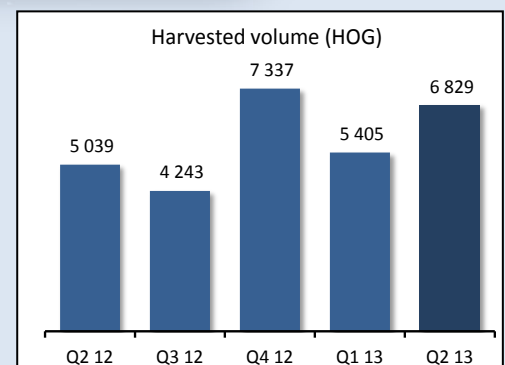
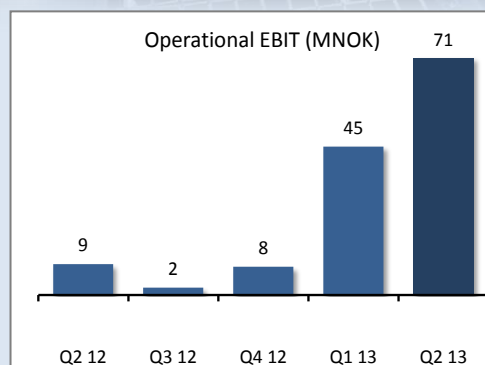
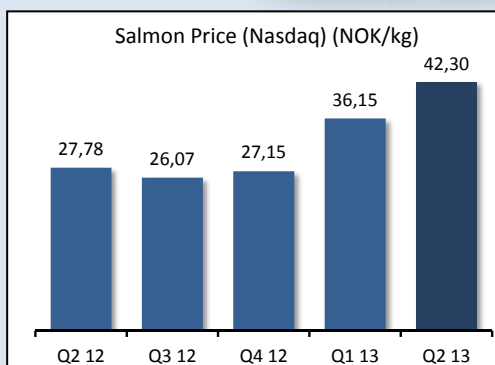


# Interim Report



# Q2-13





### HIGHLIGHTS Q2 2013

- Record result in NRS
  - Operational EBIT NOK 71.5 million (2012: NOK 9.3 million)
  - Harvested volume of 6,829 (+ 36 %)
  - Sold volume of 15,368 (+16 %) increased NRS' market share substantially
- Substantial cash flow from operating activities of NOK 135 million.
  - Net interest bearing debt reduced by NOK 126 million
  - Equity ratio increased to over 40 %.
- An extraordinary dividend of NOK 1.00 per share will be proposed for an EGM in September
- Higher production cost and quality downgrading in the quarter
  - The site with the low performing generation in Region South was emptied during the quarter.
  - Lower than normal performance on the autumn 2011 generation in addition to problems with winter wounds in Region North.
- Continued very strong salmon market
  - Negative volume growth from Norway expected this year
  - Positive volume growth from NRS this year
  - Very low share of fixed-price contracts.
  - Higher salmon price resulted in lower margins from Sales
- Maintaining an estimated harvest volume of 30 000 tonnes in 2013.

<b>NORWAY ROYAL SALMON - KEY FIGURES</b> (NOK '000)	<b>Q2</b> <b>2013</b>	<b>Q2</b> <b>2012</b>	<b>YTD</b> <b>2013</b>	<b>YTD</b> <b>2012</b>	<b>FY</b> <b>2012</b>
Operating revenues	675 636	409 088	1 203 229	789 639	1 744 266
Operational EBITDA	79 720	16 644	132 353	34 319	60 784
Operational EBIT	71 450	9 271	116 231	19 665	30 335
EBIT	85 610	17 175	175 225	30 347	69 844
Income from associates	3 111	1 161	5 921	7 307	10 464
EBT	95 194	9 059	179 229	20 396	40 748
EPS (NOK) – before fair value adjustments	1,32	0,03	1,89	0,19	-0,12
ROACE <sup>1)</sup>			11,8 %	2,7 %	2,1 %
Net cash flow from operating activities	134 819	-3 737	127 600	45 926	-2 828
Investments in tangible fixed assets	15 816	10 531	32 833	16 350	34 747
Net interest-bearing debt			478 414	477 659	566 075
Equity ratio			40,1 %	40,1 %	36,2 %
Volume harvested (HOG)	6 829	5 039	12 234	9 582	21 162
Operational result per kg <sup>2)</sup>	11,24	2,67	10,36	2,94	2,25
Volume sold	15 368	13 243	28 942	26 060	57 673

1)ROACE: Return on average capital employed based on 4-quarters rolling EBIT aligned for fair value adjustments / average (NIBD + Equity - Financial assets)

2) EBIT pre fair value adjustments for segments incl margin from sales



## FINANCIAL PERFORMANCE

### Revenues and results

The Group's consolidated operating revenues in the second quarter totalled NOK 675.6 million, compared with NOK 409.1 million in the same quarter in 2012, an increase of 65 per cent. The Group posted an operational EBIT of NOK 71.5 million in the second quarter, compared with a profit of NOK 9.3 million in the corresponding period last year, which equals an increase of NOK 62.2 million. The increase in revenues and operational EBIT is mainly due to increased sales prices, and increased volumes at both the farming business and the sales business compared with the corresponding period last year. The group recognised fair value adjustments of NOK 14.2 million in the second quarter compared with NOK 7.9 million in the same quarter last year, an increase of NOK 6.3 million.

The farming business harvested a total of 6,829 tonnes gutted weight in the second quarter, an increase of 36 per cent compared with the 5,039 tonnes harvested in the second quarter last year. The farming business including allocated margins from sales, achieved an operational EBIT per kg of NOK 11.24, compared with NOK 2.67 the previous year. The sales business sold 15,368 tonnes in the period, compared with 13,243 tonnes in the same quarter previous year, an increase of 16 per cent.

### Financial items and share of profit from associates

Income from associates was a profit of NOK 3.1 million in the second quarter, compared with a profit of NOK 1.2 million in the corresponding period last year. NRS's share of fair value adjustments of the biomass after tax in the quarter was NOK 0.6 million compared with NOK 0 the same quarter last year. Associated farming companies harvested a total of 1,213 tonnes in the first quarter, 200 tonnes less than in the corresponding quarter last year. NRS's share of the above figure amounts to 450 tonnes, a decrease of 73 tonnes against the second quarter of 2012.

A profit of NOK 1.9 million on the sale of shares in AquaGen as well as a profit of NOK 11.9 million on TRS agreements on own shares was realised during the quarter.

At NOK 8.3 million, net interest expenses for the period were up NOK 0.4 million on the prior-year figure of NOK 7.9 million. The increase to MNOK 1.0 from the prior-year figure of NOK -1.3 million in other financial income was mainly due to an unrealised profit on TRS-agreements against the NRS-shares and the interest rate swap agreement.

### Balance sheet

At the end of the second quarter of 2013 the Group had total assets of NOK 1,819.2 million, compared with NOK 1,744.9 million at the end of the previous quarter, an increase of NOK 74.3 million.

The change in total assets is attributable to a number of factors. The Group's receivables increased by NOK 52.4 million during the period. Fair value adjustments of the biomass increased by NOK 4.8 million in the quarter, while inventories and biomass at cost fell by an aggregate of NOK 11.1 million. The net decrease in inventories and biological assets compared with the previous quarter was NOK 6.4 million. The Group's bank deposits increased by NOK 20.0 million. In addition, the net increase in fixed assets was NOK 8.2 million.

At the end of the reporting period the Group's net interest-bearing debt totalled NOK 478.4 million, compared with NOK 603.8 million at the end of the previous period, a decrease of

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NOK 125.5 million. The decrease is mainly due to an operational EBITDA of MNOK 79.7 million and a reduction of NOK 45 million in net working capital in the quarter.

At the end of the second quarter the group's net interest-bearing debt to the Group's bank was NOK 384 million of a total credit facility of NOK 607 million.

At the end of the second quarter the Group's equity totalled NOK 729.4 million, an increase of NOK 64.9 million from the end of the previous quarter. The increase is attributable to the total comprehensive income of NOK 64.3 million in the period. At the end of the second quarter the Group had an equity ratio of 40.1 per cent.

### Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 134.8 million during the quarter, which represents an increase of NOK 138.5 million compared with the corresponding prior-year quarter. The increase is attributable to a positive operational EBIT of NOK 71.5 million, the increase in accounts payables of NOK 67.8 million and in other current liabilities of NOK 23.2 million as well as the reduction in inventories of NOK 11.1. The reduction in accounts payables of NOK 52.4 has reduced the positive cash flow.

Net cash outflows in connection with investing activities in the second quarter amounted to NOK 1.6 million, compared with an outflow of NOK 10.2 million in the second quarter of 2012, and relates to cash outflows of NOK 15.8 million from investments in operating assets, a cash inflow of NOK 2.3 million from the sale of all the company's shares in AquaGen AS and the cash inflow of NOK 11.9 million from the realisation of TRS-agreements.

Net cash outflows from financing activities totalled NOK 113.2 million in the second quarter, compared with net cash inflows of NOK 15.9 million in the same quarter in 2012. Leasing liabilities increased by NOK 4.6 million and the bank overdraft facility decreased by NOK 100.6 million, while paid interests and instalments amounts to NOK 8.3 million and NOK 9.4 million respectively.

## SEGMENT INFORMATION

The Group is organised in two business areas; Farming and Sales. The performance of the two business areas are monitored to reach the overall objective of maximising the Operational EBIT per kg and margins.

The farming business is divided into two geographical segments; Region North and Region South. Norway Royal Salmon follows the overall value creation of the operations based on the salmon's source of origin. Consequently, external reporting will be focused towards measuring the overall profitability of harvested volume based on source of origin (Operational EBIT/kg). For this reason the contribution from the sales operations is allocated to Region North and Region South based on the volume harvested in these segments.

The Group owns 25 licences for the production of farmed salmon, divided between 19 licences in Region North which comprises fish farming facilities located in Senja and western Finnmark and 6 licences in Region South which comprises fish farming facilities located in the area around Haugesund.

The business posted sales revenues of NOK 674.7 million in the first quarter of 2013, compared with NOK 408.7 million in the same quarter the previous year, which corresponds to an increase of 65 per cent. The spot price (Nasdaq) for superior quality during the

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# INTERIM REPORT

## Q2 2013

quarter was NOK 42.30 per kg gutted weight, an increase of 17 per cent from the first quarter of 2013 and an increase of 52 per cent compared with the second quarter of 2012. The sales operations experienced an increase in sales volumes of 16 per cent compared with the corresponding period last year. A total of 15,368 tonnes were sold in the second quarter, compared with 13,243 tonnes in the same period last year. The Sales operations achieved an EBIT before open fixed-price contracts of NOK 3.2 million, which amounts to NOK 0.21 per kg sold volume in the period. The loss on open fixed-price contracts was NOK 15.0 million in the quarter, which amounts to NOK -0.98 per kg sold volume in the period. From the first quarter of 2013 the reporting of open fixed-price contracts has changed. In 2012 the open fixed-price contracts were recognised in the farming business, the numbers from 2012 have not been restated.

The farming operations harvested 6,829 tonnes in the second quarter, compared with 5,039 tonnes in the same quarter the previous year, an increase of 36 per cent. The harvest volume in 2012 was 21,162 tonnes and estimated harvest volume is 30,000 tonnes for 2013. A total of 7.5 million smolts were released in 2012, and a total of 7.6 million smolts are planned released in 2013.

SEGMENT SUMMARY (NOK '000)	Q2 2013		YTD 2013	
	Operational EBIT	Operational EBIT per kg	Operational EBIT	Operational EBIT per kg
Farming	88 604	12,97	139 860	11,43
Sales	3 181	0,47	9 591	0,78
Open fixed price contracts	-15 035	-2,20	-22 680	-1,85
<b>Sum segments</b>	<b>76 750</b>	<b>11,24</b>	<b>126 770</b>	<b>10,36</b>
Volume harvested (tonnes)	6 829		12 234	

### Region North

Operational EBIT was NOK 66.2 million, an increase of NOK 56.9 million compared with the NOK 9.3 million in the second quarter of 2012. Operational EBIT per kg was NOK 11.91, compared with NOK 3.10 in the second quarter of 2012.

5,560 tonnes were harvested in the region in the second quarter, compared with 2,995 tonnes in the same quarter the previous year, an increase of 85.9 per cent. The farming operations achieved an average price which was NOK 13.75 per kg higher than in the corresponding period last year. EBIT before open fixed-price contracts from sales has improved operational EBIT by NOK 0.47 per kg. Fixed-price contracts represent 19 per cent of sold volume in the quarter. Realised price on the fixed-price contracts was lower than the market price and reduced the operational EBIT per kg by NOK 2.20 in the quarter. This results in a net contribution from sales of NOK -1.74 per kg. The production cost for harvested fish is higher compared with the corresponding prior-year period and compared with the first quarter of 2013. The reason is that the production in the quarter was lower than expected, and that the autumn generation 2011 has performed weaker than normal. A higher share than normal of the harvested fish has been downgraded in the quarter as a result of winter wounds. This has reduced the achieved sales price. The sea temperature has been rising during the quarter, from lower than normal at the beginning of the quarter to higher than normal at the end. This provides a good basis for good growth in the third quarter. The biological status in the region is good.

The harvest volume in 2013 is estimated at 23,600 tonnes. A total of 5.7 million smolts are planned released in 2013.





# INTERIM REPORT

## Q2 2013

KEY FIGURES (NOK '000)	Q2 2013	Q2 2012	YTD 2013	YTD 2012	FY 2012
Operating revenues	550 817	243 294	987 825	590 567	1 150 766
Operational EBITDA	71 929	14 111	121 297	33 044	55 444
Operational EBIT	66 219	9 297	110 316	23 437	35 195
Investment in tangible and intangible assets	13 226	10 531	23 025	14 038	23 465
Volume harvested (tonnes)	5 560	2 995	10 033	7 140	13 944
Operational EBIT per kg farming	13,65	1,63	12,06	2,19	1,54
Operational EBIT per kg sales	-1,74	1,47	-1,06	1,09	0,98
<b>Total operational EBIT per kg</b>	<b>11,91</b>	<b>3,10</b>	<b>11,00</b>	<b>3,28</b>	<b>2,52</b>

### Region South

Operational EBIT was NOK 10.5 million, an increase of NOK 6.3 million compared with the NOK 4.2 million in the second quarter of 2012. Operational EBIT per kg was NOK 8.30, compared with NOK 2.03 in the second quarter of 2012.

1,269 tonnes were harvested in the region in the second quarter, compared with 2,045 tonnes in the same quarter the previous year, a decrease of 38 per cent. The farming operations achieved an average price which was NOK 13.44 per kg higher than in the corresponding period last year. EBIT before open fixed-price contracts from sales has improved operational EBIT by NOK 0.47 per kg. Fixed-price contracts represent 19 per cent of sold volume in the quarter. Realised price on the fixed-price contracts was lower than the market price and reduced the operational EBIT per kg by NOK 2.20 in the quarter. This results in a net contribution from sales of NOK -1.74 per kg. The production cost for harvested fish is higher compared with the corresponding prior-year period and compared with the first quarter of 2013. The increase in production cost is due to the damages after the algae attack in 2012 being bigger than previously expected. The site with the weakened fish was emptied during the second quarter. Due to low sea temperatures through the quarter, Region South has shown lower growth than normal in the quarter. In the second quarter, the fish disease PD has been identified at a site with spring 2012-generation fish. Otherwise the biological status is good in the Southern Region.

The harvest volume in 2013 is estimated at 6,400 tonnes. A total of 1.9 million smolts are planned released in 2013.

KEY FIGURES (NOK '000)	Q2 2013	Q2 2012	YTD 2013	YTD 2012	FY 2012
Operating revenues	123 923	165 398	213 535	198 582	592 501
Operational EBITDA	13 091	6 710	21 403	9 755	22 553
Operational EBIT	10 532	4 150	16 454	4 708	12 353
Investment in tangible and intangible assets	2 589	1	9 806	2 313	2 552
Volume harvested (tonnes)	1 269	2 045	2 201	2 443	7 218
Operational EBIT per kg farming	10,03	0,56	8,57	0,56	0,64
Operational EBIT per kg sales	-1,74	1,47	-1,10	1,37	1,07
<b>Total operational EBIT per kg</b>	<b>8,30</b>	<b>2,03</b>	<b>7,48</b>	<b>1,93</b>	<b>1,71</b>

### SHARES

As of 30 June 2013 Norway Royal Salmon ASA had 43,572,191 shares, allocated among 598 shareholders, a decrease of 26 from the end of the previous quarter. At the end of the quarter the group had 30,085 treasury shares. The share price increased from NOK 22.80 at the end of March 2013 to NOK 27.80 at the end of June 2013. 4,842,527 shares were traded in the quarter.



## EVENTS IN AND AFTER OF THE QUARTER

### ANNUAL GENERAL MEETING

The annual general meeting was held in Trondheim on 22 May.

The general meeting granted the board of directors authority to acquire treasury shares by up to a total of 4,357,219 shares, each with a nominal value of NOK 1, which equals 10% of the company's share capital. The authority remains in force until the ordinary general meeting in 2014, however no later than 30 June 2014.

The general meeting granted the board of directors authority to increase the Company's share capital by up to NOK 4,357,219. The authority remains in force until the ordinary general meeting in 2014, however no later than 30 June 2014.

Marianne Johnsen was elected as a new director instead of Eva von Hirsch. The other board members were reelected by the general meeting.

### Sale of shares in AquaGen AS

The group sold all its shares in AquaGen AS in the quarter, which generated a gain of NOK 1.9 million.

### Purchase, contractual rights and TRS agreements for treasury shares

In and after the second quarter Norway Royal Salmon has extended and entered into new TRS (Total Return Swap) agreements. After these transactions Norway Royal Salmon owns or has a contractual right on 3,249,961 shares, totalling 7.46 per cent of the share capital of the company.

### Absenteeism

The group had a sickness absence rate of 4.4 per cent in the period, which is nearly the same as in the previous quarter. The long-term absenteeism represents most of the absence. No personal injury has been reported during the period.

## SUMMARY OF EVENTS YEAR TO DATE IN 2013

The Group posted sales of NOK 1,203.2 million in the first half of 2013, compared with NOK 789.6 million in the corresponding prior-year period, which equates to an increase of 52.4 per cent. During the same period the Group posted an operational EBIT of NOK 116.2 million, compared with NOK 19.7 million in the first half of 2012. A total of 12,234 tonnes were harvested in the first half of 2013, compared with 9,582 tonnes in the corresponding prior-year period. The group had a positive operational cash-flow of NOK 127.6 million in the first half of 2013, compared with NOK 45.9 million in the corresponding prior-year period. At the end of the second quarter the Group had an equity ratio of 40.1 per cent compared with 40.1 per cent at the end of the same period last year. The Group has reduced its net interest bearing debt by NOK 87.7 million to NOK 478.4 million at the end of the period.

Region North harvested 10,033 tonnes in the first half of 2013, compared with 7,140 tonnes in the corresponding prior-year period, and posted EBIT per kg of NOK 11.00, compared with NOK 3.28 in the first half of 2012. Region South harvested 2,201 tonnes in the first half of 2013, against 2,443 tonnes in the first six months of 2012, and posted EBIT per kg of NOK 7.48, compared with NOK 1.93 in the first half of 2012. The Sales business sold 28,942 tonnes in the first half of 2013, against 26,060 tonnes in the first six months of 2012.

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Norway Royal Salmon has not identified any additional risk exposure beyond the risks described in the 2012 annual report. Norway Royal Salmon is exposed to the salmon price. As a result of the expectation of almost no growth in the supply of salmon from Norway in the second half of 2013, the salmon price is expected to stay at a significantly higher level compared to the same period last year. Reference is made to the Outlook section of this report, for other comments to NRS's risk exposure. No material transactions with related parties have been undertaken during the first six months of 2013, reference is made to the Note 6 of this report for further information regarding related parties.

## MARKET CONDITIONS

The total value of export of salmon from Norway in the second quarter was NOK 9.3 billion, an increase of NOK 2.0 billion compared with the second quarter of 2012. The increase is due to a significantly higher price compared with the same period last year. The average price (Nasdaq) for superior quality during the quarter was NOK 42.30 (delivered Oslo) per kg. In the same period last year the price was NOK 27.80 per kg (NOS plus NOK 0.75 per kg). Export volumes from Norway in the second quarter were 10 per cent lower than last year, while export volumes from Chile increased. Globally, the diminishing supply growth we've had in 2012 continued in 2013 and contributed to higher prices. The substantial price increase from 2012 and into the first half of 2013 has resulted in significant differences in demand from countries and regions which NRS is trading with.

Consumption of salmon in the European market had a positive development, and in the 27 EU countries the import of Norwegian salmon only fell by 3 per cent in the quarter. This has led to the European Union increasing its share of imports of Norwegian salmon from 67 per cent in the second quarter last year to 70 per cent. Within the EU there are significant differences in the demand for salmon. While Poland, the UK and Germany had a significant growth, the market in France declined by 9 per cent. A reduction of 13 per cent in the PIIGS countries was mainly driven by Greece which reduced its import by 81 per cent in the first half of 2013 compared to the same period last year. France maintains its position as the largest importing country of Norwegian salmon with a market share of 15 per cent, while the substantial growth makes Poland the second largest importer of Norwegian salmon with a 13 per cent market share.

Eastern Europe has had a decline of imports of Norwegian salmon in the second quarter. Russia, the largest importer of Eastern Europe, has reduced its imports of Norwegian salmon in the second quarter by 26 per cent compared to last year. Ukraine had a decline of 12 per cent, while Belarus and Kazakhstan had an increase in import volume in the second quarter. A significant increase in the price of salmon is the main reason for the reduction in Russia and Ukraine, while other parts of Eastern Europe has really started to get the taste of Norwegian salmon. Despite reduced demand is Russia still one of the largest consumers of Norwegian salmon with a market share of 10 per cent in the quarter and it is important that trade is done without significant barriers to trade.

The demand from Asia has also slowed down as a result of higher prices. In the second quarter Japan reduced imports of Norwegian salmon by 14 per cent compared to the same time last year, while China/Hong Kong/Vietnam increased their market share in the second quarter. South Korea and Thailand reduced imports considerably, while Singapore had a growth of 2 per cent compared to the same quarter last year. Trade issues with China have continued through the second quarter, although the underlying demand for salmon is good.

The second quarter resulted in lower contributions than expected for the NRS's sales operations as it was challenging to get customers to accept a large price increase in a short time. The volumes were 16 per cent higher than the same time last year. In the same

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period exports from Norway was 10 per cent lower, indicating that NRS are taking market shares. Previously signed fixed-price contracts resulted in a loss of NOK 15.0 million in the quarter as salmon prices rose significantly more than NRS expected. The share of fixed-price contracts for NRS is low and 93 per cent own-produced fish is available for spot market for the rest of the year. NRS experienced significant growth in the second quarter in Western Europe, while Asia and Eastern Europe reduced its demand slightly. 56 per cent of the export volume of NRS was sold to Western Europe in the second quarter, an increase of 21 per cent from the second quarter of 2012.

## OUTLOOK

The farming operations are still experiencing strong growth and estimate a growth of 42 per cent from a total harvest of 21,162 tonnes in 2012 to 30,000 tonnes in 2013. In Region North, sea temperatures rose significantly during the quarter and were higher than normal in June. This provides a good basis for good growth in this region in the third quarter. Farming has hedged prices for 7 per cent of the volume for the rest of 2013.

The market situation ahead is seen as positive due to the strong demand for salmon in most markets. At the same time the supply growth of salmon has slowed down. Low sea temperatures in Norway have reduced growth slightly, which in turn provides a lower supply of salmon than previously estimated. Towards the end of the second quarter, growth was more normal and we expect harvest volumes from Norway in the second half of 2013 to be around last year's levels. At the same time there are signals that supply growth will slow down from Chile going forward. Forward prices and spot prices have risen significantly from the first quarter due to expected lower supply and high demand. An important assumption for the positive market view is that exports will develop normally without major new trade barriers.

Trondheim, 14 August 2013

Helge Gåsø  
Chair

Kristine Landmark  
Vice Chair

Marianne Johnsen

Inge Kristoffersen

Endre Glastad

Åse Valen Olsen

John Binde  
CEO

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# INTERIM REPORT

## Q2 2013

### INTERIM REPORT

#### INCOME STATEMENT

(NOK '000)	Q2 2013	Q2 2012	YTD 2013	YTD 2012	FY 2012
<b>Operating revenues</b>	<b>675 636</b>	<b>409 088</b>	<b>1 203 229</b>	<b>789 639</b>	<b>1 744 266</b>
Cost of goods sold	556 472	356 266	996 178	688 296	1 540 290
Salaries	17 584	15 371	37 492	31 670	71 764
Depreciation	8 270	7 373	16 121	14 654	30 449
Other operating costs	21 861	20 807	37 207	35 354	71 428
<b>Operational EBIT</b>	<b>71 450</b>	<b>9 271</b>	<b>116 231</b>	<b>19 665</b>	<b>30 335</b>
Non-recurring items	0	0	0	0	-9 919
Fair value adjustments	14 160	7 905	58 993	10 682	49 428
<b>EBIT</b>	<b>85 610</b>	<b>17 175</b>	<b>175 225</b>	<b>30 347</b>	<b>69 844</b>
Gain on realisation of financial assets	13 779	0	13 779	0	0
Income from associates	3 111	1 161	5 921	7 307	10 464
Other net financial items	-7 305	-9 277	-15 696	-17 258	-39 560
<b>EBT</b>	<b>95 194</b>	<b>9 059</b>	<b>179 229</b>	<b>20 396</b>	<b>40 748</b>
Tax	-25 248	-2 211	-47 991	-3 869	-9 130
<b>Net profit/loss</b>	<b>69 946</b>	<b>6 848</b>	<b>131 238</b>	<b>16 527</b>	<b>31 618</b>
<b>Profit attributable to:</b>					
Parent company shareholders	68 115	5 926	124 896	14 812	28 191
Minority interests	1 831	922	6 342	1 715	3 428
Earnings per share (NOK)	1,57	0,14	2,88	0,36	0,66
Earnings per share - diluted	1,57	0,14	2,88	0,36	0,66

#### EXTENDED INCOME STATEMENT

(NOK '000)	Q2 2013	Q2 2012	YTD 2013	YTD 2012	FY 2012
<b>Net profit/loss</b>	<b>69 946</b>	<b>6 848</b>	<b>131 238</b>	<b>16 527</b>	<b>31 618</b>
Items to be reclassified to profit or loss:					
Financial assets available for sale (net)	-1 985	0	-1 985	0	1 985
Cash Flow hedges (net)	-3 691	0	-4 476	0	588
Items not to be reclassified to profit or loss:					
Actuarial gains/losses) on defined benefit plans	0	0	0	0	0
<b>Total comprehensive income</b>	<b>64 271</b>	<b>6 848</b>	<b>124 777</b>	<b>16 527</b>	<b>34 191</b>
<b>Total comprehensive income attributable to:</b>					
Parent company shareholders	62 439	5 926	118 435	14 812	30 763
Minority interests	1 831	922	6 342	1 715	3 428



# INTERIM REPORT

## Q2 2013

### BALANCE SHEET

(NOK '000)	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Intangible assets	502 887	502 887	502 887	502 887
Property, plant and equipment	195 610	188 064	178 899	179 007
Non-current financial assets	122 575	121 877	118 867	108 796
<b>Non-current assets</b>	<b>821 072</b>	<b>812 829</b>	<b>800 653</b>	<b>790 691</b>
Inventory and biological assets	552 201	558 539	546 556	433 225
Receivables	403 802	351 410	318 463	226 644
Bank deposits, cash	42 100	22 112	9 854	8 192
<b>Current assets</b>	<b>998 103</b>	<b>932 060</b>	<b>874 873</b>	<b>668 060</b>
<b>TOTAL ASSETS</b>	<b>1 819 175</b>	<b>1 744 889</b>	<b>1 675 526</b>	<b>1 458 751</b>
Share capital	43 542	43 516	43 573	43 573
Other equity	638 540	575 479	522 712	501 982
Non-controlling interests	47 325	45 494	40 984	38 944
<b>Equity</b>	<b>729 408</b>	<b>664 490</b>	<b>607 269</b>	<b>584 498</b>
Pensions	9 736	9 736	9 736	15 227
Deferred tax	208 020	184 224	161 786	155 367
<b>Provisions</b>	<b>217 756</b>	<b>193 960</b>	<b>171 522</b>	<b>170 594</b>
<b>Long-term interest-bearing debt</b>	<b>331 976</b>	<b>338 992</b>	<b>328 292</b>	<b>318 687</b>
Short-term interest-bearing debt	188 537	287 002	247 637	167 164
Trade payables	282 583	214 750	292 655	186 925
Tax payable	780	780	780	0
Other current liabilities	68 134	44 915	27 371	30 881
<b>Current liabilities</b>	<b>540 034</b>	<b>547 447</b>	<b>568 444</b>	<b>384 971</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 819 175</b>	<b>1 744 889</b>	<b>1 675 526</b>	<b>1 458 751</b>

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# INTERIM REPORT

## Q2 2013

### STATEMENT OF EQUITY

30.06.2013	Equity allocated to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
(NOK '000)							
<b>Equity at 01.01.2013</b>	43 573	0	82 029	440 680	566 282	40 984	607 266
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>118 435</b>	<b>118 435</b>	<b>6 342</b>	<b>124 777</b>
<b>Transactions with shareholders</b>							
Share based payment	0	0	0	-407	-407	0	-407
Purchase/sale of treasury shares	0	-30	0	-2 201	-2 231	0	-2 231
<b>Total transactions with shareholders</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>-2 608</b>	<b>-2 637</b>	<b>0</b>	<b>-2 637</b>
<b>Equity at 30.06.2013</b>	<b>43 573</b>	<b>-30</b>	<b>82 029</b>	<b>556 511</b>	<b>682 082</b>	<b>47 327</b>	<b>729 407</b>

30.06.2012	Equity allocated to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
(NOK '000)							
<b>Equity at 01.01.2012</b>	39 611	-1 467	54 936	397 495	490 575	37 229	527 805
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14 812</b>	<b>14 812</b>	<b>1 715</b>	<b>16 527</b>
<b>Transactions with shareholders</b>							
Share issue	3 961	0	27 728	0	31 689	0	31 689
Net share issue transaction costs	0	0	-635	-223	-858	0	-858
Share based payment	0	0	0	277	277	0	277
Purchase/sale of treasury shares	0	1 467	0	10 273	11 740	0	11 740
Other changes in associates	0	0	0	-2 681	-2 681	0	-2 681
<b>Total transactions with shareholders</b>	<b>3 961</b>	<b>1 467</b>	<b>27 093</b>	<b>7 646</b>	<b>40 167</b>	<b>0</b>	<b>40 166</b>
<b>Equity at 30.06.2012</b>	<b>43 572</b>	<b>0</b>	<b>82 029</b>	<b>419 953</b>	<b>545 554</b>	<b>38 946</b>	<b>584 498</b>

31.12.2012	Equity allocated to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
(NOK '000)							
<b>Equity at 01.01.2012</b>	39 611	-1 467	54 936	397 495	490 575	37 229	527 805
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35 120</b>	<b>35 120</b>	<b>3 427</b>	<b>38 547</b>
<b>Transactions with shareholders</b>							
Share issue	3 961	0	27 728	0	31 689	0	31 689
Net share issue transaction costs	0	0	-635	-223	-858	0	-858
Share based payment	0	0	0	484	484	0	484
Change in non-controlling interests	0	0	0	-327	-327	327	0
Purchase/sale of treasury shares	0	1 467	0	10 273	11 740	0	11 740
Other changes in associates	0	0	0	-2 141	-2 141	0	-2 141
<b>Total transactions with shareholders</b>	<b>3 961</b>	<b>1 467</b>	<b>27 093</b>	<b>8 066</b>	<b>40 587</b>	<b>327</b>	<b>40 915</b>
<b>Equity at 31.12.2012</b>	<b>43 573</b>	<b>0</b>	<b>82 028</b>	<b>440 680</b>	<b>566 282</b>	<b>40 984</b>	<b>607 269</b>



# INTERIM REPORT

## Q2 2013

### STATEMENT OF CASH FLOW

(NOK '000)	Q2 2013	Q2 2012	YTD 2013	YTD 2012	FY 2012
<b>Operational EBIT</b>	<b>71 450</b>	9 271	<b>116 231</b>	19 665	30 336
Adjusted for:					
Tax paid	0	0	0	0	0
Non-recurring items	0	0	0	0	-9 919
Depreciation	8 270	7 373	16 121	14 654	30 449
Gains (-)/ losses (+) on disposal of non-current assets	0	0	0	0	-341
Share based payment	60	103	-407	277	484
Pension costs with no cash effect	0	0	0	0	559
Change in inventory / biomass	11 088	-12 361	49 864	-10 237	-85 255
Change in debtors and creditors	17 570	-11 546	-82 048	14 287	12 665
Change in other current assets and other liabilities	26 381	3 423	27 838	7 280	18 193
<b>Net cash flow from operating activities</b>	<b>134 819</b>	-3 737	<b>127 600</b>	45 926	-2 828
<b>Cash flow from investing activities</b>					
Proceeds from sale of property, plant and equipment	0	0	0	0	3 050
Payments for purchase of property, plant and equipment	-15 816	-10 531	-32 833	-16 350	-34 747
Proceeds from investments in non-current financial assets	14 193	0	14 193	0	50
Payments for investments in non-current financial assets	0	0	-500	0	-4 416
Change in loans to associates and others	0	300	300	-900	-907
<b>Net cash flow from investing activities</b>	<b>-1 623</b>	-10 231	<b>-18 840</b>	-17 250	-36 970
<b>Cash flow from financing activities</b>					
Receipts from new long-term debt	4 564	5 282	24 145	9 976	48 231
Long-term debt repayments	-9 402	-5 585	-18 750	-11 883	-29 331
Net change in overdraft	-100 642	24 023	-60 810	-50 181	19 090
Net payments from share issue	0	90	0	30 499	30 499
Purchase and sale of treasury shares	588	0	-2 231	11 740	11 740
Interest paid	-8 316	-7 922	-18 868	-16 840	-36 781
<b>Net cash flow from financing activities</b>	<b>-113 208</b>	15 888	<b>-76 514</b>	-26 689	43 448
Net increase (+)/ decrease (-) in cash & cash equivalents	19 988	1 920	32 246	1 987	3 650
Cash and cash equivalents - opening balance	22 112	6 272	9 854	6 205	6 205
<b>Cash and cash equivalents - closing balance</b>	<b>42 101</b>	8 192	<b>42 100</b>	8 192	9 855

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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: Accounting principles

These condensed, consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRSs) and such interpretations as are determined by the EU and published by the International Accounting Standards Board, including the interim reporting standard (IAS 34). The interim financial statements do not include all the information required of an annual financial report and must therefore be read in conjunction with the consolidated financial statements for the 2012 financial year.

The condensed consolidated interim financial statements have not been audited. As a result of rounding differences, numbers or percentages may not add up to the total.

The consolidated financial statements for the Group for the year 2012 are available upon request from the company's head office at Olav Trygvassons gate 40, Trondheim or at [www.norwayroyalsalmon.com](http://www.norwayroyalsalmon.com).

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2012, with the exception of standards and interpretations referred to in note 2 of the annual financial report for 2012. New standards effective from 2013 which affect the consolidated accounts for 2013 are described below:

### IAS 1 Presentation of financial statements

The presentation of financial statements has been amended and requires items in Other Comprehensive Income (OCI) to be divided into two groups; those that may be reclassified to the ordinary comprehensive income in future periods and items that will not be reclassified. The amendment affected the presentation of the total comprehensive income only.

### IFRS 13 – Fair value measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. The application of IFRS 13 has not impacted the fair value measurements carried out by the Group. Extended disclosures are included for biological assets (note 3).

### IAS 19 Employee benefits

With effect from 1. January 2013 the Company has applied IAS 19 Employee Benefits and changed the basis for calculating pension liabilities and pension costs. The company has previously used the corridor method of accounting for unrecognized actuarial gains or losses. The corridor method is no longer permitted, all estimates should under IAS 19R be recognized in the statement of Other Comprehensive Income (OCI).

Earlier return on plan assets was calculated using a long-term expected return on plan assets. As a result of the application of IAS 19R, the period's net interest expense is now calculated by applying the discount rate for the liability at the beginning of the period to the net liabilities. Net interest expense therefore consists of interest on the obligation and return on assets, both calculated at the same discount rate. The change in the net pension obligation as a result of premium payments and pension payments are taken into account. The difference between the actual return on plan assets and the return recognised in the profit and loss accounts are expensed as incurred against OCI.

As a result of the change in the treatment of unamortized actuarial gains and losses and calculation of net interest expense, the pension cost increased by NOK 0.1 million for the full year 2012, which is considered immaterial and not restated. Actuarial gains after tax of NOK 4.4 million was recognized in other comprehensive income in 2012. Pension liabilities 31 December 2012 increased to 9.7 million. IAS 19 is applied retrospectively and comparative figures have changed.

The effect of using IAS 19 1 January 2012 and 31 December 2012 against the pension liability, OCI and deferred tax are as follows

(NOK '000)	As at 31 December 2012	As at 1 January 2012	Movement in the period
Impact on net defined benefit plan	696	6 746	-6 051
Impact on deferred taxes	-195	-1 889	1 694
<b>Net impact on equity</b>	<b>501</b>	<b>4 857</b>	<b>-4 356</b>

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# INTERIM REPORT

## Q2 2013

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 2: Segment information

Operating segments are identified based on the reporting used by Group management to assess performance and profitability at a strategic level. The Group management is defined as the chief operating decision-makers.

The Group's business areas are divided into the Sales and Fish farming. The Sales segment includes the purchase and sale of salmon. The fish farming business includes salmon farming and harvesting activities. The fish farming business is divided into two regions: Region North, which consists of the fish farming business in Senja and West Finnmark; and Region South, which consists of the fish farming business in the area around Haugesund.

Transactions between the segments are made at market terms.

Group management reviews monthly reports in connection with the segments. Performance is evaluated based on operating results (EBIT) per segment.

(NOK '000)	Sales		Region North		Region South		Eliminations/other		Total	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
Total sales revenues	666 700	407 608	216 823	75 604	50 683	54 162	896	396	935 102	537 769
Internal sales revenues	0	0	208 801	74 528	50 665	54 153	0	0	259 466	128 681
<b>External sales revenues</b>	<b>666 700</b>	<b>407 608</b>	<b>8 022</b>	<b>1 076</b>	<b>18</b>	<b>9</b>	<b>896</b>	<b>396</b>	<b>675 636</b>	<b>409 088</b>
<b>Operational EBIT</b>	<b>-11 854</b>	<b>7 422</b>	<b>75 869</b>	<b>4 887</b>	<b>12 735</b>	<b>1 138</b>	<b>-5 300</b>	<b>-4 176</b>	<b>71 450</b>	<b>9 271</b>
Fair value adjustments	9 411	-928	439	-309	4 310	9 142	0	0	14 160	7 905
<b>EBIT</b>	<b>-2 443</b>	<b>6 494</b>	<b>76 308</b>	<b>4 577</b>	<b>17 045</b>	<b>10 280</b>	<b>-5 300</b>	<b>-4 176</b>	<b>85 610</b>	<b>17 175</b>
<b>EBT</b>	<b>-2 278</b>	<b>5 030</b>	<b>72 085</b>	<b>842</b>	<b>15 027</b>	<b>7 487</b>	<b>10 360</b>	<b>-4 299</b>	<b>95 194</b>	<b>9 059</b>
Volume harvested (HOG)			5 560	2 995	1 269	2 045			6 829	5 039
Operational EBIT per kg			13,65	1,63	10,03	0,56			12,97	1,20
Volum sold	15 368	13 243							15 368	13 243
Operational EBIT per kg	-0,77	0,56							-0,77	0,56
- of which loss on open fixed-price contracts per kg.	-0,98								-0,98	

(NOK '000)	Sales		Region North		Region South		Eliminations/other		Total	
	YTD 2013	YTD 2012	YTD 2013	YTD 2012	YTD 2013	YTD 2012	YTD 2013	YTD 2012	YTD 2013	YTD 2012
Total sales revenues	1 186 480	786 388	366 299	178 539	82 291	64 424	1 869	490	1 636 939	1 029 841
Internal sales revenues	0	0	351 437	175 786	82 273	64 415	0	0	433 710	240 202
<b>External sales revenues</b>	<b>1 186 480</b>	<b>786 388</b>	<b>14 861</b>	<b>2 752</b>	<b>18</b>	<b>9</b>	<b>1 869</b>	<b>490</b>	<b>1 203 229</b>	<b>789 639</b>
<b>Operational EBIT</b>	<b>-13 089</b>	<b>11 156</b>	<b>120 989</b>	<b>15 619</b>	<b>18 870</b>	<b>1 370</b>	<b>-10 539</b>	<b>-8 480</b>	<b>116 231</b>	<b>19 665</b>
Fair value adjustments	3 485	-1 654	44 359	466	11 149	11 578	0	292	58 993	10 682
<b>EBIT</b>	<b>-9 604</b>	<b>9 503</b>	<b>165 348</b>	<b>16 085</b>	<b>30 019</b>	<b>12 948</b>	<b>-10 539</b>	<b>-8 188</b>	<b>175 225</b>	<b>30 347</b>
<b>EBT</b>	<b>-10 186</b>	<b>8 994</b>	<b>155 038</b>	<b>7 939</b>	<b>25 519</b>	<b>7 439</b>	<b>8 858</b>	<b>-3 976</b>	<b>179 229</b>	<b>20 396</b>
Volume harvested (HOG)			10 033	7 140	2 201	2 443			12 234	9 582
Operational EBIT per kg			12,06	2,19	8,57	0,56			11,43	1,77
Volum sold	28 942	26 060							28 942	26 060
Operational EBIT per kg	-0,45	0,43							-0,45	0,43
- of which loss on open fixed-price contracts per kg.	-0,78								-0,78	

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# INTERIM REPORT

## Q2 2013

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 3: Biomass

In accordance with IAS 41, the biomass is recognised at fair value less estimated harvesting and sales costs. Adjustments to the fair value of the biomass are presented on a separate line in the income statement. When estimating the biomass at fair value the best estimate of fair value for fish less than 1 kg is assumed to be accumulated cost, while for fish between 1 and 4 kg a proportionate share of expected profits is recognised. Harvestable fish (above 4 kg) is valued at the expected profits. An expected fair value below the expected cost would imply a negative value adjustment of biological assets. Market prices based on externally quoted forward prices, and / or the most relevant pricing information available for the period when the fish are expected to be harvested are used when calculating the fair value.

#### Book value of inventory:

(NOK '000)	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Raw materials	13 694	10 887	15 056	12 076
Biological assets (biomass)	533 680	544 891	525 739	418 179
Finished goods	4 827	2 760	5 760	2 970
<b>Total inventory</b>	<b>552 201</b>	<b>558 539</b>	<b>546 556</b>	<b>433 225</b>

#### Specification of the biomass:

(NOK '000)	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Biomass at cost	418 443	434 403	466 010	396 763
Fair value adjustments of the biomass	115 237	110 488	59 729	21 416
<b>Book value of the biomass</b>	<b>533 680</b>	<b>544 891</b>	<b>525 739</b>	<b>418 179</b>

#### Specification of biological assets - tonnes

	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Biological assets as at 1 January	18 530	20 698	16 128	15 908
Increase due to production in the period	771	0	1 162	311
Reduction due to harvesting in the period	3 777	4 344	29 335	4 292
Extraordinary mortality	-8 226	-6 512	-25 503	-6 070
<b>Biological assets as at 31 December</b>	<b>14 851</b>	<b>18 530</b>	<b>21 122</b>	<b>14 441</b>

#### Specification of biological assets by size – tonnes (round weight)

	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Smaller than 1 kg	995	1 177	1 690	1 286
1-4 kg	12 716	9 428	6 940	10 203
Larger than 4 kg	1 140	7 925	12 068	2 953
<b>Biological assets as at 31 December</b>	<b>14 851</b>	<b>18 530</b>	<b>20 698</b>	<b>14 441</b>

#### NOTE 4: Fair value adjustments

Fair value adjustments are a part of the Group's EBIT, but is presented in a separate line in order to give a better understanding of the Group's operating profit from goods sold. The item consists of:

(NOK '000)	Q2 2013	Q2 2013	YTD 2012	YTD2012	FY 2012
Change in fair value adjustments of the biomass	4 749	13 609	55 508	16 257	54 570
Change in provision for onerous sales contracts	-6 398	-2 480	-9 744	-2 480	0
Change in provision for onerous purchase contracts	0	45	1 095	0	-1 095
Change in unrealised gains/losses on financial fish pool contracts	15 809	-3 269	12 135	-3 095	-4 048
<b>Total fair value adjustments</b>	<b>14 160</b>	<b>7 905</b>	<b>58 993</b>	<b>10 682</b>	<b>49 428</b>

#### The fair value adjustments has the following effect in the balance sheet:

(NOK '000)	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Fair value adjustments biomass (inventory and biological assets)	115 237	0	0	0
Provision for onerous sales contracts (other current liabilities)	-9 744	110 488	59 729	21 416
Provision for onerous purchase contracts (other current liabilities)	0	-3 346	0	-2 480
Fair value of financial fish pool contracts (other receivables/other current liabilities)	8 817	0	-1 095	0
<b>Net fair value adjustments in the balance sheet</b>	<b>114 309</b>	<b>107 142</b>	<b>58 634</b>	<b>18 936</b>

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### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 5: Non-recurring items

(NOK '000)	Q2 2013	Q2 2012	YTD 2013	YTD 2012	FY 2012
Extraordinary mortality	0	0	0	0	9 919
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9 919</b>

#### NOTE 6: Transactions with related parties

The Norway Royal Salmon Group undertakes transactions under ordinary terms and conditions with associates and chain members who are also NRS shareholders. This applies to the purchase of fish from fish-farming companies, as well as the purchase of harvesting services from two of the Group's associates. Smolts are also purchased from associated companies.

Wellboat services with a total value of TNOK 2,683 were purchased from enterprises controlled by the company's Chair Helge Gåsø so far in 2013. These services were priced at the market rate. Services for TNOK 2,683 were purchased in Q2 2013.

#### Share-based incentive schemes

A bonus programme based on "synthetic options" was introduced for the Group's management in the first quarter of 2011. The bonus programme gives entitlement to a cash bonus based on the performance of the company's shares in the Oslo Stock Exchange on the day of quotation; 29 March 2011. Bonuses are calculated 12, 24 and 36 months after the day of quotation, and the bonus programme includes an obligation to invest the net bonus after tax in Norway Royal Salmon ASA (NRS) shares at the market price on the relevant date. Shares purchased in accordance with the bonus programme will be subject to a 12-month lock-up period. All bonus payments are conditional on full-time employment in the company. The bonus is calculated based on the increase in value of the share in NRS from the day of quotation to the specified dates, and in relation to price increases during the period on the number of shares covered by the programme.

330,000 of the options expired the first quarter of 2013. After this the scheme covers a total of 330,000 shares allocated to the Group's management. To date in 2013 costs relating to the option scheme have been recognised in the income statement in the amount of NOK 1,524,000.

For further details of transactions with related parties, please see the description in the annual report.

#### NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2013	Share of profit/loss in the period after tax	Other changes	Book value 30.06.2013	Share of volume harvested - tonnes HOG 30.06.2013*
<b>Company</b>						
Wilsgård Fiskeoppdrett AS	37,50 %	39 906	1 765	0	<b>41 671</b>	819
Måsøval Fishfarm AS	36,10 %	14 976	2 654	0	<b>17 630</b>	259
Hellesund Fiskeoppdrett AS	33,50 %	26 246	1 413	0	<b>27 659</b>	0
Hardanger Fiskeforedling AS	31,10 %	5 342	435	0	<b>5 777</b>	
Espevær Laks AS	37,50 %	1 967	-346	0	<b>1 621</b>	
Ranfjord Fiskeprodukter AS	37,75 %	19 442	0	0	<b>19 442</b>	
Skardalen Settefisk AS	30,00 %	634	0	0	<b>634</b>	
Other		48	0	0	<b>48</b>	
<b>Total associates 31.03.2013</b>		<b>108 561</b>	<b>5 921</b>	<b>0</b>	<b>114 482</b>	<b>1 078</b>
<b>Total associates 30.12.2012</b>		<b>96 088</b>	<b>10 464</b>	<b>2 009</b>	<b>108 561</b>	<b>2 614</b>

\* The harvested volume comprises NRS's share of the harvested volume of associates

The Group's associates own a combined total of eight licences.



# INTERIM REPORT

## Q2 2013

### Note 8 Interest rate swap

The interest rate swap is not recognized as hedge accounting under IFRS. Subsequent the fair value changes on the agreement will be charged to the income statement as a part of other net financial items.

(NOK '000)

Currency	Amount	NRS pays	NRS receives	Maturity	Market value 31.03.2013	Market value 30.06.2013	Change in market value Q2 2013
NOK	100 000	Fixed 3,37%	3 M NIBOR	07.09.2016	-4 310	-3 861	449

### Note 9 Treasury shares and TRS agreements

As at 30 June the company holds 30,084 treasury shares, corresponding to 0.07 % of the share capital of the company. In addition, the company in the period entered into two TRS (Total Return Swap) agreements. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 30 June 2,934,864 shares, representing 6.74 % of the share capital of the company. TRS agreements are recorded at fair value and changes in fair value are recognized as financial items in the income statement. The company also realised two previously entered into TRS agreements in the period, the gain at realisation amounted to NOK 11,683,000 and is recognised as a financial item (gain on realisation of financial assets) in the income statement.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 31.03.2013	Market value 30.06.2013	Change in market value Q2 2013
TRS 1	1 600 000	20,6791	11.06.2013	2 704	0	-2 704
TRS 2	654 864	22,9338	14.06.2013	-26	0	26
TRS 3	1 600 000	26,5300	11.09.2013	0	2 356	2 356
TRS 4	1 334 864	27,2456	13.03.2014	0	1 222	1 222
<b>Sum</b>	<b>2 254 864</b>			<b>2 678</b>	<b>3 578</b>	<b>900</b>

### NOTE 10: Loans to credit institutions

The Group's main borrowing covenants are based on standard ratios relating to solvency (equity ratio) and earnings (net interest-bearing debt/EBITDA). The group has been exempt from the covenant saying that net interest bearing debt shall not exceed 6.5 times a 12-months rolling EBITDA in 2012 and in the first half of 2013. This covenant will apply from the third quarter of 2013 and will be reduced to 5.5 in the fourth quarter of 2013 and to 5.0 in the fourth quarter of 2014. The Group shall furthermore have an equity share of at least 30% in 2012, and from the first quarter of 2013 this covenant is increased to 35%. At the end of the first quarter 2013 the Group is in compliance with the terms of its loan agreements.

### NOTE 11: Shareholders

#### Ownership structure – the 20 largest shareholders as at 30.06.2013:

Shareholder	No. of shares	Shareholding
Gåsø Næringsutvikling AS	6 309 752	14,48 %
Glastad Invest AS	5 487 861	12,59 %
Egil Kristoffersen og Sønner AS	4 451 450	10,22 %
Havbruksinvest AS	3 526 312	8,09 %
Måsøval Eiendom AS	3 188 022	7,32 %
Kverva AS	2 758 465	6,33 %
DNB Nor Markets	2 434 864	5,59 %
Nyhamn AS	2 013 371	4,62 %
Sparebank 1 Markets AS	1 600 000	3,67 %
Hellesund Fiskeoppdrett AS	1 541 450	3,54 %
Lovundlaks AS	1 000 000	2,30 %
Verdipapirfondet DNB SMB	962 500	2,21 %
Wilsgård Fiskeoppdrett AS	468 689	1,08 %
MP Pensjon PK	450 700	1,03 %
Mertoun Capital AS	340 000	0,78 %
Henden Fiskeindustri AS	339 502	0,78 %
Barbinvest AS	252 850	0,58 %
Kontrari AS	249 930	0,57 %
Måsøval Fishfarm AS	240 219	0,55 %
Yttervåg AS	240 000	0,55 %
<b>Total 20 largest shareholders</b>	<b>37 855 937</b>	<b>86,88 %</b>
<b>Total other shareholders</b>	<b>5 716 254</b>	<b>13,12 %</b>
<b>Total no. of shares</b>	<b>43 572 191</b>	<b>100,00 %</b>

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