

AKVA GROUP™



The global leader in aquaculture technology

1Q 2010 presentation

29 April 2010

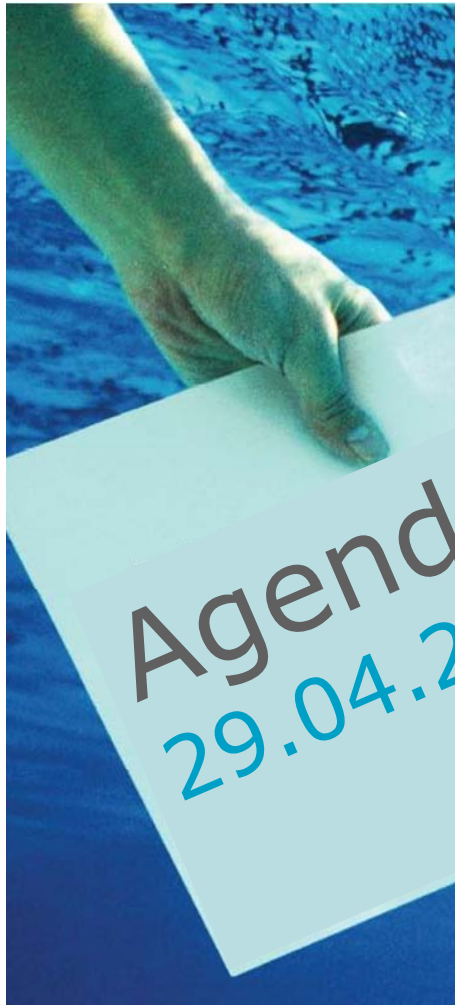
Knut Molaug, CEO

Morten Nærland, CFO





Agenda



- Background & highlights
- 1Q 2010 Financial review
- Outlook
- Q & A

A dog is swimming underwater in clear blue water. The dog is positioned in the upper right quadrant of the frame, swimming towards the left. The water is a deep, vibrant blue, and the dog's fur is a mix of white and brown. The lighting is bright, creating a clear view of the dog and the surrounding water. The overall scene is serene and captures a unique moment of a dog swimming underwater.

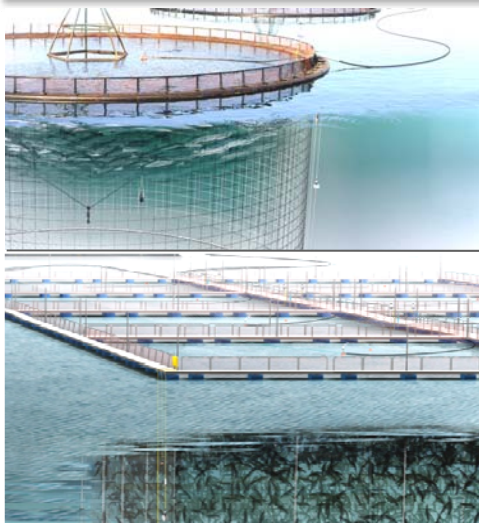
Global leader
in aquaculture
technology.
Nothing more.
Nothing less.

AKVAlife
2008-2015



➔ AKVA group in brief

Cage systems



Facts about AKVA group

- The leading supplier of aquaculture technology.
- Strong market position for all main products
- The only supplier with "global" presence.
- Leading supplier in a global growth industry.

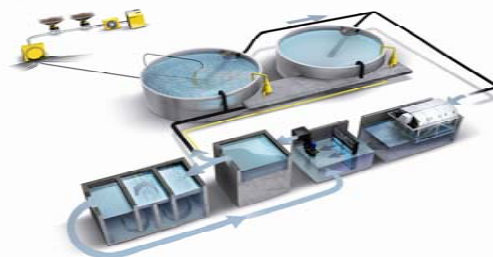
Software systems & services



Feed barges



Recirculation systems



Feed systems



Sensors & operational





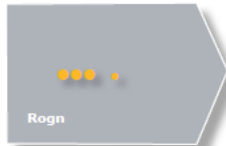
“One-stop-shop” in aquaculture technology

Value Chain Software

Programvare for oppdrett



Stamfisk



Rogn



Yngel



Settefisk



Matfisk

Programvare for sjømat



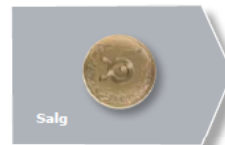
Slakting



Foredling



Logistikk



Salg



Kunde

Land Based Farms



Cage Based Farms





1Q highlights



- Operating revenues in 1Q were 158.0 MNOK versus 152.4 MNOK last year.
- The EBITDA in 1Q was 0.5 MNOK versus -3.3 MNOK last year.
- Order backlog at the end of 1Q2010 was 260 MNOK which is approximately 30% higher than last year.
- The order inflow in 1Q was 140% higher than last year.



1Q highlights

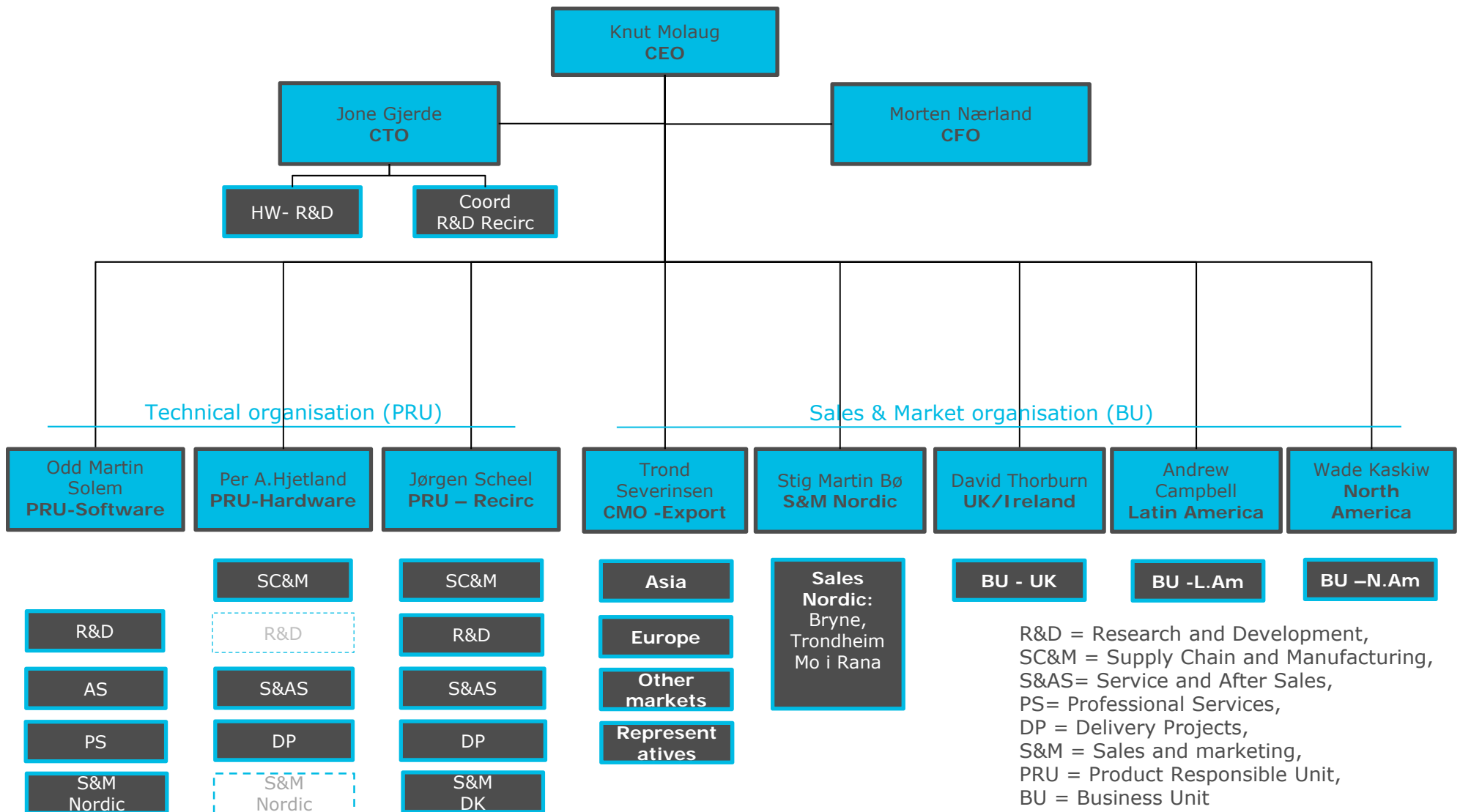


- Changes to the organisation made in 2010:
 - Morten Nærland appointed Chief Financial Officer (CFO)
 - From earlier temporary position
 - Jone Gjerde appointed Chief Technical Officer (CTO)
 - From the position as PRU Manager for Hardware
 - Per Andreas Hjetland appointed as Manager for PRU Hardware
 - From position as manager for Service and After Sales in PRU Hardware.

PRU = Product Responsible Unit,



➔ New Management Structure





Agenda



Background & highlights

1Q 2009 Financial review

Outlook

Q & A



➔ 1Q Financials – P&L



RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2010 1Q	2009 1Q	2009 Total
OPERATING REVENUES	158 023	152 379	599 345
Operating costs ex depreciations	157 503	155 662	610 872
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	520	-3 284	-11 527
Depreciation	7 510	7 838	30 866
OPERATING PROFIT (EBIT)	-6 990	-11 122	-42 392
Net interest expense	-2 360	-1 823	-8 781
Other financial items	187	377	-830
Net financial items	-2 173	-1 446	-9 611
PROFIT BEFORE TAX	-9 162	-12 568	-52 003
Taxes	-3 843	-3 740	-12 875
NET PROFIT	-5 320	-8 828	-39 128
Revenue growth	3,7 %	-26 %	-30,8%
EBITDA margin	0,3 %	-2,2 %	-1,9 %
Earnings per share	-0,31	-0,51	-2,27
Average number of shares outstanding (in 1 000)	17 223	17 223	17 223



➔ 1Q Financials – P&L comments



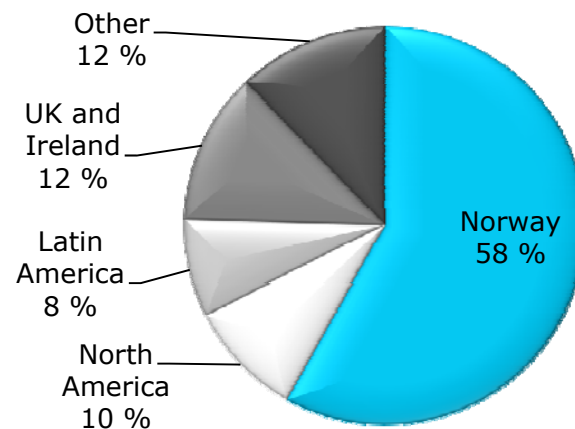
- Operating revenue in 1Q10 was 158 MNOK.
 - The quarterly revenue was slightly up compared to 1Q 2009.
 - Continued low revenues due to restrictive investment programs by the customers
- The EBITDA result was 520 KNOK
 - The EBITDA result was negatively affected by continued low volumes.
 - Cost level has been reduced compared to last year



Market segments

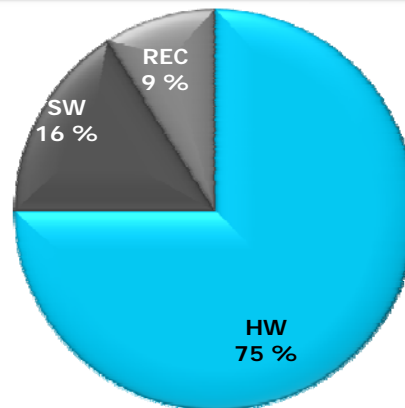


Geographic segments (YTD)



- Norway is the dominating segment
- The UK and other markets are showing a positive development
- Chilean market continue to reduce it's importance.

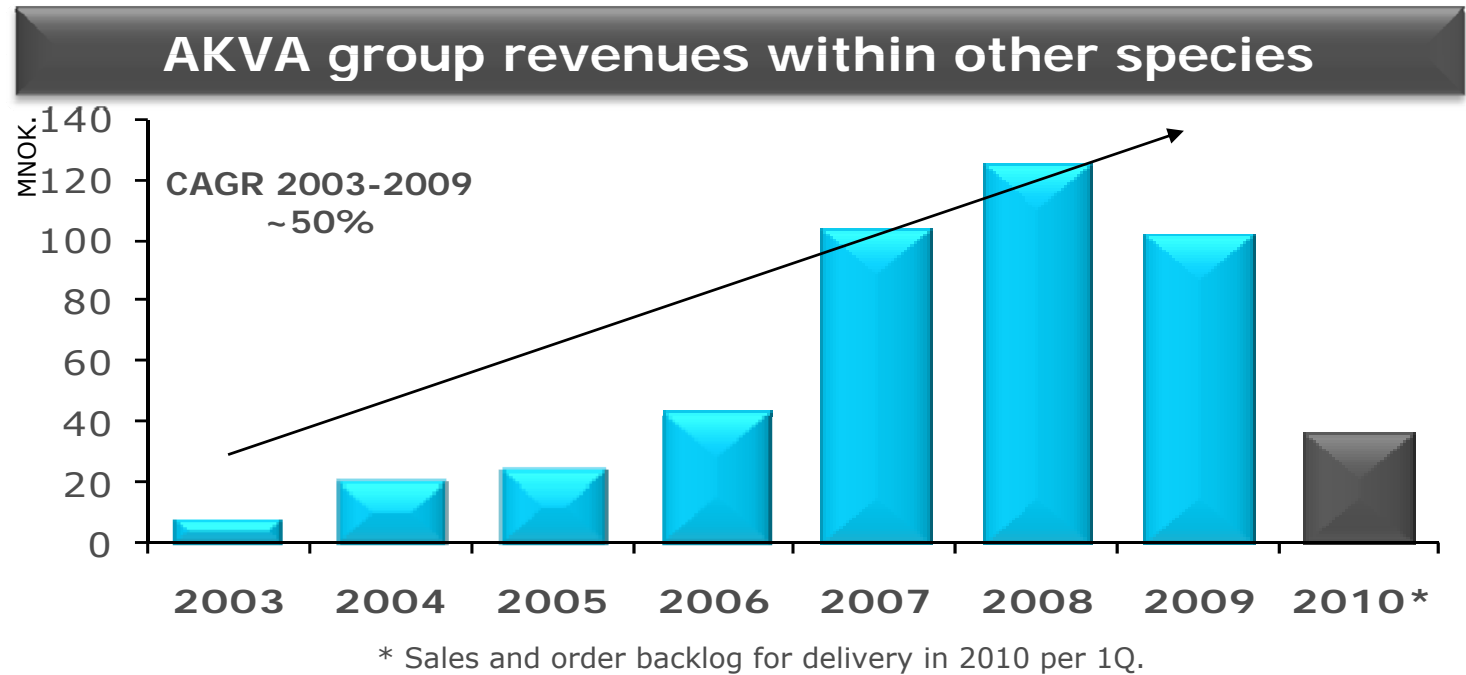
Product Group Segments (YTD)



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



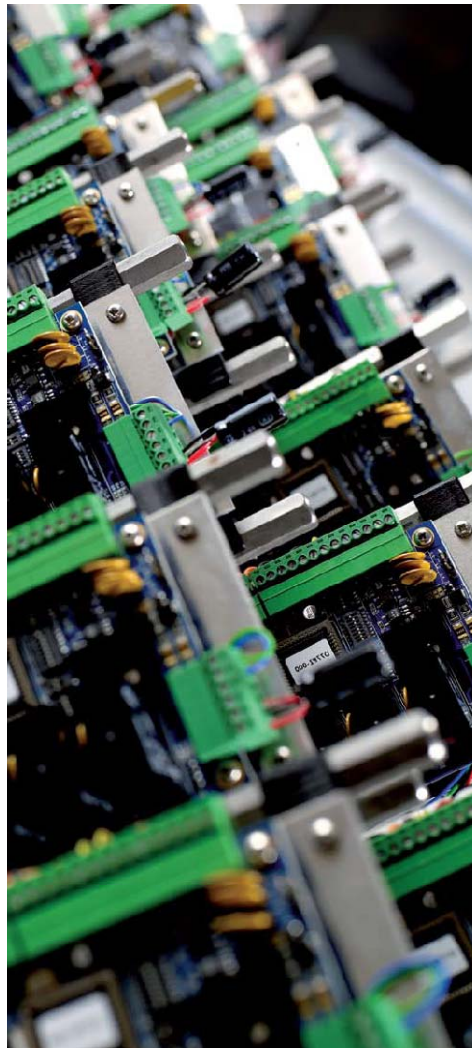
Market segments



- The positive development within other species than salmon continue.
- Major contract for delivery of 3 complete cage farms to Cromaris in Croatia was signed signed in 2Q (54 MNOK).



➔ Balance sheet



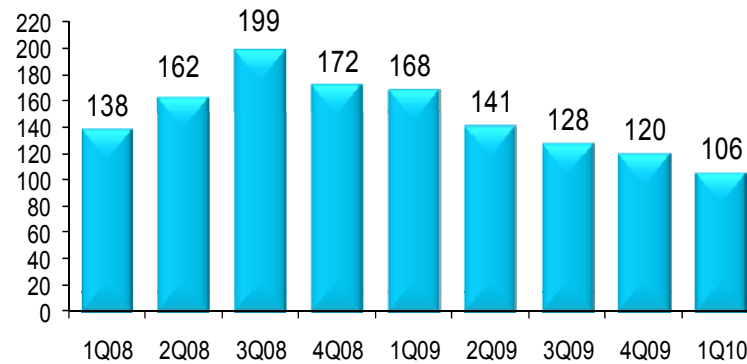
BALANCE SHEET (NOK 1 000)	2010 31.3.	2009 31.3.	2009 31.12.
Intangible fixed assets	245 039	255 847	243 920
Fixed assets	38 034	42 632	39 071
Long-term financial assets	1 043	1 593	1 069
FIXED ASSETS	284 116	300 072	284 061
Stock	133 312	139 397	116 248
Trade receivables	152 390	162 997	125 391
Other receivables	27 635	18 155	27 477
Cash and cash equivalents	43 571	39 783	58 161
CURRENT ASSETS	356 908	360 333	327 277
TOTAL ASSETS	641 024	660 405	611 338
Paid in capital	267 087	267 087	268 815
Retained equity	-16 651	32 756	-12 175
TOTAL EQUITY	250 436	299 843	256 640
Other long term debt	5 470	9 602	5 561
Long-term interest bearing debt	150 714	112 780	150 651
LONG-TERM DEBT	156 184	122 382	156 212
Short-term interest bearing debt	26 710	85 782	49 364
Other current liabilities	207 695	152 398	149 123
SHORT-TERM DEBT	234 405	238 180	198 487
TOTAL EQUITY AND DEBT	641 024	660 405	611 338
<i>Equity ratio</i>	<i>39.1%</i>	<i>45.4%</i>	<i>42.0%</i>
<i>Net Interest Bearing Debt (KNOK)</i>	<i>133.9</i>	<i>158.8</i>	<i>141.9</i>
<i>Net Working Capital (KNOK)</i>	<i>105.6</i>	<i>168.2</i>	<i>120.0</i>



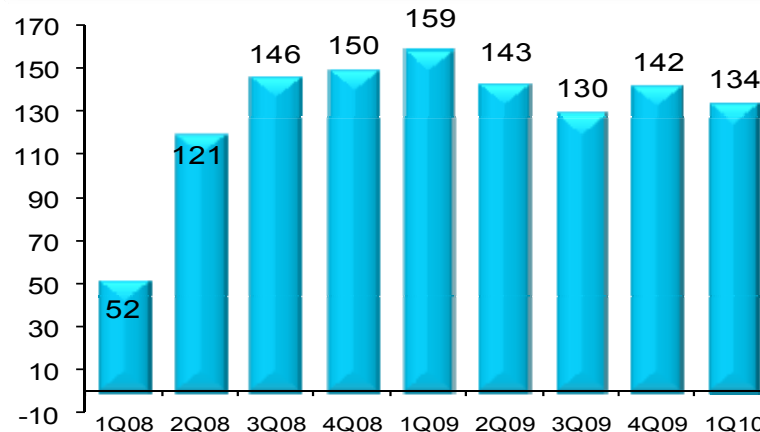
➔ Balance sheet items



Working Capital (MNOK)



NIBD (MNOK)



● Working Capital:

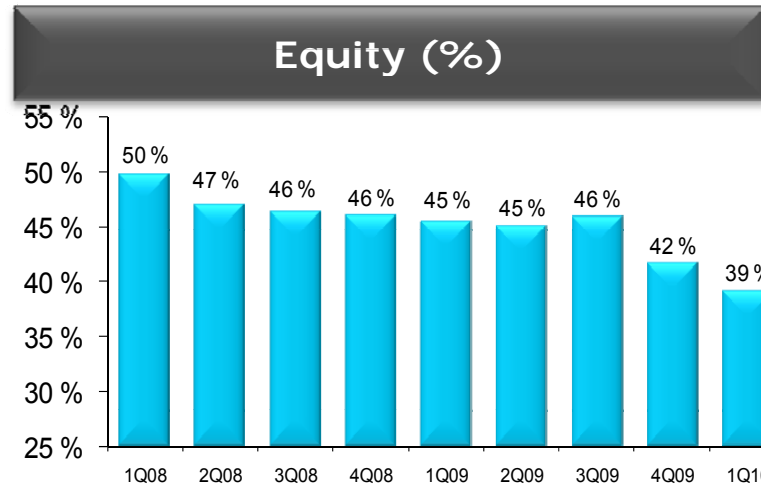
- Further improvement seen in the working capital in 1Q.
- The company continue to focus on maintaining a low working capital.

● Net interest bearing debt (NIBD):

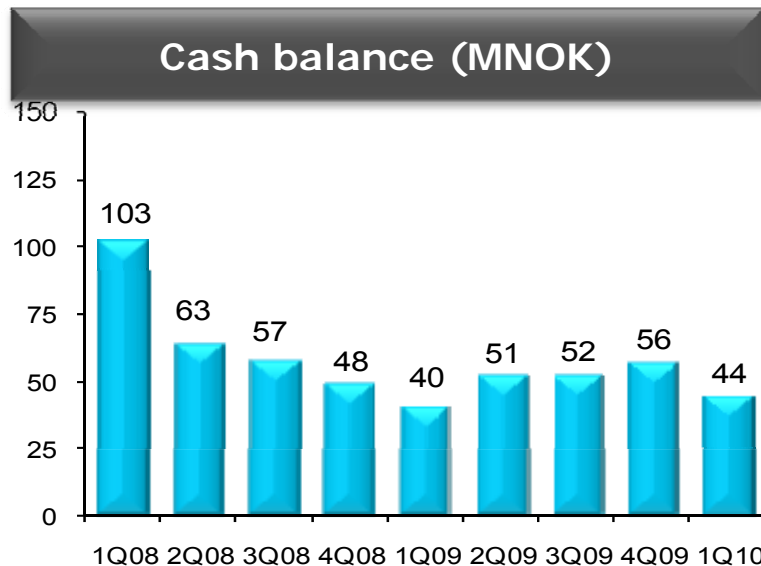
- A waiver extending through 2Q 2010 relating to the financial covenants was agreed with the company's main bank in 4Q09



Financial position



- **Equity:**
 - Sound equity position



- **Cash Position:**
 - Available cash 86 MNOK



Cash flow statement

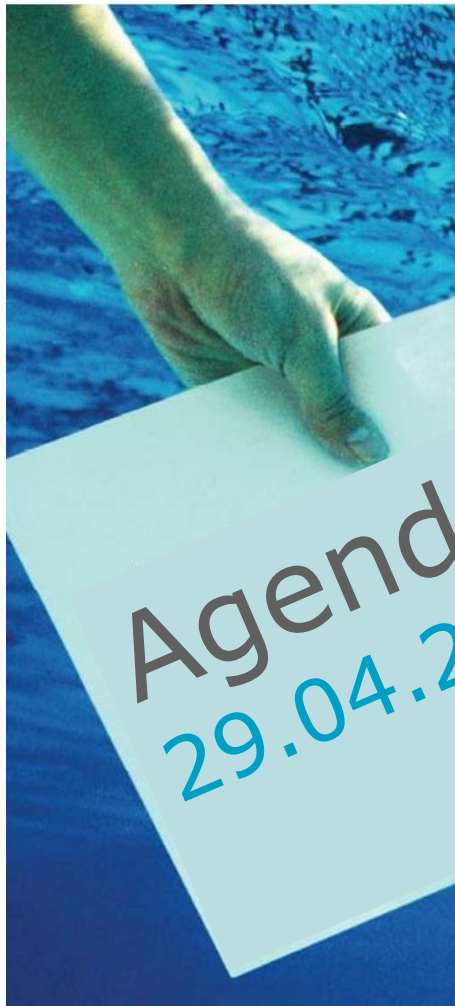


CASH FLOW STATEMENT (NOK 1 000)	2010 1Q	2009 1Q	2009 Total
Net cash flow from operational activities	11 760	-6 344	32 656
Net cash flow from investment activities	-4 194	-5 037	-24 095
Net cash flow from financial activities	-22 156	3 282	1 717
Net cash flow	-14 590	-8 100	10 277
Cash and cash equivalents at the beginning of the period	58 161	47 883	47 883
Cash and cash equivalents at the end of the period	43 571	39 783	58 161

- Investments in 1Q amounted to 4.4 MNOK whereof 1.7 MNOK is capitalized R&D expenses in accordance with IFRS.



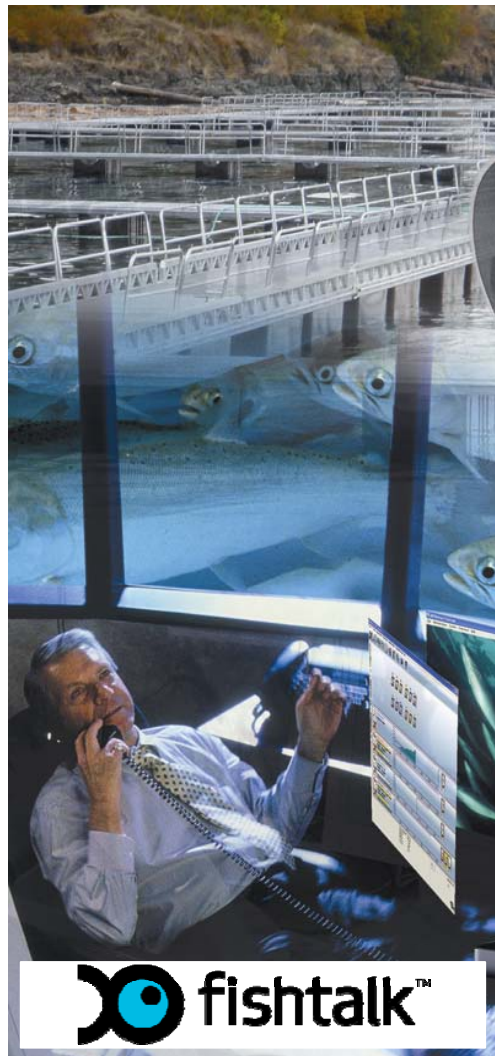
Agenda



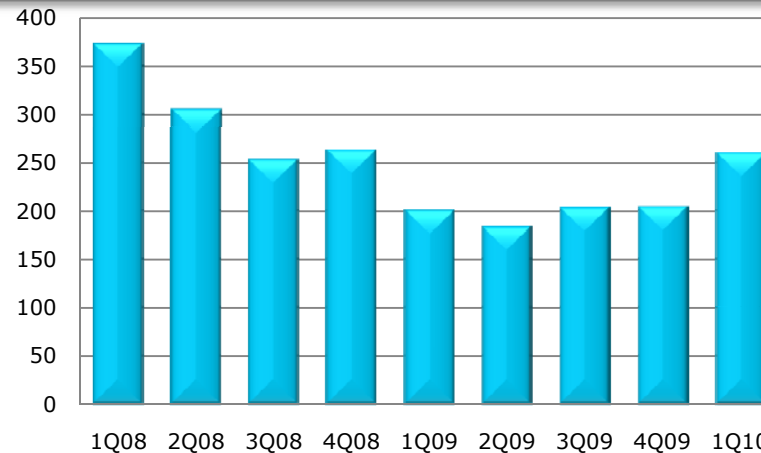
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➔ Order backlog and inflow

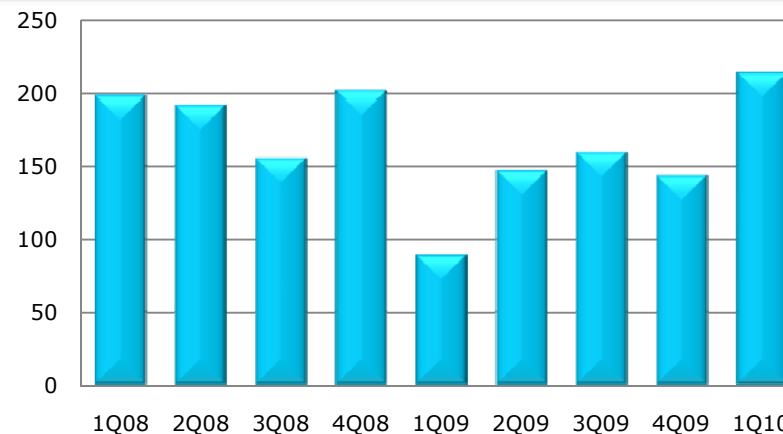


Order backlog (MNOK)



- The order backlog was 260 MNOK at the end of 1Q.
- Up 30% compared to same period last year.
- Up 27% compared to previous quarter.

Order inflow (MNOK)



- Order inflow was 214 MNOK in 1Q.
- Up 140% compared to same period last year.
- Up 48% compared to previous quarter.



Outlook



● Investment climate

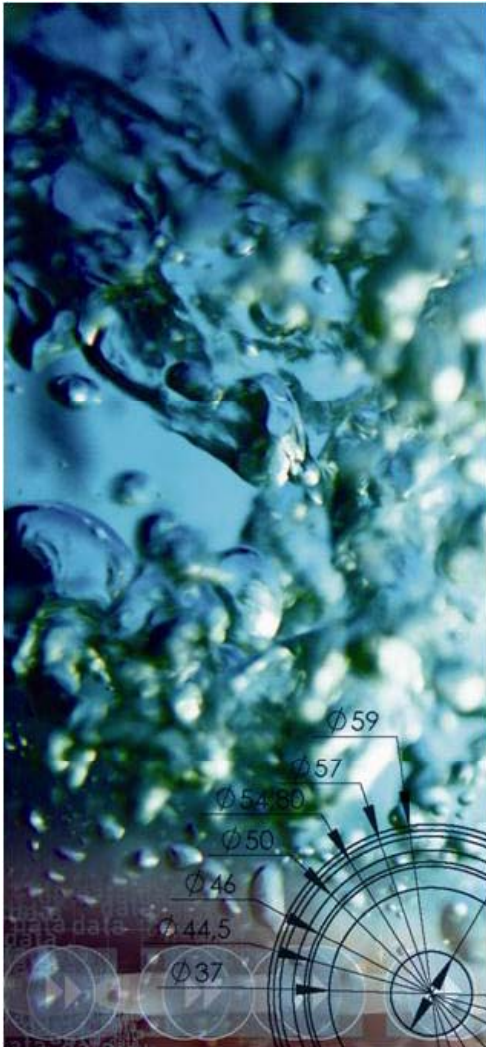
- The market fundamentals for AKVA's main customers remain favourable and the customers experience healthy earnings.
- The balance between supply and demand for Atlantic salmon, the product of AKVA group's main customers, is expected to be favourable through 2010 and 2011. This indicating healthy prices.
- Still investments by AKVA's customers is dominated by uncertainty.

● Market development

- A positive shift in order inflow was seen in December 2009.
- The order inflow continued to develop positively also in 1Q 2010.
- Closing of contracts is still slow but market conditions seem to be gradually improving.



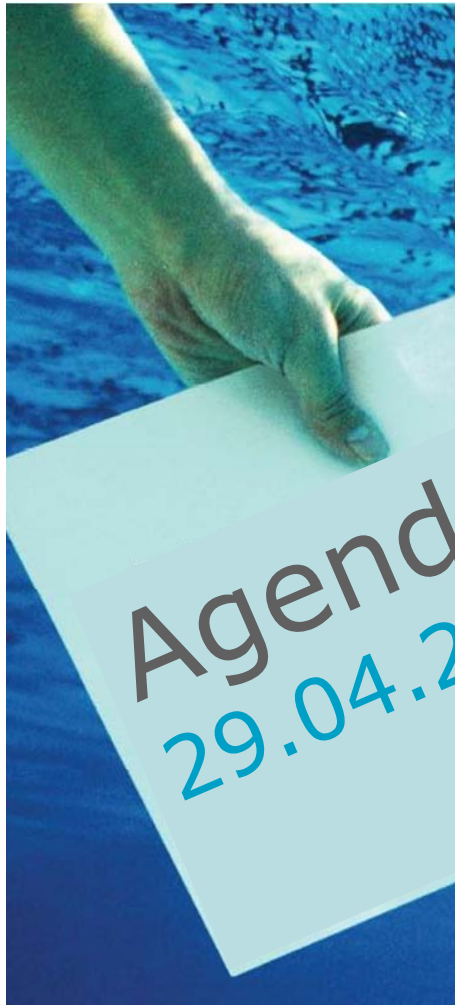
Outlook



- **High underlying demand in Norwegian salmon market**
 - The Norwegian salmon industry is showing good profits at present and are positive for the outlook for the coming years.
 - However, the investment level of the industry is still at a considerably lower level than earlier years.
 - The market for recirculation systems in Norway is developing well and is a product area expected to show a positive development over the next year.
- **Other species / markets**
 - The growth towards other species than salmon continue to expand according to strategic objectives.
 - The signing of a contract of 54 MNOK with the company Cromaris (Croatia) is confirming this positive trend.
 - The global financial has added uncertainty also to these markets, but there are signs that the uncertainty is now easing of.



Agenda



Background & highlights

1Q 2010 Financial review

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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)