Aker ASA

Fourth-quarter and preliminary annual results 2017

Fourth-quarter 2017 highlights

Financial key figures prior to dividend allocation (Aker ASA and holding companies)

- The net asset value ("NAV") of Aker ASA and holding companies ("Aker") increased by 20.4 per cent in the fourth quarter to NOK 41.8 billion, compared to NOK 34.7 billion at the end of the third quarter. Aker's NAV rose NOK 7.4 billion, or 21.7 per cent, in 2017. Per-share NAV amounted to NOK 562 at the end of the fourth quarter, compared to NOK 467 as of 30 September 2017 and NOK 462 as per year-end 2016.
- The Aker share increased 23.2 per cent in the fourth quarter. This compares to a 4.0 per cent increase in the Oslo Stock Exchange's benchmark index ("OSEBX"). The Aker share gained 24.8 per cent in 2017, and 30.7 per cent dividend included, compared to a 19.1 per cent increase in the OSEBX.
- The value of Aker's Industrial Holdings portfolio rose to NOK 44.6 billion in the fourth quarter, up from NOK 36.0 billion at the end of the third quarter and NOK 35.1 billion as per year-end 2016. The quarterly increase is primarily explained by a NOK 7.3 billion value increase of the listed holdings and Aker's NOK 1.6 billion investment in shares in Aker BP. The value of Aker's Financial Investments portfolio stood at NOK 5.8 billion at the end of the fourth quarter, up from NOK 5.6 billion as per 30 September 2017, and down from NOK 8.0 billion as per 31 December 2016.
- Aker's Board of Directors proposes a payment of NOK 18 per-share ordinary cash dividend for 2017. The proposal corresponds to a 4.5 per cent yield to the share price and 3.2 per cent of NAV at the close of 2017. Aker's policy is to pay annual dividends of 2-4 per cent of the company's NAV.
- Aker's liquidity reserve, including undrawn credit facilities, stood at NOK 4.0 billion as per 31 December 2017. Cash and liquid fund investments amounted to NOK 1.7 billion at the end of the fourth quarter, slightly up from prior quarter and down from NOK 4.9 billion as per year-end 2016.
- The value-adjusted equity ratio was 83 per cent, on par with prior quarter and up from 80 per cent per 31 December 2016.

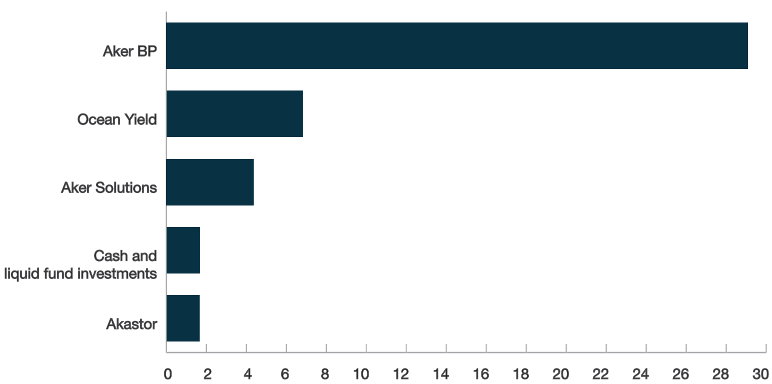
Key events in the quarter

- Aker BP completed the acquisition of Hess Norway for a total cash consideration of USD 2.0 billion. The transaction was partly financed by the issuance of NOK 4.1 billion in new equity at a subscription price of NOK 182.5 per share. Aker and BP subscribed for 40 per cent and 30 per cent of the issued shares, respectively. Aker raised USD 200 million in new bank financing to fund its participation. Furthermore, Aker increased its revolving credit facility to NOK 1.5 billion to strengthen the liquidity position, and maturity was extended by one year to February 2021.
- Aker and Oceanwood Capital Management entered into an agreement to establish a company for the purpose of bidding for the shares in Norske Skog AS, the holding entity of Norske Skog's operating subsidiaries.
- Aker Solutions announced the award of the subsea production system and design of the topside of the FPSO facility for Johan Castberg. The total value of the work is approximately NOK 4.0 billion. The company also signed a subsea services framework agreement with Statoil, estimated to NOK 3.0 billion over a five year period. Aker Solutions' order intake in fourth quarter totalled NOK 13.4 billion.
- Ocean Yield announced the investment in three suezmax tankers with 10-year charters to Nordic American Tankers for a total consideration of USD 130 million net after seller's credit.
- Aker BP submitted the Plans for Development and Operations ("PDOs") for the Valhall Flank West, Ærfugl and Skogul fields with total investments estimated to NOK 15.5 billion
- Akastor announced that it had entered into a Memorandum of Understanding with Mitsui & Co Ltd. ("Mitsui"), in which Mitsui will purchase 50 per cent of the shares in AKOFS Offshore. The transaction is expected to result in an initial net cash release to Akastor of approximately USD 142 million.

Main contributors to gross asset value

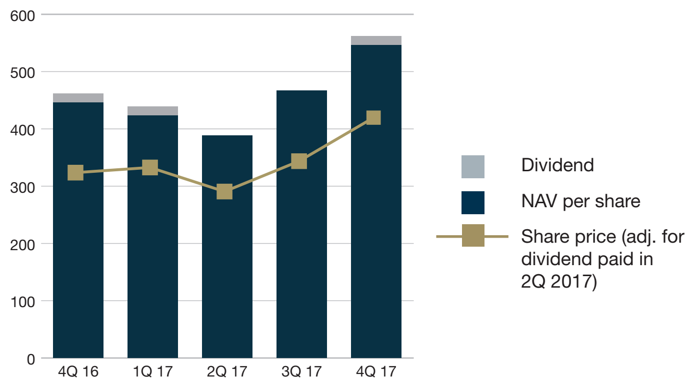
(NOK billion)

Representing 87 per cent of total gross asset value of NOK 50.4 billion



Net asset value and share price

(NOK per share)



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,

Fourth quarter marked the end of yet another strong year for Aker. In 2017, Aker's NAV appreciated 25.7 per cent, dividend included. The Aker board of directors proposes to pay NOK 18 per share in cash dividend to our shareholders for the fiscal year 2017. Strong underlying performance in our portfolio companies, increased upstream cash flow to Aker, M&A and improved outlook in oil and gas have been main contributors to the positive development. In 2018, we would like to see more of the same.

Oil and gas assets continue to dominate Aker's portfolio. We ended the year with 73 per cent of our values in the sector. Over the last two years, Aker has made significant investments in Aker BP to capture the value from the inherent cyclicality of the oil market. After three years with market turmoil, outlook is now starting to improve with early signs of increased activity.

Aker can't impact the oil market alone, but we take actions on the factors we control. Aker's portfolio companies continue to develop favourably due to strong customer relationships, enhanced market positions and a dedicated focus on operational excellence. On top of that, additional value is generated through M&A. As principal shareholder, Aker is heavily involved in the strategic development of each portfolio company. Prerequisites for succeeding with our ownership agenda are trusted relationships and full alignment between Aker and our portfolio companies on strategic and operational priorities. When such alignment is achieved, we can move swiftly and forcefully.

Most of the value appreciation over the two last years is due to Aker BP. What a great company and investment! In 2017, Aker BP added NOK 7.4 billion to Aker's NAV, on top of the NOK 12.9 billion contributed in 2016. In addition, Aker BP intends to distribute USD 450 million in cash dividend to its shareholders in 2018, of which Aker will receive USD 180 million. An attractive dividend policy combined with a growing production from its current portfolio of assets, makes Aker BP a unique investment proposition in the E&P sector. Aker BP should be able to double its production by 2023 without any new acquisitions. In parallel, Aker BP continues to evaluate new investment opportunities. Hence, Aker expects even higher dividends from Aker BP in the years to come as the production grows organically and inorganically.

Further shareholder value is generated by Aker BP from operational improvement through applying lean business principles, new business models (including alliances with key suppliers) and new technologies, including digitalization. The objective is to drive production and development costs per barrel further down from an already attractive level. Our recently established venture Cognite remains key to Aker BP's ambition of enhancing safety, lowering cost and improving efficiency through the use of digital tools. Our mindset is that everything that can be substituted by software should be so. Cognite has already come a long way in simplifying Aker BP's day-to-day operations, and all sensor data from Aker BP's five operated fields offshore Norway are now available in real time from the platform established by Cognite. In addition, several applications are under development with the objective of delivering significant additional efficiency gains. The fast-paced and dynamic environment of the highly skilled Cognite team is impressive, and the potential impact Cognite can deliver to Aker BP and other customers is mind-boggling.

Aker's oil service companies have responded to the changing market dynamics by focusing relentlessly on cost efficiency to enhance competitiveness. Further progress was made in 2017, which also translated into tangible results:

- Kvaerner reported close to NOK 800 million in EBITDA for the fiscal year and a margin in excess of 12 per cent on a revenue base that has declined over 50 per cent since 2014
- MH Wirth won the first drilling package award in several years and Akastor has been through a turn-around with a number of divestments at attractive terms,
- And - Aker Solutions finalized the first phase of its cost efficiency program, reducing the cost base by NOK 9 billion compared to the 2015 level, and is now embarking upon stage two of the program. The testament to Aker Solutions' competitiveness came in the fourth quarter with the company reporting an order intake of NOK 13.4 billion, the highest level since 2014.

Ocean Yield continues to deliver good results and a growing upstream cash to Aker. In 2017, the company invested more capital in new projects to increase the dividend capacity, and further diversified its portfolio. That is a trend we expect to see more of also in 2018 as the company takes proactive measures to reduce the portfolio risk concentration.

Aker BioMarine had an active year in 2017 with several acquisitions made and the order for a new krill harvesting vessel. The financial results, however, did not meet expectations due to lower gross margins and higher operating costs as the company is ramping up the organization to grow the revenue base. Improving profitability will be a priority in 2018, also by capturing synergies from the recent transactions. Aker's view on the long-term outlook for Aker BioMarine is still unchanged, and we have consequently increased our exposure to support the development of the company.

Aker's portfolio currently comprises 88 per cent listed holdings. Hence, the vast majority of our assets will, from time to time, be affected by broader market corrections, fluctuating commodity prices, or underlying developments in the markets our portfolio companies are exposed to. The sentiment in the capital markets have somewhat shifted over the last weeks, and volatility has increased. Negative events are often hard to predict, but can be prepared for. We have been through turbulent times before. In order to manage such events, it has been imperative for us that both Aker, as well as our portfolio companies, have established robust capital structures to withstand prolonged downturns, as well as short-term corrections.

Aker's financial position remains solid. Earlier this year we issued a new bond loan which was oversubscribed at an historically low margin. Lowering the cost of capital is a priority for us, and the strong relationship we enjoy with our bondholders and our core banks is a success factor, which also extends out to our portfolio companies. Trust and reliability have been built over many years, and we highly appreciate the predictable support from our creditors.

Our financial robustness allows us to both pay a competitive dividend to our shareholders and employ capital. There is no shortage of ideas or investment opportunities available to Aker and our portfolio companies. The key is to identify the ones that will generate the best risk-adjusted returns over time. Often easier said than done. Our strategy of investing countercyclical during the downturn in the oil and gas sector has so far turned out well. We will stick to our strategy and prioritise investments where we can add value as an active owner by leveraging on our industrial capabilities or network.

Aker's involvement in the restructuring of Norske Skog is already well known. Aker and Oceanwood participate in the ongoing auction process for the shares in Norske Skog AS. Time will tell if our bid is successful. Aker's track record of solving some of the most complex restructurings in Norway is a capability that we will leverage on if we become the new owners. Our ownership agenda in Norske Skog will not be different from the approach taken by us in other portfolio companies. First the basics must be in place. That includes a robust capital structure and a high performing management team with the relevant industry capabilities. Thereafter, operational excellence will be a top priority in order to enhance profitability and strategic attractiveness. Improved performance will also be a prerequisite for playing a more active role in industry consolidations and other transaction opportunities.

To finish off succinctly: Never a dull moment in Aker!

Øyvind Eriksen

Øyvind Eriksen
President and CEO

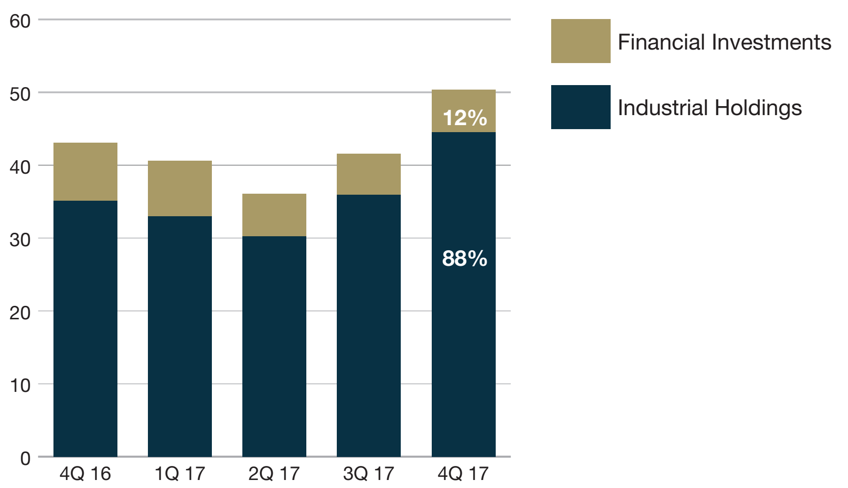
Aker ASA and holding companies

Assets and net assets value

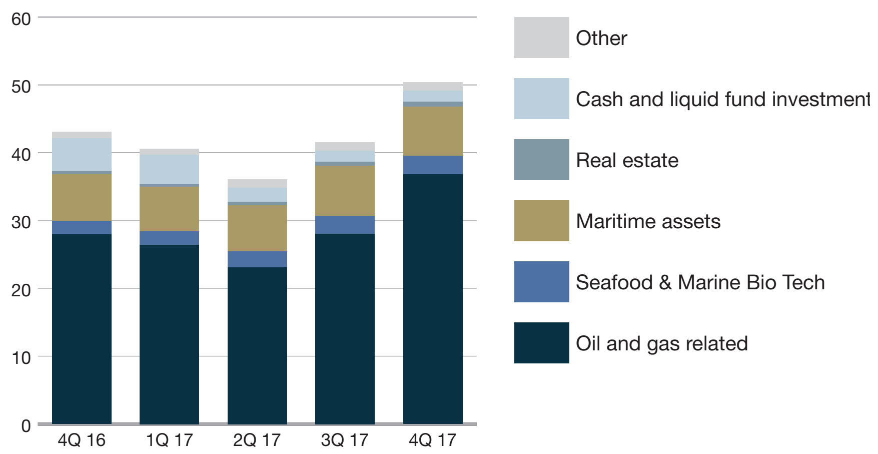
Net asset value (NAV) composition - Aker ASA and holding companies

	As of 31.12.2016		As of 30.09.2017		**As of 31.12.2017**	
	NOK/share	NOK million	NOK/share	NOK million	NOK/share	NOK million
Industrial Holdings	473	35 139	484	35 964	**600**	**44 560**
Financial Investments	107	7 951	76	5 618	**78**	**5 829**
Gross assets	580	43 089	560	41 583	**678**	**50 389**
Total liabilities (4Q before dividend allocations)	(118)	(8 755)	(93)	(6 877)	**(116)**	**(8 618)**
NAV (4Q before dividend allocations)	462	34 335	467	34 706	**562**	**41 771**
Net interest-bearing receivables/(liabilities)		(2 751)		(4 102)		**(5 608)**
Number of shares outstanding (million)		74.282		74.296		**74.296**

Gross assets
(NOK billion)



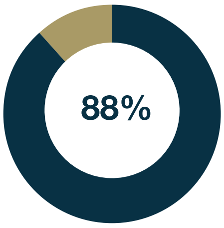
Gross assets per sector
(NOK billion)

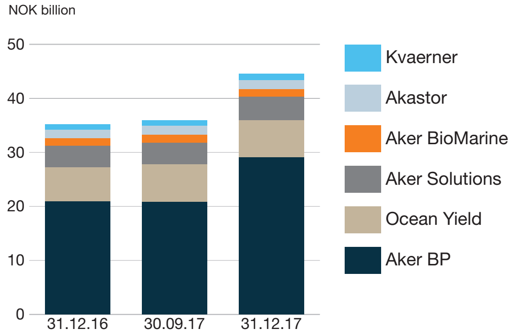


Net asset value ("NAV") is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Net asset value is determined by applying the market value of exchange-listed shares, 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 charts above show 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's assets





		31.12.2016	30.09.2017	4Q 17				31.12.2017
Amounts in NOK million	Ownership in %	Value	Value	Net investments	Received dividends	Other changes	Value change	Value
Aker BP	40.0	20 873	20 805	1 634	(203)	-	6 848	**29 083**
Ocean Yield	66.2	6 386	7 024	-	(152)	-	(45)	**6 828**
Aker Solutions	34.8	3 912	3 985	-	-	-	383	**4 368**
Akastor	36.7	1 629	1 750	-	-	-	(101)	**1 649**
Aker BioMarine*	100.0	1 405	1 411	-	-	-	-	**1 411**
Kvaerner	28.7	935	989	-	-	-	232	**1 220**
Total Industrial Holdings		35 139	35 964	1 634	(355)	-	7 318	**44 560**

**Reflected at book value*

The total value of Aker's Industrial Holdings rose by NOK 8.6 billion in the fourth quarter to NOK 44.6 billion, mainly due to a NOK 7.3 billion positive value change of the listed holdings and Aker's NOK 1.6 billion investment in Aker BP in connection with the company's equity private placement in November. Aker received NOK 355 million in dividend payments from Aker BP and Ocean Yield in the quarter. The value of Aker's Industrial Holdings stood at NOK 36.0 billion as of 30 September 2017 and NOK 35.1 billion as of 31 December 2016.

Of the NOK 7.3 billion positive value change in the fourth quarter, Aker BP stood for NOK 6.8 billion, Aker Solutions for NOK 383 million and Kvaerner for NOK 232 million. This was partly offset by a value decrease of NOK 101 million in Akastor and NOK 45 million in Ocean Yield.

The book value of Aker's non-listed holding, Aker BioMarine, remained at NOK 1.4 billion as per 31 December 2017.

Aker BP

Aker BP is a fully-integrated E&P company operating on the Norwegian Continental Shelf ("NCS"). Aker BP produced 135.6 kboed in the fourth quarter, up from 131.9 kboed in the prior quarter. Production for the full year 2017 averaged 138.8 kboed, in line with guidance. In December, Aker BP announced the closing of the Hess Norway transaction, and the subsequent divestment of a 10 per cent interest in the Valhall and Hod fields to Pandion Energy. The company also submitted three PDO's in the quarter for the Valhall Flank West, Ærfugl and Skogul fields, with total investments estimated to NOK 15.5 billion. The three projects are expected to generate volumes of 345 mmboe over the lifetime of the fields, and production is expected to start in 2019/20. In January, Aker BP proposed to raise dividends to USD 450 million in 2018, up from USD 250 million paid in 2017. The ambition is to increase the dividend by USD 100 million per year to 2021, reaching USD 750 million in 2021. For Aker, the increase in 2018 represents an additional USD 80 million in upstream cash from the 2017 level. Aker BP also confirmed its organic growth plan, and is targeting production above 330 kboed from 2023. Production in 2018 was guided to 155 - 160 kboed. The company has a solid balance sheet with liquidity reserves of USD 2.9 billion, and expects strong cash flow generation over the coming years at current oil prices. The financial robustness enables Aker BP to carry out new investments, both organically and structurally, in addition to distributing a competitive dividend to shareholders.

Ocean Yield

Ocean Yield is a ship-owning company with a mandate to build a diversified portfolio of modern vessels within oil services and shipping. The company targets fixed, long-term bareboat charters to credit-worthy counterparties. In the quarter, Ocean Yield delivered strong results, reporting a net profit of USD 34.4 million after adjustments for foreign exchange gains, mark-to-market of derivatives and changes in deferred tax. The company announced the acquisition of three suezmax tankers with 10-year bareboat charter to Nordic American Tankers for a total consideration of USD 130 million net after seller's credit. Subsequent to quarter end, Ocean Yield announced an investment in four VLCC tankers on 15-year charters for a total consideration of USD 297 million net after seller's credit, and a USD 36 million investment in two dry bulk vessels on 12-year charters. All three transactions will contribute to further diversification of the portfolio and increase the dividend capacity. Aker supports Ocean Yield's strategy of building a larger company over time through making value-accretive transactions and diversifying its portfolio further. Furthermore, a key priority in 2018 will be to reach a favourable outcome for FPSO Dhirubhai as the current contract expires in September. As per the end of the quarter, Ocean Yield had an estimated EBITDA backlog of USD 3.0 billion and the average remaining contract tenor (weighted by EBITDA) was 11.0 years. The company continued to raise its dividend in the quarter, this time by USD 0.10 cents per share.

Aker Solutions

Aker Solutions is a global oil services company providing services, technologies, and product solutions within subsea and field design. Improving operational efficiency, reducing the cost base and nurturing existing and developing new customer relations are high on Aker's ownership agenda for Aker Solutions. In addition, Aker remains open to consider new alliances or structural alternatives if they are beneficial for the company and its shareholders. In the fourth quarter, Aker Solutions reported NOK 482 million in EBITDA adjusted for special items. Fourth quarter marked the successful end of the first phase of the improvement program – reaching 30 per cent cost efficiency versus the 2015 cost base. Aker Solutions is now initiating the second phase, targeting further 20 per cent improvement by 2021. In the quarter, Aker Solutions secured several important contracts, including the subsea production system for the Johan Castberg field and a five year subsea service agreement with Statoil. The order intake totalled NOK 13.4 billion, the highest level reported since 2014. Subsequent to the fourth quarter, the company also announed subsea orders for the Troll and Askeladden projects from Statoil. The backlog stood at NOK 34.6 billion as per year-end 2017. The financial position of the company is robust, and in January the company successfully completed a new NOK 1.5 billion unsecured bond issue with maturity in 2022, providing additional liquidity.

Akastor

Akastor is an oil-services investment company with a flexible mandate for active ownership and long-term value creation. Aker encourages Akastor to play an active role in M&A, both to free up cash through the realization of assets and to selectively consider opportunities that could arise in the oil service downturn, albeit in a disciplined manner. The company announced in the quarter a Memorandum of Understanding with Mitsui to further expand the current partnership whereby Mitsui will acquire 50 per cent of the shares in AKOFS Offshore. The transaction is expected to give an initial cash release to Akastor of USD 142 million. MHWirth's award of a drilling package for the West White Rose Expansion project in the quarter was another important event, marking the first rig package award in several years. In December, Akastor announced the appointment of Karl Erik Kjelstad as CEO of the company, succeeding Kristian Røkke who has assumed the position as Chief Investment Officer at Aker ASA.

Aker BioMarine

Aker BioMarine is an integrated biotechnology company that supplies krill-derived ingredients to the consumer health and animal nutrition markets. In the fourth quarter, Aker BioMarine reported revenues of USD 34 million and an EBITDA of USD 0.5 million. The results delivered in 2017 has not met expectations due to increased operating costs, coupled with lower gross margins for the core products, Qrill™ Aqua and Superba™ krill oil. Aker BioMarine expects, however, that results will improve in 2018 as a result of increased scale and a recovering omega-3 market. Creating a larger and more robust Aker BioMarine is part of Aker's ownership agenda. In January, the company announced that it had entered in an agreement with Frutarom to acquire Enzymotec for USD 26.4 million. The transaction includes existing krill oil customers, inventory, intellectual property, production process expertise and science. The acquisition was financed under the revolving credit facility agreement with Aker, of which USD 100 million was drawn as per year-end 2017. Aker remain positive to the long-term outlook for the company and the market for krill-derived products.

Kvaerner

Kvaerner is an oil and gas-related EPC company, mainly focused on the NCS. Kvaerner reported yet another strong quarter with an EBITDA of NOK 227 million, corresponding to a margin of 12.6 per cent. For the full year 2017, Kvaerner has delivered a solid NOK 799 million in EBITDA, reflecting strong project execution and positive impact from incentives and close-outs of larger projects. In the fourth quarter, Kvaerner announced contracts for the delivery of the topside and steel jacket substructure for the Valhall Flank West field to Aker BP, and the delivery of onshore facilities for a new gas export pipeline to Nord Stream 2 AG. The two contracts combined are valued to approximately NOK 1.6 billion. The order backlog ended at NOK 8.1 billion in the fourth quarter, slightly down from NOK 8.2 billion in the prior quarter. Kvaerner maintains a solid financial position with NOK 2.8 billion in cash, in addition to undrawn credit facilities of NOK 2.0 billion. Tender activity remains high and Kvaerner is actively positioning itself for contract awards. Focus on cutting costs and increasing efficiency to boost competitiveness remains priority to succeed in ongoing and future tenders. Aker remains supportive towards Kvaerner's ambition to explore strategic ambitions, and the company's financial position provides flexibility to selectively consider structural opportunities, as well as further develop adjacent segments.

Results and Returns for Industrial Holdings[1)]

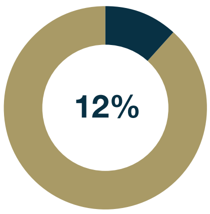
	Aker Solutions		Akastor		Kvaerner	
Amounts in NOK million	4Q16	**4Q17**	4Q16	**4Q17**	4Q16	**4Q17**
Revenue	6 138	**6 444**	1 288	**1 098**	1 834	**1 797**
EBITDA	380	**458**	193	**167**	229	**227**
EBITDA margin (%)	6.2	**7.1**	15.0	**15.2**	12.5	**12.6**
Net profit continued operations	(268)	**19**	(850)	**(355)**	(68)	**152**
Closing share price (NOK/share)	41.37	**46.19**	16.20	**16.40**	12.10	**15.80**
Quarterly return (%)[3)]	10.7	**9.6**	90.4	**(5.7)**	25.0	**23.4**

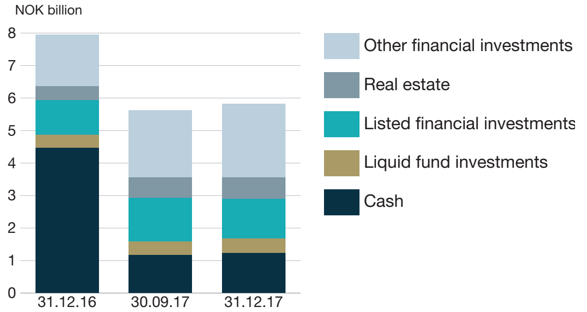
	Aker BP		Ocean Yield		Aker BioMarine	
Amounts in USD million	4Q16	**4Q17**	4Q16	**4Q17**	4Q16	**4Q17**
Revenue	656	**726**	82	**89**	32	**34**
EBITDA[2)]	529	**565**	74	**80**	5	**0.5**
EBITDA margin (%)	80.8	**77.8**	90.7	**89.8**	16.8	**1.6**
Net profit continued operations	(67)	**34**	1	**31**	(3)	**(11)**
Closing share price (NOK/share)	154.50	**201.90**	65.00	**69.50**	N/A	N/A
Quarterly return (%)[3)]	22.8	**32.1**	1.1	**(0.6)**	N/A	N/A

[1)] The figures refer to the results reported by the companies. Reference is made to the respective companies' quarterly reports for further details.
[2)] For Aker BP, EBITDAX is used.
[3)] The figures refer to total shareholder return, i.e. share price development and dividend payments.

Aker – Segment information
Financial Investments

Share of Aker's assets





	31.12.2016		30.09.2017		**As of 31.12.2017**	
	NOK/share[1)]	NOK million	NOK/ share[1)]	NOK million	NOK/ share[1)]	NOK million
Cash	60	4 466	16	1 167	**17**	**1 232**
Liquid fund investments	6	410	6	426	**6**	**442**
Listed financial investments	14	1 055	18	1 338	**16**	**1 220**
Real estate	6	426	8	629	**9**	**674**
Other financial investments	21	1 594	28	2 058	**30**	**2 261**
Total Financial Investments	107	7 951	76	5 618	**78**	**5 829**

[1)] *The investment's contribution to Aker's per-share NAV.*

Financial Investments comprise Aker's cash, liquid fund investments, listed financial investments, real estate investments and other financial investments. The value of Aker's financial investments amounted to NOK 5.8 billion as of 31 December 2017, up from NOK 5.6 billion at the end of the third quarter. Aker's financial investment portolio was valued at NOK 8.0 billion as per year-end 2016.

Aker's **Cash holding** stood at NOK 1.2 billion at the end of the fourth quarter, slightly up from the third quarter. The primary cash inflows in the quarter were NOK 1.6 billion in new debt financing and NOK 408 million in received dividends. The primary cash outflows were NOK 1.6 billion in payment for shares in Aker BP, NOK 127 million in net interest paid and operating expenses, and NOK 106 million drawdown of a loan provided to Aker BioMarine. Aker's cash holding stood at NOK 4.5 billion as per year-end 2016. The NOK 3.2 billion negative change in cash from year-end 2016 is primarily explained by NOK 1.6 billion investment in Aker BP, NOK 1.6 billion in debt repayments, NOK 1.2 billion in dividend paid, NOK 0.8 billion in loan to Aker BioMarine, NOK 0.5 billion in investments in Farstad Shipping and Fornebuporten, NOK 0.2 billion in other investments and NOK 0.6 billion in operating expenses and net interest paid, partly offset by NOK 1.6 billion in dividends received and NOK 1.6 billion in new debt financing.

Aker held NOK 442 million in **Liquid fund investments** at the end of the fourth quarter, slightly up from prior quarter and year-end 2016.

The value of **Listed financial investments** stood at NOK 1.2 billion as of 31 December 2017, compared to NOK 1.3 billion as of 30 September 2017 and NOK 1.1 billion as of 31 December 2016. The value of Aker's investment in Philly Shipyard decreased to NOK 492 million, compared to NOK 644 million in the prior quarter, while the value of Aker's direct and indirect investment in American Shipping Company was NOK 345 million at the end of the fourth quarter, compared to NOK 270 million as of 30 September 2017. Aker's shares in Solstad Farstad was valued at NOK 353 million as per 31 December 2017. This compares to NOK 403 million at the end of the third quarter.

Aker's investments in **Real estate** increased by NOK 45 million in the quarter to NOK 674 million from NOK 629 million as per 30 September 2017. The book value of Aker's real estate investments was NOK 426 million as per year-end 2016. The value of Aker's current real estate holdings mainly reflects ongoing residential projects, as well as the value of land at Fornebu and Aberdeen.

Other financial investments amounted to NOK 2.3 billion at the end of the fourth quarter, up from NOK 2.1 billion as of 30 September 2017 and NOK 1.6 billion at year-end 2016. Other financial investments consist of equity investments, receivables, and other assets. The increase in the quarter is mainly explained by a NOK 106 million drawdown of a loan provided to Aker BioMarine, as well as currency fluctuations as certain investments are denominated in USD. The value of Aker's receivables was NOK 1.5 billion at the end of the fourth quarter, up from NOK 1.4 billion as of 30 September 2017 and NOK 1.0 billion as per year-end 2016.

Aker ASA and holding companies

Combined balance sheet

Amounts in NOK million, after dividend allocation	31.12.2016	30.09.2017	**31.12.2017**
Intangible, fixed, and non-interest bearing assets	191	235	**295**
Interest-bearing assets	1 114	1 362	**1 503**
Investments[1)]	17 381	17 889	**19 578**
Non interest-bearing short-term receivables	43	54	**127**
Cash	4 466	1 167	**1 232**
Assets	23 194	20 708	**22 735**
Equity	13 251	13 831	**12 779**
Non interest-bearing debt	1 612	246	**1 613**
Interest-bearing debt	8 331	6 631	**8 343**
Equity and liabilities	23 194	20 708	**22 735**
Net interest-bearing receivables (debt)	(2 751)	(4 102)	**(5 608)**
Equity ratio (%)	57	67	**56**

[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 and 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 from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2016 annual report.

The total book value of assets was NOK 22.7 billion at the end of the fourth quarter 2017, up from NOK 20.7 billion at the end of the third quarter. Total book value of assets stood at NOK 23.2 billion at the end of 2016.

Intangible, fixed and non-interest bearing assets amounted to NOK 295 million in the fourth quarter, slighly up from the prior quarter and compared to NOK 191 million as per year-end 2016.

Interest-bearing assets rose to NOK 1.5 billion at the end of the fourth quarter from NOK 1.4 billion as per 30 September 2017. The increase is primarily explained by a NOK 106 million drawdown of a loan provided to Aker BioMarine, as well as foreign exchange movements as certain receivables are denominated in USD. Interest-bearing assets stood at NOK 1.1 billion per year-end 2016.

Investments increased to NOK 19.6 billion in the fourth quarter compared to NOK 17.9 billion as per 30 September 2017 primarily explained by Aker's NOK 1.6 billion investment in Aker BP, and a reversed write-down of the book value of Aker's direct investment in Aker Solutions. Investments stood at NOK 17.4 billion as per 31 December 2016.

Non interest-bearing short-term receivables rose to NOK 127 million in the fourth quarter, compared to NOK 54 million at the end of the third quarter. The increase is primarily due to a value changes on the total return swaps related to American Shipping Company as Aker renewed the two swap agreements in the quarter. Non interest-bearing short-term receivables amounted to NOK 43 million per year-end 2016.

Aker's **Cash** stood at NOK 1.2 billion at the end of the fourth quarter, slightly up from the prior quarter. Aker's liquidity reserves was NOK 4.0 billion as per year-end 2017. Cash stood at NOK 4.5 billion as per year-end 2016. The change in cash from 31 December 2016 is primarily explained by the investment in Aker BP, repayment of debt, dividend paid, loan to Aker BioMarine, investments in Farstad Shipping and Fornebuporten, other investments and operating expenses and net interest paid, partly offset by dividends received and new debt financing.

Equity stood at NOK 12.8 billion at the end of the fourth quarter, compared to NOK 13.8 billion as per 30 September 2017. The decrease in the fourth quarter is primarily due to allocation of NOK 1.3 billion in dividend, partly offset by Aker posting a profit before tax of NOK 294 million. Equity stood at NOK 13.3 billion per year-end 2016.

Non interest-bearing debt rose to NOK 1.6 billion from NOK 246 million in the third quarter. The quarterly change is mainly due to Aker setting aside NOK 1.3 billion for dividend. Non interest-bearing debt stood at NOK 1.6 billion per 31 December 2016.

Interest-bearing debt increased to NOK 8.3 billion in the fourth quarter from NOK 6.6 billion in the third quarter. The increase is mainly explained by Aker raising USD 200 million in new debt financing to fund the NOK 1.6 billion investment in Aker BP, as well as currency fluctuations as certain loans are denomiated in USD and SEK. Interest-bearing debt stood at NOK 8.3 billion as per year-end 2016.

Aker ASA and holding companies
Combined income statement

Amounts in NOK million	4Q 16	3Q 17	**4Q 17**	Year 2016	**Year 2017**
Sales gain	-	-	**-**	1 906	**-**
Operating expenses	(72)	(51)	**(76)**	(198)	**(244)**
EBITDA	(72)	(51)	**(76)**	1 708	**(244)**
Depreciation	(3)	(4)	**(4)**	(32)	**(14)**
Value change	209	(38)	**7**	(8)	**(289)**
Net other financial items	132	321	**365**	950	**1 380**
Profit/(loss) before tax	266	229	**294**	2 617	**833**

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 and 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 from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2016 annual report.

The income statement for Aker ASA and holding companies shows a profit before tax of NOK 294 million for the fourth quarter 2017. This compares to a profit before tax of NOK 229 million in the third quarter. As in previous periods, the income statement is mainly affected by value changes in share investments and dividends received. Profit before tax for the full year 2017 was NOK 833 million, compared to NOK 2.6 billion for 2016. Profit before tax in 2016 was impacted by NOK 1.9 billion in gains from sale of shares.

Operating expenses in the fourth quarter were NOK 76 million compared to NOK 51 million in the prior quarter. The increase in the quarter is primarily related to an overall higher activity level and bonus payments and accruals. Operating expenses for the full year 2017 were NOK 244 million, compared to NOK 198 million for 2016. Operating expenses in 2016 include a one-off reduction in pension liabilities of approximately NOK 30 million.

Value change in the fourth quarter was NOK 7 million mainly reflecting the value increase of Aker Solutions, partly offset by an value decrease of Aker's direct holding in Solstad Farstad and Akastor. The value change in the quarter compares to a negative value change of NOK 38 million in the third quarter. Aker had a negative value change of NOK 289 million for the full year 2017, compared to a NOK 8 million value decrease during 2016.

Net other financial items in the fourth quarter amounted to NOK 365 million, compared to NOK 321 million in the third quarter. Net other financial items are primarily impacted by dividends received and by mark-to-market adjustments on foreign exchange positions and Aker's total return swaps related to American Shipping Company. Aker received NOK 408 million in dividends in the fourth quarter. This compares to NOK 360 million in dividends received in the prior quarter. Net other financial items for the full year 2017 were NOK 1.4 billion, compared to NOK 950 million for the year prior. The increase is mainly explained by higher amount of dividends received and net gains on foreign exchange contracts.

The Aker Share

The company's share price increased to NOK 403 at the end of the fourth quarter 2017 from NOK 327 three months earlier. The company had a market capitalisation of NOK 29.9 billion as per 31 December 2017.

As per 31 December 2017, the total number of shares in Aker amounted to 74 321 862 and the number of outstanding shares was 74 295 513. As per the same date, Aker held 26 349 own shares.

Group consolidated accounts

Following changed legislation effective from 1 January 2017, Aker will no longer publish its group accounts for the first quarter, third quarter and fourth quarter. Half-year and annual group accounts will be published as previously.

Risks

Aker ASA and each portfolio 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 long-standing 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 closely monitoring the consolidated risk picture. The identified risks and how they are managed are reported to the Aker Board on a regular basis. Aker continuously works to improve its risk management process.

The main risks that Aker ASA and holding companies are exposed to are related to the value changes of the listed assets due to market price fluctuations. The development of the global economy, and energy prices in particular, as well as currency fluctuations, are important variables in predicting near-term market fluctuations. Aker ASA and holding companies are also exposed to risk of insufficient access to external financing. The company seeks to mitigate this risk by maintaining a solid cash buffer and by proactively planning for refinancing activities.

The companies in Aker's portfolio 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, i.e. political decisions on petroleum taxes, environmental regulations and operational risks, including major accidents which may have significant financial impact.

Despite an increase over the last two years, crude oil prices are still lower than observed in the period from 2011 to 2014 and volatility is high. This has impacted revenues for both oil and gas and oil services companies, which in turn may adversely affect the financial strength of some of Aker's portfolio companies' counterparties.

Aker's risk management, risks and uncertainties are described in the Annual Report for 2016.

Key events after the balance sheet date

After the close of the fourth quarter 2017, the following events occurred that affect Aker and the company's investments:

- On 11 January, Aker Solutions announced the successful completion of a new NOK 1.5 billion senior unsecured bond issue with maturity in July 2022. The bonds carry a coupon of 3 months NIBOR + 3.15 per cent p.a.
- On 15 January, Aker BP announced that the company intends to raise the dividend level in 2018 to USD 450 million. In addition, the ambition is to increase the dividend by USD 100 million annually to 2021. The increase in dividends in 2018 represents an additional USD 80 million in upstream cash to Aker. Aker BP also provided its 2018 guidance, forecasting production of 155 - 160 kboed, up from 138.8 kboed produced in 2017.
- On 17 January, Aker succesfully raised NOK 1.5 billion in a new unsecured bond with maturity in January 2023. The bonds carry a coupon of 3 months NIBOR + 2.65 per cent p.a.
- On 17 January, Aker BioMarine entered into an agreement to acquire Enzymotec for a total consideration of USD 26.4 million.
- On 26 January, Philly Shipyard announced that TOTE has decided to put their plans to enter the U.S. mainland to Hawaii containership service with up to four vessels on hold. As a result, the Letter of Intent between the said companies was not extended. Philly Shipyard aims to resume the project later and is also continuing to pursue potential new construction projects.
- On 10 February, Ocean Yield announced the acquistion of four VLCC crude tankers with 15-year bareboat charters to Okeanis Marine Holdings SA for a total consideration of USD 297 million net after seller's credit.
- On 13 February, Kvaerner announced a contract with Statoil for delivery of the topside modules for the Johan Castberg FPSO, as well as for hook-up and integration. The contract value is approximately NOK 3.8 billion.

Outlook

Investments in listed shares comprised 88 per cent of the company's assets as per 31 December 2017. About 73 per cent of Aker's investments was associated with the oil and gas sector, 14 per cent with the maritime industry, seafood and marine biotechnology 5 per cent, cash and liquid fund investments represented 3 per cent, and other assets 4 per cent. Aker's NAV will thus be influenced by fluctuations in commodity prices, exchange rates and developments on the Oslo Stock Exchange, as well as operational performance.

The cutbacks in E&P spending, driven by oil and gas companies' focus on free cash flow amid lower crude prices, have put the oil service industry under pressure. The reduction in spending seen over the last three years has led to a sharp decline in activity and few new projects have been sanctioned globally. At the same time, cost-cutting measures and increased operational efficiency across the industry have brought down break-even costs for offshore projects. In addition, the oil market is gradually balancing and oil prices have increased along with continued demand growth. Aker expects that this will lead to more projects being sanctioned and that spending will increase in the short to medium term. Nevertheless, Aker expects the overall activity level to remain subdued as E&P companies continue to take a cautious approach to new investments. Therefore, Aker's portfolio companies in the oil and gas sector will continue to reduce their cost base to increase competitiveness through increased productivity, efficiency and standardisation, improved technology offerings, and by exploring strategic partnerships and alliances. Longer term, Aker remains positive about the outlook for oil and gas and will therefore continue to evaluate strategic alternatives and opportunities in the sector.

Aker's strong balance sheet, liquidity and undrawn credit facilities enable the company to face unforeseen operational challenges and short-term market fluctuations, as well as to seize value-accretive investment opportunities. As an industrial investment company, Aker will use its resources and competence to promote and support the development of the companies in its portfolio, and to consider new investments.

Fornebu, 16 February 2018
Board of Directors and President and CEO

Aker ASA: Net Asset Value

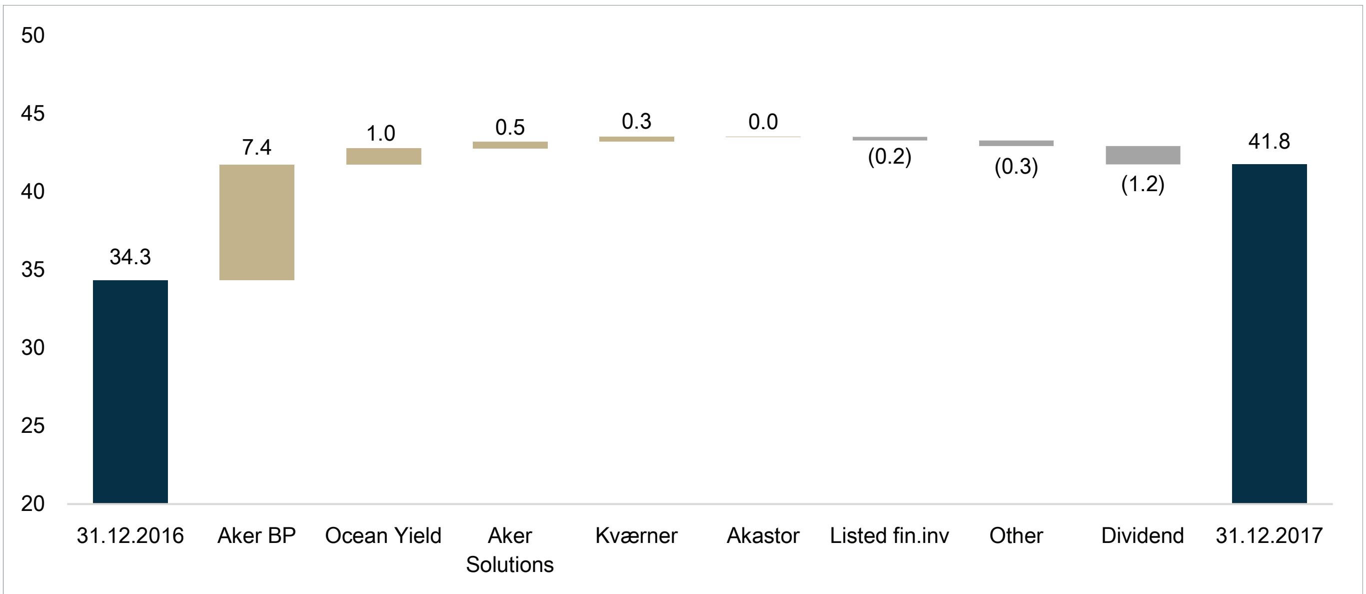
Reported values in NOK million	Number of shares per 31-Dec 2017	Ownership capital per 31-Dec 2017	Share of total assets per 31-Dec 2017	Reported values per 31-Dec 2017	Reported values per 30-Sep 2017	Reported values per 31-Dec 2016
Industrial Holdings						
Aker BP	144 049 005	40.0%	57.7%	29 083	20 805	20 873
Aker Solutions	94 565 293[1]	34.8%[1]	8.7%	4 368	3 985	3 912
Akastor	100 565 293[1]	36.7%[1]	3.3%	1 649	1 750	1 629
Kvaerner	77 233 531[1]	28.7%[1]	2.4%	1 220	989	935
Ocean Yield	98 242 575	66.2%	13.6%	6 828	7 024	6 386
Aker BioMarine		100.0%	2.8%	1 411	1 411	1 405
Total Industrial Holdings			**88.4%**	**44 560**	**35 964**	**35 139**
Financial Investments						
Cash			2.4%	1 232	1 167	4 466
Liquid fund investments			0.9%	442	426	410
Real estate			1.3%	674	629	426
Listed financial investments			2.4%	1 220	1 338	1 055
American Shipping Company (incl. TRS)[2]	*11 557 022*	*19.1 / 49.9%*	*0.7%*	*345*	*270*	*295*
Philly Shipyard	*7 237 631*	*57.6%*	*1.0%*	*492*	*644*	*447*
Solstad Farstad	*58 496 302*	*20.1%*	*0.7%*	*353*	*403*	*247*
Cxense	*512 849*	*5.7%*	*0.1%*	*30*	*21*	*66*
Receivables			3.0%	1 503	1 362	1 014
Aker BioMarine			*1.6%*	*823*	*696*	*-*
Ocean Harvest Invest			*0.8%*	*404*	*406*	*509*
American Shipping Company			*0.1%*	*55*	*53*	*172*
Other			*0.4%*	*220*	*206*	*332*
Other financial investments			1.5%	758	697	580
Total Financial Investments			**11.6%**	**5 829**	**5 618**	**7 951**
Gross Asset Value			**100.0%**	**50 389**	**41 583**	**43 089**
Interest-bearing liabilities				(8 343)	(6 631)	(8 331)
Other liabilities				(275)	(246)	(424)
Net Asset Value				**41 771**	**34 706**	**34 335**
Number of outstanding shares				74 295 513	74 295 513	74 281 961
Net Asset Value per share				**562**	**467**	**462**

[1] Partly owned through Aker Kvaerner Holding AS, in which Aker ASA has a 70 per cent ownership interest. Additionally, Aker ASA has direct ownership interest in Aker Solutions ASA and Akastor ASA

[2] Aker ASA holds direct exposure to 11 557 022 shares in American Shipping Company ASA, equivalent to 19.07% of the shares and votes of the company, and financial exposure to 18 687 620 underlying shares through two total return swap agreements, equivalent to 30.83% of the share capital in the company

Aker ASA: Net Asset Value contribution 2017

NOK billion



Financial calendar 2018

9 May	1Q 2018 report
18 July	1H 2018 report
9 November	3Q 2018 report

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Alternative Performance Measures

Aker ASA refers to alternative performance measures with regards to Aker ASA and holding companies' financial results and those of its portfolio companies, as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are frequently used by securities analysts, investors and other interested parties, and they are meant to provide an enhanced insight into operations, financing and future prospects of the group. The definitions of these measures are as follows:

- **EBITDA** is operating profit before depreciation, amortisation and impairment charges.
- **EBITDA margin** is EBITDA divided by revenue.
- **EBITDAX** is operating profit before depreciation, amortisation, impairment charges and exploration expenses.
- **Equity ratio** is total equity divided by total assets.
- **Gross asset value** is the sum of all assets, determined by applying the market value of exchange-listed shares, while book value is used for other assets.
- **Kboed** is thousand barrels of oil equivalents per day
- **Net Asset Value** ("NAV") is gross asset value less liabilities.
- **NAV per share** is NAV divided by the total number of outstanding Aker ASA shares.
- **Net interest-bearing receivable/debt** is cash, cash equivalents and interest-bearing receivables (current and non-current), minus interest-bearing debt (current and non-current).
- **Order intake** includes new signed contracts in the period, in addition to expansion of existing contracts. The estimated value of potential options and change orders is not included.
- **Order backlog** represents the estimated value of remaining work on signed contracts.
- **Value-adjusted equity ratio** is NAV divided by gross asset value.