



1Q 2008 presentation

06 May 2008

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Rolf Andersen, CFO



➔ Pro-forma



- Please note that unless otherwise stated all comments in this presentation are based on pro-forma numbers as if the merger between AKVAsmart, Helgeland Plast and the Wavemaster group had taken place 1 January 2005 and that the acquisition of Maritech had taken place before 1 January 2006.

Agenda



Background & highlights

1Q 2008 Financial review

Outlook

Q & A

AKVA group in brief

Cage systems



Feed barges



Recirc. systems



AKVA group facts

- The leading aquaculture technology supplier
- The only player with global presence
- The largest supplier to the aquaculture industry
- High growth company
- Profitable
- Industry consolidator



Software systems and services



Sensors & cameras



Feed systems



1Q highlights



- Operating revenues in 1Q were 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



Background & highlights

1Q 2007 Financial review

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Q & A



1Q Financials – P&L



P&L 2007 (Pro-forma) (MNOK)	1Q 2008	1Q 2007	Year 2007	Year 2006
Operating revenues	207.3	215.2	932.0	703.8
Operating costs excl. depreciation	-191.0	-194.5	-841.3	-619.4
EBITDA	16.3	20.7	90.7	84.4
Depreciation & Amortisation	-6.0	-5.1	-24.2	-21.1
EBIT	10.3	15.5	66.4	63.3
Net financial items	-1.5	0.3	-0.9	-4.2
EBT	8.8	15.8	65.6	59.2
Taxes	2.6	3.0	-11.9	-13.5
Net profit	6.2	12.8	53.6	45.7
<i>Revenue growth</i>			32%	
<i>EBITDA margin</i>	7.9%	9.6%	9.7%	12.0 %
<i>EBIT margin</i>	5.0%	7.2%	7.1%	9.0 %
<i>EPS (NOK)</i>	0.36	0.74	3.11	3.26
<i>Average # shares (1000)</i>	17 223	17 223	17 223	14 016

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1Q Financials – P&L comments



- The revenue showed just a minor growth compared to 2007 (adjusted for the effect of the sale of the Marel distribution in September 2007).
- The EBITDA result in 1Q was affected by the weakening of the USD and one-time restructuring costs for downsizing in Chile.
- Despite the above described effects the Management and the Board does not find the earnings in 1Q satisfactory.

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Business areas - OPTECH

OPTECH

Operational technology

Recirculation

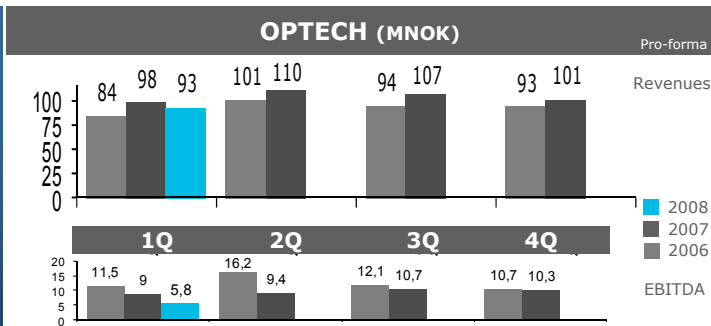
Feed systems

Sensors & cam

Software

Other

AKVAGROUP



- 1Q revenues decreased slightly compared to the year before. However, adjusted for the sale of the Marel distribution agreement the revenues increased. The Marel agreement accounted for approximately 1,3 MNOK of the EBITDA in 2007.
- The EBITDA margin was negatively affected by approximately 2.5 MNOK due to the weakening of the USD.
- Due to the Easter holidays this year in 1Q a number of deliveries in Norway were pushed into 2Q.

Business areas - INTECH

INTECH

Infrastructure technology

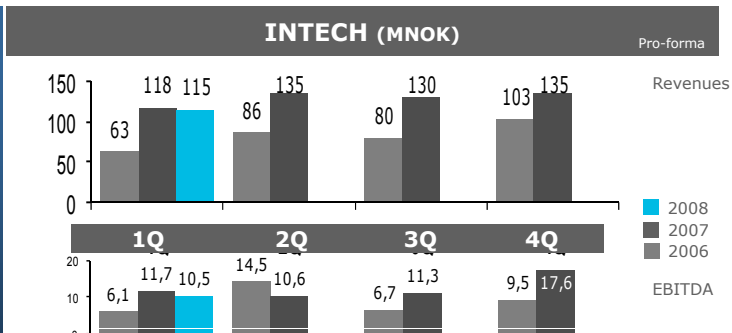
Steel cages

Plastic cages

Feed barges

Boats etc.

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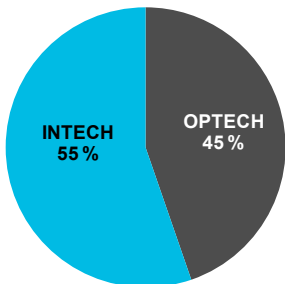


- 1Q revenues were slightly lower than the revenues in the same period last year.
- The EBITDA margin was of 10,5 MNOK versus 11,7 MNOK last year.
- The EBITDA was negatively affected by one-off restructuring costs for downsizing in Chile by approximately 0,5 MNOK
- Due to the Easter holidays this year in 1Q a number of deliveries in Norway were pushed into 2Q.

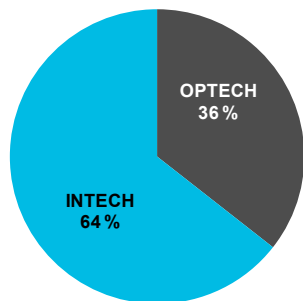
Business segments



YTD 2008 Revenues



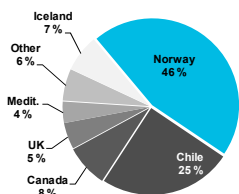
YTD 2008 Profits



Market segments

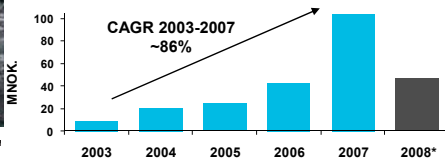


Geographic segments



● Norway and Chile – dominating segments

AKVA group revenues within other species



● Growth in a number of regions

* YTD deliveries and sales for delivery in 2008

Balance sheet



Balance sheet (legal) (MNOK)	1Q 2008	31.12 2007
Intangible fixed assets	228.1	224.8
Tangible fixed assets	34.8	34.0
Long term financial assets	2.4	2.1
Fixed assets	265.3	260.9
Stock	135.8	118.7
Receivables	186.8	207.1
Cash and bank deposits	103.5	98.0
Current assets	426.2	423.9
Total assets	691.4	684.8
Shareholders' equity	344.2	336.4
Long term debt	114.7	111.6
Short term debt	232.5	236.7
Total liabilities	347.2	348.3
Total shareholders' equity and liabilities	691.4	684.8
Equity ratio	49.8%	49.1%
Net interest bearing debt	52.2	26.7
Net working capital	138.1	109.4

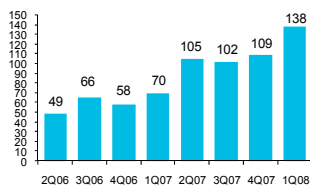


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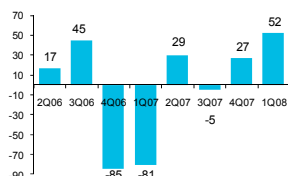
Balance sheet items



Working Capital (MNOK)



NIBD (MNOK)



Working Capital:

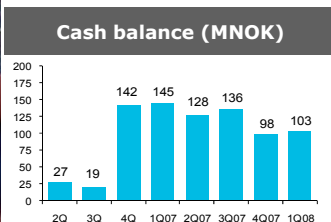
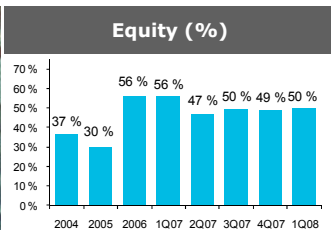
- Working capital represents 16,7% of pro-forma revenues at the end of 1Q.
- The main reason for the increase is a build up of inventory for delivery in 2Q.
- The development in working capital is not satisfactory.

Net interest bearing debt (NIBD):

- The increase in NIBD is related to the increase in working capital.
- The company has a low debt level.

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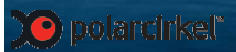
Strong financial position



- **Equity:**
 - Strong equity position

- **Cash Position:**
 - Strong cash position
 - Available cash 142 MNOK.

Cash flow statement



Cash flow statement (KNOK)	2008	2007	2007	2006
	1Q	1Q	Total	Total
Net cash flow from operational activities	-16 308	462	20 415	10 588
Net cash flow from investment activities	-8 799	-4 467	-129 917	-23 637
Net cash flow from financial activities	30 577	7 147	66 084	148 312
Net cash flow	5 470	3 142	-43 419	135 263
Cash and cash equivalents beginning of period	98 044	141 463	141 463	6 199
Cash and cash equivalents end of period	103 514	144 605	98 044	141 463

- Not satisfactory cash flow from operations in 1Q, however the cash flow from operation is expected to improve when delivering the inventory build-up in 2Q.
- Net investments in 1Q 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.

Order backlog and inflow

Key performance indicators

nominal FCR Mortality last 14 days

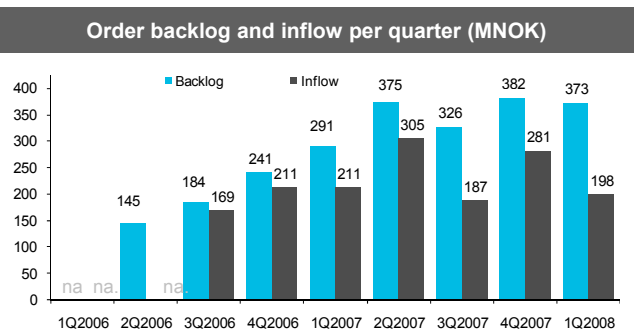
37	37.65	37.65
38	44.76	44.76
Utsett 5 C	6	10.27
87	39410	39410

Start report period:
End report period:

Events

- Culling
- Escape
- Fat and colour
- Harvest

Utsett 5 C



- Order backlog is up 28% compared to 1Q 2007
- The order inflow is somewhat lower 1Q than in 2007.
- Prospect mass indicate a continuous sound development



- Background & highlights
- 4Q 2007 Financial review
- Outlook**
- Q & A

➔ Outlook



- **Favourable market conditions in Norway**
 - The general market outlook towards the salmon farming industry in Norway remains good at the moment.
- **Uncertainties in Chile due to challenging health situation**
 - 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
 - The situation 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.
- **Other species**
 - 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.

➔ Outlook



- **Order backlog and development**
 - 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.
- **The announced sale of Maritech Ehf (Iceland) – discontinuation.**
 - Due to the prevalent challenging financial situation in Iceland, AKVA has decided to halt the sales process.



Background & highlights

4Q 2007 Financial review

Outlook

Q & A



 **Appendix**

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

AKVAlife
2008-2015

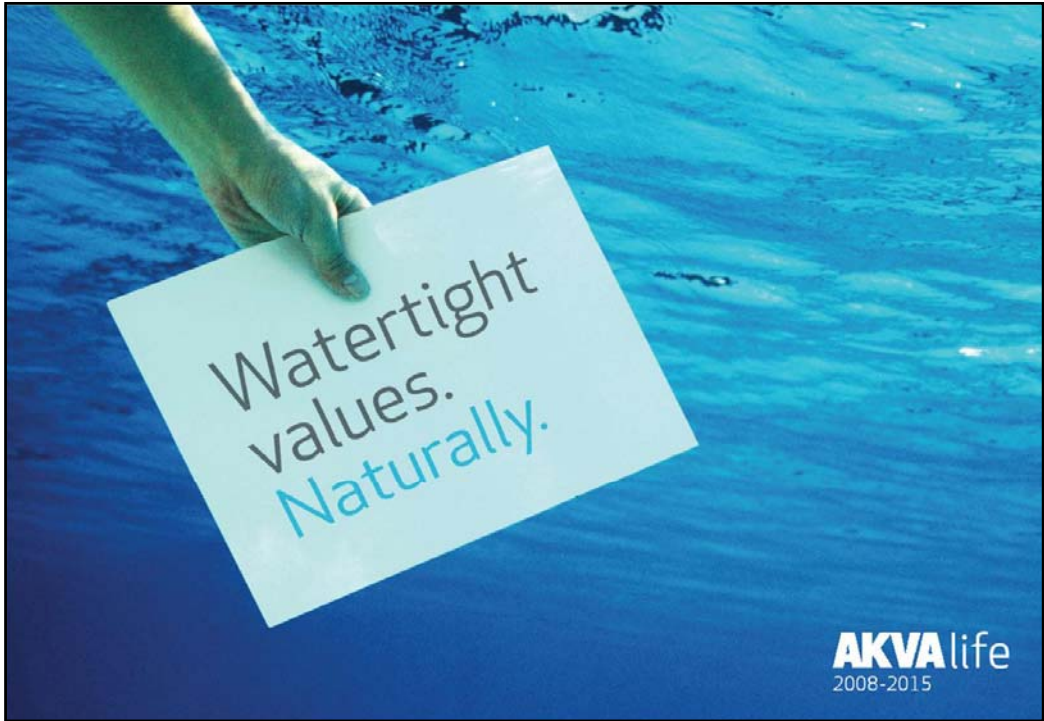


Vision statement and strategy


"The global leader in aquaculture technology"



- 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



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 **We CARE**

Customer in focus


our values:

CARE

Aquaculture knowledge

Enthusiasm

Reliability and honesty



Our culture

- **We live within our means**
 - Historically our primary market has been cyclical. We have to be flexible and cost conscious in everything we do.

- **We are down-to-earth and informal**
 - Our industry is not known as flashy or show-off industry. It is literally down to earth. We want this reflected in our organisation by having a down to earth attitude.
 - Nevertheless, we must always be formal when formality is required.

- **We are international - and local**
 - We are Norwegian in Norway, Chilean in Chile, Canadian in Canada, Scottish in Scotland, Turkish in Turkey etc.
 - When approaching several markets – we are international!



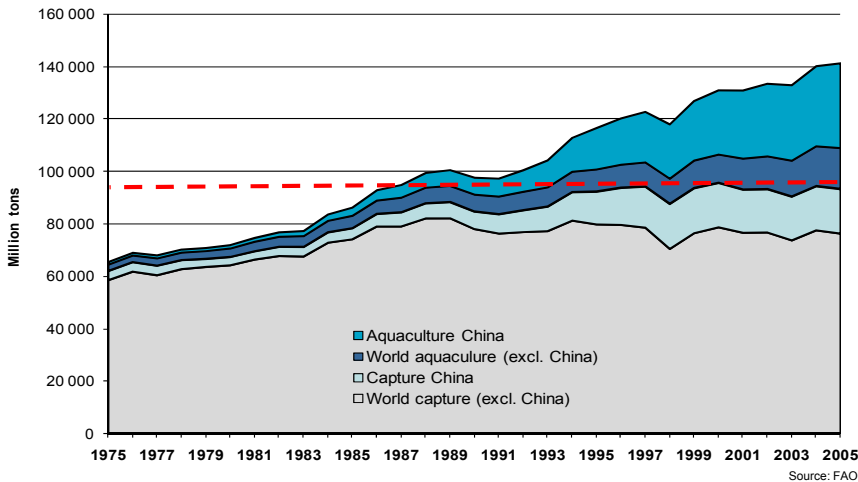
Everything looks big under water. In our case it actually is.

The chart shows the global market overview for Aquaculture and Fisheries from 2007 to 2015. The Y-axis represents market value in USD, ranging from 0 to 200,000. The X-axis represents years from 2007 to 2015. The chart is a stacked area chart where Fisheries is the bottom layer (grey) and Aquaculture is the top layer (blue). The total market value (Global market overview) is shown as a dashed line at the top of the stack.

Year	Fisheries (USD)	Aquaculture (USD)	Total Market (USD)
2007	~80,000	~20,000	~100,000
2009	~90,000	~30,000	~120,000
2011	~100,000	~40,000	~140,000
2013	~110,000	~50,000	~160,000
2015	~120,000	~60,000	~180,000

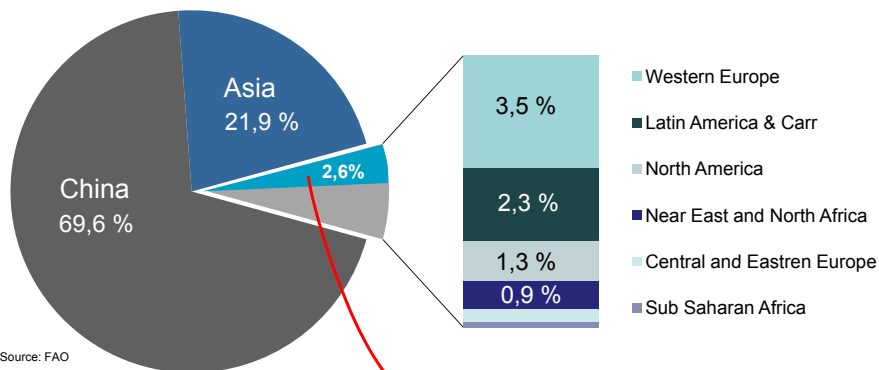
AKVAlife
2008-2015

World fisheries and aquaculture



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Global aquaculture production



The Salmon industry

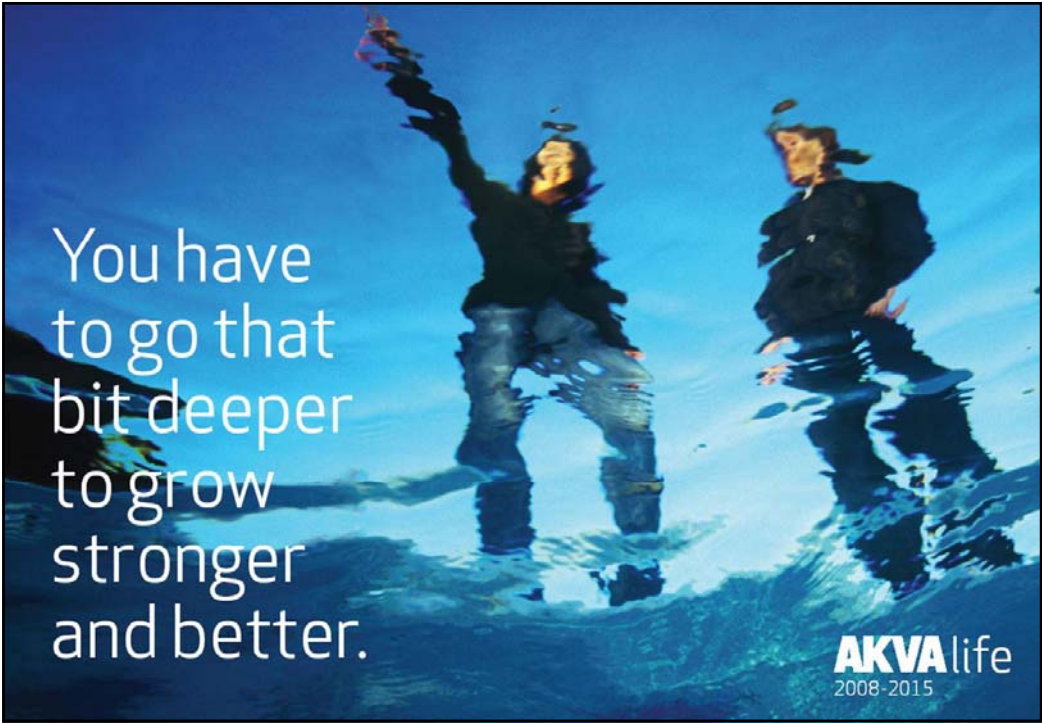
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8% annual growth the last 25 years

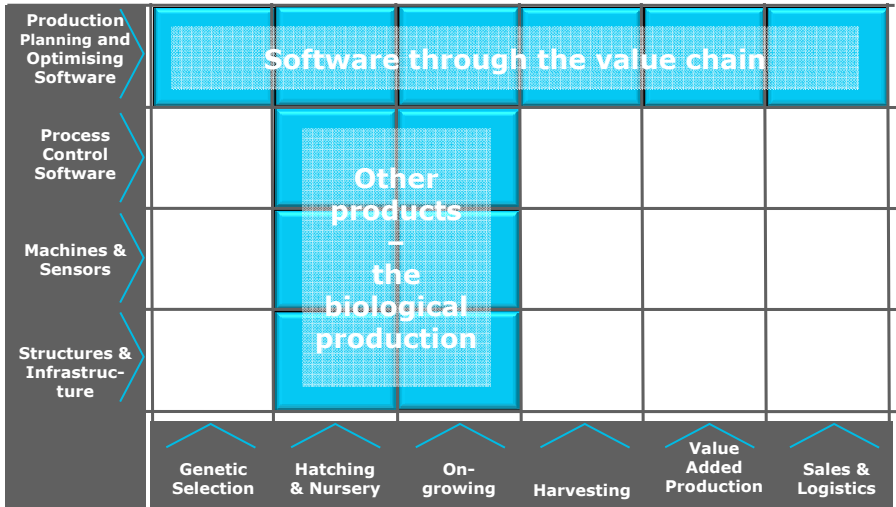


➔ **Becoming global**



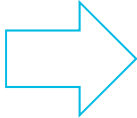



➔ **Product portfolio strategy**



Global macro trends

Intensification, "off-shore"* and enclosed: knowledge based

Market	<ul style="list-style-type: none"> ● Market driven pressure to expand ● Shortage of available land ● Shortage of available sea space
Technology	 <ul style="list-style-type: none"> ● Intensification ● "Off-shore" farms* ● Recirculation (enclosed) ● Knowledge based
Structure	 <ul style="list-style-type: none"> ● Greater capitalisation ● Less use of labour ● Consolidation- into large corporate's ● Global players

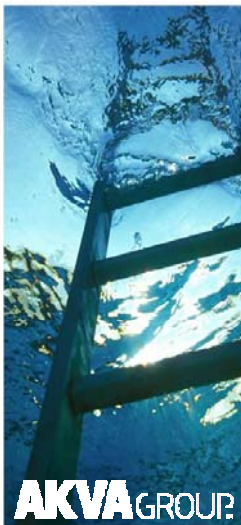
35 * Note: in this context off-shore is not full off-shore farming, but a gradual move from the close bay farming as seen in Asia today towards more exposed locations such as the farming to a large extent is done in the salmon industry today

Operational areas



- **Sales & Marketing**
 - Global organisation
 - 1:1 marketing
 - 4 main brands (Fishtalk, Akvasmart, Polarcirkel and Wavemaster)
- **Research & Development**
 - Technology and Product Council
 - Lead technological development
 - Product integration
- **Supply Chain and Manufacturing**
 - Lean manufacturing practises
 - Cost migration
- **Delivery Projects & Professional services**
 - Delivery as agreed
- **Service & After Sales**
 - Global best practices
- **Quality Management**

Growth ambitions



- **Organic growth:**
 - Salmon industry expected to increase by more than 60% by 2015
 - Ambition that other species will grow to 50% of the revenue volume in 2015.
- **Acquisitive growth:**
 - Completion of the product portfolio
 - Entry into new market areas & regions
 - Market driven acquisitions
- **Ambitions to achieve total revenues of 3,500 MNOK by 2015.**

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Legal accounts - P&L

Hovedtall fra regnskapet Main figures from financial accounts

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

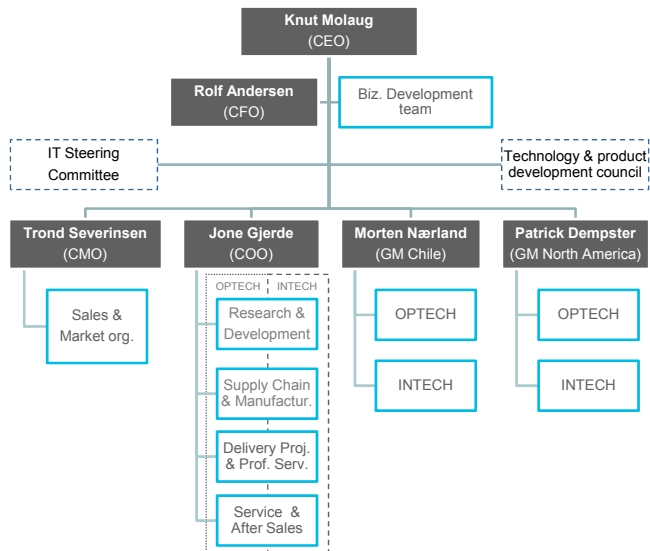
RESULTATREGNSKAP / INCOME STATEMENT	2008	2007	2007
(NOK 1 000)	1Q	1Q	Total
DRIFTSINNTEKTER / OPERATING REVENUES	207 298	160 754	860 824
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	190 978	143 022	774 034
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (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

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Legal accounts – Business segments

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS	2008	2007	2007
(NOK 1 000)	1Q	1Q	Total
FARM OPERATION TECHNOLOGY (OPTECH)			
DRIFTSINTEKTER / 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)			
DRIFTSINTEKTER / 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

Group organisation





AKVA group – global presence



All major industry players as customers