

NattoPharma®

INTERIM REPORT 4th quarter 2008

Highlights:

- **Global agreement with Danisco:** NattoPharma has signed a long-term distribution, marketing, and license agreements with Danisco, a world leading player within the food industry, which will provide a substantial basis for production and distribution of MenaQ7 to the rapid growing market for fortified food. The cooperation confirms that NattoPharma is considered to be a serious and attractive partner within the food industry.
- **Recommendation from European Food Safety Authority (EFSA):** EFSA published a positive opinion on November 18th 2008 regarding the use of Vitamin K2/MK-7 as a food additive and to enrich food. The next step in the process of having MenaQ7 approved as an additive to health supplement products, food and special nutrition products, will be to obtain final approval by the EU commission, who also will translate the legal text to the various EU-countries' languages and publish the approval.
- **Continued slow sales development:** The sales development is still unsatisfactory, with reported revenue of NOK 3.9 million in the fourth quarter 2008 compared to NOK 2.1 million in the same period in 2007. Revenue in 2008 was approximately NOK 19 million. However, commercial and regulatory breakthroughs have contributed to significant interest among major players in Europe as well as USA, which gives a solid basis for further growth in 2009. Additionally, major cost cuts will be implemented in order to bring the company in a break-even position as soon as possible.
- **New management:** Mr. Thomas Christensen was constituted as CEO in December 2008. He was previously CEO in Scandinavian Clinical Nutrition AB, and has also held positions as CFO in NetConnect AS and CEO in Active 24 ASA. Furthermore, Mr. Morten Sundstø has been engaged by the board of directors as an advisor in strategic issues, capitalization of the company and to be responsible for IR.

COMMERCIAL BREAKTHROUGH

The long-term distribution, marketing and license agreements with Danisco represent a commercial and international breakthrough for NattoPharma. Danisco is one of the world's leading suppliers to the food industry, with many large and recognized brands among its customers. The agreements open for substantial production and delivery of our unique MenaQ7 product to the rapidly growing market of fortified food. The market for the vitamin K2 product MenaQ7 as an additive in food products is new and it is therefore difficult to forecast the volume. However, Danisco emphasises that the company sees a great potential for MenaQ7 in all types of food and beverages, and we expect significant production already in 2010. NattoPharma will contribute with expertise and technical support to the sales activities. The company has worked long and hard in order to finalize the agreement and it is in itself an achievement for a small company like NattoPharma to enter long-term agreements with a world leader like Danisco. The agreements confirm that we through research and development have established us as a serious and attractive partner for the food industry. Danisco gets exclusive rights to distribute on a global basis in this market segment. The agreement does not include distribution in Norway, where the company itself will promote MenaQ7 directly to food producers. To ensure delivery to Danisco in accordance with the defined quality requirements and the potential order volume, NattoPharma has renewed its agreements on

production and delivery of MenaQ7 with J. Oil Mills Japan and the Japanese trading company Sumitomo Corporation.

POSITIVE SCIENTIFIC OPINION FROM EFSA

The R&D program for documentation of effects of vitamin K2 and our MenaQ7 product continues as planned. An important milestone was reached in November 2008 when the scientific opinion from European Food Safety Authority (EFSA) was published. More than 3 years after the submission of the application, EFSA issued a positive opinion for the MenaQ7 product. The positive opinion is now to be formally approved by the EU commission, who will translate the legal text to the various EU countries' languages and publish the approval later in 2009. Even before this formal acceptance is official, we have experienced interest from many large international players wanting to discuss distribution agreements for food supplements. NattoPharma's MenaQ7 product contains the most bioavailable form of vitamin K2, known as menaquinone-7. This form of the vitamin is derived from fermented soybeans (natto food) which is produced in Japan and has been used for hundreds of years due to its health promoting properties. Our process towards EFSA has taken us more than 3 years. NattoPharma has submitted solid technical and clinical documentation, and sees now the results of systematic and dedicated work. EFSA's positive opinion is an example where NattoPharma's thorough R&D work provides

good results. This is the first time EFSA issues a positive opinion under the new fortified food regulation. It is also the first time that a vitamin is accepted simultaneously as novel food, as food supplement and as an ingredient for nutritional products for special nutritional purposes as well as for fortifying food. With the expected EU Commission amendments NattoPharma will have the necessary legal permissions to enter all EU market channels for food supplements and fortified food. Additionally, the positive novel food decision for MenaQ7 will probably be the most important competitive advantage for MenaQ7.

The GRAS process towards the American Food and Drug Administration (FDA) continues.

MARKET- AND BUSINESS DEVELOPMENT

The sales development in both Europe and the USA in the quarter was still unsatisfactory and weaker than expected. This is partly due to the process of obtaining regulatory approval taking longer time than expected and partly as an effect of the global financial crisis. Additionally, it is both time- and resource-intensive to develop knowledge of vitamin K2 and MenaQ7 among both professionals and consumers.

At the same time we are experiencing great interest for the product among players we are in dialogue with, for instance at the Supply Side West exhibition in Las Vegas, USA, in cooperation with our U.S. partner PL Thomas in October 2008. There are currently 24 different products in Europe that contains NattoPharma's product MenaQ7, while the corresponding figure in the US is 50. A number of European and US health and lifestyle publications has had a broad and positive review of the effect of vitamin K2. New marketing material is designed to support sales and marketing efforts in 2009.

As a result of EFSA's positive opinion, Pharmanutra, a subsidiary of our Italian distributor Alesco, launched their MenaQ7 product, Dikappa2, in February 2009.

A Distributor Agreement for MenaQ7 towards food supplements has in the period been signed for Spain and Portugal. Corresponding agreements were previously signed for the Benelux countries, Italy, UK and Ireland, Eastern Europe, Australia and New Zealand. On the Nordic market, which we manage ourselves, our customer Cederroth in the fourth quarter invested significant resources in the marketing of MenaQ7, which is expected to deliver results beyond 2009.

IMPORTANT RESEARCH RESULTS

Our 3-year placebo-controlled double blind clinical study for bone- and cardiovascular health with 240 women included continues as planned.

The diagnostic study conducted in collaboration with Rikshospitalet, Oslo is finalized and submitted for publication. The study shows promising results for Matrix Gla protein (MGP) as a risk marker for early death. In a cardiovascular patient population high non-activated MGP shows a 9 times increased risk for early deaths. No other biomarker in this study shows comparable predictive value.

MGP is dependent upon vitamin K for activation. NattoPharma has used this biomarker in many of the performed clinical studies to evaluate how various doses of MenaQ7 can influence MGP in order for MGP to inhibit arterial calcification. The patents covering the diagnostic use of MGP are controlled by NattoPharma through the fall 2008 acquisition of the company MGP Diagnostics. MGP has an interesting potential for identifying persons with vitamin K deficiency and for measurements of inactive MGP as an indicator for potential increased calcification of arteries. MGP Diagnostics will now establish the strategy and marketing plans for further development of the company.

During 4th quarter NattoPharma finalized an interesting animal study applying a mouse model for studying the potential inhibitory effects of MenaQ7 on arterial calcification. Preliminary results indicate that even small doses of MenaQ7 have considerable inhibitory effect. Results from an omega-3 (krill oil) study on activation of the calcium-binding protein osteocalcin in the bone matrix, are under evaluation.

FINANCIALS

Numbers in NOK 1 000	NattoPharma ASA			
	10.01-12.31.08	10.01-12.31.07	1.1-12.31.08	1.1-12.31.07
Revenue	3 891	2 118	18 986	22 385
Cost of goods	2 304	1 363	8 302	9 311
EBIT	-8 342	-6 393	-22 606	-6 174
Net Finance	-440	-593	-2 025	-1 854
Result before tax	-8 783	-565	-24 632	-8 028
Gross margin	40,8 %	35,6 %	56,3 %	58,4 %
Periodic Result	-6 325	-5 106	-17 771	-5 856

The company has a share capital of NOK 2,044,522.40 following a share capital increase of NOK 136,792.40 with the issue of 1,367,924 shares with a face value of NOK 0.10 in January 2008. The share capital increase was carried out in relation to the listing on Oslo Axess, January 30th 2008. The subscription price per share was NOK 12 and the total new capital was divided into NOK 136,792.40 in new share capital and NOK 16,278,295.60 in share premium reserve.

The company's subsidiary NattoPharma Limited UK was dissolved of with effect from August 2008. As per October 15th 2008, NattoPharma has acquired 100 % of the shares in the company MGP Diagnostics AS, which is a part of the group as of 4th quarter 2008.

As per 4th quarter 2008 the company had a turnover of NOK 19 million. Operating costs were NOK 41.6 million of which cost of goods equals NOK 8.3 million, salary costs equal NOK 11.3 million, R&D equals NOK 9.1 million, marketing equals NOK 4 million, depreciation NOK 1.1 million and other operating costs equal NOK 7.8 million. This gives a negative EBIT of NOK 22.6 million. Financial costs equal NOK 2 million, giving a negative result before tax of NOK 24.6 million and a negative result for the period of NOK 17.8 million. The gross margin for the periode equals 56.3%.

The corresponding figures as per 4th quarter 2007 show a turnover of NOK 22.4 million, which, after operating costs of NOK 28.6 million and financial costs of NOK 1.9 million, gave a negative result before tax of NOK 8 million. The periodic result after tax equaled NOK 5.9 million. Gross margin for the period was 58.4 %.

Viewed in isolation, the 4th quarter shows a turnover of NOK 3.9 million, which, after operating costs of NOK 12.2 million, gave a negative operating result of NOK 8.3 million. Results for the period after financial costs and before tax were minus NOK 8.8 million and the results after tax were minus NOK 6.3 million. The corresponding figures for the 4th quarter 2007 show a turnover of NOK 2.1 million, a negative operating profit of NOK 6.4 million and a negative result before tax of NOK 7 million. The results after tax were minus NOK 5.1 million. Gross margin was 40.8 % for 4th quarter 2008 and 35.6 % for 4th quarter 2007, respectively.

The company's cash flow from operations was minus NOK 17 million as per 4th quarter 2008 and minus NOK 5.9 million for the 4th quarter 2007.

The purchase of technology and patent rights from external suppliers accounts for the intangible assets entered on the balance sheet in accordance with IFRS. This refers to the patent acquired in December 2006, approved by the EU in spring 2007, and the technology and IPR finally supplied per 3rd quarter and report prepared in December 2007. All other studies are considered as research or a search for further areas of application for the product and will be entered as costs as they arise. Since this intangible asset will represent a considerable part of the company's further financial development, it will be depreciated over a period of 5 years from 01.01.2008.

The company's balance sheet shows total equity of NOK 6 million, compared to NOK 9.6 million per 4th quarter 2007. Equity ratio was 21.9 %, against 30 % per 4th quarter 2007. The company took up a bond loan of NOK 18.5 million in July 2007 through Norsk Tillitsmann ASA, with a maturity term of 2 years with no instalments, and with a nominal annual interest of 10.4%, payable every six months. As part of the loan arrangement, the bond holders were offered warrants free

of charge for the issue of 1,233,210 shares each with a par value of NOK 0.10 and with a subscription price equal to NOK 15 per share. The exercise period is two years from the date of issue of the bond. The loan is classified as short term debt. As per 31.12.08, the company's cash balance was NOK 10.3 million and the registered number of shareholders was approximately 273. With effect from 18 January 2008, the company decided to buy back bonds at a value of NOK 3 million. Equity and liabilities totalled NOK 27.4 million.

The greatest area of uncertainty and risk in the period up to year end was the signing of agreements with Bayer ConsumerCare AG and Danisco France SAS. The agreement with Danisco is signed, while there are ongoing discussions with Bayer ConsumerCare AG. EFSA concluded their investigations with a positive opinion which was published on 18. November 2008. The greatest uncertainty in 2009 is related to the refinancing of the bond loan and to what level and frequency Danisco will exercise orders of MenaQ7.

PROSPECTS

Commercial and regulatory breakthroughs in the 4th quarter strengthened NattoPharma's platform for further growth. Dedicated resources will be implemented to follow up the agreement with Danisco, which was signed in February 2009, in order to maximize the potential in the agreement. The cooperation with Danisco makes it possible to build knowledge about vitamin K2 and NattoPharma's product MenaQ7 to an extent NattoPharma would not have managed without the support of an international and well respected operator as Danisco.

While waiting for the formal approval of MenaQ7 as an additive to food and as a health supplement from the EU Commission, we are working simultaneously spreading the word of MenaQ7, building relations and establishing new distribution channels in Europe. The interest shown by major operators within the health supplement industry is increasing, and we will prioritize cooperation with potential operators having necessary resources, customer bases and market areas which can open for delivery of high volumes within health supplement on a short term basis.

R&D shows that MenaQ7 is an effective form of vitamin K2 which can prevent vitamin K deficit, have a positive effect on the bone health and simultaneously prevent calcification of the arteries. MenaQ7 achieve increased recognition, and the formal approval from the EU Commission of MK-7 will give the company further competitive advantages.

The Company's management is focusing on business development at the same time as cutting costs in order to achieve a cost effective operation as soon as possible. The Company has full focus on the issue of strengthening the

working capital, since continued operation is conditioned upon an extension of the bond loan, arranging new loan facilities and/or carrying out an equity issue.

Shareholder information as per December 31.2008

Shareholder list 20 major NattoPharma ASA Shareholder	31.12.2008	
	No. Of shares	Ownership
1 Svenska Handelsbanken Stockholm	2 485 500	12,16 %
2 Anacott Steel AS	2 458 700	12,03 %
3 B Mcallen SL	2 287 268	11,19 %
4 Sellæg, Bjørn Arne Fr.	1 986 700	9,72 %
5 Bohan & Co AS	1 612 700	7,89 %
6 Eng AS	814 000	3,98 %
7 Gjersvik, Karsten	780 000	3,82 %
8 Macama Invest AS	775 533	3,79 %
9 Nordea Bank Denmark	642 666	3,14 %
10 Universal Exports AS	606 000	2,96 %
11 Haadem Invest AS	566 800	2,77 %
12 Sellæg Aase	416 600	2,04 %
13 Pictet & Cie Banquiers, Sveits	400 000	1,96 %
14 Mascot Holding AS v/ Alex Munch Thore	400 000	1,96 %
15 Easy2Connect AS	300 000	1,47 %
16 MP Pensjon	280 000	1,37 %
17 LKG Holding AS	200 000	0,98 %
18 Jakobsen, Amt	195 000	0,95 %
19 Natland Invest AS	190 000	0,93 %
20 Vestland Invest AS	161 500	0,79 %
Sum 20 major sharholders	17 558 967	85,88 %

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INCOME STATEMENT BY NATURE OF EXPENSES

	Note	10.10- 12.31.08	01.01- 12.31.08	10.01- 12.31.07	01.01- 12.31.07
REVENUE and EXPENSES					
REVENUE					
Revenue	2	3 883	18 935	2 117	22 127
Other income		<u>8</u>	<u>51</u>	<u>1</u>	<u>258</u>
TOTAL REVENUE		<u>3 891</u>	<u>18 986</u>	<u>2 118</u>	<u>22 385</u>
OPERATING EXPENSES					
Raw material and consumable goods		2 304	8 302	1 363	9 311
Employee benefit expenses	3	3 408	11 263	1 552	5 677
Depreciation and amortisation expenses	4	145	1 130	190	481
Other operating expenses		<u>6 377</u>	<u>20 898</u>	<u>5 406</u>	<u>13 090</u>
TOTAL OPERATING EXPENSES		<u>12 234</u>	<u>41 593</u>	<u>8 511</u>	<u>28 559</u>
OPERATING PROFIT/LOSS		<u>-8 343</u>	<u>-22 607</u>	<u>-6 393</u>	<u>-6 174</u>
FINANCIAL INCOME AND EXPENSES					
Finance income		173	889	208	423
Other finance income		255	726	-29	108
Finance costs		-711	-2 809	-882	-1 485
Other finance costs		<u>-157</u>	<u>-831</u>	<u>110</u>	<u>-900</u>
NET FINANCE		<u>-440</u>	<u>-2 025</u>	<u>-593</u>	<u>-1 854</u>
LOSS BEFORE INCOME TAX		<u>-8 783</u>	<u>-24 632</u>	<u>-6 986</u>	<u>-8 028</u>
Income tax expense	8	<u>-2 457</u>	<u>-6 860</u>	<u>-1 880</u>	<u>-2 172</u>
NET PROFIT/LOSS		<u>-6 326</u>	<u>-17 772</u>	<u>-5 106</u>	<u>-5 856</u>
 <i>Result and diluted result per share assigned to the company's shareholders:</i>					
Result and diluted result per share	9	-0,31	-0,87	-0,27	-0,31

Consolidated Balance sheet

	Note	12.31.2008	12.31.2007
ASSETS			
NON CURRENT ASSETS			
INTANGIBLE ASSETS			
Other intangible assets	4	3 920	4 720
Deferred tax	8	11 648	3 906
Total intangible assets		15 568	8 626
TANGIBLE ASSETS			
Equipment		286	560
Total tangible assets		286	560
TOTAL NON CURRENT ASSETS		15 854	9 186
CURRENT ASSETS			
Warehouse		-	-
Accounts receivables		865	1 999
Prepaid costs		113	2 841
Other short term receivables		320	776
Cash and cash equivalents		10 272	17 186
TOTAL CURRENT ASSETS		11 570	22 802
TOTAL ASSETS		27 424	31 988

Consolidated Balance sheet

	Note	12.31.2008	12.31.2007
EQUITY AND LIABILITIES			
EQUITY			
OWNERS EQUITY			
Share capital	5	2 045	1 878
Resolved, ot registered share increase		0	1 175
Share premium reserve		31 815	16 661
Other paid in equity		1 496	1 431
Total owners equity		35 356	21 145
EARNED EQUITY			
Accumulated loss		-29 320	-11 548
TOTAL EQUITY		6 036	9 597
LIABILITIES			
Long term debt		0	16 403
Total long term debt		0	16 403
CURRENT LIABILITIES			
Bond loan	6	14 802	0
Accounts payable		1 033	3 681
Public duties payable		710	1 237
Other short term debt		4 843	1 070
Total current liabilities		21 388	5 988
TOTAL DEBT		21 388	22 391
TOTAL EQUITY AND LIABILITIES		27 424	31 988

CONSOLIDATED CASH FLOW STATEMENT	2008	2007
Net Cash flow from Operations		
Earnings before tax	-24 632	-8 028
Depreciation and amortisation	1 130	481
Interest amortisation	1 177	574
Loss by repurchase of bonds	328	0
Share based remuneration	65	65
<i>Endringer i eiendeler og gjeld:</i>	0	0
Accounts receivables	1 134	-1 372
Prepaid costs	2 728	-2 841
Accounts payable	-2 648	3 345
Other short term payables and receivables	3 703	1 909
Net cash flow from operations	-17 015	-5 867
INVESTMENT ACTIVITIES		
Purchase of tangible assets	-56	-299
Purchase of intangible assets	0	-3 235
Net cash flow from investment activities	-56	-3 534
FINANCIAL ACTIVITIES		
Payment from issue of shares	13 263	0
Payment from issue of bonds	0	15 829
Purchase of own bonds	-3 106	0
Payments from issue of warrants	0	1 681
Payment from exercising share options	0	1 175
Net cash flow from financial activities	10 157	18 685
Net change in cash and cash equivalents	-6 914	9 284
Cash and Cash equivalents as per 1.1	17 186	7 902
Cash and Cash equivalents as per 12.31	10 272	17 186
Paid interest	-1 775	0

CHANGES IN EQUITY	Share capital	Share premium	Paid in - not registered equity	Other equity	Accumulated deficit	Total equity
Equity 12.31.06 (numbers in NOK thousand)	1 699	7 911	8 929	155	(5 692)	13 002
Registry of paid in equity	179	8 750	(8 929)	-	-	-
Paid in as part of options being exercised	-	-	1 175	-	-	1 175
Equity securities as part of bond loan	-	-	-	1 766	-	1 766
Transaction cost	-	-	-	(85)	-	(85)
Deferred tax related to equity securities	-	-	-	(470)	-	(470)
Share based remuneration	-	-	-	65	-	65
Result for the period	-	-	-	-	(5 856)	(5 856)
As per 31st December 2007	1 878	16 661	1 175	1 431	(11 548)	9 597
Registry of paid in equity	30	1 145	(1 175)	-	-	(0)
Share issue	137	16 278	-	-	-	16 415
Transaction costs	-	(2 269)	-	-	-	(2 269)
Share based remuneration	-	-	-	65	-	65
Result for the period	-	-	-	-	(17 772)	(17 772)
As per 31st December 2008	2 045	31 815	-	1 496	(29 320)	6 036

NOTES TO THE CONSOLIDATED ACCOUNTS

1. ACCOUNTING POLICIES

The accounts as per December 31st 2008 are based on the International Financial Reporting Standards (“IFRS”), which were applied in the preparation of the annual accounts for 2006 and 2007. The report does not include all information required for a full annual report, hence see the consolidated accounts as per December 31st 2007.

The accounts were approved by the Board of Directors on 25th February 2008.

The accounting policies are in accordance with those that were followed for the accounts in 2007.

2. SEGMENT REPORTING

NattoPharma has only one segment, based on its business and location of its assets. The company’s activities are based on the purchase and sale of vitamin K2, as well as research and development in the same area as the primary segment. The geographic segment is a secondary segment. All the company's fixed assets are located in Norway and there will therefore be no segment assets or investments in other countries.

Geographic distribution of sales

amount in NOK 1.000

	NattoPharma ASA	
	01.01-12.31.08	01.01-12.31.07
USA	11 298	15 523
Europe	7 534	6 604
Rest of the world	103	
Total sales	18 935	22 127

3. PAYROLL COSTS

As part of the resignation of the former CEO Stein Westbye on 31st May 2008, an 18 months severance pay was agreed, which was later renegotiated and reduced to NOK 0.9 million. NOK 0.9 million has been recorded as per December 31st 2008 as severance pay obligation. Correspondingly, there is recorded an obligation of NOK 1.1 million as severance pay for Mr. Egil Greve related to his departure December 22nd 2008.

4. INTANGIBLE ASSETS

The company registered in the balance sheet for 2007 intangible assets of NOK 3.2 million. This relates to acquisitions of, amongst others, patents and intellectual property rights for the company's products with respect to cardiovascular health. A lifespan equal to 5 years has been assumed and is used as the basis for linear depreciation.

5. SHARE ISSUE

In January 2008 a capital increase was carried out, totalling NOK 136 792.40 by issuing 1 367 924 shares each having a face value of NOK 0.10. The share capital of the Company after the share issue equals NOK 2 044 522.40.

6. BOND LOAN

The company took out a bond loan of NOK 18.5 million including independent warrants on 10 July 2007. The loan falls due for repayment in its entirety in July 2009. The company had transaction costs of approximately NOK 1 million relating to the issue of the bond loan. In January this year, the company repurchased NOK 3 million of its own bonds. The Company has registered a loss of NOK 327 000 on this repurchase. The loan is classified as short term debt.

1,233,210 warrants were issued in relation to the bond issue.

7. PURCHASE OBLIGATION 2009 SUMITOMO CORPORATION.

In accordance with the distribution agreement with Sumitomo Corp., NattoPharma was obliged to purchase a minimum volume for 2008, which was not met. As a compensation for this shortfall, the parties have agreed on a remedy plan for 2009, where NattoPharma will purchase an extra volume of vitamin K2. The remedy plan obligation totals NOK 2 743 524.38 based on a currency exchange rate as per December 31st 2008 of YEN/NOK 7.7589. The goods will be delivered to a warehouse in Sweden.

8. DEFERRED TAX

The Company has recorded deferred tax in the balance sheet for 2008 equal to NOK 11.65 million. There is an uncertainty attached to the validity of this registration in accordance to IFRS, and it will be subject to an evaluation up until the final annual accounts 2008 are prepared.

9. EARNINGS PER SHARE

<i>Result per share</i>	10.01-12.31 2008	01.01-12.31 2008	10.01-12.31 2007	01.01-12.31 2007
Profit/loss attributal to the shareholders	(6 326)	(17 772)	(5 106)	(5 856)
Weighted average number of outstanding ordinary shares	20 445	20 434	18 787	18 787
Result and diluted result per share	(0,31)	(0,87)	(0,27)	(0,31)

10. CLOSELY RELATED PARTIES

<u>Company</u>	<u>Closely related party</u>	<u>Transaction amount</u>
1. Anacott Steel ASA	Morten Sundstø	NOK 540 000
2. Thersa Comiskey Olsen		NOK 200 680
3. Wikborg, Rein & Co, Advokatfirma	Line Ravlo-Losvik	NOK 126 643

1. The consultancy agreement between NattoPharma ASA and Anacott Steel AS (shareholder in the company) dated 01.05.07 regarding the hiring of Mr. Morten Sundstø as IR executive as well as advisor in respect of strategic issues and financing of the company has been terminated with effect from 30 September 2008.
2. Theresa Comiskey Olsen was a member of the board of directors for the period January 1st – August 21st 2008 and for the period September 8th – December 4th 2008. During these periods, she conducted various legal tasks related to contract negotiations, which was not considered part of the remuneration fee as a board member.
3. Line Ravlo-Losvik was a member of the board of directors for the period January 1st – August 21st 2008. In this period, Wikborg, Rein & Co. carried out legal tasks for the company which was not covered by the remuneration fee as a board member.

11. BOARD OF DIRECTORS

At an extraordinary general meeting held December 4th 2008, Ola Røthe succeeded Mr. Erik Langaker as Chairman of the board of directors. Furthermore, Lisa Ann Cooper and Christian Stang Våland were elected new board members, succeeding Mrs. Theresa Comiskey Olsen and Mr. Frank Erikstad Bjordal. As per today's date, the board of directors consists of three members. On December 22nd 2008, an agreement was signed with the CEO Mr. Egil Greve regarding his resignation. A severance package of NOK 600 000 plus coverage of legal costs and three months' salary, totaling approximately NOK 1.1 million was agreed. Simultaneously, Mr. Thomas Christensen was constituted as new CEO the same day.

12. EVENTS AFTER THE BALANCE DATE

Danisco France SAS and NattoPharma ASA has entered into a long-term global distribution, marketing and license agreement securing Danisco rights as NattoPharma's sole partner in marketing the natural vitamin K2 product MenaQ7 to the global food industry, on certain terms. The agreement is of major strategic importance for NattoPharma.

13. RECLASSIFICATION OF PREVIOUS QUARTERLY REPORTS

There are uncovered errors in the accounts for 2008 which relates to three issues; costs related to the share issue in January 2008, accrued interest expenses related to the bond loan and recording of severance pay for Mr. Stein Vidar Westbye. The result of these errors is a too low equity reported as per September 30th 2008 and too high operation costs. The balance sheets for the 2nd and 3rd quarter show cumulative effects for the year. This is adjusted for, such that the accounts as per December 31st 2008 are correct, and simultaneously the respective quarterly reports for 2008 is adjusted in order to give a correct comparison for the upcoming quarterly reports 2009.