

AKVA GROUP™



The global leader in aquaculture technology

4Q 2010 presentation

22 February 2011

Morten Nærland, CFO & Acting CEO





Agenda



Background & highlights

4Q 2010 Financial review

Outlook

Q & A

An underwater photograph showing a diver in the upper right quadrant, swimming towards the left. The water is a deep blue, and a large school of fish is visible in the lower left quadrant, swimming towards the right. The lighting is bright, creating a clear view of the diver and the fish.

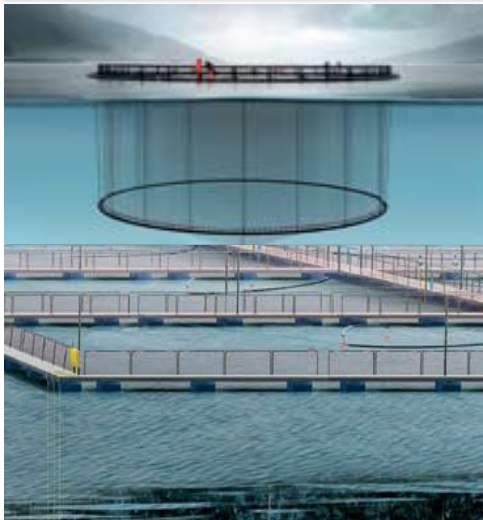
Global leader
in aquaculture
technology.
Nothing more.
Nothing less.

AKVAlife
2008-2015



➔ AKVA group in brief

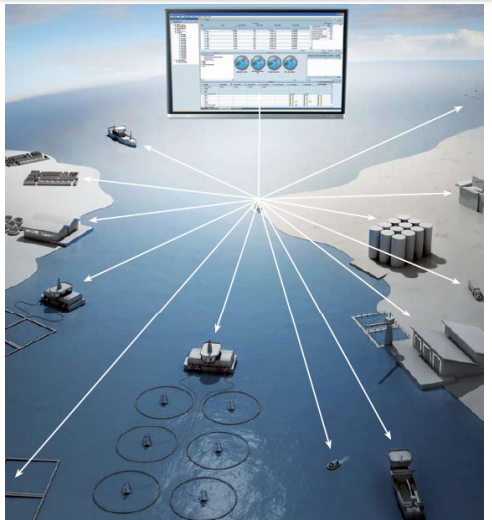
Cage systems



Facts about AKVA group

- The leading supplier of aquaculture technology.
- Strong presence in all salmon producing regions
- Strong market position for all main products
- Other species increasingly important
- Leading supplier in a global growth industry.

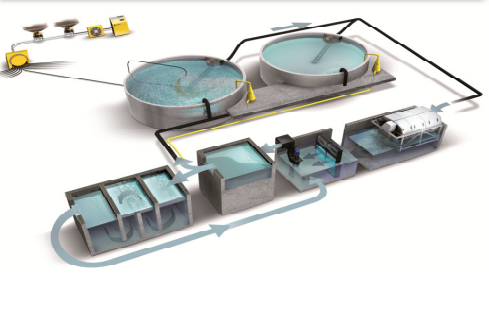
Software systems & services



Feed barges



Recirculation systems



Feed systems



Sensors & operational





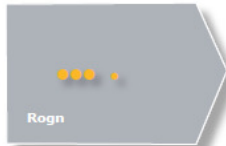
“One-stop-shop” in aquaculture technology

Value Chain Software

Programvare for oppdrett



Stamfisk



Rogn



Yngel



Settefisk



Matfisk

Programvare for sjømat



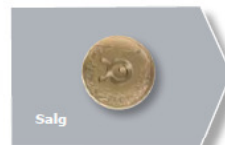
Slakting



Foredling



Logistikk



Salg



Kunde

Land Based Farms



Cage Based Farms





4Q highlights



- Operating revenues in 4Q were 195.9 MNOK versus 142.9 MNOK in 4Q 2009.
- The EBITDA in 4Q was -8.7 MNOK versus -16.1 MNOK in 4Q 2009.
 - Profits negatively affected by up-revision of costs on land based projects.
- Continued focus on cost control on projects and improving project management
- Good order inflow and Chile gaining momentum.



4Q highlights cont.



- Trond Williksen was appointed CEO of AKVA group ASA
 - Will assume his position on the 1st of March



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➔ 4Q Financials – P&L



P&L 2010 (MNOK)	2010 4Q	2009 4Q	2010 Total	2009 Total
OPERATING REVENUES	195,9	142,9	742,5	599,3
Operating costs ex depreciations	204,6	158,9	752,4	610,9
EBITDA	-8,7	-16,1	-9,9	-11,5
Depreciation	7,9	7,2	31,0	30,9
EBIT	-16,6	-23,2	-40,9	-42,4
Net interest expense	-3,6	-1,3	-12,0	-8,8
Other financial items	1,0	-0,8	2,0	-0,8
Net financial items	-2,6	-2,1	-9,9	-9,6
EBT	-19,2	-25,3	-50,9	-52,0
Taxes	-4,7	-3,8	-13,3	-12,9
NET PROFIT	-14,5	-21,5	-37,6	-39,1
Revenue growth	37,1 %	-25,5 %	23,9 %	-30,8%
EBITDA margin	-4,4 %	-11,2 %	-1,3 %	-1,9 %
EPS	-0,84	-1,25	-2,19	-2,27

➔ 4Q Financials – P&L comments



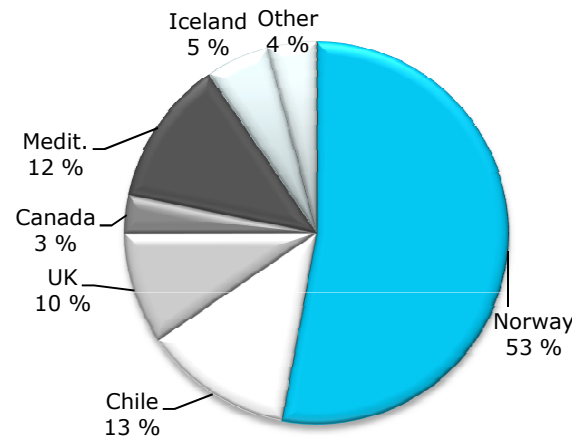
- Operating revenue in 4Q10 was 195.9 MNOK vs 142.9 MNOK in 4Q09.
 - The increase driven by the Norwegian and the Chilean as well as the export markets
- The EBITDA was -8.7 MNOK vs -16.1 MNOK in 4Q09
 - Up-revision of costs on land based recirculation projects amounting to 11.3 MNOK. The major projects for these up-revisions are in the final stages.
 - Bad debt provisions of 3.8 MNOK and restructuring costs 1.0 MNOK
 - The 4Q2009 figures were affected negatively by special items amounting to net 11 MNOK.
- Strong focus on improving engineering and project management



Market segments

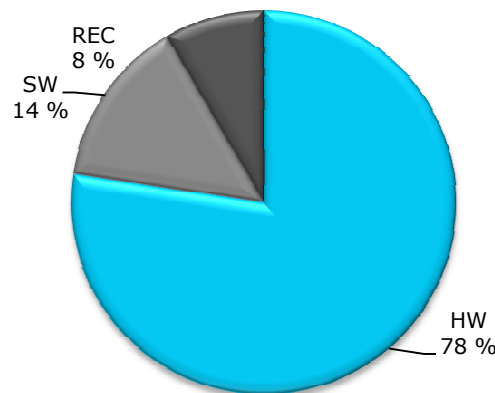


Geographic segments 2010



- Norway is the dominating segment
- Growth in all markets over last year
- Chile gaining momentum

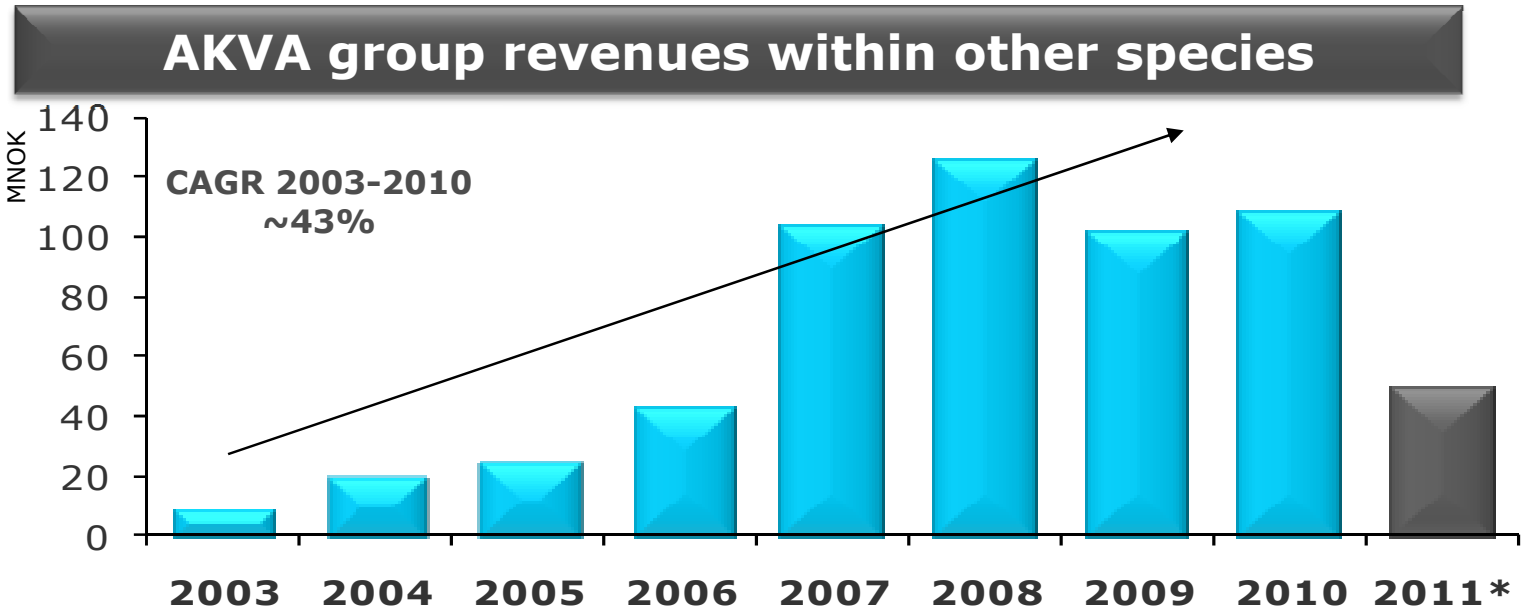
Product Group Segments 2010



- HW = Hardware deliveries and services
 - Cages, barges, Feed Systems and other operational systems
- SW = Software and software systems
- REC = Recirculation systems



Market segments

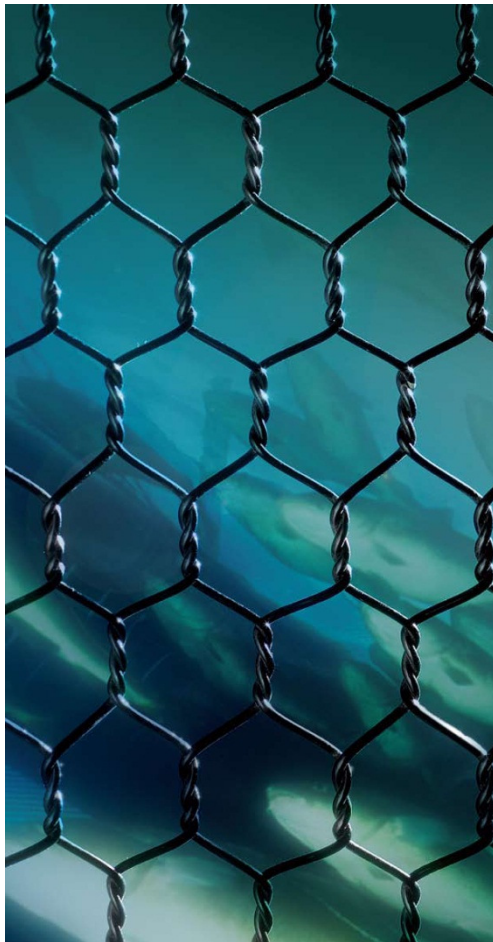


* Sales and order backlog for delivery in 2011 per 4Q2010.

- The positive development within other species than salmon continue going into 2011.



Balance sheet



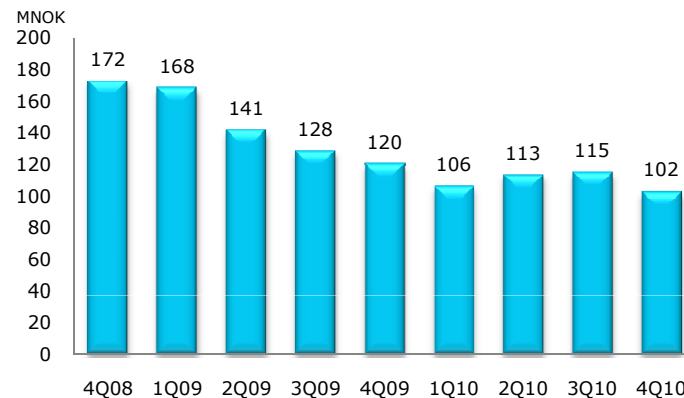
BALANCE SHEET (MNOK)	2010 31.12.	2009 31.12.
Intangible fixed assets	254,5	243,9
Fixed assets	40,8	39,1
Long-term financial assets	0,9	1,1
FIXED ASSETS	296,2	284,1
Stock	157,7	116,2
Trade receivables	177,8	125,4
Other receivables	19,6	27,5
Cash and cash equivalents	43,2	58,2
CURRENT ASSETS	398,2	327,3
TOTAL ASSETS	694,4	611,3
Paid in capital	267,1	267,1
Retained equity	-39,5	-10,4
TOTAL EQUITY	227,6	256,6
Other long term debt	2,4	5,6
Long-term interest bearing debt	134,5	150,7
LONG-TERM DEBT	136,9	156,2
Short-term interest bearing debt	77,3	49,4
Other current liabilities	252,7	149,1
SHORT-TERM DEBT	330,0	198,5
TOTAL EQUITY AND DEBT	694,4	611,3
<i>Equity ratio</i>	32,8 %	42,0 %
<i>Net interest bearing debt</i>	168,6	141,9
<i>Net working capital</i>	102,3	120,0



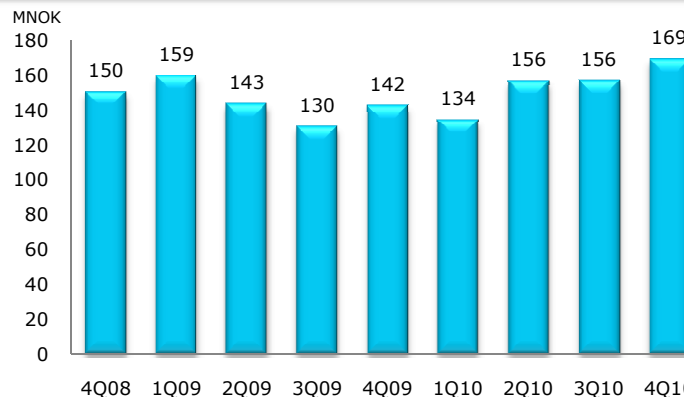
➔ Balance sheet items



Working Capital (MNOK)



NIBD (MNOK)



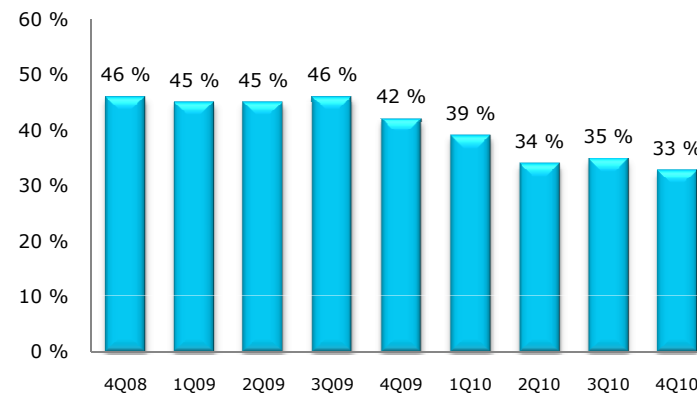
- **Working Capital:**
 - The company continue to focus on maintaining a low working capital.
- **Net interest bearing debt (NIBD):**
 - A waiver extending through 2Q 2011 relating to the financial covenants was agreed with the company's main bank in 4Q 2010



Financial position



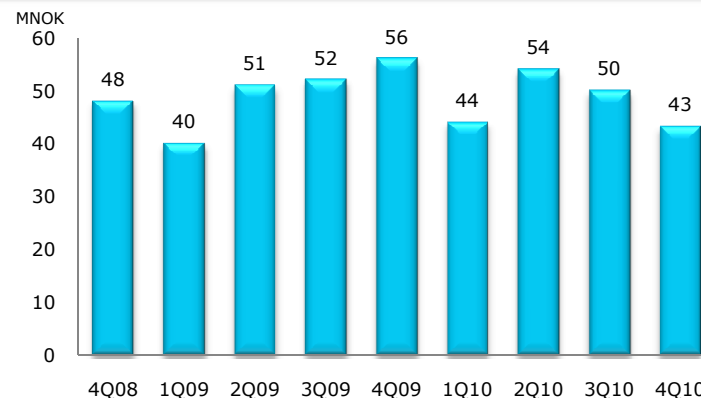
Equity (%)



● **Equity:**

- Equity position affected by the negative results during 2010

Cash balance (MNOK)

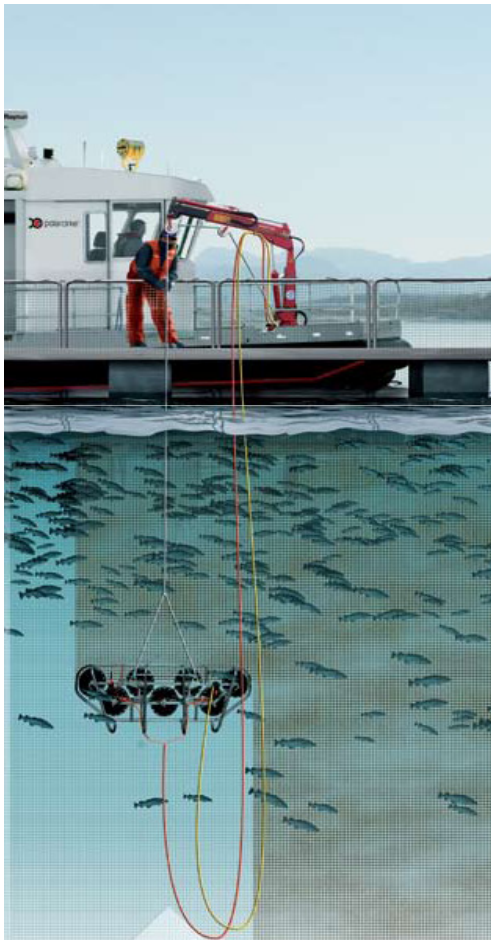


● **Cash Position:**

- Available cash 52 MNOK



➔ Cash flow statement



CASH FLOW STATEMENT (NOK 1 000)	2010 4Q	2009 4Q	2010 Total	2009 Total
Net cash flow from operational activities	-466	-2 830	-793	32 656
Net cash flow from investment activities	-9 641	-6 407	-23 175	-24 095
Net cash flow from financial activities	3 158	15 829	8 966	1 717
Net cash flow	-6 949	6 592	-15 002	10 277
Cash and cash equivalents at the beginning of the period	50 108	51 569	58 161	47 883
Cash and cash equivalents at the end of the period	43 159	58 161	43 159	58 161

- Investments in 2010 were 24.2 MNOK whereof 8.9 MNOK is capitalized R&D expenses in accordance with IFRS.



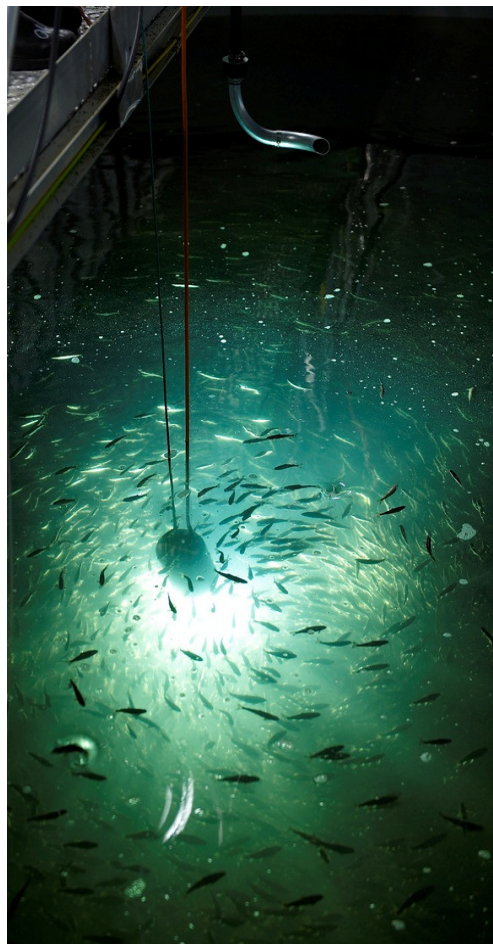
Agenda



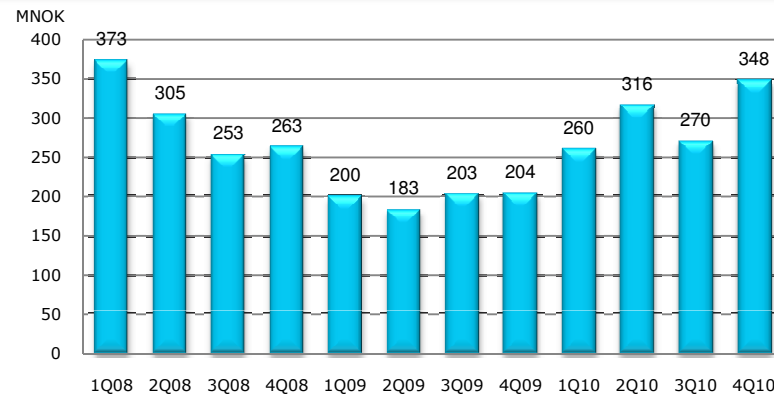
- Background & highlights
- 4Q 2010 Financial review
- Outlook**
- Q & A



➔ Order backlog and inflow

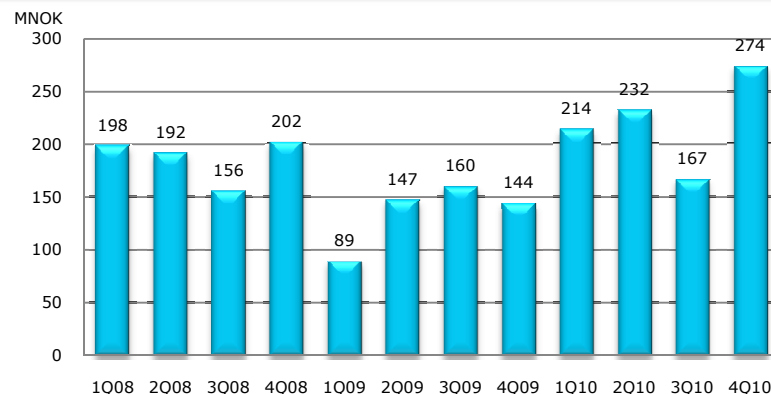


Order backlog (MNOK)



- The order backlog was 348 MNOK at the year.
- Up 71% over 2009

Order inflow (MNOK)



- 4Q marked by high season for decision making
- Total order inflow in 2010 was 886 MNOK vs 540 MNOK in 2009.
- Increase related to Norway, Chile and other markets



Outlook



- The market fundamentals in the salmon industry are good and are expected to remain so throughout the year
- The Chilean market developed well in 4Q and business volume in 2011 should be well over 2010 level unless there is a setback in the sanitary situation.
- The Mediterranean market has continued to do fairly well
- Measures implemented to improve profitability on land based projects
- Internal processes to improve earnings in general





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AKVA group – global presence



All major industry players as customers



AKVA group – brief historic summary

Product
Innovations:

- 1974: World's first plastic cages (Polarcirkel) – today more than 40.000 units delivered
- 1978: First Seafood industry software solution
- 1980: World's first automatic feed systems
- 1984: Maritech: first seafood industry PC based ERP software system
- 1985: First Wavemaster steel cages
- 1992: World's first software system for fish farm planning
- 1995: First fish pellet sensing system
- 1997: First Steel barges
- 2000: Polarcirkel – large cage designs introduced
- 2001: Introduction of AkvaMaster feed barges
- 2002: Akvasmart – integrated control system (CCS)
- 2004: Fishtalk–first aquaculture integrated software system
- 2005: Wavemaster – introduction of 40 x40 steel cages
- 2006: Akvasmart – integrated sensor system
- 2007: 10 new products launched at Aquanor show
- 2008: UNI recirculation–“all in all out” concept



Business
development and M&A

- 1980: First AKVA deliveries
- 1982: AKVA incorporated as company
- 1990s: International expansion through distributors and agents
- 1995: First International investment (Canada)
- 1998: Open subsidiaries in Chile and Scotland
- 2001: Aquasmart International AS (No)
- 2001: Superior Systems AS (No)
- 2002: Vicass (Ca)
- 2003: Feeding Systems AS (No,Ch)
- 2004: Cameratech AS (No)
- 2006: Akva kompetanse AS (No)
- 2006: Wavemaster Group (UK, Ca, Ch)
- 2006: Helgeland Plast (No, Ch)
- 2006: IPO – company listed at Oslo Stock Exchange
- 2007: Maritech International AS (No, Is, US, Ca, Ch)
- 2007: UNI Aqua AS (Dk)
- 2008: Danaq Amba (Dk)
- 2008: Open office in South East Asia (Thai)
- 2008: Idema Aqua AS (No, UK, Ch)