

Quarterly report as of march, 30th, 2009.

## Villa Going Forward

The Villa Organic Group Turnover was mill NOK 52,5 in first quarter, reflecting a total sales of approx 1000 tons of own biomass at a net value of mill NOK 22,5, remaining turnover resulting from trading activities.

### **Increasing activity in Finnmark**

Villa Organic plan to harvest approx 7000 tonn in Finnmark from Q3 onwards. In order to facilitate this quantity of harvest, the board of directors have approved further investements in our processing plant, increasing freezing capabilities.

In addition, The company has been Authorised by Russian authorities to market trout and salmon from Kirkenes Processing AS on the Russian Market.

In the period, growth in Finnmark have been marginal. We have harvested approx 850 tons of salmon and 160 tons of trout in first quarter of 2009.

In 2009, the entity plan to put approx 2.950.000 smolts to sea, focusing on relatively large 1-year olds. This represents a shift in production strategy, focusing on salmon only, with a main objective of farming it to a robust size in order to decrease mortality first winter in sea.

### **Villa Cod Farm AS**

The Board of Directors has approved a divestment of the subsidiary Villa Cod Farm AS. Of these reason, the entity is not included in the consolidated accounts.

### **Sales and Market Outlook**

Our production of "best practise" fish in 2009 is already sold out at fixed contracts. The main focus saleswise is to build the market for our expected harvest of 4000 metric tons of steelhead trout and 2000 metric tons of organic salmon.

The general market outlook for 2009 and 2010 is at present historical strong after the Chilean collapse. There will in 2009 be a global reduction of farmed salmon.

Managing Director of Villa Sales, Ove Thu, decided in March to leave Villa Organic. CEO Johan Andreassen is temporarily taking over his duties while we look for a new Director of Villa Sales.

Villa has in the quarter entered into several important long term contracts with future customers and partners.

### **Development of Management accounting**

During second quarter the board of directors have reasons to believe that the implementation of the Infront-X system for management accounting will be finalized, ensuring better and more timely management reports. The system is partially implemented, and in use for the Finnmark operations. Of this reasons, there may be adjustments to the calculated change in inventory value of the biomass, with a cap on the downside to Mnok 2, however, the balancing journal entry will be biomass value in the balance sheet. This allows for higher future profit.

### **Legal Structure**

The board of Directors has initialized a process in order to reduce the number of entities in the group. The plan includes merging 4 entities, Midsundfisk AS and Troika Seafood AS into Villa Arctic AS, and Villa AS and Villa Leppefisk AS into Villa Organic AS.

The Board will assess whether or not to

merge both Villa Sales and Kirkenes Processing AS, but the decision is postponed to third Quarter.

Approved by the Board of Directors at Vikebukt April, 28<sup>th</sup>

## STATEMENT OF INCOME

## Villa Organic AS

Villa Organic AS		Consolidated accounts	
Q1 - 2009	2008	Q1 - 2009	2008
OPERATING INCOME			
1 602	4 400	Revenue	52 511 242 021
0	0	Other operating income	0 115 341
1 602	4 400	Total Operating Income	52 511 357 362
OPERATING EXPENSES			
0	0	Changes in inventory of WIP and finished goods	-7 460 175 438
98	7	Raw materials and consumables used	39 615 121 198
1 172	2 643	Payroll expenses	7 795 37 027
0	75	Depreciation and amortisation expenses	4 286 18 363
0		Write offs fixed assets	0 5 935
2 437	6 350	Other operating expenses	8 767 46 915
3 707	9 075	Total Operating expenses	53 003 404 876
-2 105	-4 675	Operating Profit	-492 -47 514
FINANCIAL ITEMS			
2 953	19 571	Interest Income	84 2 748
1 290	5 288	Other financial income	1 409 9 856
5 064	15 602	Interest expenses	5 587 19 276
152	21 212	Other financial expenses	1 918 11 190
-973	-11 955	Net Financial Items	-6 012 -17 862
-3 078	-16 630	Operating profit before tax	-6 504 -65 376
0	-725	Tax expenses on operating profit	0 -10 921
-3 078	-17 355	Profit for the period	-6 504 -76 297
		Minority share of profit	0 15 323
		Majority share of profit	-6 504 -60 974

## BALANCE SHEET

Villa Organic AS

Villa Organic AS		Consolidated accounts	
31.3.2009	31.12.2008	31.3.2009	31.12.2008
<b>ASSETS</b>			
<b>Intangible assets</b>			
0	0	30 092	30 092
	0 Licenses		
2 245	2 245	45 070	46 953
	Deferred tax asset		
0	0	1 324	1 535
	Goodwill		
<b>2 245</b>	<b>2 245</b>	<b>76 486</b>	<b>78 580</b>
<b>Fixed assets</b>			
<b>1 470</b>	<b>1 080</b>	<b>135 355</b>	<b>146 060</b>
<b>Investments</b>			
222 135	222 135	0	0
	Investments in subsidiaries		
1 073	1 073	3 160	2 831
	Investments in associated companies		
0	0	8	2 223
	Shares in other companies		
158 997	137 839	12 773	10 422
	Long term receivables		
<b>382 205</b>	<b>361 047</b>	<b>15 941</b>	<b>15 476</b>
<b>Total investments, long term</b>			
<b>385 920</b>	<b>364 372</b>	<b>227 782</b>	<b>240 116</b>
<b>Current Assets</b>			
0	0	167 273	154 582
	Inventories		
5 012	6 640	25 805	32 082
	Accounts Receivables		
7 949	0	20 002	17 435
	Other receivables		
2 415	2 599	8 066	14 389
	Cash and Bank Deposits		
<b>15 376</b>	<b>9 239</b>	<b>221 146</b>	<b>218 488</b>
<b>Total Current Assets</b>			
<b>401 296</b>	<b>373 611</b>	<b>448 928</b>	<b>458 604</b>
<b>Total Assets</b>			

## BALANCE SHEET

Villa Organic AS

Villa Organic AS		Consolidated accounts	
31.3.2009	31.12.2008	31.3.2009	31.12.2008
<b>EQUITY</b>			
<b>Restricted Equity</b>			
52 483	52 483	52 483	52 483
126 464	126 464	126 464	126 464
<b>178 947</b>	<b>178 947</b>	<b>178 947</b>	<b>178 947</b>
<b>Retained earnings</b>			
-19 315	-16 236	-41 587	-47 904
0	0	0	7 876
<b>-19 315</b>	<b>-16 236</b>	<b>-41 587</b>	<b>-40 028</b>
<b>159 632</b>	<b>162 711</b>	<b>137 360</b>	<b>138 919</b>
<b>LIABILITIES</b>			
10 148			
200 000	200 000	200 000	200 000
0	0	1 481	10 438
0	0	52 656	58 968
<b>210 148</b>	<b>200 000</b>	<b>254 137</b>	<b>269 406</b>
<b>Short term liabilities</b>			
24 482	0	30 221	9 017
825	1 168	14 313	24 092
241	0	-1 347	8 659
5 968	834	14 244	8 511
<b>31 516</b>	<b>8 900</b>	<b>57 431</b>	<b>50 279</b>
<b>241 664</b>	<b>208 900</b>	<b>311 568</b>	<b>319 685</b>
<b>401 296</b>	<b>371 611</b>	<b>448 928</b>	<b>458 604</b>

Q1 - 2009: Unaudited numbers

2008: not yet approved by the annual shareholders meeting