

HIGHLIGHTS Q2 2015

- Operational EBIT of NOK 19,1 million
 - Operational EBIT per kg of NOK 5.68 in Region North
 - Operational EBIT per kg of NOK 3.23 in Region South
- Harvested volume increased with 4 per cent and sold volume with 13 per cent compared with the corresponding period last year
- Higher production costs in the quarter
 - High feed costs and unsatisfactory biological performance on harvested fish
- Reduced price achievement in the quarter
 - 55 per cent of the volume in Region North was harvested in April when the prices was at their lowest in the quarter
 - Continued slightly high downgrading of harvested fish
- Despite low sea temperatures the production in the quarter was as expected
- Good underlying demand in EU and Asia
 - Expect low long-term global supply growth, which provide good price expectations
- 2 sites in Finnmark ASC-certified in the quarter

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Operating revenues	684 370	595 727	1 444 436	1 291 098	2 599 799
Operational EBITDA	31 946	36 231	113 485	132 537	199 475
Operational EBIT	19 080	26 545	88 396	113 602	158 064
Income from associates	4 748	7 889	-2 243	10 411	27 136
EBIT	21 340	21 412	-41 022	49 737	242 656
EBT	20 893	73 795	-59 248	86 102	320 707
EPS (NOK) – before fair value adjustments	0,45	1,79	1,09	2,85	4,96
ROCE ¹⁾			10,6 %	24,8 %	13,7 %
Net cash flow from operating activities	69 611	48 556	129 828	150 572	95 455
Investments in tangible fixed assets/licences	38 191	41 614	42 973	49 969	266 712
Net interest-bearing debt			625 244	450 210	639 383
Equity ratio			38,5 %	42,8 %	39,0 %
Volume harvested (HOG)	5 620	5 382	13 133	10 817	22 356
Operational EBIT per kg ²⁾	4,83	5,93	4,83	5,93	9,98
Volume sold - Sales	16 121	14 253	33 080	28 231	59 110

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 = 2014, unless otherwise specified)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 684.4 million (NOK 595.7 million) in the second quarter of 2015, an increase of 15 per cent from the corresponding prior-year period. Operational EBIT for the quarter was NOK 19.1 million (NOK 26.5 million), a decrease of NOK 7.4 million. The increase in revenues is due to higher sold volume. The reduction in operational EBIT was attributable to lower prices and higher production costs. The Group recognised fair value adjustments of NOK -2.5 million (NOK -13.0 million), a cost decrease of NOK 10.5 million.

The farming business harvested 5 620 tonnes (5 382 tonnes) gutted weight in the quarter, an increase of 4 per cent from the corresponding quarter last year. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 4.83 (NOK 5.93). The decrease is due to lower prices and higher costs. The Sales business sold 16 121 tonnes (14 253 tonnes), an increase of 13 per cent.

Financial items and share of profit from associates

Result from associates totalled NOK 4.8 million (NOK 7.9 million) in the second quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK 3.0 million (NOK 5.1 million). Associated farming companies harvested 580 tonnes, 142 tonnes less than last year. NRS share of the above figure amounts to 210 tonnes, a decrease of 51 tonnes.

A gain of NOK 5.4 million (NOK 57.5 million) on TRS agreements on own shares was posted in the quarter. Net interest expenses for the period were NOK 5.6 million (NOK 5.0 million), an increase of NOK 0.6 million as a result of higher interest bearing debt.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 2 342 million, an increase of NOK 45 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 26.3 million. Fair value adjustments of the biomass decreased by NOK 9.0 million, and inventories and biomass at cost increased by NOK 32.2 million. The net increase in inventories and biological assets was NOK 23.2 million. The Group's receivables decreased by NOK 4.0 million.

The Group's net interest-bearing debt increased by NOK 38.6 million, from NOK 586.6 million at the end of the previous quarter to NOK 625.2 million as of 30 June 2015. The increase was mainly attributable to payment of dividend of NOK 65.4 and investments in fixed assets of NOK 38.2 million. Operational EBITDA of NOK 31.9 million, paid dividend from associates and a realised gain on TRS-agreements of a total of NOK 4.1 million as well as reduced working capital of NOK 32.8 million had the opposite effect on the net interest-bearing debt.

As of 30 June 2015, the Group's equity totalled NOK 900.9 million, a decrease of NOK 48.6 million from the end of the previous quarter. The decrease is mainly attributable to paid dividend of NOK 65.4 million. At the end of the first quarter, the equity ratio was 38.5 per cent.



Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 69.6 million during the quarter, which represents an increase of NOK 21.1 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to an operational EBITDA of NOK 31.9 million, a decrease in accounts receivables of NOK 42.4 million and an increase in accounts payables of NOK 52.0 million. An increase in inventories of NOK 32.2 million and an increase in other payables of NOK 35.0 million had an adverse effect on the cash flow.

Net cash outflows in connection with investing activities in the second quarter amounted to NOK 32.3 million (NOK 30.4 million), and is related to payments of NOK 38.2 million for investments in fixed assets, while a gain on the realisation of TRS-agreements of NOK 3.0 million and received dividend from associated companies of NOK 1.0 million had a positive effect on the cash flow.

The net cash outflow from financing activities totalled NOK 39.4 million (NOK 40.0 million) in the second quarter. Interests paid and instalments amounted to NOK 6.2 million and NOK 10.2 million respectively. Leasing liabilities rose by NOK 21.6 million and the bank overdraft facility increased by NOK 25.1 million. NOK 65.4 million has been paid in dividend during 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 Senja and western Finnmark, and 6 licences in Region South, located in the area around Haugesund.

The business posted sales revenues of NOK 681.1 million in the second quarter of 2015 (NOK 594.5 million), an increase of 15 per cent. The spot price (NASDAQ) for superior quality during the quarter was NOK 37.90 per kg gutted weight, a decrease of 7 per cent from the first quarter of 2015 and a decrease of 6 per cent compared with the second quarter of 2014. The sales operations experienced an increase in sales volumes of 13 per cent compared with the corresponding prior-year period. 16 121 tonnes (14 253 tonnes) were sold in the second quarter. The Sales business achieved operational EBIT before open fixed-price contracts of NOK 4.8 million (NOK -3.6 million), which equates to NOK 0.30 (NOK -0.25) per kg sold volume in the period. The loss on open fixed-price contracts was NOK 0.0 million (NOK -2.6 million) in the quarter. The sales operations has not entered into fixed-price contracts in 2015.

The Farming operations harvested 5 620 tonnes (5 382 tonnes) gutted weight in the second quarter, an increase of 4 per cent from the corresponding period last year. The estimated harvest volume for 2015 is 30 500 tonnes, an increase of 36 per cent from 2014.



INTERIM REPORT

Q2 2015

SEGMENT SUMMARY (NOK '000)	Q2 2015		Q2 2014	
	Operational EBIT	Operational EBIT per kg	Operational EBIT	Operational EBIT per kg
Farming	22 388	3,98	38 160	7,09
Sales	4 776	0,85	-3 622	-0,67
Fixed price contracts	0	0,00	-2 630	-0,49
Sum segments	27 164	4,83	31 908	5,93
Volume harvested (tonnes)	5 620		5 382	

REGION NORTH

Operational EBIT came in at NOK 20.9 million (NOK 25.2 million), a decrease of NOK 4.3 million compared with the same quarter last year. Operational EBIT per kg amounted to NOK 5.68 (NOK 7.69).

3 675 tonnes (3 275 tonnes) were harvested in the region in the second quarter, an increase of 12 per cent. The achieved price for the Farming operations was NOK 1.96 per kg lower than in the corresponding period last year.

Production cost for harvested fish was NOK 1.08 higher than in the first quarter of 2015 and NOK 2.06 higher than in the corresponding period last year. The increase was mainly a result of higher feed cost per kg harvested due to higher feed price and higher feed conversion rates and unsatisfying biological performance of harvested fish. Harvested fish from Troms also had high costs related to fish health. 55 per cent of the volume in the quarter was harvested in April when prices were at their lowest in the quarter and winter wounds reduced sales price. Feeding in the quarter has been as expected. The general sea lice and health situation in Region North is now very good.

The estimated harvest volume for 2015 is 24 800 tonnes, an increase of 38 per cent from 2014.

KEY FIGURES (NOK '000)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Operating revenues	445 404	362 496	1 079 407	1 002 202	2 132 272
Operational EBITDA	30 880	31 617	104 281	125 280	226 796
Operational EBIT	20 882	25 194	84 999	111 836	205 683
Investment in tangible and intangible assets	38 331	39 550	42 677	46 322	198 791
Volume harvested (tonnes)	3 675	3 275	9 958	8 282	17 987
Operational EBIT per kg	5,68	7,69	8,54	13,50	11,44



REGION SOUTH

Operational EBIT came in at NOK 6.3 million (NOK 6.7 million), a decrease of NOK 0.4 million. Operational EBIT per kg amounted to NOK 3.23 (NOK 3.19).

1 945 tonnes (2 107 tonnes) were harvested in the region in the second quarter, a decrease of 8 per cent. The Farming operations achieved a price NOK 0.28 per kg lower than in the corresponding prior-year period.

The production cost for harvested fish is NOK 3.39 per kg higher than in the first quarter and NOK 1.69 higher than in the corresponding period last year. The increase was a result of higher feed cost per kg harvested, due to higher feed price, high feed conversion rate and accelerated harvesting of fish with low average weight at a site with the fish disease Pancreas Disease (PD). Region South achieved slightly lower than expected growth in the quarter. There is good control over the sea lice situation, but the treatment cost has increased slightly.

The estimated harvest volume for 2015 is 5 700 tonnes, an increase of 30 per cent from 2014.

KEY FIGURES (NOK '000)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Operating revenues	235 663	231 975	359 031	286 536	449 774
Operational EBITDA	9 142	9 412	25 385	18 079	25 544
Operational EBIT	6 282	6 714	19 616	12 701	17 461
Investment in tangible and intangible assets	699	2 063	886	3 646	67 920
Volume harvested (tonnes)	1 945	2 107	3 175	2 535	4 369
Operational EBIT per kg	3,23	3,19	6,18	5,01	4,00

SHARES

As of 30 June 2015 Norway Royal Salmon ASA had 43 572 191 shares, allocated among 1 047 shareholders, a decrease of 55 from the end of the previous quarter. At the end of the quarter, the group had 70 885 treasury shares. The share price increased from NOK 62.00 at the end of March 2015 to NOK 62.25 at the end of June 2015. 2 225 966 shares were traded during the quarter.

EVENTS IN THE QUARTER

Annual general meeting

The annual general meeting was held in Trondheim on 28 May.

The general meeting granted the board of directors authority to acquire treasury shares by up to a total of 4,357,219 shares, each with a nominal value of NOK 1, which equals 10 per cent of the company's share capital. The authority remains in force until the ordinary general meeting in 2016, however no later than 30 June 2016.

The general meeting granted the board of directors authority to increase the Company's share capital by up to NOK 4,357,219. The authority remains in force until the ordinary general meeting in 2016, however no later than 30 June 2016.

The general meeting resolved to distribute a dividend of NOK 1.50 per share. The dividend was distributed by a cash dividend of NOK 0.75 and distribution of shares in NRS from the company's treasury shares.

Contractual rights and TRS agreements for own shares

During the second quarter Norway Royal Salmon has extended TRS (Total Return Swap) agreements and used its contractual right on purchase of shares in connection with TRS agreements. After these transactions Norway Royal Salmon owns or has a contractual right to 3 062 309 shares, which equates 7.03 per cent of the company's share capital.

Sickness absence

At 4.2 per cent, the Group's sickness absence rate decreased by 0.1 per cent from the previous quarter. The long-term absenteeism represents a substantial part of the absence.

White Paper on Aquaculture in Norway

The White paper on aquaculture passed in the Norwegian Parliament in June. The Parliament shares the Ministry of Trade, Industry and Fisheries concerns about sea lice, and has announced that sea lice control will be a prerequisite for future industry growth. Norway Royal Salmon supports the intentions of the White Paper, but division into production areas has to be done after a professional assessment and the growth must be linked to the sites and not areas.

Development Licenses in Norway

The Norwegian Government has proposed a new system for development licenses to stimulate new technology. According to the proposal, the licenses will be valid for 15 years, and can be converted into ordinary licenses over time. The proposal is out for public consultation until August 20.

5 per cent growth of existing licenses in Norway

In June 2015, the Norwegian Government announced a five percent growth opportunity for all existing licenses contingent on strict biological conditions being satisfied. The cost for growth is NOK 1 million per license. The conditions for growth include reducing the sea lice limit for the whole license from 0.5 to 0.2 adult females per fish, with only two medicinal treatments allowed per cycle. Norway Royal Salmon is currently evaluating the growth opportunities. The deadline for applying for the growth is September 1.



Norwegian Seafood Council

The Ministry of Trade and Industry has reduced the export tax going to the Norwegian Seafood Council from 0.75% to 0.6% of the Norwegian export value.

Norway Royal Salmon ASC certified

In June Norway Royal Salmon received ASC (Aquaculture Stewardship Council) certification for two sites. The sites are Fartøyvika and Petternes in NRS Finnmark AS located in the municipality of Måsøy. NRS are happy to have the first sites approved by the strictest international environmental standards in the industry. This is a global standard for responsible farming and together with our green licenses it will further reduce the influence on the environment. This will contribute to move this industry toward a more sustainable development and is of vital importance to our competitive advantage and future growth potential. Norway Royal Salmon is working to certify all sites according to the ASC-standard and have a goal that all our sites will be approved by the ASC-standard within 2020. The ASC-standard is an environmental standard negotiated with WWF. It sets strict standards for how fish are produced and require documentation on laws and regulations, animal diversity, animal welfare, genetic integrity of wild population, responsible feed, control of fish diseases, social responsibility and that suppliers meets critical and essential points of the standard.

SUMMARY OF EVENTS YEAR TO DATE IN 2015

The Group posted sales of NOK 1 444.4 million (NOK 1 291.1 million) in the first half of 2015, an increase of 11.8 per cent against the corresponding prior-year period. During the same period the Group posted an operational EBIT of NOK 88.4 million (NOK 113.6 million). A total of 13 133 tonnes were harvested in the first half of 2015, compared with 10 817 tonnes in the corresponding prior-year period. The group had a positive operational cash-flow of NOK 129.8 million (NOK 150.6 million) in the first half of 2015. At the end of the second quarter the Group had an equity ratio of 38.5 per cent (42.8 per cent). The Group has reduced its net interest bearing debt by NOK 14.2 million in the first half of 2015 to NOK 625.2 million. A dividend of NOK 65.4 million was distributed in the first half of 2015.

Region North harvested 9 958 tonnes (8 282 tonnes) in the first half of 2015, and posted EBIT per kg of NOK 8.54 (NOK 13.50). Region South harvested 3 175 tonnes (2 535 tonnes) in the first half of 2015, and posted EBIT per kg of NOK 6.18 (NOK 5.01). The Sales business sold 33 080 tonnes (28 231 tonnes) in the first half of 2015.

Norway Royal Salmon has not identified any additional risk exposure beyond the risks described in the 2014 annual report. Norway Royal Salmon is exposed to the salmon price. Reference is made to the Outlook section of this report, for other comments to NRS's risk exposure. In the first half of 2015, Norway Royal Salmon purchased wellboat services totalling KNOK 2 101 from companies controlled by the company's chair Helge Gåsø. In addition, has smolts from Nordland Akva AS, which is controlled by one of the largest shareholders of NRS, Egil Kristoffersen og Sønner AS, been purchased for KNOK 6 588. These services and smolts were priced at market rates. Otherwise, no material transactions with related parties have been undertaken during the first six months of 2015, reference is made to the Note 6 of this report for further information regarding related parties



MARKET CONDITIONS

The total value of salmon exported from Norway in the second quarter was NOK 10.7 billion. This is at the same level as in the second quarter of 2015. The spot price (NASDAQ) for superior quality salmon was NOK 37.90 (delivered Oslo) per kg. In the same period last year, the price was NOK 40.30 per kg. Exported volumes from Norway was 1% higher than the same period last year, which is approximately equal to global growth. Chile reduced its exports somewhat, but at the same time, volumes from North America increased giving a global supply growth of 1 per cent. Increased global supply, along with the absence of demand from Russia/Ukraine due to sanctions, unrest and currency factors contributed to spot prices below last year's prices in the second quarter.

The demand from EU has been good, EU increased import of Norwegian salmon by 10 per cent in the quarter, which is substantially higher than the general supply growth. Most countries in the EU shows a significant growth compared to the same period last year. Imports of salmon from Norway increased significantly in the major markets in the EU and some of the countries increasing imports the most were UK (+42 per cent), Spain (+28 per cent), Portugal (+34 per cent), Italy (+19 per cent) and Lithuania (+17 per cent). Poland is the biggest market for Norwegian salmon with a market share of 12 per cent, closely followed by France.

Eastern Europe had a clear decline in imports of Norwegian salmon in the second quarter with a decline of 72 per cent. Russia, which has been the largest Eastern European importer, reduced its imports of Norwegian salmon by 97 per cent. This is because of the import restrictions on Norwegian salmon. In addition, Ukraine's imports continue to fall, and the volumes were 43 per cent lower than last year. Belarus, Turkey, Kazakhstan and other Eastern European markets had a growth of 40 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. As Belarus is able to export processed goods to Russia, the exports from Norway to Belarus increased by 71 per cent in the quarter. The strong growth in Turkey continues and Turkey is now the biggest importer of Norwegian salmon in Eastern Europe with a growth of 38 per cent to 2 600 tonnes in the quarter.

Demand from Asia developed well in the second quarter; the growth was 13 per cent compared with the same period last year. Lower export to Vietnam and China gave a negative contribution, while the other markets show strong growth. South-East Asia increased by 20 per cent, while the Middle Eastern countries increased in average by 19 %. Hong Kong +18 per cent, Thailand +59 per cent, Taiwan +33 per cent, Abu Dhabi +67 per cent, Qatar +70 per cent and Kuwait +47 per cent were some of these. Even though the underlying demand for salmon is good, the trade issues with China continued throughout the quarter.

Demand for salmon in North America continued to be very strong and the export increased by 14 per cent compared to the same period last year. The development in foreign exchange rates, lower volumes from Chile, trade barriers in Russia and China, and market growth give in good possibilities for Norwegian salmon in the region.

The second quarter gave an expected contribution from the NRS' Sales operations, but significantly better than last year. Good supply of attractive sizes, increased volumes and a good performance of the sales department of NRS has contributed positively, while provision for doubtful receivables pulls the margin down. The organization's ability to adapt to the loss of the large Russian market has worked well. The Group currently has no open fixed price contracts and the fish was sold at spot prices in the second quarter. The growth in sold volumes of 13 per cent compared with the same period last year was driven by a growth of more than 25 per cent in the Asian market and a growth of 27 to the EU. The export to Eastern



Europe has declined by over 60 per cent. Asia accounted for 20 per cent of the export volumes from NRS. As a result of the loss of volumes to Eastern Europe the share to Western Europe has increased. In the second quarter, the share of exported volume from NRS to Western Europe was 70 per cent. The share to Eastern Europe was 8 per cent and North America 2 per cent. Domestic volume amounts to 12 per cent of the total sold volume.

OUTLOOK

Harvested volume for the quarter was 5 620 tonnes. This is 300 tonnes higher than previously estimated due to good growth and accelerated harvesting caused by biological challenges in Region South. Subsequent to the quarter end, sea temperatures have been considerably lower than normal. This has led to lower than expected growth so far in the third quarter and as a result the estimated harvest volume for 2015 decreased by 1 500 tonnes to 30 500 tonnes, which still is an increase of 36 per cent from 2014.

NRS has not entered into any price hedging contracts for the harvest volume of 2015.

In the second quarter the supply of salmon to the global market increased with approximately 1 per cent, while demand in Russia and Ukraine dropped significantly due to sanctions, unrest and currency factors. This led to a supply growth for all other markets, which resulted in lower prices compared to the same period last year. In the third quarter, volumes from Norway are expected to decrease by 3 per cent, while growth in North America will lead to global supply being at the same level as last year. In the fourth quarter, growth from both Norway and globally is expected to be 2 to 3 per cent. A continued low supply growth and a good work in the markets provides the basis for a positive market outlook for the industry. Currency factors create uncertainty in some markets in the shorter term, although the underlying demand is perceived as good.

NRS was awarded 10 new licenses in 2014. This gives a possibility for 40 per cent organic growth and a more sustainable production for NRS. In June, the Norwegian Government announced a five percent growth opportunity for all existing licenses contingent on strict biological conditions being satisfied at a price of NOK 1 million per license. 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 the new licenses will contribute positively to the Group's results. NRS is satisfied that the farming operations are primarily 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 invested NOK 267 million in licenses and fixed assets and NOK 116 million in biomass in 2014 related to this growth and expects to invest NOK 125 million in fixed assets in 2015.



RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the financial report for the first half of 2015 has been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by EU, and gives a true and fair view of the Group’s assets, liabilities, financial position and profits and loss for the period.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Trondheim, 25 August 2015

Helge Gåsø
Chair

Kristine Landmark
Vice Chair

Marianne E. Johnsen

Inge Kristoffersen

Endre Glastad

Trude Olafsen

Charles Høstlund
CEO



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INCOME STATEMENT

(NOK '000)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Operating revenues	684 370	595 727	1 444 436	1 291 098	2 599 799
Cost of goods sold	596 905	507 089	1 223 418	1 065 236	2 175 278
Salaries	22 738	21 057	50 442	42 607	104 557
Depreciation	12 865	9 687	25 089	18 935	41 412
Other operating costs	32 781	31 349	57 091	50 718	120 488
Operational EBIT	19 080	26 545	88 396	113 602	158 063
Fair value adjustments	-2 488	-13 022	-127 175	-74 277	57 456
Income from associates	4 748	7 889	-2 243	10 411	27 136
EBIT	21 340	21 412	-41 022	49 737	242 656
Gain/loss on financial assets	5 375	57 470	-5 268	46 270	100 262
Other net financial items	-5 822	-5 087	-12 958	-9 905	-22 211
EBT	20 893	73 795	-59 248	86 102	320 707
Tax	-2 917	-2 278	13 960	-7 944	-52 422
Net profit/loss	17 976	71 517	-45 288	78 158	268 284
Profit attributable to:					
Parent company shareholders	16 808	67 533	-45 864	70 228	254 348
Minority interests	1 169	3 984	576	7 930	13 936
Earnings per share (NOK)	0,39	1,55	-1,05	1,61	5,85
Earnings per share - diluted	0,39	1,55	-1,05	1,61	5,85

EXTENDED INCOME STATEMENT

(NOK '000)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Net profit/loss	17 976	71 517	-45 288	78 158	268 284
Items to be reclassified to profit or loss:					
Cash Flow hedges (net)	4 248	-4 545	2 499	-799	-18 306
Items not to be reclassified to profit or loss:					
Actuarial gains/(losses) on defined benefit plans (net)	0	0	0	0	-6 665
Total comprehensive income	22 224	66 972	-42 789	77 359	243 313
Total comprehensive income attributable to:					
Parent company shareholders	21 056	62 988	-43 366	69 429	229 377
Minority interests	1 169	3 984	576	7 930	13 936



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BALANCE SHEET

(NOK '000)	30.06.2015	31.03.2015	31.12.2014	30.06.2014
Intangible assets	648 887	648 887	648 887	502 887
Property, plant and equipment	307 867	281 611	289 052	241 588
Non-current financial assets	150 312	148 500	155 051	144 269
Non-current assets	1 107 066	1 078 998	1 092 990	888 744
Inventory and biological assets	705 010	681 789	848 944	602 194
Receivables	447 804	451 796	596 035	451 095
Bank deposits, cash	82 005	84 069	61 494	36 249
Current assets	1 234 819	1 217 654	1 506 472	1 089 538
TOTAL ASSETS	2 341 885	2 296 652	2 599 462	1 978 282
Share capital	43 502	43 569	43 539	43 539
Other equity	792 041	841 735	905 587	744 327
Non-controlling interests	65 357	64 188	64 781	58 775
Equity	900 900	949 493	1 013 908	846 641
Pensions	18 733	18 733	18 733	10 320
Deferred tax	259 669	255 218	272 742	239 235
Provisions	278 402	273 952	291 476	249 554
Long-term interest-bearing debt	619 531	610 304	518 788	404 528
Short-term interest-bearing debt	87 718	60 379	182 089	81 930
Trade payables	362 078	310 103	426 331	328 476
Tax payable	74	0	2 031	7 589
Other current liabilities	93 183	92 421	164 842	59 563
Current liabilities	543 053	462 903	775 293	477 558
TOTAL EQUITY AND LIABILITIES	2 341 885	2 296 652	2 599 462	1 978 282



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STATEMENT OF EQUITY

30.06.2015	<u>Equity allocated to parent company shareholders</u>				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
(NOK '000)						
Equity at 01.01.2015	43 572	-34	905 587	949 126	64 781	1 013 907
Total comprehensive income	0	0	-43 366	-43 366	576	-42 789
Transactions with shareholders						
Dividend	0	0	-65 353	-65 353	0	-65 353
Share based payment	0	0	-2 108	-2 108	0	-2 108
Purchase/sale of treasury shares	0	-37	-2 552	-2 589	0	-2 589
Other changes	0	0	-165	-165	0	-165
Total transactions with shareholders	0	-37	-70 179	-70 216	0	-70 216
Equity at 30.06.2015	43 572	-71	792 043	835 546	65 358	900 900

30.06.2014	<u>Equity allocated to parent company shareholders</u>				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
Comprehensive income	0	0	69 429	69 429	7 930	77 359
Transactions with shareholders						
Dividend	0	0	-93 332	-93 332	0	-93 332
Share based payment	0	0	-2 448	-2 448	0	-2 448
Dividend to non-controlling interests	0	0	0	0	-3 511	-3 511
Purchase/sale of treasury shares	0	-4	-248	-252	0	-252
Other changes associated companies	0	0	-163	-163	0	-163
Total transactions with shareholders	0	-4	-96 191	-96 196	-3 511	-99 707
Equity at 30.06.2014	43 572	-35	744 328	787 867	58 775	846 641

31.12.2014	<u>Equity allocated to parent company shareholders</u>				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	229 377	229 377	13 936	243 313
Transactions with shareholders						
Dividend	0	0	-93 332	-93 332	0	-93 332
Share based payment	0	0	-1 137	-1 137	0	-1 137
Dividend to non-controlling interests	0	0	0	0	-3 511	-3 511
Purchase/sale of treasury shares	0	-4	-248	-252	0	-252
Other changes associated companies	0	0	-163	-163	0	-163
Total transactions with shareholders	0	-4	-94 880	-94 884	-3 511	-98 395
Equity at 31.12.2014	43 572	-34	905 587	949 126	64 781	1 013 907



INTERIM REPORT

Q2 2015

STATEMENT OF CASH FLOW

(NOK '000)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Operational EBIT	19 080	26 545	88 396	113 602	158 064
Adjusted for:					
Tax paid	0	-334	-2 031	-724	-8 313
Depreciation	12 865	9 687	25 089	18 935	41 412
Gains (-)/ losses (+) on disposal of non-current assets	1	0	1	0	802
Share based payment	23	0	-2 108	-2 447	-1 137
Pension costs with no cash effect	0	0	0	0	-716
Change in inventory / biomass	-32 185	-34 347	33 514	-6 528	-129 180
Change in debtors and creditors	94 399	40 760	28 099	5 433	33 844
Change in other current assets and other liabilities	-24 573	6 246	-41 132	22 301	680
Net cash flow from operating activities	69 611	48 556	129 828	150 572	95 455
Cash flow from investing activities					
Proceeds from sale of property, plant and equipment	67	0	67	0	0
Payments for purchase of PPE and licenses	-38 191	-41 614	-132 973	-49 969	-176 712
Proceeds from investments in non-current financial assets	4 054	11 208	98 749	8 404	14 722
Payments for investments in non-current financial assets	0	0	-2 641	0	-500
Change in loans to associates and others	1 800	0	1 800	0	127
Net cash flow from investing activities	-32 270	-30 406	-34 998	-41 565	-162 363
Cash flow from financing activities					
Receipts from new long-term debt	21 614	29 402	122 809	331 687	474 722
Long-term debt repayments	-10 173	-7 754	-19 701	-258 737	-277 236
Net change in overdraft	25 125	39 390	-96 736	-94 105	-4 223
Purchase and sale of treasury shares	-4 433	-298	-2 589	-252	-252
Interest paid	-6 185	-5 296	-12 750	-9 673	-21 499
Dividend payment	-65 353	-95 410	-65 353	-95 410	-96 845
Net cash flow from financing activities	-39 405	-39 966	-74 320	-126 490	74 667
Net increase (+)/ decrease (-) in cash & cash equivalents	-2 065	-21 815	20 511	-17 484	7 759
Cash and cash equivalents - opening balance	84 069	58 064	61 494	53 732	53 734
Cash and cash equivalents - closing balance	82 005	36 249	82 005	36 249	61 494

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 2014 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 2014 are available upon request from the company's head office at Ferjemannsvæien 10, 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 2014 with the exception of standards and interpretations referred to in note 1 of the annual financial report for 2014. None of these standards or interpretations have affected the consolidated financial statements for 2015.



INTERIM REPORT

Q2 2015

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.

(NOK '000)	Sales		Region North		Region South		Eliminations/other		Total	
	Q2 2015	Q2 2014	Q2 2015	Q2 2014	Q2 2015	Q2 2014	Q2 2015	Q2 2014	Q2 2015	Q2 2014
Total sales revenues	681 058	592 539	125 040	117 848	68 944	75 283	3 304	1 255	878 346	786 925
Internal sales revenues	0	0	125 033	115 917	68 943	75 281	0	0	193 976	191 198
External sales revenues	681 058	592 539	7	1 931	1	2	3 304	1 255	684 370	595 727
Operational EBIT	4 776	-6 252	17 759	28 999	4 629	9 162	-8 084	-5 363	19 080	26 545
Fair value adjustments	6 475	-373	2 833	11 092	-11 796	-23 741	0	0	-8 963	-13 022
Income from associates	0	0	0	0	0	0	4 748	7 889	4 748	7 889
EBIT	11 252	-6 625	20 592	40 091	-7 167	-14 579	-3 336	2 526	14 865	21 412
EBT	-9 600	-6 587	17 552	38 990	-8 856	-16 029	21 797	57 421	20 893	73 795
Volume harvested (HOG)			3 675	3 275	1 945	2 107			5 620	5 382
Operational EBIT per kg			4,83	8,85	2,38	4,35			3,98	7,09
Volume sold	16 121	14 253							16 121	14 253
Operational EBIT per kg	0,30	-0,44							0,30	-0,44
- of w hich loss on open fixed-price contracts per kg.	0,00	-0,18							0,00	-0,18

(NOK '000)	Sales		Region North		Region South		Eliminations/other		Total	
	YTD 2015	YTD 2014	YTD 2015	YTD 2014	YTD 2015	YTD 2014	YTD 2015	YTD 2014	YTD 2015	YTD 2014
Total sales revenues	1 434 119	1 285 383	355 366	337 751	116 770	96 101	6 269	2 360	1 912 524	1 721 595
Internal sales revenues	0	0	351 318	334 398	116 769	96 099	0	0	468 088	430 497
External sales revenues	1 434 119	1 285 383	4 048	3 352	1	2	6 269	2 360	1 444 436	1 291 098
Operational EBIT	17 214	-13 887	71 476	122 674	15 925	15 750	-16 219	-10 935	88 396	113 602
Fair value adjustments	-16 756	-3 666	-81 076	-42 383	-29 343	-28 228	0	0	-127 175	-74 277
Income from associates	0	0	0	0	0	0	-2 243	10 411	-2 243	10 411
EBIT	458	-17 553	-9 600	80 291	-13 418	-12 478	-18 462	-524	-41 022	49 737
EBT	64	-17 925	-15 985	77 787	-16 810	-15 336	-26 517	41 575	-59 248	86 102
Volume harvested (HOG)			9 958	8 282	3 175	2 535			13 133	10 817
Operational EBIT per kg			7,18	14,81	5,02	6,21			6,65	12,80
Volume sold	33 080	28 231							33 080	28 231
Operational EBIT per kg	0,52	-0,49							0,52	-0,49
- of w hich loss on open fixed-price contracts per kg.	0,00	-0,45							0,00	-0,45

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)	30.06.2015	31.03.2015	30.06.2014	31.12.2014
Raw materials	16 418	16 374	19 655	22 927
Biological assets (biomass)	672 443	647 681	574 119	808 674
Finished goods	16 150	17 734	8 420	17 343
Total inventory	705 010	681 789	602 194	848 944

Specification of the biomass:

(NOK '000)	30.06.2015	31.03.2015	30.06.2014	31.12.2014
Biomass at cost	582 660	548 935	498 016	608 472
Fair value adjustments of the biomass	89 783	98 746	76 103	200 202
Book value of the biomass	672 443	647 681	574 119	808 674

Specification of biological assets - tonnes

	Q2 2015	Q1 2015	Q2 2014	FY 2014
Opening balance biological assets	20 166	23 537	18 308	20 160
Increase due fish put in the sea	420	0	356	938
Increase due to production in the period	5 766	6 109	5 878	32 728
Reduction due to mortality in the period	-376	-514	-644	-1 790
Reduction due to harvesting in the period	-6 690	-8 965	-6 561	-26 948
Non-recurring item and sold biomass	0	0	0	-1 551
Closing balance biological assets	19 285	20 166	17 336	23 537

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

	30.06.2015	31.03.2015	30.06.2014	31.12.2014
Smaller than 1 kg	948	2 612	1 479	3 346
1-4 kg	13 156	9 452	10 868	6 833
Larger than 4 kg	5 181	8 102	4 991	13 359
Biological assets	19 285	20 166	17 336	23 537

NOTES TO THE FINANCIAL STATEMENTS

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)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Change in fair value adjustments of the biomass	-8 963	-12 649	-110 419	-70 611	86 985
Change in provision for onerous sales contracts	0	-3 644	5 526	-4 729	0
Change in unrealised gains/losses on financial fish pool contracts	6 475	3 270	-22 282	1 063	6 645
Total fair value adjustments	-2 488	-13 022	-127 175	-74 277	94 725

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

(NOK '000)	30.06.2015	31.03.2015	30.06.2014	31.12.2014
Fair value adjustments biomass (inventory and biological assets)	89 783	98 746	200 202	76 103
Provision for onerous sales contracts (other current liabilities)	0	0	-5 526	-4 729
Fair value of financial fish pool contracts (other receivables/other current liabilities)	-9 461	-15 937	12 821	4 390
Net fair value adjustments in the balance sheet	80 322	82 809	207 497	75 764

NOTE 5: Non-recurring items

(NOK '000)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Changes in Group management	0	0	0	0	4 000
Extraordinary mortality	0	0	0	0	31 911
Total	0	0	0	0	38 130

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 KNOK 2 361 were purchased from enterprises controlled by the company's Chair Helge Gåsø so far in 2015. Services for TNOK 2 101 were purchased in Q2 2015. These services were priced at the market rate. In addition, has smolts from Nordland Akva AS, which is controlled by one of the largest shareholders of NRS, Egil Kristoffersen og Sønner AS, been purchased for KNOK 6 588 so far in 2015. Smolts for TNOK 4 578 were purchased in Q2 2015 from Nordland Akva.

Share-based incentive schemes

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 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 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 29 March 2014, 24 June 2014 og 1 February, and in relation to price increases during the period on the number of shares covered by the programme. After the realisation of 150 000 options in the second quarter of 2015, the scheme covers 790 000 shares allocated to the Group's management. In the second quarter of 2015 costs relating to the option scheme was recognised in the income statement in the amount of KNOK 2 560.

For further details of transactions with 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 01.01.2015	Share of profit/loss in the period after tax	Other changes	Book value 30.06.2015	Share of volume harvested - tonnes HOG 30.06.2015*
Company						
Wilsgård Fiskeoppdrett AS	37,50 %	58 398	-4 463	0	53 935	600
Måsøval Fishfarm AS	36,10 %	17 269	1 734	0	19 003	411
Hellesund Fiskeoppdrett AS	33,50 %	43 121	-168	-1 135	41 818	380
Hardanger Fiskeforedling AS	31,10 %	8 127	787	0	8 914	
Espevær Laks AS	37,50 %	1 107	-1 107	0	0	
Ranfjord Fiskeprodukter AS	37,75 %	18 855	973	0	19 828	
Skardalen Settefisk AS	30,00 %	3 229	0	2 640	5 869	
Other		48	0	0	48	
Total associates 30.06.2015		150 155	-2 244	1 505	149 417	1 391
Total associates 30.06.2014		132 595	10 411	-3 259	139 748	1 004

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

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

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 31.03.2015	Market value 30.06.2015	Change in market value Q2 2015
NOK	100 000	Fixed 3,37%	3 M NIBOR	07.09.2016	-3 926	-3 327	599

Note 9 Treasury shares and TRS agreements

As at 30 June the company holds 70 885 treasury shares, corresponding to 0.16 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 30 June 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 NOK 3 047 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 31.03.2015	Market value 30.06.2015	Change in market value Q2 2015
TRS 1	1 153 541	62,9144	29.05.2015	-888	0	888
TRS 2	2 424 386	59,0590	17.09.2015	7 676	10 543	2 867
TRS 3	567 038	65,1516	26.11.2015	0	-1 461	-1 461
Sum				6 788	9 082	2 294

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 second quarter 2015 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 30.06.2015:

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 %
HAVBRUKSINVEST AS	3 661 268	8,40 %
MÅSØVAL EIENDOM AS	3 607 135	8,28 %
SPAREBANK 1 MARKETS AS	3 101 171	7,12 %
NYHAMN AS	2 210 092	5,07 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	2 051 812	4,71 %
HELLESUND FISKEOPPDRETT A/S	1 600 444	3,67 %
LOVUNDLAKS AS	1 038 272	2,38 %
STATE STREET BANK AND TRUST CO.	712 219	1,63 %
THE NORTHERN TRUST CO.	508 141	1,17 %
WILSGÅRD FISKEOPPDRETT AS	486 627	1,12 %
MP PENSJON FK	467 949	1,07 %
VERDIPA PIRFONDET DNB SMB	425 081	0,98 %
JP MORGAN CHASE BANK, NA	354 094	0,81 %
HENDEN FISKEINDUSTRI AS	280 316	0,64 %
MÅSØVAL FISHFARM AS	249 413	0,57 %
STATE STREET BANK AND TRUST CO.	243 737	0,56 %
FREWI AS	226 901	0,52 %
Total 20 largest shareholders	38 095 605	87,43 %
Total other shareholders	5 476 586	12,57 %
Total no. of shares	43 572 191	100,00 %