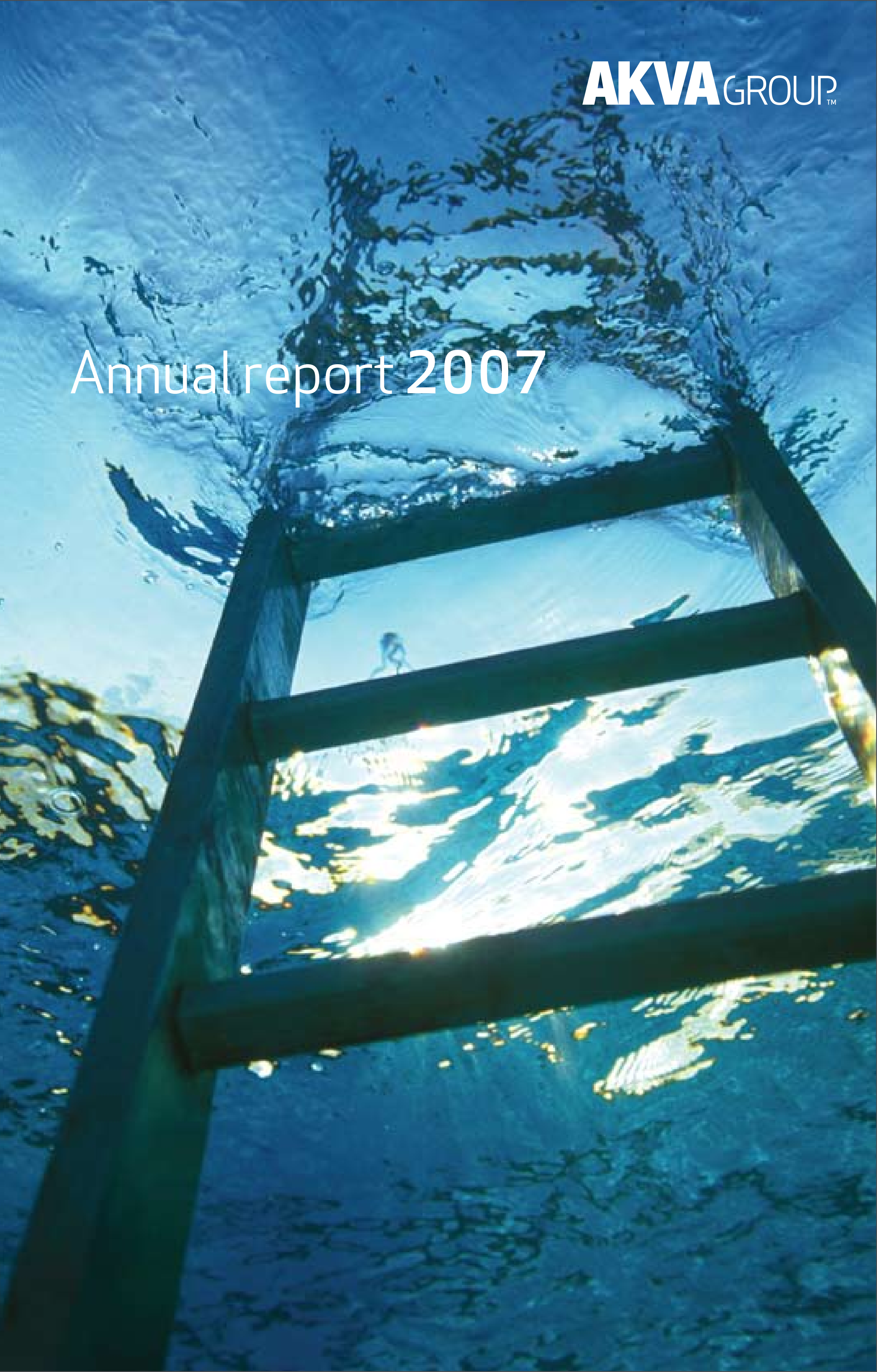

AKVA GROUP
Annual report 2007

AKVA group in brief

AKVA group, with our four main brands of aquaculture products, is now the world's most recognised aquaculture technology supplier.

We have 30 years of experience in design and manufacturing of steel cages, plastic cages and work boats, feed systems, feed barges, sensor systems, fish farming software and now also aquaculture recirculation systems. Our dedication and focus on further development ensure that we supply the best products also in the future, and thereby continue to contribute to our customer's performance improvements.

We are proud to provide our customers with the tools needed to farm their fish in a cost efficient and sustainable manner world-wide.

An electronic version of the annual report
can be downloaded from www.akvagroup.com

Highlights 2007

- The total pro forma revenues for 2007 were 932 MNOK which represent an organic growth of 32% compared to 2006. The pro forma EBITDA result was 90.7 MNOK, slightly up compared to 2006.

- The total revenues from legal accounts for 2007 were 861 MNOK which represent a total growth of 142% compared to 2006. The EBITDA result was 86.8 MNOK, an increase of 94% compared to 2006.

- Successful acquisition of Maritech finalised in May 2007 – strengthening AKVA group's position as the leading software provider to the seafood industry.

- Successful acquisition of UNI Aqua AS, Denmark, during the second half of 2007 – AKVA group taking a leading position in the high growth recirculation market.

- The general outlook for the first half of 2008 remains good, despite a challenging fish health situation in Chile. The order backlog at year-end was 381 MNOK, highest quarterly ever at the end of 4Q, an increase of 59% compared to same time last year.

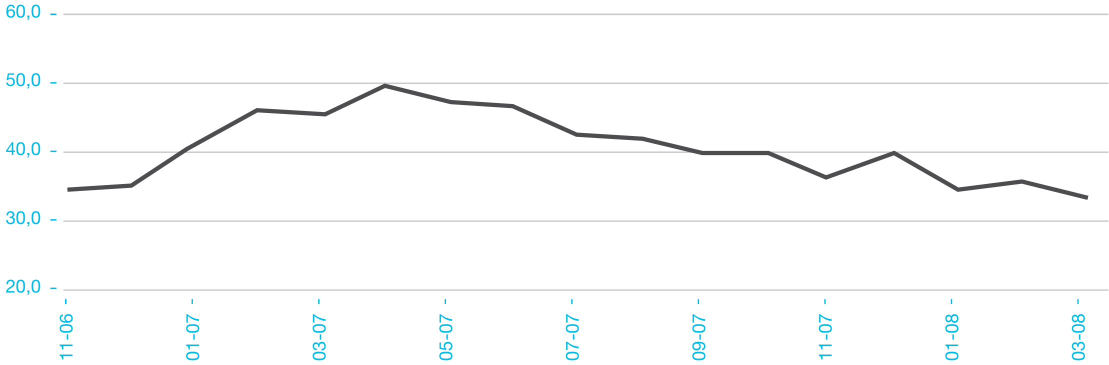
Financial key figures

(NOK 1 000)	2007*	2006*	2005*	2004	2003
PROFITABILITY					
Revenues	931 993	703 806	315 962	108 128	107 505
EBITDA	90 669	84 437	19 625	10 386	8 059
EBIT	66 434	63 318	7 882	5 516	3 161
Profit before tax	65 555	59 153	4 641	3 280	1 026
Net profit	53 610	45 667	3 097	2 393	727
Cash flow from operations**	19 311	10 763	5 531	222	19
EBITDA margin	9.7 %	12.0 %	6.2 %	9.6 %	7.5 %
EBIT margin	7.1 %	9.0 %	2.5 %	5.1 %	2.9 %
Return on capital employed	28.9 %	27.5 %	3.4 %	8.3 %	5.3 %
Return on equity	17.0 %	20.3 %	2.0 %	6.6 %	3.8 %
FINANCIAL POSITION					
Fixed assets	260 908	172 189	191 162	41 148	42 288
Current assets	423 868	351 824	143 750	57 930	53 055
Total assets	684 775	524 013	334 912	99 078	95 344
Equity	336 442	295 008	155 881	34 106	38 319
Long-term debt	109 414	46 621	53 827	25 463	20 335
Short-term debt	238 919	182 384	125 204	39 509	36 689
Total equity and liabilities	684 775	524 013	334 912	99 078	95 344
Gross interest-bearing debt	124 704	56 719	70 208	37 498	29 627
Cash and cash equivalents	98 044	141 463	15 055	7 951	7 108
Net interst-bearing debt	26 660	-84 744	55 153	29548	22 519
Working capital	109 385	58 042	37 371	25 411	18 759
Equity ratio	49.1 %	56.3 %	46.5 %	34.4 %	40.2 %
Debt to equity ratio	37.1 %	19.2 %	45.0 %	109.9 %	77.3 %
SHARE DATA					
Earnings per share	3.11	3.26	0.23	0.10	0.03
Diluted earnings per share	3.10	3.26	0.23	0.10	0.03
Earnings per share – Legal figures	3.02	2.84	0.03	0.10	0.03
Cash flow per share	4.71	4.99	1.07	0.30	0.22
Dividend per share	1.00	-	-	-	-
Shareholders' equity per share	19.53	21.05	11.55	1.46	1.73
Share price at year-end	38.90	35.00	n/a	n/a	n/a
Market capitalization at year-end	669 970	602 800	n/a	n/a	n/a
Number of shares outstanding at year-end	17 222 869	17 222 869	13 495 783	23 480 922	23 364 642
Average number of shares outstanding	17 222 869	14 016 000	13 495 783	23 384 712	22 177 153

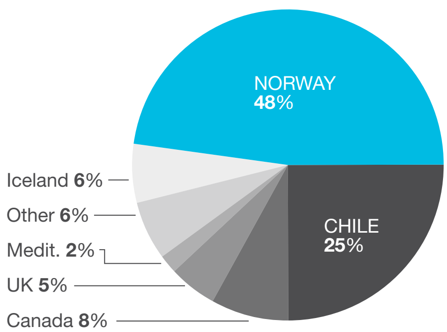
* Pro forma figures are showing the consolidated figures from AKVAsmart, Polarcirkel and Wavemaster as if the merger was made 1 January 2005 and the acquisition of Maritech was done as per 1 January 2006.

** Legal figures (not pro forma)

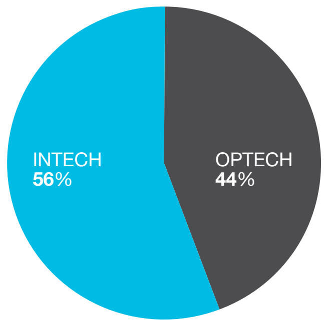
Share price development
NOK



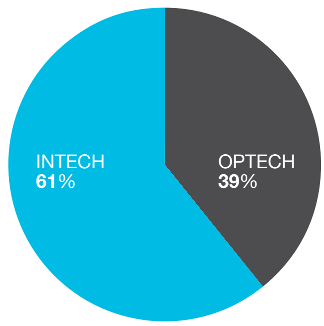
Geographic segments 2007



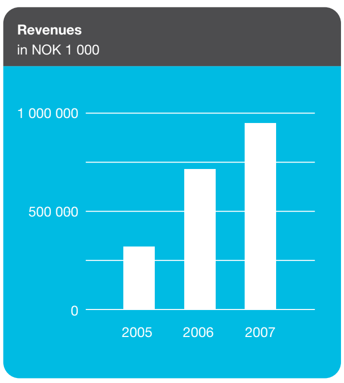
2007 Revenues
Pro forma

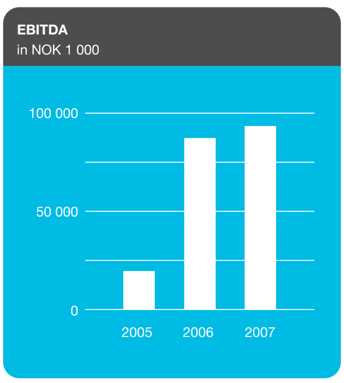


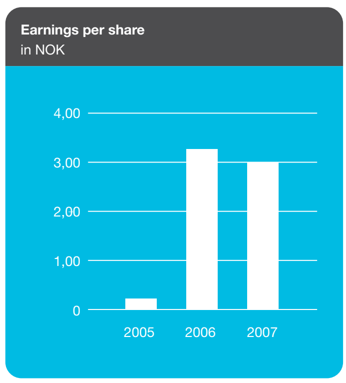
2007 Profit
Pro forma



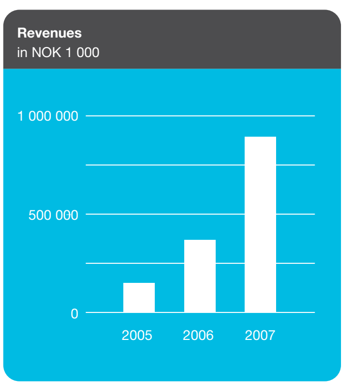
Pro forma figures

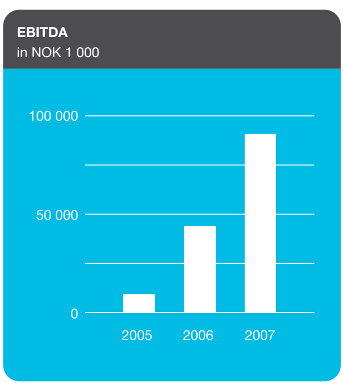


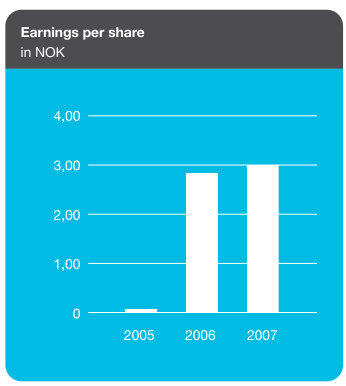




Legal figures



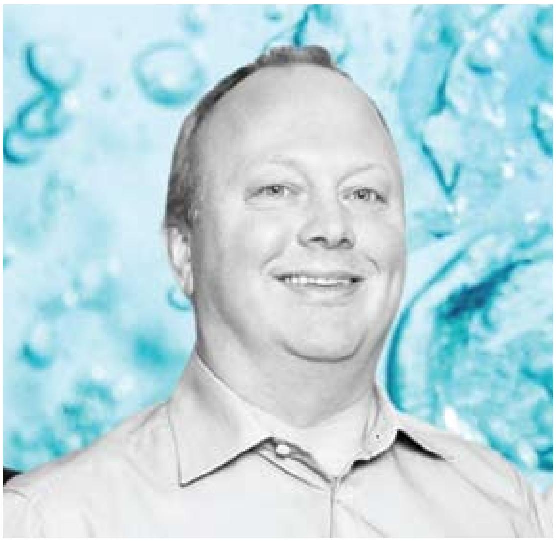





You have
to go that
bit deeper
to grow
stronger
and better.

AKVA group is on its way. Since we started in the 1980s, we have enjoyed success and built up our operations into what they are today: a group with several hundred employees, operations spanning much of the world and products and services that are in demand in a market that has enormous potential.

Out of the pond and into the ocean



Knut Molaug, President and CEO

IN LAST YEAR'S ANNUAL REPORT I wrote about our commitment to change. During 2007 we once again demonstrated our commitment to contribute to the changes in our industry. The acquisitions of Maritech and UNI Aqua are evidence of this. At the same time we have started internal improvement projects and development projects that we believe will prove important for us over the next years.

THE POSITIVE MARKET development for AKVA group continued in 2007, and the year ended with a record high order backlog. Looking into 2008, the market fundamentals for our activity are still relatively good both within salmon farming and within farming of other species. However there is a higher degree of uncertainty now compared to last year-end; a more uncertain market situation in one of our main markets, Chile, combined with a general global financial turmoil calls for caution.

Nevertheless the long term outlook for the global aquaculture industry remains excellent. The aquaculture production has shown a growth of about 8% annually the last 25 years. And it is the production of finfish – our core business base – that represents the majority of the growth. Today, the salmon industry, that supports about 80% of our revenues, represents only about 2.6% of the global aquaculture production. We have set forth a strategy that will take us from being the clear leader in the salmon industry to becoming the global leader in aquaculture technology.

WE ARE GOING "out of the pond and into the ocean". In 2015 we aim to have 50% of our revenues from other species than salmon. However, we will achieve our goals and by also maintaining focus on the salmon industry – in 2015 the salmon industry will still be our largest customer and be more than 60% larger than today. But we will do this by including multiple species thinking as a part of the fundamental element for our products. We will build an organisation operating in multiple markets and we have pointed out 3 key areas for our growth. Asia represents about 90% of all aquaculture production today – so Asia is an obvious region. We increased our activity strongly in 2007 towards the Asian market, and will continue building a market network there over the next years. I am certain that our efforts will pay off and will provide us with good results in the years to come. In a similar manner we are working hard to further develop the markets in and around the Mediterranean and in Latin America. We have ambitions to achieve total revenues of 3.5 billion NOK by 2015. This will involve a lot of changes for the entire organisation. We believe it is possible and it is what we have to do to achieve our vision of taking the vacant position as "the global leader in aquaculture technology".

It's out of the pond and into the ocean!

Bryne, 31 March 2008

Knut Molaug
President and CEO

“

We have ambitions to achieve total revenues of 3.5 billion NOK by 2015.

“The global leader in aquaculture technology”

CHIEF FINANCIAL OFFICER:

ROLF ANDERSEN

Mr. Andersen (born 1968), has been employed in AKVA group since 2001, whereof up to 2007 as group controller and from 2007 CFO. He has a Master of Science degree in Business and he is also State Authorised Public Accountant from the Norwegian School of Economics and Business Administration (NHH). Prior to his employment in AKVA group in 2001 he worked as audit manager in PricewaterhouseCoopers (1994-2001). Mr. Andersen is a Norwegian citizen and resides in Bryne, Norway.

CHIEF MARKETING OFFICER:

TROND SEVERINSEN

Mr. Severinsen (born 1964), has been employed in AKVA group since 1993, whereof up to 2003 as general manager for the company's operations in Canada and from 2003 as CMO. Mr. Severinsen has previously worked for Sea Farm Trading (84'-90'), setting up their Canadian office in 1987 and later ran his own business until 1993. Mr. Severinsen has worked within sales, marketing and R&D of technology towards the fish farming industry since early 1984. Mr. Severinsen is a Norwegian citizen and resides in Klepp, Norway.

CHIEF EXECUTIVE OFFICER:

KNUT MOLAUG

Mr. Molaug (born 1960), has been employed in AKVA group since 1983 and has held the position as CEO since 1988. He has held a number of positions in the fish farming industry, including the position as chairperson of "Norwegian suppliers to the fish farming industry" and as a board member of the Norwegian Research Council for aquaculture. Mr. Molaug holds an engineering degree from Rogaland School of Engineering in computing and automation. Mr. Molaug is a Norwegian citizen and resides in Bryne, Norway.

CHIEF OPERATIONAL OFFICER:

JONE GJERDE

Mr. Gjerde (born 1958), has been employed in AKVA group since 2007. He was previously engaged with AKVA group as R&D manager in the period of 2001-2002 and has amongst several other management positions been employed as Vice President R&D both in ABB Robotics and Laerdal Medical AS. His professional background is within industrial automation technologies, and he has extensive experience working with the automotive industry for many years within the ABB company. Mr. Gjerde is a Norwegian citizen and resides in Bryne, Norway.

MANAGING DIRECTOR AKVA GROUP CHILE:

MORTEN NÆRLAND

Mr. Nærland (born 1966), has since 2006 been the General manager of the Chilean operations. Prior to this, he was the CFO of AKVA group from 2001. He holds experience as financial analyst in Pareto Securities/ Garde from 1999-2001, portfolio manager in Statoil from 1998-1999 and as finance manager in Scana Industrier 1996-1998. Mr. Nærland holds a Bachelor of Business Administration from Bodø and a post graduate degree in finance from the Norwegian School of Economics and Business Administration (NHH). Mr. Nærland is a Norwegian citizen and resides in Puerto Montt, Chile.

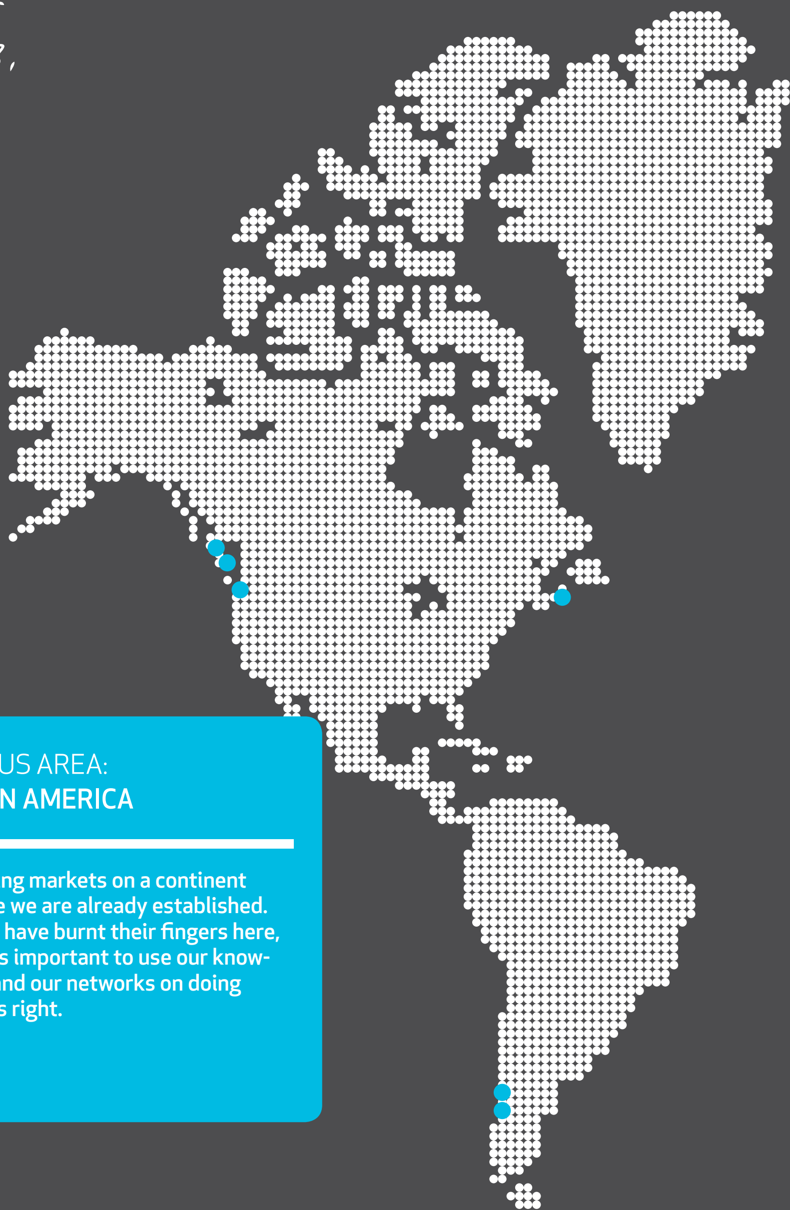
MANAGING DIRECTOR AKVA GROUP NORTH AMERICA:

PATRICK DEMPSTER

Mr. Dempster (born 1961), has been employed in AKVA group since 1999 and has also been the manager for the Chilean operation. He has previously worked in the Chilean salmon industry since the early 90's as production manager for Salmones Multiexport. From 1999-2006 he has been a board member of Salmones Multiexport. Mr. Dempster holds a degree in agricultural engineering from the Catholic University of Chile and later a Master of Science from Stirling University of Scotland. Mr. Dempster is a Chilean citizen and resides in Campbell River, Canada. He was in the period 2006-2007 Chief Technical Officer in AKVA group.

The AKVA world

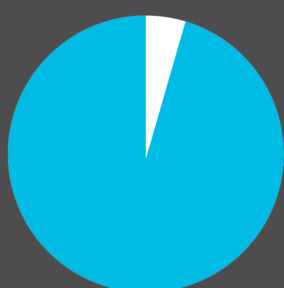
Blue dots = our offices
NB! Valid at 31.03.2008,
and will be changed!



FOCUS AREA:
LATIN AMERICA

Exciting markets on a continent where we are already established. Many have burnt their fingers here, so it is important to use our know-how and our networks on doing things right.

WORLD
AQUACULTURE
PRODUCTION



91,5%
ASIA + PACIFIC AREA

8,5%
REST OF THE WORLD

FOCUS AREA:
ASIA

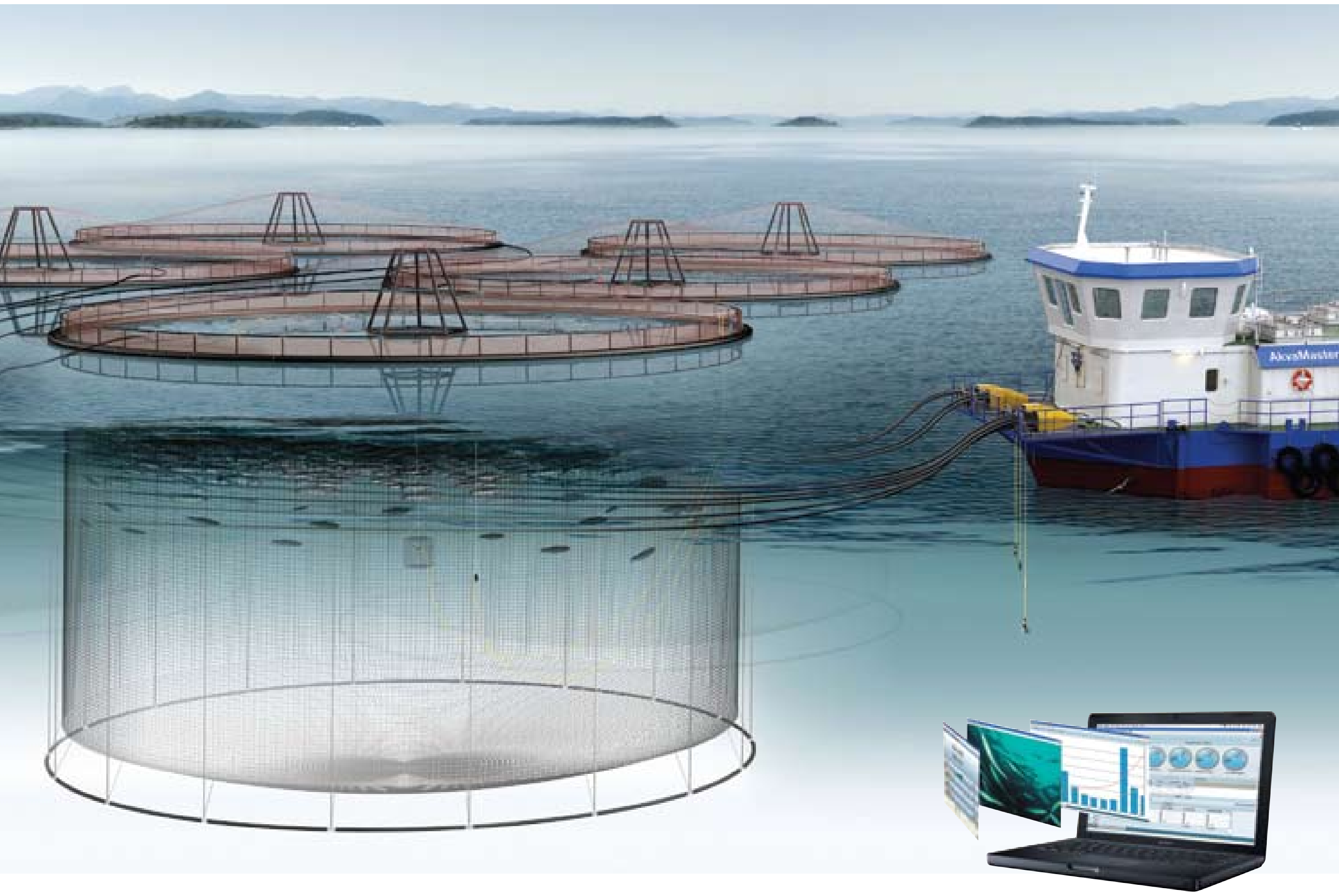
Huge and important regions with enormous cultural differences and a varying business climate. It is more important to attract the right environment and the right people than to set up business quickly.

FOCUS AREA:
THE MEDITERRANEAN AREA

The whole of the Mediterranean area, including North Africa and the Middle East, has great potential and requires our attention. The land-based industry in the area is also an important market, and we should be able to obtain a good foothold here in the coming years.

Most aquaculture production will be in Asia and the Pacific Area.

AKVA group – our brands cover your needs



polarcirkel™

Polarcirkel is the world's leading brand of plastic cages with more than 30.000 cages delivered since we invented the plastic cage in 1974! The cages are made from raw materials especially suited for the dynamic loads of the sea and are based on decades of experience world wide. Polarcirkel cages are especially suited for rough and exposed sites where moving with the waves is critical. The Polarcirkel brand also includes the renowned Polarcirkel Rigid Buoyancy Boat (RBB) designed for marine industrial use, emergency services, extreme adventures but also pleasure use. More than 1000 boats sold since 1986.

fishtalk™

The new language in aquaculture, was launched in 2005. The WiseFish brand from Maritech was added to the Fishtalk product line in 2007 and will become AKVA group's latest generation farming and seafood software. The concept will intergrate the entire production chain, including: ERP solutions, production planning, budgeting, biological production control, harvesting, processing, distribution logistics, documentation and traceability. The software is collecting and aggregating all biological and decision critical information into one system and provides vast possibilities for understanding and managing complex production processes. The software is available in several languages and for multiple species.

Fish hatcheries produce salmon smolts >

Smolt ars delivered by well boat to the fish farms >

Salmon are grown to market size in floating net cages >

Salmon eat feed pellets made from natural ingredients >

akvasmart™

The AkvaMarina CCS Feed System is now the industry standard for feeding fish. The first system was installed in 1980 and systems are now used world wide and for a wide variety of species. Systems are either installed aboard feed barges at sea or in machine rooms for land based operations. The systems integrate with the Fishtalk software, advanced camera- and sensor systems, including pellet sensors and environmental sensors. New for 2007 is the UNI Recirculation Systems for land based fish farming. This uses advanced water treatment technology to recirculate (re-use) water, basically substituting a raw water source in order to regenerate a water quality suitable for fish farming. Water will be a more and more valuable resource in the future, and this technology will allow commercial scale fish production with minimum use of water along with many other benefits.

wavemaster™

Safe and strong steel cages for people and fish! The world's leading brand of steel cages with more than 8 000 cages supplied since 1985. These cages provide an ideal platform for fish farming. Wide non-slip walkways with high freeboard around all sides of the cages allow the operator full flexibility of operation and easy access from cage to cage. This is becoming essential for good husbandry and maintenance. The compactness and simplified mooring arrangements make Wavemaster Steel Cages a very attractive option for many sites. AKVA group manufacture the cages at its own factory in Chile.

The feeding process is carefully monitored underwater >

Skilled operators use multiple high-tech tools to optimise operations >

Cameras and software monitor, control and log all processeses >

Salmon is harvested and processed in a hygenic environment >

The consumer enjoys a safe and healthy seafood product!

akvasmart™

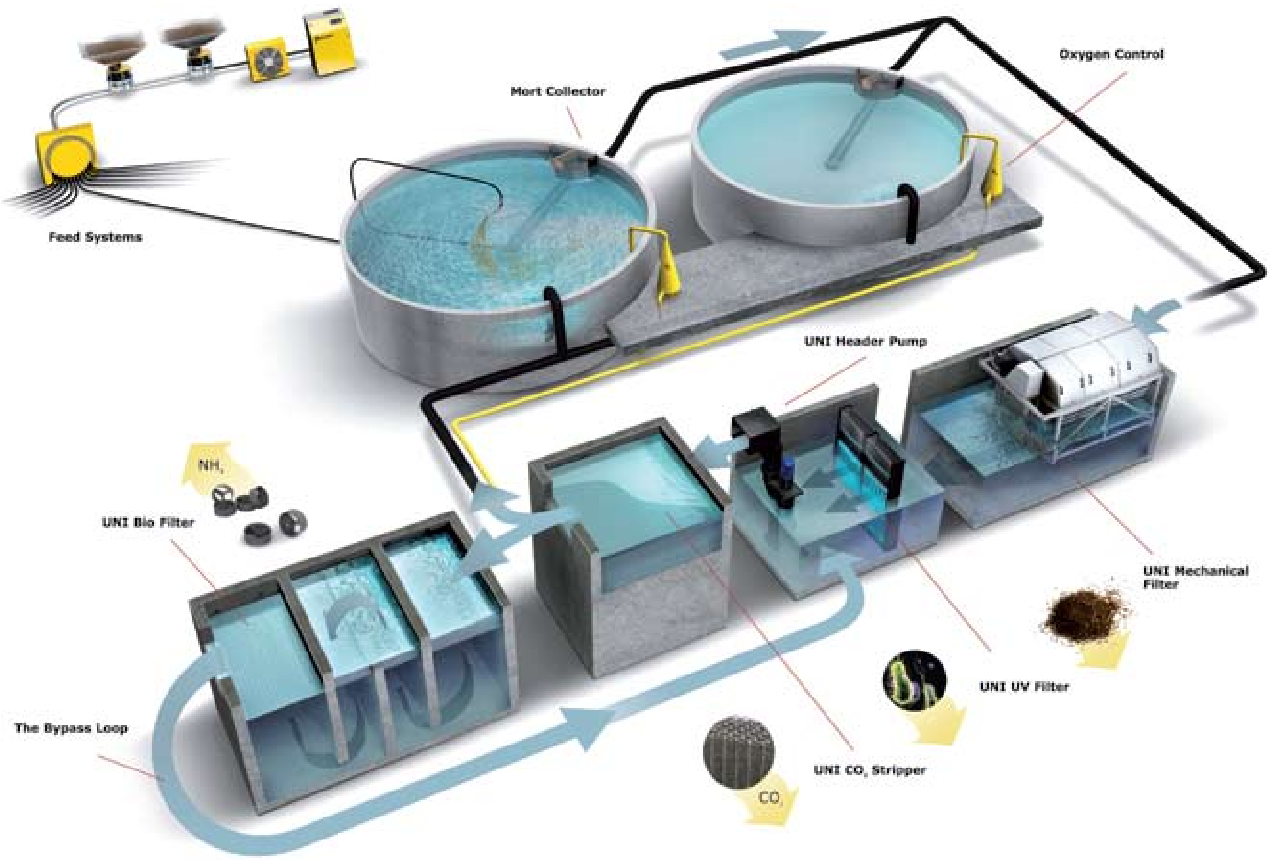
Recirculation – the new buzz word

Recirculation is a buzz word in the aquaculture industry today. Why you may ask? Below some key words are brought forward.

Land based farming plays an important role in most fish farming today. For the salmon industry the brood stock is often kept in land based systems to secure that the fish is disease free. Further to this the whole hatching and pre smoltification (preparing the fish physiologically for saltwater) phase is normally done in land based farms. For these farms the access of good water quality in large enough quantities is a challenge. An alternative is then re-use of the water by recirculation. Modern recirculation systems offer other important key benefits such as: Increased predictability of the fish production; consistently faster production; controlled environment; lower energy consumption; multiple fish outputs per year; disease free environment; control of entrance of pathogens; control of the environmental and biological conditions; improve the fish's resistance to exposure through self defence mechanisms; facilitation of bath treatments, etc.

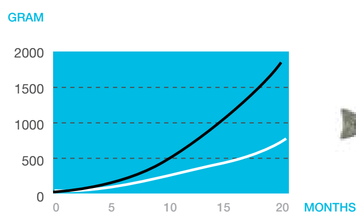
Further to this development within the salmon industry we see the trend towards use of recirculation technology globally within a multiple of species. We expect the revenues from recirculation to grow at a high rate the coming years, within salmon and within a number of other species.

AKVA group today employ some of the world's leading experts within recirculation aquaculture systems amongst our staff.



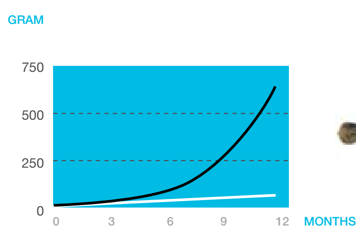
Experienced growth rates for Turbot:
(Months from 5g.)

■ Recirculation
□ Flow through



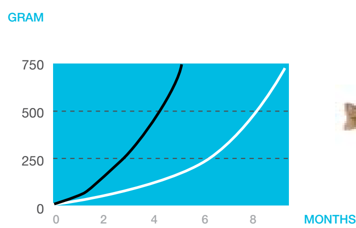
Experienced growth rates for Halibut:
(Months from 5g.)

■ Recirculation
□ Flow through



Experienced growth rates Rainbow Trout:
(Months from 5g.)

■ Recirculation
□ Flow through



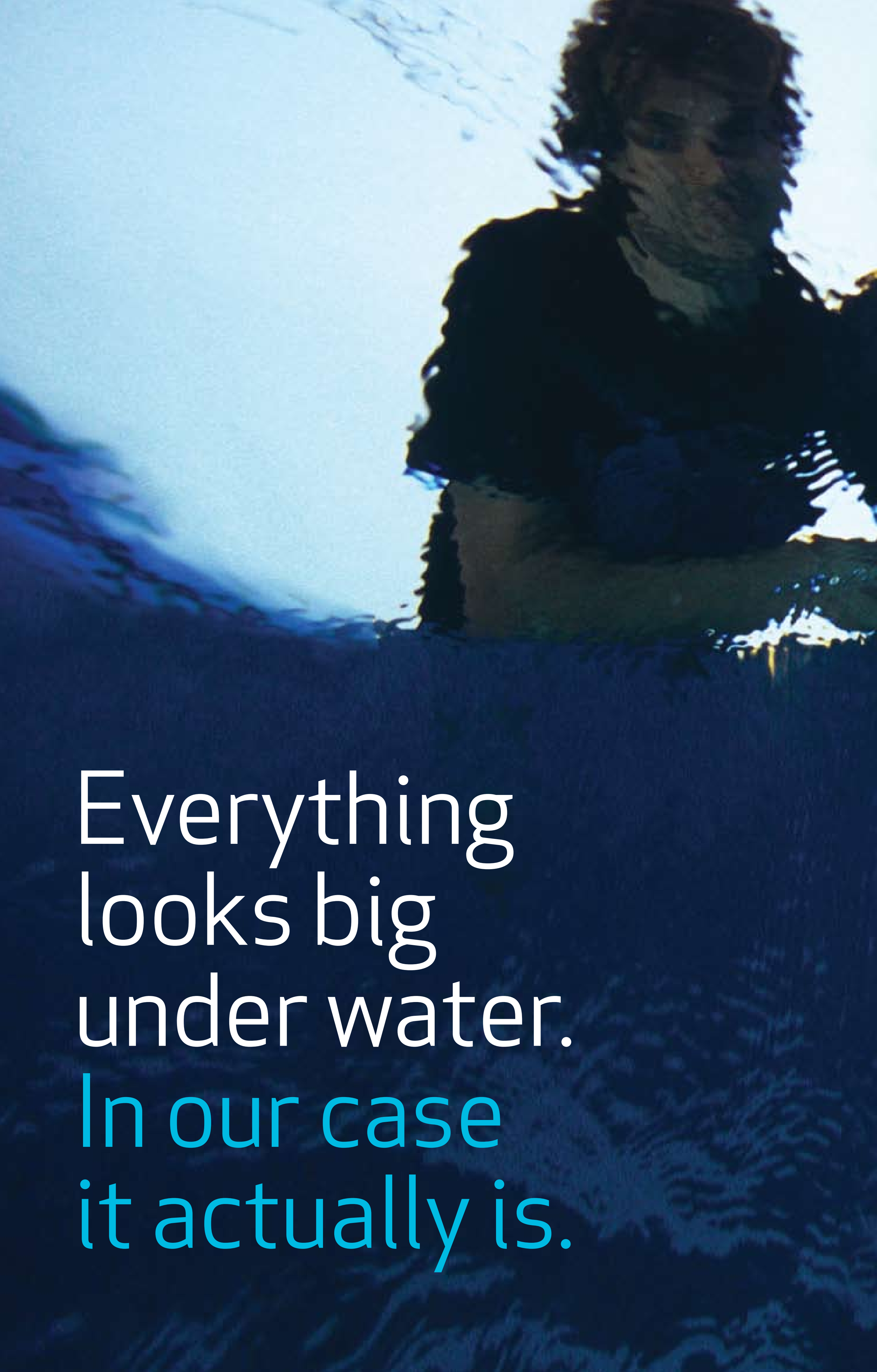

Watertight
values.
Naturally.

At the end of the day – it is our customers that pay our salaries. Our success depends on keeping our customers happy and willing to "pay our salaries".

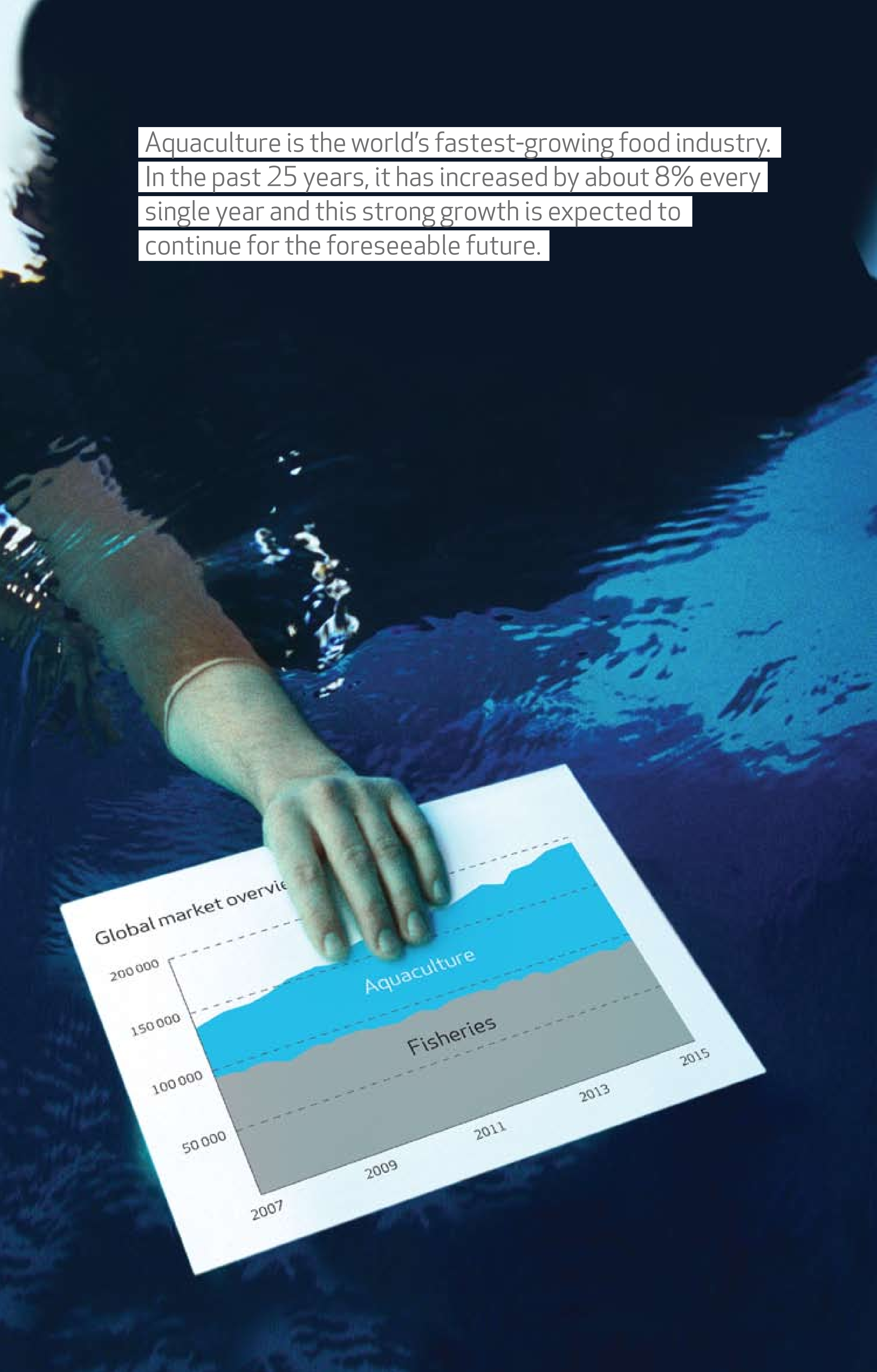
We must make sure to conduct our business in a way that always improves our customer's operations.


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

AKVA group is the market leader in the world's fastest-growing food industry. We are constantly meeting people and environments that recognise the work we do. Across the world.


Everything looks big under water.
In our case it actually is.

Aquaculture is the world's fastest-growing food industry. In the past 25 years, it has increased by about 8% every single year and this strong growth is expected to continue for the foreseeable future.



Our vision:

”The global leader in aquaculture technology”

AKVA strategy 2015:

- Remain a top-tier growth company
- Strengthen the profitability of the core business
- Lead the technological development
- Attract, motivate and retain competent employees
- Lead the consolidation of the global aquaculture supply industry

The salmon industry is forecast to grow by more than 60% by 2015 – we will grow with the industry during this period. In addition, organisational divisions that are focused on other species than salmon will also expand significantly.

Our objective is that 50% of business revenue will originate from other species than salmon by 2015.

This combined with further acquisitions will raise annual revenues to BNOK 3.5 in 2015.

Have another look at the graph shown on page 23. Today we are present over much of the world, but still cover only 2-3% of the market. Look at the fantastic opportunities we have!

Out of the pond and into the ocean.

We will make sure that fish will give its owner every possible advantage. And we will not only do so where we are located now – we will always head for new waters.

We aim to be the preferred supplier of technology for the seafood-farming industry.

To achieve this, we must also become the preferred supplier of innovative and state-of-the-art technology for the industry. In this way, we will be able to retain our position when facing new markets and opportunities.

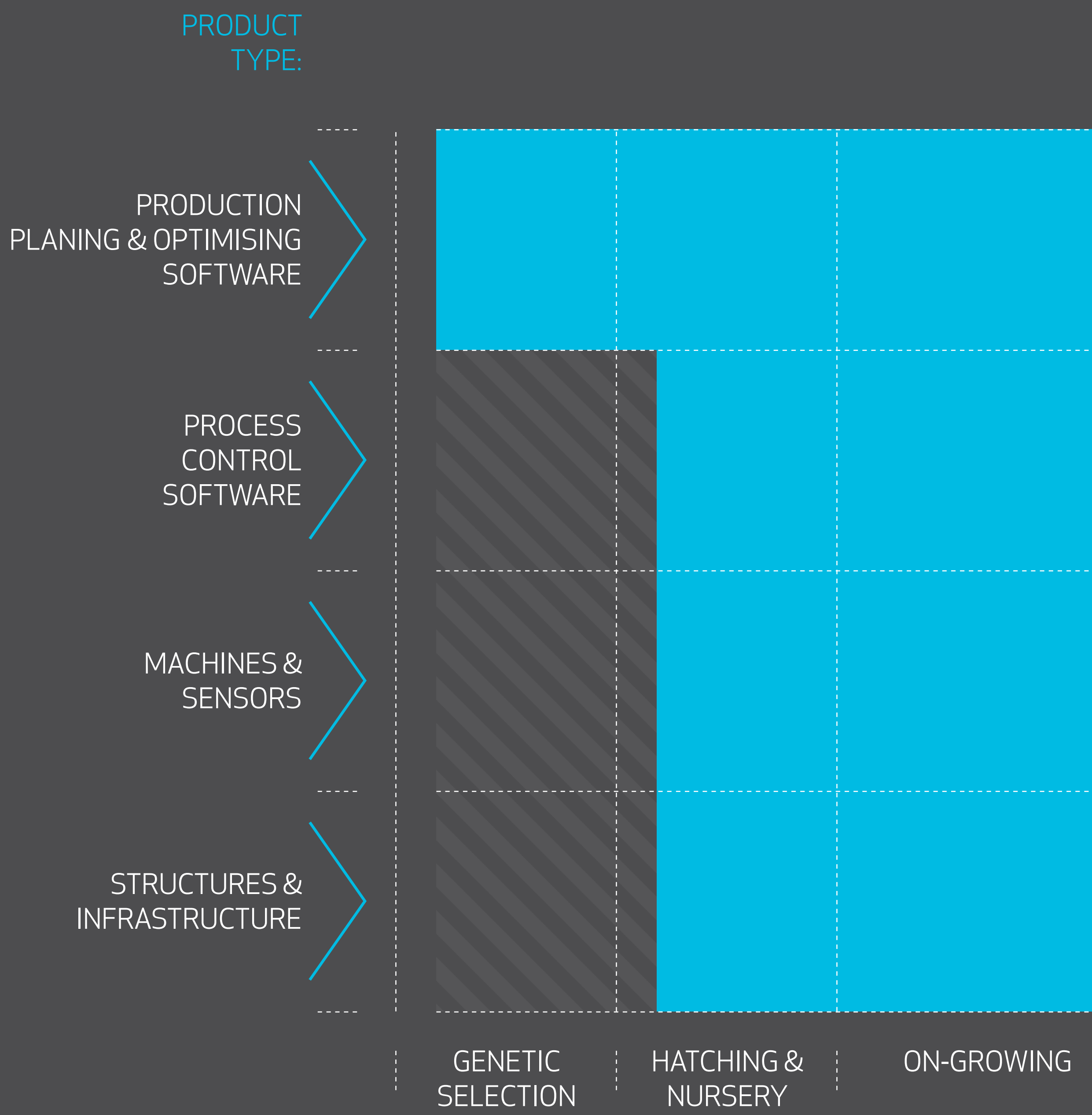
AKVA group will in the coming years work even harder to make our products a natural part of the industry. We will make the advantages of our products and services to our customers even more explicit.

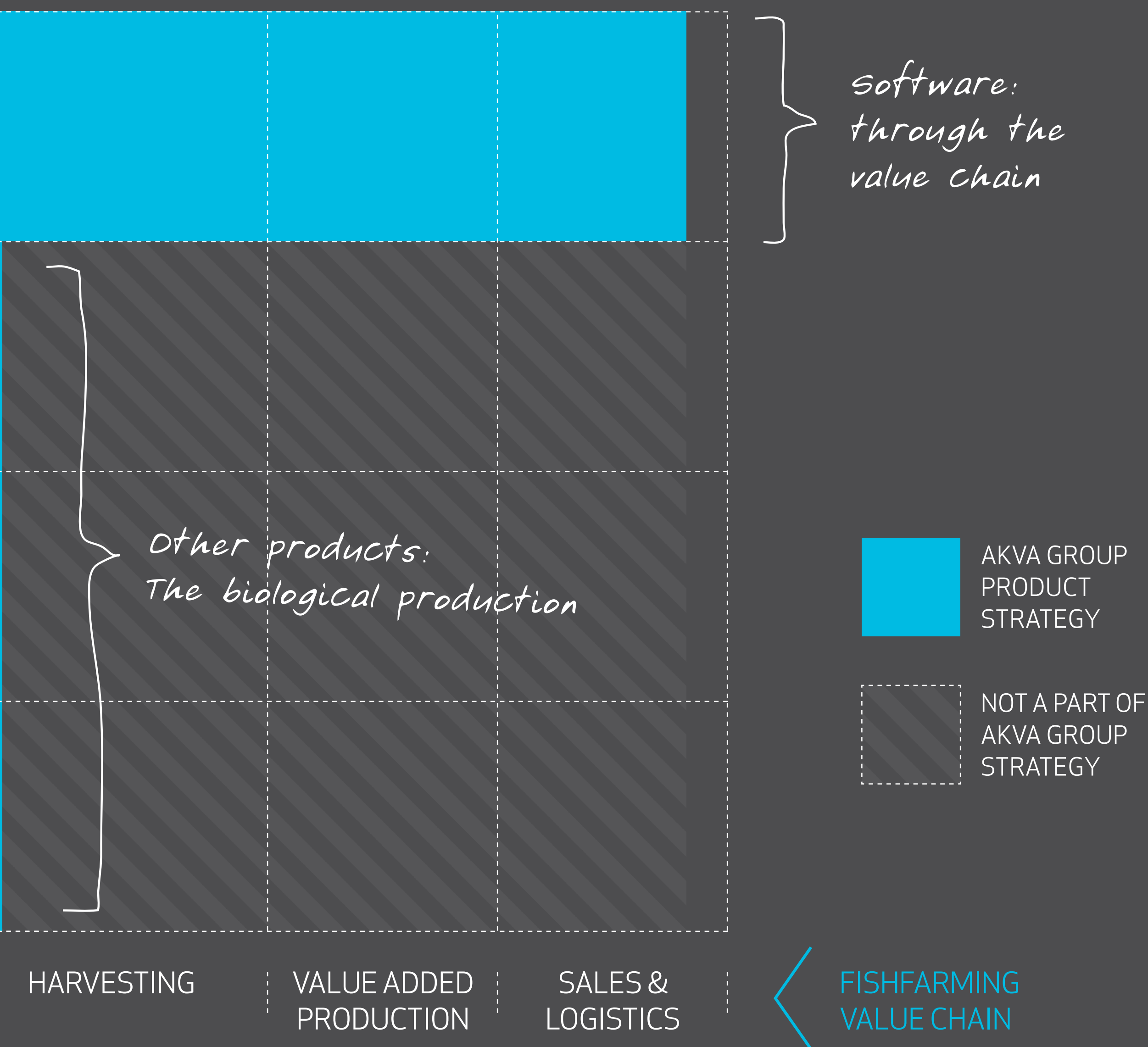
We must always concentrate on the salmon industry, and it is our knowledge of salmon and salmon-farming that is the starting point for our future priorities. But, in order to be the world's leading provider of technology within aquaculture, we need to expand the fish map – and get to know the rest of the sea.

We will work to make the fish-farming industry even more high-tech – perhaps particularly within the traditionally least technological parts of production. We will work to demonstrate the advantages of delivering products that are designed to have an impact throughout the value chain.

We will demonstrate the value and advantages this provides our customers.

Product Portfolio Strategy





Software:
through the
value chain
Other products:
The biological production
AKVA GROUP
PRODUCT
STRATEGY
NOT A PART OF
AKVA GROUP
STRATEGY
HARVESTING
VALUE ADDED
PRODUCTION
SALES &
LOGISTICS
FISHFARMING
VALUE CHAIN

Board of Directors annual report

2007 was another year of change for AKVA group. In addition to significant organic growth, the acquisition of Maritech International AS and UNI Aqua AS comprised significant strategic moves for the company.

The total pro forma revenue for the company in 2007 was MNOK 932 up by 32% compared to 2006. The pro forma earnings before interest, tax, depreciation and amortisation (EBITDA) were MNOK 91 up slightly compared to 2006. The pro forma earnings per share were NOK 3.11 in 2007.

The market situation remained positive in the main markets throughout 2007. However, a challenging fish health situation in Chile lead to more uncertainty in this market towards the end of the year. The general outlook for the coming year is good.

AKVA's vision is to be the global leader in supplying equipment and technology to the aquaculture industry. With a strong balance sheet and an equity ratio of about 50%, AKVA is poised for further growth.

AKVA group – The Business Areas

AKVA group is the world's leading supplier of equipment and technology for the fish farming industry. The activity includes design, sale, purchase, assembly, installation, and service of all the company's products as well as consulting services related to the business areas and the various products. AKVA's main customer base is the world's salmon farming industry. Deliveries to other fish farming species than salmon grew by more than 100% during 2007.

The company is divided in two business areas: Operational technology (OPTECH) and Infrastructure technology (INTECH).

The OPTECH business area's main products are centralised feed system, sensors, cameras, biomass estimation system designed and assembled in Bryne, software systems through the value chain developed at the Trondheim, Averøy and Chilean offices, and recirculation aquaculture systems delivered from Fredericia, Denmark. These products enable the fish farming industry to optimise and control the entire production cycle through the value chain.

The INTECH business area's main products are fish farming cages and feeding barges. The Polarcirkel polyethylene cages are produced at the facility in Mo i Rana, Norway and is one of leading brands in plastic cages. The steel cages sold under the Wavemaster brand are the market leading steel cages in Chile, Canada and UK. Wavemaster's main production facility is located in Chile. The feed barges have a leading position in the salmon market and are always supplied together with centralised feed systems from OPTECH. The production of the feed barges is outsourced.

The Polarcirkel brand also includes polyethylene boats for various customers including the fish farming industry and general piping for various purposes.

AKVA group's headquarter is located in Bryne, Norway. The company also has offices in Chile, Scotland, Canada, USA, Turkey, Iceland, Denmark and in addition representation in numerous countries across the globe.

Continued Operations

The accounts have been prepared under the assumption that the company will continue as a going concern.

Strong and Developing Market

The investment level in the salmon industry continued its growth in 2007. The growth was driven by the Norwegian industry that are restructuring their operations and investing to lower the cost of production and the Chilean industry's move into region XI. Farming of other species than salmon is developing, and thereby represents an increasing market for aquaculture equipment suppliers.

The structural changes of the industry continued at a high rate in 2007. AKVA's customers are growing larger and are thereby generally becoming more demanding clients that focus on the entire value chain.

The structural changes of the industry continued at a high rate in 2007. AKVA's customers are growing larger and are thereby generally becoming more demanding clients that focus on the entire value chain.

For AKVA this resulted in a significant increase in business volume. The increased volume came from the strong development in all salmon market regions, however, the Norwegian market showed the strongest growth. The revenues from the salmon segment in 2007 were MNOK 727, up 25% from 2006.

The business volume growth within other geographic markets and fish species segments was at a higher

“

AKVA's vision is to be the global leader in supplying equipment and technology to the aquaculture industry. With a strong balance sheet and an equity ratio of about 50%, AKVA is poised for further growth.

rate than deliveries to the salmon industry. Revenue from other species than salmon was MNOK 104 in 2007, which is an increase of more than 144% from 2006. Deliveries in connection with other species than salmon represent 11.1% of AKVA's revenues.

Financial accounts and acquisitions

In May 2007 AKVA acquired the company Maritech International AS and its subsidiaries. The legal accounts of AKVA group ASA include the consolidation of the financial accounts of Maritech International AS starting from 1May. The pro forma profit and loss statement represents the financial performance as if the acquisition had taken place on 1 January 2006. All comments to the profit and loss figures in this report are based on pro forma numbers except where otherwise stated. All other comments on financial figures are based on the legal accounts of AKVA.

October 1 2007 AKVA acquired the company UNI Aqua AS. This company is included in the consolidated accounts from the acquisition date. Through the acquisitions of Maritech International AS and UNI Aqua AS, AKVA has achieved the expected strategic growth. These acquisitions are expected to contribute positively to the group going forward.

In the comments below on the financial accounts, the 2006 figures are presented in parentheses following the 2007 stated values when included.

Profit and loss (pro forma)

Operating revenues for AKVA in 2007 were MNOK 932.0 (703.8) an increase of 32% compared to 2006.

EBITDA for 2007 was MNOK 90.7 (84.4). The relatively modest development in EBITDA result was effected by lack of volume growth in OPTECH and by product mix and competitive pressure in INTECH.

The depreciation and amortisation expenses in 2007 were MNOK 24.2 (21.1). The EBIT for 2007 was MNOK 66.4 (63.3).

Net financial expense was MNOK 0.9 (4.2) and profit before tax was MNOK 65.6 (59.2). The calculated tax for 2007 is MNOK 11.9 of which MNOK 5.5 is change in deferred tax and MNOK 5.6 in current taxes. Net profit for the year was MNOK 53.6 (45.7).

INTECH achieved operating revenues in 2007 of MNOK 517.5 (331.9), a growth of 56% from 2006, and showed an operating profit (EBITDA) of MNOK 51.2 (36.8). This improvement is mainly explained by the volume increase through main production facilities in Norway and Chile and a positive development of margin on feed barges.

OPTECH achieved operating revenues in 2007 of MNOK 414.5 (371.8), a growth of 11% from 2006, and showed a profit (EBITDA) of MNOK 39.5 (47.6). The reduced margin is mainly explained by increased capacity costs, lower volumes than expected and currency changes.

Earnings per share were NOK 3.11 in 2007 versus NOK 3.26 in 2006. The calculation is based on 17.222.869 average number of shares outstanding. The total number of outstanding shares was 17.222.869 at the end of 2007.

Earnings per share were NOK 3.11 in 2007 versus NOK 3.26 in 2006. The calculation is based on 17.222.869 average number of shares outstanding. The total number of outstanding shares was 17.222.869 at the end of 2007.

Profit and loss (legal)

Operating revenues for AKVA in 2007 were MNOK 860.8 (355.9) an increase of 142% compared to 2006.

EBITDA for 2007 was MNOK 86.8 (41.8). The depreciation and amortisation expenses in 2007 were MNOK 21.6 (9.9). The EBIT for 2007 was MNOK 65.2 (31.9).

Net financial expense was MNOK 2.0 (1.4) and profit before tax was MNOK 63.1 (30.6). The calculated tax for 2007 is MNOK 11.1 of which MNOK 5.5 is change in deferred tax and MNOK 5.6 in current taxes. Net profit for the year was MNOK 52.0 (25.3).

Earnings per share were NOK 3.02 in 2007 versus NOK 2.84 in 2006. The 2007 calculation is based on 17.222.869 average number of shares outstanding. The total number of outstanding shares was 17.222.869 at the end of 2007. Diluted earnings per share were NOK 3.01 in 2007 versus NOK 2.84 in 2006.

Balance sheet and cash flow (consolidated)

The total assets at the end of 2007 were MNOK 684.8 (524.0). The total liabilities amounted to MNOK 348.3 (233.4) and equity totalled MNOK 336.4 (290.6), giving an equity ratio of 49.5%.

The working capital in the consolidated balance sheet, defined as non-interest bearing current assets less non-interest bearing short-term debt, was MNOK 109.4 at the end of 2007, which is an increase of MNOK 51.3 from 1 January 2007. This increase is related to the higher activity level and the acquisitions made in 2007. The working capital generally fluctuates throughout the year in relation to ongoing projects, in particular related to INTECH projects.

Gross interest bearing debt amounted to MNOK 124.7 (56.7) at the end of 2007. Cash and unused credit facilities amounted to MNOK 156.5. Other than the net profit for the year the equity was affected by a change in accounting principle related to revenues. See Note 1.15 for further details.

The total calculated deferred tax assets on 31 December 2007 amounted to MNOK 26.0, whereof MNOK 20.8 was recognised in the balance sheet. The amount included in the balance sheet is primarily related to the Norwegian operations.

The cash flow statement was significantly affected by the changes in the balance sheet following the acquisition Maritech and UNI Aqua. These companies were included from 1 May 2007 and 1 October 2007 respectively. The cash flow statement therefore does not show pro forma changes in cash flow for the companies combined from 1 January. Net underlying investments in 2007 amounted to MNOK 29.1 (23.6) including MNOK 10.5 (5.7) in capitalised R&D expenses in accordance with IFRS.

Risk factors

The aquaculture industry is associated with a certain level of biological risk, and has historically been subject to cyclicality. AKVA aims to reduce the risks related to the exposure to these factors through diversification of its products and technologies to various fish species and geographical regions.

For AKVA group the financial risks are mainly related to currency risks, interest rate risks, credit risks and liquidity risks. The currency risks are sought reduced through matching revenues and costs in the same currency in combination with forward contracts. The group is also exposed to fluctuations in the foreign exchange rates when calculating the equity of foreign subsidiaries into NOK.

Historically the group has shown low losses on receivables from customers. For larger projects the group generally receives pre-payment from the customers and payments according to the progress of the projects. The credit risk related to the customer deliveries is thereby reduced.

AKVA is exposed to fluctuations in the prices of certain raw materials used in some of the main products. This risk is sought alleviated through continuous general awareness and specific attention in case of major contract negotiation periods and by securing the pricing of the raw materials immediately after signing firm contracts.

Product development

In 2007 the group invested MNOK 19.4 in product development of which MNOK 10.5 was capitalised and MNOK 8.9 expensed. The investments were used to further improve existing products and to develop new products. The fact that AKVA has managed to strengthen its relative market shares during recent years can be attributed to, amongst other reasons, the result of the successful focus on product development.

The company aims to continuously strengthen the competence of the employees and the company to maintain the position as the leading supplier of technology to the aquaculture industry.

Organisation and work environment

AKVA group had 589 employees at the end of 2007. In Norway the company employed 166 persons. Women accounted for 19% of the Norwegian employees. The company finds it important to have a reasonable gender balance in the different levels of the organisation.

The company aims to continuously strengthen the competence of the employees and the company to maintain the position as the leading supplier of technology to the aquaculture industry. Through recruiting the company seeks to employ people with high competence within all areas of its business.

The total sick leave in AKVA group ASA for 2007 amounted to 2.72%. The short-term sick leave amounted to 2.15%. No injuries or accidents were registered in the company during 2007.

The board considers the working environment in the company to be satisfactory and has not initiated any particular measures in this area during 2007.

AKVA group and the external environment

The company has taken adequate measures in its operations to comply with environmental laws and regulations. The company is the only cage supplier to the Norwegian aquaculture industry that has systems to receive and recycle used polyethylene cages. In the company's Akvasmart product range certain products contribute to optimising the feed utilisation and thereby also reduce feed waste. In this way AKVA's products contribute to reduce the environmental impact from the fish farming industry.

Future outlook

The expectations for 2008 is growth in salmon consumption and a relatively consistent growth in supply of salmon to the markets in Europe and America which should form basis for a sound price outlook during this period. During the second half of 2007 the fish health situation in the Chilean market became more challenging and as a result the cost of production for the Chilean customers increased in 2007. This has lead to a situation with a higher degree of uncertainty in the Chilean market.

Nevertheless, the overall market fundamentals are positive, which has lead to a strong development in AKVA's prospect mass and order inflow from the salmon market in general in the last quarter of 2007. This positive development for AKVA is expected to continue also in 2008.

The salmon industry is expected to continue to consolidate into larger entities driven by the trend towards integration throughout the entire supply value chain. This is positive for the AKVA group.

AKVA has been working actively over several years to build the position as the leading technology supplier to a number of other aquaculture species such as the sea bass and sea bream farming in the Mediterranean, the turbot farming and the cod industry. The outlook is positive for the further development of these market segments. During 2007 the company started a project of mapping and developing the Asian markets. Asia is by far the largest aquaculture region in the world with more than 90% of the total production, nevertheless it represents only small revenues in AKVA. Our ambition is that sales to this region will contribute with significant revenues in the future.

AKVA will continue to develop as a world leading supplier to the salmon industry and to increase its deliveries to other aquaculture segments through acquisitions and organic growth.

Application of profit

The board proposes the following application of the profit of AKVA group ASA:

Dividend payment to shareholders	NOK 17 222 869
Transferred to other equity	NOK 7 390 000
Total applied	**NOK 24 612 869**

At the end of 2007 AKVA group ASA had an equity of MNOK 303.6, whereof MNOK 17.2 in share capital, MNOK 256.2 in share premium reserve, MNOK 1.6 in other paid-in capital and MNOK 28.6 in other equity. Free equity is MNOK 15.3 in the parent company by the end of the year.

Bryne, 31 March 2007

Steven Morrell
(Chairperson)

Thorhild Widwey

Arne Økland

Anne Breiby

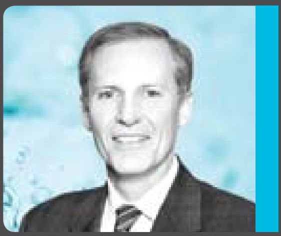
Thore Michalsen

Ingvild Andersen

Jens Chr. Hernes

Kenneth Idland

Knut Molaug
(Chief Executive Officer)



CHAIRPERSON: STEVEN A. MORRELL

Mr. Morrell (born 1955), lives in New York, earned a bachelors degree in Mathematics and Distinguished Graduate of Air Force ROTC program from Brigham Young University in 1979 and an M.B.A Degree in General Management with Honors from IMD. He is currently a partner in Teknoinvest Management AS in Oslo and New York. Mr. Morrell has long experience from previous and several current board positions. Mr. Morrell was re-elected to the Board of Directors at the general meeting 25 August 2006.

DEPUTY CHAIRPERSON: ANNE BREIBY

Mrs. Breiby (born 1956), lives in Ålesund, Norway, earned a bachelors degree (1983) and a Cand. Scient degree (1985) in Fishery Biology. She worked as an aquaculture advisor in Nordland and for the Norwegian Fish Farming Assosiation prior to becoming a political advisor for the fisheries department. And later political advisor for the Labour party in fishery matters. She was the deputy Minister for the Ministry of Oil and Energy. Today she sits on a number of Boards of Norwegian private and public companies amongst others holds the vice-chair of the Norwegian folketrygdfondet. (Sparebanken Møre, Håg AS, Ulstein Mekaniske Verk. Holding ASA) Mrs. Breiby was elected to the Board of Directors at the general meeting 25 September 2006.

MEMBER OF THE BOARD: THORHILD WIDVEY

Mrs. Widvey (born 1956), lives in Oslo, Norway, earned a degree in Physical Education. She was a member of parliement from 1989 to 1997 and was under secretary of state in the ministry of fisheries 2002-2003 and in the ministry of foreign affairs 2003-2004. She was the Norwegian Minister of Oil and Energy 2004-2005. Today she sits on a number of Boards of Norwegian private and public companies (Pharmaq AS, Bjørge ASA, Gresvig ASA, Deep Ocean ASA, Aker Drilling ASA). Mrs. Widvey was elected to the Board of Directors at the general meeting 25 September 2006.

MEMBER OF THE BOARD: ARNE ØKLAND

Mr. Økland (born 1954), lives in Bryne, Norway, earned a degree as Tax Auditor from "Skatteetatskolen" in Oslo and Rogaland County Revenue Office in 1978. He is currently CEO in Pam AS (Dolly Dimples), and has broad experience from previous and current board positions in several companies. Mr. Økland was elected to the Board of Directors at the general meeting 25 August 2006.

MEMBER OF THE BOARD: THORE MICHALSEN

Mr. Michalsen (born 1944), lives in Mo i Rana, earned a degree in engineering from NTH (NTNU in Trondheim) in 1968. He is currently CEO in Eka Chemicals Rana AS and Eka Chemicals Norge AS, and has board positions in Helgeland Sp.bank, Helgeland Marinfisk, Kunnskapsparken, also serves as a board member in several companies owned by Akzo Nobel. Mr. Michalsen was elected to the Board of Directors at the general meeting 25 August 2006.

EMPLOYEES REPRESENTATIVE: KENNETH IDLAND

Mr. Idland (born 1974), lives in Ålgård, Norway. Educated within Automation. He has been employed in AKVA since 1995 as Service Technician, and as Project Manager since February 2006.

EMPLOYEE REPRESENTATIVE: INGVILD S. ANDERSEN

Ms. Andersen (born 1957), lives in Kvernaland and received her education in business and general office work at Sandnes Handelsskole (School of Commerce) and Stavanger Handels-gymnas (Commercial College). She joined the company in 1996 and is responsible for all international freight (export and import). Ingvild also performs a number of secretarial and accounting functions.

EMPLOYEES REPRESENTATIVE: JENS CHR. HERNES

Mr. Hernes (born 1968), lives in Trondheim, Norway. He earned a degree in Business at Aalborg University, where he specialized in Organisation and Strategy. He has been employed in AKVA since 1999 and is Manager in the Software Department.

Financial statement Group

Income statement 01.01 - 31.12 (in NOK 1 000)

Group

	NOTE	2007	2006	2005
OPERATING REVENUES			(restated)	(restated)
Sales revenues	2	860 824	355 961	146 102
OPERATING EXPENSES				
Cost of goods sold	11	536 555	222 976	86 815
Payroll expenses	3,21	156 811	59 713	35 560
Other operating expenses	12,17,20	80 667	31 464	14 560
Total operating expenses		**774 034**	**314 152**	**136 935**
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)		86 790	41 809	9 167
Depreciation and amortisation	7,9	21 615	9 882	5 810
OPERATING PROFIT (EBIT)		65 176	31 927	3 357
FINANCIAL INCOME AND EXPENSES				
Financial income	17,18	6 140	1 723	618
Financial expenses	17,18	-8 202	-3 078	-2 565
Net financial items		**-2 063**	**-1 355**	**-1 947**
PROFIT BEFORE TAX		63 113	30 572	1 410
Taxes	5	11 104	5 279	801
NET PROFIT FOR THE YEAR		52 009	25 293	609
Earnings per share	6	3,02	2,84	0,03
Diluted earnings per share	6	3,01	2,84	0,03

For pro forma Income statement see page 44.

Assets 31.12 (in NOK 1 000)

Group

	NOTE	2007	2006
NON-CURRENT ASSETS			(restated)
Intangible assets			
Goodwill	7,22	138 277	93 300
Other intangible assets	7,22	65 758	36 712
Total intangible assets		204 035	130 012
Tangible fixed assets			
Land and building	9	1 203	-
Machinery and equipment	9	32 792	22 313
Total tangible fixed assets		33 995	22 313
Long-term financial assets			
Deferred tax asset	5	20 770	18 430
Other long-term financial assets	10,12	2 107	1 434
Total long-term financial assets		22 877	19 864
Total fixed assets		260 908	172 190
CURRENT ASSETS			
Stock	11	118 750	96 344
Receivables			
Accounts receivables	12,18,19	188 217	102 033
Prepayments to suppliers		4 147	1 799
Other receivables		14 710	10 184
Total receivables		207 074	114 017
Cash and cash equivalents	13	98 044	141 463
Total current assets		423 869	351 824
TOTAL ASSETS		684 775	524 013

Equity and Liabilities 31.12 (in NOK 1 000)

Group

	NOTE	2007	2006
EQUITY			(restated)
Paid-in capital			
Share capital	14	17 223	17 223
Share premium reserve		249 864	249 864
Other paid in capital	21	1 624	166
Total paid-in capital		**268 712**	**267 253**
Other equity and reserves			
Translation differences		-8 854	-736
Other equity		-3 662	-4 122
Total other equity and reserves		**-12 516**	**-4 858**
Retained earnings			
Retained earnings		80 247	28 238
Total retained earnings		**80 247**	**28 238**
Total equity		336 442	290 633
LIABILITIES			
Provisions			
Pension obligations	15	1 676	13 238
Total provisions		**1 676**	**13 238**
Other long term liabilities			
Liabilities to financial institutions	16	104 414	26 994
Other long term liabilities		5 515	6 729
Total other long term liabilities		**109 928**	**33 723**
Current liabilities			
Liabilities to financial institutions		20 290	29 726
Trade creditors		101 453	74 606
Taxes payable	5	2 624	2 804
Public duties payable		10 491	5 594
Prepayments from customers		55 589	43 348
Other current liabilities	17	46 281	30 342
Total current liabilities		**236 729**	**186 419**
Total Liabilities		348 333	233 380
TOTAL EQUITY AND LIABILITIES		684 775	524 013

Bryne, 31 March 2008

Steven Morrell
Chairperson

Thore Michalsen

Anne Breiby

Arne Økland

Thorhild Widvey

Jens Chr. Hernes

Kenneth Idland

Ingvild Andersen

Knut Molaug
Chief Executive Officer

Cash flow statement 01.01-31.12 (in NOK 1 000)

Group

	NOTE	2007	2006	2005
Cash flow from operating activities:			(restated)	(restated)
Profit before taxes		63 113	30 572	1 410
Taxes		-2 772	-1 606	-554
Depreciation	7,9	21 615	9 882	5 810
Change in pension obligation	15	351	1 866	100
Changes in stock, accounts receivable and trade creditors		-83 583	-75 198	-13 419
Changes in other receivables and payables		20 587	45 247	12 183
Net cash flow from operating activities		19 311	10 763	5 531
Cash flow from investment activities:				
Investments in fixed assets	7,9	-29 115	-8 071	-7 904
Proceeds from sale of fixed assets	7,9	1 413	1 177	71
Change in fixed assets from acquisitions with cash effect	22	-93 427	-21 023	-
Change in fixed assets from acquisitions		-	4 281	-
Net cash flow from investment activities		-121 129	-23 637	-7 833
Cash flow from financing activities:				
Change in interest bearing debt		66 084	17 813	-5 476
Increase of share capital and share premium fund		-	116 845	-
Change related to other financial activities		-6 948	13 655	5 717
Net cash flow from financing activities		59 136	148 312	240
Net change in cash and cash equivalents		-42 683	135 438	-2 062
Net foreign exchange difference		-736	-175	310
Cash and cash equivalents at 01.01		141 463	6 199	7 951
Cash and cash equivalents at 31.12	13	98 044	141 463	6 199

Acquisitions of Maritech International AS and UNI Aqua AS in 2007:
NOK 10.8 mill and NOK 0.5 mill of the cash and cash equivalents is related to the acquisition of Maritech International and UNI Aqua respectively.

NOK -14.2 mill of the change in receivables in 2007 is related to Maritech International and NOK 2.1 mill is related to UNI Aqua. Of the change in accounts payable NOK -11.1 mill is related to Maritech International and NOK 1.5 mill is related to UNI Aqua NOK 21.8 mill and NOK 4.2 mill of other debt is acquired through the acquisition of Maritech International and UNI Aqua respectively.

Statement of changes in equity (in NOK 1000)

Group

	NOTE	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	TOTAL PAID-IN CAPITAL	TRANS-LATION DIFFERENCES	OTHER EQUITY	TOTAL OTHER EQUITY	RETAINED EARNINGS	TOTAL EQUITY
Equity as at 01.01.2005 (reported)		**5 870**	**27 582**		**33 452**	**-1 059**	**-681**	**-1 739**	**2 393**	**34 106**
Change in accounting policy regarding revenue recognition	1							-	-57	-57
Equity as at 01.01.2005 (restated)		5 870	27 582	-	33 452	-1 059	-681	-1 739	2 336	34 049
Gains/(losses) on cash flow hedges (fair value)	18						-196	-196		-196
Translation difference						1 882		1 882		1 882
Total income and expense recognised directly in equity					**-**	**1 882**	**-196**	**1 686**		**1 686**
Profit (loss) for the period					-			-	609	609
Equity as at 31.12.2005		5 870	27 582	-	33 452	823	-877	-53	2 945	36 343
Equity as at 01.01.2006		5 870	27 582	-	33 452	823	-877	-53	2 945	36 343
Gains/(losses) on cash flow hedges (fair value)	18				-		-69	-69		-69
Translation difference					-	-1 559		-1 559		-1 559
Actuarial deviations on net pension obligations					-		-3 176	-3 176		-3 176
Total income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**-1 559**	**-3 245**	**-4 804**	**-**	**-4 804**
Profit (loss) for the period					-			-	25 293	25 293
Total income and expense for the year		**-**	**-**	**-**	**-**	**-1 559**	**-3 245**	**-4 804**	**25 293**	**20 489**
Issue of share capital		11 353	232 027		243 380			-		243 380
Share issue costs			-9 744		-9 744			-		-9 744
Recording of option agreement				166	166			-	-	166
Equity as at 31.12.2006		17 223	249 864	166	267 253	-736	-4 122	-4 858	28 238	290 633
Equity as at 01.01.2007		17 223	249 864	166	267 253	-736	-4 122	-4 858	28 238	290 633
Gains/(losses) on cash flow hedges (fair value)	18				-		460	460		460
Translation difference					-	-8 118		-8 118		-8 118
Total income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**-8 118**	**460**	**-7 658**	**-**	**-7 658**
Profit (loss) for the period					-			-	52 009	52 009
Total income and expense for the year		**-**	**-**	**-**	**-**	**-8 118**	**460**	**-7 658**	**52 009**	**44 351**
Recording of option agreement	21			1 459	1 459			-		1 459
Equity as at 31.12.2007	14	17 223	249 864	1 624	268 712	-8 854	-3 662	-12 516	80 247	336 442

The Board of Directors has proposed a dividend of NOK 1,- per share for 2007, total NOK 17.2 mill.
The dividend will be paid in 2008 after approval in the Annual General Meeting.

Pro forma Income statement 01.01-31.12 unaudited (in NOK 1 000)

Group

	2007	2006
OPERATING INCOME		(restated)
Sales income	931 993	703 806
OPERATING EXPENSES		
Cost of goods sold	564 115	336 279
Payroll expenses	186 606	73 736
Other operating expenses	90 602	209 355
Total operating expenses	**841 323**	**619 369**
Operating profit before depreciation (EBITDA)	90 669	84 437
Ordinary depreciation and amortisation expenses	24 236	21 119
OPERATING PROFIT (EBIT)	66 434	63 318
FINANCIAL INCOME AND EXPENSES		
Net financial items	-879	-4 165
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	65 555	59 153
Tax on ordinary profit	11 944	13 486
NET PROFIT FOR THE YEAR	53 610	45 667
Earnings per share	3,11	3,26
Diluted earnings per share	3,10	3,26

The pro forma statement shows the accounts for the AKVA group as if the merger with Polarcirkel and Wavemaster was made January 1 2005 and the acquisition of Maritech was made January 1 2006.

The figures are based on historical information from the merged/acquired companies with the following correction:
- amortisation on product rights and fixed assets arising as excess values from the merger

The financial statements for the different companies which are included in the pro forma statement are based on uniform accounting principles, see information on accounting principles in disclosures. The figures are ment to provide a basis for comparison based on the Group's composition at the end of 2007. Pro forma financial information is encumbered with greater uncertainty than are the actual historical figures and will not necessarily reflect the revenues and profits that would have been realised if purchase and sales had actually be made at an earlier date.

Pro forma Segment information 01.01-31.12

unaudited (in NOK 1 000)

Group

	2007	2006
OPTECH		(restated)
Operating income	414 471	371 842
Operating expenses	374 963	324 248
Operating profit before depreciation (EBITDA)	**39 508**	**47 594**
Depreciation and amortisation	17 473	14 843
Operating profit (EBIT)	**22 035**	**32 752**

	2007	2006
INTECH		
Operating income	517 522	331 963
Operating expenses	466 361	295 121
Operating profit before depreciation (EBITDA)	51 161	36 842
Depreciation and amortisation	6 762	6 276
Operating profit (EBIT)	**44 399**	**30 566**

	2007	2006
TOTAL		
Operating income	931 993	703 806
Operating expenses	841 323	619 369
Operating profit before depreciation and amortisation (EBITDA)	90 669	84 437
Depreciation and amortisation	24 236	21 119
Operating profit (EBIT)	**66 434**	**63 318**

Notes Group

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

AKVA group ASA is a public limited company registered in Norway. The company's head office is located in Nordlysveien 4, N-4340 Bryne, Norway.

1.1 Basis for preparation

The consolidated financial statements of the AKVA group have been prepared in accordance with the international accounting standards published by the International Accounting Standards Board and the International Financial Reporting Standards as adopted by the European Union (EU) as per 31 December 2007.

The consolidated financial statements have been prepared on an historical cost basis, except for
- investments which are carried at fair value
- stocks and receivables which are carried at fair value if lower than historical cost

1.2 Functional currency and Presentation currency

The Group presents its financial statements in NOK. This is also the Group's functional currency. For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency, translated at the rate applicable at the balance sheet date, and the income statement have been translated at the average rate for the period. Exchange differences are recognised in equity. When foreign subsidiaries are sold, the accumulated exchange differences relating to the subsidiary are taken to income.

1.3 Basis of consolidation

The Group's consolidated financial statements comprise AKVA group ASA and companies in which AKVA group ASA has a controlling interest. A controlling interest is normally attained when the Group owns, either directly or indirectly, more than 50% of the shares in the company and is capable of exercising control over the company. Minority interests are included in the Group's equity.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are consolidated from/until the date when the purchase/sale is carried out. Investments in associates (normally investments of between 20% and 50% of the companies' equity) in which AKVA group ASA exercises a considerable influence are accounted for by applying the equity method. The carrying value of the investments is reviewed when there are indications of a fall in value or when there is no longer any need for previously recognised impairment losses.

When the Group's share of the loss exceeds the investment, the investment is carried at zero value. If the Group's share of the loss exceeds the investment, this will be recognised to the extent that the Group has obligations to cover this loss.

All other investments are accounted for in accordance with IAS 39, Financial Instruments.

Inter-company transactions and balances, including internal profits and unrealised gains and losses are eliminated in full.

Unrealised gains that have arisen due to transactions with associates are eliminated against the Group's share in the associate. Unrealised losses are correspondingly eliminated, but only to the extent that there are no indications of a fall in the value of the asset that has been sold internally.

The consolidated financial statements are prepared on the assumption of uniform accounting policies for identical transactions and other events under equal circumstances.

1.4 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months and to a known amount, and which contain insignificant risk elements.

The cash and cash equivalent amount in the cash flow statement do not include overdraft facilities. See note 13 for information about unused overdraft facilities.

1.5 Trade receivables

Trade receivables are carried at amortised cost. The interest element is disregarded if it is insignificant. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flows is recognised as a loss, discounted by the receivable amount's effective interest rate.

1.6 Hedging

As part of the international activity the Group's assets and liabilities as well as expected cash inflow and cash outflow are exposed to changes in the currency rates. Such risk is sought reduced by using currency forward contracts. The currency risk is managed by the parent company in cooperation with the subsidiaries.

Before a hedging transaction is carried out, the Group's finance department assesses whether a derivative is to be used to a) hedge the fair value of an asset or liability, b) hedge a future cash flow from an investment, debt payment or future identified transaction or c) hedge a net investment in a foreign operation.

The Group's criteria for classifying a derivative as a hedging instrument are as follows: (1) the hedge is expected to be effective in that it counteracts changes in the fair value of or cash flows from an identified asset - a hedging efficiency within the range of 80-125% is expected, (2) the effectiveness of the hedge can be reliably measured, (3) there is adequate documentation when the hedge is entered into that the hedge is effective, (4) for cash-flow hedges, the forthcoming transaction must be probable, and (5) the hedge is evaluated regularly and has proven to be effective.

(i) Fair value hedges:
Derivatives designated as hedging instruments are measured at fair value and changes in fair value are recognised in the income statement. Correspondingly, a change in the fair

value of the hedged object is recognised in the income statement, as is the net gain or loss.

The hedge accounting is discontinued if:
(a) The hedging instrument expires or is sold, terminated or exercised, or
(b) The hedge no longer meets the criteria for hedge accounting stated above

Once the hedge accounting is discontinued, the adjustments made to the carrying amount of the hedged object are amortised over the remaining life using the effective interest rate.

(ii) Cash-flow hedges
Changes in the fair value of a hedging instrument that meet the criteria for cash flow hedge accounting are taken directly to equity. The ineffective part of the hedging instrument is recognised directly in the income statement.

If the hedge of a cash flow results in an asset or liability being recognised, all former gains and losses recognised directly in equity are transferred from equity and included in the initial measurement of the asset or liability. For other cash-flow hedges, gains and losses recognised directly in equity are taken to the income statement in the same period as the cash flow which comprises the hedged object is recognised in the income statement.

If the hedge no longer meets the criteria for hedge accounting, the hedge accounting is discontinued. The cumulative gain or loss on the hedging instrument recognised directly in equity remains separately recognised in equity until the forecast transaction occurs.

If the hedged transaction is no longer expected to occur, any previously accumulated gain or loss on the hedging instrument that has been recognised directly in equity will be recognised in profit or loss.

1.7 Inventories
Inventories, including work in progress, are valued at the lower of cost and fair value less costs to sell after provisions for obsolete inventories. The fair value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale. Inventories are measured using the FIFO principle. Finished goods and work in progress include variable costs and fixed costs that can be allocated to goods based on normal capacity. Obsolete inventories have been fully recognised as impairment losses.

1.8 Non-current assets
Non-current assets are carried at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are derecognised, and any gain or loss on the sale or disposal is recognised in the income statement.

The gross carrying amount of non-current assets is the purchase price, including duties/taxes and direct acquisition costs relating to making the non-current asset ready for use. Subsequent costs, such as repair and maintenance costs, are normally recognised in profit or loss as incurred. When increased future economic benefits as a result of repair/maintenance work can be proven, such costs will be recognised in the balance sheet as additions to non-current assets.

Depreciation is calculated using the straight-line method over the following periods:

Machinery and equipment	3-5 years
Fixtures, fittings and vehicles	3-10 years

1.9 Financial instruments
According to IAS 39, Financial Instruments: Recognition and measurement, financial instruments are classified in the following categories: held-to-maturity, at fair value through profit or loss, and available-for-sale. Financial instruments with fixed or determinable cash flows and a fixed maturity that the Group has the positive intention and ability to hold to maturity are classified as held-to-maturity investments.

Financial instruments that are held with the intention of making a gain on short-term fluctuations in prices are classified as financial assets at fair value through profit or loss. All other financial instruments, with the exception of loans and receivables originally issued by the company, are classified as available for sale.

Financial instruments that are held to maturity are included in the non-current asset unless the maturity date is less than 12 months after the balance sheet date. Financial instruments at fair value through profit or loss are classified as current assets, and financial instruments that are available for sale are presented as current assets if the management has decided to sell the instrument within 12 months of the balance sheet date.

All purchases and sales of financial instruments are recognised on the transaction date. The transaction costs are included in the cost price.

Financial instruments that are classified as available for sale and at fair value through profit or loss are carried at fair value as observed in the market at the balance sheet date, with no deduction for costs relating to the sale.

The gain or loss resulting from changes in the fair value of financial investments classified as available for sale are recognised directly in equity until the investment has been disposed of. The accumulated gain or loss on the financial instrument that has previously been recognised in equity will then be reversed and the gain or loss will be recognised in the income statement.

Changes in the fair value of financial instruments classified as financial instruments at fair value through profit or loss are recognised in the income statement and included in the net financial income/expenses.

Investments held to maturity are carried at amortised cost.

1.10 Intangible assets
Intangible assets are recognised in the balance sheet if it can be proven that there are probable future economic benefits that can be attributed to the asset which is owned by the company, and the asset's cost price can be reliably estimated. Intangible assets are recognised at their cost price. Intangible assets with indefinite useful lives are not amortised, but impairment losses are recognised if the recoverable amount is less than the cost price. The recoverable amount is calculated each year or if there are any indications of a fall in value. Intangible assets with a finite useful life are amortised and any need for impairment losses to be recognised is considered. Depreciation is carried out using the straight-line method over the estimated useful life. The amortisation estimate and method will be subject to an annual assessment based on the pattern of consumption of future economic benefits.

Patents and licences
Amounts paid for patents and licences are recognised in the balance sheet and depreciated using the straight-line method over the expected useful life. The expected useful life of patents and licences varies from 5 to 20 years.

Software
Expenses linked to the purchase of new computer programs are recognised in the balance sheet as an intangible non-current asset provided these expenses do not form part of the hardware acquisition costs. Software is depreciated using the straight-line method over 3 years. Expenses incurred as a result of maintaining or upholding the future usefulness of software are expenses as incurred unless the changes in the software increase the future economic benefit from the software.

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1.11 Goodwill

(i) Goodwill

Excess value on the purchase of operations that cannot be allocated to assets or liabilities on the acquisition date is classified in the balance sheet as goodwill. In the case of investments in associates, goodwill is included in the cost price of the investment.

The identifiable assets and liabilities on the transaction date are to be recognised at fair value on the transaction date. The minority's share of identifiable assets and liabilities is calculated on the basis of the minority's share of the fair value of the identifiable assets and liabilities.

Should further information on assets and liabilities as at the transaction date come to light after the acquisition has taken place, the assessment of the fair value of assets and liabilities may be altered until the date when the first annual financial statements have been authorised for issue.

Goodwill is not amortised, but an assessment is made each year as to whether the carrying amount can be justified by future earnings. If there are indications of any need to recognise impairment losses relating to goodwill, an assessment will be made of whether the discounted cash flow relating to the goodwill exceeds the carrying amount of goodwill. If the discounted cash flow is less than the carrying amount, goodwill will be written down to its fair value.

(ii) Negative goodwill

Negative goodwill upon the acquisition of operations is recognised in profit or loss after the acquired assets and liabilities have been re-identified and reassessed in order to ensure that the negative goodwill is not due to an error in the valuation of assets or liabilities.

1.12 Research and development

Expenses relating to research are recognised in the income statement when they are accrued. Expenses relating to development are recognised in the income statement when they are incurred unless the following criteria are met in full:

- the product or process is clearly defined and the cost elements can be identified and measured reliably;
- the technical solution for the product has been demonstrated;
- the product or process will be sold or used in the company's operations;
- the asset will generate future economic benefits; and
- sufficient technical, financial and other resources for completing the project are present.

When all the above criteria are met, the costs relating to development start to be recognised in the balance sheet. Costs that have been charged as expenses in previous accounting periods are not recognised in the balance sheet.

Recognised development costs are depreciated on a straight-line basis over the estimated useful life of the asset.

The depreciation period will normally not exceed five years.

The fair value of the development costs will be estimated when there is an indication of a fall in value or that the need for previous periods' impairment losses no longer exists.

1.13 Legal obligation

Provisions are recognised when, and only when, the company has a valid liability (legal or estimated) as a result of events that have taken place and it can be proven probable (more probable than not) that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability. Any increase in the provisions due to time is presented as interest costs.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

1.14 Equity

(i) Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying financial reality.

Interest, dividends, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or revenue. Amounts distributed to holders of financial instruments which are classified as equity will be recognised directly in equity. When rights and obligations relating to how amounts are distributed from financial instruments depend on certain types of contingent events in the future and lie outside both the issuer's and holder's control, the financial instrument will be classified as a liability unless the probability of the issuer having to pay cash or other financial assets is remote at the time of issuance. In such case, the financial instrument is classified as equity.

(ii) Other equity

(a) Exchange differences reserve

Exchange differences arise in connection with currency differences when foreign entities are consolidated.

Currency differences relating to monetary items (liabilities or receivables), which are in reality part of a company's net investment in a foreign entities are treated as exchange differences.

When a foreign operation is sold, the accumulated exchange differences linked to the entity are reversed and recognised in the income statement in the same period as the gain or loss on the sale is recognised.

(b) Hedge reserve

The hedge reserve includes the total net change in the fair value of the cash-flow hedge until the hedged cash flow arises or is no longer expected to arise.

1.15 Revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will accrue to the company and the size of the amount can be reliably estimated. Sales revenues are presented net of value added tax and discounts.

Revenues from the sale of goods are recognised in the income statement once delivery has taken place, the risk has been transferred and the company has established a receivable due by customer.

Revenues relating to projects are recognised in the income statement in line with the project's progress and when the project's results can be reliably estimated. From the 1 January 2007 the progress of these projects are decided by the cost incurred for those projects compared to total budgeted cost. When the project's results cannot be reliably estimated, only revenues equal to the accrued project costs will be taken to revenue. Any estimated loss on a contract will be recognised in the income statement for the period when it is identified that the project will lead to a loss.

Interest is recognised in the income statement to the extent that it reflects the effective yield on the asset. Royalties will be recognised in the income statement in relation to the terms and conditions of the various royalty agreements. Dividends are recognised in the income statement when the shareholders' rights to receive dividend have been determined.

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In 2007 the group changed the accounting principle related to recognition of revenues in AKVA group for some type of deliveries. Feed and sensor systems will according to this change be recognised according to IAS 18 instead of the principles in IAS 11 for construction contracts. We find this to be a change in accounting policy and the calculated difference of NOK 4.4 mill is recorded against the equity in 2007 opening balance.

	2006	2005	2004
Net effect in profit & loss	- 2 975	- 1 342	-58

	31.12.2006	31.12.2005	31.12.2004
Net effect on equity	- 4 375	- 1 400	-58

Also, for practical reasons, AKVA group has from 1 January 2007 changed the evaluation of the barge deliveries according to IAS 11. Earlier, the progress of the projects was estimated subjectively based on a number of factors. From the 1 January the progress of these projects are decided by the cost incurred for those projects compared to total budgeted cost. The change will be evaluated as a change of the project estimates and the effect will be included through the profit and loss statement. This change has not implied a material effect.

1.16 Currency

Transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency exchange rate at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the balance sheet date.

Foreign operations

Assets and liabilities in foreign subsidiaries, including goodwill and adjustments for fair value included in the consolidation are translated into NOK using the exchange rate at the balance sheet date. Revenues and costs from foreign operations are translated into NOK using the average exchange rate for the period. The exchange differences arising from the translation are recorded against the equity.

1.17 Employee benefits

Defined contribution plan

All group companies have pension schemes based on contributions from the company to the employees. The companies' payments are recognised in the income statements for the year to which the contribution applies. The companies have no further commitments towards pensions when the agreed contributions are paid. Until December 2007 Polarcirkel AS had a defined benefit plan. The pension scheme was changed into a defined contribution plan in December 2007.

Defined benefit plans

The Norwegian entities have uninsured pension liabilities related to future estimated obligations of AFP (early retirement scheme covering all employees in Norway).

The pension liabilities are calculated by actuaries each year. The pension commitments and pension costs are determined using a linear accrual formula. A linear accrual formula distributes the accrual of future pension benefits in a straight line over the accrual period, and regards the employees' accrued pension rights during a period as the pension costs for the year. The introduction of a new defined benefit plan or any improvement to the present defined benefit plan leads to changes in the pension commitments. These are recognised as expenses in a straight line until the effect of the changes has been accrued. The introduction of new schemes or changes to existing schemes that take place with retroactive force so that the employees have immediately accrued a paid-up policy (or a change in a paid-up policy) is recognised in the income statement immediately. Gains or losses linked to reductions in or terminations of pension plans are recognised in the income statement when they arise. Actuarial gains and losses at year-end are booked against the equity so that the full pensions liability is shown in the balance sheet at year-end.

The pension commitments are calculated on the basis of the present value of future cash flows.

The company's right of reimbursement regarding some or all of previous costs relating to the termination of a defined benefit plan is recognised in the income statement when, and only when, the reimbursement is certain. A separate asset is then recorded and measured at its fair value.

Severance pay

In some countries, the companies are obliged by law to provide severance pay for redundancies due to reductions in the workforce. The costs relating to severance pay are set aside once the management has decided on a plan that will lead to reductions in the workforce and the work of restructuring has started or the reduction in the workforce has been communicated to the employees.

Options

The group has an equity-based option scheme for employees in senior positions. The options are recorded in accordance with IFRS 2. See notes for details.

1.18 Loans

Loans are recognised at the amount received, net of transaction costs. The loans are thereafter recognised at amortised costs using the effective interest rate method, with the difference between the net amount received and the redemption value being recognised in the income statement over the term of the loan.

Borrowing costs are capitalised when the interest costs are incurred during the non-current asset's construction period. The borrowing costs are capitalised until the date when the non-current asset is ready for use. If the cost price exceeds the non-current asset's fair value, an impairment loss is recognised. Borrowing costs are recognised in the income statement when they arise. Borrowing costs are capitalised to the extent that they are directly related to the purchase, construction or production of a non-current asset.

1.19 Government grants

Grants from the authorities are not recognised until it is reasonably certain that the company will meet the conditions stipulated in connection with the receipt of the grants and that the grants will be granted. The recognition of grants is postponed and amortised over the period that the costs relating to that which the grants are intended for are incurred. Grants are recognised as deductions from the cost that the grant is meant to cover. Grants received to buy non-current assets are capitalised.

1.20 Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all taxable temporary differences, with the exception of:

- goodwill for which amortisation is not deductible for tax purposes
- temporary differences relating to investments in subsidiaries, associates or joint ventures when the group decides when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes to utilise the tax asset. At each balance sheet date, the group carries out a review of its unrecognised deferred tax assets and the value it has recognised. The companies recognise formerly unrecognised deferred tax assets to the extent that it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce its deferred tax assets to the extent that it can no longer utilise these.

Deferred tax and deferred tax assets are measured on the basis of the decided future tax rates applicable to the companies in the group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised irrespective of when the differences will be reversed. Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

The tax payable and deferred tax are recognised directly in equity to the extent that they relate to factors that are recognised directly in equity.

Tax payable and deferred tax/tax assets are calculated at the tax rate applicable to accrued, retained equity. The tax effects of dividend are taken into account when the company has incurred an obligation to distribute dividend.

1.21 Impairment of assets

Financial instruments

Financial instruments are reviewed at each balance sheet date in order to discover any decrease in value.

Financial assets which are valued at amortised cost are written down when it is probable that the company will not recover all the amounts relating to contractual issues for loans, receivables or hold-to-maturity investments. The amount of the impairment loss is recognised in the income statement. Any reversal of previous impairment losses is recognised when a reduction in the need to write down the asset can be related to an event after the impairment loss has been recognised. Such a reversal is presented as income. However, an increase in the carrying amount is only recognised to the extent that it does not exceed what the amortised cost would have been if the impairment loss had not been recognised.

For financial assets that are classified as available for sale, the accumulated gain or loss that has been previously recognised directly in equity is recognised in the income statement for the period when objective information on the fall in value is available. That part of the debt instrument that can be recovered is valued at the fair value of the future cash flow discounted at a rate equal to the yield on an identical financial asset. A reversal of a previous impairment loss is recognised when there is new objective information on an event relating to a previous impairment loss. A reversal of a previous impairment loss is recognised directly in equity for equity instruments, but is recognised in the income statement for other financial assets.

Other assets

An assessment of impairment losses on other assets is made when there is an indication of a fall in value. If an asset's carrying amount is higher than the asset's recoverable amount, an impairment loss will be recognised in the income statement. To the extent that the impairment loss relates to buildings that are recognised at revalued amounts, the impairment loss is recognised as a reduction in revaluation surplus to the extent that the impairment loss is not greater than the revaluation surplus for the building. The recoverable amount is the higher of the fair value less costs to sell and the discounted cash flow from continued use. The fair value less costs to sell is the amount that can be obtained from a sale to an independent third party minus the sales costs. The recoverable amount is determined separately for all assets but, if this is impossible, it is determined together with the entity to which the assets belong.

With the exception of goodwill, impairment losses recognised in the income statements for previous periods are reversed when there is information that the need for the impairment loss no longer exists or is not as great as it was. The reversal is recognised as revenue or an increase in other reserves. However, no reversal takes place if the reversal leads to the carrying amount exceeding what the carrying amount would have been if normal depreciation periods had been used.

1.22 Segments

For management purposes, the group is organised into two business areas according to their range of products/services. These business areas comprise the basis for primary segment reporting. Financial information relating to segments and geographical divisions is presented in note 2.

In the segment reporting, the internal gain on sales between the various segments is eliminated.

1.23 Contingent liabilities and assets

Contingent liabilities are defined as
(i) possible obligations resulting from past events whose existence depends on future events.
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources
(iii) obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements. Significant contingent liabilities are stated, with the exception of contingent liabilities where the probability of the liability occurring is remote.

A contingent asset is not recognised in the annual financial statements, but is stated if there is a certain level of probability that a benefit will accrue to the group.

1.24 Events after the balance sheet date

New information on the company's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the company's position at the balance sheet date but which will affect the company's position in the future are stated if significant.

1.25 Use of estimates when preparing the annual financial statements

The annual financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards). This means that the management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. This particularly applies to the recognition of revenue of long-term manufacturing contracts (note 19) and assessment of goodwill (notes 7 and 22). Future events may lead to these estimates being changed. Such changes will be recognised when new estimates can be determined with certainty.

1.26 IFRS and IFRIC Interpretations not yet effective

The group has not applied the following IFRS and IFRIC interpretations that have been issued but are not yet effective:

Change in IFRS 2 Share-based payment
Conditions for earnings and cancellations

This change in IFRS 2 gives a better instruction of conditions for vesting. Further, the accounting of lapsed rights in option programmes that are caused by other conditions than conditions for vesting are not fulfilled, is regulated in this change. The group plan to implement this change from 1 January 2009.

IFRS 3 Business Combinations

Compared with todays IFRS 3 the revised standard implies some changes and clarifications of the use of the purchase method. Amongs other items, goodwill in successive acquisitions, minority interests, contingent compensations and acquisition costs are mentioned. The group plan to implement IFRS 3 (R) from 1 January 2010.

NOTES > GROUP

IFRS 8 Operating Segments
IFRS 8 replaces IAS 14 - Segment reporting. The standard requires that the group uses a management approach to identify the segments. In general, the information reported shall be what the management utilise internally to evaluate the results of the segments and to decide how resources are allocated to the segments. IFRS 8 requires information about the basis the segmentinformation is derived from, and from what type of products and services each segments have revenues from. The group will implement IFRS 8 from 1 January 2009.

IAS 1 (revised) Presentations of Financial Statements
The revised standard will imply changes in the presentations, especially related to the equity statement and will include a presentation of non-owner transactions ”Statement of recognised income and expense”. The group plan to implement IAS 1 (R) from 1 January 2009.

IAS 23 (revised) Borrowing Costs
The most important change in IAS 23 (R) is that it will no longer be possible to record as costs borrowing costs related to a qualifying asset. Capitalising of borrowing costs will be the only accepted solution. The group will implement IAS 23 (R) from 1 January 2009.

IAS 27 (revised) Consolidated and Separate Financial Statements
Compared to the current IAS 27 the revised standard gives more guidance related to recording of a change in investments in subsidiaries and disposal of subsidiaries. Further, the current regulation related to allocation of losses between majority and minority, will be changed so that losses can be allocated to minority though this may become negative. The group plan to implement IAS 27 (R) from 1 January 2010.

Change in IAS 32 Financial Instruments: Disclosure and Presentation and change in IAS 1 Presentations of Financial Statements - Puttable Financial Instruments
Amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for annual periods beginning on or after 1 January 2009. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The group plan to implement the changes in IAS 32 and IAS 1 from 1 January 2009.

IFRIC 11 Group and treasury Share Transactions
IFRIC 11 gives guidance in how IFRS 2 Share-based Payment shall be applied if paying with the company’s own equity instruments or with the equity instruments of other companies in the group. The interpretation requires that an agreement of share-based payments where a company receives goods or services as payment for the equity instruments of the company, should be recorded as a share-based payment transaction settled against equity, regardless on how the equity instrument has been acquired. The group will implement IFRIC 11 from 1 January 2008.

IFRIC 12 Service concession arrangements
IFRIC 12 treats how private operators shall apply existing IFRS standards to account for liabilities and rights in concession arrangements. The group will implement the interpretation from 1 January 2008.

IFRIC 13 Customer loyalty programs
The interpretation treats how loyalty programs a company have towards their customer to reward them for earlier purchases and to give incentives for additional purchases, shall be included and measured. The group will implement IFRIC from 1 January 2009.

IFRIC 14 - IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction
The interpretation treats restrictions related to recording of pension funds were minimum amounts are required by law or contract exceed the liability. The group will implement IFRIC 14 from 1 January 2008.

The group does not expect any material effects on the group accounts when implementing the changes listed above.

NOTE 2 SEGMENT INFORMATION

(in NOK 1 000)

Business segments

OPTECH
The business area’s main products are centralised feed, sensor, software and recirculation systems. The feeding system transport feed from a central location or vessel trough flexible pipes to the cages. The technology is developed by AKVA group and is controlled by a control system, which toghether with sensor ensures optimal production control for the fish farmer. AKVA group is, through the Fishtalk software, the market leader in software to the fish farming industry. The recirculation systems are used in relation to land-based fish farming.

INTECH
The business area’s main products are Polarcirkel plastic cages, Wavemaster steel cages and Akvamaster feeding barges. The company also supply piping and working boats to the aquaculture and other industries.

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	OPTECH			INTECH		
	2007	2006	2005	2007	2006	2005
Operating income	343 302	196 123	125 345	517 522	159 837	20 757
Operating expenses	307 673	164 582	114 228	466 361	149 570	22 707
Operating profit before depreciation and amortisation (EBITDA)	**35 629**	**31 541**	**11 117**	**51 161**	**10 267**	**-1 950**
Depreciation and amortisation	14 852	7 829	5 810	6 762	2 053	-
Operating profit (EBIT)	**20 777**	**23 712**	**5 307**	**44 399**	**8 214**	**-1 950**
Assets	400 612	281 720	124 939	284 164	242 293	-
Liabilites	231 331	119 324	87 195	117 003	114 056	-
Investments in the period	13 426	6 009	7 904	14 276	39 344	-

	TOTAL		
	2007	2006	2005
Operating income	860 824	355 961	146 102
Operating expenses	774 034	314 152	136 936
Operating profit before depreciation and amortisation (EBITDA)	**86 790**	**41 809**	**9 167**
Depreciation and amortisation	21 615	9 882	5 810
Operating profit (EBIT)	**65 176**	**31 927**	**3 357**
Assets	684 776	524 013	124 939
Liabilites	348 334	233 380	87 195
Investments in the period	27 702	45 353	7 904

2007

Geographical segments	Norway	Chile	Canada	Scotland	Iceland	Other	Group
Operating income - external customers	402 252	230 509	81 512	43 767	40 833	61 952	860 824
Assets	388 201	162 659	50 561	38 888	29 705	14 761	684 776
Investments in the period	21 074	3 758	796	375	1 313	386	27 702

2006

Geographical segments	Norway	Chile	Canada	Scotland	Iceland	Other	Group
Operating income - external customers	167 962	129 130	26 453	13 433	-	18 983	355 961
Assets	367 201	112 498	28 959	14 856	-	499	524 013
Investments in the period	25 027	12 933	5 883	1 133	-	377	45 353

2005

Geographical segments	Norway	Chile	Canada	Scotland	Iceland	Other	Group
Operating income - external customers	68 152	45 752	5 113	13 099	-	13 986	146 102
Assets	72 352	39 543	6 463	6 581	-	-	124 939
Investments in the period	5 210	2 694	-	-	-	-	7 904

NOTE 3 WAGES AND REMUNERATIONS

(in NOK 1 000)

Wage costs	2007	2006	2005
Salaries	134 327	45 241	25 435
Payroll tax	13 071	6 337	6 058
Pension costs	-4 133	1 408	1 376
Other benefits	13 546	6 726	2 690
Total pay roll expenses	**156 811**	**59 713**	**35 560**
Number of employees at yearend:	589	347	105
The average number of employees in full time equivalent in the group during the year is:	490	226	101

NOTES > GROUP

Remuneration to group management 2007	Salary	Pension	Other	Bonus	Options	Total
Knut Molaug (CEO)	1 265	41	159	94	386	1 945
Rolf Andersen (CFO)	947	37	4	60	214	1 262
Trond Severinsen (CMO)	812	40	109	67	172	1 200
Jone Gjerde (COO)	521	26	512	-	81	1 140
Patrick Dempster (GM North America)	1 036	-	115	42	172	1 365
Morten Nærland (GM Chile)	1 014	-	-	-	172	1 186

Upon retirement the CEO can claim 6 months of salary beyond the termination period.

The Norwegian group companies had a bonus program for all employees in 2007. According to the program a maximum bonus equivalent to 2 monthly salaries could be earned based on the EBIT of the companies.

Loan and pledge
The group has not given any loans or pledges to members of the Board or group management as of December 31.

Stock options
A stock option plan was introduced in 2006. The remuneration related to options is a calculated theoretical amount based on the time value in the option period. There has been no exercises of options in 2007, neither any payments in connection with the option plan. See details of stock options to group management in note 14 and also note 21.

Remuneration to group management 2006	Salary	Pension	Other	Bonus	Options	Total
Knut Molaug (CEO)	1 082	41	159	394	31	1 707
Rolf Andersen (CFO)	691	37	4	260	17	1 009
Trond Severinsen (CMO)	776	40	109	67	14	1 006
Patrick Dempster (CTO)	1 067	-	40	42	14	1 163
Morten Nærland (GM Chile)	960	-	-	-	14	974
Johan Roger Smith-Nilsen (COO)	661	13	25	0	7	706

Fees to the Board of Directors	Position	2007	2006	2005 1)
Steven Morell	Chairperson	250	133	30
Arne Økland	Member of the Board	140	49	-
Thorhild Widvey	Member of the Board	125	33	-
Anne Breiby	Member of the Board	125	33	-
Thore Michalsen	Member of the Board	140	49	-
Kenneth Idland	Member of the Board	30	26	15
Jens Christian Hernes	Member of the Board	30	26	15
Ian Lozano	Former member of the Board	117	49	-
Allan Troelsen	Former member of the Board	-	30	17
Gunnar Kluge	Former member of the Board	-	30	30
Åsmund Frøseth	Former member of the Board	-	-	12
Trond Bjørnøy	Former member of the Board	-	-	45 2)
Haakon Skaarer	Former member of the Board	-	30 2)	-

1) The fee for 2005 was paid to the members in 2006.
2) The fee was paid to the company they represented in the board.

Establishment of salaries and other remuneration to executive management
The remuneration of the executive management is based on the principle that the base salary shall promote value creation in the company and contribute to coincident interests between owners and the executive management.

As the leading aquaculture technology supplier, AKVA group is dependent to offer salaries and remunerations that secure that the most compentent management is recruited. It is the policy of the Board of Directors that in order to recruit the most competent management, the company has to offer salaries and remunerations which are satisfactory to the management and are able to compete in an international market.

The Board of Directors has established a remuneration comittee which shall act as a preliminary organ in relation to the Boards role in the establishment of remuneration to the Chief executive officer and other members in the group management.

It is the company's policy that the remuneration of the executive management principally is based on a fixed monthly salary which reflects the tasks and responsibility of the employment. This remuneration is established on an individual basis. The fixed monthly salary is determined amongst other of the following factors:

- Experience and competence of the executive manager
- Responsibility
- Competion from the market

Total variable remuneration shall not in normal cases exceed the value of the fixed remuneration. AKVA group has a bonus program for all employees in Norway. AKVA group introduced in 2006 a stock option plan. Stock options are granted to the executive management and other senior employees.

The agreed pension plan is the same for the executive management as for the rest of the Norwegian employees.

NOTES > GROUP

Fees to auditor	2007	2006	2005
Audit	1 690	1 153	240
Tax services	190	140	232
Attestation services	20	10	12
Other services	1 760	699	22
Total	**3 660**	**2 002**	**506**
Hereof recorded against acquisition cost of purchased companies	1 483		
Hereof recorded against equity related to share issues		1 202	-

Fee to auditor also includes the fee to auditors of other acquired companies in 2007.

All fees to the auditor is excl. VAT.

NOTE 4 GOVERNMENT GRANTS AND SUBSIDIES

(in NOK 1 000)

Government grants	2007	2006	2005
"Skattefunn"	1 411	1 618	1 565
The Research Council of Norway	85	327	421
Other	798	626	483
Total	**2 294**	**2 571**	**2 469**

NOTE 5 TAXES

(in NOK 1 000)

Tax expense	2007	2006	2005
Current taxes payable	5 963	2 068	554
Adjustment related to previous year	-363		
Change in deferred taxes	5 504	3 211	247
Total tax expense	**11 104**	**5 279**	**801**
Calculation of the basis for taxation			
Profit before tax	63 113	30 572	1 410
Permanent differences	4 571	-11 550	636
Change in temporary differences	-40 225	-12 192	1 209
Tax base	**27 460**	**6 830**	**3 255**
Specification of temporary differences			
Current assets	-2 557	-1 451	-20 924
Fixed assets	-4 046	-15 130	-12 697
Provisions	-1 939	-5 167	7 679
Pension obligations	-1 512	-12 541	-505
Losses carried forward	-94 406	-51 962	-55 024
Other	9 670	-3 310	14
Total	**-94 790**	**-89 561**	**-81 457**
Calculated deferred tax assets	-25 988	-24 981	-23 055
Deferred tax asset not recognised in balance sheet	5 218	6 551	7 258
Deferred tax asset	**-20 770**	**-18 430**	**-15 797**

The group has a tax loss carry forward of NOK 94.4 mill whereof NOK 92.5 mill is available indefinitely for offset against future taxable profits of the companies in which the losses arose. The deferred tax asset recognised in the balance sheet is made probable due to future earnings in the subsidiaries and tax planning.

NOTES > GROUP

Effective tax rate	2007	2006	2005
Expected income taxes, statutory tax rate of 28%	17 672	8 560	395
Permanent differences (28%)	1 280	-3 234	178
Deviation between Norwegian and foreign tax rate	-1 550	-753	-38
Tax effect of share issue costs	-	3 790	-
Excess(-)/insufficient(+) provisions in former years	-363		
Not capitalised deferred tax asset in subsidiaries	-5 935	-3 084	267
Income tax expense	**11 104**	**5 279**	**801**
Effective tax rate in percent of profit before tax	17.6 %	17.3 %	56.8 %

Expiry dates of Tax Loss Carry Forwards	
2008	-
2009	-625
2010	-
2011	-
2012	-
2013	-
2014	-608
2015	-636
2016	-
2017	-
Tax loss carryforwards without time restrictions	-92 537
Total	**-94 406**

About 2/3 of the tax loss carryforwards without time restrictions is related to Norwegian tax jurisdiction.
The companies included in the group are expected to have positiv earnings in the coming years and the tax loss carry forwards can be offset against these profits.

NOTE 6 NET EARNINGS PER SHARE

(in NOK 1 000)

	2007	2006	2005
Ordinary profit/net income	52 009	25 293	609
Number of ordinary shares outstanding per 31.12.	17 222 869	17 222 869	23 480 922
Weighted average number of ordinary shares	17 222 869	8 918 090	23 480 922
Earnings per share (NOK)	3.02	2.84	0.03
Diluted number of shares	17 271 167	8 918 090	23 480 922
Diluted earnings per share	3.01	2.84	0.03

The diluted number of shares is calculated based on the stock option plan introduced in 2006 and on the number of options in the money at the end of the year. At 31.12.2006 diluted number of shares was equal to number of ordinary shares. See note 21 Options to employees.

NOTE 7 INTANGIBLE ASSETS

(in NOK 1 000)

2007	Goodwill	Development costs	Product rights, patents & trademarks	Total 2007
Acquisition cost at 01.01.	93 695	12 782	35 985	142 462
Acquisition cost during the year	-	10 324	254	10 578
Additions related to investments in subsidaries	44 977	7 167	61 945	114 089
Disposals during the year	-	-	-	-
Acquisition cost 31.12.	138 672	30 273	98 184	267 129
Accumulated amortisation at 01.01.	395	2 486	9 569	12 450
Accumulated amortisation acquired companies	-	6 944	29 946	36 890
Accumulated amortisation disposals during the year	-	-	-	-
Amortisation during the year	-	4 683	9 071	13 754
Accumulated amortisation 31.12.	395	14 113	48 586	63 094
Net book value at 31.12.	**138 277**	**16 160**	**49 598**	**204 035**

NOTES > GROUP

2006	Goodwill	Development costs	Product rights, patents & trademarks	Total 2006
Acquisition cost at 01.01.	3 009	6 627	17 978	27 614
Acquisition cost during the year	-	5 681	707	6 388
Additions related to investments in subsidaries	90 686	474	17 300	108 460
Disposals during the year	-	-	-0	-0
Acquisition cost 31.12.	93 695	12 782	35 985	142 462
Accumulated amortisation at 01.01.	395	742	5 101	6 238
Accumulated amortisation acquired companies	-	-	-	-
Accumulated amortisation disposals during the year	-	-	-	-
Amortisation during the year	-	1 744	4 468	6 212
Accumulated amortisation 31.12.	395	2 486	9 569	12 450
Net book value at 31.12.	**93 300**	**10 296**	**26 416**	**130 012**

2005	Goodwill	Development costs	Product rights, patents & trademarks	Total 2005
Acquisition cost at 01.01.	3 009	2 291	17 728	23 028
Acquisition cost during the year	-	4 336	250	4 586
Additions related to investments in subsidaries	-	-	-	-
Disposals during the year	-	-	-	-
Acquisition cost 31.12.	3 009	6 627	17 978	27 614
Accumulated amortisation at 01.01.	395	210	1 702	2 307
Accumulated amortisation disposals during the year	-	-	-	-
Amortisation during the year	-	532	3 399	3 931
Accumulated amortisation 31.12.	395	742	5 101	6 238
Net book value at 31.12.	**2 614**	**5 885**	**12 877**	**21 376**

Both the parent company and the subsidiaries use linear amortisation of all intangible assets. The useful economic life for the intangible assets are estimated as: Development 3-5 years, Patents 20 years, trademarks 5 years and product rights 5-10 years.

Goodwill:
After the acquisition of Wavemaster, Polarcirkel, Maritech and UNI Aqua, AKVA group is the leading provider with a strong market position in an industry which is based on renewable resources. See impairment test of goodwill below.

Development Costs:
The company has capitalised all direct costs related to development of software and tangible products that are expected to create economic benefits and meet the requirements for capitalisation in IAS 38. See also note 8.

Patents & trademarks:
The acquisition cost is related to the acquisition of Superior Systems AS (2001), Vicass (2002), Cameratech (2004), Ocean Service Log (2004), Polarcirkel/Wavemaster (2006) and Maritech/UNI Aqua (2007)

Impairment test of goodwill:
Intangible assets with indefinite useful life and goodwill are not amortised. However, these assets are tested annualy for impairment. Goodwill acquired through business combinations have been allocated to the following cash-flow generating units:

Book value of goodwill:	2007	2006
OPTECH		
Software and IT-services	39 921	2 968
Uni recirculation	10 049	0
INTECH		
Plastic cages	49 271	49 271
Steel cages	39 036	41 061
Total	**138 277**	**93 300**

The recoverable amount for the different cash-generating units is determined using cash flow projections from financial budgets approved by the Board of Directors. The pre-tax discount rate applied to cash flow projections is 14%. Cash flow beyond the budget period are extrapolated using a 5% growth rate, which is a conservative estimate of the growth of the aquaculture industry.

NOTES > GROUP

Key assumptions used for calculations:
- Gross margin - the rates are only with immaterial changes based on achieved gross margins during the last three years
- Discount rates - 14%
- Raw material prices - it is expected that any change in the raw material prices during a reasonable time period will be reflected in product market prices and thus not have any material effect on achieved gross margins
- Market share during the period - the calculations are based on the assumption that market share will not change significantly from the date of the calculation
- Growth rate - the aquaculture industry is expected to have a high growth in the foreseeable future. The applied growth rate of 5% is a conservative estimate of this growth
- Currently, the salmon industry is an important basis of the revenues of the company. Due to the expected cyclicality of this industry the growth rate can vary significantly from year to year

NOTE 8 RESEARCH AND DEVELOPMENT

During the year the group expensed NOK 8.9 mill (NOK 4.6 mill in 2006 and NOK 5.4 mill in 2005) on research and development on new products and technology as well as upgrades on existing products. The amount does not include capitalised development costs according to IAS 38 (see details in note 7).

NOTE 9 TANGIBLE FIXED ASSETS

(in NOK 1 000)

2007	Land and building	Machinery and equipment	Total
Acquisition cost at 01.01.	0	38 878	38 878
Additions related to investments in subsidiary during the year	5 182	11 327	16 509
Additions during the year	0	18 561	18 561
Disposals during the year	0	-3 436	-3 436
Acquisition cost 31.12.	5 182	65 331	70 513
Accumulated depreciation 01.01.	0	16 564	16 564
Accumulated depreciation acquired companies	3 894	8 725	12 619
Depreciation during the year	85	7 776	7 861
Accumulated depreciation disposals during the year	-	-526	-526
Accumulated depreciation 31.12.	3 979	32 539	36 518
Net book value 31.12.	**1 203**	**32 792**	**33 995**
Both the parent company and the subsidiaries use linear depreciation for all tangible assets. The useful economic life (in years) is estimated to:	> 10	3-10	

2006	Machinery and equipment	Total
Acquisition cost at 01.01.	19 361	19 361
Additions during the year	23 190	23 190
Disposals during the year	-3 673	-3 673
Acquisition cost 31.12.	38 878	38 878
Accumulated depreciation 01.01.	13 868	13 868
Depreciation during the year	3 670	3 670
Accumulated depreciation disposals during the year	-973	-973
Accumulated depreciation 31.12.	16 565	16 565
Net book value 31.12.	**22 313**	**22 313**
Both the parent company and the subsidiaries use linear depreciation for all tangible assets. The useful economic life (in years) is estimated to:	3-10	

NOTES > GROUP

2005	Machinery and equipment	Total
Acquisition cost at 01.01.	16 553	16 553
Acquisitions during the year	3 316	3 316
Disposals during the year	-508	-508
Acquisition cost 31.12.	19 361	19 361
		0
Accumulated depreciation 01.01.	12 367	12 367
Depreciation during the year	1 880	1 880
Accumulated depreciation disposals during the year	-380	-380
Accumulated depreciation 31.12.	13 867	13 867
		0
Net book value 31.12.	**5 494**	**5 494**
Both the parent company and the subsidiaries use linear depreciation for all tangible assets. The useful economic life (in years) is estimated as:	3-10	

NOTE 10 SUBSIDIARIES AND OTHER LONG-TERM INVESTMENTS

(in NOK 1 000 unless stated otherwise)

Subsidiaries consolidated in the group accounts Company	Acquisition date	Location	Share ownership	Voting rights
AKVAsmart Canada Inc	1995	Canada	100 %	100 %
AKVAsmart Chile S.A.	1998	Chile	100 %	100 %
AKVA group Scotland Ltd.	1997	Scotland	100 %	100 %
AKVA Ltd [1)]	1998	Scotland	100 %	100 %
Superior Systems AS	1997	Norway	100 %	100 %
AKVA AS	2001	Norway	100 %	100 %
Feeding Systems Chile Ltda	2003	Chile	100 %	100 %
Akvasmart AS	2004	Norway	100 %	100 %
CameraTech AS [2)]	2004	Norway	100 %	100 %
AKVAsmart Ltd. (Turkey)	2005	Turkey	100 %	100 %
AKVA services AS	2006	Norway	100 %	100 %
Polarcirkel AS	2006	Norway	100 %	100 %
Wavemaster Ltd	2006	Ireland	100 %	100 %
Wavemaster Maestranza Chile SA [3)]	2006	Chile	100 %	100 %
Integración de Tecnologías Medioambientales S.A. [3)]	2006	Chile	100 %	100 %
Wavemaster Canada Ltd	2006	Canada	100 %	100 %
Wavemaster Net Services Ltd	2006	Canada	100 %	100 %
Louvier Holding Inc	2006	Canada	100 %	100 %
Maritech International AS	2007	Norway	100 %	100 %
Maritech AS [4)]	2007	Norway	100 %	100 %
Maritech ehf [4)]	2007	Iceland	100 %	100 %
Maritech UK [4)]	2007	Scotland	100 %	100 %
Maritech Chile Ltda [4)]	2007	Chile	100 %	100 %
Surefish Inc. [4)]	2007	USA	100 %	100 %
Uni-Aqua AS	2007	Denmark	100 %	100 %

[1)] Subsidiary of AKVA group Scotland Ltd.
[2)] Subsidiary of AKVAsmart AS
[3)] Subsidiary of AKVAsmart Chile SA
[4)] Subsidiary of Maritech International AS

Other long-term investments	Currency	Share capital	Number of shares	Par value (NOK)	Book value	Ownership
Centre for Aquaculture Competence AS	NOK	450	150	1 000	153	33 %
Blue Planet AS	NOK	1 350	2	50 000	100	7 %
Total					**253**	

NOTES > GROUP

NOTE 11 STOCK

(in NOK 1 000)

	2007	2006	2005
Raw materials (at cost)	21 873	19 774	2 224
Work in progress (at cost)	23 673	15 576	-
Finished goods (at net realisable value)	73 205	60 995	26 213
Total	**118 750**	**96 344**	**28 437**

Write-down of obsolete stock 1.1	2 276	2 600	2 100
Write-down of obsolete stock during the year	-1 576	-324	762
Write-down of obsolete stock 31.12	**700**	**2 276**	**2 862**

NOTE 12 RECEIVABLES

(in NOK 1 000)

Receivables due in more than one year

	2007	2006	2005
Other long-term receivables	1 854	1 181	190
Total	**1 854**	**1 181**	**190**

Accounts receivables

The recorded accounts receivables are shown net of estimated bad debt loss. The estimated bad debt loss is:

	2007	2006	2005
Bad debt provision 1.1	1 700	942	722
Increase in bad debt provision related to acquisitions	559	500	-
Change in bad debt provision	1 904	258	257
Bad debt provision 31.12.	**4 163**	**1 700**	**979**

Recorded bad debt cost during the year	893	133	199
Change in bad debt provision	1 904	259	257
Total bad debt cost during the year	**2 797**	**392**	**456**

Reference is made to note 18 for more details of credit and currency risk related to accounts receivable.

As of 31.12 the group had the following ageing profile of outstanding accounts receivables:

	Total	Not due	Due <30 days	Due 31-60 days	Due 61-90 days	Due > 91 days
2007	188 217	117 897	33 272	14 989	17 647	4 412
2006	102 033	64 968	23 023	7 812	4 984	1 246

NOTE 13 BANK DEPOSITS

(in NOK 1 000)

	2007	2006	2005
Restricted bank deposits	3 887	2 246	1 250
Overdraft limit	62 812	35 550	11 550
Utilised end of year	4 371	15 238	11 452

NOTES > GROUP

NOTE 14 SHAREHOLDERS

(in NOK 1 000)

The company's share capital is NOK 17.2 mill divided into 17.2 mill shares, each with a par value of NOK 1.
The company has only one category of shares and all shares entitle shareholders to equal rights in the company.

The 20 largest shareholders	Number of shares	Ownership in % of total shares
Helgeland Holding AS	2 678 023	15.5 %
Norsk Vekst ASA	1 720 840	10.0 %
Teigen, Frode	1 633 600	9.5 %
Skagen Vekst	1 609 200	9.3 %
Sociedad de inversiones ABSO	939 635	5.5 %
Sociedad de inversiones F&A	890 835	5.2 %
Reachmaster Ltd.	674 739	3.9 %
State Street Bank and Trust Co. - OM08	657 500	3.8 %
Skandinaviske Enskilda Banken	531 932	3.1 %
RBC Dexia Investor Services Bank	509 600	3.0 %
State Street Bank and Trust Co. - OM04	367 200	2.1 %
Goldman Sachs Int. Equity	363 483	2.1 %
Havbruksconsult AS	332 157	1.9 %
Molaug, Knut	309 028	1.8 %
Ole Molaug Eiendom AS	292 692	1.7 %
Saga Equity Fund	276 800	1.6 %
Sis Segaintersettle AG	275 079	1.6 %
RBC Dexia Investor Services Trust	232 906	1.4 %
MP Pensjon	190 000	1.1 %
Kluge, Gunnar	173 150	1.0 %
Other	2 564 470	14.9 %
Total	**17 222 869**	**100.0 %**

Shares owned by members of the Board of Directors	Number of shares	Options
Kenneth Idland	7 872	-
Anne Breiby	1 800	-
Jens Chr. Hernes	-	21 254

Shares owned by group management	Number of shares	Options
Knut Molaug (CEO)	309 028	127 526
Rolf Andersen (CFO)	200	70 848
Trond Severinsen (CMO)	11 450	56 678
Jone Gjerde (COO)	-	56 678
Patrick Dempster (GM North America)	200	56 678
Morten Nærland (GM Chile)	-	56 678

NOTE 15 PENSIONS

(in NOK 1 000)

The pension schemes in all the Norwegian legal entities are defined contribution plans where agreed contributions are expensed as paid. In Polarcirkel AS the defined benefit plan was replaced with a contribution plan in 2007. The recorded pension liability in Polarcirkel AS as per 31.12.06 has been reversed in 2007 and the effect has been booked as a reduction in the personnel cost. The companies have no further commitments towards pensions when the agreed contributions are paid. All pensions costs are included in payroll expenses in the profit and loss statement.

Contribution plans	2007	2006	2005
Contributions expensed during the year	2 410	1 161	871

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Benefit plans

The Norwegian legal entities also have uninsured pension liabilities related to future estimated obligations related of AFP (early retirement scheme covering all employees in Norway). A summary of the actuarial calculations of the total pension liability is shown below:

	2007	2006	2005
Service cost	266	856	68
Interest cost	58	704	19
Return on pension funds	-	-451	-
Recorded effect of deviations from estimates	-	-	-
Social security tax *	-23	67	12
Net pension cost	**301**	**1 176**	**99**

** The negative amount is related to reduced Social security tax rate in Northern Norway from 2006 to 2007*

Actual return on plan assets, ref IAS 19.120A, is not applicable. See comments about AFP pension scheme below.

Benefit obligation	**2007**	**2006**	**2005**
Estimated pension obligations at 31.12.	1 532	21 472	577
Pension plan funds (market value) at 31.12.	-	-9 113	-
Unrecognised effects of deviations from estimates	-	-	-135
Social security tax	144	879	62
Net benefit obligations	**1 676**	**13 238**	**505**

Changes in the present value of the defined benefit obligation are as follows	**2007**	**2006**	**2005**
Defined benefit obligation at 01.01.	13 238	505	406
Interest cost	58	704	19
Current service cost	243	472	80
Benefits paid	-	-1 267	-
Business combinations	-	12 824	-
Changed pension scheme in group companies	-11 863	-	-
Defined benefit obligation at 31.12.	**1 676**	**13 238**	**505**

According to IAS 19.120A the company shall inform of the changes in the fair value of plan assets. Since the group has no other defined benefit plans other than an unsecured early retirement scheme (AFP) there are no plan assets.

The group expects to contribute NOK 0.6 mill to its defined benefit pensions plan in 2008.

A listing of the major categories of plan assets as a percentage of the fair value of total plan assets, ref IAS 19.120A, is not applicable for the group since the benefit plans are related to unsecured AFP pension scheme and hence there are no plan assets.

Economical assumptions	**2007**	**2006**	**2005**
Discount rate	5.10 %	4.35 %	4.50 %
Expected wage growth	4.50 %	4.00 %	3.50 %
Expected social security base adjustment	4.25 %	4.00 %	3.00 %
Expected return on pension funds	6.10 %	5.40 %	5.50 %
Expected increase in pension	4.25 %	1.60 %	3.00 %
Expected turnover < 40 years	2.00 %	2.00 %	2.00 %
Expected turnover > 40 years	0.00 %	0.00 %	0.00 %

The actuarial calculations are based on assumptions of demographical factors normally used within the insurance industry.

According to Norwegian legislation the entities need to have a pension scheme for the employees. The existing pension schemes meet the requirements in the legislation.

NOTES > GROUP

NOTE 16 LIABILITIES

(in NOK 1 000)

Long-term liabilities due in more than 5 years	2007	2006	2005
Liabilities to financial institutions	39 265	1 913	-
Total	**39 265**	**1 913**	**-**

	2007	2006	2005
Liabilities secured with assets	115 293	39 294	24 641

Secured assets	2007	2006	2005
Accounts receivables	50 000	73 715	28 767
Stock	25 000	44 804	12 978
Other assets	238 918	184 533	41 946
Total	**313 918**	**303 052**	**83 691**

Repayment of debt
The company's long-term debt as at December 31, matures as follows.

	Long-term debt
2008	16 228
2009	15 147
2010	15 147
2011	15 147
2012	15 147
2013	15 147
Subsequent to 2013	24 118
Total	**116 081**
Average interest rate	5.90 %

The part of the long-term debt due within one year is reclassified to short-term interest bearing debt.

NOTE 17 SPECIFICATION OF ITEMS THAT ARE GROUPED IN THE FINANCIAL STATEMENT

(in NOK 1 000)

	2007	2006	2005
Financial income			
Other interest income	4 567	632	118
Agio gain	-	1 079	481
Other financial income	1 573	11	19
Total financial income	**6 140**	**1 723**	**618**
Financial expenses			
Interest expenses	7 604	2 310	2 236
Agio loss	283	-	-
Other financial expenses	315	768	329
Total financial expenses	**8 202**	**3 078**	**2 565**
Other operating expenses			
Accomodation, materials, equipment and maintenance	31 570	10 415	5 424
Marketing, travelling and communication	34 784	12 395	7 059
Other operating expenses	14 313	8 654	2 077
Total other operating expenses	**80 667**	**31 464**	**14 560**
Other current liabilities			
Accrued costs	12 142	10 161	8 587
Guarantee provisions	2 417	1 779	1 359
Other current liabilities	31 723	18 402	3 448
Total other current liabilities	**46 281**	**30 342**	**13 394**

NOTES > GROUP

NOTE 18 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(in NOK 1 000)

Currency risk
As part of the international activity the group's assets and liabilities as well as expected cash inflow and cash outflow are exposed to changes in the currency rates. Such risk is sought reduced by using currency forward contracts.
The currency risk is managed by the parent company in cooperation with the subsidiaries. In order to hedge the value of the items in the balance sheet denominated in a foreign currency the group had the following positions through forward contracts, all contracts with maturity in 2007:

Currency		Bought/ sold	Net currency amount (in thousands)
American Dollar	USD	Sold	10 115
British Pound	GBP	Sold	1 200
Canadian Dollar	CAD	Sold	800
Euro	EUR	Sold	140
Icelandic Kroner	ISK	Sold	113 000
Chilean Pesos	CLP	Sold	673 154
Norwegian Kroner	NOK	Bought	92 566

Profit and loss from the above currency contract are recorded directly via the income statement under financial items.
At the end of the year it was recorded an unrealised gain of KNOK 2 205. The forward contracts are valued at estimated fair value.

As the group has revenues and costs denominated in different currencies the net value of the expected future cash inflow and cash outflow is exposed to changes in the currency rates. Based on group policy on these matters such risk is managed by using currency forward contracts in order to reduce the risk. At the end of the year the group had the following positions in forward contracts in order to hedge expected future cash flow. The expected cash flows subject to hedging are expected to take place during the first half of 2008 and hence be recognized in the income statement during the same period. All currency contracts expire in 2008.

Currency		Bought/ sold	Net currency amount (in thousands)
American Dollar	USD	Sold	1 740
British Pound	GBP	Sold	600
Canadian Dollar	CAD	Sold	400
Euro	EUR	Bought	13 300
Chilean Pesos	CLP	Bought	246 225
Norwegian Kroner	NOK	Sold	89 959

At the end of the year it was recorded a gain of KNOK 460 directly against the equity related to hedging of expected future cash flow. The forward contracts are valued at estimated fair value. When the expected cash flow is translated into an item in the balance sheet or actually takes place, the recorded profit loss booked directly against the equity is reversed and included in the income statement together with the actual cash item in question. Any non-effective part of the hedge is booked as currency loss or gain under financial items in the income statement.

In the long run it is not possible to hedge the effects of changing currency rates. Especially within OPTECH with the deliveries of feeding equipment and sensors the group have a dominant cost base in NOK and is therefore exposed to the strenghtening of the NOK. In 2007 the group had export sales of about 80 MNOK of these products. A 10% strenghtening of the NOK would then decrease the earnings with about 8 MNOK before possible price increases in the market.
About 50% of this exposure was related to sales in USD (sales in Chile). To decrease this exposure the group is working towards a more flexible cost structure for these products. The group has the same exposure in relation to other products but normally with a higher local cost base.

Interest rate risk
The group's interest bearing debt is based on a floating interest rate which implies that interest payments over time will fluctuate according to the changes in the interest rate level. The major part of the interest bearing debt is in NOK. To reduce the interest rate risk it is the strategy of the group to have a balanced mix between equity and debt financing vs the market risk in its industry. With the net interest bearing debt at year end interest cost would have been 0.3 MNOK higher with a 1% higher interest rate during the year.

Credit risk
Part of the sale is credit sales where the group is exposed to credit risk towards the customer. The group has generally had low losses on outstanding receivables. For larger projects there are normally pre-payments from the customer and milestone payments along the progress of the project which reduce the credit risk towards the customers. To some extent the group uses trade finance instruments to reduce credit risk. For details of ageing of accounts receivables, see note 12.

NOTES > GROUP

Market risk
In 2007 almost 80% of the revenues of the group came from customers producing salmon. To decrease the group's dependency of the salmon industry the group has launched a strategy to increase the share of revenues related to the aquaculture of other species than salmon to 50% within 2015. Due to the market variation in the different salmon markets the revenues can vary between years. Still, the aquaculture industry in general is expected to be a high growth industry in the foreseeable future.

Based on the assumption that a change in sales will not affect the product gross margin and that other operating costs short term only will change 50% of the change in sales – a change in the revenues of the group would have had the following impact on net income (25% tax rate used):

Change in sales	Change in net income/equity
10 %	15 415
5 %	7 707
2 %	3 083
-2 %	-3 083
-5 %	-7 707
-10 %	-15 415

To further evaluate the group's sensitivity to changes in the different markets see more details in note 2 about market size.

NOTE 19 LONG-TERM CONTRACTS

(in NOK 1 000)

Revenue and profits on long-term contracts are recognised using the percentage of completion method. This method implies that profit is recognised according to the progress of the work, whereas any losses are fully recorded when incurred.

	2007	2006
Total value of ongoing contracts	210 494	244 921
Total sales included from ongoing contracts 31.12.	110 949	140 405
Not invoiced work-in-progress included as accounts receivables	6 907	5 841
Remaining production on loss contracts	-	6 840

NOTE 20 OPERATIONAL LEASES

(in NOK 1 000)

The group has entered into several operating leases for offices, machinery and other equipment. The cost is as follows:

Operating leasing cost	**2007**	**2006**	**2005**
Operational leasing costs	2 006	1 233	696
Rent costs on buildings	9 953	5 053	2 774
Total	**11 959**	**6 286**	**3 470**

The future minimum rents related to non-cancellable leases fall due as follows for the group:

	Within 1 year	**1 - 5 years**	**After 5 years**
Machinery and equipment	1 025	1 568	-
Vehicles	1 354	1 469	-
Offices and buildings	9 065	23 986	9 714
Payments from subleases	-117	-	-
Total	**11 327**	**27 022**	**9 714**

The main office lease agreement (headquarter) expires in 2011. The agreement includes an option to extend the agreement for 5 years.

NOTES > GROUP

NOTE 21 OPTIONS TO EMPLOYEES

(in NOK 1 000)

The company has an option programme covering employees in selected senior positions. The option programme was established in connection with listing of the company at Oslo Stock Exchange in November 2006. New options has been granted during 2007.

The options have a 5 years vesting period. One third of the options can be vested after 1, 2 and 3 years. The options can be exercised at vesting date or anytime later in the 5 year period. The first possible vesting date was in November 2007. The strike price for the options is equal to the market price when the options are being granted. The strike price of the outstanding options varies between 35.00 - 45.30 per share.

The fair value of the options has been calculated at grant date and charged to expenses over the period the options are earned (3 years). KNOK 1 459 has been charged to expenses in 2007 related to the option programme.

	2007	2006
Total available options that can be issued	1 012 109	1 012 109
Available options not issued at year end	445 328	466 583
Options vested during the year	-	-
Oustanding options as per 31.12.	566 781	545 526

The fair value of the options has been estimated using the Black&Scholes option-pricing model. The average fair value of the optiones granted. The average fair value of the options granted in 2007 is 10.56. The calculation is based on the following assumptions:

Strike price
The strike price is equal to the the stock exchange price at grant date.

Volatility
The expected volatility is based on historic volatility for peer group companies (35%).

The term of the option
In the calculation the expected average period to vesting is 3,5 years.

Dividend
The calculation is based on no dividend being paid in the vesting period.

Risk-free interest rate
The risk-free interest rate assumed when calculating the fair value was equal to the interest rate on goverment bonds at the time of the calculation.

NOTE 22 ACQUISITIONS

(in NOK 1 000)

For 2007 the following acquisitions have been made:

Maritech International AS
The acquisition date was 1 May 2007. The company is delivering software to the aquaculture and other industries. AKVA group purchased 100% of the outstanding shares in the company. The purchase included the shares of several legal entities known as the Maritech group. The agreed purchase price was MNOK 88.6. The purchase price was settled in cash.

	Fair value recognised on acquisition	Previous carrying value
Intangible assets	40 756	25 756
Tangible fixed assets	5 232	5 232
Financial fixed assets	5 583	5 583
Inventories	6 973	6 973
Receivables	45 636	45 636
Cash	15 114	15 114
Total assets	**119 295**	**104 295**

NOTES > GROUP

	Fair value recognised on acquisition	Previous carrying value
Provisions	-12	-12
Long term liabilities	-17 934	-17 934
Trade payables	-9 951	-9 951
Other current liabilities	-46 938	-46 938
Total liabilities	**-74 835**	**-74 835**
Net assets	44 460	29 460
Goodwill	48 634	
Total consideration	**93 094**	

Purchase price	88 583
Costs associated with the acquisition	4 511
Total	**93 094**

Cash outflow on acquisition	**2007**
Net cash acquired with the subsidiary	15 114
Cash paid	-93 094
Net cash outflow	**-77 980**

Net income	**2007**
Net income in 2007 - consolidated from 01.05.07	13 963
Net income in 2007 - if consolidated from 01.01.07	16 153

The goodwill of KNOK 48 634 comprises the fair value of expected synergies arising from the acquisition and the competence of the employees. The allocation of the purchase price is preliminary. A final allocation of the excess values will be done within a year from the acquisition date.

UNI Aqua AS
The acquisition date was 1 October 2007. The group is delivering recirculation systems to the aquaculture industry.
In 2007 AKVA group acquired 100% of the outstanding shares in the company. The agreed purchase price was MNOK 15.8. The purchase price was settled in cash.

	Fair value recognised on acquisition	Previous carrying value
Intangible assets	3 407	407
Tangible fixed assets	230	230
Financial fixed assets	424	424
Inventories	199	199
Receivables	5 059	5 059
Cash	583	583
Total assets	**9 902**	**6 902**
Provisions	-89	-89
Trade payables	-2 010	-2 010
Other current liabilities	-1 612	-1 612
Total liabilities	**-3 711**	**-3 711**
Net assets	6 191	3 191
Goodwill	9 839	
Total consideration	**16 030**	

Purchase price	15 775
Costs associated with the acquisition	255
Total	**16 030**

Cash outflow on acquisition	**2007**
Net cash acquired with the subsidiary	583
Cash paid	-16 030
Net cash outflow	**-15 447**

Net income	**2007**
Net income in 2007 - consolidated from 01.10.07	835
Net income in 2007 - if consolidated from 01.01.07	2 417

NOTES > GROUP

The goodwill of KNOK 9 839 comprises the fair value of expected synergies arising from the acquisition and the competence of the employees. The allocation of the purchase price is preliminary. A final allocation of the excess values will be done within a year from the acquisition date.

NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE

(in NOK 1 000)

Maritech ehf
AKVA group has started a process to sell Maritech ehf, the Icelandic subsidiary of AKVA group.
Maritech ehf is consolidated in 2007 (from 1 May) with the following numbers:

Income statement	**2007**
Sales revenue	50 356
Operating expenses	-45 129
Operating profit before depreciation and amortization (EBITDA)	**5 227**
Depreciation and amortisation	-695
Operating profit (EBIT)	**4 532**
Net financial items	876
Taxes	-973
Net profit for the year	**4 435**

Balance sheet statement	**2007**
Total fixed assets	3 797
Total current assets	25 789
Total assets	**29 586**
Total equity	5 284
Total liabilities	24 302
Total equity and liabilities	**29 586**

Cash flow	**2007**
Net change in liquidity from operating activities	2 955
Net change in liquidity from investment activities	-564
Net change in liquidity from financial activities	-
Change in liquid assets during the year	**2 390**
Cash balance beginning of period	2 750
Cash balance end of period	5 140

Idema Aqua AS
AKVA group ASA entered 14 March 2008 into a letter of intent with the owners of Idema Aqua AS for the acquisition of 100% of the shares in the company. The letter of intent is binding but may be terminated if material findings are made during the pending due diligence examinations. The agreed consideration for the shares is NOK 61.3 mill which is conditional upon the EBITDA and revenue of the company satisfying agreed levels. The parties intend to consummate the acquisition in May 2008.

Financial statement Parent company

Income statement 01.01 - 31.12 (in NOK 1 000)

Parent company

	NOTE	2007	2006	2005
OPERATING REVENUES				
Sales revenues		288 283	193 090	109 631
OPERATING EXPENSES				
Cost of goods sold	10	209 863	126 883	73 266
Payroll expenses	2, 21	42 736	26 012	19 775
Other operating expenses	11, 17, 20	24 004	12 936	8 573
Total operating expenses		**276 603**	**165 831**	**101 614**
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)		11 680	27 259	8 017
Depreciation and amortisation	6, 8	4 059	3 149	2 322
OPERATING PROFIT (EBIT)		7 621	24 110	5 695
FINANCIAL INCOME AND EXPENSES				
Financial income	17	32 079	7 441	63
Financial expenses	17	-9 049	-1 738	-2 360
Net financial items		**23 030**	**5 703**	**-2 297**
PROFIT BEFORE TAX		30 651	29 813	3 398
Taxes	4	6 038	11 163	1 105
NET PROFIT FOR THE YEAR		24 613	18 650	2 293
ALLOCATION OF PROFIT FOR THE YEAR				
Dividend		17 223	-	-
Other equity		7 390	18 650	2 293
Total allocated		**24 613**	**18 650**	**2 293**

Assets 31.12 (in NOK 1 000)

Parent company

	NOTE	2007	2006
NON-CURRENT ASSETS			
Intangible assets			
Deferred tax asset	4	7 171	13 209
Goodwill	6		-
Other intangible assets	6	18 443	18 227
Total intangible assets		**25 614**	**31 436**
Tangible fixed assets			
Machinery and equipment	8	2 228	1 436
Total tangible fixed assets		**2 228**	**1 436**
Long-term financial assets			
Investments in subsidiaries	9,22	230 708	121 432
Loans to group companies	12	40 474	32 554
Other long-term financial assets	9,11	363	363
Total long-term financial assets		**271 545**	**154 349**
Total fixed assets		299 387	187 221
CURRENT ASSETS			
Stock	10	24 165	17 890
Receivables			
Accounts receivables	11,18,19	48 570	20 456
Receivables - group companies	12	97 683	43 533
Prepayments to suppliers		1 546	910
Other receivables		1 053	894
Total receivables	**11**	**148 852**	**65 793**
Cash and cash equivalents	13	51 360	126 754
Total current assets		224 377	210 437
TOTAL ASSETS		523 764	397 658

Equity and Liabilities 31.12 (in NOK 1 000)

Parent company

	NOTE	2007	2006
EQUITY			
Paid-in capital			
Share capital	14	17 223	17 223
Share premium reserve		256 178	256 178
Other paid in capital		1 624	166
Total paid-in capital		275 025	273 566
Retained earnings			
Other equity		28 554	21 164
Total retained earnings		28 554	21 164
Total equity		303 579	294 730
LIABILITIES			
Provisions			
Pension obligations	15	839	563
Total provisions		839	563
Other long term liabilities			
Liabilities to financial institutions	16	99 853	12 793
Other long term liabilities		1 834	2 384
Total other long term liabilities		103 877	15 177
Current liabilities			
Liabilities to financial institutions	16	15 440	21 683
Trade creditors		36 925	17 804
Trade creditors - group companies	16	2 927	1 065
Taxes payable	4	-	-
Public duties payable		-861	3 260
Provision for dividend		17 223	-
Prepayments from customers		36 060	33 283
Other current liabilities	17	9 945	10 092
Total current liabilities		115 469	87 187
Total Liabilities		220 185	102 927
TOTAL EQUITY AND LIABILITIES		523 764	397 658

Bryne, 31 March 2008

Steven Morrell
Chairperson

Thore Michalsen

Anne Breiby

Arne Økland

Thorhild Widvey

Jens Chr. Hernes

Kenneth Idland

Ingvild Andersen

Knut Molaug
Chief Executive Officer

Cash flow statement 01.01-31.12 (in NOK 1 000)

Parent company

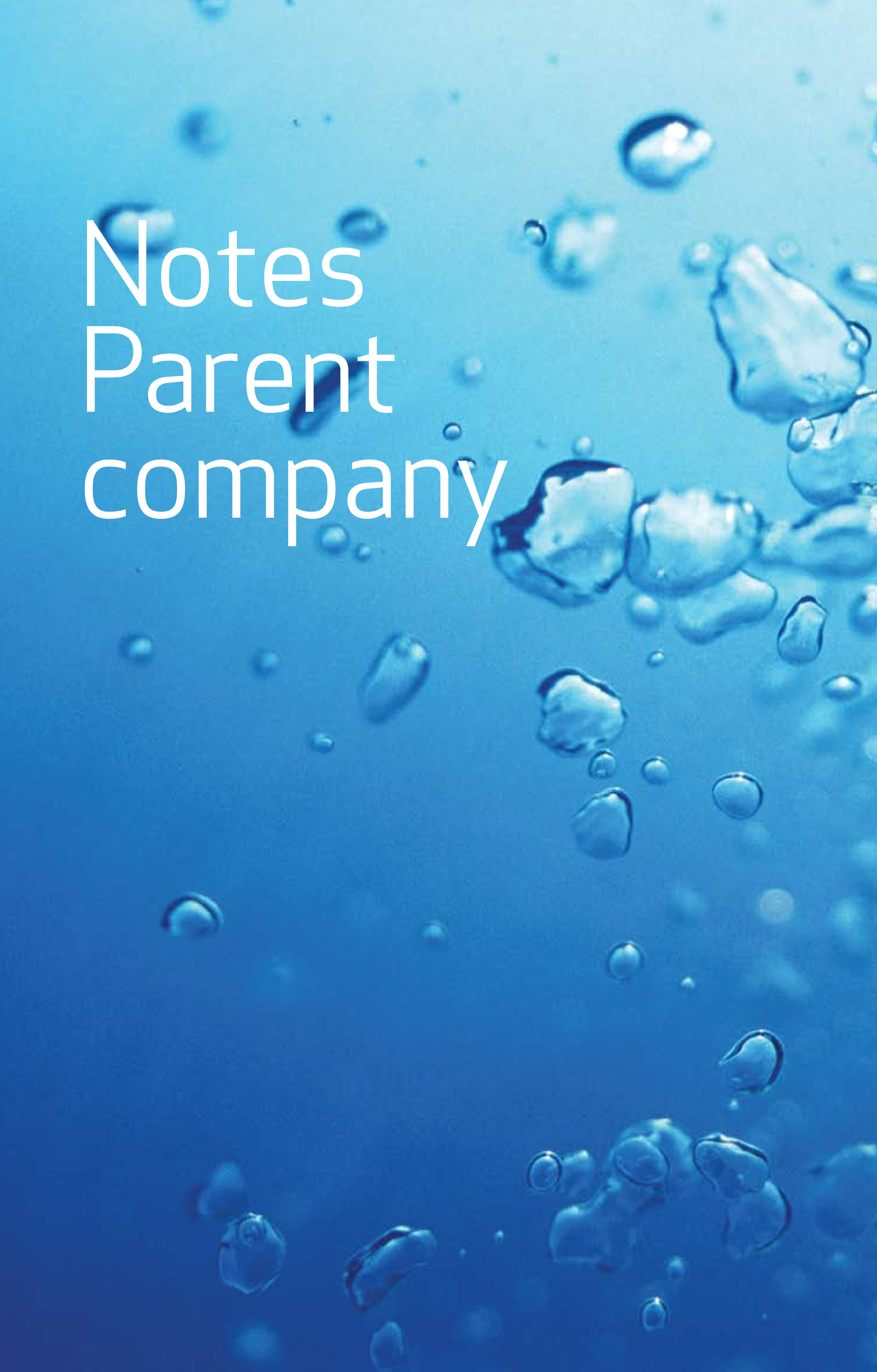
	NOTE	2007	2006	2005
Cash flow from operating activities:				
Profit before taxes		36 710	23 754	3 398
Taxes		-	-	-
Depreciation	6,8	4 059	3 149	2 322
Change in pension obligation	15	276	58	100
Changes in stock, accounts receivable and trade creditors		-40 306	-13 005	-6 951
Changes in other receivables and payables		-365	491	9 218
Net cash flow from operating activities		-5 685	20 506	8 087
Cash flow from investment activities:				
Investments in fixed assets	6,8	-5 085	-2 791	-2 837
Proceeds from sale of fixed assets	6,8	-	-	-
Change in fixed assets from acquisitions	22	-109 276	-21 151	-
Net cash flow from investment activities		-114 361	-23 942	-2 837
Cash flow from financing activities:				
Change in interest bearing debt		89 250	24 397	-3 640
Change in loans to group companies	12	-35 615	-1 811	-1 598
Increase of share capital and share premium fund		-	116 845	-
Change related to other financial activities		-8 983	-11 849	-1 393
Net cash flow from financing activities		44 652	127 582	-6 631
Net change in cash and cash equivalents		-75 394	124 146	-1 381
Cash and cash equivalents at 01.01		126 754	2 608	3 989
Cash and cash equivalents at 31.12		51 360	126 754	2 608

Statement of changes in equity (in NOK 1 000)

Parent company

	NOTE	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER PAID-IN CAPITAL	TOTAL PAID IN CAPITAL	OTHER EQUITY	TOTAL RETAINED EARNINGS	TOTAL EQUITY
Equity as at 01.01.2006 (reported)		**5 870**	**33 895**	**-**	**39 765**	**3 872**	**3 872**	**43 637**
Change in accounting policy regarding revenue recognition	1				-	-1 358	-1 358	-1 358
Equity as at 01.01.2006 (restated)		**5 870**	**33 895**	**-**	**39 765**	**2 514**	**2 514**	**42 279**
Profit (loss) for the period					-	18 650	14 288	14 288
Total income and expense for the year		**-**	**-**	**-**	**-**	**18 650**	**14 288**	**14 288**
Issue of share capital		11 353	232 027		243 380			243 380
Share issue costs			-9 744		-9 744			-9 744
Recording of option agreement	21			166	166			166
Equity as at 31.12.2006		17 223	256 177	166	273 566	21 164	16 802	290 368
Equity as at 01.01.2007		17 223	256 177	166	273 566	21 164	16 802	290 368
Total income and expense recognised directly in equity		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit (loss) for the period		-	-	-	-	24 613	28 976	28 976
Provision for dividend							-17 223	
Total income and expense for the year		**-**	**-**	**166**	**273 566**	**7 390**	**28 554**	**302 120**
Recording of option agreement	21	-	-	1 459	1 459	-		1 459
Equity as at 31.12.2007		17 223	256 177	1 624	275 025	0	28 554	303 579

Notes Parent company



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

AKVA group ASA is a public limited company registered in Norway. The company's head office is located in Nordlysveien 4, N-4340 Bryne, Norway.

AKVA group ASA uses IFRS light as accounting policy. There are no material effect compared to the ordinary group IFRS accounting policy except for provided dividends and group contributions from subsidiaries can be recognised as income in the parent company the same year as provision is made in subsidiaries. In 2007 and 2006 respectively the parent company has recognised as income MNOK 27.7 and MNOK 6.1 from group contributions. See note 1 in group accounts for more details of the accounting policy.

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing they are not impaired. Write down to fair value will be carried out if the impairment is not considered temporary, and a write down is deemed necessary according to IFRS. Impairments are reversed when the indication no longer exist.

In 2007 the company changed the accounting principle related to recognition of revenues in AKVA group for some type of deliveries. Feed and sensor system will according to this change be recognized according to IAS 18 instead of the principles in IAS 11 for construction contracts. We find this to be a change in accounting policy and the calculated difference of NOK 1.9 mill is recorded against the equity in 2007 opening balance.

	2006	2005	2004
Net effect in profit & loss	-491	-1 301	-58

	31.12.2006	31.12.2005	31.12.2004
Net effect on equity	-1 850	-1 359	-58

Also, for practical reasons, AKVA group ASA has from 1 January 2007 changed the evaluation of the barge deliveries according to IAS 11. Earlier, the progress of the projects was estimated subjectively based on a number of factors. From the 1 January the progress of these projects are decided by the cost incurred for those projects compared to total budgeted cost.
The change will be evaluated as a change of the project estimates and the effect will be included through the profit and loss statement. This change has not implied a material effect.

NOTE 2 WAGES AND REMUNERATIONS

(in NOK 1 000)

Wage costs	2007	2006	2005
Salaries	30 311	17 828	13 229
Payroll tax	5 976	4 202	3 730
Pension costs	2 085	1 060	627
Other benefits	4 364	2 922	2 189
Total	**42 736**	**26 012**	**19 775**

The average number of employees in full time equivalent in the company during the year is:	50	43	37

See consolidated accounts note 3 about remuneration to CEO and management, and fees to the Board of Directors.

AKVA group ASA had a bonus program for all employees in 2007. According to the program a maximum bonus equivalent to 2 monthly salaries could be earned based on the EBIT of the companies.

Loan and pledge
The company has not given any loans or pledges to members of the Board or group management as of December 31 2007.

NOTES > PARENT COMPANY

Stock options
A new stock option plan was introduced in 2006. See details of stock options in note 21 and in note 3 in group accounts.

For details of establishment of salary and other remuneration to executive management, see note 3 in group accounts.

Fees to auditor	2007	2006	2005
Audit	434	804	156
Tax services	100	100	122
Attestation services	10	10	12
Other services	1 415	693	19
Total	**1 959**	**1 607**	**309**
Hereof recorded against acquisition cost of purchased companies	1 483	0	0
Hereof recorded against equity related to share issues	0	1 202	0

All fees to the auditor is excl. VAT.

NOTE 3 GOVERNMENT GRANTS AND SUBSIDIES

(in NOK 1 000)

Government grants	2007	2006	2005
”Skattefunn”	151	646	765
The Research Council of Norway	85	327	421
Other	-	-	-
Total	**236**	**973**	**1 186**

NOTE 4 TAXES

(in NOK 1 000)

	2007	2006	2005
Tax expense			
Current taxes payable	-	-	-
Change in deferred taxes	6 038	11 163	1 105
Total tax expense	**6 038**	**11 163**	**1 105**
Calculation of the basis for taxation			
Profit before tax	30 651	29 813	3 398
Permanent differences	-9 087	-15 152	-751
Change in temporary differences	-21 564	-14 661	-2 647
Tax base	**-**	**-**	**-**
Specification of temporary differences			
Current assets	-1 395	-2 826	-3 033
Fixed assets	-6 753	-7 573	-21 300
Provisions	-15 506	-15 309	-15 209
Pension obligations	-839	-562	-505
Losses carried forward	-1 116	-20 904	-33 459
Other	-	-	-
Total	**-25 609**	**-47 174**	**-73 506**
Calculated deferred tax assets	-7 171	-13 209	-20 582
Deferred tax asset not recognised in balance sheet	-	-	-
Deferred tax asset	**-7 171**	**-13 209**	**-20 582**

The company has a tax loss carry forwards of NOK 1.1 mill that are available indefinitely for offset against future taxable profits. The deferred tax asset recognised in the balance sheet is made probable due to future earnings and tax planning

NOTES > PARENT COMPANY

Effective tax rate	2007	2006	2005
Expected income taxes, statutory tax rate of 28%	8 582	8 348	951
Permanent differences (28%)	-2 544	-4 105	154
Deviation between Norwegian and foreign tax rate	-	-	-
Tax effect of share issue costs	-	3 790	-
Not capitalised deferred tax asset in subsidiaries	-	3 130	-
Income tax expense	**6 038**	**11 163**	**1 105**
Effective tax rate in percent of profit before tax	19.7 %	37.4 %	32.5 %

Expiry dates of Tax Loss Carry Forwards		
Tax loss carryforwards without time restrictions	-1 116	
Total	**-1 116**	

NOTE 5 NET EARNINGS PER SHARE

See details in note 6 in group accounts.

NOTE 6 INTANGIBLE ASSETS

(in NOK 1 000)

	Development costs	Patents & trademarks	2007 Total
Acquisition cost at 01.01.	5 048	18 511	23 559
Acquisition cost during the year	3 449	-	3 449
Disposals during the year	-	-	-
Acquisition cost 31.12.	8 497	18 511	27 008
Accumulated amortisation at 01.01.	1 456	3 875	5 331
Accumulated amortisation disposals during the year	-	-	-
Amortisation during the year	1 011	2 223	3 234
Accumulated amortisation 31.12.	2 467	6 098	8 565
Net book value at 31.12.	**6 030**	**12 413**	**18 443**

	Development costs	Patents & trademarks	2006 Total
Acquisition cost at 01.01.	3 222	4 154	7 376
Acquisition cost during the year	1 826	14 357	16 183
Disposals during the year	-	-	-
Acquisition cost 31.12.	5 048	18 511	23 559
Accumulated amortisation at 01.01.	629	2 481	3 110
Accumulated amortisation disposals during the year	-	-	-
Amortisation during the year	827	1 394	2 221
Accumulated amortisation 31.12.	1 456	3 875	5 331
Net book value at 31.12.	**3 592**	**14 635**	**18 227**

The company uses linear amortisation of all intangible assets. The useful economic life for the intangible assets are estimated as: Development 3-5 years, patents 20 years, trademarks 5 years and product rights 5-10 years.

Development Costs:
The company has capitalised all direct costs related to development of software and tangible products that are expected to create economic benefits and meet the requirements for capitalisation in IAS 38. See also note 7.

Patents & trademarks:
The acquisition cost is related to the acquisition of Superior Systems AS (2001), Vicass (2002), Cameratech (2004), Ocean Service Log (2004), Polarcirkel/Wavemaster (2006) and Maritech/UNI Aqua (2007).

NOTES > PARENT COMPANY

NOTE 7 RESEARCH AND DEVELOPMENT

During the year the company expensed NOK 5.8 mill (NOK 3.3 mill in 2006 and NOK 2.1 mill in 2005) on research and development on new products and technology as well as upgrades on existing products. The amount does not include capitalised development costs according to IAS 38 (see details in note 6).

NOTE 8 TANGIBLE ASSETS

(in NOK 1 000)

Property, plant and equipment	**2007**	**2006**	**2005**
Acquisition cost at 01.01.	11 485	10 877	10 289
Acquisitions during the year	1 616	608	588
Disposals during the year	-	-	-
Acquisition cost 31.12.	13 101	11 485	10 877
Accumulated depreciation 01.01.	10 049	8 968	7 843
Depreciation during the year	825	1 081	1 125
Accumulated depreciation 31.12.	10 874	10 049	8 968
Net book value 31.12.	**2 228**	**1 436**	**1 909**

The company use linear depreciation for all tangible assets. The useful economic life is estimated as	**Years**
Machinery and equipment	3-10

NOTE 9 SUBSIDIARIES AND OTHER LONG-TERM INVESTMENTS

(in NOK 1 000 unless stated otherwise)

Subsidiaries accounted for according to the cost method in the parent company accounts

Company name	Currency	Share capital	Number of shares	Par value (NOK)	Book value
AKVAsmart Chile S.A.	USD	239	1 000	239	3 000
AKVAsmart Canada Inc	CAD	125	125 000	1	100
AKVA group Scotland Ltd.	GBP	20	20 000	1	3 477
Superior Systems AS	NOK	500	500 000	1	20 532
AKVA AS	NOK	100	1 000	100	100
Feeding Systems Chile Ltda	USD	2			0
Akvasmart AS	NOK	110	10 000	11	5 750
AKVAsmart Ltd. (Turkey)	YTL	5	200	25	26
AKVA services AS	NOK	100	1 000	1	500
Polarcirkel AS	NOK	1 100	1 100 000	1	66 543
Wavemaster Ltd	EUR	30	1 000	0	10 562
Wavemaster Canada Ltd	CAD	1	510	0	6 371
Wavemaster Net Services Ltd	CAD	0	10	0	2 112
Louvier Holding Inc	CAD	0	2	0	2 511
Maritech International AS	NOK	4 702	47 023 000	0,1	93 094
UNI Aqua AS	DKK	2 004	1 000 000	2	16 030
Total					**230 708**

An inter company loan of KNOK 20.432 from AKVA group ASA to Superior Systems AS has been reclassified to investments in subsidiaries according to IAS 39 as no plan for instalments are agreed between the companies.

NOTES > PARENT COMPANY

Other long-term investments	Currency	Share capital	Number of shares	Par value (NOK)	Book value	Owner-ship
Centre for Aquaculture Competence AS	NOK	450	150	1 000	153	33 %
Blue Planet AS	NOK	1 350	2	50 000	100	7 %
Total					**253**	

NOTE 10 STOCK

(in NOK 1 000)

	2007	2006	2005
Raw materials (at cost)	1 528	2 152	2 224
Work in progress (at cost)	378	418	-
Finished goods (at net realisable value)	22 259	15 320	10 754
Total	**24 165**	**17 890**	**12 978**
Write-down of obsolete stock 1.1	2 276	2 600	2 100
Write-down of obsolete stock during the year	-1 576	-324	500
Write-down of obsolete stock 31.12	**700**	**2 276**	**2 600**

NOTE 11 RECEIVABLES

(in NOK 1 000)

Receivables due in more than one year	2007	2006	2005
Other long-term receivables	110	110	-
Total	**110**	**110**	**-**

Accounts receivables
The recorded accounts receivables are shown net of estimated bad debt loss. The estimated bad debt loss is:

	2007	2006	2005
Bad debt provision 1.1	550	436	317
Change in bad debt provision	146	114	119
Bad debt provision 31.12.	**696**	**550**	**436**
Recorded bad debt cost during the year	127	43	29
Change in bad debt provision	146	114	119
Total bad debt cost during the year	**273**	**157**	**148**

Reference is made to note 18 for more details of credit and currency risk related to accounts receivables.

NOTE 12 INTERCOMPANY BALANCES

(in NOK 1 000)

Receivables	2007	2006	2005
Loans to group companies	40 474	32 554	-
Current receivables towards group companies	97 683	43 533	12 793
Total	**138 157**	**76 087**	**12 793**

Payables	2007	2006	2005
Trade creditors towards group companies	2 927	1 065	29
Total	2 927	**1 065**	**29**

NOTES > PARENT COMPANY

NOTE 13 BANK DEPOSITS

(in NOK 1 000)

	2007	2006	2005
Restricted bank deposits	1 856	1 826	1 250
Overdraft limit	46 000	29 550	11 550
Utilised end of year	0	15 238	11 452

NOTE 14 SHAREHOLDERS

(in NOK 1 000)

AKVA group ASA
The company's share capital is NOK 17.2 mill divided into 17.2 mill shares, each with a par value of NOK 1.
The company has only one category of shares and all shares entitle shareholders to equal rights in the company.

The 20 largest shareholders	Number of shares	Ownership in % of total shares
Helgeland Holding AS	2 678 023	15.5 %
Norsk Vekst ASA	1 720 840	10.0 %
Teigen, Frode	1 633 600	9.5 %
Skagen Vekst	1 609 200	9.3 %
Sociedad de inversiones ABSO	939 635	5.5 %
Sociedad de inversiones F&A	890 835	5.2 %
Reachmaster Ltd.	674 739	3.9 %
State Street Bank and Trust Co. - OM08	657 500	3.8 %
Skandinaviske Enskilda Banken	531 932	3.1 %
RBC Dexia Investor Services Bank	509 600	3.0 %
State Street Bank and Trust Co. - OM04	367 200	2.1 %
Goldman Sachs Int. Equity	363 483	2.1 %
Havbruksconsult AS	332 157	1.9 %
Molaug, Knut	309 028	1.8 %
Ole Molaug Eiendom AS	292 692	1.7 %
Saga Equity Fund	276 800	1.6 %
Sis Segaintersettle AG	275 079	1.6 %
RBC Dexia Investor Services Trust	232 906	1.4 %
MP Pensjon	190 000	1.1 %
Kluge, Gunnar	173 150	1.0 %
Other	2 564 470	14.9 %
Total	**17 222 869**	**100.0 %**

Shares owned by members of the Board of Directors	Number of shares	Options
Kenneth Idland	7 872	-
Anne Breiby	1 800	-
Jens Chr. Hernes	-	21 254

Shares owned by group management	Number of shares	Options
Knut Molaug (CEO)	309 028	127 526
Rolf Andersen (CFO)	200	70 848
Trond Severinsen (CMO)	11 450	56 678
Jone Gjerde (COO)	0	56 678
Patrick Dempster (GM North America)	200	56 678
Morten Nærland (GM Chile)	0	56 678

NOTE 15 PENSIONS

(in NOK 1 000)

The pension schemes in AKVA group ASA is a defined contribution plan where agreed contributions are expensed as paid. The company has no further commitments towards pensions when the agreed contributions are paid.
All pensions costs are included in payroll expenses in the profit and loss statement.

Contribution plans	2007	2006	2005
Contributions expensed during the year	1 114	639	522

Benefit plans
The Norwegian legal entities also have uninsured pension liabilities related to future estimated obligations related to AFP (early retirement scheme covering all employees in Norway). A summary of the actuarial calculations of the total pension liability is shown below:

	2007	2006	2005
Service cost	218	38	68
Interest cost	24	13	19
Return on pension funds	0	0	0
Recorded effect of deviations from estimates	0	0	0
Social security tax	34	7	12
Net pension cost	**276**	**58**	**99**

Actual return on plan assets, ref IAS 19.120A, is not applicable. See comments about AFP pension scheme below.

Benefit obligation	2007	2006	2005
Estimated pension obligations at 31.12.	736	493	577
Pension plan funds (market value) at 31.12.	0	0	0
Unrecognised effects of deviations from estimates	0	0	-135
Social security tax	104	70	62
Net benefit obligations	**839**	**563**	**505**

Changes in the present value of the defined benefit obligation are as follows	2007	2006	2005
Defined benefit obligation at 01.01.	563	505	406
Interest cost	24	13	19
Current service cost	252	45	80
Benefits paid	-	-	-
Actuarial (gains)/losses on obligation	-	-	-
Defined benefit obligation at 31.12.	**839**	**563**	**505**

According to IAS 19.120A the company shall inform of the changes in the fair value of plan assets. Since the company has no other defined benefit plan other than an unsecured early retirement scheme (AFP) there are no accrued plan assets.

The company expects to contribute kr. 0.4 mill to its defined benefit pensions plan in 2008.

A listing of the major categories of plan assets as a percentage of the fair value of total plan assets is not applicable for the company since the benefit plan is related to an unsecured AFP pension scheme and hence there are no accrued plan assets.

Economical assumptions	2007	2006	2005
Discount rate	5.10 %	4.35 %	4.5 %
Expected wage growth	4.50 %	4.0 %	3.5 %
Expected social security base adjustment	4.25 %	4.0 %	3.0 %
Expected return on pension funds	6.10 %	5.4 %	5.5 %
Expected increase in pension	4.25 %	1.6 %	3.0 %
Expected turnover < 40 years	2.00 %	2.0 %	2.0 %
Expected turnover > 40 years	0.00 %	0.0 %	0.0 %

The actuarial calculations are based on assumptions of demographical factors normally used within the insurance industry.

According to Norwegian legislation the entities need to have a pension scheme for the employees. The existing pension schemes meet the requirements in the legislation.

NOTES > PARENT COMPANY

NOTE 16 LIABILITIES

(in NOK 1 000)

	2007	2006	2005
Long-term liabilities due in more than 5 years			
Liabilities to financial institutions	39 265	-	-
Total	**39 265**	**-**	**-**
Liabilities secured with assets	115 293	19 238	24 641
Secured assets			
Accounts receivable	50 000	57 930	28 767
Stock	25 000	17 890	12 978
Other assets	238 918	175 816	41 946
Total	**313 918**	**251 636**	**83 691**

Repayment of debt
The company's long-term debt as at December 31, matures as follows.

	Long-term debt
2008	15 440
2009	15 147
2010	15 147
2011	15 147
2012	15 147
2013	15 147
Subsequent to 2013	24 118
Total	**115 293**
Average interest rate	5.90 %

The part of the long-term debt due within one year is reclassified to short-term interest bearing debt.

NOTE 17 SPECIFICATION OF ITEMS THAT ARE GROUPED IN THE FINANCIAL STATEMENT

(in NOK 1 000)

	2007	2006	2005
Financial income			
Other interest income	3 939	491	63
Agio gain	-	891	-
Group contribution recognised as income	27 695	6 059	-
Total financial income	**32 079**	**7 441**	**63**
Other financial expenses			
Interest expenses	5 065	1 609	1 804
Agio loss	3 628	0	469
Financial expenses	357	129	87
Total financial expenses	**9 049**	**1 738**	**2 360**
Other operating expenses			
Accomodation, materials, equipment and maintenance	6 631	4 702	3 582
Marketing, travelling and communication	13 872	7 312	3 973
Other operating expenses	3 501	922	1 018
Total other operating expenses	**24 004**	**12 936**	**8 573**
Other current liabilities			
Accrued costs	1 035	1 376	3 820
Accrued interests	-	-	-
Guarantee provisions	1 200	1 004	1 004
Other current liabilities	7 710	7 712	3 448
Total current liabilities	**9 945**	**10 092**	**8 272**

NOTES > PARENT COMPANY

NOTE 18 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

See group accounts note 18 for more details about financial instruments and risk management.

NOTE 19 LONG-TERM CONTRACTS

(in NOK 1 000)

Revenue and profits on long-term contracts are recognised using the percentage of completion method. This method implies that profit is recognised according to the progress of the work, whereas any losses are fully recorded when incurred.

	2007	2006
Total value of ongoing contracts	210 494	173 871
Total sales included from ongoing contracts 31.12.	110 949	95 494
Not invoiced work-in-progress included as accounts receivables	6 907	-
Remaining production on loss contracts	-	-

NOTE 20 OPERATIONAL LEASES

(in NOK 1 000)

The company has entered into several operating leases for offices, machinery and other equipment. The cost is as follows:

Operating leasing cost	2007	2006	2005
Operational leasing costs	612	919	468
Rent costs on buildings	2 357	2 184	1 684
Total	**2 969**	**3 103**	**2 152**

The future minimum rents related to non-cancellable leases fall due as follows for the group:

	Within 1 year	1 - 5 years	After 5 years
Machinery and equipment	710	875	-
Vehicles	736	723	-
Offices and buildings	2 677	7 670	-
Total	**4 123**	**9 268**	**-**

The main office lease agreement (headquarter) expires in 2011.
The agreement includes an option to extend the agreement for 5 years.

NOTE 21 OPTIONS TO EMPLOYEES

The company has an option programme covering employees in selected senior positions. The option programme was established in connection with listing of the company at Oslo Stock Exchange in November 2006. New options has been granted during 2007.

The options have a 5 years vesting period. One third of the options can be vested after 1, 2 and 3 years. The options can be exercised at at vesting date or anytime later in the 5 year period. The first possible vesting date was in November 2007. The strike price for the options is equal to the marketprice when the options are being granted. The strike price of the outstanding options varies between 35.00 - 45.30 per share.

The fair value of the options has been calculated at grant date and charged to expenses over the period the options are earned (3 years). KNOK 1 459 has been charged to expenses in 2007 related to the option programme.

NOTES > PARENT COMPANY

	2007	2006
Total available options that can be issued	1 012 109	1 012 109
Available options not issued at year end	445 328	466 583
Options vested during the year	0	0
Oustanding options as per 31.12.	566 781	545 526

The fair value of the options has been estimated using the Black&Scholes option-pricing model. The average fair value of the optiones granted. The average fair value of the options granted in 2007 is 10.56. The calculation is based on the following assumptions:

Strike price
The strike price is equal to the the stock exchange price at grant date.

Volatility
The expected volatility is based on historic volatility for peer group companies (35%).

The term of the option
In the calculation the expected average period to vesting is 3.5 years.

Dividend
The calculation is based on no dividend being paid in the vesting period.

Risk-free interest rate
The risk-free interest rate assumed when calculating the fair value was equal to the interest rate on goverment bonds at the time of the calculation.

NOTE 22 ACQUISITIONS

(in NOK 1 000)

For 2007 the following acquisitions have been made:

Maritech International AS
The acquisition date was 1 May 2007. The company is delivering software to the aquaculture and other industries. AKVA group purchased 100% of the outstanding shares in the company. The purchase included the shares of several legal entities known as the Maritech group. The agreed purchase price was MNOK 88,6. The purchase price was settled in cash.

See note 22 in group accounts for more information.

UNI Aqua AS
The acquisition date was 1 October 2007. The group is delivering recirculation systems to the aquaculture industry.
In 2007 AKVA group acquired 100% of the outstanding shares in the company. The agreed purchase price was MNOK 15.8.
The purchase price was settled in cash.

See note 22 in group accounts for more information.

NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE

See note 23 in group accounts.

Statsautoriserte revisorer
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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of
AKVA group ASA

Auditor's report for 2007

We have audited the annual financial statements of AKVA group ASA as of 31 December 2007, showing a profit of NOK 24.613.000 for the Parent Company and a profit of NOK 52.009.000 for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet, the statements of income and cash flows, the statement of equity and the accompanying notes. The financial statements of the Group comprise the balance sheet, the statements of income and cash flows, the statement of equity and the accompanying notes. Simplified IFRSs pursuant to the Norwegian Accounting Act § 3-9 have been applied in the preparation of the financial statements of the Parent Company. IFRSs as adopted by the EU have been applied in the preparation of the financial statements of the Group. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Chief Executive Officer. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the Parent Company are prepared in accordance with laws and regulations and present fairly, in all material respects the financial position of the Company as of 31 December 2007, and the results of its operations and cash flows and the changes in equity for the year then ended, in accordance with simplified IFRSs pursuant to the Norwegian Accounting Act § 3-9
- the financial statements of the Group are prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2007, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with IFRSs as adopted by the EU
- the Company's management has fulfilled its duty to properly record and document the Company's accounting information as required by law and bookkeeping practice generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with law and regulations.

Stavanger, 31 March 2008
Ernst & Young AS
Nicolai Homme
State Authorised Public Accountant (Norway)
(sign.)
Note: The translation to English has been prepared for information purposes only.

Articles of Association

§ 1

The company's name is AKVA group ASA. The company is a public limited company.

§ 2

The company's registered office is in Time, 4340 Bryne.

§ 3

The purpose of the company is to develop, produce, project, sell and market own and purchased products, and everything connected to such activity, including participation in other companies with similar activities.

The activities of the company shall in particular be directed towards technology for farming of fish and animal.

§ 4

The company's share capital shall be NOK 17.222.869 divided into 17.222.869 shares at NOK 1 each. The company's shares shall be registered in the Securities Registry within 1 - one - month.

§ 5

The Board of Directors shall be composed of 4 to 10 members, in accordance with a decision by the General Meeting. The Chairperson and one Board member jointly sign on behalf of the company.

§ 6

The ordinary General Meeting of the company shall consider the following:

1. The approval of the annual profit and loss statement and balance sheet.
2. Application of the profit, or settlement of the deficit according to the approved balancesheet, as well as the distribution of dividends.
3. The election of Board of Directors
4. Other issues that under Norwegian law are to be dealt with by the shareholders General Meeting.

§ 7

The company shall have nomination committee consisting of at least 3 members elected by the general meeting. The nomination committee shall prepared the general meeting's election of board members and propose candidates for nominations. The General Meeting may adopt instructions for the nomination committee's work.

Corporate governance

1. Implementation and reporting on corporate governance

The board of directors must ensure that the company implements sound corporate governance.

The board of directors must provide a report on the company's corporate governance in the annual report. The report must cover every section of the Code of Practice. If the company does not fully comply with this Code of Practice, this must be explained in the report. The board of directors should define the company's basic corporate values and formulate ethical guidelines in accordance with these values.

AKVA has defined guidelines for corporate governance, and the Board has decided to follow the Norwegian Recommendation for Corporate Governance. AKVA has defined its own corporate Code of Conduct and defined values that the company should build its activity upon.

The Board of Directors has provided this report on the company's corporate governance. The report covers every section of the Code of Practice, and will be a part of the annual report.

Deviation from the Recommendation: None

2. Business

The company's business should be clearly defined in its articles of association. The company should have clear objectives and strategies for its businesswithin the scope of the definition of its business in its articles of association.

The annual report should include the business activities clause from the articles of association and describe the company's objectives and principal strategies.

Paragraph 3 in the articles of association states "The purpose of the Company is to develop, produce, project, sell and market own and purchased products, and everything connected to such activity, including participation in other companies with similar activities. The activities of the Company shall in particular be directed towards technology for farming of fish and animal." The full articles of association are included in the Annual Report. The strategic goals and objectives are described thoroughly in the report.

Deviation from the Recommendation: None

3. Equity and dividends

The company should have an equity capital at a level appropriate to its objectives, strategy and risk profile.

The board of directors should establish a clear and predictable dividend policy as the basis for the proposals on dividend payments that it makes to the general meeting. The dividend policy should be disclosed. Mandates granted to the board of directors to increase the company's share capital should be restricted to defined purposes and should be limited in time to no later than the date of the next annual general meeting. This should also apply to mandates granted to the board for the company to purchase its own shares.

At year end 2007 the company had a consolidated equity of 336.4 MNOK which accounts for 49.1% of the total assets of the company. The Board of Directors consider this satisfactory.

Dividend policy:
The Company's main objective is to maximise the value of the investment made by its shareholders through both increased share prices and dividend payments.

The Company will strive to maintain an equity capital level that is appropriate for its objectives, strategy and risk profile, taking into consideration that it is operating in a cyclical industry. In view of the Company's planned expansion of its business, the Company will regularly evaluate the timing and amount of dividend payments in light of its objectives, strategic development outlook and risk profile. Dividend payments will be subject to approval by the shareholders at the Company's annual general meeting.

The dividend policy has not yet been disclosed on the company's website or in other medias. The board will take action to ensure that the company will be in compliance with this recommendation in the Code of Practice within 2008.

In accordance with this dividend policy the Board of Directors propose to the Annual General Meeting that a dividend of NOK 1.- per share will be paid for 2007.

The Board of Directors was in the Annual General Meeting in 2007 granted the mandate to increase the company's share capital for specific purposes. The following authorisations were given:

- Strategic authorisation for the issuance of new shares

The Board of Directors is authorised to increase the Company's share capital by issuing new shares. The total number of shares that may be issued equals about 8.7% of the present issued share capital.

- Authorization for the issuance of shares under the Company's share option plan

The Board of Directors is authorised to increase the Company's share capital by issuing of shares in accordance with future option agreements. The total number of shares that may be issued equals about 5.8% of the present issued share capital.

Furthermore the Board of Director's was in the Annual General Meeting in 2007 granted the right to acquire own shares.

Authorisation for acquisition of own shares:
The price to be paid shall not exceed the ordinary stock exchange rate available on the date of purchase. The total number of shares that may be acquired equals about 3.4% of the issued share capital. This authorisation is not limited to defined purposes; hence it is not in compliance with the recommendation. If the board is granted a new authorisation at the general meeting in 2008, such a definition will be incorporated.

Deviation from the Recommendation:
None other than as stated above

4. Equal treatment of shareholders and transactions with close associates

The company should only have one class of shares. Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital must be justified. Any transactions the company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the company's shares, the company should consider other ways to ensure equal treatment of all shareholders. In the event of any not immaterial transactions between the company and shareholders, members of the board of directors, members of the executive management or close associates of any such parties, the board should arrange for a valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Public Companies Act. Independent valuations should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders. The company should operate guidelines to ensure that members of the board of directors and the executive management notify the board if they have any material direct or indirect interest in any transaction entered into by the company.

Class of shares
AKVA group has only one class of shares. The Articles of association place no restriction on voting rights. All shares are equal.

Transactions between related parties
The Company is not aware of any other potential conflicts of interest between any duties to the Company of the members of the Board of Directors or the Company's management, and their private interests or other duties. The board is aware of lease agreements with other companies that are controlled by major shareholders of AKVA; however, these are all based on arm´s length market terms.

In order to avoid conflicts of interest, the Company has introduced guidelines pursuant to which members of the Board of Directors and the Company's management must act. The members of the Company's Board of Directors and the Company's management meet all these requirements.

Guidelines for directors and key management personnel
The Corporate Code of Conduct in Section 5 – conflict of interest and integrity – discuss the topic and provides clear guidelines to all employees and management on this matter. Furthermore the Boards Instruction in Section 7 - Disqualification and conflict of interest – provides guidelines for the Board of Directors.

Deviation from the Recommendation:
None other than as stated above

5. Freely negotiable shares

Shares in listed companies must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability should be included in a company's articles of association.

The shares are freely negotiable. The Articles of Association place no restrictions on negotiability.

Deviation from the Recommendation: None

6. General meetings

The board of directors should take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the company, and that general meetings are an effective forum for the views of shareholders and the board. Such steps should include:
- *making the notice calling the meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the company's website no later than 21 days prior to the date of the general meeting, and sending this information to shareholders no later than two weeks prior to the date of the general meeting*
- *ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting*
- *setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible*
- *ensuring that shareholders who cannot attend the meeting in person can vote by proxy*
- *ensuring that the members of the board of directors and the nomination committee and the auditor are present at the general meeting*
- *making arrangements to ensure an independent chairman for the general meeting*

The notice calling the general meeting shall provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting. The notice should also set out:
- *the procedure for representation at the meeting through a proxy, including a form to appoint a proxy*
- *the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting*
- *the web pages where the notice calling the meeting and other supporting documents will be made available*

The company should, at the earliest possible opportunity, make available on its website:
- *information on the right of shareholders to propose matters to be considered by the general meeting*
- *proposals for resolutions to be considered by the general meeting, alternatively comments on matters where no resolution is proposed*
- *a form for appointing a proxy*

The board of directors and the chairman of the general meeting should ensure that the general meeting is given the opportunity to vote separately for each candidate nominated for election to the company's corporate bodies.

The ordinary general meeting for 2007 was held the 14th of May, and was in all material respect carried through in accordance with point 6 in the recommendation. There have not been other general meetings in 2007/2008. On the preparation for and the carrying out of, the ordinary general meeting, the company was not in compliance with the following parts of point 6. in the recommendation:

- There were not established routines ensuring an independent chairman for the general meeting.

The board will make efforts to ensure that the company will fulfil the point 6 in the recommendation in its entirety at the future general meetings.

Deviation from the Recommendation:
None other than as stated above

7. Nomination committee

The company should have a nomination committee, and the general meeting should elect the chairperson and members of the nomination committee and should determine the committee's remuneration.

The nomination committee should be laid down in the company's articles of association.

The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the board of directors and the executive management. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the board. No more than one member of the nomination committee should be a member of the board of directors, and any such member should not offer himself for re-election. The nomination committee should not include the company's chief executive or any other member of the company's executive management.

The nomination committee's duties are to propose candidates for election to the corporate assembly and the board of directors and to propose the fees to be paid to members of these bodies. The nomination committee should justify its recommendations.

The company should provide information on the membership of the committee and any deadlines for submitting proposals to the committee.

The Articles of Association provide for a Nomination Committee. The Committee shall evaluate and recommend candidates for Directors elected by the shareholders as well as Directors' remuneration. The Committee shall consider and report to the shareholders for resolution at the general meeting on the following matters:

- Nominees for election as members of the Board of Directors and the chairperson.
- Nominees for election as members of the Committee and the Chairman of the Committee.
- The proposed remuneration of the Board of Directors and the members of the Committee.
- Any proposed amendments to the Committee Charter.

The Committee shall consist of three members elected by the shareholders at the general meeting. The Committee chairperson shall be a member of the Committee and shall be elected by the shareholders at the general meeting.

The committee's work is based on the Nomination Committee Charter approved by the Annual General Meeting in May 2007.

Composition
The current committee was elected for two years by the ordinary Annual General Meeting on 14. May 2007 and consists of:

- Haakon Skaarer, (chair) Investment Director at Norsk Vekst ASA
- Lisbeth Flågeng, Deputy CEO of Helgeland Sparebank
- Gunnar Kluge, Private business consultant

None of which are a member of the Board of Directors.

The Nomination Committee is of the opinion that the composition reflects the common interest of the community of shareholders.

The work of the Committee
The Nominating Committee held 4 meetings in 2007 and in 1Q 2008.

Deviation from the Recommendation: None

8. Corporate assembly and board of directors: composition and independence

The composition of the corporate assembly should be determined with a view to ensuring that it represents a broad cross-section of the company's shareholders.

The composition of the board of directors should ensure that the board can attend to the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the board can function effectively as a collegiate body.

The composition of the board of directors should ensure that it can operate independently of any special interests. The majority of the shareholderelected members of the board should be independent of the company's executive management and material business contacts. At least two of the members of the board elected by shareholders should be independent of the company's main shareholder(s).

The board of directors should not include representatives of the company's executive management. If the board does include members of the executive management, the company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the board, including the use of board committees to help ensure more independent preparation of matters for discussion by the board, cf. Section 9.

The chairman of the board of directors should be elected by the general meeting so long as the Public Companies Act does not require that the chairman shall be appointed either by the corporate assembly or by the board of directors as a consequence of an agreement that the company shall not have a corporate assembly.

The term of office for members of the board of directors should not be longer than two years at a time.

The annual report should provide information to illustrate the expertise and capacity of the members of the board of directors and identify which members are considered to be independent.

Members of the board of directors should be encouraged to own shares in the company.

Composition of the Board of Directors
The Board of Directors consists of 8 members, and currently has the following composition: Steven Alan Morrell (Chairperson), Anne Breiby (Deputy Chairperson), Thore Michalsen, Thorhild Widvey, Arne Økland, Kenneth Idland, Jens Chr. Hernes and Ingvild Andersen. The 3 latter directors have been elected by and from the employees. Further details of the individual directors can be found on page 37 in the Annual Report.

The employee's current board representatives are representing the employees that are directly employed in the company AKVA group ASA. In March 2008, the Company received approval from "Bedriftsdemokratinemda" to appoint employee representatives solely in the board of AKVA group ASA whom are elected by and represent the employees in all group companies. Consequently a new election of employee representatives to the Board of Directors will be performed during the first half of 2008.

Changes in the Board in 2007
None of the directors were up for election in the Annual General Meeting in 2007, so no changes were made in the meeting. However, in a Board Meeting on 9 October 2007 Ian Francisco Lozano Jeffs tendered his resignation as a member of the Board of Directors in AKVA group ASA. The resignation became effective from 1 November 2007. Ian Francisco Lozano Jeffs resigned to avoid any conflict of interests as he had accepted the position as the Chief Executive Officer with a customer of AKVA group ASA. To comply with Section 9 of the Norwegian Recommendation for Corporate Governance Anne Breiby was elected Deputy Chairperson in the Board Meeting on 11 December. Ingvild Andersen was elected as an additional employee representative on 9 February 2008.

Deviation from the Recommendation: None

9. The work of the board of directors

The board of directors should produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The board of directors should issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. A deputy chairman should be elected for the purpose of chairing the board in the event that the chairman cannot or should not lead the work of the board.

The board of directors should consider appointing board committees in order to help ensure thorough and independent preparation of matters relating to financial reporting and compensation paid to the members of the executive management. Membership of such sub-committees should be restricted to members of the board who are independent of the company's executive management.

The board of directors should provide details in the annual report of any board committees appointed.

The board of directors should evaluate its performance and expertise annually.

Board responsibilities

The Board of Directors has the final responsibility for the organisation of the Company and supervising routine management and business activities. This involves that the Board is responsible for establishing control arrangements to secure that the Company operate in accordance with the adopted value norms and Code of Conduct as well as with the owners' expectations of good corporate governance. The Board of Directors primarily looks after the interests of all the shareholders, but is also responsible for the Company's other stakeholders.

The Board's main tasks are to contribute to corporate competitiveness, and to ensure that the Company develops and adds value. Furthermore the Board of Directors shall contribute in the shaping of and in the implementation of the Company's strategy, employ the necessary control functions and in other ways ensure that the Company is well operated and organised. The Board sets the objectives for financial structure and adopts the Company's plans and budgets. Items of major strategic or financial importance for the Company are handled by the Board. The Board hires the CEO, defines his or her work instructions and authority and sets his or her wages. The board produces each year an annual plan for its work as recommended.

Instructions to the Board of Directors

The Board instructions was approved by the board in a board meeting on 21 September 2006. The instructions cover the following points: Composition of the board, the board's duties, day-to-day management, Board meetings - conveyance and related issues, the Boards decisions, Board minutes, disqualification and conflict of interest, confidentiality obligation, convening general meetings, insider rules and ethical guidelines for conduct of business.

The Board of Directors can decide to deviate from instructions in certain cases.

Financial Reporting

The Board of Directors receives regular financial reports on the Company's economic and financial status.

Legal Competence

To ensure that all legal aspects are considered in a adequate manner the Board has asked the Company's legal council to be present in the Board Meetings. Mr. Snorre Haukali of Lawfirm Kluge has been present in all of the Boards meetings in 2007.

The Compensation Committee

The Charter for the compensation committee was approved by the Board in a Board meeting on 21 September, 2006. The Committee's tasks revolve around the CEO's terms of employment and the remuneration of the executive management including wage levels, bonus systems, options schemes, pension schemes, employment contracts etc. The Committee forwards recommendations to the Board of Directors for final approval.

Members: Arne Økland (Chair), Thore Michalsen and Ian Lozano (until 1 November 2007). The chairperson of the Board is generally also participating in the meetings. The Committee had 4 meetings during 2007. The Compensation committee charter is available on www.akvagroup.com.

The Board's self-evaluation

The Board completes a self-evaluation annually in terms of efficiency, competence and the Boards duties in general. The evaluation is made available for the Nomination Committee.

Deviation from the Recommendation: None

10. Risk management and internal control

The board of directors must ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. Internal control and the systems should also encompass the company's corporate values and ethical guidelines.

The board of directors should carry out an annual review of the company's most important areas of exposure to risk and its internal control arrangements.

The board of directors should provide an account in the annual report of the main features of the company's internal control and risk management systems as they relate to the company's financial reporting.

The Board of Directors and internal control

Management regularly presents performance reports that are sent for review of the Board. The quarterly financial statements are subject to review in Board meetings.

The Board's work plan

The Board of Directors has established an annual work plan that includes an annual review of compliance of external and internal laws and regulations, risk and HSE-situation, financial risks and identification of risk related to the strategic goals and risk handling. By carrying out the established work plan, the Board controls that the company has sound internal control and systems for risk management for the company's activities, including systems suitable for controlling the compliance with the company's corporate values and ethical guidelines.

Deviation from the Recommendation:
A specific general risk and HSE-situation assessment and an assessment of compliance of external and internal laws and regulations are scheduled for 2008.

11. Remuneration of the Board of Directors

The remuneration of the board of directors should reflect the board's responsibility, expertise, time commitment and the complexity of the company's activities.

The remuneration of the board of directors should not be linked to the company's performance. The company should not grant share options to members of its board.

Members of the board of directors and/or companies with which they are associated should not take on specific assignments for the company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the board.

The annual report should provide information on all remuneration paid to each member of the board of directors. Any remuneration in addition to normal directors' fees should be specifically identified.

It is the board's opinion that the size of the remuneration of the Board of Directors is in compliance with the criteria in the recommendation concerning the board's responsibility, expertise etc.

Furthermore, the following goes for the remuneration:
- The remuneration is not linked to the company's performance, and the board members are not granted share – options
- None of the board members and/or companies with which they are associated, have taken on specific assignments for the company in addition to their appointment as a member of the board.

Deviation from the Recommendation: None

12. Remuneration of the executive management

Guidelines and terms

The Compensation Committee has the responsibility to establish guidelines and recommendations with regards to the remuneration of the CEO and the executive management. Each year the Committee undertakes a thorough review of the remuneration and other salary to the CEO and the executive Management. The review is based upon market sampling of similar positions. The structure and level of the remuneration and incentive system for the CEO and the executive management is determined by the Board of Directors. The fixed remuneration and performance based remuneration including option scheme to the executive management and the Board of Directors is described in the disclosures to the annual accounts.

In accordance with the Public Companies Act, the guidelines are communicated to the annual general meeting.

Deviation from the Recommendation: None

13. Information and communications

The board of directors is required by law to establish guidelines for the remuneration of the members of the executive management. These guidelines are communicated to the annual general meeting.

The guidelines for the remuneration of the executive management should set out the main principles applied in determining the salary and other remuneration of the executive management. The guidelines should help to ensure convergence of the financial interests of the executive management and the shareholders.

Performance-related remuneration of the executive management in the form of share options, bonus programmes or the like should be linked to value creation for shareholders or the company's earnings performance over time. Such arrangements, including share option arrangements, should incentivise performance and be based on quantifiable factors over which the employee in question can have influence.

Annual and periodic accounts

The Company normally presents provisional annual accounts in late February. Complete financial statements, the Directors' Report and the annual report is sent to the shareholders and other stakeholders in March/April. Further to this the Company presents its accounts on a quarterly basis. The financial calendar is published on the Company's website. All shareholders are treated equally as a matter of course.

Other market information

Open investor presentations are conducted in connection with the Company's quarterly reports. The quarterly presentation is also available as webcast and thus widely broadcasted. In the quarterly report the CEO reviews the result for the past period and comments on the development for the various products and market segments. Furthermore the CEO provides a summary of the market outlook and prospects for the near future. The CFO also participates in these presentations. Further to this the CEO and CFO maintain a dialog with and make presentations to analysts and investors.

The Company considers it essential to keep owners and investors informed about its economic and financial development. Importance is also attached to securing that the same information is released to the whole market at the same time.

Deviation from the Recommendation: None

14. Take-overs

The board of directors should establish guiding principles for how it will act in the event of a take-over bid.

During the course of a take-over process, the board of directors and management of both the party making the offer and the target company have an independent responsibility to help ensure that shareholders in the target company are treated equally, and that the target company's business activities are not disrupted unnecessarily. The board of the target company has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.

The board of directors should not seek to hinder or obstruct take-over bids for the company's activities or shares unless there are particular reasons for this.

In the event of a take-over bid for the company's shares, the company's board of directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a company's shares, the company's board of directors should issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the board finds itself unable to give a recommendation to shareholders on whether or not to accept the offer, it should explain the background for not making such a recommendation. The board's statement on a bid should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the board have excluded themselves from the board's statement. The board should consider whether to arrange a valuation from an independent expert. If any member of the board or executive management, or close associates of such individuals, or anyone who has recently held such a position, is either the bidder or has a particular personal interest in the bid, the board should arrange an independent valuation in any case. This shall also apply if the bidder is a major shareholder. Any such valuation should be either appended to the board's statement, be reproduced in the statement or be referred to in the statement.

Any transaction that is in effect a disposal of the company's activities should be decided by a general meeting, except in cases where such decisions are required by law to be decided by the corporate assembly.

There are no defence mechanisms against take-over bids in AKVA's Articles of Association, nor have other measures been implemented to limit the opportunity to acquire shares in the company. The company will establish guidelines during 2008.

Deviation from the Recommendation:
None other than as stated above

15. Auditor

The auditor should submit the main features of the plan for the audit of the company to the board of directors annually.
The auditor should participate in meetings of the board of directors that deal with the annual accounts. At these meetings the auditor should review any material changes in the company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company.

The auditor should at least once a year present to the board of directors a review of the company's internal control procedures, including identified weaknesses and proposals for improvement.

The board of directors should hold a meeting with the auditor at least once a year at which neither the chief executive nor any other member of the executive management is present.

The board of directors should establish guidelines in respect of the use of the auditor by the company's executive management for services other than the audit. The board should receive annual written confirmation from the auditor that the auditor continues to satisfy the requirements for independence. In addition, the auditor should provide the board with a summary of all services in addition to audit work that have been undertaken for the company.

The board of directors must report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

An outline of the work planned by the Auditor is presented to the Board of Directors every year. The Auditor is always present during the Boards discussion of the annual accounts. At this meeting the Board is briefed on the annual accounts and any other issues of particular concern to the Auditor. Part of the meeting is also executed without the presence of the CEO or other executive management. The Chairperson also has an annual separate meeting with the Auditor.

Deviation from the Recommendation: None

16. Management and internal procedures

CEO
The CEO is in charge of the routine management of the business, including responsibility for the Company being organised, run and further developed in accordance with legislation, the Articles of Association and decisions taken by the Board of Directors and the Annual General Meeting.

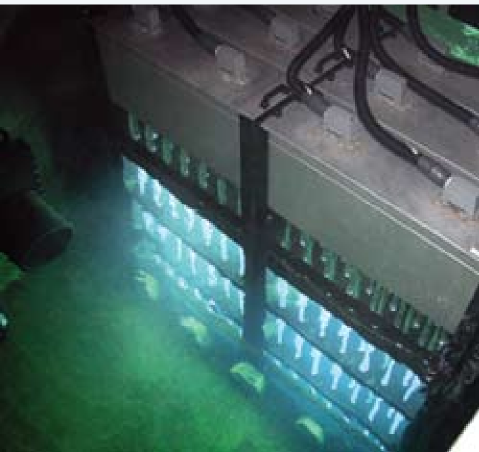
Executive Management
The executive management consists of 6 individuals. In addition to the Chief Executive Officer, the executive management consists of the Chief Financial Officer, the Chief Marketing Officer, the Chief Operating Officer, the General Manager for Chilean operations and the General Manager for the North American Operations. Further to this the Company has established a Technology and Product Development Council headed by the COO and a IT steering committee headed by the CFO. The Company has also established a business development team reporting to the CEO.

The Corporate Managers meet monthly with a fixed agenda in addition to day to day contact on an operational basis and number of other scheduled meetings and business reviews through the year.

Evaluations
Corporate Management evaluates its own work and working methods annually. The evaluation is submitted to the Boards Compensation Committee, and a condensed version of this is presented to the Board of Directors.

Intra-group Boards
The group's subsidiaries have their own Board of Directors, staffed by in-house managers.





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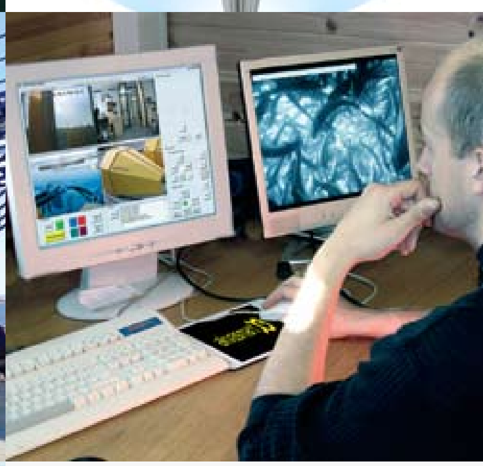


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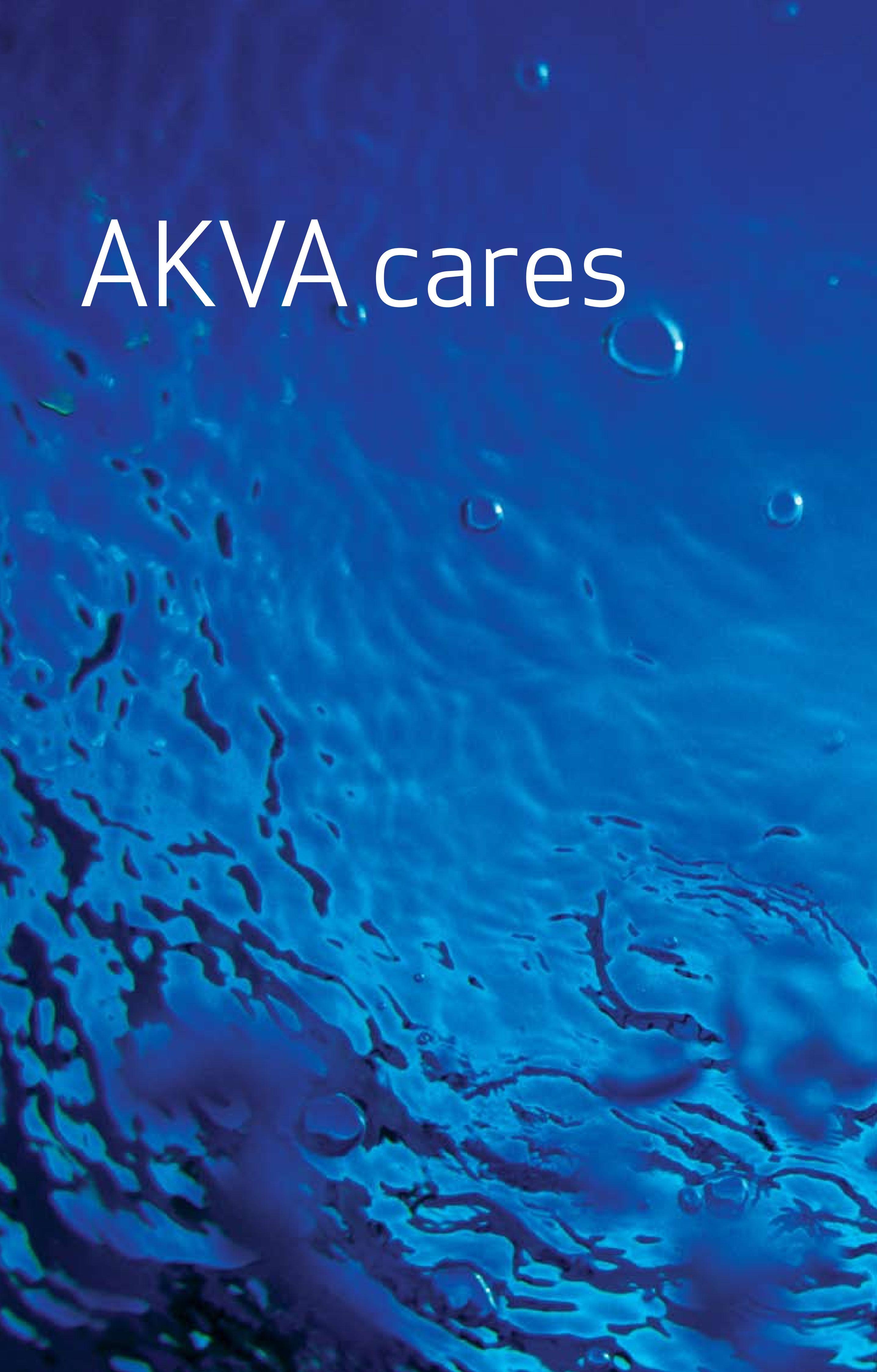
AKVA cares

We care about the world around us. We support community projects in the countries we operate in. We choose one project each year and call it “the CARE project”. The letters CARE form an acronym for the four values of AKVA group. It is also an expression of how we should relate to society and the environment around us: we care. Our group culture is characterised by interest, contact and activities beyond national boundaries, and we would like “the CARE project” to help bring not just our organisation closer together but also different people, experiences and cultures as well. We will support and take delight in employees who would like to make a personal contribution to the projects that are chosen in the future – all of them.

Our first “CARE project” is to provide accommodation to ten families in Chile. We contribute to these families receiving housing that is far from luxurious but is still significantly better than what these families have at the moment. In Chilean the houses are described as “casas básicas”. (For more information visit www.casabasica.cl). We believe that constructing these houses is a good project for us and we are very happy to provide everyone in AKVA group the opportunity to be involved in this work. Through volunteer work, our colleagues in Chile have built the first of the houses that are to be erected.

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