

Best first half ever – steady performance and growth continues



Second quarter 2014 – HIGHLIGHTS

- **Strong financial performance continues**
 - **Revenue of 301 MNOK (270 MNOK)**
 - **EBITDA of 24 MNOK (20 MNOK)**
 - **EBITDA margin of 8.0% (7.5%)**
- **AKVAs operations are stabilizing on higher volumes and margins**
- **Continued good activity in Nordic, Canada and UK**
- **Positive development in Chile**
- **Strong financial position**
- **Order backlog remains at all-time high level**
 - **Order backlog of 478 MNOK (208 MNOK)**
 - **Order inflow of 327 MNOK (151 MNOK)**
- **Positive shift on operational level expected to stay**

YTD 2014

- **Best first half ever**
 - **Operational revenue of 611 MNOK compared to 492 in 1H 2013**
 - **Operational EBITDA of 56 MNOK versus 31 in 1H 2013**

Revenues and profits for the Group

(Figures in brackets = 2013 unless other is specified)

Operations and profit

High activity coming in to the year and continued high activity throughout the first half of 2014 materialized in the best first half ever for the AKVA group.

AKVA's operations are stabilizing on higher volumes and margins.

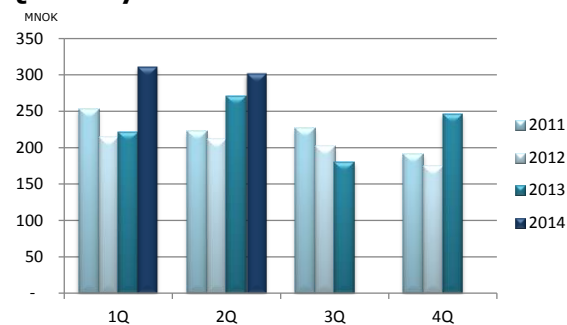
Q2 2014 is the third quarter in a row with record high order backlog. The market activity has continued to be high during Q2 2014.

Total revenues in Q2 were 300.9 MNOK (270.2) with an EBITDA of 24.0 MNOK (20.3). EBIT was 15.1 MNOK (11.9).

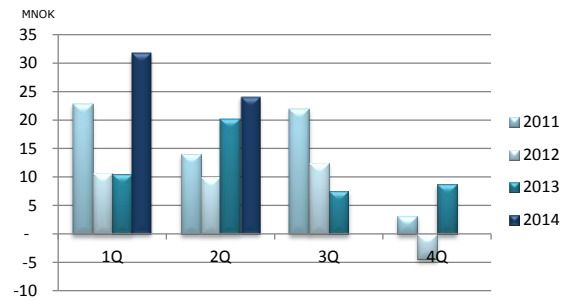
Net financial items in Q2 were -0.6 MNOK (-2.9), resulting in a profit before tax of 14.6 MNOK (9.0). Net profit was 12.0 MNOK (5.2) after allowing for taxes of 2.5 MNOK (3.8).

YTD revenues for the first half of 2014 were 611.3 MNOK (492.3) with an EBITDA of 55.8 MNOK (30.7). YTD EBIT for the first half of 2014 was 38.6 MNOK (14.3).

Quarterly revenue



Quarterly EBITDA

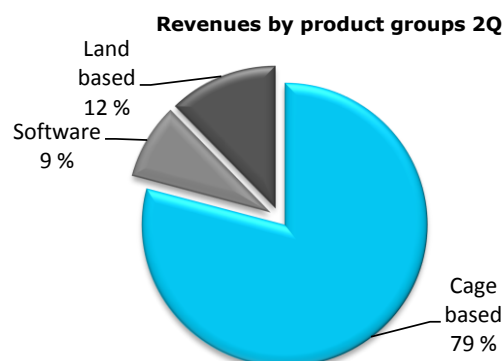


* The Q1 2012 revenue and EBITDA bars above are excluding the 29 MNOK gain related to the sale of the Norwegian Maritech business.

Business segments

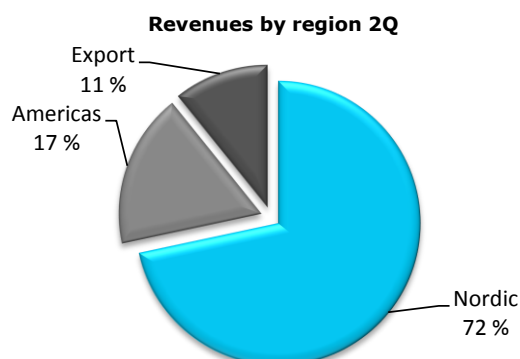
AKVA group has organized its business into three technology segments;

- **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 238.1 MNOK (220.8). Revenue in the Nordic region was 159.6 MNOK (119.9), in the Americas region 46.6 MNOK (47.0) and in the Export region 32.0 MNOK (53.9).

EBITDA for CBT in Q2 was 20.3 MNOK (20.5) resulting in an EBITDA margin of 8.5% (9.3%). EBIT in Q2 was 13.5 MNOK (13.8) representing an EBIT margin of 5.7% (6.3%).

Nordic

Revenue and margins seems to be stabilizing on a higher level – third quarter in a row with solid numbers - due to high market activity and a solid order backlog.

Americas

Previous quarters decline in revenues in Chile is ended in Q2. There is positive development in market activity. However we continue to monitor the development closely.

Canada had a first half with good margins and a solid order backlog.

Export

There has been slightly lower activity in Export this quarter. Deliveries of large contracts to emerging markets are proceeding according to plan.

UK is performing well with improved performance compared to last year.

YTD revenues for CBT for the first half of 2014 were 479.2 MNOK (404.1) with an EBITDA of 46.5 MNOK (27.1). EBIT was 33.7 MNOK (13.8) after depreciations of 12.8 MNOK (13.3).

Software (SW)

Revenue for SW in Q2 was 25.9 MNOK (24.3). The EBITDA was 3.3 MNOK (4.1) resulting in an EBITDA margin of 12.9% (16.9%) and an EBIT of 1.6 MNOK (2.8) representing an EBIT margin of 6.2% (11.7%).

Software continues to deliver stable revenue and good margins. We experienced slightly reduced margins

in the first half of 2014 compared to last year due to delayed launch of new modules and slower start of 2014 in Iceland compared to expectations.

Software continues to invest in new product modules to be launched in 2014. These product modules will strengthen the financial performance of the SW segment further.

YTD operating revenues for SW were 52.1 MNOK (47.6) with an EBITDA of 6.3 MNOK (7.9). EBIT was 2.8 MNOK (5.4) after depreciation of 3.5 MNOK (2.5).

Land Based Technologies (LBT)

LBT had revenues in Q2 of 36.9 MNOK (25.1) with an EBITDA of 0.4 MNOK (-4.3) and an EBIT of 0.0 MNOK (-4.7).

We experience significantly increased activity in LBT compared to 2013. New projects in AKVA group Denmark A/S drive the improved performance.

Controlled cost and cash flow shall secure profitable operation going forward.

YTD operating revenues were 80.0 MNOK (40.7) and YTD EBITDA were 3.0 MNOK (-4.4). The YTD EBIT were 2.1 MNOK (-5.0)

Balance sheet and cash flow

The balance continues to be strong.

The working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 129.1 MNOK at the end of Q2 2014, compared to 136.1 MNOK at the end of Q2 2013. Working capital in percentage of 12 months rolling

revenue is improved YoY from 15.7% to 12.4%. We are able to maintain low working capital during 1H 2014 despite significant activity ramp up in the period.

Net interest-bearing debt was 91.7 MNOK at the end of Q2 2014 compared to 94.2 MNOK at the end of Q2 2013. Gross interest-bearing debt was at the end of Q2 2014 145.7 MNOK versus 132.9 MNOK at the end of Q2 2013.

The acquisition of YesMaritime AS was finalized on April 1st, 2014. 8.5 MNOK of the total purchase price was paid in cash and the remaining 9 MNOK is a 2 year loan to Egersund Group AS at market terms. This has in total a negative effect of 17.5 MNOK on NIBD in Q2 2014 and an 8.5 MNOK negative effect on gross interest bearing debt.

Cash and unused credit facilities amounted to 144 MNOK at the end of Q2 2014 versus 86 MNOK at the end of Q2 2013. The total credit facility at Danske Bank is 90 MNOK. Significantly improved available cash during 1H 2014 is due to strong cash flow from operations and completion of the refinancing in January 2014.

The remaining part of the long term loan to Innovasjon Norge of 14.4 MNOK was in Q2 refinanced and moved to Danske Bank with improved terms. All external long term financing in the Group is now at competitive market terms in Danske Bank.

Refinancing the interest bearing debt in January 2014 reduced the short term debt and increased the long term debt for the Group. As a consequence the short term interest bearing debt at the end of Q2 2014 is only the next 12 months installments on the long term debt. This is in accordance to current IFRS requirements.

YesMaritime AS was included in the consolidated balance sheet from April 1st, 2014.

Total assets and total equity amounted to 796.2 MNOK and 364.9 MNOK respectively, resulting in an equity ratio of 45.8% (48.7%) at the end of Q2 2014.

Investments in Q2 2014 amounted to 9.1 MNOK of which 1.7 MNOK was capitalized R&D expenses in accordance to IFRS. Investments YTD were 20.1 MNOK whereof 6.3 MNOK is capitalized R&D expenses in accordance to IFRS. Total investments in 2013 were 39.9 MNOK whereof 16.5 MNOK was capitalized R&D expenses in accordance with IFRS.

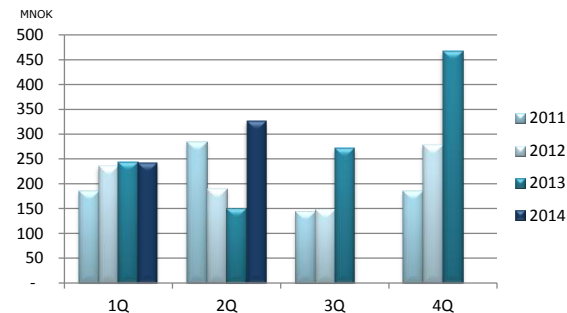
Shareholder issues

Earnings per share for Q2 were 0.47 NOK (0.22). The calculation is based on 25,834,303 (25,834,303) shares average.

The 20 largest shareholders are presented in note 4 in this report.

Market and future outlook

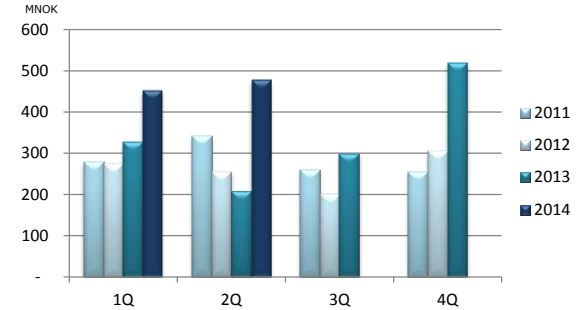
Order inflow



We have experienced continued good activity in the market in Q2 despite record high activity in the previous three quarters. The order inflow in Q2 was 327 MNOK (151). The order

backlog at the end of Q2 was 478 MNOK (208). This is the highest order backlog in the second quarter ever.

Order backlog



There are positive outlook in all market segments.

The demand in the Nordic market is still expected to be good in the next quarters despite turmoil after the Russian import stop of food and fish. Investments in Norway are expected to be driven by green licenses as well as openings for general growth in the industry.

AKVA group’s market risk is diversified due to presence in multiple markets.

There is positive development in the Chilean market. We maintain positive but modest expectations and we are monitoring the market closely and will adjust our operation according to the development.

UK and Canada are expected to continue to perform well in the next quarters with a significant order backlog and a large portion of reoccurring business.

Land based is expected to have a continued positive development with a growing prospect mass in several market segments. Prospects in the salmon industry are growing in particular.

Our effort to build service and aftersales as a key business element

in all markets and segments continues.

Acquisition of YesMaritime AS

The acquisition of YesMaritime AS is finalized and the company was included in the Group accounts from April 1st, 2014 and onwards.

The acquisition is a strategic move to strengthen the Service Segment by moving into the growing Farming Services industry.

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 2013. YesMaritime AS was included as a 100% owned subsidiary of AKVA group ASA from April 1st, 2014. Please see the Q4 2013 report and notifications to the Oslo Stock Exchange in Q1 2014 for more details about the YesMaritime 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 2013 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 connection with the Group's Annual Report for 2013.

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 YesMaritime AS acquisition

The recognition and measurement of assets and liabilities in connection with the YesMaritime AS acquisition is not final in the consolidated financial statement as of June 30th, 2014. 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 as of June 30th, 2014

Shareholders	Citizenship	Number of Ownership	
		shares held	percentage
EGERSUND GROUP AS	NOR	22 240 105	86,09
MOLAUG KNUT	NOR	404 838	1,57
MP PENSJON PK	NOR	380 000	1,47
ROGALAND SJØTJENESTE	NOR	343 550	1,33
OLE MOLAUG EIENDOMA	NOR	338 692	1,31
MOLAUG OLE	NOR	167 192	0,65
HAVBRUKSCONSULT AS	NOR	166 000	0,64
KLUGE GUNNAR	NOR	135 579	0,52
UBS AG A/C OMNIBUS-DISCLOSE	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	0,20
QUINTER THOMAS FIDEL	CHE	50 220	0,19
MOLAUG GUNHILD HELEN	NOR	48 300	0,19
KVERNELAND AKSEL	NOR	40 164	0,16
20 largest shareholders		25 008 002	96,80
Other shareholders		826 301	3,20
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 2014, 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.

Bryne, August 13th, 2014
Board of Directors, AKVA group ASA



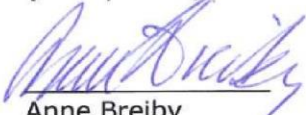
Hans Kristian Mong
(Chairperson)



Frode Teigen



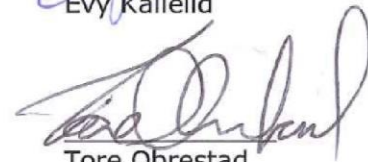
Evy Kallelid



Anne Breiby
(Deputy Chairperson)



Nils Viga



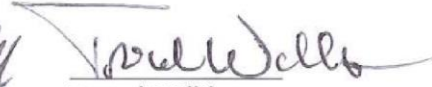
Tore Obrestad



Kjell Arne Corneliussen



Eivind Brendryen



Trond Williksen
(CEO)

Main figures from financial accounts

INCOME STATEMENT		2014	2013	2014	2013	2013
(NOK 1000)		2Q	2Q	YTD	YTD	Total
OPERATING REVENUES		300 947	270 202	611 345	492 345	918 670
Operating costs ex depreciations		276 903	249 950	555 569	461 653	871 765
OPERATING PROFIT BEFORE DEPR.(EBITDA)		24 044	20 252	55 776	30 693	46 905
Depreciation		8 900	8 311	17 150	16 403	33 088
OPERATING PROFIT (EBIT)		15 144	11 941	38 626	14 290	13 817
Net interest expense		-1 374	-1 987	-2 867	-3 498	-7 615
Other financial items		807	-915	-634	-1 728	-1 635
Net financial items		-567	-2 902	-3 501	-5 226	-9 250
PROFIT BEFORE TAX		14 577	9 039	35 125	9 064	4 568
Taxes		2 542	3 799	7 459	3 806	2 193
NET PROFIT		12 035	5 240	27 666	5 258	2 374
Net profit (loss) attributable to:						
Non-controlling interests		-204	-350	-65	-350	-501
Equity holders of AKVA group ASA		12 239	5 590	27 731	5 608	2 875
Earnings per share equity holders of AKVA group ASA		0,47	0,22	1,07	0,22	0,11
Average number of shares outstanding (in 1 000)		25 834	25 834	25 834	25 834	25 834
BALANCE SHEET				2014	2013	2013
(NOK 1000)				30.6.	30.6.	31.12.
Intangible fixed assets				262 868	248 440	250 831
Fixed assets				65 151	50 923	55 003
Long-term financial assets				1 819	1 847	1 967
FIXED ASSETS				329 838	301 210	307 801
Stock				129 206	161 851	144 188
Trade receivables				202 580	159 008	155 539
Other receivables				80 505	41 034	56 123
Cash and cash equivalents				54 073	38 718	58 330
CURRENT ASSETS				466 363	400 611	414 180
TOTAL ASSETS				796 201	701 821	721 981
Paid in capital				355 549	355 549	355 550
Retained equity				7 156	-16 398	-18 949
Equity attributable to equity holders of AKVA group ASA				362 706	339 151	336 601
Non-controlling interests				2 190	2 406	2 255
TOTAL EQUITY				364 896	341 557	338 856
Other long term debt				2 379	1 591	886
Long-term interest bearing debt				130 142	65 292	55 048
LONG-TERM DEBT				132 521	66 883	55 934
Short-term interest bearing debt				15 590	67 608	77 840
Other current liabilities				283 194	225 773	249 351
SHORT-TERM DEBT				298 784	293 381	327 191
TOTAL EQUITY AND DEBT				796 201	701 821	721 981
CHANGES IN EQUITY		2014	2013	2014	2013	2013
(NOK 1000)		2Q	2Q	YTD	YTD	YTD
Book equity before non-controlling interests at the beginning of the period		344 475	335 172	336 601	325 274	325 274
The period's net profit		12 239	5 590	27 731	5 608	2 875
Capital increase		-	-	-	-	-
Non-controlling interests arising on a business combination		-	-	-	-	-2 756
Share issue costs		-	-	-	-	-
Gains/(losses) on cash flow hedges (fair value)		-547	-490	-79	-131	1 251
Utbytte/Dividend		-	-	-	-	-
Change in pension liability recorded against equity		-	-	-	-	271
Recording of option agreement		-	-	-	-	62
Translation differences		6 539	-1 121	-1 548	8 400	9 624
Equity before non-controlling interests		362 706	339 151	362 706	339 151	336 601
Non-controlling interests		2 190	2 406	2 190	2 406	2 255
Book equity at the end of the period		364 896	341 557	364 896	341 557	338 856

CASH FLOW STATEMENT (NOK 1000)	2014 2Q	2013 2Q	2014 YTD	2013 YTD	2013 YTD
Net cash flow from operations	25 819	17 045	54 246	24 990	37 789
Net cash flow from change in working capital	-15 145	38 478	-27 383	28 813	56 441
Net cash flow from operational activities	10 674	55 523	26 862	53 803	94 230
Net cash flow from investment activities	-26 114	-27 968	-36 993	-37 963	-58 638
Net cash flow from financial activities	7 510	-43 948	5 874	-13 918	-14 060
Net cash flow	-7 930	-16 393	-4 257	1 922	21 533
Cash and cash equivalents at the beginning of the period	62 003	55 112	58 330	36 797	36 797
Cash and cash equivalents at the end of the period	54 073	38 718	54 073	38 718	58 330

BUSINESS SEGMENTS (NOK 1000)	2014 2Q	2013 2Q	2014 YTD	2013 YTD	2013 YTD
Cage based technologies					
Nordic operating revenues	159 582	119 871	314 401	237 046	403 873
Americas operating revenues	46 579	47 001	70 437	90 705	172 520
Export operating revenues	31 957	53 903	94 345	76 304	147 594
TOTAL OPERATING REVENUES HARDWARE	238 118	220 775	479 183	404 055	723 987
Operating costs ex depreciations	217 850	200 303	432 726	376 920	693 508
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	20 268	20 472	46 457	27 135	30 479
Depreciation	6 718	6 652	12 763	13 291	26 047
OPERATING PROFIT (EBIT)	13 550	13 820	33 694	13 844	4 432
Software					
Nordic operating revenues	20 403	18 557	42 000	38 161	79 323
Americas operating revenues	5 071	5 342	9 177	8 643	16 763
Export operating revenues	423	411	948	821	1 595
OPERATING REVENUES	25 898	24 310	52 125	47 625	97 699
Operating costs ex depreciations	22 565	20 201	45 808	39 716	78 248
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	3 333	4 109	6 317	7 910	19 451
Depreciation	1 723	1 269	3 473	2 500	5 362
OPERATING PROFIT (EBIT)	1 610	2 840	2 844	5 410	14 089
Land based technologies					
Nordic operating revenues	35 658	23 970	77 083	38 341	92 192
Americas operating revenues	1 273	1 147	2 954	2 325	4 792
Export operating revenues	-	-	-	-	-
OPERATING REVENUES	36 931	25 117	80 037	40 666	96 984
Operating costs ex depreciations	36 488	29 446	77 036	45 018	100 009
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	443	-4 329	3 002	-4 352	-3 025
Depreciation	459	390	915	612	1 679
OPERATING PROFIT (EBIT)	-15	-4 719	2 087	-4 965	-4 704

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