



PRESENTATION Q1 2012

Oslo, 16 May 2012
John Binde, CEO
Ola Loe, CFO

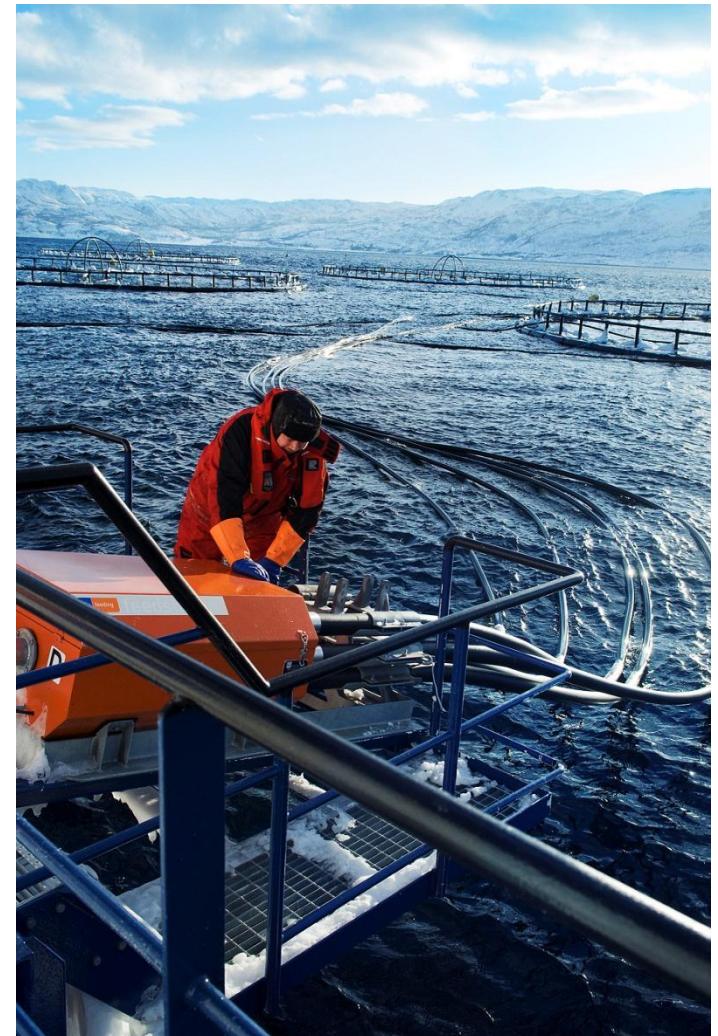
AGENDA:

 Highlights for the period

 Segment information

 Group financials

 Outlook



Highlights in Q1 2012:

- Record high volume growth from Norway (+28%) absorbed in the market
- Farming continues to improve operational performance
- Significant volume growth in Sales (+35%), but challenging margins in Q1
- Share issue and sale of treasury shares strengthen the group's equity
- The group's bank facilities were increased

Highlights in Q1 2012

KEY FIGURES (NOK '000)	Q1 2012	Q1 2011
Operating revenues	380 551	409 198
EBITDA	17 675	13 051
EBIT fva ¹⁾	10 395	7 525
EBIT	13 172	31 957
Income from associates	6 145	2 852
EBT	11 337	51 321
EPS (NOK) ²⁾	0,17	0,72
ROACE ³⁾	5,2 %	13,1 %
Op. cash flow	49 663	-1 697
Capital expenditure	-5 819	-26 374
Net interest-bearing debt	455 859	418 186
Equity ratio	41,1 %	42,3 %
Farming:		
Volume harvested (HOG)	4 543	1 035
EBIT per kg ¹⁾	2,41	11,90
Sales:		
Volume sold	12 817	9 525
EBIT per kg ¹⁾	0,29	0,24



Average salmon price 35 % down from Q1 last year with negative impact on profits



Significant increase in harvested volume in Farming and sold volume in Sales



EBIT up MNOK 2.9 from last year



Positive cash flow from operations by MNOK 49.7



NIBD decreased by MNOK 75.9 from Q4 11



Equity ratio increased to 41.1% from 36.3% in Q4 11

1) EBIT pre fair value adjustments

2) Earnings per share pre fair value adjustments

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

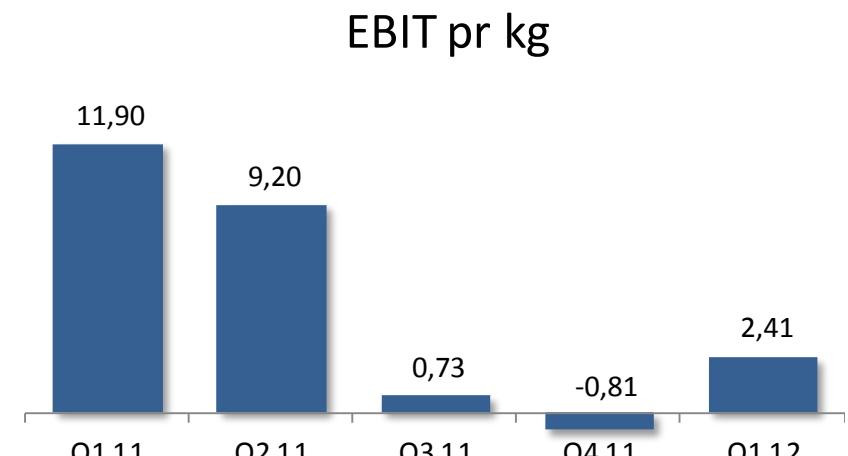


SEGMENT INFORMATION

Farming

KEY FIGURES (NOK '000)	Q1 2012	Q1 2011
Operating revenues	113 197	38 605
EBIT fva *	10 964	12 315
EBIT	14 175	37 488
Volume harvested (tons)	4 543	1 035
EBIT per kg *	2,41	11,90
EBIT margin	9,7 %	31,9 %

* EBIT pre fair value adjustments



Achieved price Q1 12 NOK 24.92 per kg FCA packing station

- Hardly any contract sales (2 %)
- Sales price NOK 12.38/kg lower than Q1 11



Good operational performance and good biological status

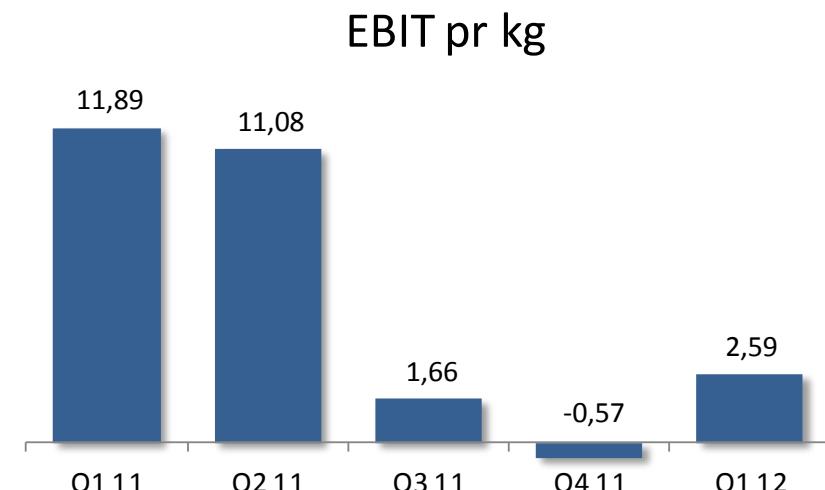


Harvested volume up 339 % to 4 543 tons

Farming - Region North

KEY FIGURES (NOK '000)	Q1 2012	Q1 2011
Operating revenues	102 935	38 501
EBIT fva *	10 733	12 306
EBIT	11 507	32 372
Volume harvested (tons)	4 145	1 035
EBIT per kg *	2,59	11,89
EBIT margin	10,4 %	32,0 %

* EBIT pre fair value adjustments



Achieved sales price Q1 12: NOK 24.83 per kg FCA packing station

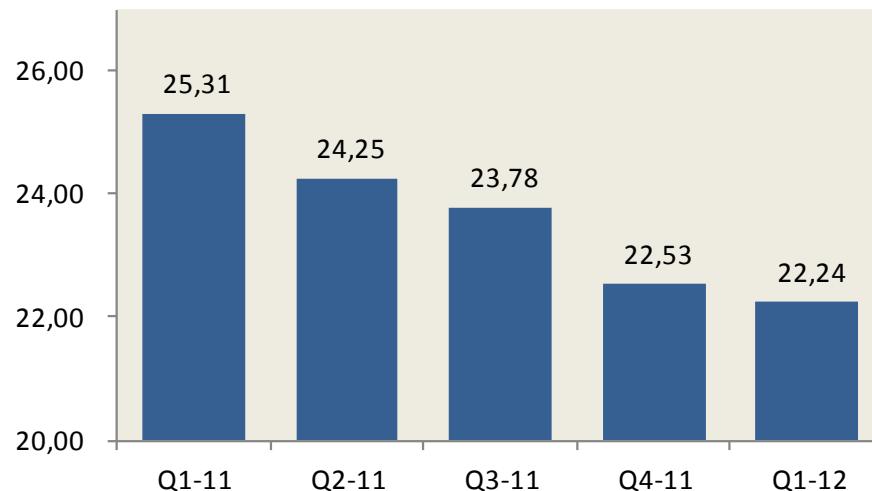
- Hardly any contract sales (2 %)
- Price NOK 12.37/kg lower than Q1 11
- Higher degree of downgrading than normal because of problems at the processing plant in Finnmark. This has resulted in lower sales prices.



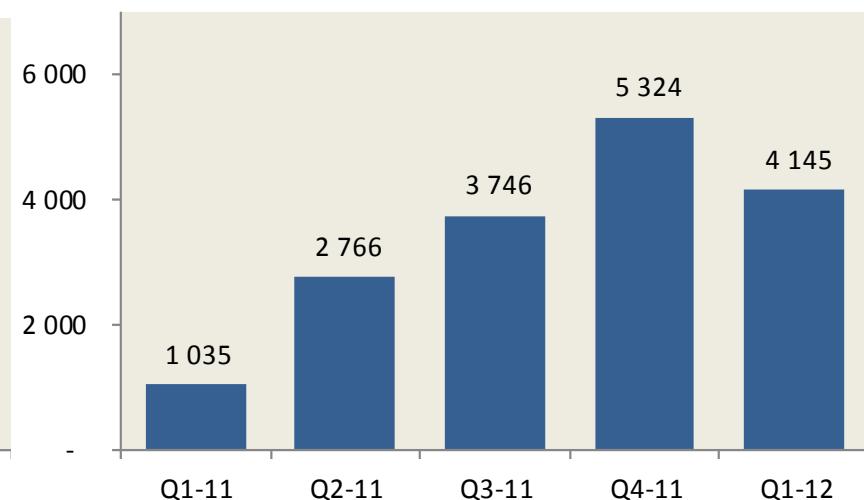
Good operational performance in Q1

Farming – Region North

Production Cost - NORTH



Harvested Volume - NORTH



Continued decrease in production cost



Production cost of NOK 22.24 per kg,

- Down by NOK 0.29 per kg since Q4 11
- Down by NOK 3.07 per kg compared to Q1 11

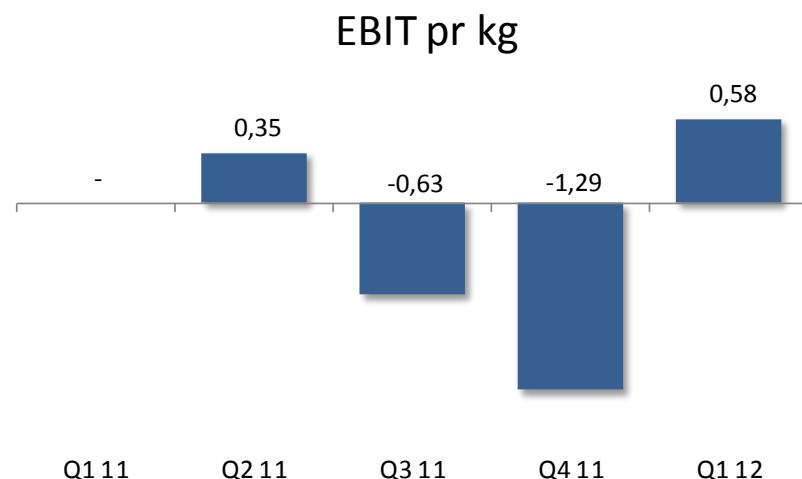


Volume growth of 300 % compared to Q1 11

Farming - Region South

KEY FIGURES (NOK '000)	Q1 2012	Q1 2011
Operating revenues	10 262	104
EBIT fva *	232	9
EBIT	2 668	5 116
Volume harvested (tons)	398	0
EBIT per kg *	0,58	0,00
EBIT margin	2,3 %	8,7 %

* EBIT pre fair value adjustments



Achieved price Q1 12 NOK 25.78 per kg FCA packing station

- Hardly any contract sales (2 %)
- No harvest in Q1 2011

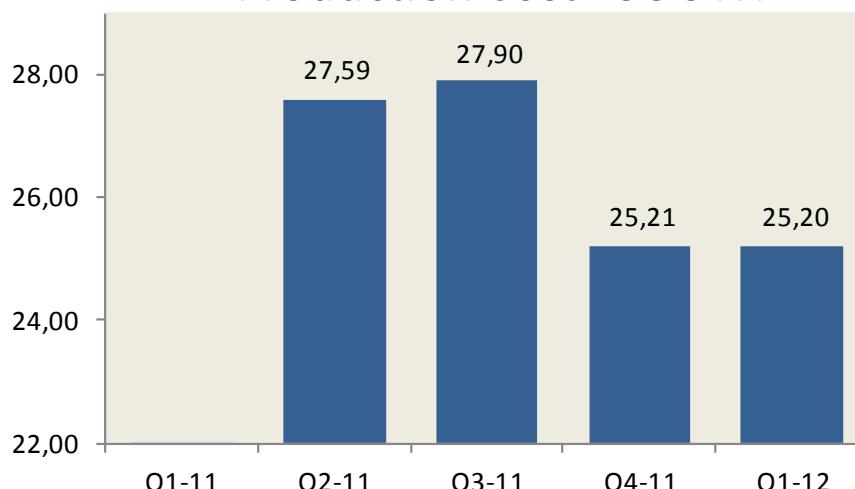


Good operational performance and good biological status in Q1 12

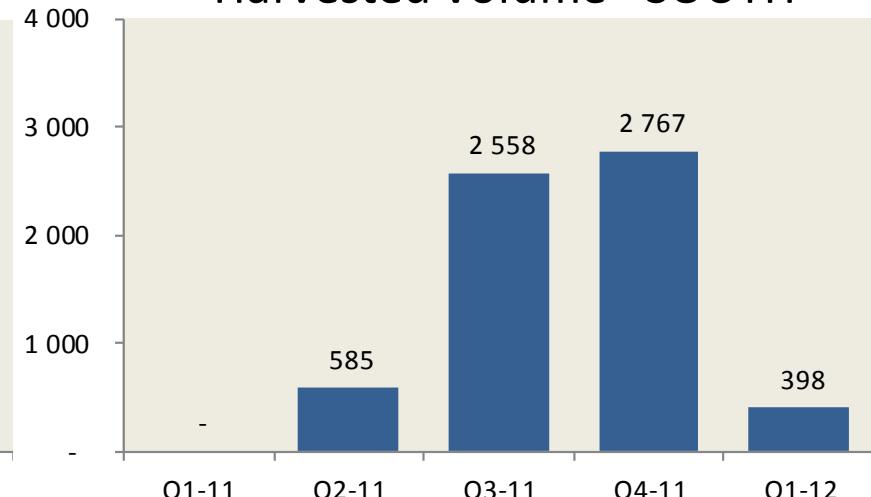
- Historical low mortality rate on 2011-generation
- No identified diseases in Q1 12

Farming – Region South

Production Cost - SOUTH



Harvested Volume - SOUTH



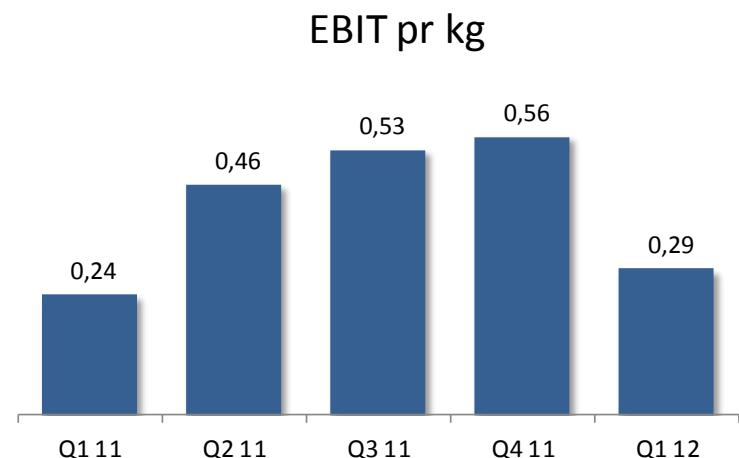
 **Production cost of NOK 25.20 per kg**

- Same as for Q4 11
- The production costs are expected to remain on the same level when harvesting the 2010-generation and to be lower when harvesting the 2011-generation.

Sales

KEY FIGURES (NOK '000)	Q1 2012	Q1 2011
Operating revenues	378 781	409 030
EBIT fva *	3 734	2 287
EBIT	3 009	-4 423
Volume sold (tons)	12 817	9 525
EBIT per kg *	0,29	0,24
EBIT margin	1,0 %	0,6 %

* EBIT pre fair value adjustment



Sold volume up 3 292 tons (+35%) from Q1 11

- We continue to expect high availability of volumes in 2012



EBIT per kg NOK 0.29

- NOK 0.27/kg lower than Q4 11
- Satisfying margin development at the start of the Q2 12



Average NOS price NOK 26.0 in Q1 12

- 35 % lower than Q1 11

Associated companies

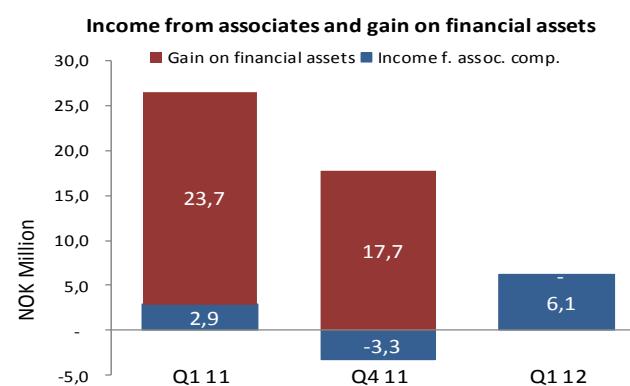
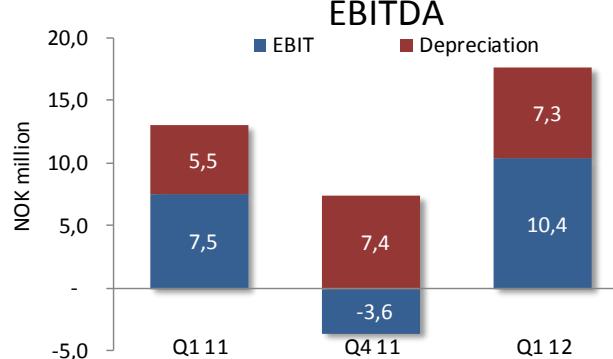
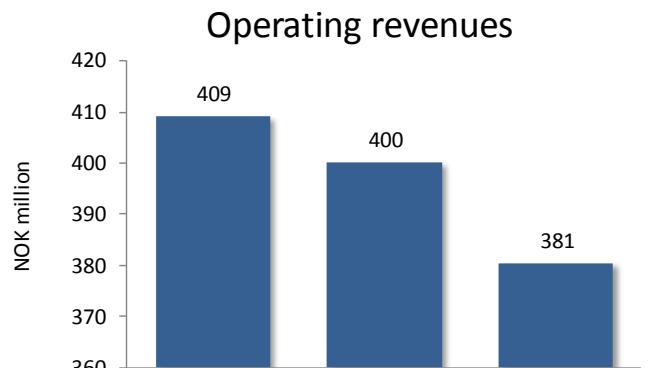
Quarterly figures (NOK '000)	EBIT	NRS share of EBIT		Harvested volume HOG	NRS share of volume
Farming Companies (3 companies, 8 licenses)	16 157	6 204		2 268	817
Harvesting Companies	623	- 16			
Hatcheries	0	0			
Total associates as per Q1-12	16 780	6 188		2 268	817

- 3 fish-farming companies with 8 licenses, 2 harvesting companies and 1 fresh water company with a yearly capacity of 5.5 million smolt
 - Ownership from 27% to 38%
- YTD EBIT per kg of NOK 7.52 for associated farming companies
- Estimated NRS share of volume for 2012 is 2 626 tons



GROUP FINANCIALS

Key income statement items



Revenues down MNOK 28 (6.8 %) from Q1 11

- Lower salmon prices – 35 %
- Higher traded volumes + 35 %



EBITDA of MNOK 17.7 (13.0 in Q1 11)

- Farming:
 - Sales price down NOK 12.38/kg
 - Production cost down NOK 2.90/kg
 - Harvested volume up 3 508 tons
- Sales:
 - Traded volume up 3 292 tons
 - Margins up NOK 0.05/kg



Depreciation stable from Q4 11

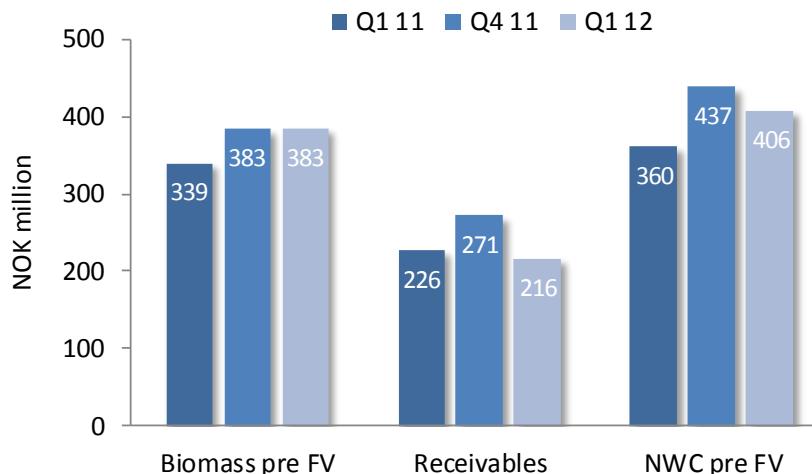


Income from associated companies up MNOK 3.2 from Q1 11



Gain on sale of Lingalaks in Q1 11

Key balance sheet items



Biomass pre FV unaltered from Q4 11



Receivables down by MNOK 55 from Q4 11

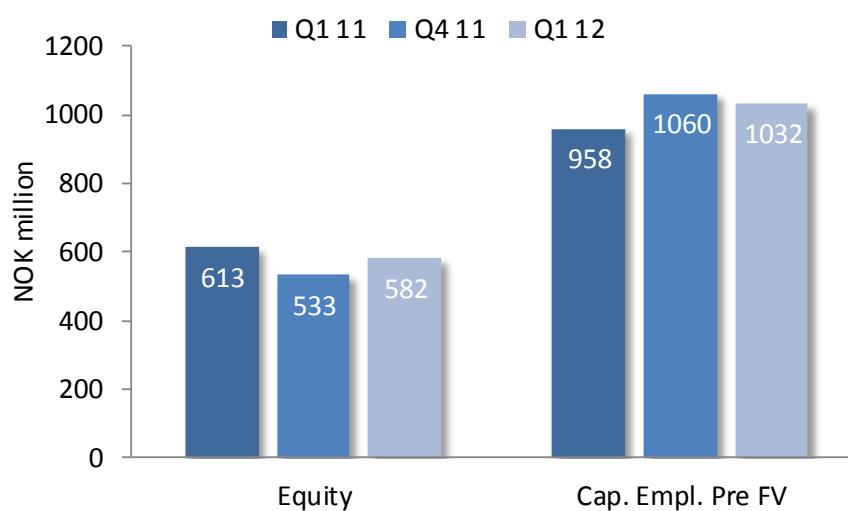


Working capital pre FV down by MNOK 31 from Q4 11



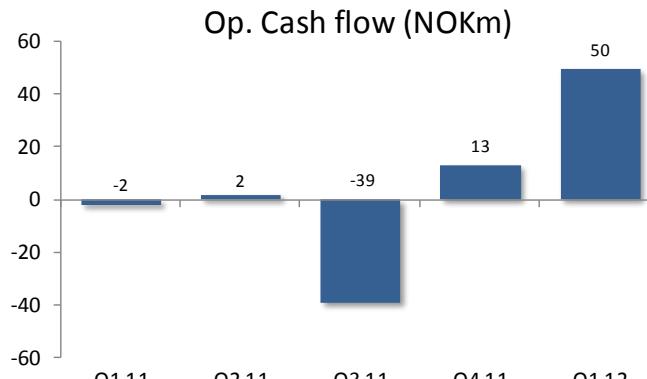
Equity up by MNOK 49 from Q4 11

– Equity ratio 41.1%, up from 36.3% in Q4 11



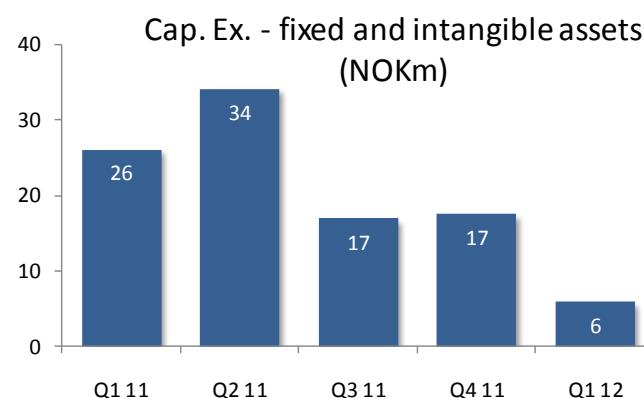
Capital employed pre FV down by MNOK 28

Cash flow, Cap Ex and Net interest bearing debt



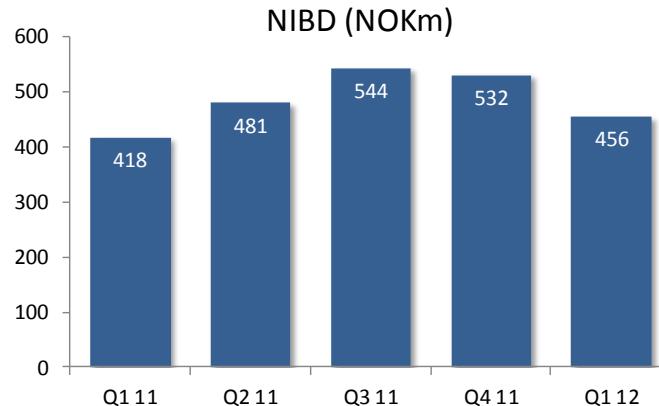
Operational cash flow positive by MNOK 50

- An improvement of MNOK 52 compared to Q1 11
- Positively impacted by positive EBITDA
- Positively impacted by decreased net working capital



Capex of MNOK 6 in Q1 12

- Estimated Capex in 2012 MNOK 25



NIBD down by MNOK 76 from Q1 12

- Decreased working capital pre FV
- Share issue and sale of treasury shares

Financing

-  Share issue and sales of treasury shares improved the equity with MNOK 42.5
-  The group's bank facility increased by the same amount.
-  MNOK 279 in NIBD to the main bank of a total facility of MNOK 542

Bank covenants

- Equity ratio of minimum 30 % in whole of 2012
 - 35 % from 2013
- NIBD/EBITDA of maximum 6.5
 - Exempt from this covenant in 2012
 - Covenant of maximum 6.5 will apply again from Q1 2013.
 - Will be gradually reduced from Q4 2013



OUTLOOK

Outlook - Farming



Estimated harvested volumes:

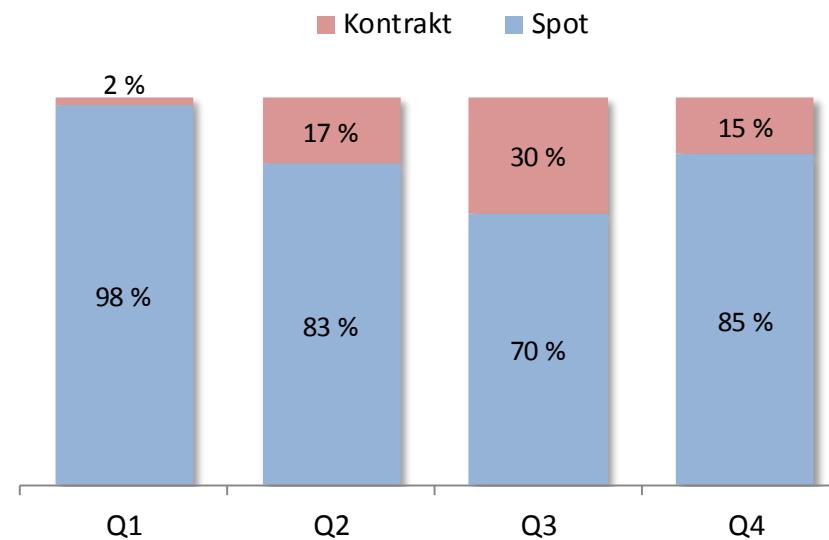
- 2012: 22 500 tons (+ 20 %)
- 2013: 28 000 tons (+ 24 %)
 - Increased by 1 300 tons from Q4 11 presentation due to more stable utilization of MAB and access to better smolt in Region South



Smolt release in 2012 reflects full utilization of existing capacity



Fixed-price contracts 2012



Harvesting and smolt release

Harvest volumes (kt,gwe)	FY11 ACT	Q1 12 ACT	Q2 12 EST	Q3 12 EST	Q4 12 EST	FY 12 EST	FY 13 EST
North	12,9	4,1	3,0	3,0	4,6	14,7	21,5
South	5,9	0,4	2,0	2,6	2,8	7,8	6,5
Total	18,8	4,5	5,0	5,6	7,4	22,5	28,0

Smolt release (Mill no.)	FY 10 ACT	FY 11 ACT	FY 12 EST
North	4,3	5,9	5,8
South	1,4	1,8	2,0
Total	5,7	7,7	7,8

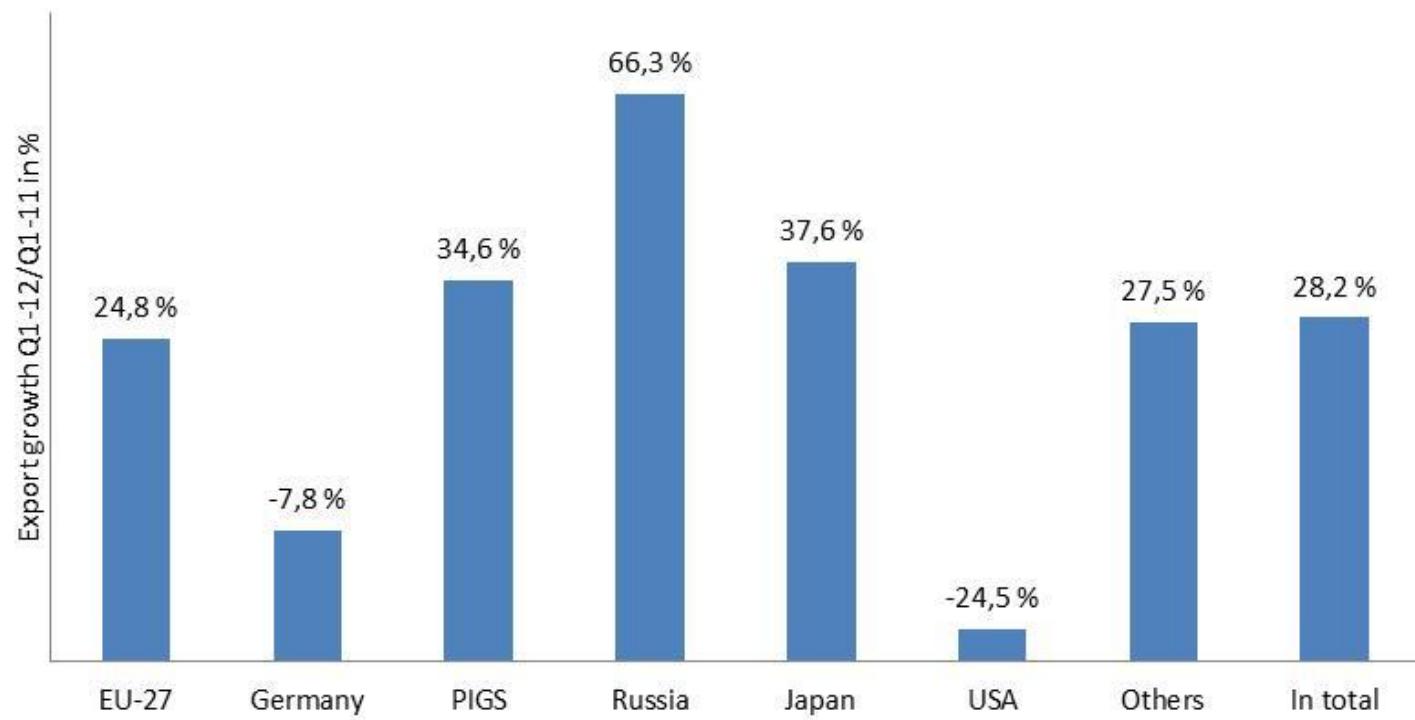


Outlook – Market and sales



Market

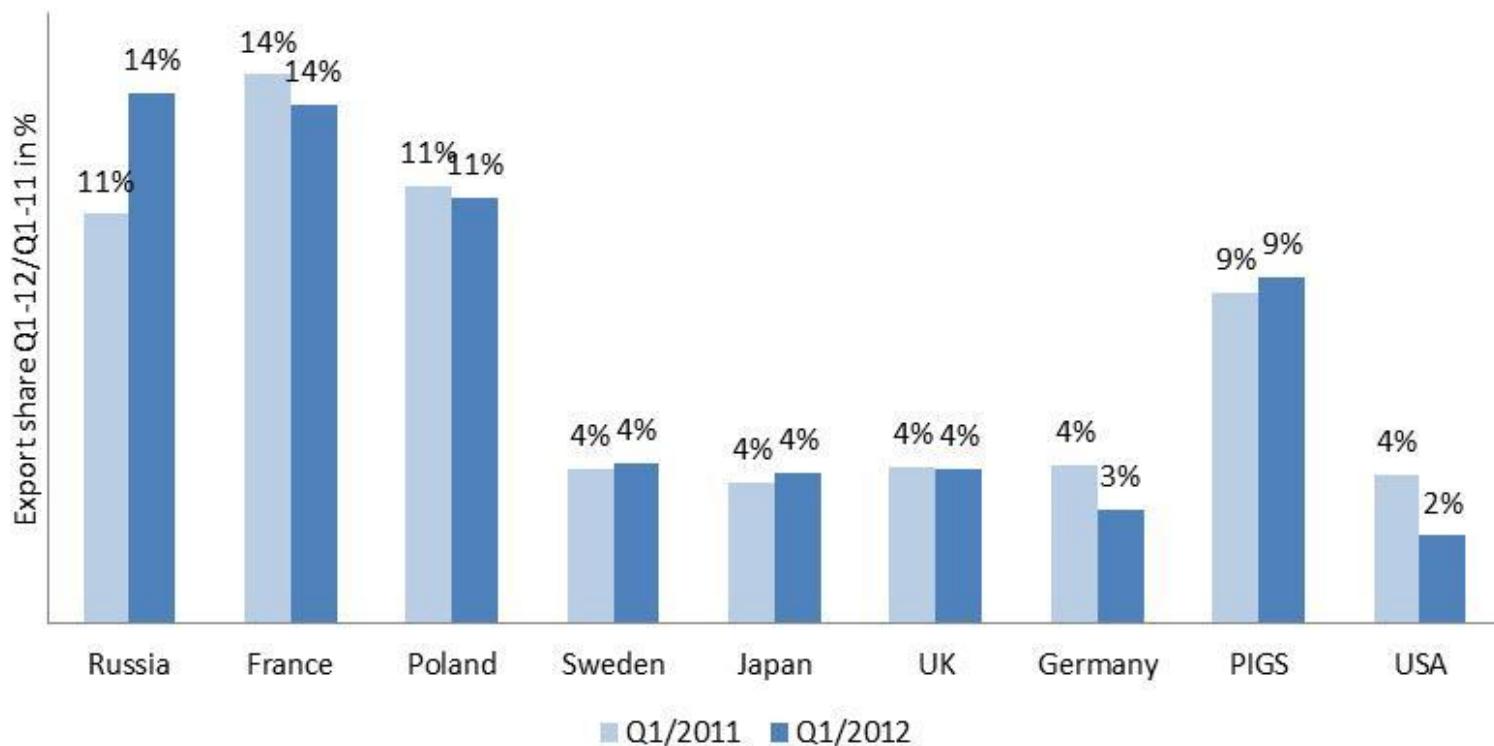
- Massive volume growth from Norway in Q1/12 of 28% yr/yr
- Significant growth in most markets as salmon is regarded as good value
- US and Germany has so far been weaker markets for Norwegian exporters
- Fresh markets are strong, while there is competition with Chile in frozen segments especially in Asia



Outlook – Market and sales

Market

- Russia is now the single largest market for Norwegian salmon
- The PIGS countries has also had a very promising start to 2012



Outlook – Market and sales

Sales

- Increased volumes available in 2012, which will increase trading volumes
- Increased focus on more profitable and growing market segments
- Margins are expected to improve throughout the rest of the year. The start of Q2-2012 is showing satisfactory sales margins





Thank you for your attention

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APPENDIX

Group income statement

(NOK '000)	Q1 2012	Q1 2011	Year 2011
Operating revenues	380 551	409 198	1 734 022
Cost of goods sold	332 031	369 820	1 549 263
Salaries	16 299	13 285	60 595
Depreciation	7 280	5 526	26 043
Write-downs	0	0	0
Other operating costs	14 547	13 042	53 365
Operating profit before fair value adjustments	10 395	7 525	44 757
Fair value adjustments	2 777	24 432	-70 627
EBIT	13 172	31 957	-25 870
Gain on realisation of financial assets	0	23 726	41 430
Income from associates	6 145	2 852	-1 689
Other net financial items	-7 980	-7 214	-31 038
EBT	11 337	51 321	-17 166
Tax	-1 658	-7 711	15 548
Net profit/loss	9 679	43 610	-1 618
Profit attributable to:			
Parent company shareholders	8 886	42 036	2 140
Minority interests	793	1 574	-3 759
Earnings per share (NOK)	0,22	1,15	0,06
Earnings per share - diluted	0,22	1,15	0,06

Group balance sheet

(NOK '000)	31.03.2012	31.12.2011	31.03.2011
Intangible assets	502 887	502 887	498 287
Property, plant and equipment	175 850	177 311	134 786
Non-current financial assets	107 935	103 238	123 981
Non-current assets	786 673	783 436	757 054
Inventory and biological assets	407 255	406 730	462 105
Receivables	215 537	270 922	225 850
Bank deposits, cash	6 272	6 205	5 375
Current assets	629 064	683 857	693 330
TOTAL ASSETS	1 415 736	1 467 292	1 450 384
Share capital	43 573	38 144	38 144
Other equity	500 682	457 289	531 392
Non-controlling interests	38 022	37 229	43 436
Equity	582 276	532 662	612 972
Pensions	8 480	8 480	7 719
Deferred tax	155 084	153 784	178 922
Provisions	163 564	162 265	186 641
Long-term interest-bearing debt	321 210	320 884	297 067
Short-term interest-bearing debt	140 921	217 054	126 494
Trade payables	185 673	219 868	202 913
Tax payable	0	0	1 135
Other current liabilities	22 091	14 558	23 162
Current liabilities	348 684	451 480	353 704
TOTAL EQUITY AND LIABILITIES	1 415 736	1 467 292	1 450 384

Group cash flow statement

(NOK '000)	Q1 2012	Q1 2011	Year 2011
Operating profit before fair value adjustments	10 395	7 525	44 757
Adjusted for:			
Tax paid	0	0	-3 031
Depreciation/amortisation	7 280	5 526	26 043
Gains (-)/ losses (+) on disposal of non-current assets	0	0	-1 845
Share based payment	174	242	616
Pension costs with no cash effect	0	0	761
Change in inventory / biomass	2 124	-29 979	-75 378
Change in debtors and creditors	25 833	14 445	-8 459
Change in other current assets and other liabilities	3 857	544	-9 245
Net cash flow from operating activities	49 663	-1 697	-25 781
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	0	0	2 213
Payments for purchase of property, plant and equipment and intangible assets	-5 819	-26 374	-94 403
Payments in connection with other transactions	0	0	-300
Proceeds from investments in non-current financial assets	0	1 500	37 799
Payments for investments in non-current financial assets	0	-31	-1 903
Change in loans to associates and others	-1 200	0	-8
Net cash flow from investing activities	-7 019	-24 905	-56 602
Cash flow from financing activities			
Receipts from new long-term debt	4 694	21 730	67 392
Long-term debt repayments	-6 298	-4 414	-20 859
Net change in overdraft	-74 204	-24 496	60 664
Net payments from share issue	30 409	40 112	40 112
Purchase and sale of treasury shares	11 740	143	143
Interest paid	-8 918	-5 846	-28 025
Dividend payment	0	0	-35 586
Net cash flow from financing activities	-42 577	27 229	83 841
Net increase (+)/ decrease (-) in cash & cash equivalents	67	627	1 458
Cash and cash equivalents - opening balance	6 205	4 748	4 748
Cash and cash equivalents - closing balance	6 272	5 375	6 205

Statement of Equity

31.03.2012 (NOK '000)	<u>Equity allocated to parent company shareholders</u>					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
Equity at 01.01.2012	39 611	-1 467	54 936	402 352	495 433	37 229	532 662
Total comprehensive income	0	0	0	8 886	8 886	793	9 679
Transactions with shareholders							
Share issue	3 961	0	27 728	0	31 689	0	31 689
Net share issue transaction costs	0	0	-681	-240	-922	0	-922
Share based payment	0	0	0	174	174	0	174
Purchase/sale of treasury shares	0	1 467	0	10 273	11 740	0	11 740
Other changes in associates	0	0	0	-2 746	-2 746	0	-2 746
Total transactions with shareholders	3 961	1 467	27 046	7 461	39 935	0	39 935
Equity at 31.03.2012	43 572	0	81 982	418 699	544 254	38 023	582 276
31.03.2011 (NOK '000)	<u>Equity allocated to parent company shareholders</u>					Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium fund	Retained earnings	Total		
Equity at 01.01.2011	37 229	-9	15 525	485 188	537 934	41 862	579 796
Total comprehensive income	0	0	0	18 904	18 904	1 574	20 478
Transactions with shareholders							
Share issue	2 382	0	43 730	0	46 112	0	46 112
Net share issue transaction costs	0	0	-4 307	0	-4 307	0	-4 307
Share options	0	0	0	99	99	0	99
Purchase of treasury shares	0	-1 467	0	-27 881	-29 349	0	-29 349
Sale of treasury shares	0	9	0	134	143	0	143
Total transactions with shareholders	2 382	-1 458	39 423	-27 648	12 698	0	12 698
Equity at 31.03.2011	39 611	-1 467	54 948	476 444	569 536	43 436	612 972

Quarterly historical information

QUARTERLY HISTORICAL INFORMATION (NOK thousand, NOK per kg)	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
FARMING									
Volumes sold (ktonnes, HOG)									
Region North									
Region North	4 145	5 324	3 746	2 766	1 035	794	913	1 833	2 461
Region South	398	2 767	2 558	585	0	1 352	954	1 436	935
Total	4 543	8 091	6 304	3 351	1 035	2 146	1 867	3 269	3 396
EBIT pre fair value									
Region North									
Region North	10 733	-3 034	6 215	30 640	12 306	-5 272	14 284	23 208	26 711
Region South	232	-3 557	-1 612	203	9	15 499	5 793	20 630	9 084
Total	10 964	-6 591	4 604	30 843	12 315	10 227	20 077	43 838	35 795
EBIT per kg *									
Region North									
Region North	2,59	-0,57	1,66	11,08	11,89	9,54	15,65	13,55	10,86
Region South	0,58	-1,29	-0,63	0,35	0,00	11,46	6,07	14,37	9,72
Total	2,41	-0,81	0,73	9,20	11,90	10,75	10,75	13,91	10,54
SALES									
Volumes sold (ktonnes)									
12 817									
Operating revenue	15 797	13 862	11 244	9 525	13 221	11 858	13 144	11 361	
EBIT pre fair value									
378 781									
3 734	421 320	409 497	445 730	409 030	543 846	492 666	551 289	403 468	
EBIT per kg*									
8 789									
3 734	7 350	5 158	2 287	6 184	7 170	10 117	2 423		
EBIT per kg*	0,29	0,56	0,53	0,46	0,24	0,47	0,60	0,77	0,21
NRS GROUP									
EBITDA									
17 675									
EBIT pre fair value	3 875	16 175	37 699	13 051	29 768	29 214	55 708	39 506	
10 395									
10 395	-3 559	9 143	31 648	7 525	12 993	23 781	50 357	35 659	
Net interest bearing debt									
455 859									
455 859	531 734	543 565	480 674	418 186	425 992	360 892	304 457	340 025	
Equity ratio	41,1 %	36,3 %	34,4 %	36,3 %	42,3 %	36,9 %	39,9 %	39,9 %	42,2 %

* Adjusted for non recurring items in the period