

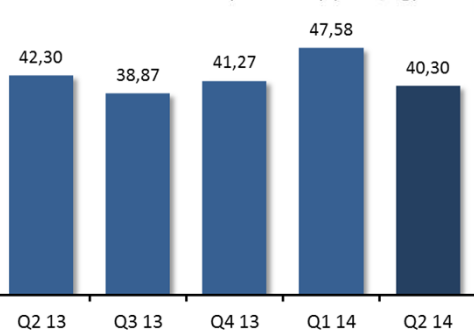
Interim Report



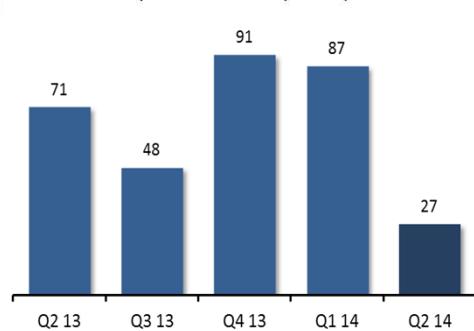
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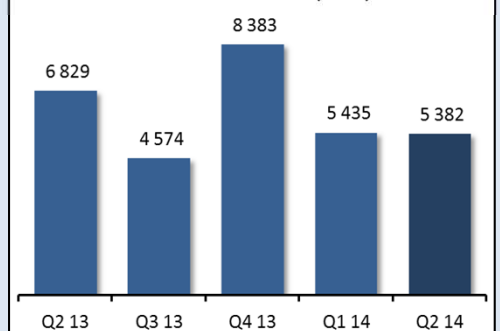
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested Volume (HOG)





HIGHLIGHTS Q2 2014

- Operational EBIT of NOK 26.5 million
 - Operational EBIT per kg of NOK 8.85 in Region North
 - Operational EBIT per kg of NOK 4.35 in Region South
 - ROCE last 4 quarters was 24.8 per cent.
 - 65 % of the volume was harvested in June when prices were at the lowest in the quarter
 - Increased provision for doubtful receivables related to customers in Russia and Ukraine reduced EBIT by MNOK 4.3
- The overall lice and health situation in Region North is very good
- Prepared for 10 new licenses upon final allocation
- Gain on financial assets of NOK 57.5 million
- Turbulent salmon market in the short term
 - Sanctions from Russia poses challenges and pressure on prices
 - High harvest volumes during the summer has decreased biomass growth year on year in Norway
 - Expect low long-term global supply growth
- NOK 2.20 per share paid in dividends in the quarter
- Charles Høstlund has been appointed as the new CEO

| NORWAY ROYAL SALMON - KEY FIGURES (NOK '000) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2013 |
|--|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------|
| Operating revenues | 595 727 | 675 636 | 1 291 098 | 1 203 229 | 2 603 712 |
| Operational EBITDA | 36 231 | 79 720 | 132 537 | 132 353 | 289 729 |
| Operational EBIT | 26 545 | 71 450 | 113 602 | 116 231 | 256 002 |
| Income from associates | 7 889 | 3 111 | 10 411 | 5 921 | 28 834 |
| EBIT | 21 412 | 88 721 | 49 737 | 181 146 | 379 561 |
| EBT | 73 795 | 95 194 | 86 102 | 179 229 | 396 292 |
| EPS (NOK) – before fair value adjustments | 1,79 | 1,32 | 2,85 | 1,89 | 5,43 |
| ROCE ¹⁾ | | | 24,8 % | 11,8 % | 25,3 % |
| Net cash flow from operating activities | 48 556 | 134 819 | 150 572 | 127 600 | 211 835 |
| Investments in tangible fixed assets | 41 614 | 15 816 | 49 969 | 32 833 | 65 399 |
| Net interest-bearing debt | | | 450 210 | 478 414 | 453 883 |
| Equity ratio | | | 42,8 % | 40,1 % | 42,4 % |
| Volume harvested (HOG) | 5 382 | 6 829 | 10 817 | 12 234 | 25 191 |
| Operational result per kg ²⁾ | 5,93 | 11,24 | 11,51 | 10,36 | 11,12 |
| Volume sold | 14 253 | 15 368 | 28 231 | 28 942 | 62 141 |

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

2) Operational EBIT for segments incl margin from sales



FINANCIAL PERFORMANCE

(Figures in brackets = 2013, unless otherwise specified)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 595.7 million (NOK 675.6 million) in the second quarter of 2014, a reduction of 12 per cent against the corresponding prior-year period. Operational EBIT for the quarter was NOK 26.5 million (NOK 71.5 million), a decrease of NOK 45.0 million. The decrease in revenues and operational EBIT was attributable to lower sales prices and lower volumes, as well as the increased provision for doubtful receivables related to customers in Russia and Ukraine reduced EBIT by MNOK 4.3 million. The Group recognised fair value adjustments of NOK -13.0 million (NOK 14.2 million), a decrease of NOK 27.2 million.

The farming business harvested a total of 5 382 tonnes (6 829 tonnes) gutted weight in the quarter, a decrease of 21 per cent from the corresponding quarter last year. Harvested volume for the quarter was 2 582 tonnes higher than estimated in the last quarterly report. The reason is that the planned harvest of fish in the third quarter was brought forward to June. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 5.93 (NOK 11.24). 65 % of volume was harvested in June when the prices were at the lowest in the quarter. The Sales business sold 14 253 tonnes (15 368 tonnes), a decrease of 7 per cent.

Financial items and share of profit from associates

Income from associates totalled NOK 7.9 million (NOK 3.1 million) in the second quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK 5.1 million (NOK 0.6 million). Associated farming companies harvested a total of 722 tonnes, 491 tonnes less than last year. NRS share of the above figure amounts to 261 tonnes, a decrease of 189 tonnes.

A gain of NOK 57.5 million were posted on TRS agreements on own shares during the quarter. Net interest expenses for the period were NOK 5.0 million (NOK 8.3 million), a reduction of NOK 3.3 million.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 1 978 million, an increase of NOK 145 million from the prior quarter end. The change in total assets is attributable to a number of factors. The Group's receivables increased by NOK 108.4 million. Fixed assets had a net increase of NOK 36.4 million. Fair value adjustments of the biomass decreased by NOK 12.6 million, and inventories and biomass at cost increased by an aggregate of NOK 34.3 million. The net decrease in inventories and biological assets was NOK 21.7 million.

The Group's net interest-bearing debt increased by NOK 82.9 million, from NOK 367.4 million at the end of the previous quarter to NOK 450.2 million as of 30 June 2014. The increase was mainly attributable to investments in fixed assets of NOK 41.6 million and payment of dividend of NOK 95.4 million. The operational EBITDA of NOK 39.3 million, dividend from associated companies and a gain at realisation of TRS-agreements of NOK 11.2 million had the opposite effect on the net interest-bearing debt.

As of 30 June 2014 the Group's equity totalled NOK 846.6 million, a decrease of NOK 30.3 million from the end of the previous quarter. The decrease is mainly attributable to payments of dividend of NOK 95.4 million, while a total comprehensive income of NOK 67.0 million had the opposite effect. At the end of the second quarter the equity ratio was 42.8 per cent.

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Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 48.6 million during the quarter, which represents a decrease of NOK 86.3 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to a positive operational EBITDA of NOK 36.2 million and an increase in accounts payables of NOK 97.1 million, while an increase in receivables of NOK 58.9 million and an increase in inventories of NOK 34.3 million had an adverse effect on the cash flow.

Net cash outflows in connection with investing activities in the second quarter amounted to NOK 30.4 million (outflow of NOK 1.6 million), and is related to payments of NOK 41.6 million from investments in fixed assets, and realised gain of NOK 7.9 million from the realisation of TRS agreements and received dividends from associated companies of NOK 3.3 million.

The net cash outflow from financing activities totalled NOK 40.0 million (cash outflow of NOK 113.2 million) in the second quarter. Dividend of a total of NOK 95.4 million has been paid. Interests paid and instalments amounted to NOK 5.3 million and NOK 7.8 million respectively. Leasing liabilities rose by NOK 29.4 million and the bank overdraft facility was reduced by NOK 39.4 million.

SEGMENT INFORMATION

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

The Farming business is divided into two geographical segments; Region North and Region South. Norway Royal Salmon monitors overall value creation from operations based on the salmon's source of origin. Consequently, external reporting focuses on measuring the overall profitability of the 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 the respective segments.

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

The business posted sales revenues of NOK 595.7 million in the second quarter of 2014 (NOK 675.6 million), a decrease of 12 per cent. The spot price (NASDAQ) for superior quality during the quarter was NOK 40.29 per kg gutted weight, a decrease of 15 per cent from the first quarter of 2014 and a decrease of 6 per cent compared with the second quarter of 2013. The sales operations experienced a decrease in sales volumes of 7 per cent compared with the corresponding prior-year period. A total of 14 253 tonnes (15 368 tonnes) were sold in the second quarter. The Sales business achieved operational EBIT before open fixed-price contracts of NOK -3.6 million, which equates to NOK -0.25 (NOK 0.21) per kg sold volume in the period. The Group's receivables were NOK 451.1 at the end of the quarter. NRS has chosen to increase the provision for doubtful receivables related to customers in Russia and Ukraine in the quarter, which reduced EBIT by NOK 4.3 million. The loss on open fixed-price contracts was NOK 2.6 million (NOK 15.0 million) in the quarter, which corresponds to NOK -0.18 (NOK -0.98) per kg sold volume. Consequently, the Sales business achieved an operational EBIT of NOK -6.3 million (NOK -11.9 million).

The Farming operations harvested 5 382 tonnes (6 829 tonnes) in the second quarter, a reduction of 21 per cent from the corresponding period last year. As a result of accelerated

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harvesting and extraordinary mortality at two sites, the estimated harvested volume has been reduced by 1 400 tonnes from previous estimates. The estimated harvest volume for 2014 is 27 600 tonnes (25 191 tonnes), an increase of 10 per cent from 2013. 8.7 million smolts are planned released, an increase of 14 per cent on the 7.6 million released in 2013.

| SEGMENT SUMMARY | Q2 2014 | | YTD 2014 | |
|----------------------------|------------------|-------------------------|------------------|-------------------------|
| (NOK '000) | Operational EBIT | Operational EBIT per kg | Operational EBIT | Operational EBIT per kg |
| Farming | 38 160 | 7,09 | 138 424 | 12,80 |
| Sales | -3 622 | -0,67 | -1 085 | -0,10 |
| Open fixed price contracts | -2 630 | -0,49 | -12 802 | -1,18 |
| Sum segments | 31 908 | 5,93 | 124 537 | 11,51 |

| | | |
|---------------------------|-------|--------|
| Volume harvested (tonnes) | 5 382 | 10 817 |
|---------------------------|-------|--------|

REGION NORTH

Operational EBIT came in at NOK 25.2 million (NOK 66.2 million), a decrease of NOK 41.0 million compared with the same quarter last year. Operational EBIT per kg from the Farming operations amounted to NOK 8.85 (NOK 13.65).

3 275 tonnes (5 560 tonnes) were harvested in the region in the second quarter, a decrease of 41 per cent. The average achieved price for the Farming operations was NOK 3.01 per kg lower than in the corresponding period last year. EBIT before open fixed-price contracts from sales weakened operational EBIT by NOK 0.67 per kg. Fixed-price contracts represent 28.0 per cent of the sold volume in the quarter. The realised price on the fixed-price contracts was lower than the market price and reduced operational EBIT per kg by NOK 0.49 in the quarter. This results in a net contribution from Sales of NOK -1.16 per kg.

Production cost for harvested fish was NOK 1.93 higher than in the first quarter of 2014 and is a result of the harvesting of a site on Senja with high accumulated costs due to challenges with lice. The growth in the quarter was worse than expected. The growth cost in the quarter was higher than expected due to the cost of sorting and lower growth.

The estimated harvest volume for 2014 is 22 100 tonnes (20 491 tonnes) and 6.9 million (5.9 million) smolts are planned released.

| KEY FIGURES (NOK '000) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2013 |
|---|-------------|--------------|--------------|--------------|--------------|
| Operating revenues | 362 496 | 550 817 | 1 002 202 | 987 825 | 2 097 896 |
| Operational EBITDA | 31 617 | 71 929 | 125 280 | 121 297 | 263 725 |
| Operational EBIT | 25 194 | 66 219 | 111 836 | 110 316 | 240 330 |
| Investment in tangible and intangible assets | 39 550 | 13 226 | 46 322 | 23 025 | 48 929 |
| Volume harvested (tonnes) | 3 275 | 5 560 | 8 282 | 10 033 | 20 491 |
| Operational EBIT per kg farming | 8,85 | 13,65 | 14,81 | 12,06 | 12,33 |
| Operational EBIT per kg Sales incl. contracts | -1,16 | -1,74 | -1,31 | -1,06 | -0,60 |
| Total operational EBIT per kg | 7,69 | 11,91 | 13,50 | 11,00 | 11,73 |



REGION SOUTH

Operational EBIT came in at NOK 6.7 million (NOK 10.5 million), a decrease of NOK 3.8 million, while operational EBIT per kg from the Farming operations amounted to NOK 4.35 (NOK 10.03).

2 107 tonnes (1 269 tonnes) were harvested in the region in the second quarter, an increase of 66 per cent. The Farming operations achieved a price NOK 4.20 per kg lower than in the corresponding prior-year period. EBIT before open fixed-price contracts from sales weakened operational EBIT by NOK 0.67 per kg. Fixed-price contracts represent 28.0 per cent of sold volume in the quarter. The realised price on fixed-price contracts was lower than the market price and reduced operational EBIT per kg by NOK 0.49 in the quarter. This resulted in a net contribution from sales of NOK -1.16 per kg.

The production cost for harvested fish is NOK 1.87 per kg lower than in the first quarter, but still higher than desired. The growth has been lower than expected in the quarter. The fish disease PD has been detected at two sites, resulting in big biological challenges at one of the sites. This has also resulted in accelerated harvesting in the third quarter.

The issues above has reduced estimated harvest volume for 2014 with 700 tonnes to 5,500 tonnes (4 700 tonnes). 1.8 million (1.7 million) smolts are planned released.

| KEY FIGURES (NOK '000) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2013 |
|---|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------|
| Operating revenues | 231 975 | 123 923 | 286 536 | 213 535 | 435 507 |
| Operational EBITDA | 9 412 | 13 091 | 18 079 | 21 403 | 50 018 |
| Operational EBIT | 6 714 | 10 532 | 12 701 | 16 454 | 39 795 |
| Investment in tangible and intangible assets | 2 063 | 2 589 | 3 646 | 9 806 | 16 431 |
| Volume harvested (tonnes) | 2 107 | 1 269 | 2 535 | 2 201 | 4 700 |
| Operational EBIT per kg farming | 4,35 | 10,03 | 6,21 | 8,57 | 9,04 |
| Operational EBIT per kg Sales incl. contracts | -1,16 | -1,74 | -1,20 | -1,10 | -0,57 |
| Total operational EBIT per kg | 3,19 | 8,30 | 5,01 | 7,48 | 8,47 |

SHARES

As of 30 June 2014 Norway Royal Salmon ASA had 43 572 191 shares, allocated among 863 shareholders, an increase of 133 from the end of the previous quarter. At the end of the quarter the group had 33 734 treasury shares. The share price increased from NOK 34.50 at the end of March 2014 to NOK 49.20 at the end of June 2014. 5 665 107 shares were traded during the quarter.

EVENTS IN AND AFTER OF THE QUARTER

ANNUAL GENERAL MEETING

The annual general meeting was held in Trondheim on 27 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 per cent of the company's share capital. The authority remains in force until the ordinary general meeting in 2015, however no later than 30 June 2015.



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 2015, however no later than 30 June 2015.

Trude Olafsen was elected as a new director instead of Åse Valen Olsen. The other board members were re-elected by the general meeting.

The general meeting resolved to distribute a dividend of NOK 2.20 per share. The dividend was distributed by a cash dividend of NOK 1.10 and distribution of shares in NRS from the company's treasury shares.

Contractual rights and TRS agreements for own shares

During 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 to 3 583 622 shares, which equates 8.22 per cent of the company's share capital.

New CEO

CEO John Binde, resigns after ten years in the position, with effect from 30th September 2014. Mr. Binde is selling all his shares in Norway Royal Salmon (total of 394.242) owned by him directly or indirectly. John Binde will receive twelve months of severance pay, and will remain at the disposal of the company throughout his period of notice.

Charles Høstlund has been appointed new CEO and will take up the position no later than 01.10.2014. He is currently the Regional Director of Marine Harvest Norway Northern Region. Høstlund is 39 years old, has a Master's degree in fish health from the Norwegian College of Fishery Science and a MBA in Financial control and management from the Norwegian School of Economics.

High mortality rate at the Kokelv site in Finnmark and the Andal site in Hordaland

The farming operations of Norway Royal Salmon in Region North had extraordinary high mortality at the Kokelv site in Finnmark in July. The cause is probably poisonous algae bloom in this area. It is estimated that 650-750 tonnes of biomass have died as a result of this. The fish had an average weight of 2.4 kg and was scheduled to be harvested in the fourth quarter of 2014 and first quarter 2015. This incident is expected to result in reduced harvest in this period of 700 tonnes compared to previous estimates. The mortality rate in this locality is now at a normal level. The incident is expected to incur a one-off charge in the third quarter of 2014 of NOK 18-22 million.

The farming operations of Norway Royal Salmon in Region South also experienced extraordinary mortality at the Andal site in Hordaland in July. 300 tons of biomass has died as a result of the fish disease PD. The fish had an average weight of 4.0 kg and was scheduled to be harvested in August 2014. Harvest for this site has been accelerated and the remaining fish at the site was harvested before early August. Extraordinary mortality, accelerated harvesting and lost growth as a result of these incidents means that the estimated volume for 2014 in Region South decreased by 700 tonnes compared to previous estimates. The incident is expected to incur a one-off charge in the third quarter of 2014 of approximately NOK 9 million.

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Sickness absence

At 4.9 per cent the Group's sickness absence rate decreased by 2.0 per cent from the previous quarter. The long-term absenteeism represents a substantial part of the absence.

SUMMARY OF EVENTS YEAR TO DATE IN 2014

The Group posted sales of NOK 1 291.1 million (NOK 1 203 million) in the first half of 2014, an increase of 7.0 per cent against the corresponding prior-year period. During the same period the Group posted an operational EBIT of NOK 113.6 million (NOK 116.2 million). A total of 10 817 tonnes were harvested in the first half of 2014, compared with 12 234 tonnes in the corresponding prior-year period. The group had a positive operational cash-flow of NOK 150.6 million (NOK 127.6 million) in the first half of 2014. At the end of the second quarter the Group had an equity ratio of 42.8 per cent (40.1 per cent). The Group has reduced its net interest bearing debt by NOK 3.7 million in the first half of 2014 to NOK 450.2 million. A dividend of NOK 93.3 million was distributed in the first half of 2014.

Region North harvested 8 282 tonnes (10 033 tonnes) in the first half of 2014, and posted EBIT per kg of NOK 13.50 (NOK 11.00). Region South harvested 2 535 tonnes (2 201 tonnes) in the first half of 2014, and posted EBIT per kg of NOK 5.01 (NOK 7.48). The Sales business sold 28 231 tonnes (28 942 tonnes) in the first half of 2013.

Norway Royal Salmon has not identified any additional risk exposure beyond the risks described in the 2014 annual report. Norway Royal Salmon is exposed to the salmon price. Reference is made to the Outlook section of this report, for other comments to NRS's risk exposure. In the first half of 2014, Norway Royal Salmon purchased wellboat services totalling TNOK 3 335 from companies controlled by the company's chair Helge Gåsø. These services were priced at market rates. In conjunction with the CEO John Binde leaving the company, Norway Royal Salmon bought all of his shares in the company (a total of 394 242 shares). The shares were purchased at market prices. Otherwise, no material transactions with related parties have been undertaken during the first six months of 2014, reference is made to the Note 6 of this report for further information regarding related parties

MARKET CONDITIONS

The total value of salmon exported from Norway in the second quarter was NOK 10.8 billion, an increase of NOK 1.5 billion compared with the second quarter of 2013. The increase is due to a significant increase in exported volume. The average price (Nasdaq) for superior quality salmon was NOK 40.30 (delivered Oslo) per kg. In the same period last year the price was NOK 43.03 per kg. However, the export price from Norway showed did not fall and was at the same level as last year. This is due to several having large losses on fixed price contracts in the second quarter of 2013, but had more appropriate market prices on their contracts in the second quarter of 2014. The export volumes from Norway in the second quarter were 16 per cent higher than last year as a result of good growth. The volume growth increased during the quarter. This growth is higher than the demand growth for salmon in the market and thus the spot prices fell from NOK 43.59 per kg at the beginning of the quarter to NOK 32.56 per kg at the end of the quarter.

The EU has increased import of Norwegian salmon by 17 per cent in the second quarter, which is slightly higher than the total supply growth from Norway. This signals that the demand for salmon in the EU has been good. Demand for salmon varies significantly within the EU. Poland, UK, Germany and the PIIGS countries increased their volumes significantly, while France is still lagging behind. With a decline in volume in France and a significant

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increase in Poland, is now Poland the largest single market for salmon. France's market share is 11 per cent, down from 15 per cent at the same time last year.

Imports of Norwegian salmon to Eastern Europe fell during the second quarter. Russia, the largest Eastern European importer, reduced its imports of Norwegian salmon by 5 per cent compared with last year. In addition, Ukraine's imports fell by 40 per cent, while Belarus and Kazakhstan imported higher volumes. The demand of salmon from Russia improved during the quarter, and it is clear that prices affect the consumption of salmon significantly. Both price and higher credit risk has resulted in less sales to Ukraine.

Despite falling demand, with a market share of 8 per cent in the quarter, is Russia still one of the largest consumers of Norwegian salmon. The political risk has been high recently, as sanctions from Russia have been discussed and implemented.

Demand from Asia increased by 16 per cent compared to the same period last year. In the second quarter the Chinese region (China, Hong Kong and Vietnam) and Japan was at the same level as last year, while the export to other countries in the region continued to increase in the quarter. Even though the underlying demand for salmon is good the trade issues with China continued throughout the second quarter.

Demand for salmon in the United States has been very strong in the second quarter and export from Norway to the United States doubled to almost 10 000 tonnes. The growth is especially strong for fresh fillets, but the import of fresh whole fish also increased substantially.

The second quarter gave a weak contribution from the NRS' Sales operation. As a result of strong competition and falling prices during the quarter the underlying margin was weaker than expected. In addition were the volumes were down by 7 per cent on the corresponding prior-year period. Previously signed fixed-price contracts resulted in a loss of NOK 2.6 million in the quarter, as salmon prices was slightly higher than NRS expected. The share of fixed price contracts for Norway Royal salmon's own fish was 28 per cent in the second quarter. NRS experienced a growth in the second quarter to Asia of 13 per cent, while the share to Western Europe was stable. The volumes to Eastern Europe fell by 36 per cent in the quarter due to lower volumes to Ukraine and Russia. The lower volume to Russia is mainly attributable to slightly less access to Russian approved harvesting facilities in the period.

OUTLOOK

Estimated harvesting volume for 2014 has been reduced with 1 400 tonnes compared to earlier estimates. The new estimate is 27 600 tonnes (25 191 tonnes), an increase of 10 per cent on 2013. The reason for the downward revision of the estimate is the extraordinary mortality at two sites in July, accelerated harvesting and lost growth as a result of this. Planned smolt release in 2014 is 8.7 million smolts, which is 14 per cent higher than last year and provides a basis for further growth in harvesting volumes in the coming year.

Farming has hedged prices for 30 per cent of the volume in Q3 and 16 per cent for Q4 2014.

In early August, Russia imposed sanctions on Norwegian seafood that in the short term will create market challenges and pressure on prices. The exporters will work hard to re-allocate this volume to other markets and regions such as Europe, America and Asia. On the supply side, the harvest volumes from Norway this summer has been high, which has reduced biomass growth compared to last year. We therefore expect supply growth in the second



half will decline relative to the supply growth we have seen in recent months. For the year 2014 the global supply growth is expected to be between 5 and 9 per cent. In the longer term global growth is expected to be low. This provides the basis for a positive market outlook in the long term for the industry, although it will be turbulent in the short term.

The groups financing with a total limit of NOK 900 million and main covenant requiring an equity ratio of only 30 per cent and no earnings requirements gives the group a very good financial flexibility.

If the nomination to award new licenses will become a reality, it will be an excellent opportunity for significant growth and more sustainable production for NRS. NRS believe we are well positioned to achieve and succeed with this in the Region North. Given the market outlook in the coming years with low supply growth, NRS expect that new licenses will contribute positively to the Group's results. NRS is satisfied that farming operations are primarily located in Troms and Finnmark, where there are good conditions for the production of salmon. An award of new licenses will further strengthen this position.

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the financial report for the first half of 2014 has been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by EU, and gives a true and fair view of the Group's assets, liabilities, financial position and profits and loss for the period.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Trondheim, 19 August 2014

Helge Gåsø
Chair

Kristine Landmark
Vice Chair

Marianne E. Johnsen

Inge Kristoffersen

Endre Glastad

Trude Olafsen

John Binde
CEO



INTERIM REPORT

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INCOME STATEMENT

| (NOK '000) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2013 |
|--------------------------------|----------------|----------------|------------------|------------------|------------------|
| Operating revenues | 595 727 | 675 636 | 1 291 098 | 1 203 229 | 2 603 712 |
| Cost of goods sold | 507 089 | 556 472 | 1 065 236 | 996 178 | 2 137 934 |
| Salaries | 21 057 | 17 584 | 42 607 | 37 492 | 85 627 |
| Depreciation | 9 687 | 8 270 | 18 935 | 16 121 | 33 728 |
| Other operating costs | 31 349 | 21 861 | 50 718 | 37 207 | 90 422 |
| Operational EBIT | 26 545 | 71 450 | 113 602 | 116 231 | 256 001 |
| Fair value adjustments | -13 022 | 14 160 | -74 277 | 58 993 | 94 725 |
| Income from associates | 7 889 | 3 111 | 10 411 | 5 921 | 28 834 |
| EBIT | 21 412 | 88 721 | 49 737 | 181 146 | 379 561 |
| Gain/loss on financial assets | 57 470 | 13 779 | 46 270 | 13 779 | 49 447 |
| Other net financial items | -5 087 | -7 305 | -9 905 | -15 696 | -32 716 |
| EBT | 73 795 | 95 194 | 86 102 | 179 229 | 396 292 |
| Tax | -2 278 | -25 248 | -7 944 | -47 991 | -80 487 |
| Net profit/loss | 71 517 | 69 946 | 78 158 | 131 238 | 315 805 |
| Profit attributable to: | | | | | |
| Parent company shareholders | 67 533 | 68 115 | 70 228 | 124 896 | 302 434 |
| Minority interests | 3 984 | 1 831 | 7 930 | 6 342 | 13 371 |
| Earnings per share (NOK) | 1,55 | 1,57 | 1,61 | 2,88 | 6,96 |
| Earnings per share - diluted | 1,55 | 1,57 | 1,61 | 2,88 | 6,96 |

EXTENDED INCOME STATEMENT

| (NOK '000) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2013 |
|--|---------------|---------------|---------------|----------------|----------------|
| Net profit/loss | 71 517 | 69 946 | 78 158 | 131 238 | 315 805 |
| Items to be reclassified to profit or loss: | | | | | |
| Financial assets available for sale (net) | 0 | -1 985 | 0 | -1 985 | -1 985 |
| Cash Flow hedges (net) | -4 545 | -3 691 | -799 | -4 476 | -5 340 |
| Items not to be reclassified to profit or loss: | | | | | |
| Actuarial gains/losses) on defined benefit plans (net) | 0 | 0 | 0 | 0 | -798 |
| Total comprehensive income | 66 972 | 64 271 | 77 359 | 124 777 | 307 683 |
| Total comprehensive income attributable to: | | | | | |
| Parent company shareholders | 62 988 | 62 439 | 69 429 | 118 435 | 294 311 |
| Minority interests | 3 984 | 1 831 | 7 930 | 6 342 | 13 371 |



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BALANCE SHEET

| (NOK '000) | 30.06.2014 | 31.03.2014 | 31.12.2013 | 30.06.2013 |
|--|------------------|------------------|------------------|------------------|
| Intangible assets | 502 887 | 502 887 | 502 887 | 502 887 |
| Property, plant and equipment | 241 588 | 209 661 | 210 554 | 195 610 |
| Non-current financial assets | 144 269 | 139 802 | 137 280 | 122 575 |
| Non-current assets | 888 744 | 852 350 | 850 721 | 821 072 |
| Inventory and biological assets | 602 194 | 580 496 | 666 276 | 552 201 |
| Receivables | 451 095 | 342 700 | 480 883 | 403 802 |
| Bank deposits, cash | 36 249 | 58 064 | 53 732 | 42 100 |
| Current assets | 1 089 538 | 981 260 | 1 200 891 | 998 103 |
| TOTAL ASSETS | 1 978 282 | 1 833 610 | 2 051 612 | 1 819 175 |
| Share capital | 43 539 | 43 544 | 43 542 | 43 542 |
| Other equity | 744 327 | 775 129 | 771 090 | 638 540 |
| Non-controlling interests | 58 775 | 58 302 | 54 355 | 47 325 |
| Equity | 846 641 | 876 975 | 868 989 | 729 409 |
| Pensions | 10 320 | 10 320 | 10 320 | 9 736 |
| Deferred tax | 239 235 | 238 693 | 231 640 | 208 020 |
| Provisions | 249 554 | 249 012 | 241 960 | 217 756 |
| Long-term interest-bearing debt | 404 528 | 384 788 | 323 084 | 331 976 |
| Short-term interest-bearing debt | 81 930 | 40 635 | 184 530 | 188 537 |
| Trade payables | 328 476 | 231 389 | 382 944 | 282 583 |
| Tax payable | 7 589 | 7 923 | 8 313 | 780 |
| Other current liabilities | 59 563 | 42 887 | 41 792 | 68 134 |
| Current liabilities | 477 558 | 322 834 | 617 580 | 540 034 |
| TOTAL EQUITY AND LIABILITIES | 1 978 282 | 1 833 610 | 2 051 612 | 1 819 175 |



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STATEMENT OF EQUITY

| 30.06.2014 | Equity allocated to parent company shareholders | | | | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|---------|---------------------------|--------------|
| | Share capital | Treasury shares | Retained earnings | Total | | |
| (NOK '000) | | | | | | |
| Equity at 01.01.2014 | 43 572 | -30 | 771 090 | 814 632 | 54 355 | 868 989 |
| Total comprehensive income | 0 | 0 | 69 429 | 69 429 | 7 930 | 77 359 |
| Transactions with shareholders | | | | | | |
| Dividend | 0 | 0 | -93 332 | -93 332 | 0 | -93 332 |
| Share based payment | 0 | 0 | -2 448 | -2 448 | 0 | -2 448 |
| Change in non-controlling interests | 0 | 0 | 0 | 0 | -3 511 | -3 511 |
| Purchase/sale of treasury shares | 0 | -4 | -248 | -252 | 0 | -252 |
| Other changes in associates | 0 | 0 | -163 | -163 | 0 | -163 |
| Total transactions with shareholders | 0 | -4 | -96 191 | -96 195 | -3 511 | -99 706 |
| Equity at 30.06.2014 | 43 572 | -34 | 744 328 | 787 867 | 58 775 | 846 641 |

| 30.06.2013 | Equity allocated to parent company shareholders | | | | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|---------|---------------------------|--------------|
| | Share capital | Treasury shares | Retained earnings | Total | | |
| (NOK '000) | | | | | | |
| Equity at 01.01.2013 | 43 572 | 0 | 522 628 | 566 201 | 40 984 | 607 184 |
| Comprehensive income | 0 | 0 | 118 435 | 118 435 | 6 342 | 124 777 |
| Transactions with shareholders | | | | | | |
| Share based payment | 0 | 0 | -407 | -407 | 0 | -407 |
| Purchase/sale of treasury shares | 0 | -30 | -2 201 | -2 231 | 0 | -2 231 |
| Total transactions with shareholders | 0 | -30 | -2 608 | -2 638 | 0 | -2 638 |
| Equity at 30.06.2013 | 43 572 | -30 | 638 454 | 681 996 | 47 325 | 729 321 |

| 31.12.2013 | Equity allocated to parent company shareholders | | | | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|---------|---------------------------|--------------|
| | Share capital | Treasury shares | Retained earnings | Total | | |
| (NOK '000) | | | | | | |
| Equity at 01.01.2013 | 43 572 | 0 | 522 628 | 566 201 | 40 984 | 607 184 |
| Total comprehensive income | 0 | 0 | 294 311 | 294 311 | 13 371 | 307 683 |
| Transactions with shareholders | | | | | | |
| Dividend | 0 | 0 | -43 542 | -43 542 | 0 | -43 542 |
| Share based payment | 0 | 0 | -282 | -282 | 0 | -282 |
| Purchase/sale of treasury shares | 0 | -30 | -2 024 | -2 054 | 0 | -2 054 |
| Total transactions with shareholders | 0 | -30 | -45 848 | -45 877 | 0 | -45 877 |
| Equity at 31.12.2013 | 43 572 | -30 | 771 090 | 814 632 | 54 355 | 868 989 |

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STATEMENT OF CASH FLOW

| (NOK '000) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2013 |
|---|----------------|------------|-----------------|-------------|------------|
| Operational EBIT | 26 545 | 71 450 | 113 602 | 116 231 | 256 002 |
| Adjusted for: | | | | | |
| Tax paid | -334 | 0 | -724 | 0 | -780 |
| Depreciation | 9 687 | 8 270 | 18 935 | 16 121 | 33 728 |
| Gains (-)/ losses (+) on disposal of non-current assets | 0 | 0 | 0 | 0 | -32 |
| Share based payment | 0 | 60 | -2 447 | -407 | -282 |
| Pension costs with no cash effect | 0 | 0 | 0 | 0 | 466 |
| Change in inventory / biomass | -34 347 | 11 088 | -6 528 | 49 864 | -32 736 |
| Change in debtors and creditors | 40 760 | 17 570 | 5 433 | -82 048 | -34 941 |
| Change in other current assets and other liabilities | 6 246 | 26 381 | 22 301 | 27 838 | -9 589 |
| Net cash flow from operating activities | 48 556 | 134 819 | 150 572 | 127 601 | 211 836 |
| Cash flow from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment | 0 | 0 | 0 | 0 | 48 |
| Payments for purchase of property, plant and equipment | -41 614 | -15 816 | -49 969 | -32 833 | -65 399 |
| Proceeds from investments in non-current financial assets | 11 208 | 14 193 | 8 404 | 14 193 | 39 958 |
| Payments for investments in non-current financial assets | 0 | 0 | 0 | -500 | -500 |
| Change in loans to associates and others | 0 | 0 | 0 | 300 | 1 545 |
| Net cash flow from investing activities | -30 406 | -1 623 | -41 565 | -18 840 | -24 348 |
| Cash flow from financing activities | | | | | |
| Receipts from new long-term debt | 29 402 | 4 564 | 331 687 | 24 145 | 37 302 |
| Long-term debt repayments | -7 754 | -9 402 | -258 737 | -18 750 | -40 224 |
| Net change in overdraft | 39 390 | -100 642 | -94 105 | -60 810 | -65 393 |
| Purchase and sale of treasury shares | -298 | 588 | -252 | -2 231 | -2 054 |
| Interest paid | -5 296 | -8 316 | -9 673 | -18 868 | -29 699 |
| Dividend payment | -95 410 | 0 | -95 410 | 0 | -43 542 |
| Net cash flow from financing activities | -39 966 | -113 208 | -126 490 | -76 514 | -143 610 |
| Net increase (+)/ decrease (-) in cash & cash equivalents | -21 815 | 19 988 | -17 483 | 32 246 | 43 878 |
| Cash and cash equivalents - opening balance | 58 064 | 22 112 | 53 732 | 9 854 | 9 854 |
| Cash and cash equivalents - closing balance | 36 249 | 42 100 | 36 249 | 42 100 | 53 732 |

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 2013 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 2013 are available upon request from the company's head office at Olav Tryggvasons gate 40, Trondheim or at www.norwayroyalsalmon.com.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2013, with the exception of standards and interpretations referred to in note 2 of the annual financial report for 2013. None of these standards or interpretations have affected the consolidated financial statements for 2014.



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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 2014 | Q2 2013 | Q2 2014 | Q2 2013 | Q2 2014 | Q2 2013 | Q2 2014 | Q2 2013 | Q2 2014 | Q2 2013 |
| Total sales revenues | 592 539 | 666 700 | 117 848 | 216 823 | 75 283 | 50 683 | 1 255 | 896 | 786 925 | 935 102 |
| Internal sales revenues | 0 | 0 | 115 917 | 208 801 | 75 281 | 50 665 | 0 | 0 | 191 198 | 259 466 |
| External sales revenues | 592 539 | 666 700 | 1 931 | 8 022 | 2 | 18 | 1 255 | 896 | 595 727 | 675 636 |
| Operational EBIT | -6 252 | -11 854 | 28 999 | 75 869 | 9 162 | 12 735 | -5 363 | -5 300 | 26 545 | 71 450 |
| Non-recurring items | -373 | 9 411 | 11 092 | 439 | -23 741 | 4 310 | | | -13 022 | 14 160 |
| Fair value adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 7 889 | 3 111 | 7 889 | 3 111 |
| EBIT | -6 625 | -2 443 | 40 091 | 76 308 | -14 579 | 17 045 | 2 526 | -2 189 | 21 412 | 88 721 |
| EBT | -6 587 | -2 278 | 38 990 | 72 085 | -16 029 | 15 027 | 57 421 | 10 360 | 73 795 | 95 194 |
| Volume harvested (HOG) | | | 3 275 | 5 560 | 2 107 | 1 269 | | | 5 382 | 6 829 |
| Operational EBIT per kg | | | 8,85 | 13,65 | 4,35 | 10,03 | | | 7,09 | 12,97 |
| Volum sold | 14 253 | 15 368 | | | | | | | 14 253 | 15 368 |
| Operational EBIT per kg | -0,44 | -0,77 | | | | | | | -0,44 | -0,77 |
| - of which loss on open fixed-price contracts per kg. | -0,18 | -0,98 | | | | | | | -0,18 | -0,98 |

| (NOK '000) | Sales | | Region North | | Region South | | Eliminations/other | | Total | |
|---|------------------|------------------|----------------|----------------|----------------|---------------|--------------------|----------------|------------------|------------------|
| | YTD 2014 | YTD 2013 | YTD 2014 | YTD 2013 | YTD 2014 | YTD 2013 | YTD 2014 | YTD 2013 | YTD 2014 | YTD 2013 |
| Total sales revenues | 1 285 383 | 1 186 480 | 337 751 | 366 299 | 96 101 | 82 291 | 2 360 | 1 869 | 1 721 595 | 1 636 939 |
| Internal sales revenues | 0 | 0 | 334 398 | 351 437 | 96 099 | 82 273 | 0 | 0 | 430 497 | 433 710 |
| External sales revenues | 1 285 383 | 1 186 480 | 3 352 | 14 861 | 2 | 18 | 2 360 | 1 869 | 1 291 098 | 1 203 229 |
| Operational EBIT | -13 887 | -13 089 | 122 674 | 120 989 | 15 750 | 18 870 | -10 935 | -10 539 | 113 602 | 116 231 |
| Fair value adjustments | -3 666 | 3 485 | -42 383 | 44 359 | -28 228 | 11 149 | 0 | 0 | -74 277 | 58 993 |
| Fair value adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 10 411 | 5 921 | 10 411 | 5 921 |
| EBIT | -17 553 | -9 604 | 80 291 | 165 348 | -12 478 | 30 019 | -524 | -4 618 | 49 737 | 181 146 |
| EBT | -17 925 | -10 186 | 77 787 | 155 038 | -15 336 | 25 519 | 41 575 | 8 858 | 86 102 | 179 229 |
| Volume harvested (HOG) | | | 8 282 | 10 033 | 2 535 | 2 201 | | | 10 817 | 12 234 |
| Operational EBIT per kg | | | 14,81 | 12,06 | 6,21 | 8,57 | | | 12,80 | 11,43 |
| Volum sold | 28 231 | 28 942 | | | | | | | 28 231 | 28 942 |
| Operational EBIT per kg | -0,49 | -0,45 | | | | | | | -0,49 | -0,45 |
| - of which loss on open fixed-price contracts per kg. | -0,45 | 0,78 | | | | | | | -0,45 | 0,78 |

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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 full value is recognised. Harvestable fish (above 4 kg) is valued at full value. 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) | 30.06.2014 | 31.03.2014 | 31.12.2013 | 30.06.2013 |
|-----------------------------|----------------|----------------|----------------|----------------|
| Raw materials | 19 655 | 9 515 | 16 864 | 13 694 |
| Biological assets (biomass) | 574 119 | 562 280 | 639 238 | 533 680 |
| Finished goods | 8 420 | 8 700 | 10 174 | 4 827 |
| Total inventory | 602 194 | 580 496 | 666 276 | 552 201 |

Specification of the biomass:

| (NOK '000) | 30.06.2014 | 31.03.2014 | 31.12.2013 | 30.06.2013 |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Biomass at cost | 498 016 | 473 528 | 492 524 | 418 443 |
| Fair value adjustments of the biomass | 76 103 | 88 752 | 146 714 | 115 237 |
| Book value of the biomass | 574 119 | 562 280 | 639 238 | 533 680 |

Specification of biological assets - tonnes

| | Q2 2014 | Q1 2014 | Q2 2013 | FY 2013 |
|---|---------------|---------------|---------------|---------------|
| Opening balance biological assets | 18 308 | 20 160 | 18 530 | 20 698 |
| Increase due fish put in the sea | 356 | 196 | 771 | 1 089 |
| Increase due to production in the period | 5 235 | 4 500 | 3 777 | 29 126 |
| Reduction due to harvesting in the period | -6 485 | -6 548 | -8 226 | -30 348 |
| Non-recurring item and sold biomass | -76 | 0 | 0 | -405 |
| Closing balance biological assets | 17 339 | 18 308 | 14 852 | 20 160 |

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

| | 30.06.2014 | 31.03.2014 | 31.12.2013 | 30.06.2013 |
|--|---------------|---------------|---------------|---------------|
| Smaller than 1 kg | 1 479 | 1 013 | 2 691 | 995 |
| 1-4 kg | 10 868 | 8 793 | 10 957 | 12 717 |
| Larger than 4 kg | 4 993 | 8 502 | 6 512 | 1 140 |
| Biological assets as at 31 December | 17 339 | 18 308 | 20 160 | 14 852 |

NOTE 4: Fair value adjustments

Fair value adjustments which are a part of the Group's EBIT, is presented on 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 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2013 |
|--|----------------|---------------|---------------|---------------|---------------|
| Change in fair value adjustments of the biomass | -12 649 | 4 749 | 86 985 | 55 508 | 86 985 |
| Change in provision for onerous sales contracts | -3 644 | -6 398 | -4 729 | -9 744 | 0 |
| Change in provision for onerous purchase contracts | 0 | 0 | 0 | 1 095 | 1 095 |
| Change in unrealised gains/losses on financial fish pool contracts | 3 270 | 15 809 | 1 063 | 12 135 | 6 645 |
| Total fair value adjustments | -13 022 | 14 160 | 83 319 | 58 993 | 94 725 |

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

| (NOK '000) | 30.06.2014 | 31.03.2014 | 31.12.2013 | 30.06.2013 |
|---|---------------|---------------|----------------|----------------|
| Fair value adjustments biomass (inventory and biological assets) | 76 103 | 88 752 | 146 714 | 115 237 |
| Provision for onerous sales contracts (other current liabilities) | -4 729 | -1 085 | 0 | -9 744 |
| Fair value of financial fish pool contracts (other receivables/other current liabilities) | 4 390 | 1 120 | 3 327 | 8 817 |
| Net fair value adjustments in the balance sheet | 75 764 | 88 787 | 150 041 | 114 309 |



NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: Non-recurring items

| (NOK '000) | Q2 2014 | Q2 2013 | YTD 2014 | YTD 2013 | FY 2014 |
|-------------------------|----------|----------|----------|----------|--------------|
| Extraordinary mortality | 0 | 0 | 0 | 0 | 0 |
| Costs related to escape | 0 | 0 | 0 | 0 | 2 219 |
| Total | 0 | 0 | 0 | 0 | 2 219 |

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 3 335 were purchased from enterprises controlled by the company's Chair Helge Gåsø so far in 2014. These services were priced at the market rate. Services for TNOK 3 353 were purchased in Q2 2014. In conjunction with CEO John Binde leaving the company, NRS bought all his shares in the company (394,242 shares) in the second quarter. The shares were purchased at the market price of NOK 50.99 per share.

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.

The last 330,000 of the options expired in the first quarter of 2014. To date in 2014 revenues relating to the option scheme have been recognised in the income statement in the amount of NOK 503 000.

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 01.01.2014 | Share of profit/loss in the period after tax | Other changes | Book value 30.06.2014 | Share of volume harvested - tonnes HOG 30.06.2014* |
|------------------------------------|--------------|--------------------------|---|------------------|--------------------------|--|
| Company | | | | | | |
| Wilsgård Fiskeoppdrett AS | 37,50 % | 51 301 | 1 113 | -2 756 | 49 658 | 411 |
| Måsøval Fishfarm AS | 36,10 % | 16 604 | 3 443 | 0 | 20 047 | 375 |
| Hellesund Fiskeoppdrett AS | 33,50 % | 35 395 | 4 462 | -503 | 39 354 | 219 |
| Hardanger Fiskeforedling AS | 31,10 % | 6 690 | 827 | 0 | 7 517 | |
| Espevær Laks AS | 37,50 % | 1 134 | -6 | 0 | 1 128 | |
| Ranfjord Fiskeprodukter AS | 37,75 % | 18 332 | 571 | 0 | 18 903 | |
| Skardalen Settefisk AS | 30,00 % | 3 092 | 0 | 0 | 3 092 | |
| Other | | 48 | 0 | 0 | 48 | |
| Total associates 30.06.2014 | | 132 596 | 10 411 | -3 259 | 139 747 | 1 004 |
| Total associates 30.06.2013 | | 108 561 | 5 921 | 0 | 114 482 | 1 078 |

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

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



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NOTES TO THE FINANCIAL STATEMENTS

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 31.03.2014 | Market value 30.06.2014 | Change in market value Q2 2014 |
|----------|---------|-------------|--------------|------------|----------------------------|----------------------------|--------------------------------------|
| NOK | 100 000 | Fixed 3,37% | 3 M NIBOR | 07.09.2016 | -3 694 | -3 833 | -139 |

Note 9 Treasury shares and TRS agreements

As at 30 June the company holds 33 375 treasury shares, corresponding to 0.08 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 30 June 3 549 889 shares, representing 8,15 % 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 realised previously entered into TRS agreements in the period, the gain at realisation amounted to NOK 7 951 000 and is recognised as a financial item (gain/loss on financial assets) in the income statement.

| (NOK '000) | No. of shares | Exercise Price | Maturity | Market value 31.12.2013 | Market value 31.03.2014 | Change in market value Q2 2014 |
|------------|------------------|-------------------|------------|----------------------------|----------------------------|--------------------------------------|
| TRS 1 | 2 396 348 | 30,3077 | 19.03.2015 | 8 821 | 48 243 | 39 423 |
| TRS 2 | 1 859 864 | 35,2617 | 26.05.2015 | -358 | 0 | 358 |
| TRS 3 | 759 299 | 33,2873 | 12.03.2015 | 0 | 10 745 | 10 745 |
| TRS 4 | 394 242 | 52,3399 | 12.03.2015 | 0 | -1 007 | -1 007 |
| Sum | | | | 8 463 | 57 982 | 49 519 |

NOTE 10: Loans to credit institutions

The Group's main borrowing covenants is one requiring an equity ratio of at least 30 per cent and another requiring that the short-term credit facility shall not exceed 75 per cent of the carrying value of inventory and accounts receivables. At the end of the second quarter 2014 the Group is in compliance with the terms of its loan agreements.

NOTE 11: Shareholders

Ownership structure – the 20 largest shareholders as at 31.03.2014:

| Shareholder | No. of shares | Shareholding |
|--------------------------------------|-------------------|-----------------|
| GÅSØ NÆRINGSUTVIKLING AS | 6 475 494 | 14,86 % |
| GLASTAD INVEST AS | 5 632 014 | 12,93 % |
| EGIL KRISTOFFERSEN OG SØNNER AS | 4 568 379 | 10,48 % |
| HAVBRUKSINVEST AS | 3 618 940 | 8,31 % |
| MÅSØVAL EIENDOM AS | 3 540 476 | 8,13 % |
| SPAREBANK 1 MARKETS AS | 3 063 448 | 7,03 % |
| DNB NOR MARKETS, AKSJEHAND/ANALYSE | 2 585 184 | 5,93 % |
| NYHAMN AS | 2 184 541 | 5,01 % |
| HELLESUND FISKEOPPDRETT A/S | 1 581 941 | 3,63 % |
| VERDIPAPIRFONDET DNB SMB | 1 210 358 | 2,78 % |
| LOVUNDLAKS AS | 1 026 268 | 2,36 % |
| WILSGÅRD FISKEOPPDRETT AS | 481 001 | 1,10 % |
| MP PENSJON PK | 462 539 | 1,06 % |
| STATE STREET BANK AND TRUST CO. | 381 450 | 0,88 % |
| HENDEN FISKEINDUSTRI AS | 348 420 | 0,80 % |
| MERTOUN CAPITAL AS | 274 145 | 0,63 % |
| MÅSØVAL FISHFARM AS | 246 529 | 0,57 % |
| STATE STREET BANK AND TRUST CO. | 243 453 | 0,56 % |
| STATE STREET BANK AND TRUST CO. | 223 894 | 0,51 % |
| FREWI AS | 208 777 | 0,48 % |
| Total 20 largest shareholders | 38 357 251 | 88,03 % |
| Total other shareholders | 5 214 940 | 11,97 % |
| Total no. of shares | 43 572 191 | 100,00 % |

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