



Fourth quarter report 2010



Highlights

- **Operating revenues in 4Q were 195.9 MNOK versus 142.9 MNOK last year. Operating revenues for 2010 were 742.5 MNOK versus 599.3 MNOK last year.**
- **Operating profit was -8.7 MNOK in 4Q compared to -16.1 MNOK in 4Q last year. The result was negatively affected by increased costs on recirculation projects.**
- **Continued focus on improving engineering and project management.**
- **The order backlog at the end of the year was 348 MNOK versus 204 MNOK at the end of 2009.**

In the comments below on the financial accounts, the 2009 figures are presented in parentheses following the 2010 stated values when included.



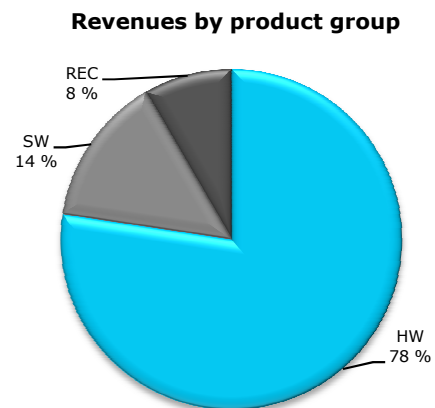
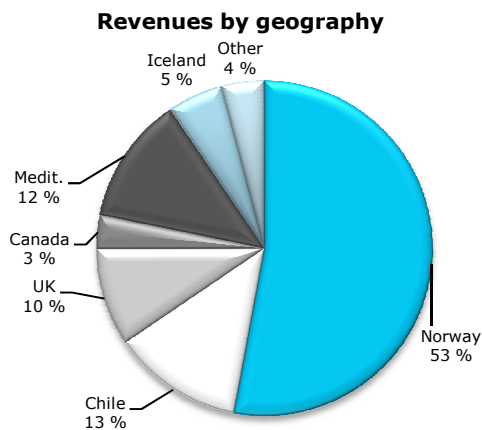
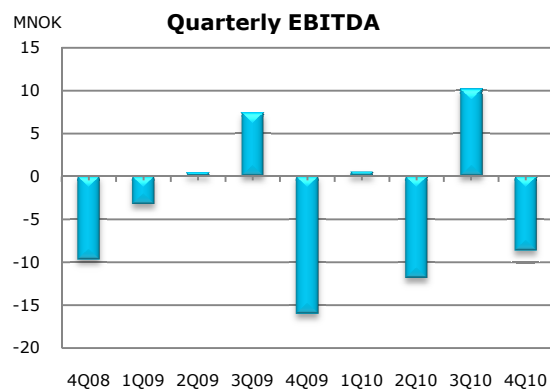
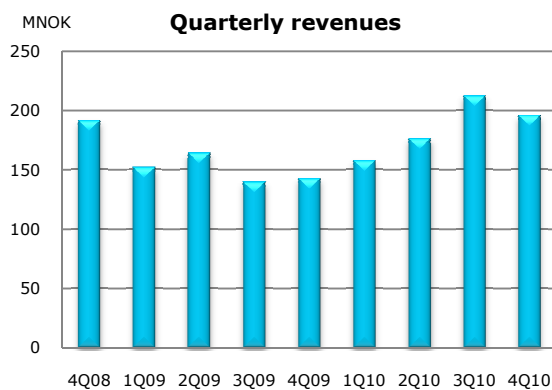
AKVA group supply technology for complete cage based fish farms.

Operations and profit

Operating revenues in 4Q were 195.9 MNOK (142.9) with an EBITDA of -8.7 MNOK (-16.1). The earnings were negatively affected by up revision of costs on recirculation projects amounting to 11.3 MNOK, of which the major part related to two recirculation projects in Norway. Both projects are in the final stages and are operating. The expected cost to finalize the projects is provided for and included in the 2010 figures. In addition to the above there were 1.0 MNOK in restructuring costs related to changes in the recirculation organisation and bad debt provisions totalling 3.8 MNOK related among other, older recirculation projects that have proven difficult to collect. In comparison, the 4Q 2009 figures were negatively affected by special items amounting to net 11 MNOK with 7 MNOK gain on sales of Wavemaster Net Services and 18 MNOK in costs from re-evaluation of projects, accounting errors and other one-offs.

The depreciations in 4Q were 7.9 MNOK (7.2) resulting in an EBIT of -16.6 MNOK (-23.2). Net financial items were -2.6 MNOK (-2.1) resulting in a profit before tax in 4Q of -19.2 MNOK (-25.3). Net loss was -14.5 MNOK (-21.6) after taxes of -4.7 MNOK.

Operating revenues in 2010 were 742.5 MNOK (599.3) with and EBITDA of -9.9 MNOK (-11.5). Depreciations and amortizations amounted to 31.0 MNOK (30.9) resulting in an EBIT of -40.9 MNOK (-42.4). Profit before tax for 2010 was -50.9 MNOK (-52.0) after allowing for net financial items of -9.9 MNOK (-9.6). Net loss was -37.6 MNOK (-39.1).



Hardware includes cages, barges, feed systems and other technology to operate fish farms, Recirc includes the delivery of systems for recirculation of water in land based farms, Software is software solutions and professional services related to this.

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 102.7 MNOK, down from 120.0 MNOK from the beginning of the year. Focus is maintained on containing the working capital.

Net interest-bearing debt amounted to 168.6 MNOK at the end of the year versus 141.9 MNOK at the beginning of the year. Gross interest bearing debt amounted to 211.7 MNOK versus 198.3 MNOK at the beginning of the year. Cash and unused

credit facilities amounted to 51.7 MNOK. Total assets and total equity amounted to 694.4 MNOK and 227.6 MNOK respectively, resulting in an equity ratio of 32.8%.

Investments in 2010 amounted to 24.2 MNOK whereof 8.9 MNOK is capitalized R&D expenses in accordance with IFRS.

A waiver extending through 2Q 2011 relating to the financial covenants of the major credit facilities and loans was agreed with the company's main bank in 4Q.



AKVA group supply technology for complete land based fish farms.

Shareholder issues

Earnings per share for 4Q 2010 were -0.84 NOK (-1.25). For the full year earnings per share were -2.19 NOK (-2.27). The calculation is based on 17.222.869 shares average.

Trond Williksen was appointed new CEO in AKVA group ASA and is expected to assume his position on the 1st of March 2011. Trond Williksen has broad experience from fishery and fish farming business and was in his previous position Executive Vice President in Aker Seafoods. Trond Williksen holds an MBA in strategy, finance and operational management from the University of Washington, USA.

Market and future outlook

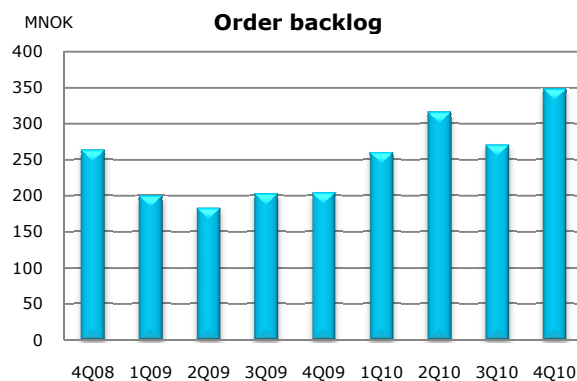
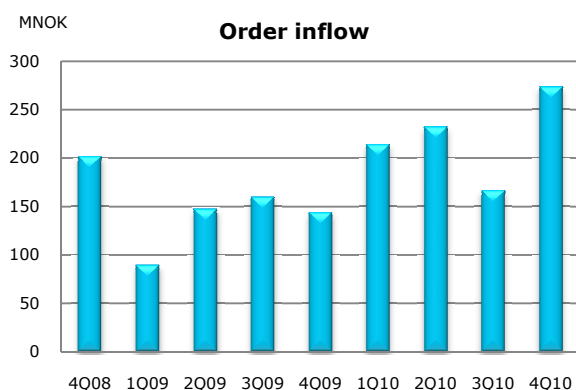
The order inflow was relative good in 4Q with order inflow stemming basically from all markets. Market fundamentals in the salmon industry are good. The Norwegian salmon farming industry posted record profits in 2010 and is expected to have another good year in 2011. This seems also to be reflected in an increased investment activity both for cage based farming and for land based projects. The same applies also for the UK market.

The recovery of the Chilean salmon farming industry gained momentum in 4Q and resulted in a good order inflow for AKVA group. Unless there is a setback in recovery from the sanitary issues, the outlook for the Chilean salmon industry is good and business volume for AKVA group should increase over the 2010 level.

The Mediterranean market has become increasingly important for AKVA group and accounted for 12% of the total revenues. The order inflow from this market has remained fairly good and set to be maintained for 2011.

The competitive environment is characterized by relative few players with strong competition putting pressure on margins. During 2010 the group implemented measures to improve production and logistic as well as project management to lower the costs. The effects of this should gradually come through during 2011. The earnings were heavily affected by cost overruns on recirculation projects in 2010. Changes have been made in the organization as well as in engineering and project management. Going forward, the group has positioned itself among the leading suppliers of recirculation technology to the salmon farming industry as well as to marine species.

The order backlog was at the end of 4Q 348 MNOK versus 204 MNOK at the end of 4Q last year.



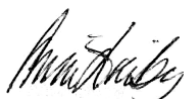
Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for 4Q 2010, 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.

Oslo, 21 February - 2011
Board of Directors, AKVA group ASA



Amund Skarholt
Chairperson



Anne Breiby
Deputy Chairperson



Frode Teigen



Thorhild Widvey



Thore Michalsen



Tore Obrestad



Steinar Mykløy



Kjell Arne Corneliusen



Morten Nærland
CEO

Main figures from financial accounts

INCOME STATEMENT (NOK 1000)	2010 4Q	2009 4Q	2010 Total	2009 Total
OPERATING REVENUES	195 881	142 881	742 521	599 345
Operating costs excluding depreciations	204 590	158 932	752 436	610 872
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	-8 710	-16 051	-9 915	-11 527
Depreciation	7 866	7 191	31 029	30 866
OPERATING PROFIT (EBIT)	-16 576	-23 242	-40 944	-42 392
Net interest expense	-3 560	-1 256	-11 983	-8 781
Other financial items	959	-835	2 037	-830
Net financial items	-2 601	-2 092	-9 946	-9 611
PROFIT BEFORE TAX	-19 177	-25 334	-50 890	-52 003
Taxes	-4 677	-3 785	-13 254	-12 875
NET PROFIT	-14 499	-21 550	-37 637	-39 128
Earnings per share	-0,84	-1,25	-2,19	-2,27
Average number of shares outstanding (in 1 000)	17 223	17 223	17 223	17 223

BALANCE SHEET (NOK 1000)	2010 31.12.	2009 31.12.
Intangible fixed assets	254 501	243 920
Fixed assets	40 847	39 071
Long-term financial assets	863	1 069
FIXED ASSETS	296 211	284 061
Stock	157 677	116 248
Trade receivables	177 796	125 391
Other receivables	19 601	27 477
Cash and cash equivalents	43 159	58 161
CURRENT ASSETS	398 234	327 277
TOTAL ASSETS	694 445	611 338
Paid in capital	267 087	267 087
Retained equity	-39 526	-10 447
TOTAL EQUITY	227 561	256 640
Other long term debt	2 418	5 561
Long-term interest bearing debt	134 463	150 651
LONG-TERM DEBT	136 882	156 212
Short-term interest bearing debt	77 268	49 364
Other current liabilities	252 735	149 123
SHORT-TERM DEBT	330 002	198 487
TOTAL EQUITY AND DEBT	694 445	611 338

CHANGES IN EQUITY (NOK 1000)	2010 4Q	2009 4Q	2010 Total	2009 Total
Book equity at the beginning of the period	232 951	278 766	256 640	309 595
The period's net profit	-14 499	-21 550	-37 637	-39 128
Gains/(losses) on cash flow hedges (fair value)	675	-747	-558	20
Dividend	-	-	-	-
Change in pension liability recorded against equity	47	1 005	47	1 005
Recording of option agreement	162	-223	162	-223
Translation differences	8 226	-612	8 906	-14 630
Book equity at the end of the period	227 561	256 640	227 561	256 640

CASH FLOW STATEMENT (NOK 1000)	2010 4Q	2009 4Q	2010 Total	2009 Total
Net cash flow from operational activities	-519	-2 830	-846	32 656
Net cash flow from investment activities	-9 588	-6 407	-23 121	-24 095
Net cash flow from financial activities	3 158	15 829	8 966	1 717
Net cash flow	-6 948	6 592	-15 002	10 277
Cash and cash equivalents at the beginning of the period	50 108	51 569	58 161	47 883
Cash and cash equivalents at the end of the period	43 159	58 161	43 159	58 161

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