Quarterly Report
Third quarter 2013

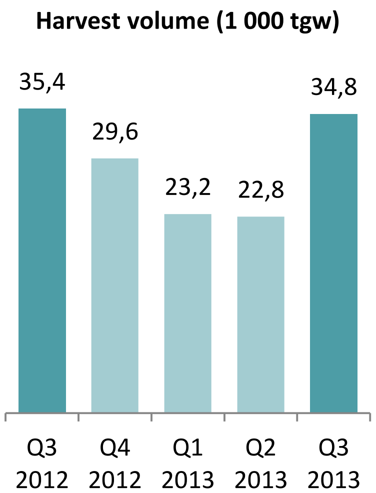
PROFITS RISE IN A STRONG MARKET

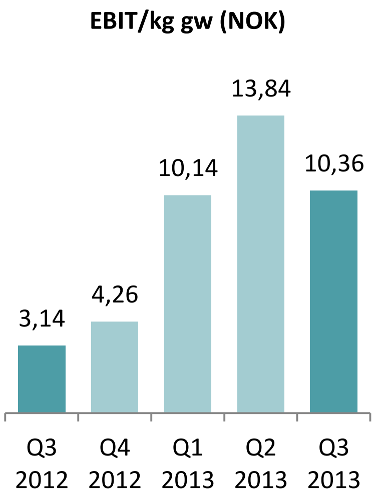
HIGHLIGHTS IN THE THIRD QUARTER 2013

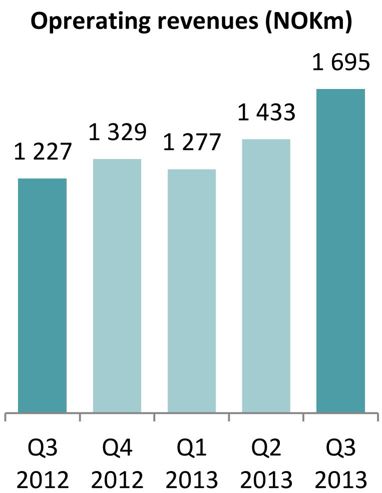
- Operational EBIT totalled NOK 360 million, up from NOK 111 million in the third quarter 2012.
- High operating revenues resulted from strong salmon prices, which were NOK 12,8 per kg higher than in the corresponding quarter in 2012.
- Acquisitions and organic growth means that SalMar's harvested volume in 2013 will increase, at the same time as the overall volume harvested in Norway will be lower than last year.
- The average salmon price was almost 50 per cent higher than in the same period last year, though it fell steadily through the quarter.
- A challenging quarter, both operationally and biologically, with a higher rate of SAV2 (PD) in central Norway.
- Improved underlying performance from Sales and Processing, whose results remain negatively affected by fixed-price contracts.
- The Group's overall performance so far this year have been satisfactory, and SalMar looks set to deliver its best ever results this year.

KEY FIGURES - GROUP

NOK million	Q3 2013	Q3 2012	YTD 2013	YTD 2012	2012
Operating income	1,695.4	1,227.2	4,404.8	2,879.6	4,204.8
Operational EBIT	360.4	111.2	911.4	218.6	340.7
Operational EBIT%	21.3%	9.1%	20.7%	7.6%	8.1%
Fair value adjustments	-94.9	-25.6	57.8	93.4	290.4
Profit before tax	331.7	52.9	1,483.8	267.4	608.5
EPS	2.34	0.23	10.38	1.87	4.13
NIBD	2,409.6	2,618.8	2,409.6	2,618.8	2,764.4
Equity ratio %	48.8 %	37.7 %	48.8 %	37.7 %	38.9 %
Harvested volume (1 000 tgw)	34.8	35.4	80.8	73.0	102.6
EBIT/kg gw (NOK)	10.36	3.14	11.28	3.00	3.32







FINANCIAL PERFORMANCE IN THE THIRD QUARTER

Revenues and results in the third quarter 2013

SalMar generated operating revenues of NOK 1,695.4 million in the third quarter 2013, up from NOK 1,432.7 million in the previous quarter and NOK 1,227.2 million in the third quarter last year.

The Group harvested some 34,800 tonnes during the quarter, an increase of around 12,000 tonnes from the previous quarter and a decrease of 600 tonnes from the third quarter 2012.

In addition, Norskott Havbruk (Scottish Sea Farms) harvested a total of 8,500 tonnes, compared with 5,100 tonnes in the second quarter 2013 and 7,300 tonnes in the third quarter 2012. SalMar owns 50 per cent of Norskott Havbruk.

The subsidiary company Villa Organic has been consolidated into the Group's financial statements with effect from the third quarter 2013. The company is reported as a separate segment. The segment's harvested volume of 1,120 tonnes is included in its entirety in the Group's overall figure of 34,800 tonnes harvested during the quarter.

The Group made an Operational EBIT of NOK 360.4 million in the third quarter this year, up from NOK 316.1 million in the previous quarter, and from NOK 111.2 million in the third quarter last year.

This gives the Group an Operational EBIT per kg of NOK 10.36, down from NOK 13.84 in the previous quarter, but up from NOK 3.14 in the third quarter 2012. These figures include the impact of the operating loss made by Villa Organic during the quarter, as well as a higher margin to external partners in jointly operated licences.

The price of salmon (NASDAQ Salmon Index) averaged NOK 38.87 per kg during the period. This is a decrease of NOK 3.40 per kg from the previous period and an increase of NOK 12.81 per kg from the third quarter 2012.

Please see the segment results for further details of Operational EBIT.

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 reduced profits by NOK 94.9 million. The adjustments include a NOK 135.2 million reduction in the fair value of the biomass, a NOK 49.8 million reversal in provisions for loss-making contracts, as well as an unrealised reduction in the value of forward currency contracts in the amount of NOK 10.3 million. In the third quarter 2012 fair value adjustments reduced profits by NOK 25.6 million. See Note 4 for further details

No costs associated with particular biological incidents were recognised during the quarter. The financial statements for the same period last year included a loss of NOK 3.5 million relating to the clean-up of sites where entire stocks of PD-infected fish were harvested in the second quarter 2012.

Operating profit for the third quarter 2013 totalled NOK 265.5 million, compared with NOK 82.2 million last year.

The Group's share of the profit/loss from associates totalled NOK 30.5 million in the third quarter. Norskott Havbruk contributed NOK 29.0 million, while Nordskag Næringspark contributed NOK 1.5 million. In the same period last year the contribution from associates totalled NOK 11.8 million. See Note 7 for further details.

Other financial items boosted profits in the quarter by NOK 35.7 million. This is primarily composed of a NOK 69.5 million increase in the value of the remaining shareholding in P/f Bakkafrost, and net interest expenses of NOK 35.1 million. See Note 8 for further details.

The tax expense for the period is estimated at NOK 65.7 million, compared with NOK 25.8 million in the third quarter 2012.

The Group's consolidated profit after tax totalled NOK 266.0 million, compared with NOK 27.1 million in the third quarter last year.

Revenues and results so far in 2013

The Group generated total operating revenues of NOK 4,404.8 million in the first nine months of 2013, up from NOK 2,879.6 million in the corresponding period in 2012.

Excluding Norskott Havbruk, the Group harvested a total of 80,800 tonnes during the period. This is up from 73,000 tonnes in the corresponding period last year, a rise of around 11 per cent. The increase is largely attributable to a higher volume in Finnmark resulting from newly acquired licences, as well as planned growth in the harvested volume.

The price of salmon (NASDAQ Salmon Index) during the first nine months of 2013 averaged NOK 39.09 per kg, compared with NOK 26.88 per kg in the same period in 2012.

The Group made an Operational EBIT of NOK 911.4 million in the first nine months of 2013, compared with NOK 218.6 million in the same period last year. The improvement is largely attributable to significantly higher salmon prices during the period, higher harvested volumes and improvements in the company's underlying operations.

Fair value adjustments boosted the result by NOK 57.8 million during the period. Corresponding adjustments in the first nine months of 2012 amounted to NOK 93.4 million.

Recognised non-recurring gains associated with the acquisition of companies in the first nine months of the year totalled NOK 197.5 million, compared with NOK 77.4 million in the same period last year. Operating profit in the first nine months of the year totalled NOK 1,166.7 million, compared with NOK 334.8 million last year.

No particular biological incidents took place during the period. The comparable result for the corresponding period last year included a charge of NOK 54.6 million, which largely related to one outbreak of PD in northern Norway and two in central Norway.

The Group's share of the profit/loss from associates totalled NOK 124.6 million during the period, compared with NOK 51.1 million in the corresponding period last year. Furthermore, net other financial items contributed NOK 192.5 million, such that the profit before tax for the first nine months of 2013 totalled NOK 1,483.8 million, compared with NOK 267.4 million in the same period last year.

The tax expense for the period is estimated at NOK 241.3 million, compared with NOK 53.2 million in the corresponding period last year.

Profit after tax in the first nine months of 2013 totalled NOK 1,242.5 million, compared with NOK 214.2 million in 2012.

Cash flow

The SalMar Group had a negative cash flow from operating activities of NOK 43.3 million in the third quarter. This is largely the result of a rise in working capital of NOK 467.6 million. The increase in working capital is attributable to the build-up of biomass, an increase in trade receivables as a result of a high volume of fish harvested, and a significant reduction in trade payables.

Cash flow from investing activities was negative in the amount of NOK 197.0 million during the period. Investments in operating assets came to just under NOK 110 million, and are largely associated with biological production. In addition, the TRS agreement for Bakkafrost shares has been terminated. This led to a payout of NOK 87.1 million.

The negative cash flow from operating and investing activities was financed by a NOK 309.6 million drawdown on the Group's revolving credit facilities. In addition, NOK 75.4 million in ordinary instalments on interest-bearing debt, and NOK 35.1 million in interest was also paid during the quarter. Employee options worth NOK 2.8 million were cashed out during the quarter. This gave a net cash flow of NOK 198.2 million from financing activities during the period.

As a whole, SalMar had a negative net cash flow of NOK 42.2 million in the period, which reduced the Group's cash holding at the close of the period to NOK 345.8 million.

Financial position

At the close of the third quarter 2013 SalMar's balance sheet totalled NOK 8,997.7 million, up from NOK 8,502.2 million at the close of the previous quarter.

The book value of financial assets at the close of the quarter totalled NOK 1,016.4 million. The value rose by NOK 284.9 million during the quarter, which can largely be attributed to the change in value of the shares in Bakkafrost, including the exercise of the TRS agreement. The entire 14.88 per cent shareholding, worth NOK 598 million, is including on this line in the financial statements. Investments in associates are in addition to this figure. See Note 7 for further details.

The value of the Group's property, plant and equipment rose by NOK 49.3 million during the quarter, which can largely be attributed to investments in excess of depreciation.

Non-current assets totalled NOK 4,977.5 million at the close of the quarter, an increase of NOK 334.3 million.

Current assets totalled NOK 4,020.2 million at the close of the quarter, an increase of NOK 161.2 million from three months earlier. A higher volume of biomass explains the increase in inventory. Trade receivables also rose during the period, as a result of higher sales revenues.

At the close of the period the Group's equity totalled NOK 4,386.5 million, corresponding to an equity ratio of 48.8 per cent. See the statement of changes in equity for further details.

Long-term interest-bearing debt at the close of the quarter stood at NOK 2,128.0 million. The NOK 172.9 million decrease from the previous quarter is the result of the reclassification of a bond loan in Villa Organic, recognised at NOK 99.5 million. It has been decided to pay off the bond debt, which is therefore classified as a current liability. Furthermore, instalment payments totalling NOK 75.4 million were made during the period.

Short-term interest-bearing debt totalled NOK 627.4 million, up NOK 409.1 million from the previous quarter. Apart from the previously mentioned reclassification, drawdowns totalling NOK 309.6 million were made on revolving credit facilities during the period.

Corrected for cash holdings, this gave the Group a net interest-bearing debt of NOK 2,409.6 million as at 30 September 2013. This is an increase of NOK 278.3 million from the previous quarter.

OPERATIONAL PERFORMANCE IN THE THIRD 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 first nine months of 2012 presented below are *pro forma* amounts. With effect from the third quarter 2013 SalMar is altering its segment reporting such that Villa Organic is reported as a separate segment, not as an associate.

Fish farming – SalMar Central Norway

NOK million	Q313	Q312	YTD13	YTD12
Operating income	848	597	2,155	1,264
Operational EBIT	291	72	776	141
Operational EBIT %	34.3%	12.0%	36.0%	11.2%
Harvest volume (1,000 tgw)	22.4	23.9	56.1	48.4
EBIT/ kg gw (NOK)	12.98	3.00	13.82	2.92

SalMar Central Norway generated gross operating revenues of NOK 848.4 million in the third quarter this year, compared with NOK 596.8 million in the same quarter in 2012.

Just under 22,400 tonnes of fish were harvested during the period. This is 1,500 tonnes less than in the corresponding quarter last year. The decrease was distributed relatively evenly over the three months of the quarter.

Operating profit per kg gutted weight totalled NOK 12.98, down from 17.26 in the previous quarter, but up from NOK 3.00 in the corresponding quarter in 2012. The result was affected by a NOK 3.40 per kg decrease in the average price of salmon from the previous quarter, and a NOK 12.81 increase from the comparable period last year of.

As stated in previous interim reports, SalMar experienced low growth rates through the relatively cold winter last year, which has resulted in slightly higher production costs for fish to be harvested in the second half of 2013. It was further stated that PD has been identified at two of the segment's sites. The disease spread to additional sites during the third quarter. PD has affected the feed factor and growth rates for the segment's biomass, and thus the production costs associated with the fish harvested by the company. Regulations relating to the harvesting of fish with PD have also increased the company's harvesting costs during the period.

The fish harvested during the quarter had a slightly lower average weight than in the previous quarter and the same period last year. This had a negative impact on both the sales price achieved and production costs per kg.

The biological status of the fish has been affected by the previously mentioned challenges relating to PD. While no abnormal mortality has been recorded, there has been an occasional loss of appetite and growth following such outbreaks.

SalMar still expects to harvest around 71,000 tonnes in this segment in 2013, an increase of approx. 9 per cent from 2012.

Fish farming – SalMar Northern Norway

NOK million	Q313	Q312	YTD13	YTD12
Operating income	289	229	484	372
Operational EBIT	91	25	156	34
Operational EBIT %	31.5%	10.9%	32.3%	9.1%
Harvest volume (1,000 tgw)	8.0	8.0	13.1	13.1
EBIT/ kg gw (NOK)	11.46	3.14	11.92	2.57

SalMar Northern Norway generated gross operating revenues of NOK 289.3 million in the third quarter 2013, compared with NOK 229.4 million in the same quarter last year.

The segment harvested around 8,000 tonnes during the quarter: 30 per cent was harvested in July, while almost 60 per cent was harvested in September, when the price was significantly lower than in the previous two months. The average price in September was NOK 32.41 per kg, compared with NOK 38.87 in the third quarter as a whole (NASDAQ Salmon Index). No fish from Finnmark were harvested during the quarter.

Operating profit per kg totalled NOK 11.46 in the third quarter 2013, down from NOK 15.67 in the second quarter, but up from NOK 3.14 in the third quarter last year.

The irregular distribution of harvested volumes through the quarter had a negative impact on operating profit over and above that which the fall in the average salmon price would indicate. Furthermore, the segment was affected by a slightly lower proportion of superior quality harvestable fish, which negatively affected the sales price during the period.

SalMar Northern Norway has also experienced lower growth rates during the quarter, but to a lesser degree than the other segments.

The biological status of SalMar Northern Norway's salmon stocks is good, and the underlying cost of its marine-phase fish is falling.

SalMar Northern Norway expects to harvest 22,000 tonnes in 2013. It has been decided to defer the harvesting of up to 4,000 tonnes of fish until the first quarter 2014 as a result of available MAB (unused licensed volume) in Villa Organic, as well as to exploit what is expected to be a better-paying market.

Fish farming – Rauma

NOK million	Q313	Q312	YTD13	YTD12
Operating income	124	97	408	322
Operational EBIT	17	4	118	8
Operational EBIT %	13.3%	3.9%	28.8%	2.6%
Harvest volume (1,000 tgw)	3.3	3.5	10.5	11.5
EBIT/ kg gw (NOK)	5.05	1.10	11.24	0.73

The Rauma segment generated gross operating revenues of NOK 124.2 million in the third quarter 2013, compared with NOK 97.2 million in the same quarter last year.

Rauma harvested around 3,300 tonnes of fish during the quarter, compared with 3,500 tonnes in the third quarter last year. Around 30 per cent of the volume was harvested in July, while 45 per cent was harvested in September, when the average price stood at NOK 32.41 per kg (NASDAQ Salmon Index).

Operating profit per kg gutted weight came to NOK 5.05, significantly down from NOK 15.68 in the previous quarter. In the same period last year the segment made an operating profit per kg gutted weight of NOK 1.10.

45 per cent of the volume harvested in the quarter was organic salmon, compared with practically zero per cent in the previous quarter. Organic salmon has a higher production cost than conventional salmon, and the costs have risen as a result of a higher proportion of marine raw materials used in production. Most sales are based on fixed annual prices to regular customers, and the company has succeeded in passing on the increased raw materials prices to its customers with effect from the first quarter 2014. Increased raw materials prices had a negative impact on the third-quarter result.

Like SalMar Central Norway, a large proportion of the fish harvested by the Rauma segment was infected with PD. The fish have a lower growth rate, higher feed factor and thus a slightly higher underlying cost. The average weight of the quarter's harvested volume was also low. Moreover, a higher proportion of the fish had a lower quality due to sexual maturity.

The segment recognised expenses totalling NOK 5.2 million deriving from the destruction of broodfish, which affected its Operational EBIT in the quarter (NOK 1.58 per kg).

Like SalMar Central Norway, large amounts of the biomass are infected with PD. This will affect underlying harvesting costs in coming quarters.

Rauma expects to harvest around 15,000 tonnes in 2013.

Villa Organic

SalMar controls 50.4 per cent of the shares in Villa Organic. The company was consolidated into the Group's accounts with effect from 30 June 2013. The figures for the first nine months of the year in the table below therefore reflect the figures that are relevant to SalMar's financial statements.

NOK million	Q313	Q213	YTD13
Operating income	82	-	82
EBIT	-6	-	-6
EBIT %	-7.3%	-	-7.3%
Harvest volume (1,000 tgw)	1.1	-	1.1
EBIT/ kg gw (NOK)	-5.37	-	-5.37

Villa Organic generated gross operating revenues of NOK 82.4 million in the third quarter this year, compared with NOK 160.4 million in the previous quarter.

The segment harvested 1,100 tonnes of salmon in the quarter, with the entire volume being harvested in September, when prices were at their lowest.

The segment made an operating loss per kg gutted weight of NOK 5.37. As previously announced, the biomass taken over in Villa Organic has a high underlying cost compared with the Group's other segments. To reduce the biological risk, therefore, part of the biomass was harvested at a lower than normal average weight in September. This has affected the price achieved. Furthermore, there are high fixed costs in a quarter with low volumes. Efforts are underway to restructure the business and improve operational effectiveness, in connection with which expenses have been recognised. As previously stated, it will probably take one or two years before SalMar has brought the segment's costs down to the desired level.

Villa Organic expects to harvest 4,800 tonnes in the fourth quarter.

Sales and Processing

NOK million	Q313	Q312	YTD13	YTD12
Operating income	1,620	1,226	4,425	2,934
Operational EBIT	-29	11	-123	39
Operational EBIT %	-1.8%	0.9%	-2.8%	1.3%

The Sales and Processing segment generated gross operating revenues of NOK 1,619.5 million in the third quarter 2013, up from NOK 1,226.0 million in the corresponding period last year. The segment sells the Group's entire harvested volume, with the exception of that deriving from Villa Organic.

The segment made an operating loss of NOK 28.9 million in the period, an improvement from the NOK 63.5 million operating loss made in the previous quarter, but down from the NOK 11.1 million operating profit it made in the third quarter last year. The result was weakened by the fact that around 25 per cent of the overall volume was sold under fixed-price contracts at prices lower than the average spot price for the quarter.

InnovaMar's harvesting activities performed efficiently during the quarter, despite the logistics challenges relating to the harvesting of PD-infected fish. The output rate was consistently high, with 117 fish being harvested per minute. A total of 32,498 tonnes of fish were harvested during the period, 9,496 tonnes of which were external volumes. This is up from 26,175 tonnes in the second quarter 2013.

Secondary processing operations remained affected by the relatively high salmon prices, in addition to PD-related challenges. PD affects productivity and costs, since the plant must cope with irregularities in the supply of fish through the operation and fish quality issues.

Regulations mandating sealed transport of fish to be harvested mean that, to a greater degree than before, processing activities must be performed outside normal working hours at higher variable costs.

Associates

Norskott Havbruk

NOK million	Q313	Q312	YTD13	YTD12
Operating income	373	255	873	701
EBIT before biomass adj.	81	10	160	41
EBIT before biomass adj. %	21.7 %	4.0 %	18.3 %	5.8 %
Value adjustment biomass	-2	-0	28	-4
Profit before tax	75	8	179	33
SalMars share after tax	29	3	68	12
Harvest volume (1,000 tgw)	8.5	7.3	20.2	20.5
EBIT/ kg gw (NOK)	9.47	1.39	7.93	1.99

Norskott Havbruk generated gross operating revenues of NOK 373 million in the third quarter, compared with NOK 255 million in the same quarter in 2012.

Norskott harvested a total of 8,500 tonnes in the quarter, of which SalMar's share came to 4,250. In the corresponding period last year Norskott harvested 7,300 tonnes.

45 per cent of the quarter's volume was sold under contract.

Operating profit per kg gutted weight totalled NOK 9.47 in the period, up from NOK 7.87 per kg in the previous quarter, and from NOK 1.39 per kg in the third quarter last year. The company posted a record high result for the quarter.

The company's biological status is satisfactory, with disease and lice being treated effectively. The company expects to harvest around 26,000 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 expects to harvest around 26,000 tonnes in 2014.

Nordskag Næringspark

SalMar sold its investment in Nordskag Næringspark in October 2013, cf. 'Events after the balance sheet date'. SalMar's share of the company's profit in the third quarter totalled NOK 1.5 million.

Events after the balance sheet date

SalMar sold its 42.5 per cent shareholding in Nordskag Næringspark in October 2013 for a consideration of NOK 65 million. The total consideration paid was NOK 153 million. The transaction will result in a gain for accounting purposes of NOK 41 million in the fourth quarter.

At the same time as the sale was being completed, SalMar Processing AS renegotiated its lease with Nordskag Næringspark AS, including an extension of the leasing period from 15 to 20 years, as well as options to take over the building or extend the leasing period when the agreement expires in exchange for a reduced annual leasing cost. The change in the terms of the lease means that the leasing liability must be recognised in the balance sheet with effect from the fourth quarter.

During the first half of 2013 SalMar took over Villa Organic AS through the acquisition of 50.4 per cent of the company's shares. At the same time, Lerøy Seafood Group increased its shareholding in the company, which now stands at 47.8 per cent. SalMar and Lerøy Seafood Group have, moreover, agreed on a process with the aim of buying out Villa Organic's remaining shareholders. During the course of 2014 Villa Organic will be spun off into two parts, with each part going to one of the main shareholders. Refinancing of the bond loan in Villa Organic has been completed. This was achieved through loans from the main shareholders.

SalMar has been notified that all the Group's applications for green licences have been rejected by the Directorate of Fisheries' expert group. In consultation with its lawyers, SalMar has reviewed the directorate's reasons, and asserts that there are no legal grounds for rejecting its applications. The company has therefore appealed the decisions.

Markets

Volume

In the third quarter 2013 the global supply of Atlantic salmon came to approx. 501,600 tonnes. This is marginally higher than in the third quarter 2012 (0.3 per cent).

Output fell by 4 per cent in Norway and the UK, to 284,200 tonnes and 40,200 tonnes respectively, while output from North America fell by 6 per cent to 32,500 tonnes.

In Chile, however, output continues to grow, with supplies of Atlantic salmon from the region rising during the period to 112,700 tonnes, an increase of 16 per cent compared with the same period last year. Total output from Faeroe Island producers came to 17,100 tonnes in the quarter, up 4 per cent from the third quarter 2012.

Norwegian exports of Atlantic salmon totalled approx. 274,000 tonnes round weight during the quarter, a decrease of approx. 9,000 tonnes or 3 per cent compared with the same quarter last year. However, the value of the exports rose by a substantial 37 per cent to just over NOK 9.8 billion this quarter.

Exports of salmon from Norway to the EU fell by 1 per cent in the period, compared with the corresponding period last year. Developments in the different main markets vary, however. Exports to France totalled 36,100 tonnes, down 8 per cent on the year before, while exports to Poland rose by 2 per cent to 34,500 tonnes. Russia's imports of

Norwegian salmon fell by 21 per cent to 27,000 tonnes during the quarter, while exports to Denmark fell by 5 per cent to 20,500 tonnes. The UK received 14,300 tonnes during the period, a rise of 22 per cent, while Spain imported 11,800 tonnes, down 15 per cent on the year before.

Prices and currencies

The high price level achieved in the first half continued in the third quarter, with the average price of salmon in the period (NASDAQ Salmon Index) coming to NOK 38.87/kg, which is in line with the average for the first six months of the year. However, there was a steady decrease in prices through the period. While the spot price at the start of the quarter was NOK 45.43/kg, it had fallen to NOK 32.59/kg at the end of September. The bulk of the decrease came towards the close of the period.

Changes in the rate of exchange between the NOK and key foreign currencies during the quarter have been positive for the salmon farming industry. The value of the NOK against the EUR, USD and GBP weakened on average by 4.15 per cent, 2.75 per cent and 3.75 per cent respectively, compared with the previous quarter.

Compared with the third quarter 2012, the NOK has weakened by 7.30 per cent and 1.34 per cent against the EUR and the USD. The rate of exchange between the NOK and the GBP is practically unchanged (down 0.53 per cent).

Any strengthening of the NOK against the respective trading currencies can lead to a squeeze on salmon prices measured in NOK and vice versa.

Biomass

At the close of the third quarter 2013 Norway had a standing biomass of 700,500 tonnes round weight, marginally up (1 per cent) from 691,600 tonnes at the same point last year. At the close of the second quarter 2013 the total biomass stood at 552,100 tonnes round weight.

Biomass in the UK rose by 8 per cent from the third quarter 2012 to the third quarter this year. Biomass in Chile also rose by 8 per cent in the same period.

Shares and shareholders

Shares

At the close of September 2013 SalMar had a total of 113,299,999 shares outstanding, divided between 2,662 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 78.32 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 September 2013.

During the quarter SalMar's share price fluctuated between NOK 57.75 and NOK 69.25 The closing price on 30 September, the quarter's last day of trading, was NOK 68.25.

Outlook

The global supply of Atlantic salmon was at a historic high level in 2012, ending the year at just under 2 million tonnes. Output in the current year is expected to grow by 2 per cent, bringing the total harvested volume to over 2 million tonnes for the first time ever.

The global supply of Atlantic salmon in the first nine months of the year rose by 1.5 per cent compared with the same period last year. In the third quarter itself, supply was unchanged from the third quarter 2012. Supply is again expected to be around 2 per cent higher in the fourth quarter than in same period the year before.

SalMar expects continued strong demand in the most important salmon markets, and with the prospect of limited growth in supply, salmon prices are expected to remain good in the time ahead.

Fish Pool Forward prices as at 1 November indicate an average salmon price in the last two months of the year of NOK 38.90 and NOK 40.30 per kg respectively. For the first quarter 2014 the forward price is NOK 39.77 per kg. This is just over the average price of NOK 39.10 for the first nine months, but significantly higher than the price at the close of the third quarter, which stood at NOK 32.59 per kg. The average price at the end of week 44 was NOK 38.91 per kg. Fish Pool's forward price for the whole of 2014 is NOK 38.27. With the prospect of good prices and a low contract rate, SalMar expects to achieve acceptable margins in the coming quarters.

Limited releases of smolt, as well as continuing operational problems in the industry, will help to limit supplies in the time ahead. Based on the latest updated estimates by Kontali Analyse, growth in the global supply of Atlantic salmon looks to be around 4 per cent in 2014, which indicates a relatively tight market, with premises for good salmon prices also in the slightly longer term.

The biological situation in Norway is more challenging today than in previous years. The company currently has several outbreaks of PD in central Norway, and there are fears that amoebic gill disease (AGD) will in future also establish itself in certain regions. The new regime for dealing with salmon lice also results in higher costs than in previous years. SalMar is working continuously to position itself to deal successfully with any biological challenges that may occur. Important measures here include investments in well boats and harvesting and processing capacity, as well as focusing on the most sustainable operating areas and the best sites. Overall, therefore, SalMar believes that these measures contribute to reducing the Group's operational risk.

Despite these challenges, SalMar has found that the 2012 generation of fish has a far better survival rate than has been the case with previous generations. High survival rate has also been recorded for fish released in 2013.

As a result of the cold winter, autumn fish are somewhat delayed, and the harvesting of a large proportion of these stocks has been deferred until 2014. Despite this, however, the volume harvested in the first quarter 2014 is expected to be relatively low, which could have an impact on the performance of the secondary processing business during the period.

Around 25 per cent of the Group's harvested volume in the fourth quarter 2013 will be sold under contract. The contract prices are higher than in the previous quarters. The contract coverage rate for 2014 remains low, accounting, as at 1 November, for around 5 per cent of the expected volume harvested.

SalMar expects to harvest around 114,000 tonnes in 2013, including its relative share of the volume from Villa Organic. Through acquisitions and the deferral of harvesting volumes in SalMar Northern Norway, the Group is preparing the way for increased harvesting volumes in 2014. Therefore SalMar expects to harvest some 133,000 tonnes in Norway in 2014, also including its relative share from Villa Organic. Norskott Havbruk (Scottish Seafarms) expects volumes of 26,000 tonnes in 2013 and 2014. Detailed forecasts for the various segments' harvesting volumes in 2014 will be announced in connection with the publication of the financial statements for the fourth quarter 2013.

SalMar believes that the use of new technologies and the utilisation of more exposed sites can promote further growth for the Norwegian aquaculture industry in the years ahead. A Sintef report from 2011 indicates the potential for a fivefold increase in Norwegian output in the years to 2050. This implies annual growth of around 5 per cent, a growth rate SalMar considers reasonable from both a biological and market development point of view.

To ensure that output more closely matches market demands, SalMar has for some time been working to achieve a more flexible MAB scheme in Norway. Among other things, increased activity in the first half-year could contribute to higher employment rates, higher processing levels and secure volumes to important markets throughout the year. A consultation process regarding proposed changes in the regulations is currently underway. For its part, SalMar wishes, in close consultation with other industry players, to work to establish a scheme which permits a limited increase in MAB in the period October to April, a scheme which will have limited effect on production capacity in Norway.

SalMar is financially sound. To secure the optimal development of the company's financial worth, the board continuously balances the benefits of strategic growth within the company's focus areas against the payment of dividends in accordance with its established dividend policy.

INCOME STATEMENT

NOK million	3Q 13	2Q 12	YTD 13	YTD 12	FY 2012
Operating income	**1,695.4**	**1,227.2**	**4,404.8**	**2,879.6**	**4,204.8**
Cost of goods sold	823.3	713.4	2,112.2	1,578.3	2,324.8
Payroll expenses	165.5	122.4	436.6	338.8	483.2
Other operating expenses	288.5	239.3	791.4	621.4	886.0
EBITDA	418.1	152.1	1,064.6	341.2	510.8
Depreciations	57.7	40.9	153.2	122.6	170.2
Operational EBIT	**360.4**	**111.2**	**911.4**	**218.6**	**340.7**
Fair value adjustment	-94.9	-25.6	57.8	93.4	290.4
Particular biological events	-	-3.5	-	-54.6	-54.6
Non-recurring gains on aquisition	-	-	197.5	77.4	62.4
Operational profit	**265.5**	**82.2**	**1,166.7**	**334.8**	**638.9**
Income from investments in associates	30.5	11.8	124.6	51.1	93.9
Other financial items	35.7	-41.0	192.5	-118.5	-124.3
Profit before tax	**331.7**	**52.9**	**1,483.8**	**267.4**	**608.5**
Tax	65.7	25.8	241.3	53.2	127.1
Net profit for the period	**266.0**	**27.1**	**1,242.5**	**214.2**	**481.4**
Items to be reclassified to profit and loss in subsequent periods:					
Change in translation diff. associates, net tax	16.9	-17.4	61.4	-33.1	-39.9
Change in translation diff. Subsidaries, net tax	0.1	-	-0.2	-0.5	-0.3
Change in fair value of currency instruments	-	-0.2	-	-0.2	-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	**282.9**	**9.5**	**1,303.7**	**180.4**	**438.7**
Non-controlling interests share of result	1.1	1.2	66.5	6.5	14.1
Controlling interests share of result	264.9	25.9	1,176.0	207.7	467.4
Earnings per share (NOK)	2.34	0.23	10.38	1.87	4.13
Earnings per share - diluted	2.34	0.23	10.38	1.87	4.13

BALANCE SHEET - GROUP

NOK million	30/09/2013	30/06/2013	31/12/2012	30/09/2012
ASSETS				
Intangible fixed assets	2,448.3	2,448.2	2,135.5	2,136.1
Tangible fixed assets	1,512.8	1,463.5	1,268.8	1,256.4
Financial fixed assets	1,016.4	731.5	970.9	938.5
Total fixed assets	**4,977.5**	**4,643.2**	**4,375.1**	**4,330.9**
Inventory	2,774.8	2,658.5	2,289.9	1,952.0
Accounts receivables	738.7	578.6	660.9	649.9
Other short-term receivables	160.8	233.9	245.5	200.8
Cash and cash equivalents	345.8	388.0	55.3	46.9
Total current assets	**4,020.2**	**3,859.0**	**3,251.7**	**2,849.7**
TOTAL ASSETS	**8,997.7**	**8,502.2**	**7,626.8**	**7,180.6**
EQUITY AND LIABILITIES				
Paid-in equity	493.8	493.8	493.2	517.9
Reserves	3,601.2	3,306.8	2,338.2	2,061.7
Minority interests	291.5	290.4	136.3	128.7
Total equity	**4,386.5**	**4,091.0**	**2,967.7**	**2,708.3**
Provisions for liabilities	1,058.0	992.3	872.9	768.4
Int. bearing long-term liabilities	2,128.0	2,301.0	2,223.4	2,196.7
Total long-term liabilities	**3,186.1**	**3,293.3**	**3,096.4**	**2,965.1**
Int. bearing short-term liabilities	627.4	218.3	596.3	469.1
Other short-term liabilities	797.7	899.6	966.5	1,038.1
Total short-term liabilities	**1,425.1**	**1,117.9**	**1,562.8**	**1,507.2**
TOTAL EQUITY AND LIABILITIES	**8,997.7**	**8,502.2**	**7,626.8**	**7,180.6**
Net interest bearing debt	**2,409.6**	**2,131.3**	**2,764.4**	**2,618.8**
Equity share	**48.8 %**	**48.1 %**	**38.9 %**	**37.7 %**

CASH FLOW

NOK million	3Q 13	3Q 12	YTD 13	YTD 12	FY 2012
Profit before tax	331.7	52.9	1,483.8	267.4	608.5
Tax paid in period	-	-	-2.3	-4.7	-80.7
Depreciation	57.7	40.9	153.2	122.6	170.2
Share of profit/loss from associates	-30.5	-11.8	-124.6	-51.1	-93.9
Realized and unrealized gains on financial assets	-69.1	-	-282.3	-	-
Non-recurring gains on acquisitions	-	-	-197.5	-77.4	-62.4
Change in fair value adjustments	94.9	25.6	-57.8	-93.4	-290.4
Change in working capital	-467.6	-85.3	-438.1	-59.9	-158.6
Other changes	39.5	18.3	125.6	106.8	94.2
Net cash flow from operating activities	-43.3	40.6	660.0	210.3	186.8
Net cash flow from investing activities	-197.0	-135.0	88.9	-372.8	-399.7
Change in interest-bearing debt	236.2	137.8	-262.3	-58.0	95.5
Dividend paid out	-0.1	-	-	-2.9	-2.9
Equity paid in	-	-0.0	-	303.4	303.4
Buy-out of non-controlling interest	-	-	-69.7	-	-
Interest paid	-35.1	-35.9	-120.0	-79.9	-174.4
Other changes	-2.8	-	-6.3	-	-0.3
Net cash flow from financing activities	198.2	101.8	-458.2	162.5	221.3
Net change in cash for the period	**-42.2**	**7.5**	**290.6**	**0.0**	**8.4**
Foreign exchange effects	0.1	-0.7	-0.2	-0.7	-0.8
Cash in the beginning of the period	388.0	40.1	55.3	47.6	47.6
Cash at the end of the period	**345.8**	**46.9**	**345.8**	**46.9**	**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						1,176.0	66.5	1,242.5
Comprehensive income						61.2		61.2
Total comprehensive income for the yea	0.0	0.0	0.0	0.0	0.0	1,237.2	66.5	1,303.7
Transactions with shareholders								
Options granted				1.3		0.0		1.3
Options reclassification				-18.4		1.2		-17.2
Access non-controlling interests							201.1	201.1
Buyout of non-controlling interests						42.6	-112.3	-69.7
Other changes						-0.3		-0.3
Sum transactions with shareholders	0.0	0.0	0.0	-17.1	0.0	43.5	88.7	115.1
Equity as at 30.09.13	**28.3**	**-0.3**	**415.3**	**32.8**	**0.1**	**3,618.8**	**291.5**	**4,386.5**

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	0.0	0.0	0.0	0.0	-0.7	425.3	14.1	438.7
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	Villa	Sales and Processin	Elim.	Group
3Q 13							
Operating income (mill.)	848,4	289,3	124,2	82,4	1 619,5	-1 268,5	1 695,4
Operational EBIT (mill.)	291,3	91,2	16,5	-6,0	-28,9	-3,7	360,4
Operational EBIT %	34,3 %	31,5 %	13,3 %	-7,3 %	-1,8 %		21,3 %
Harvested volume (1,000 tgw)	22,4	8,0	3,3	1,1			34,8
EBIT/ kg gw (NOK)	12,98	11,46	5,05	-5,37			10,36
3Q 12							
Operating income (mill.)	596,8	229,4	97,2		1 226,0	-922,2	1 227,2
Operational EBIT (mill.)	71,9	25,0	3,8		11,1	-0,6	111,2
Operational EBIT %	12,0 %	10,9 %	3,9 %		0,9 %		9,1 %
Harvested volume (1,000 tgw)	23,9	8,0	3,5				35,4
EBIT/ kg gw (NOK)	3,00	3,14	1,10				3,14
YTD 13							
Operating income (mill.)	2 155,3	483,7	408,4	82,4	4 424,6	-3 149,7	4 404,8
Operational EBIT (mill.)	775,8	156,1	117,5	-6,0	-123,4	-8,6	911,4
Operational EBIT %	36,0 %	32,3 %	28,8 %	-7,3 %	-2,8 %		20,7 %
Harvested volume (1,000 tgw)	56,1	13,1	10,5	1,1			80,8
EBIT/ kg gw (NOK)	13,82	11,92	11,24	-5,37			11,28
YTD 12							
Operating income (mill.)	1 264,2	371,7	322,4		2 934,5	-2 013,2	2 879,6
Operational EBIT (mill.)	141,1	33,8	8,3		38,8	-3,4	218,6
Operational EBIT %	11,2 %	9,1 %	2,6 %		1,3 %		7,6 %
Harvested volume (1,000 tgw)	48,4	13,1	11,5				73,0
EBIT/ kg gw (NOK)	2,92	2,57	0,73				3,00
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

	3Q 13	3Q 12	YTD 13	YTD 12	FY 2012
Number of shares - end of period (mill.)	113.3	113.3	113.3	113.3	113.3
Earnings per share (NOK)	2.34	0.23	10.38	1.87	4.13
Earnings per share - diluted (NOK)	2.34	0.23	10.38	1.87	4.13
EBITDA %	24.7 %	12.4 %	24.2 %	11.8 %	12.1 %
Operational EBIT %	21.3 %	9.1 %	20.7 %	7.6 %	8.1 %
EBIT %	15.7 %	6.7 %	26.5 %	11.6 %	15.2 %
Profit before tax %	19.6 %	4.3 %	33.7 %	9.3 %	14.5 %
Cash flow per share - diluted (NOK)	-0.38	0.36	5.82	1.86	1.65
Net interest bearing debt (mill.)	2,409.6	2,618.8	2,409.6	2,618.8	2,764.4
Equity ratio %	48.8 %	37.7 %	48.8 %	37.7 %	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:

	3Q 2013	3Q 2012	YTD 2013	YTD 2012	FY 2012
Operational EBIT	-2.3	2.3	-6.2	6.4	1.5
Fair value adjustments	-8.4	4.9	-28.0	18.3	10.6
Net financial items	10.7	-7.2	34.2	-24.7	-12.1
Total	-	-	-	-	-

2. The company's 20 largest shareholders

Shareholder	Shares	%
KVERVA AS	60,500,000	53.40%
FOLKETRYGDFONDET	8,730,386	7.71%
PARETO AKSJE NORGE	4,103,157	3.62%
LIN AS	2,506,951	2.21%
ODIN NORGE	2,273,968	2.01%
PARETO AKTIV	1,719,026	1.52%
SALMAR ASA	1,300,000	1.15%
PARETO VERDI	876,205	0.77%
VERDIPAPIRFONDET DNB NORGE SELEKTI	799,757	0.71%
STATE STREET BANK AND TRUST CO.	772,365	0.68%
FORSVARETS PERSONELLSERVICE	695,000	0.61%
PENSATO CAPITAL FUNDS	596,827	0.53%
CENTRA INVEST AS	570,000	0.50%
DELPHI NORGE	520,000	0.46%
THE BANK OF NEW YORK MELLON	500,000	0.44%
J.P. MORGAN CHASE BANK N.A. LONDON	482,000	0.43%
STOREBRAND VERDI	475,037	0.42%
VERDIPAPIRFONDET DNB SMB	450,000	0.40%
MP PENSJON PK	438,531	0.39%
ARCTIC FUNDS PLC	431,800	0.38%
Top 20	**88,741,010**	**78.32%**
Others	24,558,989	21.68%
Total	**113,299,999**	**100.00%**

3. Inventory and Biological Assets (biomass)

Book value of inventory	30.09.2013	30.06.2013	31.12.2012	30.09.2012
Raw materials	83.7	77.7	103.6	65.7
Biological assets	2,586.3	2,436.5	1,986.2	1,665.0
Finished goods	104.8	144.4	200.1	221.3
Total	2,774.8	2,658.5	2,289.9	1,952.0

Fair value adjustment of biological assets	30.09.2013	30.06.2013	31.12.2012	30.09.2012
Historic cost	2,152.3	1,940.8	1,662.8	1,549.8
Fair value adjustment of the biomass	434.0	495.7	323.4	115.1
Book value	2,586.3	2,436.5	1,986.2	1,665.0

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:

	3Q 2013	3Q 2012	YTD 13	YTD 12	2,012
Change in fair value of the biomass	-135.2	-45.0	103.0	60.6	268.7
Change in provisions for onerous contracts	49.8	-	-16.2	-	-1.8
Unrealised change in value of fish-pool contracts	0.8	14.5	-2.4	14.5	8.6
Unrealised change in value of forward currency contracts	-10.3	4.9	-26.7	18.3	14.8
Fair value adjustments recognised in profit and loss	-94.9	-25.6	57.8	93.4	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 totalled 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 from the third quarter 2013 it will be reported as a separate segment in the SalMar Group.

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:	Book value	Fair value adjustment	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***	***Others***	***TOTAL***
Opening balance 01.07.2013	325,2	26,6	0,1	352,0
Acquisition of shares/contribution	-	-	-	-
Share of year's profit/loss	29,0	1,5	-	30,5
Other items in comprehensive income	16,7	-	-	16,7
Dividend received	-	-2,0	-	-2,0
Sale of assets	-	-	-	-
Closing balance 30.09.2013	**370,9**	**26,0**	**0,1**	**397,1**

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 September 2013 the change in fair value is NOK 82.8 million. A gain of NOK 170.1 million on the realisation of the TS share during the period was also recognised in the second quarter 2013. 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.

SalMar has, in addition to its shares in Bakkafrost, also entered into a TRS agreement for a total of 4.46% of that company's shares. The TRS agreement has been successively recognised at the prevailing fair value, with changes in value being posted to 'Other financial items'. The TRS agreement was realised with effect from 15 July 2013, and the entire shareholding acquired. The accumulated gain on the TRS agreement totalled NOK 78.8 million, of which NOK 26.7 million has been taken to income in 2013. Following this, SalMar's shareholding in Bakkafrost totals 14.88%. The change in value of the shares between acquisition on 15 July 2013 and the close of the period on 30 September 2013 is included in the NOK 82.3 million change in fair value as described above.

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, with NOK 12.9 million being 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 were included in the line for other financial items in the income statement for the second quarter 2013.

Note 8 - Other financial items

	3Q 2013	3Q 2012	YTD 13	YTD 12	2,012
Unrealised gains TRS agreement	-	2.6	26.7	17.0	50.0
Gain on realisation of shares	-	-	194.8	-	-
Change in value of financial assets to fair value in profit and loss	69.5	-	82.8	-	-
Net interest expenses	-35.1	-41.7	-120.0	-122.9	-166.1
Other net financial items	1.3	-2.1	8.2	-12.6	-8.2
Total other financial items	35.7	-41.1	192.5	-118.5	-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.