



Q2 2012 Presentation

Oslo, August 15th, 2012

Trond Williksen, CEO

Eirik Børve Monsen, CFO

Agenda



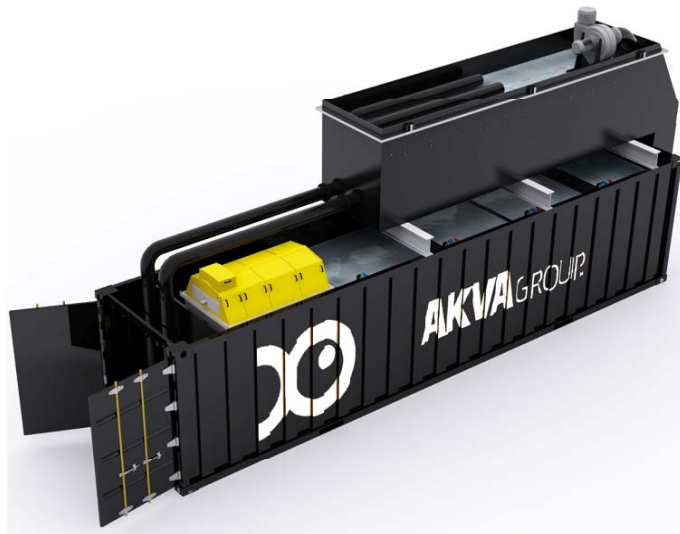
- Highlights Q2 2012
Trond Williksen, CEO
- Financial performance Q2 2012
Eirik Børve Monsen, CFO
- Outlooks
Trond Williksen, CEO
- Q & A



Highlights Q2 2012



Steady performance in a slow market



- Operating revenues in Q2 of 211.5 MNOK compared to 222.5 in Q2 last year
- EBITDA in Q2 of 10.0 MNOK compared to 14.0 MNOK in Q2 last year
- EBIT in Q2 of 1.6 MNOK compared to 6.0 in Q2 last year
- Nordic and Chile - main drivers of group revenues
 - Nordic increased revenue compared to Q1 2012
 - Revenue in Chile stabilizing on a high level
- Exports pose an opportunity – despite relative low activity in emerging markets in Q2
- Software continues to deliver solid margins
- Focus on balance sheet continues to show results – improvement of all key indicators
 - Increased credit facility in Sandnes Sparebank of 25 MNOK to a total limit of 90 MNOK
- Order backlog at the end of Q2 was 253 MNOK versus 328 MNOK at the end of Q2 last year. Order backlog kept fairly stable since end of Q3 2011 despite slower market



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

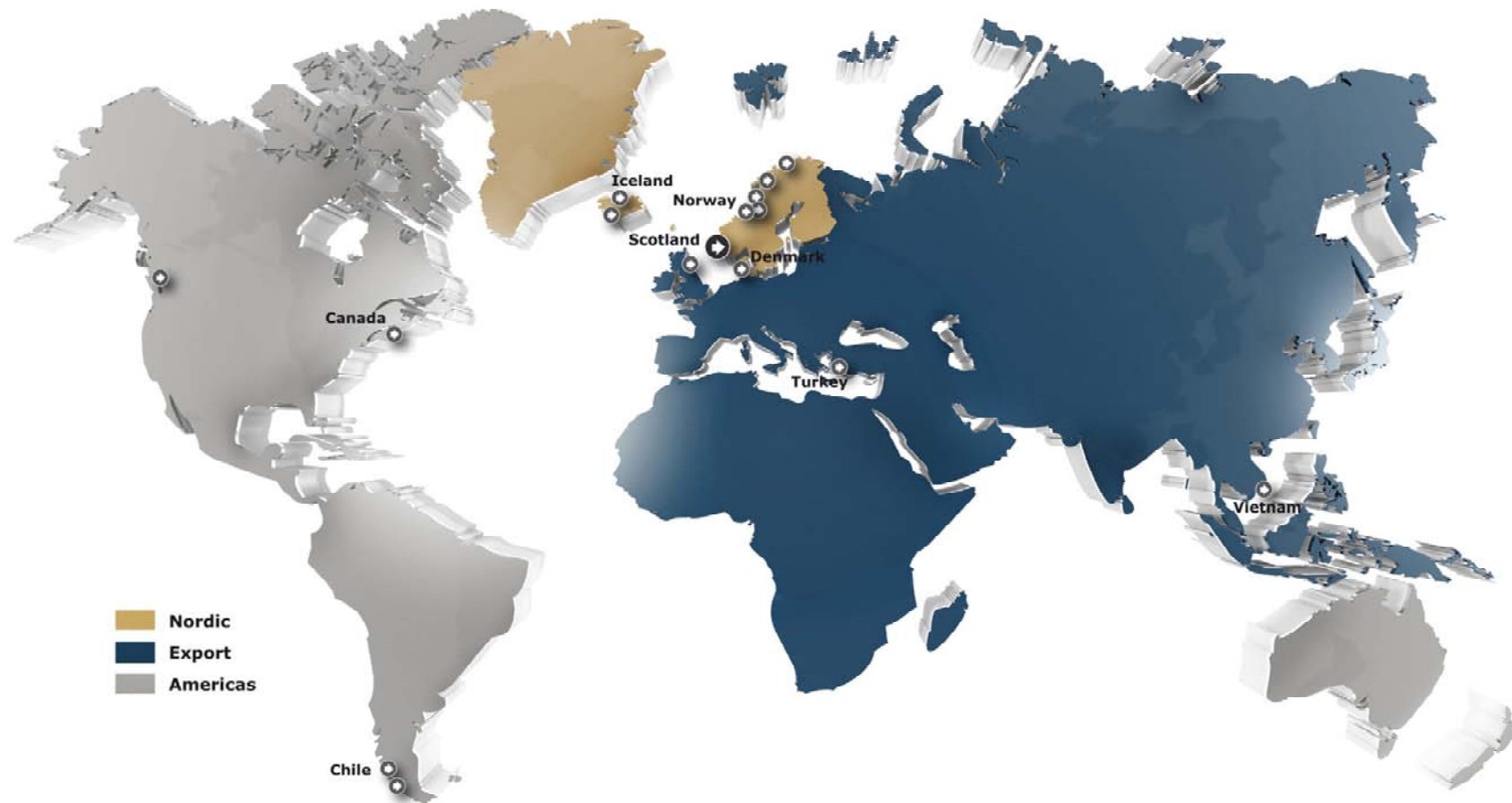


Software systems & services





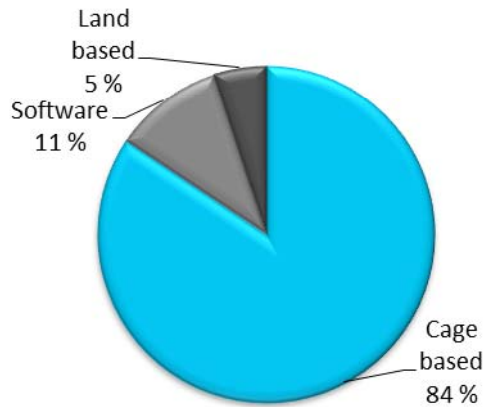
Global presence – three regions





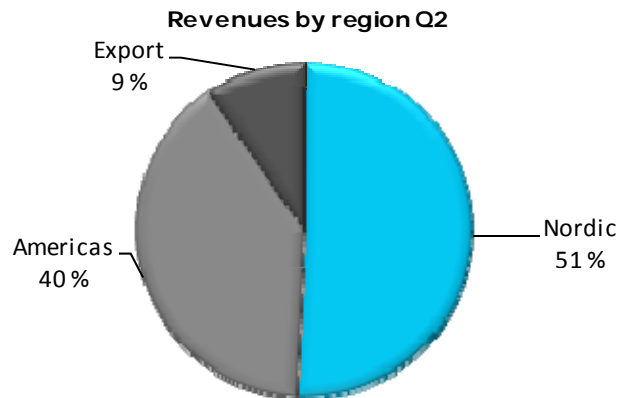
Market segments - Revenue

By product groups – Q2 2012



- **Cage based technologies** = Cages, barges, feed systems and other operational systems for cage based aquaculture
- **Software** = Software and software systems
- **Land based technologies** = Recirculation systems and technologies for land based aquaculture
- Cage based technologies +1 percentage point and Software -1 percentage point in Q2 vs Q1 2012

By geographic regions – Q2 2012



- New focus on regions in 2012
- Export reduced relative share from 18% in Q1. Mostly explained with timing of contracts in emerging markets
- Nordic increased relative share from 41% in Q1

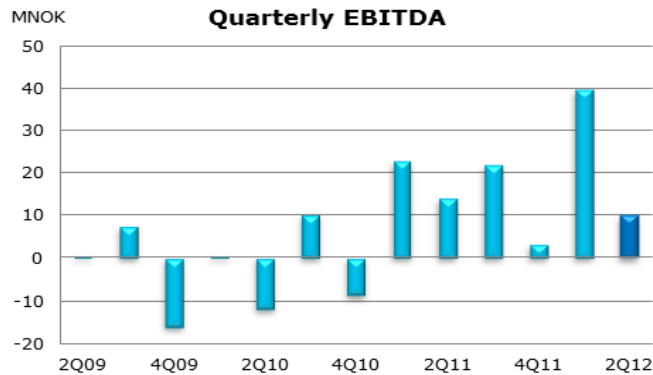
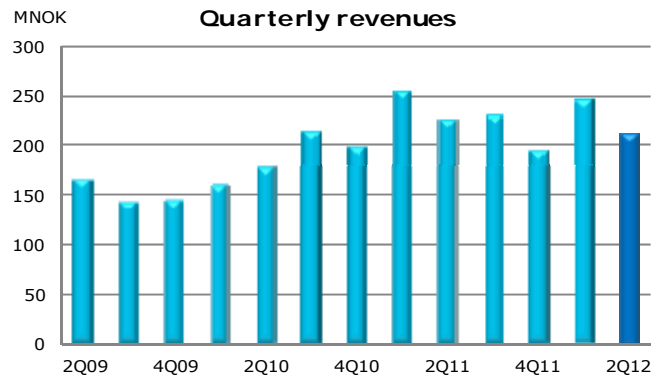


Financial performance Q2 2012





Financial highlights Q2



- Continue to deliver positive results
- Focus on strengthening the balance sheet continues to show results
 - Reduced working capital
 - Increased cash
 - Increased credit facility in Sandnes Sparebank with 25 MNOK to 90 MNOK



Q2 P&L total Group

P&L 2012 (MNOK)	2012 2Q	2011 2Q	2012 YTD	2011 YTD	2011 Total
OPERATING REVENUES	211,5	222,5	455,2	475,8	893,6
Operating costs ex depreciations	201,4	208,5	405,4	439,0	831,6
EBITDA	10,0	14,0	49,7	36,8	62,0
Depreciation	8,4	8,0	17,0	15,8	32,7
EBIT	1,6	6,0	32,8	21,0	29,3
Revenue growth	-4,9 %	26,2 %	-4,3 %	42,3 %	20,3 %
EBITDA margin	4,7 %	6,3 %	10,9 %	7,7 %	6,9 %
EPS (NOK)	0,05	0,14	0,84	0,72	0,53



- Revenues of 211.5 MNOK in Q2 2012 vs. 222,5 MNOK in Q2 2011
- EBITDA of 10.0 MNOK in Q2 2012 vs 14.0 MNOK in Q2 2011
- EBIT of 1.6 MNOK in Q2 2012 vs 6.0 MNOK in Q2 2011



Q2 P&L segments – Cage Based Technologies

P&L 2012 (MNOK)	2012 2Q	2011 2Q	2012 YTD	2011 YTD	2011 Total
Cage based technologies					
Nordic operating revenues	82,5	110,7	137,5	232,8	327,2
Americas operating revenues	76,1	53,0	159,9	103,9	255,9
Export operating revenues	19,8	20,6	58,6	46,7	137,2
OPERATING REVENUES	178,4	184,3	356,0	383,4	720,3
Operating costs ex depreciations	168,1	167,0	334,8	347,7	657,7
EBITDA	10,3	17,3	21,2	35,7	62,5
Depreciation	6,7	5,9	13,4	11,6	24,3
EBIT	3,6	11,4	7,9	24,0	38,2
<i>EBITDA %</i>	<i>5,8 %</i>	<i>9,4 %</i>	<i>6,0 %</i>	<i>9,3 %</i>	<i>8,7 %</i>
<i>EBIT %</i>	<i>2,0 %</i>	<i>6,2 %</i>	<i>2,2 %</i>	<i>6,3 %</i>	<i>5,3 %</i>



- Continued slow pace in Q2 2012 in the Norwegian market compared to Q2 2011, but growth in revenues compared to Q1 2012
- High activity level in Chile continues in Q2 2012
- Increased pace in Canada, UK and Turkey after a slow start of the year
- Low activity in Export outside Scotland and Turkey in Q2



Q2 P&L segments - Software

P&L 2012 (MNOK)	2012 2Q	2011 2Q	2012 YTD	2011 YTD	2011 Total
Software					
Nordic operating revenues	16,7	24,0	68,0	50,9	98,6
Americas operating revenues	5,3	2,8	8,8	5,6	12,1
Export operating revenues	0,4	0,4	0,8	0,8	1,6
OPERATING REVENUES	22,4	27,1	77,6	57,3	112,4
Operating costs ex depreciations	20,7	25,7	43,6	51,1	101,1
EBITDA	1,7	1,4	34,1	6,2	11,3
Depreciation	1,5	1,8	3,1	3,5	7,1
EBIT	0,2	-0,3	31,0	2,7	4,1
<i>EBITDA %</i>	<i>7,6 %</i>	<i>5,2 %</i>	<i>43,9 %</i>	<i>10,9 %</i>	<i>10,0 %</i>
<i>EBIT %</i>	<i>0,8 %</i>	<i>-1,2 %</i>	<i>39,9 %</i>	<i>4,7 %</i>	<i>3,7 %</i>

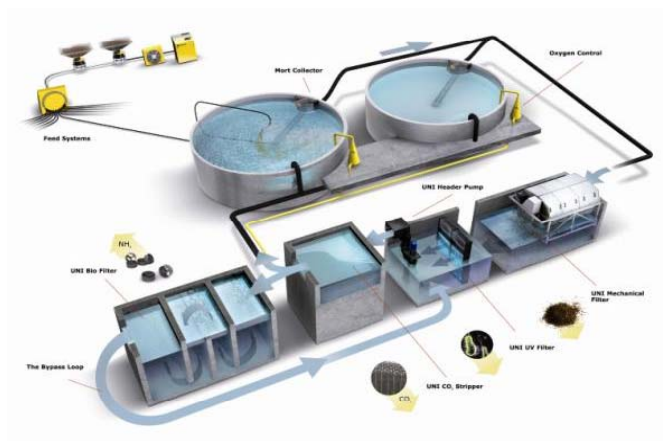


- Revenue in Q2 2012 is 4,3 MNOK higher than in Q2 2011 when excluding revenue from Martiech Norway (the Maritech Norway operation was sold in Q1 2012)
- Software continues to deliver stable revenue and solid margins in what traditionally is a more marginal quarter
- Continued focus on developing remaining business after the sale of the Maritech Norway operation



Q2 P&L segments – Land Based Technologies

P&L 2012 (MNOK)	2012 2Q	2011 2Q	2012 YTD	2011 YTD	2011 Total
Land based technologies					
Nordic operating revenues	8,1	6,3	18,3	21,5	42,8
Americas operating revenues	2,6	4,7	3,2	13,7	18,1
Export operating revenues	-	-	-	-	-
OPERATING REVENUES	10,7	11,0	21,5	35,2	60,9
Operating costs ex depreciations	12,6	15,8	27,1	40,3	72,8
EBITDA	-2,0	-4,7	-5,6	-5,1	-11,8
Depreciation	0,2	0,3	0,5	0,6	1,3
EBIT	-2,2	-5,1	-6,1	-5,7	-13,1
<i>EBITDA %</i>	<i>-18,5 %</i>	<i>-43,0 %</i>	<i>-26,0 %</i>	<i>-14,4 %</i>	<i>-19,4 %</i>
<i>EBIT %</i>	<i>-20,4 %</i>	<i>-45,9 %</i>	<i>-28,2 %</i>	<i>-16,2 %</i>	<i>-21,5 %</i>



- Revenues in Q2 on same level as in Q2 2011
- EBITDA in Q2 of -2,0 MNOK compared to -4.7 MNOK in Q2 2011. Improvement due to reduced cost base over the last year
- AKVA group Denmark A/S in June signed a contract with Danish Salmon for a land based system. Contract value of 17.7 MNOK
- With the recent cost reduction measures and tuning of products and operations, the Land Based Technology segment is positioned for future profitable growth

Q2 Financials – Detailed P&L group

P&L 2012 (MNOK)	2012 2Q	2011 2Q	2012 YTD	2011 YTD	2011 Total
OPERATING REVENUES	211,5	222,5	455,2	475,8	893,6
Operating costs ex depreciations	201,4	208,5	405,4	439,0	831,6
EBITDA	10,0	14,0	49,7	36,8	62,0
Depreciation	8,4	8,0	17,0	15,8	32,7
EBIT	1,6	6,0	32,8	21,0	29,3
Net interest expense	-2,1	-3,1	-4,3	-6,2	-11,4
Other financial items	2,6	0,8	1,5	0,7	-3,6
Net financial items	0,5	-2,3	-2,8	-5,6	-15,0
EBT	2,1	3,7	30,0	15,5	14,3
Taxes	0,9	1,4	8,3	3,1	2,8
NET PROFIT	1,2	2,3	21,7	12,4	11,5
Revenue growth	-4,9 %	26,2 %	-4,3 %	42,3 %	20,3 %
EBITDA margin	4,7 %	6,3 %	10,9 %	7,7 %	6,9 %
EPS (NOK)	0,05	0,14	0,84	0,72	0,53

Reduced interest expense due to reduced total interest bearing debt.

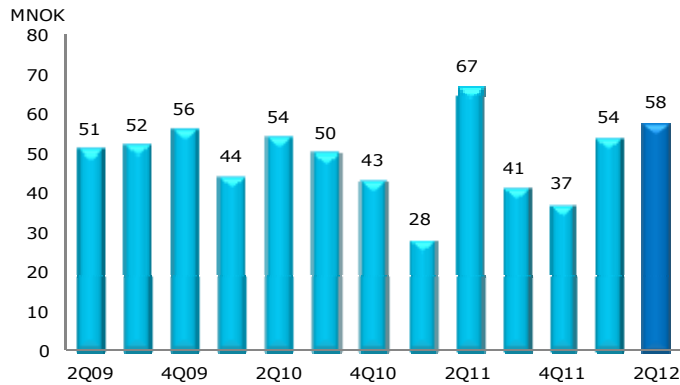
Mainly currency. Controlled exposure within acceptable internal limits.

Includes settlement of an old tax issue in Canada of 150 TNOK



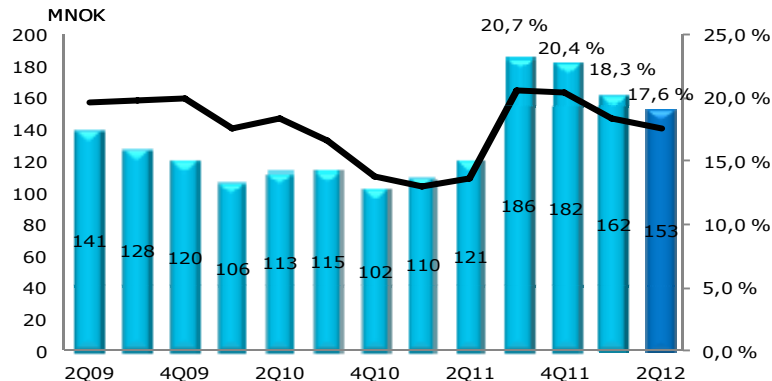
Focus on strengthening the balance sheet in 2012

Cash balance (MNOK)



- Total cash was 58 MNOK at the end of Q2 vs 37 MNOK at the end of Q4 2011
- Total available cash, including available drawing facility, was 108 MNOK at the end of Q2 vs 57 MNOK at the end of Q4 2011

Working capital (WC)

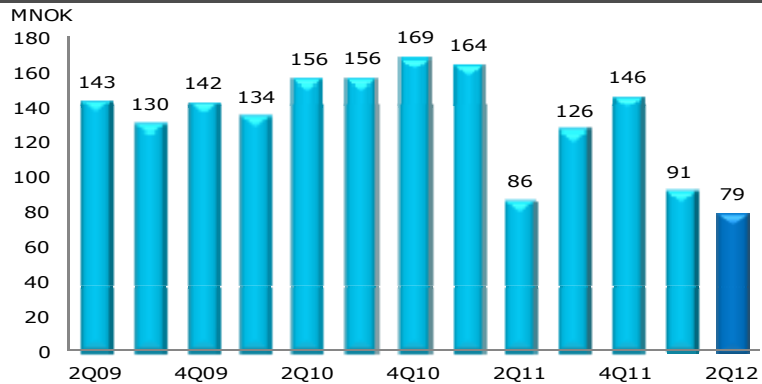


- Growth in the Chile operation caused increased WC in 2011
- Reduction in WC of 28.6 MNOK in 1H 2012 through focused effort
- Reduction of WC in percentage of 12 months rolling revenue of 2.8 percentage points in 1H, down to 17.6 per cent

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

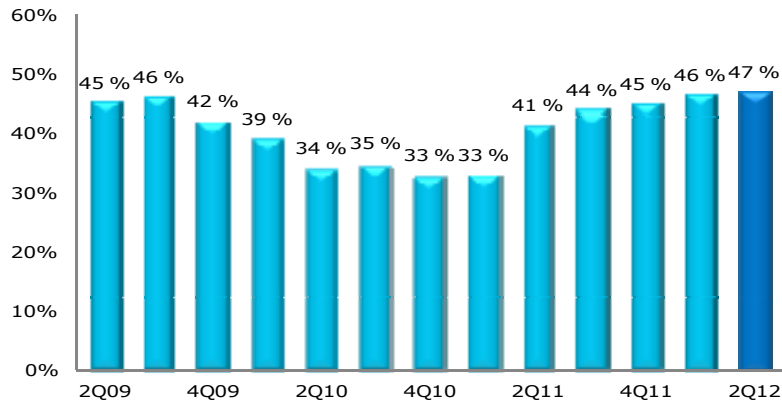
Group financial profile

Debt level (NIBD MNOK)



- Continued reduction of interest bearing debt and increased cash in Q2

Equity ratio (%)



- Equity increased to 46.9% in Q2 from 46.4% in Q1



Balance Sheet

BALANCE SHEET (MNOK)	2012 30.06.	2011 30.06.	2011 31.12.
Intangible fixed assets	203,9	207,2	209,6
Fixed assets	42,8	41,0	41,9
Long-term financial assets	29,7	37,8	38,0
FIXED ASSETS	276,4	286,0	289,5
Stock	192,6	181,4	174,9
Trade receivables	173,2	234,0	177,6
Other receivables	38,8	3,4	42,4
Cash and cash equivalents	57,8	66,8	37,2
CURRENT ASSETS	462,5	485,6	432,2
TOTAL ASSETS	738,9	771,6	721,7
Paid in capital	355,5	355,5	355,5
Retained equity	-8,7	-36,5	-31,8
TOTAL EQUITY	346,9	319,0	323,8
Other long term debt	4,3	1,8	2,0
Long-term interest bearing debt	77,6	123,2	110,2
LONG-TERM DEBT	81,9	125,0	112,2
Short-term interest bearing debt	58,9	29,4	72,7
Other current liabilities	251,2	298,2	213,0
SHORT-TERM DEBT	310,1	327,7	285,7
TOTAL EQUITY AND DEBT	738,9	771,6	721,7
<i>Equity ratio</i>	46,9 %	41,3 %	44,9 %
<i>Net interest bearing debt</i>	78,6	85,8	145,7
<i>Net working capital</i>	153,4	120,6	182,0



Cash flow statement

CASH FLOW STATEMENT (NOK 1 000)	2012 2Q	2011 2Q	2012 YTD	2011 YTD	2011 Total
Net cash flow from operations	9 932	10 191	17 492	29 903	44 993
Net cash flow from change in working capital	8 039	-11 008	28 949	-21 078	-80 879
Net cash flow from operating activities	17 971	-817	46 441	8 825	-35 886
Net cash flow from investment activities	-5 331	-7 971	18 340	-12 743	-28 183
Net cash flow from financial activities	-8 507	47 475	-44 002	27 583	58 142
Net cash flow	4 132	38 686	20 779	23 665	-5 927
Cash and cash equivalents at the beginning of the period	53 879	28 138	37 232	43 159	43 159
Cash and cash equivalents at the end of the period	58 011	66 825	58 011	66 825	37 232

- Investments in Q2 were 7.2 MNOK whereof 2.5 MNOK is capitalized R&D expenses in accordance with IFRS.
- YTD investments in 2012 were 15.7 MNOK whereof 5.0 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.



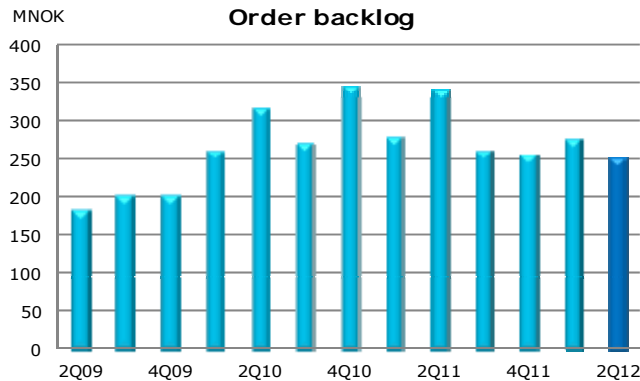
Outlooks





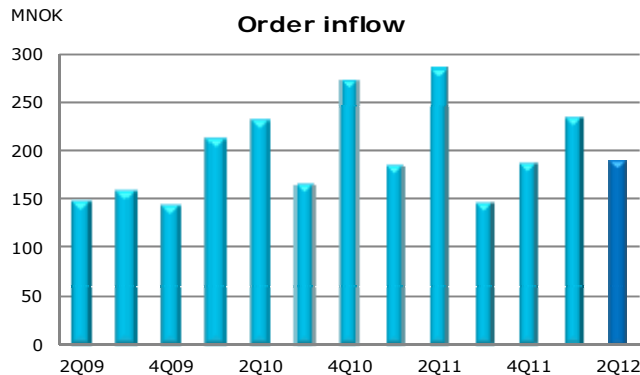
Order backlog and inflow

Order backlog (MNOK)



- Order backlog 253 MNOK vs 328 MNOK in end Q2 2011.
- Stable order backlog despite slow market over last quarters
- Extraordinary high order backlog in Q2 2011 due to strong ramp up of investment in Chile at the time

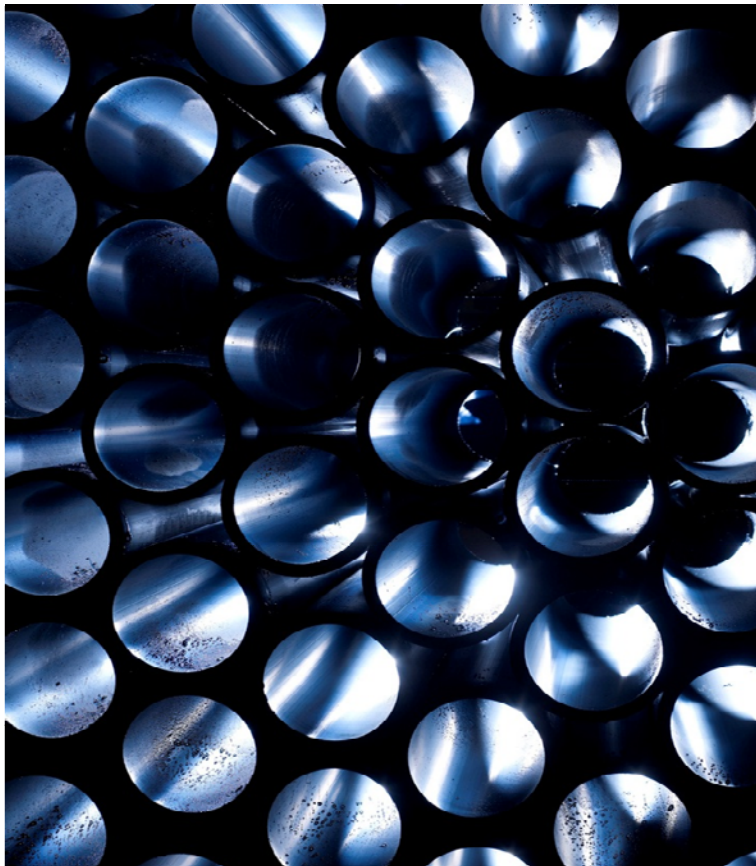
Order inflow (MNOK)



- Total order inflow in Q2 of 189 MNOK vs 285 MNOK in Q2 2011
- Extraordinary high order inflow in Q2 2011 due to strong ramp up of investment in Chile at the time



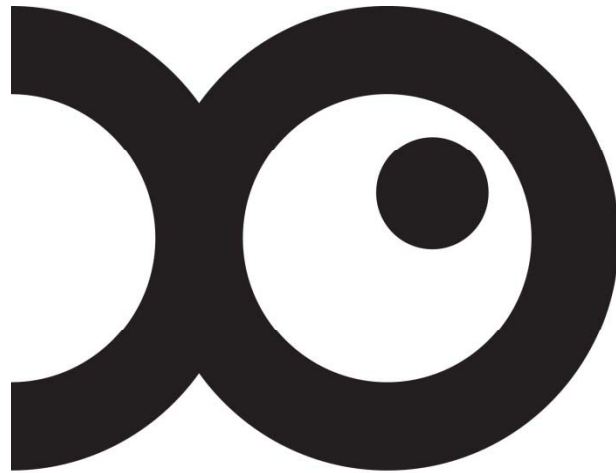
Outlooks



- More positive outlook in Nordic market due to optimistic sentiment created by medium to long term prospects for the salmon industry
- Chile stabilizing, but with more uncertainty
- Expected improvements in UK and Canada
- Continue 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
- Financial situation now comfortable. However, we will continue to focus on working capital and cash management



 Q&A



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