

GRÉGOIRE ASA

Interim Report 2nd Quarter 2009

The Grégoire Group is a leading supplier of solutions for the processes related to grape harvesting, olive harvesting, vine conditioning, vineyard spraying equipment, agriculture choppers and hedge cutters. Grégoire supplies a full range of equipment through its sales partners. The equipment is used throughout the grape growing process. Grégoire has operations in Cognac, Grégoire SAS and Socomav SARL, and in Bordeaux, Lagarde SAS. Grégoire ASA is a holding company registered and domiciled in Norway. Grégoire ASA owns 100% of the operating companies Lagarde SAS and Grégoire SAS, which again owns 96% of Socomav SARL.

This report presents the unaudited consolidated financial statements of the Grégoire Group as of 30 June 2009.

HIGHLIGHTS

- The market remains depressed and sales + orders in first half 2009 was approximately 20% below last year.
- Order book by the end of the period was MEUR 10.9 compared with MEUR 6.9 last year. The increase is mainly a result of later production in 2009 than in first half of 2008.
- Operating revenues in 2Q09 were 48% below 2Q08. First half year revenues decreased by 35% compared to first half 2008. The decrease is a consequence of the general negative market conditions and a postponed production schedule compared to first half 2008. There are no signs indicating a loss of market share.
- EBITDA (Earnings before interest, tax, depreciation and amortisation) amounted to MEUR -0.4 in 2Q09 compared to MEUR 0.9 in 2Q08. EBITDA for first half year was MEUR -0.1 compared to MEUR 1.3 in the first half of last year.

FINANCIAL PERFORMANCE

Operating revenues in 2Q09 were MEUR 9.0 compared to MEUR 17.5 in 2Q08. The Grape Harvesters segment had a revenue decrease of MEUR 8.1 (53%) and the Vine conditioning segment had a decrease of MEUR 0.4 (16%) compared to 2Q08.

The operating result before depreciation and amortisation (EBITDA) in 2Q09 was MEUR -0.4 compared to MEUR 0.9 in the same period last year. The loss before taxes was MEUR -0.7 compared to a profit of MEUR 0.6 in 2Q08.

The main reason for the decrease in operating result is the lower sales volume, which has not been possible to fully compensate for by cost reductions.

BALANCE SHEET AND CAPITAL POSITION

Net cash flow from operating activities was MEUR 1.4 in the first half of 2009, compared to MEUR -6.9 in the same period last year. The improved cash flow from operating activities compared to last year is mainly due to reduced working capital. The positive cash flow from operating activities has mainly been used to reduce utilisation of overdraft facilities.

Total assets as at 30.06.09 were MEUR 33.0 compared to MEUR 43.1 as at 30.06.08. The equity as at 30.06.09 was MEUR 19.7, compared to MEUR 20.9 at 30.06.08, and the equity ratio was 60%.

OPERATING SEGMENTS

The Grégoire Group consists of two operating segments; Grape Harvesting and Vine Conditioning.

GRAPE HARVESTING

Operating revenues in 2Q09 were MEUR 7.2 which is 53% below 2Q08. The operating result before depreciation and amortisation (EBITDA) in 2Q09 was MEUR -0.2, compared to MEUR 0.8 in 2Q08.

VINE CONDITIONING

Operating revenues in 2Q09 were MEUR 1.9, a decrease of 16% compared to 2Q08. Operating result before depreciation and amortisation (EBITDA) was MEUR -0.2, compared to MEUR 0.2 in 2Q08.

SHAREHOLDERS PER 30 JUNE 2009

20 largest shareholders	No. of shares	Share in %
Vitico AS	12 611 020	73,6 %
GREG Invest AS	1 695 517	9,9 %
Skagen Vekst	931 782	5,4 %
Citibank N.A. (London Branch) - NOM	604 880	3,5 %
AS Bemacs	358 569	2,1 %
Grégoire ASA	201 391	1,2 %
SES Holding AS	95 000	0,6 %
SES AS	42 400	0,2 %
Clearstream Banking, Frankfurt - NOM	36 245	0,2 %
Skagen Vekst III	36 000	0,2 %
Brødrene Nordbø AS	32 920	0,2 %
Trond Viljugrein	26 935	0,2 %
Rishaug Eiendom AS	25 880	0,2 %
Guttorm Tuxen	20 000	0,1 %
Øystein Stie	12 612	0,1 %
Hans Ljustvedt	12 590	0,1 %
Jon Olav Birkeland	12 000	0,1 %
Svein Rødland	11 000	0,1 %
Klinestadmoen Invest AS	10 000	0,1 %
Sowiac AS	10 000	0,1 %
Total 20 largest	16 786 741	98,0 %
Other 531 shareholders	339 695	2,0 %
Total issued shares	17 126 436	100,0 %

SHAREHOLDER ISSUES

The annual general meeting held 4 May 2009 approved the reverse split 5:1 of the share and the reverse split was effective 5 May 2009. The general meeting also approved to file an application for delisting from Oslo Axess. The application was approved and the share was delisted effective 5 June 2009. The share is currently quoted on the OTC list in Oslo. The general meeting approved to cancel the company's treasury shares which has been put into effect in third quarter.

OUTLOOK

The market remains challenging as a consequence of the financial crisis and related uncertainties. Still, due to higher order book, 3Q operating revenues is expected to be higher than 3Q – 2008. A new range of grape harvesters covering the main markets demand will be introduced at the end of August. This will help improving Grégoire's worldwide market position. A reduction of the group's operating costs and working capital will be a main focus in order to compensate for the expected revenue decrease this year.

SIGNIFICANT RISKS AND UNCERTAINTIES

The Grégoire group's business is affected by risks related to the ordinary operations. The group's main market risk exposure is the development in the market for wine growing and wine consumption, and to fluctuations in prices for components used to assemble grape harvesters. There are significant seasonal fluctuations for the demand of the products of Grégoire. In particular the demand for Grape Harvesters is peaking before the grape harvesting season. This influences the working capital and thus the cash flow of Grégoire. With respect to liquidity risk, Grégoire has therefore challenges related to cash management mainly due to seasonal liquidity fluctuations, which are being managed through always having overdraft facilities available to cover the liquidity needs.

Oslo, 12 August 2009
The Board of Directors and CEO

Frode Sigurd Berg
Chairman

Per Rune Reime
Board Member

Synne Syrrist
Board Member

Marit Røed Ødegaard
Board Member

Patrick Verheecke
CEO

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This report has not been reviewed by Grégoire ASA's auditor.

Condensed Consolidated Income Statements					
	2009	2008	2009	2008	2008
(In EUR thousand)	1.4-30.6	1.4-30.6	1.1-30.6	1.1-30.6	1.1-31.12
Operating revenues	9 017	17 512	18 749	28 932	46 302
Operating cost excl. depreciation and amortisation	9 451	16 613	18 898	27 679	44 877
EBITDA (Operating result before depreciation and amortisation)	-434	899	-149	1 253	1 425
Depreciation and amortisation	246	215	465	410	857
Operating profit / loss (EBIT)	-680	684	-614	843	568
Net financial items	-59	-126	-103	-183	-434
Profit / loss before income taxes	-739	558	-717	660	134
Income taxes	12	13	-1	51	148
Profit / loss	-727	571	-718	711	281
Minority interests	-2	-5	-1	-6	-3
Profit / loss attributable to the shareholders	-729	566	-719	705	278
Weighted average number of ordinary shares outstanding *)	16 925 051	16 942 583	16 925 051	17 034 510	16 985 623
Earnings per share	-0,04	0,03	-0,04	0,04	0,02
Fully diluted earnings per share	-0,04	0,03	-0,04	0,04	0,02
Exchange rate	8,8510	7,9416	8,9067	7,9498	8,2264
Earnings per share (NOK)	-0,38	0,27	-0,38	0,33	0,13
Fully diluted earnings per share (NOK)	-0,38	0,27	-0,38	0,33	0,13

*) to make per share numbers comparable, the reverse split 5:1 effective 5 May 2009 has been adjusted for in historic number of shares.

Condensed Consolidated Balance Sheet			
	2009	2008	2008
(In EUR thousand)	30.6	30.6	31.12
Assets			
Intangible assets	1 615	1 217	1 457
Deferred tax assets	255	186	255
Property, Plant and equipment	2 482	2 641	2 584
Long term financial assets	12	14	14
Non-current assets	4 364	4 058	4 310
Stocks	17 989	19 074	17 539
Accounts Receivable	9 152	18 600	9 069
Other debtors	791	303	944
Cash	660	1 025	1 211
Current assets	28 592	39 002	28 763
Total assets	32 956	43 060	33 073
Equity and Liabilities			
Paid in capital	10 565	10 566	10 565
Other equity	9 113	10 320	9 830
Minority interests	14	16	13
Total equity	19 692	20 902	20 408
Pension liabilities	593	517	564
Deferred tax liabilities	79	106	78
Long-term interest bearing debt	1 689	1 430	1 782
Non-current liabilities	2 361	2 053	2 424
Short-term interest bearing debt	2 117	7 897	3 490
Other current liabilities	8 786	12 208	6 751
Current liabilities	10 903	20 105	10 241
Total equity and liabilities	32 956	43 060	33 073

Statement of Changes in Consolidated Equity	2009	2008	2008
(In EUR thousand)	30.6	30.6	31.12
Paid-in capital 01.01	10 565	10 578	10 578
Purchase of treasury shares	0	-12	-13
Total paid-in capital	10 565	10 566	10 565
Other equity 01.01	9 830	9 911	9 911
Purchase of treasury shares	0	-297	-353
Other	2	1	-6
Profit / loss for the period	-719	705	278
Total other equity	9 113	10 320	9 830
Minority interest 01.01	13	10	10
Minority interests' share of profit for the year	1	6	3
Total minority interests	14	16	13
Total equity	19 692	20 902	20 408

Condensed Consolidated Cash Flow Statements	2009	2008	2008
(Figures in EUR thousand)	1.1-30.6	1.1-30.6	1.1-31.12
Cash flow from operating activities			
Profit before tax	-717	660	134
Depreciation, amortisation and write down	465	410	857
Change in accounts receivable	-83	-9 356	175
Change in stock	-450	-927	607
Change in accounts payable	1 614	815	-3 826
Change in other current items	601	1 505	134
Cash flow from operations	1 430	-6 893	-1 919
Cash flow from investing activities			
Investments in fixed assets	-521	-695	-1 326
Sale of fixed assets	0	0	0
Cash flow from investing activities	-521	-695	-1 326
Cash flow from financing activities			
Change debt due beyond one year	-93	-68	286
Change debt due within one year	-1 367	7 188	2 734
Purchase of treasury shares	0	-309	-366
Cash flow from financing activities	-1 460	6 811	2 654
Net change in liquidity	-551	-777	-591
Cash at the beginning of the year	1 211	1 802	1 802
Cash at the end of the period	660	1 025	1 211

Notes to financial statements

Note 1. Segment information

The segment reporting format for the group is shown below. Products developed, marketed, sold and delivered by the segments 'Grape Harvesters' and 'Vine conditioning' represent the predominant sources and nature of risks and returns for the group. 'Other' profit and loss items relate to headquarter functions not allocated between the two segments.

Consolidated Operating Segments Report

(In EUR thousand)	Grape Harvesters	Vine Conditioning	Other/ Elimin.	Total
Operating revenue				
1.4-30.6 2009	7 154	1 863		9 017
1.4-30.6 2008	15 290	2 222		17 512
1.1-30.6 2009	14 913	3 836		18 749
1.1-30.6 2008	24 499	4 433		28 932
2008	37 940	8 362		46 302
EBITDA (Operating result before depreciation and amortisation)				
1.4-30.6 2009	-218	-170	-46	-434
1.4-30.6 2008	821	189	-111	899
1.1-30.6 2009	167	-228	-88	-149
1.1-30.6 2008	1 197	198	-141	1 254
2008	1 389	145	-109	1 425
Operating result (EBIT)				
1.4-30.6 2009	-376	-258	-46	-680
1.4-30.6 2008	685	110	-111	684
1.1-30.6 2009	-126	-400	-88	-614
1.1-30.6 2008	944	40	-141	843
2008	862	-185	-109	568
Profit before tax				
1.4-30.6 2009	-412	-279	-48	-739
1.4-30.6 2008	594	61	-97	558
1.1-30.6 2009	-195	-451	-71	-717
1.1-30.6 2008	822	-49	-113	660
2008	566	-363	-69	134
Total assets				
As at 30.06.09	28 877	6 358	-2 279	32 956
As at 30.06.08	37 950	7 606	-2 496	43 060
As at 31.12.08	27 864	7 493	-2 284	33 073
Capital expenditures				
1.1-30.6 2009	505	16	0	521
1.1-30.6 2008	577	118	0	695
2008	1 121	205	0	1 326

Note 2. Earnings per share

Earnings per share amounts are calculated by dividing net profit attributable to ordinary shareholders of the parent company by a weighted average number of ordinary shares outstanding during the year. The company has a dilutive potential of 600 000 ordinary shares related to a stock warrant programme approved by the 2009 annual general meeting.