



Quarterly report

Nr 4 – 2007

Fourth quarter report 2007



Highlights

- **Operating revenue in 4Q was 237 MNOK and the period's EBITDA was 27.9 MNOK. Total revenue for 2007 was 932 MNOK and the EBITDA was 90.7 MNOK.**
- **The order backlog was 381 MNOK, highest quarterly ever, at the end of 4Q, an increase of 59% compared to same time last year.**
- **The general outlook for the first half of 2008 remains good, despite the challenging fish health situation in Chile**
- **The acquisition of 100% of the shares in UNI Aqua AS finalised – AKVA taking a leading role in the high growth recirculation market.**
- **New regional office in South East Asia, to strengthen position in non-salmon markets.**

In this report all pro-forma accounts are presented as if Maritech were acquired 1 January 2006, unless otherwise stated. UNI Aqua is included from 1 October 2007. In the comments below on the financial accounts, the 2006 figures are presented in parentheses following the 2007 stated values when included.

Operations and profit (pro forma)

Operating revenues in the 4Q increased strongly to 236.6 MNOK (196.3) representing an increase of 21%. The increase is driven by growth in the Norwegian and Chilean market. The EBITDA in 4Q was MNOK 27.9 (20.3).

Operating revenue for 2007 was 932 MNOK (704). The EBITDA for 2007 was 90.7 MNOK (87.4). The growth in revenues is mainly related to the INTECH business area with an increase in the sales of both feed barges and cages. The result in 4Q was positively affected by approximately 9.9 MNOK due to several one-off items and cost items not related to 4Q operations. An important part of this was the unwinding of a defined benefit pension scheme in parts of the organisation and transformation into a defined contribution scheme. This intra-group harmonising will also reduce future risks related to pension liabilities.

Depreciation and amortisation amounted to 24.2 MNOK (21.1) for 2007. EBIT in the period was 66.4 MNOK (66.3). Net interest expense year to date was -1.7 MNOK (-4.0). Other financial income was 0.9 MNOK (-0.2). Profit before tax for 2008 was 65.6 MNOK (62.1). Net profit after allowing for taxes of 11.9 MNOK (13.5) was 53.6 MNOK (48.6).

The low tax rate is mainly explained by a favourable decision by the Norwegian tax authorities in a dispute related to tax loss carry forwards.

Operations Technology (OPTECH)

The operating revenues for OPTECH in 4Q were 101 MNOK (93). The EBITDA for 4Q was 10.3 MNOK (10.7).

4Q revenues within the main products were at approximately the same level as in 4Q 2006. The growth is mainly related to the inclusion of UNI Aqua from 1 October 2007. The OPTECH revenue growth was again limited by capacity constraints of customers' subcontractors in Chile and longer lead times in Norway in the production of barges (INTECH products) containing OPTECH products and thus the deliveries were pushed forward into 2008.

The operating revenues for OPTECH for 2007 were 414.5 MNOK (371.8), EBITDA was 39.5 MNOK (50.6).

Operationally the focus for OPTECH is maintained on further strengthening project management and implementing measures to reduce the cost of production. This is expected to improve the margins for the ongoing projects to into 2008.

Infrastructure Technology (INTECH)

The operating revenues in 4Q increased to 135.3 MNOK (103.3) – up 31% from the same period last year. As for OPTECH the growth is mainly driven by the Norwegian and Chilean markets. The EBITDA in the period was 17.6 MNOK (9.5).

The EBITDA margin in INTECH improved in 4Q however the year to date margin is still affected by an increase in the number of lower margin barges delivered and competitive pressures on prices in Chile and in the Norwegian market.

Operations in INTECH continue to focus on achieving economies of scale benefits in the main production facilities in Norway and Chile.

Operations and profit (legal accounts)

Operating revenue in 4Q increased strongly to 237 MNOK (152) representing an increase of 56%. The EBITDA in 4Q was 27.9 MNOK (14.5). Operating revenue year to date was 860.8 MNOK (355.9). Year to date EBITDA was 86.8 MNOK (44.8). The growth in revenues is mainly explained by the merger with Wavemaster group and Polarcirkel in 2006; the acquisition of Maritech (included from 1 May 2007) and the growth in the Norwegian and Chilean market.

Depreciation and amortisation amounted to 21.6 MNOK (9.9) year to date. EBIT in the period was 65.2 MNOK (34.9). Net interest income for 2007 was -3 MNOK (-1.7). Other financial expenses were 0.9 MNOK (0.3). Profit before tax for 2007 was 63.1 MNOK (33.5). Net profit after allowing for taxes of 11.1 MNOK (5.3) was 52.0 MNOK (28.3).

Balance sheet (Legal accounts) and cash flow (Pro-forma)

Working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 109.4 MNOK up from 101.9 MNOK at the end of 3Q. The working capital will fluctuate in relation to ongoing projects, in particular related to INTECH projects. Net interest bearing debt amounted to 26.7 MNOK at end of 4Q vs. -5.2 MNOK in 3Q. Cash and unused credit facilities amounted to 159.0 MNOK. Total assets and total equity amounted to 684.7 MNOK and 336.4 MNOK, respectively, resulting in an equity ratio of 49.1% at the end of 2007. The year to date legal cash flow statement is affected by the acquisition of Maritech and UNI Aqua in the period, and thus not reflecting actual underlying investments in the period. Net underlying investments in 2007 amounted to 29.1 MNOK whereof 10.1 MNOK is capitalized R&D expenses in accordance with IFRS.

Shareholder issues

Earnings per share for 2007 were NOK 3.11 (3.47), the calculation is based on 17,222,869 (8,918,090) shares average. The Board propose a dividend for 2007 of NOK1.00 per share, representing 32% of the year's net profit.

Acquisition of UNI Aqua

In October the agreement to acquire 85% of the shares in the Danish company UNI Aqua AS was closed. In December an agreement was signed for the acquisition of the remaining 15% of the shares. The company is a leading supplier of recirculation aquaculture systems. The Board views this as an important strategic move.

Sale of Maritech Ehf (Iceland)

In December 2007 AKVA announced that a process to sell off Maritech Ehf. was initiated. The process is ongoing and is expected to be finalised in during the first half of 2008. Reference is made to the public notification.

Market and future outlook

The general market outlook towards the salmon farming industry in Norway is good at the moment. However, due to the rampant challenging fish health situation in the Chilean market, some companies have now introduced capital expenditure restrictions. This is expected to be affecting the volume of the INTECH business in Chile during 2008. As a consequence AKVA has decided to implement measures to reduce the costs in INTECH Chile to this new situation.

The activity towards other species than salmon continued to expand during 2007, the outlook for 1H 2008 is also good within this area. The order backlog was 382 MNOK (241) at the end of 4Q 2007, which is up 59% compared to last year. The general market activity, the order backlog combined with a good order inflow also in 1Q 2008 supports a high activity for the first half of 2008.

Byrne, 25 February - 2008
Board of Directors, AKVA group ASA



Hovedtall fra regnskapet - Pro forma*

Main figures from financial accounts - Pro forma*

(Pro forma figures are showing AKVA group as if Maritech had been consolidated from 1 January 2006)

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2007 4Q	2006 4Q	2007 YTD	2006 YTD
DRIFTSINNEKTER / OPERATING REVENUES	236 565	196 288	931 993	703 806
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	208 670	176 034	841 323	616 394
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	27 895	20 254	90 669	87 412
Avskrivninger / Depreciation	7 018	5 360	24 236	21 119
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	20 877	14 893	66 434	66 293
Netto rentekostnad / Net interest expense	7	-242	-1 749	-3 994
Andre finansielle poster / Other financial items	492	278	870	-170
Sum finansielle poster / Net financial items	499	36	-879	-4 165
RESULTAT FØR SKATT / PROFIT BEFORE TAX	21 376	14 929	65 555	62 128
Skattekostnad / Taxes	-480	1 068	11 944	13 486
RESULTAT ETTER SKATT / NET PROFIT	21 856	13 861	53 610	48 642
Resultat per aksje / Earnings per share	1,27	0,80	3,11	3,47
Gj.snitt antall utestående aksjer (i 1000) / Average number of shares outstanding (in 1 000)	17 223	17 223	17 223	14 016

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS (NOK 1 000)	2007 4Q	2006 4Q	2007 YTD	2006 YTD
FARM OPERATION TECHNOLOGY (OPTECH)				
DRIFTSINNEKTER / OPERATING REVENUES	101 228	92 973	414 471	371 842
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	90 928	82 233	374 963	321 273
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	10 300	10 739	39 508	50 569
Avskrivninger / Depreciation	5 280	3 687	17 473	14 843
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	5 020	7 052	22 035	35 727
INFRASTRUCTURE TECHNOLOGY (INTECH)				
DRIFTSINNEKTER / OPERATING REVENUES	135 338	103 315	517 522	331 963
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	117 742	93 801	466 361	295 121
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	17 595	9 514	51 161	36 842
Avskrivninger / Depreciation	1 738	1 674	6 762	6 276
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	15 857	7 841	44 399	30 566


BALANSE / BALANCE SHEET

	2007	2006
(NOK 1 000)	31.12.	31.12.
Immaterielle eiendeler / Intangible fixed assets	224 805	148 442
Anleggsmidler / Fixed assets	33 995	22 313
Finansielle anleggsmidler/Long-term financial assets	2 107	1 434
ANLEGGSMIDLER / FIXED ASSETS	260 907	172 190
Varebeholdning / Stock	118 750	96 344
Kundefordringer / Trade receivables	188 217	102 033
Andre fordringer / Other receivables	18 857	11 983
Betalingsmidler / Cash and cash equivalents	98 044	141 463
OMLØPSMIDLER / CURRENT ASSETS	423 869	351 824
SUM EIENDELER / TOTAL ASSETS	684 776	524 013
Innskutt egenkapital / Paid in capital	267 253	267 253
Opptjent egenkapital / Retained equity	69 189	27 755
SUM EGENKAPITAL / TOTAL EQUITY	336 442	295 008
Annen langsiktig gjeld / Other long term debt	7 191	19 967
Langsiktig rentebærende gjeld / Long-term interest bearing debt	104 414	26 994
LANGSIKTIG GJELD / LONG-TERM DEBT	111 604	46 961
Kortsiktig rentebærende gjeld / Short-term interest bearing debt	20 290	29 726
Annen kortsiktig gjeld / Other current liabilities	216 439	152 318
KORTSIKTIG GJELD / SHORT-TERM DEBT	236 729	182 044
SUM EGENKAPITAL OG GJELD / TOTAL EQUITY AND DEBT	684 776	524 013

ENDRING EGENKAPITAL / CHANGES IN EQUITY

	2007	2006	2007	2006
(NOK 1 000)	4Q	4Q	YTD	YTD
Bokført egenkapital ved periodens begynnelse / Book equity at the beginning of the period	315 694	167 817	295 008	37 744
Periodens resultat / The period's net profit	22 166	12 288	52 009	28 268
Kapitalutvidelse / Capital increase	-	130 380	-	243 380
Emisjonskostnader / Share issue costs	-	-9 744	-	-9 744
Endring i virkelig verdi av sikringsinstrumentet ved kontantstrømsikring / Gains/(losses) on cash flow hedges (fair value)	3 013	-265	460	-69
Estimatavvik pensjonsforpliktelse bokført mot EK 31.12 / Deviation on estimates from pension liability 31.12 recorded against	-	-3 176	-	-3 176
Endring i regnskapsprinsipp for inntektsføring/Change in revenue recognition accounting principle	611	-	-4 375	-
Bokføring av opsjonsavtale / Recording of option agreement	131	166	1 459	166
Omregningsdifferanser / Translation differences	-5 173	-2 457	-8 118	-1 559
Bokført egenkapital ved periodens slutt / Book equity at the end of the period*	336 442	295 008	336 442	295 008
*Proposed dividend for 2007 included in equity	17 223			

KONTANTSTRØMOPPSTILLING / CASH FLOW STATEMENT

	2007	2006	2007	2006
(NOK 1 000)	4Q	4Q	YTD	YTD
Netto kontantstrøm fra operasjonelle aktiviteter / Net cash flow from operational activities	13 757	17 813	20 415	10 588
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investment activities	-32 234	-3 122	-129 917	-23 637
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financial activities	-20 225	107 434	66 084	148 312
Netto kontantstrøm / Net cash flow	-38 702	122 125	-43 419	135 263
Betalingsmidler ved periodens begynnelse / Cash and cash equivalents at the beginning of the period	136 747	19 338	141 463	6 199
Betalingsmidler ved periodens slutt / Cash and cash equivalents at the end of the period	98 044	141 463	98 044	141 463

Hovedtall fra regnskapet

Main figures from financial accounts

*(Includes Maritech from 1 May 2007)

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2007 4Q	2006 4Q	2007 YTD	2006 YTD
DRIFTSINTEKTER / OPERATING REVENUES	236 930	151 623	860 824	355 961
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	209 044	137 078	774 034	311 177
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	27 886	14 545	86 790	44 784
Avskrivninger / Depreciation	6 681	3 670	21 615	9 882
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	21 205	10 875	65 176	34 902
Netto rentekostnad / Net interest expense	-1 418	28	-3 037	-1 677
Andre finansielle poster / Other financial items	1 902	328	975	322
Sum finansielle poster / Net financial items	484	356	-2 063	-1 355
RESULTAT FØR SKATT / PROFIT BEFORE TAX	21 689	11 231	63 113	33 547
Skattekostnad / Taxes	-477	-1 057	11 104	5 279
RESULTAT ETTER SKATT / NET PROFIT	22 166	12 288	52 009	28 268
Resultat per aksje / Earnings per share	1,29	0,71	3,02	3,17
Gj.snitt antall utestående aksjer (i 1000)/ Average number of shares outstanding (in 1 000)	17 223	17 223	17 223	8 918

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS (NOK 1 000)	2007 4Q	2006 4Q	2007 YTD	2006 YTD
FARM OPERATION TECHNOLOGY (OPTECH)				
DRIFTSINTEKTER / OPERATING REVENUES	101 593	49 043	343 302	196 123
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	91 302	43 102	307 673	161 607
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	10 290	5 941	35 629	34 516
Avskrivninger / Depreciation	4 854	2 400	14 763	7 829
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	5 437	3 541	20 866	26 688
INFRASTRUCTURE TECHNOLOGY (INTECH)				
DRIFTSINTEKTER / OPERATING REVENUES	135 338	102 580	517 522	159 837
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	117 742	93 976	466 361	149 570
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	17 595	8 604	51 161	10 267
Avskrivninger / Depreciation	1 738	1 270	6 762	2 053
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	15 857	7 334	44 399	8 214

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