



Notice to shareholders;

## **Villa Organic AS – second quarter 2011**

### **Highlights – second quarter 2011**

- Villa had a profit before tax in the second quarter of MNOK 13.6. EBIT was MNOK 17.8.
- Villa has sold 100 % of the shares in Villa Miljølaks AS to Salmar Farming. The sale has given the group a sales gain of MNOK 21.5. The group's financial position and liquidity has been improved as a result of the sale.
- Biomass growth has been as expected in both Finnmark and Romsdal.
- In Finnmark, the sea louse challenge is limited and fully managed.
- Harvesting volumes in total were 862 tons in the second quarter, of which Finnmark accounted for the entire volume.

### **Operations in second quarter**

In Finnmark, growth during the quarter has been as expected.

The biomass in Finnmark per June was 6 275 tons, of which 3 575 tons from the 2009 generation, 2 428 tons from the 2010 generation and 273 tons from the 2011 generation.

The biomass in Romsdal reached 1270 tons in the end of June, of which all the fish was from the 2010 generation.

The harvesting volume in Finnmark was in line with plans in second quarter. Harvesting from Romsdal was less than planned due to lower growth in first quarter.



Mortality is reduced in the second quarter, and is now in line with our expectations. The mortality in the first quarter was higher than planned which led to higher production costs for fish harvested in second quarter. We noted in the first quarter, an overall increase in mortality. This is mainly due to low temperatures.

In Finnmark, the sea louse challenge is limited and fully managed. In the Møre region, Villa has the sea louse situation well under control by the use of wrasse and de licing.

The group has completed the expansion of the Group's smolt facility at Moltustranda to a capacity of 4 million smolts per year.

Villa has signed new contracts for the supply of smolt. The contracts have several years' duration, with options for extension. Based on the capacity increase at Villa Smolt and new and ongoing smolt contracts, Villa has covered the planned biomass growth.

The market was strong in the first part of the quarter. From mid-Mai the prices fell significantly. The Group has a mix of fixed price contracts and forward price contracts. For the quarter as a whole, there was booked a loss on the forward price contracts.

### **Financial key figures**

The operating revenue in Q2 was MNOK 77.2. EBITDA for the period was MNOK 28.8. The EBIT was MNOK 17.8.

The sale of Villa Miljølaks AS has given a sales gain of MNOK 21.5 in the second quarter. The Group's liquidity will be strengthened with about 100 million as a result of the sale.

The company is not adjusting the biological assets according to the IFRS accounting principles.

The equity ratio at the end of third quarter is 38% (not adjusted for calculated tax on the result for second quarter 2011).



Villa Organic (group) Key Financial figures (1 000 NOK)						
	Q2 2011	Per Q2 2011	Q2 2010	Per Q2 2010	FY 2010	FY 2009
Total Income	100 922	259 020	91 704	223 641	524 622	315 176
EBITDA	28 821	49 521	1 782	27 400	95 722	22 501
EBIT	17 832	29 577	-4 420	15 285	67 431	4 088
Profit/loss before tax	13 585	18 990	-9 711	5 402	44 401	-16 688
Harvest Volume (HOG) Finnmark tons	862	3 156	-	3 311	10 114	5 315
Harvest Volume (HOG) Romsdal tons	-	804	-	-	429	837
Harvest Volume (HOG) Total tons	862	3 960	-	3 311	10 543	6 152
Operational EBIT NOK/kg	-4,29	2,03		4,62	6,40	0,66
EBIT NOK/ kg Finnmark	-2,61	3,10				
EBIT NOK/kg Romsdal		-1,66				
Balance Sheet:						
Fixed Assets		326 385		292 670	321 372	281 513
Current Assets		446 958		369 177	449 099	312 425
Total Assets		773 343		661 846	770 471	593 938
Equity		295 746		209 665	276 755	304 608
Long Term Liabilities		286 694		246 080	276 855	249 320
Current Liabilities		190 903		206 101	216 861	140 010
Total Equity and Liabilities		773 343		661 846	770 471	593 938
Equity Ratio		38 %		32 %	36 %	34 %

## Outlook

The market for salmon the coming months is expected to be volatile. The price has dropped from about 44 NOK per kilo to about 26 at the end of the quarter. We expect the price, in the short term, to be volatile.

For the third and fourth quarter the group has signed fixed price contracts and forward price contracts that are higher than the current forward price.

The sale of Villa Miljølaks allows Villa to an even greater focus on the development of the farming business in Finnmark. The group has achieved a stronger financial position as a result of the sale. In addition it will allow us to strengthen our operational and management focus on the operation in Finnmark.

Estimated harvested volume (HOG) in 2011 is 9500 tons in Finnmark.

Board of Directors  
 Molde 11th of August 2011



- Appendix:
  - o Quarterly Financial statement pr 30.06.11
  - o Information about shareholders pr 30.06.11

Financial Statement  
Numbers in NOK 1 000

	Q2 2011	Per q2 2011	Q2 2010	Per Q2 2010	FY 2010	FY 2009
Operating Income	77 227	235 224	90 782	221 612	522 727	311 769
Other Income	23 694	23 795	922	2 029	1 896	3 407
<b>Total Income</b>	<b>100 922</b>	<b>259 020</b>	<b>91 704</b>	<b>223 641</b>	<b>524 623</b>	<b>315 176</b>
Changes in Inventory	59 102	6 399	71 095	35 527	46 625	89 829
Cost of goods	-93 719	-142 992	-133 924	-178 969	-361 868	-293 831
Wages	-9 570	-22 788	-11 015	-23 199	-57 161	-39 239
Other operating costs	-27 914	-50 117	-16 078	-29 600	-56 479	-49 433
<b>EBITDA</b>	<b>28 821</b>	<b>49 521</b>	<b>1 782</b>	<b>27 400</b>	<b>95 740</b>	<b>22 502</b>
Depreciation	-10 989	-19 944	-6 203	-12 115	-28 309	-18 413
<b>EBIT</b>	<b>17 831</b>	<b>29 577</b>	<b>-4 421</b>	<b>15 285</b>	<b>67 431</b>	<b>4 089</b>
Net financial items	-4 246	-10 586	-4 593	-9 884	-23 457	-20 778
<b>Profit/loss before tax</b>	<b>13 585</b>	<b>18 990</b>	<b>-9 014</b>	<b>5 401</b>	<b>43 974</b>	<b>-16 689</b>



**Balance sheet numbers in 1 000 NOK**

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Intangible assets		
Licences	43 492	55 092
Deferred Tax Asset	34 090	40 756
Goodwill	481	567
<b>Total Intangible Assets</b>	<b>78 062</b>	<b>96 416</b>
Property, buildings etc	34 927	32 582
Machinery, Equipment and other assets	196 665	181 289
<b>Total Fixed Assets</b>	<b>231 592</b>	<b>213 871</b>
Investment in subsidiaries		
Own shares		
Investment in associated entities	9 506	3 251
Other investments	14	8
Long term loans	7 210	7 400
<b>Total Financial Fixed Assets</b>	<b>16 731</b>	<b>10 659</b>
<b>Total non-current assets</b>	<b>326 385</b>	<b>320 946</b>
<b>Current assets</b>		
Inventory	261 468	312 112
Accounts receivables	37 423	62 045
Other accruals, Intercompany	123 366	22 592
Bank deposits, cash at hand	24 700	52 351
<b>Total Current Assets</b>	<b>446 958</b>	<b>449 100</b>
	-	
<b>Total Assets</b>	<b>773 343</b>	<b>770 046</b>



<b>EQUITY AND LIABILITIES</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Equity</b>		
Share Capital	116 730	118 330
Own Shares	-	-1
Share Premium	137 570	137 570
<b>Total Restricted Equity</b>	<b>254 300</b>	<b>255 899</b>
<b>Retained Earnings</b>		
Other Equity	35 967	20 430
Result brought forward	5 479	
Total Retained Equity	41 446	20 430
<b>Total Equity</b>	<b>295 746</b>	<b>276 329</b>
<b>Liabilities</b>		
Deferred tax		
Bond	188 600	200 000
Liabilities to financial institutions	27 983	1 647
Other long term debt, leasing	70 111	75 209
<b>Total Long Term Liabilities</b>	<b>286 694</b>	<b>276 856</b>
<b>Current Liabilities</b>		
Liabilities to financial institutions	106 536	138 866
Accounts Payables	72 030	55 782
Tax, VAT etc	1 542	6 330
Intercompany liabilities	-0	
Other short term debt	10 796	15 883
<b>Total Current Liabilities</b>	<b>190 903</b>	<b>216 861</b>
	-	
<b>Total Liabilities</b>	<b>477 597</b>	<b>493 717</b>
<b>Total Equity and Liabilities</b>	<b>773 343</b>	<b>770 046</b>



## List of shareholders pr 05.08.2011

### 20 Største

**ISIN:** NO0010342900

**Navn:** VILLA ORGANIC AS

**Papirtype:**AK

**Dato:** 05.08.2011

20 rader [Lagre til fil](#)

Beholdning	Andel	Navn	Konto type	Statsborger
43 399 199	36,68	AKVAINVEST AS		NOR
31 373 860	26,51	HOFSETH INTERNATIONA		NOR
14 073 111	11,89	CENTENNIAL AS OLE BÅRD JACOBSEN		NOR
9 370 510	7,92	ODIN NORGE		NOR
3 320 216	2,81	MORUD MINERALS AS		NOR
2 495 551	2,11	NETTFOND AS		NOR
2 178 500	1,84	OJADA AS		NOR
2 168 910	1,83	MILLCOM NORGE AS		NOR
1 255 384	1,06	ALSCO AS		NOR
1 084 454	0,92	BENTNESET INVEST AS		NOR
750 000	0,63	EIDESVIK INVEST AS		NOR
658 000	0,56	SIX SIS AG 25PCT	NOM	CHE
652 338	0,55	SØR-VARANGER INVEST		NOR
541 410	0,46	ODIN NORGE II		NOR
500 000	0,42	Swelandia Internatio		SWE
500 000	0,42	Initia AB		SWE
410 522	0,35	FOSSBERG JAN		NOR
410 521	0,35	SKAAR VIDAR		NOR
400 000	0,34	RADIN INVEST AS		NOR
273 774	0,23	Lillestøl Lennart		NOR
<b>115.816.260</b>	<b>97,88</b>			