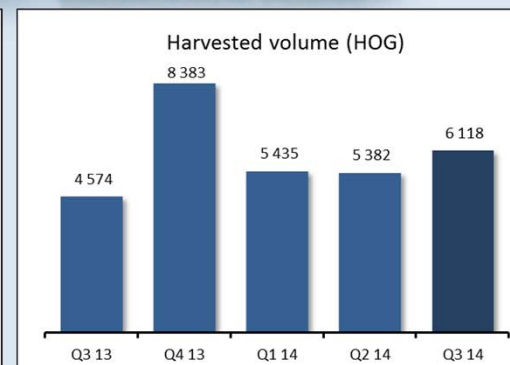
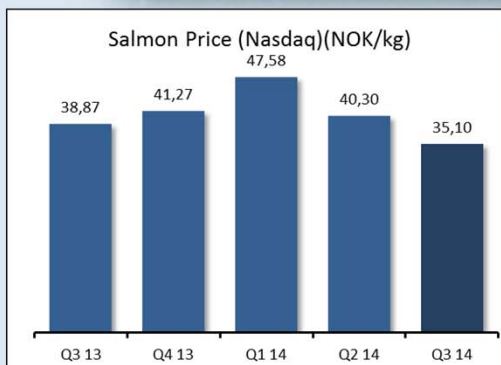


Interim Report



Q3-14



HIGHLIGHTS Q3 2014

- Operational EBIT before non-recurring items of NOK 21.3 million
 - Non-recurring cost of NOK 35.9 million in the quarter
 - Operational EBIT per kg of NOK 5.91 in Region North
 - Operational EBIT per kg of NOK 1.76 in Region South
- Unsatisfactory cost level in the quarter
- The overall health situation in Region North is good, while there are biological challenges in Region South
 - Good control on the sea lice situation on both regions
- Good salmon prices in the quarter, despite the loss of the Russian market
 - Expect low long-term global supply growth, which provide good price expectations

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013
Operating revenues	527 311	549 033	1 818 409	1 752 263	2 603 712
Operational EBITDA	-4 138	57 054	128 399	189 406	289 729
Operational EBIT	-14 574	48 404	99 029	164 635	256 002
Income from associates	11 263	9 347	21 674	15 269	28 834
EBIT	56 369	89 255	106 105	270 401	379 561
EBT	56 566	96 281	142 668	275 509	396 292
EPS (NOK) – before fair value adjustments	0,08	1,11	2,91	3,00	5,43
ROCE ¹⁾			17,7 %	17,4 %	25,3 %
Net cash flow from operating activities	-15 097	46 198	135 475	173 798	211 835
Investments in tangible fixed assets/licences	90 771	14 145	140 740	46 978	65 399
Net interest-bearing debt			556 716	443 876	453 883
Equity ratio			41,9 %	39,5 %	42,4 %
Volume harvested (HOG)	6 118	4 574	16 935	16 808	25 191
Operational result per kg ²⁾	4,78	11,64	9,08	10,71	11,12
Volume sold	12 706	13 341	40 937	42 283	62 141

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

2) Operational EBIT for segments incl margin from sales



FINANCIAL PERFORMANCE

(Figures in brackets = 2013, unless otherwise specified)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 527.3 million (NOK 549.0 million) in the third quarter of 2014, a reduction of 4 per cent against the corresponding prior-year period. Operational EBIT for the quarter was NOK -14.6 million (NOK 48.4 million), a decrease of NOK 63.0 million. The decrease in revenues is due to lower prices and lower sold volume. The reduction in operational EBIT was attributable to lower sales prices, a non-recurring cost in connection with extraordinary mortality in both Region North and Region South totalling NOK 31.9 million, as well as the increased provision for doubtful receivables related to customers in Russia of NOK 2.8 million. In addition NOK 4.0 million in non-recurring costs related to changes in the Group management were recognised. The Group recognised fair value adjustments of NOK 59.7 million (NOK 31.5 million), an increase of NOK 28.2 million.

The farming business harvested a total of 6 118 tonnes (4 574 tonnes) gutted weight in the quarter, an increase of 34 per cent from the corresponding quarter last year. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 4.78 (NOK 11.64). The Sales business sold 12 706 tonnes (13 341 tonnes), a decrease of 5 per cent.

Financial items and share of profit from associates

Income from associates totalled NOK 11.3 million (NOK 9.4 million) in the third quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK 10.1 million (NOK 6.8 million). Associated farming companies harvested a total of 648 tonnes, 182 tonnes less than last year. NRS share of the above figure amounts to 236 tonnes, a decrease of 62 tonnes.

A gain of NOK 5.7 million were posted on TRS agreements on own shares during the quarter. Net interest expenses for the period were NOK 5.2 million (NOK 5.9 million), a reduction of NOK 0.6 million.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 2 138 million, an increase of NOK 160 million from the prior quarter end. The change in total assets is attributable to a number of factors. Fixed assets had a net increase of NOK 87.7 million. Fair value adjustments of the biomass increased by NOK 60.5 million, and inventories and biomass at cost increased by an aggregate of NOK 53.0 million. The net increase in inventories and biological assets was NOK 113.5 million. The Group's receivables decreased by NOK 47.5 million.

The Group's net interest-bearing debt increased by NOK 106.5 million, from NOK 450.2 million at the end of the previous quarter to NOK 556.7 million as of 30 September 2014. The increase was mainly attributable to investments in fixed assets of NOK 90.8 million, where NOK 56.0 represents the investment in a new license, an increase in working capital of NOK 12.8 million and an operational EBITDA of NOK -4.1 million. Dividend from associated companies NOK 6.3 million had the opposite effect on the net interest-bearing debt.

As of 30 September 2014 the Group's equity totalled NOK 895.8 million, an increase of NOK 49.1 million from the end of the previous quarter. The increase is mainly attributable to a

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total comprehensive income of NOK 48.4. At the end of the third quarter the equity ratio was 41.9 per cent.

Statement of cash flow

The Group's operating activities generated a negative cash flow of NOK 15.1 million during the quarter, which represents a decrease of NOK 61.3 million compared with the corresponding prior-year quarter. The negative cash flow is attributable to a negative operational EBITDA of NOK 4.1 million, a decrease in accounts payables of NOK 13.3 million, and an increase in inventories of NOK 53.0 million, while a decrease in receivables of NOK 47.5 million had an adverse effect on the cash flow.

Net cash outflows in connection with investing activities in the third quarter amounted to NOK 84.3 million (outflow of NOK 7.1 million), and is related to payments of NOK 90.8 million from investments in fixed assets, while dividends from associated companies of NOK 6.3 million had the opposite effect.

The net cash inflow from financing activities totalled NOK 108.4 million (cash outflow of NOK 32.5 million) in the third quarter. Interests paid and instalments amounted to NOK 5.6 million and NOK 8.8 million respectively. Leasing liabilities rose by NOK 26.3 million and the bank overdraft facility increased by NOK 98.1 million.

SEGMENT INFORMATION

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

The Farming business is divided into two geographical segments; Region North and Region South. Norway Royal Salmon monitors overall value creation from operations based on the salmon's source of origin. Consequently, external reporting focuses on measuring the overall profitability of the harvested volume based on source of origin (Operational EBIT/kg). For this reason the contribution from the sales operations is allocated to Region North and Region South based on the volume harvested in the respective segments.

The Group owns 26 licences for the production of farmed salmon, divided between 20 licences in Region North, located in Senja and western Finnmark, and 6 licences in Region South, located in the area around Haugesund.

The business posted sales revenues of NOK 513.1 million in the third quarter of 2014 (NOK 547.5 million), a decrease of 6 per cent. The spot price (NASDAQ) for superior quality during the quarter was NOK 35.10 per kg gutted weight, a decrease of 13 per cent from the second quarter of 2014 and a decrease of 10 per cent compared with the third quarter of 2013. The sales operations experienced a decrease in sales volumes of 5 per cent compared with the corresponding prior-year period. A total of 12 706 tonnes (13 341 tonnes) were sold in the third quarter. The Sales business achieved operational EBIT before open fixed-price contracts of NOK 1.2 million, which equates to NOK 0.09 (NOK 0.38) per kg sold volume in the period. The Group's receivables were NOK 403.6 at the end of the quarter. NRS has chosen to increase the provision for doubtful receivables related to customers in Russia in the quarter, which reduced EBIT by NOK 2.8 million. The gain on open fixed-price contracts was NOK 4.4 million (NOK -6.3 million) in the quarter, which corresponds to NOK 0.35 (NOK -0.48) per kg sold volume. Consequently, the Sales business achieved an operational EBIT of NOK 5.6 million (NOK -1.2 million).

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The Farming operations harvested 6 118 tonnes (4 574 tonnes) in the third quarter, an increase of 34 per cent from the corresponding period last year. Due to the higher accumulation of biomass at the end of the year and lower growth than previously estimated, as well as higher mortality, the estimated harvested volume for 2014 has been reduced to 22 000 tonnes. The estimated harvest volume for 2015 is 32 000 tonnes, an increase of 46 per cent from 2014. 8.7 million smolts are planned released in 2014, an increase of 14 per cent on the 7.6 million released in 2013.

SEGMENT SUMMARY (NOK '000)	Q3 2014		YTD 2014	
	Operational EBIT	Operational EBIT per kg	Operational EBIT	Operational EBIT per kg
Farming	23 631	3,86	162 056	9,57
Sales	1 181	0,19	95	0,01
Open fixed price contracts	4 404	0,72	-8 398	-0,50
Sum segments	29 216	4,78	153 753	9,08

Volume harvested (tonnes) 6 118 16 935

REGION NORTH

Operational EBIT came in at NOK 26.3 million (NOK 51.2 million), a decrease of NOK 24.9 million compared with the same quarter last year. Operational EBIT per kg from the farming operations amounted to NOK 5.00 (NOK 12.31).

4 443 tonnes (4 254 tonnes) were harvested in the region in the third quarter, an increase of 4 per cent. The achieved price for the Farming operations was NOK 3.40 per kg lower than in the corresponding period last year. EBIT before open fixed-price contracts from sales increased operational EBIT by NOK 0.19 per kg. Fixed-price contracts represent 29 per cent of the sold volume in the quarter. The realised price on the fixed-price contracts was higher than the market price and increased operational EBIT per kg by NOK 0.72 in the quarter. This results in a net contribution from Sales of NOK 0.91 per kg.

Production cost for harvested fish was NOK 1.61 higher than in the second quarter of 2014 and is a result of the harvesting of a site in Finnmark with high mortality. The growth in the quarter was less than expected. The overall sea lice and health situation in Region North is good.

As a result of higher than previously estimated accumulation of biomass at the end of the year and higher mortality due to algae bloom at on site, the estimated harvested volume for 2014 has been reduced to 17 800 tonnes. The estimated harvest volume for 2015 is 26 000 tonnes, an increase of 46 per cent from 2014. 6.9 million (5.9 million) smolts are planned released in 2014, an increase of 17 per cent from 2013.

KEY FIGURES (NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013
Operating revenues	372 836	509 229	1 375 037	1 548 729	2 097 896
Operational EBITDA	33 943	57 222	159 223	178 387	263 725
Operational EBIT	26 273	51 219	138 110	161 535	240 330
Investment in tangible and intangible assets	31 415	10 952	77 737	33 977	48 929
Volume harvested (tonnes)	4 443	4 254	12 725	14 287	20 491
Operational EBIT per kg farming	5,00	12,31	11,39	12,13	12,33
Operational EBIT per kg Sales incl. contracts	0,91	-0,27	-0,53	-0,83	-0,60
Total operational EBIT per kg	5,91	12,04	10,85	11,31	11,73



REGION SOUTH

Operational EBIT came in at NOK 2.9 million (NOK 2.0 million), an increase of NOK 0.9 million, while operational EBIT per kg from the Farming operations amounted to NOK 0.84 (NOK 6.60).

1 674 tonnes (320 tonnes) were harvested in the region in the third quarter, an increase of 423 per cent. The Farming operations achieved a price NOK 2.78 per kg higher than in the corresponding prior-year period. EBIT before open fixed-price contracts from sales increased operational EBIT by NOK 0.19 per kg. Fixed-price contracts represent 29 per cent of sold volume in the quarter. The realised price on fixed-price contracts was higher than the market price and increased operational EBIT per kg by NOK 0.72 in the quarter. This resulted in a net contribution from sales of NOK 0.91 per kg.

The production cost for harvested fish is NOK 3.85 per kg higher than in the second quarter. The reason for the increase are costs associated with the fish diseases Amoebic Gill Disease (AGD) and Pancreas Disease (PD), as well as the harvesting of fish with low average weight due to accelerated harvest. High water temperatures and biological challenges with AGD and PD have led to low growth in the quarter.

The issues above has reduced estimated harvest volume for 2014 to 4 200 tonnes. The estimated harvest volume for 2015 is 6 000 tonnes, an increase of 43 per cent from 2014. 1.8 million smolts are planned released in 2014.

KEY FIGURES (NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013
Operating revenues	140 309	38 242	426 845	291 788	435 507
Operational EBITDA	5 647	4 660	23 727	26 062	50 018
Operational EBIT	2 943	2 024	15 644	18 479	39 795
Investment in tangible and intangible assets	59 362	3 210	63 008	13 016	16 431
Volume harvested (tonnes)	1 674	320	4 209	2 521	4 700
Operational EBIT per kg farming	0,84	6,60	4,08	8,32	9,04
Operational EBIT per kg Sales incl. contracts	0,91	-0,27	-0,36	-0,99	-0,57
Total operational EBIT per kg	1,76	6,33	3,72	7,33	8,47

SHARES

As of 30 September 2014 Norway Royal Salmon ASA had 43 572 191 shares, allocated among 856 shareholders, a decrease of 7 from the end of the previous quarter. At the end of the quarter the group had 33 734 treasury shares. The share price increased from NOK 49.20 at the end of June 2014 to NOK 51.50 at the end of September 2014. 2 238 342 shares were traded during the quarter.



EVENTS IN AND AFTER OF THE QUARTER

High mortality rate in Region South and the Kokelv site in Finnmark

The farming operations of Norway Royal Salmon in Region North had extraordinary high mortality at the Kokelv site in Finnmark in July. The cause was poisonous algae bloom in this area. Approximately 900 tonnes of biomass have died as a result of this. The fish had an average weight of 2.4 kg and was scheduled to be harvested in the fourth quarter of 2014 and first quarter 2015. The incident has resulted in a one-off charge in the third quarter of 2014 of NOK 17.5 million.

The farming operations of Norway Royal Salmon in Region South have also experienced extraordinary mortality at two sites in the quarter. Approximately 460 tonnes of biomass have died as a result of the fish disease PD. The incident has resulted in a one-off charge in the third quarter of 2014 of NOK 14.4 million.

Sickness absence

At 7.1 per cent, the Group's sickness absence rate increased by 2.2 per cent from the previous quarter. The long-term absenteeism represents a substantial part of the absence.

MARKET CONDITIONS

The total value of salmon exported from Norway in the third quarter was NOK 10.3 billion, an increase of NOK 0.6 billion compared with the third quarter of 2013. The increase is due to a significant increase in exported volume. The average price (Nasdaq) for superior quality salmon was NOK 35.10 (delivered Oslo) per kg. In the same period last year the price was NOK 38.90 per kg. The export volumes from Norway in the third quarter were 9 per cent higher than last year as a result of good growth earlier this year. The global supply growth in the quarter was 12 per cent, as Chile increased volumes by 28 per cent. The increased supply growth in addition to the loss of demand from Eastern Europe contributed to prices below last year's prices.

The demand from EU has been good, EU increased import of Norwegian salmon by 15 per cent in the third quarter, which is higher than the total supply growth from Norway. Demand for salmon varies significantly within the EU. Poland, Spain, Sweden, Holland, Lithuania and Estonia, increased their volumes significantly, while France is still lagging behind with a reduction of 8 per cent. With a decline in volume in France and a significant increase in Poland, is Poland the largest single market for salmon with a market share of 13 per cent. France's market share is 11 per cent, down from 13 per cent at the same time last year.

Eastern Europe has had a clear decline in imports of Norwegian salmon in the third quarter with a decline of 40%. Russia, the largest Eastern European importer, reduced its imports of Norwegian salmon by 58 per cent. This is because of the import restrictions on Norwegian salmon that was announced in August. In addition, Ukraine's imports continue to fall, and the volumes were 40 per cent lower than last year. Belarus, Kazakhstan and other Eastern European markets had a growth of 66 per cent in the quarter. With trade restrictions against Russia and unrest in Ukraine it is nice to see that other countries in the region have gotten the taste of Norwegian salmon.

Import restrictions from Russia in August led to an immediate stop in deliveries from Norway to Russia and our sales team has worked hard to place this volume in other markets. So far, these volumes have been distributed evenly to other regions and to other

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Eastern European countries. Exports from Norway to Belarus increased significantly towards the end of the quarter, as Belarus has the possibility to sell manufactured goods to Russia,

Demand from Asia increased developed well in the third quarter and increased 16 per cent compared to the same period last year. The volumes to Southeast Asia increased by 9 per cent, Japan increased by 15 per cent. The export to the Middle-East, driven by Israel, Abu Dhabi and Saudi Arabia, increased by 71 per cent in the third quarter. Even though the underlying demand for salmon is good the trade issues with China continued throughout the third quarter.

Demand for salmon in North-America continued to be very strong in the third quarter and export from Norway to the United States increased by 44 per cent compared to the same period last year, driven by strong demand from the USA. The growth is especially strong for fresh fillets, but the import of fresh whole fish also increased substantially.

The third quarter gave a weak contribution from the NRS' Sales operation. As a result of the loss of the market in Russia and limited access to freezing capacity, the underlying margin was slightly weaker than expected. In addition the volumes were lower than last year. Previously signed fixed-price contracts resulted in a gain of NOK 4.4 million in the quarter, as salmon prices was slightly lower than NRS expected. The share of fixed price contracts for Norway Royal salmon's own fish was 29 per cent in the third quarter. NRS experienced a growth in the third quarter to Asia and over 20 per cent of NRS volumes went to Asia. The share to Western Europe was stable around 51 per cent. The volumes to Eastern Europe fell significantly due to lower volumes to Ukraine and Russia, while other Eastern-European countries showed growth.

OUTLOOK

Estimated harvesting volume for 2014 has been reduced to 22 000 tonnes. The reason for the downward revision of the estimate is build up of more biomass at the end of the year than previously estimated, as well as extraordinary mortality at three sites in quarter, accelerated harvesting and lost growth as a result of this. The estimated harvest volume for 2015 is 32 000 tonnes, an increase of 46 per cent from 2014.

Farming has hedged prices for 34 per cent of the volume in Q4 2014. NRS has not entered into any price hedging contracts for the harvest volume of 2015.

In early August, Russia imposed sanctions on Norwegian seafood that in the short term has created market challenges and pressure on prices. The exporters have worked hard to re-allocate this volume to other markets and regions such as Europe, America and Asia. On the supply side, the harvest volumes from Norway this summer were high, which has reduced biomass growth compared to last year. We therefore expect supply growth in the fourth quarter will decline substantially and will be negative of 1 to 4 per cent compared with the same quarter last year. For the year 2014 the global supply growth is expected to be between 7 and 9 per cent. For the year 2015 the global supply growth is expected to be reduced to 2 to 4 per cent and in the longer term global growth is expected to be low. This provides the basis for a positive market outlook both for 2015 and in the long term for the industry.

The groups financing with a total limit of NOK 900 million and main covenant requiring an equity ratio of only 30 per cent and no earnings requirements gives the group a very good financial flexibility. At the end of the quarter the Group had an unused credit facility of NOK 450 million.

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NRS has been awarded on new license in 2014. If the nomination to award 9 new licenses will become a reality, it will be an excellent opportunity for significant growth and more sustainable production for NRS. NRS believe we are well positioned to achieve and succeed with this in the Region North. Given the market outlook in the coming years with low supply growth, NRS expect that new licenses will contribute positively to the Group's results. NRS is satisfied that farming operations are primarily located in Troms and Finnmark, where there are good conditions for the production of salmon. An award of new licenses will further strengthen this position.

Trondheim, 4 November 2014

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Chair

Kristine Landmark
Vice Chair

Marianne E. Johnsen

Inge Kristoffersen

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CEO

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INTERIM REPORT INCOME STATEMENT

(NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013
Operating revenues	527 311	549 033	1 818 409	1 752 263	2 603 712
Cost of goods sold	464 549	444 979	1 529 785	1 441 157	2 137 934
Salaries	31 894	23 926	74 502	61 418	85 627
Depreciation	10 435	8 650	29 370	24 771	33 728
Other operating costs	35 006	23 075	85 724	60 282	90 422
Operational EBIT	-14 574	48 404	99 029	164 635	256 001
Fair value adjustments	59 679	31 504	-14 598	90 497	94 725
Income from associates	11 263	9 347	21 674	15 269	28 834
EBIT	56 369	89 255	106 105	270 401	379 561
Gain/loss on financial assets	5 658	5 253	51 928	19 032	49 447
Other net financial items	-5 461	1 773	-15 366	-13 923	-32 716
EBT	56 566	96 281	142 668	275 509	396 292
Tax	-10 704	-24 341	-18 648	-72 332	-80 487
Net profit/loss	45 862	71 939	124 020	203 177	315 805
Profit attributable to:					
Parent company shareholders	43 333	67 715	113 561	192 611	302 434
Minority interests	2 529	4 224	10 460	10 566	13 371
Earnings per share (NOK)	1,06	1,56	2,64	4,43	6,96
Earnings per share - diluted	1,06	1,56	2,64	4,43	6,96

EXTENDED INCOME STATEMENT

(NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013
Net profit/loss	45 862	71 939	124 020	203 177	315 805
Items to be reclassified to profit or loss:					
Financial assets available for sale (net)	0	0	0	-1 985	-1 985
Cash Flow hedges (net)	2 505	-1 356	1 705	-5 831	-5 340
Items not to be reclassified to profit or loss:					
Actuarial gains/losses on defined benefit plans (net)	0	0	0	0	-798
Total comprehensive income	48 367	70 583	125 726	195 361	307 683
Total comprehensive income attributable to:					
Parent company shareholders	45 837	66 359	115 266	184 795	294 311
Minority interests	2 529	4 224	10 460	10 566	13 371



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BALANCE SHEET

(NOK '000)	30.09.2014	30.06.2014	31.12.2013	30.09.2013
Intangible assets	558 887	502 887	502 887	502 887
Property, plant and equipment	265 374	241 588	210 554	201 106
Non-current financial assets	149 091	144 269	137 280	130 318
Non-current assets	973 352	888 744	850 721	834 311
Inventory and biological assets	715 692	602 194	666 276	721 618
Receivables	403 631	451 095	480 883	311 908
Bank deposits, cash	45 178	36 249	53 732	48 712
Current assets	1 164 501	1 089 538	1 200 891	1 082 237
TOTAL ASSETS	2 137 853	1 978 282	2 051 612	1 916 548
Share capital	43 539	43 539	43 542	43 542
Other equity	790 921	744 327	771 090	661 420
Non-controlling interests	61 304	58 775	54 355	51 549
Equity	895 765	846 641	868 989	756 513
Pensions	10 320	10 320	10 320	9 736
Deferred tax	250 865	239 235	231 640	231 834
Provisions	261 185	249 554	241 960	241 570
Long-term interest-bearing debt	416 373	404 528	323 084	328 786
Short-term interest-bearing debt	185 520	81 930	184 530	163 802
Trade payables	315 193	328 476	382 944	322 333
Tax payable	7 589	7 589	8 313	780
Dividend	0	0	0	43 542
Other current liabilities	56 229	59 563	41 792	59 222
Current liabilities	564 531	477 558	617 580	589 679
TOTAL EQUITY AND LIABILITIES	2 137 853	1 978 283	2 051 612	1 916 548

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STATEMENT OF EQUITY

30.09.2014	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
(NOK '000)						
Equity at 01.01.2014	43 572	-30	771 090	814 632	54 355	868 989
Total comprehensive income	0	0	115 266	115 266	10 460	125 726
Transactions with shareholders						
Dividend	0	0	-93 332	-93 332	0	-93 332
Share based payment	0	0	-1 692	-1 692	0	-1 692
Change in non-controlling interests	0	0	0	0	-3 511	-3 511
Purchase/sale of treasury shares	0	-4	-248	-252	0	-252
Other changes in associates	0	0	-163	-163	0	-163
Total transactions with shareholders	0	-4	-95 435	-95 439	-3 511	-98 950
Equity at 30.09.2014	43 572	-34	790 921	834 460	61 305	895 765

30.09.2013	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
(NOK '000)						
Equity at 01.01.2013	43 572	0	522 623	566 199	40 984	607 184
Comprehensive income	0	0	184 795	184 795	10 566	195 361
Transactions with shareholders						
Dividen to be paid	0	0	-43 543	-43 543	0	-43 543
Share based payment	0	0	-345	-345	0	-345
Purchase/sale of treasury shares	0	-30	-2 201	-2 231	0	-2 231
Total transactions with shareholders	0	-30	-46 089	-46 119	0	-46 119
Equity at 30.09.2013	43 572	-30	661 328	704 873	51 551	756 426

31.12.2013	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
(NOK '000)						
Equity at 01.01.2013	43 573	0	522 623	566 199	40 984	607 184
Total comprehensive income	0	0	294 311	294 311	13 371	307 683
Transactions with shareholders						
Dividend	0	0	-43 542	-43 542	0	-43 542
Share based payment	0	0	-282	-282	0	-282
Purchase/sale of treasury shares	0	-30	-2 024	-2 054	0	-2 054
Total transactions with shareholders	0	-30	-45 848	-45 877	0	-45 877
Equity at 31.12.2013	43 573	-30	771 085	814 630	54 355	868 989

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STATEMENT OF CASH FLOW

(NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013
Operational EBIT	-14 574	48 404	99 029	164 635	256 002
Adjusted for:					
Tax paid	0	0	-724	0	-780
Depreciation	10 435	8 650	29 370	24 771	33 728
Gains (-)/ losses (+) on disposal of non-current assets	550	0	550	0	-32
Share based payment	758	62	-1 689	-345	-282
Pension costs with no cash effect	0	0	0	0	466
Change in inventory / biomass	-53 030	-141 039	-59 558	-91 175	-32 736
Change in debtors and creditors	64 464	147 971	69 897	65 923	-34 941
Change in other current assets and other liabilities	-23 701	-17 849	-1 400	9 989	-9 589
Net cash flow from operating activities	-15 097	46 198	135 475	173 799	211 836
Cash flow from investing activities					
Proceeds from sale of property, plant and equipment	0	0	0	0	48
Payments for purchase of property, plant and equipment	-90 771	-14 145	-140 740	-46 978	-65 399
Proceeds from investments in non-current financial assets	6 318	6 231	14 722	20 423	39 958
Payments for investments in non-current financial assets	0	0	0	-500	-500
Change in loans to associates and others	125	800	125	1 100	1 545
Net cash flow from investing activities	-84 328	-7 114	-125 893	-25 955	-24 348
Cash flow from financing activities					
Receipts from new long-term debt	26 251	6 522	357 938	30 667	37 302
Long-term debt repayments	-8 848	-8 763	-267 585	-27 513	-40 224
Net change in overdraft	98 031	-25 685	3 926	-86 495	-65 393
Purchase and sale of treasury shares	0	0	-252	-2 231	-2 054
Interest paid	-5 646	-4 546	-15 319	-23 414	-29 699
Dividend payment	-1 435	0	-96 845	0	-43 542
Net cash flow from financing activities	108 353	-32 472	-18 137	-108 986	-143 610
Net increase (+)/ decrease (-) in cash & cash equivalents	8 928	6 612	-8 555	38 858	43 878
Cash and cash equivalents - opening balance	36 249	42 100	53 732	9 854	9 854
Cash and cash equivalents - closing balance	45 177	48 712	45 177	48 712	53 732

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting principles

These condensed, consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRSs) and such interpretations as are determined by the EU and published by the International Accounting Standards Board, including the interim reporting standard (IAS 34). The interim financial statements do not include all the information required of an annual financial report and must therefore be read in conjunction with the consolidated financial statements for the 2013 financial year.

The condensed consolidated interim financial statements have not been audited. As a result of rounding differences, numbers or percentages may not add up to the total.

The consolidated financial statements for the Group for the year 2013 are available upon request from the company's head office at Olav Tryggvasons gate 40, Trondheim or at www.norwayroyalsalmon.com.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2013, with the exception of standards and interpretations referred to in note 1 of the annual financial report for 2013. None of these standards or interpretations have affected the consolidated financial statements for 2014.



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NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: Segment information

Operating segments are identified based on the reporting used by Group management to assess performance and profitability at a strategic level.

The Group management is defined as the chief operating decision-makers.

The Group's business areas are divided into the Sales and Fish farming. The Sales segment includes the purchase and sale of salmon. The fish farming business includes salmon farming and harvesting activities. The fish farming business is divided into two regions: Region North, which consists of the fish farming business in Senja and West Finnmark; and Region South, which consists of the fish farming business in the area around Haugesund.

Transactions between the segments are made at market terms. Group management reviews monthly reports in connection with the segments.

Performance is evaluated based on operating results (EBIT) per segment.

(NOK '000)	Sales		Region North		Region South		Eliminations/other		Total	
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
Total sales revenues	512 617	546 607	149 921	157 989	60 402	10 654	14 167	1 563	737 107	716 813
Internal sales revenues	0	0	149 397	157 126	60 398	10 654	0	0	209 796	167 780
External sales revenues	512 617	546 607	524	863	4	1	14 167	1 563	527 311	549 033
Operational EBIT	5 585	-1 231	22 217	52 363	1 414	2 110	-43 790	-4 839	-14 574	48 404
Non-recurring items	-790	3 125	43 048	18 782	17 421	9 597			59 679	31 504
Fair value adjustments	0	0	0	0	0	0	11 263	9 347	11 263	9 347
EBIT	4 795	1 894	65 265	71 145	18 835	11 707	-32 526	4 508	56 369	89 255
EBT	4 144	524	62 927	68 597	17 469	10 029	-27 974	17 130	56 566	96 281
Volume harvested (HOG)			4 443	4 254	1 674	320			6 118	4 574
Operational EBIT per kg			5,00	12,31	0,84	6,60			3,86	11,91
Volume sold	12 706	13 341							12 706	13 341
Operational EBIT per kg	0,44	-0,09							0,44	-0,09
- of which loss on open fixed-price contracts per kg.	0,35	-0,47							0,35	-0,47

(NOK '000)	Sales		Region North		Region South		Eliminations/other		Total	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Total sales revenues	1 798 000	1 733 087	487 672	524 288	156 503	92 945	16 527	3 432	2 458 703	2 353 753
Internal sales revenues	0	0	483 796	508 564	156 497	92 926	0	0	640 293	601 490
External sales revenues	1 798 000	1 733 087	3 876	15 724	6	19	16 527	3 432	1 818 409	1 752 263
Operational EBIT	-8 303	-14 320	144 892	173 352	17 164	20 981	-54 724	-15 378	99 029	164 635
Fair value adjustments	-4 456	6 610	665	63 141	-10 807	20 746	0	0	-14 598	90 497
Fair value adjustments	0	0	0	0	0	0	21 674	15 269	21 674	15 269
EBIT	-12 758	-7 710	145 557	236 493	6 357	41 727	-33 050	-110	106 105	270 401
EBT	-13 781	-9 662	140 713	223 636	2 133	35 548	13 602	25 988	142 668	275 509
Volume harvested (HOG)			12 725	14 287	4 209	2 521			16 935	16 808
Operational EBIT per kg			11,39	12,13	4,08	8,32			9,57	11,56
Volume sold	40 937	42 283							40 937	42 283
Operational EBIT per kg	-0,20	-0,34							-0,20	-0,34
- of which loss on open fixed-price contracts per kg.	-0,21	-0,69							-0,21	-0,69

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass

In accordance with IAS 41, the biomass is recognised at fair value less estimated harvesting and sales costs. Adjustments to the fair value of the biomass are presented on a separate line in the income statement. When estimating the biomass at fair value the best estimate of fair value for fish less than 1 kg is assumed to be accumulated cost, while for fish between 1 and 4 kg a proportionate share of full value is recognised. Harvestable fish (above 4 kg) is valued at full value. An expected fair value below the expected cost would imply a negative value adjustment of biological assets. Market prices based on externally quoted forward prices, and / or the most relevant pricing information available for the period when the fish are expected to be harvested are used when calculating the fair value.

Book value of inventory:

(NOK '000)	30.09.2014	30.06.2014	31.12.2013	30.09.2013
Raw materials	27 824	19 655	16 864	20 689
Biological assets (biomass)	668 210	574 119	639 238	686 399
Finished goods	19 658	8 420	10 174	14 530
Total inventory	715 692	602 194	666 276	721 618

Specification of the biomass:

(NOK '000)	30.09.2014	30.06.2014	31.12.2013	30.09.2013
Biomass at cost	531 638	498 016	492 524	542 783
Fair value adjustments of the biomass	136 572	76 103	146 714	143 616
Book value of the biomass	668 210	574 119	639 238	686 399

Specification of biological assets - tonnes

	Q3 2014	Q2 2014	Q3 2013	FY 2013
Opening balance biological assets	17 337	18 307	14 852	20 698
Increase due fish put in the sea	358	356	246	1 089
Increase due to production in the period	10 925	5 235	12 475	29 126
Reduction due to harvesting in the period	-7 371	-6 485	-5 511	-30 348
Non-recurring item and sold biomass	-1 474	-76	0	-405
Closing balance biological assets	19 776	17 337	22 062	20 160

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

	30.09.2014	30.06.2014	31.12.2013	30.09.2013
Smaller than 1 kg	3 377	1 476	2 691	2 192
1-4 kg	11 188	10 868	10 957	13 016
Larger than 4 kg	5 212	4 993	6 512	6 853
Biological assets as at 31 December	19 776	17 337	20 160	22 062

NOTE 4: Fair value adjustments

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

(NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013
Change in fair value adjustments of the biomass	60 469	28 379	-10 142	83 887	86 985
Change in provision for onerous sales contracts	1 350	7 250	-3 379	-2 494	0
Change in provision for onerous purchase contracts	0	0	0	1 095	1 095
Change in unrealised gains/losses on financial fish pool contracts	-2 140	-4 125	-1 077	8 009	6 645
Total fair value adjustments	59 679	31 504	-14 598	90 497	94 725

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

(NOK '000)	30.09.2014	30.06.2014	31.12.2013	30.09.2013
Fair value adjustments biomass (inventory and biological assets)	136 572	76 103	146 714	143 616
Provision for onerous sales contracts (other current liabilities)	-3 379	-4 729	0	-2 494
Fair value of financial fish pool contracts (other receivables/other current liabilities)	2 250	4 390	3 327	4 691
Net fair value adjustments in the balance sheet	135 443	75 764	150 041	145 813

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NOTE 5: Non-recurring items

(NOK '000)	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2014
Changes in Group management	4 000	0	4 000	0	0
Extraordinary mortality	31 911	0	31 911	0	0
Costs related to escape	0	0	0	0	2 219
Total	35 911	0	35 911	0	2 219

NOTE 6: Transactions with related parties

The Norway Royal Salmon Group undertakes transactions under ordinary terms and conditions with associates and chain members who are also NRS shareholders. This applies to the purchase of fish from fish-farming companies, as well as the purchase of harvesting services from two of the Group's associates. Smolts are also purchased from associated companies.

Wellboat services with a total value of TNOK 11 533 were purchased from enterprises controlled by the company's Chair Helge Gåsø so far in 2014. These services were priced at the market rate. Services for TNOK 8 198 were purchased in Q3 2014. In conjunction with CEO John Binde leaving the company, NRS bought all his shares in the company (394,242 shares) in the second quarter. The shares were purchased at the market price of NOK 50.99 per share.

Share-based incentive schemes

A bonus programme based on "synthetic options" was introduced for the Group's management in the first quarter of 2011. The bonus programme gave 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. The last 330,000 of the options expired in the first quarter of 2014. In the first quarter of 2014 revenues relating to the option scheme was recognised in the income statement in the amount of NOK 503 000.

A new bonus programme based on synthetic options was 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 31 March 2014 and 1 July 2014 (the CEO's bonus program). 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 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 31 March 2014 and 1 July 2014, and in relation to price increases during the period on the number of shares covered by the programme. The scheme covers a total of 910,000 shares allocated to the Group's management. In the third quarter of 2014 costs relating to the option scheme was recognised in the income statement in the amount of NOK 2,700,000. To date in 2014 costs relating to the 2 option schemes have been recognised in the income statement in the amount of NOK 2,197,000.

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

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2014	Share of profit/loss in the period after tax	Other changes	Book value 30.09.2014	Share of volume harvested - tonnes HOG 30.09.2014*
Company						
Wilsgård Fiskeoppdrett AS	37,50 %	51 301	8 550	-2 756	57 094	436
Måsøval Fishfarm AS	36,10 %	16 604	4 718	-6 317	15 005	585
Hellesund Fiskeoppdrett AS	33,50 %	35 395	6 620	-503	41 512	219
Hardanger Fiskeforedling AS	31,10 %	6 690	1 001	0	7 691	
Espevær Laks AS	37,50 %	1 134	104	0	1 238	
Ranfjord Fiskeprodukter AS	37,75 %	18 332	682	0	19 014	
Skardalen Settefisk AS	30,00 %	3 092	0	0	3 092	
Other		48	0	0	48	
Total associates 30.09.2014		132 595	21 675	-9 577	144 693	1 240
Total associates 30.09.2013		108 561	15 269	-800	123 030	1 376

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

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

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NOTES TO THE FINANCIAL STATEMENTS

Note 8 Interest rate swap

The interest rate swap is not recognized as hedge accounting under IFRS. Subsequent the fair value changes on the agreement will be charged to the income statement as a part of other net financial items.

(NOK '000)

Currency	Amount	NRS pays	NRS receives	Maturity	Market value 30.06.2014	Market value 30.09.2014	Change in market value Q3 2014
NOK	100 000	Fixed 3,37%	3 M NIBOR	07.09.2016	-3 833	-3 401	432

Note 9 Treasury shares and TRS agreements

As at 30 September the company holds 33 375 treasury shares, corresponding to 0.08 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 30 September 3 549 889 shares, representing 8,15 % of the share capital of the company. TRS agreements are recorded at fair value and changes in fair value are recognized as financial items in the income statement. The company has not realised any previously entered into TRS agreements in the period.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 30.06.2014	Market value 30.06.2014	Change in market value Q3 2014
TRS 1	2 396 348	30,3077	19.03.2015	48 243	52 805	4 561
TRS 2	759 299	33,2873	12.03.2015	10 745	11 015	270
TRS 3	394 242	52,3399	12.03.2015	-1 007	-180	827
Sum				57 982	63 640	5 658

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 third quarter 2014 the Group is in compliance with the terms of its loan agreements.

NOTE 11: Shareholders

Ownership structure – the 20 largest shareholders as at 30.09.2014:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 475 494	14,86 %
GLASTAD INVEST AS	5 632 014	12,93 %
EGIL KRISTOFFERSEN OG SØNNER AS	4 568 379	10,48 %
HAVBRUKSINVEST AS	3 618 940	8,31 %
MÅSØVAL EIENDOM AS	3 548 761	8,14 %
SPAREBANK 1 MARKETS AS	3 083 448	7,08 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	2 585 184	5,93 %
NYHAMN AS	2 184 541	5,01 %
HELLESUND FISKEOPPDRETT A/S	1 581 941	3,63 %
VERDIPAPIRFONDET DNB SMB	1 200 000	2,75 %
LOVUNDLAKS AS	1 026 268	2,36 %
STATE STREET BANK AND TRUST CO.	531 702	1,22 %
WILSGÅRD FISKEOPPDRETT AS	481 001	1,10 %
MP PENSJON PK	462 539	1,06 %
HENDEN FISKEINDUSTRI AS	348 420	0,80 %
STATE STREET BANK & TRUST COMPANY	280 000	0,64 %
MÅSØVAL FISHFARM AS	246 529	0,57 %
STATE STREET BANK AND TRUST CO.	223 894	0,51 %
FREWI AS	208 777	0,48 %
K. ENOKSEN HOLDING AS	205 255	0,47 %
Total 20 largest shareholders	38 493 087	88,34 %
Total other shareholders	5 079 104	11,66 %
Total no. of shares	43 572 191	100,00 %

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