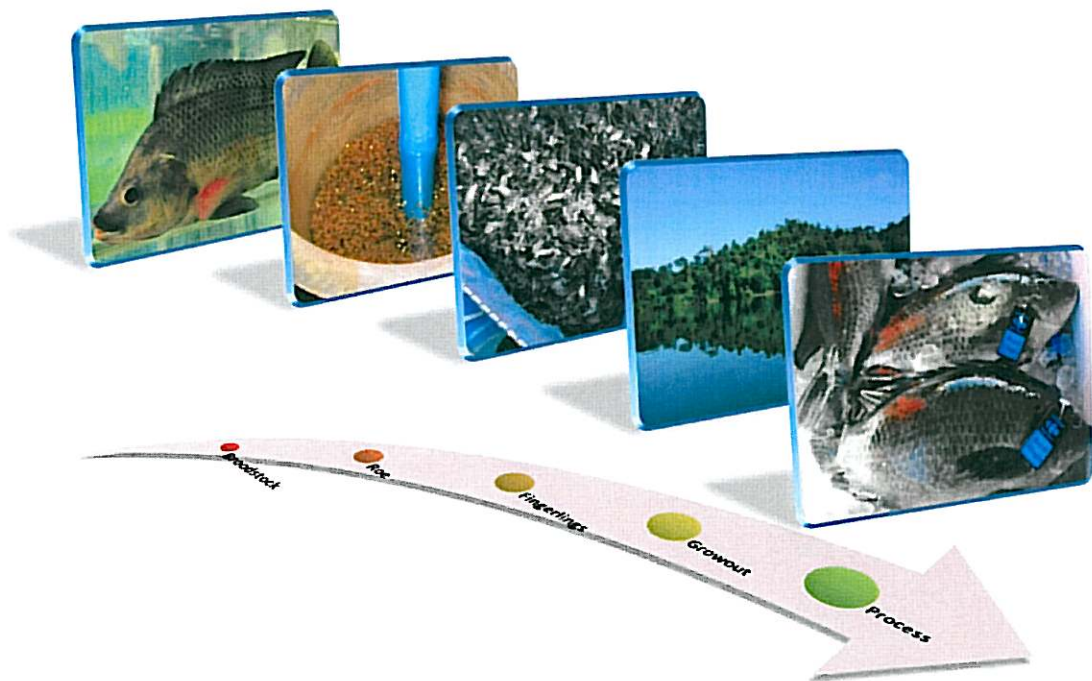




GenoMar

SAFE SUSTAINABLE SEA HARVEST



Second Quarter 2009 Interim Report

GenoMar AS
Second quarter 2009 interim report

Summary of second quarter 2009 financials

GenoMar Group operating revenue in the second quarter 2009 was KNOK 7.135 compared to KNOK 8.549 for the second quarter last year. Decrease in revenues of 16,5% is mainly a result of lower sales volume and lower sales price in China caused by earlier end of the peak season.

Operating expenses in the second quarter were KNOK 9.491 compared to KNOK 7.360 in the corresponding period in 2008. Negative EBITDA is mainly caused by start up in Malaysia. Our operation in China shows positive EBITDA. The increase in depreciation is mainly caused by new investments in Malaysia. EBIT was KNOK (4.286) in the second quarter 2009 against KNOK 605 in the second quarter 2008.

Cash and cash equivalents at the end of the second quarter were KNOK 40.874

The liquidity is good and the equity ratio was 95,4 %.

Consolidated accounts <i>Amounts in KNOK</i>	2009		2008	
	2Q	2Q	1Q	4Q
Total revenue	7 135	8 549	8 380	7 561
EBITDA	(2 472)	1 080	(979)	(2 901)
EBIT	(4 286)	605	(2 507)	(2 659)
EBT*	(2 849)	1 239	(1 883)	(1 631)
EAT*	(3 014)	1 070	(2 069)	(1 887)

* including fair value adjustment biomass from second quarter 2009

GenoMar Supreme Hatchery China (GSHC)

After good achievements in the first quarter, GSHC continued with high sales volume in April. However, the world economic crisis hit GSHC and the first peak season ended in the middle of May, sooner than anticipated. Heavy rain showers in China mainland and Hainan had additional negative impact on sales in June.

The global economic effect on China's tilapia export industry's supply chain started with the lack of money by foreign buyers, which resulted in less export orders. This has led to the closure of many processing plants. Weaker overseas demand resulted in lower fish prices, which furthermore resulted in less farmer interest to invest in tilapia grow-out. Meanwhile many of these farmers have switched to other more profitable fish species during this depressed Chinese tilapia price period.

GenoMar Supreme Hatchery China <i>Amounts in KNOK</i>	2009	2008	2009	2008			
	2Q	2Q	1Q	4Q	3Q	2Q	1Q
Total revenue	5 117	6 851	5 832	6 896	2 379	6 851	2 023
EBITDA	1 769	2 511	2 161	3 924	(736)	2 511	(632)
EBIT	1 495	2 391	1 851	3 773	(892)	2 391	(700)
EBT	1 538	2 413	1 862	3 800	(870)	2 413	(682)
EAT	1 374	2 244	1 675	3 544	(853)	2 244	(682)

Revenue in the second quarter was KNOK 5.117 vs. KNOK 6.851 in the corresponding period last year. The decrease in revenue is mainly caused by earlier end of the first peak season resulted by falling export prices of Tilapia from China. Operating expenses were KNOK 3.347 in the second quarter this year compared to KNOK 4.340 in the second quarter last year. The decrease in operating expenses this year is due to lower royalty caused by lower sales and lower production-linked performance incentives as compared to last year.



GenoMar Supreme Philippines (GSP)

The good trend in the beginning of the year did not continue into the second quarter. Disease problem caused by hot weather hit the nursery as well as farmers in general. Higher mortalities and lower demand affected sales. It is also a problem that farmers have problem settling accounts receivable due to bad harvests caused by unfavorable weather conditions.

Breeding Nucleus (BN)

Breeding activities are according to plan. The new "back-up" facility is being upgraded and will be ready to receive fish during third quarter of 2009.

Best Farming Practices (BFP)

The first production cycle was harvested in May and the first comparison test of different generations is un-going. The comparison study will continue until the end of the year.

GenoMar Supreme Philippines <i>Amounts in KNOK</i>	2009	2008	2009	2008			
	2Q	2Q	1Q	4Q	3Q	2Q	1Q
Total revenue	422	799	1 150	972	1 239	799	899
EBITDA	(174)	(553)	203	(737)	1 289	(553)	411
EBIT	(413)	(561)	48	(864)	1 162	(561)	314
EBT	(413)	(582)	48	(861)	1 155	(582)	316
EAT	(413)	(582)	48	(861)	1 155	(582)	316

Revenue in the second quarter this year was KNOK 422 vs. KNOK 799 in the corresponding period last year. The decrease in revenue is mainly caused by lower sales volume this year, partially affected by fish replacements arising from disease. Operating expenses were KNOK 596 in the second quarter this year compared with KNOK 1.352 in the second quarter last year. The decrease in operating expenses is mainly due to lower royalty on lower sales and higher cost consciousness.

Trapia Malaysia SDN BHD

Hatchery

Hatchery and nursery operations has shown excellent performance and increasingly reduced cost of production.

Grow-Out



Installation of a second Trapia grow-out site has been completed and operations on this site started during the period. Total installed capacity is now 5000 tons harvest weight per year. The first harvest is planned to begin in August 2009. The growth and feed conversion indicators are very positive.

Two new workboats were launched and are playing an important role to support the grow-out operations.

Farming operations has been successfully audited and verified as EU now has approved the farm.

Installation of the processing equipment is ongoing at the processing establishment in Parit Buntar and processing operations are planned to start in the second half of August.

Trapia	2009	2008	2009	2008			
	2Q	2Q	1Q	4Q	3Q	2Q	1Q
<i>Amounts in KNOK</i>							
Total revenue	296	150	186	276	181	150	7
EBITDA	(3 861)	(1 112)	(1 902)	(1 390)	(807)	(1 112)	(316)
EBIT	(4 428)	(1 114)	(2 272)	(1 580)	(855)	(1 114)	(316)
EBT*	(3 174)	(1 115)	(2 496)	(1 587)	(858)	(1 115)	(315)
EAT*	(3 174)	(1 115)	(2 496)	(1 587)	(858)	(1 115)	(315)

* including fair value adjustment biomass

In the second quarter 2009 Trapia had sales of fishes to Carrefour and some local wholesalers in Malaysia. Operating expenses are as expected.

Market Outlook

GenoMar is pursuing its strategy to brand and/or co-brand its products already from the introduction into the US market. Several wholesalers have indicated interest in the Trapia concept. There seems to be an additional window for “none Chinese” tilapia products since some retailers have taken Chinese seafood off the shelves.

Tilapia prices have declined during the second quarter but are now rebounding. Chinese producers have most likely opted for other species due to price pressure i.e. caused by the financial crises.

We are optimistic about the market opportunities for a traceable and verifiable none Chinese product in the US market. However, we are humble to the fact that it will take time to get brand recognition and acceptance for the integrated verifiable story.

Oslo, August 13 2009

The Board of Directors of GenoMar AS

Profit and loss account

<i>Amounts in NOK thousand</i>	1.4.-30.6.		1.1.-30.6.		1.1.-31.12.
	2009	2008	2009	2008	2008
Operating revenue	7 135	8 549	15 515	12 075	24 761
Total revenue	7 135	8 549	15 515	12 075	24 761
Operating expenses	(9 491)	(7 360)	(18 681)	(12 858)	(29 009)
Ord. depreciation and write-downs	(1 814)	(475)	(3 342)	(980)	(2 404)
EBITA before social security tax on options	(4 170)	714	(6 507)	(1 763)	(6 652)
Social security tax on options	1	-	4	-	(6)
Options fair value	(117)	(110)	(289)	(219)	(439)
EBITA	(4 286)	605	(6 793)	(1 982)	(7 097)
Amortization and write-downs	-	-	-	-	-
Operating profit (EBIT)	(4 286)	605	(6 793)	(1 982)	(7 097)
Fair value adjustment on biomass	1 617	-	1 617	-	-
Financial items, net	(180)	635	444	660	2 542
Income before tax	(2 849)	1 239	(4 732)	(1 323)	(4 554)
Taxes	(164)	(169)	(351)	(169)	(407)
Net income	(3 014)	1 070	(5 083)	(1 492)	(4 962)
Attributable to					
Equity holder of the parent company	(2 004)	1 528	(3 317)	(1 034)	(3 792)
Minority interests	(1 010)	(458)	(1 766)	(458)	(1 170)
	(3 014)	1 070	(5 083)	(1 492)	(4 962)
Earnings per share (NOK)	(0,54)	0,35	(0,92)	(0,49)	(0,89)
Diluted earnings per share (NOK)	(0,54)	0,35	(0,92)	(0,49)	(0,89)

Balance sheet

<i>Amounts in NOK thousand</i>	30.6.		31.12.	31.12.
	2009	2008	2008	2007
Assets				
Intangible fixed assets	11 946	11 768	12 044	11 943
Other fixed assets	27 765	5 259	17 226	4 664
Long term receivables and financial assets	22	22	22	22
Fixed assets	39 733	17 048	29 292	16 485
Short term receivables	17 676	8 072	9 224	6 109
Fair value biomass	2 059	-	-	-
Cash and cash equivalents	40 874	68 726	62 706	14 816
Current assets	60 608	76 798	71 930	20 925
Total assets	100 342	93 847	101 222	37 411
Equity and liabilities				
Equity	94 314	83 796	93 633	27 635
Minority interests	1 434	760	3 539	417
Total equity	95 748	84 556	97 172	28 053
Liabilities, short term	3 839	2 538	3 302	2 153
Liabilities, long term	755	6 753	748	7 349
Total equity and liabilities	100 342	93 847	101 222	37 411

Cash flow

<i>Amounts in NOK thousand</i>	1.4.-30.6.		1.1.-30.6.		1.1.-31.12.
	2009	2008	2009	2008	2008
Operating profit	(4 286)	605	(6 793)	(1 982)	(7 097)
Depreciaton and write-downs	1 814	475	3 342	980	2 404
Options fair value	116	110	286	219	445
Changes in net working capital	3 102	(921)	(2 224)	(1 966)	4 112
Cash flow from operations	746	268	(5 389)	(2 749)	(136)
Net investerments	(5 025)	(1 192)	(16 642)	(1 664)	(14 197)
Fair value adjustment on biomass	1 617	-	1 617	-	-
Financing activites	(8 722)	7 556	(1 417)	58 323	62 222
Cash flow before tax	(11 385)	6 632	(21 832)	53 910	47 889
Cash at beginning of period	52 258	62 094	62 706	14 816	14 816
Cash at end of period	40 874	68 726	40 874	68 726	62 706

CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY

	Share Capital	Treasury shares	Share premium	Translation reserve	Fair value options	Retained earnings	Minority interests	Total equity
Equity 01.01.09 (as reported 31/12 previous year)	5 547	-100	88 055	-909	1 040		3 539	97 172
Result after tax from continuing operations						-5 083	1 766	-3 317
Share issue								0
Foreign currency translation differences			-886	6 361			-3 871	1 604
Dividends								0
Fair value options					289			289
Other								0
	<u>5 547</u>	<u>-100</u>	<u>87 169</u>	<u>5 452</u>	<u>1 329</u>	<u>-5 083</u>	<u>1 434</u>	<u>95 748</u>
Net result from discontinued operations								0
Equity 30.6.09.	<u>5 547</u>	<u>-100</u>	<u>87 169</u>	<u>5 452</u>	<u>1 329</u>	<u>-5 083</u>	<u>1 434</u>	<u>95 748</u>

Safe harbor statement

This news release contains forward-looking statements, including statements that are subject to certain risks and uncertainties, including, but not limited to, those associated with unpredictability and volatility of the price of the Company's Common Stock, the performance of and conditions in the Norwegian and world financial markets, the policies and actions of the Norwegian and other governments, and the general political, economic and business conditions in Norway and elsewhere. Actual results could differ materially, because of such factors, from those set forth in forward-looking statements