



Quarterly report
Nr 1 – 2012

First quarter report 2012



Highlights –Gaining momentum

- **Total revenues in Q1 of 243.7 MNOK including sale of Maritech Norway. Slow pace into the year but activity increased throughout the quarter resulting in operational revenues in Q1 2012 of 214.7 MNOK vs. 253,4 MNOK in Q1 2011**
- **Total earnings higher due to gain from sale of Maritech Norway**
 - **Total EBIT Q1 2012 of 31.1 MNOK, including gain from Maritech Norway transaction of 29 MNOK**
 - **Operational EBITDA of 10.7 MNOK vs 22.8 MNOK in Q1 2011**
 - **Operational EBIT of 2.1 MNOK vs 15.0 MNOK in Q1 2011**
 - **3.1 MNOK allowance made on projects in RAS area**
- **Nordic and Chile main drivers of group revenues.**
 - **Growth in revenues in Chile continues**
 - **Nordic reduced volumes compared to Q1 2011**
 - **Scotland and Canada slow first months due to lower activity in these markets**
- **Exports pose an opportunity – good performance in Q1**
- **Software with good momentum**
 - **Divestment of Maritech Norway**
 - **Fishtalk and Maritech Iceland positive development**
- **Strengthening balance sheet**
 - **Equity strengthened and Net interest bearing debt significantly reduced**
- **Increase in sales and order backlog**
 - **Order inflow of 235 MNOK in Q1 vs 185 MNOK in Q1 2011**
 - **Order backlog 275 MNOK vs 265 MNOK in end Q1 2011**

In the comments below on the financials, the 2011 figures are presented in brackets following the 2012 stated values when included.

AKVA group is organized into three business segments; Hardware (HW): Includes cages, barges, feed systems and other technology to operate fish farms, Recirculation (RAS): Includes the delivery of land based farms based on recirculation technology, Software (SW): Includes software solutions and professional services related to this.

Operations and profit

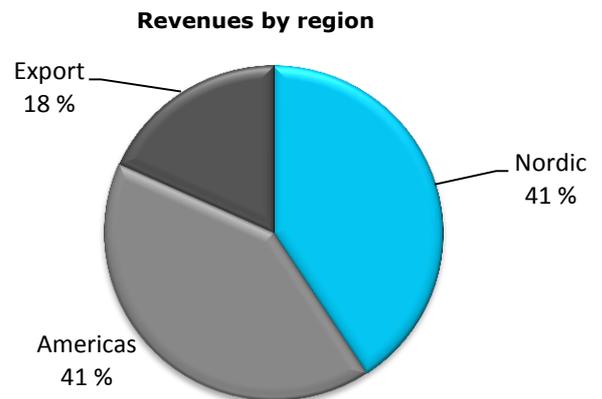
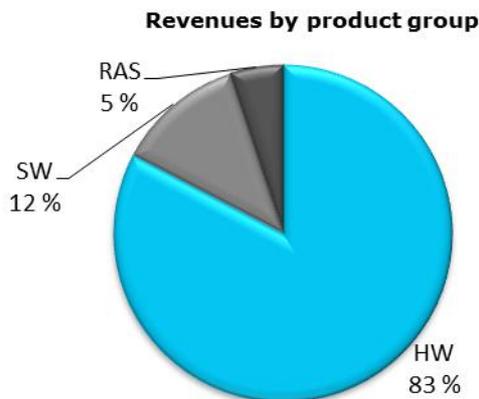
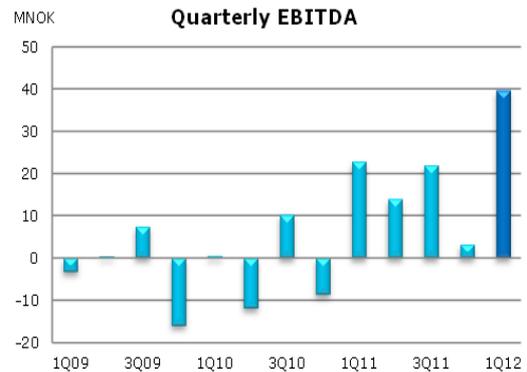
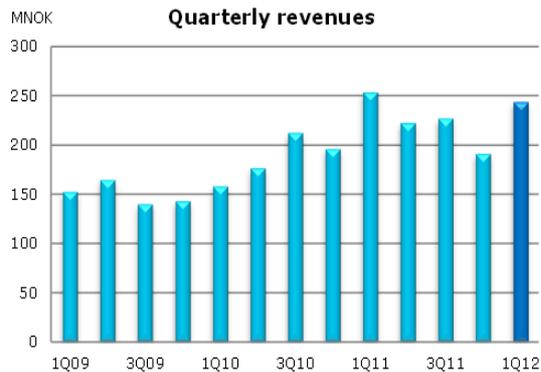
Total operating revenues in Q1 were 243.7 MNOK (253.4) with an EBITDA of 39.7 MNOK (22.8). EBIT was 31.1 MNOK (15.0). The overall business volume and margins in Q1 2011 includes the gain of the Maritech Norway sale.

Total revenues excluding the Maritech Norway sale in Q1 were 214.7 MNOK (253.4) with an EBITDA of 10.7 MNOK (22.8). EBIT was 2.1 MNOK (15.0). AKVA Group



experienced slow pace into the year but activity increased throughout the quarter resulting in good performance in March.

Net financial costs were in Q1 3.2 million (3.3), resulting in a profit before tax of 27.9 MNOK (11.8). Net profit was 20.5 MNOK (10.1) after allowing for taxes of 7.5 MNOK (1.7).



Hardware (HW)

HW had revenues in Q1 of 177.1 MNOK (199.1). Revenue in HW Nordic was 55.0 MNOK, in HW Americas 83.8 MNOK and in HW Export 38.8 MNOK.

EBITDA was 10.9 MNOK (18.4) resulting in an EBITDA margin of 6.2% (9.2%). EBIT in Q1 was 4.2 MNOK (12.6) representing an EBIT margin of 2.4% (6.4%).

YoY revenue in Q1 is explained by slow pace into 2012 in the Norwegian market due to late order inflow, compared to 2011. Activity level increased throughout the quarter.

High activity level in Chile in 2011 continues in Q1 2012. There has been slower pace in Canada due to timing of operational activities.

Scotland and Turkey also had slower pace in Q1 due to lower activity in these markets.

Export outside Scotland and Turkey shows good development and good performance in Q1.

Software (SW)

Total operating revenue for SW in Q1 was 55.1 MNOK. Total revenues include the gain after the sale of the Maritech Norway operation in Q1 of 29 MNOK. This gives a total EBITDA in Q1 of 32.4 MNOK and a total EBIT in Q1 of 30.8 MNOK.

Operating revenue for SW excluding gain from sale in Q1 was 26.3 MNOK (30.1). The EBITDA excluding gain from sale in Q1 3.4 MNOK (4.8) resulting in an EBITDA margin of 12.9% (15.9%). EBIT excluding gain from sale in Q1 1.8 MNOK (3.0) representing an EBIT margin of 6.8% (10.1%).

Software has good momentum in Q1 with Fishtalk and Maritech Island performing well. There is now focused activity on developing remaining business after the sale of the Maritech Norway operation.

Recirculation (RAS)

RAS had operating revenues in Q1 of 10.8 MNOK (24.2) with an EBITDA of -3.6 MNOK (-0.3). The Q1 EBIT was -3.9 MNOK (-0.6).

A cost allowance of 3.1 MNOK is done in Q1 related to on-going projects. Adjusting for this RAS is on its way of becoming profitable. However volumes are too low in Q1 to create a positive margin. With the recent cost reduction measures and tuning, the RAS segment is positioned for future profitable growth.

Balance sheet and cash flow

The working capital in the group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 161.7 MNOK at the end of Q1, down from 182.0 MNOK at the end of Q4 2011. The reduction in working capital in the quarter is a result of extra focus on this area over the last months.

Net interest-bearing debt ended at 91.3 MNOK at the end of Q1 compared to 145.7 MNOK at the end of Q4 2011. Gross interest bearing debt was at the end of Q1 145.1 MNOK versus 182.9 MNOK at the end of Q4 2011. Cash and unused credit facilities amounted to 79.0 MNOK in Q1 versus 57.2 MNOK at the end of Q4 2011. Total assets and total equity amounted to 736.5 MNOK and 341.5 MNOK respectively, resulting in an equity ratio of 46.4%.

Investments in Q1 amounted to 8.5 MNOK of which 2.4 MNOK was capitalized R&D expenses in accordance with IFRS. In 2011 total investments were 30.0 MNOK with 12.5 MNOK in capitalized R&D expenses.

AKVA group was in compliance with the financial covenants for the credit facilities at the end of Q1.

Shareholder issues

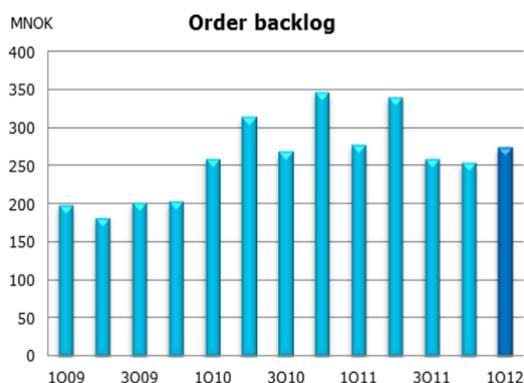
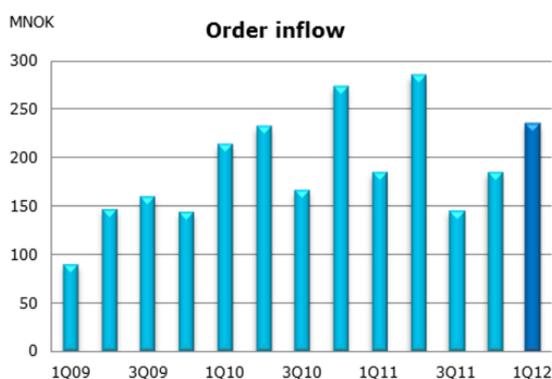
Earnings per share for Q1 were 0.79 NOK (0.59). The calculation is based on 25,834,303 (17,222,869) shares average.

Market and future outlook

We are gaining momentum into the second quarter. Long term salmon prices are expected to develop positively, however we still expect effects of uncertain salmon prices in 2012.

Nordic and Chile are expected to be the main drivers into Q2. While Export pose an opportunity.

For the group the order backlog at the end of Q1 was 275 MNOK (265). The order inflow in Q1 was 235 MNOK (185).



AKVA group will stay hands on going forwards in 2012 adjusting operations according to market development, focusing on long term performance, margins and customer relations.

There will be continued focus on building service and aftersales as a key business element going forward.

Continued focus will also be given on working capital and to strengthening our balance sheet.

Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for Q1 2012, 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, 9 May - 2012
Board of Directors, AKVA group ASA



Amund Skarholt
Chairperson of the Board



Anne Breiby
Deputy Chairperson



Thore Michalsen



Frode Teigen



Thorhild Widvey



Kjell A. Corneliusen



Eivind Brendryen



Tore Obrestad



Trond Williksen
Chief Executive Officer

Main figures from financial accounts

INCOME STATEMENT			
(NOK 1 000)	2012	2011	2011
	1Q	1Q	Total
OPERATING REVENUES	243 706	253 376	893 552
Operating costs ex depreciations	204 011	230 538	831 600
OPERATING PROFIT BEFORE DEPR.(EBITDA)	39 695	22 838	61 953
Depreciation	8 549	7 794	32 700
OPERATING PROFIT (EBIT)	31 146	15 044	29 253
Net interest expense	-2 205	-3 120	-11 400
Other financial items	-1 028	-147	-3 596
Net financial items	-3 233	-3 267	-14 996
PROFIT BEFORE TAX	27 913	11 777	14 256
Taxes	7 461	1 697	2 771
NET PROFIT	20 453	10 080	11 485
Earnings per share	0,79	0,59	0,53
Average number of shares outstanding (in 1 000)	25 834	17 223	21 529
BALANCE SHEET			
(NOK 1 000)	2012	2011	2011
	31.3.	31.3.	31.12.
Intangible fixed assets	203 124	210 871	209 556
Fixed assets	41 684	38 472	41 939
Long-term financial assets	30 307	37 739	37 979
FIXED ASSETS	275 115	287 082	289 474
Stock	188 735	171 214	174 919
Trade receivables	184 313	221 437	177 601
Other receivables	34 419	-4 448	42 436
Cash and cash equivalents	53 879	28 138	37 232
CURRENT ASSETS	461 346	416 341	432 189
TOTAL ASSETS	736 461	703 423	721 663
Paid in capital	355 549	267 087	355 549
Retained equity	-14 015	-35 739	-31 778
TOTAL EQUITY	341 534	231 348	323 771
Other long term debt	4 024	1 726	2 000
Long-term interest bearing debt	76 975	128 269	110 209
LONG-TERM DEBT	80 999	129 994	112 208
Short-term interest bearing debt	68 162	64 075	72 709
Other current liabilities	245 766	278 006	212 975
SHORT-TERM DEBT	313 928	342 081	285 684
TOTAL EQUITY AND DEBT	736 461	703 423	721 663
CHANGES IN EQUITY			
(NOK 1 000)	2012	2011	2011
	1Q	1Q	Total
Book equity at the beginning of the period	323 771	227 561	227 561
The period's net profit	20 453	10 080	11 485
Capital increase	-	-	94 726
Share issue costs	-	-	-6 264
Gains/(losses) on cash flow hedges (fair value)	-	1 587	-
Utbytte/Dividend	-	-	-
Change in pension liability recorded against equity	-	-	-119
Recording of option agreement	-	-	30
Translation differences	-2 689	-7 879	-3 649
Book equity at the end of the period	341 534	231 348	323 771

CASH FLOW STATEMENT	2012	2011	2011
(NOK 1 000)	1Q	1Q	Total
Net cash flow from operations	7 560	19 712	44 993
Net cash flow from change in working capital	20 910	-10 070	-80 879
Net cash flow from operational activities	28 470	9 642	-35 886
Net cash flow from investment activities	23 671	-4 772	-28 183
Net cash flow from financial activities	-35 495	-19 891	58 142
Net cash flow	16 647	-15 021	-5 927
Cash and cash equivalents at the beginning of the period	37 232	43 159	43 159
Cash and cash equivalents at the end of the period	53 879	28 138	37 232

BUSINESS SEGMENTS	2012	2011	2011
(NOK 1 000)	1Q	1Q	Total
HARDWARE			
Nordic operating revenues	76 414	122 083	327 181
Americas operating revenues	83 792	50 900	255 892
Export operating revenues	17 393	26 078	137 201
TOTAL OPERATING REVENUES HARDWARE	177 599	199 061	720 274
Operating costs ex depreciations	166 676	180 700	657 740
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	10 923	18 361	62 534
Depreciation	6 679	5 711	24 329
OPERATING PROFIT (EBIT)	4 244	12 650	38 205
SOFTWARE			
Nordic operating revenues	51 289	26 909	98 601
Americas operating revenues	3 580	2 770	12 147
Export operating revenues	391	468	1 608
OPERATING REVENUES	55 260	30 146	112 356
Operating costs ex depreciations	22 878	25 339	101 105
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	32 382	4 807	11 251
Depreciation	1 587	1 772	7 101
OPERATING PROFIT (EBIT)	30 795	3 034	4 150
RAS			
Nordic operating revenues	10 179	15 195	42 843
Americas operating revenues	668	8 973	18 079
Export operating revenues	-	-	-
OPERATING REVENUES	10 847	24 168	60 922
Operating costs ex depreciations	14 457	24 498	72 754
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	-3 609	-330	-11 832
Depreciation	283	310	1 270
OPERATING PROFIT (EBIT)	-3 893	-641	-13 102

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