



PRESENTATION Q4 2011

Oslo, 22 February 2012
John Binde, CEO
Ola Loe, CFO

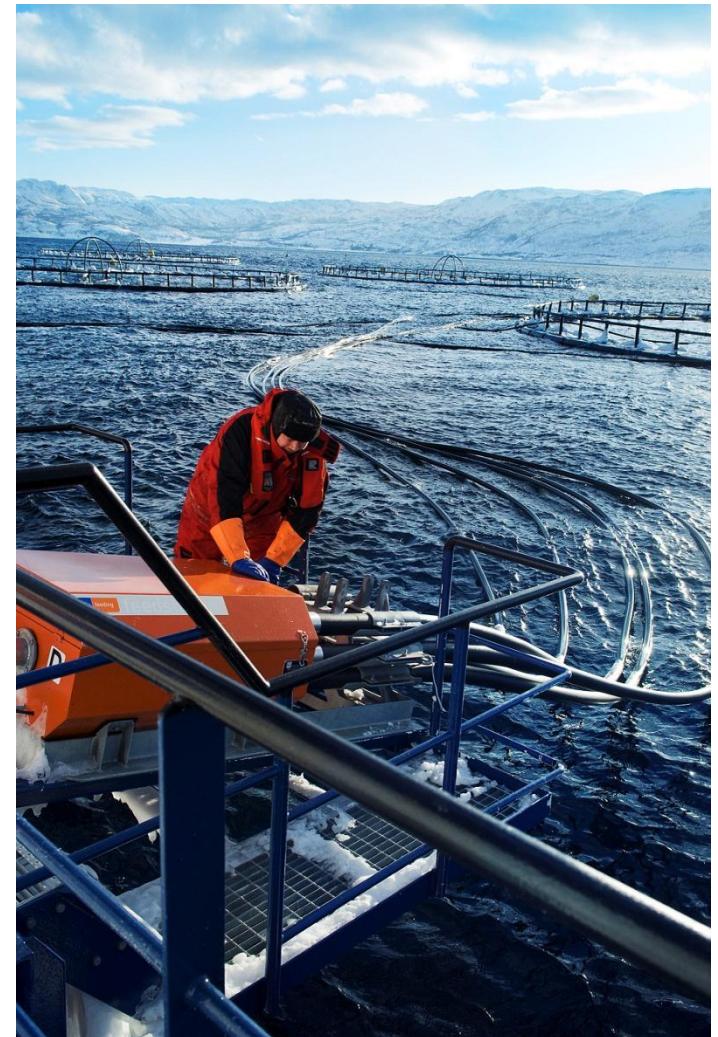
AGENDA:

 Highlights for the period

 Segment information

 Group financials

 Outlook



Highlights in Q4 2011:

-  Farming operations continue to improve operational performance
-  Record high harvested volume in Q4
-  Reduced production cost of harvested salmon
-  Increased volume and improved margins in Sales segment
-  Global salmon consumption reached record high levels growing more than 20 per cent
-  Increased supply caused lower salmon prices in the quarter
-  Further improvements of bank covenants

Highlights in Q4 2011

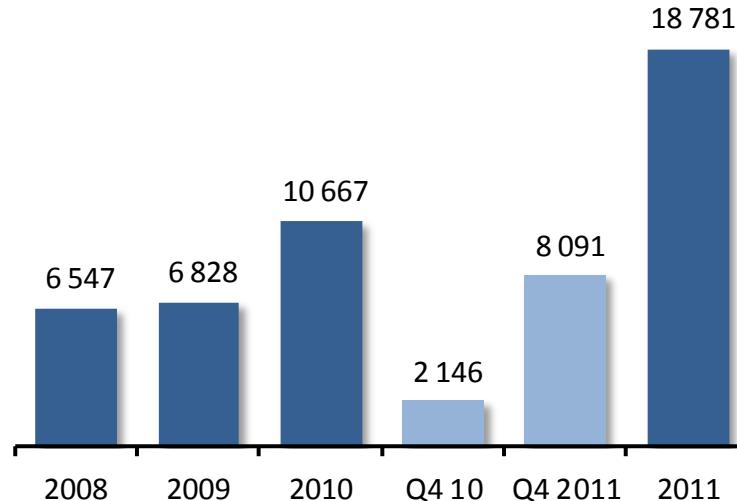
KEY FIGURES (NOK '000)	Q4 2011	Q4 2010	2011	2010
Operating revenues	400 260	543 950	1 734 022	2 002 085
EBITDA	3 875	29 768	70 800	154 196
EBIT fva *	-3 559	25 839	47 257	137 259
EBT	17 611	62 061	-17 166	168 925
Op. cash flow	13 107	-45 983	-25 781	81 833
Net interest-bearing debt	531 734	425 992	531 734	425 992
Equity ratio	36,3 %	39,6 %	36,3 %	39,6 %
Volume harvested (HOG)	8 091	2 146	18 781	10 677
Volume sold	15 797	13 221	50 428	49 584

* EBIT pre fair value adjustment and non recurring items

- Average salmon price 40% down from Q4 last year with negative impact on profits
- EBT of MNOK 17,6 impacted by positive fair value adjustment of MNOK 16,6 and profit from the sale of Larssen Seafood AS of MNOK 17,7
- Positive cash flow from operations by MNOK 13,1
- NIBD decreased by MNOK 11,9 from Q3 11
- Equity ratio increased to 36,3 % from 34,4 % in Q3 11

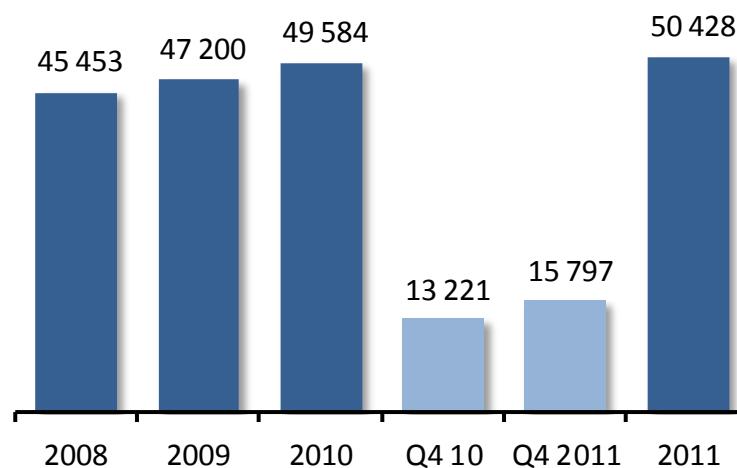
Harvested and sold volumes

Harvested volume HOG (tons)



High annual growth,
and especially high
growth in Q4 2011

Sold volume (tons)



Stable annual growth
in traded volumes

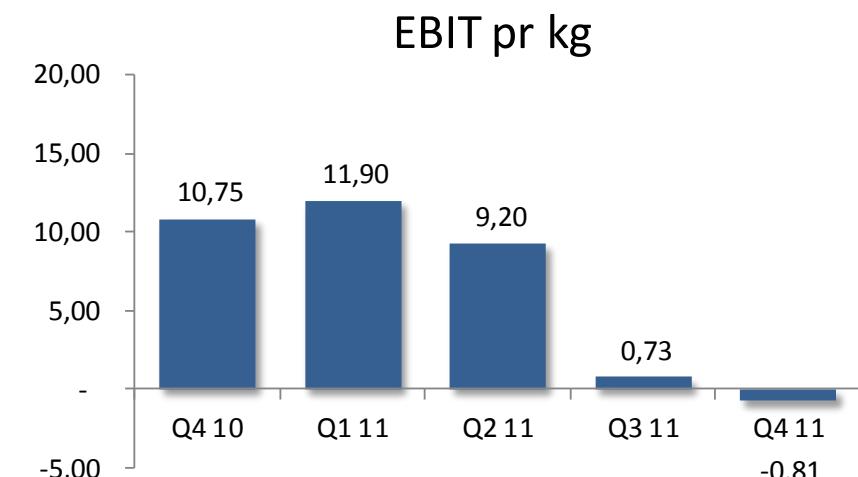


SEGMENT INFORMATION

Farming

KEY FIGURES (NOK '000)	Q4 2011	Q4 2010
Operating revenues	183 077	77 179
EBIT fva *	- 6 591	23 073
EBIT	5 591	55 807
Volume harvested (tons)	8 091	2 146
EBIT per kg *	- 0,81	10,75
EBIT margin	- 3,6 %	29,9 %

* EBIT pre fair value adjustment and non recurring items



Achieved price Q4 11 NOK 22,62 per kg

- 8 % contract sales
- Sales price NOK 13,34/kg lower than Q4 10



Good operational performance and good biological status

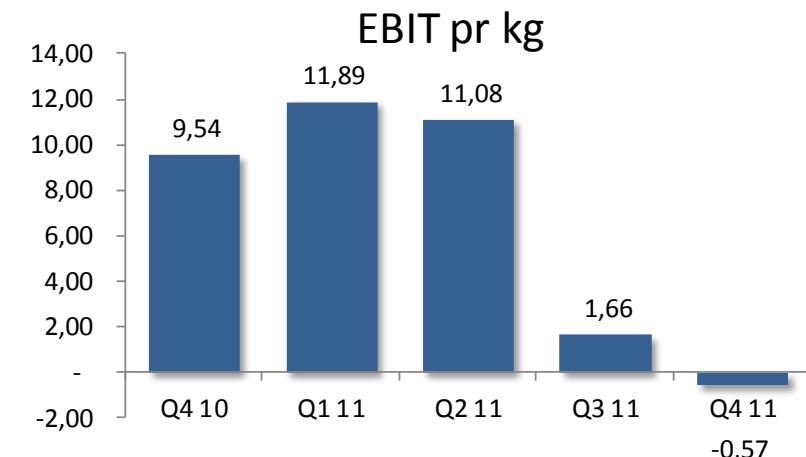


Harvested volume up 277 % to 8 091 tons

Farming - Region North

KEY FIGURES (NOK '000)	Q4 2011	Q4 2010
Operating revenues	116 900	27 506
EBIT fva *	-3 034	7 574
EBIT	4 165	38 406
Volume harvested (tons)	5 324	794
EBIT per kg *	-0,57	9,54
EBIT margin	-2,6 %	27,5 %

* EBIT pre fair value adjustment and non recurring items



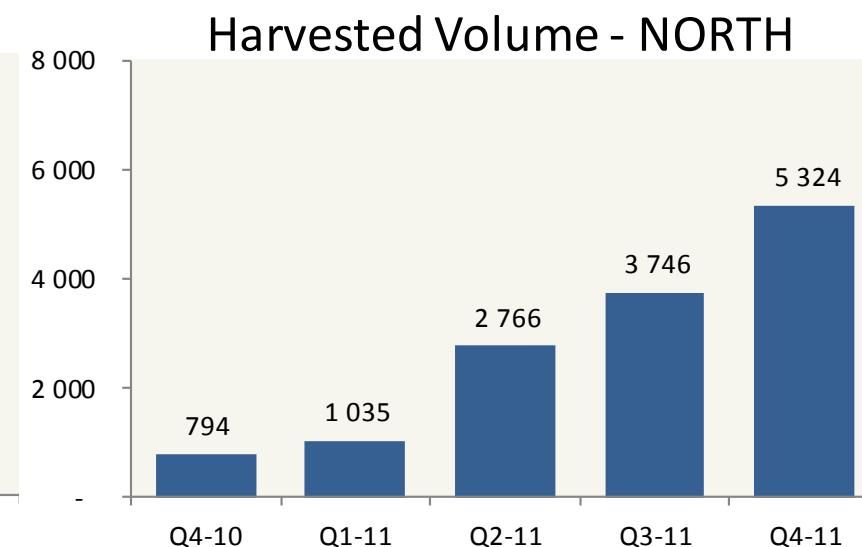
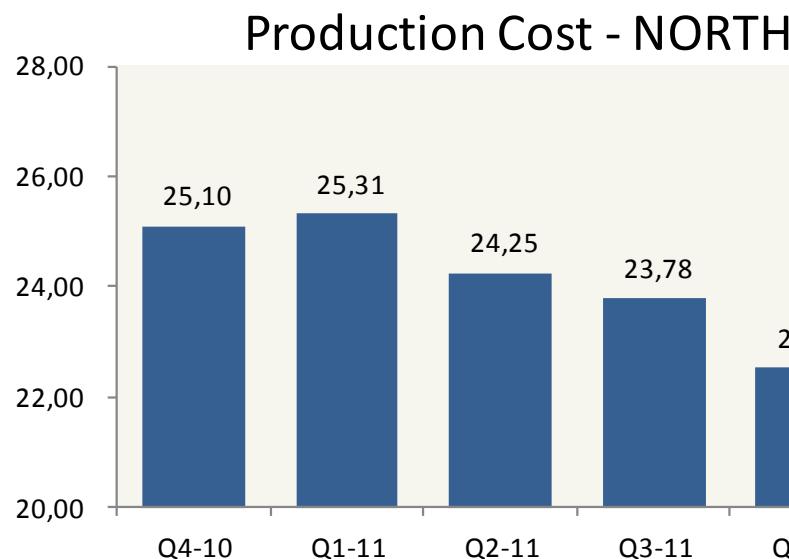
Achieved sales price Q4 11: NOK 21.96 per kg

- 9 % contract sales
- Price NOK 12.68/kg lower than Q4 10



Good operational performance and good biological status in Q4

Farming – Region North



Increased volume and decrease in production cost throughout the year



Production cost of NOK 22,53 per kg,

- Down by NOK 1,25 per kg since Q3 11
- Down by NOK 2,57 per kg compared to Q4 10

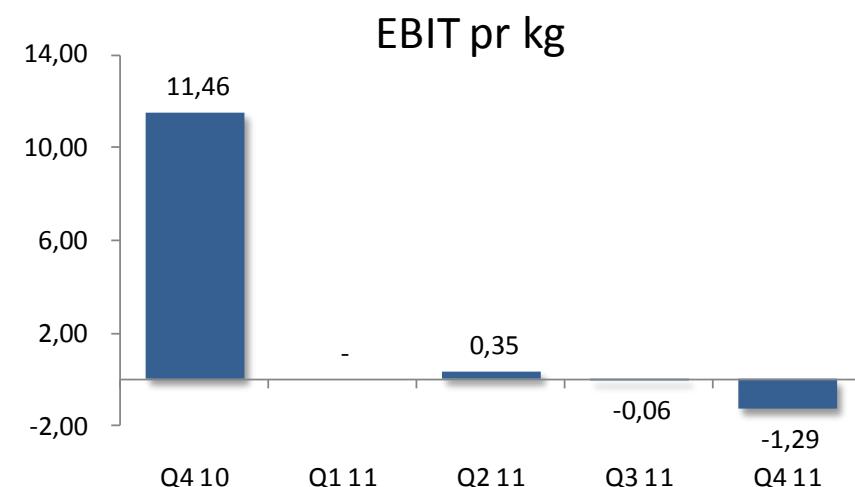


Volume growth of 571% compared to Q4 10

Farming - Region South

KEY FIGURES (NOK '000)	Q4 2011	Q4 2010
Operating revenues	66 177	49 673
EBIT fva *	- 3 557	15 499
EBIT	1 426	17 401
Volume harvested (tons)	2 767	1 352
EBIT per kg *	- 1,29	11,46
EBIT margin	- 5,4 %	31,2 %

* EBIT pre fair value adjustment and non recurring items



Achieved price Q4 11 NOK 23.92 per kg

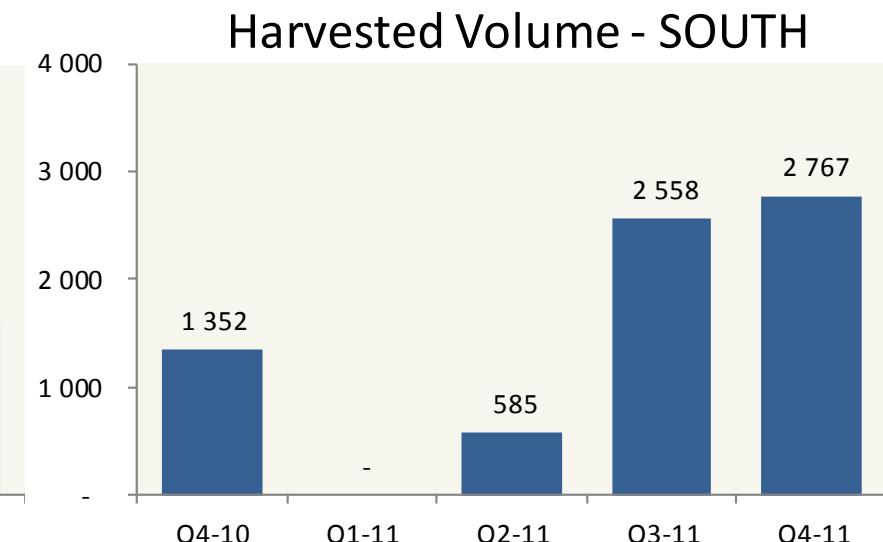
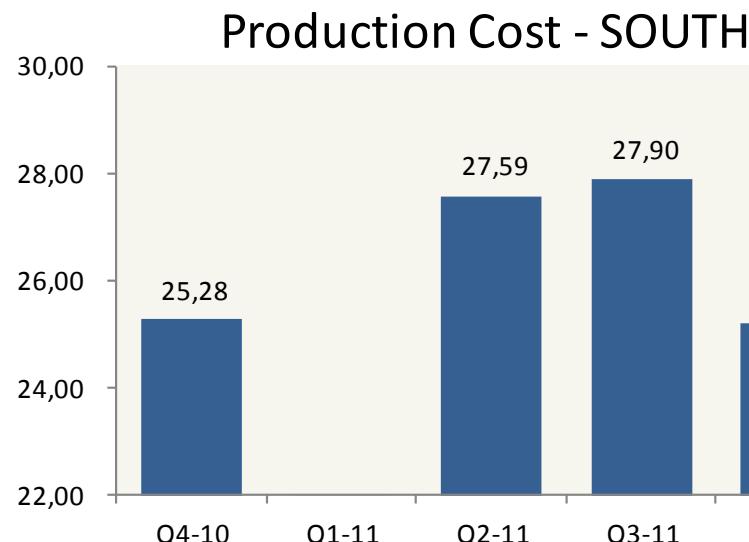
- 6 % contract sales
- Price NOK 12.82/kg lower than Q4 10



Good operational performance and good biological status in Q4

- Historical low mortality rate at 2011-generation
- No identified diseases in Q4

Farming – Region South



 **Production cost of NOK 25,21 per kg,**

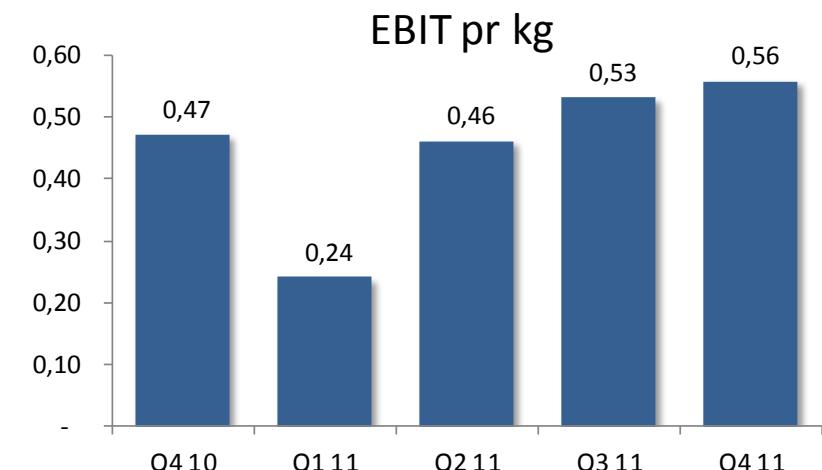
- Down by NOK 2,69 per kg since Q3 11
- Down by NOK 0,07 per kg compared to Q4 10
- Adaptation to production area in Hardanger at harvested sites has increased production cost in Q4 11

 **Volume growth of 105% compared to Q4 10**

Sales

KEY FIGURES (NOK '000)	Q4 2011	Q4 2010
Operating revenues	421 320	543 846
EBIT fva *	8 789	6 184
EBIT	23 371	7 700
Volume sold (tons)	15 797	13 221
EBIT per kg *	0,56	0,47
EBIT margin	2,1 %	1,1 %

* EBIT pre fair value adjustment and non recurring items



Sold volume up 2 576 tons (+19.5%) from Q4 10

- High available volumes in Q4 11
- Expect high available volumes in 2012



EBIT per kg NOK 0.56

- NOK 0.03/kg higher than Q3 11
- NOK 0.09/kg higher than Q4 10



Average NOS price NOK 22,7 in Q4 11

- 40% lower than Q4 10

Associated companies

Quarterly figures (NOK '000)	Book value 30.09.2011	Share of profit/loss *	Other changes **	Book value 31.12.2011
Fish-farming companies	82 672	-2 888	-6 279	73 505
Other companies	22 982	-406	6	22 582
Total associates 31.12.2011	105 654	-3 294	-6 273	96 087
Total associates 31.12.2010	89 888	8 297	15 951	114 136

*in the period after tax ** Book value Larssen Seafood. Sold Q4

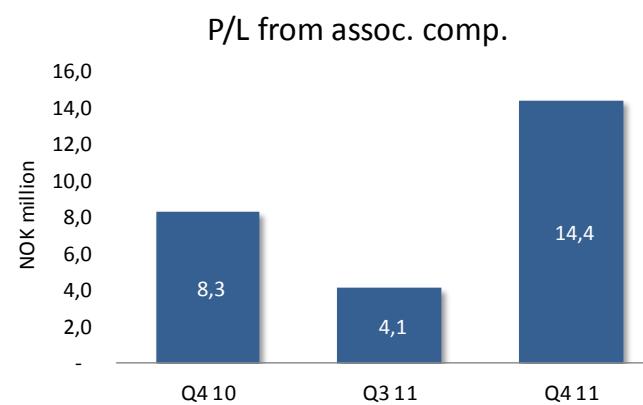
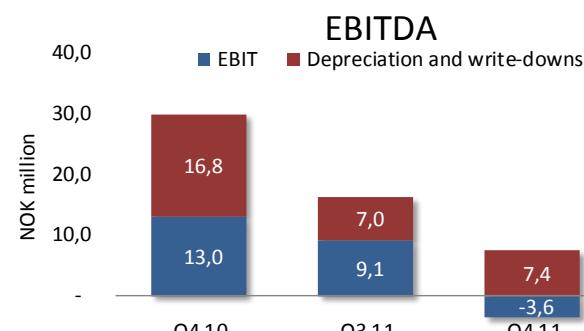
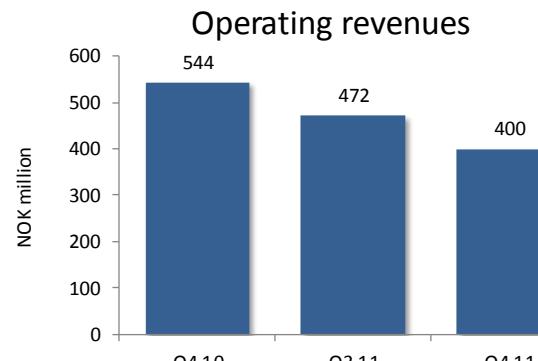
	Volume Q4	NRS share of volume Q4	Volume YTD	NRS share of volume YTD
Total volume associates 2011	1 668	617	4 367	1 642
Total volume associates 2010	1 365	396	5 326	1 598

- NRS' share of harvested volume is 617 tons in Q4 and 1 642 tons YTD
- NRS' share of profit after tax before fair value adjustment is MNOK -3,4 for Q4 and MNOK 6,8 YTD
 - NRS share of fair value adjustment after tax is positive by MNOK 0,1 for Q4 and negative by MNOK 8,5 YTD.
- YTD EBIT per kg of NOK 5,16 for associated farming companies
- Larssen Seafood AS sold in Q4 11 with a profit of MNOK 17,7
- Estimated NRS share of volume for 2012 is 2 626 tons
- 3 fish-farming companies with 8 licenses, 2 harvesting companies and 1 fresh water company with a yearly capacity of 5,5 million smolt



GROUP FINANCIALS

Key income statement items



Revenues down MNOK 144 (26.4%) from Q4 10

- Lower salmon prices - 40%
- Higher traded volumes + 19%

EBITDA of MNOK 3.9 (29.8 in Q4 10)

- Farming:
 - Sales price down NOK 13.34/kg
 - Production cost down NOK 1.77/kg
 - Harvested volume up 5 945 tons
- Sales:
 - Traded volume up 2 576 tons
 - Margins up NOK 0,09/kg

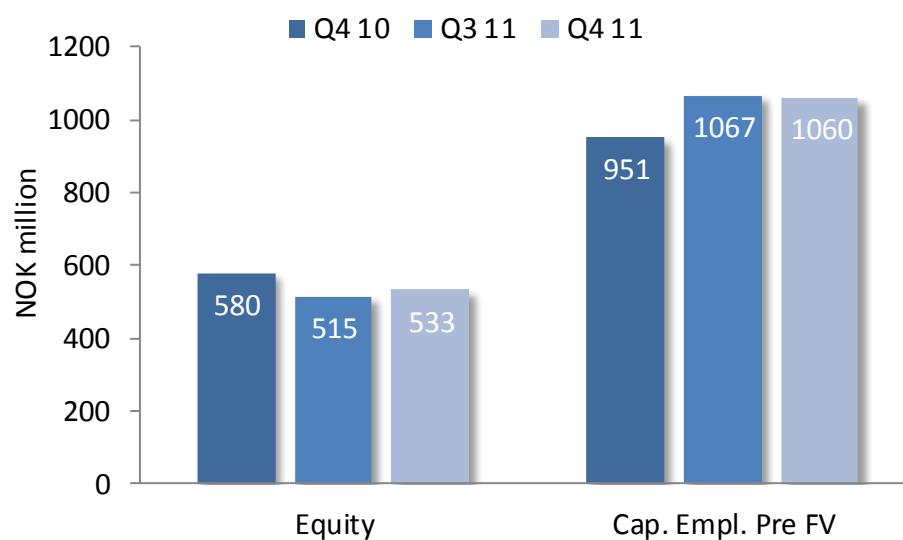
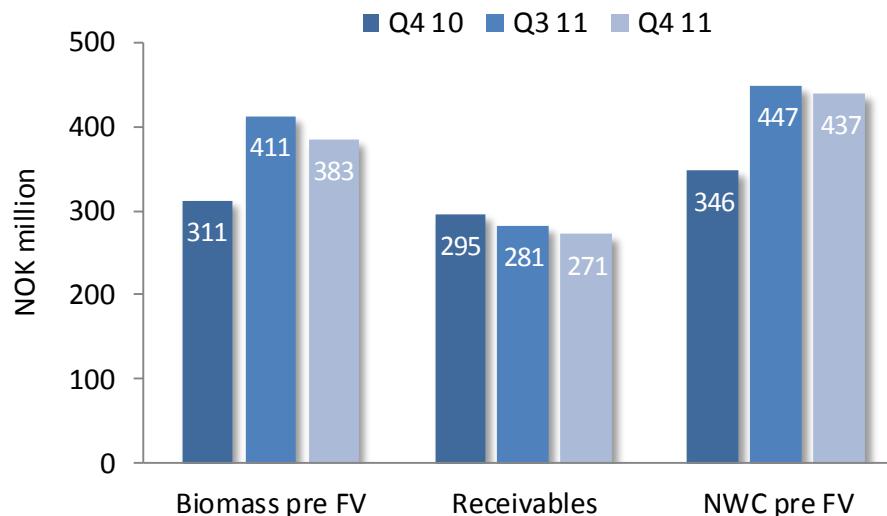
Depreciation increased due to growth in Farming

- Q4 10 - non recurring cost of MNOK 12,8 including MNOK 11,2 as write-downs

Income from associated companies up MNOK 6,1 from Q4 10

- Positive fair value adjustment after tax in Q4 is MNOK 0,1 (NRS share)
- Larssen Seafood AS sold in Q4 11 with a profit of MNOK 17,7

Key balance sheet items



Biomass pre FV down by MNOK 28 from Q3 11

- Decrease in biomass by only 459 tons



Receivables down by MNOK 10 from Q3 11

- Higher volumes from Sales in the end of Q4 than in Q3, but lower sales prices.



Working capital pre FV down by MNOK 10 from Q3 11

- Decreased inventory by MNOK 6 from Q3 11
- Decreased account payables and other current liabilities by MNOK 37 from Q3 11



Equity up by MNOK 18 from Q3 11

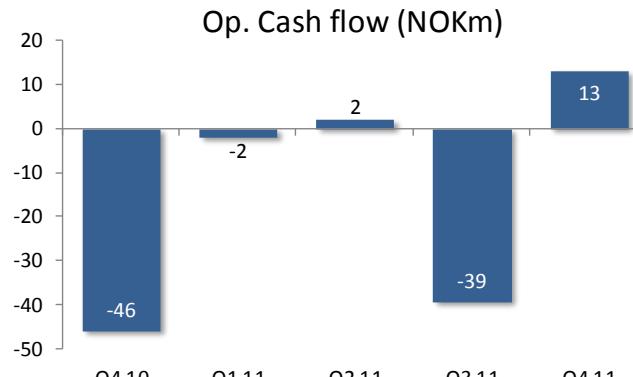
- Net profit MNOK 17
- Equity ratio 36.3%, up from 34.4% in Q3 11



Capital employed pre FV down by MNOK 7

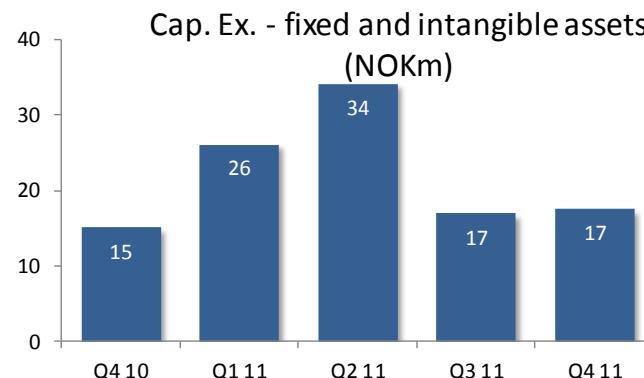
- Equity pre FV increase by MNOK 5
- NIBD decreased by MNOK 12

Cash flow, Cap Ex and Net interest bearing debt



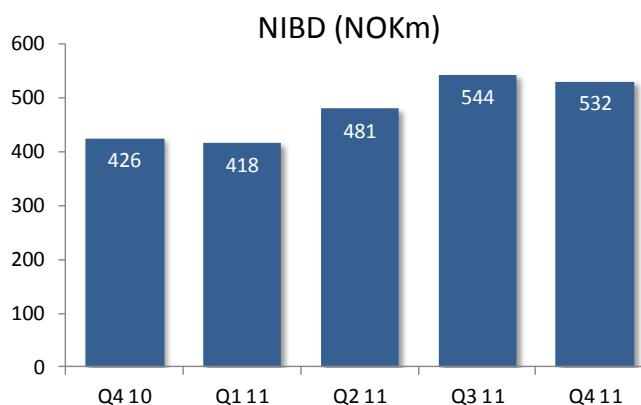
Operational cash flow positive by MNOK 13

- An improvement of MNOK 59 compared to Q4 10
- Positively impacted by decreased net working capital



Capex of MNOK 17 in Q4 11

- YTD MNOK 94
- Related to growth in Farming
- Estimated Capex in 2012 MNOK 25



NIBD down by MNOK 12 from Q3 11

- Decreased working capital pre FV
- Sale of Larssen Seafood

Financing

Improvements in bank covenants from Q4 11

- Equity ratio of minimum 35% changed to 30 % in whole of 2012
 - 35 % from 2013
- NIBD/EBITDA of maximum 6,5
 - Exempt from this covenant in 2012
 - Covenant of maximum 6,5 will apply again from Q1 2013.
 - Will be gradually reduced from Q4 2013



Group tax losses carried forward year end 2011 MNOK 287



OUTLOOK

Outlook - Farming



Estimated harvested volumes:

- 2012: 22 500 tons (+ 20 %)
- 2013: 26 700 tons (+ 19 %)



Continued focus on reduction of production cost in 2012

- Good operational performance
- Good biological status at the moment
- Economy of scale benefits



Smolt release in 2012 reflects full utilization of existing capacity



Estimated decrease of investment in fixed assets in 2012 by 70%

Harvesting and smolt release

Harvest volumes (kt,gwe)	FY11	Q1 12	Q2 12	Q3 12	Q4 12	FY 12	FY 13
	ACT	ACT	ACT	ACT	ACT	ACT	EST
North	12,9	3,5	3,4	3,7	4,4	15,0	21,7
South	5,9		1,6	2,0	3,9	7,5	5,0
Total	18,8	3,5	5,0	5,7	8,3	22,5	26,7

Smolt release (Mill no.)	FY 10	FY 11	FY 12
	ACT	ACT	EST
North	4,3	5,9	5,8
South	1,4	1,8	1,7
Total	5,7	7,7	7,5



Outlook – Market and sales

Sales

- Increased volumes available from own farming and members in 2012, which will increase trading volumes
- Increased focus on more profitable market segments

 Total volume YTD out of Norway marginally higher than 2011

 Stable markets:



 Increasing markets:



 Decreasing markets:



 Challenging markets:



 Lower salmon price has already influenced positively on market demand



Thank you for your attention

For more information: www.norwayroyalsalmon.com

A wide-angle photograph of a salmon farm in a body of water. In the center, a long, horizontal net pen structure extends across the frame. A small white boat with two people is positioned near the center of the pen. In the foreground, a single yellow buoy floats on the blue water. In the background, several small, flat-topped islands or hills are visible under a clear blue sky.

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APPENDIX

Group income statement

(NOK '000)	Q4 2011	Q4 2010	Year 2011	Year 2010
Operating revenues	400 260	543 950	1 734 022	2 002 085
Cost of goods sold	360 673	486 515	1 549 263	1 748 681
Salaries	18 528	13 644	60 595	47 443
Depreciation	7 434	5 547	26 043	18 555
Write-downs	0	11 228	0	12 851
Other operating costs	17 184	14 023	53 365	51 765
Operating profit before fair value adjustment	-3 559	12 993	44 757	122 790
Fair value adjustment	16 602	47 096	-70 627	26 339
EBIT	13 043	60 089	-25 870	149 129
Gain on realisation of financial assets	17 704	0	41 430	18 121
Share of profit of associates	-3 295	8 298	-1 689	19 772
Other net financial items	-9 840	-6 326	-31 038	-18 097
EBT	17 611	62 061	-17 166	168 925
Tax	-582	-15 164	15 548	-36 798
Net profit/loss	17 029	46 897	-1 618	132 127
Profit attributable to:				
Parent company shareholders	16 656	40 595	2 140	123 528
Minority interests	373	6 302	-3 759	8 599
Earnings per share (NOK)	0,46	1,09	0,06	3,32
Earnings per share - diluted	0,46	1,09	0,06	3,32

Group balance sheet

(NOK '000)	31.12.2011	30.09.2011	31.12.2010
Intangible assets	502 887	502 887	498 287
Property, plant and equipment	177 311	167 354	113 938
Non-current financial assets	103 238	113 901	151 948
Non-current assets	783 436	784 143	764 173
Inventory and biological assets	406 730	429 050	401 193
Receivables	270 922	281 230	294 723
Bank deposits, cash	6 205	2 592	4 748
Current assets	683 857	712 872	700 664
TOTAL ASSETS	1 467 292	1 497 016	1 464 837
Share capital	38 144	38 144	37 220
Other equity	457 289	440 454	500 714
Non-controlling interests	37 229	36 856	41 862
Equity	532 662	515 453	579 796
Pensions	8 480	7 719	7 719
Deferred tax	153 784	153 202	173 610
Provisions	162 265	160 922	181 329
Long-term interest-bearing debt	320 884	314 764	282 481
Short-term interest-bearing debt	217 054	231 394	148 259
Trade payables	219 868	245 555	254 338
Tax payable	0	3 031	1 135
Other current liabilities	14 558	25 895	17 499
Current liabilities	451 480	505 875	421 231
TOTAL EQUITY AND LIABILITIES	1 467 292	1 497 016	1 464 837

Group cash flow statement

(NOK '000)	Q4 2011	Q4 2010	Year 2011	Year 2010
Operating profit before fair value adjustment	-3 559	12 993	44 757	122 790
Adjusted for:				
Tax paid	-3 031	0	-3 031	0
Depreciation/amortisation	7 434	5 547	26 043	18 555
Write-down of non-current assets	0	11 228	0	12 851
Gains (-)/ losses (+) on disposal of non-current assets	-25	325	-1 845	369
Share options	158	0	616	0
Pension costs with no cash effect	761	-40	761	-411
Change in inventory / biomass	34 501	-60 695	-75 378	-89 455
Change in debtors and creditors	-26 230	-16 076	-8 459	35 788
Change in other current assets and other liabilities	3 098	735	-9 245	-18 654
Net cash flow from operating activities	13 107	-45 983	-25 781	81 833
Cash flow from investing activities				
Proceeds from sale of property, plant and equipment	59	140	2 213	940
Payments for purchase of property, plant and equipment and intangible assets	-17 444	-14 575	-94 403	-65 751
Payments in connection with other transactions	0	0	-300	-765
Proceeds from investments in non-current financial assets	24 081	0	37 799	3 863
Payments for investments in non-current financial assets	0	-15 952	-1 903	-17 077
Payments for acquisition of subsidiaries (less cash taken over)	0	0	0	-9 833
Change in loans to associates and others	992	15 799	-8	5 024
Net cash flow from investing activities	7 688	-14 588	-56 602	-83 599
Cash flow from financing activities				
Receipts from new long-term debt	13 370	12 528	67 392	280 040
Long-term debt repayments	-5 783	-4 392	-20 859	-212 196
Short-term debt repayments	0	0	0	-3 526
Net change in overdraft	-15 808	59 769	60 664	-39 367
Net payments from share issue	0	-59	40 112	-159
Purchase and sale of treasury shares	0	1 306	143	4 104
Interest paid	-8 962	-5 777	-28 025	-18 762
Dividend payment	2	0	-35 586	-5 430
Net cash flow from financing activities	-17 181	63 375	83 841	4 704
Net increase (+)/ decrease (-) in cash & cash equivalents	3 614	2 804	1 458	2 938
Cash and cash equivalents - opening balance	2 592	1 944	4 748	1 810
Cash and cash equivalents - closing balance	6 205	4 748	6 205	4 748

Statement of Equity

31.12.2011 (NOK '000)	Equity allocated to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
Equity at 01.01.2011	37 229	-9	15 525	485 188	537 934	41 862	579 796
Total comprehensive income	0	0	0	-20 992	-20 992	-3 759	-24 750
Transactions with shareholders							
Share issue	2 382	0	43 730	0	46 112	0	46 112
Net share issue transaction costs	0	0	-4 320	0	-4 320	0	-4 320
Share options	0	0	0	616	616	0	616
Dividend	0	0	0	-34 713	-34 713	-875	-35 588
Purchase of treasury shares	0	-1 467	0	-27 881	-29 349	0	-29 349
Sale of treasury shares	0	9	0	134	143	0	143
Total transactions with shareholders	2 382	-1 458	39 410	-61 844	-21 511	-875	-22 386
Equity at 31.12.2011	39 611	-1 467	54 935	402 352	495 432	37 229	532 662
31.12.2010 (NOK '000)	Equity allocated to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
Equity at 01.01.2010	36 288	-264	151 339	178 225	365 588	34 732	400 320
Total comprehensive income	0	0	0	146 660	146 660	8 599	155 259
Transactions with shareholders							
Minority interests at creation of Group	0	0	0	0	0	28 001	28 001
Purchase of minority interests	816	0	12 645	12 680	26 141	-29 141	-3 000
Share issue	125	0	1 656	0	1 781	0	1 781
Net share issue transaction costs	0	0	-114	0	-114	0	-114
Reduction in share premium fund	0	0	-150 000	150 000	0	0	0
Dividend	0	0	0	-5 430	-5 430	0	-5 430
Purchase of treasury shares	0	-79	0	-666	-745	-380	-1 125
Sale of treasury shares	0	334	0	3 719	4 053	51	4 104
Total transactions with shareholders	941	255	-135 814	160 303	25 686	-1 469	24 217
Equity at 31.12.2010	37 229	-9	15 525	485 188	537 934	41 862	579 796

Quarterly historical information

QUARTERLY HISTORICAL INFORMATION (NOK thousand, NOK per kg)	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
FARMING									
Volumes sold (ktonnes, HOG)									
Region North									
Region North	5 324	3 746	2 766	1 035	794	913	1 833	2 461	1 621
Region South	2 767	2 558	585	0	1 352	954	1 436	935	0
Total	8 091	6 304	3 351	1 035	2 146	1 867	3 269	3 396	1 621
EBIT pre fair value									
Region North									
Region North	-3 034	6 215	30 640	12 306	-5 272	14 284	23 208	26 711	7 815
Region South	-3 557	-1 612	203	9	15 499	5 793	20 630	9 084	228
Total	-6 591	4 604	30 843	12 315	10 227	20 077	43 838	35 795	8 043
EBIT per kg *									
Region North									
Region North	-0,57	1,66	11,08	11,89	9,54	15,65	13,55	10,86	4,82
Region South	-1,29	-0,63	0,35	0,00	11,46	6,07	14,37	9,72	0,00
Total	-0,81	0,73	9,20	11,90	10,75	10,75	13,91	10,54	4,96
SALES									
Volumes sold (ktonnes)									
15 797									
Operating revenue									
421 320									
EBIT pre fair value									
8 789									
EBIT per kg*									
0,56									
NRS GROUP									
EBITDA									
3 875									
EBIT pre fair value									
-3 559									
Net interest bearing debt									
531 734									
Equity ratio									
36,3 %									

* Adjusted for non recurring items in the period