

AKVA GROUP™



The global leader in aquaculture technology

3Q 2010 presentation

28 October 2010

Morten Nærland, CFO & Acting CEO





Agenda



Background & highlights

3Q 2010 Financial review

Outlook

Q & A

An underwater photograph showing a diver in the upper right quadrant, swimming towards the left. The water is a deep, clear blue. In the lower left quadrant, there is a large school of small, silvery fish swimming together. The overall scene is serene and emphasizes the aquatic environment.

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.

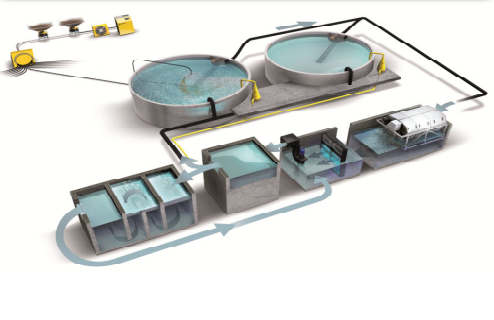
Software systems & services



Feed barges



Recirculation systems



Feed systems



Sensors & operational





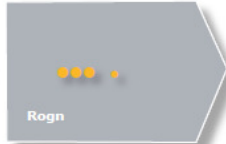
“One-stop-shop” in aquaculture technology

Value Chain Software

Programvare for oppdrett



Stamfisk



Rogn



Yngel



Settefisk



Matfisk

Programvare for sjømat



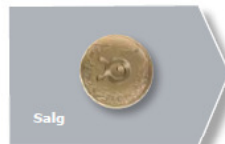
Slakting



Foredling



Logistikk



Salg



Kunde

Land Based Farms



Cage Based Farms





3Q highlights



- Operating revenues in 3Q were 212.3 MNOK versus 139.8 MNOK last year.
- The EBITDA in 3Q was 10.2 MNOK versus 7.4 MNOK last year.
 - Last year had one-offs of net 6.7 MNOK affecting revenues and profit positively
- Order backlog at the end of 3Q2010 was 270 MNOK versus 203 MNOK last year.
- Implementation of measures to reduce costs and improve earnings continues.



3Q highlights cont.



- Knut Molaug stepped down from the position as CEO
 - Morten Nærland, the CFO, appointed to Acting CEO



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➔ 3Q Financials – P&L



P&L 2010 (MNOK)	2010 3Q	2009 3Q	2010 YTD	2009 YTD	2009 Total
OPERATING REVENUES	212,3	139,8	546,6	456,5	599,3
Operating costs ex depreciations	202,1	132,4	547,8	451,9	610,9
EBITDA	10,2	7,4	-1,2	4,5	-11,5
Depreciation	8,1	8,0	23,2	23,7	30,9
EBIT	2,1	-0,6	-24,4	-19,1	-42,4
Net interest expense	-3,2	-3,3	-8,4	-7,5	-8,8
Other financial items	-0,5	0,2	1,1	0,0	-0,8
Net financial items	-3,7	-3,1	-7,3	-7,5	-9,6
EBT	-1,7	-3,7	-31,7	-26,7	-52,0
Taxes	-0,1	-4,1	-8,6	-9,1	-12,9
NET PROFIT	-1,5	0,4	-23,1	-17,6	-39,1
Revenue growth	51,9 %		19,8 %		-30,8%
EBITDA margin	4,8 %	5,3 %	-0,2 %	1,0 %	-1,9 %
EPS	-0,09	0,02	-1,34	-1,02	-2,27



3Q Financials – P&L comments



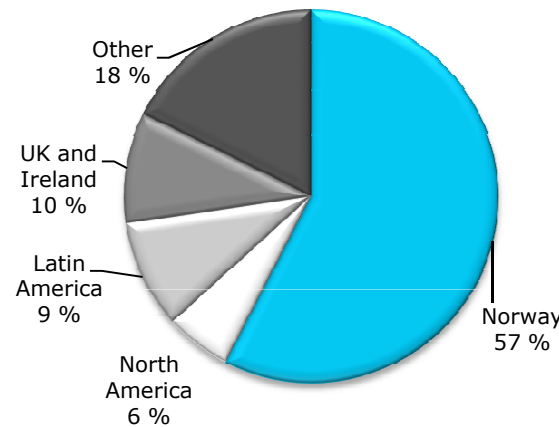
- Operating revenue in 3Q10 was 212.3 MNOK vs 139.8 MNOK last year.
 - Last year the profit from the sale of Surefish was included in the revenues (11.7 MNOK)
 - The increase driven by the Norwegian market but basically an increase in all major markets including the export markets
- The EBITDA was 10.1 MNOK vs 7.4 MNOK last year
 - Last year there were one offs affecting positively by 6.7 MNOK
 - Margin in 3Q10 negatively affected by cost increases on cage and barge projects.



Market segments

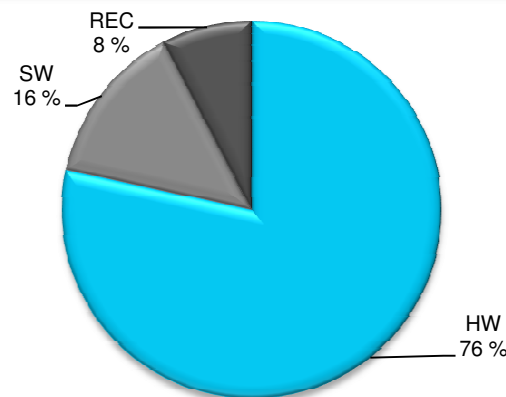


Geographic segments (YTD)



- Norway is the dominating segment
- Growth in all markets over last year
- Chilean market recovery is becoming more evident

Product Group Segments (YTD)



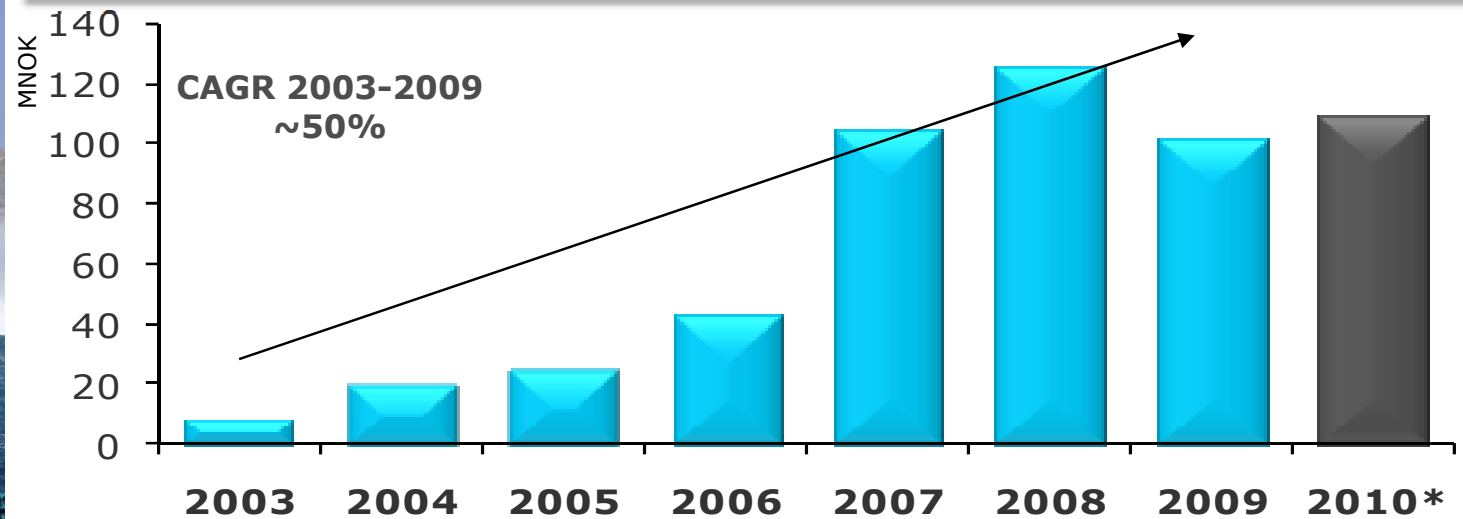
- HW = Hardware deliveries and services
 - Cages, barges, Feed Systems and other operational systems
- SW = Software and software systems
- REC = Recirculation systems



Market segments



AKVA group revenues within other species

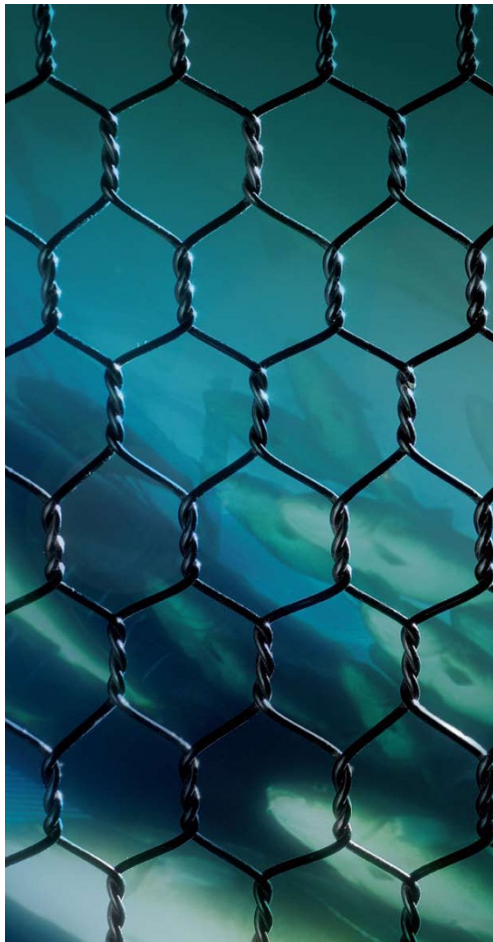


* Sales and order backlog for delivery in 2010 per 3Q.

- The positive development within other species than salmon continue.



➔ Balance sheet



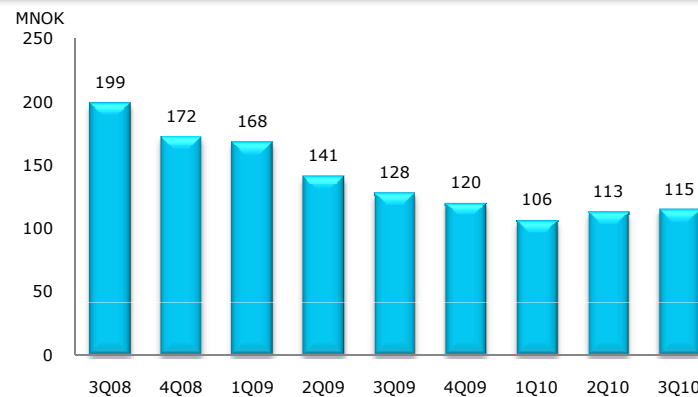
BALANCE SHEET (MNOK)	2010 30.9.	2009 30.9.	2009 31.12.
Intangible fixed assets	239,4	244,4	243,9
Fixed assets	37,9	44,5	39,1
Long-term financial assets	1,0	1,1	1,1
FIXED ASSETS	278,3	289,9	284,1
Stock	139,1	121,7	116,2
Trade receivables	175,0	127,1	125,4
Other receivables	26,5	18,4	27,5
Cash and cash equivalents	50,1	51,6	58,2
CURRENT ASSETS	390,7	318,8	327,3
TOTAL ASSETS	669,1	608,7	611,3
Paid in capital	267,1	267,1	267,1
Retained equity	-34,1	11,7	-10,4
TOTAL EQUITY	233,0	278,8	256,6
Other long term debt	3,6	9,1	5,6
Long-term interest bearing debt	141,9	102,4	150,7
LONG-TERM DEBT	145,6	111,5	156,2
Short-term interest bearing debt	64,5	78,8	49,4
Other current liabilities	226,0	139,7	149,1
SHORT-TERM DEBT	290,5	218,5	198,5
TOTAL EQUITY AND DEBT	669,1	608,7	611,3
<i>Equity ratio</i>	34,3 %	45,0 %	42,0 %
<i>Net interest bearing debt</i>	156,4	129,6	141,9
<i>Net working capital</i>	114,6	127,5	120,0



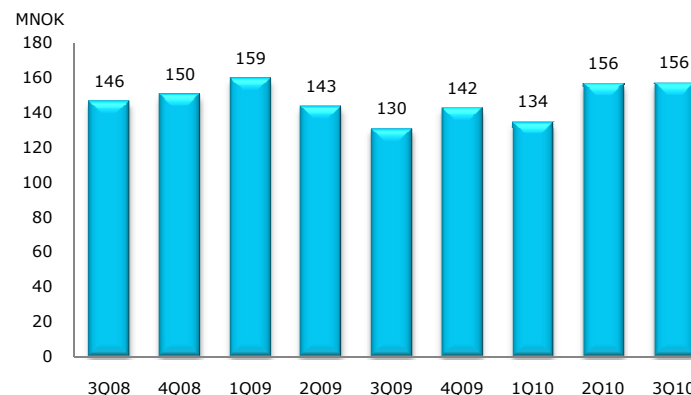
➔ Balance sheet items



Working Capital (MNOK)



NIBD (MNOK)



- **Working Capital:**

- The company continue to focus on maintaining a low working capital.

- **Net interest bearing debt (NIBD):**

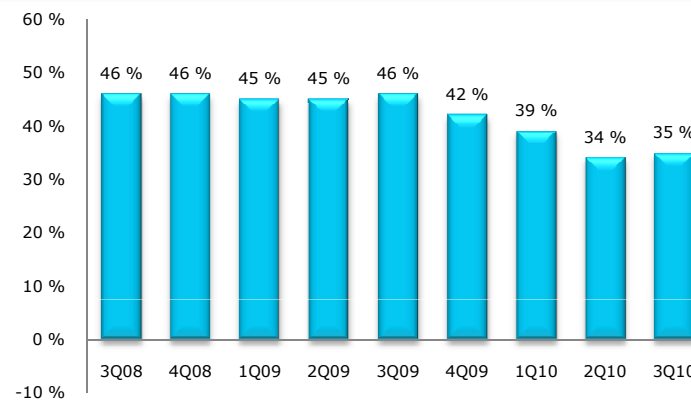
- A waiver extending through 4Q 2010 relating to the financial covenants was agreed with the company's main bank in 2Q 2010



Financial position



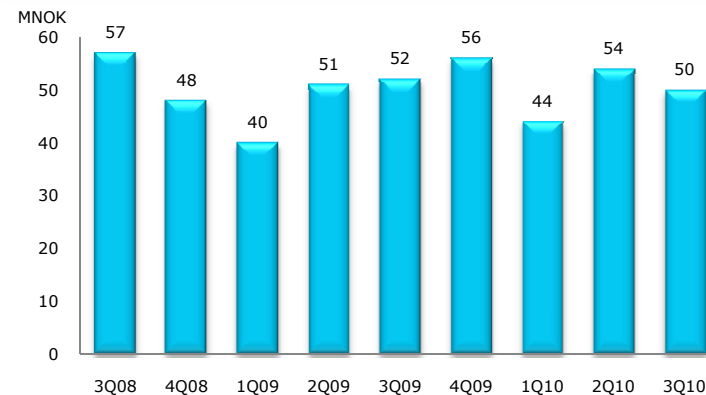
Equity (%)



● **Equity:**

- Equity position affected by the negative results

Cash balance (MNOK)

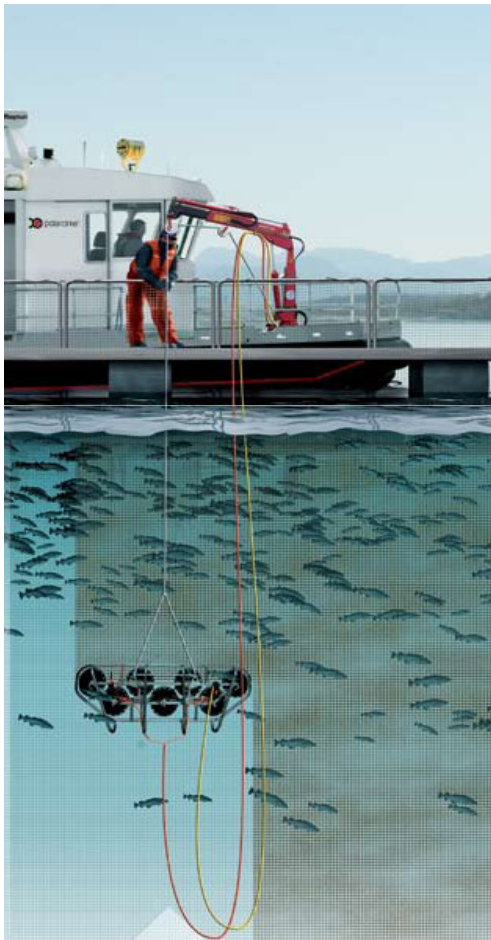


● **Cash Position:**

- Available cash 65 MNOK



➔ Cash flow statement



CASH FLOW STATEMENT (NOK 1 000)	2010 3Q	2009 3Q	2010 YTD	2009 YTD	2009 Total
Net cash flow from operational activities	4 340	15 797	-327	35 486	32 656
Net cash flow from investment activities	-4 633	-1 742	-13 534	-17 688	-24 095
Net cash flow from financial activities	-4 035	-13 721	5 807	-14 112	1 717
Net cash flow	-4 327	334	-8 053	3 685	10 277
Cash and cash equivalents at the beginning of the period	54 436	51 235	58 160	47 883	47 883
Cash and cash equivalents at the end of the period	50 108	51 569	50 108	51 569	58 160

- Investments in the first nine months 14.2 MNOK whereof 5.3 MNOK is capitalized R&D expenses in accordance with IFRS.



Agenda



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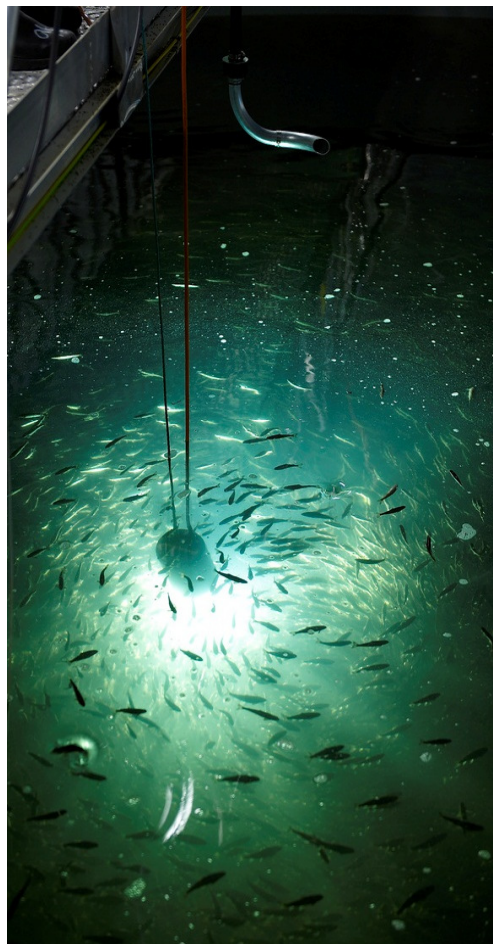
3Q 2010 Financial review

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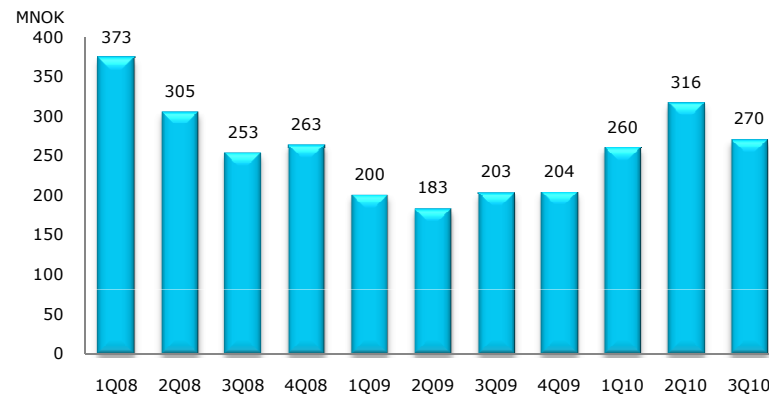
Q & A



➔ Order backlog and inflow

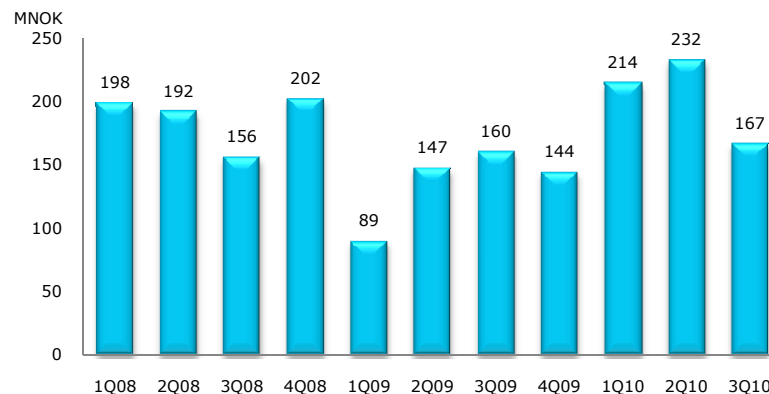


Order backlog (MNOK)



- The order backlog was 270 MNOK at the end of 3Q.
- Well above last year

Order inflow (MNOK)



- 3Q order inflow marked by holiday season in Norway.
- YTD order inflow 613 MNOK vs 396 MNOK last year.
- Increase related to Norway, Chile and other markets



Outlook



- The market fundamentals in terms of salmon prices have remained high, and AKVA's main customers are experiencing healthy earnings.
- The order inflow should recover from the slowdown seen in 3Q
- The recovery of the Chilean salmon industry is becoming more evident
- Relative good amount of prospects related to the Mediterranean market
- In Norway there is an increasing concern over the sea lice situation and what is required to contain the problem. This combined with other diseases and changes in regulatory framework might cause uncertainty and contain investments
- Several projects to improve gross margin and reduce the fixed cost base are ongoing, but the full effect will come through in 1H 2011.





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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)



New Management Structure

