

This is Aker

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# Truth honestly reflected

**A reflection in the mirror is hard to escape. In the mirror's reflection, Aker is a solid industrial investment company. Human integrity, know-how, and creativity forge Aker. That's the way it's been since 1841.**

I gain inspiration from situations and individuals I meet in daily life, but also from culture, poetry, and sports. They shift my thoughts into words and then action — and stimulate my competitive instinct.

In good times and in bad, I have found two poems give extra strength and insight. One is Rudyard Kipling's famous poem, *If*. Here, the author expresses what his son should strive for in order to be able to call himself a Man.

The poem, *If* was the source of inspiration for my March 2005 letter to fellow shareholders. The timing was just after a stormy year for the company.

My reflections, then, can be summed up as follows:

Stay calm when it's stormy and everybody is blaming you. Trust yourself, but allow for the doubt of others. Dream, but don't get lost in your dreams. Think big, but don't forget to act. Tolerate seeing others tear down what we've built, and rebuild with fresh courage. Dare to go for it, weather losses, and start over without complaining. It's all about people and competence.

To me, these are strong words. And good companions for the journey.

Aker emerged stronger for having confronted a great deal of adversity. We haven't tackled good times equally well.

You can fool the whole world down the pathway of years,

And get pats on the back as you pass, But your final reward will be heartaches and tears

If you've cheated the guy in the glass

The poem, *The Guy in the Glass* is worth reflecting on. The words inspire me both professionally and in my private life. The author of this fantastic poem is Dale Wimbrow, who wrote it in 1934. (See "The Guy in the Glass" on page 9.)

To me, the poem contains healthy attitudes and clear opinions. Nothing is wrong with the mirror when the reflected image is unappealing; it reveals our personal integrity and honesty.

Wimbrow's message can be summed up in a single sentence: You can cheat the entire world on your journey through life,

but you cannot fool the person staring back at you from the mirror.

Then go to the mirror and look at yourself,  
And see what that guy has to say.

My reflections here are not about me. In my eyes, Aker is the central character in this poem. It is a composite image of the company's leaders, elected representatives, and employees. People who have given a great deal and are still hard at work, doing their very best each and every day. This work ethic reflects our company as well as other companies that Aker owns.

Aker has been an organization and a way of life for almost 170 years. This reflects strength. It generates self-confidence. It empowers us to meet challenges with guts and determination — and reach optimal solutions.

Our way of getting things done reflects well on the individuals and team players who, through generations, have worked hard and accomplished much. These are the people who have braved wind and weather along Norway's resource-rich coastline. They have created enormous value for shareholders, employees, customers, and society at large. Fisheries, ocean-going ships, energy resources, skilled professionals, and maritime expertise have made Norway a wealthy nation and a good country in which to live.

Aker's history since its establishment in 1841 is the story of close interaction between company and society. I learned just that when I bought my very first Aker shares in February 1996. My respect for the strong model of close cooperation has only grown over the years.

The feller whose verdict counts most in your life  
Is the guy staring back from the glass.

Aker has skilled employees, strong unions, leaders who are ambitious on their own behalf as well as for the company, and more than 15 000 shareholders. Our interests mesh. We want to create future-oriented workplaces. We give our employ-

ees and their families respectable incomes, and our shareholders expect stable yields and solid returns.

Our common agenda is to continue to develop and strengthen Aker companies. We demonstrate social responsibility by providing profitable and desirable workplaces.

In this picture, it is of no consequence when Aker is subject to undue criticism — or undeserved praise. We must rely on and trust ourselves. We must dare to stand up for what we do, express our opinions, and make the difficult choices that preserve our long-term interests.

When we feel we've done the right thing, believe we are right, and it looks as though we are on the right course, then — Yes! We will never give up. This attitude says everything about our company's integrity, honesty, and — figuratively speaking, our collective DNA.

The sum of our intellect, hearts, and voices are Aker's soul. Our conduct — like our corporate soul — has been forged by numerous business upswings, deep downturns, and those "Aha!" moments of enlightenment.

And you've passed your most dangerous, difficult test  
If the guy in the glass is your friend.

We don't shy away from constructive criticism. We listen, learn, and act. We apply a self-critical eye so we can improve.

Aker is concerned with creating value in forms that grow and last. This is our industrial heritage and our future. In a nutshell: we aim to offer the right tasks to the right people. Regrettably, sometimes the opposite occurs. And our projections must always allow for that risk. Going forward, one of our most important responsibilities is to assure that tasks and people are well matched.

Failing is permitted — but giving up is not. The worst way of handling a mistake is attempting to hide it. That's the source of so many serious challenges. We give people opportunities to apply themselves. Normally, I am pleased about the results, but sometimes I'm disappointed and feel despair, and once in a while major changes are called for.

It is a bad sign when a company is making money, but cannot explain why. To me, it's better to lose money but truly understand how it got this way. Such insight leads to effective decision-making and lays the groundwork for developing sound, profitable businesses.

As Aker's main shareholder, my role is

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to provide inspiration and stable ownership. I can set a course, but others get the job done. If I were to operate Aker on my own, the organization would quickly end up imbalanced and suffer from just one man's decision-making. No one person should make all decisions. If that were the case, skilled individuals would be denied ownership of decisions and would lose their sense of belonging to the company and identification with their colleagues.

You may be like Jack Horner and "chisel" a plum, And think you're a wonderful guy, But the man in the glass says you're only a bum If you can't look him straight in the eye.

Fortunately, Aker is made up of people with abundant integrity, expertise, and creativity. I take full responsibility for my own flawed decisions. I sincerely hope I have learned from them, yet note that it is more important to make one too many decisions rather than one too few. While avoiding mistakes is crucial, we must not end up avoiding making decisions. When the goals are high and demands great, we will sometimes make mistakes.

I operate with a long-term perspective, but I am also impatient. In 2009, we continued our revolution. The world and our surroundings are undergoing continual change, and we adapt accordingly. Renewal is the normal state of affairs. Aker ASA is being refocused and streamlined into an investment company with clearly defined objectives for the companies that we own and actively help develop.

We bade farewell to the strategy of building an industrial conglomerate. Aker created formidable shareholder value from 2004 until the share price peaked (thus far) in the spring of 2007. Since then, the overall picture has revealed cracks in some places. Our organization was not skilled enough to handle the volume of simultaneous operational and financial challenges in the several newly established companies that Aker launched.

The truth is that Aker as an organization has not succeeded in the incubation phases of its newly established companies. The several companies that were established and exchange-listed in the years 2005 to 2007 are not yet flourishing and some have wilted away. Aker shareholders and our co-investors have lost a great deal of money in these start-up companies during the venture period. That haunts me.

We hit targets, but overlooked something important. The current financial crisis

was bound to occur. Psychic powers were not required to predict that stock markets would eventually suffer major share-price declines. In 2007, we sold shares and businesses — and freed up NOK 15 billion.

Our mistake was that we did not fully realize how much resources would be necessary to launch and develop new ventures, complete projects, and achieve solid operations. The capital that we earned through significant share sales, joined in the downturn. Some of the losses have been recovered thanks to market value growth in 2009. Previously, I have indicated that Aker's loss will be between NOK 6 billion and NOK 7 billion. I'm afraid the final figure will be far greater. These are asset values that will not be recouped when share prices rebound. The value loss was a consequence of flawed decisions and poor operations.

We became too self-assured. We did not deliver as planned and anticipated. Naturally, we will work to recapture and further demonstrate the underlying value in the operating companies in the years ahead.

Until the spring of 2009, transactions and business development between companies owned by Aker were a natural part of our activities. This has come to an end. We want to avoid concerns being raised about the collective integrity of the company's Board of Directors and governing bodies.

But your final reward will be heartaches and tears If you've cheated the guy in the glass.

Aker ASA keeps its eyes on the future by focusing on and streamlining its ownership role. We are humble as to our role, and regard it as both a right and a duty to develop each of our companies in the best interest of all parties. This applies not only to strategic issues, but also to management teams. As an industrial investment company, Aker is becoming a more clearly defined and more demanding owner — and, thus, a better owner.

Looking back, Aker created its greatest value for shareholders through mergers, acquisitions, corporate sales, and streamlining businesses — catalyzed by the right leaders and good operations. That's what history shows us since Aker and Norcem merged nearly 25 years ago. Large and complex transactions are the core expertise of our system.

Going forward, Aker will be a driver in structural processes and the implementation of industrial transactions, mergers, and acquisitions. This is active ownership. We

will continue to leave our mark on Norway's industrial development. Aker has a large, attractive, and demanding engagement as the largest shareholder in Aker Solutions, Aker Drilling, Det norske oljeselskap, Aker Clean Carbon, and Aker BioMarine.

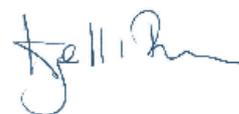
After Leif-Arne Langøy became ill, I choose to return to an active role as Aker's Board Chairman, and Øyvind Eriksen joined the team as President and CEO. Leif-Arne continues to play a central role for me, as a TRG co-owner and board member.

In his first year as Aker's President and CEO, Øyvind has implemented important organizational measures and has done a formidable job of reorganizing our expertise, encouraging change, and making sure that action takes place. Aker's nearly NOK 20 billion in net asset value reflects both financial strength and our ability to seize new industrial opportunities.

We still have hard work cut out for us. To achieve a satisfactory return on all our underlying value, Aker must generate an additional NOK 10 million in value each day over the next few years. To succeed, we must implement some comprehensive measures. We must make sure that the right people are equipped with the correct tools. Handing a plumber a small wrench is pointless when the job calls for a large-dimension pipe wrench or specialized equipment. We will concentrate on what is important to creating value in our portfolio of investments and make sure to calibrate the tools to the tasks at hand.

The image in the mirror tells me that Aker has emerged stronger from the past year's challenges. I like what I see, feel, and experience — and I owe thanks to so many. Each day, several thousands of people all across the globe — at companies owned by Aker — make tremendous contributions. The accomplishments are impressive, and I look forward to giving my fellow shareholders and other stakeholders feedback in a year's time on the challenges we have overcome and the ownership experience we have gained.

Aker is a robust engine for future value creation. The organization is stronger than any individual, but no stronger than the willpower of its people who are driving change. That's our heritage and our future.



Kjell Inge Røkke  
Main shareholder and Chairman

# The Guy in the Glass

by Dale Wimbrow, (c) 1934

When you get what you want in your struggle for pelf,  
And the world makes you King for a day,  
Then go to the mirror and look at yourself,  
And see what that guy has to say.

For it isn't your Father, or Mother, or Wife,  
Who judgement upon you must pass.  
The feller whose verdict counts most in your life  
Is the guy staring back from the glass.

He's the feller to please, never mind all the rest,  
For he's with you clear up to the end,  
And you've passed your most dangerous, difficult test  
If the guy in the glass is your friend.

You may be like Jack Horner and "chisel" a plum,  
And think you're a wonderful guy,  
But the man in the glass says you're only a bum  
If you can't look him straight in the eye.

You can fool the whole world down the pathway of years,  
And get pats on the back as you pass,  
But your final reward will be heartaches and tears  
If you've cheated the guy in the glass.

Dale Wimbrow 1895 - 1954

Read more on [www.theguyintheglass.com](http://www.theguyintheglass.com)

