



Quarterly report

Nr 1 – 2007

First quarter report 2007



Highlights

- **Operating revenues in 1Q increased strongly versus the same period last year to 160.8 MNOK. The period's EBITDA was 17.7 MNOK up 31% versus the same period last year.**
- **Growing order backlog – The order backlog stood at 291 MNOK at the end of the quarter, up 50 MNOK compared to the end of 2006.**
- **Acquisition of Maritech finalised – making AKVA the leading software provider to the global seafood industry.**

The first quarter is normally characterized by seasonal slowdown through the winter in the northern hemisphere and the summer holidays in the southern hemisphere. Still, considering this the revenues increased from 152.4 MNOK in 4Q 2006 to 160.8 MNOK in 1Q 2007. Additionally the quarter was again characterised by continued positive development in the market fundamentals in all of AKVA group's main markets. And, the consolidation of the industry continues making AKVA group's customers larger and is now also involving new parts of the industry.

In the comments below on the financial accounts, the 2006 figures are presented in parentheses following the 2007 stated values when included.

Operations and profit (pro forma)

Operating revenue in 1Q increased strongly to 160.8 MNOK (105.5). The main increase was in the Norwegian and Chilean markets. EBITDA in 1Q was 17.7 MNOK (13.5). The growth in revenues is related to the INTECH business area.

Depreciations and amortisations amounted to 3.6 MNOK (3.3) in the first quarter. EBIT in the period was 14.1 MNOK (10.2).

Net interest income in the first quarter was 0.3 MNOK (-1.0). Other financial income was 0.1 MNOK (-0.4).

Profit before tax in the first quarter was 14.5 MNOK (8.8). Net profit after allowing for taxes of 3.4 MNOK (2.5) was 11.0 MNOK (6.4).

Operations Technology (OPTECH)

The operating revenues for OPTECH in 1Q were 43.1 MNOK (43.1). EBITDA for the fourth quarter was 6.1 MNOK (7.4).

A number of delivery projects have been delayed into 2Q due to customer requirements. The EBITDA margin is lower than 2006 mainly due to increased capacity costs as a result of the needed capacity going forward.

Operationally the focus on strong project management and measures to reduce the cost of production which is paying off by improved margins in ongoing delivery projects.

Infrastructure Technology (INTECH)

The operating revenues for INTECH in 1Q were 117.6 MNOK (62.5) – up 87% from 1Q 2006. The increase is mainly driven by the Norwegian and the Chilean markets. EBITDA for 1Q was 11.7 MNOK (6.1).

The margin is affected by the product mix in the orders by the customers. In 1Q the margins are negatively affected by an increase in the number of barges delivered. Operations in INTECH

continue to focus on achieving economies of scale benefits in the main production facilities in Norway and Chile.

Balance sheet and cash flow (actual)

Working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 70.2 MNOK up from 58.0 at the end of 2006. The working capital will fluctuate in relation to ongoing projects, in particular those related to INTECH. Gross interest bearing debt amounted to 63.7 MNOK (56.7) in 1Q. Cash and unused credit facilities amounted to 148.2 MNOK. Total assets and total equity amounted to 537.7 MNOK and 301.7 MNOK, respectively, resulting in an equity ratio of 56.0% at the end of 1Q 2007. Net investments in 1Q 2007 amounted to 4.5 MNOK whereof 1.5 MNOK is capitalized R&D expenses in accordance with IFRS. The corresponding figures for the same period in 2006 were net investments of 1.2 MNOK and capitalised R&D expenses of 0.8 MNOK, respectively. The group has made a change in the revenue recognition accounting principle as per 1 January 2007. The effect of MNOK 4.9 has reduced the equity in the opening balance. The change has not had a material effect on the 1Q 2007 figures.

Shareholder issues

Earnings per share in 1Q were NOK 0.66 (0.47 pro-forma), the calculation is based on 17,222,869 shares being the average number of shares outstanding.

Acquisition of Maritech

In April the purchase agreement with TM Software hf to acquire 100% of the shares in Maritech International AS was signed. Closing of the agreement took place on 4 May. The 1Q does not include any Maritech financials. Pro-forma numbers for the first quarter 2007 will be prepared and the company will be fully included in the 2Q reporting.

Market and future outlook

The order backlog increased by 20% from year-end and stood at 291 MNOK at the end of 1Q 2007 versus 241 MNOK at the end of 2006. The order inflow since the end of the quarter has continued at a high rate.

The general market outlook for the salmon farming industry is good at the moment. Though there are some uncertainties seen in the market due to high salmon production increase in the Norwegian market. However the increase seems to be balanced by a lower growth in the Chilean market than anticipated due to a challenging health situation. The salmon prices continued to be relatively strong in all markets throughout 1Q.

The salmon producers keep restructuring and investing to further reduce their cost of production in all regions. In Chile the salmon farming companies continue to invest into increased production capacity, mainly through the development of new farms in Region XI; AKVA group is the main provider of infrastructure and production technology for this expansion.

The Mediterranean customers in sea bass and sea bream farming are also experiencing a healthy market and AKVA group's activities in this region continue expanding. Furthermore the activities in turbot farming remain strong on the Iberian Peninsula. A new development is seen in this market lately with the consolidation of the seafood industry in the Greek and Turkish industry. AKVA views this development as positive for the company's business in the region.

Based on the above market considerations together with the anticipated economy of scale benefits and cost synergies from the merger the 2007 earnings outlook is good for AKVA group.

Hovedtall fra regnskapet - Pro forma*

Main figures from financial accounts - Pro forma*

(Pro forma figures are showing AKVA group as if Wavemaster group and Helgeland Plast had been consolidated from 1 January 2006)

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2007 1Q	2006 1Q	2006 Total
DRIFTSINNEKTER / OPERATING REVENUES	160 754	105 539	528 087
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	143 022	92 011	456 728
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	17 732	13 528	71 359
Avskrivninger / Depreciation	3 628	3 289	13 638
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	14 104	10 240	57 721
Netto rentekostnad / Net interest expense	314	-1 030	-2 729
Andre finansielle poster / Other financial items	54	-363	-170
Sum finansielle poster / Net financial items	368	-1 393	-2 900
RESULTAT FØR SKATT / PROFIT BEFORE TAX	14 472	8 847	54 821
Skattekostnad / Taxes	3 032	2 495	11 659
RESULTAT ETTER SKATT / NET PROFIT	11 440	6 352	43 162
Resultat per aksje / Earnings per share	0,66	0,47	3,08
Gj.snitt antall utestående aksjer (i 1000)/ Average number of shares outstanding (in 1 000)	17 223	13 495	14 016

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS (NOK 1 000)	2007 1Q	2006 1Q	2006 Total
FARM OPERATION TECHNOLOGY (OPTECH)			
DRIFTSINNEKTER / OPERATING REVENUES	43 146	43 082	196 123
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	37 083	35 654	161 607
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	6 063	7 428	34 516
Avskrivninger / Depreciation	2 007	1 794	7 362
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	4 056	5 634	27 155
INFRASTRUCTURE TECHNOLOGY (INTECH)			
DRIFTSINNEKTER / OPERATING REVENUES	117 608	62 457	331 963
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	105 939	56 357	295 121
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	11 670	6 101	36 842
Avskrivninger / Depreciation	1 622	1 495	6 276
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	10 048	4 606	30 566

Hovedtall fra regnskapet Main figures from financial accounts

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2007 1Q	2006 1Q	2006 Total
DRIFTSINNEKTER / OPERATING REVENUES	160 754	53 825	355 961
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	143 022	46 311	311 177
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	17 732	7 513	44 784
Avskrivninger / Depreciation	3 628	1 794	9 882
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	14 104	5 719	34 902
Netto rentekostnad / Net interest expense	314	-615	-1 677
Andre finansielle poster / Other financial items	54	-90	322
Sum finansielle poster / Net financial items	368	-705	-1 355
RESULTAT FØR SKATT / PROFIT BEFORE TAX	14 472	5 014	33 547
Skattekostnad / Taxes	3 032	1 566	5 279
RESULTAT ETTER SKATT / NET PROFIT	11 440	3 448	28 268
Resultat per aksje / Earnings per share	0,66	0,59	3,17
Gj.snitt antall utestående aksjer (i 1000)/ Average number of shares outstanding (in 1 000)	17 223	5 870	8 918
FORRETNINGSOMRÅDER / BUSINESS SEGMENTS (NOK 1 000)	2007 1Q	2006 1Q	2006 Total
FARM OPERATION TECHNOLOGY (OpTech)			
DRIFTSINNEKTER / OPERATING REVENUES	43 146	43 082	196 123
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	37 083	35 654	161 607
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	6 063	7 427	34 516
Avskrivninger / Depreciation	2 007	1 794	7 829
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	4 056	5 633	26 688
INFRASTRUCTURE TECHNOLOGY (InTech)			
DRIFTSINNEKTER / OPERATING REVENUES	117 608	10 743	159 837
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	105 939	10 657	149 570
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	11 670	86	10 267
Avskrivninger / Depreciation	1 622	-	2 053
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	10 048	86	8 214



BALANSE / BALANCE SHEET	2007	2006	2006
(NOK 1 000)	31.3.	31.3.	31.12.
Immaterielle eiendeler / Intangible fixed assets	145 775	35 585	148 442
Anleggsmidler / Fixed assets	22 536	5 421	22 313
Finansielle anleggsmidler/Long-term financial assets	1 254	431	1 434
ANLEGGSMIDLER / FIXED ASSETS	169 565	41 436	172 190
Varebeholdning / Stock	106 081	31 757	96 344
Kundefordringer / Trade receivables	103 681	39 253	102 033
Andre fordringer / Other receivables	13 719	5 804	11 983
Betalingsmidler / Cash and cash equivalents	144 605	14 078	141 463
OMLØPSMIDLER / CURRENT ASSETS	368 085	90 892	351 824
SUM EIENDELER / TOTAL ASSETS	537 651	132 329	524 013
Innskutt egenkapital / Paid in capital	267 253	33 452	267 253
Opptjent egenkapital / Retained equity	33 924	7 543	27 755
SUM EGENKAPITAL / TOTAL EQUITY	301 177	40 995	295 008
Annen langsiktig gjeld / Other long term debt	19 489	1 443	19 967
Langsiktig rentebærende gjeld / Long-term interest bearing debt	22 973	16 554	26 994
LANGSIKTIG GJELD / LONG-TERM DEBT	42 461	17 997	46 961
Kortsiktig rentebærende gjeld / Short-term interest bearing debt	40 697	17 938	29 726
Annen kortsiktig gjeld / Other current liabilities	153 315	55 398	152 318
KORTSIKTIG GJELD / SHORT-TERM DEBT	194 013	73 337	182 044
SUM EGENKAPITAL OG GJELD / TOTAL EQUITY AND DEBT	537 651	132 329	524 013

ENDRING EGENKAPITAL / CHANGES IN EQUITY	2007	2006	2006
(NOK 1 000)	1Q	1Q	Total
Bokført egenkapital ved periodens begynnelse / Book equity at the beginning of the period	295 008	37 744	37 744
Periodens resultat / The period's net profit	11 440	3 448	28 268
Kapitalutvidelse / Capital increase	-	-	243 380
Share issue costs	-	-	-9 744
Endring i virkelig verdi av sikringsinstrumentet ved kontantstrømsikring /Gains/(losses) on cash flow hedges (fair value)	177	-	-69
Recording of option agreement	498	-	166
Estimatavvik pensjonsforpliktelse bokført mot EK 31.12 / Deviation on estimates from pension liability 31.12 recorded against equity	-	-	-3 176
Change in revenue recognition accounting principle	-4 986	-	-
Omregningsdifferanser / Translation differences	-959	-196	-1 559
Bokført egenkapital ved periodens slutt / Book equity at the end of the period	301 177	40 995	295 008

KONTANTSTRØMOPPSTILLING / CASH FLOW STATEMENT	2007	2006	2006
(NOK 1 000)	1Q	1Q	Total
Netto kontantstrøm fra operasjonelle aktiviteter / Net cash flow from operational activities	462	13 806	10 588
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investment activities	-4 467	-1 212	-23 637
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financial activities	7 147	-4 714	148 312
Netto kontantstrøm / Net cash flow	3 142	7 879	135 263
Betalingsmidler ved periodens begynnelse / Cash and cash equivalents at the beginning of the period	141 463	6 199	6 199
Betalingsmidler ved periodens slutt / Cash and cash equivalents at the end of the period	144 605	14 078	141 463

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