Q3 2008

PRONOVA BIOPHARMA

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.

Q3 2008 – Operating highlights

(Figures in brackets = Q3 2007 unless other specified)

- 342 tonnes shipped (246 tonnes) and 321 tonnes produced (262 tonnes) in the quarter
- Both primary endpoints were met in the 7 000 patient GISSI-Heart failure trial, demonstrating that Omacor® reduced mortality and morbidity in patients with congestive heart failure (CHF)
- 2008 production volume estimated to exceed 1 200 tonnes
- Production capacity in 2009 estimated to be 1 400–1 500 tonnes through in-sourcing of intermediaries
- Kalundborg project remains on time and on budget with all main equipment delivered and installed
- Formal appeal filed with District Court of Rome, Italy, following the rejection of a preliminary injunction against Chiesi Farmaceutici SpA
- Continued growth in global end-user sales for Omacor/Lovaza®, up 56 per cent to USD 482.1 million year to date (31 August), with an estimated annual run-rate* of USD 741 million (31 August 2007: USD 476 million)
- Strong growth in USA end-user sales, up 63 per cent to USD 281.7 million year to date (31 August) , with an annual run rate* of USD 479 million
- Continued strong promotion in the USA by GlaxoSmithKline plc (GSK) made Omacor/Lovaza one of GSK's fastest-growing products in the quarter

** Source IMS*

Q3 2008 – Financial highlights

(Figures in brackets = Q3 2007 unless other specified)

- Revenues up 41 per cent to NOK 363.3 million (NOK 257.6 million), underlying revenues (at constant currency) up 42.4 per cent
- EBITDA up 30.6 per cent to NOK 179.1 million (NOK 137.2 million), reflecting higher shipped volumes and higher operating costs
- EBITDA margin at 49.3 per cent (53.2 per cent), impacted by increased operating expenses at Kalundborg plant and increased insourcing of intermediaries
- Gross margin of 75.7 per cent (79.4 per cent) influenced by active use of in-sourced intermediaries and increased cost of raw materials

Key financial figures

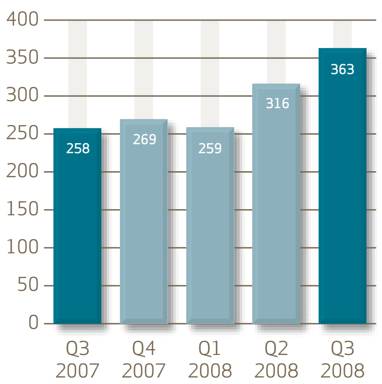
Income statement		Q3 2008	Q3 2007	YTD 2008	YTD 2007	FY 2007
Revenues and other income	NOK million	363.3	257.6	938.5	745.0	1014.4
Gross margin	Per cent	75.7	79.4	77.9	79.2	80.1
EBITDA	NOK million	179.1	137.2	451.8	380.9	503.0
EBITDA margin	Per cent	49.3	53.2	48.1	51.1	49.6
Profit before tax	NOK million	89.4	42.2	258.0	164.1	202.0
Net profit	NOK million	63.8	30.2	186.1	117.7	143.4
EPS basic and diluted	NOK	0.21	0.08	0.62	0.37	0.45
EPS adjusted[3]	NOK	0.29	0.22	0.86	0.86	1.07

1) *EBITDA is defined as profit for the accounting period before financial income and financial expense, income tax expense and depreciation and amortization. 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.*

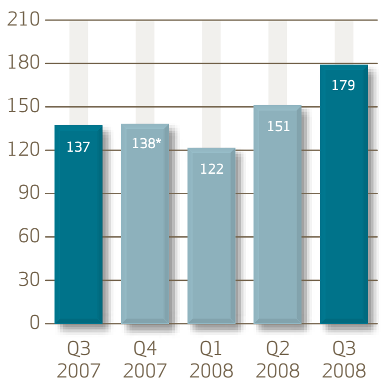
2) *EBITDA margin is defined as EBITDA for a particular period divided by revenues for that period.*

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

Revenue and other income
NOK million

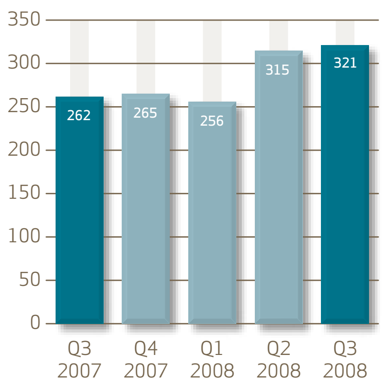


EBITDA
NOK million



** Excl. IPO bonus*

Production volume
Tonnes



The third quarter of 2008:

Continued strong growth

Pronova BioPharma posted strong third quarter results, driven by robust end-user demand and consistent performance at the Sandefjord plant. In-sourcing of intermediaries facilitate the increase of the production forecast for 2009 to 1 400–1 500 tonnes. Positive results for the GISSI-heart failure trial were published at the European Society of Cardiology in August. Both primary endpoints were met.

Shipments increased substantially in the third quarter, which translated into a revenue increase of 41 per cent quarter on quarter, with EBITDA up 30.6 per cent. Overall strong performance was also seen in global end-user sales, which were up 56 per cent to USD 482.1 million (August YTD), following further increased worldwide demand driven in particular by market share growth in the USA.

In August 2008 the group announced that it has entered into a sourcing agreement with an undisclosed third party manufacturer for the supply of high quality intermediaries for the manufacture of its Active Pharmaceutical Ingredients (APIs). As a result, the group has revised the 2009 API production forecast to 1 400–1 500 tonnes from the previously communicated level of 1 300 tonnes. The increased volumes are expected to be realised in the second half of 2009.

Positive results from the 7 000 patient Phase III GISSI-heart failure trial were published in August, demonstrating that Omacor reduced mortality and morbidity in patients with congestive heart failure (CHF). Both primary endpoints were met. In the study, which was published in The Lancet, the authors observed that the advantage of Omacor documented for both primary endpoints suggested that it has positive effect on the mechanisms leading to the progression of heart failure.

Total production of API was 321 tonnes (262 tonnes) in the third quarter, a 22.7 per cent increase from the same quarter last year. The increase was driven by consistent production performance following the upgrading of certain critical equipment earlier this year and a continuous focus on process optimisation. In addition, in-sourcing of intermediaries increased the output from the company's production facility in Sandefjord as part of an ongoing strategic plan to meet the expected increased end-user demand for Omacor/Lovaza. The high level of shipments had a positive impact on the group's revenues. The group's gross margin for the third quarter was 75.7 per cent (79.4 per cent), and shipped volumes in the quarter reached 342 tonnes (246 tonnes). Based on the increased in-sourcing and optimised production processes, the full year production volume for 2008 is expected to exceed 1 200 tonnes.

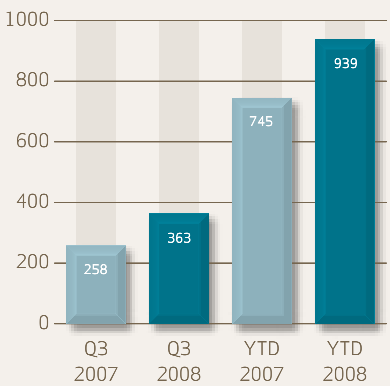
The growth in underlying end-user sales continued in the third quarter. In the USA, Lovaza achieved a 16.1 per cent share of new prescriptions (NRx) in the non-statin dyslipidemic market (as of mid October 2008) compared to 11.5 per cent market share at the beginning of the year (Source: IMS). The market share in total prescriptions (TRx) grew to 13.9 per cent (as of mid October 2008) compared to 9.7 per cent at the beginning of the year. Growth in the USA continues to be driven by GSK's 1 500 sales representatives enforcing the active sales and marketing programmes related to Lovaza, with special focus on Lovaza's efficacy and safety profile. Omacor also continued its strong progress in all European markets, where end-user sales amounted to USD 193.2 million (August YTD) with an overall growth rate of 43 per cent from the same period last year (Source: IMS).

Construction of the new manufacturing plant in Kalundborg is progressing as planned, with all main equipment delivered and installed. At 30 September 2008, a total of 83 employees has been employed in Denmark. Approximately 95 per cent of the total procurement costs have been committed at the end of September. The group remains on track to deliver the first commercial shipment of Pronova BioPharma's API from this plant in the first quarter of 2010.

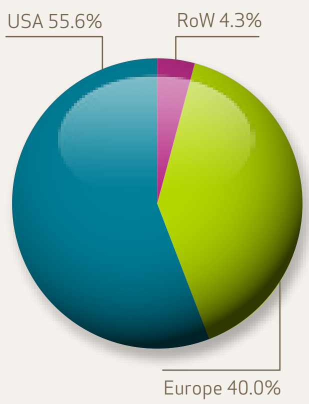
Results from the OM9L study (Lovaza in concomitant treatment with atorvastatin) is scheduled for presentation at the American Heart Association (AHA) meeting on 11 November 2008. OM9L is a randomized, double-blind, placebo-controlled study designed to assess the efficacy and safety of concomitant Lovaza atorvastatin therapy in hypertriglyceridemic subjects. The primary endpoint is change in non-HDL from baseline, and the secondary endpoint is the effect of the combined treatment on different lipid markers (such as Total-C, TG, VLDL, LDL and HDL).

In addition, the company is preparing for clinical trials with the alginate capsule in 2009/2010, and the development programme for the pilot plant is progressing according to plan.

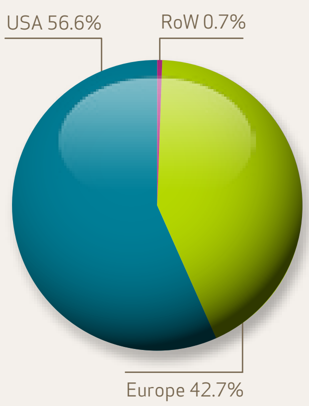
Operating revenues
Amounts in NOK million



Revenues split by market Q3 2007



Revenues split by market Q3 2008



FINANCIAL REVIEW AND PRELIMINARY ACCOUNTS FOR Q3 AND YTD

Group income statement

Revenues

Total group revenues in the third quarter were NOK 363.3 million (NOK 257.6 million), up 41 per cent from the same quarter last year, driven by increased production capacity. Total revenues YTD increased by 26 per cent, from NOK 745 million in 2007 to 938.5 million in 2008. The revenue growth compared to the previous quarter was driven by increased shipments combined with increased production. Sales in USD were recorded at an average exchange rate of NOK 5.70 per USD (NOK 5.77).

Sales to all Pronova BioPharma's marketing partners remained strong, and demand continues to exceed the current production capacity. Sales to GlaxoSmithKline (GSK) in the USA represented 56.6 per cent of total group revenues in the third quarter (55.6 per cent) and 53.9 per cent YTD (55.9 per cent). Sales to partners in Europe represented 42.7 per cent of the revenues in the quarter (40 per cent) and 44.2 per cent YTD (41.8 per cent). Sales to partners in the rest of the world (RoW) represented 0.7 per cent in the quarter (4.3 per cent) and 1.9 per cent YTD (2.2 per cent).

Hedging of the net USD exposure in the fourth quarter is estimated to be 80 per cent, at an average exchange rate of NOK 5.71 per USD. Some 64 per cent of the total net exposure in 2009 and around 42 per cent of the net exposure in 2010 have also been hedged, at an average exchange rate of around NOK 5.71 per USD and NOK 5.81 accordingly.

Gross margin

Gross profit increased to a record level of NOK 275 million compared to NOK 204.4 million in third quarter 2007. Gross margin was 75.7 per cent (79.4 per cent) for the quarter and 77.9 per cent (79.2 per cent) YTD. The gross margin for the quarter was negatively impacted by the planned in-sourcing of intermediaries and by increased cost of raw materials.

Employee benefits expenses

Employee benefit expenses increased by NOK 10.8 million to NOK 45.1 million for the third quarter 2008 (NOK 34.3 million), while the employee benefit expenses for the first nine months increased by NOK 38.2 million from the same period last year to NOK 139.9 million.

The increase in employee benefit expenses is mainly a result of the planned employee ramp-up in Kalundborg and general salary rises.

EBITDA

EBITDA for the third quarter grew by 30.6 per cent compared to the same quarter last year, and amounted to NOK 179.1 million (NOK 137.2 million) and NOK 451.8 million for the first nine months (NOK 380.9 million), representing an EBITDA margin of 49.3 per cent in the quarter (53.2 per cent) and 48.1 per cent YTD (51.1 per cent).

The reduced EBITDA margin from the same quarter last year is mainly due to increased operating expenses related to the ramp-up in Kalundborg, and to a lesser extent increased level of operational activities in the group. The EBITDA margin for the group's activities in Norway came to 54.8 per cent for the quarter (54.5 per cent) and 52.2 per cent YTD (52.4 per cent).

Depreciation of property, plant, and equipment

Depreciation of property, plant and equipment came to NOK 19 million in the third quarter (NOK 16.4 million) million and NOK 57.3 million YTD (NOK 43.1 million). The increase is mainly 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. The amortisation plans for identifiable intangible assets are based on the projected future cash flow identified at the time of the business combination. These amortisations amounted to NOK 23.8 million in the third quarter (NOK 39 million), and NOK 71.4 million YTD (NOK 118.1 million). Based on updated information, the projected future cash flows identified at the time of the business combination have been revised. The effects on the third quarter and third quarter YTD are a reduction of NOK 15.3 million and NOK 45.8 million respectively.

Operating profit

The group's operating profit for the quarter increased by 66.7 per cent to NOK 136.3 million from the same period in 2007 (NOK 81.8 million). The operating profit for the first nine months amounted to NOK 323.1 million compared to NOK 219.7 million for the same period in 2007. The growth in operating profit is a result of the growth in revenues and gross profit. Lower amortisation of intangible assets are offset by higher operating expenses.

Net financial items

Net financial items for the third quarter of 2008 were negative at NOK 47 million (negative at NOK 39.6 million) and negative at NOK 65.1 million YTD (negative at NOK 55.6 million). The group had interest expenses of NOK 36.4 million in the quarter, of which NOK 10.3 million relates to financing of the Kalundborg plant and was therefore capitalised. In addition, the group had a negative change in the value of interest derivatives of NOK 17.1 million and NOK 3.5 million in foreign exchange rate loss.

The group has applied hedge accounting for foreign exchange forward contracts as set out in IAS 39 for cash flow hedges in the period. The group's foreign exchange forward contracts are entered into in accordance with the group's currency risk policy, which is to hedge a certain proportion of the net exposure arising from sales and purchases in US dollar. Hedge accounting was introduced and applied from the third quarter of 2007.

Profit before tax

The group's profit before tax amounted to NOK 89.4 million (NOK 42.2 million) in the third quarter. Accumulated profit before tax YTD was NOK 258 million as compared to NOK 164.1 million for the same period last year.

Income tax expense

Calculated income tax expense was NOK 25.6 million (NOK 12.1 million) in the quarter and NOK 71.9 million YTD (NOK 46.4 million), which corresponds to effective tax rates of 28.7 per cent for the quarter (28.6 per cent) and 27.9 per cent YTD (28.3 per cent). The income tax expense reported comprises taxes currently payable and the deferred tax charges/benefits for the period presented. Pronova BioPharma Danmark A/S had an accumulated tax loss carry forward of NOK 46 million giving rise to deferred tax asset of NOK 11.5 million, of which NOK 1.4 million refers to loss in 2007. The deferred tax asset is measured at a tax rate of 25 per cent. The deferred tax asset is capitalised in the consolidated balance sheet.

Net profit

Net profit for the quarter increased by 111.4 per cent to NOK 63.8 million (NOK 30.2 million) Net profit YTD 2008 increased to NOK 186.1 million from NOK 117.7 million for the same period in 2007.

Earnings per share

Earnings per share (basic and diluted) were NOK 0.21 (NOK 0.08) for the third quarter of 2008 and adjusted for amortisation the earning per share were NOK 0.29 (NOK 0.22). Earnings per share YTD were NOK 0.62 (NOK 0.37), and adjusted for amortisation the corresponding figure came to NOK 0.86 (NOK 0.86). The total number of shares outstanding at the end of September 2008 (basic and diluted) is 300.8 million.

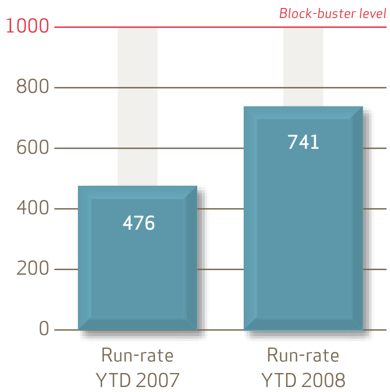
Balance sheet and liquidity

Total assets at 30 September were NOK 4 184.5 million (NOK 2 785.2 million). Property, plant, and equipment amounted to NOK 1 759.2 million (NOK 642.6 million). The increase is mainly related to the investments in the new plant in Kalundborg, Denmark (NOK 1 105.2 million). The group's total intangible assets excluding goodwill at 30 September came to NOK 809.8 million (NOK 916.1 million). Goodwill amounted to NOK 633.5 million, in line with the amount reported at 30 September 2007. Inventory was NOK 392.5 million (NOK 101.2 million). The increase from the same date last year reflects increased production output, in addition to establishing a raw material inventory level to cover 18–24 months of future utilisation. Trade and other receivables amounted to NOK 422 million at the end of the third quarter (NOK 242.1 million). The increase in trade receivables reflects a higher activity level and a high shipment level late in the quarter, resulting in accounts receivables of NOK 285.2 million (NOK 189.2 million). Other receivables amounted to NOK 136.8 million (NOK 52.7 million) impacted by VAT receivables in connection with investments in the new production plant in Kalundborg. Total shareholders' equity for the group at 30 September was NOK 981 million (NOK 740.6 million) and represents an equity ratio of 23.4 per cent (26.6 per cent). Total interest-bearing liabilities at 30 September 2008 were NOK 2 085.7 million (NOK 1 328.9 million). The increase is related to the funding of the Kalundborg project. The project has a credit facility of NOK 1.5 billion of which NOK 836 million was utilised at 30 September. Other long-term financial liabilities amounted to NOK 50.7 million by the end of September 2008, which is the discounted value of the USD hedging program maturing beyond twelve months. Total non-current liabilities were NOK 2 426.6 million (NOK 1 782.6 million).

Cash flow

The group's cash and cash equivalents at the end of third quarter 2008 were NOK 137.4 million (NOK 187.6 million). Net working capital (defined as inventories

End user sales at 31 August
Amounts in USD million



plus trade and other receivables less trade payables and other liabilities) was NOK 394.4 million (NOK 247.1 million). The increase in working capital is related to increase in account receivables because a substantial part of the revenue was invoiced late in the quarter and to a lesser extent the establishment of a higher inventory of raw materials. Other trade receivables increased due to VAT receivables towards the Danish authorities of approximately NOK 100 million which was reimbursed in the first half of October 2008. Cash flow from operating activities for the third quarter was therefore negative at NOK 16.5 million (NOK 99.4 million). Net cash flow from operating activities YTD amounted to NOK 19.8 million (NOK 176.3 million).

GEOGRAPHICAL REVIEW

Pronova BioPharma operates in three geographical segments: USA, Europe, and Rest of the World (RoW). 56.6 per cent (55.6 per cent) of total revenues in the third quarter and 53.9 per cent YTD (55.9 per cent) were attributed to sales of products in the USA, where revenues grew by 43.4 per cent quarter-on-quarter and by 21.4 per cent YTD. Europe accounted for 42.7 per cent of sales in the third quarter (40 per cent) and 44.2 per cent in the first nine months (41.8 per cent), a growth of 50.5 per cent quarter-on- quarter and 33.2 per cent YTD . 0.7 per cent (4.3 per cent) of sales came from Rest of the World in the third quarter and 1.9 per cent YTD (2.2 per cent).

OPERATIONAL REVIEW

Kalundborg project on schedule to start commercial shipments in Q1 2010

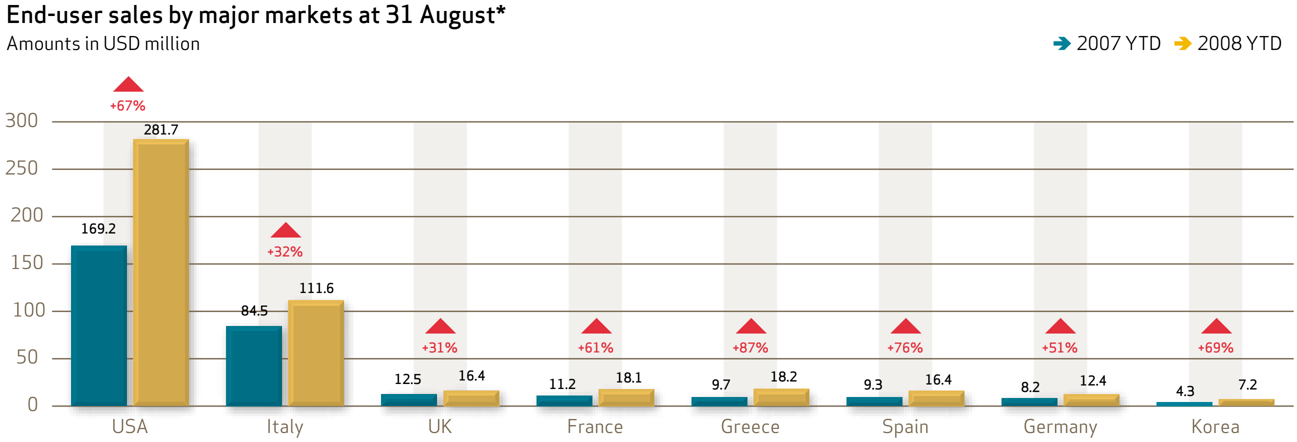
Construction of the new manufacturing plant in Kalundborg is progressing well, with all main equipment delivered and installed. Piping and construction work is progressing according to plan, and the overall project continues to be in line with the group's execution plan.

Mechanical completion is expected in the second quarter of 2009 with an estimated total investment of NOK 1 500 million. Mechanical completion includes the following investments:

- Engineering
- Construction of all buildings
- Installation of all equipment
- Internal capitalised cost

Operation qualification, process qualification, automation software, process validation and associated engineering are ex-

End-user sales by major markets at 31 August*
Amounts in USD million



** Source: IMS*

pected to be completed in the third quarter of 2009, with total investments estimated to be around NOK 200 million.

Regulatory filings are expected to take place in the fourth quarter of 2009 and the first commercial shipment of Pronova BioPharma's API from Kalundborg is estimated for the first quarter of 2010.

As of 30 September 2008, total investment related to erection and completion of the new plant in Kalundborg is NOK 1 092 million which is financed by NOK 836 million through a revolving credit facility.

Production

A sourcing agreement between Pronova BioPharma and an undisclosed third party manufacturer was announced in August 2008. The agreements objective is to secure the supply of high quality intermediaries for the manufacture of Active Pharmaceutical Ingredients (APIs). The sourcing agreement will facilitate production volumes of some 1 400 to 1 500 tonnes of API in 2009, which is in excess of earlier communicated production volumes for the year. The increased production volume is expected to be realised in the second half of 2009. The increased capacity will be important to meet the growing global demand for the group's products.

The facility in Sandefjord produced 321 tonnes in the third quarter (262 tonnes), an increase of 22.7 per cent from the same period last year. 893 tonnes (653 tonnes) were produced in the first nine months, an increase of 36.6 per cent from the same period in 2007. The total volume shipped in the quarter was 342 tonnes (246 tonnes), an increase of 39.4 per cent. 896 tonnes have been shipped YTD, compared to 678 tonnes YTD 2007. The level of shipments in the third quarter 2008 was higher than produced volumes in the quarter, reflecting the fact that the level of shipments may vary from quarter to quarter.

Following the increased insourcing and the optimisation of production processes, the company expects to exceed the 2008 production target of 1 200 tonnes.

Geographical distribution of ownership as of 30 September 2008

Country	Number of shares	Ownership%
Norway – Herkules I	175 720 267	58.4%
Norway – Other	29 861 497	9.9%
Other Nordic	6 873 892	2.3%
Europe (ex. Nordic/Norway)	58 685 627	19.5%
USA	29 223 875	9.7%
RoW	467 350	0.2%
Total	300 832 508	100.0%

Ownership by number of shares as of 30 september 2008

Number of shares	Shareholders	% share capital
> 1 million	13	73.8%
100 000-1 million	130	24.6%
10 001-100 000	100	1.1%
1 001- 10 000	441	0.4%
1-1 000	562	0.1%
Total	1 246	100.0%

Litigation status

The company announced in August 2008 that the District Court of Rome, Italy, has decided not to uphold Pronova BioPharma's motion for a preliminary injunction against Chiesi Farmaceutici SpA. Pronova BioPharma disagrees with the court's decision and has formally appealed the decision to ensure that the group's intellectual property rights are enforced in Italy.

The nullity action against the patent covering the company's API is still in process in the Court of Milan. A hearing is scheduled to be held in May 2009 and it is expected that the decision of the court will be rendered towards the end of first half 2009 at the earliest.

As Lovaza was approved as a New Chemical Entity (NCE) in the USA, Lovaza qualifies for five years of data exclusivity. The data exclusivity period ends 10 November 2009, while potential Abbreviated New Drug Application (ANDA) or/and an application via 505 (b)(2)-route may be filed 10 November 2008 at the earliest.

Research and development

At the end of September, Pronova BioPharma had 20 full time employee equivalents associated with the group's research and development (R&D) activities. R&D related expenses in the third quarter were NOK 11.2 million, which corresponds to 3.1 per cent of the group's revenues.

The company announced in August 2008 the results from a heart failure (GISSI-HF) trial. The study was designed and conducted by the Gruppo Italiano per lo Studio della Sopravvivenza nell'Infarto Miocardico (GISSI group) in Italy to investigate the clinical effects of the company's API (Omacor, marketed as Seacor/Esapent/Eskim in Italy) in approximately 7 000 patients

20 largest shareholders as of 30 September 2008

	Investor	Number of shares	% of total	Account type	Country
1	Herkules I (fund I+II)	175 720 267	58.4%	COMP	GBJ
3	JPMorgan Chase Bank	15 435 600	5.1%	NOM	GBR
4	Morgan Stanley & Co.Inc.	11 034 560	3.7%	NOM	GBR
5	Citibank N.A.	10 245 453	3.4%	NOM	USA
6	Brown Brothers Harriman & Co	7 608 200	2.5%	COMP	USA
7	Fidelity Funds	7 390 214	2.5%	COMP	GBR
8	Folketrygdfondet	5 627 384	1.9%	COMP	NOR
9	Skandinaviska Enskilda Banken	4 418 900	1.5%	NOM	SWE
10	JP Morgan Chase Bank	3 711 686	1.2%	NOM	NOR
11	Mutus As	3 179 835	1.1%	COMP	NOR
12	Rbc Dexia Investor Services Bank	3 122 956	1.0%	NOM	LUX
13	JPMorgan Chase Bank	3 012 167	1.0%	NOM	GBR
14	Odin Europa	2 492 827	0.8%	COMP	NOR
15	Brown Brothers Harriman & Co	2 000 000	0.7%	COMP	USA
16	Credit Suisse Securities	1 999 228	0.7%	COMP	GBR
17	State Street Bank and Trust Co.	1 849 612	0.6%	NOM	USA
18	JPMorgan Chase Bank	1 776 013	0.6%	NOM	GBR
19	Mellon Bank as agent for clients	1 468 557	0.5%	NOM	USA
20	Goldman Sachs & Co - Equity	1 113 601	0.4%	NOM	USA
	Total 20 largest shareholders	263 207 060	87.5%		
	Total all shareholders	300 832 508	100.0%		

with a clinical diagnosis of heart failure. The co-primary endpoints of the study were i) reduction of all-cause mortality, ii) reduction of all-cause mortality or hospitalisations for cardiovascular reasons. Both primary endpoints were met. The study showed that the long-term administration of 1g per day of Omacor was effective and safe in reducing both all-cause mortality and hospitalisations for cardiovascular reasons compared to placebo. Patients receiving Omacor experienced a statistically significant nine per cent relative risk reduction of all cause mortality (adjusted hazard ratio [HR] 0.91 [95.5 per cent CI 0.833–0.998], p=0.041) and a statistically significant eight per cent relative risk reduction of all cause mortality and hospitalisations (adjusted HR 0.92 [99 per cent CI 0.849–0.999], p=0.009). In the study published in The Lancet, the authors observed that the advantage of Omacor documented for both primary endpoints suggested that it had an effect on the mechanisms leading to the progression of heart failure. The company anticipates that the full GISSI-HF data will be recived by the end of 2008.

The OM9L study (Lovaza in concomitant treatment with atorvastatin) is scheduled for presentation at the American Heart Association (AHA) meeting on 11 November. OM9L is a randomised, double-blind, placebo-controlled study designed to assess the efficacy and safety of combined Lovaza atorvastatin therapy in hypertriglyceridemic subjects. The primary endpoint is change in non-HDL from baseline, and secondary endpoints are the effect of the combined treatment on different lipid parameters (such as Total-C, TG, VLDL, LDL and HDL).

The group's R&D programmes continued to progress well in the third quarter, and plans are in place to move the lead next generation omega-3 derived pharmaceuticals (PRB2) compound into clinical Phase I in 2009. In addition, the company is preparing for clinical trials with the alginate capsule in 2009/2010, and the development programme of the pilot plant is progressing according to plan.

Events after 30 September

Pronova BioPharma announced on 4 November 2008 that the board of directors has appointed Per-Oluf Olsen as chief executive officer to succeed Tomas Settevik, who has informed the board that he wishes to stand down from his position as CEO.

Per-Oluf Olsen, aged 52, will assume

the role of CEO with effect from 17 November 2008. He joins Pronova BioPharma after 27 years with Pfizer Inc., where he gained extensive international experience in sales, marketing and management. Most recently, Mr. Olsen was executive director of Pfizer Central and Eastern European region, including regional offices in Brussels, He was previously country manager for Pfizer in Italy, Norway and Denmark and has held a number of senior sales and marketing positions for the company in Norway and the USA.

On 4 October 2008, the Norwegian Environmental Authorities ("SFT") issued a fine of NOK 0.1 million for various discharges in water above SFT previous set levels. The current emission permits was replaced by stricter permits in 2007 and the company completed a new wastewater treatment plant in the first quarter 2008. The company and SFT have established a dialogue to determine the discharge levels in the future.

On 31 October the company closed the bioreactor stage in the wastewater treatment plant at its manufacturing facility in Sandefjord following a routine laboratory test. The test sample displayed presence of *Legionella pneumophila* bacteria in the bioreactor. Pronova BioPharma immediately contacted the local medical officer, who judged the health risk to be low and under control. However, given the potential health risk related to such bacteria, the company decided to close the bioreactor temporarily pursuant to the precautionary principle. Production volumes have not been affected. The company has an on-going dialogue with the Norwegian Pollution Control Authority (SFT) concerning a temporary increase in requirements for COD and nitrogen discharges.

Organisation

At 30 September, 144 (122) full-time employee equivalents were based in Sandefjord, 54 (50) were based at Lysaker, and 83 (5) were assigned to the Kalundborg project.

At the end of the third quarter, the number of full-time employee equivalents had increased to 282 from 177 at the end of third quarter 2007. The majority of increase was due to new employees in Kalundborg, combined with the general rise in the group's activity level.

OUTLOOK

Following the increased insourcing and theoptimisation of production processes, the company expects to exceed the 2008 production target of 1 200 tonnes.

The group expects to in-source intermediaries from Kalundborg to Sandefjord starting in the third quarter of 2009. In addition, the in-sourcing of third party intermediaries will ensure production volume of 1 400–1 500 tonnes in 2009, enabling the company to meet the continued strong end-user demand.

Omacor/Lovaza is growing at a rapid pace in all markets and the company expects this positive trend to continue. The results from GISSI-HF (congestive heart failure) are viewed as an important confirmation of the cardio-protective effect of treatment with Omacor/Lovaza, and may offer a significant increase in the patient population available for treatment.

The board is confident in Pronova BioPharma's future potential, and the solid performance in the first three quarters of 2008 provides an excellent basis for further positive growth.

Pronova BioPharma group

Condensed consolidated income statement (unaudited)

(Amounts in NOK 1 000)	Note	**Q3 2008**	Q3 2007	1.1–30.9 2008	1.1–30.9 2007	Full year 2007
Revenues	2	**363 301**	257 604	938 514	744 469	1 013 839
Other income		**-**	-	-	538	538
Total revenues and income		**363 301**	257 604	938 514	745 007	1 014 377
Cost of materials and change in inventories		**(88 325)**	(53 165)	(207 445)	(154 775)	(202 340)
Employee benefits expense		**(45 125)**	(34 339)	(139 864)	(101 706)	(162 408)
Depreciation property, plant and equipment and write downs		**(18 962)**	(16 374)	(57 270)	(43 109)	(58 521)
Amortisation intangible assets	3	**(23 812)**	(38 994)	(71 407)	(118 099)	(158 136)
Other operating expenses		**(50 741)**	(32 929)	(139 395)	(107 600)	(146 635)
Total operating expenses		**(226 965)**	(175 801)	(615 382)	(525 289)	(728 040)
Operating profit		**136 336**	81 803	323 132	219 718	286 337
Net financial items	4	**(46 962)**	(39 556)	(65 097)	(55 597)	(84 382)
Profit before tax		**89 375**	42 247	258 035	164 121	201 955
Income tax expense	5	**(25 611)**	(12 090)	(71 948)	(46 401)	(58 584)
Net profit for the period		**63 763**	30 157	186 088	117 720	143 371
Earnings per share (in NOK) - basic and diluted	6	**0.21**	0.08	0.62	0.37	0.45
EBITDA		**179 110**	137 171	451 809	380 926	502 994
EBITDA margin		**49.3%**	53.2%	48.1%	51.1%	49.6%

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 balance sheet at 30 September (unaudited)

(Amounts in NOK 1 000)	Note	30.9.2008	30.9.2007	31.12.2007
ASSETS				
Non-current assets				
Property, plant and equipment		**1 759 212**	642 627	853 881
Goodwill		**633 453**	633 449	633 453
Other intangible assets	3	**809 759**	916 103	879 331
Deferred tax assets	5	**11 497**	-	-
Other long term financial assets		**-**	27 685	11 133
Total non-current assets		**3 213 921**	2 219 864	2 377 798
Current assets				
Inventories		**392 477**	101 202	157 320
Trade and other receivables		**421 965**	242 050	258 260
Other financial assets		**18 792**	34 538	47 664
Cash and cash equivalents		**137 380**	187 578	284 458
Total current assets		**970 614**	565 368	747 702
Total assets		**4 184 536**	2 785 232	3 125 500
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital		**6 017**	18 236	6 017
Share premium reserve		**579 665**	468 023	579 665
Retained earnings		**427 192**	215 454	241 105
Reserves		**(31 875)**	38 898	26 728
Total shareholders' equity		**980 999**	740 610	853 515
Non-current liabilities				
Deferred tax liabilities	5	**224 657**	289 408	276 592
Borrowings		**1 910 715**	1 253 850	1 173 159
Deferred revenue		**219 033**	226 823	234 292
Retirement benefit obligation		**21 520**	12 528	23 529
Other long term financial liabilities		**50 669**	-	-
Total non-current liabilities		**2 426 594**	1 782 609	1 707 572
Current liabilities				
Trade and other payables		**316 744**	16 212	238 286
Borrowings		**175 000**	75 000	150 000
Other financial liabilities		**22 451**	-	12 081
Current tax liabilities		**139 629**	67 855	81 108
Deferred revenue		**19 827**	22 980	18 197
Other liabilities		**85 733**	79 966	51 480
Provisions		**17 559**	-	13 261
Total current liabilities		**776 942**	262 013	564 413
Total liabilities		**3 203 537**	2 044 622	2 271 985
Total equity and liabilities		**4 184 536**	2 785 232	3 125 500

The notes are an integral part of these condensed consolidated financial statements.
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Pronova BioPharma group

Condensed consolidated statement of changes in equity (unaudited)

(Amounts in NOK 1 000)	Share capital	Share premium	Retained earnings	Reserves	**Total shareholders' equity**
Balance at 1 January 2008	6 017	579 665	241 105	26 728	**853 515**
Consolidated profit 1.1–30.9	-	-	186 088	-	**186 088**
Fair value adjustment of forward hedging contracts	-	-	-	(75 511)	**(75 511)**
Currency conversion differences	-	-	-	16 907	**16 907**
Balance at 30 September 2008	6 017	579 665	427 193	(31 876)	**980 999**
Balance at 1 January 2007	13 019	472 884	97 734	-	**583 637**
Issue of shares	7	348	-	-	**355**
Capitalisation issue	5 210	(5 210)	-	-	**-**
Consolidated profit 1.1 - 30.9.2007	-	-	117 720	-	**117 720**
Fair value adjustment of forward hedging contracts	-	-	-	38 904	**38 904**
Currency conversion differences	-	-	-	(6)	**(6)**
Balance at 30 September 2007	18 236	468 023	215 454	38 898	**740 610**
Balance at 1 January 2007	13 019	472 884	97 734		**583 637**
Issue of shares	508	574 848	-	-	**575 356**
Share issue costs (net of tax effect)	-	(17 723)	-	-	**(17 723)**
Redemption of B-shares	(12 720)	(461 079)	-	-	**(473 799)**
Capitalisation issue	5 210	(5 210)	-	-	**-**
Consolidated profit 1.1–31.12 2007	-	-	143 371	-	**143 371**
Fair value adjustment of forward hedging contracts	-	-	-	26 701	**26 701**
IPO bonus paid by previous shareholders		15 945	-	-	**15 945**
Currency conversion differences	-	-	-	27	**27**
Balance at 31 December 2007	6 017	579 665	241 105	26 728	**853 515**

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 cash flow statement (unaudited)

(Amounts in NOK 1 000)	Q3 2008	Q3 2007	1.1–30.9 2008	1.1–30.9 2007	Full year 2007
CASH FLOW FROM OPERATING ACTIVITIES:					
Result before tax	**89 374**	42 247	**258 035**	164 121	201 955
Taxes paid in the period	**-**	-	**(47 060)**	(47 260)	(47 260)
Write down of property, plant and equipment	**-**	-	**1 614**	-	355
Depreciation and amortisation	**42 774**	55 368	**127 063**	161 208	216 657
Gain on disposal of intangible assets	**-**	-	**-**	-	-
Expensed borrowing costs	**-**	-	**-**	-	1 429
Pension costs, without cash effect	**634**	798	**(2 009)**	284	11 285
Gain on sale of shares	**-**	-	**-**	-	-
Currency effects	**(9 258)**	-	**(10 227)**	-	(1 884)
Interest on loan from shareholders added to loan balance	**-**	-	**-**	(1 065)	-
Changes in inventories	**(1 169)**	16 507	**(235 157)**	35 263	(20 855)
Changes in accounts receivable	**(54 569)**	(22 329)	**(98 462)**	(50 481)	(64 865)
Changes in accounts payable	**(44 775)**	(29 146)	**78 458**	(60 866)	(21 005)
Changes in other current assets/liabilities	**(39 557)**	35 927	**(52 498)**	(24 884)	(21 406)
Net cash from operating activities	**(16 545)**	99 372	**19 758**	176 320	254 406
CASH FLOW FROM INVESTMENT ACTIVITIES:					
Payments for property, plant and equipment	**(380 717)**	(40 681)	**(940 655)**	(97 664)	(182 181)
Proceeds from sale of intangibe assets	**-**	-		-	-
Proceeds from sale of financial assets	**-**	-	**-**	-	-
Net cash payment for purchase of subsidiary	**-**	-	**-**	-	-
Net cash from investment activities	**(380 717)**	(40 681)	**(940 655)**	(97 664)	(182 181)
CASH FLOW FROM FINANCING ACTIVITIES:					
Proceeds from new long-term borrowings	**418 036**	313 987	**848 819**	313 987	316 875
Repayment of long term debt	**-**	-	**(75 000)**		-
Payment relating to repayment of shareholder loan	**-**	(324 324)	**-**	(324 324)	(316 430)
Receipt from issue of equity	**-**	-	**-**	-	566 328
Redemption of B-shares	**-**	-	**-**	-	(473 799)
Net cash from financing activities	**418 036**	(10 337)	**773 819**	(10 337)	92 974
Net change in bank deposits, cash and cash equivalents	**20 774**	48 354	**(147 078)**	68 319	165 199
Bank deposits, cash and cash equivalents at beginning of period	**116 606**	139 224	**284 458**	119 259	119 259
Bank deposits, cash and cash equivalents at end of period	**137 380**	187 578	**137 380**	187 578	284 458

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 condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2007.

Note 2 Revenues and expenses by geography

REVENUES BY GEOGRAPHICAL MARKET

(Amounts in NOK 1000)	**Q3 2008**	Q3 2007	**1.1–30.9.2008**	1.1–30.9.2007	Full year 2007
Europe	**155 260**	103 161	**414 649**	311 396	422 936
USA	**205 627**	143 353	**505 601**	416 467	564 741
RoW	**2 414**	11 090	**18 264**	16 605	26 162
Total	**363 301**	257 604	**938 514**	744 469	1 013 839

INCOME STATEMENT AND INVESTMENTS BY GEOGRAPHICAL OPERATING UNIT

	Q3 2008				Q3 2007			
(Amounts in NOK 1 000)	**Norway[1]**	**Denmark[2]**	**Eliminations**	**Total**	Norway[1]	Denmark[2]	Eliminations	Total
Total revenues and other income	**363 301**	**-**	**-**	**363 301**	257 604	-	-	257 604
Gross profit	**274 976**	**-**	**-**	**274 976**	204 439	-	-	204 439
Employee benefits expense	**(35 665)**	**(9 461)**	**-**	**(45 125)**	(32 662)	(1 677)	-	(34 339)
Other operating expenses	**(40 314)**	**(10 427)**	**-**	**(50 741)**	(31 491)	(1 438)	-	(32 929)
EBITDA	**198 998**	**(19 888)**	**-**	**179 110**	140 286	(3 115)	-	137 171
EBITDA margin	**54.8%**	**-**	**-**	**49.3%**	54.5%	-	-	53.2%
Net financial items	**(57 064)**	**(197)**	**10 299**	**(46 962)**	(39 556)	-	-	(39 556)
Profit (loss) before tax	**99 160**	**(20 085)**	**10 299**	**89 374**	45 362	(3 115)	-	42 247
Investments (NOK million)	**10.5**	**391.1**	**-**	**401.6**	5.3	35.4	-	40.7

	1.1–30.9.2008				1.1–30.9.2007			
(Amounts in NOK 1 000)	**Norway[1]**	**Denmark[2]**	**Eliminations**	**Total**	Norway[1]	Denmark[2]	Eliminations	Total
Total revenues and other income	**938 514**	**-**	**-**	**938 514**	745 007	-	-	745 007
Gross profit	**731 069**	**-**	**-**	**731 069**	590 232	-	-	590 232
Employee benefits expense	**(120 294)**	**(19 570)**	**-**	**(139 864)**	(97 040)	(4 666)	-	(101 706)
Other operating expenses	**(120 737)**	**(18 658)**	**-**	**(139 395)**	(102 657)	(4 943)	-	(107 600)
EBITDA	**490 038**	**(38 228)**	**-**	**451 809**	390 535	(9 609)	-	380 926
EBITDA margin	**52.2%**	**-**	**-**	**48.1%**	52.4%	-	-	51.1%
Net financial items	**(94 765)**	**(205)**	**29 874**	**(65 097)**	(55 597)	-	-	(55 597)
Profit (loss) before tax	**266 595**	**(38 433)**	**29 874**	**258 035**	173 730	(9 609)	-	164 121
Investments (NOK million)	**44.4**	**918.3**	**-**	**962.7**	54.3	43.4	-	97.7

[1)] Pronova BioPharma ASA and Pronova BioPharma Norge AS

[2)] Pronova BioPharma Danmark A/S

Note 3 Change in amortisation profile

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 recognized 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 remaining carrying amount as at 31 December 2007 was NOK 869.9 million, NOK 252 million has thus been amortised since the acquisition of the company. The amortisation charge in 2007 was NOK 157.5 million. The amortisation charges related to patents and trade-marks, customer contracts and customer relations are cash flow based and have finite useful lives. The group has, with effect from the financial year 2008, changed the amortisation profile within the estimated total useful life period for patents, customer contracts and customer relations aquired in the business combination in May 2006. The assessed useful life of these intangible assets are unchanged. The amortisation plans for these identifiable intangible assets are based on the projected future cash flows at the time of the business allocation. The projected future cash flows were risk adjusted in order to reflect the uncertainty in the projections. Based on updated information regarding the commencement of expected sales to the Japanese market and also performance since the formation of the group, the group has revised the projected future cash flows identified at the time of the business combination.

The group also aquired other minor patents and trademarks in the business combination. Fair value of these identifiable intangible assets were deemed to equate the carrying value. These intangible assets are amortised based on a straight line method and no adjustments have been made to this plan.

The effect of the change of the amortisation profile for the financial year 2008:

(Amounts in NOK 1000)	Patents	Customer contracts	Customer relations	Total
Estimated amortisation charges of identifiable intangible assets in 2008 based on the original amortisation profile:	34 665	22 965	97 814	155 444
Estimated amortisation charges of identifiable intangible assets in 2008 after an updated amortisation profile:	28 749	30 262	35 429	94 440
The effect of the change of the amortisation profile for the financial year 2008:	5 916	(7 297)	62 385	61 004

Amortisation profile of identifiable intangible assets with a cash flow based amortisation profile:

(Amounts in NOK 1000)	Patents	Customer contracts	Customer relations	Total
2008	28 749	30 262	35 429	94 440
2009	27 552	27 763	32 834	88 149
2010	23 974	27 360	32 650	83 984

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. As at the year-end, there were no restrictions in title related to intangible assets. The group had made no contractual commitments as to the acquisition of intangible assets at the balance sheet date.

Note 4 Financial items

Borrowing cost relating to the construction of the Kalundborg plant is capitalised and recognised as a part of the asset's cost. Capitalised borrow-ing costs amounts to NOK 10.3 million for the third quarter, and NOK 29.9 million at 30 September 2008. The company has also had unrealised lossed relating to interest rates instruments of NOK 17.1 million in the third quarter.

Note 5 Taxes

Pronova BioPharma Danmark A/S had an accumulated tax loss carry forward of NOK 46 million giving rise to deferred tax asset of NOK 11.5 million, of which NOK 1.4 million refers to loss in 2007. The deferred tax asset is measured at a tax rate of 25 per cent. The deferred tax asset is capitalized in the balance sheet of the Pronova BioPharma group. Effective calculated tax rates in Q3 and 30 September 2008 YTD are 28.7 per cent and 27.9 per cent respectively.

Note 6 Earnings per share

(Amounts in NOK 1 000)	**Q3 2008**	Q3 2007	**1.1–30.9 2008**	1.1–30.9 2007	Full year 2007
Net profit for the period	**63 763**	30 157	**186 088**	117 720	143 371
Dividends attributable to preference shareholders (B-shares)	-	(8 482)		(26 763)	(27 799)
Net profit for the year attributable to ordinary shareholders (A-shares)	**63 763**	21 675	**186 088**	90 957	115 572
Average number of ordinary shares outstanding (basic)	**300 832 508**	275 832 508	**300 832 508**	243 167 643	256 948 923
Basic and diluted profit per share (NOK)	**0.21**	0.08	**0.62**	0.37	0.45

In August 2007 there was a share split of 1/7. The number of shares has been adjusted to reflect this from the earliest period presented.

In May 2006 a number of the ordinary shares were converted into B-shares (preference shares), creating two share classes. This has been included to reflect an adjustment to earnings for preference dividends and the average number of shares on a prospective basis. In June 2007, a number of B-shares were converted into A-shares, maintaining the existing shareholder proportionate ownership. This has been included in the determination of average ordinary shares outstanding and the profit available to holders of ordinary shares on a prospective basis.

A resolution was made in a general meeting on 27 August 2007 to convert all B-shares into ordinary shares in connection with the initial public offering in October 2007. This had a dilutive effect on earnings per share.

Lysaker, 3 November 2008

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

Gert W. Munthe
Chair

Jo Lunder
Board member

Siri Fürst
Board member

Jo Klaveness
Board member

Rikke Tobiasson Reinemo
Board member

Hege Charlotte Bakken
Employee representative

Sverre Magne Sondbø
Employee representative

Tomas Settevik
President and CEO

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PRONOVA BIOPHARMA