Our performance Q1 2016

CERMAQ CANADA

In Cermaq Canada we continued to deliver good results on social indicators this quarter, with zero injuries among our employees and zero non-compliances in our operations. Our absence rate was stable and low. Our environmental performance was good, with no fish escapes and the overall lice situation was positive with successful treatments and counts within regulated levels (which is 3 average adult female and mobile lice per fish). Fish survival (rolling 12 months rate) was high in all year classes with no significant disease concern this quarter.

CERMAQ CANADA				
INDICATOR	Unit	Q1 2016	Q1 2015	Calendar year 2015
	FISH HEALTH			
Survival rate in our fish farming (Atlantic salmon)	12 months rolling rate	93.3%	93.8%	92.8%
Use of antibiotics	gAPI/tonnes harvested	33.6	11.8	17.4
Use of treatments against sea lice (in feed)	gAPI/t LWE produced	0.2	0.1	0.3
	ENVIRONMENT			
Escapes	Number of fish escapes	0	1	2
Sea lice counts	Average adult female and mobile lice	1.28	1.10	1.70
	SOCIAL			
Non-compliances	Number of non-compliances closed with a fine	0	0	0
Absence rate	Absentee days as a % of total work days	2.0%	2.3%	2.1%
Lost time injury rate (H1)	Lost time injuries per million working hours	0	0	4.3
Injury frequency rate (H2)	Injuries per million working hours	0	9.0	6.4
Lost time frequency rate (F-value)	Lost time from injuries per million working hours	337	99	189

CERMAQ CHILE

In our Chilean operations, there were no final non-compliances this quarter and no fish escapes. Occupational health and safety performance was good, with a low and stable absence rate of 2.3 percent and low lost time injury rate and injury frequency rate.

In Cermaq, we work continuously to deliver sustainable results on fish health and welfare,

environmental issues and social impacts of our operations to achieve long term value creation. Regarding fish health, there are some sustainability challenges that are prevailing and that Cermaq and the industry is working to solve, including concrete challenges associated with well-known parasites and disease agents such as Salmonid Rickettsial Septicaemia (SRS) in Chile.

The Chilean salmon industry, including Cermaq, was strongly affected by harmful algae blooms this quarter, leading to an average loss of 12 percent of the annual total production of the industry (SalmonChile). During this environmental challenge, Cermaq Chile made a strong effort to properly handle all fish diseased caused by the algae blooms and ensure proper disposal to minimize any negative effects on the environment. No diseased fish was disposed at sea.

Fish health impacts from the algae blooms include damage on the gills from the algae lowering the oxygen intake and increased stress levels making the fish more exposed to disease. A consequence may also be higher sea lice counts because treatments need to be suspended on many sites due to the algae presence. Sea lice treatments may also be suspended to avoid more stress on the Fish.

Not considering the algae blooms, we had an improvement in the rolling survival rate of Atlantic salmon in our Chilean operations compared with the same quarter last year; from 90.3 percent in Q1 2015 to to 92.9 percent this quarter. The rolling survival rate of Coho salmon was slightly reduced, while Trout survival rate improved by 6.4 percent compared with the same quarter last year. Sea lice bath treatment in Cermaq Chile increased somewhat this quarter because of the above mentioned challenges, but also partly because treatment use is a measure of the ratio of active ingredient used per live biomass in the water, and increased algae bloom mortalities lead to a decrease of live fish in the pens. Bath treatment use was lower this quarter than the same period last year.

Cermaq has a strong commitment to finding a sustainable solution for SRS, which currently can mainly be controlled by antibiotics. For the last five years Cermaq's R&D team has worked actively with industry and academic partners to develop new and effective vaccines to fight SRS and ensure their proper use.

This quarter, we had an increase in our measure of antibiotic use. Cermaq measures the antibiotic use as a ratio of active ingredient used per harvested tonnes by closed cycles. Beside some impacts on this indicator by the algae blooms, there is no doubt that antibiotic use has increased in Cermaq Chile this past quarter. This Summer season was recorded as an unusual dry Summer with higher temperatures than previous years (due to the "El niño" phenomenon), providing ideal conditions for bacterial disease development, in this case SRS. The outbreaks were more recurrent on Atlantic salmon and even in Coho salmon where Cermaq typically has had a strong long term performance due to our well established genetics program. Worsened environmental conditions are hence the main explanation of the increase in antibiotic use.

INDICATOR	Unit	Q1 2016	Q1 2015	Calendar year 2015
	FISH HEALTH			
Survival rate in our fish farming (Atlantic salmon)	12 months rolling rate	92.9%*	90.3%	94.0%
Survival rate in our fish farming (Coho)	12 months rolling rate	90%*	93.9%	91.5%
Survival rate in our fish farming (Trout)	12 months rolling rate	97.0%*	90.6%	97.5%
Use of antibiotics	gAPI/tonnes harvested	546.0	252.0	376.0
Use of treatments against sea lice (bath)	gAPI/t LWE produced	6.20	9.01	4.46
	ENVIRONMENT			
Escapes	Number of fish escapes	0	0	6844
Sea lice counts	Average adult female lice (Caligus)	2.47	1.65	1.41
	SOCIAL			
Non-compliances	Number of non-compliances closed with a fine	0	0	9
Absence rate	Absentee days as a % of total work days	2.3%	2.3%	2.2%
Lost time injury rate (H1)	Lost time injuries per million working hours	6.5	6	5.4
Injury frequency rate (H2)	Injuries per million working hours	8.9	11	8.6
Lost time frequency rate (F-value)	Lost time from injuries per million working hours	142	62	89

* Algae bloom mortalities not included.

CERMAQ NORWAY

The occupational health and safety performance was very good this quarter in Cermaq Norway, with zero lost time injuries and a injury frequency rate of zero. Absence was stable around 5 percent this quarter, a level which is related to seasonal challenges such as flu. There were no non-compliances this quarter.

In terms of environmental performance, there were no fish escape incidents in Cermaq Norway this quarter and sea lice counts were well below the regulatory limit of 0.5 average adult female lice per fish. Sea lice counts were however higher than in the same period last year. This was mainly due to the increased lice levels in Finnmark last autumn, where levels have kept higher than usual. Due to low sea temperatures and rough weather conditions there have been a few cases where treatment could not be performed. Most farms in Finnmark will be deloused in the obligatory spring delousing. In Nordland, counts were low this quarter due to the implementation of preventive measures such as lice skirts and several sites with lumpfish. One treatment with hydrogen peroxide was conducted in Nordland this quarter. Development of preventive, non-chemical measures will be escalated in 2016.

The rolling fish survival rate was somewhat lower compared with the same quarter last year, with a survival rate of 92.4 percent this quarter. The decrease is mainly due to common heart related disorders like HSMI and CMS in some farms, but a significant portion in Finnmark can be explained by sores and Parvicapsulosis in some farms. Overall, the sanitary conditions is good this quarter with no use of antibiotics.

CERMAQ NORWAY				
INDICATOR	Unit	Q1 2016	Q1 2015	Calendar year 2015
	FISH HEALTH			
Survival rate in our fish farming (Atlantic Salmon)	12 months rolling rate	92.4%	95.4%	93.8%
Use of antibiotics	gAPI/tonnes harvested	0.0	18.0	4.6
Use of treatments against sea lice (in bath)	gAPI/t LWE produced	1.1	0.0	2.7
	ENVIRONMENT			
Escapes	Number of fish escapes	0	0	500
Sea lice counts	Average adult female lice	0.13	0.05	0.07
	SOCIAL			
Non-compliances	Number of non-compliances closed with a fine	0	0	2
Absence rate	Absentee days as a % of total work days	5.1%	6.5%	5.4%
Lost time injury rate (H1)	Lost time injuries per million working hours	0	19.0	11.0

Injury frequency rate (H2)	Injuries per million working hours	0	23.0	21.9
Lost time frequency rate (F-value)	Lost time from injuries per million working hours	485	595	521

How each indicator is measured

Fish health

Fish survival: The welfare status of farmed fish is of interest to a range of industry stakeholders. In Cermaq, we continuously strive to improve fish welfare through a range of measures and initiatives.

Survival can be used as one simple measure to gain an overview of the fish health situation. The indicator is a rolling 12 month measure which calculates survival number for the last 12 months as a proportion of the estimated number of fish in the sea in the last 12 month of the year (adjusted for harvest and mortalities). This is to adjust for short term variations and to enable to show longer term trends.

Antibiotic use: Medicines is a necessary tool in all kinds of animal farming to ensure animal welfare. In salmon farming, some geographical regions or companies have been able to significantly reduce their use of antibiotics over time, whilst others are relatively high users. This measure is useful to gain an overview and control of the antibiotics use in the operations, and ensure that our antibiotic policy is adhered to. We measure the total use of antibiotics divided on the biomass harvested within a quarter. We have chosen this measure as we consider that it gives the best indication of the sustainability of our production and product safety. Also this measure gives a good relation between antibiotic use and stock treated by period and provides better association between treatments and final products.

In Cermaq it is important that antibiotic treatments are held to a minimum, only when strictly needed to restore fish health and welfare. Our policy for the use of antibiotics is to limit the use to cases where:

- Animal welfare is threatened by a bacterial disease
- A diagnosis of disease exist with a prescription of antibiotic by an authorized person
- The antibiotic has a proven therapeutic effect against the disease, and
- The antibiotic is approved for use in fish farming

Sea lice treatment: This indicator seeks to quantify the amount of different types of sea lice treatment used by Cermaq. Bath treatments and in-feed treatments are included in the indicator,

where the most significant by region is published. Preventive methods are not included in the reporting; only treatments to ensure that sea lice levels are in compliance with regulatory set limits. A summary of non-pharmaceutical and preventive measures used in Cermaq, can be seen here. In Canada, only treatment in feed is used, while in Norway and Chile, bath treatments are most common are hence reported here. Treatments with hydrogen peroxide is not included in this figure.

Escapes: Our goal in Cermaq is zero escapes. Escapes may pose negative effects through possible interaction between the escaped salmon and wild salmon including the risk of compromising genetic integrity and increase competition in the freshwater environment. For fish farmers, escapes also represent a loss of valuable assets. Preventing escapes is a high priority and in the case of any incidents of escape, we work intensively to recapture as many fish as possible. This indicator aims to quantify the number and extent of fish escape incidents and what action has been taken to prevent recurrence, to minimize the risk of similar incidents in the future.

Environment

Sea lice counts: Sea lice represent a continuing challenge across operations in many regions. Control of sea lice in a sustainable way is critical to the future sustainability and growth of the salmon farming industry. We are therefore closely monitoring the sea lice counts in each region to gain an overview of the lice situation in Cermaq. Counts are made for each site, and the number reported here represents an average of each Cermaq operating company. The lice counting for each country is linked to the sea lice levels triggering treatment in the different salmon farming areas.

Non-compliances: Our clear goal is to comply with all applicable laws and regulations in our countries of operation. The level of any non-compliances within our operating companies also helps indicate our ability to ensure that operations conform to expected performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. This indicator seeks to measure the compliance with environmental, social, and product regulations in our operations. It refers to final non-compliances closed with a fine.

OHS

Cermaq employees shall be safe and secure at work. Occupational health and safety initiatives are integral parts of the Group's risk management. The OHS challenges are differing between the operating companies. Each operating company identifies its own relevant and suited initiatives to reduce the level of injuries and absence due to illness. Operating companies also engage regularly in the sharing of best practices to manage and mitigate common challenges, including the definition and measurement of a set of common OHS indicators reported monthly to the management.

Absence rate: This indicator measures absence related to employees' health including sickness, lost time from injuries (at work or outside work), or occupational disease.

Lost time injury rate (H1): This indicator measures injuries among our employees that lead to lost time direct per million working hours.

Injury frequency rate (H2): This indicator measures the total number of injuries among our employees per million working hours.

Lost time frequency rate (F-value): This indicators measures lost time from injuries among our employees per million working hours.