



Quarterly report

Nr 1 – 2008

First quarter report 2008



Highlights:

- **Operating revenue in 1Q was 207 MNOK and the period's EBITDA was 16.3 MNOK.**
- **The order backlog was 373 MNOK at the end of 1Q indicating a stable market situation compared to last year.**
- **The general outlook for the next 6 months in 2008 remains steady, however the challenging fish health situation in Chile indicates higher uncertainty.**
- **Letter of Intent signed to acquire Idema Aqua AS.**

In this report all pro-forma accounts are presented as if Maritech were acquired 1 January 2006, unless otherwise stated. In the comments below on the financial accounts, the 2007 figures are presented in parentheses following the 2008 stated values when included.

Operations and profit (pro forma)

Operating revenues in 1Q were 207.3 MNOK (215.2). The decrease is mainly explained by the sale of the Marel part of Maritech last year. The EBITDA in 1Q was MNOK 16.3 (20.7), the decrease is mainly explained by the above mentioned sale and the weakening of the USD affecting OPTECH margins negatively in Chile, and the one-time restructuring costs in Chile.

Depreciation and amortisation amounted to 6.0 MNOK (5.1) for the period. EBIT in the period was 10.3 MNOK (15.5). Net interest expense year to date was -1.2 MNOK (0.1). Other financial income was -0.3 MNOK (0.1). Profit before tax for the first quarter was 8.8 MNOK (15.8). Net profit after allowing for taxes of 2.5 MNOK (3.0) was 6.2 MNOK (12.8).

Operations Technology (OPTECH)

The operating revenues for OPTECH in 1Q were 92.7 MNOK (97.6). The EBITDA for 1Q was 5.8 MNOK (9.0).

1Q 2008 revenues compared to same period last year are affected by the disposal of the Marel distribution agreement. Furthermore, margins are also affected by the continued weakening of the USD through the first quarter 2008.

Operationally OPTECH has focused on developing the newly acquired recirculation activity during the first quarter. As a part of this process the acquisition of Danaq, a Danish consultancy firm within this field was finalised. The company expect that this business area will contribute to further growth within OPTECH going forward.

Infrastructure Technology (INTECH)

The operating revenues in 1Q were 114.6 MNOK (117.6). As for OPTECH the growth is mainly driven by the Norwegian and Chilean markets. The EBITDA in the period was 10.5 MNOK (11.7).

Operations in INTECH continue to focus on achieving economies of scale benefits in the main production facilities in Norway and Chile. In the first quarter there was a one-off restructuring cost for downsizing of the Chilean operations of 0.5 MNOK.

Operations and profit (legal accounts)

Operating revenue in 1Q increased strongly to 207.3 MNOK (160.7) representing an increase of 29%. The EBITDA in 1Q was 16.3 MNOK (17.7). The growth in revenues is mainly explained by the acquisition of Maritech and growth in the Norwegian and Chilean market.

Depreciation and amortisation amounted to 6.0 MNOK (3.6) year to date. EBIT in the period was 16.3 MNOK (17.7). Net interest expense for the first quarter was -1.2 MNOK (0.3). Other financial expenses were -0.3 MNOK (0.1). Profit before tax for 1Q was 8.8 MNOK (14.5). Net profit after allowing for taxes of 2.6 MNOK (3.0) was 6.2 MNOK (11.4).

Balance sheet and cash flow

Working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 138.1 MNOK up from 109.4 MNOK at the end of 2007. The working capital has increased, mainly due to inventory build-up in Norway related to deliveries expected to take place in 2Q. Net interest bearing debt amounted to 52.2 MNOK at end of 1Q vs. 26.7 MNOK in 4Q 2007. Cash and unused credit facilities amounted to 142 MNOK. Total assets and total equity amounted to 691.4 MNOK and 344.2 MNOK, respectively, resulting in an equity ratio of 49.8% at the end of 1Q 2008. Net investments in 1Q 2008 amounted to 5.3 MNOK whereof 1.7 MNOK is capitalized R&D expenses in accordance with IFRS and excluding 3,5 MNOK related to acquisitions.

Shareholder issues

Earnings per share for 1Q 2008 were NOK 0.36 (0.74), the calculation is based on 17,222,869 shares average.

Acquisition of Idema Aqua

In March the company signed a binding Letter of Intent to acquire 100% of the shares in the company Idema Aqua AS. The company is one of the leading suppliers of underwater net cleaning systems and lighting systems for the fish farming industry. The agreement is expected to be consummated during May.

Discontinuation of sale of Maritech Ehf (Iceland)

In December 2007 AKVA announced that a process to sell off Maritech Ehf. was initiated. Due to the prevalent challenging financial situation in Iceland, AKVA has decided to halt the sales process.

Market and future outlook

The general market outlook towards the salmon farming industry in Norway remains good at the moment. However, due to the escalating challenging fish health situation in the Chilean market, the market for INTECH products in this region is significantly affected by capital expenditure restrictions with most of the companies, this is also starting to affect the OPTECH business and is expected to continue for the remainder of 2008. On the other hand AKVA expects the revenues from the UNI recirculation systems in Chile to increase during 2008.

The activity towards other species than salmon continues to expand according to the business plan, and the further outlook for 2Q and 3Q 2008 is good within this area.

The order backlog was 373 MNOK (291) at the end of 1Q 2008, which is up 28% compared to last year. The general market activity and the order backlog supports a high activity for the next 6 months of 2008.

Bryne, 5 May - 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 2007)

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2008 1Q	2007 1Q	2007 Total
DRIFTSINNEKTER / OPERATING REVENUES	207 307	215 201	931 993
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	190 987	194 523	841 323
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	16 320	20 678	90 669
Avskrivninger / Depreciation	6 041	5 129	24 236
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	10 279	15 549	66 434
Netto rentekostnad / Net interest expense	-1 201	136	-1 749
Andre finansielle poster / Other financial items	-311	136	870
Sum finansielle poster / Net financial items	-1 512	272	-879
RESULTAT FØR SKATT / PROFIT BEFORE TAX	8 767	15 821	65 555
Skattekostnad / Taxes	2 555	3 032	11 951
RESULTAT ETTER SKATT / NET PROFIT	6 212	12 789	53 603
Resultat per aksje / Earnings per share	0,36	0,74	3,11
Gj.snitt antall utestående aksjer (i 1000) / Average number of shares outstanding (in 1 000)	17 223	17 223	17 223

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS (NOK 1 000)	2008 1Q	2007 1Q	2007 Total
FARM OPERATION TECHNOLOGY (OPTECH)			
DRIFTSINNEKTER / OPERATING REVENUES	92 744	97 593	414 471
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	86 922	88 585	374 963
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	5 822	9 007	39 508
Avskrivninger / Depreciation	4 251	3 507	17 473
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	1 571	5 500	22 035
INFRASTRUCTURE TECHNOLOGY (INTECH)			
DRIFTSINNEKTER / OPERATING REVENUES	114 563	117 608	517 522
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	104 065	105 938	466 361
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	10 497	11 671	51 161
Avskrivninger / Depreciation	1 790	1 622	6 762
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	8 708	10 049	44 399

Hovedtall fra regnskapet

Main figures from financial accounts

*(Includes Maritech from 1 May 2007 and UNI Aqua from 1 October 2007)

RESULTATREGNSKAP / INCOME STATEMENT (NOK 1 000)	2008 1Q	2007 1Q	2007 Total
DRIFTSINNEKTER / OPERATING REVENUES	207 298	160 754	860 824
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	190 978	143 022	774 034
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	16 320	17 732	86 790
Avskrivninger / Depreciation	6 041	3 628	21 615
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	10 279	14 104	65 176
Netto rentekostnad / Net interest expense	-1 201	314	-3 037
Andre finansielle poster / Other financial items	-311	54	975
Sum finansielle poster / Net financial items	-1 512	368	-2 063
RESULTAT FØR SKATT / PROFIT BEFORE TAX	8 767	14 472	63 113
Skattekostnad / Taxes	2 555	3 032	11 104
RESULTAT ETTER SKATT / NET PROFIT	6 212	11 440	52 009
Resultat per aksje / Earnings per share	0,36	0,66	3,02
Gj.snitt antall utestående aksjer (i 1000) / Average number of shares outstanding (in 1 000)	17 223	17 223	17 223



BALANSE / BALANCE SHEET (NOK 1 000)	2008 31.3.	2007 31.3.	2007 31.12.
Immaterielle eiendeler / Intangible fixed assets	228 097	145 775	224 805
Anleggsmidler / Fixed assets	34 807	22 536	33 995
Finansielle anleggsmidler/Long-term financial assets	2 361	1 254	2 107
ANLEGGSMIDLER / FIXED ASSETS	265 265	169 565	260 907
Varebeholdning / Stock	135 849	106 081	118 750
Kundefordringer / Trade receivables	156 955	103 681	188 217
Andre fordringer / Other receivables	29 850	13 719	18 857
Betalingsmidler / Cash and cash equivalents	103 514	144 605	98 044
OMLØPSMIDLER / CURRENT ASSETS	426 168	368 085	423 869
SUM EIENDELER / TOTAL ASSETS	691 432	537 651	684 776
Innskutt egenkapital / Paid in capital	267 419	267 253	267 253
Opptjent egenkapital / Retained equity	76 777	33 924	69 189
SUM EGENKAPITAL / TOTAL EQUITY	344 196	301 177	336 442
Annen langsiktig gjeld / Other long term debt	6 981	19 489	7 191
Langsiktig rentebærende gjeld / Long-term interest bearing debt	107 731	22 973	102 224
LANGSIKTIG GJELD / LONG-TERM DEBT	114 712	42 461	109 414
Kortsiktig rentebærende gjeld / Short-term interest bearing debt	48 013	40 697	22 480
Annen kortsiktig gjeld / Other current liabilities	184 512	153 315	216 439
KORTSIKTIG GJELD / SHORT-TERM DEBT	232 525	194 013	238 919
SUM EGENKAPITAL OG GJELD / TOTAL EQUITY AND DEBT	691 432	537 651	684 776

ENDRING EGENKAPITAL / CHANGES IN EQUITY (NOK 1 000)	2008 1Q	2007 1Q	2007 Total
Bokført egenkapital ved periodens begynnelse / Book equity at the beginning of the period	336 442	295 008	295 008
Periodens resultat / The period's net profit	6 212	11 440	52 009
Endring i virkelig verdi av sikringsinstrumentet ved kontantstrømsikring /Gains/(losses) on cash flow hedges (fair value)	-	177	460
Endring i regnskapsprinsipp for inntektsføring/Change in revenue recognition accounting principle	-	-4 986	-4 375
Bokføring av opsjonsavtale / Recording of option agreement	-	498	1 459
Omregningsdifferanser / Translation differences	1 541	-959	-8 118
Bokført egenkapital ved periodens slutt / Book equity at the end of the period*	344 196	301 177	336 442

*Proposed dividend for 2007 included in equity

KONTANTSTRØMOPPSTILLING / CASH FLOW STATEMENT (NOK 1 000)	2008 1Q	2007 1Q	2007 Total
Netto kontantstrøm fra operasjonelle aktiviteter / Net cash flow from operational activities	-16 308	462	20 415
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investment activities	-8 799	-4 467	-129 917
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financial activities	30 577	7 147	66 084
Netto kontantstrøm / Net cash flow	5 470	3 142	-43 419
Betalingsmidler ved periodens begynnelse / Cash and cash equivalents at the beginning of the period	98 044	141 463	141 463
Betalingsmidler ved periodens slutt / Cash and cash equivalents at the end of the period	103 514	144 605	98 044

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS (Legal accounts) (NOK 1 000)	2008 1Q	2007 1Q	2007 Total
FARM OPERATION TECHNOLOGY (OPTECH)			
DRIFTSINNTEKTER / OPERATING REVENUES	92 744	43 146	343 302
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	86 922	37 084	307 673
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	5 822	6 062	35 629
Avskrivninger / Depreciation	4 251	2 007	14 852
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	1 571	4 055	20 777
INFRASTRUCTURE TECHNOLOGY (INTECH)			
DRIFTSINNTEKTER / OPERATING REVENUES	114 563	117 608	517 522
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