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Industrial holdings accounted for 75 per cent of Aker ASA and holding companies' total value adjusted assets at the end of 2012.

The graph on the front cover of this report shows Aker ASA's share price development on the Oslo Stock Exchange in 2012.

Financial calendar 2013

Annual general meeting	17 April
Interim report Q1 2013	15 May
Interim report Q2 2013	30 August
Interim report Q3 2013	14 November

Aker reserves the right to revise the dates.

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Aker in brief

Aker ASA is an industrial investment company that exercises active ownership.

Aker is synonymous with industrial expertise and financial strength.

As an active owner, Aker develops and strengthens the companies in its portfolio, working through the boards of the operational entities in its industrial holding and ensuring close follow-up by Aker's investment directors and investment teams. Aker drives operational improvements, strategy, financing, restructuring and industrial transactions forward, thus ensuring dynamism and creating value for shareholders, customers, employees and society in general.

Aker organises its business activities in two segments:

■ **Industrial holdings** comprise Aker's ownership interests in Aker Solutions,

Kvaerner, Det norske oljeselskap, Ocean Yield, Aker BioMarine and Aker Seafoods. Aker has an ownership agenda for each of these companies that strengthens the business and creates value.

■ **Financial investments** comprise cash, real estate, shares in funds and other financial assets of Aker ASA and holding companies, with the exception of industrial equity investments.

Size

At the end of February 2013, Aker was the largest shareholder in six listed companies. The companies employ approximately 27 000 people in 30 countries, including 15 400 in Norway.

Net asset value (NAV) is a key performance indicator for Aker ASA. as at 31 December 2012, NAV amounted to NOK 22.9 billion, compared with NOK 19.4 billion at the close of 2011. The company's dividend policy is to pay annual dividends of between two and four per cent of NAV to shareholders, and the intention is to increase the dividend on a yearly basis.

Investment strategy

Aker's ownership interests are concentrated in the oil and gas, fisheries and marine biotechnology, and finance sectors – all key Norwegian industries that are international in scope. Each company in Aker's investment portfolio is well positioned to benefit from the growing demand for sustainable production of energy and seafood.

Ownership

Aker was listed on the Oslo Stock Exchange on 8 September 2004. Since listing, the company's shares have generated an average annual return of 30 per cent, including dividends. In 2012, Aker ASA's share price rose by 44 per cent, including a dividend per share of NOK 11. At the beginning of 2013, the company had 13 111 shareholders. Aker's main shareholders are Anne Grete Eidsvig and Kjell Inge Røkke, who own 67.9 per cent of Aker stock through their company TRG.

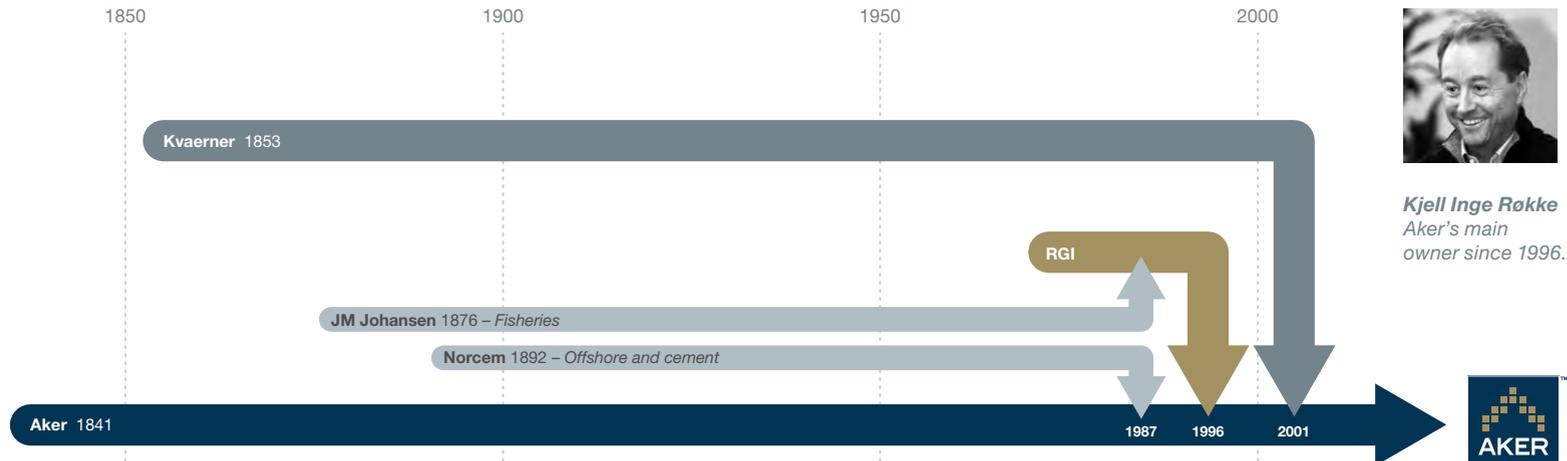
Øyvind Eriksen owns 0.2 per cent of the B shares in TRG through a private company. Eriksen also owns 100 000 shares in Aker ASA. 39 of Aker ASA's 48 employees own shares in the company.



Peter Steenstrup
Founded Aker in 1841.



Olaf A. Onsum
Founded Kvaerner in 1853.



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Highlights

Strong growth in shareholder value



Aker ASA generated a 44 per cent return to shareholders in 2012, including dividend. The stock gained 37 per cent on the Oslo Stock Exchange, and a NOK 11 dividend was paid out in May 2012.

Two factors enhanced shareholder values: growth in net asset value and a reduction in the discount of the share relative to underlying values.

Aker's operational entities reported satisfactory results in 2012, contributing to an 18 per cent advance in net asset value to NOK 22.9 billion. This is the strongest increase since 2006. The discount, i.e. the difference between net asset value and the share price, narrowed to 34 per cent from 42 per cent.

Aker Solutions – a global winner



Aker Solutions added NOK 4.2 billion, including dividend, to Aker's net asset value in 2012, accounting for some 72 per cent of last year's value growth.

The return on the Aker Solutions share, including dividend, was 85 per cent in 2012, making Aker Solutions a winner among global oil service companies.

Aker plays an active and central role in Aker Solutions. Aker President and CEO Øyvind Eriksen has been Aker Solutions' executive chairman since June 2010. Under his leadership, the company has changed course and is being streamlined as a global supplier of products, systems and services to the oil and gas industry.

Johan Sverdrup growing larger



The Johan Sverdrup field grew bigger and stronger in 2012. The Geitungen discovery, which is an extension of Sverdrup, turned 2012 into a good exploration year for Det norske.

Aker reduced its shareholding in Det norske from 50.81 per cent to 49.99 per cent in 2012, in order not to have to issue a parent company guarantee, as required by the Norwegian Ministry of Petroleum and Energy. Det norske completed a NOK 1.0 billion private placement, in which Aker participated at its pro rata share, investing NOK 515 million.

Ocean Yield on track for listing



Aker established Ocean Yield as a wholly-owned subsidiary in 2012. The company invests in modern ships for use in the oil service sector and industrial shipping. The ships are leased on long-term contracts.

Aker will already receive dividends of USD 40 million from Ocean Yield in 2013. The company will seek sources of new capital to fund further growth, and aims to list once the time is right and market conditions are favourable. Ocean Yield continues to develop its portfolio of bareboat contracts for periods ranging from five to 12 years, and is focused on paying out high dividends for its shareholders.

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Industrial development through 170 years

Nature has shaped Norway, its industry and its people. Proximity to the ocean and the availability of natural resources have influenced Aker's industrial development over the past 170 years. Aker is "Made by Norway."



Akers Mekaniske Verksted moved to Aker Brygge in 1854, and began to build and repair ships there.

Aker's history dates back to 1841 when its first mechanical workshop was established on the banks of the Akerselva river in Oslo. In the early years, workshop staff produced components for machinery and other equipment. Aker's first clients came from the shipping and iron and non-ferrous metals industries. In the heyday of the steam engine, Aker supplied companies engaged in the timber, wood and pulp, coal, hydro-power, fisheries and shipping industries.

During the rebuilding of Norway after the Second World War, a constructive collaboration developed between employee representatives, workers and Aker's management. The

legendary union leader Ragnar Kalheim, who worked at Aker mek. Verksted (Nyland Vest) from 1949 until his death in 1974, was a pioneer in this regard. A socialist, Mr Kalheim was the driving force behind an innovative wage agreement that committed workshop union members to higher productivity in return for the right to negotiate a share of profits. This was a groundbreaking initiative in Norwegian industry.

Close interaction between employees, corporate owners and society at large continues to characterise Aker and the operational industrial companies in which Aker is the majority shareholder.

Early involvement on the Norwegian continental shelf

In the late 1960s, Aker's businesses refocused on the emerging North Sea oil and gas industry. Aker has participated in Norway's petroleum adventure since the very first oil was discovered and produced.

In 1987, Aker merged with Norcem, a Norway-based international cement and construction materials group that also had significant offshore operations. 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 began his business career in 1982 when, as a young fisherman, he purchased a 69-foot trawler in the United States. This marked the debut of what would later become a global fisheries business based on harvesting and ocean-going processing of white fish.

The success of his first company enabled Kjell Inge Røkke to invest in other sectors, primarily in the United States and Norway.

In 1994, Røkke consolidated his business activities in a Norwegian-US group, Resource Group International, Inc (RGI). RGI's operations were organised into five business areas: fisheries, industry, distribu-

tion, real estate and projects/financing. In 1996, RGI purchased enough Aker shares to become Aker's largest shareholder. Two Røkke-controlled companies subsequently merged.

Oil and gas expertise merged

In 2000, Aker acquired a substantial shareholding in the Kvaerner industrial group through its subsidiary Aker Maritime. This marked the start of a restructuring of Norway's offshore oil and gas supplier industry spearheaded by Aker.

Kvaerner, established in 1853 in Oslo, has a similar history to Aker, having initially focused on Norwegian natural resources. In its early days, Kvaerner was a leading supplier of turbines for Norwegian hydropower projects and equipment for the wood processing industry. Later, Kvaerner expanded into shipbuilding, the maritime industry and offshore oil and gas activities in Norway and internationally.

In the autumn of 2001, Kvaerner experienced an acute liquidity crisis. A comprehensive rescue effort in the winter of 2001–2002, in which Aker and other Kvaerner shareholders, customers, creditors and employees all played important roles, enabled Kvaerner to survive. Aker emerged from the restructuring as Kvaerner's largest shareholder.

Transactions and listing

Aker was relisted on the Oslo Stock Exchange in the autumn of 2004, following

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“Close interaction between employees, corporate owners and society at large continues to characterise Aker and the operational industrial companies in which Aker is the majority shareholder.”



The world's first offshore concrete structure – Ekofisktanken – delivered in 1973.

a series of transactions that crystallised values through the establishment of streamlined, focused industrial companies and the sale of businesses, shares and other assets.

Aker Kvaerner (now Aker Solutions) was established, demerged and listed as a specialised company. Significant Norwegian oil and gas industry competence was unified in a single industrial group that markets its products, technologies and solutions to the global energy and process industries.

Aker and Kvaerner's shipyards were merged to form Aker Yards – Europe's largest shipyard group – and listed in 2004. Aker's

fisheries activities were reorganised under Aker Seafoods, which was listed in 2005.

New companies and sales

Following the large, complex transactions conducted in 2004, a new phase of industrialisation began that saw the establishment 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 sold its shareholding in Aker Yards and transferred its ownership interest in Aker Kvaerner (renamed Aker Solutions in 2008) to Aker Holding. These

transactions freed up capital and helped to ensure that ownership of Aker Solutions remained in Norway, as 40 per cent of Aker Holding stock was sold to the Norwegian state and two Wallenberg companies, SAAB and Investor.

Partners Røkke and Eriksen

Aker's development entered a new phase under the joint leadership of President and CEO Øyvind Eriksen, who took charge in January 2009, and Aker's active chairman and principal shareholder Kjell Inge Røkke.

In 2009, Aker was streamlined as an industrial investment company that participates actively in the development of its companies and the execution of industrial transactions, mergers and acquisitions.

Aker's industrial holdings were concentrated on ownership interests in Aker Solutions, Aker Drilling, Det norske oljeselskap and Aker BioMarine. The 2009 merger between Aker Exploration and Det norske made Aker the largest shareholder in the resulting oil company. In the period 2009 to 2012, Aker freed up approximately NOK 10 billion of capital and invested NOK 8.0 billion in shares. Today, Aker is a long-term equity investor that engages actively in the companies it owns.

A solid foundation for further value creation was laid in 2011, when Aker sold its 41 per cent shareholding in Aker Drilling to Transocean for NOK 3.3 billion. Aker Solutions' field development and fabrication

operations (offshore construction), were demerged and listed under the well-established Kvaerner name. Aker Solutions is being streamlined as a service company focused on engineering services, products, technologies and other services to the oil and gas industry.

In 2011, Aker increased its ownership interest in Aker Kvaerner Holding (formerly Aker Holding) from 60 to 70 per cent. Aker Kvaerner Holding owns approximately 40 per cent of Aker Solutions and Kvaerner. In 2012, Aker's ownership interest in Det norske oljeselskap was reduced from 50.81 to 49.99 per cent. The Johan Sverdrup oil discovery – one of the largest on the Norwegian continental shelf – resulted in considerable value appreciation.

The value of Aker's industrial portfolio grew by NOK 7.6 billion to NOK 20 billion in 2012. Aker Solutions, Kvaerner and Det norske oljeselskap are focused on development and growth, while Aker's ship-owning company Ocean Yield has built a solid foundation for dividend growth and listing. Aker BioMarine merged with one of Aker's holding companies in 2013, and is now wholly owned by Aker (as of January 2013). The fisheries company Aker Seafoods has been included in the industrial portfolio. Aker's ownership agenda for the six industrial portfolio companies is to create value and generate future shareholder returns.

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Key performance indicators

Aker's key performance indicators are net asset value, shareholder dividend and the company's cash balance.

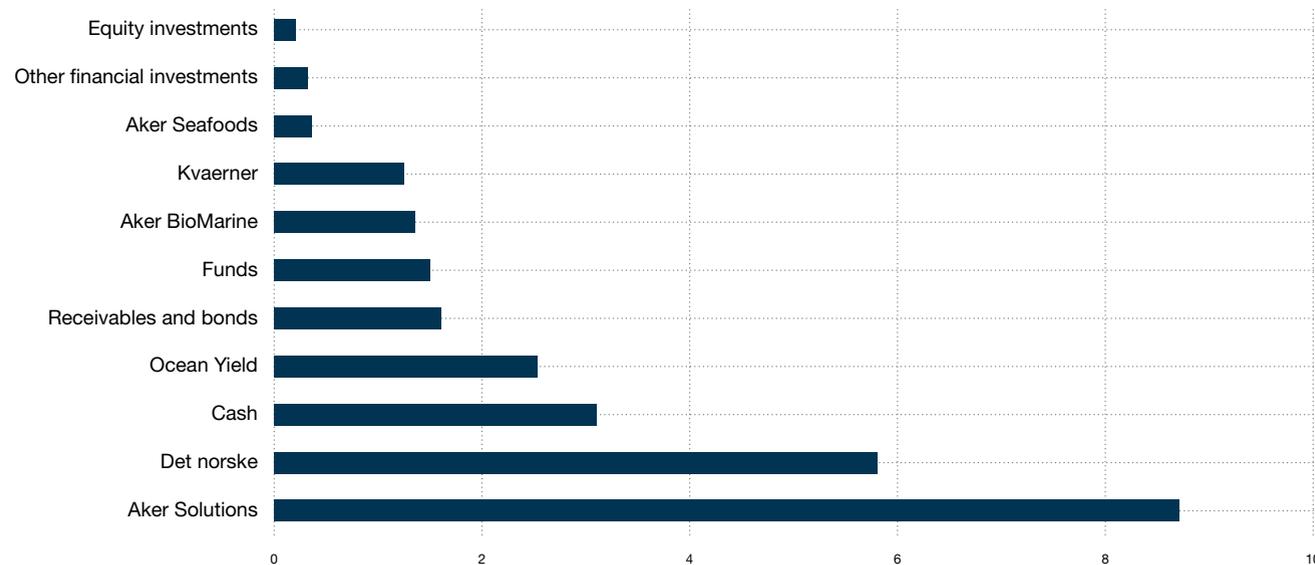
To understand value creation at Aker, it is important to examine the balance sheets of Aker ASA and holding companies. The key figures are the book value of each investment and how Aker has financed its investments.

The Aker and holding company structure encompasses pure holding companies and companies that supply services to the group. The holding companies' balance sheets are a more relevant tool for monitoring value creation than the balance sheet of

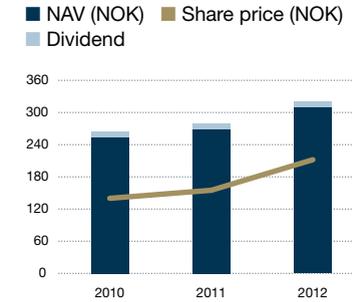
the parent company or of the Aker group. Nevertheless, Aker's Annual Report contains all three types of accounts.

Net asset value (NAV) expresses Aker's underlying value and is a key determinant of the company's dividend policy (two to four per cent of NAV). Net asset value is calculated using the market value of listed shares and book value for other assets. The same valuation principles are applied to shares in funds.

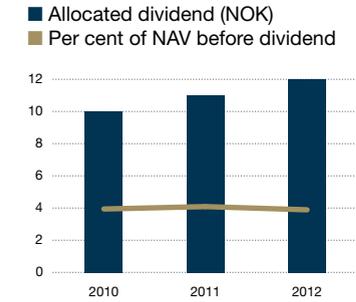
Distribution of Aker's NOK 26.8 billion gross asset value as of 31 December 2012
(NOK billion)



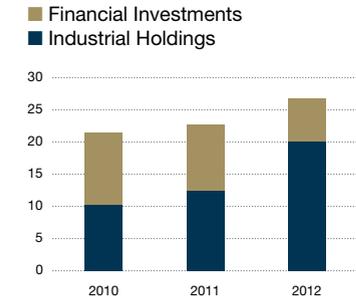
NAV per share before dividend



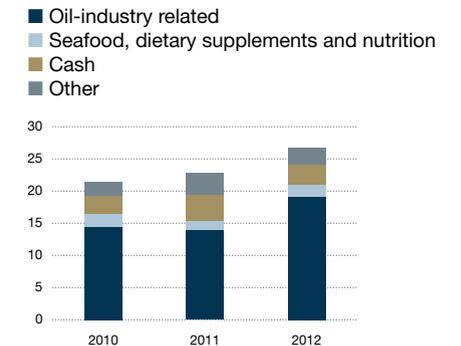
Allocated dividend per share



Gross assets per business segment
(NOK billion)



Gross asset per sector
(NOK billion)



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Aker ASA and holding companies

In 2012, net asset value (NAV) increased from NOK 19 432 million to NOK 22 933 million before allocations for dividends to shareholders. This represents a NAV per-share increase from NOK 269 to NOK 321. The following presents Aker's investments and net asset value per Aker ASA share.

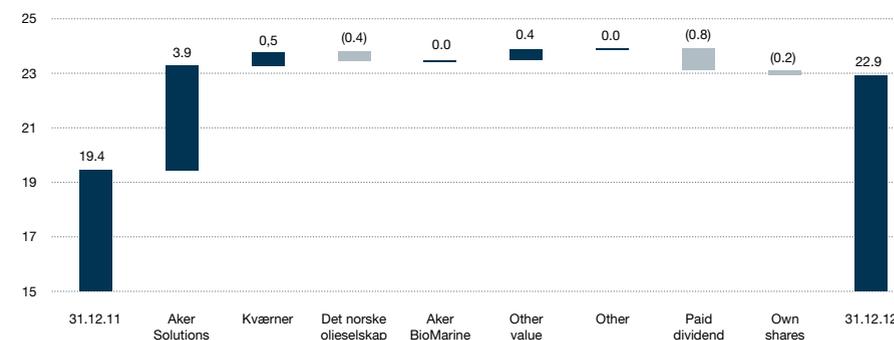
Net asset value development – Aker ASA and holding companies

In NOK million	2012	2011	2010
Dividends received	461	191	175
Operating expenses	(235)	(225)	(214)
Other financial expenses	(152)	(162)	470
Tax expense	(22)	(22)	(421)
Total	52	(218)	10
Dividend payments	(794)	(724)	(579)
Purchased treasury shares	(179)	-	-
Value changes ¹⁾	4 422	2 008	(576)
Change in net asset value	3 501	1 066	(1 144)
Net asset value before dividend	22 933	19 432	18 366

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

Change in net asset value

(NOK billion)



Net asset value (NAV)

	As at 31 Dec 2012		As at 31 Dec 2011		
	Owner-ship	NOK per share	NOK million	NOK per share	NOK million
Industrial Holdings:					
Aker Solutions	28.2%	122	8 712	67	4 862
Kvaerner	28.7%	18	1 251	10	753
Aker BioMarine	89.2%	19	1 361	15	1 053
Det norske	50.0%	81	5 803	79	5 719
Aker Seafoods	73.2%	5	365	-	-
Ocean Yield	100.0%	35	2 532	-	-
Total industrial holdings		280	20 023	171	12 388
Financial investments:					
Cash		43	3 106	55	3 952
Interest-bearing receivables subsidiaries		22	1 565	44	3 186
Bonds and other interest-bearing receivables		1	41	12	888
Converto Capital Fund	99.8%	13	896	11	803
AAM Absolute Return Fund	9.4%	5	343	5	351
Norron	18.6%	4	264	4	256
Equity investments			212	8	562
Interest-free current- and long-term financial assets			122	1	108
Intangible and fixed assets			198	3	221
Total financial investments		94	6 748	143	10 327
Total value-adjusted assets		375	26 771	314	22 714
External interest-bearing liabilities			(3 469)	(35)	(2 530)
Internal interest-bearing liabilities			-	(3)	(198)
Interest-free liabilities before allocated dividend			(368)	(8)	(554)
Total liabilities before allocated dividend		(54)	(3 838)	(45)	(3 282)
NAV before allocated dividend		321	22 933	269	19 432
Net interest-bearing assets			1 243		5 299

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Core values promote performance

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

The aim of Aker's vision and values is to define a clear direction and express the company's individual character and identity.

Aker is an industrial investment company that exercises active ownership based on industrial traditions and a proud history dating back to its establishment in 1841. The aim of Aker's vision and values is to define a clear direction and express the company's individual character and identity.

Aker's vision is proud ownership.

These two words succinctly define Aker's ambitions. They also commit the company, and serve to inspire employees, fellow shareholders, partners and other stakeholders.

Aker's four values – results-oriented, opportunity-oriented, knowledge-oriented and cooperation-oriented – support and guide day-to-day-setting of priorities and decision-making.

Aker aims to ensure all stakeholders that it promotes sound industrial development and corporate social responsibility. As an active owner, Aker seeks to develop well-run companies that offer products and services in an environmentally friendly, ethical and socially responsible manner. Aker

seeks to be a professional and knowledgeable enterprise that its companies' employees are proud to be a part of.

Aker's goal is to develop businesses, generating added value in companies in which it is the majority shareholder. This creates a foundation for long-term, solid returns for both Aker's own shareholders and fellow shareholders in companies in which Aker has substantial ownership interests.

Aker has a long-standing tradition of working with the best – customers, suppliers, partners and advisers. Together, we make each other better. In short, Aker strives to be an important contributor to society.

These are ambitious objectives, and we recognise that we have some way to go to achieve all of them. This gives focus to our targeted improvement efforts. Our values are intended to guide us along the way.

Our values

Results-oriented

We establish ambitious, clearly defined goals, and work in a long-term and systematic manner to realise 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 advisers 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 valuable member of society.

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The Compass – a guide for making the right choices

Aker ASA exercises active ownership to build sustainable and responsible businesses guided by the objective of solid financial results and corporate social responsibility requirements. The Aker Compass sets out principles and guidelines for the day-to-day actions of Aker and its employees.

How results are achieved is just as important as the results themselves.

The Aker Compass is a tool intended to help Aker and its employees navigate difficult waters. The adoption of the Compass indicates Aker's ambitions and the expectations the company has of itself and of the companies it owns. The Compass was developed in 2012 and describes Aker's corporate social responsibility principles, which is supported by Aker's main owner, company management and employee representatives.

Aker creates value through its active ownership of well-run companies that supply products and services in an environmentally friendly, ethical and socially responsible manner. In its capacity as a significant shareholder in many companies, Aker aims to function as a role model through its attitudes, actions and exercise of ownership.

Aker's corporate social responsibility principles and guidelines are based on its proud history of constructive ownership and its four core values: results-oriented, opportunity-oriented, knowledge-oriented and cooperation-oriented. The compass needle represents our core values, and the four compass points our actions. The four points are:

- **Take the lead and give back:** We grasp opportunities. We have access to expertise, natural resources

and infrastructure. Based on these assets, we create added value for our employees, investors and society at large. This is how we demonstrate responsibility.

- **Show respect for others and their abilities:** We achieve results by basing our decisions on knowledge, we allow knowledge to be decisive, and we seek out leading expertise wherever it is located.
- **Be a role model and show courage:** Acting ethically should be a reflex. There should be no doubt about what is right and wrong, even though the dilemmas we face are numerous and challenging. We intend to be role models that demonstrate courage, openness and set high expectations of ourselves and others. Breaches will have consequences.
- **Dare to surprise and accept adversity:** We use our knowledge and act responsibly in developing Aker. We have the courage and ability to try out new solutions. Failure is permissible, but honesty is essential.

Competitive advantages

Responsible choices produce competitive advantages. Aker's most important social contribution is to build strong companies that create value. By doing so, Aker supports long-term economic, environmental



and social development.

Aker's corporate culture is based on good business practices, openness, honesty and respect for other people. Employees are expected to exercise good judgment at all times and to show respect for others and their interests. Our aim is to display utmost integrity, without appearing holier than thou. We accept mistakes, but expect honesty.

When the map matches the terrain, it is easier to meet social, human, environmental and ethical standards. The Aker Compass is described in further detail on Aker's website: www.akerasa.com.

International framework agreement

Although dealing with external factors is important to Aker, safeguarding employees and their rights and obligations is equally essential. Aker has concluded an international framework agreement with the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO – The Norwegian Society of Engineers and Technologists, and Tekna – The Norwegian Society of Graduate Technical and Scientific Professionals. The agreement unites and commits the parties to cooperation between Aker-owned companies, employees and society at large.

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“The cooperation and sponsorship agreement with the Norwegian Ski Association is used as a targeted instrument for improving the health of employees of Aker and Aker-owned companies.”



Exchanging experiences: Petter Northug and Aker Solutions Head of HSE Vignleik Sexe.

IndustriALL represents 50 million employees in 140 countries, in the energy, manufacturing and mining industries. The international framework agreement, which was renewed in December 2012, sets out fundamental labour rights and refers to

standards for health, safety and environment (HSE) work, pay, working time and employment conditions. It is based on an agreement that was first signed in 2008 and renewed in 2010, and commits Aker to respecting basic human and trade union

rights in the community and acknowledging the fundamental principles of human rights as defined in the Universal Declaration of Human Rights, the OECD Guidelines on Multinational Companies and the ILO Declaration on Fundamental Principles and Rights at Work.

The agreement forms part of Aker's corporate social responsibility work. The full version can be found on Aker's website: www.akerasa.com.

Cooperation with WWF Norway

Aker challenges and seeks challenges, and has found that active dialogue results in improvements. Aker has inspired its subsidiaries Aker BioMarine and Aker Seafoods to collaborate with the nature conservation organisation WWF Norway on environmental product marking and sustainable harvesting of marine resources. The two companies have cooperation agreements with WWF Norway.

Sport as a partner in social responsibility

Aker is the primary sponsor of the Norwegian Ski Associations' cross-country activities. Aker Achievements has been established to promote growth and renewal in cross-country skiing – Norway's undisputed national sport. National team members, coaches, support staff and the Norwegian Ski Association are all shareholders in the company, which invests in four categories:

Elite, Broad-based, Employees and Skiers in Norway. An activity programme has been launched for employees of Aker and Aker-owned companies, with a focus on health, physical activity, nutrition and motivation.

The cooperation and sponsorship agreement with the Norwegian Ski Association is used as a targeted instrument for improving the health of employees of Aker and Aker-owned companies. The target set in the autumn of 2010 was to improve employee health from 95 to 95.5 per cent, i.e. to cut sickness absence from 5 to 4.5 per cent in a year. This was achieved. In 2012, employee health averaged 96.9 per cent. In Aker ASA, employee health improved to 97.5 per cent in 2012, rising from 96.4 per cent in 2011.

Improved employee health also has a positive social value. Aker Achievements' annual report, published on www.akerasa.com, describes in greater detail how the sponsor agreement is used actively to achieve socially beneficial objectives.

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Aker ASA President and CEO Øyvind Eriksen prepares to discuss the importance of maintaining focus and energy with athletes and executives from Aker-owned companies.

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2012 was in many ways a good year for Aker

We work hard and focused at Aker, and we're now reaping the benefits of years of systematic work. We got a few things right, which created shareholder value in 2012:

- The share price rose 37 per cent, from NOK 155 to NOK 212.
- Dividends rose from NOK 10 to NOK 11 per share.
- We achieved a total shareholder return of 44 per cent.
- Aker's net asset value rose from NOK 269 to NOK 321 per share, a 25 per cent gain including dividends.
- The discount – the difference between net asset value and the share price – narrowed from 42 per cent at the end of 2011 to 34 per cent at the end of 2012.

I think most clearly when I have figures in front of me. My partner, Aker's President and CEO Øyvind Eriksen, looks straight through all my numbers, and shakes his head.

He's analytical. Øyvind focuses on the people working for Aker and Aker-owned companies, the changing markets, the positioning of our competitors, looming risks and potential opportunities. In short, he focuses on how our group can succeed through role models and motivated employees with the right attitudes.

Øyvind puts his words into action. What he says is 100 per cent consistent with what he does. He's quite simply a good partner.

The figures tell of progress on many fronts, although there is still room for improvement. Aker's progress is due to

skill, a bit of luck, and, most of all, good game plans for the growing markets in oil and gas services, solid leadership in most of Aker's businesses, and impressive efforts of employees all over the world. Aker-owned companies employ almost 40 000 people – permanent employees and external consultants included – in over 30 countries, on all continents. This requires active ownership and leadership.

Aker Solutions is, and will continue to be, the largest and most complex company in our portfolio.

With Øyvind as Executive Chairman of Aker Solutions, Aker has worked even more closely with, and gained valuable insight into, the company. It took a lawyer like Øyvind. Hundreds of managers and thousands of engineers help make Aker Solutions the shining jewel in Aker's crown.

Øyvind has charted a clear course since taking over as Executive Chairman in June 2010. He and his team at Aker Solutions have managed to tackle Newton's first law, the law of inertia. This states that an object will remain stationary or maintain a constant speed unless a force is applied to it, or the sum total of the applied forces is zero. A company governed by Newton's first law will oppose any change of direction, or renewal.

The cooperation between Aker Solutions and Aker as an active owner is seamless and based on mutual trust. The absence of internal politics and differing agendas gives us energy and direction to achieve common goals. We share the joy of progress and the



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lessons of adversity in a manner that inspires and builds the organisation.

Aker Solutions puts the customer first. Customer satisfaction is as important as financial results. This policy is imparted by top management to every individual in the company. Aker Solutions' customer focus influences both its tender work and its handling of situations that arise during project execution. When Aker Solutions is at its best, it's always when it's in sync with the client.

Statoil has been the single most important customer for Aker Solutions' development. Together, the two companies have been able to perform tasks offshore that few others can match. The most recent example is the Åsgard "subsea compression" project, which is being closely watched by the entire oil and gas industry. The project has already won prestigious awards for innovation. Statoil deserves recognition for its leading technological role and the ripple effects this has had on the supplier industry. The importance that Statoil has for Aker Solutions cannot be overstated.

As part of streamlining Aker Solutions, Kvaerner has been demerged, and business areas considered non-core have been sold off. Aker Solutions is being developed into a global supplier of products, systems and services to the oil and gas industry. In 2012, the company's stock was a winner among oil service companies globally.

Aker Solutions' progress is being noticed and applauded in the stock market. The company plans to double revenues from 2012 to 2017, which means achieving a turnover of NOK 90 billion in current business areas, an EBITDA margin of 15 per cent and an EBIT margin of 12 per cent.

Growth will for the most part be organic.

Aker Solutions' five-year plan envisages only smaller, complementary acquisitions. Aker Oilfield Services will be sold or spun off to shareholders. If the plan comes off and the market remains strong, Aker Solutions will be rock solid, with zero net interest-bearing debt in 2018.

The plan is ambitious, but it's doable. It has support from the bottom-up, and has been checked and approved from the top down. Every part of the organisation has taken ownership of the plan.

Clearly, this plan won't show steady, linear progress in revenue growth and profits from month to month. Some operations and business areas will exceed expectations, while others will provide disappointments. Progress should not be measured from one quarter to the next, but rather how the long term trend looks.

Some analysts felt Aker Solutions' results were disappointing in the third quarter of 2012, and even more so in the fourth quarter, I look at the year as a whole and what the trends indicate for the company overall and for the key subsea area in particular. I feel there are many at Aker Solutions who deserve recognition for the job they have done and continue to do. This bodes well for the shareholders.

The Greek philosopher and naturalist Aristotle once aptly stated that, *"We are what we repeatedly do. Excellence, then, is not an act but a habit."*

Aker Solutions is on the right track.

Kvaerner's order intake was strong in 2012, but some important EPC contracts were lost.

The Norwegian continental shelf is the world's largest offshore market, and will continue to be so for many years. Competi-

tion revolves around price, quality, capacity and project execution.

We are forced to adapt. Kvaerner needs to take a new look at what it should work with and how we can improve.

Shell awarded Kvaerner an expanded long-term framework contract for modification and upgrade works on the Ormen Lange/Nyhamna onshore facility. Lundin awarded Kvaerner the EPC contract for the Edvard Grieg field, even though the yard work was more expensive than Asian competitors. Swedish-owned Lundin chose an integrated Norwegian execution, based on Kvaerner's record of on-time and on-budget delivery. In the concrete construction segment, Kvaerner has consolidated its position as the world's leading supplier by winning a new contract with ExxonMobil for the Hebron field off the coast of Canada. In China, Kvaerner has established a partnership with the COOEC yard for collaboration on future projects.

Still, there are warning lights blinking. Kvaerner lost seven EPC contracts in the Norwegian domestic market between December 2012 and February 2013. Kvaerner Stord won none of its four topside bids. Kvaerner Verdal was unsuccessful in its bids for three jackets.

Customer feedback shows that the biggest price difference lies in the fabrication stage. In other areas, Kvaerner was more competitive.

Kvaerner and Aker have been working closely with our customers to deliver top quality for 40 years. Our companies have been involved in almost 90 per cent of all field developments on the Norwegian continental shelf. Kvaerner is losing out to Asian yards, which currently have excess capacity due to low shipbuilding activity. This merits some reflection.

Also worth noting is that Norwegian construction yards have not been able to make a profit in the past four decades. Offshore yards have made profits on some contracts, but there have been too many loss-making projects. Lack of profit has limited the ability to invest in our yards and infrastructure in order to increase our productivity. This has created a downward trend.

I first learned this lesson right after becoming Aker's largest shareholder in 1996. At that time, I was told that the construction of Njord for Norsk Hydro was a "plus-minus zero project". In the end, this prestigious project caused the Aker shareholders a loss of NOK 1.0 billion.

The words of the late Danish businessman Simon Spies are fitting to Norwegian offshore yards: *"The most difficult thing about doing good business deals is avoiding the bad ones."*

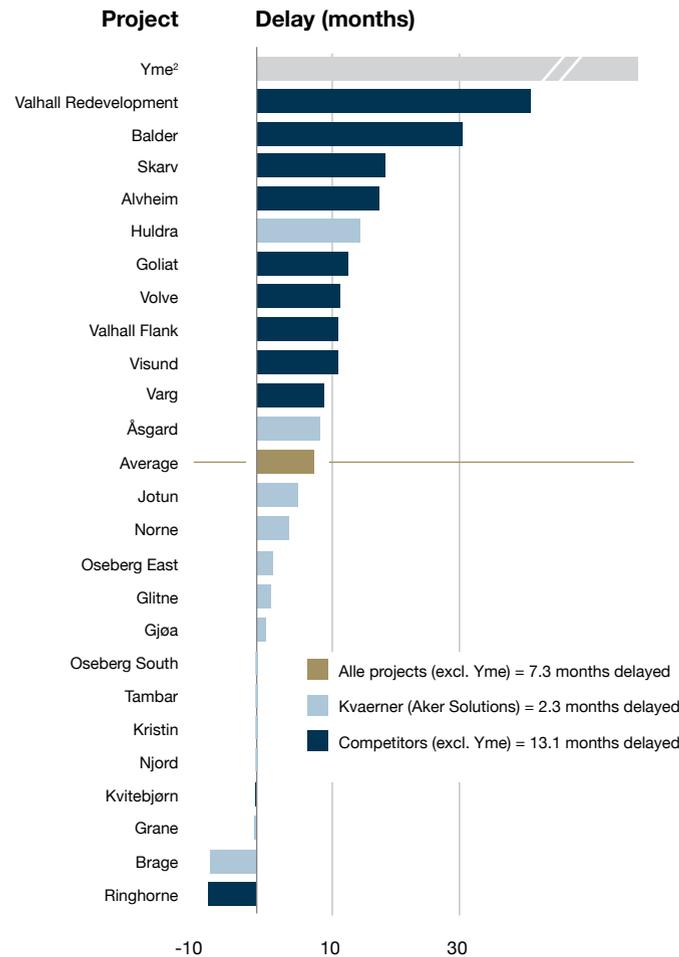
Statistics from Rystad Energy provide a crystal clear picture of field development projects on the Norwegian continental shelf (Figure 1, next page). They show that from 1990 until today the average development suffered delays of 7.3 months compared to the production start date specified in the plan for development and operation (PDO). The average delay on projects for which Kvaerner/Aker Solutions were responsible during this period was 2.3 months. Other projects were completed as much as 13.1 months late.

For more recent projects – fields with production start-up after 2010 – the contrasts are even more apparent. Thus far, the two projects executed by Norwegian yards were delivered on time, in accordance with the planned production start-up date, and only 6 per cent over the cost estimated in the PDO. On the other hand, foreign yards

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Figure 1: NCS project delays¹ since the 1990's



¹Delays calculated from initial planned first oil (at PDO) to actual/currently planned first oil
² Yme will be decommissioned

Source: Rystad Energy study, adding Goliat

have on average delivered 2.2 years later than the planned production start-up date, with cost overruns totalling 39 per cent in the same period.

These are facts that should prompt more than just the Norwegian supplier industry to stop and think.

Kvaerner's customers are professional and demanding principals.

The oil companies have large and complex tasks to perform. No two oil fields are the same. Every development requires individual adjustments and special solutions, and the work is typically performed under pressure from both schedules and budgets. The execution of development projects is a demanding exercise for both client and contractor.

Figure 2 on the next page illustrates some of the fundamental challenges inherent in the fabrication of topsides for platforms and field developments on the Norwegian continental shelf. As a rule, development projects have an execution period of about three years from the time the PDO is approved by Parliament until production start, and the field installation needs to take place at a certain limited period of the year. A window opens typically around 1 May, and closes in September. Due to the weather conditions, this window is the only period during which offshore oil and gas installations can be completed.

The figure shows that contracts are awarded before the design is finalised and before final, critical information is received from equipment sub-suppliers. Customer specifications form the basis for the pricing of the tender for the platform, topside, jacket, technologies and equipment. Contracts are awarded based on an early engi-

neering study, called Front End Engineering and Design (FEED). The concept is selected at this point, but detailed engineering remains.

This phase requires close coordination and communication between client and contractor. It takes almost two years from the contract is awarded to the design is complete, i.e. at milestone M3A in the figure.

The most important milestone for assessing whether a project will be completed on time and at the agreed price is the completion of M2C. This normally occurs 12 to 13 months after the signing of the contract. The customer is entitled to make changes throughout the project period. The yard is obliged to perform the work and make the changes requested by the customer, and price discussions normally take place afterwards.

This contractual regime results in suppliers and clients having to negotiate payments on increased work scope and changed orders. It is therefore not unusual that the final price of the project is only determined once the installation produces its first oil.

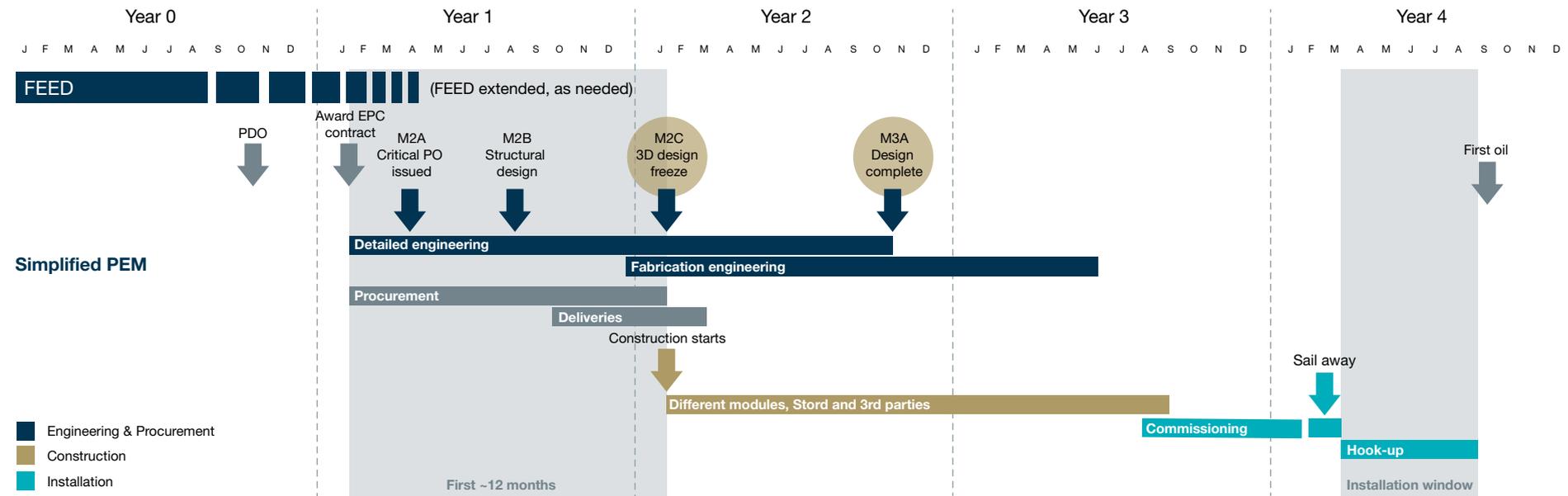
This process can be illustrated on a smaller scale by a situation familiar to many: building a house or cabin. Once the architect is finished, the design is settled and the construction drawings are complete, the risk of cost overruns and delays is reduced. The easiest and most predictable option is to choose a pre-fabricated house or standard cabin delivered with the key in the door.

Kvaerner has collaborated closely with its customers to develop an optimal turn-key execution model for complex field developments. In recent years, the oil companies have generally been able to take

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Figure 2: Success determined early in the first 12 months



delivery of their projects on time and on budget, but Norwegian offshore yards have not made money.

Some will argue that the industry has brought this upon itself. Some will quite rightly point out that the H6 rigs were an economic disaster for Aker and resulted in significant delays for our clients, Statoil included. Both we and the client learnt the hard way that restructurings are demanding and complicated. Stord specialises in top-sides and integrated platforms, and the H6 rigs were the yard's first attempt at building rigs for many years. The project went several billions over budget. But leaving the H6 project aside, Norwegian offshore yards have in sum lost money.

I take the liberty to think aloud for a moment and make a bold assertion: foreign yards account for the bulk of the cost overruns on the Norwegian continental shelf.

Thus far, the Skarv, Goliat, Yme and Valhall projects have reported cost overruns totalling NOK 48 billion, according to PDO figures in the government budget. While the original contract values totalled NOK 97 billion, estimated costs now amount to NOK 145 billion. In addition, delays to "first oil" will result in huge losses in production revenues.

A common denominator for these projects is that they are using foreign yards

and suppliers. The four most recent development projects delivered by foreign yards have been delayed by an average of 26 months compared to the planned production start-up date.

One by one, yards in South Korea, Abu Dhabi and The Netherlands are encountering difficulties when building to the Norwegian Norsok standard. In March 2013, it became clear that the Yme platform had to be scrapped, sealing the fate of an unmitigated disaster project.

Think about it: the Norwegian State is in reality paying 93 per cent of the cost overruns on these four projects, due to the tax system for offshore developments. In other words, the Norwegian taxpayer is funding

the international supplier industry to the tune of NOK 40 billion in connection with their work on the Norwegian continental shelf.

I am amazed that these cost overruns, spearheaded by foreign yards, do not feature more prominently on the Norwegian political agenda. NOK 40 billion equals three times the State's annual revenue from the much discussed Norwegian wealth tax. It is apparently simpler to discuss ideology than it is to grapple with real industrial challenges. As an industrial and knowledge-based society we are also dependent on building things in this country. The two are interlinked and they create values.

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Given these facts, what will the answer be?

I fully appreciate and understand that oil companies go to the yards they believe offer the best solutions at the lowest price. I am grateful for all of the work Kvaerner has been awarded over the years, and we accept the challenge that we need to improve. In the past 40 years, nobody has invested more in yards – shipbuilding and offshore – along the Norwegian coast than Aker and Aker-owned companies. Our competitors to the East often have larger, better construction facilities than Norwegian offshore yards. Kvaerner has invested in improving capacity and productivity. At Stord, for example, NOK 350 million was recently invested in a larger crane to further streamline the production process. I still believe that Norwegian offshore yards will continue to be important partners for oil companies operating on the Norwegian continental shelf, but we all have to learn from our losses.

Our offshore yards have much to learn from Norwegian shipyards. They are profitable in building relatively simple work boats for the oil companies and advanced offshore vessels, while competing with Asian shipyards. Norwegian offshore yards must develop a more competitive delivery model in cooperation with fabrication yards in low-cost countries. The alternative is to concede defeat. Norwegian shipyards have proven that competitiveness is about more than just lower wages for skilled workers in Norway. It can also be about solid and predictable interplay between customer and supplier.

In any event, Kvaerner lost the most recent EPC contract awards and as chairman of the company's board, I have a

large, personal responsibility in this. Perhaps we were too eager and didn't assess the market or the competitors correctly. Clearly, we failed to communicate our track record of on-time, on-budget execution, which is so crucial to "first oil".

The Edvard Grieg project will be an important point of reference, not just for Kvaerner but for all EPC contracts recently awarded on the Norwegian continental shelf. So far, the project execution is proceeding according to schedule. The platform is scheduled to start production in the Fall of 2015. At that point we'll have the answer to whether, as the Rema supermarket slogan goes: *"It's the sum of the parts that counts."*

True to form, the elephant discovery Johan Sverdrup in 2012 reinforced the sentiment among Det norske's shareholders that exciting times lie ahead. What lies ahead for Ivar Aasen is less certain.

The departing CEO of Det norske, Erik Haugane, founded the company (then called Pertra) in 2001. As the company's leader, he has created great value for all shareholders. Erik has been responsible for a considerable portion of Aker's shareholder value since 2009. At 60, Erik is now retiring in accordance with his employment contract. On behalf of all of the shareholders, I would like to thank Erik for his efforts and everything he has done for Det norske.

We've entered a new era. The Johan Sverdrup field will generate major revenue for the Norwegian State and billions for the partners over the coming decades.

Analysts and experts have differing opinions on world economic trends, the importance of shale gas, the consequences

of shale oil and future oil prices. Though I know we'll experience some volatility, I believe that oil prices will remain at current levels in the longer term. In my opinion, owning oil directly is a solid investment and a good future hedge.

Regardless of one's own view on crude prices, Johan Sverdrup is well-equipped to meet oil price fluctuations. While field capex investments are sizeable in nominal terms, they are relatively low in terms of per barrel of oil. Opex costs over the life of the field will also be relatively reasonable. Johan Sverdrup is truly a "company maker" for Det norske.

Det norske's first operatorship is the Jette development, a subsea installation with two satellite wells linked to Jotun B. The drilling operations have proven to be more complex than expected. Det norske booked a write-down of NOK 1.9 billion for the Jette field in 2012. Not a good start for Det norske as operator.

The next field development for Det norske as operator is Ivar Aasen. The plan for development and operation was submitted in December 2012. Originally, contracts were to be awarded in 2012, but the decision was delayed until 2013. Det norske has awarded the construction of the Ivar Aasen topside to Asia.

Det norske and the partners in the Ivar Aasen licence, Statoil and Bayerngas, chose the SMOE yard in Singapore and engineering partner Mustang, not Kvaerner, with Aker Solutions as engineering services partner. The contract was awarded to a novice in the construction of topsides for the Norwegian continental shelf, rather than to companies with over 40 years of experience from field developments offshore Norway.

The total development costs for the Ivar

Aasen field are currently estimated at NOK 25 billion, with a pre-"first oil" investment cost of NOK 18 billion. Det norske owns 35 per cent.

I am convinced that the development of Ivar Aasen will be more expensive than budgeted, and that production of first oil will occur later than planned. I probably should keep quiet, but I can't.

My contention is based on long industry experience, particularly on the Norwegian continental shelf. It's not often I hope to be proven wrong, but in this case I do.

My concern for cost overruns and delays is grounded in rational analysis of the facts. Nobody knows the Norwegian continental shelf better than Kvaerner and Aker Solutions, and I have been involved as the principal shareholder for the past 17 years.

My argument is not intended as a defence of Kvaerner, but I do want Det norske to limit its risks and increase shareholder value. Det norske has previously awarded subsea contracts (for the Jette development) to a competitor of Aker Solutions, while the Ivar Aasen jacket went to Italy.

It was Det norske that qualified one of Aker Solutions' competitors, the third subsea supplier on the Norwegian continental shelf. This was right for Det norske, and therefore right for us. Det norske awarded the contract to construct the jacket for Ivar Aasen to an Italian yard that had never previously built a jacket for the Norwegian continental shelf, rather than to Kvaerner Verdal. I can accept this decision, even though it pushes the boundaries of my comfort zone. The yard is located in Sar-

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dinia, one of my favourite sailing destinations. I never imagined, however, that a company in which Aker owns 50 per cent would risk building a jacket at a yard that has been closed down in recent times.

My greatest concern is that the topside for the Ivar Aasen platform is to be built in the Far East. That is well outside my comfort zone.

The value of Aker's shares in Det norske is seven to eight times that of Aker's shares in Kvaerner. The market value of Aker's shares in Kvaerner is around NOK 800 million, while its stake in Det norske is currently valued at about NOK 6.0 billion. I view Det norske as a major value generator and a potential future dividend machine for Aker, but the company must avoid getting lost along the way.

Before the tender process started, Aker strongly advised Det norske to choose a familiar development concept and suppliers with experience from similar projects on the Norwegian continental shelf. We did so because we believed that this would be the best solution for Det norske's shareholders and the Ivar Aasen partners – the solution that carries the lowest risk of cost overruns and delays.

Of the three yards that Det norske selected for final negotiations, only Kvaerner met these criteria. The board of Det norske appointed board members to a special committee that reviewed the Ivar Aasen tenders in cooperation with management. The committee recommended Kvaerner and supported management in its wishes to award the contract to Kvaerner. Still the Ivar Aasen licensees chose to go East for the building of the topside.

Yes, there was a price difference. However, in Aker's view, the difference was not large enough to assume the risk of building

at a yard in Singapore. We have no problems in understanding Statoil's decision to go to Asia for its topsides. Statoil has a highly qualified and seasoned organisation, with sufficient resources to perform its own thorough follow-up.

While Det norske employs many skilled people, following up the Ivar Aasen project will require that the young oil company put together a new team. Everything is new. Project follow-up will be conducted by a team of around 150 to 200 recently hired external consultants and employees. The team is playing away from its home field. The arena is an eastern yard that has never previously delivered a topside for the Norwegian continental shelf. The task is complex and communication will be challenging. Moreover, I fear the chosen partners will use the Ivar Aasen development to "learn on the job".

I ask, "Will Det norske be able to outperform the average for the Norwegian continental shelf as regards cost overruns and delays?"

Cost overruns will be heavy to bear, and delays will have an even greater financial impact on Det norske than overruns alone. Late start-up of oil production at the Ivar Aasen field may have significant consequences for the funding of the Johan Sverdrup development.

The rules of algebra state that the order of factors is irrelevant, but this is not the case here. If Johan Sverdrup were ahead of Ivar Aasen in time, I would not be so concerned. The distinctive Norwegian tax system compounds the problem for Det norske. The company will have insufficient oil production against which to offset budget overruns.

My scepticism is not due to a lack of confidence in the people working on the Ivar Aasen development. Some people at Det norske will probably be frustrated at my communicating my views in this way. At the same time, I hope that those responsible for implementing the project will be motivated to prove me thoroughly wrong. I know the team is strongly motivated to do a good job.

In *Naked Truth and Veiled Illusions*, the American author Minna Antrim wrote: *"Experience is a great teacher, but she sends in terrific bills."*

If I am proven wrong, I deserve to be reminded of it in no uncertain terms.

Ocean Yield is generating profits from day one. Aker will already receive dividends totalling USD 40 million from the new venture this year.

Aker established Ocean Yield as a wholly-owned subsidiary in 2012 and brought Lars Solbakken on board as the CEO. Few people in the world know the oil service and industrial shipping markets better than him.

I have known Lars since he was a young, promising and demanding banker in Seattle in the 1990s. At that time, I was a fisherman who needed financing. Together with two colleagues, Lars has now built up a super-efficient organisation that manages marine assets worth NOK 9.5 billion.

A dividend machine has to keep operating costs extremely low. All ships in the portfolio are on long-term charters, typically bareboat agreements for terms of five to 12 years. The customers enjoy attractive financing terms, and the return on Ocean Yield's capital is reasonably predictable and satisfies Aker's return requirements.

The risks we assume concern the counterparty's ability to continue to pay its char-

ter hire, the residual value of the ship once the lease period expires and the market for the ship at that time. These issues are extremely important to Ocean Yield.

At the beginning of 2013, Ocean Yield had an order reserve that will generate total EBITDA of over NOK 10 billion. The average remaining charter period for the ships in the portfolio is 7.2 years. Aker will make active use of the capital markets to further develop Ocean Yield.

Aker BioMarine was delisted in January 2013.

I didn't like it, but we had no choice. Aker BioMarine's second largest shareholder for several years wished to sell its stake in the biotechnology company.

The result of our discussions was a merger between Aker BioMarine and Aker. None of Aker BioMarine's shareholders voted against the merger.

Aker BioMarine has lost money every year since it was founded in 2006. Losses are decreasing every year. I can accept losing money when I really understand why. This facilitates good decision-making that lays the foundation for developing profitable, healthy businesses.

Opinions about Aker BioMarine differ within Aker. Some believe that the company will succeed, while others are more sceptical. Even though it has taken us longer to develop Aker BioMarine than planned, I remain confident that the company will create substantial shareholder value and that Aker BioMarine will in the end become a "game changer" for Aker.

In saying so, I have reserved the right to break one of Aker's "10 commandments" that I put in my letter to the shareholders two years ago, that is, commandment num-

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ber 10 which states: we never say "I told you so!"

I have left the Aker BioMarine board because it is now a wholly-owned and unlisted subsidiary, but I will spend even more time on the business in future.

Aker BioMarine puts me in a good mood. There are many challenges, but the company has vitality and pride. Management staff comprises 39 highly competent employees from nine different countries. The two krill-harvesting vessels are crewed by a total of 330 hardy fishermen and seamen.

The harvesting vessels Saga Sea and Antarctic Sea compete every day to be the best vessel. They operate in a sustainable and environmentally friendly manner in the challenging but beautiful Southern Ocean.

Every day, 3.5 million consumers use Superba Krill™, and I believe that sales can be multiplied many times over. I monitor catch volumes and sales trends on a daily basis. There are major growth opportunities for krill-based products and applications.

Aker BioMarine's largest customer is the American company Schiff Nutrition International. Schiff's most important product is MegaRed, which contains Superba Krill™. MegaRed is the most-sold dietary supplement in the US. In 2012, the giant Reckitt Benckiser Group Plc bought Schiff for USD 1.4 billion, and both the price and statements by the new owner communicate great faith in Aker BioMarine's primary product. The Reckitt Benckiser Group has high growth ambitions and has the potential to give new impetus to Aker BioMarine and Superba sales.

Following many years of focused efforts, it is motivating that we can now start seeing returns on our investments. I am inspired by the prospects of future success with ingredients, products and solutions in

the pharmaceutical and drugs segments. I would not rule out the possibility of this happening more quickly than many believe. I want to say "I told you so."

Aker's investment in Aker Seafoods and Norway Seafoods should have gotten me a "red card."

I was confident that the Norwegian white fish industry could be structured in a sensible manner, but this has proven to be impossible. Cod, saithe and haddock have been a disaster for Aker and Aker Seafoods' shareholders.

In 1996, our ambition was to invest in the modernisation of the filleting industry and the trawler fleet. We have done so. Aker has invested almost NOK 2.0 billion in the harvesting company Aker Seafoods and the processing company Norway Seafoods. In sum we have made substantial losses. Many of our competitors have closed their factories. Three out of four jobs in the filleting industry have been lost, but Aker has continued to invest.

I have pushed for this investment. Since I fished for cod for the first time in June 1977, 90 out of 100 filleting factories have closed their doors. Aker Seafoods, which will now assume the time honoured name of Havfisk, currently owns seven of the remaining factories, and has not closed a single filleting plant. The Norwegian filleting industry has lost money for many years.

I have had a long-term focus. Some have tried to make me the symbol of an industry in decline, and some have claimed that Aker is the actual problem.

Aker Seafoods and Norway Seafoods have spent much time meeting public officials and travelled up and down Norway to listen, learn and share knowledge about

what is needed to ensure profitability at all stages. The aim is to build a sustainable whitefish industry. Ideas to improve industry profitability has been noticeably absent, particularly in the coastal areas themselves.

Instead, local media headlines have focused on potential factory closures in Hammerfest and Melbu. Opinions differ. I value engagement and local loyalty, but it is important to accept the reality that onshore factories are losing money. Overall, the results achieved by the fleet and onshore plants are much weaker than what is needed to modernise the fleet, upgrade the plants and invest in new technology and marketing.

Many will fail to understand, and there is a good quote from the Russian author Fyodor M. Dostoyevsky for this situation: *"I made up my mind long ago not to understand. If I try to understand anything, I shall be false to the fact, and I have determined to stick to the fact."*

As part of the public debate, I ventured to give some input to the government's white paper on seafood, on how Norway can become the world's leading seafood nation.

I pointed out some opportunities for creating profitable, safe jobs throughout the value chain.

We have committed some unintentional breaches of our delivery obligations. This caused problems for Mehamn in Finnmark, and I apologise. This will not happen again, but no-one can deny that we have invested and made efforts to generate value from the resources available in Norway. We have paid for quotas and invested at sea and on land, but have found it impossible to achieve a return that justifies further investment.

Atle Kigen encouraged me to accept an interview with the Norwegian television programme *NRK Brennpunkt* regarding the situation and future of the white fish industry. After 17 years of losses and considerable criticism, I was a loaded and loose cannon placed on deck to reply to allegations and suspicions. I came across as the father of the famous Angry Boy (Sinna-taggen) in Oslo's Vigeland Sculpture Park.

The rational argument is that the white fish industry must adapt to change, just like any other industry and society in general. Access to sufficient volumes of fish is not the issue. The issue is how we can process quality products in an efficient manner, at competitive prices. The current regulatory system preserves an uncompetitive industry structure.

Even though our seven factories represent over 70 per cent of Norwegian fillet exports, they are only operating at around 40 per cent of their capacity. If the solution was as simple as buying and processing more fish, we would do so. But our business cannot exist in a vacuum from the realities of market demand.

Historically, we have lost money on white fish, and the prospects of reasonable future returns are small. I should have realised earlier that it is impossible to achieve profitability on whitefish in the current political climate.

Last autumn, *NRK Brennpunkt* asked me whether Aker would be a larger or a smaller actor in the white fish industry going forward. I replied: "we will be a larger one." That was wrong - we will be smaller. We will reduce our involvement in a business that accounts for 1 per cent of our assets and a disproportionate part of our losses, and at times 95 per cent of our media coverage.

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Investments in the financial portfolio will be sold. The Convento team is delivering.

The Convento Capital Fund gathers several of Aker's financial investments. Since its launch in July 2009, the fund has realised gains totalling NOK 0.5 billion.

Aker Philadelphia Shipyard is one of Convento Capital Fund's investments. The yard has profitably sold two self-financed new buildings, repaid Aker's loan of USD 30 million and severed its guarantee ties to Aker. Two tanker ships are under construction for ExxonMobil, and Aker Philadelphia Shipyard is finally in a position to pay dividends to its shareholders. The ExxonMobil ships will be delivered on time and on budget, and new contracts must be won. Things look good now, and I am cautiously optimistic. Thus far, I am satisfied with the achievements of my son Kristian, his team and the first-class craftsmen in Philadelphia.

Frank O. Reite and his Convento team are doing a matchless job of tidying up old matters. Over the years, we made some investments "with our head under our arm and our arm in a sling", as Lillebjørn Nilsen wrote in his song. No personal criticism is intended – this is simply how things are.

We have initiated a plan to free up at least NOK 3.0 billion from financial investments. The biggest realisation will come in stages from our real estate investments, but the portfolio also includes investments in oil fields in Gabon, the Navigator ship, shares in funds and technology companies.

Minimum return required on our industrial investments is 12 per cent per year.

My highest priority is generating shareholder value. I am focused on the future. Long into the future, far beyond 2013. If we fail to achieve a 12 per cent return in the foreseeable future, the outcome will be an exit or structural measures.

Aker is a collection of companies. Our priority is overall value creation. This means always having the best people. People come first, then capital allocations. Aker allocates capital to the right people in the right companies.

Aker's dividend policy is fixed. Looking forward, the aim is to increase Aker's dividend in nominal terms.

Dividends will be an important part of future value creation, although the most important element is growth in net asset value. However, Aker's shareholders can be certain that I am working for dividend growth.

The next generations in our family will over time probably develop a dependency on dividends from Aker. Solid performance by Aker's portfolio companies will lay the foundation for value growth and the payment of a steadily increasing dividend in the years ahead.

Our children will inherit shares in TRG, which owns two-thirds of Aker. The children will inherit a small stake of the TRG shares. When the children turn 30, they'll receive their first shares. Kristian reached this age recently. The remaining majority stake of TRG shares will in time be transferred to a charitable foundation.

My family's interests are in line with those of all other Aker shareholders. Aker is making systematic, focused efforts to generate stable, predictable cash flow. As an industrial investment company, Aker depends on such cash flow to justify the payment of dividends over time.

Increased dividends from Aker's operational companies make an important contribution. From 2009 to 2013, dividends paid by Aker-owned companies increased five-fold.

Looking forward, dividends received from Aker's wholly-owned and partly-owned companies will increase Aker's income, and allow the company to continue paying predictable dividends. The total dividends received from Aker's operating companies cover considerably more than Aker's operating expenses, but are insufficient to cover its dividend payments. We are working to ensure that upstream cash received by Aker from wholly-owned subsidiaries, dividends from partly-owned companies and interest income exceeds Aker's operating costs and dividend payments to shareholders.

If Aker's capital inflows are lower than its capital outflows in 2019, we will make changes to the composition of Aker's portfolio. A sustainable, predictable dividend model is holy to Aker.

By May 2013, the shareholders will have received dividends totalling NOK 104 per Aker share since Aker's listing in September 2004 – NOK 7.5 billion in total. The aim for the future is absolute growth in dividends, and for the dividend to total between 2 per cent and 4 per cent of net asset value.

As regards Aker's private jet, I am more than happy to defend it. Now the jet will get even bigger.

Aker has owned a jet aircraft since 2007, and we know how efficient and useful it is to have access to our own aircraft. When we replace our Falcon 900EX in the fourth quarter of 2015, it will be eight years old. We have decided to replace it with a Gulfstream G650.

The aircraft is a workplace, and every trip is necessary to follow up Aker-owned companies in 30 countries, on all the world's continents. Øyvind and I use the aircraft, and we are often accompanied by others when matters have to be considered and discussed.

As Aker's chairman, I am keen to learn about, see and understand Aker's businesses. This means travelling extensively, and I want to fly and travel efficiently.

I try to be a sparring partner for Øyvind and an engaged chairman. I do not receive a salary or remuneration for the work I do for Aker and Aker-owned companies other than ordinary board remuneration, but I travel expensively. That is just the way it is.

Aker's operating expenses amount to 0.9 per cent of the capital it manages. Aker's costs are low compared to capital managers and funds, whether fixed investment trusts, hedge funds or active private equity funds.

Some people believe that we could save considerable amounts by not owning an aircraft, terminating sponsorship agreements and moving into cheaper premises. Our costs could be halved. This is not currently up for discussion, and will never be, so far as I am concerned. Aker is proud to be the main sponsor of Norwegian cross-country skiing. On the other hand, as of January of this year, Aker is no longer invested in Molde Football club, although my former partner Bjørn Rune Gjelsten and I will privately continue to fund the club.

Aker's operating costs will increase in absolute terms, but will fall as a percentage of the assets under management. We operate cost-consciously and efficiently, and pay our staff well.

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Kjell Inge Røkke with his childhood friend and partner Bjørn Rune Gjelsten.

I have learned and benefited from my own experiences, but I also take inspiration from the investor Warren Buffett of the Berkshire Hathaway investment company.

His book *Tap Dancing to Work, Warren Buffett on Practically Everything, 1966–2012: a Fortune Magazine Book* is a vivid collection of knowledge, anecdotes and stories from the world's best creator of long-term shareholder value. I have borrowed some of his

gems for my letters to the shareholders.

Buffett is a living legend – an 82 year-old active investor with strong opinions, who hails from Omaha, Nebraska, USA. His trademark is long-term investments in first-class companies. In short, Buffett follows two important investment rules. The first rule is to avoid losing money. The second rule is not to forget the first.

Unfortunately, I have to recognise that I have not followed the first rule consistently. That makes it impossible to follow rule

number two. Basically, I have been neither disciplined nor smart enough, but it is never too late to learn. We have avoided major mistakes in recent years

I rarely contradict Buffett, however in my experience rule number one is: "Select the right people." Rule number two is: "Do not forget that business is all about people."

Over the years, Aker has had many excellent leaders. Skilled business executives do not necessarily make capable leaders for Aker-owned companies. I look for people whose words and actions are directly connected. They put integrity and the interests of the larger group ahead of their own ego, and their professional success comes through the success of the group. In football terms, this is called bleeding for the uniform.

Individuals make the difference, whether positive or negative. Role models lift the team to achieve common goals. Put another way, a single drop of vinegar in a bucket of water determines the taste, whether good or bad. This year, I have yet again been reminded that the road to good investments starts with the right people with the right attitudes.

My lesson is that if we make a mistake, we spend a lot of time correcting it; time that could be spent generating value. This makes it even more important to work ever more systematically to avoid mistakes.

I am fortunate to have worked with skilled, loyal people for many years. They have saved me from driving off a financial cliff on a couple of occasions, and are important premise providers for and drivers of Aker's development.

Time flies. I am already into the fifth year of my plan to double shareholder value from January 2009 to the end of 2013.

My aim was to create NOK 18 billion in value in five years. The starting point on 1 January 2009 was a net asset value of around NOK 250 per Aker share. The objective was to increase shareholder value, including dividends paid during the period, to at least NOK 500 per share by 31 December 2013.

We've been there before, in the spring of 2007, when shareholder value exceeded NOK 500 per share. I knew it would take time to reach that level again, and I was sure that it would happen before New Year's Eve 2013.

Some investments have performed very well during this period. However, total value creation for shareholders has not met our ambitions.

At the end of 2012, net asset value and dividends amounted to NOK 355 per share.

This year, Aker will pay out an additional NOK 12 per share. To reach my target, additional value of NOK 145 per share – more than NOK 10 billion in total – has to be created during the course of 2013.

I hate to admit it, but Aker is a little behind my own schedule, even though the results achieved have exceeded our return targets.

Some 70 per cent of Aker's assets are listed shares. Could Aker sell some of its shareholdings at values exceeding current stock prices? Yes maybe, but the investments that would make a difference are not for sale.

Historically, Aker's long-term strategy has created shareholder value. Since listing in September 2004, Aker shareholders have received an average annual return of 30 per cent, including dividends.

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From 1 January 2009 to 31 December 2012, the share price rose from NOK 137 to NOK 212, and dividends totalling NOK 34 were paid. The return averaged 17 per cent per year, equal to the return on the primary Oslo Stock Exchange index (OSEBX) for the same period. It is better than having money in the bank, but no better than passively investing the money in a Norwegian index fund.

The simplest way to achieve one's aims is to set them low and frequently, and for the near term.

This increases the likelihood of achieving a high degree of accuracy.

I chose to arm and aim my crossbow from a greater distance, predicting where the arrow would land. I painted the target on the wall before releasing my arrow.

As things stand, a bull's eye appears unlikely. There are plenty of examples of leaders who choose the easiest way: shooting the arrow at a blank wall and then painting the target around the arrow. By doing so, they ensure that the score satisfies their desired self-image.

As Aker's main shareholder and board chairman, and having consulted Øyvind in his capacity as President and CEO, I have granted myself a privilege.

I talk to whomever I want within the organisation, whenever I want. Some find this frustrating, while others see it as a stimulating means of improving group business.

I am privileged to be able to work so closely with skilled people and numerous businesses. I am profoundly grateful for the efforts made by thousands of employees in

the many Aker-owned companies every single day, and would particularly like to thank those with whom I work closely on a daily basis. I challenge them - and fortunately they challenge me back.

I would like to thank Aker's board of directors. Our discussions are varied and direct. Our boardroom allows for diverging opinions, and does not leak. Decisions are made together and with openness. We respect the agreements reached. Working with the employee representatives and shareholder-elected representatives on Aker's board is a pleasure. My thanks go to the board members for their collective contribution to Aker's development.

Atle Tranøy is the Aker group's employee representative and a member of the Aker board. He is a source of inspiration, a wise man with wide-ranging experience accumulated through his work as a full-time Aker employee representative since 1983. We agree on the importance of ensuring that the exploitation of Norway's natural resources, whether it be oil, gas or fish, should create ripple effects in Norway. This has been a central theme in the development of Aker since its establishment in 1841.

At Aker, we will continue to pursue growth and consider how we can expand our businesses. You do not necessarily have to respond to this with unbridled joy. Some of our measures and efforts to achieve growth, often driven by me, have proven to be dismal, and others have been costly fiascos. However, we also have examples of the opposite. With Øyvind at my side, skilled management and solid line-ups, the probability of achieving our long-term goals is increased.

In last year's letter to the shareholders, I acknowledged that I was far behind as

regards achieving the 2013 target, but I expressed hope that Aker had the sprinting abilities of the cross-country skier Petter Northug. At this year's Nordic World Ski Championships, the 50km race didn't quite go the way Northug had anticipated, and he was unable to challenge for a medal, finishing far behind world champion Johan Olsson.

Now, I feel like I am on the final lap of a 50km ski race, and I would be lying if I pretended not to dread the steep climb ahead. But I can learn from Northug and his dignified conduct after failing to win the 50km gold medal in Val di Fiemme. He has been successful following the world championship, which gives me hope for what lies beyond 2013 for us.

Have I learnt anything? Yes. I will continue to set targets with the aim of building strong industrial companies and generating shareholder value. I always want to have something to strive for.

We keep at it and hang in there.



*Kjell Inge Røkke.
On behalf of the family*

PS: As in previous years, I would like to thank my wife and fellow shareholder Anne Grete for her help with the writing, form, content and spelling of this year's letter to the shareholders. 😊

Aker Brygge, 20 March 2013

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Dear shareholders

In terms of value creation, 2012 was a good year for Aker. From the perspective of the quality of our active ownership, the results were more mitigated.



Aker's task is to generate value for its shareholders. Our key performance indicators include net investment growth (net asset value), dividends (2 per cent to 4 per cent of net asset value annually), and Aker's share price. An 18 per cent increase in net asset value after payment of NOK 800 million in dividends and a 37 per cent share price gain made 2012 one of our best years. Additionally, Aker is poised to receive over NOK 650 million in dividends from wholly and partly-owned subsidiaries, which is a fivefold increase from 2009 to 2013.

Aker is an active industrial owner. For us, it is more important to follow the long-term trend than quarterly or annual fluctuations.

Anyone considering investing in Aker should begin by considering the following:

- The growth potential of our most important industry segments: oil and gas, marine biotechnology, financial shipping and real estate development.
- The growth potential of our largest investments: Det norske oljeselskap, Aker Solutions, Kvaerner, Aker BioMarine, Ocean Yield and Fornebuporten.
- Trends in Aker's liquidity, including nominally increasing dividends received from the portfolio companies and dividends paid to Aker shareholders.
- The quality of Aker's ownership agenda for each company.

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- The quality of Aker's organisation in following up these companies.
- The quality of how we exercise active ownership.

We are confident in the long-term growth in our industry segments. This view is supported by market data from external sources. According to the International Energy Agency, global energy demand is expected to increase by more than one-third by 2035. Rystad Energy has projected that this will boost the offshore supplier industry by 10 per cent per annum for the next five years. Although we lack reliable external sources for market trends affecting our unlisted businesses Aker BioMarine, Ocean Yield and Fornebuporten, these companies are also operating in segments with high activity levels and positive long-term growth prospects.

Value growth was unevenly distributed among Aker's portfolio companies in 2012. Aker Solutions and Kvaerner made quantum leaps, posting share price gains (including dividends) of 85 per cent and 83 per cent respectively. On the other hand, last year's share price winner, Det norske oljeselskap, fell by 6.3 per cent. Aker BioMarine's share price rose by 11 per cent in 2012, buoyed by the merger with Aker. The unlisted companies Ocean Yield and Fornebuporten also experienced positive value growth, although we report unlisted investments at unchanged book value in our accounts.

While the share prices of the portfolio companies play a role in determining Aker's net asset value, dividends provide Aker with liquidity. Increased liquidity, primarily in the form of dividends, is an important part of Aker's strategy. This is linked to our ambition of paying increasing nominal dividends to Aker's shareholders every year within the framework of the dividend policy – 2 per cent to 4 per cent of net asset value. We aim to achieve positive cash flow into Aker by 2018. Until then, dividend payments from the portfolio companies will increase gradually, and the shortfall will be covered by asset sales, primarily from the financial investment portfolio.

The results achieved by our listed companies are compared with their most relevant competitors (peers). The tables below show two comparisons relating to our main listed investments: profitability (EBITDA) and share price (EBITDA multiple) for Aker Solutions and Kvaerner, and price and net asset value (excluding the value of the exploration portfolio) for Det norske.

Company	EV/EBITDA 2013e ¹⁾
Aker Solutions	6.9x
Relevant peer group (average)	8.5x

Company	EV/EBITDA 2013e ¹⁾
Kvæerner	4.0x
Relevant peer group (average)	7.6x

Company	P/core NAV ²⁾
Det norske	67%
Relevant peer group (average)	69%

¹⁾ Estimates from analysts.

²⁾ Based on Arctic Securities' estimates.

These tables provide some food for thought. Nevertheless, the immediate conclusion is simple: Aker's main portfolio companies have some way to go to achieve profitability and prices in line with the best companies in their respective industry segments.

Precisely this issue lies at the heart of Aker's ownership agenda for each company: how can the company be developed to secure the highest possible value growth and dividends for Aker and its fellow shareholders?

Aker's ownership agenda is based on knowledge and experience rather than gut feelings and undefined visions. Our focus is on understanding market trends and the competitive situation. We set targets for

long-term value creation and identify the primary measures needed to realise this potential. Often, these involve streamlining and making operational improvements, although transactions or other structural measures are also required at times. Once a plan is adopted, we have to ensure that the company is organised efficiently in view of its tasks, and that key individuals have the professional and cultural characteristics required for success. Aker communicates a clear ownership agenda to each portfolio company. It is then up to the company's board and management to take the necessary steps. The development of the company is their primary responsibility, not ours.

The quality of Aker's active ownership stands and falls on the quality of the people at Aker. Our investment team is small, hard-working and skilled. Some team members have an industry background, while others come from consulting firms or investment banks. In the past year, we have strengthened our investment team with experts in organisational and management development, financial management and control, investor relations and communications. Their expertise makes them role models for their functional colleagues and networks in other Aker-owned companies.

As Aker's principal shareholder, Kjell Inge participates actively in the development of Aker's portfolio companies. His privilege as an owner is to jump in and out

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“Those who believe that passive ownership is good corporate governance will find Aker’s ownership model difficult to accept.”

of established work procedures, contributing ideas, visions, inspiration and challenges that make us think “outside the box”. Those who prefer to “tag along” rarely do well at Aker.

The role of Aker’s board of directors is becoming ever more important, for various reasons. First, the board participates actively in the development of both the portfolio as a whole and the ownership agendas for the individual companies. Second, various board members have experience or contacts that we also utilise actively outside the boardroom. Aker’s board members have complementary experience, and come from different backgrounds. This gives breadth and depth to discussions about what is in Aker’s best interest.

My task is to make Aker a solid company. Solidity is not only measured in monetary terms. The quality of the organisation, employees, corporate culture and customer relations underpins everything that eventually translates into financial figures. Business contacts, the authorities and the media all shape the attitudes that influence our opportunities and standing. In the end, it is the shareholders who decide whether Aker deserves their trust, trust which must be won and affirmed daily.

Our active ownership model is complex because we exercise less formal influence than our shareholdings would suggest. Aker is consistently under-represented on

the boards of the companies in which it is the largest shareholder. In our experience, this works well as long as those we invite into the boards with us have the required expertise, integrity and ability to collaborate. On a seldom occasion, our expectations are not met. Disagreements based on objectively justified arguments are easy to accept, but incorrect decisions caused by uncertainty, ignorance or personal interests are more difficult to digest. In these rare instances, we have also failed in our active ownership.

In its role as majority shareholder, Aker must build up trust and establish a pattern of predictability before specific, critical decisions have to be made. This starts with the recruitment of people with the right profile and attitudes, and continues with the development of a clear, trust-based dialogue with them.

Aker’s ownership agenda is not discussed solely behind closed doors. At every quarterly presentation and every capital markets day, we openly discuss our assessment of, and ambitions for, each company in the investment portfolio. Transparency, clarity and predictability are the guiding principles for everything we do. Sometimes challenging issues arise. In these instances, some company executives would prefer not to have our ownership perspectives aired out in the open. However, most recognise the value of having a majority owner with ambitions, opinions

and implementation ability. In most cases, such input supports progress and acts as a corrective – benefits which few companies receive from their owners today.

Aker is focused on supporting the individual development of each company. Interconnections in the form of related-party transactions are not a central part of our business model. Coordination between the companies we own must occur on the companies’ own terms, and be justified from a business perspective. Although we do not base our ownership strategy on collaboration between portfolio companies, common ownership should not prevent cooperation which is rational and mutually beneficial.

Past mistakes have made related-party transactions a sensitive issue for Aker. Special procedures for related-party transactions have been introduced to ensure confidence in valuations and other conditions. Depending on the circumstances, we may order external valuations and quality assurance by the audit committees of the companies involved. In some cases, the board or owners of Aker Kværner Holding must also be consulted.

Despite these measures, Aker is still criticised for poor corporate governance. This is probably because past errors have made us vulnerable. Those who get to know us are aware that our ambitions in this area mirror the same quality standards Aker applies to other domains. However, those

who believe that passive ownership is good corporate governance will find Aker’s ownership model difficult to accept. The same applies to those who use our trust as a basis for serving their personal interests at the expense of mutual interests. Such exceptions are resolved naturally over time, under the positive influence of active, good corporate governance.

2012 was a good year for Aker. Nevertheless, the year could have been even better if coordination within the group had been more effective and trusting. As a result, our 2012 “bottom line” for the development of active ownership is not quite as strong as our value creation result alone.

We put the past year behind us and we learn, so as to keep improving.

With best wishes to all shareholders,



Øyvind Eriksen
President and CEO

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Øyvind Eriksen with Anne Grete Eidsvig, Marthe Kristoffersen and Øystein Pettersen during Aker Achievements Camp in October 2012.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kvaerner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

Investment overview

Aker's industrial holdings



Aker's objective for its industrial companies is to create value for shareholders.

Aker's industrial investments comprise the following:

- Aker Solutions
- Kvaerner
- Det norske oljeselskap
- Ocean Yield
- Aker BioMarine
- Aker Seafoods

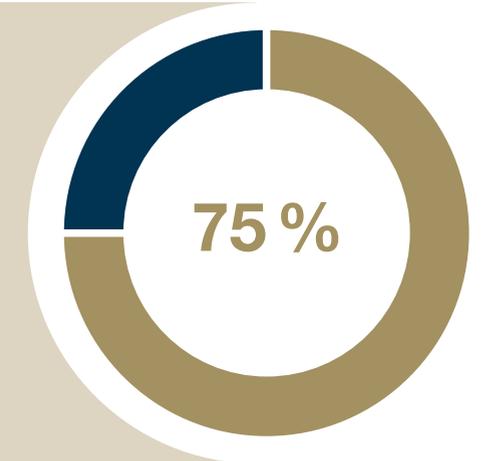
The diagram on the right shows the proportion of Aker's total assets accounted for by these companies.

Objective: Long- and short-term value creation

Annual return shall exceed 12 per cent.

Read more on [page 29](#).

Per cent of Aker ASA assets*



Aker's financial investments



Aker's financial investments include real estate development projects.

Aker's financial investments comprise the following:

Cash, interest-bearing receivables, the real estate development company Fornebuporten, equity investments, shares in funds and other investments.

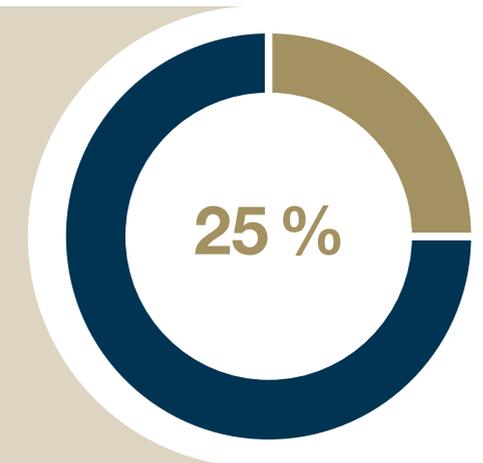
The diagram on the right shows the proportion of Aker's total assets accounted for by financial investments.

Objective: Financial drive and flexibility

The return on interest-bearing items shall exceed NIBOR.

Read more on [page 44](#).

Per cent of Aker ASA assets*



* Net asset value of Aker ASA and companies in its holding company structure: NOK 26.8 billion. The value of shareholdings in listed companies is determined by 31 December 2012 share prices.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kvaerner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

Industrial holdings

Aker's industrial holdings totalled NOK 20 billion at the end of 2012. This equates to 75 per cent of the total net asset value of Aker ASA and its holding companies.

The *industrial holdings* business segment comprises Aker Solutions, Kvaerner, Det norske oljeselskap, Ocean Yield, Aker BioMarine and Aker Seafoods.

Aker is actively involved in the development of its six industrial portfolio companies, cooperating closely with each company's board and management. Every investment is monitored by an investment team headed by an investment director, and Aker has representatives on the various company boards.

Ownership is exercised primarily in the board rooms of the individual companies. Aker also functions as a knowledge centre, as its staff have valuable industrial and strategic know-how and cutting-edge expertise in the fields of financing, restructuring, transactions, organisational and leadership development (HR), and communications/investor relations. These resources are available not only to the investment directors in their continuous follow-up of the operational companies, but also to each individual company.

Value creation

Aker's overarching objective is to ensure long-term value creation for all shareholders. While Aker continues to develop and strengthen its companies with a long-term investment perspective, this approach does not prevent Aker from selling companies in its industrial investment portfolio when they can grow better under new owners.



Aker invests in companies that operate in industries in which Aker has expertise, experience and a track-record of creating value.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kvaerner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

“Since listing in September 2004, Aker has provided investors with an annual average return of 30 per cent, including dividends.”

Aker has an ownership agenda for each company. The aim is to create value for shareholders in the form of share price growth and dividends, thereby also increasing Aker's net asset value. Dividends from the operational industrial companies provide Aker with stable, predictable cash flow.

High value growth in 2012

The total market value of Aker's industrial holdings was NOK 20 billion at the end of 2012, compared to NOK 12.4 billion in 2011. The industrial portfolio contributed to an increase in Aker's net asset value of NOK 4.0 billion, corresponding to NOK 57 per Aker share. Aker also received dividends totalling NOK 413 million from Aker Kvaerner Holding.

These are the most important portfolio changes in 2012:

- The value of Aker's share investment in Aker Solutions grew by 79 per cent to NOK 8.7 billion.
- The value of Aker's share investment in Kvaerner grew by 66 per cent to NOK 1.3 billion.
- Aker reduced its shareholding in Det norske oljeselskap from 50.81 to 49.99 per cent. The sale of 1.05 million shares

at a price of NOK 88 per share, in total 92 million, was conducted to prevent Aker from having to provide a parent company guarantee for owning more than 50 per cent of the company. In December 2012, Aker participated in a share issue by Det norske, and was allocated 6 394 509 shares. The price was NOK 80.50 per share, resulting in a total investment of NOK 515 million.

- Aker participated in a share issue by Aker BioMarine in the sum of NOK 215 million, and purchased shares in the biotechnology company for NOK 48 million on the open market. Aker and Aker BioMarine merged in 2013 (effective as of January 2013), making Aker BioMarine a wholly-owned subsidiary of Aker.
- Ocean Yield was established in 2012. Aker's investment is valued at NOK 2.5 billion.
- Aker Seafoods is the second newcomer to the industrial portfolio. The harvesting company was transferred from Converto Capital Fund, and had a market value of NOK 365 million at the end of 2012.

Industrial strategy

Aker invests in companies that operate in industries in which Aker has expertise,

experience and a track-record of creating value. Since listing in September 2004, Aker has provided investors with an annual average return of 30 per cent, including dividends.

Aker is a significant shareholder and has strategic influence in companies that are leaders or potential leaders in their fields. Its focus is on the energy market, sustainable fisheries management and the processing of marine resources and ingredients derived from krill. Aker has long traditions in these industries.

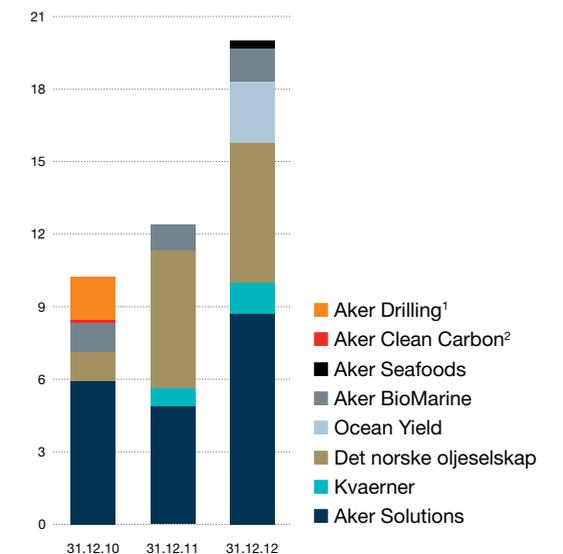
By exercising active ownership, Aker promotes the independence and robustness of each company in its industrial portfolio. In terms of financing, Aker invests in the shares of the underlying companies, which in turn obtain loan capital from external sources.

Aker will continue to develop its role as an equity investor, thereby generating attractive long-term returns. Aker has the necessary financial clout and industrial expertise to grow its industrial investment portfolio further.

As an active owner of companies with excellent value and return potential, Aker's agenda is to contribute to long-term, solid returns for all shareholders. The company's focus is on profitable operations and

Aker's industrial holdings

(NOK billion)



¹ Sold in 2011

² Sold in 2012

growth, capital structure and industrial measures. Acquisitions, mergers, and transactions are typically conducted through Aker's industrial portfolio companies.

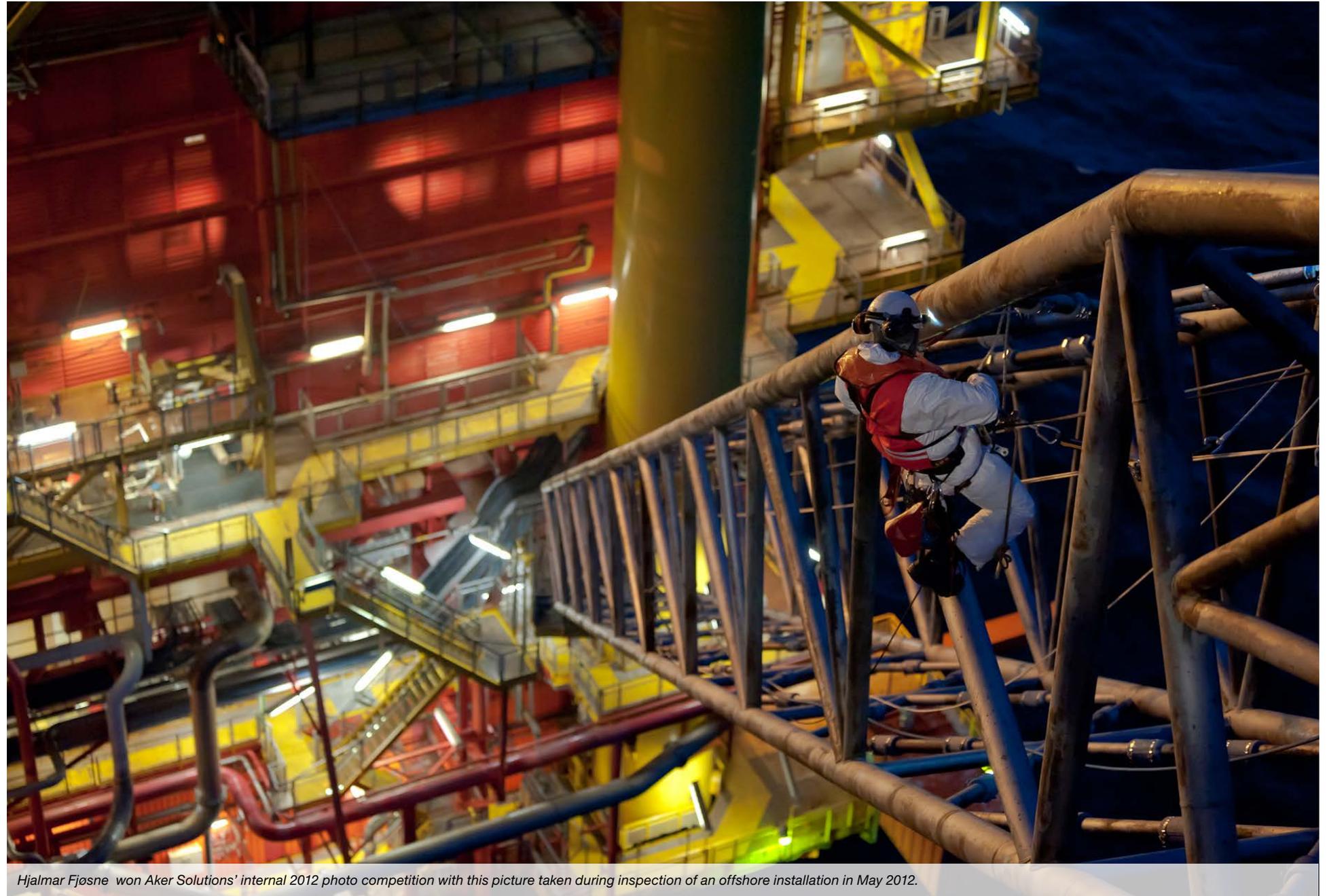
Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments



Hjalmar Fjøsne won Aker Solutions' internal 2012 photo competition with this picture taken during inspection of an offshore installation in May 2012.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments



Aker Solutions ASA

Aker Solutions is a leading global supplier of products, systems and services for the oil and gas industry. The company's expertise and technology cover the entire production chain from reservoir development to on-stream production, and the entire field lifecycle.

Executive board chairman: Øyvind Eriksen

Aker investment director: Nicoletta Giadrossi

Aker Solutions in 2012

The Aker Solutions share price rose from NOK 62.95 to NOK 112.80 in 2012. In April 2012, Aker Solutions paid a dividend of NOK 3.90 per share for 2011, compared to NOK 2.75 the previous year. Including dividends, the return on the Aker Solutions share was 87 per cent in 2012, making it one of among the best-performing global oil service company stocks.

Including dividend, Aker Solutions increased Aker's net asset value by NOK 4.2 billion in 2012. The dividend of NOK 301 million received from Aker Solutions constituted 72 per cent of Aker's total dividend revenues from the operating companies in its industrial portfolio.

Aker plays an active, key role in Aker

Solutions. Aker President and CEO Øyvind Eriksen has been Aker Solutions' Executive Board Chairman since June 2010. During this period, Aker Solutions has changed course, and is now being streamlined as an oil service company. At the company's capital markets day in December 2012, it was announced that its growth rate is in line with the vision presented in 2010: a doubling of revenue in five years and an increase of 3 to 4 percentage points in the EBITDA margin during the same period.

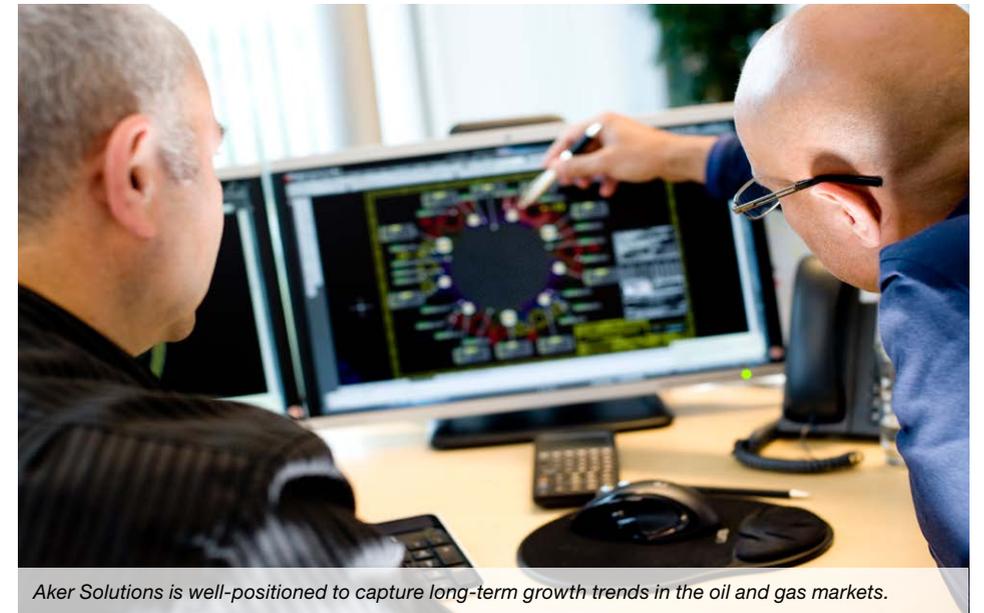
Aker Solutions has extended its ambitions, and expects continued growth through 2015. It also aims to improve its EBITDA margin on current business areas to 15 per cent in 2017. The order backlog totalled NOK 56.7 billion at the end of 2012, up from NOK 41.4 billion one year previously.

Aker's engagement

Aker owns 70 per cent of the shares in Aker Kvaerner Holding AS, which in turn owns 40.3 per cent of the shares in Aker Solutions, giving Aker an equity interest equivalent to 28.2 per cent in Aker Solutions. Aker's stake was valued at NOK 8.7 billion as at 31 December 2012. Øyvind Eriksen, Kjell Inge Røkke and Nicoletta Giadrossi represent Aker on Aker Solutions' board of directors.

Key figures

		2012	2011
Operating revenues	NOK million	44 922	36 474
EBITDA	NOK million	4 739	3 445
EBITDA margin	Per cent	10.5	9.4
Order backlog	NOK million	56 698	41 449
Order intake	NOK million	60 312	41 327
Share price	NOK	112.80	62.95
Earnings per share	NOK	8.33	19.37
Number of employees		20 861	18 365



Aker Solutions is well-positioned to capture long-term growth trends in the oil and gas markets.

Aker's view of Aker Solutions

The oil service industry is growing. Most of Aker Solutions' business areas are growing by more than the general market growth rate of 10 to 12 per cent per year. This means that the company is maintaining or winning market shares in selected business areas.

Aker Solutions is well positioned to profit from long-term growth in the oil and gas

markets. The company has leading engineering expertise and a strong position as a supplier of technologies and products for oil and gas production in deepwater fields and harsh environments.

Stable, high oil prices in 2011 and 2012 have encouraged oil companies to increase their investment budgets. Major oil discoveries on the Norwegian continental shelf

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kvaerner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

“Aker Solutions is well positioned to profit from long-term growth in the oil and gas markets.”

mean bright prospects for the future of the domestic supplier market. Statistics Norway has estimated that petroleum investment on the Norwegian continental shelf will exceed NOK 200 billion in 2013.

Aker Solutions aims to achieve average annual revenue growth of 15 per cent in the period to 2017. At this growth rate, the company's revenue will double to almost NOK 90 billion by the end of 2017. Aker Solutions' most important value driver is improving the company's market position and customer satisfaction, not least by delivering projects in accordance with agreed deadlines and quality criteria. Success will require not only the continued development of technology, products and services, but also leadership, strong role models, clearly defined responsibilities and motivated employees with the right expertise and attitude. In addition, increasing the service content of the business will reduce the company's exposure to oil and gas industry investment cycles, and make activity levels more predictable.

Aker Solutions' engineering expertise gives it a unique profile, and is key to its ability to compete for and deliver contracts and assignments. This applies to both cooperation with Norwegian and global oil companies and the coordination of activi-

ties with Kvaerner ASA and fabrication yards.

Despite the growth in its share price in 2012, Aker Solutions remains undervalued relative to comparable companies, based on various pricing multiples. In Aker's view, there is considerable potential for growth in Aker Solutions' share price and dividend level, and thus in the resulting contribution to Aker's net asset value.

Aker's plan for value creation

The market is growing. This presents various opportunities to create significant value for the shareholders in Aker Solutions and Aker.

Aker's plan for continued value creation in Aker Solutions is to pursue targeted, profitable growth. As a shareholder in Aker Solutions, Aker will give priority to conditions for profitability, improvements, predictability of supply and structural opportunities, and thereby create and crystallise value for all shareholders. This can be achieved by focusing on operations, management and organisational development, project implementation, investment decisions, working capital, organic growth, acquisitions, sales of businesses and cooperation with other companies.

Aker Solutions is expected to generate a



Aker Solutions' engineering expertise gives it a unique ability to deliver on assignments and contracts.

long-term return in line with Aker's requirement of 12 per cent per year for industrial investments. The company's dividend policy is to pay out 30 to 50 of its net result to shareholders every year. Aker expects dividends from Aker Solutions to grow in the years ahead.

See also www.akersolutions.com

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kvaerner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

KVÆRNER™



Kvaerner ASA

Kvaerner is a specialised EPC company that plans and executes large, complex off- and onshore projects. EPC is the acronym for Engineering, Procurement and Construction.

Board chairman:	Kjell Inge Røkke
President and CEO:	Jan Arve Haugan
Aker investment director:	Michael Buffet

Kvaerner in 2012

The Kvaerner share price rose from NOK 9.75 to NOK 16.20 in 2012. Kvaerner paid a dividend of NOK 1.00 per share in April 2012, and a further dividend of NOK 0.53 in October 2012. Including dividends, the share produced a return of 83 per cent in 2012, significantly outperforming comparable international companies. The Oslo Stock Exchange Benchmark Index (OSEBX) rose by 14 per cent in 2012.

Kvaerner increased Aker's net asset value by NOK 616 million in 2012, including dividend received. The dividend payment of NOK 118 million accounted for 28 per cent of Aker's total dividend revenues from the operating companies in its industrial portfolio.

Since Kvaerner was demerged from Aker Solutions in July 2011, the company's order backlog has almost doubled, to NOK 21 billion at the end of 2012. Major oil discoveries, particularly on the Norwegian continental shelf, have boosted activity levels. A solid foundation for profitable growth has been laid.

Aker's engagement

Aker indirectly owns 28.7 per cent of Kvaerner, and the shareholding was valued at NOK 1.25 billion as at 31 December 2012.

Kjell Inge Røkke represents Aker on Kvaerner's board of directors. Aker exercises its ownership of Kvaerner through Aker Kvaerner Holding, which is owned by Aker (70 per cent) and the Norwegian State (30 per cent). Aker Kvaerner Holding owns 41 per cent of Kvaerner.

Aker's view of Kvaerner

The market for offshore fabrication projects is growing, driven by large oil discoveries and strong underlying growth in energy demand. This is stimulating increased oil company investment in oil and gas fields and new developments.

Kvaerner has extensive experience of challenging offshore field developments,

Key figures

		2012	2011
Operating revenues	NOK million	10 748	13 295
EBITDA	NOK million	473	1 073
EBITDA margin	Per cent	4.4	8.1
Order backlog	NOK million	21 262	10 046
Order intake	NOK million	22 070	10 897
Share price as at 31. December	NOK	16.20	9.75
Earnings per share	NOK	0.89	2.08
Number of employees		2 966	3 156



Kvaerner was awarded a major contract for Shell for the upgrade of the Ormen Lange/Nyhamna facilities.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kvaerner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

and supplies topside facilities, floating facilities, concrete and steel substructures as well as onshore facilities. The offshore markets are growing. Significant oil discoveries on the Norwegian continental shelf means that the future prospects of this offshore market are particularly positive. This is attracting new market entrants and intensifying competition, particularly from Asian and European yards for topsides and jackets respectively.

Kvaerner's core expertise is the implementation of complex fabrication projects, usually based on an EPC contract with the customer. The company has cutting-edge expertise in engineering, procurement, construction and project management. Projects are performed using a resource base comprising Kvaerner employees, partners and sub-contractors. Aker Solutions is a key supplier of engineering services to Kvaerner on selected projects.

Kvaerner's strategy is to pursue organic growth with limited investments, and the company is continuously refining their delivery model, evaluating opportunities for low-cost fabrication and partnerships with other yards. The purpose will be to cut costs and improve competitiveness. Kvaerner's most important competitive advantage is its ability to deliver complex, high-quality projects on time and on budget. This requires continuous improvements in project delivery and risk management to ensure that deliveries are flawless.

Aker's plan for value creation

Kvaerner aims to develop its position in the North Sea market further, and is making targeted efforts to achieve profitable international growth.

In its capacity as a shareholder, Aker supported the demerger of Kvaerner from

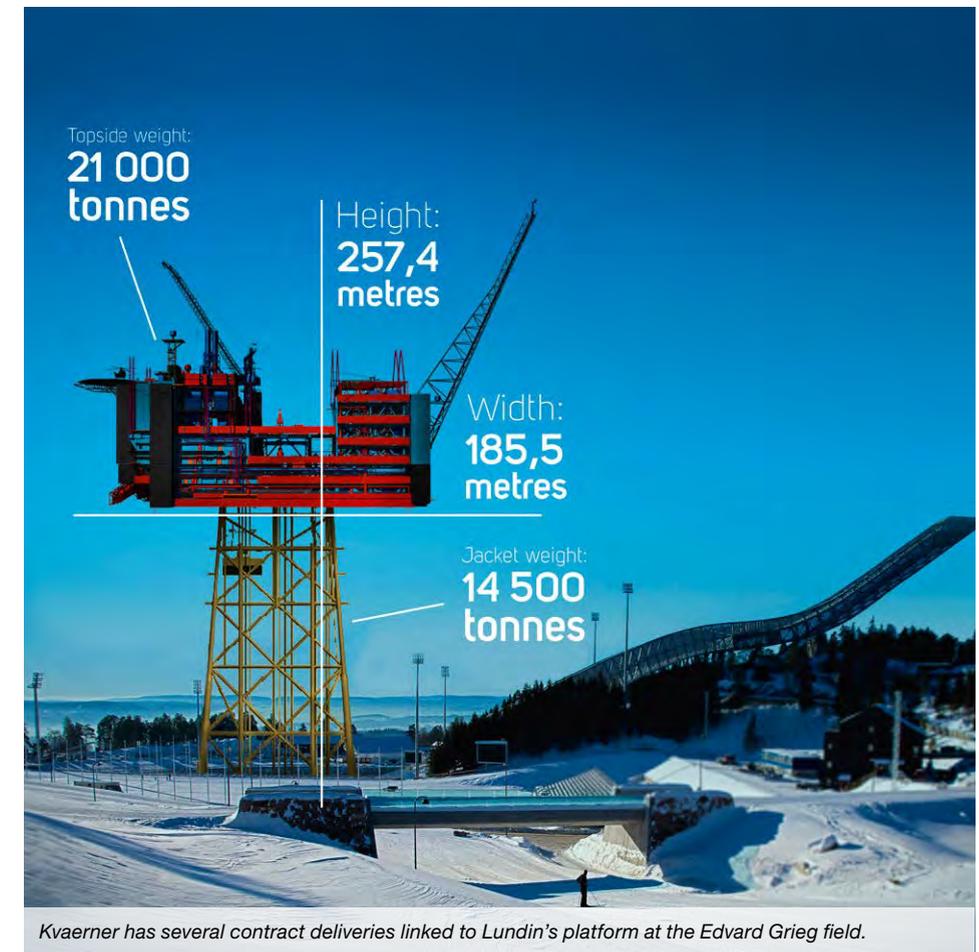
Aker Solutions as an independent company. Aker will continue to promote Kvaerner's development. The aim is to win new contracts, strengthen good customer relations, deliver projects on time, on quality and on budget, and achieve satisfactory profit margins.

Kvaerner's profit margins are too low compared to peers. Aker believes that the company can deliver EBITDA margins of 7 to 8 per cent over a given period. This is double Kvaerner's current profitability. Aker is prepared for results to fluctuate from quarter to quarter and year to year, as is natural for an EPC business. Revenues will fluctuate with the project facing and margins will vary at different project stages and in accordance with the composition of the project portfolio.

Aker expects Kvaerner to produce a long-term average return for shareholders of more than 12 per cent per year. Since being listed in the summer of 2011, Kvaerner has beaten this benchmark by a considerable margin. Kvaerner's dividend policy includes the stated intention of increasing its nominal dividend by 10 per cent per year. The company pays dividends semi-annually, and paid out a total of NOK 1.53 per share in 2012.

See also www.kvaerner.com

“Aker expects Kvaerner to produce a long-term average return to shareholders of more than 12 per cent per year. Since listing in the summer of 2011, Kvaerner has beaten this benchmark by a considerable margin.”



Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments



Det norske oljeselskap ASA

Det norske is a partner in the Johan Sverdrup field, one of the largest-ever oil discoveries on the Norwegian continental shelf. The company also has ownership interests in 67 licences on the Norwegian continental shelf, and is the operator of 26 of these. Ivar Aasen is the company's first large development assignment.

Board chairman:	Svein Aaser
Managing director:	Erik Haugane
Aker investment director:	Maria Moræus Hanssen

Det norske in 2012

Det norske's share price started 2012 at NOK 88, but fell to NOK 82.50 by the end of the year. Compared to a 226 per cent share price increase the previous year, this 6.2 per cent drop illustrates that the company's primary value driver thus far has been the Johan Sverdrup discovery made in 2011. The Geitungen find in the Johan Sverdrup field made 2012 a good exploration year for Det norske.

Aker sold and purchased shares in Det norske in 2012, increasing its net share investment by NOK 423 million. Aker's

stake in Det norske now accounts for 22 per cent of its total net asset value.

In January, Aker sold 1.05 million shares in Det norske at a price of NOK 88 per share, reducing its ownership interest from 50.81 per cent to 49.99 per cent. The purpose of the sale was to avoid having to issue the parent company guarantee the Ministry of Petroleum and Energy requires from companies owning more than 50 per cent.

In December, Det norske issued 12.8 million new shares at a price of NOK 80.50 per share. Aker subscribed in proportion to its existing stake, and was awarded approximately 6.4 million shares. This increased Aker's shareholding in Det norske to 70 339 610 shares.

The share issue generated NOK 1 019 billion of new capital for Det norske. The net revenue will primarily fund Det norske's developments in the Ivar Aasen field. The capital increase is regarded as an important element in the company's long-term financial strategy.

Det norske booked an impairment charge of NOK 1.88 billion before tax in 2012. The impairment was a result of operational difficulties connected to drilling and completion of two planned production wells in the Jette field, which increased capital costs and reduced production.

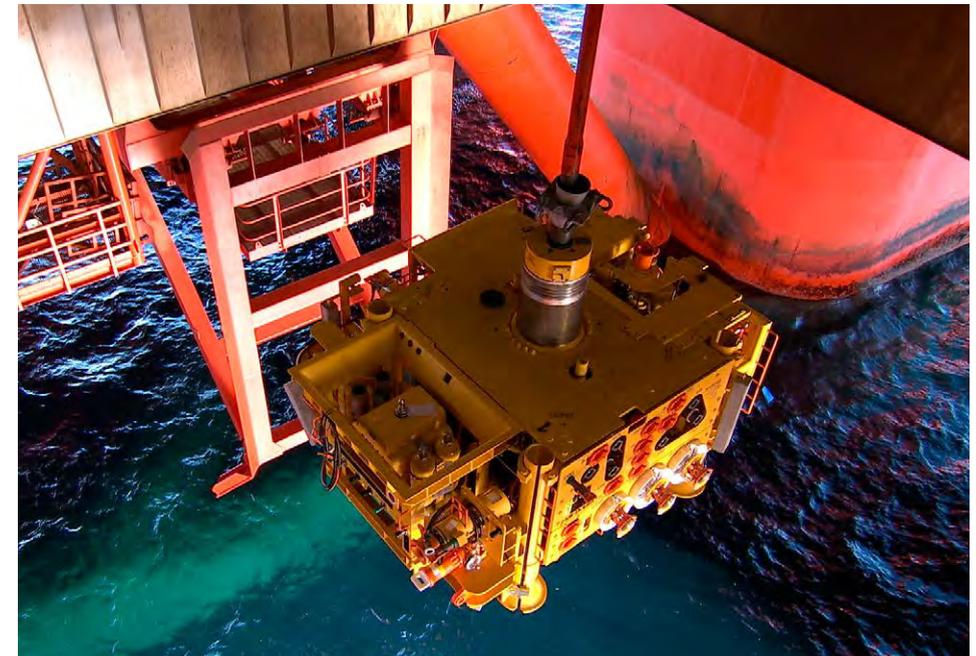
Key figures

		2012	2011
Operating revenues	NOK million	332	372
Profit after tax	NOK million	(957)	(459)
Exploration expenses	NOK million	1 609	1 012
Share price	NOK	82.50	88.00
Earnings per share	NOK	(7.44)	(3.99)
Number of employees		209	173

In December 2012, Det norske submitted its plan for development and operation (PDO) of the Ivar Aasen field. The field, which is located north-west of the Johan Sverdrup field in the North Sea, contains around 150 million barrels of oil equiva-

lents. Production start-up is planned for the fourth quarter of 2016.

Depending on the oil price and how production develops, the economic life of the Ivar Aasen field may be as long as 20 years. Total investment in the project is



Installation of a Horizontal Xmas Tree (HXT) at the Jette field, from the Transocean Barents.

Operations

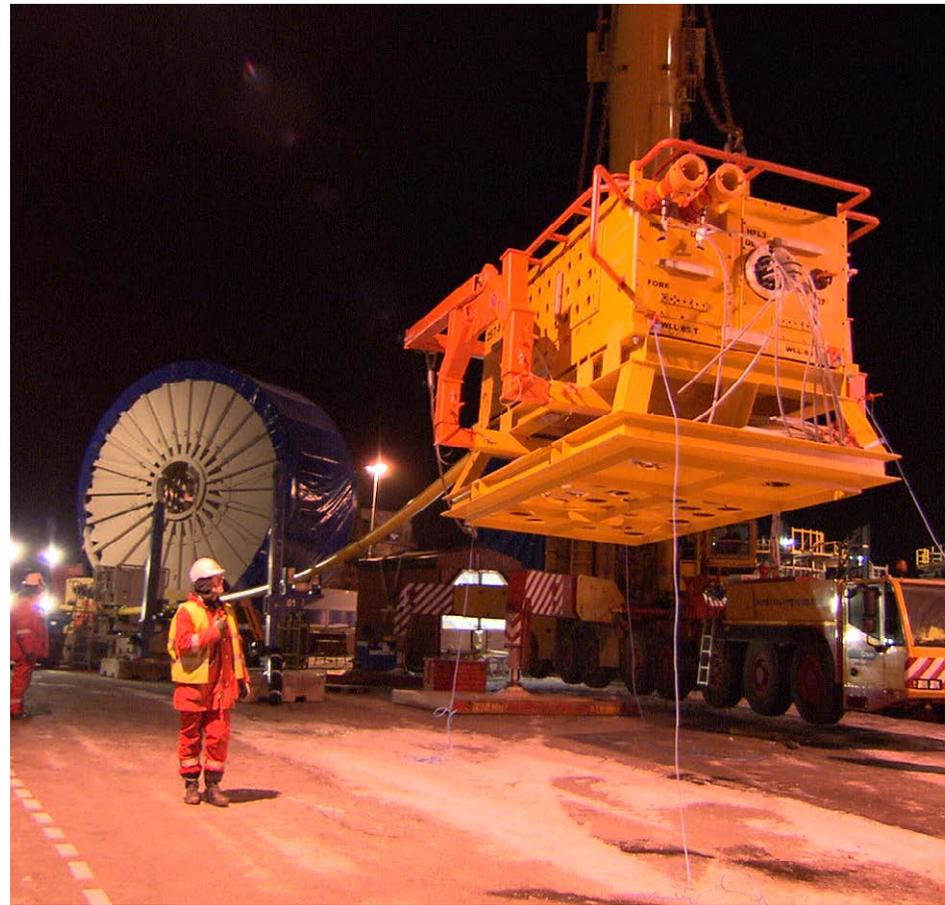
→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

“Det norske’s ownership interests in Johan Sverdrup and its exploration portfolio constitute substantial future values, far beyond what is reflected in the current share price.”



Subsea Distribution Units for the Jette field are loaded onto the Skandi Acergy in December 2012.

estimated at NOK 24.7 billion. At the current oil price, gross revenue of around NOK 100 billion is anticipated over the field’s economic life.

In the fourth quarter of 2012, Det norske CEO Erik Haugane announced his retirement in 2013 pursuant to a clause in his contract allowing him to retire at the age of 60.

Aker’s engagement

Aker owns 49.99 per cent of the shares in Det norske. Aker’s shareholding was valued at NOK 5 803 million as at 31 December 2012. Aker’s cost price for its shares in Det norske is NOK 3 272 million. Maria Moræus Hanssen represents Aker on Det norske’s board of directors.

Aker’s view of Det norske

Det norske is well-positioned on the Norwegian continental shelf, an attractive oil province with increasing activity levels. The company’s financial position is sound.

The development of the Johan Sverdrup field will be one of Det norske’s most important value drivers for the next few years. The Geitungen discovery enhanced the value of the field, and large oil finds in the past three years have boosted confidence that the Norwegian continental shelf still contains significant undiscovered deposits of oil and gas.

In Aker’s view, it is important that Det norske continues to pursue an ambitious exploration strategy, as this will generate future value and keep the company competitive in the battle for new exploration licences on the Norwegian continental shelf. The development of the Jette field and, in particular, the Ivar Aasen field is important to meet production growth targets and protect Det norske’s position as

an operator on the Norwegian continental shelf.

Aker sees considerable potential for new discoveries and continued high production on the Norwegian continental shelf, and is fundamentally optimistic regarding a continued high oil price.

Aker’s plan for value creation

Aker is constantly considering new ways to create and crystallise value for all shareholders in Det norske. Det norske’s ownership interests in Johan Sverdrup and the exploration portfolio constitute substantial future values, far beyond what is reflected in the current share price. In addition, the company had ownership interests in 67 licences as of the end of 2012, and was operating 26 of these. Aker’s plan for value creation in Det norske is to optimise the company’s field and licence portfolio and to ensure robust funding for its participation in the Johan Sverdrup development at the lowest possible cost of capital. As Det norske’s largest shareholder, Aker aims to drive these efforts forward and to actively assist in the development of various financing alternatives for the company.

Det norske is expected to produce a long-term average return for shareholders of more than 12 per cent per year. Aker expects Det norske to begin paying dividends to shareholders once production starts at the Johan Sverdrup field.

See also www.detnor.no

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments



Ocean Yield AS

Ocean Yield invests in modern ships in the oil service and industrial shipping sectors. All ships in the portfolio are on long-term contracts, typically five to 12-year bareboat contracts against counterparties with solid credit ratings. The company is focused on expanding its fleet and paying out high dividends.

Board chairman:	Svein Aaser
Managing director:	Lars Solbakken
Aker investment director:	Trond Brandsrud

Ocean Yield in 2012

Aker established Ocean Yield as a wholly-owned subsidiary in 2012. The company's opening balance was NOK 6.8 billion in assets, and Aker's share investment has a book value of NOK 2.5 billion.

The portfolio comprises the FPSO unit *Dhirubhai-1*, the offshore construction vessel *Aker Wayfarer*, the construction and cable-laying vessel *Lewek Connector* and the seismic vessel *Geco Triton*, in addition to new-build contracts for two car carriers (to be delivered in 2014), and 93 per cent of an issue of senior unsecured bonds by American Shipping Company (AMSC 07/18 FRN C).

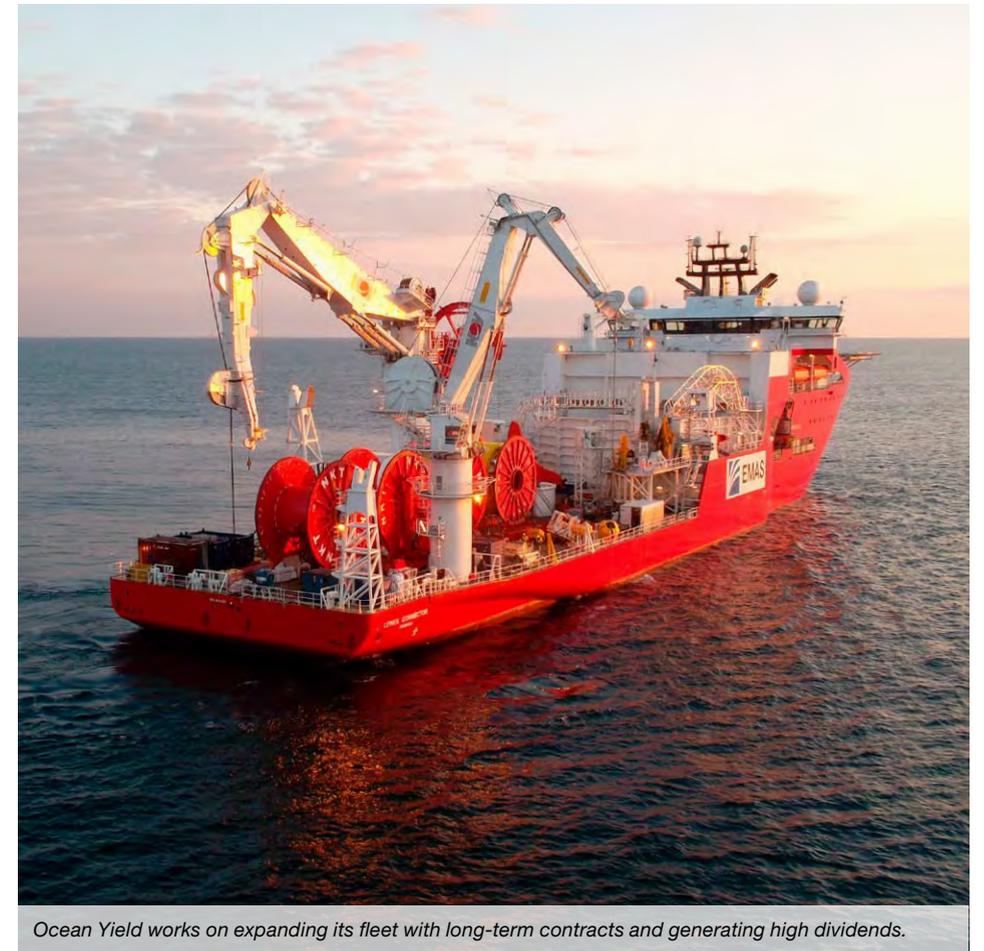
Both the acquisition of the *Lewek Connector* and the two car carriers were concluded after the establishment of Ocean Yield. The *Lewek Connector* was purchased for USD 315 million, and is currently on a 10-year "hell and high water" bareboat contract with EMAS AMC. The car carriers will be leased to Höegh Autoliners on 12-year bareboat contracts upon delivery in 2014. This growth is consistent with the company's strategy of diversifying its portfolio to include ships on long-term contracts.

In June, Ocean Yield issued NOK 600 million of unsecured bonds with a maturity date of July 2017. The bonds have a floating coupon rate of three-month NIBOR + 6.5 per cent. The proceeds will be used to support further growth through new investments.

In July, American Shipping Company (AMSC) announced an agreement with a bank syndicate to extend the loans on its 10 product tankers, now all repayable on 30 June 2016. In connection with this agreement, Overseas Shipholding Group (OSG) confirmed a uniform termination date of December 2019 for AMSC's 10 bareboat contracts (previously nine individual termination dates in the period 2014–2016 and one in 2021). Ocean Yield owns AMSC

Key figures

		2012	2011
Operating revenues	NOK million	1 094	1 023
EBITDA	NOK million	881	834
Number of employees		19	26



Ocean Yield works on expanding its fleet with long-term contracts and generating high dividends.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

bonds worth approximately NOK 1.0 billion. OSG has filed for Chapter 11 creditor protection but, according to AMSC, this is not expected to have negative financial effects on the company's lease revenues from the product tankers, as the end customers are solid oil companies.

Ocean Yield has laid a good foundation for the payment of dividends in future years, and will continue its development through further investment in ships on long contracts.

Aker's engagement

Aker owns 100 per cent of the shares in Ocean Yield, which were valued at NOK 2 532 billion as at 31 December 2012. Kjell Inge Røkke, Trond Brandsrud and Katrine Mourud Klaveness represent Aker on Ocean Yield's board of directors.

Aker's view of Ocean Yield

Ocean Yield has a strong order backlog and high dividend capacity. At the end of 2012, the company had an order backlog equivalent to total EBITDA of USD 1.5 billion. The average remaining contract period for the ships in the portfolio is 7.2 years.

The company is developing in line with its objective of producing significant dividends for Aker in future. Consideration is being given to potential sources of new equity to fund continued growth. Ocean Yield plans to list during the course of the next 12 months, provided that the market conditions are favourable. Aker intends to retain a controlling stake in Ocean Yield.

Ocean Yield will continue to expand its portfolio with long-term contracts and with a focus on high dividend payments to shareholders. The leasing market for ships and marine assets for the oil industry and other selected sectors is expected to



Ocean Yield's two car carriers will be leased to Höegh Autoliners on 12-year bareboat contracts.

remain strong. Ocean Yield's investment strategy is to grow by building a diversified portfolio of modern assets, bareboat or time-charter contracts for 5–12 years with counterparties with good credit ratings, limited operational risk and moderate residual risk linked to the assets at the end of their leases. Ocean Yield aims to fund around 70 per cent of its projects with bank loans and 30 per cent with equity.

Aker's plan for value creation

Aker will continue to develop Ocean Yield with the aim of building a strong profile as an attractive investment object that pro-

duces good returns and has limited risk exposure. The aim is to expand the portfolio with marine assets on long contracts. The aim for each investment is a minimum annual return (IRR) on equity of 12 per cent.

Further growth will require the injection of third-party capital. Aker will develop

Ocean Yield into a company that delivers a predictable, increasing dividend to its shareholders. Ocean Yield will be an important source of dividends for Aker in future.

See also www.oceanyield.no

“Ocean Yield will continue to expand its portfolio with long-term contracts and with a focus on high dividend payments to shareholders.”

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments



Aker BioMarine ASA

Aker BioMarine develops, markets and sells ingredients produced from sustainably harvested krill. The biotechnology company's products have documented application benefits in the animal and fish feed, food, dietary supplement and pharmaceutical industries.

Board chairman:	Trond Brandsrud
President and CEO:	Hallvard Muri
	Lars Kristian
Aker investment manager:	Kildahl

Aker BioMarine in 2012

The Aker BioMarine share price rose from NOK 1.28 to NOK 1.39 in 2012, an increase of 8.6 per cent. Aker BioMarine also increased Aker's net asset value by NOK 44 million.

The krill harvesting vessel Antarctic Sea was put in operation, doubling the size of Aker BioMarine's fleet. This has increased the company's capacity and access to krill, thus improving operational stability.

In March, Aker BioMarine completed a rights issue of 217 million shares at a price of NOK 1.15 per share, for a total of NOK 250 million. Aker was allocated 187 million

shares, maintaining its 86.13 per cent stake in Aker BioMarine.

In September, Aker BioMarine's second-largest shareholder, AXA Investment Managers, contacted Aker with the intention of selling its 4.9 per cent shareholding in the biotechnology company. The discussions between Aker and AXA resulted in a proposal to merge Aker BioMarine and Aker. The merger was unanimously approved at the company's general meeting in November, and implemented with effect from 15 January 2013 by swapping one Aker share for every 154.2 Aker BioMarine shares. To facilitate the share swap with the minority shareholders, Aker purchased 750 000 Aker shares at a market price of NOK 208 per share. In November, Aker purchased 3.1 per cent shares in Aker BioMarine and increased the stake in the company to 89.2 per cent.

Although Aker BioMarine is developing positively, it has taken more time than expected to develop it into a mature industrial company. Aker BioMarine is being developed further as a wholly-owned subsidiary. Aker has established a short-term credit facility for Aker BioMarine, under which NOK 90 million were drawn down in the second half of 2012.

Key figures

		2012	2011
Operating revenues	NOK million	469	330
EBITDA	NOK million	66	36
Profit after tax, continued operations	NOK million	(66)	(113)
Net interest-bearing debt	NOK million	649	613
Share price	NOK	1.39	1.28
Earnings per share, continued operations	NOK	(0.06)	(0.12)
Number of employees		111	49



Aker BioMarine harvesting Antarctic krill in the Southern Ocean.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

Aker's engagement

Aker owns 89.25 per cent of the shares in Aker BioMarine, which were valued at NOK 1.4 billion as at 31 December 2012.

Aker's view of Aker BioMarine

The markets for Aker BioMarine's products are growing, with krill emerging as one of the most exciting ingredients in the international dietary supplements market. Krill products are attracting considerable attention and increasing interest in the U.S. in particular. The company also experienced significant growth in Asia and the Pacific region in the second half of 2012.

Aker BioMarine remains in a development phase. In 2012, significant progress was made amid a phase of intensified sales and marketing efforts, increased demand and operational improvements.

Aker BioMarine is collaborating with the American investment fund Lindsay Goldberg through the Epax Group, a 50/50 joint venture, on the development of pharmaceutical ingredients based on krill. The purchase of a factory at Seal Sands, England, has given Epax access to innovative technology for concentrating omega-3. Following a facilities upgrade, the company expects the factory to be ready to produce Active Pharmaceutical Ingredients (API) in 2013. It is also working on promising clinical studies of pharmaceuticals containing omega-3.

Further, the Epax Group invested in a new joint venture company, Inspirion Delivery Technologies (IDT), in 2012. IDT's business concept is to develop products employing a patented technology to prevent abuse of strong narcotic painkillers.

In early 2013, Aker injected a further NOK 100 million of equity into Aker BioMarine. These funds will be used solely for fol-

low-up investments in the Epax Group.

Aker has fundamental confidence in the demand growth to which Aker BioMarine directly and indirectly is exposed. The global population is growing quickly, as is the incidence of obesity, diabetes and heart disease. Healthcare costs are escalating in most western nations at the same time as health trends are emerging and triggering high demand for products that improve quality of life.

Aker's plan for value creation

Both Aker BioMarine's krill ingredients and Epax's fish-oil concentrates have good prospects of success in their markets. As an active owner, Aker aims to ensure that Aker BioMarine crystallises its value by achieving satisfactory profits over the next few years.

Aker will develop Aker BioMarine through stable growth and profitable operations. Aker BioMarine's task is to develop the market for its existing products further, and to launch new, innovative products and product applications in cooperation with current and new partners. One important success factor is broad distribution in all geographical markets to ensure continued market growth and increased market share in the years ahead.

See also www.akerbiomarine.com

“Aker BioMarine's task is to develop the market for its existing products further, and to launch new, innovative products and product applications in cooperation with current and new partners.”



Krill has become one of the most promising ingredients in the international food supplements market.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments



Aker Seafoods ASA

Aker Seafoods is Norway's leading white fish (cod, saithe and haddock) harvesting company. It owns one-third of the trawler licences issued in Norway, corresponding to 13 per cent of the total cod quota. Most of Aker Seafoods' fresh fish is delivered to Norway Seafoods.

Board chairman:	Frank O. Reite
President and CEO:	Olav Holst-Dyrnes
Aker's investment advisor:	Converto Capital Management represented by Frank O. Reite

Aker Seafoods in 2012

The Aker Seafoods share price started 2012 at NOK 5.95, and fell to NOK 5.88 by the end of the year, equating to a 1.2 per cent drop. Aker Seafoods accounts for 1.4 per cent of Aker's net asset value.

In 2012, Aker Seafoods was transferred from the Aker-owned Converto Capital Fund into Aker's industrial portfolio. The transfer came after Aker Seafoods was split into two parts: the marketing and processing company Norway Seafoods and the harvesting company Aker Seafoods. The Norway Seafoods shares were distributed

among the Aker Seafoods shareholders, and the company was listed on the OTC list (the Norwegian Securities Dealers Association's marketplace for trading unlisted shares) in January 2012.

The transfer of the Aker Seafoods investment from the Converto Capital Fund to Aker's direct ownership was implemented through the purchase of 61 million Aker Seafoods shares from the fund at a price of NOK 6.50 per share. Aker has engaged Converto Capital Management to act as investment adviser for the Aker Seafoods shareholding. In the autumn of 2012, Aker purchased an additional 784 859 shares at a market price of NOK 5.77 per share.

Aker's engagement

Aker owns 73.2 per cent of the shares in Aker Seafoods, a stake valued at NOK 365 million as at 31 December 2012. Board Chairman Frank O. Reite and Øyvind Erikssen represent Aker on Aker Seafoods' board of directors.

Aker's view of Aker Seafoods

Aker Seafoods has grown under Converto's ownership. The company has achieved improved harvesting efficiency, and invested around NOK 770 million in three

Key figures

		2012	2011
Operating revenues	NOK million	774	863
EBITDA	NOK million	183	232
EBITDA margin	Per cent	24	27
Share price	NOK	5.88	5.95
Earnings per share	NOK	0.73	0.59
Number of employees		338	370



Aker Seafoods is a streamlined harvesting company, and Norway's largest trawler enterprise.

new trawlers due to be delivered in 2013 and 2014. The vessels feature a new hull shape, lower fuel consumption and increased catch capacity. The company has thus taken an important step towards more environmentally friendly and profitable harvesting of white fish. New trawlers and stable resource access will help to improve operations and results.

Aker Seafoods will be streamlined as a harvesting company. Cod and haddock stocks are satisfactory, while saithe stocks are more limited. The Barents Sea fishing industry is being administered in a sustainable manner. Cod stocks have grown, resulting in plentiful harvests in recent years. Cod quotas have been increased by 33 per cent for 2013.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

“The Norwegian Government has proposed changes that mean further restrictions on deliveries from trawlers to onshore processing plants.”

There is considerable uncertainty about future price trends, particularly in the case of cod. This is due to the European financial crisis that has impacted important markets, such as France, Spain and Portugal.

Aker aims to improve Aker Seafoods' public standing. In recent years, the company has experienced several negative incidents. This is unacceptable, and Aker Seafoods is implementing measures to promote improved understanding of the rules and compliance with them.

Aker's plan for value creation

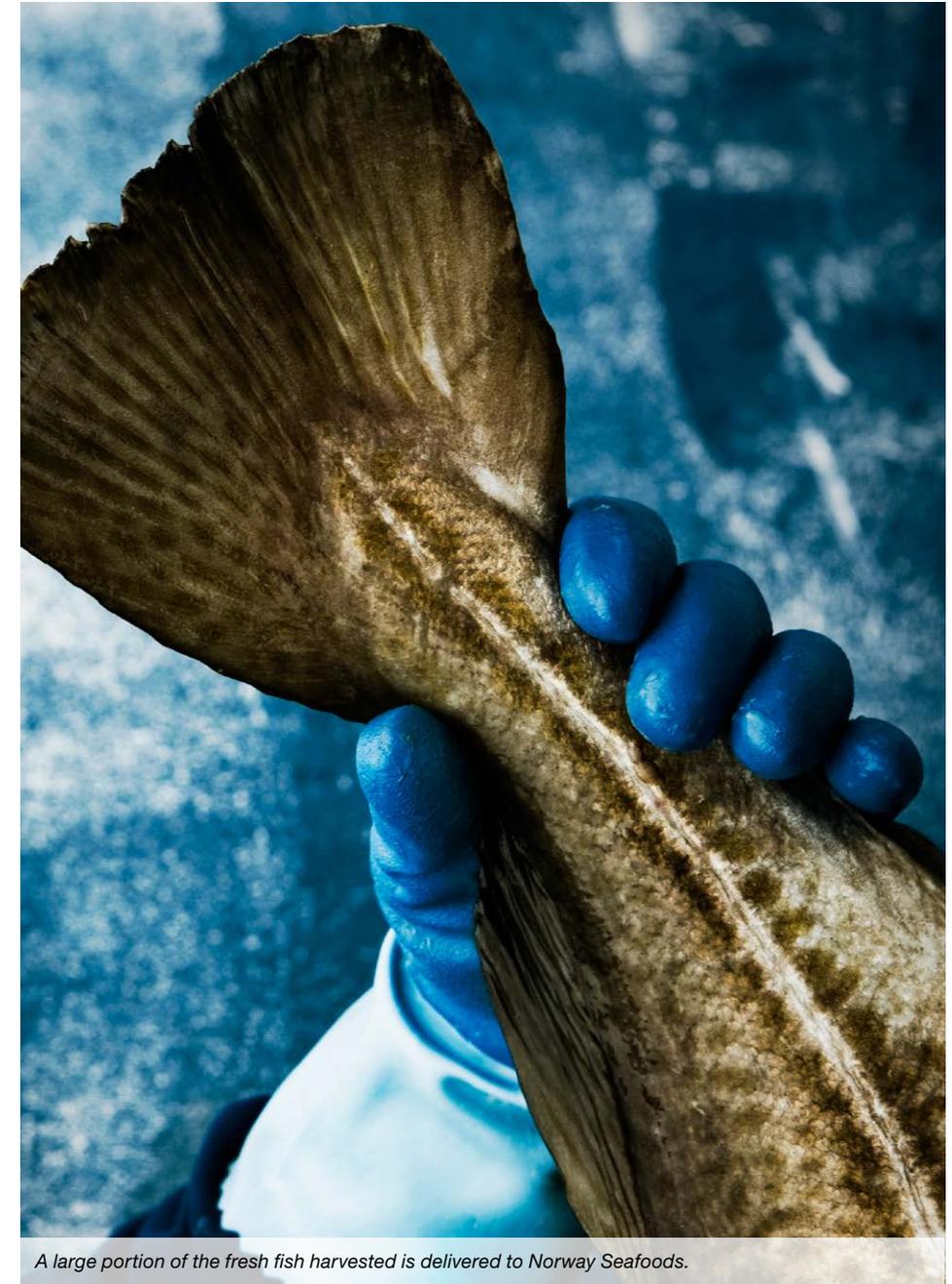
As Norway's largest white fish harvesting company, Aker Seafoods is dependent on a healthy processing industry in Northern Norway, which is lacking at present. The current framework conditions for the white fish industry cause Aker to doubt whether satisfactory results can be achieved.

The Norwegian Government has proposed changes that mean further restrictions on deliveries from trawlers to onshore processing plants. If the proposals are adopted, it will become even more difficult to achieve profitability at all stages. The Aker-controlled company Norway Seafoods, which is administered by Converto, has struggled with weak results due to low capacity utilisation for years. Norway Sea-

foods is Aker Seafoods' largest customer and partner, and leases production facilities and equipment from the company. It is therefore very important for Aker Seafoods that Norway Seafoods' profitability improves.

Since 1996, Aker has invested almost NOK 2.0 billion in the Norwegian white fish industry, but has yet to make a profit. Aker's minimum required return on industrial investments is 12 per cent per year. This also applies to Aker Seafoods. If it becomes clear in 2013 that the required return cannot be achieved in the foreseeable future, Aker will consider various structural measures to enhance value for Aker Seafoods shareholders, including selling vessels and related quotas. As Aker Seafoods is currently renewing its trawler fleet, it is unrealistic to expect dividend payments before 2015.

See www.akerseafoods.com



A large portion of the fresh fish harvested is delivered to Norway Seafoods.

Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

Financial investments

Financial investments totalled NOK 6.7 billion at the end of 2012, including NOK 3.1 billion in cash, equating 25 per cent of the total net asset value of Aker ASA and holding companies.

The financial investments segment encompasses cash, interest-bearing receivables, the real estate development company Fornebuporten, equity investments, shares in funds and other investments. Aker's financial investments are managed by its central finance function under the direction of Aker's CFO and an investment director with day-to-day responsibility for the administration of the portfolio.

Cash reserves of NOK 3.1 billion give Aker financial flexibility. Receivables are loans to subsidiaries and associated companies, on market terms. Total loans to subsidiaries were reduced from NOK 3.2 billion to NOK 1.6 billion in 2012. Aker's wholly-owned real estate development subsidiary Fornebuporten is largely financed by loans from Aker, and accounted for NOK 686 million of receivables.

Fornebuporten has invested a total of NOK 1.0 billion in commercial real estate and an attractive site of some 90 000 square meters at Fornebu in Bærum, just outside Oslo. The plan is to build around 66 000 square meters of offices and 46 600 square meters of residential property. Completion of the first commercial building is planned for May 2015, while building two is expected to be finished in 2016. Fornebuporten has entered into a 50/50 joint venture with Profier for the residential development, and completion of the first phase, approximately 16 000 square meters, is planned for the second quarter of 2015.

The market is showing considerable interest in the office space and residential property that Fornebuporten is offering for lease and sale.

Equity investments comprise several smaller shareholdings, the largest of which are investments in NBT AS and Sparebank 1 SMN. Other financial investments include fixed assets.

Aker's investments in funds are administered by the three management companies Converto Capital Management, Oslo Asset Management and Norron Asset Management. Fund investments totalled NOK 1.5 billion at the end of 2012.

The value of Converto Capital Fund accounted for NOK 0.9 billion of this total. The fund was established in 2009, and is used actively to restructure companies in Aker's portfolio. Since its establishment, the fund has sold shares and companies, with a gain of NOK 500 million. Converto will continue to develop and strengthen the remaining companies in the portfolio and consider realisations of assets.

The fund's largest investments at the beginning of 2013 were Aker Philadelphia Shipyard (71 per cent), American Shipping Company (19.9 per cent), Bokn Invest (40 per cent, the holding company for Align and Stream), Norway Seafoods (73 per cent) and Ocean Harvest (100 per cent). The fund is managed by Converto Capital Management, which is owned by the company's CEO, Frank O. Reite, through his

company Fausken Invest. Aker owns 99.8 per cent of the fund's capital. Read more about the fund at www.converto.no.

Oslo Asset Management has managed the AAM Absolute Return Fund since its foundation in December 2005. The hedge fund achieved a return of 0.96 per cent in its NOK tranche in 2012, compared to 16.29 per cent in 2011. At the end of 2012, Aker owned 9.4 per cent of the AAM Absolute Return Fund's total capital of USD 658 million. External investors own 90.6 per cent of the fund.

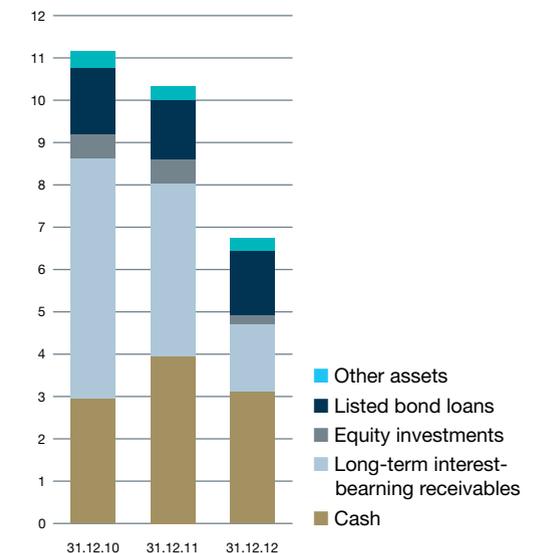
Aker owns 50.1 per cent of Oslo Asset Management, while the employees of the company own the remaining 49.9 per cent. Read more at www.osloam.com.

Norron Asset Management in Stockholm manages Norron Target (a Nordic multi-strategy fund), Norron Select (a Nordic hedge fund), Norron Preserve (a Nordic interest and bond fund), Norron Premium (a Nordic interest fund) and Norron Active (an actively managed share fund). Aker has invested a total of SEK 300 million in Norron Target and Norron Select. In 2012, Norron Target achieved a return of 5.45 per cent, while Norron Select achieved 2.49 per cent. Norron manages SEK 1.7 billion in total.

Aker owns 51 per cent of Norron Asset Management in Stockholm, while the partners in the company own the remaining 49 per cent.

Read more at www.norron.com.

Aker's financial investments
(NOK billion)



Operations

→ Business activities

→ Industrial holdings

- Aker Solutions ASA
- Kværner ASA
- Det norske oljeselskap ASA
- Ocean Yield AS
- Aker BioMarine ASA
- Aker Seafoods ASA

→ Financial investments

Aker's agenda

Aker aims to release at least NOK 3.0 billion from the financial investments portfolio over the next three years. This will primarily be achieved through the realisation of Aker's fund investments, receivables and the real estate investment at Fornebu outside Oslo.

One of Aker's financial objectives is that the sum total of loans and loan guarantees falling due in the next 36 months should normally amount to less than half of the company's cash holdings and Aker will therefore continue to maintain substantial cash reserves to ensure financial flexibility, build a robust balance sheet and lay a solid foundation for predictable dividends.

Other financial investments will be realised gradually. This is consistent with developments in recent years. Since 2009, financial investments excluding cash have been reduced from more than NOK 10 billion to NOK 3.6 billion. Receivables from subsidiaries and associated companies have been cut by NOK 5.3 billion.

“Aker aims to release at least NOK 3.0 billion from the financial investments portfolio over the next three years.”



Aker's real estate development company Fornebuporten is experiencing significant market interest in its leased office spaces and residential housing properties.

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Board of directors' report 2012

Aker* delivered strong financial results in 2012. Net asset value rose 18 per cent to NOK 22.9 billion, the strongest advance since 2006. The company's market value increased 44 per cent in the period, including dividend, outpacing a 15 per cent gain in the Oslo Stock Exchange Benchmark Index (OSEBX).

Aker's share discount to NAV narrowed to a four-year low, from 42 per cent to 34 per cent as per year-end 2012. As an active owner and equity investor, Aker developed its portfolio through new additions and amendments to its Industrial Holdings. Ocean Yield was established as a ship-lease company specialised in oil services and industrial shipping. Aker Seafoods was brought into the Industrial Holdings portfolio following a demerger from Norway Seafoods. A proposed merger of Aker BioMarine and Aker Seafoods Holding, a wholly-owned Aker subsidiary, was approved and completed as scheduled in January 2013. Aker Solutions, the pillar of Aker's Industrial investments, delivered a solid performance, contributing NOK 4.2 billion (including dividend) to Aker's NAV growth for the year.

Aker ASA* employs its financial and industrial expertise to develop the operating companies in its portfolio. The net asset value (NAV) of Aker and holding companies amounted to NOK 22.9 billion at year-end 2012, compared with NOK 19.4 billion a year earlier. NAV amounted to NOK 321 per share, compared with NOK 269 per share at year-end 2011. NAV is a core perfor-

mance indicator at Aker and is determined by applying the market value of exchange-listed shares and book value for other assets. It expresses Aker's underlying value and is a key determinant of the company's dividend. The main contributors to Aker's NAV growth in 2012 were Aker Solutions, which contributed NOK 4.2 billion (including dividend), Kvaerner with NOK 0.6 billion, and Convento Capital fund, which contributed about NOK 0.4 billion.

Aker proactively worked with its portfolio companies to develop their organisation and operations, and increase their financial strength. In accordance with its strategy of becoming primarily an equity investor, Aker reduced its loan exposure to subsidiaries and associated companies to NOK 1.6 billion from NOK 3.2 billion in 2011.

Through 2012, Aker reduced risk in its Industrial Holdings and Financial Investments portfolios. Aker's book equity ratio was 72 per cent, while cash stood at a solid NOK 3.1 billion, providing the company with financial flexibility. Gross interest-bearing debt at year-end 2012 amounted to NOK 3.5 billion and net interest-bearing assets amounted to NOK 1.2 billion. These

figures reflect Aker's sound financial position.

The Boards of Directors of Aker Solutions and Kvaerner have proposed increased dividends for the 2012 fiscal year, while the Board of Ocean Yield proposed to initiate dividend. As a result, Aker's dividend income is forecast to exceed NOK 650 million in 2013.

Aker's Board recommends a payment of NOK 12 per-share ordinary dividend for 2012. The proposed dividend pay-out corresponds to 3.7 per cent of NAV and a yield of 5.7 per cent relative to Aker's 31 December 2012 share price.

Business operations and location

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

As per year-end 2012, Aker had 48 employees working at company headquarters in Oslo and 13 111 shareholders. Its shares trade on the Oslo Stock Exchange. Just over two-thirds of Aker shares are held by companies controlled by Kjell Inge Røkke and his family.

As of late February 2013, Aker was directly or indirectly the largest shareholder in companies that combined had approximately 27 000 employees in more than 30 countries. Six of these companies were

exchange-listed. Aker's activities are divided into two business sectors: Industrial Holdings and Financial Investments.

Industrial Holdings comprises Aker's ownership interests in the oil service company Aker Solutions; the EPC company Kvaerner; the exploration and production company Det norske oljeselskap; the biotechnology company Aker BioMarine; the fish harvesting company Aker Seafoods and the ship-lease company Ocean Yield.

Financial Investments comprises cash, receivables, equity investments, investments in funds and all other assets managed by Aker, with the exception of industrial equity investments. Aker's fund investments include interests in Convento Capital Fund (a private equity fund), AAM Absolute Return Fund (a hedge fund), Norron Target (a Nordic multi-strategy fund), and Norron Select (a Nordic hedge fund), which are managed respectively by Convento Capital Management, Oslo Asset Management and Norron Asset Management. The latter two specialised management companies are controlled by Aker.

Key events in 2012

In the first quarter of 2012, Aker's Industrial Holdings portfolio was expanded to include Aker Seafoods and Ocean Yield, a newly-established company. Aker reduced its ownership in Det norske to 49.99 per cent from 50.81 per cent to avoid issuing a parent company guarantee for owning over 50 per cent of the company, as required by the Norwegian Ministry of Petroleum and Energy. Aker BioMarine conducted a NOK 250 million rights offering, issuing 217 mil-

^{*) "Aker" refers to Aker ASA and holding companies, as listed in [Note 1](#) for the annual accounts of Aker ASA and holding companies, [page 138](#).}

^{*) "Aker Group" refers to Aker ASA and subsidiaries consolidated into the Group accounts, as listed in [Note 27](#) for the annual accounts of Aker Group, [page 100](#). "Group consolidated accounts" include the financial statements of the parent company Aker ASA, its subsidiaries, and interests in associated companies and jointly controlled entities.}

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lion new shares, of which Aker was allocated 187 million shares, thereby retaining its 86.13 per cent stake. Aker issued two bonds of NOK 500 million each, with a five and seven-year maturity.

In the second quarter of 2012, Aker Solutions announced a NOK 23 billion order intake, indicating the continued strong demand in most of its markets and the high bidding activity. Kvaerner reported a solid NOK 15 billion order intake in the quarter. Ocean Yield conducted a NOK 0.6 billion bond issue with maturity in July 2017, providing the company with additional financing for growth.

In the third quarter of 2012, Det norske announced an oil discovery at the North Sea Geitungen prospect, believed to be an extension to the north of the Johan Sverdrup field and estimated to hold 170 to 240 million barrels of recoverable oil. The oil company also booked a NOK 1.88 billion impairment charge on the Jette field due to technical challenges encountered during drilling. Ocean Yield signed a contract for two new-building Pure Car Truck Carriers (PCTCs) that will be chartered to Höegh Autoliners, in line with the company's strategy of expanding its portfolio with vessels on long-term contracts. Aker proposed a triangular merger with Aker Seafoods Holding and Aker BioMarine, whereby shareholders in Aker BioMarine were offered Aker shares in consideration. Aker Philadelphia Shipyard sold two product tankers built without contract, substantially reducing Aker's risk exposure. Aker placed a NOK 1.0 billion bond with a 10-year maturity, thereby extending the company's average debt maturity to over five years.

In the fourth quarter, Ocean Yield acquired the offshore construction vessel Lewek Connector, which will operate on a

10-year bare-boat charter to a subsidiary of Ezra Holdings. The proposal to merge Aker BioMarine and Aker Seafoods Holding was approved by the boards and by the companies' shareholders at extraordinary general meetings. Det norske submitted the plan for development and operation for the Ivar Aasen field for which it is operator, with production scheduled to start in 2016.

Industrial Holdings

Industrial Holdings is one of Aker's two business segments and comprises the company's long-term investments. The market value of Aker's Industrial Holdings was NOK 20 billion as at 31 December 2012, compared with NOK 12.4 billion at year-end 2011. The change is attributable to the addition of companies and portfolio value development.

Aker brought two new companies into its Industrial portfolio in 2012: the white-fish harvesting company Aker Seafoods and the ship-lease company Ocean Yield. The marketing and processing company Norway Seafoods was spun off from Aker Seafoods at the start of 2012. Converto Capital Management has retained Norway Seafoods in its portfolio and continues to manage Aker Seafoods on behalf of Aker. Aker's ownership interest in Aker Seafoods stood at 73.2 per cent at year-end 2012, down from 73.6 per cent at the start of the year. The holding was valued at NOK 365 billion on 31 December 2012.

Aker's shipping assets were consolidated into a wholly-owned company, Ocean Yield, with an opening balance of NOK 6.8 billion in asset value. The book value of the company is NOK 2.5 billion.

Aker's share investment in Aker Solutions rose to NOK 8.7 billion as per 31 December 2012, from NOK 4.9 billion a

year earlier. The value of the Kvaerner investments advanced to NOK 1.3 billion from NOK 0.8 billion in the same period.

Aker Capital, a wholly-owned subsidiary of Aker, sold 1.05 million shares in Det norske oljeselskap in January 2012, reducing its ownership to 49.99 per cent from 50.81 per cent. In December Aker Capital was allocated 6 394 509 shares, totalling NOK 0.5 billion, in Det norske's private placement, maintaining its holding unchanged. The holding was valued at NOK 5.8 billion on 31 December 2012, compared with NOK 5.7 billion a year earlier.

Aker's share investment in Aker BioMarine had a value of NOK 1.4 billion as per 31 December 2012, compared with NOK 1.1 billion at year-end 2011. The company was delisted from Oslo stock exchange on 15 January 2013 and merged with Aker Seafoods Holding to form Aker BioMarine AS.

Aker Solutions

Aker Solutions' shares closed the year at NOK 112.8, up 79 per cent from NOK 62.95 at year-end 2011. A NOK 3.90 per-share dividend was paid in April 2012 for the 2011 fiscal year.

Aker Solutions is being developed as a leading global supplier of products, systems, and services to the oil and gas industry. The oil service company repositioned itself through major transactions, as well as structural changes in 2011 and was reorganised into nine business segments: Subsea (subsea solutions), Drilling Technologies, Umbilicals (subsea control and power cables), Process Systems, Mooring & Loading Systems, Engineering, Maintenance, Modifications & Operations (MMO), Oilfield Services & Marine Assets; and Well Intervention Services. The purpose was to

simplify the company structure, so as to make it more focused, and to strengthen operations. In 2012 the focus was on Aker Solutions' cost structure, project execution, profitable growth and further regionalisation of the company's organisation. Aker Solutions improved operational efficiency, stabilised executional performance, thereby reducing quality costs, and demonstrated the ability to deliver sustainable results.

The company is poised to reach its objective of doubling revenues between 2010 and 2015. At its 2012 Capital Markets Day, Aker Solutions raised ambitions further, aiming to double revenues between 2012 and 2017, and reach a 15 per cent EBITDA margin.

Aker Solutions' revenues rose 23 per cent to NOK 44.9 billion in 2012, of which products and associated services generated 56 per cent, field services 32 per cent, and engineering services 10 per cent. EBITDA for the year rose to NOK 4.7 billion from NOK 3.4 billion, including gains from transactions, which corresponds to an EBITDA margin of 10.5 per cent (9.8 per cent excluding gains from transactions), compared with 9.4 per cent in 2011.

Several important contracts were entered into in 2012. Aker Solutions' order backlog closed the year at a NOK 56.7 billion, an increase of NOK 15.3 billion or 37 per cent from the end of 2011. This will be impacted by new projects and also potential cancellations. The backlog reflects the strong demand for the company's deliverables and the solid market growth in its operating segments.

Aker Solutions is expanding its portfolio, capacity and distribution network to meet project demand, forecast to grow 10-15 per cent per year in the main markets. Growth will primarily be achieved organically, with

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select bolt-on technology acquisitions to enhance its technology portfolio and products capabilities. The company is investing in an expansion of subsea production capacity in Brazil and Norway, a new multi-purpose service and production site for drilling equipment in Brazil, and the build-up of a 1 700-strong engineering hub in London.

The board of Aker Solutions has proposed a dividend payment of NOK 1.1 billion for the 2012 fiscal year. Aker will receive NOK 309 million of this amount through its ownership interest in Aker Kvaerner Holding. Aker owns 70 per cent of Aker Kvaerner Holding, a company that holds 40.27 per cent of Aker Solutions. Accordingly, Aker's indirect ownership interest in Aker Solutions corresponds to a shareholding of approximately 28 per cent.

Kvaerner

At year-end 2012, Kvaerner ASA's shares closed at NOK 16.20, compared with NOK 9.75 as per end of 2011. The increase in the share price over the period was of 66 per cent.

Kvaerner was established in 2011 as a specialised engineering, procurement and construction company that plans and executes large, complex projects. The company is organised into five business areas: North Sea, Concrete Solutions, Jackets, International and E&C Americas. Projects are executed using a resource base comprising company employees, partners, and suppliers.

In 2012 Kvaerner was awarded several key contracts on the Norwegian Continental Shelf, building a solid order backlog. Heightened competition in tenders for jackets and topsides (North Sea business area) serves as a reminder for Kvaerner that a

lower and more flexible cost base is needed to maintain competitiveness over time. Project execution is an equally high priority for Kvaerner to maintain its track-record of delivering on time, on budget and with the required quality.

Kvaerner concluded several major projects in 2012, including the Sakhalin-1 gravity based structure off Sakhalin Island in the Russian Far East, delivery of the jackets for the North Sea Ekofisk field, completion of 29 wind jackets for the Nordsee Ost project, as well as the construction of the Mongstad technology center. The close-down activities on the Kashagan Hook-up project were concluded in the fourth quarter 2012.

Kvaerner upgraded the Verdalen yard (Jackets) to achieve a 35 000-40 000 tonnes annual delivery capacity as of 2014, and announced a NOK 350 million investment plan to upgrade facilities at the Stord yard (North Sea). The investment will increase lifting and trailing capacity, including a new goliath gantry crane, thereby enabling Kvaerner to handle three topside projects in parallel, and achieve a 20 000 tonnes annual delivery capacity as of 2014. These investments position Kvaerner for growth in the home market.

In April 2012 Kvaerner submitted the tender for the Woodside Browse LNG Project off the Australian west coast, in a consortium with COOEC. The project award is expected in the first half of 2013 and would, if won by Kvaerner, lift the company's International division. The development of Kvaerner's International business area continues in the focus regions of Asia Pacific, Caspian, Russia and Atlantic Canada.

The company had operating revenues of NOK 10.7 billion in 2012, compared to NOK

13.3 billion in 2011. EBITDA was NOK 473 million, compared with NOK 1 073 million a year prior, resulting in an EBITDA margin of 4.4 per cent compared to 8.1 per cent in 2011. Profit in 2012 was negatively affected by limited contribution from projects in the phase prior to the 20 per cent margin recognition threshold. Additionally, two projects were in arbitration.

Kvaerner's order backlog stood at NOK 21.3 billion at year-end 2012, up from NOK 10.0 billion in 2011. While activity levels on the Norwegian continental shelf remain high, Kvaerner lost against Asian and south European yards on several contract awards for topsides and jackets around year end, highlighting the enhanced competition from low-cost regions. In order to recapture its share of the home market, Kvaerner will need to reassess its jacket and topside delivery models, and work towards regaining its position with key clients. As part of this process, opportunities to access low-cost fabrication and enter construction partnerships will be explored.

The board of Kvaerner amended the company's dividend policy in the second quarter to increase the visibility and predictability of dividend payments. As of October 2012, the company introduced a semi-annual dividend, with a stated ambition of increasing payments, in order to give a stable and predictable dividend growth, balancing out the underlying volatility of earnings. For the 2011 fiscal year, Kvaerner distributed a NOK 1 per share cash dividend in April 2012. A dividend of 0.53 NOK per share was paid in October 2012. The board of Kvaerner has proposed a semi-annual dividend payment of NOK 0.55 per share to be paid in April 2013. Aker will receive NOK 42 million of this through its ownership interest in Aker Kvaerner Hold-

ing. Aker Kvaerner Holding has a 41 per cent shareholding in Kvaerner. Accordingly, Aker has an approximately 29 per cent indirect ownership interest in Kvaerner.

Det norske oljeselskap and other oil-sector investments

Det norske's shares stood at NOK 82.5 as per 31 December 2012, down from NOK 88 per share at year-end 2011, which corresponds to a 6.25 per cent decline.

Det norske is developing into a fully-fledged exploration and production company on the Norwegian continental shelf, as operator of 26 licenses out of a total of 67 and with 11 exploration wells drilled in 2012. Confidence in the future of the Norwegian continental shelf – one of the world's most attractive offshore oil and gas provinces – runs high after a strong exploration year in 2011, which included the major Johan Sverdrup oil discovery. The size of Johan Sverdrup was enlarged by a discovery in 2012 north of PL265 at the Geitungen prospect, estimated to contain between 170 and 240 million barrels of recoverable oil. Det norske holds a 20-per cent ownership interest in PL265 which will be unitised with PL501 in the Johan Sverdrup unit agreement. Combining resource estimates for the two licenses give total recoverable resources between 1.9 and 3.5 billion barrels of oil equivalents.

In February 2012, the Plan for Development and Operation (PDO) for Jette, Det norske's first operated field, was approved by the Norwegian authorities. Det norske holds a 70 per cent interest in the field, which is scheduled to come on stream in the first half of 2013 and produce an estimated 7 700 to 8 700 barrels of oil equivalents per day. Technical challenges encountered during the drilling and completion of

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two production wells resulted in Det norske booked a NOK 1.88 billion impairment charge in the third quarter 2012.

In October 2012, production started at the North Sea Atla field, two years after the discovery was made. Det norske's interest in the field gave a production of 2 278 barrels of oil equivalents per day by December, exceeding initial estimates of 1 400 barrels of oil. By year-end 2012, Det norske had a participating interest in five producing fields: Atla (10 per cent), Glitne (10 per cent), Jotun (7 per cent), Varg (5 per cent) and Enoch (2 per cent), resulting in a total production of 1 493 barrels of oil equivalents per day, compared to an average 1 505 barrels of oil equivalents a day the year prior. The Enoch field is out of production due to failures with the production master valve and the production wing valve. Work is ongoing to bring the field back into production. On 24 February 2013, the last production well at the Glitne field was shut down after 12 years of production, and work to plug and abandon the field was initiated.

Det norske submitted a PDO for the Ivar Aasen field (formerly known as Draupne) in December 2012 after reaching an agreement for a coordinated development with the neighbouring Edvard Grieg field. Ivar Aasen will be a stand-alone development with final processing of oil and gas at the Edvard Grieg platform before export. Total investments in the field development project are estimated at NOK 24.7 billion. The field is operated by Det norske (35 per cent interest), with partners Statoil (50 per cent) and Bayerngas (15 per cent). Det norske's share of production is estimated at approximately 16 000 barrels of oil equivalent per day once production starts in the fourth quarter 2016.

Det norske's Chief Executive Officer Erik Haugane announced in October that he would retire in 2013. The search for a successor is underway.

Det norske commissioned a certification from AGR Petroleum Services of its reserves and contingent resources in the planning phase. At the end of 2012 Det norske had net proven and probable reserves that could be recovered with 50 per cent certainty of 65.3 million barrels of oil equivalents and between 308 and 487 million barrels of oil equivalents in contingent resources. Det norske's interest in PL 265 of the Johan Sverdrup field accounted for about 80 per cent of these resources.

Aker sees significant potential for discovering new resources and maintaining high production on the Norwegian Continental Shelf and is fundamentally optimistic regarding high oil prices over the long term. Det norske is working to expand production by developing existing and future acreage and is well positioned for significant output growth on the NCS. However, improvement in operated exploration activity is required to deliver high quality results.

The company's financial position is satisfactory after raising NOK 1.0 billion in a private placement in November 2012. Det norske will continue to develop a financing strategy, optimising its field and license portfolio, to ensure a robust funding of its stake in the Johan Sverdrup development at the lowest cost of capital.

Ocean Yield

Ocean Yield was established in the first quarter of 2012 with an opening balance of NOK 6.8 billion in assets and a portfolio consisting of the FPSO Dhirubai-1, the offshore construction vessel Aker Wayfarer, the seismic survey vessel Geco Triton and

93 per cent of American Shipping Company's bond AMSC 07/18 FRN C.

The company's mandate is to build a diversified portfolio of marine assets predominantly within the oil service industry and industrial shipping, with focus on long-term charters of five to 12 years tenor to solid counterparties. Ocean Yield issued a senior unsecured bond of NOK 0.6 billion with a five-year maturity in June 2012, to enable growth through new investments.

In the second half of 2012 Ocean Yield signed newbuilding contracts for two Pure Car Truck Carriers, which will be chartered to Høegh Autoliners on 12-year bareboat contracts upon delivery in 2014, and acquired the offshore construction vessel Lewek Connector from AMC Connector, which will operate on a 10-year bareboat charter with a subsidiary of Ezra Holdings. Current charter backlog as of end Q4 2012 is USD 1.5 billion and the company's average remaining contract tenor (weighted by EBITDA) was 7.2 years as per end of 2012.

Ocean Yield had operating revenues of USD 188 million in 2012; while EBITDA amounted to USD 151 million. All projects performed according to budget during the year. Dhirubai-1, which accounted for over two-thirds of Ocean Yield's operating revenues, recorded a utilisation rate exceeding 99 per cent in the first three quarters of 2012. In the fourth quarter it underwent a planned, one-week maintenance shut-down.

Ocean Yield's Board of Directors proposed to initiate a dividend, with a USD 40 million cash dividend to be disbursed for the 2012 fiscal year. To enable further growth, an equity issue and stock-listing of the company is envisaged in 2013, market conditions permitting.

Aker BioMarine

Aker BioMarine's share price rose 1.6 per cent to NOK 1.30 at year-end 2012, from NOK 1.28 on 31 December 2011. On 12 September 2012, Aker proposed a merger between its wholly-owned subsidiary Aker Seafoods Holding AS and Aker BioMarine. Prior to the offer, Aker BioMarine's share price had declined 18 per cent year-to-date.

Aker BioMarine develops, markets, and sells ingredients produced from sustainably harvested Antarctic krill. The biotechnology company's products feature documented benefits in applications for animal and fish feed, food, dietary supplements, and pharmaceuticals. The markets for Aker BioMarine's products are developing favourably. Since 2009, Aker BioMarine has recorded an average annual sales growth of 88 per cent for Superba™ Krill. The U.S. market has shown significant awareness and increasing interest in krill-based products, while growth in demand from the Asia Pacific region rose markedly over the course of the second half of 2012. Sales of Superba™ Krill grew 57 per cent to 363 tons in 2012, with a record 114 metric tons sold in the fourth quarter.

To secure access to sufficient raw materials, Aker BioMarine purchased the Antarctic Sea krill harvesting vessel in the fall of 2011, which entered full operation in June 2012. With two krill trawlers and one transport vessel deployed in Antarctic waters, economies of scale should enable Aker BioMarine to have per-unit costs below those of its competitors.

Aker BioMarine forecasts the trend in growing demand for Superba™ Krill oil to continue and is considering further capacity expansion by building a production facility with capacity of at least 1 000 metric tons in a joint venture with Naturex.

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“To enable further growth, an equity issue and stock-listing of Ocean Yield is envisaged in 2013, market conditions permitting.”

Aker BioMarine has investments in a joint venture with U.S. private equity firm Lindsay Goldberg on a 50/50 basis. The Norway-based venture, called the Epax Group, holds a leading position in the market for high-concentrate fish oils and offers a wide range of omega-3 concentrates in the nutraceutical business-to-business segment, as well as pharmaceutical intermediates and Active Pharmaceutical Ingredients (API). In 2012 the Epax Group invested in new joint venture, IDT, a specialty pharmaceutical company that develops a portfolio of products with abuse deterrent features.

Aker BioMarine reported 2012 operating revenues of NOK 469 million, compared to NOK 330 million in 2011; EBITDA amounted to NOK 66 million, up from NOK 36 million a year prior.

Aker proposed a merger with Aker BioMarine following an offer made by the biotechnology company's second-largest owner to sell its shareholding to Aker. The offer entailed minority shareholders in Aker BioMarine receiving settlement in Aker shares. The proposal was approved by the Board of Directors of the respective companies and by shareholders at extraordinary general meetings in the fourth quarter 2012. The merger was completed in January 2013 following the expiration of a creditors' notification deadline and Aker BioMarine was subsequently delisted from Oslo Stock Exchange. Aker will now take

responsibility for the continued industrial and financial development of Aker BioMarine as a wholly-owned subsidiary.

Aker invested NOK 215 million in Aker BioMarine's rights offering in March. In the second half of the year Aker extended a short-term credit facility to Aker BioMarine, of which NOK 90 million was drawn. Aker spent a total of NOK 205 million in November to purchase Aker BioMarine shares, as well as own shares as settlement for the merger. The company completed a share issue towards Aker in January 2013, raising NOK 100 million in proceeds. The proceeds will be used to fund follow-up investments in Epax and IDT.

Aker Seafoods

Aker Seafoods' share price declined 1.2 per cent to NOK 5.88 at year-end 2012, compared to NOK 5,95 on 31 December 2011.

Aker Seafoods was transferred into Aker's Industrial investments portfolio in January 2012 following the spin-off from Norway Seafoods. Aker Seafoods is Norway's largest white fish harvesting company, with currently nine trawlers and 29.6 cod licences, representing around 10 per cent of the national cod quotas. The company specialises in cod, saithe and had-dock harvesting. The company's key performance indicators showed deteriorated performance in 2012 due to a 13 per cent decline in cod prices over the course of the

year. EBITDA per kilogram slipped 20 per cent to NOK 3.25 per kilogram compared to 2011, and the catch value declined 8 per cent. The impact of the negative price development was somewhat mitigated by more efficient operations.

Aker Seafoods is pursuing a fleet renewal strategy to obtain higher catch rates and more cost-efficient operations, with three new trawlers scheduled for delivery in 2013 and 2014. The fleet renewal is financed through bank debt and cash from operations. Aker Seafoods agreed to sell its Hekktind and Norfjordtraal vessels in 2012. Total sales price was NOK 90 million, approximately NOK 33 million over book value.

White fish resources in the Barents Sea are considered good and the Joint Norwegian-Russian Fisheries Commission has agreed on a 33 per cent increase in total cod quota for 2013 in the Barents Sea.

Aker Seafoods had 2012 operating revenues of NOK 774 million; EBITDA amounted to NOK 183 million. In 2011, operating revenues were NOK 863 million and EBITDA amounted to NOK 232 million. The company's fleet had 73 fewer operating days in 2012 compared to 2011. This was mainly due to the Hekktind and Doggi trawlers being out of commission after having their operating permits suspended for five months and three months respectively by the Norwegian Ministry of Fisheries and Coastal Affairs for breach of fishery legislation.

In the third quarter, the Norwegian Directorate of Fisheries demanded that the vessels Jergul, Skaidi and Stamsund halted fishing operations for up to three months for alleged breaches of the company's delivery commitments in 2011. Aker Seafoods appealed the decision and was

granted deferred enforcement of the ruling, until the appeal is settled.

The Norwegian Ministry of Fisheries and Coastal Affairs issued a proposal in November to significantly tighten the regulations pertaining to the delivery options for trawlers. The deadline to submit a response to the public inquiry regarding the regulation change was 15 February 2013. Aker Seafoods is of the opinion that the proposed actions will not improve the profitability of the processing industry that is favoured by the delivery obligations, and believes the existing legislation should remain unchanged. Norway Seafoods, which operates onshore processing facilities, is Aker Seafoods' biggest customer. Aker Seafoods' fishing licenses are generally subject to continued activity at the production facilities, and it is therefore important that the conditions for the production facilities enable profitable operations.

Financial Investments

In 2012 Aker transferred the Funds segment into Financial Investments, thereby reducing from three to two the number of segments the company reports. Financial Investments includes cash, receivables, fund holdings and other assets of Aker ASA.

Financial investments amounted to NOK 6.7 billion on 31 December 2012, which represents 25 per cent of Aker's value adjusted total assets. This is down from NOK 10.3 billion in 2011.

Aker's cash holdings fell in 2012 from NOK 4.0 billion to NOK 3.1 billion as per year end, notably due to an equity issue in Det norske oljeselskap, in which Aker contributed NOK 0.5 billion, and the disbursement of close to NOK 0.8 billion in dividend to Aker's shareholders. Gross interest-bearing debt rose to NOK 3.5 billion, from NOK

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2.7 billion a year earlier, following the issuance of three bonds with tenure of five, seven and ten years for a total value of NOK 2.0 billion in 2012, while a total of NOK 1.1 billion of loans were repaid during the year. Total loans at market terms to subsidiaries and associated companies were reduced from NOK 3.2 billion to NOK 1.6 billion by end of 2012, primarily due to the conversion of Aker's NOK 1.8 billion shareholder loan in Aker Floating Production into equity as part of the establishment of Ocean Yield.

Aker's bond holding stood at nil by year-end 2012, compared to NOK 0.9 billion on 31 December 2011. The reduction comes from the sale of American Shipping Company bonds to Ocean Yield, and Norwegian Energy Company and Front Exploration bonds reaching maturity.

Aker's receivable to wholly-owned real estate development company Fornebuporten AS was reduced from NOK 0.8 billion to NOK 0.7 billion by year-end 2012 as the company obtained external bank financing. Over the course of 2012, Fornebuporten obtained regulatory approval for the construction of 100 000 square meters of residential, retail and office space at Fornebu, an area near Oslo's city center. The company entered into a 50-50 joint venture with Profier AS, a leading Norwegian residential property developer, for the development of parts of the residential area (26 600 square meters) at Fornebuporten. The construction contract for the commercial development has been signed and construction activity on site commenced late 2012. Dialogue with potential tenants for the commercial real estate is on-going, with 90 per cent of the retail space let out (2 700 square meters of 3 000 square meters) to Norgesgruppen late 2012. 190 residential units

were put up for sale in January 2013 and over 90 per cent were sold at a good price within weeks.

Fornebuporten entered a GBP 20 million investment to acquire and develop land adjacent to Dyce airport in Aberdeen in December 2012 with a potential to build a business park of 60,000 square meters. UK developer Abstract Group will assist in the development of the site, for which initial regulatory approval to commence the development exits. The objective is to expand the development area to 100,000 square meters. The same month, Fornebuporten made an equity investment of NOK 156 million to acquire from Profier 100 per cent of a residential real estate development at Hoevik, near Fornebu. The project will reach completion in 2013.

Aker transferred its 50 per cent stake in Aker Clean Carbon (ACC) to Aker Solutions in March 2012 at no cost. The two parties agreed that the acquirer would pay an amount to the seller, based on earnings from new technology agreements for ACC for the next 10 years. Aker had written down the shareholding from NOK 147 million to NOK 0 in 2011.

In the third quarter, Aker Philadelphia's sold two product tankers built without contract, which substantially reduced Aker's risk exposure. The first vessel was delivered in August 2012, while the second was delivered end of January 2013, securing the repayment of a USD 31.5 million construction loan towards the yard and the cancellation of the performance guarantees.

Equity and other financial investments amounted to NOK 212 million and NOK 320 million respectively as per 31 December 2012, compared to NOK 562 million and NOK 329 million at the end of 2011. The change in value follows a reconsideration

of the classification of NOK 199 million from equity in the oil exploration and production company Setanta Energy to an interest-bearing receivable. Setanta partly owns the Roussette discovery offshore Gabon. Aker is assessing its ownership in the project.

Aker had NOK 1.5 billion invested in Converto Capital Fund, AAM Absolute Return Fund, Norron Target and Norron Select as per year-end 2012, compared to NOK 1.4 billion in 2011.

Converto Capital Management manages Converto Capital Fund, which holds a portfolio composed of Norway Seafoods, Aker Philadelphia Shipyard, American Shipping Company, Bokn Invest (that owns the companies Stream and Align, jointly held with HitecVision) and Ocean Harvest. Total assets under management stood at NOK 0.9 billion as per year end, compared to NOK 0.8 billion a year prior. The shares in Aker Seafoods were sold from Converto Capital Fund to Aker in July 2012 and the subsea monitoring company Naxys was sold from Bokn Invest to GE Oil & Gas for an undisclosed amount. The target is to continue to grow values while assessing divestments when opportunities arise. Aker sold its 90 per cent holding in Converto Capital Management to Fausken Invest in June 2012, while retaining its 99.8 per cent investment in Converto Capital Fund.

Oslo Asset Management manages AAM Absolute Return Fund, a hedge fund established in December 2005. The fund posted a yield of 0.96 per cent in 2012 in its NOK tranche and 0.03 per cent in its dollar tranche, compared with 16.29 per cent and 14.87 per cent respectively in 2011. Of the USD 0.7 billion under management as per 31 December 2012, Aker's investment represented 9.4 per cent. Aker owns 50.1 per

cent of Oslo Asset Management.

The funds Norron Target (Nordic multi-strategy fund), Norron Select (Nordic hedge fund), Norron Preserve (Nordic interest and bond fund), and Norron Active (actively managed share fund) were established in 2011. In 2012, Norron established Norron Premium which invests in Nordic corporate bonds. Aker has invested a total of SEK 300 million in Norron Target and Norron Select. The Norron funds manage assets totalling SEK 1.7 billion, of which Aker's share represented 19 per cent as per end of 2012. Norron Target posted returns of 5.45 per cent and Norron Select 2.49 per cent in 2012. Aker owns 51 per cent of Norron Asset Management.

Presentation of annual accounts

Aker ASA's annual accounts comprise the following main parts: income statement, balance sheet, and cash flow statement of the Aker Group and its parent company Aker ASA. In addition, a combined income statement and balance sheet for Aker ASA and holding companies has been prepared. Aker ASA's consolidated group financial statement has been prepared and presented in accordance with International Financial Reporting Standards (IFRS), adopted as accounting standards by the EU. The financial statements of the parent company Aker ASA have been prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway. The combined financial statements 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 as long as it is deemed relevant.

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The balance sheet of Aker ASA and holding companies is highlighted in Aker's in-house and external reporting. This combined 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, it is confirmed that the annual accounts have been prepared based on the assumption that Aker is a going concern and the Board confirms that this assumption continues to apply.

Group consolidated accounts

On January 12 2012, Aker's wholly-owned subsidiary Aker Capital sold 1.05 million shares in Det norske, reducing its ownership from 50.81 per cent to 49.99 per cent. Aker has, based on the definition of control in IFRS, concluded that Aker continues to consolidate Det norske as a subsidiary and accounted for the reduction in its stake as a transaction with non-controlling interests.

The main companies included in Aker's consolidated accounts are the following: Aker Solutions, Kvaerner, Det norske oljeselskap, Aker BioMarine, Aker Seafoods and Ocean Yield, which are all part of Aker's Industrial Holdings. Aker Solutions and Kvaerner are associated companies. Also consolidated are Converto Capital Fund, the fund managing companies, Aker Philadelphia Shipyard and Norway Seafoods. The two latter companies are part of Converto Capital fund.

Income statement

The Aker Group's revenues are largely attributable to Det norske oljeselskap, Aker Seafoods, Ocean Yield, Aker BioMarine and companies consolidated under Converto Capital Fund. Other companies have only modest revenues or they are associated companies (Aker Solutions and Kvaerner), for which Aker records its share of the companies' after-tax profit and minority interests. The Aker group had operating revenues of NOK 5 952 million in 2012, compared to NOK 4 883 million a year prior. Total operating expenses came in at NOK 6 476 million in 2012, compared to NOK 3 933 million in 2011. Operating revenues mainly increased due to Aker Philadelphia's sale of two product tankers in the second half of the year. The change in expenses is primarily related to Det norske, which was consolidated in Aker as of 17 August 2011 and expensed a number of dry wells in 2012, and Aker Philadelphia Shipyard, whose expenses relate to the sale of the product tankers.

Combined depreciations and amortizations in 2012 was NOK 896 million, compared to NOK 772 million a year prior. The increase is primarily due to investments and the consolidation effect from Det norske. Impairment charges in 2012 amounted to NOK 2.3 billion. The main item is the impairment charge booked on the Jette field by Det norske. Net financial items posted an income of NOK 607 million kroner in 2012, compared to NOK 2.0 million in 2011. Financial items were reduced by NOK 1.4 billion due to a reduction in sales gains and share of earnings in associated companies. Aker Solutions posted significant one-off gains from sales in 2011. Loss before tax came in at NOK 3.2 bil-

lion in 2012, compared to a profit before tax of NOK 1.9 billion in 2011.

Tax expenses in 2012 were positive NOK 3.0 million, resulting in an annual loss of NOK 184 million. In 2011, the tax expense amounted to NOK 185 million, loss from discontinued operations was NOK 240 million, resulting in profit for the year of NOK 1 885 million.

Balance sheet and liquidity

Total assets of the Aker group amounted to NOK 38.6 billion as at 31 December 2012, compared with NOK 36.2 billion at year-end 2011. Total non-current assets were NOK 29.7 billion as at 31 December 2012, compared with NOK 27.0 billion at year-end 2011. The group's total intangible assets decreased to NOK 7.8 billion as at 31 December 2012; the corresponding year-earlier figure was NOK 8.4 billion. Of this, goodwill amounted to NOK 772 million at year-end 2012, down from NOK 825 million as at 31 December 2011. Goodwill has been tested for impairment and NOK 33 million in write-downs were made.

As at 31 December 2012, the group had cash and cash equivalents of NOK 5.5 billion, unchanged from year-end 2011.

The group's equity ratio was 49 per cent at year-end 2012, compared to 56 per cent a year prior.

Current liabilities amounted to NOK 4.8 billion and long-term liabilities totalled NOK 14.9 billion at year-end 2012; the corresponding 2011 figures were NOK 3.8 billion and NOK 12.3 billion, respectively. The group's interest-bearing debt amounted to NOK 13.6 billion as at 31 December 2012, compared with NOK 9.2 billion at year-end 2011. The NOK 4.3 billion increase in interest-bearing debt is primarily due to Det norske raising its debt by NOK 1.5 billion,

Ocean Yield by NOK 1.2 billion, Fornebuporten by NOK 1.0 billion and Aker ASA and holding companies by NOK 0.9 billion. Interest-bearing debt at year-end 2012 includes mortgage loans of NOK 8.5 billion, unsecured bond issues and a bank loan of NOK 4.5 billion and NOK 0.5 billion respectively.

Cash flow statement

The group's net cash flow from operations amounted to NOK 2.8 billion in 2012, compared with NOK 2.9 billion in 2011. The NOK 3.3 billion difference between operating profit before depreciation and amortization and net cash flow from operations is largely attributable to NOK 1.4 billion in tax reimbursements tied to exploration on the Norwegian continental shelf and expensed exploration costs linked to dry wells. The costs were previously capitalised at NOK 1.1 billion. Aker received NOK 739 million in dividend payments in 2012.

Net cash flow from investment activities were minus NOK 6.2 billion in 2012, compared to NOK 425 million in 2011. Cash flow for 2012 comprises mainly investments in fields under development at NOK 2.6 billion, capitalised oil and gas exploration expenses of NOK 1.2 billion and costs related to acquisition and construction of vessels for NOK 2.0 billion.

Net cash flow from financing activities amounted to NOK 3.4 billion in 2012, compared to minus NOK 3.0 billion in 2011. Cash flow for the year from financing activities is largely attributable to a net increase in debt of NOK 4.1 billion, dividend disbursement of NOK 998 million and NOK 179 million in purchase of own shares. Dividend is composed of NOK 794 to Aker's shareholders and NOK 204 to minority shareholders.

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Aker ASA

The parent company Aker ASA had a profit for the year of NOK 4.3 billion, compared with a loss of NOK 235 million in 2011. The 2012 profit is primarily attributable to dividend received and to the reversal of previous write-downs on shares. Aker ASA assesses the value of its investments in line with previous practice, which is by adjusting its exchange-listed investments to the lower of either cost price or closing share price as at 31 December.

Information on salary and other remuneration to executive management and compensation guidelines is presented in [Note 41](#) in the consolidated financial statements.

Assets totalled NOK 30.6 billion as at 31 December 2012, compared with NOK 27.7 billion at year-end 2011. The increase is primarily attributable to changes in the value of the share portfolio. Equity amounted to NOK 18.9 billion at the end of 2012, compared with NOK 15.6 billion as at 31 December 2011. This results in an equity ratio of 62 per cent at the end of 2012.

Research and development

The parent company had no research and development activities in 2012. Group R&D activities are presented in the annual reports of the respective operating subsidiaries.

Aker ASA and holding companies

Combined income statement

The combined profit and loss account for Aker ASA and holding companies (Aker) shows a pre-tax profit of NOK 89 million for 2012. The corresponding 2011 figure was a profit NOK 1.0 billion. Operating revenues were NOK 47 million in 2012, compared

with NOK 1.2 billion in the previous year, generated by the sale of Aker Drilling. Operating expenses amounted to NOK 235 million in 2012, compared with NOK 225 million in 2011. Ordinary depreciation was NOK 15 million, on par with 2011.

Net financial items amounted to NOK 309 million in 2012. Dividends received amounted to NOK 461 million, while net interest income, write-downs on receivables and other provisions amounted to minus NOK 152 million. The net value change on shares amounted to NOK minus 17 million and is largely attributable to changes in value of Aker's share investments in Aker BioMarine and Aker Seafoods.

Tax expense for the year amounted to NOK 22 million, which is almost entirely attributable to tax payable abroad.

Gross assets

The value-adjusted assets of Aker ASA and holding companies was NOK 26.8 billion as at 31 December 2012. The corresponding 2011 figure was NOK 22.7 billion.

The value of Aker's Industrial Holdings was NOK 20 billion as at 31 December 2012, compared with NOK 12.4 billion at year-end 2011. The change is attributable to a number of transactions and portfolio value development, discussed on [page 47](#) in the Industrial Holdings section of the Board of Directors report.

The value of Aker's financial investments amounted to NOK 6.7 billion as of year-end 2012, compared with NOK 10.3 billion as at 31 December 2011. Cash and cash equivalents declined from NOK 4.0 billion to NOK 3.1 billion in 2012. Aggregate lending on market terms to Aker subsidiaries decreased from NOK 3.2 billion at year-end 2010 to NOK 1.6 billion as at 31 December 2012.

Debt and net asset value

Gross interest-bearing debt amounted to NOK 3.5 billion as at 31 December 2012, up from NOK 2.7 billion a year earlier.

Net asset value and cash holdings at Aker 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 and on dividend capacity.

Net asset value of Aker as at 31 December 2012 was NOK 22.9 billion, compared with NOK 19.4 billion at year-end 2011. In calculating net asset value, the market value for exchange-listed shares is applied. At Converto Capital Fund, the value of the unlisted shares is measured based on the valuation principles 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, through its main owner, Kjell Inge Røkke, participates actively 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 top management.

Aker has gradually increased the level of detail in its external financial reporting. The main emphasis is on Aker ASA and holding companies, as this provides the most relevant financial overview for shareholders, investors, creditors, and other stakeholders. A clear presentation of Aker's overall

exposure vis-à-vis each underlying company is a priority. 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 accordance with the changes in recommendations made to the Norwegian Code of Practice for Corporate Governance in October 2012. Aker's practice largely complies with the Code's recommendations. Reference is made to the report on corporate governance on [page 148](#) in the annual report. The report is also available 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 strategy has modified in step with underlying market changes and portfolio company-specific issues. As presented in their respective notes to the accounts, Aker ASA, 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 the underlying company level. 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 conservative financial policies. The balance sheet of Aker ASA and holding companies as at 31 December 2012 shows an equity ratio of 72 per cent and net interest-bearing receivables of NOK 1.2 billion.

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Gross debt amounted to NOK 3.5 billion.

Aker has prepared financial guidelines that further regulate monitoring and follow-up of financial risk issues. Key performance targets have been identified and are monitored closely, and a finance committee has been appointed to focus particularly on issues and decisions related to financial investments. For further information on the company's risk management, see the report on corporate governance on [pages 150-152](#) of the annual report.

Handling financial market exposure, including currency, interest, and liquidity risk is discussed in greater detail in [Note 5](#) to the consolidated financial statements.

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 solid financial performance and high standards of corporate social responsibility.

Aker recognizes that the company's reputation is influenced by more than its own business activities. The services, products, and financial results delivered by its underlying companies and their employees are also key factors, in addition to how deliveries are executed. 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 fund political parties, nor their supporters. Pertinent information about Aker in this regard is available on the company's website. Also on the company's website is "Integrity Channel" – a notification system for reporting critical issues, including suspected breaches of governing documents or violations of the law.

The operations of the parent company Aker ASA have negligible effect on the external environment. The operating entities within the group report on their respective impact on the external environment individually. Aker ASA rents its headquarters in central Oslo, Norway.

Our employees

In January 2013 Aker renewed an international framework agreement with Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. The international framework agreement sets out fundamental labour rights and contains references to standards relating to environment, health and safety (EHS) work, pay, working time and employment conditions. The agreement, first signed in 2008 and renewed in 2010, commits Aker to respect and support fundamental human rights and union rights in the societies in which the company operates. These principles are delineated in the United Nations' Universal 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, including through board representation. Aker ASA has partnered with its employees and those

of its relevant operating companies 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 48 employees as at 31 December 2012. The company supports diversity and prioritises equal treatment of men and women, ethnic minorities, seniors, and individuals with disabilities. Of the company's employees, 26 are women (54 per cent). The Board Chairman, President and CEO, and CFO together constitute the company's top management team; all three are men. The company strives to provide flexible working conditions so that Aker employment offers opportunities for a good work-life balance through every career phase.

As at 31 December 2012, the number of employees in companies where Aker directly or indirectly was the main shareholder, totalled approximately 27 000, of whom about 15 400 worked in Norway. The corresponding figures for the Aker Group is 2 731 employees, of whom 1 328 worked in Norway. About 29 per cent of Aker Group employees are women. Many companies in which Aker has a major shareholding 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 was reduced from 3.6 per cent

in 2011 to 2.5 per cent in 2012, which corresponds to 255 sick-leave days. The corresponding figure for sick-leave in the Aker Group was 4.7 per cent.

There were 139 reported accidents that led to absence from work at the Aker Group in 2012, compared with 85 such accidents in 2011. Accidents are described in the reports of the operating entities.

Board activities

The board of directors held nine meetings in 2012 with an attendance of 94 per cent. The audit committee held five meetings.

Leif O. Höegh was elected new board member for two years at Aker's annual general meeting held 19 April 2012, while Chairman Kjell Inge Røkke and Deputy Chairman Finn Berg Jacobsen were re-elected for two years.

Allocation of profit and dividend in Aker ASA

The Board of Directors proposes for approval at the annual general meeting an ordinary dividend of NOK 12 per share for 2012, an aggregate total of NOK 868 million. This corresponds to approximately 3.7 per cent of NAV and thus is in accordance with Aker's dividend policy. When deciding the annual dividend level, the Board of Directors take into consideration expected cash flows, financing requirements and needs for appropriate financial flexibility. In 2011, the ordinary dividend was NOK 11 per share, an aggregate total of NOK 794 million.

Transfer to other equity amounts to NOK 3.5 billion after disbursement of the proposed NOK 868 million dividend. The company's unrestricted equity after allocations for the proposed dividend payment amounted to approximately NOK 15.8 billion as at 31 December 2012.

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Key events after the 31 December 2012 balance sheet date

In the first quarter of 2013, the triangular merger between Aker BioMarine, Aker Seafoods Holding and Aker ASA was completed. The merger was registered with the Register of Business Enterprises on 15 January 2013, which was the last day of trading for the Aker BioMarine share. Aker Seafoods Holding AS amended its name to Aker BioMarine AS.

Risks

Aker ASA and each Aker company are exposed to various forms of market, operational, and financial risk. As an industrial holding company, Aker is largely dependent on ensuring adequate liquidity through upstream cash and dividends from portfolio companies. Rather than diversifying risk by spreading investments across many different industries, Aker is focused on sectors in which the company possesses special expertise. Aker ASA's model for monitoring and follow-up of operating activities and financial assets is designed to reduce risk.

Ocean Yield's greatest risk factors are

associated with Dhirubhai-1 operations, the redeployment of the FPSO after the current contract expires and the option the charterer holds to purchase the vessel at agreed-to prices, which could create uncertainty regarding its financial performance.

In the third quarter, Aker's risk exposure was reduced following the sale of Aker Philadelphia's two product tankers built without contract. The first vessel was delivered in August 2012, while the second was delivered in January 2013.

Certain companies in the Aker Group have outstanding legal disputes, the outcome of which cannot be foreseen.

For further information on the Aker's risk management, see the report on corporate governance on [pages 150-152](#) of the annual report.

Outlook

Investments in listed shares comprised some 68 per cent of the company's assets as at 31 December 2012. About 71 per cent of Aker's asset value was associated with the oil and gas sector. Cash represented 12 per cent, seafood and marine

biotechnology 7 per cent, while other assets amounted to 10 per cent. Accordingly, Aker's growth and development will be influenced by fluctuations in crude oil prices and developments on the Oslo Stock Exchange. Brent crude oil posted a 3.5 per cent advance in 2012.

The global economic slowdown has impacted Aker Seafoods directly through the decrease in white fish prices, primarily due to weaker European demand. There is considerable uncertainty surrounding the price development of white fish going forward. Kvaerner has been affected through intensified competition on the Norwegian continental shelf from yards with low production costs that are suffering from reduced levels of activity in the shipping industry. The enhanced competition in Kvaerner's home market is not expected to diminish and will force the EPC company to reassess its delivery model to recapture market share.

The high activity levels in the oil and gas sector persist. Major oil discoveries made offshore Norway have spurred petroleum investments, which are projected to near a

record NOK 200 billion in 2013 on the Norwegian continental shelf, according to Statistics Norway. Oil and gas resources are becoming increasingly difficult to find and exploit globally, and oil companies are raising spending, while oil service companies are generally reporting solid order intakes. Aker therefore has a positive view on the oil and offshore oil services sector, while sounding a note of caution that cost inflation, shrinking project timeframes and capacity restraints could result in execution challenges and hampered growth. The necessity to ensure project delivery on time, on quality and on budget is imperative to protect margins.

Aker's strong balance sheet ensures that the company is capable of responding to unforeseen operational challenges and short-term market fluctuations. As an industrial investment company, Aker will use its resources and competences both to promote the development of the companies in its portfolio and to consider new investment opportunities.

Oslo, 11 March 2013
Aker ASA

Kjell Inge Røkke (sign.)
Chairman

Finn Berg Jacobsen (sign.)
Deputy chairman

Stine Bosse (sign.)
Director

Anne Marie Cannon (sign.)
Director

Kristin Krohn Devold (sign.)
Director

Leif O. Høegh (sign.)
Director

Atle Tranøy (sign.)
Director

Bjarne Kristiansen (sign.)
Director

Harald Magne Bjørnsen (sign.)
Director

Tommy Angeltveit (sign.)
Director

Øyvind Eriksen (sign.)
President and CEO

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Income statement and total comprehensive income

Income statement

Continuing operations

Amounts in NOK million	Note	2012	2011
Operating revenue	8	5 952	4 883
Cost of goods and changes in inventory		(2 406)	(1 641)
Wages and other personnel expenses	9	(1 294)	(1 311)
Other operating expenses	9	(2 776)	(982)
Operating profit before depreciation and amortisation		(524)	950
Depreciation and amortisation	14, 15	(896)	(772)
Impairment changes and other non recurring items	10, 14, 15	(2 337)	(278)
Operating profit	8	(3 757)	(99)
Financial income	11	330	516
Financial expenses	11	(830)	(790)
Share of profit of associated companies	16, 17	1 107	1 497
Other items	12	-	817
Profit before tax	8	(3 150)	1 941
Income tax expense	13	2 967	185
Profit for the year continued operations	8	(184)	2 126
Discontinued operations			
Loss for the period from discontinued operations net of tax	7	-	(240)
Result for the year		(184)	1 885
Attributable to:			
Equity holders of the parent		(33)	1 415
Minority interests	27	(151)	470
Result for the year		(184)	1 885

Total comprehensive income

Amounts in NOK million	Note	2012	2011
Result for the year		(184)	1 885
Other comprehensive income, net of income tax			
Changes in fair value of available for sale financial assets		(11)	76
Changes in fair value of cash flow hedges		(22)	(8)
Changes in fair value of available for sale financial assets transferred to profit and loss		1	142
Currency translation differences		(238)	(122)
Changes in other comprehensive income associated and joint venture companies		(161)	24
Change in other comprehensive income, net of income tax	11, 29	(432)	112
Total comprehensive income for the year		(616)	1 997
Attributable to:			
Equity holders of the parent		(391)	1 522
Minority interests		(225)	475
Total comprehensive income for the year		(616)	1 997
Average number of shares ²⁾	26	72 126 991	72 361 234
Earnings per share			
Earnings per share continuing business:			
Earnings per share ¹⁾	26	(0.45)	22.87
Diluted earnings per share ²⁾	26	(0.45)	22.87
Earnings per share discontinued business:			
Earnings per share ¹⁾	26	-	(3.32)
Diluted earnings per share ²⁾	26	-	(3.32)
Earnings per share:			
Earnings per share ¹⁾	26	(0.45)	19.55
Diluted earnings per share ²⁾	26	(0.45)	19.55

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

²⁾ There were no securities outstanding as at 31 December 2011 and 31 December 2012 with possible dilutive effects.

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Balance sheet as at 31 December

Amounts in NOK million	Note	2012	2011	Amounts in NOK million	Note	2012	2011
ASSETS				EQUITY AND LIABILITIES			
Property, plant and equipment	14	12 562	9 774	Share capital	26	2 026	2 026
Intangible assets	15	7 802	8 417	Own shares		(25)	-
Deferred tax assets	13	325	276	Total paid-in capital	26	2 001	2 026
Shares and parts in associated companies	16	5 813	5 579	Translation and other reserves	29	(565)	(206)
Investments in joint ventures	17	689	634	Retained earnings		8 100	9 125
Other shares and funds	18	787	781	Total equity attributable to equity holders of the parent		9 536	10 945
Interest-bearing long-term receivables	5,19	1 483	1 397	Minority interests	27	9 368	9 206
Pension assets	32	15	16	Total equity		18 904	20 151
Other non-current assets	20	264	105	Interest-bearing loans	5,30	11 264	7 148
Total non-current assets		29 740	26 979	Deferred tax liabilities	13	1 652	3 500
Biological assets	21	53	52	Pension liabilities	32	207	202
Inventories	21	385	374	Other interest-free long-term liabilities	33	829	896
Projects under construction	22,34	378	406	Non-current provisions	35	926	521
Trade receivables, other interest-free receivables and short-term investments in shares	23	1 267	1 484	Total non-current liabilities		14 879	12 268
Calculated tax receivable	13	1 283	1 407	Interest-bearing short-term debt	5,30	2 291	2 076
Derivatives	38	6	9	Trade and other payables	37	2 413	1 608
Interest-bearing short-term receivables	24	28	26	Income tax payable	13	43	53
Cash and cash equivalents	5,25	5 471	5 463	Derivatives	38	54	26
Total current assets		8 871	9 222	Current provisions	34,35	27	19
Total assets	8	38 611	36 201	Total current liabilities		4 828	3 782
				Total liabilities		19 707	16 050
				Total equity and liabilities	8	38 611	36 201

Oslo, 11 March 2013
Aker ASA

Kjell Inge Rokke (sign.)
Chairman

Finn Berg Jacobsen (sign.)
Deputy chairman

Stine Bosse (sign.)
Director

Anne Marie Cannon (sign.)
Director

Kristin Krohn Devold (sign.)
Director

Leif O. Høegh (sign.)
Director

Atle Tranøy (sign.)
Director

Bjarne Kristiansen (sign.)
Director

Harald Magne Bjørnsen (sign.)
Director

Tommy Angeltveit (sign.)
Director

Øyvind Eriksen (sign.)
President and CEO

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Statement of changes in equity

Amounts in NOK million	Note	Total paid-in capital	Translation reserve	Fair value reserves	Hedging reserves	Total translation and other reserves	Retained earnings	Total equity of holders of the parent	Minority interests	Total equity
Balance as at 31 December 2010	26-29	2 026	(346)	124	(93)	(314)	8 318	10 031	6 295	16 325
Profit for the year						-	1 415	1 415	470	1 885
Other comprehensive income	29	-	(50)	62	96	108	-	108	5	112
Total comprehensive income		-	(50)	62	96	108	1 415	1 522	475	1 997
Transactions with owners, recognised directly in equity:										
Dividends						-	(724)	(724)	(134)	(858)
Own shares						-	(2)	(2)	-	(2)
Share-based payment transactions						-	5	5	-	5
Acquisition of own shares in associated companies and new equity in associated companies at a premium						-	(1)	(1)	-	(1)
Total transactions with owners, recognised directly in equity						-	(722)	(722)	(134)	(856)
Changes in ownership share in subsidiaries without loss of control:										
New minority, acquisition of minority	6,27					-	98	98	1 962	2 061
Issuance of shares in subsidiary	27					-	(7)	(7)	587	580
Total changes in ownership share in subsidiaries without loss of control						-	92	92	2 549	2 641
Equity change in Det norske oljeselskap due to liquidation of subsidiary						-	22	22	21	43
Balance as at 31 December 2011	26-29	2 026	(396)	186	4	(206)	9 125	10 945	9 206	20 151
Profit for the year						-	(33)	(33)	(151)	(184)
Other comprehensive income	29	-	(362)	21	(18)	(359)	-	(359)	(73)	(432)
Total comprehensive income		-	(362)	21	(18)	(359)	(33)	(391)	(225)	(616)
Transactions with owners, recognised directly in equity:										
Dividends						-	(794)	(794)	(204)	(998)
Own shares		(25)				-	(154)	(179)	-	(179)
Share-based payment transactions						-	(2)	(2)	-	(2)
Acquisition of own shares in associated companies and new equity in associated companies at a premium						-	10	10	3	13
Total transactions with owners, recognised directly in equity		(25)				-	(940)	(965)	(201)	(1 166)
Change in ownership share in subsidiary without loss of control:										
New minority, acquisition of minority	6,27					-	(43)	(43)	43	-
Issuance of shares in subsidiary	27					-	(9)	(9)	544	535
Total changes in ownership share in subsidiaries without loss of control						-	(52)	(52)	587	535
Balance as at 31 December 2012	26-29	2 001	(758)	207	(14)	(565)	8 100	9 536	9 368	18 904

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Cash flow statement

<i>Amounts in NOK million</i>	<i>Note</i>	2012	2011
Profit before tax		(3 150)	1 941
Net interest expenses (+)	<u>11</u>	326	236
Interest paid	<u>11</u>	(709)	(473)
Interest received	<u>11</u>	188	173
Sales losses/gains (-) and write-downs	<u>7,8,9</u>	2 337	(790)
Unrealised foreign exchange gain/loss and other non-cash items	<u>11</u>	(6)	238
Depreciation and amortisation	<u>14,15</u>	896	772
Share of earnings in associated companies	<u>16</u>	(1 107)	(1 497)
Dividend received from associated companies	<u>16</u>	739	303
Taxes received	<u>13</u>	1 443	2 324
Taxes paid	<u>13</u>	(96)	(38)
Expensed out capitalised dry wells	<u>15</u>	1 116	-
Changes in other net operating assets and liabilities	<u>37</u>	821	(271)
Net cash flow from operating activities	<u>8</u>	2 801	2 917
Proceeds from sales of property, plant and equipment	<u>14</u>	578	21
Proceeds from sales of shares and other equity investments	<u>16,18</u>	5	3 310
Disposals of subsidiary, net of cash disposed	<u>7</u>	95	(1 272)
Acquisition of subsidiary, net of cash acquired	<u>6</u>	(267)	(9)
Acquisitions of property, plant and equipment	<u>14,15</u>	(6 426)	(1 873)
Acquisitions of shares and equity investments in other companies	<u>16,17,18</u>	(97)	(963)
Put SAAB and Investor	<u>35</u>	-	(1 765)
Net cash flow from other investments	<u>16</u>	(49)	2 975
Net cash flow from investing activities	<u>8</u>	(6 160)	425
Proceeds from issuance of long-term interest-bearing debt	<u>30</u>	5 967	333
Proceeds from issuance of short-term interest-bearing debt	<u>30</u>	2 179	708
Repayment of long-term interest-bearing debt	<u>30</u>	(1 129)	(722)
Repayment of short-term interest-bearing debt	<u>30</u>	(2 964)	(2 644)
New equity	<u>27</u>	535	230
Own shares	<u>26</u>	(179)	
Dividends paid	<u>26,27</u>	(998)	(858)
Net cash flow from financing activities	<u>8</u>	3 411	(2 953)
Net change in cash and cash equivalents		52	390
Effects of changes in exchange rates on cash		(44)	(48)
Cash and cash equivalents as at 1 January		5 463	5 121
Cash and cash equivalents as at 31 December	<u>25</u>	5 471	5 463

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Note 1 Corporate information

Aker is a Norwegian company, domiciled in Norway. The 2012 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".

Note 2 Basis for preparation and new standards not yet adopted

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 at 31 December 2012, Norwegian requirements for disclosure pursuant to the Norwegian accounting act, and applicable stock-exchange laws, rules and regulations in force as at 31 December 2012.

The consolidated financial statements for the 2012 accounting year were approved by the Board of directors on 11 March 2013. The annual accounts will come before Aker's annual shareholders' meeting on 17 April 2013 for final approval.

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 realisation costs.
- The defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and

the present value of the defined benefit obligation.

- Stepwise acquisition. Any changes in value on previously held equity interests are recognised 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 in [note 4](#).

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 on-going basis. The estimates and associated assumptions are based on historical experience and various other factors considered being reasonable. Changes to accounting estimates are recognised 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 22](#).

(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 35](#).

(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 15](#).

(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 13](#).

(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 fulfil the pension obligations. In deter-

mining 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 32](#).

(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 5 and [note 38](#) 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 39](#).

(h) Proven and probable oil and gas reserves

Oil and gas reserves are estimated by the group's experts in accordance with industry standards. The estimates are based on the subsidiary Det norske oljeselskap's own assessment of internal information and information received from the operators. In addition, reserves are certified by an independent third party. Proven and probable oil and gas reserves consist of the estimated quantities of crude oil, natural gas and condensates shown by geological and technical data to be recoverable with reasonable certainty from known reservoirs under existing economic and operational conditions, i.e. on the date that the estimates are pre-

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pared. Prices only take account of existing contractual price changes and not price increases based on future conditions.

Proven and probable reserves are used to estimate production volumes, which is used as the basis for depreciation calculations. Reserve estimates are also used as basis for impairment testing of licence-related assets. Changes in petroleum prices and cost estimates may change reserve estimates and accordingly economic cut-off. Changes to reserve estimates can also be caused by updated production and reservoir information. Future changes to proven and probable oil and gas reserves can have a material effect on depreciation, life of field, impairment of licence-related assets, and operating results. See [note 14](#) and [note 15](#).

(i) Acquisition costs - exploration

The accounting policy for Aker's subsidiary Det norske oljeselskap is to temporarily recognise expenses relating to the drilling of exploration wells in the balance sheet pending an evaluation of potential oil and gas discoveries (successful efforts method). If no reserves are discovered, or if recovery of the reserves is considered technically or commercially unviable, the costs of exploration wells are expensed. Decisions as to whether this expenditure should remain capitalized or expensed in the period may materially affect the operating result for the period. See [note 15](#).

(j) Decommissioning and removal obligations

Aker's subsidiary Det norske oljeselskap has obligations relating to decommissioning and removal of offshore installations at the end of the production period. Obligations associated with decommissioning and removal of long-term assets is recognised at fair value on the date they are incurred. At the initial recognition of an obligation, the expense is capitalized as production plant and depreciated over the useful life of the asset. It is difficult to estimate the expenses of decommissioning and removal, which are based on applicable laws and regulations, and dependent on technological developments. Many decommissioning and removal activities will take place in the distant future, and the technology and related expenses are constantly changing. The estimates include costs based on expected removal concepts and estimated expenses of maritime operations and of hiring heavy-lift barges. As a result, the initial recognition of the obligation in the accounts, the related expenses capitalized in the balance sheet for decommissioning and removal and subsequent

adjustment of these items involve careful consideration. See [note 35](#).

(k) Income tax

Aker incurs income tax payable and/or earns a considerable tax receivable. The group also recognises changes in deferred tax or deferred tax benefits. These figures are based on management's interpretation of applicable laws and regulations, and relevant court decisions. The quality of these estimates are largely dependent on management's ability to apply what is sometimes a very complex set of rules, identify changes to existing rules and, as far as deferred tax benefit is concerned, the ability to project future earnings from which a loss carryforward may be deducted for tax purposes. See [note 13](#).

(l) Rig contracts

Aker's subsidiary Det norske oljeselskap has obligations relating to rig contracts. Rig contracts are subject to impairment tests based on change in future rig rates and utilization. See [note 31](#).

New standards and interpretations not yet adopted

A number of standards, amendments to standards and interpretations are not yet effective for the period ended 31 December 2012, and have not been applied in preparing these consolidated financial statements:

IFRS 13 Fair Value Measurement and revised IAS 19 Employee benefits. These new and amended standards are effective from 1 January 2013.

IFRS 10 Consolidated Financial statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities, in addition amendments to the standards *IAS 27 Separate Financial Statements* and *IAS 28 Investments in Associates and Joint Ventures.* These new and amended standards are effective from 1 January 2014.

Changes in the control definition in IFRS 10 will have significant consequences if companies currently defined as associate companies (Aker Solutions and Kvaerner) are to be defined as subsidiaries. Aker has not concluded if changes in the control definition will change what companies are to be defined as subsidiaries. See [Note 16](#) for financial information for associated companies.

There have also been amendments to *IAS 1 Presentation of Financial Statements*, which are effective for financial years beginning after 1 July 2012. The implementation of *IFRS 9 Financial Instruments* (mandatory from 1 January 2015) may

result in certain amendments to the measurement and classification of financial instruments. Other changes in standards and interpretations, will, based on our preliminary assessments and of the group's current operations not have significant effects.

Changes in IAS 19 Employee Benefits:

The revised standard on accounting for employee benefits is mandatory for years commencing on or after 1 January 2013. The most significant effect of the changes is on defined benefit plans. The revised standard raises several application questions for plans that include employee contributions. Actuarial gains and losses, the effect of the asset ceiling and the actual return on plan assets (remeasurement) are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur. They are not recycled subsequently. Interest expense or income will now be calculated on the net defined benefit liability (asset) by applying the discount rate to the net defined benefit liability (asset). Net actuarial losses after tax not included in the balance as at 31 December 2012 is estimated by Aker to be approximately NOK 150 million, including part of net actuarial losses in associated and joint venture companies.

Note 3 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 7](#).

Group accounting and consolidation principles

Subsidiaries
Subsidiaries are companies where Aker controls operating and financial policies. 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.

Purchase of companies that meets the definition of a business combination is recognised using the acquisition method. See further description in section Intangible assets. Purchases, of companies, which are not defined as a business combination, are recorded as asset acquisitions. The cost of such purchases are allocated between the individual identifiable assets and liabilities acquired based on their fair value at the date of acquisition. Goodwill is not recognised on such purchases, nor is deferred tax recognised on differences arising on the recognition of these assets.

Investments in associated companies

The group's investment in an associated company is accounted for using the equity method of accounting and is recognised 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. 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 recognised 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 recognised in profit or loss.

Interests in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Jointly controlled entities are accounted for using the equity method and the acquisition cost is recognised as initial value.

Aker has interests in licenses that do not constitute separate companies. All these interests are in licenses on the Norwegian continental shelf that are defined as jointly controlled assets pursuant to IAS 31. The group recognises investments in jointly con-

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trolled assets (oil and gas licenses) by proportionate consolidation, by reporting its share of related revenue, expenses, assets, liabilities and cash flows under the respective items in the group's financial statements.

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 recognised 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.

Dividend received from associated companies

Dividend received from associated companies is presented as part of net cash flow from operating activities in the cash flow statement.

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 recognised 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 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 arising 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 differ-

ences are recognised 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 recognised 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 recognised 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 recognises 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 recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument. The group derecognises 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 financial 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 recognised 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. Attributable transaction costs are recognised in profit or loss as incurred upon initial recognition. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised 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 recognised 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 derecognised, the cumulative gain or loss in the fair value reserve is transferred to profit or loss.

Non-derivative financial liabilities

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

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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 recognised 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 recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised 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 recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised 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 recognised initially at fair value; attributable transaction costs are recognised 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 on-going 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 per cent. 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 recognised 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 recognised 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 recognised in other comprehensive income and presented in the hedging reserve in equity. The amount recognised 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 recognised 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 recognised 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 recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If

the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases the amount recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised 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 recognised 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 derecognised 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 compar-

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ing 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 recognised 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 derecognised. The costs of day-to-day maintenance of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation

Depreciation is recognised 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.

Operating assets related to petroleum activities

Exploration and development costs relating to oil and gas fields

Capitalized exploration costs are classified as intangible assets and reclassified as tangible assets at the start of the development. For accounting purposes, the field is considered to enter the development phase when the licensees have decided that recovery of the field's resources is commercially viable, or when the field is matured to a corresponding level. All costs relating to the development of commercial oil and/or gas fields are recognised as tangible assets. Pre-operational costs are expensed as they incur.

The group employs the 'successful efforts' method to account for exploration and development costs. All exploration costs (including seismic shooting, seismic studies and 'own time'), with the exception of acquisition costs of licenses and drilling costs for exploration well, are charged to expenses as incurred.

Drilling cost for exploration wells are temporarily capitalized pending the evaluation of potential discoveries of oil and gas reserves. If no reserves are discovered, or if recovery of the reserves is considered technically or commercially unviable, expenses relating to the drilling of exploration wells are charged to income. Such costs can remain capitalized for more than one year. The main criteria are that there must be definite plans for future drilling in the license or that a development decision is expected in the near future.

For acquired exploration licenses, an assessment as described above is performed; assessment if established plans for further activity exists or evaluation if development will be decided in near future. The measurement of recognised prospects/exploration licenses are then based on a net sales value consideration, based on multiples per barrel. The value per license is calculated by multiplying risked resources with an estimated value per barrel based on an average of several analyst assessments.

Depreciation of oil and gas fields

Expenses relating to drilling and equipment for exploration wells where proved and probable reserves are discovered are capitalized and depreciated using the unit-of-production method based on proved and probable reserves expected to be recovered from the well. Development costs relating to construction, installation and completion of infrastructure such as platforms, pipelines and the drilling of production wells are capitalized as producing oil and gas fields. They are depreciated using the unit-of-production method based on proven and probable developed reserves expected to be recovered from the area during the license or contract period. Acquired assets used for the recovery and production of petroleum deposits, including license rights, are depreciated using the unit-of-production method based on proven and probable reserves. The reserve basis used for depreciation purposes is updated at least once a year. Any changes in the reserves affecting unit-of-production calculations are reflected prospectively.

Intangible assets

Goodwill

All business combinations in the group are recognised 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 recognised directly in the profit and loss account.

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 ownership interest in the acquired at the time of acquisition, less the net recognised 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 recognised as a result of such transactions. In subsequent measurements goodwill is valued at acquisition cost, less accumulated impairment losses.

The valuation at fair value of licenses is based on cash flows after tax. This is because these licenses are only sold in an after tax market based on decisions made by the Norwegian Ministry of Finance pursuant to the Petroleum Taxation Act section 10. The purchaser can therefore not request a deduction for the consideration with tax effect through depreciations. In accordance with IAS 12 sections 15 and 24, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax base depreciation. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax.

Research and development

Expenditure on research activities, undertaken to gain new scientific or technical knowledge and

understanding, is recognised 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 labour expenses, and an appropriate proportion of overhead expenses. Other development expenditures are recognised in the profit and loss account as an expense for the period in which they occurred.

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

Other intangible assets

Other acquired intangible assets (patents, trademarks and other rights) are recognised in the balance sheet at cost less accumulated amortization and impairment losses. Expenditures on internally generated goodwill and brand names are recognised in profit and loss for the period in which they are incurred. See [note 12](#) for measurement of fishing licenses.

Acquisitions, sales and license swaps

On acquisition of a license that involves the right to explore for and produce petroleum resources, it is considered in each case whether the acquisition should be treated as a business combination or an asset purchase. As a rule, purchases of licenses in a development or production phase will be regarded as a business combination. Other license purchases will be regarded as asset purchases.

Oil and gas production licenses

For oil and gas-producing assets and licenses in a development phase, the acquisition cost is allocated between capitalized exploration expenses, license rights, production plant, and deferred tax.

When entering into agreements regarding the purchase/swap of assets, the parties agree on an effective date for the takeover of the net cash flow (usually 1 January). In the period between the effective date and the completion date, the seller will include its purchased share of the license in the financial statements. In accordance with the purchase agreement, there is a settlement with the seller of the net cash flow from the asset in the period from the effective date to the completion date (pro & contra settlement). The pro & contra settlement will be adjusted to the seller's losses /

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gains and to the assets for the purchaser, in that the settlement (after a tax reduction) is deemed to be part of the consideration in the transaction. The purchaser's revenues and expenses are included from the transaction date.

For tax purposes, the purchaser will include the net cash flow (pro & contra) and any other income and costs as from the effective date. When acquiring licenses that are defined as assets, no provision is made for deferred tax.

Farm-in agreements

Farm-in agreements are usually entered into in the exploration and development phase and are characterized by the seller waiving future financial benefits, in the form of reserves, in exchange for reduced future financing obligations. For example, a license interest is taken over in return for a share of the seller's expenses relating to the drilling of a well. In the exploration phase, the Company normally accounts for farm-in agreements on a historical cost basis, as the fair value is often difficult to determine. In the development phase, however, farm-in agreements are recognised as acquisitions at fair value when the group is the purchaser, and as a disposal at fair value when the group is the seller of interests in oil or gas assets. The fair value is arrived at based on the costs that the purchaser has agreed to bear.

Swaps

Swaps of assets are calculated at the fair value of the asset being surrendered, unless the transaction lacks commercial substance or neither the fair value of the asset received nor the fair value of the asset surrendered, can be effectively measured. In the exploration phase the group normally recognises swaps based on historical cost, as the fair value often is difficult to measure.

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 recognised 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 fish 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 recognised 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 recognised 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 recognised in full when identified. Recognised 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 deducted from the value of work in progress for the specific contract or, to the extent advances exceed this value, recorded as customer advances. Customer advances that exceed said contract offsets are classified as 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 recognised by transferring the cumulative loss that has been recognised 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 recognised 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 recognised 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 recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised 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 estimated. 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 recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised 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 recognised 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 recognised.

Employee benefits

Short-term benefits and pension obligations

Short-term employee benefits, such as wages, are measured on an undiscounted basis and are expensed as the related service is provided.

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The group has both defined benefit and defined contribution plans. For defined benefit plans, the liability recognised 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 recognised 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.

Share-value-based payments

Share-value-based payments are accounted for in accordance with IFRS 2 Share-based Payment. Share-based payment expense is measured at fair value over the service period. All changes in fair value are recognised in the income statement.

Provisions

A provision is recognised 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 recognised when the underlying products or services have been sold. Provisions are made based on historic data and a weighting of all possible outcomes against their associated probabilities.

Restructuring

A provision for restructuring is recognised 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 recognised 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 recognised.

Decommissioning and removal costs

In accordance with the license terms and conditions for the licenses in which the group participates, the Norwegian state, at the end of production or on the expiration of the license period, can require license owners to remove the installation in whole or in part. In the initial recognition of the decommissioning and removal obligations, the group provides for the net present value of future expenses related to decommissioning and removal. A corresponding asset is capitalized as a tangible fixed asset, and depreciated using the unit of production method. Changes in the time value (net present value) of the obligation related to decommissioning and removal are charged to income as financial expenses, and increase the liabilities related to future decommissioning and removal expenses. Changes in estimate for expenses related to decommissioning and removal are adjusted to the liability and the tangible fixed asset. The discount rate used in the calculation of the fair value of the decommissioning and removal obligation is the risk-free rate with the addition of a credit risk element.

Principles for revenue recognition

Revenue is recognised 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 recognised 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.

Revenues from petroleum products

Revenues from petroleum products are recognised on the basis of the group's ideal share of production during the period, regardless of actual sales (entitlement method).

Rendering of services and construction contracts

Revenue from providing services and from construction contracts is recognised 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 contract can be reliably estimated, contract revenues and costs are recognised 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 recognised directly in the profit and loss account.

Income from charter agreements

Revenues related to vessel bareboat charter agreements are recognised over the charter period. Time-charter agreements may contain revenue sharing agreement with the charterer. Revenue related to profit sharing agreements is recognised when the amount can be reliably estimated.

Government grants

An unconditional government grant is recognised in the profit and loss account when the group is entitled to receiving the funding. Other public funding is initially recognised 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 recognised 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 recognised 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 recognised in the profit and loss account on a straight-line basis over the lease period. Any lease incentives received are recognised 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 recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised 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 recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised 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 recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised 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 recognised for the following temporary differences:

- Initial recognition of assets or liabilities in a transaction that is not a business combination

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- 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 recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Aker's subsidiary Det norske oljeselskap is as a production company subject to the special provisions of the Petroleum Taxation Act. Revenues from activities on the Norwegian continental shelf are liable to ordinary company tax (28%) and special tax (50%). The company may claim a refund from the state for the tax value of exploration expenses incurred insofar as these do not exceed the year's tax-related loss allocated to the offshore activities. The refund is included in the line calculated tax receivable in the balance sheet.

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 deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of ordinary earnings per share, and gives effect to all ordinary shares with dilutive potential that were outstanding during the period, that is: the net profit for the period attributable to ordinary shares is increased by the after tax amount of dividends and interest recognised 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 defines operating segments 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, the group president and CEO and the CFO.

Aker introduced a new reporting structure in 2012. The Funds segment was renamed 'Fund Investments' and was included under Financial Investments. Aker's investment portfolio will thus be comprised of two segments: Industrial Holdings and Financial Investments.

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. Com-

parative segment information is usually re-presented for changes in reporting segments. See [note 8](#) Operating segments.

Note 4 Determination of fair values

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 recognised 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 fish 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

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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 5 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-, liquidity- and market risk (e.g. interest- and currency risk). The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Akers financial results. The group is using different financial instruments to actively manage its financial exposure.

Aker ASA has developed a policy on how the financial risk is monitored. The risk is monitored continuously and reported minimum quarterly. The main companies in the group have developed similar policies and guidelines 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.

The business area "Treasury" in Aker ASA has been cultivated to focus on the liability side and has the responsibility for borrowing, interest and currencies. A separate area is established for financial investments with a focus on all financial assets including cash, receivables and funds. 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 for companies included in Industrial holdings, and that each underlying company in this portfolio must obtain funding from external sources, whenever it is ready and mature to do so. Aker will

cultivate its profile as owner by eventually withdrawing from debt funding.

The target rate of return for the industrial holdings is 12 per cent. The target return for the financial investments portfolio depends on the composition of the portfolio, including the size of cash deposits and the risk profile of the receivables. In addition Aker has defined financial target indicators (FTI) that regulate the relationship between cash and interest bearing debt as well as the capital structure. The ratios work as guidelines in investment activities and capital allocation.

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 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 assessments 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.

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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:

		2012 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 amortised cost	Derivatives qualified for hedge accounting	Investments held until maturity	Cash and bank deposits	Total
Financial interest-bearing non-current assets	19	-	-	847	219	-	-	417	1 483
Other non-current assets incl. long-term derivatives	20	8	-	-	225	-	-	-	233
Projects under construction	22	-	-	-	378	-	-	-	378
Trade receivables, other interest-free short-term receivables	23	-	-	-	1 226	-	-	-	1 226
Current derivatives	38	-	-	-	-	6	-	-	6
Interest-bearing short-term receivables	24	23	-	-	5	-	-	-	28
Cash and cash equivalents	25	-	-	-	-	-	-	5 471	5 471
Total		32	-	847	2 052	6	-	5 888	8 825

Financial assets classified as held for trading through profit and loss in 2012 consist of NOK 8 million in derivatives. In 2011 it consisted NOK 8 million in derivatives .

		2011 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 amortised cost	Derivatives qualified for hedge accounting	Investments held until maturity	Cash and bank deposits	Total
Financial interest-bearing non-current assets	19	-	-	960	179	-	-	258	1 397
Other non-current assets incl. long-term derivatives	20	8	-	-	58	-	-	-	65
Projects under construction	22	-	-	-	406	-	-	-	406
Trade receivables, other interest-free short-term receivables	23	-	-	-	1 253	-	-	-	1 253
Current derivatives	38	-	-	-	-	9	-	-	9
Interest-bearing short-term receivables	24	22	-	-	4	-	-	-	26
Cash and cash equivalents	25	-	-	-	-	-	-	5 463	5 463
Total		29	-	960	1 900	9	-	5 721	8 619

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Trade receivables are allocated by company as follows:

<i>Amounts in NOK million</i>	2012	2011
Industrial holdings:		
Det norske oljeselskap	102	146
Aker BioMarine	82	64
Ocean Yield	39	-
Aker Seafoods ¹⁾	5	-
Financial Investments:		
Aker Philadelphia Shipyard	89	2
Norway Seafoods/Aker Seafoods ¹⁾	264	274
Ocean Harvest	16	31
Aker Floating Production ²⁾	-	63
Other companies	106	11
Total trade receivables	702	592

¹⁾ Aker Seafoods was transferred to Industrial holdings in 2012.

²⁾ Included in Ocean Yield in 2012.

Norway Seafoods enters into credit insurance agreements for most customers with credit limits above NOK 100 000. Bad debt expense in Norway Seafoods in percentage of sales were 0.09 and 0.1 in 2012 and 2011 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 2012	Net trade receivables 2011
Industrial customers	239	246
Wholesale customers	221	160
Retail customers	231	170
End-user customers	10	2
Other	1	14
Total trade receivables	702	592

Aging trade receivables and provisions for impairment loss:

<i>Amounts in NOK million</i>	Gross trade receivables 2012	Provision for impairment loss 2012	Gross trade receivables 2011	Provision for impairment loss 2011
Not past due	565	(2)	427	(7)
Past due 0-30 days	117	-	122	(2)
Past due 31-120 days	18	(1)	37	-
Past due 121-365 days	7	(3)	19	(5)
Past due more than one year	9	(9)	14	(14)
Total trade receivables	717	(14)	619	(27)
Recognised impairment loss		(10)		(5)

The recognised impairment loss on trade receivables is included in other operating expenses in the income statement.

Liquidity risk

Liquidity risk is the risk that the group will be unable to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as the fall due.

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

Amounts in NOK million	2012 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 loans	7 750	(8 789)	(977)	(437)	(1 093)	(4 179)	(2 104)
Unsecured bank loans	507	(573)	(12)	(15)	(30)	(514)	-
Unsecured bond issues	4 455	(6 022)	(432)	(126)	(302)	(3 311)	(1 853)
Finance lease liabilities	26	(29)	(2)	(2)	(5)	(13)	(7)
Other long-term liabilities	9	(10)	(1)	(1)	(2)	(5)	(1)
Credit facilities	97	(97)	(76)	(22)	-	-	-
Other short-term liabilities	712	(752)	(128)	(624)	-	-	-
Total contractual cash flows for interest-bearing liabilities	13 555	(16 272)	(1 627)	(1 227)	(1 432)	(8 022)	(3 964)
Short-term derivative financial liabilities	54						
Trade and other payables	2 483						
Long-term interest-free liabilities	3 615						
Total liabilities	19 707						

Long-term interest-free liabilities include NOK 1 652 million in deferred tax liabilities and NOK 484 million in deferred revenue. Short-term derivative financial liabilities in 2012 consist NOK 5 million in forward contracts to hedge the price

of bunkers, NOK 1 million in currency contracts and NOK 48 million in interest rate swaps. NOK 32 million of the interest rate swap agreements are related to hedge accounting.

The group's liquidity requirements are expected to be met through the balances of liquid assets and cash flow from operating activities. As at 31 December 2012, the group had cash and cash equivalents of NOK 5 471 million. Other items expected to be

paid in during the next year include tax receivables of NOK 1 283 million. In addition the group has interest-bearing assets of NOK 1 483 million (see Note 19) and other equity investments of NOK 787 million (see Note 18).

Amounts in NOK million	2011 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 loans	4 906	(5 844)	(533)	(470)	(832)	(2 423)	(1 587)
Unsecured bank loans	856	(1 017)	(31)	(31)	(62)	(892)	-
Unsecured bond issues	2 573	(3 107)	(294)	(576)	(427)	(1 810)	-
Finance lease liabilities	21	(25)	(2)	(2)	(4)	(10)	(7)
Other long-term liabilities	173	(249)	(38)	(4)	(7)	(26)	(173)
Credit facilities	133	(133)	(132)	(1)	-	-	-
Other short-term liabilities	514	(536)	(134)	(402)	-	-	-
Construction loan	48	(49)	(1)	(48)	-	-	-
Total contractual cash flows for interest-bearing liabilities	9 224	(10 960)	(1 164)	(1 535)	(1 332)	(5 161)	(1 768)
Short-term derivative financial liabilities	26						
Trade and other payables	1 680						
Long-term interest-free liabilities	5 120						
Total liabilities	16 050						

Long-term interest-free liabilities include NOK 3 500 million in deferred tax liabilities and NOK 363 million in deferred revenue. Short-term derivative financial liabilities in 2011 consisted of NOK 8 mil-

lion in currency contracts and NOK 18 million in interest swaps. The interest swap agreements are related to hedge accounting.

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Currency risk

Aker's operation in the international market leads to various types of currency exposure for the group. Currency risks arise through ordinary, future business transactions, capitalised assets and liabilities, and when such transactions involve 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 US dollar (USD).

The table below illustrates the group's sensitivity to translation differences. If the Norwegian krone had been 10% stronger in 2012, the effects on the consolidated financial statements would have been as follows:

Amounts in NOK million	Operating revenue	Profit before tax	Equity
USD	2 015	430	4 013
Other currencies	1 117	(52)	(7)
NOK	2 820	(3 528)	14 898
Total	5 952	(3 150)	18 904
Change if NOK 10% stronger	(313)	(38)	(401)
When NOK 10% stronger	5 639	(3 188)	18 503

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

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

Industrial holdings:

Det norske oljeselskap

The functional currency of Det norske oljeselskap is NOK. The company faces currency risks in connection with sales, purchases and loans in currencies other than NOK. Revenues from the sale of petroleum and gas are in USD, while expenditures are mainly in NOK, USD, EUR, GBP and DKK. Exchange rate fluctuations and oil prices expose the company to both direct and indirect financial risk, but as some of the expenses are denominated in USD, the risks are reduced somewhat. Currency derivatives may be used. Foreign currency positions are only used to reduce the currency risk associated with the company's ordinary operations. During the course of the year, the company has entered into some forward contracts to reduce its currency exposure in the Jette project. As at 31 December 2012, all contracts have been utilised.

Aker BioMarine

Aker BioMarine operates in the international market and is exposed to foreign exchange risk, pri-

marily through fluctuations in USD, EUR and NOK. Exchange rate fluctuations affect commercial transactions in currencies other than the group's functional currencies. Aker BioMarine seeks to maintain the greatest possible natural foreign currency hedging by keeping revenues and expenses in the same currency. Future cash flows are estimated and offset. The company continuously assesses the need for foreign currency hedging; entering into foreign currency derivative contracts is generally subject to board approval. Aker BioMarine ASA manages currency risk on an overall group level, and any currency risk faced by subsidiaries is managed either through foreign currency instruments or financing with Aker BioMarine ASA. Aker BioMarine does not use hedging accounting pursuant to IAS 39 Financial Instruments. Foreign currency fluctuations will affect the translation of income statement and balance sheet items associated with foreign business units and other financial instruments in foreign currencies, such as cash, receivables, liabilities, and derivatives. Aker BioMarine had no currency derivatives as at 31 December 2012 or 31 December 2011.

Ocean Yield

The operating companies in the Ocean Yield Group have prepared guidelines for the management of currency risks. The currency policy defines levels for the hedging of expected future cash flows. The company may utilise currency forward contracts and currency option contracts from time to time to reduce currency exposure.

The presentation currency in Ocean Yield is USD. The group faces currency risks in connection with sales, purchases and loans in currencies other than USD. Its currency risk is mainly related to NOK.

As at 31 December 2012 Ocean Yield had an interest and currency swap with maturity in July 2016. As at 31 December 2011, it had no exchange rate derivatives.

Aker Seafoods

The functional currency of Aker Seafoods is NOK. The company is not directly exposed to fluctuations in other currencies as Aker Seafoods does not have any foreign subsidiaries and all sales are in NOK.

Financial investments (subsidiaries):

Aker Philadelphia Shipyard

The functional currency of Aker Philadelphia Shipyard is USD. The company faces currency risks related to sales, purchases and loans in currencies other than USD. Currency risk is mainly related to EUR, NOK and KRW (Korea). The Aker Philadelphia Shipyard Group had no currency derivatives as at 31 December 2012.

Amounts in NOK million	2013	After 2013	Total
Sell EUR	80	-	80
Sell GBP	27	-	27
Total sell	107	-	107
Buy USD	4	-	4
Total buy	4	-	4

Ocean Harvest

Ocean Harvest incurs currency risk on sales denominated in currencies other than NOK. The company is mainly exposed to JPY and USD. The Ocean Harvest Group had no currency derivatives as at 31 December 2012.

Aker ASA

Aker has hedged USD 26 million and GBP 14 million through forward-contracts and convertible forwards (European). The company has sold USD 25 million and bought USD 21 million forward with maturity in the period 2012-2015. In addition, convertible forwards (European) for the sale of USD 22 million have been traded for this period. A convertible forward comprises two options with the same strike, one bought put

Norway Seafoods

The group incurs currency risk on sales denominated in currencies other than NOK. The group's exposure is mainly related to EUR, GBP, SEK, DKK and USD. Approximately 50 per cent of all receivables in EUR and GBP are hedged and approximately 50 per cent of anticipated sales the subsequent 12 months are also hedged at all times. Forward foreign exchange contracts are used to hedge 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 denominated in a foreign currency is kept at an acceptable level by buying and selling foreign currency at the spot rate when necessary to manage a short-term imbalance.

As at 31 December 2012, the Norway Seafoods Group's portfolio of currency derivatives consisted of the following currencies and maturities. The indicated amounts represent the underlying nominal amounts and fair value. The value of the hedging contracts was NOK 6 million as at 31 December 2012.

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. The company has also sold GBP 14 million forward with maturity in January 2013. As at 31 December 2012, the company had recorded an unrealised loss of NOK 0.5 million on these contracts.

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.

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Exposure to interest rate risk

As at 31 December 2012, the interest rate profile of the group's interest-bearing financial instruments was as follows:

<i>Amounts in NOK million</i>	2012	2011
Fixed rate instruments:		
Financial assets	184	322
Financial liabilities	(3 027)	(1 174)
Net fixed rate instruments	(2 843)	(852)
Variable rate instruments:		
Financial assets	6 807	6 563
Financial liabilities	(10 537)	(8 049)
Net variable rate instruments	(3 730)	(1 486)
Net interest-bearing debt (-) / assets (+)	(6 573)	(2 338)

Fair value sensitivity analysis for fixed-rate instruments

The group does not recognise 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 -32 million) as a hedge for part of the secured bank loan. A change in interest rates at the reporting date would not affect profit or loss but would appear as change in the fair value of the cash flow hedge in the group's comprehensive income.

Other interest rate derivatives are not designated as hedges, and hence a change in the interest rate would affect profit or loss for these instruments. In 2012, the Aker group incurred an expense of NOK 59 million related to interest rate derivatives.

In 2011, the Aker group had an income of NOK 24 million and an expense of NOK 2 million related to interest rate derivatives. The income of NOK 24 million is included in the profit from discontinued operations in 2011.

Note 6 Acquisition of subsidiaries and transactions with minority interests

Acquisition of subsidiaries in 2012:

In March Aker increased the ownership in Aker Encore from 50 per cent to 100 per cent. The shares were purchased from TRG AS for NOK 16 million. In March Aker also purchased the company Widerøeveien 5 for NOK 55 million. In

December Aker purchased the company Maries vei 20 for NOK 145 million. The latter two purchases are related to Aker's property project Fornebuporten. The acquisition of the two property companies are recognised as asset acquisitions.

Identifiable assets acquired and liabilities assumed:

The provisionally determined values of assets acquired and liabilities assumed are shown below.

<i>Amounts in NOK million</i>	Recognised in the companies	Fair value adjustment	Recognised in Aker
Property, plant & equipment	714	103	816
Inventory, trade and other receivables	95		95
Cash and bank deposits	48		48
Interest-bearing loans	(131)		(131)
Deferred tax liability	(79)		(79)
Short-term interest-bearing debt	(425)		(425)
Tax payable, trade and other payables	(91)		(91)
Identifiable net assets	130	103	233
Consideration transferred			216
Cash acquired			(48)
Total paid acquisition of subsidiaries			168

Transactions with minority interests in 2012:

In 2012, Aker purchased shares from minority interests for NOK 99 million and sold minority interests for NOK 99 million. This led to an increase in minority interests of NOK 43 million and a decrease in majority interests of NOK 43 million, recognised directly in equity and attributed to the equity holders in the parent company. See also [Note 27](#).

In the first quarter of 2012 Aker increased the ownership in Aker Floating Production from 72.3 per cent to 100 per cent. The purchase price was NOK 22 million. Aker also in the first quarter of 2012 sold 1.05 million shares in Det norske for NOK 92 million, reducing its ownership from 50.81 per cent to 49.99 per cent. Converto Capital Fund (owned 99.8 per cent of Aker) sold in July 1.1 million shares in Aker Seafoods for NOK 7 million. Ownership in Aker Seafoods was correspondingly reduced to 72.3 per cent from 73.6 per cent. Aker Seafoods purchased in July 2012 3.54 per cent of the shares in Nordland Havfiske AS for NOK 24 million. After the purchase Nordland Havfiske is a wholly owned subsidiary of Aker Seafoods. In November 2012 Aker increased the ownership in Aker Seafoods from 72.3 per cent to 73.2 per cent. The purchase price was NOK 4.5 million.

Also in November 2012 Aker increased the ownership in Aker BioMarine from 86.1 per cent to 89.2 per cent. The purchase price was NOK 48 million.

The total purchase price of subsidiaries and minority interests in 2012 is NOK 267 million. Total sales of minority interests and subsidiaries (see [Note 7](#)) in 2012 is NOK 95 million.

Acquisition of subsidiaries in 2011:

On 17 August 2011 Aker purchased 11.66 per cent of Det norske oljeselskap ASA shares and voting interests. The total purchase amounted to NOK 521 million. Aker purchased 12 954 478 shares at a per-share price of NOK 40.25. The consideration of NOK 521 million transferred consists of cash payment.

As a result, Aker's interest in Det norske increased from 40.45 per cent to 52.11 per cent. Following the share acquisition on 17 August, Aker owns 57 898 658 Det norske shares.

From 17 August to 31 December 2011 Det norske contributed revenue of NOK 132 million and NOK minus 139 million in results. If the acquisition had occurred on 1 January 2011, the consolidated income statement for the year 2011 would show revenue of NOK 4 941 million and profit of NOK 1 714 million (estimated figures).

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Identifiable assets acquired and liabilities assumed:
 The determined values of assets acquired and liabilities assumed are shown below.

<i>Amounts in NOK million</i>	17 August 2011
Property, plant & equipment	482
Intangible assets	5 438
Calculated tax receivables (long-term)	1 011
Other non-current assets	18
Inventory, trade and other receivables	471
Interest-bearing short-term receivables	22
Calculated tax receivables (short-term)	2 372
Cash and bank deposits	593
Interest-bearing loans	(586)
Deferred tax liability	(1 957)
Provisions and other long-term liabilities	(319)
Short-term interest-bearing debt	(2 490)
Tax payable, trade and other payables	(582)
Fair value of identifiable net assets	4 472

The fair value of the receivables is NOK 434 million and includes accounts receivable at a fair value of NOK 52 million. The value of the gross contractual accounts for receivable that are due is also NOK 52 million, since all the receivables are considered fully collectible.

Goodwill

Aker measures the non-controlling interest (minority interest) compared to their relative share of the identifiable net assets.

<i>Amounts in NOK million</i>	17 August 2011
Total consideration transferred	521
Non-controlling interest (minority interests) 47.89%	2 142
Fair value of pre-existing interest in Det norske	1 809
Fair value of identifiable net assets	(4 472)
Total	-
Deferred tax liability related to fair value of exploration licenses 78%	1 273
Technical goodwill	1 273

Technical goodwill is a result of treating the transactions in accordance to the IFRS 3 "Business Combinations". The provision for deferred tax is the result of the difference between the fair value and tax value of assets on the acquisition date.

The valuation at fair value of licenses under development or licenses in production is based on cash flow after taxation. The reason is that licenses are only traded in a market before tax, based on decisions made by the Ministry of Finance pursuant to the Petroleum Taxation Act section 10.

In accordance with IAS 12 sections 15 and 19, a provision is made for deferred taxes corresponding to the difference between the acquisition cost and the assumed tax-related depreciation.

The offsetting (contra) entry to deferred taxes is goodwill. Hence, the goodwill arises as a technical effect of deferred taxes. None of the goodwill recognised is expected to be deductible for tax purposes. The re-measurement of the fair value of Aker's existing 40.45 per cent interest in Det nor-

ske resulted in a gain of NOK 817 million (fair value of NOK 1 809 million less NOK 992 million carrying amount of Det norske as an associated company at the acquisition date), which has been recognised in Other items in the income statement. Aker has not incurred acquisition related costs related to the purchase.

On 31 August 2011 Aker acquired 5 789 900 shares in a share issue of Det norske oljeselskap ASA. Following this acquisition Aker holds 63 688 558 shares, representing 52.11 per cent of the total registered number of shares, which is at the same level as before the share issue. The shares were acquired at an acquisition price of NOK 44.00, at a total of NOK 255 million.

On 16 December 2011, Det norske converted the unsecured convertible bond into shares. 5 693 564 shares were issued. As an owner of 23 per cent of the bond, Aker ASA received 1 303 909 new shares. The ownership in Det norske was reduced from 52.11 per cent to 50.81 per cent.

Transactions with minority interests in 2011:

During 2011, Aker purchased shares of minority interests for NOK 81 million. This has resulted in a reduction of minority interest of NOK 179 million and a net increase of the controlling interests of NOK 98 million, which is recognised directly in the equity and attributed to the parent company's owners.

The subsidiary Convento Capital Fund bought 4.1 per cent of the shares in Aker Philadelphia Shipyard and 7.7 per cent of the shares in Aker Seafoods. As a result, Convento Capital Fund increased its ownership in Aker Philadelphia Shipyard from 67.1 per cent to 71.2 per cent and in Aker Seafoods from 65.9 per cent to 73.6 per cent. The subsidiary Aker Seafoods Holding has acquired 2.8 per cent of the shares in Aker BioMarine and increased its ownership from 83.3 per cent to 86.1 per cent.

<i>Amounts in NOK million</i>	4.1% in Aker Philadelphia Shipyard	7.7% in Aker Seafoods	2.8% in Aker BioMarine	Total
Acquisition cost	1	39	40	81
Change in minority interests	(23)	(124)	(32)	(179)
Recognised in equity	22	85	(8)	98

Total acquisition cost is NOK 9 million, including acquisition of 12.9 million shares in Det norske oljeselskap and cash in Det norske oljeselskap at 17 August 2011.

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Note 7 Sales of subsidiaries and discontinued operations

Sale of subsidiaries in 2012

In July Aker sold its 90 per cent share in Convento Capital Management (CCM) to Fausken Invest for NOK 4 million. Assets and liabilities transferred were NOK 9 million and NOK 2 million. The sales loss for the group was NOK 2 million. Net proceeds from the sale less cash sold of NOK 8 million were NOK -4 million.

Equity issue, listing and sale of shares in Aker Drilling in 2011

During the first quarter of 2011 Aker Drilling finalised an equity issue of NOK 3.9 billion and renegotiated a bank loan to a new loan with maturity of five years.

Aker participated in the equity issue with NOK 567 million. Following the equity issue, Aker's ownership was reduced to 41.1 per cent and is no longer controlling the company. Accordingly the investment was treated as an associated company. Net loss at 24 February 2011 was NOK 1.2

billion. The investment in Aker Drilling is from 24 February 2011 accounted for under the equity method. At 15 August Aker sold 5 per cent of the shares in Aker Drilling and had a remaining ownership of 36.1 per cent. As a result of the transaction the Aker group gained NOK 97 million. Concurrent with the transaction on 15 August, Aker agreed to sell the remaining stake of 36.1 per cent, provided that certain conditions would be met. The sale was completed on 3 October 2011 and this transaction resulted in a gain of NOK 780 million. This gives an overall sales gain of comprehensive income of NOK 877 million of which NOK 911 million is recorded in income from discontinued operations and NOK minus 34 million as changes in other comprehensive income from associated companies.

The profit of the transactions in February, August and October, and Aker Drilling's profit to 3 October 2011 are presented in the income statement as discontinued operations.

Financial data discontinued operations (Aker Drilling in 2011):

<i>Amounts in NOK million</i>	2011
Operating revenue	363
Operating expenses	(157)
EBITDA	206
Depreciation and amortization	(60)
Operating profit	145
Share of profit of associated companies	10
Net financial/other items	(136)
Profit before tax	20
Tax	(6)
Net profit	14
Loss from dilution in Aker Drilling	(1 166)
Sales gain, sale of 41,1% of Aker Drilling	911
Loss/Profit for the period from discontinued operations	(240)
Majority share	(240)
Result from discontinued operations	(240)
Earnings per share	(3.32)

Balance sheet Aker Drilling at 24 February 2011 before equity issue and refinancing

Amounts in NOK million

Property, plant and equipment	10 123
Net deferred tax	151
Net current operational assets	278
Net non-current liabilities	(554)
Net interest-free assets and liabilities	9 997
Cash and cash equivalents	1 272
Interest-bearing receivable	5 237
Interest-bearing debt to Aker ASA	(2 790)
Other interest-bearing debt	(10 682)
Equity	3 034

Loss in Aker from dilution in Aker Drilling

Amounts in NOK million

Aker Drilling equity value before equity issue and refinancing	1 767
Book equity in Aker Drilling at 24 February 2011	3 034
Group elimination at 24 February 2011	(258)
Book equity in Aker group at 24 February 2011	2 777
Loss in Aker from dilution in Aker Drilling	(1 010)
Allocated as follows:	
Loss in the period	(1 166)
Changes in fair value of available for sale financial assets transferred to profit and loss	156
Total comprehensive income	(1 010)

Cash flow Aker Drilling from 1 January 2011 to 24 February 2011

Amounts in NOK million

Net cash flow from operations	175
Net cash flow from investing activities	211
Net cash flow from financing activities	(273)
Cash flow in the period	113
Effects of changes in exchange rates on cash	(46)
Cash and cash equivalents as at 1 January 2011	1 205
Cash and cash equivalents at 24 February 2011	1 272

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Payment in cash and sales gain in Aker 15 August and 3 October 2011

Amounts in NOK million

Sale 15 August 2011	396
Sale 3 October 2011	2 859
Total cash received	3 255
Gain in Aker selling 41% in 2011	877
Allocated as follows:	
Profit for the period from discontinued operations	911
Changes in fair value of available for sale financial assets transferred to profit and loss	(34)
Total comprehensive income	877

Note 8 Operating segments

Operating segments are identified based on the group's internal management- and reporting structure. The group's chief operating decision maker, who is 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.

Aker introduced a new reporting structure as of the first quarter 2012. The Funds segment was renamed Fund Investments and included under Financial Investments. Aker's investment portfolio thus comprises two segments: Industrial Holdings and Financial Investments.

Aker Seafoods was transferred from Financial investments to Industrial holdings in the first quarter of 2012. Ocean Yield was established in 2012 and includes among other Aker Floating Produc-

tion which was included in Other operations in 2011. Comparative figures have been adjusted.

The primary focus for businesses within Industrial holdings is long-term added value. Businesses within Financial investments are controlled as a portfolio with focus on financial and strategic opportunities.

Recognition and measurement applied to segment reporting are consistent with the accounting principles applied when preparing the financial statements. Transactions between segments are conducted on market terms and conditions. Operational incomes from geographical segments are based on customers' geographical location, while segment assets are based on the geographical location of companies.

An overview of operating segments:

Industrial holdings:

<i>Aker Solutions</i>	Leading global supplier of products, systems and services for the oil and gas industry. The Aker group ownership interest is 40.27%. The company is defined as an associated company in the Aker group, and is accounted for using the equity method. Aker ASA indirectly owns 28.2%. Aker Kvaerner Holding AS owns 40.27% of Aker Solutions ASA. Aker ASA owns 70% of Aker Kvaerner Holding AS.
<i>Kvaerner</i>	Leading global provider of engineering and construction services to the energy and process industry. The Aker group ownership interest is 41.02%. The company is defined as an associated company in the Aker group, and is accounted for using the equity method. Aker ASA indirectly owns 28.7%. Aker Kvaerner Holding AS owns 41.02% of Kvaerner ASA. Aker ASA owns 70% of Aker Kvaerner Holding AS.
<i>Det norske oljeselskap</i>	Oil company. Exploration and production on the Norwegian continental shelf. Ownership interest 49.99%.
<i>Ocean Yield</i>	Owns, operates and charters vessels. Ownership interest 100%.
<i>Aker BioMarine</i>	Biotechnology company. Harvesting of krill, production and sale. Ownership interest 89.2%.
<i>Aker Seafoods</i>	Harvesting of white fish. Ownership interest 73.2%.
<i>Other industrial investments and eliminations</i>	Consisted in 2011 of 50% of the joint venture Clean Carbon, reimbursement of exploration expenses in Aker Ghana and the elimination of demerger effects related to the demerger of Aker Solutions and Kvaerner.

Financial investments:

<i>Converto Capital Fund</i>	Investment fund, managed by Converto Capital Management. Ownership interest 99.8%.
	Main companies in Converto Capital Fund: <i>Aker Philadelphia Shipyard</i> : Design and construction of vessels. Ownership interest 71.2%. <i>Norway Seafoods</i> : Processing and sales of seafood. Ownership interest 73.6%. <i>Bokn Invest</i> : Investment company. Owns oil service companies Align and Stream. Ownership interest 39.9%. The company is defined as an associated company in the Aker group, and is accounted for using the equity method.
<i>Other funds</i>	<i>AAM Absolute Return Fund</i> : Hedge fund, managed by Oslo Asset Management AS. <i>Norron Fond</i> : Fund, managed by Norron Asset Management AB.
<i>Other and eliminations</i>	<i>Aker ASA and holding companies</i> : Cash, other financial investments and other assets. Companies included are listed in Note 1 in annual accounts for Aker ASA and holding companies. <i>Other</i> : Other companies and eliminations. See Note 27 for overview of Group entities.

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2012 - Operating segments

Amounts in NOK million	Aker Solutions ¹⁾	Kvaerner ¹⁾	Det norske olje-selskap ²⁾	Ocean Yield ³⁾	Aker BioMarine	Aker Seafoods	Other industrial and elim	Total industrial holdings	Converto Capital Fund ⁴⁾	Other funds	Other and eliminations	Total financial investments	Total
External operating revenues	-	-	332	1 094	469	774	-	2 670	3 134	-	149	3 283	5 952
Inter-segment revenues	-	-	-	-	-	-	-	-	4	-	(4)	-	-
Operating revenues	-	-	332	1 094	469	774	-	2 670	3 138	-	144	3 283	5 952
EBITDA	-	-	(1 582)	881	66	183	-	(452)	85	-	(157)	(72)	(524)
Depreciation and amortization	-	-	(112)	(500)	(81)	(82)	-	(774)	(99)	-	(23)	(122)	(896)
Impairment changes and non-recurring items	-	-	(2 150)	(34)	(20)	33	-	(2 171)	(79)	-	(87)	(166)	(2 337)
Operating profit	-	-	(3 843)	347	(35)	134	-	(3 397)	(93)	-	(267)	(360)	(3 757)
Share of earnings in associated and joint venture companies	878	98	-	-	(10)	-	-	966	142	-	(1)	141	1 107
Interest income	-	-	55	50	-	13	-	119	36	-	116	151	270
Interest expense	-	-	(128)	(73)	(31)	(59)	-	(291)	(74)	-	(232)	(306)	(597)
Other financial items	-	-	(33)	(65)	11	(3)	-	(90)	9	-	(92)	(84)	(173)
Profit before tax	878	98	(3 949)	260	(64)	85	-	(2 693)	20	-	(477)	(457)	(3 150)
Tax expense	-	-	2 992	-	(2)	(23)	-	2 967	(50)	-	50	-	2 967
Profit for the year from continuing operations	878	98	(957)	260	(66)	62	-	274	(30)	-	(428)	(458)	(184)
Profit for the year	878	98	(957)	260	(66)	62	-	274	(30)	-	(428)	(458)	(184)
Property, plant, equipment, intangibles and interest-free fixed assets	-	-	5 254	6 729	1 097	1 866	-	14 945	924	-	5 099	6 023	20 969
Shares and investments in associated companies	4 729	888	-	-	-	-	-	5 617	193	-	2	195	5 813
Investments in joint ventures	-	-	-	-	689	-	-	689	-	-	-	-	689
Other shares	-	-	-	-	-	-	-	-	19	607	160	787	787
Total shares	4 729	888	-	-	689	-	-	6 306	213	607	162	982	7 288
External interest-bearing fixed assets	-	-	194	959	-	1	-	1 153	287	-	43	330	1 483
Interest-free current assets	-	-	1 739	88	296	73	-	2 196	1 073	-	103	1 175	3 372
External interest-bearing current assets	-	-	23	-	-	-	-	23	5	-	-	5	28
Internal interest-bearing receivables	-	-	-	-	-	194	-	194	-	-	(194)	(194)	-
Cash and cash equivalents	-	-	1 154	583	5	52	-	1 794	369	-	3 308	3 677	5 471
Total assets	4 729	888	8 364	8 359	2 086	2 186	-	26 612	2 870	607	8 522	11 999	38 611
Equity	4 729	888	3 738	2 973	1 296	866	-	14 491	1 088	607	(6 650)	(4 955)	9 536
Minority	-	-	-	-	-	5	-	5	1	-	9 362	9 363	9 368
Non interest-bearing debt	-	-	2 170	597	137	416	-	3 320	883	-	1 949	2 832	6 152
Internal interest-bearing debt	-	-	-	-	93	-	-	93	525	-	(618)	(93)	-
External interest-bearing debt	-	-	2 456	4 789	560	898	-	8 703	373	-	4 479	4 852	13 555
Total assets and liabilities	4 729	888	8 364	8 359	2 086	2 186	-	26 612	2 870	607	8 522	11 999	38 611
Impairment and sales losses	-	-	(2 150)	(34)	(18)	-	-	(2 202)	(67)	-	(68)	(135)	(2 337)
Investments ⁵⁾	-	-	4 484	1 905	250	80	-	6 719	129	-	946	1 075	7 794

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2011 - Operating segments

<i>Amounts in NOK million</i>	Aker Solutions ¹⁾	Kvaerner ¹⁾	Det norske oljeselskap ²⁾	Ocean Yield ³⁾	Aker Bio-Marine	Aker Seafoods	Other industrial and elim	Total industrial holdings	Convento Capital Fund ⁴⁾	Other funds	Other and eliminations	Total financial investments	Discontinued operations	Total
External operating revenues	-	-	132	1 023	330	712	-	2 197	3 093	-	(408)	2 685	-	4 883
Inter-segment revenues	-	-	-	-	-	150	-	150	-	-	(150)	(150)	-	-
Operating revenues	-	-	132	1 023	330	863	-	2 348	3 093	-	(558)	2 535	-	4 883
EBITDA	-	-	(103)	834	36	232	162	1 161	512	-	(723)	(211)	-	950
Depreciation and amortization	-	-	(30)	(476)	(59)	(78)	-	(642)	(490)	-	361	(130)	-	(772)
Impairment changes and non-recurring items	-	-	(127)	(112)	(33)	-	-	(273)	(132)	-	127	(5)	-	(278)
Operating profit	-	-	(260)	246	(56)	154	162	246	(110)	-	(236)	(345)	-	(99)
Share of earnings in associated and joint venture companies	2 134	229	(137)	-	(17)	-	(707)	1 502	(4)	-	-	(4)	-	1 497
Interest income	-	-	28	62	2	12	-	104	72	-	75	147	-	251
Interest expense	-	-	(97)	(109)	(24)	(53)	2	(281)	(287)	-	82	(206)	-	(487)
Other financial items	-	-	11	(30)	(17)	(1)	(77)	(114)	187	-	706	893	-	779
Profit before tax	2 134	229	(455)	169	(113)	113	(621)	1 456	(143)	-	628	485	-	1 941
Tax expense	-	-	179	(19)	-	(32)	-	128	35	-	21	57	-	185
Profit for the year from continuing operations	2 134	229	(277)	150	(113)	81	(621)	1 584	(107)	-	649	542	-	2 126
Result from discontinued operations (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	(240)	(240)
Profit for the year	2 134	229	(277)	150	(113)	81	(621)	1 584	(107)	-	649	542	(240)	1 885
Property, plant, equipment, intangibles and interest-free fixed assets	-	-	4 721	5 787	1 029	1 859	-	13 397	1 010	-	4 182	5 191	-	18 588
Shares and investments in associated companies	4 400	988	-	-	-	-	-	5 388	189	-	2	191	-	5 579
Investments in joint ventures	-	-	-	-	617	-	-	617	-	-	17	17	-	634
Other shares	-	-	-	-	-	-	-	-	13	607	161	781	-	781
Total shares	4 400	988	-	-	617	-	-	6 005	202	607	181	989	-	6 994
External interest-bearing fixed assets	-	-	18	920	-	90	-	1 029	206	-	161	368	-	1 397
Interest-free current assets	-	-	2 113	102	209	103	-	2 527	1 107	-	99	1 205	-	3 732
External interest-bearing current assets	-	-	22	-	-	-	-	22	4	-	-	4	-	26
Cash and cash equivalents	-	-	842	369	13	60	-	1 283	167	-	4 013	4 180	-	5 463
Net assets held for distribution	-	-	-	-	-	286	-	286	-	-	(286)	(286)	-	-
Total assets	4 400	988	7 716	7 179	1 868	2 397	-	24 549	2 696	607	8 349	11 652	-	36 201
Equity	4 400	988	3 677	2 871	1 157	836	-	13 928	649	607	(4 238)	(2 983)	-	10 945
Minority	-	-	-	-	-	22	-	22	-	-	9 183	9 184	-	9 206
Non interest-bearing debt	-	-	3 073	701	98	412	-	4 283	912	-	1 631	2 542	-	6 826
Internal interest-bearing debt	-	-	-	-	36	286	-	322	441	-	(763)	(322)	-	-
External interest-bearing debt	-	-	967	3 607	577	842	-	5 993	694	-	2 537	3 231	-	9 224
Total assets and liabilities	4 400	988	7 716	7 179	1 868	2 397	-	24 549	2 696	607	8 349	11 652	-	36 201
Impairment and sales losses	-	-	(127)	(112)	(39)	-	-	(278)	(112)	-	-	(112)	-	(390)
Investments ⁵⁾	-	-	621	6	244	63	-	934	90	-	8 042	8 132	-	9 066

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Geographical segments

Amounts in NOK million	Operating revenue based on location of customer		Total property, plants, equipment and intangibles by company location	
	2012	2011	2012	2011
Norway	1 732	1 429	19 302	17 239
EU	2 026	2 114	201	78
The Americas	1 163	449	850	875
Asia	895	840	-	-
Other areas	137	51	11	-
Total	5 952	4 883	20 364	18 191

¹⁾ Share of profits of associated company.

²⁾ Associated company until 17 August 2011. Subsidiary from 17 August 2011.

³⁾ Ocean Yields is pro forma figures.

⁴⁾ Consolidated companies owned by Convento Capital Fund.

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

Analysis of operating revenues by category

Amounts in NOK million	2012	2011
Construction contract revenue	277	167
Sales of goods	4 367	3 441
Revenue from services	30	28
Leasing income	1 101	1 027
Other	177	220
Total	5 952	4 883

Important customer

Aker has one customer that has been invoiced NOK 772 million and thus accounts for more than 10% of Group revenues in 2012.

Earnings and balance sheet by currency

Aker ASA has subsidiaries reporting in currencies other than the Norwegian krone (NOK), where value 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 14](#), [Note 29](#) and [Note 30](#).

Amounts in million	USD	USD in NOK	Other currencies in NOK	NOK	Aker in NOK
Revenue	346	2 015	1 117	2 820	5 952
EBITDA	182	1 062	29	(1 615)	(524)
Profit before tax	74	430	(52)	(3 528)	(3 150)
Fixed assets	1 066	5 949	216	14 199	20 364
Cash	140	781	40	4 651	5 471
Other assets	392	2 186	311	10 279	12 776
Total assets	1 598	8 915	567	29 128	38 611
Equity	719	4 013	(7)	5 531	9 536
Minority interests	-	-	-	9 368	9 368
Interest-bearing liabilities external	604	3 372	66	10 117	13 555
Interest-bearing liabilities internal	74	413	305	(718)	-
Interest-free liabilities	200	1 117	204	4 831	6 152
Total equity and liabilities	1 598	8 915	567	29 128	38 611

Cash flow by segment

Cash flow is allocated to the different companies as follows:

Amounts in NOK million	Operating activities	Investing activities	Financing activities	Cash flow 2012
Industrial holdings:				
Det norske oljeselskap	1 419	(3 575)	2 469	313
Ocean Yield	690	(1 840)	1 387	237
Aker BioMarine	30	(325)	287	(8)
Aker Seafoods	109	(175)	59	(7)
Total industrial holdings	2 248	(5 915)	4 202	536
Financial investments:				
Convento Capital Fund	347	(115)	(12)	219
Aker ASA and holding companies	34	(790)	(90)	(846)
Other companies and reclassifications	171	660	(688)	143
Total	2 801	(6 160)	3 411	52

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Cash flow from operating activities is allocated to the different companies as follows:

<i>Amounts in NOK million</i>	EBITDA	Net interest paid	Paid/received tax	Other	Cash flow from operating activities
Industrial holdings:					
Det norske oljeselskap	(1 582)	(202)	1 443	1 759	1 419
Ocean Yield	881	(93)	(1)	(97)	690
Aker BioMarine	66	(31)	(2)	(3)	30
Aker Seafoods	183	(48)	(7)	(19)	109
Total industrial holdings	(452)	(374)	1 433	1 641	2 248
Financial investments:					
Converto Capital Fund	85	(25)	(50)	336	347
Aker ASA and holding companies	(235)	(109)	(23)	402	34
Other companies and reclassifications	78	(13)	(13)	119	171
Total	(524)	(520)	1 347	2 498	2 801

Cash flow from operating activities amounted to NOK 2 801 million in 2012. The difference of NOK 3 325 million compared to EBITDA is primarily due to net interest paid of NOK 520 million, net tax received of NOK 1 347 million, taking into account a tax rebate linked to exploration activity on the Norwegian continental shelf, and other items totalling NOK 2 498 million.

Other items in Det norske oljeselskap are primarily linked to the expensing of previously capi-

talised exploration costs of Det norske oljeselskap totalling NOK 1 116 million and increase in accrued costs. Other items in Converto Capital Fund are primarily linked to repayment of capital from Bokn Invest of NOK 140 million and advances from customers in Aker Philadelphia Shipyard. Other items in Aker ASA and holding companies are primarily linked to dividends received of NOK 461 million.

Note 9 Wages, personnel expenses and other operating expenses

Wages and personnel expenses consist of the following:

<i>Amounts in NOK million</i>	2012	2011
Wages	1 479	1 143
Social security contributions	127	86
Pension costs	79	69
Other expenses	130	50
Capitalised personnel expenses	(521)	(38)
Total	1 294	1 311
Average number of employees	2 638	2 608
Number of employees at year end	2 731	2 581

Geographical split of number of employees per region

	2012	2011
Norway	1 331	1 295
EU	520	521
North America	553	464
Other regions	327	301
Total	2 731	2 581

Other operating expenses consist of the following:

<i>Amounts in NOK million</i>	2012	2011
Rent and leasing expenses	87	87
Impairment loss on trade receivables	10	5
Exploration expenses oil and gas	1 609	140
Production cost oil and gas	211	61
Other operating expenses	859	689
Total	2 776	982

Other operating expenses consist of the following items:

<i>Amounts in NOK million</i>	2012	2011
Hired services (workforce)	61	45
External consultants and services other than audit (see below)	68	67
Bunkers to the fleet	202	173
Other operating expenses related to the fleet	121	178
Exploration costs for oil and gas in Ghana	-	(162)
Other	407	388
Total	859	689

Hired services consist of expenses for personnel without an employment contract and who are not sub-contractors. Exploration costs for oil and gas in Ghana in 2011 includes NOK 162 million (USD 29.8 million) reimbursement by Ghana's national oil company GNPC.

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

<i>Amounts in NOK million</i>	Ordinary auditing	Consulting services	Total 2012	2011
Aker ASA	1	1	2	4
Subsidiaries	9	4	13	12
Total	10	5	15	16

Consulting services of NOK 5 million consist of NOK 1.9 million in other assurance services, NOK 2.5 million in tax advisory services and NOK 0.6 million in other non-audit services.

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Note 10 Impairment changes and non-recurring items

Impairment changes and non-recurring items include write-downs 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.

Impairment changes and non recurring items are as follows:

Amounts in NOK million	2012	2011
Impairment losses on intangible assets (Note 15)	(397)	(149)
Tax on write-downs technical goodwill (Note 13)	175	52
Impairment losses on property, plant and equipment (Note 14)	(2 115)	(181)
Total	(2 337)	(278)

The impairment losses on intangible assets in 2012 of NOK 397 million are related to Det norske oljeselskap and Norway Seafoods.

In Det norske oljeselskap, goodwill is capitalised as a consequence of the requirement in IFRS 3 to make provision for deferred tax in connection with a business combination, even if the transactions are made on an "after-tax" basis as a result of a section 10 decision in line with applicable petroleum taxation. The offsetting entry to deferred tax is goodwill which has been impaired by NOK 135 million. The remaining impairments relate to various exploration licenses that have been or are in the process of being relinquished.

The impairment losses of NOK 36 million in Norway Seafoods are related to the agreement to sell its operations in France, entered into in January 2013.

The impairment of fixed assets totalled NOK 2 115 million in 2012, due to production facilities and wells in Det norske oljeselskap, write down of processing equipment and other gear in Aker BioMarine, equipment on FPSO candidate (SMART 2) in Aker Floating Production and the sale of Norway Seafoods' operations in France.

Det norske oljeselskap experienced technical challenges with the completion of the first production well on the Jette field. As a result, the company revised the development drilling plan. The revised plan results in higher drilling costs and reduced estimated recoverable reserves compared to the original plan. This causes reduced profitability of the field. Consequently, Det norske oljeselskap performed an impairment assessment and recorded an impairment charge in 2012 of NOK 1 881 million before tax.

The remaining impairment losses in Det norske oljeselskap in 2012 relates to two of the producing fields. The impairment was mainly due to increase in the estimate of abandonment provisions.

Aker BioMarine owns processing equipment, some of which is intended to be used on the Antarctic Sea rebuild. Based on an assessment of value in use following the rebuild and expected sales prices for the remaining equipment, the company made an impairment of NOK 25 million in 2012 (NOK 39 million in 2011). In addition, an impairment of NOK 4 million was recorded in connection with damage to Saga Sea azimuth.

Due to changes in the market conditions, uncertainty about the conclusion of a contract, the FPSO candidate (SMART 2) in Aker Floating Production, and related equipment was sold in 2012. Prior to the sale, an impairment of NOK 34 million on the equipment down to sales price was booked.

The impairment loss on intangible assets in 2011 of NOK 149 million were related to Det norske oljeselskap. The impairment losses were related to reduction of estimated reserve in Jotun field with NOK 33 million and to various exploration licenses that have been or are in the process of being relinquished.

Impairments of fixed assets totalled NOK 181 million in 2011, linked to write-downs of processing equipment and other gear in Aker BioMarine, FPSO candidate (SMART 2) hull and equipment in Aker Floating Production and production facilities and wells in Det norske oljeselskap.

Aker BioMarine owns processing equipment, some of which intended to be used on the Antarctic Sea rebuild. Based on an assessment of value

in use from the rebuild and expected sales price for the remaining equipment, the company made an impairment of NOK 39 million in 2011.

An impairment charge of NOK 112 million on the hull and equipment related to the FPSO candidate (SMART 2) vessel was booked in 2011. The assets are written down to stand-alone value as a

contract to employ the assets has not yet been materialized.

Det norske oljeselskap made a write-down of NOK 30 million on the Jotun field based on a valuation of the production facilities and wells.

Note 11 Financial income and financial expenses

Net financial items recognised in profit and loss:

Amounts in NOK million	2012	2011
Interest income on unimpaired investments available for sale	21	17
Interest income on impaired investments available for sale	49	54
Interest income on bank deposits and receivables at amortised cost	200	180
Dividends on available for sale financial assets	3	5
Reversal impairment on available for sale financial bonds	-	231
Net change in fair value of financial assets at fair value through profit and loss	7	-
Net foreign exchange gain	-	30
Foreign exchange gain from hedge instruments	6	-
Other financial income	43	-
Total financial income	330	516
Interest expense on financial obligations measured at amortised cost	(597)	(487)
Net foreign exchange loss	(54)	-
Foreign exchange gain loss from hedge instruments	-	(8)
Net gain from interest rate swaps	(54)	(2)
Net loss on sales of available for sale financial assets transferred from equity	(1)	-
Net loss and impairment on available for sale financial assets	(1)	(58)
Net change in fair value of financial assets at fair value through profit and loss	-	(44)
Net other financial expenses	(123)	(192)
Total financial expenses	(830)	(790)
Net financial items	(500)	(274)

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

Total interest income on financial assets	270	251
Total interest cost on financial liabilities	(597)	(487)

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The net change in fair value of financial assets measured at fair value through profit and loss in 2012, NOK 7 million, is mainly related to the total return swap (TRS) with American Shipping Company shares.

NOK 43 million in other financial income relates to the expected achievement of Milestone IV and V in Aker BioMarine pursuant to the sales agreement with Lindsay Goldberg from 2010.

Other financial expenses in 2012 of NOK -123 million are among other related to increased liability linked to expected payments to TH Global of NOK -44 million (see [note 39](#)), guarantee expenses in Ocean Yield of NOK -24 million and bank charges.

Financial items in other comprehensive income consist of the following:

<i>Amounts in NOK million</i>	2012	2011
Foreign currency differences related to foreign subsidiaries	(238)	(122)
Change in fair value of cash flow hedge	(22)	(8)
Change in fair value reserve	(11)	76
Change in fair value previously recognised in profit and loss	1	142
Total	(271)	88

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

<i>Amounts in NOK million</i>	2012	2011
Majority share	(246)	89
Minority share	(25)	(1)
Total	(271)	88

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

<i>Amounts in NOK million</i>	2012	2011
Exchange differences related to foreign subsidiaries	(219)	(124)
Change in fair value on cash flow hedges	(16)	(4)
Change in fair value reserve	(11)	76
Change in fair value previously recognised in profit and loss	1	142
Total	(246)	89

The reversal of impairment on available for sale financial bonds in 2011 is related to the American Shipping Company bond.

The net change in fair value of financial assets measured at fair value through profit and loss in 2011, NOK -44 million, is mainly related to the total return swap (TRS) with American Shipping Company shares of NOK -40 million. Other financial expenses in 2011 of NOK -192 million are among other things related to a NOK -69 million write-down of the joint venture Aker Clean Carbon and a NOK -91 million increased liability linked to expected payment to TH Global.

Paid interest is split as follows:

<i>Amounts in NOK million</i>	2012	2011
Paid interest recognised in profit and loss	(580)	(473)
Paid interest capitalised	(128)	-
Total paid interest	(709)	(473)

Received interest is split as follows:

<i>Amounts in NOK million</i>	2012	2011
Interest income on bank deposits	200	180
Interest income on investments	70	71
Hereof added to principal	(82)	(78)
Total interest received	188	173

Interest added to principal is mainly related to interest converted into American Shipping Company bonds.

Note 12 Other items

<i>Amounts in NOK million</i>	2012	2011
Remeasurement to fair value of Det norske oljeselskap (see Note 6)	-	817
Other items	-	817

Other items in 2011 consist of remeasurement of fair value of Aker's existing 40.45% interest in Det norske oljeselskap (the interest before the pur-

chase on 17 August 2011). The remeasurement resulted in a gain of NOK 817 million (see [Note 6](#)).

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Note 13 Tax

Tax expense)/tax income

<i>Amounts in NOK million</i>	2012	2011
Recognised in income statement:		
This year net tax receivable (+) and payable (-)	(95)	(47)
Tax receivable Petroleum tax law	1 300	333
Adjustment prior year	18	-
Total current tax expense	1 223	286
Deferred tax expense:		
Origination and reversal of temporary differences	1 735	(114)
Utilisation of previously unrecognised tax losses	67	22
Total deferred tax expense	1 802	(92)
Deferred tax recorded against exploration oil and gas	(57)	(17)
Tax on foreign exchange gains/losses	-	2
Deferred tax expense in income statement	1 744	(107)
Total income tax expense, excluding gains/losses on discontinued operations	2 967	179
Tax expenses allocated to continued and discontinued operations:		
Continued operations	2 967	185
Discontinued operations	-	(6)
Tax expense excluding tax on gains/losses on discontinued operations	2 967	179
Tax expense on gains/losses on sale of discontinued operations	-	-
Total tax expense	2 967	179
Income tax expenses divided between the Petroleum tax legislation and ordinary tax legislation:		
Petroleum tax legislation	2 855	333
Ordinary tax legislation	112	(154)
Total income tax expense in income statement	2 967	179

Reconciliation of effective tax rate

	2012		2011	
	%	Amounts in NOK million	%	Amounts in NOK million
Profit subject to Petroleum tax legislation		(3 660)		(427)
Profit subject to ordinary tax legislation		510		2 133
Profit before tax including discontinued operations		(3 150)		1 706
Nominal tax rate in Norway 28%	28%	(142)	28%	(597)
Nominal tax rate in Norway under Petroleum tax legislation 78%	78%	2 855	78%	333
Tax differential in Norway and abroad	(2%)	(48)	(1%)	20
Revenue not subject to tax	1%	36	(16%)	271
Expenses not deductible for tax purposes	(2%)	(61)	13%	(224)
Utilization of previously unrecognised tax losses	2%	67	(1%)	22
Tax losses for which no deferred income tax asset was recognised	(5%)	(168)	6%	(105)
Tax effect of associated companies	10%	309	(25%)	423
Other differences	4%	120	(2%)	36
Total income tax expenses in income statement	94%	2 967	(10%)	179

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Tax recognised in other comprehensive income

Amounts in NOK million	2012		2011			
	Comprehensive income before tax	Tax	Comprehensive income after tax	Comprehensive income before tax	Tax	Comprehensive income after tax
Changes in fair value of available for sale financial assets	(11)	-	(11)	76	-	76
Changes in fair value cash flow hedges	(22)	-	(22)	(8)	-	(8)
Change in fair value of available for sale financial assets transferred to profit and loss	1	-	1	142	-	142
Currency translation differences	(238)	-	(238)	(122)	-	(122)
Changes in other items from associated companies	(161)	-	(161)	24	-	24
Total tax expenses other comprehensive income	(432)	-	(432)	112	-	112

Deferred tax assets

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

Amounts in NOK million	2012	2011
Carrying amount as at 1 January	(3 224)	204
Exchange rate differences	4	7
Acquisition and sale of subsidiaries	(84)	(3 381)
Change in deferred tax due to impairment intangible assets (see note 10)	175	52
Deferred tax expense	1 802	(107)
Carrying amount as at 31 December	(1 328)	(3 225)
Deferred tax assets	325	276
Deferred tax liabilities (-)	(1 652)	(3 500)
Carrying amount as at 31 December	(1 328)	(3 224)

Movement in deferred tax assets:

Amounts in NOK million	Decele- rated tax deprecia- tion	Pensions	Tax losses carry forward	Other	Total
As at 1 January 2011	(57)	38	460	30	471
Deferred tax (charged) / credited in income statement	-	-	(34)	1	(33)
Acquisitions and sales of subsidiaries	-	(3)	(213)	(49)	(265)
Offset	-	-	-	104	104
As at 31 December 2011	(57)	35	213	85	276
Deferred tax (charged) / credited in income statement	17	31	64	(59)	53
Acquisitions and sales of subsidiaries	-	-	(3)	(1)	(4)
As at 31 December 2012	(40)	65	274	25	325

Deferred tax assets are allocated as follows:

Amounts in NOK million	2012	2011
Industrial holdings:		
Ocean Yield	56	-
Aker Seafoods ¹⁾	124	-
Financial investments:		
Converto Capital Fund	65	202
Aker ASA and holding companies	22	29
Other companies	58	45
Total	325	276

¹⁾ Part of Converto Capital Fund in 2011

Aker Seafoods:

Aker Seafoods deferred tax assets refer to NOK 124 million in loss carried forward. The Board of Directors expects an increase in taxable profit and a utilization of the loss carry forward within 5-7 years.

Converto Capital Fund:

Deferred tax assets of NOK 65 million refer among other to the subsidiary Norway Seafoods with NOK 45 million. Aker Seafoods' deferred tax assets refer to NOK 25 million in loss carried forward and NOK 20 million in temporary differences.

Aker ASA and holding companies:

Deferred tax asset in Aker ASA and holding companies is NOK 22 million. After continuous evaluation of the companies' possibilities in utilization of the loss carry forward, the company has reduced the amount over the last few years. Total deferred tax assets in Aker ASA and holding companies of NOK 1 472 million are not accounted for in the balance sheet.

Total non-recognised tax assets in the Aker ASA group are 2 676 million at year end 2012.

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Movement in deferred tax liabilities are as follows:

<i>Amounts in NOK million</i>	Tax technical goodwill	Accelerated tax depreciation	Other	Total
As at 1 January 2011				
Deferred tax (charged) / credited to income statement	-	(136)	(130)	(266)
Acquisitions of subsidiaries	(1 826)	(123)	(1 281)	(3 230)
Sale of subsidiaries	-	106	8	114
Change in deferred tax deducted from impairment loss on intangible assets (see note 10)	52	-	-	52
Exchange rate differences	-	(4)	10	6
Offset	-	1	(104)	(103)
As at 31 December 2011	(1 775)	(355)	(1 370)	(3 500)
Deferred tax (charged) / credited to income statement	-	579	1 170	1 749
Acquisitions of subsidiaries	-	(3)	(77)	(80)
Change in deferred tax deducted from impairment loss on intangible assets (see note 10)	175	-	-	175
Exchange rate differences	-	4	-	4
As at 31 December 2012	(1 600)	225	(277)	(1 652)

Tax technical goodwill

The fair value valuation of licenses is based on cash flows after tax. This is due to licenses only being sold in an after tax market based on decisions made by the Norwegian Ministry of Finance pursuant to the Petroleum Taxation Act section 10. The purchaser can therefore not request a deduction for the consideration with tax effect through depreciations. In accordance with IAS 12 sections 15 and 19, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax base depreciation. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax (see also [note 15](#)).

Tax payable and income tax receivable

Tax payable amounts to NOK 43 million and tax receivable amount to NOK 9 million.

The 2012 figures are based on preliminary estimates of non-taxable income, non-tax deductible items and temporary differences between the financial accounts and the tax accounts. The final result will be calculated based on the tax returns, and may differ from the estimates above.

Petroleum taxation act

Det norske oljeselskap may claim a refund from the State for the tax value of exploration expenses incurred insofar as these do not exceed the year's tax-related loss allocated to the offshore activities. The refund is included in the line calculated tax receivable of NOK 1 274 million. In late 2012 the Det norske oljeselskap received a refund of NOK 1 443 million from the State for the year 2011.

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Note 14 Property, plant and equipment

Movements in property, plant and equipment for 2012 are shown below:

<i>Amounts in NOK million</i>	Ships, air-planes etc.	Machinery, vehicles	Buildings	Land	Under construction	Fields under development	Production plant, including wells	Total
Cost balance as at 1 January 2012	9 527	1 234	1 069	925	351	803	95	14 005
Acquisitions through business combination	1	2	783	33	-	-	-	819
Other acquisitions ¹⁾	2 004	113	13	1	265	2 576	776	5 747
Other disposals	(405)	(21)	-	-	-	(418)	-	(844)
Reclassification from intangible assets and from under construction	142	171	15	(13)	(315)	202	-	202
Effect of movements in foreign exchange	(562)	(51)	(35)	(8)	(10)	-	-	(668)
Cost balance as at 31 December 2012	10 706	1 448	1 844	937	290	3 164	871	19 261
Accumulated depreciation and impairment losses as at 1 January 2012	(2 691)	(804)	(576)	(38)	(75)	-	(47)	(4 231)
Depreciation charge of the year	(633)	(127)	(37)	(4)	30	-	(82)	(854)
Impairment	(83)	-	(44)	-	(25)	(1 800)	(164)	(2 115)
Other disposals	292	19	-	-	(30)	-	-	281
Effect of movements in foreign exchange	162	33	19	2	4	-	-	220
Accumulated depreciation and impairment losses as at 31 December 2012	(2 953)	(879)	(638)	(40)	(96)	(1 800)	(294)	(6 699)
Carrying amount as at 31 December 2012	7 754	570	1 206	897	194	1 364	577	12 562
Investment not paid	7	-	-	-	5	-	496	508
Book value of leasing agreements recorded in the balance sheet	-	-	-	-	-	-	-	-

¹⁾ Capitalised interest in 2012 amount to NOK 13 million.

Specification by company as at 31 December 2012:

<i>Amounts in NOK million</i>	Ships, air-planes etc.	Machinery, vehicles	Buildings	Land	Under construction	Fields under development	Production plant, including wells	Total
Industrial holdings:								
Det norske oljeselskap	-	52	-	-	-	1 364	577	1 993
Ocean Yield	6 389	1	-	-	69	-	-	6 459
Aker BioMarine	423	230	-	-	-	-	-	652
Aker Seafoods	371	103	137	2	-	-	-	614
Total industrial holdings	7 183	385	137	2	69	1 364	577	9 718
Financial investments:								
Converto Capital Fund	294	170	234	74	24	-	-	796
Aker ASA and holding companies	148	13	13	2	-	-	-	176
Other operations and eliminations	128	2	822	819	101	-	-	1 872
Carrying amount as at 31 December 2012	7 754	570	1 206	897	194	1 364	577	12 562

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Introduction

Total property, plant and equipment amounted to NOK 12 562 million at end of 2012, a change of NOK 2 788 million from end of 2011

Ships, airplanes and similar totaling NOK 7 754 million at end of 2012, can mainly be attributed to ships within the business segments Ocean Yield, Aker BioMarine, Aker Seafoods and Convento Capital Fund (Ocean Harvest) of NOK 6 389 million, NOK 423 million, NOK 371 million and NOK 294 million respectively. In addition, the book value of Antarctic Navigator is NOK 167 million at end of 2012.

The changes of NOK 2 788 million in 2012, stem from investments in ships in Ocean Yield and Aker Seafoods.

Land totaling NOK 897 million at end of 2012 is mainly located on Fornebu outside Oslo. The changes in 2012 amounts to NOK 10 million.

Building totaling NOK 1 206 million is attributable to buildings in Convento Capital Fund's subsidiary Aker Philadelphia Shipyard's facility in Philadelphia, fish processing facilities in Norway and France, buildings owned by Fornebuporten and buildings owned by the subsidiary Aker Seafoods.

The change in 2012 of NOK 713 million is primarily attributable to the purchase of buildings by Fornebuporten.

Det norske oljeselskap has fields under development and production plant including wells of NOK 1 364 million and NOK 577 million respectively. The change in 2012 is attributable to investments that offset some of the sales and write-downs.

Machinery and vehicles totaling NOK 570 million comprise primarily of fishing equipment in Aker Bio-

Marine and Aker Seafoods and equipment in Convento Capital Fund's subsidiaries Aker Philadelphia and Norway Seafoods.

Change in 2012 is NOK 140 million.

Ships, airplane etc.

The investment in ships of NOK 2 004 million is mainly attributable to Ocean Yield purchase of Lewek Connector of NOK 1 883 million (USD 315 million) and NOK 100 million in Aker BioMarine in connection with rebuilding of Antarctic Sea and Saga Sea.

An impairment loss in 2012 of NOK 83 million is primarily attributable to the impairment of Antarctic Navigator of NOK 44 million to NOK 167 million (USD 30 million) and FPSO-candidate (SMART 2) in Aker Floating Production of NOK 34 million.

The FPSO-candidate (SMART 2) was sold in 2012 for NOK 65 million (USD 11 million), NOK 34 million below book value at the beginning of the year.

Depreciation in 2012 was NOK 633 million. The Hull's depreciation plan is between 20 and 25 years, while machinery and equipment on board is between 5 year and 10 years.

Machinery, vehicles

Investment in machinery and vehicles of NOK 113 million is mainly attributable to investments made by Aker Philadelphia Shipyard of NOK 47 million and smaller investments made in Aker Seafoods, Aker BioMarine, Norway Seafoods and Det norske oljeselskap.

Depreciation in 2012 of NOK 127 million primarily comprise of NOK 28 million in Aker BioMarine, NOK 18 million in Det norske oljeselskap, NOK 18 million in Aker Seafoods and NOK 56 million in companies owned by Convento Capital Fund.

Land and buildings

The acquisition of subsidiaries and investment in land and building totaling NOK 829 million is mainly attributable to the Real estate investment by Fornebuporten.

An impairment of NOK 44 million in 2012 is attributable to the subsidiary Norway Seafoods' assessment of the value of the company's operations in France following a sales agreement entered into in January 2013.

Land is not depreciated, while buildings depreciation plan is between 20 and 50 year.

Under construction

This year's investment is NOK 265 million and is attributable to investments by Fornebuporten of NOK 96 million, advance payments on vessels under construction in Ocean Yield and the rebuilding of Antarctic Sea in Aker BioMarine of NOK 96 million.

Fields under development

Fields under development in Det norske oljeselskap is Jette, and this year's investment is NOK 2 576 million.

The company experienced technical challenges with the completion of the first production well on the Jette field. As a result, the company revised the

development drilling plan. The revised plan results in higher drilling costs and reduced estimated recoverable reserves compared to the original plan. This causes reduced profitability of the field. Consequently, Det norske performed an impairment assessment and recorded an impairment charge in the third quarter of NOK 1 881 million before tax.

Production plant, including wells

Production plant in Det norske oljeselskap can mainly be attributed to the Jotun field. This year's investment is NOK 776 million, of which NOK 495 million is accrued removal costs.

During the year the subsidiary Det norske oljeselskap's fixed assets related to the producing fields Glitne and Jotun were impaired with NOK 164 million before tax. The impairment was mainly due to the increase in the estimate of the abandonment provision.

Effect of exchange rate fluctuations

The effect of exchange rate fluctuations accounts for NOK 448 million and is mainly attributable to the fluctuations in the USD/NOK ratio for the subsidiaries Aker Floating Production, Connector and Aker Philadelphia Shipyard. Based on the value recognised in the balance on 31 December 2012 a 10 per cent decline of the USD exchange rate will amount to a reduction in the value of property, plant and equipment of NOK 0.6 billion.

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Movements in property, plant and equipment for 2011 are shown below:

<i>Amounts in NOK million</i>	Ships, air-planes etc.	Machinery, vehicles	Buildings	Land	Under construction	Fields under development	Production plant, including wells	Total
Cost balance as at 1 January 2011	20 061	1 418	1 090	123	146	-	-	22 837
Acquisitions through business combination	-	54	-	-	-	336	92	482
Other acquisitions ¹⁾	111	76	8	800	195	266	4	1 459
Sale of operations	(10 429)	(23)	(1)	-	-	-	-	(10 452)
Other disposals	(6)	(299)	(37)	-	6	-	(1)	(337)
Reclassification from intangible assets and from under construction	-	-	-	-	-	202	-	202
Effect of movements in foreign exchange	(209)	8	9	2	4	-	-	(186)
Cost balance as at 31 December 2011	9 527	1 234	1 069	925	351	803	95	14 005
Accumulated depreciation and impairment losses as at 1 January 2011	(2 436)	(996)	(555)	(32)	(23)	-	-	(4 043)
Depreciation charge of the year	(627)	(123)	(36)	(4)	4	-	(17)	(803)
Impairment	(112)	-	-	-	(39)	-	(30)	(181)
Sale / disposal of operations	587	24	-	-	-	-	-	611
Other disposals	(24)	298	20	-	-	-	-	294
Effect of movements in foreign exchange	(79)	(7)	(4)	(1)	(17)	-	-	(108)
Accumulated depreciation and impairment losses as at 31 December 2011	(2 691)	(804)	(576)	(38)	(75)	-	(47)	(4 231)
Carrying amount as at 31 December 2011	6 836	430	493	887	276	803	48	9 774
Book value of leasing agreements recorded in the balance sheet	-	-	-	-	-	-	-	-

¹⁾ Capitalised interest in 2011 amount to NOK 0 million

Specification by company as at 31 December 2011:

<i>Amounts in NOK million</i>	Ships, air-planes etc.	Machinery, vehicles	Buildings	Land	Under construction	Fields under development	Production plant, including wells	Total
Industrial holdings:								
Det norske oljeselskap	-	51	-	-	-	803	48	902
Aker BioMarine	245	89	-	-	255	-	-	590
Total industrial holdings	245	140	-	-	255	803	48	1 492
Financial investments:								
Converto Capital Fund	756	269	444	86	21	-	-	1 575
Aker ShipLease	1 438	-	-	-	-	-	-	1 438
Aker Floating Production	3 966	1	-	-	-	-	-	3 967
Aker ASA and holding companies	158	19	14	2	-	-	-	192
Other operations and eliminations	274	2	36	800	-	-	-	1 111
Carrying amount as at 31 December 2011	6 836	430	493	887	276	803	48	9 774

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Note 15 Intangible assets

Movements in intangible assets in 2012 are shown below:

<i>Amounts in NOK million</i>	Oil- and gas licenses	Technical goodwill	Oil- and gas exploration expenses	Other goodwill	Fishing licenses	Other	Total
Cost balance as at 1 January 2012	2 656	1 826	2 509	1 232	654	421	9 297
Acquisitions through business combinations	-	-	-	-	-	-	-
Other acquisitions	-	-	1 151	-	-	35	1 187
Expensed dry wells	-	-	(1 121)	-	-	-	(1 121)
Sale	(5)	(3)	-	-	-	-	(8)
Reclassification to property, plant and equipment (see note 14)	-	-	(203)	-	-	-	(203)
Effects of movements in foreign exchange	-	-	(10)	(60)	-	(8)	(78)
Cost balance as at 31 December 2012	2 652	1 823	2 327	1 171	654	448	9 075
Accumulated amortisation and impairment losses as at 1 January 2012	(124)	(28)	(1)	(407)	(10)	(311)	(881)
Amortization for the year	(8)	-	-	-	-	(34)	(42)
Impairment losses recognised in income statement	(226)	(135)	-	(33)	-	(4)	(397)
Effects of movements in foreign exchange	-	-	-	41	-	6	47
Accumulated amortisation and impairment losses as at 31 December 2012	(358)	(163)	(1)	(399)	(10)	(342)	(1 273)
Carrying amount as at 31 December 2012	2 293	1 660	2 326	772	644	106	7 802

Movements in intangible assets for 2011 are shown below:

<i>Amounts in NOK million</i>	Oil- and gas licenses	Technical goodwill	Oil- and gas exploration expenses	Other goodwill	Fishing licenses	Other	Total
Cost balance as at 1 January 2011	-	-	82	1 210	654	400	2 346
Acquisitions through business combinations	2 617	1 826	2 261	-	-	6	6 711
Other acquisitions	39	-	363	-	-	12	414
Reclassification to property, plant and equipment (see note)	-	-	(202)	-	-	-	(202)
Effects of movements in foreign exchange	-	-	5	22	-	3	29
Cost balance as at 31 December 2011	2 656	1 826	2 509	1 232	654	421	9 297
Accumulated amortization and impairment losses per 1 January 2011	-	-	-	(391)	(10)	(285)	(686)
Amortisation for the year	(2)	-	(1)	-	-	(24)	(28)
Impairment losses recognised in income statement	(122)	(28)	-	-	-	-	(149)
Effects of movements in foreign exchange	-	-	-	(16)	-	(1)	(17)
Accumulated amortisation and impairment losses as at 31 December 2011	(124)	(28)	(1)	(407)	(10)	(311)	(881)
Carrying amount as at 31 December 2011	2 532	1 799	2 507	825	644	110	8 417

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Introduction

Oil and gas licenses of NOK 2 293 million and technical goodwill of NOK 1 660 million amounted to a total of NOK 3 954 million at the end of 2012. This amount can be attributed to the Det norske oljeselskap.

The change in capitalised exploration expenditures in 2012 of NOK -182 million is primarily attributable to investments of NOK 1.2 billion and expensing of NOK 1.1 billion as a result of drilling dry wells.

The carrying value of other goodwill was NOK 772 million at the end of 2012, a change of NOK -52 million attributed to currency fluctuation and impairment losses.

As at 31 December 2012, other goodwill was split between the subsidiaries Aker BioMarine (NOK 339 million) and Aker Floating Production (NOK 214 million), and the establishment of fishing operations in Aker (NOK 169 million). Goodwill related to Aker Floating Production come from the acquisition of Aker Floating Production in August

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

Amounts in NOK million	2012	2011
Depreciation and amortization	(42)	(28)
Depreciation and amortisation continuing operations	(42)	(28)
Non recurring items	(397)	(149)
Total	(439)	(177)

In 2012, the amortization from continued operations of NOK 42 million (NOK 28 million in 2011) is attributable to Aker BioMarine. The excess value of NOK 26 million relates to license agreements with a maturity of between six and eight years. In addition, NOK 4 million relates to licenses for fishing operations in Ocean Harvest, and another NOK 11 million to amortisation in Det norske oljeselskap. The impairment losses of NOK 397 million, recognised as non-recurring items in 2012, can primarily be attributed to Det norske oljeselskap and Norway Seafoods.

Goodwill is capitalised as a consequence of the requirement in IFRS 3 to make provision for

2006. Goodwill in Aker BioMarine is entirely related to its krill operations, and was booked in connection with Aker's purchase of Natural and the establishment of the Aker BioMarine group in 2006.

The fishing licenses are attributable to Aker Seafoods and are carried at NOK 993 million, less deferred income of NOK 359 million related to Aker's establishment of Aker Seafoods in 2006. At the end of 2012 Aker Seafoods owned 29.6 cod and haddock trawl licenses, 31.9 saithe trawl licenses, eight shrimp trawl licenses and three silver smelt licenses in Norway. Norway Seafoods' rights to farm trout at six locations are also recognised as intangible assets. No purchases or sales of quotas/rights occurred in 2012.

The carrying value of other intangible assets of NOK 106 million at the end of 2012 comprises, among other things, NOK 105 million attributable to Aker BioMarine in connection with licenses/production development with a maturity of between six and eight years.

deferred tax in connection with a business combination, even if the transactions are made on an "after-tax" basis as a result of a section 10 decision in line with applicable petroleum taxation. The offsetting entry to deferred tax is goodwill which is impaired with NOK 135 million. The remaining impairment relates to various exploration licenses that have been or are in the process of being relinquished.

The impairment loss of NOK 36 million in Norway Seafoods is related to the sale agreement for its operations in France entered into in January 2013.

Oil- and gas licenses and technical goodwill

Allocation of oil- and gas licenses and technical goodwill:

Amounts in NOK million	Oil- and gas licenses	Technical goodwill	Total
Carrying amounts in Det norske oljeselskap	661	387	1 048
Purchase of Det norske oljeselskap in 2011	1 632	1 273	2 905
Total	2 293	1 660	3 953

The valuation, at fair value, of the licenses under development or in production is based on cash flows after tax. The reason is that such licenses are only sold in a market after tax, based on a decision from the Ministry of Finance in accordance with § 10 of the Petroleum Tax Act. Allocations are made for deferred tax on the difference between the cost and assumed tax depreciation base in accordance with IAS 12 paragraph 15 and 19. The offsetting entry to deferred tax is goodwill. The goodwill arising is thus a technical effect of deferred tax. The recognised goodwill is not expected to be tax deductible.

Determination of the recoverable amount

Det norske oljeselskap owns parts of several oil and gas licenses at the end of 2012. To determine the recoverable amount on these licenses, an assessment of whether there are definite plans for further activity, or if development will be decided in the near future is made. The valuation is based on a multiple per barrel. Further, the value per license is calculated by multiplying the resources at risk with an estimated value per barrel. The calculations are based on the following expectations regarding oil prices:

Year	Average in USD
2013	107.80
2014	102.50
2015	98.50
2016	95.20
2017	92.70

The above prices are based on the forward prices. Source: ICE Brent Crude 31.12.2012. A nominal discount rate of 10.7% after tax is used. The company uses an inflation rate of 2.5% and a long-term NOK/USD exchange rate of 6.00, based on long-term expectations.

Based on the assessments carried out, an impairment of NOK 361 million was made in 2012.

Oil- and gas exploration expenses

Det norske oljeselskap recognises expenses relating to the exploration and development using the "successful efforts" method. All exploration costs (including seismic acquisition, seismic studies, use of own time), with the exception of the costs of acquiring licenses and drilling of exploration wells, are expensed as incurred. Costs associated with the drilling of exploration wells are temporarily capitalised pending the evaluation of potential discoveries of oil and gas reserves. If no reserves are discovered, or if the recovery of the reserves is considered to be technically or commercially unviable, the costs of exploration wells are expensed. Such expenses may be capitalised in the balance sheet for more than one year. The main criteria are that there must be definite plans for future drilling in the license, or that a development decision is expected to be made in the near future. In 2012, based on these assessments, expensed dry wells was NOK 1.1 billion.

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Other goodwill

Allocation of other goodwill:

Amounts in NOK million	2012	2011
Ocean Yield	214	230
Aker BioMarine	339	339
Other	219	256
Total	772	825

Determination of recoverable amount:

Aker is reviewing goodwill for impairment on a yearly basis or more frequently if circumstances indicate impairment. The test is performed at year end. An impairment loss is recognised if the estimated recoverable amount, taking sensitivity analyses into account, is lower than the carrying value of the asset or the cash-generating unit.

Goodwill related to Aker Floating Production at the beginning of the year was linked to the FPSO contract for Dhirubhai-1. Aker BioMarine goodwill is allocated to the krill operations of the business.

Other goodwill is primarily attributable to Aker Seafoods with NOK 212 million. The recoverable amount is based on the sales value of fishing licenses (see below). The recoverable amount for Aker BioMarine and the FPSO contract for Aker Floating Production are found by calculating the in-use-value, based on future cash flows, budgets and strategic objectives.

The following key assumptions have been used in calculating the value in use:

	Discount rate before tax (WACC) in %	Nominal growth rate terminal value in %
Aker Floating Production	5.3	See below
Aker BioMarine	13.2	2.0

Aker Floating Production's cash flow is linked to the FPSO contract for Dhirubhai-1, and a signed charter with Reliance Industries Ltd, which expires in September 2018. Furthermore, it is assumed that Reliance Industries Ltd will exercise their purchase option in September 2018 for USD 255 million.

Aker BioMarine has an estimated equity ratio of 67 per cent. Aker Floating Production has an expected equity ratio of 30 per cent, an increase from 20 per cent in 2011, which reflects changes in the industry's equity ratio.

The main objective for the Aker group when making impairment calculations is to ensure consistency in the assumptions being used. Any changes in the assumptions from prior periods are explained.

The discount rate is estimated based on a weighted average of the required return on equity and expected borrowing costs. The borrowing costs are based on a risk-free rate in the currency in which the loans are denominated, and a margin that reflects the long-term financial costs.

The discount rate used by group companies may be different, as it is set individually for each cash generating unit. Differences can stem from expected liability cost because of differences in interest margin and estimated interest-free rate using 10-year Norwegian Government bond or 10-year US government bond, as well as differences in equity ratio between industries.

Aker BioMarine's cash flow is board approved budgets and business plans for the period 2013 to 2015. For the subsequent periods, the model is based on an assumed terminal growth rate of 2.0%.

Aker Floating Production:

At the end of 2012, goodwill related to Aker Floating Production totalled NOK 214 million. No write-downs were made in 2012.

In reviewing the impairment losses on goodwill related to the FPSO contract for Dhirubhai-1, the

recoverable amount of value was determined by estimating the contractual discounted cash flow. The group's FPSO has been designed to have an operational life expectancy exceeding 15 years, which enables it to service contracts for reservoirs with, for the oil industry, normal lifespan and to meet the typical operational requirements of a contract with oil companies.

The discount rate is estimated as a weighted average of the required return on equity and expected borrowing costs at an expected long-term equity ratio of 30 per cent. The equity ratio is increased from 20 per cent in 2011, reflecting changes in the industry's equity ratio. Equity requirement is estimated using the capital pricing model (CAPM), consequently adjusting from after tax to before tax. Debt costs are at a risk-free interest rate on a 10-year U.S. governmental bond, with a margin that reflects the company's long-term financing costs. The calculation takes into account that the Dhirubhai-1 is on a time charter contract with Reliance Industries Ltd that expires in 2018. The sales value in 2018 is equal to the option price of USD 255 million.

The projected cash flow from the day rates for the Dhirubhai-1 is estimated using a contractual annual growth of five per cent for the operations and maintenance contract, which forms part of the overall income for the FPSO and a three per cent increase in the associated costs each year. The company's indirect costs are estimated at an annual increase of two per cent. The estimate reflects the organization's experience with current operations, and management's assessment of FPSO industry standards.

A sensitivity analysis is performed based on two key scenarios that management consider to be the most obvious and relevant to the company's risk profile:

- A) an increase in the (WACC) of 50 per cent
- B) a reduction in the economic up-time with one percentage point

Neither scenario A nor B caused any impairment.

Consequently, the remaining goodwill of USD 38.3 million (NOK 214 million), will be adequately supported by the fixed contractual parameters in the FPSO Dhirubhai-1 contract.

Aker BioMarine:

The Company's carrying value of NOK 339 million for goodwill is entirely allocated to the krill operations, i.e. all remaining operations in the company as at 31 December 2012, with the exception of

the CLA/Tonlin agreements and the holding activities in Aker BioMarine ASA. The krill operations recoverable amount is estimated using value in use. No impairment losses were recognised in 2012 or in 2011.

The estimated value in use was determined by discounting the future cash flow. The calculation is based on the following assumptions in 2012:

- Projected cash flows are based on management's best estimates of budget and business plan for the krill business for the period 2013-2015. The budget is based on detailed budgets prepared by the various departments in the krill business. For subsequent periods, the model is based on estimated terminal growth of 2.0 per cent, which is consistent with long-term forecasts for the omega-3 industry.
- In the budget for the period 2013-2015, revenue projections for the first year are based on agreements entered into for 2013, along with a management evaluation and information from external sources as to the potential for new agreements. Annual operating revenue growth for the two following years is based on a management evaluation with a slightly lower level of detail.
- The budgeted operating margin for the period 2013-2015 is expected to increase, based on the scalability of the business model. The facts that a large proportion of the group's operating expenses are independent of production volumes means that increased sales levels contribute to higher operating margins.
- The terminal value used in the model to calculate value in use is based on a stable operating margin which is on a par with the projected operating margin for 2015. Investment levels have also been set at the same level as projected depreciation to maintain sales and production capacity.
- When determining the recoverable amount, a pre-tax rate of 13.2 per cent (2011: 11.5 per cent) has been applied. The discount rate is estimated based on a weighted average of equity return requirements and expected borrowing costs, assuming an equity ratio of 67 per cent (2011: 67 per cent). The equity return requirement is estimated using the capital asset pricing model (CAPM) and accordingly adjusted from post- to pre-tax. The cost of debt is based on risk-free interest rates (10-year Norwegian government bonds), adjusted upwards to reflect long-term financing costs and the company's risk profile.

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The sensitivity of the value in use has been tested using simulations of various combinations of discount rates and terminal value growth. No combination of these factors, within a discount rate range of 10-18 per cent and a range for growth in terminal value of 0-5 per cent, respectively, results in a value in use lower than the value recognised in the balance sheet as at 31 December 2012.

Miscellaneous other goodwill:

Miscellaneous other goodwill can primarily be attributed to Aker Seafoods with NOK 212 million. The book value of fishing licenses are recognised at a lower value in Aker Group compared to Aker Seafoods. This can be attributed to the establishment of the current Aker Seafoods and to the fact that the excess value at the time of establishment was primarily allocated to the fishing licenses (see below). The added value of the fishing licenses as described below implies that there is no basis for impairment of goodwill related to Aker Seafoods.

Fishing licenses

At the end of 2012, Aker Seafoods held 29.6 cod and haddock trawl licenses, 31.9 saithe trawl licenses, 8 shrimp trawl licenses and 3 silver smelt licenses in Norway. No purchases or sales of licenses occurred in 2012.

A license for cod, haddock and saithe is a license giving rights to trawl for ground fish north of the 62nd latitude as well as in the North Sea for parts of the year. The current regulations allow every vessel to obtain up to three licenses. The Ministry of Fisheries and Coastal Affairs determines the quota size of each license annually. In addition, licenses can be transferred between different vessel groups if any of the vessel groups are unable to fulfil their share of the quota, so-called "re-assigning".

At the beginning of 2012, a cod license entitled the holder to catch 1 240 tonnes of cod, 800 tonnes of haddock and 522 tonnes of saithe north of the 62nd latitude. Compared to 2011, this represented an increase of 9% for cod and decreases of 2% and 5% for haddock and saithe respectively. During 2012, re-allocations were made regarding all three quotas. As a result, the cod quota was increased by 13 tonnes per licensing unit, while the quota for saithe was increased by 380 tonnes. Licenses for shrimp and silver smelt are not limited by quantity.

In order to increase the profitability within fishery and to reduce the number of vessels in opera-

tion, the fisheries authorities introduced a scheme permitting up to three quotas per vessel. In return, the vessels giving up their quotas have to be permanently removed from the fishing register. There have been various schemes in the last ten years. Fishing quotas that have been structured are subject to a time limit of 20 to 25 years, depending on what regulations applied at the time structuring occurred. At the end of the structure period, the entire Norwegian quota will be distributed among the remaining quotas in the same vessel group.

Aker Seafoods owns fishing licenses subject to time limits of 20–25 years due to structuring. No depreciation has been made on the structured quotas. It is thus expected that Aker Seafoods will maintain approximately the same catch capacity as before the restructuring. Since quotas that are not structured are defined as "perpetual" quotas, i.e. are unlimited in time, these quotas have not been depreciated either.

There are delivery commitments tied to the regions to which the licenses belong, i.e. Finnmark and Nordland. As a result, buyers in the relevant region have preferential rights to purchase the catch. The buyer is specified in the license conditions applicable to the individual license unit. The buyer might be a region as a whole or a specific buyer. Pricing is determined based on the average price achieved for the relevant species of fish in the last 14 days, taking into consideration the condition, size and quality. These existing commitments have been taken into account when valuing the licenses.

In connection with the presentation of the financial statements for 2012, an external assessment of the Norwegian fishing licenses was carried out. The cod licenses were valued at NOK 50 million per licence, the shrimp licenses at NOK 4 million per license and the silver smelt licenses at NOK 3 million per license, which is in line with the valuations from 2011. These valuations are based on market values, i.e. an external appraiser's estimated sale value less selling costs. Based on the external assessment, the licences have been valued at NOK 1 527 million, which is NOK 883 million higher than the book value.

The valuation of a licensing unit will vary from year to year. A crucial valuation factor is expectations regarding the input factors that affect earnings of the current license. The main elements in this valuation are quotas and price for the current year, and expectations for these for the years that follows.

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	49	31
A 10% change in the quantity of cod will lead to the following changes	49	15
a 10% change in the quantity of cod, saithe and haddock will lead to the following changes	77	18

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 contributions.

Other intangible assets

Allocation of other intangible assets

<i>Amounts in NOK million</i>	2012	2011
Development of production technology Aker BioMarine	57	44
License agreements and production technology Aker BioMarine	48	56
Other	1	10
Total	106	110

In 2012, Aker BioMarine capitalised NOK 33 million (2011: NOK 21 million) of costs related to the development of manufacturing process for krill oil and general product development costs. Amortisation of development NOK 17 million and on licensing agreements and product technology amounted to NOK 9 million, total NOK 26 million.

The carrying amount for license agreements/

production technology of NOK 48 million (2011: NOK 56 million) is primarily related to existing license agreements with a maturity of between six and eight years. Based on this year's income for the current license agreements and future expectations, no further indications of impairment have been identified for licensing/production technology as at the end of 2012 (2011: NOK 0 million).

Note 16 Shares and investments in associated companies

<i>Amounts in NOK million</i>	2012	2011
Aa as at 1 January	5 579	5 295
Acquisitions in stages, downward sales and sales of subsidiaries	-	775
Acquisitions /disposals	2	(2 661)
Share of losses / profits	1 118	1 545
Exchange differences and cash flow hedges	(27)	53
Other equity movements	(859)	572
As at 31 December	5 813	5 579

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Shares and investments in associated companies are allocated as follows:

2012	Book value at 1 January	Acquisitions in stages, downward sales and sales of subsidiaries	Acquisitions and disposals	Share of profits / losses	Changes due to exchange differences and hedges	Other changes in equity	Book value as at 31 December
<i>Amounts in NOK million</i>							
Aker Solutions ASA	4 400	-	-	878	-	(548)	4 729
Kvaerner ASA	988	-	-	98	(27)	(171)	888
Bokn Invest AS	184	-	2	142	-	(140)	189
Other companies	7	-	-	-	-	-	7
Total	5 579	-	2	1 118	(27)	(859)	5 813

Acquisitions and sales

In 2012, Bokn Invest received an equity contribution of NOK 2 million from Aker ASA's subsidiary Convento Capital Fund.

Share of losses/profits

The share of the losses/profits of associated companies is based on the companies' annual profits. The share of Aker Solutions' losses/profits has been adjusted to reflect the effects of an amendment of the principle governing pensions that Aker Group did not implement in 2012.

Other equity movements

Other equity movements in Aker Solutions include received dividends of NOK 430 million and part of the effects of purchasing and selling treasury shares. Other equity movements in Kvaerner include received dividends of NOK 169 million and part of the effects of purchasing and selling treas-

ury shares. Other equity movements in Bokn Invest can be linked to a repayment of capital totalling NOK 140 million.

Shares and investments in associated companies have been allocated as follows:

2011	Book value at 1 January	Acquisitions in stages, downward sales and sales of subsidiaries	Acquisitions and disposals	Share of profits / losses	Changes due to exchange differences and hedges	Demerger effects	Other changes in equity	Book value as at 31 December
<i>Amounts in NOK million</i>								
Aker Solutions ASA	3 998	-	-	2 134	81	(1 508)	(305)	4 400
Kvaerner ASA	-	-	-	229	(62)	821	-	988
Bokn Invest AS	160	-	27	(3)	-	-	-	184
Aker Drilling ASA	-	1 767	(2 688)	10	34	-	877	-
Det norske oljeselskap ASA	1 131	(992)	-	(137)	-	-	(2)	-
Other companies	6	-	-	(1)	-	-	2	7
Elimination and reclassification	-	-	-	(687)	-	687	-	-
Total	5 295	775	(2 661)	1 545	53	-	572	5 579

Acquisitions in stages, downward sales and sales of subsidiaries

Aker Drilling finalized an equity issue of NOK 3.9 billion in the first quarter 2011, and refinanced a bank loan with a new five year maturity loan. Aker subscribed NOK 567 million in the equity issue, subsequent ownership became 41.1 per cent and Aker no longer controlled Aker Drilling. Net loss was NOK 1.2 billion.

The investment in Aker Drilling was accounted for as a subsidiary until 24 February and as an associated company under the equity method after 24 February 2011. Aker Drilling's equity value in the Aker group prior to the equity issue was NOK 1 767 million (see [Note 7](#)).

On 17 August 2011 Aker acquired 11.66 per cent of the shares and voting rights in Det norske oljeselskap ASA for NOK 521 million. The acquisition increased Aker's ownership from 40.45 per cent to 52.11 per cent and is thus accounted for as a subsidiary from 17 August 2011. The Aker group's equity value prior to additional acquisitions was NOK 992 million (see [Note 6](#)).

Acquisitions and disposals

The net decrease of NOK 2 688 million in Aker Drilling is from the equity issue of NOK 567 million, offset by NOK 3 255 million received from the disposal of 5.0 per cent on 15 August and 36.1 per cent on 3 October 2011.

Share of profit / loss

Share of profit / loss from associated companies of NOK 1 545 million is from continued operations and discontinued operations of NOK 1 535 million and NOK 10 million respectively. Share of profit/loss is based on the company's result for the year. The eliminations and reclassifications stem from the gain in Aker Solutions from the demerger of Kvaerner ASA, and in addition the fact that, the profit from 1 January until the split is accounted for as profit from discontinued operations in Aker Solutions and as profit in Kvaerner ASA. Kvaerner ASA reports profit and loss as if the demerger was finalized on 1 January.

Demerger

The demerger of Aker Solutions and Kvaerner ASA was finalized in the second quarter 2011. The Aker group owns approximately 41 per cent of both companies subsequent to the demerger. Aker's share of the demerger effects amounts to a negative NOK 1 508 million in Aker Solutions and a positive NOK 821 million in Kvaerner ASA. The effects are eliminated in Aker.

Other changes in equity

Other changes in equity in the share Aker Solutions ASA includes received dividend of NOK 303 million. Other changes in equity in the share Aker Drilling of NOK 877 million is gain from the sale of 41 per cent of the shares in Aker Drilling in 2011 (see [Note 7](#)).

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Summary of financial information for associated companies and the group's stake in major associates is as follows:

Shown below are the share prices and market values of Aker Group's share in Aker Solutions ASA and Kvaerner ASA:

<i>Amounts in NOK million</i>	Number of shares million	Quoted price as at 31 December 2012 in NOK	Book value as at 31 December 2012 in NOK million	Stock value as at 31 December 2012 in NOK million
Aker Solutions ASA	110.3	112.80	4 729	12 446
Kvaerner ASA	110.3	16.20	888	1 787

2012

<i>Amounts in NOK million</i>	Country	Assets	Liabilities	Operating revenue	Profit for the year	Ownership interest %
Aker Solutions ASA	Norway	40 215	28 235	44 922	2 260	40.3 ¹⁾
Kvaerner ASA	Norway	6 052	3 850	10 748	238	41.0 ¹⁾
Bokn Invest AS	Norway	506	-	-	310	39.9

2011

<i>Amounts in NOK million</i>	Country	Assets	Liabilities	Operating revenue	Profit for the year	Ownership interest %
Aker Solutions ASA	Norway	34 010	23 044	36 474	5 254	40.3 ¹⁾
Kvaerner ASA	Norway	6 823	4 378	13 295	559	41.0 ¹⁾
Bokn Invest AS	Norway	541	-	-	(21)	39.9

¹⁾ Not considered acquisition of own shares.

Note 17 Investment in joint ventures

The Aker group has interests in two joint ventures; 50% in Trygg Pharma Holding and Fornebu Boligutvikling AS. Trygg Pharma Holding owns Epax – one of the world's leading companies in the production of highly concentrated omega-3 oils. Fornebu Boligutvikling will be involved in housing construction at Fornebu. The joint venture companies are accounted for by using the equity method.

Investment in joint ventures is allocated as follows:

<i>Amounts in NOK million</i>	Carried amount at 1 January	Acquisitions and disposals	Share of profit	Other changes in equity	Carried amount as at 31 December
Trygg Pharma Holding	617	82	(10)	-	689
Aker Encore	17	-	(1)	(16)	-
Total	634	82	(11)	(16)	689

Acquisitions, disposals and other changes

Trygg Pharma Holding received an equity contribution of NOK 82 million from Aker BioMarine in

2012. Aker purchased 50% of Aker Encore for NOK 16 million and now owns 100% of the company.

Investment in joint ventures are allocated as follows:

2011

<i>Amounts in NOK million</i>	Carried amount at 1 January	Acquisitions and disposals	Share of profit	Other changes in equity	Carried amount as at 31 December
Trygg Pharma Holding	554	75	(17)	5	617
Aker Clean Carbon	68	20	(20)	(69)	-
Aker Encore	18	-	(1)	-	17
Total	640	95	(37)	(64)	634

Acquisitions and disposals

Trygg Pharma Holding received an equity contribution of NOK 75 million from Aker BioMarine in 2011. Aker Clean Carbon received an equity contribution of NOK 20 million from Aker the beginning of 2011.

In 2011 uncertainty in the carbon capture market increased, and as a result planned carbon capture facilities all throughout Europe and the US were postponed or/and cancelled. Aker Clean Carbon was chosen as the CO₂ capture technology provider at the Longannet coal-fired power plant in Scotland. The project has been cancelled. As a result, Aker has written-down its 50 per cent ownership share in Aker Clean Carbon from NOK 69 million to zero. The impairment has been recognised as other financial cost (see [Note 11](#)).

Other changes in equity

Other changes in equity on the part of Trygg Pharma Holding can be attributed to other comprehensive income from joint ventures of NOK 5 million.

A summary of financial information regarding joint ventures and an overview of the Aker group's ownership share in significant joint ventures follows below:

<i>Amounts in NOK million</i>	Trygg Pharma Group AS	
	2012	2011
Country	Norway	Norway
Ownership share and share of votes	50%	50%
Revenue	448	361
Cost	(464)	(394)
Profit (+) / Loss (-)	(16)	(33)
Fixed assets	1 758	1 532
Current assets	414	313
Total assets	2 172	1 845
Equity	1 382	1 234
Long-term liabilities	93	99
Short-term liabilities	697	512
Total debt and equity	2 172	1 845

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Note 18 Other shares and funds

Amounts in NOK million	Ownership share %	2012	2011
AAM Absolute Return Fund	9.4	343	351
Norron funds	18.6	264	256
American Shipping Company	19.9	11	6
SpareBank 1 SMN equity certificate	1.6	68	59
NBT	9.7	55	55
Shares in other companies		46	55
Sum		787	781

The AAM Absolute Return Fund comprises NOK 126 million (USD 22.6 million) in USD Class A and NOK 217 million in Class B. The total fund consists of USD 485 million in Class A USD and NOK 920 million in Class B. Aker's share in NOK is 23.6% and the share in USD Class A is 4.7%.

The funds Norron Target (Nordic multi-strategy fund) and Norron Select (Nordic hedge fund) were established in February 2011. Aker owns 30% of the Norron Target capital of SEK 712 million and 97% of the Norron Select capital of SEK 100 million.

The change in other shares in 2012 relates to:

Amounts in NOK million	
As at 1 January 2012	781
Acquisitions	13
Change in fair value reserve	4
Sales amount	(5)
Sales gains and write downs	(6)
As at 31 December 2012	787

Note 19 Interest-bearing long-term receivables

Amounts in NOK million	2012	2011
Restricted deposits ¹⁾	417	258
Long-term bonds ²⁾	847	960
Other interest-bearing long-term receivables	219	179
Total	1 483	1 397

¹⁾ Restricted deposits mainly relates to loan agreements with Aker Floating Production for NOK 112 million and with Det norske oljeselskap for NOK 182 million. In addition Aker Philadelphia Shipyard has deposits related to a construction contract totalling NOK 112 million.

²⁾ Long-term bonds at the end of 2012 relates to American Shipping Company ASA bond. The loan is in NOK, nominal value NOK 1 056 million and matures on 28 February 2018. Interest rate is Nibor + 4.75% which quarterly is converted to bonds.

³⁾ The fair value adjustment as at 31 December 2012 is NOK 57 million and as at 31 December 2011 NOK 72 million.

The change in interest-bearing long-term receivables in 2012 can be allocated as follows:

Amounts in NOK million	Bonds	Restricted funds	Other loans	Total
As at 1 January 2012	960	258	179	1 397
Accrued interest	75	-	-	75
Change in fair value reserve	(16)	-	-	(16)
Change in fair value of financial assets available for sale reclassified to profit and loss	1	-	-	1
Repayment of loans and bonds	(167)	-	-	(167)
New loans and bonds	-	176	40	216
Impairment and sales gains	(6)	-	-	(6)
Translation and other changes	-	(17)	-	(17)
As at 31 December 2012	847	417	219	1 483
Net repayment loans and bonds (see cash flow)	167	(176)	(40)	(49)

Repayments of loans and bonds

A change of NOK 167 million in bonds is primarily attributable to the sale of the Norwegian Energy Company bonds of NOK 151 million and the Front Exploration bonds for NOK 25 million.

New loans and bonds

Change in restricted funds of NOK 176 million is derived mainly from terms in external financing agreements in Det norske oljeselskap.

Note 20 Other non-current assets

Other non-current assets consist of the following items:

Amounts in NOK million	2012	2011
Derivatives (Note 5 and Note 38)	8	8
Other interest-free long-term receivables	256	97
Total	264	105

Other interest-free long-term receivables in 2012 include prepayments of NOK 135 million for trawlers under constructions and NOK 32 million

in long-term receivables in Det Norske in connection with volume agreements in the Atla field.

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Note 21 Inventory and biological assets

Aker's biological assets relates to Norway Seafood's companies in France.

The table below shows the total volume of fish in sea and trout and turbot ready for harvest

Figures in tons	2012	2011
Total fish in sea	2 480	2 344
Fish ready for harvesting	2 324	2 196

Carrying amount biological assets as at 31 December

Amounts in NOK million	2012	2011
Fair value adjustment fish ready for harvest	2	(5)
Fair value adjustment fish not ready for harvest	-	-
Total fair value adjustment biological assets	2	(5)
Cost of biological assets	51	57
Carrying amount biological assets	53	52

Inventory comprises the following items:

Amounts in NOK million	2012	2011
Raw materials	88	101
Work in progress	22	7
Finished goods	274	266
Total	385	374
Impairment (write-down) of inventory recognised as expense during the period	19	5
Carrying value of inventory pledged as security for liabilities	293	154

Of the total value of Aker group's inventory as at 31 December 2012, NOK 172 million is measured at fair value less cost to sell.

Note 22 Order backlog construction contracts and other contracts

Activity in Ocean Yield, Aker Philadelphia Shipyard and other areas is largely based on deliveries according to customer contracts. The order backlog represents an obligation to deliver goods and services not yet produced, and Aker's con-

tractual entitlement to make future deliveries. If projected costs are higher than projected income, the total projected loss on the contract is recorded in the income statement.

Order intake and order backlog for the companies in the Aker group as at year-end 2012 and 2011:

Figures unaudited	Order backlog	Order intake	Order backlog	Order intake
Amounts in NOK million	31 Dec. 2012	2012	31 Dec. 2011	2011
Aker Philadelphia Shipyard	1 890	84	2 404	2 249
Ocean Yield	8 330	2 689	5 106	-
Total	10 220	2 773	7 510	2 249

Advances received from customers by Aker Philadelphia Shipyard as at 31 December 2012 and as at 31 December 2011 totalled NOK 338 million and NOK 14 million, respectively.

Leasing agreements signed and other backlog

Amounts in NOK million	Ocean Yield	Aker Philadelphia Shipyard	Total
Duration less than one year	1 014	-	1 014
Duration between one and five years	4 428	-	4 428
Duration over five years	2 190	-	2 190
Total leasing agreements	7 632	-	7 632
Other order backlog	698	1 890	2 588
Total	8 330	1 890	10 220

Ocean Yield's subsidiary Aker Floating Production has concluded a time charter and service contract 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.

Ocean Yield's subsidiary Aker Ship Lease took delivery of the vessel Aker Wayfarer in October 2010. This subsea, construction vessel is operating on a ten-year bareboat charter to a wholly-owned subsidiary of Aker Solutions ASA that will run until 2020.

Ocean Yield's subsidiary Connector 1 AS acquired the offshore construction vessel and cable-laying vessel Lewek Connector in October

2012 and entered into a 10-year bareboat charter with EMAS AMC AS, a wholly-owned subsidiary of Ezra Holdings Ltd. The bareboat charter is fully guaranteed by Ezra.

The seismic vessel Geco Triton, which is owned by New Pollock Inc., a wholly owned subsidiary of Ocean Yield AS, is chartered to the Schlumberger subsidiary Western Geco until December 2015.

LH Shiplease 1 AS, a wholly owned subsidiary of Ocean Yield AS has entered into newbuilding contracts for two Pure Car Truck Carriers (PCTC) with car capacity of 6 500 with Daewoo Shipbuilding & Marine Engineering's ("DSME"). The vessels will be built at DSME's shipyard in Mangalia, Romania and be delivered in April and August

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2014 respectively. After delivery they will be chartered to Höegh Autoliners on 12-year “hell and high water” bareboat contracts.

In 2011, Aker Philadelphia Shipyard concluded a contract with SeaRiver Maritime, Inc. (SeaRiver) for the construction of two Aframax tankers. SeaRiver is Exxon Mobil Corporation's U.S.

marine affiliate. The vessels are intended to transport Alaskan North Slope crude oil from Prince William Sound to the U.S. West Coast. Construction of the first vessel started in March 2012 and the second in December 2012. Both vessels are scheduled for delivery in 2014.

Note 23 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>	2012	2011
Trade receivables	702	592
Other short-term interest-free receivables	566	893
Total	1 267	1 484

In 2012 the group recorded an impairment in trade receivables of NOK 10 million. In 2011 the loss was NOK 5 million. The loss has been included in the other operating expenses in the income statement.

Other short-term receivables in 2012 mainly consisted of receivables under operator licenses, interest earned but not yet received, VAT receivables and advance payments to suppliers.

Note 24 Interest-bearing short-term receivables

Interest-bearing short-term receivables consist of the following items:

<i>Amounts in NOK million</i>	2012	2011
Interest-bearing short-term receivables from associated companies	-	-
Other interest-bearing short-term receivables	28	26
Total	28	26

Other interest-bearing short-term receivables mainly relates to Det norske oljeselskap.

Note 25 Cash and cash equivalents

Cash and cash equivalents comprise of the following items:

<i>Amounts in NOK million</i>	2012	2011
Cash and bank deposits	5 471	5 463
Short-term investments with maturity less than 3 months	-	-
Cash and cash equivalents	5 471	5 463

Short-term investments consist of certificates and other investments with maturity between one and three months, depending on the cash requirements of the group. The interest on the short-term investments varies with the respective maturities.

Cash and cash equivalents are allocated to the different companies as follows:

<i>Amounts in NOK million</i>	2012	2011
Industrial holdings:		
Det norske oljeselskap	1 154	842
Ocean Yield ¹⁾	583	-
Aker BioMarine	5	13
Aker Seafoods	52	-
Total industrial holdings	1 794	855
Financial investments:		
Converto Capital Fund	369	227
Aker ShipLease ¹⁾	-	147
Aker Floating Production ¹⁾	-	169
Other companies	202	113
Aker ASA and holding companies	3 106	3 952
Total	5 471	5 463

¹⁾ In 2012, Aker ShipLease and Aker Floating Production are included in Ocean Yield.

There are restrictions on the cash transfer between Aker ASA and holding companies and subsidiaries.

Restricted cash constitute NOK 193 million. NOK 64 million in Aker ASA and holding compa-

nies, NOK 112 million in Aker Philadelphia Shipyard, NOK 13 million in Det norske oljeselskap, NOK 3 million in Aker Seafoods, NOK 2 million in Aker BioMarine and NOK 1 million in Norway Seafoods.

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Note 26 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:

Amounts in NOK million	2012	2011
Continued operations:		
Net profit (loss) from continued operations	(184)	2 126
Minority interests	(151)	470
Profit from continued operations attributable to equity holders of the group	(33)	1 655
Discontinued operations		
Net profit (loss) from discontinued operations	-	(240)
Minority interests	-	-
Profit from discontinued operations attributable to equity holders of the group	-	(240)
Total profit attributable to equity holders of the group	(33)	1 415
Ordinary shares outstanding as at 1 January	72 365 302	72 367 374
Allocation:		
Issued ordinary shares as at 31 December 2012 and 2011	72 374 728	72 374 728
Effect of own shares held	(891 681)	(9 426)
Total	71 483 047	72 365 302
Weighted average number of ordinary shares as at 31 December	72 126 991	72 361 234

Diluted earnings per share

No instruments with a potential dilution effect were outstanding as at 31 December 2012 or 31 December 2011.

Dividend per share

Dividends paid in 2012 and 2011 totalled NOK 794 million (NOK 11.00 per share) and NOK 724 million (10.00 per share) respectively. A dividend of NOK 12 per share will be proposed at the Annual General Meeting on 17 April 2013.

Paid-in capital

As at 31 December 2012, Aker ASA's share capital consisted of the following:

	Shares issued	Own shares	Shares outstanding
Number of ordinary shares	72 374 728	891 681	71 483 047
Par value (NOK)	28	28	28
Total par value (NOK million)	2 026	25	2 001
Share premium reserve	-	-	-
Other paid in capital	-	-	-
Total paid in capital	2 026	25	2 001

All shares have equal voting rights and are entitled to dividends. Aker ASA has no voting rights for its own shares.

Dividends

A dividend as shown below has been proposed for distribution after the balance sheet date. No provision has been made for the dividend, and there are no tax effects.

Amounts in NOK million

Proposed dividend in 2012 NOK 12.00 per share	868
Estimated dividend paid in 2013	868

The 20 largest shareholders as at 31 December 2012

Shareholders	Number of shares	Per cent
TRG Holding AS ¹⁾	48 245 048	66.7%
JP Morgan Chase Bank Nordea T.	1 810 042	2.5%
Aker ASA	891 681	1.2%
The Resource Group TRG AS ¹⁾	860 466	1.2%
JP Morgan Chase Bank Escrow Account	857 480	1.2%
Euroclear Bank S.A/N.V	818 070	1.1%
State Street Bank and Trust Co.	730 421	1.0%
Tvenge	700 000	1.0%
Odin Norden	686 487	0.9%
The Hermes Focus Funds	670 000	0.9%
Citibank NA London branch S/A FBCM	595 000	0.8%
UBS AG, London branch	499 678	0.7%
Clearstream Banking S.A.	495 093	0.7%
Fondsfinans spar	450 000	0.6%
Oslo Pensjonsforsikring AS PM	445 200	0.6%
KBC Securities Belgian client	407 499	0.6%
Folketrygdfondet	304 916	0.4%
Citibank NA London branch S/A 400	300 728	0.4%
JP Morgan Chase Bank Omnibus	287 392	0.4%
KBC Securities client non-treaty	247 146	0.3%
Other	12 072 381	16.7%
Total	72 374 728	100%

¹⁾ Kjell Inge Røkke controls 67.9% of the shares in Aker ASA through TRG Holding AS and TRG AS.

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Note 27 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		Group's ownership in %	Group's share of votes in %	Business address		
			City location	Country			City location	Country	
Aker Seafoods ASA (AKS)	73.25	73.25	Ålesund	Norway	Navigator Marine AS	100.00	100.00	Oslo	Norway
Aker Seafoods Finnmark AS	73.25	73.25	Hammerfest	Norway	Setanta Energy Group BV	79.10	79.10	Amsterdam	Netherlands
Aker Seafoods Melbu AS	73.25	73.25	Melbu	Norway	Fornebuporten Holding AS	100.00	100.00	Oslo	Norway
Aker Seafoods JM Johansen AS	73.25	73.25	Stamsund	Norway	Fornebuporten AS	100.00	100.00	Fornebu	Norway
Hammerfest Industrifiske AS	60% of AKS	60% of AKS	Hammerfest	Norway	Fornebuporten Parkering AS	100.00	100.00	Fornebu	Norway
Nordland Havfiske AS	73.25	73.25	Stamsund	Norway	Fornebuporten Bolig AS (3 selskaper)	100.00	100.00	Fornebu	Norway
Finnmark Havfiske AS	98% of AKS	98% of AKS	Hammerfest	Norway	Fornebuporten Næring AS (4 selskaper)	100.00	100.00	Fornebu	Norway
Aker Seafoods Båtsfjord AS	73.25	73.25	Båtsfjord	Norway	Widerøeveien 5 AS	100.00	100.00	Oslo	Norway
Aker Seafoods Nordkyn AS	73.25	73.25	Kjøllefjord	Norway	Maries Vei 20 AS	100.00	100.00	Fornebu	Norway
Aker Seafoods Harvesting Finnmark AS	73.25	73.25	Hammerfest	Norway	Fornebuporten utvikling AS	100.00	100.00	Oslo	Norway
Converto Capital Fund	99.80	99.80	Oslo	Norway	Fornebuporten UK AS	100.00	100.00	Fornebu	Norway
Norway Seafoods Group AS	73.63	73.63	Oslo	Norway	Abstract Cornwall Ltd	100.00	100.00	Aberdeen	Scotland
Norway Seafoods A/S (Denmark)	73.63	73.63	Grenå	Denmark	Abstract Cornwall 2 Ltd	100.00	100.00	Aberdeen	Scotland
Norway Seafoods UK Ltd.	73.63	73.63	Grimsby	England	Aker Achievement AS	100.00	100.00	Oslo	Norway
Aker Seafoods Sweden AB	73.63	73.63	Kungshamn	Sweden	Aker Maritime Finance AS	100.00	100.00	Oslo	Norway
Norway Seafoods France S.A	73.63	73.63	Castets	France	Old Kvaerner Invest AS	100.00	100.00	Oslo	Norway
Norway Seafoods AS	73.63	73.63	Oslo	Norway	Sea Launch Holding AS	100.00	100.00	Oslo	Norway
Aker Philadelphia Shipyard ASA	71.20	71.20	Oslo	Norway	Molde Fotball AS	100.00	100.00	Molde	Norway
Aker Philadelphia Shipyard Inc	71.20	71.20	Philadelphia	USA	Ocean Yield AS	100.00	100.00	Oslo	Norway
Ocean Harvest AS	100.00	100.00	Oslo	Norway	Aker Invest AS	100.00	100.00	Oslo	Norway
Ocean Maritime Ltd	100.00	100.00	Cayman Island	Cayman Isl.	Aker Invest II KS	100.00	100.00	Oslo	Norway
EstreMar S.A.	100.00	100.00	Buenos Aires	Argentina	American Champion, Inc	100.00	100.00	Seattle	USA
Aker Seafoods Holding AS	100.00	100.00	Oslo	Norway	New Pollock LP, Inc	100.00	100.00	Seattle	USA
Aker BioMarine ASA	89.25	89.25	Oslo	Norway	Aker ShipLease AS	100.00	100.00	Oslo	Norway
Aker BioMarine Antarctic AS	89.25	89.25	Ålesund	Norway	Aker ShipLease 1 AS	100.00	100.00	Oslo	Norway
Aker Kvaerner Holding AS	70.00	70.00	Oslo	Norway	Aker Floating Production ASA (AFP)	100.00	100.00	Oslo	Norway
Oslo Asset Management Holding AS	50.10	50.10	Oslo	Norway	Aker Contracting FP ASA	100.00	100.00	Oslo	Norway
Oslo Asset Management AS	50.10	50.10	Oslo	Norway	AFP Operations AS	100.00	100.00	Oslo	Norway
Norron Asset Management AB	51.00	51.00	Stockholm	Sweden	Aker Smart FP AS	100.00	100.00	Oslo	Norway
Aker Floating Holding AS	100.00	100.00	Oslo	Norway	Connector 1 Holding AS	100.00	100.00	Oslo	Norway
Aker Capital AS	100.00	100.00	Oslo	Norway	Connector 1 AS	100.00	100.00	Oslo	Norway
Det norske oljeselskap ASA	49.99	49.99	Trondheim	Norway	LH Shiplease AS	100.00	100.00	Oslo	Norway
Aker Holding Start 2 AS	100.00	100.00	Oslo	Norway	LH Shiplease 1 AS	100.00	100.00	Oslo	Norway
RGI Inc.	100.00	100.00	Seattle	USA	Ocean Holding AS	100.00	100.00	Oslo	Norway
RGI Holding, Inc	100.00	100.00	Seattle	USA					

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Minority interests

The Aker group includes several subsidiaries of which Aker ASA and holding companies own less than 100%. Significant companies with minority shareholders as at 31 December 2012 are Det nor-

ske oljeselskap 50.1%, Aker Philadelphia Shipyard 28.8%, Aker Seafoods 26.8%, Aker BioMarine 10.8%, Norway Seafoods 26.4% and Aker Kvaerner Holding 30%. See [Note 8](#) for key figures for some of the companies.

Det norske oljeselskap

In the first quarter of 2012 Aker sold 1050,000 shares of the Det norske for 88 kroner per share, corresponding to a reduction in ownership from 50.81 per cent to 49.99 per cent. Based on the

criteria for consolidation in IFRS, Aker has evaluated that Aker still controls the Det norske and are therefore still consolidating the company.

The change in minority interests in 2012 can be attributed to the following companies:

Amounts in NOK million	Balance at 1 January	Profit for the year	Other comprehensive income	Dividend	New minority, release of minority	Share issue by subsidiary	Other changes in equity	Balance as at 31 December
Aker Seafoods	429	16	(6)	-	4	-	(109)	334
Norway Seafoods	-	(19)	(3)	-	-	-	109	88
Aker Philadelphia Shipyard	160	16	(11)	-	-	-	-	165
Aker BioMarine	161	(9)	(5)	-	(41)	34	-	140
Aker Floating Production	(51)	-	-	-	51	-	-	-
Aker Kvaerner Holding	5 743	293	(48)	(177)	-	-	4	5 814
Det norske oljeselskap	2 681	(479)	-	-	45	510	-	2 757
Other companies	82	30	-	(27)	(15)	-	-	69
Total	9 206	(151)	(74)	(204)	43	544	4	9 368

New minority, release of minority (see [Note 6](#)):

In 2012, Aker purchased shares from minority interests for NOK 99 million and sold minority interests for NOK 99 million. This led to an increase in minority interests of NOK 43 million and a decrease

in majority interests of NOK 43 million, recognised directly in equity and attributed to the equity holders in the parent company.

Share issue by subsidiary:

In April 2012, Aker BioMarine received NOK 246 million through a share issue. Minority interests participated in the share issue with NOK 34 million. In December 2012, Det norske oljeselskap received

NOK 1 019 million through a share issue. Minority interests participated in the share issue with NOK 510 million.

Note 28 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:

Country	Currency	Average rate 2012	Rate as at 31 Dec. 2012	Average rate 2011	Rate as at 31 Dec. 2011
Great Britain	GBP	1	9.22	8.99	9.24
USA	USD	1	5.82	5.61	6.00
Denmark	DKK	100	100.50	104.65	104.20
Sweden	SEK	100	85.90	86.36	86.43
The European Union	EUR	1	7.48	7.80	7.76

The average rate and rate as at 31 December have been applied when translating the income statement and balance sheet items, respectively. If the average exchange rate for the period does not provide a fair estimate of the transaction rate, the actual transaction rate is used.

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Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and the 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 Floating Production (USD), Norway Seafoods Denmark (DKK), Norway Seafoods France (EUR)

and Estremar Argentina (USD). The share of the translation differences in the associated companies Aker Solutions and Kvaerner, among others, is also included.

Fair value reserve

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

Hedging reserve

The hedging reserve refers to cash flow hedges entered into to hedge revenues and expenses connected to ongoing construction contracts against fluctuations in exchange rates and interest rate changes. The income statement effect of such instruments is recognised in accordance with progress made as part of recognition of revenues and expenses connected to the construction contracts. The hedging reserve represents the value of such

hedging instruments that are not yet recognised in the income statement. Be aware of the underlying nature of a hedge; i.e. that an unrecognised gain on a hedging instrument is there to cover an unrecognised 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
2012								
Changes in fair value of available-for-sale financial assets	-	(11)	-	(11)	-	(11)	-	(11)
Changes in fair value of cash flow hedges	-	-	(16)	(16)	-	(16)	(6)	(22)
Reclassified to profit or loss: changes in fair value of available for sale financial assets, translation differences and cash flow hedges	-	1	-	1	-	1	-	1
Currency translation differences	(219)	-	-	(219)	-	(219)	(19)	(238)
Changes in other comprehensive income from associated and joint venture companies	(143)	32	(1)	(113)	-	(113)	(48)	(161)
Other comprehensive income 2012	(362)	21	(18)	(359)	-	(359)	(73)	(432)
<i>Amounts in NOK million</i>								
2011								
Changes in fair value of available-for-sale financial assets	-	76	-	76	-	76	-	76
Changes in fair value of cash flow hedges	-	-	(4)	(4)	-	(4)	(4)	(8)
Reclassified to profit or loss: changes in fair value of available-for-sale financial assets, translation differences and cash flow hedges	58	(15)	98	142	-	142	-	142
Currency translation differences	(124)	-	-	(124)	-	(124)	3	(122)
Changes in other comprehensive income from associated and joint venture companies	16	-	3	19	-	19	6	24
Other comprehensive income 2011	(50)	62	96	108	-	108	5	112

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Translation reserve

<i>Amounts in NOK million</i>	Functional currency	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Reclassification downward sale	Reclassification	Balance as at 31 December
Aker Philadelphia Shipyard	USD	(45)	(41)	-	(41)	-	-	(86)
Aker BioMarine		25	(35)	-	(35)	-	-	(10)
Ocean Yield	USD	(41)	(116)	-	(116)	-	-	(157)
Norway Seafoods		44	(7)	-	(7)	-	-	37
Ocean Harvest	USD	(117)	3	-	3	-	-	(114)
Other companies		49	(23)	-	(23)	-	-	26
Total		(85)	(219)	-	(219)	-	-	(303)
Share from associated and joint venture companies		(311)	(143)	-	(143)	-	-	(455)
Total		(396)	(362)	-	(362)	-	-	(758)

The table below depicts the sensitivity of Aker's consolidated financial statements to translation differences. If NOK had been 10% stronger in 2012, the effects on consolidation would have been as shown in the table. Sensitivity analysis is

an analysis of translation differences and does not take into account other effects of a stronger currency such as competitiveness, change in the value of derivatives etc.

<i>Amounts in NOK million</i>	Profit before tax from continued operations	Equity
Recorded profit and equity	(3 150)	18 904
Change provided NOK strengthens by 10%	(38)	(401)
Profit and equity provided NOK strengthens by 10%	(3 188)	18 503

Fair value reserve

<i>Amounts in NOK million</i>	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Reclassification	Reclassification to income statement	Balance as at 31 December
Long-term bond loans (see Note 16)	72	(15)	-	(15)	-	-	57
Other shares (see Note 15)	114	4	-	4	-	-	118
Total	186	(11)	-	(11)	-	-	175
Share from associated and joint venture companies	-	32	-	32	-	-	32
Total	186	21	-	21	-	-	207

Hedging reserve

<i>Amounts in NOK million</i>	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Reclassification	Reclassification to income statement	Balance as at 31 December
Norway Seafoods	-	(1)	-	(1)	-	-	(1)
Aker Seafoods	(21)	(16)	-	(16)	-	-	(37)
Total	(21)	(16)	-	(16)	-	-	(37)
Share from associated and joint venture companies	25	(1)	-	(1)	-	-	23
Total	4	(18)	-	(18)	-	-	(14)

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Change in other comprehensive income from associated and joint venture companies

<i>Amounts in NOK million</i>	Balance at 1 January	Comprehensive income before tax	Tax	Comprehensive income after tax	Reclassification	Reclassification to income statement	Balance as at 31 December
Translation reserve	(311)	(143)	-	(143)	-	-	(455)
Fair value reserve	-	32	-	32	-	-	32
Hedging reserve	25	(1)	-	(1)	-	-	23
Total	(287)	(113)	-	(113)	-	-	(400)

Note 30 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 debt and liabilities are as follow:

<i>Amounts in NOK million</i>	Carrying amount 2012	Carrying amount 2011
Non-current liabilities		
Secured bank loans	6 580	4 253
Unsecured bank loans	505	854
Unsecured bond issues	4 150	1 884
Finance lease liabilities	22	18
Other long-term liabilities	7	139
Total non-current interest-bearing liabilities	11 264	7 148
Current liabilities		
Current portion of secured bank loans	1 169	653
Current portion of unsecured bank loans	2	2
Current portion of unsecured bond issues	305	689
Current portion of finance lease liabilities	4	3
Current portion of other long-term liabilities	2	34
Overdraft facilities	97	133
Construction loan	-	48
Exploration facilities	567	380
Other short-term liabilities	145	134
Total current interest-bearing liabilities	2 291	2 076
Total interest-bearing liabilities	13 555	9 224

Interest-bearing liabilities are allocated to the companies within the group as follows:

<i>Amounts in NOK million</i>	2012	2011
Industrial holdings:		
Det norske oljeselskap	2 456	967
Ocean Yield	4 789	-
Aker BioMarine	560	577
Aker Seafoods ¹⁾	898	-
Total industrial holdings	8 703	1 544
Financial investments:		
Converto Capital Fund	373	1 536
Aker ShipLease ²⁾	-	1 130
Aker Floating Production ²⁾	-	2 477
Other companies	1 009	7
Aker ASA and holding companies	3 469	2 530
Total interest-bearing liabilities	13 555	9 224

¹⁾ Part of Converto Capital Fund in 2011

²⁾ Part of Ocean Yield in 2012

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Contractual terms of interest-bearing liabilities as at 31 December 2012 are as follows:

Amounts in NOK million	Currency	Nominal interest rate	Maturity	Carrying amount in million nominal currency	Carrying amount NOK million
Industrial holdings:					
Det norske oljeselskap:					
Unsecured bond loan	NOK	3 mths Nibor + 6.75%	January 2016	589	589
<i>Secured bank loan:</i>					
Revolving creditfacility in USD	USD	3 mths Libor + 3.75 % -4 %	December 2015	233	1 300
Exploration facility in NOK	NOK	Nibor + 2.5%	December 2013	567	567
Total Det norske oljeselskap					2 456
Ocean Yield:					
<i>Secured loan in Aker Shiplease:</i>					
Eksportfinans/GIEK/DNB	NOK	Nibor + 1.95%	October 2022. Renewal after 5 years	1 032	1 032
Loan fee				(4)	(4)
Total Aker ShipLease				1 027	1 027
<i>Secured loan Aker Floating Production:</i>					
DNB syndicated loan	USD	Libor + 1.5%	2018	345	1 923
Total Aker Floating Production				345	1 923
<i>Secured loan Connector:</i>					
Eksportkreditt Norge AS	USD	Libor + 1.38%	2024	206	1 150
DNB Livsforsikring	USD	Libor + 1.5%	2024	19	107
Loan fee				(1)	(6)
Total Connector				224	1 250
<i>Unsecured bond loan in Ocean Yield AS:</i>					
Bond 12/17 FRN	NOK	3 mths Nibor + 6.5%	July 2017	600	600
Loan fee				(12)	(12)
Total Ocean Yield AS				588	588
Total Ocean Yield					4 789
Aker BioMarine:					
Unsecured bond	NOK	3 mths Nibor + 3.5%	May 2013	305	305
<i>Secured bank loan:</i>					
Caterpillar Financial Services Corporation	USD	6 mths Libor + 1.89%	March 2017	12	66
Innovation Norway AS - 1	NOK	5.20%	June 2026	124	124
Innovation Norway AS - 2	NOK	6.00%	June 2023	15	15
Overdraft facilities	NOK			50	50
Total Aker BioMarine					560

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Amounts in NOK million	Currency	Nominal interest rate	Maturity	Carrying amount in million nominal currency	Carrying amount NOK million
Aker Seafoods:					
Secured bank loan in NOK - DNB/Nordea	NOK	3 mths Nibor + 1.85%	September 2018	889	889
Secured bank loan in NOK - Innovasjon Norge	NOK		2019	19	19
Loan fee	NOK			(10)	(10)
Total Aker Seafoods				898	898
Financial investments:					
Converto Capital Fund					
Norway Seafoods:					
Secured bank loan in NOK	NOK	3 mths Nibor + 2.25%	October 2015	5	5
Overdraft facilities	NOK			32	32
Finance lease liabilities	EUR			2.5	18
Other short-term and long-term liabilities	NOK			71	71
Other short-term and long-term liabilities	EUR			-	48
Total Norway Seafoods				117	174
Aker Philadelphia Shipyard:					
<i>Secured loan:</i>					
Philadelphia Industrial Development Authority (PIDA)	USD	3.75%	October 2015	5	26
Philadelphia Industrial Development Corporation (PIDC)	USD	3.75%	October 2015	2	12
Finance lease liabilities	USD			1	7
Total Aker Philadelphia Shipyard				8	45
Ocean Harvest:					
<i>Secured loan:</i>					
Caterpillar Financial Services Corporation/2016	USD	Libor + 2.75%	November 2016	9	53
Caterpillar Financial Services Corporation/2020	USD	Libor + 4.45%	November 2020	11	62
Loan fees				(1)	(6)
Other short-term liabilities, Galicia Bank	USD	15%		8	45
Total Ocean Harvest				28	154
Total Converto Capital Fund				373	373
Aker ASA and holding companies:					
<i>Unsecured bonds:</i>					
FRN Aker ASA Senior Unsecured Bond Issue 2010/2015	NOK	Nibor + 5%	November 2015	850	850
8.375 per cent Aker ASA Senior Unsecured Bond Issue 2010/2015	NOK	8.375%	November 2015	150	150
FRN Aker ASA Senior Unsecured Bond Issue 2012/2019	NOK	Nibor + 5%	April 2019	500	500
FRN Aker ASA Senior Unsecured Bond Issue 2012/2017	NOK	Nibor + 4%	June 2017	500	500
FRN Aker ASA Senior Unsecured Bond Issue 2012/2022	NOK	Nibor + 5%	September 2022	1 000	1 000
Total unsecured bonds				3 000	3 000
<i>Unsecured bank loans:</i>					
Sparebank 1 SMN	NOK	Nibor +3.75%	May 2017	500	500
Loan fees				(31)	(31)
Total Aker ASA and holding companies				3 469	3 469

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Amounts in NOK million	Currency	Nominal interest rate	Maturity	Carrying amount in million nominal currency	Carrying amount NOK million
Other companies					
Fornebuporten:					
Fornebuporten AS - Secured loan in Handelsbanken	NOK	Nibor + 2.1%	February 2017	440	440
Widerøeveien 5 - Secured loan in Storebrand Bank ASA	NOK	Nibor + 2.3%	March 2019	129	129
Maries vei 20 - Secured loan in DNB	NOK	Nibor + 1.6%	June 2013	425	425
Total Fornebuporten				994	994
Other loans				16	16
Total other companies				1 009	1 009
Total interest-bearing liabilities					13 555

Det norske oljeselskap

Unsecured bond:

The bond runs from 28 January 2011 to 28 January 2016 at an interest rate of 3 mths Nibor +6.75%. The principal falls due on 28 January 2016 and interest is paid on quarterly basis. The loan is unsecured.

Exploration facility in DNB:

Det norske oljeselskap has an overdraft facility of NOK 3.5 billion in DNB ASA. The maximum draw-down amount including interest is limited to 95% of the tax refund related to exploration expenses. The company may draw on the facility until 31.12.2012, with a final repayment date in December 2013. The interest rate on the revolving credit is NIBOR + 2.5%. A commission of 1.35% is paid on unused credit.

Det norske oljeselskap ASA has a USD 500 million revolving corporate credit facility (the "Facility"). The Facility is fully underwritten by a DNB syndicate. In addition to the committed amount of USD 500 million the Facility includes an uncommitted USD 100 million accordion tranche, which may become available as from 23 March 2013 subject to certain conditions.

The Facility matures on 31 December 2015. The interest rate is Nibor + a margin +3.75% to 4% and a commission of 1.3% on unused credit.

Ocean Yield Aker ShipLease

The mortgage loans are secured in the vessel Aker Wayfarer. The loan has a floating interest rate of Nibor + 1.95%. Installments and interest are paid semi-annually initially on 1 April 2011. The bank loan matures on 1 October 2022, but has to be renewed after five years.

Aker Floating Production

The mortgage loan is secured in Dhirubhai-1 and payment period corresponds to the leasing period of the vessel. In addition, 50% of net cash flow is paid as extraordinary installments.

Connector

The mortgage loans are secured in the vessel Lewek Connector.

The loan from Eksportkreditt Norge has a floating interest rate of Libor + 1.38%. The loan from DNB Livsforsikring has a floating interest rate of Libor + 1.5%. Installments for both loans are paid semi-annually, and the loans matures in 2024.

Ocean Yield AS

The senior unsecured bond issue of NOK 600 million listed on Oslo Stock Exchange has a maturity date of 6 July 2017. The bonds have a floating coupon of 3 month NIBOR + 6.50%.

Aker BioMarine

Unsecured bond:

The loan is guaranteed by Aker ASA and has a floating rate of Nibor + 3.75%. The loan matures in May 2013 and interest is paid quarterly until the maturity date.

Secured loans:

The mortgage of NOK 11.9 million denominated in USD is due in March 2017 and has an interest rate of 6 month Libor + 1.89%. The first mortgage from Innovation Norway has a payment exemption until 2016 while the second has a payment exemption until 2014. The mortgages and overdraft facility, NOK 255 million in total, are secured in ships and other assets with book values of NOK 807 million.

Aker Seafoods

Secured loans:

The mortgage of NOK 889 million is primarily secured in the trawler fleet and shares in harvesting subsidiaries. The loan matures in 2018. The loan agreement includes covenants related to the minimum equity ratios of the harvesting subsidiaries. The mortgage of NOK 19 million is secured in shares and customer receivables.

Overdraft facility:

The overdraft facility is an operating- and guarantee facility. Unused credit is NOK 100 million.

Bank loans, credit facility and other short-term loans totaling NOK 898 million are secured in fixed assets, inventory and receivables with book value of NOK 1 012 million.

Converto Capital Fund Norway Seafoods

The overdraft facility is an operating- and guarantee facility. Unused credit is NOK 48 million.

Bank loans, the overdraft facility and other short-term loans total NOK 94 million and are secured in fixed assets, inventory and receivables with book value of NOK 307 million.

Aker Philadelphia Shipyard

Secured loans:

The loans have a fixed interest rate until maturity. The payment schedule is fixed with monthly payments until maturity. Property, plant and equipment with a book value of NOK 318 million (USD 57.0 million) has been pledged as security for the mortgage loans.

Construction loan:

The construction loans credit facilities totals USD 40 million per ship for construction of hulls 017 and 018.

The company has not utilized any of the USD 40.0 million available for Hull 018 as at 31 December 2012.

Ocean Harvest

Secured loans:

The Caterpillar/2016 loan has a floating interest rate of Libor + 2.75%. The loan has a fixed repayment plan.

The Caterpillar/2020 loan has a floating interest rate of Libor + 4.45%. Installments and interest are paid quarterly.

Fixed assets and inventory totaling NOK 294 million have been pledged as security for the loan.

Aker ASA and holding companies

FRN Aker ASA Senior Unsecured Bond Issue 2010/2015

The loan has a floating interest rate of Nibor + 5%. It matures on 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%. It matures on 23 November 2015 and interest is paid annually until maturity.

FRN Aker ASA Senior Unsecured Bond Issue 2012/2019

The loan has a floating interest rate of Nibor + 5%. It matures in April 2019 and interest is paid quarterly until maturity.

FRN Aker ASA Senior Unsecured Bond Issue 2012/2017

The loan has a floating interest rate of Nibor + 4%. It matures in June 2017 and interest is paid quarterly until maturity.

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FRN Aker ASA Senior Unsecured Bond Issue 2012/2022

The loan has a floating interest rate of Nibor + 5%. It matures in September 2022 and interest is paid quarterly until maturity.

Unsecured bank loan:

The loan has a floating interest rate of Nibor + 3.75%. It matures in May 2017 and interest is paid quarterly until maturity.

Fornebuporten

Secured loans:

Fornebuporten AS – secured bank loan from Handelsbanken

The loan, which was paid out on 13 February 2012, has a floating interest rate of Nibor + 2.1%. Repayment is to occur pro rata in accordance with sales, or transfers upon demerger, of the mortgaged land. However, the principal sum is to be reduced, as a minimum, to NOK 340 million by 31 March

2014, NOK 240 million by 31 March 2015 and NOK 140 million by 31 March 2016. The remaining balance on the loan must be repaid within five years of the date the loan was paid out.

Widerøveien 5 – Storebrand Bank ASA

The loan has a floating interest rate of Nibor + 2.3%.

Maries vei 20 – DNB

The loan has a floating interest rate of Nibor + 1.6%. The loan matures on June 2013. Interest and installment are paid quarterly until maturity.

Other loans

Other loans amount to NOK 16 million and include a mortgage of NOK 1 million, and an operating credit facility of NOK 15 million.

Changes in the group's interest-bearing liabilities in 2012:

Amounts in NOK million	Long-term	Short-term excluding construction loan	Total	Construction loan	Total
Interest-bearing liabilities as at 1 January 2012	7 148	2 029	9 177	48	9 224
Change in construction loan	-	-	-	(47)	(47)
Ocean Yield AS issue of new bond loan	600	-	600	-	600
Connector loan from Eksportkreditt Norge	1 251	-	1 251	-	1 251
Connector loan from DNB Livsforsikring	116	-	116	-	116
Aker ASA and holding companies issue of new bond loans	2 000	-	2 000	-	2 000
Det norske oljeselskap exploration facility	1 300	2 200	3 500	-	3 500
Fornebuporten loan from Handelsbanken	440	-	440	-	440
Aker Seafoods increase of loan facilities	293	-	293	-	293
Other new loans	19	15	34	-	34
Change in credit facilities	-	(36)	(36)	-	(36)
Loan fees and establishment costs	(52)	-	(52)	-	(52)
Total payment from new short-term and long-term loans (excluding construction loans)	5 967	2 179	8 146	-	8 146
Det norske oljeselskap exploration facility in DNB	-	(2 000)	(2 000)	-	(2 000)
Aker ASA and holding companies repayment of bond loans	(266)	(234)	(500)	-	(500)
Aker ASA and holding companies acquisition own bond	(190)	-	(190)	-	(190)
Aker ASA and holding companies repayment of Sparebanken 1 SMN	(350)	-	(350)	-	(350)
Aker Floating Production loan DNB paid down	-	(402)	(402)	-	(402)
Other repayments	(323)	(328)	(651)	-	(651)
Total repayment of short-term and long-term loans	(1 129)	(2 964)	(4 093)	-	(4 093)
Acquisition of Widerøveien 5 and Maries vei 20	130	425	555	-	555
Total conversion and acquisition of subsidiaries with no cash effect	130	425	555	-	555
Reclassification / first year installments	(644)	644	-	-	-
Currency translation and other changes	(208)	(22)	(230)	(1)	(231)
Interest-bearing liabilities as at 31 December 2012	11 264	2 291	13 555	-	13 555

Currency adjustments total NOK -231 million and are attributable to the USD loans described above. Loans denominated in USD at the end of the year are total USD 849 million. A 10% decrease in the

USD exchange rate compared to the rate of 5.58 on the balance sheet date would have caused a reduction in debt expressed in NOK of NOK 0.5 billion.

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Net interest-bearing debt

Net interest-bearing debt comprises the following items:

Amounts in NOK million	2012	2011
Cash and cash equivalents	5 471	5 463
Financial interest-bearing non-current assets	1 483	1 397
Interest-bearing short-term receivables	28	26
Total interest-bearing assets	6 982	6 886
Interest-bearing long-term debt	(11 264)	(7 148)
Interest-bearing short-term debt including construction loans	(2 291)	(2 076)
Total interest-bearing debt	(13 555)	(9 224)
Net interest-bearing debt (-) / assets (+)	(6 573)	(2 338)

Finance lease liabilities

Finance lease liabilities are payable as follows:

Amounts in NOK million	Minimum lease 2012	Interest 2012	Installment 2012	Minimum lease 2011	Interest 2011	Installment 2011
Less than one year	5	1	4	4	1	3
Between one and five years	19	3	17	14	3	11
More than five years	5	-	5	7	-	7
Total	30	4	26	25	4	21

Note 31 Operating leases

Irrevocable operating leases where the Group is the lessee, are payable as follows:

Amounts in NOK million	Rig contracts	Owning interest in licenses	Other agreements	2012	2011
Less than one year	1 413	46	91	1 550	2 272
Between one and five years	889	108	380	1 377	2 147
More than five years	-	37	81	118	135
Total	2 302	191	552	3 045	4 555

Rig contracts:

Det norske oljeselskap ASA has signed a lease agreement for the vessel Transocean Barents for a period of three years, with an option to extend the charter period by up to two years. The charter period started to run in July 2009. In the third

quarter of 2010, Det norske extended the agreement by two years, with an option to extend the charter period by another two years. Det norske oljeselskap has signed a lease for the rig Maersk Giant with Maersk Giant Norge for a period of 150 days to drill two wells.

The above leased rigs will be used to conduct exploration drilling under the company's licenses in current and future license portfolios. The minimum lease obligation cannot be determined with certainty, since it will depend on Det norske's ownership interest in the respective licenses under which the rig will be actually used. The table above shows the company's total lease obligations related to these leases. The total obligation will be reduced by the contributions paid by the various partners in the respective licenses.

Det norske oljeselskap, on behalf of the partnership in Draupne, has signed an agreement (Letter of Award) with Maersk Drilling for the delivery of a jack-up rig for the development project on the Draupne. The rig will be used in the drilling of production wells on the Draupne field. The contract is for a period of three years with an option to extend for up to seven years.

Lease obligation pertaining to ownership interests in licenses:

The group's share of operational lease liabilities and other long-term liabilities pertaining to its ownership interests in oil and gas fields are shown in the table above.

Other agreements:

The majority of operational lease costs and commitments relate to leasing of office facilities and IT equipment, in addition to leases of land and machinery related to fish farming in Norway Seafoods France.

Sublease:

The estimated minimum rent receivable under subletting agreements related to non-terminable operational leases was NOK 1 780 million as at 31 December 2012. The majority of the estimated minimum rent relates to rig contracts concluded by Det norske oljeselskap.

Note 32 Pension expenses and pension liabilities

The Aker group's Norwegian companies mainly cover their pension liabilities through group pension plans managed by life insurance companies. Under IAS 19, employee benefit plans have been treated, for accounting purposes, as defined benefit plans. The Norwegian companies in the group are subject to the Norwegian Act relating to mandatory occupational pensions, and the group meets the requirements of this legislation. The group's companies outside Norway have pension plans based on local practice and regulations.

Certain companies have pension plans under which the employer makes an agreed contribution that is managed in a separate pension savings plan, or makes a contribution that is included in a joint plan with other employers. The contributions

are recorded as pension expenses for the period. The group also has uninsured pension liabilities for which provisions have been made.

The discount rate in 2012 is based on the Norwegian high-quality corporate bond rate. The discount rate in 2011 was based on the Norwegian 10-year government bond rate. The assumptions used are consistent with the recommendations of the Norwegian Accounting Standards Board.

Actuarial calculations have been performed 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 2012	Profit/loss 2012 and balance 2011
Expected return	4.0%	4.8%
Discount rate	3.8%	3.3%
Wage growth	3.5%	4.0%
Pension adjustment	1.9%	2.5%

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Pension expense recognised in profit and loss:

Amounts in NOK million	2012	2011
Expense related to benefits earned in this period	39	25
Interest expense accrued on pension liabilities	16	15
Expected return on pension funds	(12)	(11)
Service costs	4	4
Effect of changes in estimates and pension plans (actuarial gains and losses)	10	19
Costs related to previous periods	(1)	-
Social security contribution	6	2
Pension expense recognised from defined benefit plans	61	54
Contribution plans (employer's contribution)	18	15
Total pension expense recognised in profit and loss	79	69

Changes in present value for benefit based pension liabilities:

Amounts in NOK million	2012	2011
Pension liabilities as at 1 January	486	499
Expense related to pensions vested this period	39	25
Interest expense on pension liabilities	16	15
Effect of termination of pension plan	-	13
Actuarial gains and losses	(26)	(20)
Acquisitions and disposals	(1)	(8)
Pension payments	(35)	(36)
Effect of movement in exchange rate	(1)	(3)
Pension liabilities as at 31 December	478	486

Change in fair value pension funds:

Amounts in NOK million	2012	2011
Fair value of pension funds as at 1 January	243	247
Expected return on pension funds	12	11
Actuarial gains and losses	(15)	(14)
Administration	(4)	(4)
Payment received	33	31
Payment made	(18)	(19)
Acquisition of subsidiaries	-	(9)
Effect of movement in exchange rate	(1)	(1)
Fair value of pension funds as at 31 December	250	243

Net defined benefit obligation recognised in the balance sheet:

Amounts in NOK million	2012	2011
Pension liabilities as at 31 December	(478)	(473)
Fair value of pension funds as at 31 December	250	243
Social security contributions	(19)	(22)
Net pension funds (pension liability)	(247)	(252)
Net actuarial gain or loss not recognised in the balance sheet	55	80
Net liability for benefit based pension liabilities as at 31 December	(192)	(172)
Pension funds	15	16
Pension liabilities 31 December	(207)	(202)
Net liabilities for benefit based pension liabilities as at 31 December	(192)	(185)

Actual return on pension funds in 2012 was NOK 10 million and in 2011 NOK 10 million.

Pension assets by main category as a percentage of total pension funds:

Per cent	2012	2011
Debt instruments	76.8%	82.7%
Equity instruments	7.7%	8.3%
Money market funds	9.2%	3.6%
Other	6.2%	5.4%
Total	100.0%	100.0%

The group expects to contribute approximately NOK 34 million to pension funds in 2013.

Financial assumptions (Norwegian plans):

The discount rate in 2012 is based on the Norwegian high quality corporate bond rate. In the table below, the effect on pension

expenses and pension liabilities is depicted given a 1%-point increase or decrease in the discount rate. The effect of a 1%-point increase or reduction in wage growth is also shown.

Amounts in NOK million	1%-point increase	1%-point reduction
Discount rate:		
Pension expenses	4.8%	2.8%
Pension liabilities	(6)	8
	(43)	53
Wage growth:		
Pension expenses	4.5%	2.5%
Pension liabilities	2	(3)
	8	(10)

Historical information

Amounts in NOK million	2012	2011	2010	2009	2008
Defined benefit obligations funded and unfunded plans	(478)	(486)	(499)	(429)	(419)
Pension funds at fair value	250	243	247	235	189
Net pension assets/(liabilities)	(228)	(243)	(252)	(194)	(230)

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Note 33 Other interest free long-term liabilities

Other long-term debt and liabilities comprise the following items:

Amounts in NOK million	2012	2011
Interest-free long-term debt to related party	196	246
Other interest-free long-term debt	634	650
Total	829	896

In 2012, 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 ShipLease related to lease of the vessel Aker Wayfarer. Other interest-free long-term debt includes NOK 288 million in deferred income in Aker Floating Production and NOK 46 million in derivatives in Det norske oljeselskap.

In 2011, 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 ShipLease related to lease of the vessel Aker Wayfarer. Other interest-free long-term debt includes NOK 363 million in deferred income in Aker Floating Production.

Note 34 Construction contracts

Any foreseeable loss on signed construction contracts is expensed. Amounts recoverable on work in progress are written down before a provision for contract losses is recognised. Aker has not made any losses on construction contracts during 2012 and 2011.

Work-in-process of NOK 378 million (USD 67,7 million) as at 31 December 2012 represents accumulated costs on vessel-under-construction (Hull 018) net of the recognised effect of the PSDC

transaction of USD 20.1 million described in [Note 39](#) below, and a deposit of USD 9.0 million paid by Crowley at contract signing. The ship was delivered in January 2013. APSI recognised depreciation expense for the year ended 31 December 2012 totalling USD 7.0 million of which USD 5.2 million was capitalised as part of work-in-process while USD 1.8 million was expensed in the income statement.

Note 35 Provisions

Amounts in NOK million	Warranties	Abandonment provision	Other	Total
Balance as at 1 January	225	285	30	540
Provisions made during the year	22	514	10	546
Provisions used during the year	(126)	(1)	(3)	(130)
Currency exchange adjustment	(1)	-	(1)	(2)
Balance as at 31 December	120	798	35	953
Long-term liabilities	104	798	24	926
Short-term liabilities	16	-	11	27
Balance as at 31 December	120	798	35	953

2011

Amounts in NOK million	Warranties	Put agreement	Abandonment provision	Other	Total
Balance as at 1 January	121	1 744	-	29	1 894
Put agreement SAAB and Investor AB reclassification from long-term interest-free debt as of 30 June 2010	-	(1 765)	-	-	(1 765)
Effect consolidation Det norske oljeselskap	-	-	279	2	281
Provisions made during the year	107	21	6	1	135
Provisions used during the year	(3)	-	-	(2)	(5)
Balance as at 31 December	225	-	285	30	540
Long-term liabilities	210	-	285	26	521
Short-term liabilities	15	-	-	4	19
Balance as at 31 December	225	-	285	30	540

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 Aker's contractual obligations and empirical estimates of the frequency 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 related to pensions in the former Kvaerner US (see also [Note 39](#)).

The remainder of the warranty provision relates to product tankers delivered by Aker Philadelphia Shipyard.

Removal and decommissioning liabilities

Det norske oljeselskap's removal and decommissioning liabilities relate to the fields Varg, Enoch, Glitne, Atla, Jette and Jotun. Removal is expected to occur in 2014 for Glitne and 2018 for Jotun, Enoch, Jette, Varg and Atla.

This is based on an implementation concept in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.5% before

tax and a nominal discount rate before tax of 5.03% for Enoch, Jotun, Varg, Atla and Jette, and 4.93% for Glitne. The corresponding rates for 2011 were 6.24% for Jotun and Enoch, and 5.92% for Varg and Glitne.

Put agreement with SAAB and Investor AB in 2011

In 2007 Aker ASA concluded separate agreements with SAAB and Investor AB relating to put/call redemption options that provide a protection for SAAB and Investor AB against loss on their investments in Aker Kvaerner Holding AS but also limits their opportunities for gains. Saab AB and Investor AB have on 30 June 2011 exercised their option to sell their ten-per cent ownership interest in Aker Kvaerner Holding AS (formerly Aker Holding AS) to Aker ASA. Aker recorded a provision corresponding to the discounted value of the share put, as at 31 December 2010 the amount was NOK 1 744 million and at the time of execution NOK 1 765 million.

Other provisions

Other provisions mainly relate to ongoing legal cases involving Aker Seafoods and Norway Seafoods, see [note 39](#).

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Note 36 Mortgage and guarantee liabilities

Mortgages

During the course of ordinary operations, completion guarantees are issued and advance payments are received from customers. Guarantees are typically issued to the customer by a financial institution. Collateral has been provided for interest-bearing long-term debt of NOK 8.5 billion. The book value of assets used as collateral is NOK 14.7 billion.

Liability for damage/insurance

Like other licensees on the Norwegian continental shelf, Det norske oljeselskap has unlimited liability for damage, including pollution damage. Like other oil companies, Det norske oljeselskap has insured its pro rata liability on the Norwegian continental shelf. Installations and liability are covered by an operational liability insurance policy.

Guarantees

Det norske oljeselskap has established a loan scheme whereby permanent employees can borrow up to 30 per cent of their gross annual salary

at the standard interest rate prescribed for tax purposes. The company covers the difference at any given time between the market interest rate and the standard prescribed rate. The lender is a savings bank, and the company acts as guarantor for the employees' loans. Guarantees furnished by the company for employees totalled NOK 19 million as at 31 December 2012. Det norske oljeselskap ASA has also issued a rent guarantee totalling NOK 12 million to the lessor of the company's premises at Aker Brygge.

Uncertain liabilities

During the normal course of its business, the group will be involved in disputes, and there are currently some unresolved claims. The group has made provision in its financial statements for probable liabilities related to litigation and claims, based on the group's best assessment. The group does not expect its financial position, operational results or cash flows to be materially affected by the resolution of these disputes.

Note 37 Trade and other payables

Trade and other payables comprise the following items:

<i>Amounts in NOK million</i>	2012	2011
Trade accounts payable	640	625
Accrual of operating- and financial costs	239	303
Other short-term interest-free liabilities	1 534	680
Total	2 413	1 608

Specification of net working capital:

<i>Amounts in NOK million</i>	2012	2011
Biological assets, inventories, work in progress, other trade and interest-free receivables	2 083	2 316
Trade and other payables	(2 413)	(1 608)
Current provisions	(27)	(19)
Total operational assets and debt	(357)	689
Derivatives	(85)	(17)
Pension assets and other non-current assets	271	121
Pension liabilities, other interest-free long-term liabilities and non-current provisions	(1 917)	(1 619)
Construction loans	-	(48)
Total working capital	(2 089)	(874)

Changes in net working capital

<i>Amounts in NOK million</i>	2012	2011
Working capital as at 1 January	(874)	(2 787)
Acquisition of Maries Vei 20 and Widerøeveien 5	8	-
Sale of Aker Drilling	-	276
Acquisition of Det norske oljeselskap	-	(430)
Put SAAB/Investor	-	1 765
Change in working capital related to investment activities (see Note 14)	(508)	-
Change in working capital in cash flow	(821)	271
Exchange rate differences and other	106	31
Working capital as at 31 December	(2 089)	(874)

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See also [Note 5](#) Financial risk and exposure.

Fair value and carrying amounts

The estimates of fair value and the carrying amounts shown in the balance sheet are as follows:

Amounts in NOK million	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets carried at fair value				
Available for sale financial assets	1 634	1 634	1 741	1 741
Financial assets at fair value through profit and loss (including derivatives)	8	8	10	10
Financial assets designated at fair value through profit and loss	23	23	22	22
Foreign exchange contracts used for hedging	6	6	7	7
Total financial assets carried at fair value	1 672	1 672	1 779	1 779
Financial assets carried at amortized cost				
Loans and receivables	2 052	2 052	1 900	1 900
Cash and cash equivalents (including long-term restricted deposits, see Note 19)	5 888	5 888	5 721	5 721
Total financial assets carried at amortised cost	7 940	7 940	7 621	7 621
Financial liabilities carried at fair value				
Interest rate swaps used for hedging	32	32	18	18
Foreign exchange contracts used for hedging	-	-	1	1
Other foreign exchange contracts	68	68	7	7
Total financial assets carried at fair value	100	100	26	26
Financial liabilities carried at amortised cost				
Bonds and convertible loans	4 150	4 305	2 573	2 642
Other interest-bearing debt	9 405	9 412	6 651	6 631
Interest-free long-term financial liabilities	783	783	896	896
Interest-free short-term financial liabilities	1 959	1 959	1 498	1 498
Total financial liabilities carried at amortised cost	16 298	16 459	11 617	11 667

NOK 2 778 million of financial liabilities classified as fixed rate in the interest profile table ([Note 5](#)) are liabilities that pursuant to contract have floating interest rates but 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 the fair value of financial instruments is disclosed in [Note 4](#).

Fair value hierarchy

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).

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Amounts in NOK million	2012		
	Level 1	Level 2	Level 3
Financial assets carried at fair value			
Available for sale financial assets	84	1 478	72
Financial assets at fair value through profit and loss (including derivatives)	-	-	8
Financial assets designated at fair value through profit and loss	-	23	-
Foreign exchange contracts used for hedging	6	-	-
Total	90	1 501	80
Financial liabilities carried at fair value			
Interest rate swaps used for hedging	-	32	-
Other derivative contracts - liability	-	68	-
Total	-	100	-

The following table presents the changes in instruments classified in level 3 as at 31 December:

Amounts in NOK million	2012	2011
	Financial assets	Financial assets
Carrying amount as at 1 January	100	194
Transfer to level 3	3	8
Transfer from level 3	-	-
Total gains or losses for the period recognised in the income statement	2	(33)
Total gains or losses recognised in other comprehensible income	(3)	(6)
Purchases	-	3
Sales	(22)	(66)
Carrying amount as at 31 December	80	100

The amount of 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

- (34)

Transfer to level 3 in 2012 is related to a reconsideration of the method used to calculate fair value for certain unlisted securities.

Transfer to level 3 in 2011 is a reclassification from intangible assets to financial instruments.

Note 39 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 may exceed revenues realised 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 periodical financial reports.

Legal proceedings

In their extensive worldwide operations, group companies are in the course of their activities involved in legal disputes. Provisions have been made to cover the expected outcomes of disputes where negative outcomes are likely and reliable estimates can be made. However, the final outcomes of such cases will always be subject to uncertainty and resulting liabilities may exceed booked provisions.

Tax

Companies in the Aker group 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.

Det norske oljeselskap

Liability for damages/ insurance

Like other licensees on the Norwegian continental shelf, the company has unlimited liability for damage, including pollution damage. The company has insured their pro rata liability on the Norwegian continental shelf on a par with other oil companies. Installations and liability are covered by an operational liability insurance policy.

Uncertain commitments

During the normal course of its business, Det norske oljeselskap ASA will be involved in dis-

putes, and there are currently some unresolved claims. The company has made provisions in its financial statements for probable liabilities related to litigation and claims, based on the company's best estimate. Det norske does not expect that the financial position, results of operations or cash flows will be materially affected by the resolution of these disputes.

Following a tax audit carried out by the Oil Taxation Office (OTO), Det norske oljeselskap ASA has received notice of reassessment for the two income years 2009 and 2010. The notice relates to the drilling contract of Aker Barents. The company disputes the position taken by the OTO. At the end of the third quarter, the company responded to the notice of reassessment by submitting detailed comments.

Aker BioMarine

In November 2009, Neptune Technologies & Bioresources Inc. and Université de Sherbrooke filed a lawsuit in the United States District Court for the District of Massachusetts against Aker BioMarine ASA and Aker BioMarine Antarctic AS for alleged patent infringement. Aker BioMarine's then-current US distributors, Jedwards International Inc. and Virgin Antarctic LLC, were also included as Defendants and are indemnified by Aker BioMarine. Since then, the parties have engaged in negotiations for the purposes of reaching an out-of-court settlement. These negotiations were conducted in parallel with the ongoing legal proceedings.

In October 2011, Neptune Technologies & Bioresources Inc. filed a lawsuit in the United States District Court for the District of Delaware against Aker BioMarine ASA and Aker BioMarine Antarctic USA Inc. for alleged patent infringement of another recently granted US patent. Aker BioMarine's US customer, Schiff Nutrition International Inc., is also included as a Defendant and indemnified by Aker BioMarine. Since then Defendants have been granted inter partes re-examination of the patent at the USPTO, filed a motion to dismiss Aker BioMarine ASA for lack of personal jurisdiction, and the lawsuit is stayed until the final outcome of reexamination is ready.

In October 2012 Neptune Technologies & Bioresources Inc. filed another lawsuit in the United States District Court for the District of Delaware against the same parties for alleged patent infringement of a recently granted continuation of

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the US patent cited in the October 2011 lawsuit. Since then Defendants have requested and been granted extra partes reexamination of the patent at the USPTO.

In the last days of December 2012 Neptune Technologies & Bioresources Inc. filed a lawsuit in Australia against Aker BioMarine ASA claiming the revocation of certain Australian patents owned by the Defendant.

The above matters were not concluded as at the end of 2012 and the final outcome remains uncertain.

Aker Philadelphia Shipyard

Aker Philadelphia Shipyard concluded an agreement with Philadelphia Shipyard Development Corporation (PSDC) dated 15 December 2010 and effective as of 18 February 2011 thus providing the yard with working capital for the construction of two additional product tankers (Hull 017 and Hull 018). Pursuant to the agreement, PSDC purchased certain shipyard assets from APSI for a purchase price of USD 42 million, payable in two equal tranches, with funds provided by the Commonwealth of Pennsylvania. APSI is leasing back those same assets from PSDC subject to the terms of its shipyard lease and the Authorization Agreement. APSI has used the sale proceeds, construction period financing from private lenders and its own available funds to construct Hull 017 and Hull 018. For accounting purposes, the transaction is accounted for as a sale/lease-back, and the proceeds have been proportionately recognised as a reduction of the vessel costs associated with the construction of Hull 017 and Hull 018. PSDC paid the first USD 21 million tranche to APSI in November 2011, and the second tranche in June 2012. The vessel 017 was delivered in August 2012 and vessel 018 in January 2013. Following the delivery of ship 018 the agreement is fulfilled and there are no potential claims from PSDC.

Advances from customers as at 31 December 2012 totalled USD 60 million. APSI also has purchase commitments of approximately USD 18.8 million for Hulls 017-020.

The company and American Shipping Company (AMSC) are jointly and severally liable to Overseas Shipholding Group (OSG) for any breaches of the framework agreement and related transaction documents governing the construction and leasing of the first 10 Jones Act tankers. As all of the vessels have been completed and delivered, APSI has fulfilled all of its construction obligations under the OSG docu-

ments. AMSC's primary leasing obligation under the OSG documents is to provide OSG with quiet enjoyment of the vessels. The company regards the risk of not fulfilling the leasing obligation as remote.

Aker Seafoods

Aker Seafoods has received a claim for NOK 105 million from the administrative committee in Glitnir in Iceland regarding an interest rate and currency swap agreement made in 2005. In December 2011 Aker Seafoods received a summons from Glitnir in which they maintain their claim. 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 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. The date for legal proceedings has not yet been set.

The Norwegian Directorate of Fisheries requires the vessels "Jergul", "Skaidi" (both owned by the subsidiary Finnmark Havfiske AS) and "Stamsund" (owned by the subsidiary Nordland Havfiske AS) to be withdrawn from operations in three months for "Jergul" and "Skaidi" and one month for "Stamsund", in all cases effective from 1 November 2012, for alleged violations of its delivery obligations in 2011. The company has appealed the decision, and the decision is given suspensive effect until the appeal is settled.

TH Global

Aker ASA has provided a guarantee to the former subsidiary Kvaerner U.S. Inc. in relation to the U.S. pension fund "Kvaerner Consolidated Retirement Plan". Kvaerner U.S. Inc., now a subsidiary of TH Global plc, is responsible for two-third of current payments to the pension fund. To the extent Kvaerner U.S. Inc. is unable to meet its payment obligations, a claim can be raised against the guarantee from Aker. During 2012 NOK18 million was paid under this guarantee and an additional provision of NOK 104 million is made in relation to the guarantee (see [Note 40](#) and [Note 35](#)). In addition, a guarantee has been provided to Aker Solutions for the event that Aker Solutions will be liable for more than a third of the under-funded portion of the pension funds obligations. Aker group's obligation to TH Global is limited to the above guarantees.

Recourse claim on Sea Launch' former Russian and Ukrainian partners

Sea Launch, a company offering spacecraft launch services for satellites, filed for bankruptcy protection under chapter 11 in the American bankruptcy law in June 2009. Aker had as a shareholder in Sea Launch, guaranteed a total of USD 122 million to Sea Launch's creditors. Aker negotiated agreements resulting in the guarantees of total NOK 776 million being met through the payment.

Note 40 Transactions and agreements with related parties

Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke and his family through The Resource Group AS (TRG AS). All companies controlled by Kjell Inge Røkke are considered as related parties for the Aker group.

Transactions with Kjell Inge Røkke

Aker has no material outstanding accounts, nor have there been any transactions with Kjell Inge Røkke in 2012, except for remuneration for his work as chairman of the board and former leader of the nomination committee in Aker ASA (see [note 41](#)). 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 2012 Kjell Inge Røkke paid NOK 1.5 million plus VAT for services and rental of premises. TRG AS has provided services to Aker for NOK 1.4 million in 2012. The aircrafts in Aker are operated by Sundt Air Management and charged according to use.

Aker has during 2012 purchased TRG AS' 50 per cent share of the company Aker Encore for NOK 16 million.

Transaction with Fausken Invest

Fausken Invest is controlled by Frank Reite, Managing Partner of Converto Capital Management.

In July (as announced in June), Aker sold its 90 per cent holding in Converto Capital Management (CCM) to Fausken Invest. Aker Seafoods was moved from Converto Capital Fund to direct ownership by Aker ASA through the purchase of 61.2 million shares in Aker Seafoods at a price of NOK 6.50 per share. CCM acquired 1.1 million shares in Aker Seafoods from Converto Capital Fund, corresponding to 1.3 per cent of the outstanding shares. A two-year agreement was signed for

Aker ASA has a recourse claim against Russian and Ukrainian partners which would have resulted in a reduction in the guarantee payments of approximately USD 32 million at time of payment. The Russian and Ukrainian partners have challenged Aker's recourse claim. 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.

CCM to act as investment advisor for Aker's ownership interest in Aker Seafoods.

Transaction with Höegh Autoliners

In the third quarter of 2012, Ocean Yield AS, a wholly-owned subsidiary of Aker ASA, entered into newbuilding contracts for two Pure Car Truck Carriers (PCTC) with Daewoo Shipbuilding & Marine Engineering. The vessels will be delivered in April and August 2014 respectively, and will after delivery be chartered on 12-year "hell and high water" bareboat charter contracts to Höegh Autoliners. The agreements were entered into by the Board of Ocean Yield. Director of Aker ASA Leif O. Høegh serves as Chairman of Höegh Autoliners.

Grants to employee representative's collective fund

Aker ASA has signed an agreement with employee representative that regulate use of grants from Aker ASA for activities related to professional updating. The grant in 2012 was NOK 630 000.

Transactions with associated companies Aker Drilling ASA

After refinancing and share issue in Aker Drilling on 24 February 2011, Aker's ownership was reduced to 41.1% and thus no longer controlled the company. Aker Drilling ASA repaid a loan of NOK 2 790 million to Aker ASA after the refinancing.

In the period 24 February 2011 to 3 October 2011 Aker Drilling was an associated company of the Aker group (see [note 7](#)). Det norske oljeselskap, which became a subsidiary of Aker from 17 august 2011, is renting the drilling rig Aker Barents from Aker Drilling.

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Aker Solutions ASA

Companies in the Aker group have had certain transactions with Aker Solutions in 2012.

Aker Clean Carbon AS

In March 2012, Aker agreed to sell its 50 per cent ownership in Aker Clean Carbon to Aker Solutions. The transaction includes a cash element of NOK 0 (zero) at the time of the takeover, and an agreement between the parties, by which the acquirer will pay an amount to the seller, based on earnings from new technology agreements within the next 10 years. Aker's entitlement to financial compensation has been capped at the amount equal to Aker's total investment in Aker Clean Carbon, which was NOK 147 million, plus 12 per cent per annum. The fair value of the consideration in the transaction is estimated to be NOK 0 (zero). Aker ASA will extend its financial commitment to the Technology Centre Mongstad (TCM) project, in the form of a completion guarantee.

Det norske oljeselskap ASA

Det norske oljeselskap has entered into agreements with Aker Solutions related to the development projects on the Jette and Ivar Aasen. Aker Solutions has in 2012 invoiced NOK 208 million related to the licences. Det norske Oljeselskap's share totals NOK 98 million, based on the company's share in the licences.

Intellectual Property Holding AS

Aker Solutions has an agreement with Intellectual Property Holding, which holds all rights, titles and interests in 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".

Ocean Yield AS

On 11 October 2012, Ocean Yield, a wholly-owned subsidiary of Aker ASA, entered into an agreement to acquire the offshore construction and cable lay vessel Lewek Connector from AMC Connector AS for a total consideration of USD 315 million. The seller of the vessel, AMC Connector AS, is a 50/50 joint venture between Ezra and Aker Solutions ASA. Aker ASA indirectly owns 28 per cent in Aker Solutions ASA through Aker Kvaerner Holding AS. The board of Aker Kvaerner Holding has approved the transaction according to the prevailing shareholder agreement.

Aker ShipLease AS (subsidiary of Ocean Yield 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 and the ship was delivered in 2010. A lease prepayment was paid in 2009 and is included in other interest free long-term liabilities in the balance sheet with NOK 196 million.

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 TH Global cannot pay the plan contributions and a guarantee towards Aker Solutions if Aker Solutions becomes liable for more than one third of the underfunded element of the plan.

The Board of Directors in Aker Solutions ASA has agreed that as long as Øyvind Eriksen is acting as working Chairman of the company the position should be paid corresponding to the salary of the former Chief executive of the company. Accordingly Aker ASA received NOK 6 634 147 in 2012 for Øyvind Eriksen's directorship in Aker Solutions (NOK 5 459 443 in 2011).

Oslo Asset Management AS

Aker Insurance, a subsidiary of Aker Solutions, received investment management services from Oslo Asset Management. The annual fee is based on average total capital managed.

Kvaerner ASA

The companies in the Aker group had no significant transactions with Kvaerner in 2012 or 2011, with the exception of the remaining outstanding with Aker Drilling in the period from 1 January 2011 until 24 February 2011 when Aker Drilling was a subsidiary of the Aker group (see above).

In 2005 Aker Drilling and Aker Solutions entered into a contract on construction of two sixth-generation semi-submersible deep water drilling rigs. After the demerger in 2011 the contract was taken over by Kvaerner. The drilling rigs are equipped with Aker Solutions "Dual RamRig" drilling equipment. The contract value was approximately NOK 9.1 billion, including agreed-upon change orders. The two H-6e drilling rigs,

Aker Spitsbergen and Aker Barents, were significantly delayed due to technical challenges. The rigs, which are now owned by Transocean, are in normal operation and the 24-month warranty period expired on 1 January 2012.

Det norske oljeselskap ASA

Det norske oljeselskap was an associated company of the Aker group until 17 August 2011, when Aker acquired 11.66 per cent of the shares in the Det norske oljeselskap ASA and increased the ownership in Det norske to 52.11 per cent. Det norske oljeselskap is leasing the drilling rig Aker Barents from Aker Drilling. Aker Drilling was a subsidiary of Aker until 24 February 2011, and an associate until 3 October 2011.

Note 41 Salary and other remuneration to the board of directors, nomination committee, CEO and other senior executive in Aker ASA

Remuneration to the board of directors

Amounts in NOK	2012	2011
Kjell Inge Røkke (Chairman of the Board)	530 000	500 000
Finn Berg Jacobsen (Deputy Chairman)	365 000	325 000
Kristin Krohn Devold (Director)	315 000	300 000
Stine Bosse (Director from 14 April 2011)	315 000	150 000
Anne Marie Cannon (Director from 14 April 2011)	315 000	150 000
Leif O. Høegh (Director from 19 April 2012)	155 000	-
Lone Fønss Schrøder (Director until 14 April 2011)	-	175 000
Bjørn Flatgård (Director until 14 April 2011)	-	150 000
Kjell A. Storeide (Director until 14 April 2011)	-	150 000
Hanne Harlem (Director until 14 April 2011)	-	150 000
Atle Tranøy (Employee representative)	157 500	150 000
Harald Magne Bjørnsen (Employee representative)	157 500	150 000
Bjarne Kristiansen (Employee representative)	157 500	150 000
Tommy Angeltveit (Employee representative since 16 March 2011)	157 500	93 750
Kristian Pedersen (Employee representative from 11 May 2010 until 16 March 2011)	-	56 250
Total	2 625 000	2 650 000

In addition to the board remuneration the members of the audit committee received a total remuneration of NOK 380 000 in 2012. Finn Berg Jacobsen received NOK 165 000, Stine Bosse received NOK 107 500 and Atle Tranøy received NOK 107 500 in remuneration for 2012.

In 2011 current members of the audit commit-

Transactions with joint ventures

Trygg Pharma Holding AS

Trygg Pharma Holding received an equity contribution of NOK 82 million from Aker BioMarine in 2012 (NOK 75 million in 2011).

Aker Clean Carbon AS

Aker and Aker Solutions each owned 50 per cent of Aker Clean Carbon AS until Aker ASA sold its share of the company to Aker Solutions in 2012. In 2011, Aker ASA and Aker Solutions each contributed NOK 20 million in new equity to Aker Clean Carbon. Aker ASA received NOK 1.1 million for services rendered to Aker Clean Carbon in 2011.

tee received a total remuneration of NOK 425 000. Finn Berg Jacobsen received NOK 150 000 for 2011 and NOK 75 000 for 2010. Stine Bosse and Atle Tranøy received NOK 50 000 and NOK 100 000 respectively for 2011. Atle Tranøy received an additional NOK 50 000 for 2010.

In 2012 The Chairman of the Board Kjell Inge

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Røkke received, through The Resource Group (TRG) AS, NOK 530 000 in board remuneration from Aker ASA. In addition Kjell Inge Røkke has received a total board remuneration from other Aker owned companies of NOK 1 677 727 through TRG in 2012 (see [Note 40](#) Transactions and agreements with related parties).

Some board members also have directorships in other Aker associated companies. The board members have received no payments from Aker ASA in 2012 or 2011 other than the ones described above.

Remuneration to the nomination committee

The members of nomination committee Leif-Arne Langøy, Gerhard Heiberg and Kjeld Rimberg each received NOK 50 000 in 2012. The total remuneration paid by Aker ASA was NOK 150 000 in 2012 (NOK 150 000 in 2011).

Aker's organizational structure

Aker ASA's numerous operational companies are organised into an industrial and a financial portfolio. As a consequence of this organisational structure, Aker ASA does not have a group executive team in its traditional form. At the end of 2012 Aker's executive team consisted of CEO Øyvind Eriksen and CFO Trond Brandsrud.

Directive for remuneration of the CEO and the company's senior executives

The total remuneration paid to the executives consists of a fixed salary, standard pension- and insurance terms for employees and a variable salary element. The main purpose of the system is to stimulate a strong and enduring profit-oriented culture that ensures share price growth. Senior Executives participate in a collective pension and insurance scheme available to all employees. The collective pension and insurance scheme applies for salaries up to 12G. The CEO and others in the Executive team are offered standard employment contracts and standard employment conditions with respect to notice periods and severance pay. The company does not offer stock option programs to the employees. The intention of the variable salary element is to promote the achievement of good financial results and leadership in accordance with the company's values and business ethics. The variable salary element has three main components; a bonus calculated on the basis of value adjusted equity, a payment calculated on the basis of the dividend on the company's shares and a payment based on personal achievement (see Aker ASA [Note 2](#)). Work on

special projects may entitle to an additional bonus in addition to the above. The employment contracts of the senior executives can be terminated with three months' notice. If the company terminates a contract, the executive is entitled to between three and six months' pay after the end of the notice period.

Remuneration to the CEO and CFO

Øyvind Eriksen was appointed President and CEO from 1 January 2009. The appointment can be terminated by either party with three months' notice. If the contract is terminated by the company, Øyvind Eriksen will be entitled to three months' notice and three months' salary from the date of termination. This salary will not be paid if he continues to work for another company in the Aker group. The remuneration plan for Øyvind Eriksen includes a fixed salary, standard pension- and insurance terms for employees and a variable salary element. In 2012 Øyvind Eriksen received a salary of NOK 14 307 553 (NOK 13 812 580 in 2011) and a variable pay of NOK 8 861 201 (NOK 8 540 747 in 2011). The value of additional remuneration was NOK 42 397 in 2012 (NOK 27 359 in 2011) while the net pension expense for Øyvind Eriksen was NOK 271 401 (NOK 264 340 in 2011).

Group director (CFO) Trond Brandsrud accepted the position as CFO in Aker on 21 April 2010. His appointment can be terminated by either party with three months' notice. If the contract is terminated by the company, Trond Brandsrud is entitled to three months' notice and six months' salary from the date of termination. This salary will not be paid if he continues to work for another company within the Aker group.

The remuneration plan for Trond Brandsrud includes a fixed salary, standard pension- and insurance term for employees and a variable salary element. Trond Brandsrud's variable salary may total up to 140% of the value of his fixed salary. Trond Brandsrud's variable pay also includes bonus shares and the option to buy Aker ASA shares at a discount (see Aker ASA [Note 2](#)). In 2012 Trond Brandsrud purchased 5 680 shares in Aker ASA through the company Nordbrand Invest AS at a discount (5 988 shares purchased privately in 2011). In 2012 CFO Trond Brandsrud received a fixed salary of NOK 4 414 687 (NOK 4 017 729 in 2011) and a variable pay element, including bonus shares of NOK 5 551 390 (NOK 2 283 231 in 2011). Trond Brandsrud has been allocated 5 275 bonus shares for 2012. The value of additional remuneration was NOK 18 176 in

2012 (NOK 19 881 in 2011) while the net pension expense for Trond Brandsrud was NOK 306 983 in 2012 (NOK 318 724 in 2011).

The Senior executive receives no remuneration for directorships or as a member of nomination committee in other Aker companies. Aker ASA

received NOK 6 982 480 for Øyvind Eriksen in 2012, Øyvind Eriksen's directorship of Aker Solution accounted for NOK 6 634 147. Aker ASA received NOK 150 000 for Trond Brandsrud's directorship of Ocean Yield in 2012.

Note 42 Shares owned by the Board of Directors, CEO and other employees in the Executive team

Shares owned by members of the board, the President and CEO and other senior executives and their related parties in Aker ASA as at 31 December 2012.

	Aker ASA
Kjell Inge Røkke (Chairman of the Board) ¹⁾	49 105 514
Finn Berg Jacobsen (Deputy chairman)	5 000
Stine Bosse (Board member)	400
Leif O. Høegh (Board member) ²⁾	135 000
Harald Magne Bjørnsen (Employee representative)	700
Executive team:	
Øyvind Eriksen President and CEO ³⁾	100 000
Trond Brandsrud (CFO) ⁴⁾	26 943

¹⁾ Owns 100% of The Resource Group TRG AS (TRG AS) with his wife Anne Grete Eidsvig. TRG AS owns 99.45% of TRG Holding AS, which owns 66.66% of Aker ASA. TRG AS also owns 1.19% of Aker ASA directly.

²⁾ Leif O. Høegh has an indirect ownership interest in 135 000 Aker ASA shares.

³⁾ Owned through the wholly-owned company Eroy AS, which also owns 100 000 b-shares (0.2%) in TRG Holding AS.

⁴⁾ Of these, 5 680 shares are owned through the wholly-owned company Nordbrand Invest AS.

The CEO and other senior executives receive no other remuneration than described above. Accordingly, their employment conditions include no loans, guarantees or stock option rights.

Note 43 Government grants

Amounts in NOK million	2012	2011
Research and development	2	-
Other	13	8
Total	15	8

Aker Philadelphia Shipyard

For the year ended 31 December 2012, the shipyard received a reimbursement of USD 1.3 million related to employee training costs from various

governmental agencies (USD 51 thousand in 2011). For the year ended 31 December 2012, the yard received USD 918 thousand of grant funds for capital and infrastructure improvements

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under the Small Shipyard Grant Program (USD 386 thousand of grant funds in 2011). All grants were recognised as a reduction in expenses or asset cost.

Aker BioMarine

In 2012, the subsidiary Aker BioMarine Antarctic AS received a refund of NOK 2 million (NOK 5 million in 2011) under the Norwegian govern-

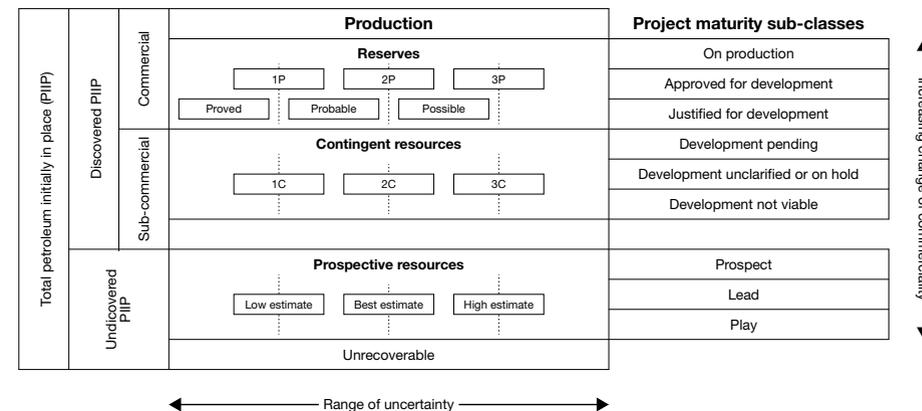
ment's "Skattefunnordningen" tax plan and from the Norwegian Research Council. Of the NOK 2 million received in 2012, nearly the entire amount has been deducted from the acquisition cost of capitalised development projects.

Note 44 Classification of reserves and contingent resources (unaudited)

Aker's oil- and gas reserves and contingent resources are attributable to the subsidiary Det norske oljeselskap ASA (Det norske), an E&P player focused on the Norwegian Continental Shelf (NCS). Det norske annually publishes a reserve report consistent with requirements set out by Oslo Stock Exchange where the Det norske's shares are listed.

The reserve and contingent resource volumes have been classified in accordance with the SPE classification system "Petroleum Resources Management System" and are consistent with Oslo Stock Exchange's requirements for the disclosure of hydrocarbon reserves and contingent resources. A simple overview of the reserves- and resource classes are described in Figure 1 below.

Figure 1 – SPE resource classification system



Publicly listed companies shall exercise caution when reporting reserves and contingent resources. A conservative estimate for recoverable volumes (P90) that shall have a 90% probability to increase when more information is available is therefore reported. These reserves are referred to as *Proven* reserves (1P). In addition, an unbiased estimate (P50) which has 50% probability to increase and 50% probability of decreasing in size is reported. These reserves are

referred to as *Proven* and *Probable* reserves (2P). Possible reserves (3P) are not reported.

Det norske oljeselskap has a working interest in eight fields/projects containing reserves, see Table 1. Out of these fields/projects, four are in the sub-class "On Production", two are in the sub-class "Approved for Development" and three are in the sub-class "Justified for Development". Note that Varg has reserves in both "On Production" and in "Justified for Development".

Det norske share in the various fields/projects are as follows (share in parenthesis):

Sub-class "On Production":

- Varg (5%)
- Glitne (10%)
- Jotun (7%)
- Atla (10%)

- Operated by Talisman
- Operated by Statoil
- Operated by ExxonMobil
- Operated by Total

Sub-class "Approved for Development":

- Jette (70%)
- Enoch (2%)

- Operated by Det norske
- Operated by Talisman

Sub-class "Justified for Development":

- Ivar Aasen project, previously Draupne (35%)
- Dagny (3,3%)
- Varg gas project (5%)

- Operated by Det norske
- Operated by Statoil
- Operated by Talisman

Total net proven reserves (P90/1P) as of 31 December 2012 to Det norske are estimated at 42.5 million barrels of oil equivalents. Total net proven plus probable reserves (P50/2P) are esti-

mated at 65.3 million barrels of oil equivalents. The split between liquid and gas and between the different subcategories are given in Table 1. Changes from 2011 are summarised in Table 2.

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Table 1 – Reserves by field

On Production	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids	Gas	Total million barrels of oil equivalents	Interest %	Net million barrels of oil equivalents	Liquids	Gas	Total million barrels of oil equivalents	Interest %	Net million barrels of oil equivalents
	(million barrels)	(bmc)				(million barrels)	(bmc)			
<i>As at 31.12.2012</i>										
Enoch Unit (moved to AfD)	-	-	-	2%	-	-	-	-	2%	-
Glitne	-	-	-	10%	-	0.04	-	0.04	10%	0.004
Varg (including 2 infills)	5.58	-	5.58	5%	0.28	7.88	-	7.88	5%	0.39
Jotun Unit	2.73	-	2.73	7%	0.19	3.03	-	3.03	7%	0.21
Atla (moved from AfD)	0.80	0.59	4.50	10%	0.45	1.60	1.32	9.90	10%	0.99
Total					0.92					1.60

Approved for Development	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids	Gas	Total million barrels of oil equivalents	Interest %	Net million barrels of oil equivalents	Liquids	Gas	Total million barrels of oil equivalents	Interest %	Net million barrels of oil equivalents
	(million barrels)	(bmc)				(million barrels)	(bmc)			
<i>As at 31.12.2012</i>										
Enoch Unit (moved from fra OP)	1.71	-	1.71	2%	0.03	2.61	-	2.61	2%	0.05
Atla (moved to til OP)	-	-	-	10%	-	-	-	-	10%	-
Glitne infill 2012 (dry well)	-	-	-	10%	-	-	-	-	10%	-
Jette (moved from fra JfD)	3.53	0.05	3.84	70%	2.69	5.89	0.08	6.40	70%	4.48
Total					2.72					4.53

Justified for Development	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids	Gas	Total million barrels of oil equivalents	Interest %	Net million barrels of oil equivalents	Liquids	Gas	Total million barrels of oil equivalents	Interest %	Net million barrels of oil equivalents
	(million barrels)	(bmc)				(million barrels)	(bmc)			
<i>As at 31.12.2012</i>										
Ivar Asen	88.54	1.09	95.36	35%	33.38	119.94	4.35	147.30	35%	51.56
Jette (moved to AfD)	-	-	-	70%	-	-	-	-	70%	-
Dagny	73.00	11.77	146.99	3.3%	4.85	101.00	16.62	205.50	3.3%	6.78
Varg gass (new)	7.42	0.67	11.63	5%	0.58	10.52	0.99	16.75	5%	0.84
Total					38.81					59.17
Total Reserves 31.12.2012					42.45					65.31

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Income statement

<i>Amounts in NOK million</i>	<i>Note</i>	2012	2011
Salaries and other personnel related expenses	<u>2,18</u>	(130)	(127)
Depreciation fixed assets	<u>4</u>	(15)	(15)
Other operating costs	<u>2</u>	(92)	(81)
Operating profit (loss)		(237)	(223)
Interest income from companies within the group	<u>7</u>	380	511
Other interest income	<u>7,9</u>	113	114
Reversal of earlier years impairment of shares, receivables, etc.	<u>8</u>	4 405	895
Dividends from subsidiaries	<u>5</u>	458	186
Received group contribution		-	100
Dividends from other companies	<u>6</u>	3	5
Foreign exchange gain		101	60
Gain on sale of shares	<u>3</u>	3	1 175
Other financial income		31	693
Total financial income		5 494	3 739
Interest expense to companies within the group	<u>13</u>	(335)	(339)
Other interest expenses	<u>14</u>	(214)	(182)
Impairment of shares, receivables etc.	<u>8</u>	(198)	(3 009)
Foreign exchange loss		(84)	(109)
Other financial expenses		(90)	(63)
Total financial expenses		(921)	(3 702)
Net financial items		4 573	37
Profit before tax		4 336	(186)
Tax	<u>11</u>	-	(49)
Profit after tax		4 336	(235)
Allocation of profit/loss for the year:			
Profit (+) / loss (-)		4 336	(235)
Dividend		(868)	(796)
Transferred from (+) / allocated to (-) other equity		(3 468)	1 031
Total	<u>10</u>	-	-

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Amounts in NOK million	Note	2012	2011
ASSETS			
Deferred tax assets	11	-	-
Other intangible assets		4	-
Total intangible assets		4	-
Art, equipment, cars and fixtures		41	43
Airplane		148	158
Property, buildings and housing		7	8
Total tangible fixed assets	4	196	209
Shares in subsidiaries	5,8	19 225	12 245
Other long-term investments in shares	6	66	55
Investments in associated companies	6	2	19
Long-term receivables from group companies	7	7 617	8 843
Other long-term financial assets	7	44	729
Total financial fixed assets		26 954	21 891
Total non-current assets		27 154	22 100
Short-term receivables from group companies	7	332	1 745
Other short-term receivables	16	9	15
Cash and cash equivalents	9	3 072	3 821
Total current assets		3 413	5 581
Total assets		30 567	27 681

Amounts in NOK million	Note	2012	2011
EQUITY AND LIABILITIES			
Share capital		2 026	2 026
Own shares		(25)	-
Total paid-in equity		2 001	2 026
Other equity		16 884	13 570
Total retained earnings		16 884	13 570
Total equity	10	18 886	15 596
Pension obligations	12	100	99
Other long-term provisions	15	104	84
Total provisions		204	183
Long-term liabilities to group companies	13	953	2 483
Long-term subordinated debt to group companies	13	6 085	5 922
Other long-term liabilities	14	3 469	2 530
Total other long-term liabilities		10 507	10 935
Short-term liabilities to group companies	13	-	2
Other short-term liabilities	14	970	965
Total current liabilities		970	967
Total equity and liabilities		30 567	27 681

Oslo, 11 March 2013
Aker ASA

Kjell Inge Røkke (sign.)
Chairman

Finn Berg Jacobsen (sign.)
Deputy chairman

Stine Bosse (sign.)
Director

Anne Marie Cannon (sign.)
Director

Kristin Krohn Devold (sign.)
Director

Leif O. Høegh (sign.)
Director

Atle Tranøy (sign.)
Director

Bjarne Kristiansen (sign.)
Director

Harald Magne Bjørnsen (sign.)
Director

Tommy Angeltveit (sign.)
Director

Øyvind Eriksen (sign.)
President and CEO

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Cash flow statement

Amounts in NOK million	Note	2012	2011
Profit before tax		4 336	(186)
Gain (+) / loss (-) on sales of fixed assets and write-down/reversals	8,3	(4 167)	857
Unrealised foreign exchange gain (+) / loss (-)		(6)	51
Depreciation	4	15	15
Change in other short-term items, etc.		80	(703)
Cash flow from operating activities		258	34
Acquisition/sale of non-current assets	4	(1)	(3)
Acquisition of shares and other equity investments	5	(221)	(1 982)
Payments on long-term interest-bearing receivables	7	(1 174)	(2 039)
Sale of shares and other equity disposals	5	140	23
Cash flow from other investments/disposals	7	462	5 889
Cash flow from investment activities		(794)	1 888
Issue of long-term debt	14	2 588	32
Repayment of long-term debt	14	(1 647)	-
Change in short-term interest-bearing receivables	14	(177)	(46)
Dividend and group contributions paid/received and other changes in equity	10	(976)	(720)
Cash flow from financing activities		(212)	(734)
Cash flow for the year		(748)	1 188
Cash and cash equivalents as at 1 January		3 821	2 633
Cash and cash equivalents as at 31 December		3 072	3 821

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The financial statements are prepared in accordance with the applicable statutory provisions and generally accepted accounting principles in Norway.

Subsidiary/associated company

In the balance sheet, subsidiaries and associated companies are assessed using the cost method. The investment is recognised at share acquisition cost. A write-down to fair value is made whenever impairment is due to causes that are assumed to be non-transient and generally accepted accounting principles thus require a write-down. A reversal is made whenever the impairment is no longer present.

Whenever a dividend exceeds the share of retained profits after an 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 assets / long-term liabilities.

Current assets are valued at the lower of acquisition cost or fair value. Short-term debt is recognised 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 impairment is deemed to be non-transient. Long-term debt is recognised at its nominal value at the time it was established. The fixed interest rate bond is valued at amortised cost.

Receivables

Trade receivable and other receivables are recorded at par value after subtraction of a provision for expected losses. Provision is made for losses based on individual assessments of each receivable.

Foreign currency

Transactions in a foreign currency are translated into NOK using the exchange rate at the time of the transaction. Monetary items in a foreign currency are translated into NOK using the exchange rate on the balance sheet date. Non-monetary items that are measured at historic cost in a foreign currency are translated into NOK using the exchange rate on the balance sheet 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 the balance sheet date. Dividends and other distribution received from these investments are recognised as financial income.

Non-current assets

Non-current assets are recognised and depreciated over their estimated useful life. Direct maintenance of operating assets is expensed on an on-going basis as operating costs, while 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, impairment is performed to the recoverable amount. The 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 increases, pensions and other social benefits from the Norwegian national insurance system (Folketrygden), future return on pension funds and actuarial assumptions regarding mortality and voluntary retirement. Pension funds are recognised at fair value. Changes in liability caused by changes in

pension plans are distributed over the estimated remaining vesting period. Changes in liability and pension funds caused by 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 income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated at a rate of 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 recognised to the extent that it is probable that they can be utilised.

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 in accordance with generally accepted accounting principles requires management to use best estimates and assumptions affecting the income statement and the valuation of assets and liabilities, and information regarding disclosure of contingent assets and liabilities on the balance sheet date.

Contingent losses that are probable and quantifiable are expensed on an ongoing basis.

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Note 2 Salaries and other personnel expenses

Salaries and other personnel expenses consist of the following:

Amounts in NOK million	2012	2011
Salaries	86	85
Social security contribution	16	14
Pension cost	21	23
Other benefits	7	5
Total	130	127
Average number of employees	49	49
Average number of man years	44	44

Auditor's fee is included in other expenses and consists of the following:

Amounts in NOK million	2012	2011
Ordinary auditing	1.4	2.1
Attestation services	-	1.3
Tax services	0.9	0.1
Other services	0.1	-
Total	2.4	3.5

Remuneration to / from group and related parties consist of the following:

Amounts in NOK million	2012	2011
Sales of services and renting of offices within the group	17.6	17.0
Acquisition of services from the The Resource Group TRG	(1.4)	(1.4)
Board fee to the The Resource Group AS ex payroll tax	(0.5)	(0.5)
Sales of services to the The Resource Group AS	1.0	0.9
Sales of services to Kjell Inge Røkke	0.6	0.9
Total	17.3	16.9

See [Note 40](#) to the group accounts for other transactions with related parties.

Incentive programme for employees (excluding the President and CEO)

Aker ASA has adopted an incentive programme to promote the company's goals and give employees the same motivation as shareholders. In 2012, the incentive programme had the following elements:

- a dividend bonus, based on the Aker ASA dividend
- a personal bonus, based on personal goals
- bonus shares, allocated on the basis of an agreed increase in net asset value
- an option to purchase Aker ASA shares at a discount but subject to a lock-in period.

See [note 41](#) to the group accounts regarding the incentive programme for the President and CEO.

Bonus ceiling

Dividends and personal bonuses are paid in cash in the year after the earning year. Participants can achieve a total bonus equal to a defined percentage of fixed salary (bonus ceiling), split into a dividend bonus and a personal bonus.

Dividend bonus

The dividend bonus is linked to dividends paid in the earning year. A defined number of shadow shares are used as the basis for calculating the dividend bonus. The calculation of the shadow shares is based on the target yield on net asset value and the target dividend for the earning year. Participants receive a dividend bonus (cash) equivalent to the dividend per share proposed by the board of directors multiplied by the number of shadow shares.

Personal bonus

The personal bonus is linked to the achievement of personal results and goals, and is set based on an overall evaluation covering each participant's personal output and development, the results and development of the company and the participant's part of the company, and the participant's contribution to the Aker fellowship.

Bonus shares

Participants may be awarded shares in the company if the company achieves an increase in net asset value of more than 10 per cent in the earning year. The number of potential bonus shares cannot be determined before allocation takes place, as the final number is based on the share price on the determination date and the participant's salary as

at 31 December of the earning year. An allocation range is calculated for the award of bonus shares at the beginning of the earning year, equal to 50 per cent of the range for the dividend bonus. The fixed allocation range is a gross range. The participant's estimated tax on the free bonus shares is deducted from this gross range, as the company pays this amount in by way of advance tax deduction. Deduction of the tax leaves a net range as a basis for calculating the number of bonus shares. The value of the bonus shares equals the share price on the delivery date minus a deduction in respect of the lock-in period (20 per cent). The lock-in period is three years from the date the bonus shares are received. The limitations on the right of participants to dispose of the discounted shares freely are registered in VPS as a right for the company. If a participant leaves the company during the lock-in period, 50 per cent of the distributed bonus shares are returned to the company without compensation to the participant.

Option to purchase of shares at a discount but subject to a lock-in period

Participants may purchase shares in the company at a price equal to 80 per cent of the share price at the time the shares are purchased. The number of shares that can be bought during the earning year is calculated based on the estimated number of bonus shares the participant may theoretically receive at the end of the earning year if he/she achieves the maximum bonus. Participants choose how many shares they want to buy within their allocation range. A lock-in period of three years applies from the date the shares are received. The limitations on the right of participants to dispose of the discounted shares freely are registered in VPS as a right for the company. The lock-in period continues to apply if the participant leaves the company during the lock-in period, unless the company and the participant agree otherwise.

Dividend bonuses and personal bonuses are recorded as salary expenses. An allocation of NOK 26 million has been made under other short-term debt as at 31 December 2012 in respect of dividend bonuses and personal bonuses including holiday pay and payroll tax.

Bonus shares and shares purchased at a discount are accrued during the earning year and the three-year lock-in period. The accrual is recorded as salary expense in the income statement. The contra entry is other equity. Accrued bonus shares including payroll tax totalled NOK 8 million in 2012, while the accrued expense amounted to NOK 6 million.

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Note 3 Gain/loss on sale of shares

Gains and losses on shares are as follows:

<i>Amounts in NOK million</i>	2012	2011
Converto Capital Management AS	3	-
K3 Tomt KS	-	466
Aker ShipLease AS	-	709
Total gain	3	1 175

Note 4 Fixed operating assets

The change in fixed operating assets is shown below:

<i>Amounts in NOK million</i>	Airplane	Art	Equip- ment/ cars/ fixtures	Property/ Buildings/ Housing	Total
Acquisition cost as at 1 January	241	27	114	14	395
New acquisition	-	2	1	-	3
Acquisition cost as at 31 December	241	29	115	14	398
Accumulated depreciation and impairment	(93)	-	(102)	(7)	(202)
Book value as at 31 December	148	29	13	7	196
Depreciation for the year	(10)	-	(5)	-	(15)
Useful life time	25 years		4-8 years	50 years	
Depreciation plan	Linear	Not depre- ciated	Linear	Linear	

Depreciation of improvements / enhancements according to expected life of asset.

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Note 5 Shares in subsidiaries

Shares in subsidiaries include the following companies as at 31 December 2012:

Amounts in NOK million	Ownership in% ¹⁾	Location, city	Equity as of 31 Dec. 2012 ²⁾	Profit before tax 2012 ²⁾	Dividend received	Book value
Ocean Yield AS	100.0	Oslo	3 348	(80)	-	3 300
Intellectual Property Holdings AS	100.0	Oslo	8	-	-	8
Aker Maritime Finance AS	100.0	Oslo	1 090	(39)	-	1 146
Aker Capital AS	100.0	Oslo	3 211	9	-	3 132
RGI Inc ³⁾	1.3	Seattle	1 107	49	-	14
Molde Fotball AS	100.0	Molde	15	(17)	-	-
Aker Kvaerner Holding AS	70.0	Oslo	14 235	6 810	413	9 965
Akerhallen AS ³⁾	30.0	Oslo	-	-	-	-
Converto Capital Fund IS	98.0	Oslo	430	55	-	6
Converto Capital Fund AS	90.1	Oslo	19	11	21	334
Norron AB	51.0	Stockholm	11	4	-	46
Aker Achievements AS	100.0	Oslo	1	-	-	-
Aker BioMarine AS	100.0	Oslo	1 228	35	-	817
Aker Floating Holding AS	100.0	Oslo	50	1	-	50
Cork Oak Holding AS	100.0	Oslo	-	-	-	-
Resource Group International AS	100.0	Oslo	34	1	-	40
Aker Seafoods ASA	73.2	Ålesund	700	(21)	-	364
Oslo Asset Management Holding AS	50.1	Oslo	27	(1)	20	2
Other					4	-
Total					458	19 225

1) Aker ASA's ownership and share of votes is the same for all the companies.

2) 100% of the company's equity before dividends and group contributions as at 31 December and profit before tax in 2012.

3) Subsidiary company in the group. Owned less than 50% directly by parent company Aker ASA.

Note 6 Investments in associated companies and other long-term investments in shares

Other long-term investments consist of the following:

Amounts in NOK million	Cost price	Excess value (+)	Book value 2012
Sparebank1 SMN Grunnfondsbevis (Primary capital certificate)	66	-	66
Total	66	-	66

Aker ASA received NOK 3 million in dividends from Sparebank 1 SMN in 2012. The items are recognised at the lower of fair value and cost.

Investment in associated company:

The company has an investment in NORO Fotball AS.

The items are recognized at the lower of fair value and cost.

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Note 7 Receivables and other long-term financial assets**Receivables and other long-term financial assets consist of the following items:**

<i>Amounts in NOK million</i>	2012	2011
Other long-term receivables	43	3
Bonds	-	726
Capitalised expenses, etc.	1	-
Total other long-term assets	44	729

Long-term receivables from group companies consist of:

<i>Amounts in NOK million</i>	2012	2011
Oslo Asset Management Holding AS	10	9
Aker BioMarine ASA	-	25
Aker Capital AS	6 010	5 428
Aker BioMarine AS	134	65
Aker Philadelphia Shipyard Inc	-	91
Fornebuporten AS	542	803
Aker AS	-	46
Fornebuporten Holding AS	156	-
Converto Capital Fund	148	145
Aker Maritime Finance AS	282	-
Aker Floating Production ASA	-	1 802
Navigator Marine AS	167	278
RGI Inc	161	146
Ocean Harvest AS	8	5
Other	-	1
Total	7 617	8 843

The receivables have a maturity of more than one year.

Interest terms on the receivables reflect market terms.

Short-term receivables from group companies consist of:

<i>Amounts in NOK million</i>	2012	2011
Fornebuporten Holding AS	1	-
Aker BioMarine AS	135	36
Aker Achievements	-	2
Converto Capital Fund	1	1
Molde Fotball AS	17	17
Aker Maritime Finance AS	-	1 588
Aker ShipLease 1 AS	-	100
Aker Philadelphia Shipyard Inc	175	-
Other	3	1
Total	332	1 745

Note 8 Reversal/impairment of shares, receivables, etc.**Reversals/impairments of shares, receivables, etc. are as follows:**

<i>Amounts in NOK million</i>	2012	2011
Aker Kvaerner Holding AS	4 349	-
Aker Capital AS	-	835
Total reversals of shares	4 349	835
American Shipping Company bond 07/18	56	-
Reversal of earlier impairment of receivable from Aker Energy International AS	-	60
Total reversals of receivables	56	60
Total reversals of shares, receivables, etc.	4 405	895
Aker Kvaerner Holding AS	-	(2 723)
Molde Fotball AS	(25)	-
Aker Seafoods ASA	(38)	-
Other shares	-	(1)
Total impairment shares	(63)	(2 724)
Cork Oak Holding Ltd	-	(12)
Ocean Harvest AS	(1)	(195)
Kvaerner retirement plan US (other financial expenses in 2012)	-	(76)
Navigator Marine AS	(132)	-
Other receivables, etc.	(2)	(2)
Total impairments of receivables, etc.	(135)	(285)
Total impairments of shares, receivables, etc.	(198)	(3 009)

The company has revalued its investments as at 31 December 2012. Investments in listed shares are adjusted according to the lower of cost price and market price.

Other investments are valued based on other available information/best estimate. Long-term items are adjusted to the lower of cost price and fair value.

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Note 9 Cash and cash equivalents**Cash and cash equivalents are distributed as follows:**

<i>Amounts in NOK million</i>	2012	2011
Cash restricted	62	64
Cash unrestricted	3 010	3 757
Total	3 072	3 821

Note 10 Shareholders equity**As at 31 December 2012, Aker ASAs share capital consists of the following share classes:**

	Number of			Nominal value (NOK)	Total nominal value in NOK (million) for shares issued
	Shares issued	treasury shares	Shares outstanding		
Ordinary shares	72 374 728	891 681	71 483 047	28	2 026
Total share capital	72 374 728	891 681	71 483 047		2 026
Treasury shares					(25)
Share premium reserve					-
Other paid-in capital					-
Total paid-in capital					2 001

All shares have equal voting rights and are entitled to dividends. Aker ASA has no voting rights for its own shares.

Treasury shares:

In 2012, the company purchased 925 073 treasury shares for NOK 186 million and sold 42 818 treasury shares for NOK 7 million. The company purchased treasury shares in connection with its incentive programme and the triangle merger with Aker BioMarine ASA carried out in January 2013.

Changes in shareholders equity in 2012 are shown below:

<i>Amounts in NOK million</i>	Share capital	Treasury shares	Total paid-in capital	Other equity	Retained earnings	Total equity
Equity as at 1 January	2 026	-	2 026	13 570	13 570	15 596
Purchased/sold/bonus treasury shares	-	(25)	(25)	(154)	(154)	(179)
Dividend provisions	-	-	-	(868)	(868)	(868)
Profit for the year	-	-	-	4 336	4 336	4 336
Equity as at 31 December	2 026	(25)	2 001	16 884	16 884	18 886

The changes in equity are shown below:

<i>Amounts in NOK million</i>	2012	2011
Opening balance	15 596	16 623
Net profit for the year	4 336	(235)
Purchased/sold/dividends treasury shares	(179)	4
Dividends	(868)	(796)
Balance as at 31 December	18 886	15 596

The 20 largest shareholders as at 31 December 2012:

	Number of shares	Per cent
TRG Holding AS ¹⁾	48 245 048	66.7%
JP Morgan Chase Bank Nordea T.	1 810 042	2.5%
Aker ASA	891 681	1.2%
The Resource Group TRG AS ¹⁾	860 466	1.2%
JP Morgan Chase Bank Escrow Account	857 480	1.2%
Euroclear Bank S.A/N.V	818 070	1.1%
State Street Bank and Trust Co.	730 421	1.0%
Tvenge	700 000	1.0%
Odin Norden	686 487	0.9%
The Hermes Focus Funds	670 000	0.9%
Citibank NA London branch S/A FBCM	595 000	0.8%
UBS AG, London branch	499 678	0.7%
Clearstream Banking S.A.	495 093	0.7%
Fondsfinans spar	450 000	0.6%
Oslo Pensjonsforsikring AS PM	445 200	0.6%
KBC Securities Belgian client	407 499	0.6%
Folketrygdefondet	304 916	0.4%
Citibank NA London branch S/A 400	300 728	0.4%
JP Morgan Chase Bank Omnibus	287 392	0.4%
KBC Securities client non-treaty	247 146	0.3%
Other	12 072 381	16.7%
Total	72 374 728	100%

¹⁾ Kjell Inge Røkke controls 67.9% of the shares in Aker ASA through TRG Holding AS and TRG AS.

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Note 11 Deferred tax

The table below shows the difference between accounting and tax values at the end of 2012 and 2011 respectively, changes in these differences, deferred tax assets at the end of each year and the change in deferred tax assets.

<i>Amounts in NOK million</i>	2012	2011
Differences in accruals	-	(91)
Differences in receivables	(23)	(23)
Fixed asset differences	17	14
Net pension liability	(204)	(182)
Capital gains and loss reserve	7	9
Total differences	(203)	(273)
Tax losses carried forward	(1 171)	(869)
Total deferred tax basis	(1 374)	(1 142)
Net deferred tax 28%	(385)	(320)
Deferred tax assets	385	320
Recognised deferred tax assets	-	-

Deferred tax asset is incorporated in the balance sheet if budgets indicate that the asset will be used in the future. The deferred tax assets has been depreciated to 0 as at 31.12.12.

Estimated taxable profit

<i>Amounts in NOK million</i>	2012	2011
Profit before tax	4 336	(186)
Permanent differences in net non-taxable income (-) / expenses (+)	(4 570)	378
Change in temporary differences	(70)	(692)
Estimated taxable income	(304)	(500)

Income tax expense / income:	2012	2011
Change in deferred tax	-	49
Total tax expense	-	49

The 2012 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.

Reconciliation of effective tax per cent in the profit and loss account:

	2012	2011
28% tax on profit before tax	1 214	(52)
28% tax on permanent differences	(1 280)	106
28% tax on unrecognised deferred tax asset	65	(6)
Estimated tax expense	-	49
Effective tax rate (tax expense compared with profit / loss before tax)	0%	(26%)

Note 12 Pension cost and pension liabilities

According to the Norwegian Occupational Pensions Act (Lov om tjenestepensjon), the company is required to provide a pension plan for all its employees. The company's pension plans meet the statutory requirements.

Aker ASA primarily covers its pension liabilities through a group pension plan in a life insurance company. For accounting purposes, the plan has

been treated as a defined benefit plan. 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 the time of retirement and the level of benefits provided by the Norwegian national insurance scheme.

Actuarial calculations have been undertaken based on the following assumptions:

	2012	2011
Discount rate	3.8%	3.3%
Expected return on assets	4.0%	4.8%
Wage increases	3.5%	4.0%
Social security base adjustment / inflation	3.3%	3.8%
Pension adjustment	1.9%	2.5%

These actuarial assumptions are based on the assumptions that are commonly used within life insurance regarding demographic factors.

The discount rate in 2012 is based on the Norwegian high-quality corporate bond rate. The discount rate in 2011 was based on the Norwegian ten-year government bond rate. The assumptions used are consistent with the recommendations of the Norwegian Accounting Standards Board.

Percentage composition of pension assets and reconciliation of actual return:

	2012	2011
Bonds	83.1%	89.4%
Money market	6.1%	0.0%
Shares	8.1%	7.8%
Property/other	2.7%	2.7%

<i>Amounts in NOK million</i>	2012	2011
Expected return on pension assets	3	3
Actual return on pension assets	3	3

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Pension expenses

<i>Amounts in NOK million</i>	Over-funded plans ¹⁾	Under-funded plans ¹⁾	Total 2012	Total 2011
Present value of this year's pension accruals	-	(7)	(7)	(7)
Interest expense on accrued pension liabilities	-	(6)	(6)	(6)
Expected return on pension funds	-	3	3	3
Allocated effect of change in estimates and pension plans	-	(10)	(10)	(13)
Change in social security contributions	-	(1)	(1)	-
Net pension expenses (-)	-	(21)	(21)	(23)

Net pension liabilities / assets as at 31 December:

<i>Amounts in NOK million</i>	Over-funded plans ¹⁾	Under-funded plans ¹⁾	Total 2012	Total 2011
Present value of accrued pension liabilities	-	(189)	(189)	(194)
Calculated pension liabilities	-	(189)	(189)	(194)
Value of pension funds	-	61	61	56
Calculated net pension funds / liabilities	-	(128)	(128)	(138)
Amortisation ²⁾	-	35	35	44
Social security contributions	-	(7)	(7)	(5)
Net pension funds/liabilities recognised in balance ³⁾	-	(100)	(100)	(99)
Number of individuals covered		139	139	139

The agreements include 51 active and 88 retired persons.

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⁾ Amortisation: The effect of changes in estimates and pension plans that are not recorded in the income statement.

³⁾ Provisions have been made for social security contributions on contracts with net pension liabilities.

Aker ASA's net pension liability is recognised in the balance sheet as an interest-free long-term liability. Net pension funds are recognised 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 as at 31 December. Net pension funds are included in other long-term investments in the balance sheet.

Note 13 Debt and other liabilities to group companies

Long-term liabilities to group companies consist of the following:

<i>Amounts in NOK million</i>	2012	2011
Resource Group International AS	19	18
Aker Floating Holding AS	49	-
A-S Norway AS	703	691
Aker Maritime Finance AS	-	1 588
Aker Holding Start 2 AS	182	183
Intellectual Property Holding AS	-	3
Total	953	2 483

Long-term liabilities to group companies have a maturity on demand which implies a maturity of more than five years and interest is set on market terms. See below for subordinated loans.

Subordinated debt is as follows:

<i>Amounts in NOK million</i>	2012	2011
Aker Capital AS	3 270	3 131
RGI Inc.	1 290	1 329
Aker Maritime Finance AS	1 525	1 462
Total subordinated debt	6 085	5 922

The loans are subordinate to all other liabilities of Aker ASA and have contractual maturity dates falling after those of all Aker ASA external liabilities. The RGI Inc loan has a fixed interest rate of 4,24% while the other loans have an interest rate of 12 month NIBOR + 1%.

Current liabilities to group companies consist of the following:

<i>Amounts in NOK million</i>	2012	2011
Aker Achievements AS	-	2
Total	-	2

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Note 14 External debt and other liabilities

Long-term interest-bearing liabilities are distributed as follows:

Amounts in NOK million	Interest	Maturity	2012	2011
Unsecured bond loans:				
8 per cent Aker ASA Open Senior Unsecured Bond Issue 2005/2012	8.00%	March 2012	-	500
Aker ASA 09/12 FRN	Nibor +3,75 %	December 2012	-	500
FRN Aker ASA Senior Unsecured Bond Issue 2010/2015	Nibor +5 %	November 2015	850	850
8.375 per cent Aker ASA Senior Unsecured Bond Issue 2010/2015	8.375%	November 2015	150	150
FRN Aker ASA Senior Unsecured Bond Issue 2012/2019	Nibor +5 %	April 2019	500	-
FRN Aker ASA Senior Unsecured Bond Issue 2012/2017	Nibor +4 %	June 2017	500	-
FRN Aker ASA Senior Unsecured Bond Issue 2012/2022	Nibor +5 %	September 2022	1 000	-
Own bonds	8.00%	March 2012	-	(311)
Capitalised borrowing expenses			(28)	(8)
Total unsecured bond loans			2 972	1 681
Unsecured bank loans:				
Sparebank1 SMN	Nibor +3,75 %	May 2017	500	850
Capitalised borrowing expenses			(3)	(1)
Total loans			3 469	2 530

The loans are recorded at amortised cost. As at 31 December the capitalized borrowing expenses total NOK 31 million and periodised 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	2012	2011
Accrued interest external	22	28
Incurred cost	44	109
Dividend external	868	796
Other	36	32
Total	970	965

Note 15 Mortgages and guarantee obligations

Guarantee obligations are as follows:

Amounts in NOK million	2012	2011
Loan guarantees	372	372
Completion/payment guarantees	286	332
Total guarantee obligations	658	704

Loan guarantees as at 31 December 2012 consist mainly of guarantees related to Aker BioMarine ASA (NOK 305 million), Convento Capital Fund (NOK 38 million), Aker Clean Carbon AS (NOK 27 million) and NORO Fotball AS (NOK 3 million).

Completion guarantees as at 31 December 2012 consist of guarantees relating to Aker Philadelphia Shipyard (NOK 211 million) and Aker BioMarine ASA (NOK 75 million).

The Aker Philadelphia completion guarantee will lapse on 31 January 2013 upon delivery of the last of two product tankers from Aker Philadelphia Shipyard (AKPS) to Crowley.

Aker ASA has a guarantee commitment regarding the US pension fund Kvaerner Consolidated Retirement Plan with Kvaerner US Inc. The purpose of the agreement is to enable Kvaerner US Inc. to make its annual or quarterly minimum premium payments to the pension fund. Responsibility for payment of the premium to the pension fund is allocated two-third to Kvaerner US Inc. (with a guarantee from Aker ASA) and one-third to Aker Kvaerner Willfab Inc. and Aker Subsea Inc. (with a guarantee from Aker Solutions ASA). As at 31 December 2012 Aker ASA has made a long-term provision of NOK 104 million.

Note 16 Financial market risk

The company is exposed to several types of financial risk, the most significant of which are credit, liquidity, foreign exchange and interest rate risk. The purpose of risk management is to measure and manage financial risks in a reliable manner, in order to increase predictability and simultaneously minimise any negative impacts on Aker's financial results.

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 equity covenants. At the end of fiscal year 2012, Aker ASA met all such loan and guarantee covenants.

Also see [note 5](#) in the group accounts.

Aker has hedged USD 26 million and GBP 14

million through forward contracts and convertible forwards (European). The company has sold USD 25 million and bought USD 21 million forward with maturity in the period 2012–2015. In addition, convertible forwards (European) for the sale of USD 22 million have been traded for this period. A convertible forward comprises 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. The company has also sold GBP 14 million forward with maturity in January 2013. As at 31 December 2012, the company had recorded an unrealised loss of NOK 0.5 million on these contracts. This amount is included in other financial items in the profit statement.

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Aker ASA has the following foreign exchange forward contracts as at 31 December 2012:

<i>Amounts in NOK million</i>	Sell USD FWD	Purchase USD FWD	Floor/ceiling, European Conv FWD ¹⁾
2013	18	-	6
2014	25	(19)	22
2015	6	(3)	-
Total	49	(22)	28

¹⁾ A European convertible forward comprises two options with the same strike. A bought put option and a sold call option with a knock-in on the expiration date.

Note 17 Shares owned by board members/executives

See [Note 42](#) to the financial statements of the group.

Note 18 Salary and other remuneration to the Board of Directors, nomination committee, the President and CEO, and other senior executives in Aker ASA

See [Note 41](#) to the financial statements of the group.

Note 19 Legal disputes

There are no major legal disputes as at 31 December 2012.

Note 20 Events after the balance sheet date

The company has sold its shares in Molde Fotball AS January 2013. Also see [Note 45](#) in the financial statements of the group.

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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 as at 31 December 2012.

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 2012. 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 at 31 December 2012. 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 at 31 December 2012.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2012 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: (from left) Tommy Angelveit, Anne Marie Cannon, Finn Berg Jacobsen, Stine Bosse, Kristin Krohn Devold, Leif O. Høegh, Øyvind Eriksen, Harald Magne Bjørnsen, Kjell Inge Røkke and Atle Tranøy.

Oslo, 11 March 2013
Aker ASA

Kjell Inge Røkke (sign.)
Chairman

Finn Berg Jacobsen (sign.)
Deputy chairman

Stine Bosse (sign.)
Director

Anne Marie Cannon (sign.)
Director

Kristin Krohn Devold (sign.)
Director

Leif O. Høegh (sign.)
Director

Atle Tranøy (sign.)
Director

Bjarne Kristiansen (sign.)
Director

Harald Magne Bjørnsen (sign.)
Director

Tommy Angelveit (sign.)
Director

Øyvind Eriksen (sign.)
President and CEO

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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 2012, 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 2012, and the income statement and the statement of total 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 accounting standards and practices generally accepted 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, regulations, 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 statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker ASA as at 31 December 2012, 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 are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker ASA and its subsidiaries as at 31 December 2012, 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 and Report on corporate governance

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 and Report on corporate governance 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 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, 11 March 2013

KPMG AS

Arve Gevoll (sign)
State Authorised Public Accountant

Translation has been made for information purposes only.



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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
Bodo
Elverum
Finnsnes
Grimstad
Hamar
Haugesund
Kristiansand
Larvik
Mo i Rana
Molde
Narvik
Roros
Sandefjord
Sandnessjoen
Stavanger
Stord
Tromso
Trondheim
Tonsberg
Alesund

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Combined financial statements of Aker ASA and holding companies

Introduction

The combined financial statements of Aker ASA and holding companies have been established to present its financial position as a parent holding company. See [note 1](#) for further description.

Combined income statement

<i>Amounts in NOK million</i>	<i>Note</i>	2012	2011
Operating revenues	2	47	1 191
Operating expenses		(235)	(225)
Depreciation and amortisation		(15)	(15)
Operating profit		(203)	951
Dividends received	3	461	191
Other financial items	4	(152)	(162)
Value change and exceptional financial items	5	(17)	55
Profit before tax		89	1 035
Tax	6	(22)	(22)
Profit for the year		67	1 014

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Combined balance sheet as at 31 December

Amounts in NOK million	Note	2012	2011
ASSETS			
Intangible assets	8	22	29
Tangible fixed assets	8	176	192
Total intangible and tangible fixed assets		198	221
Financial interest-bearing fixed assets	9	1 321	4 021
Financial interest-free fixed assets	8	66	77
Long-term equity investments and interests	7	12 034	9 049
Total financial fixed assets		13 420	13 146
Total fixed assets		13 618	13 366
Short-term interest-free receivables		56	32
Short-term interest-bearing receivables	9	285	54
Cash and cash equivalents	10	3 106	3 952
Total current assets		3 448	4 038
Total assets		17 066	17 404

Amounts in NOK million	Note	2012	2011
SHAREHOLDERS' EQUITY AND LIABILITIES			
Paid-in capital	11	2 001	2 026
Retained earnings		10 360	11 300
Total equity		12 361	13 326
Provisions and other interest-free long-term liabilities	12	258	371
Long-term interest-bearing liabilities	13	3 469	2 039
Total long-term liabilities		3 727	2 410
Short-term interest-free liabilities	12	978	980
Short-term interest-bearing liabilities	13	-	689
Total short-term liabilities		978	1 668
Total equity and liabilities		17 066	17 404

Oslo, 11 March 2013
Aker ASA

Kjell Inge Rokke (sign.)
Chairman

Finn Berg Jacobsen (sign.)
Deputy chairman

Stine Bosse (sign.)
Director

Anne Marie Cannon (sign.)
Director

Kristin Krohn Devold (sign.)
Director

Leif O. Høegh (sign.)
Director

Atle Tranøy (sign.)
Director

Bjarne Kristiansen (sign.)
Director

Harald Magne Bjørnsen (sign.)
Director

Tommy Angeltveit (sign.)
Director

Øyvind Eriksen (sign.)
President and CEO

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Notes to the financial statements

Note 1 Accounting principles and basis for preparation

The combined financial statements of Aker ASA and holding companies have been prepared to present Aker's financial position as a parent holding company. The traditional financial statement of the 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 containing only investments, bank deposits and debt. The combined balance sheet thus shows a net debt in relation to holding companies' investments.

The accounting principles of Aker ASA and holding companies are based on the same accounting principles as Aker ASA to the extent applicable. A key principle is that stock exchange-listed shares are valued at the lower of market price and cost. Other items are recorded at the lower of fair value and cost. See accounting principles of Aker ASA on [page 124](#). One exception from Aker ASA's accounting principles is that the acquisition and disposal of companies is part of the ordinary business of Aker ASA and holding companies. Consequently, gains on sales of shares are classified as operating revenues in the combined income statement. Gains and losses are only recognised to the extent assets are sold to third parties. This is one reason why Aker ASA and holding companies may have different historical cost on share investments compared to the

company accounts of the underlying companies included in the combined financial statements.

The companies that have been combined are as follows:

- Aker ASA
- Aker Maritime Finance AS
- Resource Group International AS
- Aker Seafoods Holding AS
- Aker Holding Start 2 AS
- Aker Capital AS
- Kvaerner Sea Launch Ltd
- Sea Launch Holding AS
- Old Kvaerner Invest AS
- A-S Norway AS
- Aker Floating Holding AS
- RGI Invest Inc
- RGI Inc
- Resource Group Inc
- RGI Holdings Inc
- Kvaerner US Sea Launch Inc

The companies included in the combined financial statements have changed in 2012 due to the establishment of the Ocean Yield Group. The following companies have been transferred to the Ocean Yield Group: Ocean Yield AS (formerly Aker AS), Aker Invest AS and Aker Invest II KS.

Note 2 Operating revenues

Operating revenues are allocated as follows:

<i>Amounts in NOK million</i>	2012	2011
Gain on sale of shares in Det norske oljeselskap	47	-
Gain on sale of Aker Drilling	-	1 191
Total	47	1 191

Note 3 Dividends received

Dividends received consist of the following:

<i>Amounts in NOK million</i>	2012	2011
Aker Kvaerner Holding AS	413	182
Other	48	9
Total dividends received	461	191

Note 4 Other financial items

Other financial items consist of the following:

<i>Amounts in NOK million</i>	2012	2011
Interest income from companies within the group	176	165
Other interest income	(147)	(55)
Other financial items	(180)	(272)
Total other financial items	(152)	(162)

Other financial items in 2012 include a write-down of an internal receivable from Navigator Marine totalling NOK 132 million, increased pension commitments for former Kvaerner employees in the USA of NOK 44 million, losses on currency and currency forward contracts of NOK 63 million and received guarantee commission of NOK 18 million.

Other financial items in 2011 included a write-down of an internal receivable from Ocean Harvest totalling NOK 195 million, increased pension commitments for former Kvaerner employees in the USA and Great Britain of NOK 91 million, losses on currency and currency forward contracts of NOK 31 million and received guarantee commission of NOK 25 million.

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Note 5 Value changes and exceptional financial items

Value changes and exceptional financial items consist of the following:

Amounts in NOK million	2012	2011
Change in value of Aker BioMarine shares	44	(189)
Change in value of Aker Seafoods shares	(38)	-
Change in value of Det norske oljeselskap shares	-	707
Change in value of Aker Drilling shares to time of sale	-	(270)
Change in value of Aker Clean Carbon shares	-	(147)
Other changes in value of shares	(23)	(46)
Total value changes and exceptional financial items	(17)	55

Note 7 Long-term equity investments

As at 31 December 2012

Industrial Holdings

	Ownership in%	Number of shares	Book value (NOK million)	Market price per share 31 Dec. 2012 (NOK)	Market value 31 Dec. 2012 (NOK million)
Aker Solutions ASA ¹⁾	28.20	77 233 531		112.80	8 712
Kvaerner ASA ²⁾	28.70	77 233 531		16.20	1 251
Aker Kvaerner Holding AS	70.00		3 460		9 963
Aker BioMarine ASA	89.25	1 046 658 324	1 361	1.30	1 361
Det norske oljeselskap ASA	49.99	70 339 610	3 272	82.50	5 803
Aker Seafoods	73.25	62 001 793	365	5.88	365
Ocean Yield	100.00	100 000 000	2 532		2 532
Total industrial investments			10 989		20 023

Financial Investments

Funds:

Converto Capital Fund

AAM Absolute Fund

Norron Target/Select

Total funds

Other equity investments (included in Financial investments)

Total shares and long-term equity investments

12 034

Stock exchange-listed shares are valued at lower of market price and cost. Other items are recorded at the lower of fair value and cost.

¹⁾ Aker Kvaerner Holding owns 40.27% of Aker Solutions ASA. Aker ASA owns 70% of Aker Kvaerner Holding AS. Aker indirectly owns 28.2% of Aker Solutions ASA.

²⁾ Aker Kvaerner Holding owns 41.02% of Kvaerner ASA. Aker ASA owns 70% of Aker Kvaerner Holding AS. Aker indirectly owns 28.7% of Kvaerner ASA.

Note 6 Tax

Amounts in NOK million

	2012	2011
Tax payable:		
Norway	-	-
Abroad	(22)	(20)
Total tax payable	(22)	(20)
Change in deferred tax:		
Norway	-	-
Abroad	-	1
Total change deferred tax	-	1
Tax on group contributions	-	(3)
Total	(22)	(22)

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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 2012	Total 2011
Deferred tax assets	22	-	22	29
Pension funds	15	-	15	16
Long-term receivables from companies within the group	12	-	12	28
Other	39	176	215	225
Total	88	176	264	297

Other assets in 2012 include an airplane item total of NOK 148 million.

Other assets in 2011 include an airplane item total of NOK 158 million.

Note 9 Other interest-bearing current assets and long-term receivables

Other interest-bearing current assets and long-term receivables from companies in the group and from external companies are shown below:

<i>Amounts in NOK million</i>	Current assets	Long-term assets	Total 2012	Total 2011
Receivables from companies in the group	285	1 280	1 565	3 186
External receivables	-	41	41	888
Total	285	1 321	1 606	4 074

Receivable companies within the group:

<i>Amounts in NOK million</i>	Interest-bearing current assets	Interest-bearing long-term assets	Total interest-bearing 2012	Interest-free receivables	Total receivables from companies within the group
Aker Philadelphia Shipyard	174	-	174	2	177
Setanta Energy	-	259	259	-	259
Aker BioMarine	93	-	93	42	135
Fornebuporten	-	686	686	14	699
Converto Capital Fund	-	148	148	1	149
Navigator Marine	-	167	167	-	167
Other companies	17	19	37	-	37
Total	285	1 280	1 565	59	1 624

Note 10 Cash and cash equivalents

Cash and cash equivalents amount to NOK 3 106 million as at the end of 2012. Of this total, NOK 62 million are restricted deposits.

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Note 11 Equity

As at 31 December 2012, 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 NOK (million)	
					Shares issued	Shares outstanding
Ordinary shares	72 374 728	891 681	71 483 047	28	2 026	2 001
Total share capital	72 374 728	891 681	71 483 047		2 026	2 001
Share premium reserve					-	-
Other paid-in equity					-	-
Total paid-in equity					2 026	2 001

All shares have equal voting rights and are entitled to dividends. Aker ASA has no voting rights for its own shares.

The following dividend was proposed by the board of directors after the balance sheet date:

Amounts in NOK million	2012
Dividend of NOK 12 per share	868
Expected dividend payment in 2013 from Aker ASA	868

The amount is included in the short-term interest-free liability item 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 2012	Total 2011
Tax liabilities	5	21	26	33
Pension liabilities	-	129	129	130
Dividend	868	-	868	796
Debt to companies within the group	12	-	12	4
Other debt	94	107	201	387
Total	978	258	1 236	1 350

Note 13 Interest-bearing debt

Interest-bearing debt is distributed among companies in the group and external creditors as shown below:

Amounts in NOK million	Short-term	Long-term	Total 2012	Total 2011
Debt to companies within the group	-	-	-	198
Debt to external creditors	-	3 469	3 469	2 530
Total	-	3 469	3 469	2 728

Interest-bearing debt to external creditors is shown below:

Amounts in NOK million	2012	2011
Bonds	3 000	1 690
Unsecured bank loans	500	850
Other external debt and capitalised fees	(31)	(10)
Total	3 469	2 530

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Installment schedule for interest-bearing debt, by type:

<i>Amounts in NOK million</i>	Bonds	Bank loans	Other debt, accrued fees	Total
Year				
2013	-	-	(6)	(6)
2014	-	-	(6)	(6)
2015	1 000	-	(5)	995
2016	-	-	(4)	(4)
2017	500	500	(2)	998
After 2017	1 500	-	(7)	1 493
Total	3 000	500	(31)	3 469

Note 14 Risk

The balance sheet of Aker ASA and holding companies is split into two segments:

<i>Per cent</i>	2012	2011
Industrial investments	64%	42%
Financial investments	36%	58%
Specification financial investments:		
Funds- and equity investments	6%	10%
Cash	18%	23%
Interest-bearing receivables	9%	23%
Fixed assets, deferred tax assets and interest-free receivables	2%	2%

The businesses within each category are exposed to macro-development in their respective market segments.

Total book value of assets in Aker ASA and holding companies are NOK 17 066 million of which the book value of Industrial investments are NOK 10 989 million. The book value and market value of each investment included in Industrial investments are specified in [note 7](#). The market

value in total for the Industrial investments, NOK 20 023 million, are significant higher than the book value. For two of the listed companies, Aker Bio-Marine and Aker Seafoods, the book value is equal to the marked value.

The book value of Financial investments are NOK 6 077 million. Cash represents 18 per cent of book value of total assets and 51 per cent of Financial investments.

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To the board of Aker ASA

We have audited the accompanying combined financial statements of Aker ASA and holding companies, which comprise the balance sheet as at 31 December 2012, the income statement, 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 combined financial statements of Aker ASA and holding companies in accordance with the basis for preparation of the financial reporting, defined in the introduction of the combined 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 combined 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 combined 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 combined 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 combined financial statements give a true and fair view of the financial position of Aker ASA and holding companies, as at 31 December 2012, 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 combined 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 combined financial statements, which describes the basis of accounting. As a result, the combined financial statements may not be suitable for another purpose.

Other matter

Aker ASA has for the year ended 31 December 2012 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 11 March 2013.

Oslo, 11 March 2013

KPMG AS

Arve Gevoll (sign)

State Authorised Public Accountant

*Translation has been made for
information purposes only.*



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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.

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Oslo
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Grimstad
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Molde
Narvik
Roros
Sandefjord
Sandnessjoen
Stavanger
Stord
Tromso
Trondheim
Tonsberg
Ålesund

Shareholder information

→ Dialogue builds trust

→ Analytical information

Dialogue builds trust

Aker ASA is committed to maintaining an open and direct dialogue with its shareholders, potential investors, analysts and the financial community in general.



Aker ASA has a focused approach to generating profits and growing values for its shareholders.

Aker ASA works to ensure that its share price reflects its underlying values at all times, by making all share price sensitive information available to the market. Share price reflects its underlying value.

Aker ASA's goal is to create value for the company's shareholders through dividends and share price growth over time. In February 2006, the company's board 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 per cent 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 proposes that a per-share dividend of NOK 12 be paid for the 2012 accounting year.

Year	Dividend paid (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%
2011	10.00	3.9%
2012	11.00	4.1%

Shares and share capital

Aker ASA has 72 374 728 ordinary shares, each with a par value of NOK 28 (see [Note 8](#) to the parent company's accounts). Aker ASA has a single share class, and each share is entitled to one vote. The company held 891 681 of its own (treasury) shares as at 31 December 2012. No share issues took place in 2012.

As at 31 December 2012, the company had 13 111 shareholders. Kjell Inge Røkke and members of his family are Aker's main shareholders. Through their privately held companies, organised under The Resource Group (TRG), the family holds 67.9 per cent of Aker ASA shares. Non-Norwegian shareholders held 17.95 per cent of the company's shares as at 31 December 2012.

Stock-exchange listing

Aker ASA was listed on Oslo Stock Exchange (OSE) on 2 September 2004 (ticker: AKER). Aker ASA's shares are registered in the Norwegian Central Securities Depository with the registration number ISIN NO 0010234552. DNB ASA is the company's registrar.

Current board authorisations

At the annual general meeting on 19 April 2012, Aker ASA's shareholders authorised the board to acquire up to 7 237 472 Aker ASA shares with a total par value of NOK 202 649 216. The authorisation also provided for the acquisition of agreement liens

in shares. The per-share purchase price may not be less than NOK 4 nor exceed NOK 800. The board is free to decide the method for acquiring or disposing of own (treasury) shares. The authorisation is valid until the 2013 annual general meeting.

In the period 19 April 2012 to 28 February 2013, the company acquired 750 000 own (treasury) shares. As of 28 February 2013, Aker held 74 821 company shares.

Share option plans

Aker ASA had no share option plans as at 31 December 2012.

Investor relations

Aker ASA seeks to maintain an open and direct dialogue with shareholders, debt holders, financial analysts, and the financial community in general. In addition to meetings with analysts and investors and holding an annual capital markets day, the company arranges regular presentations in major financial centres in Europe and the United States.

All Aker ASA press releases, stock exchange notices and investor relations (IR) publications are available on the company's website: www.akerasa.com. This online resource offers access to the company's quarterly and annual reports, prospectuses, corporate presentations, Articles of Association, the financial calendar, and Investor Relations and Corporate Governance policies, along with other information.

Shareholder information

→ Dialogue builds trust

→ Analytical information

“Aker ASA seeks to maintain an open and direct dialogue with shareholders, financial analysts, and the financial market in general.”

Shareholders can contact the company by email (contact@akerasa.com), or by direct request to Marianne Stigset, Aker's Investor Relations Manager (marianne.stigset@akerasa.com). The telephone number for Aker headquarters is: +47 24 13 00 66.

Electronic quarterly and annual reports

Aker ASA encourages its shareholders to use the electronic versions of annual reports. Annual reports are published on the company's website at the same time as they are released via the OSE distribution service: www.newsweb.no (ticker: AKER). Annual reports are also distributed to interested shareholders by email in PDF format.

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 versions of quarterly or annual reports may subscribe for the printed versions by contacting Aker ASA's investor relations staff.

Nomination committee

The company's nomination committee comprises Leif-Arne Langøy, Gerhard Heiberg and Kjeld Rimberg.

Shareholders who wish to contact the nomination committee may do so using the following email address: contact@akerasa.com.

Audit committee

The company's audit committee comprises

- Finn Berg Jacobsen (chairman)
- Stine Bosse
- Atle Tranøy.

Annual general meeting

Aker ASA's annual general meeting is normally held in March or early April. Written notification is sent to all shareholders and shareholder nominees.

Geographical distribution of ownership as at 31 December 2012:

Nationality	Number of shares held	Percentage of share capital
Non-norwegian shareholders	12 993 132	17.95%
Norwegian shareholders	59 381 596	82.05%
Total	72 374 728	100.00%

Meeting notices and attendance registration forms are sent to shareholders by the deadlines laid down in Norway's Public Limited Liability Companies Act, and made available on the company's website and through the OSE distribution service. The annual report and other enclosures to the meeting notice are made available solely via the company's website and the OSE distribution service. Shareholders who wish to receive the enclosures by post must contact the company.

In 2011, the board decided that shareholders who are unable to attend a general meeting should have the option of voting directly on individual agenda items via electronic voting during the pre-meeting registration period. This service is available on Aker's website. Shareholders may change their votes or opt to attend the meeting in person throughout the registration period.

As in the past, shareholders who are unable to attend a meeting may vote by proxy. The company has prepared proxy forms that allow shareholders to vote on individual issues.

Procedures for electronic voting and using proxies with instructions are provided along with the meeting notice, and are available on Aker's website.

The company does not appoint an independent proxy to vote on behalf of shareholders. Aker considers that shareholders' interests are adequately safeguarded by permitting the participation of an appointed proxy or authorisation of the meeting chair/board chairman to vote according to specific instructions.

2012 share data

As at 31 December 2012, the company's total market capitalisation was NOK 15 343 million. During 2012, a total of 17 548 309 Aker ASA shares were traded, corresponding to 0.25 times the company's freely tradeable stock. The Aker share was traded on all Oslo Stock Exchange trading days. The Aker ASA share was included in Oslo Stock Exchange's OSEBX index in November 2011.

Analytic coverage

The following securities brokers provide analytic coverage of Aker ASA as at 31 December 2012:

Brokerage	Analyst	Contact information	Recommendation 31.12.2012
ABG Sundal Collier	Haakon Amundsen	haakon.amundsen@abgsc.no + 47 22 01 60 25	Buy
Arctic Securities	Christian Yggeseth	christian.yggeseth@arcticsec.no + 47 21 01 32 22	Buy
Eva Dimensions	Team coverage	equityresearch@evadimensions.com	Hold
Goldman Sachs	Markus Iwar	markus.iwar@gs.com + 44 20 7552 1264	Hold
Nordea Markets	Anne Schult Ulriksen	anne.ulriksen@nordea.com +47 22 48 68 67	Buy
Pareto Securities	Andreas Stubsrud Erik Strømsø Thomassen	andreas.stubsrud@pareto.no + 47 24 13 21 16 est@pareto.no + 47 24 13 21 65	Buy
RS Platou Markets	Terje Mauer	t.mauer@platoumarkets.com +47 22 01 63 24	Buy
Sparebank1 Markets	Christopher Møllerløkken	chmo@sb1markets.no + 47 95 73 98 34	Hold
UBS Equity Research	David Hallden	david.hallden@ubs.com + 46 70 306 73 30	Hold

Shareholder information

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Ownership structure as at 31 December 2012

Shares held	Number of shareholders	Per cent of share capital
1 – 100	8 154	0.20%
101 – 1 000	4 037	1.60%
1 001 – 10 000	739	2.75%
10 001 – 100 000	136	6.25%
100 001 – 500 000	34	10.60%
Over 500 000	11	78.60%
Total	13 111	100%

20 largest shareholders as at 31 December 2012

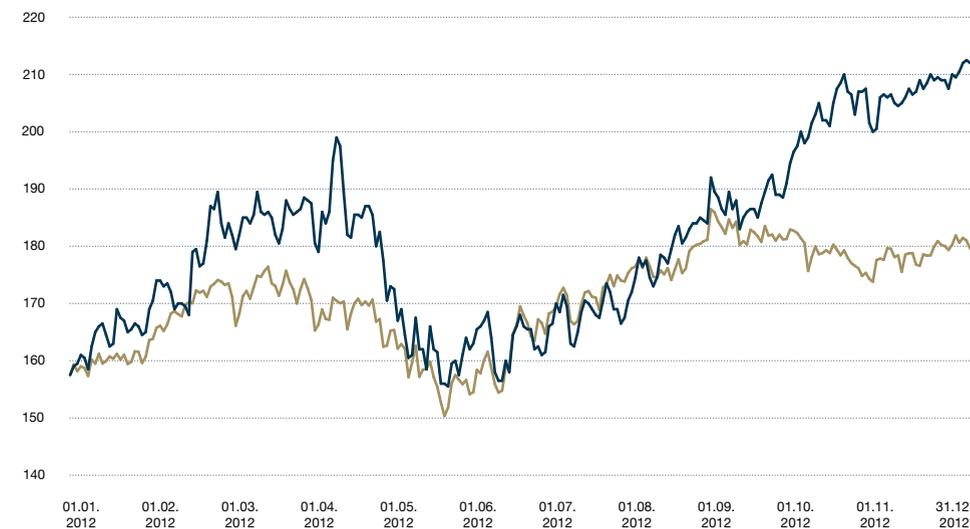
Name	Number of shares	Ownership
TRG Holding AS	48 245 048	66.66%
JPMorgan Chase Bank	1 810 042	2.50%
The Resource Group TRG AS	860 466	1.19%
JPMorgan Chase Bank	857 480	1.19%
Euroclear Bank S.A./N.V. ('BA')	818 070	1.13%
State Street Bank and Trust Co.	730 421	1.01%
Tvenge Torstein	700 000	1.00%
Odin Norden	686 487	0.95%
The Hermes Focus Funds	670 000	0.93%
Citibank NA London Branch	595 000	0.82%
UBS AG, London Branch	499 678	0.69%
Clearstream Banking S.A.	495 093	0.68%
Fondsfinans Spar	450 000	0.62%
Oslo Pensjonsforsikring PM	445 200	0.62%
KBC Securities	407 499	0.56%
Folketrygdfondet	304 916	0.42%
Citibank NA London Branch	300 728	0.42%
JPMorgan Chase Bank	287 392	0.40%
KBC Securities	247 146	0.34%
KLP Aksje Norge VPF	244 572	0.34%
Total	59 655 238	82.42%

2012 share data

Highest traded	NOK	212.50
Lowest traded	NOK	155.50
Share price as at 31 December	NOK	212.00
Number of shares issued as at 31 December		72 374 728
Number of own (treasury) shares as at 31 December		891 681
Number of shares issued and outstanding as at 31 December		71 483 047
Market capitalization as at 31 December	NOK million	15 343
Proposed share dividend for 2012	NOK per share	12.00

Share price development 2012

■ Aker ASA ■ OSEBX (rebased)



Shareholder information

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Analytical information

Aker ASA including holding companies – key figures 2010–2012. See also [page 9](#).

		2012		2011		2010	
		Book value	Value adjusted	Book value	Value adjusted	Book value	Value adjusted
Shares	NOK million	12 034	21 738	9 049	14 359	7 972	12 357
Other assets/liabilities	NOK million	327	327	4 277	4 277	5 285	5 285
Equity including dividend allocation	NOK million	12 361	22 066	13 326	18 636	13 257	17 642
Equity before dividend allocation	NOK million	13 228	22 933	14 122	19 432	13 981	18 366
Net asset value before dividend allocation	NOK	185.06	320.82	195.14	268.53	193.20	253.80

Development in dividend, share price and NAV per share

	2012	2011	2010
Share price at the end of the year (NOK)	212	155	140
Net asset value (NAV) per share (NOK)	321	269	254
Allocated dividend per share (NOK)	12	11	10
Dividend in per cent of NAV	4%	4%	4%
Dividend in per cent of share price at the end of the year	6%	7%	7%

Share price development

■ Share price (NOK) ■ NAV (per share)



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15. Auditor

→ Board of directors

- Kjell Inge Røkke
- Finn Berg Jacobsen
- Stine Bosse
- Anne Marie Cannon
- Kristin Krohn Devold
- Leif O. Høegh
- Atle Tranøy
- Harald Magne Bjørnsen
- Bjarne Kristiansen
- Tommy Angeltveit
-

→ Management and key personnel

- Øyvind Eriksen
- Trond Brandsrud
- Atle Kigen
- Audun Stensvold
- Maria Moræus Hanssen
- Nicoletta Giadrossi
- Michael Buffet

Corporate governance report

Aker ASA's objective is to create the greatest possible value for its shareholders. Effective corporate governance is vital to the success of an industrial investment company like Aker. Corporate governance is therefore a key concern for Aker's board of directors and employees, and in the exercise of ownership in Aker's underlying companies.

Aker believes in active ownership. Shareholders who have clearly defined strategic goals for the company and who are involved through work in the boardroom and direct dialogue with company management promote shareholder value. Active ownership provides direction and energy.

Aker's main shareholder, TRG, is actively involved in Aker through its main owner, Kjell Inge Røkke. Similarly, Aker is closely involved in the monitoring and follow-up of companies in which Aker is the main shareholder. Aker's management model is discussed on [page 53](#) of the Annual Report.

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance (most recently revised in the autumn of 2012), the board has reviewed and updated the company's corporate governance principles, which also apply to wholly owned subsidiaries wherever relevant.

The individual recommendations of the Norwegian Corporate Governance Board (NUES) are discussed below, together with Aker's compliance and any deviations. Aker's principles are largely consistent with the recommendations, which are published on the NUES website, www.nues.no.

1. Corporate governance

Aker's corporate governance principles are adopted by the board, and are reflected in its governing documents. The purpose of the principles is to ensure a productive division of roles and responsibilities among Aker's owners, board and executive management, and satisfactory controls of the company's activities. The division of roles and the control regime are intended to maximise value creation and reduce risk for the benefit of owners and other stakeholders.

Values and ethical guidelines

The board has adopted the company's corporate values and ethical guidelines. Aker's corporate values are presented on [page 10](#) of the 2012 Annual Report. The ethical guidelines are a vital component of active ownership. Aker's aim is to build sustainable, responsible companies driven by profitability and corporate social responsibility objectives. How results are achieved is as important as the results themselves.

Aker's corporate social responsibility guidelines are discussed on [page 11](#) of the 2012 Annual Report. They comprise the Aker Compass, a tool intended to help Aker and its employees to navigate difficult waters. The Compass sets out Aker's ambi-

tions, and its expectations of its own employees and those of its subsidiaries. In its capacity as a significant shareholder in many companies, Aker aims to function as a role model through its attitudes, actions and exercise of ownership.

In 2008, Aker was among the first Norwegian companies to sign a tripartite international framework agreement with the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and TEKNA. The agreement, which is available in its entirety on Aker's website, commits Aker to respecting basic human and trade union rights in the community and acknowledging the fundamental principles of human rights as defined in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines on Multinational Companies.

Aker has inspired its subsidiaries Aker BioMarine and Aker Seafoods to cooperate with the nature conservation organisation WWF Norway on environmental product marking and sustainable harvesting of marine resources. The two companies have concluded cooperation agreements with WWF Norway.

Aker and Aker BioMarine have been collaborating on krill harvesting in the Antarctic for several years. Since the establishment of Aker BioMarine, emphasis has been given to developing the highest environmental and sustainable standards. One example is the clear marking of the Superba™ Krill food supplement with the catch location, vessel name and other

facts. Applying the highest environmental standards as part of corporate social responsibility creates competitive advantages and competitive opportunities. Aker BioMarine is the first company worldwide to achieve full environmental certification of Antarctic krill harvesting by the Marine Stewardship Council (MSC).

Aker has worked with the environmental organisation Bellona on the development of CO₂-handling technology and solutions for many years. The cooperation agreement between Bellona and Aker Clean Carbon expired at the end of 2012.

Aker is the primary sponsor of the Norwegian Ski Association (NSF). The cooperation agreement is used as a targeted instrument for reducing sickness absence and improving the health of employees of Aker and Aker-owned companies. Aker and the NSF have trained more than 300 health ambassadors from Aker-owned companies to enable them to motivate their colleagues and pass on knowledge about physical exercise, health and nutrition. Employee health is improving in Aker-owned companies, producing considerable financial savings. Improved employee health also has a positive social value.

2. Business

Aker ASA's business purpose is expressed in the company's articles of association:

"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."

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→ Board of directors

- Kjell Inge Røkke
- Finn Berg Jacobsen
- Stine Bosse
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-

→ Management and key personnel

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- Michael Buffet

The company's business activities are governed by its objectives and strategies. Aker has streamlined its role as an industrial investment company. Its primary objective is to create shareholder value in each of its underlying companies by exercising active ownership.

3. Equity and dividends

Equity

Aker ASA and its subsidiaries had NOK 12 361 million in book equity as at 31 December 2012, corresponding to an equity ratio of 72 per cent. The parent company's book equity amounted to NOK 18 886 million, corresponding to an equity ratio of 62 per cent. Aker considers its capital structure appropriate and adapted to its objectives, strategy and risk profile.

Dividends

Aker's dividend policy is discussed in the shareholder information section of the Annual Report (see [page 144](#)), and is published on the company website. The board's profit allocation recommendation for 2012 has been guided by Aker's dividend policy and dividend capacity.

Board authorisations

The board's proposals for future board authorisations comply with the relevant recommendation in the Norwegian Code of Practice for Corporate Governance. Board authorisations are limited to defined issues, and are dealt with as separate agenda items at the annual general meeting. Board authorisations remain valid until the next annual general meeting. Current board authorisa-

tions to increase share capital and to acquire own (treasury) shares are discussed in the shareholder information section of the 2012 Annual Report (see [page 144](#)).

4. Equal treatment of shareholders and transactions involving related parties

The company has a single class of shares, and all shares carry the same rights. Emphasis is given to equal treatment of all shareholders. Any transactions in own (treasury) shares are executed on a stock exchange. Aker has developed principles and guidelines for transaction agreements and other agreements not forming part of ordinary operations involving Aker and companies in which Aker has significant ownership interests. Aker has also 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 concluded by Aker or companies in which Aker has a significant ownership interest.

All agreements with related parties must be concluded on commercial terms, and are subject to review by the respective companies' audit committees and/or boards of directors. Any material transaction involving an Aker-owned company and a related party is subject to review and approval by the board on a case-by-case basis. An external, independent valuation must be obtained as a basis for the board's decision. Additional information on transactions with related parties can be found in [Note 40](#) to the 2012 consolidated accounts.

5. Freely negotiable shares

Aker ASA's shares are freely negotiable. The company's articles of association contain no restrictions on transferability.

6. Annual general meetings

Meeting notification, registration and participation

Aker encourages all of its shareholders to participate in general meetings, the forum for shareholders' exercise of the highest authority in the company. Holding annual general meetings as soon as possible after year-end is a priority. In 2013, the annual general meeting will take place on 17 April. Aker's financial calendar is published in a notice to Oslo Børs and on the company website.

Written notice of the annual general meeting is sent to all shareholders whose address is on record no later than 21 days before the meeting date. The meeting notification, Annual Report and accompanying material are made available on the company's website and through the publication service of Oslo Børs.

The registration deadline is set as close to the meeting date as possible, and normally falls two or three days before the meeting. Shareholders who wish to receive accompanying material by post can contact the company to request this. The meeting documents must include all documentation shareholders require to make a decision on each agenda item.

Electronic advance voting and proxies

In 2011, the board decided that shareholders who are unable to attend a general meeting may use electronic voting to vote

directly on individual agenda items during the pre-meeting registration period. Until the end of the period, shareholders who use the service may nevertheless change their votes or opt to attend the general meeting in person.

Shareholders who are unable to attend a meeting may vote by proxy. The company has prepared proxy forms that allow shareholders to vote on the individual agenda items considered by the general meeting (proxy with voting instructions). The procedures for electronic voting and the issue of proxies with voting instructions are described in the meeting notification and published 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 safeguarded by the option of participation via an appointed proxy and the option of authorising 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 general meeting is chaired by the Board Chairman or an individual appointed by the chairman. Aker deviates from the NUES recommendation on this point, which states that the board should ensure independent chairing of general meetings. In the company's experience, its procedures for the chairmanship and execution of general meetings have worked well.

Board members, the chairman of the nomination committee and the company's auditor are expected to attend general

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- Michael Buffet

meetings. The general meeting elects the members of the nomination committee and shareholder-elected board members. The nomination committee focuses on composing a board that works optimally as a team, and on ensuring that board members' experience and qualifications complement each other and that statutory gender representation requirements are met.

The general meeting is therefore normally requested to vote for a complete set of proposed board members, and shareholders cannot vote in advance for individual candidates. The general meeting otherwise deals with the matters it is required to consider pursuant to legislation or the company's articles of association. The company allows shareholders to propose matters for consideration at the general meeting, and shareholders can also ask questions and propose decisions at the general meeting itself. Information on procedures for presenting such proposals is published on the company's website.

As regards electronic participation in general meetings, the company believes that adequate systems to handle such participation are not yet available. The board has therefore decided not to allow electronic participation in Aker's general meetings.

Minutes of general meetings are published as soon as practical via the Oslo Børs notification system – www.newsweb.no (ticker: AKER) – and on Aker's investor relations pages on www.akerasa.com.

7. Nomination committee

Aker ASA has a nomination committee as required by its articles of association. The

nomination committee must comprise at least three members, and each member is normally elected for a two-year period. The composition of the nomination committee must reflect the composition of shareholders, and members must be independent from the board and executive management.

The members and chairman of the nomination committee are elected by the company's general meeting, which also determines the remuneration payable to committee members. The members of the nomination committee are presented on [page 145](#) of the 2012 Annual Report. Instructions for the nomination committee's operations were adopted by the annual general meeting in 2011. The primary responsibilities of the nomination committee are to recommend candidates and remuneration for the company's board of directors and nomination committee, and remuneration for members of the audit committee. The nomination committee must make a written recommendation, which is published and presented to the shareholders' meeting. The deadline for proposing board candidates for the upcoming term is 31 October. The nomination committee normally begins its work for the upcoming general meeting on this date.

8. Corporate assembly and board of directors – composition and independence

The company does not have a corporate assembly. Employees' rights to representation and participation in decision-making are safeguarded through extended employee representation on the board of directors in accordance with a decision by the publicly

appointed Industrial Democracy Board (Bedriftsdemokratinemnda). Pursuant to the company's articles of association, the board comprises between six and 12 members, of whom at least one-third are elected by and from among group employees. Further, up to three deputy board members may be elected by shareholders. The nomination committee also recommends a candidate for the position of Board Chairman, who must be approved by the general meeting.

The board elects its own Deputy Board Chairman. Board members are elected for a period of two years. Shareholder-elected board members 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 executive management is a member of the Aker ASA board.

The current composition of the Board is presented on [page 145](#) of the 2012 Annual Report, as are board members' qualifications and expertise. The shareholder-elected board members represent a broad range of expertise, capacity and experience from finance, industry and non-governmental organisations. Board members' shareholdings are presented in [Note 42](#) to the consolidated accounts.

9. The work of the board of directors

The board of Aker ASA adopts annual plans for its work, emphasising goals, strategies and execution. The board approves the budgets of Aker ASA and holding companies following review by the audit committee.

Aker also has board instructions in place that regulate areas of responsibility, tasks and the division of roles among the board, the Board Chairman, and the President and CEO. The board instructions also contain rules on board schedules, notification and chairing of board meetings, decision-making, the President and CEO's duty to disclose information to the board, confidentiality, impartiality and other issues.

In 2012, the board held 9 board meetings, and meeting attendance averaged 94 per cent. The board evaluates its own performance and expertise once a year.

Aker has a separate audit committee, which met 5 times in 2012. The committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the board of directors. The composition of the committee is presented on [page 145](#) of the Annual Report. The board has considered whether Aker ASA should have a compensation committee, but has concluded that the company does not currently need one.

10. Risk management and internal control

Governing principles

Aker's board determines the overall principles for the company's management and control functions. Instructions have been developed for the board of directors and the President and CEO that define their respective areas of responsibility. The other governing documents adopted by the board clarify the responsibilities of and division of roles between the board and company management.

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→ Board of directors

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- Anne Marie Cannon
- Kristin Krohn Devold
- Leif O. Høegh
- Atle Tranøy
- Harald Magne Bjørnsen
- Bjarne Kristiansen
- Tommy Angeltveit
-

→ Management and key personnel

- Øyvind Eriksen
- Trond Brandsrud
- Atle Kigen
- Audun Stensvold
- Maria Moræus Hanssen
- Nicoletta Giadrossi
- Michael Buffet

Aker has implemented a system for reporting serious matters such as breaches of ethical guidelines and violations of the law. Aker's website contains information on the reporting system, and contact details.

Risk management and internal control

The board ensures that the company has in place effective internal control procedures and appropriate risk management systems tailored to the company's business activities. Aker has developed an authorisation matrix that forms part of its governing documents. Special expenditure approval procedures have also been developed.

The board receives and reviews risk reports prepared by company management on the basis of input and evaluations from Aker's investment directors. The management of operational risk primarily occurs in the underlying operating companies, although Aker acts as an active driver through its involvement in the boards. Overall, the companies have sound risk management procedures in place.

Aker has appointed a finance committee whose members include the Board Chairman, the President and CEO and the CFO. The finance committee meets as needed, and at least once every quarter. It focuses particularly on issues and decisions regarding financial investments, and on assessments concerning the value accretion of the portfolio as a whole, capital allocation, the status of the liquidity projection, and share price development relative to underlying values. The finance committee also has a framework and methodology in place for following up and evaluating financial

portfolio risk. This evaluation is reported to and reviewed by the board of directors.

Aker's management holds regular review meetings with the investment directors of the different industrial investments. The purpose of the meetings is to conduct an in-depth review of the development of each operational company, focusing on operations, risk management, market conditions, the competitive situation, strategic issues and Aker's ownership role. These meetings provide a solid foundation for Aker's assessment of its overall financial and operational risk. Review meetings are held at least once every quarter.

Prior to the board's review of risk reporting, the audit committee reviews the reported risks and associated risk-reducing measures. The audit committee also reviews the company's in-house reporting systems and internal control and risk management, and prepares the board's review of financial reporting.

Aker's financial guidelines ensure follow-up of financial risk issues. The management of financial market risk exposure, including to currency, interest and counterparty risk, is required by the company's governing documents. The principles are presented in greater detail in [Note 5](#) to the consolidated accounts and [Note 16](#) to the parent company accounts for 2012.

Key target figures have been identified by the board and management, and are monitored and followed up by Aker's Treasury department. Aker's Treasury department prepares a rolling 36-month liquidity projection that takes Aker ASA's operating budgets into account. The projection is

updated on an ongoing basis, and management holds monthly meetings to assess it.

Aker employs a decentralised model for allocating managerial responsibility under which operating subsidiaries and associated companies have established their own management and control systems. Aker's representatives on boards of directors seek to ensure that Aker's operating companies follow the principles of good corporate governance.

Financial reporting process

The Corporate Controller is responsible for financial reporting, including for the areas of accounting, tax and internal financial reporting controls. The Corporate Controller reports to the CFO, and presents an annual evaluation of the group's internal financial reporting controls to the audit committee.

Aker prepares and publishes quarterly and annual financial statements. The Aker group's consolidated accounts are prepared and presented pursuant to EU-approved IFRS standards, while the parent company accounts are prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway. Various control measures have been established in connection with the preparation and presentation of quarterly and annual financial statements. Because Aker is an investment company with significant ownership interests in other companies, including listed companies, Aker's procedures for closing accounts have a strong focus on checking submitted accounts and analysing financial

figures. Operating subsidiaries and associated companies have also introduced control measures that are applied before their respective financial statements are reported to Aker.

Clearing meetings are held with the management teams of operating companies in connection with the annual closing of accounts. The main purpose is to ensure high-quality financial reporting. Such clearing meetings focus on important items involving estimation and judgment, non-balance-sheet items, related-party transactions, new or modified accounting principles and special topics in the year-end closing process. The external auditor participates in these meetings.

Converto Capital Management follows up on the Converto Capital Fund's portfolio of operating companies in accordance with the same principles and practices. Aker monitors its interests through participation in the board of the fund.

The audit committee conducts a preparatory review of the quarterly and annual financial statements, focusing on items involving estimation and judgment, the application of new accounting principles and any material related-party transactions.

Monthly reports for Aker ASA and holding companies are submitted to the board of directors. These reports emphasise net asset value developments, changes in liquidity projections and other material issues pertaining to Aker's portfolio of investments. To maintain and further develop Aker's accounting expertise, courses are regularly held with in-house and external lecturers. Key personnel from

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→ Management and key personnel

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the accounting department also participate in various external courses and seminars.

11. Board remuneration

Board remuneration reflects the board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker's financial performance, and there are no option programmes for any board members.

The annual general meeting determines board remuneration after considering recommendations by the company's nomination committee. Some board members also hold board memberships in companies in which Aker has significant ownership interests, but do not receive board remuneration from Aker for these services. The board members elected by and from among group employees and associated companies have reduced their board remuneration at their own initiative, in line with an agreement between employee organisations and Aker.

Additional information on remuneration paid to individual board members for 2012 can be found in [Note 41](#) to the consolidated accounts.

12. Remuneration of executive management

The board has adopted separate guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The employment contract of the President and CEO has been approved by the board. The remuneration paid to the President and CEO is approved

by the board after considering recommendations from the Board Chairman.

The President and CEO determines the remuneration payable to key executives in accordance with board guidelines. Aker ASA has no stock option programmes. The remuneration for executive management includes a fixed annual salary, standard employee pension and insurance schemes and a variable pay element.

A share bonus award programme for employees (excluding the President and CEO) was established in 2011. Share awards are subject to specified conditions and goal achievement. This incentive programme for employees is presented in [Note 2](#) to the Aker ASA annual accounts.

Further information on remuneration for 2012 for individual members of Aker's executive management can be found in [Note 41](#) to the consolidated accounts. The company's guidelines for remuneration to executive management are described in [Note 41](#), and will be presented to shareholders at the annual general meeting.

Some members of Aker's executive management represent the company's interests as board members of other Aker companies. They do not receive personal remuneration for these board memberships.

13. Information and communications

Aker 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 stakeholders.

The long-term purpose of Aker's IR

activities is to ensure access to capital on competitive terms and the informed pricing of Aker's shares in the market by providing shareholders with correct information. These goals are to be accomplished through accurate and timely distribution of information that may affect the company's share price. The company must also comply with applicable 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.

The company organises public presentations in connection with its financial reporting. These meetings are generally broadcast directly via the internet (webcast). The company's financial calendar appears on [page 3](#) of the Annual Report, and is published on Aker's website.

14. Takeovers

Aker does not have separate guidelines on how to respond in the event of a takeover bid. The Norwegian Code of Practice for Corporate Governance recommends the adoption of such guidelines. Through his privately held TRG holding companies, Kjell Inge Røkke controls a total of 67.9 per cent of Aker ASA stock. Mr Røkke has committed to retaining control of Aker for a minimum of 10 years from June 2007. In view of this undertaking, the board has deemed separate takeover guidelines as recommended by the Code to be unnecessary.

15. Auditor

The auditor makes an annual presentation of the auditing plan to the board. Further, the auditor has provided the board with written confirmation that the requirement of independence is met.

The auditor participates in all meetings of the audit committee and in the board meeting that deals with the annual accounts. The auditor reviews, 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 reported to the audit committee on his assessment of the internal controls on the financial reporting process. The outcome of this review has been presented to the board. The board and the audit committee meet with the auditor without representatives of executive management being present. The audit committee reviewed and approved guidelines for executive management's use of the auditor for purposes other than auditing, and receives a quarterly overview of services rendered by the auditor to the company. The audit committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2012 for both audit and other services is presented in [Note 9](#) to the consolidated accounts. These details are also presented to the annual general meeting.

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→ Management and key personnel

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Kvaerner completes delivery: In 2012 the concrete substructure for Sakhalin I was towed and installed outside of the island carrying the same name.

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Board of directors



Kjell Inge Røkke
Chairman

Kjell Inge Røkke (born 1958), has been elected for the period 2012–2014. He is Aker ASA's main shareholder, and 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, gradually building a leading global fisheries business. In 1996, the Røkke-controlled company RGI purchased enough Aker shares to become Aker's largest shareholder, and later merged with Aker. Mr Røkke is currently chairman of Kvaerner ASA, a director of Aker Solutions ASA and a deputy director of Det norske oljeselskap ASA. As at 31 December 2012, Mr Røkke holds 49 105 514 shares (67.9 per cent) in Aker ASA through his investment company TRG AS and its subsidiaries, which he co-owns with his wife, Anne Grete Eidsvig. He has no stock options. Mr Røkke is a Norwegian citizen.



Finn Berg Jacobsen
Deputy chairman

Finn Berg Jacobsen (born 1940), has been elected for the period 2012–2014. He holds an MBA degree from Harvard Business School, and is a state-authorized public accountant. He previously held various positions with Arthur Andersen & Co., including that of Regional Managing Partner from 1983 to 1999. From 2001 to 2005, Mr Berg Jacobsen was CFO and Chief of Staff at Aker Kvaerner. He is currently a consultant on corporate governance and finance issues. Mr Berg Jacobsen is a former director and audit committee chairman of several companies, and has served on various public auditing and accounting-related boards and committees. He was awarded the Royal Order of St. Olav in 2000 for his contribution to the advancement of auditing and accounting. As at 31 December 2012, Mr Berg Jacobsen holds 5 000 shares in Aker ASA, and has no stock options. He is a Norwegian citizen.



Stine Bosse
Director

Stine (Christine) Bosse (born 1960), has been elected for the period 2011–2013. She holds a master's degree in law from the University of Copenhagen, and has completed various training programmes at INSEAD, Wharton and Harvard. She is a former CEO of Trygvesta, a former chairman of the supervisory board of the Danish Insurance Association, and a former director of Grundfos and Amlin plc. She is currently chairman of Flügger Denmark, The Royal Danish Theater, CONCITO, Børnefonden and Copenhagen Art Festival, and a director of Nordea Bank A/S, TDC, Allianz and Aker ASA. She is also the Danish member of the ChildFund Alliance. In 2010, Ms Bosse was appointed to the Millennium Development Goals (MDG) Advocacy Group, by UN Secretary-General Ban Ki-moon. Ms Bosse holds 400 shares in Aker ASA, and has no stock options. She is a Danish citizen.



Anne Marie Cannon
Director

Anne Marie Cannon (born 1957), has been elected for the period 2011–2013. She has over 30 years' experience in the oil and gas sector. She has been a Senior Advisor to the Natural Resources Group at Morgan Stanley since 2000, focusing on upstream M&A in Europe, the Middle East, North Africa, and Latin America. In her early business career, Ms Cannon held a variety of financial and commercial positions at Shell UK Exploration and Production and Thomson North Sea. In 1989, she joined the Investment Banking Division of J. Henry Schroder Wagg, where she was a director and co-head of the UK Energy team. In 1995, Ms Cannon joined the board of Hardy Oil & Gas plc, with responsibility for business development and international growth. She holds a BSc Honours Degree from Glasgow University. As at 31 December 2012, Ms Cannon holds no shares in Aker ASA, and has no stock options. She is a British citizen.



Kristin Krohn Devold
Director

Kristin Krohn Devold (born 1961), has been elected for the period 2011–2013. She is a former member of the Norwegian parliament, representing the Conservative Party (1993–2005), and a former Minister of Defence (2001–2005). Ms Krohn Devold is currently the General Secretary of the Norwegian Trekking Association and a director of various companies including Aker Kvaerner Holding AS, Hexagon ASA, Solvtrans ASA and the Terra group. She holds a master's degree in business and economics from the Norwegian School of Economics (NHH), and has studied sociology at the University of Bergen. As at 31 December 2012, Ms Krohn Devold holds no shares in Aker ASA, and has no stock options. She is a Norwegian citizen.



Leif O. Høegh
Director

Leif O. Høegh (born 1963), has been elected for the period 2012–2014. He holds a master's degree in economics from the University of Cambridge and an MBA from Harvard Business School. Mr Høegh has previously worked for McKinsey & Company and the Royal Bank of Canada Group, and is currently Chairman of Høegh Autoliners and Deputy Chairman of Høegh LNG. He is also a director of Høegh Capital Partners, Høegh Eindhoven, Hector Rail and Rift Valley Holdings. Mr Høegh serves on the Supervisory Board of DnB. As at 31 December 2012, Mr Høegh has an indirect ownership interest in 135 000 Aker ASA shares. He is a Norwegian citizen.



Atle Tranøy
Director
Elected by the employees

Atle Tranøy (born 1957), has been elected for the period 2011–2013. He is a trained plumber, and joined Kvaerner Stord AS in 1976. Mr Tranøy has been a full-time employee representative since 1983, and is currently the head employee representative at Aker ASA. He is also chairman of the Aker Kvaerner European Works Council. As at 31 December 2012, Mr Tranøy holds no shares in Aker ASA, and has no stock options. He is a Norwegian citizen.

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→ Management and key personnel

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- Atle Kigen
- Audun Stensvold
- Maria Moræus Hanssen
- Nicoletta Giadrossi
- Michael Buffet



Harald Magne Bjørnsen
Director
Elected by the employees

Harald Magne Bjørnsen (born 1947), has been elected for the period 2011–2013. He is a professional shipfitter and electrical installer, and joined Aker Elektro AS in 1978. He has held various project manager positions in the electrical and instrumentation areas since 1986. As at 31 December 2012, Mr Bjørnsen holds 700 shares in Aker ASA, and has no stock options. He is a Norwegian citizen.



Bjarne Kristiansen
Director
Elected by the employees

Bjarne Kristiansen (born 1955), has been elected for the period 2011–2013. He has worked in the fishing industry since 1973, and been chief union representative since 1996. Mr Kristiansen is also a deputy board member on Aker Seafoods ASA's board of directors. As at 31 December 2012, Mr Kristiansen holds no shares in Aker ASA, and has no stock options. He is a Norwegian citizen.



Tommy Angeltveit
Director
Elected by the employees

Tommy Angeltveit (born 1965), has been elected for the period 2011–2013. He is a trained service electronics engineer, and has worked as a service technician in Aker Subsea's controls division since 2003. Mr Angeltveit is also an employee representative on the board of Aker Subsea. He is a full-time employee representative, and head of Industry Energy, department 47. As at 31 December 2012, Mr Angeltveit holds no shares in Aker ASA, and has no stock options. He is a Norwegian citizen.



Anne Grete Eidsvig is an active owner of Aker ASA. Here at a workshop at the Aker Achievements Camp in October 2012.

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Management



Øyvind Eriksen
President and CEO

Øyvind Eriksen (born 1964) joined Aker ASA in January 2009. Mr Eriksen holds a law degree from the University of Oslo. He joined Norwegian law firm BA-HR in 1990, becoming a partner in 1996 and a director/chairman in 2003. At BA-HR, Mr Eriksen worked closely with Aker and Aker's main shareholder, Kjell Inge Røkke. Mr Eriksen is executive chairman of Aker Solutions ASA, chairman of Aker Kvaerner Holding AS, and a director of several other companies including The Resource Group TRG AS, TRG Holding AS and Reitangruppen AS. Mr Eriksen holds, through a privately owned company, 0.20 per cent of the B-shares in TRG Holding AS. As at 31 December 2012, Mr Eriksen holds 100 000 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, following three years as CFO at the listed drilling company Seadrill. Prior to joining Seadrill, 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 has held several senior management posts in Shell's upstream and downstream operations. Mr Brandsrud has a Masters degree in Business and Economics from the Norwegian School of Economics (NHH). As at 31 December 2012, Mr Brandsrud holds a total of 26 943 shares in Aker ASA, both directly and indirectly through a private investment company, and has no stock options. Mr Brandsrud is a Norwegian citizen.

Other key personnel



Atle Kigen
Head of communication

Atle Kigen (born 1958) joined Aker ASA in October 2006, and has been in charge of corporate communications since 2010. He holds a degree in business administration and marketing, and has extensive corporate communication and journalism experience. Mr Kigen previously worked as head of communication at Kvaerner ASA, and as CEO of the PR agency GCI Monsen. He is a former editor-in-chief of the Norwegian business magazine Økonomisk Rapport, and has been business and economics editor at Aftenposten, a leading Norwegian daily newspaper, and NRK Nyheter, the Norwegian national broadcaster's news bureau. Mr Kigen has also been a journalist at Norway's leading business daily, Dagens Næringsliv. As at 31 December 2012, Mr Kigen holds 2 787 shares in Aker ASA, and has no stock options. Mr Kigen is a Norwegian citizen.



Audun Stensvold
Investment director
Responsible for the follow-up of Aker ASA's financial investments

Audun Stensvold (born 1972) joined Aker ASA in 2006. Prior to his appointment as an investment director, he was CFO and Investment Director for Convento Capital Management, which administers the Aker-owned Convento Capital Fund. He has also served as Vice President of Aker's M&A and Business Development team. Before joining Aker, Mr Stensvold worked as a strategy and finance consultant for Selmer, and as a financial analyst for DnB NOR. Mr Stensvold holds a Masters degree in Business and Economics from the Norwegian School of Economics (NHH). As at 31 December 2012, Mr Stensvold holds 1 030 shares in Aker, and has no stock options. Mr Stensvold is a Norwegian citizen.



Maria Moræus Hanssen
Investment director
Responsible for the follow-up of Det norske oljeselskap ASA

Maria Moræus Hanssen (born 1965) joined Aker ASA in June 2008. Ms Moræus Hanssen trained as a reservoir engineer at the Norwegian University of Science and Technology (NTNU), and as a petroleum economist at the French Petroleum Institute IFP. She joined Norsk Hydro in 1992, working mainly on the Norwegian Continental Shelf, where her areas of responsibility included North Sea exploration, new field development and the integration of Statoil and Hydro. She was also platform chief and Senior Vice President for gas supply and infrastructure. Ms Moræus Hanssen is a director of Det norske Oljeselskap ASA and Hafslund ASA. As at 31 December 2012, Ms Moræus Hanssen holds 4 969 shares in Aker ASA, and has no stock options. Ms Moræus Hanssen is a Norwegian citizen.



Nicoletta Giadrossi
Investment director
Responsible for the follow-up of Aker Solutions ASA

Nicoletta Giadrossi (born 1966) joined Aker ASA in 2012. Prior to joining Aker, Ms Giadrossi was VP and GM for Europe, Middle East and Africa at Dresser-Rand Group Inc. She has a B.A. in Mathematics and Economics from Yale University, and an MBA from Harvard Business School. Ms Giadrossi has also previously worked in the private equity industry and for Boston Consulting Group, and held a number of management posts at GE Oil & Gas, where she was responsible for the global Downstream Business Unit, and at GE Equipment Management, where she was COO of the European division. Ms Giadrossi is a director of Aker Solutions ASA, and of Faiveley Transport SA. As at 31 December 2012, Ms Giadrossi holds no shares in Aker ASA, and has no stock options. Ms Giadrossi is an Italian citizen.



Michael Buffet
Investment manager
Responsible for the follow-up of Kvaerner ASA

Michael Buffet (born 1972) joined Aker ASA in August 2011. Mr Buffet trained as a mechanical engineer at ENSAM in France, and worked for Total Exploration and Production from 1996 to 2003 as a drilling engineer, drilling supervisor and project manager in various locations, including Argentina, UK, Iran, Yemen, Qatar, Cameroon and Gabon. After completing his MBA at INSEAD in France in 2004, Mr Buffet joined Boston Consulting Group (BCG), where he stayed until 2011. His main focus at BCG was upstream oil and gas and renewable energy projects. As at 31 December 2012, Mr Buffet holds 1 815 shares in Aker ASA and has no stock options. Mr Buffet is a French citizen.

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- Key performance indicators
- Aker ASA and holding companies
- Vision and values
- Corporate social responsibility
- Letter from the chairman
- Letter from the president and CEO
- Contact information

Contact information

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