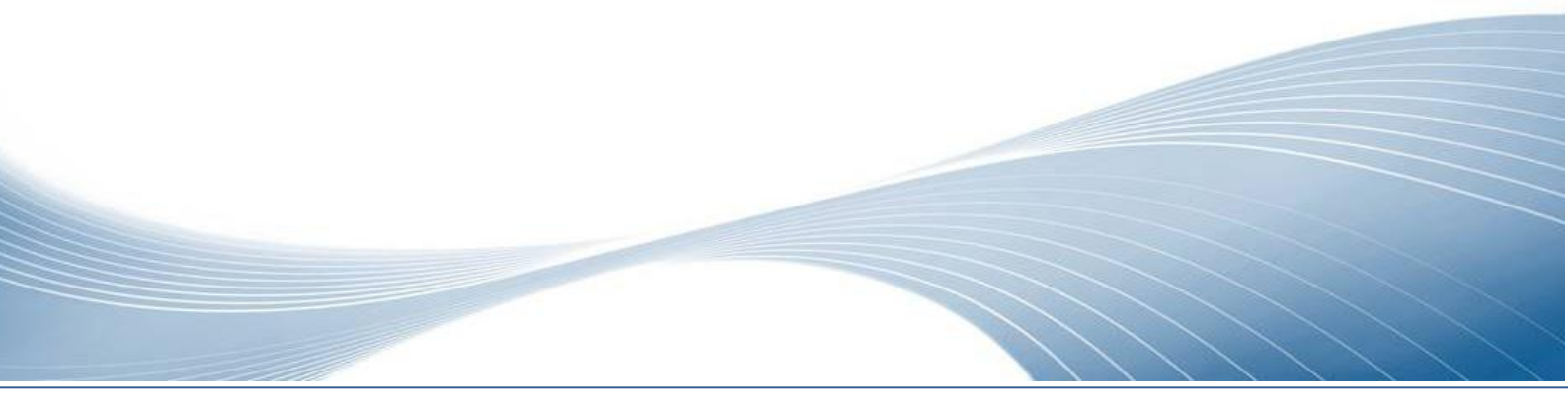


INTERIM FINANCIAL REPORT

**2nd Quarter
2011**

NAVAMEDIC ASA 24 August 2011



Highlights

- **Generics Business Area developing according to plan**
 - 10 products filed in Q1 move forward towards approval
 - Preparing for two product launches in four markets in Q4 2011
 - Platform for growth from 2012 further secured
 - First entry into the Icelandic market (pilot product)
- **Improved performance for Vitaflo Scandinavia Business Area**
 - All time high sales for the third consecutive quarter
 - Margin levels maintained
 - Platform for additional growth strengthened
 - Promising introduction of alcohol abuse treatment in Denmark (Adepend)

Financial results

Navamedic's second quarter 2011 revenues saw a 43 per cent growth over last year. Revenues were NOK 18.2 million compared to NOK 12.7 million in the same period of 2010. The quarter represented the third consecutive all-time high in terms of sales for Vitaflo Scandinavia AB.

EBITDA for the second quarter reached NOK -1.1 million, compared to NOK -1.5 million in the same period of 2010. The results included NOK 2.6 million of developing costs in the Generic Business Area. Another NOK 6.9 million of investments in this business area were capitalised investments in connection with market authorisations and registration fees for generic products.

Net cash derived from operations year to date was NOK 0.3 million compared to NOK -4.7 million in the same period of 2010. Total change in net cash was NOK -7.6 million compared to NOK -12 million in the same period last year.

Key financial indicators 2011 vs. 2010

(in MNOK)	Group		Group		Group
	Q2 2011	Q2 2010	YTD 2011	YTD 2010	FY 2010
Revenues	18,2	12,7	35,0	25,8	55,1
Gross Profit	7,2	5,7	13,8	10,7	22,1
Gross margin	39 %	45 %	40 %	42 %	40 %
EBITDA	-1,1	-1,5	-2,1	-2,8	-6,5
EBIT	-2,8	-3,2	-5,5	-6,1	-15,1

Two business areas

Navamedic operates and provides detailed financial for two business areas: the Vitaflo Scandinavia Business Area, which is a distributor of patented drugs and healthcare products in the Nordic, Belgian and Dutch markets, and the Generics Business Area, which is in the process of building up a generic drugs portfolio for the Nordic, Dutch and Belgian markets based on in-licensing of generics from Aspen and additional manufactures. The reporting format reflects the business profile of the company.

Generics Business Area

Reporting includes revenues and costs related to the sale of products to wholesalers and retail partners based primarily on the distribution agreement with Aspen Healthcare. Currently this segment accounts for the costs and investments associated with obtaining the marketing authorisations of the in-licensed products from Aspen and other manufacturers. Sales are expected to commence end of 2011.

Vitaflo Scandinavia Business Area

Reporting includes revenues and costs related to the sale of products to wholesalers, retail partner and end-users through Vitaflo Scandinavia AB.

Navamedic Business Areas, Q2 2011 vs Q2 2010

(in MNOK)	Group		Generics		Vitaflo Scandinavia	
	Q2 2011	Q2 2010	Q2 2011	Q2 2010	Q2 2011	Q2 2010
Revenues	18,2	12,7	-	-	18,2	12,7
Gross Profit	7,2	5,7	-	-	7,2	5,7
Gross margin	39 %	45 %			39 %	45 %
Operating costs	8,3	7,2	2,6	1,9	5,6	5,3
EBITDA	(1,1)	(1,5)	(2,6)	(1,9)	1,5	0,4
Depreciation, amortizations, write offs	(1,7)	(1,7)	-	-	(1,7)	(1,7)
EBIT	(2,8)	(3,2)	(2,6)	(1,9)	(0,2)	(1,3)

All revenues in Q2 2011 are attributable to the Vitaflo business area.

From September 2010 Vitaflo Scandinavia started sales of GlaxoSmithKline products from Aspen, representing a total of NOK 3.9 million in Q2 2011.

Sales of the new nutraceutical drink from Smartfish started in July 2011. The sale of lice remedy NYDA will commence during the third quarter. The turnovers from these new products are expected to be modest in 2011.

Gross margin in the second quarter 2011 ended at 39.3% compared to 44.8% in the second quarter of 2010. The margin decrease reflects the composition of products sold in the quarter.

Navamedic had an EBITDA of NOK -1.1 million in the first quarter of 2011 compared to NOK -1.5 million in the same quarter last year. Factors which should be considered are the ramp-up of activities and costs in the Generics Business Area for anticipated growth. Other operating cost reflects exchange rates gains and losses. Present cost level is indicative for the expected cost level in 2011.

The Generic Business Area booked NOK 2.6 million in operating expenses and development cost, and NOK 6.9 million in capitalised investment costs in the second quarter.

In July Navamedic introduced the generic product Eusaprim in Iceland. This is an Oral Suspension product representing a modest sales volume. Eusaprim is delivered by Aspen Pharmaceuticals.

Navamedic expects to launch two new products in four markets during Q4 2011.

Navamedic first half year - Operating segments in 2011 compared with 2010

(in MNOK)	Group		Generics		Vitaflo Scandinavia	
	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010
Revenues	35,0	25,8	-	-	35,0	25,8
Gross Profit	13,8	10,7	-	-	13,8	10,7
Gross margin	40 %	42 %			40 %	42 %
Operating costs	15,9	13,5	5,3	3,7	10,6	9,8
EBITDA	(2,1)	(2,8)	(5,3)	(3,7)	3,3	0,9
Depreciation, amortizations, write offs	(3,4)	(3,3)	-	-	(3,4)	(3,3)
EBIT	(5,5)	(6,1)	(5,3)	(3,7)	(0,1)	(2,4)

Revenues for the first half year 2011 were NOK 35.0 million, up from NOK 25.8 million the previous half year. This represents a sales growth of 35 per cent.

From September 2010 Vitaflo Scandinavia started sales of the GlaxoSmithKline cancer products from Aspen representing NOK 7 million in the first six month of 2011.

Navamedic's gross profit for the first half year was 39.5 per cent, compared to 41.6 per cent the previous year.

Following a higher gross profit and an increasing level of activity in the Generics Business Area and increased personnel and sales costs in Vitaflo, Navamedic's EBITDA for the first half year improved from NOK -2.8 million in 2010 to NOK -2.1 million in 2011.

For the first half year of 2011 the Generic Business Area booked NOK 5.3 million in operating expenses and development cost, and NOK 7.7 million in capitalised investments.

Operational update

Generics Business Area

The markets for generic pharmaceuticals are growing rapidly, as health authorities across Europe encourage substitution to generics when patents for the original products expire. The Norwegian Medicines Agency estimates that the annual savings in selecting generic alternatives currently amount to NOK 2 billion in Norway alone.

An increasing number of patents will expire over the next few years, supporting continued strong market growth for generic pharmaceutical products. The Nordic and Benelux generics markets are expected to have a total market value of more than NOK 10 billion in two years. By this time Navamedic will have at least 13 generic products in the market. The registration and approval process for generic pharmaceuticals can take up to 34 months. The number of generic product candidates filed for registration from Navamedic reached ten in the first quarter of 2011. Navamedic expects its first generic products to be on the market in the fourth quarter 2011.

Navamedic started preparations for entering the generics market in February 2010, when the Company entered into a partnership agreement with Aspen Pharmaceuticals of South Africa. Aspen is one of the world leaders in generic pharmaceuticals and Navamedic is Aspens sole distributor in the Nordic and Benelux markets. The number of product candidates filed demonstrates that Navamedic is on track to building an attractive generic pharmaceutical business in the Nordic countries, Belgium and The Netherlands.

Aspen has production capabilities and capacity for a wide variety of product types including tablets, capsules, steriles, injectables, antibacterials, liquids and creams. The products are renowned for their quality, efficiency and affordability. Aspen is furthermore one of the leading global players in generic antiretrovirals (“ARVs”) and has an outstanding generic pipeline.

The generics market is still developing, fuelled by regulatory drives for generic substitution. A great number of attractive volume drugs will become available for generic substitution in the next few years. This development represents a high growth market with attractive margins. Navamedic is particularly well suited to take a leading role in this market. The combined generics expertise of Navamedic’s executives is unrivalled in Scandinavia.

Navamedic is determined to take a leading role in the North European generics market. The Company aims to be one of the five leading generics companies in the Nordic region by 2015.

The registration process to obtain marketing authorisation for the different products moved forward according to plan also in the second quarter 2011, reaffirming Navamedic’s target of launching its two first generic products towards the end of 2011. Additional eight generic products will be launched during 2012.

Vitaflor Scandinavia Business Area

Vitaflor Scandinavia achieved its best quarter ever in terms of sales also in the 2011 second quarter. The progress is a result of both sales growth in the traditional product portfolio and the introduction of new products.

Due to regulatory approval process the new products KidNaps (melatonin drug for children) will commence sales late in the year.

The new products recently included in the portfolio represent potential additional revenues of more than NOK 15 million on an annual basis.

The reduced revenue from medical nutrition is due to Vitaflor International taking over the sales of the medical nutrition (IEM) products in the Netherlands from April 2010, as previously announced.

Revenues per knowledge area, Vitaflor Scandinavia Business Area

(in MNOK)	Q2 2011	Q2 2010	YTD 2011	YTD 2010	FY 2010
Osteoarthritis	0,1	0,1	0,1	0,2	0,5
Medical Nutrition	4,7	4,2	9,1	10,0	19,4
Oral Medicine	1,4	1,8	3,0	3,4	6,7
Female Care	1,7	0,9	3,1	1,7	3,7
Dermatology	1,3	1,5	2,8	2,7	4,9
Abuse	2,1	1,8	4,0	3,6	7,7
Gastro	1,3	0,6	1,9	1,4	3,1
Neurology	1,5	1,0	3,0	1,8	4,7
Oncology (Glaxo)	3,9	-	7,0	-	3,7
Oftalmology	-	0,0	-	0,1	0,1
Other	0,2	0,8	0,8	0,8	0,4
Total revenues	18,2	12,7	35,0	25,8	55,1

Balance Sheet and Cash Flow

By the end of June 2011, Navamedic held cash and cash equivalents of NOK 6.5 million. At the end of 2010 the total cash and cash equivalents was NOK 14.1 million.

Net cash flow from operations during the first half year 2011 was NOK 0.3 million, compared to NOK -4.7 million in the same period of 2010. Total net change in cash was -7.6 million in the first half year

compared with -11.9 in 2010. The net cash flow reflects the EBITDA for the period, changes in the working capital and payment for marketing authorisations. In 2010 the company paid out dividend of NOK 7.5 million.

In 2011 cash flow will be affected by investments in market authorisations and registration fees of approximately NOK 15 million. Operating expenses for Generics Business Area of NOK 11 million and an expected positive cash contribution from the Vitaflo Scandinavia Business Area of NOK 6 million will give an expected net cash outflow of approximately NOK 20 million for the full year 2011. In Q3 the Company has entered into a short term bank credit facility of NOK 15 million.

Outlook

Navamedic will continue developing its new Generics Business Area, targeting the first product launches end of 2011. The Company has an attractive pipeline of generic product candidates and will prepare and launch these products following the expiration of original drug patents. For 2011, Navamedic anticipates that total investments and costs related to the Generic Business Area will continue to grow. The Company aims at having approximately 13 generic products in the market by the end of 2013.

The Vitaflo Scandinavia Business Area is expected to continue its sales growth also after 2011, based on an expanded product base and increased sales of current portfolio. The gross margin is expected to remain at approximately 38-41%.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

PROFIT AND LOSS

<i>(In NOK '000)</i>	Note	Q2 2011	Q2 2010	YTD 2011	YTD 2010	FY 2010
Operating revenues	5	18 190	12 669	34 967	25 756	55 092
Cost of goods sold		11 036	6 988	21 142	15 039	32 988
Gross profit		7 154	5 681	13 826	10 717	22 104
		39,3 %	44,8 %	39,5 %	41,6 %	40,1 %
Payroll expense		4 027	3 338	7 775	5 945	11 952
Other operating cost		4 221	4 294	8 706	8 155	18 700
Other (losses)/gains - net		2	-428	-577	-616	-2 054
Operating costs		8 250	7 204	15 904	13 484	28 598
EBITDA		-1 096	-1 523	-2 078	-2 767	-6 494
Depreciation	9	5	11	10	15	30
Amortization	8	1 705	1 658	3 387	3 311	6 638
Write offs	8	-	-	-	-	1 963
OPERATING RESULT (EBIT)		-2 807	-3 192	-5 475	-6 093	-15 126
Financial income and expenses						
Financial income		544	-24	786	-	160
Other financial income		-	42	-	42	130
Financial expenses		-	-3	-4	-4	-4
Other financial expenses		-73	-146	-190	-183	-589
Net financial result		471	-131	592	-145	-303
Ordinary result before tax		-2 336	-3 323	-4 883	-6 238	-15 429
Tax on profit		679	934	1 405	1 761	4 241
Net profit		-1 657	-2 389	-3 478	-4 477	-11 188

BALANCE SHEET

<i>(In NOK '000)</i>	Note	30.06.2011	30.06.2010	31.12.2010
Fixed and Intangible Assets				
Intangible assets	8	85 969	81 782	84 213
Deferred tax assets	10	8 026	4 946	6 585
Tangible assets	9	59	83	71
Investments in shares		-	-	-
Total fixed and intangible assets		94 053	86 811	90 868
Current Assets				
Inventories		8 906	7 581	8 249
Short term receivables	7	9 146	8 289	10 069
Cash at hand, in banks		6 524	23 696	14 140
Discontinued operations classified as held for sale	13	-	-	-
Total current assets		24 576	39 566	32 457
Total assets		118 630	126 377	123 326
Shareholders equity and liabilities				
Shareholders equity				
Paid in capital		128 853	128 853	128 853
Other reserves		-34 786	-25 834	-28 648
Total equity	4,11	94 067	103 019	100 205
Debt				
Deferred tax	10	10 740	12 253	12 046
Long term debt to financial institutions	12	-	-	-
Total long term debt		10 740	12 253	12 046
Trade debtors		6 718	6 418	6 883
Interest-bearing short term debt	12	-	-	-
Received license fees from customers		-	-	-
Other short term debt		7 104	4 687	4 191
Total short term debt		13 822	11 105	11 074
Total debt		24 563	23 358	23 120
Total shareholders equity and liabilities		118 630	126 377	123 326

CHANGES IN SHAREHOLDERS EQUITY

(In NOK '000)	Note	Paid in capital	Other paid in capital/ reserves	Translation differences	Retained earnings	Total
Balance at 31 December 2009		128 786	-362	-3 163	-13 477	111 784
Balance at 1. January 2010		128 786	-362	-3 163	-13 477	111 784
Issue of shares, net of share issue cost		-	-	-	-	-
Issue of not yet registered shares, net of share issue cost		-	-	-	-	-
Paid out dividend		-	-	-	-7 537	-7 537
Share option scheme		102	-	-	-	102
Gains and Losses on Currency Outright Agreements		-	-	-	-	-
Translation difference		-	-	7 044	-	7 044
Net profit of the period		-	-	-	-11 187	-11 187
Balance at 31 December 2010		128 888	-362	3 881	-32 201	100 205
Balance at 31 December 2010		128 888	-362	3 881	-32 201	100 206
Balance at 1 January 2011		128 888	-362	3 881	-32 201	100 206
Paid out dividend		-	-	-	-	-
Share option scheme	11	-	-	-	-	-
Translation difference		-	-	-2 660	-	-2 660
Net profit of the period		-	-	-	-3 478	-3 478
Balance at 30 June 2011		128 888	-362	1 221	-35 680	94 067

CASH FLOW

(In NOK '000)	Q2 2011	Q2 2010	FY 2010
Profit (loss) before tax	-4 883	-6 238	-15 429
Taxes paid	322	-1 332	-1 062
Depreciation	3 397	3 326	6 668
Changes in inventory	-658	405	-2 227
Changes in receivables	1 019	-1 052	-1 551
Changes in payables	-165	-973	-508
Write off	-	-	1 964
Changes in other current items	1 273	1 157	-1 029
Net cash flow from operations	305	-4 707	-13 174
Cash flow from investments			
Purchase of intangible assets	-7 714	-	-
Purchase of tangible assets	-	-62	-1 710
Investments in shares and acquisition	-	-	-
Net cash flow from investments	-7 714	-62	-1 710
Cash flow from financing			
Trade in own shares/opsjoner	-	-	-
Share options	-	-62	-
Dividend payment	-	-7 537	-7 537
Net cash flow from financial activities	-	-7 599	-7 537
Changes in currency	-207	396	893
Net change in cash	-7 616	-11 972	-21 528
Cash and cash equivalents start period	14 140	35 668	35 668
Cash and cash equivalents end period	6 524	23 696	14 140

Selected explanatory notes

1. Nature of operation

Navamedic ASA (Navamedic) was established in 2002, and comprises Navamedic ASA and the 100 percent owned subsidiaries Vitaflø Scandinavia AB and Navamedic EHF. The company is headquartered at Lysaker outside of Oslo, Norway and maintains its strategy to remain a specialty pharma player with a strong foothold both in the sales and distribution business currently organised in the subsidiary Vitaflø Scandinavia AB, as well as an increasingly important presence in the generic business. The company aims at being the partner of choice for companies wishing to enter the Northern European market.

Navamedic represents more than 45 products from over 20 foreign companies on the Nordic markets through its subsidiary Vitaflø Scandinavia AB. Navamedic aspires to grow both through increased geographical presence and through a broadened product portfolio within selected therapeutic areas.

The new partner of Navamedic, Aspen, is Africa's largest pharmaceutical manufacturer and one of the world's 20 largest generic pharmaceutical companies with distribution in more than 100 countries. Aspen has an annual turnover of about MNOK 7.000, and is listed on the JSE Ltd stock exchange in South Africa.

Aspen has production capabilities and capacity for a wide variety of product types including tablets, capsules, steriles, injectables, antibacterials, liquids and creams. The products are renowned for their quality, efficacy and affordability. Aspen is furthermore one of the leading global players in generic antiretrovirals ("ARVs") and has an outstanding generic pipeline.

Navamedic shares have been listed on the Oslo Stock Exchange since 31 March 2006 under the ticker NAVA.

2. Basis of presentation

These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2010 (hereafter 'the Annual Financial Statements'), as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 7 March 2011. The accounting policies used are consistent with those used in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. The interim report has not been subject to an audit.

3. Summary of significant accounting policies

The accounting policies applied and the presentation of the interim condensed consolidated financial information are consistent with the consolidated financial statements for the year ended 31 December 2010.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010:

- IFRS 3 – Business Combinations (revised)
- IAS 27 – Consolidated and Separate Financial Statements (revised)

From 1 January 2011:

- IAS 24 – Related party transactions
- IFRS 7 – Financial instruments
- IAS 1 - Presentations of accounts
- IAS 34 - Interim financial reports

The amendments to IFRS 3 and IAS 27 did not affect the consolidated accounts for 2011.

4. Earnings per share

Earnings per share:

	Q2 2011	Q2 2010	YTD 2011	YTD 2010	FY 2010
Result allocated to shareholders (in NOK '000)	(1 657)	(2 389)	(3 478)	(4 477)	(11 188)
Weighted average of outstanding shares (in '000)	7 537	7 537	7 537	7 537	7 537
Earnings per share (NOK per share)	-0,22	-0,32	-0,46	-0,59	-1,48

Diluted earnings per share:

	Q2 2011	Q2 2010	YTD 2011	YTD 2010	FY 2010
Result allocated to shareholders (in NOK '000)	(1 657)	(2 389)	(3 478)	(4 477)	(11 188)
Weighted average of outstanding shares (in '000)	7 762	7 637	7 762	7 637	7 637
Earnings per share (NOK per share)	-0,21	-0,31	-0,45	-0,59	-0,47

Weighted average of outstanding diluted shares is weighted number of average shares adjusted with share options. Earnings per share are not affected by the dilution if negative results in the period.

5. Segment information

From 1 January 2010 Navamedic has two reporting segments; Vitaflo Scandinavia and Generics (New Business). Comparable figures have been developed for years 2010. This change in reporting format reflects the change in business profile of the company such as the in-licensing of generics from Aspen.

Vitaflo Scandinavia:

Revenues and costs related to the sale of products to wholesalers, retail partner and end-users through Vitaflo Scandinavia AB.

Generics:

Revenues and costs related to the sale of products to wholesalers and retail partners based on the distribution agreement with Aspen Healthcare. Currently this segment accounts for the costs associated with the marketing authorisations of the in-licence products from Aspen. Sales are expected to begin in 2011.

Operating segments for the second quarter 2011 compared with the second quarter 2010

(in NOK '000)	Group		Generics		Vitaflo Scandinavia	
	Q2 2011	Q2 2010	Q2 2011	Q2 2010	Q2 2011	Q2 2010
Revenues	18 190	12 669	-	-	18 190	12 669
Gross Profit	7 154	5 681	-	-	7 154	5 681
Gross margin	39 %	45 %	0 %	0 %	39 %	45 %
Operating costs	8 250	7 204	2 621	1 911	5 629	5 293
EBITDA	(1 096)	(1 523)	(2 621)	(1 911)	1 526	388
Depreciation, amortizations, write offs	(1 710)	(1 669)	-	-	(1 710)	(1 669)
EBIT	(2 807)	(3 192)	(2 621)	(1 911)	(185)	(1 281)

Operating segments year to date 2011 compared with the year to date 2010

(in NOK '000)	Group		Generics		Vitaflo Scandinavia	
	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010
Revenues	34 967	25 756	-	-	34 967	25 756
Gross Profit	13 826	10 717	-	-	13 826	10 717
Gross margin	40 %	42 %	0 %	0 %	40 %	42 %
Operating costs	15 904	13 484	5 337	3 665	10 567	9 819
EBITDA	(2 078)	(2 767)	(5 337)	(3 665)	3 259	898
Depreciation, amortizations, write offs	(3 397)	(3 326)	-	-	(3 397)	(3 326)
EBIT	(5 475)	(6 093)	(5 337)	(3 665)	(138)	(2 428)

Revenues are allocated to the region where the customer is domiciled.

(in NOK '000)	Q2 2011	Q2 2010	YTD 2011	YTD 2010	FY 2010
Nordic Countries	17 672	11 717	34 207	22 232	50 811
Rest of EU/EEA	518	939	761	3 344	4 051
Other		13		180	230
Total revenues	18 190	12 669	34 967	25 756	55 092

The Company's revenues are not influenced by any cyclicity of operations. The Company is however dependent on obtaining national marketing authorisations in order to be able to launch and sell the Company's product as pharmaceutical products. Timing of such authorisations may be difficult to assess in the various cases and countries, and may lead to some periodical movements of revenues and profits.

6. Related party transactions

Navamedic is relying on services provided by third parties, including related parties, as a result of its organisational set-up. None of these third parties are considered as related parties.

7. Credit risk and foreign currency risk

Credit risk

Navamedic trades only with recognised, creditworthy third parties, of whom most companies are large, profitable pharmaceutical companies and wholesalers. Receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. As per Q2 2011, there is no offset of bad debt.

Maturity profile on short term receivables as per 30 June 2011:

NOK 1000	Not due	Less than 3 months	3 to 12 months	Total
Trade receivables	6 252	1 470	47	7 769
Other receivables	1 377	-	-	1 377
Total receivables	7 629	1 470	47	9 146

Foreign currency risk

Navamedic has transactional currency exposure arising from sales and purchases in currencies other than the functional currencies (NOK and SEK). The major portion of sales is currently in SEK. In relation to normal operations, Navamedic has not implemented any hedging strategy to reduce currency risk.

8. Intangible assets

	Q2		YTD	
	2011	2010	2011	2010
NOK 1000				
Carrying value at the beginning of the period	82 315	81 980	84 213	81 889
Additions	6 940	-	7 714	-
Amortization in the period	-1 705	-1 658	-3 387	-3 311
Exchange differences	-1 581	1 460	-2 572	3 204
Carrying value at the end of the period	85 969	81 782	85 969	81 782

9. Tangible assets

Changes in carrying value:

	Q2		YTD	
	2011	2010	2011	2010
NOK 1000				
Carrying value at the beginning of the period	66	29	71	33
Additions	-	62	-	62
Depreciation in the period	-5	-11	-10	-15
Exchange differences	-2	3	-2	3
Carrying value at the end of the period	59	83	59	83

10. Deferred tax and deferred tax assets

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

The gross movement on the deferred tax assets accounts as follows:

	Q2		YTD	
	2011	2010	2011	2010
Carrying value at the beginning of the period	7 172	4 358	6 585	3 738
Income statement charge	854	588	1 441	1 208
Carrying value at the end of the period	8 026	4 946	8 026	4 946

11. Share options

Share options are granted to selected employees. The exercise price of the granted options is equal to the market price on the date of the grant.

During 2009, 100 000 share options were granted to Navamedics CEO with an exercise price set at the market share price on the 4 May 2009 of NOK 5.40 per share. Additional share options were granted 15 February 2010 with a total of 50 000 share options to Navamedics CEO. The exercise price was NOK 7.31 per share. In May 2010 the CEO was granted additional 25 000 share options with an exercise price of NOK 6.90 per share. In September 2010 the CFO was granted 30 000 options and the general manager of Vitaflo AB was granted 20 000 share options with an exercise price of NOK 7.00 per share.

A fair value of the options using the Black-Sholes valuation model is by year end 2010 TNOK 833. The significant inputs into the model were a volatility of 60% and annual risk free rate of 2.6% for the first program and 2.3% for the other programs.

Costs related to the outstanding share options were TNOK 25 in Q2 2011 and TNOK 153 year to date.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Expiry date	Exercise price in NOK per share	Number of shares		
		30.06.2011	30.06.2010	31.12.2010
2010 - 06.03	35,40	-	40 000	-
2010 - 18.06	38,80	-	10 000	-
2012 - 04.05	5,40	100 000	-	100 000
2013 - 15.02	7,31	50 000	-	50 000
2013 - 05.05	6,90	25 000	-	25 000
2013 - 01.09	7,00	50 000	-	50 000
Total		225 000	50 000	225 000

12. Long term liability and Credit facility

NOK 000	30.06.2011	30.06.2010	31.12.2010
DnB NOR	-	-	-
Carrying value at the end of the period	-	-	-

In July 2011 the company entered into a credit facility of NOK 15 million with DnB NOR. During 2009, Navamedic repaid a long term debt to DnB NOR and the company has no interest bearing debt following the repayment.

13. Material events subsequent to the end of the reporting period

To the best of Navamedic's knowledge, there have been no events subsequent to the end of the reported interim period that would influence on the financial statements included in this report.

14. Shareholders information

The company has 518 share owners. As of 30 June 2011 there were 7 537 051 outstanding shares. The largest shareholders are:

Name	# of shares	per cent
INTERSYS NORGE AS	772 000	10,2 %
WEIFA AS	614 117	8,1 %
ADVANCE INVEST & CONSULTING AS	440 000	5,8 %
FRODE TEIGEN	400 000	5,3 %
NOBELSYSTEM SCANDINAVIA AS	300 000	4,0 %
HARDING INVEST AS	222 200	2,9 %
DANSKE INVEST NORGE VEKST	221 294	2,9 %
KRAEBER VERWALTUNG GMBH	214 850	2,9 %
CLEARSTREAM BANKING S.A.	162 800	2,2 %
SANDVOLD SHIPPING INVEST AS	160 000	2,1 %
BRITA LIE BULL	126 807	1,7 %
MP PENSJON PK	116 508	1,5 %
SILAN INVEST AS	113 529	1,5 %
RIKARD STORVESTRE	105 400	1,4 %
DIRECTMARKETING INVEST AS	100 000	1,3 %
BATJAK AS	100 000	1,3 %
BUKKEVIK INVESTERING AS	90 000	1,2 %
STEINAR BREKKE	85 000	1,1 %
FINN PEDERSEN	79 402	1,1 %
TOBLA AS	78 400	1,0 %
Sum 20 largest shareholders	4 502 307	59,7 %

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2011 has 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 profit and loss as a whole. We also confirm, to the best of our knowledge, that the interim report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Lysaker, 24 August 2011

Johan Reinsli (sign)
Chairman

Benedicte H. Fossum (sign)
Board Member

Grete Hogstad (sign)
Board Member

Halvor Stenstadvold (sign)
Board Member

Masha Strømme (sign) Svein Erik Nicolaysen (sign)
Board Member Board Member

Olof Milveden (sign)
CEO