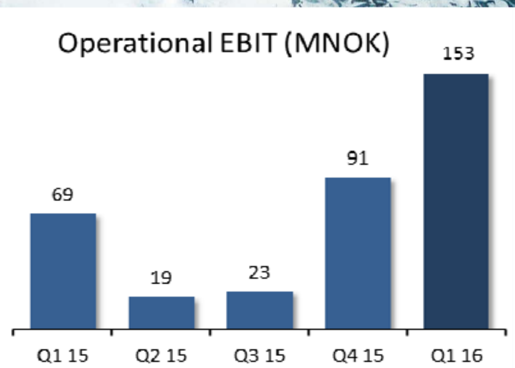
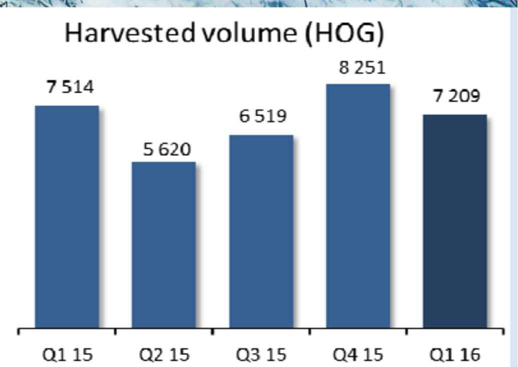
Interim Report

Q1-16





HIGHLIGHTS Q1 2016

- Operational EBIT of NOK 153 million, the highest in the history of NRS
  - Operational EBIT per kg of NOK 26.66 in Region North
  - Operational EBIT per kg of NOK 15.26 in Region South
  - Non-recurring item of NOK 11.2 million, due to the culling of fish on a smolt site with a high level of winter wounds
- Harvested volume decreased with 4 per cent and sold volume with 6 per cent compared with the corresponding period last year
- Record high result before tax and fair value adjustments of NOK 251 million
- Positive operational cash flow of NOK 203 million
  - Net interest bearing debt reduced to NOK 272 million
- Strong salmon market driven by good demand and low supply growth
  - High salmon price in the quarter
  - Expect low long-term global supply growth, which provide good price expectations
- Acquisition of minority shares in Nord Senja Laks AS for NOK 70
- Another 5 sites ASC-certified
- Applied for 15 development licenses together with Aker ASA

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q1 2016	Q1 2015	FY 2015
Operating revenues	938 783	760 067	3 210 548
Operational EBITDA	167 985	81 540	255 591
Operational EBIT	153 132	69 316	201 894
Income from associates	15 421	-6 991	22 754
EBIT	171 192	-62 363	249 065
EBT	253 291	-80 141	270 081
EPS (NOK) – before fair value adjustments	4,72	0,64	4,99
ROCE 1)	22,0 %	11,7 %	15,4 %
Net cash flow from operating activities	202 728	60 218	340 196
Investments in tangible fixed assets/licences	7 003	4 782	212 750
Net interest-bearing debt	271 514	586 614	498 541
Equity ratio	45,8 %	41,3 %	41,3 %
Volume harvested (HOG)	7 209	7 514	27 903
Operational EBIT per kg 2)	25,54	10,31	9,64
Volume sold - Sales	15 874	16 959	69 971

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 = 2015, unless otherwise specified)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 938.8 million (NOK 760.1 million) in the first quarter of 2016, an increase of 24 per cent from the corresponding prior-year period. The Group achieved the highest operational EBIT in the history of NRS of NOK 153.1 million (NOK 69.3 million), an increase of NOK 83.8 million. The increase in revenues and operational EBIT is due to higher prices. In connection with the destruction of fish with a high level of winter wounds at Nor Seafood AS, operational EBIT has been reduced with a non-recurring item of NOK 11.2 million. The non-recurring item has not been allocated to the segments. Due to the significant increase in the company's share price in the quarter, unallocated costs have increased by NOK 11.3 million in options costs. The Group recognised fair value adjustments of NOK 2.6 million (NOK -124.7 million), an increase of NOK 127.3 million.

The farming business harvested 7 209 tonnes (7 514 tonnes) gutted weight in the quarter, a decrease of 4 per cent from the corresponding quarter last year. Including allocated margins from sales, Farming achieved a record high operational EBIT per kg of NOK 25.54 (NOK 10.31). The increase is due to higher prices. The Sales business sold 15 874 tonnes (16 959 tonnes), a decrease of 6 per cent.

Financial items and share of profit from associates

Result from associates totalled NOK 15.4 million (NOK -7.0 million) in the first quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK -7.2 million (NOK –14.9 million). Associated farming companies harvested 2 311 tonnes, 983 tonnes less than last year. NRS share of the above figure amounts to 831 tonnes, a decrease of 351 tonnes.

A gain of NOK 87.3 million (loss NOK 10.6 million) on TRS agreements on own shares was posted in the quarter. Net interest expenses for the period were NOK 5.0 million (NOK 5.9 million), a decrease of NOK 0.9 million as a result of lower interest bearing debt in the period.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 2 980 million, an increase of NOK 110 million from the prior quarter end. The change in total assets is attributable to a number of factors. Bank deposits increased by NOK 214.5 million. Financial assets increased with NOK 15.4 million. Fixed assets had a net decrease of NOK 7.9 million. Fair value adjustments of the biomass increased by NOK 25.1 million, while inventories and biomass at cost decreased by NOK 74.4 million. The net decrease in inventories and biological assets was NOK 49.3 million. The Group's receivables increased by NOK 63.2 million.

The Group's net interest-bearing debt decreased by NOK 227.0 million, from NOK 498.5 million at the end of the previous quarter to NOK 271.5 million as of 31 March 2016. The decrease was attributable to an operational EBITDA of NOK 168.0 million, decreased working capital of NOK 7.8 million, a realised gain on TRS-agreements of a total of NOK 100.7 million and cash settlements from forward contracts on Fish Pool of NOK 33.7 million. Investments in fixed assets of NOK 7.0 million and the acquisition of the minority interest in Nord Senja Laks AS for NOK 70.0 million had the opposite effect on the net interest-bearing debt.

As of 31 March 2015, the Group's equity totalled NOK 1 364 million, an increase of NOK 177 million from the end of the previous quarter. The increase is attributable to a total comprehensive income of NOK 246.9 million, while the acquisition of the minority interest in

Nord Senja Laks AS reduced equity by NOK 70 million. At the end of the quarter, the equity ratio was 45.8 per cent.

Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 202.8 million during the quarter, which represents an increase of NOK 142.5 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to an operational EBITDA of NOK 168.0 million, a reduction in accounts receivables of NOK 62.0 million, a reduction in inventories at cost of NOK 74.4 million, an increase in other short-term liabilities of NOK 29.9 million. In addition, the cash settlement on forward contracts generated a cash inflow of NOK 33.7 million. A reduction in accounts payables of NOK 162.6 million had an adverse effect on the cash flow.

Net cash inflows in connection with investing activities in the first quarter amounted to NOK 23.7 million (outflow of NOK 2.7 million), and is related to payments of NOK 7.0 million for investments in fixed assets, and the payment of NOK 70 million for the minority interest in Nord Senja Laks AS of NOK 70.0 million, while a gain on the realisation of TRS-agreements of NOK 100.7 million had a positive effect on the cash flow.

The net cash outflow from financing activities totalled NOK 12.0 million (NOK 34.9 million) in the first quarter. Interests paid and instalments amounted to NOK 5.4 million and NOK 12.6 million respectively. The Group has no new leasing liabilities in the quarter.

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 35 licences for the production of farmed salmon, divided between 29 licences in Region North, located in Troms and western Finnmark, and 6 licences in Region South, located in the area around Haugesund.

The business posted sales revenues of NOK 938.2 million in the first quarter (NOK 757.1 million), an increase of 24 per cent. The spot price (NASDAQ) for superior quality during the quarter was NOK 58.56 per kg gutted weight, an increase of 30 per cent from the fourth quarter of 2015 and an increase of 44 per cent compared with the first quarter of 2015. The sales operations experienced a reduction in sales volumes of 6 per cent compared with the corresponding prior-year period. 15 874 tonnes (16 959 tonnes) were sold in the first quarter. The Sales business achieved operational EBIT before open fixed-price contracts of NOK 12.8 million (NOK 12.4 million), which equates to NOK 0.80 (NOK 0.73) per kg sold volume in the period. The loss on open fixed-price contracts was NOK 8.2 million (NOK 0.0) in the quarter.

The Farming operations harvested 7 209 tonnes (7 514 tonnes) gutted weight in the first quarter, a decrease of 4 per cent from the corresponding period last year. The estimated harvest volume for 2016 is 27 500 tonnes gutted weight.

REGION NORTH

Operational EBIT came in at NOK 173.3 million (NOK 64.1 million), an increase of NOK 109.2 million compared with the same quarter last year. Operational EBIT per kg amounted to NOK 26.66 (NOK 10.21).

6 501 tonnes (6 283 tonnes) were harvested in the region in the first quarter, an increase of 3 per cent. The achieved price for the Farming operations was NOK 18.29 per kg higher than in the corresponding period last year.

Production costs for harvested fish was NOK 0.02 lower than in the fourth quarter of 2015 and NOK 0.81 higher than in the corresponding period last year. The quality of the harvested fish has been good. Region North achieved expected growth in the quarter.

The estimated harvest volume for 2016 is 21 500 tonnes gutted weight.

KEY FIGURES (NOK '000)	**Q1 2016**	**Q1 2015**	**FY 2015**
Operating revenues	846 080	634 003	2 607 395
Operational EBITDA	185 180	73 401	286 009
Operational EBIT	173 316	64 117	244 110
Investment in tangible and intangible assets	3 103	4 346	113 339
Volume harvested (tonnes)	6 501	6 283	22 971
Operational EBIT per kg	26,66	10,21	10,63

REGION SOUTH

Operational EBIT came in at NOK 10.8 million (NOK 13.3 million), a decrease of NOK 2.5 million. Operational EBIT per kg amounted to NOK 15.26 (NOK 10.83).

708 tonnes (1 231 tonnes) were harvested in the region in the first quarter, a decrease of 523 tonnes from the corresponding prior-year period. The Farming operations achieved a price of NOK 20.43 per kg higher than in the corresponding prior-year period.

The production costs for harvested fish is NOK 2.80 per kg higher than in the fourth quarter of 2015 and NOK 14.98 higher than in the corresponding period last year. The volumes harvested at the beginning of the quarter was done from the same site as in the two previous quarters. The production costs at this site have been very high because the fish at the site had the fish disease Pancreas Disease (PD) and AGD earlier in the production period, which have resulted in poor biological performance and high costs. The other site harvested from in the quarter and where harvesting will be done in the next quarter will have high production costs because of increased mortality in the last part of the production due to CMS. Thus, a high production cost on harvested fish is expected in the next quarter. Region South achieved lower than expected growth in the quarter.

Estimated harvest volume for 2016 is 6 000 tonnes gutted weight.

KEY FIGURES (NOK '000)	Q1 2016	Q1 2015	FY 2015
Operating revenues	92 106	123 368	568 585
Operational EBITDA	13 790	16 243	36 655
Operational EBIT	10 801	13 334	24 933
Investment in tangible and intangible assets	281	187	7 909
Volume harvested (tonnes)	708	1 231	4 932
Operational EBIT per kg	15,26	10,83	5,05

SHARES

As of 31 March 2015 Norway Royal Salmon ASA had 43 572 191 shares, allocated among 1 311 shareholders, an increase of 232 from the end of the previous quarter. At the end of the quarter, the group had 15 582 treasury shares. The share price increased from NOK 80.00 at the end of December 2015 to NOK 109.50 at the end of March 2016. 2 376 238 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Contractual rights and TRS agreements for own shares

During the first quarter, Norway Royal Salmon has extended TRS (Total Return Swap) agreements. After these transactions Norway Royal Salmon owns or has a contractual right to 3 006 706 shares, which equates 6.90 per cent of the company's share capital.

Sickness absence

At 5.4 per cent, the Group's sickness absence rate increased by 2.1 per cent from the previous quarter. The long-term absenteeism represents a substantial part of the absence.

Culled fish at a smolt site in Region North

The NRS's farming operations in Region North experienced higher mortality than normal due to sores on fish at the Barbogen site, which belongs to the subsidiary Nor Seafood AS, in Troms. The site contained 300 000 fish with an average weight of 0.33 kg, which was put to the sea in the autumn of 2015. As a result of the significant negative development in sores and fish health, the biomass at the site was culled in the quarter. The incident resulted in a one-off cost in the first quarter of 2016 of NOK 11.2 million.

Acquisition of the remaining outstanding shares in Nord Senja Laks AS for a cash consideration of NOK 70 million

Norway Royal Salmon ASA acquired on the 4 March 2016, 135 shares in Nord Senja Laks AS ("NSL") from Botnhamn Fisk AS, corresponding to 33.3 % of the outstanding shares in NSL, for a cash consideration of NOK 70 million. Following the transaction, NRS owns 100 % of the shares in NSL. The rationale behind the transaction is to consolidate NRS's farming operations in Northern Norway in order to increase production efficiency going forward. The transaction fortifies NRS's position in Troms, an important future growth area for the salmon farming industry.

Another five sites ASC-certified

In February another five sites at NRS Finnmark received ASC (Aquaculture Stewardship Council) certification. NRS are pleased to have another five sites approved by the strictest international environmental standards in the industry. Seven out of twelve sites at NRS Finnmark are now ASC-certified. ASC is a global standard for responsible farming and will together with our green licenses further reduce the influence on the environment and the society.

Applied for 15 development licenses in cooperation with Aker ASA

In March 2016 Norway Royal Salmon ASA and Aker ASA (Aker) applied for development licenses for the farming of salmon. Together, the companies have developed a new offshore aquaculture farming concept that facilitates sustainable growth in areas that the aquaculture technology thus far has not been able to exploit. Should the Directorate of Fisheries grant the development licenses, a joint venture company to develop the aquaculture farms of the future will be established. NRS and Aker have developed a semi-submersible offshore farm designed for harsh environments. By combining NRS' aquaculture knowledge with Aker's long industrial experience in maritime enterprises, construction of offshore installations and fisheries, the objective is to further develop a profitable aquaculture industry and help solve the environmental and area scarcity challenges facing the industry.

New site approved in the Kokelv area in Finnmark

The farming operations in Finnmark have received approval for a new site in Kvalsund municipality in Western Finnmark with a MAB of 3 600 tonnes. The site is located in the Kokelv area where the company had one site already. With the new site, NRS Finnmark will have a new operational area consisting of two sites, which will improve the opportunities for generation separation and further growth in Finnmark.

Production of triploid salmon

NRS was awarded nine green licenses in December 2014. One of the conditions of these licenses is the production of sterile salmon. NRS has chosen to use triploid salmon as sterile salmon.

NRS have challenges in getting approval for the release of the planned numbers triploid salmon to sea in 2016. Production of triploid salmon needs to have an exemption from the Aquaculture Operation Regulations (Akvakulturdriftsforskriften). The Norwegian Food Safety Authority (FSA) grant such exemptions. Selected fresh water plants have been granted such exemption from the FSA, and thus been given permission to produce triploid salmon for NRS. Furthermore, one must also apply for a sea site permit and exemption to begin production in the sea.

The Institute of Marine Research (IMR) studies show that triploid salmon are more sensitive to low oxygen levels and high sea temperatures. IMR therefore recommend that the Norwegian Food Safety Authority require documentation that the oxygen levels and temperature are good at the sites.

NRS's assessment is that the sites in Region North shall meet the requirements of temperature and oxygen levels.

NRS has a cooperation with The Institute of Marine Research (IMR) for the production of triploid salmon. In this regard, IMR has stated that this project is justifiable with regards to fish-health. In a letter to FSA, IMR states that in the NRS project for the production of triploid salmon the fish has a physiology that makes it well suited to be farmed with low seawater temperatures. In addition, IMR says that if triploid salmon shall be a part of Norwegian salmon farming, one needs knowledge from large-scale commercial production. Supervising fish welfare of triploid salmon is the main focus in the cooperation between IMR, NRS and MarinHelse.

NRS is in a process with the FSA for the approval of future smolt release. A consequence of not getting the permission to release all smolts, approved for production in freshwater plants, will result in lower biomass growth than planned in 2016.

MARKET CONDITIONS

The total value of salmon exported from Norway in the first quarter was NOK 13.4 billion, an increase of NOK 2.3 billion from the first quarter of 2015. Export volumes from Norway decreased by 5.8 per cent, which means that the value increase was due to substantially higher prices. The spot price (NASDAQ) for superior quality salmon was NOK 58.56 (delivered Oslo) per kg. This is the highest spot prices registered in a quarter in the last 20 years. In the same period last year, the price was NOK 40.79 per kg. The strong price growth is mainly driven by increased prices in local currencies and a weaker Norwegian krone. Prices in EUR increased by 32 per cent from EUR 4.67 per kg last year to EUR 6.15 per kg this year. Lower volumes combined with good underlying market development for Norwegian salmon have contributed strongly to the high price for salmon in the first quarter.

Although import of Norwegian salmon decreased by 5 per cent in the quarter, the demand from EU has been good. The reduction of 5 per cent is slightly lower than the general reduction in supply and thus signals a good underlying development. Despite the reduced availability of salmon and significant price increase, some markets continue to grow. Especially in Spain, Italy, Holland and Lithuania have the volumes increased compared to last year. The growth is respectively 3 per cent, 11 per cent, 2 per cent and 13 per cent. Poland is the biggest market for Norwegian salmon with a market share of 13 per cent, followed by France with 12 per cent.

Eastern Europe has had a clear decline in imports of Norwegian salmon the last quarters and compared with last year the volumes fell by 24 per cent in the first quarter. The main reason to the volume reduction is lower export to Belarus, Turkey and Kazakhstan. The volumes to Ukraine have had a strong decline for a long time, but in the first quarter of 2016, there was a small growth in this market. Admittedly from a very low level. Eastern Europe had a market share of Norwegian salmon of 2 per cent in the first quarter.

Demand from Asia has had a strong development for a long time, but in the first quarter volumes decreased slightly. The reduction in Asia for Norwegian salmon was 8 per cent. One of the reasons for the decline in Asia is that other nations increased their volumes to the region. Despite tougher competition from Chile at the current price levels and the trade issues with China continuing, we believe the underlying demand for salmon in the region is good.

Demand for salmon in North America continued the positive development from last year. Import increased by 2 per cent compared to the same period last year, driven by a strong demand for Norwegian salmon in the US. Weaker NOK against USD and trade barriers in Russia and China, give good possibilities for Norwegian salmon in the region.

The NRS' Sales operations had good profitability in the quarter. A good price achievement and better margins have contributed positively to the profitability of the sales operations. 90 per cent of the harvested fish were sold in the spot market in the first quarter, while 10 per cent was sold at fixed prices. The fixed price contracts resulted in a loss of NOK 8.2 million.

Total sales volumes were better than expected in the first quarter, but was 6 per cent lower than in the same quarter last year. Even with slightly lower total sales volumes, NRS had a growth of 7 per cent in the first quarter in Western Europe. The markets in Asia/USA had a reduction of 19 per cent in the first quarter. Price and currency conditions, in addition to lower average weight form Norway and NRS have contributed to a shift of volume from Asia/USA to Western Europe at the beginning of the year. The export to Eastern Europe from NRS continues to fall and fell by 27 per cent in the first quarter compared with the same period last year. In the first quarter, Asia accounted for 17 per cent of the export volumes from NRS, while the USA accounted for 1 per cent. The share to Western Europe was 76 per cent and 6 per cent to Eastern Europe. Domestic volume amounts to 8 per cent of the total sold volume.

OUTLOOK

Harvested volume for the quarter was 7 209 tonnes, 500 tonnes less than what was estimated at the end of the last quarter. The less volume in the first quarter has increased our estimated volume in the second quarter, which offsets the reduction in the first quarter and the estimated volume for 2016 remains 27,500 tonnes. The farming operations has hedged prices for 1 160 tonnes of the volume for the second quarter and 3 600 tonnes for the second half of 2016.

Despite the supply of salmon from Norway decreasing by 5.8 per cent in the first quarter, the supply of salmon to the global market stayed on the same level as last year. The salmon prices increased substantially because of increased prices in local currencies in the markets and a weakening of the Norwegian krone. For 2016, a decrease in volume between 3 and 5 per cent from Norway and between 5 and 8 per cent globally is expected. The expected reduction from Chile is over 20 per cent in 2016. For 2017, a growth between 3 and 5 per cent from 2016 is expected. A continued low supply growth and good work in the markets provides the basis for a positive market outlook for the industry. Large currency movements create uncertainty in some markets, although the underlying demand is perceived as good in most markets we trade.

NRS was awarded 10 licenses in 2014. This gives a possibility for 40 per cent organic growth and a more sustainable production for NRS. NRS has noticed challenges in getting approval for the release of the planned numbers of triploid salmon to sea. The Norwegian Food Safety Authority (FSA) has requested The Institute of Marine Research (IMR) about their assessment of whether it is fish welfare viable to produce triploid salmon. In a letter to the FSA, the IMR stated that NRS's planned production of triploid salmon are fish welfare justifiable. Given the market outlook in the coming years, with low supply growth, NRS expect that the new licenses will contribute positively to the Group's results. NRS is satisfied that the farming operations primarily are located in Troms and Finnmark, where there are good conditions for the production of salmon at low production costs. The allocation of new licenses further strengthens this position. The Group has made significant investments in fixed assets in recent years and the new licenses are paid.

Trondheim, 3 May 2016

Helge Gåsø Chair	Kristine Landmark Vice Chair	Marianne E. Johnsen
Inge Kristoffersen	Endre Glastad	Trude Olafsen
Charles Høstlund CEO		

INTERIM REPORT

INCOME STATEMENT

(NOK '000)	Q1 2016	Q1 2015	FY 2015
Operating revenues	**938 783**	**760 067**	**3 210 548**
Cost of goods sold	707 190	626 513	2 707 071
Salaries	40 110	27 704	113 268
Depreciation	14 853	12 224	53 697
Other operating costs	23 497	24 310	134 618
Operational EBIT	**153 132**	**69 316**	**201 894**
Fair value adjustments	2 639	-124 687	24 416
Income from associates	15 421	-6 991	22 754
EBIT	**171 192**	**-62 363**	**249 065**
Gain/loss on financial assets	87 285	-10 643	45 200
Other net financial items	-5 186	-7 136	-24 184
EBT	**253 291**	**-80 141**	**270 081**
Tax	-37 646	16 877	-32 498
Net profit/loss	**215 645**	**-63 264**	**237 582**
Profit attributable to:			
Parent company shareholders	208 919	-62 672	229 633
Minority interests	6 726	-592	7 950
Earnings per share (NOK)	4,80	-1,44	5,28
Earnings per share - diluted	4,80	-1,44	5,28

EXTENDED INCOME STATEMENT

(NOK '000)	Q1 2016	Q1 2015	FY 2015
Net profit/loss	215 645	-63 264	237 582
Items to be reclassified to profit or loss:			
Cash Flow hedges (net)	31 216	-1 749	-362
Items not to be reclassified to profit or loss:			
Actuarial gains on defined benefit plans (net)	0	0	4 749
Total comprehensive income	**246 861**	**-65 014**	**241 970**
Total comprehensive income attributable to:			
Parent company shareholders	240 135	-64 421	234 020
Minority interests	6 726	-592	7 950

BALANCE SHEET

(NOK '000)	31.03.2016	31.03.2015	31.12.2015
Intangible assets	648 887	648 887	648 887
Property, plant and equipment	350 098	321 425	357 948
Non-current financial assets	205 806	155 871	190 385
Non-current assets	**1 204 792**	**1 126 182**	**1 197 221**
Inventory and biological assets	821 234	805 349	870 559
Receivables	537 938	514 715	601 126
Bank deposits, cash	415 792	114 804	201 339
Current assets	**1 774 964**	**1 434 868**	**1 673 024**
TOTAL ASSETS	**2 979 756**	**2 561 051**	**2 870 245**
Share capital	43 557	43 502	43 502
Other equity	1 297 191	875 084	1 070 287
Non-controlling interests	23 054	61 998	72 730
Equity	**1 363 803**	**980 583**	**1 186 519**
Pensions	12 480	18 733	12 480
Deferred tax	350 230	284 286	303 485
Provisions	**362 709**	**303 019**	**315 965**
Long-term interest-bearing debt	**642 241**	**625 111**	**653 361**
Short-term interest-bearing debt	45 065	48 269	46 519
Trade payables	367 836	461 337	530 430
Tax payable	4 450	74	3 180
Other current liabilities	193 650	142 659	134 271
Current liabilities	**611 002**	**652 338**	**714 400**
TOTAL EQUITY AND LIABILITIES	**2 979 756**	**2 561 051**	**2 870 245**

STATEMENT OF EQUITY

31.03.2016	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		
Equity at 01.01.2016	43 572	-71	1 070 288	1 113 791	72 731	1 186 519
Total comprehensive income	**0**	**0**	**240 135**	**240 135**	**6 726**	**246 861**
Transactions with shareholders						
Share based payment	0	0	-5 605	-5 605	0	-5 605
Sale of treasury shares	0	56	5 973	6 028	0	6 028
Purchase minority interest	0	0	-13 598	-13 598	-56 402	-70 000
Total transactions with shareholders	**0**	**56**	**-13 230**	**-13 175**	**-56 402**	**-69 577**
Equity at 31.03.2016	**43 572**	**-15**	**1 297 193**	**1 340 752**	**23 054**	**1 363 803**

31.03.2015	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		
Equity at 01.01.2015	43 572	-34	905 587	949 126	64 781	1 013 907
Comprehensive income	**0**	**0**	**-64 421**	**-64 421**	**-592**	**-65 014**
Transactions with shareholders						
Share based payment	0	0	-1 245	-1 245	0	-1 245
Purchase/sale of treasury shares	0	30	1 814	1 844	0	1 844
Total transactions with shareholders	**0**	**30**	**569**	**598**	**0**	**599**
Equity at 31.03.2015	**43 572**	**-5**	**841 735**	**885 305**	**64 189**	**949 493**

31.12.2015	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		
Equity at 01.01.2015	43 572	-34	905 587	949 126	64 781	1 013 907
Total comprehensive income	**0**	**0**	**234 020**	**234 020**	**7 950**	**241 970**
Transactions with shareholders						
Dividend	0	0	-65 353	-65 353	0	-65 353
Share based payment	0	0	-1 249	-1 249	0	-1 249
Purchase/sale of treasury shares	0	-37	-2 552	-2 589	0	-2 589
Other changes associated companies	0	0	-165	-165	0	-165
Total transactions with shareholders	**0**	**-37**	**-69 319**	**-69 356**	**0**	**-69 356**
Equity at 31.12.2015	**43 572**	**-71**	**1 070 288**	**1 113 791**	**72 731**	**1 186 519**

STATEMENT OF CASH FLOW

(NOK '000)	Q1 2016	Q1 2015	FY 2015
Operational EBIT	**153 132**	**69 316**	**201 894**
Adjusted for:			
Tax paid	0	-2 031	-2 031
Depreciation	14 853	12 224	53 697
Gains (-)/ losses (+) on disposal of non-current assets	0	0	-1
Share based payment	-5 605	-1 245	-1 249
Pension costs with no cash effect	0	0	78
Change in inventory / biomass	74 395	65 699	-24 423
Change in debtors and creditors	-100 585	-66 300	25 101
Change in other current assets and other liabilities	66 538	-17 445	87 130
Net cash flow from operating activities	**202 728**	**60 218**	**340 196**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	0	0	157
Payments for purchase of PPE and licenses	-7 003	-94 782	-212 750
Proceeds from investments in non-current financial assets	100 697	94 695	127 999
Payments for investments in non-current financial assets	0	-2 641	-4 641
Payments for acquisition of minority interest in subsidiary	-70 000	0	0
Change in loans to associates and others	0	0	-18 200
Net cash flow from investing activities	**23 694**	**-2 728**	**-107 435**
Cash flow from financing activities			
Receipts from new long-term debt	0	101 195	185 259
Long-term debt repayments	-12 573	-9 528	-43 681
Net change in overdraft	0	-121 861	-142 576
Sale and purchase of treasury shares	6 029	1 844	-2 589
Interest paid	-5 424	-6 565	-23 976
Dividend payment	0	0	-65 353
Net cash flow from financing activities	**-11 968**	**-34 915**	**-92 916**
Net increase (+)/ decrease (-) in cash & cash equivalents	214 453	22 575	139 845
Cash and cash equivalents - opening balance	201 339	61 494	61 494
Cash and cash equivalents - closing balance	**415 792**	**84 069**	**201 339**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting principles

These condensed, consolidated interim financial statements have been draw n up in accordance w ith 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 w ith the consolidated financial statements for the 2015 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 2015 are available upon request from the company's head office at Ferjemannsveien 10, Trondheim or at w w w .norw ayroyalsalmon.com.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2015 w ith the exception of standards and interpretations referred to in note 1 of the annual financial report for 2015. None of these standards or interpretations have affected the consolidated financial statements for 2016.

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 Troms 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.

	Sales		Region North		Region South		Eliminations/other		Total	
(NOK '000)	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Total sales revenues	938 186	753 061	357 237	230 326	41 959	47 826	597	2 965	1 337 980	1 034 178
Internal sales revenues	0	0	357 237	226 286	41 959	47 826	0	0	399 197	274 112
External sales revenues	938 186	753 061	0	4 041	0	0	597	2 965	938 783	760 067
Operational EBIT	4 519	12 438	169 241	53 717	10 357	11 296	-30 985	-8 135	153 132	69 316
Fair value adjustments	-22 432	-23 231	14 020	-83 909	11 051	-17 547	0	0	2 639	-124 687
Income from associates	0	0	0	0	0	0	15 421	-6 991	15 421	-6 991
EBIT	-17 913	-10 794	183 261	-30 192	21 408	-6 251	-15 564	-15 126	171 192	-62 363
EBT	-18 086	9 665	181 412	-33 538	19 806	-7 954	70 160	-48 314	253 291	-80 141
Volume harvested (HOG)			6 501	6 283	708	1 231			7 209	7 514
Operational EBIT per kg			26,03	8,55	14,63	9,18			24,91	8,65
Volume sold	15 874	16 959							15 874	16 959
Operational EBIT per kg	0,28	0,73							0,28	0,73
- of w hich loss on open fixed-price contracts per kg.	-0,52	0,00							-0,52	0,00

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass

In accordance w ith IAS 41, the biomass is recognised at fair value. 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, w hile for fish betw een 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 w ould imply a negative value adjustment of biological assets w ith the entire estimated loss. Market prices based on externally quoted forw ard prices from Fish Pool (see table below), for the period w hen the fish are expected to be harvested are used w hen calculating the fair value. Sales prices are adjusted for sales costs and harvesting costs and costs of transportation to Oslo. The estimated quality distribution of the fish is also taken into account w hen estimating the value. Price is set per site and w eighted in relation to the expected harvesting period of the fish.

Book value of inventory:

(NOK '000)	31.03.2016	31.12.2015	31.03.2015
Raw materials	16 057	27 034	16 374
Biological assets (biomass)	791 315	829 928	647 681
Finished goods	13 862	13 596	17 734
Total inventory	**821 234**	**870 559**	**681 789**

Specification of the biomass:

(NOK '000)	31.03.2016	31.12.2015	31.03.2015
Biomass at cost	568 850	632 534	548 935
Fair value adjustments of the biomass	222 465	197 394	98 746
Book value of the biomass	**791 315**	**829 928**	**647 681**

Specification of biological assets - tonnes	Q1 2016	Q1 2015	FY 2015
Opening balance biological assets	22 407	23 537	23 537
Increase due fish put in the sea	39	0	865
Increase due to production in the period	5 333	6 109	33 614
Reduction due to mortality in the period	-516	-514	-1 637
Reduction due to harvesting in the period	-8 585	-8 965	-33 258
Non-recurring items and sold biomass	-93	0	-714
Closing balance biological assets	**18 585**	**20 166**	**22 407**

Specification of changes in book value of biological assets:

(NOK '000)	Q1 2016	Q1 2015	FY 2015
Biological assets as of 1 January	829 928	808 674	808 674
Increase due to production in the period	140 953	129 128	853 256
Extraordinary event at cost	-11 158	0	-25 000
Reduction due to harvesting in the period	-193 479	-188 665	-804 194
Fair value adjustments of the biological assets	25 071	-101 456	-2 808
Fair value adj. of the biological assets due to extraordinary event	0	0	0
Biological assets as of 31 December	**791 315**	**647 681**	**829 928**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass cont.

Groups of biological assets, status pr 31.03.2016	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	3 419	1 684	118 041	-	118 041
1-4 kg	3 120	6 224	198 940	50 024	248 964
Larger than 4 kg	2 284	10 676	245 219	172 441	417 659
Biological assets	**8 823**	**18 585**	**562 200**	**222 465**	**784 664**

Groups of biological assets, status pr 31.12.2015	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	5 607	3 346	151 741	-	151 741
1-4 kg	3 559	6 366	180 241	26 108	206 349
Larger than 4 kg	3 087	13 825	276 490	174 094	450 584
Biological assets	**12 253**	**23 537**	**608 472**	**200 202**	**808 674**

Groups of biological assets, status pr 31.03.2015	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	3 581	2 612	124 175	-	124 175
1-4 kg	4 929	9 452	258 633	36 769	295 402
Larger than 4 kg	1 647	8 102	165 305	61 977	227 282
Biological assets	**10 157**	**20 166**	**548 113**	**98 746**	**646 858**

Fish Pool forward prices used in the calculation of the fair falue of the biomass

31.03.2016	NOK/kg	31.12.2015	NOK/kg	31.03.2015	NOK/kg
Q2 16	57,50	Q1 16	51,80	Q2 15	40,03
Q3 16	51,00	Q2 16	47,50	Q3 15	37,90
Q4 16	52,00	Q3 16	44,10	Q4 15	40,10
Q1 17	54,00	Q4 16	44,60	Q1 16	43,00
Q2 17	52,00	Q1 + Q2 17	49,65	Q2 16	42,50

NOTE 4: Extraordinary events

	Q1 2016			Q1 2015		
Extraordinary events	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Destruction of fish with winter wounds Nor Seafood AS [1]	11 186	0	11 186	0	0	0
Biological assets	**11 186**	**0**	**11 186**	**0**	**0**	**0**

	FY 2015		
Extraordinary events	Cost	Fair value adjustments	Fair value
Fish disease ISA, destruction required by the authorities 1)	25 000	0	25 000
Biological assets	**25 000**	**0**	**25 000**

1) Fish less than 1 kg. The best estimate of fair value is cost.

In addition was a fine of MNOK 6,3 to Nord Senja Laks AS recognised as a extraordinary event in the third quarter of 2015. This do not affect biological assets.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: Fair value adjustments

Fair value adjustments w hich 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)	Q1 2016	Q1 2015	FY 2015
Change in fair value adjustments of the biomass	25 071	-101 456	-2 808
Change in provision for onerous sales contracts	-56 113	5 526	-22 241
Change in unrealised gains/losses on financial fish pool contracts	33 682	-28 758	49 465
Total fair value adjustments	**2 639**	**-124 687**	**24 416**

The fair value adjustments has the follow ing effect in the balance sheet:

(NOK '000)	31.03.2016	31.12.2015	31.03.2015
Fair value adjustments biomass (inventory and biological assets)	222 465	197 394	98 746
Provision for onerous sales contracts (other current liabilities)	-83 880	-27 767	0
Fair value of financial fish pool contracts (other receivables/other current liabilities)	95 968	62 286	-15 937
Net fair value adjustments in the balance sheet	**234 553**	**231 913**	**82 809**

NOTE 6: Transactions with related parties

The Norw ay Royal Salmon Group undertakes transactions under ordinary terms and conditions w ith associates and fish farmers w ho are also NRS shareholders. This applies to the purchase of fish from fish-farming companies, as w ell as the purchase of harvesting services from tw o of the Group's associates. Smolts are also purchased from associated companies.

Share-based incentive schemes

A new bonus programme based on synthetic options w as introduced for the Group's management in 2014. The bonus programme gives entitlement to a cash bonus based on the NRS average share price over a period prior to respectively 29 March 2014, 24 June 2014 and 1 February 2015. Bonuses are calculated 12, 24 and 36 months after these dates, and the bonus programme includes an obligation to invest the net bonus after tax in Norw ay Royal Salmon ASA (NRS) shares at the market price on the relevant date. Shares purchased in accordance w ith the bonus programme w ill 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 29 March 2014, 24 June 2014 and 1 February 2014, and in relation to price increases during the period on the number of shares covered by the programme. After the execution of 170 000 options in Q1 2016 covers the scheme 620 000 shares allocated to the Group's management at the end of the year. In the first quarter of 2016 costs relating to the option scheme w as recognised in the income statement in the amount of KNOK 11 255.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2016	Share of profit/loss in the period after tax	Other changes	Book value 31.03.2016	Share of volume harvested - tonnes HOG 31.03.2016*
Company						
Wilsgård Fiskeoppdrett AS	37,50 %	64 733	4 550	0	**69 283**	474
Måsøval Fishfarm AS	36,10 %	16 731	3 552	0	**20 284**	84
Hellesund Fiskeoppdrett AS	33,50 %	51 995	7 106	0	**59 101**	272
Hardanger Fiskeforedling AS	31,10 %	8 542	-203	0	**8 339**	
Espevær Laks AS	33,33 %	2 222	415	0	**2 637**	
Ranfjord Fiskeprodukter AS	37,75 %	20 689	0	0	**20 689**	
Skardalen Settefisk AS	30,00 %	5 032	0	0	**5 032**	
Other		48	0	0	**48**	
Total associates 31.12.2015		**169 993**	**15 421**	**0**	**185 412**	**831**
Total associates 31.12.2014		**150 155**	**-6 991**	**2 640**	**145 804**	**1 182**

* The harvested volume comprises NRS's share of the harvested volume of associates
The Group's associates own a combined total of ten licences.

Some associates own shares in Norway Royal Salmon ASA. These are recognised at cost in the accounts of the companies. The fair value of the shares that the associated companies own is not included in the Group accounts.

Associates that own shares in NRS as of 31 March 2016:

	Shareholding	Number of shares	Cost	Fair value	Fair value adjustment	NRS' share of fair value adjustment
Wilsgård Fiskeoppdrett AS	37,50 %	486 627	6 231	53 286	47 055	17 645
Måsøval Fishfarm AS	36,10 %	249 413	783	27 311	26 528	9 577
Hellesund Fiskeoppdrett AS	33,50 %	1 600 444	13 190	175 249	162 058	54 290
Total		**2 336 484**	**20 204**	**255 845**	**235 641**	**81 512**

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 31.12.2015	Market value 31.03.2016	Change in market value Q1 2016
NOK	100 000	Fixed 3,37%	3 M NIBOR	07.09.2016	-1 690	-1 236	454

Note 9 Treasury shares and TRS agreements

As at 31 March the company holds 15 282 treasury shares, corresponding to 0.04 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 31 March 2 991 424 shares, representing 6,87 % 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 TRS agreements in the period. Gain on realisation amounted to KNOK 100 697 and is posted as a financial item (gain/loss on financial assets) in the income statement.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 31.12.2015	Market value 31.03.2016	Change in market value Q4 2015
TRS 1	2 424 386	66,4650	17.03.2016	34 274	0	-34 274
TRS 2	567 038	75,9631	26.05.2016	2 483	19 104	16 621
TRS 3	2 424 386	109,5287	15.09.2016	0	4 242	4 242
Sum				**36 758**	**23 346**	**-13 412**

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 first quarter 2016 the Group is in compliance with the terms of its loan agreements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: Shareholders

Ownership structure – the 20 largest shareholders as at 31.03.2016:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 551 233	15,04 %
GLASTAD INVEST AS	5 697 888	13,08 %
EGIL KRISTOFFERSEN OG SØNNER AS	4 621 812	10,61 %
SPAREBANK 1 MARKETS AS	4 101 381	9,41 %
HAVBRUKSINVEST AS	3 661 268	8,40 %
MÅSØVAL EIENDOM AS	3 607 135	8,28 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	1 997 938	4,59 %
HELLESUND FISKEOPPDRETT A/S	1 600 444	3,67 %
LOVUNDLAKS AS	1 038 272	2,38 %
NYHAMN AS	1 000 000	2,30 %
THE NORTHERN TRUST CO.	703 752	1,62 %
STATE STREET BANK AND TRUST CO.	614 894	1,41 %
WILSGÅRD FISKEOPPDRETT AS	486 627	1,12 %
MP PENSJON PK	467 949	1,07 %
HOLTA INVEST AS	340 131	0,78 %
JP MORGAN CHASE BANK, NA	329 094	0,76 %
HENDEN FISKEINDUSTRI AS	280 316	0,64 %
MÅSØVAL FISHFARM AS	249 413	0,57 %
STATE STREET BANK AND TRUST CO.	243 737	0,56 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	243 483	0,56 %
Total 20 largest shareholders	**37 836 767**	**86,84 %**
Total other shareholders	5 735 424	13,16 %
Total no. of shares	**43 572 191**	**100,00 %**