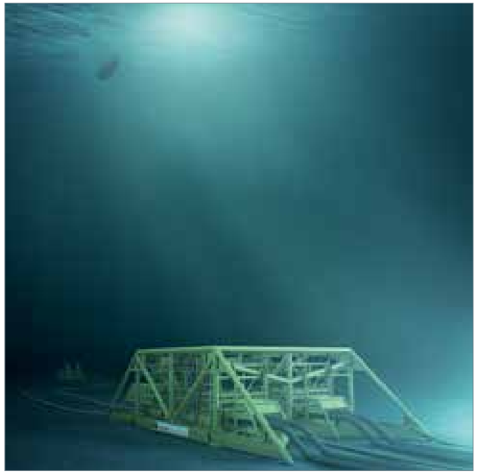
AkerSolutions™

2012
Annual report



Contents

Aker Solutions annual report 2012

Key figures 2012

(Continuing operations only)

Orders and results		2012	Restated[1] 2011[2]
Order backlog 31 December	NOK mill	**56 698**	41 449
Order intake	NOK mill	**60 312**	41 327
Operating revenues	NOK mill	**44 922**	36 474
EBITDA	NOK mill	**4 739**	3 445
EBITDA-margin	Per cent	**10.5%**	9.4%
Net profit	NOK mill	**2 260**	1 591
Cash flow			
Cash flow from operational activities	NOK mill	**1 783**	3 827
Balance sheet			
Borrowings	NOK mill	**7 691**	6 000
Equity ratio	Per cent	**29.8%**	32.2%
Return on equity	Per cent	**19.6%**	18.2%
Return on capital employed[1]	Per cent	**12.7%**	11.2%
Share			
Share price 31 December	NOK	**112.90**	62.95
Dividend per share[3]	NOK	**4.00**	3.90
Basic earnings per share (NOK)	NOK	**8.33**	5.77
Diluted earnings per share (NOK)	NOK	**8.30**	5.76
Employees			
Employees 31 December	Full time equivalents	**20 861**	18 397
HSE			
Lost Time Incident Frequency	Per million worked hours	**0.59**	0.66
Total recordable incident frequency	Per million worked hours	**1.72**	2.29
Sick leave rate	Per cent of worked hours	**2.60**	2.17

1) Change in accounting policies, see Note 2 Basis for preparation in consolidated accounts
2) Adjusted for gain on discontinued and demerged operations
3) Proposed dividends for 2012

Letter to shareholders

Last year was the first full year of operation since the restructuring of Aker Solutions started in 2010. I believe the annual performance clearly demonstrates the potential of the company. We have made significant changes to the way we operate over the past few years.

But to me it is clear that the biggest contributor to our improved performance in 2012, was that we avoided making the type of mistakes that cost us dearly in previous years. The quality of our execution improved again. Still, it remains one of the big triggers to improve the performance further. That says a lot about where we came from, but also something about our potential.

Our performance within health, safety and the environment (HSE) also improved, and the indicators point in the right direction. Still, despite continuous efforts to prevent serious incidents, Aker Solutions regrettably suffered thirteen serious personal injuries in 2012. Thankfully, no lives were lost in 2012. All serious incidents and near misses are investigated by our internal resources. We implement the lessons learned with the aim of preventing similar incidents in the future. Several incidents involved people working for sub-contractor companies. This fact has resulted in renewed actions to ensure that sub-contractors are made aware of the safety procedures in force at Aker Solutions and that they receive appropriate training.

Growth

Our financial performance improved significantly. Our revenues were 44.9 billion Norwegian kroner, up from 36.5 billion in 2011. The EBITDA this year was 4.7 billion, compared to 3.4 billion the previous year. The EBITDA margin was 10.5 per cent. When non-recurring items are excluded, the margin improved 2.4 percentage points to 9.9 per cent.

Our financial position is strong. On that basis, the Board of Directors has proposed to pay 4 Norwegian kroner per share in dividend – up from 3.9 kroner last year.

Our order intake for the year was more than 60 billion kroner, creating a solid foundation for further growth. I am pleased to say that we are on track to meet our target to double the size of the company by 2015. Moreover, I am confident that we have the potential, based on the current portfolio of business areas, to double in size again, from the 2012 level to 2017. The market conditions are favourable. It is up to us to deliver quality results.

The key to deliver is our people and our culture. Last year, we welcomed more than 4 000 people to our company last year, including 3 300 new full time employees. We now make up more than 28 000 people in total. We expect to grow at a similar pace in the coming years. We are investing in a broad range of activities to retain and attract the best people. Our vision is to be the preferred employer in our industry, globally.

Regions and customers

Aker Solutions' customer base is dominated by the world's largest oil producing companies. Our commitment to them is to be their long-term strategic partner. By taking the partnership approach we can solve our industry's greatest challenges together.

Customer satisfaction has the highest priority in Aker Solutions. In 2012, we strengthened our relationship with key clients and followed them into new territories and regions. We also established some new and exciting relationships, which we look forward to develop further.

The regional structure is a key growth driver at Aker Solutions. We introduced it in order to improve internal coordination – so we act as one company – and to move us closer to our customers, to where they operate. The experience so far has undoubtedly been positive. In 2012 the development of our regional structure in North America and Brazil yielded immediate results, in line with our objectives: we were better aligned as one company in the market, and key customer relationships improved.

I am convinced that this is the right way forward for Aker Solutions. In 2013, we will implement the regional organisation in our home market. Given our history and size in Norway, the task may cause a little pain at first, but the potential gains outweigh those concerns.

Responsibility

I believe our commitment to responsible business increases the company's opportunities and ability to shareholder create value, as it makes the company more attractive as a service provider, an investment object, and as an employer

Corporate responsibility at Aker Solutions is a matter of making good and sustainable business decisions. We demonstrate our commitment to human rights and labour rights, environmental responsibility and to combatting corruption. In 2012, thousands of colleagues participated in a new business ethics training course. Our zero tolerance policy on corruption is enforced worldwide.

Outperformance

Our share price nearly doubled during 2012, as the financial market experienced our improved financial performance. I am pleased that we created shareholder value, and that those who believed in our strategy back in 2010 have been rewarded.

However, when we look at the valuation of our stock versus peers in the market, we see that we still have the potential to improve. That serves as an inspiration to all of us in 2013. Maintaining and improving the quality of the work we do remain keys to our continued success. We know this will require a lot of hard work, and we are as motivated as ever before to make it happen.

Øyvind Eriksen, Executive Chairman

Board of directors' report

Aker Solutions experienced strong growth with revenues up 23 per cent compared to the previous year. The first full year of operation since the restructuring of Aker Solutions generated solid results. The increase in operating revenues and EBITDA reflect generally buoyant markets and high activity in the oil and gas industry.

Aker Solutions enjoys a prominent position in several of its key markets. Its long tenure in the oil service industry has left it with business relations and experience which are embedded in individuals and in organisational structures. A growing installed base of products and solutions represents opportunity for service deliveries and repeat sales. These are foundations for growth.

Company background

Aker Solutions is a leading supplier of oilfield products, systems and services. With competence that spans from the reservoir to production and through the life of a field, the company's vision is to be the preferred partner for solutions in the oil and gas industry. In a global perspective, Aker Solutions' main markets are subsea production systems, floating and fixed production units and drilling units.

Aker Solutions started as a small workshop in Oslo more than 170 years ago. At the end of 2012 the group had 20 861 employees and activities in more than 30 countries. Its head office is in Norway, at Fornebu outside Oslo. The parent company, Aker Solutions ASA, is listed on the Oslo Stock Exchange.

Long-term strategy

Aker Solutions has an ambition to grow revenues between 9 and 15 per cent per year in the period up to 2015. In 2012, the company performed according to expectations, and generated results in line with the targeted revenue and earnings growth. In December 2012, the company stated that market conditions are expected to remain buoyant beyond 2015. The company, based on the current portfolio of businesses, has the potential to double in size from 2012 to 2017, and that the EBITDA margin can increase to 15 per cent in the same period from the current level in 2012 of 10.5 per cent.

Aker Solutions has a sound financial platform which allows the company to increase investments in technology and manufacturing capacity to support organic growth, and to consider expansion through mergers and acquisitions. The board emphasises that assessments of the future are subject to uncertainty. Nevertheless, a review of market outlook, ambitions and plans at the end of 2012 confirmed that the five-year targets are within reach.

In order to achieve its long term strategy, Aker Solutions has identified four key focus areas in the coming years:

Performance quality

Performance quality is a top priority for the board. It is therefore noted as a positive development that the company in 2012 avoided the type of losses related to quality problems, which negatively affected Aker Solutions in 2011. More importantly, the company did not record any fatal accidents at Aker Solutions sites in 2012, following three deaths in tragic work-related accidents in 2011. Despite the improved performance, quality has high attention from the board. The issue are being addressed in many dimensions. Risk management measures and control procedures are being reinforced, and the cultural aspects of performance and quality is in focus in teams and on the personal level.

Customer focus

Aker Solutions' success depends on its reputation among its customers. In order to develop market positioning and customer relations, the roll-out of regional management structure in target areas, which started in 2011, will continue. The global key account approach will be further expanded. The abovementioned investments, mergers and acquisitions will also be used actively to strengthen market positions.

A major strategic decision in 2012 was to launch Frond End Spectrum. The company's strength in the traditional front-end market, combined its in-depth know-how from its wide range of product lines, make Aker Solutions uniquely positioned to take advantage of the rising demand in the market for front end services. The Front End Spectrum is expected to create valuable offerings to customers by combining products and capabilities across multiple business areas. New offshore discoveries, many of which lie in challenging conditions, have increased demand for high quality front-end engineering design studies.

Technology development

The company continuously evaluates and pursues ways to fill gaps in its product and technology offering. Such options include investment in in-house technology development, mergers and acquisitions, and strategic partnerships with customers or other industry players. R&D portfolio investments are balanced between near-term project driven product development, medium-term feasibility studies and market driven development as well as investments in more long-term, higher risk development tracks. Time to market of new technology and fast-track technology qualification carry much value. Aker Solutions will continue working with customers to secure their commitment and participation in product development; this will in turn guide Aker Solutions to define the right product specifications and prioritize its own investments

People

Having highly skilled and motivated employees and leaders is a key success factor for a technology driven company like Aker Solutions. The company therefore continuously strives to develop its attractiveness by offering existing and new employees opportunities to develop and grow their skills and careers in Aker Solutions. Aker Solutions is investing substantial resources in development of people and teams and other initiatives to maintain its position as a preferred employer. The company builds competitive pay and compensation package with contents adjusted to local requirements and customs. Extensive welfare programmes are common throughout the group.

Market outlook

Demand for Aker Solutions' technology, products and services is driven by the world's increasing consumption of oil and gas for transportation, energy production and industrial purposes. The end customer is almost always international oil companies, national oil companies or smaller and independent operators. Operators of drilling units and owners of floating production units and other type ships represented another important part of Aker Solutions' customer base, as well as construction and marine installation companies.

The oil and gas prices influence oil companies' priorities for, and choices between, new developments, upgrades to existing facilities and commitments to improving recovery from producing fields. Oil prices thereby affect activity in Aker Solutions' main markets.

Market prospects are regarded as good. The world's hydrocarbon consumption is expected to continue to grow. Combined with declining reserves and reduced oil and gas production in many parts of the world, this is expected to generate a persistent need for investments in new fields and increased recovery from existing fields.

Regional outlook

For many years, the North-West European continental shelf has been the world's primary geographical market for offshore oil and gas activities. Historically, this was also Aker Solutions' home market and a breeding ground for new technologies and solutions.

This region continues to play a key role for Aker Solutions. The home market represented nearly half of group revenues in 2012. Activity in the region remains high, with several new discoveries on the Norwegian Continental Shelf under development, which creates opportunities for Aker Solutions. The region will also be a stepping stone for Aker Solutions into the Arctic.

The Asia Pacific region represents offshore opportunities for Aker Solutions in countries such as Malaysia and Australia. The region also includes key customers, such as yards in the Far East, which build deep-water drilling units for Brazil and other international markets.

In Brazil, the company has a strong local presence, and won several large contracts in the region during 2012, including a series of deepwater drilling packages for new vessels that are being built in the country. During the year, the company announced plans to build a new $100 million drilling service and fabrication facility in Macae.

Aker Solutions also seeks to add further presence in West Africa beyond its current operations in Angola and Nigeria.

North America offers a wide range of market opportunities for Aker Solutions' products and services. The region's importance is further emphasised by being the home of some of the world's most prominent exploration and production companies.

Organisational development

In 2012 Aker Solutions completed the first full year of operation as a pure oil services company, after the major restructuring the company went through in the two previous years with the demerger of Kvaerner and sale of P&C. The corporate centre was further reinforced in 2012. The corporate function mandates were defined as shaping and safeguarding of their respective areas across the operational entities, and to drive implementation of the strategic initiatives described above.

In addition to the corporate centre, the regions play an increasingly important role in the development of Aker Solutions. One key objective with the regional organisation is to get even closer to the market and to the customers. The experience is so far very positive. The regional management in Brazil and North America, which were in operation throughout 2012, have improved Aker Solutions' relationships to key customers in the respective regions. In 2012, Per Harald Kongelf, chief operating officer, was appointed regional president for the Norway region, which will be implemented in 2013. The next regional structures to be implemented are expected to be Europe Africa and Asia Pacific.

Financial performance

Aker Solutions presents its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. Figures in brackets present comparative data for the previous year. All amounts relate to the consolidated financial statements for the group, since the parent company has very limited operations.

In order to be better aligned with the revised pension standard that will be mandatory from 1 January 2013, the group changed accounting principles in 2012 for pensions and is no longer using the corridor method. See note 2 Basis for preparation to the consolidated accounts for further information.

Income statement

Operating revenues for 2012 increased by 23.2 per cent to NOK 44 922 million (NOK 36 474 million), and the order backlog increased by 36.8 per cent in the same period. The changes primarily reflect strong market conditions in the oil and gas sector.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to NOK 4 739 million (NOK 3 445 million), an increase of 37.6 per cent from 2011. The EBITDA margin in 2012 was 10.5 per cent (9.4 per cent). EBITDA includes NOK 325 million in gain from the sale of real estate previously deferred pending completion of the buildings. The increase in operating revenues and EBITDA partly reflect strong markets and high activity in the businesses. The increase in underlying earnings reflects improved operational activity in 2012, compared to the quality issues that negatively affected the 2011 results.

Earnings before interest and taxes (EBIT) were NOK 3 573 million (NOK 2 569 million). Net profits for continuing operations in 2012 was NOK 2 260 million (NOK 1 591 million). Earnings per share for 2012 were NOK 8.44 (NOK 5.77). The board has resolved to propose to the annual general meeting in 2013 that the company pays NOK 4.00 per share in dividend for 2012. This represents 48 per cent of net profit, and is in accordance with the company's dividend policy

Net financial expenses amounted to NOK 503 million (NOK 458 million). Associated companies and joint ventures reported a profit of NOK 12 million (negative NOK 73 million). Tax expense was NOK 697 million (NOK 482 million). This corresponded to an effective tax rate of 23.6 per cent (23.3 per cent).

The group hedges currency risk for all significant project exposures in accordance with well-established practice. Although this provides a full currency hedge, parts of the hedging (about 20 per cent) do not meet the requirements for hedge accounting specified in IFRS. This means that fluctuations in the value of the associated hedging instruments are recognised with full effect as financial items in the income statement.

In 2012, the accounting effects of the above appear as an expense of NOK 125 million (income of NOK 35 million) in a separate line under financial items in the income statement. The underlying projects hedged by the unqualified hedging instruments have had a positive accounting effect of NOK 36 million, which is recognised in operating profit (NOK 44 million)

Cash flows

Consolidated cash flows from operating activities depend on a number of factors, including progress with and delivery of projects, changes in working capital and prepayments from customers. Net cash flow from operating activities in 2012 was NOK 1 783 million (NOK 3 827 million). Working capital was NOK 1 866 million as of 31 December 2012 compared to NOK 306 million as of 31 December 2011. The reason for the increase is phasing of projects. The working capital tied up in each of the projects may fluctuate depending on where the project is in the execution phase. The working capital was low in the prior year compared with what is expected to be a normal level of five to six per cent of annualised revenue.

Net cash flow from investment activities in 2012 was negative NOK 2 003 million (negative NOK 202 million). Net cash flow from investment activities included in 2011 NOK 3 516 million in cash received from disposal of businesses within Process and Construction and Marine Contractor and NOK 677 million mainly from the disposal of Stavanger office building. Capital expenditure in 2012 was negative NOK 2 961 million (negative NOK 3 385 million). NOK 552 million was invested in capex related to development of technology. As part of the sale of 50 per cent of AMC Connector AS Aker Solutions received NOK 1 227 million in settlement of an intercompany loan.

Net cash flow from financing activities was NOK 261 million (negative NOK 2 878 million), with dividends for the previous year of NOK 1 053 million (NOK 741 million).

Balance sheet items, solidity and liquidity

The acquisitions of businesses in 2012 consisted of a series of smaller production and technology companies in addition to buying back four of Aker Solutions' key leased manufacturing and service facilities in Norway. Aker Solutions also acquired the remaining 50 per cent of the carbon capture technology company Aker Clean Carbon from Aker Capital AS. In May 2012, the company announced an agreement to buy NPS Energy, a Dubai-based oil services company with operations across the Middle East. In October 2012, the agreement was terminated, after the closing conditions had not been met.

Non-current assets totalled NOK 19.2 billion (NOK 15.8 billion) as of 31 December 2012, of which goodwill and other intangible assets amounted to NOK 6.9 billion (NOK 6.3 billion).

Interest-bearing debt amounted to NOK 5.4 billion (NOK 6.0 billion) as of 31 December 2012. Debt includes bond loans in the Norwegian bond market, bank loans with Nordic and international banks, local financing in Brazil and some smaller loan facilities between group subsidiaries and local banks.

The liquidity reserves were solid at year end with undrawn committed credit facilities of NOK 8 000 million in addition to cash of NOK 1 214 million.

As of 31 December 2012 book equity including non-controlling interests totalled NOK 11 823 million (NOK 10 797 million). Non-controlling interests amounted to NOK 157 million (NOK 169 million). The group's equity ratio was 29.8 per cent (32.2 per cent) of the total balance sheet as of 31 December 2012. Capital adequacy and liquidity is generally considered to be solid, and the group is well equipped to meet the challenges and opportunities faced over the next few years.

Going concern

Based on the group's financial results and position, the board affirms that the annual accounts for 2012 have been prepared on the assumption that the company is a going concern.

Subsequent events

On 26 February 2013, Aker Solutions entered into an agreement to allow it to acquire 100 per cent of the shares and voting rights of Enovate Systems Ltd, a leading technology company within subsea well control equipment. The company has co-operated with Aker Solutions for several years, specifically within the subsea and the oilfield services and marine assets business areas. The company has 62 employees. The acquired business will be included in Subsea business area

On 27 February 2013, Aker Solutions acquired 100 per cent of the shares and voting rights of Managed Pressure Operations International, Ltd. The company has successfully developed the next generation of continuous circulation, riser gas handling and managed pressure drilling systems. The company currently employs 100 people, and the acquired business will be included in Drilling Technologies business area.

Research and development

Aker Solutions has continued to invest in its portfolio of technologies in 2012, and the majority of the product development expenditure was still clearly invested in the more near-term opportunities and projects. The company is increasing investments in non-contract related product development and product qualification projects.

Other technologies are currently being developed, including an overall approach to CO2 management, which is a major concern for all companies involved in oil and gas production. Coordination and synergies between the various operating entities was accelerated through the establishment of a technology network, led by the Chief Technology Officer.

Total expenditure on research and development (R&D) in 2012 was NOK 715 million (NOK 581 million), of which NOK 151 million (NOK 245 million) has been expensed because the criteria for capitalisation was not met.

Financial results of the operating segments

Aker Solutions is organised in three main reporting segments: Engineering Solutions, Product Solutions and Field-Life Solutions.

Engineering Solutions

Aker Solutions provides concept and front-end studies to oil companies around the world. Its concepts, competence and experience are particularly relevant for complex oil and gas field developments in harsh environments and for deep waters where floating production units are typically required. Aker Solutions also provides detailed engineering services to large EPC contractors, as partner or as sub-contractors. The company has a broad co-operation with Kvaerner.

This total engineering capability is organised in the Engineering Solutions business segment. Main hubs are in Oslo, Mumbai and Kuala Lumpur. In 2012, the engineering office in London grew significantly, and is today a fourth hub. The presence in Houston, Perth and Rio de Janeiro is also growing, from a smaller base.

Key figures

Amounts in NOK million	**2012**	2011
Operating revenues	**4 508**	3 253
EBITDA	**499**	374
EBITDA margin	**11.1%**	11.5%
Order intake	**3 507**	4 515
Order backlog (as of 31.12)	**2 549**	3 703

The key figures for the Engineering Solutions business segment reflect that oil and gas companies around the world are increasing their investments in new oil and gas production capacity. This drives demand for engineering services.

Operating revenues and underlying earnings both rose in 2012 from 2011, as detailed engineering projects progressed and several FEED studies were completed. A new detailed engineering contract for the Edvard Grieg project on the Norwegian Continental Shelf was the biggest single order during the year.

Product Solutions

Aker Solutions delivers oilfield products for the entire upstream value chain, from reservoir through processing. Product categories include subsea, drilling, umbilicals, processing technology and mooring and loading equipment. Within each category, Aker Solutions delivers individual products or provides integrated systems with high engineering contents. Life-cycle services is also available as part of the total offering.

The product businesses, including associated engineering and life-cycle services, are combined in the Product Solutions reporting segment. Down-hole products and services are part of the Field-Life Solutions segment described below.

The Product Solutions segment consists of five business areas: Subsea (SUB), Umbilicals (UMB), Drilling Technologies (DRT), Process Systems (PRS) and Mooring and Loading Systems (MLS). SUB and DRT are two of the largest operating entities within Aker Solutions. In 2012 they represented 27 and 19 per cent of group revenues respectively.

From its main engineering offices, manufacturing sites and service bases in Norway, UK, Brazil, USA and Malaysia, SUB delivers products such as wellheads, trees, manifolds, control systems, work-over systems, subsea pumps and compressor stations, related services as well as integrated subsea field development systems. Oil companies are the main customer category. Key geographical markets include North-West Europe, Brazil, West Africa and Asia. In a separate business line headed out of Singapore and Indonesia, SUB also offers surface wellheads, trees and related products.

DRT delivers a wide range of drilling products including top drives, handling equipment for blow-out preventers and drill pipe, compensators and tensioners, drill floor equipment, drilling risers, hydraulic power units, mud pumps and drilling simulators. Complete drilling packages and life-cycle services are also part of the offering. Oil companies, rig owners and construction yards are typical customers. The main geographical markets include the North Sea, Brazil and Asia. The main office for DRT is in Norway. Project, sales and service organisations are located close to markets and customers.

Key figures

Amounts in NOK million	**2012**	2011
Operating revenues	**25 291**	19 707
EBITDA	**2 336**	1 136
EBITDA margin	**9.2%**	5.8%
Order intake	**29 357**	25 840
Order backlog (as of 31.12)	**25 603**	22 098

EBITDA by area	**2012**	2011
SUB	**1 005**	(138)
UMB	**94**	194
DRT	**1050**	878
PRS	**29**	37
MLS	**158**	165

Operating revenues in the Product Solutions segment increased by 28 per cent from 2011 to 2012, driven by growth in SUB of 52 per cent and an increase in DRT by 23 per cent.

Product Solutions' EBITDA and EBITDA-margin in 2012 rose, as SUB recovered from the losses incurred in 2011. The strong performance in the two large Product Solutions business areas far outweighed weak performance in PRS and UMB. The two units suffered execution challenges and delayed awards of new work, which reduced EBITDA compared with past performance.

Order intake in 2012 was 14 per cent higher than in the previous year, reflecting strong market conditions, which included the award of drilling equipment packages for seven drill ships to the Brazilian market. The order backlog increased 16 per cent through the year.

In 2012 DRT secured contracts for delivery of 10 new deepwater and two jack-up drilling packages. SUB was awarded contracts to deliver subsea equipment or production systems in Norway, Angola, Australia and Malaysia. Key UMB events included the award of a global frame agreement with Shell.

Field-Life Solutions

Aker Solutions offers a wide range of services, which has the ultimate objective to increase oil and gas recovery from existing fields and extend the operating life of field assets.

The Field-Life Solutions segment consists of three operating entities: Maintenance, Modifications and Operations (MMO), Well Intervention Services (WIS) and Oilfield Services and Marine Assets (OMA), representing 32 per cent of group revenues. MMO alone accounts for about a quarter of group revenues.

Concept and front-end studies, detailed engineering, planning and execution of modifications to existing platforms and other field infrastructure is a large part of the MMO business, which also offers maintenance and operation services in the North Sea. Aker Solutions is market leader within this segment in Norway.

In the WIS area, Aker Solutions provides down-hole services which optimise the flow from reservoir through the well. This business has a strong position in both UK and Norway.

The OMA operating entity includes Aker Solutions' deep-water well intervention business, which operates three highly sophisticated vessels. OMA owns 7.4 per cent of the shares in the marine contracting group Ezra Holdings, which is listed in Singapore and Oslo, and a 50 per cent stake in Aker DOF Deepwater, which owns and operates five offshore vessels.

Key figures

Amounts in NOK million	**2012**	2011
Operating revenues	**14 320**	12 178
EBITDA	**1 544**	1 025
EBITDA margin	**10.8%**	8.4%
Order intake	**27 944**	10 232
Order backlog (as of 31.12)	**29 726**	16 185

EBITDA by area	**1202**	2011
MMO	**974**	833
WIS	**410**	404
OMA	**160**	(212)

In 2012 all operating entities in the Field-Life Solutions segment increased their revenues, for the second year running. EBITDA rose sharply from 2011 to 2012, as vessels went into operation.

Order intake in 2012 was significantly higher than in 2011. OMA signed an eight-year contract to provide well intervention and drilling services to Statoil on the Norwegian continental shelf. The US$ 1.9 billion contract was the largest individual contract signed by Aker Solutions in 2012. Defining the concept together with the customer, will be the next step in this project in 2013. The project will have no significant impact on revenues in 2013.

MMO maintained its strong position in the home market, winning a contract to upgrade the Snorre A platform, and signing a frame agreement with ExxonMobil for work on the NCS. An international breakthrough came when the company signed a contract to provide MMO services in Brunei.

Parent company results and allocation of net profit

The parent company Aker Solutions ASA is the ultimate parent company in the Aker Solutions group and its business is the ownership of all companies and the management of the subsidiaries in the group. Aker Solutions ASA has outsourced all the company functions to other companies within the group, mainly Aker Solutions AS. However, assets and liabilities related to Corporate Treasury function are held by Aker Solutions ASA.

Aker Solutions ASA had a net profit of NOK 65 million for 2012 (NOK 3 980 million for 2011). The parent company's dividend policy involves an intention to pay shareholders an annual dividend of 30-50 per cent of net profit. The dividend will be paid in cash and/or through share buy-backs. Pursuant to the company's dividend policy, the board proposes an ordinary dividend of NOK 4,00 per share.

The board thereby proposes the following allocation of net profit:

Amounts in NOK million	
Dividend	1 082
Other equity	(1 017)
Total allocated	65

Unrestricted equity after the proposed dividend payment amounts to NOK 4 689 million.

Corporate governance

Aker Solutions aims to ensure that the maximum possible value is created for its shareholders over time. Good corporate governance shall ensure an appropriate distribution of roles between the owners, the board of directors, and the leadership group, and also contribute to reducing risk and ensuring sustainable value.

It is the responsibility of the board of directors of Aker Solutions ASA to ensure that Aker Solutions implements sound corporate governance. The audit committee and board risk committee support the board of directors in safeguarding that the company has internal procedures and systems in place to ensure that corporate governance processes are effective. The board and the committees evaluate the corporate governance statement on an annual basis as well as other policies and procedures.

The corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance as amended on 23 October 2012. The corporate governance statement including description of risk management and internal control is available on http://www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/.

In 2012, many initiatives have been started in order to further improve the internal control in the group.

One of the priorities going forward is to further develop and formalise policies, procedures, risk management and internal controls in line with the Committee of Sponsoring Organizations of Treadwell Commission (COSO) framework.

Risk management

Risk management is a critical success factor and competitive parameter for Aker Solutions. The annual risk assessment process at corporate level involves all the functional leaders and the total risk profile for the company is presented to the board of directors. Monitoring of risks at operational levels is done through the monthly reporting and meetings which cover financial and operational topics in the business areas. Each corporate function will also follow up its area of responsibility outside these formal processes through direct dialogue with the businesses.

The group has based its approach to enterprise risk management on the principles in the ISO Enterprise Risk Management and COSO frameworks. The focus going forward is to further formalize the risk management process in all levels of the organisation in line with the COSO framework.

Strategic risks

Strategic risks are the risks of pursuing the wrong markets, segments, services and products or customers. These are managed through the annual strategy process. In this process the board of directors ensures that the overall direction, markets and customers are reflected in the strategies. Also part of risk management and in addition to the corporate risk committee, the corporate investment committee will review all major investments before approval by the Board of Directors.

Operational risks

Operational risks mainly relate to risks during project execution, manufacturing and other business operations. There are many controls in place to mitigate these risks.

All significant issues are reviewed by the corporate risk committee (CRC) and some require board approval according to a defined authorisation matrix. The CRC is responsible for reviewing the risk assessment, financial estimates and planned execution of the projects and provides guidance to the tender teams and decision makers on the risk profile of the tenders. The CRC has had increased focus on potential technology challenges in 2012, after having issues with this in 2011. The corporate risk committee reviewed 89 projects during 2012.

Risks in the operating entities are reported to the executive management in monthly operating reviews. These reviews form the main internal management control procedures and reporting line across Aker Solutions. The reporting consists of a written report and a subsequent review meeting with the CEO, CFO and other functional staff as required.

The Project Execution Model (PEM™) is an operating system used by all projects. Risk management is an integrated part of PEM both with regards to tenders and projects during execution. The PEM™ has defined milestones for the projects called gates. The project has to pass a "gate review" in order to move from one gate to another. The gate review follows a set of defined controls and templates, and risk review is a key element in the gate review.

The risk management process for projects is standardised with a register where identified risks and opportunities are categorised and assessed in terms of impact and probability. These registers support follow-up of all risks in the project as well as the improvement opportunities. Further, the projects report monthly in a web-based solution the operational and financial status, in addition to performance and risk indicators.

Financial statement risks

Financial statement risk is the risk of the external financial reporting (either quarterly, annually or other) being materially misstated. A structured review of the main financial statement risks is performed annually, and controls are reassessed to ensure all key risks are mitigated. The quality of internal reporting is regularly assessed in monthly and quarterly financial and operational reviews, and in more specific deep-dives into operating entities and projects.

Given the nature of the business, the financial statement risks related to project estimates are the most significant financial statement risk in Aker Solutions, see note 4 Accounting estimates and judgements to the consolidated accounts. Several initiatives have been taken in 2012 in order to improve transparency in judgments and estimates made by the project teams.

Financial risks

Financial risk includes currency, interest rate, counterparty and liquidity risk. The corporate treasury function is responsible for managing financial market risk and the group's exposure to financial markets. Financial risk management and exposure is described in detail in note 5 Financial risk management and exposures to the consolidated accounts.

- Currency risk: operating units in Aker Solutions identify their own foreign currency exposure and mitigate this via corporate treasury when contracts are awarded. Such cover is provided in the operating unit's functional currency. All major contracts are furthermore hedged in the external market and documented to qualify for hedge accounting. More than 80 per cent of project related currency risk exposure either qualifies for hedge accounting or is presented separately as embedded derivatives and therefore includes an economic hedge.
- Interest rate risk: it has been decided that 30–50 per cent of the group's gross debt will have fixed interest rates with durations related to the outstanding debt at any given time. Floating and fixed interest rate loans are combined with interest rate swaps. 40 per cent of the borrowings had fixed interest rate at the balance date.
- Counterparty risk: assessments are made of major contractual counterparties and sub-contractors. Risk is reduced through bank and parent company guarantees and/or structuring of payment terms. Where bank risk and the placement risk for surplus liquidity are concerned, specific maximum levels have been set for the group's exposure to each financial institution. A special debtor list is signed annually by the group's CFO.
- Liquidity risk: the group's policy is to maintain satisfactory liquidity at the corporate level. This liquidity buffer is expressed as the sum of undrawn bank credit facilities and available cash and bank deposits. Working capital will vary over time, depending on the composition of revenues in the various segments – and good liquidity is important.

Ethical and political risks

Ethical and political risks are risks that the company is involved in unethical behaviour, either directly or through third parties or partners, or involved in countries where international sanction regimes are in place. The risks within this area are managed through regular country analysis, mandatory awareness training, compliance reviews and regular integrity due diligence.

Corporate responsibility

Corporate responsibility (CR) at Aker Solutions is a matter of making good and sustainable business decisions. In 2008, the company and its management demonstrated commitment to human and labour rights, environmental responsibility and to work against corruption, by joining the UN Global Compact and making the ten principles of the UN Global Compact the basis for corporate responsibility in Aker Solutions. Aker Solutions is committed to follow the Global Framework Agreement (GFA) entered into with the trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna on 17 December 2012. The GFA builds on and continues the commitment from the previous framework agreements signed in 2008 and 2010, and outlines key responsibilities in relation to human and trade union rights. The parties commit themselves to achieving continuous improvements within the areas of working conditions, industrial relations with the employees of the Aker group, health and safety standards at the workplace and environmental performance. Today, corporate responsibility is an integrated part of doing business in Aker Solutions. However, the work to improve corporate responsibility is continuing, and will in 2013 focus on setting stronger goals and directions for the CR work, and improving the internal implementation ability.

Aker Solutions considers corporate responsibility as a strategic benefit which adds value to both the company and our stakeholders. Aker Solutions benefits from corporate responsibility because it helps increase our quality through improving processes and mind-sets, it creates motivation among our employees, and it makes us a more attractive supplier, in particular among the large oil companies who have set strict requirements to their supply-chain. Attention to corporate responsibility also reduces reputation risk potentially causing senior management to spend unnecessary time and resources on managing negative publicity.

Priorities and materiality

The following focus areas have been identified as particularly relevant to Aker Solutions' corporate responsibility: supporting local growth and competence creation; protecting human rights; implementing responsible supply chain management; working against corruption; reducing environmental risks; further improving our health and safety work, and promoting employee relations.

Aker Solutions maintains dialogue with employees, managers and external stakeholders regarding business ethics and corporate responsibility. Through this dialogue, the company works to ensure that the ongoing corporate responsibility work is relevant for its context, the company's market and strategy and the expectations from stakeholders. For example, we communicate on corporate responsibility through articles and interactive blogs on our intranet, and we get feedback from our workforce via the business ethics courses. Our customers provide valuable information about their priorities and expectations in the prequalification and tender processes, but also in stakeholder meetings and common involvement in working groups and seminars. Networks such as the UN Global Compact (Nordic Network) and anti-corruption initiatives also provide valuable meeting-places to discuss, benchmark and align our CR work. The CR focus areas also reflect the conclusions of the extensive stakeholder engagement which was undertaken in 2011. The dialogue included key internal and external stakeholders and followed the guidance of the Global Reporting Initiative.

Community impact

Aker Solutions has an ambition to contribute to a positive and sustainable economic development where the company operates. This includes for instance establishment of long-term strategies for local presence in new regions, development of local competence, recruitment of local managers and staff and use of local suppliers.

In 2012, Aker Solutions established new offices in Malaysia, Brazil, USA, Norway, the UK and the Czech Republic. Several of the new establishments reflect a need to attract competence by moving to where the competence is, while at the same time supporting job creation in local markets.

Sustainable development is considered when new or increased establishments are planned in countries with local content requirements. Aker Solutions aims to find sustainable and long-term solutions to our establishments. Business ethics, sustainability and integrity of new operations and set-ups are evaluated and discussed both in the Corporate Investment Committee and in the Corporate Risk Committee when relevant.

Human Rights

Aker Solutions is devoted to making sure that the company is not complicit in human rights abuse. This commitment is part of the obligations as a member of the UN Global Compact, and also specified in company policies and the Code of Conduct. Key focus areas for human rights work are protecting human rights in our workforce and among subcontractors and suppliers, and ensuring that the company does not contribute to oil and gas activities where the risk of being complicit in breaches of human rights is high.

The Aker Solutions country risk standard classifies relevant markets according to their non-financial risks. Assignments in and deliveries to countries that are classified as high risk ("notification countries"), require specific assessment and approval in the bid-no bid phase. The assessment considers risks of human rights complicity, corruption, environmental impacts and regulatory framework, political risks, security risks, ethical dilemmas and risk of supporting violence or abetting conflict, and may result in specific guidelines on how to manage the relevant risks in the projects. The review procedures also help coordinate corporate strategies in specific countries or regions. Aker Solutions reserves the right to refuse participating in projects where the risk of complicity in human rights abuses is significant. In 2012, five bids were refused or partly refused on such grounds.

Responsible supply chain management

Aker Solutions is committed to encourage sustainability, integrity and respect for human and workers' rights in the supply-chain. In 2012, the Supplier Qualification and Information system was launched, constituting an important tool to monitor suppliers in a system that integrates information on risk, quality, HSE and corporate responsibility. The supplier declaration was adjusted to clarify the suppliers' contractual obligation to ensure children's rights and integrity in the buying process.

Anti-corruption and business ethics

Aker Solutions is adamant that the company's zero-tolerance approach to corruption is practiced in all operations and parts of the company. The Aker Solutions compliance programme has been strengthened further in 2012, with improvements in control procedures, increased focus on due diligence of third party representatives and business partners, and with high focus on training and awareness-raising. The Aker Solutions Code of Conduct was revised this year, in order to provide more specific advice to integrity risks, and there has been a focus on increasing the awareness of both the Code of Conduct and the whistleblowing channel.

The Aker Solutions business ethics class-room training was developed in September 2011, and the executive management team set as a goal that 12 000 office-based employees, managers and other representatives of Aker Solutions should participate in the course in 2012. In addition to sharing information about procedures and regulations to prevent corruption and unethical conduct, the class-room setting also represents an opportunity to discuss challenges and dilemmas, which is observed to have had a positive impact on the corporate culture. In the period September 2011 to December 2012 the goal set by the management team was realised, with more than 12 000 office-based colleagues trained, and another 400 that are not office based. With an increased work force, this training will continue in 2013, and will become a mandatory part of the introduction programme for new employees. There is already a notable increased focus on business ethics in the organisation, with more questions being brought up for discussion, and increased openness and alertness. The board is of the opinion that this is a strong component in the building of a culture of compliance.

The whistleblowing channel has been a focus both in the training and in a separate awareness-raising campaign. As a result there has been a strong increase in the reports received to the whistleblowing channel, which brings the company closer to the expected level of reports for a company of its size. This is considered to be a positive sign of increased awareness in the organisation.

Environment

The board takes the view that Aker Solutions' activities pose only a limited direct burden on the environment. No significant unintentional discharges or emissions to the surrounding environment were recorded in 2012.

Aker Solutions' work to protect the environment falls in two categories. Firstly, the company offers products, systems and services which are environmentally safe and which reduce the environmental footprint of our customers' operations. Secondly, Aker Solutions seeks to reduce its own direct impact on the environment.

Recent examples of environmentally friendly products include products and systems with zero discharge to sea, arctic bow loading with extra stringent environmental safety design and subsea systems with electronic operations rather than hydraulic oil. The company in 2012 took full ownership of Aker Clean Carbon AS, which has a leading technology position within carbon capture and sequestration. After the takeover, the organisation was merged with the ENG business area at Fornebu in Norway.

Total energy consumption by the business in 2012 (figures for 2011 in brackets), based on recorded use of oil, gas and electricity, amounted to 284 024 (304 181) megawatt-hours. Carbon emissions related to this usage are estimated at 67 061 (77 591) tonnes. The methodology used derives from the Greenhouse Gas Protocol (GHG) and the Global Reporting Initiative (GRI).

The reduction is partly a result of our restructuring processes which has reduced our dependency of energy going in to construction. Some reduction has also been measures in our energy use in buildings due to our initiatives to better manage electricity use.

Waste recorded in connection with the business totalled 19 061 (30 331) tonnes, of which 85 per cent was recycled.

An eLearning programme with a particular focus on the environment was introduced during 2008. This programme is mandatory for all employees.

Our HSE leadership development initiatives, eLearning and the management system incorporate clear components which focus attention on the environment. Collectively, these contribute to continuous improvements in environmental awareness and attitudes among managers and other employees.

This inspires the organisation to achieve further gains in environmental performance in Aker Solutions' own activities, and to assist customers in making environmental improvements through the products developed by the group.

Health, safety and working environment

Despite continuous efforts to avoid serious incidents, Aker Solutions regrettably suffered thirteen serious personal injuries in 2012 compared to ten in 2011. Thankfully, no lives were lost in 2012. In 2011 three lives were lost in tragic accidents in operations under Aker Solutions management.

All serious incidents and near misses are investigated and the lessons from them implemented with the aim of preventing similar incidents in the future. The total 13 serious injuries in 2012 involved: energy isolation, falling objects/working at height, lifting operations and the operation of hand tools.

Several incidents involved people working for sub-contractor companies. This fact has resulted in renewed actions to ensure that sub-contractors are made aware of the safety procedures that apply in Aker Solutions and that they receive appropriate training.

The total recordable injury frequency (TRIF) per million working hours fell from 2.3 in 2011 to 1.7 in 2012. The lost-time injury frequency (LTIF) per million working hours declined from 0.7 in 2011 to 0.6 in 2012. These figures also include Aker Solutions' sub-contractors.

Sick leave amounted to 2.6 per cent of total working hours in 2012, compared with 2.2 per cent the year before. Although we see an increase, the level remains low. However, it should be noted that differences in local regulations complicate a direct comparison of sick leave between different countries.

Although low in comparison with national average, company statistics show that sick leave in Aker Solutions' Norwegian operations is relatively higher than in other areas of the group. Special initiatives were introduced in 2010 with a focus on exercise and nutrition. The result of these efforts, which continued in 2012 have been encouraging.

Concern for health, safety and the environment (HSE) is one of Aker Solutions' core values. It has been a top management-driven guiding principle in the business for many years. The fundamental principle and attitude is that all incidents can be prevented. On that basis, Aker Solutions works continuously to prevent incidents which could cause harm to personnel or to material or non-material assets.

A common HSE operating system for the whole company sets standards for the most important elements in HSE management and leadership. Regular audits uncover possible gaps in relation to expectations, and the necessary counter-measures are identified and initiated. This system also functions as a framework for cross-organisational sharing and learning.

The company's Just Care™ concept is a common symbol for the group's HSE culture and work. One key element in the programme, which was introduced in 2005, is that each person must accept personal responsibility for HSE, based on care for people and the environment.

The Just Care concept will be developed further in 2013 to ensure that safety remains top priority throughout Aker Solutions.

People and teams

As of 31 December 2012, Aker Solutions' total workforce consisted of 27 554 people, including 20 861 direct employees and 6 694 contract staff. During the year the total workforce grew by 4 009, reflecting increased activity in the businesses.

Aker Solutions has two main categories of employees. Skilled workers and operators represent 28 per cent. White collar staff represents 72 per cent.

Of the number of own employees, 52 per cent worked in Norway, 12 per cent in the Americas, 19 per cent in the Asia Pacific region, 16 per cent in Europe outside Norway and 1 per cent in Africa and the Middle East. Of the 3 300 own employees that were recruited in 2012, 58 per cent joined the company outside of Norway.

Diversity

Aker Solutions clearly states its commitment to equal opportunity and non-discrimination. This commitment is described in policies and agreements, for instance in a three-party frame agreement with national and international trade unions. This agreement, which was first entered into in 2008, covers general employment terms and employee relations, with specific focus on non-discrimination.

Equal opportunity for genders is a fundamental principle in Aker Solutions. For reasons mainly related to history and industry tradition, male employees continue to be in majority within the company. Of the total employees 21 per cent were women.

The company promotes equal opportunities by setting specific requirements for diversity in recruitment and people development, and by supporting programmes dedicated to equal opportunity.

Aker Solutions fulfils the requirements of the Norwegian Company Act with regard to gender representation on the Board of Directors. Five of twelve Directors are women. The corporate management group had three female members as of 31 December 2012.

Workforce turnover in 2012 averaged 6.9 per cent, which is considered low according to current industry trends. Turnover in 2011 was 7.3 per cent.

The company builds competitive pay and compensation packages with contents adjusted to local requirements and customs. Extensive welfare programmes are common throughout the group.

A new share purchase programme was rolled out in 2012, under which employees are entitled to buy shares for up to sixty thousand kroner per year (approximately ten thousand US dollars) with 25 per cent discount in addition to the standard 1 500 kroner discount. To encourage a long-term commitment to the company, a three-year lock-up period is part of this arrangement. 3 129 employees from nine countries participated in the share purchase programme that was launched in 2012.

Aker Solutions' Academy is a global internal arena for competence building and employee development and a competitive advantage for Aker Solutions. The academy offers programmes in professional subject areas such as leadership (at various levels), project execution, commercial management and HSE.

The company offers more than 30 tailored online learning programmes. Programme areas covered include project execution, HSE, corporate responsibility, cultural awareness and more company-specific, operational topics. Special courses are available in English, which is the corporate language.

Recruitment

Generally Aker Solutions is well regarded as a potential employer in its key markets and regions, and the company continues to invest in local and regional schemes that support the employer brand. In 2012 special recruitment initiatives were conducted in Norway, Malaysia, Brazil, UK and the US with generally good results. In Norway, the company is recognised as the preferred employer for top performers in the oil services industry.

More than 127 000 applicants from 148 countries were registered in the group's recruitment system during the year. A total of 3 300 new employees were recruited.

Performance culture

The group's remuneration policy specifies equal pay for equal work, and emphasises that good performance will be rewarded. Key factors in determining pay are the scope and level of responsibility, job requirements, levels of expertise and commitment, results achieved, and local pay levels.

Aker Solutions is working to increase the correspondence between performance and pay. Objectives are set and performance is measured on both team and individual levels, and for both behaviour and commercial dimensions. Objectives are determined on the basis of strategies and budgets for each unit.

At least once a year, manager and employees evaluate the results achieved. This performance dialogue provides the basis for recognition, rewards and career opportunities, and gives direction for potential individual performance improvements.

Performance based pay is regarded as an attractive part of the total remuneration paid to employees. Different variable pay programmes are in place for different types of positions. Annual variable pay is given to employees on the basis of the commercial results achieved by the relevant business unit or project. Managers earn variable pay on the basis of the commercial results for the units they influence and the extent to which they comply with the group's values.

Variable pay for senior executives is spread over several years to encourage long-term achievement of results and a lasting employee relationship. Further details of the remuneration of senior executives are provided in note 11 Salaries, wages and social security costs to the consolidated accounts.

Acknowledgements

The board extends its thanks to the management and workforce for the commitment displayed in 2012. The quality and expertise built up in Aker Solutions will make important contributions to enhancing the group's competitive advantage in a demanding market.

Fornebu, 13 March 2013
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Mikael Lilius

Nicoletta Giadrossi

Stuart Edward Ferguson

Sarah Elizabeth Ryan

Atle Teigland

Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Declaration by the board of directors and President & CFO

The Board and the President & CFO have today considered and approved the annual report and financial statements for the Aker Solutions group and its parent company Aker Solutions ASA for the 2012 calendar year ended on 31 December 2012.

The Board has based this declaration on reports and statements from the group's Executive Chairman and the President & CFO or, on the results of the group's activities, and on other information that is essential to assess the group's position, provided to the Board of Directors of the parent company under obligation by the group's administration and subsidiaries.

To the best of our knowledge:

- the 2012 financial statements for the group and parent company have been prepared in accordance with all applicable accounting standards
- the information provided in the financial statements gives a true and fair portrayal of the group and parent company's assets, liabilities, profit and overall financial position as of 31 December 2012
- the annual report provides a true and fair overview of:
  – the development, profit and financial position of the group and parent company
  – the most significant risks and uncertainties facing the group and the parent company

Fornebu, 13 March 2013
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Mikael Lilius

Nicoletta Giadrossi

Stuart Edward Ferguson

Sarah Elizabeth Ryan

Atle Teigland

Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Financial statements and notes

Aker Solutions group

Aker Solutions ASA

Auditor’s report

Aker Solutions group

Consolidated income statement

For the year ended 31 December

Amounts in NOK million	*Note*	**2012**	2011
Operating revenue		**44 413**	35 667
Other income	*8*	**509**	807
Total revenue and other income	*10*	**44 922**	36 474
Materials, goods and services		**(19 910)**	(16 233)
Salaries, wages and social security costs	*11*	**(13 348)**	(11 353)
Other operating expenses	*12, 13*	**(6 925)**	(5 443)
Operating expenses before depreciation, amortisation and impairment		**(40 183)**	(33 029)
Operating profit before depreciation, amortisation and impairment		**4 739**	3 445
Depreciation, amortisation and impairment	*23, 24*	**(1 166)**	(876)
Operating profit		**3 573**	2 569
Finance income	*14*	**110**	183
Finance expenses	*14*	**(613)**	(641)
Profit (loss) on foreign currency forward contracts	*14*	**(125)**	35
Profit (loss) from equity-accounted investees	*27*	**12**	(73)
Profit before tax		**2 957**	2 073
Income tax expense	*15*	**(697)**	(482)
Profit from continuing operations		**2 260**	1 591
Profit from discontinued operations (net of income tax)		**-**	3 663
Profit for the period		**2 260**	5 254
Profit for the period attributable to:			
Equity holders of the parent company		**2 249**	5 218
Non-controlling interests		**11**	36
Profit for the period		**2 260**	5 254
Earnings per share (NOK)	*33*		
Basic earnings per share		**8.33**	19.37
Diluted earnings per share		**8.30**	19.32
Earnings per share continuing operations (NOK)	*33*		
Basic earnings per share		**8.33**	5.77
Diluted earnings per share		**8.30**	5.76

Aker Solutions group

Consolidated statement of comprehensive income

For the year ended 31 December

Amounts in NOK million	*Note*	**2012**	*Restated* 2011[1]
Profit for the period		**2 260**	5 254
Other comprehensive income			
Cash flow hedges, demerger Kvaerner		**-**	(13)
Cash flow hedges, effective portion of changes in fair value		**(40)**	(171)
Cash flow hedges, reclassification to income statement		**58**	203
Cash flow hedges, deferred tax		**(6)**	(9)
Total cash flow hedges, net of tax		**12**	10
Defined benefit plan actuarial gains (losses)	*30*	**172**	(192)
Defined benefit plan actuarial gains (losses), deferred tax		**(48)**	56
Total defined benefit plan actuarial gains (losses), net of tax		**124**	(136)
Change in fair value reserve	*26*	**111**	8
Net gain on hedge of net investment in foreign operations, net of tax		**-**	(123)
Translation differences - equity-accounted investees		**-**	(1)
Translation differences - foreign operations		**(468)**	279
Other comprehensive income, net of tax		**(221)**	37
Total comprehensive income for the period, net of tax		**2 039**	5 291
Attributable to:			
Equity holders of Aker Solutions ASA		**2 044**	5 280
Non-controlling interests		**(5)**	11
Total comprehensive income for the period		**2 039**	5 291

[1] *See note 2 Basis for preparation.*

Aker Solutions group

Consolidated balance sheet

Amounts in NOK million	Note	**31 Dec 2012**	31 Dec 2011	Restated[1] 1 Jan 2011
Assets				
Non-current assets				
Property, plant and equipment	*23*	**10 041**	7 409	7 494
Deferred tax assets	*15*	**570**	533	487
Intangible assets	*24*	**6 884**	6 310	6 783
Non-current interest-bearing receivables	*25*	**672**	704	225
Other non-current operating assets		**168**	192	221
Equity-accounted investees	*27*	**283**	246	424
Other investments	*26*	**569**	418	157
Total non-current assets		**19 187**	15 812	15 791
Current assets				
Current tax assets	*15*	**68**	103	238
Inventories	*18*	**2 360**	1 765	1 686
Trade and other receivables	*17*	**16 524**	12 117	14 870
Derivative financial instruments	*22*	**441**	540	386
Current interest-bearing receivables	*25*	**421**	534	621
Cash and cash equivalents		**1 214**	1 308	3 198
Assets classified as held for sale	*7*	**-**	1 831	3 136
Total current assets		**21 028**	18 198	24 135
Total assets		**40 215**	34 010	39 926

[1] See note 2 Basis for preparation.

Amounts in NOK million	Note	**31 Dec 2012**	31 Dec 2011	Restated[1] 1 Jan 2011
Equity and liabilities				
Equity				
Issued capital	*31*	**455**	455	548
Treasury shares		**(6)**	(7)	(9)
Other capital paid in		**1 534**	1 534	1 534
Reserves		**(1 121)**	(916)	(978)
Retained earnings		**10 961**	9 731	8 855
Total equity attributable to the equity holders in Aker Solutions ASA		**11 823**	10 797	9 950
Non-controlling interests		**157**	169	189
Total equity		**11 980**	10 966	10 139
Non-current liabilities				
Non-current borrowings	*28*	**6 683**	5 371	7 508
Employee benefits obligations	*30*	**805**	963	850
Deferred tax liabilities	*15*	**1 828**	1 173	746
Other non-current liabilities	*29*	**415**	661	753
Total non-current liabilities		**9 731**	8 168	9 857
Current liabilities				
Current borrowings	*28*	**1 008**	629	716
Current tax liabilities	*15*	**37**	86	115
Provisions	*21*	**1 173**	935	1 039
Trade and other payables	*20*	**16 012**	12 934	16 278
Derivative financial instruments	*22*	**274**	247	243
Liabilities classified as held for sale	*7*	**-**	45	1 539
Total current liabilities		**18 504**	14 876	19 930
Total liabilities		**28 235**	23 044	29 787
Total liabilities and equity		**40 215**	34 010	39 926

Fornebu, 13 March 2013
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Mikael Lilius

Nicoletta Giadrossi

Stuart Edward Ferguson

Sarah Elizabeth Ryan

Atle Teigland

Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Aker Solutions group

Consolidated statement of changes in equity

For the year ended 31 December

Amounts in NOK million	*Note*	Share capital	Treasury shares	Other capital paid in	Retained earnings	Hedging reserve[1]	Currency translation reserve[1]	Defined benefit plan actuarial gains (losses)	Fair value reserve[1]	**Total parent company equity holders**	Non-controlling interests	**Total equity**
Equity as of 1 January 2011		548	(9)	1 534	8 855	122	(885)	-	-	10 165	189	10 354
Effect of pension policy change	2							(215)	-	(215)		(215)
Restated equity as of 1 January 2011		548	(9)	1 534	8 855	122	(885)	(215)	-	9 950	189	10 139
2011												
Profit for the period					5 218					5 218	36	5 254
Other comprehensive income					-	10	180	(136)	8	62	(25)	37
Total comprehensive income					5 218	10	180	(136)	8	5 280	11	5 291
Transactions with equity holders												
Dividend	*31*				(741)					(741)	(6)	(747)
Demerger of Kvaerner		(93)	2		(3 597)					(3 688)	-	(3 688)
Treasury shares acquired	*31*		(1)		(78)					(79)	-	(79)
Employee share purchase programme	*11, 31*		1		76					77	-	77
Change in non-controlling interests					(2)					(2)	(25)	(27)
Total transactions with equity holders		(93)	2	-	(4 342)					(4 433)	(31)	(4 464)
Equity as of 31 December 2011		455	(7)	1 534	9 731	132	(705)	(351)	8	10 797	169	10 966
2012												
Profit for the period					2 249					2 249	11	2 260
Other comprehensive income					-	12	(452)	124	111	(205)	(16)	(221)
Total comprehensive income					**2 249**	**12**	**(452)**	**124**	**111**	**2 044**	**(5)**	**2 039**
Transactions with equity holders												
Dividend	*31*				(1 053)					(1 053)	(6)	(1 059)
Treasury shares acquired	*31*		1		57					58	-	58
Employee share purchase programme	*11, 31*		-		(23)					(23)	-	(23)
Change in non-controlling interests					-					-	(1)	(1)
Total transactions with equity holders		-	1	-	(1 019)					**(1 018)**	(7)	**(1 025)**
Equity as of 31 December 2012		**455**	**(6)**	**1 534**	**10 961**	**144**	**(1 157)**	**(227)**	**119**	**11 823**	**157**	**11 980**

[1] See note 31 Capital and reserves.

Aker Solutions group

Consolidated statement of cash flow

For the year ended 31 December

Amounts in NOK million	*Note*	**2012**	2011
Cash flow from operating activities			
Profit for the period - continuing operations		**2 260**	1 591
Profit for the period - discontinued operations		**-**	3 663
Profit for the period		**2 260**	5 254
Adjustments for:			
Income tax expense	*15*	**697**	838
Net interest cost		**503**	457
(Profit) loss on foreign currency forward contracts	*14*	**125**	(38)
Depreciation, amortisation and impairment	*23, 24*	**1 166**	896
(Profit) loss on disposals and non-cash effects[1]		**(465)**	(4 248)
(Profit) loss from equity-accounted investees		**(12)**	73
		4 274	3 232
Changes in operating assets		**(1 853)**	1 203
Cash generated from operating activities		**2 421**	4 435
Interest paid		**(460)**	(209)
Interest received		**64**	123
Income taxes paid		**(242)**	(522)
Net cash from operating activities		**1 783**	3 827
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired	*6*	**92**	(673)
Acquisition of property, plant and equipment	*23*	**(2 961)**	(3 385)
Proceeds from sale of subsidiaries, net of cash	*7*	**1 227**	3 516
Proceeds from sale of property, plant and equipment		**50**	677
Proceeds from equity-accounted investees		**6**	-
Acquisition of/capital contribution to equity-accounted investees		**-**	(99)
Payments for capitalised development and other investments		**(552)**	(281)
Proceeds from repayment of interest-bearing receivables		**184**	81
Payment related to increase in interest-bearing receivables		**(49)**	(38)
Net cash from investing activities		**(2 003)**	(202)

Amounts in NOK million	*Note*	**2012**	2011
Cash flow from financing activities			
Proceeds from borrowings		**3 114**	3 300
Repayment of borrowings		**(1 851)**	(5 406)
Acquisition of non-controlling interests		**(1)**	(23)
Repurchase of treasury shares	*31*	**(121)**	(79)
Proceeds from employees share purchase programme	*31*	**179**	77
Dividends paid to non-controlling interests		**(6)**	(6)
Dividends to shareholders in Aker Solutions	*31*	**(1 053)**	(741)
Net cash from financing activities		**261**	(2 878)
Effect of exchange rate changes on cash and bank deposits		**(135)**	(432)
Net increase (decrease) in cash and bank deposits		**(94)**	315
Cash and cash equivalents at the beginning of the period		**1 308**	3 198
Cash and cash equivalents in Kvaerner at demerger		**-**	(2 205)
Cash and cash equivalents at the end of the period[2]		**1 214**	1 308
Of which is restricted cash		**38**	34

1) Includes gain on sale of businesses and gain from demerger of Kvaerner in 2011.

2) Additional undrawn committed non-current bank revolving credit facilities amounted to NOK 8.0 billion, and is together with cash and cash equivalents giving a total liquidity buffer of NOK 9.2 billion.

Aker Solutions group

Notes to the financial statements

Note 1 Corporate information

Aker Solutions ASA (the company) is a limited liability company incorporated and domiciled at Fornebu in Bærum, Norway. The consolidated financial statements of Aker Solutions ASA incorporate the financial statements of the company and its subsidiaries (referred to collectively as "the group" and separately as group companies) and the group's interest in associates and jointly controlled entities.

Aker Solutions is a leading supplier of oilfield products, systems and services, with solutions spanning from the reservoir to production and through the life of a field. The company is listed on the Oslo Stock Exchange under the ticker AKSO.

Note 2 Basis for preparation

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2012.

The consolidated financial statements were approved by the Board of Directors and President & CFO as shown on the dated and signed balance sheet. The consolidated financial statements will be authorised by the Annual General Meeting on 12 April 2013. Until the latter date the Board of Directors have the authority to amend the financial statements.

Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- the defined benefit asset is recognised as the net total of the plan assets, less unrecognised actuarial gains and the present value of the defined benefit obligation.

Functional and presentation currency
These consolidated financial statements are presented in NOK, which is Aker Solutions ASA's functional currency. All financial information presented in NOK has been rounded to the nearest million (NOK million), except when otherwise stated.

Use of estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although management believes these assumptions to be reasonable, given historical experience, actual amounts and results could differ from these estimates. The items involving a higher degree of judgement or complexity, and items where assumptions and estimates are material to the consolidated financial statements are disclosed in note 4 Accounting estimates and judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Changes in accounting policies
The group changed accounting policy for pensions in 2012 to be better aligned with the revised standard to be implemented on 1 January 2013, see note 3 Accounting principles. Actuarial gains and losses are now recognised in full in the period they occur, and changes in actuarial gains and losses are recognised in other comprehensive income. In addition, certain items of the pension expense have been reclassified from operating to financial items. The policy change has been applied retrospectively, however the income statement for 2011 has not been restated as the effect has been considered insignificant (earnings per share would have increased by 0.04 NOK). The tables below summarises the adjustments made to the financial statements on implementation of the new accounting policies.

Amounts in NOK million	Employee benefit obligation	Employee benefit asset	Deferred tax liabilities	Equity
Balances as of 1 Jan 2011, as previously reported	647	95	829	10 354
Impact of the change in accounting policy	203	(95)	(83)	(215)
Restated balances as of 1 Jan 2011	850	-	746	10 139
Balances as of 31 Dec 2011, as previously reported	577	103	1 310	11 317
Impact of change in accounting policy as of Jan 2011	203	(95)	(83)	(215)
Impact of change in accounting policy during 2011	183	(8)	(54)	(136)
Restated balances as of 31 Dec 2011	963	-	1 173	10 966

Effects on the statement of comprehensive income were as follows:

Amounts in NOK million	**2012**	2011
Actuarial gains (losses)	**172**	(192)
Actuarial gains (losses) deferred tax	**(48)**	56

The group has not made any other changes in accounting policies.

Note 3 Accounting principles

Summary of significant accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
Business combinations
Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date of which control is transferred to the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that currently are exercisable.

The group measures goodwill at the acquisition date as:
- The fair value of the consideration transferred, plus
- The recognised amount of any non-controlling interests in the acquiree, plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, less
- The net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Transaction costs, other than those associated with the issue of debt or equity securities incurred in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. Changes in the fair value of the contingent consideration from acquisition of a subsidiary or non-controlling interest for transactions will be recognised in Other income as gains or losses.

When the group has entered into put options with non-controlling shareholders on their shares in that subsidiary, the anticipated acquisition method is used. The agreement is accounted for as if the put option had already been exercised. If the put option expires unexercised, then the liability is derecognised and the non-controlling interest is recognised.

Acquisitions of non-controlling interests
Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries
Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When assessing control, voting rights that are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control
On the loss of control, the group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

Investments in associates and jointly controlled entities
Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 per cent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the group has joint control, established by contractual agreement requiring unanimous consent of the venturers for strategic, financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method and are recognised initially at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the group's share of the income and expenses and other comprehensive income from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. Adjustments are made to align the accounting policies to the group.

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

When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and further losses are not recognised except to the extent that the group incurred legal or constructive obligations or has made payments on behalf of the investee.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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.

Discontinued operations
A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

In the consolidated income statement income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year. Net cash flows attributable to the operating, investing and financing activities of discontinued operations are presented in the notes.

Foreign currency
Foreign currency transactions and balances
Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate on that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rates on the date the fair value was determined.

Investments in foreign operations
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The results and financial position of all the group entities that have a functional currency different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments, for each balance sheet presented are translated at the closing rate on the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates for the year, calculated on the basis of 12 monthly rates.

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges, are included in comprehensive income as a translation reserve. These translation differences are reclassified to the income statement upon disposal of the related operations or when settlement is likely to occur in the near future.

Exchange differences arising on a non-current monetary item where settlement in the near future is not probable forms part of the net investment in that entity. Such exchange differences are recognised in comprehensive income.

Financial assets, liabilities and equity
Financial assets and liabilities in the Aker Solutions group consists of investments in other companies, trade and other receivables, interest-bearing receivables, cash and cash equivalents, trade and other payables, interest-bearing borrowings and equity.

Other investments
Other investments include equity securities where the group has neither control nor significant influence, usually represented by less than 20 per cent of the voting power. The investments are categorised as available-for-sale financial assets and are recognised initially at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit and loss. Impairment losses are recognised in the income statement when the decrease in value is significant or prolonged.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Trade and other receivables
Trade receivables are recognised at the original invoiced amount, less an allowance made for doubtful receivables. Other receivables are recognised initially at fair value. Trade and other receivables are valued at amortised cost using the effective interest rate method. The interest rate element is disregarded if insignificant, which is the case for the majority of the group's trade receivables.

Current interest-bearing receivables
Current interest bearing receivables include bonds, securities and mutual funds with short-term maturity. These assets are designated upon initial recognition as at fair value through profit and loss.

Non-current interest-bearing receivables
Interest bearing receivables include loans to related parties and other receivables with fixed or determinable payments that are not quoted in an active market. Such financial assets are recognised initially at fair value and subsequent measurement at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, demand deposits held at banks and other short-term highly liquid investments with original maturity of three months or less. Restricted cash is mainly cash tied up in projects through joint ventures with external parties. The amounts fluctuate with the projects' life cycle and are usually released when the project is delivered or close to delivery.

Trade and other payables
Trade payables are recognised at the original invoiced amount. Other payables are recognised initially at fair value. Trade and other payables are valued at amortised cost using the effective interest rate method. The interest rate element is disregarded if it is insignificant, which is the case for the majority of the group's trade payables.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Share capital
Ordinary shares are classified as equity. Repurchase of share capital is recognised as a reduction in equity and is classified as treasury shares.

Derivative financial instruments
The group uses derivative financial instruments such as currency forward contracts, currency options and interest rate swaps to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. The group also has embedded foreign exchange derivatives which have been separated from their ordinary commercial contracts. Derivative financial instruments are recognised initially at fair value. Derivatives are subsequently measured at fair value, and changes in fair value as accounted for as described below.

Cash flow hedges
Hedging of the exposure to variability in cash flows that is attributable to a particular risk or a highly probable future cash flow is defined as cash flow hedges. The effective portion of changes in the fair value is recognised in other comprehensive income as a hedge reserve. The gain or loss relating to the ineffective portion of derivative hedging instruments is recognised immediately in the income statement within Finance income and expense. Amounts accumulated in hedge reserves are reclassified to the income statement in the periods when the hedged item is recognised in the income statement.

Hedge accounting is discontinued when the group revokes the hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in comprehensive income as a hedge reserve at that time remains in the hedge reserve and is recognised in income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in the hedge reserve is recognised immediately in the income statement.

Fair value hedges
Hedging of the exposure to changes in fair value of an asset, liability or commitment that is attributable to a particular risk is defined as fair value hedges. The change in fair value of the hedging instrument is recognised in the income statement. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with corresponding gain or loss recognised in the income statement.

Net investment hedges
A hedge of a net investment in a foreign operation is accounted for similarly to cash flow hedges. Gains or losses arising from the hedging instruments relating to the effective portions of the net investment hedges are recognised in other comprehensive income as translation reserves. These translation reserves are reclassified to the income statement upon disposal of the hedged net investments, offsetting the translation differences from these net investments. Any ineffective portion is recognised immediately in the income statement within net financial items. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Embedded derivatives
An embedded derivative is any contract embedded in a host contract which meets the definition of a derivative. Under certain conditions the embedded derivative must be separated from its host contract and the derivative is then to be recognised and measured as any other derivative in the financial statements. Normally, this is when settlement for a commercial contract is denominated in a currency different from any of the major contract parties' own functional currency. Further, the group also has loans to other companies that can be converted to shares in the company. Changes in the fair value of separated embedded derivatives are recognised immediately in the income statement. All foreign currency exposure is hedged, so the hedging instrument to the embedded derivative will also have corresponding opposite fair value changes in the income statement.

Financial income and expense
Financial income and expense includes interest income and expense on financial assets and liabilities, foreign exchange gains and losses, dividend income and gains and losses on derivatives. Interest income and expenses includes calculated interest using the effective interest method, in addition

to discounting effects from assets and liabilities measured at fair value. Gains and losses on derivatives include effects from derivatives that do not qualify for hedge accounting and embedded derivatives, in addition to the ineffective portion of qualifying hedges.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Revenue recognition
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 Solutions 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.

See note 4 Accounting estimates and judgements for further description of recognition of construction contract revenue.

Goods sold and services rendered
Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, which is usually when goods are shipped to customers. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date or is invoiced based on hours performed at agreed rates. The stage of completion is normally assessed based on the proportion of costs incurred for work performed to date compared to the estimated total contract costs. No revenue is recognised if there is significant uncertainty regarding recovery of consideration due.

Lease income
Revenue from time charters and bareboat charters are recognised daily over the term of the charter. The company does not recognise revenue during days that the vessel is off-hire.

Other rental income from operating leases is recognised as revenue on a straight-line basis over the term of the relevant lease.

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.

Expenses
Construction contracts
Contract costs include costs that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed. Bidding costs are capitalised when it is probable that the company will obtain the contract. All other bidding costs are expensed as incurred.

See note 4 Accounting estimates and judgements for further description of recognition of construction contract costs.

Lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Any lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Share purchase programme for employees
Aker Solutions employees participate in a share purchase programme whereby an employee can buy Aker Solutions shares at a discount. Prior year's programmes also have an element of bonus shares, whereby an employee who is still employed by the group and still holds the shares in September one and a half years after the close of each annual savings programme, will receive one bonus share for each two shares bought under the programme. The discount the employees receive upon purchase of the shares is expensed as salary costs immediately. The value of the bonus shares is expensed over the vesting period based on the fair value of each award, adjusted for estimated forfeitures.

Income tax
Income tax in the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends, recognised at the same time as the liability to pay the related dividend.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Goodwill not deductible for tax purposes
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit
- Differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Construction work in progress
Construction work in progress represents the value of construction work performed less payments received from customers. The value of construction work performed is measured by revenue recognised to date. Payments by customers are deducted from the value of the same contract or, to the extent they exceed this value, disclosed as advances from customers.

Inventories
Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment
Trade and other receivables
Provision is made when there is objective evidence that the group will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Available-for-sale financial assets
Equity investments classified as available-for-sale are considered to be impaired when there is a significant or prolonged decline in fair value of the investment below its cost. Any subsequent increase in value on available-for-sale assets is considered to be a revaluation and is recognised in other comprehensive income.

Other financial assets
The recoverable amount of receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (the effective interest rate computed at initial recognition of the financial assets). Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

Non-financial assets
The carrying amounts of the group's assets, other than employee benefit assets, inventories, deferred tax assets and derivatives are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. Cash-generating units (CGU) containing goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss recognised in respect of cash-generating units is allocated first to goodwill and then to the other assets in the unit (group of units) on a pro rata basis.

An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount, and the change can be objectively related to an event occurring after the impairment was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions
A provision is recognised in the balance sheet when the group has a present obligation as a result of a past event that can be estimated reliably and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a market based pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the liability-specific risks.

Warranties
A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Loss-making construction contract
An expected loss on a contract is recognised immediately in the income statement. Provisions for loss contracts are deducted from the value of the same contracts in work in progress or, to the extent they exceed this value, disclosed as provisions.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

Property, plant and equipment
Owned assets
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the cost of interest on qualifying assets, production overheads and the estimated costs of dismantling and removing the assets and restoring the site on which they are located.

If components of property, plant and equipment have different useful lives, they are accounted for as separate components.

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

Leased assets
Leases where the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of the asset's fair value or the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs
The group capitalises the cost of a replacement part or a component of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation
Depreciation is normally recognised on a straight-line basis over the estimated useful lives of property, plant and equipment. The production unit method is used for depreciation in limited circumstances when appropriate.

Intangible assets
Goodwill
Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Business combinations.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

When the group disposes of an operation within a CGU or group of CGUs to which goodwill has been allocated, a portion of the goodwill is included in the carrying amount of the operation when determining the gain or loss on disposal. The portion of the goodwill allocated is measured based on the relative values of the operation disposed of and the portion of the CGU retained at the date of partial disposal, unless it can be demonstrated that another method better reflects the goodwill associated with the operation disposed of. The same principle is used for allocation of goodwill when the group reorganises its businesses.

Research and development
Expenditures on research activities undertaken with the prospect of obtaining new scientific or technical knowledge and understanding is recognised in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised include the cost of materials, direct labour overhead costs that are directly attributable to preparing the asset for it intended use and capitalised interest on qualifying assets. Other development expenditures are recognised in the income statement as an expense as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets
Acquired intangible assets are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditures
Subsequent expenditures on capitalised intangible assets are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are expensed as incurred.

Amortisation
Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortised from the date they are available for use.

Employee benefits
Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plans
The group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on government bonds or high-quality corporate bonds with maturities consistent with the terms of the obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan to employees are increased, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, an expense is recognised immediately in the income statement. Gains and losses arising from curtailments and settlements of pension plans are recognised immediately in the income statement.

The annual expense related to the defined benefit plan is recognised in the income statement. All actuarial gains and losses in the period are recognised in the statement of other comprehensive income.

Share-based payment transactions
For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date.

New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except for the following changes:

- IFRS 11 Joint Arrangements becomes mandatory for the group's 2014 consolidated financial statements. The new standard can change the accounting of joint arrangements. The extent of the impact has not been determined.
- IFRS 9 Financial instruments becomes mandatory for the group's 2015 consolidated financial statements. The new standard can change the classification and measurement of financial assets. The group does not plan to adopt this standard early and the extent of the impact has not been determined.

Amendment to IAS 19 Employee benefits becomes mandatory for the group's 2013 consolidated financial statements. Aker Solutions implemented on 1 April 2012 all of the effects that IAS 19 R requires, except from use of similar rate as discount rate for calculating the expected return on plan assets. The effect of the revised standard is expected to be immaterial.

IFRS 10 Consolidated Financial Statement, IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurements become mandatory for the group's 2014 consolidated financial statements. The extent of the impact has not been concluded yet, however, it is not expected to be material.

Note 4 Accounting estimates and judgements

Estimates and judgements are continually reviewed and are based on historical experiences and expectations of future events. The resulting accounting estimates will, by definition, seldom accurately match actual results, but are based on the best estimate at the time. Estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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 judgement, it is probable that they will result in revenue and are measurable. This assessment is adjusted upon 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 projects before the contract reaches 20 per cent completion.

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. Reference is made to note 21 Provisions for further information about provisions for warranty expenditures on delivered projects.

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 flow generating units. References are made to note 23 Property, plant and equipment and note 24 Intangible assets.

Goodwill
In accordance with the stated accounting policy, the group tests annually whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and are consistent with the market valuation of the group. Further details about goodwill and impairment reviews are included in note 24 Intangible assets.

Income taxes
The group is subject to income taxes in numerous jurisdictions. Significant judgement is required to determine the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Provisions for anticipated tax audit issues are based on estimates of eventual additional taxes.

Income tax expense is calculated based on reported income in the different legal entities. Deferred income tax expense is calculated based on the differences between the assets' carrying value for financial reporting purposes and their respective tax basis that are considered temporary in nature. The total amount of income tax expense and allocation between current and deferred income tax requires management's interpretation of complex tax laws and regulations in the many tax jurisdictions where Aker Solutions operates.

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the near future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the results for each future reporting period.

Tax authorities in different jurisdictions may challenge calculation of taxes payable from prior periods. Such processes may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change. During the period when tax authorities may challenge the taxable income, management is required to make estimates of the probability and size of possible tax adjustments. Such estimates may change as additional information becomes known. Further details about income taxes are included in note 15 Tax.

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 cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Pension benefits
The present value of the pension obligations depends on a number of factors determined on the basis of actuarial assumptions. These assumptions include financial factors such as the discount rate, expected salary growth, inflation and return on assets as well as demographical factors concerning mortality, employee turnover, disability and early retirement. Assumptions about all these factors are based on the situation at the time the assessment is made. However, it is reasonably certain that such factors will change over the very long periods for which pension calculations are made. Any changes in these assumptions will affect the calculated pension obligations with immediate recognition in other comprehensive income. Further information about the pension obligations and the assumptions used are included in note 30 Employee benefits - pension.

Legal claims
Given the scope of the group's worldwide operations, group companies are inevitably involved in legal disputes in the course of their activities. Provisions have been made to cover the expected outcome of the disputes in so far as negative outcomes are likely and reliable estimates can be made. However, the final outcome of these cases will always be subject to uncertainties, and resulting liabilities may exceed recorded provisions.

Note 5 Financial risk management and exposures

Financial risks
The group is exposed to a variety of financial risks: currency risk, interest rate risk, price risk, credit risk, liquidity risk and capital risk. The market risks affect the group's income or the value of financial instruments held. The objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability of earnings and minimise potential adverse effects on the group's financial performance. Aker Solutions group uses financial derivative instruments to hedge certain risk exposures and aims to apply hedge accounting whenever possible in order to reduce the volatility resulting from the periodic mark-to-market revaluation of financial instruments in the income statement.

Risk management is performed in every project. It is the responsibility of the project managers, in cooperation with the central treasury department (Corporate Treasury), to identify, evaluate and hedge financial risks under policies approved by the Board of Directors. The group has well-established principles for overall risk management, as well as policies for the use of derivatives and financial investments. There has not been any changes in these policies during the year.

Currency risk
The group operates internationally and is exposed to currency risk on commercial transactions, recognised assets and liabilities and net investments in foreign operations. Commercial transactions and recognised assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the group company. The group's exposure to currency risk is primarily to USD, EUR and GBP but also several other currencies.

The Aker Solutions policy requires business units to mitigate currency exposure in any project. Corporate Treasury manages internal exposures by entering into forward contracts or currency options with the financial market place. The Aker Solutions group has a large number of contracts involving foreign currency exposures and the currency risk policy has been well-established for many years.

The Aker Solutions policy requires business units to mitigate currency exposure in any project. Corporate Treasury manages internal exposures by entering into forward contracts or currency options. The Aker Solutions group has a large number of contracts involving foreign currency exposures and the currency risk policy has been well-established for many years.

For segment reporting purposes, each business unit designates all currency hedge contracts with Corporate Treasury as cash flow hedge, fair value hedge or as an embedded derivative. External foreign exchange contracts are designated at group level as hedges of currency risk on a gross basis. More than 80 per cent of the value either qualify for hedge accounting or are embedded derivatives. Non-qualifying hedges are adjusted at group level and included in the "unallocated" part of the segment reporting. See note 22 Derivative financial instruments for information regarding the accounting treatment of hedging and embedded derivatives.

Currency exposure from investments in foreign currencies are only hedged when specifically instructed by management. As of 31 December 2012, the group has one active net investment hedge related to its subsidiary Aker Solutions Cyprus Ltd.

Exposure to currency risk
Estimated forecasted receipts and payments in the table below are calculated based on the group's hedge transactions through the Corporate Treasury department. These are considered to be the best estimate of the currency exposure. The net exposure is managed by the Corporate Treasury department that is allowed to hold positions within an approved trading mandate. This mandate is closely monitored and reported on a daily basis to the management.

Amounts in million	2012 USD	2012 EUR	2012 GBP	2011 USD	2011 EUR[1]	2011 GBP
Bank	(107)	(34)	7	(87)	(66)	(10)
Intercompany loans	115	(115)	31	93	(124)	29
Balance sheet exposure	**8**	**(149)**	**38**	6	(190)	19
Estimated forecast receipts from customers	3 495	567	164	2 374	241	202
Estimated forecast payments to vendors	(1 408)	(835)	(177)	(562)	(409)	(246)
Cash flow exposure	**2 087**	**(268)**	**(13)**	1 812	(168)	(44)
Forward exchange contracts	**(2 090)**	**412**	**(25)**	(1 816)	276	25
Net exposure	**5**	**(5)**	**-**	2	(82)	-

[1] The EUR exposure in 2011 was related to a strategic position outside the trading mandate that has been closed in January 2012.

Sensitivity analysis
A weakening of EUR, USD and GBP against all other currencies as of 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and income statement by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Figures for 2012 in the table below only include the effect in income statement and equity for change in currency regarding financial instruments and do not include effect from operating cost and revenue.

Amounts in NOK million	2012 Profit (loss) before tax	2012 Equity Increase (decrease)	2011 Profit (loss) before tax	2011 Equity Increase (decrease)
USD (10 per cent weakening of NOK)	**(946)**	**(902)**	68	(211)
EUR (10 per cent weakening of NOK)	**110**	**177**	119	47
GBP (10 per cent weakening of NOK)	**(7)**	**-**	78	6

A 10 per cent strengthening of the NOK against the above currencies at 31 December would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant. The sensitivity analysis does not include effects on the consolidated result and equity from changed exchange rates used for consolidation of foreign subsidiaries.

The primary currency-related risk is the risk of reduced competitiveness abroad in the case of a strengthened NOK. This risk relates to future commercial contracts and is not included in the sensitivity analysis above.

Interest rate risk
The group's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. However, as these borrowings are measured at amortised cost, interest rate variations do not effect profit and loss when held to maturity. Group policy is to maintain approximately 30-50 per cent of its borrowings in fixed rate instruments using interest rate swaps to achieve this when necessary.

As the group has no significant interest-bearing operating assets, operating income and operating cash flows are substantially independent of changes in market interest rates. At year end, approximately 60 per cent of NOK 4 631 million in bonds was fixed for the duration of the bonds through interest rate swaps. In addition we have entered into a NOK 375 million floating rate swap for a NOK 750 million term loan (50 per cent hedged). The credit facility (nominal NOK 6 billion) was drawn up to NOK 1 billion by end of the year (not hedged).

An increase of 100 basis points in interest rates during 2012 would have increased (decreased) equity and profit and loss by the amounts shown on the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect of increase of 100 basis points in interest rates

Amounts in NOK million	2012 Profit (loss) before tax	2012 Equity[1] Increase (decrease)	2011 Profit (loss) before tax	2011 Equity[1] Increase (decrease)
Cash and cash equivalents	**11**	**-**	31	-
Interest rate swap	**(8)**	**42**	(31)	10
Non-current interest-bearing receivables	**7**	**-**	6	-
Current interest-bearing receivables	**6**	**-**	6	-
Borrowings	**(43)**	**-**	(23)	-
Cash flow sensitivity (net)	**(27)**	**42**	**(11)**	**10**

[1] Not including tax effect on hedge reserve or effects to equity that follow directly from the effects to profit and loss.

A decrease of 100 basis points in interest rates during 2012 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

Price risk
The group is exposed to fluctuations in market prices both in the investment portfolio and in the operating businesses related to individual contracts.

The investment portfolio is limited, and the group currently only holds two investments in listed companies (Ezra and Triyards), see note 27 Other investments.

The businesses may be exposed to changes in market price for raw materials, equipment and development in wages. This is managed in the bid process by locking in committed prices from vendors as basis for offers to customers or through escalation clauses with customers.

Credit risk
Credit risk is the risk of financial losses to the group if customer or counterparty to financial investments/instruments fail to meet contractual obligations, and arise principally from investment securities and receivables. Investment securities and derivatives are only traded against approved banks. All approved banks are participants in the Aker Solutions loan syndicate and have investment grade ratings. Credit risk related to investment securities and derivatives is therefore considered to be insignificant.

Assessment of credit risk related to customers and subcontractors is an important requirement in the bid phase and throughout the contract period. Such assessments are based on credit ratings, income statement and balance sheet reviews and using credit assessment tools available (e.g. Dun & Bradstreet and Credit Watch). Sales to customers are settled in cash.

Based on estimates of incurred losses in respect of trade and other receivables, the group establishes a provision for impairment losses. Provision for loss on debtors are based on individual assessments. Provisions for loss on receivables were NOK 67 million in 2012 (NOK 21 million in 2011). Revenues are mainly related to large and long-term projects closely followed up in terms of payments up front and in accordance with agreed milestones. Normally, lack of payments are due to disagreements related to project deliveries and are solved together with the client or escalated to the local authority. The customers are mainly large and highly reputable oil companies with a low credit risk, which reduces the credit risk significantly. Based on the above the group's credit risk is considered to be insignificant.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets, see carrying amounts in note 32 Financial instruments. The group does not hold collateral as security.

Aker Solutions ASA provides parent company guarantees to group companies. For further information, see note 10 Guarantees in the Aker Solutions ASA's accounts.

Liquidity risk
Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity reserves to meet its liabilities when due.

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Corporate Treasury maintains flexibility in funding by maintaining availability under committed credit lines, see note 28 Borrowings.

Management monitors rolling weekly and monthly forecasts of the group's liquidity reserve on the basis of expected cash flow. For information regarding capital expenditures and net operating assets, see note 10 Operating segments.

Financial liabilities and the period in which they mature

2012

Amounts in NOK million	*Note*	**Book value**	**Total undiscounted cash flow[1]**	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	*28*	(7 691)	(8 904)	(2 094)	(209)	(2 955)	(2 524)	(1 122)
Other non-current liabilities	*29*	(415)	(458)	-	(23)	(181)	(128)	(126)
Net derivative financial instruments	*22*	168	168	134	57	35	(54)	(4)
Trade and other payables	*20*	(16 012)	(16 013)	(11 993)	(3 998)	(22)	-	-
Total liabilities		**(23 950)**	**(25 207)**	**(13 953)**	**(4 173)**	**(3 123)**	**(2 706)**	**(1 252)**
Financial guarantees		(8 780)	(8 780)	(1 427)	(1 104)	(1 078)	(3 020)	(2 151)

2011

Amounts in NOK million	*Note*	Book value	Total undiscounted cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	*28*	(6 000)	(6 908)	(210)	(701)	(1 555)	(4 432)	(10)
Other non-current liabilities	*29*	(661)	(784)	(13)	(14)	(218)	(413)	(126)
Net derivative financial instruments	*22*	293	125	99	(24)	1	49	-
Trade and other payables	*20*	(12 936)	(12 935)	(10 184)	(2 739)	(12)	-	-
Total liabilities		(19 304)	(20 502)	(10 308)	(3 478)	(1 784)	(4 796)	(136)
Financial guarantees		(10 298)	(10 298)	(2 513)	(946)	(1 558)	(2 620)	(2 661)

1) Nominal currency value including interest.

The group policy for the purpose of optimising availability and flexibility of cash within the group is to operate centrally managed cash pooling arrangements. Such arrangements are either organised with a bank as a service provider, or as a part of the operation of Corporate Treasury. An important condition for the participants (business units) in such cash pooling arrangements is that the group as an owner of such pools is financially viable and is able to prove its capability to service its obligations concerning repayment of any net deposits made by business units.

Capital management

The objective of Aker Solutions' capital management policy is to maximise value creation for its shareholder through:

- Investing in projects and business areas which will increase the company's Return On Capital Employed (ROCE) over time
- Optimising the company's capital structure to ensure both sufficient and timely funding over time to finance its activities at the lowest cost

To do so, Aker Solutions operates via a long term strategy in most of its business areas which is also in line with the business nature of the offshore industry with most of its contracts lasting up to 5 years.

Investment policy

Aker Solutions' capital management is based on a rigorous investment selection process which considers not only Aker Solutions' weighted average cost of capital and strategic orientation but also external factors such as market expectations and extrinsic risk factors. This selection process is coupled with a centralised approval process for all capital expenditures to be incurred by the group or one of its foreign operations. As a result, Aker Solutions strives to ensure annual dividends of approximately 30-50 per cent of the Group's net profit for the year.

Funding policy

Liquidity planning

Aker Solutions has a strong focus on its liquidity situation in order to meet its working capital needs short term and to ensure solvency for its financial obligations long term. The group's internal policy is to have a constant minimum liquidity reserve of NOK 3 billion, including cash and undrawn committed credit facilities. As per end of 2012, this liquidity reserve amounted to NOK 9.2 billion and was mainly composed of an undrawn committed credit facility. In parallel, Aker Solutions has invested significant internal resources to improve and strengthen its cash flow reporting- and forecasting system.

Funding of operations

Aker Solutions' group funding policy implies that all operations shall meet their funding needs directly via Corporate Treasury. This ensures optimal availability and transfer of cash within the group, better control of the company's overall debt and as well as cheaper funding for its operations.

Funding duration

Aker Solutions emphasises financial flexibility and steers its capital structure accordingly to ensure a balance between liquidity risk and refinancing risk. In this perspective, loans and other external borrowings are to be renegotiated well in advance of their due date and the average term to maturity for existing loans is to be at a minimum of two years.

Funding cost
Aker Solutions aims to have a diversified selection of funding sources in order to reach the lowest possible cost of capital. These funding sources include:

- The use of banks based on syndicated credit facilities
- The issue of debt instruments on the Norwegian capital market
- The issuance of debt in the foreign capital market

As per end of 2012, the capital structure of Aker Solutions was 39 per cent from bank debt and 61 per cent from bonds issued on the Norwegian market.

The group monitors capital on the basis of a gearing ratio (gross debt/EBITDA) and interest coverage ratio (EBITDA/net finance cost). The ratios are calculated from gross debt, including all interest-bearing liabilities as shown in note 32 Financial instruments, EBITDA (earnings before interest, tax, depreciation, amortisation and adjusted for certain items as defined in the loan agreement) and finance cost. The reported ratios are well within the requirements in the loan agreements.

Aker Solutions has strict internal guidelines regarding key financial ratios:

- The company's interest coverage ratio must not be less than 4.5 times, calculated from the consolidated EBITDA to consolidated Net Finance Cost.
- The company's gearing ratio shall not exceed 2.5 times and is calculated from the consolidated total borrowings to the consolidated EBITDA

These guidelines aim at maintaining a strong financial position for Aker Solutions, complying with the company's covenants on its existing debt and maintaining sufficient external credit rating to ensure reliable access to capital over time.

Gearing and interest coverage ratios at 31 December[1]

Amounts in NOK million	**2012**	2011
Gearing ratio		
Gross debt	**8 267**	6 508
EBITDA	**4 270**	2 722
Gross debt/EBITDA	**1.9**	2.4
Interest coverage		
EBITDA	**4 270**	2 722
Net finance cost	**438**	279
EBITDA/Net finance cost	**9.8**	9.8

1) Gross debt and EBITDA are adjusted for certain items as defined in the loan agreement.

Guarantee obligations
The group has provided the following guarantees on behalf of wholly owned subsidiaries as of 31 December (all obligations are per date of issue):

- Non-financial parent company guarantees related to project performance on behalf of group companies: NOK 68.8 billion (NOK 71.7 billion in 2011)
- Financial parent company indemnity guarantees for fulfilment of lease obligations is NOK 2.5 billion (NOK 1.9 billion in 2011)
- Financial guarantees including counter guarantees for bank/surety bonds and guarantees for pension obligations to employees: NOK 6.3 billion (NOK 7.9 billion in 2011)
- Indemnity under financial agreements on behalf of Aker DOF Deepwater AS: NOK 576 million (NOK 507 million in 2011)

Note 6 Business combinations and acquisitions of subsidiaries

Business combinations in 2012

AK Eiendomsinvest AS
On 1 November 2012, Aker Solutions acquired 100 per cent of the shares and voting rights of AK Eiendomsinvest AS. The acquired company owns four of Aker Solutions' key leased manufacturing and service facilities in Norway. NOK 177 million was paid in consideration for the shares. The company has no employees. Transaction costs related to the acquisition amounts to NOK 2 million.

Other Business combinations
Aker Solutions has made several other smaller investments in 2012 summarised in the table below.

Name of acquired business	Acquisition date	Ownership[1]	Employees	Country
Sandnessjøen Engineering AS	23 February 2012	100%	24	Norway
Aker Clean Carbon AS (from 50% to 100%)	19 March 2012	100%	33	Norway
Herman Hansen Mek. Verksted AS	27 April 2012	100%	60	Norway
Lyngdal Mek. Verksted AS	15 June 2012	100%	60	Norway
Subsea Holding AS	10 August 2012	100%	25	Norway
Borgenskogen AS	10 August 2012	100%	0	Norway
Thrum Energy Inc.	20 November 2012	100%	7	Canada
AKCS Offshore Partner (from 40% to 100%)	31 December 2012	100%	48	Canada
Separation Specialists Inc.	31 December 2012	100%	20	USA

1) Acquired 100 per cent in 2012 unless otherwise stated.

Sandnessjøen Engineering AS was acquired to strengthen Aker Solutions' presence in northern Norway and grow the engineering capacity for offshore projects.

Aker Solutions has acquired the remaining 50 per cent of Aker Clean Carbon AS from Aker Capital AS. Aker Solutions has over the years developed a portfolio of products that can be used in the CO2 value-chain, and Aker Clean Carbon AS will be integrated in a broader CO2 development in Aker Solutions. The fair value of the equity interest immediately before the business combination was zero, which was the same as book value.

Aker Solutions has increase its manufacturing capacity in Norway by acquiring Herman Hansen Mek Verksted AS (assembly and testing workshop in Kristiansand) , Lyngdal Mekaniske Verksted AS (mechanical workshop) and Subsea Holding AS/Borgenskogen AS (subsea facility in Stokke).

Three companies has been acquired in North America to strengthen the company's position in this market, including Thrum Energy Inc (asset integrity management), AKCS Offshore Partner (maintenance, modification and operations services) and Separation Specialist Inc (provider of produced water de-oiling products and field services). For AKCS Offshore Partner, Aker Solutions increased its ownership from 40 per cent to 100 per cent. The fair value of the partnership interest immediately before the business combination was NOK 5 million, which was the same as book value.

Values at time of acquisition for all business combinations

Amounts in NOK million	AK Eiendomsinvest AS	Other	**Total**
Property, plant and equipment	855	125	980
Intangible assets	-	63	63
Deferred tax assets	36	96	132
Current operating assets	5	149	154
Cash and cash equivalents	4	29	33
Deferred tax liabilities	(164)	(26)	(190)
Current operating liabilities	(25)	(241)	(266)
Non-current liabilities	(534)	(71)	(605)
Net assets acquired at fair value	**177**	**124**	**301**
Goodwill	-	132	132
Bargain purchase[1]	-	(20)	(20)
Fair value acquired	**177**	**236**	**413**
Total consideration	177	236	413
Deferred and contingent consideration	-	(38)	(38)
Cash paid as of 31 December 2012	**177**	**198**	**375**
Cash and cash equivalents acquired	4	30	34
Net cash paid	**173**	**168**	**341**

1) The bargain purchase is mainly related to previous unrecognised deferred tax assets that could be utilised within the group. The bargain purchase is recognised in Other income.

From the date of the acquistions, the acquired companies contributed with NOK 193 million of revenues and NOK 56 million to net profit. If the acquisitions had taken place at the beginning of the 2012, the groups revenue would have been increased by NOK 358 million and net profit by NOK 75 million.

Summary of net cash flow for acquisition of subsidiaries in 2012

Amounts in NOK million	**Total**
Net cash paid for business combinations in 2012	341
Net cash received from acquisition of AMC Connector in 2012 (see below)	(560)
Deferred considerations paid related to acquisitions made prior years	127
Acquisition of subsidiaries, net of cash acquired	**(92)**

Goodwill resulting from the transactions is mainly attributable to the value of the assembled workforce and expected synergies. The current analysis and allocation of fair values are provisional for some units.

Acquisition of a subsidiary in 2012

AMC Connector AS
At the beginning of the year AKSO held 100 per cent ownership in AMC Connector AS. In May 2012, 50 per cent was sold to Emas Offshore Limited and Aker Solutions lost control, see note 7 Disposal of subsidiary. On 12 October 2012 AKSO re-acquired the 50 per cent ownership and regained control. The acquisition was done in connection with the sale of the vessel from AMC Connector AS to Ocean Yield AS (see Note 9 Related parties). Aker Solutions agreed to acquire the remaining 50 per cent for zero consideration and at the same time waived the outstanding receivable of NOK 260 million from Emas Offshore Limited. AMC Connector AS held NOK 560 million in cash at the time of the transaction.

The acquisition is not considered to be acquisition of a business as there are no identifiable inputs, outputs and processes following the sale of the vessel.

Business combinations after 31 December 2012

Enovate Systems Ltd
On 26 February 2013, Aker Solutions entered into an agreement to allow it to acquire 100 per cent of the shares and voting rights of Enovate Systems Ltd, a leading technology company within subsea well control equipment. The company has cooperated with Aker Solutions for several years, specifically within the subsea and the oilfield services and marine assets business areas. The company has 62 employees. The acquired business will be included in Subsea business area.

GBP 75.2 million was paid in consideration for the shares, subject to closing adjustments. No disclosures are given related to acquired assets, liabilities and goodwill as the fair value assessment has not yet been completed.

Managed Pressure Operations International, Ltd
On 26 February 2013, Aker Solutions acquired 100 per cent of the shares and voting rights of Managed Pressure Operations International, Ltd. (MPO), a company that has successfully developed the next generation of continuous circulation, riser gas handling and managed pressure drilling systems. The company currently employs 100 people. The acquired business will be included in Drilling Technologies business area.

USD 68.7 million was paid in consideration for the shares and repayment of debt at the transaction date. An additional payment may be paid based on an earn-out model depending on accumulated EBITDA in the period 2013-2015. No disclosures are given related to acquired assets, liabilities and goodwill as the fair value assessment has not yet been completed.

Note 7 Disposal of subsidiary

In connection with the sale of Aker Marine Contractors (AMC) to Singapore based Ezra Holdings Ltd (Ezra) in March 2011, it was also agreed to transfer 50 per cent of Aker Solutions' ownership in AMC Connector AS to Ezra subsidiary Emas Offshore Limited. The company's main asset was the vessel Lewek Connector. The sales transaction took place on 24 May 2012 and an accounting gain of NOK 4 million was recognised in Other income. As of 31 December 2011, AMC Connector AS was classified as disposal group held for sale.

The retained 50 per cent shareholding was remeasured at fair value by recognising an accounting loss of NOK 7 million in Other income. The investment was accounted for as a jointly controlled entity according to the equity method from May to October 2012. On 12 October 2012 Aker Solutions re-acquired the 50 per cent shareholding back from Ezra, immediately after the vessel was sold to Ocean Yield, see note 6 Business combinations and acquisition of subsidiaries and note 9 Related party for further description.

Effect of disposals on the financial position of Aker Solutions

Amounts in NOK million	**2012**
Property, plant and equipment	**1 840**
Current assets	**8**
Non-current liabilities	**(4)**
Borrowings	**(1 227)**
Net assets and liabilities	**617**
Proceeds from settlements of loan	**1 240**
Cash and cash equivalents disposed of	**(13)**
Net cash flow from disposals	**1 227**

Note 8 Other income

Amounts in NOK million	*Note*	**2012**	2011
Accounting gain on acquisitions		**88**	-
Accounting gain on disposals[1]		**-**	815
Decrease (increase) in contingent considerations from business combinations		**64**	(13)
Gain on disposal of real estate		**324**	-
Rental income investment property	*23*	**23**	-
Profit (loss) from equity-accounted investees	*26*	**10**	5
Total Other income		**509**	807

[1] Gain relates mainly to the disposal of AMC businesses.

Note 9 Related parties

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions in the Aker Solutions group with related parties have been based on arm's length terms.

Aker Solutions ASA is a parent company with control of around 140 companies around the world. These subsidiaries are listed in note 34 Group companies. Any transactions between the parent company and the subsidiaries are shown line by line in the separate financial statements of the parent company, and are eliminated in the group financial statements.

Associate companies and jointly controlled companies are consolidated using the equity method, see note 27 Equity-accounted investees. Any transactions between the group and these entities are shown in the table below.

Remunerations and transactions with directors and executive officers are summarised in note 11 Salaries, wages and social security costs.

The largest shareholder of Aker Solutions, Aker Kvaerner Holding AS, is controlled by Aker ASA (70 per cent) which in turn is controlled by Kjell Inge Røkke. All entities which Kjell Inge Røkke controls are considered related parties to Aker Solutions (Aker entities) and his family through TRG Holding AS and The Resource Group AS.

Kvaerner is not considered to be a related party of Aker Solutions in 2012. However, due to the demerger and the transactions between the companies through 2011, including the post merger services, Aker Solutions and Kvaerner were presented as related parties in 2011.

Summary of transactions and balances with related parties

2012

Amounts in NOK million	Aker entities	Associated companies	Joint ventures	**Total**
Income statement				
Operating revenues	208	3	-	211
Operating costs	-	(47)	-	(47)
Net financial items	-	-	16	16
Balance sheet				
Trade receivables	21	11	-	32
Other non-interest bearing assets	165	-	-	165
Interest-bearing receivables	-	-	258	258
Trade payables	(3)	(45)	-	(48)

2011[1]

Amounts in NOK million	Kvaerner entities[2]	Aker entities	Associated companies	Joint ventures	Total
Income statement					
Operating revenues	550	1	10	12	573
Operating costs	(437)	(1)	-	-	(438)
Net financial items	(1)	-	-	11	10
Balance sheet					
Trade receivables	150	-	-	3	153
Provision for bad debts	(1)	-	-	-	(1)
Other non-interest bearing assets	-	186	-	-	186
Interest-bearing receivables	-	-	-	234	234
Trade payables	(93)	-	-	-	(93)

1) Continuing operations only

2) Related party from 8 July 2011 - 31 December 2011.

Below is description of the most significant related party transactions and balances in 2012.

Related party transactions with Aker

Det norske oljeselskap ASA

Aker Solutions has entered into agreements with Det norske oljeselskap for the development projects Jette and Ivar Aasen. The deliveries are to a large extent completed by the end of 2012. The amounts included in Operating revenue in the table above relates to 100 per cent of the contract revenue. Det norske oljeselskap share of the licenses are 70 and 35 per cent respectively.

Aker Capital AS

Aker Solutions agreed in March 2012 to increase the ownership in Aker Clean Carbon to 100 per cent, by taking over Aker Capital AS' stake of 50 per cent. Aker Capital is a wholly-owned subsidiary of Aker ASA. The transaction includes a cash element of NOK 0 (zero) at the time of the takeover, and an agreement between the parties, by which the acquirer will pay an amount to the seller, based on earnings from new technology agreements within the coming 10 years.

The seller's entitlement to financial compensation has been capped at the amount equal to Aker ASA's total investment in Aker Clean Carbon, which is NOK 147 million, plus 12 per cent p.a. Fair value of the consideration in the transaction is estimated to be NOK 0 (zero).

Ocean Yield AS

AMC Connector AS agreed on 11 October 2012 to sell Lewek Connector (former AMC Connector) to Ocean Yield AS. Ocean Yield AS is a wholly owned subsidiary of Aker ASA and the transaction was conducted according to the amended shareholder agreement pertaining to related party transactions in Aker Kvaerner Holding.

AMC Connector AS was at the time of the transaction with Ocean Yield a jointly controlled entity by Aker Solutions and Emas Offshore Limited. Lewek Connector was sold for a total consideration of USD 315 million.

Intellectual Property Holding AS

Aker Solutions has an agreement with Intellectual Property Holding which holds all rights, titles and interests in and to registered trademarks and domain names containing "Aker". According to the agreement, Aker Solutions has acquired the right to use the "Aker" name in combination with "Solutions".

Aker ASA
Aker Subsea Inc and Aker Kvaerner Wilfab Inc, which are subsidiaries of Aker Solutions, are sponsoring employers of the US pension plan Kvaerner Consolidated Retirement Plan. The principal sponsor for the plan is Kvaerner U.S. Inc, a subsidiary of TH Global plc. Aker has provided a guarantee to the plan in the event that Aker Solutions becomes liable for more than one third of the underfunded element of the plan. A provision for Aker Solutions share of estimated underfunded element of NOK 31 million is recognised in Trade and other payables.

Aker ShipLease AS
In 2009 Aker ShipLease AS and Aker Solutions entered into a 10 year bareboat charter contract for vessel Aker Wayfarer. Aker Wayfarer is an offshore vessel designed for ultra-deepwater with state of the art equipment. An non-interest bearing lease prepayment was paid in 2009 and is included in other non-current operating assets of NOK 165 million (NOK 186 million in 2011).

Oslo Asset Management
Aker Insurance received investment management services from Oslo Asset Management. The annual fee is based on average total capital.

Related party transactions with joint ventures
Aker DOF Deepwater AS
A loan of NOK 258 million (NOK 234 million in 2011) is given to the jointly controlled entity Aker DOF Deepwater (NIBOR 12 months + 1.5 per cent).

Related party transactions with associated companies
K2 Eiendom AS and Hinna Park Invest AS
Aker Solutions has entered into twelve year lease agreements with both K2 Eiendom AS and Hinna Park Invest AS for new office buildings, starting April 2012 and December 2012 respectively. For more information, see note 12 Operating leases.

Other related parties
Aker Pensjonskasse
Aker Pensjonskasse was established by Aker ASA to manage the retirement plan for employees and retirees in Aker Solutions as well as related Aker companies. The total paid-in equity was NOK 128 million at the end of 2012 (unchanged from 2011). Aker Solutions premiums paid to Aker Pensjonskasse amounts to NOK 76 million in 2012 (NOK 77 million in 2011). Aker Solutions holds 93.4 per cent of the paid-up capital in Aker Pensjonskasse.

Grants to employee representative's collective fund
Aker Solutions has signed an agreement with employees representatives that regulate use of grants from Aker Solutions for activities related to professional updating. The grant in 2012 was NOK 630 000.

Note 10 Operating segments

Aker Solutions has three reportable segments which are the strategic business units of the group. The strategic business units are managed separately and offer different products and services due to different market segments and different strategies for their projects, products and services.

The following summary describes the operations in each of Aker Solutions' reportable segments:

Engineering Solutions
Aker Solutions provides concept and front-end studies to oil companies around the world. Its concepts, competence and experience are particularly relevant for complex oil and gas field developments in harsh environment and for deep waters where floating production units are typically required.

Product Solutions
Aker Solutions delivers oilfield products for the entire upstream value chain, from reservoir through processing. The segment includes the following business areas: Subsea, Drilling, Umbilicals, Processing Technology and Mooring and Loading equipment. Within each business area, Aker Solutions delivers individual products or provides integrated systems with high engineering contents. Life-cycle services are also available as part of the total offering.

Field-Life Solutions
Aker Solutions offers a wide range of services, which has the ultimate objective to increase oil and gas recovery from existing fields and extend the operating life of field assets. The Field-Life Solutions segment consists of three business areas: Maintenance, Modifications and Operations, Well Intervention Services and Oilfield Services and Marine Assets.

Measurement of segment performance
Segment performance is measured by operating profit before depreciation, amortisation and impairment (EBITDA) and operating profit (EBIT), as included in the internal management reports that are reviewed by the group's CEO (the chief operating decision maker). Segment profit, together with key financial information as described below, gives the CEO relevant information in evaluating the results of the operating segments and is relevant in evaluating the results of the segments relative to other entities operating within these industries. Inter-segment pricing is determined on an arm's length basis.

There are varying levels of integration between the business areas, which all deliver products and services to customers within the oil and gas industry globally and where the group's expertise and products can be exploited in interaction with each other.

The accounting policies of the reportable segments are the same as described in note 2 Basis of preparation and note 3 Accounting principles, except for hedge accounting. When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against Corporate Treasury and hedge accounting is applied independently of whether the hedge qualify for hedge accounting in accordance with IFRS. The correction of the non-qualifying hedges to secure that the consolidated financial statements are in accordance with IFRS is made as an adjustment at corporate level. This means that the group's segment reporting reflect all hedges as qualifying even though they may not qualify in accordance with IFRS.

2012 - Operating segments

Amounts in NOK million	*Note*	Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Elim.	Total
Income statement								
Construction contracts		17 525	5 587	2 631	25 743		-	25 743
Services revenue		5 302	8 275	1 654	15 231	980	-	16 211
Products		2 108	21	-	2 129		-	2 129
Other		82	68	-	150	689	-	839
Total external revenue and other income		**25 017**	**13 951**	**4 285**	**43 253**	**1 669**	**-**	**44 922**
Inter-segment revenue		274	369	223	866	4 115	(4 981)	-
Total operating revenue and other income		**25 291**	**14 320**	**4 508**	**44 119**	**5 784**	**(4 981)**	**44 922**
EBITDA		2 336	1 544	499	4 379	360	-	4 739
Depreciation, amortisation and impairment	*23, 24*	(472)	(552)	(34)	(1 058)	(108)	-	(1 166)
EBIT		**1 864**	**992**	**465**	**3 321**	**252**	**-**	**3 573**
Profit (loss) from equity-accounted investees[1]	*27*	**4**	**18**	**-**	**22**	**-**	**-**	**22**

[1]) NOK 10 million is recognised in Other income.

		Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Elim.	Total
Assets								
Current operating assets		14 629	3 176	952	18 757	1 314	(746)	19 325
Non-current operating assets		7 253	7 109	810	15 172	1 921	-	17 093
Equity-accounted investees	*27*	40	216	-	256	27	-	283
Operating assets		**21 922**	**10 501**	**1 762**	**34 185**	**3 262**	**(746)**	**36 701**
Tax-related assets	*15*							638
Other investments	*26*							569
Cash and interest-bearing receivables								2 307
Total assets								**40 215**
Liabilities								
Current operating liabilities		(12 062)	(3 622)	(771)	(16 455)	(1 750)	746	(17 459)
Non-current operating liabilities		(280)	(243)	(137)	(660)	(145)	-	(805)
Operating liabilities		**(12 342)**	**(3 865)**	**(908)**	**(17 115)**	**(1 895)**	**746**	**(18 264)**
Tax-related liabilities	*15*							(1 865)
Net interest-bearing borrowings	*28*							(7 691)
Other non-current liabilities	*29*							(415)
Total liabilities								**(28 235)**
Net current operating assets	*16*	2 567	(446)	181	2 302	(436)	-	1 866
Net capital employed	*16*	10 002	7 843	1 157	19 002	1 775	-	20 777
Cash flow								
Cash flow from operating activities		831	1 122	194	2 147	(364)	-	1 783
Acquisition of property, plant and equipment	*23*	(1 031)	(1 449)	(50)	(2 530)	(431)	-	(2 961)
Additions of other non-current assets		519	5	28	552		-	552
Order intake (unaudited)		29 357	27 944	3 507	60 808	5 375	(5 871)	60 312
Order backlog (unaudited)		25 623	29 726	2 549	57 898	2	(1 202)	56 698
Own employees		10 548	6 732	2 599	19 879	982		20 861

2011 - Operating segments

Amounts in NOK million	*Note*	Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Elim.	Kvaerner	Total
Income Statement									
Construction contracts		13 268	4 079	2 158	19 505	217	-		19 722
Services revenue		4 478	7 665	-	12 143	721	-		12 864
Products		1 503	29	-	1 532	-	-		1 532
Other		233	-	773	1 006	1 350	-		2 356
Total external revenue and other income		19 482	11 773	2 931	34 186	2 288	-		36 474
Inter-segment revenue		225	405	322	952	3 170	(4 122)		-
Total operating revenue and other income		19 707	12 178	3 253	35 138	5 458	(4 122)		36 474
EBITDA		1 136	1 025	374	2 535	910	-		3 445
Depreciation, amortisation and impairment	*23, 24*	(420)	(350)	(29)	(799)	(77)	-		(876)
EBIT		716	675	345	1 736	833	-		2 569
Profit (loss) from equity-accounted investees[1]	*27*	4	26	5	35	(103)	-		(68)

1) NOK 5 million is recognised in Other income

Amounts in NOK million	*Note*	Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Elim.	Kvaerner	Total
Assets									
Current operating assets		10 851	2 663	714	14 228	567	(373)		14 422
Non-current operating assets		6 236	8 114	775	15 125	(1 214)	-		13 911
Equity-accounted investees	*27*	38	208	-	246	-	-		246
Operating assets		17 125	10 985	1 489	29 599	(647)	(373)		28 579
Tax-related assets	*15*								636
Other investments	*26*								418
Cash and interest-bearing receivables									2 546
Assets held for sale	*7*								1 831
Total assets									34 010
Liabilities									
Current operating liabilities		(9 122)	(3 419)	(735)	(13 276)	(1 213)	373		(14 116)
Non-current operating liabilities		(203)	(171)	(86)	(460)	(503)	-		(963)
Operating liabilities		(9 325)	(3 590)	(821)	(13 736)	(1 716)	373		(15 079)
Tax-related liabilities	*15*								(1 259)
Net interest-bearing borrowings	*28*								(6 000)
Other non-current liabilities	*29*								(661)
Liabilities held for sale	*7*								(45)
Total liabilities									(23 044)
Net current operating assets	*16*	1 729	(756)	(21)	952	(646)	-		306
Net capital employed	*16*	8 208	8 480	1 040	17 728	(1 794)	-		15 934
Cash flow									
Cash flow from operating activities		860	1 397	65	2 322	126	-	1 379	3 827
Acquisition of property, plant and equipment	*23*	(543)	(2 439)	(32)	(3 014)	(298)	-	(73)	(3 385)
Additions of other non-current assets		(230)	(24)	(19)	(273)	(107)	-	-	(380)
Order intake (unaudited)		25 840	10 232	4 515	40 587	4 732	(3 992)		41 327
Order backlog (unaudited)		22 098	16 185	3 703	41 986	3	(540)		41 449
Own employees		9 047	6 212	2 236	17 495	902	-		18 397

Major customers
Revenue from one customer to all segments represents approximately NOK 12.9 billion (NOK 8.5 billion in 2011) of the group's total revenue.

Geographical information
Geographical revenue is presented on the basis of geographical location of customers. Non-current segment assets and capital expenditures are based on the geographical location of the assets. No single country has revenues or non-current assets higher than 10 per cent of the group except Norway.

Amounts	Operating revenue and other income		Non-current assets		Capital expenditure	
in NOK million	**2012**	2011	**2012**	2011	**2012**	2011
Norway	**23 940**	16 013	**11 653**	9 481	**1 830**	2 852
Europe	**4 986**	4 910	**3 275**	3 174	**379**	221
North America	**3 033**	3 502	**612**	646	**101**	120
South America	**1 877**	1 569	**575**	396	**227**	119
Asia	**7 545**	7 572	**1 101**	782	**398**	59
Australia	**1 323**	1 567	**26**	16	**14**	6
Other	**2 218**	1 341	**148**	79	**12**	8
Total	**44 922**	36 474	**17 390**	14 574	**2 961**	3 385

Note 11 Salaries, wages and social security costs

Amounts in NOK million	*Note*	**2012**	2011
Salaries and wages including holiday allowance		**11 030**	9 350
Social security tax/National insurance contribution		**1 471**	1 273
Pension cost	*30*	**587**	496
Other employee costs		**260**	234
Salaries, wages and social security costs		**13 348**	11 353

Loans to employees are shown in note 25 Interest-bearing receivables. No guarantees are granted to any employee.

Share purchase programme for employees
Aker Solutions' share purchase programme in 2012 gave each employee the opportunity to purchase shares of up to NOK 60 000 with a price reduction of 25 per cent in addition to a discount of NOK 1 500. To the extent possible under local law, the shares purchased by each employee were funded by a loan provided by the local employer company. The loan is repaid by salary deductions over a period of 12 months. To encourage a long-term commitment to the company, a three-year lock-up period was part of the arrangement. Approximately 3 100 employees from nine countries participated in the share purchase programme.

Management (the executive chairman and 2-3 levels below) was also invited to take part in a separate management share program allowing eligible managers to purchase shares for an amount equal to 25 per cent of their salary and with a price reduction of 25 per cent on the share price. To encourage a long-term committment to the company, a three year lock-up period was part of the arrangement.

The share purchase programmes in previous years were somewhat different. Each employee could purchase Aker Solutions shares for NOK 1 250 per month in 12 consecutive months at market price. The employee paid NOK 1 125, while the company contributed the remaining NOK 125. Employees still working for the company 2.5 years after the programme started, and do not sell or otherwise dispose of the shares purchased under the programme, receives one bonus share for every two shares purchased.

The company's contribution to the purchase of the shares as well as the value of the bonus shares are expensed as salary expenses.

Board of Directors
The Board of Directors are elected for two years at the General Meeting. The board fee for Øyvind Eriksen includes fee for his role as Executive Chairman. The Board of Directors did not receive any other fees than those listed in the table below in 2012 or 2011, except for employee representatives who had market based salaries. The members of the Board of Directors have no agreements that entitle them to any extraordinary remuneration.

The fees in the table below represents what is recognised as expenses in the income statement based on assumptions about fees to be approved at the general assembly in 2013 for 2012 rather than what has been paid in the year.

2012 *Amounts in NOK*	Board meeting attendance	Extraordinary board meeting attendance	Audit Committee	Board fees
Øyvind Eriksen	11 of 11	2 of 2		6 826 859
Mikael Lilius	10 of 11	1 of 2		415 000
Lone Fønss Schrøder	11 of 11	2 of 2	80 000	315 000
Kjell Inge Røkke	10 of 11	2 of 2		315 000
Anne Drinkwater	11 of 11	2 of 2		390 000
Sarah Ryan[1]	8 of 11	2 of 2		353 000
Atle Teigland[2]	11 of 11	2 of 2	80 000	157 500
Åsmund Knutsen[2]	10 of 11	2 of 2		157 500
Arild Håvik[2]	10 of 11	2 of 2		157 500
Hilde Karlsen[2]	8 of 11	2 of 2		157 500
Nicoletta Giadrossi	7 of 7	2 of 2	77 500	232 500
Stuart Ferguson[1]	7 of 7	2 of 2		232 500
Ida Helliesen	3 of 4	0 of 0	77 500	160 000
Total			**315 000**	**9 869 859**

2011 Amounts in NOK	Board meeting attendance	Extraordinary board meeting attendance	Reward Committee	Audit Committee	Board fees
Øyvind Eriksen	13 of 13	1 of 2	25 000		5 459 000
Mikael Lilius	12 of 13	2 of 2	25 000		400 000
Ida Helliesen	13 of 13	2 of 2		150 000	300 000
Lone Fønss Schrøder	11 of 13	2 of 2		75 000	300 000
Kjell Inge Røkke	9 of 13	2 of 2	25 000		300 000
Atle Teigland[2]	13 of 13	2 of 2		75 000	150 000
Åsmund Knutsen[2]	13 of 13	2 of 2			150 000
Arild Håvik[2]	12 of 13	2 of 2			150 000
Hilde Karlsen[2]	7 of 7	1 of 1			100 000
Anne Drinkwater	5 of 7	0 of 1			200 000
Sarah Ryan	6 of 7	1 of 1			200 000
Vibeke Hammer Madsen	6 of 6	1 of 1			100 000
Arve Toft[2]	6 of 6	1 of 1			50 000
Total			75 000	300 000	7 859 000

1) Board fees in 2012 includes an allowance of NOK 12 500 per meeting per physical attendance for board members residing outside the Nordic countries.

2) According to agreement with and initiate form the empoyee representatives the board fees are reduced.

According to policy in Aker, fees to directors employed in Aker companies are paid to the Aker companies, not to the directors in person. Therefore, board fees fees for Øyvind Eriksen and Nicoletta Giadrossi were paid to Aker ASA. Board fees fees for Kjell Inge Røkke were paid to The Resource Group. The board fee for Øyvind Eriksen includes fee for his role as Executive Chairman. The board fee will be approved by the Annual General Meeting on 12 April 2013.

The audit committee
Aker Solutions has an audit committee comprising three of the directors, which held 7 meetings in 2012. As of 31 December 2012, the audit committee comprises Nicoletta Giadrossi (chairperson), Lone Fønns Schrøder and Atle Teigland.

The board risk committee
Aker Solutions established a board risk committee in 2012 to support the board in overseeing the company's enterprise risk management work. The board risk committee consists of four directors and three meetings were held in 2012. As of 31 December 2012, the board risk committee comprises Nicoletta Giadrossi (Chairperson), Stuart Ferguson, Anne Drinkwater and Åsmund Knutsen.

The reward committee
The reward committee was dissolved in 2012 and the mandate for the Reward Committee was transferred to the board of directors.

Guidelines for remuneration to the members of the executive management team
The main purpose of the executive reward programme is to encourage a strong and sustainable performance-based culture, which supports growth in shareholder value. The total remuneration to executives consists of a market based salary, a few standard employee benefits and a variable pay programme.

The executive management team participate in the standard pension and insurance schemes applicable to all employees. The company practice standard employment contracts and standard terms and conditions regarding notice period and severance pay for the members of the executive management team. The company does not offer share option programmes to any managers or employees.

The objective of the variable pay programme is to contribute to the achievement of the company's financial results and management performance according to the company's values and business ethics.

The variable pay programme consists of three parts and is based on the achievement of company KPIs and values, financial and individual performance objectives, development of the share price of Aker Solutions ASA and conditions on continued employment. The variable pay is earned over a period of three years.

- The first part of the variable pay is earned during the first year. The maximum value is 66.7 per cent of base salary. The executives are paid 50 per cent of this variable pay immediately after the end of the first year, and 50 per cent is delayed until after the third year.
- The second part is conditional on that the Executive is still employed after three years, where the Executive receives an additional 50 per cent of the variable pay as earned the first year. The maximum amount is 30 per cent of base salary.
- The third part of the programme is based on the share price after three years and is dependent on the Executive still being employed at that time. The value is based on 50 per cent of part one plus 100 per cent of part two of the variable pay programme. The sum of these are then multiplied by the percentage increase of the Aker Solutions ASA share price over the change in the general stock index at the Oslo Stock Exchange (OSEBX) over the three year period. The share based payment has a maximum value of 20 per cent of base salary at that time.

In addition to the ordinary variable pay programme, the executive management is from time to time granted a discretionary variable pay. There was no discretionary pay expense in 2012 and 2011.

The remuneration to the executive management team in 2012 was according to guidelines of the company.

Remuneration to members of the executive management team
The remuneration of the executive management team for 2012 and 2011 is shown in the tables on the next page. The salary figures represents what is recognised as expense in the income statement based on assumptions about future variable pay rather than what has been paid in the year.

2012

Amounts in NOK	Job title	Period	Base salary[1]	Variable pay[2]	Other benefits[3]	Total taxable remuneration	Pension benefit earned/cost to company[4]
Alan Brunnen	Head of Subsea	1 January - 31 December	2 115 174	1 298 043	-	3 413 217	357 126
David Merle	Head of Process Systems	7 May - 31 December	2 129 863	451 772	1 023 373	3 605 007	70 382
Erik Wiik	Regional President of North America	1 January - 31 December	2 251 144	752 010	-	3 003 154	213 108
Karl Erik Kjelstad	Head of Oilfield Services and Marine Assets	1 January - 31 December	3 384 200	3 451 414	30 444	6 866 058	118 811
Leif Haukom	Head of Mooring and Loading Systems	1 January - 31 December	1 667 306	1 949 550	25 665	3 642 521	215 748
Leif Hejø Borge	President & CFO	1 January - 31 December	4 071 810	3 092 820	29 925	7 194 556	125 066
Luis Araujo	Regional President of Brasil	1 January - 31 December	3 172 428	3 389 346	80 446	6 642 220	468 343
Mark Riding	Chief Strategic Marketing	1 January - 31 December	2 247 571	1 655 473	805 311	4 708 355	140 654
Michael Hambly	Head of Process Systems	1 January - 6 May	961 444	475 063	-	1 436 507	21 128
Niels Didrich Buch	Chief of Staff	1 January - 31 December	2 247 571	2 299 312	24 384	4 571 267	157 161
Per Harald Kongelf	Chief Operating Officer and Regional President of Norway	1 January - 31 December	2 770 358	2 783 540	23 328	5 577 226	182 219
Sissel Anne Lindland	Chief HR Officer	1 January - 31 December	1 743 474	1 790 675	25 733	3 559 882	99 579
Thor Arne Håverstad	Head of Drilling Technologies	1 January - 31 December	2 161 126	2 577 859	28 134	4 767 119	190 718
Tore Sjursen	Head of Maintenance, Modifications and Operations	1 January - 31 December	2 461 626	2 967 959	23 202	5 452 786	160 178
Tove Røskaft	Head of Umbilicals	1 January - 31 December	1 646 572	669 829	120 072	2 436 473	130 307
Valborg Lundegaard	Head of Engineering	1 January - 31 December	2 264 037	2 935 030	23 328	5 222 395	200 198
Wolfgang Puennel	Head of Well Intervention Services	1 January - 31 December	2 140 544	982 024	1 078 978	4 201 546	134 190
Åsmund Bøe	Chief Technology Officer	1 January - 31 December	2 425 237	2 355 530	484 197	5 264 964	101 837
Total			**41 861 486**	**35 877 247**	**3 826 520**	**81 565 254**	**3 086 753**

2011

Amounts in NOK	Job title	Period	Base salary[1]	Variable pay[2]	Other benefits[3]	Total taxable remuneration	Pension benefit earned/cost to company[4]
Alan Brunnen	Head of Subsea	7 September - 31 December	729 492	62 572	-	792 064	89 368
Gary Mandel[5]	Executive Vice President P&C	1 January - 31 January	207 896	-	20 948 682	21 156 578	-
Karl Erik Kjelstad	Head of Oilfield Services & Marine Assets	1 January - 31 December	3 086 305	3 075 055	5 441	6 166 801	62 891
Leif Hejø Borge	President & CFO	1 January - 31 December	3 947 735	951 846	23 914	4 923 495	63 987
Leif Haukom	Head of Mooring and Loading Systems	1 March - 31 December	1 698 741	480 954	5 376	2 185 071	216 516
Mads Andersen[5]	Executive Vice President Subsea	1 January - 30 September	2 063 106	1 034 588	2 879 936	5 977 630	104 827
Mark Riding	Chief Strategic Marketing	1 March - 31 December	1 992 769	655 837	671 333	3 319 938	63 980
Michael Hambly	Head of Process Systems	1 March - 31 December	1 403 811	349 091	5 441	1 758 343	63 329
Niels Didrich Buch	Chief of Staff	1 January - 31 December	2 147 004	692 287	23 794	2 863 085	111 709
Per Harald Kongelf	Chief Operating Officer	1 January - 31 December	2 692 228	562 534	24 275	3 279 037	112 859
Sissel Anne Lindland	Chief HR Officer	1 March - 31 December	1 461 689	289 297	5 441	1 756 427	71 023
Thor Arne Håverstad	Head of Drilling Technologies	1 March - 31 December	1 981 007	1 676 065	5 441	3 662 513	118 451
Tore Sjursen	Head of Maintenance, Modifications and Operations	1 January - 31 December	2 305 033	1 704 908	5 441	4 015 382	103 547
Tove Røskaft	Head of Umbilicals	7 September - 31 December	527 090	122 130	1 723	650 943	102 545
Åsmund Bøe	Chief Technology Officer	1 March - 31 December	1 998 902	776 485	388 725	3 164 112	62 476
Valborg Lundegaard	Head of Engineering	1 March - 31 December	1 945 359	1 268 638	5 441	3 219 438	131 118
Wolfgang Puennel	Head of Well Intervention Services	1 March - 31 December	1 616 296	657 850	834 839	3 108 985	-
Total			31 804 463	14 360 137	25 835 243	71 999 843	1 478 626

1) Includes accrued holiday allowances and temporary allowance for additional job responsibility in 2011 and 2012 for Leif Hejø Borge of NOK 1 000 000. For 2011 the amount also includes temporary allowance for additional job responsibility for Per Harald Kongelf of NOK 150 000 as CEO of Kvaerner and Alan Brunnen of GBP 23 864 as Executive Vice President of Subsea business area.

2) Based on estimated variable pay earned during the year.

3) Other benefits include insurance agreements, such as membership in the standard employee scheme and an additional executive group life and disability insurance with a maximum cover of NOK 4 036 340. The amount also includes housing costs, international salary compensation, children schooling costs and severance pay (see footnote 5).

4) Pension benefits include the standard employee pension scheme, a pension compensation scheme (for transfer from benefit to contribution scheme), a disability pension scheme and certain management pension rights related to wound up schemes and early retirement schemes.

5) Other benefits includes salary in notice period and severance pay for management where employment is terminated.

The members of the executive management team have the following agreements upon termination of employment:

	Notice period	Severance pay
Alan Brunnen	3 months	6 months
David Merle	3 months	6 months
Erik Wiik	3 months	6 months
Karl Erik Kjelstad	6 months	6 months
Leif Hejø Borge	6 months	6 months
Leif Haukom	6 months	6 months
Luis Araujo	3 months	6 months
Mark Riding	3 months	6 months
Niels Didrich Buch	6 months	6 months
Per Harald Kongelf	6 months	6 months
Sissel Anne Lindland	6 months	6 months
Thor Arne Håverstad	3 months	6 months
Tore Sjursen	6 months	0 months
Tove Røskaft	3 months	6 months
Valborg Lundegaard	3 months	6 months
Wolfgang Puennel	3 months	6 months
Åsmund Bøe	3 months	6 months

All members of the executive team have a standard employee defined contribution plan. See description in note 30 Employee benefits - pension for Norwegian members.

There are no loans, securities or guarantees granted and there are no advance salary payment given to members of the executive management team.

Share-based payments
The development of the company's share price is an element of the variable pay programme as described above, of which the future share price is an element of the calculation. The accrual related to the future share based payment of the variable pay is estimated with the basis of the share price at year-end. The accrual consists of variable pay programmes for three preceding years.

The Aker Solutions ASA share price increased during 2012, resulting in an increase of share based variable pay accrual. For the executive management as included in the table above, the share-price related variable pay accrual was NOK 12.3 million as of 31 December 2012 (NOK 1.0 million in 2011). The paid share price related variable pay in 2012 was NOK 1.1 million (zero in 2011).

Directors' and executive management team's shareholding
The following number of shares were owned by the directors and the members of the executive management team (and their related parties) as of 31 December 2012:

	Job title	**2012**	2011
Leif Hejø Borge	President & CFO	**30 708**	20 709
Thor Arne Håverstad	Head of Drilling Technologies	**13 353**	6 045
Karl Erik Kjelstad	Head of Oilfield Services & Marine Assets	**13 156**	2 500
Luis Araujo	Regional President of Brazil	**10 369**	-
Leif Haukom	Head of Mooring and Loading Systems	**6 042**	709
Mark Riding	Chief Strategic Marketing	**7 907**	-
Tore Sjursen	Head of Maintenance, Modifications and Operations	**7 663**	404
Valborg Lundegaard	Head of Engineering	**5 185**	-
Lone Fønss Schrøder	Director	**4 400**	-
Åsmund Knutsen	Director	**4 411**	3 614
Sissel Anne Lindland	Chief HR Officer	**4 228**	709
Atle Teigland	Director	**3 235**	2 309
Niels Didrich Buch	Chief of Staff	**2 932**	709
Arild Håvik	Director	**1 246**	709
Hilde Karlsen	Director	**1 231**	305
Erik Wiik	Regional President of North America	**778**	-
Tove Røskaft	Head of Umbilicals	**778**	-

The overview includes only direct ownership of Aker Solutions shares and does not include any indirect ownership through ownership in Aker ASA.

Note 12 Operating leases

Group as lessee

Total non-cancellable operating lease commitments:

Amounts in NOK million	**2012**	2011[1]
Contracts due within one year	**1 114**	989
Contracts running from one to five years	**3 245**	3 168
Contracts running for more than five years	**3 451**	2 797
Total	**7 810**	6 954

[1] *Does not include commitments related to disposal groups held for sale.*

Minimum sublease payments to be received in the future amount to NOK 9 million (NOK 16 million in 2011), and relates mainly to sublease of buildings.

Lease and sublease payments recognised in the income statement

2012

Amounts in NOK million	Buildings	Vessels	Plant, equipment and machinery	Other	Total
Minimum lease payments[2]	790	455	185	62	1 492
Sublease payments	(72)	-	-	-	(72)
Total	**718**	**455**	**185**	**62**	**1 420**

2011[1]

Amounts in NOK million	Buildings	Vessels	Plant, equipment and machinery	Other	Total
Minimum lease payments[2]	583	454	194	37	1 268
Sublease payments	(59)	-	-	-	(59)
Total	524	454	194	37	1 209

[1] *Includes continuing operations only.*
[2] *No contingent rent has incurred in 2011 or 2012*

Operating lease costs for buildings relate to rental on a large number of locations worldwide. The leases typically run for a period of 12-15 years, with an option to renew the lease at market conditions.

Vessel lease costs relate to Skandi Aker, Skandi Santos and Wayfarer which are operated by the business area Oilfield Services and Marine Assets. Both Skandi Aker and Skandi Santos lease contracts run for a period of 5 years, with an option to renew the lease after that date. Wayfarer lease agreement runs for 10 years with no renewal option included in the contract.

Other plant and machinery costs primarily include leasing of IT equipment, cars and inventory. These leases have an average life of 3-5 years with no renewal option included in the contracts.

None of the leases include significant contingent rent.

Group as lessor

Total non-cancellable operating lease income:

Amounts in NOK million	**2012**	2011
Contracts due within one year	**1 068**	478
Contracts running from one to five years	**1 369**	565
Contracts running for more than five years	**368**	-
Total	**2 804**	1 043

[1] *Does not include future lease income related to disposal groups held for sale.*

Operating lease income relates to the vessel Skandi Santos, Skandi Aker and Aker Wayfarer, and to the investment property K2 Hotellbygg. NOK 809 million was recognised as lease income in 2012 (NOK 392 million in 2011).

Note 13 Other operating expenses

Other operating expenses amount to NOK 6.9 billion in 2012 (NOK 5.4 billion in 2011). The expenses include audit fees, operating lease costs (see note 12 Operating leases) and other expenses mainly related to premises, electricity, maintenance, travelling, IT-equipment and insurance fees.

Fees to KPMG

	Aker Solutions ASA		Subsidiaries		Total	
Amounts in NOK million	**2012**	2011	**2012**	2011[1]	**2012**	2011
Audit	**5**	5	**18**	30	**23**	35
Other assurance services	**-**	-	**2**	2	**2**	2
Tax services	**-**	-	**2**	4	**2**	4
Other non-audit services	**-**	-	**1**	2	**1**	2
Total	**5**	5	**23**	38	**28**	43

[1] *Audit fees for 2011 includes NOK 11 million related to demerger of Kvaerner, which was recharged to Kvaerner.*

Note 14 Finance income and expenses

Amounts in NOK million	*Note*	**2012**	2011
Profit (loss) on foreign currency forward contracts		**(125)**	35
Interest income on bank deposits measured at amortised cost		**78**	126
Net foreign exchange gain		**4**	53
Other finance income		**28**	4
Finance income		**110**	183
Interest expense on financial liabilities measured at amortised cost		**(548)**	(313)
Interest expense on financial liabilities measured at fair value		**(23)**	(29)
Net foreign exchange loss		**-**	(6)
Impairment available-for-sale financial instruments	*26*	**-**	(246)
Other financial expenses		**(42)**	(47)
Finance expenses		**(613)**	(641)
Net finance expenses recognised in profit and loss		**(628)**	(423)

See note 32 Financial instruments for information of the finance income and expense generating items.

Foreign currency forward contracts
Some foreign exchange hedge transactions do not qualify for hedge accounting under IFRS, primarily because a large number of internal hedge transactions are grouped and netted before external hedge transactions are established. The non-qualifying hedge instruments are mainly foreign exchange forward contracts. The corresponding contracts (hedged items) to the derivatives are calculated to have an equal, but opposite effect, and both the derivatives and the hedged items are reported as financial results. The net amount therefore reflects the difference in timing between the non-qualifying hedging instrument and the future transaction (economically hedged item).

The exposure from foreign currency embedded derivatives is economically hedged, but cannot qualify for hedge accounting and is therefore included in Net foreign exchange gain/loss. Hedge accounting and embedded derivatives are explained in note 22 Derivative financial instruments.

Note 15 Tax

Income tax expense

Amounts in NOK million	**2012**	2011
Current tax expense		
Current year	**260**	467
Adjustments for prior years	**(12)**	35
Total current tax expense	**248**	502
Deferred tax expense		
Origination and reversal of temporary differences	**424**	168
Change in tax rate	**(2)**	-
Write down of tax loss and deferred tax assets	**29**	175
Recognition of previously unrecognised tax losses	**(2)**	(7)
Total deferred tax expense	**449**	336
Total tax expense	**697**	838
Attributable to continuing operations	**697**	482
Attributable to discontinued operations	**-**	356

Effective tax rate

The table below reconciles the reported income tax expense to the expected income tax expense according to the corporate income tax rate of 28 per cent in Norway.

Amounts in NOK million	**2012**	2011
Profit before tax, continuing operations	**2 957**	2 073
Profit before tax, discontinued operations		4 019
Profit before tax, total	**2 957**	6 092
Expected income taxes (28 per cent) of profit before tax	**828**	1 706
Tax effects of:		
Permanent differences[1]	**(120)**	(926)
Prior year adjustments (current tax)	**(12)**	35
Prior year adjustments (deferred tax)	**-**	(59)
Previously unrecognised tax losses used to reduce payable tax	**(22)**	(64)
Previously unrecognised tax losses used to reduce deferred tax	**(2)**	(7)
Deferred tax from write down (or reversal) of tax loss or deferred tax assets[2]	**29**	175
Change in tax rates	**(2)**	-
Differences in tax rates from 28 per cent	**(26)**	(71)
Other[3]	**24**	49
Income tax expense, continuing and discontinued operations	**697**	838
Effective tax rate	**24%**	14%
Tax effect of differences	**(131)**	(868)

1) Relates mainly to gain on sale of subsidiaries.
2) Amount in 2011 relates mainly to unrecognised tax losses in Kvaerner entities in US.
3) Relates mainly to witholding tax.

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
Amounts in NOK million	**2012**	2011	**2012**	2011[1]	**2012**	2011
Property, plant and equipment	**62**	53	**(584)**	(315)	**(522)**	(262)
Pensions	**223**	269	**-**	-	**223**	269
Projects under construction	**-**	-	**(1 828)**	(1 365)	**(1 828)**	(1 365)
Tax loss carry-forwards	**573**	501	**-**	-	**573**	501
Intangible assets	**15**	22	**(245)**	(243)	**(230)**	(221)
Provisions	**306**	295	**-**	-	**306**	295
Derivatives	**146**	81	**(68)**	(63)	**78**	18
Other	**180**	371	**(38)**	(250)	**142**	121
Total before set offs	**1 505**	1 592	**(2 763)**	(2 236)	**(1 258)**	(644)
Set off of tax	**(935)**	(1 059)	**935**	1 059	**-**	-
Total	**570**	533	**(1 828)**	(1 177)	**(1 258)**	(644)
Of which to continuing operations	**570**	533	**(1 828)**	(1 173)	**(1 258)**	(640)
Of which to disposal groups held for sale	**-**	-	**-**	(4)	**-**	(4)

Change in net recognised deferred tax assets and liabilities

Amounts in NOK million	Property, plant and equipment	Pensions	Projects under construction	Tax loss carry-forwards	Intangible assets	Provisions	Derivatievs	Other	Total
Balance as of 1 January 2011	(121)	229	(1 555)	871	(286)	339	52	238	(233)
Recognised in profit and loss	(106)	9	(190)	(92)	(1)	117	(6)	(67)	(336)
Recognised in equity	-	53	-	-	-	-	(12)	(11)	30
Additions through business combinations	(8)	-	-	-	(15)	-	(3)	(2)	(28)
Disposals and demerger	(32)	(23)	380	(271)	79	(154)	(13)	(29)	(63)
Currency translation differences	5	1	-	(7)	2	(7)	-	(8)	(14)
Balance as of 31 December 2011	(262)	269	(1 365)	501	(221)	295	18	121	(644)
Recognised in profit and loss	(83)	-	(453)	3	2	9	59	11	(452)
Recognised in equity	-	(48)	-	-	-	-	2	(2)	(48)
Additions through business combinations	(182)	4	(10)	107	(13)	22	-	14	(58)
Currency translation differences	5	(2)	-	(38)	2	(21)	(1)	(2)	(57)
Balance as of 31 December 2012	**(522)**	**223**	**(1 828)**	**573**	**(230)**	**306**	**78**	**142**	**(1 258)**

Tax loss carry-forwards and unrecognised deferred tax assets

2012

Amounts in NOK million	Norway	Europe other	North America	South America	Asia Pacific	Other	Total
Expires before 2017	-	11	-	-	30	-	41
Expires in 2017 and later[1]	-	320	268	-	2	-	590
Indefinite	775	110	-	562	434	26	1 907
Total tax loss carry-forwards	**775**	**441**	**268**	**562**	**466**	**26**	**2 538**
Unrecognised tax loss carry-forwards	-	242	-	14	380	8	644
Unrecognised other tax assets	-	-	-	-	71	-	71

2011

Amounts in NOK million	Norway	Europe other	North America	South America	Asia Pacific	Other	Total
Expires before 2016	-	-	-	-	21	-	21
Expires in 2016 and later[1]	-	248	350	-	-	-	598
Indefinite	703	-	-	389	510	26	1 628
Total tax loss carry-forwards	703	248	350	389	531	26	2 247
Unrecognised tax loss carry-forwards	-	158	-	12	415	26	611
Unrecognised other tax assets	-	-	-	-	145	-	145

[1] *Mainly expiry date more than 5 years.*

Tax losses are recognised in the balance sheet to the extent that forecasts and realistic expectations about results show that Aker Solutions will be able to use the tax losses before they expire.

Geographical overview of tax positions

2012 *Amounts in NOK million*	Current tax (benefit) expense	Deferred tax (benefit) expense	Total tax (benefit) expense	Net deferred tax asset (liability)	Net payable tax asset (liability)
Norway	17	566	583	(1 692)	(12)
Other Europe	176	(36)	140	(31)	(44)
North America	(6)	24	18	119	44
South America	(17)	(92)	(109)	314	57
Asia	82	(6)	76	22	(14)
Other countries	(4)	(7)	(11)	10	-
Total	**248**	**449**	**697**	**(1 258)**	**31**

2011 *Amounts in NOK million*	Current tax (benefit) expense	Deferred tax (benefit) expense	Total tax (benefit) expense	Net deferred tax asset (liability)	Net payable tax asset (liability)
Norway	10	589	599	(1 034)	4
Other Europe	82	(5)	77	(66)	(29)
North America	67	(59)	8	170	4
South America	-	(208)	(208)	271	76
Asia	343	19	362	13	(38)
Other countries	-	-	-	2	-
Total	502	336	838	(644)	17

Note 16 Net capital employed

Net capital employment is a key measure used in Aker Solutions internal reporting, and is determined as shown below.

Amounts in NOK million	*Note*	**2012**	2011
Inventories	*18*	**2 360**	1 765
Trade and other receivables	*17*	**16 524**	12 117
Provisions	*21*	**(1 173)**	(935)
Trade and other payables	*20*	**(16 012)**	(12 934)
Derivative financial instruments, net	*22*	**167**	293
Net current operating assets		**1 866**	306
Other non-current operating assets		**168**	191
Intangible assets	*24*	**6 884**	6 310
Property, plant and equipment	*23*	**10 041**	7 409
Employee benefits obligations	*30*	**(805)**	(963)
Interest-bearing receivables	*25*	**1 093**	1 238
Investments	*26, 27*	**852**	664
Cash excl. cash pool arrangement		**678**	779
Total		**20 777**	15 934

Note 17 Trade and other receivables

Amounts in NOK million	*Note*	**2012**	2011
Trade receivables[1]		**6 715**	6 406
Less provision for impairment of receivables		**(124)**	(59)
Trade receivables, net		**6 591**	6 347
Advances to suppliers		**499**	518
Work in progress	*19*	**4 811**	2 232
Other receivables		**4 623**	3 020
Total		**16 524**	12 117

[1)] Trade receivables are financial instruments and an impairment loss of NOK 67 million (NOK 21 million in 2011) was recognised in cost of sales.

Book value of trade and other receivables is approximately equal to fair value.

Aging of trade receivables

Amounts in NOK million	**2012**	2011
Not overdue	**4 106**	3 959
Past due 0-30 days	**1 370**	1 308
Past due 31-90 days	**524**	538
Past due 91 days to one year	**570**	527
Past due more than one year	**145**	74
Total	**6 715**	6 406

Note 18 Inventories

Amounts in NOK million	**2012**	2011
Stock of raw materials	**1 225**	1 003
Goods under production	**371**	251
Finished goods	**764**	511
Total	**2 360**	1 765
Inventories carried at net realisable value	**98**	630
Write-down of inventories in the period	**33**	14

Note 19 Construction contracts

Amounts in NOK million	*Note*	**2012**	2011
Value of work performed on uncompleted contracts		**40 387**	42 670
Invoiced		**35 576**	40 438
Work in progress to be invoiced	*17*	**4 811**	2 232
Trade receivables related to construction contracts		**2 432**	3 394
Recoverable on construction contracts		**7 243**	5 626
Advances from customers	*20*	**4 202**	2 623
Retentions		**315**	-

Largest projects in progress at year end 2012 (unaudited)

Project	Customer	Estimated delivery
Product Solutions		
Åsgard Compression[1]	Statoil	2014
Goliat	ENI	2013
Vigdis	Statoil	2013
45 XMT	Petrobras	2014
Skuld	Statoil	2013
Guara Lula NE	Petrobras	2013
Siakap	Murphy Sabah Oil Co	2014
Aker Drilling	Aker Drilling	2014
Field-Life Solutions		
Åsgard Compression[1]	Statoil	2014
Ekofisk 2/4Z[2]	ConocoPhillips	2013
Eldfisk II Modifications	ConocoPhillips	2015
Oseberg B Drilling upgrade	Statoil	2013
Gudrun Tie-in to Sleipner	Statoil	2013
Engineering Solutions		
Åsgard Compression[1]	Statoil	2014
Ekofisk 2/4Z[2]	ConocoPhillips	2013

1) Åsgard Compression is a shared project between Product Solutions (50 per cent), Field-Life Solutions (25 per cent) and Engineering Solutions (25 per cent).

1) Ekofisk 2/4Z is a shared project between Field Life Solutions (60 per cent) and Engineering Solutions (40 per cent).

Note 20 Trade and other payables

Amounts in NOK million	**2012**	2011
Trade creditors[1]	**3 433**	2 704
Advances from customers	**4 202**	2 623
Accrued operating and financial costs	**6 017**	5 225
Other current liabilities[2]	**2 360**	2 382
Total	**16 012**	12 934

1) Trade creditors include NOK 22 million due after one year (NOK 12 million in 2011).

2) Other current liabilities include NOK 138 million related to deferred considerations assumed in business combinations (NOK 148 million in 2011). See note 29 Other non-current liabilities for further description.

Book value of trade creditors and other current liabilities is approximately equal to fair value.

Note 21 Provisions

Amounts in NOK million	Warranties	Loss contracts	Other	Total
Balance as of 1 January 2012	540	283	112	935
Provisions made during the year	212	79	94	385
Provisions used during the year	(40)	(43)	(46)	(129)
Provisions reversed during the year	(62)	(7)	(5)	(74)
Reclassifications	1	126	(1)	126
Currency translation differences	(14)	(46)	(10)	(70)
Balance as of 31 December 2012	**637**	**392**	**144**	**1 173**
Expected timing of payment				
Within the next twelve months	261	152	41	454
After the next twelve months	376	240	103	719
Total	**637**	**392**	**144**	**1 173**

Warranties
The provision for warranties relates mainly to the possibility that Aker Solutions, based on contractual agreements, needs to perform guarantee work related to products and services delivered to customers. See note 4 Accounting estimates and judgements for further description.

Loss contracts
Provisions for loss contract are deducted from the value of the same contracts in work in progress or, to the extent they exceed this value, disclosed as provisions. See note 4 Accounting estimates and judgements for further description.

Note 22 Derivative financial instruments

The Aker Solutions group uses derivative financial instruments to hedge foreign exchange and interest rate exposures. In addition, there are embedded foreign exchange forward derivatives separated from ordinary commercial contracts. Further information regarding risk management policies in the group is available in note 5 Financial risk management and exposures.

The table below presents the fair value of the derivative financial instruments and a maturity analysis of the derivatives undiscounted cash flows. Given the Aker Solutions group hedging policy and the assumption that the projects are cash neutral, this table also indicates when the cash flows related to project expenses are expected to impact profit and loss. The majority of project revenues are recognised in accordance with IAS 11 using the percentage of completion method. This may result in different timing of cash flows related to project revenues and revenue recognition.

Not hedged accounted instruments includes the external instruments used to price embedded derivatives as well as other derivative instruments used by Group Treasury to hedge the residual exposure of the group as part of its risk mandate. As of December, these instruments only include currency forwards and FX swaps.

Fair value of derivative financial instruments with maturity

2012

Amounts in NOK million	Instruments at fair value	Total undiscounted cash flow[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Assets							
Cash flow hedges	434	434	281	95	58	-	-
Fair value hedges	7	7	2	-	2	3	-
Net investment hedges	1	1	1	-	-	-	-
Embedded derivatives in ordinary commercial contracts	(417)	(417)	(228)	(68)	(70)	(51)	-
Not hedge accounted	366	366	189	60	66	51	-
Total forward foreign exchange contracts	**391**	**391**	**245**	**87**	**56**	**3**	**-**
Cash flow hedges	30	30	30	-	-	-	-
Fair value hedges	20	20	-	-	20	-	-
Total interest rate instruments	**50**	**50**	**30**	**-**	**20**	**-**	**-**
Total assets	**441**	**441**	**275**	**87**	**76**	**3**	**-**
Liabilities							
Cash flow hedges	(156)	(156)	(98)	(15)	(20)	(23)	-
Embedded derivatives in ordinary commercial contracts	(4)	(4)	(1)	(1)	(2)	-	-
Not hedge accounted	(60)	(60)	(42)	(14)	(4)	-	-
Total forward foreign exchange contracts	**(220)**	**(220)**	**(141)**	**(30)**	**(26)**	**(23)**	**-**
Cash flow hedges	(54)	(54)	-	(1)	(15)	(34)	(4)
Total interest rate instruments	**(54)**	**(54)**	**-**	**(1)**	**(15)**	**(34)**	**(4)**
Total liabilities	**(274)**	**(274)**	**(141)**	**(31)**	**(41)**	**(57)**	**(4)**

2011

Amounts in NOK million	Instruments at fair value	Total undiscounted cash flow[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Assets							
Cash flow hedges	109	109	99	4	4	2	-
Embedded derivatives in ordinary commercial contracts	278	278	46	86	131	15	-
Not hedge accounted	78	78	69	7	2	-	-
Total forward foreign exchange contracts	465	465	214	97	137	17	-
Interest rate instruments							
Cash flow hedges	47	47	47	-	-	-	-
Fair value hedges	28	28	-	-	-	28	-
Total interest rate instruments	75	75	47	-	-	28	-
Total assets	540	540	261	97	137	45	-
Liabilities							
Cash flow hedges	197	197	98	53	46	-	-
Fair value hedges	(4)	(4)	(4)	-	-	-	-
Embedded derivatives in ordinary commercial contracts	13	13	3	-	9	1	-
Not hedge accounted	(434)	(434)	(226)	(73)	(120)	(15)	-
Total forward foreign exchange contracts	(228)	(228)	(129)	(20)	(65)	(14)	-
Cash flow hedges	(19)	(19)	-	-	(3)	(16)	-
Total interest rate instruments	(19)	(19)	-	-	(3)	(16)	-
Total liabilities	(247)	(247)	(129)	(20)	(68)	(30)	-

1) *Undiscounted cash flows are translated to NOK using the exchange rates on the balance sheet date.*

Derivative financial instruments are classified as current assets or liabilities. The full fair value of a hedging derivative is classified as a non-current asset or liability if the settlement date of the hedged item is more than 12 months, and as a current asset or liability if the settlement date the hedged item is less than 12 months. If the hedged item is related to projects, such as work in progress or trade receivables, the hedging derivative is always classified as a current asset or liability.

Foreign exchange derivatives

Corporate Treasury hedges the group's future transactions in foreign currencies with external banks. Approximately 80 per cent of the exposure to foreign exchange variations in future cash flows are related to a few large projects. The currency exposure in these projects have been hedged back-to-back in order to meet the requirements for hedge accounting. They are either subject to hedge accounting or separated embedded derivatives. All other hedges are not designated as IAS 39 hedges and will have an effect on profit or loss. Most hedges qualifying for hedge accounting are classified as cash flow hedges (hedges of highly probable future revenues and/or expenses). Some hedges that will clearly qualify as hedges of firm commitments will be classified as fair value hedges.

Embedded derivatives are foreign exchange derivatives separated from construction contracts. The main reason for separation is that the agreed payment is in a currency different from any of the major contract parties' own functional currency. The embedded derivatives represent currency exposures, which is hedged against external banks. Since the embedded derivatives are measured and classified in the same way as their hedging derivatives, they will have an almost equal, opposite effect to profit and loss. In the table above, the derivatives hedging the embedded derivatives are included in Forward foreign exchange contracts - not hedge accounted.

The hedged transactions in foreign currency that are subject to cash flow hedge accounting are highly probable future transactions expected to occur at various dates during the next one to four years, depending on progress in the projects. Gains and losses on forward foreign exchange contracts are recognised in comprehensive income and reported as hedging reserve in equity until they are recognised in the income statement in the period or periods during which the hedged transactions affect the income statement. This is generally within 12 months from the balance sheet date unless the gain or loss is over the life of the asset.

Unsettled cash flow hedges' impact on profit and loss and equity (not adjusted for tax).

2012

Amounts in NOK million	Fair value of all hedging instruments	Recognised in profit and loss	Deferred in equity (the hedging reserve)
Interest rate swaps	(54)	-	(54)
Forward exchange contracts	(126)	(87)	(39)
Total	**(180)**	**(87)**	**(93)**

2011

Amounts in NOK million	Fair value of all hedging instruments	Recognised in profit and loss	Deferred in equity (the hedging reserve)
Interest rate swaps	(19)	-	(19)
Forward exchange contracts	(66)	(6)	(60)
Total	(85)	(6)	(79)

The value of the interest swaps is attributable to changes in the interest swap curve for Norwegian kroner during the period from inception of the hedge to the balance sheet date. It excludes the accrued interest rates of the swaps accumulated during the period.

The value of the hedge reserve is before tax to allow comparison with the value of the hedging derivatives; this value does not include deferred settlements related to matured instruments.

The purpose of the hedging instrument is to secure a situation where the hedged item and the hedging instrument together represent a predetermined value independent of fluctuations of exchange rates. Revenue and expense on the underlying construction contracts are recognised in the income statement in accordance with progress. Consequently, negative NOK 87 million (negative NOK 6 million in 2011) of the value of the forward contracts have already affected the income statement indirectly as revenues and expenses are recognised based on updated forecasts and progress. The negative NOK 38 million (negative NOK 60 million in 2011) that are currently recorded directly in the hedging reserve, will be reclassified to income statement over approximately the next three to five years.

Interest rate swaps

Aker Solutions has one bond of NOK 150 million (out of which NOK 69 million bought back) with a fixed interest rate of 6 per cent and one bond of NOK 1 913 million (out of which NOK 200 million bought back) with a fixed interest rate of 10.7 per cent. At the same time Aker Solutions had interest rate swaps with floating interest with a notional value of NOK 763 million hedging the fixed interest bonds. In addition, the group has four bonds totalling NOK 2 837 million at floating interest rates out of which NOK 2 035 million is swapped to fixed interest. One interest rate swap of nominal value NOK 375 million is also used to swap half of the term loan of NOK 750 million from floating to fix interest. Floating interest is mainly tied to Inter-bank offered rates (NIBOR for NOK and LIBOR for other currencies).

Hedge accounting is applied using the cash flow hedge accounting model which means that gains and losses on interest rate swap from floating to fixed interest rates as of 31 December 2012 are recognised in the hedging reserve in equity and will be continuously released to the income statement until the bank borrowings are repaid. This is achieved based on the periodic mark-to-market revaluation of the interest rate swaps whose fair value tend to zero upon maturity.

Fair value hedge accounting is applied for hedging of the fixed interest bonds, see note 28 Borrowings. The fair value amounts of the outstanding interest rate swap contracts used in cash-flow hedges as of 31 December 2012 were NOK 54 million (NOK 19 million in 2011).

Note 23 Property, plant and equipment

Amounts in NOK million	Buildings and sites	Vessels, machinery, equipment, software	Under construction	Total
Historical cost				
Balance as of 1 January 2011	2 026	6 889	2 763	11 678
Additions through business combinations	-	29	-	29
Additions[1,2]	64	2 720	601	3 385
Disposals and demerger	(691)	(998)	(366)	(2 055)
Currency translation differences	(36)	22	(7)	(21)
Reclassification to assets held for sale	-	(1 789)	-	(1 789)
Balance as of 31 December 2011	1 363	6 873	2 991	11 227
Additions through business combinations	813	167	-	980
Additions[2]	293	1 118	1 608	3 019
Transfer from assets under construction	38	2 841	(2 879)	-
Disposals and scrapping	(85)	(414)	-	(499)
Currency translation differences	(90)	(205)	(46)	(341)
Balance as of 31 December 2012	**2 332**	**10 380**	**1 674**	**14 386**
Accumulated depreciation				
Balance as of 1 January 2011	(750)	(3 434)	-	(4 184)
Depreciation for the year[3]	(78)	(732)	-	(810)
Disposals and demerger	394	795	-	1 189
Currency translation differences	4	(17)	-	(13)
Balance as of 31 December 2011	(430)	(3 388)	-	(3 818)
Depreciation for the year	(89)	(983)	-	(1 072)
Currency translation differences	21	92	-	113
Disposals and scrapping	17	415	-	432
Balance as of 31 December 2012	**(481)**	**(3 864)**	**-**	**(4 345)**
Book value as of 31 December 2011	933	3 485	2 991	7 409
Book value as of 31 December 2012	**1 851**	**6 516**	**1 674**	**10 041**
Of which financial lease as of 31 December 2011	-	123	-	123
Of which financial lease as of 31 December 2012	-	37	-	37

[1] *Includes NOK 73 million related to Kvaerner in 2011*

[2] *Includes NOK 6 million of capitalised borrowing costs in 2012 with an average capitalisation rate of 7 per cent (NOK 91 million in 2011 with an average capitalisation rate of 11 per cent).*

[3] *Includes NOK 20 million related to discontinued operations in 2011*

Investment property
Buildings and sites include investment property of NOK 372 million. The construction for this property was completed in 2012 and as such book value is deemed to be a reasonable approximation of fair value. Aker Solutions has entered into a twenty year lease agreement for the property, see note 12 Operating leases. The rental income for the investment property is NOK 23 million and included in Other income.

Additions
Approximately 30 per cent of additions in 2012 are related to the investment programme in Oilfield Services (61 per cent in 2011).

Commitments
By the end of December 2012 Aker Solutions has entered into contractual commitments for the acquisition of property, plant and equipment amounting to NOK 742 million, of which 29 per cent relate to the investment programmes in Drilling Technologies and 42 per cent relate to the investment programmes in Oilfield Sevices and Marine Assets. The commitments will to a large extent become payable in 2013.

In April 2012 Aker Solutions signed a charter contract with Statoil to develop, invest and operate a well intervention rig in the North Sea, the so-called Cat B project. The day-rate has been fixed for eight years with options for another six years, and the profitability of the contract will be dependent on the final capex amount, operating costs and utilization (up-time) of the rig. The project is currently in the System Definition Phase (SDP), thus the capital commitment towards sub-suppliers is very limited by the end of 2012. The final amount to be capitalised in Aker Solutions financial statements will depend on the scope resulting from the systems definition phase. When the SDP is substantially completed the project can move into the next phase, including award of major subcontractor agreements. In order to reduce the risk of the project the contract is based on a flexible delivery window of eight months and no LD's in case of delayed delivery/ start-up of the rig.

Depreciation
Estimates for residual values are reviewed annually. Assets are mainly depreciated on a straight-line basis over their expected economic lives as follows:

Machinery, equipment and software	3 - 15 years
Buildings	8 - 30 years
Sites	No depreciation

Security
See note 28 Borrowings for information about bank borrowings which are secured by property, plant and equipment.

Note 24 Intangible assets

Amounts in NOK million	*Note*	Development costs	Goodwill	Other	Total
Balance as of 1 January 2011		386	6 181	216	6 783
Capitalised development		253	-	-	253
Acquisition through business combinations	*6*	-	371	63	434
Adjustment		-	74	-	74
Amortisation for the year		(42)	-	(29)	(71)
Impairment		(15)	-	-	(15)
Currency translation differences		7	30	1	38
Disposals and demerger	*7*	(10)	(1 176)	-	(1 186)
Balance as of 31 December 2011		579	5 480	251	6 310
Capitalised development		564	-	-	564
Acquisition through business combinations	*6*	-	132	63	195
Amortisation for the year		(56)	-	(38)	(94)
Currency translation differences		(27)	(59)	(5)	(91)
Balance as of 31 December 2012		**1 060**	**5 553**	**271**	**6 884**

Research and development costs
NOK 564 million have been capitalised in 2012 (NOK 253 million in 2011) related to development activities. In addition, research and development costs of NOK 151 million have been expensed during the year because the criteria for capitalisation was not met (NOK 245 million in 2011). Research and development costs funded by customers totalled NOK 8 million in 2012 (NOK 34 million in 2011).

Intangible assets with finite useful lives are amortised over the expected economic life, ranging between 5-10 years.

Goodwill
The increase in goodwill in 2012 is related to several acquisitions (see note 6 Business combinations and acquisition of subsidiaries). The adjustment in 2011 relates to change in deferred considerations from the acquisition of Aker Qserv Ltd in 2008.

Goodwill originates from a number of acquisitions. Management monitors goodwill impairment at the business area level which is also considered to be the cash-generating unit (CGU) due to the level of integration within the CGU's.

Allocation of goodwill by business area

Amounts in NOK million	**2012**	2011
Subsea	**1 592**	1 588
Umbilicals	**339**	337
Drilling Technologies	**923**	914
Process Systems	**223**	191
Mooring and Loading Systems	**194**	194
Product Solutions	**3 271**	3224
Maintenance, Modifications and Operations	**830**	793
Well Intervention Services	**449**	454
Oilfield Services and Marine Assets	**418**	422
Field Life Solutions	**1 697**	1 669
Engineering Solutions	**453**	453
Other	**132**	134
Total	**5 553**	5 480

Impairment testing for cash-generating units containing goodwill

Recoverable amounts are based on value in use calculations. The calculations use cash flow projections based on the future cash flow, budgets and strategic forecasts for the periods 2013-2017 and an annual growth of 2.5 per cent for subsequent periods.

Weighted Average Cost of Capital assumptions for impairment testing	Post tax WACC	Pre tax WACC
Subsea	9.8%	12.0%
Umbilicals	9.8%	11.8%
Drilling Technologies	9.8%	12.2%
Process Systems	9.8%	11.4%
Mooring and Loading Systems	9.8%	12.0%
Maintenance, Modifications and Operations	9.8%	11.8%
Well Intervention Services	9.8%	12.1%
Oilfield Services and Marine Assets[1]	8.5%	9.6%
Engineering Solutions	9.8%	12.1%

1) WACC for Oilfield Services and Marine Assets is based on USD interest rates because the cashflow used to calculate the value in use is mainly in USD.

Risk free interest rates used in the discount rate is based on 10 year state treasury bond rate of 2.15 per cent at the time of the impairment testing. The equivalent USD interest rate was 1.64 per cent. Debt leverage was estimated to 20 per cent except for Oilfield Services and Marine Assets where 70 per cent was used.

For all business areas, the recoverable amounts are higher than the carrying amounts and consequently the analysis indicates that no impairment is required. The key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth rates and EBITDA-margins. Reasonable changes to the key assumptions does not give grounds to impairment for any of the business areas.

Note 25 Interest-bearing receivables

Current interest-bearing receivables

Amounts in NOK million	**2012**	2011
Portfolio of bonds and certificates in Aker Insurance AS	**194**	339
Mutual fund	**175**	191
Other	**52**	4
Total	**421**	534

The current interest-bearing receivables are classified as financial assets at fair value through profit and loss.

Non-current interest-bearing receivables

Amounts in NOK million	**2012**	2011
Loans to employees[1]	**4**	5
Loans to Aker Dof Deepwater AS	**258**	234
Convertible loan EZRA Holdings Ltd[2]	**305**	313
Other receivable EZRA Holdings Ltd	**105**	150
Other	**-**	2
Total	**672**	704

1) Average interest rate for loans to employees was 2.42 per cent in 2012 (2.75 per cent in 2011).

2) The convertible loan can be converted into shares in Ezra Holdings Ltd. at maturity, which is in March 2014. The right to convert is an embedded derivative that currently has close to zero value.

See note 5 Financial risk management and exposures for information regarding credit risk management in the Aker Solutions group.

Note 26 Other investments

Investments in other companies was as follows as of 31 December:

Amounts in NOK million	**2012**	2011
Ezra Holdings Ltd	**378**	281
Aker Pensjonskasse	**120**	120
Triyards Holdings Ltd	**25**	-
Other equity securities	**21**	17
Available-for-sale investments	**544**	418
Investments at fair value over profit and loss	**25**	-
Total other investments	**569**	418

Triyards Holding Ltd was spun-off from Ezra Holdings Ltd in 2012, and both companies are listed on the Singapore Stock Exchange. All other available-for-sale investments do not have an active market, and are measured at cost as this is considered to be the best estimate of fair value.

Note 27 Equity-accounted investees

Equity-accounted investees include associated companies and jointly controlled entities. Such investments are defined as related parties to Aker Solutions. See note 9 Related parties for overview of transactions and balances with associated companies and joint ventures and any guarantees provided on behalf of such entities.

	Share of profit		Book value	
Amounts in NOK million	2012	2011	2012	2011
Aker Clean Carbon AS	-	(98)	-	-
Aker DOF Deepwater AS	8	26	217	208
Hinna Park Invest AS	(1)	-	23	-
Nippon Pusnes Co Ltd	3	3	28	26
Bejing Bomco[1]	-		12	12
Other companies[2]	12	1	3	-
Total	**22**	(68)	**283**	246

1) Full name; Beijing Bomco - MH Offshore Petroleum Engineering Technology Cp. Ltd.
2) Share of profit of NOK 10 million (NOK 5 million in 2011) is reported in Other income.

Aker Clean Carbon AS was a jointly controlled entity until Aker Solutions acquired the remaining 50 per cent shareholding in March 2012. Book value of the investment was nil after recognition of impairment loss of NOK 85 million in 2011. See note 6 Business combinations and acquisition of subsidiaries for further description.

Gain from sale of real estate from Aker Solutions to Hinna Park Invest AS and K2 Eiendom AS was recognised in 2012 (see note 8 Other income). 25 per cent of the total gain, representing Aker Solutions ownership in these companies, has not been recognised in the Income statement. The unrecognised gains have been deducted from book value of the two companies. The 25 per cent share of gain for K2 Eiendom AS exceeds book value of the investment and is reported in Trade and other payables.

Summary of financial information for equity-accounted investees (100 per cent basis)

2012

Amounts in NOK million	Business office	Percentage of voting rights	Percentage held	Assets	Liabilities	Equity	Revenues	Net profit (loss)
Aker DOF Deepwater AS[1]	Storebø, Norway	50.0%	50.0%	1 887	1 702	185	239	28
Hinna Park Invest AS[2]	Oslo, Norway	25.0%	25.0%	1 423	1 200	223	4	(42)
K2 Eiendom AS[2]	Oslo, Norway	25.0%	25.0%	844	694	150	-	(16)
Nippon Pusnes Co Ltd[2, 3]	Tokyo, Japan	28.0%	28.0%	229	134	96	290	6
Bejing Bomco	Brentford, UK	33.0%	30.0%	50	29	21	89	-

2011

Amounts in NOK million	Business office	Percentage of voting rights	Percentage held	Assets	Liabilities	Equity	Revenues	Net profit (loss)
Aker Clean Carbon AS[1]	Oslo, Norway	50.0%	50.0%	96	157	(61)	178	(239)
Aker DOF Deepwater AS[1]	Storebø, Norway	50.0%	50.0%	1 689	1 533	156	129	5
Hinna Park Invest AS [2]	Oslo, Norway	25.0%	25.0%	307	13	294	-	(1)
K2 Eiendom AS [2]	Oslo, Norway	25.0%	25.0%	541	357	184	-	(17)
Nippon Pusnes Co Ltd [2, 3]	Tokyo, Japan	28.0%	28.0%	310	206	104	639	15

1) Jointly controlled entity. Assets and liabilities are mainly non-current.
2) Associated company.
3) Reporting date is 31 March.

Guarantees on behalf of equity accounted investees
Aker Solutions ASA has issued financial guarantees in favor of financial institutions related to financing of the five vessels in Aker DOF Deepwater. Liability is capped at 50 per cent of drawn amount. The guarantee was NOK 576 million per 31 December 2012 (NOK 507 million in 2011).

Note 28 Borrowings

Contractual terms of group's interest-bearing loans and borrowings which are measured at amortised cost. For more information about the group's exposure to interest rates, foreign currency and liquidity risk, see note 5 Financial risk management and exposures.

2012

Amounts in million	Currency	Nominal currency value	Carrying amount (NOK)	Interest rate[3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010342587	NOK	150	81	6.00%	0.00%	6.00%	12.02.13	Fixed, annual
ISIN NO 0010341332	NOK	300	150	1.93%	1.35%	3.28%	12.02.13	Floating, 3M+fix margin
ISIN NO 001050461.6	NOK	1 913	1 815	8.70%	2.00%	10.70%	26.06.14	Fixed, annual
ISIN NO 001050460.8	NOK	187	187	1.83%	6.75%	8.58%	26.06.14	Floating, 3M+fix margin
ISIN NO 0010647431	NOK	1 500	1 495	1.90%	4.25%	6.15%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1 000	1 001	1.95%	4.20%	6.15%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			**4 729**					
Revolving credit facility (NOK 6 000 million)	NOK	1 000	973	1.84%	0.00%	1.84%	25.01.13	IBOR + Margin[2]
Total credit facility			**973**					
Term loan	NOK	750	755	1.95%	0.00%	1.95%	14.10.14	NIBOR 3M+fix margin
Term loan	EUR	270	(10)				14.11.15	IBOR 3M+variable margin
Term loan	EUR	130	(5)				14.05.14	IBOR 3M+variable margin
Term loan			**740**					
Brazilian Development Bank EXIM loan - Itau	BRL	182	497	4.50%	0.00%	4.50%	17.06.13	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	138	4.50%	0.00%	4.50%	15.07.13	Fixed, quarterly
Brazilian Development Bank EXIM loan - Itau	BRL	155	431	8.00%	0.00%	4.50%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	139	8.00%	0.00%	4.50%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loans			**1 205**					
Total other loans			**44**					
Total borrowings			**7 691**					
Current borrowings			1 008					
Non-current borrowings			6 683					
Total			**7 691**					

2011

Amounts in million	Currency	Nominal currency value	Carrying amount (NOK)	Interest rate[3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010341332	NOK	300	301	3.29%	1.35%	4.64%	02.12.2013	Floating, 3 months
ISIN NO 0010342587	NOK	150	151	6.00%	0.00%	6.00%	02.12.2013	Fixed, annual
ISIN NO 001050461.6	NOK	1 913	2 009	10.70%	0.00%	10.70%	26.06.2014	Fixed, annual
ISIN NO 001050460.8	NOK	187	186	2.90%	6.75%	9.65%	26.06.2014	Floating, 3 months
Total bonds[1]			2 647					
Revolving credit facility (NOK 6 000 million)	NOK	1 300	1 268	2.78%	1.20%	0.00%	23.06.16	IBOR + Margin[2]
Total credit facility			1 268					
Term loan	NOK	750	756	3.09%	2.00%	5.09%	14.10.14	NIBOR 3 months
Brazilian Development Bank EXIM loan	BRL	155	502	4.50%	0.00%	0.00%	15.08.12	Fixed, annual
Brazilian Development Bank EXIM loan	BRL	232	750	4.50%	0.00%	0.00%	15.06.13	Fixed, annual
Other loans			77					
Total other loans			2 085					
Total borrowings			6 000					
Current borrowings			629					
Non-current borrowings			5 371					
Total			6 000					

1) The book value is calculated by reducing the nominal value of NOK 4 631 million after repurchase (NOK 2 550 million in 2011) by total issue costs related to the new financing of negative NOK 33 million (NOK 16 million in 2011). Accrued interest and issue costs related to the bonds are included by NOK 114 million (NOK 88 million in 2011). The book value of the bond with notional value of NOK 1 713 after repurchase also includes the mark-to-market value of a fair value hedging interest rate swap of NOK 18 million (NOK 25 million in 2011).

2) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 per cent of the margin.

3) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).

Norwegian bonds
Aker Solutions has a total of six issued bonds at the start of 2012:

- Two new bonds were issued in 2012; one of NOK million 1 500 maturing in 2017 and one of NOK million 1 000 maturing in 2019.
- Three existing bonds of respective notional amounts NOK million 1 913, 300 and 150 have been partly repurchased during the year (by respectively NOK million 200, 150 and 69).
- The outstanding bonds mature respectively in 2013 (total NOK million 231), in 2014 (NOK million 1 900) as well as in 2017 (NOK million 1 500) and in 2019 (NOK million 1 000) thus guaranteeing the group sufficient long term funding.

All bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market.

Four of the bonds are issued based on a floating interest rate plus a predefined margin. The two other bonds have a fixed interest rate: the bond with notional value of NOK 81 million (after repurchase) has a fixed interest rate of 6.0 per cent while the fixed rate on the bond with notional value NOK 1 713 million (after repurchase) has a fixed rate of 10.7 per cent (including 2.0 per cent step-up). The current step-up margins will be reversed if Aker Solutions is upgraded to an investment grade rating.

The bonds are issued with Norsk Tillitsmann as trustee and the loan agreements are based on Norsk Tillitsmann's standard loan agreement for such bonds. The bonds are unsecured on a negative pledge basis and include no dividend restrictions.

All bonds issued are listed on the Oslo Stock Exchange.

Bank debt
The bank debt consists of:

- One revolving credit facility of NOK 6 000 million with maturity in June 2016 (out of which NOK 1 000 million was drawn by end of 2012).
- One term loan of NOK 750 million established in 2009 maturing in October 2014 and which was fully drawn by December 2012.
- One multi-currency term loan composed of two trenches of EUR million 270 and 130 maturing respectively in 2015 and 2014; both facilities should be used within May 2013 (both were undrawn by end of 2012).

All facilities are provided by a bank syndicate consisting of high quality Nordic and international banks. The terms and conditions include restrictions which are customary for this kind of facility, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers. There are also certain changes of control provisions included. The facility includes no dividend restrictions and is unsecured.

The financial covenants are based on two sets of key financial ratios; a gearing ratio based on gross debt/EBITDA and an interest coverage ratio based on EBITDA/net finance costs. The financial covenants are tested on a quarterly basis. The margin applicable to the facility is based on a price grid determined by the gearing ratio and level of utilization. See note 5 Financial risk management and exposures for more information regarding capital risk in the group.

Aker Solutions strategy is to have between 30-50 per cent of borrowings at fixed interest rates. To the extent that this is not reflected in the loan agreements, swap transactions are entered into.

Financial liabilities and the period in which they mature

2012

Amounts in NOK million	Carrying amount	Total undiscounted cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 0010342587	81	82	82	-	-	-	-
ISIN NO 0010341332	150	150	150	-	-	-	-
ISIN NO 001050461.6	1 815	1 990	93	94	1 804	-	-
ISIN NO 001050460.8	187	211	8	8	195	-	-
ISIN NO 0010647431	1 495	1 916	47	47	94	1 728	-
ISIN NO 0010661051	1 001	1 423	31	32	63	187	1 111
Total	**4 730**	**5 772**	**410**	**181**	**2 155**	**1 915**	**1 111**
Revolving credit facility (NOK 6 000 million)[2]	973	1 001	1 001	-	-	-	-
Term loan	740	750	-	-	750	-	-
Brazilian Development Bank EXIM loans	1 205	1 330	671	22	44	593	-
Other loans	44	50	11	6	6	16	11
Total other loans	**2 961**	**3 131**	**1 683**	**28**	**800**	**609**	**11**
Total borrowings	**7 691**	**8 904**	**2 094**	**209**	**2 955**	**2 524**	**1 122**

2011

Amounts in NOK million	Carrying amount	Total undiscounted cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 0010341332	301	322	6	6	310	-	-
ISIN NO 0010342587	151	168	5	5	158	-	-
ISIN NO 001050461.6	2009	2420	102	102	205	2011	-
ISIN NO 001050460.8	186	230	9	9	17	195	-
Total	2 647	3 140	122	122	690	2 206	-
Revolving credit facility (NOK 6 000 million)[2]	1268	1521	25	23	47	1426	-
Total credit facility	1 268	1 521	25	23	47	1 426	-
Term loan (NOK 750 million)	756	844	18	16	33	777	-
Brazilian Development Bank EXIM loan	502	523	11	512	-	-	-
Brazilian Development Bank EXIM loan	750	799	17	14	768	-	-
Other loans	77	81	17	14	17	23	10
Total other loans	2 085	2 247	63	556	818	800	10
Total borrowings	6 000	6 908	210	701	1 555	4 432	10

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).

2) NOK 1 000 million (NOK 1 300 million in 2011) corresponds to the repayment of the drawn portion of the available NOK 6 000 million credit facility. This draw portion was repaid in January 2013 and is therefore presented within the 6-month and less-coloumn in the table, though actual maturity is in 2016.

Mortgages and guarantee liabilities

The group has NOK 42 million in mortgage liabilities, which is secured by pledges on property, plant and equipment with book values of NOK 75 million.

Note 29 Other non-current liabilities

Amounts in NOK million	**2012**	2011
Contingent considerations	**169**	281
Deferred considerations	**98**	182
Other liabilities	**148**	198
Total	**415**	661

Deferred and contingent considerations
Aker Solutions has acquired subsidiaries and non-controlling interests where final consideration is deferred and can depend to a certain degree on future earnings in the acquired companies. The deferred and contingent considerations reported in other non-current liabilities as of 31 December 2012 relates mainly to the acquisition of Step Offshore (2009), Step Oiltools (2011) and Benestad (2011). The liabilities are expected to be payable within 7 years.

The total estimated consideration is measured at fair value using a discount rate equal to market rates for borrowings. The discount rate is based on market rates on the acquisition dates and varies between 5 and 6.75 per cent. Deferred considerations to be paid during 2013 amount to NOK 138 million and are reported as current liabilities, see note 20 Trade and other payables.

Other
Other liabilities are mainly liabilities in Aker Insurance AS. Actuary estimated insurance provisions for reported injuries and incurred but not reported injuries amounts to NOK 65 million (NOK 114 million in 2011).

Note 30 Employee benefits - pension

Aker Solutions pension costs represent the future pension entitlement earned by employees in the financial year. In a defined contribution plan the company is responsible for paying an agreed contribution to the employee's pension assets. In such a plan this annual contribution is also the cost. In a defined benefit plan it is the company's responsibility to provide a certain pension. The measurement of the cost and the pension liability for such arrangements are subject to actuarial valuations. Aker Solutions has over a long time period gradually moved from defined benefit arrangements to defined contribution plans. Consequently, the impact of the remaining defined benefit plans is gradually reduced.

Pension plans in Norway
The main pension arrangement in Norway is a general pension plan organised by the Norwegian State. This arrangement provides the main general pension entitlement of all Norwegians. All pension arrangements by employers, consequently represent limited additional pension entitlements.

Norwegian employers are obliged to provide an employment pension plan, which can be organised as a defined benefit plan or as a defined contribution plan. The Norwegian companies in Aker Solutions have closed the earlier defined benefit plans in 2008 and are now providing defined contribution plans for all of their employees under 61 years of age.

Defined contribution plan
The annual contribution expensed for the new defined contribution plan was NOK 360 million (NOK 218 million in 2011). Aker Solutions contributions to this plan are at the maiximum level accepted by Norwegian tax legislation. The estimated contributions expected to be paid in 2013 is NOK 491 million.

Defined benefit plan
Employees who were 58 years or more in 2008, when the change took place, are still in the defined benefit plan. This is a funded plan and represent most of the funded pension liability reported in the tables below.

Compensation plan
To ensure that the employees were treated fairly on the change over to the new plan the company has introduced a compensation plan. The basis for deciding the compensation amount is the difference between calculated pension capital in the defined benefit plan and the value of the defined benefit plan at the age of 67 years. The compensation amount will be adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. If the employee leaves the company voluntarily before the age of 67 years, the compensation amount will be reduced.

AFP - early retirement arrangement
AFP is an early retirement arrangement organised by Norwegian employers the main Labour Union organisation in Norway (LO) and the Norwegian State. The "old AFP" arrangement was established to provide pension between the age of 62 to 67 for employees who retired before the general retirement age of 67. In a recent pension reform individual employees are given a choice of retirement age, but with lower pension with earlier retirement. Estimated remaining employer contributions to cover the plan deficit have been provided for.

A "new AFP" plan was established from 2011 to provide additional life long pensions to employees that retire early to compensate for the reduction in the ordinary pension entitlements. The Norwegian Accounting Standards Board have issued a comment concluding that the "new AFP" plan is a multi-employer defined benefit plan. The "new AFP" plan exposes the participating entities to actuarial risk associated with employees of other entities with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual participating entities. Sufficient information is not available to use defined benefit accounting and the "new AFP" plan is accounted for as a defined contribution plan.

Pension plans outside Norway
Pensions plans outside Norway are predominatly defined contribution plans.

Net periodic pension cost (return)

Amounts in NOK million	Note	**2012**	Restated[1] 2011
Defined benefit plans			
Service cost		**116**	123
Curtailments and settlements		**-**	(18)
Administration cost		**6**	8
Other adjustments		**-**	38
Social security tax		**19**	21
Pension cost defined benefit plans		**141**	172
Pension cost defined contribution plans		**446**	405
Total pension cost		**587**	577
Attributable to continuing operations		**587**	496
Attributable to discontinued operations		**-**	81

1) See note 2 Basis for preparation.

Status of pension plans reconciled with the balance sheet

2012

Amounts in NOK million	Funded	Unfunded	Total
Defined benefit plans			
Accumulated benefit obligation	1 670	532	2 202
Effect of projected future compensation levels	39	1	40
Projected benefit obligation (PBO)	**1 709**	**533**	**2 242**
Social security tax on plan assets in excess of (less than) PBO	17	74	91
Plan assets at fair value	1 528	-	1 528
Net liability recognised for defined benefit plans	**(198)**	**(607)**	**(805)**

2011

Amounts in NOK million	Funded	Unfunded	Total
Defined benefit plans			
Accumulated benefit obligation	1 771	580	2 351
Effect of projected future compensation levels	37	(34)	3
Projected benefit obligation (PBO)	1 808	546	2 354
Social security tax on plan assets in excess of (less than) PBO	34	75	109
Plan assets at fair value	1 500	-	1 500
Net liability recognised for defined benefit plans	(342)	(621)	(963)

Actuarial (gain) loss recognised in Other comprehensive income

Amounts in NOK million	**2012**	2011
Actuarial (gain) loss on obligation for defined benefit plans	**(174)**	214
Actuarial (gain) loss on plan assets for defined benefit plans	**24**	35
Increase (decrease) in social security tax liability on actuarial (gain) loss for defined benefit plans	**(22)**	35
Other[1]	**-**	(92)
Net change in actuarial (gain) loss for defined benefit plans	**(172)**	192

[1)] *Actuarial (gain) loss on plan assets and obligations related to discountinued operations.*

Economic assumptions

Norwegian plans	**2012**	2011
Discount rate	**3.80%**	2.60%
Asset return	**4.00%**	4.10%
Salary progression	**3.50%**	3.25%
Pension indexation	**1.90%**	1.90%

Norwegian plans represent 97 per cent of the total projected benefit obligation. The discount rate in 2012 is based on the Norwegian high quality corporate bond rate. The discount rate in 2011 was based on the Norwegian ten-year government bond rate. The assumptions used are in line with recommendations from the Norwegian Accounting Standards Board.

Generally, a one per cent increase in the discount rate will lead to approximately 10-15 per cent decrease in service cost/projected benefit obligation. This is lower than an expected effect of approximately 20 per cent as the benefit obligation in Aker Solutions consist mainly of pensioners and employees over 60 years. It should also be expected that fluctuations in the discount rate would also lead to fluctuations in the pension indexations. The total effect of fluctuations in economic assumptions are consequently unlikely to be very significant.

The estimated contributions expected to be paid to the Norwegian plan during 2013 are NOK 100 million.

Movement in pension obligation and plan asset[1]

Amounts in NOK million	**2012**	2011
Projected benefit obligation as of 1 January	**2 354**	2 652
Service cost incl. cost related to the compensation plan	**116**	123
Interest on projected benefit obligation	**58**	90
Benefits paid by the plan	**(113)**	(145)
Curtailment and settlement	**-**	(417)
Acquisition and disposal	**9**	(152)
Actuarial (gain) loss	**(174)**	214
Currency translation differences	**(8)**	(11)
Projected benefit obligation as of 31 December	**2 242**	2 354
Plan assets at fair value as of 1 January	**1 500**	1 887
Expected return on plan assets	**62**	89
Contributions paid into the plan	**89**	108
Benefits paid by the plan	**(76)**	(81)
Curtailment and settlement	**-**	(437)
Actuarial gain (loss)	**(24)**	(35)
Administration costs	**(23)**	(31)
Plan assets at fair value as of 31 December	**1 528**	1 500

[1)] *Includes disposal groups held for sale and discontinued operations*

Analyses of the plan assets (Norwegian plans)

Major categories of plan assets in percent of total plan assets	**2012**	2011
Equity instruments	**8.1%**	7.8%
Debt instruments	**89.2%**	89.5%
Other assets	**2.7%**	2.7%
Total	**100.0%**	100.0%

Overview of net pension obligation

Amounts in NOK million	**2012**	2011	2010	2009	2008
Projected benefit obligation	**2 242**	2 354	2 652	2 973	2 813
Plan assets at fair value	**1 528**	1 500	1 887	1 826	1 872
Net pension obligation[1]	**(714)**	(854)	(765)	(1 147)	(941)

[1] *Social security cost is not included*

Note 31 Capital and reserves

Share capital
Aker Solutions ASA has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings.

Total outstanding shares are 274 000 000 at par value NOK 1.66 per share (NOK 1.66 in 2011). All issued shares are fully paid.

Share buy-back
At the 2007 Annual General Meeting authorisation was given to repurchase up to 27.4 million shares, representing 10 per cent of the share capital of Aker Solutions ASA. Aker Solutions ASA decreased the shareholdings with 723 622 treasury shares in 2012 and as of 31 December 2012 Aker Solutions ASA holds 3 490 985 treasury shares representing 1.27 per cent of total outstanding shares.

Summary of purchase and sale of treasury shares

Amounts in NOK million	Number of shares	Consideration
Treasury shares as of 1 January 2011	4 590 978	662
Purchase	647 494	79
Sale	(1 023 865)	(77)
Treasury shares as of 31 December 2011	4 214 607	664
Purchase	1 475 000	121
Sale	(2 198 622)	(179)
Treasury shares as of 31 December 2012	**3 490 985**	**606**

The group purchases treasury shares to meet the obligation under the employee share purchase programme.

Dividends	**2012**	2011
Paid dividend per share (NOK)	**3.86**	2.75
Total dividend paid (NOK million)	**1 053**	741
Ordinary dividend per share proposed by the Board of Directors (NOK)[1]	**4.00**	3.90

[1] *Dividend proposed by the board of directors, but have not been provided. There are no tax consequences on the proposed dividends.*

Hedging reserve
The hedging reserve relates to cash flow hedges of future revenues and expenses against exchange rate fluctuations. The income statement effects of such instruments are recognised in accordance with the progress of the underlying construction contract as part of revenues or expenses as appropriate. The hedging reserve represents the value of such hedging instruments that are not yet recognised in the income statement. The underlying nature of a hedge is that a positive value on a hedging instrument exists to cover a negative value on the hedged position, see note 14 Financial income and expenses and note 22 Derivative financial instruments.

Currency translation reserve
The currency translation reserve includes exchange differences arising from the translation of the net investment in foreign operations, and foreign exchange gain or loss on loans defined as hedges or net investments, see note 14 Financial income and expenses.

Net investments have been hedged in 2012 with a gain of NOK 1 million (gain of NOK 1 million in 2011). Accumulated gain on net investment hedges from 2005 is NOK 66 million (unchanged from 2011). The net investment hedge as of 31 December 2012 relates mainly to investments in the United States, see note 5 Financial risk management and exposures.

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Note 32 Financial instruments

The table below lists the group's financial instruments, both assets and liabilities. Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. All other financial instruments are classified by the main group of instruments as defined in IAS 39. Both carrying amount and fair value is shown for all financial instruments.

For financial instruments measured at fair value, the levels in the fair value hierarchy are:

- Level 1 - Fair values are based on prices quoted in an active market for identical assets or liabilities
- Level 2 - Fair values are based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.
- Level 3 - Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

Financial instruments as of 31 December 2012

Amounts in NOK million	*Note*	Financial instruments valued at fair value Level 1	Level 2	Level 3	Payables and receivables	Assets and liabilities at amortised cost	Total carrying amount	Fair value
Cash and cash equivalents		-	-	-	1 214	-	1 214	1 214
Other investments								
- equity securities - available for sale[1]	*26*	403	-	141	-	-	544	544
- equity securities - fair value through profit and loss	*26*	-	25	-	-	-	25	25
Forward foreign exchange contract	*22*	-	391	-	-	-	391	391
Interest rate instruments	*22*	-	50	-	-	-	50	50
Non-current interest-bearing receivables								
- convertible loans	*25*	-	-	-	-	305	305	305
- other loans and receivables	*25*	-	-	-	-	367	367	367
Other non-current operating assets		-	-	-		168	168	168
Trade and other receivables	*17*	-	-	-	16 524	-	16 524	16 524
Current interest-bearing receivables								
- bonds and certificates	*25*	-	194	-	-	-	194	194
- mutual funds	*25*	175	-	-	-	-	175	175
- receivables	*25*	-	-	52	-	-	52	52
Financial assets		**578**	**660**	**193**	**17 738**	**840**	**20 009**	**20 009**
Forward foreign exchange contracts	*22*	-	(220)	-	-	-	(220)	(220)
Interest rate instruments	*22*		(54)				(54)	(54)
Non-current bonds and borrowings[2]	*28*	-	-	-	-	(6 683)	(6 683)	(6 849)
Other non-current liabilities								
- contingent consideration	*29*	-	-	(169)	-	-	(169)	(169)
- actuary estimated insurance provisions	*29*	-	-	(65)	-	-	(65)	(65)
- other liabilities	*29*	-	-	-	-	(181)	(181)	(181)
Trade and other payables	*20*	-	-	-	(16 012)	-	(16 012)	(16 012)
Credit facility and other current borrowings[3]	*28*	-	-	-	-	(1 008)	(1 008)	(1 008)
Financial liabilities		**-**	**(274)**	**(234)**	**(16 012)**	**(7 872)**	**(24 392)**	**(24 558)**

Financial instruments as of 31 December 2011

Amounts in NOK million	*Note*	Financial instruments valued at fair value Level 1	Level 2	Level 3	Payables and receivables	Assets and liabilities at amortised cost	Total carrying amount	Fair value
Cash and cash equivalents		-	-	-	1 308	-	1 308	1 308
Equity securities - available for sale[1]	*26*	281	-	137	-	-	418	418
Forward foreign exchange contract	*22*	-	465	-	-	-	465	465
Interest rate instruments	*22*	-	75	-	-	-	75	75
Non-current interest-bearing receivables	*25*	-	-	-	-	704	704	704
Other non-current operating assets		-	-	-	-	191	191	191
Trade and other receivables	*17*	-	-	-	12 117	-	12 117	12 117
Current interest-bearing receivables								
- bonds and certificates	*25*	154	185	-	-	-	339	339
- investment in mutual funds	*25*	195			-	-	195	195
Financial assets		630	725	137	13 425	895	15 278	15 278
Forward foreign exchange contracts	*22*	-	(228)	-	-	-	(228)	(228)
Interest rate instruments		-	(19)	-	-	-	-	-
Non-current bonds and borrowings[2]	*28*	-	-	-	-	(5 371)	(5 371)	(5 445)
Other non-current liabilities								
- contingent consideration	*29*	-	-	(281)	-	-	(281)	(281)
- actuary estimated insurance provisions	*29*	-	-	(114)	-	-	(114)	(114)
- other liabilities	*29*	-	-	-	-	(266)	(266)	(266)
Trade and other payables	*20*	-	-	-	(12 934)	0	(12 934)	(12 934)
Credit facility and other current borrowings[3]	*28*	-	-	-	-	(629)	(629)	(629)
Financial liabilities		-	(247)	(395)	(12 934)	(6 266)	(19 823)	(19 897)

1) Investments in level 3 in the hierarchy relate to equity securities with no active market. These investments are measured at cost since this is considered to be the best estimate of fair value. All available for sale investments are designated as such upon initial recognition.

2) Fair value is quoted prices for the bonds noted on the Oslo Stock Exchange. For new bonds, the notional amount is considered the best approximation of fair value.

3) For credit facilities and other short-term loans with floating interest, notional amount is used as approximation of fair values.

Note 33 Earnings per share

Aker Solutions ASA holds 3 490 985 treasury shares at year end 2012 (4 214 607 in 2011).
Treasury shares are not included in the weighted average number of ordinary or diluted shares.

Amounts in NOK million	**2012**	2011
Profit attributable to ordinary shares	**2 249**	5 218
Profit attributable to ordinary shares from continuing operations	**2 249**	1 555

Basic earnings per share
The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

	2012	2011
Issued ordinary shares as of 1 January	274 000 000	274 000 000
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	270 048 870	269 375 817
Basic earnings per share (NOK)	**8.33**	19.37
Basic earnings per share for continuing operations (NOK)	**8.33**	5.77

Diluted earnings per share
The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effect of rights to receive bonus shares in connection with the employee share purchase programme and all dilutive potential ordinary shares.

	2012	2011
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	270 048 870	269 375 817
Expected effect of right to receive bonus shares	976 785	737 234
Weighted average number of ordinary shares outstanding (diluted) for the year	271 025 655	270 113 051
Diluted earnings per share (NOK)	**8.30**	19.32
Diluted earnings per share for continuing operations (NOK)	**8.30**	5.76

Note 34 Group companies

Group companies as of 31 December:

Company	Location	Country	Ownership (per cent)[1] 2012	2011
Aker Solutions ASA	**Fornebu**	**Norway**	**100**	**100**
Aker Advantage Pty Ltd	Melbourne	Australia	100	100
Aker Process Systems Pty Ltd	Welshpool	Australia	100	100
Aker Subsea Pty Ltd	Melbourne	Australia	100	100
Aker Wirth Australia Pty	Argenton	Australia	100	100
Step Oiltools (Australia) Pty Ltd[2]	Perth	Australia	65	55
Aker Solutions Belgium NV/SA	Antwerp	Belgium	100	100
Aker Oilfield Servicos de Petroleo e Gas do Brasil Ltda[3]	Rio de Janeiro	Brazil	100	100
Aker Solutions do Brasil Ltda	Curitiba	Brazil	100	100
Aker Solutions Sdn Bhd4	Seria	Brunei	100	-
Aker Solutions Oilfield Services Canada Inc	Newfoundland	Canada	100	100
Thrum Energy Inc[4]	Newfoundland	Canada	100	-
Step Oiltools Limited	Grand Cayman	Cayman Islands	65	55
Aker Midsund Engineering s.r.o	Praha	Czech Republic	98	98
Aker Cool Sorption (Beijing) Technology Co Ltd	Beijing	China	100	100
Aker E&T (Shanghai) Co Ltd	Shanghai	China	100	100
Aker Subsea (Shenzhen) Co. Ltd	Shenzhen	China	100	100
Aker Global Employment Ltd	Limasol	Cyprus	100	100
Aker Solutions Cyprus Ltd	Limasol	Cyprus	100	100
Aker Cool Sorption A/S	Glostrup	Denmark	100	100
Aker Operations APS	Glostrup	Denmark	100	100
Aker Process Systems SAS	Vincennes Cedex	France	100	100
Aker Wirth GmbH	Erkelenz	Germany	100	100
Step Oiltools GmbH[4]	Bad Fallingbostel	Germany	65	-
Wirth Vermögensverwaltung GmbH	Erkelenz	Germany	85	85
Aker MH (India) Pvt Ltd	Mumbai	India	100	100
Aker Powergas Pvt Ltd	Mumbai	India	68	68
Aker Powergas Subsea Pvt Ltd	Mumbai	India	68	68
PT Aker Solutions E & C Indonesia Snd Bhd	Jakarta	Indonesia	100	100
PT Aker Solutions	Jakarta	Indonesia	100	100
PT Step Oiltools2	Jakarta	Indonesia	65	55
Step Oiltools LLP[4]	Aktau	Kazakhstan	65	-
Aker Engineering International Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Engineering Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	90	90
Aker Process Systems Asia Pacific Sdn Bhd	Shah Akam	Malaysia	100	100
Aker Solutions Asia Pacific Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Solutions India Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Solutions Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Solutions Umbilical Asia Pacific Sdn Bhd VB	Kuala Lumpur	Malaysia	100	100
Phoenix Polymers Malaysia Ltd	Kuala Lumpur	Malaysia	100	100
Aker Solutions (Mauritius) Ltd	Port Louis	Mauritius	100	100
Aker Solutions de Mèxico[4]	Mexico City	Mexico	100	-
Aker Advantage BV	Gravenhage	Netherlands	100	100

Company	Location	Country	Ownership (per cent)[1] 2012	2011
Aker Oilfield Services BV	Amsterdam	Netherlands	100	100
Aker Process BV	Zoetermeer	Netherlands	100	100
Aker Process Engineering Services BV	Maastrichts	Netherlands	100	100
Aker Solutions BV	Zoetermeer	Netherlands	100	100
Step Oiltools BV	Amsterdam	Netherlands	65	55
Aker Solutions Nigeria Ltd	Lagos State	Nigeria	100	100
AK Eiendomsinvest AS[4]	Fornebu	Norway	100	-
Aker Advantage AS	Bergen	Norway	100	100
Aker Advantage Group AS	Fornebu	Norway	100	100
Aker Business Services AS	Fornebu	Norway	100	100
Aker Clean Carbon[5]	Fornebu	Norway	100	50
Advanced Carbon Capture AS[5]	Fornebu	Norway	100	50
Aker Egersund AS	Egersund	Norway	100	100
Aker Engineering & Technology AS	Fornebu	Norway	100	100
Aker Geo AS	Stavanger	Norway	100	100
Aker Installation FP AS	Fornebu	Norway	100	100
Aker Insurance AS	Fornebu	Norway	100	100
Aker Insurance Services AS	Fornebu	Norway	100	100
Aker MH AS	Kristiansand	Norway	100	100
Aker Midsund Bruk AS	Midsund	Norway	100	100
Aker O&G Group AS[6]	Fornebu	Norway	-	100
Aker Oilfield Services AS	Oslo	Norway	100	100
Aker Oilfield Services Operations AS	Oslo	Norway	100	100
Aker Oilfield Services Norway AS[7]	Oslo	Norway	100	100
Aker Operations AS	Stavanger	Norway	100	100
Aker P&C Europe AS[6]	Fornebu	Norway	-	100
Aker P&C Group AS[6]	Fornebu	Norway	-	100
Aker Porsgrunn AS	Porsgrunn	Norway	100	100
Aker Process System International AS	Fornebu	Norway	100	100
Aker Process Systems AS	Fornebu	Norway	100	100
Aker Pusnes AS	Arendal	Norway	100	100
Aker Solutions AS	Fornebu	Norway	100	100
Aker Solutions Contracting Kazakhstan AS	Fornebu	Norway	100	100
Aker Solutions MMO AS	Stavanger	Norway	100	100
Aker Subsea AS	Fornebu	Norway	100	100
Aker Subsea Russia AS	Fornebu	Norway	100	100
Aker Well Service AS	Stavanger	Norway	100	100
AKOFS 1 AS	Oslo	Norway	100	100
AKOFS 2 AS	Oslo	Norway	100	100
AKOFS Angola AS	Oslo	Norway	100	100
AKOFS Wayfarer AS	Fornebu	Norway	100	100
AMC Connector AS	Oslo	Norway	100	100
Benestad AS	Lierskogen	Norway	100	100
Borgenskogen AS4	Fornebu	Norway	100	-
Drilltech AS	Kristiansand S	Norway	100	100
Dvergsnestangen Eiendom Invest AS[4]	Fornebu	Norway	100	-

Company	Location	Country	Ownership (per cent)[1] 2012	2011
Grunnavågen Eiendom Invest AS[4]	Fornebu	Norway	100	-
Herman Hansen Mek Verksted AS[4]	Kristiansand S	Norway	100	-
Herman Hansen Services AS[4]	Kristiansand S	Norway	100	-
K2 Hotellbygg AS	Fornebu	Norway	93	93
KB eDesign AS	Oslo	Norway	100	100
Kværner Engineering AS Abu Dhabi Branch	Fornebu	Norway	100	100
Kværner Eureka AS[6]	Tranby	Norway	-	100
Lyngdal Mek Verksted AS[4]	Lyngdal	Norway	100	-
Maritime Promeco AS	Kristiansand S	Norway	100	100
Phaze Technologies AS	Lierskogen	Norway	100	100
Pusnes Eiendom AS[4]	Fornebu	Norway	100	-
Step Offshore AS	Hvalstad	Norway	100	100
Step Oiltools AS[4]	Stavanger	Norway	65	-
Strendene Eiendom AS[4]	Fornebu	Norway	100	-
Subsea Africa AS	Oslo	Norway	100	100
Subsea Holding AS[4]	Fornebu	Norway	100	-
Subsea House AS[4]	Fornebu	Norway	100	-
SSH Engineering AS[4]	Fornebu	Norway	100	-
Tranby Eiendom Invest AS[4]	Fornebu	Norway	100	-
Tromsøruffen AS[4]	Fornebu	Norway	100	-
Ågotnes Eiendom Invest AS[4]	Fornebu	Norway	100	-
Aker Kvaerner Caribe LLP[8]	San Juan	Puerto Rico	-	98
First Interactive LLC	St Petersburg	Russia	100	100
Step Oiltools LLC[2]	Moscow	Russia	65	55
Aker Kvaerner Gotech LLC	Al-Khobar	Saudi Arabia	51	51
Aker Oilfield Services Singapore Pte Ltd[4]	Singapore	Singapore	100	-
Aker Solutions Drilling Technologies (Singapore) Pte Ltd[9]	Singapore	Singapore	100	100
Aker Solutions (Services) Pte Ltd	Singapore	Singapore	100	100
Aker Solutions Singapore Pte Ltd	Singapore	Singapore	100	100
Aker Wirth SCS Singapore Pty[6]	Singapore	Singapore	-	100
Step Oiltools Pte Ltd[2]	Singapore	Singapore	65	55
Aker Pusnes Korea Co Ltd[6]	Busan	South Korea	-	80
Aker Solutions Pusnes Korea Ltd[10]	Busan	South Korea	100	100
Aker Solutions AB[11]	Gothenburg	Sweden	100	100
Kvaerner AB[12]	Ørnskjøldsvik	Sweden	100	100
Aker Cool Sorption Siam Ltd	Rayong	Thailand	99	99
Aker Kvaerner (Thailand) Ltd[6]	Bangkok	Thailand	-	100
Step Oiltools (Thailand) Ltd[2]	Bangkok	Thailand	65	55
Aker Advantage Ltd	London	UK	100	100
Aker Business Services Ltd	London	UK	100	100
Aker Engineering & Technology Ltd	London	UK	100	100
Aker MH UK Ltd	Aberdeen	UK	100	100
Aker Offshore Partner Ltd	London	UK	100	100
Aker Process Systems Ltd	Aberdeen	UK	100	100
Aker Qserv Ltd	Aberdeen	UK	100	100

Company	Location	Country	Ownership (per cent)[1] 2012	2011
Aker Solutions Angola Ltd	Maidenhead	UK	100	100
Aker Solutions DC Trustees Ltd	London	UK	100	100
Aker Solutions India Ltd	Cardiff	UK	100	100
Aker Subsea Ltd	Maidenhead	UK	100	100
Phoenix Polymers International Ltd[6]	Aberdeen	UK	-	100
Qserv Pipeline & Process Ltd	London	UK	100	100
Step Oiltools (UK) Ltd[2]	Aberdeen	UK	65	55
Woodfield Systems Co Ltd	Kent	UK	100	100
Aker MH FZE	Dubai	UAE	100	100
Aker Well Service LLC	Muscat	UAE	70	70
Extreme Trading & Mechanical Equipment LLC	Abu Dhabi	UAE	100	100
Aker Advantage Inc	Houston	USA	100	100
Aker Business Services Inc[6]	Houston	USA	-	100
Aker Kvaerner Pharmaceuticals LLC	Houston	USA	100	100
Aker Kvaerner Power Inc[8]	Charlotte	USA	-	100
Aker Kvaerner Process Systems US Inc[8]	Houston	USA	-	100
Aker Kvaerner US LLP[8]	Houston	USA	-	100
Aker Kvaerner Willfab Inc	Williamsport	USA	100	100
Aker Maritime US Inc[8]	Delaware	USA	-	100
Aker Oil & Gas US LLC	Houston	USA	100	100
Aker Solutions Drilling Technologies Inc[6]	Katy	USA	-	100
Aker Solutions USA Corporation	Houston	USA	100	100
Aker Solutions Inc[13]	Houston	USA	100	100
Aker US Holdings Inc[8]	Houston	USA	-	100
Aker Well Service Inc	Houston	USA	100	100
Aker Wirth International LLP[6]	Houston	USA	-	90
Aker Wirth Management Inc[6]	Dover	USA	-	100
Kvaerner Process Services Inc[8]	Houston	USA	-	100
RIG Specialities Inc[6]	Houston	USA	-	100
Wirth Service Inc[8]	North Charleston	USA	-	100

1) Ownership equaling the percentage of voting shares.
2) Increased ownership by 10 per cent in 2012.
3) Changed name from Aker Oilfield Services Ltda.
4) New companies in 2012.
5) Increased ownership by 50 per cent in 2012.
6) Merged into other group companies in 2012.
7) Changed name from Aker Oilfield Services Shipholding AS.
8) Dissolved in 2012.
9) Changed name from Aker MH (Singapore) Pte Ltd.
10) Changed name from Pusnes Korea Industries Co Ltd.
11) Changed name from Aker Solutions Gothenburg AB.
12) Changed name from Aker Water AB.
13) Changed name from Aker Subsea Inc.

Note 35 Subsequent events

Business combinations
On 26 February 2013, Aker Solutions entered into an agreement to allow it to acquire 100 per cent in Aberdeen-based Enovate Systems Limited - a leading technology company within subsea well control equipment.

On 27 February 2013, Aker Solutions acquired Managed Pressure Operations International, Ltd, a company that has successfully developed the next generation of continuous circulation, riser gas handling and managed pressure drilling systems.

For more information, see note 6 Business combinations and acquisition of subsidiaries.

Aker Solutions ASA

Income statement

For the year ended 31 December

Amounts in NOK million	Note	2012	2011
Operating revenue	2	**49**	48
Operating expenses	2	**(127)**	(121)
Operating loss		**(78)**	(73)
Income from investments in subsidiaries	5	**-**	3 784
Net financial items	3	**170**	341
Profit before tax		**92**	4 052
Income tax expense	4	**(27)**	(72)
Profit for the period		**65**	3 980
Profit for the period distributed as follows:			
Proposed dividends		**1 082**	1 052
Other equity		**(1 017)**	2 928
Profit for the period		**65**	3 980
Group contribution against investment in shares		**74**	92

Aker Solutions ASA

Balance sheet

Amounts in NOK million	Note	**31 Dec 2012**	31 Dec 2011
Assets			
Deferred tax asset	4	**13**	1
Investments in group companies	5	**7 685**	7 611
Non-current interest-bearing receivables from group companies	7	**9 263**	10 378
Other non-current interest-bearing receivables	8	**260**	236
Total non-current assets		**17 221**	18 226
Current interest-bearing receivables from group companies	7	**5 233**	3 651
Non-interest bearing receivables from group companies	7	**-**	4 074
Financial assets	11	**847**	911
Other current receivables		**-**	-
Cash in cash pool system	7	**536**	531
Total current assets		**6 616**	9 167
Total assets		**23 837**	27 393
Equity and liabilities			
Issued capital		**455**	455
Treasury shares		**(6)**	(7)
Share premium reserve		**2 000**	2 000
Other paid in capital		**2 442**	2 442
Other equity		**2 260**	3 246
Total equity	6	**7 151**	8 136
Non-current borrowings	9	**6 091**	4 572
Total non-current liabilities		**6 091**	4 572
Current borrowings	9	**351**	99
Current borrowings from group companies	7	**7 952**	12 449
Provision for dividend	6	**1 082**	1 052
Non interest-bearing liabilities from group companies	7	**102**	129
Financial liabilities	11	**841**	835
Other current liabilities		**267**	121
Total current liabilities		**10 595**	14 685
Total liabilities		**16 686**	19 257
Total liabilities and equity		**23 837**	27 393

Fornebu, 13 March 2013
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Mikael Lilius

Nicoletta Giadrossi

Stuart Edward Ferguson

Sarah Elizabeth Ryan

Atle Teigland

Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Aker Solutions ASA

Statement of cash flow

For the year ended 31 December

Amounts in NOK million	2012	2011
Profit before tax	92	4 052
Changes in other net operating assets	(69)	(3 865)
Net cash from operating activities	23	187
Acquisition of subsidiaries	-	(645)
Net cash from investing activities	-	(645)
Proceeds from borrowings	2 500	3 300
Repayment of borrowings	(419)	(5 372)
Changes in borrowings from group companies	5 115	3 506
Changes in borrowings to group companies	(6 220)	-
Proceeds from employees share purchase program	179	77
Repurchase of treasury shares	(121)	(79)
Dividends to shareholders	(1 052)	(741)
Net cash from financing activities	(18)	691
Net increase (decrease) in cash and bank deposits	5	233
Cash in cash pool system at the beginning of the period	531	298
Cash in cash pool system at the end of the period[1]	536	531

[1] Unused credit facilities in NOK and EUR amounted to NOK 4.7 billion as described in note 9 Borrowings.

Aker Solutions ASA

Notes to the financial statements

Note 1 Accounting principles

Aker Solutions ASA is a company domiciled in Norway. The accounts are presented in conformity with Norwegian legislations and Norwegian generally accepted accounting principles.

Revenue recognition
Revenue is recognised when the service is delivered.

Investment in subsidiaries and associates
Investments in subsidiaries and associates are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value are according to good accounting practice recognised when the impairment is considered not to be temporary and reversed if the basis for the write-down is no longer present.

Dividends and other distributions are recognised as income the same year as they are appropriated in the subsidiary. If the dividend exceeds accumulated profits in the subsidiary after the day of acquisition the payment is treated as a reduction of the carrying value of the investment.

Classification and valuation of balance sheet items
Current assets and current liabilities include items due within one year or items that are part of the operating cycle. The rest is classified as non-current assets/non-current debt.

Current assets are valued at the lowest of cost and fair value. Current debt is valued at nominal value at the time of recognition.

Investments and long term receivables are valued at cost but are written down to fair value if impairment is not expected to be temporary. Non-current debts are initially valued at transaction value less attribute transaction cost. Subsequent to initial recognition, interest-bearing long-term debt is stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

Trade receivables and other receivables are recognised at nominal value less provision for expected losses. Provision for expected losses is considered on an individual basis.

Cash in cash pool system
Cash in cash pool system is the parent company's cash as well as net deposits from subsidiaries in the group cash pooling systems owned by the parent company. Correspondingly, the parent company's current debt to group companies will include the same net deposits in the group's cash pooling system. The cash flow statement is established according to the indirect method.

Share capital
Costs for purchase of own shares including transaction costs are accounted for directly against equity. Sale of own shares are done according to stock- exchange quotations at the time of award and accounted for as increase in equity.

Foreign currency
Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Cash, receivables and foreign currency debt are valued at the exchange rate at the end of the fiscal year.

Derivative financial instruments
Subsidiaries have entered into financial derivative agreements with the parent company to hedge their foreign exchange exposure. In the parent company, this risk is hedged in the external financial markets.

All financial assets and liabilities related to foreign exchange contracts are periodically revaluated at fair value in respect to exchange rate movements:

- Instruments related to hedges on a net basis do not qualify for hedge accounting at parent level ; therefore any value gains or losses on these instruments are booked immediately against the income statement as they occur
- Instruments related to hedges on a back-to-back basis mostly qualify for hedge accounting ; their cumulated fair-value is deferred in equity in group and released proportionally with the recognition of the exposure in the income statement

In order to reduce the interest rate risk related to external borrowings, Aker Solutions also enters interest swap agreements. The market value of interest rate swaps classified as cash flow hedges (where the interest rate of the debt is switched from floating- to fixed interest rate) is accounted for directly against equity while the corresponding interest payments are reflected in the profit and loss to neutralise potential changes in interest levels.

The value of interest rate swaps classified as fair value hedges (from fixed to floating interest rate) is accounted for through profit and loss. At the same time is a corresponding adjustment to the carrying value of the borrowing accounted for.

Tax
Tax expense in the income statement comprises current tax and changes in deferred tax. Deferred tax is calculated as 28 per cent of temporary differences between accounting and tax values as well as any tax losses carry forward at the year end. Net deferred tax assets are recognised only to the extent it is probable that they will be utilised against future taxable profits.

Note 2 Operating revenue and expenses

Operating revenue comprises NOK 34 million in income from parent company guarantees and NOK 15 million in insurance commissions to Aker Solutions companies.

There are no employees in Aker Solutions ASA and hence no salary or pension related costs and also no loan or guarantees related to the executive management team. Group management and corporate staff are employed by other Aker Solutions companies and costs for their services as well as other parent company costs are charged to Aker Solutions ASA. Remuneration to and shareholding of acting managing director Leif Hejø Borge, is described in note 11 Salaries, wages and social security costs in the consolidated accounts.

Fees to KPMG for statutory audit of the parent company amounted to NOK 5 million excluding VAT.

Note 3 Net financial items

Amounts in NOK million	**2012**	2011
Interest income from group companies	**683**	1 175
Interest expense to group companies	**(49)**	(480)
Net interest group companies	**634**	695
Interest income from related parties	**16**	11
Interest expense to related parties	**-**	(2)
Net interest related parties	**16**	9
Interest income	**33**	45
Interest expense	**(499)**	(416)
Net interest external	**(466)**	(371)
Loss on loans to group companies[1]	**12**	(64)
Other financial income	**4**	4
Other financial expense	**(55)**	(57)
Foreign exchange gain	**82**	3 096
Foreign exchange loss	**(57)**	(2 971)
Net other financial items	**(26)**	72
Net financial items	**170**	341

1) Loss on loans to group companies comprises NOK 12 million in reversal of provision for loss on loan to Aker Installation FP AS.

Note 4 Tax

Amounts in NOK million	**2012**	2011
Calculation of taxable income		
Profit before tax	**92**	4 052
Group contribution without tax	**-**	(4 000)
Permanent differences	**(3)**	199
Change in timing differences	**11**	(121)
Taxable income	**100**	130
Positive (negative) timing differences		
Unrealised gain (loss) on forward exchange contracts	**6**	17
Interest rate swaps	**(54)**	(19)
Basis for deferred tax	**(48)**	(2)
Deferred tax in income statement	**(2)**	(4)
Deferred tax in equity	**15**	5
Deferred tax asset	**13**	1
Tax expense		
Origination and reversal of temporary differences in income statement	**3**	(34)
Payable tax	**(29)**	(36)
Withholding tax paid	**(1)**	(2)
Total tax expense in income statement	**(27)**	(72)

Note 5 Investments in group companies

Amounts in NOK million	Registered office	Share capital	Number of shares held	Percentage owner- / voting share	**2012**	2011
Aker P&C Europe AS	Fornebu, Norway					262
Aker P&C Group AS	Fornebu, Norway					1 067
Aker O&G Group AS	Fornebu, Norway					5 963
Aker Solutions AS[1]	Fornebu, Norway	3 320	1	100.00	**7 366**	-
Aker Oilfield Services AS[2]	Oslo, Norway	321	10 379 470	32.29	**319**	319
Total investments in subsidiaries					**7 685**	7 611

1) Aker Solutions ASA has in 2012 given group contributions with tax to tier-subsidiaries. The equity value of these are booked against the shares in the subsidiary holding these tier-subsidiaries. Thereby the value of the shares in Aker Solutions AS are increased by NOK 74 million.

2) The remaining 67.71 per cent of the shares in Aker Oilfield Services AS are held by Aker Solutions AS meaning that Aker Solutions ASA direct and indirect owns 100 per cent of the shares.

During 2012, Aker P&C Europe AS and Aker P&C Group AS merged into Aker O&G Group AS. The merger was accounted for using the pooling of interests method as this was a horizontal merger under common control. There was not transferred any consideration. Following this merger, the merger between Aker O&G Group AS and Aker Solutions AS took place. The merger was a reverse mother daughter merger and implemented by Aker O&G Group AS being merged into its wholly owned subsidiary Aker Solutions AS. The merger was accounted for using the pooling of interests method. The merger consideration constituted of the share holding in Aker Solutions AS, representing 100 per cent of the voting rights.

Amounts in NOK million	**2012**	2011
Group contributions	**-**	4 000
Loss on sale of shares	**-**	(216)
Total income from investments in subsidiaries	**-**	3 784

Note 6 Shareholders' equity

Amounts in NOK million	Share capital	Own shares	Share premium	Other paid in capital	Retained earnings	Total
Equity as of 1 January 2011	548	(9)	4 279	1 074	4 837	10 729
Shares issued to employees through share program[2]		1			76	77
Share buy back[3]		(1)			(78)	(79)
Profit for the period					3 980	3 980
Demerger of Kvaerner	(93)	2	(728)	(183)	(4 522)	(5 524)
Reduced share premium			(1 551)	1 551		-
Proposed dividend					(1 052)	(1 052)
Cash flow hedge[1]					5	5
Equity as of 31 December 2011	455	(7)	2 000	2 442	3 246	8 136
Change in 2011 dividend					(1)	(1)
Shares issued to employees through share program[2]		4			175	179
Share buy back[3]		(3)			(118)	(121)
Profit for the period					65	65
Proposed dividend					(1 082)	(1 082)
Cash flow hedge[1]					(25)	(25)
Equity as of 31 December 2012	**455**	**(6)**	**2 000**	**2 442**	**2 260**	**7 151**

1) The value of interest swap agreements changing interest from floating to fixed interest is recognised directly in equity and will be released to income together with the corresponding interest expense.

2) Aker Solutions subsidiaries operate a share purchase programme for employees. The subsidiaries purchase shares from Aker Solutions ASA in order to settle obligations to the employees under the schemes. During 2012 a total of 2 198 622 shares were sold under the program.

3) During 2012 a total of 1 475 000 own shares have been acquired in the market. The number of own shares held by end of 2012 were 3 490 985 and are held for the purpose of being used for future awards under the share saving program for employees, as settlement in future corporate acquisitions or for other purpose as decided by the Board of Directors.

Proposed dividend exclude dividend on own shares held as of 31 December.

The share capital of Aker Solutions ASA is divided into 274 000 000 shares with a nominal value of NOK 1.66. The shares can be freely traded. An overview of the company's largest shareholders is to be found in note 13 Shareholders.

Note 7 Receivables and borrowings from group companies

Amounts in NOK million	**2012**	2011
Group companies deposits in the cash pool system	**5 833**	6 253
Group companies borrowings in the cash pool system	**(869)**	(220)
Aker Solutions ASA's net borrowings in the cash pool system	**(4 428)**	(5 502)
Cash in cash pool system	**536**	531
Current interest-bearing receivables from group companies	**5 233**	3 651
Non-current interest-bearing receivables from group companies	**9 263**	10 378
Current borrowings from group companies	**(7 952)**	(12 449)
Other net interest-bearing receivables from group companies	**6 544**	1 580
Non interest-bearing receivables from group companies	**-**	4 074
Current non interest-bearing borrowings from group companies	**(102)**	(129)
Net non interest-bearing receivables from group companies	**(102)**	3 945
Total net receivables from group companies	**6 978**	6 056

All current receivables and borrowings are due within one year.

Aker Solutions ASA is the owner of the cash pool system arrangements with DNB, Nordea and The Royal Bank of Scotland. The cash pool systems cover a majority of the group geographically and assure good control and access to the group's cash. Group companies' participation in the cash pool systems are decided by each company's Board of Directors and confirmed by a statement of participation. The participants in the cash pool system are joint and several liable and it is therefore important that Aker Solutions as a group is financially viable and can repay deposits and carry out transactions. Any debit balance on a sub account can be set-off against any credit balance. A debit balance does hence represent a claim on Aker Solutions ASA and a credit balance a borrowing from Aker Solutions ASA.

The cash pool systems were showing a net balance of NOK 536 million per 31 December. This amount is reported in Aker Solutions ASA's accounts as short term borrowings from group companies and as cash in cash pool system.

Aker Solutions ASA is the group's central treasury function and enters into borrowings and deposit agreements with group companies. Deposits and borrowings are done at market terms and are dependent of the group companies' credit rating and the duration of the borrowings.

Other current liabilities include liabilities related NOK 100 million in group contributions.

Aker Solutions ASA has an obligation to fund Step Oiltools B.V with an amount up to USD 82 million. Any loans under this agreement shall be repaid no later than 31 December 2017.

Note 8 Other non-current interest-bearing receivables

Amounts in NOK million	**2012**	2011
Loan to related parties	**258**	234
Stiftelsen Aker Solutions Kompensasjonsordning	**2**	2
Total other non-current interest-bearing receivables	**260**	236

Note 9 Borrowings

Contractual terms of interest-bearing loans and borrowings are measured at amortised cost. For more information about the exposure to interest rates, foreign currency and liquidity risk, see note 11 Financial risk management and exposures.

2012

Amounts in million	Currency	Nominal currency value	Carrying amount	Interest rate [3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010342587	NOK	150	81	6.00%	0.00%	6.00%	12.02.2013	Fixed, annual
ISIN NO 0010341332	NOK	300	150	1.93%	1.35%	3.28%	12.02.2013	Floating, 3M+fix margin
ISIN NO 001050461.6	NOK	1 913	1 815	8.70%	2.00%	10.70%	26.06.2014	Fixed, annual
ISIN NO 001050460.8	NOK	187	187	1.83%	6.75%	8.58%	26.06.2014	Floating, 3M+fix margin
ISIN NO 0010647431	NOK	1 500	1 495	1.90%	4.25%	6.15%	06.06.2017	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1 000	1 001	1.95%	4.20%	6.15%	09.10.2019	Floating, 3M+fix margin
Total bonds[1]			**4 729**					
Revolving credit facility	NOK	1 000	973	1.84%	0.00%	1.84%	25.01.13	IBOR + Margin[2]
Total credit facility			**973**					
Term loan	NOK	750	755	1.95%	0.00%	1.95%	14.10.14	NIBOR 3M+fix margin
Term loan	EUR	270	(10)				14.11.15	IBOR 3M+variable margin
Term loan	EUR	130	(5)				14.05.14	IBOR 3M+variable margin
Total term loan			**740**					
Total borrowings			**6 442**					
Current borrowings			351					
Non-current borrowings			6 091					
Total			**6 442**					

2011

Amounts in million	Currency	Nominal currency value	Carrying amount	Interest rate[3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010341332	NOK	300	301	3.29%	1.35%	4.64%	02.12.2013	Floating, 3 months
ISIN NO 0010342587	NOK	150	151	6.00%	0.00%	6.00%	02.12.2013	Fixed, annual
ISIN NO 001050461.6	NOK	1 913	2 009	10.70%	0.00%	10.70%	26.06.2014	Fixed, annual
ISIN NO 001050460.8	NOK	187	186	2.90%	6.75%	9.65%	26.06.2014	Floating, 3 months
Total bonds[1]			2 647					
Revolving credit facility	NOK	1 300	1 268	2.78%	1.20%	0.00%	23.06.16	IBOR + Margin[2]
Total credit facility			1 268					
Term loan	NOK	750	756	3.09%	2.00%	5.09%	14.10.14	NIBOR 3 months
Total term loan			756					
Total borrowings			4 671					
Current borrowings			99					
Non-current borrowings			4 572					
Total			4 671					

1) The book value is calculated by reducing the nominal value of NOK 4 631 million after repurchase (NOK 2 550 million in 2011) by total issue costs related to the new financing of negative NOK 33 million (NOK 16 million in 2011). Accrued interest and issue costs related to the bonds are included by NOK 114 million (NOK 88 million in 2011). The book value of the bond with notional value of NOK 1 713 after repurchase also includes the mark-to-market value of a fair value hedging interest rate swap of NOK 18 million (NOK 25 million in 2011).

2) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 per cent of the margin.

3) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).

Norwegian bonds

Aker Solutions has a total of six issued bonds at the start of 2012:

- Two new bonds were issued in 2012; one of NOK million 1 500 maturing in 2017 and one of NOK million 1 000 maturing in 2019.
- Three existing bonds of respective notional amounts NOK million 1 913, 300 and 150 have been partly repurchased during the year (by respectively NOK million 200, 150 and 69).
- The outstanding bonds mature respectively in 2013 (total NOK million 231), in 2014 (NOK million 1 900) as well as in 2017 (NOK million 1 500) and in 2019 (NOK million 1 000) thus guarantying the group sufficient long term funding.

All bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market.

Four of the bonds are issued based on a floating interest rate plus a predefined margin. The two other bonds have a fixed interest rate: the bond with notional value of NOK 81 million (after repurchase) has a fixed interest rate of 6.0 per cent while the fixed rate on the bond with notional value NOK 1 713 million (after repurchase) has a fixed rate of 10.7 per cent (including 2.0 per cent step-up). The current step-up margins will be reversed if Aker Solutions is upgraded to an investment grade rating.

The bonds are issued with Norsk Tillitsmann as trustee and the loan agreements are based on Norsk Tillitsmann's standard loan agreement for such bonds. The bonds are unsecured on a negative pledge basis and include no dividend restrictions.

All bonds issued are listed on the Oslo Stock Exchange.

Bank debt

The bank debt consists of:

- One revolving credit facility of NOK 6 000 million with maturity in June 2016 (out of which NOK 1 000 million was drawn by end of 2012).
- One term loan of NOK 750 million established in 2009 maturing in October 2014 and which was fully drawn by December 2012.
- One multi-currency term loan composed of two trenches of EUR million 270 and 130 maturing respectively in 2015 and 2014 ; both facilities should be used within May 2013 (both were undrawn by end of 2012).

All facilities are provided by a bank syndicate consisting of high quality Nordic and international banks. The terms and conditions include restrictions which are customary for this kind of facility, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers. There are also certain changes of control provisions included. The facility includes no dividend restrictions and is unsecured.

The financial covenants are based on two sets of key financial ratios; a gearing ratio based on gross debt/EBITDA and an interest coverage ratio based on EBITDA/net finance costs. The financial covenants are tested on a quarterly basis. The margin applicable to the facility is based on a price grid determined by the gearing ratio and level of utilization. See note 5 Financial risk management and exposures for more information regarding capital risk in the group.

Aker Solutions strategy is to have between 30-50 per cent of borrowings at fixed interest rates. To the extent that this is not reflected in the loan agreements, swap transactions are entered into.

Financial liabilities and the period in which they mature

2012 *Amounts in NOK million*	Carrying amount	Total undis-counted cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 year
ISIN NO 0010342587	81	82	82	-	-	-	-
ISIN NO 0010341332	150	150	150	-	-	-	-
ISIN NO 001050461.6	1 815	1 990	93	94	1 804	-	-
ISIN NO 001050460.8	187	211	8	8	195	-	-
ISIN NO 0010647431	1 495	1 916	47	47	94	1 728	-
ISIN NO 0010661051	1 001	1 423	31	32	63	187	1 111
Total bond	**4 730**	**5 772**	**410**	**181**	**2 155**	**1 915**	**1 111**
Total credit facility[2]	**973**	**1 001**	**1 001**	**-**	**-**	**-**	**-**
Term loan	**740**	**750**	**-**	**-**	**750**	**-**	**-**
Total borrowings	**6 443**	**7 523**	**1 411**	**181**	**2 905**	**1 915**	**1 111**

2011 *Amounts in NOK million*	Carrying amount	Total undis-counted cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 year
ISIN NO 0010341332	301	322	6	6	310	-	-
ISIN NO 0010342587	151	168	5	5	158	-	-
ISIN NO 001050461.6	2 009	2 420	102	102	205	2 011	-
ISIN NO 001050460.8	186	230	9	9	17	195	-
Total bond	2 647	3 140	122	122	690	2 206	-
Total credit facility[2]	1 268	1 521	25	23	47	1 426	-
Term loan	756	844	18	16	33	777	-
Total borrowings	4 671	5 506	165	161	770	4 410	-

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin)or the contractual fixed rate (when fixed rate debt).

2) NOK 1 000 million corresponds to the repayment of the drawn portion of the available NOK 6 000 million credit facility. This draw porting was repaid in January 2013 and is therefore presented within the 6-month time bucket in this note, though actual maturity occurs in 2016.

Note 10 Guarantees

Amounts in NOK million	**2012**	2011
Parent company guarantees to group companies[1]	**44 524**	32 747
Guarantees on behalf of Kvaerner companies	**25 816**	53 093
Guarantees on behalf of companies sold[4]	**903**	1 338
Counter guarantees for bank/surety bonds of Kvaerner companies	**1 050**	1 231
Counter guarantees for bank/surety bonds sold[4]	**-**	273
Counter guarantees for bank/surety bonds[2, 3]	**5 281**	6 356
Total guarantee liabilities	**77 574**	95 038
Maturity of guarantee liabilities:		
6 months and less	**4 982**	7 629
6-12 months	**19 058**	11 431
1-2 years	**10 995**	41 848
2-5 years	**42 539**	34 130

1) Parent Company Guarantees to support subsidiaries in contractual obligations towards clients.

2) Bank guarantees and surety bonds are issued on behalf of Aker Solutions subsidiaries, and counter indemnified by Aker Solutions ASA.

3) Aker Solutions ASA has also issued guarantees on behalf of Aker DOF Deepwater AS, see note 9 Related parties to the consolidated accounts.

4) Guarantees to companies sold to Jacobs Engineering Group Inc and Ezra Holdings Ltd.

Note 11 Financial risk management and financial instruments

Currency risk and balance sheet hedging

Amounts in NOK million	**2012** Assets	**2012** Liabilities	2011 Assets	2011 Liabilities
Forward exchange contracts with group companies	**358**	**(546)**	726	(284)
Forward exchange contracts with external counterparts	**439**	**(241)**	110	(531)
Total	**797**	**(787)**	836	(815)

Aker Solutions ASA have entered into approximately 11 000 forward exchange contracts with subsidiaries in 2012 with a total value of about NOK 115 billion. Large contracts are hedged back-to-back with external banks, while minor contracts are hedged after internal netting. Contracts that are hedged directly represents about 80 per cent of the total exposure but only a small number of the total contracts. These contracts have no significant impact on Aker Solutions ASA's income statement.

The treasury function within Aker Solutions ASA also has a mandate to hold small positions in the currency and interest markets. The mandate has limits that are strictly defined and is operated under a strict stop-loss regime. Open positions are continuously monitored at a market to market basis.

All instruments are booked at fair value as per 31 December.

Interest rate risk

	2012		2011	
Amounts in NOK million	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - cash flow and fair value hedge	**50**	**-**	75	-
Interest rate swaps - cash flow hedge (against equty)	**-**	**(54)**	-	(20)
Total	**50**	**(54)**	75	(20)

Interest rate swaps are applied to achieve the internal policy that 30-50 per cent of the company's gross external borrowing shall be at fixed interest rates, with duration matching the remaining duration of the borrowing. Interest terms on the borrowing are described in note 9 Borrowings. At year end there were interest rate swaps with floating interest hedging NOK 763 million of the fixed interest bonds and interest rate swaps with fixed interest hedging 2 035 million of the floating interest bonds. NOK 375 million were swapped to fixed interest until 2014. Floating interest is mainly tied to Inter-bank offered rates (NIBOR for NOK and LIBOR for other currencies) As per year end about 50 per cent of the external borrowings were at fixed interest.

Hedge accounting is applied using the cash flow hedge accounting model which means that gains and losses on interest rate swaps from floating to fixed interest rates are recognised in the hedging reserve in equity. As of 31 December 2012 a net loss of NOK 39 million net of tax is recognised in the equity and will be continuously released to the income statement until the repayment of the borrowings via the mark-to-market revaulation process. The value of interest rate swaps classified as fair value hedging (from fixed to floating interest) is accounted for through profit and loss. At the same time is a corresponding adjustment to the carrying value of the borrowing accounted for.

Credit risk
Credit risk relates to loans to subsidiaries and associated companies, overdraft in the group cash pool, hedging contracts, guarantees to subsidiaries and deposits with external banks. Loans to subsidiaries are assessed by the internal credit committee. Loss provisions are made in situations of negative equity and were the company is not expected to be able to fulfil it's loan obligations from future earnings. External deposits and forward contracts are done according to a list of approved banks and primarily with banks were the company also have a borrowing relation. The existence of netting agreements between Aker Solutions ASA and the relations banks reduces the credit risk.

Liquidity risk
Liquidity risk relates to the risk that the company will not be able to meet its debt and guarantee obligations and are managed through maintaining sufficient cash and available credit facilities. The development in the groups and thereby Aker Solutions ASA available liquidity is continuously monitored through weekly and monthly cash forecasts, annual budgets and long term planning.

Note 12 Related parties

Transactions with subsidiaries and related parties are described on a line by line basis in the following notes:

Transactions	Info in note
Other services	Note 2
Financial items	Note 3
Investments	Note 5
Cash pool	Note 7
Receivables and borrowings	Note 7, 8
Guarantees	Note 10
Foreign exchange contracts	Note 11

Aker Solutions ASA's contract with Intellectual Property Holding AS and agreement with Aker ASA regarding pension obligation in US are described in the consolidated accounts note 9 Related parties.

All transactions with related parties are done at market rates and in accordance with the arm's lengths principle.

Note 13 Shareholders

Shareholders with more than 1 per cent shareholding

2012

Company	Nominee	Number of shares held	Ownership
Aker Kværner Holding AS		110 333 615	40.27%
Folketrygdfondet		13 209 050	4.82%
Clearstream Banking S.A.	x	5 794 707	2.11%
Bank of New York Mellon	x	5 763 633	2.10%
JPMorgan Chase Bank	x	5 589 897	2.04%
State Street Bank & Trust Co.	x	4 684 460	1.71%
State Street Bank & Trust Co.		4 602 207	1.68%
Danske Bank A/S	x	3 859 304	1.41%
State Street Bank & Trust Co.		3 726 827	1.36%
JPMorgan Chase Bank		3 691 471	1.35%
Aker Solutions ASA		3 490 985	1.27%
RBS Investor Services Bank	x	3 352 337	1.22%
Scandinaviska Enskilda Banken		3 149 894	1.15%

2011

Company	Nominee	Number of shares held	Ownership
Aker Kværner Holding AS		110 333 615	40.27%
Folketrygdfondet		13 607 184	4.97%
JPMorgan Chase Bank	x	5 971 662	2.18%
Bank of New York Mellon	x	5 908 347	2.16%
State Street Bank & Trust Co	x	5 243 253	1.91%
Clearstream Banking S.A.	x	4 967 459	1.81%
Fidility Fund-Europ.Growth		4 382 723	1.60%
Aker Solutions ASA		4 214 607	1.54%
JPMorgan Chase Bank	x	3 652 391	1.33%
State Street Bank & Trust Co	x	3 560 645	1.30%
JPMorgan Chase Bank	x	3 292 972	1.20%
Danske Bank A/S	x	2 979 883	1.09%

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To the Annual Shareholders' Meeting of Aker Solutions ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Aker Solutions ASA, which comprise the financial statements of the parent company Aker Solutions ASA and the consolidated financial statements of Aker Solutions ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2012, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, and the consolidated income statement and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker Solutions ASA as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker Solutions ASA and its subsidiaries as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and report on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and Report on corporate governance concerning the financial statements, and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 18 March 2013
KPMG AS

Arve Gevoll
State authorised public accountant

Board of directors

Øyvind Eriksen
Executive chairman

Øyvind Eriksen is President & CEO of Aker ASA, which is the main shareholder of Aker Solutions with a 40.1 per cent shareholding via Aker Kværner Holding AS. Mr Eriksen holds a law degree from the University of Oslo. He joined Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/chairman from 2003. At BA-HR, Mr Eriksen worked closely with Aker and Aker's main shareholder, Kjell Inge Røkke. Mr Eriksen is executive chairman of the board of Aker Kværner Holding AS and board member of several companies, including The Resource Group TRG AS, TRG Holding AS and Reitangruppen AS. While Mr Eriksen holds no shares or stock options in Aker Solutions directly, he has an ownership interest through his holding of 100 000 shares in Aker ASA and 0.20 per cent of the shares in TRG Holding AS through a privately owned company. Mr Eriksen is a Norwegian citizen. He has been elected for the period 2011-2013.

Mikael Lilius
Deputy chairman

Mikael Lilius was President and CEO of Fortum Corporation from 2000 to May 2009. From 1991 to 1998 Mr Lilius was chief executive of Sweden's Incentive AB and from 1998 to 2000 in Gambro AB. Mr Lilius is chairman of the boards of the Finnish companies Huhtamäki Oyj, Wärtsilä Oyj and Mehiläinen Oy. He also serves as a member of the board of Evli Pankki Oyj and Ambea AB. Mr Lilius is a graduate of the Swedish School of Economics and Business Administration in Helsinki. As of 31 December 2012, he holds no shares in the company and has no stock options. Mr Lilius is a Finnish citizen. He has been elected for the period 2011-2013.

Lone Fønss Schrøder
Director

Lone Fønss Schrøder has a law degree from the University of Copenhagen and a Master of Economics from Copenhagen business school. Ms Fønss Schrøder has broad international experience acquired during 21 years in senior management, including board positions at A.P. Møller-Maersk A/S. She is among others chairperson for the audit committee at Volvo and Kværner ASA, a non-executive director of Volvo PV in Sweden and NKT A/S in Denmark, as well as non-executive director and member of the audit and committee and credit Committee of Svenska Handelsbanken AB in Sweden. As of 31 December 2012, she holds 4 400 shares in the company and has no stock options. Ms Fønss Schrøder is a Danish citizen. She has been elected for the period 2011-2013.

Anne Drinkwater
Director

Anne Drinkwater retired from BP in 2012, where she held a number of leadership positions including Group Vice President for North Africa, Azerbaijan, the Middle East and Asia Pacific, President and CEO of BP Canada, President of BP Indonesia and Managing Director of BP Norway. She holds a B Sc. in applied mathematics and statistics from Brunel University, London. As of 31 December 2012, she holds no shares in the company and has no stock options. She is a director at Tullow Oil, which has its primary listing on the London Stock Exchange. Ms Anne Drinkwater is a British citizen. She has been elected for the period 2011-2013.

Kjell Inge Røkke
Director

Entrepreneur and industrialist Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business, harvesting white fish and processing it at sea. In 1996, Mr Røkke purchased enough Aker shares to become Aker's largest shareholder and owns today 67.8% of Aker ASA through The Resource Group TRG AS, which he owns together with his wife. Mr Røkke is chairman of the board of Aker ASA, Kværner ASA and deputy board member of Det norske Oljeselskap ASA. While Mr Røkke holds no shares or stock options directly in Aker Solutions, he has an indirect ownership interest in the company through his investment company The Resource Group TRG AS and subsidiaries, which he co-owns with his wife, and which holds approximately 67 per cent of the shares in Aker ASA, Aker Solutions' main owner. Mr Røkke is a Norwegian citizen. He has been elected for the period 2011-2013. .

Nicoletta Giadrossi
Director

Nicoletta Giadrossi is employed by Aker ASA to work on the company's industrial portfolio, with particular focus on Aker Solutions. She was previously VP&GM for Europe, Middle East and Africa in Dresser-Rand. She has a BA in Mathematics and Economics from Yale University and a MBA from Harvard Business School. Ms Giadrossi also has a background from the private equity industry, as well as having held a number of leadership positions in the GE corporation, among them GM in Oil&Gas Petrochemicals Division and COO in GE Equipment Management, Europe. Nicoletta Giadrossi holds no shares in Aker Solutions. She is an Italian citizen. She has been elected for the period 2012-2013.

Stuart Ferguson
Director

Stuart Ferguson is a consultant with Flux Oilfield Technology Ltd. which assists various companies within the oil service industry. He is also a member of the board of a number of companies, including Borets International Ltd., I-Pulse Inc., and Zi-Lift AS. Mr. Ferguson has a B.Sc. in Chemical Engineering from University of Birmingham. Prior to being a consultant, he has been, inter alia, Vice President of Reservoir Optimisation in Weatherford International Inc. and Chief Technology Officer and Senior Vice President in Weatherford International Ltd. Stuart Ferguson holds no shares in Aker Solutions. He is a UK citizen. He has been elected for the period 2012-2013.

Sarah Ryan
Director

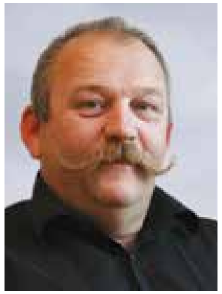
Sarah Ryan is director of investment management in Earnest Partners. She holds a B.Sc. in Geology from the University of Melbourne, and a B.Sc. (Hons) in Geophysics and a PhD in Petroleum Geology and Geophysics from the University of Adelaide. Prior to her position in Earnest Partners, she held various technical, operational and management positions in Schlumberger. As of 31 December 2012, she holds no shares in the company and has no stock options. She is a non-executive director of Woodside Petroleum. Dr. Sarah Ryan is an Australian citizen. She has been elected for the period 2012-2013.

Atle Teigland
Director

Atle Teigland was elected by the employees of Aker Solutions to the board of directors in October 2004. He also served on the boards of Aker and Aker RGI for several years. Mr Teigland is a group union representative for Aker Solutions on a full-time basis and has been employed by Aker Elektro AS since 1978. Mr Teigland is a certified electrician. As of 31 December 2012, he holds 3 235 shares in the company, and has no stock options. Mr Teigland is a Norwegian citizen. He has been elected for the period 2011-2013.

Åsmund Knutsen
Director

Åsmund Knutsen was elected by the employees of Aker Solutions to the board of directors in October 2004. Since 1991 he has held various positions in Aker Engineering & Technology AS and is now a group union representative for white-collar employees on a full-time basis. Mr Knutsen holds an MSc in hydrodynamics from Oslo University. As of 31 December 2012, he holds 4 411 shares in the company, and has no stock options. Mr Knutsen is a Norwegian citizen. He has been elected for the period 2011-2013.



Arild Håvik
Director

Arild Håvik was elected by the employees of Aker Solutions to the board of directors in March 2009. Mr Håvik has been employed by Aker Solutions since 1990 and has been a local union representative for Aker Solutions MMO on a full-time basis since 2007. Mr Håvik is a scaffolder and sheet metal worker and holds a certificate of apprenticeship in the two disciplines. As of 31 December 2012, he holds 1 246 shares in the company, and has no stock options. Mr Håvik is a Norwegian citizen. He has been elected for the period 2011-2013.

Hilde Karlsen
Director

Hilde Karlsen was elected by the employees of Aker Solutions to the board of directors in March 2011. Since 1992 she has held various positions in Aker Solutions, and is now engineering manager in Aker Offshore Partner. Ms Karlsen was the employees representative of the Kværner Oil and Gas Board from 1993-2003. Ms Karlsen is a civil engineer and holds a degree in engineering from Narvik University College. As of 31 December 2012, she holds 1 231 shares in the company, and has no stock options. Ms Karlsen is a Norwegian citizen. She has been elected for the period 2011-2013.

Executive chairman and President

Øyvind Eriksen
Executive chairman

Øyvind Eriksen is President & CEO of Aker ASA, which is the main shareholder of Aker Solutions with a 40.1 per cent shareholding via Aker Kværner Holding AS. Mr Eriksen holds a law degree from the University of Oslo. He joined the Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/chairman in 2003. At BA-HR, Mr Eriksen worked closely with Aker and Aker's main shareholder, Kjell Inge Røkke. Mr Eriksen is executive chairman of the board of Aker Kværner Holding AS and board member of several companies, including The Resource Group TRG AS, TRG Holding AS and Reitangruppen AS. While Mr Eriksen holds no shares or stock options in Aker Solutions directly, he has an ownership interest through his holding of 100 000 shares in Aker ASA and 0.20 percent of the shares in TRG Holding AS through a privately owned company. Mr Eriksen is a Norwegian citizen. He has been elected for the period 2011 to 2013.

Leif Borge
President & Chief Financial Officer

Leif Borge President & Chief Financial Officer
Leif Borge joined Aker Solutions in 2008. Previously he has been CFO of Aker Yards ASA since 2002, after serving as CFO of Zenitel NV, Stento ASA and Vitana, a subsidiary of Rieber & Søn ASA in the Czech Republic. Mr Borge is a graduate of the Pacific Lutheran University in Washington State. As of 31 December 2012, he holds, through a privately owned company, 30 708 shares in the company, and has no stock options. Mr Borge is a Norwegian citizen.

Business management

Alan Brunnen
Head of Subsea

Alan Brunnen joined Aker Solutions in August 2005, he moved across into the Subsea business area in November 2006. Mr Brunnen was the Managing Director of Subsea in Aberdeen from June 2009 until August 2011, when he became Executive Vice President of Subsea. Educated at Aberdeen University and London Business School, Mr Brunnen has over 30 years' experience in the oil and gas industry. Prior to his career within Aker Solutions, Mr Brunnen held various managing director positions before becoming the Chief Operating Officer at Stolt Offshore, a leading offshore installation contractor. As of 31 December 2012, he holds no shares in the company and has no stock options. Mr Brunnen is a British citizen.

Leif Haukom
Head of Mooring and Loading Systems

Leif Haukom joined Aker Solutions in 1981 and has over 30 years' experience from the offshore industry. Mr Haukom has held a number of positions within technical and project/company management. Mr Haukom has acted as company president since 1997, and managed Aker Pusnes the last eight years. Mr Haukom is appointed Head of Mooring and Loading systems from March 2011. Mr Haukom holds a BSc in mechanical engineering from the University of Agder, with additional training in economics and management skills. As of 31 December 2012, he holds 6 042 shares in the company and has no stock options. Mr Haukom is a Norwegian citizen.

Thor Arne Håverstad
Head of Drilling Technologies

Thor Arne Håverstad joined Aker Solutions in 1989. He has more than thirty years' experience from the oil and gas industry. Mr Håverstad was appointed EVP in January 2011. From 2009 to 2010 he was president of Aker Solutions' drilling business in Kristiansand and he has also held a range of technical and managerial positions within the company. Prior to this, Mr Håverstad held various positions within project and engineering management, technical safety and advisory work for the offshore industry as well as seven years of research for SINTEF, Norway. Mr Håverstad holds a PhD from the Norwegian University of Science and Technology. As of 31 December 2012, he holds 13 353 shares in the company and has no stock options. Mr Håverstad is a Norwegian citizen.

Karl Erik Kjelstad
Head of Oilfield Services & Marine Assets

Karl Erik Kjelstad joined Aker Solutions as EVP in July 2009 from the position of Senior Partner & President, Maritime Technologies at Aker ASA. Mr Kjelstad has been with the Aker group since 1998 and was President & CEO of Aker Yards ASA from January 2003 to June 2007. Prior to joining Aker, Mr Kjelstad was senior consultant at PA Consulting Group and from 1992 to 1996 he held various management positions in the TTS Group. Mr Kjelstad holds an MSc in marine engineering from the Norwegian University of Science and Technology. He is chairman of the board of Aker Pusnes AS and a board member of Aker MH AS and Ezra Holdings Ltd. (Singapore) and other companies. As of 31 December 2012, Mr Kjelstad holds, through a privately owned company, 13 156 shares in the company and has no stock options. Mr Kjelstad is a Norwegian citizen.

Rolf Leknes
Head of Well Intervention Services

Rolf Leknes was appointed Head of Well Intervention Services in February 2013. Mr Leknes has 30 years' experience from the oil and gas industry, operating primarily in the well service segment. Prior to joining Aker Solutions in March 2012, he worked for Weatherford for 18 years, serving in a number of senior roles. He joined Aker Solutions from the position of area manager Scandinavia for Weatherford International. As of 31 January 2012, he holds 5 185 shares in the company and has no stock options. Mr Leknes is a Norwegian citizen.

Valborg Lundegaard
Head of Engineering

Valborg Lundegaard was appointed Head of Engineering in February 2011. Ms Lundegaard has more than 20 years' experience from the oil and gas industry and has held a number of key positions in Aker Solutions, including corporate and project management. From 2008 Ms Lundegaard was president of Aker Engineering and Technology. Ms Lundegaard holds a degree in chemical engineering from the Norwegian University of Science and Technology. As of 31 December 2012, she holds 5 185 shares in the company and has no stock options. Ms Lundegaard is a Norwegian citizen.

David Merle
Head of Process Systems

David Merle joined Aker Solutions in May 2012, as Head of the Process Systems business. He has 13 years of experience in the oil and gas industry both on the operator and equipment/service sides and has held several leadership positions in Europe, North and South America, the Middle East and Africa. Mr Merle holds an MBA from Harvard Business School, an MSc in Civil engineering from the Ecole des Ponts et Chaussees in Paris, and is a graduate of the INSEAD executive programme in Singapore. As of 31 December 2012, he holds no shares in the company and does not own any stock options. Mr Merle is a French citizen.

Tove Røskaft
Head of Umbilicals

Tove Røskaft was appointed as EVP of the Umbilicals business area in September 2011. Ms Røskaft has been with Aker Solutions for 15 years within umbilicals, heading it up since 2009. Ms Røskaft holds an MSc in marine hydro dynamics from the Norwegian University of Science and Technology. As of 31 December 2012, she holds 778 shares in the company and has no stock options. Ms Røskaft is a Norwegian citizen.

Tore Sjursen
Head of Maintenance, Modifications and Operations

Tore Sjursen was appointed EVP Tore Sjursen was appointed EVP of the MMO business area in October 2010. Mr Sjursen has been with Aker Solutions for 25 years in different positions in field development and MMO. From 2009 to 2010 Mr Sjursen was Head of Aker Solutions Energy Development and Services (ED&S) International in Australia. Mr Sjursen holds an MSc in mechanical engineering from Norwegian University of Science and Technology and an MSc in management from Boston University. As of 31 December 2012, he holds 7 663 shares in the company and has no stock options. Mr Sjursen is a Norwegian citizen.

Corporate centre functions

Niels Didrich Buch
Chief of Staff

Niels Didrich Buch joined Aker Solutions in 1999 and has been Chief of Staff & EVP since 2008. From 1999 to 2005, Mr Buch worked as a legal adviser, and from 2005 to 2008 he was head of corporate business development. Prior to joining Aker Solutions, Mr Buch worked ten years with the Norwegian Foreign Service with postings in Asia and Europe. Mr Buch holds a law degree from the University of Oslo. As of 31 December 2012, he holds 2 932 shares in the company and has no stock options. Mr Buch is a Norwegian citizen.

Åsmund Bøe
Chief Technology Officer

Åsmund Bøe was appointed Chief Technology Officer & EVP in June 2010. Mr Bøe is responsible for the overall corporate technology portfolio of Aker Solutions. Before joining Aker Solutions, Mr Bøe worked 15 years for Schlumberger on international assignments in various senior positions. Mr Bøe brings with him experience from upstream oil & gas operations, personnel and strategic business development. Mr Bøe holds a BSc (Hons – first class) in offshore mechanical engineering from the Heriot-Watt University, UK. As of 31 December 2012, he holds no shares in the company and has no stock options. Mr Bøe is a Norwegian citizen.

Per Harald Kongelf
Chief Operating Officer

Per Harald Kongelf was appointed Chief Operating Officer in 2011. As of 1 January 2013, he also serves as the company's regional president for Norway. Mr Kongelf has more than 25 years' experience in the oil and gas industry. He was previously EVP of the Energy Development & Services and Products & Technologies business areas in Aker Solutions. Before that Mr Kongelf worked as an investment manager in the Statkraft Group and in Aker Solutions. Mr Kongelf holds an MSc from the Norwegian University of Science and Technology. As of 31 December 2012, he holds no shares in the company and has no stock options. Mr Kongelf is a Norwegian citizen.

Sissel Lindland
Chief HR Officer

Sissel A. Lindland returned to Aker Solutions in 2008 after having served as SVP Human Resources and acting Chief of Staff in Aker Yards ASA and STX Europe since 2006. With a background in human resources, organisational and business development, Ms Lindland has held various advisory and management position within the Aker group since 1984. From 2002 to 2006 Ms Lindland was President of Aker Business Services. As of 31 December 2012, she holds 4 228 shares in the company, and has no stock options. Ms Lindland is a Norwegian citizen.

Mark Riding
Chief Strategic Marketing

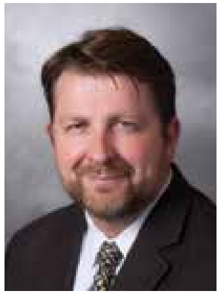
Mark Riding was appointed EVP of corporate strategic marketing in February 2011. Mr Riding co-ordinates contact and relationships with key customers, corporate regional structure, business and regional strategies and corporate M&A opportunities. Mr Riding is an oil and gas industry professional with over 30 years' experience in various senior roles and overseas assignments. He has worked in a large number of international assignments, holding a range of operational, technical, managerial and staff positions with Schlumberger, most recently as part of global strategic planning at headquarters in Paris. Mr Riding holds a BSc (Hons – first class) in mining engineering from the University of Birmingham, UK. As of 31 December 2012, he holds 7 907 shares in the company and has no stock options. Mr Riding is a British citizen.

Regional management

Luis Araujo

Regional president | Brazil

Luis Araujo was appointed regional president for Aker Solutions in Brazil in November 2011. Mr Araujo lives in Rio de Janeiro and has 30 years of experience in the industry, most recently as chief executive officer for Wellstream in Brazil, a pipeline products company with a wide range of pipe solutions, now part of General Electric. He has also had leading positions with ABB, FMC Technologies, Vetco and Coflexip in Brazil, USA and Europe. He holds a Bachelor degree in Mechanical Engineering from Brazil and an MBA from Edinburgh University, UK. Mr Araujo is the Chairman of the British chamber of Commerce and Industry in Brazil. He is also an independent Director for Brastec Technologies SA, a Brazilian company manufacturing offshore and onshore umbilical and pipeline equipment. As of 31 December 2012, he holds 10 369 shares in the company and has no stock options. Mr Araujo is a Brazilian and British citizen.



Erik Wiik

Regional president | North America

Erik Wiik was appointed regional president for Aker Solutions in North America in November 2011. Mr Wiik lives in Houston and has worked in the oil and gas industry for 22 years, the last 11 years in the United States. He comes from the position as President of Aker Solutions' Subsea business in North America. He has previously been in charge of corporate initiatives within project risk management, served as business unit president of well services and held managerial roles within construction, engineering and procurement. He is an engineering graduate of Texas A&M University. 31 December 2012, he holds 778 shares in the company and has no stock options. Erik Wiik is a Norwegian and American citizen.

Company information

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Reports via the Internet

The quarterly and annual reports of Aker Solutions are available via the Internet. Aker Solutions encourages its shareholders to subscribe to the company's annual reports via the electronic delivery system of the Norwegian Central Securities Depository (VPS). Please note that VPS services (VPS Investortjenester) are designed primarily for Norwegian shareholders. Subscribers to this service receive annual reports in PDF format by email. VPS distribution takes place at the same time as distribution of the printed version of Aker Solutions' annual report to shareholders who have requested it.

Quarterly reports, which are generally only distributed electronically, are available from the company's website and other sources. Shareholders who are unable to receive the electronic version of interim reports, may subscribe to the printed version by contacting Aker Solutions' investor relations staff.

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