



Quarterly report

Nr 3 – 2007

## Third quarter report 2007





## Highlights

- **Operating revenue in 3Q was 237 MNOK and the period's EBITDA was 22.0 MNOK. The revenues year to date was 695 MNOK and the EBITDA was 62.8 MNOK.**
- **The order backlog was 326 MNOK at the end of 3Q, an increase of 142 MNOK compared to same time last year.**
- **The outlook for the remainder of the year and for the first quarter of 2008 is good.**
- **Acquisition of 85% of UNI Aqua AS finalised – AKVA taking a leading role in the high growth recirculation market.**

The demand for AKVA groups' products continued to be strong in 3Q and the outlook for the remainder of 2007 is good. The margins improved in 3Q compared to the previous quarter.

In this report all pro-forma accounts are presented as if Maritech were acquired 1 January 2006, unless otherwise stated. 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 revenues in the 3Q increased strongly to 236.7 MNOK (174.4) representing an increase of 36%. The increase is driven by growth in the Norwegian and Chilean market. The EBITDA in 3Q was 22.0 MNOK (18.9).

Operating revenue year to date was 695 MNOK (507). Year to date EBITDA was 62.8 MNOK (67.2). The growth in revenues is mainly related to the INTECH business area with an increase in the sales of both feed barges and cages.

Depreciation and amortisation amounted to 17.2 MNOK (15.8) in the first nine months. EBIT in the period was 45.6 MNOK (51.4).

Net interest expense year to date was -1.8 MNOK (-3.8). Other financial income was 0.4 MNOK (-0.5).

Profit before tax year to date was 44.2 MNOK (47.2). Net profit after allowing for taxes of 12.4 MNOK (12.4) was 31.8 MNOK (34.8).

### Operations Technology (OPTECH)

The operating revenues for OPTECH in 3Q were 107 MNOK (94). The EBITDA for 3Q was 10.7 MNOK (12.1).

3Q revenues within the main products were at approximately the same level as in 3Q 2006. The growth is mainly related to the distribution of Marel products which generally have lower margins than the other main OPTECH products. This Marel distribution activity was sold back to Marel as of 1 September 2007. The transaction did not have any material effect on the earnings in the period. The OPTECH revenue growth was limited by capacity constraints of customers' subcontractors in Chile and longer lead times in Norway in the production of barges (INTECH products) containing OPTECH products and thus the deliveries are pushed forward.

The operating revenues for OPTECH year to date were 313.2 MNOK (278.9). Year to date EBITDA was 29.2 MNOK (39.8).

The EBITDA margin in OPTECH was affected by approx. 1.6 MNOK in 3Q as a result of the weakening of USD.

Operationally the focus for OPTECH is on further strengthening project management and implementing measures to reduce the cost of production. This is expected to improve the margins for the ongoing projects to be finalised in 4Q and into 2008.

### Infrastructure Technology (INTECH)

The operating revenues in 3Q increased strongly to 129.7 MNOK (80.0) – up 62% from the same period last year. As for OPTECH the growth is mainly driven by the Norwegian and Chilean markets. The EBITDA in the period was 11.3 MNOK (6.7).

The EBITDA margin in INTECH improved in 3Q however the year to date margin is still affected by an increase in the number of lower margin barges delivered and competitive pressures on prices in Chile and in the Norwegian market.

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

### Operations and profit (legal accounts)

Operating revenue in 3Q increased strongly to 237 MNOK (81) representing an increase of 193%. The EBITDA in 3Q was 22.0 MNOK (11.0). Operating revenue year to date was 623.9 MNOK (204). Year to date EBITDA was 58.9 MNOK (30.2). The growth in revenues is mainly explained by the merger with Wavemaster group and Polarcirkel in 2006; the acquisition of Maritech (included from 1 May 2007) and the growth in the Norwegian and Chilean market.

Depreciation and amortisation amounted to 14.9 MNOK (6.2) year to date. EBIT in the period was 43.9 MNOK (24.0).

Net interest expense YTD was -1.6 MNOK (-1.7). Other financial income was 0.9 MNOK (-0.0).

Profit before tax YTD was 41.4 MNOK (22.3). Net profit after allowing for taxes of 11.6 MNOK (6.3) was 29.8 MNOK (15.9).

### Balance sheet (Legal accounts) and cash flow (Pro-forma)

Working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 101.9 MNOK down from 105.8 MNOK at the end of 2Q. The working capital will fluctuate in relation to ongoing projects, in particular related to INTECH projects. Net interest bearing debt amounted to -5.2 MNOK at end of 3Q vs. 29.3 MNOK in 2Q. Cash and unused credit facilities amounted to 181.7 MNOK. Total assets and total equity amounted to 637.1 MNOK and 315.7 MNOK, respectively, resulting in an equity ratio of 49.5% at the end of 3Q 2007. The year to date legal cash flow statement is affected by the acquisition of Maritech in the period, and thus not reflecting actual cash flows in the period. A pro forma cash flow statement shows net investments YTD 2007 amounting to 17.2 MNOK whereof 5.5 MNOK is capitalized R&D expenses in accordance with IFRS.

### Shareholder issues

Earnings per share at the end of 3Q were NOK 1.84 (2.58), the calculation is based on 17,222,869 (13,494,784) shares being the average number of shares outstanding.

### Acquisition of UNI Aqua

In August the company signed a binding Letter of Intent to acquire 85% of the shares in the Danish company UNI Aqua AS. The company is one of the leading suppliers of recirculation aquaculture systems. The agreement was finalised in October. The Board views this as an important strategic move.

### Market and future outlook

The general market outlook towards the salmon farming industry is good at the moment. Although, there are some uncertainties seen in the Norwegian market due to declining prices in the European market, and due to the prevalent health situation in the Chilean market.



Presently the fish health situation in Chile has lead to accelerated investment programs to move into Region XI which has better fish health conditions. 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 sound development and AKVA group's activities in this region continue expanding.

The order backlog was 325 MNOK (184) at the end of 3Q 2007. The market activity, the order backlog combined with a strong inflow in 4Q support a high activity in 4Q and for first quarter of 2008.

Bryne, 6 November - 2007  
Board of Directors, AKVA group ASA

## Hovedtall fra regnskapet - Pro forma\*

### Main figures from financial accounts - Pro forma\*

(Pro forma figures are showing AKVA group as if Maritech had been consolidated from 1 January 2006)

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2007 3Q	2006 3Q	2007 YTD	2006 YTD	2006 Total
<b>DRIFTSINNTÆKTER / OPERATING REVENUES</b>	<b>236 659</b>	<b>174 371</b>	<b>695 427</b>	<b>507 518</b>	<b>703 806</b>
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	214 622	155 513	632 653	440 360	616 394
<b>DRIFTSRESULTAT FØR AVSKRIVNINGER/OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>22 037</b>	<b>18 858</b>	<b>62 774</b>	<b>67 158</b>	<b>87 412</b>
Avskrivninger / Depreciation	6 167	5 442	17 217	15 758	21 119
<b>DRIFTSRESULTAT / OPERATING PROFIT (EBIT)</b>	<b>15 869</b>	<b>13 415</b>	<b>45 557</b>	<b>51 400</b>	<b>66 293</b>
Netto rentekostnad / Net interest expense	-1 969	-1 497	-1 756	-3 752	-3 994
Andre finansielle poster / Other financial items	41	366	379	-448	-170
Sum finansielle poster / Net financial items	-1 928	-1 131	-1 378	-4 201	-4 165
<b>RESULTAT FØR SKATT / PROFIT BEFORE TAX</b>	<b>13 941</b>	<b>12 285</b>	<b>44 179</b>	<b>47 199</b>	<b>62 128</b>
Skattekostnad / Taxes	5 758	3 457	12 424	12 418	13 486
<b>RESULTAT ETTER SKATT / NET PROFIT</b>	<b>8 183</b>	<b>8 827</b>	<b>31 755</b>	<b>34 782</b>	<b>48 642</b>
Resultat per aksje / Earnings per share	0,48	0,65	1,84	2,58	3,60
Gj.snitt antall utestående aksjer (i 1000)/ Average number of shares outstanding (in 1 000)	17 223	13 495	17 223	13 495	13 495

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS (NOK 1 000)	2007 3Q	2006 3Q	2007 YTD	2006 YTD	2006 Total
<b>FARM OPERATION TECHNOLOGY (OPTECH)</b>					
<b>DRIFTSINNTÆKTER / OPERATING REVENUES</b>	<b>106 921</b>	<b>94 347</b>	<b>313 243</b>	<b>278 870</b>	<b>371 842</b>
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	96 178	82 208	284 035	239 040	321 273
<b>DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>10 743</b>	<b>12 139</b>	<b>29 208</b>	<b>39 830</b>	<b>50 569</b>
Avskrivninger / Depreciation	4 385	3 759	12 193	11 156	14 843
<b>DRIFTSRESULTAT / OPERATING PROFIT (EBIT)</b>	<b>6 358</b>	<b>8 380</b>	<b>17 015</b>	<b>28 674</b>	<b>35 727</b>
<b>INFRASTRUCTURE TECHNOLOGY (INTECH)</b>					
<b>DRIFTSINNTÆKTER / OPERATING REVENUES</b>	<b>129 738</b>	<b>80 023</b>	<b>382 184</b>	<b>228 648</b>	<b>331 963</b>
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	118 444	73 305	348 618	201 320	295 121
<b>DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)</b>	<b>11 294</b>	<b>6 718</b>	<b>33 566</b>	<b>27 328</b>	<b>36 842</b>
Avskrivninger / Depreciation	1 782	1 683	5 024	4 602	6 276
<b>DRIFTSRESULTAT / OPERATING PROFIT (EBIT)</b>	<b>9 512</b>	<b>5 035</b>	<b>28 542</b>	<b>22 725</b>	<b>30 566</b>



<b>BALANSE / BALANCE SHEET</b> (NOK 1 000)	<b>2007</b> <b>30.9.</b>	<b>2006</b> <b>30.9.</b>	<b>2006</b> <b>31.12.</b>
Immaterielle eiendeler / Intangible fixed assets	204 826	138 150	148 442
Anleggsmidler / Fixed assets	32 208	25 778	22 313
Finansielle anleggsmidler/Long-term financial assets	545	1 548	1 434
<b>ANLEGGSMIDLER / FIXED ASSETS</b>	<b>237 580</b>	<b>165 477</b>	<b>172 190</b>
Varebeholdning / Stock	102 914	93 697	96 344
Kundefordringer / Trade receivables	137 759	103 748	102 033
Andre fordringer / Other receivables	22 123	17 656	11 983
Betalingsmidler / Cash and cash equivalents	136 747	19 337	141 463
<b>OMLØPSMIDLER / CURRENT ASSETS</b>	<b>399 544</b>	<b>234 438</b>	<b>351 824</b>
<b>SUM EIENDELER / TOTAL ASSETS</b>	<b>637 123</b>	<b>399 915</b>	<b>524 013</b>
Innskutt egenkapital / Paid in capital	267 253	146 452	267 253
Opptjent egenkapital / Retained equity	48 441	21 365	27 755
<b>SUM EGENKAPITAL / TOTAL EQUITY</b>	<b>315 694</b>	<b>167 817</b>	<b>295 008</b>
Annen langsiktig gjeld / Other long term debt	29 095	18 300	19 967
Langsiktig rentebærende gjeld / Long-term interest bearing debt	106 357	29 873	26 994
<b>LANGSIKTIG GJELD / LONG-TERM DEBT</b>	<b>135 452</b>	<b>48 173</b>	<b>46 961</b>
Kortsiktig rentebærende gjeld / Short-term interest bearing debt	25 169	34 472	29 726
Annen kortsiktig gjeld / Other current liabilities	160 808	149 453	152 318
<b>KORTSIKTIG GJELD / SHORT-TERM DEBT</b>	<b>185 977</b>	<b>183 925</b>	<b>182 044</b>
<b>SUM EGENKAPITAL OG GJELD / TOTAL EQUITY AND DEBT</b>	<b>637 123</b>	<b>399 915</b>	<b>524 013</b>

<b>ENDRING EGENKAPITAL / CHANGES IN EQUITY</b> (NOK 1 000)	<b>2007</b> <b>3Q</b>	<b>2006</b> <b>3Q</b>	<b>2007</b> <b>YTD</b>	<b>2006</b> <b>YTD</b>	<b>2006</b> <b>Total</b>
Bokført egenkapital ved periodens begynnelse / Book equity at the beginning of the period	310 508	46 631	295 008	37 744	37 744
Periodens resultat / The period's net profit	8 197	5 996	29 843	15 981	28 268
Kapitalutvidelse / Capital increase	-	113 000	-	113 000	243 380
Emisjonskostnader / Share issue costs	-	-	-	-	-9 744
Endring i virkelig verdi av sikringsinstrumentet ved kontantstrømsikring /Gains/(losses) on cash flow	-1 318	-	-2 553	196	-69
Estimatavvik pensjonsforpliktelse bokført mot EK 31.12 / Deviation on estimates from pension liability	-	-	-	-	-3 176
Endring i regnskapsprinsipp for inntektsføring/Change in revenue recognition accounting principle	-	-	-4 986	-	-
Bokføring av opsjonsavtale / Recording of option agreement	332	-	1 328	-	166
Omregningsdifferanser / Translation differences	-2 025	2 190	-2 945	897	-1 559
Bokført egenkapital ved periodens slutt / Book equity at the end of the period	315 694	167 817	315 694	167 817	295 008

<b>KONTANTSTRØMOPPSTILLING / CASH FLOW STATEMENT</b> (NOK 1 000)	<b>2007</b> <b>3Q</b>	<b>2006</b> <b>3Q</b>	<b>2007</b> <b>YTD</b>	<b>2006</b> <b>YTD</b>	<b>2006</b> <b>Total</b>
Netto kontantstrøm fra operasjonelle aktiviteter / Net cash flow from operational activities	20 760	-26 508	6 658	-7 225	10 588
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investment activities	3 186	-17 586	-97 683	-20 515	-23 637
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financial activities	-14 824	52 054	86 309	40 879	148 312
Netto kontantstrøm / Net cash flow	9 122	7 960	-4 716	13 139	135 263
Betalingsmidler ved periodens begynnelse / Cash and cash equivalents at the beginning of the period	127 625	11 377	141 463	6 198	6 199
Betalingsmidler ved periodens slutt / Cash and cash equivalents at the end of the period	136 747	19 337	136 747	19 337	141 463


**Hovedtall fra regnskapet**
**Main figures from financial accounts**

\*(Includes Maritech from 1 May 2007)

<b>RESULTATREGNSKAP / INCOME STATEMENT</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
(NOK 1 000)	<b>3Q</b>	<b>3Q</b>	<b>YTD</b>	<b>YTD</b>	<b>Total</b>
<b>DRIFTSINTEKTER / OPERATING REVENUES</b>	<b>236 911</b>	<b>81 225</b>	<b>623 894</b>	<b>204 338</b>	<b>355 961</b>
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	214 861	70 193	564 989	174 099	311 177
<b>DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>22 050</b>	<b>11 032</b>	<b>58 905</b>	<b>30 239</b>	<b>44 784</b>
Avskrivninger / Depreciation	6 169	2 554	14 933	6 212	9 882
<b>DRIFTSRESULTAT / OPERATING PROFIT (EBIT)</b>	<b>15 881</b>	<b>8 479</b>	<b>43 971</b>	<b>24 026</b>	<b>34 902</b>
Netto rentekostnad / Net interest expense	-1 970	-636	-1 620	-1 705	-1 677
Andre finansielle poster / Other financial items	45	601	-927	-5	322
Sum finansielle poster / Net financial items	-1 925	-35	-2 547	-1 711	-1 355
<b>RESULTAT FØR SKATT / PROFIT BEFORE TAX</b>	<b>13 956</b>	<b>8 444</b>	<b>41 424</b>	<b>22 316</b>	<b>33 547</b>
Skattekostnad / Taxes	5 759	2 448	11 582	6 336	5 279
<b>RESULTAT ETTER SKATT / NET PROFIT</b>	<b>8 197</b>	<b>5 996</b>	<b>29 843</b>	<b>15 980</b>	<b>28 268</b>
Resultat per aksje / Earnings per share	0,48	0,72	1,73	2,39	3,17
Gj.snitt antall utestående aksjer (i 1000)/ Average number of shares outstanding (in 1 000)	17 223	8 274	17 223	6 683	8 918
<b>FORRETNINGSOMRÅDER / BUSINESS SEGMENTS</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
(NOK 1 000)	<b>3Q</b>	<b>3Q</b>	<b>YTD</b>	<b>YTD</b>	<b>Total</b>
<b>FARM OPERATION TECHNOLOGY (OPTECH)</b>					
<b>DRIFTSINTEKTER / OPERATING REVENUES</b>	<b>107 173</b>	<b>50 067</b>	<b>241 710</b>	<b>147 081</b>	<b>196 123</b>
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	96 417	41 032	216 371	118 505	161 607
<b>DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>10 756</b>	<b>9 036</b>	<b>25 339</b>	<b>28 576</b>	<b>34 516</b>
Avskrivninger / Depreciation	4 387	1 770	9 909	5 429	7 829
<b>DRIFTSRESULTAT / OPERATING PROFIT (EBIT)</b>	<b>6 369</b>	<b>7 265</b>	<b>15 430</b>	<b>23 147</b>	<b>26 688</b>
<b>INFRASTRUCTURE TECHNOLOGY (INTECH)</b>					
<b>DRIFTSINTEKTER / OPERATING REVENUES</b>	<b>129 738</b>	<b>31 158</b>	<b>382 184</b>	<b>57 257</b>	<b>159 837</b>
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	118 444	29 161	348 618	55 594	149 570
<b>DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)</b>	<b>11 294</b>	<b>1 997</b>	<b>33 566</b>	<b>1 663</b>	<b>10 267</b>
Avskrivninger / Depreciation	1 782	784	5 024	784	2 053
<b>DRIFTSRESULTAT / OPERATING PROFIT (EBIT)</b>	<b>9 512</b>	<b>1 214</b>	<b>28 542</b>	<b>880</b>	<b>8 214</b>

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