



Quarterly report
Nr 2 – 2013

Second quarter report 2013



Strong quarter – solid underlying operational performance



Second quarter 2013

- **Significant improvement from Q2 last year – best quarter in 5 years**
 - Revenue of 270 MNOK compared to 211 MNOK in Q2 2012
 - EBITDA of 20 MNOK (7.5%) compared to 10 MNOK (4.7%) in Q2 2012.
- **Solid underlying operational performance in the Nordic cage based segment with improved top line and earnings**
- **Managing challenging times in Chile – reduced sales, but positive margins in Q2 and YTD**
- **Strong Export deliveries into emerging markets**
- **Canada and Scotland performing well with improved margins and revenues**
- **Software continuing to perform well – with improved operational revenues and margins compared to Q2 2012**
- **Land based in a weak mid-season – Plastsveis AS included from Q2**

YTD 2013

- **Operational revenue of 492 MNOK compared to 426 in 1H 2012 ***
- **Operational EBITDA of 31 MNOK versus 21 in 1H 2012 ***

(* 1H 2012 numbers above excluding the one-off gain of 29 MNOK from the sales of the Norwegian Maritech business in February 2012)

Revenues and profits for the Group

(Figures in brackets = 2012 unless other is specified)

Operations and profit

Significant improvement in second quarter compared to same period last year and previous quarters. There has been good underlying operational performance in the quarter resulting in improved top line and margins.

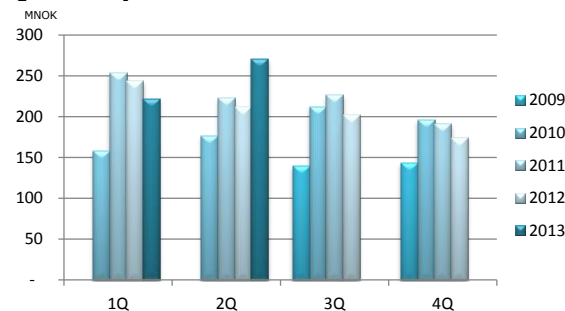
Total revenues in Q2 were 270.2 MNOK (211.5) with an EBITDA of 20.3 MNOK (10.0). EBIT was 11.9 MNOK (1.6).

Net financial items in Q2 was -2.9 million (0.5), resulting in a profit before tax of 9.0 MNOK (2.1). Net profit was 5.2 MNOK (1.2) after allowing for taxes of 3.8 MNOK (0.9).

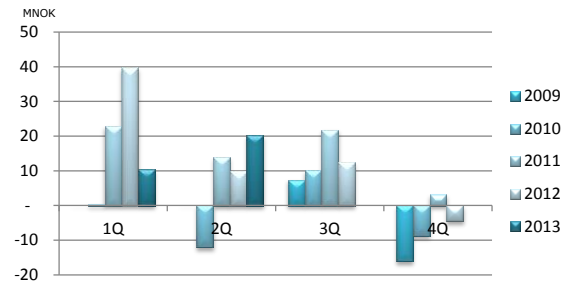
YTD revenues for the first half of 2013 were 492.3 MNOK (455.2) with an EBITDA of 30.7 MNOK (49.7). YTD EBIT for the first half of 2013 was 14.3 MNOK (32.8).

The Q1 2012 revenue and margins are affected by the one off gain related to the sale of the Norwegian Maritech business in this quarter. The gain was 29 MNOK.

Quarterly revenue



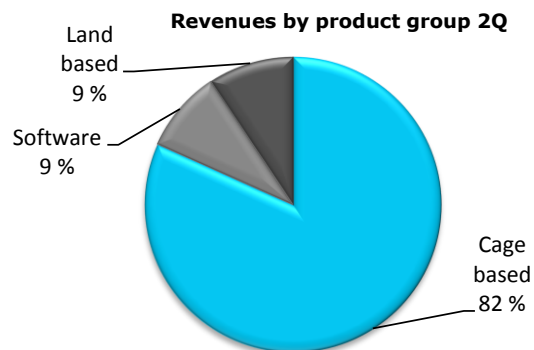
Quarterly EBITDA



Business segments

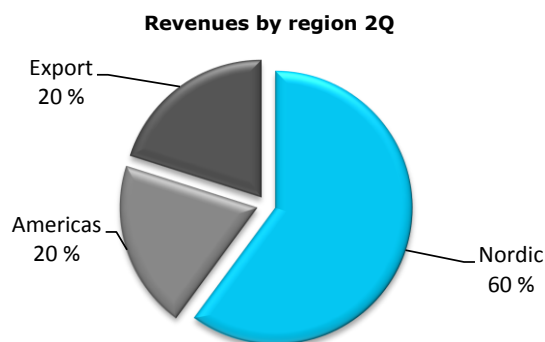
AKVA group has organized its business into three technology segments;

- Cage based technologies (CBT): Includes cages, barges, feed systems and other operational technologies and systems for cage based aquaculture,
- Land based technologies (LBT): Includes recirculation systems and technologies for land based aquaculture, and
- Software (SW): Includes software solutions and professional services.



AKVA group also has organized its business into three geographical segments;

- Nordic: Includes the Nordic countries,
- Americas: Includes Americas and Oceania, and
- Export: Includes the rest of the world.



The following information is divided into the three technology segments. Comments on the geographical segments are included if and when relevant.

Cage based technologies (CBT)

CBT had revenues in Q2 of 220.8 MNOK (178.4). Revenue in the Nordic region was 119.9 MNOK (82.5), in the Americas region 47.0 MNOK (76.1) and in the Export region 53.9 MNOK (19.8).

EBITDA for CBT in Q2 was 20.5 MNOK (10.3) resulting in an EBITDA margin of 9.3% (5.8%). EBIT in Q2 was 13.8 MNOK (3.6) representing an EBIT margin of 6.3% (2.0%).

There has been good underlying operational performance in the Nordic cage based segment with improved top line and earnings.

Chile is managing challenging times with reduced activity and sales. We have managed to take down the cost

base significantly and in due time which has materialized in positive margins in Q2 and YTD

Both Canada and Scotland performing well in Q2 with improved margins and revenues compared to Q1 despite local fish health issues.

Export has good deliveries into emerging markets in Q2 with large projects in Russia and Saudi Arabia.

YTD revenues for CBT for the first half of 2013 were 404.1 MNOK (356.0) with an EBITDA of 27.1 MNOK (21.2). EBIT was 13.8 MNOK (7.9) after depreciations of 13.3 MNOK (13.4).

Software (SW)

Software continues to deliver stable revenues and solid margins.

Revenue for SW in Q2 was 24.3 MNOK (22.4). The EBITDA in Q2 was 4.1 MNOK (1.7) resulting in an EBITDA margin of 16.9% (7.6%) and an EBIT of 2.8 MNOK (0.2) representing an EBIT margin of 11.7% (0.8%).

Our three software companies; AKVA group Software AS (Norway), Wise Ehf (Iceland) and Wise Dynamics Inc (Canada) are all contributing positively in Q2 2013.

Software continues to invest in new product modules to be launched throughout 2013. These product modules will further strengthen the financial performance of the SW segment throughout the year.

YTD operating revenues for SW were 47.6 MNOK (77.6) with an EBITDA of 7.9 MNOK (34.1). EBIT was 5.4 MNOK (31.0) after depreciation of 2.5 MNOK (3.1).

Q1 2012 financials includes one month of revenue in the Norwegian Maritech business and the gain related to the sale of this business in February 2012 of 29 MNOK.

Land Based Technologies (LBT)

LBT had revenues in Q2 of 25.1 MNOK (10.7) with an EBITDA of -4.3 MNOK (-2.0) and an EBIT of -4.7 MNOK (-2.2).

There have been increased revenues in AKVA group Denmark. Plastsveis AS being included from Q2 2013 also contributes to increased revenues in the land based area.

Margins have been influenced by a weak midseason for land based technologies.

Growing prospect mass gives signals of increased interest in the market expected to materialize during the fall of 2013 and into 2014. The Land Based Technology segment is positioned for future profitable growth and is significantly strengthened through acquisition of Plastsveis AS in Q1 2013.

YTD operating revenues were 40.7 MNOK (21.5) and YTD EBITDA was -4.4 MNOK (-5.6). The YTD EBIT was -5.0 MNOK (-6.1)

Balance sheet and cash flow

The balance sheet is continuing to be improved compared to previous quarters with positive development on our balance sheet – KPIs; Net Interest Bearing Debt, Working Capital and Equity.

The working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 136.1 MNOK at the end of Q2, down from 153.4 MNOK at the end of Q2 2012.

Net interest-bearing debt was 94.2 MNOK at the end of Q2 compared to 78.6 MNOK at the end of Q2 2012. Gross interest bearing debt was at the end of Q2 132.9 MNOK versus 136.5 MNOK at the end of Q2 2012.

Cash and unused credit facilities amounted to 86 MNOK at the end of Q2 versus 108 MNOK at the end of Q2 2012. The total credit facility at Sandnes Sparebank is 90 MNOK.

Gross interest bearing debt and cash are influenced by financing of the Plastsveis transaction in March 2013

Plastsveis AS is included in the consolidated balance sheet from March 31st, 2013.

Total assets and total equity amounted to 701.8 MNOK and 341.6 MNOK respectively, resulting in an equity ratio of 48.7% vs 46.9% at the end of Q2 2012.

Investments in Q2 2013 amounted to 10.0 MNOK of which 4.5 MNOK was capitalized R&D expenses in accordance to IFRS. YTD investments were 20.0 MNOK whereof 10.0 MNOK is capitalized R&D expenses in accordance with IFRS. Investments in 2012 were 39.8 MNOK whereof 15.8 MNOK is capitalized R&D expenses in accordance with IFRS.

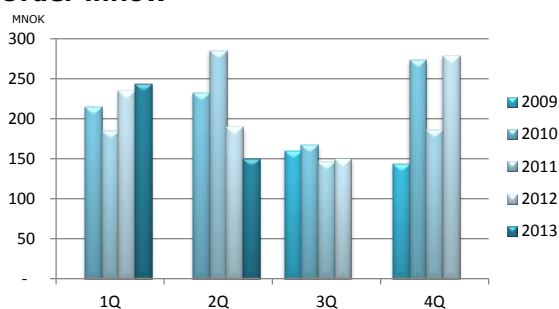
Shareholder issues

Earnings per share for Q2 were 0.22 NOK (0.05). The calculation is based on 25,834,303 (25,834,303) shares average and excluding non-controlling interests net profit.

The 20 largest shareholders at the end of the quarter are listed in note 4.

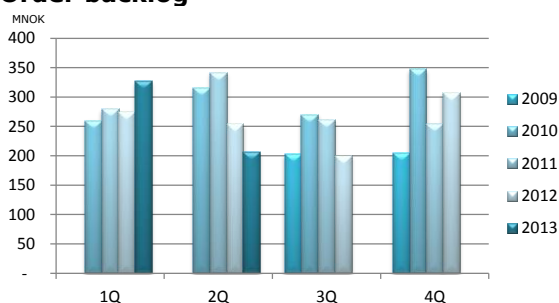
Market and future outlook

Order inflow



The order backlog at the end of Q2 was 208 MNOK (253). The order inflow in Q2 was 151 MNOK (190).

Order backlog



We maintain our positive outlook in the Nordic market for the coming quarters. Significant growth in salmon prices into 2013 drives demand for technology and services and we are currently experiencing strong growth in prospect mass.

We see some positive signals in Chile after significant decline in volumes of sales and deliveries in the first half of

2013 compared to 2012. Industry and investments are influenced by financial and biological uncertainty, but strong increase in salmon prices is easing the situation. We are monitoring the Chilean market closely and adjusting according to the development.

We have increased our expectations for the second half of 2013 for the UK and Canadian market. This despite local fish health issues.

Performance in Export is expected to be good in the next quarters due to deliveries of large projects and a promising prospect mass.

Effort to build service and aftersales as a key business element in all markets and segments will continue to pay off.

Selected disclosure notes

Note 1 General information and basis for preparation

AKVA group consists of AKVA group ASA and its subsidiaries. There have been no significant changes in the Group's legal structure since year-end 2012, except from AKVA group ASAs purchase of 70% of the shares in Plastsveis AS in March 2013. Please see the Q1 2013 report and notifications to the Oslo Stock Exchange in Q1 2013 for more details about the Plastsveis AS acquisition.

The condensed consolidated interim financial statements are unaudited. As a result of rounding differences, numbers or percentages may not add up to the total. The consolidated financial statements for the Group for the year ended 31 December 2012 are available upon request from the company's registered head office at

Nordlysveien 4, 4340 Bryne, Norway
or at www.akvagroup.com.

These interim financial statements are prepared in accordance with International Financial Reporting Standards and interpretations (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by EU (EU-IFRS), including International Accounting Standard 34, Interim Financial Reporting. The quarterly report does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report for 2012.

Note 2 Business segments

AKVA group is organized in three business segments; Cage based technologies, Software and Land based technologies.

The same accounting principles as described for the Group financial statements have been applied for the

segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the actual transactions.

Note 3 Recognition and measurement of assets and liabilities in connection with the Plastsveis AS acquisition

The recognition and measurement of assets and liabilities in connection with the Plastsveis AS acquisition is not final in the consolidated financial statement as of March 31st, 2013. IFRS 3 permits adjustments to items recognized in the original accounting for business combination, for a maximum of one year after the acquisition date, if and when new information about facts and circumstances existing at the acquisition date is obtained. AKVA group will make a final assessment before this one year period comes to an end.

Note 4 Top 20 shareholders June 30st, 2013

Shareholders	Citizenship	Number of shares held	Ownership
EGERSUND GROUP AS	NOR	22 583 655	87,42
MOLAUG KNUT	NOR	404 838	1,57
MP PENSJON PK	NOR	380 000	1,47
OLE MOLAUG EIENDOM A	NOR	338 692	1,31
KLUGE GUNNAR	NOR	173 150	0,67
MOLAUG OLE	NOR	167 192	0,65
HAVBRUKSCONSULT AS	NOR	166 000	0,64
UBS AG A/C OMNIBUS-DISCLOSE NOM	CHE	111 000	0,43
NEDREBØ ANNE HELGA	NOR	101 750	0,39
HAVREVOLL INGRID	NOR	99 750	0,39
SKJÆVELAND ODD	NOR	75 750	0,29
GILJE BERGLJOTMOLAUG	NOR	67 644	0,26
MOLAUG INGRID	NOR	66 950	0,26
GJØVIK JAN ARVE	NOR	63 961	0,25
FAGERHEIM ARNE MELVIN	NOR	54 478	0,21
KIELLAND BERNHARD	NOR	52 079	0,2
QUINTER THOMAS FIDEL	CHE	50 220	0,19
BLYTH PETER JOHN	AUS	48 593	0,19
MOLAUG GUNHILD HELEN	NOR	48 300	0,19
KVERNELAND AKSEL	NOR	40 164	0,16
20 largest shareholders		25 094 166	97,14
Other shareholders		740 137	2,86
Total shares		25 834 303	100,00

Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for the period 1 January to 30 June 2013, which have been prepared in accordance with IAS 34 Interim Financial Statements gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

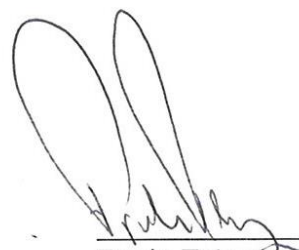
Trondheim, August 15th, 2013
Board of Directors, AKVA group ASA




Hans Kristian Mong
(Chairperson)




Aino Olaisen



Frode Teigen



Anne Breiby
(Deputy Chairperson)



Ingvald Løyning



Tore Obrestad



Kjell Arne Corneliussen



Eivind Brendryen



Trond Williksen
(CEO)

Main figures from financial accounts

INCOME STATEMENT (NOK 1000)	2013	2012	2013	2012	2012
	2Q	2Q	YTD	YTD	Total
OPERATING REVENUES	270 202	211 474	492 345	455 181	831 530
Operating costs ex depreciations	249 950	201 435	461 653	405 446	773 714
OPERATING PROFIT BEFORE DEPR.(EBITDA)	20 252	10 039	30 693	49 734	57 816
Depreciation	8 311	8 414	16 403	16 963	31 112
OPERATING PROFIT (EBIT)	11 941	1 625	14 290	32 772	26 704
Net interest expense	-1 987	-2 088	-3 498	-4 292	-8 172
Other financial items	-915	2 567	-1 728	1 538	-1 154
Net financial items	-2 902	479	-5 226	-2 754	-9 325
PROFIT BEFORE TAX	9 039	2 105	9 064	30 018	17 379
Taxes	3 799	863	3 806	8 324	7 105
NET PROFIT	5 240	1 242	5 258	21 694	10 274
Net profit (loss) attributable to:					
Non-controlling interests	-350	-	-350	-	-
Equity holders of AKVA group ASA	5 590	1 242	5 608	21 694	10 274
Earnings per share equity holders of AKVA group ASA	0,22	0,05	0,22	0,84	0,40
Average number of shares outstanding (in 1 000)	25 834	25 834	25 834	25 834	25 834

BALANCE SHEET (NOK 1000)	2013	2012	2012	
	30.6.	30.6.	31.12.	
Intangible fixed assets		223 018	203 880	201 247
Fixed assets		50 923	42 796	45 763
Long-term financial assets		27 269	29 724	31 493
FIXED ASSETS		301 210	276 401	278 503
Stock		161 851	192 619	161 736
Trade receivables		159 008	173 186	163 133
Other receivables		41 034	38 830	32 407
Cash and cash equivalents		38 718	57 834	36 797
CURRENT ASSETS		400 611	462 470	394 073
TOTAL ASSETS		701 821	738 871	672 576
Paid in capital		355 549	355 549	355 549
Retained equity		-16 398	-8 688	-30 275
Equity attributable to equity holders of AKVA group ASA		339 151	346 861	325 274
Non-controlling interests		2 406		
TOTAL EQUITY		341 557	346 861	325 274
Other long term debt		1 591	4 306	2 329
Long-term interest bearing debt		65 292	77 599	67 435
LONG-TERM DEBT		66 883	81 905	69 765
Short-term interest bearing debt		67 608	58 860	75 925
Other current liabilities		225 773	251 245	201 612
SHORT-TERM DEBT		293 381	310 105	277 537
TOTAL EQUITY AND DEBT		701 821	738 871	672 576

CHANGES IN EQUITY (NOK 1000)	2013	2012	2013	2012	2012
	2Q	2Q	YTD	YTD	YTD
Book equity before non-controlling interests at the beginning of the period	335 172	341 534	325 274	323 771	323 771
The period's net profit	5 590	1 242	5 608	21 694	10 274
Capital increase	-	-	-	-	-
Share issue costs	-	-	-	-	-
Gains/(losses) on cash flow hedges (fair value)	-490	-120	-131	-120	1 839
Utbytte/Dividend	-	-	-	-	-
Change in pension liability recorded against equity	-	-	-	-	10
Recording of option agreement	-	-	-	-	31
Translation differences	-1 121	4 201	8 400	1 512	-10 650
Equity before non-controlling interests	339 151	346 857	339 151	346 857	325 274
Non-controlling interests	2 406	-	2 406	-	-
Book equity at the end of the period	341 557	346 857	341 557	346 857	325 274

CASH FLOW STATEMENT (NOK 1000)	2013	2012	2013	2012	2012
	2Q	2Q	YTD	YTD	YTD
Net cash flow from operations	17 045	9 932	24 990	17 492	16 995
Net cash flow from change in working capital	38 478	8 039	28 813	28 949	24 648
Net cash flow from operational activities	55 523	17 971	53 803	46 441	41 642
Net cash flow from investment activities	-27 968	-5 331	-37 963	18 340	-3 221
Net cash flow from financial activities	-43 948	-8 507	-13 918	-44 002	-38 857
Net cash flow	-16 393	4 132	1 922	20 779	-435
Cash and cash equivalents at the beginning of the period	55 112	53 879	36 797	37 232	37 232
Cash and cash equivalents at the end of the period	38 718	58 011	38 718	58 011	36 797

BUSINESS SEGMENTS (NOK 1000)	2013 2Q	2012 2Q	2013 YTD	2012 YTD	2012 YTD
Cage based technologies					
Nordic operating revenues	119 871	61 125	237 046	137 539	264 766
Americas operating revenues	47 001	76 073	90 705	159 865	302 690
Export operating revenues	53 903	41 225	76 304	58 618	89 528
TOTAL OPERATING REVENUES HARDWARE	220 775	178 423	404 055	356 022	656 984
Operating costs ex depreciations	200 303	168 104	376 920	334 780	636 357
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	20 472	10 319	27 135	21 242	20 627
Depreciation	6 652	6 697	13 291	13 376	26 494
OPERATING PROFIT (EBIT)	13 820	3 622	13 844	7 866	-5 866
Software					
Nordic operating revenues	18 557	16 705	38 161	67 994	102 505
Americas operating revenues	5 342	5 251	8 643	8 831	18 324
Export operating revenues	411	429	821	820	1 613
OPERATING REVENUES	24 310	22 384	47 625	77 644	122 443
Operating costs ex depreciations	20 201	20 689	39 716	43 567	79 717
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	4 109	1 695	7 910	34 077	42 726
Depreciation	1 269	1 511	2 500	3 097	2 189
OPERATING PROFIT (EBIT)	2 840	184	5 410	30 979	40 537
Land based technologies					
Nordic operating revenues	23 970	8 104	38 341	18 284	40 268
Americas operating revenues	1 147	2 564	2 325	3 231	11 835
Export operating revenues	-	-	-	-	-
OPERATING REVENUES	25 117	10 668	40 666	21 515	52 103
Operating costs ex depreciations	29 446	12 642	45 018	27 099	57 640
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	-4 329	-1 974	-4 352	-5 584	-5 537
Depreciation	390	206	612	490	2 429
OPERATING PROFIT (EBIT)	-4 719	-2 181	-4 965	-6 073	-7 966

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