

## Good operations and active business development

The first-quarter 2006 operating profit before depreciation (EBITDA) of the Aker Group was NOK 1.2 billion, more than double the EBITDA of the first quarter of 2005. The Group's order backlog continued its growth in the first quarter of 2006, reaching NOK 109 billion as of 31 March, up 57 percent from the close of the first quarter of 2005.

The value of Aker ASA's stock-exchange listed assets rose from NOK 19.3 billion as of 1 January 2006 to NOK 26.4 billion as of 28 April 2006.

In the first quarter of 2006, Aker successfully completed the establishment of the company Aker Floating Production. Consequently an approximately NOK 800 million accounting gain was recorded in the second quarter of 2006 for Aker ASA and holding companies.

Operations at the Aker Group's main companies generally developed favorably throughout the first quarter of 2006. Revenues were significantly higher than in the first quarter of 2005, but somewhat below those of the fourth quarter 2005. Nevertheless, operating profit remained at the same level and the EBITDA margin continued to rise, reaching 6.3 percent in the first quarter of 2006.

Revenues, EBITDA, and order backlog Consolidated and by main company (Amounts in NOK million)	First quarter		Year
	2005	2006	2005
Revenues	12 666	<b>18 200</b>	62 450
<b>EBITDA</b>	556	<b>1 151</b>	3 322
Aker Kværner	376	<b>710</b>	2 145
Aker Yards	159	<b>357</b>	1 029
Aker American Shipping	23	<b>18</b>	131
Aker Seafoods	83	<b>67</b>	181
Aker Material Handling	(3)	<b>9</b>	35
Order intake	21 425	<b>28 590</b>	91 223
Order backlog ( <i>as of close of period</i> )	69 475	<b>109 033</b>	98 371

The figure for the Aker Group's first-quarter 2006 net financial items was negative NOK 183 million; the figure includes NOK 151 million in positive currency translation effects at Aker Kværner, and NOK 260 million in write-down of receivable against TH Global. The Aker Group had a pre-tax profit of NOK 702 million and profit for the period of NOK 475 million. Profit per share for the first quarter of 2006 amounted to NOK 1.50.

A significant proportion of the Group's activities directly or indirectly depend on developments in the world's energy markets, global trade, and travel industry. The underlying trends in these segments are positive. Aker is well equipped to benefit from these fundamentally positive conditions and envisions continued growth and improving profit margins in all main Group companies.

## Aker ASA and holding companies

In the first quarter of 2006, the parent company Aker ASA had high activity levels associated with follow-up of the company's main investments and issues relating to business development; these are among the topics discussed below. The parent company had first-quarter 2006 operating expenses of NOK 32 million. The approximately NOK 800 million profit effect attributable to the establishment of Aker Floating Production will be recorded in the second-quarter 2006 accounts.

<b>Parent and holding companies</b>		
Profit and loss statement (in NOK million)	Year <b>2005</b>	<b>1Q</b> <b>2006</b>
Sales gains	1 613	24
Operating expenses	-104	-32
<b>EBITDA</b>	<b>1 509</b>	<b>-8</b>
Depreciations	-9	-2
Net financial items	8	41
<b>Profit before tax</b>	<b>1 508</b>	<b>31</b>

The parent company Aker ASA, including holding companies that are part of the parent company structure, had a solid balance sheet as of the close of 2006's first quarter. Cash and short-term interest-bearing receivables had increased to NOK 1 634 million.

Gross interest-bearing debt had risen to NOK 2 618 million as of 31 March 2006; the increase is attributable to Aker's NOK 446 million sale of its AKE16 bonds in February of 2006. Intra-Group interest-bearing debt to subsidiaries amounted to NOK 260 million. At the close of the first quarter of 2006, net interest-bearing items were in the black by NOK 611 million.

<b>Parent and holding company</b>		
<b>Balance sheet</b> (Amounts in NOK million)	31 Dec. 2005	31 March 2006
Intangible, fixed and non-interest-bearing assets	1 161	1 252
Interest-bearing fixed assets	1 934	1 595
Investments	8 612	8 666
Non-interest-bearing receivables and inventories	26	302
Interest-bearing short-term assets and cash	1 331	1 634
<b>Assets</b>	<b>13 064</b>	<b>13 449</b>
Equity	9 583	9 586
Non-interest bearing debt	1 308	1 245
Interest-bearing debt, Group	254	260
Interest-bearing debt, non-Group	1 919	2 358
<b>Equity and liabilities</b>	<b>13 064</b>	<b>13 449</b>
<i>Net interest-bearing receivables (+)/liabilities (-)</i>	1 092	611
<i>Equity ratio</i>	73%	71%

At the 30 March 2006 annual shareholders' meeting, Aker shareholders voted to pay a NOK 6.50 per share dividend. Dividend payments were made on 12 April 2006; the dividend amount was posted in the 31 March 2006 balance sheet as a NOK 470 million non-interest-bearing debt.

Aker has decided not to appeal US tax authorities' decision to disallow tax deductions associated with transactions completed in 2000 by a subsidiary in the United States; payment of the outstanding amount of the claimed tax deficiency will be made in the second quarter of 2006. As previously announced, Aker recorded a NOK 300 million tax expense in the second quarter of 2005 in this regard.

## **Active business development and other events in and after the quarter**

### **Aker Floating Production**

In the first quarter of 2006, Aker established the company Aker Floating Production as a wholly owned subsidiary of Aker Capital. The new company's business idea is to own and lease vessels specially equipped for production and storage of oil and gas. Initially, plans are for ownership of four such Aker Smart FPSO (floating production, storage, and offloading) vessels. The company is headed by Svein Olsen, who is one of the pioneers in developing such floating production facilities.

In the second quarter of 2006, the company was capitalized through a successful USD 150 million private placement of shares. A total of 12 million new shares were issued and distributed, at a per-share price of NOK 81. Aker Capital's original shareholding in Aker Floating Production was valued at approximately NOK 800 million at the private placement. Aker purchased USD 10 million of the share issue; Aker currently owns 48.4 percent of Aker Floating Production. Now trading in the over-the-counter (OTC) market, Aker Floating Production will apply to be listed on the Oslo Stock Exchange in the second quarter of 2006.

Aker's shareholding in Aker Floating Production will be owned through the wholly-owned subsidiary Aker Capital.

### **Aker Exploration**

In the second quarter of 2006, Aker began recruiting key personnel for a new Group company, Aker Exploration. The company will be a focused offshore exploration company, and a partner helping oil companies and public authorities evaluate petroleum resources on the Norwegian continental shelf.

Aker Exploration is holding discussions with operators and license holders on the Norwegian continental shelf. The company aims to enter into long-term agreements for chartering modern drilling platforms and drilling exploration wells. Moreover, the purpose of the contracts will be to evaluate licensees' reservoir exploitation potentials, in exchange for shares in the same licenses.

### **Aker Seafoods Corp.**

Aker is restructuring its fisheries activities in Aker Seafoods Corp. that are not included in the Aker Group's exchange-listed subsidiary, Aker Seafoods ASA. The purpose of the restructuring is to further develop the operations, primarily fisheries activities in Argentina and Faeroe Islands waters, and krill harvesting in Antarctic waters.

Aker Seafoods Corp.'s business idea is to harvest sustainable marine protein sources that are relatively low on the ocean's food chain and process these resources to high-value end products. Aker has been developing technology and systems that provide

such harvesting and processing in an environmentally sustainable manner with minimal by-catches and complete utilization of raw materials.

Aker has harvested Southern Blue Whiting and Hoki and processed these fish to high-value fishmeal, surimi, and oils for many years. Since the second half of 2005, the factory trawler *Centurion del Atlantico* has enjoyed regular high production; and long-term labour agreements have been entered into that provide stable conditions for continued activities. The Argentina-based activities also include three long-line vessels, of which one or two are inactive for parts of the year due to quota restrictions on Chilean sea bass.

The activities in Argentina had a first-quarter 2006 EBITDA of NOK 21 million. The corresponding first-quarter 2005 figure was NOK 1 million; EBITDA for 2005 as a whole was NOK 42 million.

At the Faeroe Islands, Aker has worked with local partners in the Næraberg company to develop advanced fisheries based on the country's share of Northern Blue Whiting quotas. As is the case in Argentina, the end products are fishmeal, surimi, and oils. The activities associated with the vessel *Atlantic Navigator* are among the largest in the Faeroe Islands, measured in local value creation and employment; operations are founded on a close cooperation with Faeroe Island public authorities.

*Atlantic Navigator* entered Faeroe Islands production just before Christmas 2005, and had a first-quarter 2006 EBITDA of NOK 19 million. The corresponding profit for the first quarter of 2006 with a different vessel in production was NOK 2 million. The Faeroe Islands activities are conducted by the Næraberg company, which is 33 percent owned by Aker. Aker has played a key role in establishing and running these operations. Loan agreements established as part of these efforts offer a significant future upside for Aker. Næraberg recently purchased additional quotas, thus increasing its raw materials access.

Following several years' research and test production, Aker will begin commercial harvesting and processing of the pelagic crustacean Antarctic krill in the second quarter of 2006, using the vessel *Saga Sea*. Global market demand is growing for high-quality marine protein used in fish feed for the aquaculture industry. The nutrient value of meal from krill features a number of natural products that can replace costly, synthetic ingredients added to commercial fish feed. Using a recently developed, environmentally responsible harvesting method that ensures access to highest-quality raw materials, *Saga Sea* will also produce oil and other high-value products from krill.

### **Agreement with TH Global**

Aker has entered into agreements with TH Global which secure Aker Kværner access to 1,300 key personnel resources in the UK and provide the company with lower and more predictable future pension costs. This, in turn, will facilitate more flexible and lower-cost financing for Aker Kværner, benefiting Aker and all other Aker Kværner shareholders

The agreements with Aker enable TH Global to end its relationship with the UK pension fund of the former Kværner organization after payment of a total contribution of GBP 101 million to the pension fund by 2012. The appropriate UK authority, the Pensions Regulator, has issued a clearance statement in respect of the arrangements.

Aker will contribute to the fulfillment of these agreements by converting an unsecured NOK 296 million receivable, payable by the TH Global Group, to a minority ownership interest in the parent company of the TH Global Group. The shares received in this transaction are valued at NOK 36 million. This transaction does not have any liquidity effects for Aker. However, it results in a first-quarter 2006 negative profit effect of approximately NOK 260 million in the accounts of the parent company Aker ASA and holding companies. In addition, Aker has agreed to acquire - or contribute to TH Global divesting to other owners - business activities worth a total of GBP 11.7 million.

## Main Aker Group companies

Amounts in NOK million <b>Aker Kværner</b>	1Q		Year
	2005	2006	2005
Operating revenues	8 407	<b>11 588</b>	41 463
EBITDA	376	<b>710</b>	2 145
Pre-tax profit	147	<b>682</b>	1 018
Order intake	9 676	<b>13 874</b>	57 748
Order backlog as of close of period	37 716	<b>55 637</b>	53 341

Aker Kværner had a strong start to 2006. Revenues rose by 38 percent and EBITDA increased by 89 percent in the first quarter of 2006, compared with the first quarter of 2005. The company's EBITDA margin continued to rise in the first quarter, reaching 6.1 percent for the reporting period.

Aker Kværner's main markets continue to develop favorably. Growth in existing contracts and several smaller- and medium-sized new contracts signed so far this year helped bring the order backlog at the close of March to an impressive NOK 55.6 billion.

In the first quarter of 2006, Aker Kværner entered into an agreement to sell its Pulping & Power activities to the Finnish company Metso. The value of the transaction, expected to be completed in late summer this year, is estimated at approximately NOK 3 billion. Aker Kværner has estimated the profit effect of the transaction with Metso at some NOK 2.4 billion.

Aker Kværner is a listed company; its shares trade on the Oslo Stock Exchange (ticker: AKVER). At the close of trade on 28 April 2006, the per-share price of Aker Kværner stock was NOK 600.00; accordingly, the market value of Aker's 50.01 percent shareholding in Aker Kværner was NOK 16.5 billion.

Amounts in NOK million <b>Aker Yards</b>	1Q		Year
	2005	2006	2005
Operating revenues	3 438	<b>5 397</b>	16 607
EBITDA	159	<b>357</b>	1 029
Pre-tax profit	93	<b>307</b>	704
Order intake	11 445	<b>14 322</b>	32 084
Order backlog at the close of the period	31 487	<b>47 868</b>	38 897

Aker Yards' first-quarter 2006 profit was significantly higher than in the corresponding 2005 reporting period. The EBITDA margin for the first quarter of 2006 was 6.6 percent, up from 4.6 percent in the first quarter of 2005.

Aker Yards' order backlog increased to NOK 47.9 billion; order intake in the quarter was NOK 14.3 billion. More than half of the order intake in the period is attributable to the contract signed with cruise shipowners Royal Caribbean International for construction of RCI's first Genesis class cruise ship. Aker Yards' order book as of 31 March 2006 comprised 123 vessels.

Aker Yards' acquisition of Alstom's shipyards in Saint-Nazaire and Lorient, France, was approved by EU competition authorities in March. The transaction is expected to be completed in May 2006.

In March 2006, Aker Yards issued approximately 2.1 million new company shares as settlement to holders of the company's convertible bonds. Further, Aker Yards has refinanced its other debt by increasing its syndicated bank loan, which has a 2011 maturity, to NOK 1 billion, and issuing two new seven-year bond loans.

Aker Yards is listed on the Oslo Stock Exchange (ticker: AKY). Aker Yards shares closed at NOK 494.00 on 28 April 2006; accordingly, Aker's 50.4 percent shareholding in Aker Yards ASA following the issue of new shares to former convertible bond holders had a market value of NOK 5.7 billion.

Amounts in NOK million <b>Aker American Shipping</b>	1Q		Year
	2005	2006	2005
Operating revenues	905	125	1 615
EBITDA	23	18	131
Pre-tax profit	14	25	84
Order intake	-	-	-
Order backlog at close of period	-	5 446	5 830

Aker American Shipping is developing according to projections. Revenues and profit are related to the construction of containerships for Matson shipowners in the United States. The fourth and, so far, last containership in the series built for Matson will be completed in the third quarter of 2006.

The accounting effects of building tankships for shipowning subsidiaries are eliminated in Aker American Shipping's consolidated accounts. Construction of the ten product tankers is proceeding according to plans. The first two vessels had reached 58 percent and nine percent of completion, respectively, at the close of the first quarter of 2006.

There is a great deal of market interest in leasing the product tankers under construction at Aker American Shipping. Overseas Shipholding Group (OSG), Aker American Shipping's US partner, has thus far concluded long-term charter agreements for six of the ten vessel newbuildings currently planned. All charter agreements stipulate that Aker American Shipping is to receive a proportion of the chartering revenues beyond the bareboat rates originally agreed to with OSG.

Aker American Shipping is a listed company; its shares trade on the Oslo Stock Exchange. On 28 April 2006, Aker American Shipping stock closed at NOK 110.00; accordingly, Aker's direct 53.2 percent ownership interest in Aker American Shipping had a market value of NOK 1.6 billion.

Amounts in NOK million <b>Aker Seafoods</b>	1Q		Year 2005
	2005	2006	
Operating revenues	667	<b>605</b>	2 339
EBITDA	83	<b>67</b>	181
Profit after financial items	46	<b>35</b>	41

Aker Seafoods' operating revenues from continued activities rose by NOK 42 million from the first quarter of 2005 to the first quarter of 2006. The 2005 operating revenue figure shown in the table above includes the company Nordic Group, which was divested as of 1 January 2006.

Profit for the first quarter of 2006 is somewhat below the figure for the same 2005 reporting period. The company's harvesting activities enjoyed good market prices in the first quarter of 2006, but harvesting volumes decreased as part of ongoing efforts to secure more even raw material access throughout the year. High fuel prices negatively affected harvesting activities.

Processing activities in Norway showed lower profitability in the first quarter of 2006 compared with the same 2005 reporting period; the decrease is largely attributable to high raw materials prices combined with a stronger Norwegian krone. It has not been possible to fully recover the increased raw materials costs through higher prices for finished goods. However, Aker Seafoods' processing activities in Denmark are developing well. Profits for the Denmark-based activities rose 50 percent in the first quarter of 2006, compared with the first quarter of 2005.

Aker Seafoods is a listed company; its shares trade on the Oslo Stock Exchange. On 28 April 2006, Aker Seafoods shares closed at NOK 39.10; accordingly, the market value of Aker's 65 percent ownership interest in Aker Seafoods was NOK 1.2 billion. In the first quarter of 2006, Aker sold 855 000 Aker Seafoods shares.

Amounts in NOK million <b>Aker Material Handling</b>	1Q		Year 2005
	2005	2006	
Operating revenues	295	<b>340</b>	1 347
EBITDA	(3)	<b>9</b>	35
Profit after financial items	(16)	<b>(3)</b>	(13)
Order intake	304	<b>394</b>	1 391
Order backlog as of end of period	272	<b>354</b>	303

Aker Material Handling had good start of the year in 2006. The order intake for the first three months was 30 per cent higher this year compared to 2005.

Operating revenues increased by 15 per cent from first quarter 2005 to first quarter 2006, and focused improvement of operations have resulted in increased margins. EBITDA for the first quarter 2006 amounted to NOK 9 million, NOK 12 million better than for the corresponding period in 2005.

Aker Material Handling has a significant market in Scandinavia, and this market has developed favorably over a long period. More recently, the important German market is showing signs of recovery.

The Aker Material Handling Group is continuing its systematic development of storage and logistics solutions and products. The company has recently begun direct purchasing of components from China, with significant savings achieved. The company has also recently strengthened its sales organization in UK, Ireland, Eastern Europe and Algeria.

Aker Material Handling is a wholly owned Aker Group subsidiary.

Amounts in NOK million <b>Parent company, other activities, and Group eliminations</b>	<b>1Q</b>		<b>Year</b>
	2005	<b>2006</b>	2005
Operating revenues	(1 046)	<b>145</b>	(921)
EBITDA	(82)	<b>(10)</b>	(199)
Profit after financial items	(103)	<b>(299)</b>	777

Aker ASA and other activities include the parent company and a number of wholly owned holding companies that are part of the parent company structure, as well as the operational, wholly owned companies Aker Capital, Aker Seafoods Corp., Molde Fotballklubb, and Group eliminations. Operating expenses of the parent company amounted to NOK 32 million in the first quarter of 2006.

Aker Capital owns 30.8 percent of the shares of Aker Drilling ASA and 39.9 percent of the shares of Bjørge ASA. Both of these companies are listed on the Oslo Stock Exchange.

Aker Capital also owns 60 percent of the company Aker Invest. The remaining Aker Invest shares are owned by Aker Yards. Aker Invest's ownership interests include 19.9 percent of the listed company Odim ASA, all shares in the industrial company Midsund Bruk, and 35 percent of the base and logistics company NorSea Group. The wholly owned company Atlas-Stord was divested in the first quarter of 2006.

Oslo, 28 April 2006  
Board of Directors  
Aker ASA



# Aker Group

## INCOME STATEMENT

Amounts in NOK million	Note	1Q 2005	1Q 2006	Year 2005
Operating revenues		11 628	17 159	57 927
Operating expenses		-11 136	-16 068	-54 934
<b>Operating profit before depreciation and amortization</b>		<b>492</b>	<b>1 090</b>	<b>2 993</b>
Depreciation and amortization		-178	-206	-798
Impairment changes and non recurring items		0	0	-69
<b>Operating profit</b>		<b>314</b>	<b>884</b>	<b>2 125</b>
Net financial items		-194	-183	-832
Other income		0	0	1 041
<b>Profit before tax</b>		<b>120</b>	<b>702</b>	<b>2 333</b>
Income tax expense		-89	-260	64
<b>Net profit/loss from continuing operations</b>		<b>31</b>	<b>441</b>	<b>2 397</b>
<b>Discontinued operations:</b>				
Profit for the period from discontinued operations	6	48	34	193
<b>Profit for the period</b>		<b>79</b>	<b>475</b>	<b>2 590</b>
Minority interest		80	366	976
Equity holders of the parent		-1	109	1 614
Average number of shares outstanding (million)		77,0	72,4	76,6
Basic earnings per share (NOK)		(0,01)	1,50	21,07
Diluted earnings per share (NOK)		(0,01)	1,50	21,07

Amounts in NOK million	1Q 2005	1Q 2006	Year 2005
Cash flow from operating activities	(1 695)	(887)	3 632
Cash flow from investing activities	1 201	(565)	1 211
Cash flow from financing activities	(921)	143	(594)
<b>Cash flow in the reporting period</b>	<b>(1 415)</b>	<b>(1 309)</b>	<b>4 249</b>
Effects of changes in exchange rates on cash	71	(20)	44
Cash and cash equivalents at the beginning of period	8 086	12 379	8 086
<b>Cash and cash equivalents at end of period</b>	<b>6 742</b>	<b>11 050</b>	<b>12 379</b>

# Aker Group

## BALANCE SHEET

Amounts in NOK million	Note	At 31.03 2005	At 31.03 2006	Year 2005
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant & equipment		5 629	6 548	6 523
Intangible assets		7 542	8 647	8 798
Deferred tax assets		1 649	2 200	2 221
Investment in associated companies		613	1 147	1 191
Other shares		116	399	235
Interest-bearing long-term receivables		848	695	1 020
Other non-current assets		228	351	331
<b>Total non-current assets</b>		<b>16 625</b>	<b>19 986</b>	<b>20 319</b>
<b>Current assets</b>				
Inventory, trade and other receivables		16 901	24 981	23 749
Interest-bearing short term receivables		216	1 022	832
Cash and bank deposits		6 742	11 050	12 379
<b>Total current assets</b>		<b>23 859</b>	<b>37 053</b>	<b>36 960</b>
Assets discontinued operations classified as held for sale	6	0	2 304	0
<b>Total assets</b>		<b>40 484</b>	<b>59 343</b>	<b>57 279</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Paid in capital		7 807	8 521	8 521
Retained earnings and other reserve		-1 511	-778	-416
<b>Total equity attributable to equity holders of the parent</b>		<b>6 296</b>	<b>7 743</b>	<b>8 105</b>
Minority interest		4 719	7 159	6 841
<b>Total equity</b>		<b>11 015</b>	<b>14 902</b>	<b>14 946</b>
<b>Non-current liabilities</b>				
Interest-bearing loans	5	6 632	8 411	8 186
Subordinated debt		2 860	3 197	3 167
Deferred tax liability		478	744	643
Provisions and other long-term liabilities		2 153	1 922	2 122
<b>Total non-current liabilities</b>		<b>12 123</b>	<b>14 274</b>	<b>14 118</b>
<b>Current liabilities</b>				
Short-term debt interest-bearing debt	5	1 329	5 050	4 473
Tax payable, trade and other payables		16 017	22 705	23 742
<b>Total current liabilities</b>		<b>17 346</b>	<b>27 755</b>	<b>28 215</b>
Liabilities discontinued operations held for sale	6	0	2 412	0
<b>Total liabilities</b>		<b>29 469</b>	<b>44 441</b>	<b>42 333</b>
<b>Total equity and liabilities</b>		<b>40 484</b>	<b>59 343</b>	<b>57 279</b>

## STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	At 31.03 2005	At 31.03 2006	Year 2005
As of beginning of period	6 120	8 105	6 120
IAS 39	100	0	100
Net profit	-1	109	1 614
Valuation differences	0	52	23
Cash flow hedges		-14	
Merger effects	0	0	1 330
Dividend	0	-470	-1 013
Translation and other differences	77	-39	-69
<b>As of end of period</b>	<b>6 296</b>	<b>7 743</b>	<b>8 105</b>

## Notes to the condensed consolidated interim financial statements 1<sup>st</sup> Quarter 2006

### 1. Reporting entity

Aker ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the first quarter 2006 ended 31 March comprise Aker ASA and its subsidiaries (together referred to as the "Group" and the Group's interests in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2005 are available at [www.akerasa.com](http://www.akerasa.com).

### 2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting,. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2005.

There are has not been issued any new IFRSs or interpretations after the completion of the consolidated financial statements for the year 2005. However some changes have been made, among other to IFRIC 4, IAS 19 and IAS 21. These changes have no material effect on Akers Group accounts.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 April 2006.

### 3. Significant accounting principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2005.

### 4. Estimates

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

The significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2005.

### 5. Loans and borrowings

Material changes in interest-bearing debt during the first quarter of 2006 are as follows:

Amounts in NOK million	Long-term	Short-term excl. construction loans	Construction loans	Total interest-bearing debt
Balance 01.01.2006	8 186	437	4 036	12 659
Converting Convertible debt in Aker Yards	(221)			(221)
Sale of own bonds in Aker ASA	446			446
Other changes	-	(82)	659	577
<b>Balance 31.03.2006</b>	<b>8 411</b>	<b>355</b>	<b>4 695</b>	<b>13 461</b>

## 6. Discontinued operations

In the accounts the Pulping and Power businesses are presented as discontinuing operations, and financial data for Pulping and Power are as follows.

### Income Statement

	1Q	1Q	Year
Amounts in NOK million	2005	2006	2005
Operating revenues	1 038	1 041	4 523
Operating expenses	-974	-980	-4 194
<b>Operating profit before depreciation and amortization</b>	<b>64</b>	<b>61</b>	<b>329</b>
Depreciation and amortization	-11	-13	-50
<b>Operating profit</b>	<b>53</b>	<b>48</b>	<b>279</b>
Net financial items	8	-3	-1
<b>Profit before tax</b>	<b>61</b>	<b>45</b>	<b>278</b>
Income tax expense	-13	-11	-85
<b>Profit for the period</b>	<b>48</b>	<b>34</b>	<b>193</b>

### Balance Sheet

	At 31.03
Amounts in NOK million	2006
Non-current operating assets	579
Current operating assets	1 725
<b>Total operating assets</b>	<b>2 304</b>
Non-current operating liabilities	125
Current operating liabilities	2 287
<b>Total operating liabilities</b>	<b>2 412</b>

### CASH FLOW STATEMENT

	1Q	1Q	Year
Amounts in NOK million	2005	2006	2005
Cash flow from operating activities	-154	157	158
Cash flow from investing activities	-16	-36	-104
Cash flow from financing activities	162	60	67
<b>Cash flow in the reporting period</b>	<b>-8</b>	<b>181</b>	<b>121</b>
Effects of changes in exchange rates on cash	2	9	14
Cash and cash equivalents at the beginning of period	374	507	374
<b>Cash and cash equivalents at end of period</b>	<b>368</b>	<b>697</b>	<b>509</b>

## 7. Business segments

Amounts in NOK million	Operating revenues			Operating profit before depreciation and amortization (EBITDA)		
	1Q	1Q	Year	1Q	1Q	Year
	2005	2006	2005	2005	2006	2005
Aker Kværner incl. Pulping & Power	8 407	11 588	41 463	376	710	2 145
Less Pulping and Power held for sale	-1 038	-1 041	-4 523	-64	-61	-329
Aker Yards	3 438	5 397	16 607	159	357	1 029
Aker American Shipping 1)	0	125	345	0	18	35
Aker Seafoods	667	605	2 339	83	67	181
Aker Material Handling	295	340	1 347	-3	9	35
Other, eliminations	-141	145	349	-59	-10	-103
<b>Total</b>	<b>11 628</b>	<b>17 159</b>	<b>57 927</b>	<b>492</b>	<b>1 090</b>	<b>2 993</b>

1) The revenue and EBITDA for Aker American Shipping are shown in this note includes the revenue and EBITDA from the time of Akers acquisition 30 June 2005.

### Aker Kværner business segments

Amounts in NOK million	Operating revenues			Operating profit before depreciation and amortization (EBITDA)		
	1Q	1Q	Year	1Q	1Q	Year
	2005	2006	2005	2005	2006	2005
Field Development	2 317	3 681	10 620	123	234	632
MMO	1 383	1 985	7 452	56	108	290
Subsea, Products & Technologies	1 887	2 671	9 854	110	173	654
Process	1 785	2 775	9 625	38	75	224
Other	-3	-565	-611	-15	59	16
<b>Total</b>	<b>7 369</b>	<b>10 547</b>	<b>36 940</b>	<b>312</b>	<b>649</b>	<b>1 816</b>
Pulping & Power (classified as held for sale)	1 038	1 041	4 523	64	61	329
<b>Total incl. Pulping and Power</b>	<b>8 407</b>	<b>11 588</b>	<b>41 463</b>	<b>376</b>	<b>710</b>	<b>2 145</b>

## 8. Subsequent event

Establishment of the company Aker Floating Production. As a result of the establishment a gain was recorded in the second quarter of 2006 of around NOK 800 million for Aker ASA and holding companies and around NOK 400 million for Aker Group.