

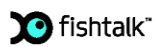


## 1Q 2009 presentation

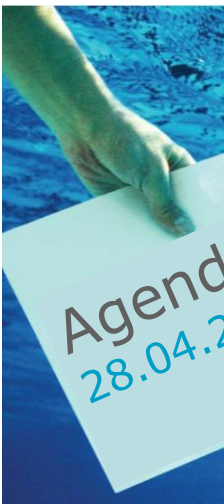
28 April 2009

Knut Molaug, CEO

Rolf Andersen, CFO



## ➔ Agenda



Background & highlights

1Q 2009 Financial review

Outlook

Q & A

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







**AKVA**life  
2008-2015

AKVAGROUP

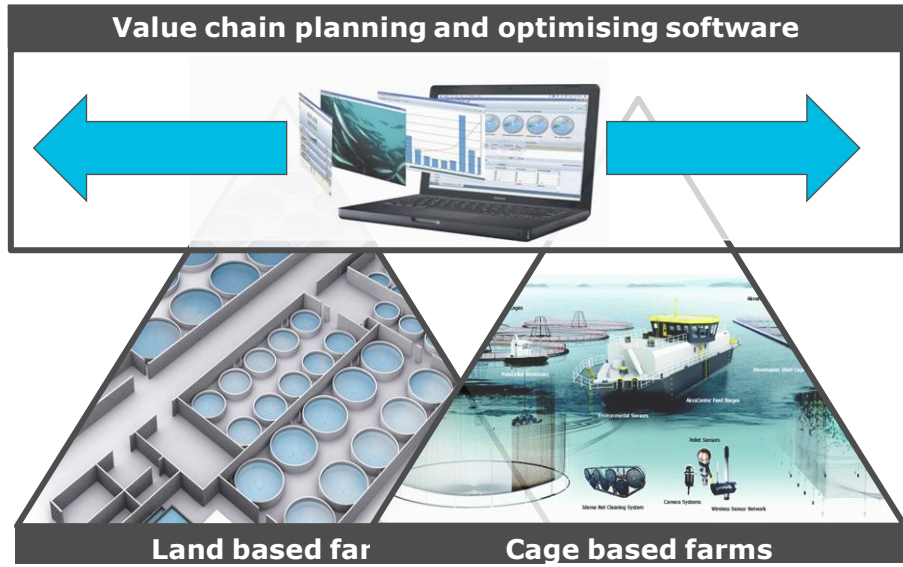
**AKVA group in brief**

<p><b>Cage systems</b></p> 	<p><b>AKVA group facts</b></p> <ul style="list-style-type: none"> <li>• The leading aquaculture technology supplier</li> <li>• Strong market position with all main products</li> <li>• The only player with global presence</li> <li>• Strong and experienced management</li> <li>• Growth company in a global growth industry</li> </ul>	<p><b>Software systems and services</b></p> 	
<p><b>Feed barges</b></p> 	<p><b>Recirc. systems</b></p> 	<p><b>Feed systems</b></p> 	<p><b>Operational systems &amp; sensors</b></p> 

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AKVA's main product brands:  wavemaster™  polarcirket™  fishtalk™  akvasmart™

➔ One-stop-shop in aquaculture technology



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➔ 1Q highlights



- Operating revenue in 1Q was 152 MNOK which is 26% lower than the same period last year. The period's EBITDA was -3.3 MNOK primarily negatively affected by reduced revenues.
- Sales volumes were heavily affected by low investment level in Chile and general restrictive investment policies throughout the salmon industry.
- Strategic contracts won in Malaysia and Saudi Arabia.
  - Contract of 10 MNOK signed in Malaysia, and
  - Contract of 7 MNOK and LOI of 128 MNOK in Saudi Arabia in the first quarter

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➔ 1Q highlights



akvasmart™

- Cost reduction programs have been implemented in Chile and Norway to adapt to lower sales volumes.
  - Implemented further redundancies in Chile
  - Implemented further redundancies and temporary redundancies (permittering) in Norway to reduce operational expenses. Main cost effects from March on.
  
- The general market uncertainty has increased due to the global financial crisis.
  - Salmon farming companies and others delaying investments.

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polarcirkel™

- Background & highlights
- 1Q 2009 Financial review**
- Outlook
- Q & A

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## 1Q Financials – P&L



P&L 2009 (MNOK)	1Q 2009	1Q 2008	Year 2008
<b>Operating revenues</b>	<b>152.4</b>	<b>207.3</b>	<b>866.5</b>
Operating costs excl. depreciation	-155.7	-191.0	-813.8
<b>EBITDA</b>	<b>-3.3</b>	<b>16.3</b>	<b>52.7</b>
Depreciation & Amortisation	-7.8	-6.0	-29.5
<b>EBIT</b>	<b>-11.1</b>	<b>10.3</b>	<b>23.3</b>
Net financial items	-1.4	-1.5	-12.5
<b>EBT</b>	<b>-12.6</b>	<b>8.8</b>	<b>10.8</b>
Taxes	3.7	-2.6	-5.2
<b>Net profit</b>	<b>-8.8</b>	<b>6.2</b>	<b>5.5</b>
<i>Revenue growth</i>	-26.5%		-7.0%
<i>EBITDA margin</i>	-2.1%	7.9%	6.1%
<i>EBIT margin</i>	-7.3%	5.0%	2.7%
<i>EPS (NOK)</i>	-0.51	0.36	0.32

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## 1Q Financials – P&L comments

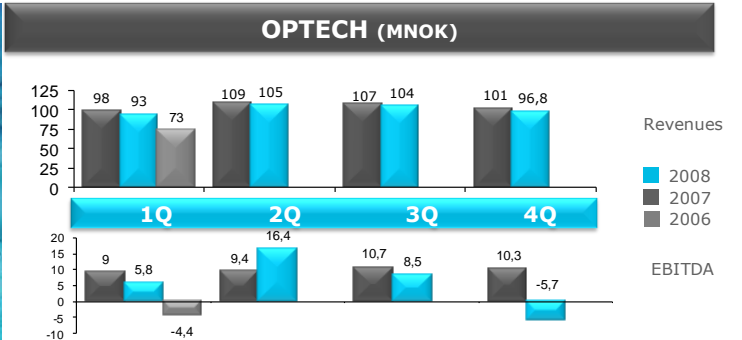


- The revenue was 152 MNOK
  - Quarterly revenue reduced by 26% compared to 2008
  - The activity level was affected by a reduced order inflow in 2H08 and in 2009
- The EBITDA result was -3.3 MNOK
  - Reduced revenue volume main explanation to fall in EBITDA result.
  - Some effects of one-off items
    - Restructuring: Further provisions for downscaling related to capacity adaptations (0.5 MNOK).
    - Project cost: Penalty for delayed delivery on specific project (1.5 MNOK)

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## Business areas - OPTECH

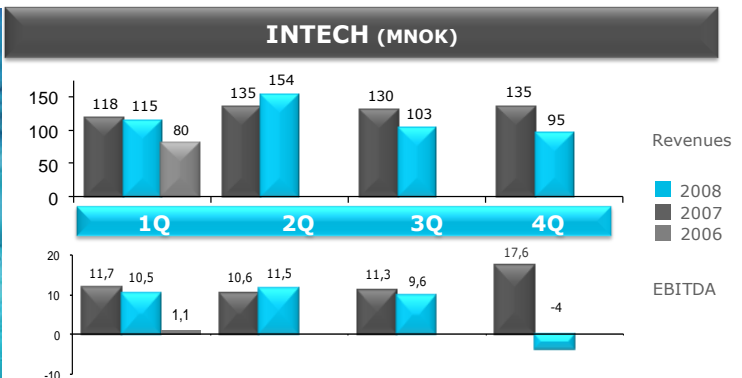
**OPTECH**  
 Farm Operation Technology  
 ---  
 Recirculation  
 Feed systems  
 Sensors & cam  
 Net cleaning & light systems  
 Software  
**AKVAGROUP™**



- 1Q revenues decreased by 21% compared to last year.
- 1Q EBITDA level fell significantly compared to the same period last year. The change is mainly related to reduced volume

## Business areas - INTECH

**INTECH**  
 Infrastructure technology  
 ---  
 Steel cages  
 Plastic cages  
 Feed barges  
 Boats  
 etc.  
**AKVAGROUP™**



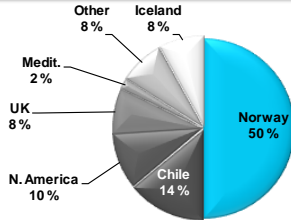
- In 1Q the revenues fell by 31%, mainly related to reduced volumes in Chile and Norway.
- In 1Q the EBITDA was 1 MNOK. The reduction from 1Q 2008 is mainly explained by reduced volume

## Market segments



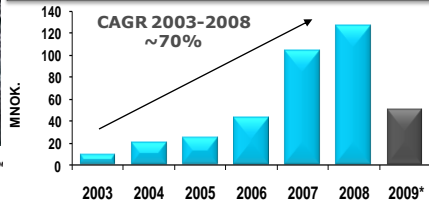
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### Geographic segments (YTD)



- Norway dominating segment
- Importance of Chile reduced

### AKVA group revenues within other species



- Continued growth in a number of regions

\* Sales and order backlog for delivery in 2009 per 1Q.

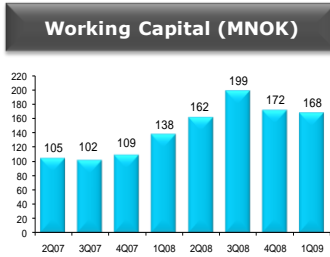
## Balance sheet



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Balance sheet (legal) (MNOK)	1Q 2009	1Q 2008	Year 2008
Intangible fixed assets	255.8	228.1	251.7
Tangible fixed assets	42.6	34.8	41.5
Long term financial assets	1.6	2.4	2.5
<b>Fixed assets</b>	<b>300.1</b>	<b>265.3</b>	<b>295.7</b>
Stock	139.4	135.8	142.4
Receivables	181.2	186.8	171.1
Cash and bank deposits	39.8	103.5	47.9
<b>Current assets</b>	<b>360.3</b>	<b>426.2</b>	<b>380.5</b>
<b>Total assets</b>	<b>660.4</b>	<b>691.4</b>	<b>676.2</b>
<b>Shareholders' equity</b>	<b>299.8</b>	<b>344.2</b>	<b>309.6</b>
Long term debt	122.4	114.7	129.1
Short term debt	238.2	232.5	237.5
<b>Total liabilities</b>	<b>360.6</b>	<b>347.2</b>	<b>366.6</b>
<b>Total shareholders' equity and liabilities</b>	<b>660.4</b>	<b>691.4</b>	<b>676.2</b>
Equity ratio	45.4%	49.8%	45.8%
Net interest bearing debt	158.8	52.2	149.6
Net working capital	168.2	138.1	171.7

## Balance sheet items



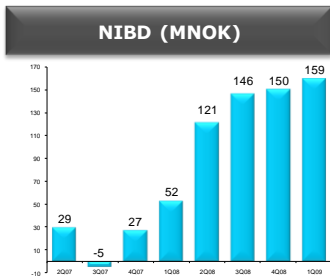
- **Working Capital:**
  - Improvement has been slower than anticipated
  - Specific plan to improve working capital further.

### Working capital improvements expected:

- Improved project delivery in Chile (i.e. delivering sold projects – though still some unspecified delays)
- Payments from Chilean customers improved in 2Q
- Working to solve certain project issues causing delayed payments in Norway
- Feed barges in stock – significant cash reserve to be released

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## Balance sheet items

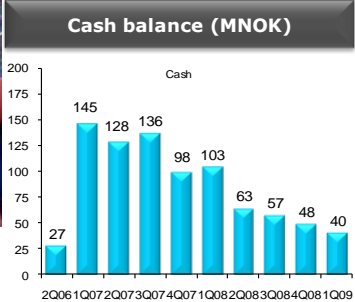
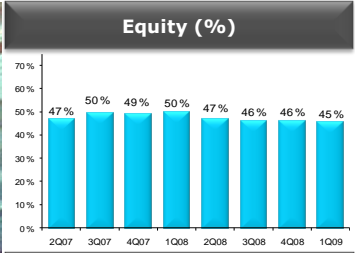


- **Net interest bearing debt (NIBD):**
- A waiver extending through 3Q 2009 relating to the financial covenants of the major credit facilities and loans has been agreed with the company's main bank
- Further development is closely linked to expected improvement of working capital

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## Financial position



- **Equity:**
  - Sound equity position
- **Cash Position:**
  - Available cash 43 MNOK
  - Plan for improvement of working capital expected to strengthen cash position
  - Already significantly improved as per end of April

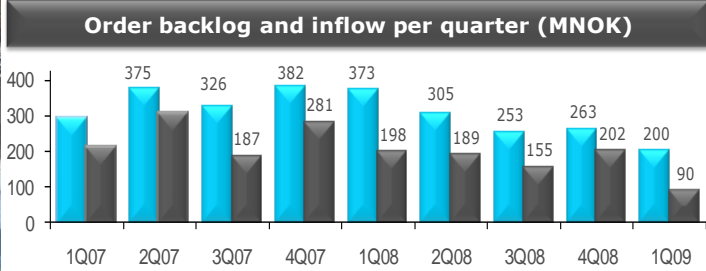
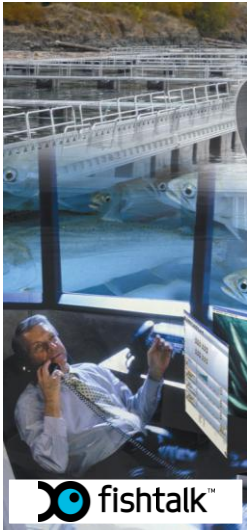
## Cash flow statement



Cash flow statement (KNOK)	2009	2008	2008
	1Q	1Q	Total
Net cash flow from operational activities	-6334	-16 308	-15 504
Net cash flow from investment activities	-5037	-8 799	-90 936
Net cash flow from financial activities	3 282	30 577	56 279
<b>Net cash flow</b>	<b>-8 100</b>	<b>5 470</b>	<b>-50 161</b>
Cash and cash equivalents beginning of period	47 883	98 044	56 934
<b>Cash and cash equivalents end of period</b>	<b>39 783</b>	<b>103 513</b>	<b>47 883</b>

- Plan for improving working capital should improve cash flow from operations
- Investments in 1Q amounted to 5.0 MNOK whereof 1.6 MNOK is capitalized R&D expenses in accordance with IFRS - low investments expected for the rest of 2009

## Order backlog and inflow



- Order backlog is reduced by 173 MNOK compared to the same time last year and 63 MNOK compared to 4Q08. The decline in order backlog is related to Chile and lower investment level in Norway.

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- Background & highlights
- 1Q 2009 Financial review
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- Q & A

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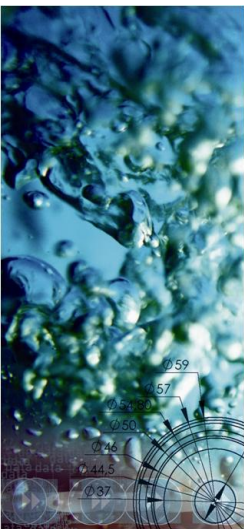
## ➔ Outlook



- **Chilean market in crisis due to the challenging sanitary situation**
  - Implemented further cost reduction measures in 1Q and tasks are continuously evaluated.
  - Opportunities in recirculation deliveries over the next years.
  - Low impact from new investments expected in this market for 2009.
- **North American market showing improvement**
  - Market is developing steady and performing satisfactory.
  - However, the market is limited in size and volume.

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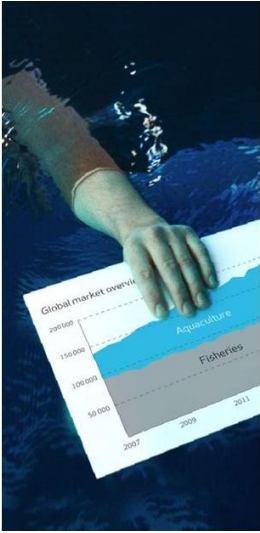
## ➔ Outlook



- **The Scottish market developing soundly**
  - Market fundamentals developing well
  - Closing of contracts slow due to financial uncertainty.
- **High underlying demand in Norwegian salmon market**
  - The prospect mass towards the Norwegian industry is relatively high.
  - However, many sales prospects are undecided, cancelled or delayed due to the financial uncertainty.
  - Customers generally delay larger investments due to the financial uncertainties.
  - Cage sales in Norway showing sound development in 1H.
  - Generally a challenging market for OPTECH and feed barges in INTECH. Significant competitive pressure reducing margins on achieved sales.

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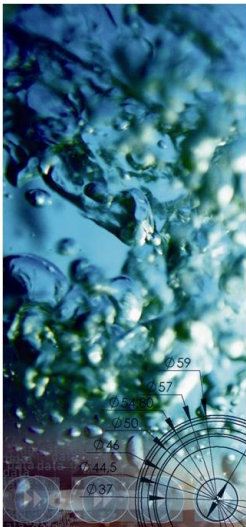
## ➔ Outlook



- **Norway (contd.)**
  - Positive development in recirculation prospects. Closing of contracts expected in 1H.
  - 65 new production licenses to be awarded in 2009 - decisions expected by June.
    - Many companies now holding back investments in anticipation of new licenses.
    - Decisions will spur new investments. Estimate 4-5 MNOK per license.
  - The now seen delay in investments is expected to lead to a "catch-up" effect towards the end of 2009 and into 2010.
    - Based on requirement for NS9415 compliance by end of 2011 this is unavoidable.

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## ➔ Outlook



- **Other species / markets**
  - The growth towards other species than salmon continue to expand according to strategic objectives.
  - Strategic contracts and letter of intent:
    - Building of marine hatchery in Malaysia (10 MNOK)
    - Building of brood stock facility, NPC - Saudi Arabia (7 MNOK)
    - LOI - pilot scale Kingfish farm, NPC - Saudi Arabia (128 MNOK)
  - The prospect mass for deliveries to other species than salmon continue increasing
  - The global financial crisis is adding uncertainty also to these markets.

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## ➔ Outlook

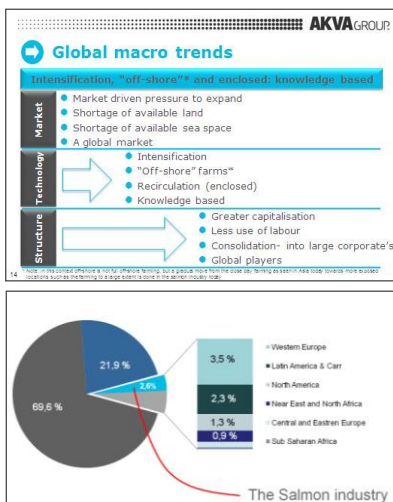


### ● Order backlog and development

- The order inflow in 1Q was significantly lower than anticipated.
- Low inflow from the Chilean business. This market will remain challenging over the next years.
- The dominant shortfall in order inflow is from the Norwegian market.
- The prospect mass and market activities indicate a strong underlying demand in Norway, Scotland and several international markets.
- Our customers in most markets are benefiting from healthy earnings at present.
- The global financial crisis continue to add uncertainty in all markets .
  - 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

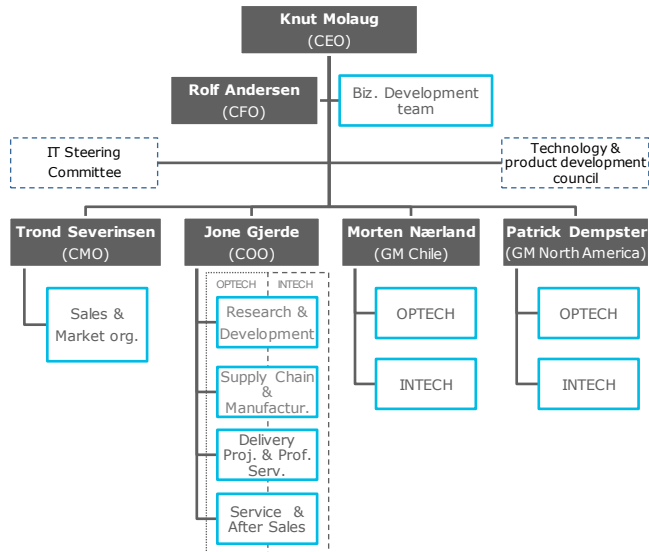
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 **Appendix**

## Group organisation



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## AKVA group – global presence



All major industry players as customers

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## AKVA group – brief historic summary

