



PRESENTATION Q1 2013

Oslo, 8 May 2013

John Binde, CEO

Ola Loe, CFO

AGENDA:



Highlights for the period



Segment information



Group financials



Outlook



Highlights in Q1 2013:



Best quarterly operational EBIT in NRS' history

- Substantial price increase during the quarter
- No supply growth expected in 2013
- Strong market expected ahead



Historically low share of contracts for the rest of 2013 (10 %)



Continuous focus on reduction of production cost



Well positioned for the allocation of new licenses

- The Government has again prioritised Troms and Finnmark as the most important growth region and has decided to issue at least 20 new licenses to this region, where NRS has 19 licenses today



Maintaining an estimated harvest volume of 30 000 tons in 2013

- 42 % increase in harvest volume compared with 2012
- Achieved estimated growth in the quarter
- Good biological status in general

Highlights in Q1 2013

KEY FIGURES (NOK '000)	Q1 2013	Q1 2012
Operating revenues	527 593	380 551
Operational EBITDA	52 633	17 675
Operational EBIT ¹⁾	44 781	10 395
EBIT	89 615	13 172
Income from associates	2 810	6 145
EBT	84 034	11 337
EPS (NOK) ²⁾	0,58	0,17
ROACE ³⁾	5,5 %	5,2 %
Op. cash flow	-7 219	49 663
Capital expenditure	17 017	5 819
Net interest-bearing debt	603 883	455 859
Equity ratio	38,1 %	40,8 %
Volume harvested (HOG)	5 405	4 543
Operational EBIT per kg ⁴⁾	9,26	3,24
- of which sales	-0,23	0,82
Volume sold	13 574	12 817

1) EBIT pre fair value adjustments and non-recurring items

2) Earnings per share pre fair value adjustments

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

4) EBIT pre fair value adjustments and non-recurring items
for segments incl margin from sales



Average salmon price (NOS) 36 % up from Q1 last
year with significant positive impact on profits



Harvested volume up by 19 % and sold volume
up by 6 % from Q1 last year



Operational EBIT MNOK 44.8 in Q1 13

– Operational EBIT per kg NOK 9.26



Satisfactory margins for the Sales operations
before:

– Loss on fixed price contracts of MNOK 7.6 has
decreased EBIT per kg with NOK 1.41



A decrease in the accounts payable by MNOK 78
resulted in negative cash flow from operations
and increase in NIBD in Q1



Equity ratio increased to 38.1 % from 36.3 % in
Q4 12



SEGMENT INFORMATION

Key segment information

SEGMENT SUMMARY (NOK '000)	Operational EBIT	Operational EBIT per kg
Farming	51 255	9,48
Sales	6 410	1,19
Open fixed price contracts	-7 645	-1,41
Sum segments	50 020	9,26
Volume harvested (tons)	5 405	



The reporting of profit/loss from fixed price contracts has been changed from Farming to Sales. All transactions between Farming and Sales are now at spot market price.



Operational EBIT per kg from Sales operation has increased by NOK 0.37 from NOK 0.82 in Q1 12.

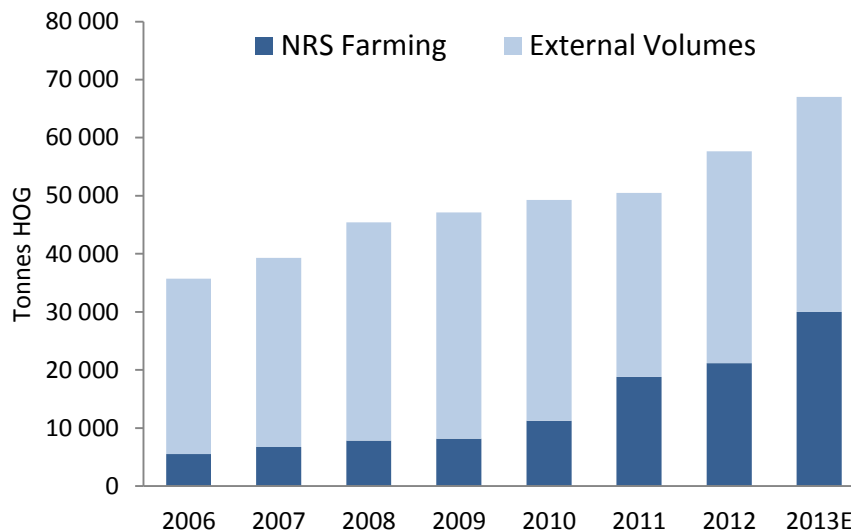


Fixed price contracts constitute 23 % of harvested volume in Q1 13 at a price below spot price.



Operational EBIT per kg of NOK -0.23 from Sales operation after loss from open fixed price contracts of NOK 1.41.

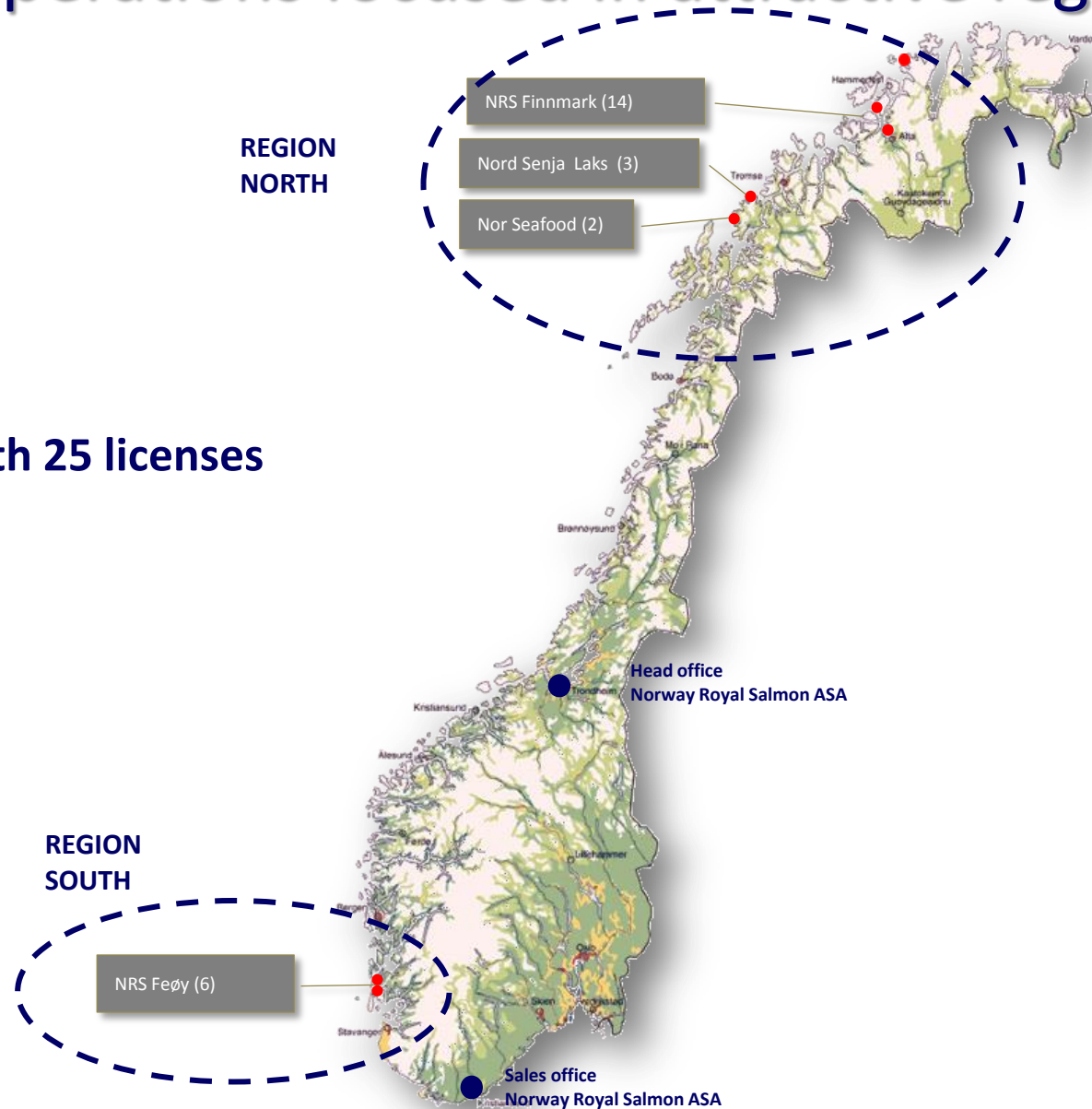
Sales operation



- Market knowledge, motivated employees, low historical losses and low capital cost makes this to an important business for NRS
- Access to volumes from own operations, associated companies, NRS members and independent salmon farmers.
- Global sales to approx. 50 countries in 2012
- Track record for achieving attractive prices

Farming operations focused in attractive regions

NRS with 25 licenses



Region North – NRS Finnmark



Finnmark is an area for strong growth in salmon farming following new license awards and increase of MAB. At least 10 new licenses will be awarded in 2013.



14 licenses owned 100 % through NRS Finnmark AS



Attractively located sites, history of good profitability



Good biological conditions

- Low biological risk, hardly any sea lice in area
- Relatively high water temperature in winter
- Relatively low water temperature in summer
- No algae in the area resulting in lower maintenance costs of nets



Long term harvesting agreement with major industry player

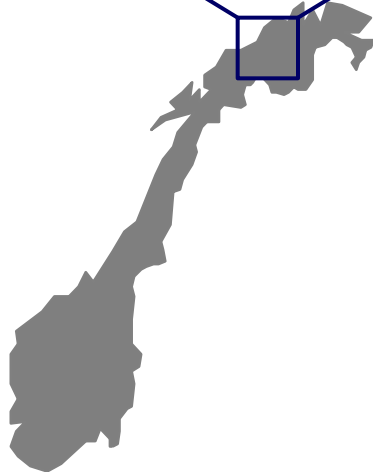
- Close to and approved for the Russian market.



Smolt production through Ranfjorden Fiskeprodukter

- NRS own 37.75 % of the company
- Capacity of 5.5 million smolt
- Long term agreement with other smolt suppliers

Region North – Senja cluster



Troms is an area for strong growth in salmon farming following new license awards and increase of MAB. At least 10 new licenses will be awarded in 2013.



5 licenses majority owned in the Senja cluster

- NRS owns 82.5% of Nor Seafood AS (2 licenses)
- NRS owns 66.7% of Nord Senja Laks AS (3 licenses)
- Operated in co-operation with Wilsgård Fiskeoppdrett in a 8 licenses cluster
- NRS owns 37.5% of Wilsgård



Attractive area with history of good profitability



Good conditions for salmon farming in the area

- Low biological risk, and no problems with sea lice
- Optimal sea temperatures during the summer
- Good growth and no oxygen problems
- Shorter production time than Finnmark



Harvesting at Wilsgård and Nord Senja



Smolt production through Skardalen Settefisk

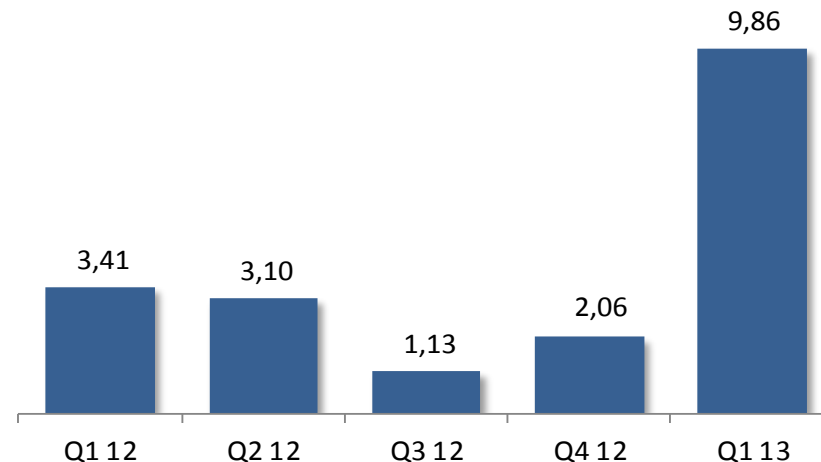
- Kåfjord based smolt producer with capacity of 2.5 million smolt
- Owned together with associated company Wilsgård Fiskeoppdrett (70%, NRS subsidiaries 30%)

Region North

KEY FIGURES (NOK '000)	Q1 2013	Q1 2012
Operating revenues	437 008	347 273
Operational EBIT *	44 097	14 140
Volume harvested (tons)	4 473	4 145
Operational EBIT per kg *	9,86	3,41
- of which sales	-0,23	0,82

* EBIT pre fair value adjustments and non-recurring items incl. allocated margin from sales

EBIT pr kg*

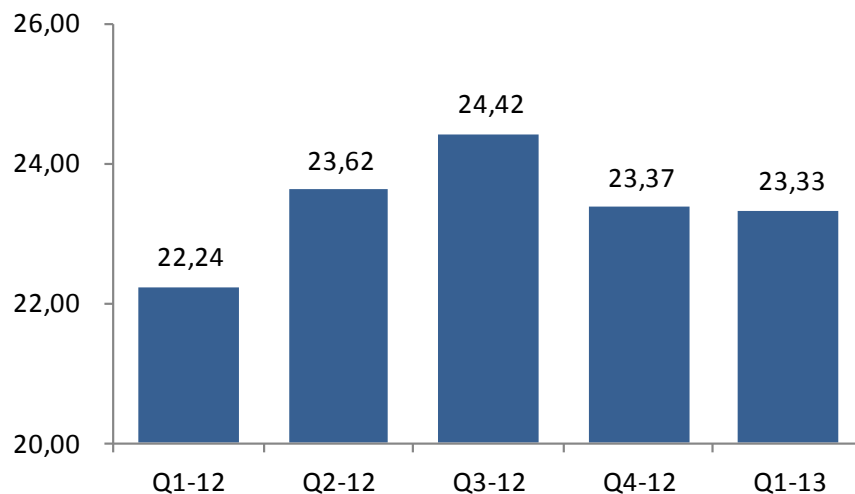


Operational EBIT per kg NOK 9.86

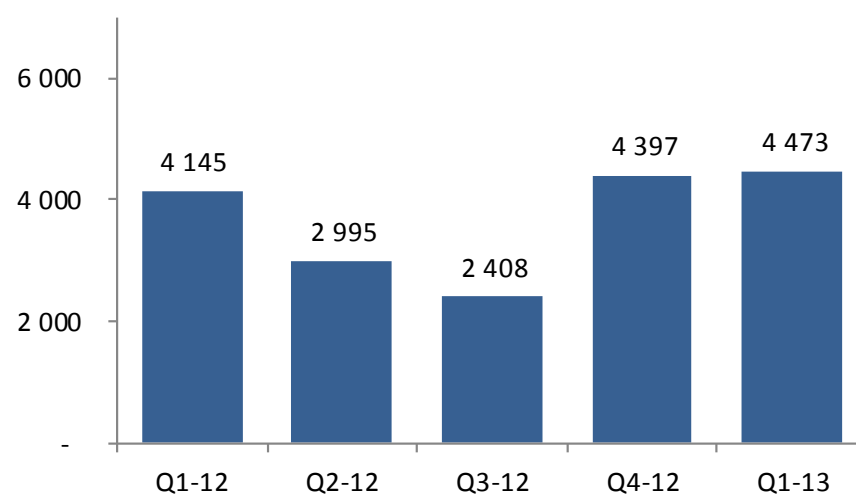
- Margin from Sales down by NOK 1.05 per kg compared with Q1 12 due to loss on contracts by NOK 1,41 per kg
- Sales price FCA packing station up by NOK 8.59 per kg from Q1 12
- Higher share than normal of downgraded fish had negative impact on achieved price in Q1 13

Farming – Region North

Production Cost - NORTH



Harvested Volume - NORTH



Production cost of NOK 23.33 per kg

- Down by NOK 0.04 per kg since Q4 12



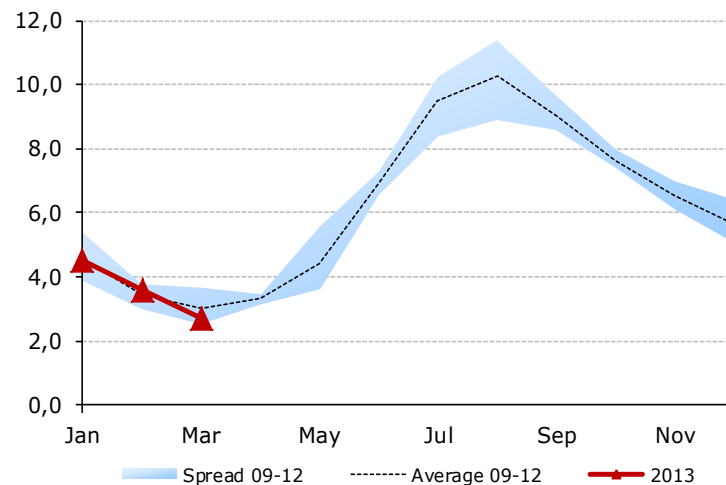
Volume increase of 8 % compared to Q1 12



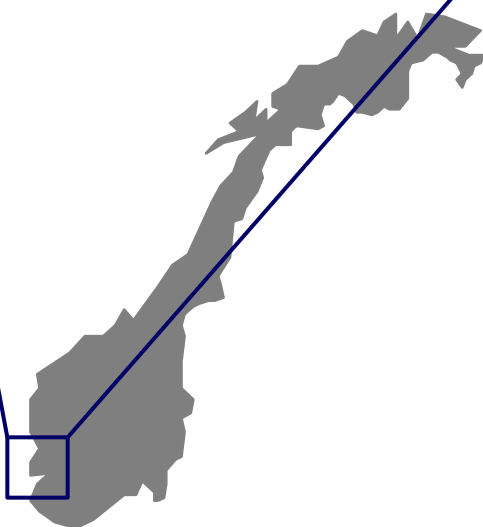
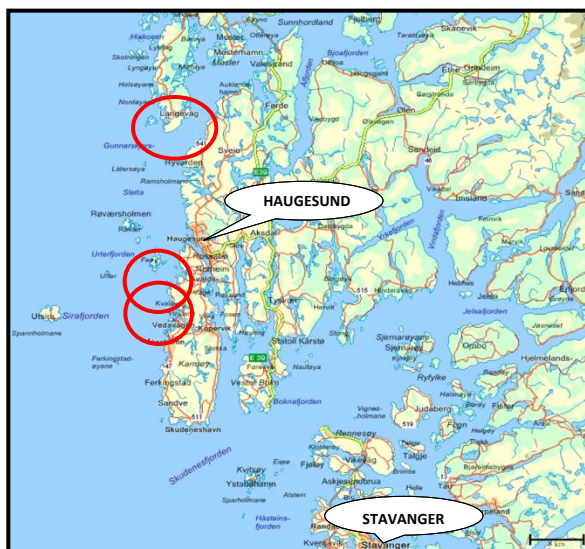
Operation

- Biological status is good
- Good growth and normal sea temperatures in Q1

Temperatures Region North



Region South



Operates in the Haugesund area, both in Rogaland and Hordaland counties



Region South holds a total of 6 licenses

- Owned 100% through NRS Feøy AS



One single MAB Zone from 2013

- Enables smoother and better utilisation of MAB



Production co-operation with associated company Hellesund Fiskeoppdrett AS to mitigate biological risk

- NRS owns 33.5% of Hellesund Fiskeoppdrett AS which holds 3 farming licenses
- First phase of production at Hellesund's locations in Agder
- This area is relatively free of PD and sea lice
- Upon reaching a certain size the fish is transferred to Feøy



Harvesting at Espevær Laks

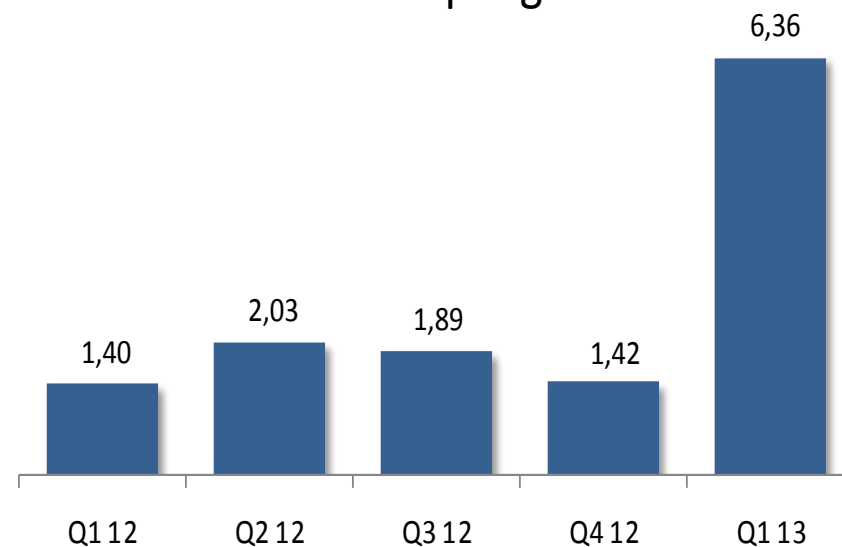
- Approved for the Russian market

Region South

KEY FIGURES (NOK '000)	Q1 2013	Q1 2012
Operating revenues	89 612	33 184
Operational EBIT *	5 923	559
Volume harvested (tons)	932	398
Operational EBIT per kg *	6,36	1,40
- of which sales	-0,23	0,82

* EBIT pre fair value adjustments and non-recurring items incl. allocated margin from sales

EBIT pr kg*



Weak performance in Q1 13 due to one harvested site

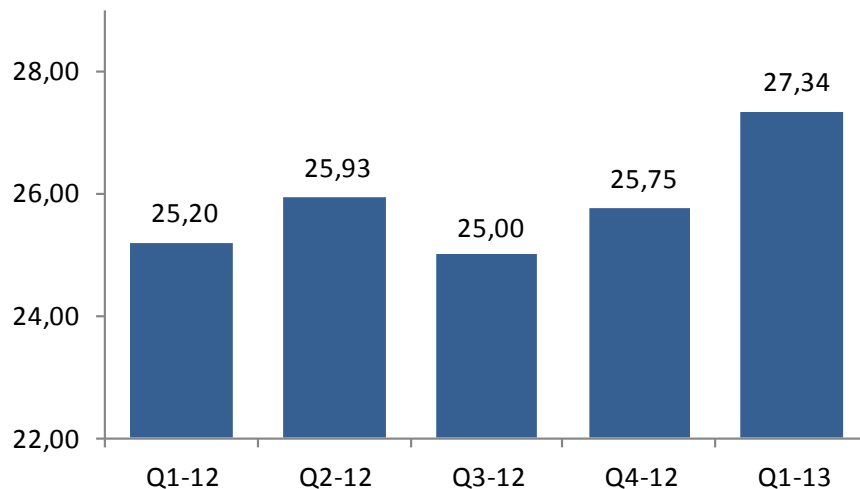


Operational EBIT per kg NOK 6.36

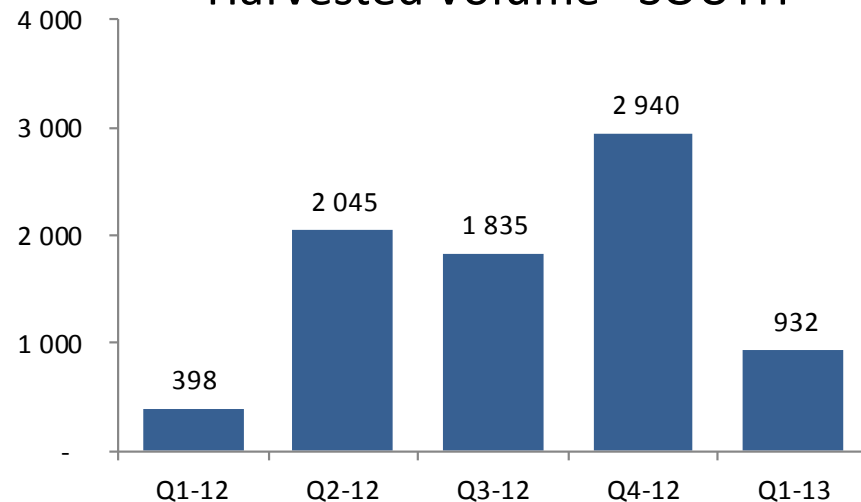
- Margin from Sales down by NOK 1.05 per kg compared with Q1 12 due to loss on contracts by NOK 1,41 per kg
- Sales price FCA packing station up by NOK 8.14 per kg from Q1 12

Farming – Region South

Production Cost - SOUTH



Harvested Volume - SOUTH



Production cost of NOK 27.34 per kg

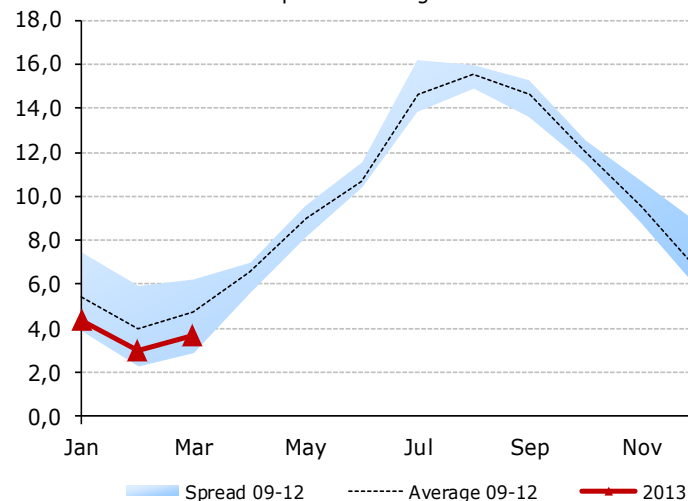
- The negative consequences after the algae attack in 2012 have been more extensive than previously expected. The site will be emptied in Q2.



Operation

- Lower than normal growth due to sea temperatures below normal in Q1
- Biological status is good, except for one site

Temperatures Region South



Associated companies

KEY FIGURES (NOK '000)	Q1 2013	
	Farming companies	Other associated companies
Operating revenues	61 501	20 729
Operational EBIT *	11 758	-509
EBIT	11 488	-509
Result after tax	7 982	55
Volume harvested (tons)	1 690	
Operational EBIT per kg *	6,96	
*EBIT pre fair value adjustments		
NRS' share of result after tax	2 858	-48

 3 fish-farming companies with 8 licenses, 2 harvesting companies and 2 hatchery with a yearly capacity of total 8 million smolt

 Q1 13 EBIT per kg of NOK 6,96 for associated farming companies

 NRS share of result after tax

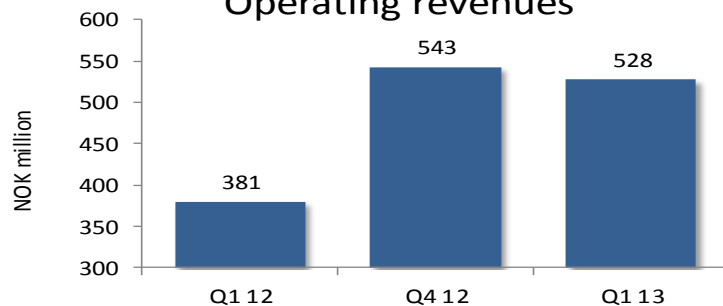
— MNOK 2,8 in Q1 13



GROUP FINANCIALS

Key income statement items

Operating revenues

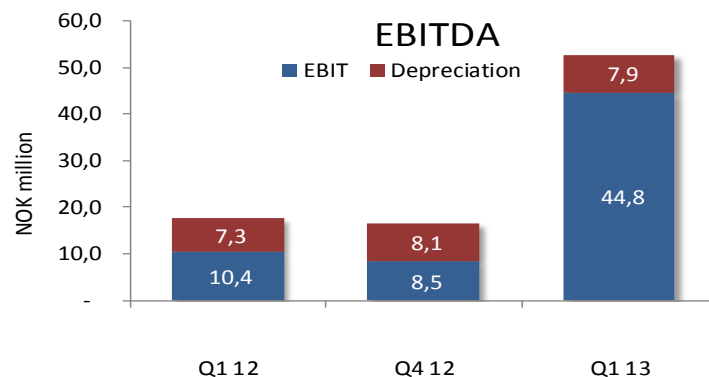


Revenues up MNOK 147 (39 %) from Q1 12

- Average salmon price (NOS) up 36 %
- Sold volume up 6 %



EBITDA of MNOK 52.6 (17.7 in Q1 12)



– Farming:

- Sales price up NOK 8.58/kg
- Production cost up NOK 1.51/kg
- Harvested volume up 862 tons

– Sales:

- Traded volume up 757 tons
- Margins down NOK 1.05/kg



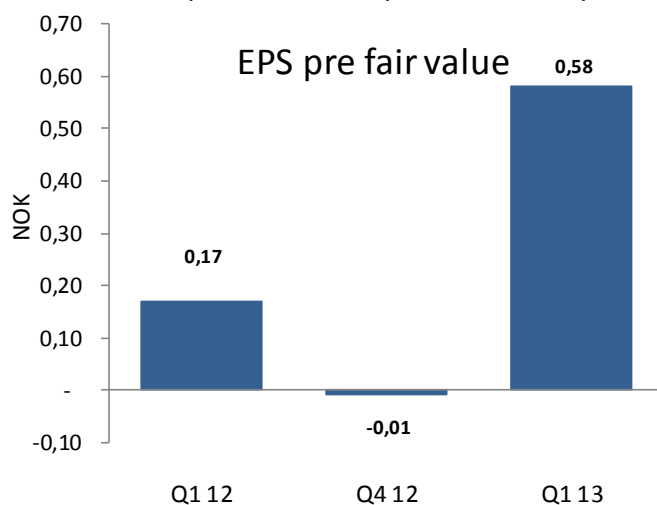
Depreciation marginally increased from Q1 12



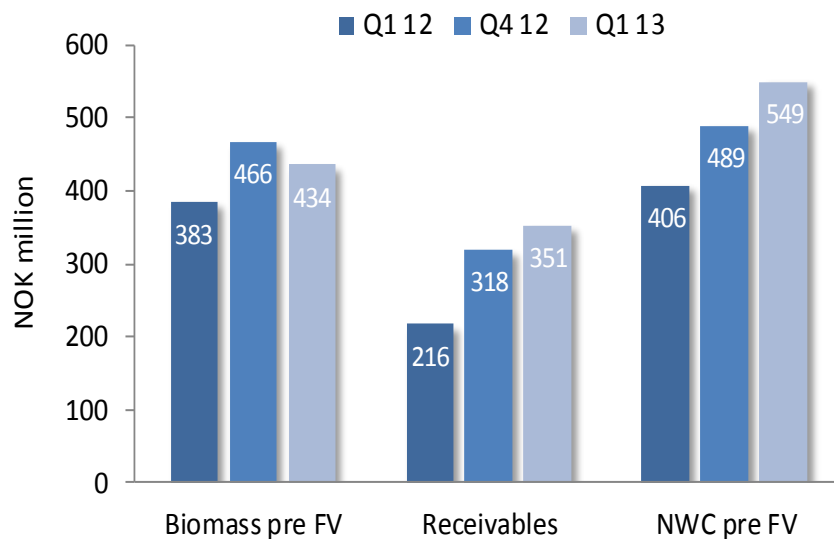
Best quarterly EPS in NRS' history

- UP NOK 0,41 per share from Q1 12

EPS pre fair value



Key balance sheet items



Biomass pre FV down by MNOK 32 from Q4 12

- Seasonal decrease



Receivables up by MNOK 23 from Q4 12

- Higher salmon prices
- Normally down in Q1



Working capital pre FV up by MNOK 60 from Q4 12

- Accounts payable decreased by MNOK 78



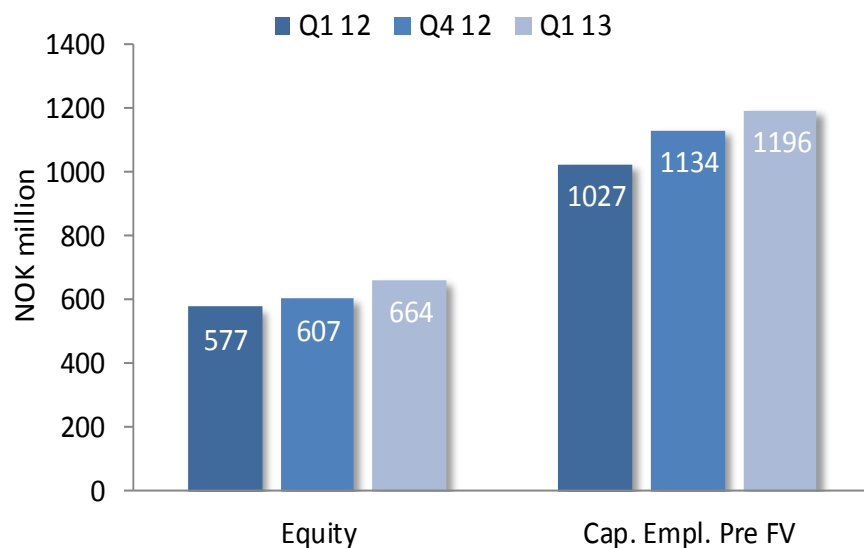
Equity up by MNOK 57 from Q4 12

- Equity ratio 38.1%



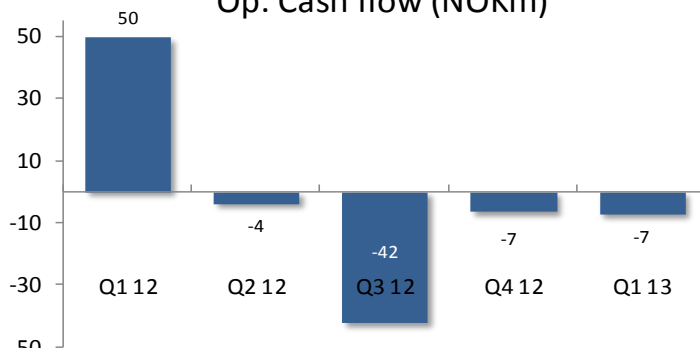
Capital employed pre FV up by MNOK 62 from Q4 12

- ROACE 5.5 %



Cash flow, Cap Ex and Net interest bearing debt

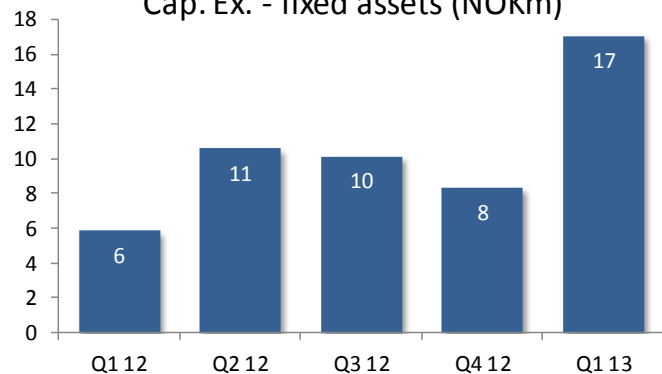
Op. Cash flow (NOKm)



Operational cash flow negative by MNOK 7

- EBITDA MNOK 52.6
- Negatively impacted by increased net working capital by MNOK 60

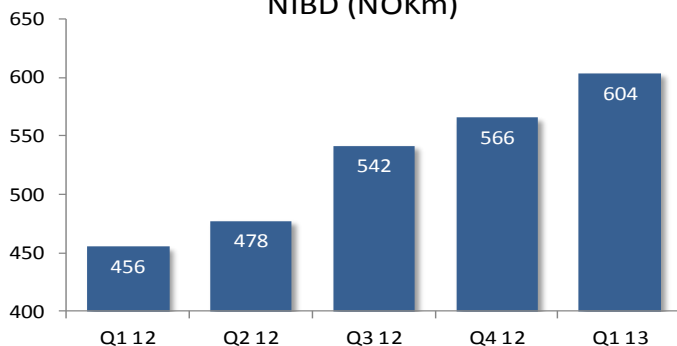
Cap. Ex. - fixed assets (NOKm)



Capex of MNOK 17 in Q1 13

- Estimated Capex in 2013 MNOK 45

NIBD (NOKm)



NIBD up by MNOK 38 from Q4 12

- Increased working capital pre FV by MNOK 60
- Investments in fixed assets MNOK 17
- EBITDA MNOK 52.6

Financing



Good financial flexibility



MNOK 505 in NIBD to the bank of a total facility of MNOK 610



Bank covenants

- Equity ratio of minimum 35 %
 - Achieved Q1 13: 38.1 %
- NIBD/EBITDA of maximum 6.5
 - Achieved Q1 13: 6.3



Group tax losses carried forward year end 2012 MNOK 385



No dividend based on 2012 results, but good future potential

- Policy: Dividends should amount to 30 – 40 % of consolidated net profit, provided that the company's own capital requirements have been satisfied.



OUTLOOK

Outlook - Farming



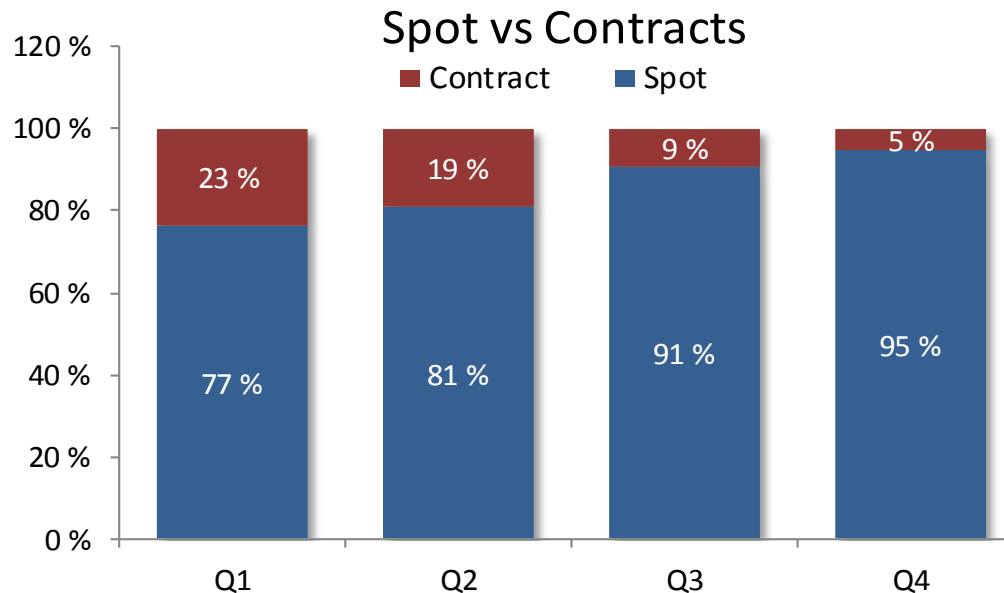
Estimated harvested volumes:

- 2013: 30 000 tons (+ 42 % yr/yr)
 - No change in estimate
 - Reached planned growth in the sea in Q1
 - Sea temperatures at a normal level in Region North and lower than normal in Region South

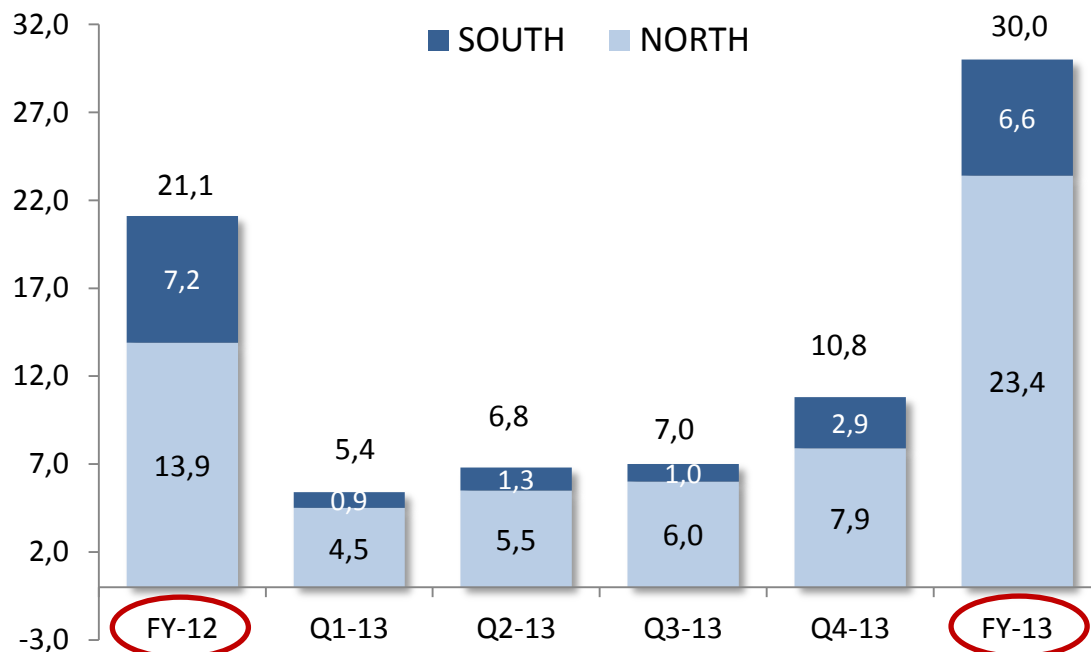


Historically low share of contracts at 10 % for the rest of 2013

- Fixed-price contracts 2013 at NOK 30 per kg



Harvesting estimates 2013 (tons HOG)



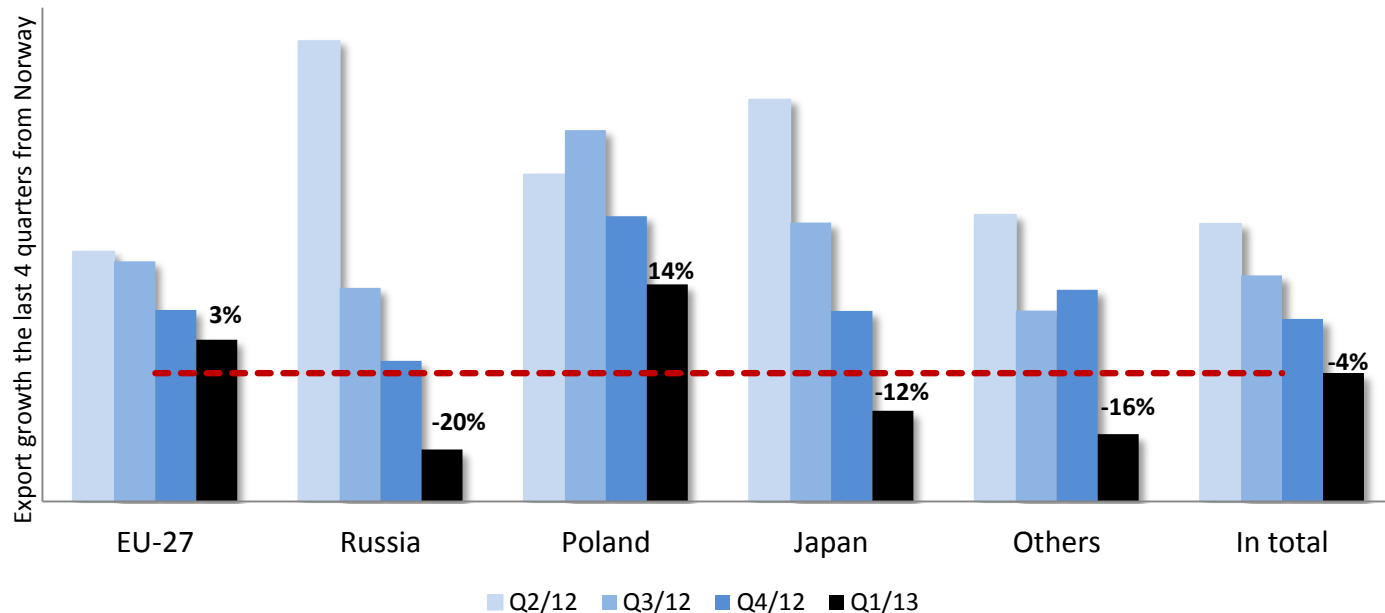
Significant volume increase of 42 % in 2013



Decrease in volume from Region South in 2013, but expect an increase in 2014 due to granted one MAB zone for the entire operations.

General Market Outlook

- Gradually lower yr/yr supply growth from Norway last 12 months. -4 % growth in Q1.
- EU increased market share of Norwegian salmon from 64 % Q1 12 to 69 % in Q1 13. Poland, Germany and UK were strong, while Nordics (ex. Norway) declined.
- 20 % yr/yr decline in Q1 from Russia due to higher prices, but growth in the Ukraine, Lithuania and Belarus.
- Demand from Asia for Norwegian Salmon is affected by higher prices and lower volumes with the positive exception of Hong Kong. Underlying demand in Asia continues to be strong.



Dynamics of the market segments for NRS

Market share	2010	2011	2012	YTD 2013
Western Europe	64 %	57 %	49 %	54 %
Eastern Europe & Russia	22 %	26 %	32 %	25 %
Asia & Middle East	9 %	12 %	16 %	14 %
Norway	6 %	6 %	4 %	7 %
TOTAL	100 %	100 %	100 %	100 %

- Demand from Eastern Europe and Asia has significantly outpaced demand growth from Western-Europe the last years, but the strong increase in prices has affected Eastern-Europe and Asia more than Western-Europe.
- 69 % of Norwegian salmon export volumes are sold to EU in Q1, while NRS had 54 % of our export volumes to this region.
- Increased volumes to Norway is mainly due to a higher share of downgrades. Normally a higher share of downgraded products in Q1 than the average of the year.

Thank you for your attention



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APPENDIX

Group income statement

(NOK '000)	Q1 2013	Q1 2012	FY 2012
Operating revenues	527 593	380 551	1 744 266
Cost of goods sold	439 706	332 031	1 540 290
Salaries	19 908	16 299	71 764
Depreciation	7 852	7 280	30 449
Other operating costs	15 346	14 547	71 428
Operational EBIT	44 781	10 395	30 336
Non-recurring items	0	0	-9 919
Fair value adjustments	44 833	2 777	49 428
EBIT	89 615	13 172	69 844
Gain on realisation of financial assets	0	0	0
Income from associates	2 810	6 145	10 464
Other net financial items	-8 391	-7 980	-39 560
EBT	84 034	11 337	40 748
Tax	-22 743	-1 658	-9 130
Net profit/loss	61 292	9 679	31 618
Profit attributable to:			
Parent company shareholders	56 781	8 886	28 191
Minority interests	4 511	793	3 428
Earnings per share (NOK)	1,31	0,22	0,66
Earnings per share - diluted	1,31	0,22	0,66

Group balance sheet

(NOK '000)	31.03.2013	31.12.2012	31.03.2012
Intangible assets	502 887	502 887	502 887
Property, plant and equipment	188 064	178 899	175 850
Non-current financial assets	121 877	118 867	107 935
Non-current assets	812 829	800 653	786 673
Inventory and biological assets	558 539	546 556	407 255
Receivables	351 410	318 463	215 537
Bank deposits, cash	22 112	9 854	6 272
Current assets	932 060	874 873	629 064
TOTAL ASSETS	1 744 889	1 675 526	1 415 736
Share capital	43 516	43 573	43 573
Other equity	575 479	522 712	495 824
Non-controlling interests	45 494	40 984	38 022
Equity	664 489	607 269	577 419
Pensions	9 736	9 736	15 227
Deferred tax	184 224	161 786	153 195
Provisions	193 960	171 522	168 421
Long-term interest-bearing debt	338 992	328 292	321 210
Short-term interest-bearing debt	287 002	247 637	140 921
Trade payables	214 750	292 655	185 673
Tax payable	780	780	0
Other current liabilities	44 915	27 371	22 091
Current liabilities	547 447	568 444	348 684
TOTAL EQUITY AND LIABILITIES	1 744 889	1 675 526	1 415 736

Group cash flow statement

(NOK '000)	Q1 2013	Q1 2012	FY 2012
Operational EBIT	44 781	10 395	30 336
Adjusted for:			
Tax paid	0	0	0
Non-recurring items	0	0	-9 919
Depreciation	7 852	7 280	30 449
Gains (-)/ losses (+) on disposal of non-current assets	0	0	-341
Share based payment	-467	174	484
Pension costs with no cash effect	0	0	559
Change in inventory / biomass	38 776	2 124	-85 255
Change in debtors and creditors	-99 618	25 833	12 665
Change in other current assets and other liabilities	1 457	3 857	18 193
Net cash flow from operating activities	-7 219	49 663	-2 829
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	0	0	3 050
Payments for purchase of property, plant and equipment	-17 017	-5 819	-34 747
Proceeds from investments in non-current financial assets	0	0	50
Payments for investments in non-current financial assets	-500	0	-4 416
Change in loans to associates and others	300	-1 200	-907
Net cash flow from investing activities	-17 217	-7 019	-36 970
Cash flow from financing activities			
Receipts from new long-term debt	19 581	4 694	48 231
Long-term debt repayments	-9 348	-6 298	-29 331
Net change in overdraft	39 832	-74 204	19 090
Net payments from share issue	0	30 409	30 499
Purchase and sale of treasury shares	-2 819	11 740	11 740
Interest paid	-10 551	-8 918	-36 781
Net cash flow from financing activities	36 695	-42 577	43 448
Net increase (+)/ decrease (-) in cash & cash equivalents	12 258	67	3 649
Cash and cash equivalents - opening balance	9 854	6 205	6 205
Cash and cash equivalents - closing balance	22 111	6 272	9 854

Statement of Equity

31.03.2013	Equity allocated to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
(NOK '000)							
Equity at 01.01.2013	43 573	0	82 029	440 680	566 282	40 984	607 266
Total comprehensive income	0	0	0	55 996	55 996	4 511	60 507
Transactions with shareholders							
Share based payment	0	0	0	-467	-467	0	-467
Purchase/sale of treasury shares	0	-56	0	-2 762	-2 818	0	-2 818
Total transactions with shareholders	0	-56	0	-3 229	-3 284	0	-3 284
Equity at 31.03.2013	43 573	-56	82 029	493 450	618 995	45 496	664 490

31.03.2012	Equity allocated to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
(NOK '000)							
Equity at 01.01.2012	39 611	-1 467	54 936	397 495	490 575	37 229	527 805
Comprehensive income	0	0	0	8 886	8 886	793	9 679
Transactions with shareholders							
Share issue	3 961	0	27 728	0	31 689	0	31 689
Net share issue transaction costs	0	0	-681	-240	-922	0	-922
Share based payment	0	0	0	174	174	0	174
Purchase/sale of treasury shares	0	1 467	0	10 273	11 740	0	11 740
Other changes in associates	0	0	0	-2 746	-2 746	0	-2 746
Total transactions with shareholders	3 961	1 467	27 046	7 461	39 935	0	39 934
Equity at 31.03.2012	43 572	0	81 982	413 841	539 396	38 024	577 419

Quarterly historical information

QUARTERLY HISTORICAL INFORMATION (NOK thousand, NOK per kg)	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Volumes harvested (ktonnes, HOG)										
Region North	4 473	4 397	2 408	2 995	4 145	5 324	3 746	2 766	1 035	794
Region South	932	2 940	1 835	2 045	398	2 767	2 558	585	0	1 352
Total	5 405	7 337	4 243	5 039	4 543	8 091	6 304	3 351	1 035	2 146
Operational EBIT										
Region North	44 097	9 039	2 719	9 297	14 140	2 749	10 582	34 898	14 593	9 862
Region South	5 923	4 184	3 461	4 150	559	-551	1 371	1 103	9	19 395
Total	50 020	13 223	6 180	13 447	14 699	2 198	11 953	36 001	14 602	29 257
Operational EBIT per kg										
Region North	9,86	2,06	1,13	3,10	3,41	0,52	2,82	12,62	14,10	12,42
Region South	6,36	1,42	1,89	2,03	1,40	-0,20	0,54	1,89	0,00	14,35
Total	9,26	1,80	1,46	2,67	3,24	0,27	1,90	10,74	14,11	7,65
Volumes sold (ktonnes)	13 574	18 115	13 498	13 243	12 817	15 797	13 862	11 244	9 525	13 221
NRS GROUP										
Operational EBITDA	52 633	16 568	9 898	16 644	17 675	3 875	16 175	37 699	15 551	29 768
Operational EBIT	44 781	8 484	2 186	9 271	10 395	-3 559	9 143	31 648	10 025	25 839
Net interest bearing debt	603 883	566 075	542 281	477 659	455 859	531 734	543 565	480 674	418 186	425 992
Equity ratio	38,1 %	36,3 %	37,5 %	40,4 %	41,1 %	36,3 %	34,4 %	36,3 %	42,3 %	39,6 %

Accumulated historical information

HISTORICAL INFORMATION (NOK thousand, NOK per kg)	FY 2012	FY 2011	FY 2010
Volumes harvested (ktonnes, HOG)			
Region North	13 944	12 871	6 001
Region South	7 218	5 910	4 677
Total	21 162	18 781	10 678
Operational EBIT			
Region North	35 195	62 822	86 623
Region South	12 354	1 934	63 677
Total	47 548	64 756	150 300
Operational EBIT per kg			
Region North	2,52	4,88	14,43
Region South	1,71	0,33	13,61
Total	2,25	3,45	14,08
Volumes sold (ktonnes)	57 673	50 428	49 584
NRS GROUP			
Operational EBITDA	60 785	73 300	154 196
Operational EBIT	30 336	47 257	137 259
Net interest bearing debt	566 075	531 734	425 992
Equity ratio	36,3 %	36,3 %	39,6 %

Financing



Long term debt

(NOK '000)	31.03.2013
Long-term debt to financial institutions	241 066
Long-term finance lease	95 913
Other long-term interest bearing debt	2 013
Total long-term interest bearing debt	338 992



Short term debt

(NOK '000)	31.03.2013
Short-term debt to financial institutions	252 024
First year's instalment long-term debt	34 978
Total short-term interest bearing debt	287 002
Cash and cash equivalents	22 112
Net interest bearing debt	603 883

Total NIBD to bank	504 961
Total bank facility	609 687