

Second-quarter 2014 highlights

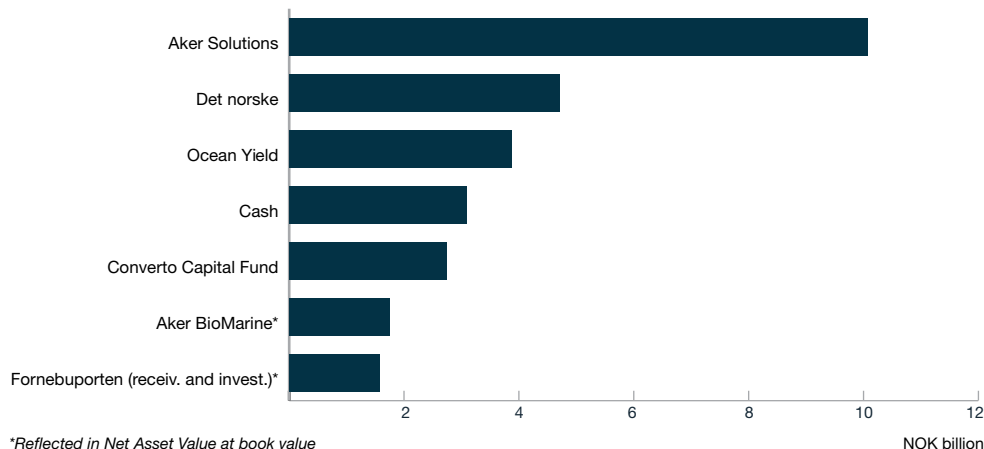
Financial key figures (Aker ASA and holding companies)

- The net asset value of Aker ASA and holding companies (Aker) rose 5.5 per cent in the second quarter to NOK 24.2 billion. Per-share net asset value (NAV) amounted to NOK 334 as of 30 June 2014, compared to NOK 317 as per 31 March 2014. In addition, a dividend of NOK 13 per share was distributed in the quarter, bringing the total NAV increase in the quarter to 10 per cent.
- Cash holdings were reduced by NOK 424 million to NOK 3.1 billion in the second quarter, primarily due to the disbursement of NOK 940 million in dividend payment to shareholders. In addition, Aker held NOK 708 million in liquid fund investments as per 30 June 2014.
- Aker received NOK 554 million in total dividend payments from its Industrial Holdings and Financial Investments in the second quarter 2014. Additionally, Aker received NOK 420 million in capital repayment from Converto, which includes proceeds from the sale of Stream announced in December 2013.
- The value of Aker's Industrial Holdings portfolio advanced to NOK 22.1 billion in the quarter, up from NOK 20.1 billion in the first quarter 2014. Aker's Financial Investments portfolio amounted to NOK 9.1 billion, compared to NOK 9.9 billion in the prior quarter.
- The value-adjusted equity ratio was 77 per cent, after dividend payment. This compares to 76 per cent as per end of the first quarter 2014, prior to dividend payment.
- The Aker share gained 32 per cent in the second quarter, adjusted for dividend. This compares to a 10 per cent advance in the Oslo Stock Exchange's benchmark index (OSEBX).

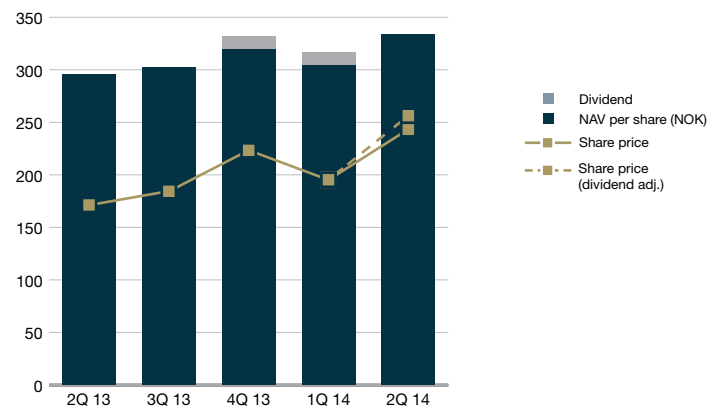
Key portfolio events

- Aker Solutions announced on 30 April 2014 the demerger of the company into two entities. The rationale for the split is to reduce the complexity of Aker Solutions and to create more streamlined companies with targeted strategies. The demerger is scheduled to be effective as of the end of September 2014 and both companies will be listed on Oslo Stock Exchange.
- Det norske oljeselskap announced on 2 June 2014 the acquisition of Marathon Norway for a cash consideration of USD 2.1 billion, based on a gross asset value of USD 2.7 billion adjusted for debt, net working capital and interest on the net purchase price. The transaction is expected to close in the fourth quarter 2014, subject to regulatory approvals.
- Aker Solutions announced on 11 July 2014 a NOK 1.6 billion write-down related to Aker Oilfield Services, which will be part of Akastor. An impairment charge of NOK 664 million was taken on the Skandi Aker and NOK 306 million on the goodwill value of Oilfield Services and Marine Assets. An impairment charge and provision due to onerous lease commitments totaling NOK 662 million was taken on the Aker Wayfarer. The after-tax effect of the impairments and provision will be about NOK 1.3 billion.

Main contributors to Aker's NOK 31.2 billion gross asset value as of 30 June 2014



Net Asset Value (NAV) per share and share price in NOK



The balance sheet and income statement for Aker ASA and holding companies (Aker) have been prepared to show the financial position as a holding company. Net asset value (NAV) is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Gross asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. The same valuation principles apply to fund investments. Net asset value is gross asset value less liabilities.

Letter from the CEO

Dear fellow shareholders,

Aker reached important industrial and financial milestones in the second quarter 2014. One was Det norske oljeselskap's acquisition of Marathon Oil Norway. What started with the establishment of Aker Exploration eight years ago, which had an enterprise value of NOK 1.3 billion when it merged with Det norske in 2009, will become one of Europe's biggest independent oil producers with an enterprise value of over NOK 30 billion. Another was the split of Aker Solutions into an integrated subsea and field design champion (the new Aker Solutions) and an oil services investment company (Akastor). The Marathon acquisition and the split of Aker Solutions are prime examples of how Aker works as an active, long-term industrial owner. We develop systematically our portfolio companies and create opportunities in accordance with their needs by leveraging Aker's industrial and financial capabilities. The close collaboration between Aker and the companies' Board of Directors and management leads to value-enhancing results that go beyond what the companies likely would have achieved on their own. Being part of the Aker group fosters ambition and creates opportunities.

Aker's performance

Aker delivered solid growth in the second quarter, increasing net asset value by 10 per cent, adjusted for dividend. The gain was primarily due to a NOK 2.4 billion increase in the underlying value of the Industrial Holdings portfolio, of which Aker Solutions contributed with NOK 1.6 billion. The value of our Financial Investments was reduced to NOK 9.1 billion, mainly due to the reduction in cash holdings after NOK 940 million was paid out in dividend to our shareholders.

With Aker Solutions' separation into two companies and Det norske's progress in resolving its funding requirements, Aker achieved two major objectives set for this year. These served as value triggers for our share price that rallied in the quarter, contracting the discount to net asset value to 28 per cent, the lowest since end of 2007.

Aker received NOK 500 million in dividend payments from its Industrial Holdings and NOK 54 million from its Financial Investments in the quarter. Additionally, NOK 117 million came in from Aker Philadelphia Shipyard's dividend payment to Convento, bringing total dividend payments year-to-date to NOK 752 million. We've previously forecast to reach a minimum of NOK 950 million in received dividend for 2014. With the recently announced dividend increase from Ocean Yield and the introduction of quarterly dividend payments by American Shipping Company (AMSC), we increase this estimate to approximately NOK 1.0 billion, providing further support for Aker's own dividend policy.

“What started off with the establishment of Aker Exploration eight years ago, which had an enterprise value of NOK 1.3 billion when it merged with Det norske in 2009, will become one of Europe's biggest independent oil producers with an enterprise value of over NOK 30 billion.”

Industrial Investments – a transformational acquisition

Det Norske's acquisition of Marathon Norway transforms it from an E&P company with an average production of 4,500 barrels of oil equivalents a day (boe/d) in 2013, to one with an estimated combined output of about 60,000 boe/d in 2014. In addition to the significant fiscal synergies between the two companies, the transaction brings a highly complementary portfolio of quality producing assets to that of Det norske. This provides Det norske with increased near-term cash flow and the foundation for long-term financing through first oil at Johan Sverdrup in late 2019. Following the transaction and the announced NOK 3.0 billion equity issue, Det norske's equity needs to finance its current working program have been resolved, providing visibility to Aker's portfolio capital requirements. Additionally, Det norske gains the operational skillset of Marathon Norway's organisation, which will be valuable as it fast-tracks into becoming a fully-fledged exploration and production company. Successfully building up Det norske's organisation to handle the greater demands it now faces from an operations and development perspective will be crucial. Going forward, the focus of the company will reside in maximising values from its producing assets, continuing to high-grade its portfolio, ensuring that the Ivar Aasen field development is successfully executed and securing its interests in the unitisation negotiations for Johan Sverdrup.

The splitting of Aker Solutions into two companies is progressing according to plan: key management positions have been filled and the organisational structures are in place. The companies have what it takes to grow in their core markets, increase margins and generate attractive returns to shareholders, and Aker intends to maintain its ownership interests in both entities, if not increase them.

Each company will face its own challenges in the market from its inception. New Aker Solutions must grapple with the slowdown in the Norwegian Maintenance, Modifications and Operations (MMO) market, which will require capacity adjustments. Akastor saw the contract for the Skandi Aker vessel cancelled, which, along with a generally weaker market, led to the write-down of the value of some of Aker Oilfield Services' assets. There is no doubt that the outlook for Light Well Intervention services will need to be re-assessed. Finding a solution to how to extract the most value from the Aker Oilfield Services business area is an task Akastor's new management will need to prioritise.

Both the weakness in the well intervention market and the slowdown in the MMO market point to bigger questions facing the oil service industry today, which is how companies such as Aker Solutions can help reduce the cost burden for its oil-producing clients while still growing themselves, and what strategies for industry growth there are in the longer term. Prior to addressing the question, it is worth putting the trend in global E&P spending into perspective. While annual growth rates have slowed down to low single digits, overall activity levels remain historically high and the outlook for segments such as Subsea remains robust. Aker Solutions sees a good pipeline of projects, most notably on the Norwegian Continental Shelf where the company is well positioned with regards to future projects of significance. But the lack of certainty and future visibility is the highest it's been in years. More final investment decisions are dragged out or postponed, amid lengthier processes seeking cost optimisation. While the biggest cost challenges that threaten field developments reside in the well and drilling space, operators are seeking to cut expenditures across the whole value chain. In order to protect its market share and ensure a growth rate that is higher than that

of the overall market, Aker Solutions has adopted a strategy centered around the development of innovative and cost efficient technology solutions, using knowledge and technology across industry segments. This includes developing more cost-effective and efficient drilling technology, systems and services, more efficient well intervention solutions, as well as continuously improving our subsea equipment and solutions. The subsea production alliance entered into with Baker Hughes in April is a note-worthy component of this strategy. The partnership will focus on developing innovative solutions for subsea production, offering integrated in-well and subsea production systems to boost output, increase recovery rates and reduce costs for subsea fields. Another important component of our strategy to reduce costs is to promote the use of more standardised and industrialised products, processes and technology, and ensuring better planning prior to construction start. This is an arena that entails close collaboration with our clients. Furthermore, the splitting of Aker Solutions will speed up the company's streamlining process, reducing costs and better positioning all parts of the group to meet the needs of our customers. By implementing these measures, we expect not only to create higher barriers to entry to our niche markets, but also to create a stronger domestic platform that will be used to grow internationally, solidify our market share and improve margins.

“This September will mark the 10-year anniversary of Aker’s listing on the Oslo Stock Exchange. Over the course of this decade we have become an investment company with an Industrial Holdings portfolio composed of major players in each of their respective sectors, and a solid balance sheet with contained funding requirements.”

Our remaining Industrial Holdings also developed in accordance with our value creation plans in the second quarter. The outlook for Kvaerner looks distinctly more promising after the company entered a frame agreement in June for the delivery of steel jacket substructures to Statoil-operated fields, including a Letter of Intent to deliver two jackets to the Johan Sverdrup development. The award is a testimony to the company's success in restructuring its business and reducing costs, while maintaining good backlog execution. Kvaerner today has an improved delivery model, which should also strengthen its position in the market for topsides and help protect margins.

Ocean Yield announced two deals in the quarter that will expand its fleet with five new vessels, and an increase in its quarterly dividend. The company thus continues to deliver on its mandate to grow and diversify its portfolio, while upholding attractive and growing returns to shareholder.

The work on assessing a potential U.S. listing for Aker BioMarine continues, with advisers hired in the

second quarter. The volatility in omega-3 ingredients sales seen in the past year has dampened and Aker's long-term outlook for the market remains positive.

This September will mark the 10-year anniversary of Aker's listing on the Oslo Stock Exchange. Over the course of this decade we have become an investment company with an Industrial Holdings portfolio composed of major players in each of their respective sectors, and a solid balance sheet with contained funding requirements. We've realised approximately NOK 25 billion in assets to date and our three-year program initiated in November 2012 to realise at least NOK 3 billion in Financial Investments is progressing according to plan. We've generated average annual shareholder returns of 29 per cent, including a total of NOK 117 per share in dividends paid out.

We go into the next decade with a more focused portfolio of companies that have the management, the strategies and the stand-alone financing in place to reach their full potential. Our sector exposure will remain as is, while we concentrate our portfolio of investments even more as we have learned that we create most value by focusing our human and financial resources. In my view, we are approaching our ten-year anniversary as a listed company with a solid foundation for continued industrial development and attractive returns to our shareholders.



Øyvind Eriksen
President and CEO

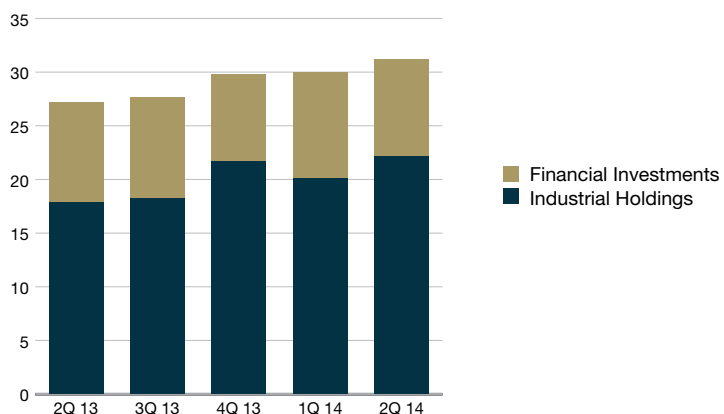
Aker ASA and holding companies

Assets and net assets value

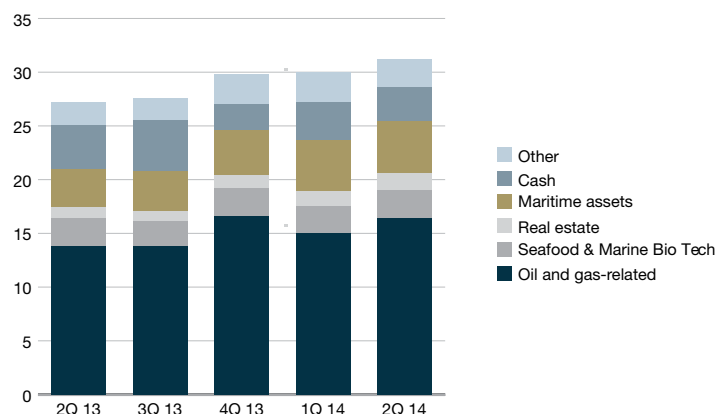
Net asset value (NAV) composition - Aker ASA and holding companies

	As of 30.06.2014		As of 31.03.2014		As of 31.12.2013	
	NOK/share	NOK million	NOK/share	NOK million	NOK/share	NOK million
Industrial Holdings	306	22 131	278	20 096	299	21 635
Financial Investments	125	9 057	137	9 921	113	8 149
Gross assets	431	31 188	415	30 017	412	29 784
Total liabilities (4Q and 1Q before dividend allocations)	(97)	(7 034)	(98)	(7 119)	(80)	(5 780)
NAV (4Q and 1Q before dividend allocations)	334	24 154	317	22 898	332	24 003
Net interest-bearing receivables/(liabilities)		(2 916)		(2 469)		(2 321)
Number of shares outstanding (million)		72 339		72 330		72 330

Gross assets (NOK billion)



Gross assets per sector (NOK billion)

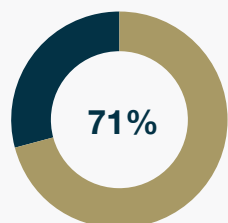


Net asset value (NAV) is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Net asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. The same valuation principles apply to fund investments. Aker's assets (Aker ASA and holding companies) consist largely of equity investments in the Industrial Holdings segment, and of cash, receivables and fund investments in the Financial Investments segment. Other assets consist mainly of intangibles and tangible fixed assets. The chart above to the right shows the composition of Aker's assets. The business segments are discussed in greater detail on pages 5-7 of this report.

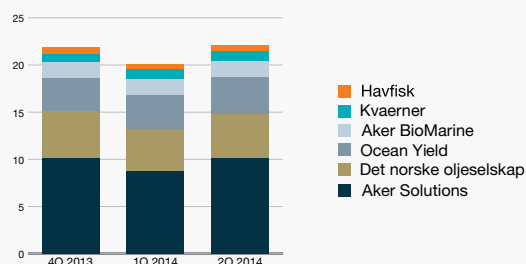
Aker – Segment information

Industrial Holdings

Share of Aker assets



Aker's Industrial Holdings (NOK billion)



Amounts in NOK million	Ownership in %	31.12.14	31.03.14	2Q 2014		30.06.14
		Value	Value	Net investments	Declared dividends	Value change
Aker Solutions	34.5	10 154	8 735	87	(380)	1 638
Det norske	50.0	4 692	4 410	-	-	302
Ocean Yield	73.2	3 409	3 606	-	(73)	348
Aker BioMarine*	99.0	1 760	1 743	-	-	-
Kvaerner	28.7	888	989	-	(47)	31
Havfisk	73.2	732	614	-	-	127
Total Industrial Holdings		21 635	20 096	87	(500)	2 447

*Reflected in net asset value at book value

The total value of Aker's Industrial Holdings rose to NOK 22.1 billion in the second quarter 2014, mainly due to an underlying value increase of NOK 2.4 billion, partly offset by dividend payments from the companies of NOK 500 million. This compares to a value of NOK 20.1 billion as of 31 March 2014 and NOK 21.6 billion as of 31 December 2013.

Of the NOK 2.4 billion underlying value increase in the second quarter, Aker Solutions contributed with NOK 1.6 billion, Det norske with NOK 302 million, Ocean Yield with NOK 348 million, Kvaerner with NOK 31 million and Havfisk with NOK 127 million.

In May, Aker acquired 891 762 shares in Aker Solutions at a price of NOK 97.75 per share following the expiration of a TRS agreement with exposure to the equivalent number of Aker Solutions shares. Following the acquisition, Aker has direct and indirect exposure to 34.5 per cent of the issued shares in Aker Solutions, of which 6.3 per cent are owned directly.

The book value of Aker's non-listed holding, Aker BioMarine, remained unchanged at NOK 1.74 billion as per 30 June 2014.

Below is a summary of Aker's view on each of its Industrial Holdings.

Aker Solutions

Aker Solutions is implementing the split of the company into two separate entities, new Aker Solutions and Akastor, scheduled for end of September 2014. New Aker Solutions will be a subsea and field design focused company, with a more streamlined and capital-light operation that should show improved earnings predictability and higher return on capital employed. The new company should also realise operational and commercial efficiencies due to a more focused business scope and simplified corporate structure. These efficiencies, added to a favorable revenue mix from a high backlog and growing service content, should support margin expansion, solid cash generation and attractive shareholder returns. While the company may experience certain short-term headwinds in the MMO segment in Norway, the growth outlook for Subsea in particular remains robust. Akastor will be an oil service investment company with an unique portfolio of assets that will be developed according to individual value creation plans. Management will have a mandate to maximise long-term shareholder value by operational and structural means, taking an opportunistic approach to value creation. The Aker Oilfield Services unit of Akastor recognised impairments and a provision of about NOK 1.6 billion in the second quarter, due to the cancellation of a contract and a generally weaker market. The market for light well intervention services has not developed as expected and alternative uses of the vessels are being considered. The write-down has no direct effect on the Aker ASA and holding companies' accounts. In the Aker ASA group accounts, the effect is lower because the group has different historical book values for some of the assets. See note 11 on page 23.

Det norske

Det norske will become a leading independent European E&P company in terms of production with the acquisition of Marathon Norway. The transaction increases output more than tenfold, thereby growing Det norske's cash flow and optimising its tax position. The company has secured a seven-year reserve based lending facility of USD 3.0 billion, which includes an additional uncommitted accordion option of USD 1.0 billion. The company will also raise the NOK equivalent of USD 500 million through a rights issue to be conducted in July 2014. Aker has pre-committed to subscribe for its pro rata share of the issue. With this, Det norske has secured its equity needs for its current work program until first production from the Johan Sverdrup field. Going forward, Det norske will focus on the successful integration of Marathon Norway, building a robust organisation capable of maximising values from producing assets and ensuring that the Ivar Aasen field development is successfully executed. The company is also dedicating significant resources to the Johan Sverdrup unitisation negotiations, to ensure that its interests are secured. From an exploration perspective, the company will continue to be an active explorer on the NCS and pursue a value-driven and focused exploration strategy. The transformation from a small to a medium-sized oil and gas producer alters the company's risk profile, heightening its sensitivity towards fluctuations in both production and oil prices.

Ocean Yield

Ocean Yield's mandate is to build a diversified portfolio of maritime assets within oil service and industrial shipping, with a focus on long-term bareboat charters to credit-worthy counterparties. The company has a target growth of minimum USD 350 million in new investments per year. It committed USD 333 million

to new investments in the first half of 2014 after entering into newbuilding contracts for three Liquefied Ethylene Gas carriers with 15-year bareboat charters and acquiring two car carriers with eight-year bareboat charters in the second quarter, and it expects to make further investments during the second half of 2014. The company also took delivery of its first newbuilding car carrier in the second quarter, which started a 12-year bareboat charter to Høegh Autoliners. The company's estimated EBITDA contract backlog stood at USD 2.0 billion and the average remaining contract tenor (weighted by EBITDA) at 7.1 years as per the end of the second quarter, providing good revenue visibility. While competition in the sale and leaseback market has intensified, demand remains healthy, providing continued opportunities for new transactions generating double-digit returns. Furthermore, the funding market for Ocean Yield has developed positively in 2014, with substantial reductions in margins for both unsecured bond loans and secured bank loans. The company aims to deliver competitive returns to shareholders through predictable and growing cash dividends, and announced an increase in its quarterly dividend payment in the second quarter.

Aker BioMarine

Aker BioMarine is an integrated biotechnology company that harvests krill, which is processed, marketed and sold as an ingredient for applications ranging from fish feed to dietary supplements. Despite recent softness in the U.S. retail market, second-quarter Superba™ Krill sales increased 11 per cent quarter on quarter. Qrill™ demand remains strong, which resulted in higher prices for the quarter. This trend is expected to continue for the remainder of the year. The new Superba™ Krill factory in Houston is on schedule to start commercial production in the second half of 2014. Aker BioMarine has established a solid platform for future growth and is well positioned to expand globally with its strong supply chain, innovative product pipeline, and stable long-term client relationships. Aker BioMarine's Trygg Pharma Group, jointly owned with Lindsay Goldberg, has a product candidate for the treatment of severe hypertriglyceridemia named AKR 963. Due to regulatory approval and commercialisation challenges that delayed the launching of the product, Trygg Pharma decided to take a write-down on AKR 963, of which Aker BioMarine's share was NOK 245 million. The write-down has no effect on the Aker ASA and holding companies' accounts (and Aker's NAV) due to headroom in the book value coming from other business areas in Aker BioMarine's portfolio.

Kvaerner

Kvaerner is improving its competitiveness on the Norwegian continental shelf. The company entered into a frame agreement for the delivery of steel jacket substructures to Statoil-operated fields in June 2014, including a Letter of Intent to deliver two jackets to the Johan Sverdrup development. The agreement is a result of Kvaerner's ongoing strategy to enhance production efficiency at its yards and develop alternative, low-cost delivery models, targeted to cut the cost base for future EPC projects by 15 per cent. The global EPC market remains active, despite the postponements of certain projects with marginal economics. The Johan Sverdrup development carries the greatest strategic importance for Kvaerner on the NCS. Exploration activity in the Arctic region is expected to provide the company with opportunities as the leading expert in concrete gravity-based structures. Kvaerner's priority is to win new contracts at sound margins, while extracting value from a high backlog of NOK 21.5 billion by delivering its projects on schedule and according to clients' specifications. The predictable deliveries of the Edvard Grieg and Martin Linge jackets, and the Eldfisk topside in the second quarter were positive in this regard.

Havfisk

Havfisk is Norway's largest white fish harvesting company, with 10 trawlers in operation and 29.6 cod licences, representing around 10 per cent of the national cod quotas. The company is working on increasing its capability of full deployment of quota volumes capacity, improving harvesting efficiency and enhancing operational flexibility. Catch efficiency and white fish prices are the most important factors for the company's bottom line. Harvesting volumes came in slightly lower than expected in the second quarter 2014 due to lower catch efficiency and a reduced number of operating days caused by seasonal maintenance work. A substantial part of the 2014 cod and haddock quotas remain to be fished after other species were prioritised in the first half of 2014, which is supportive of revenues in the second half of 2014 as white fish prices have maintained an upward trend. The average price achieved for all catches increased by 26 per cent compared with the second quarter 2013. Total fishing quotas for cod set for 2014 are on par with 2013 levels, and the outlook for overall demand for white fish continues to improve. Havfisk's Chief Executive Office Olav Holst Dyrnes resigned in May 2014 and the search for a new CEO is well underway.

Results and Returns for Listed Industrial Holdings¹⁾

	Aker Solutions		Det norske		Ocean Yield		Kvaerner		Havfisk	
	(NOK)		(NOK)		(USD)		(NOK)		(NOK)	
<i>Amounts in million</i>	2Q14	2Q13	2Q14	2Q13	2Q14	2Q13	2Q14	2Q13	2Q14	2Q13
Revenue	12 956	11 032	454	286	62	60	2 861	3 278	226	157
EBITDA ²⁾	429	786	325	143	55	51	289	165	47	32
EBITDA margin (%)	3.3	7.1	71.6	50.2	89.2	84.3	10.1	5.0	20.9	20.4
Net profit continued operations	(807)	58	167	(41)	17	20	123	80	(3)	(2)
Closing share price (NOK/share)	106.60	82.65	67.00	83.30	39.50	N/A	12.60	9.71	11.95	5.77
Quarterly return (%) ³⁾	18.7	(20.2)	6.9	(7.5)	9.6	N/A	3.2	(15.2)	20.7	(3.0)

¹⁾ The figures refer to the full results reported by the companies. Reference is made to the respective companies' quarterly reports for further details.

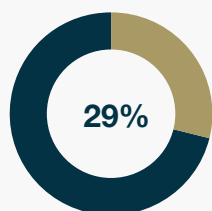
²⁾ For Det norske, EBITDAX is used. EBITDAX is Earnings before interest, taxes, depreciation and exploration expenses.

³⁾ The figures refer to total shareholder return, i.e. share price development and dividend payments.

Aker – Segment information

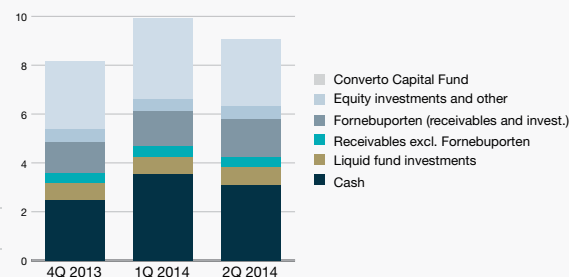
Financial Investments

Share of Aker assets



Aker's Financial Investments

(NOK billion)



	As of 30.06.2014		As of 31.03.2014		As of 31.12.2013	
	NOK/ share ¹⁾	NOK million	NOK/ share ¹⁾	NOK million	NOK/ share ¹⁾	NOK million
Cash	43	3 095	49	3 519	34	2 459
Liquid fund investments	10	708	10	708	10	707
Receivables excl. Fornebuporten	6	422	6	463	6	432
Fornebuporten (receivables and invest.)	22	1 569	19	1 407	17	1 238
Equity investments and other	7	512	7	525	7	535
Convento Capital Fund	38	2 751	46	3 300	38	2 776
Total financial investments	125	9 057	137	9 921	113	8 149

¹⁾ The investment's contribution to Aker's per share NAV.

Financial Investments comprise all of Aker's (Aker ASA and holding companies) assets – other than Industrial Holdings – including cash, receivables, shares and investments in funds. The value of Aker's financial investments amounted to NOK 9.1 billion as of 30 June 2014, compared with NOK 9.9 billion as of 31 March 2014 and NOK 8.1 billion as of 31 December 2013.

Aker's **Cash** holding decreased from NOK 3.5 billion to NOK 3.1 billion in the second quarter 2014, primarily due to the disbursement of NOK 940 million in dividend payments to shareholders in April. Additionally, Aker contributed NOK 162 million in funding to Fornebuporten and acquired shares in Aker Solutions for a total of NOK 87 million in the quarter. Aker received NOK 554 million in total dividend payments from Aker Kvaerner Holding, Aker Solutions directly, Ocean Yield and its Financial Investments, of which NOK 18 million were dividend income from Convento Capital Fund. Additionally, Convento distributed NOK 420 million to Aker in the second quarter. Of the total NOK 438 million cash contribution from Convento, NOK 117 million were proceeds from the dividend payment the fund received from AKPS and NOK 306 million were proceeds from the sale of Stream announced in December 2013.

Aker held NOK 708 million in **liquid fund investments** in the second quarter, on par with levels in the first quarter and as per year-end 2013. The value of Aker's investment in AAM Absolute Return Fund fell to NOK 355 million in the quarter, compared to NOK 365 million in the first quarter. The value of Aker's investments in the Norron Target and Norron Select funds totalled NOK 353 million, up from NOK 344 million in the prior quarter.

Aker held NOK 422 million in **Receivables** (excl. Fornebuporten) as of 30 June 2014, most of which were interest-bearing receivables from subsidiaries. This compares to total receivables of NOK 463 million as per 31 March 2014. The change is primarily due to a NOK 71 million write-down to NOK 274 million of the Setanta Energy receivable.

Aker's total exposure to **Fornebuporten** stood at NOK 1.6 billion as of 30 June 2014, of which NOK 1.4 billion represented equity investments and NOK 188 million receivables. Construction of the office and retail, and residential buildings at Fornebuporten is progressing according to plan. The total leased area stands at approximately 51 000 square meters out of a total of 67 000 square meters. Commercial lease agreements were signed with two new tenants in the second quarter for a total of approximately 3 000 square meters. Fornebuporten is in advanced discussions regarding the occupancy of an additional 8 000 square meters that is expected to close in the third quarter 2014.

Construction of Aberdeen business park, which will consist of three office buildings in phase one, is progressing according to schedule and a sales process for the first phase has been initiated. Fornebuporten expects to realise the Aberdeen buildings through a forward sale to an institutional buyer by the end of 2014.

Equity investments excluding Fornebuporten and **Other financial investments** amounted to NOK 240 million and NOK 272 million respectively, compared to NOK 240 million and NOK 285 million in the prior quarter.

Convento Capital Fund's total assets under management was reduced to NOK 2.8 billion in the second quarter, from NOK 3.3 billion in the first quarter, primarily due the capital repayment of NOK 420 million to Aker. In addition to this, the value in the share investments in Aker Philadelphia Shipyard (AKPS) declined. In June, the shipyard and financial sponsors, including American Shipping Company (AMSC), announced the establishment of a pure play Jones Act shipping company named Philly Tankers AS. The company has building contracts for two product tankers and options for an additional two, and is scheduled to be listed on the Norwegian OTC in July 2014. The fund received NOK 127 million in dividend payment from AKPS in the quarter, of which NOK 117 million were distributed to Aker.

Aker ASA and holding companies

Combined balance sheet

<i>Amounts in NOK million</i>	30.06.13	30.09.13	31.12.13	31.03.14	30.06.14
Intangible, fixed, and non-interest-bearing assets	270	267	237	243	250
Interest-bearing fixed assets	2 040	1 662	605	598	534
Investments ¹⁾	12 520	12 466	15 762	15 621	15 678
Non-interest-bearing short-term receivables	56	38	59	41	21
Interest-bearing short-term receivables	153	31	15	53	76
Cash	4 109	4 751	2 459	3 519	3 095
Assets	19 149	19 214	19 137	20 075	19 655
Equity	13 341	13 415	12 417	12 015	12 621
Non-interest-bearing debt	410	399	1 320	1 422	412
Interest-bearing debt to subsidiaries	-	-	135	-	5
Interest-bearing debt, external	5 398	5 401	5 266	6 638	6 617
Equity and liabilities	19 149	19 214	19 137	20 075	19 655
Net interest-bearing receivables (debt)	904	1 043	(2 321)	(2 469)	(2 916)

1) Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting practices (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value or cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently gains on sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognized to the extent assets are sold to third parties. Accounting principles are presented in Aker's 2013 annual report.

The total book value of assets fell in the second quarter 2014 by NOK 420 million to NOK 19.7 billion, compared to NOK 19.1 billion as of 31 December 2013.

Intangible, fixed and non-interest-bearing assets stood at NOK 250 million, compared to NOK 243 million as per end of the first quarter 2014 and NOK 237 million at year-end 2013. The main items in the category are fixtures, an aircraft and deferred tax assets.

Interest-bearing fixed assets fell to NOK 534 million in the second quarter from NOK 598 million in the first quarter and NOK 605 million as per 31 December 2013. This is mainly due to the NOK 71 million write-down in Setanta Energy.

Investments rose by NOK 57 million to NOK 15.7 billion as of 30 June 2014, primarily due to a NOK 227 million increase in the value of the directly-owned share investments in Aker Solutions, NOK 87 million invested in acquiring Aker Solutions shares and a NOK 162 million equity investment in Fornebuporten. This was reduced by NOK 420 million in capital repayment from Convento. Investments stood at NOK 15.8 billion as per year-end 2013.

Aker's **Cash** holding was reduced by NOK 424 million to NOK 3.1 billion during the second quarter. The decline is mainly due to the disbursement of NOK 940 million in dividend payment, NOK 87 million invested in Aker Solutions and NOK 162 million invested in Fornebuporten. This was partly compensated by NOK 554 million received in dividend income and NOK 420 million in capital repayment from Convento.

Equity stood at NOK 12.6 billion at the end of the second quarter, compared to NOK 12 billion as per 31 March 2014 and NOK 12.4 billion as per 31 December 2013. The increase is due to Aker posting a net profit before tax of NOK 609 million in the quarter.

Non-interest-bearing debt stood at NOK 412 million at the end of the second quarter, compared to NOK 1.4 billion in the prior quarter and NOK 1.3 billion as per year-end 2013. The change is primarily due to the payment of NOK 940 million in dividend to shareholders in April.

Interest-bearing debt, external amounted to NOK 6.6 billion in the second quarter, on par with first quarter levels and up from NOK 5.3 billion as per year-end 2013.

Aker ASA and holding companies

Combined income statement

<i>Amounts in NOK million</i>	2Q 13	1Q 14	2Q 14	1H 13	1H 14	Year 2013
Operating expenses	(57)	(58)	(50)	(109)	(108)	(236)
EBITDA¹⁾	(57)	(58)	(50)	(109)	(108)	(236)
Depreciation and amortisation	(4)	(4)	(4)	(7)	(7)	(14)
Non recurring operating items	-	(37)	-	-	(37)	-
Value change	281	(257)	227	409	(30)	252
Net other financial items	477	(48)	436	497	388	822
Profit/(loss) before tax	697	(403)	609	790	206	825

¹⁾ EBITDA = Earnings before interest, tax, depreciation and amortisation.

The income statement for Aker ASA and holding companies shows a pre-tax profit of NOK 609 million for the second quarter of 2014, compared to a NOK 403 million loss in the prior quarter. The NOK 206 million in profit before tax for the first half of 2014 compares to a NOK 790 million profit in the first half of 2013. The income statement for the second quarter 2014 is mainly affected by value changes in the share investments and dividends received.

Operating expenses in the quarter were NOK 50 million compared to NOK 58 million in the prior quarter. This compares to NOK 109 million in operating expenses in the first half of 2013.

Value change in the second quarter stood at NOK 227 million, reflecting the increased value in Aker's 6.3 per cent direct holding in Aker Solutions. This partly compensated for the NOK 249 million negative value change in the Aker Solutions investment in the first quarter. The negative value change of NOK 30 million in the first half of 2014 compares to a NOK 409 million value increase in the first half of 2013.

Net other financial items during the second quarter amounted to NOK 436 million, compared to negative NOK 48 million in the prior quarter. The gain is primarily related to receiving NOK 554 million in dividends, and was reduced by a NOK 71 million write-down of the Setanta Energy receivable. Net other financial items for the first half of 2013 stood at NOK 497 million.

Treasury shares and number of shares

As per 30 June 2014, the total number of shares in Aker amounted to 72 374 728 and the number of outstanding shares was 72 338 900. As per 17 July 2014, Aker ASA held 35 828 own shares.

Group consolidated accounts

The Aker Group's consolidated accounts are presented from page 12 onwards. As of the first quarter of 2014, Aker Solutions and Kvaerner are treated as subsidiaries in Aker's consolidated financial statements following the implementation of IFRS 10. Detailed information on revenues and pre-tax profit for each of Aker's operating segments is included in note 9 on page 22 of this report.

Risks

Aker ASA and each Aker company are exposed to various forms of market, operational, and financial risks. Rather than diversifying risk by spreading investments across many different industries, Aker is focused on sectors in which the company possesses special expertise. The company has established a model for risk management, based upon identifying, assessing and monitoring major financial, strategic and operational risks in each business segment, drawing up contingency plans for those risks and attending to the implementation and supervision of their management. The identified risks and how they are managed are reported to the Aker Board on a regular basis.

The main risks that the group and the Parent Company are exposed to are related to the value changes of the listed assets due to market price fluctuations, and unexpected developments in the companies' capital expenditures. The development of the global economy, and energy prices in particular, are important variables in assessing near-term market fluctuations.

The companies in Aker's Industrial Holdings are, like Aker, exposed to commercial risks, financial risks and market risks. In addition these companies, through their business activities within their respective sectors, are also exposed to legal/regulatory risks and political risks, for example political decisions on petroleum taxes and environmental regulations.

Aker's risk management, risks and uncertainties are described in the Annual Report for 2013. No significant changes have occurred subsequently, aside from changes in current macroeconomic conditions and related risks.

Key events after the balance sheet date

After the close of the second quarter 2014, the following events occurred that affect Aker and the company's investments:

- On 8 July, Det norske oljeselskap announced that it had signed a reserve-based lending facility (RBL Facility), fully underwritten by BNP Paribas, DNB, Nordea and SEB. The RBL Facility is a senior secured seven-year USD 3.0 billion facility and includes an additional uncommitted accordion option of USD 1.0 billion. This long-term facility will replace the USD 2.2 billion acquisition bridge facility upon closing of the Marathon Oil Norway acquisition and refinance Det norske's current revolving credit facility.
- On 9 July, Det norske oljeselskap announced the key terms for the company's rights issue, which starts on 15 July and closes on 29 July. The share capital of the company will be increased by NOK 61.9 million through an issue of 61.9 million new shares. The subscription price is set at NOK 48.50 per offer share, and the company expects the rights issue to result in gross proceeds of NOK 3.0 billion. Aker will exercise its subscription rights for 30.9 million new shares in the rights issue.

Outlook

Investments in listed shares comprised some 73 per cent of the company's assets as per 30 June 2014. About 53 per cent of Aker's asset value was invested in the oil and gas sector. Maritime assets represented 16 per cent, seafood and marine biotechnology 8 per cent, cash and liquid fund investments 12 per cent, real estate development 5 per cent, while other assets amounted to 6 per cent. Growth of Aker's NAV will thus be influenced by fluctuations in crude oil prices and developments on the Oslo Stock Exchange.

The companies in Aker's portfolio are well positioned to benefit from the expected long-term growth in demand for energy, seafood and omega-3 based products.

Aker expects global spending on offshore exploration and production to flatten in the short-term, albeit at relatively high levels. Exploration and production activity on the Norwegian Continental Shelf remains at historically high levels, with petroleum investments projected to reach a record NOK 232 billion in 2014, according to Statistics Norway (SSB). However, investments on the NCS are forecast to drop by 21 per cent in 2015. Norway remains the foundation of Aker's energy exposure. Globally in the longer term, Aker forecasts annual growth rates of 8–10 per cent, driven by the subsea and deepwater market segments. Aker therefore has a positive long-term view on the E&P and offshore oil services sector, while positioning itself to weather short to medium term slowdown in activity, marked by delayed or cancelled investment decisions, greater focus on cost-effective solutions and intensified competition.

The market for white fish continues to improve, led by solid demand for cod, and the biomass availability for white fish is expected to remain good. The volatility in omega-3 ingredients sales seen in the past year is dampening and Aker's long-term outlook for the market remains positive.

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 primarily to promote the development of the companies in its portfolio, but also to consider new investment opportunities within the current sectors it is exposed to.

Oslo, 17 July 2014

Board of Directors and President and CEO

Financial calendar 2014

14 November Presentation of 3Q 2014

For more information:

Lars Kristian Kildahl
Head of Investor Relations
Office: +47 24 13 00 61
E-mail: lars.kildahl@akerasa.com

Atle Kigen
Head of Corporate Communication
Office: +47 24 13 00 08
E-mail: atle.kigen@akerasa.com

Address:

Fjordalléen 16, P O Box 1423 Vika, 0115 Oslo, Norway
Phone: +47 24 13 00 00 Fax: + 47 24 13 01 01
www.akerasa.com

Ticker codes:

AKER NO in Bloomberg
AKER.OL in Reuters

This report was released for publication at 07:00 CET on 18 July 2014.
The report and additional information is available on www.akerasa.com

Aker group

Condensed consolidated financial statements for the first half 2014

Consolidated income statement

Amounts in NOK million	Note	2Q	2Q	January-June		Year
		2014	2013	2014	2013	2013
			Restated*	Restated*	Restated*	
Operating revenues	9	17 370	15 603	33 346	30 195	61 382
Operating expenses		(15 347)	(14 455)	(29 675)	(27 969)	(57 099)
Operating profit before depreciation and amortisation		2 023	1 148	3 671	2 226	4 283
Depreciation and amortisation	10	(675)	(691)	(1 373)	(1 228)	(2 722)
Impairment changes and non-recurring items	11	(1 145)	(410)	(1 145)	(418)	(1 218)
Operating profit		203	47	1 153	581	343
Net financial items		(397)	132	(812)	(184)	(867)
Share of earnings in associated companies	9	(292)	(27)	31	(47)	177
Profit before tax	9	(487)	151	372	350	(347)
Income tax expense		48	254	55	376	1 613
Net profit/loss from continuing operations		(438)	405	427	726	1 266
Discontinued operations:						
Profit and gain on sale from discontinued operations, net of tax	12	(27)	61	2 777	71	468
Profit for the period		(466)	467	3 205	797	1 734
Equity holders of the parent		(311)	348	1 117	457	759
Minority interests		(154)	119	2 088	341	975
Average number of shares outstanding (million)	7	72.3	72.3	72.3	72.3	72.3
Basic earnings and diluted earnings per share continuing business (NOK)		(4.19)	4.55	2.71	5.98	8.64
Basic earnings and diluted earnings per share (NOK)		(4.30)	4.81	15.44	6.32	10.49

*) See Note 4

Consolidated statement of comprehensive income

Amounts in NOK million	2Q	2Q	January-June		Year
	2014	2013	2014	2013	2013
		Restated*	Restated*	Restated*	Restated*
Profit for the period	(466)	467	3 205	797	1 734
Other comprehensive income, net of income tax:					
Items that will not be reclassified to income statement:					
Defined benefit plan actuarial gains (losses)	-	-	(1)	-	(6)
Defined benefit plan actuarial gains (losses) in associated companies	2	-	1	-	3
Items that will not be reclassified to income statement	2	-	-	-	(3)
Items that may be reclassified subsequently to income statement:					
Changes in fair value of financial assets	(1)	116	7	158	395
Changes in fair value cash flow hedges	(308)	70	(409)	126	269
Change in fair value of available for sale financial assets transferred to profit and loss	18	(15)	39	(16)	(145)
Currency translation differences	502	445	299	877	1 508
Change in other comprehensive income from associated companies	-	-	-	1	-
Items that may be reclassified subsequently to income statement	212	615	(64)	1 146	2 027
Other comprehensive income, net of income tax	214	615	(63)	1 146	2 024
Total comprehensive income for the period	(251)	1 082	3 141	1 943	3 757
Attributable to:					
Equity holders of the parent	(183)	749	1 203	1 139	1 714
Minority interests	(69)	332	1 938	804	2 043
Total comprehensive income for the period	(251)	1 082	3 141	1 943	3 757

Consolidated cash flow statement

Amounts in NOK million	Note	2Q	2Q	January-June		Year
		2014	2013 Restated*	2014	2013 Restated*	2013 Restated*
Profit before tax		(487)	151	372	350	(347)
Depreciation and amortisation		675	691	1 373	1 228	2 722
Other items and changes in other operating assets and liabilities		1 756	1 583	(1 254)	(1 257)	3 360
Net cash flow from operating activities		1 945	2 426	491	321	5 735
Proceeds from sales of property, plant and equipment	10	157	462	161	456	1 341
Proceeds from sale of shares and other equity investments		4	71	4	103	308
Disposals of subsidiary, net of cash disposed		462	(12)	5 833	-	4
Acquisition of subsidiary, net of cash acquired		(87)	(5)	(167)	(1 051)	(1 241)
Acquisition of property, plant and equipment	10	(2 892)	(2 341)	(4 689)	(4 590)	(9 608)
Acquisition of equity investments in other companies		(27)	(25)	(149)	(136)	(2 035)
Net cash flow from other investments		47	(126)	422	(184)	222
Net cash flow from investing activities		(2 336)	(1 975)	1 416	(5 402)	(11 009)
Proceeds from issuance of interest-bearing debt	8	1 731	3 260	4 927	8 789	14 733
Repayment of interest-bearing debt	8	(2 173)	(1 040)	(6 671)	(1 238)	(6 625)
New equity		-	-	395	1	878
Own shares		5	76	5	76	81
Dividends paid		(1 921)	(1 814)	(1 948)	(1 814)	(1 946)
Net cash flow from financing activities		(2 359)	482	(3 292)	5 814	7 120
Net change in cash and cash equivalents		(2 749)	933	(1 385)	733	1 846
Effects of changes in exchange rates on cash		127	(8)	109	70	125
Cash and cash equivalents at the beginning of the period		11 070	7 631	9 724	7 754	7 754
Cash and cash equivalents at end of period		8 448	8 557	8 448	8 557	9 724

*) See Note 4

Consolidated balance sheet

Amounts in NOK million	Note	At 30.06	At 30.06	At 31.12	At 01.01
		2014	2013 Restated*	2013 Restated*	2013 Restated*
Assets					
Non-current assets					
Property, plant & equipment	10	27 683	25 847	25 874	23 167
Intangible assets	10	17 455	17 965	17 289	16 254
Deferred tax assets		1 959	1 336	2 082	1 256
Investment in equity accounted companies		964	994	1 321	1 119
Other shares		1 862	1 680	1 491	1 363
Interest-bearing long-term receivables		1 923	2 343	2 066	2 206
Calculated tax receivable		415	576	-	-
Other non-current assets		456	430	265	305
Total non-current assets		52 716	51 171	50 389	45 670
Current assets					
Inventory, trade and other receivables		26 798	28 228	26 633	23 704
Calculated tax receivable		1 617	1 515	1 647	1 442
Interest-bearing short-term receivables		535	261	934	449
Cash and bank deposits		8 448	8 557	9 724	7 754
Total current assets		37 398	38 560	38 938	33 349
Assets classified as held for sale	12	744	-	4 417	-
Total assets		90 859	89 732	93 743	79 019
Equity and liabilities					
Paid in capital		2 025	2 025	2 025	2 001
Retained earnings and other reserve		6 819	6 915	6 568	6 508
Total equity attributable to equity holders of the parent	7	8 845	8 940	8 593	8 509
Minority interest		21 182	18 880	19 910	19 122
Total equity		30 026	27 820	28 503	27 631
Non-current liabilities					
Interest-bearing loans	8	26 408	24 122	25 214	18 416
Deferred tax liability		3 269	3 801	3 554	3 481
Provisions and other long-term liabilities		3 000	3 242	3 114	3 214
Total non-current liabilities		32 677	31 165	31 881	25 111
Current liabilities					
Short-term interest-bearing debt	8	2 576	5 658	5 564	3 299
Tax payable, trade and other payables		25 530	25 089	26 620	22 978
Total current liabilities		28 105	30 747	32 184	26 277
Total liabilities		60 782	61 912	64 065	51 388
Liabilities classified as held for sale	12	50	-	1 176	-
Total equity and liabilities		90 859	89 732	93 743	79 019

Consolidated statement of changes in equity

<i>Amounts in NOK million</i>	Total paid-in capital	Translation reserve	Fair value reserves	Hedging reserves	Total translation and other reserves	Retained earnings	Total equity of equity holders of the parent	Minority interests	Total equity
Balance as at 31 December 2012 - as previously reported	2 001	(758)	207	(14)	(565)	8 024	9 460	9 350	18 810
Impact of changes in accounting policies	-	-	-	-	-	(951)	(951)	9 772	8 821
Balance as at 1 January 2013 - restated	2 001	(758)	207	(14)	(565)	7 073	8 509	19 122	27 631
Profit for the year	-	-	-	-	-	759	759	975	1 734
Other comprehensive income	-	674	202	90	966	(11)	955	1 069	2 024
Total comprehensive income	-	674	202	90	966	748	1 714	2 043	3 757
Transactions with owners, recognised directly in equity:									
Dividends	-	-	-	-	-	(868)	(868)	(1 078)	(1 946)
Own shares	1	-	-	-	-	3	4	-	4
Share-based payment transactions	-	-	-	-	-	(6)	(6)	-	(6)
Subsidiary companies' acquisition of own shares and new equity	-	-	-	-	-	34	34	43	77
Total transactions with owners, recognised directly in equity	1	-	-	-	-	(837)	(836)	(1 035)	(1 871)
Changes in ownership in subsidiaries without loss of control:									
New minority, acquisition of minority	23	-	-	-	-	(795)	(772)	(1 080)	(1 852)
Issuance of shares in subsidiary	-	-	-	-	-	(22)	(22)	898	877
Total changes in ownership of subsidiaries without loss of control	23	-	-	-	-	(817)	(793)	(181)	(975)
Downward sale of shares in subsidiaries	-	-	-	-	-	-	-	(41)	(41)
Balance as at 31 December 2013	2 025	(84)	409	76	401	6 167	8 593	19 910	28 503
Profit for the period	-	-	-	-	-	1 117	1 117	2 088	3 205
Other comprehensive income	-	131	75	(121)	86	1	86	(150)	(63)
Total comprehensive income	-	131	75	(121)	86	1 118	1 203	1 938	3 141
Transactions with owners, recognised directly in equity:									
Dividends	-	-	-	-	-	(940)	(940)	(1 008)	(1 948)
Own shares	-	-	-	-	-	2	2	-	2
Share-based payment transactions	-	-	-	-	-	3	3	-	3
Subsidiary companies' acquisition of own shares and new equity	-	-	-	-	-	(7)	(7)	(3)	(10)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	(943)	(943)	(1 011)	(1 953)
Change in ownership of subsidiary without loss of control:									
New minority, acquisition of minority	-	-	-	-	-	(15)	(15)	(50)	(66)
Issuance of shares in subsidiary	-	-	-	-	-	6	6	395	401
Total changes in ownership of subsidiaries without loss of control	-	-	-	-	-	(10)	(10)	345	335
Balance as at 30 June 2014	2 025	47	484	(45)	487	6 333	8 845	21 182	30 026
Balance as at 31 December 2012 - as previously reported	2 001	(758)	207	(14)	(565)	8 024	9 460	9 350	18 810
Impact of changes in accounting policies	-	-	-	-	-	(951)	(951)	9 772	8 821
Balance as at 1 January 2013 - restated	2 001	(758)	207	(14)	(565)	7 073	8 509	19 122	27 631
Profit for the period	-	-	-	-	-	457	457	341	797
Other comprehensive income	-	458	194	30	682	-	682	463	1 146
Total comprehensive income	-	458	194	30	682	457	1 139	804	1 943
Transactions with owners, recognised directly in equity:									
Dividends	-	-	-	-	-	(868)	(868)	(941)	(1 809)
Own shares	1	-	-	-	-	3	4	-	4
Share-based payment transactions	-	-	-	-	-	(5)	(5)	-	(5)
Subsidiary companies' acquisition of own shares and new equity	-	-	-	-	-	21	21	35	56
Total transactions with owners, recognised directly in equity	1	-	-	-	-	(849)	(848)	(905)	(1 753)
Changes in ownership share in subsidiaries without loss of control:									
New minority, acquisition of minority	23	-	-	-	-	117	140	(140)	-
Total changes in ownership of subsidiaries without loss of control	23	-	-	-	-	117	140	(140)	-
Balance as at 30 June 2013	2 025	(300)	401	16	117	6 798	8 940	18 880	27 820

Notes to the Aker's condensed consolidated financial statements for the first half 2014

1. Introduction – Aker ASA

Aker ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the first half of 2014, ended 30 June 2014, comprise Aker ASA and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities. As a consequence of the implementation of IFRS 10, Aker Solutions and Kvaerner are now included as subsidiaries. See more about the change in the notes below, especially note 4.

The consolidated financial statements of the Group as at and for the year ended 31 December 2013 and quarterly reports are available at www.akerasa.com.

2. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the Norwegian additional requirements in the Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013. Please note that in those consolidated financial statements, Aker Solutions and Kvaerner were considered associates under IAS 27 and hence not consolidated.

Due to the consequences of the implementation of IFRS 10 described in note 4, some information relevant with regards to Aker Solutions and Kvaerner has been provided in the notes below as the information was not provided in the Aker ASA annual financial statements for 2013.

These condensed consolidated interim financial statements were approved by the Board of Directors on 17 July 2014.

A number of standards, amendments to standards and interpretations are not yet effective for the period ended 30 June 2014, and have not been applied in preparing these consolidated financial statements:

- The implementation of IFRS 9 Financial Instruments may result in certain amendments to the measurement and classification of financial instruments. The time of implementation for IFRS 9 has been postponed (it is expected to be set to 1 January 2017 or 2018 some time during 2014).
- Implementation of IFRS 15 Revenue from Contracts with Customers is mandatory from 1 January 2017. The implementation may result in certain changes in recognition of revenue. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (i.e. payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (e.g. service revenue and contract modifications) and improve guidance for multiple-element arrangements.

3. Significant accounting principles

The group has as of 1 January 2014 implemented IFRS 10 Consolidated Financial statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities, in addition to amendments to the standards IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. See note 4 for description.

The group's accounting principles are described in the Aker ASA annual financial statements for 2013. The implementation of IFRS 10 (see note 4) and the consolidation of Aker Solutions and Kvaerner has not resulted in any material changes to the group's other accounting principles. However, due to the nature of the business in Aker Solutions and Kvaerner, some accounting principles have been described in more detail. Updated descriptions of these accounting principles are provided below.

Presentation of investments in associates and jointly controlled entities

The purpose of the investment determines where the profits and losses arising from the investment are presented in the income statement. When entities are formed to share risk in executing a project or are closely related to Aker's operating activities, the share of the profit or loss is reported as part of Other income in operating profit. Share of the profit and loss of financial investments is reported as part of Financial items.

Assets held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale or distribution in its present condition. Management must be committed to the sale or distribution, which should be expected to qualify for recognition as a completed sale or distribution within one year from the date of classification. Non-current assets and disposal groups classified as held for sale or distribution are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale or distribution are not depreciated or amortised, but are considered in the overall impairment testing of the disposal group. No reclassifications are made for years prior to the year a business is first classified as a held for sale or distribution.

Revenue recognition for construction contracts

Construction contract revenues are recognised using the percentage of completion method. Stage of completion is determined by the method that measures reliably the work performed. Depending on the nature of the contract, the two main methods used by Aker to assess stage of completion are technical completion, or contract costs incurred to date compared to estimated total contract costs. When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. The revenue recognised in one period will be the revenues attributable to the period's progress and the progress to date effect of any changes to the estimated final outcome. Losses on contracts are fully recognised when identified.

Contract revenues include variation orders and incentive bonuses when it is probable that they will result in revenue that can be measured reliably. Disputed amounts and claims are only recognised when negotiations have reached an advanced stage, customer acceptance is highly likely and the amounts can be measured reliably. Options for additional assets are included in the contract when exercised by the buyer. In the rare circumstances that the option is a loss contract, the full loss is recognised when it is probable that the options will be exercised.

Other income

Gains and losses resulting from acquisition and disposal of businesses which do not represent discontinued operations are included in Other income within operating profit. Such gains may result from the remeasurement of a previously held interest in the acquired entity. Changes in the fair value of the contingent consideration from acquisition of a subsidiary or non-controlling interest are recognised in Other income as gains or losses.

Share of profit from associated companies and jointly controlled operations, to the extent that these investments are related to the group's operating activities, are included in Other income within operating profit, as well as gains and losses related to the sale of operating assets. Other income also includes lease income from investment property.

Investment property

Investment property is carried at its cost less accumulated depreciation and impairment losses.

4. Changes in accounting policies

IFRS 11 Joint Arrangements

The implementation of IFRS 11 had no material effect on the group financial statements.

IFRS12 Disclosures of Interests in Other Entities

The group expects to expand the note on subsidiaries, jointly controlled entities and associated companies with additional information.

IFRS 10 Consolidated Financial Statements – consolidation of Aker Solutions and Kvaerner

As at the end of 2006, Aker ASA ("Aker") owned 50.1 per cent of Aker Kværner ASA (now Aker Solutions ASA – "AKSO"), and the company was fully consolidated in Aker's consolidated financial statements for 2006. In January 2007, Aker reduced its ownership interest from 50.1 per cent to 40.1 per cent, and AKSO was therefore treated as an associated company and recorded in Aker's consolidated financial statements in accordance with the equity method as from this date. In December 2007, the ownership interest in AKSO was transferred to Aker Holding AS (now Aker Kværner Holding AS – "AKH"), and 40 per cent of the shares in AKH were sold to the Norwegian State (30 per cent) and SAAB/Investor (10 per cent). In 2011, Aker purchased 10 per cent of the shares in AKH from SAAB/Investor, and since then has owned 70 per cent of AKH, while the Norwegian State owns the remaining 30 per cent. AKH is treated as a subsidiary in Aker's consolidated financial statements. Since the demerger of Kvaerner from AKSO in 2011, AKH has owned 40.3 per cent of the shares in AKSO and 41.0 per cent of the shares in Kværner ASA (Kvaerner). Following a transaction in November 2013, Aker also owned 6 per cent of AKSO directly, giving Aker a "consolidated" ownership interest in AKSO of 46.3 per cent as at 31 December 2013. In addition, Aker ASA in May 2014 acquired 0.3 per cent in AKSO, bringing the "consolidated" ownership interest up to 46.6 per cent.

Accounting under IAS 27

The investments in AKSO and Kvaerner were treated as associated companies, and pursuant to IAS 27 were recorded in accordance with the equity method in Aker's consolidated financial statements for 2013.

Since the implementation of IFRS in Europe in 2005, uncertainty has remained about whether the control assessment under IAS 27 shall be based on existing legal rights or whether "de facto control" must also be taken into consideration. In October 2005, the IASB issued a statement clarifying that IAS 27 is, in principle, intended to include de facto control. The statement is the only one the IASB has ever issued in this form, and is marked by the haste that surrounded the implementation of IFRS in Europe at that time. Since plans already existed at the time to issue an entirely new standard on consolidation (IFRS 10), the IASB statement was not followed by specific guidance. The statement was criticised, and in the autumn of 2006 the Federation of European Accountants (FEE) asked the interpretation body IFRIC to provide concrete guidance to facilitate consistent practice in the area. No such interpretation was given.

Accordingly, during the period 2005 to 2013, companies have had to deal with the fact that the concept of de facto control exists under IAS 27, but have had great freedom to define their own accounting practice to implement this term. Practice has shown that very few companies have concluded that de facto control exists in cases involving an ownership interest smaller than 48 per cent to 49 per cent. In accordance with this practice, Aker's accounting principle has been that de facto control is deemed to exist only in highly marginal cases where the ownership interest is just below 50 per cent and ownership is otherwise dispersed. This principle has led to the conclusion that the increase in Aker's ownership interest in AKSO to 46.3 per cent as from the end of November 2013 does not imply de facto control in 2013 pursuant to IAS 27.

Accounting under IFRS 10

Unlike the practice under IAS 27, IFRS 10 is more focused on the financial realities than the size of the legal ownership interest. IFRS 10 contains a new definition of control, which must be applied when an investor is to assess whether an investment must be consolidated in the consolidated financial statements. Control requires three elements:

- 1) ownership interests give the investor power to direct the relevant activities of the investee,
- 2) the investor is exposed to variable returns from the investee, and
- 3) decision-making power allows the investor to affect its variable returns from the investee.

The board and management of Aker have considered whether the company's indirect ownership interest in AKSO and Kvaerner is sufficient to give it de facto control under IFRS 10. The primary consideration has been whether Aker is able to control the outcome of voting at the companies' general meetings. After careful consideration of this question based on both the absolute and relative ownership interests and attendance at previous general meetings of AKSO/Kvaerner and comparable companies, Aker has concluded that such control exists.

Consideration has also been given to all other relevant factors mentioned in IFRS 10 that may help to illuminate the question of control further. Factors indicating that Aker has control include Aker's representation on the nomination committees, the fact that leading employees have previously worked for Aker, the fact that the companies themselves consider Aker an active owner, etc. The fact that Øyvind Eriksen is the executive board chairman of AKSO is a further argument in favour of Aker having de facto

control over AKSO. On the other hand, in isolation, the shareholder's agreement with the Norwegian State relating to the holding company Aker Kværner Holding AS is a factor in favour of Aker not having control.

Based on an overall assessment, the conclusion is that Aker does have de facto control over both AKSO and Kvaerner. Further, Aker has concluded that, based on an IFRS 10 assessment, this de facto control has existed since before the reduction in ownership in 2007. Accordingly, AKSO and Kvaerner are treated as subsidiaries in Aker's consolidated financial statements following implementation of IFRS 10 on 1 January 2014. In accordance with the transition requirements of IFRS 10, the consolidated financial statements for 2014 contains comparative figures for 2013 that are restated as though control has existed since before the previously discussed reduction in ownership in 2007.

Change of accounting principles for intangible assets – fishing licenses

As part of its supervision of listed companies, the Financial Supervisory Authority of Norway in 2013 performed a review of the subsidiary Havfisk.

Havfisk owns both fishing licences without time limits, and fishing licenses subject to time limits of 20 to 25 years due to structuring ("structured quotas"). Havfisk also owns quotas that are not part of the structuring process. Since these quotas are unlimited in time, they have not been depreciated. Neither has any depreciation previously been made on the structured quotas, as it is expected that Havfisk

at the end of the structuring period will maintain approximately the same catch capacity as before the structuring. According to the Financial Supervisory Authority of Norway's assessment, the structural quotas have a specified lifetime and must be depreciated.

The board and management of Havfisk consider the previous practice to better reflect the underlying reality. However, the company accepts that the Financial Supervisory Authority and Expert Committee has come to a different conclusion. As a consequence, Havfisk has changed its accounting principles for intangible assets in the form of depreciation of structural quotas. Aker has restated the consolidated accounts for 2013 accordingly. The yearly depreciation increases by approximately NOK 18 million due to the change. As a result of the change, the opening balance of intangible assets at 1 January 2013 is reduced with NOK 87 million compared to what is reported in the annual accounts for 2013.

The effect on Aker's consolidated financial statements

The consolidation of AKSO and Kvaerner has a considerable effect on Aker's consolidated financial statements. In addition the corrections from Havfisk described above are included in Aker's restated figures. The main effects on Aker's group figures for 2Q 2013, first-half 2013 and the year 2013 are given below.

Income Statement

Amounts in NOK million	2Q 2013			January-June 2013			Year 2013		
	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated
Operating revenues	1 921	13 681	15 603	4 102	26 093	30 195	8 086	53 296	61 382
Operating expenses	(1 689)	(12 767)	(14 455)	(3 633)	(24 337)	(27 969)	(7 801)	(49 298)	(57 099)
Operating profit before depreciation and amortisation	233	915	1 148	470	1 756	2 226	284	3 999	4 283
Depreciation and amortisation	(376)	(315)	(691)	(627)	(601)	(1 228)	(1 415)	(1 307)	(2 722)
Impairment changes and non-recurring items	(49)	(361)	(410)	(57)	(361)	(418)	(836)	(382)	(1 218)
Operating profit	(192)	239	47	(214)	795	581	(1 967)	2 310	343
Net financial items	171	(39)	132	22	(206)	(184)	(310)	(557)	(867)
Share of earnings in associated companies	81	(109)	(27)	201	(248)	(47)	979	(802)	177
Profit before tax	61	91	151	10	340	350	(1 297)	950	(347)
Income tax expense	313	(59)	254	541	(164)	376	2 129	(516)	1 613
Net profit/loss from continuing operations	374	31	405	550	176	726	832	434	1 266
Discontinued operations:									
Profit and gain on sale from discontinued operations, net of tax	-	61	61	-	71	71	-	468	468
Profit for the period	374	93	467	550	247	797	832	902	1 734
Equity holders of the parent	356	(8)	348	473	(16)	457	791	(32)	759
Minority interests	18	101	119	77	263	341	41	934	975
Average number of shares outstanding (million)	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3
Basic earnings and diluted earnings per share continuing business (NOK)	4.92	(0.38)	4.55	6.54	(0.56)	5.98	10.94	(2.30)	8.64
Basic earnings and diluted earnings per share (NOK)	4.92	(0.11)	4.81	6.54	(0.23)	6.32	10.94	(0.45)	10.49

Statement of comprehensive income

<i>Amounts in NOK million</i>	2Q 2013			January-June 2013			Year 2013		
	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated
Profit for the period	374	93	467	550	247	797	832	902	1 734
Other comprehensive income, net of income tax:									
Items that will not be reclassified to income statement:									
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-	(19)	13	(6)
Defined benefit plan actuarial gains (losses) in associated companies	-	-	-	-	-	-	9	(6)	3
Items that will not be reclassified to income statement	-	-	-	-	-	-	(10)	7	(3)
Items that may be reclassified subsequently to income statement:									
Changes in fair value of financial assets	204	(88)	116	231	(73)	158	346	49	395
Changes in fair value cash flow hedges	(13)	83	70	(13)	139	126	(22)	291	269
Change in fair value of available for sale financial assets transferred to profit and loss	(15)	-	(15)	(16)	-	(16)	(145)	-	(145)
Currency translation differences	144	301	445	311	566	877	372	1 136	1 508
Change in other comprehensive income from associated companies	125	(125)	-	260	(259)	1	632	(633)	-
Items that may be reclassified subsequently to income statement	445	170	615	773	373	1 146	1 184	843	2 027
Other comprehensive income, net of income tax	445	170	615	773	373	1 146	1 174	850	2 024
Total comprehensive income for the period	818	263	1 082	1 323	620	1 943	2 006	1 752	3 757
Attributable to:									
Equity holders of the parent	758	(9)	749	1 156	(17)	1 139	1 746	(32)	1 714
Minority interests	60	272	332	167	637	804	260	1 784	2 043

Balance sheet

	30.06.2013			31.12.2013			01.01.2013		
	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated
<i>Amounts in NOK million</i>									
ASSETS									
Property, plant and equipment	14 693	11 154	25 847	15 394	10 480	25 874	12 562	10 605	23 167
Intangible assets	8 071	9 894	17 965	7 637	9 652	17 289	7 802	8 451	16 254
Deferred tax assets	396	940	1 336	1 167	915	2 082	347	909	1 256
Investment in equity accounted companies	6 547	(5 553)	994	9 135	(7 814)	1 321	6 442	(5 323)	1 119
Other shares and funds	931	749	1 680	837	654	1 491	787	576	1 363
Interest-bearing long-term receivables	1 597	746	2 343	1 904	162	2 066	1 483	723	2 206
Calculated tax receivable	576	-	576	-	-	-	-	-	-
Other non-current assets	343	87	430	228	37	265	279	26	305
Total non-current assets	33 154	18 017	51 171	36 303	14 086	50 389	29 702	15 968	45 670
Inventory, trade and other receivables	2 113	26 115	28 228	2 249	24 383	26 633	2 089	21 614	23 704
Calculated tax receivable	1 296	219	1 515	1 448	199	1 647	1 283	159	1 442
Interest-bearing short-term receivables	61	200	261	423	511	934	28	421	449
Cash and cash equivalents	6 357	2 200	8 557	5 834	3 890	9 724	5 471	2 283	7 754
Total current assets	9 826	28 734	38 560	9 955	28 983	38 938	8 871	24 478	33 349
Assets held for sale	-	-	-	-	4 417	4 417	-	-	-
Total assets	42 980	46 752	89 732	46 257	47 486	93 743	38 573	40 446	79 019
EQUITY AND LIABILITIES									
Total paid-in capital	2 025	-	2 025	2 025	-	2 025	2 001	-	2 001
Retained earnings and other reserves	7 868	(953)	6 915	8 433	(1 865)	6 568	7 459	(951)	6 508
Total equity attributable to equity holders of the parent	9 893	(953)	8 940	10 458	(1 865)	8 593	9 460	(951)	8 509
Minority interests	9 167	9 713	18 880	10 119	9 791	19 910	9 350	9 772	19 122
Total equity	19 060	8 760	27 820	20 577	7 926	28 503	18 810	8 821	27 631
Interest-bearing loans	15 534	8 588	24 122	17 315	7 899	25 214	11 264	7 152	18 416
Deferred tax liabilities	1 719	2 082	3 801	1 478	2 076	3 554	1 652	1 829	3 481
Provisions and other long-term liabilities	2 037	1 205	3 242	1 994	1 120	3 114	2 019	1 195	3 214
Total non-current liabilities	19 290	11 875	31 165	20 786	11 095	31 881	14 935	10 176	25 111
Short-term interest-bearing debt	2 262	3 396	5 658	1 668	3 896	5 564	2 291	1 008	3 299
Tax payable, trade and other payables	2 368	22 721	25 089	3 226	23 394	26 620	2 537	20 441	22 978
Total current liabilities	4 630	26 117	30 747	4 894	27 290	32 184	4 828	21 449	26 277
Total liabilities	23 920	37 992	61 912	25 680	38 385	64 065	19 763	31 625	51 388
Liabilities held for sale	-	-	-	-	1 176	1 176	-	-	-
Total equity and liabilities	42 980	46 752	89 732	46 257	47 486	93 743	38 573	40 446	79 019

Cashflow statement

<i>Amounts in NOK million</i>	2Q 2013			January-June 2013			Year 2013		
	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated	As previously reported	Changes in principles	Restated
Profit before tax	61	91	151	10	340	350	(1 297)	950	(347)
Depreciation and amortisation	376	315	691	627	601	1 228	1 415	1 307	2 722
Other items and changes in other operating assets and liabilities	218	1 365	1 583	271	(1 528)	(1 257)	2 553	807	3 360
Net cash flow from operating activities	655	1 771	2 426	908	(587)	321	2 671	3 064	5 735
Proceeds from sales of property, plant and equipment	465	(3)	462	466	(10)	456	926	415	1 341
Proceeds from sale of shares and other equity investments	71	-	71	103	-	103	259	49	308
Disposals of subsidiary, net of cash disposed	-	(12)	(12)	-	-	-	4	-	4
Acquisition of subsidiary, net of cash acquired	-	(5)	(5)	-	(1 051)	(1 051)	(105)	(1 136)	(1 241)
Acquisition of property, plant and equipment	(1 528)	(813)	(2 341)	(3 279)	(1 311)	(4 590)	(5 972)	(3 636)	(9 608)
Acquisition of equity investments in other companies	(25)	-	(25)	(136)	-	(136)	(2 035)	-	(2 035)
Net cash flow from other investments	(5)	(121)	(126)	(16)	(168)	(184)	(43)	264	222
Net cash flow from investing activities	(1 022)	(953)	(1 975)	(2 862)	(2 540)	(5 402)	(6 965)	(4 044)	(11 009)
Net proceeds from issuance of interest-bearing debt	3 021	(801)	2 220	3 865	3 686	7 551	4 827	3 281	8 108
New equity	-	-	-	-	1	1	877	1	878
Own shares	-	76	76	-	76	76	(2)	83	81
Dividends paid	(1 081)	(733)	(1 814)	(1 081)	(733)	(1 814)	(1 127)	(820)	(1 946)
Net cash flow from financing activities	1 940	(1 458)	482	2 784	3 030	5 814	4 575	2 545	7 120
Net change in cash and cash equivalents	1 573	(640)	933	830	(97)	733	280	1 565	1 846
Effects of changes in exchange rates on cash	25	(32)	(8)	56	14	70	83	42	125
Cash and cash equivalents at the beginning of the period	4 759	2 872	7 631	5 471	2 283	7 754	5 471	2 283	7 754
Cash and cash equivalents at end of period	6 357	2 200	8 557	6 357	2 200	8 557	5 834	3 890	9 724

5. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimation uncertainty, are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2013.

Due to the implementation of IFRS 10 (see note 4) and the consolidation of Aker Solutions and Kvaerner, some additional significant judgments and key sources of estimation uncertainty are described below that were not described in Aker's annual financial statements for 2013.

Revenue recognition

The percentage-of-completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed.

The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders, claims and incentive payments which are recognised when, in the group's judgment, it is probable that they will result in revenue and are measurable. This assessment is adjusted by management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. In many projects there are frequent changes in scope of work resulting in a number of variation orders. Normally the contracts with customers include procedures for presentation of and agreement of variation orders. At any point in time, there will be unapproved variation orders and claims included in the project revenue where recovery is assessed as probable and other criteria are met. Even though management has extensive experience in assessing the outcome of such negotiations, uncertainties exist.

Remaining project costs depend on productivity factors and the cost of inputs. Weather conditions, the performance of subcontractors and others with an impact on schedules, commodity prices and currency rates can all affect cost estimates. Experience, systematic use of the project execution model and focus on core competencies reduce, but do not eliminate, the risk that estimates may change significantly. A risk contingency is included in project cost based on the risk register that is prepared for every project.

Progress measurement based on costs has an inherent risk related to the cost estimate as described above. In situations where cost is not seen to properly reflect actual progress, alternative measures such as hours or physical progress are used to achieve more precise revenue recognition. The estimation uncertainty during the early stages of a contract is mitigated by a policy of normally not recognising revenue in excess of costs on large lump sum projects before the contract reaches 20 per cent completion. However, management can on a project-by-project basis give approval of earlier recognition if cost estimates are certain, typically in situations of repeat projects, proven technology or proven execution model.

Warranties

A provision is made for expected warranty expenditures. The warranty period is normally two years. Based on experience, the provision is often set at one per cent of the contract value, but can also be a

higher or lower amount following a specific evaluation of the actual circumstances for each contract. Both the general one per cent provision and the evaluation of project specific circumstances are based on experience from earlier projects. Factors that could affect the estimated warranty cost include the group's quality initiatives and project execution model.

Property, plant and equipment and intangible assets

At every balance sheet date, the group considers whether there are indications of impairment on the book values of long-term assets. If such indications exist, a valuation is performed to assess whether or not the asset should be written down for impairment. Such valuations will often have to be based on estimates of future results for a number of cash generating units.

Fair value measurement of contingent and deferred consideration

Contingent and deferred consideration resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the deferred and contingent consideration meets the definition of a derivative and thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cashflows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

6. Pension, tax and contingencies

Calculation of pension cost and liability is done annually by actuaries. In the interim financial reporting, pension costs and liabilities are based on the actuarial forecasts. Income tax expense is recognised in each interim period based on the best estimate of the expected annual income tax rates.

7. Share capital and equity

As of 30 June 2014 Aker ASA had issued 72 374 728 ordinary shares at a par value of NOK 28 per share. Total own shares were 35 828. Average outstanding number of shares is used in the calculation of earnings per share in all periods in 2013 and 2014. At year-end 2013, the board of directors suggested a dividend of NOK 13 per share for 2013, a total of NOK 940 million. The dividend distribution was approved at the Annual General Meeting in April 2014 and was paid out the same month.

8. Interest-bearing debt

Material changes in interest-bearing debt (short term and long term) during 2014:

<i>Amounts in NOK million</i>	At 1st Quarter	Changes 2nd Quarter	At 2nd Quarter
Balance at 1 January 2014	18 983	-	18 983
Aker Solutions and Kvaerner	11 795	-	11 795
Balance at 1 January 2014 - Restated	30 778	-	30 778
Bond loans in Ocean Yield ASA	600	-	600
Drawn bank facility in Ocean Yield ASA	-	661	661
Drawn exploration facility in NOK in Det norske	200	500	700
Drawn revolving credit facility in Det norske	404	317	721
Bond loan in SEK in Aker ASA and holding companies	1 427	-	1 427
Other new loans and change in credit facilities	565	253	818
Total funds from issuance of long-term and short-term debt (excl. construction loans)	3 196	1 731	4 927
Repayment revolving credit facility in Det norske	(290)	(1)	(291)
Repayment of loans in Aker Solutions	(3 488)	(1 895)	(5 383)
Repayment of bond loan in Ocean Yield	(467)	(28)	(495)
Repayment of Aker Floating Production bank loan	(195)	(88)	(283)
Other repayments	(58)	(161)	(219)
Total repayments of long-term and short-term debt (excl. construction loan)	(4 498)	(2 173)	(6 671)
Exchange rates differences and other changes	(46)	(5)	(51)
Balance at end of period	29 431	(447)	28 983
Balance at end of period is allocated on short-term and long-term items as follows:			
Short-term debt inclusive construction loan	25 595	812	26 408
Long-term loan	3 835	(1 260)	2 576
Balance at end of period	29 431	(447)	28 983

9. Operating segments

Aker identifies segments based on the group's management and internal reporting structure.

Aker's investment portfolio is comprised of two segments: Industrial Holdings and Financial Investments.

Recognition and measurement applied in the segment reporting are consistent with the accounting policies in the condensed consolidated interim financial statements.

Operating revenues

<i>Amounts in NOK million</i>	2Q 2014	2Q 2013	January-June		Year 2013
			2014	2013	
Industrial holdings					
Aker Solutions	12 956	11 032	24 185	21 344	42 900
Det norske oljeselskap	454	286	612	366	944
Ocean Yield	372	349	736	668	1 404
Aker BioMarine ¹⁾	203	165	343	320	673
Kvaerner	2 861	3 278	6 350	5 941	12 960
Havfisk	226	157	440	329	779
Eliminations and restatements	(538)	(629)	(1 212)	(1 192)	(2 564)
Total industrial holdings	16 534	14 639	31 452	27 776	57 096
Financial investments					
Converto Capital Fund ²⁾	766	859	1 756	2 184	3 964
Financial investments, other assets and eliminations	71	105	138	235	322
Total financial investments	837	964	1 894	2 419	4 286
Aker group	17 370	15 603	33 346	30 195	61 382
Profit before tax					
<i>Amounts in NOK million</i>	2Q 2014	2Q 2013	January-June		Year 2013
			2014	2013	
Industrial holdings					
Aker Solutions	(1 003)	83	(551)	422	1 398
Det norske oljeselskap	(27)	(326)	(355)	(608)	(2 545)
Ocean Yield	104	113	300	214	464
Aker BioMarine ¹⁾	12	2	(6)	8	(151)
Kvaerner	198	124	333	196	399
Havfisk	(4)	(4)	11	1	(103)
Eliminations and restatements	170	(34)	304	(67)	(130)
Total industrial holdings	(549)	(41)	35	165	(669)
Converto Capital Fund ²⁾	(77)	331	378	433	451
Financial investments, other assets and eliminations	140	(139)	(42)	(248)	(129)
Total financial investments	63	192	337	185	322
Aker group	(487)	151	372	350	(347)

1) Note to comparative figures for Aker BioMarine:

In connection with a possible listing of Aker BioMarine in the U.S as communicated by Aker ASA in the fourth quarter 2013, Aker BioMarine has initiated certain processes as part of a preparation for a potential listing. As a result of these processes, Aker BioMarine has restated its financial reporting for 2013, and for the first quarter of 2014.

Continues on next page

Aker BioMarine's Trygg Pharma Group, jointly owned with Lindsay Goldberg, has a product candidate for the treatment of severe hypertriglyceridemia named AKR 963. Due to regulatory approval and commercialisation challenges that have delayed the launching of the product, Trygg Pharma decided to take a write-down on AKR 963, of which Aker BioMarine's share was NOK 245 million. In Aker BioMarine this write-down has been included in the 2013 figures.

Although the effects on the full-year 2013 have been determined, the Aker BioMarine has not yet finalised its assessment of the 2013 quarterly effects. The Aker BioMarine figures above for 2Q 2013 and first half 2013 have therefore not yet been restated. In the consolidated financial statements of Aker group, all the Aker BioMarine restatement effects have been booked to 2Q 2014, through adjustments above in the line "Eliminations and restatements."

2) Consolidated companies owned by Convento Capital Fund.

10. Property, plant and equipment and intangible assets

Material changes in property, plant and equipment and intangible assets during 2014:

<i>Amounts in NOK million</i>	Property, plant and equipment	Intangible assets	Total
Balance at 1 January 2014	15 394	7 637	23 031
Effect consolidation Aker Solutions and Kvaerner	10 480	9 756	20 236
Effect Havfisk	-	(105)	(105)
Balance at 1 January 2014 - Restated	25 874	17 289	43 163
Proceeds from sales of property plant and equipment in Det norske	(14)	-	(14)
Other proceeds from sales of property plant and equipment	(49)	-	(49)
Proceeds from sales of intangible assets	-	(98)	(98)
Total proceeds	(63)	(98)	(161)
Acquisition of property, plant and equipment in Det norske	1 241	-	1 241
Acquisition of exploration expenses and other intangibles in Det norske	-	708	708
Acquisition in Aker Solutions	663	361	1 025
Other acquisitions	2 033	12	2 045
Total acquisition ¹⁾	3 937	1 081	5 018
Depreciation and amortisation	(1 249)	(124)	(1 373)
Impairment	(1 134)	(11)	(1 145)
Reclassification	542	(542)	-
Expensed capitalised wells	-	(82)	(82)
Exchange rates differences and other changes	(224)	(58)	(283)
Balance at end of period	27 683	17 455	45 138
<i>1) Including capitalised interest, license swaps effects in Det norske, removal and decommissioning costs in Det norske and other accruals</i>	47	283	330

11. Impairment charges and non-recurring items

Impairment charges and non-recurring items in 2014 amount to NOK -1 145 million. The main items are impairment charges on the vessels Skandi Aker and Aker Wayfarer of NOK -951 million. The impairments have been calculated based on value-in-use. WACC of 9.16 per cent has been used in the calculations.

The impairments are based on revised business cases after the cancelation in June by Total in Angola of a two-year contract for the Skandi Aker vessel, as well as a currently weaker market for using vessels for deepwater light well intervention.

12. Discontinued operations

Aker Solutions

Mooring and loading systems business

On 30 October 2013, Aker Solutions sold its mooring and loading systems business (MLS) to Cargotec. The unit, known for the Pusnes brand name, provides mooring equipment, loading and offloading systems, as well as deck machinery for the global offshore and shipping markets. The division employs about 370 people in Europe, Asia and the Americas and has its main office in Arendal, Norway. The transaction was completed on 30 January 2014, and a net gain of NOK 1.05 billion was recognised in the income statement per 1Q 2014, included in Net profit from discontinued operations.

Well-intervention services businesses

On 22 November 2013, Aker Solutions agreed to sell its well intervention services businesses (WIS) to EQT. The business provides services that optimise flows from oil reservoirs and its main markets are in the UK and Norway. The division has about 1 500 employees in Europe, Asia, the US and the Middle East. The transaction was completed on 9 January 2014, and a net gain of NOK 1.85 billion was recognised in the income statement per 1Q 2014, included in Net profit from discontinued operations.

The agreement includes an earn-out provision where Aker Solutions will receive 25 per cent of any internal rate of return exceeding 12 per cent a year on EQT's equity investment. An earn-out of NOK 120 million has been recognised in the accounts, and represents estimated fair value at transaction date.

Kvaerner

In December 2013, Kvaerner sold its onshore construction business in North America to Matrix Service Company. Following the sale, Kvaerner will not have any remaining operations in the U.S. within the Downstream & Industrial segment, and the remaining legacies within the segment are presented as discontinued operations.

Results from discontinued operations

<i>Amounts in NOK million</i>	January-June 2014				Year 2013		
	Aker Solutions	Kvaerner	Eliminations	Total	Aker Solutions	Kvaerner	Total
Operating revenues	131	1	-	132	3 438	1 362	4 800
Operating expenses	(116)	(73)		(189)	(3 058)	(1 398)	(4 456)
Financial items	-			-	(10)	-	(10)
Profit before tax	15	(71)	-	(56)	370	(37)	333
Tax expense	(4)	12	-	8	(108)	(29)	(137)
Net profit from operating activities	11	(59)	-	(48)	262	(66)	196
Gain on sale of discontinued operations	2 900	-	(64)	2 836	-	272	272
Tax expense on gain on sale of discontinued operations	(10)	-	-	(10)	-	-	-
Net gain from discontinued operations	2 890	-	(64)	2 826	-	272	272
Net profit from discontinued operations	2 901	(59)	(64)	2 777	262	206	468

Earnings per share of discontinued operations

<i>Amounts in NOK million</i>	January-June		Year		
	2Q 2014	2Q 2013	2014	2013	2013
Basic earnings per share from discontinued operations	(0.11)	0.26	12.73	0.34	1.85
Diluted earnings per share from discontinued operations	(0.11)	0.26	12.73	0.34	1.85

Cash flow from discontinued operations

<i>Amounts in NOK million</i>	January-June 2014			Year 2013		
	Aker Solutions	Kvaerner	Total	Aker Solutions	Kvaerner	Total
Net cash from operating activities	(67)	(102)	(188)	469	45	514
Net cash from investing/financing	5 479	65	5 567	(300)	(317)	(617)
Effect on cash flow	5 412	(37)	5 379	169	(272)	(103)
Consideration received, settled in cash	5 718	-	5 718	-	599	599
Cash and cash equivalents disposed of	(258)	-	(258)	-	(223)	(223)
Net cash inflow	5 460	-	5 460	-	376	376

13. Transactions and agreements with related parties

Ocean Yield ASA, a 73.2 per cent owned subsidiary of Aker ASA, agreed in May 2014 to acquire two Pure Car Truck Carriers (PCTC) of 4 900 car capacity with long-term bareboat charters to Høegh Autoliners ("Høegh"). The vessels, which were built in 2010, were delivered to Ocean Yield in June 2014 and will from delivery be chartered to Høegh for a period of eight years. The agreements were entered into by the board of Ocean Yield. Leif O. Høegh sits on the board of directors of Aker ASA and also serves as Chairman of Høegh Autoliners.

See also note 37 in the group annual accounts for 2013.

14. Transactions with minority interests

In the first quarter 2014 Aker Philadelphia Shipyard issued 2.41 million new shares priced as NOK 165 per share, raising proceeds of approximately USD 65 million. Aker did not participate in the share issue. The transaction increased minority interests by NOK 382 million.

In May 2014, Aker ASA acquired 891 762 shares in Aker Solutions ASA for NOK 87 million. The transaction increased the direct ownership in Aker Solutions from 6.0 per cent to 6.3 per cent and reduced minority interests by NOK 73 million.

15. Events after the balance sheet date

There have been no material events that have an impact on the accounts after the balance sheet date.

Directors' responsibility statement

Today, the Board of Directors and the Company's chief executive officer reviewed and approved the unaudited condensed interim consolidated financial statements and interim financial report as of 30 June 2014 and the first six months of 2014.

The interim consolidated financial statement has been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and with the additional requirements stipulated by the Norwegian Securities Trading Act.

To the best of our knowledge:

- The interim consolidated financial statement for the first six months of 2014 has been prepared in accordance with applicable accounting standards.
- The information disclosed in the accounts provides a true and fair portrayal of the Group's assets, liabilities, financial position, and profit as of 30 June 2014. The interim management report for the first six months of 2014 also includes a fair overview of key events during the reporting period and their effect on the financial statement for the first half-year of 2014. It also provides a true and fair description of the most important risks and uncertainties facing the business in the upcoming reporting period.

Oslo, 17 July 2014

Aker ASA

Kjell Inge Røkke
Chairman

Finn Berg Jacobsen
Deputy Chairman

Karen Simon
Director

Nina Hanssen
Director

Øyvind Eriksen
President and CEO

Stine Bosse
Director

Kristin Krohn Devold
Director

Arnfinn Stensø
Director

Leif O. Høegh
Director

Atle Tranøy
Director

Tommy Angeltveit
Director