



Notice to shareholders;

Villa Organic AS – first quarter 2011

Highlights – first quarter 2011

- Villa had a net profit before tax in the first quarter of MNOK 5.4. EBIT was MNOK 11.7. EBIT pr kilo was NOK 3.8.
- Harvesting volumes in total were 3,098 tons in the first quarter, of which Finnmark accounted for 2 294 tons and Romsdal for 804 tons.
- Biomass growth has been lower than expected in both Finnmark and Romsdal mainly due to lower sea temperatures.
- Villa has signed an agreement to acquire 53.33% of the shares in Romsdal Processing AS. After this purchase Villa owns 88.89% of the shares.
- Villa has bought back bonds totalling 16.5 MNOK, maturing December 14, 2012.

Operations in first quarter

In Finnmark, growth during the quarter has been lower than expected. The main reason is low sea temperatures. In average the temperature in Finnmark has been 1° C lower than 6 year average.

The biomass in Finnmark per March was 5 938 tons, of which 4 060 tons from the 2009 generation and tons 1 878 from the 2010 generation.

The biomass in Romsdal reached 694 tons in the end of March, of which all the fish was from the 2010 generation.

The harvesting volume in Finnmark was in line with plans in first quarter. In Romsdal, harvesting was about 60 tons below expectations, due to weaker growth than presumed and by PD in one of the sites. The mortality caused by PD has been relatively low. The result of the harvesting of the 2009 generation



has been lower than expected. This is due to higher costs and lower growth than expected.

Mortality rose at one site in Finnmark in the first quarter due to BKD and CMS virus. This resulted in higher than planned production costs for fish harvested in first quarter. We noted in the first quarter, an overall increase in mortality. This is mainly due to low temperatures.

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

The group is currently expanding its existing smolt facility at Molotustranda to a capacity of 4 million smolt 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. An important part of Villa's strategy plan for near future is to increase the utilization of existing licenses to bring down production costs and to improve profit.

The market has been strong in the first quarter. However, some fixed price contracts and forward price contracts have been lower than the spot prices in this period.

Financial key figures

The operating revenue in Q1 was MNOK 158.1. EBITDA for the period was MNOK 20.7. The EBIT was MNOK 11.7.

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

The equity ratio at the end of third quarter is 40% (not adjusted for calculated tax on the result for first quarter 2011).



Villa Organic (group) Key Financial figures (1 000 NOK)				
	Q1 2011	Q1 2010	FY 2010	FY 2009
Total Income	158 098	131 245	524 622	357 362
EBITDA	20 699	25 344	95 722	-23 217
EBIT	11 745	19 433	67 431	-47 514
Profit/loss before tax	5 405	14 914	44 401	-65 375
Harvest Volume (HOG) Finnmark tons	2 294	3 311	10 114	5 315
Harvest Volume (HOG) Romsdal tons	804	-	429	837
Harvest Volume (HOG) Total tons	3 098	3 311	10 543	6 152
EBIT NOK/kg	3,79	5,87	6,40	0,66
Balance Sheet:				
Fixed Assets	335 610	288 583	321 372	281 513
Current Assets	367 161	311 874	449 099	312 425
Total Assets	702 771	600 457	770 471	593 938
Equity	282 161	219 722	276 755	204 608
Long Term Liabilities	280 655	249 344	276 855	249 320
Current Liabilities	139 956	131 391	216 861	140 010
Total Equity and Liabilities	702 771	600 457	770 471	593 938
Equity Ratio	40 %	37 %	36 %	34 %

Outlook

The market for salmon the coming months is expected to be strong and prices relatively high.

Estimated harvested volume (HOG) in 2011 is 9 200 tons in Finnmark and 2 700 tons in Romsdal. Planned production growth for 2012 and onwards will give further increases in production for Villa.

Villa has launched an improvement program. The objectives of the program are to reduce the production costs and improve profit margins. It is defined objectives of improvement for all areas of business. The Board expects that the program will have positive impact in the second half of 2011. The biggest effects are expected from 2012 onwards. Villa will continue to expand the capacity in Finnmark and increase productions in 2011, 2012 and 2013. Several of the investments necessary to increase production are already completed, and are expected to improve the margins due to economies of scale in the years to come.



Villa will, as a result of this program, continue to expand the capacity in Finnmark and increase release of smolt and production in both regions.

Board of Directors
Molde 28th of April 2011

- Appendix:
 - Quarterly Financial statement pr 31.03.11
 - Information about shareholders pr 31.03.11



Financial Statement
Numbers in NOK 1 000

	Q1 2011	Q1 2010	FY 2010	FY 2009
Operating Income	157 997	130 968	522 727	311 769
Other Income	101	277	1 896	3 407
Total Income	158 098	131 246	524 623	315 176
Changes in Inventory	52 703	35 567	-46 625	-89 829
Cost of goods	49 274	45 458	361 868	293 831
Wages	13 218	12 184	57 161	39 239
Other operating costs	22 203	12 693	56 479	49 433
EBITDA	20 700	25 344	95 741	22 502
			0	
Depreciation	8 955	5 912	28 309	18 413
EBIT	11 745	19 433	67 432	4 089
Net financial items	6 340	4 518	23 457	20 778
			0	
Profit/loss before tax	5 405	14 914	43 975	-16 689



Balance sheet numbers in 1 000 NOK

	31.03.2011	31.12.2010
ASSETS		
Non-current Assets		
Intangible assets		
Licences	55 092	55 092
Deferred Tax Asset	40 756	40 756
Goodwill	524	567
Total Intangible Assets	96 372	96 416
Property, buildings etc	37 147	32 582
Machinery, Equipment and other assets	189 770	181 289
Total Fixed Assets	226 918	213 871
Investment in subsidiaries		
Own shares		
Investment in associated entities	5 096	3 251
Other investments	14	8
Long term loans	7 210	7 400
Total Financial Fixed Assets	12 320	10 659
Total non-current assets	335 610	320 946
Current assets		
Inventory	259 883	312 112
Accounts receivables	62 506	62 045
Other accruals,	18 933	22 592
Intercompany	-	
Bank deposits, cash at hand	25 839	52 351
Total Current Assets	367 160	449 100
	-	
Total Assets	702 770	770 046



EQUITY AND LIABILITIES		
Equity		
Share Capital	118 330	118 330
Own Shares	-1	-1
Share Premium	137 570	137 570
Total Restricted Equity	255 899	255 899
Retained Earnings		
Other Equity	20 856	20 430
Result brought forward	5 405	
Total Retained Equity	26 261	20 430
Total Equity	282 159	276 329
Liabilities		
Deferred tax		
Bond	190 100	200 000
Liabilities to financial institutions	21 501	1 647
Other long term debt, leasing	69 054	75 209
Total Long Term Liabilities	280 654	276 856
Current Liabilities		
Liabilities to financial institutions	62 994	138 866
Accounts Payables	54 214	55 782
Tax, VAT etc	6 246	6 330
Intercompany liabilities	-	
Other short term debt	16 503	15 883
Total Current Liabilities	139 956	216 861
	-	
Total Liabilities	420 610	493 717
Total Equity and Liabilities	702 770	770 046



List of shareholders pr 27.04.2011

Navn: VILLA ORGANIC AS

Papirtype: AK

Dato: 27.04.2011

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
9 354 310	7,91	ODIN NORGE		NOR
3 608 975	3,05	NETTFOND AS		NOR
3 320 216	2,81	MORUD MINERALS AS		NOR
2 178 500	1,84	OJADA AS		NOR
2 168 910	1,83	MILLCOM NORGE 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
557 610	0,47	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
283 774	0,24	Lillestøl Lennart		NOR
216 889	0,18	WENI AS		NOR
115.901.189	97,95			