"It's amazing that a life without progress can go so fast"

The quote is from Nils-Fredrik Nielsen's book, "It's never impossible to feel dissatisfied," his third collection of amusing 'gloomy tales' (Aschehoug, 1995).

The quote is meant to be self-ironic, referring to my goal in 2009 to double Aker's net asset value in five years. We have achieved a lot in three hectic years. But in financial terms, we still have some distance to go.

Viewed in isolation, 2011 was a good year for Aker. For me, one of the best moments was the review of the year that I had with CEO Øyvind Eriksen. On Wednesday, 21 December last year, Øyvind and I spent lots of time evaluating our partnership and the company's performance.

I came well prepared, and tried to be pedagogic in both form and content. Clear figures were put on the table. The presentation charted developments in share price, net asset value, and cash – along with my goals for Aker's future development.

After showing a few slides rich with figures, I noticed that Øyvind's facial expression had changed. "Is something wrong?" I asked.

"Not necessarily wrong," Øyvind responded with a question: "But are these the factors that define Aker's success in 2011 and for the years ahead?" Øyvind continued, "Why are you talking in terms of what I'm supposed to deliver to you? Isn't the topic what we can achieve by working together?"

That kicked off a new, useful, and inspiring discussion. Once more, I experienced that the two of us, holding different perspectives on key topics, were able to find answers together – and jointly see new solutions and opportunities. Again, I was reminded that when a partnership works, one plus one can indeed be more than two.

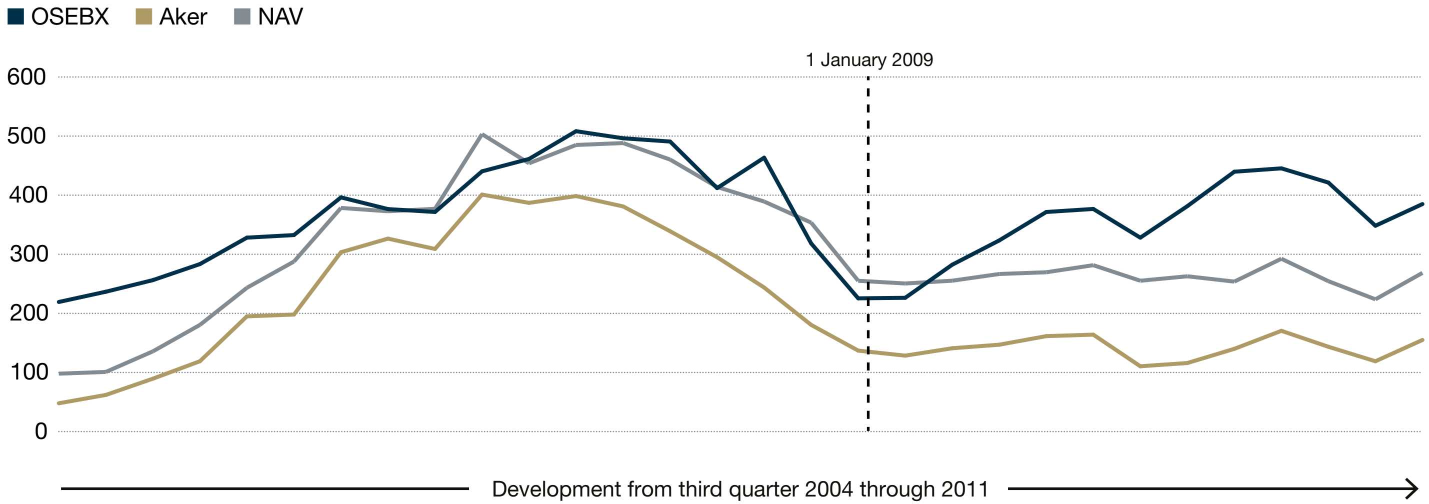
Øyvind was right, of course. In our conversation, he put 2011 and Aker's future in a perspective that differed from my numbers-crunching presentation.

Øyvind's starting point is people, role models, teams, and the organization's capabilities and will to achieve. He points to the many excellent professionals who work at Aker and Aker-owned companies and proudly notes the many that have come onboard over the past year. Øyvind zeros in on the important measures carried out in 2011.

Aker Drilling is sold, and Aker's cash position has grown to NOK 4 billion. Aker Solutions' progress has been robust, and Kvaerner is standing firmly on its own legs. Det norske is a partner in the largest oil discovery on the Norwegian continental shelf in recent years. Optimism about the future of the Norwegian continental shelf is greater than in many, many years. At the same time, Aker-owned companies in the oil and gas sector continue to recruit talent and develop expertise to meet tomorrow's demands and expectations.

In my eyes, Aker's CEO is a leader who is quick to recognize cause and effect. The words of the philosopher and poet Ralph Waldo Emerson accurately characterize Øyvind's personality:

Net asset value (NAV), share price (Aker) and Oslo Stock Exchange Benchmark Index (OSEBX)



The goal is to double Aker's Net Asset Value from 1 January 2009 by the end of 2013.

"Shallow men believe in luck. Strong men believe in cause and effect."

Ralph Waldo Emerson (1803-1882), American philosopher, essayist, poet

Øyvind is concerned with building transparent organizations that foster the right attitudes. Success is rewarded, and negative deviations carry consequences. Øyvind is analytical and pedagogic – and speaks of trust, conduct, and role models. Øyvind walks his talk. That's why today's Aker is a well-organized and open company. We are one team, with Øyvind and I as team leaders and partners.

The truth is two-fold. We've built a solid foundation, but we have not hit the intermediate mark according to my target from 2008.

Those of you who read last year's letter to shareholders, will recall I wrote that the goal was to double Aker's net asset value over a period of five years. The starting point – 1 January 2009 – was about NOK 250 per share. The objective: a combination of value creation and dividend payments should total at least NOK 500 per share by 31 December 2013.

Net asset value amounted to NOK 268 per share at year-end 2011. In addition, dividend payments to Aker shareholders in 2009-2011 totaled NOK 23 per share.

In three years, the underlying value of each Aker share, including dividend payments to the shareholders, has risen from NOK 250 to NOK 291. If we draw a straight line between the starting point and the goal line, year-end 2011 NAV should have reached NOK 400 per share. That makes Aker's net asset value about NOK 8 billion behind schedule.

If the question is whether I feel pressure to deliver shareholder value going forward, the answer is, "Yes." Do I regret sharing my objective with my fellow shareholders? No, the goal remains unchanged, and I still believe it is realistic.

The chart above represents the verdict of the market in these turbulent times. The curves show Aker's development from the time the company was exchange-listed in September 2004 through year-end 2011. For shareholders who have been with us since the start, it has been a pleasant and profitable run – but also one with major ups and downs.

The Aker share began trading on the Oslo Stock Exchange at NOK 61 and at year-end 2011, the share price was NOK 155. In addition, the company has paid dividends totaling NOK 81 per share in the period 2005 through 2011 – and the Board of Directors is recommending payment of an additional NOK 11 per share in April 2012. Since its listing in 2004, Aker has provided shareholders with an average annual return of 29 percent. That said, shareholders who bought at rising prices in 2006 and 2007, have suffered a major decline through 2008.

The period 2009-2011 was not much to write home about either, from the perspective of Aker's shareholders. Over the past three years, Aker's share price increased 13 percent, while the Oslo Stock Exchange Benchmark Index (OSEBX) rose 70 percent. Thanks to dividend payments, the average annual return on the Aker share was 15 percent over the three-year period.

The truth is that the Aker share has underperformed OSEBX in the three years that I have served as Board Chairman after my "comeback" in December 2008. During this period it would have been better to place your money in an index fund rather than investing in Aker stock. That certainly is inspiration to deliver better performance.

In last year's letter to the shareholders, I pointed out that fundamental value creation had taken place at Aker in 2010 – but that this improvement had not yet been expressed in the share price. In 2011, some of the fundamental value creation has been reflected in our share price. The return on Aker shares, including dividends, was 18 percent in 2011, while the OSEBX dropped 12 percent.

My cool calculations confirm that Aker has performed poorly over the past three years. Compared with numerous investment opportunities on the Oslo Stock Exchange, Aker is lagging behind. To put it differently: I hope that Aker can propel itself like cross-country skier Petter Northug. When he is at the back of the pack at the start of a race, he trusts his ability to outperform his competitors down the stretch and across the finish line. Hopefully, Aker commands that strength and speed.

The reasons for the share price movements in recent years are many – and I am a part of this picture. With two-thirds of Aker's share capital, trust in me is an important premise for trusting Aker. I am humbly aware of this. But I am sure one thing: I have done more right than wrong over the last few years – but the greatest mistake I could have made would be failing to learn from my mistakes. My partnership with Øyvind is built on lessons learned – for better and for worse.

A solid foundation has been built for visualizing values going forward. Structural measures have been completed. The organization has been strengthened. Ambitious goals have been established and solid plans made for Aker and Aker-owned companies. Work is underway on operational improvements at the operating companies.

So far, these measures have not been fully reflected in the share price for Aker or for Aker's listed operating companies. In principle, "the market is always right," but in this case I believe that the Aker share is undervalued.

Buying Aker shares is like purchasing a 268-horsepower automobile at the price of a 155-horsepower car – with a cost-free bonus of plenty of fuel and accessories.

I hope this doesn't sound like the buzz of a used car salesman, but rather a plain-language statement that Aker's share price is low compared with its underlying value: a NOK 155 share price versus Aker's net asset value of NOK 268 per share. Dividends of NOK 11 per share. That corresponds to a direct yield of seven percent in 2011. In addition, Aker has a strong balance sheet and lots of available cash.

Stock market analysts and investors make their assessments from the outside. I make mine from the inside. From my vantage point, I see higher value than what is reported as net asset value, and substantially higher than what is expressed via Aker's share price.

The discount is significant. Our shares traded around 40 percent below net asset value at year-end 2011. On paper, that's about NOK 8 billion. What would happen if Aker shareholders decided to dissolve the company and let a private equity fund take over management of the assets? Would my fellow shareholders and I become fundamentally richer that way?

The answer is yes and no. Yes, values would have been upward adjusted to net asset value. However, the earnings power of the underlying assets would be the same as before, and costs would have risen – and thus our wealth would decline. In addition, investors in private equity funds lock in their investments for a period of five to ten years – with limited flexibility and typically no current returns until the fund is dissolved and asset values distributed to its investors.

The current Aker discount needs to be put in perspective.

In private equity funds, investors pay an annual management fee of 1.5 percent of the invested amount. On top of that, they pay a juicy success fee that, for example, applies to yields above eight percent per year.

Aker's annual operating costs comprise less than one percent of the capital we manage. This is so even when including the cost of aircraft and sponsorships of both cross-country skiing and a soccer team. At Aker, net asset value has increased an average of 24 percent annually since the company was listed seven and a half years ago. Over this period, the average yield of the Aker share, including dividends, has been 29 percent per year. We are distributing predictable dividends to our shareholders, and do not charge a success fees.

I say with a smile: Either we are doing a poor job of selling our "track record" or we're charging too little for the job we're doing. Why is it that investors who complain about the size of the discount on Aker shares, gladly pay 1.5 percent in annual management fees plus a success fee to the managers of private equity funds? I don't get it.

Aker distributes annual dividends that amount to 2-4 percent of the company's net asset value. Employees of Aker ASA participate in an incentive program that rewards on the basis of the company's net asset value, dividends, and personal performance. The interests of our employees and shareholders are aligned. We keep working for all Aker shareholders, with the goal of winning the market's trust through the efforts we make every day.

The underlying values are there, and they will be brought out and further developed. An important objective is to achieve a share price that reflects Aker's true value.

Given the difference between our share price and true asset value, some investors ask why Aker doesn't buy back its own shares. In the short term, repurchasing shares may be a good solution for shareholders, but it would reduce liquidity and inhibit trading on the stock exchange. Aker wants to have "dry gun powder" and the ability to seize opportunities. We need our money for industrial investments. If our cash and cash equivalents grow at a faster pace than our industrial needs, we will consider buying back company shares on a larger scale.

I would welcome the Aker share becoming a currency – a settlement instrument – for growth. We are not there today, far from it.

Today, there is a wide gap between Aker's real value and its share price on the Oslo Stock Exchange. That makes our shares unsuitable as payment for mergers or acquisitions. It is important to work hard to earn the trust of the capital markets and to visualize shareholder value.

Opportunities for growth will increase with a stronger Aker currency in the equity market. My family does not have to own 67.8 percent of Aker for eternity. We are prepared to own a smaller percentage of a company that is growing through sound acquisitions and the right corporate mergers.

Growth is important. Once you stop growing, you shrink compared to your surroundings. Nature provides us with an indication of this phenomenon. Only the species that adapt to the surroundings and the environment will grow and survive over time. When I was born in 1958, the world's population was 4.5 billion. Now, we've passed seven billion. Since 1958, global energy consumption has increased threefold, and by 2050, projections show that worldwide energy demand will increase by an additional 50 percent. In barely 40 more years, we are projected to be nine billion people – a growth of 30 percent. In my lifetime alone, I will have seen the doubling of the world's population. Growth in demand for natural resources, energy, and food will just continue to grow and grow.

Aker has been a responsible industrial engine for 171 years. We will continue to grow. Profitable development and growth top the agenda at Aker and the companies we own.

More than 60 percent of Aker's asset value is associated with oil and gas. Norway's national wealth relies nearly one hundred percent on hydrocarbon-related know-how. Over the next decades, oil and gas production will be significantly greater than the volume already extracted from the Norwegian continental shelf, and prices going forward are expected to continue at levels considerably higher than those historically achieved. That will be a defining factor of continued growth – and gives promise of an excellent future for Aker companies.

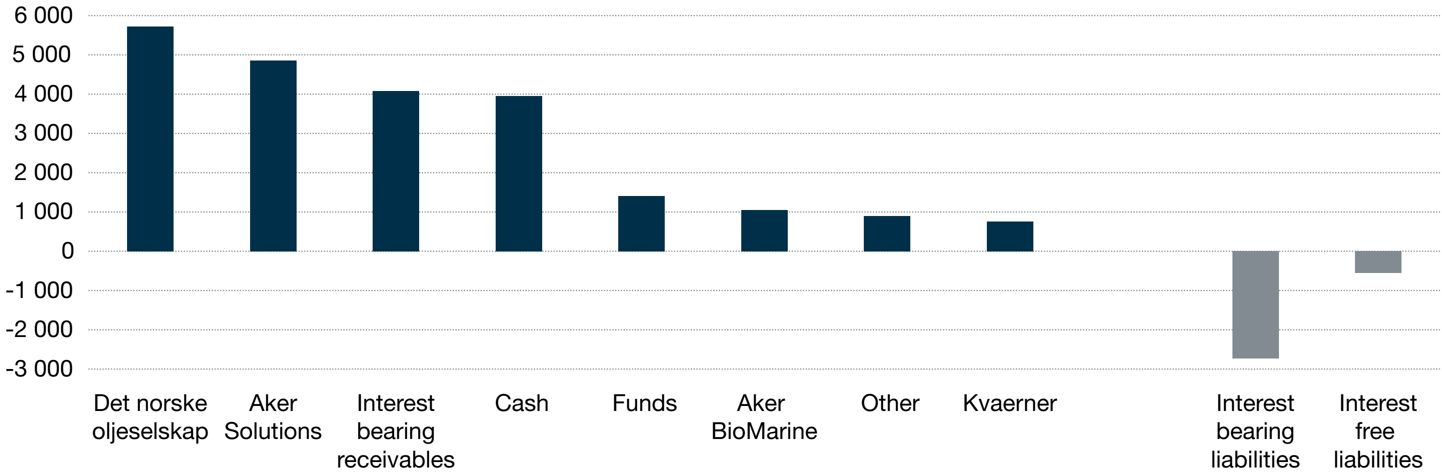
Five years is a short period of time in the petroleum industry. If you sell fashion clothing, it is an eternity.

As an active owner, Aker sets long-term goals. For the next few years, I envision more opportunities than in a long time for Aker Solutions, Det norske oljeselskap, and Kvaerner. Further, we have companies that can generate significant added value for Aker shareholders, particularly the biotechnology company Aker BioMarine.

The chart shows the ranking of Aker's assets. It is worth reflecting on. Our share holding in Det norske oljeselskap was our most valuable asset at the start of 2012. Who would have believed that only a year ago? Next is Aker Solutions, followed by interest-bearing receivables, and a robust cash position.

Sensitivity is also shown in the table. Minor fluctuations in the share price of the listed companies in our portfolio of industrial holdings have a major effect on Aker's net asset value. A NOK 0.94 increase in the share price of Aker Solutions stock has a NOK 1 impact on Aker's per-share net asset value. The same applies to Kvaerner. A NOK 1.11 change in Det norske's share price also has a NOK 1 effect on Aker. A mere NOK 0.09 change in the price of Aker BioMarine

Aker's assets ranked by value
(NOK million)



Share price effect on Aker's net asset value (NAV):

Number of Aker shares issued	72 374 728		
	Number of shares owned by Aker	Share price (NOK)	Aker NAV (NOK)
Aker Solutions	77 233 531	0.94	1.00
Kvaerner	77 233 531	0.94	1.00
Det norske oljeselskap	64 992 467	1.11	1.00
Aker BioMarine	822 888 408	0.09	1.00

shares results in a NOK 1 change in Aker's value, or stated differently: A NOK 1 increase in Aker BioMarine shares raises Aker's net asset per-share value by NOK 11.

In my value assessments of the operating companies, I see major value-growth potential for Aker. And that puts me in a good mood.

Last year, I wrote that Det norske's CEO Erik Haugane probably had felt his bow tie getting a bit tight in 2010. Now that his company is a partner in the world's largest oil discovery in 2011 – Johan Sverdrup – it's not only Erik who is chafing at the bit in his eagerness to bring Det norske into the elite division on the Norwegian continental shelf.

Kvaerner has warned of lower profits in 2012 than in 2011, But growth will resume full force from 2013. Demerging the EPC business of Aker Solutions was a 2011 milestone, and a reminder of how important labor unions are as a provider of expertise for industrial development. Where some doubted, labor representatives saw clearly the potential and were drivers in creating a focused company that executes large and complex field development projects offshore Norway and internationally . These are strong growth markets.

The idea of gathering Aker's floating assets in Ocean Yield first came about in 2011. Establishment of the new company does not create added value in and of itself. It is an instrument for more structured growth and a more predictable cash flow going forward. From the start, the company has a board and management with extensive experience and the right expertise.

In Aker's portfolio of companies under restructuring, Converto Capital Management has implemented forceful measures and recaptured major value for Aker shareholders. Converto has largely "cleaned house". Aker Seafoods has become part of Aker's portfolio of industrial holdings, and a fleet renewal investment program is underway .

Aker BioMarine is a "wildcard." The biotechnology company has a fantastic upside, and a limited downside given its current share price.

Aker BioMarine is gaining momentum out of its venture phase and is evidencing sound operations. The company is growing and is introducing new products and applications in each of its niches within dietary supplements, functional foods, pharmaceutical products, and ingredients for the feed industry.

In addition to delivering unique biomarine products derived from Antarctic krill, the company owns 50 percent of Epax and Trygg Pharma. Epax is a world leader in high-concentrate omega-3. Trygg Pharma is pursuing an exciting developmental trajectory for pharmaceutical ingredients. If we are successful in the pharmaceuticals field, a new economic world may open up to us.

Krill from Antarctic waters are exciting creatures, and their lipid composition makes them unique. That's what I'm told by skilled professionals at Aker BioMarine, who are driven by know-how and enthusiasm. They also say: The lipids in krill largely comprise phospholipids that are rich in omega-3. Phospholipids are the very building blocks of our bodies' cells. Omega-3 fatty acids in the phospholipid form are more bioavailable. Greater uptake by the body for vital cellular structures and functions makes them superior to traditional marine-sourced omega-3, which is in the triglyceride form. Additionally, our Antarctic krill contains a great deal of astaxanthin. This is a powerful antioxidant that protects omega-3 fatty acids against oxidation. Thereby you get a healthier and more stable fat, and krill's properties can help solve mysteries and protect and promote better health.

In short, Aker BioMarine may prove to be a "game changer" for Aker!

As an owner, I don't need to know and understand all details, but I see and hear that Aker BioMarine "swings." In this regard, I recognize myself in a quote from Elvis Presley:

"I don't know anything about music. In my line you don't have to."

Elvis Presley (1935–1977)

Aker Solutions is a jewel

At the beginning of 2012, Aker Solutions had a workforce of 23 545, an increase of 2 648 individuals in 2011.

Every day, 10–15 people with the right professional expertise are hired. In the drive to employ, develop, and retain talent, it is important to exercise clear leadership, deploy capable managers, and have highly motivated personnel. With CEO Øyvind Eriksen as Aker Solutions' executive chairman, formidable efforts have been expended to raise this oil services company to new heights.

The Norwegian business daily, Dagens Næringsliv, wrote the following in a market commentary after Aker Solutions held its capital markets day presentation in December 2011: "For years, Aker Solutions has struggled with share-price declines, an endless series of disappointments, loss of trust, and most recently the Brazil scandal. But it helps immensely that the company's top executive, Øyvind Eriksen, is brutally honest about the state of affairs. Aker Solutions is hardly recognizable after Øyvind Eriksen took over the helm at the company."

The DN newspaper and I typically have diverging perspectives on issues and see reality differently. However, this time I agree 100 percent with DN's market commentary headline: "Øyvind The Honest." Brutal honesty and openness is the right management style, and key to creating lasting effects. No slogan, but working without filters generates the right attitudes and actions. Problems should not be concealed or made to look less than they are. Costs associated with delays and quality challenges in the billion-kroner range remain, but Aker Solutions is on the right course.

Øyvind is a role model who will make it easier for a new President and CEO to grab the baton in stride and take charge of Aker Solutions at maximum speed. Øyvind has not been merely filling in until a new chief executive is in place at the company.

Rather, he's been steadily implementing changes and operational improvements.

Aker Solutions depends on attracting the very best scientific expertise and petroleum industry know-how. That's a challenge I think about a lot, but how to resolve this issue is something I will revert to once I've worked out a concrete approach.

The power of change triggers me. I learnt from the US fisheries industry in transition in the 1980s. Timing is important.

The oil industry needs all the talent it can attract in the times ahead. The entire energy sector is changing. Turn the clock back a few years. How many of us predicted the paradigm shift in the gas market and took to heart the implications of shale gas? The unconventional shale gas has become the conventional gas. Many import facilities for LNG had been planned in the United States. However, abundant and cheap shale gas supplies have led to US electric power prices that are lower than in many past years.

The energy market – both regionally and internationally – will be facing changes that we cannot yet recognize nor can we grasp their eventual scope. Nevertheless, opportunities and challenges will arise.

Demand for energy is growing faster than at any time in the past. It will take decades to develop and commercialize renewable energy sources. Environmental challenges must be resolved. Most of the easily recoverable oil has already been discovered, and exploration is taking place in ever-deeper waters near the Equator and in Arctic regions. We need sound, wise, and smart brains.

As I see it, there will be great and increasing demand for the products, systems, and services that Aker Solutions delivers to the oil and gas industry for many decades to come. People with professional expertise and engineering competence represent a limiting factor. More oil fields are waiting to be discovered. Development of new fields requires technology, products, and solutions. Existing fields must be maintained and upgraded, and their lifespan extended.

Aker is a long-term but impatient owner. We want to be a good owner, but we do not want to perform the work of the operating companies. We are there for them in good times and bad – but we always expect that results are achieved in a responsible manner. We provide businesses and employees with opportunities, but we are unmistakably clear and honest in our feedback as to attitudes and conduct.

As Aker's main owner, I carry an indirect responsibility for companies and employees in numerous local communities in many countries.

Aker as a corporate owner sets ambitious goals and strives to be recognized as a responsible owner. This means that Aker and Aker-owned companies are growing and creating value for shareholders, employees, customers, partners, and the societies in which we operate.

The foundation has been built for value growth going forward – thanks to thousands of employees all across the globe. At Aker ASA, our professional ownership role has been streamlined. At Aker-owned industrial companies, I am impressed by the effort and resourcefulness of leaders, engineers, skilled labor, and administrative personnel.

If anyone should be in doubt: I am happy with the situation and our outlook.

"The man who is a pessimist before 48 knows too much; if he is an optimist after it, he knows too little."

Mark Twain (1835–1910),
American author and humorist

How and why can I be an optimist? Mark Twain has his definition of an optimist. I may have some skills and know-how, but without a doubt I understand too little. I learned a lot as a fisherman in Seattle. It is in the nature of fishermen to pay attention to weather forecasts. Advance notice of hurricanes, storms, a light breeze, or clear, sunny days are perceived onboard a trawler as specific guidance to which the crew must relate. In the capital markets, the warnings and projections of experts point in all directions. The behavior of market players reflects their uncertain compass and conflicting advisories.

I take no position as to who is right. Independently of changing weather conditions, Aker is capable of navigating safely. Our tanks are filled with cash. The balance sheet is strong. And our skillful crews are well prepared. Aker is rigged to weather the storm, and seize opportunities on the voyage ahead. This is the perspective in which my optimistic view is anchored.

Kjell Inge Røkke
On behalf of my family

PS: *I would like to thank my wife and fellow shareholder Anne Grete for her assistance in writing this year's letter to shareholders, both in form, content, and spelling.*

Aker Brygge, 27 March 2012