Q1 2012 Presentation

Oslo, May 10th, 2012

Trond Williksen, CEO
Eirik Børve Monsen, CFO

Agenda

- Highlights Q1 2012

  Trond Williksen, CEO

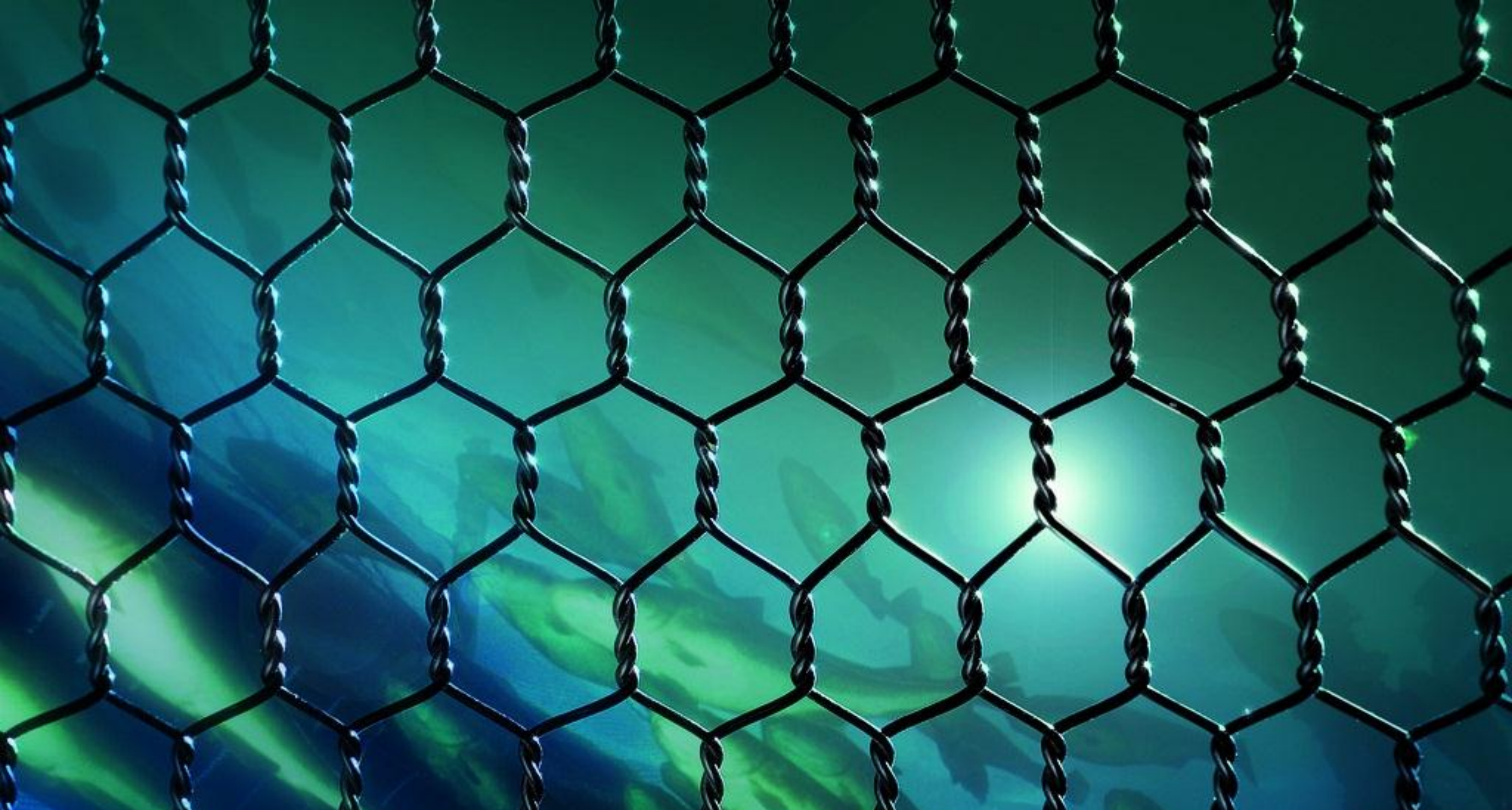
- Financial performance Q1 2012

  Eirik Børve Monsen, CFO

- Outlooks

  Trond Williksen, CEO

- Q & A

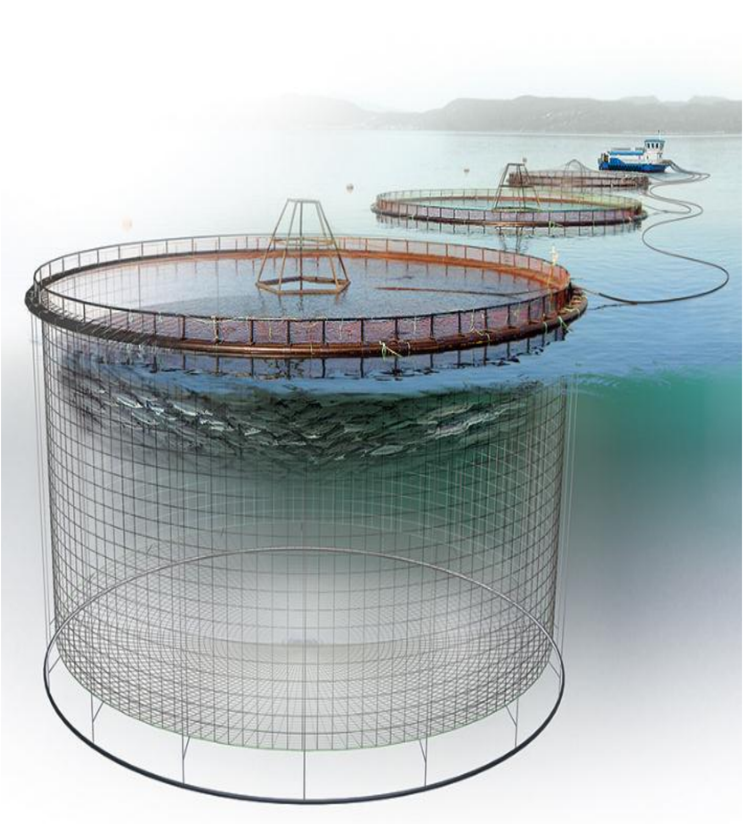


Highlights Q1 2012

Gaining momentum

- Increased activity through the quarter
  - Slow pace into the year but activity increased throughout the quarter
  - Total revenues in Q1 of 243.7 MNOK including sale of Maritech Norway
  - 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 cost allowance made on projects in RAS area

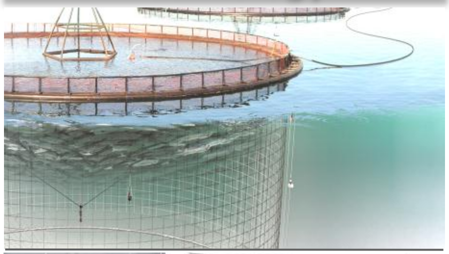
Gaining momentum, continued

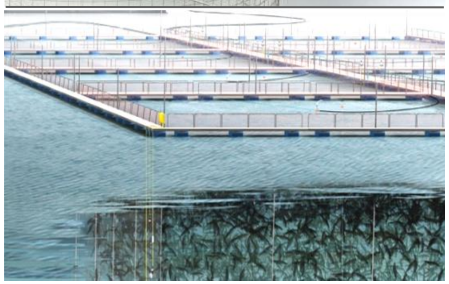


- Nordic and Chile main drivers of group revenues
  - Growth in revenues in Chile continues
  - Nordic reduced revenues compared to Q1 2011
  - Scotland and Canada slow first months due to lower activity in these markets
- Exports pose an opportunity – good performance in Q1
- Software with good momentum
  - 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

AKVA group – uniquely positioned for future growth

Cage based farming Technology

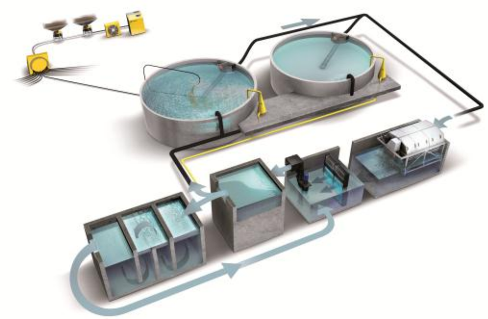




AKVA group in brief

- The most recognized brand in aquaculture technology
- Leading technology solutions and service partner to global aquaculture industry
- Global presence - subsidiaries in 8 countries
- 2011 Revenue of 894 MNOK and 2011 EBITDA of 62 MNOK
- 700 employees

Land based farming Technology



Site infrastructure

Feed systems

Sensors & operational

Software systems & services

Focused operational structure

AKVA GROUP

Technologies

Hardware (HW)

akvasmart
- Akvasmart Feeding systems
- Akvasmart Lights
- Akvasmart Cameras & Sensors
- Akvasmart Net cleaners

polarcirkel
- Polarcirkel Cages
- Polarcircel boats

wavemaster
- Wavemaster Feed Barges
- Wawemaster Steel Cages

Software (SW)

fishtalk
- Fishtalk

- Wisefish

Recirculation (RAS)

akvasmart
- Landbased recirkulation technology

Nordic

Technology sales
Production and projects
Service and aftersale

Nordic countires

Americas

Technology sales
Production and projects
Service and aftersale

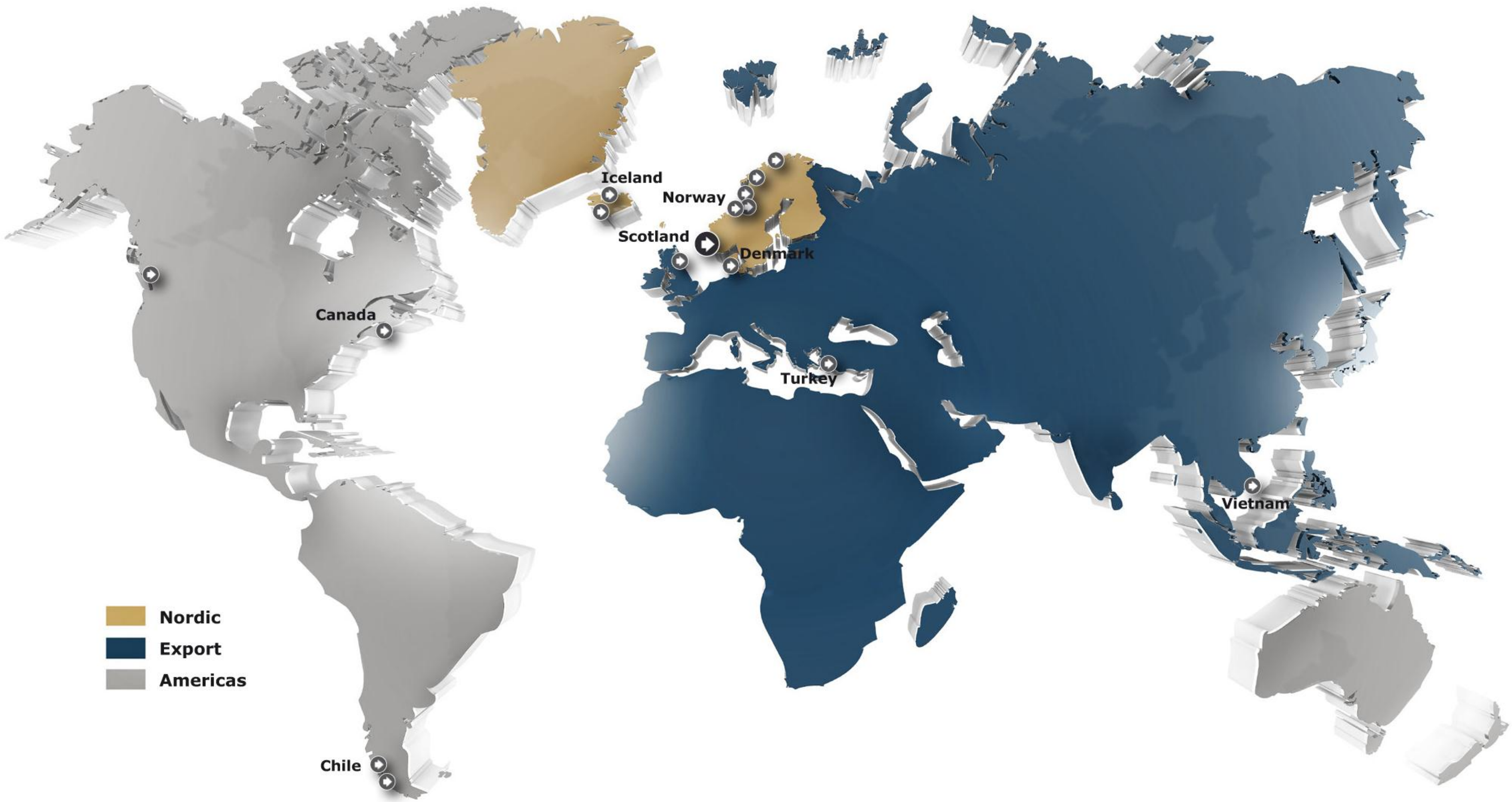
North and South America,
New Zealand
Australia

Exports

Technology sales
Projects
Service and aftersale

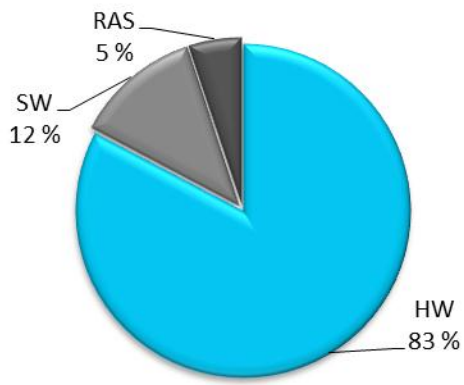
in all other regions, including UK,
Mediteranian,
Russia
Asia

Global presence – divided in to three regions



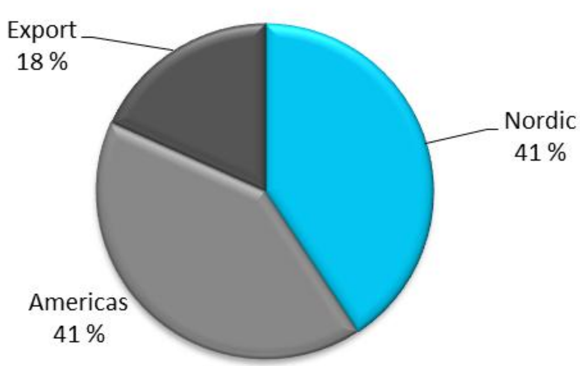
Market segments - Revenue

Product by segments – Q1 2012



- HW still dominant segment
- SW excluding gain from sale of Maritech Norway
- HW= Hardware deliveries and services Cages, barges, Feed Systems and other operational systems
- SW = Software and software systems
- RAS = Recirculation systems

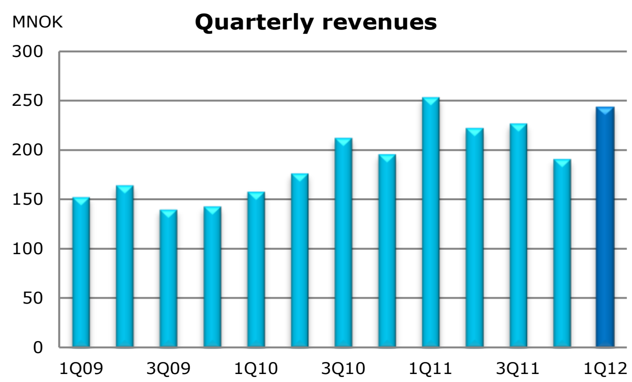
Geographic segments by region – Q1 2012

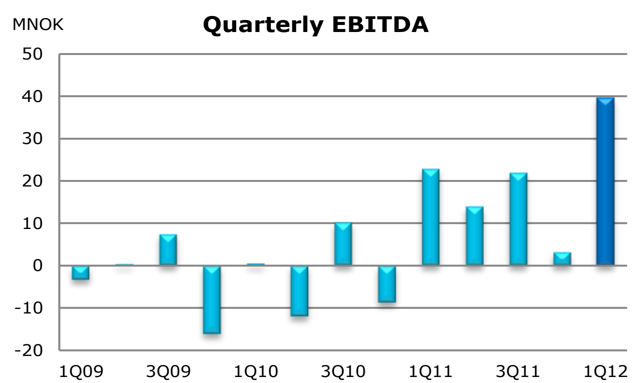


- New focus on regions
- Operational revenue, where gain after the sale of the Maritech business is excluded from Nordic

Financial performance Q1 2012

Financial highlights

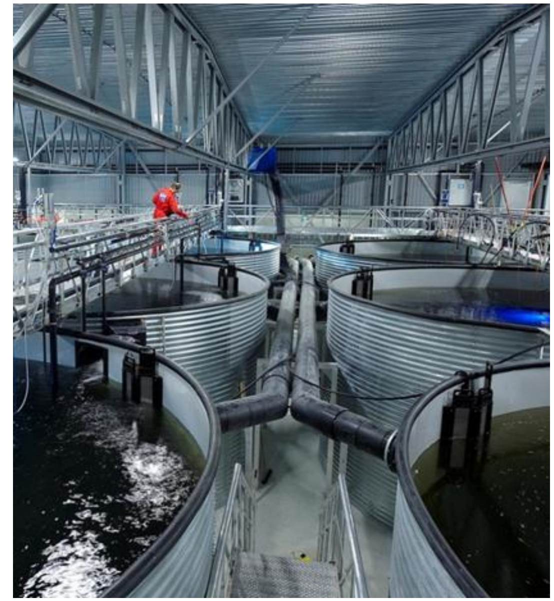




- Increased activity through out Q1
- Gain related to the sale of the Norwegian Maritech business gives extraordinary strong margins and cash flow in Q1
- Focus on strengthening the balance sheet starting to show results

Q1 P&L total

P&L 2012 (MNOK)	2012 1Q	2011 1Q	2011 Total
OPERATING REVENUES	**243,7**	**253,4**	**893,6**
Operating costs ex depreciations	204,0	230,5	831,6
EBITDA	**39,7**	**22,8**	**62,0**
Depreciation	8,5	7,8	32,7
EBIT	**31,1**	**15,0**	**29,3**
Revenue growth	*-3,8 %*	*37,1 %*	*23,9 %*
EBITDA margin	*16,3 %*	*9,0 %*	*6,9 %*
EPS (NOK)	*0,79*	*0,59*	*0,53*



- Total revenues in Q1 of 243.7 MNOK including sale of Maritech Norway
- Operational revenues in Q1 2012 of 214.7 MNOK vs. 253,4 MNOK in Q1 2011
- 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 2012
- 3.1 MNOK allowance made on project in RAS area

Q1 P&L segments - Hardware

P&L 2012 (MNOK)	2012 1Q	2011 1Q	2011 Total
HARDWARE			
Nordic operating revenues	55,0	128,6	342,3
Americas operating revenues	83,8	50,9	255,9
Export operating revenues	38,8	19,5	122,0
OPERATING REVENUES	**177,6**	**199,1**	**720,3**
Operating costs ex depreciations	166,7	180,7	657,7
EBITDA	**10,9**	**18,4**	**62,5**
Depreciation	6,7	5,7	24,3
EBIT	**4,2**	**12,6**	**38,2**
EBITDA %	*6,2 %*	*9,2 %*	*8,7 %*
EBIT %	*2,4 %*	*6,4 %*	*5,3 %*

- Slow pace into 2012 in the Norwegian market due to late order inflow, compared to 2011. Activity level increased throughout the quarter – sense of normalization in the market
- High activity level in Chile in 2011 continues throughout Q1 2012.
- Slower pace in Canada mainly due to timing of activities
- Scotland and Turkey slow first months due to lower activity in these markets.
- Good development in Export outside Scotland and Turkey

Q1 P&L segments - Software

P&L 2012 (MNOK)	2012 1Q	2011 1Q	2011 Total
SOFTWARE			
Nordic operating revenues	51,3	26,9	98,6
Americas operating revenues	3,6	2,8	12,1
Export operating revenues	0,4	0,5	1,6
OPERATING REVENUES	**55,3**	**30,1**	**112,4**
Operating costs ex depreciations	22,9	25,3	101,1
EBITDA	**32,4**	**4,8**	**11,3**
Depreciation	1,6	1,8	7,1
EBIT	**30,8**	**3,0**	**4,1**
EBITDA %	*58,6 %*	*15,9 %*	*10,0 %*
EBIT %	*55,7 %*	*10,1 %*	*3,7 %*

- Software with good momentum
  - Maritech Norway divested
  - Fishtalk and Maritech Iceland with positive develoment
- Sale of Maritech Norway resulted in a gain of 29 MNOK in Q1
- EBITDA and EBIT margin from operational software activities were 3.4 MNOK (12.9%) and 1.8 MNOK (6.8%) respectively (excluding sale of Maritech Norway)
- Focus on developing remaining business after the sale of the Maritech Norway operation

Q1 P&L segments - RAS

P&L 2012 (MNOK)	2012 1Q	2011 1Q	2011 Total
RAS			
Nordic operating revenues	10,2	15,2	42,8
Americas operating revenues	0,7	9,0	18,1
Export operating revenues	-	-	-
OPERATING REVENUES	**10,8**	**24,2**	**60,9**
Operating costs ex depreciations	14,5	24,5	72,8
EBITDA	**-3,6**	**-0,3**	**-11,8**
Depreciation	0,3	0,3	1,3
EBIT	**-3,9**	**-0,6**	**-13,1**
EBITDA %	*-33,3 %*	*-1,4 %*	*-19,4 %*
EBIT %	*-35,9 %*	*-2,7 %*	*-21,5 %*

- 3.1 MNOK cost allowance made on project in RAS area.
- Adjusting for this cost allowance 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.

Q1 Financials – Detailed P&L group

P&L 2012 (MNOK)	2012 1Q	2011 1Q	2011 Total
OPERATING REVENUES	**243,7**	**253,4**	**893,6**
Operating costs ex depreciations	204,0	230,5	831,6
EBITDA	**39,7**	**22,8**	**62,0**
Depreciation	8,5	7,8	32,7
EBIT	**31,1**	**15,0**	**29,3**
Net interest expense	-2,2	-3,1	-11,4
Other financial items	-1,0	-0,1	-3,6
Net financial items	-3,2	-3,3	-15,0
EBT	**27,9**	**11,8**	**14,3**
Taxes	7,5	1,7	2,8
NET PROFIT	**20,5**	**10,1**	**11,5**
Revenue growth	*-3,8 %*	*37,1 %*	*23,9 %*
EBITDA margin	*16,3 %*	*9,0 %*	*6,9 %*
EPS (NOK)	*0,79*	*0,59*	*0,53*

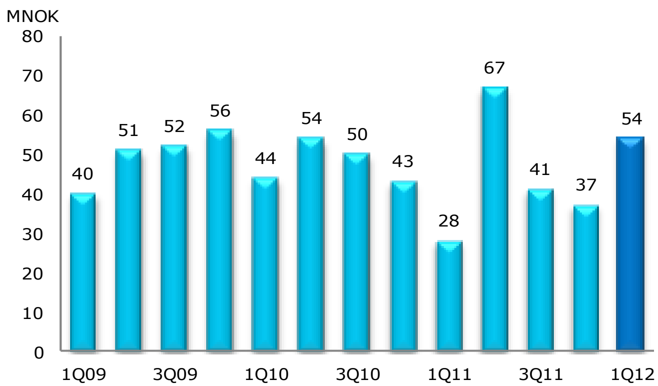
On expected level

Reduced interest expence due to reduced total interest bearing debt.

Mainly currency expense. Controlled exposure within acceptable internal limits.

Focus on strengthening the balance sheet in 2012

Cash balance (MNOK)



- Total available cash was 79 MNOK end of Q1

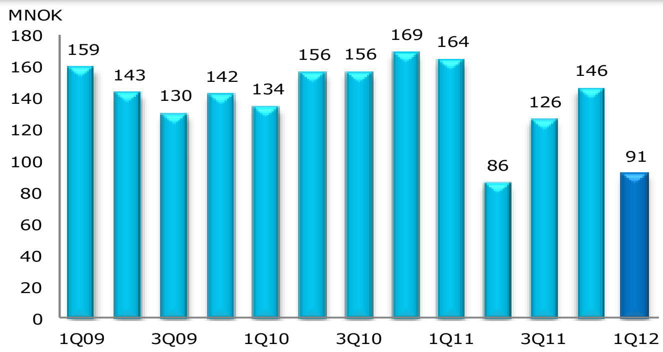
Working capital

* Black line is Working capital in percentage of 12 m rolling revenue

- Growth in the Chile operation caused increased WC in 2011
- Reduction in WC of 20 MNOK in Q1 2012 through focused effort
- Reduction of working capital in percentage of 12 m rolling revenue of 2.1 percentage points in in Q1 down to 18.3 per cent

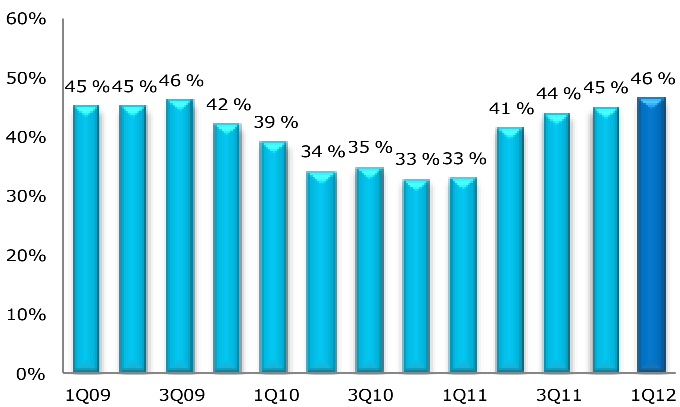
Group financial profile

Debt level (NIBD MNOK)



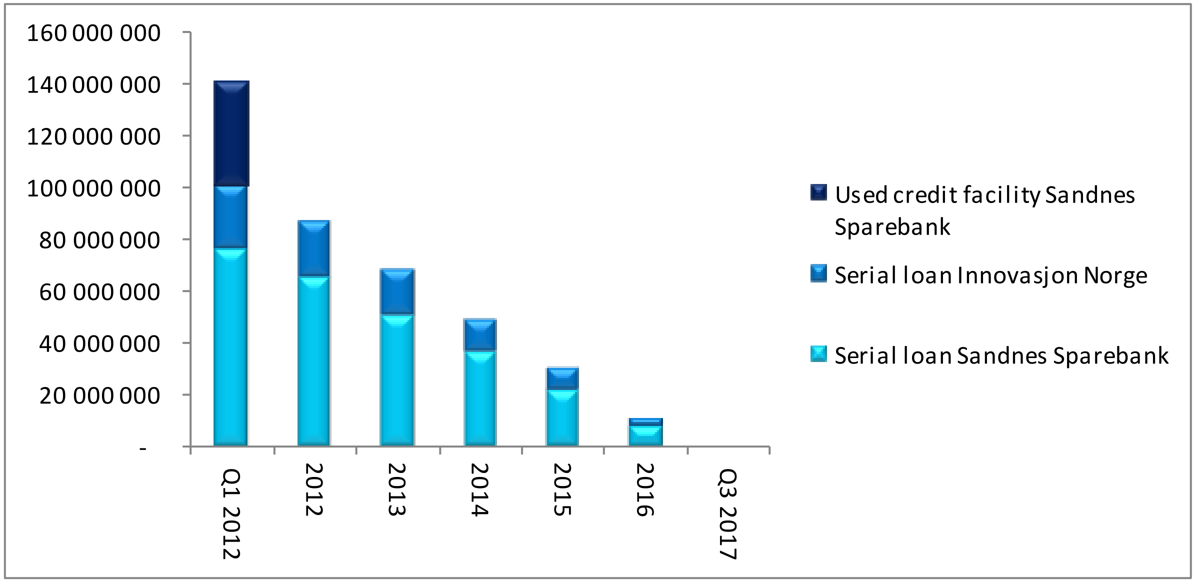
- Substantial reduction in net interest bearing debt in Q1 due to down payment of loan related to the Maritech Norway business and increased cash

Equity ratio (%)



- Equity increased to 46.4%

Interest bearing debt – maturity profile



- Yearly down payment on serial loans of 18.9 MNOK
- Serial loans reduced to zero within 5.3 years

Balance Sheet

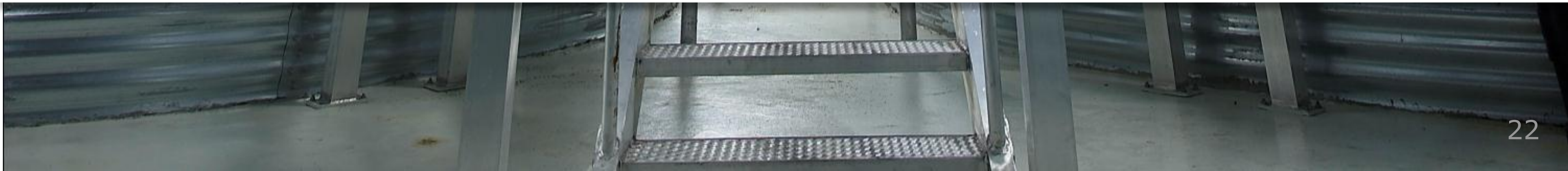
BALANCE SHEET (MNOK)	2012 31.03.	2011 31.03.	2011 31.12.
Intangible fixed assets	203,1	210,9	209,6
Fixed assets	41,7	38,5	41,9
Long-term financial assets	30,3	37,7	38,0
FIXED ASSETS	**275,1**	**287,1**	**289,5**
Stock	188,7	171,2	174,9
Trade receivables	184,3	221,4	177,6
Other receivables	34,4	-4,4	42,4
Cash and cash equivalents	53,9	28,1	37,2
CURRENT ASSETS	**461,3**	**416,3**	**432,2**
TOTAL ASSETS	**736,5**	**703,4**	**721,7**
Paid in capital	355,5	267,1	355,5
Retained equity	-14,0	-35,7	-31,8
TOTAL EQUITY	**341,5**	**231,3**	**323,8**
Other long term debt	4,0	1,7	2,0
Long-term interest bearing debt	77,0	128,3	110,2
LONG-TERM DEBT	**81,0**	**130,0**	**112,2**
Short-term interest bearing debt	68,2	64,1	72,7
Other current liabilities	245,8	278,0	213,0
SHORT-TERM DEBT	**313,9**	**342,1**	**285,7**
TOTAL EQUITY AND DEBT	**736,5**	**703,4**	**721,7**
Equity ratio	*46,4 %*	*32,9 %*	*44,9 %*
Net interest bearing debt	*91,3*	*164,2*	*145,7*
Net working capital	*161,7*	*110,2*	*182,0*

Cash flow statement

CASH FLOW STATEMENT (NOK 1 000)	2012 1Q	2011 1Q	2011 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 operating 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

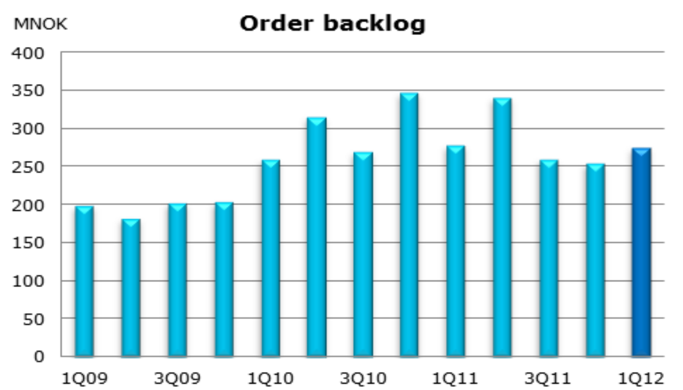
- Investments in Q1 were 8.5 MNOK whereof 2.4 MNOK is capitalized R&D expenses in accordance with IFRS.
- Total investments in 2011 were 30.0 MNOK whereof 12.5 MNOK is capitalized R&D expenses in accordance with IFRS.

Outlooks



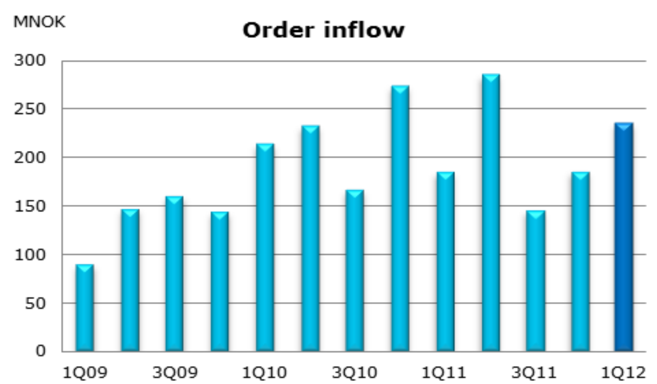
Order backlog and inflow

Order backlog (MNOK)



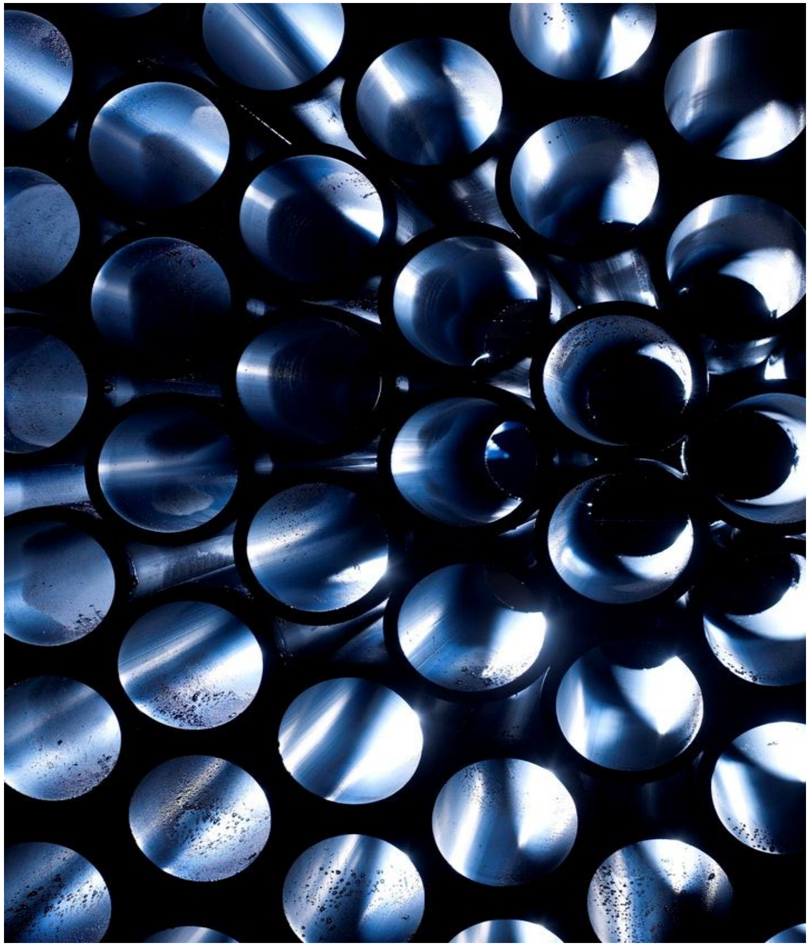
- Order backlog 275 MNOK vs 265 MNOK in end Q1 2011

Order inflow (MNOK)



- Activity increased throughout the quarter
- Total order inflow in Q1 of 235 MNOK vs 185 MNOK in Q1 2011

Outlooks



- Gaining momentum into second quarter
- Still expect effects of uncertain salmon prices in 2012
- Nordic and Chile expected to be main drivers – Export pose an opportunity
- Continues to be hands on – adjusting operations according to market development going forward, with focus on long term performance, margins and customer relations
- Continued effort to build service and aftersales as key business element
- Continued focus on working capital and strengthening our balance sheet

Q&A

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