval of major fresh water investments, to reduce the operational risks and create a more predictable operational regime going forward.

New long-term financing

During the first half of 2010, Marine Harvest successfully secured a 5 year financing including a EUR 600 million bank facility and a EUR 225 million convertible bond, at competitive terms. The Group targets a net interest-bearing debt/equity ratio of less than 0.5 and at year end 2010, the ratio was 0.41. The Company also defined its dividend policy during the year, stating that at least 75% of the annual free cash flow after operational and financial commitments should be distributed when the solidity target is met. Through the year, the Company was able to combine a strong dividend capacity with a substantial increase in capital expenditure and biomass build-up and paid out NOK 0.60 per share in dividend in 2010. For the annual general meeting in May, a dividend of NOK 0.80 per share has been proposed.

Challenging year for Marine Harvest VAP Europe

Marine Harvest VAP Europe experienced a challenging year in 2010 due to the substantial increases in raw material prices. End product prices were increased during the year to improve margins. The unit was successful in increasing the prices for products in the modified atmosphere packaging (MAP) and fresh bulk categories, while frozen and smoked products were more challenging. In order to support customer growth in a category where the company has a strong track record, investment in a new MAP processing facility in Boulogne has been approved. The new plant will be completed during 2012.

Investments for the future

Marine Harvest initiated a substantial upgrade and expansion plan for the fresh water and processing areas in 2010. Marine Harvest Norway and Marine Harvest Canada are already well underway with their upgrades, while Marine Harvest Scotland and Marine Harvest Chile will start their execution in 2011. Total investments for 2010 amounted to close to NOK 1 billion, an increase of more than 50% from 2009. The expected capital expenditure level for 2011 of NOK 1.1 - 1.2 billion will make Marine Harvest a stronger, safer and more efficient company.

Stocking growth in Marine Harvest Norway

As Marine Harvest Norway, within the existing capacity, has potential to grow, smolt stocking was increased by 10% from 2009 to 2010. This will contribute to a significant increase in harvest volume in 2011. The increase will help Marine Harvest regain lost market share from the years of limited stocking increases.

Capital Markets Day

Marine Harvest arranged its first Capital Markets Day in Stavanger on 7. September 2010. At this event, the Company announced its new business plan to rebuild the Chilean operations and the targets for EBIT cost reductions in Norway. The cost targets are a reduction of NOK 0.50 per kg gutted weight from the second half of 2010 to the second half of 2011, and NOK 1.50 per kg gutted weight from the second half of 2010 to 2014, given the same feed price and biology. The company is on track to achieve the cost reduction for 2011.

Increasing feed raw material prices

Feed raw material prices increased during 2010. Fish meal prices remained at a high level throughout the year, while fish oil prices, which were reduced in the beginning of the year, reached record levels by year-end. Marine Harvest works together with the feed suppliers on a continuous basis to mitigate the impact of higher input costs and make production less dependent on fish meal and fish oil. The shortage in fish oil and fish meal is expected to continue.

Satisfactory biological situation

The biological situation was stable and satisfactory in 2010. There are still areas with reduced sensitivity or resistance to lice treatment in Norway, but the average sea lice level was lower at year end 2010 than at year end 2009. Marine Harvest has stepped up its participation in industry wide mitigation initiatives to improve the situation, including the search for a long-term solution. Marine Harvest welcomes the initiatives from the Gullestad report, recommending to split the coast of Norway into zones with upper limits to production and measures to control lice and escapes. This will promote further consolidation in the industry, a direction supported by Marine Harvest. There is currently an ownership limitation of 25% of total licensed biomass per company for salmon and trout farming set by Norwegian regulations. Marine Harvest holds the opinion that this regulation is in conflict with articles 31 and 40 in the EEA-agreement and has consequently filed a formal complaint with EFTA's surveillance authority (ESA).

Marine Harvest had no ISA outbreaks in Chile in 2010 and the biological conditions in Chile were in general favourable, contributing to good growth and low mortality. The Group's challenges related to Pancreas Disease (PD) were limited during the year. Algae blooms caused some mortality in Canada and Chile in 2010, but the financial consequences were limited. All in all, the biological situation at the start of 2011 is good.

Code of conduct and safety initiatives

During 2010, Marine Harvest rolled out the Code of Conduct to the operating units. The code sets the standard for the employees' behaviour and what external parties should expect from Marine Harvest employees. It is the ambition that the code becomes a personal commitment by all employees and an audit process has been initiated to verify that the code is known and followed.

"People" is one of the four guiding principles in Marine Harvest and a key ambition over the last few years has been to reduce the number of lost time incidents (LTIs) per million hours worked. The achieved LTI frequency rate for 2010 was 10.9 which is a reduction of 38% compared to 2009. The target for 2011 is a reduction of 30% from the 2010 level. Companywide programmes are about to be launched to make Marine Harvest's performance in this area in line with the best industries.

MARKET

Global harvest volume of Atlantic salmon was approximately 1.3 million tonnes gutted weight in 2010, which constituted a drop of 1.7% compared to 2009.

The drop in global harvest volume was driven by a 46% decrease in Chilean volumes relative to 2009. The reduction in Chilean output was a result of the depletion of biomass during 2008 and 2009 due to the ISA disease. During 2010 Chile started to harvest volumes from generations of Atlantic Salmon released according to new stricter operating standards and in areas that had been fallowed for an extended period, which contributed to good biological results. Harvest volumes in Chile are expected to grow in the coming years. Harvest volume in Norway increased by 10.4% compared to 2009. The Norwegian salmon farming industry is approaching capacity under the current license structure and Norwegian authorities are not expected to review a capacity expansion until 2012. As a consequence, growth in harvest volumes in Norway is expected to be moderate in the coming years.

Due to strong demand and a tight global supply situation, prices in the market currencies (EUR and USD) increased sharply relative to 2009. As a result of currency movements, the prices translated into NOK increased at a lower rate. The reference price for Norwegian Atlantic salmon increased by 35% in EUR and by 24% in NOK. The reference prices for Chilean and Canadian Atlantic Salmon increased by 28% and 16% respectively in USD and 23% and 11% respectively in NOK.

When including movements in inventories, volume distributed to the markets totalled 1.3 million tons gutted weight in 2010, which constituted a drop of 4.1% relative to 2009. The reason for the drop was high sale from inventory in Chile during 2009 whilst supply to the markets was in line with harvest volumes in 2010.

With the exception of the Russian market, where consumption increased by 26.5%, consumption in all major markets was impacted by the global drop in supply from 2009 to 2010. The EU, (51% of the market for Atlantic salmon in 2010), experienced a drop of 3.7% and the US (18% of the market) experienced a drop of 8.8%. The US market has been particularly impacted by the shortfall in volumes from Chile as it historically has been the core market for Chilean producers. Increased export from European producers to the US market has, however, partly compensated for this shortfall. Brazil, which historically also has been supplied from Chile, experienced the most substantial drop with 31%. The Brazilian market is generally viewed as promising, and is expected to take a large share of Chile's incremental volumes going forward. Other markets showed good price competitiveness during 2010 and dropped by a lower percentage than the overall market.

FINANCIAL RESULTS

(Figures in parentheses refer to 2009)

The general trends in the results for the Marine Harvest Group in 2010 were:

- Solid demand in all markets combined with continued tight supply contributing to high prices throughout 2010.
- Marine Harvest Chile returned to profitability at low volumes, and showed a positive operational EBIT in 2010, compared to a substantial loss in 2009.
- Annualised return on average capital employed (ROACE) was high throughout 2010, which resulted in dividend distribution of NOK 2 145 million during 2010.

Operational results

The Group achieved substantially higher earnings, despite lower volume compared to 2009, due to high prices in all markets and the turnaround in Chile. Operating revenues for 2010 ended at NOK 15 191 million (NOK 14 651 million). Operational EBIT amounted to NOK 3 191 million for 2010, up from NOK 1 520 million in 2009. Earnings before interest and taxes (EBIT) were NOK 4 461 million (NOK 1 348 million).

Financial items

Net financial items amounted to a cost of NOK 209 million compared to an income of NOK 313 million in 2009. Net interest expense amounted to NOK 368 million (NOK 393 million) and net currency effects to NOK 367 million (NOK 682 million). The change in fair value equity conversion option amounted to NOK -246 million (not applicable for 2009) and the change in fair value interest swaps to NOK 68 million (NOK 32 million). Other financial items were NOK -30 million (NOK -8 million).

Financial position

Total assets were NOK 23 529 million at the end of 2010, an increase of NOK 3 140 million compared to the beginning of the year, where NOK 1 927 of the increase was related to biological assets. Total liabilities increased with NOK 2 029 million during 2010 to NOK 10 958 million. Net interest-bearing debt increased by NOK 143 million to NOK 5 218 million during 2010. Equity increase by NOK 1 110 million to NOK 12 571 million, while the equity ratio decreased from 56.2% to 53.4% during 2010.

Cash flow

Cash flow from operations was NOK 2 600 million (NOK 2 370 million), after a substantial build-up of both biomass and working capital during 2010. Cash outflow for investments was NOK 905 million, compared to NOK 586 million in 2009. The cash outflow from financial activities totalled NOK 1 546 million, composited mainly of proceed from convertible bond of NOK 1 820 million, net down payment of interest-bearing debt of NOK -1 057 million and distributed dividend of NOK -2 133 million.

Dividend

The Board of Directors will propose to the Annual General Meeting in May, a dividend of NOK 0.80 per share.

GOING CONCERN

The Board confirms that the financial statements are based on the going concern assumption in accordance with section 3 – 3a of The Accounting Act. The confirmation is based on the results reported, the Group's business strategy, the financial situation and the budgets established.

ANNUAL RESULT ALLOCATION

To the Annual General Meeting, the Board will propose the following allocation of the net earnings in Marine Harvest ASA for the year:

Net income	NOK	2 363 million
Proposed dividend	NOK	-2 860 million
Transfer from other equity	NOK	497 million

Equity available for distribution amounts to NOK 6 074 million as of 31 December 2010.

OPERATIONAL PERFORMANCE – BUSINESS UNITS

Marine Harvest Norway

Marine Harvest Norway's performance in 2010 was strong. Operating revenues amounted to NOK 8 081 million in 2010 (NOK 6 856 million). The increase was due to high prices. The global reduction in harvest volumes as a result of the ISA challenges in Chile, combined with strong demand, contributed to a tight market for Atlantic salmon and substantial price increases during the year. Marine Harvest Norway achieved an average sales price FCA Oslo for all sizes and grades of NOK 33.84 in 2010, which was NOK 2.85 lower than the weighted NOS Superior spot price for the year. NOK 2.17 of this difference was due to lower prices on contract sales and NOK 0.94 was due to quality downgrades. Sales in the spot market had a positive effect on the average price achieved in 2010. The share of volume sold on external contracts in 2010 was 33%. The observed spot market price (NOS – Marine Harvest size distribution) was NOK 36.69 per kilo gutted weight in 2010 compared to NOK 30.22 per kilo gutted weight in 2009. The 2010 superior share was 90% (93%), due to some quality challenges related to winter wounds in the first half of the year. The total harvest volume in 2010 was 202 456 tonnes gutted weight (201 676 tonnes).

The export of fillets to the US market was high in the first half of 2010, when supply from Chile was very limited. In the second half of the year, increased harvest in Chile and strong European and Asian markets, shifted some of the Norwegian volume away from the US market.

Operational EBIT was NOK 2 338 million in 2010 (NOK 1 257 million). The main contributing factor was higher prices. Operational costs were NOK 0.14 per kilo gutted weight above 2009 due to additional lice mitigation costs of NOK 0.39 per kilo (NOK 0.09). Operational EBIT per kilo was NOK 11.55 in 2010 (NOK 6.23).

Marine Harvest Norway initiated a substantial upgrade and expansion plan for the freshwater and processing areas in 2010. The target for the freshwater investments is to reduce cost, secure the required capacity and optimise the stocking pattern. On the processing side, substantial investments have been made to increase the filleting capacity, in order to grow with the customer base.

Marine Harvest Norway has, within the existing license capacity, a potential to grow. Smolt stocking was therefore increased by 10% between 2009 and 2010. This will contribute to a significant increase in harvest volumes and improved efficiency in the operations in 2011.

At year end 2010, the sea lice count was lower than at year end 2009. Industry wide and company specific mitigation efforts, contributed to the improvement. In December 2010, the Norwegian Research Council announced the establishment of a Sea Lice Research Centre at the University of Bergen. Marine Harvest is one of the initiators behind the establishment of this centre and one of a few select industry players financing it.

PD mitigation efforts prevented spreading of this disease to new regions in 2010, and PD-related mortality was maintained at a low level during the year. The improved PD situation combined with other cost reduction efforts, have contributed to region West closing the gap in operational EBIT per kilo, compared to the best performing region in Marine Harvest Norway.

The average monthly mortality rate was 0.71% in 2010 (0.74%). Low seawater temperatures contributed to slower seawater production in the first half of the year, compared to 2009. Seawater growth picked up in the fall and contributed to a full-year average growth rate in line with the 2009 level.

Marine Harvest Chile

Marine Harvest Chile successfully adapted to a lower activity level during 2010, after years of challenges due to the effects of the Infectious Salmon Anemia virus (ISAv). Marine Harvest early recognised the detrimental effects the ISA situation had on the local community and put effort into helping former employees in their pursuit of new employment. As recognition for this effort, Marine Harvest Chile received a Corporate Social Responsibility Award. Several key employees were also trained in Marine Harvest's global organisation to prepare for the rebuilding of Marine Harvest Chile.

8 million smolt were stocked in Chile in 2010, and the company will follow the communicated plan of stocking another 8 million smolt in 2011. Until the biology is under control, only a limited number of the company's available seawater sites will be in operation. Substantial investments in increased land-based freshwater capacity have been initiated in 2010, in order to reduce the operational risks and create a more predictable operational regime going forward.

Operating revenues in Marine Harvest Chile were NOK 2 296 million in 2010 (NOK 2 293 million) due to significantly higher prices and partial compensation of lower volumes from Chile through sales of Norwegian and Scottish salmon via the business unit's sales offices in the US market. The prices in the Brazilian as well as the US markets were strong in 2010. Good quality and favourable harvest weights contributed to very high prices achieved. The superior share was 91% (76%). Marine Harvest sold 10 570 tonnes gutted weight of its own Chilean produced salmon in 2010 (36 204 tonnes).

Operational EBIT amounted to NOK 110 million in 2010 (NOK -466 million) driven by high prices, favourable cost development and very good seawater growth, contributing to higher than expected sales volumes. The 2009 figure include NOK 236 million in write-downs related to freshwater culling and costs above the realisable value. Of the 2010 operational EBIT, NOK 63 million was generated by the farming operations, while the sales and processing units in the US and Chile contributed with NOK 47 million. Operational EBIT per kilo for Marine Harvest Chile farming was NOK 5.94.

The average monthly mortality rate was 0.54% in 2010 (2.53%). Seawater growth was very good and the average size of fish harvested during the year was 5.08 kilo gutted weight (2.91). There were no outbreaks of ISA in Marine Harvest Chile in 2010.

Marine Harvest Scotland

For Marine Harvest Scotland, 2010 was a satisfactory year, despite profitability being negatively affected by lower harvest volumes and a high share of fixed price contracts. Operating revenues were NOK 1 179 million (NOK 1 219 million). The average price achieved, in local currency and in NOK, increased by 16% and 11% respectively between 2009 and 2010. The high contract share of 74% (67%) prevented the unit from fully capitalizing on the market price increases during the year. Although prices in the spot market were significantly higher than the average contract prices in 2010, the strong relationship with contract customers continues to secure good and predictable return for Marine Harvest Scotland, and contracts with the main customers have been renewed at high prices for 2011.

The volume harvested in 2010 was 33 136 tonnes gutted weight, a reduction of 12% compared to 2009, due to lower smolt stocking in 2008 compared to 2007. The stocking increased by 28% between 2008 and 2009 and as a result, the harvest volume is expected to increase substantially in 2011. This is a step in the direction of bringing Marine Harvest Scotland to a level of 50 000 tonnes gutted weight harvested per year. The quality of harvested fish was good, with a superior share 92% (94%).

Operational EBIT in 2010 was NOK 296 million (NOK 273 million). Operational EBIT per kilo gutted weight ended at NOK 8.94 (NOK 7.23). The improvement was a result of more favourable prices. Operating costs increased between 2009 and 2010 mainly due to higher feed cost. Limited flexibility in the composition of feed raw materials, as a result of end product contract specifications combined with increasing feed raw material prices in general, are the main contributing factors to the cost increase.

Investments in a recirculation hatchery, enabling production of 5 million smolt and 5.8 million fry, has been approved to facilitate the planned production growth in Marine Harvest Scotland. The hatchery will be completed during 2012.

The average monthly mortality rate was 0.49% (0.64%). Seawater growth was very good in 2010.

Marine Harvest Canada

Marine Harvest Canada benefitted from favourable prices in the US market, although the strengthening of the CAD towards the USD and a low superior share negatively impacted the price achievement in 2010. Operating revenues were NOK 1 370 million in 2010 (NOK 1 272 million). The average price achieved in CAD was 9% higher than in 2009. During 2010, Marine Harvest Canada partly harvested fish from the Campbell River area, an area that has been negatively affected by soft flesh caused by the parasite Kudoa thyrsites. Total costs related to discards and claims as a result of soft flesh, amounted to NOK 24 million/NOK 0.72 per kilo harvested in 2010 (NOK 63 million/1.72 per kilo harvested). The harvested volume was 33 547 tonnes gutted weight (36 537 tonnes). The superior share was low at 80% due to maturation/reduced flesh colour and bruises (78%).

Operational EBIT was NOK 223 million in 2010 (NOK 207 million). More favourable prices had a positive impact, while operating costs increased due to slow growth during 2009. Operational EBIT per kilo harvested was NOK 6.65 per kilo gutted weight (NOK 5.67).

During 2009 and 2010, Marine Harvest Canada invested in recirculation freshwater capacity to facilitate production of smolt at a lower cost, under stable and predictable conditions. The site will be fully operational in 2011.

The average monthly mortality rate was 0.41% in 2010 (0.51%). Seawater growth improved compared to 2009, but the unit still faces challenges in periods of low dissolved oxygen levels in the water. Changes in operating procedures have been initiated to improve growth.

HARVEST VOLUME (HOG) TONS SALMONIDS	Q1	Q2	Q3	Q4	FULL YEAR 2010
MH Norway	50 198	48 105	44 180	59 973	202 456
MH Chile [1]	1 412	1 645	740	6 773	10 570
MH Canada	10 835	6 791	6 432	9 489	33 547
MH Scotland	6 762	7 167	8 993	10 214	33 136
MH Ireland	2 706	3 035	2 325	2 491	10 557
MH Faroes	1 148	1 362	1 362	1 545	5 417
Marine Harvest	73 061	68 105	64 032	90 485	295 683

[1] Volume in Chile is sold volume.

Marine Harvest VAP Europe
Marine Harvest VAP Europe experienced a challenging year in 2010 due to the substantial increases in raw material prices. Operating revenues were NOK 4 496 million (NOK 4 192 million). The increase from 2009 is explained by a 9% increase in volume sold combined with an 8% increase in the average end prices achieved in EUR. Substitution towards less value added products (mix effect), negatively influenced the price achievement. Volumes sold in 2010 ended at 63 446 tonnes (58 159 tonnes).

The prices for salmon based end products increased by 19% from 2009 to 2010. The price increases were most pronounced in the modified atmosphere packaging (MAP) and fresh bulk categories, while frozen product prices took more time to adjust due to long-term, fixed price contracts. Sales prices for smoked salmon were the most challenging to increase, and as a result, the margin on smoked products fell substantially, compared to 2009. Despite high prices, sales of salmon based products increased 16% compared to 2009. Sales of salmon accounted for 69% of the total sales value in 2010 (63%).

Operational EBIT was NOK 155 million in 2010 (NOK 288 million). The raw material costs increased significantly during the year, especially for salmon, and Marine Harvest VAP Europe was only partially able to increase end product prices to compensate for the increase in raw material prices. Unlike 2009, the unit did not benefit from favourable fixed price contracts on salmon purchases in 2010. Other operating expenses in per kilo terms decreased compared to 2009, as the unit continued to increase operational efficiency and reduce the number of stock keeping units. Overall, the 2010 results for Marine Harvest VAP Europe were satisfactory, but Marine Harvest Poland experienced a very difficult year due to sales on long term contracts not meeting raw material market price increases. The 2010 operational EBIT margin for Marine Harvest VAP Europe was 3.4% (6.9%).

In order to support customer growth in the MAP category, investment in a new MAP processing facility in Boulogne has been approved. The new plant will be completed during 2012 and enable Marine Harvest to capitalise on the customer portfolio and grow in a category where the company has a strong track record.

Marine Harvest Other Businesses
Operating revenues for Marine Harvest other businesses amounted to NOK 1 764 million in 2010 (NOK 1 596 million). Operational EBIT was NOK 71 million (NOK -37 million).

For the sales unit Marine Harvest Asia, operating revenues ended at NOK 945 million (NOK 880 million) due to higher prices. Operational EBIT was NOK 13 million (NOK 21 million). In April 2010, Marine Harvest opened a processing plant for salmon in Tokyo, Japan. The plant was based on the experience from similar plants in Miami and Los Angeles. The ambition is to further increase sales in Japan by offering a high quality product with great flexibility.

Marine Harvest Ireland achieved operating revenues of NOK 479 million (NOK 387 million), mainly due to a 22% increase in harvest volumes. Harvest volumes for the year ended at 10 557 tonnes gutted weight (8 636 tonnes). Operational EBIT amounted to NOK 86 million (NOK 18 million). The organic salmon market remained strong in 2010. Operational EBIT per kilo gutted weight was NOK 8.15 (NOK 2.10).

Marine Harvest Faroes achieved operating revenues of NOK 210 million in 2010 (NOK 214 million). The unit benefited from favourable prices, but revenues were reduced due to 15% volume reduction. Operational EBIT amounted to NOK 66 million (NOK 31 million). Operational EBIT per kilo gutted weight was NOK 12.27 (NOK 4.91).

Sterling White Halibut achieved operating revenues of NOK 94 million in 2010 (NOK 84 million). High cost of harvested fish resulted in low margins in 2010 and the operational EBIT for the year ended at NOK -1 million (NOK 0).

HEALTH AND SAFETY
Employee safety and a healthy working environment is top priority on the Board's agenda. "People" is one of 4 guiding principles in the Marine Harvest Group, and a defined target is linked to employee safety. Marine Harvest's ambition is to be among the best, independent of industry, with regard to employee safety. First and foremost, this means providing an accident-free workplace. In 2010, the Group reported 123 Lost Time Incidents (LTIs), down from 219 in 2009 (and 450 in 2008). This translates into 10.9 LTIs per million hours worked, a reduction of 38% compared to 2009, but still far from an acceptable standard. To take additional steps towards reaching the safety target, systematic work and improvement projects are required in 2011.

The ambition is to reduce the number of LTIs per million hours worked by 30% from 2010 to 2011. To achieve this, attention at all levels is required. Safety is an important component in incentive systems throughout the Group. Safety management principles have been developed and communicated to all employees as part of the Code of Conduct. The Group safety network spreads best practice among business units. A task force has been organised to improve the performance of the European processing plants, with special focus on use of knives and ergonomics. Further improvement in the safety of work environments and work procedures are targeted for 2011. The personal, individual attitude to safety is also a crucial component in developing a safety culture. This is the focus of a major, multi-year Group safety initiative which will commence this year.

Actions to reduce sick leave produced an improvement in the overall absentee rate from 4.1% in 2009 to 3.8% in 2010. This positive development follows a sustained effort to work on raising awareness in this area, as well as systematic competence development, job rotation, and alternative work schemes, where appropriate.

The Board will continue to emphasise health and safety in 2011, recognising the imperative of improved performance in this area.

PEOPLE AND ORGANISATION, DIVERSITY AND EQUAL RIGHTS
People and Organisation
At the end of 2010, the Group had 5 058 permanent employees and 1 085 temporary employees. The focus in Chile moved from down-scaling to training and rebuilding during 2010.

In 2011, the Group will be reorganised from regional business units into two global functional organisations with focus, respectively, on farming and sales and marketing. This change will better equip the Group to exploit its scale and geographic reach in the global market for salmon, and further promote sharing, and transfer of best practice and technical improvements in farming. The priority for 2011 is to ensure the organisational implementation and create further value for the Group.

On 29 September 2010, the Board of Directors resolved to offer all permanent employees in Marine Harvest ASA and its Norwegian subsidiaries the opportunity to purchase shares in the Company within the scope of the Norwegian Tax Act §5-14 (The employees' opportunity to purchase shares at below market price). The relevant rules in the Tax Act provide the employees with a right to purchase shares with a rebate of up to NOK 1 500. Permanent employees in the Norwegian based entities were on this basis offered to purchase 1 467 shares in the Company at a price of NOK 5.12 per share having a total value of approximately NOK 7 500 against a purchase price of approximately NOK 6 000. At the end of the acceptance period 376 employees (30% of the employees in Norway) had accepted the offer to acquire shares in the Company.

Diversity and equal rights

Marine Harvest is committed to ensuring diversity in the Group. In the Group's Code of Conduct, non-discrimination has been pinpointed, stating that "All Marine Harvest activities shall be conducted without discrimination on the basis of race, ethnicity, national or other origin, disability, age, gender, sexual orientation, language, religion, or any other characteristic where a person is not treated as an individual". The Group's ambition is in accordance with the Norwegian Discrimination Act. Marine Harvest is working actively in the areas of recruitment, salary and working conditions, promotion, development opportunities and protection against harassment to reach this aim.

The fish farming industry has traditionally been an industry with a majority of male employees. As of end 2009, the shares of male and female employees were 68% and 32% respectively. In 2010, the Group had female managers in the senior management teams of most subsidiaries. The Group continues to work actively to promote diversity in senior management positions globally. In 2011, the top management team of Marine Harvest will be changed. Going forward, the team will have 4 members whereof 1 woman. Of the 10 members in the Marine ASA Board, there are 5 women.

RESEARCH AND DEVELOPMENT

Historically, Marine Harvest's research and development (R&D) activities have been organised and run by each business unit. To increase the benefit from the Group's R&D activities, systems for sharing of project results, as well as best practices across regions, have been further developed. A group-wide R&D strategy is currently under development. Good relations with, and support of, key research institutions is crucial to fulfil the strategy. Furthermore, Marine Harvest works closely with its suppliers to steer their respective R&D activities in a direction that meet our priorities and needs.

Marine Harvest's ambition is to be a driving force in R&D, targeting growth and profitability of the salmon industry within a sustainable framework.

Marine Harvest's R&D efforts are focused on food quality and safety, fish health and welfare, feed and feeding, environmental safety and operational improvement.

The largest development project running in 2010 was the farming of ballan wrasse for sea lice mitigation in Norway, with a yearly financial frame of NOK 10 million. This project has so far proved successful in controlling the critical first stages of the production cycle of ballan wrasse, and generating and disseminating essential knowledge in this regard.

In 2010, Marine Harvest concluded a larger technical project aimed at developing a new type of harvest boat for potential use in all regions. A transition, from use of open hatch well boats to use of harvest vessels or other closed transport systems, will have a positive effect on the risk of pathogen and sea lice spread.

2010 was the last year of a three year funding period for Marine Harvest in sequencing the Atlantic salmon genome. This is a NOK 60 million project, lead by an international consortium. Knowledge of the salmon genome is expected to be key for a better understanding of the salmon biology, and for different approaches to understand and improve e.g. disease resistance, performance, fish health and welfare.

In order to identify longer term mitigation approaches for sea lice management, Marine Harvest is involved in several global initiatives. In 2010, the Group increased its commitment to and involvement in sea lice research in areas of biotechnology, treatment optimisation, biological control and resistance management. Among the new projects that have been supported financially by Marine Harvest, is the sequencing of the sea lice genome. Marine Harvest also contributed to the establishment of a sea lice research centre in Norway.

In Canada, research and development efforts in 2010 have focused on Kudoa and the company participates in several programmes supported by public funding.

Marine Harvest operates a full-scale research station in Norway in cooperation with key suppliers. The main research undertaken at the station, the Centre for Aquaculture Competence (CAC), is related to sustainable feed, use of alternative (non-marine) feed ingredients and the effects on fish health, performance and product quality.

FACTORS THAT MIGHT INFLUENCE THE ENVIRONMENT

From a global perspective, the three largest sustainability challenges related to food production are emissions of greenhouse gases, use of scarce freshwater resources and the use of feed for animal protein production. These global challenges are mainly seen as opportunities for the salmon farming industry, as farmed salmon utilises significantly less feed and less freshwater than competing agricultural protein producers, and causes significantly lower emissions of greenhouse gases.

Regardless of this competitive advantage, Marine Harvest proactively pursues several initiatives to further improve the utilisation of limited sources of marine raw material in feed, and actively engages in projects to establish global standards to ensure sustainable sourcing of these raw materials. The Group's dependency on marine raw materials in feed is gradually being reduced, and through further advances in nutritional science it is expected that this trend will continue in the coming years.

Fish farming activities may have negative impact on the environment and Marine Harvest is determined to reduce these to an acceptable level. The Group categorizes the impact into two areas; potential environmental impact, like pollution from water discharged into a municipal sewage system, and potential community impacts, like odour and noise. Being aware of the potential negative effects the Group's activities could have on the environment and the communities, the Group has incorporated measures to monitor and manage these in the Qmarine global quality programme.

Major potential impact on the environment is monitored and reported on in Marine Harvest's yearly sustainability report. Through Qmarine, Marine Harvest continuously improves and implements procedures to reduce the potential environmental impacts. Marine Harvest is engaged in development of global industry standards to secure the sustainability of global fish farming operations, and has proposed several changes to the regulatory regime in the farming regions.

Potential negative effects on wild fish are reduced by the establishment of a "zero tolerance" for escapes, with increasing management focus, investments and procedures, as well as R&D projects and regulatory initiatives to reduce the potential spread of parasites and infective agents.

For specific information about the use of medication, waste, Co2, energy and water-usage, reference is made to the yearly sustainability reports and for 2010, the yearly progress report on sustainability, to be published before the summer of 2011.

SUSTAINABILITY

In salmon farming, sustainability is a precondition for long-term value creation. The seafood industry must be socially and environmentally sustainable to be profitable over the long term, and Marine Harvest needs attractive bottom line results to have the financial strength to drive a sustainable development of the operations. This interdependency has lead Marine Harvest to develop the four equally important guiding principles described on page 5. For each principle, Marine Harvest has specified ambitions with corresponding key performance indicators which are reported on in business review meetings with all business units. Development and implementation of best practice is done through the global quality system, Qmarine, and the standard operating procedures following from this system.

Relevant sustainability issues have been discussed and reported on in the yearly sustainability reports since 2008. From the financial year 2010, the yearly data have been separated from the sustainability discussion document, and a yearly progress reports will be published in its place. The first progress report will be published before the summer of 2011. From the financial year 2011, the progress report on sustainability will be included in the annual report.

RISK

Marine Harvest is exposed to a number of operational and financial risk factors.

Operationally, the main industry specific risk factors are linked to the development in the salmon price, biological risks linked to the salmon farming operations and the development in the salmon feed prices and feed utilization. Furthermore, Marine Harvest is exposed to the regulatory risks and the general operational risks of processing and manufacturing industries.

Financially, the main risk factors are linked to general fluctuations in interest rates and exchange rates, credit risk and liquidity risk.

The Board deems it important that the Group maintains the necessary measures to manage controllable risks factors in order to keep the total risk situation within acceptable limits.

OPERATIONAL RISKS

Exposure to the salmon price

Historically, salmon prices have been subject to large fluctuations. Marine Harvest has a large sales volume of salmon and the price achievement is hence a key driver for profitability and cash flows.

Over time, the demand for salmon has been growing steadily, whereas industry supply has been fluctuating strongly, due to variations in factors such as smolt release, biology and sea water temperatures. As a result of the long production cycle and a limited time window available for harvesting, industry players have limited flexibility to manage their supply from month to month. Furthermore, salmon is generally sold as a fresh commodity with a limited time span available between harvesting and consumption. The consequence of these dynamics is that salmon farmers are expected to be price takers in the market from week to week. Due to the tight supply outlook, the short-term risk linked to the salmon price is somewhat reduced from previous periods.

Salmon is a protein commodity which is produced in a limited number of countries and sold globally. Historically, trade restrictions have inhibited the optimal distribution of salmon to the markets, and as such, impacted the price yield for the salmon producers in the countries affected by such restrictions. Marine Harvest has a leading position in the main salmon farming countries, and consequently, is exposed to the level of trade restrictions.

Furthermore, farmed salmon has in some instances been subject to critical journalism based on statements and publications from various research communities and Non-Governmental Organizations (NGOs). This type of attack has had and may potentially result in temporary damage to the industry, and can only be countered by good practices and well-documented information from the industry. As of today, the industry has constructive relationships with WWF and a number of national authorities.

Marine Harvest has a sales contract policy aimed at limiting the exposure to short-term fluctuations in the salmon price. The sales contracts generally have a duration of 3-12 months and has normally covered 15-40% of Marine Harvest's harvest volume for the next quarter. Although most sales contracts are entered into on a bilateral basis directly with customers, Marine Harvest is contracting a limited volume using financial futures (Fishpool). For 2011, Marine Harvest has leveraged off an increased demand from customers, and counterparties in the futures market, to enter into contracts. Through a higher than normal contract rate and an extended horizon of the contracts, the exposure to spot prices is reduced for 2011 compared to previous years. Furthermore, Marine Harvest is continuing to reduce its exposure to spot price movements through its value added processing activities.

Biological risks

Marine Harvest's salmon farming operations are subject to a number of biological risk elements which might impact profitability and cash flows through adverse effect on factors such as growth, harvest weight, harvest volume, mortality, downgrading percentage and claims from customers. The biological parameters are impacted by e.g. diseases, virus, parasites, algae blooms, low oxygen levels and fluctuating sea water temperatures.

Marine Harvest is striving to manage the exposure to biological risk factors through a high focus on internal procedures for animal husbandry, mitigating actions and countermeasures. Furthermore, Marine Harvest commits large resources to mitigation actions, together with neighbouring companies in the various regions, cooperation with regulatory bodies to attain optimal regulations and efficient enforcement and geographical diversification of the salmon farming operations. Marine Harvest has temporarily reduced the scale of its Chilean business significantly, to reduce exposure to biological risk. Together with the authorities and the industry, Marine Harvest is committing large resources to handle the ongoing sea lice situation in Norway.

As the rest of the industry, Marine Harvest has a limited insurance coverage against adverse biological events.

Exposure to changes in regulatory frameworks
Marine Harvest's salmon farming operation is primarily based on perpetual licences which have been granted by relevant authorities over time. In all jurisdictions, salmon farming operations are subject to a varying degree of regulations by the authorities. Hence, the salmon farming operations of Marine Harvest are exposed to changes in regulatory frameworks. Marine Harvest strives to uphold its strong position as a constructive and knowledge-based contributor to the relevant authorities, in terms of developing regulatory frameworks and enforcement strategies with a view to mitigate biological risks.

Exposure to salmon feed prices and feed utilization
The feed cost is the largest single cost component in salmon farming. Marine Harvest procures its feed from a limited number of feed suppliers globally. The feed contracts are structured such that Marine Harvest assumes the general exposure to price fluctuations on the raw material costs, such as fish meal, fish oil, vegetable oils and meal. The feed suppliers procure these raw materials in the global commodity markets. Marine Harvest's exposure is left open for this risk factor. Marine Harvest is, however, working continuously with the feed suppliers to secure that the feed recipes are altered, based on the relative prices of raw materials, to secure the lowest possible cost of the feed without compromising the quality, growth and biological robustness of the salmon. In addition to assuming the general raw material price risk, the contracts include a fixed nominal payment per kilo of feed to cover the feed suppliers' operational costs and margins. The volume risk is left with the feed suppliers (no take or pay contracts).

Marine Harvest also assumes operational risk linked to the utilisation of the feed. This risk is mitigated through rolling out best practices, continuous benchmarking between sites and regions and cooperation with feed suppliers on optimizing feed recipes.

Exposure to general risks linked to manufacturing and processing industries
In addition to the above-mentioned operational risk elements, Marine Harvest is exposed to the general operational risk factors facing manufacturing and processing industries. These risks are mitigated through internal procedures, policies and insurance programs.

FINANCIAL RISKS

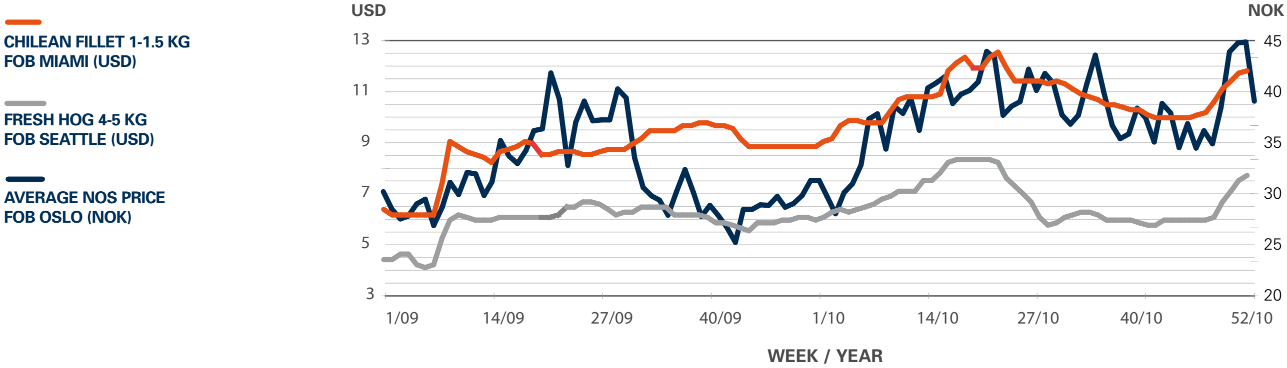
Currency risks
Marine Harvest is engaged in substantial international activities and is exposed to changes in the currency exchange rates as a natural part of its business operations. Fluctuations in the currency exchange rates will therefore continuously influence Marine Harvest's financial statements and cash flows. Marine Harvest applies an extensive currency hedging policy which is aimed at reducing the cash flow implications from movements in currency exchange rates.

Credit risks
Marine Harvest is exposed to the risk of losses, if one or more contractual partners do not meet their obligations. A significant proportion of the Group's trade receivables are insured, and credit ratings are undertaken of all new customers. Marine Harvest also has reduced this exposure through monitoring and close follow-up of the customers. Historically, the Group has suffered minor losses on trade receivables. The Group is not substantially exposed in relation to any individual customer or contractual partner as of 31 December 2010.

Interest rate risks
With exception of the EUR 225 million convertible bond, the Group is generally financed using floating interest rates for debts to financing institutions and leasing debts. To minimize the risk related to fluctuations in floating interest rates, Marine Harvest ASA shall at all times hedge 100% of the Group's non-current interest-bearing debt in its main financing currencies (EUR, USD and GBP). At initiation of this policy the interest rate hedges had a duration of 5 years. It has been decided to maintain a portfolio of existing USD interest rate swaps leading to a larger percentage of the USD debt being hedged.

Liquidity risks
The single largest factor influencing liquidity risks is fluctuation in salmon prices. Other key liquidity risks are fluctuations in production and harvest volumes, biological issues, and changes in the feed price, which is the most important individual factor on the cost side. Feed prices are correlated with

SALMON PRICE 2009 - 2010



the marine and agricultural commodity prices of its ingredients. Feed prices increased on a unit basis through 2010.

SHARES AND SHAREHOLDERS

The market value of the Marine Harvest Group at the end of 2010, was NOK 22 057 million, which represents an increase from the beginning of 2010, of NOK 6 935 million.

At an Extraordinary General Meeting in November 2009, the Board was given the authorisation to raise loans up to NOK 2 200 million on terms including a right for the creditors to receive shares in the Company. Marine Harvest successfully completed the issue of a five year EUR 225 million convertible bond in March 2010.

BOARD

Members of the Board of directors in Marine Harvest ASA have broad experience and qualifications to fill the Company's requirements. None of the members of the Board, except for the employee representatives, have carried out any paid work for the Group in 2010. Up until the Annual General Meeting of 27 May 2010, the members of the Board were Ole Eirik Lerøy (Acting Chairman), Leif Frode Onarheim, Solveig Strand, Thorleif Enger, Celina Midelfart, Cecilie Fredriksen, Tor Olav Trøim (acting member) and the three representatives elected by the employees; Frank Øren, Geir-Elling Nygård and Turid Lande Solheim.

At the Annual General Meeting, Ole Eirik Lerøy was elected Chairman of the Board and Leif Frode Onarheim was elected Deputy Chairman of the Board. Hege Sjo was elected as a new member and Tor Olav Trøim was re-elected as deputy to the board members elected by the shareholders. As a result of an election process among the employees in Norway, Frank Øren was replaced by Kolbjørn Jektvik. The Board wishes to thank Frank Øren for valuable contributions to the Board during his term.

The Board held 15 Board Meetings during 2010.

EVENTS AFTER THE CLOSE OF THE YEAR

Changes in the General Management Team and new Managing Director in Marine Harvest Norway

On February 15 2011, it was decided to change the organisation on group level from a geographic to a functional organisation with two business areas; Farming and Sales and Marketing. The new global farming unit will be headed by the previous Managing Director of Marine Harvest Norway, Marit Solberg.

The purpose of the reorganisation is to focus the Group's activities to improve coordination, development of best practices and value creation.

The new Group management will consist of Alf-Helge Aarskog (CEO), Jørgen Andersen (CFO), Marit Solberg (COO Farming) and Ola Brattvoll (COO Sales and Marketing). In addition to the members of the new group management team, Corporate Development Director David Carnes, Communication Director Jørgen Christiansen and Technical Director Øyvind Oaland, will report to the CEO.

The new group management will be located in Bergen. The Board of Directors has decided to propose to the AGM, which will be held in May, that the head office will be moved from Oslo to Bergen. The Group will keep its office in Oslo with key corporate functions.

To replace Marit Solberg, Ragnar Joensen has been appointed new Managing Director for Marine Harvest Norway, with effect from 1 March 2011. Joensen comes from the position as Managing Director of Marine Harvest Faroes.

Purchase of two licenses in Region West, Norway

Marine Harvest has entered into an agreement to purchase two licenses in Region West, Norway. The licenses are located in one of Marine Harvest's core farming areas and close to the region's processing plant. The main benefits from the purchase are improved farming control in the area, combined with an increase in capacity of 2 200 tonnes gutted weight per year.

Offer to shareholders holding less than 1 000 shares

On February 8, the Board of Directors in Marine Harvest ASA resolved to offer those of its shareholders who, as of 8 February 2011, owned less than 1 000 shares, to purchase their shares.

In accordance with the Norwegian Public Limited Companies Act, Marine Harvest ASA will apply for permission to carry out a compulsory acquisition of shares, owned by shareholders whose shares have a total value that does not exceed NOK 500.

FUTURE PROSPECTS

2010 represents a year of significant operational and financial improvement for Marine Harvest. The improvement in performance across the farming business units comes primarily as a result of favourable market conditions, solid performance in Marine Harvest Norway and control of the situation in Chile.

Demand for salmon is strong, 2011 has started with further price increases, and Marine Harvest has taken the opportunity to secure future cash flow and has entered into fixed price contracts for 2011 for more than 40% of its Norwegian volumes. Due to strong underlying demand, the Board expects a favourable market balance in 2011. The market should be able to absorb the expected global supply growth of 3 - 8 % without any significant negative impact on the price level. The increase in volumes from Chile will, to a large extent, be marketed in Brazil, which has developed into a very attractive salmon market. Less volume will be shipped from Europe to the US, as a result of the step up of the Chilean production.

The operation in Marine Harvest Chile is under control, and the business unit has returned to profitability. Marine Harvest will follow a modest growth plan until there are lasting signs of biological and operational improvements. In parallel, investments will be carried out to strengthen Marine Harvest's already strong strategic position in Chile.

Marine Harvest has unused production capacity in Norway due to limited smolt release in 2009, and expects to increase the harvest volume by 10% to 223 000 tonnes in 2011. Marine Harvest's operations in Chile and Scotland will grow as well, and contribute to a total harvest level of 340 000 tonnes in 2011.

Marine Harvest will increase its CAPEX level from close to NOK 1 000 million in 2010 to NOK 1 100 – 1 200 million in 2011, to upgrade and improve the efficiency of the operations in Norway, Chile, Scotland and VAP Europe. The expected strong salmon markets enables the company to maintain a high CAPEX, combined with a high yield dividend policy, and still meet the targeted average net interest-bearing debt level of NOK 5 500 million for 2011.

The salmon markets are no longer regional, but interlinked to one global market. As a response to this, Marine Harvest will, as from April 1, change the group structure from a geographical to a functional organisation, consisting of farming and sales and marketing. In 2011, the implementation of this structure will be given full attention, improving margins, cost focus and sharing of best practise across the farming units. The Company is on target to meet its cost reduction targets that will mitigate the consequences of somewhat higher feed and biological costs going forward.

The Board will propose to the Annual General Meeting in May, a dividend of NOK 0.80 per share and expects, in line with the Company's dividend policy, to propose a second dividend in connection with the presentation of the second quarter results.

The outlook for the industry and Marine Harvest looks strong. Salmon has an unrivalled position from a health and feed perspective and Marine Harvest will play an active role in the further development of the industry. The inflation in food prices is an emerging global issue. However, higher input prices will have less impact on production cost for salmon than for competing products due to salmon's superior feed efficiency. Product innovations and development of new markets will secure salmon's favourable market position going forward. Salmon is the leading specie in most developed fish markets and is strengthening its position in new markets driven by new product concepts and megatrends as increased focus on healthy diets and the global popularity of sushi.

OSLO, 30 MARCH 2011

Ole-Eirik Lerøy
CHAIRMAN OF THE BOARD

Thorleif Enger

Cecilie Fredriksen

Kolbjørn Jektvik

Celina Midelfart

Geir Elling Nygård

Leif Frode Onarheim
VICE CHAIRMAN OF THE BOARD

Hege Sjo

Turid Lande Solheim

Solveig Strand

Alf-Helge Aarskog
CHIEF EXECUTIVE OFFICER

Corporate Governance

Marine Harvest ASA (the "Company") considers good corporate governance a precondition for generating shareholder value, as well as achieving a low cost of capital and merit investor confidence. Marine Harvest ASA strives, therefore, to ensure that the Company's internal control mechanisms and management structures are aligned with generally accepted principles for good corporate governance.

Marine Harvest ASA holds the view that the Company's current policies for corporate governance are in line with the latest version of the Norwegian Code of Practice for Corporate Governance (the "Norwegian Code"). A full description of the Norwegian Code is available at the Oslo Stock Exchange's website (www.ose.no).

The following sections provide explanations as to how the Company has addressed the various issues covered by the Norwegian Code.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE PRINCIPLES

The board of directors of Marine Harvest ASA (the "Board") is aware of its responsibility for the development and implementation of internal procedures and regulations ensuring that the Company and its subsidiaries (together, the "Group") complies with applicable principles for corporate governance.

The Board reviews the overall position of the Group in relation to such principles annually and reports thereon in the Company's annual report in accordance with the requirements of the continuing obligations for listed companies and the Norwegian Code.

The Board has defined the Group's overall vision and the core values which shall guide the activities of the Group in a written code of conduct applicable to all employees (the "Code of Conduct").

The Group is made up of individuals with different backgrounds, nationalities, cultures and customs. The conduct – what each and every employee do and say each day – determines the Group's ability to succeed as an organisation. The Code of Conduct sets standards for behaviour which can be expected between colleagues, and which external parties can expect from employees in the Group. The Code of Conduct has been communicated to all employees and it is expected that a personal commitment to follow the Code of Conduct is made by each employee. Annual audits verify that the Code of Conduct is followed throughout the organization.

The Code of Conduct can be found on the web-site at www.marineharvest.com

The corporate mission, "Seafood for a Better Life", and four closely interrelated guiding principles are defined to assist the Group in its decision making. These principles are:

- **Profit**
  Our profits hinge on our ability to provide customer value from healthy, tasty and nutritious seafood, farmed both cost-effectively and in a sustainable way maintaining a good aquatic environment and respecting the needs of the wider society.

- **Product**
  We will not compromise on our ability to continually deliver healthy, tasty and responsibly produced seafood to our customers. Through this, our long-term financial solidity will be achieved.

- **People**
  Neither employee safety, nor our employees' self-respect and personal pride in their work can be compromised if we are to succeed as a group with good relationships with our communities.

- **Planet**
  All our operations and our long-term profitability ultimately depend on sustainable and environmentally responsible interactions with the natural environment. To maintain fish health, avoid escapes and minimise the environmental impact of our operations we need the best skilled people.

In salmon farming, sustainability is a precondition for long-term value creation. The seafood industry must be socially and environmentally sustainable to be profitable over the long term. Marine Harvest needs attractive financial results to have the financial strength to drive a sustainable development of the operations. This interdependency has led Marine Harvest to the development of the four equally important guiding principles described above. For each principle Marine Harvest has defined specific ambitions with corresponding key performance indicators which are reported on in business review meetings with all business units. Development and implementation of best practice is through the global quality system, Qmarine, and the standard operating procedures contained in this system.

The Marine Harvest governance and management system is further described on our website at http://www.marineharvest.com where shareholders and other stakeholders can explore any topic of particular interest in more detail and easily navigate to related information.

2. BUSINESS

Marine Harvest's objective is defined in the Company's articles of association:

"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."

The full text of the articles of association can be found on the Group's website at www.marineharvest.com.

To achieve the objective set forth in the articles of association, the Board has adopted a corporate strategy stating ambitions and priorities set to achieve them within the framework of the Group's four guiding principles. Under the corporate strategy, explicit ambitions and priorities are adopted both for the Group as a whole and for each of the business units/entities.

The Group's ambitions, achievements and priorities are depicted in the section headed "Marine Harvest's Guiding Principles and Ambitions" in this Annual Report. These ambitions and the priorities set to achieve them are regularly reviewed and revised by the Board.

3. EQUITY AND DIVIDENDS

The shareholders equity at 31 December 2010 was NOK 12 571 million, which represents 53.4% of the Group's total assets. Marine Harvest's objective is to maintain its equity capital at a level which is appropriate in relation to the Group's strategy and risk profile. The Board is of the opinion that this objective is met today.

It is the Board's goal that the Company's shareholders, over time, achieve a competitive return on their investment in the Company through a combination of dividends and an appreciation of the value of the Company's shares.

The Board has defined the following long term dividend policy:

- The dividend level shall reflect the present and future cash generation potential of the Company
- Marine Harvest will target a net interest-bearing debt/equity ratio of less than 0.5
- When the target level is met, at least 75% of the annual free cash flow after operational and financial commitments will be distributed as dividend

The Board has authorization to issue new shares and thus increase the Company's share capital. The Company's annual general meeting ("AGM") in 2010 authorised the Board to increase the Company's share capital by up to 357,489,832 new shares (representing 10% of the shares in issue at the time). The authority did not define the purpose(s) of such capital increase. The authority expires at the AGM in 2011. The Board wishes to remain in a position to increase the Company's share capital and has thus proposed that the authority is renewed in this year's AGM.

The Board also has authorization to buy back shares from the secondary market. At the AGM in 2010, the Board was authorised to purchase up to 357,489,832 shares in the Company (representing 10% of the shares in issue) in the secondary market during the period up until the AGM in 2011. The Board wishes to remain in a position to purchase the Company's own shares and has thus proposed that the authority is renewed in this year's AGM.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Marine Harvest ASA only has one class of shares.

The Board is authorised to set the pre-emption rights of existing shareholders in equity issues aside if it exercises its authority to issue new shares, cfr. above.

With the exception of an offer to purchase the shares of shareholders holding 1000 shares or less, the authorisation to purchase shares in the Company (cfr. above) require the Board to comply with the principle of equal treatment in relation to transactions with shareholders based on the authority granted.

Any purchase or sale by the Company of its own shares will either be carried out through the Oslo Stock Exchange or at prices quoted on the Oslo Stock Exchange.

Any transaction between the Group and a related party will be based on arms' length terms or supported, if relevant, with a valuation obtained from an independent third party. the Company will make sure that major transactions with related parties are approved by its AGM in accordance with the Public Limited Liability Companies Act.

Members of the Board and the corporate management team have an obligation to disclose any material interest in a transaction where the Group is a party to the Board pursuant to the Group's internal guidelines.

5. FREELY NEGOTIABLE SHARES

All shares in the Company have equal rights and are freely tradable.

6. GENERAL MEETINGS

The interest of the Company's shareholders are primarily exercised in the Company's general meeting. It is the Company's goal that as many shareholders as possible are given the opportunity to participate in its general meetings and that the general meetings are organised so as to ensure that they represent an effective forum for the Company's shareholders to express their views.

Notices of general meetings will be made available on the Company's web site www.marineharvest.com and through a separate notice to the Oslo Stock Exchange at least 21 days in advance of the general meeting.

All shareholders, whose addresses are known, shall be notified of a general meeting minimum two weeks prior to the date thereof. Such notice shall contain detailed information on the resolutions proposed and matters to be considered at the general meeting. It shall include the deadline for shareholders to give notice of their intention to attend the general meeting, as well as instructions on how they can cast their votes by proxy. The deadline for registration shall be set as close to the date of the general meeting as possible.

When documents concerning matters that are to be dealt with in a general meeting have been made accessible to the shareholders on the Company's web site, the requirement in the Public Companies Act that the documents shall be sent to the shareholders by ordinary mail does not apply. This also applies to documents which, according to law, shall be included in or enclosed to the notice of a general meeting. A shareholder can, however, demand that documents which concern matters that are to be dealt with in a general meeting are sent to him by ordinary mail.

The notice of a general meeting shall contain a reference to the Company's web site in order to access relevant documents and, if relevant, any other information that the shareholders need in order to gain access to such documents relevant thereto.

The chairman of the Board, the leader of the Nomination Committee, the CEO and the external auditor shall all be present at the AGM. It is not usual practice for all directors to attend the AGM.

The AGM elects a chairman to preside over the meeting and one person to sign the minutes of the meeting together with the elected chairman. The minutes are published on the Company's website.

The AGM approves the annual accounts, the board of directors' report and any proposed dividend. The AGM shall also approve the remuneration to be paid to the members of the Board and the Nomination Committee (as defined below) and the external auditor.

Other items on the agenda for the AGM may be authority for the Board to acquire the Company's shares and to increase the Company's share capital, to take up loans convertible to its shares and the election of the members of the Board and the Nomination Committee.

Pursuant to Section 6-16a of the Public Limited Liability Companies Act, the Board has implemented guidelines for the determination of the remuneration to the Company's CEO and other senior managers. These guidelines are put forward for resolution in the AGM.

All shares carry an equal right to vote at the general meetings. Resolutions at AGMs are normally passed by simple majority unless otherwise specified by Norwegian law.

7. NOMINATION COMMITTEE

The AGM elects the Company's nomination committee (the "Nomination Committee"). The Nomination Committee consists of three members, all of whom are independent of the Board and the Company's senior management. The Nomination Committee submits its recommendations to the AGM regarding the election of members to the Board and their individual remuneration.

The general meeting has approved a set of instructions defining the responsibility of the Nomination Committee. These instructions are available on www.marineharvest.com. All shareholders are, through the Company's web site, invited to propose candidates to the Board and the Nomination Committee.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS; COMPOSITIONS AND INDEPENDENCE

The Company does not have a corporate assembly.

According to the Company's articles of association, the Company shall have a Board consisting of a minimum of 6 and a maximum of 12 members. The Chairman of the Board and the Deputy Chairman of the Board are both elected by the general meeting based on a proposal from the Nomination Committee, as are the other members representing shareholders. The members are elected for a period of one or two years at a time. In order to ensure continuity, not all members are up for election at the same time.

At present, the Board consists of 10 members, of which 7 are elected by the general meeting and 3 are representatives of the employees. Furthermore, an alternate director for the directors elected by the shareholders has been elected by the general meeting. All Board members are considered independent of the Group's executive management and material business partners. The majority of the Board members elected by the shareholders are independent of the Company's largest shareholder. The Board does not include executive personnel.

The members of the Board, including their CV's, are presented in the Annual Report. The Board members are encouraged to own shares in the Company, and their respective shareholdings are listed in note 20 in the Annual Report.

The Board is of the opinion that it has sufficient expertise and capacity to carry out its duties in a satisfactory manner.

9. THE WORK OF THE BOARD OF DIRECTORS

According to the Norwegian Public Limited Liability Companies Act, the Board has overall responsibility for the management of the Company, while the CEO is responsible for day-to-day management. The Board's responsibility includes responsibility for ensuring that the Group's activities are soundly organised, and approval of all plans and budgets for the activities of the Group. The Board approves a statement of the duties, responsibilities and authority of the CEO.

The Board must keep itself Informed about the Group's activities and financial situation and are under an obligation to ensure that its activities, accounts and asset management are subject to adequate control through the review and approval of the Group's monthly and quarterly report and financial statements. The Board shall also ensure that the Group has satisfactory internal control systems.

The CEO is in charge of the day-to-day management of the Company, and is responsible for ensuring that the Company is organised in accordance with applicable law, the Company's articles of association, and the decisions adopted by the Board and the Company's general meeting. The CEO has particular responsibility for ensuring that the Board receives accurate, relevant and timely information in order to enable it to carry out its duties. The CEO shall also ensure that the accounts of the Company are In accordance with Norwegian legislation and regulations and that the assets of the company are soundly managed.

The Board has not formally assessed its performance and expertise in 2010 as recommended by the Norwegian Code.

The Board held 15 meetings in 2010 and the meeting attendance was 89%.

The Board has one subcommittee:

The Board's Audit Committee

The Board has established an audit committee with 3 directors as members (the "Audit Committee"). The responsibility of the Audit Committee is to monitor the Company's financial reporting process and the effectiveness of its systems for internal control and risk management. The Audit Committee shall also keep in regular contact with the Company's auditor regarding the auditing of the annual accounts and evaluate and oversee the auditor's independence. The Audit Committee reviews ethics and compliance issues. All three members of the Audit Committee are deemed independent of the Group's management. The Audit Committee reports to the Board.

The Board has chosen not to appoint a remuneration committee. Matters' relating to remuneration of executive personnel is discussed in the Board without presence of the CEO or other executive personnel.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board and management attach great importance to the quality of the Group's risk management and control systems. Risk management and internal control systems are important in order for the Group to be able to meet its strategic targets. These systems form an integrated part of management's decision-making processes and are a central element in the organisation of the Group and the development of its routines.

Risks in Marine Harvest are divided into two main categories:

- Financial risks, which are trading risks based on underlying exposures, e.g. currency risks, credit risks, interest rate risks and liquidity risks
- Operational risks mainly linked to the development of the salmon price, biological risks linked to the salmon farming operations and the development in the salmon feed prices and feed utilization in addition to regulatory risk

For further discussion of risk a reference is made to the Board of Directors report included in this Annual Report.

A continuous risk management process, including analyses, management and follow-up of significant risks, is performed to ensure that the Group is managed in accordance with the risk profile and strategies approved by the Board. This process encompasses the Group's corporate guiding principles and ethical guidelines. The Board reviews the Group's overall risk profile in relation to strategic, operational and transaction-related circumstances at least once every year. The status of the overall risk situation is reported and discussed with the Board in connection with the annual budget process.

The management's report on internal control of financial reporting

The Group management is responsible for establishing and maintaining adequate internal control of financial reporting. The process for this control is developed under the supervision of the chief financial officer. The process is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's financial statements for external reporting purposes in accordance with International Financial Reporting Standards and the interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU IFRS).

The Group management, in consultation with the independent auditor, has assessed the effectiveness of the Group's internal control systems relevant to its financial reporting based on the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, the management has determined that the Group's internal control of financial reporting as of 31 December 2010 was effective.

Code of Conduct and ethical guidelines

The Code of Conduct describes the Group's commitment and requirements in connection with ethical issues relevant to business practice and personal conduct. The Group will, in its business activities, comply with applicable laws and regulation and act in an ethical, sustainable and socially responsible manner. The Code of Conduct is a personal commitment for each employee and all employees have been tested in relation to their understanding of the Code during 2010/2011. It is also expected that business partners will follow ethical standards that are consistent with the Group's requirements.

Audit procedures for the Code of Conduct have been initiated, but are not yet fully implemented.

11. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration for the members of the Board is determined by the AGM based on a proposal from the Nomination Committee. The remuneration reflects the Board's responsibility, expertise, time commitment and the complexity of the Group's activities. The remuneration is not linked to the Group's performance. All members of the Board, with the exception of the chairman, and the deputy chairman receive the same remuneration. The members of the Audit Committee receive separate additional remuneration. The fee paid to the members of the Board is fixed for each 12 month period (from AGM to AGM). The remuneration paid to members of the Board is disclosed in the Annual Report note 10.

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Board determines the principles applicable to the Group's policy for senior executive compensation. The Board is directly responsible for the determination of the CEO's salary and other benefits. The CEO is, in consultation with the chairman of the Board, responsible for the determination of the salary and other benefit for the Group's other senior executives. The Group's senior executives include the management team of each business area as well as the senior members of the corporate staff.

The following guidelines shall form the basis of the determination of compensation to the Group's senior executives:

- The total compensation offered to senior executives shall be competitive, both nationally and internationally.
- The compensation shall contain elements providing necessary financial security following termination of the employment, both before the age of retirement and in connection with this.
- The compensation shall be motivating, both for the individual and for the senior executives as a group.
- Variable elements in the total compensation shall be linked to the values generated by the Group for the Company's shareholders.
- The system of compensation shall be understandable and meet general acceptance internally in the Group, among the Company's shareholders and with the public.
- The system of compensation shall be flexible and contain mechanisms which make it possible to carry out individual adjustments based on the results achieved and contributions made towards the development of the Group.

Remuneration of the Company's CEO and the executive management team is disclosed in the Annual Report note 10. The Board prepares a statement in compliance with the Public Limited Liability Companies Act regarding the remuneration of the executive management team for the consideration by the AGM.

The remuneration concept for the corporate executive staff consists of the following main elements:

- Fixed salaries
- Benefits in kind
- Pension
- Termination payment
- Bonus

For additional information on the different elements, reference is made to the Annual Report note 10.

In addition the Marine Harvest Group has a share price based bonus scheme launched in 2008. The first possible bonus payment is March 2011. The granting of calculatory units under the share price based scheme for the executive management team is done yearly. The exercise of each allotment under the share price based incentive scheme is subject to a minimum period of ownership as recommended in the Norwegian Code. Remuneration under the share price based incentive scheme is subject to an absolute limit for each participant. The AGM has set a frame for each allotment. For additional information on the share price based bonus scheme, reference is made to the Annual Report note 10.

13. INFORMATION AND COMMUNICATIONS

The Company publishes its financial calendar for each year identifying the dates on which it will present its quarterly reports and the AGM.

All information of major events and acquisitions are publicly disclosed in line with the requirements of the Oslo Stock Exchange and posted on the Company's web site (http://www.marineharvest.com). All financial reports and other information is prepared and disclosed in a manner securing that the shareholders, investors and others receive correct, clear, relevant and up-to-date information equally and in a timely manner. The Company holds public presentations of its results quarterly.

The Board has formalised guidelines for the dialogue with the Company's shareholders in addition to the AGM. This policy (IR Policy) is available on the Company's website (http://www.marineharvest.com).
Marine Harvest ASA is obliged by the Security Trading Act to publish all information (including its annual accounts) in English and Norwegian.

14. TAKEOVERS

The Board will not seek to hinder or obstruct any public bid 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 Board will not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the Company's general meeting following the announcement of such bid.

The Board acknowledges that it has a particular responsibility to ensure that the Company's shareholders are given sufficient information and time to form a view of any public offer for the Company's shares. If an offer is made for a significant and controlling stake of the shares, the Board will issue a statement evaluating the offer and make a recommendation as to whether or not shareholders should accept it.

The Board has not established explicit guiding principles for dealing with take-over bids as recommended by the Norwegian code.

15. AUDITOR

The Company's elected external auditor is Ernst & Young. The auditor is independent in relation to Marine Harvest ASA and is appointed by the AGM. The auditor fee is approved by the AGM.

The auditor presents a plan for the audit committee for the audit and is present in Board meetings dealing with the preparation of the annual accounts where the audited financial statements are reviewed and approved. The auditor is also present in meetings with the audit committee in which the internal control system is discussed and in meetings discussing matters ultimately subject to auditor review.

When evaluating the independent auditor, emphasis is placed on the firm's competence, capacity, local and international availability and the level of the fee expected.

The auditor submits a management letter to the Audit Committee and the Board following its audit of the Company's annual financial statements. The Management Letter, in addition to describing the audit review, includes an evaluation of the Group's internal control systems.

The Board and the Audit Committee hold annual meetings with the auditor. Neither the Company's CEO nor any other member of the Company's executive management is present in these meetings. The auditor also participates in the AGM. Information about the fee paid to the auditor is stated in the Annual Report note 25. The independent auditor's remuneration is split between the audit fee, other authorization services, tax advisory services and other services non-audit related.

Board of Directors

Ole Eirik Lerøy (1959)

Chairman of the Board

POSITION: Chairman of the Norwegian Seafood Federation

Education: Educated at the Norwegian school of Management 1980-84, AFF management program 1992.

Background: Former CEO in Lerøy Seafood Group ASA 1991-2008. Mr. Lerøy has broad experience from the seafood industry. He is chairman of the board of the Norwegian Seafood Federation (FHL) and former chairman of the board of the Norwegian Seafood Export Council (NSEC). He is member of the board of the International Groundfish Forum.

Number of shares: Ole Eirik Lerøy and affiliated holds in total 10 200 000 shares in Marine Harvest and have TRS agreements with exposure to further 30 000 000 shares.

Thorleif Enger (1943)

POSITION: Previously President and CEO, Yara

Education: PhD, MSc and BSc in Structural Engineering from the University of Colorado

Background: Various positions in Hydro since 1973: Executive Vice President of Hydro Agri from 1999 until appointed CEO in 2004. Executive Vice President of Oil & Energy from 1996 to 1999, President of Hydro's Exploration & Production Division from 1987 to 1996, and Project Director of the Oseberg field from 1982 to 1986.

Number of shares: 0

Cecilie Fredriksen (1983)

POSITION: Frontline Corporate Services Ltd

Education: Bachelor of Business and Science from London Metropolitan University

Background: Fredriksen is member of the board of Aktiv Kapital ASA.

Number of shares: 0

Kolbjørn Jektvik (1963)

Employee representative

POSITION: Plant manager, Marine Harvest Norway AS.

Education: Food technologist (Norconserv). Micro biology and food chemistry (NTH). AFF management program for young leaders.
Background: Started in the seafood industry in 1990 in Frøya Holding (secondary processing), a company later incorporated into Hydro Seafood and Marine Harvest. Position as dept. manager and plant manager. Project manager during the start-up period in Marine Harvest Poland (secondary processing). Plant manager at Marine Harvest Ulvan.
Number of shares: 0

Celina Midelfart (1973)

POSITION: CEO Midelfart Holding AS / Executive VAMI AS

Education: Finance at Stern School of Business, NYU. Bachelor of Science, London School of Economics.
Background: CEO of Midelfart AS, from 2004 - 2007. Midelfart AS is one of Norways leading sales and marketing companies within Health & Beauty Care
Number of shares: 1 000 000

Geir-Elling Nygård (1966)

Employee representative

POSITION: Technician (Operations), MH Norway Region South

Education: Certification in carpentry, certification and college studies in aquaculture, management training.
Background: Started in Mowi AS in 1990, a company later incorporated into Marine Harvest. Previous to this, Nygård worked in 2 smaller aquaculture companies.
Number of shares: 0

Leif Frode Onarheim (1934)

Vice Chairman, Chairman of the Audit committee

POSITION: Associate Partner, Norscan Partners AS

Education: MBA, Graduate from Norwegian School of Economics and business administration (NHH).
Background: Former President and CEO, Nora Industrier AS, President Norwegian School of Management 1993-1997, Member of Parliament 2001-2005, Director of Private and Governmental Enterprises.
Number of shares: 300 000, owned through the controlled company Lonar AS.

Hege Sjo (1968)

POSITION: Senior advisor in Hermes Investment Management Ltd.

Education: Educated at Norwegian School of Economics and business administration (NHH).
Background: Previously, CFO at Oslo Børs ASA. Furthermore, she holds several directorships in other companies, including Wilh. Wilhelmsen ASA, Det Norske Oljeselskap ASA and Polarcus Ltd.
Number of shares: 0
Member of the audit committee

Turid Lande Solheim (1970)

Employee representative

POSITION: Production Manager, Marine Harvest Norway AS

Education: Studies in economics and aquaculture, Molde Regional College
Background: Started in the seafood business in 1993 in Mowi AS, a company later incorporated into Marine Harvest.
Number of shares: 0

Solveig Strand (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 og Romsdal.
Number of shares: 20 000
Member of the audit committee

Tor Olav Trøim (1963)

Alternate director for the directors elected by the shareholders
POSITION: VP and Director of Frontline Ltd.

Education: Master of Science from NTNU 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 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.
Number of shares: 5 000

Financial Statements and Notes

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Statement of comprehensive income

MARINE HARVEST GROUP

(NOK MILLION)	NOTE	2010	2009	2008
Revenue	4	15 191.4	14 651.2	13 124.6
Cost of materials	4	-7 690.7	-8 828.3	-8 504.5
Salary and personnel expenses	10	-2 202.5	-2 167.4	-2 139.8
Other operating expenses		-1 453.8	-1 448.2	-1 393.8
Depreciation and amortisation	7/8	- 653.1	- 687.7	- 685.3
Operational EBIT		3 191.3	1 519.6	401.2
Fair value adjustment on biological assets	5	1 091.7	301.2	- 278.8
Change in provision for onerous contracts		- 14.3	0.0	0.0
Restructuring costs		- 4.4	- 169.5	- 241.0
Income/loss from associated companies	17	202.0	69.5	5.8
Impairment losses	7/8	- 5.0	- 373.1	-1 579.4
Earnings before interest and taxes (EBIT)		4 461.3	1 347.7	-1 692.2
Net interest expenses	9	- 367.8	- 392.9	- 485.4
Net currency effects	9	366.8	682.0	- 632.2
Other financial items	9	- 207.9	23.7	- 451.5
Earnings before taxes		4 252.4	1 660.5	-3 261.3
Taxes	11	-1 143.9	- 358.3	409.3
Profit or loss for the year		3 108.5	1 302.2	-2 852.0
Other comprehensive income				
Change in fair value of cash flow hedges	9	216.6	1 326.6	-1 279.4
Deferred tax related to fair value of cash flow hedges		- 61.8	- 379.8	338.7
Currency translation differences		- 3.4	- 762.3	858.7
Currency translation differences related to non-controlling interests		- 3.2	- 6.3	10.1
Other gains and losses in comprehensive income		0.0	58.7	69.2
Total other comprehensive income		148.2	236.9	- 2.7
Comprehensive income for the year		3 256.7	1 539.1	-2 854.7
Profit or loss for the year attributable to				
Non-controlling interests		30.5	5.9	0.6
Owners of Marine Harvest ASA		3 078.0	1 296.3	-2 852.6
Comprehensive income for the year attributable to				
Non-controlling interests		27.3	- 0.4	10.7
Owners of Marine Harvest ASA		3 229.4	1 539.5	-2 865.4
Earnings per share - basic and diluted	21	0.87	0.37	- 0.82

Statement of financial position

MARINE HARVEST GROUP

(NOK MILLION)	NOTE	2010	2009
ASSETS			
Non-current assets			
Licenses	7	5 442.5	5 409.5
Goodwill	7	2 111.6	2 142.6
Deferred tax asset	11	118.6	54.5
Other intangible assets	7	132.9	136.0
Total intangible assets		7 805.6	7 742.6
Property, plant and equipment	8	3 885.1	3 518.1
Investments in associated companies	17	678.9	520.1
Other shares	18	124.2	118.8
Total non-current assets		12 493.8	11 899.6
Current assets			
Inventory	5	775.8	742.7
Biological assets	5	7 278.1	5 351.1
Trade receivables	13	1 844.9	1 672.1
Other receivables	13	817.2	551.6
Cash and cash equivalents	12	319.0	172.2
Total current assets		11 035.0	8 489.7
Total assets		23 528.8	20 389.3

(NOK MILLION)	NOTE	2010	2009
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	20	9 915.4	11 621.4
Other equity		2 584.8	-205.9
Total equity attributable to owners of Marine Harvest ASA		12 500.2	11 415.5
Non-controlling interests		70.5	45.0
Total equity		12 570.7	11 460.5
Non-current liabilities			
Deferred tax liabilities	11	2 237.9	1 142.6
Non-current interest-bearing debt	9	5 107.3	5 116.9
Other non-current liabilities	16	571.1	99.8
Total non-current liabilities		7 916.3	6 359.3
Current liabilities			
Current tax liabilities	11	49.7	50.8
Current interest-bearing debt	14	429.7	130.3
Trade payables	14	1 450.2	1 339.8
Other current liabilities	14	1 112.2	1 048.6
Total current liabilities		3 041.8	2 569.5
Total equity and liabilities		23 528.8	20 389.3

OSLO, 30 MARCH 2011

Ole-Eirik Lerøy
CHAIRMAN OF THE BOARD

Thorleif Enger

Cecilie Fredriksen

Kolbjørn Jektvik

Celina Midelfart

Geir Elling Nygård

Leif Frode Onarheim
VICE CHAIRMAN OF THE BOARD

Hege Sjo

Turid Lande Solheim

Solveig Strand

Alf-Helge Aarskog
CHIEF EXECUTIVE OFFICER

Statement of cash flow

MARINE HARVEST GROUP

(NOK MILLION)	NOTE	2010	2009	2008
Cash flow from operations				
Earnings before interest and taxes (EBIT)		4 461.3	1 347.7	-1 692.2
Adjustments for impairment losses and depreciation	8	658.1	1 060.8	2 264.7
Adjustments for fair value adjustment on biological assets & onerous contracts	5	-1 077.4	-301.2	278.8
Adjustments for gain/loss on disposal of assets		-5.6	-4.8	-10.4
Adjustments for income/loss from associated companies	17	-202.0	-69.5	-5.8
Taxes paid	11	-203.8	32.9	14.0
Change in inventory, trade payables and trade receivables		-927.8	349.4	479.9
Other adjustments		-103.2	-45.5	-42.8
Cash flow from operations		**2 599.6**	**2 369.8**	**1 286.2**
Cash flow from investments				
Proceeds from sale of fixed assets		22.1	13.7	42.1
Payments made for purchase of fixed assets		-986.5	-643.4	-791.7
Proceeds from sale of shares and other investments		59.8	66.2	58.7
Purchase of shares and other investments		-0.6	-22.5	-13.1
Cash flow from investments		**-905.2**	**-586.0**	**-704.0**
Cash flow from financing				
Proceeds from convertible bond		1 820.3	-	-
Proceeds from new interest-bearing debt (current and non-current)		3 874.4	246.7	733.7
Down payment of interest-bearing debt (current and non-current)		-4 931.1	-2 112.8	-1 032.1
Interest received		12.5	11.4	34.8
Interest paid		-362.1	-410.7	-552.4
Realised currency effects		172.4	6.0	212.4
Equity paid-in		-	294.6	-
Dividends paid to owners of Marine Harvest ASA		-2 131.1	-	-
Dividends paid to non-controlling interests		-1.7	-	-
Cash flow from financing		**-1 546.4**	**-1 964.8**	**-603.6**
Currency effects on cash and cash equivalents		-1.2	-19.4	31.4
Net change in cash and cash equivalents in period		**146.8**	**-200.4**	**10.0**
Cash and cash equivalents - opening balance		172.2	372.6	362.6
Net change in cash and cash equivalents in period		146.8	-200.4	10.0
Cash and cash equivalents - closing balance total	12	**319.0**	**172.2**	**372.6**

Statement of changes in equity

MARINE HARVEST GROUP

(NOK MILLION)

SPECIFICATION OF CHANGES IN EQUITY 2010	ATTRIBUTABLE TO OWNERS OF MARINE HARVEST ASA							NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	CASH FLOW HEDGE RESERVES	FOREIGN CURRENCY TRANSLATION RESERVE	OTHER EQUITY	TOTAL		
Equity 01.01.10	2 681.2	5 917.5	3 022.7	117.2	- 761.7	438.9	11 415.6	45.0	11 460.6
Dividend			-1 706.0			- 438.9	-2 144.9	- 1.7	-2 146.7
Reduction of share premium reserve		-5 900.0	5 900.0				0.0		0.0
Profit for the year						3 078.0	3 078.0	30.5	3 108.5
Other comprehensive income				154.8	- 3.4		151.4	- 3.2	148.2
Total equity 31.12.10	2 681.2	17.5	7 216.7	272.0	- 765.1	3 078.0	12 500.2	70.5	12 570.7

SPECIFICATION OF CHANGES IN EQUITY 2009	ATTRIBUTABLE TO OWNERS OF MARINE HARVEST ASA							NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	CASH FLOW HEDGE RESERVES	FOREIGN CURRENCY TRANSLATION RESERVE	OTHER EQUITY	TOTAL		
Equity 01.01.09	2 609.2	8 692.7	22.7	- 829.6	0.6	- 916.1	9 579.5	45.1	9 624.6
Capital increase	72.0	230.4					302.4		302.4
Costs related to capital increase		- 5.6					- 5.6		- 5.6
Reduction of share premium reserve		-3 000.0	3 000.0				- 0.0		- 0.0
Change in non-controlling interests								0.2	0.2
Profit for the year						1 296.3	1 296.3	5.9	1 302.2
Other comprehensive income				946.8	- 762.3	58.7	243.2	- 6.3	236.9
Total equity 31.12.09	2 681.2	5 917.5	3 022.7	117.2	- 761.7	438.9	11 415.6	45.0	11 460.5

Notes – Marine Harvest Group

1 General information

Marine Harvest ASA is a Norwegian company located in Stortingsgaten 8, 0161 Oslo. Marine Harvest ASA is a publicly listed company at the Oslo Stock Exchange, and the ticker is MHG.

The Group's operations and its principal activities are described in note 4. Marine Harvest has operations in 20 countries and has structured the main part of the business in 5 business units; the farming operations Marine Harvest Norway, Marine Harvest Canada, Marine Harvest Scotland and Marine Harvest Chile, and the value added processing operations in Marine Harvest VAP Europe, mainly operating in central Europe.

These financial statements are presented in NOK, and all figures are presented in millions, unless otherwise stated. The companies in the Group have their national currency as functional currency, except for the Chilean companies where USD is the functional currency. The parent company has NOK as its functional currency.

Comparable figures for two years are presented for the statement of comprehensive income, one-year comparison is provided for the statement of financial position and for the statement of cash flow.

The financial statements were authorized for issue by the Board of Directors on 29 March 2011.

2 Significant accounting principles

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

BASIS OF PREPARATION

The annual report comprises statement of comprehensive income, statement of financial position, statement of cash flow, statement of changes in equity and note disclosures for the Group. The accounting year equals the calendar year. The financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (EU-IFRS). Additional disclosure requirements according to the Norwegian Accounting Act are included.

At the end of 2010, there are new standards, changes in existing standards and interpretations that are enacted, but not yet effective, but that are relevant for the Marine Harvest Group, which are listed in note 28.

The financial statements have been prepared on the historical cost basis, except for where IFRS require recognition at fair value. This relates to measurement of certain financial instruments and valuation of biomass as described below.

CONSOLIDATION

Consolidated financial statements present the financial position, comprehensive income, changes in equity, and the cash flow for the Group as a combined entity.

Subsidiaries The Group's consolidated financial statements comprise the financial statements for companies in which the parent company or subsidiaries have a direct or indirect controlling influence. A controlling influence normally exists if the Group directly or indirectly owns more than 50% 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 financial statements up to the point of divestiture.

Investment in associated companies Associated companies are defined as companies in which the Group has significant influence and can exercise significant, but not controlling influence (normally ownership of 20-50%). Associated companies are included in the Group financial statements 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 equity). In statement of comprehensive income, the share of profit in associated companies is classified on a separate line included in earnings before interest and taxes. In the statement of financial position, ownership interests in associated companies are classified as non-current assets.

Elimination of internal transactions All transactions and balances between companies in the Group are eliminated. Unrealized gains from internal transactions are eliminated. Unrealized losses from internal transactions are also eliminated, but are considered an impairment indicator of the asset transferred.

FOREIGN CURRENCY TRANSLATION

The financial statements for the Group are presented in NOK, the functional currency for the parent company.

Translation of accounts of foreign subsidiaries Profit or loss transactions in foreign subsidiaries are translated using the average exchange rate for the consolidation period. Assets and liabilities of a foreign subsidiary are translated at the exchange rate at the end of the reporting period.

On the disposal of a foreign operation, the cumulative amount of the translation differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, will be recycled as gain or loss through profit or loss.

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 other monetary items in foreign currency are measured at the currency rate at the closing date and the translation differences are charged in profit or loss continuously. Other assets and debt in foreign currencies are valued at the currency rate on the transaction date.

FINANCIAL INSTRUMENTS – INITIAL AND SUBSEQUENT MEASUREMENT

Initial recognition Financial instruments are recognised in the financial statement when Marine Harvest becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. All financial liabilities are initially measured at fair value minus, in the case of loans and borrowings, directly attributable transaction costs.

Financial instruments in Marine Harvest are classified into the following specified categories:
– Financial assets and liabilities measured at amortised cost
– Financial instruments at fair value through profit or loss
– Financial assets at cost because the fair value cannot be reliably measured
– Financial derivatives designed as hedging instruments which qualify for hedge accounting

The classification depends on the nature and the purpose of the financial instrument, and is determined at the time of initial recognition. Subsequent measurement of financial instruments depends on their classification in the specified categories.

Subsequent measurement of financial assets and liabilities measured at amortised cost Loans and receivables are assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets and interest bearing loans and borrowings are subsequently measured at amortised cost, less impairment.

The amortised interest and losses from impairment are recognised in profit or loss as financial items.

Subsequent measurement of financial instruments at fair value through profit or loss Financial instruments at fair value through profit or loss include:

– financial instruments held for trading
– financial instruments designated upon initial recognition at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments that are not designated as hedging instruments that qualify for hedge accounting.

Marine Harvest has designated investments in other shares listed on the stock exchange into this category.

Financial instruments at "fair value through profit or loss" are carried in the statement of financial position at fair value with changes in the fair value recognised in profit or loss as financial items.

Fair value of financial instruments The fair value of the financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

Offsetting financial instruments Financial assets and liabilities are offset and the net amount recognised in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Impairment of financial assets Financial assets, other than those subsequently measured at fair value, are assessed for indicators of impairment. Financial assets are considered to be impaired when there is objective evidence that the estimated future cash flow of the investment will be negatively affected.

Derecognition of financial instruments A financial asset is derecognised when the contractual rights to the cash flows from the asset expire or when the Group has transferred the financial asset and substantially all risks and rewards of ownership of the asset to another entity. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially and subsequently recognised at fair value. Derivatives are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Gains or losses at expiry as well as unrealised changes in fair value on derivatives are recognised in profit or loss, except for cash flow hedges qualifying for hedge accounting, which are temporary recognised in other comprehensive income.

When a derivative is entered into, an evaluation is made of whether the derivative is part of a portfolio qualifying for hedge accounting or if changes in market value shall be charged to the profit or loss. The classification is documented with a description of the hedge relation and how to measure and follow up on hedge effectiveness.

Cash flow hedges The non-current currency exposure in certain business units is hedged using forward contracts. The hedges are determined by expected future cash flows in the relevant foreign currency. Gains and losses on derivatives constituting a cash flow hedge is recognised in other comprehensive income and in a hedging reserve within equity until the hedged cash flow materialises and affects the profit or loss.

If a cash flow hedge expires without being renewed or the hedge relationship is terminated, accumulated gains and losses in the hedging reserve within equity until recycled through profit or loss in accordance with the above principle. If the hedged transaction is no longer expected to occur, accumulated unrealised gains and losses previously recognised in other comprehensive income is immediately reversed and recycled through profit or loss.

CLASSIFICATION

Assets and liabilities associated with the regular business cycle, or held for sale, and items due for payment within one year from the end of the reporting period 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 non-current.

Currency effects in comprehensive income Classification of currency effects in profit and loss in comprehensive income was changed as of 1 January 2010. Currency effects related to bank accounts, current account, trade receivable, trade payable and hedging instruments are now classified within financial items and, not as previously, as part of EBIT. Comparable figures have been restated.

Currency effects related to long term receivables or debt are classified as financial items. Unrealised currency effect related to cash flow hedges are classified as other comprehensive income.

EQUITY

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

Cost and tax effects related to transaction with shareholders are recognized directly in equity. The purchase and sale of treasury shares is recognised directly in equity.

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

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received for the sale of goods and services in the ordinary course of business. Revenue is shown net of discounts, VAT and other sales related taxes.

Revenue for the company is mainly related to sales of fish. Sales of goods are recognised when the goods are delivered and significant ownership and risks have passed. This will normally be at delivery.

Changes in estimated fair value on biomass are recognised in profit or loss. The fair value adjustment is classified 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. At harvest, fair value adjustments are reversed.

Interest income is recognised on an accrual basis.

GOVERNMENT GRANTS

Government grants are deducted from the carrying amount of the asset. The government grant will be recognized as income through reduced depreciations of the asset.

Government grants related to biological assets measured at fair value will be recognised as income, when and only when, the conditions attached to the government grants are met.

GOODWILL

In a business combination, the difference between fair value of acquired assets and liabilities and the acquisition cost is capitalized as goodwill. The goodwill in the statement of financial position is measured at acquisition cost less any write downs made after acquisition. The goodwill is allocated to the cash generating units which were expected to contribute to synergy capture and future profits when the acquisition occurred. The goodwill is subject to an annual impairment test, or when there is indication of impairment, and any impairment loss is recognised in the comprehensive income. Impairment losses on goodwill are not reversed.

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

FARMING LICENSES

The value of licenses acquired by the company (mainly licenses for farming of salmon), is capitalized. In Norway the licenses are considered indefinite, while licenses in Scotland and Canada are automatically renewed as long as operations are in accordance with the required conditions, and are not depreciated. The licenses are assessed as having an indefinite life and are not subject to amortization, but an impairment test is performed annually. Impairment write-downs are reversed if the value recovers.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured 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 life of the asset are capitalized. Assets are normally considered fixed assets if the useful economic life exceeds one year. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

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 separately. Depreciation is classified as an operational expense in the statement of comprehensive income. The asset's residual value and useful life is evaluated annually.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset.

IMPAIRMENT

The carrying amounts of the Group's assets are at the end of each reporting period reviewed to determine whether there are indications that specific assets have suffered an impairment loss. If 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 net present value of discounted cash flows (value in use). In addition an annual impairment test is carried out for intangible assets with indefinite life including goodwill. This impairment test is done by assessing the value in use based on the discounted future cash flows for each cash generating unit. For further information regarding impairment testing of intangible assets, reference is made to note 6 Impairment testing.

If the recoverable amount of a cash generating unit is estimated to be less than the carrying amount of the net assets of the cash generating unit, impairment write-down to the recoverable amount is accounted for. If a write-down is required goodwill is written down first, thereafter other intangible assets. If further write- downs are required other fixed assets will be written down.

Impairment losses recognised in previous periods are reversed if the recoverable amount in a later period exceeds the carrying amount. The reversal will not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill are not reversed.

Tangible assets that are not in use, or are held for sale, are valued individually.

LEASING

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

Leased items classified as assets are subject to depreciation according to the useful life of the asset, and the leasing liabilities are reduced with the leasing fees paid, net of deduction of interest.

INVENTORY

Inventories comprise mainly of feed, goods in progress, packaging materials and finished goods. Inventories of goods are measured at the lower of cost and net realizable value.

The cost of finished goods includes direct material costs, direct personnel expenses, and indirect processing costs (full production cost). Interest costs are not included in the inventory value. The cost price of purchased goods is the actual purchase price. The cost is based on the principle of first-in first-out or weighted average.

If fish farmed by the Group is included in inventory as raw material for further processing in one of the Groups processing entities, such fish is included in inventory with its fair value when put to inventory.

BIOLOGICAL ASSETS

Biological assets comprise eggs, juveniles, smolt and fish in the sea. Biological assets are measured at fair value less cost to sell, unless the fair value cannot be measured reliably. Broodstock, smolt and small live fish are measured at cost less impairment losses. Live fish over approximately 1 – 1.5 kilo is measured at fair value less cost to sell.

Effective markets for sale of live fish do not exist so the valuation of live fish under IAS 41 implies establishment of an estimated fair value of the fish in a hypothetical market. The calculation of the estimated fair value is based on market prices for harvested fish and adjusted for estimated differences in accordance with IAS 41.18 b). The prices are reduced for harvesting costs and freight costs to market, to arrive at a net value back to farm. The valuation reflects the expected quality grading and size distribution. Further the valuation will take into account the stage in the life cycle, actual size and expected harvest weight of the fish. The change in estimated fair value is recognised in profit or loss on a continuous basis, and is classified separately (not included in the cost of the harvested biomass). On harvest, the fair value adjustment is reversed on the same line.

Biomass acquired through business combinations are carried at full production cost plus fair value adjustment. When this fish is harvested and sold the cost of production is classified in the comprehensive income as cost of goods sold, and the fair value adjustment on this fish when acquired through a business combination is classified as "fair value (excess of cost) on biomass acquired and harvested".

Valuation model The valuation is completed for each business unit and is based on biomass in sea for each sea water site. The specification of biomass includes total number of fish, estimated average weight and the cost of the biomass. In the calculation the value is estimated by estimating a value for the total kilo of biomass. Number of kilo biomass is multiplied by a value per kilo that reflects the market price. The market price is derived from a specter of prices. Normally a combination of achieved prices last month and the most recent contract entered into. For Marine Harvest Norway quoted forward prices (Fishpool) are also included in the calculation. The valuation takes into consideration that not all the fish are of the same quality.

FIXED PRICE CONTRACTS

External customer contracts where both volumes and prices are fixed shall be considered regarding provisions for onerous contracts. A contract is considered onerous if the contract price is lower than the accounted value of biomass (fair value). The evaluation of an onerous contract is performed per business unit, as the contract specifies delivery from a specific business unit and the fair value also is calculated per business unit

CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the statement of financial position comprise cash at hand and in banks and short-term deposits which without significant risk can be converted to cash within three months.

TAXES

Taxes for the year in profit or loss 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 in other comprehensive income or directly in equity do not form part of the tax expense for the year.

Tax payable is calculated using the nominal tax rate for the relevant tax jurisdiction at the end of the reporting period.

Deferred tax is calculated on the basis of temporary differences between accounting and taxation values at the close of the accounting year. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss. Deferred tax assets arise from temporary differences that give rise to future tax deductions. Deferred tax assets are only recognised in the statement of financial position if it is likely that it can be utilized directly or by netting a deferred tax liability.

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

PENSION PLANS

Contribution plans Obligations to make payments to 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 reporting date. Actuarial gains or losses are accounted for using the corridor approach.

PROVISION FOR LIABILITIES

A provision is recognised in the accounts if the company has a legal or constructive/self-administered obligation related to a past event, and it is likely that the obligation will lead to a financial outflow for the company. Long-term provisions are valued based on discounted expected cash flows.

RESTRUCTURING COSTS

Provisions for restructuring costs will be recognised if the company within the end of the reporting period 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 recognised only for costs that cannot be associated with future earnings.

Costs related to restructuring are classified on a separate line in the profit or loss.

SHARE PRICE BASED BONUS SCHEME

The Group has a share price based bonus scheme which will be settled in cash ('cash-settled transactions'). The fair value of the program is recognised as a payroll expense and as a liability. The fair value of each allotment is measured at the end of each reporting period and accrued over the period until the employees have earned an unconditional right to receive them.

CASH FLOW STATEMENT

The cash flow statement is prepared in accordance with the indirect method and shows cash flow from operations, from investments and from financing.

Cash and cash equivalents comprise cash, bank deposits, and other short-term, liquid placements that can be converted into cash within 3 months.

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 investments.

Paid interest is in the cash flow statement included in the cash flow related to financing activities. Purchase and sale of shares is classified as investment activities in the cash flow statement.

3 Significant 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 recognised 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. Estimates are reviewed on an ongoing basis and actual values and results may deviate from these estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Information regarding critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are covered in following notes:

- Note 5 Biological Assets
- Note 9 Financial instruments

Information regarding key assumptions and key sources of estimation uncertainty which have a significant risk of causing a material adjustment to the recognised amount of assets and liabilities within the next financial year are covered in following notes:

- Note 5 Biological assets
- Note 6 Impairment testing
- Note 11 Taxes
- Note 23 Contingent liabilities

4 Business segments

IDENTIFICATION OF SEGMENTS

Marine Harvest has structured its operations in five main business units. Business unit MH Norway includes fish farming operations and sales operations in Norway, which produce and sell Atlantic salmon. The operations in Norway also include processing facilities producing fillets. Business unit MH Chile includes the Group's operations in Chile and in the US. Operations in Chile include fish farming, and processing facilities. In the US the Group has a sales office located in Miami and processing facilities in Maine, Los Angeles and Miami. The business units MH Canada and MH Scotland produce and sell Atlantic salmon.

The business unit MH VAP Europe processes and sells elaborated seafood in the European market, of which approximately 70% are based on Atlantic salmon, and approximately 30% on other seafood.

In addition to the main business units the Group has a number of operations which individually are smaller, and are operated as separate businesses. These other units include the farming operations in Ireland which produces conventional and organic salmon, the salmon farming operations in the Faroes, the sales organization in Asia, farming of Halibut in Norway as well as the Corporate head office. The total of these are presented as "Corporate/ MH Other Businesses" below.

ACCOUNTING PRINCIPLES APPLIED FOR THE SEGMENT REPORTING

The same accounting principles as described for the Group financial statements have been applied for the segment reporting. Some Marine Harvest ASA costs have been distributed to the segments (management fee), 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.

KEY FIGURES BY BUSINESS SEGMENTS FOR 2010

(NOK MILLION)	MH NORWAY	MH CHILE	MH CANADA	MH SCOTLAND	MH VAP EUROPE	CORPORATE/ MH OTHER BUSINESSES	ELIMINA-TIONS	TOTAL
Sales revenues external customers	4 799.2	2 261.7	1 318.5	1 064.7	4 165.1	1 582.1	-	15 191.4
Sales revenues other divisions	3 281.2	34.1	51.0	114.5	331.1	181.8	-3 993.7	0.0
Revenue	8 080.5	2 295.9	1 369.5	1 179.2	4 496.2	1 763.9	-3 993.7	15 191.4
Cost of material	-3 851.4	-1 892.5	-778.0	-485.8	-3 307.2	-1 280.7	3 904.9	-7 690.7
Other operating expenses	-1 617.6	-205.5	-255.4	-343.3	-952.9	-368.2	86.7	-3 656.3
Operational EBITDA	**2 611.5**	**197.9**	**336.1**	**350.0**	**236.0**	**115.0**	**-2.1**	**3 844.4**
Depreciation and amortisation	-273.6	-87.9	-113.1	-53.7	-81.2	-44.1	0.5	-653.1
Operational EBIT	**2 337.9**	**109.9**	**223.0**	**296.3**	**154.9**	**70.9**	**-1.7**	**3 191.3**
Restructuring costs	-	-	-	-6.2	1.9	-	-	-4.4
Income/loss from associated companies	202.0	-	-	-	-	-	-	202.0
Impairment losses	-1.9	7.0	-4.4	-1.1	-4.6	-	-	-5.0
Fair value adj. on biological assets/contracts	697.1	82.1	56.4	193.6	-	48.1	-	1 077.4
Earnings before interest and taxes (EBIT)	3 235.1	199.0	275.0	482.6	152.1	119.1	-1.7	4 461.2
Investment in associated companies	676.1	-	2.5	-	-	0.4	-	678.9
Other assets	13 381.0	2 939.7	3 283.1	1 850.0	2 510.2	3 456.3[2]	-4 570.4	22 849.9
Total Assets	14 057.1	2 939.7	3 285.6	1 850.0	2 510.2	3 456.6	-4 570.4	23 528.8
Total Liabilities	-3 775.6	-1 780.3	-551.2	-447.5	-1 236.9	-7 690.1	4 523.6	-10 958.1
Investments in the period	634.6	18.8	109.6	77.3	84.9	61.3	-	986.5
Harvest volume (tonnes)	202 456	10 570[1]	33 547	33 136	-	15 974	-	295 683
No of employees 31 December 2010 FTE	1 251	765	531	402	1 846	263	-	5 058

[1] Volume in MH Chile is sold volume. Harvested volume in MH Chile 2010 was 9 866 tonnes.

[2] Assets held by Corporate includes internal receivables

KEY FIGURES BY BUSINESS SEGMENTS FOR 2009

(NOK MILLION)	MH NORWAY	MH CHILE	MH CANADA	MH SCOTLAND	MH VAP EUROPE	CORPORATE/ MH OTHER BUSINESSES	ELIMINA-TIONS	TOTAL
Sales revenues external customers	4 595.3	2 229.0	1 222.3	1 055.6	4 092.3	1 455.9	0.7	14 651.2
Sales revenues other divisions	2 260.7	63.9	49.7	162.9	99.5	140.3	-2 777.1	-0.0
Revenue	6 856.0	2 292.9	1 272.0	1 218.5	4 191.8	1 596.3	-2 776.3	14 651.2
Cost of material	-3 839.0	-2 360.8	-730.4	-575.3	-2 788.5	-1 239.2	2 704.9	-8 828.3
Other operating expenses	-1 495.1	-267.9	-227.1	-318.1	-1 032.2	-344.5	69.2	-3 615.6
Operational EBITDA	**1 521.9**	**-335.8**	**314.6**	**325.1**	**371.2**	**12.6**	**-2.2**	**2 207.4**
Depreciation and amortisation	-264.8	-130.5	-107.6	-52.5	-83.2	-49.2	0.0	-687.7
Operational EBIT	**1 257.2**	**-466.3**	**207.0**	**272.6**	**287.9**	**-36.6**	**-2.2**	**1 519.6**
Restructuring costs	-	-149.3	-	-9.5	-10.2	-0.5	-	-169.5
Income/loss from associated companies	68.7	-	-	-	0.8	-	-	69.5
Impairment losses	-6.6	-334.9	-9.6	-2.7	-18.0	-1.3	-	-373.1
Fair value adj. on biological assets/contracts	248.0	-8.4	50.7	8.8	-	2.1	-	301.2
Earnings before interest and taxes (EBIT)	1 567.2	-958.9	248.0	269.3	260.6	-36.3	-2.2	1 347.7
Investment in associated companies	517.5	-	2.3	-	-	0.3		520.1
Other assets	10 968.7	2 616.0	2 787.3	1 769.2	2 590.8	2 900.0[2]	-3 763.0	19 869.1
Total Assets	11 486.2	2 616.0	2 789.6	1 769.2	2 590.8	2 900.4	-3 763.0	20 389.3
Total Liabilities	-3 025.5	-1 618.3	-391.7	-388.7	-1 124.8	-6 095.6	3 715.8	-8 928.8
Investments in the period	353.4	37.1	53.2	76.1	84.7	38.9	-	643.4
Harvest volume (tonnes)	201 676	36 204[1]	36 537	37 698	-	14 985	-	327 100
No of employees 31 December 2010 FTE	1 091	908	537	367	1 792	252	-	4 947

[1] Volume in MH Chile is sold volume. Harvested volume in MH Chile 2009 was 30 702 tonnes.
[2] Assets held by Corporate includes internal receivables

REVENUE AND OTHER INCOME BY CUSTOMERS' LOCATION

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

(NOK MILLION)	2010	2009
Norway	1 252.5	1 390.1
Europe	9 198.0	8 832.3
America	3 623.3	3 476.1
Asia	945.9	914.0
Other markets	171.6	38.7
Total revenue and other income	15 191.4	14 651.2

5 Biological assets

VALUATION OF BIOLOGICAL ASSETS

The accounting principles and the valuation model applied for valuation of biological assets are explained in note 2 – Significant accounting policies.

Valuation of biological assets is affected by the market prices of fish. The market price risk is handled through fixed price/volume customer contracts and financial contracts as explained in note 9.

ASSUMPTIONS USED FOR DETERMINING FAIR VALUE OF LIVE FISH

The estimated fair value of biomass will always be based on uncertain assumptions, even though the company has built substantial expertise in assessing these factors. Estimates are applied to the following factors: biomass volume, the quality of the biomass, the size distribution and market prices.

Biomass volume: The biomass volume is in itself an estimate based on the number of smolt put to sea, the estimated growth from the time of stocking, estimated mortality based on observed mortality in the period etc. The uncertainty with regards to biomass volume is normally low. The uncertainty will, however, be higher if an incident has resulted in mass mortality, especially early in the cycle, or if the health status restricts handling of the fish.

The quality of the biomass: The quality of the biomass can be difficult to assess prior to harvesting, especially if the reason for downgrading is related to muscle quality (e.g. the effect of Kudoa in Canada). In Norway downgraded fish is normally priced based on standard rates of deduction compared to a Superior quality fish. For fish classified as ordinary the standard rate of reduction is NOK 1.50 – NOK 2.00 per kilo gutted weight. For fish classified as production grade the standard rate of reduction is NOK 5.00 to NOK 15.00 per kilo gutted weight depending on the reason for downgrading. In other countries the price deductions related to quality are not as standardized.

The size distribution: Fish in sea grows at different rates and even in a situation with good estimates for the average weight of the fish there can be considerable spread in the quality and weight of the fish. The size distribution affects the price achieved for the fish as each size category of fish is priced separately in the market. When estimating the biomass value a normal distribution of size is applied.

Market price: The market price assumption is very important for the valuation and even minor changes in the market price will give significant changes in the valuation. The methodology used for establishing the market price is explained in note 2. If assumed that all fish per 31 December 2010 were of harvest size and the volume is 250 966 tons live weight, a change in the price of NOK 1 per kilo gutted weight would change the valuation by NOK 208 million.

WRITE-DOWN OF BIOMASS

Write-downs of fish in sea may have two sources: extraordinary mortality and impairment (if the cost of the biomass is higher than the expected recoverable amount).

Extraordinary mortality: Extraordinary mortality is accounted for when a site either experiences elevated mortality over time or massive mortality due to an incident on the farm (outbreak of disease, lack of oxygen etc). In 2010, all farming units recorded extraordinary mortality losses. Reference is made to note 27 – Exceptional items, where the most important losses are described.

Write-down of biomass: In situations where expected prices going forward are very low or the cost of biomass is high the biomass might be impaired. In such situations the biomass is written-down to the expected recoverable amount.

RECONCILIATION OF CHANGES IN CARRYING AMOUNT OF BIOLOGICAL ASSETS

(NOK MILLION)	2010	2009	2008
Carrying amount 01.01	5 351.1	5 620.6	5 553.9
Acquired entities in the year	-	-	0.7
Purchases	6 215.8	5 842.0	7 035.2
Change in fair value	1 091.7	301.2	-278.8
Write-downs fish in sea in period	-52.0	-212.1	-324.0
Costs of harvested fish	-5 335.5	-5 973.7	-6 611.5
Currency translation differences	7.0	-226.8	245.1
Total carrying amount of biological assets as of 31.12	7 278.1	5 351.1	5 620.6

FAIR VALUE ADJUSTMENTS ON BIOLOGICAL ASSETS IN THE STATEMENT OF FINANCIAL POSITION

(NOK MILLION)	2010	2009	2008
Marine Harvest Norway	1 367.2	661.6	413.2
Marine Harvest Chile	79.4	-	9.3
Marine Harvest Canada	169.8	106.2	58.1
Marine Harvest Scotland	280.5	89.9	89.6
Marine Harvest Faroes	46.1	6.2	3.4
Marine Harvest Ireland	59.6	59.2	51.8
Marine Harvest Other Businesses, ex MH Ireland and MH Faroes	7.7	5.3	22.3
Total fair value adjustment included in carrying amount in the statement of financial position	2 010.2	928.3	647.7
Biomass at cost	5 268.0	4 422.8	4 972.9
Total biological assets	7 278.1	5 351.1	5 620.6

FAIR VALUE ADJUSTMENTS ON BIOLOGICAL ASSETS IN THE STATEMENT OF COMPREHENSIVE INCOME

(NOK MILLION)	2010	2009	2008
Marine Harvest Norway	705.6	248.0	-332.6
Marine Harvest Chile	82.1	-8.4	7.4
Marine Harvest Canada	56.4	50.7	21.8
Marine Harvest Scotland	199.5	8.8	25.2
Marine Harvest Faroes	41.3	3.5	-17.0
Marine Harvest Ireland	4.4	15.7	-1.7
Marine Harvest Other Businesses, ex MH Ireland and MH Faroes	2.4	-17.1	18.1
Total biological assets	1 091.7	301.2	-278.8

The fair value adjustment to biomass amounted to an income of NOK 1 091.7 million in 2010, an increase from NOK 301.2 million in 2009. There was no value adjustment related to acquired biomass in 2010 or 2009, while the total cost of NOK 278.8 in 2008 included a cost of NOK 80.4 million related to acquired biomass.

VOLUMES OF BIOMASS

(TONNS)	2010	2009	2008
Volume of biomass harvested during the year (gutted weight, HOG) [1)]	296 762	328 087	327 662
Volume of biomass in the sea at year-end (live weight)	250 966	222 129	241 085

[1)] Volume harvested for all entities except Marine Harvest Chile where the figure reflects volume sold. The figure includes Sterling White Halibut

INVENTORY

(NOK MILLION)	2010	2009	2008
Raw materials and goods in process	355.1	319.1	375.4
Finished goods	420.7	423.7	699.1
Total carrying amount of inventory	775.8	742.7	1 074.5

Raw materialsinclude packaging materials and feed. Goods in process includes semi-finished products and spare parts. Finished goods include all products ready for sale.

6 Impairment testing

The Group tests intangible assets for impairment annually or more frequently if there are indications that the assets are impaired. The annual impairment test is performed at year-end. Marine Harvest has substantial assets with indefinite lives in the form of licences. The licences are subject to impairment testing in combination with goodwill in the annual test. Marine Harvest has identified the operating units in different countries as the cash generating units (CGUs), but in situations where the activities in several countries are monitored and followed up combined as one segment, the intangible assets are impairment tested for the relevant group of cash generating units (e.g. Marine Harvest VAP Europe and Marine Harvest Chile). A group of cash generating units is never larger than an operating segment as defined in IFRS 8 Operating segments. The impairment testing structure corresponds to the reporting structure used for internal follow up and monitoring.

For an overview of goodwill and licence values reference is made to note 7.

INDICATIONS OF IMPAIRMENT

Marine Harvest Group:

There were at year-end 2010 no indications that the Group's assets on consolidated level should be impaired. The recognised value of equity for Marine Harvest Group was significantly lower than the market value of the Group's equity and the market value has continued to increase in 2011. The impairment testing at year-end did not identify any impairment losses.

Marine Harvest Chile:

Due to the ISA challenges in the Chilean salmon industry (2007-2009), volumes have been significantly reduced. Marine Harvest's Chilean farming operation has successfully adjusted to a lower level of activity and generated substantial profit in 2010. Marine Harvest continues the cautious build-up of the Chilean operation, and plans to stock 8 million smolt in 2011. The impairment test performed at year end was based on a maximum stocking of 10 million smolt in the forecast period. Despite substantial idle licence capacity as a result of the cautious stocking strategy, the value of the Chilean assets was confirmed in the annual impairment test.

KEY ELEMENTS FOR THE IMPAIRMENT TEST

Methodology:

Impairment testing is a test to verify that the recoverable amount of an asset exceeds the recognised value. The recoverable amount can be either the value in use or the sales value net of costs related to the sale. For Marine Harvest, the recoverable amount is based on the net present value of estimated future cash flows (value in use) for the cash generating unit (CGU)/segment in line with IAS 36 and comparing the net present value of the cash flow against the invested capital in the cash generating unit (CGU)/segment. If the carrying amount (invested capital) is higher than the calculated value in use, an impairment loss is recognised in profit and loss in the comprehensive income, reducing the asset value to the calculated value in use. The estimated cash flows are based on the assumption of continued operation as part of the Marine Harvest Group.

Forecast period:

The expected future cash flows are based on the approved budgets for 2011 and the strategic plan for the following 4 years (2012-2015). The strategic plan figures have been updated for observed changes in market data and costs (feed prices, product prices and costs), to reflect management's best forecast at the date of the impairment test. Undocumented, target oriented cost reduction efforts and improvement programmes have been removed.

For CGU Marine Harvest Chile - the impairment test is based on 6 years of forecasted figures. The Chilean business plan was updated in August 2010 and presented in the Capital Markets day in September 2010. This plan maintains stocking at a level of 8 million smolt per year in 2011 and 2012. Beyond 2012 some growth is planned which will require build-up of biomass before a new stable level of production is reached in 2016. For this reason the basis for the impairment test for CGU Marine Harvest Chile is 6 years.

Key assumptions:

The key assumptions used in the calculation of value in use are harvest volume, EBIT(DA)/margins, capital expenditure, discount rates and the residual growth rates.

ASUMPTIONS

ENTITY	Harvest HOG, 2010 tonnes	CAGR Volume 2010-2015	CAGR Volume 2011-2015	2010 WACC before tax %	2009 WACC before tax %	2010 Residual value growth %	2009 Residual value growth %
Marine Harvest Norway	200 577	4.0 %	2.3 %	8.4 %	9.4 %	1.8 %	1.5 %
Marine Harvest Chile	9 526	33.2 %	12.1 %	8.5 %	9.1 %	2.0 %	2.5 %
Marine Harvest Canada	33 061	3.1 %	0.5 %	8.0 %	9.0 %	1.8 %	1.5 %
Marine Harvest Scotland	33 135	8.6 %	5.1 %	8.5 %	9.0 %	1.8 %	1.5 %
Marine Harvest Ireland	10 542	3.7 %	6.5 %	13.7 %	9.9 %	1.8 %	1.5 %
Marine Harvest Faroes	5 688	3.4 %	4.2 %	8.4 %	9.4 %	1.8 %	2.5 %
Sterling White Halibut	1 041	-0.6 %	0.5 %	8.4 %	9.4 %	1.8 %	1.5 %
Marine Harvest VAP Europe				8.8 %	8.8 %	1.6 %	2.5 %
Marine Harvest Asia				8.4 %	9.1 %	1.8 %	2.5 %
Total	293 571	6,0 %	3,4 %				

Harvest volume: Harvested volume is based on the current stocking plans for each unit and forecasted figures for sea water growth and mortality. The compounded annual growth rate (CAGR) in harvest volume in the forecast period (2010-2015) is between 0% and 33%. Marine Harvest Chile has the highest growth rate due to the very low base level of approximately 9 500 tonnes harvested in 2010 as a result of the ISA challenges (2007-2009). All growth is within existing licence capacity with the exception of Scotland, where it is expected that new licence capacity will be approved and 2-3 new licences have therefore been included in the forecast.

EBIT(DA)/Margins: The key profit target in the Salmon farming operations is EBIT per kilo, while sales and value added operations are measured in terms of EBIT/EBITDA in % of sales. EBIT per kilo is highly volatile due to the fluctuations in the price of salmon. Costs can under normal circumstances be forecasted with a relatively high level of accuracy. As Marine Harvest has entered into long term contracts for a significant share of the volume to be harvested in 2011, the margin for 2011 can be forecasted with a higher level of accuracy than the margin for the years beyond (2012-2015). The budgeted margin for 2011 is significantly higher than the historic average. For the years 2012 – 2015, EBIT per kg has been reduced to reflect the expected market development (a return to historic averages). For the sales and value added operations the forecasted margins are in line with historic averages and market expectations. Committed operational efficiency programs are taken into consideration in the calculations. Changes in the outcome of these initiatives may affect future estimated EBIT(DA) margins.

Capital expenditure (Capex): In the 5 (6 for Marine Harvest Chile) year forecast period, the capital expenditure necessary to meet the expected growth in revenue and profit is taken into consideration. Capital expenditure to be in compliance with current laws and regulations has also been included. Changes in applicable laws and regulations may affect future estimated capital expenditure needs. Capex related to committed and approved efficiency improvement programmes has also been included to support the inclusion of the benefits in the applied margin. Beyond the forecast period capital expenditure will in general equal depreciation and relate to maintenance investments.

Discount rate: The discount rates are based on the Capital Asset Pricing Model (CAPM) and the Weighted Average Cost of Capital (WACC) methodology. The cost of debt is based on the risk free rate in the applicable country. In the model, the average of the 10 and the 30 year risk free rate has been used if available. In cases with only one rate available, the relevant available rate has been used. The calculation of the final discount rates (WACC) also takes into account market risk premium, debt risk premium, the gearing and beta value. The applied market risk premium is 5%, in line with current market observations, while the company debt premium is based on the current loan agreement (5 year agreement entered into in May 2010). The gearing ratio has been determined based on the average market cap and NIBD over the last 5 years, while beta has been calculated using the relevant theory and share price observations. All values used have been reviewed/ compared with external sources for reasonableness.

In the calculations, the Group has applied estimated cash flows before tax and the corresponding discount rates before tax.

Residual growth rates: Growth after the 5 (6 for Marine Harvest Chile) year forecast period has in general been set independently for each cash generating unit based on the 5 year average historic inflation rate. The maximum growth rate applied beyond the forecast period is 2.0%. This is lower than the expected growth rates in the first 5 (6) years.

Sensitivity

An integrated part of the impairment testing of intangible assets is the sensitivity analysis with regards to key assumptions. The value in use has been determined based on the assumptions stated above, considering the expected development in both macro economic and company related conditions. Sensitivity analysis has been performed for the defined cash generating units/segments.

Based on the forecasted figures, the calculated net present value for most cash generating units is robust. Excluding Marine Harvest Chile and Sterling White Halibut, the cash flows have to decrease by more than 20% every year (including the indefinite future) before the net present value of future cash flows approaches the recognised value of the CGU/segment. With regards to changes in the discount rate, the tolerance level is the same as the rate has to increase by approximately 2 percentage points or 20% before the calculated asset value falls below the recognised value. For the farming operations, the break even EBIT per kilo level is between NOK 2 and NOK 4.50 with Chile having the highest level. The break-even level is below the historic average EBIT per kilo. Sensitivity can also be expressed through the net present value of future cash flows divided by capacity/harvest volume in the end year (2015). The breakeven level in terms of net present value per kg capacity is between 25 and 58, again with Chile having the highest level.

For Marine Harvest Chile the excess value amounts to NOK 591 million. There is not recognised any goodwill in Marine Harvest Chiles financial statements, after the write down in 2009. As there rests uncertainty with regards to the rebuilding of the entity and the effect of new regulations, CGU specific sensitivity has been included for this entity. Performing sensitivity calculations to the key assumptions reveals the following:

- A 1.5 percentage point increase in the WACC (from 8.5% to 10.0%) would reduce the excess value to zero
- Zero residual growth would reduce the excess value to NOK 50 million
- A reduction in EBITDA of 10% every year (including the indefinite future) would result in an excess value of NOK 119 million. The EBITDA reduction could be a result of either lower volumes or lower margin
- A 40% increase in capex every year would reduce the excess value to NOK 8 million. Compared to what currently has been included, higher capex could be required to comply with future regulations.

The rebuilding of the Chilean operation is subject to risk and uncertainty, but since the bottom level in 2009, the unit has been able to deliver substantially better than expected, both with regards to biological and financial performance. The 2010 generation is doing very well in sea and at present there are no indications that the ambition level should be reduced compared to the forecast. There are currently no internal or external indications that the future cash flows of this operation will not be sufficient to support the remaining asset values.

The Sterling White Halibut operation has experienced challenges in 2010. The impairment test indicates that the excess value is limited. The invested capital in this unit is NOK 129 million and consists mainly of biological assets. As such any impairment loss is limited to a potential negative margin going forward.

7 Intangible assets

SPECIFICATION OF INTANGIBLE ASSETS

(NOK MILLION)	GOODWILL		LICENSES		OTHER INTAN-GIBLE ASSETS		TOTAL	
	2010	2009	2010	2009	2010	2009	2010	2009
Acquisition cost as of 01.01	4 313.3	4 697.1	6 362.5	6 757.8	258.7	285.1	10 934.5	11 740.0
Additions in the year	0.7	0.1	0.0		7.6	3.9	8.3	4.0
Disposals in the year				-0.1	-3.1	-0.3	-3.1	-0.4
Foreign currency adjustments	-11.5	-383.9	35.1	-395.3	0.2	-29.9	23.8	-809.1
Total acquisition cost as of 31.12	4 302.5	4 313.3	6 397.6	6 362.5	263.5	258.7	10 963.5	10 934.5
Accumulated amortisation and impairment losses as of 01.01	2 170.7	2 457.2	953.0	991.2	122.7	125.1	3 246.5	3 573.6
Amortisation in the year			2.6	2.7	11.7	13.3	14.2	16.0
Impairment losses in the year						0.8	-	0.8
Accumulated amortisation and impairment losses on disposals			0.0	-0.4	-3.0	-0.3	-2.9	-0.7
Foreign currency adjustments	20.2	-286.5	-0.5	-40.6	-0.9	-16.1	18.8	-343.2
Total accumulated amortisation and impairment losses as of 31.12	2 190.9	2 170.7	955.1	953.0	130.6	122.7	3 276.6	3 246.5
Total net book value as of 31.12	2 111.6	2 142.6	5 442.5	5 409.5	132.8	136.0	7 686.9	7 688.0

INTANGIBLE FIXED ASSETS IN CASH-GENERATING UNITS

The following units have significant carrying amounts of intangible assets

(NOK MILLION)	GOODWILL		LICENSES	
	2010	2009	2010	2009
Marine Harvest Norway	1 553.9	1 553.2	3 113.5	3 116.1
Marine Harvest Chile	-	-	1 392.3	1 370.3
Marine Harvest Scotland	-	-	404.4	416.4
Marine Harvest Canada	23.6	22.1	468.6	438.9
Marine Harvest VAP Europe	534.1	567.3	-	-
Other units	-	-	63.7	67.8
Total for the Group as of 31.12	2 111.6	2 142.6	5 442.5	5 409.5

Impairment testing is described in Note 6

8 Property, plant and equipment

SPECIFICATION OF PROPERTY, PLANT AND EQUIPMENT

(NOK MILLION)	PROPERTY	PLANT	OTHER TANGIBLE ASSETS [1]	TOTAL 2010	TOTAL 2009
Acquisition cost as of 01.01	2 223.9	4 653.1	422.0	7 299.0	7 885.9
Additions in the year	27.0	87.8	912.6	1 027.4	625.6
Reclassification	104.1	451.4	-555.5	0.0	-
Disposals in the year	-52.4	-221.6	-19.6	-293.5	-401.5
Foreign currency adjustments	-16.0	40.3	18.1	42.4	-811.0
Total acquisition cost as of 31.12	2 286.6	5 011.0	777.5	8 075.2	7 299.0
Accumulated depreciation and impairment losses as of 01.01	1 021.3	2 452.5	307.1	3 780.9	3 642.2
Depreciation in the year	110.9	507.4	20.7	638.9	671.8
Impairment losses in the year	3.1	1.9	0.1	5.1	372.3
Accumulated depreciation and impairment losses on disposals	-41.0	-194.1	-20.7	-255.8	-390.3
Foreign currency adjustments	-9.1	33.2	-3.1	21.0	-515.1
Total accumulated depreciation and impairment losses as of 31.12	1 085.2	2 800.9	304.0	4 190.1	3 780.9
Total net carrying amount as of 31.12	1 201.5	2 210.2	473.5	3 885.1	3 518.1
Estimated lifetime	0-20 years	5-20 years	3-5 years		
Depreciation method	Linear	Linear	Linear		

[1] Other tangible assets includes Equipment and prepayments regarding property, plant & equipment

Sale of fixed assets

Tangible fixed assets have been sold throughout the year and net gain on sale of assets amounts to NOK 5.6 million in 2010. The corresponding figure for 2009 was NOK 4.8 million.

Impairment testing of fixed assets

Impairment tests for specific fixed assets are performed when there are indications of impairment. Impairment losses recognised in 2010 are insignificant.

9 Capital Management, Risk Management and Financial Instruments

CAPITAL MANAGEMENT

Capital management refers to the process of acquiring and utilizing capital in the most efficient manner compared to the available alternatives. The primary objective of the Group's capital management is to ensure access to capital contributing to satisfactory operations and maximum generation of shareholder values. The Group manages its' capital structure and makes adjustments in light of changes in the underlying economic conditions. Access to borrowed capital is continuously monitored and the Group has a continuous dialog with its lenders. The syndicated loan agreement sets forth covenants on the financial ratio of net interest-bearing debt to EBITDA and the equity ratio. Marine Harvest complied with the covenants in its loan agreements at the end of 2010. During 2010 Marine Harvest undertook a refinancing of its EUR 1 100 million facility agreement, maturing in March 2011, through a new EUR 600 million facility agreement and a EUR 225 million convertible bond. Through the refinancing the Group's maturity profile for interest bearing debt has been materially extended, as both the new facility agreement and the convertible bond mature in 2015. Details relating to the new facility agreement and the convertible bond are described in notes to financial statements to the parent company.

Marine Harvest intends to maintain an equity base suitable to the characteristics of the operations, taking into consideration that fish farming is a cyclical business. Capital not deemed necessary for further growth will be returned to shareholders as dividends or repurchase of shares. At year-end 2010, Marine Harvest had an equity of NOK 12 571 million. The equity share, defined by equity/total assets, was at the same time 53.4%. Net interest-bearing debt, defined as total interest-bearing debt less cash was NOK 5 218 million at year-end. The Board of Directors of Marine Harvest ASA considers the equity in the Group appropriate for the scale of the operation.

A dividend policy was resolved by the Board of Directors during 2010. The policy states that:

– The dividend level shall reflect the present and future cash generation potential of the Group.
– Marine Harvest will target a ratio of net interest-bearing debt to equity of less than 0.5.
– When the target level is met, at least 75% of the annual free cash flow after operational and financial commitments will be distributed as dividend.

The Board of Directors has further adopted guidelines targeting dividend distribution twice a year, whereby each dividend proposal shall be dimensioned with a view to manage net interest bearing debt around a target level. The target level is dimensioned relative to the scope of the Group's operations and was set to NOK 5 billion in 2010. During 2010, three dividends were resolved by the General Meeting amounting to a total of NOK 0.60 per share. Based on an increased scope of the Group's operations in 2011 the target for net interest bearing debt has been raised to NOK 5.5 billion. To this end the Board of Directors has resolved to propose a dividend of NOK 0.80 per share to the Annual General Meeting in May. Furthermore the Board of Directors has stated an ambition to propose a second dividend during the second half of 2011.

The Board of Directors of Marine Harvest ASA has been given proxies from the Annual General Meeting in May 2010 to:

– Repurchase shares in the company up to a maximum total nominal value of NOK 268 117 374 which equals approximately 10% of the current share capital.
– increase the company's share capital through issuance of new shares with an aggregate nominal value of up to NOK 268 117 374 divided into 357 489 832 shares at a nominal value of NOK 0.75 per share

The Group's principal financial liabilities, other than loans, consist of convertible and non-convertible bonds, derivatives and trade payables. These financial liabilities constitute the majority of the Group's third party financing. The Group holds financial assets such as trade receivables, cash and shares.

The Group uses financial derivatives, mainly forward contracts and interest rate swaps. The purpose of these instruments is to manage the interest rate and currency risk arising from the operations of the Group. No trading activities in financial instruments are undertaken.

Details regarding significant accounting policies for financial assets and liabilities are disclosed in note 2 Significant accounting principles.

FINANCIAL INSTRUMENTS IMPACT ON COMPREHENSIVE INCOME

(NOK MILLION)	2010	2009	2008
Net interest expenses	-367.8	-392.9	-485.4
Net currency effects on interest-bearing debt	175.8	690.7	-844.6
Net currency effects on cash. trade receivables and trade payables	-49.1	-43.2	198.8
Gain/loss on short-term transaction hedges	39.2	-14.3	18.8
Realised gain (loss) on non-current cash flow hedges	200.9	48.8	-5.2
Net currency effects	366.8	682.0	-632.2
Gain/loss on salmon derivatives	-42.7	-4.9	-
Change in fair value interest rate swaps	67.5	32.0	-216.6
Change in fair value equity conversion option	-245.7	-	-
Change in fair value other shares	1.3	18.4	-194.1
Dividends and gain (loss) on sales of other shares	3.0	0.1	-5.4
Net other financial costs	8.7	-21.9	-35.3
Other financial items	-207.9	23.7	-451.5
Total financial items	-208.9	312.8	-1 569.1
Other comprehensive income:			
Non-current cash flow hedges qualified for hedge accounting	216.6	1 326.6	-1 279.4

LONG TERM CASH FLOW HEDGING EQUITY RESERVE

(NOK MILLION)	2010	2009	2008
Cash flow hedging equity reserve as of 01.01	117.3	-829.6	111.1
Change in fair value of long term cash flow hedges	417.5	1 375.5	-1 284.6
Realised gain (loss) recycled through profit or loss	-200.9	-48.8	5.2
Change in deferred tax	-61.8	-379.8	338.7
Cash flow hedging equity reserve as of 31.12.	272.1	117.3	-829.6

CATEGORIES OF FINANCIAL INSTRUMENTS IN THE STATEMENT OF FINANCIAL POSITION

Details regarding criteria for recognition and the basis for measurement for each class of financial instrument are disclosed in note 2 – Significant accounting principles.

31 December 2010 (NOK MILLION)	Financial assets and liabilities					Non-financial assets and liabilities	Total
	Financial assets and liabilities at amortized cost	Financial instruments at fair value through profit or loss		Cost	Financial derivatives qualified for hedge accounting		
		Trading	Optional				
Non-current assets							
Intangible assets						7 805.6	7 805.6
Property, plant and equipment						3 885.1	3 885.1
Shares in associated companies						678.9	678.9
Other shares			91.7	32.5			124.2
Current assets							
Inventory						775.8	775.8
Biological assets						7 278.1	7 278.1
Trade receivables	1 844.9						1 844.9
Other receivables	239.5	13.2			379.9	184.7	817.3
Cash and cash equivalents	318.9						318.9
Total Assets	2 403.3	13.2	91.7	32.5	379.9	20 608.2	23 528.8
Equity						12 570.7	12 570.7
Non-current liabilities							
Deferred tax liability						2 237.9	2 237.9
Non-current interest-bearing debt	5 107.3						5 107.3
Other non-current liabilities		505.4				65.8	571.1
Current liabilities							
Tax payable						49.7	49.7
Current interest-bearing debt	429.7						429.7
Trade payables	1 450.2						1 450.2
Other current liabilities	444.9	183.2				484.1	1 112.2
Total equity and liabilities	7 432.1	688.5	0.0	0.0	0.0	15 408.2	23 528.8

31 December 2009	**Financial assets and liabilities**					**Non-financial assets and liabilities**	**Total**
(NOK MILLION)	**Financial assets and liabilities at amortized cost**	**Financial instruments at fair value through profit or loss**		**Cost**	**Financial derivatives qualified for hedge accounting**		
		Trading	**Optional**				
Non-current assets							
Intangible assets						7 742.6	7 742.6
Property, plant and equipment						3 518.1	3 518.1
Shares in associated companies						520.1	520.1
Other shares			80.4	38.4			118.8
Current assets							
Inventory						742.7	742.7
Biological assets						5 351.1	5 351.1
Trade receivables	1 672.1						1 672.1
Other receivables	184.2	11.5			186.3	169.6	551.6
Cash and cash equivalents	172.2						172.2
Total Assets	2 028.5	11.5	80.4	38.4	186.3	18 044.2	20 389.3
Equity						11 460.4	11 460.4
Non-current liabilities							
Deferred tax liability						1 142.6	1 142.6
Non-current interest-bearing debt	5 116.9						5 116.9
Other non-current liabilities						99.8	99.8
Current liabilities							
Tax payable						50.8	50.8
Current interest-bearing debt	130.3						130.3
Trade payables	1 339.8						1 339.8
Other current liabilities	401.9	220.3			30.3	396.2	1 048.7
Total equity and liabilities	6 988.9	220.3	0.0	0.0	30.3	13 149.8	20 389.3

There has not been any reclassification between the categories of financial assets or liabilities in 2009 and 2010.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments carried at amortised cost

With the exception of the EUR 225 million convertible bond, the Group consider that the carrying amount of financial assets and liabilities recognised at amortised cost in the financial statements approximates their fair value.

Fair value measurements recognised in the statement of financial position

Financial instruments that are measured at fair value subsequent to initial recognition are according to IFRS 7 grouped into a hierarchy of 3 different levels based on the degree to which the fair value is observable:

Level 1: fair value determined directly by reference to published quotations

Level 2: fair value estimated using a valuation technique based on observable data

Level 3: fair value estimated using a valuation technique based on unobservable data.

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(NOK MILLION)	2010			2009	
	Level 1	Level 2	Level 3	Level 1	Level 2
Assets measured at fair value:					
Financial assets to fair value through					
Other shares	91.7			80.4	
Current currency hedges		13.2			11.5
Financial derivativies qualified for hegde accounting		379.9			186.3
Liabilities measured at fair value:					
Financial liabilities to fair value through					
Equity convertion option			505.4		
Interest swaps		141.0			210.9
Other derivatives		32.1			
Current currency hedges		10.1			9.4
Financial derivativies qualified for hegde accounting					30,3

There have been no transfers between the levels in 2009 or 2010.

The equity conversion option is valued on level 3, using an acknowledged valuation model (Black Scholes). There is estimation uncertainty related to some of the parameters in the model.

FINANCIAL RISK MANAGEMENT

The Group monitors and manages the financial risks arising from the operations. These include currency risks, interest rate risk, credit risk and price/liquidity risk.

The Group seeks to manage these risks through operational measures or (where such measures are not available) through the use of financial derivatives.

A policy on the management of these risks has been approved by the Board of Directors. The policy includes principles on currency risk, interest rate risk, price risk, the use of financial instruments and other operational means as well as limits on the maximum and minimum levels of these exposures.

CURRENCY RISK

In the Marine Harvest Group, several business units carry out a large number of business transactions in currencies different from the domestic currency. For the Group, the relative importance of these transactions is substantially larger on the revenue side than on the cost side.

To mitigate the potential fluctuation effects on its' cash flows, the Group maintains a foreign exchange strategy designated to manage these exposures both in the short- and long term.

For each of Marine Harvest's business units, the Group has defined a main hedging currency. For some business units this currency is different from their domestic and functional currency

Marine Harvest Norway	EUR
Marine Harvest Chile	USD
Marine Harvest Scotland	GBP
Marine Harvest Canada	USD
Marine Harvest VAP	EUR
Marine Harvest Faroes	DKK
Marine Harvest Cold Water Species	NOK
Marine Harvest Asia	USD

Transaction exposures arise from firm commitments made to transact in a currency different than the main currency. The exposure horizon for transaction exposures depend on the duration of the commitment, but will normally be of relatively short duration. Hedging transaction designated to manage transaction exposures are referred to as transaction hedges.

Through hedging of transaction exposures, each business unit will ensure that its' net cash flows in currencies other than its' main hedging currency are hedged towards this currency.

Cash flow exposures arise from structural imbalances between the main currency on the revenue side versus the expense side. This imbalance is predominantly a result of production taking place in a country different from the country of the customer. Due to their structural nature, the exposure horizon for cash flow exposures is longer than for transaction exposures and there is therefore quantified on the basis of estimates for future revenues and expenses. In this estimation, focus is kept on the underlying currency structure of the individual revenue and cost item and the actual currency in which transactions are invoiced is of lesser importance. Hedging transaction designated to manage cash flow exposures are defined as cash flow hedges.

The Marine Harvest Group normally has a net positive cash flow exposure towards EUR, GBP, USD and JPY and a net negative cash flow exposure towards NOK, CAD and CLP. To hedge Group cash flows against exchange rate fluctuation Marine Harvest has a policy for long-term hedging of the most predominant net exposures. The Group hedges 50-80% of its' underlying exposure between EUR and NOK and between USD and CAD with a horizon of 2-4 years.

Where the hedge program comprises more than one year, the percentage of the exposure to be hedged is reduced over time.

At the end of 2010 the Group held a portfolio of hedging instruments designated to mitigate transaction and cash flow exposure with a total contract value of 5 484 million. Instruments equivalent to 51% of the contract value mature in 2011 and no instrument matures beyond 31 December 2013. The portfolio had a net positive market value of NOK 383.1 million at year-end.

Currency exposure in the statement of financial position

As a consequence of the Group's net cash flows being generated in EUR, GBP and USD, the interest-bearing debt should reflect this currency structure and over time consist of:
84% EUR,
8% USD,
4% GBP and
4% in other currencies.
This currency mix is obtained through borrowings as well as the use of currency derivatives.

CURRENCY (NOK MILLION)	2010 BORROWINGS IN LOCAL CURRENCY	2010 BORROWINGS IN NOK	2009 BORROWINGS IN LOCAL CURRENCY	2009 BORROWINGS IN NOK
NOK	140.5	140.5	182.0	182.0
USD	78.0	456.4	168.6	971.1
EUR	579.3	4 523.6	443.8	3 681.6
CAD	-	-	-	0.2
DKK	36.5	38.2	39.3	43.8
GBP	22.0	199.2	28.0	261.1
Total non-current debt and leasing liabilities to financial institutions		5 357.9		5 139.8
First years instalment on debt including leasing		250.6		22.9
Total non-current interest-bearing debt and leasing		5 107.3		5 116.9

The carrying amount of interest-bearing debt has been reduced by NOK 55.5 million in capitalised borrowing costs. With the exception of the EUR 225 million convertible bonds, there are no significant differences between the carrying amount and fair value of non-current interest-bearing debt and leasing. Details relating to the EUR 225 million convertible bonds and a significant part of the non-current debt are described further in notes to the financial statement of the parent company.

As of 31 December 2010 net interest-bearing debt (incl long term basis swap) had the following currency structure:

(NOK MILLION)	NOK	USD	EUR	GBP	JPY	DKK	CAD	OTHER	TOTAL
Cash and cash equivalents	118.8	40.4	98.1	-5.9	23.9	28.1	8.2	7.4	319.0
Current interest-bearing debt	84.1	-22.8	400.2	19.1	-14.9	-	-36.5	0.5	429.7
Non-current interest-bearing debt	140.5	456.4	4 272.9	199.2	-	38.2	0.0	-	5 107.3
Net interest-bearing debt	105.8	393.2	4 575.1	224.2	-38.8	10.1	-44.6	-6.9	5 218.1

Sensitivity analysis - changes in exchange rates

On the basis of financial positions and currency hedges in existence as of 31 December 2010, the effect of a 10% change in exchange rate of the following relevant currency pairs has been estimated:

CURRENCY PAIR (NOK MILLION)	EUR/NOK	USD/NOK	JPY/NOK	USD/CAD
Effect in NOK from a 10 percent increase in the value of	NOK	NOK	NOK	NOK
Financial items	422.6	423.0	-8.8	-85.1
Other comprehensive income	435.1	0.0	0.0	36.7
Total	857.7	423.0	-8.8	-48.4

INTEREST RATE RISK

Marine Harvest ASA shall at all times hedge 100% of the Group's non-current interest-bearing debt in its main financing currencies (EUR, USD and GBP). At initiation of this policy the interest rate hedges had a duration of 5 years. The Board of Directors of Marine Harvest ASA has decided to maintain a portfolio of existing USD interest rate swaps leading to a larger percentage of the USD debt being hedged.

At year-end 2010 the Group had a portfolio of interest swaps with a net negative market value of NOK 141 million.

CURRENCY (NOK MILLION)	AMOUNT	THE GROUP PAYS	THE GROUP RECEIVES	START	MATURITY	MARKET VALUE
EUR	40.0	Fixed 4.1135%	3M Euribor		March 2011	-2.4
EUR	27.0	Fixed 2.1130%	3M Euribor		March 2011	-0.6
EUR	21.0	Fixed 2.4590%	3M Euribor		March 2012	-3.1
EUR	165.5	Fixed 4.1390%	3M Euribor		March 2012	-43.9
EUR	25.0	Fixed 4.2875%	3M Euribor		March 2012	-7.0
EUR	53.0	Fixed 2.6970%	3M Euribor		March 2013	-9.2
GBP	2.5	Fixed 0.9350%	3M Libor		March 2011	0.0
GBP	3.0	Fixed 1.8600%	3M Libor		March 2011	-0.1
GBP	15.0	Fixed 5.2300%	3M Libor		March 2012	-7.1
USD	33.8	Fixed 5.1005%	3M Libor		March 2011	-2.3
USD	140.0	Fixed 5.1050%	3M Libor		March 2012	-47.0
EUR	35.5	Fixed 2.0425%	3M Euribor	March 2011	March 2015	3.8
EUR	152.0	Fixed 3.6790%	3M Euribor	March 2012	March 2014	-23.1
EUR	59.5	Fixed 2.2925%	3M Euribor	March 2012	March 2015	5.6
EUR	53.0	Fixed 2.5850%	3M Euribor	March 2013	March 2015	3.7
EUR	152.0	Fixed 2.8800%	3M Euribor	March 2014	March 2015	5.3
GBP	5.0	Fixed 3.1740%	3M Libor	March 2011	March 2012	-0.7
GBP	20.0	Fixed 3.9840%	3M Libor	March 2012	March 2014	-3.6
GBP	20.5	Fixed 3.4250%	3M Libor	March 2014	March 2015	0.5
USD	100.0	Fixed 3.3120%	3M Libor	March 2012	March 2013	-7.5
USD	92.0	Fixed 3.3120%	3M Libor	March 2013	March 2014	-2.4
USD	61.5	Fixed 3.5225%	3M Libor	March 2014	March 2015	0.0
Total						-141.0

A 0.50% point parallel shift in all relevant yield curves will cause a NOK 57 million change in the market value. This change would be classified as a financial item in the statement of comprehensive income for the Group.

In addition, the fixed rate coupon on the convertible bond as described in notes to financial statements to the parent company is part of the hedging of interest rate risk in the Group.

CREDIT RISK

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and as a main rule the Group's trade receivables are fully credit insured. The Group is monitoring exposure towards individual customers closely and is not substantially exposed in relation to any individual customer or contractual partner as of 31 December 2010. The maximum exposure is disclosed in note 13.

PRICE/LIQUIDITY RISK

The Group is continuously monitoring liquidity and estimates expected liquidity development on the basis of budgets and monthly updated forecasts from the business units.

Marine Harvest's financial position and development depend significantly on the spot price developments for salmon, and these prices have historically been volatile. As such Marine Harvest is exposed to movements in supply and demand for salmon. Marine Harvest has to some extent mitigated its exposure to spot prices by entering into bilateral fixed price/volume contracts with its' customers. The hedging rate has normally varied between 15 and 40% of Marine Harvest's sold volume and the duration of the contracts have typically been three to twelve months. To a limited extent such contracts have been entered into with duration of more than twelve months. Furthermore Marine Harvest is reducing its' exposure to spot price movements through its' value added processing activities and tailoring of products for its customers. Other key liquidity risks are fluctuations in production and harvest volumes, biological issues, and changes in the feed price, which is the most important individual factor on the cost side. Feed costs are correlated to the marine and agricultural commodity prices of the ingredients.

Marine Harvest's aim is to maintain a balance between long-term financing and flexibility by using credit facilities, new borrowings and bonds.

The table below summarises the maturity profile of Marine Harvests financial liabilities based on contractual undiscounted payments.

Maturity profile of the financial liabilities based on contractual, undiscounted payments, including interest:

(NOK MILLION)	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	WITHIN 1 YEAR	1 -2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
Non-derivative financial liabilities						
Syndicated loan	-3 741.4	-4 105.9	-335.2	-329.5	-3 441.1	0.0
Convertible bond	-1 552.7	-2 113.9	-79.1	-79.1	-1 955.7	0.0
Unsecured bond	-78.5	-86.4	-3.6	-3.6	-79.2	0.0
Leasing debt	-127.6	-170.4	-13.9	-13.9	-41.7	-100.9
Trade payables and other liabilities	-1 525.0	-1 529.1	-1 482.0	-9.4	-21.9	-15.8
Derivative financial liabilities						
Equity conversion option	-505.4	0.0	0.0	0.0	0.0	0.0
Interest swaps	-141.0	-329.5	-109.8	-79.4	-140.4	0.0
Currency hedges	-10.0	-10.0	-9.8	-0.2	0.0	0.0
Other derivative financial liabilities	-32.1	-32.1	-32.1	0.0	0.0	0.0
Total financial liabilities	-7 713.8	-8 377.4	-2 065.5	-515.1	-5 680.0	-116.7

10 Remuneration

SALARY AND PERSONNEL EXPENCES

(NOK MILLION)	2010	2009	2008
Wages and salaries	-1 602.9	-1 622.4	-1 685.8
Social security taxes	-250.8	-243.7	-202.3
Pension expences	-38.1	-62.3	-48.3
Other benefits	-310.6	-239.0	-203.4
Total salary and personnel expenses	-2 202.5	-2 167.4	-2 139.8
Average number of pemanent full-time employees	5 002	6 009	7 904

At year-end 2010 there were 5.058 permanent full-time employees in the Group.

REMUNERATION TO GROUP MANAGEMENT

The board of Marine Harvest ASA determines the principles applicable to the Marine Harvest Group's policy for senior executive compensation. The board is directly responsible for the determination of the CEO's salary and other benefits. The CEO is, in consultation with the chairman of the board, responsible for the determination of the salary and other benefit for the Group's other senior executives. The Marine Harvest Group's senior executives include the management team of each business area as well as the senior members of the corporate staff.

The following guidelines shall form the basis of the determination of compensation to the Marine Harvest Group's senior executives:

- The total compensation offered to senior executives shall be competitive, both nationally and internationally.
- The compensation shall contain elements providing necessary financial security following termination of the employment, both before the age of retirement and in connection with this.
- The compensation shall be motivating, both for the individual and for the Group's senior executives as a group.
- Variable elements in the total compensation to the Group's senior executives shall be linked to the values generated by the Group for Marine Harvest ASA's shareholders.
- The system of compensation shall be understandable and meet general acceptance internally in the Group, among the Company's shareholders and with the public.
- The system of compensation shall be flexible and contain mechanisms which make it possible to carry out individual adjustments based on the results achieved and contributions made towards the development of the Group.

Fixed salary

The fixed salary which each individual senior executive in the Marine Harvest Group will receive is a consequence of existing employment agreements. Adjustments of individual fixed salaries will be carried out in accordance with trends in local labour markets, the results achieved, and individual contributions to the development of the group.

Benefits in kind

The Marine Harvest Group's compensation schemes include only a limited number of benefits in kind. These benefits are offered in line with what is common practice in local labour markets and typically include personal communication equipment, access to media, and in some instances car and parking arrangements.

Pension

The Group currently has a number of pension schemes for its employees. The pension schemes comply with local statutory requirements which the individual companies in the Group are obliged to comply with. Schemes which go beyond what is required by law are mainly contribution based. The corporate management team in Norway is included in defined contribution plan where the contribution is limited to 5% - 8% of salaries up to NOK 0.9 million (12 G). Group CFO is in addition entitled to a contribution for saving for retirement, where NOK 2.5 million is recognized for the period August 2007 through December 2010. Going forward Marine Harvest ASA will annually pay approximately NOK 0.7 million as contribution for his saving for retirement.

Termination payment

The Marine Harvest Group has individual agreements on termination payments upon dismissal with several of its senior executives. The right to receive a termination payment is linked to a waiver of the general protection against termination. The period of termination payment is maximum 24 months from resignation.

Bonus

The Marine Harvest Group's senior executives have, as a part of their employment terms, a right to receive an annual bonus. The scheme is cash-based and is triggered for each individual if targets for the Group, and for the individual entitled to a bonus, are met. 70 % of the bonus is linked to the target achievement of the Group and a business area, while 30 % is linked to individual goal achievement. The size of the bonus is, for each individual, limited to a share of the person's fixed salary. CEO is entitled up to a 50% of annual fixed salary, Business Unit Managing Directors and Senior Group Staff up to 30% of annual fixed salary.

REMUNERATION TO GROUP MANAGEMENT

(NOK THOUSAND)		SALARY	BONUS	PENSION	OTHER	TOTAL 2010	TOTAL 2009
Alf-Helge Aarskog	CEO	2 639	1 500	33	6	4 178	-
Åse Aulie Michelet	Former CEO	3 802	1 000	1 273	17	6 092	5 885
Thomas Farstad	Director/Former acting CEO	2 290	375	924	12	3 600	2 413
Jørgen K. Andersen	CFO	2 217	430	64	23	2 734	1 917
David Carnes	Director Corporate Developement	1 815	414	62	19	2 311	1 455
Ola Brattvoll	Group Director Sales and Distrubution	126	-	-	-	126	-
Marit Solberg	Managing Director, MH Norway	1 910	447	71	163	2 591	2 421
Vincent Erenst	Managing Director, MH Canada	1 726	371	104	544	2 744	2 375
Alan Sutherland	Managing Director, MH Scotland	1 054	238	74	171	1 537	1 344
Alvaro Jimemez	Managing Director, MH Chile [1)]	1 513	652	21	1 142	3 328	2 700
Jo Dekeyzer	Managing Director, MH VAP Europe	1 737	416	136	109	2 398	2 615

[1)] Alvaro Jimenez stepped down from his position as of 10 January 2011

Former CEO, Åse Aulie Michelet will receive the remaining part of her termination payment, NOK 2.7 million, in 2011.

In addition the Marine Harvest Group has a share price based bonus scheme launched in 2008. The first possible bonus payment will be March 2011.

SHARE PRICE BASED BONUS SCHEMES FOR SENIOR EXECUTIVES

In the Ordinary General Meeting in 2007 it was decided to give the Board a detailed authorization to implement a share based incentive program for the company's management linked to a maximum of 35 million shares a year. The authorization concerned one assignment per year for three years. The program should be a supplement to management's salary and other bonus schemes.

The Marine Harvest Group has a share price based bonus scheme for the senior executives. The main characteristics of the scheme are as follows:

- The individual entitled to bonus is allotted a number of calculatory "Units". Each Unit corresponds to one share in Marine Harvest, and the "Base value" of each Unit corresponds to the market price of Marine Harvest's share + 7.5 % at the time of allotment.
- 3 years after allotment, the individual entitled to bonus will be paid a cash bonus corresponding to the positive difference between the Marine Harvest share's market value at such time and the Base Value, multiplied with the number of Units.
- The individual entitled to bonus is obligated to invest the bonus amount after income tax has been deducted in Marine Harvest shares at market price. These shares are purchased from Marine Harvest (if treasury shares are available), or in the market. Marine Harvest will cover the individual's expenses for purchasing the shares.
- The individual entitled to bonus is obligated to own the purchased shares for a minimum of 12 months following their acquisition.
- The payment of bonus is conditional upon the individual entitled to bonus being employed in the Marine Harvest Group during the whole earning period. The bonus amount is, for each individual, limited to 2 years' salary.
- The scheme has a maximum scope of 35 million Units per year.

Original allotments taken place:

- On 28 March 2008, the Board of Directors in Marine Harvest ASA distributed 30 750 000 Units to 87 employees in the Group. The Base Value for the allotment was NOK 3.3239 per Unit.
- On 26 June 2009 13 450 000 Units were allotted to 65 employees in the Group. The Base Value for this allotment was NOK 4.4887 per Unit.
- On 21 April 2010, 32 000 000 Units were allotted to 67 employees in the Group. The Base Value for this allotment was NOK 5.7405 per Unit.

Both the Base Value and the number of calculatory Units have been adjusted as a result of distributed dividend in 2010.

Outstanding Units will forfeit without any compensation to the beneficiary it the employment with Marine Harvest Group ceases prior to the settlement date.

SHARE PRICE BASED BONUS SCHEME FOR SENIOR EXECUTIVES

OUTSTANDING UNITS PER ALLOTMENT	2010-ALLOTMENT	2009-ALLOTMENT	2008-ALLOTMENT
Distributed units	32 000 000	13 450 000	30 750 000
Forfeited units	-1 250 000	-2 000 000	-10 300 000
Dividend adjustment	3 734 588	1 390 603	2 483 653
Total Units outstanding at year end	34 484 588	12 840 603	22 933 653
Number of employees in the scheme at year end	65	62	66

Total accrual to meet the cost of these programs is NOK 118.2 million. The Group Management Team has following outstanding Units as of 31 December 2010:

NAME AND POSITION		2010-ALLOTMENT	2009-ALLOTMENT	2008-ALLOTMENT
Alf-Helge Aarskog	CEO	5 607 250	-	-
Jørgen K. Andersen	CFO	1 121 450	672 870	841 088
David Carnes	Director Corporate Developement	1 121 450	420 544	-
Marit Solberg	Managing Director, MH Norway	1 121 450	672 870	841 088
Vincent Erenst	Managing Director, MH Canada	841 088	280 363	560 725
Alan Sutherland	Managing Director, MH Scotland	841 088	280 363	560 725
Alvaro Jimemez	Managing Director, MH Chile [1]	1 121 450	420 544	841 088
Jo Dekeyzer	Managing Director, MH VAP Europe	1 121 450	420 544	841 088
Total units		12 896 675	3 168 096	4 485 800

[1] Alvaro Jimenez stepped down from his position on 10 January 2011. The 2009- and 2010-allotments will be forfeited by termination.

SHARE PURCHASE PROGRAM

All permanent employees in Marine Harvest ASA and its Norwegian subsidiaries had in 2009 and 2010 the opportunity to acquire shares in the Company within the scope of the Norwegian Tax Act Section 5-14. These provisions provide this group of employees with the opportunity to receive a tax free benefit of NOK 1,500 in connection with their participation in such a scheme. The employees are given the opportunity to get the purchase financed through at loan from Marine Harvest ASA, which will be deducted in salary over 10 months.

FEES TO THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE

Total fees to the Board of Directors and Audit Committee amounted to NOK 3.4 million in 2010 and 3.5 million in 2009. Fees paid to the Board of Directors:

(NOK THOUSAND)		2010	2009
Ole-Eirik Lerøy	Chairman of the Board and Vice Chairman from May 2010	425	175
Svein Aaser	Prior Chairman of the Board	375	750
Leif Frode Onarheim	Vice chairman of the Board and Chairman of the audit committee	413	413
Solveig Strand	Member of the Board and member of the audit committee	350	350
Celina Middelfart	Member of the Board	275	275
Thorleif Enger	Member of the Board	275	275
Cecilie Fredriksen	Member of the Board [1]	0	0
Hege Sjo	Member of the Board and member of the audit committee [3]	175	0
Kathrine Moe	Prior member of the Board	0	138
Turid Lande Solheim	Member of the Board - employee representative [2]	275	275
Geir-Elling Nygård	Member of the Board - employee representative [2]	275	275
Kolbjørn Jektvik	Member of the Board - employee representative [2] [3]	186	0
Frank Øren	Prior member of the Board - employee representative [2]	138	275

[1] The fees has not yet been disbursed to one member of the Board
[2] Employee representatives in the Board receive salary as an employee in the Group in addition to the board fee.
[3] From May 2010

PENSIONS

Pensions are not a significant cost component or obligation in the financial statements. The different schemes in the Group are explained below:

Defined benefit plans

Marine Harvest Norway Marine Harvest Norway has a defined benefit pension plan for 2 employees, in addition to a provision related to the old scheme for early retirement pension. The new early retirement plan will be recognised as a defined contribution plan, as there is not sufficient information available to measure and allocate the total liability or breakdown per company.

Marine Harvest Scotland Marine Harvest Scotland participates in a pension scheme providing benefits based on final pensionable pay which is now closed to further contributions. The scheme has 609 members. There is a nominal pension surplus balance recognised which is rounded to NOK nil.

Marine Harvest VAP – France The entities in France have established agreements where the employees are entitled to payments after retirement according to a legally defined benefit plan. There are 830 employees in France that are included in these pension schemes, and the net obligations amount to EUR 1.620 million. The calculation is based on normal, actuarial assumptions. A discount rate of 4.65 % and an expected increase in salaries of 3% are taken into consideration in the calculation. Estimated remaining average time to retirement in the schemes is 23 years.

Marine Harvest VAP – Belgium For a small number of employees of the old Marine Harvest, there is still a defined benefit plan in place. There are 8 employees in Belgium that are included in this pension scheme and the net obligation amounts to EUR 0,304 million. The calculation is based on normal, actuarial w. A discount rate of 4.75 % and an expected increase in salaries of 3.5% are taken into consideration in the calculation. Estimated remaining average time to retirement in the scheme is 20 years.

Contribution plans

Marine Harvest ASA In Marine Harvest ASA there is a defined contribution plan with 31 members. The cost is charged to the statement of comprehensive income. For 2010 the cost related to this scheme was NOK 1.6 million.

Marine Harvest Norway Marine Harvest Norway, Marine Harvest Ingredients and Sterling White Halibut has a defined contribution plan for the 1 566 employees. All permanent employees employed in minimum 20% positions are included in the plan, where the employer contributes between 4 – 8% of the salary up to a maximum of 12 G (1 G = NOK 74 721). The cost of the scheme was NOK 14.9 million.

Marine Harvest Canada Marine Harvest Canada has a single defined contribution pension plan (DCPP) with 233 current members. The plan is voluntary and employees can join after 2 years of continuous service. The contribution rate is 6% by employer and 4% by employee. There are 84 employees that have been grandfathered in the plan. The contribution rate for these employees is 8% by employer and 6% by employee.

Marine Harvest Scotland Marine Harvest Scotland operates a defined contribution pension scheme for 232 members. The pension charge for the year represents contributions payable by the company to the scheme, and was NOK 4.0 million in 2010.

Marine Harvest Chile In Marine Harvest Chile, the pensions are generated by an individual mandatory savings account equal for all workers, legally defined. Every month 10% of the salary is deducted and sent to the administrator chosen by the worker.

Marine Harvest VAP – Belgium A contribution plan for groups of employees has been established in Belgium, covering 51 employees. The premium in the scheme is calculated as a percentage of yearly salary, and both the company and the employee contribute to the scheme. According to the law in Belgium the contribution plan has a minimum return guarantee and in 2010 the return is in line with this minimum guarantee.

11 Taxes

TAX FOR THE YEAR IN THE STATEMENT OF COMPREHENSIVE INCOME (NOK MILLION)	2010	2009	2008
Norway	-0.7	-2.4	-1.0
Foreign units	-184.4	-18.4	65.2
Tax on profits (current tax)	-185.1	-20.8	64.2
Norway	-824.9	-412.4	286.1
Foreign units	-133.9	75.0	58.9
Change in deferred tax	-958.8	-337.5	345.0
Total taxes related to profit for the year	-1 143.9	-358.3	409.3

RECONCILIATION BETWEEN NOMINAL AND EFFECTIVE TAX RATE (NOK MILLION)	2010	2009	2008
Profit before tax	4 252.3	1 660.5	-3 261.4
Nominal tax rate	28%	28%	28%
Tax calculated with nominal tax rate	-1 190.6	-464.9	913.2
Permanent difference reported by the entities	-58.5	-23.6	-33.6
Income/loss from associated companies	56.6	19.5	1.6
Withholding tax	-	-2.3	-3.1
Tax free gain/loss on sale of shares	-	0.0	-57.7
Recognition of deferred tax assets not recognised previously/use of losses not recognised	-	196.5	-
Correction of earlier year's taxes	5.7	0.5	-
Effects from different tax rate in the various juridistictions	22.8	-114.7	-272.1
Other differences	20.1	30.7	-139.0
Total actual tax in the statement of comprehensive income	-1 143.9	-358.3	409.3

TAX FOR THE YEAR RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME (NOK MILLION)	2010	2009	2008
Deferred tax related to income recognised as other comprehensive income	-72.4	-248.1	401.3

TAX PREPAID/RECEIVABLE IN THE STATEMENT OF FINANCIAL POSITION (NOK MILLION)	2010	2009	2008
Tax prepaid/receivable in foreign units	114.3	108.6	201.8
Total tax prepaid/receivable in the statement of financial position	114.3	108.6	201.8

TAX PAYABLE IN THE STATEMENT OF FINANCIAL POSITION (NOK MILLION)	2010	2009	2008
Tax payable in Norway	14.4	-	-
Tax payable, foreign units	35.3	50.8	69.9
Total tax payable in the statement of financial position	49.7	50.8	69.9

SPECIFICATION OF DEFERRED TAX AND BASIS FOR DEFERRED TAX/TAX ASSETS TAX INCREASING/(REDUCING) TEMPORARY DIFFERENCES (NOK MILLION)	2010	2009	2008
Non-current assets	5 027.4	4 957.4	5 013.4
Current assets	5 866.8	4 322.9	2 094.6
Provisions for liabilities	48.7	-100.2	-257.0
Tax losses carried forward	-2 955.3	-4 746.4	-6 215.6
Other differences	297.9	-7.2	-184.6
Total temporary differences	8 285.6	4 426.5	450.8
Tax losses carried forward in Norway	-2 545.2	-4 137.8	-4 518.6
Other temporary differences in Norway	7 559.0	5 924.5	3 179.5
Tax losses carried forward abroad	-410.1	-608.6	-1 697.0
Other temporary differences abroad	3 681.9	3 248.3	3 486.8
Total temporary differences	8 285.6	4 426.5	450.8

TOTAL DEFERRED TAX ASSET/LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION (NOK MILLION)	2010	2009	2008
Deferred tax assets	118.6	54.5	230.5
Deferred tax liabilities	-2 237.9	-1 142.6	-732.9
Net deferred tax in the statement of financial position	-2 119.3	-1 088.1	-502.4

The Group has capitalized deferred tax assets related to tax losses carried forward. This is based on the expectation of sufficient earnings in the future, mainly in Norway, Netherlands and Chile where the majority of tax losses carried forward are located. In Norway tax losses can be carried forward indefinitely. In addition substantial deferred tax liabilities linked to non-current assets and current assets are recorded.

Deferred tax assets linked to tax losses are offset against deferred tax liabilities in the tax jurisdictions where acceptable, and remaining deferred tax asset in the group accounts are mainly deferred tax assets in Norway.

MATURITY OF TAX LOSSES WHERE DEFERRED TAX LOSS IS RECOGNIZED

(NOK MILLION) To year	NORWAY	ABROAD	TOTAL
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	161.7	161.7
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	44.2	44.2
2 020	-	0.8	0.8
>2020	-	-	-
Unlimited	2 545.2	203.5	2 748.7
Total 2010	2 545.2	410.1	2 955.3
Total 2009	4 137.8	608.6	4 746.4

TAX RATES APPLIED (SELECTED COUNTRIES)

COUNTRY	2010
Japan	44%
USA	35%
Belgium	34%
France	33%
Norway	28%
Scotland	27%
The Netherlands	26%
Canada	25%
Poland	19%
Faroe Islands	18%
Chile	18%
Ireland	10%

MATURITY OF TAX LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNIZED

(NOK MILLION) To year	NORWAY	ABROAD	TOTAL
2011	-	52.9	52.9
2012	-	64.9	64.9
2013	-	23.5	23.5
2014	-	17.0	17.0
2015	-	28.3	28.3
2016	-	52.1	52.1
2017	-	-	-
2018	-	2.1	2.1
2019	-	2.0	2.0
2020	-	-	-
>2020	-	0.8	0.8
Unlimited	-	22.2	22.2
Total		265.8	265.8

12 Restricted funds

The Group held cash and cash equivalents at 31 December 2010 of NOK 319.0 million, of which NOK 74.8 million are restricted funds. The majority of the restricted funds relates to cash collateral placed as security for trades entered into at Fish Pool and withheld tax for employees in Norway.

13 Trade receivables and other receivables

SPECIFICATION OF CARRYING AMOUNT OF RECEIVABLES (NOK MILLION)	2010	2009
Trade receivables	1 861.0	1 687.1
Provisions for bad debts	-16.1	-15.0
Net trade receivables	1 844.9	1 672.1
Prepayments	67.8	60.8
Currency hedges	393.1	197.8
Other	356.4	293.0
Other receivables	817.3	551.6
Total trade receivables and other receivables	2 662.2	2 223.7

AGE DISTRIBUTION OF TRADE RECEIVABLES (NOK MILLION)		
Receivables not overdue	1 543.4	1 456.3
Overdue 0-6 months	308.5	220.5
Overdue more than 6 months	9.2	10.3
Total carrying amount of trade receivables	1 861.0	1 687.1

MOVEMENT IN PROVISIONS FOR BAD DEBT TRADE RECEIVABLES

At beginning of 2010 provisions for bad debt amounted to NOK 15.0 million. Provisions amounting to NOK -2.6 million was considered lost and thus written-off. Adjusted for additional provisions for losses of NOK 4.0 million, as well as NOK -0.3 million in currency effects, the provision for bad debt amounted to NOK 16.1 million at year-end 2010.

CURRENCY EXPOSURE TO TRADE RECEIVABLES

The Group held trade receivables amounting to NOK 1 844.9 million at year-end.

The business units generally completes their sales in the main trading currency in the country of destination. Below is presented the carrying amount of trade receivables per business unit, and an indication of currency is given by reference to the markets where sales from the business unit generally are made.

BUSINESS UNIT (NOK MILLION)	MAIN MARKETS AND CURRENCY	2010	2009
Marine Harvest Norway	European market (EUR), US market (USD), Russia (USD) and Asia (Yen&USD)	566.2	474.8
Marine Harvest Chile	US market (USD), Brazil and Argentina (USD) and Asia (Yen)	190.9	159.6
Marine Harvest Canada	US market (USD)	125.0	104.4
Marine Harvest Scotland	Domestic market (GBP) and European market (EUR)	99.2	88.4
Marine Harvest VAP Europe	Belgium, France and Holland (EUR)	723.0	718.1
Marine Harvest Other Businesses and eliminations		140.6	126.8
Net trade receivables		1 844.9	1 672.1

14 Trade payables and other current liabilities

(NOK MILLION)	2010	2009
Trade payables	1 450.2	1 339.8
Other current liabilities		
Social security and other taxes	74.3	63.6
Accrued expenses	406.8	397.0
Market value interest- and currency hedging instruments	151.1	250.7
Other liabilities	479.9	337.3
Total other current liabilities	1 112.2	1 048.6

CURRENT INTEREST-BEARING DEBT TO FINANCIAL INSTITUTIONS (NOK MILLION)	2010	2009
First years instalment on debt	250.6	22.9
Bank overdrafts	175.2	107.2
Other current interest-bearing debt	3.9	0.2
Total current interest-bearing debt	429.7	130.3

UNUSED DRAWING RIGHTS (NOK MILLION)	2010	2009
Unused part of bank overdraft facility (to be renewed within one year)	81.1	27.1
Unused part of bank overdraft facility (to be renewed in more than one year)	209.5	302.7
Unused part of other drawing rights (to be renewed in more than one year)	528.9	824.3
Total unused drawing rights	819.6	1 154.1

15 Secured liabilities and guarantees given

CARRYING VALUE OF DEBT SECURED BY MORTGAGES AND PLEDGES (NOK MILLION)	2010	2009
Debt to financial institutions	3 783.2	5 028.9
Leasing debt	127.7	139.3
Total debt secured by mortgages and pledges	3 910.9	5 168.2
Guarantee liabilities	47.6	77.4

The Group´s syndicated loan facility has been established with security in current assets, licenses (where applicable), and certain fixed assets as well as cross-guarantees from the larger entities in the Group. In addition the shares in major subsidiaries have been pledged in favour of the bank syndicate.

CARRYING VALUE OF ASSETS PLEDGED AS SECURITY FOR DEBT (NOK MILLION)	2010	2009
Tangible fixed assets and licenses	6 424.0	4 036.7
Inventory and biological assets	7 088.6	4 456.8
Trade receivables	1 108.4	1 117.4
Other assets	22.0	35.0
Total assets pledged as security	14 642.9	9 645.9

16 Other non-current liabilities

(NOK MILLION)	2010	2009
Net pension obligations	53.0	86.6
Equity Conversion Option - details in note 9	505.4	-
Other non-current liabilities	12.7	13.2
Total other non-current liabilities	571.1	99.8

17 Investments in associated companies

Tilknyttede selskaper (TS) er selskaper hvor konsernet har en betydelig eierandel, 20-50 %, og hvor konsernet kan utøve betydelig, men ikke avgjørende innflytelse. I konsernregnskapet er tilknyttede selskaper in narbeidet etter egenkapitalmetoden. Ingen av selskapene som regnskapsføres som TS er børsnoterte selskaper.

ASSOCIATED COMPANIES (NOK MILLION)	HEAD OFFICE	OWNER-SHIP	OWNED BY	ACQUISITION COST	CARRYING AMOUNT 01.01.10	SHARE OF PROFIT 2010	DIVDENDS RECEIVED 2010	OTHER CHANGES 2010	CARRYING AMOUNT 31.12.10
Nova Sea As	Lovund	48%	Marine Harvest Holding AS	205.2	448.4	180.6	38.6	-	590.3
Finnøy Fisk AS	Finnøy	45%	Marine Harvest Norway AS	17.9	37.3	14.0	9.9	-	41.4
Vågafossen Settefisk As	Vikedal	48%	Marine Harvest Norway AS	1.3	7.3	0.5	-	0.1	7.9
Center for Aquacultural Competence AS	Hjelmeland	33%	Marine Harvest Norway AS	0.2	21.5	6.8	-	5.1	33.4
Helgeland Havbruksstasjon AS	Dønna	33%	Marine Harvest Norway AS	2.7	2.7	0.1	-	-	2.8
Others				2.6	2.9	-	-	0.2	3.1
Total				229.9	520.1	202.0	48.5	5.4	678.9

NOVA SEA AS (NOK MILLION)	2010	2009
Total assets	1 179.0	1 038.5
Total liabilities	699.8	678.7
Total revenue	1 155.8	943.9
Total profit and loss	265.1	160.5

18 Investments in other shares

Shares and holdings where the Group does not have significant influence.

SHAREHOLDINGS COMPANY (NOK MILLION)	NUMBER OF SHARES	OWNER SHIP %	ACQUISTION COST	CHANGES IN MARKET VALUE	CARRYING AMOUNT
Aker Seafoods ASA	10 092 923	11.9 %	285.1	12.2	91.7
Aqua Gen AS	403 342	15.2 %	25.0	0.0	25.0
Stofnfiskur	10 633 341	7.8 %	6.0	-3.0	3.0
Other shares			3.7	0.4	4.5
Total carrying amount of other shares			319.7	9.7	124.2

The shares in Aker Seafoods ASA are carried at fair value based on the market price for the shares at the Oslo Stock Exchange at year-end 2010.

The shares in Stofnfiskur were in 2010 written down with NOK 3 million to estimated market value.

19 Consolidated entities

The consolidated financial statements include the following companies:

PARENT COMPANY	COUNTRY	
Marine Harvest ASA	Norway	

SUBSIDIARIES - NORWAY	COUNTRY	OWNERSHIP %
Marine Harvest Holding AS	Norway	100.00%
Marine Harvest Norway AS	Norway	100.00%
Kinn Salmon AS	Norway	100.00%
Marine Harvest Ingredients AS	Norway	100.00%
Sterling White Halibut AS	Norway	100.00%
Imsland Smolt AS	Norway	100.00%
Marine Harvest Terminal AS 1)	Norway	49.00%
Marine Harvest Minority Holding AS	Norway	100.00%
Marine Harvest Labrus AS	Norway	100.00%

SUBSIDIARIES - AMERICAS	COUNTRY	OWNERSHIP %
Marine Harvest North America Inc.	Canada	100.00%
Marine Harvest Canada Inc.	Canada	100.00%
Marine Harvest Chile S.A	Chile	100.00%
Ocean Horizons S.A	Chile	100.00%
Fjord Seafood Chile S.A	Chile	100.00%
Cultivadora de Salmones Linao S.A	Chile	100.00%
Salmones Americanos S.A	Chile	100.00%
Salmones Tecmar S.A	Chile	100.00%
Salmones Lican S.A	Chile	100.00%
Processadora De Productos Marinos Delifish S.A	Chile	100.00%
Salmoamerica Corp.	Panama	100.00%
Aquamerica International Holdings S.A	Panama	100.00%
Panamerica International Holdings S.A	Panama	100.00%
Marine Harvest USA Holding LLC	USA	100.00%
Ducktrap River of Maine LLC	USA	100.00%
Marine Harvest USA LLC	USA	100.00%

SUBSIDIARIES – ASIA	COUNTRY	OWNERSHIP %
Marine Harvest Hong Kong Cy Ltd	Hong Kong	100.00%
Stolt Sea Farm KK	Japan	100.00%
Marine Harvest Japan Inc	Japan	100.00%
Marine Harvest Korea Co. Ltd	Korea	100.00%
Marine Harvest Singapore Pte Ltd	Singapore	100.00%

SUBSIDIARIES - EUROPE	COUNTRY	OWNERSHIP %
Marine Harvest Pieters NV	Belgium	100.00%
Marine Harvest VAP Europe NV	Belgium	100.00%
Marine Harvest Central and Eastern Europe s.r.o.	Czech Republic	100.00%
Marine Harvest Faroes P/F	Faroes	72.90%
Marine Harvest VAP France SAS	France	100.00%
Marine Harvest Appéti' Marine SAS	France	100.00%
Marine Harvest Boulogne SAS	France	100.00%
Marine Harvest Rolmer SAS	France	100.00%
Marine Harvest Lorient SAS	France	100.00%
J.L. Solimer SARL	France	100.00%
Marine Harvest Kritsen SAS	France	100.00%

SUBSIDIARIES - EUROPE	COUNTRY	OWNERSHIP %
Marine Harvest Rennes SAS	France	100.00%
Belisco Ehf	Iceland	100.00%
Comhlucht Iascaireachta Fanad Teoranta	Ireland	100.00%
Bradan (Maoil Rua) Teoranta	Ireland	100.00%
Bradan Fanad Teoranta	Ireland	100.00%
Bradan Prioseal Teoranta	Ireland	100.00%
Fanad Pettigo Teoranta	Ireland	100.00%
Feirm Farraige Oilean Chliara Teoranta	Ireland	90.00%
Fanad Fisheries (Trading) Ltd	Ireland	100.00%
Silverking Seafoods Ltd	Ireland	100.00%
Marine Harvest Kritsen Italy	Italy	100.00%
Marine Harvest NV	Netherlands	100.00%
Marine Harvest International BV	Netherlands	100.00%
Marine Harvest Holland BV	Netherlands	100.00%
Marine Harvest Sterk Holding BV	Netherlands	100.00%
Marine Harvest Sterk BV	Netherlands	100.00%
Marine Harvest Poland Sp. Zoo	Poland	100.00%
Marine Harvest Spain II. S.L.	Spain	100.00%
Marine Harvest (Scotland) Ltd	Scotland	100.00%
Marine Harvest (Fort Williams) Ltd	Scotland	100.00%
Borsea Hatcheries Ltd	Scotland	100.00%
Borsea Ltd	Scotland	100.00%
Eishken Estate Ltd	Scotland	100.00%
Harlosh Salmon Company Ltd	Scotland	100.00%
McConnel Salmon Ltd	Scotland	100.00%
Pairc Salmon Ltd	Scotland	100.00%
Stolt Sea Farms Ltd	Scotland	100.00%

[1)] Marine Harvest exercises controll according to shareholders agreement

20 Share capital

SHARE CAPITAL (NOK MILLION)	2010	2009
Total number of shares (million)	3 574.9	3 574.9
Nominal value as of 31.12 (NOK)	0.75	0.75
Share capital (total number of shares at nominal value)	2 681.2	2 681.2
Share premium reserve	17.5	5 917.5
Other paid-in capital	7 216.6	3 022.7
Total paid-in capital	9 915.3	11 621.4

SHAREHOLDERS PER COUNTRY	NO. OF SHARES	OWNER'S SHARE %
Norway	849 652 813	23.77%
Cyprus	827 932 775	23.16%
Great Britain	597 491 800	16.71%
USA	492 945 360	13.79%
Other countries	806 875 581	22.57%

OVERVIEW OF THE LARGEST SHAREHOLDERS 31.12.2010:	NO. OF SHARES	OWNER'S SHARE %
Geveran Trading Co Ltd	827 932 775	23.16%
Folketrygdfondet	216 979 327	6.07%
DNB NOR Bank ASA	105 860 392	2.96%
State Street Bank And Trust Co	99 505 651	2.78%
The Northern Trust Co	87 778 695	2.46%
State Street Bank & Trust Co	83 518 495	2.34%
Clearstream Banking S.A.	75 590 261	2.11%
Morgan Stanley Norway Equity Depot	71 480 208	2.00%
Skagen Kon-Tiki	70 000 000	1.96%
Bank of New York Mellon SA/NV	68 746 435	1.92%
Skandinaviska Enskilda Banken AB	64 095 131	1.79%
Bank of New York Mellon	37 462 568	1.05%
Vital Forsikring ASA	37 168 065	1.04%
The Northern Trust Co	31 555 088	0.88%
Skandinaviska Enskilda Banken	31 066 417	0.87%
Statoil Pensjon	30 764 528	0.86%
Citibank N.A. New York Branch	30 440 855	0.85%
West Coast Invest AS	30 012 000	0.84%
JPMorgan Chase Bank NA	29 514 793	0.83%
The Northern Trust Co	28 107 446	0.79%
Total 20 largest shareholders	2 057 579 130	57.56%
Total other	1 517 319 199	42.44%
Total number of shares	3 574 898 329	100.00%

SHARES OWNED BY BOARD MEMBERS, GROUP MANAGEMENT AND THEIR RELATED PARTIES AS OF 31.12.2010	NUMBER OF SHARES
Board of Directors	
Ole-Eirik Lerøy (Chairman of the Board)	10 220 000
Leif Frode Onarheim	300 000
Solveig Strand	20 000
Celina Middelfart	1 000 000
Cecilie Fredriksen [1]	0
Tor Olav Trøim	5 000
	11 545 000
Group management	
Alf-Helge Aarskog, CEO	250 000
Jørgen K. Andersen, CEO	53 223
Marit Solberg, Managing Director, MH Norway	1 467
Alan Sutherland, Managing Director, MH Scotland	50 000
Alvaro Jimemez, Managing Director, MH Chile	1 133 200
Jo Dekeyzer, Managing Director, MH VAP Europe	10 000
	1 497 890
Total number of shares held by Board members and Group management	13 042 890
Total number of shares held by Board members and Group management in % of total outstanding shares	0,36%

[1] Cecilie Fredriksen is a member of the class of Beneficiaries of the Trusts which indirectly control Geveran Trading Co Limited

TRS AGREEMENTS

Gerevan Trading Co Ltd holds TRS agreements with an underlying exposure to 70 million shares and Ole-Eirik Lerøy holdsTRS agreements with an underlying exposure to 30 million shares.

SHAREHOLDERS RIGHTS

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

AUTHORIZATION TO INCREASE THE SHARE CAPITAL

The Board of Directors is granted an authorization to increase the company's share capital through issuance of new shares with an aggregate nominal value of up to NOK 268 117 374 divided into 357 489 832 shares, with a nominal value of NOK 0.75 per share.

The term of this authorization shall last until the Annual General Meeting in 2011, however, no longer than until 1 July 2011.

POWER OF ATTERNEY TO REPURCHASE OWN SHARES

The Board is granted a power of attorney to purchase shares in the company up to a maximum total nominal value of NOK 268 117 374, which equals approximately 10 percent of the current share capital. The shares may be purchased at a maximum price of NOK 12 per share and a minimum price corresponding to their nominal value, NOK 0.75 per share.

This power of attorney shall remain in force until the Annual General Meeting in 2011, however no longer than 1 July 2011.

21 Earnings per share

EARNINGS PER SHARE/DILUTED EARNINGS PER SHARE (NOK MILLION)	2010	2009	2008
Profit for the year attributable to owners of Marine Harvest ASA	3 078.0	1 296.3	-2 852.6
Number of shares as of 31 December	3 574.9	3 574.9	3 478.9
Time-weighted average of shares issued and outstanding (million)	3 574.9	3 536.0	3 478.9
Average diluted number of shares (million)	3 574.9	3 536.0	3 478.9
= Earnings per share (NOK)	0.87	0.37	-0.82
= Diluted earnings per share (NOK)	0.87	0.37	-0.82

Basic EPS is calculated on the weighted average number of shares outstanding during the period.

Convertible bonds that are "in the money" are considered to have a dilutive effect if EPS is reduced when assuming a full conversion into shares at the beginning of the period and reversing all its effects on earnings for the period. On the other hand, if the effect of the above increases EPS, the bond is considered anti-dilutive, and is then not included in diluted EPS. The adjustments to earnings are interest expense, currency gains/losses, change in fair value of equity conversion option and estimated taxes.

The equity conversion option on the convertible bond was "in the money" at the end of 2010, but the effect on EPS was anti-dilutive, and the convertible bond is therefore not included in diluted EPS.

22 Related party transactions

Related parties are in this respect considered as persons or legal entities which directly or indirectly possess substantial influence on the company through ownership or position.

SHAREHOLDERS

Geveran Trading Co Ltd is indirectly controlled by trusts established by John Fredriksen for the benefit of his immediate family. Geveran Trading Co Ltd sold 250 000 000 shares on November 22 2010. At year-end 2010 Geveran Trading's affiliated ownership in Marine Harvest was 827 932 755 shares, constituting 23.16% of the total share capital and TRS agreements with an underlying net exposure to 70 000 000 shares.

TRANSACTIONS WITH ASSOCIATED COMPANIES

The figures presented below are with associated companies, mainly Nova Sea AS and Center for Aquaculture Competence AS.

RELATED PARTY TRADE TRANSACTIONS (NOK MILLION)	2010	2009
Revenue	-	50.0
Purchase	-377.3	-377.6
Trade receivables	0.2	6.4
Trade payables	56.7	37.1

23 Contingent liabilities

ALLEGED BREACH OF ENVIRONMENTAL AND SANITARY REGULATIONS IN CHILE

Sociedad Turística y Hotelera Puerto Viejo Limitada has taken legal proceedings against Marine Harvest Chile S. A. for alleged breach of environmental and sanitary regulations under Chilean aquaculture laws. If found guilty, Marine Harvest Chile S.A. may be subject to legal fines in the maximum amount of approximately USD 1 715 000 and the revocation of a lake concession. Marine Harvest Chile S.A. has recognised a provision of USD 1 000 000 in the financial statements.

DISPUTE IN CHILE CONCERNING TERMINATION OF A SERVICE CONTRACT

Asesorías y Servicios Arctic Ltda. has taken legal proceedings against Marine Harvest Chile S.A. claiming breach of contract and payment of damages due to termination of a service contract before the expiration date. The total amount claimed in damages is approximately USD 3 200 000 plus interests and litigation expenses. Marine Harvest Chile S.A. has recognised a provision of USD 503 573 in the financial statements.

INCOME TAX REIMBURSEMENT IN CHILE

Marine Harvest Chile S.A. is undergoing a tax inspection by the Chilean IRS with regard to an appliction for tax reimbursement of income taxes paid in 2007 through 2009. Marine Harvest Chile S.A. has recognised a tax receivable provision of USD 14 900 000 in the financial statement.

Marine Harvest Group has in addition to these cases other pending legal issues, which are not considered to be material.

24 Operating leases

FUTURE PAYMENTS FOR OPERATING LEASES (NOK MILLION)	2010	2009
Gross amount payable within 1 year	27.8	30.4
Gross amount payable within 1-5 years	50.8	61.1
Gross amount payable after 5 years	68.7	60.1
Total gross amount payable	147.3	151.6

FUTURE INCOME FOR OPERATING SUBLEASES (NOK MILLION)	2010	2009
Total future income for operating subleases	16.3	7.3

OPERATING LEASES AND SUBLEASES (NOK MILLION)	2010	2009
Operating leases expensed	-31.4	-35.3
Income from operating subleases	0.9	0.9
Total net operating leases	-30.5	-34.4

25 Auditor's fees

FEE TO AUDITORS 2010 (NOK MILLION)	ERNST & YOUNG	OTHER APPOINTED AUDITORS
Audit services	8.1	0.7
Other authorization services	0.3	-
Tax advisory services	0.7	-
Other services non-audit related	0.6	0.1
Total fees for 2010	9.8	0.8

FEE TO AUDITORS 2009 (NOK MILLION)	ERNST & YOUNG	OTHER APPOINTED AUDITORS
Audit services	8.8	0.3
Other authorization services	0.7	-
Tax advisory services	1.8	-
Other services non-audit related	3.6	0.0
Total fees for 2009	14.9	0.3

FEE TO AUDITORS 2008 (NOK MILLION)	ERNST & YOUNG	OTHER APPOINTED AUDITORS
Audit services	8.6	0.4
Other authorization services	0.3	-
Tax advisory services	1.7	0.6
Other services non-audit related	1.1	0.5
Total fees for 2008	11.7	1.4

Auditor's fee is stated exclusive value added tax.

26 Subsequent events

OFFER TO SHAREHOLDERS HOLDING LESS THAN 1 000 SHARES

The Board of Directors in Marine Harvest ASA on February 8, resolved to offer those of its shareholders who, as of 8 February 2011, owned less than 1 000 shares to purchase these for a price per share equal to the volume weighted average price for the company's shares on 9 February 2011.

By the end of the acceptance period a total of 1 429 shareholders had accepted the offer involving a total of 328 703 shares. The settlement was based on an offer price of NOK 6.9837 per share. After this transaction Marine Harvest ASA owns 328 713 shares (treasury shares).

The reason for the offer was to reduce the number of shareholders with small holdings as this will reduce the company's costs associated with administration relating to the shareholder base in the future.

27 Exceptional items

The 2010 financial statment contain several items that are considered exceptional relative to the normal business. The total effect of exceptional items included in EBITDA was NOK 129.3 million for the year.

Marine Harvest Norway suffered increased costs as a consequence of sea lice mitigating actions in the amount of NOK 78.8 million in 2010. In addition, the unit experienced exceptional mortality totaling NOK 16.6 million

Marine Harvest Chile saw exceptional mortality costs of NOK 6.0 million resulting from an attack by the algae Chaetoceros Convolutus. Other exceptional items during the year amounted to an income of NOK 1.1 million, leaving Marine Harvest Chile with net exceptional items of NOK 4.9 million in 2010

For Marine Harvest Canada, the 2010 profit was affected by exceptional customer claims and discards at harvest of NOK 24.0 million due to the parasite Kudoa thyrsites.

Marine Harvest Scotland experienced exceptional mortality of NOK 2.9 million due to an outbreak of PD and Marine Harvest Ireland lost fish with a value of NOK 2.1 million during storm.

28 New IFRS Standards - not yet implemented

At the end of 2010, there are new standards/interpretations and amanedments to existing standards/nterpretations that are not yet effective, but will be relevant for the Marine Harvest Group at implementation:

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 replaces the classification and measurement rules in IAS 39 Financial Instruments- Recognition and measurement for financial instruments. According to IFRS 9 financial assets with basic loan features shall be measured at amortised cost, unless one opts to measure these assets at fair value. All other financial assets shall be measured at fair value. The classification and measurement of financial liabilities under IFRS 9 is a continuation from IAS 39, with the exception of financial liabilities designated at fair value through profit or loss (Fair value option), where change in fair value relating to own credit risk shall be separated and shall be presented in other comprehensive income. The Group expects to apply IFRS 9 as of 1 January 2013.

ANNUAL IMPROVEMENTS PROJECT 2010

The IASB issued amendments to its standards and the related Basis for Conclusions in its annual "improvements to IFRSs". The improvement project is an annual project that provides a mechanism for making necessary but non-urgent amendments. The Group plans to implement the amendments from 1 January 2013.

• IFRS 7 Financial Instruments – Disclosures:

Emphasizes the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. In addition changes are made to disclosure requirements relating to quantitative information and to credit risk.

• IAS 1 Presentation of Financial Statements

Clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

Financial Statements and Notes ASA

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Statement of profit and loss

MARINE HARVEST ASA (NOK MILLION)	NOTE	2010	2009	2008
Other income		41.4	38.9	16.9
Salary and personnel expenses	15	-79.9	-61.2	-47.3
Other operating expenses	16	-47.9	-53.0	-40.0
Depreciation	12	-3.3	-2.7	-2.4
Earnings before interest and taxes (EBIT)		-89.7	-78.0	-72.9
Interest expenses	3	-382.0	-382.4	-660.0
Net currency effects	3	334.8	689.7	-572.4
Other financial items	3	26.6	151.7	-254.2
Group contribution	9	3 132.4	29.2	20.7
Earnings before taxes (EBT)		3 022.1	410.2	-1 538.8
Taxes	8	-658.7	-96.8	326.6
Profit or loss for the year		2 363.4	313.4	-1 212.2
Distribution of profit				
Dividends payable	2	2 859.9	1 251.2	0.0
From other equity		-496.5	-937.9	-1 212.2
Profit or loss for the year		2 363.4	313.4	-1 212.2

Statement of financial position

MARINE HARVEST ASA

(NOK MILLION)	NOTE	2010	2009
ASSETS			
Non-current assets			
Deferred tax asset	8	695.5	1 354.0
Total intangible assets		695.5	1 354.0
Property. plant and equipment	12	10.5	7.8
Total tangible assets		10.5	7.8
Investments in subsidiaries	10	16 493.4	16 353.5
Intercompany non-current receivables	9	1 714.7	2 023.6
Investments in other shares	11	91.8	80.4
Total financial assets		18 299.9	18 457.5
Total non-current assets		19 005.9	19 819.3
Current assets			
Intercompany current receivables	9	2 917.2	223.4
Other current receivables		39.8	1.4
Total receivables		2 957.0	224.8
Cash and cash equivalents	13	44.6	10.9
Total current assets		3 001.6	235.1
Total assets		22 007.5	20 055.0

(NOK MILLION)	NOTE	2010	2009
EQUITY AND LIABILITES			
Equity			
Share capital	2	2 681.2	2 681.2
Share premium reserve	2	17.5	5 917.5
Other paid-in capital	2	6 769.3	2 259.5
Total paid-in capital		9 468.0	10 858.2
Total equity		9 468.0	10 858.2
Liabilities			
Non-current interest-bearing debt	5	4 932.1	4 943.9
Intercompany non-current loans	9	420.9	926.2
Other non-current liabilities	6	505.4	-
Total non-current liabilities		5 858.4	5 870.1
Other interestbearing debt	5	411.2	87.0
Intercompany current liabilities	9	3 172.1	1 741.6
Other current liabilities	14	237.9	246.9
Dividends payable	2	2 859.9	1 251.2
Total current liabilities		6 681.1	3 326.7
Total liabilities		12 539.5	9 196.8
Total equity and liabilities		22 007.5	20 055.0

OSLO, 30 MARCH 2011

Ole-Eirik Lerøy
CHAIRMAN OF THE BOARD

Thorleif Enger

Cecilie Fredriksen

Kolbjørn Jektvik

Celina Midelfart

Geir Elling Nygård

Leif Frode Onarheim
VICE CHAIRMAN OF THE BOARD

Hege Sjo

Turid Lande Solheim

Solveig Strand

Alf-Helge Aarskog
CHIEF EXECUTIVE OFFICER

Statement of cash flow

MARINE HARVEST ASA

(NOK MILLION)	NOTE	2010	2009
Cash flow from operations			
Earnings before interest and taxes (EBIT)		-89.7	-78.0
Adjustments for impairment losses and depreciation		3.3	2.7
Taxes paid		-0.1	-2.3
Change in inventory. acc. payables and acc. receivables		8.4	20.2
Other adjustments		111.3	35.9
Cash flow from operations		33.2	-21.5
Cash flow from investments			
Payments made for purchase of fixed assets		-6.1	-4.9
Purchase of shares and other investments		0.0	-21.8
Cash flow from investments		-6.1	-26.7
Cash flow from financing			
Proceeds from convertible bond		1 820.3	0.0
Proceeds from new interest-bearing debt (current and non-current)		3 874.4	246.7
Down payment of interest-bearing debt (current and non-current)		-4 912.7	-1 126.0
Paid interest (net)		-253.1	-343.4
Received interest group internal (net)		10.5	36.9
Net change in intercompany balances		1 460.0	689.5
Realised currency effects		80.6	69.6
Dividends from group companies		57.7	0.0
Dividend paid		-2 131.1	0.0
Paid-in capital		0.0	294.6
Cash flow from financing		6.6	-132.1
Net change in cash and cash equivalents in period		33.7	-180.3
Cash and cash equivalents - opening balance		10.9	191.2
Net change in cash and cash equivalents in period		33.7	-180.3
Cash and cash equivalents - closing balance total		44.6	10.9

Notes – Marine Harvest ASA

1 General information and accounting principles

Marine Harvest ASA is the parent company in the Marine Harvest Group and consists of corporate management.

The separate financial statements of Marine Harvest ASA have been prepared in accordance with the Norwegian Accounting Act from 1988 and Generally Accepted Accounting Principles in Norway. The financial statements for the Group have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (EU-IFRS)

For accounting policies used reference is made to note 2 in the Group Financial Statements. Overall the accounting principles used in the financial statements for Marine Harvest ASA are similar to the accounting principles used for the Group's financial statements. However dividends payable will not be recognised in the Group financial statements until approved in the general meeting, while it in the separate financial statements for Marine Harvest ASA is recognised in the year of proposal.

The principle for recognition of Group contribution changed in 2010 to recognition in the year of allocation. In prior years the Group contributions have been recognised in the year of approval. As a result the statement of profit and loss for 2010 includes the Group contribution for both 2009 and 2010.

Investment in subsidiaries and intercompany loans are measured to the lowest of fair value and cost. Financial derivatives within the Group are measured to fair value. The statements of profit and loss and changes in equity in the separate financial statement divert from the statements for the Group as other comprehensive income still is treated as equity transactions in the separate financial statements.

Other income consists mainly of management fee charged to the business units.

Marine Harvest ASA is responsible for external financing of the Group.

2 Equity

SPECIFICATION OF CHANGES IN EQUITY IN 2010 (NOK MILLION)	ISSUED CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	OTHER EQUITY	TOTAL EQUITY EQUITY
Equity 01.01.10	2 681.2	5 917.5	2 259.5	0.0	10 858.2
Reduction of share premium reserve	-	-5 900.0	5 900.0	-	-
Dividends payable	-	-	-1 390.2	-1 469.7	-2 859.9
Extraordinary dividend paid	-	-	-	-893.7	-893.7
Profit or loss for the year	-	-	-	2 363.4	2 363.4
Total equity 31.12.10	2 681.2	17.5	6 769.3	0.0	9 468.0

SPECIFICATION OF CHANGES IN EQUITY IN 2009 (NOK MILLION)	ISSUED CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	OTHER EQUITY	TOTAL EQUITY EQUITY
Equity 01.01.09	2 609.2	8 692.7	22.7	174.6	11 499.2
Capital increase	72.0	230.4	-	-	302.4
Costs related to capital increase	-	-5.6	-	-	-5.6
Reduction of share premium reserve	-	-3 000.0	3 000.0	-	-
Dividends payable	-	-	-763.2	-488.0	-1 251.2
Profit or loss for the year	-	-	-	313.4	313.4
Total equity 31.12.09	2 681.2	5 917.5	2 259.5	0.0	10 858.2

EXTRAORDINARY DIVIDEND DISTRIBUTED DURING 2010

During 2010 there has been distributed extraordinary dividend of NOK 894 million as resolved by extraordinary general meetings.

SHARE CAPITAL

For information related to shareholders and share capital reference is made to Group note 20.

DISTRIBUTABLE EQUITY 31 DECEMBER 2010

Additional equity that can be distributed as dividend as of 31 December 2010 amounts to NOK 6.073,8 million, and is classified within other-paid-in capital.

3 Financial items

(NOK MILLION)	2010	2009	2008
Interest expence	-382.0	-382.4	-660.0
Net currency effects	334.8	689.7	-572.4
Other financial items - subsidiaries	154.7	56.7	-5.8
Other financial items - other shares	14.1	20.7	-195.4
Interes swaps - change in fair value	67.5	32.0	-223.0
Equity conversion option - change in fair value	-245.7	-	-
Other financial items	36.1	42.3	170.0
Net other financial items	26.6	151.7	-254.2

4 Financial derivatives

FOREIGN EXCHANGE RISK

At the end of 2010 Marine Harvest ASA had a portfolio of currency hedging instruments against third party counterparts with a total contract value of NOK 5 484 million. The portfolio had a positive market value of NOK 383.1 million. The portfolio is described in further detail in note 9 to the group financial statements.

The subsidiaries are required to do all their currency hedging with Marine Harvest ASA as their counterparty. In addition to the portfolio of external hedges, Marine Harvest ASA thereof also holds a portfolio of foreign exchange hedges with their subsidiaries as counterparty. This portfolio to a large extent offsets the external portfolio with respect to amounts, maturities and market values.

Furthermore, Marine Harvest ASA holds two basis swaps which fix the exchange rate between EUR and USD. The basis swaps represent an adjustment to the currency structure on external debt and had a net negative market value of NOK 3.9 mill as at 31.12.10.

The forward contracts and the basis swaps are recorded at fair value in the statment of financial position.

INTEREST RATE RISK

Marine Harvest ASA hedges all interest rate risk on behalf of the group. For positions held in interest rate derivatives and their value, reference is made to note 9 of the group financial statements.

5 Interest-bearing debt

NOK MILLION)	2010	2009
Non-current interest-bearing debt	3 328.6	4 865.2
Bonds	78.5	78.7
Convertible bonds	1 525.0	-
Total non-current interest-bearing debt	4 932.1	4 943.9
Current interest-bearing debt	411.2	87.0
Total interest-bearing debt	5 343.3	5 030.9

Financing of the Marine Harvest Group is mainly carried out through the parent company Marine Harvest ASA. External financing in the subsidiaries are only conducted 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 2010:

EUR 600 MILLION SYNDICATED BORROWING FACILITY

The Group has a syndicated loan facility with an original limit of EUR 600 million. The loan facility consists of a term loan of originally EUR 183 million together with two revolving credit facilities of EUR 337 million and USD 105.6 million.

The term loan is repaid in semi annual instalments of EUR 16 million and has final maturity in January 2015, which is also the final maturity for the revolving credit facilities

The revolving credit facilities are available to Marine Harvest ASA and selected subsidiaries. In addition parts of the revolving credit facilities may be allocated as bilateral credits (including overdraft facilities and facilities for the issuance of guarantees) between syndicate banks and group companies.

The syndicated loan agreement sets forth covenants on earnings (net interest bearing debt to EBITDA) and solidity (equity ratio) which has to be met by the group. For the calculation of net interest bearing debt to EBITDA, the EBITDA is adjusted by a number of items from the reported EBITDA. These adjustments include exceptional items which are listed in note 27 to the group financial statements. Furthermore the ability for the group to take on new debt is limited by the loan agreement.

Net interest bearing debt to EBITDA is also the basis for determining the interest margin. Based on group performance the loan margin can vary between 1.50% p.a. and 3.50% p.a. above the interbank interest rate.

EUR 225 MILLION CONVERTIBLE BOND

In March 2010, Marine Harvest issued a convertible bond loan with a EUR 225 million principal. The loan carries a fixed coupon of 4.50% p.a. payable semi-annually. Unless a prior conversion, the loan will mature in February 2015. There are no installments on the loan. The conversion share price at the end of 2010 was EUR 0.7494, representing an adjustment to the original conversion share price (EUR 0,8335) for dividends paid in 2010. The conversion share price is subject to standard adjustment mechanisms for convertible bonds. From March 2013, Marine Harvest can under certain market conditions call the bond issue at par plus accrued interest. After receiving notice of such call, bondholders may elect to exercise their conversion rights.

BOND

In connection with the refinancing in January 2003, a subordinated convertible bond of NOK 78 million was established. The bond matures in 2013. It was convertible and non interest bearing the first 5 years, and is now interest-bearing with an interest rate of NIBOR + 2.00% p.a.

6 Convertible bond

(NOK MILLION)	STATEMENT OF FINANCIAL POSITION		STATEMENT OF COMPREHENSIVE INCOME		
	NON-CURRENT INTEREST-BEARING DEBT	EQUITY CONVERSION OPTION	NET INTEREST EXPENSES	NET CURRENCY EFFECTS	OTHER FINANCIAL ITEMS
Initial recognition					
Nominal value of convertible bond	1 820.3				
Transaction costs	- 19.3				
Equity conversion option	- 259.7	259.7			
Carrying amount on initial recognition	1 541.3	259.7			
Subsequent measurement					
Coupon interest (4.5% p.a)			- 65.9		
Amortised interest	38.2		- 38.2		
Currency effects	-54.5			54.5	
Change in fair value of equity conversion option		245.7			- 245.7
Net recognised at 31.12.2010	1 525.0	505.4	- 104.1	54.5	- 245.7

At initial recognition the nominal value of covertilbe bond was split into a liability component and an equity conversion component. The value of the liability component, classified as non-current interest-bearing debt, was calculated using a market interest rate for an equivalent, non-convertible bond. The residual amount, representing the value of the equity conversion option, was classified as other non-current liabilities.

On subsequent measurements the amortised interest is recognised as interest expense and increase the carrying amount of the convertible bond. The equity conversion option is recognised at fair value using an established model for option valuation (Black Scholes).

7 Assets pledged as security and guarantee liabilities

ASSETS PLEDGED AS SECURITY AND GUARANTEE LIABILITIES
Marine Harvests syndicated loan facility is secured by cross guarantees from the larger subsidiaries in the Group. The larger subsidiaries have also granted a pledge in certain assets, partly as a pledge in favour of a third party and partly as security for the fulfilment of their guarantee obligations. In addition Marine Harvest ASA has pledged the ownership in its major subsidiaries, as well as certain receivables.

(NOK MILLION)	2010	2009
Secured Group debt	3 735.8	4 972.5
Carrying amount of assets pledged as security:		
Receivables	1 811.7	1 927.8
Other (shares in subsidiaries)	16 243.1	16 243.1
Total carrying amount of assets pledged as security	18 054.8	18 170.9
Guarantee liabilities:	47.4	68.9
Nominal value of guarantee liabilities	47.4	68.9

8 Taxes

SPECIFICATION OF THIS YEAR'S TAX EXPENSE (NOK MILLION)	2010	2009	2009
Withholding tax paid	-0.2	-2.3	-3.1
Changes in deferred taxes	-658.5	-94.5	329.7
Total tax expense	-658.7	-96.8	326.6

SPECIFICATION OF TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD (NOK MILLION)	2010	2009	2008
Fixed assets	-0.7	-0.1	1.5
Non-current assets and liabilities in foreign currencies	226.0	63.8	-679.1
Net pension liability	-2.8	-3.2	-
Losses carried forward	-2 609.7	-4 730.1	-4 311.4
Other provisions for liabilities	-96.6	-166.2	-176.6
Total basis for deferred taxes/deferred tax asset:	-2 483.8	-4 835.8	-5 165.6
Nominal tax rate	28%	28%	28%
Deferred taxes/deferred tax asset	695.5	1 354.0	1 446.4
Total recognised deferred tax asset	695.5	1 354.0	1 446.4

9 Intercompany transactions

INTERCOMPANY RECEIVABLES AND LIABILITIES (NOK MILLION)	2010	2009
Intercompany non-current receivables	1 714.7	2 023.6
Intercompany non-current loans	-420.9	-926.2
Net non-current receivables	1 293.8	1 097.4
Intercompany current receivables	2 917.2	223.4
Intercompany current liabilities	-3 172.1	-1 741.6
Net intercompany current liabilities	-254.8	-1 518.2
Totalt net intercompany balances	1 038.9	-420.8
Management fee. net invoiced subsidiaries	39.4	38.9

GROUP INTERNAL FINANCIAL INCOME AND EXPENSE (NOK MILLION)	2010	2008
Interest income group companies	34.4	57.3
Interest expense group companies	-23.9	-20.5
Group contribution 2009 (2008)	544.3	29.2
Group contribution 2010	2 588.1	-

10 Shares in subsidiaries

COMPANY (NOK MILLION)	BUSINESS ADDRESS	DATE OF PURCHASE	OWNER-SHIP	NUMBER OF SHARES	EQUITY AS OF 31.12.2010	PROFIT THIS YEAR	CARRYING AMOUNT
Marine Harvest NV	Amersfoort, Netherland	29-12-06	100%	225 000	1 702.2	-0.2	5 392.9
Marine Harvest Holding AS	Oslo, Norway	07-04-06	100%	590 452 360	6 525.4	516.7	10 676.8
Marine Harvest Faroes	Kollafjordur, Faroes	01-11-99	72.6 %	1	133.3	37.6	250.4
Marine Harvest Kritsen SAS	Pollaouen, France	11-04-97	100%	7 005 366	229.7	28.6	173.3
Total					8 590.6	582.7	16 493.4

Shares in subsidiaries are recognised according to the cost method. The owners share listed above are equal to the voting rights for each company.

11 Investments in other shares

Other shares include investments where Marine Harvest ASA does not have any or only very limited influence on operations and management (normally an ownership less than 20 percent).

COMPANY (NOK MILLION)	NUMBER OF SHARES	OWNERSHIP %	ACQUISITION COST	CHANGES IN MARKET VALUE 2010	CARRYING AMOUNT 2010
Aker Seafoods ASA	10 092 923	11.9 %	284.8	12.2	91.7
Other shares			0.8		0.1
Total carrying amount of investments in other shares				12.2	91.8

The shares in Aker Seafoods ASA are recognised at fair value based on the market price for the shares at Oslo Stock Exchange.

12 Property, plant and equipment

SPECIFICATION OF PROPERTY, PLANT AND EQUIPMENT (NOK MILLION)	2010	2009
Acquisition cost as of 01.01	13.4	8.5
Additions in the year	6.1	4.9
Total acquisition cost as of 31.12	19.5	13.4
Accumulated depreciation and impairment losses as of 01.01	5.6	2.9
Depreciation in the year	3.4	2.7
Total accumulated depreciation and impairment losses as of 31.12	9.0	5.6
Total net carrying amount as of 31.12	10.5	7.8
Estimated useful life	3-6 years	3-6 years
Depreciation method	Linear	Linear

13 Restricted funds

Marine Harvest ASA held cash and cash equivalents totalling NOK 44.6 million classified as restricted funds at 31 December 2010. The majority of the restricted funds relates to cash collateral placed as security for trades entered into at Fish Pool.

14 Other current liabilities

(NOK MILLION)	2010	2009
Negative fair market value on interest swaps	141.0	210.9
Accrued interest cost	37.7	4.9
Other accruals	59.2	31.1
Total other current liabilities	237.9	246.9

15 Salary and personnel expenses

SALARY AND PERSONNEL EXPENSES (NOK MILLION)	2010	2009	2008
Wages and salaries	-53.7	-40.3	-33.7
Social security taxes	-7.3	-6.2	-6.3
Pension expenses	-1.6	-1.6	-1.6
Other benefits	-17.3	-13.1	-5.8
Total salary and personnel expenses	-79.9	-61.2	-47.3
Loans to employees	0.1	0.1	-
Average number of full-time employees	31	30	30.5

At year-end 2010 there were 32 full-time employees in the company. With regards to salaries and other benefits to Group Management reference is made to Group note 10.

DEFINED CONTRIBUTION PLAN

Marine Harvest ASA has a defined contribution plan where the contribution is limited to 8% of salaries up to 12 G.
There were 30 members of the plan as of 31 December 2010.

16 Other operating expenses

SPECIFICATION OF OTHER OPERATING EXPENSES (NOK MILLION)	2010	2009	2008
Sales and marketing costs	-6.1	-5.2	-8.1
IT costs	-16.8	-16.3	0.2
Consultancy fees	-13.6	-18.4	-18.1
Other operating costs	-11.4	-13.1	-14.1
Total other operating expenses	-47.9	-53.0	-40.0

17 Auditor's fees

FEE TO AUDITORS 2010 (NOK MILLION)	ERNST & YOUNG
Audit services	1.7
Other authorization services	0.3
Tax advisory services	0.5
Other services non-audit related	0.2
Total fees for 2010	2.7

FEE TO AUDITORS 2009 (NOK MILLION)	ERNST & YOUNG
Audit services	1.7
Other authorization services	0.6
Tax advisory services	0.8
Other services non-audit related	3.4
Total fees for 2009	6.5

FEE TO AUDITORS 2008 (NOK MILLION)	ERNST & YOUNG
Audit services	2.1
Other authorization services	0.5
Tax advisory services	1.7
Other services non-audit related	0.7
Total fees for 2008	4.9

CONFIRMATION FROM THE BOARD OF DIRECTORS AND THE CEO

We confirm, to the best of our knowledge, that the financial statements for the period from 1 January to 31 December 2010 have been prepared in accordance with IFRS, as adopted by the EU, and give a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations. Furthermore, we confirm that the Report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the key risks and uncertainty factors that the company is facing.

OSLO, 30 MARCH 2011

Ole-Eirik Lerøy
CHAIRMAN OF THE BOARD

Thorleif Enger

Cecilie Fredriksen

Kolbjørn Jektvik

Celina Midelfart

Geir Elling Nygård

Leif Frode Onarheim
VICE CHAIRMAN OF THE BOARD

Hege Sjo

Turid Lande Solheim

Solveig Strand

Alf-Helge Aarskog
CHIEF EXECUTIVE OFFICER

Auditor's report

ERNST & YOUNG

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of Marine Harvest ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Marine Harvest ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2010, the statements of income and cash flows for the year then ended as well as a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2010, the statements of comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Marine Harvest ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as of 31 December 2010 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2010 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards on Accounting as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to properly record and document the Company's accounting information as required by law and generally accepted bookkeeping practice in Norway.

Bergen, 30. March 2011
ERNST & YOUNG AS

Eirik Moe
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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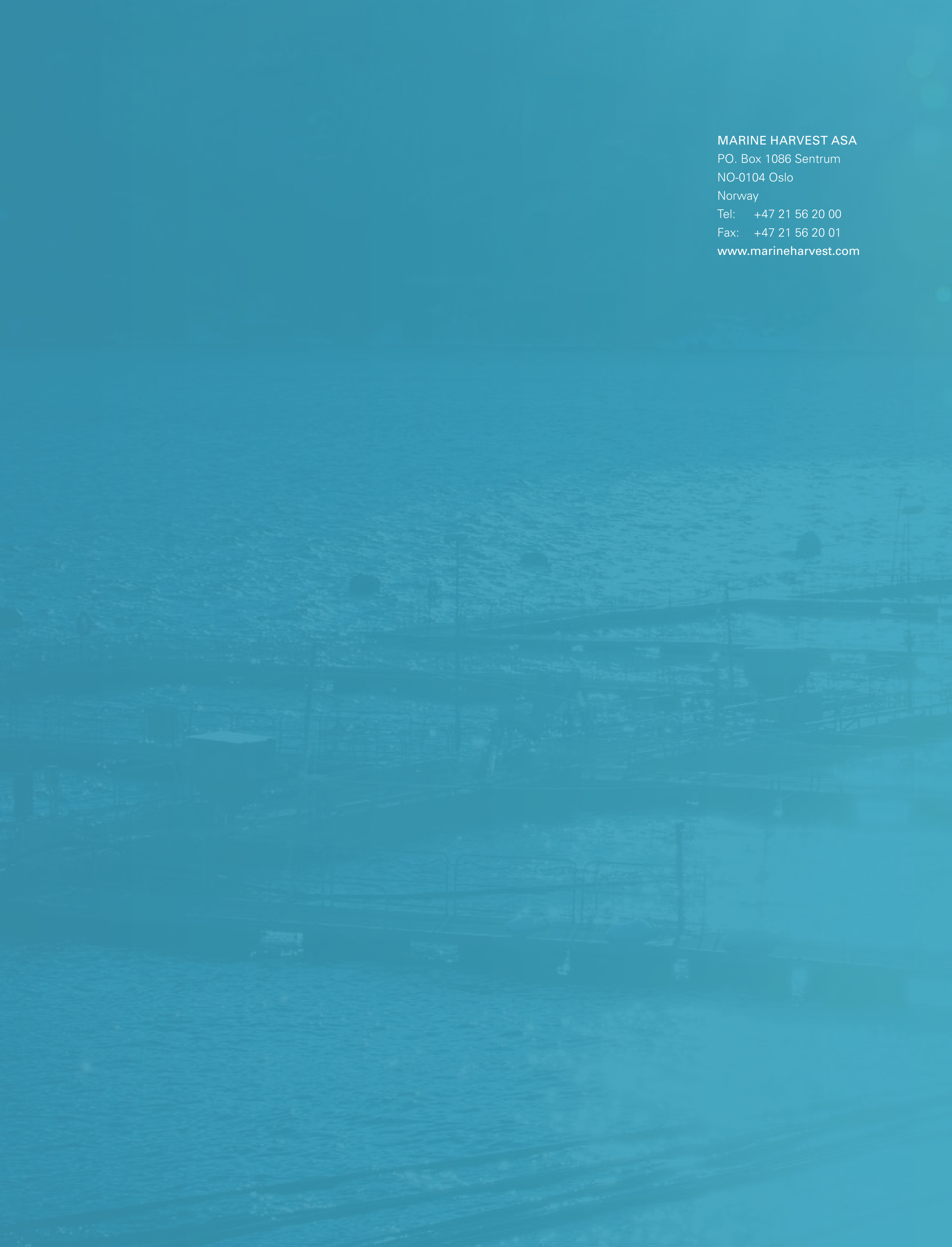

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