

AKVAGROUP™



The global leader in aquaculture technology

3Q 2009 presentation

11 November 2009

Knut Molaug, CEO

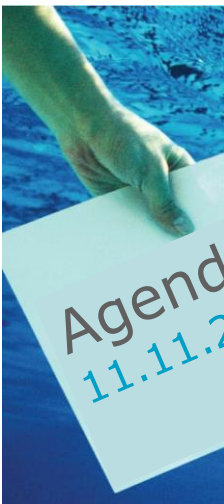
Rolf Andersen, CFO



 akvasmart™  fishtalk™  wavemaster™  polarcirke™



Agenda



Background & highlights

3Q 2009 Financial review

Outlook


Q & A

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





AKVAlife
2008-2015

AKVAGROUP

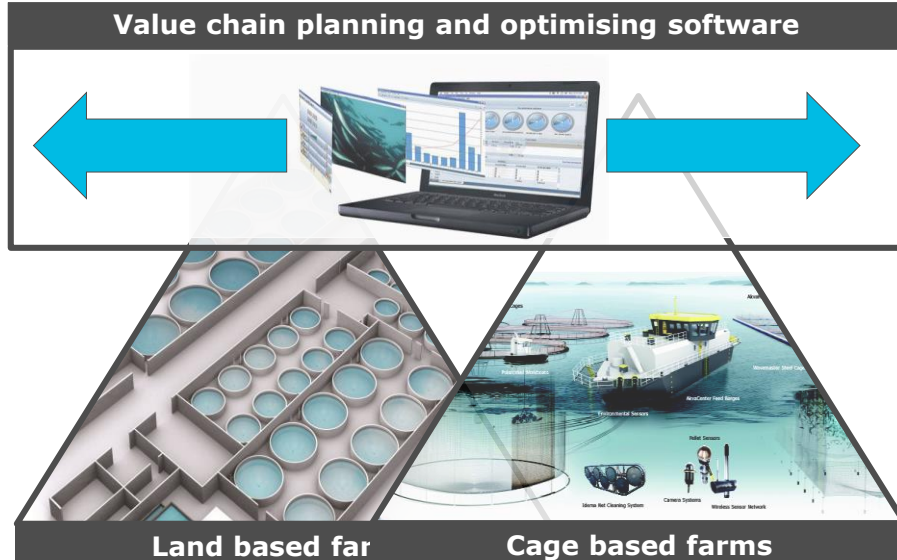
AKVA group in brief

<p>Cage systems</p> 	<p>AKVA group facts</p> <ul style="list-style-type: none"> • 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 	<p>Software systems and services</p> 	
<p>Feed barges</p> 	<p>Recirc. systems</p> 	<p>Feed systems</p> 	<p>Operational systems & sensors</p> 

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

➔ One-stop-shop in aquaculture technology



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➔ 3Q highlights



akvasmart

- Operating revenue in 3Q was 140 MNOK which is 33% lower than the same period last year. The period's EBITDA was 7.4 MNOK.
- A number of one-off effects have an impact on 3Q earnings
- Sale of shares in Surefish Inc gives a gain of 13 MNOK
- A provision of 5 MNOK related to planned restructuring is included in 3Q

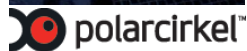
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➔ 3Q highlights



- Restructuring decided in 3Q
 - Xx
 - Main cost effects expected from 2Q 2010.
- The general market uncertainty has increased due to the global financial crisis.
 - Salmon farming companies and others delaying investments.

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Background & highlights

3Q 2009 Financial review

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3Q Financials – P&L



P&L 2009 (MNOK)	3Q 2009	3Q 2008	YTD 2009	YTD 2008	Year 2008
Operating revenues	139.8	207.6	456.5	674.7	866.5
Operating costs excl. depreciation	132.4	189.5	451.9	612.2	-813.8
EBITDA	7.4	18.1	4.5	62.5	52.7
Depreciation & Amortisation	8.0	7.7	23.7	20.2	-29.5
EBIT	-0.6	10.4	-19.2	42.3	23.3
Net financial items	-3.0	-4.0	-7.5	-8.8	-12.5
EBT	-3.7	6.4	-26.7	33.5	10.8
Taxes	4.1	-2.2	9.1	-10.0	-5.2
Net profit	0.4	4.2	-19.6	23.4	5.5
<i>Revenue growth</i>	-32.7%		-32.3%		-7.0%
<i>EBITDA margin</i>	5.3%	8.7%	1.0%	9.3%	6.1%
<i>EBIT margin</i>	-0.4%	5.0%	-4.2%	6.3%	2.7%
<i>EPS (NOK)</i>	0.02	0.24	-1.02	1.36	0.32



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3Q Financials – P&L comments



- The revenue was 140 MNOK
 - Quarterly revenue reduced by 33% compared to 2008
 - The activity level was affected by a reduced order inflow in 2H08 and in 2009
- The EBITDA result was 7.4 MNOK
 - Reduced revenue volume main explanation to fall in EBITDA result.
 - Significant effects of one-off items
 - Sale of Surefish shares – gain 13 MNOK
 - Restructuring: reorganisation to obtain cost synergies and increase operational flexibility – less affected by future downcycle – cost provision 5 MNOK



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Business areas - OPTECH

OPTECH

Farm Operation Technology

Recirculation

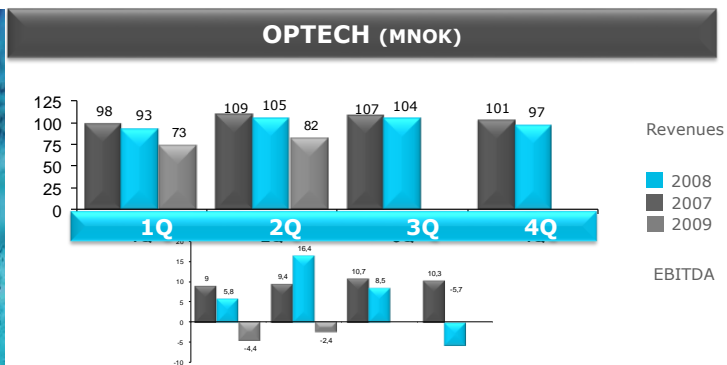
Feed systems

Sensors & cam

Net cleaning & light systems

Software

AKVAGROUP™



- 2Q revenues decreased by 22% compared to last year.
- 2Q EBITDA level fell significantly compared to the same period last year. The change is mainly related to reduced volume

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Business areas - INTECH

INTECH

Infrastructure technology

Steel cages

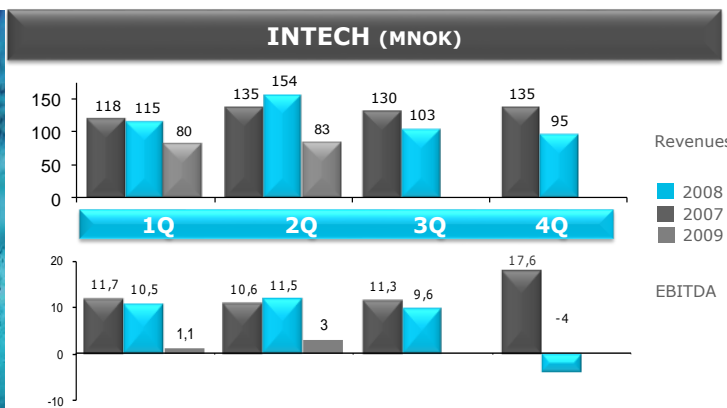
Plastic cages

Feed barges

Boats

etc.

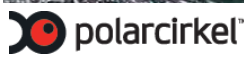
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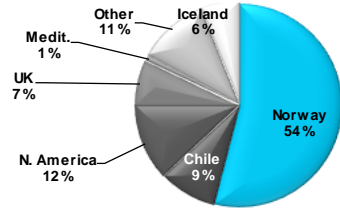
- In 2Q the revenues fell by 46%, mainly related to reduced volumes in Chile and Norway.
- In 2Q the EBITDA was 3.0 MNOK. The reduction from 2Q 2008 is mainly explained by reduced volume

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Market segments

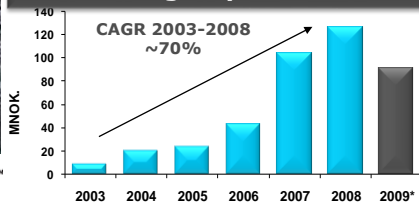


Geographic segments (YTD)



- Norway dominating segment
- Importance of Chile reduced

AKVA group revenues within other species



- Continued growth in a number of regions

* Sales and order backlog for delivery in 2009 per 3Q.

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Balance sheet



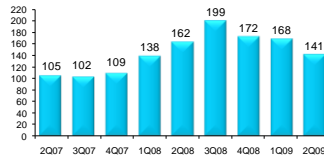
Balance sheet (legal) (MNOK)	3Q 2009	3Q 2008	Year 2008
Intangible fixed assets	256.2	258.2	251.7
Tangible fixed assets	47.8	38.9	41.5
Long term financial assets	1.1	2.4	2.5
Fixed assets	305.1	299.5	295.7
Stock	121.9	139.1	142.4
Receivables	174.9	212.2	171.1
Cash and bank deposits	51.2	63.4	47.9
Current assets	348.0	414.7	380.5
Total assets	653.1	714.2	676.2
Shareholders' equity	293.6	335.5	309.6
Long term debt	117.7	143.8	129.1
Short term debt	241.8	234.9	237.5
Total liabilities	359.9	378.7	366.6
Total shareholders' equity and liabilities	653.1	714.2	676.2
Equity ratio	45.0%	46.9%	45.8%
Net interest bearing debt	142.6	120.5	149.6
Net working capital	141.3	164.6	171.7

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Balance sheet items



Working Capital (MNOK)



- **Working Capital:**
 - Improvement seen in 2Q
 - Potential to improve working capital further.

Working capital improvements expected:

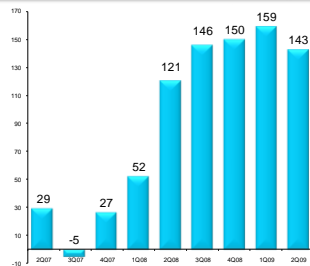
- Improved project delivery in Chile (i.e. delivering sold projects – though still some unspecified delays)
- Payments from Chilean customers improved in 2Q
- Working to solve certain project issues causing delayed payments in Norway
- Feed barges in stock – significant cash reserve to be released

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Balance sheet items



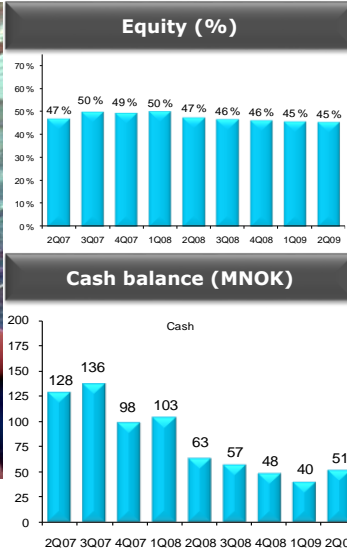
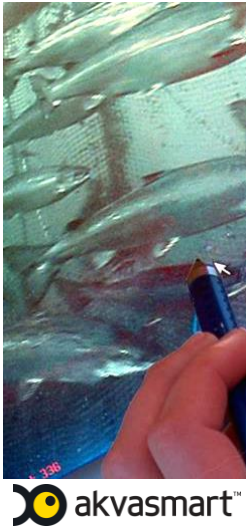
NIBD (MNOK)



- **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
- Will be reduced by expected sale of non-core assets announced
- 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 55 MNOK
 - Expected non-core asset sale to improve financial position

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Cash flow statement



Cash flow statement (KNOK)	2009	2008	2009	2008	2008
	2Q	2Q	YTD	YTD	Total
Net cash flow from operational activities	26 034	11 061	19 689	- 5 247	- 15 504
Net cash flow from investment activities	- 10 909	-63 164	-15 947	-71 963	-90 936
Net cash flow from financial activities	- 3673	12 022	-391	42 599	56 279
Net cash flow	11 451	- 40 081	3 351	-34 611	-50 161
Cash and cash equivalents beginning of period	39 783	103 513	47 883	98 044	98 044
Cash and cash equivalents end of period	51 235	63 433	51 235	63 433	47 883

- Improved cash flow from operations in 2Q
- Net investments in YTD amounted to 15.9 whereof 3.8 MNOK is capitalized R&D expenses in accordance with IFRS.

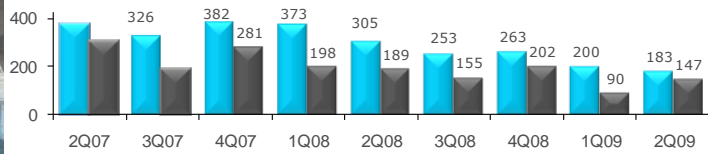
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Order backlog and inflow



fishtalk™

Order backlog and inflow per quarter (MNOK)



- Order backlog is reduced by 122 MNOK compared to the same time last year and 80 MNOK compared to 4Q08. The decline in order backlog is related to Chile and lower investment level in Norway.
- Improved order inflow compared to 1Q – June first month this year with order inflow higher than revenues

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Background & highlights

1Q 2009 Financial review

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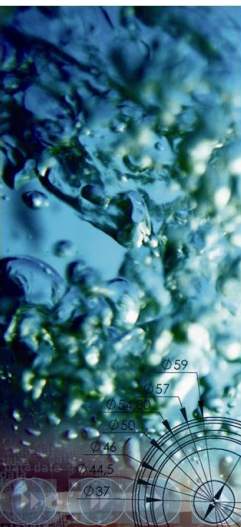
➔ Outlook



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- **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.

➔ Outlook



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- **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.

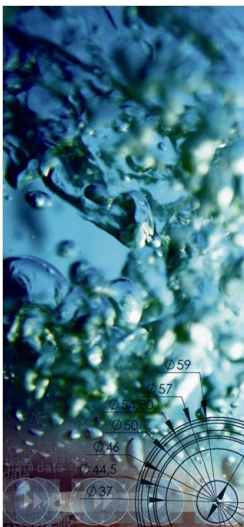
➔ Outlook



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- **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.

➔ Outlook



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- **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.

➔ Outlook

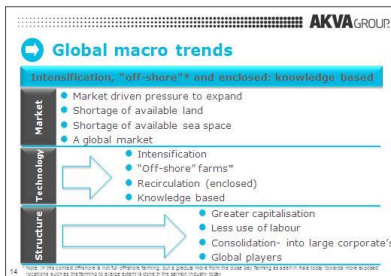


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● Order backlog and development

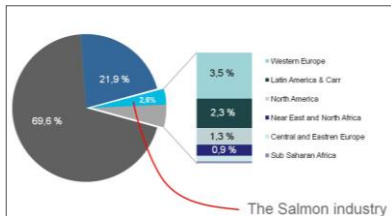
- The order inflow in 1Q was significantly lower than anticipated.
- Low inflow from the Chilean business. This market will remain challenging over the next years.
- The dominant shortfall in order inflow is from the Norwegian market.
- The prospect mass and market activities indicate a strong underlying 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.

➔ 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

1Q 2009 Financial review

Outlook

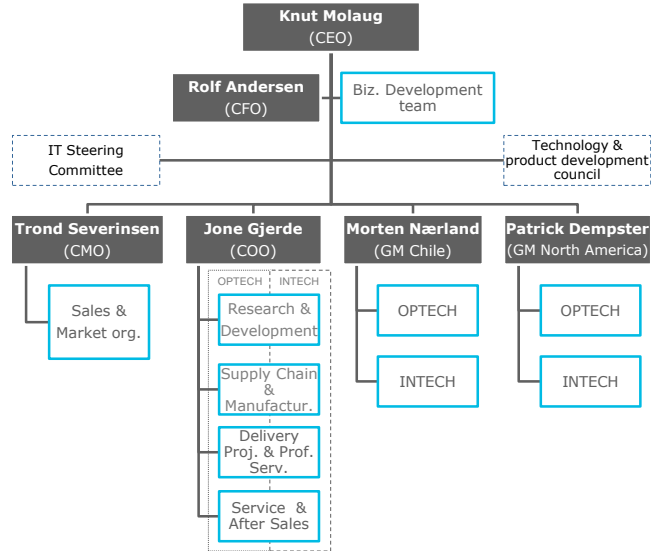
Q & A

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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

