AKVA GROUP

The global leader in aquaculture technology

4Q 2008 presentation

25 February 2009

Knut Molaug, CEO

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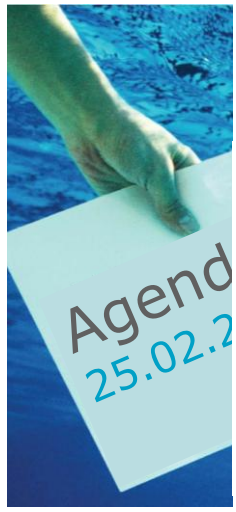
akvasmart fishtalk wavemaster polarcirkel

AKVA GROUP

Agenda

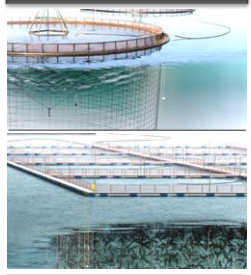


- Background & highlights
- 4Q 2008 Financial review
- Technology & disease
- Outlook
- Q & A

AKVA GROUP

AKVA group in brief

Cage systems



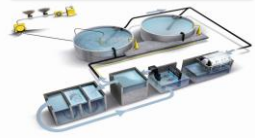
AKVA group facts

- The leading aquaculture technology supplier
- Strong market position with all main products
- The only player with global presence
- Strong and experienced management
- Growth company in a global growth industry

Software systems and services

Feed barges

Recirc. systems

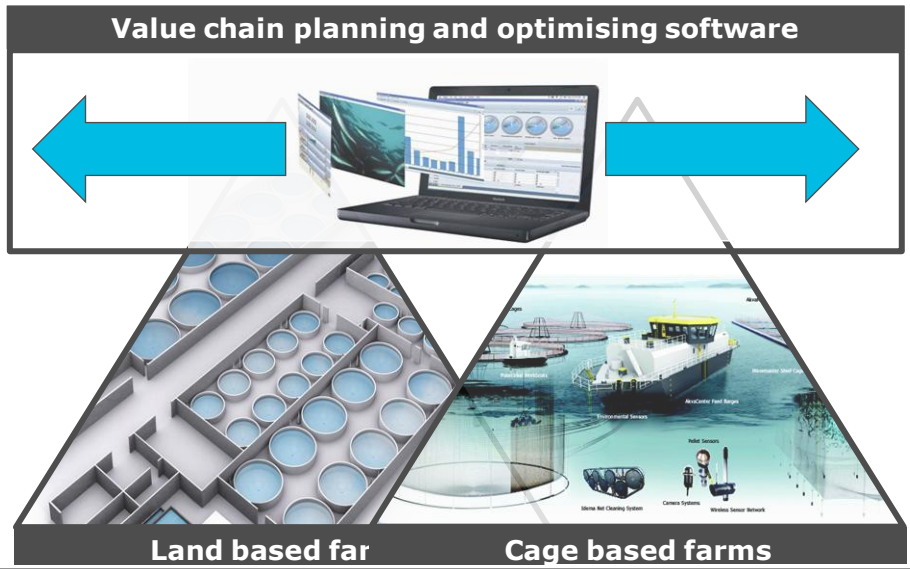


Feed systems

Operational systems & sensors

AKVA's main product brands: wavemaster polarcirkel fishtalk akvasmart

One-stop-shop in aquaculture technology



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4Q highlights

- Operating revenue in 4Q was 192 MNOK which is 19% lower than same period last year. The period's EBITDA was –9.7 MNOK primarily negatively affected by reduced revenues.
- 4Q profit was significantly affected by restructuring costs, losses related to a project and one-off write-downs of approximately 10 MNOK.
- A cost reduction program has been implemented to adapt to lower sales volumes, the full annual effect of these measures is 26 MNOK.

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4Q highlights

- Operating revenue for 2008 was 866 MNOK. The period's EBITDA was 52.7 MNOK, which is lower than last year.
- The market uncertainty has increased due to the global financial turmoil.

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Market issues

- The underlying market demand is strong in the main markets, except for Chile.
- The prospect mass is at historically high level.
- Strategic development towards new species and regions developing positively.
- However, the market is dominated by uncertainty due to the global financial turmoil.

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4Q Financials – P&L

P&L 2008 (Pro-forma) (MNOK)	4Q 2008	4Q 2007*	Year 2008	Year 2007*
Operating revenues	**191.8**	**236.6**	**866.5**	**932.0**
Operating costs excl. depreciation	-201.5	-208.7	-813.8	-841.3
EBITDA	**-9.7**	**27.9**	**52.7**	**90.7**
Depreciation & Amortisation	-9.3	-7.0	-29.5	-24.2
EBIT	**-19.0**	**20.9**	**23.3**	**66.4**
Net financial items	-3.6	0.5	-12.5	-0.9
EBT	**-22.7**	**21.4**	**10.8**	**65.6**
Taxes	-4.7	-0.5	-5.2	-11.9
Net profit	**-17.9**	**21.8**	**5.5**	**53.6**
Revenue growth	*-18.9%*		*-7.0%*	*32%*
EBITDA margin	*-5.1%*	*11.8%*	*6.1%*	*9.7%*
EBIT margin	*-9.9%*	*8.8%*	*2.7%*	*7.1%*
EPS (NOK)	*-1.04*	*1.27*	*0.32*	*3.11*

* Please note that in this presentation the comparable numbers for 2007 are pro-forma numbers as if the acquisition of Maritech had taken place before 1 January 2006. UNI Aqua was included from October 2007 and Idema is included from June 2008.

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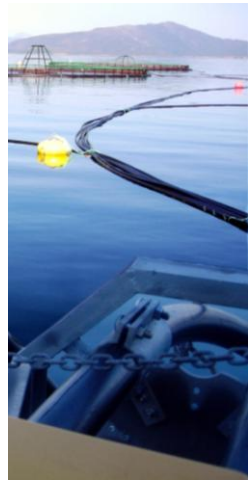
4Q Financials – P&L comments



- The revenue was 192 MNOK
  - Quarterly revenue reduced by 19% compared to 2007
  - The activity level was affected by a reduced order inflow in 2H
- The EBITDA result was -9.7 MNOK
  - Reduced revenue volume main explanation to fall in EBITDA result.
  - Significantly affected by one-off items (10.4 MNOK)
    - Restructuring: Provisions for downscaling related to capacity adaptations (3.2 MNOK).
    - Project cost: Unexpected cost overrun on a specific delivery project (4.3 MNOK)
    - One-off write-down of receivables and inventory (2.9 MNOK).

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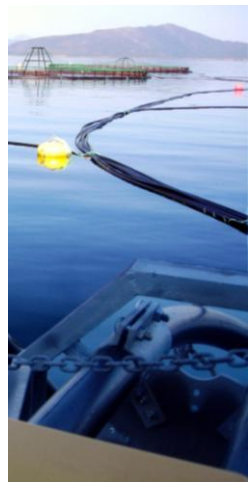
4Q Financials – P&L comments



- 2008: The revenue was 866 MNOK.
  - Annual revenue reduced by 7% compared to 2007.
  - The annual revenue activity level was affected by a reduced order inflow in general in 2H
  - And lower revenue volumes from the INTECH business Chile in general through the year.
- 2008: The EBITDA result was 52,7 MNOK
  - Reduced revenue volume main explanation to fall in EBITDA result.
  - Also affected by one-off items in 4Q

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Business areas - OPTECH

OPTECH

Farm Operation Technology

Recirculation

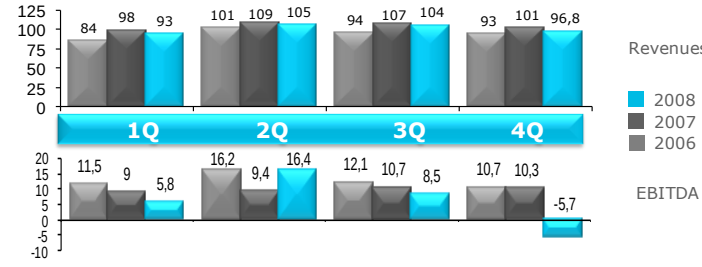
Feed systems

Sensors & cam

Net cleaning & light systems

Software

OPTECH (MNOK) Pro-forma



- 4Q revenues decreased by 4% compared to last year.
- 4Q EBITDA level fell significantly compared to the same period last year. The change is mainly related to change in product mix and one-off costs related to a delivery project, restructuring costs and write downs.

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Business areas - INTECH

INTECH

Infrastructure technology

Steel cages

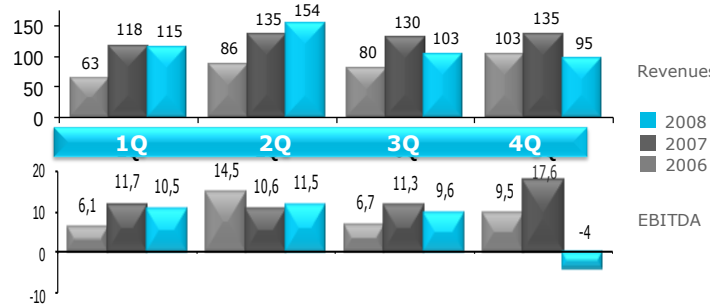
Plastic cages

Feed barges

Boats

etc.

INTECH (MNOK) Pro-forma



- In 4Q the revenues fell by 30%, mainly related to reduced volumes in Chile and Norway.
- In 4Q the EBITDA was -4 MNOK affected by the lower volume and one-off restructuring costs and write-downs.
- The fourth quarter 2007 was positively affected by a one-off item of 10 MNOK.

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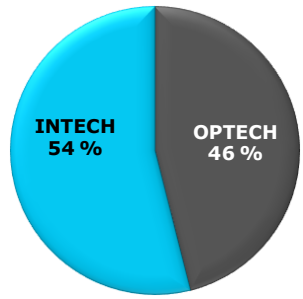
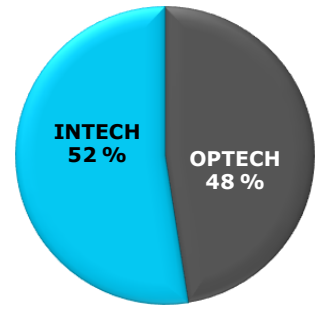
Business segments

YTD 2008 Revenues



2008 EBITDA



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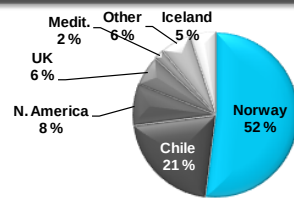
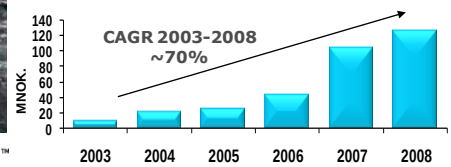
Market segments

Geographic segments (YTD)



- Norway dominating segment
- Importance of Chile reduced

AKVA group revenues within other species



- Continued growth in a number of regions

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Balance sheet

Balance sheet (legal) (MNOK)	4Q 2008	4Q 2007
Intangible fixed assets	251.8	224.8
Tangible fixed assets	41.5	34.0
Long term financial assets	2.5	2.1
Fixed assets	**295.7**	**260.9**
Stock	142.4	118.7
Receivables	190.2	207.1
Cash and bank deposits	47.9	98.0
Current assets	**380.5**	**423.9**
Total assets	**676.2**	**684.8**
Shareholders' equity	**309.6**	**336.4**
Long term debt	134.4	111.6
Short term debt	232.2	236.7
Total liabilities	**366.6**	**348.3**
Total shareholders' equity and liabilities	**676.2**	**684.8**
Equity ratio	*45.8%*	*49.1%*
Net interest bearing debt	*149.6*	*26.7*
Net working capital	*171.7*	*109.4*

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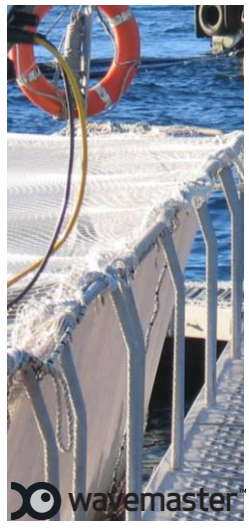
Balance sheet items



Working Capital (MNOK)

- **Working Capital:**
  - Working capital represents 19.8 % of annualised revenues.
  - Measures implemented to improve working capital further.

Main explanations:

- Slower progress on projects and payment in Chile due to the prevalent fish health situation.
- Some increase in inventory due to lower order inflow than expected in 2H.
- Reduction in pre-payments from customers related to the reduced order inflow
- In general slower payments from customers

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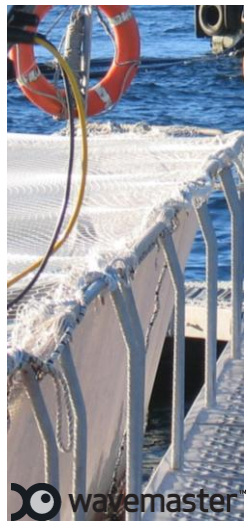
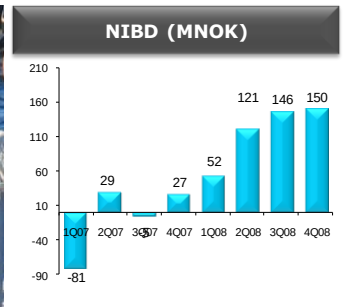
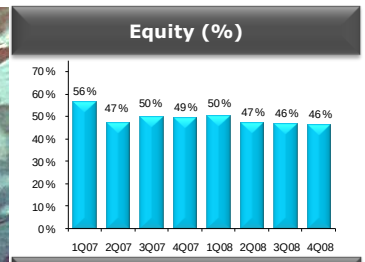
Balance sheet items

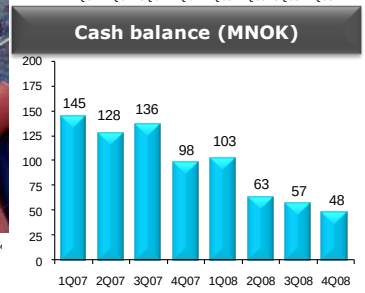




- **Net interest bearing debt (NIBD):**
  - YTD increase in NIBD is mainly related to the acquisition of Idema in June and increase in working capital.

Strong financial position





- **Equity:**
  - Strong equity position
  - Equity affected by the YTD revaluation of goodwill related to Iceland of about 17 MNOK
- **Cash Position:**
  - Satisfactory cash position
  - Available cash 62 MNOK.

Cash flow statement

Cash flow statement (KNOK)	2008 4Q	2007 4Q	2008 YTD	2007 Total
Net cash flow from operational activities	8 530	13 757	- 15 504	20 415
Net cash flow from investment activities	-12 597	-32 234	-90 936	-129 917
Net cash flow from financial activities	-4982	-20 225	56 279	66 084
Net cash flow	**-9 050**	**- 38 702**	**-50 161**	**-43 419**
Cash and cash equivalents beginning of period	56 934	136 747	56 934	141 463
Cash and cash equivalents end of period	**47 883**	**98 044**	**47 883**	**98 044**

- Not satisfactory cash flow from operations in 4Q and YTD.
- Net investments in YTD amounted to 27.7 MNOK (excl. investment related to acquisition of Idema and Danaq), whereof 11.9 MNOK is capitalized R&D expenses in accordance with IFRS.

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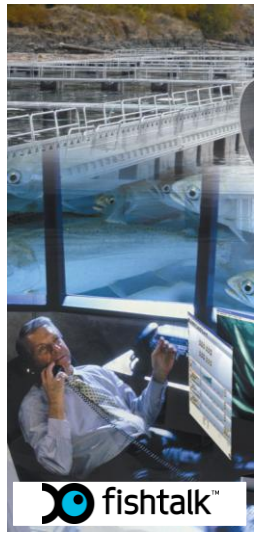
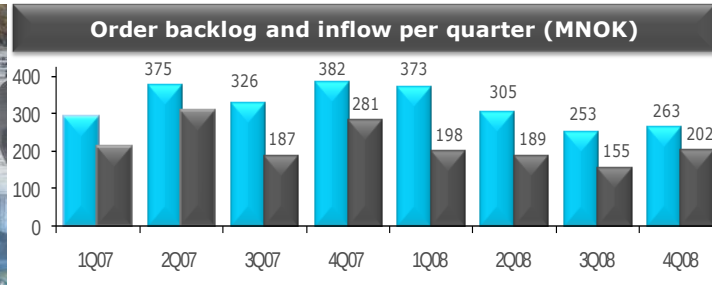
Order backlog and inflow





- Order backlog is reduced by 119 MNOK compared to the same time last year. The decline in order backlog is related to Chile and Norway
- Order inflow improvement compared to previous quarters in 2008. However, the order inflow not balanced between products.

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Background & highlights

4Q 2008 Financial review

Technology & diseases

Outlook

Q & A

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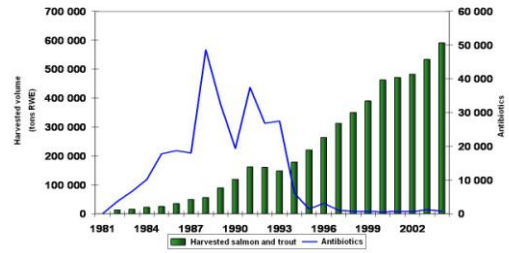
Background

- Diseases have historically been a cause of severe challenges in most animal production industries.
- The Salmon industry has experienced a number of challenging situations due to health issues.
- In early 1990's a number of diseases, including ISA caused significant challenges to the Norwegian industry.
  - High mortality level
  - High use of medication / antibiotics

Nor: Harvested volumes & use of antibiotics



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Situation today

- **Norway:**
  - Pancreas Disease (PD) a challenge
  - Sea lice challenge in areas
  - Occasional ISA outbreaks
  - Main challenge is escapee's
- **Chile:**
  - Dramatic challenges due to the sanitary situation
  - The general sanitary situation is challenging.
    - Historically, Caligus (Sea lice) and Salmon Rickettsia Syndrome (SRS) has been the main problem.
    - Infectious Salmon Anaemia (ISA) is an overwhelming challenge
  - General improvement of husbandry techniques necessary.
  - ISA causing major mortality issues
  - High use of medication (chemicals & antibiotics)
  - High density of sites – in region X
  - Smolt production (lakes)
  - Lack of vaccines (takes time)

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How can technology influence?

Some examples:

- By maintaining a disease free brood stock
- By producing high quality and disease free eggs and juveniles
- By providing availability of good water quality at the best aquaculture sites
- By use of systems that promote, ensure and enforce good husbandry practices and techniques
- By early diagnostics

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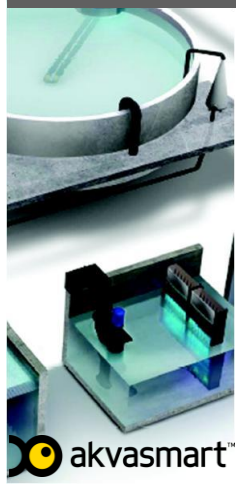
Disease free brood stock

UNI recirculation



- The fundamentally most efficient way to produce disease free fish is to start with disease free brood stock
  - Relatively small biomass and low number of individual fish

Technology Solution:

- Use of recirculation allows maintaining brood stock in isolated and disease free environments
  - Successful in for example in Canada - has contributed to a significant reduction of ISA outbreaks.
- Recirculation allows a cost efficient mechanism of isolation since 100% of the inputs can be treated to avoid ingress of pathogens

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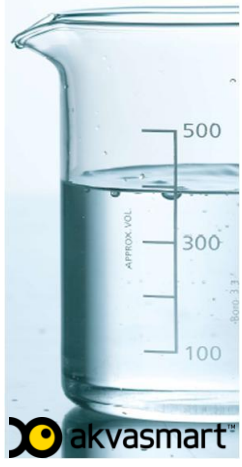
High quality and disease free juveniles

UNI recirculation



- Production of disease free stocking material is the obvious next step (eggs, larvae's, fingerlings and/or smolts)

Technology Solution:

- Recirculation will play an important role, because:
- Significantly improves the control of entrance of pathogens (the amount of inputs are reduced)
- Control of the environmental and biological conditions to secure the well-being of the fish, thus the fish's resistance to exposure improves through self defence mechanisms
- Allows for intense environmental manipulation beyond the limits of survival of some pathogens. (Example salt addition, high temperatures, etc.)
- Recirculation facilitate bath treatments

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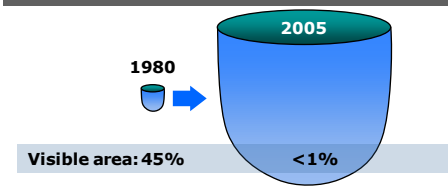
Good water quality - the best sites

- The grow out phase – the ambient conditions on the site is essential for the result

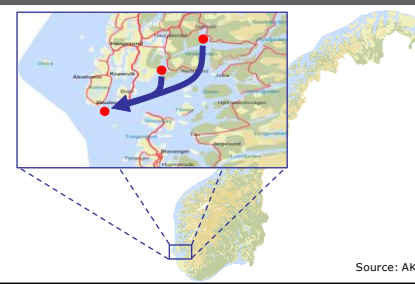
Technology Solutions:

- Cages and other technology for exposed waters
- Cages and other technology for high current loads

Volume of a cage has increased 240 times



From sheltered to exposed locations



Source: AKVA group

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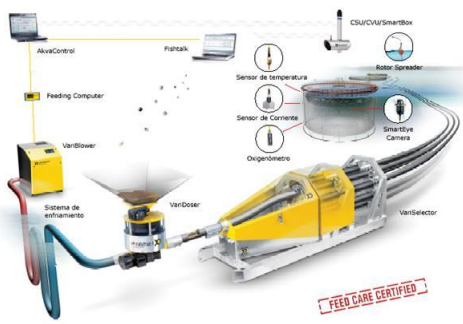
Promote, ensure and enforce good husbandry practices and techniques

Integrated farming solutions



wavemaster polarcirkel fishtalk akvasmart

- Proper feeding: right amounts, low competition, consistency, nutrition, etc.
- Reduced or zero handling
- Predators avoidance, real or virtual
- Ensuring the cage volume is maintained
- Clean nets – better water flow and access to oxygen.
- Frequent mortality collection, and thus pathogen removal
- Bigger and deeper cages: offering bigger spaces for the fish to choose where to be

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Early diagnostics

- Early identification of deviating fish behavior, growth patterns, mortality, cage behavior, etc.
- Software for traceability of production problems is important in the resolving of any problems
  - Accurate and full record keeping to ensure disease free status.
- Early diagnostics is a yet an under developed area. Potential for new tools.
  - Fish feeding analysis
  - Fish weight analysis
  - Deviation in swimming/positioning behavior.
  - Diagnostic of mortality
  - Etc. etc

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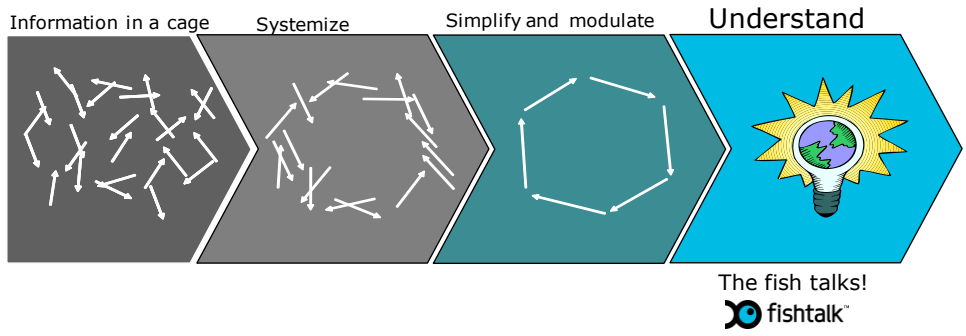
Transforming: from intuition to a knowledge based industry



Data analysis:
Optimising and enhancing the yield of the biological production

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Background & highlights

4Q 2008 Financial review

Technology & disease

Outlook

Q & A

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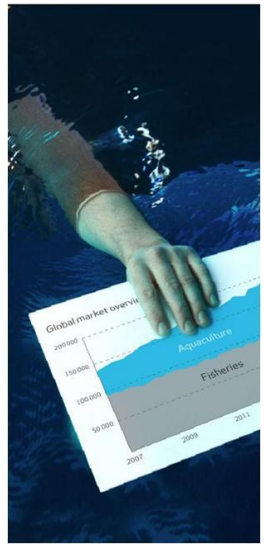
Outlook



- **Chilean market subdued due to the challenging sanitary situation**
  - Implementing further cost reduction measures continuously evaluated.
  - Opportunities in recirculation deliveries over the next years.
    - Companies in financial distress, financing of necessary tasks to counter the sanitary situation is challenging.
    - Governmental support package announced in November.
    - Land based brood stock, hatchery, fry and smolt production an important part of the solution for the industry going forward.
- **North American market showing improvement**
  - However, this is a small market

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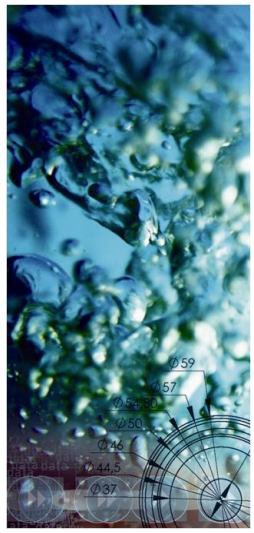
Outlook



- **The Scottish market developing soundly**
  - Market fundamentals developing well
  - Closing of contracts challenging due to financial turmoil.
- **High underlying demand in Norwegian salmon market**
  - The prospect mass towards the Norwegian industry is higher than same time last year
  - Customers generally push larger investments forward due to the financial uncertainties.
  - Cage sales in Norway showing good development for 1H.
  - Generally a more challenging market for OPTECH and feed barge market.
  - Important recirculation projects expected

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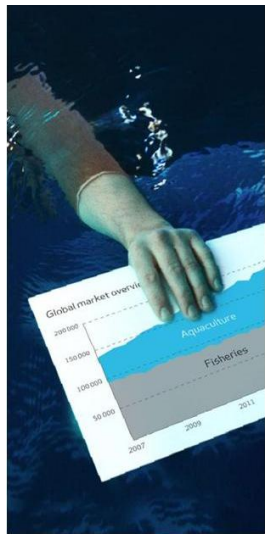
Outlook



- **Other species / markets**
  - The growth towards other species than salmon continue to expand according to strategic objectives
  - The prospect mass for deliveries to other species than salmon is higher than ever before
  - Strategic contract closed in Malaysia during February
    - Building of a marine hatchery for the Department of Fisheries
    - Important for the country's strategic plan for growth within aquaculture.
  - Important inroads to Asian markets expected.
  - Mediterranean market is in general challenging, but perceived to be recovering
  - The outlook for the coming years is good within this area, however short term the global financial turmoil is adding uncertainty

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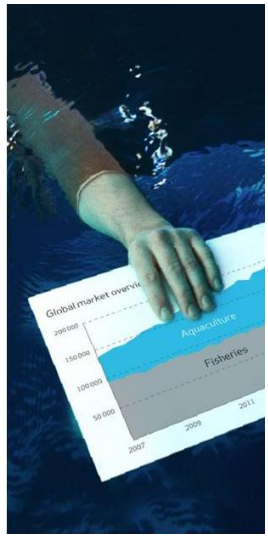
Outlook



- **Order backlog and development**
  - The order inflow in 4Q improved compared to 3Q, however the product mix is not balanced
    - OPTECH has lower inflow than INTECH
  - The Chilean business will be demanding the next years
  - First 4 months of the year normally important for order inflow in OPTECH in the Norwegian market
  - The prospect mass and market activities indicate a strong underlying demand in Norway, Scotland and several other international markets
  - The global financial turmoil adds uncertainty
    - Offering of financing through Eksportfinans / GIEK is of increasing importance

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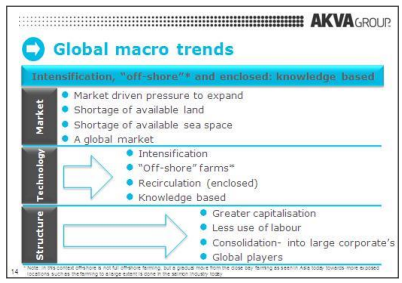
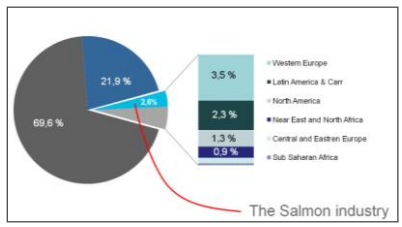
Outlook





- **Strong long term outlook**
  - Global macro trends in aquaculture
  - Growth trend expected for decades to come
  - Intesification, "off-shore" and recircualtion main technology trends.
  - Knowledge based development
  - AKVA is positioned to benefit from these trends

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- Background & highlights
- 4Q 2008 Financial review
- Technology & disease
- Outlook
- Q & A

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Appendix

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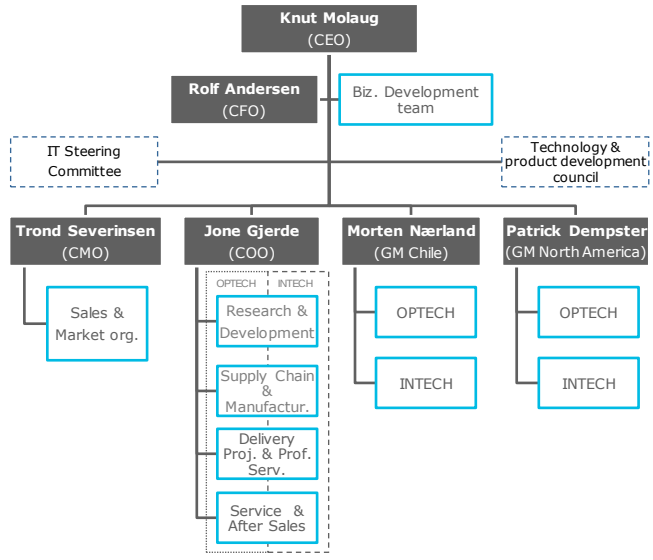
Group organisation



AKVA group – global presence

All major industry players as customers

AKVA group – brief historic summary

Product Innovations:

1974: World's fist plastic cages (Polarcirkel) – today more than 40.000 units delivered
1978: First Seafood industry software solution
1980: World's first automatic feed systems
1984: Maritech: first seafood industry PC based ERP software system
1985: First Wavemaster steel cages
1992: World's first software system for fish farm planning
1995: First fish pellet sensing system
1997: First Steel barges
2000: Polarcirkel – large cage designs introduced
2001: Introduction of AkvaMaster feed barges
2002: Akvasmart – integrated control system (CCS)
2004: Fishtalk–fist aquaculture integrated software system
2005: Wavemaster – introduction of 40 x40 steel cages
2006: Akvasmart – integrated sensor system
2007: 10 new products launched at Aquanor show
2008: UNI recirculation–"all in all out" concept

1980 1985 1990 1995 2000 2005

Business development and M&A

1980: First AKVA deliveries
1982: AKVA incorporated as company
1990s: International expansion through distributors and agents
1995: First International investment (Canada)
1998: Open subsidiaries in Chile and Scotland
2001: Aquasmart International AS (No)
2001: Superior Systems AS (No)
2002: Vicass (Ca)
2003: Feeding Systems AS (No,Ch)
2004: Cameratech AS (No)
2006: Akva kompetanse AS (No)
2006: Wavemaster Group (UK, Ca, Ch)
2006: Helgeland Plast (No, Ch)
2006: IPO – company listed at Oslo Stock Exchange
2007: Maritech International AS (No, Is, US, Ca, Ch)
2007: UNI Aqua AS (Dk)
2008: Danaq Amba (Dk)
2008: Open office in South East Asia (Thai)
2008: Idema Aqua AS (No, UK, Ch)