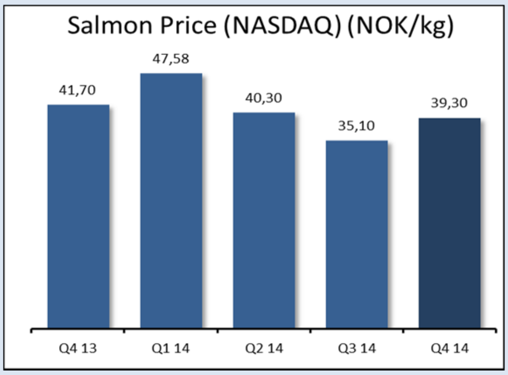
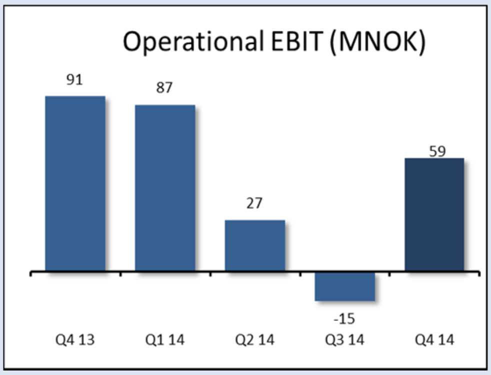
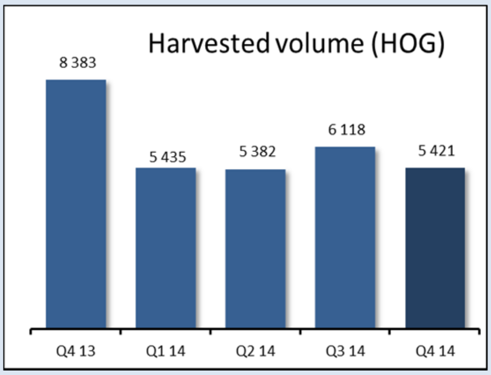
Interim Report

Q4-14







HIGHLIGHTS Q4 2014

- Operational EBIT of NOK 59 million
  - Operational EBIT per kg of NOK 12.84 in Region North
  - Operational EBIT per kg of NOK 11.40 in Region South
- Significant improvement of production cost
- Build up of biomass and growth investments in fixed assets have increased net interest bearing debt in the quarter
- Good production during the quarter
- 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
- Finally awarded 9 new licenses to a price of MNOK 10 per license
  - New licenses in 2014 provides a potential capacity growth of 40 per cent
- The Board proposes a dividend of NOK 1.50 per share

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	**Q4 2014**	**Q4 2013**	**FY 2014**	**FY 2013**
Operating revenues	781 389	851 450	2 599 799	2 603 712
Operational EBITDA	71 077	100 323	199 475	289 729
Operational EBIT	59 035	91 366	158 064	256 002
Income from associates	5 462	13 566	27 136	28 834
EBIT	136 550	109 160	242 656	379 561
EBT	178 039	120 782	320 707	396 292
EPS (NOK) – before fair value adjustments	2,08	2,43	4,96	5,43
ROCE 1)			13,7 %	25,3 %
Net cash flow from operating activities	-40 019	38 037	95 455	211 835
Investments in tangible fixed assets/licences	125 972	18 421	266 712	65 399
Net interest-bearing debt			639 383	453 883
Equity ratio			39,0 %	42,4 %
Volume harvested (HOG)	5 421	8 383	22 356	25 191
Operational result per kg 2)	12,80	11,94	9,98	11,12
Volume sold	18 173	19 858	59 110	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 781.4 million (NOK 851.5 million) in the fourth quarter of 2014, a reduction of 8 per cent against the corresponding prior-year period. Operational EBIT for the quarter was NOK 59.0 million (NOK 91.4 million), a decrease of NOK 32.4 million. The decrease in revenues is due to lower sold volume. The reduction in operational EBIT was attributable to lower harvested volume. The Group recognised fair value adjustments of NOK 72.1 million (NOK 4.2 million), an increase of NOK 67.9 million.

The farming business harvested a total of 5 421 tonnes (8 383 tonnes) gutted weight in the quarter, a decrease of 35 per cent from the corresponding quarter last year. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 12.80 (NOK 11.94). The increase is due to lower costs and lower loss on fixed-price contracts. The Sales business sold 18 173 tonnes (19 858 tonnes), a decrease of 8 per cent.

Financial items and share of profit from associates

Income from associates totalled NOK 5.5 million (NOK 13.6 million) in the fourth quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK -2.3 million (NOK 0.3 million). Associated farming companies harvested a total of 3 706 tonnes, 404 tonnes more than last year. NRS share of the above figure amounts to 1 350 tonnes, an increase of 157 tonnes.

A gain of NOK 48.5 million were posted on TRS agreements on own shares during the quarter. Net interest expenses for the period were NOK 6.6 million (NOK 6.3 million), an increase of NOK 0.3 million as a result of higher interest bearing debt.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 2 599 million, an increase of NOK 462 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 23.7 million. Licenses increased by NOK 90.0 million. Fair value adjustments of the biomass increased by NOK 63.6 million, and inventories and biomass at cost increased by an aggregate of NOK 76.8 million. The net increase in inventories and biological assets was NOK 140.5 million. The Group's receivables increased by NOK 192.4 million.

The Group's net interest-bearing debt increased by NOK 82.7 million, from NOK 556.7 million at the end of the previous quarter to NOK 639.4 million as of 31 December 2014. The increase was mainly attributable to investments in fixed assets of NOK 36.0 million and an increase in working capital of NOK 119.0 million. An operational EBITDA of NOK 71.1 million had the opposite effect on the net interest-bearing debt.

As of 31 December 2014 the Group's equity totalled NOK 1 013.9 million, an increase of NOK 118.1 million from the end of the previous quarter. The increase is mainly attributable to a total comprehensive income of NOK 117.6. At the end of the fourth quarter the equity ratio was 39.0 per cent. At the end of 2014, the Group has NOK 231 million (NOK 223 million) in tax losses carried forward.

Statement of cash flow

The Group's operating activities generated a negative cash flow of NOK 40.0 million during the quarter, which represents a decrease of NOK 78.0 million compared with the corresponding prior-year quarter. The negative cash flow is attributable to an increase in inventories of NOK 69.6 million and an increase in accounts receivables of NOK 147.2 million, while an operational EBITDA of NOK 71.1 million and an increase in accounts payables of NOK 111.1 million had an adverse effect on the cash flow.

Net cash outflows in connection with investing activities in the fourth quarter amounted to NOK 36.5 million (inflow of NOK 1.6 million), and is related to payments of NOK 36.0 million from investments in fixed assets.

The net cash inflow from financing activities totalled NOK 92.8 million (cash outflow of NOK 34.6 million) in the fourth quarter. Interests paid and instalments amounted to NOK 6.2 million and NOK 9.7 million respectively. Leasing liabilities rose by NOK 16.8 million, long term debt increased by NOK 100.0 million and the bank overdraft facility decreased by NOK 8.1 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 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 780.2 million in the fourth quarter of 2014 (NOK 846.7 million), a decrease of 8 per cent. The spot price (NASDAQ) for superior quality during the quarter was NOK 39.30 per kg gutted weight, an increase of 12 per cent from the third quarter of 2014 and a decrease of 6 per cent compared with the fourth quarter of 2013. The sales operations experienced a decrease in sales volumes of 8 per cent compared with the corresponding prior-year period. A total of 18 173 tonnes (19 858 tonnes) were sold in the fourth quarter. The Sales business achieved operational EBIT before open fixed-price contracts of NOK 5.1 million, which equates to NOK 0.28 (NOK 0.36) per kg sold volume in the period. The loss on open fixed-price contracts was NOK 1.9 million (NOK -5.8 million) in the quarter, which corresponds to NOK -0.11 (NOK -0.29) per kg sold volume. Fixed-price contracts represent 31 per cent of harvested volume in the quarter. Consequently, the Sales business achieved an operational EBIT of NOK 3.2 million (NOK -0.7 million).

The Farming operations harvested 5 421 tonnes (8 383 tonnes) in the fourth quarter, a decrease of 35 per cent from the corresponding period last year. The estimated harvest volume for 2015 is 32 000 tonnes, an increase of 43 per cent from 2014.

SEGMENT SUMMARY (NOK '000)	Q4 2014 Operational EBIT	Q4 2014 Operational EBIT per kg	FY 2014 Operational EBIT	FY 2014 Operational EBIT per kg
Farming	66 226	12,22	228 281	10,21
Sales	5 094	0,94	5 189	0,23
Fixed price contracts	-1 928	-0,36	-10 326	-0,46
Sum segments	**69 391**	**12,80**	**223 144**	**9,98**
Volume harvested (tonnes)	5 421		22 356	

REGION NORTH

Operational EBIT came in at NOK 67.6 million (NOK 78.8 million), a decrease of NOK 11.2 million compared with the same quarter last year. Operational EBIT per kg amounted to NOK 12.84 (NOK 12.70).

5 261 tonnes (6 204 tonnes) were harvested in the region in the fourth quarter, a decrease of 15 per cent. The achieved price for the Farming operations was NOK 0.79 per kg lower than in the corresponding period last year.

Production cost for harvested fish was NOK 3.86 lower than in the third quarter of 2014 and NOK 0.28 lower than in the corresponding period last year. The growth in the quarter was higher than expected. The overall health situation in Region North is good.

The estimated harvest volume for 2015 is 26 000 tonnes, an increase of 45 per cent from 2014.

KEY FIGURES (NOK '000)	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating revenues	757 235	626 738	2 132 272	2 097 896
Operational EBITDA	75 243	85 072	226 796	263 725
Operational EBIT	67 574	78 796	205 683	240 330
Investment in tangible and intangible assets	121 054	14 952	198 791	48 929
Volume harvested (tonnes)	5 261	6 204	17 987	20 491
Operational EBIT per kg	12,84	12,70	11,44	11,73

REGION SOUTH

Operational EBIT came in at NOK 1.8 million (NOK 21.3 million), a decrease of NOK 19.5 million. Operational EBIT per kg amounted to NOK 11.40 (NOK 9.78).

159 tonnes (2 179 tonnes) were harvested in the region in the fourth quarter, a decrease of 93 per cent. The Farming operations achieved a price NOK 1.31 per kg higher than in the corresponding prior-year period.

The production cost for harvested fish is NOK 4.86 per kg lower than in the third quarter. The reason for reduction is harvesting of a new generation, which has performed better. The production cost is still high as a result of costs associated with the fish diseases Amoebic Gill Disease (AGD) and Pancreas Disease (PD). Region South experienced good growth in the quarter. The fish health situation in the region is still demanding.

The estimated harvest volume for 2015 is 6 000 tonnes, an increase of 37 per cent from 2014.

KEY FIGURES (NOK '000)	**Q4 2014**	**Q4 2013**	**FY 2014**	**FY 2013**
Operating revenues	22 929	219 928	449 774	435 507
Operational EBITDA	4 522	23 956	25 544	50 018
Operational EBIT	1 818	21 316	17 461	39 795
Investment in tangible and intangible assets	4 912	3 415	67 920	16 431
Volume harvested (tonnes)	159	2 179	4 369	4 700
Operational EBIT per kg	11,40	9,78	4,00	8,47

SHARES

As of 31 December 2014 Norway Royal Salmon ASA had 43 572 191 shares, allocated among 970 shareholders, an increase of 114 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 51.50 at the end of September 2014 to NOK 64.75 at the end of December 2014. 3 232 141 shares were traded during the quarter.

EVENTS IN AND AFTER OF THE QUARTER

Awarded 9 new green licenses in group

The Ministry of Trade, Industry and Fisheries announced 22. December 2014 that Norway Royal Salmon ASA`s subsidiaries were awarded following new licenses in group A; NRS Finnmark AS 5 licenses, Nor Seafood AS 2 licenses and Nord Senja Laks AS 2 licenses.

The price per license was NOK 10 million. NRS has then been awarded licenses for all its 9 applications in group A. The allocation is also consistent with the recommendation from "expert group". Previously the Ministry of Trade, Industry and Fisheries announced that NRS Feøy AS, another subsidiary of NRS, was allocated one of the fifteen new green licenses in group B. NRS bid NOK 56 million for the license. After this nomination, NRS will have 35 licenses, which is an increase of 40 per cent. In addition, Wilsgård Fiskeoppdrett AS, where NRS owns 37.5 per cent, has also been awarded 2 new green licenses in group A.

Sickness absence

At 4.1 per cent, the Group’s sickness absence rate decreased by 3.0 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 fourth quarter was NOK 12.0 billion, a decrease of NOK 0.6 billion compared with the fourth quarter of 2013. The decrease is mainly due to a decrease of 3.7 per cent in exported volume. The average price (Nasdaq) for superior quality salmon was NOK 39.30 (delivered Oslo) per kg. In the same period last year the price was NOK 41.70 per kg. Despite the export volumes from Norway falling by 3.7 per cent in the quarter the global supply growth in the quarter was 4 per cent, as Chile increased volumes by 19 per cent. The increased supply growth contributed to prices below last year’s prices.

The demand from EU has been good, EU increased import of Norwegian salmon by 10 per cent in the quarter, which is higher than the total supply growth from Norway. Demand for salmon varies significantly within the EU. UK, Spain, Holland, Italy and Portugal increased their volumes significantly, while France is still lagging behind with a reduction of 5 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 15 per cent. France’s market share is 13 per cent in the fourth quarter.

Eastern Europe had a clear decline in imports of Norwegian salmon in the fourth quarter with a decline of 77 per cent. Russia, the largest Eastern European importer, reduced its imports of Norwegian salmon by 99 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 44 per cent lower than last year. Belarus, Turkey, Kazakhstan and other Eastern European markets had a growth of 29 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. The 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 Eastern European countries. Exports from Norway to Belarus increased by 56 per cent in the quarter, as Belarus has the possibility to sell manufactured goods to Russia.

Demand from Asia developed well in the fourth quarter; however the growth was lower than in previous quarters. Significant lower export to Vietnam and a small reduction in Singapore and Japan gave a negative contribution, while the export to the Middle-East, Hong Kong, China and Taiwan increased substantially through the quarter. Even though the underlying demand for salmon is good the trade issues with China continued throughout the fourth quarter.

Demand for salmon in North-America continued to be very strong in the fourth quarter and the export increased by 48 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 demand of fresh whole fish also increased substantially.

The fourth quarter gave a weak contribution from the NRS' Sales operation. As a result of the loss of the market in Russia the underlying margin was slightly weaker than expected. Previously signed fixed-price contracts resulted in a loss of NOK 1.9 million in the quarter, as salmon prices was slightly higher than our contract prices. The share of fixed price contracts for Norway Royal salmon’s own fish was 31 per cent in the fourth quarter. Despite lower volumes NRS experienced a growth in the fourth quarter to Asia and over 15 per cent of NRS volumes went to Asia. As a result of the loss of the markets in Eastern Europe the share to Western Europe increased substantially and was 68 per cent in the quarter. The volumes to Eastern Europe fell significantly due to sanctions and solvency with regards to Russia and Ukraine, while other Eastern-European countries showed growth.

OUTLOOK

Harvested volume for 2014 was 22 356 tonnes. This is 356 tonnes higher than previously estimated due to good growth in the quarter. The estimated harvest volume for 2015 is 32 000 tonnes, an increase of 43 per cent from 2014. Norway Royal Salmon increased the biomass significantly in the quarter. The biomass at the end of 2014 is 3 377 tons (17 per cent) higher and the number of fish is 2.1 million (21 per cent) more than at the end of 2013.

Farming had hedged prices for 31 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 created market challenges. During the fourth quarter the currency market developed very unfavorable for Russia, leading to the volumes from other salmon producing nations to the Russian market to also be reduced. This led to further price pressure in the markets in the fourth quarter and into 2015. Exporters have worked hard to re-allocate this volume to other markets and regions such as Europe, America and Asia. Simultaneously Norway had a good growth during the fourth quarter. In addition, harvest volumes were slightly lower than last year resulting in a slight increase in biomass in Norway. Chile had high harvest volumes in the fourth quarter, but based on our expectations, the growth in Chile will be slightly negative in 2015. We therefore expect supply growth globally and from Norway to be in the range 2-5 per cent in 2015. A continued low supply growth and good work in the markets provides the basis for a positive market outlook for the industry.

NRS has been awarded 9 new licenses in the quarter in addition to the one awarded earlier in 2014. This gives a possibility for 40 per cent organic growth and a 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 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 and NOK 30 million in increased biomass in 2015.

For fiscal year 2014 the Board proposes a dividend of NOK 1.50 per share.

Trondheim, 24 February 2015

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)	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating revenues	**781 389**	**851 450**	**2 599 799**	**2 603 712**
Cost of goods sold	645 493	696 777	2 175 278	2 137 934
Salaries	30 055	24 209	104 557	85 627
Depreciation	12 041	8 957	41 412	33 728
Other operating costs	34 764	30 140	120 488	90 422
Operational EBIT	**59 035**	**91 366**	**158 064**	**256 002**
Fair value adjustments	72 053	4 228	57 456	94 725
Income from associates	5 462	13 566	27 136	28 834
EBIT	**136 550**	**109 160**	**242 656**	**379 561**
Gain/loss on financial assets	48 334	18 795	100 262	49 449
Other net financial items	-6 845	-7 173	-22 211	-32 718
EBT	**178 039**	**120 782**	**320 707**	**396 292**
Tax	-33 775	-8 155	-52 422	-80 487
Net profit/loss	**144 264**	**112 628**	**268 284**	**315 805**
Profit attributable to:				
Parent company shareholders	140 788	109 823	254 348	302 434
Minority interests	3 477	2 805	13 936	13 371
Earnings per share (NOK)	3,24	2,53	5,85	6,96
Earnings per share - diluted	3,24	2,53	5,85	6,96

EXTENDED INCOME STATEMENT

(NOK '000)	Q4 2014	Q4 2013	FY 2014	FY 2013
Net profit/loss	**144 264**	**112 628**	**268 284**	**315 805**
Items to be reclassified to profit or loss:				
Financial assets available for sale (net)	0	0	0	-1 985
Cash Flow hedges (net)	-20 011	491	-18 306	-5 340
Itens not to be reclassified to profit or loss:				
Actuarial gains/losses) on defined benefit plans (net)	-6 665	-798	-6 665	-798
Total comprehensive income	**117 588**	**112 321**	**243 313**	**307 683**
Total comprehensive income attributable to:				
Parent company shareholders	114 111	109 516	229 377	294 311
Minority interests	3 477	2 805	13 936	13 371

BALANCE SHEET

(NOK '000)	31.12.2014	30.09.2014	31.12.2013
Intangible assets	648 887	558 887	502 887
Property, plant and equipment	289 052	265 374	210 554
Non-current financial assets	155 051	149 091	137 280
Non-current assets	**1 092 990**	**973 352**	**850 721**
Inventory and biological assets	848 944	715 692	666 276
Receivables	596 035	403 631	480 883
Bank deposits, cash	61 494	45 178	53 732
Current assets	**1 506 472**	**1 164 501**	**1 200 891**
TOTAL ASSETS	**2 599 462**	**2 137 853**	**2 051 612**
Share capital	43 539	43 539	43 542
Other equity	905 587	790 921	771 090
Non-controlling interests	64 781	61 304	54 355
Equity	**1 013 907**	**895 765**	**868 989**
Pensions	18 733	10 320	10 320
Deferred tax	272 742	250 865	231 640
Provisions	**291 476**	**261 185**	**241 960**
Long-term interest-bearing debt	**518 788**	**416 373**	**323 084**
Short-term interest-bearing debt	182 089	185 520	184 530
Trade payables	426 331	315 193	382 944
Tax payable	2 031	7 589	8 313
Other current liabilities	164 842	56 229	41 792
Current liabilities	**775 293**	**564 531**	**617 580**
TOTAL EQUITY AND LIABILITIES	**2 599 462**	**2 137 853**	**2 051 612**

STATEMENT OF EQUITY

31.12.2014 (NOK '000)	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
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
Change in non-controlling interests	0	0	0	0	-3 511	-3 511
Purchase/sale of treasury shares	0	-4	-248	-252	0	-252
Changes in associates	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**

31.12.2013 (NOK '000)	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
Equity at 01.01.2013	43 572	0	522 628	566 201	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	**43 572**	**-30**	**771 090**	**814 632**	**54 355**	**868 989**

STATEMENT OF CASH FLOW

(NOK '000)	Q4 2014	Q4 2013	FY 2014	FY 2013
Operational EBIT	**59 035**	91 366	**158 064**	256 002
Adjusted for:				
Tax paid	**-7 589**	-780	**-8 313**	-780
Depreciation	**12 041**	8 957	**41 412**	33 728
Gains (-)/ losses (+) on disposal of non-current assets	**252**	-32	**802**	-32
Share based payment	**552**	63	**-1 137**	-282
Pension costs with no cash effect	**-716**	466	**-716**	466
Change in inventory / biomass	**-69 622**	58 439	**-129 180**	-32 736
Change in debtors and creditors	**-36 053**	-102 184	**33 844**	-34 941
Change in other current assets and other liabilities	**2 080**	-18 258	**680**	-9 589
Net cash flow from operating activities	**-40 019**	38 037	**95 455**	211 836
Cash flow from investing activities				
Proceeds from sale of property, plant and equipment	**0**	48	**0**	48
Payments for purchase of property, plant and equipment	**-35 972**	-18 421	**-176 712**	-65 399
Proceeds from investments in non-current financial assets	**0**	19 535	**14 722**	39 958
Payments for investments in non-current financial assets	**-500**	0	**-500**	-500
Change in loans to associates and others	**2**	445	**127**	1 545
Net cash flow from investing activities	**-36 470**	1 607	**-162 363**	-24 348
Cash flow from financing activities				
Receipts from new long-term debt	**116 784**	6 635	**474 722**	37 302
Long-term debt repayments	**-9 651**	-12 711	**-277 236**	-40 224
Net change in overdraft	**-8 149**	21 102	**-4 223**	-65 393
Purchase and sale of treasury shares	**0**	177	**-252**	-2 054
Interest paid	**-6 180**	-6 285	**-21 499**	-29 699
Dividend payment	**0**	-43 542	**-96 845**	-43 542
Net cash flow from financing activities	**92 804**	-34 624	**74 667**	-143 610
Net increase (+)/ decrease (-) in cash & cash equivalents	**16 315**	5 020	**7 760**	43 878
Cash and cash equivalents - opening balance	**45 179**	48 712	**53 734**	9 854
Cash and cash equivalents - closing balance	**61 494**	53 732	**61 494**	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.

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.

	Sales		Region North		Region South		Eliminations/other		Total	
(NOK '000)	**Q4 2014**	**Q4 2013**	**Q4 2014**	**Q4 2013**	**Q4 2014**	**Q4 2013**	**Q4 2014**	**Q4 2013**	**Q4 2014**	**Q4 2013**
Total sales revenues	779 738	845 972	195 419	235 357	6 565	86 896	1 225	4 784	982 947	1 173 008
Internal sales revenues	0	0	194 993	234 697	6 565	86 862	0	0	201 558	321 559
External sales revenues	779 738	845 972	426	660	0	34	1 225	4 784	781 389	851 450
Operational EBIT	3 166	-657	64 501	79 282	1 724	21 487	-10 356	-8 745	59 035	91 366
Non-recurring items	8 423	1 130	42 200	5 773	21 430	-2 675			72 053	4 228
Fair value adjustments	0	0	0	0	0	0	5 462	13 566	5 462	13 566
EBIT	11 589	473	106 701	85 055	23 154	18 812	-4 894	4 821	136 550	109 160
EBT	10 851	-667	103 661	82 607	21 530	16 981	41 996	21 861	178 039	120 782
Volume harvested (HOG)			5 261	6 204	159	2 179			5 421	8 383
Operational EBIT per kg			12,26	12,78	10,82	9,86			12,22	12,02
Volume sold	18 173	19 858							18 173	19 858
Operational EBIT per kg	0,17	-0,03							0,17	-0,03
- of which loss on open fixed-price contracts per kg.	-0,11	-0,29							-0,11	-0,29

	Sales		Region North		Region South		Eliminations/other		Total	
(NOK '000)	**FY 2014**	**FY 2013**	**FY 2014**	**FY 2013**	**FY 2014**	**FY 2013**	**FY 2014**	**FY 2013**	**FY 2014**	**FY 2013**
Total sales revenues	2 577 739	2 579 059	683 091	759 645	163 068	179 841	17 752	8 216	3 441 650	3 526 761
Internal sales revenues	0	0	678 789	743 260	163 062	179 788	0	0	841 851	923 049
External sales revenues	2 577 739	2 579 059	4 302	16 384	6	53	17 752	8 216	2 599 799	2 603 712
Operational EBIT	-5 137	-14 977	209 393	252 634	18 888	42 467	-65 080	-24 123	158 064	256 002
Fair value adjustments	3 968	7 740	42 865	68 914	10 623	18 071	0	0	57 456	94 725
Fair value adjustments	0	0	0	0	0	0	27 136	28 834	27 136	28 834
EBIT	-1 169	-7 237	252 258	321 548	29 511	60 538	-37 944	4 711	242 656	379 561
EBT	-2 929	-10 329	244 375	306 242	23 664	52 529	55 597	47 850	320 707	396 292
Volume harvested (HOG)			17 987	20 491	4 369	4 700			22 356	25 191
Operational EBIT per kg			11,64	12,33	4,32	9,04			10,21	11,71
Volume sold	59 110	62 141							59 110	62 141
Operational EBIT per kg	-0,09	-0,24							-0,09	-0,24
- of which loss on open fixed-price contracts per kg.	-0,17	-0,56							-0,17	-0,56

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)	31.12.2014	30.09.2014	31.12.2013
Raw materials	22 927	27 824	16 864
Biological assets (biomass)	808 674	668 210	639 238
Finished goods	17 343	19 658	10 174
Total inventory	**848 944**	**715 692**	**666 276**

Specification of the biomass:

(NOK '000)	31.12.2014	30.09.2014	31.12.2013
Biomass at cost	608 472	531 638	492 524
Fair value adjustments of the biomass	200 202	136 572	146 714
Book value of the biomass	**808 674**	**668 210**	**639 238**

Specification of biological assets - tonnes	**Q4 2014**	**Q3 2014**	**FY 2014**	**FY 2013**
Opening balance biological assets	19 776	22 062	20 160	20 698
Increase due fish put in the sea	28	72	938	1 089
Increase due to production in the period	10 701	9 050	32 728	30 810
Reduction due to mortality in the period	-438	-520	-1 790	-1 684
Reduction due to harvesting in the period	-6 531	-10 099	-26 948	-30 348
Non-recurring item and sold biomass	0	-405	-1 551	-405
Closing balance biological assets	**23 537**	**20 160**	**23 537**	**20 160**

Specification of biological assets by size – tonnes (round weight)	**31.12.2014**	**30.09.2014**	**31.12.2013**
Smaller than 1 kg	3 346	3 377	2 691
1-4 kg	6 833	11 188	10 957
Larger than 4 kg	13 359	5 211	6 512
Biological assets as at 31 December	**23 537**	**19 776**	**20 160**

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)	Q4 2014	Q4 2013	FY 2014	FY 2013
Change in fair value adjustments of the biomass	63 630	3 098	53 488	86 985
Change in provision for onerous sales contracts	-2 147	2 494	-5 526	0
Change in provision for onerous purchase contracts	0	0	0	1 095
Change in unrealised gains/losses on financial fish pool contracts	10 571	-1 364	9 494	6 645
Total fair value adjustments	**72 053**	**4 228**	**57 456**	**94 725**

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

(NOK '000)	31.12.2014	30.09.2014	31.12.2013
Fair value adjustments biomass (inventory and biological assets)	200 202	136 572	146 714
Provision for onerous sales contracts (other current liabilities)	-5 526	-3 379	0
Fair value of financial fish pool contracts (other receivables/other current liabilities)	12 821	2 250	3 327
Net fair value adjustments in the balance sheet	**207 497**	**135 443**	**150 041**

NOTE 5: Non-recurring items

(NOK '000)	Q4 2014	Q4 2013	FY 2014	FY 2013
Changes in Group management	0	0	4 000	0
Extraordinary mortality	0	0	31 911	0
Costs related to escape	0	2 219	0	2 219
Total	**0**	**2 219**	**35 911**	**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 12 306 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 774 were purchased in Q4 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.

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 4,175,000. To date in 2014 costs relating to the 2 option schemes have been recognised in the income statement in the amount of NOK 6,431,000.

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 01.01.2014	Share of profit/loss in the period after tax	Other changes	Book value 31.12.2014	Share of volume harvested - tonnes HOG 31.12.2014*
Company						
Wilsgård Fiskeoppdrett AS	37,50 %	51 301	9 853	-2 756	**58 398**	1 281
Måsøval Fishfarm AS	36,10 %	16 604	6 982	-6 317	**17 269**	837
Hellesund Fiskeoppdrett AS	33,50 %	35 395	8 230	-503	**43 122**	434
Hardanger Fiskeforedling AS	31,10 %	6 690	1 438	0	**8 128**	
Espevær Laks AS	37,50 %	1 134	-27	0	**1 107**	
Ranfjord Fiskeprodukter AS	37,75 %	18 495	523	-163	**18 855**	
Skardalen Settefisk AS	30,00 %	3 092	137	0	**3 229**	
Other		48	0	0	**48**	
Total associates 31.12.2014		**132 758**	**27 136**	**-9 740**	**150 154**	**2 553**
Total associates 31.12.2013		**110 861**	**28 834**	**-6 937**	**132 758**	**2 586**

* 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 30.09.2014	Market value 31.12.2014	Change in market value Q4 2014
NOK	100 000	Fixed 3,37%	3 M NIBOR	07.09.2016	-3 401	-3 926	-526

Note 9 Treasury shares and TRS agreements

As at 31 December 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 31 Desember 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 30.09.2014	Market value 31.12.2014	Change in market value Q4 2014
TRS 1	2 396 348	30,3077	19.03.2015	52 805	83 720	30 915
TRS 2	759 299	33,2873	12.03.2015	11 015	23 441	12 426
TRS 3	394 242	52,3399	12.03.2015	-180	4 965	5 145
Sum				**63 640**	**112 126**	**48 486**

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 fourth quarter 2014 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 31.12.2014:

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	3 063 448	7,03 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	2 575 184	5,91 %
NYHAMN AS	2 184 541	5,01 %
HELLESUND FISKEOPPDRETT A/S	1 581 941	3,63 %
LOVUNDLAKS AS	1 026 268	2,36 %
VERDIPAPIRFONDET DNB SMB	820 000	1,88 %
STATE STREET BANK AND TRUST CO.	582 850	1,34 %
WILSGÅRD FISKEOPPDRETT AS	481 001	1,10 %
MP PENSJON PK	462 539	1,06 %
HENDEN FISKEINDUSTRI AS	345 590	0,79 %
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 %
MATHIAS HOLDING AS	200 000	0,46 %
Total 20 largest shareholders	**38 126 150**	**87,50 %**
Total other shareholders	5 446 041	12,50 %
Total no. of shares	**43 572 191**	**100,00 %**