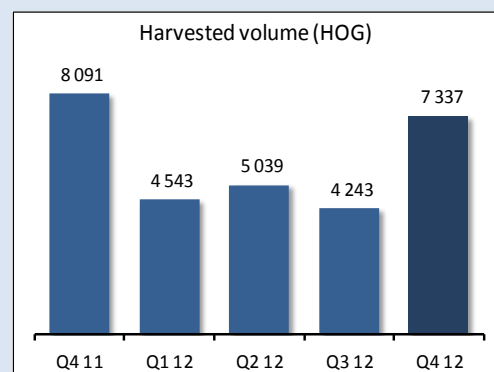
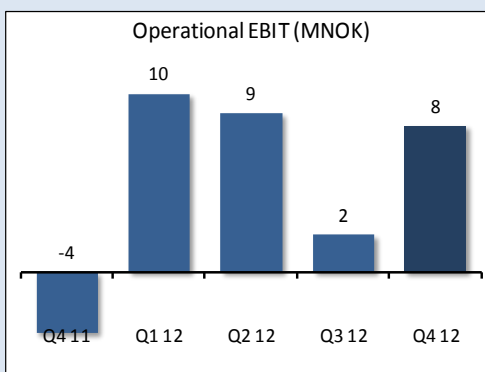
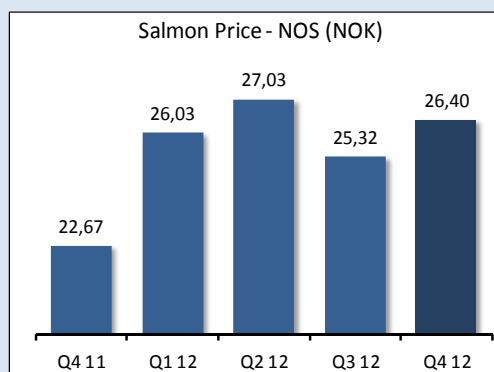


Interim Report



Q4-12



HIGHLIGHTS Q4 2012

- Significant improvement of the salmon market conditions.
 - Record high volume and increasing prices during the quarter
 - Decreasing supply growth expected going forward. Contract prices for salmon for 2013 and 2014 are higher than NOK 30 per kg.
- Estimated harvest volume of 30 000 tons in 2013, an increase of 42 %.
 - Good growth in the quarter and normal sea temperatures at the beginning of 2013.
 - Achieved full utilization of the MAB for the group during the quarter.
 - No significant increase in working capital tied up in biomass going forward
 - Good biological status in general.
- 45 new licenses to be allocated in 2013.
 - Corresponds to a potential production growth of 5 per cent in Norway
 - Once again; Troms and Finnmark prioritised as the most important growth region.
- Operational EBIT of NOK 8.5 million.
 - Operational EBIT per kg NOK 1.80
 - Lower production cost than in Q3 2012.
 - Challenging quarter for the Sales operations with low margins, but with a volume increase of 16 per cent compared with the fourth quarter 2011.

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q4 2012	Q4 2011	FY 2012	FY 2011
Operating revenues	543 003	440 463	1 744 266	1 734 022
Operational EBITDA	16 568	3 875	60 785	73 300
Operational EBIT	8 484	-3 559	30 336	47 257
EBIT	6 774	13 043	69 844	-25 870
Income from associates	2 973	-3 295	10 464	-1 689
EBT	-1 945	17 611	40 748	-17 166
EPS (NOK) – before fair value adjustments	-0,01	0,04	-0,12	1,25
ROACE ¹⁾			2,1 %	5,1 %
Net cash flow from operating activities	-6 558	13 107	-2 828	-25 781
Investments in tangible fixed assets and intangible assets	8 295	17 444	34 747	94 403
Net interest-bearing debt			566 075	531 734
Equity ratio			36,3 %	36,3 %
Volume harvested (HOG)	7 337	8 091	21 162	18 781
Operational result per kg ²⁾	1,80	0,27	2,25	3,45
Volume sold	18 115	15 797	57 673	50 428

1)ROACE: Return on average capital employed based on 12-months rolling EBIT aligned for fair value adjustments / average (NIBD + Equity - Financial assets)

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



FINANCIAL PERFORMANCE

Revenues and performance

The Group's consolidated operating revenues in the fourth quarter totalled NOK 543.0 million, compared with NOK 440.5 million in the same quarter in 2011, an increase of 23 per cent. The Group posted an operational EBIT of NOK 8.5 million in the fourth quarter, compared with a loss of NOK 3.6 million in the corresponding period last year, which equals an increase of NOK 12.1 million. The increase in revenues is mainly due to an increase in sold volume compared with the corresponding period last year. The increase in operational EBIT is mainly due to higher achieved sales prices compared with the corresponding period last year. The group recognised fair value adjustments of NOK -1.7 million in the fourth quarter compared with NOK 16.6 million in the same quarter last year, a decrease of NOK 18.3 million.

The farming business harvested a total of 7,337 tons gutted weight in the fourth quarter, a reduction of 9 per cent compared with the 8,091 tons harvested in the fourth quarter last year. The farming business including allocated margins from sales achieved an operational EBIT per kg of NOK 1.80, compared with NOK 0.27 the previous year. The sales business sold 18,115 tons in the period, compared with 15,797 tons in the same quarter previous year, an increase of 15 per cent.

Financial items and share of profit of associates

Income from associates was a profit of NOK 3.0 million in the fourth quarter, compared with a loss of NOK 3.3 million in the corresponding period last year. NRS's share of fair value adjustments of the biomass after tax in the quarter was NOK 1.4 million compared with NOK 0.1 million the same quarter last year. Associated farming companies harvested a total of 1,645 tons in the fourth quarter, 23 tons less than in the corresponding quarter last year. NRS's share of the above figure amounts to 605 tons, a decrease of 12 tons against the fourth quarter of 2011.

At NOK 9.9 million, net interest expenses for the period were up NOK 1.0 million on the prior-year figure of NOK 8.9 million. The increase in other financial items was due to changes in unrealised currency forward contracts.

Balance sheet

At the end of the fourth quarter of 2012 the Group had total assets of NOK 1,675.5 million, compared with NOK 1,614.4 million at the end of the previous quarter, an increase of NOK 61.2 million. The change in total assets is mainly attributable to the Group's receivables increasing by NOK 55.2 million during the period. Fair value adjustments of the biomass decreased during the quarter by NOK 1.3 million, while inventories and biomass at cost rose by an aggregate NOK 6.8. The net increase in inventories and biological assets compared with the previous quarter was NOK 5.5 million.

At the end of the reporting period the Group's net interest-bearing debt totalled NOK 566.1 million, compared with NOK 542.3 million at the end of the previous period, an increase of NOK 23.8 million. The increase is mainly due to the increase in receivables described above, while an increase in the accounts payables of NOK 40.7 million has the opposite effect. At the end of the fourth quarter the group's net interest-bearing debt to the Group's bank was NOK 457 million of a total credit facility of NOK 613 million.

TRONDHEIM

Olav Trygvassons gt. 40 Tel: +47 7392 4300
PO Box NO-2608 Sentrum Fax: +47 7392 4301
7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
PO Box 110 Fax: +47 3812 2679
4662 Kristiansand



At the end of the fourth quarter the Group's equity totalled NOK 607.8 million, an increase of NOK 2.2 million from the end of the previous quarter. The increase is attributable to the total comprehensive income of NOK 1.6 million in the period. At the end of the fourth quarter the Group had an equity ratio of 36.3 per cent.

At the end of 2012, the Group has NOK 385 million in tax losses carried forward compared with NOK 287 million at the end of last year.

Statement of cash flow

The Group's operating activities generated a cash outflow of NOK 6.6 million during the quarter, which represents a decrease of NOK 19.7 million compared with the corresponding prior-year quarter. The decrease is primarily attributable to seasonal increases in accounts receivables of NOK 89.2 million and in inventories of NOK 6.8 million. An increase in accounts payables of NOK 40.7 million and a net decrease in other receivables and liabilities of NOK 30.5 million has reduced the negative cash flow.

Net cash outflow in connection with investing activities in the fourth quarter amounted to NOK 6.9 million, compared with an inflow of NOK 7.7 million in the fourth quarter of 2011, and primarily relates to cash outflows of NOK 8.3 million from investments in operating assets.

Net cash inflows from financing activities totalled NOK 10.0 million in the fourth quarter, compared with net cash outflow of NOK 17.2 million in the same quarter in 2011. Leasing liabilities increased by NOK 3.9 million and the bank overdraft facility increased by NOK 25.2 million, while paid interests and instalments amounts to NOK 9.2 million and NOK 9.3 million respectively.

SEGMENT INFORMATION

The business is divided into two segments; Region North and Region South. Both segments include farming operations and sales operations. The Farming operations include salmon farming and harvesting activities. The Sales operations include the trading of salmon.

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

The contribution from the sales operations is allocated to Region North and Region South based on the volume harvested in these segments.

The business posted sales revenues of NOK 542.8 million in the fourth quarter of 2012, compared with NOK 439.9 million in the same quarter the previous year, which corresponds to an increase of 23 per cent. The average NOS price for superior quality during the quarter was NOK 26.40 per kg gutted weight, an increase of 4 per cent from the third quarter of 2012 and an increase of 16 per cent compared with the fourth quarter of 2011.

The sales operations experienced an increase in sales volumes of 15 per cent compared with the corresponding period last year. A total of 18,115 tons were sold in the fourth quarter, compared with 15,797 tons in the same period last year. The fourth quarter was challenging for the Sales operations which achieved an operational EBIT of NOK 2.6 million compared with NOK 8.8 million in the fourth quarter of 2011. This resulted in NOK 0.14 operational EBIT per kg sold in the fourth quarter, compared with NOK 0.56 in the corresponding prior-year period.

TRONDHEIM

Olav Trygvassons gt. 40 Tel: +47 7392 4300
PO Box NO-2608 Sentrum Fax: +47 7392 4301
7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
PO Box 110 Fax: +47 3812 2679
4662 Kristiansand



INTERIM REPORT

Q4 2012

The farming operations harvested 7,337 tons in the fourth quarter, compared with 8,091 tons in the same quarter the previous year, a reduction of 9 per cent. The harvest volume in 2012 was 21,162 tons and estimated harvest volume is 30,000 tons for 2013. A total of 7.5 million smolts were released in 2012, and a total of 7.8 million smolts are planned released in 2013.

Region North

Operational EBIT was NOK 9.0 million, an increase of NOK 6.3 million compared with the NOK 2.7 million in the fourth quarter of 2011. Operational EBIT per kg was NOK 2.06, compared with NOK 0.52 in the fourth quarter of 2011.

4,397 tons were harvested in the region in the fourth quarter, compared with 5,324 tons in the same quarter the previous year, a decrease of 17,4 per cent. The farming operations achieved an average price which was NOK 3.12 per kg higher than in the corresponding period last year. Fixed-price contracts represent 27 per cent of sold volume in the quarter. Realised price on the fixed-price contracts was lower than the market price and reduced the operational EBIT per kg with NOK 0.18 in the quarter. The production cost for harvested fish for Region North is higher compared with the corresponding prior-year period, but lower than in the third quarter of 2012. The smolts put in the sea in 2012 have performed well so far, with a higher degree of survival than normal in the region. The biological status in the region is good.

There will be a large increase of the harvest volume in 2013 due to the full utilisation of the MAB during 2012. The harvest volume in 2013 is estimated at 23,400 tons. A total of 5.3 million smolts were released in 2012, and a total of 5.5 million smolts are planned released in 2013.

KEY FIGURES (NOK '000)	Q4 2012	Q4 2011	FY 2012	FY 2011
Operating revenues	325 354	285 522	1 150 766	1 332 879
Operational EBITDA	14 501	7 605	55 444	79 892
Operational EBIT	9 039	2 749	35 195	62 822
Investment in tangible and intangible assets	9 428	6 671	23 465	65 350
Volume harvested (tons)	4 397	5 324	13 944	12 871
Operational EBIT per kg	2,06	0,52	2,52	4,88
- of which sales	0,35	1,09	0,98	1,30

Region South

Operational EBIT was NOK 4.2 million, an increase of NOK 4.8 million compared with the NOK -0.6 million in the fourth quarter of 2011. Operational EBIT per kg was NOK 1.42, compared with NOK -0.20 in the fourth quarter of 2011.

2,940 tons were harvested in the region in the fourth quarter, compared with 2,767 tons in the same quarter the previous year, an increase of 6.3 per cent. The farming operations achieved an average price which was NOK 2.90 per kg higher than in the corresponding period last year. Fixed-price contracts represent 8 per cent of sold volume in the quarter. The production cost for harvested fish is slightly higher compared with the corresponding prior-year period and compared with the third quarter of 2012. Region South has shown normal growth in the quarter. The smolts put in the sea during the autumn of 2012 have performed well.



INTERIM REPORT

Q4 2012

The harvest volume in 2013 is estimated at 6,600 tons. A total of 2.2 million smolts were released in 2012, and a total of 2.3 million smolts are planned released in 2013.

KEY FIGURES (NOK '000)	Q4 2012	Q4 2011	FY 2012	FY 2011
Operating revenues	217 455	154 401	592 501	400 603
Operational EBITDA	6 806	2 027	22 553	10 907
Operational EBIT	4 184	-551	12 353	1 934
Investment in tangible and intangible assets	239	10 376	2 552	29 053
Volume harvested (tons)	2 940	2 767	7 218	5 910
Operational EBIT per kg	1,42	-0,20	1,71	0,33
- of which sales	0,35	1,09	1,07	1,17

SHARES

As of 31 December 2012 Norway Royal Salmon ASA had 43,572,191 shares, allocated among 649 shareholders, a decrease of 8 from the end of the previous quarter. At the end of the quarter the group had no treasury shares. The share price increased from NOK 13.00 at the end of September 2012 to NOK 15.30 at the end of December 2012. 2,239,016 shares were traded in the quarter.

EVENTS IN THE QUARTER

Granted removal of regional production zones

Region South operates fish farming in both Hordaland and Rogaland county. Previously, Region South had separate MAB limits for each county. In the fourth quarter Region South has been given one MAB zone for the entire operation. The exemption from the requirement of having zone based on county provides a better basis for more efficient operations in Region South.

Absenteeism

The group had a sickness absence rate of 5.0 per cent in the period, which is nearly the same as in the previous quarter. The long-term absenteeism represents most of the absence. No personal injury has been reported during the period.

Improved bank covenants

NRS has received a waiver from the requirement that net interest bearing debt shall not exceed 6.5 times a four-quarter rolling EBITDA. The waiver is applicable for the first half of 2013. The requirement of 6.5 is applicable from the third quarter of 2013.

TRONDHEIM

Olav Trygvassons gt. 40 Tel: +47 7392 4300
PO Box NO-2608 Sentrum Fax: +47 7392 4301
7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
PO Box 110 Fax: +47 3812 2679
4662 Kristiansand



MARKET CONDITIONS

The total value of export of salmon from Norway in the fourth quarter was NOK 8.4 billion, an increase of NOK 930 million compared with the fourth quarter of 2011. The increase is due to growth in volume and in prices compared with the same period last year. The average price for superior quality during the quarter was NOK 26.40 (delivered Oslo) per kg. In the same period last year the price was NOK 22.70 per kg. The growth in volume in the fourth quarter was 6.9 per cent year/year. In addition the growth in Chile is substantial, resulting in the global consumption growth of salmon being estimated to have been around 12 per cent in the fourth quarter of 2012.

Consumption of salmon in the European market had a positive development, and in the 27 EU countries the import of Norwegian salmon increased by 9 per cent in the quarter. This is a more moderate growth than earlier in the year, but still over the total volume growth. Within the 27 EU countries there are some changes from the third quarter. While UK and Poland experienced a strong growth, France and Germany and the PIIGS-countries experienced a growth in line with the market growth. Sweden was one of the countries which fell back with a negative growth of 5 per cent. Poland increased significantly in the quarter with a growth of 28 per cent compared with the same period last year and the UK had a growth of 32 per cent. The substantial growth made Poland the second largest importer of Norwegian salmon in the fourth quarter, after France and before Russia.

Eastern Europe, led by Russia, had a high consumption growth of Norwegian salmon in 2012, with a growth rate of 26 per cent. The growth has slowed down throughout the year and in the fourth quarter the growth was negative with 2 per cent. Higher prices and more frozen salmon from Chile might be the reason for the decline. The share of Norwegian export to Russia fell from 14 per cent in the fourth quarter of 2011 to 13 per cent in this quarter. Ukraine on the other hand experienced a substantial growth of 34 per cent in the quarter and seems to really enjoy the taste of Norwegian salmon.

Despite lower growth in the quarter, Russia is still one of the largest consumer of Norwegian salmon and it is important that trade is done without significant barriers to trade. The Norwegian salmon industry is working hard to satisfy all demands from Russia so the positive development towards Russia can continue.

In addition to the good growth in markets in Eastern Europe and the EU, the demand from Asia and the Middle East has also been good. Japan is one of the countries with a high import growth of 28 per cent in 2012. The fourth quarter was calmer with a growth of 8.5 per cent which is higher than the market growth. The problems with export to China continued during the fourth quarter, the volumes to Vietnam, China and Hong Kong were on the same level as in the fourth quarter last year. The volume directly to China increased in the fourth quarter.

For NRS the fourth third quarter was demanding with regards to export margins. The expectations for the price development in the market were higher than the real price development because the volumes were higher than estimated. At the same time NRS Sales had a volume growth of 15 per cent which was twice as high as the market growth of 7 per cent. In total this gave lower margins than NRS normally achieve. The start of 2013 has been normal. NRS experienced a significant growth in the fourth quarter in Eastern Europe and Asia of 31 per cent and 26 per cent year/year. Western Europe is still just below 50 per cent of the volume and had a growth of 5 per cent in the fourth quarter of 2012.

TRONDHEIM

Olav Trygvassons gt. 40 Tel: +47 7392 4300
PO Box NO-2608 Sentrum Fax: +47 7392 4301
7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
PO Box 110 Fax: +47 3812 2679
4662 Kristiansand



OUTLOOK

The farming operations are still experiencing strong growth and estimate a growth from a total harvest of 21,162 tons in 2012 to 30,000 tons in 2013. Total smolts estimated to be released have increased from 7.5 million in 2012 to 7.8 million in 2013. The expectation of higher sales prices in the first quarter of 2013 than in the fourth quarter of 2012 led to delayed harvesting. Hence, the harvested volume in 2012 was 300 tons lower than estimated in the previous interim report, while the estimated harvest volume for 2013 have increased by 1,000 tons. The good growth experienced in the quarter has continued in 2013 and the sea temperatures at the beginning of 2013 have been at a normal level at the group's sites.

At the last part of the fourth quarter Norway Royal Salmon reached a near full utilisation of MAB for the group. Thus, no significant increase in working capital tied up in biomass is expected going forward.

The farming operations have hedged approximately 20 per cent of the volume for the first half of 2013 and approximately 13 % of the volume of 2013.

The market situation ahead is seen as positive due to the strong demand for salmon in most markets. At the same time a decrease in the supply growth of salmon is expected in the future. The production growth from Norway will be limited, if any at all, while it is still expected growth from Chile. Good demand and lower supply growth is expected to give higher prices in 2013 than in 2012. An important assumption for the positive market view is that export will develop normally without any major barriers to trade.

Trondheim, 18 February 2013

Helge Gåsø
Chair

Kristine Landmark
Vice Chair

Eva von Hirsch

Inge Kristoffersen

Endre Glastad

Åse Valen Olsen

John Binde
CEO

TRONDHEIM

Olav Trygvasons gt. 40 Tel: +47 7392 4300
PO Box NO-2608 Sentrum Fax: +47 7392 4301
7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
PO Box 110 Fax: +47 3812 2679
4662 Kristiansand



INTERIM REPORT

Q4 2012

INTERIM REPORT INCOME STATEMENT

(NOK '000)	Q4 2012	Q4 2011	FY 2012	FY 2011
Operating revenues	543 003	440 463	1 744 266	1 734 022
Cost of goods sold	484 823	400 876	1 540 290	1 549 263
Salaries	19 840	18 528	71 764	60 595
Depreciation	8 084	7 434	30 449	26 043
Other operating costs	21 773	17 184	71 428	50 865
Operational EBIT	8 484	-3 559	30 336	47 257
Non-recurring items	0	0	-9 919	-2 500
Fair value adjustments	-1 710	16 602	49 428	-70 627
EBIT	6 774	13 043	69 844	-25 870
Gain on realisation of financial assets	0	17 704	0	41 430
Income from associates	2 973	-3 295	10 464	-1 689
Other net financial items	-11 692	-9 840	-39 560	-31 038
EBT	-1 945	17 611	40 748	-17 166
Tax	931	-582	-9 130	15 548
Net profit/loss	-1 014	17 029	31 618	-1 618
Profit attributable to:				
Parent company shareholders	-1 355	16 656	28 191	2 140
Minority interests	341	373	3 428	-3 759
Earnings per share (NOK)	-0,03	0,46	0,66	0,06
Earnings per share - diluted	-0,03	0,46	0,66	0,06

EXTENDED INCOME STATEMENT

(NOK '000)	Q4 2012	Q4 2011	FY 2011	FY 2011
Net profit/loss	-1 014	17 029	31 618	-1 618
Financial assets available for sale (net)	1 985	0	1 985	-23 132
Cash Flow hedges (net)	588	0	588	0
Total comprehensive income	1 558	17 029	34 191	-24 750
Total comprehensive income attributable to:				
Parent company shareholders	1 217	16 656	30 763	-20 992
Minority interests	341	373	3 428	-3 759



INTERIM REPORT

Q4 2012

BALANCE SHEET

(NOK '000)	31.12.2012	30.09.2012	31.12.2011
Intangible assets	502 887	502 887	502 887
Property, plant and equipment	178 899	181 077	177 311
Non-current financial assets	118 867	112 334	103 238
Non-current assets	800 654	796 298	783 436
Inventory and biological assets	546 556	541 043	406 730
Receivables	318 463	263 246	270 922
Bank deposits, cash	9 854	13 769	6 205
Current assets	874 873	818 059	683 857
TOTAL ASSETS	1 675 526	1 614 356	1 467 292
Share capital	43 573	43 573	38 144
Other equity	523 213	521 677	457 289
Non-controlling interests	40 984	40 316	37 229
Equity	607 769	605 566	532 662
Pensions	9 040	8 480	8 480
Deferred tax	161 981	163 448	153 784
Provisions	171 021	171 928	162 265
Long-term interest-bearing debt	328 292	337 415	320 884
Short-term interest-bearing debt	247 637	218 634	217 054
Trade payables	292 655	251 924	219 868
Tax payable	780	0	0
Other current liabilities	27 371	28 889	14 558
Current liabilities	568 444	499 446	451 480
TOTAL EQUITY AND LIABILITIES	1 675 526	1 614 356	1 467 292

TRONDHEIM

Olav Trygvasons gt. 40 Tel: +47 7392 4300
 PO Box NO-2608 Sentrum Fax: +47 7392 4301
 7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
 PO Box 110 Fax: +47 3812 2679
 4662 Kristiansand



INTERIM REPORT

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STATEMENT OF EQUITY

31.12.2012	Equity allocated to parent company shareholders				Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings			
(NOK '000)							
Equity at 01.01.2012	39 611	-1 467	54 936	402 352	495 433	37 229	532 662
Total comprehensive income	0	0	0	30 763	30 763	3 427	34 190
Transactions with shareholders							
Share issue	3 961	0	27 728	0	31 689	0	31 689
Net share issue transaction costs	0	0	-635	-223	-858	0	-858
Share based payment	0	0	0	484	484	0	484
Change in non-controlling interests	0	0	0	-327	-327	327	0
Purchase/sale of treasury shares	0	1 467	0	10 273	11 740	0	11 740
Other changes in associates	0	0	0	-2 141	-2 141	0	-2 141
Total transactions with shareholders	3 961	1 467	27 093	8 066	40 587	327	40 915
Equity at 31.12.2012	43 573	0	82 029	441 181	566 784	40 984	607 769

31.12.2011	Equity allocated to parent company shareholders				Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings			
(NOK '000)							
Equity at 01.01.2011	37 229	-9	15 526	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 based payment	0	0	0	616	616	0	616
Dividend	0	0	0	-34 713	-34 713	-875	-35 588
Purchase/sale of treasury shares	0	-1 458	0	-27 747	-29 206	0	-29 206
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

TRONDHEIM

Olav Trygvassons gt. 40 Tel: +47 7392 4300
 PO Box NO-2608 Sentrum Fax: +47 7392 4301
 7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
 PO Box 110 Fax: +47 3812 2679
 4662 Kristiansand



INTERIM REPORT

Q4 2012

STATEMENT OF CASH FLOW

(NOK '000)	Q4 2012	Q4 2011	FY 2012	FY 2011
Operational EBIT	8 484	-3 559	20 416	44 757
Adjusted for:				
Tax paid	0	-3 031	0	-3 031
Depreciation/amortisation	8 084	7 434	30 449	26 043
Gains (-)/ losses (+) on disposal of non-current assets	-20	-25	-341	-1 845
Share based payment	104	158	484	616
Pension costs with no cash effect	559	761	559	761
Change in inventory / biomass	-6 781	34 501	-85 255	-75 378
Change in debtors and creditors	-47 990	-26 230	12 665	-8 459
Change in other current assets and other liabilities	31 002	3 098	18 194	-9 245
Net cash flow from operating activities	-6 558	13 107	-2 828	-25 781
Cash flow from investing activities				
Proceeds from sale of property, plant and equipment	2 408	59	3 050	2 213
Payments for purchase of property, plant and equipment and intangible assets	-8 295	-17 444	-34 747	-94 403
Payments in connection with other transactions	0	0	0	-300
Proceeds from investments in non-current financial assets	0	24 081	50	37 799
Payments for investments in non-current financial assets	-1 013	0	-4 416	-1 903
Change in loans to associates and others	-7	992	-907	-8
Net cash flow from investing activities	-6 907	7 688	-36 970	-56 602
Cash flow from financing activities				
Receipts from new long-term debt	3 947	13 370	48 231	67 392
Long-term debt repayments	-9 238	-5 783	-29 331	-20 859
Net change in overdraft	25 170	-15 808	19 090	60 664
Net payments from share issue	0	0	30 499	40 112
Purchase and sale of treasury shares	0	0	11 740	143
Interest paid	-9 281	-8 962	-36 781	-28 025
Dividend payment	0	2	0	-35 586
Net cash flow from financing activities	10 598	-17 181	43 448	83 841
Net increase (+)/ decrease (-) in cash & cash equivalents	-2 866	3 614	3 649	1 458
Cash and cash equivalents - opening balance	12 721	2 592	6 205	4 748
Cash and cash equivalents - closing balance	9 854	6 205	9 854	6 205

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting principles

These abridged, 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 2011 financial year.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2011, with the exception of standards and interpretations referred to in note 2 of the annual financial report for 2011. None of these standards or interpretations have affected the consolidated financial statements for 2012.

TRONDHEIM

Olav Trygvassons gt. 40 Tel: +47 7392 4300
PO Box NO-2608 Sentrum Fax: +47 7392 4301
7414 Trondheim

KRISTIANSAND

Gravane 8 Tel: +47 3812 2666
PO Box 110 Fax: +47 3812 2679
4662 Kristiansand



INTERIM REPORT

Q4 2012

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: Segment information

The Group's operating segments are divided into two geographical segments; Region North and Region South. The business operations includes salmon farming and harvesting activities as well as the buying and selling of salmon. As of the second quarter of 2012 the reporting of segment information has changed. The contribution from the sales operations is allocated to Region North and Region South based on the volume harvested in these regions. Historical figures have been recalculated to be comparable.

(NOK '000)	Region North		Region South		Eliminations/other		Total	
	Q4 2012	Q4 2011	Q4 2012	Q4 2011	Q4 2012	Q4 2011	Q4 2012	Q4 2011
Total sales revenues	325 354	285 522	217 455	154 401	195	540	543 003	440 463
Internal sales revenues	0	0	0	0	0	0	0	0
External sales revenues	325 354	285 522	217 455	154 401	195	540	543 003	440 463
Operating profit before fair value adjustments and non-recurring items	9 039	2 749	4 184	-551	-4 739	-5 757	8 484	-3 559
Non-recurring items	0	0	0	0	0	0	0	0
Fair value adjustments	1 368	10 107	-3 078	6 495	0	0	-1 710	16 602
EBIT	10 407	12 856	1 106	5 944	-4 739	-5 757	6 774	13 043
EBT	4 810	8 712	-1 554	3 981	-5 202	4 918	-1 945	17 611
Volume harvested (HOG)	4 397	5 324	2 940	2 767			7 337	8 091
EBIT per kg (before fair value adj. biomass)	2,06	0,52	1,42	-0,20			1,80	0,27
-of which sales	0,35	1,09	0,35	1,09			0,35	1,09
Volume sold							18 115	15 797

(NOK '000)	Region North		Region South		Eliminations/other		Total	
	YTD 2012	YTD 2011	YTD 2012	YTD 2011	YTD 2012	YTD 2011	YTD 2012	YTD 2011
Total sales revenues	1 150 766	1 332 879	592 501	400 603	999	541	1 744 266	1 734 022
Internal sales revenues	0	0	0	0	0	0	0	0
External sales revenues	1 150 766	1 332 879	592 501	400 603	999	541	1 744 266	1 734 022
Operating profit before fair value adjustments and non-recurring items	35 195	62 822	12 353	1 934	-17 212	-17 499	30 336	47 257
Non-recurring items	-1 549	0	-8 370	0	0	-2 500	-9 919	-2 500
Fair value adjustments	44 332	-57 132	5 095	-13 493	0	0	49 428	-70 626
EBIT	77 978	5 690	9 079	-11 559	-17 212	-20 000	20 416	44 757
EBT	58 609	-10 335	-3 223	-19 338	-14 638	12 507	40 748	-17 166
Volume harvested (HOG)	13 944	12 871	7 218	5 910			21 162	18 781
EBIT per kg (before fair value adj. biomass)	2,52	4,88	1,71	0,33			2,25	3,45
of which sales	0,98	1,30	1,07	1,17			1,01	1,26
Volume sold							57 673	50 428



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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 expected profits is recognised. Harvestable fish (above 4 kg) is valued at the expected profits. An expected fair value below the expected cost would imply a negative value adjustment of biological assets. Market prices based on externally quoted forward prices, and / or the most relevant pricing information available for the period when the fish are expected to be harvested are used when calculating the fair value.

Book value of inventory:

(NOK '000)	31.12.2012	30.09.2012	31.12.2011
Raw materials	15 056	15 273	12 381
Biological assets (biomass)	525 739	520 030	387 880
Finished goods	5 760	5 741	6 470
Total inventory	546 556	541 043	406 730

Specification of the biomass:

(NOK '000)	31.12.2012	30.09.2012	31.12.2011
Biomass at cost	466 010	459 032	382 721
Fair value adjustments of the biomass	59 729	60 998	5 159
Book value of the biomass	525 739	520 030	387 880

NOTE 4: Fair value adjustments

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

(NOK '000)	Q4 2012	Q4 2011	FY 2012	FY 2011
Change in fair value adjustments of the biomass	-1 269	12 183	54 570	-69 841
Change in provision for onerous sales contracts	998	0	0	0
Change in provision for onerous purchase contracts	-691	3 429	-1 095	0
Change in unrealised gains/losses on financial fish pool contracts	-748	990	-4 048	-786
Total fair value adjustments	-1 710	16 602	49 428	-70 627

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

(NOK '000)	31.12.2012	30.09.2012	31.12.2011
Fair value adjustments biomass (inventory and biological assets)	59 729	60 998	5 159
Provision for onerous sales contracts (other current liabilities)	0	-998	0
Provision for onerous purchase contracts (other current liabilities)	-1 095	-404	0
Fair value of financial fish pool contracts (other receivables/other current liabilities)	-3 318	-2 570	730
Net fair value adjustments in the balance sheet	55 316	57 026	5 889

NOTE 5: Non-recurring items

(NOK '000)	Q4 2012	Q4 2011	FY 2012	FY 2011
Extraordinary mortality	0	0	9 919	0
Costs of stock exchange listing	0	0	0	2 500
Total	0	0	9 919	2 500

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NOTES TO THE FINANCIAL STATEMENTS

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 4 936 were purchased from enterprises controlled by the company's Chair Helge Gåsø so far in 2012. These services were priced at the market rate. Services for TNOK 283 were purchased in Q4 2012.

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.

280,000 of the options expired the first quarter of 2012. After this the scheme covers a total of 560,000 shares allocated to the Group's management. To date in 2012 costs relating to the option scheme have been recognised in the income statement in the amount of NOK 484,000.

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 01.01.2012	Share of profit/loss in the period after tax	Other changes	Book value 31.12.2012	Share of volume harvested - tons HOG 31.12.2012 *
Company						
Wilsgård Fiskeoppdrett AS	37,50 %	36 117	3 789	0	39 906	1 418
Måsøval Fishfarm AS	36,10 %	15 872	1 850	-2 746	14 976	987
Hellesund Fiskeoppdrett AS	33,50 %	21 517	4 779	-50	26 246	209
Hardanger Fiskeforedling AS	31,10 %	4 417	925	0	5 342	
Espevær Laks AS	37,50 %	829	126	1 013	1 967	
Ranfjord Fiskeprodukter AS	37,75 %	17 288	-1 098	3 253	19 442	
Skardalen Settefisk AS**	30,00 %	0	94	540	634	
Other		48	0	0	48	
Total associates 31.12.2012		96 088	10 464	2 009	108 561	2 614
Total associates 30.12.2011		114 136	-1 689	-16 361	96 086	1 493

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

** Skardalen Settefisk AS is classified as an associated company from Q4 2012

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

Note 8 Interest rate swap

NRS entered into an interest rate swap in 2011 at the end of the third quarter. 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 30.09.2012	Market value 31.12.2012	Change in market value Q4 2012
NOK	100 000	Fixed 3,37%	3 M NIBOR	07.09.2016	-4 165	-4 258	-93

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: Loans to credit institutions

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

NOTE 10: Shareholders

Ownership structure – the 20 largest shareholders as at 31.12.2012:

Shareholder	No. of shares	Shareholding
Gåsø Næringsutvikling AS	6 259 724	14,37 %
Glastad Invest AS	5 317 861	12,20 %
Egil Kristoffersen og Sønner AS	4 234 059	9,72 %
Havbruksinvest AS	3 526 312	8,09 %
Måsøval Eiendom AS	3 488 022	8,01 %
Kverva AS	2 501 715	5,74 %
Lovundlaks AS	2 292 454	5,26 %
Nyhamn AS	2 013 371	4,62 %
Sparebanken Midt-Norge Invest AS	1 656 663	3,80 %
Hellesund Fiskeoppdrett AS	1 541 450	3,54 %
Henden Fiskeindustri AS	639 502	1,47 %
Colebros LLC	502 065	1,15 %
Atoli AS	500 752	1,15 %
Wilsgård Fiskeoppdrett AS	468 689	1,08 %
MP Pensjon PK	450 700	1,03 %
Gry Marit Eikremsvik	430 000	0,99 %
Alf Pedersen	267 503	0,61 %
Barbinvest AS	252 850	0,58 %
Kontrari AS	250 000	0,57 %
Måsøval Fishfarm AS	240 219	0,55 %
Total 20 largest shareholders	36 833 911	84,54 %
Total other shareholders	6 738 280	15,46 %
Total no. of shares	43 572 191	100,00 %

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