



Aker ASA

Annual report 2010



Contents

4 This is Aker

- 4 Aker in brief
- 5 Highlights
- 6 Long traditions of industrial development
- 8 Key performance indicators
- 9 Aker ASA and holding companies
- 10 Promoting a performance culture
- 11 Demonstrating corporate responsibility

12 Letter from the chairman

18 Letter from the president and CEO

20 Operations

- 20 Business activities
- 21 Industrial Holdings
- 29 Financial Investments
- 30 Funds

32 Board of directors' report

40 Annual accounts

- 41 Aker group
- 98 Aker ASA
- 111 Aker ASA and holding companies

119 Share and shareholder information

- 119 Good dialogue
- 122 Analytical information

123 Corporate governance

- 123 Report on corporate governance
- 128 Board of directors
- 130 Management
- 130 Other key personnel

131 Contacts



Photo by the well known artist Tom Sandberg.

Financial calendar 2011

Annual General Meeting:	14 April
Interim report Q1 2011:	11 May
Interim report Q2 2011:	17 August
Interim report Q3 2011:	7 November

Aker in brief

Aker ASA is an investment company that exercises active ownership.

Aker is synonymous with industrial expertise and financial strength. As an active owner, our goal is to be a powerhouse in the development of strong companies. Aker drives operational improvements, strategy and financing and executes industrial transactions.

These capabilities create value for shareholders, customers, employees, and society in general. Aker organizes its business activities in three sectors: Industrial Holdings, Financial Investments, and Funds.

- Industrial Holdings comprises Aker's ownership interests in Aker Solutions, Aker Drilling, Det norske oljeselskap, Aker Clean Carbon, and Aker BioMarine. In each of these operating companies, Aker has an ownership agenda that strengthens the businesses.

- Financial Investments comprises cash, receivables, and other assets of Aker ASA (parent and holding companies) – with the exception of industrial investments in shares investments and investments in funds.

- Funds comprises shares in funds under management by the three Aker-controlled companies: Convento Capital Management, Oslo Asset Management, and Stockholm-based Norron Asset Management.

Size

As of late February 2011, Aker is the largest shareholder in eight stock-exchange-listed companies. More than 22 000 people in over 30 countries are employed by these companies.

Net asset value (NAV) is a key performance indicator for Aker ASA. As of 31 December 2010, NAV amounted to NOK 18.4 billion, compared with NOK 19.5 billion at the close of 2009. The company's dividend policy is to pay annual dividends of between two and four percent of NAV to company shareholders.

Investment strategy

Aker's ownership interests are concentrated on the business sectors: Energy, Environment, Fisheries & Marine Biotech, and Finance. These are key Norwegian industries that are international in scope. Each Aker investment portfolio company is well positioned to benefit from the growing demand for sustainable production of energy and food.

Going forward, Aker's value creation will be associated with portfolio modifications, adaptations and improvements at individual companies, share price developments, and overall market trends.

Ownership structure

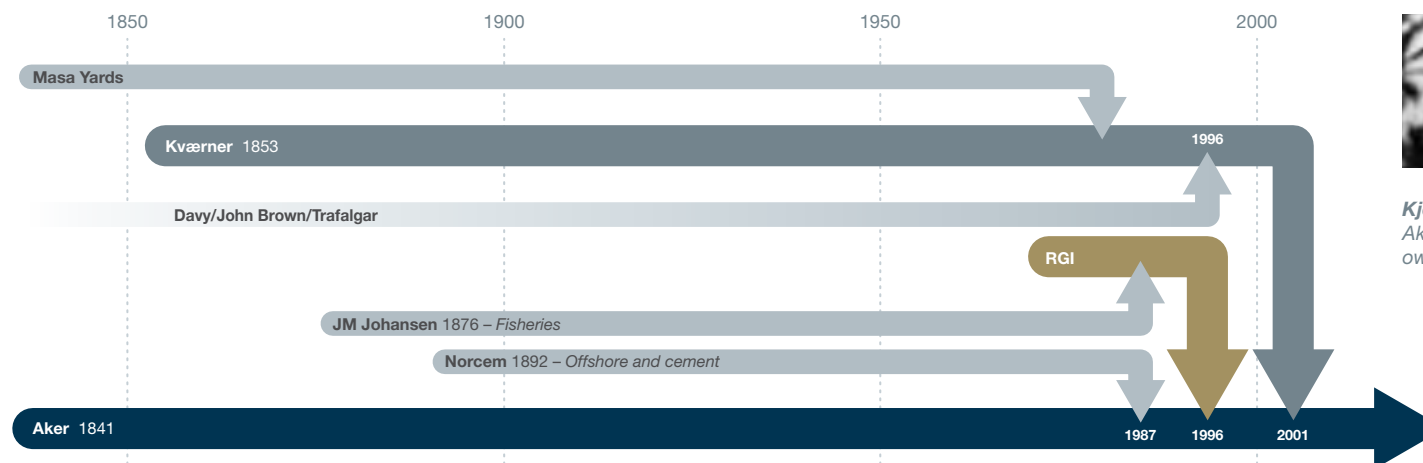
Aker was listed on the Oslo Stock Exchange on 8 September 2004. Since listing, the company's shares have returned an average annual yield of 27 percent, including dividends. In 2010, Aker ASA's share price declined 13.3 percent. The company had 14 300 shareholders as of early 2011. Aker's main shareholders are Anne Grete Eidsvig and Kjell Inge Røkke, who through their company TRG own 67.8 percent of the Aker stock.



Peter Steenstrup
Founded Aker in 1841.



Olaf A. Onsum
Founded Kværner in 1853.



Kjell Inge Røkke
Aker's main owner since 1996.



Highlights



A more closely focused engineering, technology, and services company.

Aker Solutions more streamlined

Aker has been a driving force in identifying and acting on structural opportunities for Aker Solutions' business segments and units. Simplifying the enterprise's organization provides greater transparency and hones operations to service future requirements of oil and gas companies.

In 2010, Aker Solutions sold non-core businesses and other assets for NOK 7 billion. Aker Solutions is being streamlined as an engineering, technology and services company; its busy construction yards will be spun off as a separate exchange-listed EPC company.



Targeting growth markets: Drilling in harsh-weather and deepwater off-shore fields.

Aker Drilling targets growth markets

Aker Drilling's rigs delivered excellent, high up-time operation in 2010. In February 2011, Aker reduced its ownership in Aker Drilling from 100 percent to 43.49 percent, following a share issue and listing on the Oslo Stock Exchange. The drilling company is pursuing new global opportunities at deepwater fields and in harsh-weather regions. These offshore markets are experiencing strong growth.

Aker Drilling is being further developed as an independent company, with Aker as a significant minority shareholder. After completing the corporate refinancing and share issue, Aker Drilling repaid its USD 488 million loan from Aker in the first quarter of 2011.



Growing demand for omega-3 ingredients derived from Antarctic krill.

Aker BioMarine on fast track

In 2010, Aker injected NOK 740 million in equity into Aker BioMarine. The biotechnology company's sales are growing sharply. MSC environmental certification of Aker BioMarine's harvesting operations in Antarctic waters confirms that the company practices sustainable krill harvesting.

In 2010, Aker BioMarine realized key underlying value in its Trygg Pharma unit via a 50/50 partnership with the private equity firm Lindsay Goldberg. Trygg Pharma subsequently acquired Epax, one of the world's leading producers of high-concentrate fish oils. Macro drivers support a continued strong growth trajectory for health products in general and omega-3 based ingredients in particular.



Aker has taken great strides in further developing its role as a proactive owner and equity investor.

Solid foundation for value growth

Aker has built a sound foundation for continued value growth. Aker's net asset value was NOK 18.4 billion before dividend allocations as of 31 December 2010.

Aker has further developed its role as an equity investor. According to Kjell Inge Røkke, Aker ASA's majority shareholder and board chairman, the company has to look back to 2004 to find a single year in which, in real terms, greater value was created than in 2010. In his letter to shareholders on page 12 of this report, Mr. Røkke writes: "In the past year, fundamental value creation has occurred at Aker that has yet to be expressed in its share price."

Long traditions of industrial development

Aker will be 170 years old in 2011. Aker's history dates back to 1841, when its first mechanical workshop was established on the banks of the river Akerseiva in Norway's capital.

Nature has shaped Norway, its industry, and people. Proximity to the ocean and exploitation of natural resources have been key to Aker's industrial development over three centuries. Aker is "Made by Norway."

In the company's early years, Aker's workshop staff made components for machinery and equipment. Aker's initial clients were the iron and non-ferrous metals industries and shipping. In the heydays of the steam engine, Aker supplied companies engaged in timber, wood and pulp, coal, hydropower, fisheries, and shipping.

In rebuilding the country after the Second World War (1939-1945), constructive cooperation between Aker employees' elected representatives, skilled workers, and management developed. The legendary union leader Ragnar Kalheim, who worked at Aker mek. Verksted (Nyland Vest) from 1949 until his death in 1974, pioneered these efforts. A socialist, Mr. Kalheim was a driver for an innovative wage agreement that committed workshop union members to increase productivity in return for the right to negotiate labor's share of profits. This was a groundbreaking initiative in Norwegian industry.

Close interaction between employees, corporate owners, and society at large con-

tinues to characterize Aker and the industrial companies in which Aker is the leading owner.

From first oil on the Norwegian continental shelf

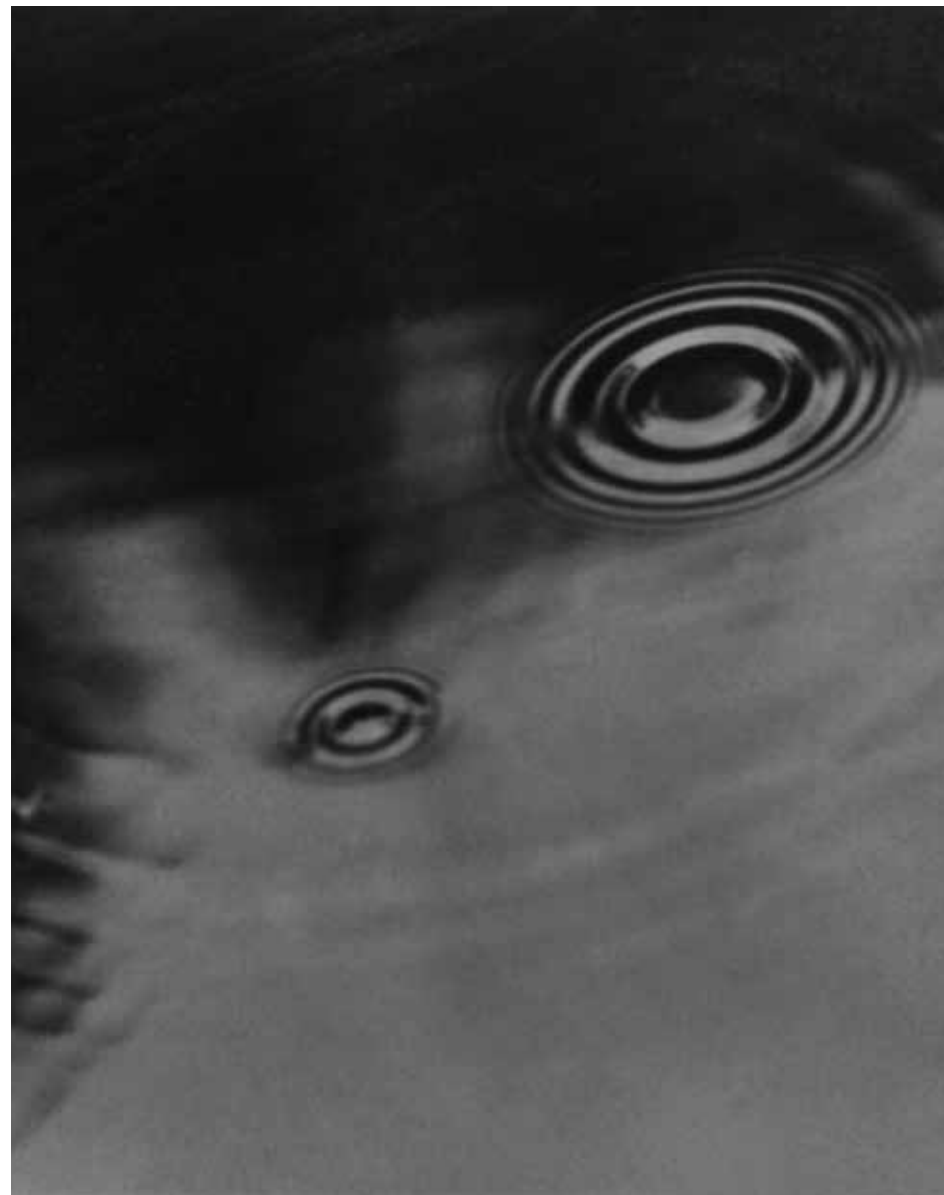
In the late 1960s, Aker's businesses refocused on the emerging North Sea oil and gas industry. Aker was part of Norway's great oil adventure when the very first oil was struck and produced on the Norwegian continental shelf.

In 1987, 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 when he purchased a 69-foot trawler in the United States. From this modest beginning, Røkke built a leading global fisheries business based on harvesting and ocean-going

"In the company's early years, Aker's workshop staff made components for machinery and equipment."



"In 2010, Aker implemented measures that are strengthening the companies in its portfolio."

processing of white fish. 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.

Garnering oil and gas expertise

In 2000, Aker acquired a significant shareholding in the Kværner industrial group through its Aker Maritime subsidiary. This marked the start of a restructuring of Norway's offshore oil and gas supplier industry, and Aker was at the helm.

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, ship equipment, LNG (liquefied natural gas) carriers, and offshore oil and gas activities in Norway and internationally.

In the fall of 2001, Kværner experienced an acute liquidity crisis. 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.

Transactions and listing

Aker was relisted on the Oslo Stock Exchange in the fall of 2004, following a series of transactions. Values were realized through the establishment of streamlined, focused industrial companies, and via the sale of companies, shares, and other assets.

Aker Kværner was established, demerged, and exchange-listed as a focused company. Important Norwegian oil and gas industry capabilities were unified in an industrial group that had the worldwide energy and process industries as a market for its products, technologies, and solutions.

Aker and Kværner's shipyards were merged into Aker Yards – Europe's largest shipyard group – and exchange-listed. Aker's fisheries activities were reorganized under Aker Seafoods.

Companies launched and sold

Following the large, complex transactions in 2004, a new phase of industrialization began that saw the launch of several companies in the years 2005–2007: Aker Drilling, Aker BioMarine, Aker Floating Production, Aker Exploration, Aker Oilfield Services, and Aker Clean Carbon.

In 2007, Aker's shareholding in Aker Yards was sold and Aker's ownership interest in Aker Kværner (renamed Aker Solu-



tions in 2008), was transferred to Aker Holding. The transfer enabled Aker to free up significant capital and contributed to anchoring ownership of Aker Solutions in Norway by selling 40 percent of Aker Holding shares to the Norwegian government and the two Wallenberg companies, SAAB and Investor AB.

Teammates Røkke and Eriksen

With the new Aker group president and CEO, Øyvind Eriksen, taking charge as of January 2009, and Aker's main shareholder, Kjell Inge Røkke returning to a more central position than in years, Aker charted a new course.

During 2009, Aker was streamlined as an industrial investment company, to participate actively in structural processes and the execution of industrial transactions, mergers, and acquisitions.

Aker's industrial investments are concentrated on the ownership interests in Aker Solutions, Aker Drilling, Aker Clean Carbon, Det norske oljeselskap, and Aker BioMarine. The 2009 merger between Aker Exploration and Det norske resulted in Aker becoming the largest shareholder in the merged company. Other industrial and share investments are managed by the Aker-controlled company Convento Capital Management.

In 2010, Aker implemented measures that are strengthening the companies in its portfolio. Aker Solutions has been split three ways: The Process & Construction business has been sold; state-of-the-art expertise in engineering, technologies, and products are being further developed by Aker Solutions; and core activities in field development, fabrication, and services are organized into a separate company.

Key performance indicators

To understand value creation at Aker, it is important to examine the balance sheet of Aker ASA and companies in its holding company structure. Key figures are the book value of each investment and how Aker has financed its investments. The companies that comprise Aker ASA and holding companies are pure holding companies or companies that provide services to the group. This arrangement provides a more relevant presentation of the holding company balance sheet than do traditional parent company balance sheets. Aker's approach presents investments and debt at an intermediate level in the group that is not serviced by Aker operating companies.

Other assets: 5%

Interest-bearing receivables: 27%

Cash: 14%

AAM Absolute Return Fund: 1%

Converto Capital Fund: 6%

Gross asset value as of
31 December 2010
(NOK 21.4 billion)

Aker Solutions: 28%

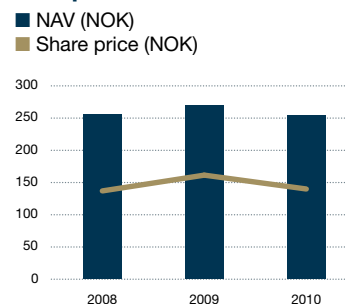
Aker Drilling: 8%

Aker BioMarine: 6%

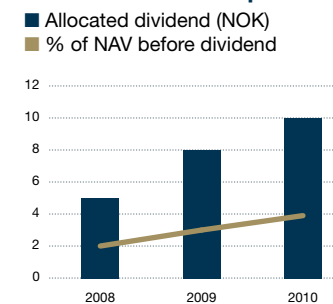
Det norske: 6%

Aker Clean Carbon: 1%

NAV per share before dividend

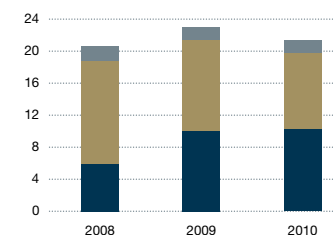


Allocated dividend per share



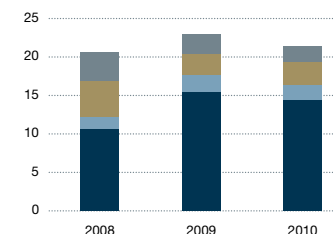
Gross assets per business segment (NOK billion)

Funds Financial Investments Industrial Holdings



Gross asset per sector (NOK billion)

Other Cash Oil-industry related Seafood, dietary supplements and nutrition



Aker ASA and holding companies

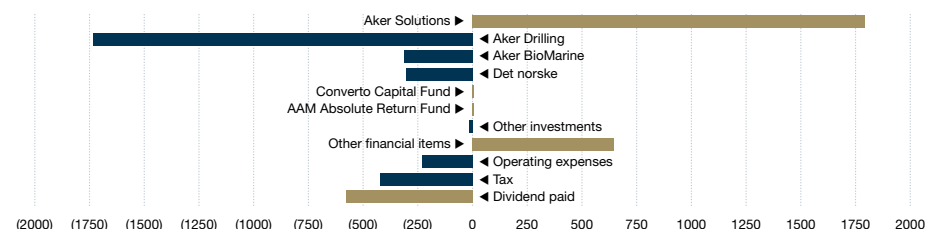
In 2010, net asset value (NAV) declined from NOK 19 510 million to NOK 18 366 million before allocations for dividends to shareholders. The NAV figure represents a per-share decrease from NOK 270 to NOK 254. The following presents Aker's engagements and net asset value per Aker ASA share.

Net asset value development – Aker ASA and holding companies

In NOK million	2010	2009	2008
Dividends received	175	137	272
Operating expenses	(214)	(229)	(192)
Other financial expenses	470	(172)	352
Tax	(421)	(63)	(269)
Total	10	(327)	163
Dividend payments	(579)	(362)	(1 339)
Value changes ¹⁾	(576)	1 734	(13 668)
Change in net asset value	(1 144)	1 045	(14 844)
Net asset value before dividend	18 366	19 510	18 465

¹⁾ Value changes include depreciation and write-downs of fixed assets, and sales gains.

NAV changes 1 January – 31 December 2010



Development in dividend, share price and NAV per share

	2010	2009	2008
Share price at 31 December 2010 (NOK)	140	162	137
Net asset value (NAV) per share (NOK)	254	270	255
Allocated dividend per share (NOK)	10.00	8.00	5.00
Dividend in percent of NAV	4%	3%	2%
Dividend in percent of share price at the end of the year	7%	5%	4%

Net asset value (NAV)

	As of 31 Dec. 2010			As of 31 Dec. 2009	
	Owner- ship in %	NOK per share	NOK million	NOK per share	NOK million
Industrial Holdings:					
Aker Solutions ¹	24.0	82	5 921	57	4 129
Aker BioMarine	83.3	17	1 202	11	778
Aker Drilling	100.0	24	1 767	48	3 503
Det norske	40.4	17	1 213	21	1 519
Aker Clean Carbon	50.0	2	127	1	75
Total Industrial holdings		141	10 230	138	10 004
Funds:					
Converto Capital Fund	99.8	17	1 260	17	1 207
AAM Absolute Return Fund	12.5	4	300	4	295
Total Funds		22	1 560	21	1 502
Financial Investments:					
Bonds		6	419	26	1 883
Interest-bearing receivables – susbsidiaries and associated companies		73	5 267	73	5 248
Other interest-bearing receivables		-	7	-	24
Cash and cash equivalents		41	2 933	37	2 694
Short-term interest-free receivables		2	116	3	209
Intangible assets, tangible assets and other shares		11	810	18	1 327
Long-term interst-free receivables		1	58	1	53
Total financial investments		133	9 610	158	11 438
Total value-adjusted assets		296	21 400	317	22 943
External interest-bearing liabilities		(35)	(2 550)	(35)	(2 526)
Internal interest-bearing liabilities		-	(24)	(5)	(373)
Interest-free liabilities ex. dividend		(6)	(460)	(7)	(534)
Total liabilities before allocated dividend		(42)	(3 034)	(47)	(3 433)
NAV before allocated dividend		254	18 366	270	19 510
Net interest-bearing assets		-	6 052	-	6 950

¹⁾ Adjusted for effect of SAAB/Investor AB put option.

Promoting a performance culture

Aker ASA's vision and core values are designed to cultivate and refine a corporate culture in which people deliver excellent results in a responsible manner.

Until the spring of 2009, Aker ASA was the corporate spearhead of an industrial conglomerate. Since then, Aker's role as an equity investor has been further honed. Today's Aker is an industrial investment company exercising proactive ownership. Our purpose remains unchanged: To build added value for shareholders, companies, and society at large.

Aker ASA's vision and core values statement clearly portrays the direction and special characteristics of our industrial investment company. We are inheritors of Aker's industrial traditions and proud history, which date back to the company's establishment in 1841. Our performance bolsters the organization's reputation and promotes its goals.

Our vision is *proud ownership*. These two words commit us and succinctly define what Aker strives for and what inspires employees, fellow shareholders, working partners, and others.

Our employees will experience that we contribute to industrial development and take corporate social responsibility seriously. As an active owner, Aker further develops well-run companies that offer products and services in an environmentally friendly, ethical, and socially responsible manner. Aker wants to be recognized as a

skilled corporate owner that is held in esteem by the employees of companies in which Aker is a significant shareholder.

Aker's goal is to strengthen businesses. As a leading owner, Aker will build added value in its companies. In this way, a foundation is created for long-term, solid returns. This goal is the same for Aker's shareholders and for fellow shareholders in companies in which Aker is a major owner.

Aker has a long-standing tradition of working with the very best – customers, suppliers, partners, or advisors. Together, we make each other better. In short, Aker strives to be an open and responsive builder of society.

Aker's vision and corporate values show that the organization aims high and has a broad reach. Naturally, we recognize that we have a distance to go in some areas until we reach our goals, and we have more to strive for. Aker's core values will help show the way.

Aker's four core values shows that we are results-oriented, opportunity-oriented, knowledge-oriented, and cooperation-oriented. These values are used to support and guide day-to-day priorities and decision-making.

Our vision is **proud ownership**. These two words commit us and succinctly define what Aker strives for and what inspires employees, fellow shareholders, working partners, and others.

Our values

Results oriented

We establish ambitious, clearly defined goals, and work in a long-term and systematic manner to realize our objectives and create value.

We act rapidly and decisively, adhere to sound business principles, and implement the highest standards to protect health, safety, and the environment. This commitment makes Aker a desirable employer and responsible partner – respected for its performance-oriented people who drive successful results.

Opportunity oriented

We remain focused on opportunities and solutions, and avoid becoming distracted by potential obstacles.

We have the capacity and courage to make bold choices. Success requires a keen awareness of risk factors that must be managed wisely and professionally – in the best interests of our shareholders, partners, and society.

**PROUD
OWNERSHIP**

Knowledge oriented

With our considerable expertise, our decisions are based on insight, understanding, and experience.

Working with the very best industry participants and advisors enhances our expertise. This creates an attractive, cutting-edge industrial investment environment, driven by a commitment to strengthen the companies in which we have influence.

Cooperation oriented

We build businesses and value interactively with employees, partners, society, and stakeholders.

We create value through our active ownership in well-run operating companies that offer products and services in an environmentally, ethically, and socially responsible manner. Our value creation is founded on acting responsibly, honestly, and openly – so that Aker is viewed as an important and profitable member of society.

Demonstrating corporate responsibility

At Aker ASA, active ownership means taking responsibility. A significant shareholder in several companies, Aker promotes sustainable, responsible businesses driven by solid profitability in an environment of good corporate citizenship.

Aker creates value by exercising active ownership in well-run companies that deliver products and services in an environmentally friendly, ethical, and socially responsible manner. The way in which we achieve growth and profitability is as important as the achievements themselves.

In 2010, Aker evaluated and renewed a three-way international framework agreement with the Norwegian United Federation of Trade Unions (Fellesforbundet) and the International Metalworkers' Federation (IMF). Under the agreement, Aker commits to respect and support fundamental human rights and union rights in the societies in which we operate. These principles are delineated in the United Nations' Declaration of Human Rights, OECD guidelines for multinational corporations, and the ILO's Declaration on Fundamental Principles and Rights at Work.

The board of directors of each company in which Aker is an owner, is encouraged to establish and adhere to guidelines for corporate social responsibility – and monitor compliance with the company's standards for ethical and socially responsible business conduct. A company's impact on its community and various social issues is evaluated on an ongoing basis. Such assessments go beyond the fundamental condition of adherence to legal and regulatory requirements.

Aker challenges and seeks challenges.

Experience has proved that constructive dialogue leads to significant advances. Aker has encouraged its subsidiaries Aker BioMarine and Aker Seafoods to work with the environmental organization WWF-Norway to promote environmental labeling and ensure sustainable harvesting of marine resources. The two companies have signed partnership agreements with WWF-Norway. Aker maintains a long-standing cooperation with the Norwegian environmental organization Bellona to develop technologies and solutions for managing the greenhouse gas carbon dioxide. Aker Clean Carbon assumed our agreement with Bellona in 2010.

Aker is the main sponsor of the Norwegian Ski Association's Cross Country activities. The company Aker Achievements has been established to promote growth and renewal of cross-country skiing in Norway – indisputably the country's most popular sport. National team members, coaches, support staff, and the Norwegian Skiing Association are shareholders in the company, which invests in four areas: Elite, Broad-based, Employees, and Skiers in Norway.

An activity program for employees of Aker and companies owned by Aker, has been initiated to focus on health, exercise and physical training, diet, and motivation. If staffers are healthier and sick leave rates decline by a mere 0.5 percentage points, Aker companies can save approximately NOK 50 million annually. Along with our

commitment to cross-country skiing, Aker has been a supporter of Molde Soccer Club for years. The ripple effects of this regional engagement are significant, with more than 100 associations, clubs, and teams benefiting financially.

Aker's most important contribution to society is its development of companies that create value. Our businesses and investments contribute to long-term economic, environmental, and social development. Employees promote success by exercising sound judgment and caution in their daily work.

Aker's corporate culture is founded on generally accepted business practices, honesty, and respect for all. Our caring for people, the environment, integrity, and society at large is reflected in Aker's corporate social responsibility guidelines.

People: Aker motivates and inspires people who work for and with companies that we own. All our efforts are guided by a commitment to protect human rights and individuals affected by our business activities.

Respect for people is demonstrated in a variety of ways, including how a company and its employees interact and shape each other. Aker has a long tradition of involving its employees and their elected representatives in key discussions and decision-making processes. Both human and financial capital are directly represented on the boards of directors of companies that Aker owns.

Environment: Throughout Aker's long history, the company has been closely associated with harvesting, extracting, and processing natural resources. Early on, we learned to preserve and protect natural re-

sources so that they can support coming generations.

The greatest long-term service we can perform for the environment is to exercise proactive ownership that is deeply committed to sustainable harvesting of the ocean's resources – and to develop and deliver the most environmentally responsible technologies, products, and solutions.

Integrity: Aker's success depends on a predictable and well-functioning business climate. Consequently, we strive to raise the bar with high ethical standards. We are trustworthy. Aker is continuously building a culture that values honesty, integrity, and transparency – and we expect our partners to adhere to the same standards.

The company's core values help ensure integrity and adherence to high ethical standards. Potential ethical dilemmas are discussed regularly in different fora to sharpen awareness of our ethical guidelines and forge improvements.

Society: Aker is shaped by the company's history, its people, and society's values and goals. Aker benefits from operating in open, well organized, and effectively regulated societies. Promoting such qualities benefits everyone.

We seek to maintain an open dialogue with society's many participants and interest groups. Aker does not spend company resources on funding political parties or their supporters. All information provided by Aker is to be reliable and correct. We encourage everyone to report misconduct or violations of law, company guidelines, or ethical norms. Prominent on Aker's website is "Tell Aker" – an online channel for customer-experience feedback and reporting critical issues, including suspected breaches of ethical guidelines or violations of law.

Halfway through the race

The inspiration for this year's letter to the shareholders comes from my runs with Anne Grete – my wife and Aker's second-largest private shareholder. She likes to run. I enjoy being a few paces behind – in the “zone” and with a good view. It makes my thoughts take flight.

The hills are getting steeper. Heartbeats get stronger. I am getting out of breath. Sweating is profuse. Muscles ache from lactic acid.

For me this is the beginning of an arduous, painful period, but I know that further ahead it will turn into something good. It's about persevering. Letting willpower prevail. Using your inner drive to reach the goal.

Most organisms and bodies are built to tolerate intensity. Vital to endurance is a body's ability to generate sufficient energy for the tasks at hand. I may at times be perceived as explosive. I would rather call it engaged.

Following a stint of tough, intensive exercise, energy regenerates the spirit. It's that great feeling when you top a hill, the body pumping endorphins. What the sports world calls a “runner's high” does not follow a tranquil walk. It is earned through long-distance running.

I don't necessarily run because I want to, but rather because I know it's for my own good.

Anne Grete gets me outdoors. She shows the way. As a runner, I'm a tad laid-back and seek flatter terrain. Anne Grete tends to be faster and a few steps ahead of me, often on new paths, her eyes scanning the heights. I don't let up. But a rapid pulse and heavy legs trigger thoughts of comforts and

excuses to slacken the pace.

My thoughts churn: Take a break, tie my laces once more; perch on a rock to catch my breath. But no! There are those who inspire achievement and set the pace. When we close in on a hilltop, Anne Grete tends to spot yet another hill and some new terrain to explore. If you intend to reach the mountaintop, you can't stop half way. Some find the paths that others miss.

This is also true at Aker. Some are leaders and show the way. They possess the strength and conditioning to push the pace – even when the hills getting steeper and the challenges abound.

2010 has been a year of hard, intense work. Every day, several thousand individuals worldwide – in companies owned by Aker – are performing at their best, doing good, honest work. Of course, it is important to get the job done at the right time and on the agreed terms. What separates average companies from an industry front-runner is that the latter clearly leads the way and is a goal-oriented achiever. Winners by nature, front-runners at Aker leave their mark as they develop our companies. They deserve some extra acclaim.

Aker companies' front-runners often think and act off the beaten path. They pur-



sue ambitious goals toward value creation. They clear overgrown paths and seek ways to profitable growth. None are conformists. Some may not say much but do the most. Many have go-getter attitudes and grasp ideas and opportunities as they arise. A shared characteristic of our top performers is that they chase good, clever solutions, to the benefit of the companies' shareholders, employees, customers, and society at large.

He or she – the ones who seize tasks with energy and drive – gets people working together to deliver groundbreaking achievements. We need facilitators. But we also need to attract the frontrunners who impart vision and demonstrate professionalism and the way to succeed in demanding markets. I like what I am seeing, feeling, and experiencing at Aker.

Over the past year, fundamental value creation has taken place at Aker. That value has yet to be expressed in the company's share price.

Aker ASA has found its form as an equity investor and a streamlined industrial investment company. We set clearly defined goals for the companies that we own and proactively contribute to their development. Aker ASA has become even more sharply focused, as well as a more demanding and, consequently, a better owner. We are often challenged by co-shareholders, boards of directors, operating management, and other interested parties, and we vigorously challenge others to share our ambition to accelerate the development of our industrial enterprises. Where there is room for a frank exchange of views, improvement tends to follow.

At Aker Solutions, a masterpiece has been achieved. Having been active on so

many fronts, operations are now being deepened and the focus sharpened. Aker Solutions is being streamlined into a technology, services, and engineering company, and it will spin off a specialized offshore EPC company that will be publicly listed. The company has sold off activities outside of its future core business – the upstream oil and gas industry – for over NOK 7 billion. The company's net interest-bearing debt has been reduced from NOK 7.5 billion to zero. This provides financial freedom and industrial clout with which to pursue profitable growth.

Historically, Aker Solutions has provided its shareholders with a 33-percent average annual yield including dividends, following its listing in April 2004. We are happy with that performance, and have built a solid foundation for continued growth going forward.

Aker Drilling has taken a big step forward. Only one year ago, some critics considered the company a failure. Aker Drilling hit back to deliver excellent operations. Over a period of five years, a first-class operational organization of highly skilled, experienced professionals has been put in place. The company was able to select its employees from more than 20 000 job applicants. Now Aker Drilling is standing on its own and has been relisted with Aker as a significant minority shareholder. Aker Drilling is well positioned for targeting promising growth markets in deep-water and harsh-weather regions. Ahead of the relisting, other industrial players showed considerable interest in acquiring Aker Drilling and purchasing its two rigs, but we opted to steer our own course. The offshore drilling industry is in a consolidation phase, which will create opportunities for Aker Drilling.

In February 2011, the drilling company made its comeback on the Oslo Stock Exchange after we delisted it in April 2008. Aker took responsibility for the company's two rigs through a demanding construction phase and guiding it into robust operational status. Regrettably, this cost Aker a lot of money. However, now I can feel a "runner's high," with the company attained excellent operations, sound earnings, and considerable potential for growth. Aker Drilling boss Geir Sjøberg and the other employees are doing a fantastic job.

Aker BioMarine is moving ahead at lightning speed in the omega-3 market. Advance follows advance in close sequence. Each day, 1.3 million dosages of the company's Superba™ Krill dietary supplement are consumed, and the number of customers is increasing by 2 200 every day. The Antarctic krill business achieved its first-ever operating profit (EBITDA). The company was the first in the world to achieve MSC environmental certification of krill harvesting activities in the Southern Ocean. Sustainable krill harvesting has given Aker BioMarine a competitive edge. Aker BioMarine's chief, Hallvard Muri, impresses me.

In 2010, we succeeded in visualizing value in the former Natural ASA, a biotechnology company Aker acquired in 2006. At the outset, the company was hardly our most successful acquisition. However, working with management and staff we have developed new technology and brought Lindsay Goldberg onboard as a partner. Now we feel confident this will be a good investment. The acquisition of Epax, a world-leading producer of high-concentrate fish oils will drive additional growth. Working with our partner Lindsay Goldberg, we have established a development trajectory for pharmaceutical ingredients.

Once again, I am reminded that there isn't necessarily a close match between the figures on a spreadsheet and the underlying fundamental value creation.

All muscles that are challenged grow larger and stronger. Aker Solutions, Aker Drilling, and Aker BioMarine show strong growth trends. The companies are on their way toward conquering new heights.

Aker Clean Carbon is at the forefront of the international market for capturing the greenhouse gas carbon dioxide (CO₂). Carbon capture is vital to any solution to the world's climate challenges. Aker has responded to a clear political vision for the future. We have invested in carbon capture technology and deployed our petroleum-industry expertise.

In Norway, the full-scale CO₂ capture project at Mongstad has been postponed once again, and its ultimate fate is uncertain. The postponement weakens Norway's industrial drive to lead in carbon capture management. This situation is regrettable for Norway. The argument cited to justify postponement is the risk of cancer. However, Aker would never deliver a facility that poses a risk to health. Period.

Aker has opted to target CO₂ capture. We stand by that decision and our confidence in such projects remains strong. Aker's experience is that we will find good solutions under way in partnership with others. Aker Clean Carbon's CEO, Liv Monica Stubholt, has the drive, courage, and competent staff needed to advance the company. Long-term international success will require us to team up with one or more partners.

Among our industrial investments, Det norske oljeselskap, for which I serve as

board chairman, experienced a downturn in 2010. Weak exploration results led Det norske to lose ground in the stock market. Nevertheless, the company is relentlessly moving ahead with a more targeted exploration strategy. Truly, "He who seeks shall find."

Too little exploration is conducted on the Norwegian continental shelf. For example, compared with the UK sector of the North Sea, exploration activity along Norway's coast must be stepped up dramatically.

The oil and gas industry depends on the Statoil locomotive, yet we need additional environments for exploration and production. The multitude of available expertise provides valuable alternative exploration models and interpretation of geological data. Exploration drilling that identifies commercially viable resources or results in dry wells that are plugged, both provide important information that will increase the likelihood of a major find in the future.

When some object that it is unreasonable for the government to reimburse 78 percent of oil companies' exploration costs, it bears remembering that that the government gets back 78 percent of total value creation when oil is produced. This distribution between government and oil company results in a reasonable division of secure revenues from production and exploration investments that have uncertain outcomes.

Regardless, the largest profit-maker on the Norwegian continental shelf is the nation. Some 90 percent of value creation from oil and gas returns to the government and is applied to further develop Norwegian society. Still there are sufficient incentives for exploration environments and oil companies to continue their operations. I am con-

vinced that there are many exciting and profitable decades ahead for Norway's knowledge based services and oil industry.

Det norske's boss Erik Haugane has probably felt his bow tie pressing a bit tighter of late. If I'm not mistaken about Erik and his colleagues, they are strongly motivated to deliver results going forward. I think they will succeed. Challenges, opportunities, and millions of barrels of oil are waiting to be found on the Norwegian continental shelf over the next few years.

The Aker-controlled Convento Capital Management was established in 2009 to rescue value in more risk-prone companies. Frank O. Reite and his Convento team are implementing strategic measures and are in the process to turn around Aker Seafoods, Aker Philadelphia Shipyard, Aker Floating Production, and Bjørge. Working with our good partner HitecVision, Bjørge has been reorganized into three focused businesses.

I hired Mr. Reite in Seattle in the mid-1990s when he was a young lad. I continue to see him as a youngster from Norway's west-coast. Although Frank has passed the age of 40, he exudes robust performance and promising results.

To sum it up: I am 100 percent confident that 2010 was a year when the foundation was put in place for creating major values in Aker.

Those of you who read my 2009 letter to the shareholders will remember that I wrote that Aker must generate NOK 10 million in value growth each day to achieve a satisfactory yield. Unfortunately, that is not what happened in 2010. On paper, Aker's value declined nearly NOK 4 million per day. Considering the expectations I held out to Aker shareholders one year ago, Aker's share

price performance was miserable.

Nevertheless, I am satisfied. How in the world can I be? Simple: Because companies in the Aker portfolio have been restructured and they have toughened their muscles for stronger earnings. As a long-term industrial owner, I fundamentally believe that Aker's investments in companies, over time, should provide 12-percent annual value creation before tax. That remains the goal. Thus, what I wrote in my 2009 letter to shareholders remain equally valid today.

Historically, we have nothing to be ashamed of. From the time that Aker was listed in September 2004 through year-end 2010, the average annual yield was 30 percent, including dividends. This is more than double the yield of the Oslo Stock Exchange (OSEBX index) average.

2010 was a weak year on the stock exchange for Aker shares. The per-share price at the beginning of the year was NOK 161.50, and it closed at NOK 140 after a NOK 8 per-share dividend payment. In 2010, the Aker share had a negative yield of 13.3 percent, while the Oslo Stock Exchange's benchmark index (OSEBX) rose 18.3 percent.

Nevertheless, I stand by my claim that fundamental value creation took place at Aker over the past year, which contrasts sharply with Aker's share price development.

I believe we have to go back to the three-way division of the then-Aker Kværner (Aker Solutions) and the streamlining of Aker in 2004 to find a year in which greater value was created in real terms. Back then, it took a while until Aker's share price climbed on the Oslo Stock Exchange. The year 2004 marked a water shed in Aker's history following a near-death experience and the three-way split that brought out major values.

2010 will stand out as an important year in Aker's recent history.

I am convinced that Aker this last year has created significant value growth potential. This potential is not reflected in the company's share price as we enter 2011.

Now any sensible financial analyst would probably ridicule my reasoning and say that investors and analysts make their own calculations and analyses. The stock market is always right, they say overbearingly, and point out that each company's share price is determined by supply and demand. Nothing motivates me more than being ridiculed. I am not afraid of ridicule, and it doesn't get me down.

The stock market might become right, I say – and straight away, I'll hear critics saying that I'm just trying to mislead or seduce investors. Cynics will surely claim that I am using the opportunity to puff up values because I'm stuck holding Aker shares. This is nonsense. I make no attempt to dress up the situation, but I would like to share some views and reflections.

Let me state it clearly: My family and I will never sell a single Aker share.

I will not exclude the possibility that Aker at some time in the future will enter into mergers or that it will turn to the market to raise equity. If Aker's share price rises on the Oslo Stock Exchange, my assets and asset tax will increase. Viewed from this perspective, I should probably be smart enough to shut up or whine about the industrial climate in Norway, in the hope that the share price will stay low. But I see no reason to complain. Instead, I have many reasons to boast about the thousands of individuals who work hard for Aker and the companies that we own.

I believe that Aker's net asset value (NAV) is substantially higher than the NOK 18.4 billion reported by the company at year-end 2010 – a NAV corresponding to NOK 254 per share. I want Aker shareholders who hold on to their stock and trust my opinion regarding their value growth potential, to know that I'll do everything I can to avoid disappointing them. Just to be on the safe side, I repeat what I have written in past letters to shareholders: I give no guarantees. If you want a guarantee, better buy a toaster.

I have a profound faith in the markets for oil and gas investments and for omega-3. These are markets in growth, and Aker-owned companies are well-positioned in them. The overall market outlook is bright; still, I'm not claiming that we will deliver values overnight or in the short run.

What began as a vision to recapture and create value has now become concrete and attainable goals, the background of which I will reveal now: Early in 2008, I began a dialogue with Øyvind Eriksen to convince him that the two of us could join forces to stake out the course and facilitate value creation. And so we prepared a plan two and a half years ago, with Øyvind as Aker's CEO and me as an active Board Chairman.

As of the spring of 2011, we are about halfway to our goal. The feeling I have today is the same as when Anne Grete and I turn back home on one of our runs. We know exactly where we are going, but are prepared to put in some extra kilometers. Detours can turn out to be the most interesting of all. They can offer both surprises and experiences that are worth the extra effort.

In December 2008, the vision was to double Aker's net asset value from NOK 250 to NOK 500 per share by year-end 2013. In other words: In this period, we will recapture values and at least return to the value peak thus far reached in the first quarter of 2007. My map shows we're well on our way. The vision has turned into a goal that is within reach. This awakens competitive instincts. Activity levels at Aker are high; this makes me an optimist and puts me in a good mood. It has been said that it is the positive feeling in and of itself – not the effort – that releases the endorphin. At least, that is how it feels.

Going forward, we will manage Aker within certain financial guidelines. The investment company will maintain an equity ratio of no less than 85 percent. Our cash and cash equivalents will amount to at least 15 percent and no more than 25 percent of Aker's total assets.

Sharp analysts and investors may claim that this is a less than optimal balance sheet allocation. They might say that more capital should be put to work and invested in the hunt for profits. Since I began my own business and purchased a 69-foot trawler in 1982, I have learned the hard way through my own experience that it is never wrong to have capital available.

Big game hunting in Norway has a fixed period in which to bag your limit. The hunting season for the stock market, on the other hand, is not dependent on the calendar. When share prices drop and the pricing is imperfect, attractive purchasing opportunities can suddenly surface. I dream of big game that fit Aker's portfolio. We have the firepower to bag this game, the capital and resources, and we are prepared to fire when others are more cautious, if the right price is in our sights.



Typically, Aker's interest-bearing debt, including guarantees, should normally be less than half of the company's cash and cash equivalents. Nevertheless, we know that situations will arise that make us deviate from this in the short term.

On this journey, I have with me Aker's ten essential "commandments" for safe conduct on treacherous terrain:

1. We exercise an active ownership role
2. We have an in-perpetuity investment horizon
3. We are willing to take significant risk in certain engagements or projects
4. We only invest where we add more than capital
5. We never risk Aker's financial soundness
6. We only invest in equity instruments in our engagements
7. Trade unions have been and will remain important working partners
8. We develop long-term relations and partnerships
9. All decision-making is subject to advance discussions in an open and frank dialogue.
10. We never say, "I told you so!" once a decision has been made (this is a special reminder to the company's main shareholder).

At Aker, we set our eyes on the future and continue to develop our active ownership role. My spirit rises when I know that Aker has created value that is not yet reflected in its share price. This situation can result in an upswing. In contrast are companies that make money without their management understanding how and why. That could easily spell the beginning of a downward spiral.

On our return, the terrain and run feel lighter. In the "zone", a few steps behind Anne Grete, my thoughts take flight.

Powerful snippets of music, long burned into the core of my brain, fill my heart with emotion. The lyrics by Bjørn Eidsvåg and Odd Børretzen inspire reflection. They can make me breathe deeply and stimulate vision.

In 2004, I began working less. I stepped down in April 2005 and left Aker's board and executive management. My own economic life has been divided into three phases: Perform, enjoy, and share. I am moving to the right on this scale. At this time, I am located somewhere along the comfort zone between enjoying and sharing.

Aker turns 170 years old in 2011, and I am planning for Aker in the perspective of infinity. Aker will live on, while realistically, I have passed the midpoint of my career.

My engagement will always burn brightly for Aker. Nevertheless, Anne Grete and I must have a life separate and independent of Aker. In the fall of 2008, I consulted her on whether it would be OK for me to enter into an intensive period at Aker for two to three years. After Leif-Arne Langøy became ill, I again assumed an active role as Aker board chairman from December 2008. Øyvind has taken the reins as president and CEO. A new team of leaders and key personnel have joined Aker. We are now establishing a long-term incentive program fully aligned with shareholders' interests.

Aker is made up of talented individuals who motivate each other. The system works. That makes it possible for Øyvind to combine his responsibilities as president

and CEO of Aker and executive board chairman of Aker Solutions for a period. Some have raised concerns about whether this constitutes good corporate governance. It's a fair question, and I believe the answer is self-evident: Naturally, a major shareholder should assume responsibility, but it is not "good family governance." The Eriksen family is making enormous sacrifices that enable Øyvind to work tirelessly for both Aker and Aker Solutions. Investors, staff, and employee representatives who realized the efforts that Øyvind and Aker expend on behalf of Aker Solutions, like what they see.

Øyvind's efforts deserves a grateful "Thank you!" from shareholders of Aker and Aker Solutions. Together with his colleagues, he will make sure that the restructuring of Aker Solutions is brought safely to shore. Thereafter, the time has come to turn over the helm to a new captain.

As for myself, I spend a great deal of time on numerous projects, processes, and potential transactions in Aker's universe of investments and companies.

I will continue to serve as Aker board chairman for many, many years to come – long after 2013. I promise to continue my considerable engagement, but with greater flexibility. A more robust Aker will allow more free time for my family and me.

I will continue to be hands-on at the company, but have periods with greater geographic distance from Aker Brygge headquarters. Aker has become more streamlined and transparent. It is now possible to understand the company by looking at a single A3 spreadsheet. The ability to create value is greater than in the past several

years. To briefly sum up impressions of recent years, two of Bjørn Eidsvåg's melodies and texts stick with me: Kyrie and The land further behind. The lyrics make a strong impression; they are about people, life choices, and life's vicissitudes.

Hopefully, I will have more time to enjoy my life as a fisherman on board the trawler *Trygg*. Photographer Tom Sandberg has taken the photographs of *Trygg* that illustrate this letter to shareholders.

Anne Grete and I look forward to sailing around the world on our new boat. When I listen to the fourth verse of Odd Børretzen's *Sailor's waltz*, and the melody by Lars Martin Myhre, I am certain that our voyage will occur:

*It ain't easy to start, but this is the first verse
Of a waltz about a sailor who sails with the
wind across
Not any old sailor; this is a waltz about me
Sailing with the sheets slack on the river of
life.*

Perhaps some will criticize me for sailing away on my large sailboat. Anne Grete is totally right when she says I suffer from an incurable disease: gigantomania. She has tried to cure me, but given up. We had agreed to build a sailboat of 66. Anne Grete meant 66 feet; naturally, I was thinking in meters. It ended up at 66 meters.

For my part, I had the notion that I could get a 66-meter sailboat for the price of a 66-footer. I explained to Anne Grete the saga of the 1998 sale of shares in the Danish finance company Gefion to Kurt Thorsen, for which full settlement failed to materialize as agreed. Hostile accusations rained down on me from the usual cheering squad of that time. However, the Danish high court vindicated me; it determined

that I was in the right and had acted correctly. I was ultimately paid about NOK 150 million – good seed capital for a wet boat dream. And the 12-year wait was worth.

I am comfortable in the flow zone. Freedom feels great, and resistance is less.

Being the first and showing the way requires so insanely much more. All the while, I can withdraw to Odd Børretzen's voice as I run: *Winter Song, Aphorisms, and Waiter! (Kjell Adamtzen's last song)*.

The lyrics regularly come to mind, particularly: Sometimes it's all right.

I am the proud father of four wonderful children. My oldest son, Kristian, has shown an interest in Aker's business. He is educated in the UK, Norway, and the United States, and also has a background as a skilled worker and trainee, and he has experience from various management roles. Lately, he has received a great education at Aker Philadelphia Shipyard. The board of the publicly listed shipbuilding company has hired Kristian as its new chief executive. He replaces Jim Miller, who has done an outstanding job as a leader in a very demanding period and played a pivotal role in achieving a solution that secures continued yard operations through at least the first half of 2013. Jim will take over as board chairman of the shipyard company and will move on to an executive management position at the EPC (engineering, procurement, and construction) company that will be spun off from Aker Solutions.

The board of directors of Aker Philadelphia Shipyard offered Kristian a fine opportunity. I advised him to accept the challenge, and said, "You will be facing a challenging task, but will have an opportunity to

learn. It costs to be a front-runner. The U.S. Jones Act market for modern vessels is limited and shipbuilding is a demanding business, especially in the United States. If you can make it there, I'm sure you can make it anywhere."

I hope employees, the market, and the Philadelphia community will judge Kristian for what he does and not on the basis of his surname. At Aker, your family name does not grant special privileges. On the contrary, it heightens demands regarding personal qualifications. At Aker and companies owned by Aker, we depend on attracting skilled professionals, administrative staff, and managers. At Aker, employees advance their careers based on achievements, performance, and attitude.

My engagements may at times irritate some, but hopefully inspire others.

Going forward, I will continue my policy of refraining from investing in companies or projects outside of Aker. The exceptions are some real estate investments in Oppdal arising from involvement in the local community and some financial placements. Dividends from Aker go into our family company TRG. All significant available capital is placed in bank deposits. I am driven to continue to create value for all Aker shareholders within the guidelines and limitations I have laid down for my own life. The shareholders must make money from Aker.

I may sound optimistic and satisfied. Yes, that's what I am. I am satisfied this year.



Kjell Inge Røkke
Board chairman and fisherman
Aker Brygge, 23 March 2011



PS: As you can see, I have a lot to say from the bottom of my heart to Aker shareholders, employees, and other stakeholders. Aker ASA's annual report is my channel for conveying viewpoints and reflections that I feel are important, thought-provoking, and pertinent.

Solid foundation for a new era

In 2010, Aker ASA established the foundations for a new era. Portfolio risk was further reduced. Aker ASA's role is to chart the course for its many businesses. Opportunity, expertise, results, and synergistic collaboration are our business drivers. We inspire growth, operational improvement, organizational and managerial development, as well as strategy, financing, and transactions. This is the way we generate corporate pride and add value that benefits our family of shareholders.

In my 2009 letter to shareholders, I reviewed how Aker ASA had changed from being the parent company of an industrial conglomerate into a focused industrial investment company. We have halted venture business operations and are concentrating on developing already established companies. We are sharpening our role as equity investors and letting others assume our former responsibilities as lenders.

Aker conducts business that is in the interests of our community of shareholders. We avoid unwarranted conflicts of interest. We invite cooperation. We cultivate openness, transparency, appropriate business conduct, and responsiveness. We provide timely, reliable information so that others can readily comprehend and evaluate business issues.

In 2010, as before, we walked our talk.

The changes that have taken place at Aker ASA are many and fundamental. On the other hand, we also experienced a NOK 1.1 billion decline in the company's net asset value in 2010, and a 13.3 percent slide in Aker ASA's share price – events that cut into the value of our shareholders' assets. Nevertheless, I firmly believe that in 2010 we made Aker ASA more robust, transparent, and market-oriented. We put

behind us most of our problematic legacy engagements, and we received repayment of our loans to operating companies. Now, for the first time in quite a while, we can dedicate most of our resources to future opportunities.

As an industrial investment company, Aker ASA focuses on industrial sectors where we have in-depth know-how and experience. Accordingly, most of our capital has been invested in the energy sector, biotechnology, environmental technology, fisheries, and capital management. These are sectors that are expected to experience strong, long-term growth. Aker ASA's goal is to promote growth and value development that outpaces our companies' respective markets. Success is contingent upon clearly defined strategies and plans backed by excellent financial and managerial resources. Inspired by Aker ASA, several of our operating companies used 2010 to recommit, redirect, restructure, and refinance. In 2011, the task is to demonstrate the same comprehensive skills in implementation and execution.

An ability and willingness to change are key Aker features. One example among many is that of Aker Stord, a company which over the course of nearly 100 years



has taken the route from herring oil factory via shipbuilding, offshore construction, and module builder to become a world-class offshore EPC (engineering, procurement, and construction) resource and center of excellence. This adaptability is made possible by strong corporate cultures, deep traditions of working toward common goals, and sound leadership. It is not uncommon that our employee representatives identify opportunities and lead the way. This innate ability inspires and strengthens confidence that Aker will remain a cornerstone in its local communities for generations to come because of a fundamental anchoring as a Norwegian enterprise born and bred of hands-on know-how.

Aker provides a platform, but to achieve success, we depend on others. Our many highly skilled employees helped get Aker through the recent financial crisis in a constructive manner. In terms of both quantity and quality, Aker people expended a great deal of effort in 2010 to keep us strong and growing. It has been my experience that change reveals opportunities – and a willingness to invest – that inspires our colleagues. The challenges also highlight the importance of further developing Aker companies by working with partners who have the right expertise, technology, network, capital, and market access. Successful partnerships in the business world are contingent upon a mutual ability to share, inspire, challenge, and dare. Experience harnessed in 2010 shows that Aker also masters the art of cooperation, which will remain an important part of our growth and development in the years to come.

As corporate owner, Aker ASA serves as a role model and sets the guidelines for our operating companies' in-house culture and management style. Thus, we implemented

the changes at Aker that we want to inspire in others. The transformations made in 2009 were not limited to Aker's strategies and business models. Equally important was updating our corporate culture and norms of conduct. Aker ASA cultivates proper conduct, openness, and clarity because they simplify, inspire, and generate results. Several of our companies are facing a change similar to what we ourselves have gone through. Harmonization of culture, attitudes, and standards of conduct and performance also helps strengthen Aker ASA's active ownership role in our companies.

For generations, Aker companies have served as incubators for managerial talent in Norway. While managerial resources remain extensive, going forward, we must place management development even higher on our agenda. Again, the task begins at Aker ASA, which must clarify its business profile and what it demands of the next generation of leaders in our companies. It is all about skills, culture, attitudes, and performance. With an increasing proportion of business operations outside of Norway, we must continually strengthen our multicultural platform and bring more non-Norwegians into our midst. Our experience thus far has shown that diversity strengthens Aker companies in Norway.

Impatience to move ahead is part of Aker ASA's DNA. At times, our impatient drive may affect our ability to pause and express well-deserved recognition. There are so many who deserve our gratitude for their contribution to Aker's growth and development in 2010:

- Anne Grete and Kjell Inge for their engaged and inspiring ownership and involvement

- Our (fellow) shareholders for their ability to challenge and provide guidance
- The boards of directors of Aker ASA and our operating companies for proactive development and control of business operations in a relationship of trusting cooperation with management
- My executive colleagues at Aker ASA and Aker Solutions ASA for their contribution to making the businesses better, the tasks more manageable, and the workplaces enriching
- Our employee representatives for their openness to change and contribution to building our corporate culture
- Our tens of thousands of employees for the way they seize Aker's opportunities and advance our reputation on a daily basis.

2011 should become the year in which we will begin to see the results of the many recent changes. Although much has been accomplished, the to-do list remains long. Priorities include:

- **Aker ASA:** continue to develop the organization, operating models, management systems, and portfolio
- **Aker Solutions:** complete the spinoff of the EPC business into a separate company, recruit, strengthen operations, reduce the cost of quality shortcomings, and implement plans for growth
- **Aker Drilling:** continue its business development as an independent, exchange-listed company
- **Aker BioMarine:** continue its sales growth for Antarctic krill products and advance its work toward becoming a supplier to the pharmaceutical industry
- **Det norske oljeselskap:** implement a new exploration strategy, optimize plans

for field development, and evaluate strategic alternatives

- **Aker Clean Carbon:** complete the Test Centre Mongstad, compete internationally for full-scale carbon-capture projects, and proactively seek out partnerships
- **Converto Capital Fund:** complete the restructuring of several of its portfolio companies.

The complexity of these tasks is great. Every day, we witness Aker's proud industrial traditions joined with new market opportunities, operations strengthened via advanced transactions, profound analytic expertise bolstered by commercial intuition, and long-term planning reinforced by quick thinking and execution ability. It all adds up to a multitude of opportunities managed by Aker ASA.

Sincerely,



Øyvind Eriksen
President and CEO

Business activities



Aker Solutions' share value grew 32 percent in 2010.



Aker's cash are increasing.



Aker invests in specialized funds.

Industrial Holdings

- Aker Solutions
- Aker Drilling
- Det norske oljeselskap
- Aker Clean Carbon
- Aker BioMarine

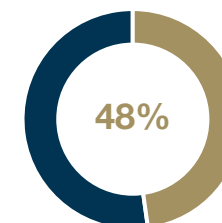
Investment objectives

Long-term value creation

Returns should exceed the expected return of the market, defined as the risk-free interest rate, plus a risk premium, over a business cycle.

Read more on page 21

Percent of Aker ASA assets*



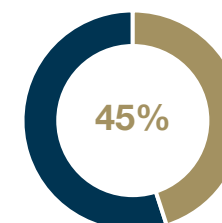
Financial Investments

Management of financial assets held by Aker ASA (parent and holding companies): Interest-bearing receivables, cash, and cash equivalents, and other assets.

Stable cash flow

Returns should exceed NIBOR. As of year-end 2010, NOK 5.5 billion had been lent to subsidiaries. Cash and cash equivalents as of 31 December 2010, amounted to NOK 2.9 billion.

Read more on page 29



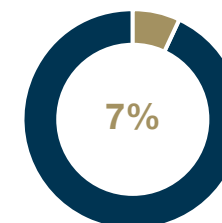
Funds

Fund interests in Convento Capital Fund and AAM Absolute Return Fund, managed by Convento Capital Management and Oslo Asset Management, respectively.

Opportunistic management

Returns should be noticeably above risk-free interest plus a risk premium, over a business cycle.

Read more on page 30



* Total assets of Aker ASA (parent company and companies in its holding company structure): NOK 21.4 billion. The value of shareholdings in listed companies is determined by 31 December 2010 closing prices.

Industrial Holdings

Aker is a driver and strategic force in the long-term development of Aker Solutions, Aker Drilling, Det norske oljeselskap, Aker Clean Carbon, and Aker BioMarine. Our achievements are made through close cooperation with the boards and management of these companies.

Each of the five companies comprising Aker's Industrial Holdings segment is monitored by an investment team headed by a designated investment manager. Aker's management is represented on the board of directors of each company.

Active ownership

A strong ownership position in Aker Solutions, Aker Drilling, Det norske oljeselskap, Aker Clean Carbon, and Aker BioMarine is important to implementing improvements and value-creating plans.

Ownership is exercised in primarily in the board room of individual companies. Aker also functions as a center of competence. Our staff possesses valuable industrial and strategic know-how and cutting-edge expertise as to financing and transactions. These resources are available to the five investment managers in their continuous follow-up of Aker's ownership interests – and to each Industrial Holdings company.

Aker ASA's overarching objective is to ensure long-term value creation for all shareholders, customers, employees, and for society at large. While Aker continues to develop and strengthen its companies as though ownership will be perpetual, this approach does not prevent Aker from selling companies in its portfolio of industrial holdings when these businesses can be better advanced under new owners.

The year 2010

The total market value of Aker's Industrial Holdings investments was NOK 10.2 billion as of 31 December 2010; the corresponding year-earlier figure was NOK 10 billion.

In 2010, investments grew through a NOK 740 million purchase of Aker BioMarine shares. The acquisition was integral to the biotechnology company's refinancing and share issues. The Aker Clean Carbon share investment increased by NOK 52 million in 2010.

The value of the Industrial Holdings investment in Aker Solutions grew 43 percent to NOK 5.9 billion in 2010. During the same period, the investment in Det norske oljeselskap declined 20 percent in value to NOK 1.2 billion. Aker BioMarine's share price dropped 28 percent in 2010. However, as a result of the Aker BioMarine share issue, Aker's investment in the biotechnology company rose from NOK 777 million as of 1 January 2010 to NOK 1.2 billion at year-end.

The book value of Aker's shareholding in Aker Drilling has been downward adjusted by NOK 1.7 billion. The investment in Aker Clean Carbon is valued at cost price.

Industrial strategy

Aker is a significant shareholder with strategic influence in companies that are leaders or potential leaders in their fields. Industrial targets are the energy market, and sustain-

able fisheries management and processing of valuable ingredients derived from Antarctic krill. Aker has long traditions of value-creation and profitable innovation in these industries.

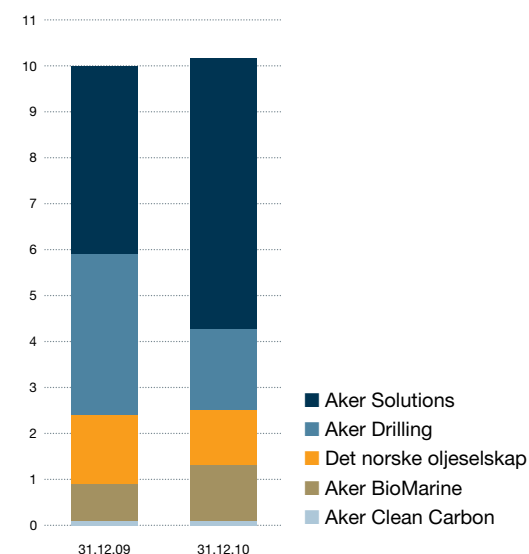
While exercising active ownership, Aker promotes the independence and robustness of each company in its Industrial Holdings portfolio. In terms of financing, Aker invests in shares in the underlying company, which in turn obtains loan capital from external sources.

As of 31 December 2010, Aker had lent NOK 3.3 billion to companies in its Industrial Holdings portfolio, compared with NOK 5.4 billion at year-end 2009.

Going forward, Aker will develop its ownership role as an equity investor, as this route will generate attractive, long-term yields. Aker has the financial clout and industrial expertise to carry out major acquisitions. However, such moves will be the exception.

As an active owner of companies with excellent value potential, Aker's agenda is to contribute to long-term solid returns for shareholders. Focus is on profitable operations and growth, capital structure, and industrial measures. Acquisitions, mergers, and transactions typically are made by our portfolio companies,

Industrial Holdings
(NOK billion)



"While exercising active ownership, Aker promotes the independence and robustness of each company in its Industrial Holdings portfolio."



Aker Solutions

Aker Solutions is being streamlined as a globally leading supplier of engineering services, technologies, products, and solutions for the upstream oil and gas industry. The company possesses comprehensive, state-of-the-art engineering expertise, and holds a unique position in a broad range of products and technologies for oil and gas production at deepwater fields, in Arctic zones, and in other harsh environments.

Executive board chairman:	Øyvind Eriksen
Aker investment director:	Øistein Widding

Aker Solutions in 2010

Major strategic measures were implemented in 2010, and the group is being split into two strong entities. Aker Solutions will be a streamlined technology services and engineering company serving the oil and gas industry. Aker Solutions' deliveries are focused on subsea production; drilling products and services; FPSO and processing; maintenance, modifications, and operations services (MMO); and engineering services. The company's unique expertise within new complete EPC services will be organized in a separate company and listed on the stock exchange. In 2010, non-core businesses

and assets were sold for a total of NOK 7 billion. Most of the Process & Construction business segment was sold to Jacobs Engineering group in the United States for NOK 5.5 billion. Aker Marine Contractors (AMC), valued at NOK 1.5 billion, has been sold to Ezra Holdings in Singapore.

Aker has been a driver in identifying and acting on structural opportunities for Aker Solutions' business segments and units. This expertise has simplified the group's structure for greater transparency and honed operations to service upcoming requirements of oil and gas companies. Aker's president and CEO Øyvind Eriksen has served as Aker Solutions executive board chairman since Simen Lieungh stepped down as president and CEO in June 2010.

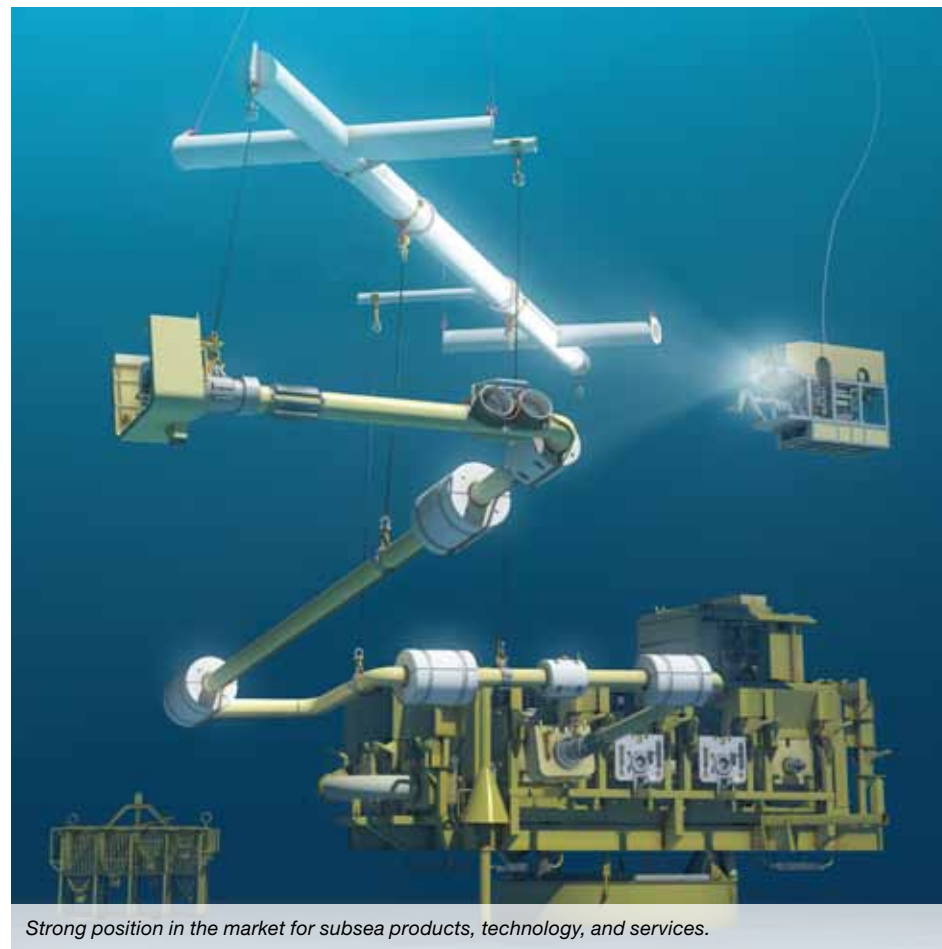
In 2010, Aker Solutions achieved an EBITDA margin of 8.2 percent, the same as in 2009. EBITDA for 2010 amounted to NOK 3.8 billion. The result is affected by delays and cost increases associated with deliveries for the Longview power plant in the United States.

Aker Solutions' order situation is satisfactory. In the subsea business, Statoil awarded Aker Solutions a groundbreaking contract for delivery of a gas compression system for the Åsgard field. A framework agreement was entered into with Brazil's

Key figures

		2010	2009 ^{*)}
Operating revenues	NOK million	46 267	49 856
EBITDA	NOK million	3 778	4 095
EBITDA margin	Percent	8.2	8.2
Order backlog	NOK million	50 775	52 740
Order intake	NOK million	46 341	49 048
Share price	NOK	99.25	75.45
Earnings per share (EPS)	NOK	7.27	8.40
Number of employees		19 944	22 133

^{*)} Comparative figures for continued operations have been restated.



Strong position in the market for subsea products, technology, and services.

Petrobras for the Iara/Guará field, and Chevron selected Aker Solutions for its billion NOK umbilicals delivery to its Gorgon project. Drilling Technologies has been awarded contracts for equipment and system packages to important new customers. Statoil and Shell awarded Maintenance, Modifications & Operations (MMO) several major framework agreements on the Norwegian continental shelf. The projects typify the businesses at the core of today's and tomorrow's Aker Solutions.

Turning to field development, which constitutes the core of the future EPC company, the order backlog is also satisfactory. 2010 awards include contracts for building several jackets: Gudrun for Statoil and Ekofisk for ConocoPhillips (Norwegian continental shelf); two steel jackets for Clair Ridge for BP (west of Shetland); and jackets for 48 turbines at the Nordsee Ost windfarm for RWE (German North Sea). A topside EPC contract was signed with ConocoPhillips for the Ekofisk 2/4 Z platform, and ExxonMobil Canada awarded a FEED (Front End Engineering and Design) contract for a concrete GBS platform for the Hebron field that could be expanded into a full EPC project.

In 2010, Aker Solutions' share price rose from NOK 75.45 to NOK 99.25, an increase of 31.5 percent.

Aker's engagement

Aker indirectly owns 24 percent of Aker Solutions; the shareholding's value was NOK 5.9 billion as of 31 December 2010. Øyvind Eriksen and Kjell Inge Røkke represent Aker

on the board of directors. Ownership in Aker Solutions is exercised through Aker Holding, which is owned by Aker (60%), the Norwegian government (30%), SAAB (7.5%), and Investor AB (2.5%). Aker Holding owns 41 percent of Aker Solutions shares.

Pursuant to the 2007 Aker Holding co-ownership agreement, SAAB and Investor are entitled to sell their ownership interests to Aker at a price that corresponds to NOK 160.16 per share or a total of NOK 1.77 billion on 30 June 2011. If the put option is exercised, Aker's indirect stake in Aker Solutions will increase to 28 percent.

Aker's view of Aker Solutions

Aker Solutions and the EPC company are well positioned as to long-term growth trends in offshore markets primarily for deepwater or harsh-weather oil and gas fields on the Norwegian continental shelf and worldwide. Rising oil prices throughout 2010 have led oil companies to increase their investment budgets. Projections indicate a 15-20 percent market expansion in 2011 and continued growth in investment levels over the next few years.

Aker Solutions enters 2011 with strong market positions and in excellent financial condition. The sale of Process & Construction operations will result in an approximately NOK 2.4 billion net profit effect for Aker Solutions in 2011, and free up capital on the order of NOK 3.8 billion for the parent company. The first-quarter 2011 sale of AMC will result in a NOK 500 million to NOK 600 million accounting gain. Capital

freed up through the sales will be available for investments in industrial and technological development within the group or through acquisitions.

Value drivers for both Aker Solutions and the EPC company are building on current market positions and enhancing delivery quality and profitability. Achieving objectives requires leadership, clearly delineated areas of responsibility, well defined roles, and highly motivated employees with the right expertise and attitudes. Delivering greater service content in all businesses will improve overall predictability and reduce the group's exposure to oil and gas industry investment cycles.

The company's state-of-the-art engineering expertise is a core competitive advantage in winning contracts and projects. Leveraging this excellence through partnering with Norwegian and global oil companies is strategic – along with joint project bidding and significant cross orders with

the new EPC company. The success factor for the EPC company is international market growth in tandem with Aker Solutions and other partners.

Aker Solutions is expanding its management teams. Øyvind Eriksen will continue to serve as executive board chairman until a new Aker Solutions president and CEO has been appointed.

As an active owner, Aker will prioritize developing Aker Solutions and executing the exchange listing of the EPC company in 2011. Aker will actively pursue the aforementioned value drivers and proactively assist in quality improvements, achieving the correct cost structure, improving underlying operations, and further strengthening customer relations. In all areas, performance must meet or exceed the best in the industry.

For further information, see:
www.akersolutions.com

"Aker Solutions enters 2011 with strong market positions and in excellent financial condition."



Aker Solutions' engineering expertise is at the cutting edge.



Aker Drilling

Aker Drilling owns and operates two of the world's largest and most advanced offshore drilling units – *Aker Spitsbergen* and *Aker Barents* – and has two drillships for ultra-deep waters under construction. The rigs have set new standards for safe, efficient, and environment-friendly deepwater drilling operations under harsh weather conditions. Demand for advanced deepwater drilling rigs is expected to remain high over the next few years.

Board chairman:	Trond Brandsrud
President and CEO:	Geir Sjøberg

Aker Drilling in 2010

Efficient, reliable operation of the two rigs is fundamental to securing additional drilling contracts at deepwater fields and in harsh environments. These offshore markets are experiencing strong growth. Aker Drilling has contracted Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME) to build two advanced drillships for ultra-deepwater deployment. The vessels are scheduled for delivery in the fourth quarter of 2013.

In 2010, Aker Drilling achieved an EBITDA of NOK 954 million and an EBITDA

margin of 47.7 percent. Wharf-side, planned upgrades to *Aker Spitsbergen* were completed. Its sister rig, *Aker Barents*, demonstrated positive development in utilization, with utilization for both rigs exceeding 95 percent in the fourth quarter. The rigs are operating under long-term contracts and had a combined order backlog of USD 1.2 billion as of 31 December 2010. *Aker Spitsbergen* is under contract with Statoil until July 2013, and the oil company holds an option to extend the agreement for five two-year periods. *Aker Barents* is under a contract with Det norske oljeselskap until July 2014; Det norske can extend the agreement for an additional two years.

Aker's engagement

In February 2011, Aker reduced its ownership interest in Aker Drilling from 100 percent to 43.49 percent. The reduction in ownership facilitated the NOK 3.6 billion share issue and Oslo Stock Exchange listing of Aker Drilling. Aker's overall exposure in the drilling company is NOK 2.3 billion, which comprises the value of the shares after the share issue in February 2011. Trond Brandsrud is Aker's representative on Aker Drilling's board of directors.

Key figures

		2010	2009
Operating revenues	NOK million	1 999	764
EBITDA	NOK million	954	(115)
Profit before tax	NOK million	99	(492)
Interest-bearing debt ¹	NOK million	7 800	7 489
Equity	NOK million	3 139	2 999
Number of employees		435	407

¹ Less restricted assets of USD 1.1 billion in 2010 and USD 1.2 billion in 2009 (see note 27 in Aker group's accounts).



The company's two drilling rigs are operating under long-term contracts on the Norwegian continental shelf.

Aker's view of Aker Drilling

The drilling company has first-rate crews and management, and two new, advanced deepwater rigs are performing extremely well on the Norwegian continental shelf. In 2010, the rigs delivered solid performance and predictable operations. The two drillships on order at DSME will enable Aker Drilling to enter promising growth markets for deepwater drilling such as Brazil, the Gulf of Mexico, and West Africa.

The two semi-submersible Aker H-6e platforms are designed for deepwater drilling operations worldwide – year-round – especially under harsh weather conditions. The rigs are constructed for drilling 10 000-meter-long wells at water depths of up to 3 000 meters.

The most important value driver is safe and efficient operation, which secures high paid uptime. The two rigs are in full operation. Their combined revenue is approximately USD 1 million per day, with an EBITDA margin of roughly 60 percent.

Aker Drilling is expanding its capacity. Two drillships will be added to the fleet in the fourth quarter of 2013. The newbuilding agreement with DSME features options to build two additional drillships for delivery in the second quarter of 2014 and first quarter of 2015. The world-class yard will use proven technologies that enable the vessels to bore 12 000-meter-long wells and operate at water depths of 3 600 meters. The risk of failing to deliver the drillships on time and on budget is considered low, because DSME has built – and will build – several similar vessels.

Aker Drilling carried out a refinancing in the first quarter of 2011. This included repayment to Aker ASA of a USD 488 million receivable owed by Aker Drilling.



Aker Barents and its sister rig Aker Spitsbergen deliver excellent operations and uptime.

Demand is expected to grow over the next few years for the advanced, deepwater, all-weather drilling units featuring proven technology that are Aker Drilling's niche. The drillship fleet expansion accords with Aker Drilling's strategy of pursuing projects and opportunities worldwide at deepwater fields and in harsh weather locales, provided there is limited risk associated with the construction of additional capacity.

Aker Drilling can successfully leverage the managerial and operational competence demonstrated on the Norwegian continental shelf to expand into the international arena. The company is currently building a team to oversee the construction of its drillships and secure key contracts.

For further information, see www.akerdrill.com

"The most important value driver is safe and efficient operation, which secures high paid uptime."



Det norske oljeselskap

Det norske is the second largest oil company on the Norwegian continental shelf – in terms of operatorships, licenses, and exploration activities. The company has two rigs drilling exploration wells on contract and three field development projects currently being matured and evaluated. Det norske has secured long-term deepwater rig capacity for its vigorous exploration campaign; the Aker Barents rig is drilling for Det norske in the Barents Sea.

Board chairman	Kjell Inge Røkke
CEO:	Erik Haugane
Aker investment director:	Maria Moræus Hanssen

Det norske in 2010

In 2010, Det norske was operator for nine exploration wells drilled on the Norwegian continental shelf – and the company will continue its aggressive exploration strategy. Exploration results in 2010 were disappointing. Det norske participated in 12 drilling operations, eight of which proved dry.

Preparation work continues on Frøy and Draupne field development plans. Frøy's projected break-even point is around USD 60 per barrel and investment decisions are

planned for the summer of 2011. Draupne also appears to be a robust, profitable project. Alternatives that include coordinated development with the Luno find, are being assessed with Draupne license partners ahead of selecting a final development solution.

Det norske's share price declined from NOK 33.80 as of 1 January 2010 to NOK 27.00 as of 31 December 2010, a decrease of 20 percent.

Aker's engagement

Aker is the largest Det norske investor, with a 40.4 percent shareholding that was worth NOK 1 213 million as of 31 December 2010. Kjell Inge Røkke and Maria Moræus Hanssen represent Aker on Det norske's board of directors.

Aker's view of Det norske

Aker sees significant potential for discovering new resources and maintaining high production on the Norwegian continental shelf. Further, Aker has a fundamentally optimistic view that oil prices will remain above USD 80 per barrel over the long term. Such pricing reinforces a willingness and ability to invest in exploration and production. Det norske is taking solid strides that will expand production at current finds and fi-

Key figures

		2010	2009
Operating revenues	NOK million	366	265
Profit after tax	NOK million	(671)	(521)
Exploration expenses	NOK million	1 691	1 186
Share price	NOK	27.00	33.80
Earnings per share (EPS)	NOK	(10.16)	(7.88)
Number of employees		193	176



Two new production wells are planned for the Varg field.

nance long-term exploration programs.

Det norske plans to drill 11 exploration wells in 2011, and the company depends on delivering exploration results over the next year.

Aker will continue to promote Det norske's growth – organically and through continued industry restructuring on the Norwegian continental shelf. Attractive opportunities are assessed on an ongoing basis. Aker's goal is to achieve a significant upstream position on the Norwegian continental shelf. Aker believes that Det norske's expertise and human resources can realize

this goal, and will apply active ownership in its pursuit.

The most important drivers for Det norske value creation are good exploration results, award of exploration areas in new licensing rounds, high oil prices, and production solutions that generate solid returns despite unanticipated oil price declines or project delays. Going forward, Aker will proactively assist Det norske to achieve exploration successes and production growth.

For further information, see:
www.detnor.no



Aker Clean Carbon

Aker Clean Carbon further develops and supplies technology for removing the climate gas CO₂ from the emissions of gas and coal-fired power plants and industrial facilities. In 2011, Aker Clean Carbon, working with Aker Solutions, will deliver one of the world's largest facilities for testing carbon capture technology: the CO₂ Technology Centre Mongstad. The company has designed and operates a mobile carbon-capture technology demonstration facility that provides valuable process-improvement and cost-structure data for future installations.

Board chairman:	Leif Borge
CEO:	Liv Monica B. Stubholt

Aker Clean Carbon i 2010

Activity levels at the company are high, and key milestones have been achieved. Construction of the amine facility at the CO₂ Technology Centre Mongstad (TCM) for TCM DA has passed 70-percent completion. The project will be delivered in accordance with its revised budget and schedule. At the Longannet coal-fired power plant in Scotland, work on the Front End Engineering and De-

sign (FEED) for a full-scale carbon capture facility is more than 70 percent completed. The customer, ScottishPower, the only remaining bidder, will enter into exclusive negotiations with British authorities to secure public funding for the project. Aker Clean Carbon has been awarded one of four FEED contracts by the Italian energy company Enel for a full-scale carbon capture facility to be built near Venice. Aker Clean Carbon's proprietary technology is used in the engineering and consulting project, which is more than 60 percent completed.

Aker's engagement

Aker owns 50 percent of Aker Clean Carbon, in 50/50 partnership with Aker Solutions. Aker injected NOK 52 million in new capital in 2010. The value of Aker's 50 percent stake is NOK 127 million, which corresponds to cost price. Olav Revhaug is Aker's representative on Aker Clean Carbon's board of directors.

Aker's view of Aker Clean Carbon

The market for carbon capture facilities is developing favorably; however, it is maturing more slowly than Aker's original projections indicated. Publicly funded projects dominate the market. Interest in such projects is increasing, yet some anticipated

Key figures

		2010	2009
Operating revenues	NOK million	263	92
EBITDA	NOK million	(21)	(24)
Profit before tax	NOK million	(45)	(39)
Equity	NOK million	137	79
Number of employees		28	20

projects have been cut back or postponed. However, investments in carbon capture at power plants and industrial facilities are not currently feasible without public funding. Costs associated with climate gas emissions remain low.

Aker Clean Carbon's priority goal is to win the contract for building a full-scale carbon capture facility at Mongstad. However, the project is marked by uncertainty. An investment decision by the Norwegian government has been postponed without rescheduling. Although the company's amine technology is recognized as the most mature and verified among available technology options, objections have been raised as to detrimental effects of amine residues emitted to air along with treated flue exhaust. Such criticism can be used by competitors or, for example, interest groups seeking to reduce public spending on carbon capture in order to fund other commitments.

Aker Clean Carbon's two most important value drivers are the company's technology and associated contract portfolio for building carbon capture facilities and the general perception of future costs associated with CO₂ emissions. Aker considers that Aker Clean Carbon is well positioned in an early-phase market. Deriving lasting value from such pioneering hinges on the ability to



compete for large, full-scale facility CO₂ capture contracts that will be tendered internationally in the next few years. Strategic partnerships can secure the necessary competitive stance in global markets by adding resources, widening presence, and enhancing earnings potential – all of which make it commercially viable to take on large contracts.

Accordingly, Aker's ownership agenda is to bring the company into an international strategic partnership in tandem with Aker Solutions in order to benefit from and further develop Aker Clean Carbon's established market position.

For further information, see:
www.akercleancarbon.com



Aker BioMarine

Aker BioMarine is a biotechnology company with extensive experience in harvesting, processing, and sales of omega-3 from marine sources. The company's Antarctic krill business comprises the dietary supplement ingredient Superba™ Krill and the aquaculture feed ingredient Qrill™. Through Trygg Pharma and its Epax subsidiary, the company is a player in the market for high-concentrate fish oils. Trygg Pharma has also devised a development programme for pharmaceuticals ingredients.

Board chairman:	Kjell Inge Røkke
President and CEO:	Hallvard Muri
Aker investment manager:	Ola Snøve

Aker BioMarine in 2010

The krill business showed good progress in 2010 and Aker BioMarine was refinanced. In addition, significant values were demonstrated through the 50/50 partnership entered into with the US private equity firm Lindsay Goldberg for Aker BioMarine's subsidiary Trygg Pharma.

Lindsay Goldberg pays up to NOK 280 million for 50 percent of Trygg Pharma shares. In 2010, Trygg Pharma acquired Epax, the world's foremost producer of

high-concentrate fish oils.

The profit growth recorded in 2010 is attributable to strong revenue growth, good harvesting volumes, and stable production. Marine Stewardship Council (MSC) environmental certification of Aker BioMarine's krill harvesting in the Southern Ocean confirms that the company's krill harvesting is sustainable – a further competitive advantage. In the USA, the Superba™-based supplement MegaRed® has become the fastest growing omega-3 product in the market. In Europe, Vitaepro® is the first major brand featuring Superba™ as an ingredient. Aker BioMarine is continuing its efforts to promote and realize the value potential of its feed ingredient Qrill™ – one step under consideration is entry into new market segments. Qrill™ enjoyed record sales in 2010, and an increasing number of fish farmers are experiencing the major economic benefits of the health and growth promoting properties of the feed ingredient.

Aker BioMarine shares closed at NOK 1.53 as of 31 December 2010, down from NOK 2.13 as of 1 January 2010 (adjusted for subscription rights). The share price declined 28 percent in 2010.

Aker's engagement

As part of the first-quarter 2010 refinancing of Aker BioMarine, the company raised

Key figures

		2010	2009
Operating revenues	NOK million	311	141
EBITDA	NOK million	20	(130)
Result for the year	NOK million	170	(304)
Interest-bearing debt	NOK million	396	1 361
Share price	NOK	1.53	2.13
Earnings per share, continued operations	NOK	(0.32)	(2.93)
Number of employees		34	48

NOK 638 million in a pre-emptive rights share issue; Aker ASA subscribed to the new shares according to its ownership interest. After offsetting receivables carried on their balance sheets, the biotechnology company repaid its net debt of NOK 510 million to Aker ASA.

In 2010, Aker has in 2010 contributed a total of NOK 740 million in equity, and thus maintained its 83.3 percent stake in Aker BioMarine. Aker's shareholding in Aker BioMarine had a market value of NOK 1 202 million as of 31 December 2010. Kjell Inge Røkke is Aker's representative on Aker BioMarine's board of directors.

Aker's view of Aker BioMarine

The biotechnology company has undergone constructive, vibrant development. Refinancing has strengthened its balance sheet significantly, and Aker BioMarine has completed its first-ever year with an EBITDA figure in the black. Further, an accounting gain of approximately NOK 393 million in connection with the sale of its 50 percent shareholding in Trygg Pharma was recorded in 2010.

All macro drivers indicate continued strong growth in the market for health products in general and omega-3 based products in particular. Aker BioMarine's krill-derived ingredients and Trygg Pharma and

Epax' fish oil concentrates are well positioned for success. Their markets have enjoyed solid multi-year growth – and considerable potential remains.

The establishment of Trygg Pharma is a major accomplishment, and the partnership with Lindsay Goldberg confirms the great potential of this part of Aker BioMarine. The new joint venture, with its experience in development and production, will be uniquely positioned to deliver high-concentrate fish oils to an array of industry participants. The company is also developing important new products. Patents are currently being re-cruited for a clinical Phase III study to evaluate the effectiveness of AKR 963 – an investigational candidate drug developed by Trygg Pharma for the treatment of patients with severe hypertriglyceridemia.

Aker will develop Aker BioMarine through efficient operations and growth. Market growth is primarily driven by wide-spread interest in and knowledge about the health benefits of omega-3 intake. The challenges for Aker BioMarine group companies are launching innovative products along with partners that can secure broad distribution in markets globally and capturing market shares in the years to come.

For further information, see: www.akerbiomarine.com

Financial Investments

Aker manages significant financial assets. These comprise cash, interest-bearing receivables, and other financial assets. Liquidity and risk management takes place centrally, and financial asset management generates a stable annual yield and cash flow.

To intensify managerial focus on financial assets in Aker's balance sheet, the responsibilities of Aker's former Treasury segment have been reorganized into two units of the *Financial Investments* segment. Financial Investments comprises all assets of Aker ASA (parent and companies in its holding company structure) other than industrial investments in shares and investments in funds. The segment encompasses risk and liquidity management on portfolio level; securities investments, which include bonds, shares, and cash equivalents; interest-bearing receivables from and loans to subsidiaries. It also provides general consulting to assist operating companies on financing. Responsibilities of the segment's Treasury department involve the so-called liabilities side of Aker ASA's balance sheet, particularly borrowing, interest rate and currency hedging, and advising operating companies on financing issues.

Financial Investments managed NOK 9.6 billion as of 31 December 2010, which represents 45 percent of Aker's total assets (parent company and holding companies). Cash equivalents amounted to NOK 2.9 billion.

Investment management and day-to-day portfolio follow-up are lead by Aker's CFO and a dedicated Aker investment director.

Aker's strong balance sheet and financial position in recent years have enabled the parent company to act as both an equity capital investor and lender for start-up

companies, particularly in the period 2005-2008. These enterprises are currently in their operational phase. Each will be further developed as independent entities, with strong management expertise, independent boards and external financing. Aker's ownership role will become progressively streamlined, and the subsidiaries will gradually repay their loans to Aker.

The year 2010

Cash and cash equivalents increased from NOK 2.7 billion to NOK 2.9 billion in 2010. Gross interest-bearing debt decreased from NOK 2.9 billion to NOK 2.6 billion.

In 2010, the final guarantee payment of USD 41 million was made to creditors of the Sea Launch satellite launching company. As of 31 December 2010, lending to Aker subsidiaries and associated companies amounted to NOK 5.5 billion, compared with NOK 6.9 billion as of year-end 2009. The loans are at market terms.

The largest such engagements are loans and bonds associated with the operating industrial companies that total NOK 3.1 billion. A further NOK 1.8 billion in loans are extended to companies in the financial investments portfolio of Convento Capital Fund.

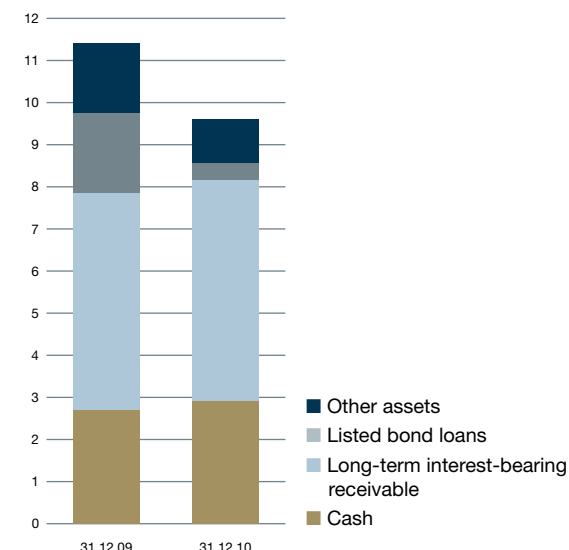
Total loans to Aker companies decreased by NOK 1.4 billion in 2010. Aker sold Aker Solutions bonds for approximately NOK 1 billion, and both Aker BioMarine and Aker Drilling were refinanced in

2010. Aker ASA's net NOK 0.5 billion receivable from Aker BioMarine was repaid. As an element in the refinancing of Aker Drilling, Aker redeemed NOK 181 million in convertible bonds. Aker subscribed to approximately NOK 170 million of the new, listed NOK 1.5 billion Aker Drilling bond loan. Further, Aker guaranteed the three-year loan. Aker Drilling's loan costs would have been significantly higher than the bond's interest rate of NIBOR plus a 400 basis point margin if Aker had not posted its guarantee. Aker Drilling's three-year bond loan of NOK 1.5 billion was replaced by a five-year bond loan in the first quarter of 2011, but without the guarantee from Aker ASA.

Through wholly owned companies, Aker owns two vessels operating under long-term bareboat charter, and their operations are covered in the consolidated accounts. The seismic vessel *Geco Triton* is sailing under a renewed 5-year contract with Western Geco that commenced in January 2011. Aker took delivery of *Aker Wayfarer* in October 2010. This specialized construction vessel is operating under a 10-year contract for marine operations with a company wholly owned by Aker Solutions.

Aker's financial clout and flexibility increased in 2010. In November, the company placed a 5-year unsecured NOK 1 billion bond loan in the market. As part of the placement, Aker repurchased about NOK 220 million of the AKER02 fixed-

Financial Investments
(NOK billion)



interest, senior bond loan that matures in March 2012.

Sound liquidity and a robust balance sheet provide freedom of action and predictability for maintaining a stable dividend rate. Aker's equity ratio as of 1 January 2011 was 86 percent, and the net interest-bearing assets was NOK 6.1 billion. Efforts to reduce Aker's receivables from subsidiaries continue. The goal is that the operating companies will be financed independently of Aker, with Aker as an equity investor.

Funds

Aker invests in specialized funds managed by competent and opportunistic management companies. Of Aker's NOK 21.4 billion total assets, NOK 1.6 billion are invested in Converto Capital Fund and AAM Absolute Return Fund.

Aker's *Funds segment* comprises share funds. The funds' capital is actively managed by Converto Capital Management and Oslo Asset Management. In 2010, Aker co-establish Norron Asset Management in Stockholm. Norron will launch its first funds in 2011, with Aker investing in fund shares.

AAM Absolute Return Fund

Oslo Asset Management (formerly Aker Asset Management) established and has managed the hedge fund AAM Absolute Return Fund since December 2005. The fund's total yield, since start-up in 2005 through year-end 2010 is 72.3 percent.

The fund achieved a yield of 1.7 percent in 2010, compared with 7.4 percent in 2009. Of the USD 410 million managed by AAM Absolute Return Fund, Aker's investment is 12.5 percent. External investors hold 87.5 percent of fund shares.

Oslo Asset Management is owned 50.1 percent by Aker; the management company's employees own the remaining 49.9 percent. Oslo Asset Management has eight employees.

Converto Capital Fund

Converto Capital Management, which was established 1 July 2009, manages Converto Capital Fund. The fund is a leading shareholder in the listed companies Aker Seafoods (65.9 percent), Aker Floating Production (72.3 percent), Aker Philadelphia Shipyard (67.1 percent), American Shipping

Company (19.9 percent), Bokn Invest – the holding company for former Bjørge ASA (39.9 percent), and Ocean Harvest (100 percent). Converto Capital Fund adopts an active and opportunistic methodology in its efforts to further develop the companies in its portfolio.

From its establishment through year-end 2010, the securities portfolio had a yield of 6.3 percent. In 2010, the value of the portfolio grew 1.3 percent to NOK 1.46 billion. Aker holds 99.8 percent of the fund's capital. Aker owns 90 percent of the fund's management company, Converto Capital Management, which has seven employees.

The year 2010

The market value of Aker's fund investments in Converto Capital Fund and AAM Absolute Return Fund increased by 3.9 percent in 2010. The hedge fund typically holds positions in the energy sector and maritime industries.

Converto Capital Fund is a proactive shareholder. Active ownership is exercised in the boardroom, via monitoring and follow-up by a fund investment manager of each portfolio company's day-to-day managerial performance, and by driving operational improvements and structural changes. Characteristics are proximity to investments, familiarity with portfolio companies, and rapid decision-making. In 2010, decisive measures were implemented at several portfolio companies, and the fund

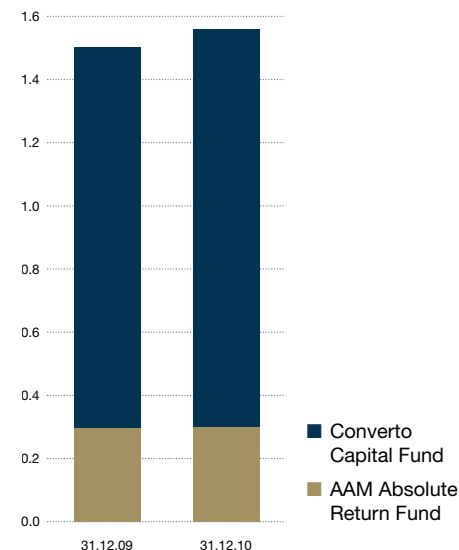
sold certain holdings in smaller-sized investments at a profit.

Aker Seafoods was Converto Capital Fund's best-performing investment in 2010, with ten percent value growth amounting to NOK 43 million (+10 percent). The seafood group achieved profitable growth, and its business activities are being streamlined further into the white fish harvesting company Aker Seafoods and the marketing and processing company Norway Seafoods.

The technology company Bjørge has been delisted. Working with its partner, the private equity fund Hitec Vision, Converto reorganized Bjørge into three focused companies: Stream AS, Align AS, and Naxys AS. At Aker Philadelphia Shipyard, a tentative agreement has been entered into, securing operations until at least the first half of 2013. Throughout 2010, Aker Floating Production reported excellent operations at *Dhirubhai-1*, an FPSO deployed under a long-term contract at an oil field offshore India. The fisheries company Ocean Harvest experienced weak operations due to generally poor harvesting in the fisheries off South America. The Ocean Harvest investment has been written down by NOK 48 million.

In 2010, a sound basis was established for securing and creating value in Converto Capital Fund – and for freeing up Aker's capital through sales and repayment of loans. Several of the portfolio companies feature shares with poor liquidity that typi-

Funds
(NOK billion)



cally do not follow share-price trends on the Oslo Stock Exchange. Sales of smaller-sized Converto investments will continue.

Going forward, priorities will be on further developing the companies that have emerged from splitting Aker Seafoods and Bjørge. At Aker Floating Production, focus will remain on operational safety and reliability – and finding strategic alternatives that strengthen the oil service company's market position and financial clout. Finding new orders for Aker Philadelphia Shipyard and securing a long-term refinancing plan for American Shipping Company are also priorities.

Over the long term, Converto Capital Management's intention is to establish a new fund that will attract capital from external investors. Strategy work is underway for launching such a fund.



Board of directors' report 2010

In 2010, Aker ASA continued to focus on further developing its portfolio of operating companies. The net asset value (NAV) of Aker ASA and holding companies (Aker) was NOK 18.4 billion at year-end 2010. NAV amounted to NOK 253.80 per share, down 5.9 percent from 31 December 2009. In 2010, the value of Aker shares declined 13.3 percent; for comparison, the Oslo Stock Exchange benchmark index (OSEBX) rose 18.3 percent.

In 2010, Aker implemented key measures to further develop its role as an equity investor through active ownership in operating companies and by reducing outstanding loans to subsidiaries and associated companies from NOK 6.9 billion to NOK 5.5 billion.

Aker reduced risk in its portfolio of industrial investments, financial investments, and funds in 2010. The company has substantial equity, its liquidity has been strengthened, and Aker possesses considerable financial clout. The board of directors has proposed payment of a NOK 10 per-share dividend for the 2010 accounting year. The proposed dividend payout corresponds to 3.9 percent of NAV – and a direct yield of 7.1 percent relative to the 31 December 2010 share price.

Aker's financial position is sound. Equity ratio as of 31 December 2010 was 77.9 percent after allocations to cover the proposed shareholders' dividend of NOK 724 million. The year-end 2009 equity ratio was 80.3 percent. Gross debt of Aker ASA and holding companies at year-end 2010 was NOK 2.6 billion; available cash and cash equivalents amounted to NOK 2.9 billion. Net interest-bearing assets amounted to NOK 6.1 billion.

Business operations and location

Aker ASA is an industrial investment company with long traditions. The company's history dates back to 1841. Based on shipbuilding and mechanical production for the maritime trades and the country's primary industries, Aker grew throughout the 1900s into one of Norway's largest industrial groups.

Aker ASA has 49 employees working at company headquarters in Oslo and more than 14 000 shareholders. Its shares trade on the Oslo Stock Exchange. Just over two-thirds of Aker ASA shares are held by companies owned by Kjell Inge Røkke and members of his family.

As of the end of February 2011, Aker, directly or indirectly, was the main shareholder in a number of companies that together have over 22 000 employees working in more than 30 countries. Eight of these companies are exchange listed. Aker organizes its activities in three business sectors: Industrial Holdings, Financial Investments, and Funds.

Industrial Holdings comprises Aker's ownership interests in Aker Solutions, one of the world's leading oil-industry suppliers; the offshore drilling contractor Aker Drilling; Det norske oljeselskap; the biotechnology company Aker BioMarine; and the environmental technology corporation Aker Clean Carbon.

Funds comprises Aker's fund interests in Convento Capital Fund and AAM Absolute Return Fund. Each of these funds is managed by a specialized management company: Convento Capital Fund is the responsibility of Convento Capital Management, and AAM Absolute Return Fund is run by Oslo Asset Management. Aker co-established the Swedish management company Norron Asset Management in 2010. Norron will launch its initial funds in the first quarter of 2011.

Financial Investments comprises Aker's cash, receivables, and all assets managed by Aker with the exception of industrial share investments and investments in fund shares.

Key events in 2010 and after the balance sheet date

In the first quarter of 2010, Aker Drilling put its advanced rigs to work for the oil companies Statoil and Det norske. Starting operations brought cash flow into the black for the first time in the company's history. It also marked a turning point following a demanding period of delays and start-up difficulties.

In the second quarter of 2010, Aker Drilling completed the placement of a new 3-year NOK 1.5 billion bond loan with Aker ASA as guarantor. The loan's interest rate is NIBOR plus a 400 basis point margin. Accordingly, Aker Drilling's NOK 800 million convertible bond loan was refinanced at market terms. Also in the second quarter, Aker BioMarine completed a corporate refinancing and Aker's net NOK 0.5 billion receivable from the biotechnology company

was converted into equity.

In the third quarter of 2010, Aker BioMarine partnered with Lindsay Goldberg. The US-based private equity fund acquired 50 percent of the shares in the Aker BioMarine subsidiary Trygg Pharma Holding (Trygg Pharma). Trygg Pharma subsequently acquired Epax, one of the world's leading producers of high-concentrate omega-3 oils. In the quarter, Det norske extended its drilling contract for the Aker Barents rig for a two-year period. Det norske holds options to extend the agreement by two one-year periods as of 2014. In addition, Aker expanded its engagement in funds investments from two to three asset management groups through the establishment of Stockholm-based Norron Asset Management along with Swedish partners.

In the fourth quarter of 2010, Aker Solutions announced the sale of its subsidiary Aker Marine Contractors and the bulk of its P&C business. The transactions were stages in the streamlining of Aker Solutions as an engineering, technology and services company, and the EPC business will be spun off as a separate enterprise. Also in the fourth quarter, Aker took delivery of the specialized construction vessel *Aker Wayfarer*, which is deployed under a ten-year charter with Aker Solutions. The delivery was pursuant to a spring 2009 agreement.

In the first quarter of 2011, Aker Drilling initiated its aggressive plan for targeting strong growth markets and completed stock-exchange listing of the company. Two deepwater drillships have been ordered, with an option to build two additional drillships. Following successful com-

pletion of a NOK 3 600 million share issue, of which Aker subscribed to NOK 567 million, Aker's ownership interest in Aker Drilling was reduced from 100 percent to 43.49 percent. Aker Drilling completed a refinancing of its bank debt, and Aker Drilling's 3-year NOK 1.5 billion bond loan has been replaced by a 5-year bond loan that no longer carries Aker ASA's guarantee. Thus, Aker Drilling achieved financial independence from Aker. The drilling company will continue its development as an independent entity with Aker as a significant minority shareholder.

Industrial Holdings

Industrial Holdings is one of Aker's three business segments. The total value of Aker's Industrial Holdings investments was NOK 10.2 billion as of 31 December 2010, up from NOK 10 billion at year-end 2009.

This value growth reflects a 43 percent increase in value to NOK 5.9 billion of the Aker Solutions investment; the figure includes the potential settlement amount for the put option held by SAAB/Investor AB. The value of the Aker Drilling investment was reduced by NOK 1 736 million. In the past, Aker Drilling shares were valued at acquisition cost; following the share issue, their carrying value was adjusted to the market-determined per-share issue price as of 21 February 2011. In Aker's 31 December 2010 balance sheet, the carrying value of the shareholding was NOK 1.8 billion. Aker injected NOK 740 million in equity into Aker BioMarine in 2010; this raised the value of Aker's investment in the biotechnology company by NOK 425 million. The value of the Det norske investment declined from NOK 1 519 million to NOK 1 213 million in 2010, due to a 20 percent decline in Det norske's share price. Aker's sharehold-

ing in Aker Clean Carbon continues to be valued at acquisition cost.

Aker Solutions

Aker Solutions' share price rose from NOK 75.45 to NOK 99.25 in 2010, an increase of 31.5 percent. In a year characterized by demanding market conditions, Aker Solutions reported satisfactory results in 2010 in spite of high quality deviation costs in a few areas. Aker Solutions delivered a 2010 EBITDA of NOK 4.3 billion; the figure includes discontinued operations. The company reports satisfactory order intake and order backlog. Aker's president and CEO Øyvind Eriksen has served as executive board chairman of Aker Solutions since June 2010, following Simen Lieungh's resignation as president and CEO. The board of directors of Aker Solutions has recommended a NOK 754 million shareholders' dividend for the 2010 accounting year. Of this amount, NOK 181 million will devolve to Aker through its ownership in Aker Holding.

Aker owns 60 percent of the company Aker Holding, which in turn owns 40.27 percent of Aker Solutions stock. Accordingly, Aker has an approximately 24 percent indirect ownership interest in Aker Solutions and for accounting purposes classifies Aker Solutions as an associated company. Under the 2007 Aker Holding ownership agreement, SAAB and Investor AB are entitled to sell their ownership interests to Aker at a price that corresponds to NOK 160.16 per share or a total of NOK 1.77 billion on 30 June 2011. If this option is exercised, Aker's indirect interest in Aker Solutions will increase to about 28 percent. See note 32 for further details on the option agreement.

Aker Solutions is well positioned to benefit from long-term growth trends in deep-

water and harsh-climate offshore-industry markets – on the Norwegian continental shelf and worldwide. Rising oil prices throughout 2010 have led oil companies to increase their investment budgets.

Aker has been a driver in identifying and acting on structural opportunities for Aker Solutions' business segments and units. This has simplified the group's structure for greater transparency and honed operations to service the requirements of oil and gas companies in the time ahead. In the fourth quarter of 2010, the bulk of the Process & Construction business was sold to Jacobs Engineering Group in the USA for NOK 5.5 billion. In addition, Aker Marine Contractors (AMC), valued at NOK 1.5 billion, was sold to Singapore-based Ezra Holdings.

Aker Solutions is now being streamlined as an engineering, technology, and services company. The specialized offshore EPC business will be spun off and exchange-listed.

Aker Drilling

Aker Drilling shares were listed for trade on the Oslo Stock Exchange on 25 February 2011. The per-share price at the close of the bookbuilding period was NOK 19. Aker subscribed to NOK 567 million of the Aker Drilling share issue, after which its ownership interest was reduced from 100 percent to 43.49 percent. The book value of Aker's investment in Aker Drilling as of 31 December 2010 is recognized according to the NOK 19 per-share issue price (before over-allotment). With completion of its corporate refinancing, the drilling company will repay its USD 488 million loan to Aker as scheduled in the first quarter of 2011.

Efficient, high-uptime operation of the company's two rigs forms the foundation for Aker Drilling expanding its targeting of

deepwater and harsh-weather fields, which are fast-growing offshore-industry markets. The company has contracted Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME) to build two drillships for ultradeep waters, to be delivered in the fourth quarter of 2013. A contract option allows for the construction of a third and fourth drillship, for delivery in the second quarter of 2014 and the first quarter of 2015, respectively.

Aker Drilling achieved an EBITDA of NOK 954 million and an EBITDA margin of 47.7 percent in 2010. *Aker Spitsbergen* completed upgrades and a yard stay as scheduled in 2010. Its sister rig, *Aker Barents* had a paid up-time of 84 percent in 2010. The company's two rigs had a paid up-time exceeding 95 percent in the fourth quarter. Aker Drilling's two advanced rigs are operating under long-term contracts; their combined order backlog was USD 1.2 billion as of year-end 2010. Aker Spitsbergen is operating under contract with Statoil until July 2013, and the oil company holds an option to extend the contract by five two-year periods. *Aker Barents* is under contract with Det norske oljeselskap until July 2014; Det norske holds an option to extend the agreement by two years.

The drilling company has a first-rate operational organization and both deepwater rigs are performing excellently on the Norwegian continental shelf. In 2010, the rigs delivered solid performance and predictable operations. The two drillships to be built at DSME enable Aker Drilling to penetrate promising growth markets for deepwater drilling such as offshore Brazil, the Gulf of Mexico, and off West Africa. Building teams to oversee the drillship construction and run a highly skilled international drilling organization is underway.

Det norske and other oil-related investments

Det norske's share price declined from NOK 33.80 to NOK 27 in 2010, down 20 percent. In 2010, the company was the operator for nine exploration wells on the Norwegian continental shelf. The company will continue its aggressive exploration strategy going forward. Exploration results in 2010 were disappointing. Det norske participated in 12 drilling operations in 2010; eight of the wells proved dry. Det norske oljeselskap had an after-tax profit of minus NOK 671 million in 2010, compared with minus NOK 521 million in 2009.

Aker's sees significant potential for discovering new resources and maintaining high production on the Norwegian continental shelf. Aker maintains a fundamentally optimistic view that oil prices will remain high. Det norske is working to create value through exploration campaigns and production growth through field development at existing and future discoveries.

Access to necessary rig capacity is critically important in this phase of Det norske's development. The company has secured long-term rig capacity for deployment at deepwater fields and in the Barents Sea through its drilling contract for the *Aker Barents* rig. Det norske has entered into contracts for two exploration rigs and is currently working on design optimization for three offshore field development projects.

Aker's other oil-sector investments in exploration and production in 2010 comprised Aker Ghana and Setanta. Aker, the Ghanaian national oil company GNPC, Ghana's oil and energy minister, and a local partner have signed a termination agreement for the current partnership. The parties have agreed that GNPC will pay Aker

USD 29 million to cover Aker's project expenses. Setanta has an ownership interest in the Rousette field offshore Gabon; Aker is evaluating its stake in the project.

Aker BioMarine

In 2010, Aker BioMarine's share price decreased from NOK 2.13 to NOK 1.53, a 28-percent decline. Refinancing has strengthened the biotechnology company's balance sheet. Aker BioMarine achieved its first year with a positive EBITDA in 2010: NOK 20 million, compared with minus NOK 130 million in 2009.

Aker BioMarine is a biotechnology company with extensive experience in harvesting, processing, and sales of omega-3 from marine sources. The company's Antarctic krill business comprises the dietary supplement ingredient Superba™ Krill and the aquaculture feed ingredient Qrill™. Through Trygg Pharma and its Epax subsidiary, the company also participates in the market for high-concentrate fish oils. Strong in R&D, Trygg Pharma has the expertise to develop pharmaceuticals ingredients.

In 2010, significant values were demonstrated through the 50/50 partnership entered into with the US private equity firm Lindsay Goldberg to develop Aker BioMarine's subsidiary Trygg Pharma. For 50 percent of Trygg Pharma shares, Lindsay Goldberg will pay up to NOK 280 million; NOK 140 million of the amount was paid at the time of the transaction and an additional NOK 140 million is payable upon Aker BioMarine reaching certain developmental milestones. In 2010, Trygg Pharma acquired Epax. Aker BioMarine financed its share of the Epax acquisition through a share issue. Aker subscribed to NOK 208 million of the issue, which maintained its 83.3 percent ownership interest in Aker BioMarine.

The profit growth recorded in 2010 is attributable to strong revenue growth, good harvesting volumes, and stable production. Marine Stewardship Council (MSC) environmental certification of Aker BioMarine's krill harvesting in the Southern Ocean confirms that the company's krill harvesting is sustainable – a further competitive advantage. In the United States, the Superba™-based supplement MegaRed® has become the fastest growing omega-3 product. In Europe, Superba™ is an ingredient for brand names such as Vitaepro®.

Macro drivers support continued strong growth in the market for health products in general and omega-3 based ingredients in particular. Aker BioMarine's Antarctic krill-derived ingredients and Trygg Pharma and Epax' fish oil concentrates are all well positioned to succeed in their markets. These are markets that have grown rapidly over many years and that continue to offer considerable potential.

Aker Clean Carbon

In 2010, Aker injected NOK 52 million in new equity into Aker Clean Carbon. The book value of Aker's 50-percent ownership in the company is NOK 127 million, which corresponds to cost price. Several milestones were achieved in 2010. Construction of the amine facility at the European CO₂ Technology Centre Mongstad (TCM) for TCM DA has passed 70-percent completion. The project will be delivered in accordance with its revised budget and schedule. Aker Clean Carbon had an EBITDA of minus NOK 21 million in 2010, compared with minus NOK 24 million in 2009.

At the Longannet coal-fired power plant in Scotland, work is progressing on the Front End Engineering and Design (FEED)

for a full-scale carbon capture facility. The customer, ScottishPower, the only remaining bidder, is about to enter into exclusive negotiations with UK authorities to secure public funding for the project. Aker Clean Carbon has been awarded one of four FEED contracts by the Italian energy company ENEL for a full-scale carbon capture facility.

The market for carbon capture facilities is developing favorably; however, it is maturing at a slower pace than Aker's original projections indicated. Publicly funded projects dominate the market. Interest in such projects has become keener, yet some anticipated projects have been cut back or postponed. Investment in carbon capture at power plants and industrial facilities is not currently feasible without public funding. Costs associated with climate gas emissions remain low.

It is Aker's view that Aker Clean Carbon's interests could be served by bringing in an international partner to benefit from and advance Aker Clean Carbon's established market position.

Funds

The Funds segment (previously reported as Financial Holdings) is the second of Aker's three operating segments. Funds' investments comprise shares in Converto Capital Fund and AAM Absolute Return Fund. The value of Aker's fund investments increased 3.9 percent in 2010 to NOK 1.6 billion at year-end.

Converto Capital Fund

Converto Capital Fund is a leading shareholder in Aker Seafoods (65.9 percent ownership), Aker Floating Production (72.3 percent), Aker Philadelphia Shipyard (67.1 percent), American Shipping Company (19.9

percent), Bokn Invest – the holding company for former Bjørge ASA (40 percent stake in Align, Stream. and Naxys), and Ocean Harvest (100 percent). The fund is also an American Shipping Company bondholder. Aker holds 99.8 percent of the fund's capital and owns 90 percent of Convento Capital Management.

In 2010, the value of the investment portfolio grew NOK 53 million or 4.4 percent to NOK 1.26 billion. The value growth takes into account Aker's NOK 46 million equity injection in 2010. Aker Seafoods was the single best-performing investment in 2010, posting value growth of NOK 43 million or ten percent. The seafood company enjoyed profitable growth and its business is being streamlined into the white fish company Aker Seafoods (harvesting) and the marketing and processing company Norway Seafoods.

Aker Floating Production reports excellent and safe operations at its FPSO *Dhirubhai-1* throughout 2010 with an uptime of nearly 100 percent. The vessel is chartered to 2018. The charterer holds an option to purchase the vessel at a pre-determined price. Liquidity has improved significantly, although uncertainty remains as to continued operations should the charterer exercise its option. In such a scenario, the company will depend on revenues from new projects or an injection of additional equity to repay in full its NOK 1.6 billion loan from Aker. The loan features ten-percent interest and matures in 2018.

In late 2010, Aker Philadelphia Shipyard signed a tentative agreement with Philadelphia Shipyard Development Corporation (PSDC) for the latter to buy assets valued at USD 42 million. The agreement along with supplemental financing from group and non-group sources establish the basis for building

two product tankers and thus secure continued operations of the yard at least until the first half of 2013. Pursuant to the agreement, on-time delivery will be guaranteed by Aker and the employment guarantee of up to USD 20 million is terminated. In February 2011, the federal administration of Pennsylvania approved the agreement, however, execution of the agreement is conditional upon securing additional financing and guarantees.

The technology company Bjørge has been delisted. Working with its partner, the private equity fund HitecVision, Convento has reorganized Bjørge into three focused companies: Align AS, Stream AS, and Naxys AS.

AAM Absolute Return Fund

The hedge fund typically takes positions in the energy sector and maritime industries. Of the USD 410 million capital managed by AAM Absolute Return Fund, Aker's investment is 12.5 percent. Aker owns 50.1 percent of the fund's management company, Oslo Asset Management (formerly Aker Asset Management).

Oslo Asset Management established and has managed the hedge fund AAM Absolute Return Fund since December 2005. Aker's initial fund investment was NOK 231 million, which had grown to NOK 300 million as of 31 December 2010. AAM Absolute Return Fund achieved returns of 0.04 percent on its USD tranche and 1.7 percent on the NOK tranche in 2010.

Financial Investments

Financial Investments (formerly called Treasury) is the third of Aker's three operating segments. The value of Aker's financial investments amounted to NOK 9.6 billion as of year-end 2010, compared with NOK 11.4 billion as of 31 December 2009.

Financial Investments comprises all Aker ASA (parent and holding company) assets other than industrial investments in shares and investments in funds. Segment responsibilities encompass risk and liquidity management on portfolio level; securities investments, which include bonds, shares, and cash equivalents; and interest-bearing receivables from and loans to subsidiaries. Financial Investment also provides general consulting to assist operating companies on financing issues.

Aggregate lending to Aker companies was reduced by NOK 1.4 billion in 2010. Aker sold approximately NOK 1 billion of Aker Solutions bonds. As discussed previously, the refinancing of Aker BioMarine and Aker Drilling were also completed in 2010.

Via wholly owned subsidiaries, Aker owns two vessels operating under long-term bareboat contracts. As of January 2011, the seismic vessel *Geco Triton* is operating under a renewed five-year contract with Western Geco. Aker took delivery of *Aker Wayfarer* in October 2010. The specialized construction vessel is deployed under a ten-year contract for marine operations with a wholly owned subsidiary of Aker Solutions.

Presentation of annual accounts

Aker ASA's annual accounts comprise the following main parts: the income statement, balance sheet, and cash flow statement of the Aker group and its parent company Aker ASA; and the income statement and balance sheet of Aker ASA and holding companies. Aker ASA's consolidated group financial statement has been prepared and presented in accordance with International Financial Reporting Standards (IFRS), as adopted as accounting standards by the EU. The financial statement of the parent

company Aker ASA and the combined financial statement of Aker ASA and holding companies have been prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway.

The balance sheet of Aker ASA and holding companies is emphasized in Aker's in-house and external reporting. This balance sheet shows the aggregate financial position of the companies in the holding company structure, including total available liquidity and net debt relative to the investments in the underlying operational companies. Net asset value (NAV) for Aker ASA and holding companies forms the basis for Aker ASA's dividend policy.

Going concern assumption

Pursuant to section 3-3a of the Norwegian accounting act, the board confirms that the 2010 annual accounts have been prepared based on the assumption that Aker is a going concern. Further, the board confirms that this assumption continues to apply.

Group consolidated accounts

Profit and loss

The Aker group had 2010 operating revenues of NOK 7 527 million, compared with NOK 6 262 million in 2009. Operating revenue growth is largely attributable to the two rigs *Aker Spitsbergen* and *Aker Barents* having entered into operations in 2010. Operating expenses totaled NOK 5 936 million in 2010, compared with NOK 6 158 million in 2009. The reduction in operating expenses is attributable to factors that include cost recognition of oil and gas exploration expenses in Ghana in 2009; these costs were significantly lower in 2010 than in 2009. Operating profit was NOK 284 million in 2010, compared with minus NOK

1 603 million in 2009. Revenue and profit figures for several of the subsidiaries reflect that they are entering an operational phase, although some companies continue to be affected by their ongoing start-up status and investment phase with low revenues.

Depreciation and amortization totaled NOK 1 171 million in 2010, compared with NOK 926 million in 2009. The increase is primarily attributable to the two rigs *Aker Spitsbergen* and *Aker Barents* having entered full operations in 2010 and being depreciated. Net financial items showed an income of NOK 411 million in 2010, compared with expenses of NOK 84 million in 2009. Financial items are characterized by share of profit from the associated companies *Aker Solutions* and *Det norske*, and the 2009 recognition of losses on *American Shipping Company* bonds and the total return swap (TRS) agreement against the underlying *American Shipping Company* shares.

The group's consolidated accounts comprise the following operating segments: Industrial Holdings, Funds, and Financial Investments. Industrial Holdings includes *Aker Solutions*, *Aker Drilling*, *Det norske oljeselskap*, *Aker BioMarine*, and *Aker Clean Carbon*. *Aker Solutions* and *Det norske* are associated companies. Funds comprises *Converto Capital Fund* and *AAM Absolute Return Fund*. *Converto Capital Fund* includes the stock-exchange-listed companies *Aker Seafoods*, *Aker Floating Production*, and *Aker Philadelphia Shipyard*.

The *Aker* group's revenues are largely attributable to companies consolidated under *Converto Capital Fund*, *Aker Drilling*, and *Aker BioMarine*. Other Industrial Holdings portfolio companies are in an ongoing start-up phase with modest revenues or they are associated companies (*Aker Solu-*

tions and *Det norske oljeselskap*) for which *Aker* records its share of the companies' pre-tax profit and minority interests. In the Industrial Holdings segment, a significant increase in operating revenues and operating profit is attributable to *Aker Drilling's* first year with its rigs in operation. In the Funds operating segment, companies organized under *Converto Capital Fund* contributed to the revenue growth and the increase/decrease in operating profits.

Share of profit from associated companies and joint ventures in 2010 amounted to NOK 589 million, financial income amounted to NOK 411 million, financial expenses amounted to NOK 1 009 million, and other financial items totaled NOK 420 million. Pre-tax profit was NOK 695 million in 2010, compared with minus NOK 1 687 million in 2009.

Tax expenses in 2010 were NOK 343 million and profit for the year amounted to NOK 351 million. Annual tax expense reflects that no deferred tax benefit for *Aker ASA* and holding companies has been recognized. In 2009, the tax expense amounted to NOK 522 million, and profit for the year was minus NOK 2 642 million (including profit and loss from discontinued operations of minus NOK 434 million).

Balance sheet and liquidity

Total assets of the *Aker* group amounted to NOK 41 241 million as of 31 December 2010, compared with NOK 41 922 million at year-end 2009. Total non-current assets were NOK 34 138 million as of 31 December 2010, compared with NOK 35 053 million at year-end 2009. The decline is largely related to the sale of interest-bearing long-term receivables, which is partly offset by net investments in fixed operating assets and the establishment of the *Trygg Pharma*

joint venture. The group's total intangible assets, including goodwill, amounted to NOK 841 million as of 31 December 2010; the corresponding year-earlier figure was NOK 1 060 million. Goodwill amounted to NOK 819 million at year-end 2010, down from NOK 906 million as of 31 December 2009. The reduction is attributable to a write-down of goodwill in the subsidiary *Aker Floating Production*. Goodwill has been tested for impairment. With the exception of the aforementioned, the recoverable amount exceeds the book value of identifiable assets. Accordingly, no further write-downs have been made.

As of 31 December 2010, the group had cash and cash equivalents of NOK 5 121 million.

The group's equity ratio was 40 percent at year-end 2010.

Current liabilities amounted to NOK 5 267 million and long-term liabilities totaled NOK 19 649 million in 2010; the corresponding 2009 figures were NOK 5 888 million and NOK 19 505 million, respectively. The group's long-term interest-bearing debt amounted to NOK 17 545 million as of 31 December 2010, compared with NOK 15 463 million at year-end 2009. Long-term interest-bearing debt at year-end 2010 includes NOK 5 302 million in debt owed to *Eksportfinans* and its offsetting item in interest-bearing receivables. The increase in long-term interest-bearing debt in 2010 is largely attributable to the issue of a NOK 1 500 million *Aker Drilling* bond loan and a NOK 1 000 million *Aker ASA* bond issue.

Cash flow statement

The group's net cash flow from operations amounted to NOK 797 million in 2010, compared with NOK 119 million in 2009.

The difference between operating profit before depreciation and amortization NOK 1 591 million and net cash flow from operations is largely attributable to net interest payments and changes in working capital.

Net cash flow from investment activities amounted to NOK 260 million in 2010, up from minus NOK 13 502 million in 2009. Cash flow for 2010 comprises sales of NOK 2 010 million in interest-bearing receivables and a NOK 312 million partial divestiture of subsidiaries, which are offset by factors that include NOK 1 690 million in investments in fixed assets.

Net cash flow from financing activities amounted to minus NOK 275 million in 2010, compared with NOK 11 824 million in 2009. Cash flow for the year from financing activities is largely attributable to dividend disbursements that are partly offset by NOK 290 million in net new loans and NOK 137 million in new equity from *Aker BioMarine* minority interests.

Aker ASA

The parent company *Aker ASA* had a profit for the year of NOK 711 million, compared with NOK 1 683 million in 2009. The 2010 profit is largely attributable to value changes on shareholdings and interest income from loans to group companies. *Aker ASA* values its investments at their year-end values, and in line with its practice in previous years, has adjusted exchange-listed investments to the lower of cost price or closing price as of 31 December.

Information on salary and other remuneration to executive management and compensation guidelines is presented in note 38 to the consolidated accounts.

Assets totaled NOK 29.9 billion as of 31 December 2010, down from NOK 31.8 billion at year-end 2009. The decline is attrib-

utable to factors that include a reduction in long-term receivables. Equity was NOK 16.6 billion, which is on a par with the year-earlier level, and debt totaled NOK 13.3 billion as of 31 December 2010.

A major proportion of Aker's financial exposure is to subsidiaries that have rigs, vessels, and facilities that operate under long-term contracts with sound customers.

Research and development

The parent company had no research and development activities in 2010. Group R&D activities are presented under each operating subsidiary in that company's annual report.

Aker ASA and holding companies

Profit and loss statement

The profit and loss account for Aker ASA and holding companies shows a pre-tax profit of minus NOK 1 983 million for 2010. The corresponding 2009 figure was minus NOK 1 010 million. Aker ASA and holding companies had no operating revenues in 2010. Operating expenses amounted to NOK 214 million in 2010, compared with NOK 229 million in 2009. Ordinary depreciation was NOK 15 million, which is on a par with the year-earlier level.

Net financial items amounted to NOK 645 million in 2010. The net value change on shares amounted to minus NOK 2 399 million and is largely attributable to value changes of Aker's share investments in Aker Drilling, Aker BioMarine, and Det norske. The most important other net financial items comprise a NOK 58 million gain on Aker Solutions bonds, NOK 175 million in dividends received, NOK 254 million in net interest income, and a NOK 42 million income from guarantee provisions.

Tax expense for the year amounted to NOK 421 million, which is almost entirely

attributable to non-recognition of deferred tax assets in the balance sheet. This treatment reflects the uncertainty associated with Aker's ability to eventually benefit from a loss carryforward.

Assets

The gross asset value of Aker ASA and holding companies was NOK 21.4 billion as of 31 December 2010. The corresponding 2009 figure was NOK 22.9 billion.

The value of Aker's Industrial Holdings was NOK 10.2 billion as of 31 December 2010, compared with NOK 10 billion at year-end 2009. The market value of Aker's ownership interest in Aker Solutions rose NOK 5.9 billion or 43 percent in 2010. The investment in Aker Drilling dropped 50 percent in value to NOK 1.8 billion in 2010, as discussed previously in this annual report. The market value of Aker's investment in Det norske declined 20 percent to NOK 1.2 billion in 2010. Aker BioMarine's share price declined 28 percent in 2010. As a result of Aker's NOK 740 million share issue participation, Aker's share investment in the biotechnology company rose from NOK 777 million to NOK 1 202 million at year-end 2010. The value of Aker's share investment in Aker Clean Carbon increased by NOK 52 million in 2010.

The value of Aker's funds investments in AAM Absolute Return Fund and Convento Capital Fund increased by a total of 3.9 percent to NOK 1.6 billion in 2010. The most significant of the value changes is attributable to Aker placing additional funds in Convento Capital Fund and net value growth of the fund's investments.

The value of Aker's financial investments amounted to NOK 9.6 billion as of year-end 2010, compared with NOK 11.4 billion as of 31 December 2009. At the close of 2010, a

total of NOK 5.5 billion had been loaned on market terms to subsidiaries and associated companies, compared with NOK 6.9 billion as of 31 December 2009. The largest such engagements are NOK 3.1 billion in loans and bonds associated with Aker's Industrial Holdings companies. Additional loans totaling NOK 1.8 billion have been extended to companies in Convento Capital Fund's financial investments portfolio.

Aggregate lending to Aker companies was reduced by NOK 1.4 billion in 2010. Aker sold approximately NOK 1 billion of Aker Solutions bonds. Aker BioMarine and Aker Drilling were refinanced in 2010. Aker's net NOK 0.5 billion receivable from Aker BioMarine was repaid. As part of the refinancing of Aker Drilling, Aker redeemed NOK 181 million in convertible bonds. Aker subscribed to approximately NOK 170 million of the new NOK 1.5 billion listed bond loan. Cash and cash equivalents increased in 2010 and amounted to NOK 2.9 billion at year-end. Intangible and fixed non-interest-bearing assets were reduced from NOK 0.9 billion to NOK 0.3 billion. The decline is partly attributable to a NOK 0.2 billion reclassification of a vessel investment into interest-bearing fixed assets and partly to a deferred tax benefit that is not recognized in the balance sheet.

Debt and net asset value

Gross interest-bearing debt was reduced from NOK 2.9 billion to NOK 2.6 billion in 2010. In the first six months of the year, debt was reduced through the NOK 214 million redemption of AKER01 bonds and NOK 262 million (USD 41 million) debt repayment associated with Sea Launch guarantee commitments. In the third quarter of 2010, debt to non-group lenders declined by an additional NOK 85 million, largely through the redemption of a bond loan. In

the fourth quarter of 2010, the final USD 42 million guarantee was paid to Sea Launch creditors. In November 2010, Aker placed a five-year unsecured NOK 1 billion bond loan in the market, and as part of the placement, Aker redeemed approximately NOK 220 million of the AKER02 fixed-interest loan – an unsecured bond loan with maturity in March 2012.

Net asset value and future available liquidity at Aker ASA and its holding companies are key performance indicators at Aker and play an important role in assessing Aker's financial position. The company's dividend policy is based on the net asset value of Aker ASA and holding companies and other factors influencing dividend capacity.

Net asset value (NAV) of Aker ASA and holding companies as of 31 December 2010 was NOK 18.4 billion, compared with NOK 19.5 billion at year-end 2009. In calculating net asset value, the lower of market value or cost price is used for exchange-listed shares. The same principle applies to determining the value of fund shares. At Convento Capital Fund, the value of unlisted shares is measured based on the principles found in "International Private Equity and Venture Capital Valuation Guidelines." Book value is used for other assets.

Management model and corporate governance

It is a goal for Aker to create the greatest possible value for its shareholders over time. Sound corporate governance results in effective management processes that are vital to the success of an industrial investment company such as Aker.

Aker's main shareholder, TRG, via its main owner, Kjell Inge Røkke, participates intensively in Aker's development. Aker's board chairman, Mr. Røkke, along with the

company's president and CEO and its CFO constitute, for all practical purposes, Aker ASA's day-to-day management team.

In 2010, Aker has streamlined and clarified its management model and strengthened its follow-up of individual industrial investments. In charge of the monitoring and follow-up of each investment is a dedicated investment manager. Aker's investment managers also assist Aker's representatives on company boards. Aker is concerned about maintaining corporate transparency and thus facilitates a review of overall corporate ownership plans and objectives by the board of each company. Convento Capital Fund adheres to the same principles for follow-up of the operating companies for which it is responsible and the investments of Convento Capital Fund.

Aker has gradually increased the level of detail in its external financial reporting. The main emphasis is on Aker ASA and its holding companies, as this provides the most relevant financial portrayal for shareholders, investors, creditors, and other interested parties. The goal is that such improved transparency will contribute to greater understanding of the company's financial development and value drivers, and facilitate assessments of the company's shareholder value.

The board of directors has reviewed and updated the company's corporate governance policy in light of the recommendations in the Norwegian Code of Practice for Corporate Governance, which were published in a revised version in October 2010. Aker's practice largely complies with the Code's recommendations. Deviations from the recommendations are also discussed in the corporate governance presentation on page 123 of this annual report and on the company's website: www.akerasa.com.

Financial and risk management

Aker has long-standing traditions of industrial risk taking. The company has evolved over several market cycles and its values have modified in step with underlying market changes and portfolio company-specific issues. As presented in their respective balance sheets and notes to the accounts, both the Aker group and Aker ASA and holding companies are exposed to share-price risk, currency and interest rate risk, market risk, credit risk, and operational risk at its underlying companies. Management of operational risk primarily takes place at the underlying operating companies, but with Aker as an active driver through its participation on the boards of the companies.

Aker intends to remain robust in relation to short-term value fluctuations, and thus adheres to a conservative financial policy. The balance sheet of Aker ASA and holding companies as of 31 December 2010 shows an equity ratio of 77.9 percent and net interest-bearing receivables of NOK 6.1 billion. Gross debt amounted to a modest NOK 2.6 billion.

Aker has prepared financial guidelines that further strengthen monitoring and follow-up of financial risk issues. Key performance targets have been identified and are monitored closely. In 2010, a finance committee was appointed to focus particularly on issues and decision-making associated with financial investments. For further information on the company's risk management, see the presentation on corporate governance on pages 123–127 of this annual report.

Handling financial market exposure, including currency, interest, and liquidity risk is discussed in greater detail in note 2 to the consolidated accounts.

Business and society

Aker is committed to being an attractive employer and preferred partner for employees and business associates, and a well-respected member of society. Profitability is vital to achieving these objectives. Aker's most important contribution to society is to develop operating companies that create value. As a significant owner in numerous companies, Aker promotes sustainable and responsible businesses driven by excellent financial performance and high standards of corporate social responsibility.

Aker recognizes that the company's reputation is established by more than its business activities. Key, too, are the services, products, and financial results delivered by its underlying companies and their employees. How Aker performs in its deliveries is also important. Long-term, mutually beneficial relations with society at large are vitally important for achieving lasting value.

Aker is concerned with maintaining openness, honesty, and integrity in relations with its various stakeholders. The goal is to establish, maintain, and further develop trusting relations. Aker does not spend company resources on funding political parties or their supporters. Pertinent information about Aker is available from the company's website. Prominent on the company's website is "Tell Aker" – an online channel for reporting critical issues, including suspected breaches of guidelines or violations of law.

The operations of the parent company Aker ASA do not significantly affect the external environment. The company rents its headquarters in central Oslo, Norway.

Group companies operate two drilling rigs; a floating production, storage, and offloading vessel; and 18 vessels of various sizes. The operation of all of the aforementioned

relies on fossil fuels (diesel and natural gas) for onboard energy production. No material accidental emissions from these operations to air or sea were reported in 2010.

Our employees

In 2010, Aker evaluated and renewed a three-way international framework agreement with the Norwegian United Federation of Trade Unions (Fellesforbundet) and the International Metalworkers' Federation (IMF). Under the agreement, Aker commits to respect and support fundamental human rights and union rights in the societies in which the company works. These principles are delineated in the United Nations' Declaration of Human Rights, OECD guidelines for multinational corporations, and the ILO's Declaration on Fundamental Principles and Rights at Work.

For generations, Aker has cooperated closely with employee organizations. Employee representatives participate in key decision-making processes, in part through board representation. Aker ASA has partnered with its employees and those of Aker Solutions and Aker Seafoods to establish a European Works Council. In addition, the company's Norwegian trade unions hold annual union representatives' conferences and maintain working committees at each main company.

The parent company Aker ASA had a total of 49 employees as of 31 December 2010. The company supports diversity and prioritizes equal treatment of men and women, ethnic minorities, seniors, and individuals with disabilities. Of the company's employees, 27 are women (53 percent). The group president and CEO, CFO, and board chairman together constitute the company's day-to-day management team; all

three are men. The company strives to provide flexible working conditions so that Aker employment offers opportunities for a good balance between work and leisure through all career phases.

As of 31 December 2010, the number of staff employees and employees at projects at companies directly or indirectly owned by Aker totaled approximately 22 000, of whom about 12 700 worked in Norway. The corresponding figures for the Aker ASA group is 2 704 employees, of whom 1 531 worked in Norway. 27 percent of Aker ASA group employees are women. Aker does not have a central human resources or organizational development unit that works with Aker's underlying companies. This important work takes place independently at each company, and is thus adapted to their specific needs and current strategies. Many group companies are cornerstones of their local communities that recruit locally and play an important role in integrating non-ethnic Norwegians into society.

Aker ASA meets Norwegian regulations pertaining to gender equality on boards of directors. Through dialogue with nomination committee members and its voting at general shareholders' meetings, Aker seeks to ensure that companies owned by Aker

ASA adhere to the same standards.

The sick leave rate among Aker ASA employees in 2010 was 8.1 percent, which corresponds to 799 sick leave days. The corresponding figure for Aker group employees was 4.5 percent. The relatively high sick leave rate at Aker ASA is attributable to a few employees' long-term absence to due illness.

There were 91 reported accidents that led to absence from work at the Aker group in 2010, compared with 109 such accidents in 2009. Aker is the main sponsor of the Norwegian Ski Association's cross-country team; an important aspect of this sponsorship agreement is to focus on physical exercise among employees, sound diet, and motivation to promote health and prevent workplace injuries among employees of Aker, the group, and associated companies. The goal is to reduce sick leave rates.

Allocation of Aker ASA profit for the year

The board of directors will propose a per-share dividend payment of NOK 10 for the 2010 accounting year. The proposed dividend disbursement corresponds to approximately four percent of NAV and thus accords with Aker's dividend policy. Profit for the year of NOK 711 million and transfers

from other equity of NOK 13 million together cover the proposed NOK 724 million dividend disbursement. The company's unrestricted equity after allocations for the proposed dividend payment amounted to approximately NOK 13.6 billion as of 31 December 2010.

Outlook

Rather than diversifying risk by spreading investments across many different industries, Aker is focused on sectors in which the company possesses special expertise. Accordingly, some two-thirds of Aker's assets as of 31 December 2010 are directly or indirectly oil-industry related, whereas seafood, dietary supplements, and nutrition-related businesses amounted to just under ten percent, and cash and cash equivalents comprised 14 percent of assets.

Thus, Aker's growth and development will correlate closely with developments in oil prices and Oslo Stock Exchange share prices. In 2010, oil prices fluctuated between USD 67.53 and USD 94.94 per barrel. The Oslo Stock Exchange benchmark index (OSEBX) varied between 318 and 441 points in the same period. In 2010, the Aker ASA share price underperformed the OSEBX and fell by 13.3 percent while the

OSEBX increased 18.3 percent.

Each of the companies in Aker's portfolio of investments is well positioned to benefit from continued demand growth for sustainable production of energy and food. Each of these market categories is of major importance to the development of Aker's underlying asset values – and Aker is prepared for continued significant volatility in both markets.

Aker's view is that demand for energy will continue to grow over the long term. This will generate demand for the technology products and advanced services delivered by Aker portfolio companies and give rise to long-term favorable market opportunities. The underlying companies' order backlogs and contract portfolios are generally satisfactory. This situation provides predictability as to future income streams and financial soundness. Please note that significant risk is inherent in forward-looking projections.

Aker's strong balance sheet ensures that the company responds robustly to unforeseen operational challenges and short-term market fluctuations. With its balance sheet as a foundation, Aker will continue to drive industrial development with a long-term perspective.

Oslo, 24 February 2011
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Lone Fønss Schrøder (sign)
Deputy chairman

Finn Berg Jacobsen (sign)
Director

Bjørn Flatgård (sign)
Director

Hanne Harlem (sign)
Director

Kristin Krohn Devold (sign)
Director

Kjell A. Storeide (sign)
Director

Atle Tranøy (sign)
Director

Bjarne Kristiansen (sign)
Director

Harald Magne Bjørnsen (sign)
Director

Kristian Pedersen (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Office translation: This translation is for information purpose only. Legal authenticity remains with the original document.

Contents – annual accounts

Aker group

Income statement and total comprehensive income	41	Note 22	Cash and cash equivalents	79
Balance sheet as of 31 December	42	Note 23	Earnings per share and dividend per share and paid-in equity	79
Changes in equity	43	Note 24	Group entities and minority interests	80
Cash flow statement	45	Note 25	Foreign currency exchange rates	82
Notes to the financial statements	46	Note 26	Translation reserve, fair value reserve and hedging reserve	82
Note 1 Accounting principles, basis for preparation, and estimates	46	Note 27	Interest-bearing loans and liabilities	84
Note 2 Financial risk and exposure	53	Note 28	Operational leases	89
Note 3 Acquisition of minority interests and subsidiaries	57	Note 29	Pension expenses and pension liabilities	89
Note 4 Sales of subsidiaries and discontinued operations	57	Note 30	Other interest free long-term liabilities	91
Note 5 Operating segments	59	Note 31	Provisions for loss on contracts	91
Note 6 Wages, personnel expenses and other operating expenses	63	Note 32	Provisions	91
Note 7 Impairment changes and non recurring items	63	Note 33	Mortgage and guarantee liabilities	91
Note 8 Financial income and financial expenses	64	Note 34	Trade and other payables	92
Note 9 Other items	64	Note 35	Financial instruments	92
Note 10 Tax	65	Note 36	Contingencies and legal claims	93
Note 11 Property, plant and equipment	68	Note 37	Transactions and agreements with related parties	94
Note 12 Intangible assets	70	Note 38	Salary and other remuneration to the board of directors, nomination committee, CEO and other employees in Aker ASA's executive team	95
Note 13 Investments in associated companies	73	Note 39	Shares owned by the board of directors, CEO and other employees in the executive team	96
Note 14 Investment in joint ventures	75	Note 40	Government grants	96
Note 15 Other shares	76	Note 41	Events after the balance sheet date	97
Note 16 Interest-bearing long term receivables	76			
Note 17 Other non-current assets	77			
Note 18 Inventory and biological assets	77			
Note 19 Order backlog	78			
Note 20 Trade and other short term interest-free receivables	78			
Note 21 Interest-bearing short term receivables	78			

Aker ASA

Income statement	98
Balance sheet as of 31 December	99
Cash flow statement	100
Notes to the financial statements	101
Note 1 Accounting principles	101
Note 2 Salaries and other personnel expenses	102
Note 3 Gain / loss on sale of shares	102
Note 4 Fixed operating assets	102
Note 5 Shares in subsidiaries and joint venture	103
Note 6 Receivables and other long term financial assets	103
Note 7 Investments in associated companies and other long term investments in shares	104
Note 8 Shareholders equity	104
Note 9 Deferred tax	105
Note 10 Pension costs and pension liabilities	105
Note 11 Debt and other liabilities	106
Note 12 Legal disputes	107
Note 13 Mortgages and guarantee obligations	107
Note 14 Financial market risk	107
Note 15 Reversal/impairment on shares, receivables etc.	108
Note 16 Subordinated debt to group companies	108
Note 17 Cash and cash equivalents	108
Note 18 Events after balance sheet date	108
Note 19 Shares owned by directors/ executives	108
Note 20 Salary and other remuneration to the board of directors, nomination committee, audit committee, the president and other senior executives in Aker ASA	108
Directors' responsibility statement	109
Auditor's report	110

Aker ASA and holding companies

Introduction	111
Income statement	111
Balance sheet as of 31 December	112
Notes to the financial statements	113
Note 1 Operating revenues	113
Note 2 Non recurring operating items	113
Note 3 Dividend received	113
Note 4 Other financial items	113
Note 5 Value change and exceptional financial items	114
Note 6 Tax	114
Note 7 Long term equity investments	114
Note 8 Interest-free long term receivables and other assets	115
Note 9 Other interest-bearing current assets and long term receivables	115
Note 10 Cash and cash equivalents	115
Note 11 Shareholders' equity	116
Note 12 Interest-free debt and liabilities	116
Note 13 Interest-bearing debt	116
Note 14 Risk	117
Auditor's report	118

Income statement and total comprehensive income

Income statement

Continuing operations

Amounts in NOK million	Note	2010	2009
Operating revenue	5	7 527	6 262
Cost of goods and changes in inventory		(2 630)	(2 948)
Wages and other personnel expenses	6	(2 036)	(1 859)
Other operating expenses	6	(1 270)	(1 351)
Operating profit before depreciation and amortization	5	1 591	104
Depreciation and amortization	11, 12	(1 171)	(926)
Impairment changes and other non recurring items	7, 11, 12	(136)	(781)
Operating profit	5	284	(1 603)
Financial income	8	411	812
Financial expenses	8	(1 009)	(1 052)
Share of profit of associated and joint venture companies	13, 14	589	794
Other items	9	420	(638)
Profit before tax	5	695	(1 687)
Income tax expense	10	(343)	(522)
Profit for the year continued operations	5	351	(2 208)

Discontinued operations

Profit for the period from discontinued operations net of tax	4	-	(434)
Result for the year		351	(2 642)

Attributable to:

Equity holders of the parent		64	(2 551)
Minority interests	24	288	(91)
Result for the year		351	(2 642)

Total comprehensive income

Amounts in NOK million	Note	2010	2009
Result for the year		351	(2 642)
Other comprehensive income, net of income tax:			
Changes in fair value of available for sale financial assets		43	(105)
Changes in fair value of cash flow hedges		3	61
Changes in fair value of available for sale financial assets transferred to profit and loss		(23)	216
Currency translation differences		26	(1 425)
Changes in other comprehensive income associated companies		(22)	(514)
Change in other comprehensive income, net of income tax	8	26	(1 767)
Total comprehensive income for the year		378	(4 409)

Attributable to:

Equity holders of the parent		87	(4 065)
Minority interests		291	(344)
Total comprehensive income for the year		378	(4 409)

Average number of shares ²⁾	23	2 367 374	72 367 374
--	----	-----------	------------

Earnings per share

Earnings per share continuing business :

Earnings per share ¹⁾	23	0.88	(30.42)
Diluted earnings per share ²⁾	23	0.88	(30.42)

Earnings per share discontinued business :

Earnings per share ¹⁾	23	-	(4.83)
Diluted earnings per share ²⁾	23	-	(4.83)

Earnings per share:

Earnings per share ¹⁾	23	0.88	(35.25)
Diluted earnings per share ²⁾	23	0.88	(35.25)

¹⁾ Profit attributable to equity holders of the parent / average number of shares.

²⁾ There were no potentially dilutive securities outstanding as of 31 December 2009 and 31 December 2010.

Balance sheet as of 31 December

Amounts in NOK million	Note	2010	2009
ASSETS			
Property, plant and equipment	11	18 794	18 289
Intangible assets	12	1 660	1 966
Deferred tax assets	10	471	673
Investments in associated companies	13	5 295	5 126
Investments in joint venture companies	14	640	-
Other shares	15	594	573
Interest-bearing long term receivables	2, 16	6 357	8 175
Pension assets	29	18	17
Other non-current assets	17	309	234
Total non-current assets		34 138	35 053
Biological assets	18	48	63
Inventories	18	275	350
Projects under construction	19	359	548
Trade receivables, other interest-free receivables and short-term investments in shares	20	1 266	1 505
Derivatives	35	27	19
Interest-bearing short term receivables	21	7	52
Cash and cash equivalents	2, 22	5 121	4 333
Total current assets		7 103	6 869
Total assets	5	41 241	41 922

Amounts in NOK million	Note	2010	2009
EQUITY AND LIABILITIES			
Share capital	23	2 026	2 026
Other paid-in capital		-	-
Total paid-in capital	23	2 026	2 026
Translation and other reserves	26	(314)	(337)
Retained earnings		8 319	8 761
Total equity attributable to equity holders of the parent		10 031	10 450
Minority interests	24	6 295	6 080
Total equity		16 325	16 530
Interest-bearing loans	2, 27	17 545	15 463
Deferred tax liabilities	10	266	259
Pension liabilities	29	163	160
Other interest-free long term liabilities	30	1 548	3 478
Non-current provisions	32	126	144
Total non-current liabilities		19 649	19 505
Interest-bearing short term debt	2, 27	2 073	3 953
Trade and other payables	34	1 374	1 715
Income tax payable	10	36	24
Derivatives	35	16	160
Current provisions	31, 32	1 768	36
Total current liabilities		5 267	5 888
Total liabilities		24 916	25 392
Total equity and liabilities	5	41 241	41 922

Oslo, 24 February 2011
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Lone Fønss Schrøder (sign)
Deputy chairman

Finn Berg Jacobsen (sign)
Director

Bjørn Flatgård (sign)
Director

Hanne Harlem (sign)
Director

Kristin Krohn Devold (sign)
Director

Kjell A. Storeide (sign)
Director

Atle Tranøy (sign)
Director

Bjarne Kristiansen (sign)
Director

Harald Magne Bjørnsen (sign)
Director

Kristian Pedersen (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Changes in equity

<i>Amounts in NOK million</i>	<i>Note</i>	Total paid- in capital	Translation reserve	Fair value	Hedging reserves	Total trans- lation and other reserves	Retained earnings	Total	Minority interests	Total equity
Balance per 31 December 2008	23-26	2 026	1 256	(6)	(73)	1 177	11 513	14 716	6 932	21 648
Profit for the year							(2 551)	(2 551)	(91)	(2 642)
Other comprehensive income (see next page)		-	(1 613)	111	(12)	(1 514)	-	(1 514)	(253)	(1 767)
Total comprehensive income		-	(1 613)	111	(12)	(1 514)	(2 551)	(4 065)	(344)	(4 409)
Transactions with owner, recognized directly in equity:										
Dividend		-	-	-	-	-	(362)	(362)	(81)	(443)
Acquisition own shares in associated companies and new equity in associated company at premium		-	-	-	-	-	4	4	2	6
Total		-	-	-	-	-	(358)	(358)	(79)	(437)
Change in ownership share in subsidiary without loss of control:										
New minority, acquisition of minority		-	-	-	-	-	192	192	(299)	(107)
New minority, acquisition of minority in associated company		-	-	-	-	-	(28)	(28)	(12)	(40)
Issuance shares in subsidiary		-	-	-	-	-	(7)	(7)	60	53
Total		-	-	-	-	-	157	157	(251)	(94)
Sale of shares in Aker Exploration	4	-	-	-	-	-	-	-	(136)	(136)
Sale of shares in subsidiaries		-	-	-	-	-	-	-	(42)	(42)
Balance per 31 December 2009	23-26	2 026	(357)	105	(85)	(337)	8 761	10 450	6 080	16 530
Profit for the year		-	-	-	-	-	64	64	288	351
Other comprehensive income (see next page)		-	11	19	(8)	23	-	23	3	26
Total comprehensive income		-	11	19	(8)	23	64	87	291	378
Transactions with owner, recognized directly in equity:										
Dividend		-	-	-	-	-	(579)	(579)	(123)	(702)
Acquisition own shares in associated companies and new equity in associated company at premium		-	-	-	-	-	-	-	(1)	(1)
Total		-	-	-	-	-	(579)	(579)	(124)	(703)
Change in ownership share in subsidiary without loss of control:										
New minority, acquisition of minority	3, 24	-	-	-	-	-	86	86	(98)	(12)
New minority, acquisition of minority in associated company	24	-	-	-	-	-	(3)	(3)	(2)	(5)
Issuance shares in subsidiary	24	-	-	-	-	-	(9)	(9)	146	137
Total		-	-	-	-	-	73	73	47	120
Balance per 31 December 2010	23-26	2 026	(346)	124	(93)	(314)	8 318	10 031	6 295	16 325

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 and interest rate. 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 recog-

nized 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.

Allocation of other comprehensive income to equity holders of the parent and to minority interests

<i>Amounts in NOK million</i>	Translation reserve	Fair value reserves	Hedging reserves	Total translation and other reserves	Retained earnings	Total	Minority interests	Total equity
2009								
Changes in fair value of available for sale financial assets	-	(105)	-	(105)	-	(105)	-	(105)
Changes in fair value of cash flow hedges	-	-	63	63	-	63	(2)	61
Changes in fair value of available for sale financial assets transferred to profit and loss	-	216	-	216	-	216	-	216
Currency translation differences	(1 326)	-	-	(1 326)	-	(1 326)	(99)	(1 425)
Changes in other comprehensive income from associated companies	(287)	-	(75)	(362)	-	(362)	(152)	(514)
Other comprehensive income 2009	(1 613)	111	(12)	(1 514)	-	(1 514)	(253)	(1 767)

<i>Amounts in NOK million</i>	Translation reserve	Fair value reserves	Hedging reserves	Total translation and other reserves	Retained earnings	Total	Minority interests	Total equity
2010								
Changes in fair value of available for sale financial assets	-	43	-	43	-	43	-	43
Changes in fair value of cash flow hedges	-	-	4	4	-	4	(1)	3
Changes in fair value of available for sale financial assets transferred to profit and loss	-	(23)	-	(23)	-	(23)	-	(23)
Currency translation differences	15	-	-	15	-	15	11	26
Changes in other comprehensive income from associated companies	(4)	-	(11)	(15)	-	(15)	(7)	(22)
Other comprehensive income 2010	11	19	(8)	23	-	23	3	26

Cash flow statement

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
Profit before tax		695	(1 687)
Net interest expenses (+)	8	585	276
Interest paid		(793)	(613)
Interest received		162	300
Sales losses/gains (-) and write-downs	8	(314)	1 142
Change in fair value of financial assets and change in hedge instruments	8	104	446
Depreciation and amortization	11, 12	1 171	926
Share of earnings in associated and joint venture companies	13, 14	(589)	(794)
Dividend received from associated companies	13	286	186
Taxes paid	10	(58)	(59)
Changes in other net operating assets and liabilities		(453)	(4)
Net cash flow from operating activities		797	119
Proceeds from sales of property, plant and equipment	11	49	81
Proceeds from sale of shares and other equity investments	15	21	1 154
Disposals of subsidiary, net of cash disposed	4	312	(191)
Acquisition of subsidiary, including cash acquired	3	(22)	(226)
Acquisition of property, plant and equipment	11, 12	(1 690)	(5 720)
Acquisition of shares and equity investments in other companies	14, 15	(419)	(1 206)
Net cash flow from other investments	16	2 010	(7 394)
Net cash flow from investing activities		260	(13 502)
Proceeds from issuance of long-term interest-bearing debt	27	4 456	14 581
Proceeds from issuance of short-term interest-bearing debt	27	78	26
Repayment of long-term interest-bearing debt	27	(1 961)	(1 771)
Repayment of short-term interest-bearing debt	27	(2 283)	(4 997)
New equity		137	53
Dividends paid		(702)	(443)
Received from associated companies	21	-	4 377
Net cash flow from financing activities		(275)	11 824
Net change in cash and cash equivalents		782	(1 559)
Effects of changes in exchange rates on cash		6	(193)
Cash and cash equivalents as of 1 January		4 333	6 085
Cash and cash equivalents as of 31 December	22	5 121	4 333

Notes to the financial statements

Note 1 Accounting principles, basis for preparation, and estimates

REPORTING ENTITY

Aker is a Norwegian company, domiciled in Norway. The 2010 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.

Aker ASA is listed on the Oslo stock exchange with the ticker "AKER".

BASIS FOR PREPARATION

Statement of compliance

Aker prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and associated interpretations as determined by the EU as of 31 December 2010, Norwegian requirements for disclosure pursuant to the Norwegian accounting act, and applicable stock-exchange laws, rules and regulations in force as of 31 December 2010.

The consolidated financial statements for the 2010 accounting year were approved by the Board of directors on 24 February 2011. The annual accounts will come before Aker's annual shareholders' meeting on 14 April 2011 for final approval. Until such final approval, the board is given the authority to make modifications to the annual accounts.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these consolidated financial statements. To date, based on evaluations, these standards and interpretations are not expected to materially affect reported figures. Nevertheless, the implementation of IFRS 9 Financial Instruments (mandatory from 1 January 2013) may result in certain amendments to the measurement and classification of financial instruments.

Changes in accounting policies

Effective as of 1 January 2010, the group has changed its accounting policies on the following area:

Presentation of investments in jointly controlled operations:

Starting January 1, 2010 joint ventures are accounted for using the equity method. Previously the group's relative share of assets, liabilities, revenue and costs were recorded under the respective items in the financial statements. The composition of investments has been changed somewhat during the year and the company has made a reassessment of how this type of investments should be presented by an investment company such as Aker. On this basis, and in light of expected future changes in accounting standards dealing with joint ventures, Aker has decided to use the equity method of accounting for this type of investments.

This change in accounting method has had no impact on after tax profit and no significant impact on total assets or total liabilities in the balance sheet. Comparative figures have not been recalculated as the effect is viewed as insignificant.

Basis of measurement

These consolidated financial statements have been prepared based on historical cost, with the exception of the following:

- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through profit and loss are measured at fair value
- Available-for-sale financial assets are measured at fair value
- Biological assets are measured at fair value less realization costs.
- The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.
- Stepwise acquisition. Any changes in value on previously held equity interests are recognized in profit or loss.
- Disposal of subsidiaries. When reducing ownership interests in subsidiaries result in loss of control, the remaining investment is measured at fair-value on the date control is lost.

Principles used to determine fair value are described 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. Due to rounding differences there may be some inconsistency between figures and percentages and total lines.

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 tend 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.

Estimates and their underlying assumptions are being continuously assessed. The group's operational companies are operating in different markets, thus being differently affected by the uncertainties characterizing the different markets 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 of the projects. See note 19.

(b) Warranty provisions

Based on past experience, the group has made warranty reserve provisions on completed contracts. Warranty periods typically run for two years. Provisions are presented in note 32.

(c) Intangible assets impairment estimation

In accord with applicable accounting principles, the group performs annual impairment tests to determine whether intangible assets recorded in the balance sheet have suffered any impairment. The estimated recoverable amount is determined based on the present value of budgeted cash flows for the cash-generating unit or estimated sales value. Such determination requires the use of estimates that are consistent with the market valuation of the group. See note 12.

(d) Tax

The group is subject to income taxes in numerous jurisdictions. Significant judgment is required to determine provisions for income taxes worldwide. In the course of ordinary operations there are many transactions and calculations for which the ultimate tax determination is uncertain. See note 10.

(e) Pension obligations

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 obligations 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
- market risk (including currency- and interest risk).

Note 2 and note 35 present information about the group's exposure to each of the above-mentioned risks, the group's objectives, the principles and processes for measuring and managing risk, and the group's capital management.

(g) Contingent assets and liabilities

With extensive worldwide operations, companies included in the group through their activities are sometimes 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 4).

Group accounting and consolidation principles Subsidiaries

Subsidiaries are companies where Aker controls 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 and until control ceases. Wherever necessary, subsidiaries' principles for financial statement preparation are adjusted to ensure compatibility with the group accounting principles.

Investments in associated companies

The group's investment in an associated company is accounted for using the equity method of accounting and is recognized initially at cost. An associated company 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 associated companies. Potential voting rights that may be exercised are considered when assessing whether an entity is under significant influence. Investments include goodwill at acquisition, less accumulated impairment losses. The consolidated financial statements reflect the group's share of profit/loss from operations of the associated company, its share of costs, and its share of equity changes, after restatement to comply 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. If control is achieved by step acquisition, goodwill is measured at the date of acquisition and any changes in value of previously held equity interests are recognized in profit or loss.

Jointly controlled entities

Jointly controlled entities are business entities that the group controls jointly with others via a contractual agreement between the parties. From January 1 2010, joint ventures are accounted for using the equity method and the acquisition cost is recognized as initial value.

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. Acquisitions of minority interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill, gains or losses are recognized as a result of such transactions.

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 include 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 include 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.

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 equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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

Financial statements of group companies whose functional currencies are different from the presentation currency (NOK) are translated to NOK in the following way:

- Balance sheet items are translated at the average exchange rates on the balance sheet date.
- Profit or loss items are translated at the average exchange rates for the period (if the average exchange rates for the period does not provide a fair estimate of the transaction rate, the actual transaction rate is used).

Translation differences that arise from translation of net investments in foreign activities and from related hedging objects, are specified as translation differences in other comprehensive income and are specified 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 are recognized in other comprehensive income as a translation differences.

Transactions with related parties

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

Financial instruments

Non-derivative financial instruments

The group initially recognizes loans and receivables and deposits on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the finan-

cial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for sale financial assets. The group has no held-to-maturity financial assets.

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

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Held-to-maturity financial assets

The group has no held-to-maturity financial assets at year end.

If the group has the positive intent and ability to hold debt securities to maturity, then such financial

assets are classified as held-to-maturity. Held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see separate paragraph). When an investment is derecognized, the cumulative gain or loss in the fair value reserve is transferred to profit or loss.

Non-derivative financial liabilities

The group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Compound financial instruments

Convertible bonds

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest and gains and losses relating to the financial liability are recognized in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognized on conversion.

Derivative financial instruments, including hedge accounting

The group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

On initial designation of the hedge, the group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in fair value for embedded derivatives that can be separated from the host contract are recognized immediately in profit and loss.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. The amount recognized in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognized. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognized immediately in profit or loss. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

Changes in the fair value of derivatives designated as fair value hedges are recognized in profit or loss. The hedged object is valued at fair value with respect to the risk that is hedged. Gain or loss attributable to the hedged risk is recognized in profit and loss and the hedged object's carried amount is adjusted.

Economic hedge – derivatives not part of hedge accounting

These derivatives are measured at fair value and all changes in value are recognized in profit and loss.

Hedging of net investments in foreign operations

Foreign currency differences arising from the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized in other comprehensive income to the

extent that the hedge is effective, and are presented within equity in the translation reserve. To the extent that the hedge is ineffective, such differences are recognized in profit or loss. When the hedged part of a net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.

Translation reserve

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

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 or loss 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 comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired.

Property, plant, and equipment

Recognition and measurement

Acquisition costs for an item of property, plant and equipment are recognised as an asset if it is probable that the future economic benefits embodied within the part will flow to the group, and its cost can be reliably measured.

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 labour, 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:

Rigs, vessels, airplanes, etc.	10-30 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 recognized using the acquisition method. Goodwill represents values arising from the acquisitions of subsidiaries, associates, and jointly controlled entities. Goodwill is allocated to cash-generating units and is tested annually for impairment. For associated companies, the carrying amount of goodwill is included in the carrying amount of the investment in the associated company. Negative goodwill arising on an acquisition is recognized directly in the profit and loss account.

Resulting from the implementation of IFRS 3 (revised), minority interests can be measured at the net value of identifiable assets and liabilities in the acquired or at fair-value, including a goodwill element. Method of measurement is decided upon on each acquisition.

Goodwill after IFRS 3 is measured as a residual at the acquisition date and constitutes the sum of:

- Total consideration transferred in relation to the business combination
- The carrying amount of the minority interests
- Fair value of previous interest in the acquired at the time of acquisition, less the net recognized amount (normally fair value) of the identifiable assets acquired and liabilities assumed.

Acquisition of minority interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognized as a result of such transactions.

In subsequent measurements goodwill is valued at acquisition cost, less 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 recognized at cost less accumulated amortization and impairment losses.

Other intangible assets

Other acquired intangible assets (patents, trademarks and other rights) are recognized 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. See note 12 for measurement of fishing licenses.

Leasing agreements (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. Finance expenses are recognized as finance costs over profit or loss.

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

Biological assets (live fish) are normally carried in the balance sheet at fair-value less realization costs. Aker estimates fair-value of biological assets based on the market value of harvested trout at the reporting date.

Valuation of live fish below harvest weight are based on the same principles, but is adjusted in relation to how far it has come in the growth-cycle. Value is not set below cost, unless there is an expected loss on future sale. Other biological assets (roe, spawn, fry) are valued at cost as little biological transformation has occurred.

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 labour 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 of 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 current provisions.

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 projects under constructions in the balance sheet. Advances from customers are de-

ducted 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 offests are classified as trade and other payables.

Impairment*Financial assets*

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

Non-financial assets

The carrying amounts of the group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is esti-

mated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that 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 into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", CGU).

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is 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.

Principles for 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.

Sale of goods

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.

Rendering of services

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.

Income from charter agreements

Revenues related to vessel bareboat charter agreements are recognized over the charter period. Time-charter agreements may contain 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.

Financial income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income is recognized in profit or loss on the date that the group's right to receive payment is established, which in the case of quoted securities are the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

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 the 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 disposal or when the operation meets the criteria to be classified as held for sale.

Profit or loss from discontinued operations (after tax) are reclassified and presented as a separate line item in the financial statement. The comparative income statement is restated accordingly.

Dividends

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 deduc-

tion 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

Aker implemented IFRS 8 Operating Segments in 2009. IFRS 8 defines operating segments based on the group internal management- and reporting-structure. The group's chief operating decision maker, responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the board of directors, the group president and CEO and the CFO. The group activities are split between three main segments; industrial holdings, funds and other business (including financial investments).

The primary focus for businesses within industrial holdings is long term value creation. Businesses within funds are monitored as a portfolio with an opportunistic view on financial and strategically opportunities. Recognition and measurement applied to segment reporting are consistent with the accounting principles applied when preparing the financial statement.

Transactions between segments are conducted at market terms and conditions.

Comparative segment information is usually re-presented for changes in reporting segments. See note 5 Operating 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.

Biological Assets

Estimated fair-value of biological assets is based on market value of harvested trout at the reporting date. Valuation of live fish below harvest weight are based on the same principles, but is adjusted in relation to how far it has come in the growth-cycle. Other biological assets (roe, fry, spawn) are valued at cost as little biological transformation has occurred.

Investments in equity and debt securities

Listed securities:

Fair value of listed securities is set to share price (current ask price) on the reporting date for liquid securities.

Unlisted securities

Several valuation techniques are employed when measuring the fair value of unlisted securities. Where there has been a recent arm's length transaction in the security in question, the value is based on the transaction price. If there has been no recent arm's length transaction, the value of the company is deducted from a relative valuation of comparable listed companies, adjusted for individual characteristics such as differences in size and selection between comparable companies. Another method of valuation employed is to discount estimated future cash-flows to present value, using a market based discount rate before tax. Other valuation methods than the ones described above are also used in cases where they are determined to better reflect the fair value of an unquoted investment.

Converto Capital Fund measures the value of unlisted securities using the principles from "International Private Equity and Venture Capital Valuation Guidelines".

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 the observed market price of contracts with similar remaining time to maturity on the reporting date.

The fair value of interest rate swaps is based on the present value of future cash flows, calculated based on observable market rates and exchange rates on the reporting date, including accrued interest.

Non-derivative financial liabilities

Fair value is determined for disclosure purposes. The fair value of liquid listed bonds is based on quoted market prices, while the fair value of other liabilities is calculated based on the present value of future cash flows of principal and interest, discounted at the market rate of interest at the reporting 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 Financial risk and exposure

Financial risk

The Aker group consists of various operations and companies that are exposed to different types of financial risk including credit-, interest- and currency risk. The group uses different financial instruments to actively manage its financial exposure. The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Aker's financial results. The group is using different financial instruments to actively manage 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 of Aker's finance policy is to secure financial headroom both on a short- and long term basis to be able to achieve strategic

goals. Aker wants to maintain a strong capital base and aims at a conservative investment strategy with minimal risk. The investments need to be liquid.

During 2010 Aker ASA has further focused and simplified the organization of its business activities. The previous business segment "Treasury" has been cultivated and now has the responsibility for borrowing, interest and currencies. A new segment has been established for financial investments with a focus on all assets including cash. This has been done to increase the focus and follow-up on Aker's receivables from related companies. Through active ownership, Aker aims at making each company in the portfolio independent and robust. Financially, this implies that Aker will seek to invest in shares only and that each underlying company must obtain funding from external sources, whenever it is ready to do so. Aker will cultivate its profile as owner by eventually withdrawing from lending.

Target rate of return for the industrial holdings is currently 12%, and for funds 6-12% dependent on the funds risk profile. For the financial investments

portfolio target return will depend on the size of cash reserves and the risk profile of the receivables.

The foundation of Aker ASA's dividend policy is that the company at any given time should have a solid balance sheet and liquid reserves that are sufficient to deal with future liabilities. The company aims to pay annual dividends corresponding to 2-4 per cent of net asset value (value adjusted). In calculating asset value market price for listed companies is used.

Aker ASA and holding companies have also issued bonds in the Norwegian capital market.

Credit risk

The managements of the main companies have developed their own policies and guidelines to 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 deposits and cash, trade and other receivables, derivatives and investments in shares. The group's maximum exposure to credit risk is mainly related to

trade 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 requesting credit over a certain amount

Transactions involving derivative financial instruments are with counterparties with sound credit-ratings and with whom the group has a signed netting agreement as well. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. The maximum exposure to credit risk at the reporting date was:

2010 Maximum exposure to credit risk

Amounts in NOK million	Note	Classified as held for trading	Designated at fair value through profit and loss	Available for sale financial assets	Receivables at amortized cost	Derivatives qualified for hedge accounting	Investments held until maturity	Cash and bank deposits	Total
Shares and interests in other companies	15	-	-	593	-	-	-	-	593
Financial interest-bearing non-current assets	16	-	-	645	147	-	-	5 564	6 356
Other non-current assets incl. long term derivatives	17	2	-	-	81	-	-	-	83
Projects under construction	19	-	-	-	359	-	-	-	359
Trade receivables, other interest-free short term receivables and share investments	20	-	-	9	1 057	-	-	-	1 066
Current derivatives	35	17	-	-	-	10	-	-	27
Interest-bearing short term receivables	21	-	-	-	7	-	-	-	7
Cash and cash equivalents	22	-	-	-	-	-	-	5 121	5 121
Total		19	-	1 247	1 651	10	-	10 685	13 613

2009 Maximum exposure to credit risk

<i>Amounts in NOK million</i>	<i>Note</i>	Classified as held for trading	Designated at fair value through profit and loss	Available for sale financial assets	Receivables at amortized cost	Derivatives qualified for hedge accounting	Investments held until maturity	Cash and bank deposits	Total
Shares and interests in other companies	15	7	-	566	-	-	-	-	573
Financial interest-bearing non-current assets	16	-	-	1 610	152	-	-	6 413	8 175
Other non-current assets incl. long term derivatives	17	15	-	-	53	-	-	-	68
Projects under construction	19	-	-	-	548	-	-	-	548
Trade receivables, other interest-free short term receivables and share investments	20	19	-	-	1 221	-	-	-	1 240
Current derivatives	35	1	-	-	-	18	-	-	19
Interest-bearing short term receivables	21	-	-	-	52	-	-	-	52
Cash and cash equivalents	22	168	-	-	-	-	-	4 165	4 333
Total		210	-	2 176	2 026	18	-	10 578	15 008

Derivatives under financial assets classified as held for trading through profit and loss in 2010 (2009) consist of NOK 17 million (NOK 1 million) in currency contracts and NOK 2 million (NOK 15 million) in interest rate swaps and interest swaps options.

Trade receivables are allocated by company as follows:

<i>Amounts in NOK million</i>	2010	2009
Industrial holdings:		
Aker Drilling	319	178
Aker BioMarine	59	23
Funds:		
Aker Philadelphia Shipyard	1	1
Aker Seafoods	280	236
Ocean Harvest	11	37
Aker Floating Production	27	168
Other companies	10	43
Total trade receivables	707	686

Aker Seafoods enters into credit insurance agreements for all requiring credit in excess of NOK 100 000. Bad debt expense in Aker Seafoods in relation to sales were approximately 0.4 percent and 0.06 percent in 2010 and 2009 respectively.

Maximum exposure to credit risk for trade receivables at reporting date by type of customer:

<i>Amounts in NOK million</i>	Net trade receivables 2010	Net trade receivables 2009
Wholesale and industrial customers	595	557
Retail customers	93	109
End-user customers	11	7
Other	8	13
Total trade receivables	707	686

The aging of trade receivables and provisions for impairment loss are as follows:

<i>Amounts in NOK million</i>	Gross trade receivables 2010	Provision for impairment loss 2010	Gross trade receivables 2009	Provision for impairment loss 2009
Not past due	572	(7)	351	-
Past due 0-30 days	87	(2)	166	(1)
Past due 31-120 days	34	(5)	150	(2)
Past due 121 - 365 days	14	(9)	15	(1)
Past due more than one year	36	(14)	39	(34)
Total trade receivables	744	(36)	723	(38)
Recognized impairment loss		(34)		(41)

The recognized impairment loss on trade receivables is included in other operating expenses in the profit and loss statement.

Liquidity risk

Liquidity risk is the risk that the group will be unable to fulfill 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.

Overview of contractual maturities of financial liabilities, including estimated interest payments specified per category of interest-bearing liabilities:

Amounts in NOK million	2010 Contractual cash flows incl. estimated interest payments						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured bank loans	15 154	(17 184)	(1 228)	(1 271)	(2 472)	(7 629)	(4 583)
Unsecured bank loans	853	(1 050)	(27)	(27)	(53)	(943)	-
Unsecured bond issues	3 304	(4 603)	(103)	(135)	(933)	(3 329)	(102)
Finance lease liabilities	28	(33)	(2)	(7)	(4)	(10)	(10)
Other long term liabilities	46	(55)	(1)	(1)	(45)	(3)	(5)
Credit facilities	43	(43)	(13)	(30)	-	-	-
Other short term liabilities	97	(100)	(61)	(13)	(27)	-	-
Construction loan	93	(96)	-	(96)	-	-	-
Total contractual cash flows for interest-bearing liabilities	19 618	(23 164)	(1 435)	(1 580)	(3 535)	(11 914)	(4 700)
Short term derivative financial liabilities	16						
Trade and other payables	3 178						
Long term derivative financial liabilities	155						
Long term interest-free liabilities	1 949						
Total liabilities	24 916						

Trade payables and other short term liabilities include a discounted obligation of NOK 1 744 million (put option on shares in Aker Holding) that Investor and Saab has on Aker ASA. The first date on which the put may be exercised is June 30. 2011. Long term interest-free liabilities include NOK 1 218 million in deferred revenue.

Short term derivative financial liabilities in 2010 consist of NOK 3 million in currency contracts and NOK 13 million in interest rate swaps. Long term derivative financial liabilities consist of NOK 155 million in interest swap agreements. The interest rate swap agreements are related to hedge accounting.

Amounts in NOK million	2009 Contractual cash flows incl. estimated interest payments						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured bank loans	15 532	(18 039)	(1 253)	(1 252)	(2 306)	(7 904)	(5 323)
Unsecured bank loans	855	(950)	(9)	(9)	(19)	(902)	(10)
Unsecured bond issues	1 496	(1 690)	(593)	(66)	(59)	(972)	-
Convertible loans/bonds	592	(621)	-	(621)	-	-	-
Finance lease liabilities	33	(37)	-	(4)	(9)	(10)	(14)
Other long term liabilities	488	(495)	(237)	(237)	(4)	(5)	(13)
Credit facilities	83	(85)	(52)	(33)	-	-	-
Other short term liabilities	60	(63)	(63)	-	-	-	-
Construction loan	276	(282)	-	(282)	-	-	-
Total contractual cash flows for interest-bearing liabilities	19 416	(22 262)	(2 208)	(2 505)	(2 396)	(9 793)	(5 360)
Short term derivative financial liabilities	160						
Trade and other payables	1 775						
Long term derivative financial liabilities	164						
Long term interest-free liabilities	3 877						
Total liabilities	25 392						

Currency risk

Aker operates in the international markets which leads to various types of currency exposure for the group. Currency risks arise through ordinary, future business transactions, capitalized assets and liabilities and when such transactions have been made against payment in a currency other than the functional currency of the respective company. In addition, currency risk may arise

from investments in foreign subsidiaries. The group is mainly exposed to the U.S. dollar (USD).

The table below illustrates Aker group's sensitivity to translation differences. If the Norwegian Krone had been 10% stronger through 2010, the effects in the consolidated financial statement would have been as shown in table:

Amounts in NOK million	Operating revenue	Profit before tax	Equity
USD	4 319	125	5 156
Other currencies	1 263	27	269
NOK	1 946	542	10 901
Total	7 527	695	16 325
Change if NOK 10% stronger	(558)	(15)	(542)
Aker when NOK 10% stronger	6 969	679	15 783

The operative companies in the group have prepared guidelines for management of currency risks. The currency policy of Aker ASA defines levels for the hedging of expected future cash flows and is being implemented by the company's treasury department. The company is utilizing currency forward contracts and currency option contracts to reduce currency exposure.

Below is a description by main company, of the currency risks facing the Aker group.

Industrial holdings:*Aker Drilling*

The functional currency of Aker Drilling is USD. The company faces currency risks related to sales, purchases and loans in currencies other than USD.

The currency risk is mainly related to NOK. At 31 December 2010 Aker Drilling has an option to purchase USD 100 million at NOK 6.02 on date of maturity which is May 14. 2013. The option has a barrier of NOK 7.25. If the spot price at the date of maturity is equal to or higher than the barrier then the option is automatically activated.

Aker BioMarine

The company operates an international business and is exposed to currency risks, mainly through fluctuations in the USD, EUR and NOK, which is due to commercial transactions in currencies other than the companies' functional currencies.

Aker BioMarine attempts, to the extent possible, to have an economic currency hedge with

revenues and costs in the same currency. Future cash flows are estimated and netted. The company considers on an ongoing basis the need for foreign exchange hedge contracts. Any foreign exchange contract normally needs the boards approval. Aker BioMarine ASA is managing foreign currency risk at the corporate level and any foreign exchange exposure of its subsidiaries is managed either through hedge contracts or financing through Aker BioMarine ASA.

Aker BioMarine does not utilize hedge accounting under IAS 39 Financial Instruments. Changes in exchange rates will influence the translation of income statement and balance sheet items of foreign subsidiaries, as well as other financial instruments in foreign currency such as cash, receivables, debt and derivatives.

Aker BioMarine had no currency derivatives at 31 December 2010 or 31 December 2009.

Funds (subsidiaries):*Aker Philadelphia Shipyard*

The functional currency in Aker Philadelphia Shipyard is the USD. The company is facing currency risks related to sales, purchases and loans in currencies other than the USD. Currency risk is mainly related to EUR, NOK and KRW (Korea).

Per 31 December 2010 the Aker Philadelphia Shipyard group has no currency derivatives.

Aker Floating Production

The functional currency in Aker Floating Production is the USD. The company faces currency

risks related to sales, purchases and loans in currencies other than the USD.

The currency risk is mainly related to NOK. Aker Floating Production has no currency derivatives as per 31 December 2010 or per 31 December 2009..

Aker Seafoods

The group incurs currency risk on sales denominated in currencies other than NOK. The group mainly has exposure related to EUR, GBP, SEK, DKK and USD.

Approximately 50 percent of all receivables in EUR and GBP are hedged and approximately 50 percent of anticipated sales the subsequent 12 months are also hedged at all times. Forward foreign exchange contracts are used for hedging the

foreign currency risks. 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 a risk acceptable level by buying and selling foreign currency at spot rate when it is necessary to manage a short term imbalance.

As of 31 December 2010 Aker Seafoods group's portfolio of currency derivatives consists of the following currencies and maturities. Amounts indicated represent the underlying nominal amounts and fair value. The value of the hedging contracts at 31 December 2010 is NOK 17 million.

Amounts in NOK million	2011	After 2011	Total
Sell EUR	319	-	319
Sell GBP	54	-	54
Sell USD	8	-	8
Total sell	381	-	381

Buy EUR	13	-	13
Buy GBP	-	-	-
Total buy	13	-	13

Ocean Harvest

Ocean Harvest incurs currency risk on sales denominated in currencies other than NOK. The company mainly has exposure related to JPY and USD.

Amounts in NOK million	2011	After 2011	Total
Sell JPY	119	-	119
Total sell	119	-	119
Buy USD	118	-	118
Buy NOK	-	-	-
Total buy	118	-	118

Other companies:*Aker ASA*

Aker ASA has hedged USD 31 million through forward contracts and convertible forwards (European). USD 10 million have been sold forward with maturity in the period 2011-2013. In addition convertible forwards (Europeans) of USD 21 million have been agreed. A convertible forward is two options with the same strike, one purchased put option and one sold call option. The convert-

ible has an upper and a lower barrier (ceiling/floor). If the spot rate breaches the upper barrier at maturity then the lower barrier is activated.

In 2010 the group has a net foreign exchange gain/ -loss of NOK 34 million on foreign exchange forward and currency options contracts. This is primarily related to USD hedging in Aker ASA and Aker Drilling.

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. Securities issued at fixed rates expose the group to fair value interest risk. The group's exposure to inter-

est risk is evaluated on an ongoing basis. Interest swap agreements are used to achieve a desired mix of fixed and floating interests.

At 31 December 2010 the interest rate profile of the group's interest-bearing financial instruments was as follows:

Amounts in NOK million	2010	2009
Fixed rate instruments:		
Financial assets	6 347	8 213
Financial liabilities	(9 548)	(12 101)
Net fixed rate instruments	(3 201)	(3 888)
Variable rate instruments:		
Financial assets	5 138	4 347
Financial liabilities	(10 069)	(7 315)
Net variable rate instruments	(4 932)	(2 968)
Net interest-bearing debt (-) / asset (+)	(8 133)	(6 856)

Fair value sensitivity analysis for fixed rate instruments

The group does not recognize 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 -155 million) as

hedge for a credit facility. A change in interest rates at the reporting date would not affect profit or loss for these but show up as a change in the fair value of the hedge reserve in the group statement. 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. The Aker group in 2010 had an income of NOK 137 million related to interest rate derivatives.

Note 3 Acquisition of minority interests and subsidiaries

During 2010 Aker acquired NOK 22 million in minority interests. This led to a further reduction in minority interests of NOK 108 million and a net increase in controlling interest of NOK 86 million recognized directly in equity and attributed to equity holders of the parent company.

yard and increased its ownership share from 50.3% to 67.1%.

Other acquisition of minority interests mainly is attributable to Oslo Asset Managements purchase of 49.9% of the shares in a subsidiary. Oslo Asset Management thereby increased its ownership in the subsidiary from 50.1% to 100%.

Acquisitions:

The subsidiary Convento Capital Fund acquired 16.8% of the shares in Aker Philadelphia Ship-

Amounts in NOK million	16.8% in Aker Philadelphia Shipyard	Other	Total
Acquisition cost	6	16	22
Change in minorities	(106)	(2)	(108)
Recognized in equity	100	(14)	86

Total acquisition cost is NOK 22 million.

Note 4 Sales of subsidiaries and discontinued operations

Downward sales in Trygg Pharma AS and Natural Nutrition Development AS in 2010

In November 2010 Aker BioMarine, a subsidiary of Aker ASA, transferred its subsidiary Trygg Pharma AS, including the shares in Trygg Pharma Inc, and Natural Nutrition Development AS to the newly founded company Trygg Pharma Holding AS. Trygg Pharma Holding AS is a joint venture owned by Aker BioMarine ASA and Lindsay Goldberg Pharmanutra BV. The downsale in Trygg Pharma Holding to 50% means a loss of control of Trygg Pharma AS and Natural Nutrition Development AS. After November 2010, the groups stake in Trygg Pharma Holding AS is valued using the equity method (see note 14).

The two businesses that were sold to Trygg Pharma Holding consisted of production technology, a factory in Hovdebygda, Norway, including production equipment and property as well as current assets. Through the partnership agreement with Lindsay Goldberg Pharmanutra BV the businesses were sold to Trygg Pharma Holding for up to NOK 560 million. The final compensation of up to NOK 280 million depends on whether Trygg

Pharma achieves up to 5 milestones, of which the first one was reached in the fall of 2010 and resulted in a payment of NOK 25 million from Lindsay Goldberg. On the basis of this agreement, the management of Aker BioMarine has estimated the fair value of the compensation to be NOK 430 million at the time of transaction. The fair value of the compensation implies that Aker has recorded a gain of NOK 393 million in its profit and loss account.

Sale of Pesquera Ancora in 2010

In December 2010 the subsidiary Aker Seafoods sold the Spanish trawler company Pesquera Ancora for NOK 156 million. The book value of the company was NOK 132 million resulting in a gain of NOK 24 million.

Sales of other companies in 2010

In addition to Pesquera Ancora and Trygg Pharma Holding, Aker has sold other business for a total of 9 million resulting in a gain of NOK 3 million in 2010.

Amounts in NOK million	Trygg Pharma Holding	Pesquera Ancora	Other companies	Total
Property, plant and equipment	25	54	111	190
Immaterial assets	30	126	-	157
Inventory and short term interest free receivables	6	7	1	14
Bank deposits	4	7	8	18
Total assets	65	194	120	380
Interest bearing long term debt	2	-	9	11
Interest bearing loans - internal	17	-	105	122
Deferred tax	-	56	-	56
Other liabilities	9	6	-	15
Total liabilities	29	62	114	205

Calculation of gains on sale of subsidiaries:

<i>Amounts in NOK million</i>	Trygg Pharma Holding	Pesquera Ancora	Other compa- nies	Total
Fair value compensation payment	430	156	9	595
Total assets transferred	(65)	(194)	(120)	(380)
Total liabilities transferred	29	62	114	205
Gains on sale (see note 9)	393	24	3	420
Gain on sale of discontinued operations is related to:				
Fair value adjustment of remaining ownership interest (see note 14)	215			215
Realized gain	178	24	3	205
Gains on sale (see note 9)	393	24	3	420
Proceeds from downsale and disposal of subsidiaries net of cash sold	161	149	1	312

Downward sale of Aker Exploration in 2009

Following the annual general meeting, held 19 October 2009, the merger between Aker Exploration and Det norske Oljeselskap became effective on 22 December 2009. Before the merger Aker had ownership interests of 76,1% in Aker Exploration ASA and 32,6% in Det norske Oljeselskap (DETNOR). Resulting from the acquisition and current holdings in the two companies, Aker's ownership percentage in the merged company Det norske Oljeselskap (DETNOR) will be 40.45 percent.

Closing share price on the first trading day after merger, 23 December 2009, was NOK 32,90 per share.

In relation to the disposal of Aker Exploration (merger with DETNOR), Aker recognized a loss of

NOK 83 million in profit and loss. The investment in the new company is from 23 December 2009 valued in the Aker group using the equity method of valuation (see note 13).

The merger resulted in loss of control over Aker Exploration and will consequently be presented in the financial statement as discontinued operations. The loss resulting from the transactions and the result of Aker Exploration up until the 22 December 2009 is therefore presented as discontinued operations in the profit and loss statement.

Additionally Aker Exploration's balance sheet at the time of the merger, and the cash-flow statement for 2009, up until the merger, is shown below.

Financial data of Aker Exploration in 2009:

<i>Amounts in NOK million</i>	Aker Exploration
Operating revenues	-
Operating expenses	(848)
EBITDA	(848)
Depreciation and amortization	(43)
Non-recurring items	-
Operating profit	(891)
Net financial/other items	(205)
Profit before tax	(1 096)
Tax	745
Net profit/loss	(351)
Sales loss	(83)
Tax	-
Profit for the period from discontinued operations	(434)
Majority share	(350)
Minority share	(84)
Result from discontinued operations	(434)
Loss per share	(4.83)

Net assets and liabilities at the time of sale:

<i>Amounts in NOK million</i>	Aker Exploration per Dec. 22. 2009
Property, plant and equipment	2
Intangibles and other non-current assets	661
Tax receivable	660
Current operational assets	47
Other non-current liabilities	(16)
Current operational liabilities	(299)
Net interest-free assets and liabilities	1 055

Cash flow

<i>Amounts in NOK million</i>	Aker Exploration 2009
Net cash flow from operations	(248)
Net cash flow from investing activities	(232)
Net cash flow from financing activities	551
Payment in cash and dividends from the sale of businesses 1)	(448)
Net cash flow from operations	(377)

1) Payment in cash is calculated as follows:

Amounts in NOK million	Aker Exploration
Cash received ¹⁾	-
Cash sold	(448)
Net cash before selling expenses	(448)
Selling expenses	-
Total	(448)

¹⁾ In relation to the merger of Aker Exploration and Det norske oljeselskap Aker received shares in Det norske oljeselskap which at the time of merger had a value of NOK 501 million.

Note 5 Operating segments

Operating segments are identified based on the group's internal management- and reporting structure. . The group's chief operating decision maker, responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the board of directors, CEO and CFO. The group activities are split between three main segments; industrial holdings, funds and other operations (including financial investments). The primary focus for businesses within industrial holdings is long term added value. Businesses within funds are controlled as a portfolio with a more flexible focus on financial and strategic opportunities. Recognition and measurement applied to segment reporting are consistent with the accounting principles applied when preparing the financial statement. Transactions between segments are conducted at market terms and conditions.

Operational income from geographical segments are based on the customers geographical location, while segment assets are based on the geographical location of companies.

An overview of operating segments:

Industrial holdings:

- Aker Solutions (leading global provider of engineering and construction services, technology products and integrated solutions to the energy and process industry)
- Aker Drilling (offshore drilling company)
- Det norske oljeselskap (oil and gas exploration on the Norwegian continental shelf)

tion on the Norwegian continental shelf)

- Aker BioMarine (biotechnology company - harvest of krill, production and sale)
- Aker Clean Carbon (supplier of CO2 capture plants and technology)
- Other industrial investments

Funds:

- Convento Capital Fund (investment fund, managed by Convento Capital Management)
- Primary companies in Convento Capital Fund:
 - Aker Philadelphia Shipyard (design and construction of vessels)
 - Aker Floating Production (owns, operates and charters vessels for oil and gas production and storage)
 - Aker Seafoods (harvesting, processing and sales of seafood)
 - Other investments
- AAM Absolute Return Fund (Hedge fund, managed by Oslo Asset Management AS)
- Norron Fond (Hedge fund, managed by Norron Asset Management AB)

Other operations:

- Aker ASA including other holding companies (also including financial investments)
- Other operations

2010 - Operating segments

<i>Amounts in NOK million</i>	Aker Solutions ¹⁾	Aker Drilling	Det norske olje- selskap ^{1) 2)}	Aker BioMarine	Aker Clean Carbon ³⁾	Other in- dustrials	Total industrial holdings	Converto Capital Fund ⁴⁾	Other funds	Total funds	Other and eli- minations	Total
External operating revenues	-	1 999	-	310	-	-	2 309	5 228	-	5 228	(10)	7 527
Inter-segment revenues	-	-	-	-	-	-	-	-	-	-	-	-
Operating revenues	-	1 999	-	310	-	-	2 309	5 228	-	5 228	(10)	7 527
EBITDA	-	954	-	20	-	(5)	968	886	-	886	(264)	1 591
Depreciation and amortization	-	(409)	-	(60)	-	-	(469)	(639)	-	(639)	(62)	(1 171)
Impairment changes and non-recurring items	-	-	-	(38)	-	-	(38)	(106)	-	(106)	8	(136)
Operating profit	-	544	-	(78)	-	(5)	461	141	-	141	(317)	284
Share of earnings in associated companies	802	-	(196)	1	(23)	-	584	5	-	5	-	589
Interest income	-	9	-	12	-	-	21	95	-	95	97	213
Interest expense	-	(406)	-	(53)	-	(8)	(466)	(512)	-	(512)	181	(798)
Other financial items	-	(48)	-	(51)	-	3	(96)	45	-	45	458	407
Profit before tax	802	99	(196)	(169)	(23)	(10)	503	(226)	-	(226)	419	695
Tax expense	-	(17)	-	-	-	-	(17)	(25)	-	(25)	(300)	(343)
Profit for the year from continuing operations	802	81	(196)	(169)	(23)	(10)	485	(252)	-	(252)	118	351
Result from discontinued operations (net of tax)	-	-	-	338	-	-	338	-	-	-	(338)	-
Profit for the year	802	81	(196)	170	(23)	(10)	823	(252)	-	(252)	(220)	351
Property, plant, equipment, intangibles and interest-free fixed assets	-	11 068	-	873	-	-	11 941	7 464	-	7 464	1 848	21 252
Shares and investments in associated companies	3 998	-	1 131	-	-	-	5 129	166	-	166	-	5 295
Investments in joint venture	-	-	-	554	68	-	622	-	-	-	18	640
Other shares	-	-	-	-	-	-	-	40	300	341	253	594
Total Shares	3 998	-	1 131	554	68	-	5 751	206	300	506	272	6 529
External interest-bearing fixed assets	-	5 448	-	-	-	-	5 448	619	-	619	290	6 357
Interest-free current assets	-	561	-	79	-	-	640	1 107	-	1 107	228	1 975
External interest-bearing current assets	-	-	-	124	-	-	124	7	-	7	(124)	7
Interest-bearing receivable internal	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	1 205	-	84	-	-	1 289	614	-	614	3 218	5 121
Total assets	3 998	18 282	1 131	1 714	68	-	25 194	10 017	300	10 317	5 731	41 241
Equity majority	3 998	3 139	1 131	1 250	68	(200)	9 386	2 230	300	2 530	(1 886)	10 031
Minority	-	-	-	-	-	-	-	20	-	20	6 275	6 295
Non-interest bearing debt	-	1 193	-	68	-	-	1 261	1 401	-	1 401	2 636	5 298
Internal interest bearing debt	-	2 833	-	-	-	200	3 033	1 924	-	1 924	(4 957)	-
External interest-bearing debt	-	11 117	-	396	-	-	11 513	4 441	-	4 441	3 663	19 618
Total assets and liabilities	3 998	18 282	1 131	1 714	68	-	25 194	10 017	300	10 317	5 731	41 241
Impairment and sales losses	-	-	-	(29)	-	-	(29)	(107)	-	(107)	-	(136)
Investments ⁵⁾	-	179	-	17	-	-	196	190	-	190	1 304	1 690

2009 - Operating segments

Amounts in NOK million	Aker Solutions ¹⁾	Aker Drilling	Det norske oljesel- skap ¹⁾²⁾	Aker BioMarine	Aker Clean Carbon ³⁾	Other industrials	Total industrial holdings	Convento Capital Fund ⁴⁾	Other funds	Total funds	Other and elimi- nations	Dis- continued opera- tions	Total
External operating revenues	-	764	-	145	66	-	975	5 126	-	5 126	161	-	6 262
Inter-segment revenues	-	-	-	-	-	-	-	1	-	1	(1)	-	-
Operating revenues	-	764	-	145	66	-	975	5 127	-	5 127	160	-	6 262
EBITDA	-	(115)	-	(147)	(14)	(189)	(465)	740	-	740	(171)	-	104
Depreciation and amortization	-	(165)	-	(63)	(5)	-	(233)	(654)	-	(654)	(40)	-	(926)
Impairment changes and non-recurring items	-	-	-	(38)	-	-	(38)	(682)	-	(682)	(62)	-	(781)
Operating profit	-	(280)	-	(247)	(19)	(189)	(735)	(596)	-	(596)	(272)	-	(1 603)
Share of earnings in associated companies	926	-	(111)	-	-	-	815	(27)	-	(27)	6	-	794
Interest income	-	2	-	36	-	-	38	50	-	50	228	-	316
Interest expense	-	(160)	-	(110)	(3)	(7)	(280)	(554)	-	(554)	241	-	(593)
Other financial items	-	(54)	-	17	-	-	(37)	180	-	180	(744)	-	(601)
Profit before tax	926	(492)	(111)	(304)	(22)	(196)	(199)	(947)	-	(947)	(541)	-	(1 687)
Tax expense	-	124	-	-	1	-	125	(90)	-	(90)	(557)	-	(522)
Profit for the year from continuing operations	926	(368)	(111)	(304)	(21)	(196)	(74)	(1 037)	-	(1 037)	(1 098)	-	(2 208)
Result from discontinued operation (net of tax)	-	-	-	-	-	-	-	-	-	-	-	(434)	(434)
Profit for the year	926	(368)	(111)	(304)	(21)	(196)	(74)	(1 037)	-	(1 037)	(1 098)	(434)	(2 642)
Property, plant, equipment, intangibles and interest-free fixed assets	-	10 939	-	989	65	-	11 993	8 159	295	8 454	731	-	21 178
Shares and investments in associated companies	3 531	-	1 429	-	-	-	4 960	165	-	165	1	-	5 126
Other shares	-	-	-	-	-	-	-	46	-	46	527	-	573
Total shares	3 531	-	1 429	-	-	-	4 960	211	-	211	528	-	5 699
External interest-bearing fixed assets	-	6 298	-	-	-	-	6 298	565	-	565	1 312	-	8 175
Interest-free current assets	-	509	-	107	28	-	644	1 577	-	1 577	264	-	2 485
External interest-bearing current assets	-	-	-	-	-	-	-	27	-	27	25	-	52
Interest-bearing receivable internal	-	-	-	517	-	-	517	-	-	-	(517)	-	-
Cash and cash equivalents	-	1 011	-	8	10	2	1 031	443	-	443	2 859	-	4 333
Total assets	3 531	18 757	1 429	1 621	103	2	25 443	10 982	295	11 277	5 202	-	41 922
Equity majority	3 531	2 999	1 429	196	39	(188)	8 006	2 384	295	2 679	(235)	-	10 450
Minorities	-	-	-	-	-	-	-	18	-	18	6 062	-	6 080
Non-interest bearing debt	-	1 270	-	64	28	-	1 362	2 159	-	2 159	2 456	-	5 977
Internal interest bearing debt	-	2 782	-	502	18	190	3 492	1 540	-	1 540	(5 032)	-	-
External interest-bearing debt	-	11 706	-	859	18	-	12 583	4 881	-	4 881	1 952	-	19 416
Total assets and liabilities	3 531	18 757	1 429	1 621	103	2	25 443	10 982	295	11 277	5 202	-	41 922
Impairment and sales losses	-	-	-	(38)	-	-	(38)	(618)	-	(618)	(125)	-	(781)
Investments ⁵⁾	-	632	-	81	17	-	731	388	-	388	386	272	1 777

Geographical segments	Operating revenue based on location of customer		Total property, plants, equipment and intangibles by company location	
	2010	2009	2010	2009
<i>Amounts in NOK million</i>				
Norway	2 721	1 605	19 413	18 967
EU	2 179	2 015	269	441
America	1 521	1 550	772	846
Asia	986	980	-	-
Other areas	120	112	-	-
Sum	7 527	6 262	20 454	20 255

¹⁾ Share of profit in associated company.

²⁾ Det norske oljeselskap is an associated company as of October 2009. See note 13.

³⁾ Aker Clean Carbon was consolidated as subsidiary in Aker group up to an including March 31. 2009. As of April 1. 2009 it is accounted for as a joint venture (50%). From 1 January 2010 Aker Clean Carbon is accounted for using the equity method.

⁴⁾ Consolidated companies owned by Convento Capital Fund. Convento Capital Fund was established in 2009.

⁵⁾ Investments include acquisitions of property, plant and equipment and intangibles (incl. increase due to business combinations)

Analysis of operating revenues by category

<i>Amounts in NOK million</i>	2010	2009
Construction contract revenue	1 311	1 422
Sales of goods	3 325	3 083
Revenue from services	201	14
Leasing income	2 616	1 515
Other	74	227
Total	7 527	6 262

Important customer

Aker has one customer that has been invoiced NOK 816 million and thus accounts for more than 10% of group revenue in 2010. The contract with this customer has a duration of 3 years with an option for a further 10 years.

is exposed to currency fluctuations. The table below shows the consolidated financial statements by currency. For sensitivity with respect to operating revenue, equity, fixed assets and interest-bearing liabilities see note 11, note 26 and note 27.

Earnings and balance sheet by currency

Aker ASA has subsidiaries reporting in currencies other than Norwegian kroner (NOK) where value

<i>Amounts in million</i>	USD	USD in NOK	Other currencies in NOK	NOK	Aker in NOK
Revenue	715	4 319	1 263	1 946	7 527
EBITDA	297	1 793	36	(238)	1 591
Profit before tax	21	125	27	542	695
Fixed assets	2 692	15 716	85	2 993	18 794
Cash	294	1 717	37	3 367	5 121
Other assets	1 510	8 814	411	8 102	17 326
Total assets	4 496	26 248	532	14 461	41 241
Equity majority	883	5 156	269	4 606	10 031
Minority interest	-	-	-	6 295	6 295
Interest-bearing liabilities external	2 468	14 408	53	5 157	19 618
Interest-bearing liabilities internal	782	4 563	-	(4 563)	-
Interest-free liabilities	363	2 121	211	2 967	5 298
Total equity and liabilities	4 496	26 248	532	14 461	41 241

Note 6 Wages, personnel expenses and other operating expenses

Wages and personnel expenses consist of the following:

Amounts in NOK million	2010	2009
Wages	1 562	1 438
Social security contributions	154	144
Pension costs	79	76
Other expenses	241	201
Total	2 036	1 859
Average number of man years	2 914	3 233
Number of employees at year end	2 704	3 077
Geographical split of number of employees per region		
Norway	1 531	1 567
EU	539	563
North America	345	663
Other regions	289	284
Total	2 704	3 077

Other operating expenses consist of the following:

Amounts in NOK million	2010	2009
Research and development	-	1
Rent and leasing expenses	112	58
Impairment loss on trade receivables	34	41
Other operating expenses	1 124	1 252
Total	1 270	1 351

Other operating expenses consist of the following items:

Hired services (workforce)	76	150
External consultants and services other than audit (see below)	79	53
Bunkers to the fleet	101	119
Other operating expenses related to the fleet	108	107
Other operating costs oilrigs	341	233
Exploration costs for oil and gas in Ghana	5	189
Other	414	401
Total	1 124	1 252

Hired services consist of expenses for personnel without an employment contract and who are not subcontractors

Payments/fees to auditors of the Aker group are included in other operating expenses. They are distributed as:

Amounts in NOK million	Ordinary auditing	Consulting services	Total 2010	Total 2009
Aker ASA	2	1	3	3
Subsidiaries	13	4	17	20
Total	15	5	20	23

Consulting services of NOK 5 million consist of NOK 3 million in other assurance services, NOK 1 million in tax advisory services and NOK 1 million in non-audit services.

Note 7 Impairment changes and non recurring items

Impairment changes and non recurring items include write-down of goodwill, impairment losses and reversal of impairment losses 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	2010	2009
Impairment loss on intangible assets (note 12)	(116)	(98)
Impairment loss on property, plant and equipment (note 11)	(20)	(683)
Total	(136)	(781)

Impairment losses on intangible assets in 2010 are primarily attributable to a NOK 92 million write down of goodwill in Aker Floating Production and an NOK 24 million write down of product development and licensing agreements in Aker BioMarine.

The impairment loss on property, plant and equipment in 2010 of NOK 20 million is related to write downs due to condemnation of a vessel in Aker Seafoods and damage to the main engine on the vessel Saga Sea, owned by a subsidiary of Aker BioMarine.

Impairment losses on intangible assets in 2009

are primarily attributable to impairment losses on goodwill of NOK 69 million in Aker Philadelphia Shipyards and impairment related to product development and licensing agreements in Aker BioMarine. Impairment losses on property, plant and equipment is attributable to a loss of NOK 129 million on the sale of hulls in Aker Floating Production and further impairment on property, plant and equipment of NOK 554 million, NOK 683 million in total. These impairments are attributable to, among others impairment of Antarctic Navigator and airplanes in Aker ASA.

Note 8 Financial income and financial expenses**Net finance income/expense recognized in profit and loss in 2010 and 2009:**

<i>Amounts in NOK million</i>	2010	2009
Interest income on unimpaired investments available for sale	41	237
Interest income on impaired investments available for sale	52	12
Interest income on bank deposits and receivables at amortized cost	120	67
Dividends on available for sale financial assets	5	3
Net gain on sale of available for sale financial assets transferred from equity	23	-
Foreign exchange gain (+) / loss (-) from hedge instruments	33	492
Net gain from interest rate swaps	137	-
Total financial income	411	812
Interest expense on financial liabilities measured at amortized cost	(798)	(593)
Net foreign exchange loss (-)/gain(+)	(46)	(194)
Net loss on sales of available for sale financial assets transferred from equity	-	(216)
Net loss and impairment on available for sale financial assets	(3)	-
Net change in fair value of financial assets at fair value through profit and loss	(12)	(36)
Net other financial expenses	(151)	(13)
Total financial expenses	(1 009)	(1 052)
Net financial items	(598)	(240)

The financial income and expenses above include the following interest income and costs in respect of assets (liabilities) not recognized at fair value through profit and loss:

Total interest income on financial assets	213	317
Total interest cost on financial liabilities	(798)	(593)

Net change in fair value of financial assets measured at fair value through profit and loss in 2010, NOK -12 million, is mainly related to Total return swap (TRS) agreement with American Shipping Company shares of NOK -15 million.

Other finance expenses in 2010 of NOK -151 million are related to net loss on other financial assets.

Net change in fair value of financial assets at fair value through profit and loss in 2009 of NOK -36 million is attributable to Total return swap (TRS) agreement with American Shipping Company shares of NOK -251 million and net gain on other financial assets of NOK 212 million.

Finance items in other comprehensive income in 2010 and 2009 consist of the following:

<i>Amounts in NOK million</i>	2010	2009
Foreign currency differences related to foreign subsidiaries	26	(1 425)
Change in fair value of cash flow hedge	3	61
Change in fair value reserve	43	(105)
Change in fair value previously recognized in profit and loss	(23)	216
Total	49	(1 253)

Items included in other comprehensive income are split between majority and minority shares as follows:

<i>Amounts in NOK million</i>	2010	2009
Majority share	39	(1 163)
Minority share	10	(90)
Total	49	(1 253)

The majority share is distributed in the equity between exchange differences, value change and cash flow hedges:

<i>Amounts in NOK million</i>	2010	2009
Exchange differences related to foreign subsidiaries	15	(1 326)
Change in fair value on cash flow hedge	4	52
Change in fair value reserve	43	(105)
Change in fair value previously recognized in profit and loss	(23)	216
Total	39	(1 163)

Note 9 Other items

<i>Amounts in NOK million</i>	2010	2009
Downward sale in Trygg Pharma AS and Natural Nutrition Developm. AS (see note 4)	393	-
Sale of Pesquera Ancora (see note 4)	24	-
Sea Launch warranty claims	-	(776)
Gain from sale of shares to Aker Solutions	-	138
Gain on sale of other shares in subsidiaries (see note 4)	3	-
Other items	420	(638)

Downward sale in Trygg Pharma and Natural Nutrition Dev. AS

In November 2010 Aker group subsidiary Aker BioMarine transferred the company Trygg Pharma AS, including its shares in Trygg Pharma Inc, and Natural Nutrition Development AS to the recently founded company Trygg Pharma Holding AS.

The final compensation depends on whether Trygg Pharma Holding achieves certain milestones. Based on the agreement, the management of Aker BioMarine has estimated the fair value of the compensation to be NOK 430 million at the time of transaction. The fair value of the compensation implies that Aker has recorded a gain of NOK 393 million in its profit and loss account (see note 4).

Sale of Pesquera Ancora

In December 2010 Aker group subsidiary Aker Seafoods sold the Spanish trawler company Pesquera Ancora for NOK 156 million. The book value of the company was NOK 132 million resulting in a gain of NOK 24 million.

Sea Launch in 2009

Sea Launch, a company offering spacecraft launch services for satellites, filed in June 2009 for bankruptcy protection under Chapter 11 of

the American bankruptcy law. Having ownership interests in Sea Launch Aker has guaranteed a total of USD 122 million to Sea Launch' creditors. Aker negotiated agreements resulting in the guarantees being met through the payment of a total of USD 122 million in three equal installments in December 2009, June 2010 and December 2010. This cost, totaling NOK 776 million, was recognized in the Aker group's profit and loss in 2009.

Aker is of the opinion that the group has a lawful recourse claim against Russian and Ukrainian partners, that potentially could reduce the amount (see note 33 for more information).

Profit on sale of shares to Aker Solutions in 2009

In the second quarter of 2009 Aker sold ownership interests in several technology- and competency-based oil service companies to Aker Solutions. Assets included in the transaction comprised of a 50% ownership interest in Aker DOF Deep-water, 46% of ownership interests in Aker Oilfield Services and 100% of ownership interests in Midsund Bruk. Additionally, Aker Solutions acquired 33 percent of the shares in the listed company Odim. The total settlement to Aker amounted to NOK 1 391 million, resulting in a sales gain of NOK 138 million in 2009.

Note 10 Tax

Income tax expense

Amounts in NOK million	2010	2009
Recognized in profit and loss:		
This year net tax receivable (+) and payable (-)	(69)	(84)
Tax receivable Petroleum tax law - discontinued operations	-	649
Total current tax expense	(69)	565
Deferred tax expense:		
Origination and reversal of temporary differences	(274)	(224)
Tax on foreign exchange gain/loss	-	(119)
Total deferred tax expense	(274)	(342)
Total income tax expense, excluding gain/loss on discontinued operations	(343)	223

Amounts in NOK million	2010	2009
Tax expenses allocated on continued and discontinued operations		
Continued operations	(343)	(522)
Discontinued operations	-	745
Tax expense excluding tax on gain/loss on discontinued operations	(343)	223
Tax expense on gain/loss on sale of discontinued operations	-	-
Total tax expense	(343)	223

Income tax expenses divided between the Petroleum tax legislation and ordinary tax legislation:

Petroleum tax legislation	-	737
Ordinary tax legislation	(343)	(514)
Total income tax expense in profit and loss	(343)	223

Reconciliation of effective tax rate

	2010		2009	
	%	Amounts in NOK million	%	Amounts in NOK million
Profit subject to Petroleum tax legislation	-	-	-	(1 066)
Profit subject to ordinary tax legislation	-	695	-	(1 800)
Profit before tax including discontinued operations	-	695	-	(2 866)
Nominal tax rate in Norway 28%	28%	(195)	28%	504
Nominal tax rate in Norway under Petroleum tax legislation 78%	78%	-	78%	831
Tax differential in Norway and abroad	2%	(14)	0%	(11)
Revenue not subject to tax	(23%)	160	1%	29
Expenses not deductible for tax purposes	13%	(87)	(6%)	(172)
Utilization of previously unrecognized tax losses	(9%)	61	0%	-
Tax losses for which no deferred income tax asset was recognized	69%	(481)	(39%)	(1 117)
Tax effect of associated companies	(24%)	165	8%	222
Other differences	(7%)	48	(2%)	(63)
Total income tax expenses in profit and loss	49%	(343)	8%	223

Tax recognized in other comprehensive income	2010			2009		
	Comprehensive income before tax	Tax	Comprehensive income after tax	Comprehensive income before tax	Tax	Comprehensive income after tax
<i>Amounts in NOK million</i>						
Changes in fair value of available for sale financial assets	43	-	43	(105)	-	(105)
Changes in fair value cash flow hedges	8	(5)	3	79	(18)	61
Change in fair value of available for sale financial assets transferred to profit and loss	(23)	-	(23)	216	-	216
Currency translation differences	26	-	26	(1 544)	119	(1 425)
Changes in other items from associated companies	(22)	-	(22)	(514)	-	(514)
Total tax expenses other comprehensive income	32	(5)	26	(1 867)	100	(1 767)

Deferred tax assets and liabilities

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

<i>Amounts in NOK million</i>	2010	2009
Carrying amount 1 January	414	723
Exchange rate differences	12	(20)
Acquisition and sale of subsidiaries	57	(49)
Deferred tax expense in profit and loss accounts	(274)	(342)
Deferred tax expense in other comprehensive income	(5)	100
Deferred tax charged to equity	-	3
Carrying amount 31 December	204	414
Deferred tax assets	471	673
Deferred tax liabilities (-)	(266)	(259)
Carrying amount 31 December	204	414

Movement in deferred tax assets:

Deferred tax assets:

<i>Amounts in NOK million</i>	Decelerated tax depreciation	Pensions	Tax losses carry forward	Other	Total
1 January 2009	25	56	700	190	971
Deferred tax (charged) / credited in profit and loss accounts	109	-	(138)	(29)	(58)
Deferred tax expense in other comprehensive income				49	49
Charged to equity	-	-	3	-	3
Acquisition and sale of subsidiaries	-	-	-	(49)	(49)
Exchange rate differences	(2)	-	(77)	(23)	(102)
Offset	(69)	(14)	45	(102)	(140)
31 December 2009	63	42	533	35	673
Deferred tax (charged) / credited in profit and loss accounts	(120)	(4)	77	(3)	(51)
Deferred tax expense in other comprehensive income	-	-	-	(5)	(5)
Exchange rate differences	-	-	3	2	5
Offset	-	-	(153)	-	(153)
31 December 2010	(57)	38	460	30	471

Deferred tax assets are allocated as follows:

Amounts in NOK million	2010	2009
Industrial holdings:		
Aker Drilling	265	160
Funds:		
Converto Capital Fund	123	65
Other operations:		
Aker ASA and Holding companies	34	429
Other companies	48	19
Total	471	673

Aker Drilling:

Deferred tax assets of NOK 265 million refer to temporary differences and loss carry forward. The oilrigs are in operation and the board of directors expects an increase in taxable profit and utilization of the loss carry forward.

Converto Capital Fund:

Deferred tax assets of NOK 123 million refer to subsidiaries Aker Seafood and Ocean Harvest with NOK 91 million and NOK 32 million respectively. Aker Seafoods deferred tax assets refer to NOK 166 million in loss carried forward and NOK -75 million in temporary differences. The board of directors expects an increase in taxable profit and a utilization of the loss carry forward within 5-7 years. Deferred tax assets in Ocean Harvest

refer to temporary differences in its subsidiary in Argentina.

Aker ASA and holding companies:

Deferred tax asset in Aker ASA and Holding companies is NOK 34 million. After evaluation of the companies possibilities in utilization of the loss carry forward, the company has reduced the amount over the last few years, among other because of change in Group structure. Total deferred tax assets in Aker ASA and Holding companies of NOK 1 542 million are not accounted for in the balance sheet.

Total not recognized tax assets in the Aker ASA group are 3 895 million at year end 2010.

Deferred tax recognized directly in equity

Amounts in NOK million	2010	2009
Tax on brokerage related to emissions	-	3
Total	-	3

Tax payable and income tax receivable

Tax payable amounts to NOK 36 million and tax receivable amount to NOK 3 million.

The 2010 figures are based on preliminary estimates of non-taxable income, non-tax deduct-

ible items and temporary differences between the financial accounts and the tax accounts. The final result will be calculated in relation to the tax return and may differ from the estimates above.

Movement in deferred tax liabilities are as follows:

Deferred tax liabilities:

Amounts in NOK million	Accelerated tax depreciation	Other	Total
1 January 2009	(134)	(114)	(248)
Deferred tax (charged) / credited to profit and loss	(377)	93	(284)
Deferred tax expense in other comprehensive income		51	51
Exchange rate differences	79	3	82
Offset	306	(166)	140
31 December 2009	(127)	(133)	(259)
Deferred tax (charged) / credited to profit and loss	(223)	-	(223)
Acquisition and sale of subsidiaries	57	-	57
Exchange rate differences	4	3	7
Offset	153	-	153
31 December 2010	(136)	(131)	(266)

Note 11 Property, plant and equipment

Movements in property, plant and equipment for 2010 are shown below:

<i>Amounts in NOK million</i>	Rigs, ships, airplanes etc.	Machinery, vehicles	Buildings, housing	Land	Under construction	Total
Cost balance per 1 January 2010	18 170	1 580	1 109	230	205	21 294
Other acquisitions ¹⁾	1 551	70	9	2	10	1 642
Reclassification joint venture	-	(44)	-	-	-	(44)
Sale of subsidiaries	(65)	(31)	(11)	(107)	-	(214)
Other disposals	(64)	(11)	(19)	(3)	-	(97)
Reclassification from under construction	205	(142)	11	-	(74)	-
Effect of movements in foreign exchange	263	(5)	(9)	2	5	256
Cost balance at 31 December 2010	20 061	1 418	1 090	123	146	22 837
Accumulated depreciation and impairment losses at 1 January 2010	(1 559)	(864)	(531)	(28)	(23)	(3 005)
Depreciation charge of the year	(974)	(126)	(34)	(5)	-	(1 138)
Reversal of impairment	(14)	-	(6)	-	-	(20)
Reclassification joint venture	-	9	-	-	-	9
Sale of subsidiaries	6	10	5	-	-	20
Other disposals	92	(33)	5	-	-	64
Effect of movements in foreign exchange	12	8	6	-	-	26
Accumulated depreciation and impairment losses at 31 December 2010	(2 436)	(996)	(555)	(32)	(23)	(4 043)
Carrying amount at 31 December 2010	17 624	421	535	91	123	18 794
Book value of leasing agreements recorded in the balance sheet	-	2	-	-	-	2

¹⁾ Capitalized interest in 2010 amount to NOK 0 million**Specification by company at 31 December 2010:**

<i>Amounts in NOK million</i>	Rigs, ships, airplanes etc.	Machinery, vehicles	Buildings, housing	Land	Under construction	Total
Industrial holdings:						
Aker Drilling	10 569	8	-	-	-	10 577
Aker BioMarine	221	105	-	-	113	438
Other industrial holdings	-	-	-	-	-	-
Total industrial holdings	10 790	113	-	-	113	11 015
Funds	5 141	281	486	88	11	6 008
Other investments:						
Aker ASA and Holding companies	169	24	14	2	-	209
Aker Ship Lease	1 526	-	-	-	-	1 526
Other companies and eliminations	(1)	3	34	-	-	36
Carrying amount at 31 December 2010	17 624	421	535	91	123	18 794

Impairment losses and subsequent reversal of impairment losses

The impairment charge in 2010 of NOK 20 million is related to write downs due to condemnation of a vessel in Aker Seafoods and damage to the main engine on the vessel Saga Sea, owned by a subsidiary of Aker BioMarine.

Due to indications of possible impairment on H-6 rigs, the asset's recoverable amount has been estimated. The recoverable amount is the greater of its value in use and its fair value less costs to sell. Value in use has been calculated by estimating the future cash flows and discounting to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The calculation of value in use reflects considerations such as:

- Estimated future cash flow
- Possible variations in the amount and timing of the future cash flows

- The time value of money
- The price of the uncertainty inherent in the asset

The value in use calculation is based on reasonable and supportable assumptions concerning projections of cashflows approved by management (as part of the budget and prognosis) and adjusted to the requirements of IFRS. The first five years of these cashflows/forecasts are mainly based on signed contracts/options. The remaining periods are based on management's evaluations/experiences and external sources of information. The discount rate is a marked based interest rate that reflects the current market assessment of risks specific for this asset.

Management has on the balance sheet date not deemed any impairment change to be appropriate for the two drilling rigs. However, the calculation is sensitive to changes in the assumptions. The most sensitive assumptions are:

- Incoming cash flows
- Discount rate

An increase in the discount rate by 0.5 per cent, from an applied post-tax discount rate of 6.7 per cent will give a recoverable amount which is around USD 240 million higher in total than the carrying amount. Accordingly, a 10 per cent downward adjustment of incoming cash flows after end of contract will give a recoverable amount which is around USD 150 million higher than the carrying amount.

Disposal by sale of operations:

Sale of operations in 2010 mainly relates to sale of a real estate company, downward sale of Trygg Pharma and Natural Development in the subsidiary Aker BioMarine and sale of the Spanish trawler company Pesquera Ancora in Aker Seafoods (see note 4).

Annual depreciation:

No depreciations have been recorded for the ship Antarctic Navigator in 2010 due to the ship currently being docked and under reconstruction. Aker Wayfarer was delivered by end of September and depreciation in 2010 was NOK 22 million. Yearly depreciations from 2011 will amount to NOK 88 million.

Effect of exchange rate fluctuations:

The effect of exchange rate fluctuations amount to NOK 0.3 billion and can mainly be attributed to the fluctuations in the USD/NOK rate in the subsidiaries Aker Drilling, Aker Floating Production and Aker Philadelphia Shipyard.

A reduction in the exchange rate of the USD against NOK of 10% will amount to a reduction in the value at 31 December 2010 of property, plant and equipment of NOK1,6 billion.

Movements in property, plant and equipment for 2009 are shown below:

<i>Amounts in NOK million</i>	Rigs, ships, airplanes etc.	Machinery, vehicles	Buildings, housing	Land	Under construction	Other assets	Total
Cost balance per 1 January 2009	9 012	1 454	1 269	234	11 402	2	23 373
Acquisitions through business combination	-	-	-	-	-	-	-
Other acquisitions ^{1) 2)}	649	116	20	-	638	-	1 423
Reclassification from intangible assets	691	-	-	-	-	-	691
Sale of subsidiaries	(120)	(73)	(46)	(1)	-	(3)	(242)
Other disposals	(414)	176	(12)	21	-	-	(229)
Reclassification from under construction	10 705	3	-	-	(10 708)	-	-
Effects from movements in foreign exchange	(2 352)	(95)	(122)	(25)	(1 126)	-	(3 721)
Cost balance at 31 December 2009	18 170	1 580	1 109	230	205	-	21 294
Accumulated depreciation and impairment losses per 1 January 2009	(563)	(807)	(518)	(29)	(23)	-	(1 940)
Depreciation charge of the year	(700)	(145)	(43)	(5)	-	-	(893)
Impairment	(467)	(45)	(41)	-	-	-	(554)
Reversal of impairment	-	-	-	-	-	-	-
Sale of subsidiaries	1	15	5	-	-	-	21
Other disposals	8	55	15	-	-	-	77
Effects of movements in foreign exchange	162	64	51	6	-	-	284
Accumulated depreciation and impairment losses at 31 December 2009	(1 559)	(864)	(531)	(28)	(23)	-	(3 005)
Carrying amount at December 31. 2009	16 611	716	578	202	182	-	18 289
Book value of leasing agreements recorded in the balance sheet	-	8	26	-	-	-	34

¹⁾ Capitalized interest in 2009 amount to NOK 325 million

²⁾ In addition to NOK 1 423 million in acquisitions, an adjustment of NOK 3 944 million is made related to the actual payment for the rigs. Total payment is NOK 5 367 million. (See cash flow statement).

Note 12 Intangible assets**Movements in intangible assets in 2010 are shown below:**

<i>Amounts in NOK million</i>	Goodwill	Fishing licenses	Other	Total
Cost balance per 1 January 2010	1 214	786	532	2 532
Other acquisitions	-	-	48	48
Sale / disposal of subsidiaries and operations	-	(126)	-	(126)
Reclassification	-	-	(99)	(99)
Effects of movements in foreign exchange	(4)	(6)	-	(10)
Cost balance at 31 December 2010	1 210	654	481	2 346
Accumulated amortization and impairment losses per 1 January 2010	(308)	(7)	(251)	(566)
Amortization for the year	-	(1)	(32)	(33)
Impairment losses recognized in profit and loss	(92)	-	(24)	(116)
Sale / disposal of subsidiaries and operations	-	(1)	-	(1)
Reclassification	-	-	22	22
Effects of movements in foreign exchange	9	(1)	-	8
Accumulated amortization and impairment losses at 31 December 2010	(391)	(10)	(285)	(686)
Carrying amount at 31 December 2010	819	644	197	1 660

Movements in intangible assets for 2009 are shown below:

<i>Amounts in NOK million</i>	Goodwill	Fishing licenses	Other	Total
Cost balance 1 January 2009	1 447	813	1 551	3 811
Other acquisitions	4	-	349	353
Sale / disposal of subsidiaries and operations	(20)	-	(522)	(542)
Other disposals	-	(1)	-	(1)
Reclassification	-	-	(691)	(691)
Effects of movements in foreign exchange	(217)	(26)	(156)	(399)
Cost balance at 31 December 2009	1 214	786	532	2 532
Accumulated amortization and impairment losses per 1 January 2010	(354)	(8)	(239)	(601)
Amortization for the year	-	-	(76)	(76)
Impairment losses recognized in profit and loss	(69)	-	(29)	(98)
Sale / disposal of subsidiaries and operations	-	-	90	90
Other disposals	-	1	-	1
Effects of movements in foreign exchange	115	-	4	118
Accumulated amortization and impairment losses at 31 December 2010	(308)	(7)	(251)	(566)
Carrying amount at 31 December 2009	906	779	282	1 966

As of 31 December 2010 the book value of goodwill amounts to NOK 819 million, a reduction of NOK 87 million during 2010.

The reduction is mainly attributable to an impairment loss in the company Aker Floating Production (see below).

Goodwill is allocated with NOK 339 million to the subsidiary Aker BioMarine, and NOK 224 million to the subsidiary Aker Floating Production. In addition NOK 169 million is related to the establishment of fishing operations in Aker. Goodwill related to Aker Floating Production come from the acquisition of Aker Floating Production in August 2006. Goodwill in Aker BioMarine is entirely related to the krill operations and was booked in connection with Aker's purchase of Natural and establishment of the Aker BioMarine group in December 2006.

The fishing licenses are attributable to Aker Seafoods and are carried at NOK 1 003 million, less deferred income of NOK 359 million related to Akers establishment of Aker Seafoods in 2006. At the end of 2010, Aker Seafoods owns 29.6 cod and had-dock licenses, 31.8 saithe licenses, 6 shrimp licenses and 2 silver smelt licenses in Norway. The right to farm trout in six locations is also carried under intangible assets. With the exception of the sale of the Spanish trawler company Pesquera Ancora in December, there have been no acquisitions or sales of licenses or quotas in 2010.

The carrying amount of other intangible assets amounting to NOK 197 million at the end of 2010 among other items comprise of existing licenses/production development with a maturity from 7 to 9 years in Aker BioMarine valued at NOK 95 million.

Disposal by sale or reduction of ownership interest in business operations are mainly attributable to the Spanish company Pesquera Ancora.

Reclassification and change in the accounting of joint venture is attributable to the following companies:

Amounts in NOK million	Cost price	Amortization	Book value
Trygg Pharma	(47)	16	(31)
Aker Clean Carbon	(52)	6	(46)
Total	(99)	22	(77)

Research conducted in Aker primarily relates to ongoing projects and is expensed as incurred. See note 6.

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

Amounts in NOK million	2010	2009
Depreciation and amortization	(33)	(76)
Impairment changes and amortizations reclassified to discontinued operations	-	42
Depreciation and amortization continuing operations	(33)	(34)
Non recurring items	(116)	(98)
Total	(149)	(133)

Amortization continued operations in 2010 of NOK 33 million (NOK 34 million in 2009) is attributed to Aker BioMarine with NOK 18 million of the excess value is allocated to license agreements with a maturity of 7 to 9 years. In addition NOK 4 million in licenses are allocated to the fishing

operations in Argentina. The Impairment loss of NOK 116 million recognized under non recurring items i 2010 consists of NOK 92 million in write down of goodwill in Aker Floating Production and NOK 24 million in write down of product development and license agreements in Aker BioMarine.

Goodwill

Allocation of goodwill:

Amounts in NOK million	2010	2009
Aker Floating Production	224	314
Aker BioMarine	339	339
Other	256	253
Total	819	906

Determination of recoverable amount:

Aker is reviewing goodwill for impairment yearly, or more frequent if any indications of impairment. The test is done at year end. The Aker BioMarine goodwill is allocated to the Krill segment. Aker Floating Production goodwill at the beginning of the year was allocated to FPSO-contracts on Dhirubhai-1 and an assumed conversion/concept sale of Aker Floating Production FPSO-candidate (SMART2).

Other goodwill mainly relate to Aker Seafoods with NOK 213 million. Recoverable amount is based on sales value of fishing licenses (see below).

Recoverable amount in Aker BioMarine and the FPSO contract in Aker Floating Production are based on value in use calculation. The calculations is based on future cash flows according to budgets and strategic objectives. The following key assumptions have been used in calculation of value in use:

	Discount rate before tax (WACC) in%	Nominal growth rate terminal value%
Aker BioMarine	12.9	2.5
Aker Floating Production	7.9	See below

Aker BioMarine cash flow is based on budget and business plans approved by the board of directors for the period 2011 to 2013. For the following periods the model is based upon an assumed terminal growth rate of 2.5% per year.

Aker Floating Production cash flow related to FPSO-contract of Dhirubhai-1 is based on a time charter with Reliance Industries Ltd expiring in September 2018. The calculation of the cash flows after 2018 includes no increase in income or cost.

The discount rate is estimated based on a weighted average of required rate of return on equity and assumed borrowing cost. Borrowing cost is based on a risk free interest rate in the currency in which the loan is denominated (Aker BioMarine 10- year Norwegian Government Bond and Aker Floating 10-year US Government Bond) but with a mark-up that reflects long term financing costs. Aker BioMarine has an expected debt ratio of 50% and Aker Floating Production an expected debt ratio of 80%.

A key objective in making impairment calculations is to ensure that there is appropriate consistency in the assumptions over time, and where assumptions have been changed, the the reasons prompting the change are described.

An impairment loss is recognized in the income statement if the recoverable amount calculated, considering sensitivity analysis, is lower than the carrying amount of the asset or the cash-generating unit.

Aker Floating Production:

Goodwill related to Aker Floating Production dates from the acquisition of Aker Floating Production in August 2006 and amounts to NOK 224 million after an impairment of NOK 92 million in 2010.

FPSO contract on Dhirubhai 1

In reviewing goodwill related to Dhirubhai-1 for impairment value in use is measured using discounted contractual cash flow. The Groups FPSOs are designed to have an operational lifetime in excess of 15 years and thus to be able to service contracts over such typical reservoir lives and the typical needs demanded of a contract or

contracts from an oil company today.

The discount rate is estimated based on a weighted average of the required rate of return on equity and assumed borrowing cost based on a debt ratio of 80%. Debt cost is based on a risk free interest rate on 10-year U.S. government bond, with a markup that reflects the company's long term financial cost. The calculation takes into account that the Dhirubhai-1 is on time charter contract with Reliance Industries Ltd until end of 2018.

Projected cash flows from day rates of *Dhirubhai-1* are estimated using a contractual annual growth of five percent and two percent increase in related costs per year. Estimated CAPEX reserves for replacement of equipment are USD 22 million in total. This amount is in addition to maintenance and upgrade cost included in operating expenses for the FPSO. The company's indirect costs are estimated at an annual increase of two percent. The estimate reflects the organization's growing experience with current operations and the management assessments of the FPSO industry standards.

FPSO-candidate (SMART 2)

The Group has identified a number of key long term assumptions relevant to impairment testing in the FPSO-candidate (SMART 2). The group has projected a typical contractual cash flow over an assumed conversion/concept sale of the other FPSO candidate (SMART 2). Based on observed industry contract awards, it is estimated that such a contract will provide a return in excess of the carrying value of the SMART 2 hull and related equipment. Management expects to secure a new contract within the end of 2011.

Sensitivity analysis is performed based on four key scenarios that management believe to be most appropriate given the entities risk profile:

- A) an increase in the WACC by 1%;
- B) a delay of 1 year in contract won;
- C) a reduction in revenue from the prospective contracts of 5% ;
- D) limiting the contribution of cash flows into perpetuity to 15% of the ascribed perpetuity cash flows.

Scenarios A, B and C yielded no impairment. Scenario D suggested reasonable sensitivity to the cash flow calculations. However, the management considers it prudent that goodwill of USD 16.3 million related to the SMART 2 which currently are not based firm contracts, is written down to zero.

Therefore, remaining Goodwill USD 38.3 million (NOK 224 million) will continue to be supported by the elements of the firm contract parameters of the FPSO DB-1 contract. Impairment will be done if the NPV of these cash flows is lower than USD 38.3 million over the carrying value of the DB-1. The Goodwill will be realized in the event of an exercise of the purchase option on *Dhirubai-1*.

Aker BioMarine:

Impairment testing for Goodwill is performed annually. Goodwill is allocated to the part of the operation that previously was termed the krill segment, which represents the lowest level at which the Goodwill is monitored. The company's NOK 339 million carried amount of Goodwill is entirely allocated to the krill operation i.e. all remaining operations within the company per 31 December 2010 with the exception of the CLA/ Tonalin agreements and the holding activities in Aker BioMarine ASA. The krill operation's recoverable amount is based on value in use. No impairment losses were recognized in 2010 or in 2009.

Value in use was determined by discounting the future cash flows. The calculation is based of the following assumptions in 2010:

- Expected cash flows from the krill operations are based on the board approved budget and business plan for the period 2011-2013. The budget is based on a detailed approach to the budgeting process for the individual departments within the krill operations. For the following periods the model is based upon an assumed terminal growth rate of 2.5% per annum which is consistent with the long term prospects of the Omega-3 business.
- Income for the first year of the budgeting period 2011 - 2013, is based on contracts for 2013, in addition to management assessment and independent information from external contributors regarding new potential contracts. The annual growth in operating income for the two following years is based on management assessment, but with a slightly lower level of detail.

- Budgeted operating profit margins for the 2011 - 2013 period is expected to be increasing due to the scaling built into the business plan. The rationale is based on large parts of the group's operating costs being fixed and independent of production volumes hence contributing to increased operating profit margins as sales increase.
- The final element of the model used for measuring value in use is based on a stabilized operating profit margin at the predicted level for 2013. Further, the required level of investments is set equal to expected depreciations required to maintain sale and production capacity.
- When determining recoverable amounts, a discount rate before tax of 12.9% is employed (2009: 12.6%). The discount rate is measured using a weighted average return on capital and expected expense on borrowing, under the assumption of a debt / equity rate of 50% (2009: 50%). The expected return on capital is estimated using the capital asset pricing model (CAPM) before being adjusted for before to after tax. Borrowing costs are based on the risk free rate of return (10 year government bonds), with an adjustment reflecting the companies long term cost of capital. The sensitivity of value in use is tested by simulating different combinations of discount- and growth-rates. No combination of these factors, within the 10 - 25 % and 0 - 5 % accordingly, resulted in a value in use lower than the carried amount as of December 31. 2010.

Other Goodwill

Recoverable amount is mainly attributable to Aker Seafoods with NOK 213 million. The fishing licenses above are valued differently in the Aker group than in Aker Seafoods with a lower value in the Aker group. This, again is attributable to the establishment of the present Aker Seafoods and to the excess value that following this establishment mainly was allocated to fishing licenses (see above). As a consequence of the excess value of the fishing licenses as described below, there is no need for impairment of Goodwill related to Aker Seafoods in the Aker group.

Fishing licenses

At the end of 2010 Aker Seafoods owned 29.6 cod and haddock licenses, 31.8 saithe licenses, 6 shrimp licenses and 2 silver smelt licenses in Norway. The right to farm trout in six locations and turbot in two is also carried under intangible

assets. With the exception of the sale of the Spanish trawler company Pesquera Ancora, there have been no acquisitions or sales of licenses or quotas in 2010.

At the start of 2010 one cod quota entitled the holder to harvest 921 tons of cod, 656 tons of haddock and 662 tons of saithe north of the 62nd parallel. In 2010, significant quotas of both haddock and saithe were reallocated. The cod quota was increased to 816 tons to compensate for the previous regional fishing quotes. Shrimp - and silver smelt licenses are not limited by quantity. Aker Seafoods has fishing licenses that are limited in time due to structuring every 20-25 years. Regular depreciation of the structured quotas is not made. At maturity of the structure period, the Norwegian quota will, in its entirety, be distributed among the remaining quotas within the same vessel group. It is thus expected that Aker Seafoods will maintain approximately the same catch capacity as before the restructuring. Quotas that are

not structured aren't depreciated either as they are defined as perpetual quotas i.e. not limited in time.

There are delivery commitments tied to the regions to which the licenses belong i.e. Finnmark and Nordland. These existing commitments have been taken into consideration in the valuation of the licenses.

Related to the presentation of the financial statements for 2010, an external assessment of the fishing licenses in Norway was performed. The cod quotas were valued at NOK 50 million per quota, The shrimp licenses at NOK 4 million per license and the silver smelt licenses at NOK 3 million per license. Valuation is based on the market value (ie the value that an external appraiser estimates) of this type of quotas and licenses after expenses related to a sale have been deducted. The market value of the licenses in Norway is NOK 1 523 million which is NOK 879 million higher than book value.

Sensitivity analysis of fishing quotas and licenses

<i>Amounts in NOK million</i>	Change in turnover	Change in EBITDA
a 10% change in the price of cod will lead to the following changes	34	21
a 10% change in the quantity of cod will lead to the following changes	34	10
a 10% change in the quantity of cod, saithe and haddock will lead to the following changes	70	17

A 10% reduction in the price of cod will reduce turnover by 10%, while EBITDA impact in NOK is expected to be somewhat less. A lasting reduction in price, given unchanged quota volumes, is expected to affect the value of quotas and licenses due to reduced EBITDA- and cash flow contribution.

Other intangible assets

Allocation of other intangible assets:

<i>Amounts in NOK million</i>	2010	2009
Development Aker BioMarine	32	157
License agreements and product technology Aker BioMarine	63	
Aker Clean Carbon capitalized development and technology expenses (50%)	-	46
Other	102	79
Total	197	282

Aker BioMarine

The carried amount of NOK 63 million in license agreements and production technology is mainly related to existing license agreements maturing in 7-9 years. Due to reduced income from the relevant license agreements compared to previous expectations, the Group has performed impairment testing by comparing carried amounts

before any potential impairment of value in use. Our analysis based on discounted cash flow (DCF) indicated an impairment of NOK 19 million. NOK 18 million in license agreements and 1 million classified as development (2009: NOK 15 million). Consequently, the carried amount is reduced accordingly to NOK 63 million. Value at

use is calculated based on cash flow projections from 20101 until maturity. Projected cash flow is based on internally developed budgets approved by the Board, as well as input from license counterparties. Based on the underlying development during the last periods no increase is projected in operating income from the license agreements (2009: 3.5%). Annual costs are predicted to increase in line with an expected rate of inflation of 2.5% (2009: 3.5%). Amendments to the assumptions from 2009 are due to historical development and management's expectations. Based on the relatively predictable cash flow from these agreements a discount rate of 11.7%

before tax (2009: 10.8%), is applied by reduced asset-specific risk compared with the rate of return used in the impairment of goodwill.

A sensitivity analysis based on different growth rates between 0 - 5% and a discount rate between 10 - 13%, values the licensing agreements at between NOK 63-76 million compared with a carried amount of NOK 63 million.

Other companies

Apart from NOK 32 million in amortization and NOK 24 million in write down of development and product technology in Aker BioMarine, no further indications of impairment have been identified.

Note 13 Investments in associated companies

<i>Amounts in NOK million</i>	2010	2009
1 January 2010	5 126	4 740
Acquisitions in stages, downward sales and sales of subsidiaries	-	1 551
Acquisitions / Disposals	-	(1 145)
Share of loss / profit	611	794
Exchange differences	(22)	(505)
Other equity movements	(420)	(309)
31 December 2010	5 295	5 126

Shares and investments in associated companies allocated as follows:

2010		Acquisitions in stages, downward sales and sales of subsidiaries	Acquisitions and disposals	Share of profit / loss	Changes due to exchange differences and hedges	Other changes in equity	Book value 31 December
<i>Amounts in NOK million</i>	Book value 1 January						
Aker Solutions ASA	3 531	-	-	802	(22)	(313)	3 998
Bokn Invest AS	-	-	154	6	-	-	160
Bjorge ASA	154	-	(154)	-	-	-	-
Det norske oljeselskap ASA	1 429	-	-	(196)	-	(102)	1 131
Other companies	11	-	-	(1)	-	(5)	6
Total	5 126	-	-	611	(22)	(420)	5 295

Acquisitions and disposals:

The shares in Bjorge ASA were transferred to Bokn Invest AS and Aker kept the same ownership share that it had in Bjorge ASA. Bjorge ASA was de-listed from the Oslo Stock Exchange and the company has been split into three focused companies: Align, Stream and Naxys.

Share of profit / loss:

Share of profit / loss from associated companies are based on the company's financial results. The share of profit / loss in Det norske oljeselskap has been adjusted for the profit impact of the lease of the drilling rig Aker Barents to Det norske oljeselskap (transaction with associated company).

Other changes in equity:

Other changes in equity in the share Aker Solutions ASA among other includes NOK 286 million in dividend received. Other changes in equity in the share Det norske Oljeselskap ASA has been

adjusted for the profit impact in connection with the lease of the drilling rig Aker Barents from Aker Drilling.

Shares and investments in associated companies allocated as follows:

2009		Acquisitions in stages, downward sales and sales of subsidiaries	Acquisitions and disposals	Share of profit / loss	Changes due to exchange differences and hedges	Other changes in equity	Book value 31 December
Amounts in NOK million	Book value 1 January						
Aker Solutions ASA	3 396	-	-	926	(505)	(285)	3 531
Bjorge ASA	190	-	-	(27)	-	(9)	154
Det norske oljeselskap ASA	-	1 551	-	(111)	-	(11)	1 429
ODIM ASA	865	-	(883)	18	-	-	-
Genesis Petroleum Corp. Plc	83	-	(78)	(5)	-	-	-
Aker Oilfield Services AS	191	-	(184)	(7)	-	-	-
Other companies	15	-	-	-	-	(4)	11
Total	4 740	1 551	(1 145)	794	(505)	(309)	5 126

Acquisitions in stages, downward sales and sales of subsidiaries

On October 7, 2009 Aker ASA acquired 3.4 million shares in Det norske oljeselskap ASA increasing its ownership interest from 18.2% to 23.4%. A fair value appraisal was performed on the previously acquired 18.2% and the fair value of Aker's ownership interests in Det norske oljeselskap was adjusted downward by NOK 56 million. During October Aker acquired a further 6 million shares in the company increasing its own-

ership interests to 32.6%.

The merger plan for Aker Exploration and Det norske oljeselskap was approved at the shareholders meetings on 19. October 2009. The merger was carried through on December 22, 2009. Thereupon Aker owned 40.5% of the merged company Det norske.

In relation to the down sale in Aker Exploration Aker has recorded a loss of NOK 83 million (see note 3).

	NOK per share ¹⁾	NOK million
Ownership 18.17% 11.8 million shares	54.16	639
Acquisition 5.21% 3.4 million shares	49.41	167
Value of 23.38% in Det norske oljeselskap before fair value adjustment	53.10	806
Fair value adjustment of 11.8 mill shares at a price per share of NOK 49.41		(56)
Value of 23.38% in Det norske oljeselskap	49.41	750
Further acquisition of 6 million shares	49.90	300
Value of 32.6% in Det norske oljeselskap	49.55	1 049
Value of Aker Exploration (see note 3)		501
Value of Akers 40.45% share per 31 December 2009 in Det norske oljeselskap (44.9 million shares)	34.50	1 551

Acquisitions and disposals:

On April 1, 2009, Aker Solutions acquired Akers stake of 46% in Aker Oilfield Services, 50% in Aker DOF Deepwater (formerly Aker DOF Supply), 33% in the listed technology company ODIM and 100% in the product company Mid-sund Bruk.

In total Aker received NOK 1 391 million for the shares sold, of which NOK 1 114 million is attributable to the sale of Akers stakes in ODIM and Aker Oilfield Services.

At the end of August 2009 Aker sold its shares in Genesis Petroleum Corp. Plc for NOK 40 million and recorded a loss of NOK38 million.

Other changes in equity:

Other changes in equity related to the associate Aker Solutions include NOK 177 million in dividends received.

Other changes in equity related to the associate Bjorge include NOK 9 million in dividends received.

Excess value

There is no excess value in the portfolio of shares and interests in associated companies as of 31 December 2010

Summary of financial information for associated companies and the group's stake in major associates is as follows:

Listed companies are Aker Solutions ASA and Det norske oljeselskap ASA.

Shown below are the share prices and market values of Akers share in Aker Solutions ASA and Det norske oljeselskap ASA:

Amounts in NOK million	Number of shares million	Quoted price 31 December 2010 in NOK	Book value 31 December 2010 in NOK million	Stock value 31 December 2010 in NOK million
Aker Solutions ASA	110.3	99.25	3 998	10 951
Det norske oljeselskap ASA	44.9	27.00	1 131	1 213

¹⁾ 1 share in Det norske oljeselskap before the merger corresponds to 1.4033282 shares in the merged company.

2010

Amounts in NOK million	Country	Assets	Liabilities	Operating revenue	Profit for the year	Ownership interest held%
Aker Solutions ASA	Norge	40 021	29 667	46 267	2 010	40.3 ¹⁾
Bokn Invest AS	Norge	498	5	-	1	39.9
Det norske oljeselskap ASA	Norge	7 806	4 627	366	(671)	40.5

¹⁾ After amortization of 1.1 million own shares, not considered Aker Solutions' acquisition of own shares.

2009

Amounts in NOK million	Country	Assets	Liabilities	Operating revenue	Profit for the year	Ownership interest held%
Aker Solutions ASA	Norge	39 926	30 801	54 077	2 331	40.3 ¹⁾
Bjerge ASA	Norge	957	533	1 460	6	39.9
Det norske oljeselskap ASA	Norge	7 679	3 829	265	(521)	40.5

¹⁾ After amortization of 1.1 million own shares, not considered Aker Solutions' acquisition of own shares.

Note 14 Investment in joint ventures

The Group has interests in several joint venture activities, 50% in Trygg Pharma Holding, Aker Clean Carbon and Aker Encore. Aker Clean Carbon develops technology and solutions to capture to CO₂. Aker Encore owns an airplane.

In the third quarter of 2010 Aker BioMarine entered into a partnership with Lindsay Goldberg. The investment fund acquired 50% of the shares in Aker BioMarines subsidiary Trygg Pharma Holding. Trygg Pharma Holding has acquired Epax one of the

world's leading players for the manufacture of highly concentrated omega-3 oils.

As of 1 January 2010 jointly controlled companies are accounted for by means of the equity method. Previously the group's shares of assets

and liabilities, revenues and expenses of the joint venture agreements were included as line items in the consolidated financial statements.

Investment in joint ventures is allocated as follows:

2010

Amounts in NOK million	Carried amount 1 January	Acquisition and disposals	Share of profit	Other changes in equity	Carried amount per 31 December
Trygg Pharma Holding	-	215	1	338	554
Aker Clean Carbon	39	-	(23)	52	68
Aker Encore	18	-	-	-	18
Total	57	215	(22)	390	640

Acquisitions and disposals

Downward sale

In September 2010 Aker BioMarine sold 50 percent of the shares in its subsidiary Trygg Pharma Holding. The remaining ownership share was revalued by NOK 251 million (see note 3 downward sale of subsidiaries).

Other changes in equity

Other changes in equity in share of Aker Clean Carbon can be attributed to equity contribution by Aker ASA in 2010.

Other changes in equity in share of Trygg Pharma Holding can be attributed to equity contribution by Aker BioMarine in 2010.

A summary of financial information regarding joint ventures and overview of the Aker group's ownership share in significant joint ventures follows below:

<i>Amounts in NOK million</i>	Trygg Pharma Holding	Aker Clean Carbon	Aker Encore
Country	Norway	Norway	Norway
Ownership share and share of votes	50%	50%	50%
Revenue	64	263	1
Cost	(62)	(308)	(1)
Profit (+) / Loss (-)	2	(45)	-
Fixed assets	1 237	135	33
Current assets	338	88	3
Total assets	1 576	223	36
Equity	1 109	137	36
Long term liabilities	333	-	-
Short term liabilities	134	86	-
Total equity and liabilities	1 576	223	36

Note 15 Other shares

<i>Amounts in NOK million</i>	Ownership share%	2010	2009
AAM Absolute Return fund	12.5	300	295
American Shipping Company	19.9	24	28
Sparebanken 1 SMN Equity certificates	1.6	81	59
NBT	9.8	55	-
Share in other companies		135	191
Sum		594	573

AAM Absolute Return Fund consist of NOK 115 million (USD 20 million) in USD Class A and NOK 185 million in Class B.

The total fund consists of Class A USD 308 million USD and CLASS B NOK 601 million. Aker share in NOK class is 31% and the share in USD Class is 6%.

The change in other shares in 2010 relates to:

Amounts in NOK million

As per 1. January 2010	573
Converted receivables in NBT	47
Acquisitions	29
Change in fair value reserve	13
Sale	(21)
Sales gains and write downs	(46)
Per 31. December 2010	594

Note 16 Interest-bearing long term receivables

Financial interest-bearing long term receivables consist of the following items:

<i>Amounts in NOK million</i>	2010	2009
Restricted deposits ¹⁾	5 565	6 413
Loans to employees ²⁾	5	14
Long term bonds	645	1 610
Other interest-bearing long term receivables	142	138
Total	6 357	8 175

¹⁾ Restricted funds related to loan agreement in Aker Floating Production of NOK 117 million and in Aker Drilling of NOK 5 448 million (see note 27).

²⁾ Average interest rate on loans to employees was 2.4% in 2010 and 5.8% in 2009.

The change in interest-bearing long term receivables in 2010 can be allocated as follows:

<i>Amounts in NOK million</i>	Bonds	Restricted funds	Other loans	Total
Per 1 January 2010	1 610	6 413	152	8 175
Converted receivable NBT	(47)	-	-	(47)
Accrued interest	59	-	12	71
Change in fair value reserve	29	-	-	29
Interest-bearing loans internal sale of subsidiaries (see note 4)	-	-	122	122
Change in fair value of financial assets available for sale from profit and loss	(25)	-	-	(25)
Disposals	(1 038)	(848)	(128)	(2 014)
Acquisitions	-	-	4	4
Impairment and sales gains	57	-	-	57
Revaluation and other changes	-	1	(16)	(15)
Per 31 December 2010	645	5 565	146	6 357
Net disposal and acquisitions (see cash flow)	1 038	848	124	2 010

The terms of the long term bonds are as follows:

<i>Amounts in NOK million</i>	Currency	Nominal interest rate	Time of maturity	Nominal value	Carrying amount
Aker Solutions ASA 06/13	NOK	3.3%	02.12.13	15	14
Aker Solutions ASA 06/11	NOK	3.1%	01.12.11	45	45
American Shipping Company ASA	NOK	6.8%	28.02.12	796	382
Front Exploration AS	USD	11.0%	11.07.12	27	25
Aker Exploration (Det norske oljeselskap)	NOK	6.0%	16.12.11	34	33
6% Norwegian Energy Company AS Conv. 07/12	NOK	6.0%	11.05.12	150	146
Total				1 067	645

Fair value adjustment is NOK 29 million in 2010 and NOK 23 million in 2009

Aker Solutions ASA bond

Accrued interest is paid quarterly on the bonds that mature in 2011 and 2013.

American Shipping Company bond

Interest is capitalized quarterly.

Front Exploration

Accrued interest is paid quarterly

Aker Exploration

Accrued interest is paid annually

Convertible bond in Norwegian Energy Company

The bond can be converted at a price of NOK 22.25 per share. Interest accrued is paid semi-annually.

Note 17 Other non-current assets

Other non-current assets consist of the following items:

<i>Amounts in NOK million</i>	2010	2009
Derivatives (note 2 and note 35)	2	15
Interest-free long term receivables on related parties	88	86
Other interest-free long term receivables	219	133
Total	309	234

Deferred income in the subsidiary Aker Drilling is associated with the mobilization and installation of third party equipment. This has been included in short and long term liabilities and income is recognized over the contract life. The related costs are recognized as short and long term receivables and expensed over the contract life. Per 31 December 2010, the long term part of capitalized cost is NOK 226 million, of which NOK 88 million is towards Det norske oljeselskap.

Note 18 Inventory and biological assets

Biological assets in Aker mainly derive from a subsidiary of Aker Seafoods ASA, Aker Seafoods France.

The table below shows the total volume of fish in sea and trout ready for harvest

<i>Figures in tons</i>	2010	2009
Total fish in sea	2 208	2 274
Fish ready for harvest	2 098	2 238

Carrying amount biological assets 31 December

<i>Amounts in NOK million</i>	2010	2009
Fair value adjustment fish ready for harvest	6	11
Fair value adjustment fish not ready for harvest	-	-
Total fair value adjustment biological assets	6	11
Cost of biological assets	42	52
Carrying amount biological assets	48	63

Inventory comprises the following items:

<i>Amounts in NOK million</i>	2010	2009
Raw materials	47	72
Work in progress	21	22
Finished goods	207	256
Total	275	350

Impairment (write-down) of inventory recognized as expense during the period	8	4
Reversal of impairment (revaluation) recognized as an expense reduction during the period	-	-
Carrying value of inventory pledged as security for liabilities	161	242

Of the total value of Aker group's inventories at 31 December 2010, NOK 203 million is measured at fair value less cost to sell.

Note 19 Order backlog

Activities in Aker Floating Production, Aker Philadelphia Shipyard, Aker Drilling and other areas are largely based on deliveries according to customer contract.

The order backlog represents an obligation to

deliver goods and services not yet produced and gives Aker contractual rights to future deliveries. If projected costs are higher than projected income, the total projected loss on the contract is recorded in the profit and loss account.

Order intake and order backlog for the companies in the Aker group as per year end 2009 and 2010:

Figures unaudited

<i>Amounts in NOK million</i>	Order back- log 31 Dec. 2010	Order intake 2010	Order back- log 31 Dec. 2009	Order intake 2009
Aker Philadelphia Shipyard	174	-	1 418	-
Aker Floating Production (see below)	5 744	-	7 037	-
Aker Drilling (see below)	7 004	2 487	6 734	-
Aker Ship Lease (see below)	2 002	2 061	-	-
Other companies (see below)	169	-	-	-
Total	15 093	4 548	15 189	-

The recognized profits at 31 December 2010 and 2009 on contracts in process at year-end are as follows:

<i>Amounts in NOK million</i>	2010	2009
Revenue from construction contracts	5 484	4 348
Costs related to construction contracts	(5 108)	(4 059)
Recognized anticipated loss on contracts	-	-
Profit for the period	377	290

Other key figures related to construction contracts
Advances received

144 544

Leasing agreements signed and other order backlog

<i>Amounts in NOK million</i>	Aker Drilling	Aker Floating Production	Aker Ship Lease	Other	Total
Duration less than one year	2 035	601	185	34	2 855
Duration between one and five years	4 190	2 406	806	136	7 537
Duration over five years	-	1 638	1 011	-	2 649
Total leasing agreements	6 225	4 645	2 002	169	13 041
Other order backlog	779	1099	-	174	2 052
Total	7 004	5 744	2 002	344	15 093

Aker Drillings H6-rigs Aker Spitsbergen and Aker Barents are signed on long term contracts and together have an order reserve of USD 1.2 billion at the end of 2010. Aker Spitsbergen has been contracted by Statoil until July 2013 and the oil company has an option to extend the agreement five times, two years at a time. Aker Barents is contracted by Det norske oljeselskap until July 2014 and Det norske has an option to extend the agreement twice with one year at a time.

Aker Floating Production has entered into a

time charter with Reliance Industries Ltd for the lease of Dhirubhai-1 for a 10 year period that started in September 2008. Reliance has an option to purchase the FPSO. The option may be exercised during the entire contract period.

Akers wholly owned subsidiary Aker Ship Lease took delivery of Aker Wayfarer in October 2010. This specialized construction ship is signed on a ten year marine operations contract with a wholly owned subsidiary of Aker Solutions.

Note 20 Trade and other short term interest-free receivables

Trade and other short term interest-free receivables comprise of the following items:

<i>Amounts in NOK million</i>	2010	2009
Trade receivables	707	686
Tax receivable	3	14
Other short term interest-free receivables	556	805
Total	1 266	1 505

In 2010 the group has recorded impairment loss in trade receivables of NOK 34 million. (In 2009 the loss was NOK 41 million).

The loss has been included in other operating expenses in the profit and loss statement.

Other short term receivables in 2010 for the most part consist of interest earned but not yet received, VAT receivable and advance payments to suppliers.

Note 21 Interest-bearing short term receivables

Interest-bearing short term receivables consist of the following items:

<i>Amounts in NOK million</i>	2010	2009
Interest-bearing short term receivables associated companies	-	-
Other interest-bearing short term receivables	7	52
Total	7	52

Note 22 Cash and cash equivalents

Cash and cash equivalents comprise of the following items:

<i>Amounts in NOK million</i>	2010	2009
Cash and bank deposits	5 121	4 165
Short term investments with maturity less than 3 months	-	168
Cash and cash equivalents	5 121	4 333

Short term investments consist of certificates and other investments with a maturity of between one day and three months, depending on the cash requirements of the group. The interest on the short term investments varies with the respecting maturities.

Cash and cash equivalents are allocated to the different companies as follows:

<i>Amounts in NOK million</i>	2010	2009
Industrial holdings:		
Aker Drilling	1 205	1 011
Aker BioMarine	84	8
Total industrial holdings	1 289	1 019
Funds:		
Convento Capital Fund	596	443
Total funds	596	443
Other holdings:		
Financial investments	302	177
Aker ASA and holding companies	2 933	2 694
Total	5 121	4 333

There are restrictions on the cash transfer between Aker ASA and holding companies and subsidiaries.

Restricted deposits constitute NOK 970 million. NOK 17 million in Aker ASA and holding companies, NOK 19 million in Aker Seafoods, NOK 1 million in Aker BioMarine and NOK 933 million in Aker Drilling. Restricted deposits in Aker Drilling relate to borrowings in Eksportfinans and DnBNOR (see note 16 and note 27).

Note 23 Earnings per share and dividend per share and paid-in equity

Earnings per share

Calculation of profit from continued and discontinued operations to equity holders of the group:

<i>Amounts in NOK million</i>	2010	2009
Continued operations:		
Net profit (loss) from continued operations	351	(2 208)
Minority interests	288	(7)
Profit from continued operations attributable to equity holders of the group	64	(2 202)

Discontinued operations

Net profit (loss) from discontinued operations	-	(434)
Minority interests	-	(84)
Profit from discontinued operations attributable to equity holders of the group	-	(350)
Total profit attributable to equity holders of the group	64	(2 551)

Ordinary shares outstanding at 1 January	72 367 374	72 367 374
--	-------------------	------------

Allocation:

Issued ordinary shares at 31 December 2010 and 2009	72 374 728	72 374 728
Effect of own shares held	(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 instruments with potential dilution effect outstanding at 31 December 2010 or 31 December 2009.

Dividend per share

Dividends paid in 2010 and 2009 were NOK 579 million (NOK 8.00 per share) and NOK 362 million (5.00 per share) respectively. A dividend of NOK 10 per share will be proposed at the Annual General Meeting on April 14, 2011.

Paid in capital

As of 31 December 2010 and 31 December 2009 Aker ASAs share capital consists of the following classes:

	Shares issued	Own shares	Shares outstanding	Par value (NOK)	Total par value 31 December in NOK (million)	
					Shares issued	Shares outstanding
Ordinary 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 have equal voting rights and are entitled to dividend. Aker ASA has no voting rights for its own shares.

Dividends

Dividend as shown below is proposed distributed after balance sheet date. No provision has been made for the dividend and there are no tax effects.

<i>Amounts in NOK million</i>	2010
Proposed dividend in 2010 NOK 10.00 per share	724
Estimated dividend paid in 2011	724

The 20 largest shareholders as of 31 December 2010

Shareholders	Number of shares	Percent
TRG Holding AS ¹⁾	48 245 048	66.7%
JP Morgan Chase Bank (Nordea)	1 687 097	2.3%
Skandinaviska Enskilda Banken AB	1 428 780	2.0%
Odin Norden	1 052 890	1.5%
The Resource Group TRG AS ¹⁾	824 642	1.1%
Goldman Sachs & Co - Equity	739 482	1.0%
State Street Bank and Trust Co (I).	640 000	0.9%
State Street Bank and Trust Co (F).	628 741	0.9%
Clearstream Banking SA	585 377	0.8%
The Hermes Focus Funds	570 524	0.8%
KBC Securities (Non-treaty)	536 850	0.7%
KBC Securities	529 315	0.7%
Oslo Pensjonsforsikring AS	445 200	0.6%
ABN Amro Global Custody Services	333 744	0.5%
The Northern Trust Co	324 837	0.4%
JP Morgan Chase Bank	318 130	0.4%
KLP Aksje Norge VPF	252 715	0.3%
Tvenge, Torstein	250 215	0.3%
Inak 2 AS	250 000	0.3%
Bank og New York Mellon SA/NV	244 658	0.3%
Other	12 486 483	17.3%
Total	72 374 728	100%

¹⁾ Kjell Inge Røkke is, through the TRG companies controlling in total 67.8% of the shares in Aker ASA.

Note 24 Group entities and minority interests

The largest subsidiaries in the Aker group accounts are presented in the table below
Companies owned directly by Aker ASA are highlighted.

	Group's ownership in %	Group's share of votes in %	Business address	
			City location	Country
Converto Capital Management AS	90.00	90.00	Oslo	Norway
Converto Capital Fund	99.80	99.80	Oslo	Norway
Aker Seafoods ASA (AKS)	65.85	65.85	Oslo	Norway
Aker Seafoods Finnmark AS	65.85	65.85	Hammerfest	Norway
Aker Seafoods Melbu AS	65.85	65.85	Melbu	Norway
Aker Seafoods JM Johansen AS	65.85	65.85	Stamsund	Norway
Aker Seafoods Denmark A/S	65.85	65.85	Grenå	Denmark
Aker Seafoods UK Ltd.	65.85	65.85	Grimsby	UK
Norwegian Fish Company Export AS	65.85	65.85	Kristiansund	Norway
Hammerfest Industrifiske AS	65.85	65.85	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	65.85	65.85	Båtsfjord	Norway
Aker Seafoods Nordkyn AS	65.85	65.85	Kjøllefjord	Norway
Aker Seafoods Eiendom AS	65.85	65.85	Ålesund	Norway
Aker Seafoods Nordland AS	65.85	65.85	Stamsund	Norway
Berlevågtrål III AS	65.85	65.85	Berlevåg	Norway
Aker Seafoods Sweden AB	65.85	65.85	Kungshamn	Sverige
Aker Seafoods France S.A	65.85	65.85	Castets	France
Aker Philadelphia Shipyard ASA	67.10	67.10	Oslo	Norway
Aker Philadelphia Shipyard Inc	67.10	67.10	Philadelphia	USA
Aker Floating Production ASA (AFP)	72.34	72.34	Oslo	Norway
Aker Contracting FP ASA	72.34	72.34	Oslo	Norway
AFP Operations AS	72.34	72.34	Oslo	Norway
Aker Smart FP AS	72.34	72.34	Oslo	Norway
Ocean Harvest AS	100.00	100.00	Oslo	Norway

Annual accounts – Aker group

	Group's ownership in %	Group's share of votes in %	Business address			Group's ownership in %	Group's share of votes in %	Business address	
			City location	Country				City location	Country
Ocean Harvest Trading, Ltd	100.00	100.00	Cayman Island	Cayman Island	Navigator Marine AS	100.00	100.00	Oslo	Norway
Ocean Harvest Group, Ltd	100.00	100.00	Buenos Aires	Argentina	Aker Achievement AS	100.00	100.00	Oslo	Norway
EstreMar S.A.	100.00	100.00	Buenos Aires	Argentina	Setanta Energy Group BV	99.00	99.00	Amsterdam	Netherlands
Aker Seafoods Holding AS	100.00	100.00	Oslo	Norway	Aker Energy International AS	100.00	100.00	Oslo	Norway
Aker BioMarine ASA	83.31	83.31	Oslo	Norway	Aker Maritime Finance AS	100.00	100.00	Oslo	Norway
Aker BioMarine Antarctic AS	83.31	83.31	Ålesund	Norway	Kværner AS	100.00	100.00	Oslo	Norway
Aker Holding AS	60.00	60.00	Oslo	Norway	Sea Launch Holding AS	100.00	100.00	Oslo	Norway
Aker Capital AS	100.00	100.00	Oslo	Norway	Molde Fotball AS	100.00	100.00	Molde	Norway
Aker Drilling AS	100.00	100.00	Stavanger	Norway	Aker Ship Lease AS	100.00	100.00	Oslo	Norway
Contract Co Alfa AS	100.00	100.00	Stavanger	Norway	Aker Ship Lease 1 AS	100.00	100.00	Oslo	Norway
Contract Co Beta AS	100.00	100.00	Stavanger	Norway	Oslo Asset Management Holding AS	50.10	50.10	Oslo	Norway
Aker Drilling Services AS	100.00	100.00	Stavanger	Norway	Oslo Asset Management AS	50.10	50.10	Oslo	Norway
Aker Drilling Operation AS	100.00	100.00	Stavanger	Norway					
Aker Holding Start 2 AS	100.00	100.00	Oslo	Norway	Minority interests				
RGI Inc.	100.00	100.00	Seattle	USA	The Aker group contains several subsidiaries where Aker ASA and Holding companies own less than 100%.				
RGI Holding, Inc	100.00	100.00	Seattle	USA	Significant companies with minority shareholders per 31 December 2010 are Aker Philadelphia Shipyard 32.9%, Aker Seafoods 34.15%, Aker BioMarine 16.7%, Aker Floating Production				
Aker Invest AS	100.00	100.00	Oslo	Norway					
Aker Invest II KS	100.00	100.00	Oslo	Norway					
American Champion, Inc	100.00	100.00	Seattle	USA					
New Pollock LP, Inc	100.00	100.00	Seattle	USA					

Change in minority interests in 2010 can be attributed to the following companies:

Amounts in NOK million	Balance per 1 January	Profit for the year	Other comprehensive income	Dividend	New minority, release of minority	Emission in subsidiary	New minority, release of minority in ass. Company	Balance at 31 December
Aker Seafoods	537	16	(7)	-	(3)	-	-	543
Aker Philadelphia Shipyard	265	14	13	-	(106)	-	-	186
Aker BioMarine	33	28	2	-	-	146	-	209
Aker Floating Production	35	(48)	2	-	-	-	-	(11)
Aker Holding	5 181	269	(7)	(114)	-	-	(2)	5 327
Other companies	29	9	-	(9)	11	-	-	40
Total	6 080	288	3	(123)	(98)	146	(2)	6 295

New minority, release of minority (see note 3):

During 2010 Aker ASA has purchased NOK 22 million in shares from minority interests. This has reduced minority interests by NOK 108 million and led to a NOK 86 million net increase in majority interests which is recognized directly in equity and attributed to the equity holders in the parent company. In addition Aker has done a downward sale

to minority interests of NOK 10 million. Total new minority and reduction and minority interest amounts to NOK -98 million

Emission in subsidiary:

In a share issue in May 2010 Aker BioMarine ASA received NOK 631 million of new equity and in another issue in November 2010 a further NOK 246 million for a total of NOK 877 million in new equity. Minority interests contributed NOK 146 million in these issues.

Note 25 Foreign currency exchange rates

In the consolidated accounts of Aker the following exchange rates have been applied in translating the accounts of foreign subsidiaries and associated companies:

Land	Currency		Average rate 2010	Rate at 31 Dec. 2010	Average rate 2009	Rate at 31 Dec. 2009
Great Britain	GBP	1	9.33	9.05	9.81	9.27
USA	USD	1	6.04	5.84	6.29	5.75
Denmark	DKK	100	107.54	104.47	117.35	111.17
Sweden	SEK	100	83.95	86.69	82.30	80.50
The European Union (EU)	EUR	1	8.01	7.80	8.74	8.28

Average rate and rate at 31 December were applied when translating profit and loss and balance sheet items respectively. The average rate is used in translating profit and loss. If the average exchange rate for the period does not provide a fair estimate of the transaction rate, then the actual transaction rate is used.

Note 26 Translation reserve, fair value reserve and hedging reserve**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.

The main subsidiaries reporting in other currencies than NOK are Aker Philadelphia Shipyard (USD), Aker Drilling (USD), Aker Floating Production (USD), Aker Seafoods Denmark (DKK), Aker Sea-

foods France (EUR), Aker Seafoods Spain (EUR) and Estremar Argentina (USD). In addition, the share of the translation differences in, among others, the associated company Aker Solutions.

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 and interest rate changes. 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.

Translation reserve

<i>Amounts in NOK million</i>	Functional currency	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Balance at 31 December
Aker Philadelphia Shipyard	USD	(48)	(6)	-	(6)	(54)
Aker Drilling	USD	107	10	(3)	7	114
Aker Floating Production	USD	(1)	(4)	-	(4)	(4)
Aker Seafoods		58	(11)	-	(11)	47
Ocean Harvest	USD	(119)	12	-	12	(107)
Other companies		(30)	15	-	15	(15)
Total		(33)	17	(3)	15	(19)
Share of translation reserve in Aker Solutions		(324)	(4)	-	(4)	(328)
Total		(356)	13	(3)	11	(346)

The table below depicts the sensitivity of Akers consolidated financial statements to translation differences. If the NOK had been 10% stronger through 2010, the effects upon consolidation would have been as shown in the table. Sensitiv-

ity analysis is an analysis of translation differences and does not take into account other effects of a stronger currency such as competitiveness, changing value of derivatives etc.

<i>Amounts in NOK million</i>	Pretax profit from continued operations	Equity
Recorded profit and equity	695	16 325
Change provided a 10% strengthening of NOK	(15)	(542)
Profit and equity provided a 10% strengthening of NOK	679	15 783

Fair value reserve

<i>Amounts in NOK million</i>	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Reclassification downward sale	Reclassification	Balance at 31 December
Long term obligation loans (see note 16)	23	29	-	29	(23)	-	28
Other shares (see note 15)	82	13	-	13	-	1	96
Total	105	43	-	43	(23)	1	124

Hedging reserve

<i>Amounts in NOK million</i>	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Reclassification downward sale	Reclassification	Balance at 31 December
Aker Drilling	(134)	7	(2)	5	-	-	(129)
Aker Seafoods	(1)	(2)	-	(2)	-	-	(3)
Ocean Harvest	16	1	-	1	-	-	17
Total	(119)	5	(2)	4	-	-	(115)
Share of hedging reserve ass. company Aker Solutions	34	(11)	-	(11)	-	-	22
Total	(85)	(6)	(2)	(8)	-	-	(93)

Change in other comprehensive income from associated companies:

<i>Amounts in NOK million</i>	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Reclassification downward sale	Reclassification	Balance at 31 December
Translation difference	(324)	(4)	-	(4)	-	-	(328)
Hedging	34	(11)	-	(11)	-	-	22
Total	(290)	(15)	-	(15)	-	-	(306)

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 follow:

<i>Amounts in NOK million</i>	Carrying amount 2010	Carrying amount 2009
Non-current liabilities		
Secured bank loans	13 315	13 652
Unsecured bank loans	853	855
Unsecured bond issues	3 304	904
Convertible bonds	-	-
Finance lease liabilities	28	33
Loan from associated companies	-	-
Other long term liabilities	46	19
Total non-current interest-bearing liabilities	17 545	15 463
Current liabilities		
Current portion of secured bank loans	1 839	1 881
Current portion of unsecured bond issues	-	593
Current portion of convertible bonds	-	592
Current portion of finance lease liabilities	-	469
Current portion of other long term liabilities	43	82
Overdraft facilities	93	276
Construction loan	97	60
Other short term liabilities	2 073	3 953
Total interest-bearing liabilities	19 618	19 416

Interest-bearing liabilities are allocated to the companies within the group as follows:

<i>Amounts in NOK million</i>	2010	2009
Industrial holdings:		
Aker Drilling	11 117	11 707
Aker BioMarine	396	889
Total industrial holdings	11 513	12 596
Funds:		
Converto Capital Fund	4 441	4 881
Total funds	4 441	4 881
Other companies:		
Aker Ship Lease	1 233	-
Other companies	47	49
Aker ASA and Holding companies	2 550	2 523
Eliminations	(167)	(633)
Total interest-bearing liabilities	19 618	19 416

Contractual terms on interest-bearing liabilities per 31 December 2010 are as follows:

<i>Amounts in NOK million</i>	Currency	Nominal interest rate	Maturity	Carrying amount nominal currency	Carrying amount NOK million
Industrial holdings:					
Aker Drilling:					
Subordinated bonds ¹⁾	NOK	Nibor + 4.0%	April 2013	1 500	1 500
<i>Secured bank loan:</i>					
Eksporthfinans	NOK	4.15%	September 2017	2 969	2 969
Eksporthfinans	NOK	4.15%	January 2018	3 182	3 182
DnB NOR	USD	Libor + 2.0%	January 2013	297	1 737
DnB NOR	USD	Libor + 0.80-1.00%	November 2013	298	1 742
Loan fees					(12)
Total Aker Drilling					11 117
¹⁾ Loan guaranteed by Aker ASA. Guarantee commission to Aker ASA 2.55%					
Aker BioMarine:					
Unsecured bond	NOK	3 mnd Nibor + 3.75%	May 2013	305	305
Secured bank loan:					
Caterpillar Financial Services Corporation	USD	6 mnd Libor + 1.89%	March 2017	15.6	91
Total Aker BioMarine					396
Funds:					
Converto Capital Fund:					
Aker Seafoods:					
Bank loan NOK	NOK	Nibor + 2.00%	October 2015	995	995
Bank loan EUR	EUR			1.6	12
Overdraft facilities	NOK			9.0	9
Finance lease liabilities	NOK			5.0	5
Finance lease liabilities	EUR			2.9	23
Other short term and long term liabilities	NOK			38.0	94
Other short term and long term liabilities	EUR			2.3	18
Total Aker Seafoods					1 156
Aker Philadelphia Shipyard:					
<i>Bank loan:</i>					
Philadelphia Industrial Development Authority (PIDA)	USD	3.75%	October 2015	7.7	45
Philadelphia Industrial Development Corporation (PIDC)	USD	3.75%	October 2015	3.7	21
Philadelphia Industrial Development Corporation (PIDC)	USD	2.75%	March 2012	19.9	116
<i>Construction loan:</i>					
Caterpillar Financial Services Corporation	USD		Less than 12 month	16.0	93
Total Aker Philadelphia Shipyard				47.2	276

<i>Amounts in NOK million</i>	Currency	Nominal interest rate	Maturity	Carrying amount nominal currency	Carrying amount NOK million
Ocean Harvest:					
<i>Bank loan:</i>					
Caterpillar Financial Services Corporation/2016	USD	Libor + 2.75%	November 2016	14.2	83
Caterpillar Financial Services Corporation/2020	USD	Libor + 4.45%	November 2020	12.0	70
Loan fees				(0.6)	(4)
Overdraft facility, Spb1 Midt Norge, max. Amount USD 8 million	USD	Libor + 3.00%		5	30
Other short term liabilities, Galicia Bank	USD	15%		0.5	3
Total Ocean Harvest					182
Aker Floating Production:					
<i>Bank loan</i>					
DnBNOR syndicated loan	USD	Nibor + 1.5%	2018	471.7	2 754
DnBNOR/Fortis/HSGH Bank	USD	Libor + 4%	July 2010	12.7	74
Total Aker Floating Production				484.4	2 828
Total Converto Capital Fund					4 441
Aker Ship Lease:					
<i>Bank loan</i>					
	NOK	Nibor + 1.6%	October 2022. Renewal after 5 years	1 238	1 238
Loan fee				(5)	(5)
Total Aker Ship Lease				1 233	1 233
Aker ASA and holding companies:					
<i>Unsecured bonds:</i>					
8.00 per cent Aker ASA Open Senior Unsecured Bond Issue 2005/2012	NOK	8.00%	March 2012	189	189
Aker ASA 09/12 FRN	NOK	Nibor + 3.75%	December 2012	500	500
FRN Aker ASA Senior Unsecured Bond Issue 2010/2015	NOK	Nibor + 5%	November 2015	850	850
8.375% Aker ASA Senior Unsecured Bond Issue 2010/2015	NOK	8.375%	November 2015	150	150
Loan fees				(13)	(13)
Total unsecured bonds				1 676	1 676
<i>Unsecured bank loans:</i>					
Sparebanken Midt-Norge (SMN)	NOK	Nibor +3.75%	August 2014	850	850
<i>Other short term and long term loans:</i>					
Other liabilities	NOK			24	24
Total Aker ASA and Holding companies					2 550
Aker ASA's share of the following bond issues:					
Aker Drilling				(167)	(167)
Total				(167)	(167)
Other loans					47
Total interest-bearing liabilities					19 618

Aker Drilling

Aker Drilling ASA subordinated Bonds carry a nominal value of NOK 1 500 million. The bond was issued 30 April 2010. The interest rate is Nibor + 400 basis points. Interest is paid quarterly.

In connection with the delivery of the rigs Aker Spitsbergen and Aker Barents, long term financing of USD 387.5 million per rig, for a total of USD 775 million was provided by DnBNOR. By the end of 2010 after repayments the remaining loan by DnBNOR is USD 596 million.

The total credit facility consists of 3 parts per loan: Tranche A, B and C. A different credit facility and repayment period has been agreed for the individual tranche. The repayment periods for the 2 largest tranches, A and B, are 15 and 7.5 years respectively. For tranche C, it is agreed that this will be repaid over the contract period for each rig. The interest margin is tied to the two rig-lease contracts with Statoil and Det norske oljeselskap, the interest rate is Libor + a margin between 80 and 200 points.

In addition, a long term loan of NOK 3.6 billion per rig has been provided by Eksportfinans. The loans from Eksportfinans are balanced by interest-bearing non-current assets. The amount is invested as a restricted deposit in DnBNOR in accordance with a previous agreement on fixed interest options on deposits. The loans have common installment terms.

Aker BioMarine

Unsecured bond:

The loan has a floating rate of Nibor + 3.75%. The loan matures in May 2013 and interest is paid quarterly until maturity date.

The mortgage of NOK 91 million denominated in

USD (par value of USD 22 million, principal per 31 December 2010 USD 16 million) is due in March 2017 and has an interest rate of 6 month Libor + 1.89%. The mortgage is secured by ship with a book value of NOK 237 million.

Aker Seafoods

The bank loan is primarily secured by the trawler fleet and shares in harvesting subsidiaries. The loan matures in 2015.

The loan agreement includes covenants related to the minimum equity ratios of the harvesting subsidiaries.

The credit facility is an operating- and guarantee facility. Unused credit is NOK 77 million.

Bank loans, credit facility and other short term loans totaling NOK 1 012 million are secured by fixed assets, inventory and receivables worth a total of NOK 2 425 million.

Aker Philadelphia Shipyard

The loans have a fixed interest rate until maturity and the payment schedule is fixed with monthly payments until maturity. Property, plant and equipment worth NOK 349 million (USD 60 million) is pledged as security for the mortgage loans.

Total credit facilities for construction loan are USD 80 million for building of ship NB016. Work in progress for a total of USD 52 million is pledged as security for the total credit facility. The loan is tied to the construction of the vessel and is due upon delivery.

The company has a short term overdraft facility of USD 6.0 million, of which USD 4.8 million is unused.

Ocean Harvest

Mortgage loans:

Caterpillar/2016 loan has a floating interest rate of Libor + 2.75%. The loan has a fixed repayment plan.

Caterpillar/2016 loan has a floating interest rate of Libor + 4.45%. Installments and interest are paid quarterly.

Fixed assets and inventory totaling NOK 291 million are pledged as security for the loan.

The company has a short term credit facility of USD 8 million, of which USD 3 million is unused.

Aker Floating Production

Mortgage loan is secured in Dhirubhai-1 and in the hull of Aker Smart 2.

Aker Ship Lease

The mortgage loans are secured in the vessel Aker Wayfarer. The loan has a floating interest rate of Nibor + 1.60%. Installments and interest are paid semiannually first time 1 April 2011. The bank loan matures 1 October 2022, but has to be renewed after five years.

Aker ASA and Holding companies

8% Aker ASA Open Senior Unsecured Bond issue 2005/2012

The loan has a fixed interest rate of 8%. The loan matures on 2 March 2012 and interest is paid annually until maturity.

Aker ASA 09/12 FRN

The loan has a floating interest rate of Nibor + 3.75%, which was 6.36% at the end of 2010. The loan matures on 17 December 2012 and interest is paid quarterly until maturity.

FRN Aker ASA Senior Unsecured Bond Issue 2010/2015

The loan has a floating interest rate of Nibor + 5%, which was 7.5% at the end of 2010. The loan matures 23 November 2015 and interest is paid quarterly until maturity.

8.375 per cent Aker ASA Senior Unsecured Bond Issue 2010/2015

The loan has a fixed interest rate of 8.375%. The loan matures on 23 November 2015 and interest is paid annually until maturity.

Unsecured bank loan:

The loan has a floating interest rate of Nibor + 3.75% which at the end of 2010 constituted 6.2%. The loan matures on 9 August 2014 and interest is paid quarterly until maturity.

Treasury bonds

Aker ASA and Holding companies have acquired bonds issued by Aker Drilling and Aker own 11% of Aker Drilling's bonds at year end.

Other loans

Other loans amount to NOK 47 million and include mortgage of NOK 35 million, operating credit facility of NOK 5 million as well as other liabilities of NOK 7 million.

Changes in group's interest-bearing liabilities in 2010:

<i>Amounts in NOK million</i>	Long term	Short term excluding construction loan	Total	Construction loan	Total
Interest-bearing liabilities per 1 January 2010	15 463	3 677	19 140	276	19 416
Change in construction loan	-	-	-	(182)	(182)
New bond in Aker Drilling	1 333	-	1 333	-	1 333
New bond in Aker ASA	1 000	-	1 000	-	1 000
New loan in Ocean Harvest	72	-	72	-	72
New loan in Aker Ship Lease	1 238	-	1 238	-	1 238
New mortgage in Aker Seafoods	829	-	829	-	829
Loan fees and establishing costs	(33)	-	(33)	-	(33)
Other new loans and change in credit facilities	17	78	95	-	95
Total payment from new short term and long term loans (excluding construction loans)	4 456	78	4 534	-	4 534
Credit line paid down	-	(26)	(26)	-	(26)
Aker ASA bond AKER01 paid down	-	(214)	(214)	-	(214)
Acquisition own bonds in Aker ASA	(221)	-	(221)	-	(221)
Unsecured bond in Aker BioMarine paid down	-	(15)	(15)	-	(15)
Aker Drilling post-delivery credit facility by DnB Nor paid down	(498)	-	(498)	-	(498)
Aker Drilling Eksportfinans paid down	-	(848)	(848)	-	(848)
Convertible bond in Aker Drilling paid down	-	(518)	(518)	-	(518)
Aker Floating Production loan DnB Nor paid down	-	(278)	(278)	-	(278)
Sea Launch guarantee claims in Aker ASA with Holding	(248)	(262)	(510)	-	(510)
Aker Invest bond	-	(62)	(62)	-	(62)
Aker Seafood mortgage paid down	(968)	-	(968)	-	(968)
Other repayments	(26)	(60)	(86)	-	(86)
Total repayment of short term and long term loans	(1 961)	(2 283)	(4 244)	-	(4 244)
Other acquisition /disposal of subsidiaries	(11)	-	(11)	-	(11)
Total conversion and acquisition of subsidiaries with no cash effect	(11)	-	(11)	-	(11)
Reclassification /1. year installments	(443)	443	-	-	-
Currency translation and other changes	41	65	106	-	106
Interest-bearing liabilities at 31 December 2010	17 545	1 980	19 525	94	19 618

Currency adjustments represent NOK + 0.1 billion and is attributable to the USD loans as described above. Total loans denominated in USD at the end of the year are USD 1.2 billion. A 10% decrease in the USD exchange rate compared to the rate of 5.84 at balance sheet date would have caused a reduction in debt expressed in NOK of NOK 0.7 billion.

Net interest-bearing debt

Net interest-bearing debt comprises the following items:

<i>Amounts in NOK million</i>	2010	2009
Cash and cash equivalents	5 121	4 333
Financial interest-bearing non-current assets	6 357	8 175
Interest-bearing short term receivables	7	52
Total interest-bearing assets	11 485	12 560
Interest-bearing long term debt	(17 545)	(15 463)
Interest-bearing short term debt including construction loans	(2 073)	(3 953)
Total interest-bearing debt	(19 618)	(19 416)
Net interest-bearing debt (-) / assets (+)	(8 133)	(6 856)

Finance lease liabilities

Finance lease liabilities are payable as follows:

<i>Amounts in NOK million</i>	Minimum lease 2010	Interest 2010	Install- ment 2010	Minimum lease 2009	Interest 2009	Install- ment 2009
Less than one year	9	1	8	4	-	4
Between one and five years	14	3	11	18	1	18
More than five years	10	1	9	13	1	12
Total	33	5	28	35	2	33

Note 28 Operational leases

Irrevocable operational leases where the group is lessee, are payable as follows:

<i>Amounts in NOK million</i>	2010	2009
Less than one year	41	38
Between one and five years	58	30
More than five years	13	75
Total	112	143

The major part of operational lease costs and commitments relate to the rent of office facilities and IT equipment. In addition comes lease of land and machinery related to fishfarming in Aker Seafoods France.

Estimated minimum rent receivable for subletting agreements related to non terminable operational leases is NOK 1.5 million as per 31 December 2010.

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 plans (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:

	Balance 2010	Profit/loss 2010 and balance 2009
Expected return	4.6%	6.4%
Discount rate	3.2%	4.4%
Wage growth	4.0%	4.3%
Pension adjustment	2.5%	3.0%

Pension expense recognized in profit and loss:

<i>Amounts in NOK million</i>	2010	2009
Expense related to benefits earned in this period	42	39
Interest expense accrued on pension liabilities	17	13
Expected return on pension funds	(15)	(14)
Service costs	2	2
Effect of changes in estimates and pension plans (actuarial gains and losses)	7	14
Costs related to previous periods	-	-
Curtailment / settlement	1	-
Social security contribution	1	-
Pension expense recognized from defined benefit plans	56	53
Contribution plans (employer's contribution)	23	23
Total pension expense recognized in profit and loss	79	76

Changes in present value for benefit based pension liabilities:

<i>Amounts in NOK million</i>	2010	2009
Pension liabilities per 1 January	429	419
Expense related to pension vested this period	42	39
Interest expense on pension liabilities	17	13
Effect of termination of pension plan	-	(2)
Actuarial gain and loss	60	(4)
Acquisitions and disposals	(9)	-
Payments of pensions	(38)	(38)
Currency exchange changes	(1)	1
Pension liabilities per 31 December 2010	499	429

Change in fair value pension funds:

<i>Amounts in NOK million</i>	2010	2009
Fair value of pension funds 1 January	235	189
Expected return on pension funds	15	14
Actuarial gain and loss	(16)	(3)
Administration	(2)	(2)
Payment	34	56
Payout	(19)	(19)
Effect of currency exchange changes	-	-
Fair value of pension funds per 31 December	247	235

Net defined benefit obligations recognized in the balance sheet:

<i>Amounts in NOK million</i>	2010	2009
Pension liabilities 31 December	(499)	(429)
Fair value of pension funds 31 December	247	235
Social security contribution	(22)	(13)
Net pension funds (pension liability)	(274)	(206)
Net actuarial gain or loss not recognized in the balance sheet.	130	63
Net liability benefit based pension liabilities per 31 December	(144)	(143)
Pension funds	18	17
Pension liabilities 31 December	(163)	(160)
Net defined benefit obligations per 31 December 2010	(144)	(143)

Actual return on pension funds in 2010 was NOK 11 million and in 2009 NOK 7 million.

Pension assets by main category as a percentage of total pension funds:

<i>Percent</i>	2010	2009
Debt instruments	94.6%	88.1%
Equity instruments	3.9%	5.1%
Money market funds	0.0%	3.3%
Other	1.5%	3.6%
Total	100.0%	100.0%

The group expects to contribute approximately NOK 35 million to pension funds in 2011.

Financial assumptions (Norwegian plans):

The discount rate is based on the interest rate on Norwegian government bonds.

Return on pension assets is expected to be higher than the discount rate as the funds are invested in instruments that carry a higher risk than Norwegian government bonds. Experience data reveal that the return over time has been approximately 1% higher than the discount rate.

The discount rate is based on the interest rate on Norwegian government bonds. In the table below, the effect on pension expense and pension liabilities is depicted given a 1% increase or decrease in the discount rate. In addition the effect of a 1% increase or reduction in wage growth is shown.

<i>Amounts in NOK million</i>	1% increase	1% decrease
Discount rate:	4.2%	2.2%
Pension expense	(8)	12
Pension liability	(50)	66
Wage growth:	5.0%	3.0%
Pension expense	12	(10)
Pension liability	36	(33)

Historical information

<i>Amounts in NOK million</i>	2010	2009	2008	2007	2006
Defined benefit obligations funded and unfunded plans	(499)	(429)	(419)	(386)	(4 601)
Pension funds at fair value	247	235	189	179	2 635
Net pension assets/(liabilities)	(252)	(194)	(230)	(208)	(1 966)

Note 30 Other interest free long-term liabilities

Other long term debt and liabilities comprise the following items:

Amounts in NOK million	2010	2009
Put agreement with SAAB and Investor AB	-	1 701
Interest-free long term debt to related party	297	-
Other interest-free long term debt	1 251	1 777
Total	1 548	3 478

SAAB and Investor AB have a put option on their combined 10% ownership interest in Aker Holding which in turn owns 40,3% of Aker Solutions. This put option has been reclassified as an interest-free short term liability as per 31 December (see note 32).

Long term interest-free debt to related party is the remainder of a prepayment from a subsidiary

of Aker Solutions to Aker ASA's subsidiary Aker Ship Lease related to lease of the vessel Aker Wayfarer. Other interest-free long term debt consists, among other things, of NOK 403 million in deferred income in Aker Floating Productions, NOK 416 million related to deferred income in Aker Drilling and NOK 155 million in long term derivatives.

Note 31 Provisions for loss on contracts

Contract losses

Any foreseeable loss on signed construction contracts are expensed. Amounts recoverable on work in progress are written down before a provision for contract losses is recognized. The cash

effect of any provisions will come over the project's life time.

Aker has not had any loss contracts during 2010 and 2009.

Note 32 Provisions

2010

Amounts in NOK million	Warranties	Put agreement	Other	Total
Balance as per 1 January	130	-	50	180
Put agreement SAAB and Investor AB reclassification from long term interest-free debt per June 30. 2010	-	1 721	-	1 721
Provisions made during the year	4	23	8	35
Provisions used during the year	(7)	-	(9)	(16)
Provisions reversed during the year	(6)	-	(19)	(25)
Currency exchange adjustment	-	-	(1)	(1)
Balance as of 31 December	121	1 744	29	1 894
Long term liabilities	104	-	22	126
Short term liabilities ¹⁾	17	1 744	7	1 768
Balance as of 31 December	121	1 744	29	1 894

2009

Amounts in NOK million	Warranties	Other	Total
Balance as per 1 January	103	196	299
Acquisition and disposal of subsidiaries	-	(7)	(7)
Provisions made during the year	45	31	75
Provisions used during the year	(9)	-	(9)
Provisions reversed during the year	-	(169)	(169)
Currency exchange adjustments	(9)	-	(9)
Balance as of 31 December	130	50	180
Long term liabilities	109	35	144
Short term liabilities ¹⁾	21	15	36
Balance as of 31 December	130	50	180

¹⁾ Short term liabilities related to loss contracts are shown in note 31.

Warranties

The provision for warranties mainly relates to the possibility that Aker, based on contractual agreements, may have to perform guarantee work related to products and services delivered to customers. The provision is based on estimates of the occurrence and cost of work that may need to be done. The warranty period is normally two years and any cash effects will occur in this period. A provision of NOK 104 million has been made in connection with an expected payment to TH Global.

Put agreement with SAAB and Investor AB.

Aker ASA has entered into separate agreements with SAAB and Investor AB on put/call redemption options that provide a protection for SAAB and Investor AB against loss on their investments in Aker Holding AS but also limits their opportunities for gains. The first opportunity to exercise the Put/Call is 30 June 2011. Aker has recorded provisions of NOK 1 744 million corresponding to a discounted value of a share put per December 31. 2010. Provisions are amortized and will be NOK 1 767 million per 30 June 2011.

Note 33 Mortgage and guarantee liabilities

Mortgages

During the course of ordinary operations, guarantees for completion and advance payments from customers are made. Such guarantees typically involve a financial institution issuing the guarantee towards the customer.

Collateral has been made for interest-bearing long-term debt of NOK 15.2 billion. The book value of assets used as collateral is NOK 20.5 billion among other ships and oilrigs with a book value of NOK 17.6 billion.

Guarantee liabilities

At year-end 2010, Aker had no material guarantee obligations not carried in the balance sheet.

Sea Launch

Sea Launch, a company offering spacecraft launch services for satellites, in June 2009 filed

for bankruptcy protection under chapter 11 in the American bankruptcy law. Aker has as a shareholder in Sea Launch, guaranteed a total of USD 122 million to Sea Launch' creditors.

Aker negotiated agreements resulting in the guarantees being met through the payment of a total of USD 122 million in three equal installments in December 2009, June 2010 and December 2010. This cost was recognized in Aker's financial statements for 2009 with a total of NOK 776 million.

Aker ASA has a recourse claim against Russian and Ukrainian partners, potentially able to reduce the amount. Aker is now following up on this recourse claim in the Swedish court system in close cooperation with fellow guarantor The Boeing Company. If unsuccessful, Aker and Boeing intend to pursue their recourse claims in other jurisdictions.

Note 34 Trade and other payables

Trade and other payables comprise the following items:

<i>Amounts in NOK million</i>	2010	2009
Trade accounts payable	365	523
Accrual of operating- and financial costs	587	773
Other short term interest-free liabilities	422	419
Total	1 374	1 715

Specification of net operational assets and debt:

<i>Amounts in NOK million</i>	2010	2009
Biological assets, inventories, work in progress, other trade and interest-free receivables	1 948	2 465
Trade and other payables	(1 374)	(1 715)
Current provisions	(1 768)	(36)
Total	(1 194)	714

Note 35 Financial instruments

See also note 2 financial risk and exposure.

Fair value and carrying amounts

The estimates of fair value together with the carrying amounts shown in the balance sheet are as follows:

<i>Amounts in NOK million</i>	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets carried at fair value				
Available for sale financial assets	1 247	1 247	2 176	2 176
Financial assets at fair value through profit and loss (including derivatives)	19	19	210	210
Financial assets designated at fair value through profit and loss	-	-	-	-
Interest rate swaps used for hedging	-	-	-	-
Foreign exchange contracts used for hedging	10	10	18	18
Total financial assets carried at fair value	1 276	1 276	2 404	2 404
Financial assets carried at amortized cost				
Held-to-maturity investments	-	-	-	-
Loans and receivables	1 651	1 709	2 026	2 063
Cash and cash equivalents (including long term restricted deposits. See note 16)	10 685	10 579	10 578	10 357
Total financial assets carried at amortized cost	12 337	12 287	12 604	12 420
Financial liabilities carried at fair value				
Interest rate swaps used for hedging	168	168	173	173
Foreign exchange contracts used for hedging	-	-	2	2
Other foreign exchange contracts	3	3	149	149
Total financial liabilities carried at fair value	171	171	324	324
Financial liabilities carried at amortized cost				
Bonds and convertible loans	3 304	3 312	2 089	2 017
Other interest-bearing debt	16 314	16 235	17 327	17 081
Interest-free long term financial liabilities	1 393	1 390	3 074	3 074
Interest-free short term financial liabilities	1 228	1 242	1 450	1 450
Total financial liabilities carried at amortized cost	22 239	22 179	23 940	23 622

NOK 2 744 million of financial liabilities classified as fixed rate in the interest profile table (note 2) are liabilities that are swapped to fixed rate with the use of interest rate swaps. In the table above the change in fair value for these derivatives due to interest rate changes is shown on the line Interest rate swaps used for hedging.

The basis for determining fair value of financial instruments is disclosed in note 1.

Fair value hierarchy

From 1 January 2009 Aker ASA has implemented the changes in IFRS 7 related to financial instruments carried at fair value.

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Amounts in NOK million	2010		
	Level 1	Level 2	Level 3
Financial assets carried at fair value			
Available for sale financial assets	579	473	194
Financial assets at fair value through profit and loss (including derivatives)	17	2	-
Financial assets designated at fair value through profit and loss			
Interest rate swaps used for hedging	-	-	-
Foreign exchange contracts used for hedging	-	10	-
Total	596	485	194
Financial liabilities carried at fair value			
Interest rate swaps used for hedging	-	168	-
Foreign exchange contracts used for hedging	-	-	-
Other derivative contracts - liability	-	3	-
Total	-	171	-

The following table presents the changes in instruments classified in Level 3 as per 31 December

Amounts in NOK million	2010	2009
	Available for sale financial assets	Available for sale financial assets
Carrying amount at 1 January	168	176
Transfer to level 3	55	-
Transfer from level 3	-	-
Total gains or losses for the period recognized in profit and loss	(33)	(67)
Total gains or losses recognized in other comprehensive income	7	-
Purchases	15	59
Sales	(17)	-
Issues	-	-
Settlements	-	-
Carrying amount as of 31 December	194	168

Gains or losses for the period included in profit and loss and other comprehensive income that is attributable to gains or losses related to assets and liabilities at level 3 still held at the end of the reporting period	(37)	(47)
--	-------------	------

Transfer from level 3 includes 47 million kroner converted from convertible loan in NTB to shares. See note 15.

Note 36 Contingencies and 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

Aker Philadelphia Shipyard

As of 31 December 2010, the Company has entered into commitments with various third-party suppliers for approximately USD 2.7 million

of ship production and overhead related expenditures on Hulls 017-020. The Company has commitments for approximately USD 55.7 million for materials related to Hulls 017-020. If the Company does not build the hulls 017-020 then the Company will incur significant additional expense.

The Company and American Shipping Company (AMSC) are jointly and severally liable to Overseas Shipholding Group for breaches by them under the framework agreement and related transaction documents governing the construction and leasing of the initial ten Jones Act tankers. Among other liabilities, the Company and AMSC are obligated to pay liquidated damages to Overseas Shipholding Group in the event of late delivery of hull 16 on the terms and conditions defined in such transaction documents. The Company and AMSC have entered into a cross-indemnity agreement to allocate these liabilities among themselves based on relative fault.

Aker Seafoods

Aker Seafood has received a claim for NOK 99 million from the administrative committee in Glitnir in Iceland regarding an interest rate and currency swap agreement made in 2005. Aker Seafoods disputes this claim. As mentioned in the company's prospect dated August 31. 2009, the swap agreement was terminated by Aker Seafoods in 2008. It is till the opinion of Aker Seafoods that the company had the right to and correctly terminated the swap agreement according to Icelandic law and that the company as a consequence is not obliged to make any further payments under the swap agreement.

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 provisions booked.

Note 37 Transactions and agreements with related parties

Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke through 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 2010 with Kjell Inge Røkke except remuneration as chairman of the board and former leader of the nomination committee in Aker ASA (see note 38).

To the extent that employees in Aker perform services for Kjell Inge Røkke or other related parties, Aker's expenses are reimbursed through the current billing. In 2010 Kjell Inge Røkke paid NOK 2.7 million for services and rental of premises.

TRG Holding AS has provided services to Aker for NOK 3.2 million in 2010. This includes the services of Olav Revhaug, who was acting CFO from September 1. 2009 until April 30. 2010.

The aircrafts in TRG and Aker are operated by Sundt Air Management and charged according to use.

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.

Sea Launch

The wholly-owned subsidiaries Kværner Sea Launch Ltd and Kværner US Sea Launch Inc. both were partners in the Sea Launch venture. The joint venture was restructured in 2010 and the debt that the old Sea Launch venture had to its previous creditors has been cancelled. With regard to American taxation this has resulted in an income for the venture which in turn benefits the partners. However, it is the opinion of the Company that this will not lead to any tax payable neither for Kværner Sea Launch Ltd nor Kværner US Sea Launch Inc. and no provisions have been made.

**Transactions with associated companies
Aker Solutions**

Companies in the Aker group have had certain transactions with Aker Solutions in 2010.

Aker Clean Carbon AS

Aker ASA and Aker Solutions each own 50 percent in Aker Clean Carbon AS. Aker Clean Carbon, in a joint venture with Aker Solutions is building a part of the plant for CO₂ capture at Mongstad outside Bergen, Norway.

Aker Drilling ASA

In 2005, Aker Drilling and Aker Solutions entered into a contract for the turn-key delivery of two sixth-generation deep-water drilling semi-submersibles. The drilling rigs are equipped with Aker Solutions Dual RamRig™ drilling equipment. The contract value was approximately NOK 9.1 billion. The two H-6e drilling rigs, Aker Spitsbergen and Aker Barents, were substantially delayed due to technical challenges. The rigs are now operating successfully with advanced technical solutions and the guarantee period of 24 months is running. In the summer 2010 guarantee work

was done on Aker Spitsbergen. A provision has been made by Aker Solutions for expected similar guarantee work on Aker Barents.

Intellectual Property Holding AS

Aker Solutions has an agreement with Intellectual Property Holding which holds all rights, titles and interests in and to registered trademarks and domain names containing "Aker". According to the agreement, Aker Solutions has acquired the right to use the "Aker" name in combination with "Solutions".

Aker ASA

Aker Subsea Inc. and Aker Kvaerner Wilfab Inc., which both are subsidiaries of Aker Solutions, are sponsoring employers of the US pension plan Kvaerner Consolidated Retirement Plan. The principal sponsor for the plan is Kvaerner U.S. Inc., a subsidiary of TH Global plc. Aker ASA has provided a guarantee to the plan in the event that Aker Solutions becomes liable for more than one third of the underfunded element of the plan.

Aker Ship Lease AS

In 2009, Aker and Aker Solutions entered into a 10 year bareboat charter contract for the vessel Aker Wayfarer. Aker Wayfarer is an offshore construction vessel designed for ultra-deep water with state of the art equipment. Total contract value was NOK 2.4 billion. A lease prepayment was paid in 2009 and is included in other interest free long-term liabilities in the balance sheet with NOK 297 million.

The vessel was delivered in October 2010. In 2010 a subsidiary of Aker Solutions has received NOK 93 million from Aker Ship Lease as payment for design and engineering services rendered during the construction phase. This amount has been added to the vessel in Aker Ship Lease' balance sheet.

The Resource Group TRG AS

On November 24. 2010 Aker Solutions sold its 50 percent shareholding in Aker Encore AS to The Resource Group TRG AS for a total cash consideration of NOK 17 million.

Oslo Asset Management

Aker Insurance, a subsidiary of Aker Solutions, received investment management services from Oslo Asset Management (previously Aker Asset Management). The annual fee is based on average total capital managed.

Bjorge/Bokn Invest

The Aker group has purchased a total of NOK 1.7 million in goods and services from Bjorge in 2010.

Det norske oljeselskap

Det norske oljeselskap is leasing the drilling rig Aker Barents from Aker Drilling. In September 2010 the contract was extended until July 2014. Total contract value for the 2 years is estimated at between USD 350 and 380 million. In addition an option agreement has been signed which gives Det norske oljeselskap the right to extend the agreement for another two years from July 2014 on. At the end of 2010 Aker Drilling had a USD 8 million receivable on Det norske oljeselskap.

**Transactions with joint venture
Trygg Pharma Holding**

In the period from November through December 2010 Aker BioMarine ASA has received repayment of a loan provided to Natural Nutrition Development AS and Trygg Pharma AS in the period August 15. 2010 and until the demerger of the companies in November. The total repayment of NOK 20 million includes interest. Aker ASA has received NOK 0.1 million in office rent from Trygg Pharma.

Aker Clean Carbon

Aker and Aker Solutions each own 50% of Aker Clean Carbon AS. At the start of 2010 Aker ASA had provided a NOK 36 million loan to Aker Clean Carbon. During 2010 this loan including interest has been converted into equity. In addition to this Aker ASA has provided another NOK 15 million in new equity in 2010. Aker ASA received NOK 0.7 million for services rendered to Aker Clean Carbon AS in 2010.

Note 38 Salary and other remuneration to the board of directors, nomination committee, CEO and other employees in Aker ASA's executive team

Remuneration of the board of directors

Remuneration paid to the board of directors in 2010 is NOK 2 950 000 (NOK 2 825 000 in 2009). The members of the board, with the exception of the chairman (see below), and the representatives of the staff, did not receive any other remuneration in 2010.

Amounts in NOK	2010	2009
Kjell Inge Røkke (chairman of the board)	500 000	375 000
Leif-Arne Langøy (director until 8 April 2010)	150 000	225 000
Lone Fønss Schrøder (deputy chairman of the board)	350 000	350 000
Bjørn Flatgård (director)	300 000	300 000
Jon Fredrik Baksaas (director until 25 December 2008)	-	75 000
Finn Berg Jacobsen (director from 8 April 2010)	150 000	-
Kjell A. Storeide (director)	300 000	300 000
Hanne Harlem (director)	300 000	300 000
Kristin Krohn Devold (director)	300 000	300 000
Atle Tranøy (employee representative)	150 000	150 000
Harald Magne Bjørnsen (employee representative)	150 000	150 000
Bjarne Kristiansen (employee representative)	150 000	150 000
Kristian Pedersen (employee representative from 11 May 2010)	75 000	-
Stein Aamdal (employee representative until 11 May 2010)	75 000	150 000
Total	2 950 000	2 825 000

The chairman of the board, Kjell Inge Røkke has, through the Resource Group (TRG) AS, received board remuneration of NOK 500 000 from Aker ASA in 2010. In addition Kjell Inge Røkke, through the Resource Group (TRG) AS, has received a total board remuneration of NOK 1 210 110 from other group companies in 2010 (see note 37, Related parties transactions, for further information).

Remuneration to the nomination committee

The remuneration to the nomination committee from Aker ASA was NOK 150 000 in 2010 (NOK 150 000 in 2009).

Remuneration to the audit committee

The audit committee of Aker ASA was established in 2009.

No remuneration has been paid to the audit committee of Aker ASA in 2010 or 2009.

Directive of remuneration of the CEO and the company's executive team

The accumulated remuneration to the executives consists of a market based fixed salary, standard

pension- and insurance terms for employees and a variable salary. The main purpose of the system for management remuneration is to stimulate a strong and lasting profit oriented culture leading to an increasing value of the stocks.

The Executive team is part of a collective pension and insurance scheme applicable to all employees. The company offers standard employment contracts and standard employment conditions with respect to notice period and severance pay for the Executive team. The company does not offer stock option programs to the employees. The intention of the variable salary program is to contribute to the achievement of good financial results and leadership in accordance with the company's values and business ethics. The variable salary is based on two main elements; a payment calculated on basis of the dividend on the company's shares and a payment based on personal achievement. The system represents a potential for those participating in the scheme to earn an additional variable salary of 25 to 100 percent of base salary. Carrying out special projects may give an extra bonus in addition to the above. The employment contract of the members

of the executive team can be terminated with 3 to 6 month notice. If the company terminates the contract the executive is entitled to 3 to 6 month pay after the end of the notice period. Norwegian executives are covered by the company's pension plan for up to 12 G.

Organizational structure in Aker

Aker's numerous operational companies are organized into an industrial, a funds and a financial portfolio.

As a consequence of the implementation of this organizational structure, Aker ASA no longer has a group executive team in its traditional form. The executive team of Aker at the end of 2010 consists of CEO Øyvind Eriksen and CFO Trond Brandsrud.

Remuneration to the CEO

Øyvind Eriksen was appointed president and CEO from 1 January 2009. The appointment can be terminated by both parties with 3 months notice. If the contract is terminated by the company, Øyvind Eriksen has the right to 3 months notice and 3 months salary from the date of termination. This 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. The variable salary of Øyvind Eriksen has a potential for a variable salary of up to two thirds of the value of the fixed salary.

In 2010, Øyvind Eriksen received a salary of NOK 12 240 000 (NOK 12 000 000 in 2009) and a variable pay of NOK 8 214 347 (NOK 4 142 553 in 2009). The value of additional remuneration was NOK 14 631 in 2010 (NOK 14 453 in 2009) and net pension expense in 2010 for Øyvind Eriksen was NOK 228 751 (NOK 219 111 in 2009).

Remuneration of the executive team other than the CEO

Group director (CFO) Trond Brandsrud acceded the position as CFO in Aker on 21 April 2010. The appointment can be terminated by both parties with 3 months notice. If the contract is terminated by the company, Trond Brandsrud has the right to 6 months salary from the date of termination. This salary will not be paid if he continues in another company within the Aker Group.

The remuneration plan for Trond Brandsrud includes a fixed salary, standard pension- and insurance plan for employees and a variable salary. The variable salary of Trond Brandsrud has a potential for a variable salary of up to 100% of the value of the fixed salary.

In 2010 CFO Trond Brandsrud received a fixed salary of NOK 2 447 475 and a variable pay of NOK 33 333. The value of additional remuneration was NOK 16 395 and the net pension expense for Trond Brandsrud was NOK 193 668 in 2010. Trond Brandsrud received a sign on fee of NOK 4 500 000 and a bonus/compensation of NOK 1 399 320.

Olav Revhaug was acting CFO in Aker ASA from 1 September 2009 until Trond Brandsrud acceded as CFO on 21 April 2010. Olav Revhaug is appointed managing director in The Resource Group (TRG) AS and receives salary from TRG. Aker ASA paid full cost to TRG through current billing for the services rendered by Olav Revhaug as acting CFO. (See also note 37)

Bengt A. Rem was CFO in Aker ASA until 1 September 2009 and received a fixed salary of NOK 1 753 026. In addition he received variable pay of NOK 949 216. The value of additional remuneration was NOK 9 852 and the net pension expense for Bengt A. Rem was NOK 127 275 in 2009.

Note 39 Shares owned by the board of directors, CEO and other employees in the executive team

Shares owned by members of the board, the president & CEO and other employees in the executive team as well as their related parties in Aker ASA and listed subsidiaries as of 31 December 2010.

	Aker ASA	Aker BioMarine
Kjell Inge Røkke (chairman of the board) ¹⁾	49 069 690	
Lone Fønss Schrøder	1 173	
Bjørn Flatgård		164 017
Finn Berg Jacobsen		
Kristin Krohn Devold		
Kjell A. Storeide		
Hanne Harlem		
Atle Tranøy (employee representative)		
Harald Magne Bjørnsen (employee representative)	700	
Bjarne Kristiansen (employee representative)		
Kristian Pedersen (employee representative)		
Executive team:		
Øyvind Eriksen president and CEO ²⁾		
Trond Brandsrud (CFO)	10 000	

¹⁾ With his wife owns 100% in The Resource Group TRG AS (TRG AS), which in turn owns 99.45% of TRG Holding AS, which again owns 66.66% in Aker ASA. In addition TRG AS owns 1.14% in Aker ASA directly.

²⁾ Owns 100 000 b-shares (0.2%) in TRG Holding AS.

The CEO and other members of the executive team have no other remuneration than what is described above. Accordingly they have no loans, guarantee or stock option rights in their employment conditions.

Note 40 Government grants

Amounts in NOK million	2010	2009
Research and development	-	-
Other	11	1
Total	11	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 June 30, 2005, totaling USD 438.6 million, as set forth in the Master Agreement between the Government Parties and the Shipyard, dated December 16, 1997, as amended July 30, 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 disbursements in 2010 and 2009

For the year ended 31 December 2010, the Shipyard received USD 244 718 in reimbursement of employee training costs (2009 USD 235 700). In addition the shipyard has received USD 451 881 in subsidies under the Small Shipyard Grant Program for improvements of plant and infrastructure.

Other liabilities and collateral

Under the terms of the Master Agreement, the Shipyard and Aker Maritime Finance AS (as the successor by merger to the former Kvaerner ASA) are subject to various operating covenants, restrictions, and obligations throughout an approximate 15-year period ending on 31

December 2014. The Shipyard anticipates that it will continue to comply with the terms and requirements of the Master Agreement.

Under the Master Agreement, the Shipyard is required to maintain minimum employment levels. The Shipyard will be required to pay liquidated damages to the Government Parties in the event that the average number of full-time employees during a given year falls below the required minimum, subject to an aggregate cap of USD 20.0 million. This requirement is guaranteed by Aker Maritime Finance AS. American Shipping Company ASA (AMSC) issued a USD 20.0 million counter guarantee with respect to this requirement to Aker Maritime Finance AS in connection with the establishment of the AMSC group in 2005. As part of the sale by AMSC of Aker Philadelphia Shipyard, Inc. in 2007, the Company issued a USD 20.0 million counter guarantee with respect to this requirement to both Aker Maritime Finance AS and AMSC

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 September 13, 2002, the Shipyard finalized an agreement with the City of Philadelphia (and others), whereby the parties agreed to the Real Estate and Use and Occupancy Tax for the years 2001 through 2017. The Shipyard is committed to a fixed assessment of approximately USD 3.3 million to USD 3.6 million per year, commencing in 2003.

Aker BioMarine

During 2010, the subsidiary Aker BioMarine Antarctic AS received reimbursement of NOK 4 million of previously expensed development projects from the government scheme "Skattefunn". In addition the company reduced its development costs by NOK 3 million following fulfillment of the conditions for future reimbursements from the Skattefunn scheme and from the Norwegian Research Council.

Note 41 Events after the balance sheet date

Share issuance and listing of Aker Drilling

Aker Drilling has entered into an agreement to build two drill ships with an option to build another two drill ships. In the first quarter of 2011 Aker Drilling concluded a share issuance of NOK 3 600 million and also signed an agreement regarding refinancing of existing bank loans through new five year secured borrowing in the form of a loan commitment by DnBNOR, NORDEA and SEB. The loan commitment is subject to normal documentation and completion of the planned share issuance and listing on the Oslo Stock Exchange.

Aker will subscribe to NOK 567 million in the share issue and after the completion Aker will maintain 43.49 percent ownership (before over-allotment). The share issuance results in loss of control of Aker Drilling. Consequently, the accounting loss resulting from the transaction and Aker Drilling's result in 2011 until the time of loss of control will be presented in Aker's financial statements under discontinued operations. From the same time, the investment in Aker Drilling will be treated as an associated company and accounted for in the Aker group using the equity method. Preliminary, estimated loss by dilution and loss of control is NOK 1.1 billion.

Tentative agreement Aker Philadelphia Shipyard

Aker Philadelphia Shipyard Inc., a subsidiary of Aker Philadelphia Shipyard ASA, at the end of 2010 signed a tentative agreement with Philadelphia Shipyard Development Corporation ("PSDC") where PSDC acquires certain fixed assets for USD 42 million. This agreement, together with external and internal construction financing form a foundation for construction of two product tankers, and thus securing further operations of the shipyard at least until the first half of 2013.

As part of this agreement Aker will guarantee timely delivery of the ships and the previously given employment guarantee of USD 20 million will end.

In February 2011, the agreement was approved by the state administration in Pennsylvania (The Commonwealth of Pennsylvania) but final implementation is still contingent on further financing and guarantees being granted.

In order to further support the continued operation of the shipyard, Philadelphia Metal Trades Council representing 11 trade unions at the yard in January 2011 signed a new collective agreement on pay and work conditions lasting until 31 January 2015.

Income statement

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
Total revenues		-	-
Salaries and other personnel related expenses	2, 20	(119)	(142)
Depreciation fixed assets	4	(15)	(16)
Reversal/ impairment fixed assets	4	-	(439)
Other operating costs	2	(74)	(79)
Operating profit (+)/loss (-)		(208)	(676)
Dividend from subsidiaries		172	6
Dividend from other associated companies		3	2
Foreign exchange gain		108	305
Interest income from companies within the group	6	613	766
Gain on sale of shares	3	10	98
Interest income from associated companies		-	5
Other interest- and financial income	14	487	1 131
Interest expense to companies within the group	11	(382)	(502)
Loss on sale of shares	3	-	(453)
Reversal / impairment of shares, receivables etc.	15	451	1 994
Foreign exchange loss		(86)	(729)
Other interest and finance expenses	14, 11	(165)	(464)
Profit before tax		1 003	1 483
Tax	9	(292)	200
Profit after tax		711	1 683

Allocation of profit/loss for the year:

Profit (+) / loss (-)		711	1 683
Dividend	11	(724)	(579)
Transferred from (+) / allocated to (-) retained earnings		13	(1 104)
Total	8	-	-
Group contribution with tax effects to subsidiaries		-	(11)
Group contribution without tax effects to subsidiaries		-	(939)

Balance sheet as of 31 December

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
ASSETS			
Deferred tax asset	9	49	342
Total intangible assets		49	342
Art, equipment, cars and fixtures		43	47
Vessels		2	204
Airplane		168	177
Property, buildings and housing		8	7
Total tangible fixed assets	4	221	435
Shares in subsidiaries	5, 15	14 442	13 584
Other long term investments in shares	7	55	48
Investment in associated companies	7	2	2
Long term receivables from group companies	6, 15	12 176	13 049
Other long term financial assets	6, 10	231	1 630
Total financial fixed assets		26 906	28 313
Total non-current assets		27 176	29 090
Short term receivables from group companies	6	49	148
Other short term receivables	14	23	73
Cash and cash equivalents	17	2 633	2 535
Total current assets		2 705	2 756
Total assets		29 881	31 846

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
EQUITY AND LIABILITIES			
Share capital		2 026	2 026
Total paid-in equity		2 026	2 026
Other equity		14 597	14 611
Total retained earnings		14 597	14 611
Total equity	8, 19	16 623	16 637
Pension obligations	10	96	98
Other long term provisions	11	-	891
Total provisions		96	989
Long term liabilities to group companies	11, 16	3 423	4 800
Long term subordinated debt to group companies	11	5 650	5 409
Other long term liabilities	11	2 525	1 967
Total other long term liabilities		11 598	12 176
Group contributions owed		-	951
Short term liabilities to group companies	11	-	360
Other short term liabilities	11	1 564	733
Total current liabilities		1 564	2 044
Total equity and liabilities		29 881	31 846

Oslo, 24 February 2011
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Lone Fønss Schrøder (sign)
Deputy chairman

Finn Berg Jacobsen (sign)
Director

Bjørn Flatgård (sign)
Director

Hanne Harlem (sign)
Director

Kristin Krohn Devold (sign)
Director

Kjell A. Storeide (sign)
Director

Atle Tranøy (sign)
Director

Bjarne Kristiansen (sign)
Director

Harald Magne Bjørnsen (sign)
Director

Kristian Pedersen (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Cash flow statement

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
Profit before tax		1 003	1 483
Gain (+) / loss (-) on sales of fixed assets and write-down/reversals	15, 3	(461)	(1 200)
Unrealized foreign exchange gain (+) / loss (-)		(22)	424
Depreciation	4	15	16
Change in other short term items etc.		(347)	(271)
Cash flow from operating activities		188	452
Acquisition of non-current assets	4	2	(14)
Acquisition of shares and other equity investments	5	(124)	(1 367)
Payments for long term interest-bearing receivable	6	(530)	(3 302)
Sale of shares and other equity disposals	5	32	399
Cash flow from other investments/disposals	6	1 985	1 408
Cash flow from investing activities		1 365	(2 876)
Issuance of long term debt	11	1 020	1 681
Repayment of long term debt	11	(1 891)	(528)
Change in short term interest-bearing receivable	7, 11	(5)	115
Dividend and group contributions paid/received	8	(579)	(352)
Cash flow from financing activities		(1 455)	916
Cash flow for the year		98	(1 508)
Cash and cash equivalents at 1 January		2 535	4 043
Cash and cash equivalents at 31 December		2 633	2 535

Notes to the financial statements

Note 1 Accounting principles

The financial statements are prepared in accordance with the provisions set by law and generally accepted accounting principles in Norway.

Subsidiary/ associated company

Subsidiaries and associated companies are assessed by the cost method in the balance sheet. The investment is recognized at share acquisition cost unless there has been an impairment. A write-down to fair value is made whenever impairment is due to causes that are assumed not to be transient and therefore, according to generally accepted accounting principles, must be considered necessary. A reversal is made whenever the impairment no longer is present.

Whenever dividend exceeds the share of retained profit after the acquisition, the excess represents a refund of invested capital, and the dividend is subtracted from the value of the investment in the balance sheet.

Classification and assessment of balance sheet items

Current assets and short term liabilities comprise of items that are due within one year of the time of acquisition. Other items are classified as non-current asset / long term liability.

Current assets are valued at the lower of acquisition cost or fair value. Short term debt is recognized at its nominal value at the time it was recorded.

Non-current assets are valued at acquisition cost but written-down to fair value whenever an impairment is deemed not to be transient. Long term debt is recognized at its nominal value at the time it was established. The fixed interest rate bond is valued at amortized cost.

Receivables

Trade receivable and other receivables are carried at par value after subtraction of provision for expected loss. Provision for loss is made based on individual assessments of each receivable.

Foreign currency

Transactions in foreign currency are translated into NOK using the exchange rate at the time of transaction. Monetary items in foreign currency are val-

ued at the rate of foreign exchange on balance date. Non-monetary items that are measured at historic cost in foreign currency are translated into NOK using the exchange rate on balance date. Non-monetary items that are measured at fair value in a foreign currency are translated into NOK using the exchange rate on the date of measurement. Valuation changes due to exchange rate fluctuations are recorded on a continuous basis under other financial items.

Short term investments

Short term investments (in shares and certificates classified as current assets) are carried at fair value on balance sheet date. Dividend and other distribution received from these investments are recognized as financial income.

Non-current assets

Non-current assets are recognized and depreciated over their estimated useful life. Direct maintenance of operating assets are expensed on an ongoing basis as operating costs, whereas improvements and enhancements are added to the acquisition cost of the operating asset and depreciated in line with the asset. If the recoverable amount of the operating asset is less than carrying value an impairment is performed to the recoverable amount. Recoverable amount is the higher of net sales value and value in use. Value in use is the present value of the future cash flows that the asset will generate.

Pensions

Pension costs and pension liabilities are calculated according to linear vesting based on expected final salary. The calculation is based on a number of assumptions such as the discount rate, future salary increase, pensions and other social benefits from the Norwegian national insurance system (Folketrygden), future return on pension funds as well as actuarial assumptions regarding mortality and voluntary retirement. Pension funds are recognized at fair value. Changes in liability that are due to changes in pension plans are distributed over the estimated remaining vesting period. Changes in the liability and the pension funds that are due to

changes in and deviation from the assumptions (estimate changes) are distributed over the assumed, average remaining vesting time if the deviation at the start of the year exceeds 10% of the higher of gross pension liabilities and pension funds.

Tax

The tax cost in the profit and loss statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated with 28% based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the end of the accounting year. Tax increasing and tax decreasing temporary differences which reverse or can be reversed in the same period are offset. Net deferred tax assets are recognized to the extent that it is probable that they can be utilized.

Cash flow statement

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current, liquid investments.

The use of estimates

The preparation of the financial statements, under the generally accepted accounting principles, requires that management uses the best estimates and assumptions that affect the profit and loss statement, the valuation of assets and liabilities as well as information regarding disclosure of contingent assets and liabilities on balance sheet date.

Contingent losses that are probable and quantifiable are expensed on an ongoing basis.

Note 2 Salaries and other personnel expenses

Salaries and other personnel expenses consist of the following:

Amounts in NOK million	2010	2009
Salaries	66	85
Social security contribution	14	17
Pension cost	15	16
Other benefits	24	24
Total	119	142
Average number of employees	48	47
Average number of man years	45	39

Auditor's fee is included in other expenses and consists of the following:

Amounts in NOK million	Ordinary auditing	Attestation services	Other services	Tax services	Total 2010	Total 2009
Aker ASA	2.4	0.1	0.1	0.6	3.2	3.2

Remuneration to / from group and related parties consist of the following:

Amounts in NOK million	2010	2009
Sales of services and renting of offices within the group	20.0	17.0
Acquisition of services from the TRG Group	(3.2)	(2.2)
Board fee to the TRG Group ex payroll tax	(0.5)	(0.2)
Sales of services to the TRG Group	1.6	1.5
Sales of services to Kjell Inge Røkke	1.0	0.7
Total	18.9	16.8

Aker ASA has performed a number of transactions with related parties. See note 37 in the Annual Report of the group for an overview of the most significant ones.

Note 3 Gain / loss on sale of shares

Gain and loss on shares are as follows:

Amounts in NOK million	2010	2009
American Shipping III inc.	-	33
Odim ASA	4	64
Bergen Group ASA	6	-
Other	-	1
Total gain	10	98
Aker Philadelphia Shipyard ASA	-	237
Aker Floating Production ASA	-	14
Det Norske Oljeselskap ASA	-	202
Total loss	-	453

Note 4 Fixed operating assets

The change in fixed operating assets is shown below:

Amounts in NOK million	Vessels	Airplane	Art	Equip- ment/ cars/ fixtures	Property/ Buildings/ Housing	Total
Acquisition cost at 1 January	601	241	24	110	13	989
New acquisition	-	-	-	1	1	2
Disposal at acquisition cost	(598)	-	-	-	-	(598)
Acquisition cost at 31 December	3	241	24	111	14	392
Accumulated depreciation and impairment	(1)	(73)	-	(92)	(6)	(172)
Book value at 31 December	2	168	24	19	8	220
Depreciation for the year	-	(10)	-	(5)	-	(15)
Impairment for the year	-	-	-	-	-	-

Useful life time	20 years	25 years	Not depre- ciated	4-8 years	50 years
Depreciation plan	Linear	Linear		Linear	Linear

Depreciation of improvements / enhancements according to expected life of asset.

Note 5 Shares in subsidiaries and joint venture

Shares in subsidiaries include the following companies at 31 December 2010:

Amounts in NOK million	Owner-ship in % ¹	Location, city	Equity as of 31 Dec. 2010	Profit before tax 2010	Book value
Aker AS	100.00	Oslo	687	25 ²⁾	687
Intellectual Property Holdings AS	100.00	Oslo	8	1 ²⁾	8
Aker Maritime Finance AS	100.00	Oslo	2 808	162 ²⁾	2 733
Aker Capital AS	100.00	Oslo	2 522	(1 702) ²⁾	2 297
RGI Inc	1.25	Seattle	1 104	45 ^{2), 3)}	14
Molde Fotball AS	100.00	Molde	14	(30) ²⁾	25
Aker Holding AS	60.00	Oslo	10 953	2 912 ²⁾	6 573
Akerhallen AS	30.00	Oslo	-	- ^{2), 3)}	-
Aker Encore AS	50.00	Oslo	36	- ^{2), 4)}	18
Converto Capital Fund AS/IS	99.80	Oslo	1 135	(61) ²⁾	1 197
Aker ShipLease AS	100.00	Oslo	175	11 ²⁾	50
Converto Capital Management AS	90.00	Oslo	1	7 ²⁾	1
Norron Asset Management AB	51.00	Stockholm	6	(4) ²⁾	8
Aker Achievements AS	100.00	Oslo	2	2 ²⁾	-
Aker Seafoods Holding AS	100.00	Oslo	1 159	(233) ²⁾	817
K3 Tomt KS	90.00	Oslo	513	19 ²⁾	-
Oslo Asset Management Holding AS	100.00	Oslo	50	5 ²⁾	14
Total					14 442

¹⁾ Aker ASA's ownership and share of votes is the same for all the companies.

²⁾ 100% of the company's equity as of 31 December and profit before tax 2010.

³⁾ Subsidiary company in the group. Owned less than 50% directly by parent company Aker ASA.

⁴⁾ Joint venture

Note 6 Receivables and other long term financial assets

Receivables and other long term financial assets consist of the following items:

Amounts in NOK million	2010	2009
Other long term receivables	3	1
Bonds (1)	226	1 626
Pension funds	1	2
Capitalized expenses etc	1	1
Total other long term assets	231	1 630
Long term receivables on group companies (2)	12 176	13 049
Total other long term assets	12 407	14 679

(1) Bonds:

Amounts in NOK million	Value	Excess value (+)	Nominal value	Cost price	2010
Aker Drilling ASA Obl 10/13	167	-	167	167	167
Aker Solutions ASA Obl 06/13	14	(1)	15	15	15
Aker Solutions ASA Obl 06/11	45	1	44	44	44
Total	226	-	226	226	226

The bonds are considered as long term investments by Aker ASA. Short term market fluctuations are therefore not taken into consideration in the valuation of the bonds. The bonds are recognized at historical cost.

(2) Long term interest-bearing receivables on group companies consist of:

Amounts in NOK million	2010	2009
Oslo Asset Management Holding AS	8	897
Cork Oak Holding Ltd	-	200
Aker Capital AS	6 774	6 549
Aker Geo Seismic AS	-	321
Aker BioMarine ASA	-	458
Contract Co Alfa AS	-	598
Contract Co Beta AS	-	598
Aker Drilling ASA	2 833	1 568
Converto Capital Fund	128	114
Aker Energy International AS	200	190
Aker Floating Productions ASA	1 611	1 447
Navigator Marine AS	277	-
RGI Inc	118	41
Ocean Harvest AS	186	-
Other	41	68
Total	12 176	13 049

The receivables have a maturity of more than one year.
Interest terms on the receivables are according to market.

Short term receivables on group companies consist of:

Amounts in NOK million	2010	2009
Aker Drilling ASA	11	19
Aker BioMarine ASA	8	53
Aker Clean Carbon AS	-	37
Ocean Harvest AS	3	23
Recondo AS	-	11
Molde Fotball AS	22	-
Other	5	5
Total	49	148

Note 7 Investments in associated companies and other long term investments in shares**Other long term investments consist of the following:**

<i>Amounts in NOK million</i>	Kostpris	Mer- verdi (+)	Bokført 2010
Sparebank1 SMN Grunnfondsbevis (Primary capital certificate)	55	26	55
Total	55	26	55

The items are recognized at the lower of fair value and cost

Investment in associated company consist of:

<i>Amounts in NOK million</i>	Kostpris	Mer- verdi (+)	Bokført 2010
Opptur Molde AS	2	-	2
Total	2	-	2

The items are recognized at the lower of fair value and cost.

Note 8 Shareholders equity**As of 31 December 2010 Aker ASA's share capital consists of the following share classes:**

	Shares issued	Number of treasury shares	Shares outstanding	Nominal value (NOK)	Total nomi- nal value in NOK (million) 31 Dec. for shares issued
Ordinary shares	72 374 728	7 354	72 367 374	28	2 026
Total share capital	72 374 728	7 354	72 367 374	-	2 026
Treasury shares					-
Share premium reserve					-
Other paid-in capital					-
Total paid-in capital					2 026

All shares have equal voting rights and are entitled to dividend. Aker ASA has no voting rights for its own shares.

The 20 largest shareholder on 31 December 2010:

	Antall aksjer	Prosent
TRG Holding AS ¹⁾	48 245 048	66.7%
JP Morgan Chase Bank (Nordea)	1 687 097	2.3%
Skandinaviska Enskilda Banken AB	1 428 780	2.0%
Odin Norden	1 052 890	1.5%
The Resource Group TRG AS	824 642	1.1%
Goldman Sachs & Co - Equity	739 482	1.0%
State Street Bank and Trust Co (I).	640 000	0.9%
State Street Bank and Trust Co (F).	628 741	0.9%
Clearstream Banking SA	585 377	0.8%
The Hermes Focus Funds	570 524	0.8%
KBC Securities (Non-treaty)	536 850	0.7%
KBC Securities	529 315	0.7%
Oslo Pensjonsforsikring AS	445 200	0.6%
ABN Amro Global Custody Services	333 744	0.5%
The Northern Trust Co	324 837	0.4%
JP Morgan Chase Bank	318 130	0.4%
KLP Aksje Norge VPF	252 715	0.3%
Tvenge, Torstein	250 215	0.3%
Inak 2 AS	250 000	0.3%
Bank og New York Mellon SA/NV	244 658	0.3%
Other	12 486 483	17.3%
Total	72 374 728	100%

¹⁾ Kjell Inge Røkke controls 67.8% of the shares in Aker ASA through the TRG companies.

Changes in shareholders equity in 2010 are shown below:

<i>Amounts in NOK million</i>	Share capital	Total paid- in capital	Other equity	Retained earnings	Total equity
Equity Jan. 1. 2010	2 026	2 026	14 611	14 611	16 637
Dividend provisions			(724)	(724)	(724)
Profit for the year		-	711	711	711
Equity 31 Dec. 2010	2 026	2 026	14 597	14 597	16 623

The changes in equity from 2009 to 2010 are shown below:

<i>Amounts in NOK million</i>	2010	2009
Opening balance	16 637	15 533
Net profit for the year	711	1 683
Dividend	(724)	(579)
Balance at 31 December	16 623	16 637

Note 9 Deferred tax

The table below shows the difference between accounting and tax values at the end of 2010 and 2009 respectively, as well as changes in the differences, deferred tax assets at the end of each year and the change in deferred tax assets.

Amounts in NOK million	2010	2009
Differences in accruals	(50)	(74)
Differences in receivables	(669)	(665)
Fixed assets differences	7	(399)
Net pension liability	(95)	(96)
Capital gains and loss reserve	12	15
Total differences	(795)	(1 220)
Tax losses carried forward	(538)	-
Total deferred tax basis	(1 333)	(1 220)
Net deferred tax 28%	(373)	(342)
Deferred tax asset	325	-
Recognized deferred tax asset	49	342
Deferred tax liability	-	-

Deferred tax asset is incorporated in the balance sheet if budgets indicate that the asset will be used in the future.

Estimated taxable profit

Amounts in NOK million	2010	2009
Profit before tax	1 003	1 483
Permanent differences in net non-taxable income (-) / expenses (+)	(1 116)	(2 199)
Change in temporary differences	(425)	741
Utilization of accumulated tax losses	-	(13)
Estimated taxable income	(538)	11
Tax payable (28%) in the profit and loss account	-	3
Tax on group contribution (28%)	-	(3)
Tax payable (28%) in the balance sheet	-	-

Income tax expense / income:

Amounts in NOK million	2010	2009
Tax payable in the profit and loss account	-	3
Change in deferred tax	292	(203)
Total tax expense (+) / income (-)	292	(200)

The 2010 figures above are based on estimates of different non-deductible taxable income, non-deductible items and differences between

accounting and tax items. The final calculations will be made in the income-tax return and may differ from estimates above.

Explanation as to why tax expense / income differs from 28% of profit before tax:

	2010
28% tax on profit before tax	281
28% tax on permanent differences	(312)
28% tax on unrecognized deferred tax asset	325
Estimated tax expense / income (-)	292
Effective tax rate (tax expense compared with profit / loss before tax)	29%

Note 10 Pension costs and pension liabilities

According to the Norwegian law on occupational pensions, (Lov om tjenestepensjon) the company is required to provide a pension plan for all its employees. The company's pension plans do meet the legal requirements set out by the law.

Aker ASA covers its pension liabilities mainly through a group pension plan in a life insurance company. For accounting purposes the plan has been treated as a defined benefit plan. In addition

to this, Aker ASA also has uninsured pension liabilities.

The schemes provide defined future benefits. These benefits depend mainly on the number of years the individual is a member of the plan, the level of salary at time of retirement and the level of the benefits provided by the Norwegian National Insurance scheme.

Actuarial calculations have been made based on the following assumptions:

	2010	2009
Discount rate	3.2%	4.4%
Expected return on assets	4.6%	6.4%
Wage increases	4.0%	4.3%
Social security base adjustment / inflation	3.8%	4.0%
Pension adjustment	2.5%	3.0%

These actuarial assumptions are based on the assumptions that are commonly used within life insurance regarding demographic factors.

The discount rate is based on the interest rate on Norwegian government bonds. The return on

pension assets is expected to be higher than the discount rate since the assets are invested in instruments with a higher risk than government bonds.

Percentage composition of pension assets and reconciliation of actual return:

	2010	2009
Bonds	94.6%	72.1%
Money market	0.0%	21.3%
Shares	3.9%	4.7%
Property	1.5%	1.9%

Amounts in NOK million

	2010	2009
Expected return on pension assets	3.4	2.7
Deviation in estimate	(1.3)	-
Actual return on pension assets	2.1	2.7

Pension expenses

	Over-funded plans ¹	Under-funded plans ¹	Total 2010	Sum 2009
<i>Amounts in NOK million</i>				
Present value of this years vesting of pensions	(5)	-	(5)	(6)
Interest expense on accrued pension liabilities	(3)	(5)	(8)	(8)
Expected return on pension funds	3	-	3	3
Allocated effect of change in estimates and pension plans	(1)	(3)	(4)	(3)
Change in social security contributions	(1)	-	(1)	(2)
Net pension expenses (-)	(7)	(8)	(15)	(16)

Net pension liabilities / assets as of 31 December:

	Over-funded plans ¹	Under-funded plans ¹	Total 2010	Sum 2009
<i>Amounts in NOK million</i>				
Present value of accrued pension liabilities	(81)	(119)	(200)	(175)
Calculated pension liabilities	(81)	(119)	(200)	(175)
Value of pension funds	57	-	57	54
Calculated net pension funds / liabilities	(24)	(119)	(143)	(121)
Amortization ²⁾	28	29	57	32
Social security contributions	(3)	(6)	(9)	(7)
Net pension funds / liabilities recognized in balance³⁾	1	(96)	(95)	(96)
Number of individuals covered	128	20	148	146

¹⁾ Underfunded plans: The value of pension liabilities exceeds the value of pension funds.

Overfunded plans: The value of pension funds exceeds the value of pension liabilities.

²⁾ Amortization: The effect of changes in estimates and pension plans that are not recorded in the profit and loss account.

³⁾ Provisions have been made for social security contributions on contracts with net pension liabilities.

Aker ASA's net pension liability is recognized in the balance sheet as an interest-free long term liability. Net pension funds are recognized as interest-free long term receivables. Pension funds are invested in accordance with the general guidelines for life insurance companies. Recorded pension liabilities are calculated on the

basis of estimated future pension liabilities and accrued in accordance with generally accepted accounting principles. The pension liability recorded in the accounts is not the same as the vested pension rights at 31 December. Net pension funds are included in other long term investments in the balance sheet.

Note 11 Debt and other liabilities**Long term liabilities to group companies:**

Long term liabilities to group companies have a maturity of more than five years and interest is set at market terms. See note 16 for subordinated loans.

Long term interest-bearing liabilities are distributed as follows:

<i>Amounts in NOK million</i>	Interest rate at year end 2010	Bonds	Bank loans	Total loans 2009	Own bonds	Capitalized borrowing expenses	Book value 2010
Year							
2011				-			-
2012	7.6%	1 000		1 000	(311)	(3)	686
2013				-			-
2014	6.2%		850	850		(2)	848
2015	8.0%	1 000		1 000		(9)	991
After 2015				-			-
Total 2010		2 000	850	2 850	(311)	(14)	2 525
Total 2009		1 500	850	2 350	(376)	(7)	1 967

The loans are recorded at amortized cost. Per 31 December the capitalized borrowing expenses are NOK 14 million and they are expensed over the remaining time to maturity. The loans in the table are all denominated in NOK.

Other current liabilities consist of the following:

Amounts in NOK million	2010	2009
Accrued interest external	24	34
Incurring cost	58	19
Dividend external	724	579
Unrealized loss on share put option ¹⁾	663	-
Other accruals	60	60
Other	35	41
Total	1 564	733

¹⁾ The company has recorded an unrealized, discounted loss due to a share put option. Last year this unrealized loss of NOK 891 million was recorded as an item in other long term liabilities. See note 14 financial market risk - SAAB/Investor). The discount rate used is 2.8%.

Current liabilities to group companies consist of the following:

Amounts in NOK million	2010	2009
Accrued interest	-	2
Aker BioMarine ASA	-	355
Other	-	3
Total	-	360

Intercompany items and other transactions with associated companies:

See note 16, as well as note 21 in the financial statements of the group.

Note 12 Legal disputes

There are no major legal disputes as of 31 December 2010

Note 13 Mortgages and guarantee obligations

Guarantee obligations are as follows:

Amounts in NOK million	2010	2009
Loan guarantees	1 889	82
Completion guarantees	1 076	-
Total Loan and completion guarantee obligations	2 965	82

Increased loan guarantees are mainly due to bond guarantees for Aker Drilling ASA (NOK 1.5 billion) and Aker BioMarine ASA (NOK 0.3 billion).

Increased completion guarantee is mainly due to Aker Philadelphia Shipyard Inc. (NOK 0.9 billion).

Aker ASA has a guarantee commitment regarding the US pension fund Kvaerner Consolidated Retirement Plan with Kvaerner US Inc. The purpose of the commitment is to enable Kvaerner US Inc. to fulfill its annual or quarterly minimum

premium payments to the pension fund. The responsibility is shared with Kvaerner US Inc. (with guarantee from Aker ASA) paying 2/3 and Aker Kvaerner Willfab Inc. and Aker Subsea Inc. (with guarantee from Aker Solutions ASA) paying 1/3 of the premium to the pension fund.

Note 14 Financial market risk

The company is exposed to several types of financial risks of which the most significant are credit, liquidity, foreign exchange and interest rate risks. The purpose of risk management is to measure and manage financial risks in a reliable manner, in order to increase predictability and simultaneously minimize any negative impacts on Aker's financial results.

Aker ASA and holding companies have claims on Aker Floating Production in the order of NOK 1 610 million. The book values in Aker Floating Productions financial statements underpin the book values of Aker ASA and holding companies' claims. Aker Floating Production has experienced a solid and safe operation of its production and storageship Dhirubhai-1 with an uptime close to 100% throughout 2010. The ship has been leased out until 2018 and the lessee has an option to buy the ship at a fixed price. The company's liquidity has improved significantly during 2010. There is still some uncertainty regarding the continued operation of the company in the event that the lessee exercises his option to buy Dhirubhai-1. In such a scenario the company would depend on revenue from a new project or the supply of new equity in order to fully serve its existing debt. There are no indications that the lessee will exercise his option to purchase the ship.

Foreign currency items in the balance sheet are hedged to a large extent through receivables and liabilities in the same currency.

Aker ASA has loan and guarantee commitments that contain covenants regarding equity. At the end of fiscal year 2010 Aker ASA met all such loan and guarantee covenants.

Some group subsidiaries are exposed to risk

associated with the value of their investments, due to changes in market prices for raw materials and semi-processed goods, to the extent that such fluctuations result in changes to the competitiveness and earnings potential of these companies over time. The value of some of the subsidiaries is dependent on Aker ASA's ability to service its own debt. (See note 16).

Risk exposure arising from foreign exchange fluctuations is identified and reduced through continuous monitoring and adjustment of the group's collective portfolio of loans and financial instruments. Foreign exchange risk related to investments in shares and receivables in foreign currencies are hedged by modifications to the loan portfolio and / or through other financial instruments.

Some subsidiaries enter into ongoing hedging transactions related to their own sales in foreign currencies. Such hedging is used to reduce foreign exchange risk affecting sales contracts.

Aker has hedged USD 31 mill through forward contracts and convertible forwards (european). The company has sold USD 10 mill forward with maturity in the period 2011-2013. In addition, convertible forwards (european) of USD 21 mill have been traded for this period. A convertible forward is two options with the same strike, one bought put option and one sold call option. The convertible has an upper and a lower barrier (ceiling/floor). If the spot price reaches the upper barrier at maturity, the lower barrier will be in effect. As of 31.12.2010 the company had recorded an unrealized gain of NOK 10 million on these contracts. This amount is included in other interest and financial income in the profit statement.

Amounts in NOK million	Sell USD FWD	Floor/ceiling, European Conv FWD ¹⁾
2011	6 000	13 000
2012	3 000	6 000
2013	1 000	2 000
Total	10 000	21 000

¹⁾ A European convertible forward is two options with the same strike. A bought put option and a sold call option with a knock-in at the expiration date

Aker ASA has entered into separate agreements with SAAB and Investor AB regarding put/call options and opportunity to redeem. These provide SAAB and Investor AB with the same protection against loss on their investments in Aker Holding AS but also limit their potential gain. The first opportunity to exercise the put/call options is June 30, 2011. Aker ASA has recorded an unreal-

ized loss at present value of NOK 663 million on the share put options per 31 December 2010. This loss is included in other short term debt in the balance sheet. (See note 11). A value change of NOK 228 million has been recorded as income in 2010. This item is included in other interest- and financial income in the profit and loss statement.

Note 15 Reversal/impairment on shares, receivables etc.

Reversal/impairment on shares and receivables are as follows:

Amounts in NOK million	2010	2009
Reversal/ impairment shares in Aker Holding AS	1 576	2 312
Reversal/ impairment shares in CS Krabbe AS	27	-
Impairment shares in Aker Capital AS	(835)	-
Impairment various shares	-	(7)
Impairment receivable Cork Oak Holding Ltd	(210)	-
Impairment receivable Aker American Shipping Holding AS	-	(190)
Impairment various receivables etc.	(107)	(128)
Total	451	1 994

The company has revalued its investments per 31 December 2010. Investments in listed shares are carried at the lower of cost price and market price on 31 December 2010.

Other investments are valued based on best estimate according to the information available. Long term items are adjusted to the lower of cost price and fair value.

Note 16 Subordinated debt to group companies

Subordinated debt is as follows:

Amounts in NOK million	2010	2009
Aker AS	662	636
Aker Capital AS	2 344	2 254
RGI Inc.	1 241	1 171
Aker Maritime Finance AS	1 403	1 348
Total subordinated debt	5 650	5 409

The loans are subordinate to all other liabilities of Aker ASA and have contractual maturities that are past all the other liabilities. The RGI Inc loan

has fixed interest of 4,24% and the other loans has interest rate of 12 months NIBOR + 1%.

Note 17 Cash and cash equivalents

Cash and cash equivalents are distributed as follows:

Amounts in NOK million	2010	2009
Cash restricted	17	51
Cash unrestricted	2 616	2 321
Certificates	-	163
Total	2 633	2 535

Note 18 Events after balance sheet date

The company has an investment in Aker Capital AS, which in turn owns Aker Drilling ASA. Aker Drilling ASA carried out a share issue and was subsequently listed on the Oslo stock exchange in February 2011. In this context Aker Capital AS

has written down its investment in Aker Drilling to listed value. Consequently, Aker ASA has written down its own investment in Aker Capital AS in accordance with note 15.

Note 19 Shares owned by directors/executives

See note 39 in the financial statements of the group.

Note 20 Salary and other remuneration to the board of directors, nomination committee, audit committee, the president and other senior executives in Aker ASA

See note 38 in the financial statements of the group.

Directors' responsibility statement

Today, the board of directors and the president and chief executive officer reviewed and approved the board of directors' report and the consolidated and separate annual financial statements of Aker ASA, consolidated and parent company for the year ending and as of 31 December 2010.

Aker ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied per 31 December 2010. The separate financial statements of Aker ASA and the parent company have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2010. The board of directors' report for the group and the parent company meets with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as of 31 December 2010.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2010 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 per 31 December for the group and for the parent company.
- The board of directors' report includes a true and fair review of the
 - development and performance of the business and the position of the group and the parent company,
 - the principal risks and uncertainties the group and the parent company may face.



Aker ASA's board of directors. Front row from left: Hanne Harlem, Bjørn Flatgård, Atle Tranøy, and President and CEO Øyvind Eriksen. Back row from left: Board chairman Kjell Inge Røkke, deputy chairman Lone Fønss Schrøder, Kristian Pedersen, Finn Berg Jacobsen, Kjell A. Storeide, Bjarne Kristiansen, Harald Magne Bjørnsen, and Kristin Krohn Devold.

Oslo, 24 February 2011
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Lone Fønss Schrøder (sign)
Deputy chairman

Finn Berg Jacobsen (sign)
Director

Bjørn Flatgård (sign)
Director

Hanne Harlem (sign)
Director

Kristin Krohn Devold (sign)
Director

Kjell A. Storeide (sign)
Director

Atle Tranøy (sign)
Director

Bjarne Kristiansen (sign)
Director

Harald Magne Bjørnsen (sign)
Director

Kristian Pedersen (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Auditor's report

To the Annual Shareholders' Meeting of Aker ASA

Report on the Financial Statements

We have audited the accompanying financial statements of Aker ASA, which comprise the financial statements of the parent company Aker ASA and the consolidated financial statements of Aker ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2010, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2010, and the income statement and the statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and generally accepted accounting standards and practices in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regula-

tions, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statement

In our opinion, the parent company's financial statements give a true and fair view of the financial position of Aker ASA as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Aker ASA and its subsidiaries as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 7 March 2011
KPMG AS, Arve Gevoll (sign)
State authorised public accountant



KPMG AS
Sorkedalsveien 6
PB 7000 Majorstuen
NO-0306 Oslo

Telephone +47 04063
Telefax +47 22 60 96 01
www.kpmg.no

Org. no. 935 174 627 MVA

KPMG AS, a Norwegian member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening.

Offices in:

Oslo
Alta
Arendal
Bergen
Bodo
Elverum
Finnsnes
Grimstad
Hamar
Haugesund
Kristiansand
Larvik
Mo i Rana
Molde
Narvik
Roros
Sandefjord
Sandnessjoen
Stavanger
Stord
Tromso
Trondheim
Tonsberg
Alesund

Translation has been made for information purposes only

Aker ASA and holding companies

Introduction

The balance sheet of Aker ASA and holding companies has been established to present its financial position as a parent holding company. The traditional balance sheet of a parent company has been extended to include all subordinate, administrative service- and holding companies that are 100% owned by Aker ASA and have balance sheets that contain only investments, bank deposits and debt. The balance thus shows a net debt in relation to holding companies' investments.

The balance sheet presents all the holding companies consolidated.

The acquisition and disposal of companies is a part of the ordinary business of Aker ASA and holding companies. Consequently, gains and losses on sales of shares are classified as operating revenues in the profit and loss statement of the consolidated annual report.

Aker ASA and holding companies apply the same accounting principles as Aker ASA with the exception of the above. See accounting principles of Aker ASA on page 101.

The companies that have been consolidated are as follows:

- Aker ASA
- Aker AS (formerly Aker Finans AS)
- Aker Maritime Finance AS
- Resource Group International AS
- RGI Inc, RGI Holdings Inc
- Aker Seafoods Holding AS
- Aker Holding Start 2 AS
- Aker Capital AS, Kværner AS
- Kværner Sea Launch Ltd
- Aker Invest AS
- Sea Launch Holding AS
- K3 Tomt KS
- RGI AS
- RGI Invest Inc
- Resource Group Inc
- Kværner US Sea Launch Inc
- Aker Invest II KS and A-S Norway AS

Income statement

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
Operating revenues	1	-	391
Operating expenses		(214)	(229)
Depreciation and amortization		(15)	(17)
Non recurring operating items	2	-	(447)
Operating profit		(229)	(303)
Dividend received	3	175	137
Other financial items	4	470	(172)
Value change and exceptional financial items	5	(2 399)	(673)
Profit before tax		(1 983)	(1 010)
Tax	6	(421)	(63)
Profit for the year		(2 404)	(1 073)

Balance sheet as of 31 December

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
ASSETS			
Intangible assets	8	34	429
Tangible fixed assets	8	209	423
Total intangible and tangible fixed assets		243	852
Financial interest-bearing fixed assets	9	5 671	7 051
Financial interest-free fixed assets	8	58	53
Long-term equity investments and interests	7	7 972	9 426
Total financial fixed assets		13 701	16 530
Total fixed assets		13 944	17 382
Short-term interest-free receivables	9	116	209
Short-term interest-bearing receivables	9	22	104
Cash and cash equivalents	10	2 933	2 694
Total current assets		3 071	3 007
Total assets		17 015	20 389

<i>Amounts in NOK million</i>	<i>Note</i>	2010	2009
SHAREHOLDERS' EQUITY AND LIABILITIES			
Paid-in capital	11	2 026	2 026
Retained earnings		11 231	14 351
Total equity		13 257	16 377
Provisions and other interest-free long term liabilities	12	268	295
Long-term interest-bearing liabilities	13	2 549	1 778
Total long-term liabilities		2 817	2 073
Short-term interest-free liabilities	12	916	818
Short-term interest-bearing liabilities	13	25	1 121
Total short-term liabilities		941	1 939
Total equity and liabilities		17 015	20 389

Oslo, 24 February 2011
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Lone Fønss Schrøder (sign)
Deputy chairman

Finn Berg Jacobsen (sign)
Director

Bjørn Flatgård (sign)
Director

Hanne Harlem (sign)
Director

Kristin Krohn Devold (sign)
Director

Kjell A. Storeide (sign)
Director

Atle Tranøy (sign)
Director

Bjarne Kristiansen (sign)
Director

Harald Magne Bjørnsen (sign)
Director

Kristian Pedersen (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Notes to the financial statements

Note 1 Operating revenues

Operating revenues are allocated as follows:

<i>Amounts in NOK million</i>	2010	2009
Gain by sale of ODIM, Aker Oilfield, Midsund Bruk and Aker DOF Supply to Aker Solutions	-	391
Total	-	391

Note 2 Non recurring operating items

Non recurring operating items are allocated as follows:

<i>Amounts in NOK million</i>	2010	2009
Write-down of Antarctic Navigator	-	(396)
Write-down of airplane	-	(43)
Write-down of other fixed assets	-	(8)
Total non recurring operating items	-	(447)

Note 3 Dividend received

Dividend received consists of the following:

<i>Amounts in NOK million</i>	2010	2009
Aker Holding AS (Aker Solutions ASA)	170	105
Bjerge ASA	-	9
Other	5	23
Total dividend received	175	137

Note 4 Other financial items

Other financial items consist of the following:

<i>Amounts in NOK million</i>	2010	2009
Interest income from companies within the group	267	345
Interest income from associated companies	-	-
Other interest income	(13)	171
Other financial items	216	(688)
Total other financial items	470	(172)

Other financial items in 2010 among other refer to a gain on sale of Aker Solutions bonds NOK 58 million, guarantee commission of NOK 42 million and gains on currency forward contracts of NOK 30 million.

Other financial items in 2009 among other refer to loss on financial instruments, whereof TRS American Shipping NOK 251 million and write-down of American Shipping bond NOK 312 million.

Note 5 Value change and exceptional financial items**Exceptional financial items consist of the following:**

Amounts in NOK million	2010	2009
Sea Launch guarantee claims expensed out	-	(776)
Change in value of Aker BioMarine shares	(315)	356
Change in value of shares in Det norske oljeselskap	(306)	51
Change in value of Aker Drilling shares	(1 736)	-
Change in value of Aker Floating Production shares ¹⁾	-	(14)
Change in value of American Shipping Company shares ¹⁾	-	(137)
Change in value of Aker Philadelphia Shipyard shares ¹⁾	-	(237)
Change in value of Aker Seafoods shares ¹⁾	-	41
Change in value of ODIM ASA shares	-	89
Change in value of Bjørge shares ¹⁾	-	(8)
Change in value of Genesis Petroleum Corp shares	-	(10)
Change in value of Aker Ocean Harvest shares ¹⁾	-	(73)
Value adjustment Put-agreement with SAAB and Investor AB ²⁾	-	92
Other changes in value of shares	(42)	(47)
Total exceptional financial items	(2 399)	(673)

¹⁾ Transferred to Convento Capital Fund in 2009. Convento Capital Fund is carried at the lower of fair value and cost.

²⁾ Based on an average cost price for existing shares and sharevalue of the Put based on Aker Solutions' share price at 31.12.2008 of NOK 42.15 per share a write-down of NOK 92 million in 2008 is reset in 2009. Aker Solutions' share value at 31 December 2010 was NOK 99.25 per share.

Note 6 Tax

Amounts in NOK million	2010	2009
Tax payable:		
Norway	-	-
Abroad	(21)	(21)
Total tax payable	(21)	(21)
Change in deferred tax:		
Norway	(393)	(36)
Abroad	(1)	(6)
Total change in deferred tax	(394)	(41)
Tax on corporate contributions	(6)	-
Total	(421)	(63)

Note 7 Long term equity investments

At 31 December 2010	Ownership in%	Number of shares	Book value (NOK million)	Market price per share 31 Dec. 2010 (NOK)	Market value 31 Dec. 2010 (NOK million)
Industrial investments:					
Aker Holding AS (Aker Solutions ASA)	60.0	66 200 169	1 695	99.25	6 570
Aker BioMarine ASA	83.3	795 888 408	1 202	1.51	1 202
Aker Drilling ASA	100.0	93 000 000	1 767		
Det norske oljeselskap ASA	40.4	44 944 180	1 213	27.00	1 213
Aker Clean Carbon	50.0		127		
Total industrial investments			6 004		
Funds:					
Convento Capital Fund			1 197		
AAM Absolute Fund			231		
Total funds			1 428		
Other investments (included in Financial investments)			540		
Total shares and long term equity investments			7 972		

Listed shares are valued at lowest of market price and cost. The remainder are recorded at the lowest of fair value and cost.

Note 8 Interest-free long term receivables and other assets**Interest-free long term receivables and other assets are distributed as follows:**

<i>Amounts in NOK (million)</i>	Receivables	Other assets	Total 2010	Total 2009
Deferred tax assets	34		34	429
Pension funds	18		18	17
Receivables from companies within the group	9		9	6
Other	31	209	240	454
Total	92	209	301	905

Other assets in 2010 among other refer to airplane of NOK 168 million.

Other assets in 2009 among other refer to the vessel Antarctic Navigator NOK 202 million and airplane NOK 177 million after impairment in 2009 of NOK 396 million and NOK 43 million respectively.

Note 9 Other interest-bearing current assets and long term receivables**Other interest-bearing current assets and long term receivables from companies within the group and from external companies are shown below:**

<i>Amounts in NOK million</i>	Current assets	Long-term receivables	Total 2010	Total 2009
Receivable companies within the group	22	5 245	5 267	5 248
Receivable, external	-	426	426	1 907
Total	22	5 671	5 693	7 155

Interest-bearing receivable 2010 allocated by borrower and company within the group and other, external borrower.

Receivable companies within the group:

<i>Amounts in NOK million</i>	Interest-bearing Current assets	Interest-bearing long term assets	Total 2010	Interest-free receivables	Total receivable companies within the group
Aker Drilling	-	2 833	2 833	5	2 838
Aker Floating Production	-	1 610	1 610	-	1 610
Aker BioMarine	-	-	-	16	16
Aker Energy International	-	200	200	-	200
Converto Capital Fund	-	128	128	1	129
Navigator Marine	-	277	277	-	277
Other companies	22	197	219	13	232
Total	22	5 245	5 267	35	5 302

Other receivable

The terms of the long term bonds are as follows:

<i>Amounts in NOK million</i>	Currency	Nominal interest rate	Time of maturity	Carrying amount
Aker Solutions ASA 06/13	NOK	3 mnd Nibor +1,35%	Desember 2013	15
Aker Solutions ASA 06/11	NOK	3 mnd Nibor +1,05%	Desember 2011	44
Aker Drilling AS	NOK	3 mnd Nibor +4,0%	April 2013	167
Det norske oljeselskap ASA	NOK	6.0%	Desember 2011	19
Front Exploration AS (Discover Petroleum AS)	USD	11.0%	Juli 2012	23
6% Norwegian Energy Company AS Conv. 07/12	NOK	6.0%	Mai 2012	151
Total bonds				419
Other interest-bearing receivables				7
Total				426

Note 10 Cash and cash equivalents

Cash and cash equivalents amount to NOK 2933 million at the end of 2010. NOK 17 million of the total are restricted.

Note 11 Shareholders' equity

As of 31 December 2010 Aker ASA's share capital consists of the following share classes:

	Shares issued	Number of own shares	Shares outstanding	Par value (NOK)	Total par value 31 December in NOK (million)	
Ordinary 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 equity					-	
Total paid-in capital					2 026	

All shares have equal voting rights and are entitled to dividend. Aker ASA has no voting rights for its own shares.

The following dividend was proposed paid by the board of directors after the balance sheet date:

Amounts in NOK million	2010
Dividend NOK 10 per share	724
Expected payment of dividend in 2011 from Aker ASA and holding companies	724

The amount is included in short-term interest free liability in the balance sheet.

Note 12 Interest-free debt and liabilities

Interest-free debt and liabilities are presented below:

Amounts in NOK million	Short-term	Long-term	Total 2010	Total 2009
Tax liabilities	4	34	38	43
Pension liabilities	-	126	126	134
Dividend	724	-	724	579
Debt to companies within the group	3	-	3	60
Other debt	185	108	293	297
Total	916	268	1 184	1 112

Note 13 Interest-bearing debt

Interest-bearing debt is distributed among companies within the group and external creditors as shown below:

Amounts in NOK million	Short-term	Long-term	Total 2010	Total 2009
Debt to companies within the group	-	24	24	373
Debt to external creditors	25	2 525	2 550	2 526
Total	25	2 549	2 574	2 899

Interest-bearing debt to external creditors is shown below:

Amounts in NOK million	2010	2009
Bonds	1 690	1 179
Unsecured bank loans	850	850
Other external debt	10	497
Total	2 550	2 526

The installment schedule for interest-bearing debt by type:

<i>Amounts in NOK million</i>	Bonds	Bank loans	Other debt accrued fees	Total
Year				
2011	-	-	-	-
2012	690	-	22	710
2013	-	-	-	-
2014	-	850	(2)	848
2015	1 000	-	(10)	990
After 2015	-	-	-	-
Total	1 690	850	10	2 549

Note 14 Risk**The balance sheet of Aker ASA and holding companies is distributed on the following segments:**

<i>Per cent</i>	2010	2009
Industrial investments	35%	37%
Funds	8%	7%
Financial investments	55%	52%
Fixed assets and deferred tax assets	1%	4%

The businesses within each category are exposed to macro development in their respective market segments.

Aker ASA and Holding Companies have receivables on Aker Floating Production of NOK 1 610 million. The carrying amount of the receivables are supported by reference Aker Floating Productions' balance sheet values.

Aker Floating Production's production vessel Dhirubhai-1 reported yet another quarter of excellent operations with up-time approaching 100 percent in 2010. The vessel has been chartered

until 2018; the charterer holds an option to purchase the vessel at an agreed-to price. The company's liquidity improved significantly in 2010. Nevertheless, uncertainty is associated with continued operations should the charterer of the Dhirubhai-1 exercise its option. In such a scenario, Aker Floating Production will depend on revenues from a new project or an injection of new equity in order to fully meet its existing debt commitments. There are no indications that the charterer intends to exercise its options to purchase the production vessel.

Auditor's report

To the board of Aker ASA

We have audited the accompanying financial statements of Aker ASA with holding companies, which comprise the balance sheet as at 31 December 2010, the income statement and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of Aker ASA with holding companies in accordance with the basis for preparation of the financial reporting, defined in the introduction of the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Aker ASA with holding companies, as at 31 December 2010, and of its financial performance for the year then ended in accordance with the basis for preparation of the financial reporting, defined in the introduction of the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to the basis for preparation of the financial reporting, defined in the introduction of the financial statements, which describes the basis of accounting. As a result, the financial statements may not be suitable for another purpose.

Other Matter

Aker ASA has for the year ended 31 December 2010 prepared a separate set of statutory accounts comprising consolidated financial statements and parent financial statements on which we issued separate auditor's reports to the shareholders of Aker ASA dated 7 March 2011.

Oslo, 7 March 2011
KPMG AS

Arve Gevoll (sign)
State authorised public accountant



KPMG AS
Sorkedalsveien 6
PB 7000 Majorstuen
NO-0306 Oslo

Telephone +47 04063
Telefax +47 22 60 96 01
www.kpmg.no

Org. no. 935 174 627 MVA

KPMG AS, a Norwegian member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening.

Offices in:

Oslo
Alta
Arendal
Bergen
Bodø
Elverum
Finnsnes
Grimstad
Hamar
Haugesund
Kristiansand
Larvik
Mo i Rana
Molde
Narvik
Røros
Sandefjord
Sandnessjøen
Stavanger
Stord
Tromsø
Trondheim
Tønsberg
Ålesund

Translation has been made for information purposes only

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 net asset value. In determining net asset value, the share prices of Aker's exchange-listed investments are applied."

The board of directors will propose to Aker ASA's 14 April 2011 annual shareholders' meeting that a per-share dividend of NOK 10 be paid for the 2010 accounting year.

Year	Paid dividend (NOK)	Dividend in % of NAV
2007	19.00	3.8%
2008	18.50	4.0%
2009	5.00	2.0%
2010	8.00	3.0%

Shares and share capital

Aker ASA has 72 374 728 ordinary shares; each share has a par value of NOK 28 (see

note 8 to the parent company's 2010 accounts). Aker ASA has a single share class. Each share is entitled to one vote. The company held 7 354 of its own shares as of 31 December 2010. No share issues were carried out in 2010.

As of 31 December 2010, the company had 14 300 shareholders, of whom 3.3 percent were non-Norwegian shareholders. Kjell Inge Røkke and members of his family are the company's main shareholders. Through his privately held companies organized under TRG, the family holds 67.8 percent of Aker ASA shares.

Stock-exchange listing

Aker ASA was listed on the Oslo Stock Exchange on 8 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.

Current board authorizations

Aker ASA's 8 April 2010 annual general meeting authorized the board to acquire up to 7 237 472 Aker ASA shares, with a total par value of NOK 202 649 216. The authorization also provides for acquisition of agreement liens in shares. The per-share purchase price is not to be less than NOK 4 nor exceed NOK 800. The board is free to decide the method of acquisition and disposal of own (treasury) shares. The authorization is valid until the 2011 annual general meeting.



Productive, open dialogue builds expertise and trust.

Share option plans

Aker ASA had no share option plans as per 31 December 2010.

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 stock exchange and press releases are available on 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.

Electronic interim and annual reports

Aker ASA encourages its shareholders to receive the electronic version of annual reports. Annual reports are published on the company's website at the same time as they are released via the Oslo Stock Exchange distribution service: www.news-web.no (ticker: AKER). Annual reports are

distributed by e-mail in PDF format to shareholders who request 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 quarterly or annual 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 2010):

Securities broker	Telephone
ABG Sunndal Collier	+ 47 22 01 60 00
Arctic Securities	+ 47 21 01 31 00
Carnegie	+47 22 00 93 00
Credit Suisse	+44 20 7888 8888
DnB NOR	+47 22 48 27 70
Enskilda Securities	+ 47 21 00 85 00
Fondsfinans	+ 47 23 11 30 00
Goldman Sachs	+44 20 7774 1000
Nordea	+ 47 22 48 50 00
Orion Securities	+ 47 21 00 29 00
Pareto Securities	+ 47 22 87 87 00
RS Platou Markets	+ 47 22 01 63 00
Terra Markets	+ 370 5 246 1919
UBS	+46 8 453 7300

Geographic distribution of ownership as of 31 December 2010:

Nationality	Number of shares held	Percent of share capital
Non-Norwegian shareholders	11 644 314	16.1%
Norwegian shareholders	60 730 414	83.9%
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.

Shareholders who wish to contact Aker ASA's nomination committee may do so using the following email address: contact@akerasa.com.

Audit committee

The company's audit committee has the following members:

- Finn Berg Jacobsen (chairman)
- Lone Fønss Schrøder
- Kjell A. Storeide
- Atle Tranøy

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.

Meeting notices and attendance registration forms are sent to shareholders within the deadlines stipulated in the Norwegian Public Limited Liability Companies Act and are made available to shareholders on the company's website and through the publication service of the Oslo Stock Exchange. The annual report and other enclosures to the meeting notice are made available only via the company's website and through the publication service of the Oslo Stock Exchange. Shareholders who would like to receive the enclosures by mail, must contact the company.

In 2011, the board decided that shareholders who are unable to attend a general shareholders' meeting will have the option of voting directly on individual agenda items via electronic voting during the pre-meeting registration period. Shareholders may change

20 largest shareholders as of 31 December 2010

Name	Number of shares	Ownership
TRG Holding AS	48 245 048	66.66%
JP Morgan Chase Bank	1 687 097	2.33%
Skandinaviska Enskilda Banken AB	1 428 780	1.97%
Odin Norden	1 052 890	1.45%
The Resource Group TRG AS	824 642	1.14%
Goldman Sachs & Co - Equity	739 482	1.02%
State Street Bank and Trust Co., ref. OM 08	640 000	0.88%
State Street Bank and Trust Co., ref. OM 06	628 741	0.87%
Clearstream Banking S.A.	585 377	0.81%
The Hermes Focus Funds	570 524	0.79%
KBC Securities	536 850	0.74%
KBC Securities	529 315	0.73%
Oslo Pensjonsforsikring AS PM	445 200	0.62%
ABN AMRO Global Custody Services	333 744	0.46%
The Northern Trust Co.	324 837	0.45%
JP Morgan Chase Bank	318 130	0.44%
KLP Aksje Norge VPF	252 715	0.35%
Tvenge	250 215	0.35%
INAK 2 AS	250 000	0.35%
Bank of New York Mellon SA/NV	244 658	0.34%
Total	59 888 245	82.75%

their vote or opt to attend the shareholders' meeting in person. This service is available on Aker's website.

As in the past, shareholders who are unable to attend a meeting may vote by proxy. The company has prepared proxy forms that enable shareholders to vote on individual issues.

Procedures for electronic voting and using proxies with instructions are provided along with the meeting notification, and are available on the company's website.

The company does not appoint an independent proxy to vote on behalf of shareholders. Aker considers that shareholders'

interests are adequately maintained by the option of participation via an appointed proxy or by shareholders authorizing the meeting chair/board chairman to vote according to specific proxy instructions.

2010 share data

The company's total market capitalization as of 31 December 2010 was NOK 10 132 million. During 2010, a total of 25 718 000 Aker ASA shares traded, corresponding to 0.36 times the company's freely tradable stock. The shares traded on all Oslo Stock Exchange trading days.



Aker is the leading shareholder of eight exchange-listed companies.

Share price development

■ Aker ASA ■ OSEBX



Ownership structure by number of shares as of 31 December 2010

Shares held	Number of shareholders	Percent of share capital
1 – 100	8 709	0.33%
101 – 1 000	4 535	2.06%
1 001 – 10 000	879	3.41%
10 001 – 100 000	133	6.40%
100 001 – 500 000	32	8.40%
Over 500 000	12	79.40%
Total	14 300	100%

2010 share data

Highest traded	NOK	174.50
Lowest traded	NOK	102.00
Share price as of 31 December	NOK	140.00
Shares issued as of 31 December		72 374 728
Own (treasury) shares as of 31 December		7 357
Shares issued and outstanding as of 31 December		72 367 374
Market capitalization as of 31 December	NOK million	10 132
Proposed share dividend for 2010	NOK per share	10.00

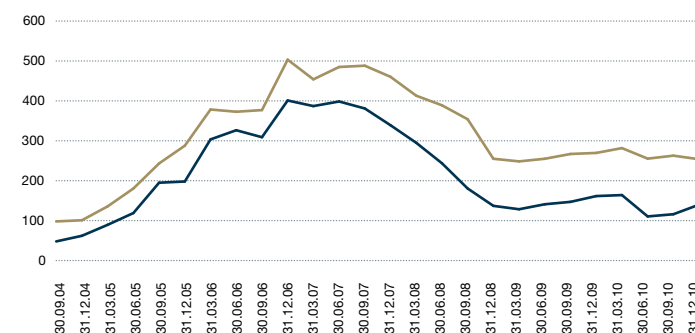
Analytical information

Aker ASA including holding companies – key figures 2008–2010. See also page 9.

		2008		2009		2010	
		Book value	Value adjusted	Book value	Value adjusted	Book value	Value adjusted
Shares	NOK million	8 710	8 710	9 426	11 980	7 972	12 357
Other assets/liabilities	NOK million	9 395	9 395	6 951	6 951	5 285	5 285
Equity including dividend allocation	NOK million	18 105	18 105	16 377	18 931	13 257	17 642
Equity before dividend allocation	NOK million	18 467	18 467	16 596	19 510	13 981	18 366
Net asset value before dividend allocation	NOK	255.18	255.18	234.30	269.60	193.2	253.8

Analytical information

■ Share price (NOK) ■ NAV (per share)



Shares and company holdings

As of 31. December 2010	Ownership in%	Number of shares held	Book value (NOK million)	Share price (NOK) 31 Dec. 2010	Market value (NOK million) 31 Dec. 2010
Aker Holding AS (Aker Solutions ASA) ^{*)}	60.0	66 200 169	1 695	99.25	5 921
Aker BioMarine ASA	83.3	795 888 408	1 202	1.51	1 202
Det norske oljeselskap ASA	40.4	44 944 180	1 213	27.00	1 213
Total listed shares			4 110		8 337
Aker Drilling ASA			1 767		
Aker Clean Carbon			127		
Converto Capital Fund			1 197		
AAM Absolute Return Fund			231		
Other			541		
Total other shares			3 862		
Total			7 972		

^{*)} Book value including effect of SAAB/Investor AB put option.

Report on corporate governance

Creating the greatest possible value for its shareholders over time is the objective of Aker ASA (Aker). And good corporate governance is vital to the success of an industrial investment company such as Aker. Thus, corporate governance is a key concern for Aker's board of directors and employees, and a cornerstone in Aker's relations with its underlying companies.

Aker believes in active ownership. Shareholders with clearly defined strategic goals for the company and who are involved through work in the boardroom and in direct dialogue with the company's management, promote shareholder value. Active ownership provides direction and energy.

Aker's main shareholder, TRG, through its main owner, Kjell Inge Røkke, is intensively involved in Aker. Similarly, Aker is closely involved in monitoring and follow-up of the underlying companies in which Aker is the main shareholder. Aker's management model is discussed on page 37 of the annual report.

Pursuant to the recommendations of the Norwegian Code of Practice for Corporate Governance, published in a revised version in October 2010, the board has reviewed and updated the company's corporate governance practice.

The board's overall presentation of Aker's corporate governance policy follows. The presentation adheres to the same order of topics as the fifteen items in the Norwegian Code of Practice recommendations (NUES). There is a great deal of concurrence between the recommendations and Aker's practice. Deviations from Code recommendations are discussed under the item in question.

1. Presentation of corporate governance

Aker's corporate governance principles are determined by the board of directors and are set forth in the company's management documents. The purpose of Aker ASA's Corporate Governance principles is to ensure an appropriate division of roles and responsibilities 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 and satisfactory control contribute to the greatest possible value creation over time and reduced risk, to the benefit of owners and other stakeholders.

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 10 of this annual report.

Aker was among the first Norwegian companies to establish a tripartite labor-management accord, the *International Framework Agreement*, with the Norwegian United Federation of Trade Unions and the International Metalworkers' Federation. The agreement, which is available in its entirety on Aker's website, commits Aker to respect fundamental human rights and union rights, recognize the principles of the UN's Univer-



People make Aker! That's the way it has been since 1841. Aker practices active ownership.

sal Declaration of Human Rights, and adhere to the ILO Declaration on Fundamental Principles and Rights at Work and OECD guidelines for multinational corporations. The 2008 agreement was renewed and continued in 2010.

Aker's ethical guidelines, which are accessible in-house, are expressed through Aker's exercise of active ownership. Aker builds sustainable and responsible companies driven by sound performance and corporate social responsibility requirements. Aker's corporate social responsibility guidelines are presented on page 11 of the annual report.

2. Business

Aker ASA's business purpose clause, as it appears in the company's articles of association, follows:

"The objectives of the company are to own and carry out industrial and other associated businesses, capital management and other functions for the group, as well as participation in or acquisition of other businesses."

The company's activities, objectives, and main strategies are presented in this annual report and the board of directors' report.

«The company encourages all shareholders to participate in annual general meetings.»

3. Equity and dividends

Equity

Aker ASA and holding companies in its holding company structure had NOK 13 257 million in equity as of 31 December 2010, which corresponds to an equity ratio of 77.9 percent. The parent company's equity as of 31 December 2010 amounted to NOK 16 623 million, corresponding to an equity ratio of 55.6 percent. Aker regards the capital structure as appropriate and adapted to its objectives, strategy, and risk profile.

Dividends

Aker ASA's dividend policy is discussed in the section Shares and shareholder matters, on page 119 of this annual report. The dividend policy is also published on the company's website. Aker's dividend policy along with its dividend capacity are among the factors considered by the board in determining its proposal for allocation of profit for 2010, which is submitted to the annual general meeting.

Board authorizations

Board authorizations are limited to defined issues and are presented as separate agenda items at shareholders' meetings. Board authorizations are valid 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 119 of this annual report.

4. 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. Transactions in own (treasury) shares are executed on the Oslo Stock Exchange.

In the period up to 2009, several new companies and projects were established that featured interlocking ownership interests and transactions with close associates. Aker's corporate strategy no longer encompasses such enterprise establishment activities. Since 2009, the company has streamlined its role as an industrial investment company. Aker's primary concern, through active ownership, is to create shareholder value at each of its underlying companies.

Aker has developed principles and guidelines governing transaction agreements and other agreements that are not deemed part of ordinary operations among companies in which Aker has an active industrial role, and between Aker and such companies. 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 material stake they may have in agreements entered into by Aker or companies in which Aker has a significant interest.

In the event of material transactions between the company and a shareholder, di-

rector, member of executive management, or a party closely related to any of the aforementioned, these are subject to discussion and approval by the board on a case-by-case basis. The board will ensure that an independent valuation is prepared as a basis for decision making.

Additional information on transactions with related parties appears in note [x] to the 2010 consolidated accounts.

5. Freely negotiable shares

Aker ASA's shares are freely negotiable. No restrictions on transferability are found in the company's articles of association.

6. Annual general meetings Meeting notification, registration, and participation

The company encourages all shareholders to participate in annual general meetings. Holding the annual general meeting as soon as possible after the close of the accounting year is a priority. Notice of annual general meetings and comprehensive accompanying information are made available to shareholders on the company's website and through the publication service of the Oslo Stock Exchange. Meeting notices and attendance registration forms are sent to shareholders within the deadlines stipulated in the Norwegian Public Limited Liability Companies Act. The deadline for shareholders to register to attend a general meeting is set as close to the date of the meeting as possible, normally two or three days prior to the meeting. The annual report and other enclosures to the meeting notice are made available only via the company's website and through the publication service of the Oslo Stock Exchange. Shareholders who would like to receive the enclosures by mail, must contact the company.

The company is of the opinion that no adequate system for handling electronic participation at general meetings is currently available. Thus, the board has decided not to allow such participation at Aker ASA annual general meetings.

Electronic advance voting and authorizations

In 2011, the board decided that shareholders who are unable to attend a general meeting will have the option of voting directly on individual agenda items via electronic voting during the pre-meeting registration period. Shareholders may change their vote or opt to attend the annual general meeting in person. This service is available on Aker's website.

As in the past, shareholders who are unable to attend a meeting may vote by proxy. The company has prepared proxy forms that enable shareholders to vote on individual issues.

Procedures for electronic voting and using proxies with instructions are provided along with the meeting notification, and are available on the company's website.

The company does not appoint an independent proxy to vote on behalf of shareholders. Aker considers that shareholders' interests are adequately maintained by the option of participation via an appointed proxy or by shareholders authorizing the meeting chair/board chairman to vote according to specific proxy instructions.

Meeting chair, voting, etc.

Pursuant to Aker ASA's articles of association, the board chairman, or an individual appointed by the chairman, chairs annual meetings. Aker does not follow the recommendation of the Norwegian Code of Practice for Corporate Governance that the

board should make arrangements to ensure independent chairing of shareholders' meetings.

To the extent possible, directors, the chairman of the nomination committee, and the company's auditor attend annual general meetings. The nomination committee focuses on composing a board that works optimally as a team, that meets legally established regulations as to equal gender representation on boards of directors, and whose members' experience and qualifications complement each other. The annual general meeting is typically requested to vote for a complete list of proposed directors. Thus, it is not possible to vote in advance of the meeting for individual candidates.

The company facilitates shareholders presenting proposals for issues to be put before annual general meetings. It will also be possible to ask questions and present proposals for decision-making at annual general meetings. Information on procedures for presenting such proposals is published on the company's website.

Minutes of annual general 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.

7. Nomination committee

Aker ASA has a nomination committee, as set forth in the company's 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 annual general meeting, which also determines remuneration payable to committee members. Members of the nomination committee are presented on page 120 of this annual report.

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 directors. The nomination committee is to justify its recommendations.

The deadline for submitting proposals for board candidates for the upcoming term is 31 October. The nomination committee normally begins its work for the upcoming shareholders' meeting at this date.

The company will present a proposal for Nomination Committee instructions for approval by the 2011 annual general meeting.

8. Corporate assembly and board of directors – composition and independence

The company does not have a corporate assembly. Employees' right to representation and participation in decision-making is secured via extended employee representation on the board of directors, pursuant to rulings of the publicly appointed Industrial Democracy board (Bedrifts-demokratinemda).

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 directors may be elected. The nomination committee's recommendations propose an appointment for board chairman, which is subject to approval by



Aker's management team regularly examines operating company developments.

the general meeting. The board elects its own deputy board chairman. Directors are elected for a period of two years.

Shareholder-elected directors are independent of the company's executive management and its significant business associates. Kjell Inge Røkke has personal economic interests as owner of the company's main shareholder, TRG Holding. Neither the president and CEO nor any member of the company's executive management is a director. The current composition of the board is presented on pages 128–129 of this annual report. Directors' expertise and capabilities are also presented. The board held eight meetings in 2010; meeting attendance was 79 percent. Shareholder-

elected directors represent a combination of know-how and experience from finance, industry, government, and non-governmental organizations.

Directors' shareholdings are presented in note 39 to the consolidated accounts.

One of the shareholder-elected directorships is up for election in 2011. The nomination committee's recommendations will be enclosed with the 2011 annual general meeting notification and published on the company's website: www.akerasa.com and by the Oslo Stock Exchange via: www.newsweb.no.

9. 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 president and CEO. The board instructions also feature rules as to the president and CEO'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.

Since February 2009, Aker ASA maintains an audit committee. The composition of the committee is presented on page 120 of this annual report.

The board has evaluated the need for an Aker ASA compensation committee. The company does not have such a committee at present.

10. Risk management and internal control

The board is to ensure that the company maintains effective in-house control practices and appropriate risk management systems tailored to the company's business activities. The board reviews the company's most important risk areas on an ongoing basis and the main elements of these assessments are presented in the board of directors' report.

The audit committee has reviewed the company's in-house reporting systems, risk management, and in-house audit. The committee has kept in contact with the company's auditor regarding company audits and prepared the board's review of financial reporting. The audit committee has also assessed the independence of the selected auditor.

Aker is exposed to share-price risk, cur-

rency and interest risk, market risk, credit risk, and operational risk at its underlying companies.

Aker's financial guidelines strengthen monitoring and follow-up of financial risk issues. Key performance targets have been identified and are monitored closely; these include the distribution of asset value per asset class, available liquidity as a proportion of total assets, liquidity relative to debt, and liquidity projections for the next three-year period. In 2010, a finance committee was appointed; among its key responsibilities are issues and decisions associated with financial investments. The finance committee, which includes the board chairman, Aker's president and CEO, and its CFO, aims to convene at least once every quarter.

Management of operational risk primarily takes place at each underlying operating company. Nevertheless, Aker acts as a driver through its work on their boards of directors. As a rule, all companies have established effective risk management procedures.

Aker's management holds regular review meetings with its investment managers to evaluate current status and plans for each of Aker's industrial investments. The purpose of the meetings is to make in-depth reviews of the development of the operational companies, focusing on operations, market conditions, competitive situation, strategic issues, and Aker's ownership role. These meetings generate valuable information and create a solid foundation for Aker's assessment of its overall financial and operational risk. Review meetings are held at least once every quarter.

In addition to the above, clearing meetings are held with management related to the annual closing of accounts of underly-

ing operating subsidiaries. The main purpose is to enhance the quality of financial reporting. Such clearing meetings adhere to an agenda that focuses on important areas of estimation and judgment, major valuations, new or modified accounting principles, special topics in the annual closing of accounts, and a review of liquidity budgeting. The auditor responsible for each company participates in these meetings.

Converto Capital Fund's portfolio of operating companies are monitored and followed up by the management company Converto Capital Management according to the same principles and practices Aker has established. Aker pursues its interests through participation in the board of the management company and the fund.

Management of financial market exposure, including currency, interest, and counterparty risk, is presented in greater detail in note 2 to Aker's consolidated accounts and note 14 to the parent company accounts.

Aker has implemented a system by which individuals can alert Aker companies about possible wrong-doing, such as breaches of ethical guidelines, harassment, or violations of law. The "Tell Aker" reporting system and details for using it are available on Aker's website.

11. 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. There are no option programs for any director. The annual general meeting determines board remuneration after considering recommendations by the company's nomination committee.

Some directors are also members of the

boards of other companies associated with Aker. Directors elected by and among group employees and employees of associated companies distribute their director remuneration between the members and funds maintained for groupwide labor-management cooperation. This arrangement is in line with the agreement entered into between employee organizations and Aker.

Directors who also have appointments in companies in which Aker has significant ownership interests, do not receive board remuneration from Aker ASA for service on these boards.

Additional information on remuneration paid to directors for 2010 is presented in note 38 to the consolidated accounts.

12. Remuneration of executive management

The board has adopted guidelines for remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act.

The employment contract and remuneration of the president and CEO have been approved by the board of directors. Pursuant to current board instructions, the board chairman determines the remuneration payable to the group's president and CEO.

The president and CEO determines remuneration payable to key executives based on board guidelines.

Aker ASA does not have stock option plans or other such share award programs for employees. Further information on remuneration for 2010 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 general meeting.

Some members of Aker's executive management maintain the company's interests as directors of other Aker companies. They do not personally receive board remuneration for these memberships.

13. Information and communications

The company has prepared an investor relations (IR) policy, which is published on its website. The company's reporting of financial and other information is based on transparency 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, an informed investment community, and correct pricing of shares. 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 generally broadcast simultaneously (webcast) via the Internet.

The company's financial calendar appears on page 3 of this annual report and is published on Aker's website.

14. Takeovers

Through his privately held TRG holding companies, Kjell Inge Røkke controls a total of 67.8 percent of Aker ASA stock. Mr. Røkke has committed himself to retaining control of Aker for a minimum of 10 years from June 2007. Based on the aforementioned, the company considers that the Code's takeover guidelines recommendation is not currently relevant.

15. Auditor

The auditor has provided the board with written confirmation that the requirement of independence is met, and this has also been assessed by the audit committee. The auditor makes an annual presentation of its auditing plan to the audit committee, and participates in the board meeting that deals with the annual accounts

The auditor has reviewed with the board any material changes in the company's accounting principles and assessments of material accounting estimates. There have been no disagreements between the auditor and management on any material issues. The auditor has also reviewed the company's internal control with the audit committee. The outcome of this review has been presented to the board.

The board and the audit committee meet with the auditor without the presence of representatives of executive management. The audit committee determines guidelines for executive management's access to use the auditor for services other than auditing and receives an overview of services rendered by the auditor to the company. The audit committee also approves payments to the auditor for material additional services.

Remuneration for auditors, presented in note 6 to the Aker ASA accounts, is stated for the two categories of auditing and other services. Such details are presented to the annual general meeting.

Board of directors



Kjell Inge Røkke
Chairman

Entrepreneur and industrialist Kjell Inge Røkke, 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, the Røkke-controlled company RGI purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke is currently board chairman of Aker BioMarine ASA and Det norske oljeselskap ASA, and a director of Aker Holding AS and Aker Solutions ASA. As of 31 December 2010 Mr. Røkke, through his investment company The Resource Group TRG AS and subsidiaries, which he co-owns with his wife, 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 2010-2012.



Lone Fønss Schrøder
Deputy chairman

Lone Fønss Schrøder (born 1960) is chairman of Volvo's audit committee and a director of Volvo PV (Sweden), Vattenfall AB (+ audit committee), Handelsbanken (+ audit committee), AB (Sweden), NKT A/S (Denmark) and Aker Solutions ASA (+ audit committee). She worked for 21 years in A.P. Møller-Maersk. Lone Fønss Schrøder received her law degree from the University of Copenhagen and a Master of Economics degree from Handelshøjskolen, Copenhagen. As of 31 December 2010 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 2010-2012.



Kristin Krohn Devold
Director

Kristin Krohn Devold (born 1961) was a Member of the Norwegian Parliament for the Conservative Party from 1993 to 2005. Ms. Krohn Devold is currently the General Secretary of The Norwegian Trekking Association and director of, among other companies, Aker Holding and Aker Floating Production. She is educated at the Norwegian School of Economics and Business Administration and has a bachelor degree in sociology from the University of Bergen. As of 31 December 2010 Ms. 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 2009-2011.



Bjørn Flatgård
Director

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 as executive vice president for Hafslund Nycomed and Nycomed AS. He also serves as chairman of the board of SalMar and Handelsbanken Norge, and as a director of Aker BioMarine. Mr. Flatgård is a graduate from the Norwegian University of Science and Technology and from the Norwegian School of Management. As of 31 December 2010 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 2010-2012.



Hanne Harlem
Director

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 previously served as lawyer and senior vice president in Norsk Hydro ASA. She has i.a. been Minister of Justice, a lawyer in Kredittilsynet, and town councillor for children and education in The city council of Oslo. Ms. Harlem is chairman of the board of Helse Sør-Øst (the South-Eastern Norway Regional Health Authority) and director of Hafslund ASA and Faroe Petroleum plc. As of 31 December 2010 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 2010-2012.



Kjell A. Storeide
Director

Kjell A. Storeide (born 1952) holds an 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 chairman of the board of Rem Offshore ASA and a director of SalMar ASA. He also serves as chairman and director of several Norwegian listed industrial companies. As of 31 December 2010 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 2010-2012.



Finn Berg Jacobsen
Director

Finn Berg Jacobsen (born 1940) holds an MBA degree from Harvard Business School and is a state authorized auditor. He has held various positions with Arthur Andersen & Co including the position as Regional Managing Partner for the Nordic countries from 1983 to 1999. From 2001 to 2005 Mr. Berg Jacobsen worked as CFO and Chief of Staff in Aker Kvaerner. He is currently working as a consultant within corporate governance and corporate finance. He is member of the board and chairman of the audit committee in several companies. In addition to his working experience Mr. Berg Jacobsen has served on the board, supervisory committees and task forces of several associations and organizations within the areas of auditing and accounting. He has been awarded the Royal Order of St. Olav for his contributions to the advancement of auditing and accounting in Norway. As of 31 December 2010 Mr. Berg Jacobsen holds no shares in Aker ASA, and has no stock options. Mr. Berg Jacobsen is a Norwegian citizen. He has been elected for the period 2010-2012.



Atle Tranøy
Director
Elected by the
employees

Atle Tranøy (born 1957) has been a full-time employee representative in Aker since 1983. Mr. Tranøy is also the chairperson of the European Works Council in Aker. Mr. Tranøy has been an employee in Aker Stord since 1976. As of 31 December 2010 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 2009-2011.



Harald Magne Bjørnsen
Director
Elected by the
employees

Harald Magne Bjørnsen (born 1947) has been an employee of Aker Elektro since 1978, and has held various positions as a project leader within the electrical and instrumentation areas since 1986. He is a professional shipfitter and electrical installer. As of 31 December 2010 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 2009-2011.



Bjarne Kristiansen
Director
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 31 December 2010 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 2009-2011.



Kristian Pedersen
Director
Elected by the
employees

Kristian Pedersen (born 1971) is a high voltage fitter in Aker Elektro. He started his tenure there in 1989, and has experience from onshore and offshore projects. He holds a certificate of apprenticeship in switchboard mounting and is an electric fitter. Mr. Pedersen is a full time employee representative and a Norwegian confederation of trade union shop steward in Aker Elektro. As of 31 December 2009 Mr. Pedersen holds no shares in Aker ASA, and has no stock options. Mr. Pedersen is a Norwegian citizen. He has been elected for the period 2009-2011.



Aker ASA has its headquarters at Oslo's Aker Brygge.

Management



Øyvind Eriksen
President & CEO

Øyvind Eriksen (born 1964) joined Aker on 1 January 2009. Mr. Eriksen holds a law degree from the University of Oslo. He joined Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/chairman from 2003. At BA-HR, Mr. Eriksen worked closely with Aker and Aker's main shareholder, Kjell Inge Røkke. Mr. Eriksen is chairman of Aker Solutions ASA and Aker Holding AS, and a director of, among other companies, The Resource Group TRG AS, TRG Holding AS and Reitangruppen. As of 31 December 2010 Mr. Eriksen holds no shares in Aker ASA, and has no stock options. Mr. Eriksen is a Norwegian citizen.



Trond Brandsrud
CFO

Trond Brandsrud (born 1958) joined Aker ASA in April 2010 after his position as CFO in the listed drilling company Seadrill Limited. Prior to joining Seadrill in 2007, Mr. Brandsrud worked for Royal Dutch Shell for more than 20 years. At Shell, he held several key finance positions in Norway and internationally. He also has extensive experience from major offshore field development projects and held several senior management roles in Shell's upstream and downstream sectors. Mr. Brandsrud has an MSc degree from the Norwegian School of Business Administration (NHH) and is a Norwegian citizen. As of 31 December 2010 Mr. Brandsrud holds 10,000 shares in Aker ASA and has no stock options.

Other key personnel



Atle Kigen
EVP Corporate
Communication

Atle Kigen (born 1958) joined Aker ASA in 2006, and has been in charge of corporate communications since 1 March 2010. He holds a degree in business administration and marketing, and has extensive corporate communication and journalism experience. Kigen has been in charge of communication at Kværner ASA and CEO of the PR agency GCI Monsen. He has been editor in chief of the Norwegian business magazine Økonomisk Rapport, business and economy editor at Aftenposten, a leading daily, and NRK Nyheter, the national broadcaster's news bureau. Atle Kigen has also been a journalist in Norway's leading business daily Dagens Næringsliv. As of 31 December 2010 Mr. Kigen holds no shares in Aker ASA, and has no stock options. Mr. Kigen is a Norwegian citizen.



Katrine Mourud Klaveness
Investment director
Responsible for the follow-up of Aker ASA's financial investments

Katrine Mourud Klaveness (born 1977) joined Aker in February 2007. She was previously a member of the oil and gas investment team, working in particular with Det norske oljeselskap. Prior to joining Aker, she was in charge of strategies for Siemens AS from 2005 to 2007, and worked for McKinsey & Company in Oslo from 2001 to 2005. In McKinsey she primarily worked with clients within the oil and gas sector in Norway and internationally. She is a Norwegian citizen and as of 31 December 2010 she holds no shares or stock options in Aker ASA.



Maria Moræus Hansen
Investment director
Responsible for Det norske oljeselskap ASA

Maria Moræus Hanssen (born 1965) has worked in Aker since June 2008. Ms. Moræus Hanssen is a reservoir engineer from NTNU in Norway (1988) and a petroleum economist from the French Petroleum Institute IFP (1991). She worked for Norsk Hydro from 1992, mainly on the Norwegian Continental Shelf, where her areas of responsibility included North Sea exploration, field development on the NCS, the integration of Statoil and Hydro and the position as OIM (on Troll B and others). She was also senior vice president for gas supply and infrastructure in StatoilHydro. Ms. Moræus Hanssen is a director of Det norske Oljeselskap ASA. As of 31 December 2010 Ms. Moræus Hanssen holds no shares in Aker ASA, and has no stock options. Ms. Moræus Hansen is a Norwegian citizen.



Ola Snøve
Investment director
Responsible for Aker BioMarine ASA

Ola Snøve (born 1977) joined Aker in 2008 and has worked full time on the investment in Aker BioMarine since Kjell Inge Røkke became temporary CEO in August 2008. Ola was previously CEO of Interagon AS, which he co-founded while working as a software engineer at Fast Search & Transfer ASA. He has also done post-doctoral research at NTNU's Department of Cancer Research and Molecular Biology, and City of Hope's Beckman Research Institute in California. Snøve holds an MSc in Mechanical Engineering and a Ph.D. in Computer Science from NTNU, as well as an MBA (Dist.) from INSEAD in France. As of 31 December 2010 Mr. Snøve holds no shares in Aker ASA, and has no stock options. Mr. Snøve is a Norwegian citizen.



Øistein Widding
Investment director
Responsible for Aker Solutions ASA

Øistein Widding (born 1969) has worked for Aker since December 2007. At Aker he has been following up Aker's investments in the oil service sector. He worked for McKinsey & Company in Oslo from 1999, and became a partner in 2004. At McKinsey, Mr. Widding worked for clients in the oil & gas, oil services and industrial sectors. Mr. Widding is an engineer in industrial economics from NTNU in Norway and holds an MBA from IMD in Lausanne in Switzerland. As of 31 December 2010 Mr. Widding holds no shares in Aker ASA, and has no stock options. Mr. Widding is a Norwegian citizen.

Contacts

Aker ASA

Fjordalléen 16
P.O. Box 1423 Vika
NO-0115 Oslo
Norway

Telephone: +47 24 13 00 00
Telefax: +47 24 13 01 01

contact@akerasa.com
www.akerasa.com

Aker Floating Production ASA

Drammensveien 147 A
P.O. Box 68 Skøyen
NO-0212 Oslo
Norway

Telephone: +47 22 94 73 00
Telefax: +47 22 94 73 01

post@aker-fp.com
www.aker-fp.com

Converto Capital Management AS

Fjordalléen 16
P.O. Box 1423 Vika
NO-0115 Oslo
Norway

Telephone: +47 24 13 00 00
Telefax: +47 24 13 01 01

mail@convertocapital.no
www.convertocapital.no

Aker BioMarine ASA

Fjordalléen 16
P.O. Box 1423 Vika
NO-0115 Oslo
Norway

Telephone: +47 24 13 00 00
Telefax: +47 24 13 01 10

post@akerbiomarine.com
www.akerbiomarine.com

Aker Philadelphia Shipyard Inc.

2100 Kitty Hawk Avenue
Philadelphia, PA 19112-1808
USA

Telephone: + 1 (215) 875-2600
Telefax: +1 (215) 875-2700

info@akerphiladelphia.com
www.akerphiladelphia.com

Det norske oljeselskap ASA

Føniks
Munkegata 26
NO-7011 Trondheim
Norway

Telephone: +47 90 70 60 00

detnor@detnor.no
www.detnor.no

Aker Clean Carbon AS

Drammensveien 147 A
P.O. Box 195 Skøyen
NO-0212 Oslo
Norway

Telephone 22 12 24 00
Telefax 22 12 24 01

post@akercleancarbon.com
www.akercleancarbon.com

Aker Seafoods ASA

Fjordalléen 16
P.O. Box 1301 Vika
NO-0112 Oslo
Norway

Telephone: +47 24 13 01 60
Telefax: +47 24 13 01 61

firmapost@akersea.com
www.akersea.com

Norron Asset Management

Oxtorgsgatan 4, 2tr
SE-111 57 Stockholm
Sweden

Telephone: +46 722 35 24 92

info@norron.com
www.norron.com

Aker Drilling ASA

Strandsvingen 12
P.O. Box 319 Forus
NO-4066 Stavanger
Norway

Telephone: +47 51 21 49 00
Telefax: +47 51 21 49 01

post@akerdrill.com
www.akerdrill.com

Aker Solutions ASA

Snarøyveien 36, 1364 Fornebu
P.O. Box 169
NO-1325 Lysaker
Norway

Telephone: +47 67 51 30 00
Telefax: +47 67 51 30 10

groupcomms@akersolutions.com
www.akersolutions.com

Oslo Asset Management ASA

Fjordalléen 16
P.O. Box 1423 Vika
NO-0115 Oslo
Norway

Telephone: +47 24 13 00 00
Telefax: +47 24 13 01 01

contact@akerasa.com