Quarterly Report
Second quarter 2013

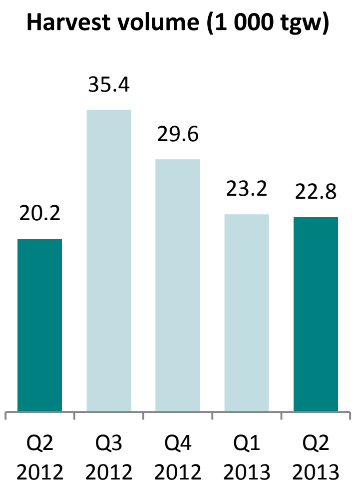
RECORD PROFIT FOR SALMAR

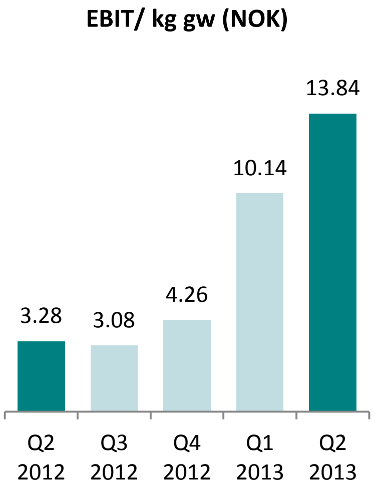
HIGHLIGHTS IN THE SECOND QUARTER 2013

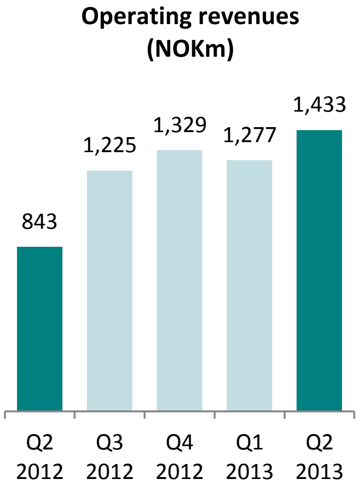
- Record high profit before tax of NOK 844 million
- The Group posted an Operational EBIT of NOK 316 million, up from NOK 66 million in the second quarter 2012.
- The price of salmon remained consistently high during the quarter, averaging 52 per cent more than in the same quarter last year.
- Operating revenues totalled NOK 1,433 million in the second quarter 2013, up 70 per cent on the corresponding quarter in 2012.
- A total of 22,800 tonnes were harvested in the quarter, compared with 20,200 tonnes in the second quarter 2012.
- All the fish farming segments performed well during the quarter, though there is still room for improvement.
- The Sales and Processing segment made a negative contribution to the quarter's results, largely because fixed-price contracts accounted for 25 per cent of sales.
- A strong cash flow from operating activities, and the sale of 7.3 million Bakkafrost shares has given the Group a very solid financial position at the close of the quarter.

KEY FIGURES - GROUP

NOK million	Q2 2013	Q2 2012	YTD 2013	YTD 2012	2012
Operating revenues	1 432,7	843.1	2 709.4	1 652.4	4 204.8
Operational EBIT	316.1	66.3	551.0	107.4	340.7
Operational EBIT%	22.1 %	7.9 %	20.3 %	6.5 %	8.1 %
Fair value adjustments	88.7	56.5	152.7	119.0	290.4
Profit before tax	843.8	112,8	1 152,2	214.5	608.5
EPS	6.01	0.77	8.04	1.65	4.13
NIBD	2 131.3	2 467.9	2 131.3	2 467.9	2 764. 4
Equity ratio %	48.1 %	39.6 %	48.1 %	39.6 %	38.9 %
Harvested volume (1000 tgw)	22,8	20.2	46.0	37.5	102.6
EBIT/kg gw (NOK)	13.84	3.28	11.98	2.86	3.32







FINANCIAL PERFORMANCE IN THE SECOND QUARTER AND FIRST HALF OF 2013

Revenues and results in the second quarter 2013

SalMar generated operating revenues of NOK 1,432.7 million in the second quarter 2013, up from NOK 843.1 million in the second quarter last year.

The Group harvested around 22,800 tonnes during the quarter, 400 tonnes less than in the previous quarter, but 2,600 tonnes more than in the second quarter 2012.

In addition, Norskott Havbruk (Scottish Sea Farms) harvested a total of 5,104 tonnes. This is marginally less than the volume harvested in the first quarter 2013, and slightly down on the 6,200 tonnes harvested in the second quarter 2012. SalMar owns 50 per cent of Norskott Havbruk.

A further 2,427 tonnes was harvested by Villa Organic, a subsidiary of SalMar from 30 June 2013.

The Group made an Operational EBIT of NOK 316.1 million in the second quarter this year, up from NOK 234.9 million in the first quarter, and from NOK 66.3 million in the same quarter last year.

This gives the Group an overall Operational EBIT of NOK 13.84 per kg, up from NOK 10.14 in the previous quarter and NOK 3.28 in the second quarter 2012. EBIT for SalMars fish farming operations in Norway averaged NOK 16.78 per kg.

The price of salmon (NASDAQ Salmon Index) averaged NOK 42.28 per kg in the period. This is NOK 6.16 higher per kg than in the previous quarter, and a rise of NOK 14.49 per kg compared with the second quarter 2012. The price was relatively stable during the quarter, with NOK 39.47 being the lowest average weekly price and NOK 45.43 per kg the highest.

The increase in Operational EBIT is largely attributable to the above-mentioned price rise. See also the presentation of the segments' performance later in this report.

SalMar's most important key figure for measuring its performance under IFRS is Operational EBIT. This shows the result of the Group's underlying operations during the period. Specific items not associated with underlying operations are presented on separate lines.

Fair value adjustments during the period boosted profits by NOK 88.7 million. Fair value adjustments comprise fair value adjustment of the biomass, unrealised effects of changes in forward currency contracts associated with future contract deliveries and Fish Pool contracts, as well as provisions for loss-making contracts. See Note 4 for further details. Positive fair value adjustment of the biomass in the period totalled NOK 98.7 million. The adjustment is primarily the result of the rise in salmon prices. In addition to the fair value adjustment of the biomass, contracts had negative impact amounting to NOK 10.9 million in the quarter. In the second quarter of 2012 fair value adjustments boosted profits by NOK 56.5 million.

During the quarter a total of NOK 197.5 million in non-recurring items were recognised in revenue. The non-recurring items are mainly associated with the acquisition of Villa Organic and Atlantic Cod Farms. See Note 5 for further details.

No biological events having an impact on the financial results took place during the period, while a loss of NOK 6.2 million was recognised in the second quarter last year in connection with such events.

The Group's share of its associates' profit/loss totalled NOK 54.2 million in the second quarter. The share contributed by P/f Bakkafrost until the date of the share sale came to NOK 23.7 million. The share contributed by Villa Organic until the date of acquisition came to NOK 12.9 million, while the share contributed by Norskott Havbruk came to NOK 16.9 million. See Note 7 for further details. In the same period in 2012 the Group's share of its associates' profit/loss totalled NOK 30.1 million.

Other financial items boosted profits in the quarter by NOK 187.3 million. This item includes the recognised gain from the sale of shares in P/f Bakkafrost, in the amount of NOK 170.1 million. This item is explained in more detail in Note 8.

Tax in the period is calculated at NOK 102.6 million, compared with NOK 23.2 million in the second quarter 2012.

The Group made a profit after tax of NOK 741.1 million, compared with NOK 89.6 million in the second quarter last year.

Revenues and results in the first half of 2013

The Group generated gross operating revenues of NOK 2,709.4 million in the first six months of the year, up from NOK 1,652.4 million in the corresponding period of 2012.

Excluding Norskott Havbruk, a total of 46,000 tonnes was harvested during the period. This is up from 37,500 tonnes in the corresponding period last year, and corresponds to an increase of just under 23 per cent.

The increase is partly attributable to the roll-over of volumes from the fourth quarter 2012, an increase in volume in Finnmark as a result of newly acquired licences, and a planned increase in the volume harvested.

The price of salmon (NASDAQ Salmon Index) in the first half of 2013 averaged NOK 39.19 per kg, compared with NOK 27.28 per kg in the same period in 2012.

Operational EBIT in the first half of 2013 totalled NOK 551.0 million, compared with NOK 107.4 million in the same period the year before. The improvement is almost entirely attributable to higher salmon prices.

Fair value adjustments boosted profits by NOK 152.7 million in the period. The corresponding adjustment in the first half of 2012 totalled NOK 119.0 million.

During the period, moreover, non-recurring gains amounting to NOK 197.5 million were recognised, compared with NOK 77.4 million in the first half of 2012. This brought operating profit for the first six months of the year to NOK 901.2 million, compared with NOK 252.6 million last year. No particular biological events occurred during the period, while in the corresponding period last year expenses totalling NOK 51.2 million were recognised. These expenses derived largely from one outbreak of PD in SalMar Northern Norway and two in SalMar Central Norway.

The Group's share of the profit/loss from its associates totalled NOK 94.2 million in the period, compared with NOK 39.3 million in the corresponding period last year. A further NOK 156.8 million in net other financial items boosted profits before tax in the first six months of the year to NOK 1,152.2 million, compared with NOK 214.5 million in the same period last year.

The tax expense for the period has been calculated at NOK 175.6 million, compared with NOK 27.4 million in the corresponding period last year.

Profit after tax for the first six months of the year totalled NOK 976.5 million, compared with NOK 187.1 million in the first half of 2012.

Cash flow

The SalMar Group generated a cash flow from operating activities of NOK 475.6 million in the quarter. A decrease in working capital contributed NOK 96.5 million, combined with strong operating margins.

Investing activities generated NOK 335.3 million in positive cash flow during the period. The sale of shares in P/f Bakkafrost brought in NOK 506 million, while NOK 41.8 million was received in dividends from Bakkafrost. The Group has invested NOK 159.8 million in the acquisition of Villa Organic and Atlantic Cod Farms during the period. Just over NOK 53 million has, moreover, been invested in equipment during the quarter.

The strong cash flow from operating and investing activities has been used to reduce short-term interest-bearing debt by NOK 336.5 million. In addition, NOK 36.2 in ordinary instalments and NOK 40.1 million in interest have also been paid.

Minority shareholders in Rauma have been bought out for a total of NOK 69.7 million. Options totalling NOK 3.3 million have also been settled in cash. Financing activities during the period amounted NOK 485.9 million.

This gave SalMar a net cash flow for the period of NOK 325.0 million, which increased the Group's cash holding to NOK 388.0 million at the close of the period.

Financial position

At the close of the second quarter 2013 SalMar's balance sheet totalled NOK 8,502.2 million, up from NOK 7,574.2 million the previous quarter. The increase in the total balance can largely be explained by the acquisition of Villa Organic and Atlantic Cod Farms. Villa Organic has been consolidated into the balance sheet with effect from 30 June 2013. Please see Note 5 for further details regarding these acquisitions.

Intangible assets increased by NOK 313.5 million during the period, to NOK 2,448.2 million. This is entirely attributable to licences and sites associated with the acquisitions. The NOK 194.0 million increase in the value of property, plant and equipment is also largely attributable to these acquisitions. The book value of financial assets at the close of the quarter was NOK 731.5 million. The value of these assets has been reduced by NOK 283.1 million during the period as a result of the sale of shares in P/f Bakkafrost. The investment in P/f Bakkafrost is now classified as an investment measured at fair value.

At the close of the quarter current assets totalled NOK 3,859.0 million, NOK 703.7 million more than three months earlier. Acquisitions during the period contributed NOK 381.4 million. In addition, the sale of shares in P/f Bakkafrost, and a positive cash flow form operations, boosted cash holdings by NOK 325 million.

At the close of the period the Group had total equity of NOK 4,091.0 million. This corresponds to an equity ratio of 48.1 per cent. See the table for changes in equity for further details of movements during the quarter.

Long-term interest-bearing debt totalled NOK 2,301 million at the close of the quarter. The NOK 137.6 million increase compared with the previous quarter is entirely attributable to interest-bearing debt in acquired companies. Short-term interest-bearing debt in the amount of NOK 218.3 million is wholly composed of instalments on long-term debt in the coming 12 months. Corrected for cash holdings, this gives the Group a net interest-bearing debt of NOK 2,131.3 million as at 30 June 2013. This is NOK 500 million less than in the previous quarter.

OPERATIONAL PERFORMANCE IN THE SECOND QUARTER 2013

With effect from the third quarter 2012 SalMar altered its segment reporting. Sales and processing activities are now reported as a separate segment. The figures for the second quarter 2012 presented below are *pro forma* amounts.

Fish farming – SalMar Central Norway

NOK million	Q213	Q212	1H13	1H12
Operating revenues	664	356	1307	667
Operational EBIT	275	29	485	69,2
Operational EBIT%	41.4%	8.0%	37.1%	10.4%
Harvested volume (1 000 tgw)	15.9	12.8	33.7	24.4
EBIT/kg gw (NOK)	17.26	2.23	14.39	2.84

SalMar Central Norway generated gross operating revenues of NOK 663.5 million in the second quarter 2013, compared with NOK 355.8 million in the same quarter last year.

Operating profit per kg gutted weight totalled NOK 17.26, up from NOK 11.81 in the previous quarter and NOK 2.23 in the corresponding period in 2012. The improvement can be attributed to the increase in the price of salmon.

SalMar Central Norway's performance is deemed to be good. Fish released into sea pens in the autumn of 2011 have been harvested earlier and at higher average weights than any previous generation. As stated in previous interim reports, PD was identified in fish released into sea pens at one of the segment's sites in the spring of 2012. Part of this biomass has now been culled at a low average weight to reduce the biological risk. A cold winter has affected growth rates somewhat, and this has also led to a slight decrease in the quality of the fish harvested during the quarter and a higher than anticipated feed factor. Furthermore, around 16 per cent of the segment's volume is organically grown fish, whose production costs are higher than for conventional salmon.

As stated, since the first quarter the segment has had trouble with an experimental, onshore facility for large smolt. A charge of NOK 12.1 million in connection with this has been recognised in the second quarter.

Just under 16,000 tonnes were harvested in the period. This is around 1,900 tonnes less than in the previous quarter, but 3,000 tonnes more than in the second quarter last year. The volume harvested was relatively evenly distributed across the three months of the quarter.

The biological status of marine-phase fish stocks is good. Although PD has been identified at two sites, this has not had any material impact on growth, quality or mortality.

SalMar Central Norway expects to harvest some 71,000 tonnes in 2013, an increase of 9 per cent on 2012.

Fish farming – SalMar Northern Norway

NOK million	Q213	Q212	1H13	1H12
Operating revenues	117	114	194	142
Operational EBIT	44	9	65	9
Operational EBIT%	38.0%	8.1%	33.4%	6.2%
Harvested volume (1 000 tgw)	2.8	4.0	5.1	5.1
EBIT/kg gw (NOK)	15.67	2.31	12.64	1.73

SalMar Northern Norway generated gross operating revenues of NOK 116.9 million in the second quarter 2013, a slight increase from the NOK 114.4 million achieved in the same quarter last year.

Operating profit per kg gutted weight totalled NOK 15.67 this quarter, up NOK 6.76 from the previous quarter and a substantial NOK 13.36 from the second quarter 2012.

The improvement in profit is attributable to the rise in prices. Around 30 per cent of the fish harvested in this segment was from newly acquired licences in Finnmark. The cost of this biomass is NOK 3-4 higher than that harvested from other sites. Operation of the newly acquired licences is proceeding as planned, and SalMar is expecting good operational results from 2014. In the second half of the year a larger proportion of the volume will come from Troms, where operations are going to plan.

Around 2,800 tonnes was harvested in the quarter, down from approx. 4,000 tonnes in the second quarter last year. The decrease is primarily related to lower growth due to low sea temperatures.

SalMar Northern Norway expects to harvest around 28,000 tonnes in 2013, an increase of 25 per cent compared with 2012.

Fish farming - Rauma

NOK million	Q213	Q212	1H13	1H12
Operating revenues	173	99	284	225
Operational EBIT	64	6	101	5
Operational EBIT%	37.0%	6.2%	35.5%	2.0%
Harvested volume (1 000 tgw)	4.1	3.4	7.2	8.0
EBIT/kg gw (NOK)	15.68	1.78	14.06	0.56

The Rauma segment generated gross operating revenues of NOK 173.4 million in the quarter, compared with NOK 98.6 million in the same quarter last year.

Operating profit per kg gutted weight totalled NOK 15.68, up from NOK 11.92 the previous quarter and NOK 1.78 in the second quarter last year.

The Rauma segment is performing well. Part of the broodfish stock has been charged to expenses after it failed to reach sexual maturity.

The Rauma segment harvested around 4,100 tonnes during the quarter, up from 3,400 tonnes in the second quarter 2012.

The biological status of marine-phase fish stocks is good. Due to lower growth through the winter, production costs for the fish harvested in the second half are expected to be slightly higher than in the first half. Organic salmon will make up a large proportion of the segment's volume in the second half. Achieving the same margins as on conventional salmon may be difficult in periods when the price of conventional salmon is high.

The Rauma segment expects to harvest some 17,000 tonnes in 2013.

During the quarter SalMar completed the acquisition of Atlantic Cod farms, which is included in this segment.

Sales and Processing

NOK million	Q213	Q212	1H13	1H12
Operating revenues	1 480	887	2 805	1 709
Operational EBIT	-64	18	-94	28
Operational EBIT%	-4.3%	2.1%	-3.4%	1.6%

The Sales and Processing segment generated gross operating revenues of NOK 1,480.1 million in the quarter, up from NOK 887.3 million in the second quarter 2012. The segment sells the entire volume of fish harvested by the Group.

The segment made an operating loss of NOK 63.5 million, compared with an operating profit of NOK 18.4 million in the second quarter last year. The result was negatively affected by the fact that just over 25 per cent of the overall volume was sold under contract at prices below the average spot price in the quarter.

InnovaMar's harvesting operations did reasonably well in the quarter. A total of 26,175 tonnes of fish were harvested at InnovaMar during the period, 10,124 tonnes of which were from external sources. This is down from 28,841 tonnes in the first quarter. The decrease is due to the fact that the plant carried out a certain amount of PD-related harvesting, which affects efficiency and reduces the number of fish that can be harvested.

High salmon prices and PD-related harvesting also have an impact on the processing business. A higher volume of PD fish makes it more challenging to maintain operating stability and efficiency. In response to high salmon prices, it has been decided to scale back the level of activity somewhat, which in turn increases fixed and variable costs per kg. This part of the segment has, moreover, experienced some technical difficulties during the quarter.

Associates

Norskott Havbruk

NOK million	Q213	Q212	1H13	1H12
Operating revenues	211	217	500	446
Operational EBIT	40	17	79	31
Operational EBIT%	19.0%	8.0%	15.8%	6.9%
Value adjustment biomass	7	-4	30	-4
Results before tax	44	12	104	25
SalMar's share after tax	17	5	38,7	9
Harvested volume (1 000 tgw)	5.1	6.2	11.6	13.1
EBIT/kg gw (NOK)	7.87	2.77	6.80	2.33

Norskott Havbruk generated gross operating revenues of NOK 211.1 million in the second quarter, compared with NOK 216.8 million in the same quarter in 2012.

Operating profit per kg gutted weight totalled NOK 7.87 in the period, up from NOK 5.95 per kg the previous quarter and NOK 2.77 per kg in the second quarter last year.

The improvement can largely be attributed to higher prices. Around 65 per cent of the volume was sold under fixed-price contracts.

Norskott Havbruk harvested a total of 5,100 tonnes during the period, with SalMar's share coming to 2,550 tonnes. Norskott harvested 6,200 tonnes in the corresponding period last year. The company expects to harvest around 25,000 tonnes in 2013.

Norskott Havbruk is recognised as an associate, with SalMar's share (50 per cent) of the company's profit/loss after tax (and fair value adjustment of the biomass) being posted under financial income.

The company contributed NOK 16.9 million in the second quarter 2013, compared with NOK 4.8 million last year.

P/f Bakkafrost

On 15 May SalMar sold 7.35 million shares in Bakkafrost for NOK 70 per share. After the transaction SalMar controls just under 7.3 million shares in the company. This corresponds to 14.9 per cent of the total number of outstanding shares in Bakkafrost. The transaction gave a net gain for accounting purposes of NOK 170.1 million, which has, in its entirety, been recognised in the second quarter. SalMar also has in the quarter recognised NOK 23.7 million as its share of the company's profits up until the date of the sale, and NOK 29.7 million in dividends received, of these 25.1 million is dividend on shares own directly.

Nordskag Næringspark

SalMar has previously announced the sale of its investment in Nordskag Næringspark. This process has taken longer than initially anticipated. Until a sale is eventually made the investment will continue to be treated as an associate.

SalMar's share of the company's profits in the second quarter came to NOK 0.7 million.

Villa Organic

NOK million	Q213	Q113	FY12
Operating revenues	160	191	594
Operational EBIT	34	28	54
Operational EBIT%	20.9%	14.5%	9.1%
Results before tax	28	23	30
SalMar's share after tax	13		
Harvested volume (1 000 tgw)	2.4	4.5	15.9
EBIT/kg gw (NOK)	13.85	6.16	3.40

Through the second quarter SalMar has acquired 42 per cent of the shares in Villa Organic. Since SalMar already owned 8.42 per cent of the company's shares, the Group's shareholding now stands at 50.42 per cent. With effect from 30 June 2013 Villa Organic will be consolidated into the Group's accounts, and will be presented as a separate segment from the next quarter.

Villa Organic generated NOK 160.4 million in gross operating revenues in the second quarter. NOK 35 million of this amount derives from gains on the sale of assets. Operating profit, including the sale of assets, totalled NOK 33.6 million. A total of 2,400 tonnes was harvested during the quarter, which gives an operating profit per kg of NOK 13.85.

Due to biological problems (winter ulcer disease) affecting fish released into sea pens at certain sites in 2012, margins here is not expected to equal those in other segments in 2013. The company has improved its underlying operations in recent years, and experience from other sites in Finnmark shows that good results can be achieved with high quality smolt and better operating structures.

SalMar's share of the profits during the period in which the company was treated as an associate totals NOK 12.9 million.

Events after the balance sheet date

On 31 July a tragic accident occurred at one of SalMar's facilities, in which one employee was killed and one was injured. The accident occurred on a service boat in connection with technical maintenance. The authorities were notified of the incident, and an investigation was launched.

SalMar is working closely with the authorities, and is doing its utmost to discover the cause of the accident.

In addition, SalMar is carrying out, in collaboration with the research establishment Sintef, its own inquiry into the accident in order to implement any necessary measures to prevent a similar incident in the future.

On 15 July SalMar settled the TRS agreement it had with respect to 2,277,600 shares in P/f Bakkafrost. This means that SalMar has assumed formal ownership of these shares. Settlement of the agreement involved a payment of NOK 89.3 million. Following this transaction SalMar still controls approx. 14.9 per cent of the company.

Markets

Volume

The global supply of Atlantic salmon totalled some 460,700 tonnes in the second quarter 2013, around 2 per cent less than in the second quarter 2012.

The reduction is largest in Norway, where output in the period was 25,800 tonnes or 9 per cent down on the second quarter 2012. Supplies of salmon from the UK and North America fell respectively by 8 per cent to 35,900 and by 11 per cent to 32,300 tonnes.

In Chile production continues to grow, with output from the region rising by 25 per cent during the period. This corresponds to around 21,000 tonnes. Output from Faeroe Island producers rose by 7 per cent during the period to 17,300 tonnes.

Total exports of Norwegian Atlantic salmon came to approx. 245,000 tonnes round weight in the quarter, down 26,000 tonnes (10 per cent) from the same quarter last year. However, the value of the exports rose by 28 per cent, with salmon worth almost NOK 9.3 billion being exported in the quarter.

Exports of salmon from Norway to the EU fell by 5 per cent compared with the corresponding period last year. The three largest markets are France at 35,700 tonnes (down 9 per cent); Poland at 31 000 tonnes (up 12 per cent); and Russia at 24,200 tonnes (down 26 per cent). Around 16,400 tonnes were exported to Denmark (down 17 per cent), 11,800 tonnes to Spain (down 15 per cent) and 11,600 tonnes to the UK (up 9 per cent).

Prices and currencies

The increase in prices experienced in the first three months of the year continued in the second quarter. The price of salmon (NASDAQ Salmon Index) rose from NOK 37.28 per kg at the close of the first quarter to NOK 45.43 per kg at the close of the second quarter. The average salmon price in the quarter was NOK 42.28 per kg, an increase of NOK 6.16 per kg from the first quarter and NOK 14.49 per kg from the second quarter 2012. The price held relatively stable during the quarter, with the lowest average weekly price being NOK 39.47 per kg and the highest NOK 45.43.

Developments in the exchange rate for the NOK against key currencies have been mixed. Compared with the second quarter 2012 the NOK is marginally weaker against the EUR (0.75 per cent), while it has strengthened against the USD (1.1 per cent) and GBP (4.0 per cent). Any strengthening of the NOK against the major currencies can lead to a squeeze on salmon prices measured in NOK.

Biomass

At the close of the second quarter 2013 Norway had a standing biomass of 552,100 tonnes round weight, down from 562,400 tonnes at the same point last year. This corresponds to a decrease of 2 per cent. At the close of the first quarter 2013 the total biomass stood at 584,400 tonnes round weight.

Biomass in the UK fell by 5 per cent from the second quarter 2012 to the second quarter this year, while biomass in Chile rose by 10 per cent in the same period.

Shares and shareholders

Shares

At the close of June 2013 SalMar had a total of 113,299,999 shares outstanding, divided between 2,628 shareholders.

The company has a dominant shareholder, Kverva AS, which owns 53.4 per cent of the company's shares. The company's 20 largest shareholders own a total of 79.27 per cent of the shares. SalMar ASA is the company's seventh largest shareholder, with 1.3 million shares or 1.15 per cent as at 30 June 2013.

During the quarter SalMar's share price fluctuated between NOK 52.25 and NOK 62.00, which was the closing price on 28 June, the quarter's last day of trading.

Annual General Meeting

SalMar held its Annual General Meeting of shareholders on 5 June 2013. The AGM re-elected Bjørn Flatgård and Gustav Witzøe to the board of directors for a period of two years, while Merethe Holte was elected as a new board member for a period of two years. Ms Holte takes Nina Udnes Tronstad's seat on the board of directors.

Furthermore, the AGM elected Benthe Rathe as a new member of the Nomination Committee for a period of two years. Ms Rathe takes Therese B Karlsen's place on the committee.

The AGM voted to select Ernst & Young as the company's new auditor.

Material transactions with related parties

Note 30 to SalMar's 2012 annual report covers transactions with related parties.

In the first half of 2013 there have been no changes or transactions involving related parties that have materially affected the Group's financial position or results.

Risks and uncertainties

Managing risk is a key part of the management team's day-to-day responsibilities. The Group has systems and routines in place to monitor key risk factors in all business areas.

Internal control with respect to financial reporting occurs through day-to-day follow-up by management and process owners, as well as monitoring by the Audit Committee. Non-conformances and improvement areas are followed up, and corrective measures implemented. Financial risk is handled by a central unit at head office, and the use of financial hedging instruments is assessed as required.

The largest operational risk factors are associated with biological development during smolt production and marine-phase fish farming. Day-to-day efforts in the area of fish health are crucial in order to avoid infection and limit mortality. SalMar works actively to combat disease, and collaborates closely with the authorities, other aquaculture companies and experts in the field in order to reduce the biological risk.

In recent years the spread of salmon lice and the emergence of drug-resistant lice has been a challenge to the aquaculture industry. SalMar has developed its own strategy for dealing with salmon lice, which has been implemented since mid-2009.

In the past couple of years the industry has also seen a rise in cases of Pancreas Disease (PD), as well as the spread of 'new' illnesses, such as Amoebic Gill Disease (AGD). Despite the implementation of measures to restrict their spread, many outbreaks have extended to a substantial geographic area in a relatively short space of time. In consequence, the way individual fish farmers handle biological challenges is critical not only for other operators in the same region, but for the industry as a whole.

The price of salmon during the first six months of the year has remained at a consistently high level, and today's market balance bodes well for high prices in the time ahead. However, salmon prices have, historically, proved highly volatile, with major fluctuations occurring within relatively short intervals. With a high proportion of output destined for the spot market, changes in price will have an immediate effect on the company's earnings.

Outlook

The global supply of Atlantic salmon reached a record high in 2012, ending the year at just under 2 million tonnes. Growth this year is expected to stay down around 2 per cent, just enough for the overall volume to pass the 2 million tonne mark for the first time. Output grew by 2 per cent in the first six months of the year, compared with the same period last year. In the second quarter itself output fell by 2 per cent. A further 2 per cent decrease is expected in the third quarter, while the fourth quarter is expected to see a 4 per cent rise compared with the same period the year before.

SalMar expects continued strong growth in the most important salmon markets in the time ahead, and with a limited increase in output salmon prices are expected to remain high in 2013.

Fish Pool Forward prices as at the middle of August point to an average salmon price in the third and fourth quarters 2013 of NOK 39.59 and NOK 34.27 per kg respectively. This is lower than average spot-market prices in the first half.

SalMar has a lower percentage of contract sales, and at higher prices than that achieved in the first half. In the first and second quarters SalMar had fixed-price contracts covering 30 per cent and 25 per cent of the Group's volume respectively. The contract volume for 2013 as a whole totals approx. 20 per cent, which means that, per today, the contract volume for the second half is less than 20 per cent.

So far this year SalMar has invested around NOK 100 million in new equipment, and expects to invest a further NOK 150 million in the second half. The bulk of this is associated with biological production.

Sea temperatures were significantly lower in the first half of 2013 than in the same period in 2012. However, this year's temperatures are considered 'normal', while last year's were unusually high. Temperatures in June/July rose slightly over the 2012 level, and with low salmon lice levels in the pens, this provides the foundation for good, cost-effective operations in the time ahead.

This has to some extent affected the growth of the standing biomass. Nevertheless, SalMar is maintaining its overall harvesting forecast for 2013 at 116,000 tonnes in Norway, an increase of 13 per cent compared with the 102,600 tonnes harvested in 2012. The estimate for Norway does not include volumes deriving from the acquisition of Villa Organic. The Group harvested 40 per cent of the estimated volume in the first half. This is in line with the company's expectations.

As a result of the transactions undertaken, SalMar ASA has improved its financial position. Both strategic growth in the Group's primary focus areas and the payment of dividend in line with the established dividend policy, are issues that the board monitors on a continuous basis in order to achieve optimal, long-term development of shareholder value in the company.

Statement by the Board of Directors

We declare that, to the best of our knowledge, the half-year financial statements for the period 1 January to 30 June 2013 have been prepared in accordance with IAS 34 – Interim Reporting, and that the information contained therein provides a true and fair view of the Group's assets, liabilities, financial position and overall results.

We further declare that, to the best of our knowledge, the half-year report provides a true and fair view of important events that have taken place during the accounting period and their impact on the half-year financial statements, as well as the most important risks and uncertainties facing the business in the forthcoming accounting period.

The Board of Directors of SalMar ASA

Trondheim/Oslo, 27 August 2013

Bjørn Flatgård
Chair

Gustav Witzøe
Director

Tove Nedreberg
Director

Kjell A. Storeide
Director

Pål Georg Storø
Director

Merethe Helene Holte
Director

Arnt Mjønes
Deputy Director

Yngve Myhre
CEO

INCOME STATEMENT

NOK million	2Q 13	2Q 12	YTD 13	YTD 12	FY 2012
Operating income	**1 432,7**	**843,1**	**2 709,4**	**1 652,4**	**4 204,8**
Cost of goods sold	658,6	419,5	1 288,9	865,0	2 324,8
Payroll expenses	140,4	111,9	271,1	216,3	483,2
Other operating expenses	269,3	203,0	502,9	382,1	886,0
EBITDA	364,4	108,7	646,5	189,0	510,8
Depreciations	48,3	42,4	95,5	81,7	170,2
Operational EBIT	**316,1**	**66,3**	**551,0**	**107,4**	**340,7**
Fair value adjustment	88,7	56,5	152,7	119,0	290,4
Particular biological events	-	-6,2	-	-51,2	-54,6
Non-recurring gains on aquisition	197,5	-	197,5	77,4	62,4
Operational profit	**602,3**	**116,7**	**901,2**	**252,6**	**638,9**
Income from investments in associates	54,2	30,1	94,2	39,3	93,9
Other financial items	187,3	-34,0	156,8	-77,5	-124,3
Profit before tax	**843,8**	**112,8**	**1 152,2**	**214,5**	**608,5**
Tax	102,6	23,2	175,6	27,4	127,1
Net profit for the period	**741,1**	**89,6**	**976,5**	**187,1**	**481,4**
Items to be reclassified to profit and loss in subsequent periods:					
Change in translation diff. associates, net tax	42,3	0,8	44,5	-15,7	-39,9
Change in translation diff. Subsidaries, net tax	-0,0	0,5	-0,2	0,0	-0,3
Change in fair value of currency instruments	-	-0,5	-	-0,5	-0,4
Items not to be reclassified to profit and loss in subsequent periods:					
Share of other comprehensive income of associates	-	-	-	0	-2,1
Total comprehensive income	**783,4**	**90,4**	**1 020,8**	**170,9**	**438,7**
Non-controlling interests share of result	60,7	2,5	65,4	5,3	14,1
Controlling interests share of result	680,4	87,1	911,1	181,8	467,4
Earnings per share (NOK)	6,01	0,77	8,04	1,65	4,13
Earnings per share - diluted	6,01	0,77	8,04	1,65	4,13

GROUP BALANCE SHEET

NOK Million	30.06.2013	31.03.2013	31.12.2012	30.06.2012
ASSETS				
Intangible fixed assets	2 448,2	2 134,7	2 135,5	2 138,3
Tangible fixed assets	1 463,5	1 269,6	1 268,8	1 194,2
Financial fixed assets	731,5	1 014,6	970,9	934,9
Total fixed assets	**4 643,2**	**4 418,9**	**4 375,1**	**4 267,3**
Inventory	2 658,5	2 258,6	2 289,9	1 851,4
Accounts receivables	578,6	634,6	660,9	453,6
Other short-term receivables	233,9	199,0	245,5	183,1
Cash and cash equivalents	388,0	63,0	55,3	40,1
Total current assets	**3 859,0**	**3 155,2**	**3 251,7**	**2 528,1**
TOTAL ASSETS	**8 502,2**	**7 574,2**	**7 626,8**	**6 795,5**
EQUITY AND LIABILITIES				
Paid-in equity	493,8	493,8	493,2	516,9
Reserves	3 306,8	2 613,5	2 338,2	2 044,8
Minority interests	290,4	28,6	136,3	127,5
Total equity	**4 091,0**	**3 135,9**	**2 967,7**	**2 689,2**
Provisions for liabilities	992,3	945,5	872,9	762,6
Int. bearing long-term liabilities	2 301,0	2 163,4	2 223,4	2 219,8
Total long-term liabilities	**3 293,3**	**3 108,9**	**3 096,4**	**2 982,4**
Int. bearing short-term liabilities	218,3	530,7	596,3	288,2
Other short-term liabilities	899,6	798,7	966,5	835,6
Total short-term liabilities	**1 117,9**	**1 329,3**	**1 562,8**	**1 123,8**
TOTAL EQUITY AND LIABILITIES	**8 502,2**	**7 574,2**	**7 626,8**	**6 795,5**
Net interest bearing debt	**2 131,3**	**2 631,1**	**2 764,4**	**2 467,9**
Equity share	**48,1 %**	**41,4 %**	**38,9 %**	**39,6 %**

CASH FLOW

NOK million	2Q 13	2Q 12	YTD 2013	YTD 12	FY 2012
Profit before tax	843,8	112,8	1 152,2	214,5	608,5
Tax paid in period	-	-2,9	-2,3	-4,7	-80,7
Depreciation	48,3	42,3	95,5	81,7	170,2
Share of profit/loss from associates	-54,2	-30,1	-94,2	-39,3	-93,9
Realized and unrealized gains on financial assets	-213,2	-	-213,2	-	-
Non-recurring gains on acquisitions	-197,5	-	-197,5	-77,4	-62,4
Change in fair value adjustments	-88,7	-29,1	-152,7	-91,6	-290,4
Change in working capital	96,5	-36,4	29,5	59,5	-158,6
Other changes	40,7	65,5	86,2	27,0	94,2
Net cash flow from operating activities	475,6	122,1	703,4	169,7	186,8
Net cash flow from investing activities	335,3	-161,0	285,9	-237,9	-399,7
Change in interest-bearing debt	-372,8	73,7	-498,5	-195,8	95,5
Dividend paid out	-	-2,9	-	-2,9	-2,9
Equity paid in	-	-0,4	-	303,4	303,4
Buy-out of non-controlling interest	-69,7	-	-69,7	-	-
Interest paid	-40,1	-24,0	-84,9	-44,1	-174,4
Other changes	-3,3	-	-3,3	-	-0,3
Net cash flow from financing activities	-485,9	46,4	-656,4	60,7	221,3
Net change in cash for the period	**325,0**	**7,5**	**332,9**	**-7,5**	**8,4**
Foreign exchange effects	-0,0	0,5	-0,2	0,0	-0,8
Cash in the beginning of the period	63,0	32,1	55,3	47,6	47,6
Cash at the end of the period	**388,0**	**40,1**	**388,0**	**40,1**	**55,2**

CHANGES IN EQUITY

2013	Share capital	Treasury shares	Share premium fond	Other paid-in equity	Translation differences	Retained earnings	Non-controlling interests	Total equity
Equity as at 01.01.13	**28,3**	**-0,3**	**415,3**	**50,0**	**0,1**	**2 338,1**	**136,3**	**2 967,7**
Net profit for the year						911,1	65,4	976,5
Comprehensive income						44,3		44,3
Total comprehensive income for the yea	28,3	-0,3	415,3	50,0	0,1	3 293,5	201,7	3 988,5
Transactions with shareholders								
Options granted				1,3		0,0		1,3
Options reclassification				-18,4		-11,7		-30,2
Access non-controlling interests							201,1	201,1
Buyout of non-controlling interests						42,6	-112,3	-69,7
Sum transactions with shareholders	0,0	0,0	0,0	-17,1	0,0	30,9	88,7	102,5
Equity as at 30.06.13	**28,3**	**-0,3**	**415,3**	**32,8**	**0,1**	**3 324,4**	**290,4**	**4 091,0**

2012	Share capital	Treasury shares	Share premium fond	Other paid-in equity	Translation differences	Retained earnings	Non-controlling interests	Total equity
Equity as at 01.01.12	**25,8**	**-0,3**	**112,9**	**38,3**	**0,8**	**1 914,9**	**122,2**	**2 214,6**
Net profit for the year						467,4	14,1	481,4
Comprehensive income					-0,7	-42,0		-42,8
Total comprehensive income for the yea	25,8	-0,3	112,9	38,3	0,1	2 340,3	136,3	2 653,3
Transactions with shareholders								
Net share issue	2,6		302,4					305,0
Options granted				11,6				11,6
Dividend for 2011						-2,9		-2,9
Other equity transactions						0,8		0,8
Sum transactions with shareholders	2,6	0,0	302,4	11,6	0,0	-2,2	0,0	314,4
Equity as at 31.12.12	**28,3**	**-0,3**	**415,3**	**50,0**	**0,1**	**2 338,1**	**136,3**	**2 967,7**

SEGMENT INFORMATION

	Farming Central-Norway	Farming Northern-Norway	Farming Rauma	Sales and Processing	Elim.	Group
2Q 13						
Operating income (mill.)	663,5	116,9	173,4	1 480,1	-1 001,2	1 432,7
Operational EBIT (mill.)	274,6	44,4	64,2	-63,5	-3,5	316,1
Operational EBIT %	41,4 %	38,0 %	37,0 %	-4,3 %		22,1 %
Harvested volume (1,000 tgw)	15,9	2,8	4,1			22,8
EBIT/ kg gw (NOK)	17,26	15,67	15,68			13,84
2Q 12						
Operating income (mill.)	355,8	114,4	98,6	887,3	-613,0	843,1
Operational EBIT (mill.)	28,5	9,3	6,1	18,4	4,0	66,3
Operational EBIT %	8,0 %	8,1 %	6,2 %	2,1 %		7,9 %
Harvested volume (1,000 tgw)	12,8	4,0	3,4			20,2
EBIT/ kg gw (NOK)	2,23	2,31	1,78			3,28
YTD 13						
Operating income (mill.)	1 306,9	194,4	284,2	2 805,1	-1 881,2	2 709,4
Operational EBIT (mill.)	484,5	64,9	101,0	-94,4	-5,0	551,0
Operational EBIT %	37,1 %	33,4 %	35,5 %	-3,4 %		20,3 %
Harvested volume (1,000 tgw)	33,7	5,1	7,2			46,0
EBIT/ kg gw (NOK)	14,39	12,64	14,06			11,98
YTD 12						
Operating income (mill.)	667,4	142,4	225,2	1 708,5	-1 091,1	1 652,4
Operational EBIT (mill.)	69,2	8,8	4,5	27,7	-2,8	107,4
Operational EBIT %	10,4 %	6,2 %	2,0 %	1,6 %		6,5 %
Harvested volume (1,000 tgw)	24,4	5,1	8,0			37,5
EBIT/ kg gw (NOK)	2,84	1,73	0,56			2,86
FY 2012						
Operating income (mill.)	1 727,7	692,0	419,4	4 231,3	-2 865,6	4 204,8
Operational EBIT (mill.)	202,6	83,3	0,8	55,0	-1,1	340,7
Operational EBIT %	11,7 %	12,0 %	0,2 %	1,3 %		8,1 %
Harvested volume (1,000 tgw)	65,3	22,4	14,9			102,6
EBIT/ kg gw (NOK)	3,10	3,73	0,06			3,32

KEY FIGURES – GROUP

	2Q 13	2Q 12	YTD 13	YTD 12	FY 2012
Number of shares - end of period (mill.)	113,299999	113,299999	113,299999	113,3	113,299999
Earnings per share (NOK)	6,01	0,77	8,04	1,65	4,13
Earnings per share - diluted (NOK)	6,01	0,77	8,04	1,65	4,13
EBITDA %	25,4 %	12,9 %	23,9 %	11,4 %	12,1 %
Operational EBIT %	22,1 %	7,9 %	20,3 %	6,5 %	8,1 %
EBIT %	42,0 %	13,8 %	33,3 %	15,3 %	15,2 %
Profit before tax %	58,9 %	13,4 %	42,5 %	13,0 %	14,5 %
Cash flow per share - diluted (NOK)	4,20	1,1	6,2	1,5	1,65
Net interest bearing debt (mill.)	2 131,3	2 467,9	2 131,3	2 467,9	2 764,4
Equity ratio %	48,1 %	39,6 %	48,1 %	39,6 %	38,9 %

Earnings per share = Earnings after tax/ average numbers of shares

Earnings per share - diluted = Earnings after tax/ average number of shares - diluted

Earnings before tax % = Earnings before tax/ operating income

Cash flow per share - diluted = Cash flow from operating activities/ average number of shares - diluted

Equity ratio = Equity/ total assets

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting principles

This report has been prepared in accordance with International Financial Reporting Standards (IFRS), including the standard for interim reporting (IAS 34). The same accounting principles and calculation methods used in the last year-end financial statements have been used here. Please refer to the Group's latest IFRS year-end financial statements, which are published on the Group's website under Investor Relations (www.salmar.no), for a complete description of the accounting principles.

This interim report has not been subject to external audit.

New or amended accounting standards coming into effect in 2013 that holds significance for the Group are presented below. The Group applied the new standards with effect from 1 January 2013.

Amendment to IAS 1 - Presentation of Financial Statements

The amendment to IAS 1 means that elements included in the presentation of other income elements in the Statement of Comprehensive Income are grouped on the basis of whether or not the items can be reclassified to profit and loss at some future point in time. The amendments affect only the presentation of comprehensive income.

IFRS 13 - Fair Value Measurement

The standard specifies principles and guidance for the measurement of fair value for assets and liabilities that other standards require or permit to be measured at fair value. The standard does not change when the use of fair value measurement is required or permitted, and has no impact on the Group's profits or financial position. However, IFRS 13 requires greater disclosure in the notes to both the interim and year-end financial statements. See Note 3 Inventory and Biological Assets, as well as Note 4 Fair Value Adjustments.

Amendment to IAS 19 - Employee Benefits

Altered rules in IAS 19 Employee Benefits have been applied since 1 January 2013. The change means that all estimate deviations are recognised in comprehensive income as they arise, an immediate posting to profit and loss of all costs relating to pension accruals in previous periods and that expected return on pension assets is replaced by a net interest amount calculated using the discount rate on the net pension liability. The change in principle has had no material impact on the figures reported by the Group in its financial statements, since the Group's pension schemes are for the most part defined-contribution schemes.

Change in classification principle

In the fourth quarter 2012 SalMar changed the principle by which it classifies gains/losses on foreign exchange and fish-pool contracts. Comparable figures have been restated accordingly.

Gains/losses on foreign exchange are recognised in operational EBIT. This also includes changes in forward currency contracts. Changes in forward currency contracts that are entered into to secure future deliveries are, however, classified as fair value adjustments. Previously, both realised and unrealised gains/losses on foreign exchange have, in their entirety, been classified as financial items.

To some extent SalMar has reduced its price risk by entering into salmon derivatives on Fish Pool. Realised gains and losses on these commodity derivatives are included in operational EBIT. This is a change from previous financial periods when realised gains and losses were classified as financial items. Changes in the fair value of fish-pool derivatives are classified, as before, as fair value adjustments.

Changes in the classification principle affect the financial statements as follows:

	2Q 2013	2Q 2012	YTD 2013	YTD 2012	FY 2012
Operational EBIT	-2,6	6,5	-3,9	4,1	1,5
Fair value adjustments	0,8	-6,4	-19,6	13,4	10,6
Net financial items	1,8	-0,1	23,5	-17,5	-12,1
Total	-	0,0	-	0,0	-

2. The company's 20 largest shareholders

Shareholder	Shares	%
KVERVA AS	60 500 000	53,40 %
FOLKETRYGDFONDET	8 874 863	7,83 %
PARETO AKSJE NORGE	4 323 757	3,82 %
ODIN NORGE	3 398 628	3,00 %
LIN AS	2 506 269	2,21 %
PARETO AKTIV	1 828 026	1,61 %
SALMAR ASA	1 300 000	1,15 %
PARETO VERDI	996 031	0,88 %
FORSVARETS PERSONELLSERVICE	695 000	0,61 %
CENTRA INVEST AS	570 000	0,50 %
STATE STREET BANK AND TRUST CO.	563 480	0,50 %
GOLDMAN SACHS INTERNATIONAL EQUITY	550 254	0,49 %
DELPHI NORGE	520 000	0,46 %
THE BANK OF NEW YORK MELLON	500 000	0,44 %
STOREBRAND VERDI	475 037	0,42 %
PENSATO CAPITAL FUNDS	461 436	0,41 %
VERDIPAPIRFONDET DNB SMB	450 000	0,40 %
MP PENSJON PK	438 531	0,39 %
ARCTIC FUNDS PLC	431 800	0,38 %
J.P. MORGAN CHASE BANK N.A. LONDON	425 446	0,38 %
Top 20	**89 808 558**	**79,27 %**
Others	23 491 441	20,73 %
Total	**113 299 999**	**100,00 %**

3. Inventory and Biological Assets (biomass)

Book value of inventory	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Raw materials	77,7	65,1	103,6	75,3
Biological assets	2 436,5	2 032,0	1 986,2	1 566,2
Finished goods	144,4	161,5	200,1	209,9
Total	2 658,5	2 258,6	2 289,9	1 851,4

Fair value adjustment of biological assets	30.06.2013	31.03.2013	31.12.2012	30.06.2012
Historic cost	1 940,8	1 624,2	1 662,8	1 420,4
Fair value adjustment of the biomass	495,7	407,8	323,4	145,8
Book value	2 436,5	2 032,0	1 986,2	1 566,2

Raw materials largely comprise feed for smolt and marine-phase fish production. Raw materials used in secondary processing, as well as packaging materials, are also included. Stocks of biological assets are associated with SalMar's fish farming operations on land and at sea.

Finished goods comprise whole salmon, fresh and frozen, as well as processed salmon products

Biological assets in further detail

The treatment for accounting purposes of live fish is regulated by IAS 41 Agriculture. IAS 41 contains a methodological hierarchy for the measurement of biological assets for accounting purposes. The main rule is that such assets must be measured at fair value.

The best estimate for the fair value of fish with a live weight of less than 1 kg is accumulated cost, while the fair value of harvestable fish with a live weight of more than 4 kg is adjusted to its expected net profit/loss. For fish with a live weight of between 1 kg and 4 kg the fair value adjustment of the biomass is set to its pro-rata share of expected net profit/loss at harvest. As a consequence, this can lead to a downward adjustment in the fair value of biological assets.

The fair value of the biomass is assessed on the basis of the market price for the individual weight class on the balance sheet date, corrected for sales costs, including harvesting costs and processing wastage. The market price is adjusted for differences in quality. The sales prices used are based on external forward prices and/or the most relevant price information available for the particular period when the fish are due to be harvested.

Smolt are valued at cost.

Note 4 - Fair Value Adjustments

Fair value adjustments are part of the Group's operating profit/loss, but changes in fair value are presented on a separate line to provide a better understanding of the Group's profit/loss on the sale of goods. The item Fair Value Adjustments comprises:

	2Q 2013	2Q 2012	YTD 13	YTD 12	2 012
Change in fair value of the biomass	98,7	67,8	238,3	105,6	268,7
Change in provisions for onerous contracts	-10,9	-	-66,0	-	-1,8
Unrealised change in value of fish-pool contracts	-1,1	-4,9	-3,2	-	8,6
Unrealised change in value of forward currency contracts	1,9	-6,4	-16,4	13,4	14,8
Fair value adjustments recognised in profit and loss	88,7	56,5	152,7	119,0	290,4

Note 5. Business combinations

Business acquisitions in 2013

Atlantic Cod Farms AS

On 22 April 2013 the Group agreed the purchase of 100% of the shares in Atlantic Cod Farms AS. For accounting purposes the transaction is treated as a business acquisition, and the company will be included in the Rauma segment. The purpose of the acquisition was to secure access to sites in Møre. In addition to sites, operating equipment in the area was also taken over. Moreover, the acquired company has a substantial loss carryforward, which has a value for SalMar. The value of the carryforward has resulted in a non-recurring gain in connection with the acquisition. The non-recurring gain has been taken to income in its entirety during the period.

The acquisition's effect on the balance sheet:	Book value	Fair value adjustments	Fair value
Deferred tax assets	-	105,5	105,5
Intangible assets	-	11,0	11,0
Property, plant & equipment	20,3	-1,3	19,0
Liquid assets	0,7	-	0,7
Net identifiable assets and liabilities	**20,9**	**115,3**	**136,2**
Cash consideration			-40,0
Non-recurring gain from acquisition			**96,2**

Villa Organic AS

In 2013 the Group has completed a stepwise acquisition of shares in Villa Organic AS which, in June 2013, resulted in SalMar becoming majority shareholder in the Villa Group. As at 30 June 2013 SalMar's shareholding stood at 50.4%.

In 2012 SalMar acquired 8.4% of the shares in Villa Organic AS. At the start of April 2013 agreement was reached with a group of shareholders of Villa Organic AS to acquire a further 41.3% of the company's shares, bringing SalMar's total shareholding after the transaction to 49.7%. From this point in time SalMar exercised considerable influence over the Villa Group, and the shares were classified as an associate of SalMar ASA. Towards the end of the second quarter a further 0.7% of the shares were acquired, and as at 30 June 2013 SalMar ASA's shareholding in the company totals 50.4%. Villa Organic AS is a fully integrated aquaculture company, with 16 fish farming licences, as well as sites in Laksefjord and Varangerfjord. In addition to its fish farming activities, the Group has its own smolt production, two processing plants and its own sales organisation. With effect from 30 June 2013 the Villa Group became a consolidated subsidiary, and will be reported as a separate segment in the SalMar Group from the third quarter 2013.

The allocation of consideration is deemed to be provisional. Identifiable assets and liabilities, as well as gains from purchases at favourable terms on the date of acquisition are as follows:

The acquisition's effect on the balance sheet:	Book value	Fair value adjustments	Fair value
Intangible assets	24,0	279,2	303,2
Property, plant & equipment	212,6	-43,4	169,1
Other financial assets	5,0	-	5,0
Inventory and biological assets	233,2	23,7	257,0
Current assets	123,8	0,6	124,4
Deferred tax	25,8	-75,5	-49,7
Interest-bearing debt	-197,0	-1,0	-198,0
Other liabilities	-84,0	-	-84,0
Net identifiable assets and liabilities	**343,4**	**183,6**	**526,9**
Consideration on establishment of subsidiary			-204,6
Non-controlling interests			-201,1
Non-recurring gain from acquisition			**121,3**

Excess value and bargain purchases derive from an assessment of the fair value of identifiable assets and liabilities. Excess value associated with intangible assets relates to production licences. The acquired company owns 16 fish farming licences, of which seven are specific to Varangerfjord, Finnmark. The value of the licences is determined on the basis of comparable transactions and analyses based on recognised valuation methods. Thus the value of the licences in the allocation of excess value has been set at NOK 22.0 million per licence, with the exception of the fixed-location licences, where it is set at NOK 15.0 million each. As a result of the allocation of excess value, SalMar received a non-recurring gain from the acquisition of NOK 121.3 million, which has been taken to income in its entirety in the second quarter 2013. The main reason for the revenue recognition is that the seller of the shares was in a difficult financial situation at the time the transaction was completed.

Acquisitions in 2012

On 29 February 2012 SalMar Nord AS signed an agreement with Villa Arctic AS regarding the acquisition of 10 production licences, a facility in Laksefjorden and associated operating assets, in addition to 50% of the biomass at that location. It was further agreed to conduct joint operations with Villa Arctic AS in Laksefjorden from 1 April 2012 until the 2015 generation has been completely harvested. The transaction is accounted for as a business acquisition. A proviso of the transfer is that the consideration payable may be adjusted if the price of salmon exceeds a given amount in 2013. As at 31 December 2012, a provision of NOK 15.0 million has been made to cover this liability. Villa Arctic AS is included in the Villa Group, which became a SalMar subsidiary with effect from the second quarter 2013. As a result of the high price of salmon in the first half of 2013, an additional provision of NOK 20 million was made ahead of the acquisition of Villa Organic in the second quarter to cover the contingent consideration. The impact of the provision is recognised in the line for non-recurring gains from acqusitions in the income statement for the period.

The effect of the acquisitions on the balance sheet was:	Finnmark - book value	Fair value adjustment	Finnmark - fair value
Intangible assets	110,0	110,0	220,0
Property, plant & equipment	34,9	-	34,9
Biological assets	20,9	-2,5	18,4
Deferred tax	-	-30,1	-30,1
Interest-bearing debt	-20,0	-	-20,0
Net identifiable assets and liabilities	**145,7**	**77,4**	**223,1**
Cash consideration			-145,7
Non-recurring gains from acquisition			**77,4**
Provision for contingent consideration			-15,0
Net non-recurring gains from acquisition			62,4

Note 6 - Buyout of non-controlling interests

On 22 March 2013 the Group signed an agreement to buy out the remaining minority shareholders of SalMar Rauma AS. The Group purchased 24.46% of the shares in SalMar Rauma AS and, following this transaction, now owns 100% of the company's shares.

The transaction was settled in cash. A consideration of NOK 69.7 million was paid. The book value of the non-controlling interests on the acquisition date was NOK 112.3 million. The gain of NOK 42.6 million has been posted to retained earnings in the Group.

Note 7 - Financial assets - Associates

Companies recognised in accordance with the equity method	***Norskott Havbruk***	***Nordskag Næringspark***	***Bakkafrost***	***Villa Organic***	***Øvrige***	***TOTAL***
Opening balance 01.04.2013	309,7	25,9	655,2	-	0,1	990,9
Acquisition of shares/contribution	-	-	-	182,6	-	182,6
Share of year's profit/loss	16,9	0,7	23,7	12,9	-	54,2
Other items in comprehensive income	10,7	-	31,6	-	-	42,3
Dividend received	-12,0	-	-25,1	-	-	-37,1
Sale of assets	-	-	-685,4	-195,5	-	-880,9
Closing balance 30.06.2013	**325,2**	**26,6**	**-**	**0,0**	**0,1**	**352,0**

Realisation of shares in Bakkafrost

On 15 May 2013 the Group agreed the sale of part of its shareholding in Bakkafrost. The shareholding in Bakkafrost has been reduced from 25.2% to 10.2% following the transaction. Less costs, the total consideration received for the realised shares was NOK 506.0 million.

Bakkafrost ceased to be an associate from the date on which the sale of shares was completed. For accounting purposes the entire shareholding was deemed to have been realised, and the remaining 10.2% shareholding has been classified as a financial instrument with fair value recognised in profit and loss. The new cost price for the remaining shareholding is fair value on the transaction date. The share of profit/loss from the associate for the period up until the transaction date, in the amount of NOK 23.7 million, has been recognised in revenue. For the subsequent period up until 30 June 2013 the change in fair value is NOK 13.3 million. A gain of NOK 170.1 million on the realisation of the TS share during the period has also been recognised. Both the change in fair value and the gain on the realisation of the TS share are included in the line for other financial items.

Acquisition of shares in Villa Organic

Reference is made to the description in Note 5 of the transactions relating to the acquisition of shares in Villa Organic. At the start of the second quarter 2013 SalMar acquired considerable influence over Villa Organic and the investment in shares was classified as an associate. For accounting purposes the investment was treated as an associate in accordance with the equity method in the second quarter 2013. During the period, NOK 12.9 million has been taken to income with respect to SalMar's share of the profit/loss from the investment. At the time when considerable influence was acquired and again when controlling interest was acquired, cf. Note 5, the entire gain on shares was deemed to have been realised, and a new cost price established. At the time of the transition from financial instrument held for sale to associate, this generated a gain of NOK 15.0 million. Correspondingly, at the transition from associate to subsidiary, a gain of NOK 6.6 million was recognised in revenue. Both effects have been included in the line for other financial items in the income statement.

Note 8 - Other financial items

	2Q 2013	2Q 2012	YTD 13	YTD 12	2 012
Unrealised gains TRS agreement	13,1	14,4	26,7	14,4	50,0
Gain on realisation of shares	194,4	-	194,8	-	-
Change in value of financial assets to fair value in profit and loss	13,3	-	13,3	-	-
Net interest expenses	-40,1	-40,0	-84,9	-81,2	-166,1
Other net financial items	6,6	-8,4	6,9	-10,7	-8,2
Total other financial items	187,3	-34,0	156,8	-77,5	-124,3

Note 9 - Change in the reporting of segment information

As a result of an internal reorganisation, and changes in internal reporting as the basis for group management's dispositions, SalMar changed the way it reports segment information with effect from Q3 2012. Historic figures have been restated to make them comparable. The restated figures are presented below:

Farming Central Norway	**Q2 2012**	**Q3 2012**
Operating revenue (mill.)	355,8	596,8
Operational EBIT (mill.)	28,5	71,9
Operational EBIT %	8,0%	12,0%
Harvested volume (1,000 tgw)	12,8	23,9
EBIT/ kg gw (NOK)	2,23	3,00
	0	0
Farming Northern Norway	**Q2 2012**	**Q3 2012**
Operating revenue (mill.)	114,4	229,4
Operational EBIT (mill.)	9,3	25,0
Operational EBIT %	8,1%	10,9%
Harvested volume (1,000 tgw)	4,0	8,0
EBIT/ kg gw (NOK)	2,31	3,14
	0	0
Farming Rauma	**Q2 2012**	**Q3 2012**
Operating revenue (mill.)	98,6	97,2
Operational EBIT (mill.)	6,1	3,8
Operational EBIT %	6,2%	4,0%
Harvested volume (1,000 tgw)	3,4	3,5
EBIT/ kg gw (NOK)	1,78	1,10
	0	0
Sales and Processing	**Q2 2012**	**Q3 2012**
Operating revenue (mill.)	887,3	1 226,0
Operational EBIT (mill.)	18,4	11,1
Operational EBIT %	2,1%	0,9%
	0	0
Eliminations	**Q2 2012**	**Q3 2012**
Operating revenue (mill.)	-619,4	-924,5
Operational EBIT (mill.)	-2,5	-2,8
SalMar Group	**Q2 2012**	**Q3 2012**
Operating revenue (mill.)	836,7	1 224,9
Operational EBIT (mill.)	59,9	109,0
Operational EBIT %	7,2%	8,9%
Harvested volume (1,000 tgw)	20,3	35,4
EBIT/ kg gw (NOK)	2,95	3,08