

QUARTERLY AND
HALF YEAR REPORT **Q2**

2009





Pronova BioPharma ASA ("Pronova BioPharma" or the "company" or the "group") (OSE: PRON.OL) is a global leader in the research, development and manufacture of marine-originated omega-3 derived pharmaceutical products. The first commercialised product developed from Pronova BioPharma's Active Pharmaceutical Ingredient (API) is the first and only EU- and FDA-approved omega-3 derived prescription drug. The product is branded as Omacor[®] in a number of countries throughout Europe and Asia and as Lovaza[™] in the USA.

Q2 2009 – Operating highlights

(Figures in brackets = Q2 2008 unless other specified)

- **Sustained operational performance**
 - 357 tonnes produced (315 tonnes)
 - 395 tonnes shipped (315 tonnes), following higher production and shipments of the additional volumes sent to capsulation in the first quarter
- **Continued momentum in world-wide end-user sales**
 - Global end-user sales up 36 per cent to USD 258 million, annual run-rate* of USD 1.2 billion at 30 June
 - Lovaza[™] sales up 58 per cent to USD 177 million, annual run-rate* of USD 859 million in June
- **Change in management**
 - Morten Jurs appointed CEO and Synne H Røine appointed CFO

Events after quarter end

- **Kalundborg project close to completion**
 - Process validation successfully completed
 - Plant ready for GMP certification process in the third quarter
 - Official opening 1 October 2009

Q2 2009 – Financial highlights

- **Record high revenues** of NOK 455.2 million (NOK 316.3 million), up 43.9 per cent. Underlying revenues (at constant currency) up 34.2 per cent
- **EBITDA¹ up** 46.4 per cent to NOK 221.1 million (NOK 151.1 million)
- **EBITDA margin²** at 48.6 per cent (47.8 per cent)
- **Gross margin down** to 72.3 per cent (79 per cent)

* Source: IMS



H1 2009 – Financial highlights

(Figures in brackets = H1 2008 unless other specified)

- ➔ **Revenue growth of 41.5 per cent** to NOK 813.8 million (NOK 575.2 million). Underlying revenues (at constant currency rate) up 33.6 per cent
- ➔ **EBITDA¹ increased** to NOK 385.2 million (NOK 272.7 million)
- ➔ **EBITDA margin² of 47.3 per cent** (47.4 per cent)
- ➔ **Gross margin** of 73.2 per cent (79.3 per cent)
- ➔ **Global end-user sales** up 39 per cent to USD 490 million

Key financial figures

Income statement		Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Revenues	NOK million	455.2	316.3	813.8	575.2	1 301.5
Gross margin	Per cent	72.3	79.0	73.2	79.3	77.3
EBITDA	NOK million	221.1	151.1	385.2	272.7	603.0
EBITDA margin	Per cent	48.6	47.8	47.3	47.4	46.3
Profit before tax	NOK million	174.5	110.1	183.7	168.7	468.9
Net profit	NOK million	126.1	78.9	129.4	122.3	344.1
EPS basic and diluted	NOK	0.42	0.26	0.43	0.41	1.14
EPS adjusted ³	NOK	0.49	0.34	0.58	0.56	1.46

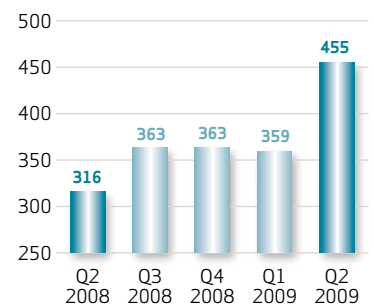
¹⁾ EBITDA is defined as profit for the accounting period before financial income and financial expense, income tax expense and depreciation and amortisation. Pronova BioPharma presents EBITDA because it is considered to be an important supplemental measure of the group's operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry.

²⁾ EBITDA margin is defined as EBITDA for a particular period divided by revenues for that period.

³⁾ Earnings per share (EPS) adjusted for amortisation of intangible assets.

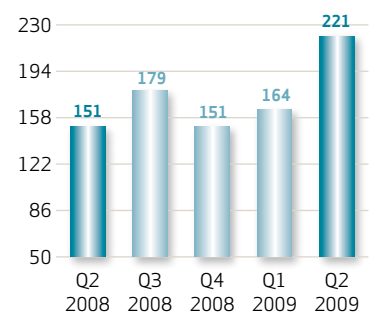
REVENUES

NOK million



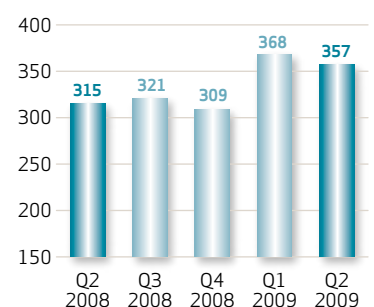
EBITDA

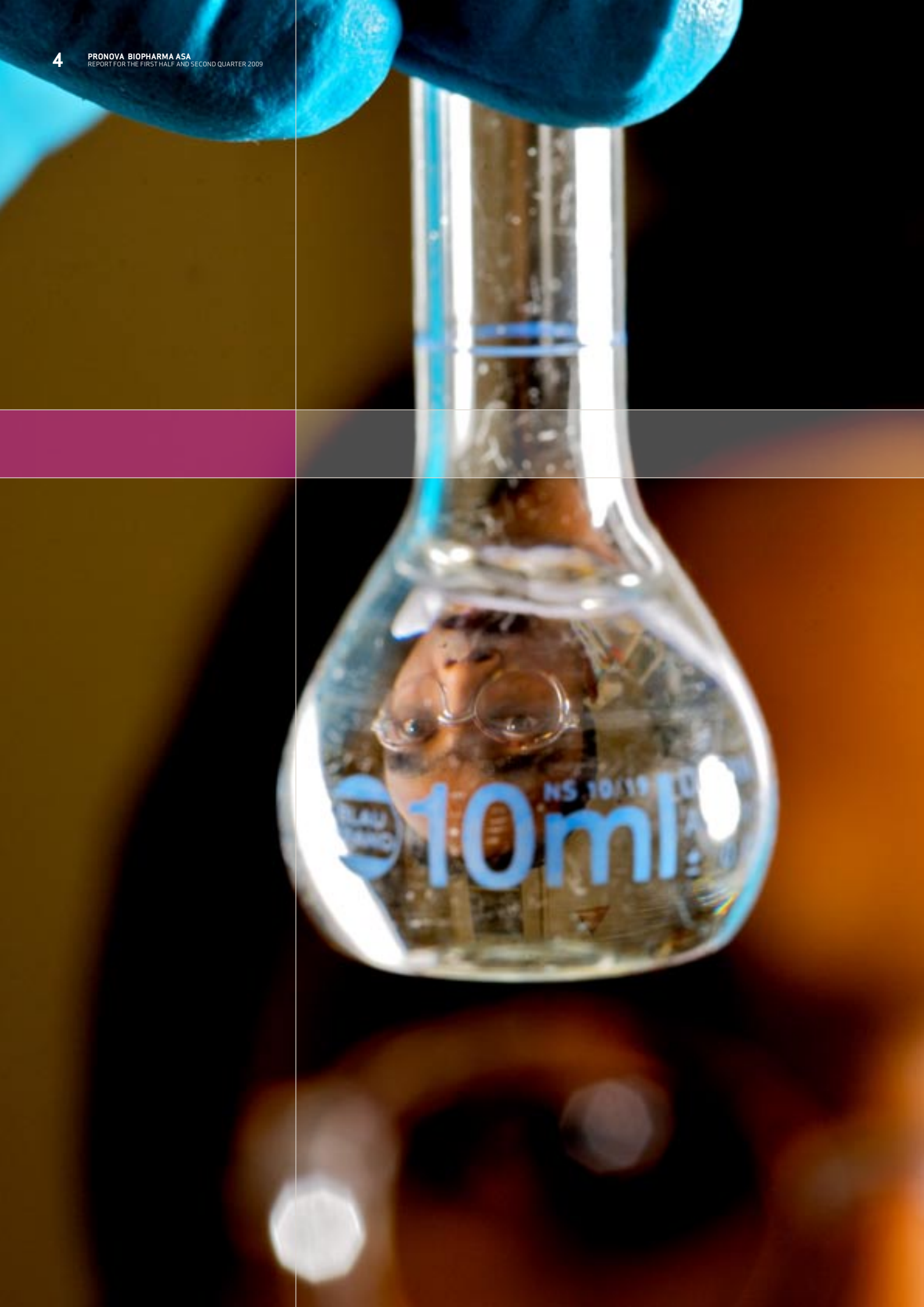
NOK million



PRODUCTION

Tonnes





The second quarter of 2009:

Maintaining operational momentum

Pronova BioPharma reports substantial growth in the second quarter, with revenues up 43.9 per cent and EBITDA up 46.4 per cent year-on-year. Global end-user sales also showed a strong increase of 39 per cent to USD 490 million (June YTD), driven by continued strong growth in the US market. Based on excellent performance in the second quarter, global sales reached blockbuster level with a global run-rate in June 2009 of approximately USD 1.2 billion (USD 735 million in June 2008). Process validation was successfully completed at the Kalundborg plant in end July, and preparations for the Good Manufacturing Practice (GMP) certification process have started.

The progress in Pronova BioPharma's second quarter results was mainly driven by continued strong production performance at the Sandefjord plant. Total production in the quarter amounted to 357 tonnes (315 tonnes), following good in-house production and in-sourcing of intermediate products. Shipments reached a record high volume of 395 tonnes (315 tonnes), significantly higher than the 294 tonnes shipped in the first quarter. This was a result of the additional volumes sent for capsulation in the first quarter and shipped in the second quarter. The group's gross margin for the second quarter was 72.3 per cent (79 per cent) and continues to be impacted by in-sourcing of intermediaries and higher cost of raw materials compared to the same quarter last year. The overall production performance in the second quarter gives confidence that the group is on track to achieve the full year target for 2009 of between 1 550 and 1 600 tonnes.

The new plant in Kalundborg is now completed. At the end of July 2009, the company had successfully produced three consecutive process validation batches, which concluded the important validation of all production processes involved in manufacturing the active pharmaceutical ingredient (API). The plant is now preparing for Good Manufacturing Practices (GMP) certification, which is expected to be achieved late in the third quarter. The GMP certification will be followed by EU regulatory filing early in the fourth quarter and

US FDA filing is expected before the end of the year. As previously communicated, the first commercial volumes are expected to be shipped from Kalundborg in the first quarter of 2010 and the estimated total investment of NOK 1 900 million remains unchanged.

Underlying end-user sales maintained momentum in the second quarter, with global end user sales (June YTD) of USD 490 million (USD 353 million). In the USA, Lovaza™ had 16.5 per cent share of all new prescriptions (NRx) in the non-statin dyslipidemic market (31 July 2009), compared to 15 per cent at the beginning of 2009 (Source: IMS). The market share in total prescriptions (TRx) grew to 15.2 per cent (31 July 2009) compared to 14 per cent at the beginning of the year. Market dynamics in the non-statin dyslipidemic markets changed in 2009, with a new entrant on the markets. Lovaza™ has been able to maintain the market-share in this competitive market, although the growth in market-share has stabilised in the quarter. The non-statin market showed 10 per cent growth year-on-year (TRx). The total number of Lovaza™ prescriptions in the second quarter increased by 38 per cent from the same period in 2008. Omacor® also continued its strong progress in all European markets, where end-user sales amounted to USD 148 million (June YTD) (USD 143 million) with an overall growth rate of 3.2 per cent from the same period last year. The corresponding volume growth

in API-sales of Omacor® was 21 per cent (Source: IMS)

Following the three Paragraph IV notification letters received in the first quarter, Pronova BioPharma Norge AS filed lawsuits in April against Teva Pharmaceuticals USA, Apotex Inc. and Par Pharmaceutical in the United States District Court for the District of Delaware asserting infringement of Pronova BioPharma's US Patents Nos. 5 502 077 and 5 656 667 relating to omega-3 acid ethyl ester compositions and methods of using omega-3 acid ethyl esters. The Scheduling Hearing took place on 11 August 2009.

Morten Jurs was appointed chief executive officer on 30 June to succeed Per-Oluf Olsen. Mr Jurs, aged 49, has been chief financial officer of Pronova BioPharma since 2006. He has comprehensive experience as CFO from Kitron ASA, Santech Micro Group ASA, Telenor Nextra AS, and Broadband Mobile ASA. Mr Jurs has also been CEO of Industrial Communication Group ASA. Synne H Røine has been appointed chief financial officer. Ms Røine previously held the position as the group's finance director.

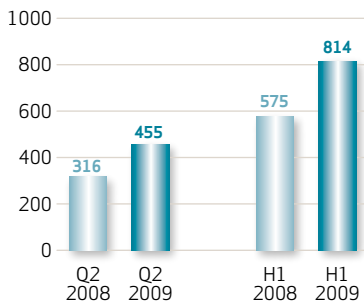
FINANCIAL REVIEW

Group income statement Revenues

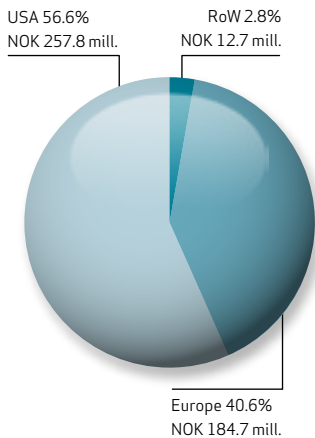
Total group revenues in the second quarter increased by 43.9 per cent from the corresponding quarter last year to NOK 455.2 million (NOK 316.3 million). Total

Revenues

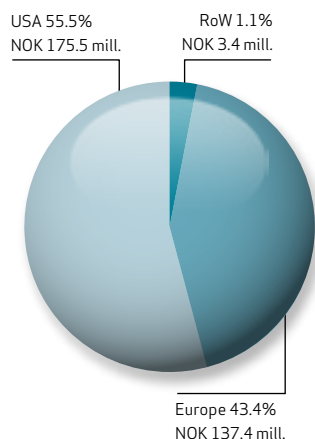
NOK million



Revenues split by market Q2 2009



Revenues split by market Q2 2008



revenues for the first half year increased by 41.5 per cent to NOK 813.8 million (NOK 575.2 million).

Sales to all Pronova BioPharma's partners remained strong, including sales to GlaxoSmithKline (GSK) in the USA. Sales to the USA represented 56.6 per cent of total group revenues in the second quarter (55.5 per cent) and 54.3 per cent of the group revenues in the first half (52.2 per cent). Sales to European partners represented 40.6 per cent of the second quarter revenues (43.4 per cent) and 42.3 per cent of the first half year's revenues (45.1 per cent). Sales to partners in the Rest of the World (RoW) represented 2.8 per cent in the quarter (1.1 per cent) and 3.4 per cent in the first half year (2.8 per cent).

The revenue increase in the second quarter was positively impacted by the high level of capsulated goods produced in the first quarter of 2009 and shipped in the second quarter, as previously communicated.

The increase in revenues from the first quarter of 2008 to the first quarter of 2009 was positively impacted by approximately NOK 30 million and NOK 45 million during the first six months due to strengthening of the US dollar and the Euro against the Norwegian krone during the period. The average recorded USD/NOK exchange rate was 6.0 for the half year.

Approximately 80 per cent of the US dollar exposure in 2009 and 60 per cent of the exposure in 2010 have been hedged at average exchange rates of around NOK 6 per dollar.

Gross margin

Gross margin for the quarter was 72.3 per cent (79 per cent) and 73.2 per cent for the first half year (79.3 per cent). As previously communicated, the gross margin in the second quarter was influenced by the planned in-sourcing of intermediate products and by the increased cost of raw materials.

Employee benefit expenses

Employee benefit expenses increased by NOK 5.1 million to NOK 55.8 million in the quarter (NOK 50.7 million) and came to

NOK 108.4 million for the first half year (NOK 94.7 million). The increase is a result of increased headcount due to higher activity level, salary rises and expenses of approximately NOK 2.5 million related to severance pay.

Other operating expenses

Other operating expenses increased by NOK 4.2 million to NOK 52.2 million in the quarter (NOK 48 million), as a result of increased activity level at the Sandefjord facility and increases in legal costs of approximately NOK 8 million (up by approximately NOK 7 million). The increase in operating expenses was offset by increased capitalisation in the Danish operation. Other operating expenses for the first half year came to NOK 102.4 million (NOK 88.7 million).

EBITDA

EBITDA for the quarter increased by 46.4 per cent from the same period last year, to NOK 221.1 million (NOK 151.1 million) and amounted to NOK 358.2 million for the first half year (NOK 272.7 million). This corresponds to an EBITDA margin of 48.6 per cent (47.8 per cent) for the quarter and 47.3 per cent for the half year (47.4 per cent). The EBITDA margin for the group's activities in Norway came to 50 per cent for the quarter (51.7 per cent) and 49.1 per cent for the first half year (50.6 per cent).

Production staffs in Denmark, who have been trained in Sandefjord, are preparing the plant for GMP certification and commercial production. As a result, the majority of operating expenses relating to the Kalundborg personnel in the second quarter have been capitalised rather than expensed.

Depreciation of property, plant, and equipment

Depreciation of property, plant, and equipment was NOK 21.3 million in the second quarter (NOK 20.3 million) and NOK 42.2 million in the first half year (NOK 38.3 million). The increase is related to the depreciation of investments in new production capacity in Sandefjord.

Amortisation of intangible assets

The amortisation charges relate to patents and trademarks, customer contracts and customer relations, all of which have finite lives. These amortisations amounted to NOK 22.5 million in the second quarter of 2009 (NOK 23.8 million) and NOK 44.9 million in the first half year (NOK 47.6 million).

Operating profit

The group's operating profit for the quarter increased by 65.8 per cent to NOK 177.3 million from the same period in 2008 (NOK 106.9 million). The operating profit for the first half year amounted to NOK 298.1 million (NOK 186.8 million). The growth in operating profit is a result of the growth in revenues and gross profit.

Net financial items

Net financial items were negative at NOK 2.8 million (positive NOK 3.2 million) for the quarter and negative at NOK 114.4 million for the first half (negative NOK 18.1 million). The group's net interest expenses in the second quarter were NOK 31.5 million (NOK 25.4 million). Borrowing costs relating to the Kalundborg plant have been capitalised and recognised as a part of the assets' costs. Capitalised borrowing costs in the quarter were NOK 22 million (NOK 11.9 million).

Changes in the fair value of items in the statement of financial position booked in foreign currencies and changes in fair value of other financial instruments are booked under financial items in the income statement. These changes result in unrealised financial gains and losses.

The Norwegian krone (NOK) weakened against the Danish krone (DKK) in the quarter. The unrealised changes in the fair value of the inter company borrowings between Pronova BioPharma Norge AS and Pronova BioPharma Danmark A/S consequently positively affected the financial items by NOK 25.6 million. The NOK has strengthened against the DKK since year end, and the unrealised changes in fair value of the inter company borrowings has negatively effected the financial items by NOK 76.3 million.

Profit before tax

The group's profit before tax amounted to NOK 174.5 million (NOK 110.1 million) for the quarter and NOK 183.7 million for the first half year (NOK 168.7 million).

Income tax expense

Calculated income tax expense was NOK 48.3 million (NOK 31.2 million) in the quarter and NOK 54.3 million for the first half year (NOK 46.3 million), which corresponds to effective tax rates of 27.7 per cent for the quarter (28.3 per cent) and 29.5 per cent for the first half year (27.5 per cent) for the group. The nominal tax rate for the period was 28 per cent in Norway and 25 per cent in Denmark.

Net profit

Net profit increased by 59.9 per cent to NOK 126.1 million in the second quarter 2009 from NOK 78.9 million in the same quarter of 2008. For the first half year, the net profit amounted to NOK 129.4 million (NOK 122.3 million).

Earnings per share

Earnings per share (basic and diluted) were NOK 0.42 (NOK 0.26) for the quarter and NOK 0.43 (NOK 0.41) for the first half year. Earnings per share adjusted for amortisation were NOK 0.49 (NOK 0.34) in the quarter and NOK 0.58 (NOK 0.56) in the first half year. The total number of shares outstanding at the end of June 2009 (basic and diluted) was 300.8 million.

Financial position and liquidity

The statement of financial position at 30 June showed total assets of NOK 5 137.1 million (NOK 3 756.7 million). Property, plant, and equipment amounted to NOK 2 982.2 million (NOK 1 376.5 million). The increase is mainly related to investments in the new plant in Kalundborg, Denmark. The group had total intangible assets excluding goodwill of NOK 748.4 million (NOK 832.4 million). Goodwill amounted to NOK 633.5 million. Inventory was NOK 366.6 million (NOK 391.3 million). The reduced inventory level was a result of a decrease of raw materials,

partially offset against an increase in finished goods.

Trade and other receivables amounted to NOK 205.3 million at the end of the second quarter (NOK 295.1 million). Trade and other receivables decreased as a result of strong focus on working capital management. Total shareholders' equity for the group was NOK 1 265.8 million (NOK 1 006.5 million) and represents an equity ratio of 24.6 per cent (26.8 per cent). Total borrowings at the end of June were NOK 2 628.7 million (NOK 1 667.7 million). Other financial liabilities amounted to NOK 158.3 million (NOK 5.2 million), and comprise the discounted value of the USD hedging programme and interest instruments. Total current and non-current liabilities were NOK 929.4 million and NOK 2 942 million (NOK 740.9 million and NOK 2 009.3 million), respectively.

Cash flow

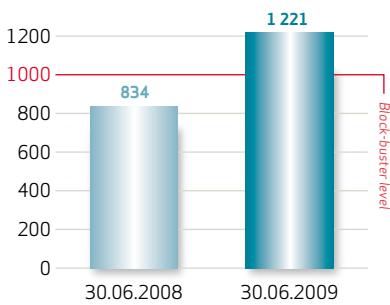
Cash flow from operating activities in the second quarter was NOK 281 million versus NOK 180.3 million in the same quarter last year. Cash flow from operating activities in the first six months was NOK 361.3 million versus NOK 36.3 million in the same period last year. The group's cash and cash equivalents at 30 June 2009 were NOK 186.5 million (NOK 116.6 million). Net working capital (defined as inventories plus trade and other receivables less trade payables and other liabilities) was NOK 80.7 million (NOK 247.6 million).

GEOGRAPHICAL REVIEW

Pronova BioPharma operates in three geographical segments: USA, Europe, and Rest of the World (RoW). Sales to the USA accounted for 56.6 per cent (55.5 per cent) of the group's total revenues in the second quarter and 54.3 per cent in the first half year (52.2 per cent), while sales to Europe represented 40.6 per cent (43.4 per cent) in the quarter and 42.3 per cent in the first half year (45.1 per cent). Rest of the World accounted for 2.8 per cent (1.1 per cent) in the quar-

Estimated run-rate at 30 June

USD million



ter and 3.4 per cent (2.8 per cent) in the first half year, up 271.5 per cent and 72.5 per cent respectively year-on-year.

**OPERATIONAL REVIEW
Kalundborg facility**

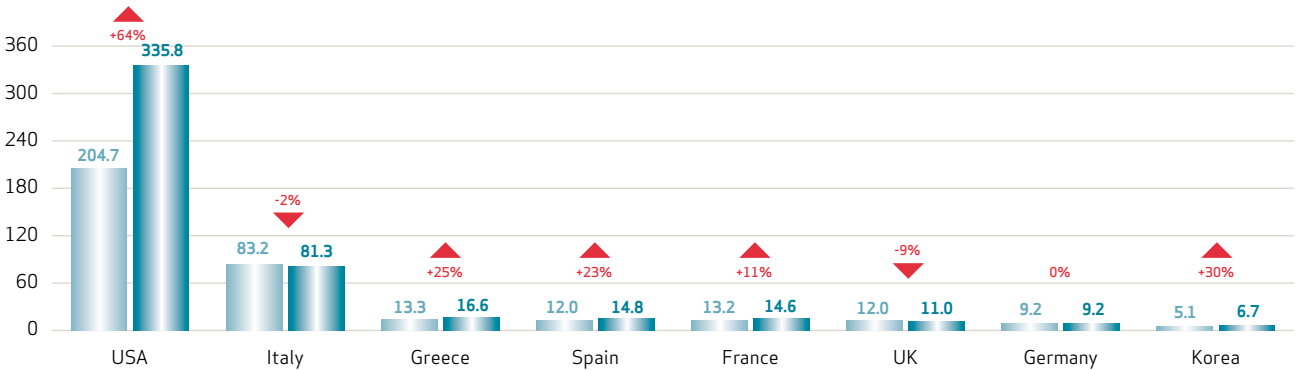
The completion of the new plant in Kalundborg continues to be on track and end July 2009, the company had successfully produced three consecutive process validation batches. The plant is being prepared for GMP certification, which is expected

to be achieved late in the third quarter of 2009. The GMP certification will be followed by EU regulatory filing early in the fourth quarter, while filing to the US FDA is expected to take place before the end of fourth quarter 2009. As previously communicated, the first commercial volumes are expected to be shipped from Kalundborg to the European market in the first quarter of 2010. The estimated total investment of NOK 1 900 million remains unchanged.

The new production plant is expected to produce above 800 tonnes in 2010, with

End-user sales by major markets at 30 June*

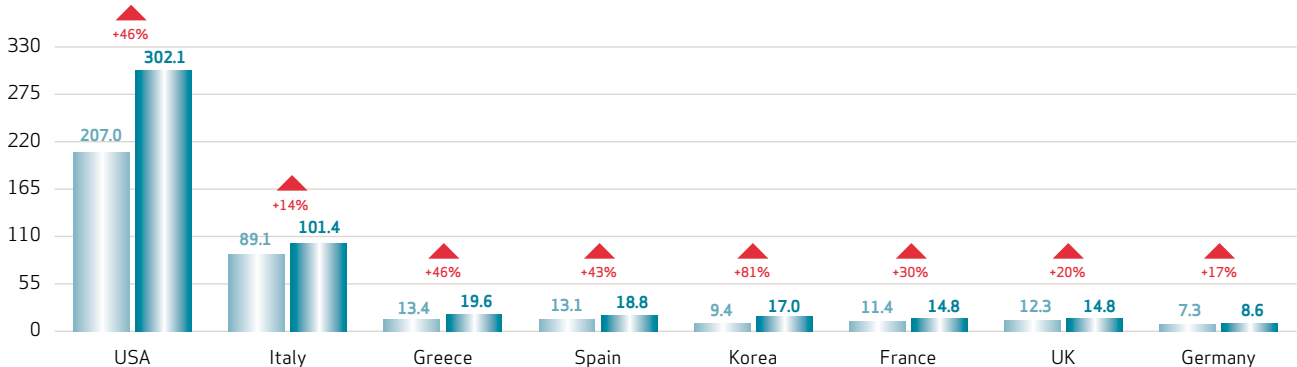
Amounts in USD million



* Source: IMS Health

End-user sales by major markets at 30 June*

Volume sold in tonnes



* Source: IMS Health

a gradual increase in capacity during the year. The design capacity of the plant is 1 200 tonnes. Following the completion of the process validation, the group will stop capitalising expenses and start depreciation of the plant.

Production

The group produced 357 tonnes in the quarter (315 tonnes), an increase of 13.5 per cent from the same period last year. A total volume of 725 tonnes (571 tonnes) was produced in the first half year, representing an increase of 27 per cent from the first half of 2008. The total volume shipped was 395 tonnes (315 tonnes), an increase of 25.4 per cent. 689 tonnes were shipped in the first half year (554 tonnes).

The increase in produced volumes was driven by a consistently strong production performance at the Sandefjord plant. In-sourcing of intermediate products also boosted output from the production facility, and will continue to do so during the rest of 2009. Continued in-sourcing of

intermediate products both from third parties and the Kalundborg plant will enable Pronova BioPharma to meet the expected partner demand. The high level of produced volume in the first half year reinforces the group's confidence in its ability to produce between 1 550 and 1 600 tonnes for the full year 2009.

As previously communicated, approximately 80 additional tonnes were sent for capsulation in the first quarter, with a median time lag of four months. Approximately half of these volumes were shipped in the second quarter of 2009.

Intellectual property status

Following the three Paragraph IV notification letters received in the first quarter, Pronova BioPharma Norge AS filed in April lawsuits against Teva Pharmaceuticals USA, Apotex Inc. and Par Pharmaceutical in the United States District Court for the District of Delaware asserting infringement of Pronova BioPharma's US Patents Nos. 5 502 077 and 5 656 667 relating to

omega-3 acid ethyl ester compositions and methods of using omega-3 acid ethyl esters. The Scheduling Hearing took place on 11 August 2009. Pronova BioPharma has full confidence in the protection afforded by its intellectual property portfolio for Lovaza™ and will vigorously defend and enforce its patents.

The nullity action against the Italian patent covering the company's API is still in process in the Court of Milan. The final hearing in this takes place at the end of October 2009.

Composition patents in Europe expire in August 2009 with the exception of France, which expires October 2010.

Research and development

The atrial fibrillation (OM8-Afib) trial is expected to include the remaining patients in the trial within the third quarter 2009. The trial is including approximately 550 paroxysmal or persistent symptomatic atrial fibrillation patients. The patients are split into two groups receiving either Lovaza 4g (+ loading dose 8g first seven days) or placebo. Primary endpoint recorded will be number of event free days from first dose of study drug to first recurrence. The study is expected to close late 2009.

The company is preparing for clinical trials on the alginate capsule developed by Pronova BioPharma and FMC Corporation. The pilot plant is expected to be operational and supplying clinical samples in first half of 2010, resulting in an expected regulatory filing late 2010.

The study report from the Italian GISSI group is expected to be completed in the third quarter of 2009. The report will provide a broad documentation and sub-group analysis of the heart failure (GISSI-HF) study reported in August 2008 and will form basis for the utilisation of the clinical data going forward.

The group's R&D initiatives on several PRB candidates (next generation omega-3 derived pharmaceuticals) have progressed well in the quarter. Pending the results of these screening tests, one or more PRB compounds will advance into clinical Phase I during 2010.

Geographical distribution of ownership at 30 June 2009

Country	Number of shares	Ownership %
Norway – Herkules I	150 450 336	50.0%
Norway – Other	40 178 799	13.4%
Other Nordic	11 450 573	3.8%
Europe (ex. Nordic/Norway)	62 549 050	20.8%
USA	35 774 798	11.9%
RoW	428 952	0.1%
Total	300 832 508	100.0%

Ownership by number of shares at 30 June 2009

Number of shares	Shareholders	% share capital
> 1 million	27	84.8%
100 000–1 million	103	12.2%
10 001–100 000	229	2.3%
1 001–10 000	823	0.6%
1–1 000	370	0.1%
Total	1 552	100.0%

20 largest shareholders at 30 June 2009

Shareholder	Number of shares	% of total	Account type	Country
1 Herkules private Equity(Jersey-i) L.p	124 683 630	41.4%	COMP	GBJ
2 Herkules private Equity(Jersey-i) L.p	25 766 706	8.6%	COMP	GBJ
3 JP Morgan Chase Bank	17 849 100	5.9%	NOM	GBR
4 Folketrygdfondet	13 638 634	4.5%	COMP	NOR
5 Morgan Stanley & Co. Inc.	9 899 875	3.3%	NOM	USA
6 Brown Brothers Harriman & Co.	8 373 435	2.8%	COMP	USA
7 Skandinaviska Enskilda Banken	7 732 485	2.6%	NOM	SWE
8 Fidelity Funds	6 599 021	2.2%	COMP	GBR
9 Verdipapirfond Odin Norge	3 953 431	1.3%	COMP	NOR
10 Verdipapirfond Odin Norden	3 592 900	1.2%	COMP	NOR
11 Brown Brothers Harriman & Co.	3 226 100	1.1%	COMP	USA
12 Brown Brothers Harriman & Co.	3 042 703	1.0%	COMP	USA
13 Svenska Handelsbanken Stockholm	2 819 000	0.9%	NOM	SWE
14 JP Morgan Chase Bank	2 660 068	0.9%	NOM	GBR
15 Odin Europa	2 613 437	0.9%	COMP	NOR
16 SEB Private Bank S.A. Luxembourg	2 406 035	0.8%	NOM	LUX
17 Citibank N.A. New York Branch	2 335 801	0.8%	NOM	USA
18 BGL SA	2 087 560	0.7%	NOM	LUX
19 State Street Bank and Trust Co.	1 809 955	0.6%	NOM	USA
20 Nykredit bank A/S	1 612 500	0.5%	NOM	DK
Top 20	246 702 376	82.0%		
Total all shareholders	300 832 508	100%		

Pronova BioPharma had 20 full time equivalent employees associated with the group's research and development (R&D) activities at the end of June. In the second quarter of 2009, R&D related expenses were NOK 11.7 million (NOK 11.5 million), which corresponds to 2.6 per cent of the group's revenues, in addition to substantial activities performed by the groups partners.

Share and shareholder information

In May, Herkules Capital has on behalf of Herkules Private Equity Fund Limited sold 25 269 931 shares in Pronova BioPharma ASA. Following the sale of shares, Herkules Private Equity Fund Limited holds a total of 150 450 336 shares in Pronova BioPharma ASA, equalling 50.01 per cent of the outstanding shares, a reduction from 58.4 per cent prior to the transaction.

Organisation

A total workforce of 152 (122) full-time employee equivalents was based in Sandefjord, 55 (50) were based at Lysaker, and 108 (5) were assigned to the operation in Denmark at the end of the quarter. The workforce at 30 June has increased to 315 from 177 at the same date last year. The majority of this increase was related to the recruitment of new employees in Kalundborg, combined with the general increase in the group's activity level.

Morten Jurs was appointed chief executive officer on 30 June to succeed Per-Oluf Olsen. Mr Jurs, aged 49, assumed his new role with effect from 1 July. Mr Jurs has been chief financial officer of Pronova BioPharma since 2006. He has comprehensive experience as CFO from Kitron ASA, Santech Micro Group ASA, Telenor Nextra AS, and Broadband Mobile ASA. Mr Jurs has also been CEO of Industrial Communi-

cation Group ASA. He holds an MBA from the University of Wyoming and has completed executive management courses at The Norwegian School of Economics and Business Administration.

Synne H Røine was appointed as Pronova BioPharma's chief financial officer with effect from 1 July. Ms Røine has served as the group's finance director for two years. She holds a M.Sc. in business and administration from Université des Sciences Sociales, in Toulouse, France.

Events after 30 June

Completion of the Kalundborg plant has been achieved ahead of schedule. At the end of July, three consecutive process validation batches had been successfully produced, completing the process validation of the plant. This represents an important milestone for the project.



RISK AND UNCERTAINTY

Pronova BioPharma's total risk exposure is analysed and evaluated in the group's annual report for 2008 and there has not been any significant change in the risk exposures in the first half of 2009. Pronova BioPharma sells to international partners in foreign currencies and is thereby exposed to risk in these currencies, particularly US dollars and Euros. Without active currency hedging, the group's revenues and results would be considerably affected by changes in the exchange rate with the Norwegian krone both immediately and in the medium term.

Note 27 in the annual report for 2008 provides details of related parties. During the first half of 2009, there have not been any changes or transactions that have significant impact on the group's financial position or results for the period.

OUTLOOK

The excellent production output from the Sandefjord plant, in addition to the successful process validation of the Kalundborg plant, gives the group confidence in reaching its full year production target of 1 550–1 600 tonnes. Continued in-sourcing from third parties will secure volumes to meet the strong end-user demand, and the strategic in-sourcing will continue in 2010.

Commercial production will start in Kalundborg late in the third quarter. The produced volumes will be released for sale subject to regulatory approval in the respective markets during 2010. The group expects consequently to build a finished goods inventory level of approximately 80–100 tonnes by year-end.

Partner demand is still anticipated to exceed production volumes in 2009, but this is expected to change as the

Kalundborg plant comes fully on stream. Expected demand in 2010 is estimated to be approximately 1 800–2 000 tonnes, depending on potential generic competition in the European market in 2010 and the developments in end-user sales.

The solid performance in the first half of 2009 provides an excellent basis for further progress.

Pronova BioPharma group Condensed consolidated income statement (unaudited)

(Amounts in NOK 1 000)	Note	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Total revenues		455 204	316 319	813 807	575 213	1 301 500
Change in inventories		(4 967)	(407)	27 832	(1 113)	44 812
Cost of materials		(121 090)	(66 139)	(245 649)	(118 008)	(340 339)
Employee benefits expense		(55 818)	(50 706)	(108 449)	(94 739)	(204 086)
Depreciation of property, plant and equipment and write downs		(21 328)	(20 347)	(42 157)	(38 307)	(76 160)
Amortisation of intangible assets	3	(22 452)	(23 799)	(44 903)	(47 596)	(95 290)
Other operating expenses		(52 214)	(47 990)	(102 374)	(88 654)	(198 880)
Total operating expenses		(277 869)	(209 389)	(515 700)	(388 417)	(869 943)
Operating profit		177 335	106 931	298 107	186 796	431 557
Net financial items	4	(2 842)	3 162	(114 440)	(18 135)	37 332
Profit before tax		174 492	110 093	183 667	168 661	468 889
Income tax expense	5	(48 343)	(31 210)	(54 251)	(46 336)	(124 756)
Net profit for the period		126 149	78 883	129 416	122 325	344 133
Earnings per share (in NOK) - basic and diluted	6	0.42	0.26	0.43	0.41	1.14
EBITDA		221 115	151 077	385 167	272 699	603 007
EBITDA margin		48.6 %	47.8 %	47.3 %	47.4 %	46.3 %

The notes are an integral part of these consolidated financial statements.
Due to rounding differences certain summations might not add up.

Pronova BioPharma group

Condensed consolidated statement of financial position (unaudited)

(Amounts in NOK 1 000)

30.06.2009 30.06.2008 31.12.2008

ASSETS
Non-current assets

Property, plant and equipment	2 982 177	1 376 480	2 564 590
Goodwill	633 453	633 453	633 453
Other intangible assets	748 355	832 399	792 080
Deferred tax assets	14 755	6 088	87 778
Other financial assets	-	38 501	-
Total non-current assets	4 378 740	2 886 921	4 077 901

Current assets

Inventories	366 604	391 308	394 625
Trade and other receivables	205 291	295 130	346 828
Other financial assets	-	66 741	-
Cash and cash equivalents	186 456	116 606	76 776
Total current assets	758 352	869 785	818 229
Total assets	5 137 092	3 756 706	4 896 130

EQUITY AND LIABILITIES
Equity

Share capital	6 017	6 017	6 017
Share premium reserve	579 665	579 665	579 665
Retained earnings	714 522	363 430	585 107
Reserves	(34 416)	57 378	(172 425)
Total equity	1 265 788	1 006 490	998 364

Non-current liabilities

Deferred tax liabilities	217 636	271 796	253 242
Borrowings	2 423 147	1 492 679	2 079 774
Deferred revenues	210 814	223 963	210 161
Retirement benefit obligation	21 710	20 886	23 114
Other financial liabilities	68 644	-	242 405
Total non-current liabilities	2 941 951	2 009 324	2 808 696

Current liabilities

Trade and other payables	388 491	361 519	425 785
Borrowings	205 571	175 000	206 089
Other financial liabilities	89 629	5 212	177 224
Current tax liabilities	123 538	102 363	119 341
Deferred revenues	19 376	19 463	23 489
Other liabilities	85 423	63 281	118 404
Provisions	17 326	14 054	18 738
Total current liabilities	929 353	740 892	1 089 070
Total liabilities	3 871 304	2 750 216	3 897 766
Total equity and liabilities	5 137 092	3 756 706	4 896 130

The notes are an integral part of these condensed consolidated financial statements.
 Due to rounding differences certain summations might not add up.

Pronova BioPharma group

Condensed consolidated statement of comprehensive income (unaudited)

(Amounts in NOK 1 000)	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Net profit for the period	126 149	78 883	129 416	122 325	344 133
Other comprehensive income					
Exchange differences arising on translation of foreign operations	6 792	1 962	(49 767)	1 962	87 244
Cash flow hedges	111 966	(3 157)	260 799	39 844	(397 774)
Income tax relating to cash flow hedges	(31 351)	884	(73 024)	(11 156)	111 377
Other comprehensive income for the period (net of tax)	87 407	(311)	138 008	30 650	(199 153)
Total comprehensive income for the period	213 556	78 572	267 424	152 975	144 980

The notes are an integral part of these condensed consolidated financial statements.
Due to rounding differences certain summations might not add up.

Pronova BioPharma group

Consolidated statement of changes in equity (unaudited)

(Amounts in NOK 1 000)	Share capital	Share premium	Retained earnings	Reserves	Total equity
Balance at 1 January 2009	6 017	579 665	585 107	(172 425)	998 364
Total comprehensive income 1.1 - 30.06	-	-	129 416	138 008	267 424
Balance at 30 June 2009	6 017	579 665	714 523	(34 417)	1 265 788
Balance at 1 January 2008	6 017	579 665	241 105	26 728	853 515
Total comprehensive income 1.1 - 30.06	-	-	122 325	30 650	152 975
Balance at 30 June 2008	6 017	579 665	363 430	57 378	1 006 490
Balance at 1 January 2008	6 017	579 665	241 105	26 728	853 515
Total comprehensive income 1.1 - 31.12	-	-	344 134	(199 153)	144 981
Loss on sales of treasury shares	-	-	(132)	-	(132)
Balance at 31 December 2008	6 017	579 665	585 107	(172 425)	998 364

The notes are an integral part of these condensed consolidated financial statements.
Due to rounding differences certain summations might not add up.

Pronova BioPharma group

Consolidated cash flow statement (unaudited)

(Amounts in NOK 1 000)	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Cash flow from operating activities					
Profit before tax	174 492	110 093	183 667	168 661	468 889
Unrealised group internal currency loss(+)/gains(-)	(25 633)	-	76 243	-	(208 328)
Taxes paid in the period	(41 894)	(23 770)	(83 167)	(47 060)	(81 108)
Depreciation and amortisation and write downs	43 780	44 146	87 060	85 903	171 450
Loss on disposal of property plant and equipment	-	-	-	-	971
Expensed borrowing costs	392	-	785	-	2 317
Pension costs, without cash effect	(3 172)	826	(1 404)	(2 643)	(415)
Currency effects	16 671	1 401	23 018	(969)	(26 308)
Changes in inventories	(5 191)	(28 703)	28 020	(233 988)	(237 305)
Changes in trade receivables	125 735	(48 866)	141 537	(43 893)	(120 892)
Changes in trade payables	25 304	77 567	(60 753)	123 233	100 575
Changes in other current assets/liabilities	(29 467)	47 585	(33 718)	(12 941)	189 676
Net cash from operating activities	281 019	180 279	361 288	36 303	259 522
Cash flow from investing activities					
Payments for property, plant and equipment	(279 643)	(310 996)	(595 830)	(559 938)	(1 371 239)
Net cash from investing activities	(279 643)	(310 996)	(595 830)	(559 938)	(1 371 239)
Cash flow from financing activities					
Proceeds from new long-term borrowings	250 000	165 515	450 000	430 783	1 050 000
Repayment of long term debt	(102 741)	(75 000)	(102 741)	(75 000)	(150 000)
Net payment relating to treasury shares	-	-	-	-	(132)
Net cash from financing activities	147 259	90 515	347 259	355 783	899 868
Effect of currency translation of bank deposits, cash and cash equivalents	468	-	(3 037)	-	4 167
Net change in bank deposits, cash and cash equivalents	149 103	(40 202)	109 680	(167 852)	(211 849)
Bank deposits, cash and cash equivalents at beginning of period	37 353	156 808	76 776	284 458	284 458
Bank deposits, cash and cash equivalents at end of period	186 456	116 606	186 456	116 606	76 776

The notes are an integral part of these condensed consolidated financial statements.
 Due to rounding differences certain summations might not add up.

Pronova BioPharma group Selected notes to the accounts

Note 1 Basis of preparation

The accounting policies applied by the group in these condensed consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements as at and for the year ended 31 December 2008, except as follows:

- ➔ The format of the condensed consolidated interim financial statements has been revised in line with the amendments to IAS 34, Interim Financial Reporting. IAS 34 has been amended following the revision of IAS 1, Presentation of Financial Statements.
- ➔ The implementation of IFRS 8, Operating segments has not made any changes to the financial reporting, as the group only operates in one segment.
- ➔ The revised IFRS 3, the amended IAS 27 and IFRIC 12 have been endorsed by the EU in 2009. The updated standards and the interpretation will be adopted with effect for the financial year ended 31 December 2010.
- ➔ IFRIC 15 and IFRIC 16 were endorsed by the EU in June 2009. The adoption of these interpretations has not led to changes in the group's accounting policies.

IAS 1 and IFRS 8 are disclosure standards and have no other impact on the measurement or recognition of items included in the condensed interim financial statements and accordingly the adoption thereof has no effect on net income or equity.

Note 2 Revenues and expenses by geography

REVENUES BY GEOGRAPHICAL MARKET

(Amounts in NOK 1000)	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Europe	184 720	137 405	344 267	259 389	545 137
USA	257 802	175 500	442 205	299 974	729 989
RoW	12 682	3 413	27 335	15 850	26 374
Total	455 204	316 319	813 807	575 213	1 301 500

INCOME STATEMENT BY GEOGRAPHICAL OPERATING UNIT

(Amounts in NOK 1 000)	Q2 2009				Q2 2008			
	Norway ¹	Denmark ²	Eliminations	Total	Norway ¹	Denmark ²	Eliminations	Total
Total revenues	455 204	-	-	455 204	316 319	-	-	316 319
Gross profit	329 146	-	-	329 146	249 773	-	-	249 773
Employee benefits expenses	(51 465)	(4 353)	-	(55 818)	(42 918)	(7 788)	-	(50 706)
Other operating expenses	(50 004)	(2 210)	-	(52 214)	(43 219)	(4 771)	-	(47 990)
EBITDA	227 678	(6 563)	-	221 115	163 635	(12 559)	-	151 077
EBITDA margin	50.0 %	-	-	48.6 %	51.7 %	-	-	47.8 %
Net financial items	(49 893)	25 077	21 973	(2 842)	(8 698)	(8)	11 868	3 162
Profit (loss) before tax	135 372	17 148	21 973	174 492	110 792	(12 567)	11 868	110 092

INCOME STATEMENT BY GEOGRAPHICAL OPERATING UNIT

(Amounts in NOK 1 000)	H1 2009				H1 2008			
	Norway ¹	Denmark ²	Eliminations	Total	Norway ¹	Denmark ²	Eliminations	Total
Total revenues	813 807	-	-	813 807	575 213	-	-	575 213
Gross profit	595 990	-	-	595 990	456 092	-	-	456 092
Employee benefits expenses	(98 562)	(9 887)	-	(108 449)	(84 629)	(10 110)	-	(94 739)
Other operating expenses	(98 124)	(4 250)	-	(102 374)	(80 424)	(8 230)	-	(88 654)
EBITDA	399 304	(14 137)	-	385 167	291 039	(18 340)	-	272 699
EBITDA margin	49,1 %	-	-	47,3 %	50,6 %	-	-	47,4 %
Net financial items	(79 070)	(77 282)	41 912	(114 440)	(18 127)	(8)	19 575	(18 135)
Profit (loss) before tax	235 915	(94 160)	41 912	183 667	187 009	(18 348)	19 575	168 661

¹⁾ Pronova BioPharma ASA and Pronova BioPharma Norge AS

²⁾ Pronova BioPharma Danmark A/S

Note 3 Amortisation profile of intangible assets

Pronova BioPharma ASA purchased the subsidiary Pronova BioPharma Norge AS (formerly Pronova Biocare AS) for a net excess purchase price of NOK 1 407.9 million on 10 May 2006. Through a purchase price allocation, as required by IFRS 3, identifiable intangible assets have been recognised apart from goodwill. Of the excess purchase price, NOK 1 121.9 million was allocated to identifiable intangible assets at the time of acquisition; whereas the remaining carrying amount as at 30 June 2009 was NOK 731.4 million, NOK 390.5 million has thus been amortised since the acquisition of the company, as the acquired intangible assets have finite useful lives. The amortisation charge for intangible assets acquired in this business combination was NOK 94.4 million in 2008.

Amortisation profile of intangible assets

(Amounts in NOK 1000)	Customer relations	Customer contracts	Patents	Total
2009	27 763	32 834	27 552	88 149
2010	27 360	32 650	23 974	83 984
2011	25 101	30 195	21 976	77 272

The residual value, useful life and the amortisation method applied are subject to review on an annual basis and, if expectations differ from the previous estimates or there have been a significant change in the expected pattern of consumption of the future economic benefits embodied in the intangible assets, the estimates or method will be changed to reflect the changed estimates or pattern.

Note 4 Financial items

Net financial items were negative NOK 2.8 million (NOK 3.2 million) for the quarter and negative NOK 114.4 million for the first half year. The group's net interest expenses in the second quarter were NOK 40.8 million and NOK 73.3 million in the first six months. Borrowing costs relating to the Kalundborg plant have been capitalised and recognised as a part of the assets' cost. Capitalised borrowing costs in the quarter were NOK 22.0 million (NOK 11.9 million), for the first half year the capitalisation amounted to NOK 41.9 million (NOK 19.6 million). Changes in the fair value of balance items booked in foreign currencies and changes in fair value of other financial instruments are booked under financial items in the income statement. These changes result in unrealised financial gains and losses. During the quarter, the Norwegian krone weakened compared to the Danish krone. As a consequence, unrealized changes of the fair value of the inter company loan between Pronova BioPharma Norge AS and Pronova BioPharma Danmark A/S negatively affected the financial items with NOK 25.5 million. In the first half year the NOK has strengthened compared to the DKK and the effect of the unrealised internal currency loss has been NOK 76.2 million.

Note 5 Taxes

Calculated income tax expense was NOK 48.3 million (NOK 31.2 million) in the quarter and NOK 54.3 million for the first half year (NOK 46.3 million), which corresponds to effective tax rates of 27.7 per cent for the quarter (28.3 per cent) and 29.5 per cent for the first half (27.5 per cent) for the group. The effective tax rate for the period was 28 per cent in Norway and 25 per cent in Denmark.

Note 6 Earnings per share

(Amounts in NOK 1 000)	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Net profit for the period	126 149	78 882	129 416	122 325	344 133
Average number of ordinary shares outstanding (basic)	300 832 508	300 832 508	300 832 508	300 832 508	300 832 508
Basic and diluted profit per share (NOK)	0.42	0.26	0.43	0.41	1.14

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed sets of consolidated financial statements as at 30 June 2009 and for the six month period 1 January to 30 June 2009 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the group's assets, liabilities, financial position and the result for the period viewed in their entirety, and that the management report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, and any significant related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Lysaker, 13 August 2009

The board of directors and chief executive officer
Pronova BioPharma ASA,


Gert W. Munthe
Chair


Jo Lunder
Board member



Siri Furst
Board member


Jo Klaveness
Board member


Rikke Tobiasson Reinemo
Board member


Charlotte Berg Svendsen
Employee representative


Sverre Sandbø
Employee representative


Morten Jurs
President and CEO

www.pronova.com

Addresses

Pronova BioPharma ASA
Pronova BioPharma Norge AS
P O Box 420
NO-1327 Lysaker
Norway

Office address:
Vollsveien 6, Lysaker

Tel: +47 22 53 48 50
Fax: +47 22 53 48 51
E-mail: pronova@pronova.com

Pronova BioPharma Norge AS (plant)
P O Box 2109
NO-3202 Sandefjord
Norway

Office address:
Framnesveien 41, Sandefjord

Tel: +47 33 44 68 00
Fax: +47 33 44 68 01

Pronova BioPharma Danmark AS (new plant)
P O Box 64
DK-4400 Kalundborg
Denmark

Office address:
Juelsmindevej 5, Kalundborg

Tel: +45 72 11 12 71

Advisory services:
MonsenHøjna AS

Design/layout:
Haugvar Communications & Design

Photo:
Hugo Lande