



Quarterly report

Nr 1 – 2010

## First quarter report 2010

## 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.

In the comments below on the financial accounts, the 2009 figures are presented in parentheses following the 2010 stated values when included. From the change in the group structure that was implemented in the second half last year with a flatter structure, the group does no longer operate according to the split between the two former operational segments OPTECH and INTECH.

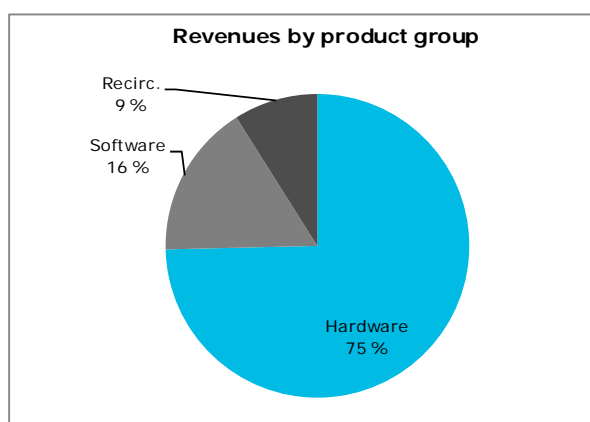
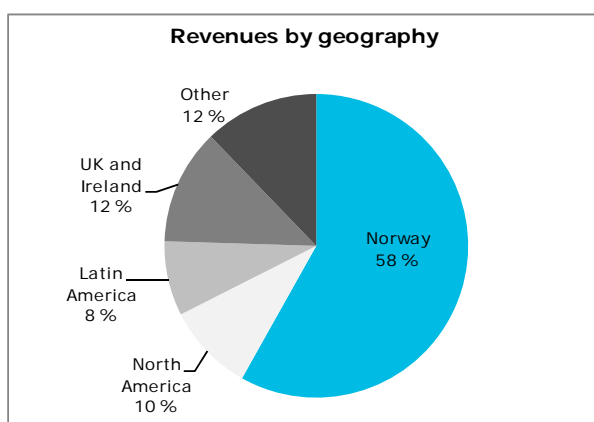
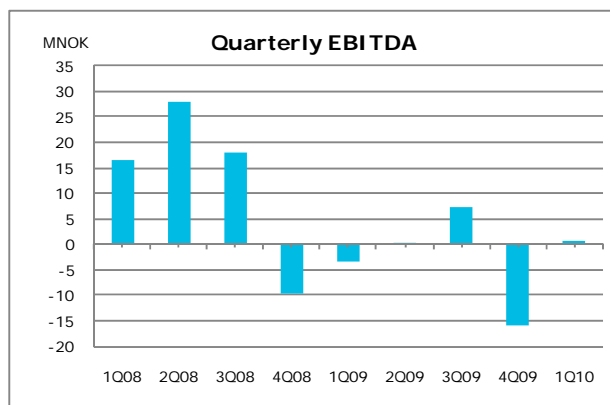
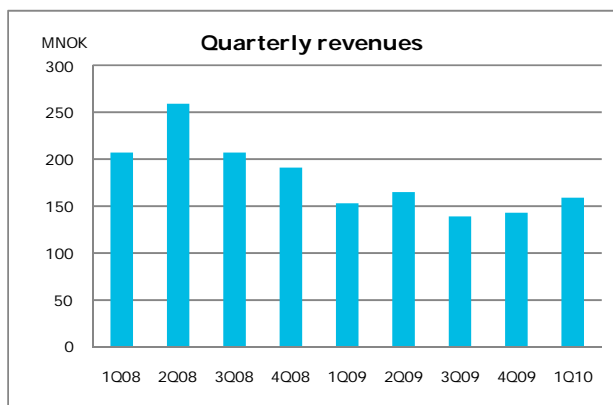


*AKVA group supply technology for complete cage based fish farms.*

## Operations and profit

Operating revenues in 1Q were 158.0 MNOK (152.4) with an EBITDA of 0.5 MNOK (-3.3). The depreciations in 1Q were 7.5 MNOK (7.8) which gave an EBIT - 7.0 MNOK (-11.1). The revenue level is marked by the restrictive investments regime with the Norwegian salmon farmers in 2009 and the corresponding low order inflow in the last quarter of 2009. The order inflow in 1Q suggests a gradual improvement going forward.

Net financial items were 2.2 MNOK (1.4). The increase is related to on average higher net interest-bearing debt. Profit before tax in 1Q was -9.2 MNOK (-12.6) and net loss -5.3 MNOK after allowing for taxes of -3.8 MNOK.



Hardware includes Cages, barges, feed systems and other technology to operate fish farms, Recirc. includes the delivery of systems for recirculation of water in land based farms, Software is software solutions and professional services related to this.

### Balance sheet and cash flow

Working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 105.6 MNOK down from 120.0 MNOK from the beginning of the year and down from 168.2 MNOK from end of 1Q last year. The reduction YTD should be seen in relation to projects but is expected to increase in 2Q.

Net interest-bearing debt amounted to 133.9 MNOK at the end of 1Q versus 141.9 MNOK at the beginning of the year. Gross interest bearing debt amounted to 177.4 MNOK versus 198.3 MNOK at the beginning of the year. The reduction is mainly related to the reduction in working capital. Cash and unused credit facilities amounted to 86.0 MNOK. Total assets and total equity amounted to 641.0 MNOK and 250.4 MNOK respectively, resulting in an equity ratio of 39.1%.

Investments in the first quarter amounted to 4.4 MNOK whereof 1.7 MNOK is capitalized R&D expenses in accordance with IFRS.

A waiver extending through 2Q 2010 relating to the financial covenants of the major credit facilities and loans was agreed with the company's main bank in 4Q.



AKVA group supply technology for complete land based fish farms.

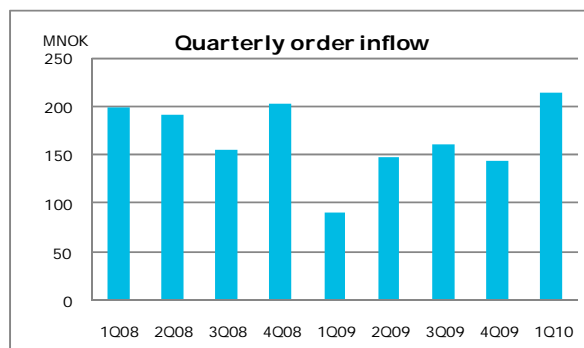
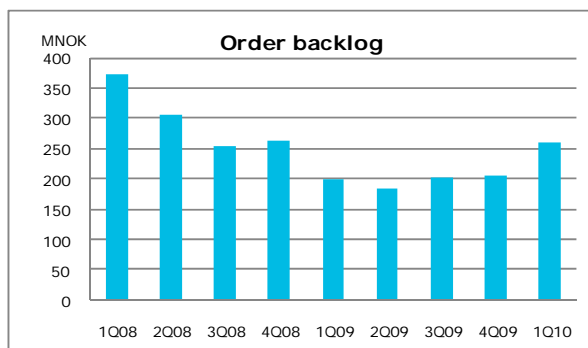
### Shareholder issues

Earnings per share for 1Q 2010 were -0.31 NOK (-0.51). The calculation is based on 17.222.869 shares average.

### Market and future outlook

In the first quarter of 2010, we saw a normalized and sound development in the markets in the UK and Canada. There are also signs of positive developments in Chile, and an improving situation in a number of other markets. However, the general situation is still dominated by uncertainty. In spite of this uncertainty the Group experienced an improved order inflow and increased order backlog compared to previous quarters.

The order backlog was at the end of 1Q 260 MNOK versus 200 MNOK at the end of last quarter last year. During the first quarter AKVA group strengthened its position in the recirculation business with new important contracts for delivery this year and during 2011.



The salmon industry is enjoying high salmon prices and good volumes, resulting in correspondingly strong results. This should fund reason for improvement in the market development going forward, however uncertainty is still prevalent.

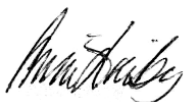
In April AKVA group signed a contract of 54 MNOK for delivery of 3 complete full scale farming sites in Croatia. AKVA group believes there will be an increasing demand for such complete turn-key solutions also in other markets in the future. Furthermore the market interest for recirculation is increasing and it is likely that this will lead to more investments by AKVA's customers going forward.

The challenging fish health situation in the Chilean market through the last years now seems to be under control. This is now leading to a gradual improvement of the market activity, however the return of the Chilean market is expected to take years.

Bryne, 28 April - 2010  
Board of Directors, AKVA group ASA



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Chairperson



Anne Breiby  
Deputy Chairperson



Frode Teigen



Thorhild Widvey



Thore Michalsen



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Knut Drange



Kjell Arne Corneliusen



Knut Molaug  
CEO

## Hovedtall fra regnskapet

### Main figures from financial accounts

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1000)	2010 1Q	2009 1Q	2009 Total
<b>DRIFTSINNTEKTER / OPERATING REVENUES</b>	<b>158 023</b>	<b>152 379</b>	<b>599 345</b>
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	157 503	155 662	610 872
<b>DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>520</b>	<b>-3 284</b>	<b>-11 527</b>
Avskrivninger / Depreciation	7 510	7 838	30 866
<b>DRIFTSRESULTAT / OPERATING PROFIT (EBIT)</b>	<b>-6 990</b>	<b>-11 122</b>	<b>-42 392</b>
Netto rentekostnad / Net interest expense	-2 360	-1 823	-8 781
Andre finansielle poster / Other financial items	187	377	-830
Sum finansielle poster / Net financial items	-2 173	-1 446	-9 611
<b>RESULTAT FØR SKATT / PROFIT BEFORE TAX</b>	<b>-9 162</b>	<b>-12 568</b>	<b>-52 003</b>
Skattekostnad / Taxes	-3 843	-3 740	-12 875
<b>RESULTAT ETTER SKATT / NET PROFIT</b>	<b>-5 320</b>	<b>-8 828</b>	<b>-39 128</b>
Resultat per aksje / Earnings per share	-0,31	-0,51	-2,27
Gj.snitt antall utestående aksjer (i 1000) / Average number of shares outstanding (in 1 000)	17 223	17 223	17 223

BALANSE / BALANCE SHEET (NOK 1000)	2010 31.3.	2009 31.3.	2009 31.12.
Immaterielle eiendeler / Intangible fixed assets	245 039	255 847	243 920
Anleggsmidler / Fixed assets	38 034	42 632	39 071
Finansielle anleggsmidler/Long-term financial assets	1 043	1 593	1 069
<b>ANLEGGSMIDLER / FIXED ASSETS</b>	<b>284 116</b>	<b>300 072</b>	<b>284 061</b>
Varebeholdning / Stock	133 312	139 397	116 248
Kundefordringer / Trade receivables	152 390	162 997	125 391
Andre fordringer / Other receivables	27 635	18 155	27 477
Betalingsmidler / Cash and cash equivalents	43 571	39 783	58 161
<b>OMLØPSMIDLER / CURRENT ASSETS</b>	<b>356 908</b>	<b>360 333</b>	<b>327 277</b>
<b>SUM EIENDELER / TOTAL ASSETS</b>	<b>641 024</b>	<b>660 405</b>	<b>611 338</b>
Innskutt egenkapital / Paid in capital	267 087	267 087	267 087
Opptjent egenkapital / Retained equity	-16 651	32 756	-10 447
<b>SUM EGENKAPITAL / TOTAL EQUITY</b>	<b>250 436</b>	<b>299 843</b>	<b>256 640</b>
Annen langsiktig gjeld / Other long term debt	5 470	9 602	5 561
Langsiktig rentebærende gjeld / Long-term interest bearing debt	150 714	112 780	150 651
<b>LANGSIKTIG GJELD / LONG-TERM DEBT</b>	<b>156 184</b>	<b>122 382</b>	<b>156 212</b>
Kortsiktig rentebærende gjeld / Short-term interest bearing debt	26 710	85 782	49 364
Annen kortsiktig gjeld / Other current liabilities	207 695	152 398	149 123
<b>KORTSIKTIG GJELD / SHORT-TERM DEBT</b>	<b>234 405</b>	<b>238 180</b>	<b>198 487</b>
<b>SUM EGENKAPITAL OG GJELD / TOTAL EQUITY AND DEBT</b>	<b>641 024</b>	<b>660 405</b>	<b>611 338</b>

ENDRING EGENKAPITAL / CHANGES IN EQUITY (NOK 1000)	2010 1Q	2009 1Q	2009 Total
Bokført egenkapital ved periodens begynnelse / Book equity at the beginning of the period	256 640	309 595	309 595
Periodens resultat / The period's net profit	-5 320	-8 828	-39 128
Endring i virkelig verdi av sikringsinstrumentet ved kontantstrømsikring /Gains/(losses) on cash flow hedges (fair)	-1 535	-1 757	20
Endring i pensjonsforpliktelse ført mot egenkapitalen / Change in pension liability recorded against equity	-	-	1 005
Bokføring av opsjonsavtale / Recording of option agreement	0	-	-223
Omregningsdifferanser / Translation differences	651	833	-14 630
Bokført egenkapital ved periodens slutt / Book equity at the end of the period*	250 436	299 843	256 640

\*Proposed dividend for 2007 included in equity

KONTANTSTRØMOPPSTILLING / CASH FLOW STATEMENT (NOK 1000)	2010 1Q	2009 1Q	2009 Total
Netto kontantstrøm fra operasjonelle aktiviteter / Net cash flow from operational activities	11 760	-6 344	32 656
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investment activities	-4 194	-5 037	-24 095
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financial activities	-22 156	3 282	1 717
Netto kontantstrøm / Net cash flow	-14 590	-8 100	10 277
Betalingsmidler ved periodens begynnelse / Cash and cash equivalents at the beginning of the period	58 161	47 883	47 883
Betalingsmidler ved periodens slutt / Cash and cash equivalents at the end of the period	43 571	39 783	58 161

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