

AKVA GROUP™



The global leader in aquaculture technology

2Q 2010 presentation

19 August 2010

Morten Nærland, CFO & Acting CEO





Agenda



- Background & highlights
- 2Q 2010 Financial review
- Outlook
- Q & A

A dog is swimming underwater in clear blue water. The dog is positioned in the upper right quadrant of the frame, swimming towards the left. The water is a deep, vibrant blue, and the dog's fur is a mix of white and brown. The lighting is bright, creating a clear view of the dog and the surrounding water. The overall scene is serene and captures a unique moment of a dog swimming underwater.

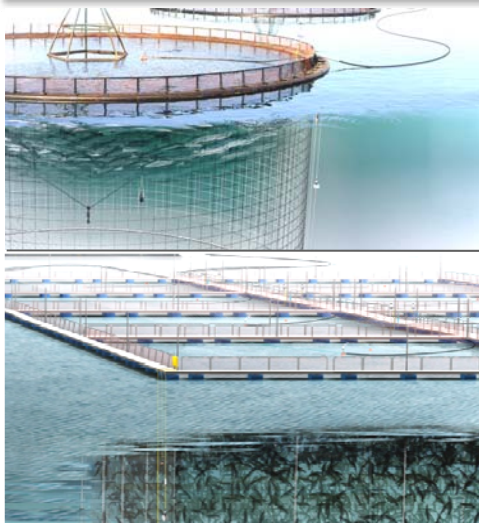
Global leader
in aquaculture
technology.
Nothing more.
Nothing less.

AKVAlife
2008-2015



➔ AKVA group in brief

Cage systems



Facts about AKVA group

- The leading supplier of aquaculture technology.
- Strong market position for all main products
- The only supplier with "global" presence.
- Leading supplier in a global growth industry.

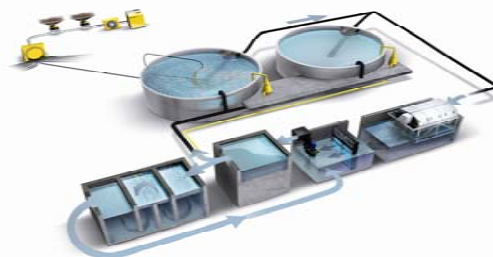
Software systems & services



Feed barges



Recirculation systems



Feed systems



Sensors & operational

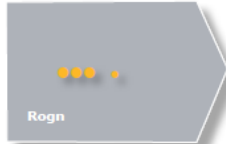




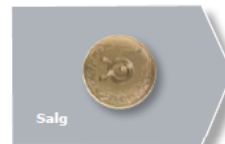
“One-stop-shop” in aquaculture technology

Value Chain Software

Programvare for oppdrett



Programvare for sjømat



Land Based Farms



Cage Based Farms





2Q highlights



- Operating revenues in 2Q were 176.3 MNOK versus 164.3 MNOK last year.
- The EBITDA in 2Q was -11.9 MNOK versus 0.4 MNOK last year.
 - Restructuring charges of 6.3 MNOK
 - Cost overrun in land based projects
- Order backlog at the end of 2Q2010 was 316 MNOK which is 133 MNOK higher than last year.
- The order inflow in 2Q was 232 MNOK vs 147 MNOK last year.

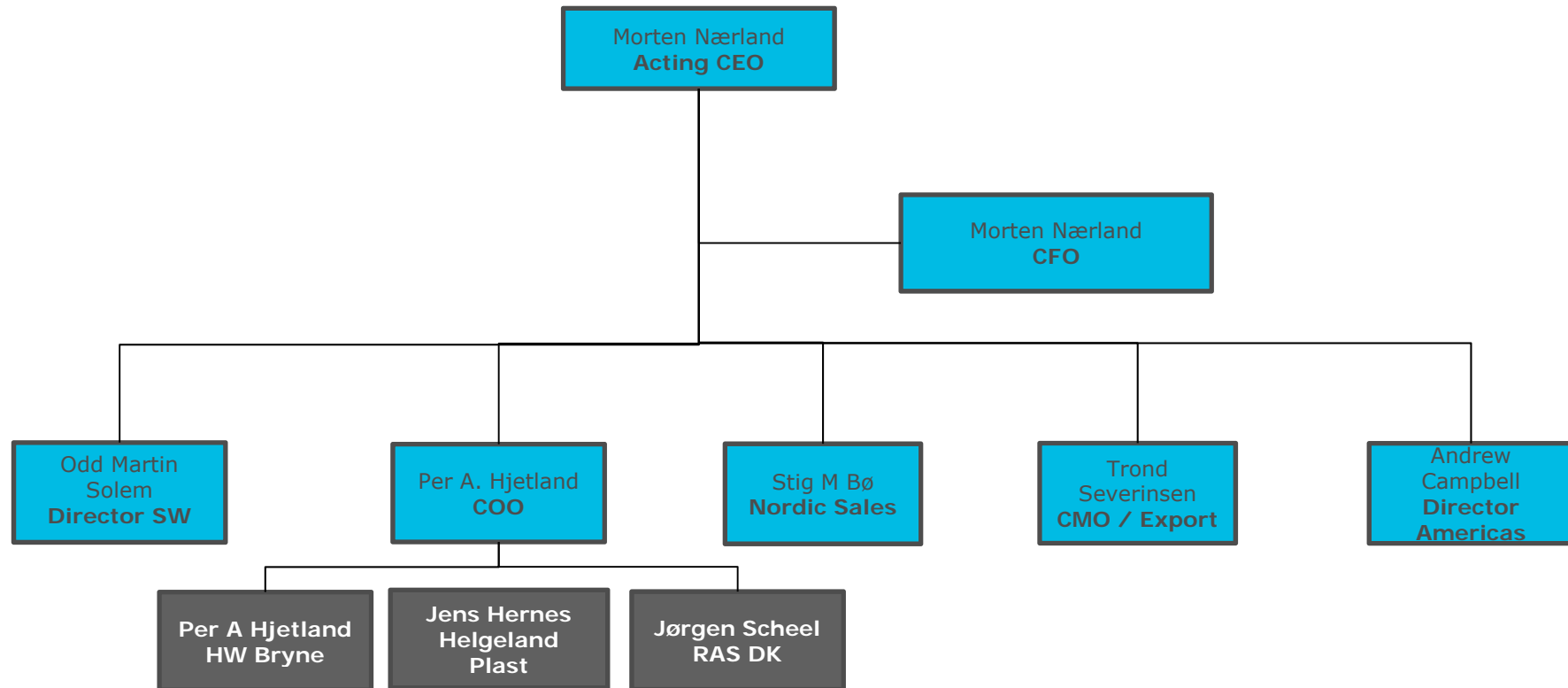
➔ Events subsequent to 30.06.2010



- Knut Molaug stepped down from the position as CEO
 - Morten Nærland, the CFO, appointed to Acting CEO
 - Smaller group management team
 - Latin America and North America organized into Americas
 - Scotland organized into Export
 - PRU Hardware and PRU Recirculation organized under one management



New Management Structure





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2Q Financials – P&L



P&L 2010 (MNOK)	2010 2Q	2009 2Q	2010 YTD	2009 YTD	2009 Total
OPERATING REVENUES	176,3	164,3	334,3	316,7	599,3
Operating costs ex depreciations	188,2	163,9	345,7	319,6	610,9
EBITDA	-11,9	0,4	-11,4	-2,9	-11,5
Depreciation	7,5	7,8	15,0	15,6	30,9
EBIT	-19,5	-7,4	-26,4	-18,5	-42,4
Net interest expense	-2,9	-2,4	-5,2	-4,3	-8,8
Other financial items	1,4	-0,6	1,6	-0,2	-0,8
Net financial items	-1,4	-3,0	-3,6	-4,4	-9,6
EBT	-20,9	-10,4	-30,0	-23,0	-52,0
Taxes	-4,6	-1,2	-8,4	-5,0	-12,9
NET PROFIT	-16,3	-9,2	-21,6	-18,0	-39,1
Revenue growth	7,3 %		5,6 %		-30,8%
EBITDA margin	-6,8 %	0,2 %	-3,4 %	-0,9 %	-1,9 %
EPS	-0,95	-0,53	-1,25	-1,04	-2,27



➔ 2Q Financials – P&L comments



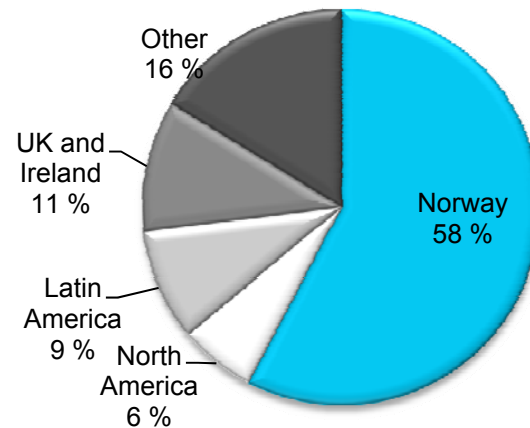
- Operating revenue in 2Q10 was 176.3 MNOK.
 - The quarterly revenue was slightly up compared to 2Q 2009.
 - Continued low revenues due to slow investment programs with the customers
- The EBITDA result was -11.9 MNOK
 - Low volume compared to cost base
 - Cost overrun on land based projects
 - Restructuring charges of 6.3 MNOK



Market segments

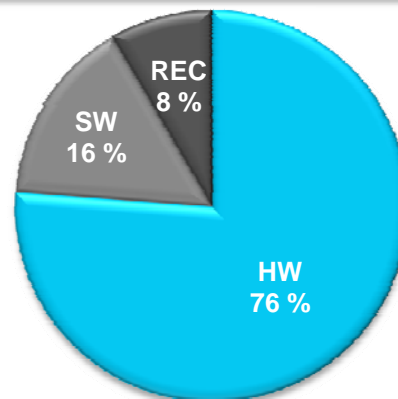


Geographic segments (YTD)



- Norway is the dominating segment
- The UK and other markets are showing a positive development
- Chilean market has reduced its importance compared to the past.

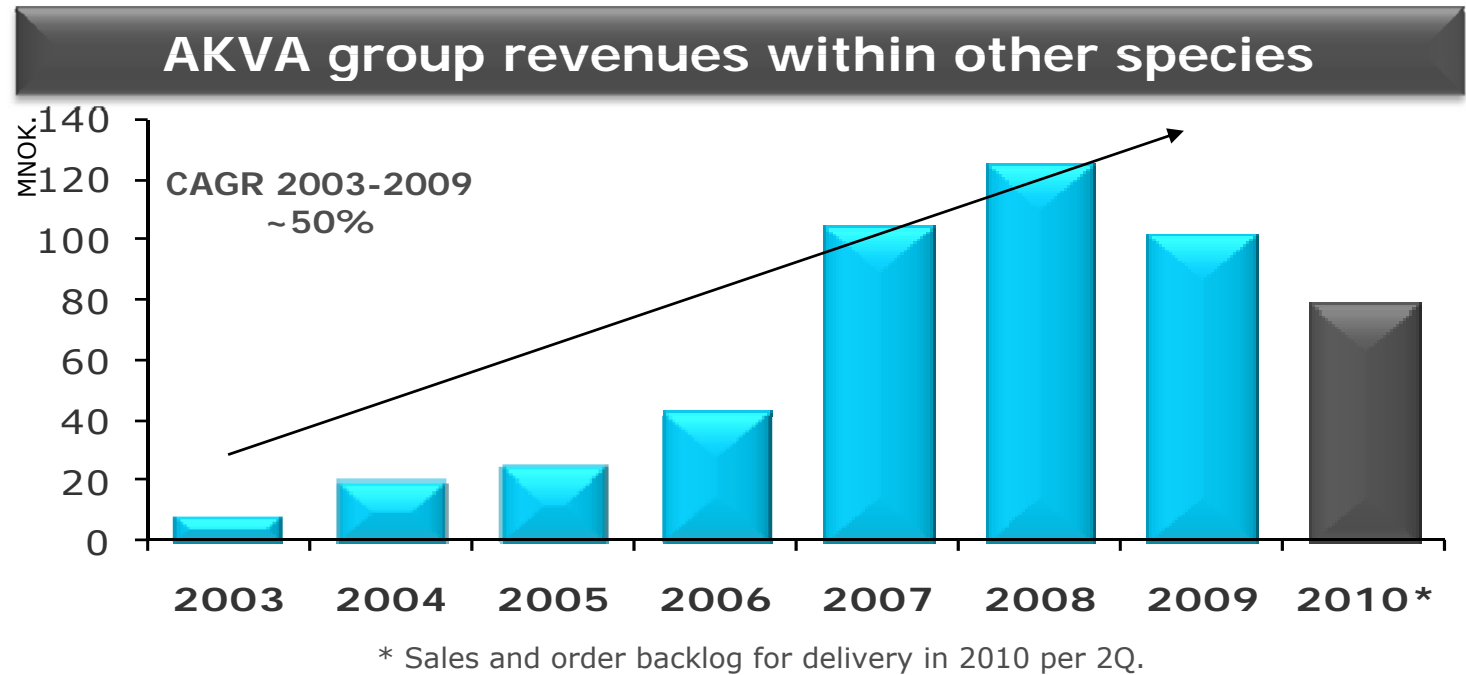
Product Group Segments (YTD)



- HW= Hardware deliveries and services
 - Cages, barges, Feed Systems and other operational systems
- SW = Software and software systems
- REC = Recirculation systems



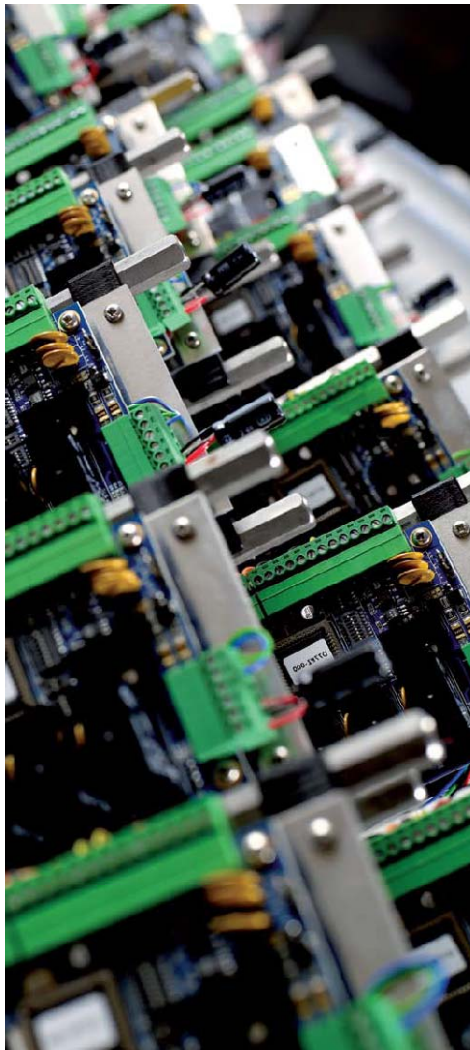
Market segments



- The positive development within other species than salmon continue.
- Major contract for delivery of 3 complete cage farms to Cromaris in Croatia was signed signed in 2Q (54 MNOK).



Balance sheet



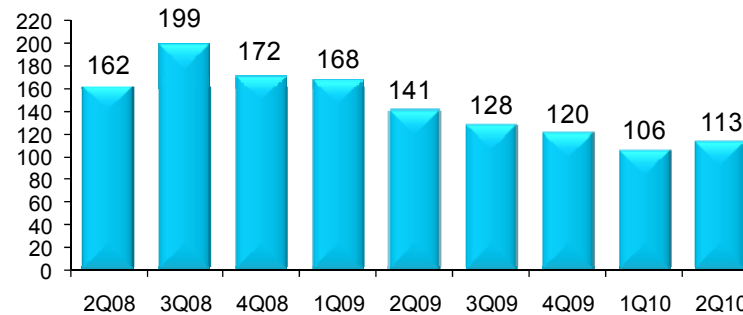
BALANCE SHEET (MNOK)	2010 30.6.	2009 30.6.	2009 31.12.
Intangible fixed assets	242,5	256,2	243,9
Fixed assets	38,3	47,8	39,1
Long-term financial assets	1,0	1,1	1,1
FIXED ASSETS	281,8	305,1	284,1
Stock	138,3	121,9	116,2
Trade receivables	162,1	149,8	125,4
Other receivables	44,6	25,1	27,5
Cash and cash equivalents	54,4	51,2	58,2
CURRENT ASSETS	399,4	348,0	327,3
TOTAL ASSETS	681,2	653,1	611,3
Paid in capital	267,1	267,1	267,1
Retained equity	-33,2	26,5	-10,4
TOTAL EQUITY	233,9	293,6	256,6
Other long term debt	4,1	10,1	5,6
Long-term interest bearing debt	148,3	107,6	150,7
LONG-TERM DEBT	152,4	117,7	156,2
Short-term interest bearing debt	62,5	86,3	49,4
Other current liabilities	232,4	155,5	149,1
SHORT-TERM DEBT	294,9	241,8	198,5
TOTAL EQUITY AND DEBT	681,2	653,1	611,3
<i>Equity ratio</i>	34,3 %	45,0 %	42,0 %
<i>Net interest bearing debt</i>	156,3	142,7	141,9
<i>Net working capital</i>	112,6	141,3	120,0



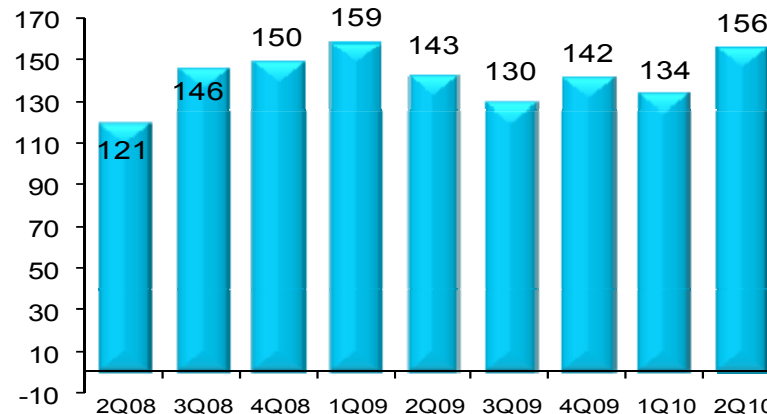
➔ Balance sheet items



Working Capital (MNOK)



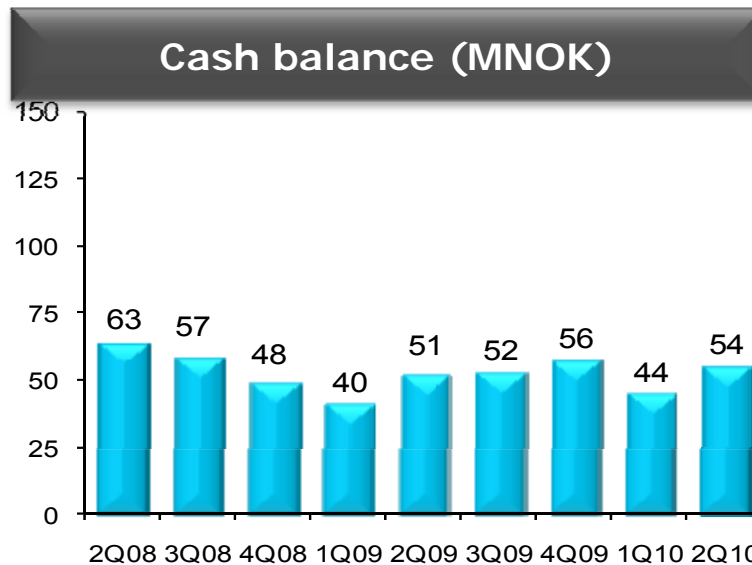
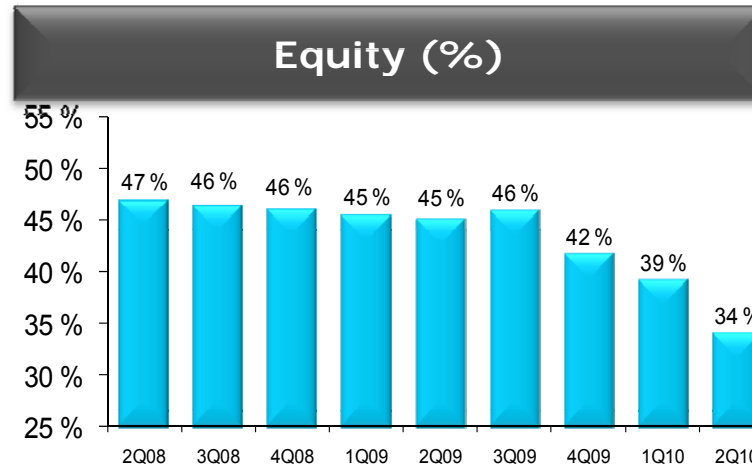
NIBD (MNOK)



- **Working Capital:**
 - Seasonal increase in working capital in 2Q
 - The company continue to focus on maintaining a low working capital.
- **Net interest bearing debt (NIBD):**
 - A waiver extending through 4Q 2010 relating to the financial covenants was agreed with the company's main bank in 2Q10



Financial position



Equity:

- Equity position affected by the negative results

Cash Position:

- Available cash 62 MNOK



➔ Cash flow statement



CASH FLOW STATEMENT (NOK 1 000)	2010 2Q	2009 2Q	2010 YTD	2009 YTD	2009 Total
Net cash flow from operational activities	-16,4	26,0	-4,7	19,7	32,7
Net cash flow from investment activities	-4,7	-10,9	-8,9	-15,9	-24,1
Net cash flow from financial activities	32,0	-3,7	9,8	-0,4	1,7
Net cash flow	10,9	11,5	-3,7	3,4	10,3
Cash and cash equivalents at the beginning of the period	43,6	39,8	58,2	47,9	47,9
Cash and cash equivalents at the end of the period	54,4	51,2	54,4	51,2	58,2

- Investments in 1H amounted to 9.2 MNOK whereof 3.8 MNOK is capitalized R&D expenses in accordance with IFRS.



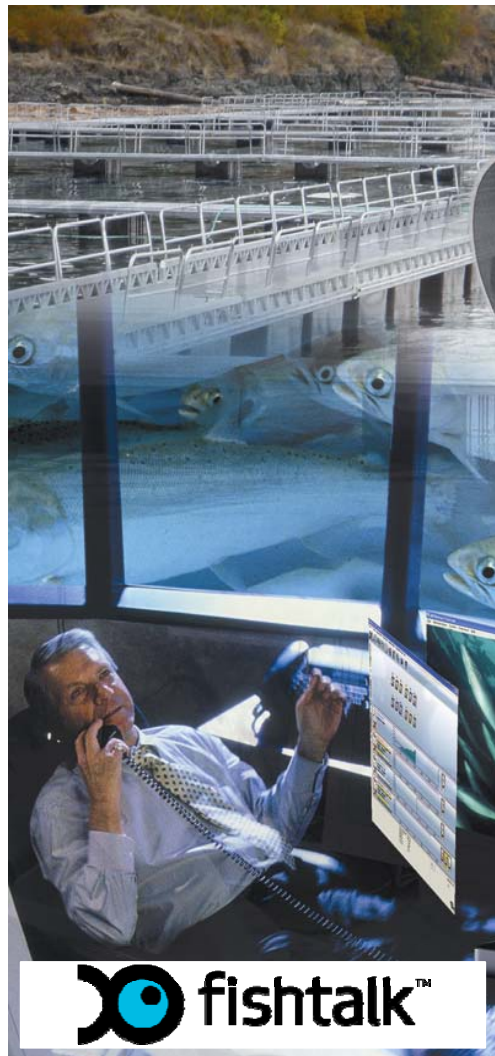
Agenda



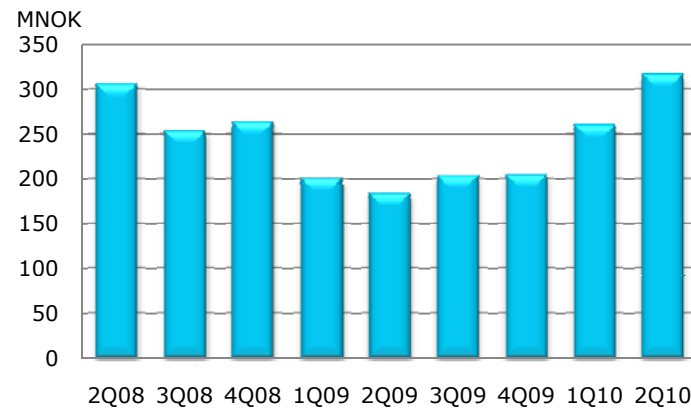
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➔ Order backlog and inflow

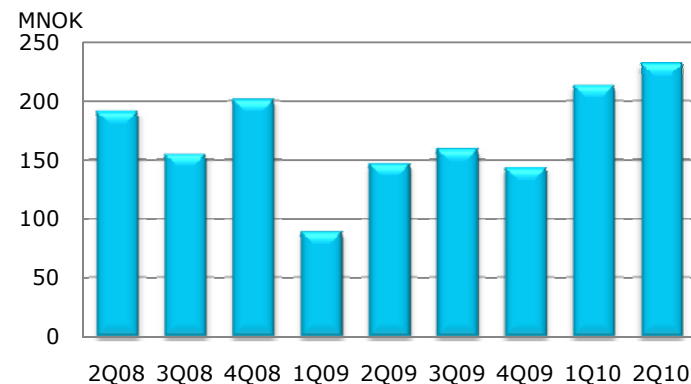


Order backlog (MNOK)



- The order backlog was 316 MNOK at the end of 2Q.
- Up 73% compared to same period last year.

Order inflow (MNOK)



- Order inflow was 232 MNOK in 2Q.
- YTD order inflow 445 MNOK vs 236 MNOK 1H last year.
- The increase related to Norway, Chile and other markets



Outlook



● Market development

- The market fundamentals for AKVA's main customers remain relative unchanged from 1Q. Customers are experience healthy earnings.
- The balance between supply and demand for Atlantic salmon expected to be favourable through 2010 and 2011. This indicating healthy prices.
- Order inflow in 1H higher than last year driven by Norway, Chile and other markets
- The global financial has added uncertainty also to these markets, but there are signs that the uncertainty is now easing of.
- The market for recirculation systems in Norway is developing well and is a product area expected to show a positive development over the next year.



Agenda



Background & highlights

2Q 2010 Financial review

Outlook

Q & A



AKVA group – global presence



All major industry players as customers



AKVA group – brief historic summary

Product
Innovations:

- 1974: World's first plastic cages (Polarcirkel) – today more than 40.000 units delivered
- 1978: First Seafood industry software solution
- 1980: World's first automatic feed systems
- 1984: Maritech: first seafood industry PC based ERP software system
- 1985: First Wavemaster steel cages
- 1992: World's first software system for fish farm planning
- 1995: First fish pellet sensing system
- 1997: First Steel barges
- 2000: Polarcirkel – large cage designs introduced
- 2001: Introduction of AkvaMaster feed barges
- 2002: Akvasmart – integrated control system (CCS)
- 2004: Fishtalk–first aquaculture integrated software system
- 2005: Wavemaster – introduction of 40 x40 steel cages
- 2006: Akvasmart – integrated sensor system
- 2007: 10 new products launched at Aquanor show
- 2008: UNI recirculation–“all in all out” concept



Business
development and M&A

- 1980: First AKVA deliveries
- 1982: AKVA incorporated as company
- 1990s: International expansion through distributors and agents
- 1995: First International investment (Canada)
- 1998: Open subsidiaries in Chile and Scotland
- 2001: Aquasmart International AS (No)
- 2001: Superior Systems AS (No)
- 2002: Vicass (Ca)
- 2003: Feeding Systems AS (No,Ch)
- 2004: Cameratech AS (No)
- 2006: Akva kompetanse AS (No)
- 2006: Wavemaster Group (UK, Ca, Ch)
- 2006: Helgeland Plast (No, Ch)
- 2006: IPO – company listed at Oslo Stock Exchange
- 2007: Maritech International AS (No, Is, US, Ca, Ch)
- 2007: UNI Aqua AS (Dk)
- 2008: Danaq Amba (Dk)
- 2008: Open office in South East Asia (Thai)
- 2008: Idema Aqua AS (No, UK, Ch)