



Q3 2012 Presentation

Oslo, October 31th, 2012

Trond Williksen, CEO

Eirik Børve Monsen, CFO

Agenda



- Highlights Q3 2012
Trond Williksen, CEO
- Financial performance Q3 2012
Eirik Børve Monsen, CFO
- Outlooks
Trond Williksen, CEO
- Q & A



 Highlights Q3 2012





Highlights for the quarter



New police boat in Sør-Trøndelag. Photo: Adressa.no September 1st 2012

- Operating revenues of 202.0 MNOK in Q3 compared to 226.7 MNOK in Q3 last year
- EBITDA of 12.5 MNOK in Q3 compared to 22.0 MNOK in Q3 last year
- EBIT of 4.2 MNOK in Q3 compared to 13.8 MNOK in Q3 last year
- Nordic and Chile – continues to be main revenue drivers
 - Nordic revenue on same level as in Q2 2012
 - Revenue in Chile stabilizing on high volumes
- Exports pose an opportunity – despite relative few deliveries in emerging in the last months, market interest is growing
- Software continues to deliver solid margins
- Focus on balance sheet continues to show results
- Order backlog at the end of Q3 was 200 MNOK versus 260 MNOK at the end of Q3 last year – order inflow in Q3 on same level as last year



AKVA group – uniquely positioned for future growth

Cage based farming Technology



AKVA group in brief

- The most recognized brand in aquaculture technology
- Leading technology solutions and service partner to global aquaculture industry
- Global presence - subsidiaries in 8 countries
- 2011 Revenue of 894 MNOK and 2011 EBITDA of 62 MNOK
- 700 employees

Land based farming Technology



Site infrastructure



Feed systems



Sensors & operational

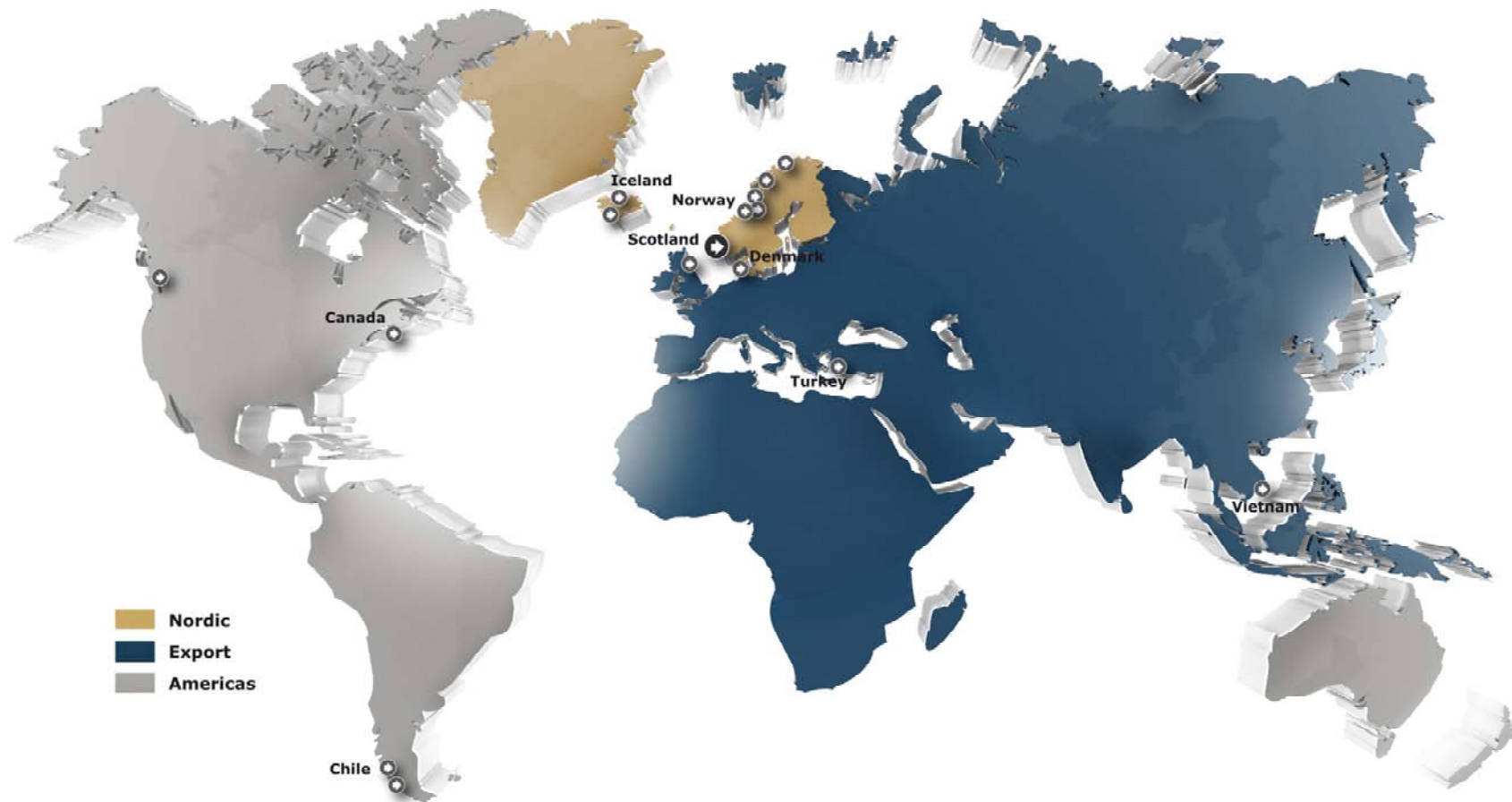


Software systems & services





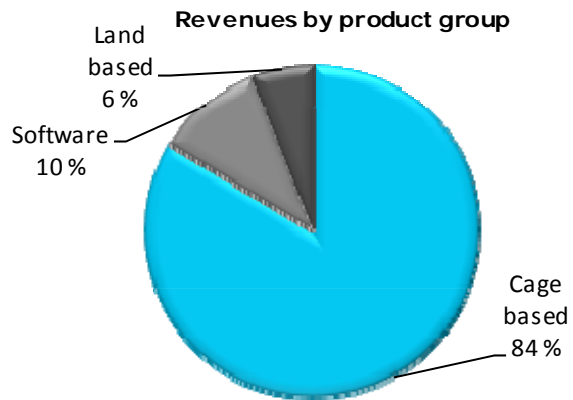
Global presence – three regions





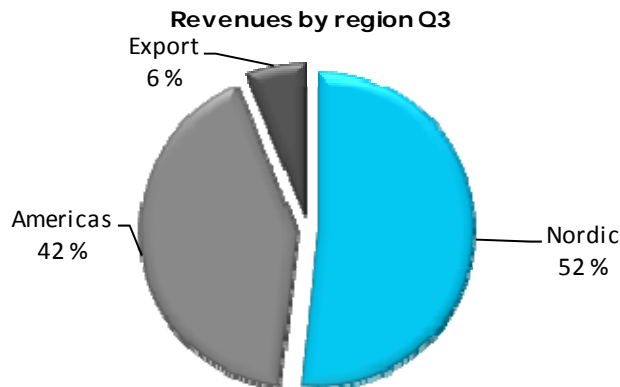
Market segments - Revenue

By product groups – Q3 2012



- **Cage based technologies** = Cages, barges, feed systems and other operational systems for cage based aquaculture
- **Software** = Software and software systems
- **Land based technologies** = Recirculation systems and technologies for land based aquaculture
- Land based technologies +1 percentage point and Software -1 percentage point in Q3 vs Q2 2012

By geographic regions – Q3 2012



- Export reduced relative share from 9% in Q2. Mostly explained by timing of contracts in emerging markets
- Nordic +1% and Chile +2% compared to Q2 2012

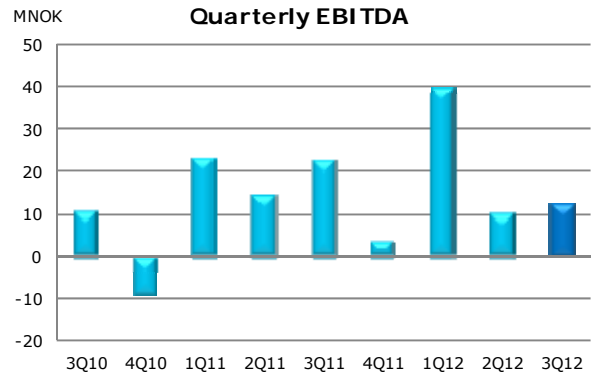
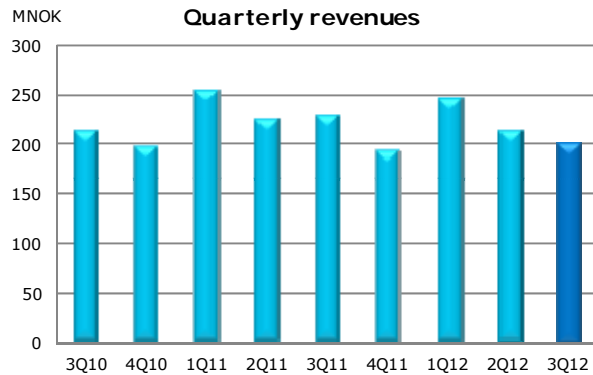


Financial performance Q3 2012





Financial highlights Q3



- Continue to deliver positive results
- Financial performance according to expectations. Performing well in a year with low salmon prices
- Strong balance sheet
- Controlled CAPEX



Q3 P&L total Group



P&L 2012 (MNOK)	2012 3Q	2011 3Q	2012 YTD	2011 YTD	2011 Total
OPERATING REVENUES	202,0	226,7	657,2	702,6	893,6
Operating costs ex depreciations	189,6	204,8	595,0	643,8	831,6
EBITDA	12,5	22,0	62,2	58,8	62,0
Depreciation	8,3	8,2	25,3	23,9	32,7
EBIT	4,2	13,8	36,9	34,8	29,3
Revenue growth	-10,9 %	6,8 %	-6,5 %	28,5 %	20,3 %
EBITDA margin	6,2 %	9,7 %	9,5 %	8,4 %	6,9 %
EPS (NOK)	0,04	0,31	0,88	1,02	0,53



Q3 P&L segments – Cage Based Technologies

P&L 2012 (MNOK)	2012 3Q	2011 3Q	2012 YTD	2011 YTD	2011 Total
Cage based technologies					
Nordic operating revenues	82,1	102,9	219,7	335,7	327,2
Americas operating revenues	74,7	67,3	234,6	171,2	255,9
Export operating revenues	12,3	20,4	70,9	67,1	137,2
OPERATING REVENUES	169,2	190,6	525,2	573,9	720,3
Operating costs ex depreciations	160,6	167,7	495,4	515,4	657,7
EBITDA	8,5	22,9	29,8	58,6	62,5
Depreciation	6,6	6,2	20,0	17,8	24,3
EBIT	2,0	16,7	9,8	40,8	38,2
<i>EBITDA %</i>	<i>5,1 %</i>	<i>12,0 %</i>	<i>5,7 %</i>	<i>10,2 %</i>	<i>8,7 %</i>
<i>EBIT %</i>	<i>1,2 %</i>	<i>8,8 %</i>	<i>1,9 %</i>	<i>7,1 %</i>	<i>5,3 %</i>



- Same revenue volumes in the Norwegian market as in Q2 2012
- High activity level in Chile continues throughout Q3 2012
- Increased pace in Canada, UK and Turkey after a slow start of the year
- Low activity in emerging export markets, mostly due to timing of larger contracts



Q3 P&L segments - Software

P&L 2012 (MNOK)	2012 3Q	2011 3Q	2012 YTD	2011 YTD	2011 Total
Software					
Nordic operating revenues	14,8	21,2	82,8	72,1	98,6
Americas operating revenues	5,7	3,6	14,5	9,1	12,1
Export operating revenues	0,4	0,3	1,2	1,2	1,6
OPERATING REVENUES	20,9	25,1	98,5	82,4	112,4
Operating costs ex depreciations	17,4	21,5	61,0	72,6	101,1
EBITDA	3,4	3,6	37,5	9,8	11,3
Depreciation	1,5	1,7	4,6	5,2	7,1
EBIT	2,0	2,0	32,9	4,7	4,1
<i>EBITDA %</i>	<i>16,5 %</i>	<i>14,4 %</i>	<i>38,1 %</i>	<i>11,9 %</i>	<i>10,0 %</i>
<i>EBIT %</i>	<i>9,3 %</i>	<i>7,8 %</i>	<i>33,4 %</i>	<i>5,7 %</i>	<i>3,7 %</i>

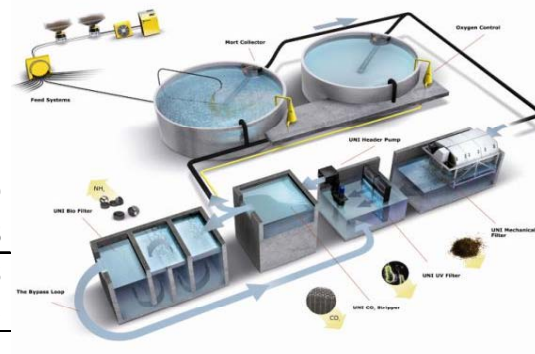


- Revenue in Q3 2012 is 4,8 MNOK higher than in Q3 2011 when excluding revenue from Martiech Norway (the Maritech Norway operation was sold in Q1 2012)
- Software continues to deliver stable revenue and solid margins



Q3 P&L segments – Land Based Technologies

P&L 2012 (MNOK)	2012 3Q	2011 3Q	2012 YTD	2011 YTD	2011 Total
Land based technologies					
Nordic operating revenues	7,6	6,7	25,9	28,3	42,8
Americas operating revenues	4,4	4,3	7,6	17,9	18,1
Export operating revenues	-	-	-	-	-
OPERATING REVENUES	12,0	11,0	33,5	46,2	60,9
Operating costs ex depreciations	11,5	15,6	38,6	55,9	72,8
EBITDA	0,5	-4,6	-5,1	-9,7	-11,8
Depreciation	0,2	0,3	0,7	1,0	1,3
EBIT	0,3	-4,9	-5,8	-10,6	-13,1
<i>EBITDA %</i>	<i>4,1 %</i>	<i>-41,6 %</i>	<i>-15,2 %</i>	<i>-20,9 %</i>	<i>-19,4 %</i>
<i>EBIT %</i>	<i>2,1 %</i>	<i>-44,5 %</i>	<i>-17,4 %</i>	<i>-23,0 %</i>	<i>-21,5 %</i>



- Revenues in Q3 on same level as in Q3 2011 – with positive margins in Q3 2012
- Improved margins due to reduced cost base over the last year
- The Land Based Technology segment is now positioned for future profitable growth

Q3 Financials – Detailed P&L group

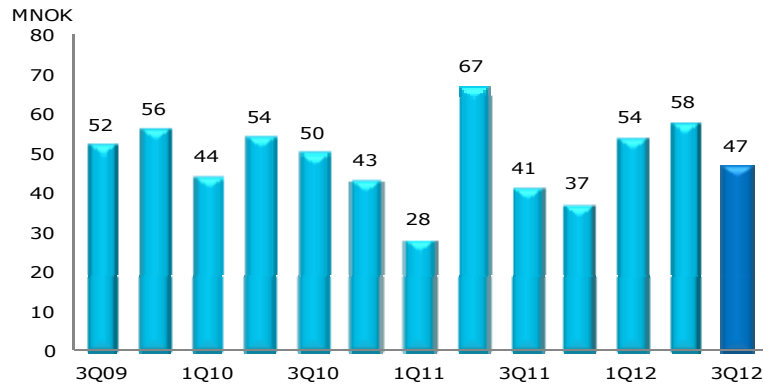
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EBITDA	12,5	22,0	62,2	58,8	62,0
Depreciation	8,3	8,2	25,3	23,9	32,7
EBIT	4,2	13,8	36,9	34,8	29,3
Net interest expense	-1,7	-2,9	-5,9	-9,2	-11,4
Other financial items	-1,1	0,3	0,5	1,0	-3,6
Net financial items	-2,7	-2,6	-5,5	-8,2	-15,0
EBT	1,4	11,2	31,5	26,6	14,3
Taxes	0,5	3,1	8,8	6,2	2,8
NET PROFIT	0,9	8,1	22,6	20,5	11,5
Revenue growth	-10,9 %	6,8 %	-6,5 %	28,5 %	20,3 %
EBITDA margin	6,2 %	9,7 %	9,5 %	8,4 %	6,9 %
EPS (NOK)	0,04	0,31	0,88	1,02	0,53

Reduced interest
expenditure due to
reduced total interest
bearing debt.

Mainly currency.
Controlled exposure
within acceptable
internal limits.

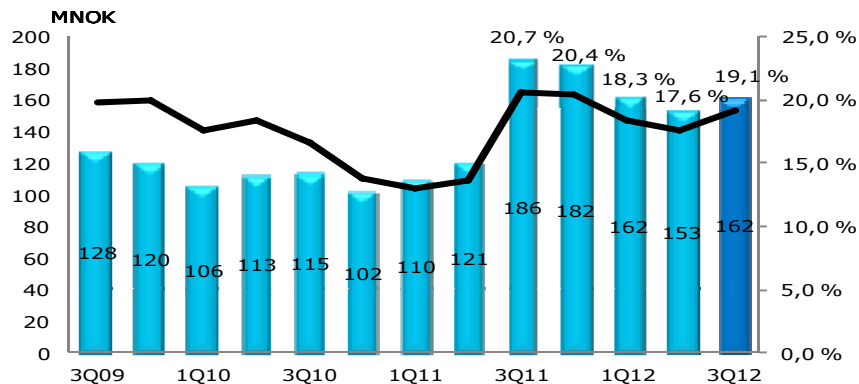
Group financial profile

Cash balance (MNOK)



- Total cash was 47 MNOK at the end of Q3 vs 37 MNOK at the end of 2011
- Total available cash, including available drawing facility, was 95 MNOK at the end of Q3 vs 57 MNOK at the end of 2011

Working capital (WC)



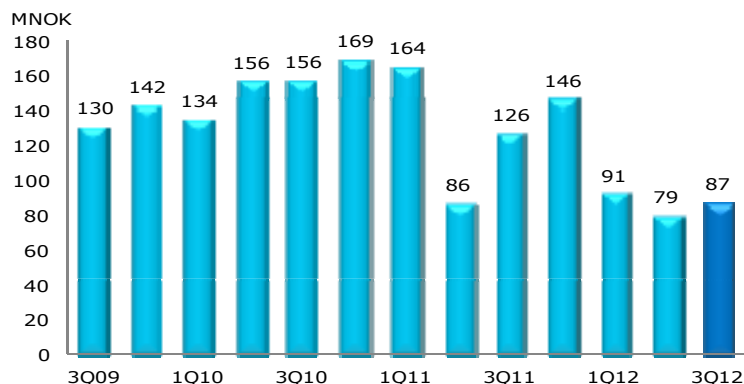
- Growth in the Chile operation caused increased WC in 2011
- Reduction in WC in 2012 through focused effort
- Increase in WC from Q2 2012 due to seasonal trends

* Black line is Working capital in percentage of 12 m rolling revenue



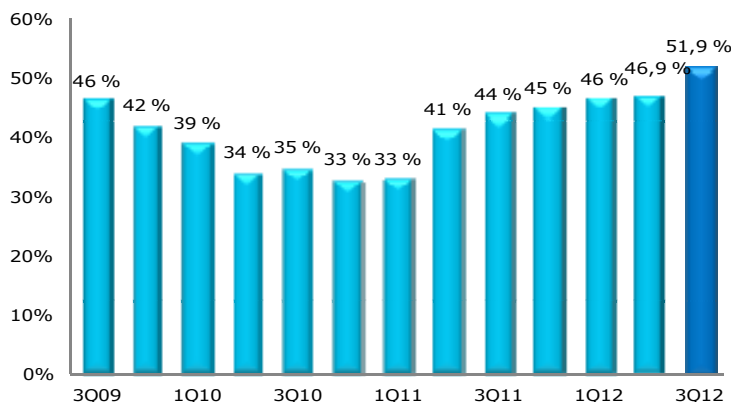
Group financial profile, continued

Debt level (NIBD MNOK)



- Net interest bearing debt reduced substantially during 2012 due to reduction in interest bearing debt and increased cash
- Increase in NIBD in Q3 is explained by a minor reduction in cash

Equity ratio (%)



- Equity increased to 51.9% in Q3 from 44.9% at the end of 2011



Balance Sheet

BALANCE SHEET (MNOK)	2012 30.09.	2011 30.09.	2011 31.12.
Intangible fixed assets	200,4	205,4	209,6
Fixed assets	43,0	39,6	41,9
Long-term financial assets	29,9	23,8	38,0
FIXED ASSETS	273,3	268,8	289,5
Stock	177,4	178,8	174,9
Trade receivables	129,8	216,3	177,6
Other receivables	40,1	39,9	42,4
Cash and cash equivalents	46,8	41,1	37,2
CURRENT ASSETS	394,0	476,1	432,2
TOTAL ASSETS	667,3	744,9	721,7
Paid in capital	355,5	355,5	355,5
Retained equity	-9,1	-28,9	-31,8
TOTAL EQUITY	346,5	326,6	323,8
Other long term debt	2,6	1,8	2,0
Long-term interest bearing debt	72,5	116,7	110,2
LONG-TERM DEBT	75,1	118,5	112,2
Short-term interest bearing debt	60,8	50,5	72,7
Other current liabilities	185,0	249,3	213,0
SHORT-TERM DEBT	245,8	299,8	285,7
TOTAL EQUITY AND DEBT	667,3	744,9	721,7
<i>Equity ratio</i>	<i>51,9 %</i>	<i>43,8 %</i>	<i>44,9 %</i>
<i>Net interest bearing debt</i>	<i>86,5</i>	<i>126,0</i>	<i>145,7</i>
<i>Net working capital</i>	<i>162,3</i>	<i>185,6</i>	<i>182,0</i>



Cash flow statement

CASH FLOW STATEMENT (NOK 1 000)	2012 3Q	2011 3Q	2012 YTD	2011 YTD	2011 Total
Net cash flow from operations	9 447	19 816	26 939	49 719	44 993
Net cash flow from change in working capital	-9 102	-67 406	19 847	-88 484	-80 879
Net cash flow from operating activities	345	-47 590	46 786	-38 765	-35 886
Net cash flow from investment activities	-6 844	-4 990	11 495	-17 733	-28 183
Net cash flow from financial activities	-4 750	26 869	-48 753	54 453	58 142
Net cash flow	-11 249	-25 711	9 529	-2 046	-5 927
Cash and cash equivalents at the beginning of the period	58 011	66 825	37 232	43 160	43 159
Cash and cash equivalents at the end of the period	46 761	41 114	46 761	41 114	37 232

- Investments in Q3 were 6.3 MNOK whereof 1.4 MNOK is capitalized R&D expenses in accordance with IFRS.
- YTD investments in 2012 were 22.0 MNOK whereof 6.4 MNOK is capitalized R&D expenses in accordance with IFRS.
- Total investments in 2011 were 30.0 MNOK whereof 12.5 MNOK is capitalized R&D expenses in accordance with IFRS.



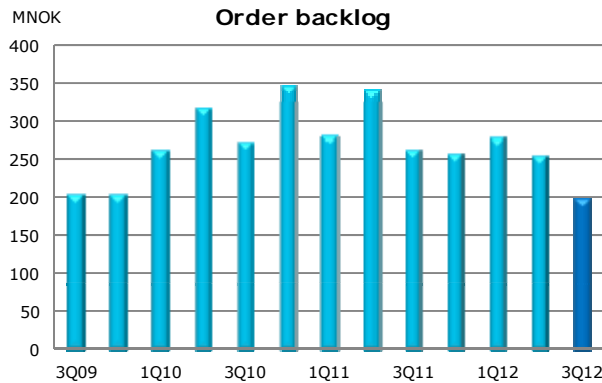
Outlooks





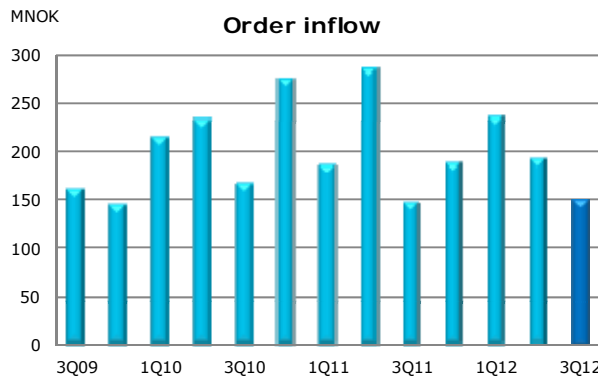
Order backlog and inflow

Order backlog (MNOK)



- Order backlog 200 MNOK by end of Q3 vs 260 MNOK by end of Q3 2011.

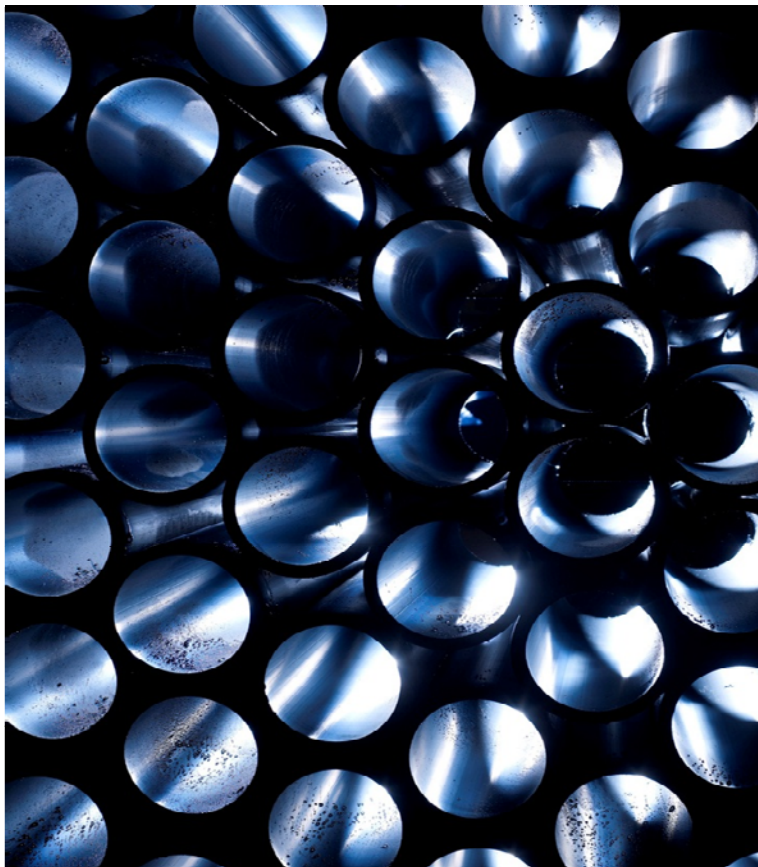
Order inflow (MNOK)



- Total order inflow in Q3 of 149 MNOK vs 146 MNOK in Q3 2011
- Slow order inflow in the beginning of quarter due to summer holiday season in Nordic and slower inflow in Chile
- Strong order inflow towards the very end of the quarter, continuing into Q4



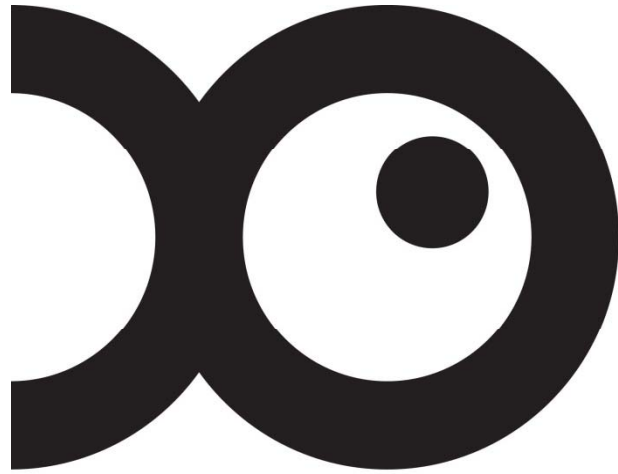
Outlooks



- Q4 traditionally the most demanding quarter due to seasonal variations
- Positive outlook in Nordic market in 2013 due to optimistic sentiment created by medium to long term prospects for the salmon industry. High activity level in the market going into Q4.
- Chile is stabilizing on high volumes, but more uncertainty going into next year
- Expected improvements in UK and Canada for the rest of the year, moderate expectations in 2013 due to fish health issues
- Expected improvements, but uncertain timing of activities in Export markets
- Continued effort to build service and aftersales as a key business element in all markets and segments
- Financial situation comfortable. Focus on working capital and cash management continues
- We are hands on – adjusting operations according to market development. Focus on long term performance, margins and customer relations



Q&A



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