Aker ASA

# Annual report

# 2008

# Innovation through generations

**Aker ASA is an active industrial ownership company. Long-standing traditions with shared values and an innovative spirit are hallmarks of Aker companies.**

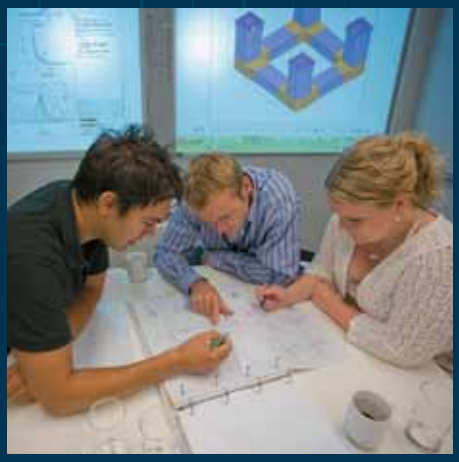
The Aker name stands for commitment. An enterprise in which Aker is the dominant owner and that has an Aker representative as board chairman is called an Aker company or part of Aker.

People create Aker companies. Ever since Aker was established in 1841, innovation and commitment have driven us. Several Aker companies have roots that date back to the 1700s to the industrial revolution in Great Britain and the Nordic countries.

Aker has a long history of industrial innovation. In recent decades, Aker companies have strengthened their market positions as preferred partners in global growth markets: energy resources, energy technologies, maritime technologies, seafood, and marine biotechnology.

People who are willing to take on challenges and have the ability to deliver innovative solutions constitute Aker s heritage. Aker s generations of dedication and know-how, combined with today s technologies and tools, yield tomorrow s products, services, and industrial solutions.

Aker companies, with a total of 26 500 employees on five continents, had 2008 operating revenues totalling NOK 65 billion.



## Aker companies

**Aker**

Active industrial owner builds world-class companies in Aker s areas of expertise

**Aker Solutions**

A leading supplier of technology, products and solutions to the energy and process industries worldwide

**Aker Exploration**

Innovative, technology-driven offshore exploration company discovering new oil and gas reserves

**Aker Oilfield Services**

Cost-effective, deepwater well maintenance and intervention specialists

**Aker Floating Production**

Owner, operator and charterer of FPSOs (Floating Production Storage and Offloading)

**Aker Drilling**

Owns, operates, and long-term charters the world s two largest and most advanced drilling rigs

**Aker Seafoods**

Harvests, processes, and sells white fish, primarily to seafood companies and retail chains in Europe

**Aker BioMarine**

Sustainable Antarctic krill harvesting and production of high-value, health-promoting Omega-3 phospholipid products

**Aker Clean Carbon**

Pioneering $CO_2$ capture technology for gas- and coal-fired power plants

**Aker Philadelphia Shipyard**

The most modern and cost-effective US shipyard builds product and shuttle tankers

**Aker Ocean Harvest**

Argentina and Faeroe Islands fisheries operations main product is surimi produced from southern blue whiting and hoki

**Key investments**

Aker has strategic share investments in several exchange-listed companies and in new enterprises that are in a start-up phase

*The Aker Spitsbergen and Aker Barents drilling units are industrial innovations.*

# Aker ASA - active industrial ownership

Aker develops companies, currently focusing on businesses in energy, fisheries/biomarine, maritime, and financial sectors. These are key Norwegian industries with an international scope.

Through ownership in Aker companies and other industrial enterprises, Aker ASA is a strategic and financial driver — adding value for its businesses, shareholders, employees, customers, and society at large.

Aker creates value by building and further developing first-class businesses in industrial sectors in which Aker companies possess know-how, cutting-edge expertise, and strong execution capabilities.

Aker's future and heritage rest on the combination of a solid industrial platform, innovative, hard-working people, and financial strength — which together enable Aker to pursue goal-oriented, long-term industrial development.

A proactive owner, Aker strengthens its existing companies through improved operations, organic growth, acquisitions, divestitures, and by forging mutually beneficial industrial constellations. While Aker develops its companies as though they are to be held indefinitely, this perspective does not prevent Aker from divesting interests or selling companies when these businesses can be better advanced under other owners.

## Size

As of 1 January 2009, Aker is the largest owner in nine stock-exchange-listed companies. With ownership interests in Aker companies that have a total of 26 500 employees working in more than 30 countries and NOK 65 billion in 2008 revenues, Aker companies are important industrial participants in many communities.

The market capitalization of the industrial ownership company Aker ASA was NOK 9.9 billion as of 31 December 2008.

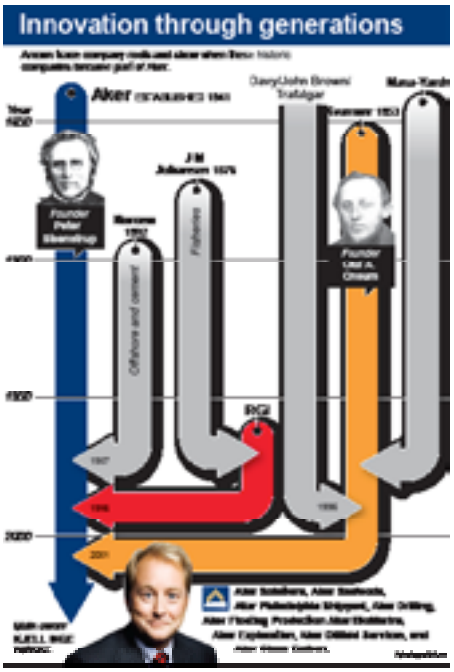
## Markets and customers

Aker companies deliver technology-based products, services, and advanced integrated solutions to global energy markets, and first-class seafood and marine-derived ingredients to customers worldwide. Aker companies work closely with customers, partners, research environments, and suppliers.

## Shareholder matters

Aker ASA was listed on the Oslo Stock Exchange on 8 September 2004. The company's value-adjusted equity (net asset value) increased from NOK 7.5 billion as of 1 October 2004 to NOK 18,5 billion as of 1 January 2009. Value-adjusted equity per share rose from NOK 98.00 to NOK 255.18 in the same period; however, per-share value has been considerably higher. The highest per-share value-adjusted equity in the company's history was NOK 36,4 billion on 31 December 2007.

As of 1 January 2009, the company had 16 107 shareholders. Aker's main shareholder is Kjell Inge Røkke, who holds 67.8 percent of Aker stock through his privately held company TRG.




*Read more about Aker's history on page 119*

# Contents



# Financial calendar 2009

| | |
|---|---|
| 2 April | Annual General Meeting 2009 |
| 11 May | Interim report, Q1 2009 |
| 19 August | Interim report, Q2 2009 |
| 5 November | Interim report, Q3 2009 |

# hightlights 2008

### Moving forward during tough times

Although the industrial group is not unaffected by the current turbulence in worldwide credit and stock markets, the ownership company Aker ASA continues to progress along a steady course in pursuit of its long-term industrial goals. Through systematic efforts, Aker has built a solid financial foundation for continuing to develop, and fine-tune industrial companies — even in tough times.

### Intensifies involvement in Aker companies

Aker sees great value potential in its companies and prioritizes its resources accordingly. Several of the more recently established Aker companies encountered operational and financial challenges in 2008 — and received intensive follow-up. The proactive ownership company drives improvement and strengthens Aker companies.

### New companies gaining momentum

Several milestones were passed in 2008. During 2009, investment-intensive start-up companies will enter a phase with stable operations and positive cash flows. This transitional period is clearly reflected in the Aker Group's 2008 accounts. Operating profit weakened, while investments rose significantly compared with 2007.

### Solving major climate challenge

Following international competitive bidding, Aker Clean Carbon was awarded the contract to deliver the amine-based test plant to the European $CO_2$ Technology Centre at Mongstad, Norway. The center will be one of the world's largest and most advanced carbon capture facilities. Aker Clean Carbon will deliver the carbon capture technology and Aker Solutions is responsible for building the facility.

### Exploring for oil off Ghana

Aker has been awarded a promising deepwater oil and gas exploration area in the Gulf of Guinea. Aker is in the driver's seat regarding exploration and development of the South Deepwater Tano field off the coast of West Africa. The first exploration well can be drilled in 2011, and may open up exciting opportunities for additional Aker companies.

### WWF and Aker expands cooperation

World Wide Fund for Nature (WWF) and Aker, Aker BioMarine, and Aker Seafoods are expanding their cooperation. Sustainable harvesting of marine resources remains at the top of the agenda. In the period 2009 through 2011, joint activities with WWF Norway will include promoting environmental labeling and ensuring traceability throughout the value chain.

### Thank you Mr. Langøy, Eriksen takes over

In December 2008, Leif-Arne Langøy stepped down as Aker's Chairman and CEO. Kjell Inge Røkke was elected new Chairman, and Øyvind Eriksen took over as President and CEO. "Leif-Arne Langøy's work on behalf of Aker has been invaluable. I am pleased that he will continue to be part of our team," Mr. Røkke comments.

*Aker leadership change: (from left) President & CEO Øyvind Eriksen, Chairman Kjell Inge Røkke, and former Chairman and CEO Leif-Arne Langøy, who remains an Aker ASA Board member.*

# key figures Aker 2008

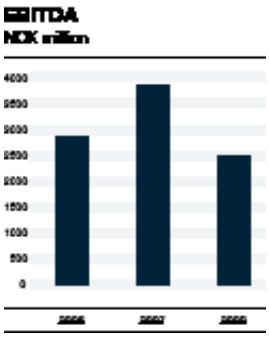
| Key operational figures* | | 2008 | 2007 | 2006 |
|---|---|---|---|---|
| Operating revenues | NOK million | **64 647** | 61 702 | 52 791 |
| EBITDA | NOK million | **2 463** | 3 867 | 2 875 |
| Number of employees | NOK million | **26 597** | 27 096 | 25 088 |
| Sick leave | Per cent | **2.3** | 2.8 | 3.2 |

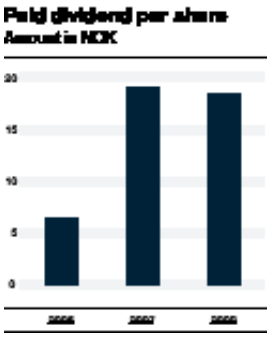
| Cash flow | | 2008 | 2007 | 2006 |
|---|---|---|---|---|
| Cash flow before financing activities | NOK million | **-8 455** | -642 | 3 396 |

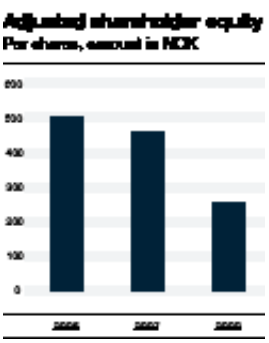
| Balance sheet Aker ASA and Holding | | 2008 | 2007 | 2006 |
|---|---|---|---|---|
| Cash, cash equivalents and short-term interest-bearing receivables | NOK million | **6 326** | 12 281 | 898 |
| Total interest-bearing debt | NOK million | **1 587** | 2 172 | 3 638 |
| Total equity | NOK million | **18 105** | 23 442 | 12 181 |
| Equity ratio | Per cent | **88** | 85 | 68 |
| Adjusted shareholders equity before dividend | NOK million | **18 467** | 33 309 | 36 419 |

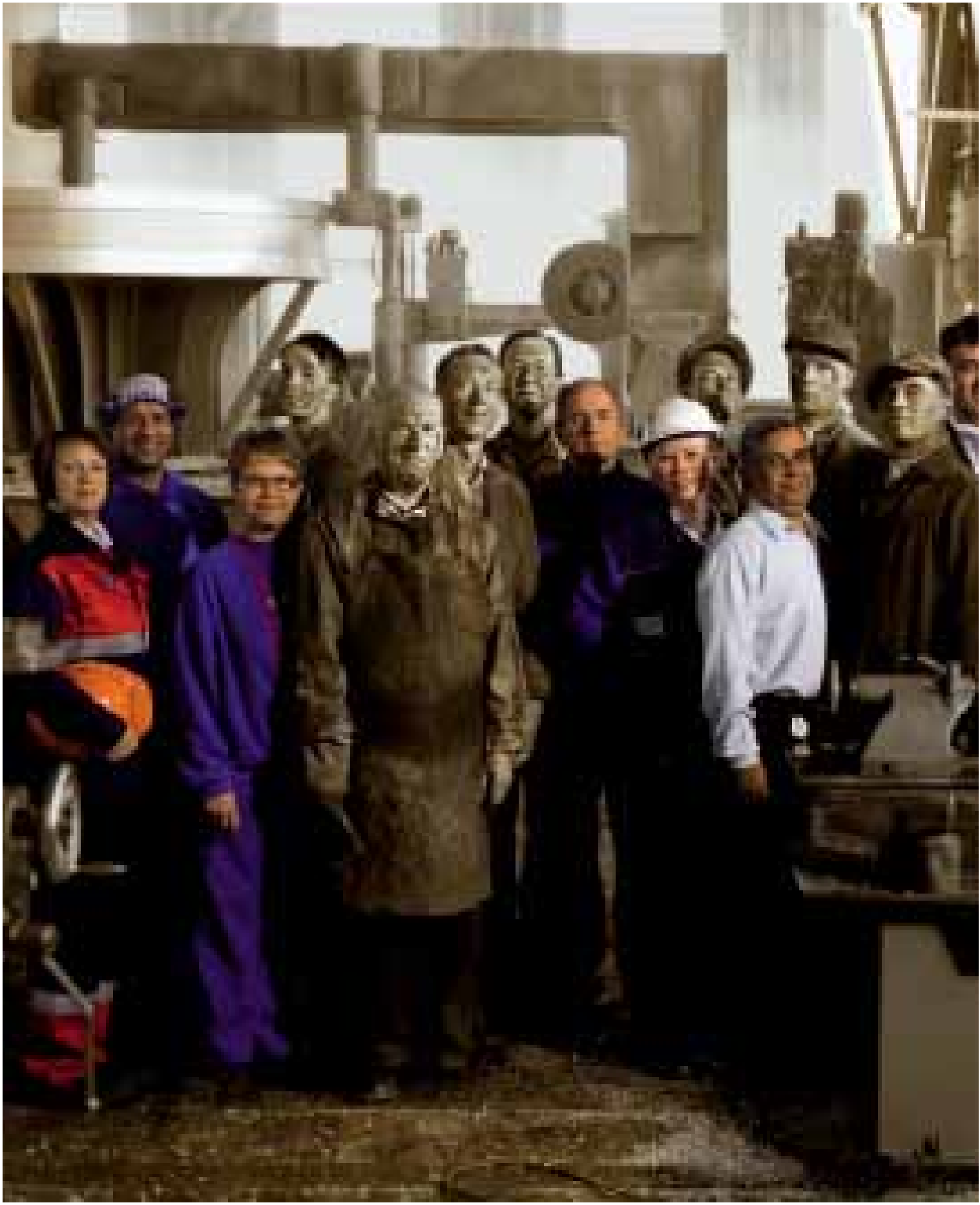
| The share | | 2008 | 2007 | 2006 |
|---|---|---|---|---|
| Share price 31 Dec. | NOK | **137.00** | 339.00 | 401.00 |
| Value adjusted shareholders equity per share before paid dividend 31 Dec. | NOK | **255.18** | 460.28 | 503.26 |
| Paid dividend per share | NOK | **18.50** | 19.00 | 6.50 |

** Including consolidated and associated companies within Aker*





# Unity and commitment

**Aker's business activities build on our six corporate values, which are shared by Aker companies worldwide.**

Aker's corporate values support and guide day-to-day priorities and decision-making. Acting in accordance with our corporate values promotes sound attitudes and performance every day. Shared corporate values also reinforce the bonds among Aker companies.

Our employees' dedication and know-how allow Aker to deliver on its commitments to customers, employees, and the communities in which we work.

The values that we share have long traditions. They originated among Aker companies, and have steadily evolved over time, always reflecting the work of the generations at Aker.

Although the companies that comprise Aker generally engage in distinctly different businesses, they share many common cultural features. An effective corporate culture must remain dynamic and responsive. Thus, it is with a combination of humility and pragmatism that Aker works to strengthen and cultivate its shared values.

Solid values are the foundation that enables Aker companies to achieve sustainable, long-term industrial development. People who "speak the same language" cooperate more easily within their business areas, throughout the company, and across Aker company borders.


Aker's corporate values support and guide day-to-day priorities and decision-making.

*People with an ability and willingness to innovate are Aker's future and heritage. Aker companies build on a common set of values and long-standing traditions.*

*Aker ASA's main shareholder and Chairman, Kjell Inge Røkke, visits Aker Stord.*

# Dare to take risk, endure losses, but never resign

**For several months, credit and financial-market turbulence has swept the world. Stumbling economies sometimes overshadow the environmental and climate crisis that has dominated the public agenda in recent years. Yet, I see several bright spots. Inherent in humanity's "collective DNA" is the power to emerge from crises stronger than ever.**

The role of industry is crucial in such times. Industry generates real value, provides jobs, and stimulates local communities. Not even the climate crisis can be resolved without industry's technological capabilities and systems expertise.

Aker has created substantial value from 2004 to today. Active ownership and generally rising stock markets spurred value growth, especially during the first few years of this period. Aker's value-adjusted equity (net asset value) soared, from NOK 5 billion in October 2004 to a peak of NOK 36.4 billion.

A great willingness to invest, rising optimism, and generally strong stock markets characterized this period. With great decisiveness and expectations for considerable growth in shareholder value, we invited other investors to join in the journey. Many new Aker companies found their way to the Oslo Stock Exchange.

Aker's share price achieved its record high of NOK 409 on 29 March 2007. Since then, major shareholder values have evaporated. We have disappointed ourselves and many of our co-investors in Aker companies. I take comfort — albeit meager — in the fact that since the company's 2004 reintroduction to the Oslo Stock Exchange, Aker's share price has outperformed the stock market in general.

We have used these years to build the strong Aker that we now own. Formidable efforts have been expended by a great many people. Their capable hands have built companies with good market positions, first-rate customer relations, and future-oriented industrial solutions. Aker has reinforced its position by freeing up financial capacity via Aker Yards and Aker Solutions share transactions. So to a certain extent, we were prepared when the crisis struck.

However, we have not been sufficiently adept at dealing with the operational and financial challenges posed by our many newly established companies. There are many reasons for this, but two common factors are high activity levels and pressed suppliers. We did not always receive our deliveries as scheduled, and we have not always delivered as expected. Simply put: We are not where we wanted to be.

Now, we'll have to redouble our efforts. The various Aker companies have major intrinsic value, but it will require significant creativity, hard work, and determination to visualize and subsequently realize that value.

In this situation, I have decided to play a more active role than I had for several years. I knew this was the right thing to do when Leif-Arne Langøy, my very close, trusted ally for many years, told me that he wanted to step down as Aker Chairman and President and CEO for health reasons.

At the December 2008 extraordinary shareholders' meeting, I was elected Chairman of Aker. I intend to be an active Chairman and look forward to working closely with our new President and CEO Øyvind Eriksen. We know each other well and I am confident that we complement each other's capabilities.

Our objectives are clear: We will further strengthen the parent company Aker ASA and make it an even more vigorous and decisive owner of first-class companies. We are going to build companies that will emerge stronger from the financial crisis and that will contribute, each in its own way, to resolving the world's most fundamental challenges related to energy and the environment, food, nutrition, and health. These commitments will enable us to build lasting value that also offers shareholders prospects for predictable returns in the form of dividends and value growth.

We will strive to reach Rudyard Kipling's ideals, as expressed in his poem, If. We will trust ourselves when people doubt us, but make allowance for their doubting too. We will dream and think, but not make thoughts our aim. We will dare to take risk, we will endure losses, but we will never resign.

During trying times such as ours, a great deal of inspiration can be drawn from the many bold decisions made by heads of state, governments, and governmental authorities around the world, and the tireless efforts of countless individuals. This is the time for a broad-based joint effort — and we are readying Aker to pull its share of the load.

Kjell Inge Røkke
*Main shareholder and Chairman*

*Øyvind Eriksen took over as Aker's President & CEO on 5 January 2009.*

# Active ownership: the benefits are clear

**The return of Aker's main shareholder, Kjell Inge Røkke, to an active leadership role as Chairman, is a key foundation for Aker's continued development. His inspired, active ownership has driven the parent company, Aker ASA; for many years; following his lead, we will inspire and develop the company's many industrial engagements.**

We are living through extraordinary times. The financial crisis has escalated. Economic growth is tapering off. Many countries are in recession. Raw material prices and market demand for processed goods are falling. The brakes are on for world trade. Share values are evaporating.

These are times for the direction, dynamism, and decisiveness active ownership provides at its best. However, active owners must adapt their measures to suit prevailing conditions and the current market environment.

From 2004 to 2007, Aker's growth was fast-paced. Under the aegis of the parent company Aker ASA, new companies were established and exchange listed one after another. Both investment capital and credit were readily available for the right projects, perhaps too readily available. And maybe Aker underestimated the complexity of building new businesses. We have gained experience and will adjust our focus accordingly.

Going forward, launching new niche companies will mainly happen in our operating businesses and as a result of combined innovation projects. Aker ASA will focus first and foremost on the owner role, continuing the development of our existing business activities.

In the past few years a major proportion of our financial resources has been applied to developing these relatively new Aker companies. We must manage this capital wisely and free it up over time. Most likely, this will entail concentration on fewer engagements directly under Aker ASA's auspices. We will not necessarily divest ourselves of these companies, but there will be transactions involving ownership interests.

My ambition is to make Aker a more clearly defined — and a more demanding — owner of its independent operational companies. Aker will be an active and long-term owner of these industrial companies, but not the parent company of a fully integrated industrial group. As an active owner, Aker will be the strategic driver in the development of its robust, valuable, and value-adding enterprises. To achieve our objectives, we must organize ourselves so as to make active ownership a honed Aker profession.

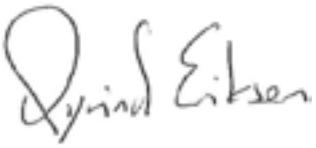
With heightened capabilities, we will exploit Aker's strong position to participate in larger industrial innovations, perhaps through transactions, industrial partnerships, or alliances. Aker is at its best when dealing with complex industrial and financial structures. We have a tradition of identifying solutions and growing them into decisive business units that fill clearly defined niches. Thus, we reveal shareholder value that is not obvious to others at first sight.

I have been President and CEO for barely two months. Although a newcomer to Aker's management team, I have a long-standing involvement with its business activities. I have served as an advisor to Aker for 20 years, and to Kjell Inge Røkke since 1995. I am delighted with the opportunity to continue this cooperation from the inside.

Together we will apply Aker's corporate values, traditions, and unique capabilities to realize the company's extensive potential. With our major engagements within energy and environment, maritime industry, food, health, and asset management, Aker's business activities reflect the very foundation of Norwegian business and industry.

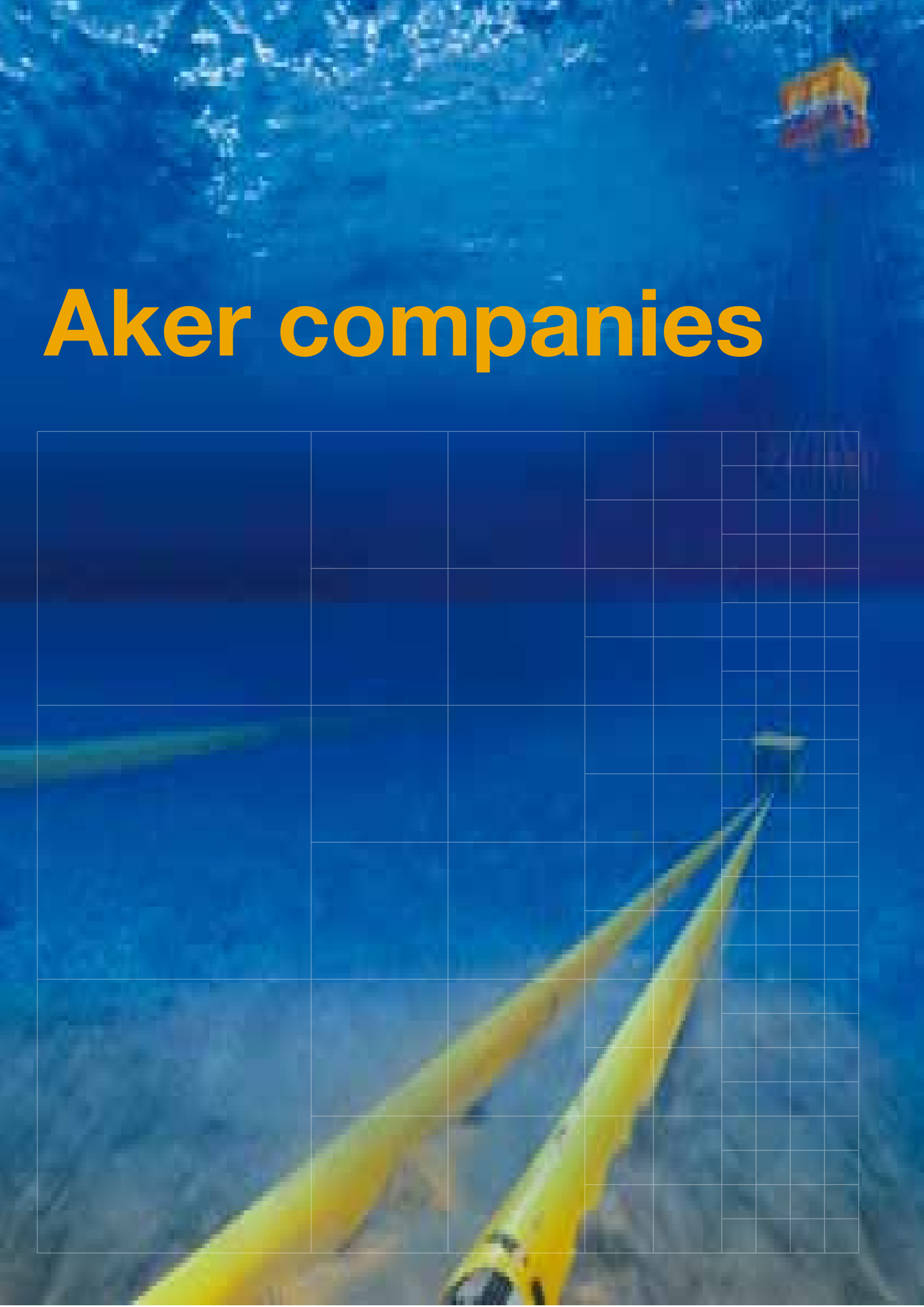
Aker's businesses are well positioned for projected global megatrend growth arenas. In each of these businesses, Aker intends to be a preferred partner for our key customers and working partners, a desirable employer and neighbor in the many communities, large and small, in which we operate, and an investment that provides solid returns over time. To achieve these goals, Aker must further cultivate a commitment to innovate and adapt. Our main shareholder's dedication to these qualities offers a day-to-day example and inspiration.

My ambition is to make Aker a more clearly defined — and a more demanding — owner of its independent operational companies



Øyvind Eriksen
*President and CEO*
*Aker ASA*

# Aker companies



# Aker's main companies

## Aker

Aker ASA is an active, industrial ownership company. Its financial strength enables it to develope, and fine-tune world-class companies in industrial sectors in which Aker has the know-how and experience essential to success.

**Page 14-15**

*People create Aker. That's how it's been since 1841.*

## Aker Solutions

Aker Solutions holds a strong position as a supplier of products, technologies, and solutions for energy and process-industry markets. The company meets the future with a flexible cost base and high-quality order backlog.

**Page 16-17**

## Aker Philadelphia Shipyard

Aker Philadelphia Shipyard is the most modern and cost-effective shipyard in the United States. The yard has a solid 2009 order book and continues to show strong productivity improvement.

**Page 26-27**

## Aker Drilling

Aker Drilling owns and operates the world's two largest, most advanced offshore drilling units. The rigs, to be completed in 2009, set new standards for safe, efficient, and environmentally responsible drilling operations.

**Page 18-19**

## Aker BioMarine

Aker BioMarine combines deepwater fishing and harvesting know-how with marine biotechnology. Production of high-value, health-promoting products from sustainable harvesting of Antarctic krill drives the company's development.

**Page 28-29**

## Aker Floating Production

Aker Floating Production owns, operates, and charters FPSO production and storage vessels for deployment at offshore oil and gas fields. The company's first FPSO, *Dhirubhai-1*, is producing oil off the east coast of India.

**Page 20-21**

## Aker Seafoods

Aker Seafoods spans the entire seafood value chain — from harvesting and processing through sales to Europe's leading supermarket chains. The company delivers fresh cod, saithe, and haddock products 364 days a year.

**Page 30-31**

## Aker Exploration

Aker Exploration is a focused offshore exploration company that is pre-qualified as an operator on the Norwegian continental shelf. The company's financial position is excellent. In 2009, Aker Barents will spearhead the quest for new hydrocarbon resources.

**Page 22-23**

## Aker Clean Carbon

Aker Clean Carbon develops technology and facilities that remove $CO_2$ from smokestack exhaust. Carbon capture drastically reduces climate-gas emissions from power plants and other industrial facilities burning natural gas or coal.

**Page 32-33**

## Aker Oilfield Services

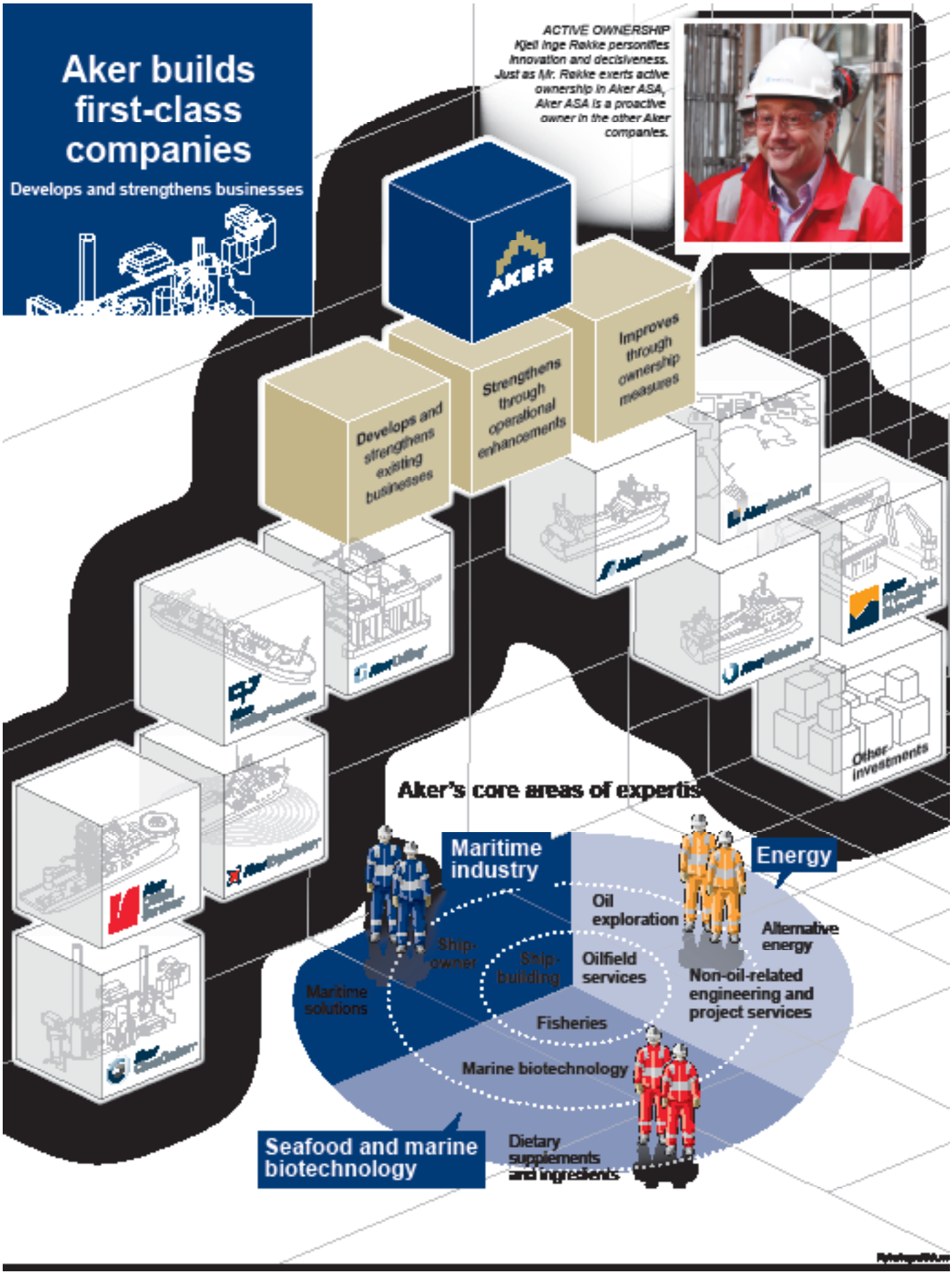
Aker Oilfield Services makes it faster, safer, and more cost-effective for oil companies to maintain deepwater production wells. The company specializes in subsea well intervention to improve oil recovery.

**Page 24-25**

## Key investments

Key investments are strategic and financial projects that leverage Aker's core expertise: people with extensive know-how and experience in energy, maritime, and fishery/marine biotech and asset management.

**Page 34-35**


Aker builds first-class companies
Develops and strengthens businesses
ACTIVE OWNERSHIP
Kjell Inge Røkke personifies innovation and decisiveness. Just as Mr. Røkke exerts active ownership in Aker ASA, Aker ASA is a proactive owner in the other Aker companies.
AKER
Develops and strengthens existing businesses
Strengthens through operational enhancements
Improves through ownership measures
Other investments
Aker's core areas of expertis
Maritime industry
Energy
Oil exploration
Alternative energy
Ship-owner
Ship-building
Oilfield services
Non-oil-related engineering and project services
Maritime solutions
Fisheries
Marine biotechnology
Seafood and marine biotechnology
Dietary supplements and ingredients

*President and CEO Øyvind Eriksen*

## Driving improvement

Aker sees great value potential in its companies and is prioritizing its resources accordingly.

Several of the more recently established Aker companies reported operational and financial challenges in 2008 and received intense monitoring and follow-up. As a proactive owner, Aker drives improvement measures at both young and mature Aker companies. The Board of Directors' report discusses these issues more fully.

Close follow-up of Aker companies will continue. Throughout 2008, important milestones were reached. In 2009, investment-intensive start-up companies will enter an operational phase, with stable operations and positive cash flows. However, that transitional status is evident in the 2008 consolidated accounts of the Aker Group. Operating profit weakened, but investments rose significantly compared with 2007.

***Long-term industrial development pays off.***

# Ownership drives development

**Aker is holding to a steady course, focusing on its long-term industrial goals. The industrial ownership company's financial clout provides the strength to develop, and hone first-class companies in industrial sectors in which Aker has considerable expertise.**

Aker is an active, industrial ownership company that builds leading, world-class companies. A solid industrial platform, people who are willing and able to tackle challenges, and a strong financial position enable Aker to develop companies in a long-term and goal-oriented manner.

Hallmarks of Aker's long-term ownership are energy, creativity, and decision-making speed. Ownership is exercised via the boardroom while business development takes place across Aker companies and national borders.

### The Aker name

The Aker name stands for commitment. Each company in which Aker is a dominant owner and that has an Aker representative as board chairman is called an *Aker company* or *part of Aker*. Aker plays a key role in formulating each company's strategic plans. As a strategic driver, Aker adds value to its companies, shareholders, customers and society at large.

Aker companies build on shared values and a lengthy industrial history of overcoming challenges through innovation. In short: Aker companies are problem solvers.

### Robust foundation

Through systematic work, Aker has built a robust financial platform. Financial strength provides shareholders with considerable predictability regarding the capacity to pay future dividends and prospects for value creation through development of Aker companies — even in times of turbulence in the world's credit and stock markets.

As was the case for the stock markets in general, the market value of Aker's exchange-listed companies fell significantly in 2008. Aker ASA's value-adjusted equity (net asset value) of as of 31 December 2008 was NOK 18.5 billion. The figure corresponds to a per-share value of NOK 255.18, compared with NOK 460.28 at year-end 2007.

The Board of Directors' report (see pages 40 through 43 of this report) discusses 2008 results, business activities, and the strategic measures taken in the first quarter of 2009.

### Long-term growth

Going forward, Aker will continue to target industrial sectors where the company possesses considerable know-how and state-of-the-art expertise, particularly energy resources and technologies, and food and health-promoting products from the sea.

In the short and intermediate terms, Aker's markets will be affected by the downturn in the global economy. In the long term, steady population growth worldwide will drive demand for energy, high-quality food, and health-promoting products produced in a sustainable manner. These trends will generate demand for technologies, products, expertise, and solutions developed and delivered by Aker companies. Aker considers its companies to be well positioned as to markets and competitors, and sees significant value-growth potential in its portfolio of companies.

| Key figures Aker ASA and Holding Companies | | 2008 | 2007 | 2006 |
|---|---|---|---|---|
| Revenue | Nok million | **346** | 11 740 | 4 643 |
| Operating expenses | Nok million | **192** | 151 | 131 |
| Profit before tax | Nok million | **-4 826** | 12 707 | 4 170 |
| Cash, cash equivalent and short-term interest-bearing receivables | Nok million | **6 326** | 12 281 | 898 |
| Value adjusted equity per share | NOK | **255.18** | 460.28 | 503.26 |
| Number of employees 31 December | Manhours | **55** | 50 | 41 |

# Supplier to energy and process industries

Technologies, products, and solutions

**State-of-the-art engineering**

A leading international engineering environment for energy and process infrastructure markets. Largest in Norway.

## 1 Field development, operation, and maintenance

Spans entire lifecycle, from concept studies, engineering, construction, installation, operation, maintenance, and upgrades, to removal/recycling of production infrastructure.

## 2 Products and technologies

Complete drilling equipment solutions, offloading, loading and mooring systems, drilling riser systems, oil and gas processing equipment and overall lifecycle services.

**Arctic expertise**

Technologies, know-how, and experience for total solutions for operations in harsh-weather environments.

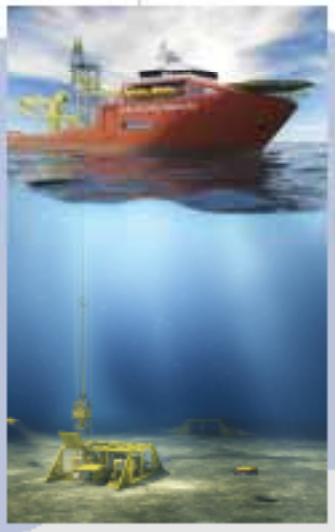
**Locations**

Cone crusher ™


## 4 Process and construction

Processing facilities for petrochemical, mining, metals, LNG, water, bio refinery, nuclear services, and power generation.

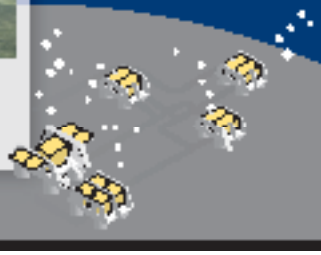
*WORLD'S LARGEST GOLD MINE Boddington Gold Mine Project in Australia: Aker Solutions delivers engineering, procurement, and construction management for this comprehensive project to expand facilities and increase production.*



*Aker Solutions and Aker Oilfield Services partner to deliver unique, cost-effective solutions for subsea well-intervention services.*

## 3 Subsea products and solutions

Subsea production systems and technologies, including subsea trees, controls, umbilicals; subsea processing and boosting technologies; well intervention systems and technologies; lifecycle service support; reservoir services; subsea installation services.



Hybelgrafikk.no

*President and CEO Simen Lieungh*

## Growth in high margin segments

In 2008, Aker Solutions made acquisitions and adaptations that strengthen the company's position in subsea solutions, products, and technologies.

Worldwide, these are growing, high margin market segments. Two business areas — Subsea (subsea products and solutions) and P&T (products and technologies) — together generated 79 percent of Aker Solutions' 2008 EBITDA.

The 2008 acquisition of Qserv in the UK strengthened Aker Solutions' position in the well intervention market. Purchasing the remaining 50 percent of shares in the company Wirth increased Aker Solutions' control over critical manufacturing and technology resources for drilling equipment and related services, and facilitated deliveries of lifecycle and complete drilling solutions. Raising Aker Solutions' stake in the marine operations and offshore installation provider Aker Marine Contractors from 60 percent to 100 percent provided full control over this niche specialist.

***Long-term industrial development pays off.***

# Well prepared for the future

**Aker Solutions greets 2009 with a flexible cost base, a backlog of high-quality orders, and a special focus on Arctic and deepwater facilities. The company is well positioned to handle extreme conditions.**

Aker Solutions holds a unique position in the energy and processing markets as a supplier of key products, technologies, and solutions — and the turnkey execution of projects in harsh weather and deepwater environments.

A combination of state-of-the-art expertise, a solid order backlog and a cost base tooled for adaptable performance across business areas enables the company to take on the extreme. Aker Solutions is well prepared to weather market fluctuations and to be a confident mover in Arctic regions and deepwater oil and gas fields.

### Energy sector — 82 percent

Throughout 2008, Aker Solutions continued to advance its position as a leading supplier of engineering services, technology products, fabrication and total solutions for the energy and process industries.

Three of Aker Solutions' four business areas target the energy sector, and account for 82 percent of revenues. The fourth business area offers engineering, procurement, construction and project management services to petrochemical, mining, and metals processing facilities.

Aker Holding owns 41 percent of Aker Solutions stock. Aker controls 60 percent of Aker Holding shares; the Norwegian government owns 30 percent and the Swedish Wallenberg companies Investor and SAAB own the remaining 10 percent.

### Report on 2008

Aker Solutions' 2008 EBITDA was the second best in its history, despite losses on additional work during the Frigg field removals in the North Sea and cost overruns on the H-6e project.

Aker Solutions has more than 23 000 employees working in around 30 countries. As of early 2009, an additional 10 600 contract staff were engaged on projects by Aker Solutions. A workforce that can be readily adjusted to the needs of projects in regional markets and local operations ensures a flexible cost base.

### Global economic downturn

In late 2008 and early 2009, the global economy has experienced the greatest turbulence in generations. The resultant drop in oil prices has led to a wait-and-see investment attitude in oil and energy companies; the process industry is displaying similar hesitation.

Aker Solutions intends to grow as a niche specialist, rather than work to become an industry giant. In the energy sector, focus is on Arctic regions, deepwater fields, and technology and product areas that offer substantial profit margins. Engineering and project execution strengths in specialty niches in petrochemicals, mining, and metals are also key. Aker Solutions' customers are typically large and financially strong.

The company's most important revenue drivers are international market demand for new energy and process facilities; maintenance and upgrades for existing offshore oil and gas fields; development of new fields; technology that increases reservoir recovery rates; and related services.

Cooperation with other companies, such as Aker Clean Carbon, Aker Floating Production, and Aker Oilfield Services, generates unique opportunities for the cross-development of products and services and faster, more efficient execution than competitors. Time is money for oil and energy companies.

Aker Solutions is prioritising improved profits over revenue growth. Focus is on efficient, profitable project execution and on winning the right projects on the right terms. Multi-year programmes to boost competitiveness target a 2009 EBITDA exceeding NOK 4.5 billion.

| **Key figures Aker Solutions** | | **2008** | 2007 | 2006 |
|---|---|---|---|---|
| Revenue | NOK million | **58 252** | 57 957 | 50 592 |
| EBITDA | NOK million | **3 382** | 3 913 | 2 872 |
| EBITDA margin | Per cent | **5.8** | 6.8 | 5.7 |
| Order intake | NOK million | **55 590** | 57 942 | 62 271 |
| Order backlog 31 December | NOK million | **58 016** | 58 261 | 59 695 |
| Number of employees 31 December | Manhours | **23 360** | 24 427 | 22 722 |

# The world's most advanced drilling rigs

Robust, all-weather, and Norwegian

**Zero emissions**
Designed for zero undesirable emissions to the sea.

Aker Drilling is building a full integrated operational organization with 430 highly skilled members.

**AKER SPITSBERGEN**
Is chartered to StatoilHydro under a 5-year (2009 – 2013) contract, pluss 5 x 2-year options.

**AKER BARENTS**
Is chartered to Aker Exploration under a 3-year (2009-2012) contract, plus 2 x 1-year options.

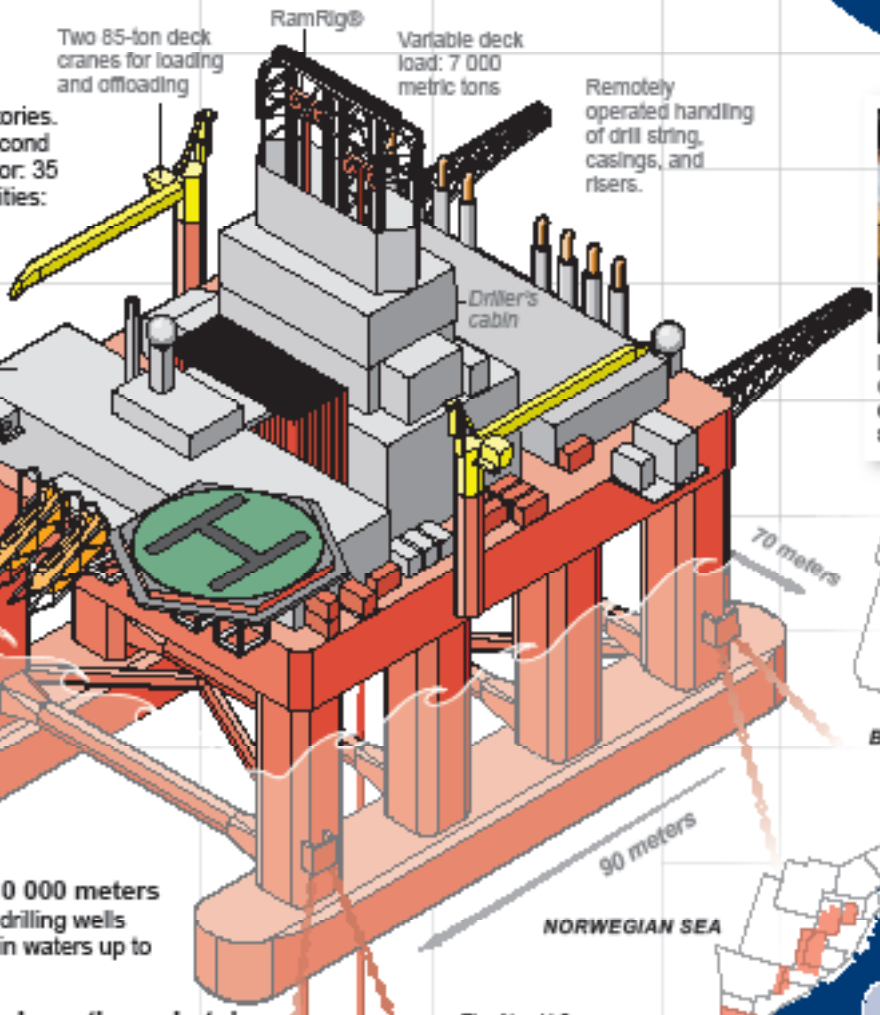
**24/7 operation in harsh weather**
The rigs have been developed to operate safely and efficiently at deepwater fields under extremely harsh weather conditions and in environmentally sensitive areas.

The rigs can withstand waves of more than 35 meters.

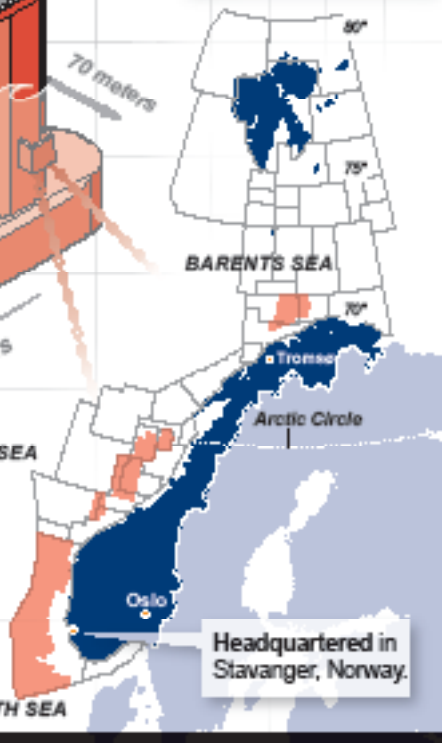
**140 single cabins**


**LIVING QUARTERS**
The complex has four stories. First floor: 35 cabins; second floor: 70 cabins; third floor: 35 cabins. Fourth floor facilities: control room, bridge, telecom room, heliport arrivals and departure area, as well as offices and meeting rooms.

**Double capacity**
Dual RamRig® enhances the rigs efficiency and operational features by allowing parallel operations.




**DRILLER'S CABIN**
Crew practices drilling operations using a simulator.




**Drilling down to 10 000 meters**
The rigs are built for drilling wells 10 000 meters long, in waters up to 3 000 meters deep.

**Keeps operating when others shut down**
The rig's unique hull design provides excellent stability and motion characteristics, which ensures efficient operations under weather conditions that would force competing rig types to halt drilling.

*The Aker H-6e rigs are designed and built by Aker Solutions.*

Headquartered in Stavanger, Norway.

Hyhelsgrafikk.no

*CEO Geir Sjøberg*

## Attractive employer

Aker Drilling is considered a highly desirable employer, recruitment efforts show.

After receiving more than 20,000 job applications, Aker Drilling is ready to deploy a highly competent, full-fledged organization of some 430 employees, about 400 of whom work offshore.

The company's first rig, *Aker Spitsbergen*, was delivered to Aker Drilling 27 February 2009. The second rig, *Aker Barents*, is scheduled for delivery in the second quarter.

*Aker Spitsbergen will operate in deepwater fields under harsh weather conditions.*

# Ready for rig deployment

**Aker Drilling is ready to write a new chapter in oil history. The company's two drilling units, *Aker Spitsbergen* and *Aker Barents*, set new standards for safe, efficient, and environmentally friendly offshore operations.**

Aker Drilling is an integrated offshore drilling rig company that owns and operates the world's two largest and most advanced drilling units. As of 2009, *Aker Spitsbergen* is under contract to the oil and energy company, StatoilHydro, and *Aker Barents* will begin drilling for the offshore exploration company, Aker Exploration.

The Aker H-6e semi-submersible drilling platforms use state-of-the-art equipment and are built for year-round operation in ultra-deep waters in all seas — worldwide — and under harsh weather conditions, particularly in Arctic regions.

The advanced hull design provides superior motion characteristics enabling efficient and safe operations, even during powerful storms. The rig's Dual RamRig® drilling packages enable faster, parallel operations. Onboard storage capacity facilitates work far from supply bases. Bottom line: Aker Drilling's customers command a safe, cost-effective tool for finding and developing new oil and gas resources.

In 2008, Aker increased its ownership interest in Aker Drilling from 45 to 100 percent. The investment of some NOK 2 billion was Aker's single largest 2008 investment.

### Favorable agreements signed

Aker Drilling has entered into long-term drilling contracts for the company's two sixth-generation drilling platforms.

StatoilHydro has signed a five-year contract for the *Aker Spitsbergen* to drill for Åsgard, Heidrun, and Norne licenses in the Norwegian Sea's Halten/Nordland region. The contract's total value is approximately USD 890 million; the agreement features five two-year options.

Aker Drilling's second rig, *Aker Barents*, has a three-year contract with Aker Exploration to drill exploration wells on the Norwegian continental shelf; the rig's initial deployment is scheduled for the third quarter of 2009. The drilling contract has a total value of approximately USD 600 million. Aker Exploration holds two one-year options to extend the drilling contract.

### Attractive rigs in a good market

Aker Drilling's contracts confirm the attractiveness of the company's two semi-submersibles in a market still characterized by a shortage of harsh environment and deepwater rig capacity.

Demand for advanced drilling rigs is expected to continue its strength in the next few years, and Aker Drilling is continuously assessing fleet expansion beyond its two rigs. The company's goal is to become a significant supplier of rig-based services.

Aker Drilling will continue to focus on technically demanding projects at offshore fields subject to harsh weather conditions where meeting the strictest requirements for safe, efficient, and environmentally friendly operations is paramount. The company is poised to advance its position as an integrated drilling contractor that owns and operates offshore drilling units.

*Crews built on expertise: more than 20 000 job applications for 430 job vacancies.*

| Key figures Aker Drilling | | 2008 | 2007 | 2006 |
|---|---|---|---|---|
| Revenue | NOK million | **0** | 0 | 0 |
| EBITDA | NOK million | **-268** | -76 | -34 |
| Number of employees 31 December | Manhours | **261** | 70 | 18 |

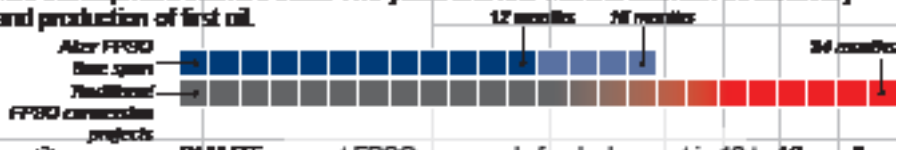
# Fast-track oil and gas field production

Oil companies save time and money

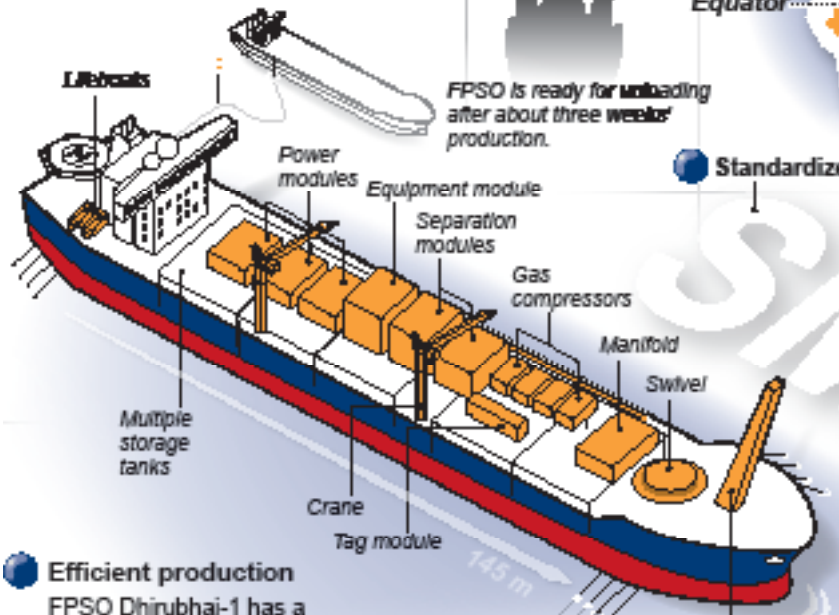
FPSO – Floating Production, Storage and Offloading

**Record**

Aker Floating Production and Aker Solutions together set a near record for deepwater field development offshore India: Two years and four months between oil discovery and production of first oil.




SMART-concept FPSOs are ready for deployment in 12 to 16 months.


**Standardized** FPSO solutions are key.

**Module-based** production topside is readily adapted to customer's field specifications.

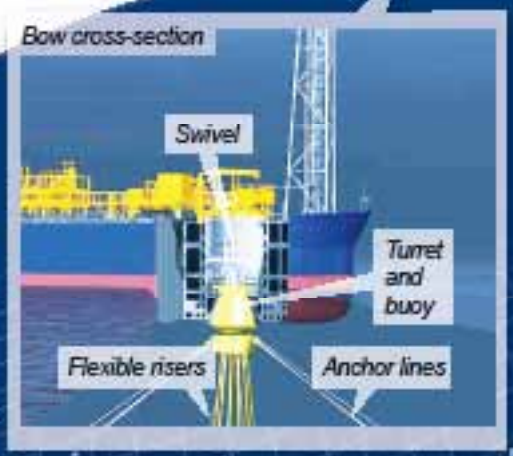
**Attractive** day rates, compared with alternative production solutions.

**Reliable and fast** production start-up.

**Technology** is available and proven.

**Efficient production**

FPSO Dhirubhai-1 has a production capacity of 60 000 barrels of oil per day and can store 1.3 million barrels of oil.





Hybrigraphics

*CEO Arne Tørnkvist*

## State-of-the-art maritime expertise

Aker Floating Production's first FPSO was officially named on 29 June 2008 at Singapore's Jurong Shipyard. The ceremony also marked an important milestone for Aker Floating Production and Norway's supplier industry.

The FPSO *Dhirubhai-1* showcases the unique range of expertise and state-of-the-art technical abilities that Norwegian industry and Aker companies bring to the market. In 2008, Aker Floating Production bought products, technologies, and equipment in excess of NOK 1.8 billion from Norwegian companies.

One-third of the NOK 1.8 billion went to Aker Solutions; other Norwegian maritime suppliers received the balance. Aker Solutions also built and installed the sophisticated subsea production system for the MA field; the *Dhirubhai-1*, processes the field's output. Aker companies have established a solid platform for participating in the development of oil and gas fields in India, Brazil, West Africa and other regions.

***The Dhirubhai-1 production and storage vessel.***

# Producing oil in India

**Aker Floating Production's production and storage vessel, *Dhirubhai-1*, is producing oil and injecting or exporting gas for Reliance Industries Ltd. off the east coast of India under a 10-year contract.**

Aker Floating Production owns and operates Floating Production, Storage, and Offloading (FPSO) vessels for oil and gas production. Marketed under the Aker Smart concept, oil companies are offered a flexible, fast and competitive solution: based upon the Smart conceptual design.

The company's first, and this far only FPSO, went on-stream in the fall of 2008. Never before has an FPSO of comparable scope and complexity been delivered faster: On 17 September 2008, a mere 16 months after Reliance Industries awarded Aker Floating Production the *Dhirubhai-1* FPSO contract, first oil was produced and stored onboard.

### Production start-up in record time

The rapid production start-up at the Bay of Bengal field also marks another milestone: Aker companies delivered a complete field development project.

Aker Floating Production and Aker Solutions joined forces to set a record. Twenty-eight months after striking oil, commercial production began. This achievement demonstrates the range of expertise, products, technologies, and state-of-the-art solutions that Aker companies offer to the oil and gas industry.

As of early March 2009, Aker owns 72.3 percent of Aker Floating Production.

### Deepwater operation

The *Dhirubhai-1*, with a daily production capacity of 60 000 barrels of oil, a 1.3 million barrel storage capacity, and equipment to compress and export 9 million cubic meters of gas per day, is deployed at the MA field in waters 1 200 m deep. An on-board incident shut down Dhirubhai-1 production for a brief period.

Aker Floating Production has a 10-year, approximately USD 1.3 billion contract with the field's operator Reliance Industries Ltd., India's largest privately held corporation. The contract includes the Dhirubhai-1 charter and comprehensive FPSO operation and maintenance. Total vessel costs were approximately USD 800 million. Reliance Industries has an option to buy the vessel.

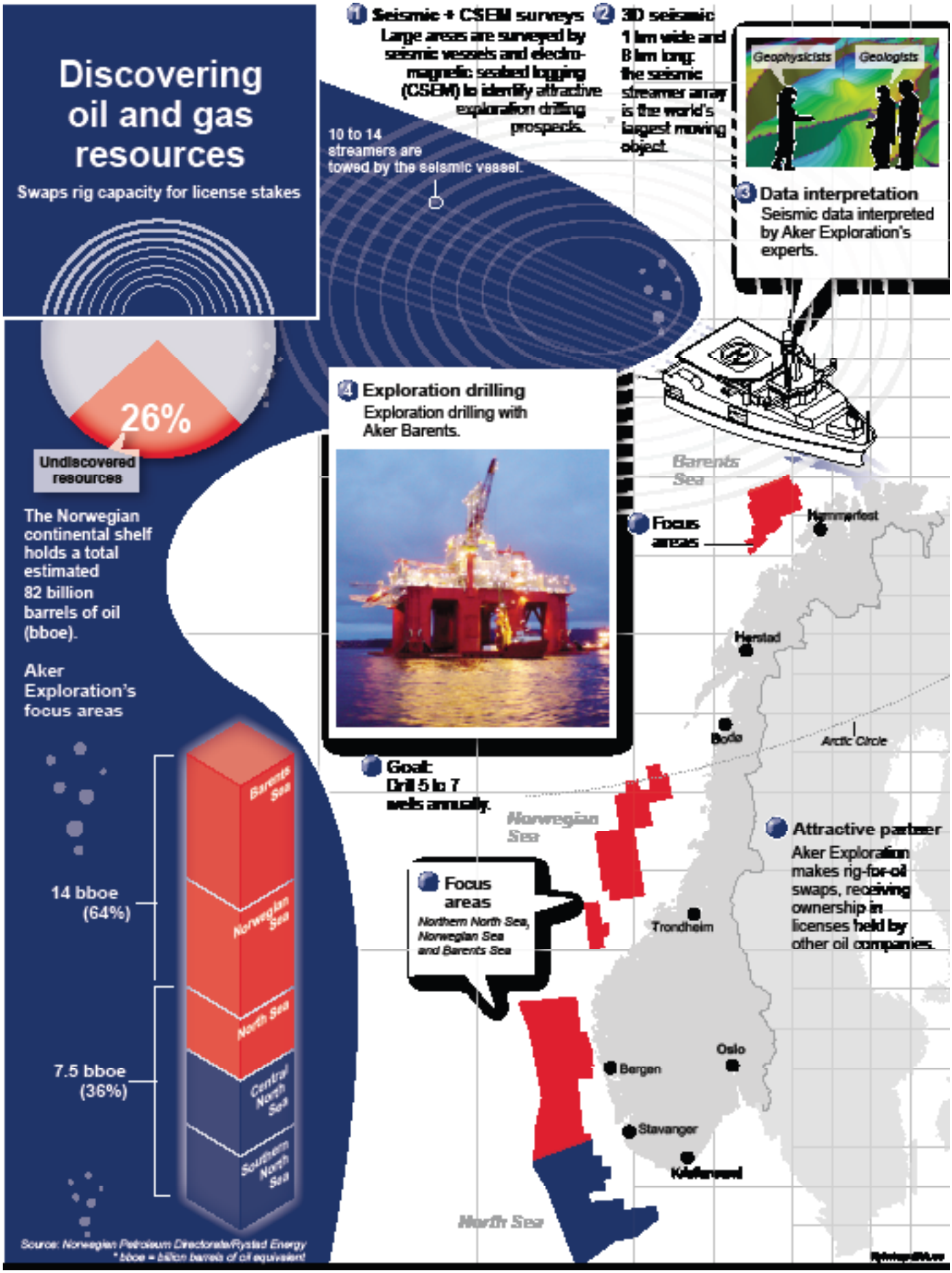
### Pursuing market opportunities

Aker Floating Production prioritized efforts to convert the first of the company's three Suezmax tankers into an ultra-modern FPSO, modified to customer specifications. No decision has been made about further FPSO conversions but the Company is currently tendering on specific FPSO projects.

The drop in oil prices in late 2008 and early 2009 has affected short-term demand for developing offshore oil fields. The market outlook for FPSO-developed fields in Equatorial waters, however, remains promising. Because production costs are typically lower in these regions, demand for development might increase if oil prices continue to decline.

Market interest is high in Aker Floating Production's Smart concept; the company is pursuing commercial opportunities that may result in additional contracts in Asia, West Africa, South America, or the Gulf of Mexico. Cooperation with other suppliers and technology companies in the Aker family offers competitive advantages that may be realized in the future.

| **Key figures Aker Floating Production** | | **2008** | 2007 | 2006 |
|---|---|---|---|---|
| Revenue | NOK million | **164** | 6 | 6 |
| EBITDA | NOK million | **-28** | -79 | -45 |
| EBIT | NOK million | **-281** | -92 | -45 |
| Profit before tax | NOK million | **-326** | -131 | -11 |
| Order intake | NOK million | **553** | 6 318 | 0 |
| Order backlog 31 December | NOK million | **8 667** | 6 318 | 0 |
| Number of employees 31 December | Manhours | **50** | 37 | 15 |


Discovering oil and gas resources
Swaps rig capacity for license stakes
26%
Undiscovered resources
The Norwegian continental shelf holds a total estimated 82 billion barrels of oil (bboe).
Aker Exploration's focus areas
14 bboe (64%)
7.5 bboe (36%)
Barents Sea
Norwegian Sea
North Sea
Central North Sea
Southern North Sea
Source: Norwegian Petroleum Directorate/Rystad Energy
* bboe = billion barrels of oil equivalent
1 Seismic + CSEM surveys
Large areas are surveyed by seismic vessels and electro-magnetic seabed logging (CSEM) to identify attractive exploration drilling prospects.
10 to 14 streamers are towed by the seismic vessel.
2 3D seismic
1 km wide and 8 km long: the seismic streamer array is the world's largest moving object.
Geophysicists
Geologists
3 Data interpretation
Seismic data interpreted by Aker Exploration's experts.
4 Exploration drilling
Exploration drilling with Aker Barents.
Goal: Drill 5 to 7 wells annually.
Focus areas
Focus areas
Northern North Sea, Norwegian Sea and Barents Sea
Attractive partner
Aker Exploration makes rig-for-oil swaps, receiving ownership in licenses held by other oil companies.
Barents Sea
Norwegian Sea
North Sea
Hammerfest
Harstad
Bodø
Arctic Circle
Trondheim
Oslo
Bergen
Stavanger
Kristiansand

*CEO Bård Johansen*

## Northern focus

Industry attention is increasing for exploration in regions where hydrocarbons have already been identified — in the northern parts of the North Sea, in the Norwegian Sea, and in the Barents Sea.

Aker Exploration has entered into agreements with 10 oil companies: StatoilHydro, Det norske, Talisman Energy, ENI, Chevron, Marathon Oil, Lundin Petroleum, Endeavour, Gaz de France, and Discover Petroleum.

Broad cooperation with Norwegian and international partners confirms the attractiveness of Aker Exploration's business model to both major and smaller-sized oil companies. Aker Exploration intends to drill five to seven wells annually.

*Aker Barents goes into service in 2009.*

# Set for exploration drilling

**Financially strong Aker Exploration is ramping up engineering and staffing for drilling its first wells. The quest for new oil and gas resources on the Norwegian continental shelf begins in 2009 with the company's own rig.**

Aker Exploration is a streamlined offshore exploration company that is pre-qualified as an operator on the Norwegian Continental Shelf. The company innovatively applies new technology to increase the chance of finding hydrocarbons.

Discovering oil and gas resources is made more likely by harnessing technology, by having an organization with state-of-the-art expertise in geology, geophysics, reservoir management, and by having access to the world's largest and most advanced drilling rig. Following a planned second quarter 2009 start-up, Aker Exploration will drill with the ultra-modern drilling rig, Aker Barents, under a three-year contract with a two-year renewal option.

Aker Exploration has built a promising portfolio of ownership interests in 18 licenses on the Norwegian continental shelf, as of late February 2009. The company received a license stake in Norway's APA 2008 (Awards in Predefined Areas) and has applied for blocks in the 20th Norwegian continental shelf licensing round, with awards scheduled for the spring of 2009.

As of early March 2009, Aker owns 76.1% percent of Aker Exploration.

### Rig for oil

Aker Exploration offers a unique business model called "RigforOil": the company will deploy and operate Aker Barents for exploration drilling in exchange for ownership interests in attractive offshore licenses.

Norway's oil production is declining. Exploration programmes to find additional hydrocarbon resources are expanding, and Aker Exploration is the driving force behind a pioneering partnership with other oil companies to find and develop oil and gas resources on the Norwegian continental shelf.

According to the Norwegian Petroleum Directorate, the Norwegian Oil Industry Association, and oil companies, 80% of undiscovered resources lie in the northern part of the North Sea, in the Norwegian Sea, and in the Barents Sea — regions targeted by Aker Exploration.

### Fully financed

The Norwegian Ccontinental Shelf holds an estimated 82 billion barrels of oil equivalents (boe), according to the Norwegian Petroleum Directorate (NPD).

Of this figure, one-fourth — or some 20 billion barrels of oil equivalents — are undiscovered resources. The NPD estimates that 35 percent of Norway's overall oil and gas resources have been produced. Exploration activities will continue to be important to sustain production..

Aker Exploration is ready to execute an aggressive drilling campaign on the Norwegian Ccontinental Shelf over the next three years. The company's current plans are fully funded.

Working with leading service suppliers, Aker Exploration has carried out comprehensive surveys using electromagnetic Seabed Logging (SBL) and seismic data to identify potential subsea oil and gas deposits.. Use of such innovative technology helps pinpoint optimal exploration sites and substantially improves the likelihood of drilling successful wells.

| **Key figures Aker Exploration** | | **2008** | 2007 | 2006 |
|---|---|---|---|---|
| Revenue | NOK million | **0** | 0 | 0 |
| EBITDA | NOK million | **-497** | -232 | -37 |
| EBIT | NOK million | **-499** | -233 | -37 |
| Profit for the year | NOK million | **46** | -110 | -8 |
| Number of employees 31 December | Manhours | **34** | 18 | 8 |

# Driving improved oil recovery

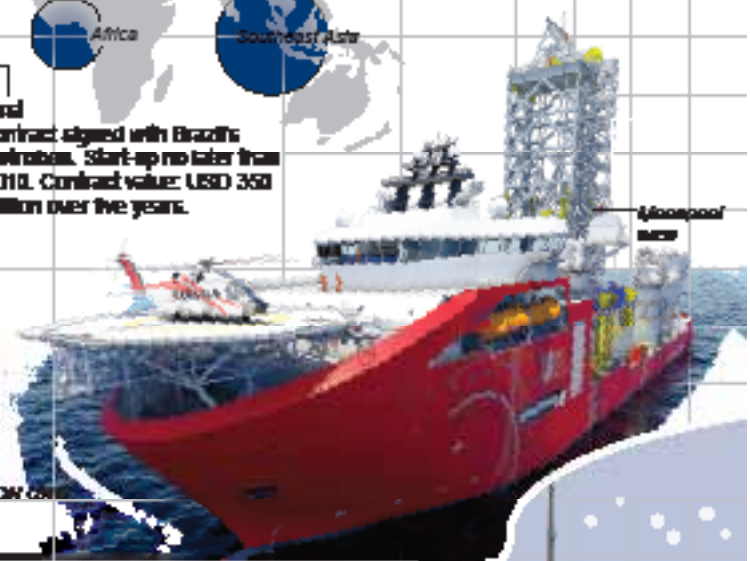
Quicker and more cost-effective

## Main markets


First contract signed with Brazil's Petrobras. Start-up no later than 2010. Contract value: USD 350 million over five years.

## Well maintenance of the future

The vessel integrates advanced marine operations with high-tech subsea solutions. The intervention unit replaces services traditionally performed by drilling rigs.




WELL INTERVENTION UNIT

## Building a fleet

Advanced vessels were designed in cooperation with STX Europe and construction has begun on a fleet of vessels. On board are innovative solutions for efficient well intervention, maintenance, testing, installation, and construction of subsea infrastructure.

OSCV 03

OSCV 06 WI

## Lower recovery costs

The efficient, purpose-built vessel makes intervention programs at low-producing wells profitable. Because the unit operates without support vessels, it can be deployed significantly faster and cheaper than conventional solutions.

### 1 Moonpool

Well-intervention gear is lowered through the vessel's moon-pool opening. The load is shifted to a heave-compensated winch as it approaches the seabed wellhead.

### 2 Controlled well operations

The well intervention package ensures safe reservoir intervention.


### 3 Well intervention

Tools are run on a wireline tractor through horizontal wellbores to perform maintenance or provide access to new zones.

Wellhead operations at water depths to 3 000 meters.

Cap rock

Reservoir

*CEO Per-Ola Baalerud*

## Industrial building blocks

Newcomer Aker Oilfield Services is in the technological forefront; it is also a good example of how Aker companies cooperate.

Individual Aker companies are high-quality industrial building blocks in and of themselves — and valuable business opportunities are created when they join forces. Recently, it has become increasingly apparent that Aker Oilfield Services and Aker Solutions' well maintenance and subsea activities can greatly benefit each other in the marketplace.

Aker Solutions delivers technology for well intervention, risers, and other subsea systems. Aker Oilfield Services performs light well intervention from ships as an alternative to deploying drilling rigs, which charge high day rates. Pooling the two companies' advanced capabilities creates a unique, cost-saving solution for oil companies. Such cooperation will be developed further.

*Innovative, commercial technology — Aker Oilfield Services and Aker Solutions make a strong team.*

# Innovation for deepwater fields

**Aker Oilfield Services is making new innovative and commercial advances in close cooperation with Aker Solutions. In the first quarter of 2010, Aker Oilfield Services will take delivery of its first two advanced vessels for deepwater subsea well interventions.**

Aker Oilfield Services makes it faster, safer, and more cost-effective for oil companies to perform production-well maintenance at deepwater fields. The company specializes in subsea well intervention for production wells at water depths of up to 3 000 meters. Unique solutions are deployed to increase oil and gas recovery rates from subsea fields.

### Seabed revolution

Aker Oilfield Services is revolutionizing maintenance and intervention at deepwater wells by using highest level of expertise to integrate advanced marine operations with state-of-the-art subsea solutions. New coiled tubing and wireline intervention techniques substantially improve efficiency in oil and gas well maintenance.

Together with Aker Solutions, Aker Oilfield Services can offer turn-key solutions packaged with intervention and maintenance services. Such services include testing, installation, maintenance and replacement of subsea-installed Xmas trees, equipment and systems.

### Saving time and money

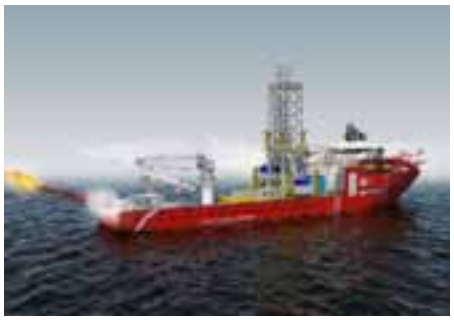
Oil companies can realize significant time and cost savings on deepwater operations compared with using conventional intervention services performed from rigs. In a time of lower oil prices, it will become increasingly important for oil companies to improve the profitability of producing fields by increasing recovery rates and total recoverable resources.

### Young company, promising market

Aker Oilfield Services was established in 2007 as a cooperative venture among Aker companies and the subsea contractor DOF Subsea. As of early March 2009, Aker owns 44 percent of Aker Oilfield Services and Aker Solutions holds 32 percent.

In its very first year in operation, Aker Oilfield Services achieved a market breakthrough in Brazil. The customer, the oil company Petrobras, is employing Aker Oilfield Services' technology and innovative solutions that challenge the industry's established methods for installation and maintenance of subsea completions. The five-year contract, which commences in the first quarter of 2010, is valued at USD 350 million and includes an optional five-year extension.

Aker Oilfield Services is experiencing a great deal of interest in its specialized services. The company is pursuing specific market opportunities with major oil companies, and the outlook is considered solid and promising.



*Brazil's Petrobras is the first to deploy Aker Oilfield Services' unique solutions.*

| **Key figures Aker Oilfield Services** | | **2008** | 2007 |
|---|---|---|---|
| Revenue | NOK million | **0** | 0 |
| EBITDA | NOK million | **-48** | -26 |
| EBIT | NOK million | **-48** | -26 |
| Profit befor tax | NOK million | **-23** | -6 |
| Order backlog 31 December | NOK million | **1 888** | 1 888 |
| Number of employees 31 December | Manhours | **16** | 10 |

# The most cost-effective yard in the US

Unique, leading and well established

## Productivity growth

Reduction in production hours (in %).

2003-2006

From first to second containership: 42%

From second to third ship: 22%

From third to fourth ship: 23%

2007-2008

From first to second product tanker: 16%

From second to third ship: 6%

From third to fourth ship: 6%

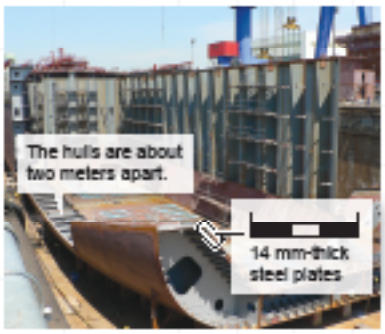
From fourth to fifth ship: 6%

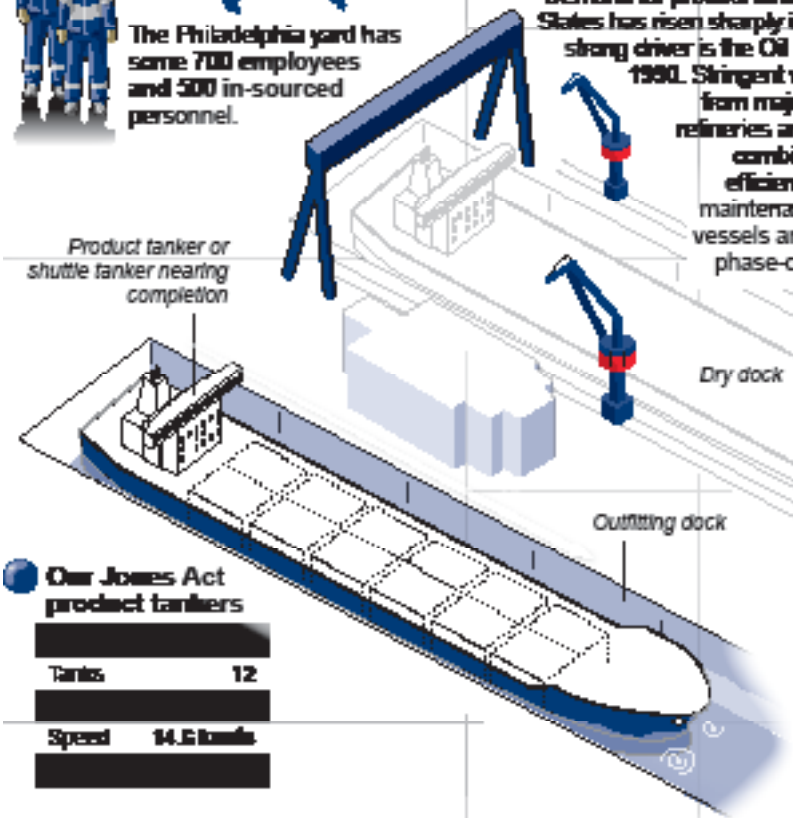
The current learning curve shows a 33-percent productivity gain from the first to the fifth vessel.


The Philadelphia yard has some 700 employees and 500 in-sourced personnel.

## Double hulls

Demand for product tankers in the United States has risen sharply in recent years. A strong driver is the Oil Pollution Act of 1990. Stringent vetting standards from major oil companies, refineries and port operators combined with low fuel efficiency and high-cost maintenance of single hull vessels are causing earlier phase-out than originally anticipated.




## Our Jones Act product tankers

| | |
|---|---|
| Tanks | 12 |
| Speed | 14.6 knots |

*BREAKTHROUGH: The yard's commercial breakthrough came in 2005 with an agreement to build ten product tankers. Bill Clinton and Kjell Inge Røkke celebrated the contract signing.*

## Proud 200-year history

- The frigate **USS United States**, the first ship built at the yard, was launched in 1797.

*Philadelphia is regarded as the birthplace of the US Navy.*

- Numerous Navy and Coast Guard vessels built and repaired, from the late 1700s to the late 1990s.
- Upgrading the aircraft carrier John F. Kennedy in 1995 was the Philadelphia Naval Shipyard's final project.
- In 1996, the Navy yard was closed.
- Aker has worked with local Philadelphia authorities to create an ultra-modern shipyard for building vessels for the US Jones Act market.

Hybelgrafikk.no

*CEO Jim Miller*

## First-ever dividend

In September 2008, Aker Philadelphia Shipyard paid a per-share dividend of NOK 2.50 — the company's first cash dividend to shareholders.

By year-end 2008, the Philadelphia shipyard had delivered the fifth in the current series of 12 vessels to the ship owner, American Shipping Company. The shipyard delivered the product tankers at the agreed specifications and price. The deliveries strengthen Aker Philadelphia Shipyard's position as the preferred commercial shipyard in the USA.

*Productivity gains outpaced shipyard performance targets in serial production of product tankers.*

# Strong productivity improvements

**Aker Philadelphia Shipyard continues to make strong productivity strides. The shipyard slashed product tanker construction production hours by 33 percent between its first and fifth vessel delivery. Another seven product tankers will be built.**

Aker Philadelphia Shipyard, the most modern and cost-effective shipyard in the United States, continues the proud traditions of the Philadelphia Naval Shipyard. Philadelphia is recognized as the birthplace of the US Navy.

For 200 years, since the late 1700s, the yard has delivered many vessels to the US Navy and Coast Guard. Working with Philadelphia authorities, Aker has established an ultra-modern yard for building vessels for the promising US Jones Act market. The Jones Act requires all commercial vessels carrying goods between US harbors to be built in the United States.

As of early March 2009, Aker owns 50.3 percent of Aker Philadelphia Shipyard.

### Productivity gains

Major productivity gains have been hallmarks of the yard since the completion of its first commercial vessel, a container ship, in 2003. A second container ship required 42 percent fewer production hours to build. From the second to the third vessel, productivity increased by 22 percent, followed by a further 23 percent reduction in labor input for construction of the Philadelphia yard's fourth container ship in 2006.

A learning curve to be proud of is evident in today's product tanker production series. In the period 2007–2008, during which five product vessels were delivered, productivity increased 33 percent, as measured in production hours per vessel. That productivity leap surpassed the company's own target.

From January 2009 to March 2011, the yard will build an additional seven product tankers. Aker Philadelphia Shipyard's projects an EBITDA margin of six percent or more over the construction period, which ends in the first quarter of 2011.

### A leader in product tankers

Aker Philadelphia Shipyard has captured a leading position in building product tankers for the US Jones Act market. The adaptable design of the yard's Veteran MT-46 (46,000 deadweight ton) tankers allows for completion as shuttle tankers, chemical carriers, or product tankers.

Upon delivery, two of the vessels in the current newbuilding series will be the first in the US market to operate as shuttle tankers, carrying oil from Gulf of Mexico fields to refineries along the US coast.

Due to the downturn in the US economy, the market for newbuilding contracts has become more challenging, as is the case for international shipbuilding. Nevertheless, Aker Philadelphia Shipyard has a sizeable order backlog for 2009. The company is continuing its close cooperation with American Shipping Company regarding exercising options to build up to thirteen MT-46 vessels for delivery from 2011 and on. To ensure continued full yard employment for the long term, project work is underway for shuttle tankers, container ships, and other vessels.

Going forward, there is a great need for US Jones Act market newbuildings. The current fleet is aging with many vessels more than 20 years old. By year-end 2015, all tankers serving US ports must feature double hulls. Aker Philadelphia Shipyard is well positioned to capture some of this market.

| **Key figures Aker Philadelphia Shipyard** | | **2008** | 2007 | 2006 |
|---|---|---|---|---|
| Revenue | NOK million | **1 576** | 1 547 | 1 582 |
| EBITDA | NOK million | **90** | 76 | 63 |
| EBITDA margin | Per cent | **5.7** | 4.9 | 4.0 |
| Order backlog 31 December | NOK million | **3 493** | 4 062 | 4 082 |
| Order intake | NOK million | **-** | 2 020 | - |
| Number of employees 31 December | Manhours | **697** | 738 | 722 |

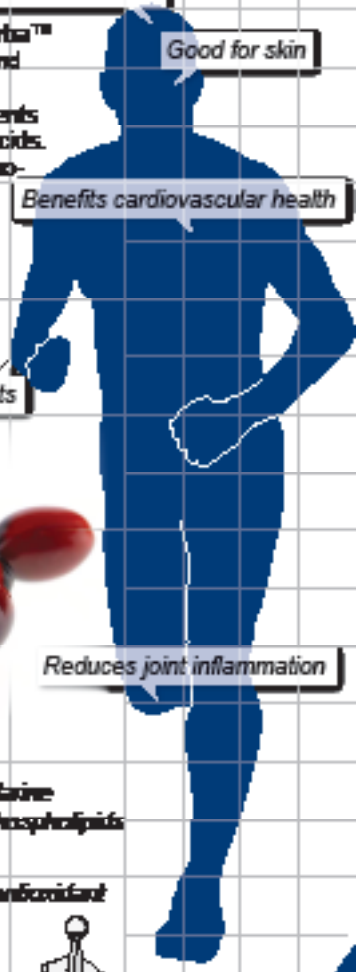
# Processing healthy ingredients

Controls entire value chain

## Strengthens the body's cells

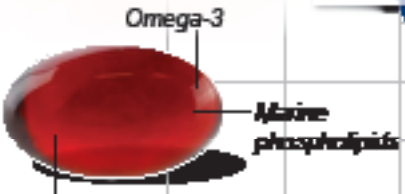
Superba™ Krill Oil and newly developed Superba™ krill concentrate provide a nutrient-rich boost and improve the body's metabolism of omega-3. A unique source – Superba™ dietary supplements are rich in phospholipid-bound omega-3 fatty acids. Intake of omega-3 phospholipids increases the elasticity of body cells and results in improved absorption of health-promoting, bioactive ingredients and better utilization of omega-3.

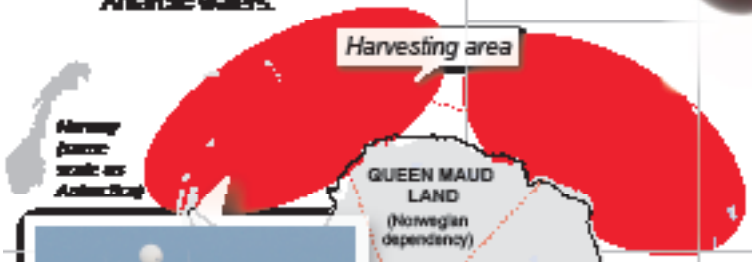

Superba™ Sold in health food stores.



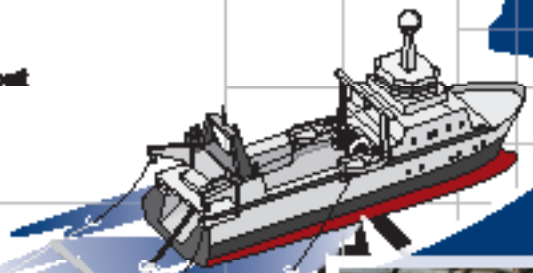

## Krill facts

Krill are small, shrimp-like crustaceans. Antarctic krill, which can grow to six centimeters in length and weigh two grams, live in large, dense "swarms" in Antarctic waters.

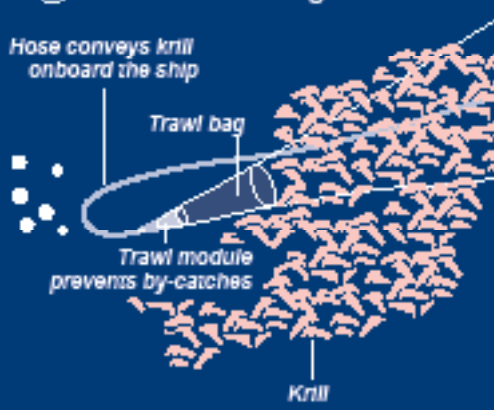






## Gentle harvesting method




EcoHarvesting technology, developed by Aker BioMarine, trawls continuously; a hose conveys live krill onboard for immediate processing. Trawl module prevents by-catches of fish, birds, or other marine animals.

**NUTRIENT-RICH**
Krill arrives onboard the vessel alive and intact. Krill meal is produced onboard the factory trawler.

Environmental label goal: Krill harvesting to be certified by the Marine Stewardship Council (MSC). Aker BioMarine cooperates with WWF Norway to ensure sustainable Antarctic krill harvesting.

*CEO Hallvard Muri*

## Measuring krill oil's effectiveness

Aker BioMarine has launched a new generation of omega-3 derived from Antarctic krill. And now, for the first time, consumers are able to monitor the effect of their Superba™ Krill Oil intake.

Superba™ Krill Oil consists of 100 percent pure krill oil harvested in Antarctic waters. In developing Superba™, Aker BioMarine has worked closely with Bioindex, a company that has developed a unique, self-administered test for measuring a person's omega-3 status.

A mail-in Bioindex sample card with blood from a finger prick drawn at home is processed at an advanced laboratory. The lab report indicates the individual's omega-3 index and the advisability of increasing the intake of omega-3 fatty acids.

Norway's skiing heroes from the 2009 world championship will also participate in tests to document the impact Superba Krill has on extremely fit sports stars' omega-3 levels. This is part of the partnership between The Norwegian Ski Federation and Aker BioMarine. The Norwegian men's cross-country teams (sprint and allround) compete for their sponsor, Superba.

***Superba™ Krill — a new generation of omega-3 supplement.***


# Focus on health-promoting krill

**Aker BioMarine continues to develop through a concerted focus on sustainable harvesting of krill and production of dietary supplement and health-promoting products. The company is experiencing strong and growing interest in its Superba™ Krill.**

Aker BioMarine combines expertise in deepwater fishing and harvesting with marine biotechnology. The company controls the entire value chain — from harvesting of krill in Antarctic waters to direct sales of dietary supplements to consumers in the United States.

Krill are shrimp-like crustaceans found in swarms with densities up to 30,000 per $m^3$ of seawater. This marine resource, which has generated myth and mysticism among generations of fishermen, is increasingly of interest to biologists, researchers, and health-conscious consumers.

Krill is recognized as a valuable resource and nature's best source of omega-3. However, the crustacean is more sensitive to handling than many other marine resources. In recent years, Aker BioMarine has overcome three long-standing obstacles by developing proprietary technology that provides sustainable harvesting, carefully preserves krill's key bioactive components, and efficiently produces valuable products for sale under the company's brand names.

As of early March 2009, Aker owns 82.9 percent of Aker BioMarine.

### Start-up company in growth

Aker BioMarine is a biotechnology company still in its development phase. In 2008, the company streamlined its organization and core expertise. Operations are now focused on dietary supplements under the Superba™ brand name and high-value Qrill™ krill meal for the worldwide aquaculture industry.

Key breakthroughs were achieved in 2008. The dietary supplement Superba™ Krill Oil was launched in Norwegian health food stores. The product, sold in capsule form, has already captured a strong market position among omega-3 products.

Also in 2008, Aker BioMarine achieved cost-effective production of a new dietary supplement that enables production of krill concentrate onboard the company's vessel, *Saga Sea*. The new product, Superba™ Krill Caps, will be sold directly to US consumers starting in 2009.

Qrill™ krill meal is a valuable product that offers superior nutrition and growth-promoting benefits compared with fishmeal, according to research findings. After removing the essential ingredients sold as dietary supplements, a nutritious krill meal is produced that is used as an aquaculture feed additive. Adding Qrill™ krill meal enables fish farmers to harvest fish earlier or achieve higher-weight fish for slaughter.

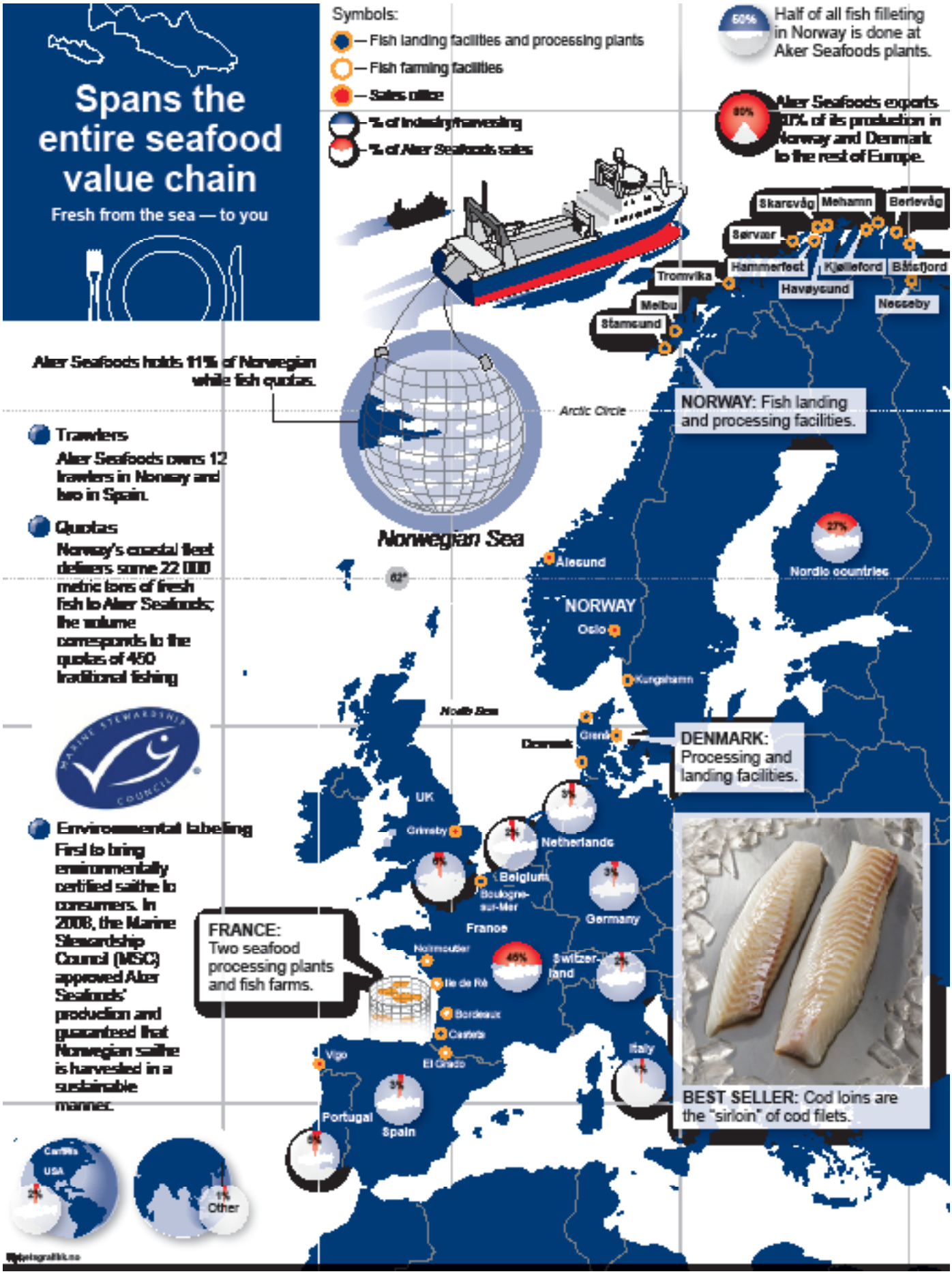
### International market growth

The trajectory by which profitable operations is reached depends on how quickly Aker BioMarine succeeds in selling its dietary supplements. Worldwide, the market for omega-3 products is growing 15–20 percent annually.

In 2009, Norway will be the targeted market for Superba™ Krill Oil; US consumers are the market for the krill concentrate, Superba™ Krill Caps. Work also continues on securing partnerships with select international distributors and conducting additional clinical studies.

Because Aker BioMarine is a challenger in the omega-3 market, research documenting our products' effectiveness is vital — showing prevention, delay, or amelioration of disorders and health-promoting benefits in specific disease categories, such as cardiovascular, brain, and joint health.

| **Key figures Aker BioMarine** | | **2008** | 2007 |
|---|---|---|---|
| Revenue | NOK million | **85** | 75 |
| EBITDA | NOK million | **-152** | -95 |
| EBIT | NOK million | **-187** | -147 |
| Profit befor tax | NOK million | **-263** | -159 |
| Number of employees 31 December | Manhours | **46** | 40 |


Spans the entire seafood value chain
Fresh from the sea — to you
Symbols:
— Fish landing facilities and processing plants
— Fish farming facilities
— Sales office
— % of industry harvesting
— % of Aker Seafoods sales
50%
Half of all fish filleting in Norway is done at Aker Seafoods plants.
80%
Aker Seafoods exports 87% of its production in Norway and Denmark to the rest of Europe.
Skarsvåg
Mehamn
Berlevåg
Sørvær
Hammerfest
Kjøllefjord
Båtsfjord
Tromvika
Havøysund
Nesseby
Melbu
Stamsund
Aker Seafoods holds 11% of Norwegian white fish quotas.
Arctic Circle
NORWAY: Fish landing and processing facilities.
Trawlers
Aker Seafoods owns 12 trawlers in Norway and two in Spain.
Quotas
Norway's coastal fleet delivers some 22 000 metric tons of fresh fish to Aker Seafoods; the volume corresponds to the quotas of 450 traditional fishing
Norwegian Sea
Ålesund
27%
Nordic countries
62°
NORWAY
Oslo
Kungshamn
North Sea
Denmark
Grenå
DENMARK: Processing and landing facilities.
MARINE STEWARDSHIP COUNCIL
Environmental labeling
First to bring environmentally certified saithe to consumers. In 2008, the Marine Stewardship Council (MSC) approved Aker Seafoods' production and guaranteed that Norwegian saithe is harvested in a sustainable manner.
UK
Grimsby
5%
2%
Netherlands
Belgium
Boulogne-sur-Mer
3%
Germany
France
FRANCE: Two seafood processing plants and fish farms.
Noirmoutier
46%
Switzerland
2%
Ile de Ré
Bordeaux
Castets
El Grado
Vigo
Italy
1%
3%
Portugal
Spain
5%
BEST SELLER: Cod loins are the "sirloin" of cod filets.
Canada
USA
2%
1%
Other

*CEO Yngve Myhre*

## Environmental success

Aker Seafoods was the first company to sell environmentally certified saithe in Norway. In 2008, seven of the company's processing facilities received Marine Stewardship Council (MSC) certification, which guarantees that Norwegian saithe is harvested sustainably and lawfully.

Environmentally responsible conduct, product traceability, and sustainable harvest practices are key concerns for European consumers and supermarket chains. Aker Seafoods will work intensively to build new traceability concepts together with key customers in near future. Environmentally labeled saithe has enabled Aker Seafoods to improve its product mix and margins.

MSC certification is a stamp of approval that consumers recognize. Aker Seafoods is a driving force for environmental labeling of haddock and cod products.

***Fresh fish to European markets 364 days a year.***

# More fresh fish to Europe

**Aker Seafoods has intensified restructuring its fleet and onshore processing facilities to achieve a better product mix and greater profitability. Increased sales of fresh fish and retail-packed seafood to European markets are key goals.**

Aker Seafoods spans the entire value chain — from harvesting cod, saithe, and haddock and processing high-value products, to sales to leading European supermarket chains. The company delivers fresh seafood products 364 days a year.

Control over the entire value chain, has made Aker Seafoods a fully integrated, leading European seafood company. As of early March 2009, Aker owns 64.9 percent of Aker Seafoods shares.

### Reinforcing each link

An action plan to strengthen Aker Seafoods' harvesting and production operations and improve its product mix has been implemented.

In Norway, Aker Seafoods holds licenses to harvest about 11 percent of overall white fish (cod, saithe, and haddock) quotas; the company processes more than half of all filets produced in Norway. Exports account for more than 80 percent of production.

Acquisitions in France and Spain in 2007–2008 reinforced Aker Seafoods' position in the European market. The investment in Spanish fisheries secured control of two Spanish trawlers and their fishing rights and a distribution channel for delivering salted, fresh, and frozen fish to one of Europe's largest seafood markets.

In France, Aker Seafoods' largest single market (generating 45 percent of company revenues), the company acquired processing facilities and farms trout and turbot. The acquisition has increased production capacity, distribution clout, and product portfolio diversity.

### Adaptation

In 2008, the Norwegian seafood industry was negatively affected by turbulence in currency and financial markets, regulatory requirements, declining prices on frozen fish, and increased imports of substitute products from China, New Zealand, and Vietnam — all factors that lowered fish and filets prices.

In response, value-chain-wide reorganizations and adaptations are underway, accompanied by sharper focus on fresh and retail-packed fish. More adaptable trawler fleet utilization and even tighter cooperation with the coastal fleet are required. Onshore facilities will increasingly specialize in fresh loins and filet production, retail-packed items, king crab, frozen fish, salted fish, and other niche products.

European customers demand first-class seafood. Cod, haddock, and saithe are abundant in Norwegian waters and are managed for long-term sustainability. WWF Norway rates as outstanding today's sustainable management of Barents Sea cod.

The resource situation is better than in a long time. The outlook is favorable, partly due to 2009 cod and haddock quotas that are more than 20 percent higher than in 2008. Recent trends of a stronger USD and euro relative to the Norwegian kroner also benefit company competitiveness, while lower oil prices reduce fleet costs.

| **Key figures Aker Seafoods** | | **2008** | 2007 | 2006 |
|---|---|---|---|---|
| Revenue | NOK million | **2 719** | 2 230 | 2 120 |
| EBITDA | NOK million | **144** | 178 | 195 |
| EBITDA margin | Per cent | **5.3** | 8.0 | 9.3 |
| EBIT | NOK million | **24** | 102 | 152 |
| Profit before tax | NOK million | **-126** | 20 | 104 |
| Number of employees 31 December | Manhours | **1 676** | 1 324 | 1 167 |

# Specialized and focused on $CO_2$ capture

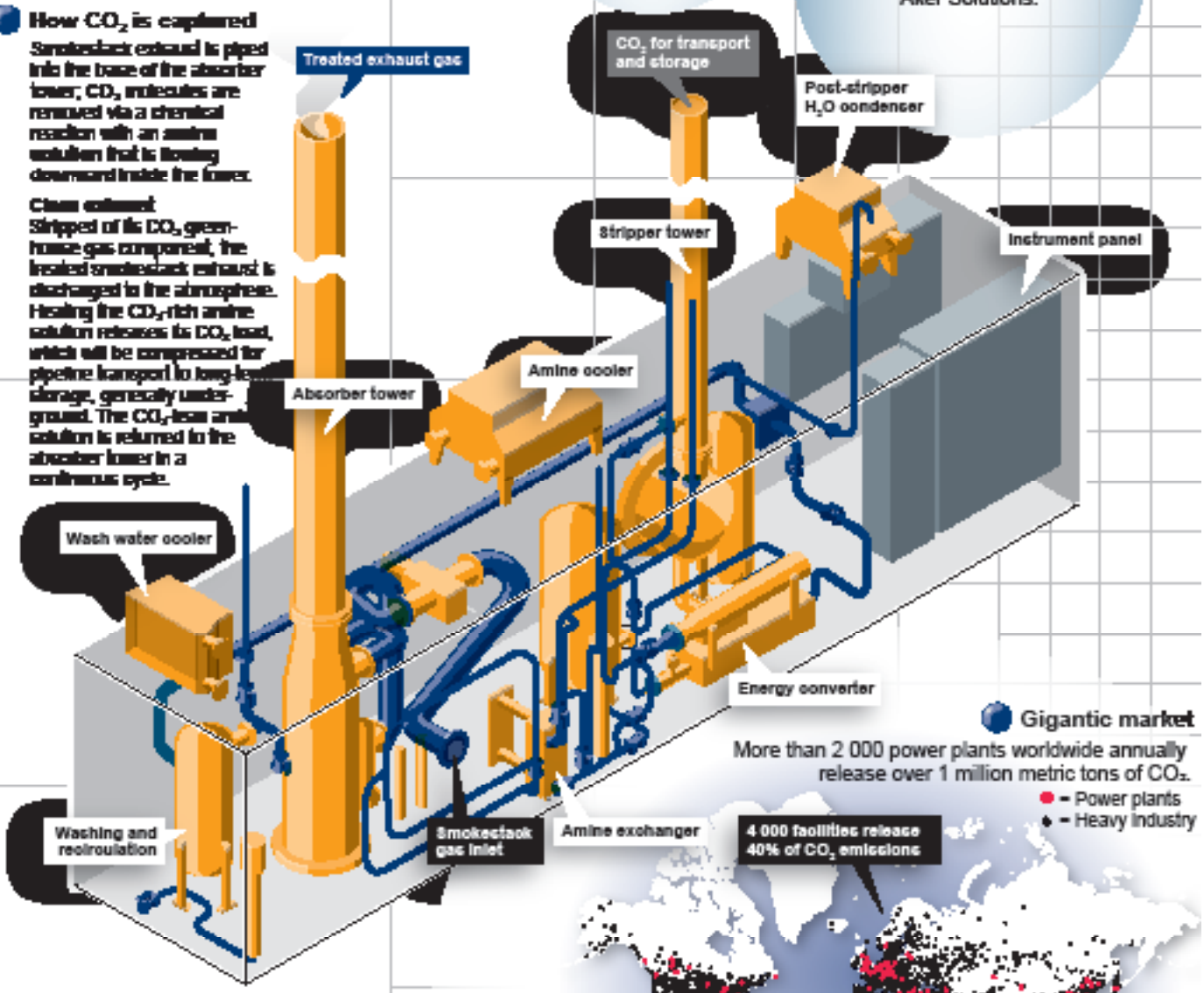
Large and growing market

- Tests in-house-developed amine solutions using Aker Clean Carbon's unique testing facility.
- Leads SOLVit - one of the largest R&D programs, in cooperation with SINTEF and NTNU research centers.
- Competes in global market for full-scale $CO_2$ capture facilities for coal and gas-fired power plants.
- Has 18 years' experience in $CO_2$ technology.
- Builds world's largest industrial test facility at Mongstad, Norway, in partnership with Aker Solutions.

## How $CO_2$ is captured

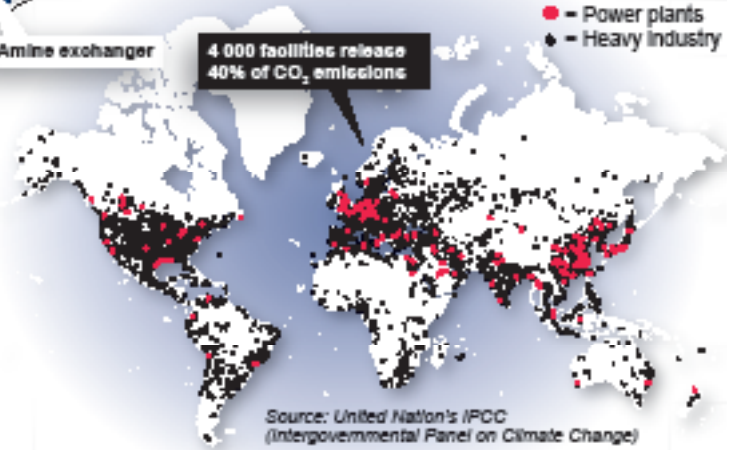
Smokestack exhaust is piped into the base of the absorber tower; $CO_2$ molecules are removed via a chemical reaction with an amine solution that is flowing downward inside the tower.

**Clean exhaust**
Stripped of its $CO_2$ greenhouse gas component, the treated smokestack exhaust is discharged to the atmosphere. Heating the $CO_2$-rich amine solution releases its $CO_2$ load, which will be compressed for pipeline transport to long-term storage, generally underground. The $CO_2$-lean amine solution is returned to the absorber tower in a continuous cycle.




## Gigantic market

More than 2 000 power plants worldwide annually release over 1 million metric tons of $CO_2$.




*Source: United Nation's IPCC (Intergovernmental Panel on Climate Change)*

## Mobile carbon capture unit

Aker Clean Carbon's mobile $CO_2$ capture unit tests and improves technology using exhaust gas from operating power plants.

*CEO Jan Roger Bjerkestrand*

## Crown Prince opens $CO_2$ capture unit

His Royal Highness Crown Prince Haakon of Norway officially opened Aker Clean Carbon's mobile carbon-capture facility at Risavika Gassenter in Rogaland County on 16 October 2008. The test unit marks a milestone in the development of technology to reduce climate-gas emissions.

Norway's first carbon-capture unit is a test facility that will provide Aker Clean Carbon with valuable new insights into processes and technology vital to building full-scale capture facilities. The container-mounted mobile unit measures approximately 12 X 3 X 2.4 meters.

Sophisticated yet compact, the mobile unit is easily reinstalled to test capture processes at various fossil-fuel-fired power plants. Aker Solutions built the unit in Verdal, Norway.

***Compact, mobile $CO_2$ capture facility.***

# Solving a climate challenge

**In competition with international players, Aker Clean Carbon was awarded as a supplier to the European $CO_2$ Technology Centre Mongstad, Norway. The contract is an important recognition of the company's carbon-capture capabilities.**

Aker Clean Carbon develops technology and solutions that remove carbon dioxide from flue gases, thus drastically reducing climate-gas emissions from gas- and coal-fired power plants and other industrial sources. The technology company has built a novel test unit — a mobile $CO_2$ capture facility — that provides unique on-stream access to operational data and verification of process improvements.

In partnership with Aker Solutions, Aker Clean Carbon intends to become a major supplier of technology and complete carbon-capture facilities worldwide.

As of early March 2009, Aker owns 70 percent of Aker Clean Carbon; Aker Solutions owns 30 percent.

### Streamlined targeting

Since 1991, Aker has been developing technology that reduces technical and financial risk associated with building $CO_2$ capture facilities for power plants burning fossil fuels. Aker Clean Carbon took over the project in 2007. To date, some NOK 300 million have been invested in capture technology; about 160 Aker Solutions engineers are working on efficient construction methods and execution models.

The purpose is to make carbon capture a financially and environmentally attractive option — to make it cheaper to clean up than to pollute.

Aker Clean Carbon and researchers at SINTEF and NTNU are jointly developing more cost-effective $CO_2$ capture technology under the eight-year SOLVit program budgeted at NOK 317 million. Phase I funding of NOK 34 million will be granted by Gassnova, the Norwegian government's carbon management enterprise; the Norwegian Research Council will provide an additional NOK 26 million.

### Key breakthroughs

In 2008, Aker Clean Carbon achieved major market breakthroughs, particularly Gassnova's selection as technology supplier to the European $CO_2$ Technology Centre Mongstad — a first step toward full-scale carbon capture at the facility.

The company also received a strategically important contract for technical pre-studies for the planned $CO_2$ capture facility at Kårstø, Norway, anchoring it among four companies qualified to build a full-scale facility at the site's gas-fired power plant.

In the UK, Aker Clean Carbon has been pre-qualified in the competition to build the first full-scale $CO_2$ capture facility for coal-fired power plants — in partnership with energy companies ScottishPower and Marathon Oil.

Prestige projects will attract global attention to Norway's leading position in carbon capture. This major emerging market is driven by the resolve to ameliorate climate change. Aker Clean Carbon's $CO_2$ capture units can be retrofitted to existing gas- and coal-fired power plants.

Ten to twelve $CO_2$ capture facilities are to be funded under the current EU climate package, and plans are to build at least five such facilities in the USA. In a few decades, building carbon-management plants may be comparable to today's oil-platform construction.

| **Key figures Aker Clean Carbon** | | **2008** |
|---|---|---|
| Revenue | NOK million | **8** |
| EBITDA | NOK million | **-32** |
| EBIT | NOK million | **-44** |
| Profit before tax | NOK million | **-44** |
| Number of employees 31 December | Manhours | **12** |

# Strategic and financial ownership

Investments in know-how

GENESIS

Genesis Petroleum Corporation, a UK oil and gas exploration company, holds licenses on the Norwegian and UK continental shelf.

Bjørge

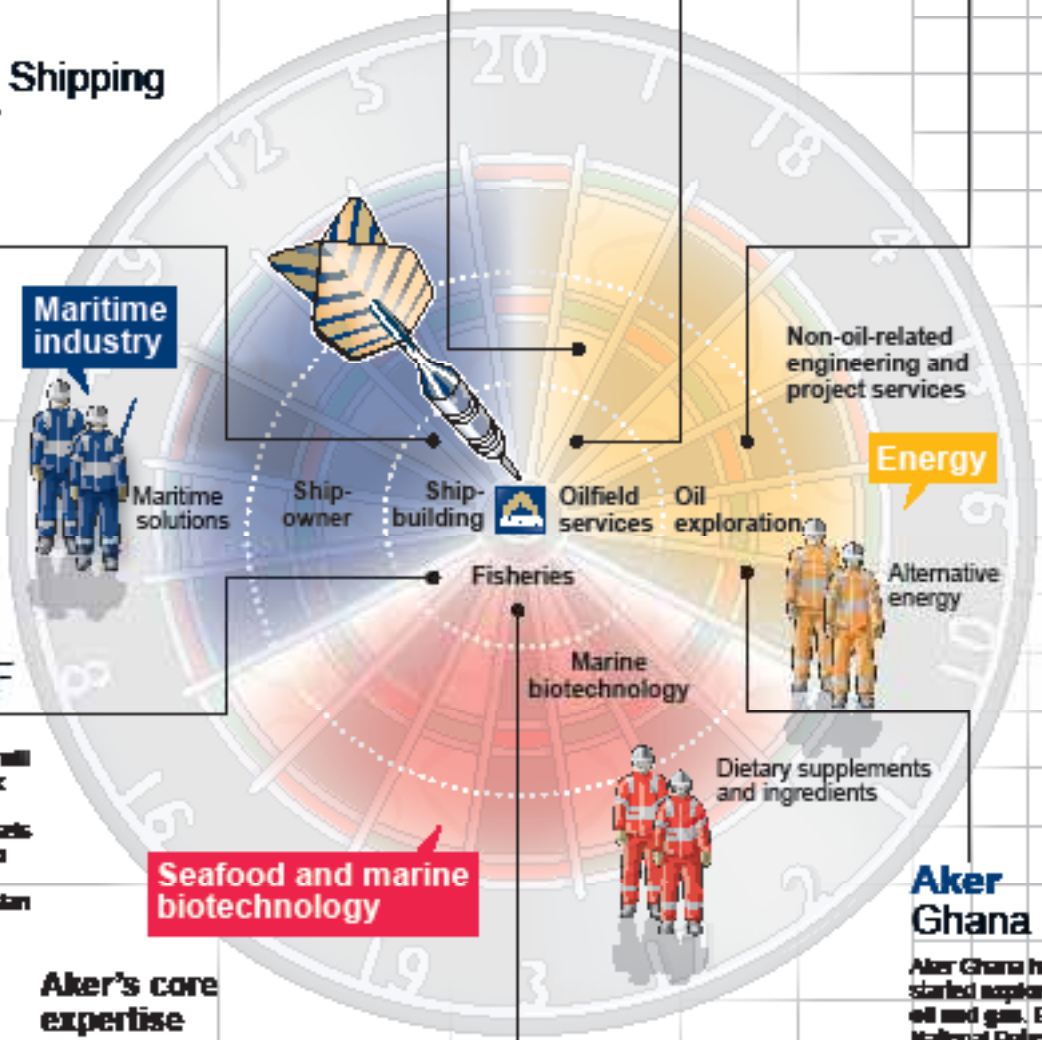
The technology company Bjørge, delivers products and systems along with project and maintenance services to the oil and gas industry, land-based facilities, and maritime operations.

ODIM

Automated handling systems for offshore applications include [illegible] towing systems for external vessels and cable and anchor-handling equipment for supply vessels.

## American Shipping Company

Building the leading US fleet owner of product and shuttle tankers. The Oil Pollution Act of 1990 requires all tank ships operating in US waters to feature double hulls by 2015.




## Aker DOF Supply

Aker DOF Supply will own a series of six anchor-handling vessels. The vessels will be marketed to customers in the rapidly growing Asian market.

## Aker's core expertise

## Aker Ghana

Aker Ghana has started exploring for oil and gas. Ghana National Petroleum Corporation and the country's government selected Aker as operator for the promising deepwater exploration area South Deepwater Tano.

Aker OceanHarvest

Fisheries operations in Argentina and Faeroe Islands; main product is surimi from blue whiting.

At the Faeroe Islands, the company owns the trawler Nyvaberg.

The surimi trawler Caverton del Atlantico harvests southern blue whiting and hoki in Argentine fisheries. The long-line vessel Arcancio III fishes Chilean sea bass.

# An eye for expertise

**Aker invests in sectors and businesses in which the company possesses know-how, state-of-the-art expertise, and experience. This policy also applies to Aker's key investments, which are not structured as active ownership in Aker companies.**

## Exploring for oil offshore Ghana

In November 2008, Aker was awarded a deepwater oil and gas exploration area in the Gulf of Guinea. The seismic surveys of the area in late January 2009.

The exploration area South Deepwater Tano is centrally located in a promising oil province off the coast of west Africa. The commercial potential of Ghana's continental shelf has been demonstrated by the Jubilee field, one of the largest offshore oil fields discovered in the past five years. South Deepwater Tano, which shares much of the promising geology found at Jubilee, is located further offshore in the Gulf of Guinea and at greater water depths than Jubilee.

Aker is in the driver's seat regarding exploration and development of South Deepwater Tano. Ownership interests for the exploration phase at South Deepwater Tano are: Aker, 85 percent; Ghana National Petroleum Corporation (GNPC) and the Ghanaian government together own 10 percent; and Aker's local partner Chemu Power Ltd. holds a five percent stake.

Drilling the first South Deepwater Tano exploration well is planned for 2011. Excellent prospects for various Aker companies might follow.

*Aker Ghana Ltd. has been awarded a promising offshore area.*


Aker's key investments are strategic or financial engagements directed at Aker's core strengths: products, technologies, integrated solutions, and expertise in energy and maritime industries, fishery/marine biotech, and asset management.

Aker owns shares in several stock-exchange-listed companies and in businesses that offer development potential or that are ripe for restructuring. Our largest strategic holding is in the exchange-listed oil services companies Odim, Bjørge, and Genesis Petroleum Corporation. Aker's largest financial exposure is in the shipowning firm, American Shipping Company.

### Leading niche companies

As of early March 2009, Aker is the largest shareholder in both Odim (34.7 percent) and Bjørge (39.9 percent). Odim is a supplier of complete, automated handling systems for select niches in the international offshore and marine market.

Technology company Bjørge delivers products as well as project and maintenance services to the oil and gas industry, land-based facilities, and maritime operations. The wholly owned Aker company Midsund Bruk is a leader in niche areas in oil, gas, process, and maritime products.

In the UK, Aker has a strategic outpost and board membership via a 29.4 percent shareholding in Genesis Petroleum Corporation. The exploration company, which is listed on the London Stock Exchange, holds licenses on the UK and Norwegian continental shelf.

In the west African country Ghana, Aker has been appointed operator for a large and promising deepwater exploration field. Aker Ghana plans to develop the business with of one or more strategic co-owners.

### Goal-oriented targeting

In 2008, Aker acquired the vessel *Antarctic Navigator* and all shares in the fisheries company Aker Ocean Harvest. The business activities were acquired from Aker BioMarine for NOK 750 million.

The acquisitions exemplify Aker's decisive ownership: Aker BioMarine is focused solely on Antarctic krill, while Aker works to make the investments in the vessel and fisheries operations in Argentina and the Faeroe Islands profitable.

Aker Ocean Harvest owns the surimi trawler *Centurion del Atlantico*; this ship harvests Southern blue whiting and hoki in Argentinean fisheries. The long-line vessel *Antarctic III* harvests Chilean sea bass. At the Faeroe Islands, the company owns the vessel *Næraberg*.

The *Antarctic Navigator* can be modified for a variety of purposes. Aker also owns the seismic survey vessel *Geco Triton*, currently under charter.

### Financial investments

Aker owns 20 percent of the shares in Sea Launch, a company that launches commercial communications satellites from a converted drilling platform in the Pacific Ocean.

In 2008, Aker reduced its ownership interest in American Shipping Company to 19.9 percent. Nevertheless, Aker still has financial exposure due to financial instruments corresponding to the share-price risk on 53.3 percent of American Shipping Company shares. The shipowner is building a leading position in the US market for product tankers.

Aker has a 50 percent (financial) ownership in Aker DOF Supply, a specialized shipowner. Aker DOF Supply has a series of anchor-handling vessels under construction in Vietnam for delivery in 2010–2012. The vessels meet stringent North Sea specifications and can compete for the best-paying jobs in all offshore markets.

Additional information about other investments is found in notes to the accounts on page 72.

# Demonstrating corporate responsibility

**Aker ASA's overriding concern is to create value via its ownership of well-run businesses that provide products and services in an environmentally sound, ethical, and socially responsible manner.**

*At Aker ASA, active ownership means taking responsibility — which includes demonstrating concern for the communities that are home to Aker companies, their employees, and businesses operations. Through appropriate attitudes and actions — founded on Aker's values — employees build trust and strengthen relations with society at large and the company's various stakeholders.*

The way in which we achieve growth and profitability is as important as the achievements themselves.

Via constant awareness and responsive actions, Aker instills confidence among employees, investors, customers, suppliers, cooperation partners, and the communities of which we are a part (see box).

At Aker ASA, active ownership means taking responsibility — which includes showing concern for the communities in which Aker companies operate. Aker is a significant shareholder in numerous companies. Each business that is called an Aker company has an Aker representative as chairman of the board of directors and a second Aker representative that holds a board membership. Our ownership gives Aker a great deal of influence — and the ability to develop companies that become cornerstone businesses in communities around the world.

Aker's contribution to society is developing, and running profitable businesses that create value. Our businesses and investments contribute to long-term economic, environmental, and social development.

## How we monitor ourselves

Each Aker company's board of directors sets guidelines for corporate social responsibility and monitors compliance with guidelines for responsible, ethical, and sound business conduct. Aker's board and the boards of Aker companies continuously evaluate how business activities affect society — above and beyond the fundamental condition that all laws and regulations must be adhered to.

All Aker companies are committed to adhering to guidelines that ensure sound, ethical business conduct and responsible corporate citizenship. Aker companies' ethical guidelines delineate responsible conduct without being exhaustive. Employees are expected to use caution and sound judgment in their daily work.

## International standards

Aker's corporate culture and the corporate values shared by Aker companies are founded on sound business conduct, honesty, and respect for all people. Other strong influences are internationally promulgated standards and guidelines such as the UN's Global Compact, the Global Reporting Initiative™ (GRI), and OECD's guidelines. The following four guidelines summarize Aker's corporate social responsibility policy.

- **People:** A competent, motivated workforce, working towards common goals, is key. Diversity with regard to culture, religion, and ethnicity makes us stronger and more adaptive. We help each employee reach his or her full potential — and take personal responsibility for health, safety, and the environment. Cooperation, quality-consciousness, and mutual respect further Aker's commitment to protect individual rights and the interests of the company's stakeholders, our local communities, and the environment.

- **Environment:** We work systematically to reduce emissions and minimize environmental stress — at Aker workplaces and in our products and services. The greatest long-term service we can perform for the environment is to develop and deliver technologies, products, and solutions that are consistent with sustainable development.

- **Integrity:** Success at Aker depends on a reliable, well-functioning business climate. Our six core values help ensure integrity and adherence to high ethical standards. Potential ethical dilemmas are discussed in regularly occurring forums, sharpening awareness of our guidelines and generating improvements. Aker is continually building a culture that values honesty, openness, and transparency.

- **Society:** Through profitable investments, Aker establishes good relations with the communities in which we operate. We want to be a good neighbor. Several Aker companies in Norway and worldwide are cornerstone employers and influential constituents of local societies. Our focus on health, safety, and environmentally responsible technologies also benefits society at large.

The way in which we achieve growth and profitability is as important as the achievements themselves.

# Active dialogue brings progress

**Aker thrives on challenges — and dialogues with social activists and NGOs. Aker and Aker BioMarine work with WWF Norway to promote sustainable krill harvesting in Antarctic waters.**

Ever since Aker BioMarine was established, emphasis has been on building competitive advantages based on adherence to the strictest environmental and sustainable development standards. Independent inspectors from the treaty-based Antarctic organization CCAMLR are on board Aker BioMarine's factory trawler.

The cooperative agreement with WWF Norway has been expanded for the period 2009 through 2011 to promote environmental labeling and traceability across the fisheries value chain, from harvesting through sale to consumers.

Each package of Aker BioMarine's Superba™ Krill dietary supplement is labeled with traceability data that includes the vessel's name and its position when the krill was harvested. Traceability is an example of adherence to stringent environmental standards, an aspect of corporate responsibility that provides competitive advantages and fosters new commercial opportunities.

## Our commitment

**Aker makes the following commitments to its customers, shareholders, employees, and the communities in which we operate.**

**Our customers can expect**

- Outstanding health, safety, and environmental performance
- To be listened to and understood
- Competitive, on-time quality deliveries
- An open, long-term and mutually beneficial relationship
- High ethical standards and integrity

**Our shareholders can expect**

- To be part of an active and value-creating ownership, full of energy and determination
- Positive, long-term share-price growth
- A decisive management that closely supervises business activities, delivers solid profits, and inspires confidence
- Transparency — accurate, consistent, and timely presentation of financial and other relevant information
- Sound corporate governance

**Our employees can expect**

- A safe and inspiring working environment
- Challenging work assignments and opportunities for growth
- A working environment in which diversity is appreciated
- Competitive compensation, relative to the markets in which they work
- To be treated fairly and with respect

**The communities in which we operate can expect**

- Local and regional value creation
- Respect for its inhabitants, laws, and culture
- Value-adding relationships with local partners, subcontractors, and suppliers
- Socially responsible business conduct, integrity, and high ethical standards
- Openness — an open agenda, transparency, and reliability

# Taking personal responsibility for HSE

**One dangerous incident is one too many. Aker's guiding principle is that all accidents are preventable.**

Taking personal responsibility for health, safety, and the environment (HSE) is a core value among Aker companies that commits each and every employee to promote better HSE performance through his or her daily actions.

Attention to health, safety, and the environment — and profitability — are two sides of the same coin. Excellent HSE performance is fundamental for long-term value creation. Outstanding HSE conditions secure competitive advantages, desirable workplaces, and sustained profitability.

This focus on HSE factors powers continuous efforts to stop incidents that can injure people, damage property, harm the environment, or tarnish our reputation.

## Ambitious goals

Aker's HSE culture is driven by ambitious goals, decisive action, and individual commitment — taking personal responsibility for HSE and demonstrating concern for people, the environment, and the company's stakeholders.

Our overarching goal is zero undesirable incidents that can harm people, the environment, operating equipment, or property. Although serious accidents regrettably do occur, we refuse to compromise on our HSE zero tolerance goals.

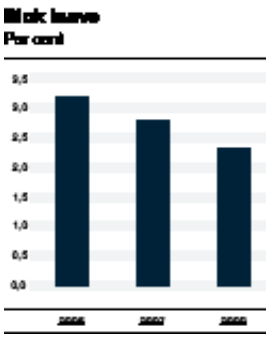
Risk increases considerably when employees' working procedures, safety equipment, or respect for HSE matters do not comply with the strictest standards. Accordingly, information about HSE factors is treated as a top priority in meetings, and backed up by managerial action.

## Driving improvement

Aker managers drive HSE improvements — and they are regularly assessed as to their demonstrated HSE leadership. Everyone reporting HSE observations, regular follow-up of HSE issues, and the sharing of experience across Aker companies, helps to ensure the appropriate focus on HSE, along with quicker achievement of further improvements.

An open attitude about HSE performance, dangerous conditions, health hazards, accidents, and near-accidents increases our chances of reaching our HSE goals and helps foster constant improvement. Building an even stronger HSE culture at Aker is a responsibility we all share.

*Zero tolerance: Each Aker employee is responsible for bringing us closer to the goal of zero injuries, harm to the environment, or damage to equipment and property.*



*Aker's heritage and future are people with an ability and willingness to innovate.*

# Driving performance

**Aker ASA's achievements and profitability are generated by our people, who are willing to take on challenges and deliver solutions.**

Teamwork, know-how, and skills are the driving forces for enhanced performance and continual business development. Aker's corporate values guide the development of our people and the company.

### Leadership

Aker share a common approach to building managerial excellence. We emphasize clear expectations as to performance, individual responsibility, goal follow-up, and comprehensive feedback. Managers are rewarded for their achievements — and for adherence to the company's values in their work and interactions with staff, subcontractors, and customers.

Systematic appraisals of each manager's performance provide snapshots of how the company is run. The performance appraisal process also provides a platform for comparison across organizational levels, industry benchmarks, and best practices. Moreover, performance reviews provide fine-tuned guidance that hones individuals' capabilities. This interactive process also ensures that Aker assigns the right person to the right job. Recruitment of managerial talent ready to tackle new and more complex tasks is also a priority.

### Our commitment

All Aker companies share a commitment to their employees: to establish a working environment that is safe, tolerant, and fair. Employees are given challenging assignments and ample opportunities for development and growth.

Continuous employee development is vital to Aker's competitiveness. The power of the company's collective know-how reinforces customer confidence and enhances our ability to win new contracts and execute them profitably.

Aker facilitates staff rotation among Aker companies. Broader job experience fosters career growth and helps instill a unified culture of achievement among Aker companies.

Teamwork, know-how, and individual dedication spur new levels of performance

# Aker remains solid despite challenging market

**Aker enters 2009 with a solid balance sheet. The equity ratio of the parent company and its wholly owned holding companies is 88 percent. Gross debt to non-group lenders was approximately NOK 1 billion, while net-interest-bearing receivables amounted to NOK 8.6 billion.**

The 2008 profit and loss account and balance sheet show the effects of the stock-market decline and consequent major write-downs in share value, along with the company's priority of contributing to the development of its subsidiaries through capital infusions and other means.

The Board of Directors will propose to Aker's 2 April 2009 annual shareholders' meeting that a dividend of NOK 5 per share be paid for the 2008 accounting year.

At year-end 2008, Aker wrote down the book value of its exchange-listed assets by NOK 5.6 billion. The write-down resulted in a pre-tax loss for 2008 of NOK 4.8 billion for Aker ASA and the companies in its holding structure, compared with a pre-tax profit of NOK 12.7 billion for 2007. The 2007 figure included significant gains on the sale of Aker Yards and Aker Holding shares.

Value-adjusted equity (net asset value) as of 31 December 2008 amounted to NOK 18.5 billion, compared with NOK 33.3 billion at year-end 2007. The dividend proposed by the Board constitutes approximately two percent of net asset value and accords with the company's current dividend policy. In determining the proposal, the Board has balanced shareholders' short-term returns and Aker's commitment to long-term industrial development and growth.

Aker's balance sheet is strong, but several subsidiaries have required more capital than expected. Many of these are in a start-up phase requiring major investments. With a financial market in crisis, Aker has chosen to place needed capital at the disposal of its subsidiaries via loans and other means.

As of 31 December 2008, Aker ASA and its holding companies had more than NOK 5 billion in such outstanding receivables. The figure will increase during the first half of 2009.

A large proportion of Aker's aforementioned industrial engagements are in subsidiaries with rigs, vessels, or facilities for which they have secured, or are expected to secure, long-term contracts with financially sound customers. In 2009 and 2010, these companies are expected to enter ordinary operations with positive cash flows.

## Outlook

As anticipated, the ongoing financial crisis has generated major uncertainty concerning worldwide economic growth projections. The stock market is already strongly affected, and the situation impacts the value of Aker's listed assets.

The financial crisis affects business operations at all levels, including demand for the products, technologies, and services delivered by Aker companies. However, it does not significantly alter long-term projections. There remains a broad-based consensus regarding the need to meet increased demand worldwide for energy and food. In the shorter term, however, Aker companies will be affected, to varying degrees, by their customers' diminished willingness to invest and declining purchasing power.

## Business operations

Aker's corporate mission is to create lasting value for shareholders and other stakeholders by building first-rate companies in industrial sectors in which we possess a great deal of know-how and the ability to execute. Aker establishes new companies and develops them through active ownership. When development of a company has progressed to the appropriate stage, Aker will invite outside investors to join as co-owners — or facilitate transferring ownership to new owners.

Aker ASA is Aker's parent company, and is based in Norway. Aker comprises several dozen wholly and partly owned operating companies and a number of industrial and financial ownership interests with activities worldwide. The activities of Aker companies, which are primarily concentrated in the energy, maritime, and marine industries, are described in greater detail in the section Main companies and key figures below.

Total 2008 revenues of the aforementioned Aker companies amounted to NOK 65 billion. As of 31 December 2008, these companies had an aggregate workforce of 37 200, of whom 26 600 were company employees.

Technology, know-how, and experience are key pillars of Aker's industrial activities. The development and application of new technologies and working methods provide an important competitive edge. Most of Aker companies' research, development, and innovation takes place as part of contracted projects, in close cooperation with customers such as shipowners and oil companies.

## Key events in 2008 and thus far in 2009

### *New Board Chairman and President and CEO*

In November 2008, Leif-Arne Langøy asked to step down as Aker ASA Board Chairman and President and CEO due to a long-term health issue. An extraordinary shareholders' meeting in December elected Aker's main shareholder Kjell Inge Røkke as the new Board Chairman. The same day, Øyvind Eriksen was appointed as the new President and CEO and General Manager.

The Board is very grateful for Mr. Langøy's years of work for the group, and appreciates that he will continue to serve the company through various appointments, including as an Aker ASA Board member.

### *Increased Aker Drilling exposure*

In the first quarter of 2008, Aker increased its ownership interest in Aker Drilling from 44.97 percent to 90.55 percent. Subsequently, Aker decided to acquire and redeem the remaining Aker Drilling shares. These transactions totaled about NOK 2 billion.

Aker Drilling owns two drilling rigs that have been under construction at Aker Solutions. Both rigs are chartered under long-term contracts; according to original schedules, the rigs should have been completed and have entered operations in 2008. However, work on the rigs has taken longer and become more comprehensive than was at first anticipated. Aker Solutions has covered some of the additional costs, but Aker Drilling has also suffered additional costs and a delay of rig revenues.

Thus far, Aker Drilling's need for additional financing has been covered by Aker ASA through loans. At year-end 2008, Aker ASA's interest-bearing receivables from Aker Drilling amounted to some NOK 1.5 billion. This amount will increase by just over USD 260 million until the company's two advanced semi-submersible drilling rigs are deployed and drilling later in 2009.

For Aker ASA, the profitability of the rig projects has weakened due to increased costs and delayed revenues. These effects are partly offset by favorable interest rates and currency positions. Once the rigs enter operations in 2009, positive cash flows and low Aker Drilling debt to non-group lenders will generate solid returns on Aker's investment.

### *Capital infusion to Aker BioMarine*

In the third quarter of 2008, Aker BioMarine decided to focus its operations more narrowly on harvesting and processing Antarctic krill. Consequently, the fisheries operations in Argentina and the Faeroe Islands were spun off into a separate company, Aker Ocean Harvest. The shares in Aker Ocean Harvest were initially offered to all Aker BioMarine shareholders but only a few accepted the offer, so Aker BioMarine sold all Aker Ocean Harvest shares to Aker ASA, which had guaranteed the transaction. Aker BioMarine also sold its trawler Atlantic Navigator to Aker.

With these transactions, Aker has provided NOK 1.2 billion in capital to Aker BioMarine. The transactions were partly settled through a seller's credit and by Aker assuming the in-

volved companies' debt to non-group lenders. Aker has thus helped ensure that Aker BioMarine does not need additional capital to realize its current plans.

***Shipbuilding in the USA***

As previously announced, Aker reduced its ownership interest in the shipowning company American Shipping Company (formerly Aker American Shipping) in the summer of 2008, from 53.2 percent to 19.9 percent. Associated with the share sale, a total return swap agreement was entered into that results in Aker retaining financial exposure to share-price developments on the shares that were sold. However, Aker is no longer a controlling or industrial owner of American Shipping Company.

Aker, though, has maintained its ownership involvement in Aker Philadelphia Shipyard, a yard that builds product and shuttle tankers for American Shipping Company. Construction of the tankers, which are of 46 000 deadweight ton capacity, is progressing according to schedule, and the yard is in discussions with its customer to ensure that the building program will be fully financed.

***Carbon capture begun***

Aker has passed several milestones in its efforts to develop carbon-capture technology that removes carbon dioxide from the flue gas emitted by coal- and gas-fired power plants. Aker Clean Carbon's unique mobile CO2 capture facility began operations in the fall of 2008. In the first quarter of 2009, the company was awarded a contract for building parts of the first carbon-capture facility in Norway.

Aker Clean Carbon is also participating in the competition to build one of the UK's first large-scale CO2 capture facilities for coal-fired power plants. The contract is scheduled to be awarded in 2009.

***License owner and operator in Ghana***

In the third quarter of 2008, Aker was selected operator of a deepwater exploration license area off the coast of Ghana. Seismic surveys of the area began in early 2009. Aker is considering inviting additional parties to join as project partners.

If Aker is successful in identifying commercially viable petroleum resources in the license area, it will be able to contribute to Ghana's energy self-sufficiency and Aker companies may be able to play key roles in boosting local industry and increasing local value creation.

**Key figures for Aker ASA and holding companies**

In 2008, Aker ASA including the companies in its holding company structure had operating revenues of NOK 346 million. Sales gains are due to Aker Oilfield Services and American Shipping Company share transactions. For comparison, total sales gains in 2007 amounted to NOK 11 740 million, largely generated by the sale of Aker Holding and Aker Yards shares.

The parent company Aker ASA gradually increased staffing and activity levels throughout 2008. Accordingly, its operating expenses rose from NOK 151 million in 2007 to NOK 192 million in 2008.

The year-end 2008 write-downs of exchange-listed shares resulted in an accounting loss of NOK 5 586 million. The 2008 profit and loss account for Aker ASA and its wholly owned holding companies shows a net profit for the year of minus NOK 5 095 million.

The balance sheet of the parent company Aker ASA and its holding companies expresses the holding companies' total liquidity, receivables, and liabilities of the exchange-listed companies and other operating companies in the group.

The write-down of exchange-listed shares at year-end 2008 reduced the book value of investments to NOK 8.7 billion. Nevertheless, the balance sheet remains strong. The equity ratio was 88 percent as of 31 December 2008, and net interest-bearing receivables amounted to NOK 8.6 billion.

In a time when financing has become more difficult to acquire, Aker has opted to continue to contribute to the financing of its subsidiaries through loans. This extension of resources appears on the balance sheet as an increase in interest-bearing fixed assets and a reduction in cash and cash equivalents. A significant amount of such receivables is associated with Aker Drilling.

Interest-bearing debt amounted to NOK 1.6 billion as of 31 December 2008. Of this amount, debt to non-group lenders amounted to about NOK 1 billion. Debt to non-group lenders was reduced by 50 percent in 2008.

**The parent company Aker ASA**

The parent company Aker ASA excluding its holding companies, had a 2008 profit of minus NOK 8 159 million. At the annual shareholders' meeting, the Board will propose that a per-share dividend of NOK 5 be paid for the 2008 accounting year. The proposed dividend disbursement amounts to NOK 362 million. An allocation from Other equity is proposed to cover the loss for the year.

A large proportion of Aker's financial exposure is in subsidiaries with rigs, vessels, or facilities that that have secured, or are expected to secure, long-term contracts with financially sound customers. In 2009 and 2010, these companies will begin ordinary operations with positive cash flows.

Pursuant to section 3-3a of the Norwegian accounting act, the Board confirms that the 2008 annual accounts have been prepared based on the assumption that Aker is a going concern.

**Group profit**

The Aker group's consolidated accounts are considerably affected by the start-up companies under development. In line with existing plans, operating revenues in this period are lower than operating expenses; EBITDA amounted to minus NOK 881 million.

The following main companies are consolidated in the Aker group accounts: Aker Drilling, Aker Floating Production, Aker Exploration, Aker Philadelphia Shipyard, Aker BioMarine, and Aker Seafoods. Aker Solutions is not consolidated; however, it is included under Share of profit from associated companies, along with companies such as Bjørge, Aker Oilfield Services, and Odim.

Net financial items include minus NOK 244 million in currency effects (which have no cash effect) associated with Aker Drilling and a NOK 188 million write-down of Næraberg receivables in the third quarter of 2008. NOK 553 million was expensed in 2008 as a consequence of the American Shipping Company total return swap agreement.

Net profit from continued operations includes Aker's share of profit from associated companies, mainly the Aker group's proportionate share of Aker Solutions' after-tax profit and minority interests.

American Shipping Company has been reclassified as a discontinued operation. Profit from discontinued operations includes share-sales gains, less the company's negative profit as of the date of sale in early June 2008.

**Main companies and key figures**

The main Aker companies as of 1 January 2009 are presented in the following.

**Aker Solutions**

Aker Solutions is a global supplier of a broad range of technologies, products, and facilities, as well as of engineering, construction, installation, and related services. A leading provider of technologies and systems for oil and gas exploration and production, Aker Solutions designs and delivers major projects for customers in the petrochemical, chemical, power generation, metals, and mining industries.

Aker Solutions is listed on the Oslo Stock Exchange. As of 1 January 2009, Aker ASA controlled 41 percent of Aker Solutions shares through the company Aker Holding AS, of which Aker owns 60 percent. Aker Solutions is classified as an associated company in Aker's consolidated accounts.

Profit for 2008 is affected by losses on add-on work for decommissioning and removal of Frigg field installations in the North Sea and cost overruns on the H-6e project. Nevertheless, Aker Solutions' 2008 EBITDA is the second best in the company's history.

Aker Solutions is meeting the future with a flexible cost base, a high-quality order backlog, and a special focus on Arctic and deepwater regions. Aker Solutions expects its EBITDA for 2009 to exceed NOK 4.5 billion.

**Aker BioMarine**

Aker BioMarine has carried out a corporate reorganization and concentration of its business activities. Going forward, it will focus on sustainable harvesting of Antarctic krill and production of nutrient-rich, health-promoting ingredients based on this unique marine raw material. Aker BioMarine is listed on the Oslo Stock Exchange. As of 1 January 2009, Aker owned 82.9 percent of Aker BioMarine shares.

The biotechnology company is experiencing increasing interest in SuperbaTM Krill Oil following its Norwegian market launch in

December 2008. The dietary supplement was the best-selling omega-3 product in Norwegian health food stores in January 2009.

**Aker Seafoods**

Aker Seafoods largely harvests cod, saithe, and haddock under 32 trawler licenses for the company's fleet. Along with fish purchased from other vessels, catches are processed at facilities in northern Norway, Denmark, and France and sold to supermarket chains in Scandinavia and the rest of Europe. Aker Seafoods is listed on the Oslo Stock Exchange. As of 1 January 2009, Aker owned 64.9 percent of Aker Seafoods shares.

The seafood company's development reflects a challenging market for white fish (cod, saithe, and haddock). Prices for seafood products declined throughout 2008. Aker Seafoods' revenue growth is attributable to acquisitions in France and positive developments at the company's European Union processing operations.

Restructuring measures for the fleet and onshore facilities will improve Aker Seafoods' product mix and profitability. Greater harvesting quotas, lower interest rates, and reduced fuel expenses are positive factors for 2009.

**Aker Exploration**

Aker Exploration is prospecting for oil and gas on the Norwegian continental shelf. The exploration company has entered into a long-term drilling contract for deployment of one of Aker Drilling's rigs. The company offers to drill wells for license holders in return for license ownership interests. Aker Exploration is listed on Oslo Axess. As of 1 January 2009, Aker owned 61.2 percent of Aker Exploration shares, but subsequently has increased its ownership interest to 76.1 percent.

In the fourth quarter of 2008, the exploration company received a license stake in Norway's 2008 Awards in Predefined Areas (APA) licensing round. With that award, Aker Exploration has a promising portfolio of ownership stakes in 18 licenses on the Norwegian continental shelf.

Aker Exploration is financially strong and has a highly skilled organization. In 2009, exploration begins for oil and gas resources on the Norwegian continental shelf using the company's own rig, Aker Barents.

**Aker Floating Production**

The production company's first, and thus far, only floating production, storage, and offloading (FPSO) vessel began operations off the east coast of India in the fall of 2008. The company owns two hulls earmarked for conversion into FPSOs. Aker Floating Production is listed on the Oslo Stock Exchange. As of 1 January 2009, Aker owned 59.1 percent of Aker Floating Production shares.

Oil production on board the first vessel was suspended in December 2008 due to an onboard accident. The company is working hard to restart operations.

Aker Floating Production is experiencing a great deal of interest in the FPSO market. Cooperation with other Aker companies offers competitive advantages and project award potential.

**Aker Philadelphia Shipyard**

Aker Philadelphia Shipyard, the most efficient commercial shipyard in the United States, builds on long shipbuilding traditions in Philadelphia. The company is listed on Oslo Axess. Aker owns 50.3 percent of Aker Philadelphia Shipyard shares.

Following extensive modernization, the yard built its first four containerships. In 2007 and 2008, the first 5 product tankers in a series of 12 vessels were delivered. Measured in production hours, productivity at the yard has increased by 33 percent since the current production series got under way.

The economic downturn in the United States has weakened demand for new vessels. Nevertheless, by year-end 2015, all tank ships operating in US waters must have double hulls. Aker Philadelphia Shipyard is well positioned to participate in this market.

**Aker Drilling**

The rig company is preparing for operations start-up of the world's two largest and most advanced offshore drilling units. Aker Drilling's 2008 accounts are characterized by the company building a full-fledged organization of some 430 highly skilled employees at start-up of operations.

Aker Drilling was a listed company as of January 2008. However, as discussed above, Aker acquired all Aker Drilling shares and delisted the company in early 2008.

**Aker Oilfield Services**

The oil services company is making new, innovative commercial advances, working closely with Aker Solutions. Aker owns 44.1 percent of Aker Oilfield Services shares. Aker Solutions, DOF Subsea, and key Aker Oilfield Services personnel hold the remaining shares.

In the first quarter of 2010, Aker Oilfield Services will take delivery of its first two advanced, deepwater well maintenance and subsea intervention vessels. The first vessel will operate offshore Brazil under a long-term contract, valued at USD 350 million for the first five years, with the oil company Petrobras.

**Aker Clean Carbon**

Aker established Aker Clean Carbon in 2007. In early 2008, Aker Solutions became a 30 percent co-owner of the company under an agreement that also granted Aker Solutions a preemptive right to build any carbon capture facilities contracted by Aker Clean Carbon. In 2009, Aker Clean Carbon passed several milestones, as discussed above in Key events in 2008 and thus far in 2009.

**Aker Ocean Harvest**

The fisheries company was acquired from Aker BioMarine for NOK 203 million in the fourth quarter of 2008. Aker's acquisition was a decisive ownership measure to sharpen Aker BioMarine's focus on Antarctic krill. Aker is working in a concerted manner to further develop Aker Ocean Harvest. The fisheries company owns the surimi trawler Centurion del Atlantico and the long-line vessel Antarctic III, operating in Argentinean waters, and the Næraberg pelagic trawler, operating in Faeroe Islands fisheries.

**Financial risk and risk management**

Aker ASA and individual Aker companies are exposed to various forms of risk and uncertainty, such as market risk, risk relating to operations, counterparty risk, and other financial-market risks.

About 14 percent of the assets of Aker ASA and the companies in its holding company structure are shares of listed companies. The value of these assets varies with developments at the individual companies and with stock-market fluctuations in general.

The activities of Aker companies and their main markets are described in greater detail above. By and large, these markets are characterized by favorable underlying trends.

Good risk management is a core competence of Aker companies. Through Board membership and other interactions with Aker companies, Aker ASA contributes to their systematic efforts to manage risk so that projects are delivered in accord with contract specifications and frameworks.

In addition to implementing responsible systems and effective procedures, Aker companies stress a corporate culture that fosters openness and effective communication. It is important that any deviations from plans, specifications, or expected performance are identified quickly, so that corrective measures can be taken at an early stage — and consequences minimized.

Aker companies adhere to a rigid risk policy to minimize exposure to financial-market risk, such as foreign exchange, interest, and counterparty risk. A further discussion of risk is presented in Note 35 to the consolidated accounts and in Note 14 to the parent company accounts.

**Health, safety and environment**

Employee health and the working environment are major areas of concern and the object of significant attention throughout Aker companies. In some industries in which Aker companies participate, excellent health, safety, and environmental performance constitutes a key competitive advantage.

The sick leave rate among Aker company employees in 2008 was 2.3 percent, a decrease from 2.8 percent in 2007. The frequency of lost-time injuries (the number of injuries that resulted in lost working time per million working hours) was 3.0 in 2008, compared with 2.7 in 2007.

In 2008, there were no work-related fatalities in the Aker companies.

The Board has noted that all serious accidents have been investigated thoroughly. The sequence of events of each accident has been documented and improvement measures have been assessed and implemented.

The parent company's activities do not have any significant detrimental effects on the environment. Aker ASA is an office-based business; thus, there is no need to prepare environmental accounts and an overview of the parent company's CO2 emissions. Regular operations of individual Aker group com-

panies have only limited adverse environmental effects under normal operations. No material accidental emissions to the environment were reported in 2008.

Increasingly, attention to health, safety, and environmental concerns has become a key competitive advantage for Aker companies. By staying in the HSE forefront, developing and implementing new technologies and methodologies that help to reduce the potentially adverse effects of their activities, Aker companies are gaining competitive advantages.

Examples of such new developments are the environmentally friendly Aker H-6e drilling rigs, which are designed and built for Aker Drilling by Aker Solutions, Aker Clean Carbon's technology for CO2 capture from the exhaust of gas and coal-fired power plants, and the sustainable fisheries of Aker Seafoods, Aker BioMarine, and Aker Ocean Harvest.

**Company and society**

The goal of Aker ASA and the individual companies in the group is to be recognized as the preferred employer and partner for their employees and business associates, and to be a respected corporate citizen. Over time, profitability is vital to achieving this goal.

Aker will be recognized for the services, products, and profits group companies and their employees deliver. However, the manner in which our companies deliver what is asked of them is equally important. Long-term and mutually beneficial relationships with society at large generate lasting value.

For generations, Aker has cooperated closely with employee organizations. Employee representatives participate in key decision-making processes, including Board representation. In 2008, relations with employees were further strengthened through an international framework agreement entered into by Aker, the International Metalworkers' Federation (IMF) and the largest private-sector union in Norway, the Norwegian United Federation of Trade Unions (Fellesforbundet).

Under the agreement, the company is committed to adhere to internationally recognized conventions. Also, Aker is to use its influence to ensure that Aker's business associates adhere to Aker's guidelines for ethical conduct and corporate citizenship to the extent practical. Further, unions will play a part in the development and monitoring of the company's role as a corporate citizen.

Aker companies had a total of 26 600 employees at year-end 2008, of whom approximately 13 200 worked in Norway, 4 400 in other European countries, and 4 700 in North America, primarily in the United States. In addition, there are nearly 10 600 employees of associated companies and contract employees working on projects.

A common feature of most companies' activities in recent years is that deliveries demand significantly higher levels of expertise. Also, the participation of partners and subcontractors is increasingly important to project execution, which often takes place at facilities that are geographically distant from the Aker companies' own production sites.

Consequently, it is important that Aker companies attract and retain solid, competent employees and enrich their know-how through challenging work assignments and systematic development. Through active ownership, Aker ASA promotes cooperation among Aker companies in areas such as human resources development, organizational development, recruitment, and corporate branding.

Aker considers that diversity contributes positively to any organization. Accordingly, Aker companies aim to be attractive workplaces for both women and men, regardless of ethnic origin, cultural background, religion, political persuasion, or age.

Aker ASA's main businesses are public limited liability companies subject to Norwegian regulations pertaining to gender equality on boards of directors. As a main shareholder in several exchange-listed companies, Aker has worked with those companies' nomination committees to ensure that they meet public authorities' legal requirements for gender equality.

Three of the seven shareholder-elected Aker ASA board members are women. The four board members elected by and among employees are men. The employee representative contingent may be all male where women constitute less than 20 percent of the total workforce. There is one female member of Aker ASA's executive management team. Aker ASA had 52 employees as of 1 January 2009.

**Corporate governance**

Good corporate governance is key to Aker's efforts to build and sustain trust. Aker companies are committed to maintaining an appropriate division of responsibilities between the company's governing bodies, its Board of Directors, and management.

Aker has compared the Norwegian recommendations on corporate governance for listed companies with the group's own corporate governance procedures and practice. The findings show that, by and large, the two sets of guidelines are in agreement. There are some differences, which are presented on page 124 of this report. The Board regards these differences as minor.

The company's nomination committee, Board Chairman, and shareholder-elected directors are elected at the company's shareholders' meetings. Through his companies, Kjell Inge Røkke owns 67.8 percent of Aker shares. The Board of Directors regards proximity to the main shareholder important to value creation and fully in accord with good corporate governance.

The December 2008 extraordinary shareholders' meeting also saw the election of Leif-Arne Langøy as Chairman of the company's nomination committee. Mr. Røkke left the nomination committee following his election as Board Chairman.

At Aker ASA's December 2008 extraordinary shareholders' meeting, Jon Fredrik Baksaas stepped down from the Board at his own request. The Board thanks Mr. Baksaas for his years of service at Aker.

Aker employees elect four representatives to Aker ASA's Board of Directors. Three of these representatives work at Aker Solutions and one works for Aker Seafoods. Members of the Board of Directors and executive management are profiled on Aker's website and on pages 126 of this annual report.

Internal controls at Aker ASA include detailed budget follow-up, regular, thorough cost control, and procedures for certifying payments. In February 2009, the Board decided to establish an audit committee comprising the following members: Finn Berg Jacobsen (Chairman), Lone Fønss Schrøder, and Kjell Storeide.

KPMG is Aker ASA's independent auditor. Fees for regular audit services and other audit services are detailed in the notes to the parent company accounts.

Oslo, 26 February 2009

The board of directors Aker ASA

| | | | |
|---|---|---|---|
| Kjell Inge Røkke (sign)<br>*(Chairman)* | Lone Fønss Schrøder (sign)<br>*(Deputy Chairman)* | Leif-Arne Langøy (sign)<br>*(Director)* | Bjørn Flatgård (sign)<br>*(Director)* |
| Hanne Harlem (sign)<br>*(Director)* | Kristin Krohn Devold (sign)<br>*(Director)* | Kjell A Storeide (sign)<br>*(Director)* | Atle Tranøy (sign)<br>*(Director)* |
| Bjarne Kristiansen (sign)<br>*(Director)* | Harald Magne Bjørnsen (sign)<br>*(Director)* | Stein Aamdal (sign)<br>*(Director)* | Øyvind Eriksen (sign)<br>*(President and CEO and Managing Director)* |

SOURCES OF FUNDING FO
OPERATING ACTIVITIES

| 2006 $000 | 2005 $000 |
|---|---|
| 43,351 | 40,482 |
| 14,294 | 14,091 |
| 57,645 | 54,573 |
| 56,433 | 52,177 |
| **1,212** | **2,396** |
| 9,798 | 10,860 |
| **(8,586)** | **(8,464)** |

activities

COMME

| | |
|---|---|
| 19,627 | 19,242 |
| 7,108 | 18,313 |
| 1,644 | 1,112 |
| 0 | 751 |
| 8 | 10 |
| 28,387 | 39,428 |
| | 0 |
| 293 | 21,280 |
| 18,344 | 21,280 |
| 18,637 | **9,684** |
| **1,164** | |

ts
n

nnuation
maintenance expenses

**m ordinary activities**

s presented are before the
any internal revenues and expenses.

**ATION OF ABOVE OPERATING RESULT**
**DITED FINANCIAL REPORT**

| | 2006 $000 | 2005 $000 |
|---|---|---|
| /(Deficit) from ordinary activities | 1,164 | 9,684 |
| nced receipt of 2006/07 | | |
| ernment Grants | 27,250 | 0 |
| urplus for the year, as per Audited | **28,414** | **9,684** |
| Financial Report Income Statement | | |

**CASH POSITION**

The overall cash held at the end of the Financial Year was favourably impacted by the early receipt of $27.25m of 2006/07 Government grants. If this event did not occur then overall cash outflow of $2.5m would have occurred in 2005/06.

| | 2006 $000 | 2005 $000 |
|---|---|---|
| | **59,373** | **61,** |
| | 27,250 | |
| **before advanced** | | |
| **tion** | | |
| | | 023 |

# Contents

## Aker Group

# Profit and Loss Account

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| Operating revenues | *4* | **6 395** | 5 218 |
| Cost of goods and changes in inventory | | **-3 303** | -2 888 |
| Wages and other personnel expenses | *5* | **-1 453** | -981 |
| Other operating expenses | *6* | **-2 520** | -1 382 |
| **Operating profit before depreciation and amortization** | | **-881** | -34 |
| Depreciation and amortization | *11,12* | **-397** | -267 |
| Impairment changes and non recurring items | *7,11,12* | **98** | -95 |
| **Operating profit** | *4* | **-1 180** | -396 |
| Financial income | *8* | **698** | 749 |
| Financial expenses | *8* | **-1 662** | -277 |
| Share of profit of associated companies | *13* | **616** | 1 086 |
| Other items | *9* | **-** | 3 241 |
| **Profit before tax** | *4* | **-1 528** | 4 403 |
| Income tax expense | *10* | **359** | 42 |
| **Profit for the year continued operations** | | **-1 169** | 4 444 |
| Discontinued operations: | | | |
| Profit for the period from discontinued operations net of tax | *3* | **109** | 2 514 |
| **Profit for the year** | | **-1 060** | 6 958 |
| ***Attributable to:*** | | | |
| Equity holders of the parent | | **-937** | 7 158 |
| Minority interests | *25* | **-123** | -200 |
| Average number of shares 2) | *23* | **72 367 374** | 72 367 374 |
| ***Earnings per share:*** | | | |
| Earnings per share 1) | *23* | **-12.95** | 98.91 |
| Diluted earnings per share 2) | *23* | **-12.95** | 98.91 |
| ***Earnings per share continuing business:*** | | | |
| Earnings per share 1) | *23* | **-15.48** | 62.51 |
| Diluted earnings per share 2) | *23* | **-15.48** | 62.51 |

*1) Profit attributable to the equity holders of the parent / average number of shares*
*2) There were no potentially dilutive securities outstanding as of 31 December 2006, 31 December 2007 and 31 December 2008.*

Aker Group

# Balance sheet as of 31 December

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| ASSETS | | | |
| Property, plant and equipment | *11* | **21 433** | 6 927 |
| Intangible assets | *12* | **3 210** | 2 759 |
| Deferred tax assets | *10* | **971** | 1 208 |
| Investments in associated companies | *13* | **4 740** | 5 282 |
| Other shares | *15* | **624** | 510 |
| Interest-bearing long-term receivables | *16* | **754** | 937 |
| Pension assets | *29* | **13** | 11 |
| Other non-current assets | *17* | **296** | 491 |
| **Total non-current assets** | | **32 041** | 18 125 |
| Biological assets | *18* | **83** | - |
| Inventories | *18* | **520** | 256 |
| Projects under construction | *19* | **1 168** | 1 047 |
| Other trade and other interest-free receivables | *20* | **1 844** | 1 429 |
| Derivatives | *35* | **788** | 49 |
| Interest-bearing short-term receivables | *21* | **4 720** | 53 |
| Cash and cash equivalents | *22* | **6 085** | 15 333 |
| **Total current assets** | | **15 208** | 18 167 |
| **Total assets** | | **47 249** | 36 292 |
| EQUITY AND LIABILITIES | | | |
| Share capital | *24* | **2 026** | 2 026 |
| Other paid in capital | | **0** | 0 |
| Translation and other reserve | | **1 177** | -862 |
| Retained earnings | | **11 513** | 13 180 |
| **Total equity attributable to equity holders of the parent** | | **14 716** | 14 344 |
| Minority interests | *25* | **6 932** | 10 270 |
| **Total equity** | | **21 648** | 24 614 |
| Interest-bearing loans | *27,35* | **8 000** | 5 280 |
| Deferred tax liabilites | *10* | **248** | 609 |
| Pension liability | *29* | **188** | 190 |
| Other interest-free long-term liabilities | *30* | **2 446** | 101 |
| Non-current provisions | *32* | **116** | 111 |
| **Total non-current liabilities** | | **10 997** | 6 291 |
| Interest-bearing short-term debt | *27,35* | **6 052** | 3 516 |
| Trade and other payables | *34* | **7 340** | 1 568 |
| Income tax payable | *10* | **55** | 20 |
| Derivatives | *35* | **975** | 249 |
| Current provisions | *31,32* | **183** | 34 |
| **Total current liabilities** | | **14 604** | 5 387 |
| **Total liabilites** | | **25 601** | 11 678 |
| **Total equity and liabilities** | | **47 249** | 36 292 |

Oslo, 26 February 2009
Board of Directors Aker ASA

| | | | | | |
|---|---|---|---|---|---|
| Kjell Inge Røkke (Sign.)<br>(Chairman) | Lone Fønss Schrøder (Sign.)<br>(Deputy Chairman) | Bjørn Flatgård (Sign.)<br>(Director) | Leif-Arne Langøy (Sign.)<br>(Director) | Hanne Harlem (Sign.)<br>(Director) | Kristin Krohn Devold (Sign.)<br>(Director) |
| Kjell A. Storeide (Sign.)<br>(Director) | Atle Tranøy (Sign.)<br>(Director) | Bjarne Kristiansen (Sign.)<br>(Director) | Harald Magne Bjørnsen (Sign.)<br>(Director) | Stein Aamdal (Sign.)<br>(Director) | Øyvind Eriksen (Sign.)<br>(President and CEO) |

## Aker Group

# Changes in Equity

| *Amounts in NOK million* | *Note* | Total paid-in capital | Trans-lation reserve | Fair value reserves | Hedging reserves | Retained earnings | Total | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance per 31 December 2006** | *24,25* | 8 521 | -528 | 35 | 102 | 1 100 | 9 229 | 11 494 | **20 723** |
| Change in fair value of available for sale financial assets | | - | | 60 | | - | 60 | - | **60** |
| Change in fair value of available for sale financial assets transferred to profit and loss | | | | -33 | | - | -33 | | **-33** |
| Changes in fair value cash flow hedges | | | | | 24 | - | 24 | - | **24** |
| Correction equity in associated company | | | | | | 67 | 67 | | **67** |
| Currency translation differences | | - | -522 | - | - | - | -522 | -214 | **-736** |
| **Net result recognized directly in equity** | | - | -522 | 27 | 24 | 67 | -404 | -214 | **-618** |
| Profit for the year | | | | | | 7 158 | 7 158 | -200 | **6 958** |
| **Total recognized income and expense** | | - | -522 | 27 | 24 | 7 225 | 6 754 | -414 | **6 340** |
| Dividend | | | | | | -1 375 | -1 375 | -13 | **-1 388** |
| Amortization of B-shares | | -6 495 | | | | 6 495 | - | - | **-** |
| New minority interests and acquisition of minority interests | | | | | | | - | 7 180 | **7 180** |
| Sale of shares | | | | | | | - | -7 977 | **-7 977** |
| Acquisition of own shares in associated companies | | | | | | -264 | -264 | - | **-264** |
| **Balance per 31 December 2007** | *24,25* | 2 026 | -1 050 | 62 | 126 | 13 180 | 14 344 | 10 270 | **24 614** |
| Change in fair value of available for sale financial assets | | - | - | -68 | | - | -68 | - | **-68** |
| Change in fair value of available for sale financial assets transferred to profit and loss | | | | - | | - | - | | **-** |
| Changes in fair value cash flow hedges | | | | | -199 | - | -199 | -28 | **-227** |
| Currency translation differences | | - | 2 305 | - | - | - | 2 305 | 432 | **2 737** |
| **Net result recognized directly in equity** | | - | 2 305 | -68 | -199 | - | 2 038 | 404 | **2 442** |
| Profit for the year | | | | | | -937 | -937 | -123 | **-1 060** |
| **Total recognized income and expenses** | | - | 2 305 | -68 | -199 | -937 | 1 102 | 280 | **1 382** |
| Dividend | | - | - | - | - | -1 339 | -1 339 | -165 | **-1 503** |
| New minority interests and acquisition of minority interests | | - | - | - | - | - | - | -494 | **-494** |
| Reclassification 1) | | | | | | | - | -1 606 | **-1 606** |
| Sale of shares in subsidaries | | - | - | - | - | - | - | -740 | **-740** |
| Adjusted minority and shareholders equity based on shareholders in Aker BioMarine | | | | | | 606 | 606 | -606 | **0** |
| Acquisition of own shares in associated companies | | - | - | - | - | 3 | 3 | -7 | **-4** |
| **Balance per 31. December 2008** | *24,25* | 2 026 | 1 256 | -6 | -73 | 11 513 | 14 716 | 6 932 | **21 648** |

*1) Reclassification to interest-free long-term liabilities is related to SAAB/Investor Put agreement with Aker on the companies 10% shareholding in Aker Holding.*

***Translation reserve***
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

***Fair value reserve***
The fair value reserve includes the cumulative net change in fair value of available-for-sale investments until the investment is derecognized.

***Hedging reserve***
The hedging reserve refers to cash flow hedges entered into to hedge revenues and expenses on ongoing construction contracts against fluctuations in exchange rates. The income statement effect of such instruments is recognized in accordance with progress as part of recognition of revenues and expenses on the construction contracts. The hedging reserve represents the value of such hedging instruments that are not yet recognized in the income statement. Users of the accounts should be aware of the underlying nature of a hedge; e.g that an unrecognized gain on a hedging instrument is there to cover an unrecognized loss on the hedged position.

***Correction equity in associated company***
The associated company Aker Drilling's result and equity in previous periods have been changed with NOK 219 million. Aker's share is NOK 67 million .

***Acquisition of own shares in associated companies***
Aker Solutions acquired in 2007 5.5 million own shares for a total of NOK 781 million, whereof 1.1 mill shares are amortized.
Aker's share in 2007, considered the increased ownership in Aker Solutions, NOK -264 million. In 2008 the company has aquired 0.6 mill own shares for a total of NOK 70 million. Aker's share is, considered the increased ownership in Aker Solutions, NOK 4 million.

Aker Group

# Cash Flow Statement

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| Profit before tax | | **-1 528** | 4 403 |
| Net interest expenses (+) | *8* | **-316** | 46 |
| Interest paid | | **-527** | -299 |
| Interest received | | **670** | 301 |
| Sales losses/gains (-) and write-downs | *8* | **1 497** | -3 508 |
| Change in fair value of financial assets and change in hedging instruments | *8* | **-343** | 53 |
| Depreciation | *11,12* | **397** | 307 |
| Amortization and write downs | *7* | **-98** | 95 |
| Share of earnings in associated companies | *13* | **-616** | -1 086 |
| Dividend received from associated companies | *13* | **366** | 888 |
| Taxes paid | *10* | **134** | -14 |
| Changes in other net operating assets and liabilites | | **-180** | -1 503 |
| **Net cash flow from operating activities** | | **-543** | -317 |
| | | | |
| Proceeds from sales of property, plant and equipment | *11* | **18** | 92 |
| Proceeds from sale of shares and other equity investments | *13* | **233** | 981 |
| Disposals of subsidiary, net of cash disposed | *3* | **-26** | 3 949 |
| Acquisition of subsidiary, net of cash acquired | *2* | **-1 873** | 759 |
| Acquisition of property, plant and equipment | *11* | **-5 995** | -4 157 |
| Acquisition of shares and equity investments in other companies | *13* | **-367** | -2 066 |
| Net cash flow from other investments | | **97** | 117 |
| **Net cash flow from investing activities** | | **-7 912** | -325 |
| | | | |
| Proceeds from issuance of long-term interest-bearing debt | *27* | **3 789** | 2 958 |
| Proceeds from issuance of short-term interest-bearing debt | *27* | **52** | 2 480 |
| Repayment of long-term interest-bearing debt | *27* | **-202** | -1 293 |
| Repayment of short-term interest-bearing debt | *27* | **-3 087** | -1 718 |
| New equity | | **0** | 139 |
| Dividends paid | | **-1 503** | -1 388 |
| **Net cash flow from financing activities** | | **-951** | 1 178 |
| | | | |
| **Net change in cash and cash equivalents** | | **-9 406** | 536 |
| Effects of changes in exchange rates on cash | | **158** | -190 |
| Cash and cash equivalents as of 1 January | | **15 333** | 14 987 |
| **Cash and cash equivalents as of 31 December** | *22* | **6 085** | 15 333 |

Aker Group

# Notes

## NOTE 1: ACCOUNTING PRINCIPLES, BASIS FOR PREPARATION, AND ESTIMATES

**About the Group**
Aker is a Norwegian company, domiciled in Norway. The 2008 consolidated financial statements of Aker include the financial statements of the parent company, Aker ASA, its subsidiaries, and interests in associated companies and jointly controlled entities.

**Basis for preparation**
**Statement of compliance**
Aker presents its consolidated Group accounts in accordance with International Financial Reporting Standards (IFRS) and associated interpretations as determined by the EU as of 31 December 2008, Norwegian requirements for disclosure pursuant to the Norwegian accounting act, as of 31 December 2008.

The consolidated financial statements for the 2008 accounting year were approved by the Board of Directors on 26 February 2009. The annual accounts will come before Aker's 2 April 2009 annual shareholders' meeting for final approval. Until such final approval, the Board is authorized to make modifications to the annual accounts.

The following IFRSs and interpretations that were issued before 26 February 2009, whose application is not mandatory as of 31 December 2008, have not been applied by the Group: IFRS 8, revised IFRS 3, IAS 1 and IAS 23, changes in IFRS 1, IFRS 2, IAS 27 and IAS 32, and IFRIC 12, IFRIC 13 and Improvements to IFRSs.

To date, based on evaluations, it is expected that revised IAS 1 will have significant impact on the presentation of the consolidated financial statements. The other standards and interpretation statements are not expected to materially affect reported figures. In 2008, the Group adopted IFRIC 11 and 14 without any material impact on reported figures.

**Basis of measurement**
These consolidated financial statements have been prepared based on historical cost, with the following exceptions:
- Derivatives are valued at fair value
- Financial instruments at fair value through profit and loss are valued at fair value
- Financial assets that are available for sale are measured at fair value
- Biological assets are valued at fair value

Principles used to determine fair value are described in greater detail below.

**Functional currency and presentation currency**
Consolidated financial statements are presented in million Norwegian kroner (NOK million). The Norwegian krone (NOK) is the functional currency of the parent company.

**Use of estimates and assumptions**
Preparation of annual financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting principles, as well as the reported amounts of assets and liabilities, income and expenses. Actual results may differ from amounts arrived at based on these assumptions.

Estimates and underlying assumptions are reviewed and assessed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors considered to be reasonable under the circumstances. Changes to accounting estimates are recognized in the period in which the estimates are revised and in any future periods that are affected.

Areas in which, in applying the Group's accounting principles, there tends to be uncertainty as to material estimations and critical assumptions and assessments, are described in the following paragraphs and in relevant notes to the accounts.

The financial crisis has made that the uncertainty of judgments, estimates and assumptions used in the preparation of the annual financial statements for 2008 is greater than would be deemed normal. Due to this, estimates and underlying assumptions are reviewed and assessed on an ongoing basis. The operating companies in the Group have busi¬nesses in various markets, and due to this are affected to different extents by the uncertainty that characterised the market at year-end.

*(a) Revenue recognition*
The Group applies the percentage-of-completion method in accounting for its construction contracts. Use of the percentage-of-completion method requires the Group to estimate the construction performed to date as a proportion of the total construction to be performed. Another significant uncertainty is the expected total profit.

*(b) Warranty provisions*
Based on past experience, the Group has made warranty reserve provisions totaling NOK 33 million on completed contracts. Warranty periods typically run for two years. Provisions (see Note 32) are recognized on an individual contract basis, and typically constitute about one percent of the contract value.

*(c) Goodwill impairment estimation*
In accordance with applicable accounting principles, the Group tests annually to determine whether goodwill recorded in the balance sheet has suffered any impairment. The estimated recoverable amount is determined based on the present value of budgeted cash flows for the cash-generating unit. Such determination requires the use of estimates that are consistent with the market valuation of the Group.

*(d) Tax*
The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required to determine provisions for income taxes worldwide. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes allocations for liabilities for anticipated tax audit issues, based on estimates of potential additional taxes due following tax audits. Where the final tax outcome of these matters is different from the amounts that have been recorded, such differences will impact the income tax and deferred tax provisions for the period in which such determination is made.

*(e) Pension rights*
The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using several actuarial assumptions. The assumptions used in determining net pension costs and income include an applicable discount rate. Any changes in these assumptions will impact the calculated pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is to be used to determine the present value of estimated future cash outflows expected to be required to fulfill the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality government and/or corporate bonds denominated in the currency in which the benefits are payable and that have terms to maturity approximating the terms of the related pension liability. The discount rate and other key assumptions for determining the pension obligation are disclosed in note 29.

*(f) Financial instruments*
The Group is exposed to the following risks resulting from its use of financial instruments: credit risk, liquidity risk, and market risk (including currency- and interest risk).

Note 35 presents information about the Group's exposure to the above-mentioned risks, the Group's objectives, principles and processes for measuring and managing risk, and the Group's capital management.

*(f) Contingencies and legal claims*
With its extensive worldwide operations, companies included in the Group are in the course of their activities involved in legal disputes. Provisions have been made to cover the expected outcome of the disputes to the extent negative outcomes are likely and reliable estimates can be made. However, the final outcome of these cases will always be subject to uncertainties and resulting liabilities may exceed booked provisions. See Note 36.

**Accounting principles**
The accounting principles presented below have been applied consistently for all periods and companies that are presented in the consolidated financial statements.

Comparative figures have been reclassified in accordance with this year's presentation. Further, comparative figures for the profit and loss account have been restated so that discontinued activities are presented as if they were discontinued at the start of the comparative period (see Note 3).

**Group accounting and consolidation principles**

*Subsidiaries*

Subsidiaries are entities of which Aker controls the company's operating and financial policies. Generally, the Group owns, directly or indirectly, more than fifty percent of the voting rights of such companies. Potential voting rights that may be exercised are considered when assessing whether an entity is controlled. Subsidiaries are included in the consolidated accounts from the day control is achieved until control ceases. Wherever necessary, subsidiaries' principles for financial statement preparation are adjusted to ensure compatibility with the Group accounting principles.

*Investments in associates*

The Group's investment in an associate (associated company) is accounted for under the equity method of accounting. An associate is defined as a company over which the Group has significant influence but that is not a subsidiary or a jointly controlled enterprise. Generally, the Group holds between 20% and 50% of the voting rights of associates. Potential voting rights that may be exercised are considered when assessing whether an entity is under significant influence.

Investments in associates are recognized using the equity method, and are initially recognized at acquisition cost. Investments include goodwill at acquisition, less accumulated losses upon impairment. The consolidated financial statement reflects the Group's share of profit/loss from operations of the associate, its share of costs, and its share of equity changes, after restatement to accord with the Group's accounting principles, from the time significant influence is established until such influence ceases. When the Group's share of losses exceeds the balance sheet value of the investment, the Group's balance sheet value is reduced to zero and additional losses are not recognized unless the Group has incurred or guaranteed obligations in respect of the associated company.

*Jointly controlled entities*

Jointly controlled entities are business entities that the Group controls jointly with others via a contractual agreement between the parties. The consolidated financial statements include the Group's proportionate shares of the entity's assets, liabilities, income, and expenses, line-by-line, from the time joint control is achieved until joint control ceases.

*Minority interests*

Minority interests have been disclosed separately from the parent company owners' equity and liabilities in the balance sheet, and are recorded as a separate item in the consolidated profit and loss account.

*EBITDA*

Aker defines EBITDA as operating profit before depreciation, amortization, impairment changes, and non-recurring items, as presented in the consolidated profit and loss account.

*Impairment changes and non-recurring items*

Impairment changes and non-recurring items includes write-downs of goodwill, significant write-downs and reversals of write-downs on real estate, facilities, and equipment, significant losses and gains on the sale of operating assets, restructuring costs, and other material items that are not deemed to be of a recurring nature. Operating profit includes the amount arrived at for impairment changes and non-recurring items.

*Other items*

Other items includes gains on the sale of subsidiaries and significant gains and losses that are not part of the Group's operational activities. Profit before tax includes the amount arrived at for Other items.

**Foreign currency translations and transactions**

*Functional currency*

Initial recording of items included in the financial statements of each Group subsidiary is in its functional currency, i.e., the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary. The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the parent company.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency of the respective Group companies using the exchange rates prevailing at the date of each transaction. Receivables and liabilities in foreign currencies are translated into the functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Foreign currency exchange differences arising with respect to the translation of operating items are included in operating profit in the profit and loss account, and those arising with respect to the translation of financial assets and liabilities are recorded net as a financial item in the profit and loss account.

*Group companies*

Profit and loss accounts and cash flow statements of subsidiaries whose functional currencies are not NOK are translated into NOK at average exchange rates for the period. Balance sheet items are translated at the average exchange rates on the balance sheet date. Translation differences that arise from translation of net investments in foreign activities and from related hedging objects, are specified as translation differences under shareholders' equity. When a foreign entity is sold, translation differences are recognized in the profit and loss account as part of the gain or loss on sale.

Foreign exchange gains or losses on receivables from and liabilities payable to a foreign activity are recognized in the profit and loss with exception of when the settlement is neither planned nor likely to occur in the foreseeable future. Such foreign exchange gains or losses are considered to form part of the net investment in the foreign activity, and recognized directly in equity as a translation reserve entry.

**Elimination of transactions upon consolidation**

Intragroup balances and transactions, and any unrealized gains and losses or revenues and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated in proportion to the Group's ownership interest. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**Transactions with closely related parties**

All transactions, agreements, and business dealings with closely related parties are conducted at normal market terms.

**Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk, and price risk), credit risk, liquidity risk, and cash-flow interest-rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out under policies prepared by the Board of Directors. The Board provides guidelines for overall financial risk management.

**Financial instruments**

*Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in debt and equity instruments, customer receivables and other receivables, cash and cash equivalents, loans, accounts payable, and other debt.

Non-derivative financial instruments that are not recognized at fair value in the profit and loss account, are measured at initial recognition at fair value plus all directly attributable transaction costs. After initial recognition, the instruments are measured as discussed below.

Cash and bank deposits, including deposits on special terms and conditions, constitute cash and cash equivalents.

Principles used in accounting for financial income and costs are described in a separate paragraph.

*Investments held to maturity*

Where the Group has both the intention and ability to hold bonds to maturity, they are classified as held-to-maturity. Investments held to maturity are measured at their amortized cost using the effective interest method, less any impairment losses.

*Available-for-sale financial assets*

Investments in equity instruments and certain debt instruments are classified as financial assets that are available for sale. After initial recognition, they are measured at fair value. Changes in fair value are recognized directly in equity, except in the case of impairment losses (see paragraph on Impairment losses), and foreign exchange gains and losses on available-for-sale monetary items. Once an investment has been derecognized, the accumulated gain or loss is transferred from equity to profit and loss.

*Financial assets at fair value through profit and loss*
A financial instrument is classified as recorded at fair value through profit and loss if it is designated as such at initial recognition or held for trading. Financial instruments are classified as recorded at fair value through profit and loss if the asset is managed, and purchase and sale decisions related to it are made based on fair value issues. After initial recognition, transaction costs that are attributable to the asset are recognized in the profit and loss account when incurred. Financial instruments that are recorded at fair value through profit and loss are measured at fair value; any value changes are recognized in the profit and loss account.

*Other non-derivative financial instruments*
Other non-derivative financial instruments are measured at amortized cost, using the effective interest method, less any impairment losses.

**Financial derivatives**
The Group uses financial derivative instruments to hedge its exposure to foreign exchange and interest-rate risks. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in the profit and loss account as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Embedded derivatives are separated from the host contract and accounted for separately if (1) the economic characteristics and risks of the host contract and the embedded derivatives are not closely related, (2) a separate instrument with the same terms and conditions as the embedded derivative would meet the derivative definition, and (3) the combined instrument is not measured at fair value through profit and loss.

Changes in fair value of embedded derivatives that can be separated from the host contract, are recognized in the profit and loss account on a current basis.

**Hedging**
At the time a contract is entered into, the Group identifies whether it is a hedge of fair value of a recognized asset or liability (fair value hedge), a hedge of a future transaction (cash flow hedge ), or a hedge of a "firm commitment" (fair value hedge).

*Fair value hedges*
Changes in the fair value of derivatives that have been identified and qualify for fair value hedging and that are effective hedges, are recognized in the profit and loss account, along with any changes in the fair value of the asset or liability that is being hedged.

*Cash flow hedges*
Changes in the fair value of a derivative hedging instrument that is designated as a cash flow hedge are recognized directly in equity to the extent the hedging is effective. Fair value changes in the ineffective part of the hedge are recognized at fair value in the profit and loss account.

When a hedging instrument no longer meets the criteria for hedging accounting, expires, or is sold, terminated, or exercised, hedging accounting is terminated. Any cumulative gain or loss previously recognized in equity, remains there until the forecast transaction occurs. If the hedged transaction is a non-financial asset, the amount recognized in equity is transferred to the asset's carrying value in the balance sheet upon recognition. In other cases, the amount recognized in equity is transferred to profit and loss in the same period that the hedged item affects profit and loss.

*Hedging of net investments in foreign operations*
With regard to an instrument used to hedge a net investment in a foreign operation, the proportion of gain or loss that is determined to be an effective hedge, is recognized directly in equity. The ineffective portion is recognized immediately in the profit and loss account.

*Economic hedges*
Where a derivative financial instrument is used as an economic hedge of the foreign exchange exposure of a recognized monetary asset or liability, no hedge accounting is applied. Changes in the fair value of such derivatives are recognized in profit and loss as part of any foreign currency gains or losses.

**Compound financial instruments**
*Convertible bonds*
Convertible bonds that can be converted to share capital at the option of the holder, and for which the number of shares issued does not vary with changes in fair value, are accounted for as compound financial instruments. Transaction costs directly attributable to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the initial carrying amounts.

The equity component of convertible bonds is calculated as the excess of the issue proceeds over the present value of interest and principal payments, discounted at the market rate of interest applicable to similar liabilities without a conversion option. The interest expense recognized in the profit and loss account is calculated using the effective interest rate method. The equity component is not remeasured subsequent to initial recognition. Interest, dividends, losses, and gains associated with the liability are recognized in the profit and loss account. Distributions to equity holders are recognized against equity, net after tax.

**Share capital/equity**
*Ordinary shares*
Ordinary shares are classified as equity. Costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

*Repurchase of share capital (treasury shares)*
When share capital that was recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction in equity, net of any tax effect.

Repurchased shares are classified as treasury shares and are presented separately as a deduction from total equity. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in equity; any resulting surplus or deficit on the transaction is transferred to or charged against retained earnings.

**Translation reserve**
The translation reserve comprises all foreign exchange differences arising from translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge Aker's net investments in foreign subsidiaries.

**Hedging reserve**
The hedging reserve applies to cash flow hedges entered into in order to hedge against changes in income and expenses that may arise from exchange rate fluctuations. The profit effect of such transactions is included in the profit and loss account upon recognition of project revenues and expenses according to progress based on an updated total calculation for the project. The hedging reserve represents the value of such hedging instruments that are not yet recognised in the income statement.

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognized.

**Property, plant, and equipment**
*Recognition and measurement*
Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses.

Acquisition cost includes expenditures directly attributable to the asset's acquisition. Acquisition cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Acquisition cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Borrowing costs associated with loans to finance the construction of property, plant and equipment is capitalized over the period necessary to complete an asset and make it ready for its intended use. Other borrowing costs are expensed.

When significant parts of an item of property, plant, and equipment have different useful lives, major components are accounted for as separate items of property, plant, and equipment.

Gain or loss on the disposal of an item of property, plant and equipment is determined by comparing the disposal proceeds with the carrying amount of that item; the result is included in operating profit before depreciation and amortization. If the amount is material and is not deemed to be of a recurring nature, the amount is presented under Impairment changes and non-recurring items.

Assets that will be disposed, which are classified as held-for-sale, are reported at the lower of the carrying amount or the fair value less selling costs.

*Subsequent costs*
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits in the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day maintenance of property, plant and equipment are recognized in profit and loss as incurred.

*Depreciation*
Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives, unless it is reasonably certain that the Group will acquire ownership at the end of the lease term. Land is not depreciated.

Estimated useful lives for the current and comparative periods are as follows:

| | |
|---|---|
| Vessels, airplanes, etc. | 20-30 years |
| Machinery and transportation vehicles | 3-20 years |
| Buildings and residences | 10-50 years |

Depreciation methods, useful lives, and residual values, are reviewed at each balance sheet date.

**Intangible assets**

*Goodwill*

All business combinations are accounted for using the acquisition method. Goodwill on acquisitions of subsidiaries, associates, and jointly controlled entities represents the difference between the acquisition cost at the time the entity is acquired and the fair value of the net identifiable assets acquired.

Goodwill is allocated to cash-generating units and is tested annually for impairment. For associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Negative goodwill arising on an acquisition is recognized directly in the profit and loss account.

Goodwill arising upon the acquisition of minority interests (stepwise acquisitions) is calculated as the difference between acquisition costs and the carrying amount of net assets at the time of each acquisition.

Goodwill is valued at acquisition cost, less any accumulated impairment losses.

*Research and development*

Expenditure on research activities, undertaken to gain new scientific or technical knowledge and understanding, is recognized in profit and loss in the period it is incurred.

Development expenditures that apply research findings to a plan or design for production of new or substantially improved products or processes are capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The capitalized amount includes the cost of materials, direct labor expenses, and an appropriate proportion of overhead expenses. Other development expenditures are recognized in the profit and loss account as an expense for the period in which they occurred.

Capitalized development expenditures are stated at cost less accumulated amortization and impairment losses.

*Other intangible assets*

Other acquired intangible assets (patents, trademarks, fishing licenses, and other rights) are stated in the balance sheet at cost less accumulated amortization and impairment losses. Expenditures on internally generated goodwill and brand names are recognized in profit and loss for the period in which they are incurred.

**Leasing agreements (Group as lessee)**

Leases of property, plant and equipment in which the Group has substantially all the risks and rewards of ownership, are classified as financial leases.

Financial leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Following initial capitalization, the same accounting principle that applies to the corresponding asset is used. Lease payments are apportioned between financial expenses and reduction in the lease liability.

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the profit and loss account on a straight-line basis over the period of the lease, such that a constant periodic interest rate is calculated on the remaining balance sheet liability.

**Biological assets**

Accounting of live fish is regulated in IAS 41. The main rule is that such assets, including live fish, shall be valued at fair value less realization costs. Aker estimates fair value of biological assets based on the market price for slaughtered trout and turbot on the balance sheet date. Fish in the sea that is below harvesting weight is valued according to the same rules, but adjusted to the relative growth that the fish has compared to the harvesting weight. The price is not valued below production cost unless loss is expected related to future sale of the fish. Other biological assets (eggs, juveniles, smolts) is valued at cost price as little biological transformation has occurred (IAS 41.24).

**Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor and other direct costs, and related production overhead (based on normal operating capacity), but excludes borrowing costs. Acquisition cost for inventories may also include elements transferred from equity. The latter may be gains or losses associated with cash flow hedging for foreign currency purchases.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

**Construction contracts**

Revenues related to construction contracts are recognized using the percentage of completion method, based primarily on contract costs incurred to date, compared to estimated overall contract costs.

If the final outcome of a contract cannot be estimated reliably, contract revenue is recognized only to the extent costs incurred are expected to be recovered. Any projected losses on future work done under existing contracts are expensed and classified as accrued costs/provisions in the balance sheet under short-term debt.

Losses on contracts are recognized in full when identified. Recognized contract profit includes profit derived from change orders and disputed amounts when, in management's assessment, realization is probable and reasonable estimates can be made. Project costs include costs directly related to the specific contract and indirect costs attributable to the contract.

Project revenue is classified as operating revenue in the profit and loss account. Work in progress is classified as short-term receivables in the balance sheet. Advances from customers are deducted from the value of work in progress for the specific contract or, to the extent advances exceed this value, recorded as customer advances. Customer advances that exceed said contract offsets are classified as short-term debt.

**Impairment**

*Financial assets*

Financial assets are assessed on each balance sheet date to determine whether there is any objective evidence of impairment. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss with respect to a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated based on its fair value.

Individually significant financial assets are tested for impairment on an individual basis, and the remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Impairment losses are recognized in the profit and loss account. Accumulated loss on an available-for-sale financial asset previously recognized in equity is transferred to profit and loss.

Impairment losses are reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the profit and loss account. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

*Non-financial assets*

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there are indications of impairment. If such indications exist, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use or its fair value less sales costs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The pre-tax discount rate reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together in the smallest groups of assets that generate cash inflows from continuing use, and that are largely independent of the cash inflows of other assets or groups of assets (the cash generating unit). For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the synergies of the combination.

Any impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

Impairment losses associated with goodwill are not reversed. For other assets, impairment

losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists.

Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**Pension obligations**
The Group has both defined benefit and defined contribution plans. For defined benefit plans, the liability recognized is the present value of the defined benefit obligation at the balance sheet date, minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs.

The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows. The cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the service lives of employees. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, and amendments to pension plans are recognized over the average remaining service lives of the employees concerned.

For defined contribution plans, contributions are paid into pension insurance plans. Once the contributions have been paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the profit and loss account in the period to which the contributions relate.

**Provisions**
A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that payments or other outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined as the present value of expected future cash flows, discounted by a market-based pre-tax discount rate. The interest rate applied reflects current market assessments of the time value of money and the risks specific to the liability.

*Guarantees*
Guarantee provisions are recognized when the underlying products or services have been sold. Provisions are made based on historic data and the likelihood of various outcomes.

*Restructuring*
A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either begun or has been announced to the affected parties.

*Contract losses*
Provisions for contract losses are recognized when the expected revenues from a contract are lower than the cost of meeting the contractual obligations. Estimated provisions constitute the lower of the present value of expected costs of terminating the contract and expected net loss on fulfilling the contract. Before provisions are made, all impairment losses on assets associated with the contract are recognized.

**Revenue recognition**
Revenue is recognized only if it is probable that future economic benefits will flow to Aker, and that these benefits can be measured reliably. Revenue includes gross inflows of economic benefits that Aker receives for its own account.

Revenue from the sale of goods is recognized when Aker has transferred the significant risks and rewards of ownership to the buyer, and no longer retains control or managerial involvement over the goods.

Revenue from providing services is recognized in the profit and loss account in proportion to the degree of completion of the transaction at the balance sheet date. The stage of completion is assessed based on surveys of work performed.

As soon as the outcome of a construction contract can be reliably estimated, contract revenues and costs are recognized in the profit and loss account proportionate to the contract's degree of completion. The degree of completion is assessed by reference to estimates of work performed. Expected contract losses are recognized directly in the profit and loss account.

Revenues related to vessel bareboat charter agreements are recognized over the charter period. Time-charter agreements may contain a revenue sharing agreement with the charterer. Revenue related to profit sharing agreements is recognized when the amount becomes fixed and determinable.

**Government grants**
An unconditional government grant is recognized in the profit and loss account when the Group is entitled to receiving the funding. Other public funding is initially recognized in the balance sheet as deferred revenues when it is reasonably certain that the funding will be received and that the terms and conditions associated with the funding will be met.

Grants that compensate for incurred expenses are recognized in the profit and loss account on a systematic basis in the same periods in which the expenses are incurred. Funding that compensates for acquisition costs of an asset, is recognized in the profit and loss account on a systematic basis over the asset's useful life.

**Expenses**
**Lease payments**
Lease payments under operating leases are recognized in the profit and loss account on a straight-line basis over the lease period. Any lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

In financial leases, minimum lease payments are apportioned between financial expenses and a reduction in the outstanding liability. The finance expense is allocated to each period during the lease term, so as to produce a constant periodic interest rate on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease, when the contingencies of the variable lease have been met and the adjustment amount is known.

**Exploration expenses — oil and gas activities**
The Group applies the successful efforts method in accounting for petroleum exploration and development costs. All exploration costs (including purchase of seismic data, seismic studies, own labor, etc.), except acquisition cost of licenses and direct drilling costs for exploration wells, are expensed as incurred.

**Financial income and expenses**
Financial income comprises interest income on financial investments (including financial assets classified as available for sale), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial asset at fair value through profit and loss, and gains on hedging instruments recognized in profit and loss. Interest income is recognized using the effective interest method.

Dividend income is recognized when approved by the shareholders' meeting of the company in question.

Financial expenses comprise interest expenses on borrowing, the interest effect of downward discounted provisions, changes in the fair value of financial assets at fair value through profit and loss, impairment losses on financial assets charged to profit and loss, and losses on hedging instruments that are recorded in the profit and loss account. Borrowing costs are recognized in profit and loss using the effective interest method. However, the cost of loans assumed to finance the construction of property, plant and equipment are capitalized over the period required to complete the asset and prepare it for its intended use.

Foreign currency gains and losses are reported on a net basis.

**Income tax**
Income tax comprises current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted as of the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is calculated based on the temporary differences between the balance sheet values and the taxation values of assets and liabilities.

Deferred tax is not recognized for the following temporary differences:

- Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.
- Differences relating to investments in subsidiaries and jointly controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future.
- Tax-increasing temporary differences upon initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

Deferred tax assets and liabilities are offset if:
- There is a legally enforceable right to offset current tax liabilities and assets
- They relate to income taxes levied by the same tax authority on the same taxable entity
- or on different tax entities, but for which settlement of current tax liabilities and assets on a net basis is intended, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset will be recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

*Discontinued operations*
A discontinued operation is a component of the Group's business operations that represents a separate, major line of business or geographical area of operations that has been disposed of or is held for sale. It may also be a subsidiary acquired for the sole purpose of resale. Classification as a discontinued operation occurs at the earlier of the following:
- Upon disposal, or
- When the operation meets the criteria to be classified as held for sale

When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the beginning of the reporting period.

**Dividends paid**
Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders.

**Earnings per share**
The calculation of ordinary earnings per share is based on the profit attributable to ordinary shares using the weighted average number of shares outstanding during the reporting period, after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of ordinary earnings per share, and gives effect to all ordinary shares with dilutive potential that were outstanding during the period, that is:

– The net profit for the period attributable to ordinary shares is increased by the after-tax amount of dividends and interest recognized in the period in respect of the ordinary shares with dilutive potential, and adjusted for any other changes in income or expenses that would result from the conversion of the ordinary shares with dilutive potential.
– The weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all ordinary shares with dilutive potential, increases the weighted average number of ordinary shares outstanding.

**Comparative figures**
When necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

**Segment reporting**
Segment reporting is based on the dominant source and nature of the risks and returns of the Group, as well as the Group's internal reporting structure.

The Group has designated business segments as its primary reporting segments, and geographical segments as its secondary reporting segments.

Transactions between segments are conducted at market terms and conditions.

The Group comprises the following business segments:

- Aker Philadelphia Shipyard (vessel design and construction)
- Aker Floating Production (owns, operates, and charters vessels for oil and gas production and storage)
- Aker Drilling (integraed drilling company that owns and operates offshore drilling units)
- Aker Exploration (oil and gas exploration)
- Aker Seafoods (harvesting, processing, and sale of seafood products)
- Aker BioMarine (harvesting, processing, R&D, and distribution of marine resources for food, animal feed, dietary supplements, and related products)
- Other businesses (activities that do not qualify as separate segments due to the size of their operations
- Aker ASA, including other Holding Companies

The Aker Group has the following geographical segments:
- Norway
- European Union
- North America
- Asia
- Other areas

Comparative data is generally restated for changes in segments.

**Determination of fair value**
Accounting principles and note disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information on the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

*Property, plant, and equipment*
The fair value of property, plant, and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The market value of items of plant, equipment, fixtures and fittings, is based on market prices for similar items.

*Intangible assets*
The fair value of patents and trademarks acquired in a business combination is the fair value based on the estimated discounted royalty payments that would have been paid if the Group had not had control of the patent or brand name. The fair value of other intangible assets is based on the discounted projected cash flow from usage or sale of the assets.

*Inventories*
The fair value of inventories acquired in a business combination is determined based on their estimated selling price in the ordinary course of business, less the estimated costs of completion and sale, with the addition of a profit margin based on the effort required to complete and sell the inventories.

*Investments in equity and debt securities*
The fair value of financial assets at fair value through profit and loss, investments held-to-maturity and financial assets available for sale is determined by reference to the bid price quoted at the reporting date. The fair value of investments held to maturity is determined for disclosure purposes only.

*Trade and other receivables*
The fair value of accounts receivable and other receivables, other than construction work in progress, is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

*Derivatives*
The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

*Non-derivative financial liabilities*
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future cash flows of principal and interest, discounted at the market rate of interest at the balance sheet date.

For convertible bonds, the conversion right and the loan are separated. As to the loan component, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. Regarding financial leases, the market rate of interest is determined by reference to similar lease agreements.

## NOTE 2: BUSINESS COMBINATIONS

***Successive acquisition of Aker Drilling***
On 13. December 2007 Aker Capital AS, a subisidiary of Aker ASA, acquired 4,7 million shares in Aker Drilling ASA and became the owner of 44,97 % of the shares. As Aker Capital following the acquisition owned more than 40% of the voting rights in Aker Drilling ASA, a mandatory offer was given for the remaining shares in accordance with applicable law.

Aker Capital acquired during January and February 2008 41.9 million shares for total NOK 1 633 million and the ownership interest increased from 44.97% at year end to 89,98 % at end of February 2008. Aker Capital has later acquired all remaining shares in Aker Drilling for NOK 370 million.

***Details of assets acquired and negative goodwill is as follows:***

| *Acquisition costs (in NOK million):* | Fair value adjustment of owner share per 31.12 2007 44.97% | Additional acquisition in 2008 55.03% | **Total** |
|---|---|---|---|
| -Cost price share of associated company as per 31.12.2007 | -1 319 | | **-1 319** |
| - Contribution in kind at establishment of Aker Drilling AS in 2005 | -314 | | **-314** |
| - Additional acquisition in 2008 | | -2 006 | **-2 006** |
| **Total acquisition cost** | -1 633 | -2 006 | **-3 639** |
| **Fair value of assets acquired** | 1 773 | 2 170 | **3 943** |
| **Revaluation /negative goodwill** | 140 | 164 | **305** |

***Assets and liabilities from the acquisition are as follows:***

| *Amounts in NOK million* | Fair value | Fair value adjustment | Book value of acquired company |
|---|---|---|---|
| Property, plant, and equipment | 6 137 | 117 | 6 020 |
| Intangibles | 926 | - | 926 |
| Other long-term assets | 78 | - | 78 |
| Derivatives and other assets | 1 120 | - | 1 120 |
| Interestbearing short term assets | 3 291 | | 3 291 |
| Cash and cash equivalents | 154 | - | 154 |
| **Total assets** | 11 706 | 117 | 11 589 |
| Interest-bearing loans and credits | -4 048 | 22 | -4 070 |
| Derivatives | -324 | - | -324 |
| Trade accounts payable and other short-term liabilities | -3 202 | - | -3 202 |
| Deferred tax and short-term provisions | -189 | - | -189 |
| **Net assets** | 3 943 | 139 | 3 804 |
| Minority interests | - | - | - |
| **Acquired assets, net** | 3 943 | 139 | 3 804 |

Fair value adjustment is related to the rigs, Aker Spitsbergen and Aker Barents. The value is based on the progress of each rig and is estimated to be 78% for Aker Spitsbergen and 62% for Aker Barents at 31.12.2007.
Fair value adjustment of the ownershare of 44,97 % per 31.12.2007 of NOK 140 million through equity is in accordance with IFRS 3.59, while the negative goodwill from the acquisition of 55.03% for NOK 164 million in 2008 is booked through profit & loss. In the 12-month period up to 31 December 2008 Aker Drilling contributed with a net loss of NOK 286 million.

***Acquisition in Aker Seafoods - Aqua Finance S.A.***
Aker Seafoods ASA has effective from January 1, 2008 acquired 70 % of the shares in Aqua Finance S.A, the owner Viviers de France S.A. Aqua Finance S.A.has changed the name to Aker Seafoods France S.A. Aker Seafoods has an option on acquiring the remaining 30% and the seller has an option on selling the remaining 30 % of the shares to Aker Seafoods. The accounts includes expected acquisition of the remaining 30%.

The company operates in production of fresh seafood products in two factories in France and fish farming of trout and turbot in France and Spain. Headquarter is in Castets, France.

***Details of assets acquired are as follows***

| *Acquisition costs (in NOK million):* | |
|---|---|
| - Direct acquisition related cost | 7 |
| - Payment in cash | 44 |
| - Expected future cash payments | 68 |
| Total acquisition cost | 119 |
| Fair value of asset acquired | 84 |
| Goodwill | 35 |

***Assets and liabilities from the acquisition are as follows:***

| *Amounts in NOK million* | Fair value | Fair value adjustment | Book value of acquired company |
|---|---|---|---|
| Licences | 5 | 5 | 0 |
| Property, plant, and equipment | 103 | 44 | 59 |
| Other long-term assets | 16 | 0 | 16 |
| Short-term operational assets | 128 | -1 | 129 |
| Cash and cash equivalents | 30 | - | 30 |
| **Total assets** | 282 | 48 | 234 |
| Interest-bearing loans and credits | -63 | - | -63 |
| Long-term provisions | -1 | - | -1 |
| Trade accounts payable and other short-term liabilities | -122 | 2 | -123 |
| Short-term provisions | -12 | - | -12 |
| **Net asset acquired** | 84 | 50 | 34 |

Fair value of NOK 49 million is mainly related to the fish farm in Saint Julien.
In the 12-months period to 31. December 2008 Aqua Finance S.A. contributed a profit before tax of NOK 6 million.

***Total payments for acquisitions of subsidiareis in 2008, inclusive cash acquired, are as follows:***

| *Amounts in NOK million* | Aker Drilling | Aqua Finance | **Total** |
|---|---|---|---|
| Direct acquisition related cost | - | -7 | **-7** |
| Payments in cash | -2 006 | -44 | **-2 050** |
| **Total payments** | -2 006 | -51 | **-2 057** |
| Cash acquired | 154 | 30 | **184** |
| **Payments for acquisitions of subsidiaries, inclusive cash acquired.** | -1 852 | -21 | **-1 873** |

## NOTE 3: DISCONTINUED OPERATIONS

***Sale of shares in Aker American Shipping in 2008***
On 6 June 2008 Aker sold 9,182,520 shares at a price of NOK 90 in Aker American Shipping ASA and subsequently entered into a total return swap agreement with exposure to the same number of underlying shares in Aker American Shipping at a swap price of NOK 91.6928 per share. The total return swap agreement may be rolled on a three months basis. The final expiry date of the total return swap agreement is 6 June 2009 with cash settlement.
Prior to the transaction, Aker owned 14,675,950 shares in Aker American Shipping through Aker American Shipping Holding. After the sale, Aker owns 5,493,430 shares in Aker American Shipping, corresponding to 19.9% of the issued share capital in Aker American Shipping. Aker`s financial exposure to Aker American Shipping is unchanged, but Aker`s ownership interest and rights is reduced from 53.2% to 19.9% as a result of the transaction. The sales gain of NOK 266 million and results from Aker American Shipping for all periods is presented in the income statement as profit from discontinued operations.
In addition, Aker American Shipping's net operating assets and liabilities at 31 March 2008 and cash flow in 2007 and 2008 are shown below.

***Sale of Aker Yards in 2007***
On January 18, 2007 Aker decided to sell 2.3 mill shares in Aker Yards. The sale was carried through on January 19, 2007 at a price of NOK 1.1 billion. After the sale Aker owned 40.1 % of the shares in Aker Yards.
On March 19, 2007 Aker sold the remaining 9.1 million shares in Aker Yards, total selling price was NOK 4.5 billion, corresponding to NOK 500 per share. The gain from the transactions, inclusive Akers's share of the profit from January 1, 2007, amount to NOK 2 647 mill. The gain and the profit from Aker Yards in all periods in 2007 are shown in the Profit and Loss Accounts as gain from discontinued operations.

***Sale of Aker Material Handling in 2007***
Aker agreed in September 2007 to sell the industrial company Aker Material Handling to the private equity fund Altor Fund II. The sale was contingent on approval by competition authorities and that no major negative events affect Aker Material Handling prior to final takeover. The sale was finalized in October 2007.
Aker Material is shown as discontinued business in the Profit and Loss accounts of 2007.

***Financial data Aker Yards, Aker Material Handling and Aker American Shipping:***

***Profit and Loss 2008***

| *Amounts in NOK million* | Aker American Shipping | **Total 2008** |
|---|---|---|
| Operating revenues | 60 | **60** |
| Operating expenses | - 8 | **- 8** |
| **EBITDA** | 52 | **52** |
| Depreciation and amortization | - 31 | **- 31** |
| Non recurring items | - | **-** |
| **Operating profit** | 21 | **21** |
| Share of earnings in associated companies | - | **-** |
| Net finance | - 180 | **- 180** |
| **Profit before tax** | - 159 | **- 159** |
| Taxation | - | **-** |
| **Net profit/loss** | - 159 | **- 159** |
| Sales gain | 268 | **268** |
| Tax | - | **-** |
| **Profit for the period from discontinued operations** | 109 | **109** |

***Profit and Loss 2007***

| *Amounts in NOK million* | Aker Yards | Aker Material Handling | Aker American Shipping | **Total 2007** |
|---|---|---|---|---|
| Operating revenues | - | 1 460 | 74 | **1 534** |
| Operating expenses | - | -1 388 | - 11 | **-1 399** |
| **EBITDA** | - | 72 | 64 | **136** |
| Depreciation and amortization | - | - 25 | - 40 | **- 65** |
| Non recurring items | - | - | - | **-** |
| **Operating profit** | - | 47 | 24 | **71** |
| Share of earnings in associated companies | 15 | - | - | **15** |
| Net finance | - | - 21 | - 278 | **- 299** |
| **Profit before tax** | 15 | 26 | - 255 | **- 214** |
| Taxation | - | - 2 | - 4 | **- 6** |
| **Net profit/loss** | 15 | 24 | - 258 | **- 219** |
| Sales gain | 2 632 | 102 | - | **2 734** |
| Tax | - | - | - | **-** |
| **Profit for the period from discontinued operations** | 2 647 | 126 | - 258 | **2 515** |

***Net asset and liabilities at the time of sale***

| *Amounts in NOK million* | Aker Yards Per 01.01.2007 | Aker Material Handling Per 30.09.2007 | Aker American Shipping Per 31.03.2008 |
|---|---|---|---|
| Property, plant and equipment | 3 469 | 178 | 1 609 |
| Intangibles assets | 1 645 | 215 | - |
| Other non-current assets | 1 076 | 47 | 548 |
| Current operational assets | 15 882 | 593 | 193 |
| Other non-current liabilities | -13 857 | - 482 | - |
| Current operational liabilities | -8 517 | - 416 | -339 |
| **Net interest free asset and liabilities** | - 302 | 135 | 2 011 |

***Cash flow***

| *Amounts in NOK million* | Aker Yards 2007 | Aker Material Handling 2007 | Aker American Shipping 2008 | Aker American Shipping 2007 |
|---|---|---|---|---|
| Net cash flow from operations | - | - 37 | 15 | - 2 |
| Net cash flow from investing activities | - | - 17 | -46 | - 2 |
| Net cash flow from financing activities | - | 39 | 95 | 7 |
| Payment in cash and dividends from the sale of businesses 1) | - 676 | 252 | -26 | - |
| **Net cash flow** | - 676 | 237 | 38 | 3 |

***1) Payment in cash is calculated as follows***

| *Amounts in NOK million* | Aker Yards | Aker Material Handling | Aker American Shipping |
|---|---|---|---|
| Cash received | 5 633 | 330 | 826 |
| Cash sold | -6 247 | -40 | -852 |
| **Net cash before selling expenses** | -614 | 290 | -26 |
| Selling expenses | -62 | -38 | - |
| **Total** | -676 | 252 | -26 |

## NOTE 4: BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. The operating companies in the Group which represent the different business segments provide different products and services and they are subject to different risk and returns. See the Board of Directors report for a description of the operating companies.

Operating revenue in geographical segments are based on the geographical location of customers whereas Segment assets and Capital expenditure are based on geographical location of the companies.

Inter-segment pricing are set on the principle of an arm's length basis in a manner similar to transactions with third parties.

| ***2008 - Business segments***<br>*Amounts in NOK million* | Aker Phila-delphia Shipyard | Aker Floating Pro-duction | Aker Drilling | Aker Explora-tion | Aker Seafoods | Aker BioMa-rine | Other invest-ments | Discon-tinued business | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| External operating revenues | 1 576 | 1 501 | 0 | 0 | 2 718 | 85 | 515 | | **6 395** |
| Inter-segment revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | **0** |
| **Operating revenues** | 1 576 | 1 501 | 0 | 0 | 2 718 | 85 | 515 | | **6 395** |
| **EBITDA** | 90 | -50 | -268 | -497 | 144 | -152 | -148 | | **-881** |
| Depreciation and amortization | -40 | -111 | -5 | -2 | -107 | -55 | -77 | | **-397** |
| Impairment changes and non rec. items | 0 | -142 | 0 | 0 | -13 | 20 | 233 | | **98** |
| **Operating profit** | 50 | -303 | -273 | -499 | 24 | -187 | 8 | | **-1 180** |
| Share of earnings in associated companies | 0 | 0 | 0 | 0 | 0 | 0 | 616 | | **616** |
| Net financial items | -49 | -23 | -152 | 238 | -150 | -76 | -752 | | **-964** |
| **Profit before tax** | 1 | -326 | -425 | -261 | -126 | -263 | -128 | | **-1 528** |
| Tax expense | -10 | 0 | 139 | 307 | 47 | -81 | -43 | | **359** |
| **Profit for the year from continuing operations** | -9 | -326 | -286 | 46 | -79 | -344 | -171 | | **-1 169** |
| Gain from discont. operations (net of tax) | 0 | 0 | 0 | 0 | 0 | -87 | 87 | 109 | **109** |
| **Profit for the year** | -9 | -326 | -286 | 46 | -79 | -431 | -84 | 109 | **-1 060** |
| Property, plant and equipment | 495 | 6 290 | 11 293 | 3 | 1 064 | 478 | 1 810 | | **21 433** |
| Intangible assets | 77 | 740 | 1 116 | 50 | 1 222 | 524 | -519 | | **3 210** |
| Investment in associated companies | 0 | 0 | 0 | 0 | 13 | 0 | 4 727 | | **4 740** |
| Inventories, projects under constr. and interest-free receivables | 1 280 | 222 | 1 050 | 485 | 798 | 124 | 445 | | **4 404** |
| Other assets 1) | 212 | 386 | 4 714 | 871 | 205 | 798 | 6 276 | | **13 462** |
| **Total assets** | 2 064 | 7 638 | 18 173 | 1 409 | 3 302 | 1 924 | 12 739 | | **47 249** |
| Trade and other payables | 289 | 35 | 770 | 60 | 511 | 146 | 6 504 | | **8 315** |
| Current Provisions | 26 | 0 | 0 | 0 | 0 | 0 | 157 | | **183** |
| Other liabilities 2) | 1 108 | 6 297 | 13 410 | 457 | 1 966 | 1 278 | -7 412 | | **17 104** |
| **Total liabilities** | 1 423 | 6 332 | 14 180 | 517 | 2 477 | 1 424 | -751 | | **25 601** |
| Impairment losses (write-down) | 0 | -142 | 0 | 0 | -9 | -13 | 92 | | **-72** |
| Capital expenditure 3) | 36 | 2 162 | 10 144 | 0 | 339 | 700 | -304 | | **13 077** |

| ***2007 - Business segments***<br>*Amounts in NOK million* | Aker Phila-delphia Shipyard | Aker Floating Pro-duction | Aker Drilling 4) | Aker Explo-ration 5) | Aker Seafoods | Aker BioMa-rine | Other invest-ments | Discon-tinued business | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| External operating revenues | 1 547 | 591 | | 0 | 2 230 | 75 | 775 | | **5 218** |
| Inter-segment revenues | 0 | 0 | | 0 | 0 | 0 | 0 | | **0** |
| **Operating revenues** | 1 547 | 591 | | 0 | 2 230 | 75 | 775 | | **5 218** |
| **EBITDA** | 76 | -79 | | -12 | 178 | -96 | -101 | | **-34** |
| Depreciation and amortization | -42 | -13 | | 0 | -82 | -51 | -79 | | **-267** |
| Impairment changes and non rec. items | 0 | | | 0 | 6 | 0 | -101 | | **-95** |
| **Operating profit** | 34 | -92 | | -12 | 102 | -147 | -281 | | **-396** |
| Share of earnings in associated companies | 0 | 0 | | 0 | 0 | 0 | 1 086 | | **1 086** |
| Net financial items | 3 | -39 | | 14 | -82 | -12 | 3 828 | | **3 712** |
| **Profit before tax** | 37 | -131 | | 2 | 20 | -159 | 4 633 | | **4 403** |
| Tax expense | -12 | -1 | | 1 | -11 | 45 | 20 | | **42** |
| **Profit for the year from continuing operations** | 25 | -132 | | 3 | 9 | -114 | 4 653 | | **4 444** |
| Gain from discont. operations (net of tax) | | 0 | | 0 | 0 | -45 | 45 | 2 514 | **2 514** |
| **Profit for the year** | 25 | -132 | | 3 | 9 | -159 | 4 698 | 2 514 | **6 958** |
| | | | | | | | | | |
| Property, plant and equipment | 393 | 2 887 | | 32 | 895 | 617 | 398 | 1 705 | **6 927** |
| Intangible assets | 59 | 679 | | 3 | 1 133 | 538 | 347 | 0 | **2 759** |
| Investment in associated companies | 0 | 0 | | 0 | 22 | 0 | 5 260 | 0 | **5 282** |
| Inventories, projects under constr. and interest-free receivables | 560 | 174 | | 240 | 518 | 160 | 1 095 | 34 | **2 781** |
| Other assets 1) | 355 | 394 | | 1 078 | 501 | 721 | 14 143 | 1 351 | **18 543** |
| **Total assets** | 1 367 | 4 134 | | 1 353 | 3 069 | 2 036 | 21 243 | 3 090 | **36 292** |
| | | | | | | | | | |
| Trade and other payables | 634 | 524 | | 55 | 380 | 104 | -126 | 246 | **1 817** |
| Current Provisions | 20 | 0 | | 0 | 0 | 5 | 9 | 0 | **34** |
| Other liabilities 2) | 185 | 2 282 | | 434 | 1 655 | 1 037 | 2 230 | 2 004 | **9 827** |
| **Total liabilities** | 839 | 2 806 | | 489 | 2 035 | 1 146 | 2 113 | 2 250 | **11 678** |
| | | | | | | | | | |
| Impairment losses (write-down) | | | | 0 | -3 | -1 | -95 | 0 | **-99** |
| Capital expenditure 3) | 35 | 2 916 | | 30 | 567 | 210 | 480 | 494 | **4 732** |

| ***Geographical segments***<br>*Amounts in NOK million* | Operating revenues by customer location<br>**2008** | 2007 | Total assets by company location<br>**2008** | 2007 | Capital expenditure by company location 3)<br>**2008** | 2007 |
|---|---|---|---|---|---|---|
| Norway | **808** | 1 051 | **42 236** | 28 754 | **12 864** | 4 019 |
| EU | **2 063** | 1 615 | **1 737** | 893 | **23** | 57 |
| North America | **1 705** | 1 742 | **2 578** | 6 260 | **36** | 529 |
| Asia | **1 748** | 803 | **-** | - | **-** | - |
| Other areas | **71** | 81 | **698** | 385 | **154** | 126 |
| Discontinued business | **-** | -74 | **-** | - | **-** | - |
| **Total** | **6 395** | 5 218 | **47 249** | 36 292 | **13 077** | 4 732 |

*1) Other assets include deferred tax assets, interest-bearing receivables, cash and cash equivalent and other financial assets.*
*2) Other liabilities include Non-current liabilities, Interest-bearing short-term debt, Income tax payable and Dividend payable.*
*3) Capital expenditure comprises additions to property, plant and equipment and Intangible assets.*
*4) Aker Drilling is consolidated in the Aker Group from Janury 2008.*
*5) Aker Exploration is consolidated in the Aker Group from November 2007.*

***Analysis of operating revenues by category***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Construction contract revenue | **1 576** | 1 547 |
| Sales of goods | **3 059** | 2 848 |
| Revenue from services | **1 397** | 603 |
| Other | **363** | 295 |
| Discontinued business | **-** | -74 |
| **Total** | **6 395** | 5 218 |

***See below for information regarding Aker Seafoods business segments:***

***Accounts 2008 - business segments***

| *Amounts in NOK million* | Harvesting | Processing Norway | Processing Denmark and Sweden | Processing France | Other companies and elimination | **Total** |
|---|---|---|---|---|---|---|
| External operating revenues | 348 | 1235 | 592 | 526 | 16 | **2 718** |
| Inter-segment revenues | 252 | 56 | 1 | 0 | -309 | **0** |
| **Operating revenues** | 600 | 1292 | 593 | 526 | -293 | **2 718** |
| **EBITDA** | 115 | 10 | 23 | 24 | -28 | **144** |
| Depreciation and amortization | -52 | -28 | -12 | -11 | -4 | **-108** |
| Impairment changes and non recurring items | -7 | -11 | | | 6 | **-13** |
| **Operat. profit before fair value adjustm. biological assets** | 55 | -28 | 11 | 13 | -26 | **24** |
| **Operating profit** | 55 | -28 | 11 | 13 | -26 | **24** |
| Share of earnings in associated companies | | | | | | **0** |
| Net financial items | -40 | -81 | -6 | -7 | -16 | **-150** |
| **Profit before tax** | 16 | -110 | 5 | 6 | -43 | **-126** |
| Tax expense | 10 | 28 | -1 | -5 | 15 | **47** |
| **Profit for the year** | 25 | -82 | 3 | 1 | -27 | **-79** |
| Property, plant and equipment | 495 | 245 | 48 | 83 | 193 | **1 064** |
| Intangible assets | 993 | 5 | 4 | 10 | 209 | **1 222** |
| Investment in associated companies | 3 | 1 266 | 126 | 1 | -1 379 | **17** |
| Inventories, projects under constr. and interest-free receivables | 139 | 402 | 142 | 189 | -75 | **798** |
| Other assets 1) | 369 | 209 | 57 | 30 | -462 | **202** |
| **Total assets** | 1 999 | 2 127 | 378 | 313 | -1 515 | **3 302** |
| Trade and other payables | 56 | 217 | 63 | 138 | 21 | **495** |
| Current Provisions | 36 | 30 | 9 | 17 | -77 | **15** |
| Other liabilities 2) | 1 094 | 880 | 113 | 116 | -237 | **1 966** |
| **Total liabilities** | 1 186 | 1 127 | 185 | 271 | -292 | **2 477** |

***Accounts 2007 - business segments***

| *Amounts in NOK million* | Harvesting | Processing Norge | Processing Denmark and Sweden | Processing France | Other companies and elimination | **Total** |
|---|---|---|---|---|---|---|
| External operating revenues | 336 | 1272 | 617 | | 5 | **2 230** |
| Inter-segment revenues | 251 | 65 | 1 | | -316 | **0** |
| **Operating revenues** | 587 | 1336 | 618 | 0 | -311 | **2 230** |
| **EBITDA** | 143 | 41 | 28 | | -34 | **178** |
| Depreciation and amortization | -39 | -26 | -14 | | -3 | **-82** |
| Impairment changes and non recurring items | 6 | 0 | | | 0 | **6** |
| **Operat. profit before fair value adjustm. biological assets** | 110 | 15 | 14 | 0 | -38 | **102** |
| **Operating profit** | | | | | | **0** |
| Share of earnings in associated companies | 110 | 15 | 14 | 0 | -38 | **102** |
| Net financial items | -24 | -44 | 0 | | -14 | **-82** |
| **Profit before tax** | 86 | -29 | 14 | 0 | -51 | **20** |
| Tax expense | -18 | -3 | -4 | | 14 | **-11** |
| **Profit for the year** | 68 | -33 | 10 | 0 | -37 | **9** |
| Property, plant and equipment | 511 | 251 | 41 | | 91 | **895** |
| Intangible assets | 993 | 5 | 4 | | 131 | **1 133** |
| Investment in associated companies | 2 | 1 208 | 97 | | -1 286 | **22** |
| Inventories, projects under constr. and interest-free receivables | 93 | 371 | 109 | | -55 | **519** |
| Other assets 1) | 497 | 318 | 50 | | -365 | **500** |
| **Total assets** | 2 098 | 2 153 | 302 | 0 | -1 484 | **3 069** |
| Trade and other payables | 153 | 167 | 55 | | 5 | **380** |
| Current Provisions | 0 | 0 | 0 | | 0 | **0** |
| Other liabilities 2) | 1 119 | 781 | 98 | | -343 | **1 655** |
| **Total liabilities** | 1 272 | 948 | 153 | 0 | -338 | **2 035** |

## NOTE 5: WAGES AND OTHER PERSONNEL EXPENSES

***Wages and other personnel expenses consist of:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Wages | **1 130** | 831 |
| Social security contributions | **94** | 57 |
| Pension costs | **53** | 39 |
| Other expenses | **176** | 56 |
| **Total before discontinued operations** | **1 453** | 983 |
| Discontinued operations | | -2 |
| **Total** | **1 453** | 981 |
| Average number of employees | **3 126** | 2 580 |
| Number of employees at year end | **3 221** | 2 599 |

***Geographically split of number of employees per region***

| | | |
|---|---|---|
| Norway | **1 586** | 1 212 |
| EU | **626** | 342 |
| North America | **697** | 742 |
| Other regions | **312** | 303 |
| **Total** | **3 221** | 2 599 |

## NOTE 6: OTHER OPERATING EXPENSES

***Other operating expenses consist of:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Research and development | **2** | 1 |
| Rent and leasing expenses | **44** | 33 |
| Impairment loss on trade receivables | **7** | 4 |
| Other operating expenses | **2 468** | 1 353 |
| Discontinued operations | **-** | -9 |
| **Total other operating expenses** | **2 520** | 1 382 |

***Payments/fees to auditors for the Aker Group are included in Other operating expenses.***

| *Amounts in NOK million* | Ordinary auditing | Consulting services | **Total 2008** | 2007 |
|---|---|---|---|---|
| Aker ASA | 1 | 1 | **2** | 3 |
| Subsidiary companies | 10 | 6 | **16** | 12 |
| **Total** | 11 | 7 | **18** | 15 |

Consulting services of NOK 7 million consist of NOK 3 million in other assurance services, NOK 1 million in tax advisory services and NOK 3 million in non-audit services.

## NOTE 7: IMPAIRMENT CHANGES AND NON RECURRING ITEMS

Impairment changes and non recurring items include impairment losses on goodwill, impairment loss and impairment reversal on property, plant and equipment, major losses on the sale of operating assets, restructuring costs and other material matters not expected to be of a recurring nature.

***The items are as follows:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Impairment loss on intangible assets (note 12) | **-25** | -95 |
| Recognition of negative goodwill (note 2 and note 12) | **164** | - |
| Impairment loss property, plant and equipment (note 11) | **-47** | - |
| Reversal of impairment loss property, plant and equipment (note 11) | **6** | - |
| **Total** | **98** | -95 |

***2008***
Recognition of negative goodwill is related to successive acquisition of Aker Drilling in early 2008.
***2007***
Impairment of intangible assets in 2007 was related to goodwill from establishment of Aker ASA in 2004.

## NOTE 8: FINANCIAL INCOME AND FINANCIAL EXPENSES

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Interest income | **696** | 364 |
| Dividend income | **3** | 36 |
| Other financial income | **0** | 385 |
| Discontinued operations | **-** | -36 |
| **Financial income** | **698** | 749 |
| Interest expense | **-380** | -516 |
| Net foreign exchange gain/loss | **343** | -102 |
| Foreign exchange gain (+)/ loss (-) on hedge instruments | **-243** | 82 |
| Other Financial expenses | **-1 382** | -56 |
| Discontinued operations | **-** | 315 |
| **Financial expenses** | **-1 662** | -277 |
| **Net financial items** | **-964** | 472 |

***Net finance income/expense recognized in profit and loss in 2008 and 2007:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Interest income on unimpaired investment, available for sale | **133** | 336 |
| Interest income on impaired investments, available for sale | **27** | 28 |
| Interest income on bank deposits | **536** | 234 |
| Dividend on available for sale financial assets. | **3** | 36 |
| Net gain on sale of available for sale financial assets transferred from equity | **-** | 33 |
| Net change in fair value of financial assets at fair value through profit and loss | **-** | 118 |
| Discontinued operations | | -36 |
| **Total financial income** | **698** | 749 |
| | | |
| Interest expense on financial liabilities measured at amortized cost | **-380** | -516 |
| Net foreign exchange loss | **343** | -102 |
| Foreign exchange gain (+)/loss (-) on hedge instruments | **-243** | 82 |
| Net change in fair value of financial assets at fair value through profit and loss | **-1 254** | |
| Net other financial expenses | **-128** | -56 |
| Discontinued operations | | 315 |
| **Total financial expenses** | **-1 662** | -277 |
| **Net financial items** | **-964** | 472 |

***Finance items recognized directly in equity:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Foreign currency differences related to foreign subsidiaries | **2 737** | -736 |
| Change in fair value on cash flow hedge | **-227** | 24 |
| Change in fair value reserve | **-68** | 60 |
| Change in fair value previously recognized in profit and loss | **-** | -33 |
| **Total** | **2 442** | -685 |

***Split of items recognized in equity on majority and minority interests:***

| | | |
|---|---|---|
| Equity attributable to equity holders of the company | **2 038** | -471 |
| Minority interest | **404** | -214 |
| **Total** | **2 442** | -685 |

***Specification of equity attributable to equity holders of the company:***

| *Amount in NOK million* | **2008** | 2007 |
|---|---|---|
| Change in fair value reserve | **-68** | 27 |
| Cash flow hedge | **-199** | 24 |
| Currency translation | **2 305** | -522 |
| **Total** | **2 038** | -471 |

## NOTE 9: OTHER ITEMS

| *Amount in NOK million* | **2008** | 2007 |
|---|---|---|
| Gain by downward sale of Aker Solutions | **-** | 3 241 |
| **Total other items** | **-** | 3 241 |

***Aker Solutions in 2007***
Aker decided on 17 January 2007 to sell 5.4 million shares in Aker Solutions. The sale was completed on 18 January 2007 and the sale proceeds were NOK 3.6 billion or NOK 660 per share. Following the share divestiture, Aker retains a 40.1 % shareholding in Aker Solutions.

The sales gain from the transaction is NOK 3 241 million. From 1st of January 2007 the investment in Aker Solutions is accounted for using the equity method. 1st of January is used as a starting point for the equity method due to the fact that there is no accounting figures available at the exact time of sale (18 January).

## NOTE 10: TAX

***INCOME TAX EXPENSE***
***Recognized in profit and loss***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Current tax expense: | | |
| Current year | **303** | -34 |
| Adjustments for prior years | **10** | - |
| **Total current tax expense** | **313** | -34 |
| | | |
| Deferred tax expense: | | |
| Origination and reversal of temporary differences | **-24** | 67 |
| Benefit of tax losses recognized | **-** | 5 |
| Tax on foreign exchange gain/loss | **70** | - |
| **Total deferred tax expense** | **46** | 72 |
| Discontinued operations | | 4 |
| **Total income tax expense in profit and loss** | **359** | 42 |
| | | |
| ***Income tax expenses divided between the Petroleum tax legislation and ordinary tax legislation:*** | | |
| Petroleum tax legislation | **384** | 1 |
| Ordinary tax legislation | **-25** | 41 |
| **Total income tax expense in profit and loss** | **359** | 42 |

| ***Reconciliation of effective tax rate*** | **2008** | | 2007 | |
|---|---|---|---|---|
| | **%** | **NOK million** | % | NOK million |
| Profit subject to Petroleum tax legislation | | **-492** | | 3 |
| Profit subject to ordinary tax legislation | | **-1 036** | | 4 400 |
| **Profit before tax** | | **-1 528** | | 4 403 |
| | | | | |
| Nominal tax rate Norway 28% | **28%** | **290** | 28% | -1 161 |
| Nominal tax rate Norway under Petroleum tax legislation 78% | **78%** | **384** | 78% | -2 |
| Tax differential in Norway and abroad | **0%** | **5** | 0% | - |
| Income not subject to tax | **1%** | **13** | -24% | 969 |
| Expenses not deductible for tax purposes | **-25%** | **-383** | 0% | -14 |
| Utilization of previously unrecognized tax losses | **0%** | **0** | 0% | 5 |
| Tax losses for which no deferred income tax asset was recognized | **-15%** | **-229** | 0% | - |
| Tax differential due to associated companies | **12%** | **176** | -7% | 304 |
| Other differences | **7%** | **103** | 2% | -59 |
| **Total income tax expense in profit and loss** | **23%** | **359** | -1% | 42 |

***DEFERRED TAX ASSETS AND LIABILITIES***

***Gross movements on deferred taxes (assets and liabilities) are as follows:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Balance as of January 1 | **599** | 1 575 |
| Exchange rate differences | **57** | -71 |
| Acquisition and sale of subsidiaries | **73** | -1 056 |
| Deferred tax expense | **-24** | 72 |
| Effect on deferred tax of reclassification within intangible assets (see note 12) | **-** | 81 |
| Tax charged to equity | **18** | -1 |
| **Balance as of December 31** | **723** | 599 |
| Deferred tax assets | **971** | 1 208 |
| Deferred tax liabilities (-) | **-248** | -609 |
| **Balance as of December 31** | **723** | 599 |

***Movement in deferred tax assets and liabilities during the year:***

***Deferred tax assets:***

| *Amounts in NOK million* | Fair value of asset acquired | Impairment losses | Pension | Tax losses carryforward | Other | **Total** |
|---|---|---|---|---|---|---|
| 1 January 2007 | 320 | 169 | 359 | 1 279 | 284 | **2 411** |
| Deferred tax (charged)/credited to the profit and loss | - | -11 | - | 6 | - | **-5** |
| Charged to equity | - | - | - | - | - | **-** |
| Acquisition and sale of subsidiaries | -306 | -70 | -309 | -369 | -90 | **-1 144** |
| Exchange rate differences | - | -4 | - | -40 | -10 | **-54** |
| **31 December 2007** | 14 | 84 | 50 | 876 | 184 | **1 208** |
| Deferred tax (charged)/credited to the profit and loss | - | -64 | 3 | -268 | 207 | **-122** |
| Charged to equity | - | - | - | - | - | **-** |
| Acquisition and sale of subsidiaries | - | 2 | 3 | 66 | - | **71** |
| Exchange rate differences | - | 3 | - | 26 | 38 | **67** |
| Offset | | | | | -253 | **-253** |
| **31. December 2008** | 14 | 25 | 56 | 700 | 176 | **971** |

***Deferred tax assets are allocated as follows:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker Seafoods | **111** | 165 |
| Aker BioMarine | **0** | 87 |
| Aker Drilling | **77** | |
| Aker ASA and Holding companies | **573** | 748 |
| Other companies 1) | **210** | 208 |
| **Total** | **971** | 1 208 |

*1) Deferred tax asset in other companies in 2008 relates among others to the subsidiary Cork Oak Holding.*

***Aker Seafoods:***
Deferred tax asset of NOK 111 million refers to temporary differences and loss carry forward in Norway. The loss carry forward is NOK 162 million. The Board of Directors in Aker Seafoods expects an increase in taxable profit, and the loss carry forward to be utilized within 5 to 7 years.

***Aker ASA and Holding companies, Aker Drilling, Aker Ocean Harvest and Cork Oak Holding:***
Deferred tax asset in Aker ASA and Holding companies, Aker Ocean Harvest, Cork Oak Holding and Aker Drilling is NOK 0.9 billion in total. After continuous evaluation of the companies possibilities in utilization of the loss carry forward the company has managed during the last five years to reduce the amount not recognized in the balance sheet to NOK 791 million. Total deferred tax assets in Aker ASA and Holding, Cork Oak Holding, Aker Ocean Harvest and Aker Drilling of NOK 791 million are not recognized for in the balance sheet. The Board of Directors expects the loss carry forward to be utilized within a timeframe of 5 to 10 years.

Total not recognized deferred tax asset in the Aker ASA Group is NOK 1 562 million at year end 2008.

***Movements in deferred tax are as follows:***

***Deferred tax liabilities:***

| *Amounts in NOK million* | Accelerated tax depreciation | Projects | Fair value gain | Other 1) | **Total** |
|---|---|---|---|---|---|
| 1 January 2007 | -230 | -1 473 | -392 | 1 259 | **-836** |
| Deferred tax (charged)/credited to the profit and loss | 17 | -1 | 4 | 57 | **77** |
| Charged to equity | - | - | - | -1 | **-1** |
| Acquisition and sale of subsidiaries | 50 | 1 492 | -56 | -1 398 | **88** |
| Effect on deferred tax of reclassification within intangible assets (see note 12) | | | 80 | | **80** |
| Exchange rate differences | 16 | - | - | -33 | **-17** |
| Offset | | -20 | | 20 | **-** |
| **31 December 2007** | -147 | -2 | -364 | -96 | **-609** |
| | | | | | |
| Deferred tax (charged)/credited to the profit and loss | -6 | -4 | 107 | 1 | **98** |
| Charged to equity | - | - | - | 18 | **18** |
| Acquisition and sale of subsidiaries | -25 | - | 225 | -198 | **2** |
| Exchange rate differences | -6 | -1 | - | -3 | **-10** |
| Offset | 50 | - | | 203 | **253** |
| **31 December 2008** | -134 | -7 | -32 | -75 | **-248** |

*1) Deferred income tax assets and liabilities are offset when the deferred income taxes relates to the same fiscal authority and refers to the same period. The amounts in "Other" in 2007 include among other NOK 5 348 million in loss carry forward used to offset positive temporary differences within Aker Solutions.*

***Deferred tax recognized directly in equity***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Relating to cash flow hedging | **34** | -1 |
| Convertible bonds | **-16** | - |
| **Total** | **18** | -1 |

***Tax payable and income tax receivable***
Tax payables are NOK 55 million and tax receivable are NOK 432 million. The tax receivable are related to petroleum tax receivable in Aker Exploration.

***GEOGRAPHICAL ALLOCATION OF TAX EXPENSES AND DEFERRED TAX***

***The geographically split of tax expenses, net deferred tax liabilities and net tax payable are as follows:***

| *Amounts in NOK million* | Current tax receivable/payable | Deferred tax expense | Total tax expenses | Net deferred tax receivable | Net tax receivable |
|---|---|---|---|---|---|
| Norway | 376 | -72 | 304 | 408 | 388 |
| EU | -12 | 16 | 4 | 309 | -2 |
| North America | -22 | 102 | 80 | 6 | 29 |
| Asia | - | - | - | - | - |
| Other areas | -29 | 0 | -29 | - | -38 |
| **Total** | 313 | 46 | 359 | 723 | 377 |

| ***2007*** *Amounts in NOK million* | Tax payable | Deferred tax expense | Total tax expenses | Net tax receivable | Net receivable tax payable |
|---|---|---|---|---|---|
| Norway | - | 150 | 150 | 865 | 217 |
| EU | -7 | - | -7 | 8 | -3 |
| North America | -27 | -74 | -101 | -274 | 1 |
| Other areas | 0 | 0 | 0 | 0 | 0 |
| **Total** | -34 | 72 | 42 | 599 | 215 |

The 2008 figures are based on preliminary assumptions of non-taxable income, non-tax deductible items and temporary differences between the financial accounts and tax accounts. The final result will be calculated in the tax return and might differ from the estimates above.

## NOTE 11: PROPERTY, PLANT AND EQUIPMENT

***Movements in property, plant and equipment for 2008 are shown below:***

| *Amounts in NOK million* | Ships, transport. equip, etc | Machinery Vehicles | Buildings Housing | Land | Under construct. | Other assets | **Total** |
|---|---|---|---|---|---|---|---|
| Cost balance per 1 January 2008 | 5 840 | 1 316 | 952 | 107 | 41 | 2 | **8 257** |
| Acquisitions through business combination | 0 | 41 | 74 | 1 | 6 124 | 0 | **6 240** |
| Other acquisitions 1) | 2 344 | 226 | 40 | 95 | 3 754 | 0 | **6 459** |
| Sale of operations | -1 712 | 0 | 0 | 0 | 53 | 0 | **-1 659** |
| Other disposals | -15 | -2 | -6 | -1 | 0 | 0 | **-23** |
| Reclassification from work in process | 748 | -236 | 19 | 0 | -531 | 0 | **0** |
| Effect of movements in foreign exchange | 1 808 | 108 | 190 | 32 | 1 960 | 0 | **4 098** |
| **Cost balance at 31 December 2008** | 9 012 | 1 454 | 1 269 | 234 | 11 402 | 2 | **23 373** |
| **Accumulated depreciation and fair value loss at 1 January 2008** | -326 | -610 | -434 | -19 | 58 | 1 | **-1 330** |
| Depreciation charge of the year | -186 | -131 | -38 | -4 | 0 | 0 | **-359** |
| Impairment | -44 | -3 | 0 | 0 | 0 | 0 | **-47** |
| Reversal of impairment | 6 | 0 | 0 | 0 | 0 | 0 | **6** |
| Sale / disposal of operations | 61 | 0 | 0 | 0 | -59 | 0 | **3** |
| Other disposals | 2 | 4 | 0 | 0 | 0 | 0 | **5** |
| Effect of movements in foreign exchange | -76 | -66 | -47 | -6 | -23 | 0 | **-218** |
| **Depreciation and impairment losses at 31 December 2008** | -563 | -807 | -519 | -29 | -23 | 1 | **-1 940** |
| **Carrying amount at 31 December 2008 2)** | 8 449 | 647 | 751 | 205 | 11 378 | 2 | **21 433** |
| 1) Capitalized interest in 2008 is NOK 228 million | | | | | | | |
| 2) Book value of leasing agr. record. in the balance sheet: | 0 | 4 | 11 | 0 | 0 | 0 | **15** |

***Specification per company:***

| *Amounts in NOK million* | Ships, transport. equip, etc | Machinery Vehicles | Buildings Housing | Land | Under construct. | Other assets | **Total** |
|---|---|---|---|---|---|---|---|
| Aker Philadelphia Shipyard | 0 | 95 | 281 | 111 | 8 | 0 | **495** |
| Aker Seafoods | 471 | 217 | 369 | 7 | 0 | 0 | **1 064** |
| Aker BioMarine | 219 | 151 | 6 | 1 | 102 | 0 | **478** |
| Aker Ocean Harvest | 433 | 2 | 2 | 0 | 0 | 0 | **437** |
| Aker Floating Production | 6 268 | 22 | 0 | 0 | 0 | 0 | **6 290** |
| Aker Drilling | 0 | 24 | 0 | 0 | 11 269 | 0 | **11 293** |
| Aker Exploration | 0 | 3 | 0 | 0 | 0 | 0 | **3** |
| Aker ASA and Holding companies | 821 | 33 | 23 | 0 | 0 | 0 | **877** |
| Other | 238 | 99 | 70 | 86 | 0 | 2 | **495** |
| **Balance at 31 December 2008** | 8 449 | 647 | 751 | 205 | 11 378 | 2 | **21 433** |

***Movements in property, plant and equipment for 2007 are shown below:***

| *Amounts in NOK million* | Ships, transport. equip, etc | Machinery Vehicles | Buildings Housing | Land | Under construct. | Other assets | **Total** |
|---|---|---|---|---|---|---|---|
| Cost balance per 1 January 2007 | 1 679 | 3 135 | 4 057 | 530 | 1 726 | 381 | **11 508** |
| Acquisitions through business combination | 8 | 5 | 7 | 1 | - | - | **21** |
| Other acquisitions 1) | 5 082 | 414 | 76 | 10 | -1 361 | 3 | **4 224** |
| Sale of operations | - | -2 180 | -3 114 | -406 | -258 | -382 | **-6 340** |
| Other disposals | -395 | -20 | -7 | -13 | - | - | **-435** |
| Reclassification from work in process | - | -6 | -19 | - | 25 | - | **-0** |
| Effect of movements in foreign exchange | -534 | -32 | -49 | -15 | -91 | - | **-721** |
| **Cost balance at 31 December 2007** | 5 840 | 1 316 | 952 | 107 | 41 | 2 | **8 257** |
| **Accumulated depreciation and fair value loss at 1 January 2007** | -436 | -478 | -1 222 | -5 | -28 | -96 | **-2 265** |
| Depreciation charge of the year | -127 | -88 | -35 | -4 | - | -0 | **-254** |
| Impairment | - | - | - | - | 0 | - | **0** |
| Reversal of impairment | -0 | - | - | - | - | - | **-0** |
| Sale / disposal of operations | - | -70 | 798 | -13 | 68 | 97 | **880** |
| Other disposals | 199 | 8 | 2 | - | - | - | **209** |
| Effect of movements in foreign exchange | 38 | 18 | 23 | 3 | 18 | - | **100** |
| **Depreciation and impairment losses at 31 December 2007** | -326 | -610 | -434 | -19 | 58 | 1 | **-1 330** |
| **Carrying amount at 31 December 2007** | 5 514 | 706 | 518 | 88 | 99 | 3 | **6 927** |
| 1) Capitalized interest in 2007 is NOK 63 million | | | | | | | |
| 2) Book value of leasing agr. record. in the balance sheet: | 0 | 2 | 11 | 0 | 0 | 0 | **13** |

## NOTE 12: INTANGIBLE ASSETS

***Movements in intangible assets for 2008 are shown below:***

| *Amounts in NOK million* | Goodwill | Fishing licenses | Product tankers | Other intangibles | **Total** |
|---|---|---|---|---|---|
| **Cost balance at 1 January 2008** | 1 438 | 772 | 681 | 618 | **3 509** |
| Acquisitions through business combinations | 51 | 1 | - | 581 | **633** |
| Other acquisitions | -59 | 35 | - | 117 | **93** |
| Sale of subsidiaries and operations | - | - | -681 | -34 | **-715** |
| Negative goodwill | -164 | - | - | - | **-164** |
| Effect of movements in foreign exchange | 181 | 5 | - | 269 | **456** |
| **Cost balance at 31 December 2008** | 1 447 | 813 | - | 1 551 | **3 811** |
| | | | | | |
| Amortization and impairment losses at 1 January 2008 | -527 | -7 | -27 | -189 | **-750** |
| Amortization for the year | - | - | -11 | -23 | **-34** |
| Negative goodwill recognized in profit and loss | 164 | - | - | - | **164** |
| Impairment losses recognized in profit and loss | -0 | - | - | -25 | **-25** |
| Sale of subsidiaries and operations | - | - | 38 | - | **38** |
| Effect of movements in foreign exchange | 9 | -1 | - | -3 | **6** |
| **Depreciation and impairment losses at 31 December 2008** | -354 | -8 | 0 | -239 | **-601** |
| **Carrying amount at 31 December 2008** | 1 093 | 805 | 0 | 1 312 | **3 210** |

The fishing licenses of NOK 805 million refers to Aker Seafoods, while product tankers refers to Aker American Shipping in which the ownership, after sale of shares to 19,9%, is shown as sale of subsidiaries. The licenses are not subject to depreciation while the product tanker contract is depreciated over 25 years from January 2007.

The carrying amount of other intangibles of NOK 1 312 million at the end of 2008 consist mainly of two construction contracts in Aker Drilling of NOK 801 million and NOK 183 million in Aker BioMarine which relate to existing license agreements at the time of acquisition of Natural with maturity terms of 9 to 11 years.

***Aker Drilling***
The carrying amount of other intangibles refers to two construction contracts and is determined at the time of equity contribution in 2005. The value of NOK 801 million will be included as acquisition cost upon completion and acquisition.

***Aker BioMarine***
The amount refers to Aker's acquisition of Natural and establishment of the Aker BioMarine Group in December 2006. Fair value adjustment is allocated to license agreements with maturity of 9 to 11 years and goodwill. Goodwill refers to the company's expertise within Omega3 phospholipids.

***Aker Seafoods***
At the end of 2008, the Aker Seafoods Group owns 29.6 cod and haddock licenses, 31.8 saithe licenses, 6 shrimp licenses and 2 greater silver smelt licenses in Norway. In addition the company owns a cod licence in Spain which in 2008 allowed harvesting of 2 300 tons of cod in the Barents Sea. The licences for farming of trout on six locations and turbot on two locations are also booked as intangible assets. The farming licences are acquired in 2008. Beyond this, there have been no acquisitions or sale of licences during the year.
In 2008 a cod license entitled the holder to harvest 661 tons of cod, 490 tons of haddock and 1007 tons of saithe north of the 62nd parallel. Additionally 200 tons of cod were granted per vessel as a district quota in Finnmark and 80 tons per vessel in Troms and Nordland. Aker Seafoods has been operating 13 vessels in 2008 and 9 of these were granted a district quota. The shrimp licenses and greater silver smelt licenses are not limited by quantity.
Delivery conditions are recognized with the regional licenses belonging to Nordland and Finnmark. These conditions are considered when estimating the value of licenses.
Related to the presentation of the 2008 financial statements, an external valuation of the licenses was performed. The cod licenses were valued at NOK 50 million per license, the shrimp licenses at NOK 2 million per license and the greater silver smelt licenses at NOK 5 million per license. The value assessment is based on the market value of this type of license.

| ***Sensitivity analysis of fishing licenses*** *(amounts in NOK million)*<br>***Changes in the Harvesting segment:*** | Change in revenue | Change in EBITDA |
|---|---|---|
| Effect of 10 % change in cod prices | 31 | 20 |
| Effect of 10 % change in quantity of cod | 31 | 13 |
| Effect of 10 % change in quantity of cod, saithe and haddock | 52 | 15 |

***Movements in intangible assets for 2007 are shown below:***

| *Amounts in NOK million* | Goodwill | Fishing licenses | Product tankers | Other intangibles | **Total** |
|---|---|---|---|---|---|
| **Cost balance at 1 January 2007** | 8 545 | 559 | 681 | 935 | **10 720** |
| Acquisitions through business combinations | 19 | 126 | - | 29 | **174** |
| Other acquisitions | 16 | 87 | - | 1 | **104** |
| Disposals | -7 124 | - | - | -88 | **-7 213** |
| Reclassification | 197 | - | - | -255 | **-58** |
| Effect of movements in foreign exchange | -215 | - | - | -4 | **-219** |
| **Cost balance at 31 December 2007** | 1 438 | 772 | 681 | 618 | **3 509** |
| | | | | | |
| Amortization and impairment losses at 1 January 2007 | -554 | -7 | - | -173 | **-734** |
| Amortization for the year | -1 | - | -27 | -25 | **-53** |
| Impairment losses recognized in profit and loss | -95 | - | - | - | **-95** |
| Disposals | - | - | - | 6 | **6** |
| Reclassification | 26 | - | - | 3 | **29** |
| Effect of movements in foreign exchange | 97 | - | - | 1 | **97** |
| **Depreciation and impairment losses at 31 December 2007** | -527 | -7 | -27 | -189 | **-750** |
| **Carrying amount at 31 December 2007** | 910 | 765 | 654 | 429 | **2 759** |

Research at Aker mostly relates to ongoing projects, and is expensed. See note 6.

***The amortization and impairment charge is recognized in the following lines in the income statement:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Depreciation and amortization | **-34** | -53 |
| Impairment changes and non recurring items | **139** | -95 |
| **Total** | **105** | -148 |

***Allocation of goodwill***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker Floating Productions | **411** | 311 |
| Aker BioMarine | **383** | 383 |
| Other | **299** | 216 |
| **Total** | **1 093** | 910 |

The gain in Aker ASA was NOK 767 million, reduced with NOK 371 million to NOK 396 million in Aker Group. The reduction represented 48,4% at the time of transaction. Aker has later acquired up to 59,1% in the Aker Floating Production.

Goodwill in Aker BioMarine is mainly related to acquisition of Natural and the company's knowledge within Omega3 phospholipids.

Other goodwill is mainly related to Aker Seafoods NOK 226 million. The license above has a lower value in Aker group than in Aker Seafoods. This can be attributed to the establishment of the current Aker Seafoods and that the fair value adjustment at the establishment was mainly allocated to the fishing licenses (see above).

Testing of values indicates that no write down for impairment will be necessary in 2008.

***Determination of recoverable amounts:***

***Aker Floating:***
In reviewing goodwill for impairment value in use was measured, using discounted cashflow over the minimum lives of the FPSOs (15 years). The FPSO business segment as a whole is determined to be the principal Income Generating Unit of the Group today.

The FPSO cashflows are based on the actual cashflows for Dhirunhai 1 and projected typical contractual cashflows over the life of the other FPSOs or contracts if shorter. Typical projected contracts have an Internal Rate of Return of 12,6% after tax and overhead allocations. Management expect to secure two new contracts within 2009 and 2010, generating income between 20 and 24 months after contract award.

Operating day rates and corresponding costs are escalated by 5% per annum. Additional replacement capex provisions totalling USD 69 million have been included.

Cashflows into perpetuity after year 15 are assumed reflecting the ability of the knowledge and knowhow to generate income on further projects. Annual income cashflows at year 15 into perpetuity are approximately USD 88 million, annual costs are USD 27 million and the Net present value of these including debt into perpetuity is approximately USD 50 million. No additional growth rates for income or inflation rates for costs have been included. The Weighted Average Cost of Capital (WACC) used is 8,4%.

***Sensitivity analysis***
A sensitivity analysis was performed using 3 key scenarios determined by management to be the most risk relevant: A) increasing the WACC by 1,5%; B) delaying the contracts won each by 1 year ; C) a reduction in revenue from the prospective contracts of 5%.

Scenario A) yielded an impact of USD 20 million below the carrying value of Goodwill, scenario B) did not change the carrying value of Goodwill whilst Scenario C) would have yielded a USD 17 million write-down. We have therefore provided for a USD 20 million write-down of Goodwill in the financial statements at the year end In Aker Floating Production. Goodwill in Aker Group has a lower value than in Aker Floating Production. With the value in Aker no write down of goodwill are required for any of the sensitivity scenario.

***Aker BioMarine:***
Patents, technology, and scientific documentation of Omega3 phospholipids is of essential value to Aker BioMarine's Krill strategy. The analysis performed by the company indicates that no write-down for impairment is necessary.

***Other:***
The recoverable amount is found by calculation of value in use. The calculation is based on cash flow and strategy numbers. Present value is calculated by discounting the projected cash flows. The conclusion from the fair value testing is that there is no need for write down of goodwill in any of the operations.

## NOTE 13: INVESTMENTS IN ASSOCIATES

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Beginning of the year | **5 282** | 1 644 |
| Acquisition in stages, downward sale and sale of subsidiaries | **-1 116** | 2 602 |
| Acquisitions / Disposals | **0** | 1 159 |
| Share of loss/profit | **616** | 1 086 |
| Exchange differences | **326** | -65 |
| Other equity movements | **-368** | -1 144 |
| **Balance 31. December** | **4 740** | 5 282 |

***The movements of investments in associated companies are shown below:***

| **2008**<br>*Amounts in NOK million* | Balance beginning of the year | Acquisition and sale of subsidiaries | Acquisitions and disposals | Share of loss/ profit | Exchange differences | Other equity movements | Balance end of the year |
|---|---|---|---|---|---|---|---|
| Aker Solutions ASA | 2 836 | - | - | 575 | 325 | -340 | 3 396 |
| Bjørge ASA | 216 | | | 9 | | -35 | 190 |
| Aker Drilling ASA | 1 319 | -1 319 | | | | | - |
| ODIM ASA | 765 | - | - | 83 | - | 17 | 865 |
| Genesis Petroleum Corp. Plc | 121 | | | -33 | -5 | | 83 |
| Aker Oilfield Services AS | | 203 | | -18 | 6 | | 191 |
| P/f Næraberg | - | - | - | - | - | - | - |
| Other companies | 25 | - | - | - | - | -10 | 15 |
| **Total** | 5 282 | -1 116 | - | 616 | 326 | -368 | 4 740 |

***Acquisition in stages, down sale and sale of subsidiaries:***
On 13 December 2007 Aker Capital AS, a subsidiary of Aker ASA, acquired 4.7 million shares in Aker Drilling ASA and became the owner of 44.97 % of the shares. As Aker Capital following the acquisition owned more than 40% of the voting rights in Aker Drilling ASA, a mandatory offer was given for the remaining shares in accordance with applicable law. Aker Capital acquired during January and February 2008 41.9 million shares for total NOK 1 633 million and the ownership interest increased from 44.97 % at year end to 89.98 % at end of February 2008. Aker Capital has later acquired all remaining shares in Aker Drilling for NOK 370 million.

Aker has during Quarter 1, 2008 reduced its ownership in Aker Oilfield Services from 52.1% to 44.1% as Aker Solutions has contributed new equity to Aker Oilfield of NOK 166 million. Following this Aker Solutions has increased its share in Aker Oilfield Services from 19% to 32.2%.

***Other changes in equity:***
Other changes in equity related to the share of Aker Solutions include dividend received of NOK 331 million and the effect of acquisition of own shares in Aker Solutions of NOK 264 million. Other changes in equity related to the share of Bjørge include dividend received of NOK 35 million.

***Fair value adjustment***
Shares in associated companies as per December 31 2008 include fair value of NOK 620 million allocated to intangible assets. Specification per company are as follows:

| *Amounts in NOK million* | |
|---|---|
| ODIM ASA | 599 |
| Bjørge ASA | 21 |

***ODIM:***
The goodwill related to ODIM refers to the company's expertise and position in the market for development and production of automated handling tools within, among other, seismology and offshore service vessels.

***Determination of recoverable amounts:***
***ODIM***:
Carrying value in Aker is NOK 52,86 per share and the market price at the end of the year is NOK 27,40. The recoverable amount is based on value in use calculations. The cash flow calculations are based on the forecast for the years 2009-2011 and a annual growth rate of 2% for the subsequent periods. Cash flow is discounted at a rate of 10% after tax. For ODIM the present value is higher than the book value and it is therefore concluded that impairment is not necessary. As a sensitivity analysis, similar calculations is performed using discount rates up to 12.5% without causing any effect on the conclusion above.

***The movements of investments in associated companies are shown below:***

| **2007**<br>*Amounts in NOK million* | Balance beginning of the year | Acquisition and sale of subsidiaries | Acquisitions and disposals | Share of loss/ profit | Exchange differences | Other equity movements | Balance end of the year |
|---|---|---|---|---|---|---|---|
| Aker Solutions ASA | | 3 132 | | 965 | -132 | -1 129 | 2 836 |
| Bjørge ASA | 196 | | | 25 | | -5 | 216 |
| Aker Drilling ASA | 734 | | 439 | 101 | 67 | -22 | 1 319 |
| Aker Exploration ASA | 448 | -424 | - | -57 | | 33 | - |
| ODIM ASA | 136 | | 593 | 57 | | -21 | 765 |
| Genesis Petroleum Corp. Plc | | | 127 | -6 | | | 121 |
| P/f Næraberg | - | | | | | | - |
| Siva Verdal Eiendom | 13 | -13 | - | | | - | - |
| RR Offshore Oy | 16 | -16 | - | | | | - |
| JSC Astrakhan Korabel | 31 | -31 | - | | | | - |
| Power Maintenance and Constructors, LLC | 19 | -19 | | | | | - |
| Other companies | 51 | -27 | - | 1 | | - | 25 |
| **Total** | 1 644 | 2 602 | 1 159 | 1 086 | -65 | -1 144 | 5 282 |

***Acquisition in stages, down sale and sale of subsidiaries:***
In relation to sale of the subsidiary Aker Yards and down sale to 40.1 % in Aker Solutions NOK 124 million in shares in several associated companies were deconsolidated. Following the down sale the Aker Solutions cost price in Aker constituted of NOK 3 132 million. At end of October 2007 Aker acquired further 1.62 % of the shares in Aker Exploration and owned thereby 51.5 % of the company. Following this the company became a subsidiary of Aker.

***Acquisition and disposals:***
In March 2007 Aker acquired 8.4 million shares in Aker Drilling ASA. Further 4.7 million were acquired in December and Aker owned following this 44.97 % of total shares. An increase from 36.85 % at year end 2006.

Aker acquired in June 2007 40% of Aker Yard's share in Aker Invest II KS and owned thereby 100 % of the company. Aker Invest II KS owned among other 22,7% in ODIM. The excess value was allocated mainly to ODIM shares and is, together with further acquisitions of 5.9 million shares during 2007, included in the amount above. Following this Aker's ownership in ODIM increased from 22.7 % to 36.5 % during 2007.

***Other changes in equity:***
Other changes in equity related to the share of Aker Solutions include dividend received of NOK 883 million and effect of acquisition of own shares in Aker Solutions of NOK 264 million.

***Summary financial information on associates and the group's interest in its principal associates is shown below:***
Listed companies are Aker Solutions ASA, Bjørge ASA, ODIM ASA and Genesis Petroleum Corp. Plc.
Below is shown the quoted price at the Stock Exchange and Aker's market value of the investments in Aker Solutions ASA, Bjørge ASA, ODIM ASA and Genesis Petroleum Corp. Plc.

| *Amounts in NOK million* | Number of shares in million | Share price (NOK) 31 Dec 2008 | Carrying value 31 Dec 2008 | Market value 31 Dec 2008 |
|---|---|---|---|---|
| Aker Solutions ASA | 110.3 | 42.15 | 3 396 | 4 651 |
| Bjørge ASA | 17.5 | 7.40 | 190 | 130 |
| ODIM ASA | 16.4 | 27.40 | 865 | 448 |
| Genesis Petroleum Corp. Plc | 49.8 | 1.01 | 83 | 50 |

***2008***

| *Amounts in NOK million* | Country | Assets | Liabilities | Revenues | Profit for the year | % interest held |
|---|---|---|---|---|---|---|
| Aker Solutions ASA | Norway | 42 724 | 34 118 | 58 252 | 1 438 | 40.3 3) |
| Aker Oilfield Services AS 1) | Norway | 726 | 294 | - | -24 | 44.1 |
| Bjørge ASA | Norway | 1 064 | 615 | 1 720 | 36 | 39.9 |
| ODIM ASA | Norway | 1 774 | 950 | 2 137 | 245 | 34.7 |
| Genesis Petroleum Corp. Plc 4) | Great Britain | 448 | 259 | 1 | -107 | 29.8 |
| P/f Næraberg 2) | the Faroe Islands | 445 | 577 | 49 | -40 | 33.0 |

*1) Aker ASA has NOK 110 million in short term interest bearing receivable on Aker Oilfield Services.*
*2) Aker Ocean Harvest AS, a subsidiary of Aker ASA, has an interest bearing receivable on P/f Næraberg which is fully provisioned in the consolidated financial statements of Aker Group.*
*3) After amortization of 1.1 million own shares. Not including Aker Solutions own shares.*
*4) Company figures at 3rd Quarter 2008*

***2007***

| *Amounts in NOK million* | Country | Assets | Liabilities | Revenues | Profit for the year | % interest held |
|---|---|---|---|---|---|---|
| Aker Solutions ASA | Norway | 28 542 | 21 279 | 57 957 | 2 460 | 40.3 3) |
| Aker Drilling ASA | Norway | 11 589 | 7 785 | 0 | 261 | 44.9 |
| Bjørge ASA | Norway | 945 | 475 | 1 168 | 266 | 39.9 |
| ODIM ASA | Norway | 1 211 | 761 | 1 417 | 201 | 36.5 |
| Genesis Petroleum Corp. Plc 3) | Great Britain | 136 | 3 | 1 | -15 | 29.8 |
| P/f Næraberg 1) | the Faroe Islands | 679 | 741 | 199 | 3 | 33.0 |

*1) Aker BioMarine ASA, a subsidiary of Aker ASA has an interest bearing receivable of NOK 282 million on P/f Næraberg.*
*2) After amortization of 1,1 millioner own shares. Not including Aker Solutions own shares.*
*3) Company figures at 3rd Quarter 2007*

## NOTE 14 INVESTMENT IN JOINT VENTURES

The group has interests in joint venture activities, among them Aker Dof Supply, whose principal activities are in the supply market. In addition Aker BioMarine ASA has 50% ownership in the joint venture company O3C Nutraceuticals AS. The group's share of assets and liabilities, revenues and expenses of the joint ventures operating agreements and entities are included in the consolidated financial statements.

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Non-current assets | **95** | 62 |
| Current assets | **2** | |
| Current liabilities | **-1** | -2 |
| **Net assets / liabilities** | **96** | 60 |
| | | |
| Income | **0** | 1 |
| Expenses | **-4** | -4 |
| **Total** | **-4** | -3 |

## NOTE 15: OTHER SHARES

***Other shares consist of the following:***

| *Amounts in NOK million* | Ownership % | **2008** | 2007 |
|---|---|---|---|
| AAM Absolute Return fund | 20.8 | **299** | 124 |
| American Shipping Company | 19.9 | **175** | - |
| Deep Ocean ASA | 4.6 | **-** | 118 |
| Dof Installer ASA | 3.9 | **-** | 28 |
| Shares in other companies | | **150** | 240 |
| **Total** | | **624** | 510 |

Investments in other shares are classified as hold for sale and is valued at fair value.

## NOTE 16: INTEREST-BEARING LONG-TERM RECEIVABLES

***Financial interest-bearing long-term receivables consist of the following items:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Restricted deposits 1) | **174** | 110 |
| Loans to employees 2) | **17** | 19 |
| Long term bonds | **515** | 416 |
| Other interest-bearing long-term receivables 2) | **48** | 392 |
| **Total** | **754** | 937 |

*1) Restricted funds related to loan agreement in Aker Floating Production.*
*2) Average interest rate on loans to employees is 5,8 % in 2008 and 4.9 % in 2007.*
*3) Including receivable on the associated company p/f Næraberg of NOK 0 million, nominal value NOK 351 million.The interest on the receivables is according to market terms.*

***The terms of the long term bonds are as follows:***

| *Amounts in NOK million* | Currency | Nominal Interest rate | Time of maturity | 2008 Nominal value | **Carrying amount** |
|---|---|---|---|---|---|
| Aker Solutions ASA | NOK | 7% | 02.12.13 | 15 | **13** |
| Aker Solutions ASA | NOK | 7% | 01.12.11 | 45 | **41** |
| American Shipping Company ASA | NOK | 11% | 28.02.12 | 364 | **255** |
| Discover Petroleum | USD | 11% | 11.07.12 | 70 | **53** |
| 6% Norwegian Energy Company AS Conv. 07/12 | NOK | 6% | 11.05.12 | 150 | **112** |
| NBT AS - Convertible loan | NOK | 10% | 05.12.09 | 41 | **41** |
| **Total** | | | | 685 | **515** |

***Aker Solutions ASA bond:***
Incurred interest is paid quarterly.

***American Shipping Company bond:***
Interest is capitalized quarterly

***Convertible bond in Norwegian Energy Company:***
The bond can be converted at a price of NOK 22.25 per share. Interest incurred is paid per half-year.

***Convertible bond in NBT:***
If the NBT AS shares are publicly listed, NBT AS may redeem the bond at a a rate of 120 % in addition to interest incurred.
The bond can be converted at a price of NOK 18.00 per share. Interest incurred is paid yearly.

***Discover Petroleum bond:***
Incurred interest is paid quarterly.

## NOTE 17: OTHER NON-CURRENT ASSETS

***Other non-current assets consist of the following items:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Prepayments property, plants and equipment | **-** | 180 |
| Capitalized cost related to mobilization of rig | **-** | 252 |
| Derivatives (note 35) | **177** | - |
| Other interest-free long-term receivables | **119** | 59 |
| **Total** | **296** | 491 |

An receivable on Sea Launch of NOK 198 million was written off in 2006. Aker has also issued guarantees totaling USD 122 million related to loans Sea Launch have from third parties and advance payments from clients related to ongoing contracts.

***Total other non-current assets and interest bearing long-term receivables are classified as follows:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Fair value through profit and loss | **177** | - |
| Available for sale | **515** | 416 |
| Hold to maturity | | - |
| Loans and receivable | **358** | 580 |
| **Total financial assets** | **1 050** | 996 |
| Non-financial assets | **-** | 432 |
| **Total financial long-term interest bearing receivables and other non current assets** | **1 050** | 1 428 |

## NOTE 18: BIOLOGICAL ASSETS AND INVENTORIES

Biological assets in Aker mainly derive from a subsidiary of Aker Seafoods ASA, Aker Seafoods France, acquired in 2008 (see note 2).

The table below shows total volum of fish in sea and fish ready for harvesting (in tons).

| | **2008** |
|---|---|
| Total fish in sea | **2 840** |
| Fish ready for harvesting | **2 840** |

***Balance biological assets as per 31.12.2008:***

| | |
|---|---|
| Fair value adjustment fish ready for harvesting | 5 |
| Fair value adjustment not ready for harvesting | |
| **Total fair value adjustment (NOK million)** | 5 |
| Cost of biological assets ( NOK million) | 78 |
| **Balance biological assets (NOK million)** | 83 |

***Inventory comprises the following items:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Raw materials | **123** | 62 |
| Work in progress | **41** | 5 |
| Finished goods | **356** | 189 |
| **Total** | **520** | 256 |
| | | |
| Inventories recognised as an expense during the period | **1** | 3 |
| Write-down of inventories recognised as an expense during the period | **1** | 0 |

Of the total value of the Aker Group's inventories as of 31 Dec 2008, NOK 219 million is measured at fair value less cost to sell.

## NOTE 19: ORDER BACKLOG

Activities in Aker Floating Production, Aker Philadelphia Shipyard and other areas are largely based on deliveries according to customers contracts. The order backlog represents an obligation to deliver goods not yet produced, and gives Aker contractual rights for future deliveries. If projected costs are higher than projected income, the total projected loss on the contract is recorded to costs.

***Order intake and order backlog for the companies in the Aker Group as per year end 2008***

| *Not audited*<br>*Amounts in NOK million* | Order backlog<br>31 Dec. 2008 | Order intake<br>2008 | Order backlog<br>31 Dec. 2007 | Order intake<br>2007 |
|---|---|---|---|---|
| Aker Philadelphia Shipyard 1) | 3 493 | - | 4 062 | 2 020 |
| Aker Floating Production | 8 667 | 553 | 6 318 | 6 318 |
| Aker Oilfield Services | - | - | 1 888 | 1 888 |
| Other companies | 58 | 46 | 95 | 188 |
| **Total** | 12 218 | 599 | 12 363 | 10 414 |

***1) Revenue from construction contracts in Aker Philadelphia Shipyards in 2008 og 2007 are:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Revenue from construction contracts | **2 572** | 1 054 |
| Cost related to construction contracts | **-2 405** | -1 007 |
| **Result** | **166** | 46 |
| ***Other key figures related to construction contracts:*** | | |
| Cost related to construction contracts in the period | **-2 377** | -1 019 |
| Advances received | **613** | 482 |

## NOTE 20: TRADE AND OTHER INTEREST-FREE RECEIVABLES

***Trade and other interest-free receivables consist of the following items:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Trade receivable | **581** | 307 |
| Tax receivable | **432** | 233 |
| Other short-term interest-free receivables | **831** | 889 |
| **Total** | **1 844** | 1 429 |

In 2008 the group has recognized an impairment loss in trade receivables of NOK 7 million (2007: NOK 4 million). The loss has been included in other operating expenses in the profit and loss.

Other short-term interest-free receivables consist mainly of tax receivable related to exploration cost, interest receivable, VAT returns and advance payment to suppliers.

## NOTE 21: INTEREST-BEARING SHORT-TERM RECEIVABLES

***Interest-bearing short-term receivables consist of the following items:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Interest-bearing short-term receivables on associated companies | **110** | 22 |
| Loans to Aker Solutions | **4 509** | |
| Other Interest-bearing short-term receivables | **101** | 31 |
| **Total** | **4 720** | 53 |

Other Interest-bearing short-term receivables are measured to fair value. The change in fair value is recognized in the profit and loss.
Interest-bearing short-term receivables on associated companies in 2007 relates to p/f Næraberg which are fully provisioned in 2008. Interest-bearing short-term receivables on associated companies in 2008 is on Aker Oilfield Services.
The loan to Aker Solutions is related to an agreement with Aker Drilling which allows Aker Solutions to utilize the credit facilities during the pre-delivery phase. This agreement between Aker Solutions, Aker Drilling and DnBNOR, is presented with gross value in the balance sheet. As of 31 December 2008, Aker Solutions has used NOK 4 509 million of the credit facilities, and this is shown as interest-bearing receivable in the balance sheet. Likewise, the liability to DnBNOR for NOK 4 509 million is shown as an interest-bearing short-term loan.

## NOTE 22: CASH AND CASH EQUIVALENTS

***Cash and cash equivalents comprise the following items:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Cash and bank deposits | **4 171** | 11 853 |
| Short-term investments with terms less than 3 months | **1 914** | 3 480 |
| **Cash and cash equivalente** | **6 085** | 15 333 |

Short-term investments are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

***Cash and cash equivalents are allocated as follows:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker American Shipping | **-** | 819 |
| Aker Philadelphia Shipyard | **165** | 315 |
| Aker Drilling | **127** | |
| Aker Seafoods | **48** | 189 |
| Aker BioMarine | **220** | 349 |
| Aker Ocean Harvest | **8** | |
| Aker Floating Production | **211** | 364 |
| Aker Exploration | **377** | 802 |
| Other companies | **225** | 214 |
| Aker ASA and holdingcompanies | **4 704** | 12 281 |
| **Total** | **6 085** | 15 333 |

There are restrictions on the cash transfer between Aker ASA and Holding companies and the listed subsidiaries Aker Philadelphia Shipyard, Aker Seafoods, Aker BioMarine, Aker Floating Production and Aker Exploration.
The cash and cash equivalents include restricted deposits of NOK 500 million,whereof NOK 487 million in Aker ASA and holding companies.
The restricted deposits are related mainly to NOK 295 mill in guarantees for the Warnow claim (see note 36), NOK 159 million is a cash deposit related to a financial instrument for 9,2 million Aker American Shipping shares (See note 3).

## NOTE 23: EARNINGS PER SHARE AND DIVIDEND PER SHARE

***EARNINGS PER SHARE***
***Calculation of profit from discontinued and continued operations to equity holders of the Group:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Continued operations: | | |
| Net profit from continued operations | **-1 169** | 4 444 |
| Minority interest | **-49** | -79 |
| **Profit from continued operations attributable to equity holders of the group** | **-1 120** | 4 523 |
| | | |
| Discontinued operations: | | |
| Net profit from discontinued operations | **109** | 2 514 |
| Minority interest | **-74** | -121 |
| **Profit from discontinued operations attributable to equity holders of the group** | **184** | 2 635 |
| **Total profit attributable to equity holders of the Group** | **-937** | 7 158 |
| | | |
| Outstanding ordinary shares at 1 January | **72 367 374** | 72 367 374 |
| | | |
| Allocation: | | |
| Issued ordinary shares at 31 December 2007 and 2008 | **72 374 728** | 72 374 728 |
| Effect of own shares held A-shares | **-7 354** | -7 354 |
| **Total** | **72 367 374** | 72 367 374 |
| **Weighted average number of ordinary shares at 31 December** | **72 367 374** | 72 367 374 |

***Diluted earnings per share***
There were no potentially dilutive securities outstanding as of 31 December 2007 and 31 December 2008

***DIVIDEND PER SHARE***
Dividend paid in 2008 and 2007 was respectively NOK 1 339 million (NOK 18.50 per share) and NOK 1 375 million (NOK 19.00 per share).
A dividend of NOK 5.00 per share will be proposed at the Annual General Meeting on 2 April 2009

## NOTE 24: PAID IN CAPITAL

***As of 31 December 2008 Aker ASA's share capital consist of the following shareclasses:***

| | Number of shares | | | Par value | Total par value 31.12 (NOK million) | |
|---|---|---|---|---|---|---|
| | Shares issued | Own shares | Shares outstanding | NOK | Shares issued | Shares outstanding |
| A-shares | 72 374 728 | 7 354 | 72 367 374 | 28 | 2 026 | 2 026 |
| Total share capital | 72 374 728 | 7 354 | 72 367 374 | | 2 026 | 2 026 |
| Share premium reserve | | | | | - | |
| Other paid-in capital | | | | | - | |
| Total paid in capital | | | | | 2 026 | |

All shares are entitled to dividend.
The A-shares has equal voting rights with the exception that Aker ASA has no voting rights for their A-shares owned.

***Dividends***
Dividend as shown below is proposed distributed after balance sheet date. No provision have been made for the dividend and there are no tax effects.

| *Amounts in NOK million* | **2008** |
|---|---|
| Dividend proposed for 2008 NOK 5.00 per share | 362 |
| **Estimated dividend paid in 2009** | **362** |

***The 20 largest shareholders as of 7 January 2009 (A-shares):***

| *Shareholders* | *Number of shares* | *%* |
|---|---|---|
| TRG Holding AS | 48 245 048 | 66.7 % |
| JP Morgan Chase Bank S/A Escrow account | 1 177 225 | 1.6 % |
| Nordea Bank Sweden | 1 131 772 | 1.6 % |
| Wenaasgruppen AS | 1 026 620 | 1.4 % |
| Nordea Bank Norge AS Securities Operation | 854 996 | 1.2 % |
| The Resource Group International AS | 824 642 | 1.1 % |
| JP Morgan Chase Bank Nordea Treaty Account | 822 485 | 1.1 % |
| Orkla ASA | 700 000 | 1.0 % |
| Clearstream Banking CID Dept, Frankfurt | 513 654 | 0.7 % |
| Nordea Bank PLC, filial | 460 532 | 0.6 % |
| Oslo Pensjonsforsikring | 445 200 | 0.6 % |
| Folketrygdefondet, JP Morgan Chase Bank | 386 850 | 0.5 % |
| Bank of New York, BR BNY GCM Client Account | 348 600 | 0.5 % |
| State Street Bank AN A/C Client Omnibus I | 340 341 | 0.5 % |
| State Street Bank AN A/C Client Omnibus F | 292 674 | 0.4 % |
| DnBNor Norge Selekt VPF | 280 703 | 0.4 % |
| Skandinaviska Enskilda A/C Client Account | 277 533 | 0.4 % |
| KAS Depositary Trust Client Account | 277 364 | 0.4 % |
| KLP LK Aksjer | 255 360 | 0.4 % |
| The Northern Trust C Treaty Account | 249 800 | 0.4 % |
| **Total** | 58 911 399 | 81.4 % |

## NOTE 25: GROUP ENTITIES AND MINORITY INTERESTS

***The largest subsidiaries in the Aker Group accounts are presented in the table below. Company shareholding owned directly by Aker ASA is emphasized.***

| | Group's ownership (in %) | Group's share of votes (in %) | Business address City/Location | Country |
|---|---|---|---|---|
| **Norway Seafoods Holding AS** | 100.00 | 100.00 | Oslo | Norway |
| Aker Seafoods Holding AS | 100.00 | 100.00 | Oslo | Norway |
| Aker Seafoods ASA (AKS) | 64.85 | 64.85 | Oslo | Norway |
| Aker Seafoods Finnmark AS | 64.85 | 64.85 | Hammerfest | Norway |
| Aker Seafoods Melbu AS | 64.85 | 64.85 | Melbu | Norway |
| Aker Seafoods JM Johansen AS | 64.85 | 64.85 | Stamsund | Norway |
| Aker Seafoods Denmark A/S | 64.85 | 64.85 | Grenå | Denmark |
| Aker Seafoods UK Ltd. | 64.85 | 64.85 | Grimsby | England |
| Norwegian Fish Company Export AS | 64.85 | 64.85 | Kristiansund | Norway |
| Aker Seafarms AS | 64.85 | 64.85 | Hammerfest | Norway |
| Hammerfest Industrifiske AS | 60% of AKS | 60% of AKS | Hammerfest | Norway |
| Nordland Havfiske AS | 96% of AKS | 96% of AKS | Stamsund | Norway |
| Finnmark Havfiske AS | 98% of AKS | 98% of AKS | Hammerfest | Norway |
| Aker Seafoods Båtsfjord AS | 64.85 | 64.85 | Båtsfjord | Norway |
| Aker Seafoods Nordkyn AS | 64.85 | 64.85 | Kjøllefjord | Norway |
| Aker Seafoods Eiendom AS | 64.85 | 64.85 | Ålesund | Norway |
| Aker Seafoods Nordland AS | 64.85 | 64.85 | Stamsund | Norway |
| Berlevågtrål III AS | 64.85 | 64.85 | Berlevåg | Norway |
| Aker Seafoods Sweden AB | 64.85 | 64.85 | Kungshamn | Sweden |
| Pesquera Ancora S.L. | 60% of AKS | 60% of AKS | Vigo | Spain |
| Aker Seafoods France S.A | 70% of AKS | 70% of AKS | Castets | France |
| Aker BioMarine ASA | 82.85 | 82.85 | Oslo | Norway |
| Aker BioMarine Antartic AS | 82.85 | 82.85 | Ålesund | Norway |
| Natural USA, Inc | 82.85 | 82.85 | Illinois | USA |
| Aker Ocean Harvest AS | 100.00 | 100.00 | Oslo | Norway |
| Aker BioMarine Corp | 100.00 | 100.00 | Seattle | USA |
| Aker BioMarine Trading, Ltd | 100.00 | 100.00 | Cayman Island | Cayman Island |
| Aker BioMarine Group Holding, Ltd | 100.00 | 100.00 | Buenos Aires | Argentina |
| EstreMar S.A. | 100.00 | 100.00 | Buenos Aires | Argentina |
| **Aker Philadelphia Shipyard ASA** | 50.30 | 50.30 | Oslo | Norway |
| Aker Philadelphia Shipyard Inc | 50.30 | 50.30 | Philadelphia | USA |
| **Aker Holding AS 1)** | 70.00 | 70.00 | Oslo | Norway |
| **Aker Floating Production ASA (AFP)** | 59.06 | 59.06 | Oslo | Norway |
| Aker Contracting FP ASA | 59.06 | 59.06 | Oslo | Norway |
| Aker Borgestad Operations AS | 50% of AFP | 50% of AFP | Brevik | Norway |
| Aker Floating Operations Public Ltd | 59.06 | 59.06 | Limassol | Cypros |
| Aker Dof Supply AS | 50.00 | 50.00 | Austevoll | Norway |
| **Aker Capital AS** | 100.00 | 100.00 | Oslo | Norway |
| Aker Exploration ASA | 61.21 | 61.21 | Oslo | Norway |
| Aker Drilling AS | 100.00 | 100.00 | Stavanger | Norway |
| Contract Co Alfa AS | 100.00 | 100.00 | Stavanger | Norway |
| Contract Co Beta AS | 100.00 | 100.00 | Stavanger | Norway |
| Aker Drilling Services AS | 100.00 | 100.00 | Stavanger | Norway |
| Aker Drilling Operation AS | 100.00 | 100.00 | Stavanger | Norway |
| **Recondo AS** | 100.00 | 100.00 | Oslo | Norway |
| Cork Oak Holding Ltd | 100.00 | 100.00 | Hertfordshire | England |
| **RGI (Europe) BV** | 100.00 | 100.00 | Rotterdam | Netherlands |
| RGI Inc. | 100.00 | 100.00 | Seattle | USA |
| **Molde Fotball AS** | 100.00 | 100.00 | Molde | Norway |

*1) See next page*

***MINORITY INTERESTS***

The Aker group contains several subsidiaries where Aker ASA and holding companies own less than 100 %.
Main companies with minority shareholders per 31 December 2008 are Aker Philadelphia Shipyard 49.7%,
Aker Seafoods 35.2 %, Aker BioMarine 17.2%, Aker Floating Production 40.9 %, Aker Exploration 38.8 % and Aker Holding with 30 %. 10% of the Aker Holding share is related to the put option agreement with SAAB and Investor. The put option is recognized as long term debt.

See note 4 Business segments for key figures for some of these companies.

***Change in minorities during 2008 refers to the following companies***

| *Amount in NOK million* | Balance per 1. January | Acquisitions & Disposals | Sale of shares | Result minority-interest | Effect of change in exchange rates | Dividend | Other equity adjustments | Balance per 31 December |
|---|---|---|---|---|---|---|---|---|
| Aker Seafoods | 505 | - | - | -27 | -8 | -13 | - | 457 |
| Aker American Shipping | 547 | - | -613 | -74 | 140 | - | - | - |
| Aker Philadelphia Shipyard | 277 | - | - | -5 | 75 | -12 | - | 335 |
| Aker BioMarine | 1 126 | -310 | - | -116 | -9 | - | -606 | 85 |
| Aker Floating Production | 629 | -93 | - | -140 | 118 | - | - | 514 |
| Aker Exploration | 393 | -53 | - | 12 | - | - | - | 352 |
| Aker Holding | 6 546 | - | - | 214 | 90 | -132 | -1 606 | 5 111 |
| Other companies | 247 | - | - | 13 | -24 | - | -158 | 78 |
| **Total** | 10 270 | -456 | -613 | -123 | 382 | -157 | -2 371 | 6 932 |

***Acquisition and disposals:***
Aker acquired 6,6% in Aker Exploration for NOK 65 million and owns after this 61,2% of the company.
Aker acquired 8% in Aker Floating Production for NOK 22 million and owns after this 59,1% of the company.
Aker acquired 6,6% in Aker BioMarine for NOK 96 million and owns after this 82,8% of the company.

***Sale of shares:***
Aker sold 33,3% of its shares in Aker American Shipping for NOK 826 million (see note 3) and owns after this 19,9% of the company which later changed the name to American Shipping Company.

***Other equity adjustments:***
Reclassification to long term interest free liabilities related to SAAB/Investors put option agreement with Aker on the companies 10% share in Aker Holding.
Adjusted minority and equity in accordance with the owner share in Aker BioMarine.
Other equity adjustments in Other Companies is related to reduction in owner share in Aker Oilfield Services from 52,1% to 44,1% after equtiy contribution of NOK 166 million from Aker Solutions.

## NOTE 26: FOREIGN CURRENCY EXCHANGE RATES

***In the consolidated accounts of Aker, the following exchange rates have been used in translating the accounts of foreign subsidiaries and associated companies:***

| Country | Currency | | Average rate 2008 | Rate at 31 Dec. 2008 | Average rate 2007 | Rate at 31 Dec. 2007 |
|---|---|---|---|---|---|---|
| Great Britain | GBP | 1 | 10.32 | 10.11 | 11.72 | 10.78 |
| USA | USD | 1 | 5.53 | 6.99 | 5.86 | 5.39 |
| Denmark | DKK | 100 | 109.01 | 132.06 | 107.52 | 106.42 |
| Sweden | SEK | 100 | 85.33 | 90.05 | 86.60 | 84.19 |
| The European Union | EUR | 1 | 8.13 | 9.85 | 8.01 | 7.95 |

The average rate and rate at 31 December have been used in translation of profit and loss and balance sheet items, respectively.

## NOTE 27: INTEREST-BEARING LOANS AND LIABILITIES

This note provides information on the contractual terms of the Group's interest-bearing loans and borrowings.

***Interest bearing short term and long term liabilities are as follows:***

| *Amounts in NOK million* | **Carrying amount 2008** | Carrying amount 2007 |
|---|---|---|
| **Non-current liabilities** | | |
| Secured bank loans | **5 257** | 2 495 |
| Unsecured bank loans | **102** | 88 |
| Unsecured bond issues | **1 563** | 2 135 |
| Convertible bonds | **971** | 374 |
| Finance lease liabilities | **46** | 13 |
| Other long term liabilities | **61** | 175 |
| **Total non-current interest bearing liabilities** | **8 000** | 5 280 |
| | | |
| **Current liabilities** | | |
| Current portion of secured bank loans | **426** | 219 |
| Current portion of non secured bank loans | **-** | 917 |
| Current portion of unsecured bond issues | **-** | 1 540 |
| Current portion of convertible bonds | **-** | 215 |
| Current portion of finance lease liabilities | **0** | 1 |
| Current portion of other long term liabilites | **3** | 100 |
| Overdraft facilites | **201** | 58 |
| Contruction loan | **828** | 434 |
| Other short term liabilities | **4 594** | 31 |
| **Total current interest bearing liabilities** | **6 052** | 3 516 |
| **Total interest bearing liabilities** | **14 052** | 8 796 |

***Specification of interest bearing liabilites on companies in the Group:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker American Shipping | **-** | 2 001 |
| Aker Philadelphia Shipyard including contruction loans | **1 075** | 566 |
| Aker Seafoods | **1 550** | 1 315 |
| Aker BioMarine | **898** | 1 019 |
| Aker Ocean Harvest | **183** | |
| Aker Floating Production | **4 076** | 2 237 |
| Aker Drilling | **5 292** | |
| Aker Exploration | **391** | 374 |
| Aker ASA and Holding companies | **1 028** | 2 080 |
| Other operations and eliminations | **-443** | -796 |
| **Total** | **14 052** | 8 796 |

***Contractual terms on the interest bearing liabilities as per 31.12.2008:***

| *Amounts in million* | Currency | Nominal interest % | Maturity | Carrying amount Nominal currency | NOK |
|---|---|---|---|---|---|
| **Aker Philadelphia Shipyard:** | | | | | |
| Bond issues: | | | | | |
| Philadelphia Industrial Development Authority (PIDA) | USD | 3.75% | Oct 2015 | 10.5 | 73 |
| Philadelphia Industrial Development Corporation (PIDC) | USD | 3.75% | Oct 2015 | 5.1 | 36 |
| Philadelphia Industrial Development Corporation (PIDC) | USD | 2.75% | March 2012 | 19.7 | 138 |
| Total | | | | 35.3 | 246 |
| | | | | | |
| Construction loan: | | | | | |
| Caterpillar Financial Services Corporation | USD | 4.98%<br>Libor + 4.25% | Less than 12 months | 118.5 | 828 |
| **Total Aker Philadelphia Shipyard** | | | | 153.8 | 1 075 |

***Contractual terms on the interest bearing liabilities as per 31.12 2008***

| *Amounts in million* | Currency | Nominal interest % | Maturity | Carrying amount Nominal currency | NOK |
|---|---|---|---|---|---|
| **Aker Seafoods:** | | | | | |
| Bond issue | NOK | 8.14% | June 2010 | 397 | 397 |
| Secured bank loan in NOK | NOK | 7.37% | July 2015 | 906 | 906 |
| Secured bank loan in EUR | EUR | 5.71% | April 2017 | 3 | 27 |
| Overdraft facility | NOK | 7.30% | | 136 | 136 |
| Finance lease liabilities | NOK | | | 8 | 8 |
| Finance lease liabilities | EUR | | | 4 | 35 |
| Other long term and short term liabilities | NOK | | | 11 | 11 |
| Other long term and short term liabilities | EUR | | | 3 | 31 |
| **Total Aker Seafoods** | | | | | 1 550 |
| **Aker BioMarine:** | | | | | |
| Redeemable bond issue | NOK | 3 mnd Nibor + 3.5% | May 2010 | 750 | 750 |
| Secured bank loan: | | | | | |
| Caterpillar Financial Services Corporation | USD | 4.98% | March 2017 | 19.2 | 134 |
| Finance lease liabilities | NOK | Libor + 4.25% | | 3 | 3 |
| Other long term and short term liabilities | NOK | | | 11 | 11 |
| **Total Aker BioMarine** | | | | | 898 |
| **Aker Ocean Harvest** | | | | | |
| Secured bank loan: | | | | | |
| Caterpillar Financial Services Corporation | USD | 7.18% | Nov 2016 | 18.9 | 132 |
| Overdraft facility | USD | | | 7.2 | 50 |
| **Total Aker Ocean Harvest** | | | | 26.1 | 183 |
| **Aker Floating Production:** | | | | | |
| Secured bank loan | | | | | |
| DnBNOR | USD | Libor + 2% | 2018 | 559.4 | 3 909 |
| DnBNOR/Fortis/GSGH Bank | USD | Libor + 1.9% | 2012 | 23.8 | 166 |
| **Total Aker Floating Production** | | | | 583.2 | 4 076 |
| **Aker Exploration:** | | | | | |
| Convertible bonds | NOK | 6% | Dec 2011 | 391 | 391 |
| Aker Drilling | | | | | |
| Subordinated convertible Bonds Issue 2005/2010 | NOK | 9.5 % | Oct 2010 | 783 | 783 |
| Credit facility | USD | Libor + a margin between 100 og 125 basis points | See below | 640 | 4 509 |
| | | | | | 5 292 |
| **Total Aker Drilling** | | | | | 5 292 |
| **Aker ASA and Holding companies:** | | | | | |
| Unsecured bond issues: | | | | | |
| FRN Aker ASA Open Senior Unsecured Bond Issue 2005/2010 | NOK | 9.86% | Sept 2010 | 359 | 359 |
| 8.0 per cent Aker ASA Open Senior Unsecured Bond Issue 2005/2012 | NOK | 8.00% | March 2012 | 410 | 410 |
| 8.00 per cent Aker Invest II KS Senior Unsecured Open Bond Issue 2005/2010 | NOK | 8.00% | Sept 2010 | 200 | 200 |
| Transaction cost | NOK | | | -5 | -5 |
| Aker ASA's share of Aker Invest II KS FRN 2005/2010 | NOK | | Sept 2010 | -138 | -138 |
| **Total** | | | | 826 | 826 |
| Secured bank loan: | | | | | |
| Caterpillar Financial Services Corporation | USD | Libor + 1.89% | May 2013 | 25 | 172 |
| Other short term and long term loans | NOK | | | 30 | 30 |
| **Total Aker ASA and Holding companies** | | | | | 1 028 |
| Aker ASA 's share of the following bond issues: | | | | | |
| Aker BioMarine | | | | | -416 |
| Aker Exploration | | | | | -3 |
| Aker Drilling | | | | | -203 |
| **Total** | | | | | -622 |
| **Other loans** | | | | | 181 |
| **Total** | | | | | 14 052 |

***Aker Philadelphia Shipyard***
Secured loans:
The PIDA/PIDC loans are secured against property, plant, and equipment with a carrying amount of NOK 495 million (USD 70.8 million), and have a fixed interest rate until maturity. Payments are fixed and are paid monthly through maturity.
As of 31 December 2008, the Company has USD 6.0 million creditfacilities, of which USD 4.1 are undrawn.
The construction loan with a limit of USD 150 million is for construction of vessel NB010 and NB011 and is secured by vessels under construction-receivables, valued at USD 162.1 million.
The loan balance is repayable at the delivery of each vessel

***Aker Seafoods:***
The trawler fleet and shares in the trawling companies provide security for the secured bank loan in NOK. The loan matures in 2015.
The Saint Julien fish farm in France provide security for the secured bank loan in EUR .
The bond loan is placed in the Icelandic market and is listed on the ICEX. The bond loan is unsecured and matures in 2010. Aker Seafoods ASA has covenants in the loan agreements that are linked to minimum equity ratio. The Company is not in violation of the covenants on loans.
The group has bank overdraft facilities, of which NOK 4 million are undrawn.
The secured loans, overdraft facility and other short term loans of total NOK 1 080 million are secured by mortgage in non-current assets, inventories and receivables of total NOK 1 581 million.

***Aker BioMarine:***
Callable Bond Issue:
The Callable Bond Issue of NOK 750 milion is due in May 2010. Limit for the Bond is NOK 1 000 million.
The loan has a floating interest of Nibor + 3,5%, which was 9.54% at year end 2008 and 9.74% in average in 2008. The loan is due in May 2010 and interest is paid quarterly until due date of the loan.
The secured loans are secured by mortgage in ship with a book value at end of 2008 of l NOK 218 million.

***Aker Ocean Harvest:***
The loans are secured in the fishing fleet in Argentina and Aker BioMarine Antarctic, total NOK 465 million. The loans are due in November 2016 and March 2018.
The company has an overdraft facility of 8 USD million, of which USD 1.0 million is not utilized.

***Aker Floating Production:***
The loans are secured in Dhirubhai-1 and the hull of Aker Smart 2 and 3.

***Aker Exploration (see also below):***
The loan has a maturity term from 18 December 2006 to 16 December 2011 and has a fixed interest rate of 6 % with yearly payments per 16 December. The loan may be converted to shares at NOK 79.30 per share (5 769 321 shares). The loan is unsecured.

***Aker Drilling***
Subordinated convertible Bond Issue 2005/2010 (see also below):
The convertible bond loan has a nominal value of NOK 800 million and comprises 1 600 issued bonds each with a par value of NOK 500 000. The bond loan was issued October 24. 2005. The interest rate is as from April 24. 2008 a fixed rate of 9,5% and interest payments are due on April 24 and October 24. The first interest payment October 24, 2008.
The loan is convertible at a fixed rate of 46.0625. The loan can be converted into shares over the entire period.

Aker Drilling has a credit facility of USD 387.5 million for each rig, total USD 775 million with DnBNOR. For each of the loans comprises of 3 tiers: tranches A,B, and C. Different credit facilities and repayment periods have been agreed for the individual tranches. The repyament periods for the two largest tranches, A and B, are 15 and 7,5 years, respectively. Tranche C is to be repaid over the contract term of the individual rig contracts.
Aker Drilling has entered into an agreement with Aker Solutions which allows the latter company to utilise the credit facilities during the pre-delivery phase. This agreement betwen Aker Solution, Aker Drilling and DnBNOR, is presented with gross value in the balance sheet. As of 31 Desember 2008, Aker Solutions has used USD 640 million (NOK 4 479 million) in the credit facilities, and this is shown as interest-bearing receivable in the balance sheet. Likewise, the liability to DnBNOR for USD 640 million (NOK 4 479 million) is shown as an interest-bearing short-term loan.

***Aker ASA and Holding:***
Aker ASA FRN 2005/2010
The loan has a floating interest of Nibor + 3.75 %, which was 9.86 % at year end 2008 and 9.71 % at average in 2008. The loan is due March 2010 and the interest is paid quarterly.

Aker ASA FRN 2005/2012
The loan has a fixed interest of 8 %. The loan is due March 2010 and the interest is paid quarterly.

Aker Invest II KS FRN 2005/2010
The loan has a fixed interest of 8 % and is due 20 September 2010. The interest is paid quarterly.

The secured bank loans of USD 25 million is secured in Antarctic Navigator, total NOK 586 million. Interest and installments are paid every half year.

***Own bonds:***
Aker ASA and Holding companies have purchased bonds issued by some of the subsidiaries and own at year end 2008 22 % of Aker Drilling's bond and 53 % of Aker BioMarine's bond.

***Other loans:***
Other loans constitute NOK 181 million and include unsecured bank loan of NOK 102 million, overdraft facilities of NOK 15 million and other liabilities of NOK 64 million.

***Convertible bond in Aker Drilling***

| *Amounts in NOK million* | **2008** |
|---|---|
| Convertible bond principal | **800** |
| Expenses at time of the loan issue | **-10** |
| Equity component | **-3** |
| Currenty transation | **-4** |
| **Carrying amount convertible bond 31.12** | **783** |

***Convertible bond in Aker Exploration***

| *Amounts in NOK million* | **2008** |
|---|---|
| Convertible bond issue Norsk Tillitsmann, principal | **457** |
| Equity share of convertible bond at initial recognition | **-99** |
| Accumulated amortization of equity share | **33** |
| **Carrying amount convertible bond 31.12** | **391** |

***2008 changes in Group's interest bearing liabilities:***

| *Amounts in NOK million* | Long term | Short term excl construction loan | Total | Construction loan | **Total** |
|---|---|---|---|---|---|
| Interest bearing liabilities 01.01.2008 | 5 280 | 3 082 | 8 362 | 434 | **8 796** |
| Change in construction loan | - | - | - | 394 | **394** |
| New loan in Aker Floating Productions | 3 027 | - | 3 027 | | **3 027** |
| Other new loans | 762 | 52 | 814 | - | **814** |
| **Total payment from new long term and short term loans (excl construction loan)** | 3 789 | 52 | 3 841 | - | **3 841** |
| Payment of bonds in Aker ASA and holding companies | - | -659 | -659 | - | **-659** |
| Paid exchangeable bond issue in Aker ASA and Holding companies | - | -216 | -216 | - | **-216** |
| Purchase own bonds | -55 | -321 | -376 | - | **-376** |
| Repayment Aker Yards loan | -147 | -100 | -247 | - | **-247** |
| Repyaments of loans in Aker Floating Productions | - | -1 791 | -1 791 | - | **-1 791** |
| **Total payment of long term and short term loans** | -202 | -3 087 | -3 289 | - | **-3 289** |
| Sale of shares in Aker American Shipping (deconsolidation effects) | -1 578 | -36 | -1 614 | - | **-1 614** |
| Consolidation of Aker Drilling | 779 | 3 291 | 4 070 | - | **4 070** |
| Other acquisition/disposal of subsidiaries | 63 | - | 63 | - | **63** |
| **Total conversion and acquisition of subsidiaries with no cash effect** | -736 | 3 255 | 2 519 | - | **2 519** |
| Currency translation and other changes | -131 | 1 921 | 1 790 | - | **1 790** |
| **Interest bearing liabilities per 31.12.2008** | 8 000 | 5 224 | 13 224 | 828 | **14 052** |

***NET INTEREST BEARING DEBT***
***Net interest bearing items consist of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Cash and cash equivalents | **6 085** | 15 333 |
| Financial interest bearing non-current assets | **754** | 937 |
| Interest bearing short term receivables | **4 720** | 53 |
| Total interest bearing assets | **11 559** | 16 323 |
| Interest bearing long term debt | **-8 000** | -5 280 |
| Interest bearing short term debt incl construction loan | **-6 052** | -3 516 |
| **Total interest bearing debt** | **-14 052** | -8 796 |
| **Net interest bearing debt (-) / assets (+)** | **-2 493** | 7 527 |

***Finance lease liabilities***

***Finance lease liabilities are payable as follows:***

| *Amounts in NOK million* | **Minimum lease 2008** | **Interest 2008** | **Principal 2008** | Minimum lease 2007 | Interest 2007 | Principal 2007 |
|---|---|---|---|---|---|---|
| Less than one year | **6** | **1** | **5** | 4 | - | 4 |
| Between one and five years | **25** | **2** | **23** | 8 | 2 | 6 |
| More than five years | **20** | **1** | **19** | 2 | 1 | 1 |
| **Total** | **51** | **4** | **47** | 14 | 3 | 11 |

## NOTE 28: OPERATING LEASES

***Other non-cancellable operating lease rentals (leases as a lessee) are payable as follows:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Less than one year | **30** | 25 |
| Between one and five years | **84** | 95 |
| More than five years | **7** | 18 |
| **Total** | **121** | 138 |

The major part of the operating lease costs and commitments relate to rent of office facilities and IT equipment.

Estimated minimum rent receivable for subletting agreements related to non terminable operational lease is NOK 2 million as per 31 December 2008.

## NOTE 29: PENSION EXPENSES AND PENSION LIABILITIES

The Aker Group's Norwegian companies mainly cover their pensions through group pension plans in life insurance companies. Under IAS 19 Employee Benefits, the plans have been treated for accounting purposes as defined benefit plans.
The Group's companies outside Norway have pension plans based on local practice and regulations. Certain companies have pension plans for which the employer provides an agreed-upon contribution that is managed in separate pension savings plan, (defined contribution plans) or makes contributions that are included in joint plans with other employers (multi-employer plans). The contributions are recorded as pension expenses for the period.
The Group also has uninsured pension liabilities for which provisions have been made.
Actuarial calculations have been made to determine pension liabilities and pension expenses in connection with the Group's defined benefit plans.

The following assumptions have been made when calculating liabilities and expenses in Norway:

| | **2008** | 2007 |
|---|---|---|
| Expected return | **6.5 %** | 6.0 % |
| Discount rate | **4.5 %** | 5.0 % |
| Wage growth | **4.3 %** | 4.3 % |
| Pension adjustment | **3.0 %** | 2.5 % |

***Pension expense recognized in profit and loss:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Current service cost | **-15** | -16 |
| Interest cost | **-19** | -15 |
| Expected return on pension funds | **13** | 10 |
| Amortization of actuarial gains and losses | **-15** | |
| Amortization of past periods service cost | **2** | -2 |
| **Pension expenses recognized from defined benefit plans** | **-34** | -23 |
| Contribution plans (employer's contribution) | **-21** | -16 |
| **Total pension expense recognized in profit and loss** | **-55** | -39 |

***Net pension funds and liabilities:***

| *Amounts in NOK million* | 2008 Pension asset | 2008 Pension liabilities | 2008 Net asset and liabilities | 2007 Net asset and liabilities |
|---|---|---|---|---|
| Defined Benefit obligation funded plans | -136 | -77 | -213 | -238 |
| Defined Benefit obligation unfunded plans | - | -206 | -206 | -149 |
| Fair value of plan assets | 115 | 74 | 189 | 179 |
| **Calculated present value of net pension funds(+)/pension liabilities (-)** | -21 | -209 | -230 | -208 |
| Unrecognized net actuarial gains and losses | 34 | 21 | 55 | 29 |
| **Net liability recognized in the balance sheet** | 13 | -188 | -175 | -179 |

***Changes in the net defined benefit obligations recognized in the balance sheet are as follows:***

| *Amounts in NOK million* | 2008 Pension asset | 2008 Pension liabilities | 2008 Net asset and liabilities | 2007 Net asset and liabilities |
|---|---|---|---|---|
| Net defined benefit obligations at the beginning of the year | 11 | -190 | -179 | -1 284 |
| Net expense recognized from defined benefit plans | -6 | -28 | -34 | -23 |
| Pension contribution | 8 | 28 | 36 | 26 |
| Acquisition and sale | - | 2 | 2 | 1 102 |
| **Net defined benefit obligations at 31 December** | 13 | -188 | -175 | -179 |
| Pension funds | 13 | - | 13 | 11 |
| Pension liabilities | - | -188 | -188 | -190 |
| **Net defined benefit obligations at 31 December** | 13 | -188 | -175 | -179 |

Actual return on plan assets in 2008 and 2007 was respectively NOK 7 million and NOK 7 million.

***The major categories of plan assets as a percentage of total plan assets are as follows:***

| *Percentage* | **2008** | 2007 |
|---|---|---|
| Bonds | **72.1 %** | 57.2 % |
| Equity securities | **4.7 %** | 15.0 % |
| Money market instruments | **21.3 %** | 18.9 % |
| Other | **1.9 %** | 8.9 % |
| **Total** | **100.0 %** | 100.0 % |

The Group expects to contribute approximately NOK 17 million to pension funds in 2008.

***Financial assumptions (Norwegian plans):***
The discount rate is based on the interest rate on Norwegian government securities.
As the capital is invested in securities with higher risk than the government securities the return on the funds are expected to be higher than the discount rate. Experience data reveal that in the long term the return on investment have been approximately 1 % higher than the discount rate, we have therefore used an expected return of 6.5 %.
The discount rate is based on the interest rate on Norwegian government securities. Below is the effect on pension cost and liabilities with 1 per cent increase or decrease in the discount rate. In addition the effect of 1 per cent increase or decrease in wage growth is shown.

| *Amounts in NOK million* | 1% increase | 1% decrease |
|---|---|---|
| **Discount rate:** | 5.5 % | 3.5 % |
| Pension expenses | -24 | -48 |
| Pension obligations | 385 | 455 |
| ***Wage growth:*** | 5.3 % | 3.3 % |
| Pension expenses | -45 | - 24 |
| Pension obligations | 430 | 405 |

***Historical information***

| *Amounts in NOK million* | **2008** | 2007 | 2006 |
|---|---|---|---|
| Defined Benefit obligation funded and non-funded plans | **-419** | -386 | -4 601 |
| Actual value plan assets | **189** | 179 | 2 635 |
| **Net value of pension liabilities (-) / assets (+)** | **-230** | -208 | -1 966 |

## NOTE 30: OTHER INTEREST-FREE LONG-TERM LIABILITIES/COMMITMENTS

***Other interest-free long-term liabilities comprise the following itmes:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Put agreement SAAB and Investor | **1 652** | |
| Other interest-free long-term liabilities | **794** | 101 |
| **Total** | **2 446** | 101 |

SAAB and Investor has a put-agreement on their combined 10 percent share holding in Aker Holding. Aker Holding has a shareholding of 40.3 percent of Aker Solutions.
Other interest free long-term liabilities consist among other things of NOK 390 million in deferred income in Aker Floating Production.

## NOTE 31: PROVISIONS FOR LOSS CONTRACTS

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Carrying amount at 1 January | **-** | 192 |
| Acquition and sale of subsidiaries | **-** | -192 |
| Additional provisions | **-** | - |
| Amounts used | **-** | - |
| Unused amounts reversed during the period | **-** | - |
| Exchange adjustment | **-** | - |
| **Carrying amount at 31 December** | **-** | - |
| Whereof: | | |
| - amount to reduction of projects under construction | **-** | - |
| - amount to short-term provision | **-** | - |

***Contract losses***
Any forseeable losses on signed construction contracts are expensed. Amounts recoverable on work in progress are written down before a provision for contract losses is recognised. The cash effect of any provisions will come over the projects' life time.

## NOTE 32: PROVISION

***2008***

| *Amounts in NOK million* | Warranties | Restructuring | Legal claims | Other | **Total** |
|---|---|---|---|---|---|
| Balance as of 1 January | 21 | 0 | 0 | 124 | **145** |
| Acquition and sale of subsidiaries | 0 | 0 | 0 | 1 | **1** |
| Provisions made during the year | 80 | 0 | 0 | 76 | **156** |
| Provisions used during the year | -4 | 0 | 0 | -1 | **-5** |
| Provisions reversed during the year | 0 | 0 | 0 | 0 | **0** |
| Exchange adjustment | 6 | 0 | 0 | -4 | **2** |
| **Balance as of 31 December** | 103 | 0 | 0 | 196 | **299** |
| | | | | | |
| Non-current | 70 | 0 | 0 | 46 | **116** |
| Current 1) | 33 | 0 | 0 | 150 | **183** |
| **Balance as of 31 December** | 103 | 0 | 0 | 196 | **299** |

***2007***

| *Amounts in NOK million* | Warranties | Restructuring | Legal claims | Other | **Total** |
|---|---|---|---|---|---|
| Balance as of 1 January | 583 | 241 | 5 | 853 | **1 682** |
| Acquition and sale of subsidiaries | -565 | -241 | -4 | -716 | **-1 526** |
| Provisions made during the year | 13 | 0 | -1 | 7 | **19** |
| Provisions used during the year | -4 | 0 | 0 | -2 | **-6** |
| Provisions reversed during the year | -3 | 0 | 0 | -1 | **-4** |
| Exchange adjustment | -3 | 0 | 0 | -17 | **-20** |
| **Balance as of 31 December** | 21 | 0 | 0 | 124 | **145** |
| | | | | | |
| Non-current | 0 | 0 | 0 | 111 | **111** |
| Current 1) | 21 | 0 | 0 | 13 | **34** |
| **Balance as of 31 December** | 21 | 0 | 0 | 124 | **145** |

*1) Short-term liabilities related to provisions for loss contracts is shown in a separate note.*

***Warranties***
The provision for warranties relates mainly to the possibility that Aker based on contractual agreements, needs to do guarantee work related to products and services delivered to customers. The provision is based on estimates on occurrence and cost of work that needs to be done. The warranty period is normally two years and any cash effects will come in this period. A provision of NOK 70 million is made in 2008 for expected payment to TH Global.

Acquisistion and sale of subsidiaries in 2007 was related to Aker Solutions and Aker Yards.

## NOTE 33: GUARANTEE OBLIGATIONS

At year-end 2008 Aker had guarantee obligations of NOK 1 050 million that were not recorded in the balance sheet, inclusive Sea Launch with NOK 853 million and TH Global NOK 142 million.

As part of its ordinary operations, completion guarantees and guarantees for advance payments form customers are written.
Such guarantees typically involve a financial institution that issues the guarantee vis-à-vis the customer.

Collateral has been posted for interest-bearing long-term debt of NOK 5,9 billion. The book value of assets used as collateral is NOK 11 billion.

Aker Exploration AS has signed a revolving credit facility of NOK 1 820 million with a consortium of banks.
The loan is secured in the tax refund of tax on exploration expenses from Norwegian tax authorities, and has been guaranteed by Aker Exploration ASA with a limit of NOK 2.7 billion Aker Exploration ASA has issued an unlimited parent-company guarantee to the Ministry of Petroleum and Energy ( OED ) on behalf of Aker Exploration AS. Aker Exploration ASA has issued performance guarantees to Pertra ASA (now Det norske oljeselskap ASA) and to Gas de France AS (now GDF Suez) in relation to the acquistion of the ownership interests in PL321 and PL469 respectively.
Aker Exploration ASA has issued a payment guarantee to Chevron Norge AS and Norsk Hydro Produksjon AS (StatoilHydro Petroleum AS) in connection with the acqusition of 12.5% and 30% in PL283 and PL428 respectively.

## NOTE 34: TRADE AND OTHER PAYABLES

***Trade and other payables comprise the following itmes:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Advances from customers | **11** | 3 |
| Trade accounts payable | **535** | 886 |
| Accrual of operating- and financial costs | **545** | 364 |
| Other short-term interest free liabilites | **6 248** | 315 |
| **Total** | **7 340** | 1 568 |

***NET CURRENT OPERATING ASSETS / LIABILITIES (-)***

***Specification of net curent operating assets (see also note 4):***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Biological assets, inventories, Projects under constr., Other trade and other interest-free receivables | **3 616** | 2 732 |
| Trade and other payables | **-7 340** | -1 568 |
| Current provisions | **-183** | -34 |
| **Total** | **-3 906** | 1 130 |

## NOTE 35: FINANCIAL INSTRUMENTS

The Aker Group consists of various operations and companies that are exposed to different kinds of financial risk including credit-, interest- and currency risk. The Group uses different financial instruments to active operate its financial exposure. The main companies in the Group have developed their own policies and guidelines on how the financial risk should be handled based on the individual companies exposure to the different kinds of financial risk.

***Capital management***
One important objective for Akers finance policy is to secure financial leeway both on a short- and long term basis to be able to achieve strategic goals. Aker wants to maintain a strong capital base and aim at a conservative investment strategy with minimal risk. The investments need to be liquid and the capital is mainly invested in securities with low credit risk and short duration.
Beyond the capital base described above, Aker wants to have a certain share of the capital available for possible investments. The required rate of return on this part of the capital base is some higher.
Aker also participate in public share- and debt issues in Aker-related companies.
Aker ASA and Holding companies has issued bonds in the Norwegian capital marked. As of 31 December 2008 Aker has re-purchased 31 % of own bonds (see note 27).

***Credit risk***
The management for the main companies has developed their own policies and guidelines for credit risk. The exposure to credit risk is monitored on an ongoing basis within the group guidelines.
The group's principal financial assets are bank balances and cash, trade and other receivables, finance lease receivables and investments, which represent the group's maximum exposure to credit risk in relation to financial assets. The group's credit risk is primarily attributable to its trade and finance lease receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the group's management based on prior experience and their assessment of the current economic environment. Credit evaluations are performed on all customers requiring credit over a certain amount. Transactions involving derivative financial instruments are with counterparties with whom the Group has a signed netting agreement as well as sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

***Exposure to credit risk***
The carrying amount of financial assets represents the maximum credit exposure.
The maximum exposure to credit risk at the reporting date was:

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| Available-for-sale-financial assets | *15,16,17* | **1 139** | 926 |
| Held-to-maturity investments | | **-** | - |
| Financial assets at fair value through profit or loss | | **1 066** | 49 |
| Derivates designated as hedge | | **-** | - |
| Trade receivables | *20* | **581** | 307 |
| Other loans and receivables | *16,17,20,21* | **5 796** | 1 755 |
| Cash and cash equivalents | *22* | **6 085** | 15 333 |
| **Total** | | **14 667** | 18 370 |

Financial assets at fair value through profit or loss in 2008 (2007) consist of NOK 179 million (NOK 31 million) in currency contracts and NOK 4 million (NOK 18 million) in interest rate swaps and interest rate swaps options. In additon it consist of a embedded derivative in a construction contract in Aker Drilling (currency) NOK 496 million and the value of a fixed interest loan commitments of NOK 285 million in Aker Drilling.

***The main companies have different exposures to credit risk. Trade receivables per company are as follows:***

| *Amounts in NOK million* | **2008** | 2006 |
|---|---|---|
| Aker Philadelphia Shipyard | **4** | 1 |
| Aker Seafoods | **326** | 241 |
| Aker BioMarine | **18** | 19 |
| Aker Ocean Harvest | **49** | 5 |
| Aker Floating Production | **115** | - |
| Other Companies | **69** | 41 |
| **Total trade receivables** | **581** | 307 |

Aker Seafoods enter into credit insurance agreements for all customers with credit limits above NOK 100 000.
Bad debt expense in Aker Seafoods in relation to sales was approximately 0.04 per cent and 0.15 per cent in 2008 and 2007, respectively.

***The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:***

| | **Gross trade receivables** | Gross trade receivables |
|---|---|---|
| *Amounts in NOK million* | **2008** | 2007 |
| Wholesale customers | **384** | 215 |
| Retail customers | **139** | 40 |
| End-user customers | **43** | 19 |
| Other | **33** | 43 |
| **Total trade receivables** | **598** | 317 |

***The aging of trade receivables and provision for impairment loss***
The aging of trade receivables at the reporting date was:

| *Amounts in NOK million* | **Gross trade receivables 2008** | **Provision for impairment loss 2008** | Gross trade receivables 2007 | Provision for impairment loss 2007 |
|---|---|---|---|---|
| Not past due | **361** | **-** | 193 | - |
| Past due 0-30 days | **120** | **-1** | 69 | -1 |
| Past due 31-120 days | **83** | **-5** | 45 | -3 |
| Past due 121 - 365 days | **17** | **-3** | 2 | -1 |
| Past due more than one year | **17** | **-9** | 8 | -5 |
| **Total trade receivables** | **598** | **-17** | 317 | -10 |
| **Recognised impairment loss** | | **-7** | | -4 |

The recognised impairment loss on trade receivables is included in other operating expenses in the profit and loss statement. In 2008 short-term and long-term receivables on the related company p/f Næraberg was written down with respectively NOK 22 million and NOK 166 million.

***Liquidity risk***
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due.

| | | 2008 Contractual cash flows including estimated interest payments | | | | | |
|---|---|---|---|---|---|---|---|
| *Amounts in NOK million* | Carrying amount | Contractual cash flows | 6 mths or less | 6-12 mths | 1-2 years | 2-5 years | More than 5 years |
| Unsecured bank loans | 5 684 | -7 657 | - 384 | - 376 | - 737 | -2 044 | -4 116 |
| Unsecured bond issues | 102 | - 159 | - 2 | - 7 | - 9 | - 28 | - 112 |
| Convertible loans/bonds | 1 563 | -2 352 | - 84 | - 64 | -1 731 | - 474 | - |
| Finance lease liabilities | 971 | -1 380 | - 75 | - 73 | - 754 | - 478 | - |
| Other long term liabilities | 46 | - 73 | - 4 | - 7 | - 10 | - 12 | - 39 |
| Bank facility | 64 | - 87 | - 8 | - 8 | - 16 | - 31 | - 24 |
| Other short term liabilities | 201 | - 201 | - 201 | - | - | - | - |
| Construction loans | 4 593 | -4 597 | -2 351 | -2 246 | - | - | - |
| Byggelån | 828 | - 840 | - 840 | - | - | - | - |
| **Total contractual cash flows for interest-bearing liabilities** | 14 052 | -17 347 | -3 950 | -2 782 | -3 257 | -3 067 | -4 291 |
| | | | | | | | |
| Short-term derivative financial liabilities | 975 | | | | | | |
| Trade and other payables | 7 578 | | | | | | |
| Long-term interest-free liabilities | 2 997 | | | | | | |
| **Total liabilities** | 25 601 | | | | | | |

Short-term derivative financial liabilities consist of NOK 153 million in currency contracts used for economic hedges and NOK 537 million in interest rate swaps. In addition it consist of the fair value of a option for a fixed interest bank deposit in Aker Drilling of NOK 285 million.

| | | 2007 Contractual cash flows including estimated interest payments | | | | | |
|---|---|---|---|---|---|---|---|
| *Amounts in NOK million* | Carrying amount | Contractual cash flows | 6 mths or less | 6-12 mths | 1-2 years | 2-5 years | More than 5 years |
| Secured bank loans | 2 714 | -3 601 | - 223 | - 153 | - 382 | -1 228 | -1 615 |
| Unsecured bank loans | 1 005 | -1 035 | - 929 | - 14 | - 5 | - 14 | - 74 |
| Unsecured bond issues | 3 675 | -4 478 | - 55 | -1 670 | - 184 | -2 569 | - |
| Convertible loans/bonds | 589 | - 783 | - 215 | - 27 | - 27 | - 512 | - |
| Finance lease liabilities | 14 | - 16 | - 2 | - 3 | - 3 | - 6 | - 2 |
| Other long term liabilities | 275 | - 290 | - 115 | - 28 | - 110 | - 24 | - 13 |
| Bank facility | 58 | - 58 | - 58 | - | - | - | - |
| Other short term liabilities | 31 | - 36 | - 30 | - 6 | - | - | - |
| Construction loans | 434 | - 448 | - 328 | - 120 | - | - | - |
| **Total contractual cash flows for interest-bearing liabilities** | 8 796 | -10 745 | -1 957 | -2 021 | - 711 | -4 353 | -1 704 |
| | | | | | | | |
| Short-term derivative financial liabilities | 249 | | | | | | |
| Trade and other payables | 1 622 | | | | | | |
| Long-term derivative financial liabilities | 54 | | | | | | |
| Long-term interest-free liabilities | 957 | | | | | | |
| **Total liabilities** | 11 678 | | | | | | |

Short-term derivative financial liabilities consist of NOK 2 million in currency contracts used for economic hedges and NOK 247 million in interest rate swaps. Long-term derivative financial liabilities consist of currency contracts used for economic hedges.

***Aker Philadelphia Shipyard***
Aker Philadelphia Shipyard incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than USD. The currencies giving rise to this risk are primarily EUR, NOK and KRW (Korean Won).
As of December 31, 2008 the Aker Philadelphia Shipyard Group's portfolio of foreign exchange derivatives consist of the following currencies and maturities. Amounts indicated represent the underlying notional amounts.

| *Amounts in thousand USD* | 2009 | 2010 | Later years | **Total** |
|---|---|---|---|---|
| Buy EUR | 4 413 | - | - | **4 413** |
| Buy NOK | 7 474 | - | - | **7 474** |
| Buy KRW | 23 096 | 2 795 | - | **25 891** |
| **Total buy** | 34 983 | 2 795 | - | **37 778** |

***Aker Floating Production***
Aker Floating Production does not have any currency forward contracts at 31 December 2008.

***Aker Seafoods***
The Group incurs foreign currency risk on sales that are denominated in a currency other than NOK. The currencies giving rise to this risk are primarily EUR, GBP, DKK and USD. Roughly 50 per cent of all receivables in EUR and GBP are hedged. Approximately 50 per cent of the foreign-exchange risk associated with anticipated sales the subsequent six months are also hedged at all times. Forward foreign exchange contracts are used for hedging the foreign-exchange risk. All forward foreign exchange contracts expire less than one year after the balance sheet date.

The Group ensures that the net exposure linked to other monetary assets and liabilities in foreign currency is kept at an acceptable level by buying and selling foreign currency at the current rate of exchange when it is necessary to manage a short-term imbalance.

As of December 31, 2008 the Aker Seafoods Group's portfolio of foreign exchange derivatives consist of the following currencies and maturities. Amounts indicated represent the underlying notional amounts.

| *Amounts in NOK million* | 2009 | Later years | **Total** |
|---|---|---|---|
| Sell EUR | 715 | 33 | **748** |
| Sell GBP | 36 | 2 | **38** |
| **Total sell** | 751 | 35 | **786** |
| | | | |
| Buy EUR | 4 | - | **4** |
| **Total buy** | 4 | 0 | **4** |

***Aker BioMarine***
Aker BioMarine incurs foreign currency risk on sales that are denominated in currencies other than NOK. It is primarily the currencies EUR and USD giving rise to the risk. Aker BioMarine had no material currency derivatives at 31 December 2008.

***Aker Exploration***
The Group is exposed towards currency risk, in particular USD related to the lease agreement for the drilling rig with an agreed rig rate of USD 520 000 per day, including operating costs of NOK 900 000, which will be subject to inflation adjustment during the lifetime of the contract.
The lease agreement has a fixed period of 3 years with additional option period of up to two years. The lease period is estimated to start in second quarter 2009. The rig is now under construction. The agreement is classified as an operating lease.

The Group has entered into agreements to reduce this exposure, and at 31 December 2008 the Group had financial instruments consisting of:

| *Amounts in NOK million* | Estimated fair value |
|---|---|
| Structured forward contracts (collar) | 116 |
| Options | 61 |
| **Total carrying value of liability** | 177 |

Description of Structured forward contracts (collar) :
The Group will buy a total of USD 120 million during a 3 year period at rate NOK/USD: maximum 6,145 / minimum 5,65.

Description of options:
The Group has an option, but is not obliged to buy USD 6 million per quarter over the next 33 months, at strike price NOK/USD 6,5.

***Aker Drilling***
As of December 31, 2008 the Aker Drilling Group's portfolio of foreign exchange derivatives, which hedges against borrowings, investments and operational transactions consist of the following currencies and maturities. The functional currency in Aker Drilling is USD.
Amounts indicated represent the underlying notional amounts.

| *Amounts in thousand USD* | 2009 | Later years | **Total** |
|---|---|---|---|
| Buy NOK | 114 000 | - | **114 000** |
| **Total buy** | 114 000 | - | **114 000** |

***Other***

***Aker Ocean Harvest***
Aker BioMarine incurs foreign currency risk on sales that are denominated in currencies other than NOK. It is primarily the currencies JPY and USD giving rise to the risk.

| *Amounts in NOK million* | 2009 | Later years | **Total** |
|---|---|---|---|
| Sell JPY | 200 | 0 | **200** |
| **Total sell** | 200 | 0 | **200** |
| | | | |
| Buy USD | 215 | 0 | **215** |
| Buy NOK | 6 | 0 | **6** |
| **Total buy** | 221 | 0 | **221** |

***Aker ASA***

| *Amounts in NOK million* | 2009 | Later years | **Total** |
|---|---|---|---|
| Sell USD | 4 188 | - | **4 188** |
| **Total sell** | 4 188 | - | **4 188** |

***Counter - Party Credit risk***
Aker Philadelphia Shipyards construction and capital expenditure financing (secured loans) contains certain cross defaults to American Shipping Company's take out financing.

***Interest rate risk***
The group's interest rate risk arises from long-term borrowings and receivables. Borrowings and receivables issued at variable rates expose the group to cash flow interest rate risk. Securites issued at fixed rates expose the group to fair value interest rate risk. The Group's exposure to interest risk is evaluated on an ongoing basis. Interest swap agreements are used to achieve a desired mix of fixed and floating interests..

***Profile***
At 31 December the interest rate profile of the Group's interest bearing financial instruments was:

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Fixed rate instruments | | |
| Financial assets | **210** | 532 |
| Financial liabilities | **-2 049** | -3 718 |
| **Net fixed rate instruments** | **-1 839** | -3 186 |
| | | |
| Variable rate instruments | | |
| Financial assets | **11 349** | 15 790 |
| Financial liabilities | **-12 002** | -5 077 |
| **Net variable rate instruments** | **-654** | 10 713 |
| **Net interest-bearing debt(-) / asset(+)** | **-2 493** | 7 527 |

***Fair value sensitivity analysis for fixed rate instruments***
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Aker Seafoods has designated an interest rate swap (fair value NOK -13 million) as hedge for part of the secured bank loan. Aker Drilling has designated an interest rate swap (fair value NOK -271 million) as hedge for a credit facility. A change in interest rates at the reporting date would not affect profit or loss for these. Other interest rate derivatives are not designated as hedges and due to this a change in the interest rate would affect profit or loss for these instruments.

***Fair value estimations***
Due to the short-term nature, the carrying amount is a reasonable approximation of fair value for cash and cash equivalents and for short-term loans and receivables. For available-for-sale financial assets and financial assets at fair value through profit and loss there is no difference as they are carried at fair value.

***The estimates of fair values together with the carrying amounts shown in the balance sheet are as follows:***

| | **2008** | | 2007 | |
|---|---|---|---|---|
| *Amounts in NOK million* | **Carrying amount** | **Fair value** | Carrying amount | Fair value |
| Bonds and convertible loans | **2 530** | **2 093** | 4 265 | 4 288 |
| Other interest bearing loans | **11 522** | **11 227** | 4 531 | 4 517 |
| **Total interest bearing liabilities** | **14 052** | **13 320** | 8 796 | 8 805 |

The fair value of financial instruments traded in active markets (such as currency forward contracts and options, interest swaps and FRA's) is based on quoted market prices at the balance sheet date.
Fair values for available-for-sale financial assets are estimated by using quoted prices and market-based pricing techniques. Fair values for interest-bearing liabilities are estimated by using quoted prices and market-based pricing techniques.

## NOTE 36: CONTINGENCIES AND LEGAL CLAIMS

***Legal claims***

***Project risks and uncertainties***
The group's operations are to a large extent subject to long term contracts, some of which are fixed-price, turnkey contracts that are awarded on a competitive bidding basis. Failure to meet schedule or performance guarantees or increases in contract costs can result in non-recoverable costs, which could exceed revenues realized from the applicable project. Where a project is identified as loss making, forward loss provisions are made. The accounting treatment is based on the information and advice available. Inevitably, such circumstances and information may be subject to change in subsequent periods and thus the eventual outcome may be better or worse than the assessments made in preparing up periodical financial reports.

***Legal proceedings***
With its extensive worldwide operations, companies included in the group are in the course of their activities involved in legal disputes. Provisions have been made to cover the expected outcome of the disputes to the extent negative outcomes are likely and reliable estimates can be made. However, the final outcome of these cases will always be subject to uncertainties and resulting liabilities may exceed booked provisions.

***Warnow***
In 2004 the European Commission opened formal proceedings to examine whether Kvaerner Warnow Werft, now renamed Aker Warnow Werft, a subsidiary within the Aker Group, received approximately EURO 61 million (plus interest) in excess subsidies from German authorities in connection with the privatizations of the shipyard in 1992 and, if so, to what extent could be required to repay any such subsidies. On 20.10.2004 the Commission declared that approximately EURO 26,5 million (including interest as of May 2005) of the state aid given to the yard was incompatible with the Common Market and instructed Germany to institute all measures to reclaim this amount. Kværner is of the opinion that all subsidies granted were utilized in accordance with provisions duly notified to and approved by the European Commission and thus that no repayment obligation can be justified. Aker Warnow Werft and have filed an application with the European Court of First Instance to overturn the Commissions repayment decision. In May 2005 German authorities made a claim for Aker Warnow immediate repayment of the state aid declared illegal by the Commission. In June 2005 Aker Warnow Werft filed a request for an injunction with the Administrative Court of Berlin to suspend any payment obligation until the European Courts have finally ruled on the validity of the Commissions repayment decision. In August 2005 the injunction was awarded. The German authorities may appeal the temporary injunction to the Administrative Court of Appeal Berlin-Brandenburg. No provision is held against the outcome of this potential exposure. Following the merger of Warnow and Aker MTW in connection with the establishment of the Aker Ostsee Group, it has been agreed that the outcome of this EU case will be Kværner's (Aker Maritime Finance after the merger at the end of 2005) sole financial responsibility. No material events has occured in 2007 or 2008.

***TAX***
Aker ASA and its subsidiaries have some issues that are under consideration by local tax authorities in certain countries in which the Group has operations. In accordance with generally accepted accounting practices, Aker has treated issues pending final determination in accordance with the information available at the end of the accounting period.

## NOTE 37: TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke through the The Resource Group AS (TRG AS). All companies controlled by Kjell Inge Røkke are considered as related parties for the Aker Group.

***Kjell Inge Røkke:***
Aker does not have any material outstanding accounts neither has there been any transactions during 2008 with Kjell Inge Røkke except remuneration as Chairman of the board and former leader of the nomination committee in Aker ASA (see note 38).

***Executive team:***
Some members of the executive team have purchased financial instruments from group company for NOK 16 million in 2007 and settled financial instruments for NOK 74 million in 2008. Purchases and settlements have been carried out at market prices.

***Associated companies:***

***p/f Næraberg;***
The associated company p/f Næraberg was at the end of 2008 sold from Aker BioMarine ASA, a subsidiary of Aker ASA, to the newly fomed subsidiares of Aker, Aker Ocean Harvest. Before the sale the receivable against p/f Næraberg was written down with NOK 188 million. Interest income in 2008 is NOK 27 million (2007 NOK 28 million). Aker has issued a bank guarantee of NOK 26 million in favour of p/f Næraberg.

***Aker Solutions:***
***Aker Drilling ASA***
In 2005, Aker Drilling and Aker Solutions entered into a contract for the turn-key delivery of two sixth-generation deepwater drilling semi-submersibles. The rigs are equipped with Aker Solutions Dual RamRig™ drilling equipment. The contract value was approximately NOK 7.8 billion. The construction of the two H-6e drilling rigs, Aker Spitsbergen and Aker Barents, is now in the completion phase. By the current schedule, Aker Drilling will take delivery in February and second quarter 2009 respectively. The sea trials for Aker Spitsbergen were completed in January 2009 with good results; however some damage to the drilling equipment will lead to some additional costs for Aker Solutions. The project has experienced cost overruns due to delays and technical challenges. In 2008 Aker Solution has recognised NOK 2.1 billion in revenue on the contracts to Aker Drilling.

***Aker Floating Production ASA***
Aker Floating Production signed a contract for delivery and installation of an FPSO with Reliance Industries Ltd., India in 2007. The installation contract was executed through Aker Installation Floating Production. Aker Solutions managed the marine installation of the floating production storage and offloading (FPSO) vessel to be leased out by Aker Floating Production. There was a separate contract to deliver process technology to the FPSO. The total value of Aker Solutions' contracts were approximately USD 250 million and NOK 671 million. The process systems contract is completed by year end 2008 and the installation contract is between Aker Solutions and Reliance Industries Ltd. following the acquisition of Aker Installation Floating Production AS. In 2008 Aker Solution has recognised NOK 32 million in revenue on the contracts to Aker Floating Production ASA.

***Aker Installation Floating Production AS***
Aker Installation Floating Production AS was acquired from Aker Floating Production in fourth quarter 2008 for NOK 2 million.

***Aker Oilfield Services AS***
Aker Solutions has increased its shareholding in Aker Oilfield Services from 19 percent to 32.3 percent through a rights issue of NOK 166 million in first quarter 2008, simultaneous Aker reduced it's shareholding from 52,1% to 44,1%.

***Aker Clean Carbon AS***
Aker Solutions transferred its Just CatchTM technology for CO2 capture, valued at NOK 32 million, to the company Aker Clean Carbon, which will develop CO2 capture projects. The transaction took place in 2008 and gave Aker Solutions 30 percent of the shares in Aker Clean Carbon, while Aker ASA owns 70 percent. The ownership ratio has been determined following valuations and negotiations that have also recognised the value of Aker Solutions' exclusive rights to participate in building future carbon capture facilities in co-operation with Aker Clean Carbon. Aker Solutions has provided a loan to Aker Clean Carbon that amounted to NOK 15 million at the end of December 2008

***Intellectual Property Holding AS***
Aker Solutions has an agreement with Intellectual Property Holding that holds all rights, titles and interests in and to registered trademarks and domain names containing "Aker". Intellectual Property Holding will act as a joint branding tool where the companies in the Aker group join forces in selected initiatives. The annual royalty cost for Aker Solutions is approximately NOK 10 million.

***Aker ASA***
The decrase in performance guarantee relates mainly to Aker MTW. The guarantee expires as of 31 December 2008.
Aker ASA has a guarantee commitment regarding the US pension fund Kværner Consolidtated Retirement Plan with Kvaerne US Inc. The aim of the commitment is that Kvaerner US Inc should be able to fulfil their yearly and quarterly minimum committeds premium payments to the premium fund. There is a split responsibility where as Kvaerner US Inc (with guranantee from Aker ASA) should pay 2/3 of the pension obligation, and Aker Kvaerner Willfab Inc and Aker Subesa Inc (with guarnatee from Aker Solutions ASA) should pay1/3 of the pension obligation.

***Aker Capital AS***
Aker Solutions acquired in October 2008 shares in Aker Marine Contractors equivalent to 10 percent from Aker Capital.

***Aker Oilfield Services:***
Aker has a short term interest-bearing receivable of NOK 110 million against Aker Oilfield Services at end of 2008.

Total NOK 1.5 million have been charged from Aker to associated companies and other related parties for rent of premises and other administrative services in 2008.

## NOTE 38 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, NOMINATION COMMITTEE, CEO, AND OTHER EMPLOYEES IN AKER ASA'S EXECUTIVE TEAM.

***Remuneration to the board of directors***
Remuneration paid to the board of directors in 2008 is NOK 2 450 000 (NOK 2 450 000 in 2007). The members of the board, with exception of the chairman (see below), did not receive any other remuneration in 2008.
The Chairman of the board (Kjell Inge Røkke from 19.12.2008), has not received any board remuneration from Aker ASA in 2008.
Leif-Arne Langøy, the Chairman of the board until 19.12.2008, did not receive any board remuneraion when he was employed in Aker ASA.

| *Amount in NOK* | **2008** | 2007 |
|---|---|---|
| Leif-Arne Langøy (Board chairman until 19.12.2008 and Director after that) | **0** | 0 |
| Kjell Inge Røkke (Board chairman after 19.12.2008) | **0** | 0 |
| Lone Fønss Schrøder (director) | **350 000** | 350 000 |
| Bjørn Flatgård (director) | **300 000** | 300 000 |
| Jon Fredrik Baksaas (director until 25.12.2008) | **300 000** | 300 000 |
| Kjeld Rimberg (director until 29.03.2007) | **-** | 150 000 |
| Kjell A. Storeide (director) | **300 000** | 300 000 |
| Hanne Harlem (director) | **300 000** | 300 000 |
| Kristin Krohn Devold (director) | **300 000** | 150 000 |
| Atle Tranøy (employee rep.) | **150 000** | 150 000 |
| Harald Magne Bjørnsen (employee rep.) | **150 000** | 150 000 |
| Bjarne Kristiansen (employee rep.) | **150 000** | 150 000 |
| Stein Aamdal (employee rep.) | **150 000** | 150 000 |
| **Total** | **2 450 000** | 2 450 000 |

***Remuneration to the nomination comittee***
Total remuneration to the nomination committee from Aker ASA was NOK 150 000 in 2008 (NOK 30 000 in 2007).

***Directive of Remuneration reguarding the CEO and the Executive team***
The main purpose of the systems for the leadership remuneration is to stimulate to a strong and lasting profit oriented culture which contribute to an increasing value of the stocks. The total remuneration to the executive team consists of a market based fixed salary, a few standard additional remuneration and a variable salary. The CEO and the executive team are members of a collective pension and insurance scheme applicable to all employees. The companies practice standard employee contracts and standard hire conditions regarding notice period and severance pay for the CEO and the Executive team. The company does not offer stock option programs to the employees. The intention for the variable salary program is to contribute to achivement of good financial profit and leadership according to the company's values and business ethics. The variable salary is based on achievement of financial and personal goals, leadership according to the company's values and development of the company's share price. The program represents a potential for the Leadership to earn a variable salary up to the value of 100% of the fixed salary. Variable salary is paid over 3 years. Half of the variable salary earned is paid the following year. The remaining amount is paid two years later together with a raise provided that the leader still is employed in the company. The yearly payments have a limit corresponding to one years fixed salary. Carrying out special projects may give an extra bonus in addition to the above. Scope and criteria's for the variable salary is being evaluated and is expected to be changed with effect in 2009.

***Remuneration to the Managing Director***
Managing Director Bengt A. Rem has received a fixed salary of NOK 2 026 898 in 2008 (NOK 1 979 709 in 2007) and a bonus/variable salary of NOK 413 392 in 2008 (607 339 in 2007). The value of additional remuneration is NOK 18 473 in 2008 (NOK 14 379 in 2007) and net pension expenses for Bengt A. Rem is NOK 165 674 in 2008 (NOK 123 046 in 2007).

New Managing Director/group Manager Øyvind Eriksen assumed his position as of 1 January 2009.

***Remuneration to the President***
In 2008 Leif-Arne Langøy received a salary of NOK 4 595 997 in 2008 (NOK 4 585 184 in 2007). In addition he received a bonus of NOK 21 277 in 2008 (NOK 3 520 000 in 2007) and other remuneration of NOK 17 520 in 2008 (NOK 13 929 in 2007). Net pension expenses for Leif-Arne Langøy in 2008 is NOK 200 034 in 2008 (NOK 141 7185 in 2007). Leif-Arne Langøy resigned from the company with effect from 01.01.2009.

Øyvind Eriksen started as the President as of 1 January 2009. The appointment of Øyvind Eriksen can be mutual terminated with a 3 months notice. Øyvind Eriksen is entitled to receive up to 3 months salary from the date of termination if the contract is terminated by the company. The salary will not be paid if he continues in another company within the Aker Group.
The remuneration plan for Øyvind Eriksen includes a fixed salary, standard pension- and insurance plan for employees and a variable salary. Øyvind Eriksen receives a fixed salary of NOK 12 000 000, and will receive a variable salary of NOK 12 000 000 when he assumed his position in the company. He will not receive any bonus for 2009, however he will be able to receive bonus for 2010 and later until 2/3 of the fixed yearly salary.

***Remuneration to the Executive team***
The Executive team appointment can be terminated with a three or six months warning. If the company terminates the appointment, the Executive vice presidents (EVP) has a right to three or six months salary after termination. The Executive team has a bonus plan which is based on achivement of defined short and long terms goals (see description below). The Norwegian Exectutive team is included in the company's collective pension plan for salary up to 12 G.

Geir Arne Drangeid has received a fixed salary of NOK 1 926 177 in 2008 (NOK 1 870 079 in 2007) and a bonus/variable salary of NOK 248 318 in 2008 (NOK 580 742 in 2007). The value of additional remuneration is NOK 19 924 in 2008 (NOK 14 375 in 2007) and net pension expenses for Geir Arne Drangeid is NOK 150 933 in 2008 (NOK 116 974 in 2007).

Martinus Brandal (employeed in Aker ASA as of 01.03.2008) has received a fixed salary of NOK 2 575 000 in 2008 and a bonus/variable salary of NOK 6 020 000 in 2008. The value of additional remuneration is NOK 13 141 in 2008 and net pension expenses for Martinus Brandal is NOK 193 576 in 2008.

Nils Are K. Lysø has received a fixed salary of NOK 1 978 443 in 2008 (NOK 1 909 844 in 2007) and a bonus/variable salary of NOK 256 019 in 2008 (NOK 557 039 in 2007). The value of additional remuneration is NOK 20 824 in 2008 (NOK 14 212 in 2007) and net pension expenses for Nils Are K. Lysø is NOK 126 576 in 2008 (NOK 102 686 in 2007).

Karl Erik Kjelstad has received a fixed salary of NOK 2 971 705 in 2008 (NOK 1 250 000 in 2007), and a bonus/variable salary of NOK 10 394 231 in 2008 (NOK 40 384 in 2007). The value of additional remuneration is NOK 21 880 in 2008 (NOK 4 751 in 2007) and net pension expenses for Karl Erik Kjelstad is NOK 145 572 in 2008 (NOK 97 199 in 2007).

The remuneration plan for Managing Director and other EVP's includes a fixed yearly salary, standard pension- and insurance plan for the employees and variable salary. The appointments of EVP can be terminated with three or six months notice. If the company terminates the appointment, some EVP will receive six months salary after the notice period. The Executive team in Norway has a retirement plan starting from the age of 60 up to 67 years with with gradually slow-down of working time and salary.

## NOTE 39 SHARES OWNED BY BOARD OF DIRECTORS, THE PRESIDENT & CEO AND OTHER MEMBER OF THE EXECUTIVE TEAM

***Shares owned or controlled by members of the Board of Directors and Executive Team (and their related parties) in Aker ASA and other listed subsidiaries as per 31 December 2008***

| | Aker ASA | Aker Floating Production | Aker Exploration | Aker Seafoods | Aker Philadelphia Shipyard | Aker BioMarine |
|---|---|---|---|---|---|---|
| Kjell Inge Røkke (Chairman of the Board) 1) | 49 069 690 | | | | | |
| Lone Fønss Schrøder | 1 173 | | | | | |
| Bjørn Flatgård | | | | | | |
| Leif-Arne Langøy 2) | 41 000 | 25 000 | 79 500 | 38 400 | | 62 500 |
| Kristin Krohn Devold | | | | | | |
| Kjell A. Storeide | | | | | | |
| Hanne Harlem | | | | | | |
| Atle Tranøy (employee representative) | | | | | | |
| Harald Magne Bjørnsen (employee representative) | 700 | | | | | |
| Bjarne Kristiansen (employee representative) | | | | | | |
| Stein Aamdal (employee representative) | | | | | | |
| | | | | | | |
| Executive team: | | | | | | |
| Øyvind Eriksen 3) | | | | | | |
| Karl Erik Kjelstad | 1 500 | | | | 2 000 | |
| Martinus Brandal | 1 300 | | 9 700 | 6 200 | | |
| Geir Arne Drangeid | 1 500 | | | | | |
| Nils Are K. Lysø | 2 000 | | 17 250 | | | 26 100 |
| Bengt A. Rem | 10 000 | 11 000 | 21 250 | | | 17 500 |
| Trine Sæther Romuld | | | | | | |

*1) Owns together with his wife 100% in The Resource Group TRG AS, which owns 99,55% in TRG Holding AS, which owns 66,66% in Aker ASA. In addition TRG AS owns 1,14% directly in Aker ASA.*
*2) Also owns 133 333 B-shares (0.26 %) in TRG Holding AS*
*2) Also owns 50 000 B-shares (0.1 %) in TRG Holding AS, with an option to buy further 50 000 b-shares in TRG Holding AS*

The Managing Director and other members of Executive team have no other remuneration than what is described above. Accordingly, they have no loans or stock option rights in their employment conditions.

## NOTE 40: EVENTS AFTER THE BALANCE SHEET DATE

No material events have occured after the balance sheet date.

## NOTE 41: GOVERNMENT GRANTS

***Grants received relates to the following activities:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Research and development | **0** | 1 |
| Other | **5** | |
| **Total** | **5** | 1 |

***Aker Philadelphia Shipyard***
Aker Philadelphia Shipyard has been funded by various federal, state, and local government agency subsidies for periods including those prior to the purchase on 30 June 2005, totaling USD 438.6 million, as set forth in the Master Agreement between the Government Parties and the Shipyard, dated 16 December 1997, as amended 30 July 1999.

Funding under the Master Agreement was allocated as follows:
USD 42 million for preliminary Shipyard development
USD 259.6 million for initial construction costs
USD 137 million for employee training programs.

In 2001, the Shipyard was granted a transfer of USD 50 million from the preliminary Shipyard development budget to the initial construction costs budget, but the overall amount of USD 438.6 million did not change. Funding was provided through loans to the Shipyard as well as grants.

The Shipyard has exhausted the funding under the preliminary Shipyard development costs and the initial constructions costs, and therefore did not receive any related reimbursements in 2008,2007 or 2006.

For the year ended 31 December 2008, the Shipyard received no reimbursment of employee training costs (2007 USD 0,0 million, USD 2.1million in 2006).

In addition to the construction costs that were funded by the financing under the Master Agreement, the Shipyard was obligated to make USD 135 million of additional capital investments through December 2014. The Shipyard fulfilled the last USD 3 million remaining of this obligation during the year ended 31 December 2006.

Under the terms of the Master Agreement, the Shipyard, and the former Kvaerner ASA are subject to various operating covenants, restrictions, and obligations throughout an approximately 15-year period. The Shipyard anticipates that it will continue to comply with the terms and requirements of the Master Agreement and that the Master Agreement will continue to remain in effect.

During 2001, the Shipyard received USD 50,000,000 from the PSDC for construction costs, which was originally stipulated as funding for training costs. As a result, the Shipyard agreed to match government funding for training costs commencing on 1 April 2002, until all of the remaining training funding was utilized. The Shipyard utilized the last USD 1,7 million during the year ended 31 December 2006 (USD 48.3 million as of 31 December 2005). As of 31 December 2007, the Shipyard has fulfilled the matching funding obligation.

In addition, under the Master agreement, the Shipyard is required to pay a common area maintenance charge each month to the PSDC of approximately USD 34.000 through the term of the agreement.

On 13 September 2002, the Shipyard finalized an agreement with the City of Philadelphia (and others), whereby the Real Estate and Use and Occupancy Tax for the years 2001 through 2017 were agreed to. The Shipyard is committed to a fixed assessment of approximately USD 3.3 to USD 3.6 million per year, commencing from 2003.

Aker ASA:

# Profit and Loss Account

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| **Total revenues** | | **-** | - |
| Salaries and other personnel expenses | *1,20* | **-101** | -78 |
| Depreciations | *4* | **-16** | -7 |
| Other operating expenses | *2* | **-77** | -59 |
| Sales gain/loss fixed assets | *3* | **-** | 2 |
| **Operating profit/loss** | | **-194** | -142 |
| Dividends from subsidiaries | | **13** | - |
| Dividends from associated companies | | **198** | 883 |
| Dividends from other companies | | **-** | 35 |
| Group contribution received | | **235** | 141 |
| Gain on foreign exchange | | **829** | 34 |
| Interest income from Group companies | *6* | **752** | 613 |
| Gain on sale of shares | *3* | **1** | 19 731 |
| Other interest and financial income | | **576** | 418 |
| Interest expenses to Group companies | *11* | **-688** | -407 |
| Writedowns of shares and receivables | *15* | **-8 005** | -44 |
| Loss on foreign exchange | | **-90** | -84 |
| Other interest and financial expenses | *14,11* | **-1 483** | -183 |
| **Profit/loss before tax** | | **-7 856** | 20 995 |
| Income tax expense/income | *9* | **-303** | 442 |
| **Net profit/loss for the year** | | **-8 159** | 21 437 |
| ALLOCATION OF PROFIT/LOSS FOR THE YEAR | | | |
| Profit/loss for the year | | **-8 159** | 21 437 |
| Dividends | *11* | **-362** | -1 339 |
| Transferred from/allocated to (-) retained earnings | | **8 521** | -20 098 |
| **Total** | *8* | **-** | - |
| Group contribution without tax effects to subsidiaries | | **-17** | -11 |

Aker ASA:

# Balance sheet as of 31 December

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| ASSETS | | | |
| Deferred tax asset | *9* | **138** | 442 |
| **Total intangible assets** | | **138** | 442 |
| Art, inventory and vehicles | | **51** | 42 |
| Vessel | | **590** | - |
| Aeroplane | | **231** | 242 |
| Property | | **7** | 6 |
| **Total tangible fixed assets** | *4* | **879** | 290 |
| Shares in subsidiaries | *5,15* | **9 707** | 17 252 |
| Other long-term investments in shares etc. | | **10** | 8 |
| Investment associated companies | *7* | **161** | 360 |
| Long- term receivables from Group companies | *6,15* | **10 923** | 5 334 |
| Other long-term investments | *6* | **1 004** | 1 252 |
| **Total financial non-current assets** | | **21 805** | 24 206 |
| **Total non-current assets** | | **22 822** | 24 938 |
| Short-term receivables on Group companies | *6* | **1 739** | 74 |
| Group contributions | | **235** | 141 |
| Other short-term receivables | *14* | **251** | 392 |
| Cash and cash equivalents | *17* | **4 043** | 11 568 |
| **Total current assets** | | **6 268** | 12 175 |
| **Total assets** | | **29 090** | 37 113 |
| EQUITY AND LIABILITIES | | | |
| Share capital | | **2 026** | 3 214 |
| Treasury shares | | **-** | - |
| Share premium reserves | | **-** | 2 071 |
| Other paid in equity | | **-** | 3 236 |
| Capital decrease (not registrated) | | **-** | -6 495 |
| **Total paid in equity** | | **2 026** | 2 026 |
| Other equity | | **13 507** | 23 629 |
| Capital decrease | | **-** | -1 601 |
| **Total retained earnings** | | **13 507** | 22 028 |
| **Total equity** | *8,19* | **15 533** | 24 054 |
| Pension obligations | *10* | **100** | 99 |
| Other long-term provisions | *11* | **1 177** | - |
| **Total provisions** | | **1 277** | 99 |
| Long-term liabilities to Group companies | *11,16* | **5 439** | 4 900 |
| Long- term subordinatet debt to Group companies | *11,16* | **5 428** | 5 106 |
| Other long-term liabilities | *11* | **935** | 1 525 |
| **Total other non-current liabilities** | | **11 802** | 11 531 |
| Group contributions | | **17** | - |
| Short-term liabilities to Group companies | *11* | **10** | 14 |
| Other current liabilities | *11* | **451** | 1 415 |
| **Total current liabilities** | | **478** | 1 429 |
| **Total equity and liabilities** | | **29 090** | 37 113 |

Oslo, 26 February 2009
Board of Directors Aker ASA

| | | | | | |
|---|---|---|---|---|---|
| Kjell Inge Røkke (Sign.)<br>(Chairman) | Lone Fønss Schrøder (Sign.)<br>(Deputy Chairman) | Bjørn Flatgård (Sign.)<br>(Director) | Leif-Arne Langøy (Sign.)<br>(Director) | Hanne Harlem (Sign.)<br>(Director) | Kristin Krohn Devold (Sign.)<br>(Director) |
| Kjell A. Storeide (Sign.)<br>(Director) | Atle Tranøy (Sign.)<br>(Director) | Bjarne Kristiansen (Sign.)<br>(Director) | Harald Magne Bjørnsen (Sign.)<br>(Director) | Stein Aamdal (Sign.)<br>(Director) | Øyvind Eriksen (Sign.)<br>(President and CEO) |

Aker ASA:

# Cash Flow Statement

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| Profit/loss after financial items | | **-7 856** | 20 995 |
| Gain/(loss) of sales fixed assets and write down | *15,3* | **7 902** | -19 637 |
| Unrealized foreign exchange loss/gain (-) | | **-508** | 49 |
| Ordinary depreciation | *4* | **16** | 7 |
| Change in short-term items etc | | **1 363** | -411 |
| **Cash flow from operating activities** | | **917** | 1 003 |
| Purchase of tangible non-current assets | *4* | **-18** | -258 |
| Payments for acquisitions of shares and other equity investments | *5* | **-128** | -611 |
| Payments for long-term interest bearing receivable | *6* | **-4 806** | -4 356 |
| Proceeds from sales of tangible fixed assets | *4* | **-** | 5 |
| Proceeds from sales of shares and other equity investments | *5* | **27** | 15 705 |
| Other investments/disposals etc | *6* | **1 389** | 1 545 |
| **Cash flow from investments activities** | | **-3 536** | 12 030 |
| New long-term interest-bearing debt | *11* | **708** | 906 |
| Repayment of long-term interest-bearing liabilities | *11* | **-1 637** | -1 510 |
| Change in short-term interest-bearing liabilities | *7,11* | **-2 663** | -5 |
| Dividend and Group contributions paid/received | *8* | **-1 314** | -1 378 |
| **Cash flow from financing activities** | | **-4 906** | -1 987 |
| **Cash flow for the year** | | **-7 525** | 11 046 |
| Cash and cash equivalents in the beginning of the period | | **11 568** | 522 |
| **Cash and cash equivalents in the end of the period** | | **4 043** | 11 568 |

Aker ASA:

# Accounting Principles

*The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles in Norway.*

**Subsidiaries and investment in associate**
Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

**Balance sheet classification**
Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

The bond loans with fixed interest are recorded according to amortized cost.

**Trade and other receivables**
Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts.

**Foreign currency translation**
Foreign currency transactions are translated using the year end exchange rates.

**Short term investments**
Short term investments are valued at fair value at the balance sheet date. Dividends and other distributions are recognized as other investment income.

**Property, plant and equipment**
Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the esimated future cash flows are discounted to their present value.

**Pensions**
Pension costs and pension liabilities are estimated on the basis of linear earnings and future salary. The calculation is based on assumptions of discount rate, future wage adjustments, pension and other payments from the national insurance fund, future return on pension funds and actuarial assumptions for deaths, voluntary resignation etc. Pension funds are valued at fair value and deducted from net pension liabilities in the balance sheet. Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. When the accumulated effect of changes in estimates, changes in assumptions and deviations from actuarial assumptions exceed 10 percent of the higher of pension obligations and pension plan assets, the excess amount is recognized over the estimated average remaining service period.

**Income tax**
Skattekostnaden i resultatregnskapet omfatter Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 28 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at year end. Temporary differences, both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

**Cash flow statement**
The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term higly liquid placement with original maturities of three months or less.

**Use of estimates**
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement,the measurement of assets and liabilites and the disclosre of contigent assest and liablilities on the balanse sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expenced as occured.

Aker ASA:

# Notes to the financial statements

***Significant events and effects***
The company has revaluated their investments as of 31 December 2008. The revaluation caused a write-off by 8 005 mill in 2008. Listed investments are revaluated according to the stock price. Other investments are revaluated to the lowest of market value and historical cost. See also note 15.

## NOTE 1: SALARIES AND OTHER PERSONNEL EXPENSES

***Salaries and other personnel expenses consist of the following:***

| *Amounts in NOK 1 000* | **2008** | 2007 |
|---|---|---|
| Wages and salaries | **70** | 53 |
| Social security | **15** | 13 |
| Pension cost | **16** | 11 |
| Other benefits | **-** | 1 |
| **Total** | **101** | 78 |
| Average number of employees | **47** | 43 |

See also note 20.

## NOTE 2: OTHER REMUNERATION

***Auditors fee is included in other expenses and consists of the following:***

| *Amounts in NOK million* | Ordinary auditing | Attestation | Other services | Law services | **Total 2008** | Total 2007 |
|---|---|---|---|---|---|---|
| Aker ASA | 1 | - | 1 | - | **2** | 3 |

Various group companies are invoiced by Aker ASA regarding rent of office and sale of services

## NOTE 3: SALES GAIN/(LOSS)

***Sales gain of fixed assets consists of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Disposal property | **-** | 2 |
| **Total** | **-** | 2 |

Sale of subsidiaries in 2008 mainly consist of the following:

| | **2008** | 2007 |
|---|---|---|
| Aker Reassurance AS (liquidated) | **1** | - |
| **Total** | **1** | - |

## NOTE 4: FIXED ASSETS

***The change in fixed assets consists of the following:***

| *Amounts in NOK million* | Vessel/boat | Airplane | Art | Machines/ cars/ furnitures | Buildings/land etc | **Total** |
|---|---|---|---|---|---|---|
| Cost as of 1 Jan. | - | 243 | 23 | 94 | 11 | **371** |
| Purchase | 590 | - | - | 14 | 1 | **605** |
| Disposal | - | - | - | - | - | **-** |
| Cost as of 31 Dec. | 590 | 243 | 23 | 108 | 12 | **976** |
| Accumulated depreciation | | -12 | | -80 | -5 | **-97** |
| Book value as of 31 Dec. | 590 | 231 | 23 | 28 | 7 | **879** |
| Depreciations for the year | | -10 | | -6 | - | **-16** |
| Useful time | 20 years | 25 years | | 4-8 years | 50 years | |
| Plan of depreciations | Linear | Linear | No depreciations | Linear | Linear | |

At the end of 2008, Aker ASA bought a vessel from Aker BioMarine Antarctic AS. An intercompany loan of NOK 415 mill, and an external debt was transferred in connection with the transaction

## NOTE 5: SHARES

***Shares in subsidiaries consist of the following companies as of 31 Dec:***

| *Amounts in NOK million* | Ownership in % 1) | Head quarters | Equity as of 31 Dec 08 | Profit after financial items | | **Book value** |
|---|---|---|---|---|---|---|
| Aker AS | 100.00 | Oslo | - | - | 2) | **-** |
| Recondo AS | 100.00 | Oslo | 150 | 8 | 2) | **139** |
| Norway Seafoods Holding AS | 92.40 | Oslo | 757 | -3 | 2) | **762** |
| Atlas-Stord AS | 100.00 | Bergen | 85 | 7 | 2) | **84** |
| RGI (Europe) BV | 100.00 | Oslo | 3 283 | -66 | 2) | **1 666** |
| CS Krabbe AS | 100.00 | Oslo | 49 | 4 | 2) | **47** |
| Resource Group International AS | 100.00 | Oslo | 33 | -1 | 2) | **33** |
| Aker Mekaniske Verksted AS | 100.00 | Oslo | 20 | -2 | 2) | **65** |
| Intellectual Property Holdings AS | 100.00 | Oslo | 5 | -2 | 2) | **8** |
| Aker Maritime Finance AS | 100.00 | Oslo | 3 909 | 92 | 2) | **1 786** |
| Aker Geo Seismic AS | 100.00 | Oslo | 308 | 20 | 2) | **314** |
| Aker Capital AS | 100.00 | Oslo | 1 491 | -749 | 2) | **1 466** |
| RGI Inc | 1.25 | Seattle | 1 259 | -329 | 2), 3) | **14** |
| Molde Fotball AS | 100.00 | Molde | 3 | -33 | 2) | **25** |
| Aker Floating Production ASA | 59.06 | Oslo | 234 | -70 | 2), 4) | **95** |
| K3 Komplementar Tomt AS | 100.00 | Oslo | 7 | - | 2) | **10** |
| Aker Holding AS | 60.00 | Oslo | 4 654 | -11 079 | 2) | **2 790** |
| Opptur Molde AS | 100.00 | Oslo | - | -4 | 2) | **2** |
| Akerhallen AS | 30.00 | Oslo | 4 | -1 | 2), 3) | **1** |
| Aker Encore AS | 70.00 | Oslo | 41 | -1 | 2) | **21** |
| Aker Finans AS | 100.00 | Oslo | - | - | 2) | **-** |
| Aker Philadelphia Shipyard ASA | 50.30 | Oslo | 590 | -13 | 2), 4) | **276** |
| Aker American Shipping III Inc | 100.00 | Philadelphia | 145 | 4 | 2) | **102** |
| Aker American Shipping Holding AS | 100.00 | Oslo | -585 | -559 | 2) | **-** |
| **Total** | | | | | | **9 707** |

*1) Aker ASA's ownership and voting power are the same for all companies.*
*2) 100% of the company's equity and profit after financial items 2008*
*3) Subsidiary company in the group. Owned less thant 50% of the parent company Aker ASA.*
*4) Spesification of investment in public listed companies as of 31.12.2008*

| *Amounts in NOK million* | Number of shares owned | Market value pr share 31.12 | **Total** |
|---|---|---|---|
| Aker Philadelphia Shipyard ASA | 5 112 750 | 53.98 | **276** |
| Aker Floating Production ASA | 12 992 806 | 7.30 | **95** |
| **Total** | | | **371** |

The shares are recorded according to the stock market price as of 31 December 2008.

## NOTE 6: RECEIVABLES AND OTHER LONG-TERM FINANCIAL ASSETS

***Receivables and other long-term financial assets consist of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Other long-term receivables | **6** | 113 |
| Long dated bonds (1) | **996** | 1 139 |
| Pension funds assets | **1** | - |
| Capitalised costs, etc | **1** | - |
| **Total other long-term financial assets** | **1 004** | 1 252 |
| Long-term receivables on Group companies (2) | **10 923** | 5 334 |
| **Total** | **11 927** | 6 585 |

***(1) Bonds consists of:***

| *Amounts in NOK million* | Excess value (+) | Nom. Value | Cost | **2008** |
|---|---|---|---|---|
| Aker BioMarine Obl 07/10 | -97 | 425 | 416 | **416** |
| Aker Invest II KS Obl 05/10 | -10 | 138 | 140 | **140** |
| Aker American Shipping ASA Obl 07/12 | -110 | 364 | 365 | **365** |
| Aker Drilling ASA Obl 05/10 | -3 | 17 | 16 | **16** |
| Aker Kværner ASA Obl 06/13 | -2 | 15 | 15 | **15** |
| Aker Kværner ASA Obl 06/11 | -3 | 44 | 44 | **44** |
| **Total** | -225 | 1 003 | 996 | **996** |

The assessment of market value is based on the stock market value as of 31 December 2008. The bonds are considered as long-term strategic investments by Aker ASA. Short-term marked fluctations are therefore not taken into consideration for accounting purposes. The bonds are recorded at historical cost.

***(2) Long term interest bearing receivable on group companies consists of:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker American Shipping Holding AS | **909** | 1 024 |
| Cork Oak Holding Ltd | **187** | 128 |
| Aker Capital AS | **4 856** | 1 827 |
| Aker Mekaniske Verksted AS | **468** | 433 |
| RGI (Europe) BV | **1 791** | 1 559 |
| Aker Geo Seismic AS | **281** | 243 |
| Aker BioMarine ASA | **417** | - |
| Contract Co Alfa AS | **713** | - |
| Contract Co Beta AS | **713** | - |
| Aker Drilling ASA | **419** | - |
| Other | **169** | 120 |
| **Total** | **10 923** | 5 334 |

The receivables are due 1 year or later.
The interest terms are according to marked terms.

***Short-term receivables on group companies consists of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker Seafoods ASA | **130** | - |
| Aker Floating Production ASA | **1 388** | - |
| Others | **221** | 74 |
| **Total** | **1 739** | 74 |

***Intercompany balances with assosiated companies:***
See note 16 and 21 in the group accounts.

## NOTE 7: INVESTMENTS IN ASSOCIATED COMPANIES

***Investments in associated companies consist of the following:***

| *Amounts in NOK million* | Cost | Excess value (+) | **2008** |
|---|---|---|---|
| Odim ASA 1) | 359 | -198 | **161** |
| **Total** | 359 | -198 | **161** |

*1) Recorded at fair value*

## NOTE 8: TOTAL EQUITY

***As of 31 December 2008 Aker ASA's share capital consist of the following share classes:***

| | Shares issued | Number of treasury shares | Shares outstanding | Nominal value | Total par value (NOK million) Shares issued | Shares outstanding |
|---|---|---|---|---|---|---|
| A-shares | 72 374 728 | 7 354 | 72 367 374 | 28 | 2 026 | 2 026 |
| **Total share capital** | 72 374 728 | 7 354 | 72 367 374 | | 2 026 | 2 026 |
| Own shares | | | | | - | |
| Share premium reserve | | | | | - | |
| Other paid-in capital | | | | | - | |
| **Total paid in capital** | | | | | 2 026 | |

All the shares have equal voting rights and are entitled to dividends.
Aker ASA has no voting rights for their treasury shares.
In 2007 the company has amortized all B-shares (42 400 713 shares) owned 100% by the subsidiary Aker Maritime Finance AS.
Aker Maritime Finance AS received NOK 8 095 765 296 for the shares. The amortization is registered as of 18 February, 2007.

***The 20 largest shareholders as of 7 January 2009:***

| *Company* | Number shares | Percent |
|---|---|---|
| TRG Holding AS | 48 245 048 | 66.66 |
| JP Morgan Chase Bank S/A Escrow account | 1 177 225 | 1.63 |
| Nordea Bank Sweden | 1 131 772 | 1.56 |
| Wenaasgruppen AS | 1 026 620 | 1.42 |
| Nordea Bank Norge AS Securities Operation | 854 996 | 1.18 |
| The Resource Group International AS | 824 642 | 1.14 |
| JP Morgan Chase Bank Nordea Treaty Account | 822 485 | 1.14 |
| Orkla ASA | 700 000 | 0.97 |
| Clearstream Banking CID Dept, Frankfurt | 513 654 | 0.71 |
| Nordea Bank PLC, filial | 460 532 | 0.64 |
| Oslo Pensjonsforsikring | 445 200 | 0.62 |
| Folketrygdefondet, JP Morgan Chase Bank | 386 850 | 0.53 |
| Bank of New York, BR BNY GCM Client Account | 348 600 | 0.48 |
| State Street Bank AN A/C Client Omnibus I | 340 341 | 0.47 |
| State Street Bank AN A/C Client Omnibus F | 292 674 | 0.40 |
| DnBNor Norge Selekt VPF | 280 703 | 0.39 |
| Skandinaviska Enskilda A/C Client Account | 277 533 | 0.38 |
| KAS Depositary Trust Client Account | 277 364 | 0.38 |
| KLP LK Aksjer | 255 360 | 0.35 |
| The Northern Trust C Treaty Account | 249 800 | 0.35 |
| **Total** | 58 911 399 | 81.40 |

*1) Through TRG Companies Kjell Inge Røkke controls 67,8% of the shares in Aker ASA.*

***Changes in shareholders equity in 2008 are shown below:***

| *Amount in NOK million* | Share capital | Total paid-in capital | Other equity | Retained earnings | **Total equity** |
|---|---|---|---|---|---|
| Equity as of 01.01 | 2 026 | 2 026 | 22 028 | 22 028 | **24 054** |
| Dividend provision | | - | -362 | -362 | **-362** |
| Profit | | - | -8 159 | -8 159 | **-8 159** |
| **Equity as of 31 Dec** | 2 026 | 2 026 | 13 507 | 13 507 | **15 533** |

***The changes in equity 2007 to 2008 are shown below:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Opening balance | **24 054** | 12 052 |
| Net profit for the year | **-8 159** | 21 437 |
| Amortized B-shares | **-** | -8 096 |
| Dividend | **-362** | -1 339 |
| **Balance as of 31 Dec** | **15 533** | 24 054 |

## NOTE 9: DEFERRED TAX

The table below shows the difference between book and tax value at the end of 2008 and 2007, and deferred tax liability at the end of 2008 and 2007 and change in deferred tax:

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Differences in accruals | **-** | 204 |
| Differences of receivables | **-426** | -403 |
| Fixed assets differences | **27** | 13 |
| Net pension liability | **-99** | -99 |
| Capital gains and loss reserve | **19** | 24 |
| **Total differences** | **-479** | -261 |
| Tax losses carried forward | **-14** | -1 316 |
| **Deferred tax basis** | **-493** | -1 577 |
| **Net deferred tax 28%** | **-138** | -442 |
| Deferred tax asset 1) | **138** | 442 |
| Deferred tax liability | **-** | - |

**ESTIMATED TAXABLE PROFIT**

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Profit before tax | **-7 856** | 20 995 |
| **Profit after finance for tax purposes** | **-7 856** | 20 995 |
| Net non deductible items | **8 940** | -20 692 |
| Change in differences | **213** | -61 |
| Utilisation of accumulated tax losses | **-1 297** | -242 |
| **Estimated taxable income before Group contributions** | **-** | - |
| Tax payable (28%) in the Profit and loss accounts | **-** | - |
| Tax of Group contribution | **-** | - |
| **Tax payable (28%) in the balance sheet** | **-** | - |

| Income tax expense: | **2008** | 2007 |
|---|---|---|
| Tax payable in the Profit and Loss account | **-** | - |
| Change in deferred tax | **303** | -442 |
| **Total tax expense/(income)** | **303** | -442 |

*1) The company has balanced the tax receivable mainly due to future interest income, because of increased bank balances.*

The 2008 figures are based on estimates of different non deductable taxable income, non deductable items and differences between accounting and taxable items. The final items will be calculated in the income-tax return, and may differ from the estimates above.

| ***Explanation why the tax expense differ from 28% of profit before tax:*** | **2008** |
|---|---|
| 28 % tax of profit before tax | **-2 200** |
| Permanent differenses and others | **2 503** |
| **Calculated tax expence** | **303** |
| | |
| Effective tax rate (tax expense compared with profit/loss before tax) | -4% |

## NOTE 10: PENSION COSTS AND PENSION LIABILITIES/ASSETS

Aker ASA covers its pensions mainly through a group pension plan in a life insurance company. The plan has been treated for accounting purposes as a defined benefit plan. Aker ASA also has uninsured pensions liabilities.

***Actuarial calculations have been made based on the following assumptions:***

| | 2008 |
|---|---|
| Discount rate | 4.5 % |
| Expected return on assets | 6.5 % |
| Wage increases | 4.3 % |
| Social security base adjustment/inflation | 4.0 % |
| Pension adjustment | 3.0 % |

**PENSION EXPENSES**

| *Amounts in Nok million* | Over-funded plans 1) | Under-funded plans 1) | **Total 2008** | Total 2007 |
|---|---|---|---|---|
| Present value of the year's pension earnings | -5 | - | **-5** | -5 |
| Interest expenses on accrued pension liabilities | -3 | -5 | **-8** | -7 |
| Expected return on pension funds | 3 | - | **3** | 3 |
| Allocated effect of change in estimates and pension plans | - | -7 | **-7** | -2 |
| Change in social security | - | 1 | **1** | - |
| **Net pension expenses** | -5 | -11 | **-16** | -11 |

**NET PENSION LIABILITIES/ASSETS AS OF 31 DEC:**

| *Amounts in Nok million* | Over-funded plans 1) | Under-funded plans 1) | **Total 2008** | Total 2007 |
|---|---|---|---|---|
| Present value of accrued pension liabilities | -57 | -115 | **-172** | -165 |
| Value of future wage increases | -10 | 1 | **-9** | -11 |
| **Calculated pension liabilities** | -67 | -114 | **-181** | -176 |
| Value of pension funds | 52 | - | **52** | 52 |
| **Calculated net pension funds/(liabilities)** | -15 | -114 | **-129** | -124 |
| Amortization 2) | 16 | 18 | **34** | 30 |
| Social security | - | -4 | **-4** | -5 |
| **Net pension funds/(liabilities) 3)** | 1 | -100 | **-99** | -99 |
| **Number of persons** | 131 | 21 | **152** | 156 |

*1) Under-funded plans: The value of the pension liability exceeds the value of the pension funds.*
*Over-funded plans: The value of the pension funds exceeds the value of the pension liability.*
*2) Amortization: The effect of changes in estimates and pension plans not recorded in the profit and loss account.*
*3) A provision is made for employment tax on contracts with net pension liabilities.*

Aker ASA's net liabilities are presented in the balance sheet as an interest-free long-term liability. Net pension funds are recorded in the balance sheet as interest-free long-term receivables. Pension funds are invested in accordance with the general guidelines for life insurance companies. Recorded pension liablilities are calculated on the basis of estimated pension liabilities and accrued in accordance with generally accepted accounting principles. The pension liability recorded in the accounts is not the same as the pension rights legally earned as of 31 December. Pensions were implemented according to IFRS in 2005 (NRS 6a).

The company is required to have a collective pension plan. The company pension plan fulfill legal requirements.

## NOTE 11: LIABILITIES AND PROVISIONS

***Long-term liabilities to group companies:***
Long-term liabilities to group companies has maturity date longer than 5 years. See also note 16 regarding subordinated debt.
Interest conditions are according to marked terms.

***External interest bearing long-term liabilities are distributed as shown below:***

| *Amounts in NOK million* | Average interest rate | Bond loans | Debt to credit institutions | Other loans | Total 2008 | Own Bonds | Capitalised borrowing expenses | **Book value 2008** |
|---|---|---|---|---|---|---|---|---|
| Year | | | | | | | | |
| 2009 | | | | | - | | | **-** |
| 2010 | 8,0 % | 500 | | | 500 | -142 | -2 | **356** |
| 2011 | | | | | - | | | **-** |
| 2012 | 9,7 % | 500 | | | 500 | -90 | -4 | **406** |
| 2013 | 4,5 % | | | 172 | 172 | | | **172** |
| After 2013 | | | | | - | | | **-** |
| **Total 2008** | | 1 000 | - | 172 | 1 172 | -232 | -6 | **935** |
| 2007 | | 2 000 | | - | 2 000 | -465 | -10 | **1 525** |

Bond loans are recorded at amortised cost.
Bond loans are in NOK.
Other loans of NOK 172 mill due in 2013, is a USD loan of USD 25 mill.

***Other long-term provisions consists of the following:***
Unrealised discounted loss of NOK 1 177 mill is related to Put option (see also note 14). The discount rate used is 3%.

***Other current liabilities consists of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Accrued interests external | **30** | 38 |
| Dividend external | **362** | 1 339 |
| Others | **59** | 38 |
| **Total** | **451** | 1 415 |

***Short-term liabilities to Group companies consists of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Accrued interests | **3** | 2 |
| Others | **7** | 12 |
| **Total** | **10** | 14 |

***Intercompany items with associated companies:***
See notes 16 and 21 in the group accounts.

## NOTE 12: LEGAL DISPUTES AND CONTIGNENCIS

There are no significant legal disputes as of 31.12.

## NOTE 13: GUARANTEE OBLIGATIONS

***GUARANTEE OBLIGATIONS CONSIST OF THE FOLLOWING:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Loan guarantee | **38** | 392 |
| Performance guarantee | **3** | 126 |
| **Total** | **41** | 518 |

The decrase in loan guarantee relates mainly to Aker Seafoods Holding AS NOK 220 mill related to redempion of a bond and Næraberg NOK 129 mill. Related to various loans.
The decrase in performance guarantee relates mainly to Aker MTW. The guarantee expires as of 31 December 2008.

Aker ASA has a guarantee commitment regarding the US pension fund Kværner Consolidtated Retirement Plan with Kvaerne US Inc. The aim of the commitment is that Kvaerner US Inc should be able to fulfil their yearly and quarterly minimum committeds premium payments to the premium fund. There is a split responsibility where as Kvaerner US Inc (with guranantee from Aker ASA) should pay 2/3 of the pension obligation, and Aker Kvaerner Willfab Inc and Aker Subesa Inc (with guarnatee from Aker Solutions ASA) should pay1/3 of the pension obligation.

There is a collateral on the ship Navigator related to the usd 25 mill loan described in note 11. Book value of the ship is nok 587 mill.

## NOTE 14: FINANCIAL MARKET RISK

Foreign currency balance sheet items are naturally hedged, to the extent that borrowing and lending in the same currency coincide.
Aker has loan and guarantee commitments that contain covenants as to equity ratio and other issues. At the end of the 2008 accounting year, Aker met all loan and guarantee covenants.

Some Group subsidiaries are exposed to risk associated with the value of their investments in subsidiaries, due to changes in market prices for raw materials and semi-processed goods, to the extent that such fluctuations result in changes to these companies' competitiveness and earnings potential over time.

Exposure to risk arising from foreign currency exchange rate fluctuations is identified and reduced through continuous monitoring and adjustment of the Group's collective portfolio of loans and financial instruments. Exchange risk related to investments in foreign currencies is hedged by modifications to the loan portfolio and/or via other financial instruments.

Some Group subsidiaries enter into ongoing hedging transactions related to individual subsidiaries' sales in foreign currencies. Such hedging is done to reduce the exchange rate risk affecting sales contracts.

The company has a forward exchange contract USD/NOK of USD 586 mill due 27.10.2009. The strike is 7,0182. As of 31 December 2008 the company has recorded a nonrealized gain of NOK 18 mill.

The company has a forward exchange contract USD/NOK of USD 13,3 mill due 25.02.2009. The strike is 5,436. As of 31 December 2008 the company has recorded a nonrealized loss of NOK 21 mill.

The company has estblished seperate contracts with SAAB and Investor, regarding Put/Call and opportunity to redeem. This gives SAAB/Investor the same protection against loss on their investments in Aker Holding AS. However, it also limits the companies possibility for gain.
The first opportunity to exercise the Put/Call is as of 22 June 2011. The present value of the unrealized loss Put is recorded in the Profit and Loss account (included in Other interest- and financial expenses) with NOK 1 177 mill, and in the balance as Other long-term provisions according to note 11.

## NOTE 15: WRITE-DOWN OF SHARES, RECEIVABLES, ETC

***Writedown of shares and receivables as shown below:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Write-off shares Aker Holding AS | **6 849** | - |
| Write-off shares Aker Floating Production ASA | **836** | - |
| Write-off shares Aker Philadelphia Shipyard ASA | **18** | - |
| Write-off shares Odim ASA | **198** | - |
| Write-off shares | **3** | - |
| Write off receivables etc | **101** | 44 |
| **Total** | **8 005** | 44 |

The company has revaluated investments as of 31 December 2008. Listed investments are revaluated according to the stock price.
Other investments are revaluated according to available information/best estimat.

## NOTE 16: SUBORDINATED DEBT GROUP COMPANIES

***Subordinated debt as shown below:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker Geo Seismic AS | **610** | 572 |
| RGI (Europe) BV | **2 160** | 2 020 |
| RGI Inc | **1 366** | 1 303 |
| Aker Maritime Finance AS | **1 292** | 1 211 |
| **Total subordinated debt** | **5 428** | 5 106 |

The loans are sub-ordinatet to all Aker ASA other liabilities, and is due after external debt is paid. The interest rate is 12 mnd NIBOR + 1% margin.

## NOTE 17: CASH AND CASH EQUIVALENTS

***Cash and cash equivalents as shown below:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Restricted cash | **42** | 2 019 |
| Non restricted cash | **2 088** | 1 907 |
| Time deposits | **-** | 4 162 |
| Certificates 1) | **1 913** | 3 480 |
| **Total** | **4 043** | 11 568 |

***1) Certificates consist of the following:***

| *Amounts in NOK million* | **2008** |
|---|---|
| Bolig og Næringsbanken ASA | **132** |
| Norwegian Energy Comp | **136** |
| Aker Solutions ASA | **153** |
| DnBNor Bank | **381** |
| SEB Treasury | **597** |
| Ohters | **514** |
| **Total** | **1 913** |

The certificates are adjusted according to stock market value as of 31 December 2008.

## Note 18: EVENTS AFTER THE BALANCE SHEET DATE

There is no major events after the balance sheet date.

## Note 19: SHARES OWNED BY THE SENIOR EXECUTIVES

***Aker ASA shares owned as of 31.12.2008:***

| | Aker ASA |
|---|---|
| **The board of directors:** | |
| Kjell Inge Røkke (Chairman of the Board) 1) | - |
| Lone Fønss Schrøder | 1 173 |
| Leif-Arne Langøy 2) | 41 000 |
| Bjørn Flatgård | - |
| Jon Fredrik Baksaas | - |
| Kristin Krohn Devold | - |
| Kjell A. Storeide | - |
| Hanne Harlem | - |
| Atle Tranøy (employee rep.) | - |
| Harald Magne Bjørnsen (employee rep.) | 700 |
| Bjarne Kristiansen (employee rep.) | - |
| Stein Åmdal (employee rep.) | - |
| | - |
| **Oher senior executives:** | |
| Øyvind Eriksen (CEO and Group President) 3) | - |
| Karl Erik Kjelstad | 1 500 |
| Bengt A. Rem | 10 000 |
| Geir Arne Drangeid | 1 500 |
| Nils Are K. Lysø | 2 000 |
| Martinus Brandal | 1 300 |

*1) Also owns 98% in TRG AS which again ownes 100% a-shares and 309 900 b-shares (99,55%) in TRG Holding AS, which again owns 66,66% in Aker ASA.*
*2) Alos owns 133 333 b-shares (0,26%) in TRG Holding AS, which again owns 66,66% in Aker ASA.*
*3) Also owns 50 000 b-shares (0,1%) in TRG Holding AS, which again owns 66,66% in Aker ASA.*

The Group president or other senior executive have no loans or shareoption rights in their terms of employment.

## NOTE 20: SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, NOMINATION COMMITTEE, GROUP PRESIDENT, MANAGING DIRECTORS AND OTHER SENIOR EXECUTIVE IN AKER ASA

***Remuneration to the board of directors***
Remuneration paid to the board of directors in 2008 is nok 2 450 000 (nok 2 450 000 in 2007). The members of the board, with exception of the chairman (see below), did not receive any other remuneration in 2008.
The Chairman of the board (Kjell Inge Røkke from 19.12.2008), has not received any board remuneration from Aker ASA in 2008.
Leif-Arne Langøy, the Chairman of the board until 19.12.2008, did not receive any board remuneraion when he was employed in Aker ASA.

| *Amount in NOK* | **2008** | 2007 |
|---|---|---|
| Leif-Arne Langøy (Chairman of the Board until 19.12.2008 and Director after that) | **-** | - |
| Kjell Inge Røkke (Chairman of the Board after 19.12.2008) | **-** | - |
| Lone Fønss Schrøder (director) | **350 000** | 350 000 |
| Bjørn Flatgård (director) | **300 000** | 300 000 |
| Jon Fredrik Baksaas (director until 25.12.2008) | **300 000** | 300 000 |
| Kjeld Rimberg (director until 29.03.2007) | **-** | 150 000 |
| Kjell A. Storeide (director) | **300 000** | 300 000 |
| Hanne Harlem (director) | **300 000** | 300 000 |
| Kristin Krohn Devold (director) | **300 000** | 150 000 |
| Atle Tranøy (employee rep.) | **150 000** | 150 000 |
| Harald Magne Bjørnsen (employee rep.) | **150 000** | 150 000 |
| Bjarne Kristiansen (employee rep.) | **150 000** | 150 000 |
| Stein Aamdal (employee rep.) | **150 000** | 150 000 |
| **Total** | **2 450 000** | 2 450 000 |

***Remuneration to the nomination comittee***
Total remuneration to the nomination committee from Aker ASA was NOK 150 000 in 2008 (NOK 30 000 in 2007).

***Directive of Remuneration reguarding the CEO and the Executive team***
The main purpose of the systems for the leadership remuneration is to stimulate to a strong and lasting profit oriented culture which contribute to an increasing value of the stocks. The total remuneration to the executive team consists of a market based fixed salary, a few standard additional remuneration and a variable salary. The CEO and the executive team are members of a collective pension and insurance scheme applicable to all employees. The companies practice standard employee contracts and standard hire conditions regarding notice period and severance pay for the CEO and the Executive team. The company does not offer stock option programs to the employees. The intention for the variable salary program is to contribute to achivement of good financial profit and leadership according to the company's values and business ethics. The variable salary is based on achievement of financial and personal goals, leadership according to the company's values and development of the company's share price. The program represents a potential for the Leadership to earn a variable salary up to the value of 100% of the fixed salary. Variable salary is paid over 3 years. Half of the variable salary earned is paid the following year. The remaining amount is paid two years later together with a raise provided that the leader still is employed in the company. The yearly payments have a limit corresponding to one years fixed salary. Carrying out special projects may give an extra bonus in addition to the above. Scope and criteria's for the variable salary is being evaluated and is expected to be changed with effect in 2009.

***Remuneration to the Managing Director***
Managing Director Bengt A. Rem has received a fixed salary of NOK 2 026 898 in 2008 (NOK 1 979 709 in 2007) and a bonus/variable salary of NOK 413 392 in 2008 (607 339 in 2007). The value of additional remuneration is NOK 18 473 in 2008 (NOK 14 379 in 2007) and net pension expenses for Bengt A. Rem is NOK 165 674 in 2008 (NOK 123 046 in 2007).

New Managing Director/group Manager Øyvind Eriksen assumed his position as of 1 January 2009.

***Remuneration to the President***
In 2008 Leif-Arne Langøy received a salary of NOK 4 595 997 in 2008 (NOK 4 585 184 in 2007). In addition he received a bonus of NOK 21 277 in 2008 (NOK 3 520 000 in 2007) and other remuneration of NOK 17 520 in 2008 (NOK 13 929 in 2007). Net pension expenses for Leif-Arne Langøy in 2008 is NOK 200 034 in 2008 (NOK 141 7185 in 2007). Leif-Arne Langøy resigned from the company with effect from 01.01.2009.

Øyvind Eriksen started as the President as of 1 January 2009. The appointment of Øyvind Eriksen can be mutual terminated with a 3 months notice. Øyvind Eriksen is entitled to receive up to 3 months salary from the date of termination if the contract is terminated by the company. The salary will not be paid if he continues in another company within the Aker Group.
The remuneration plan for Øyvind Eriksen includes a fixed salary, standard pension- and insurance plan for employees and a variable salary.
Øyvind Eriksen receives a fixed salary of NOK 12 000 000, and will receive a variable salary of NOK 12 000 000 when he assumed his position in the company. He will not receive any bonus for 2009, however he will be able to receive bonus for 2010 and later until 2/3 of the fixed yearly salary.

***Remuneration to the Executive team***
The Executive team appointment can be terminated with a three or six months warning. If the company terminates the appointment, the Executive vice presidents (EVP) has a right to three or six months salary after termination. The Executive team has a bonus plan which is based on achivement of defined short and long terms goals (see description below). The Norwegian Exectutive team is included in the company's collective pension plan for salary up to 12 G.

Geir Arne Drangeid has received a fixed salary of NOK 1 926 177 in 2008 (NOK 1 870 079 in 2007) and a bonus/variable salary of NOK 248 318 in 2008 (NOK 580 742 in 2007). The value of additional remuneration is NOK 19 924 in 2008 (NOK 14 375 in 2007) and net pension expenses for Geir Arne Drangeid is NOK 150 933 in 2008 (NOK 116 974 in 2007).

Martinus Brandal (employeed in Aker ASA as of 01.03.2008) has received a fixed salary of NOK 2 575 000 in 2008 and a bonus/variable salary of NOK 6 020 000 in 2008. The value of additional remuneration is NOK 13 141 in 2008 and net pension expenses for Martinus Brandal is NOK 193 576 in 2008.

Nils Are K. Lysø has received a fixed salary of NOK 1 978 443 in 2008 (NOK 1 909 844 in 2007) and a bonus/variable salary of NOK 256 019 in 2008 (NOK 557 039 in 2007). The value of additional remuneration is NOK 20 824 in 2008 (NOK 14 212 in 2007) and net pension expenses for Nils Are K. Lysø is NOK 126 576 in 2008 (NOK 102 686 in 2007).

Karl Erik Kjelstad has received a fixed salary of NOK 2 971 705 in 2008 (NOK 1 250 000 in 2007), and a bonus/variable salary of NOK 10 394 231 in 2008 (NOK 40 384 in 2007). The value of additional remuneration is NOK 21 880 in 2008 (NOK 4 751 in 2007) and net pension expenses for Karl Erik Kjelstad is NOK 145 572 in 2008 (NOK 97 199 in 2007).

The remuneration plan for Managing Director and other EVP's includes a fixed yearly salary, standard pension- and insurance plan for the employees and variable salary. The appointments of EVP can be terminated with three or six months notice. If the company terminates the appointment, some EVP will receive six months salary after the notice period. The Executive team in Norway has a retirement plan starting from the age of 60 up to 67 years with with gradually slow-down of working time and salary.

## Directors' responsibility statement

Today the board of directors and the chief executive officer reviewed and approved the board of director's report and the consolidated and separate annual financial statements for Aker ASA, for the year ending and as of 31 December 2008.

Aker ASA consolidated financial statements have been prepared in accordance with IFRSs and IFRICs as adopted by the EU and additional disclosure requirements in the Norwegian Accounting Act, and that should be used as of 31 December 2008. The separate financial statements for Aker ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2008. The board of Directors Report for the group and the parent company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian accounting standard no 16, as of 31 December 2008.

***To the best of our knowledge:***

- The consolidated and separate annual financial statements for 2008 have been prepared in accordance with applicable accounting standards.
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit/loss as a whole as of 31 December 2008 for the group and the parent company
- The board of directors' report for the group and the parent company includes a true and fair review of
  - the development and performance of the business and the position of the group and the separate company
  - the principal risks and uncertainties the group and the parent company face

Oslo, 26 February 2009
Board of Directors Aker ASA

| | | | | | |
|---|---|---|---|---|---|
| Kjell Inge Røkke (Sign.)<br>(Chairman) | Lone Fønss Schrøder (Sign.)<br>(Deputy Chairman) | Bjørn Flatgård (Sign.)<br>(Director) | Leif-Arne Langøy (Sign.)<br>(Director) | Hanne Harlem (Sign.)<br>(Director) | Kristin Krohn Devold (Sign.)<br>(Director) |
| Kjell A. Storeide (Sign.)<br>(Director) | Atle Tranøy (Sign.)<br>(Director) | Bjarne Kristiansen (Sign.)<br>(Director) | Harald Magne Bjørnsen (Sign.)<br>(Director) | Stein Aamdal (Sign.)<br>(Director) | Øyvind Eriksen (Sign.)<br>(President and CEO) |

# Auditors report

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To the Annual Shareholders' Meeting of Aker ASA

## AUDITOR'S REPORT FOR 2008

**Respective Responsibilities of Directors and Auditors**
We have audited the annual financial statements of Aker ASA as of 31 December 2008, showing a loss of NOK 8 159 million for the parent company and a loss of NOK 1 060 million for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to prepare the parent company's financial statements. The rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU have been applied to prepare the group accounts. These financial statements and the Board of Directors' report are the responsibility of the company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

**Basis of Opinion**
We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants (Den norske Revisorforening). These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**
In our opinion,

- the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the parent company as of 31 December 2008, the results of its operations and its cash flows for the year then ended, in accordance with the rules of the Norwegian accounting act and good accounting practice in Norway
- the group accounts are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group as of 31 December 2008, the results of its operations, its cash flows and the changes in equity for the year then ended, in accordance with the rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of loss is consistent with the financial statements and comply with the law and regulations.

Oslo 5 March 2009
KPMG AS
Ave Gevoll
*State Authorized Public Accountant*

Note: This translation from Norwegian has been prepared for information purposes only

## Aker ASA and Holding Companies

# Profit and Loss Statement

***BALANCE SHEET AKER ASA AND HOLDING COMPANIES***
The balance sheet of the Holding Company shows the value at which each investment has been recorded and how much debt Aker has assumed to finance the investments. In Akers view the Holding Company balance sheet is presented in a format that provides relevant information to investors and analysts and makes it easier to calculate the NAV of Aker ASA.

The traditional parent company balance sheet has been expanded to contain all the wholly owned underlying administrative service companies and holding companies that carry only investments, cash, and debt in the balance sheet. The balance sheet therefore shows net debt relating to the holding companies' investments.

The balance sheet shows all holding companies consolidated, whereas the operating holding companies are included at original cost price. Original acquisition cost means the cost price paid by the Holding Company.

For further comments on the applied accounting principles, see page 99 "Accounting Principles Aker".

Please note that Aker has elected to present this balance sheet for Aker ASA and Holding companies in accordance with the cost method of accounting. Thus, shares in associated companies and subsidiaries are not valued according to the equity capital method in the balance sheet.

The most significant holding companies which are consolidated are : Aker ASA, Aker Maritime Finance AS, Resource Group International AS, RGI (Europe) BV, RGI Inc, RGI Holdings, Inc, RGI(Denmark) Aps, Aker Capital AS, Aker Geo Seismic AS, Norway Seafoods Holding AS, Aker Seafoods Holding AS, Kværner AS, Aker Invest II KS, A-S Norway AS and Hanøytangen Invest AS.

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| **Operating revenue** | *1* | **346** | 11 740 |
| Operating expenses | | **-192** | -151 |
| Depreciation and amortization | | **-18** | -8 |
| Exceptional operating items | | **-** | - |
| **Operating profit** | | **136** | 11 581 |
| Received dividend | *2* | **272** | 1 158 |
| Other financial items | *3* | **352** | 363 |
| Exceptional financial items | *4* | **-5 586** | -395 |
| **Profit before tax** | | **-4 826** | 12 707 |
| Tax | *5* | **-269** | -29 |
| **Profit after tax** | | **-5 095** | 12 678 |

Aker ASA and Holding Companies

# Balance sheet of 31 December

| *Amounts in NOK million* | *Note* | **2008** | 2007 |
|---|---|---|---|
| ASSETS | | | |
| Intangible assets | *7* | **563** | 748 |
| Tangible fixed assets | *7* | **877** | 289 |
| **Total intangible and tangible assets** | | **1 440** | 1 037 |
| Financial interest-bearing long-term assets | *8* | **3 834** | 1 515 |
| Financial interest-free long-term assets | *7* | **43** | 39 |
| Long term equity investments and interests | *6* | **8 710** | 12 069 |
| **Total financial fixed assets** | | **12 587** | 13 623 |
| **Total fixed assets** | | **14 027** | 14 660 |
| Short-term interest-free receivables | | **297** | 540 |
| Short-term interest-bearing receivables | *8* | **1 622** | - |
| Liquid assets | *9* | **4 704** | 12 281 |
| **Total current assets** | | **6 623** | 12 821 |
| **Total assets** | | **20 650** | 27 481 |
| SHAREHOLDERS` EQUITY AND LIABILITIES | | | |
| Paid-in capital | | **2 026** | 2 026 |
| Retained earnings | | **16 079** | 21 416 |
| **Total shareholders` equity** | *10* | **18 105** | 23 442 |
| Provisions and other interest-free long-term liabilities | *11* | **279** | 257 |
| Long-term interest-bearingliabilities | *12* | **1 549** | 1 124 |
| **Total long-term liabilities** | | **1 828** | 1 381 |
| Short-term interest-free liabilities | *11* | **679** | 1 610 |
| Short-term interest-bearing liabilities | *12* | **38** | 1 048 |
| **Total short-term liabilities** | | **717** | 2 658 |
| **Total shareholders`equity and liabilities** | | **20 650** | 27 481 |

Oslo, 26 February 2009
Board of Directors Aker ASA

| | | | | | |
|---|---|---|---|---|---|
| Kjell Inge Røkke (Sign.)<br>(Chairman) | Lone Fønss Schrøder (Sign.)<br>(Deputy Chairman) | Bjørn Flatgård (Sign.)<br>(Director) | Leif-Arne Langøy (Sign.)<br>(Director) | Hanne Harlem (Sign.)<br>(Director) | Kristin Krohn Devold (Sign.)<br>(Director) |
| Kjell A. Storeide (Sign.)<br>(Director) | Atle Tranøy (Sign.)<br>(Director) | Bjarne Kristiansen (Sign.)<br>(Director) | Harald Magne Bjørnsen (Sign.)<br>(Director) | Stein Aamdal (Sign.)<br>(Director) | Øyvind Eriksen (Sign.)<br>(President and CEO) |

## Aker ASA and Holding Companies

# Notes to the accounts

### NOTE 1: OPERATING INCOME

***Operating income is allocated as follows:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Sale of shares in Aker Yards | **-** | 3 562 |
| Sale of shares in Aker Solutions | **-** | 2 857 |
| Sale of shares in Aker Holding | **-** | 5 321 |
| Gain by sale of shares in American Shipping Company | **213** | - |
| Gain by dilution of shares in Aker Oilfield Services | **133** | - |
| **Total** | **346** | 11 740 |

### NOTE 2: DIVIDEND RECEIVED

***Dividend received consists of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Aker Holding AS (Aker Solutions ASA) | **198** | 883 |
| Bjørge ASA | **35** | - |
| Aker Seafoods ASA | **24** | 24 |
| Aker Philadelphia Shipyard ASA | **12** | |
| Other | **3** | 251 |
| **Total dividend received** | **272** | 1 158 |

### NOTE 3: OTHER FINANCIAL ITEMS

***Other financial items consists of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Net Interest income from company with in the same Group | **202** | 109 |
| Other interest expenses | **502** | 187 |
| Other financial items | **-352** | 67 |
| **Total other financial items** | **352** | 363 |

### NOTE 4: EXCEPTIONAL FINANCIAL ITEMS

***Exceptional financial items consists of the following:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Write down of Aker BioMarine shares | **-3 144** | -395 |
| Write down of Aker Exploration shares | **-452** | - |
| Write down of Aker Floating Production shares | **-830** | - |
| Write down of American Shipping Company shares | **-173** | |
| Write down of Aker Seafoods shares | **-327** | |
| Write down of ODIM shares | **-358** | |
| Write down of Bjørge shares | **-74** | |
| Write down of Genesis Petroleum Corp shares | **-77** | |
| Value adjustment Put-agreement SAAB and Investor 1) | **-92** | |
| Other write down of shares | **-59** | - |
| **Total other financial items** | **-5 586** | -395 |

*1) Based on an average cost price for exisiting shares and sharevalue on the Put based on Aker Solutions share price at 31.12.2008 NOK 42,15 per share.*

## NOTE 5: TAX

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| TAX PAYABLE: | | |
| Norway | | |
| Abroad | **16** | - |
| **Total tax payable** | **16** | - |
| | | |
| CHANGE IN DEFERRED TAX: | | |
| Norway | **-337** | 45 |
| Abroad | **68** | -74 |
| **Total change in deferred tax** | **-269** | -29 |
| **Total** | **-253** | -29 |

## NOTE 6: LONG TERM EQUITY INVESTMENTS AND INTERESTS

| *At 31.12.2008* | Ownership in % | Number of shares | **Book value (NOK mill)** | Market price 31.12.2008 (NOK) | Market value 31.12.2008 (NOK mill) |
|---|---|---|---|---|---|
| Aker Holding AS (Aker Solutions ASA) | 60.0 | 66 200 169 | **1 695** | 42.15 | 2 790 |
| Aker Phildadelphia Shipyard ASA | 50.3 | 5 112 750 | **276** | 54.00 | 276 |
| Aker Seafoods ASA | 64.9 | 31 544 910 | **192** | 6.10 | 192 |
| Aker BioMarine ASA | 82.9 | 74 657 494 | **418** | 5.60 | 418 |
| Aker Floating Production ASA | 59.1 | 12 992 806 | **95** | 7.30 | 95 |
| Aker Exploration ASA | 61.2 | 12 241 148 | **275** | 22.50 | 275 |
| American Shipping Company Inc | 19.9 | 5 493 430 | **184** | 33.50 | 184 |
| Bjørge ASA | 39.9 | 17 518 861 | **130** | 7.40 | 130 |
| ODIM ASA | 34.7 | 16 364 200 | **448** | 27.40 | 448 |
| Genesis Petroleum Corp. Plc | 29.4 | 49 835 391 | **50** | 1.01 | 50 |
| **Total listed shares** | | | **3 763** | | 4 858 |
| Aker Drilling ASA | | | **3 503** | | |
| Aker Ocean Harvest AS | | | **203** | | |
| Aker Oilfield Services AS | | | **331** | | |
| Other | | | **910** | | |
| **Total other shares** | | | **4 947** | | |
| **Total** | | | **8 710** | | |

## NOTE 7: INTEREST-FREE LONG-TERM RECEIVABLES AND OTHER ASSETS

***Interest-free long-term receivables and other assets are distributed as shown below:***

| *Amounts in NOK million* | Receivable | Other assets | **Total 2008** | Total 2007 |
|---|---|---|---|---|
| Deferred tax assets | 563 | | **563** | 748 |
| Pension funds | 12 | | **12** | 11 |
| Receivables from companies in the same group | - | | **-** | - |
| Other | 31 | 877 | **908** | 317 |
| **Total** | 606 | 877 | **1 483** | 1 076 |

Other assets in 2008 relate among others to the ship Antarctic Navigator purchased from Aker Ocean Harvest for NOK 550 million in the end of 2008 and airplane at NOK 231 million.

## NOTE 8: OTHER INTEREST-BEARING CURRENT ASSETS AND LONG-TERM RECEIVABLES

***Other interest-bearing current assets and long-term receivables from companies within the same group, associated companies, and external companies are as shown below:***

| *Amounts in NOK million* | Short-term assets | Long-term receivables | **Total 2008** | Total 2007 |
|---|---|---|---|---|
| Receivable, companies within the same group | 1 462 | 2 495 | **3 957** | 118 |
| Receivable, external | 160 | 1 339 | **1 499** | 1 397 |
| **Total** | 1 622 | 3 834 | **5 456** | 1 515 |

## NOTE 9: LIQUID ASSETS

Liquid assets amounts to NOK 4 704 million, whereof NOK 487 million are restricted.

## NOTE 10: SHAREHOLDERS' EQUITY

***As of 31 Dec 2008 Aker ASA's share capital consists of the following share classes:***

| | | | | | Total par value (NOK million) | |
|---|---|---|---|---|---|---|
| | Shares issued | Number of shares | Shares outstanding | Par value (NOK) | Shares issued | Shares outstanding |
| A-shares | 72 374 728 | 7 354 | 72 367 374 | 28 | 2 026 | 2 026 |
| Total share capital | 72 374 728 | 7 354 | 72 367 374 | | 2 026 | 2 026 |
| Share premium reserve | | | | | - | |
| Other paid-in capital | | | | | - | |
| **Total paid in capital** | | | | | **2 026** | |

All the A-shares have voting power and can receive dividends.
Aker ASA has no voting power for their A-shares owned.

***Dividend of NOK 5,00 per share proposed by the Board of Directors:***

| *Amounts in NOK million* | **2008** |
|---|---|
| Dividend NOK 5,00 per share | 362 |
| **Expected payment of dividend from Aker ASA in 2009** | **362** |

## NOTE 11: INTEREST-FREE LIABILITIES

***Interest-free liabilities are presented below:***

| *Amounts in NOK million* | Short-term | Long-term | **Total 2008** | Total 2007 |
|---|---|---|---|---|
| Tax liabilities | 2 | 49 | **51** | 119 |
| Pension liabilities | - | 138 | **138** | 140 |
| Dividend | 362 | | **362** | 1 339 |
| Liabilities to companies in the same group | 90 | - | **90** | 54 |
| Other | 225 | 92 | **317** | 215 |
| **Total** | 679 | 279 | **958** | 1 867 |

## NOTE 12: INTEREST-BEARING DEBT

***Interest-bearing debt is distributed among companies in the same group and external creditors as shown below:***

| *Amounts in NOK million* | Short-term | Long-term | **Total 2008** | Total 2007 |
|---|---|---|---|---|
| Debt to companies in the same group | - | 560 | **560** | 92 |
| Debt to external creditors | 38 | 989 | **1 028** | 2 080 |
| Total | 38 | 1 549 | **1 587** | 2 172 |

***Interest-bearing debt to external creditors is shown below:***

| *Amounts in NOK million* | **2008** | 2007 |
|---|---|---|
| Bond loans | **826** | 1 804 |
| Debt to credit institution | **-** | - |
| Other debt | **201** | 276 |
| **Total** | **1 028** | 2 080 |

***The installment schedule for interest-bearing external debt:***

| *Amounts in NOK million* | Bond loans | Other debt | **Total** |
|---|---|---|---|
| Year | | | |
| 2009 | - | 38 | **38** |
| 2010 | 420 | 13 | **433** |
| 2011 | - | 13 | **13** |
| 2012 | 406 | 13 | **419** |
| 2013 | - | 120 | **120** |
| After 2013 | - | 4 | **4** |
| **Total** | 826 | 201 | **1 028** |

## NOTE 13: RISK

***Aker ASA and holdingcompanies balance is divided on the following segments:***

| % | **2008** |
|---|---|
| Energy | **45%** |
| Fishery and biomarine | **11%** |
| Maritime and shipping | **9%** |
| Finance and capital management | **35%** |

The business within every segments will be exposed on macrodevelopments within each segments.

# Report on Summarized Financial Statement

KPMG

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Sørkedalsveien 8
N-0306 Oslo

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Enterprise 935 174 627MVA

To the Board of Directors of Aker ASA

**Report on Summarized Financial Statements**

**Respective Responsibilities of Management and Auditors**
We have audited the summarized financial statements of Aker ASA and holding companies for the year ended 31 December 2008, showing a loss of NOK 5 095 million. The summarized financial statements comprise the balance sheet, the statement of income and the accompanying notes. The summarized financial statements are the responsibility of the company's board of directors and managing director. Our responsibility is to express an opinion on these financial statements with accompanying notes.

**Basis of Opinion**
We conducted our audit of the summarized financial statements in accordance with good auditing practice in Norway, and we express our opinion in accordance with the Norwegian Auditing Standard RS 800 "The Auditor's Report on Special Purpose Audit Engagements". Those standards and practices require that we plan and perform the audit to obtain reasonable assurance that the summarized financial statements are not materially misstated. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements with accompanying notes, assessing the accounting principles used and significant estimates, as well as evaluating the overall presentation of the summarized financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**
In our opinion

- the summarized financial statements for 2008 have been prepared according to the principles described in the opening 31 December 2008 and the results of the operations for the year then ended.

Oslo, 5 March 2009
KPMG AS

Arve Gevoll
*State Authorized Public Accountant*

Note: This is a translation from the Norwegian report and has been prepared for information purposes only

# Long traditions

**Aker's history dates back to 1841, when its first mechanical workshop was established on the banks of the Aker River in Norway's capital.**

Proximity to the ocean and exploitation of natural resources — traditions that shaped Norway — also forged Aker's history. Operations refocused in the late 1960s to serve the emerging North Sea oil and gas industry.

In the mid-1980s, Aker merged with Norcem, a Norway-based international cement and construction materials group that also had significant offshore-industry activities. The cement and construction materials business was later spun off into a separate company, and sold in 1999.

### Røkke at the helm

Since the mid-1990s, entrepreneur and industrialist Kjell Inge Røkke has been Aker's main shareholder and a driving force in the company's development. Mr. Røkke launched his business career in 1982 with the purchase of a 69-foot trawler in the United States. He gradually built a leading global fisheries business: harvesting and ocean-going processing of white fish. His success in this field enabled him to invest in other businesses, mainly in the United States and Norway.

In 1994, Røkke consolidated his business activities in a Norwegian-US group, Resource Group International, Inc. RGI's operations were organized into five business areas: fisheries, industry, distribution, real estate, and projects/financing. In 1996, RGI purchased enough Aker shares to become Aker's largest shareholder; the two companies subsequently merged.

### Kværner acquisition

In 2000, through its Aker Maritime subsidiary, Aker acquired a significant shareholding in the Kværner industrial group.

Kværner, established in 1853 in Oslo, developed similarly to Aker, based on Norwegian natural resources. In its early days, Kværner was a leading supplier of turbines for Norwegian hydropower projects and equipment to the wood processing industry. Later, Kværner expanded into shipbuilding, ships' equipment, LNG (liquefied natural gas) carriers, and offshore oil and gas activities.

In 1996, Kværner acquired the UK-based industrial and construction conglomerate Trafalgar House; among Trafalgar's holdings were the companies Davy and John Brown that had their beginnings in the British industrial revolution. Ultimately, the Trafalgar House acquisition proved financially unsustainable; in the fall of 2001, Kværner experienced an acute liquidity crisis that nearly felled it.

A comprehensive rescue effort in the winter of 2001–2002 — in which Aker and other Kværner shareholders, customers, creditors, and employees all played important roles — enabled Kværner to survive, with Aker as its largest shareholder.

### New structure

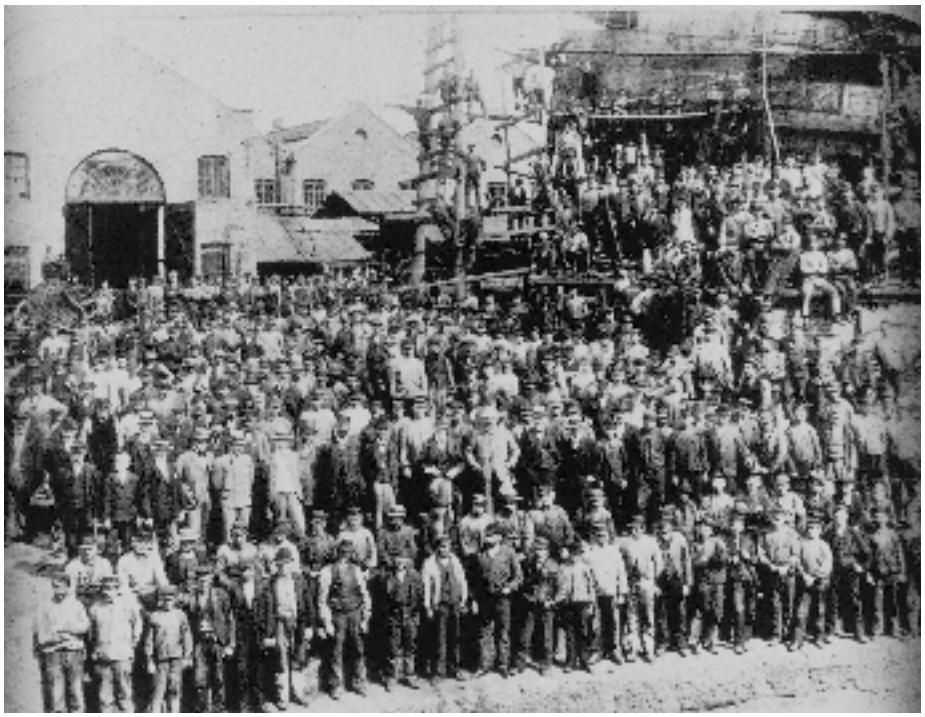
Following a series of transactions in the spring and summer of 2004, Aker established a solid financial foundation for further industrial development and growth of its four main companies: Aker Kværner, Aker Yards, Norway Seafoods, and Aker Material Handling.

Aker has established several new companies in recent years, notably Aker Drilling, Aker BioMarine, Aker Floating Production, Aker Exploration, Aker Oilfield Services, and Aker Clean Carbon.

In 2007, Aker divested its stake in Aker Yards and sold Aker Material Handling; the shareholding in Aker Kværner was transferred to Aker Holding, which facilitated the entry of the Norwegian government along with the Wallenberg companies SAAB and Investor of Sweden as Aker Holding co-owners. In April 2008, Aker Kværner changed its name to Aker Solutions.

"Proximity to the ocean and exploitation of natural resources — traditions that shaped Norway — also forged Aker's history"

*Workers and company officials – Aker in 1898.*



# Good dialogue

**Aker ASA is committed to maintaining an open and direct dialogue with its shareholders, potential investors, analysts, brokers, and the financial community in general.**

The timely release of information to the market that could affect the company's share price helps ensure that Aker ASA's share price reflects its underlying value.

Aker ASA's goal is that the company's shareholders will, over time, receive competitive returns on their investments through a combination of dividends and share price growth. In February 2006, the company's Board of Directors adopted the following dividend policy:

"Aker ASA's dividend policy supports the company's intention to maintain a solid balance sheet and liquidity reserves adequate to handle future obligations. The company's objective is to pay dividends annually that amount to 2-4 percent of the company's value-adjusted equity.

The determination of value-adjusted equity is based on the share price of Aker's listed investments."

The Board of Directors will propose to Aker ASA's annual shareholders' meeting that a per-share dividend of NOK 5 be paid for the 2008 accounting year.

| Year | Dividend (in NOK) |
|---|---|
| 2005 | 6.50 |
| 2005 Extraordinary | 14.00 |
| 2006 | 19.00 |
| 2007 | 18.50 |
| 2008 - Proposed | 5.00 |

## Shares and share capital

Aker ASA has 72 374 728 ordinary shares; each share has a par value of NOK 28.00 (see Note 8 to the parent company's 2008 accounts). As of 31 December 2008, the company had 16,107 shareholders, of whom 2.9 percent were non-Norwegian shareholders.

Aker ASA has a single share class. Each share is entitled to one vote. The company held 7,354 of its own (treasury) shares as of 31 December 2008. No share issues were carried out in 2008.

## Stock-exchange listing

Aker ASA was listed on the Oslo Stock Exchange on 2 September 2004 (ticker: AKER). Aker ASA's shares are registered in the Norwegian Central Securities Depository; the shares have the securities registration number ISIN NO 0010234552. DnB NOR Bank ASA is the company's registrar.

## Majority shareholder

Aker ASA's majority shareholder is Kjell Inge Røkke, who holds 67.8 percent of the company's shares via his privately held company TRG. The Aker group comprises companies that legally and financially are independent units. Nevertheless, Aker companies have many commonalities, and the active ownership of Aker ASA provides a unifying influence.

Aker's long-term industrial approach, its shareholder structure, and its management model imbue Aker companies with autonomy and decisiveness. Just as Aker ASA carries the imprint of its main shareholder Kjell Inge Røkke, Aker puts its mark on the development of each Aker company.

Through the exercise of active ownership, Aker creates value that benefits all investors in Aker companies.

From time to time, agreements are entered into between two or more Aker companies. The boards of directors and other parties involved in the decision-making processes related to such agreements are all critically aware of the need to handle such matters in the best interests of the involved companies, in accordance with good corporate governance practice. If needed, external, independent opinions are sought.

## Current Board authorizations

Aker ASA's 3 April 2008 shareholders' meeting authorized the Board to acquire company shares up to a total number of 7 237 473 company shares with an aggregate nominal value of NOK 202 649 244. The authorization also provides for acquisition of agreement liens in shares. The lowest and highest purchase amount for each share shall be NOK 4 and NOK 800, respectively. The Board is free to decide the method of acquisition and disposal of the company's shares. The power of attorney is valid until the next annual general meeting in 2009.

## Stock option plans

As of 31 December 2008, Aker ASA has no options program.

## Investor relations

Aker ASA seeks to maintain an open and direct dialogue with shareholders, financial analysts, and the financial market in general. In addition to meetings with analysts and investors, the company schedules regular presentations at major financial centers in Europe and the United States.

All Aker ASA press releases and investor relations (IR) publications, including archived material, are available at the company's website: www.akerasa.com. This online resource includes the company's quarterly and annual reports, prospectuses, corporate presentations, articles of association, financial calendar, and its Investor Relations and Corporate Governance policies, along with other information.

Shareholders can contact the company at contact@akerasa.com.

## Share capital development

| Date | Change in share capital | Share capital (in NOK) | Number of A-shares | Number of B-shares | Par value (in NOK) |
|---|---|---|---|---|---|
| 1 January 2006 | | 3 213 712 348 | 72 374 728 | 42 400 713 | 28.00 |
| Change in 2006 | | | | | |
| 31 December 2006 | | 3 213 712 348 | 72 374 728 | 42 400 713 | 28.00 |
| Change in 2007 | - 1 187 219 964 | | | -42 400 713 | |
| 31 December 2007 | | 2 026 492 384 | 72 374 728 | 0 | 28.00 |
| Change in 2008 | | | | | |
| 31 December 2008 | | 2 026 492 384 | 72 374 728 | | 28.00 |

## Electronic interim and annual reports

Aker ASA encourages its shareholders to subscribe to the company's annual reports via the electronic delivery system of the Norwegian Central Securities Depository (VPS). Please note that VPS services (VPS Investortjenester) are designed primarily for Norwegian shareholders. Subscribers to this service receive annual reports in PDF format by email. VPS distribution takes place at the same time as distribution of the printed version of Aker ASA's annual report to shareholders who have requested it.

Quarterly reports, which are generally only distributed electronically, are available from the company's website and other sources. Shareholders who are unable to receive the electronic version of interim reports, may subscribe to the printed version by contacting Aker ASA's investor relations staff.

## Analytic coverage

The following securities brokers provide analytic coverage of Aker ASA (as of 31 December 2008):

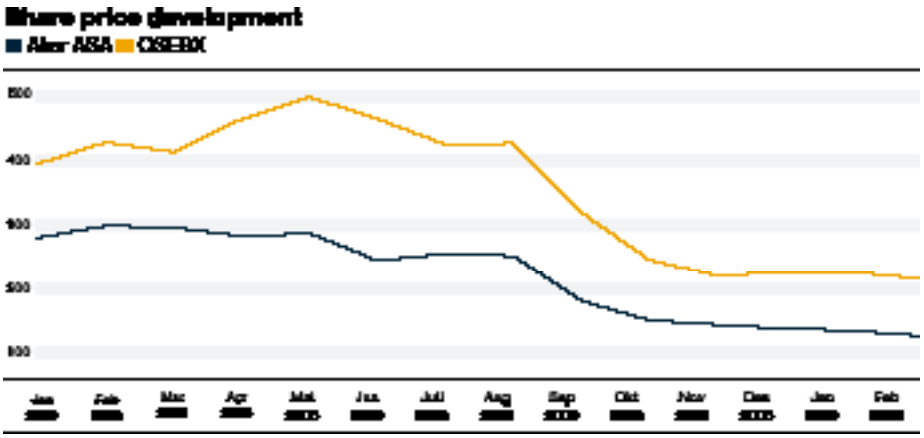
| Company | Telephone |
|---|---|
| DnB NOR | + 47 03000 |
| Enskilda Securities | +47 21 00 85 00 |
| Fondsfinans | +47 23 11 30 00 |
| Goldman Sachs | +47 22 48 50 00 |
| Nordea | +44 207 77 1000 |
| Pareto Securities | +47 22 87 87 00 |
| UBS | +46 8 453 7300 |
| RS Platou Markets | +47 22 01 63 00 |

## Geographic distribution of ownership (as of 5th February 2009)

| Nationality | Number of shares held | Ownership |
|---|---|---|
| Non-Norwegian shareholders | 9 630 936 | 13.3 % |
| Norwegian shareholders | 62 743 792 | 86.7 % |
| **Total** | **72 374 728** | **100.0 %** |

## Nomination committee

The company's nomination committee has the following members: Leif-Arne Langøy, Gerhard Heiberg, and Kjeld Rimberg.




## 2008 share data

Per 5 February 2009

| Name | Number of shares held | Ownership (in %) |
|---|---|---|
| TRG Holding AS | 48 245 048 | 66.66 % |
| Wenaasgruppen AS | 1 176 620 | 1.63 % |
| State Street Bank AN A/Client Omnibus I | 1 133 279 | 1.57 % |
| Nordea Bank Sweden A | 1 131 772 | 1.56 % |
| JP Morgan Chase Bank Nordea Treaty Account | 830 619 | 1.15 % |
| The Resource Group TRG AS | 824 642 | 1.14 % |
| Nordea Bank Norge AS Securities Operation | 756 101 | 1.04 % |
| Orkla ASA | 700 000 | 0.97 % |
| Clearstream Banking CID Dept., Frankfurt | 497 578 | 0.69 % |
| Nordea Bank Plc. Finland | 469 220 | 0.65 % |
| Oslo Pensjonsforsikring | 445 200 | 0.62 % |
| JP Morgan Chase Bank A/S Escrow Account | 430 931 | 0.60 % |
| Folketrygdefondet JP Morgan Chase Bank | 386 850 | 0.53 % |
| State Street Bank AN A/C Client Omnibus | 366 654 | 0.51 % |
| Bank of New York, BR BNY GCM Client Account | 298 600 | 0.41 % |
| DnB NOR Norge Selekt VPF | 290 636 | 0.40 % |
| KAS Depositary Trust Clients Account | 270 764 | 0.37 % |
| The Northern Trust Treaty Account | 256 600 | 0.35 % |
| KLP LK Aksjer | 250 360 | 0.35 % |
| JP Morgan Chase Bank S/A Luxembourg | 238 907 | 0.33 % |
| **Total 20 largest shareholders** | **59 000 381** | **81.53 %** |

Shareholders who wish to contact Aker ASA's nomination committee may do so using the following email address: contact@akerasa.com.

## Annual shareholders' meeting

Aker ASA's annual shareholders' meeting is normally held in March or early April. Written notification is sent to all shareholders individually or to shareholders' nominee. To vote at shareholders' meetings, shareholders (or their duly authorized representatives) must either be physically present or must vote by proxy.

## 2008 share data

The company's total market capitalization as of 31 December 2008 was NOK 9 915 million. During 2008, a total of 59,551,430 Aker ASA shares traded, corresponding to 0.8 times the company's freely tradable stock. The shares traded on all possible trading days.

## Ownership structure by number of shares

held 5 February 2008

| Shares | Number of shareholders | Per cent of share capital |
|---|---|---|
| 1-100 | 9 589 | 0.38 % |
| 101- 1000 | 5 223 | 2.36 % |
| 1001 - 10000 | 981 | 3.81 % |
| 10001-100000 | 168 | 7.83 % |
| 100001-500000 | 32 | 9.91 % |
| Over 500000 | 8 | 75.71 % |
| **Sum** | **16 001** | **100 %** |

## Share data 2008

| | | |
|---|---|---|
| Highest traded | NOK | 343.00 |
| Lowest traded | NOK | 118.25 |
| Share price as of 31 December | NOK | 137.00 |
| Shares issued as of 31 December | | 72 374 728 |
| Own (treasury) shares as of 31 Dec. | | 7 354 |
| Shares issued and outstanding as of 31 Dec. | | 72 367 374 |
| Market capitalization as of 31 Dec. | NOK million | 9 915 |
| **Proposed per-share dividend** | **NOK per share** | **5.00** |

# Analytical information

## Aker ASA including holding companies – key figures from 2006-2008 accounts:

| | | 2006 | | 2007 | | 2008 | |
|---|---|---|---|---|---|---|---|
| | | Book value | Adjusted [1] | Book value | Adjusted [1] | Book value | Adjusted [1] |
| Shares | Mill. NOK | 13 965 | 36 828 | 12 069 | 20 597 | 8 710 | 8 710 |
| Other assests/liabilities | Mill. NOK | -1 784 | -1 784 | 11 373 | 11 373 | 9 395 | 9 395 |
| **Equity including dividend** | Mill. NOK | **12 181** | **35 044** | **23 442** | **31 970** | **18 105** | **18 105** |
| Equity befor dividend | Mill. NOK | 13 556 | 36 419 | 24 781 | 33 309 | 18 467 | 18 467 |
| Net asset value per share before dividend | NOK | 187.32 | 503.26 | 342.43 | 460.28 | 255.18 | 255.18 |

[1] *Adjusted = Value adjusted*


## Shares and company holdings:

| Per 31 Dec. 2008 | Ownership in % | Number of shares | Book value (Mill NOK) | Market price 31 Dec. 2008 (NOK) | Market price 31 Dec. 2008 (NOK mill) |
|---|---|---|---|---|---|
| Aker Holding AS (Aker Solutions ASA) | 60.0 | 66 200 169 | 1 695 | 42.15 | 2 790 |
| American Shipping Company ASA | 19.9 | 5 493 430 | 184 | 33.50 | 184 |
| Aker Phildadelphia Shipyard ASA | 50.3 | 5 112 750 | 276 | 54.00 | 276 |
| Aker Seafoods ASA | 64.9 | 31 594 910 | 192 | 6.10 | 192 |
| Aker BioMarine ASA | 82.85 | 74 675 494 | 418 | 5.60 | 418 |
| Aker Floating Production ASA | 59.1 | 12 992 806 | 95 | 7.30 | 95 |
| Aker Exploration ASA | 61.2 | 12 241 148 | 275 | 22.50 | 275 |
| Bjørge ASA | 39.9 | 17 518 861 | 130 | 7.40 | 130 |
| Odim ASA | 34.7 | 16 364 200 | 448 | 27.40 | 448 |
| Genesis Petroleum Corp Plc | 29.4 | 49 835 391 | 50 | 1.01 | 50 |
| **Total listed shares** | | | **3 763** | | **4 858** |
| | | | | | |
| Aker Drilling ASA | | | 3 503 | | |
| Aker Oilfield Services Ltd | | | 331 | | |
| Aker Clean Carbon | | | 75 | | |
| Other | | | 1 038 | | |
| **Total other shares** | | | **4 947** | | |
| **Total** | | | **8 710** | | |

# Corporate governance

**The company's corporate governance policy was reviewed by the Board of Directors of Aker ASA in February 2008.**

Aker ASA's corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance, dated 4 December 2007. As the company is not cognizant of any changes since December 2007 requiring reconsideration, the Board of Aker ASA has not deemed it necessary, as of February 2008, to further review Code recommendations.

Aker ASA's practice regarding each of the recommendations contained in the Code of Practice is presented below, along with a discussion of any deviations from the recommendations.

### Pur pose

Aker ASA's Corporate Governance principles ensure an appropriate division of roles and responsibilities and well-functioning cooperation among the company's owners, its Board of Directors, and its executive management and that the company's activities are subject to satisfactory control. An appropriate division of roles, effective cooperation, and satisfactory control contribute to the greatest possible value creation over time, to the benefit of owners and other stakeholders.

Through active ownership and Board Chairmanship, the company's main shareholder is actively engaged in the business. Aker ASA regards this participation as a great strength and source of inspiration.

### Values and ethical guidelines

The Board has adopted the company's corporate values and ethical guidelines. Aker ASA's corporate values are presented on page 7 of this annual report.

### Business

Aker ASA's business purpose clause is as follows:

*"The company's activities consist of owning and operating industrial businesses and other, related activities, capital management and other group functions, and participation in or acquisition of other activities."*

The business purpose clause ensures that shareholders have control of the business and its risk profile, without limiting the Board or management's ability to carry out strategic and financially viable decisions within the defined purpose. The Group's financial goals and main strategies are presented in the Board of Directors' report.

### Equity and dividends

*Equity*

The Group's equity as of 31 December 2008 amounted to NOK 18 105 million, corresponding to an equity ratio of 88 percent. Aker ASA regards the Group's current equity structure as appropriate and adapted to its objectives, strategy, and risk profile.

*Dividends*

Aker ASA's dividend policy is included in the section Shares and shareholder matters, on page 120 of this annual report. The company's dividend policy is among the factors considered as part of the Board's proposal for allocation of profit for 2008.

*Board* authorizations

The Board's proposals for future Board authorizations are to be limited to defined issues and to be valid only until the next annual shareholders' meeting.

Current Board authorizations to increase share capital and acquire own (treasury) shares are presented in the section Shares and shareholder matters, on page 120 of this annual report.

### Equal treatment of shareholders and transactions with close associates

The company has a single class of shares, and all shares carry the same rights in the company. Equal treatment of all shareholders is crucial. If existing shareholders' preemptive rights are waived upon an increase in share capital, the Board must justify the waiver. Transactions in own (treasury) shares are executed on the Oslo Stock Exchange or by other means at the listed price.

If there are material transactions between the company and a shareholder, Board member, member of executive management, or a party closely related to any of the aforementioned, the Board will generally ensure that independent valuations are available. The preceding sentence also applies to transactions between Aker ASA and Aker companies in which minority interests are held.

Aker ASA has prepared guidelines designed to ensure that members of the Board of Directors and executive management notify the Board of any direct or indirect stake they may have in agreements entered into by Aker or Aker companies.

Additional information on transactions with related parties appears in Note 37 to the 2008 consolidated accounts.

### Freely negotiable shares

Aker ASA's shares are freely negotiable. No restrictions on transferability are found in the company's articles of association.

### Shareholders' meetings

The company encourages shareholders to participate in shareholders' meetings. Holding the annual shareholders' meeting as soon as possible after the close of the accounting year is a priority. Notice of shareholders' meetings and comprehensive accompanying information are made available to shareholders on the company's website and sent to shareholders within the deadlines stated in the Norwegian Public Limited Liability Companies Act. The deadline for shareholders to register to attend a shareholders' meeting is set as close to the date of the meeting as possible. Shareholders who are unable to attend a meeting may vote by proxy. Registration procedures are presented in the meeting notice and on the registration and proxy form.

Pursuant to Aker ASA's articles of association, the Board Chairman, or an individual appointed by the Chairman, chairs shareholders' meetings. To the extent possible, Board members, the chairman of the nomination committee, and the company's auditor attend shareholders' meetings.

The nomination committee focuses on composing a board that works as a team, and whose members' experience and qualifications complement each other. The shareholders' meeting is typically requested to vote for a complete list of proposed Board members.

Minutes of shareholders' meetings are published as soon as practical via the Oslo Stock Exchange: www.newsweb.no (ticker: AKER) and on the investor relations pages of the company's website: www.akerasa.com.

### Nomination committee

Aker ASA has a nomination committee, as set forth in the company's articles of association. Pursuant to the articles of association, the nomination committee is to comprise no fewer than three members. Each member is normally elected for a two-year period. The composition of the nomination committee should reflect the interests of shareholders and independence from the Board and executive management. Nomination committee members and its chairman are elected by the company's shareholders' meeting, which also determines remuneration payable to committee members.

Pursuant to Aker ASA's articles of association, the nomination committee recommends candidates for election to the Board of Directors. The nomination committee also

makes recommendations as to remuneration of Board members. The nomination committee is to justify its recommendations.

The deadline for submitting proposals for Board candidates for the upcoming term is 31 October 2009.

### Board composition and independence

The company does not have a corporate assembly, which is provided for under Norwegian law. Employees' right to representation and participation in decision-making is secured via extended employee representation on the Board of Directors.

Pursuant to the company's articles of association, the Board comprises between six and 12 members, of whom one-third are elected by and among company employees. Further, up to three shareholder-elected deputy Board members may be elected. The nomination committee's recommendations generally propose an appointment for board chairman, which is subject to approval by the shareholders' meeting. The Board elects its own Deputy Board Chairman. Board members are elected for a period of two years.

The majority of shareholder-elected Board members are independent of the company's executive management and its significant business associates. Further, no fewer than 5 of the shareholder-elected Board members are independent of the company's main shareholder.

The current composition of the Board is presented on page 126 of this annual report; the Board members' expertise, capabilities, and independence are also presented. Board members' shareholdings are presented in Note 39 to the consolidated accounts. Board members are encouraged to invest in the company's shares. Shareholder-elected Board members represent a combination of expertise and experience from finance, industry, government, and non-governmental organizations.

Two of the shareholder-elected Board members are up for election in 2009. The nomination committee's recommendations will be published as soon as available on the company's website: www.akerasa.com and by the Oslo Stock Exchange via: www.newsweb.no.

### The work of the Board of Directors

The Board of Aker ASA annually adopts a plan for its work, emphasizing goals, strategies, and implementation. Also, the Board has adopted board instructions that regulate areas of responsibility, tasks, and division of roles of the Board, the Board Chairman, and the managing director. The Board instructions also feature rules governing Board schedules, notice and chairing of Board meetings, decision-making, the managing director's duty and right to disclose information to the Board, professional secrecy, impartiality, and other issues.

The Board evaluates its own performance and expertise once a year.

### Risk management and internal control

The Board is to ensure that the company maintains solid in-house control practices and appropriate risk management systems tailored to the company's business activities. The Board annually reviews the company's most important risk areas and internal control systems and procedures, and the main elements of these assessments are presented in the Board of Directors' report. These matters are further discussed in Note 35 to the consolidated accounts.

The 26 February 2009 Board of Directors' meeting decided to establish an auditing committee headed by state-authorized public accountant Finn Berg Jacobsen.

### Board remuneration

Board remuneration reflects the Board's responsibility, expertise, time spent, and the complexity of the business. Remuneration does not depend on Aker's financial performance. Board members and companies with whom they are associated are not to take on special tasks for the company beyond their Board appointments.

Additional information on remuneration paid to Board members for 2008 is presented in Note 38 to the consolidated accounts.

### Remuneration of executive management

The Board has adopted guidelines for remuneration of executive management in accordance with the Norwegian Public Limited Liability Companies Act, section 6-16a. The Chairman determines the remuneration of the managing director. The election committee determines the remuneration of the Chief Executive Officer (CEO). Before the employment contracts and remuneration of the CEO and the managing director take effect, they must be presented in a meeting of the Board of Directors.

Aker ASA does not have stock option plans or other such share award programs for employees. Further information on remuneration for 2008 for members of Aker's executive management is presented in Note 38 to the consolidated accounts. The company's guidelines for remuneration to executive management are discussed in Note 38 to the consolidated accounts and will be presented to shareholders at the annual shareholders' meeting.

### Information and communications

The company has prepared an investor relations (IR) policy, which is published on the company's website. The company's reporting of financial and other information is based on openness and equal treatment of shareholders, the financial community, and other interested parties.

The long-term purpose of Aker's IR activities is to ensure access to capital at competitive terms for the company and correct pricing of shares for shareholders. These goals are to be accomplished through accurate and timely distribution of information that can affect the company's share price; the company is also to comply with current rules, regulations, and market practices, including the requirement of equal treatment.

All stock exchange notifications and press releases are published on the company's website: www.akerasa.com; stock exchange notices are also available at: www.newsweb.no. All information that is distributed to shareholders is simultaneously published on Aker's website. The company endeavors to hold public presentations of its financial reporting; these meetings are often broadcast simultaneously via the Internet.

The company's financial calendar is found on page 4 of this annual report.

### Takeovers

The company has not adopted guidelines regarding how it would respond in the event it becomes subject to a takeover bid. Through his privately held TRG holding companies, Kjell Inge Røkke controls a total of 67.8 percent of Aker ASA stock. Pursuant to the cooperative ownership agreement for Aker Holding, Mr. Røkke has committed himself to retaining control of Aker for a minimum of 10 years from June 2007. Accordingly, a takeover bid is not deemed likely.

### Auditor

The auditor makes an annual presentation of its plan for auditing work to the Board. Further, the auditor has provided the Board with a written confirmation that the requirement of independence is met.

The auditor participates in the Board meeting that deals with the annual accounts, and the auditor has reviewed the companies' internal control with the Board. The auditor has been given the opportunity to meet with the Board of Directors without the presence of the company's executive management; however, no such meeting has been requested.

As part of the audit of annual accounts, the auditor conducts reviews with the company's managing director. The Board has not deemed it necessary to introduce other guidelines for executive management's use of auditors for services other than auditing. The Board receives an annual overview of services other than auditing that have been supplied to the company.

Remuneration for auditors, presented in Note 2 to the Aker ASA accounts, is stated for the two categories of auditing and other services. Such details are presented to the annual shareholders' meeting.

# Presentation of the Board of Directors

## Kjell Inge Røkke
***Chairman***

Entrepreneur and industrialist Kjell Inge Røkke (born 1958), Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business: harvesting and ocean-going processing of white fish. In 1996, Mr. Røkke purchased enough Aker shares to become Aker's largest shareholder. As of 5 February 2009 Mr. Røkke holds 49,069,690 shares in Aker ASA, and has no stock options. Mr. Røkke is a Norwegian citizen. He has been elected for the period 2008-2010.

## Lone Fønss Schrøder
***Deputy chairman***

Lone Fønss Schrøder (born 1960) is President in Wallenius Lines in Sweden. Lone Fønss Schrøder received her law degree from the University of Copenhagen and a Master of Economics degree from Handelshøjskolen, Copenhagen. Ms. Fønss Schrøder has broad international experience, acquired during 21 years in senior management and via board positions at A.P. Møller-Maersk. Ms. Fønss Schrøder is currently a non-executive director of Yara International ASA, Vattenfall AB (Sweden) and DSB (Denmark). As of 5 February 2009 Ms. Fønss Schrøder holds 1,173 shares in Aker ASA, and has no stock options. Lone Fønss Schrøder is a Danish citizen. She has been elected for the period 2008-2010.

## Kristin Krohn Devold
***Board member***

Kristin Krohn Devold (born 1961) was a Member of the Norwegian Parliament for the Conservative Party from 1993 to 2005. She was Minister of Defense 2001 to 2005. Krohn Devold is currently the General Secretary of The Norwegian Trekking Association and Board member of Aker Floating Production. She is educated at the Norwegian School of Economics and Business Administration and has a Bachelor in sociology from the University of Bergen. As of 5 February 2009 Krohn Devold holds no shares in Aker ASA, and has no stock options. Ms. Krohn Devold is a Norwegian citizen. She has been elected for the period 2007-2009.

## Bjørn Flatgård
***Board member***

Mr. Flatgård (born 1949) runs his own business, the principal activities of which are participation on boards of directors and investing. Mr. Flatgård was President and CEO of Elopak AS from 1996 - 2007. He previously served as President for Nycomed Pharma and Executive Vice President for Hafslund Nycomed and Nycomed AS. Mr. Flatgård is deputy chairman of Aker Solutions, and chairman of the board of SalMar. Mr. Flatgård is a graduate from the Norwegian University of Science and Technology and from the Norwegian School of Management. As of 5 February 2009 Mr. Flatgård holds no shares in Aker ASA, and has no stock options. Mr Flatgård is a Norwegian citizen. He has been elected for the period 2008-2010.

## Hanne Harlem
***Board member***

Hanne Harlem (born 1964) was managing director at the University of Oslo from 2004 until May 2007. She holds a Cand. jur. degree. Ms. Harlem has previous served as lawyer and Senior Vice President in Norsk Hydro ASA. She as i.a. been Minister of Justice, a lawyer in Kredittilsynet, and town councillor for children and education in The city of Oslo. Ms. Harlem is chairman of the board of Helse Sør-Øst (South-Eastern Norway Regional Health Authority) and board member of the Norwegian School of Management and Hafslund ASA. As of 5 February 2009 Ms. Harlem holds no shares in Aker ASA, and has no stock options. Ms. Harlem is a Norwegian citizen. She has been elected for the period 2008-2010.

## Leif-Arne Langøy

***Board member***

Leif Arne Langøy (born 1956) was President & CEO of Aker ASA, former Aker RGI, from 2003 – 2008. From 2006 - 2008 he was also the board chairman. Mr. Langøy has previously served as President & CEO of the Aker Yards Group, and as a Managing Director for Aker Brattvaag for 13 years. He is also chairman of the board of Aker Holding, Aker Seafoods and Aker BioMarine, a board member of Aker Solutions and Aker Exploration, and deputy chairman of TRG Holding. Langøy holds an MBA degree from the Norwegian School of Economics and Business Administration. As of 5 February 2009 Mr. Langøy holds, through a private owned company, 41,000 shares in Aker ASA, and has no stock options. Mr. Langøy is a Norwegian citizen. He has been elected for the period 2007-2009.

## Kjell A. Storeide

***Board member***

Kjell A. Storeide (born 1952) holds a MBA degree from the Norwegian School of Management and Business Administration. From 1990 to 2004, Storeide was CEO and part owner of Stokke AS. Storeide is currently the board chairman a board member of several Norwegian industrial companies, and is the board chairman of Innovasjon Norge. As of 5 February 2009 Mr. Storeide holds no shares in Aker ASA, and has no stock options. Mr. Storeide is a Norwegian citizen. He has been elected for the period 2008-2010.

## Atle Tranøy

***Board member***

***Elected by the employees***

Group Union Representative Aker. Atle Tranøy (born 1957) is trained as a pipe fitter and has been an employee of Aker Stord since 1976. Mr. Tranøy has been a full-time employee representative since 1983. Mr. Tranøy is also the chairperson of the European Works Council in Aker. As of 5 February 2009 Mr. Tranøy holds no shares in Aker ASA, and has no stock options. Mr. Tranøy is a Norwegian citizen. He has been elected for the period 2007-2009.

## Harald Magne Bjørnsen

***Board member***

***Elected by the employees***

Group employee representative. Harald Magne Bjørnsen (born 1947) is a professional shipfitter and electrical installer. An employee of Aker Elektro since 1978, Bjørnsen became a project leader in 1986. As of 5 February 2009 Mr. Bjørnsen holds 700 shares in Aker ASA, and has no stock options. Mr. Bjørnsen is a Norwegian citizen. He has been elected for the period 2007-2009.

## Bjarne Kristiansen

***Board member***

***Elected by the employees***

Mr. Bjarne Kristiansen (born 1955) has worked in the fishing industry since 1973 and has been the chief union representative since 1996. Mr. Kristiansen is also an employee representative at Aker Seafoods ASA's Board of directors. As of 5 February 2009 Bjarne Kristiansen holds no shares in Aker ASA, and has no stock options. Mr. Kristiansen is a Norwegian citizen. He has been elected for the period 2007-2009.

## Stein Aamdal

***Board member***

***Elected by the employees***

Employee representative for Aker Verdal. Stein Aamdal (born 1947) has been employed by Aker Verdal since 1974. He is a trained fitter. He has been a union representative at Aker Verdal since 1990. As of 5 February 2009 Mr. Aamdal holds no shares in Aker ASA, and has no stock options. Mr. Aamdal is a Norwegian citizen. He has been elected for the period 2007-2009.

# Management

## Øyvind Eriksen

***President and Chief Executive Officer***

Øyvind Eriksen (born 1964) joined Aker 1 January 2009. Mr. Eriksen holds a law degree from Oslo University. He joined Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a board member/chairman in BA-HR from 2003. At BA-HR, Mr. Eriksen worked closely with Aker and Aker's main shareholder, Kjell Inge Røkke. Mr. Eriksen is among others a board member of Reitangruppen AS. As of 5 February 2009 Eriksen holds no shares in the company, and has no stock options. Mr. Eriksen is a Norwegian citizen.

## Martinus Brandal

***Executive Vice President***
***Head of Energy Technologies***

Mr. Martinus Brandal (born 1960) joined Aker in 2008. He was President & CEO of Aker Kværner ASA from July 2006 to March 2008. From July 2004 to July 2006 Mr. Brandal was Executive Vice President (EVP) in charge of operations, strategy and business development of Aker ASA. From 1985 to 2004, Mr. Brandal held various management positions in the ABB Group at its headquarters in Zurich, including Group Senior Vice President and Head of Business Area Process Automation. He is chairman of the board of Aker Solutions, Aker Drilling and Aker Floating Production, and a board member of Aker Oilfield Services and Odim. Mr. Brandal has a BSc in Electrical Engineering from Oslo University College. As of 5 February 2009, Mr. Brandal holds, through a private owned company, 1,300 shares in Aker ASA, and has no stock options. Mr. Brandal is a Norwegian citizen.

## Geir Arne Drangeid

***Executive Vice President***

Mr. Drangeid (born 1965) is responsible for communications, investor relations and human resources. He has a background from journalism. He joined the Company on 1 September 2004. Mr. Drangeid has held various communications related positions in Aker since 1990, when he joined Norwegian Contractors. In 1996 he became head of group communications in Aker Maritime, and since 2002 he has been group SVP Communications and Investor Relations in Aker Kværner. As of 5 February 2009 Drangeid holds, through a private owned company, 1,500 shares in Aker ASA, and has no stock options. Mr. Drangeid is a Norwegian citizen.

## Karl Erik Kjelstad

***Executive Vice President***
***Head of Maritime Technologies***

Karl Erik Kjelstad (born 1966) has been with the Aker group since 1998. Mr. Kjelstad was President & CEO of Aker Yards ASA from January 2003 to June 2007. Prior to joining Aker, he held the position as senior consultant at PA Consulting Group. From 1992 to 1996 he held various management positions in the TTS Group. Mr. Kjelstad is chairman of Odim, Aker Philadelphia Shipyard, Aker Oilfield Services and Aker DOF Supply, and a board member of Aker Drilling and Aker Floating Production. Mr. Kjelstad holds a Master of Science (MSc) degree in Marine Engineering from the Norwegian University of Science and Technology (NTNU). As of 5 February 2009 Mr. Kjelstad holds, through a private owned company, 1,500 shares in Aker ASA, and has no stock options. Mr. Kjelstad is a Norwegian citizen.

## Nils Are Karstad Lysø

***Executive Vice President***
***Head of Energy Resources***

Nils Are Karstad Lysø (born 1968) joined Aker ASA in 2005. Mr. Lysø has previously been a partner in the management consulting firm McKinsey & Company (1992-2005). Mr. Lysø is chairman of the board of Aker Exploration, and member of the board of Aker BioMarine. Mr. Lysø holds a MBA from the Norwegian School of Management. As of 5 February 2009 Lysø holds, through a private owned company, 2,000 shares in Aker ASA, and has no stock options. Mr. Lysø is a Norwegian citizen.

## Bengt A. Rem

***Executive Vice President and***
***Chief Financial Officer***

Bengt A. Rem (born 1961) is a state authorized accountant and a Master of Business and Economics from the Norwegian School of Management. Mr. Rem joined Aker in 1995 where he has, among other things, held the position as CFO and Chief of Staff. Before joining the Aker RGI Group, Mr. Rem has among other things worked with Arthur Andersen & Co. and Oslo Børs. As of 5 February 2009 Mr. Rem holds, through a private owned company, 10,000 shares in Aker ASA, and has no stock options. Mr. Rem is a Norwegian citizen.

## Trine Sæther Romuld

***Executive Vice President***

Trine Sæther Romuld (born 1968) joined Aker in January 2009. She was CFO of Aker Drilling ASA from August 2007 until December 2008. Sæther Romuld worked as CFO in Pan Fish ASA / Marine Harvest ASA for a total of four years and has nine years experience from Arthur Andersen & Co / Ernst & Young. In addition, she worked in the rig industry for four years, prior to joining Aker Drilling ASA. Ms. Sæther Romuld is a Board member in DnB NOR ASA. Ms. Sæther Romuld is a state authorized public accountant from the Norwegian School of Economics and Business Administration (NHH) Bergen. As of 5 February 2009 Ms. Sæther Romuld holds no shares in the company, and has no stock options. Ms. Sæther Romuld is a Norwegian citizen.

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## Reports via the Internet

The quarterly and annual reports of Aker ASA are available via the Internet. Aker ASA encourages its shareholders to subscribe to the company's annual reports via the electronic delivery system of the Norwegian Central Securities Depository (VPS). Please note that VPS services (VPS Investortjenester) are designed primarily for Norwegian shareholders. Subscribers to this service receive annual reports in PDF format by email. VPS distribution takes place at the same time as distribution of the printed version of Aker's annual report to shareholders who have requested it.

Quarterly reports, which are generally only distributed electronically, are available from the company's website and other sources. Shareholders who are unable to receive the electronic version of interim reports, may subscribe to the printed version by contacting Aker's investor relations staff.

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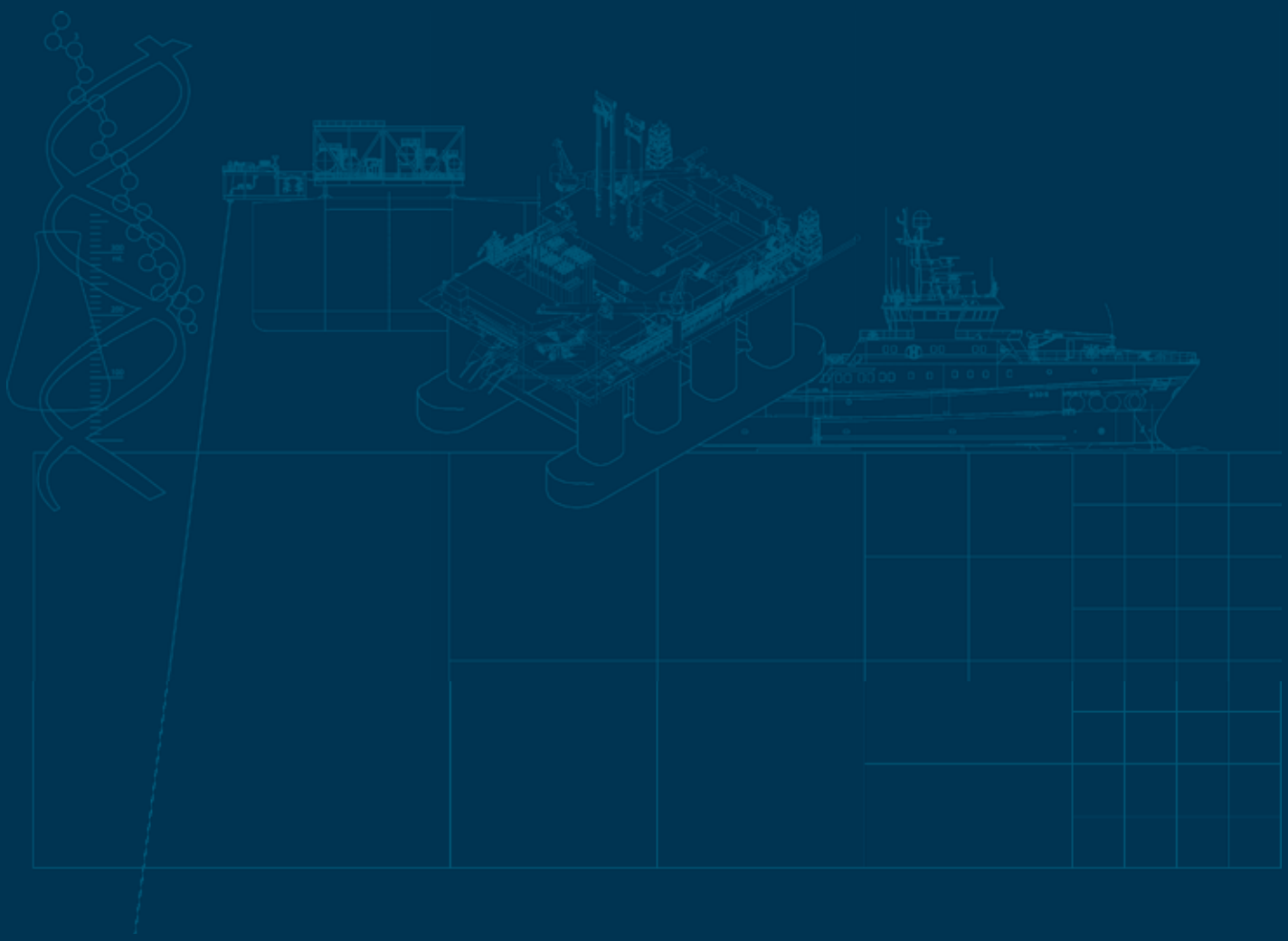

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