INTERIM FINANCIAL REPORT

2nd Quarter and First Half 2012

NAVAMEDIC ASA 23 August 2012

Navamedic

Highlights

- **Yet another all time high quarter**
  - **25 per cent sales growth in Q2**
  - **Attractive margins maintained**
- **Successful introduction of new products**
  - **Solid Medical Nutrition sales**
  - **Strong performance in the Netherlands**
- **Eight generic products authorized for marketing**
  - **Some product launches delayed**

Financial results

Navamedic's second quarter 2012 revenues saw a 25 per cent growth over the same period last year. Revenues were NOK 22.7 million compared to NOK 18.2 million in 2011. Nearly all revenues were generated by the Vitaflo business area, which experienced yet another all time high quarter.

EBITDA for the second quarter reached NOK 0.4 million, compared to NOK -1.1 million in the same period of 2011. The results included NOK 2.1 million of operating expenses and developing costs in the Generic Business Area.

Net cash derived from operations year to date was NOK -3.5 million compared to NOK 0.3 million in 2011. Total change in net cash was NOK 5.0 million compared to NOK -7.6 million in the same period last year.

Key financial indicators 2012 vs. 2011

	Group		Group		Group
(in NOK '000)	**Q2 2012**	**Q2 2011**	**YTD 2012**	**YTD 2011**	**FY 2011**
Revenues	22 701	18 190	43 289	34 967	71 299
Gross Profit	**9 212**	**7 154**	**17 477**	**13 826**	**29 272**
Gross margin	**41 %**	**39 %**	**40 %**	**40 %**	**41 %**
EBITDA	**437**	**-1 096**	**495**	**-2 078**	**-2 639**
EBIT	**-1 121**	**-2 807**	**-2 621**	**-5 475**	**-9 359**

Two business areas

Navamedic operates and provides detailed financial information for two business areas: a) 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 selected manufacturers and b) the Vitaflo Scandinavia Business Area, which is a distributor of patented and non-patented drugs and healthcare products in the Nordic markets. 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. Currently this segment accounts for the costs and investments associated with obtaining the marketing authorisations of the in-licenced products from Aspen and other selected manufacturers. The first two generics products were launched in October 2011 and sales commenced towards the end of last year.

Vitaflo Scandinavia Business Area

Reporting includes revenues and costs related to the sale of products to wholesalers, retail partners and end-users in all Nordic countries and The Netherlands.

Navamedic Business Areas, Q2 2012 vs Q2 2011

	Group		Generics		Vitaflo Scandinavia	
(in NOK '000)	**Q2 2012**	**Q2 2011**	**Q2 2012**	**Q2 2011**	**Q2 2012**	**Q2 2011**
Revenues	22 701	18 190	80	-	22 621	18 190
Gross Profit	**9 212**	**7 154**	**16**	**-**	**9 196**	**7 154**
Gross margin	**41 %**	**39 %**	**20 %**	**0 %**	**40,7 %**	**39 %**
Operating costs	8 775	8 250	2 085	2 621	6 691	5 629
EBITDA	**436**	**(1 096)**	**(2 069)**	**(2 621)**	**2 505**	**1 525**
Depreciation, amortizations, write offs	(1 558)	(1 710)	-		(1 558)	(1 710)
EBIT	**(1 121)**	**(2 807)**	**(2 069)**	**(2 621)**	**948**	**(185)**

The Company's revenues grew by 25 per cent compared to the first quarter last year.

The medical nutrition, mainly consisting of PKU products (Phenylketonuria), was the single largest pharmaceutical product group in the first quarter, with sales of NOK 5.4 million. The company experienced strong growth in the area of Female care and Gastro. The new products Amnisure and Importal have been successfully introduced in Scandinavia. Importal has also enjoyed strong sales in the Netherlands in the second quarter, following its introduction in the Dutch market the previous quarter.

Gross margin in the second quarter 2012 ended at 41%, compared to last year's second quarter 39% gross margin.

The Navamedic group posted a consolidated EBITDA which was positive in the second quarter; NOK 0.4 million compared to a group EBITDA of NOK -1.1 million in the same quarter last year. Operating expenses were NOK 8.8 million compared to NOK 8.3 million in the same period last year.

The Generics Business Area booked NOK 2.1 million in operating expenses and development costs in the second quarter alongside NOK 0.7 million in capitalised investments

Navamedic launched its first two generic drugs in two of the company's seven national markets in the fourth quarter of 2011. With the Generics Business Area in a build-up phase, revenues from these markets were modest. Generics sales amounted to NOK 0.1 million in the second quarter.

Navamedic first half year - Operating segments in 2012 compared with 2011

	Group		Generics		Vitaflo Scandinavia	
(in NOK '000)	**YTD 2012**	**YTD 2011**	**YTD 2012**	**YTD 2011**	**YTD 2012**	**YTD 2011**
Revenues	43 289	34 967	180	-	43 109	34 967
Gross Profit	**17 477**	**13 826**	**36**	**-**	**17 441**	**13 826**
Gross margin	**40 %**	**40 %**	**20 %**	**0 %**	**40 %**	**40 %**
Operating costs	16 982	15 904	4 126	5 337	12 856	10 567
EBITDA	**495**	**(2 078)**	**(4 090)**	**(5 337)**	**4 585**	**3 259**
Depreciation, amortizations, write offs	(3 116)	(3 397)	-	-	(3 116)	(3 397)
EBIT	**(2 621)**	**(5 475)**	**(4 090)**	**(5 337)**	**1 469**	**(138)**

Navamedic's revenues for the first half of 2012 were NOK 43.3 million, up from NOK 35.0 million in the first half of 2011. This represents a sales growth of 23 per cent.

The Company's gross margin in the first half 2012 ended at 40%, which is on a par with the 40% gross margin of last year's first half year.

Following a higher gross margin Navamedic's EBITDA for the first half year improved from NOK -2.1 million in 2011 to NOK 0.4 million in 2012.

For the first half year of 2012 the Generic Business Area booked NOK 4.1 million in operating expenses and development cost in addition to NOK 0.7 million in capitalised investments.

Operational update

Generics Business Area

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 first two generic products were launched in the last quarter of 2011 and Navamedic expects to launch another seven generic products in 2012, ending the year with a portfolio of nine generic drugs in the market.

The markets for generic pharmaceuticals are growing, as health authorities across Europe encourage a substitution to generics when patents for the original products expire.

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.

Navamedic's generics business is based on partnership agreements with selected generics manufacturers, including South Africa's Aspen Pharmaceuticals. Navamedic is Aspen's sole distributor in the Nordic and Benelux markets. The number of product candidates filed demonstrates that Navamedic is on track in building an attractive generic pharmaceutical business in the Nordic countries, Belgium and Netherland. Furthermore, the relationship with Aspen provided Navamedic with a unique pipeline of generics candidates, enabling the Company to select molecules with margin potential in the Company's core markets.

The majority of the new products scheduled for launch in the second half of 2012 will enter the marked towards the end of the year. Sales income from these products is therefore expected to kick in from the first quarter 2013.

Vitaflo Scandinavia Business Area

Vitaflo Scandinavia achieved its best quarter ever. The company maintained its attractive margins from the previous quarters, ending the fourth quarter with an 11 per cent EBITDA margin. The progress was caused by both sales growth in the traditional product portfolio and the introduction of new products. Five new products were included in the portfolio over the last quarter alone which represents potential revenues of more than NOK 12 million on an annualised basis.

Revenues per knowledge area, Vitaflo Scandinavia Business Area

(in MNOK)	Q2 2012	Q2 2011	YTD 2012	YTD 2011	FY 2011
Osteoarthritis	0,0	0,1	0,0	0,1	0,2
Medical Nutrition	5,4	4,7	10,2	9,1	18,0
Oral Medicine	1,6	1,4	3,2	3,0	6,1
Female Care	2,7	1,7	5,1	3,1	6,6
Dermatology	1,7	1,3	3,3	2,8	5,6
Abuse	2,5	2,1	4,7	4,0	8,4
Gastro	1,8	1,3	3,1	1,9	2,9
Neurology	1,5	1,5	3,6	3,0	6,4
Oncology (Aspen)	4,4	3,9	8,6	7,0	15,1
Oftalmology	-	-	-	-	-
Generica	(0,0)	-	-	-	0,1
Pain	0,2	-	0,4	-	0,3
Other	0,7	0,2	1,0	0,8	1,7
Total revenues	22,5	18,2	43,1	35,0	71,3

Balance Sheet and Cash Flow

By the end of June 2012, Navamedic held cash and cash equivalents of NOK 4.4 million. At the end of 2011 the total cash and cash equivalents were NOK -0.6 million. An equity issue in March 2012 provided NOK 8.9 million of new equity. A total of 750,000 new shares at a price of NOK 12.08 were subscribed for by existing shareholders.

The available NOK 30 million in bank credit facilities remained unused at the end of the quarter. The cash reserve and the credit facility combined represented available funds of NOK 34.4 million at the end of the quarter.

Net cash flow from operations during the first half year 2012 was NOK -3.5 million, compared to NOK -0.3 million in the same period of 2011. Total net change in cash in the first half year was positive NOK 5.0 million in the first half year, compared to NOK -7.6 in the same period the previous year. The net cash flow reflects the EBITDA for the period and changes in the working capital and payment for marketing authorisations of generic drugs.

In the first half of 2012, Navamedic experienced a somewhat lower cash burn rate than previously anticipated, with an average burn rate of NOK 0.7 million per month. As the Company starts accumulating inventory in the second half in preparation for increased generics sales, the average monthly burn rate is expected to increase to approximately NOK 1.5 million per month.

The funds currently available are sufficient to secure the development of the company and planned investments in 2012 and 2013.

Navamedic faces no particular risk beyond what is considered normal in the industry. The Company is to some extent exposed to currency fluctuations, particularly the ratio between EUR and local currencies in the Scandinavian countries. The currency risk relates to future sales, the valuation of its assets and liabilities and to potential investments made abroad.

No transactions involving closely related parties having a significant impact on the Company's financial position have occurred in the first half of 2012.

Outlook

As a result of Vitaflo's expansion and the introduction of new generic products in the second half of 2012, Navamedic expects to enter 2013 with a portfolio of nearly 80 pharmaceutical, healthcare and nutrition products. In the process of developing the generics business area, Navamedic has experienced that distribution synergies between the Company's two business areas are even more attractive than previously anticipated. Navamedic has succeeded in building a broad pipeline of new generic drugs as well as original products with expired patents. At the same time, the Company's two separate sales channels (the Vitaflo sales corps and the tender based sales model of the generics business) prove highly complementary. Going forward, Navamedic will therefore take a pragmatic and unconventional approach to the selection of sales channel for each individual product, guided by the product's volume potential. A re-definition of how the products in the portfolio are allocated with respect to business areas can therefore be expected from January 2013, a move that also will be reflected in the segment reporting.

Navamedic will continue to develop its new Generics Business Area targeting additional eight product launches in 2012. The Company has an attractive pipeline of generic product candidates and is prepared to launch these following the expiration of original drug patents. For 2012, Navamedic anticipates that total investments and costs related to the Generic Business Area will continue to grow, increasing the average monthly cash outflow somewhat compared to 2011.

Navamedic's target is to reach a positive EBITDA for the Generics Business Area in the first quarter of 2013, a couple of months later than previously anticipated..

The Vitaflo Scandinavia Business Area is expected to continue its sales growth throughout 2012, based on an expanded product base and increased sales of the current product portfolio. The gross margin is expected to remain in the 38-42 per cent range and the company targets EBITDA margins well above 10 per cent.

For the group combined, Navamedic's target is to reach a positive EBITDA for the full year 2012 and a positive net result for the group in the second half of 2013.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

PROFIT AND LOSS (unaudited)

(In NOK '000)	Note	Q2 2012	Q2 2011	YTD 2012	YTD 2011	FY 2011
Operating revenues	5	**22 701**	**18 190**	**43 289**	**34 967**	**71 299**
Cost of goods sold		13 489	11 036	25 812	21 142	42 027
Gross profit		**9 212**	**7 154**	**17 477**	**13 826**	**29 272**
		40,6 %	39,3 %	40,4 %	39,5 %	41,1 %
Payroll expense		4 470	4 027	8 808	7 775	17 288
Other operating cost		4 336	4 221	8 439	8 706	15 170
Other (losses)/gains - net		-31	2	-265	-577	-546
Operating costs		**8 775**	**8 250**	**16 982**	**15 904**	**31 911**
EBITDA		**437**	**-1 096**	**495**	**-2 078**	**-2 639**
Depreciation	9	5	5	10	10	20
Amortization	8	1 553	1 705	3 106	3 387	6 699
Write offs	8	-	-	-	-	-
OPERATING RESULT (EBIT)		**-1 121**	**-2 807**	**-2 621**	**-5 475**	**-9 359**
Financial income and expenses						
Financial income		68	544	417	786	373
Other financial income		-	-	-	-	-
Financial expenses		-	-	-4	-4	-4
Other financial expenses		-134	-73	-577	-190	-930
Net financial result		**-66**	**471**	**-164**	**592**	**-561**
ORDINARY RESULT BEFORE TAX		**-1 187**	**-2 336**	**-2 785**	**-4 883**	**-9 920**
Tax on ordinary result		798	679	1 357	1 405	2 761
NET PROFIT		**-389**	**-1 657**	**-1 428**	**-3 478**	**-7 159**

CONSOLIDATED BALANCE SHEET (unaudited)

(In NOK '000)	Note	30.06.2012	30.06.2011	31.12.2011
Fixed and Intangible Assets				
Intangible assets	**8**	87 613	85 969	91 336
Deferred tax assets	**10**	11 039	8 026	9 317
Tangible assets	**9**	40	59	50
		-	-	-
Total fixed and intangible assets		**98 691**	**94 053**	**100 704**
Current Assets				
Inventories		14 840	8 906	17 427
Short term receivables	**7**	18 314	9 146	11 357
Cash at hand, in banks		4 400	6 524	-607
		-	-	-
Total current assets		**37 554**	**24 576**	**28 177**
Total assets		**136 246**	**118 630**	**128 881**
Shareholders equity and liabilities				
Shareholders equity				
Paid in capital		138 103	128 853	128 853
Other reserves		-38 402	-34 786	-35 616
Total equity	**4,11**	**99 701**	**94 067**	**93 237**
Debt				
Deferred tax	**10**	9 638	10 740	10 736
Long term debt to financial institutions	**12**	-	-	-
Total long term debt		**9 638**	**10 740**	**10 736**
Trade debtors		16 194	6 718	16 038
Interest-bearing short term debt	**12**	0	-	-
Received license fees from customers		-	-	-
Other short term debt		10 712	7 104	8 869
Total short term debt		**26 906**	**13 822**	**24 908**
Total debt		**36 544**	**24 563**	**35 644**
Total shareholders equity and liabilities		**136 246**	**118 630**	**128 881**

CONSOLIDATED CHANGES IN SHAREHOLDERS EQUITY (unaudited)

(In NOK '000)	Note	Paid in capital	Other paid in capital/ reserves	Translation differences	Retained earnings	Total
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**
Issue of shares, net of share issue cost		-	-		-	-
Issue of not yet registered shares, net of share issue cost		-				-
Paid out dividend		-			-	-
Share option scheme		233	-	-	-	233
Gains and Losses on Currency Outright Agreements		-	-	-	-	-
Translation difference		-	-	-43	-	-43
Net profit of the period		-	-		-7 159	-7 159
Balance at 31 December 2011		**129 121**	**-362**	**3 838**	**-39 360**	**93 237**
Balance at 31 December 2011		129 121	-362	3 838	-39 360	93 237
Balance at 1 January 2012		**129 121**	**-362**	**3 838**	**-39 360**	**93 237**
Capital incerase		9 250	-			9 250
Share option scheme	11	-	-	-	-	-
Translation difference		-	-	-1 358	-	-1 358
Net profit of the period		-	-	-	-1 428	-1 428
Balance at 30 June 2012		**138 371**	**-362**	**2 480**	**-40 788**	**99 701**

CONSOLIDATED CASH FLOW (unaudited)

(In NOK '000)	**Q2 2012**	**Q2 2011**
Profit (loss) before tax	-2 785	-4 883
Taxes paid	-369	322
Depreciation	3 116	3 397
Changes in inventory	2 586	-658
Changes in receivables	-6 104	1 019
Changes in payables	151	-165
Changes in other current items	-140	1 273
Net cash flow from operations	-3 545	305
Cash flow from investments		
Purchase of intangible assets	-714	-7 714
Purchase of tangible assets	-	-
Other investments	-	-
Net cash flow from investments	-714	-7 714
Cash flow from financing		
Proceeds from loan	-	-
Repayment of long term loans	-	-
Share capital	9 250	-
Share options	-	-
Net cash flow from financial activities	9 250	-
Changes in currency	16	-207
Net change in cash	5 007	-7 616
Cash and cash equivalents start period	-607	14 140
Cash and cash equivalents end period	4 400	6 524

Selected explanatory notes

1. Nature of operation

Navamedic ASA (Navamedic) was established in 2002, and comprises Navamedic ASA and the 100 percent owned subsidiaries Vitaflo Scandinavia AB and Navamedic EHF. The company is headquartered at Fornebu 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 Vitaflo 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 50 products from over 20 foreign companies on the Nordic markets through its subsidiary Vitaflo Scandinavia AB. Navamedic aspires to grow both through increased geographical presence and through a broadened product portfolio within selected therapeutic areas.

Navamedic´s first partner, Aspen, is Africa's largest pharmaceutical manufacturer and one of the world's 6 largest generic pharmaceutical companies with distribution in more than 100 countries. Aspen has an annual turnover of about MNOK 11.000, 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 2011 (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 August 23rd 2012. 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. The Board of directors approved the interim condensed financial information on 9 February 2012.

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 2011.

New standards and interpretations:

The following IFRSs and interpretations have been issued as at 10 February 2012, but have not yet come into effect, nor early-implemented:

Standards that can have an effect on the accounting principles:

- Neither IFRS 9 Financial instruments with an expected effective date 1 January 2015, nor IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements both with an effective date 1 January 2013 (but where it is uncertain whether EU approval will be in place by this date), will not, based on our initial assessment in terms of the operations that the company has as of today, have a significant effect on the consolidated financial statements. However, IFRS 9 may lead to reclassifications.

- IFRS 13 Fair Value Measurement with an effective date 1 January 2013 will not, based on our initial assessment in terms of the operations that the company has as of today, have a significant effect on the consolidated financial statements
- The amended IAS 19 Employee Benefits with an effective date 1 January 2013 will not, based on our initial assessment in terms of the operations that the company has as of today, have a significant effect on the consolidated financial statements

Standards that amend disclosure requirements:

- There are several changes in IFRS 7 Financial Instruments: Disclosures with different effective dates, and IFRS 12 Disclosure of Interests in Other Entities with an effective date 1 January 2013 (EU approval of IFRS 12 is at present uncertain), that will all result in an increase in disclosures.

Further amendments in standards and interpretations, will not, based on our initial assessment in terms of the operations that the company has as of today, have a significant effect on the consolidated financial statements

4. Earnings per share

Earnings per share:

Earnings per share					
	Q2 2012	**Q2 2011**	**YTD 2012**	**YTD 2011**	**FY 2011**
Result allocated to shareholders (in NOK '000)	(389)	(1 657)	(1 428)	(3 478)	(7 159)
Weighted average of outstanding shares (in '000)	8 287	7 537	8 287	7 537	7 537
Earnings per share (NOK per share)	-0,05	-0,22	-0,17	-0,46	-0,95

Diluted earnings per share:

	Q2 2012	**Q2 2011**	**YTD 2012**	**YTD 2011**	**YTD 2011**
Result allocated to shareholders (in NOK '000)	(389)	(1 657)	(1 428)	(3 478)	(7 159)
Weighted average of outstanding shares (in '000)	8 512	7 637	8 512	7 637	7 762
Earnings per share (NOK per share)	-0,05	-0,22	-0,17	-0,46	-0,92

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 business area and Generics business area.

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.

Operating segments for the Second quarter 2012 compared with the second quarter 2012

	Group		Generics		Vitaflo Scandinavia	
(in NOK '000)	**Q2 2012**	**Q2 2011**	**Q2 2012**	**Q2 2011**	**Q2 2012**	**Q2 2011**
Revenues	22 701	18 190	80	-	22 621	18 190
Gross Profit	**9 212**	**7 154**	**16**	**-**	**9 196**	**7 154**
Gross margin	**41 %**	**39 %**	**20 %**	**0 %**	**40,7 %**	**39 %**
Operating costs	8 775	8 250	2 085	2 621	6 691	5 629
EBITDA	**436**	**(1 096)**	**(2 069)**	**(2 621)**	**2 505**	**1 525**
Depreciation, amortizations, write offs	(1 558)	(1 710)	-		(1 558)	(1 710)
EBIT	**(1 121)**	**(2 807)**	**(2 069)**	**(2 621)**	**948**	**(185)**

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

(in NOK '000)	**Q2 2012**	**Q2 2011**	**YTD 2012**	**YTD 2011**	**FY 2011**
Nordic Countries	10 694	17 672	30 459	34 206	69 250
Rest of EU/EEA	6 397	518	7 220	761	2 049
Other	5 610	-	5 610	-	
Total revenues	22 701	18 190	43 289	34 967	71 299

The Company's revenues are not influenced by any cyclicality 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 or revenues and profits.

6. Related party transactions

Navamedic is relying on services provided by third parties, included 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 2012, there is no offset of bad debt.

Maturity profile on short term receivables as per 31 June 2012:

NOK 1000	**Not due**	**Less than 3 months**	**3 to 12 months**	**Total**
Trade receivables	14 052	2 013	184	16 249
Other receivables	2 015			2 015
Total receivables	**16 067**	**2 013**	**184**	**18 264**

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	
NOK 1000	**2012**	**2011**	**2012**	**2011**
Carrying value at the beginning of the period	**88 606**	**82 315**	**91 336**	**84 213**
Additions	714	6 940	714	7 714
Amortization in the period	-1 553	-1 705	-3 106	-3 387
Exchange differences	-154	-1 581	-1 331	-2 571
Carrying value at the end of the period	**87 613**	**85 969**	**87 613**	**85 969**

9. Tangible assets

Changes in carrying value:

	Q2		YTD	
NOK 1000	**2012**	**2011**	**2012**	**2011**
Carrying value at the beginning of the period	**45**	**66**	**54**	**71**
Additions	-	-	-	-
Depreciation in the period	-5	-5	-10	-10
Exchange differences	-	-2	-4	-2
Carrying value at the end of the period	**40**	**59**	**40**	**59**

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	
	2012	**2011**	**2012**	**2011**
Carrying value at the beginning of the period	**9 980**	**7 172**	**9 317**	**6 585**
Income statement charge	1 059	854	1 722	1 441
Carrying value at the end of the period	**11 039**	**8 026**	**11 039**	**8 026**

11. Share options

All options are equity settled and valued at the date of award. The value is expensed over the vesting period, which is usually three years. 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. Olof Milveden, CEO of Navamedic ASA, has on 4 April 2012 exercised these 100,000 stock options and bought 100 000 new shares in Navamedic ASA. 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.
In July 2011 the Head of Regulatory Affairs was granted 30 000 share options with an exercise price of NOK 9.50 per share. In August 2011 the CFO was granted 20 000 share options with an exercise price of NOK 10.50 per share. In July 2011 the CEO was granted 12 500 share options with an exercise price of NOK 13.50 per share. In November 2011 the CEO was granted 12 500 share options with an exercise price of NOK 12.00 per share.

A fair value of the options using the Black-Sholes valuation model is by year end 2011 TNOK 706. The significant inputs into the model were a volatility of 65% and annual risk free rate of 4.0%. The expense related to options were 233 in 2011."

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

løpetid 3 år Expiry date	Exercise price in NOK per share	Number of shares 31.12.2011	 30.09.2011	 31.12.2010
2013 - 15.02	7,3			50 000
2013 - 05.05	6,9			25 000
2013 - 01.09	6,9			50 000
2014 - 18.01	9,5		30 000	
2014 - 4.02	11,0		20 000	
2014 - 26.02	13,5		12 500	
2015 - 20.06	12,0	12 500		
Total		*12 500*	*62 500*	*125 000*

12. Credit facility

In July 2011 the company entered into a credit facility of NOK 15 million with DnB NOR. The interest rate will be NIBOR with the addition of the margin of 2.75 % p.a.
Navamedic has received bank approval for an extension of the credit line from NOK 15 to 30 million.

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

Olof Milveden, CEO of Navamedic ASA, has on 4 April 2012 exercised 100,000 stock options and bought 100 000 new shares.
Navamedic ASA has in March 2012 completed a private placement of 750,000 shares just below 10% of total share capital) at a subscription price of NOK 12.08 per share. The increase in share capital has been carried out in accordance with the authorization given by the company's annual general meeting 14 April 2011.
The private placement was directed at the company's largest existing shareholders. Total proceeds of the offer was NOK 9.060.000 The net proceeds will be used to further develop the company's generics business area in line with the company's strategy.

As of 31 June the Company had 529 share owners. The total number of outstanding shares were 8 387 051.

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 31 June 2012 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 three 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 nine months of the financial year, and major related parties transactions.

Fornebu, 23 August 2012

Johan Reinsli (sign) Chairman		Benedicte H. Fossum (sign) Board Member
Grete Hogstad (sign) Board Member	Kjell Erik Nordby (sign) Board Member	Halvor Stenstadvold (sign) Board Member
Masha Strømme (sign) Board Member	Svein Erik Nicolaysen (sign) Board Member	Olof Milveden (sign) CEO