



Quarterly report

Nr 1 – 2009

First quarter report 2009

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.**
- **Cost reduction programs have been implemented in Chile and Norway to adapt to lower sales volumes.**
- **Strategic contracts won in Malaysia and Saudi Arabia.**
- **The general market uncertainty has increased due to the global financial crisis.**

In the comments below on the financial accounts, the 2008 figures are presented in parentheses following the 2009 stated values when included.

Operations and profit

Operating revenues in 1Q were 152.4 MNOK (207.3) and the EBITDA was MNOK -3.3 (16.3).

The 1Q operational result is affected by a loss of 1.5 MNOK related to a penalty for delays in a project.

For 1Q depreciation and amortisation amounted to 7.8 MNOK (6.0). EBIT in the period was -11.1 MNOK (10.3). Net interest expense was -1.8 MNOK (-1.2). Other financial income was 0.4 MNOK (-0.3). Profit before tax for the first quarter was -12.6 MNOK (8.8). Net profit after allowing for taxes of -3.8 MNOK (2.6) was -8.8 MNOK (6.2).

Due to the reduced business volume in 1Q the company has introduced further cost reduction measures both OPTECH and INTECH in 1Q.

Operations Technology (OPTECH)

The operating revenues for OPTECH in 1Q were 72.9 MNOK (92.7). The EBITDA for 1Q was -4.4 MNOK (5.8).

Generally the market situation is challenging for OPTECH, competitive pressure has also been reducing margins on achieved sales. Operationally OPTECH continue to focus on customer service, product enhancement, organisational integration, general operational improvements and lowering of cost. Due to the low business volume during 1Q the company has implanted tasks to reduce the costs further and has a continuous focus on cost reduction.

Infrastructure Technology (INTECH)

The operating revenues in 1Q were 79.5 MNOK (114.6). The EBITDA in the period was 1.1 MNOK (10.5).

The operation in Chile has been downscaled to adapt to the prevailing situation. The Norwegian operations in INTECH continue to focus on achieving economies of scale benefits in the main production facility. Generally the market situation is

challenging the feed-barge market. Competitive pressure has been reducing margins on achieved sales.

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 168.2 MNOK down from 171.7 MNOK at the end of 4Q. Measures have been implemented to further reduce the working capital level.

Net interest bearing debt amounted to 198.6 MNOK at end of 1Q vs. 197.5 MNOK in 4Q. Cash and unused credit facilities amounted to 44.3 MNOK. Total assets and total equity amounted to 660.4 MNOK and 299.8 MNOK, respectively, resulting in an equity ratio of 45.4% at the end of 1Q 2009.

Investments in 1Q 2009 amounted to 5.0 MNOK whereof 1.6 MNOK is capitalized R&D expenses in accordance with IFRS.

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.

Shareholder issues

Earnings per share for 1Q 2009 were NOK -0.51 (0.36). The calculation is based on 17,222,869 shares average. Based on the current financial and market uncertainties the Board of Directors proposes not to pay dividend for 2008.

Market and future outlook

The current general economic outlook together with the challenging fish health situation in Chile increases the uncertainty about the market development for the remainder of 2009.

The continued challenging fish health situation in the Chilean market has created severe problems for the Chilean salmon industry. We do not expect to see a material improvement in the traditional business in this market for the next 2-4 years. Based on this development substantial cost reduction measures are being implemented in Chile. The governmental plan launched in November to counter the challenging sanitary situation has not yet been implemented, and consensus is now that the tasks will not be sufficient. The companies are generally in financial distress and incapable to execute necessary tasks. The coming transformation of the Chilean industry involves significant business opportunities for AKVA group in recirculation technology; however the development is expected to be pushed back into next year.

The company will continue to meet the challenging situation by an uninterrupted cost reduction focus, protection of margins and reduced capital binding.

The general underlying investment demand from the salmon farming industry in Norway and the UK remains relatively strong. Despite most companies making money, they are all focussing on reducing capital investment and working capital until the overall economic picture is clearer.

The market outlook for recirculation smolt production facilities continue improving and is expected to lead to significant deliveries going forward.

In February a strategic important contract to the Malaysian authorities was signed. In March another strategic contract of 7 MNOK and a Letter of Intent was signed with National Prawn Company in Saudi Arabia totaling 135 MNOK. These agreements and the general development in business volume



towards other species than salmon are confirming AKVA groups strategic direction.

The order backlog was 200 MNOK (373) at the end of 1Q 2009, which is a weakening of 173 MNOK compared to the same time last year. The decline is mainly related to lower order inflow from the Norwegian and Chilean market. The total prospects mass continue at a relatively high level confirming the underlying demand. However, as mentioned due to the global financial turmoil the market players are generally holding back on their capital expenditure.

Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for 1Q 2009, which have been prepared in accordance with IAS 34 Interim Financial Statements gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.


Bryne, 27 April - 2009
Board of Directors, AKVA group ASA



Steven A. Morrell
(Chairperson)

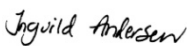

Thorhild Widvey


Thore Michaelsen


Anne Bréiby
(Deputy-chairperson)


Arne L. Økland


Knut Drange


Ingvild Andersen


Kjell Arne Corneliussen


Knut Molaug
(Chief Executive Officer)



Hovedtall fra regnskapet

Main figures from financial accounts

RESULTATREGNSKAP / INCOME STATEMENT	2009	2008	2008
(NOK 1 000)	1Q	1Q	Total
DRIFTSINTEKTER / OPERATING REVENUES	152 379	207 307	866 525
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	155 662	190 987	813 779
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	-3 284	16 320	52 746
Avskrivninger / Depreciation	7 838	6 041	29 472
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	-11 122	10 279	23 274
Netto rentekostnad / Net interest expense	-1 823	-1 201	-9 088
Andre finansielle poster / Other financial items	377	-311	-3 394
Sum finansielle poster / Net financial items	-1 446	-1 512	-12 482
RESULTAT FØR SKATT / PROFIT BEFORE TAX	-12 568	8 767	10 792
Skattekostnad / Taxes	-3 740	2 555	5 275
RESULTAT ETTER SKATT / NET PROFIT	-8 828	6 212	5 517
Resultat per aksje / Earnings per share	-0,51	0,36	0,32
Gj.snitt antall utestående aksjer (i 1000)/ Average number of shares outstanding (in 1 000)	17 223	17 223	17 223

FORRETNINGSOMRÅDER / BUSINESS SEGMENTS	2009	2008	2008
(NOK 1 000)	1Q	1Q	Total
FARM OPERATION TECHNOLOGY (OPTECH)			
DRIFTSINTEKTER / OPERATING REVENUES	72 856	92 744	399 163
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	77 295	86 922	374 084
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	-4 439	5 822	25 079
Avskrivninger / Depreciation	5 910	4 251	21 729
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	-10 350	1 571	3 351
INFRASTRUCTURE TECHNOLOGY (INTECH)			
DRIFTSINTEKTER / OPERATING REVENUES	79 523	114 563	467 362
Driftskostnader eks. avskrivninger / Operating costs ex depreciations	78 367	104 065	439 695
DRIFTSRESULTAT FØR AVSKRIVNINGER / OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	1 156	10 497	27 667
Avskrivninger / Depreciation	1 928	1 790	7 744
DRIFTSRESULTAT / OPERATING PROFIT (EBIT)	-772	8 708	19 923



BALANSE / BALANCE SHEET	2009	2008	2008
(NOK 1 000)	31.3.	31.3.	31.12.
Immaterielle eiendeler / Intangible fixed assets	255 847	228 097	251 769
Anleggsmidler / Fixed assets	42 632	34 807	41 509
Finansielle anleggsmidler/Long-term financial assets	1 593	2 361	2 461
ANLEGGSMIDLER / FIXED ASSETS	300 072	265 265	295 739
Varebeholdning / Stock	139 397	135 849	142 406
Kundefordringer / Trade receivables	162 997	156 955	171 100
Andre fordringer / Other receivables	18 155	29 850	19 082
Betalingsmidler / Cash and cash equivalents	39 783	103 514	47 883
OMLØPSMIDLER / CURRENT ASSETS	360 333	426 168	380 472
SUM EIENDELER / TOTAL ASSETS	660 405	691 432	676 211
Innskutt egenkapital / Paid in capital	267 087	267 419	267 087
Opptjent egenkapital / Retained equity	32 756	76 777	42 508
SUM EGENKAPITAL / TOTAL EQUITY	299 843	344 196	309 595
Annen langsiktig gjeld / Other long term debt	9 602	6 981	8 262
Langsiktig rentebærende gjeld / Long-term interest bearing debt	112 780	107 731	120 837
LANGSIKTIG GJELD / LONG-TERM DEBT	122 382	114 712	129 099
Kortsiktig rentebærende gjeld / Short-term interest bearing debt	85 782	48 013	76 651
Annen kortsiktig gjeld / Other current liabilities	152 398	184 512	160 866
KORTSIKTIG GJELD / SHORT-TERM DEBT	238 180	232 525	237 517
SUM EGENKAPITAL OG GJELD / TOTAL EQUITY AND DEBT	660 405	691 432	676 211

ENDRING EGENKAPITAL / CHANGES IN EQUITY	2009	2008	2008
(NOK 1 000)	1Q	1Q	T total
Bokført egenkapital ved periodens begynnelse / Book equity at the beginning of the period	309 595	336 442	336 442
Periodens resultat / The period's net profit	-8 828	6 212	5 517
Endring i virkelig verdi av sikringsinstrumentet ved kontantstrømsikring /Gains/(losses) on cash flow hedges (fair value)	-1 757	-	-1 827
Utbytte/Dividend	-	-	-17 223
Endring i pensjonsforpliktelse ført mot egenkapitalen / Change in pension liability recorded against equity	-	-	-399
Bokføring av opsjonsavtale / Recording of option agreement	-	-	327
Omregningsdifferanser / Translation differences	833	1 541	-13 243
Bokført egenkapital ved periodens slutt / Book equity at the end of the period*	299 843	344 196	309 595

*Proposed dividend for 2007 included in equity

KONTANTSTRØMOPPSTILLING / CASH FLOW STATEMENT	2009	2008	2008
(NOK 1 000)	1Q	1Q	T total
Netto kontantstrøm fra operasjonelle aktiviteter / Net cash flow from operational activities	-6 344	-16 308	-15 504
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investment activities	-5 037	-8 799	-90 936
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financial activities	3 282	30 577	56 279
Netto kontantstrøm / Net cash flow	-8 100	5 470	-50 161
Betalingsmidler ved periodens begynnelse / Cash and cash equivalents at the beginning of the period	47 883	98 044	98 044
Betalingsmidler ved periodens slutt / Cash and cash equivalents at the end of the period	39 783	103 513	47 883



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