THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO BUY ANY SECURITIES

# Aker ASA

# Prospectus in connection with listing of Aker ASA's A-shares on the Main List of Oslo Børs

**Joint Managers**

DnB NOR Markets

ENSKILDA SECURITIES

3 September 2004

## NOTICE TO SHAREHOLDERS*

This Prospectus has been prepared in connection with an application for listing of Aker's A-shares on the Main List of Oslo Børs. The Prospectus has been reviewed by Oslo Børs pursuant to section 14-4 of the Stock Exchange Regulations. There may have been changes in matters, which affect the Company or its subsidiaries subsequent to the date of this Prospectus. Any new material information arising after the publication of this Prospectus and before the Company's A-shares are listed on the Main List of Oslo Børs, or information correcting any material inaccuracy in the Prospectus received or noted during that same period of time, will be published as a supplement to this Prospectus in accordance with section 14-6 of the Stock Exchange Regulations. Neither the issue or delivery of this Prospectus shall, under any circumstances, create any implication that the information contained herein is complete or correct as of any time subsequent to the date hereof or that the affairs of the Aker Group have not since changed.

Only the Company and the Managers are entitled to provide information in respect of matters described in this Prospectus. Information that might be provided by any other persons is of no relevance to the contents of this Prospectus and should not be relied upon.

This Prospectus is subject to Norwegian law, unless otherwise explicitly stated. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts.

The Norwegian summary contained in this Prospectus has been included for information purposes only, and the English text of the Prospectus shall prevail in case of inconsistency.

In certain jurisdictions, the distribution of this Prospectus is subject to legal restrictions. No actions have or will be taken in any jurisdiction (except in Norway) that would permit the distribution of the Prospectus in any jurisdiction where action for that purpose is required. Any person receiving this Prospectus is required by the Company and the Managers to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in the Company.

No securities are being offered in the United States pursuant to the Prospectus. The Shares have not been and will not be registered under the U.S. Securities Act. Transfer of outstanding Shares may be restricted. Any subsequent offer or sale of such Shares in the United States may only be made if an exemption from registration under the U.S. Securities Act is available.

The Shares of the Company have not been approved or recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence.

The distribution of this Prospectus (which term shall include any form of communication) may be restricted pursuant to Section 21 (Restrictions on Financial Promotion) of the Financial Services and Markets Act 2000 (as amended). In relation to the United Kingdom, this Prospectus is only directed at, and may only be distributed to, persons who fall within the meaning of Article 19 (Investment Professionals) and 49 (High Net Worth Companies, Unincorporated Associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) or who are persons to whom the document may otherwise lawfully be distributed. This Prospectus may only be distributed in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended).

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each shareholder should consult with its own legal, business or tax adviser as to legal, business and tax advice.

Copies of this Prospectus can be obtained from the Company or the Managers.

* Capitalized terms used in this section shall have the meaning ascribed to them in Section 1 "Definitions".

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in Section 3 "Summary", Section 5 "The Aker Group" and elsewhere in this Prospectus are forward-looking. Such forward-looking statements and information are based on the beliefs of the Company's management or assumptions based on information available to the Company. When used in this document, the words "anticipate", "believe", "estimate" and "expect" and similar expressions, as they relate to the Aker Group or its management, are intended to identify forward-looking statements. Such forward-looking statements reflect the current views of the Company or its management with respect to future events and are subject to certain risks, uncertainties and assumptions. The Company can give no assurance as to the correctness of such forward-looking statements. Many factors could cause the actual results, performance or achievements of the Aker Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among other things, risks or uncertainties associated with the Aker Group's products, technological development, growth management, relations with customers and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations (including those of the European Union), taxes, changes in competition and pricing environments, and other factors referenced in this document. Some of these factors are discussed in more detail under Section 11 "Risk Factors". Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected. Except as required by applicable law, the Company does not intend, and does not assume any obligation, to update the forward-looking statements included in this Prospectus as at the date hereof.

## PRESENTATION OF FINANCIAL INFORMATION AND DEFINITION OF TERMS

The Aker Group's pro forma financial statements have been prepared on a historical cost basis on a consolidated level for all periods. Historical information for the Aker RGI Holding Group, pro forma information for the Aker Kværner Group and Aker Yards Group was derived from audited financial statements for 2001, 2002 and 2003, and unaudited financial statements for the period ended 30 June 2004. The pro forma financial statements have been prepared in accordance with Norwegian generally accepted accounting principles ("Norwegian GAAP") and the statement of accounting policies, which differ, in certain material respects from the International Financial Reporting Standards ("IFRS") and from generally accepted accounting principles in the United States ("U.S. GAAP"). A summary of certain significant differences between IFRS and Norwegian GAAP as they relate to the Company is included in Appendix 6 "Summary of certain significant differences between IFRS and Norwegian GAAP". A summary of certain significant differences between U.S. GAAP and Norwegian GAAP as they relate to the Company is included in Appendix 7 "Summary of certain significant differences between U.S. GAAP and Norwegian GAAP".

Certain financial and other information set forth in a number of tables in this Prospectus has been rounded, for the convenience of the readers. Accordingly, in certain instances, the sum of the numbers in a column may not conform exactly to the total figure given.

## ENFORCEABILITY OF JUDGMENTS

The Company is a public limited company organised under the laws of the Kingdom of Norway. A majority of its directors and executives, and certain of the experts named herein, reside in Norway or other countries other than the United States. All or a substantial portion of the assets of such persons and of the Company are located outside the United States. As a result, it may not be possible for shareholders to effect service of process within the United States upon such persons or the Company or to enforce, in U.S. courts or outside the United States, judgments obtained against such persons in jurisdictions outside the United States. In addition, it may be difficult for shareholders to enforce, in original actions brought in courts in jurisdictions located outside the United States, liabilities predicated upon the civil liability provisions of U.S. securities laws. The Company has been advised by its Norwegian counsel, Bugge, Arentz-Hansen & Rasmussen, that there is doubt as to the enforceability in Norway, in original actions or in actions for the enforcement of judgments of U.S. courts, of civil liability predicated upon U.S. securities laws or other laws of the United States or any state thereof.

## CURRENCIES

Unless otherwise specified or unless the context otherwise requires, All references in this Prospectus to (i) "Norwegian kroner" or "NOK" refer to the currency of Norway, (ii) "U.S. dollars", "U.S.$" or "USD" refer to the currency of the United States of America, (iii) "Pound sterling", "UK£" or "GBP" refer to the currency of the United Kingdom of Great Britain and Northern Ireland, and (iv) "Euro", "EUR" or "€"refer to the single currency of the European Union member states participating in the European Monetary Union ("EMU"). For indicative purposes only, the following were the spot rates to NOK as of 2 September 2004:

| **Country/Area** | **Currency** | **Spot rate** |
|---|---|---|
| United States | U.S.$ | 6.85 |
| United Kingdom | UK£ | 12.28 |
| EMU Area | € | 8.34 |

## RESPONSIBILITY STATEMENTS AND DISCLAIMERS

**Statement by the Board of Directors of Aker ASA**
This Prospectus has been prepared to provide information in connection with the Listing. To the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect the import of the Prospectus. Market conditions and future prospects have been appraised on the basis of best judgment.

Oslo, 3 September 2004

Board of Directors of Aker ASA

| | | |
|---|---|---|
| Kjell Inge Røkke<br>Chairman | Lone Fønss Schrøder<br>Deputy Chairman | Bjørn Flatgård |
| Eva von Hirsch | Kjeld Rimberg | Kjell Storeide |
| Atle Teigland | Harald M. Bjørnsen | Arne Otto Rogne |
| Leif G. Furre | | |

**Statement by the Managers**
DnB NOR Markets (a division of DnB NOR Bank ASA) and Enskilda Securities ASA (together the "Managers") have acted as financial advisors to the Company in connection with the Listing.

The Prospectus has been prepared by the Company, in co-operation with the Managers and their respective legal advisors. The Managers do not, however, make any representation, warranty or undertaking, express or implied, and accept no responsibility or liability as to the accuracy or the completeness of the information contained in this Prospectus or any other information supplied in connection with the Listing. Nor can the Managers accept any legal or financial liability in relation to the information in this Prospectus or any other information supplied in connection with the Listing.

As of 2 September 2004, DnB NOR Markets (including associated parties) and their employees held no Shares in the Company, Enskilda Securities ASA (including associated parties) and their employees held 245,190 Shares in the Company.

Oslo, 3 September 2004

| | |
|---|---|
| DnB NOR Markets<br>(a division of DnB NOR Bank ASA) | Enskilda Securities ASA |

**Legal Counsel**
**Statement by the Company's Norwegian Legal Counsel**
We have acted as Norwegian legal counsel to Aker ASA in connection with this Prospectus. We have reviewed the information provided in Section 9 "Legal Matters" and Section 10 "Taxation" of the Prospectus. On the basis of the information made available to us, we confirm that the description pertaining to legal matters given therein, when read together with the risk factors in Section 11 "Risk Factors", is correct in all material respects.

Our statement is limited to the above, and does not relate to the contents of any other parts of the Prospectus. Our statement is further limited to legal matters, and does not relate to any statement being of a commercial, technical, financial or accounting nature. Our statement only applies to matters governed by Norwegian law and we have assumed that no other law affects our statement expressed herein.

Oslo, 3 September 2004

Bugge, Arentz-Hansen & Rasmussen

**Statement by the Managers' Norwegian Legal Counsel**

Wikborg, Rein & Co. has acted as Norwegian legal counsel to DnB NOR Markets and Enskilda Securities ASA in connection with the Listing described in this Prospectus. We have reviewed the information provided in Section 9 "Legal Matters" and Section 10 "Taxation" of the Prospectus. On the basis of the information made available to us by the Company and its advisors, we confirm that the description pertaining to legal matters given therein, when read together with the risk factors in Section 11 "Risk Factors", is correct in all material respects.

Our statement is limited to the above, and does not relate to the contents of any other parts of the Prospectus. Our statement is further limited to legal matters, and does not relate to any statement being of a commercial, technical, financial or accounting nature. Our statement only applies to matters governed by Norwegian law and we have assumed that no other law affects our statement expressed herein.

Oslo, 3 September 2004

Wikborg, Rein & Co.

**TABLE OF CONTENTS**

**APPENDICES**

## 1. DEFINITIONS

Note that the definitions and terms also apply to the pages preceding this section.

| | |
|---|---|
| **Aker** | Aker ASA (organisation number 886 581 432), a Norwegian public limited company with its registered address at Fjordalléen 16, 0250 Oslo, Norway |
| **Aker Group** | Aker and its subsidiaries |
| **Aker Kværner** | Aker Kværner ASA (organisation number 986 529 551) |
| **Aker Kværner Group** | Aker Kværner and its subsidiaries |
| **Aker Material Handling** | Aker Material Handling AS (organisation number 971 191 872) |
| **Aker Material Handling Group** | Aker Material Handling and its subsidiaries |
| **Aker RGI** | Aker RGI AS (organisation number 981 936 248), a company indirectly wholly owned by Mr. Kjell Inge Røkke |
| **Aker RGI Group** | Aker RGI and its subsidiaries |
| **Aker RGI Holding** | The now dissolved company Aker RGI Holding AS, which was the transferring entity in the Merger (former organisation number 910 102 532) |
| **Aker RGI Holding Group** | The former group that comprised Aker RGI Holding and its subsidiaries |
| **Aker Share Distribution** | The distribution as dividend from Kværner of all A-shares in Aker, as described in Section 5.1.3 “The Aker Share Distribution” |
| **A-shares** | Shares in the Company of class A |
| **Aker Yards** | Aker Yards ASA (organisation number 986 751 408) |
| **Aker Yards Group** | Aker Yards and its subsidiaries |
| **Atlas-Stord** | Atlas-Stord AS (organisation number 977 297 729) |
| **Board** | The board of directors of the Company |
| **B-shares** | Shares in the Company of class B |
| **Consideration Shares** | The 23,439,055 existing, fully paid-up shares in Kværner received by Aker RGI and Mr. Kjell Inge Røkke as consideration in the Merger |
| **Company** | Aker |
| **Companies Register** | Foretaksregisteret (The Norwegian Register of Business Enterprises) |
| **GAAP** | Generally Accepted Accounting Principles |
| **ISIN** | International Securities Identification Number |
| **Kværner** | Kværner ASA (organisation number 918 883 908) |

| | |
|---|---|
| **Kværner Group** | Kværner and its subsidiaries |
| **Listing** | The listing of the Company's A-shares on the Main List of Oslo Børs, as further described in Section 4.1 "The Listing of the Company's A-shares" |
| **Managers** | DnB NOR Markets (a division of DnB NOR Bank ASA) and Enskilda Securities ASA together, as joint managers |
| **Merger** | The merger of Aker RGI Holding and Aker (at the time of the merger named Kværner Holding AS) with Aker as the acquiring entity, as further described in Section 5.1.2 "The Merger" |
| **Norway Seafoods** | Norway Seafoods AS (organisational number 971 593 148) |
| **Norway Seafoods Group** | Norway Seafoods AS and its subsidiaries |
| **Oslo Børs** | Oslo Børs ASA (the Oslo Stock Exchange) |
| **Prospectus** | This Prospectus dated 3 September 2004, including all appendices |
| **Public Companies Act** | The Norwegian Public Limited Liability Companies Act of 13 June 1997 No. 45 (as amended) (*allmennaksjeloven*) |
| **Securities Trading Act** | The Norwegian Securities Trading Act of 19 June 1997 No. 79 (as amended) (*verdipapirhandelloven*) |
| **Shares** | The A-shares and the B-shares together |
| **Stock Exchange Regulations** | The Norwegian Stock Exchange Regulations of 17 January 1994 No. 30 (as amended) (*børsforskriften*) |
| **VPS** | Verdipapirsentralen ASA (The Norwegian Central Securities Depository) |

## 2. NORSK SAMMENDRAG (SUMMARY IN NORWEGIAN)

*Dette sammendraget inneholder grunnleggende informasjon om Aker-konsernets virksomhet, historisk finansielle resultater og fremtidige forventninger. Sammendraget inneholder ikke all vesentlig informasjon vedrørende Aker-konsernet. Lesere anbefales å lese hele Prospektet nøye, herunder kapittel 11 "Risk Factors" og fremlagt finansiell informasjon.*

*Ved eventuell motstrid mellom dette sammendraget og den engelske teksten i Prospektet skal den engelske teksten legges til grunn.*

### 2.1 AKER-GRUPPEN

#### 2.1.1 Oversikt over virksomheten

Aker er holdingselskapet i et nyetablert industrielt konsern som omfatter de tidligere industrielle hovedvirksomhetene i Aker RGI-konsernet og deler av de industrielle hovedvirksomhetene i og aksjepostene eiet av Kværner-konsernet, som beskrevet nedenfor. Aker-konsernet omfatter flere selskaper med en ledende posisjon innenfor sine respektive industrier og virksomheter (alle tall i NOK milliarder og for 2003):

Omsetning: NOK 51,5
EBITDA: NOK 2,6
Ansatte: 39.300





| Aker Kværner | Aker Yards | Norway Seafoods | Aker Material Handling | Other |
|---|---|---|---|---|
| Omsetning: 31,3 | Omsetning: 15,9 | Omsetning: 1,5 | Omsetning: 2,0 | Omsetning: 0,8 |
| EBITDA: 1,0 | EBITDA: 1,6 | EBITDA: 0,1 | EBITDA: 0,0 | EBITDA: -0,1 |
| Ansatte: 22.000 | Ansatte: 14.500 | Ansatte: 1.300 | Ansatte: 960 | Ansatte: 540 |

*Aker Kværner-konsernet.* Aker Kværner-konsernet er et betydelig internasjonalt konsern innen oljetjenester, engineering og entreprenørvirksomhet som tilbyr design, engineering, prosjektledelse, innkjøp, produkt, fabrikasjon, vedlikehold, modifikasjon og relaterte tjenester til kunder innen utvalgte industrielle og geografiske nisjemarkeder. Konsernets aktiviteter omfatter virksomhetsområdene Olje & Gass og Engineering & Construction. Aker Kværner hadde i 2003 en samlet omsetning på ca. NOK 31,3 milliarder, og har ca. 22.000 ansatte i mer enn 30 land. Aker Kværner er notert på hovedlisten på Oslo Børs. Aker eier ca. 58 % av aksjene i Aker Kværner.

*Aker Yards-konsernet.* Aker Yards-konsernet er et multinasjonalt skipsverftkonsern med 13 verft lokalisert i Norge, Finland, Tyskland, Romania og Brasil. Målt i omsetning er Aker Yards verdens femte største skipsbyggingskonsern, og størst i Europa. Aker Yards-konsernet fokuserer på komplekse og sofistikerte fartøy, og er representert i fire markedssegmenter: offshore servicefartøy, cruiseskip og ferger, handelsfartøy og andre komplekse fartøy. Aker Yards hadde i 2003 en samlet omsetning på ca NOK 15,9 milliarder, og har ca 14.500 ansatte. Aker Yards er notert på hovedlisten på Oslo Børs. Aker eier ca 75 % av aksjene i Aker Yards.

*Norway Seafoods-konsernet*. Norway Seafoods-konsernet er en av de ledende hvitfisk-eksportørene i Europa, og spesialiserer seg på fangst, foredling, markedsføring og salg av sjømat. Norway Seafoods-konsernet er en av Norges største arbeidsgivere innen fiskeriindustrien. Konsernet omfatter tre foredlingsanlegg i Norge, tre foredlingsanlegg i Danmark samt eierskapsinteresser i 12 fiskefartøy som samlet har 18 hvitfiskkonsesjoner og fem rekekonsesjoner. Konsernet støtter prinsippet om bærekraftig utvikling, og deltar kun i nasjonalt og internasjonalt regulert fiskerivirksomhet. På både kort og lang sikt er Norway Seafoods virksomhet avhengig av en fortsatt fornuftig styring av ville fiskeressurser innenfor de relevante områdene. Norway Seafoods hadde i 2003 en samlet omsetning på ca. NOK 1,5 milliarder, og har ca. 1.300 ansatte. Norway Seafoods-konsernet er heleid av Aker.

*Aker Material Handling-konsernet*. Aker Material Handling-konsernet (tidligere Dexion Group) produserer lagrings- og arkiveringssystemer til bruk i industri- og kontormiljøer. Aker Material Handling-konsernet eier fire fabrikker, og driver salgsvirksomhet i betydelige europeiske markeder under velkjente merkenavn som Constructor, Bruynzeel, Compactus og Dexion. Aker Material Handling-konsernet ble dannet gjennom fusjonen mellom Constructor Group (tidligere eiet av Aker RGI Holding) og Dexion i 1999. Aker Material Handling-konsernet hadde i 2003 en samlet omsetning på ca. NOK 2.0 milliarder, og hadde ca. 960 ansatte. Aker eier 98,9 % av det operative selskapet innenfor Aker Material Handling-konsernet.

*Atlas-Stord*. Atlas-Stord er en ledende leverandør av dehydreringsløsninger og utstyr innen fôrindustrien basert på fiskemel, animalske biprodukter og biprodukter fra destillerier og bryggerier. Selskapet leverer også dehydreringsløsninger og –utstyr innenfor kommunal og industriell miljøsektor. Atlas-Stord er heleid av Aker.

*Kværner Insurance AS*. Kværner Insurance AS er et konserninternt forsikringsselskap (såkalt “captive”), og har konsesjon i Norge til å tilby forsikrings- og re-assuranseløsninger for Kværner-konsernet. Selskapet yter videre tjenester knyttet til anskaffelse av forsikringstjenester og rådgivningstjenester til virksomhetene og linjeledelsen. Kværner Insurance AS er heleid av Aker.

*Aker Kværner Asset Management ASA*. Aker Kværner Asset Management ASA ble etablert ultimo 2003, og bistår selskaper innenfor Aker-konsernet og Kværner-konsernet med kapitalforvaltning, strategisk rådgivning og oppfølgning av eksterne tjenester. Aker Kværner Asset Management ASA er heleid av Aker.

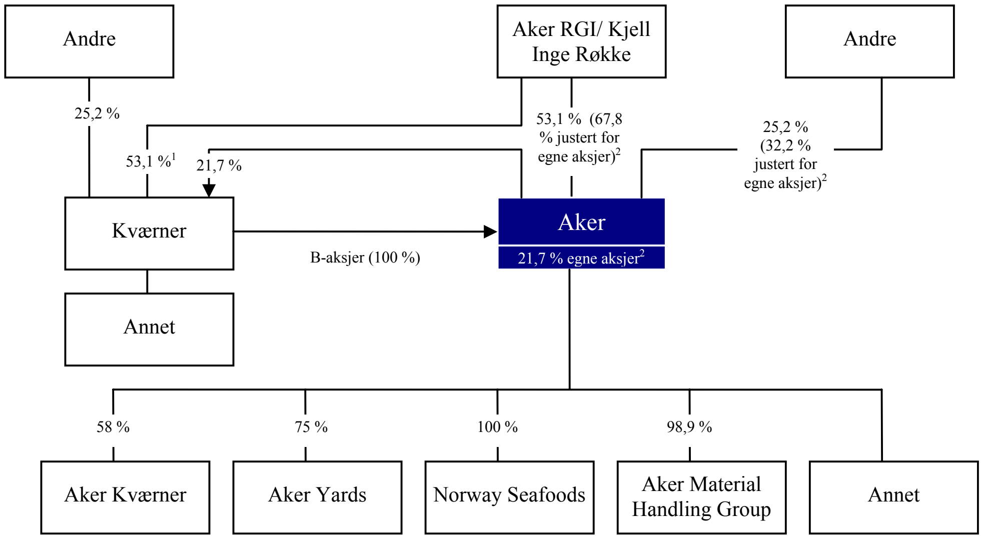
*Kværner ASA*. Aker eier 21,7% av aksjene i Kværner. Kværners hovedvirksomhet består i bestyrelse av ulike eiendeler, herunder dets eierskap i Aker, Kvaerner Philadelphia Shipyard Inc. (KPSI), Sea Launch, Ellayess, Aker Kvaerner Heavy Engineering og IMGB.

*Andre investeringer og eiendeler.* Andre investeringer og eiendeler eiet av Aker-konsernet omfatter:

- Investering i Norsea Group AS (33,5%)
- Investering i Supply Invest KS (22,7%)
- Aker RGI Management AS
- Wyndmore N.V.
- Champions Seafoods Ltd.
- Minoritetspost i Aker Finans AS
- Finansielle investeringer gjennom minoritetsandeler i ulike selskaper.

### 2.1.2 Selskaps- og aksjonærstruktur

Aker-konsernets overordnede selskaps- og aksjonærstruktur etter gjennomføring av Fusjonen og Aksjeutbyttet (jf punkt 5.1.2 “The Merger” og punkt 5.1.3 ”The Aker Share Distribution”) er som følger:




[1] Aker RGI/Kjell Inge Røkkes aksjeeie i Kværner vil etter reglene i den norske verdipapirhandelloven bli konsolidert med Akers aksjeeie i Kværner hva gjelder blant annet regler om flaggeplikt. Samlet eierskap utgjør 74,8 %

[2] Etter gjennomføring av Aksjeutbyttet vil Aker eie ca. 21,7 % av sine egne A-aksjer, hvorav ca. 15 % vil være eiet av Aker direkte og ca. 6,7 % eiet av Akers heleide datterselskap RGI (Europe) B.V. Se punkt 5.1.3 ”The Aker Share Distribution”.

### 2.1.3 Konsolidert pro forma resultatregnskap

Inntatt nedenfor er konsolidert pro forma resultatregnskap for Aker-konsernet for regnskapsårene 2001, 2002 og 2003, for andre kvartal 2004 og 2003 og første halvår 2004 og 2003. Ytterligere finansiell informasjon for Aker-konsernet, herunder grunnlaget for utarbeidelsen av regnskapet, er presentert i kapittel 7 “Financial matters”.

## PRO FORMA RESULTATREGNSKAP FOR AKER

| Beløp i millioner NOK | Andre kvartal 2004 | Andre kvartal 2003 | Første halvår 2004 | Første halvår 2003 | År 2003 | År 2002 | År 2001 |
|---|---|---|---|---|---|---|---|
| **Omsetning** | **13 322** | **12 930** | **24 748** | **25 406** | **51 458** | **57 980** | **67 304** |
| Driftskostnader | -12 750 | -12 215 | -23 561 | -24 167 | -48 851 | -56 392 | -66 078 |
| **EBITDA** | **572** | **715** | **1 187** | **1 239** | **2 607** | **1 588** | **1 226** |
| Avskrivninger | -206 | -218 | -392 | -418 | -842 | -996 | -1 014 |
| **EBITA** | **366** | **497** | **795** | **821** | **1 765** | **592** | **212** |
| Amortisasjon | -134 | -129 | -278 | -258 | -547 | -543 | -559 |
| Spesielle driftsposter | -121 | 95 | -121 | 95 | -484 | -677 | -537 |
| **Driftsresultat** | **112** | **464** | **396** | **659** | **734** | **-628** | **-884** |
| Andel av resultat i tilknyttede selskap | -11 | -4 | -7 | -4 | -14 | -7 | 12 |
| Netto finansielle poster | -203 | -327 | -328 | -859 | -1 131 | 61 | -869 |
| Spesielle finansielle poster | - | - | - | - | 122 | -308 | -1 328 |
| **Resultat etter finansielle poster** | **-102** | **133** | **61** | **-205** | **-289** | **-882** | **-3 069** |
| Skatt på ordinært resultat | -34 | -58 | -131 | 31 | 19 | -44 | 442 |
| **Netto ordinært resultat** | **-136** | **74** | **-70** | **-174** | **-270** | **-926** | **-2 627** |
| Minoritetsinteresser | 3 | 10 | 51 | -14 | 29 | 26 | -472 |
| Majoritetsinteresser | -139 | 65 | -121 | -159 | -299 | -951 | -2 155 |

### 2.1.4 Strategi

Aker vil være en aktiv, industriell eier som vil investere kapital og kunnskap i sin portefølje av virksomheter, med sikte på å skape verdier for selskapet og dets aksjonærer. Hovedelementer i Akers strategi i fremtiden inkluderer:

- Aker vil ha en fokusert og dedikert ledergruppe som vil være aktivt involvert i drift, strukturering og finansiering av sine datterselskaper og investeringer, og vil søke å oppnå verdiskapning innenfor de ulike virksomhetsområdene.

- Aker vil fortrinnsvis søke å skape verdier for sine aksjonærer gjennom utvikling av sine nåværende eiendeler, men kan samtidig vurdere nye investeringsmuligheter på områder hvor Aker har den kompetanse og kunnskap som kreves for å ta en aktiv rolle i videreutviklingen av virksomheten.

Som følge av deres størrelse og verdi vil det være et hovedfokus på Akers majoritetsposter i Aker Kværner, Aker Yards og Norway Seafoods, og verdiene som skapes innenfor disse konsernene vil ha vesentlig innvirkning på verdien av Aker. Aker vil bidra til en kontinuerlig forbedring av driften og den strategiske posisjoneringen av disse virksomhetene og herunder sikre en fordelaktig utvikling av Aker Kværner, Aker Yards og Norway Seafoods som markedsledere innenfor deres virksomhetsområder.

## 2.2 BØRSNOTERINGEN

Den 2. september 2004 godkjente styret ved Oslo Børs en søknad om notering av Akers A-aksjer på hovedlisten ved Oslo Børs. Det er forventet at A-aksjene vil bli opptatt for notering fra og med 8. september 2004. Størrelsen på en børspost vil være 100 A-aksjer. Tickerkoden for A-aksjene vil være AKER.

Aker har ikke søkt om notering for sine B-aksjer på Oslo Børs. Videre har Aker verken for sine A- eller B-aksjer søkt om notering ved noen annen børs eller autorisert markedsplass, og forventer for tiden ikke å gjøre dette.

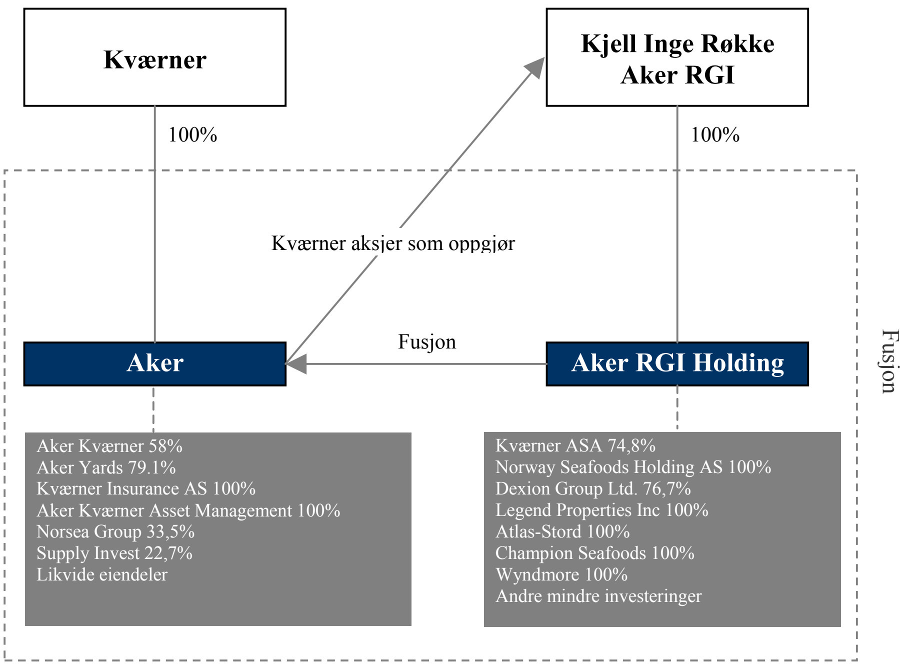
Ingen verdipapir tilbys eller selges i dette Prospektet.

## 2.3 ETABLERINGEN AV AKER-KONSERNET

Den 29. juli 2004 ble fusjonen mellom Aker og Aker RGI Holding ("Fusjonen") registrert gjennomført i Foretaksregisteret, med Aker som overtagende selskap. Som følge av Fusjonen ervervet Aker hele Aker RGI Holdings virksomhet. Aker RGI Holdings tidligere eiere, Aker RGI og Kjell Inge Røkke, mottok allerede eksisterende aksjer i Kværner som fusjonsvederlag. Før gjennomføring av Fusjonen hadde Aker videre blitt tilført bestemte industrielle hovedvirksomheter og aksjeposter fra Kværner.

Begrunnelsen for fusjonen var de senere års utvikling i samarbeidet mellom Kværner og Aker RGI. En vesentlig del av selskapenes portefølje var allerede fusjonert før Fusjonen, senest ved fusjonen mellom Aker Yards AS og Aker Kværner Investments AS som ble gjennomført den 21. mai 2004 i forbindelse med etableringen av Aker Yards-konsernet. Kværners virksomheter betjente det internasjonale markedet, og har basert sin virksomhet på kapital fra de internasjonale finansmarkeder. I lys av dette var det ønskelig å skape en forenklet og gjennomsiktig struktur med et nytt børsnotert selskap, under navnet Aker ASA, som eierselskap for alle de industrielle virksomhetene i det tidligere Aker RGI Holding-konsernet og for flere av virksomhetene Kværner-konsernet, mens Kværner fortsatte med en del andre engasjementer. Dermed ble en klar ansvars- og arbeidsdeling synliggjort, der industrivirksomhetene i de to konsernene samles under en felles ledelse.

Strukturen i Fusjonen kan illustreres som følger:




## 2.4 AKSJEUTBYTTET

### 2.4.1 Aksjeutbyttet

I henhold til generalforsamlingens vedtak 2. juli 2004 har Kværner vedtatt å utdele alle A-aksjer i Aker i utbytte til sine aksjonærer. A-aksjene deles ut pro-rata etter antall aksjer eid i Kværner pr. 3. september 2004, slik at aksjonærer berettiget til utbytte vil motta én Aker A-aksje for hver Kværner aksje de eier.

Dette innebærer at fra og med 6. september 2004 vil Kværner-aksjen omsettes uten rett til å motta A-aksjer i Aksjeutbyttet.

Forutsatt at A-aksjene tas opp til notering på Oslo Børs den 8. september 2004, vil Kværner utdele og gjøre tilgjengelig A-aksjene på de berettigede aksjonærenes VPS-konti den 10. september 2004. Dette innebærer at handel i A-aksjer foretatt i perioden 8. september – 9. september 2004 ikke kan gjøres opp før 10. september 2004.

Ettersom Aker direkte og indirekte eier 21,7% av aksjene i Kværner, er Aker også direkte og indirekte berettiget til å motta 21,7% av Aker A-aksjene distribuert i forbindelse med Aksjeutbyttet. Av de 21,7% vil Aker motta ca 15% direkte, mens et heleid datterselskap av Aker vil motta ca 6,7%. Verken Aker eller dets heleide datterselskap vil være berettiget til å stemme for disse A-aksjene.

### 2.4.2 Kildeskatt for Kværner-aksjonærer som ikke er skattemessig hjemmehørende i Norge

Utbytte til aksjonærer som ikke anses skattemessig hjemhørende i Norge, er gjenstand for norsk kildeskatt. Dette gjelder også for utbytte i form av A-aksjer. Med mindre det er inngått skatteavtale mellom Norge og aksjonærens bostedsland om en annen skattesats, er satsen 25 % for kildeskatt.
Det vises til punkt 10.1.1 "Taxation on dividends – Non-resident shareholders".

Som opplyst i en børsmelding fra Kværner datert 1 september 2004, er Kværner forpliktet til å holde tilbake kildeskatt påløpt i forbindelse med Aksjeutbyttet. Det vil si at Kværner vil beholde en prosentmessige andel av A-aksjene, tilsvarende kildeskattesatsen for den enkelte aksjonær som er underlagt kildeskatt. Kværner vil deretter betale kildeskatten på vegne av aksjonærene.

Eksempel: Dersom en aksjonær som ikke anses skattemessig hjemhørende i Norge er berettiget til 100 A-aksjer før skatt, vil Kværner beholde 25 av de 100 aksjene for å dekke kildeskatten, forutsatt en kildeskattesats på 25%. Dette innebærer altså at aksjonærer som ikke anses skattemessig hjemhørende i Norge forholdsmessig vil motta et lavere antall A-aksjer enn deres pro-rata andel Kværner-aksjer pr. 3. september 2004 skulle tilsi.

For ytterligere informasjon vedrørende kildeskatt på A-aksjene kan Tilretteleggerne kontaktes på de addresser som er angitt i punkt 4.2 "Managers". I den utstrekning mottagere av A-aksjer kommer til en annen ordning med Tilretteleggerne vedrørende oppgjør av kildeskatt enn det som er beskrevet foran, kan man se bort fra ordningen beskrevet i dette punktet.

## 2.5 RISIKOFAKTORER

Et antall risikofaktorer kan påvirke Aker-konsernet og omsetningskursen for A-aksjene negativt. Disse risikofaktorene omfatter finansiell risiko, risiko knyttet til drift av virksomhetene i Aker-konsernet, miljømessig og regulatorisk risiko. Se nærmere under punkt 11 "Risk factors" for en presentasjon av et utvalg av de ulike risikoelementer som vurderes som særlig relevante for Aker-konsernet. Dersom noen av disse risiki eller usikkerheter inntreffer vil virksomheten, driftsresultatene og den finansielle stillingen for Aker-konsernet kunne bli vesentlig negativt påvirket. De risiki som er presentert i dette Prospektet er ikke uttømmende og andre risiki enn de omtalt her kan også påvirke Aker-konsernet.

## 3. SUMMARY

*This summary contains basic information about the Aker Group's business, historical financial performance and future prospects. This summary does not contain all material information regarding the Aker Group. Readers should read the entire Prospectus carefully, including Section 11 "Risk Factors" and the financial statements included in this Prospectus.*

### 3.1 THE AKER GROUP

#### 3.1.1 Business overview

Aker is the holding company in a new industrial group comprising the former main industrial activities of the Aker RGI Group and certain of the main industrial activities and shareholdings of the Kværner Group as described below. The Aker Group comprises several companies with a leading position in their respective industries and business area (all amounts in NOK billion and for 2003):

Operating revenues: NOK 51.5
EBITDA: NOK 2.6
Employees: 39,300

| Aker Kværner | Aker Yards | Norway Seafoods | Dexion | Other |
|---|---|---|---|---|
| Op revenues: 31.3 | Op revenues: 15.9 | Op revenues: 1.5 | Op revenues: 2.0 | Op revenues: 0.8 |
| EBITDA: 1.0 | EBITDA: 1.6 | EBITDA: 0.1 | EBITDA: 0.0 | EBITDA: -0,1 |
| Employees: 22,000 | Employees: 14,500 | Employees: 1,300 | Employees: 960 | Employees: 540 |

*Aker Kværner Group*. The Aker Kværner Group is a major international oil service, engineering and construction group. The group provides design, engineering, project management, procurement, products, construction, maintenance, modifications and related services to customers in niche industrial and geographic markets. The group's activities span a number of industries, including Oil & Gas, Refining & Chemicals, Pharmaceuticals & Biotechnology, Mining & Metals, Power generation and Pulp & Paper. Aker Kværner had aggregated annual pro forma revenues of approximately NOK 31.3 billion in 2003 and employs around 22,000 employees in more than 30 countries. Aker Kværner is listed on Oslo Stock Exchange and Aker owns approximately 58% of the shares in Aker Kværner.

*Aker Yards Group*. The Aker Yards Group is a multinational shipyard group with 13 yards located in Norway, Finland, Germany, Romania and Brazil. Measured by revenues, Aker Yards is the fifth largest shipbuilding group in the world and largest in Europe. The Aker Yards Group focuses on complex and sophisticated vessels and is represented in four market segments; Offshore Service Vessels, Cruise and Ferries, Merchant Vessels and Other Complex Vessels. Aker Yards had aggregated annual pro forma revenues of approximately NOK 15.9 billion in 2003 and employs around 14,500 employees. Aker Yards is listed on Oslo Børs and Aker owns approximately 75% of the shares in Aker Yards.

*Norway Seafoods Group*. The Norway Seafoods Group is one of the leading exporters of whitefish products in Europe and specialises in harvesting, processing, marketing and sale of seafood products.

The Norway Seafoods Group is among the largest employers in Norway's fishing industry. The group comprises three production facilities in Norway, three production facilities in Denmark as well as ownership interests in 12 fishing vessels holding 18 whitefish licenses and five shrimp licenses. Supporting sustainable management of wild fish resources, the group only participates in nationally and internationally regulated fisheries. In both a short and long term perspective, Norway Seafoods' operations depend on the continued prudent management of wild fish resources in the relevant fisheries. Norway Seafoods had aggregated revenues of approximately NOK 1.5 billion in 2003 and employs around 1,300 employees. The Norway Seafoods Group is wholly owned by the Company.

*Aker Material Handling Group*. The Aker Material Handling Group (previously Dexion Group) manufactures storage, filing and archive systems used in industrial settings and office settings. Aker Material Handling Group owns four factories and has sales operations in major European markets under well-known brand names such as Constructor, Bruynzeel, Compactus and Dexion. Aker Material Handling Group was formed through the merger between Constructor Group (previously owned by Aker RGI Holding) and Dexion in 1999. The group had aggregated revenues of approximately NOK 2.0 billion in 2003 and around 960 employees. Aker owns 98.9% of the operating company within the Aker Material Handling Group.

*Atlas-Stord*. Atlas-Stord is a leading supplier of de-watering solutions and equipment within the feed industry based on fishmeal, animal by-products and by-products from distillers and breweries. The company also supplies de-watering solutions and equipment within the municipal and industrial environmental sector. Atlas-Stord is wholly owned by Aker.

*Kværner Insurance AS*. Kværner Insurance AS is a captive/in-house insurance company, and is licensed in Norway to write direct and indirect insurance for the Kværner Group. The company provides procurement of insurance and advisory services for the businesses and line management. Kværner Insurance AS is wholly owned by Aker.

*Aker Kværner Asset Management ASA*. Aker Kværner Asset Management ASA was established at the end of 2003, and assists companies associated with the Aker Group and Kværner Group with capital management, strategic advice and follow-up of external services. Aker Kværner Asset Management ASA is wholly owned by Aker.

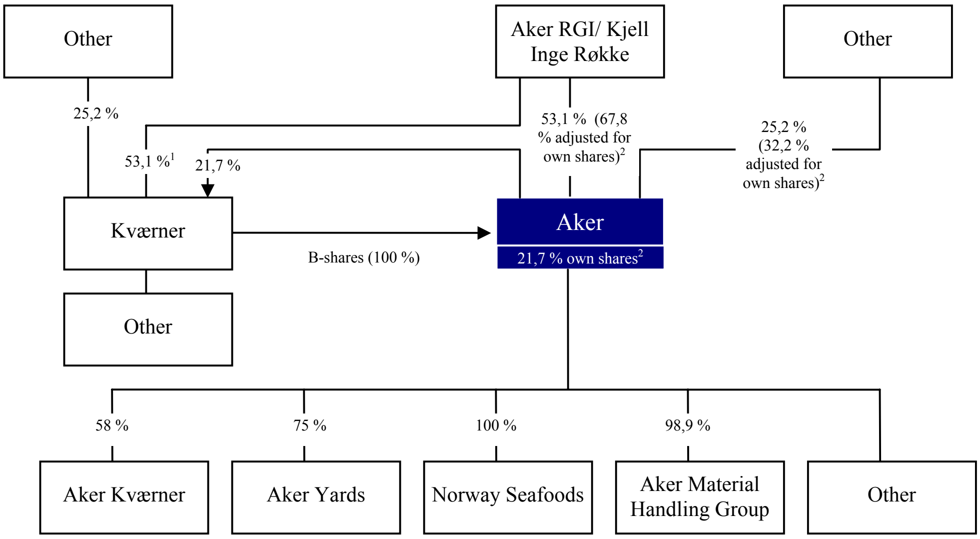
*Kværner ASA*. Aker owns 21.7% of the share capital in Kværner. Kværner's main operations are management of various assets, including its ownership in the Company, Kvaerner Philadelphia Shipyard Inc (KPSI), Sea Launch, Ellayess, Aker Kvaerner Heavy Engineering and IMGB.

*Other investments and assets.* Other investments and assets of the Aker Group include:

- Investments in the Norsea Group AS (33.5%)
- Investment in Supply Invest KS (22.7%)
- Aker RGI Management AS
- Wyndmore N.V.
- Champions Seafoods Ltd.
- Minority stake in Aker Finans AS
- Financial investments through minority stakes in companies.

### 3.1.2 Corporate and shareholder structure

The Aker Group's principal corporate and shareholder structure following completion of the Merger and the Aker Share Distribution (see Section 5.1.2 "The Merger" and Section 5.1.3 "The Aker Share Distribution") is as follows:




1 Under the Norwegian Securities Trading Act, Aker RGI/Kjell Inge Røkke's shareholding in Kværner will be consolidated with Aker's shareholding in Kværner for among other things disclosure purposes. The consolidated holding is 74.8%

2 Following completion of the Aker Share Distribution, Aker will own approximately 21.7% of its own A-shares, of which approximately 15% will be held directly by Aker and approximately 6.7% by Aker's wholly owned subsidiary RGI (Europe) B.V. See Section 5.1.3 "The Aker Share Distribution".

### 3.1.3 Consolidated pro forma profit and loss accounts

Set out below is the consolidated pro forma profit and loss accounts for the Aker Group for the financial years 2001, 2002 and 2003, for Q2 2004 and 2003 and first half of 2004 and 2003. Further details on the Aker Group's financial data, including the basis on which the pro form accounts have been prepared, are presented in Section 7 "Financial matters".

**PRO FORMA PROFIT AND LOSS ACCOUNTS FOR AKER**

| Amounts in NOK million | Q2 2004 | Q2 2003 | H1 2004 | H1 2003 | Year 2003 | Year 2002 | Year 2001 |
|---|---|---|---|---|---|---|---|
| **Operating revenues** | **13 322** | **12 930** | **24 748** | **25 406** | **51 458** | **57 980** | **67 304** |
| Operating expenses | -12 750 | -12 215 | -23 561 | -24 167 | -48 851 | -56 392 | -66 078 |
| **EBITDA** | **572** | **715** | **1 187** | **1 239** | **2 607** | **1 588** | **1 226** |
| Depreciation | -206 | -218 | -392 | -418 | -842 | -996 | -1 014 |
| **EBITA** | **366** | **497** | **795** | **821** | **1 765** | **592** | **212** |
| Amortization | -134 | -129 | -278 | -258 | -547 | -543 | -559 |
| Exceptional operating items | -121 | 95 | -121 | 95 | -484 | -677 | -537 |
| **Operating profit** | **112** | **464** | **396** | **659** | **734** | **-628** | **-884** |
| Share of earnings in associated companies | -11 | -4 | -7 | -4 | -14 | -7 | 12 |
| Net financial items | -203 | -327 | -328 | -859 | -1 131 | 61 | -869 |
| Exceptional financial items | - | - | - | - | 122 | -308 | -1 328 |
| **Profit after financial items** | **-102** | **133** | **61** | **-205** | **-289** | **-882** | **-3 069** |
| Tax on ordinary profit | -34 | -58 | -131 | 31 | 19 | -44 | 442 |
| **Net ordinary profit** | **-136** | **74** | **-70** | **-174** | **-270** | **-926** | **-2 627** |
| Minority interest | 3 | 10 | 51 | -14 | 29 | 26 | -472 |
| Majority interest | -139 | 65 | -121 | -159 | -299 | -951 | -2 155 |

### 3.1.4 Strategy

Aker will be an active industrial owner, which will invest capital and skills in its portfolio of businesses in order to create value-adding changes for the Company and its shareholders. Key elements of Aker's strategy going forward includes:

- Aker will have a focused and dedicated management team, which will be actively involved in the operations, structures and financing of its subsidiaries and investments, seeking value-enhancing measures throughout its businesses.

- Aker will primarily seek to create shareholder value through developing its current holdings, but may at the same time evaluate new investment opportunities for which Aker possesses the competence and skills necessary to take an active role in developing the business further.

By virtue of its size and value, Aker's majority ownership in Aker Kværner, Aker Yards and Norway Seafoods will be major focus areas, and the value created in these holdings will have substantial impact on the value of Aker. Aker will contribute to continuous improvement in operational performance and strategic positioning of these businesses, and thereby securing a favourable development of Aker Kværner, Aker Yards and Norway Seafoods as market leaders within their industries.

## 3.2 THE STOCK EXCHANGE LISTING

On 2 September 2004, the board of directors of Oslo Børs approved an application for listing of the Company's A-shares on the Main List of Oslo Børs. It is expected that the A-shares will be listed from 8 September 2004. The size of one round lot (*børspost*) will be 100 A-shares. The ticker code for the A-shares will be AKER.

The Company has not applied for listing of the B-shares on Oslo Børs. Nor has the Company applied for listing of it's a- or B-shares on any other stock exchange or authorized market place, and currently does not expect to do so.

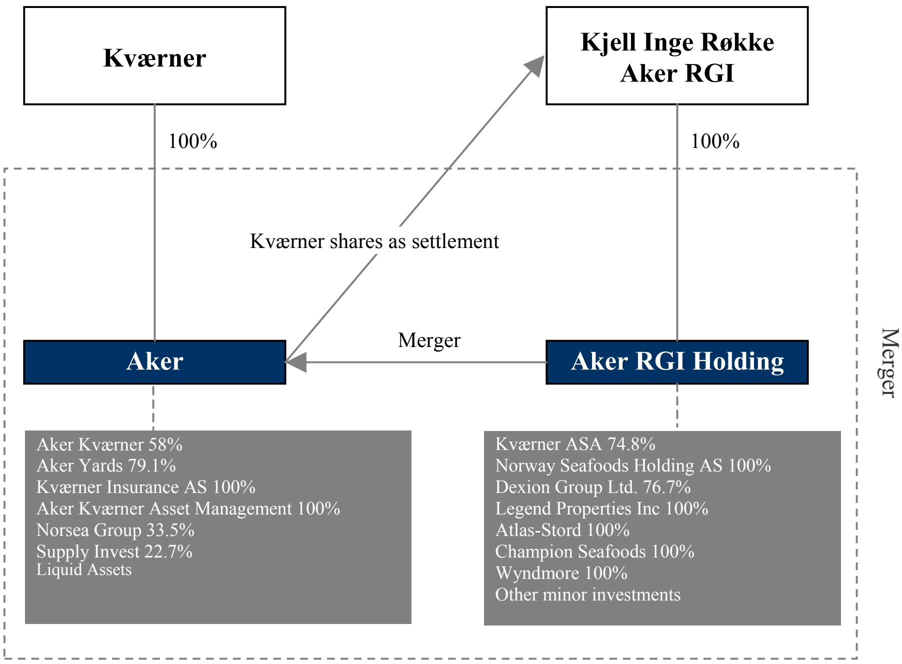
No securities are being offered or sold pursuant to this Prospectus.

## 3.3 THE ESTABLISHMENT OF THE AKER GROUP

The merger of Aker and Aker RGI Holding was registered as completed in the Companies Register on 29 July 2004, with Aker as the acquiring entity. Through the Merger, Aker acquired the entire business of Aker RGI Holding. The former owners of Aker RGI Holding, Aker RGI and Mr. Kjell Inge Røkke, have received the Consideration Shares as settlement for the business contributed by Aker RGI Holding in the Merger. Further, prior to completion of the Merger, certain of the main industrial businesses and share ownerships of Kværner were contributed to Aker.

The background for the Merger was the last years' development of the cooperation between Kværner and Aker RGI. A significant part of the companies' portfolios had already been combined prior to the Merger, the latest step being the merger between Aker Yards AS and Aker Kværner Investments AS that was completed on 21 May 2004 in connection with the establishment of the Aker Yards Group. Kværner's businesses served the international markets, and based their business on capital from international financial markets. In this context, it was preferred to create a simplified and transparent structure with a new listed company, named Aker ASA, as a holding company for the main industrial activities in the former Aker RGI Holding Group and several of the businesses in the Kværner Group, while Kværner would continue certain other engagements. This better reflected a structure with clear responsibilities and areas of work in which the industrial businesses of the two groups are organised under a mutual management.

The structure of the Merger can be illustrated as follows:




## 3.4 THE AKER SHARE DISTRIBUTION

### 3.4.1 The Aker Share Distribution

Pursuant to a shareholders' resolution made on 2 July 2004, Kværner has resolved to distribute all A-shares in Aker to its shareholders by way of a payment of dividend in kind. The A-shares will be distributed to Kværner-shareholders on a pro rata basis determined by shareholdings in Kværner at 3 September 2004. Eligible shareholders will receive one Aker A-share for each Kværner-share they own.

This implies that from and including 6 September 2004, shares in Kværner are trading without the right to receive A-shares in the Aker Share Distribution.

Assuming trading in A-shares on Oslo Børs commences on 8 September 2004, Kværner will deliver and make available the A-shares on eligible shareholders' VPS-accounts by 10 September 2004. This implies that trades in A-shares in the period 8 September – 9 September 2004 cannot be made for settlement before 10 September 2004 at the earliest.

As Aker directly and indirectly holds 21.7% of the shares in Kværner, Aker is directly and indirectly entitled to receive 21.7% of the Aker A-shares distributed in the Aker Share Distribution. Of the 21.7%, Aker will receive approximately 15% directly and Aker's wholly owned subsidiary will receive approximately 6.7%. Neither Aker nor its wholly owned subsidiary will be entitled to exercise voting rights for these A-shares.

### 3.4.2 Withholding tax for Kværner-shareholders not resident in Norway for tax purposes

Dividend paid to shareholders not resident in Norway for tax purposes, is subject to Norwegian withholding tax. This also applies to the distribution of A-shares. The tax rate is 25% unless a lower rate has been agreed in an applicable tax treaty between Norway and the respective shareholder's country of residence for tax purposes. See further Section 10.1.1 "Taxation on dividends – Non-resident shareholders".

As informed in a stock exchange notification from Kværner on 1 September 2004, Kværner is obligated to retain withholding tax which is payable on the distributed A-shares. Consequently, to cover the withholding tax Kværner will retain a percentage of the A-shares corresponding to the applicable withholding tax rate for each shareholder not resident in Norway for tax purposes. Kværner will subsequently pay the withholding tax on behalf of such shareholders.

As an example, if a shareholder, not resident in Norway for tax purposes, is entitled to receive 100 A-shares pre-tax, and the applicable withholding tax rate for that shareholder is 25%, Kværner will retain 25 of the 100 A-shares to cover the withholding tax. This implies that shareholders not resident in Norway for tax purposes and subject to withholding tax will receive a reduced number of A-shares compared to their pro rata shareholding in Kværner at 3 September 2004.

For further information on withholding tax payable on the A-shares, the Managers may be contacted on the addresses set out in Section 4.2 "Mangers". To the extent recipients of A-shares have made or make separate arrangements with the Managers for payment of withholding tax, the procedures described in the preceding paragraph may be disregarded.

## 3.5 RISK FACTORS

A number of risk factors may adversely affect the Aker Group and the trading price for the A-shares. These risk factors include financial risks, risks related to the business operations of the Aker Group, environmental and regulatory risks. See Section 11 "Risk factors" for a presentation of a selection of the various risk elements considered particularly relevant to the Aker Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial condition of the Aker Group could be materially and adversely affected. The risks presented in this Prospectus are not exhaustive, and other risks not discussed herein may also adversely affect the Aker Group.

# 4. THE STOCK EXCHANGE LISTING

## 4.1 THE LISTING OF THE COMPANY'S A-SHARES

On 2 September 2004, the board of directors of Oslo Børs approved an application for listing of the Company's A-shares on the Main List of Oslo Børs. It is expected that the A-shares will be listed from 8 September 2004. The size of one round lot (*børspost*) will be 100 A-shares. The ticker code for the A-shares will be AKER.

A-shares distributed in the Aker Share Distribution, see Section 5.1.3 "The Aker Share Distribution" will be available on eligible shareholders' VPS-accounts on 10 September 2004. Hence, traders in A-shares made 8 September or 9 September cannot be made for settlement earlier than 10 September 2004.

The Company has not applied for listing of the B-shares on Oslo Børs. Nor has the Company applied for listing of it's A- or B-shares on any other stock exchange or authorized market place, and currently does not expect to do so.

No securities are being offered or sold pursuant to this Prospectus.

## 4.2 MANAGERS

The Listing is being managed by DnB NOR Markets and Enskilda Securities ASA as joint lead managers.

The Managers' offices are:

**DnB NOR Markets**

Stranden 21
N-0021 Oslo
Norway
Facsimile: + 47 22 83 20 00
Telephone: + 47 22 94 88 80

**Enskilda Securities ASA**

Filipstad Brygge 1
P.O. Box 1363 Vika
N-0113 Oslo
Norway
Facsimile: + 47 21 00 89 00
Telephone: + 47 21 00 85 00

## 4.3 EXPENSES

The Company's expenses in connection with the Listing will be paid in cash and are estimated to be approximately NOK 5.1 million. The allocation of these expenses is shown below:

| Company | Address | Service | Amount (NOK thousand) |
|---|---|---|---|
| DnB NOR Markets | Oslo, Norway | Manager | 1.000 |
| Enskilda Securities ASA | Oslo, Norway | Manager | 1.000 |
| Bugge, Arentz-Hansen & Rasmussen | Oslo, Norway | Legal counsel to the Company | 750 |
| Wikborg, Rein & Co. (Incl. foreign counsel) | Oslo, Norway | Legal counsel to the Managers | 750 |
| PricewaterhouseCoopers | Oslo, Norway | Auditor to the Managers | 320 |
| KPMG AS | Oslo, Norway | Auditor to the Company | 500 |

In addition, approximately NOK 800,000 will be used for the printing of the Prospectus, Oslo Børs fees, travel expenses, etc.

The expenses related to legal and accounting assistance are estimates based on number of hours accrued and estimated hours outstanding. The remaining expenses are based on tender and fixed price estimates.

## 4.4 VPS REGISTRATION

The Company's registrar at the VPS is DnB NOR Bank ASA, Verdipapirservice, Stranden 21, N-0021 Oslo, Norway.

The Company's A-shares are registered in the VPS with securities number ISIN NO 001 023455.2. The Company's B-shares are registered in the VPS with securities number ISIN NO 001 023611.0.

# 5. THE AKER GROUP

## 5.1 ESTABLISHMENT OF THE AKER GROUP

### 5.1.1 Introduction

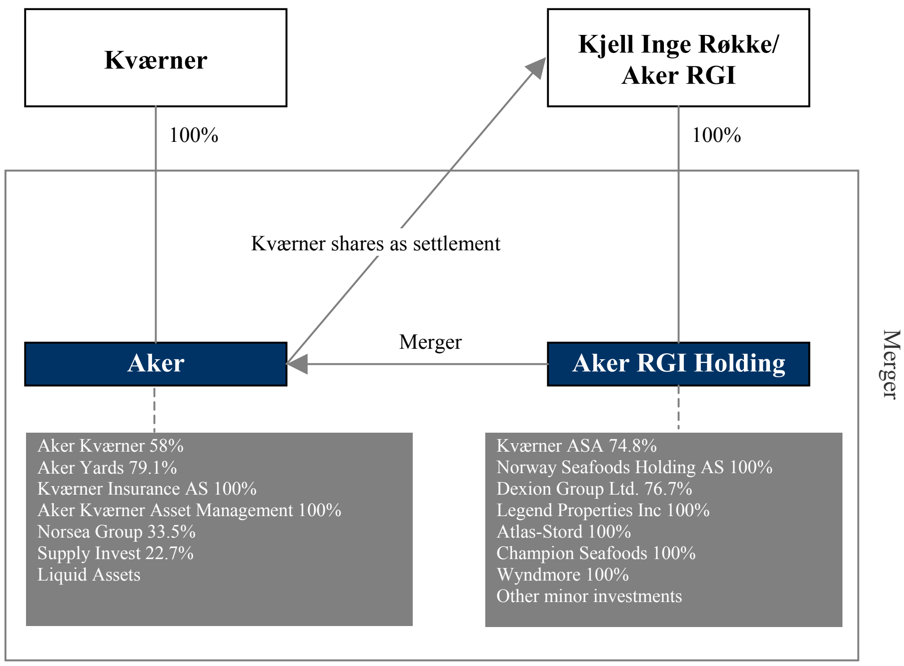
The establishment of the Aker Group was a natural and logical step in the reorganisation of the Kværner Group and the Aker RGI Holding Group that has been ongoing during the past three years, where the two groups have gradually integrated their operations. In 2002, the groups merged their oil and gas activities, and earlier this year their respective shipbuilding activities were merged (except for Kværner's yard in Philadelphia, USA). In April and May of this year, Kværner spun off the two subgroups Aker Kværner and Aker Yards, through a voluntary share exchange offer presented to its shareholders and an equity offering in Aker Kværner. Following these transactions, Kværner and Aker RGI Holding were both industrial holding companies, with aligned strategies and similar management requirements.

The establishment of the Aker Group involved three main elements; The contribution by Kværner to Aker's acquisition of certain of Kværner's main industrial activities and share ownerships, the Merger (for a description of both steps see Section 5.1.2 "The Merger") and the Aker Share Distribution (see Section 5.1.3 "The Aker Share Distribution").

### 5.1.2 The Merger

On 27 May 2004, Aker (then named Kværner Holding AS) and Aker RGI Holding entered into an agreement with regard to a merger between the two companies, with Aker as the acquiring entity. Through the Merger, Aker acquired the entire business of Aker RGI Holding. The owners of Aker RGI Holding received existing, fully paid shares in Kværner as merger consideration. Further, in connection with the Merger, Aker acquired certain assets from Kværner, notably Kværner's shareholdings in Aker Kværner and Aker Yards and certain liquid assets (including cash and receivables).

The business acquired by Aker from Kværner prior to the Merger and the structure of the Merger can be illustrated as follows:



The Merger was registered as completed in the Companies Register on 29 July 2004.

Aker RGI and Mr. Kjell Inge Røkke have received the Consideration Shares as settlement for the business contributed by Aker RGI Holding in the Merger. The Consideration Shares were part of the Kværner shares previously owned by Aker RGI Holding directly and indirectly through Aker Maritime and RGI (Europe) B.V. Aker RGI and Mr. Kjell Inge Røkke currently hold a total of 23,439,055 shares in Kværner and other shareholders hold a total of 11,132,107 shares, representing approximately 53.1% and 25.2% respectively of the issued shares in Kværner. In addition Aker, directly and indirectly, holds 9,560,192 (21.7%) shares in Kværner.

### 5.1.3 The Aker Share Distribution

The Aker Share Distribution

Pursuant to a shareholders' resolution made on 2 July 2004, Kværner has resolved to distribute all A-shares in Aker (representing approximately 51% of the share capital in Aker) to its shareholders by way of a payment of dividend in kind. The A-shares will be distributed to Kværner-shareholders on a pro rata basis determined by shareholdings in Kværner at 3 September 2004. Eligible shareholders will receive one Aker A-share for each Kværner-share they own.

This implies that from and including 6 September 2004, shares in Kværner are trading without the right to receive A-shares in the Aker Share Distribution.

Assuming trading in A-shares on Oslo Børs commences on 8 September 2004, Kværner will deliver and make available the A-shares on eligible shareholders' VPS-accounts by 10 September 2004. This implies that trades in A-shares in the period 8 September – 9 September 2004 cannot be made for settlement before 10 September 2004 at the earliest.

As Aker directly and indirectly holds 21.7% of the shares in Kværner, Aker is directly and indirectly entitled to receive 21.7% of the Aker A-shares distributed in the Aker Share Distribution. Of the 21.7%, Aker will receive approximately 15% directly and Aker's wholly owned subsidiary will receive approximately 6.7%. Aker will not be entitled to exercise voting rights for these A-shares.

Withholding tax payable on A-shares distributed to Kværner-shareholders not resident in Norway for tax purposes

Dividend paid to shareholders not resident in Norway for tax purposes, is subject to Norwegian withholding tax. This also applies to the distribution of A-shares. The tax rate is 25% unless a lower rate has been agreed in an applicable tax treaty between Norway and the respective shareholder's country of residence for tax purposes. See further Section 10.1.1 "Taxation on dividends – Non-resident shareholders".

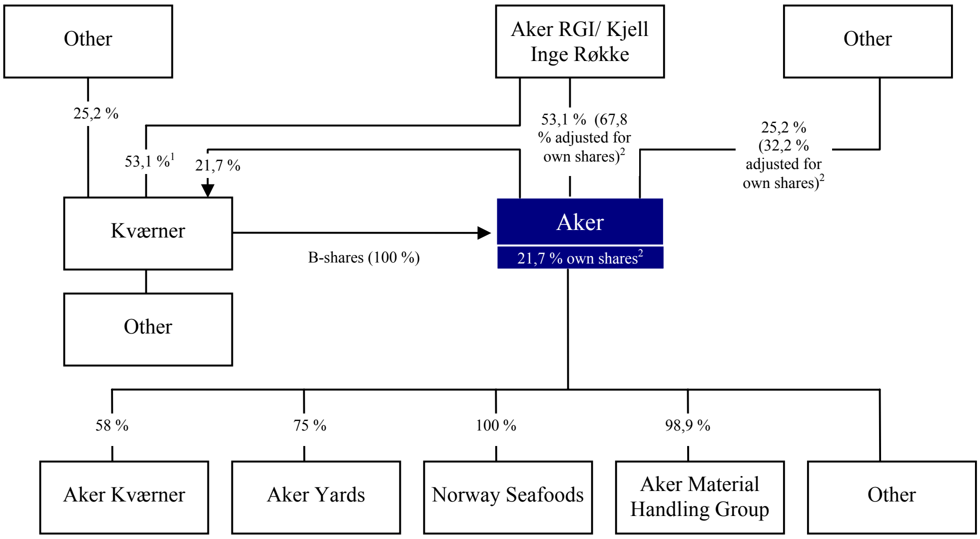
As informed in a stock exchange notification from Kværner on 1 September 2004, Kværner is obligated to retain withholding tax which is payable on the distributed A-shares. Consequently, to cover the withholding tax Kværner will retain a percentage of the A-shares corresponding to the applicable withholding tax rate for each shareholder not resident in Norway for tax purposes. Kværner will subsequently pay the withholding tax on behalf of such shareholders.

As an example, if a shareholder, not resident in Norway for tax purposes, is entitled to receive 100 A-shares pre-tax, and the applicable withholding tax rate for that shareholder is 25%, Kværner will retain 25 of the 100 A-shares to cover the withholding tax. This implies that shareholders not resident in Norway for tax purposes and subject to withholding tax will receive a reduced number of A-shares compared to their pro rata shareholding in Kværner at 3 September 2004.

For further information on withholding tax payable on the A-shares, the Managers may be contacted on the addresses set out in Section 4.2 "Mangers". To the extent recipients of A-shares have made or make separate arrangements with the Managers for payment of withholding tax, the procedures described in the preceding paragraph may be disregarded.

### 5.1.4 Corporate and shareholder structure

The Aker Group's principal corporate and shareholder structure following completion of the Aker Share Distribution is as follows:




1 Under the Norwegian Securities Trading Act, Aker RGI/Kjell Inge Røkke's shareholding in Kværner will be consolidated with Aker's shareholding in Kværner for among other things disclosure purposes. The consolidated holding is 74.8%

2 Following completion of the Aker Share Distribution, Aker will own approximately 21.7% of its own A-shares, of which approximately 15% will be held directly by Aker and approximately 6.7% by Aker's wholly owned subsidiary RGI (Europe) B.V. See Section 5.1.3 "The Aker Share Distribution".

Appendix 2 "Aker Group Corporate Organisation Chart" illustrates in a simplified manner the Aker Groups's corporate structure.

## 5.2 BUSINESS UNITS IN THE AKER GROUP

### 5.2.1 Overview

Aker is the holding company in a new industrial group – the Aker Group – comprising the former main industrial activities of the Aker RGI Holding Group and certain of the main industrial activities and share ownerships of the Kværner Group. The Aker Group comprises several entities with a leading position within their core industries and niches (all amounts in NOK billion and for 2003):

**Aker ASA**

Operating revenues: NOK 51.5
EBITDA: NOK 2.6
Employees: 39,300





| Aker Kværner | Aker Yards | Norway Seafoods | Dexion | Other |
|---|---|---|---|---|
| Op revenues: 31.3 | Op revenues: 15.9 | Op revenues: 1.5 | Op revenues: 2.0 | Op revenues: 0.8 |
| EBITDA: 1.0 | EBITDA: 1.6 | EBITDA: 0.1 | EBITDA: 0.0 | EBITDA: -0,1 |
| Employees: 22,000 | Employees: 14,500 | Employees: 1,300 | Employees: 960 | Employees: 540 |

### 5.2.2 Aker Kværner

#### *5.2.2.1 Overview*

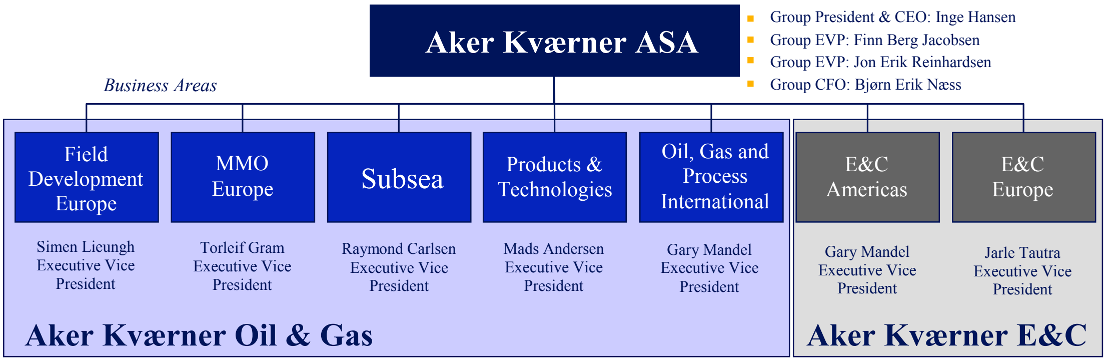
The Aker Kværner Group is an international oil service, engineering and construction group, providing design, engineering, management, procurement, products, construction and related services to customers in niche industrial and geographic markets. Aker Kværner is the parent company of the Aker Kværner Group, with a significant number of subsidiaries and affiliated companies. Aker Kværner is listed on the main list of Oslo Børs, and is a separate entity with separate management. Information contained in this Prospectus is therefore based on previously disclosed information from Aker Kværner.

Aker Kværner employed approximately 22,000 permanent employees in over 30 countries as at 31 December 2003 (excluding agency employees). Approximately 1,850 of the UK employees have been seconded from service companies owned by Kværner through separate labour service agreements.

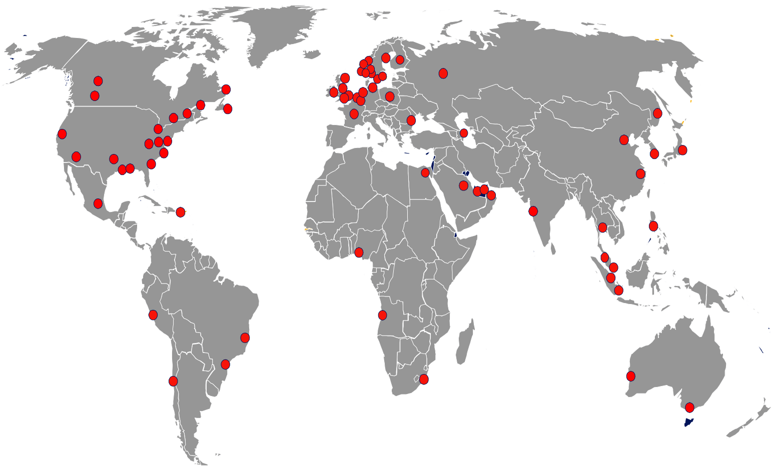
The Aker Kværner Oil & Gas business unit of Aker Kværner is a major supplier of offshore oil and gas installations and services. Services include design, procurement, delivery of products, fabrication, hook-up, commissioning, operations and maintenance of offshore exploration, development and production facilities. Aker Kværner Oil & Gas operates internationally, with its principal activities in Norway, the UK and the U.S. Aker Kværner Oil & Gas has operated in the North Sea region (both Norway and the UK) for about 40 years and has extensive international activities, including in the Gulf of Mexico, Brazil, Western Africa, South East Asia, Russia and the Middle East.

The Aker Kværner E&C business unit of Aker Kværner is a major provider of design, engineering, project management, procurement and construction services to niche industrial sectors on a worldwide basis. These sectors include chemicals and polymers, pharmaceuticals, oil and gas, water, power, metals, nuclear, pulping and minerals and mining. The Aker Kværner E&C business area operates internationally and its principal offices are located in the U.S., the UK, the Netherlands, Finland, Sweden, Australia and South East Asia.

Aker Kværner operates in a range of geographic markets and industrial segments, and any one or more of the projects it may be involved in could be spread over one or more countries. It is, therefore, not meaningful to determine an overall market share, or turnover, for the Aker Kværner Group. The summary chart below illustrates the Aker Kværner Group's operational structure, divided by business areas and group functions.




The following map shows the locations of the Aker Kværner Group's main offices and facilities around the world:



### *5.2.2.2 Selected pro forma financial information for the Aker Kværner Group*

Set out below is selected pro forma financial information for the Aker Kværner Group for the financial years 2001, 2002 and 2003, for Q2 2004 and 2003 and for first half 2004 and 2003. The information has been derived from Aker Kværner's interim financial report for the period ended 30 June 2004 and from the listing prospectus published by Aker Kværner on 19 March 2004.

The pro forma Aker Kværner Group accounts have been prepared on a historical cost basis on a consolidated level for all periods. The only significant acquisition in the three-year period was the acquisition of Aker Maritime's oil and gas business. Aker Maritime's oil and gas business was merged with Aker Kværner ASA's oil and gas business area effective 8 March 2002. The results from operations of Aker Maritime's oil and gas business have been reflected in the pro forma group financial statements as if the merger took place effective 1 January 2001. The acquisition of Aker Maritime's oil and gas business was accounted for as a purchase and acquired assets and liabilities were stated at fair value.

The formation of the Aker Kværner Group included many transactions involving transfers of businesses ultimately owned by Kværner at fair values differing from historical costs. In the group accounts continuity has been assumed. To the extent that these transactions were with companies owned outside of the Aker Kværner Group, but ultimately owned by Kværner, the difference between the historical basis and the new basis for assets and liabilities have been accounted for as increases and decreases in equity. Assets and liabilities have been included as if the combination took place at the beginning of the earliest period presented. Gains and losses on transactions within the Aker Kværner Group have been eliminated in the pro forma financial statements.

The Aker Kværner Group's pro forma financial statements include the results from operations of oil and gas and E&C businesses that form part of the Aker Kværner Group. The activities of oil and gas and E&C businesses sold to third parties between 2001-2003 have been excluded.

**UNAUDITED PRO FORMA PROFIT AND LOSS ACCOUNT**

| | Q2 2004 | Q2 2003 | H1 04 | H1 03 | 2003 | 2002 | 2001 |
|---|---|---|---|---|---|---|---|
| | Amounts in NOK million | | | | | | |
| Operating revenues | 8,857 | 7,563 | 16,572 | 14,802 | 31,327 | 34,140 | 40,253 |
| EBITDA | 335 | 194 | 659 | 403[1] | 1,003 | 573 | 330 |
| EBITA | 256 | 107 | 506 | 242 | 670 | 196 | -60 |
| EBIT before exceptional items | 178 | 31 | 339 | 190 | 355 | -124 | -402 |
| Exceptional items | - | -87 | - | -87 | -452 | -271 | 10 |
| EBIT | 178 | -56 | 339 | 3 | -97 | -395 | -392 |

[1] Includes gains on sales of assets of a total of NOK 68 million

### *5.2.2.3 Business units within the Aker Kværner Group*

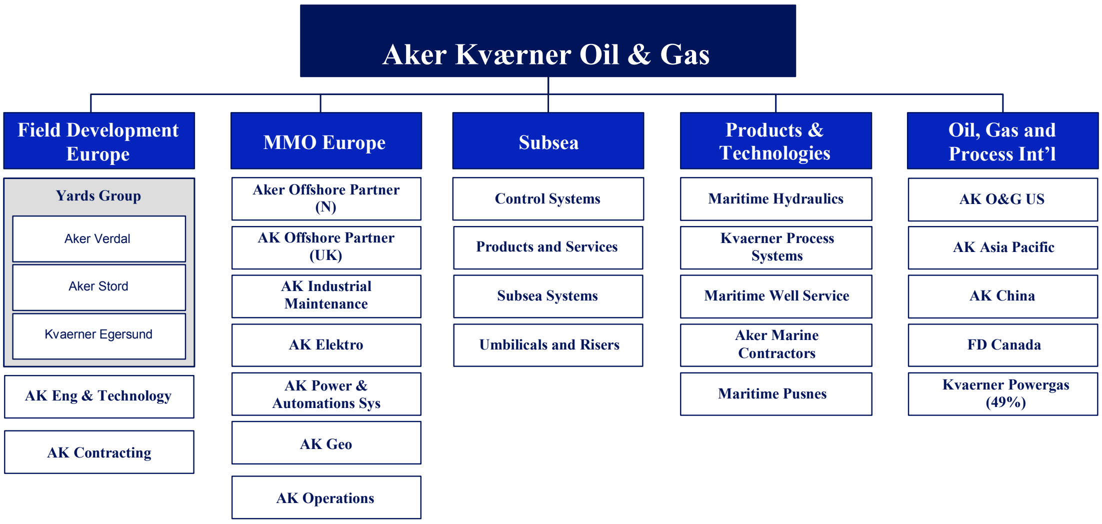
**Aker Kværner Oil & Gas**

Introduction

The Aker Kværner Oil & Gas business unit is a leading global provider of products, services and solutions, principally to the offshore upstream Oil and Gas industry. Aker Kværner Oil & Gas is involved in each stage in the life cycle of an offshore Oil and Gas field, from initial planning to removal and deconstruction of the installations. Aker Kværner Oil & Gas provides a wide range of products, services and solutions, including fixed, floating and subsea production systems and design engineering; project management and procurement; and offshore drilling and production facilities. Aker Kværner Oil & Gas is also involved in the operation, maintenance, modification, upgrade, and decommissioning of customers' installations. AK Oil & Gas also provides after sales service and support, including supplying spare parts and refurbishments to its installed base of products worldwide.

Aker Kværner Oil & Gas' operations are located in more than 20 countries and with principal activities in Norway, the United Kingdom and the United States. The customers include a number of the major international Oil and Gas companies. Aker Kværner has operated in the North Sea region for almost 40 years and has extensive international activities, including in the Gulf of Mexico, Atlantic Canada, Brazil, Western Africa, South-East Asia, Russia and the Middle East.

Aker Kværner Oil & Gas operates out of five divisions, which cover the upstream oil and gas business and strategically selected segments of the downstream oil and gas business. The divisions are organized according to market segment and geographical focus and are Field Development Europe; Oil, Gas and Process International; Subsea; Products and Technologies; and Maintenance, Modification and Operations Europe (MMO).




Each of the divisions provide solutions to different aspects of Aker Kværner's customers' upstream and downstream Oil and Gas businesses and each division offers a range and combination of selected segments of their products, services and solutions to the Aker Kværner Group's customers, tailored to their individual needs. The particular range depends upon the market segment focus of that particular division. Aker Kværner Oil & Gas serves integrated, independent and national oil and gas companies, petrochemical companies, drilling contractors and other oil service companies.

<u>Field Development Europe and Oil, Gas & Process International</u>

*Introduction*
The coordination and responsibilities for the Aker Kværner's field development activities are divided between the Field Development Europe division and the Oil, Gas & Process International division. The split is based primarily on the geographical region of customers' operations. Field Development Europe provides capital project solutions to European based customers' upstream Oil and Gas installations both in the North Sea and internationally. Oil, Gas & Process International provides solutions to North American customers' domestic and international upstream Oil and Gas projects as well as to selected niche downstream projects.

*Operations*
Aker Kværner's field development divisions are world-class developers of offshore fixed and floating production systems for participants in the oil and gas industry. The products and solutions range from unmanned platform facilities to some of the largest and most advanced production and processing facilities in the world. The divisions' core competencies in this market include the ability to provide complete offshore and certain onshore oil and gas production and processing installations as well as providing an offering to the customers of related capabilities. The divisions provide state-of-the-art technical solutions for offshore and onshore field developments worldwide. In particular, the divisions are among the leaders in the industry for providing support and services relating to upstream floating deepwater developments as well as gas processing systems and methanol production plants.

The field development divisions provide capital projects support for both fixed and floating offshore platforms used by participants in the oil and gas industry for upstream exploration and production. This market includes the following types of production systems:

- *Fixed Production Systems* - A fixed platform is the traditional type of platform used for the offshore development and production of oil and gas in shallow water. The most common type of fixed platform system consists of a steel jacket extending from the mud line on the ocean floor to a point above the water surface. This market also includes the engineering, procurement and construction of topsides of these production systems.

- *Floating Production Systems* - Floating production systems provide the capability for development in deeper waters beyond the limitations of fixed platforms. In addition, because they are mobile (and can therefore be reused), one type of floating platform - the Floating Production, Storage and Offloading (FPSO) vessel - is sometimes used in water depths that could accommodate fixed platforms, particularly where the petroleum reservoir has a relatively short production life. Floating production systems consist of topsides production facilities carried by a floating hull structure.

The divisions also provide specialised capital project solutions, such as fully integrated offshore concrete LNG receiving and regasification terminals, to customers. These offshore facilities consist of a concrete storage facility with an LNG regasification system that is attached to the top of the storage facility. The facilities are used to convert liquefied natural gas, typically transported to offshore LNG terminals by tanker and stored at minus 160 degrees centigrade, into commercial grade natural gas through an incremental process of heating and processing. Increasingly, these facilities are located offshore to minimize environmental and safety risks.

The field development divisions plan and execute capital projects that vary significantly in size, scope and complexity depending on the customers' requirements. For example, capital projects may range from smaller engineering design studies which typically generate less than NOK 1 million in revenue to the delivery of large and complex offshore installations such as the Kristin platform topside for Statoil and the Ekofisk 2/4M platform for ConocoPhillips, which has been stated by Aker Kværner to be expected to generate revenues of more than NOK 5 billion and NOK 2 billion, respectively.

Field Development Europe has three specialized construction and fabrication yards to support its North Sea field development activities. The division fabricates modules and substructures, such as jackets and surface deck structures. In response to current trends in the North Sea, Aker Kværner has reduced its capacity and improved and made its cost base more flexible. For example, Aker Kværner disposed of a fourth fabrication facility, the Kværner Rosenberg fabrication yard, in March 2004.

After previously divesting its deepwater division to Technip in 2001, Aker Kværner has re-entered the Gulf of Mexico deepwater market on the strength of the field development divisions' semi-submersible floating platform deepwater solutions and designs.

*Specifics on Field Development Europe*
Field Development Europe provides capital project solutions and gas processing facilities to Aker Kværner Oil & Gas' European customers for their oil and gas fields primarily located in the North Sea, Russia, Brazil and countries in the Middle East. Field Development Europe's operations have approximately 3,100 own employees plus approximately 570 agency employees, primarily located in Norway.

*Specifics on Oil, Gas & Process International*
Oil, Gas & Process International provides capital projects solutions, services and support to non-European customers, and operates in most geographic markets (excluding the North Sea region) including Canada, the United States, the China region, the Asia Pacific region (including Singapore, Malaysia, Indonesia, and Vietnam) and Australia. Additionally, it has a 49 per cent ownership in an engineering operation located in India. Oil, Gas & Process International provides engineering services globally to both upstream and downstream oil and gas projects. Oil, Gas & Process International has approximately 1,500 own employees worldwide plus approximately 270 agency employees.

<u>Subsea</u>

Through its Subsea division, Aker Kværner is a world-class subsea systems provider, supplying a range of discreet stand-alone products, components and modules to integrated installations, such as complete subsea systems including Xmas trees, control systems and umbilicals. Aker Kværner was ranked number two in 2003 by sales/order intake in the subsea market. Subsea's recognized strengths include being one of the leaders among producers of steel tubed umbilicals with a global market share of over 30 per cent based on booked orders in 2003. Overall, Subsea has been involved in over 200 projects involving subsea control systems worldwide, making it one of the world leaders with approximately 25 per cent of the worldwide total installed base.

Subsea provides a wide range of subsea services, including field planning (which involves determining optimal field layouts and structures prior to implementation); integrated engineering, procurement and construction of subsea systems and related after sales service and support. Subsea's product portfolio includes:

- *Xmas trees and wellheads* - Wellheads that support the production and injection of water, gas and chemicals into the reservoir while producing oil and gas. Xmas Trees are designed for shallow and deep water conditions and for a variety of well stream temperatures and pressures;

- *Production Control Systems* - Advanced systems combining state of the art well stream and equipment monitoring technology with hydraulic and electric control of the various systems and products on the sea floor. Subsea control systems enable the operator of the subsea wells to balance the well stream from different wells so that the entire subsea systems' output is optimised; inject individual amounts of chemicals and gas into the reservoirs; and control heating of elements of the subsea system to avoid hydrate formation;

- *Steel tube umbilicals* - Umbilicals are compact, composite bundles embedded with fibre optic cables, hydraulic cables, power cables and steel tubes, which provide tension resistance and room to transport fluids. Traditionally, umbilicals are used for hydraulic pressure support, power supply, communication and transport of chemicals for injection into the reservoir or well stream; and

- *After sale and related services* – Installation support, spare parts, refurbishments and services to products and systems previously provided to the Aker Kværner Group's customers.

Subsea develops innovative technologies to enhance and support its subsea product and service lines as well as to enable it to compete in emerging markets such as deepwater subsea installations and other challenging environments. Subsea is also a leading developer of multiphase pumps and booster stations positioned on the sea floor. Subsea is one of the leading providers in the world's most challenging environments, including those with extremely high temperatures and high pressures. Subsea is currently executing the Kristin subsea project for Statoil, which Aker Kværner believes is one of the most challenging subsea projects ever executed. Through this project, Aker Kværner has developed technologies and solutions that can withstand production over the life of the field and endure well stream temperature and pressure of 170 degrees centigrade and 900 bars, respectively. Additionally, Aker Kværner is currently commercialising its Integrated Production Umbilical, or IPU, which integrates the flowline that transports the well stream to the manifold, offshore installation or onshore installation.

Subsea has approximately 1,800 own employees and approximately 380 agency employees, and operates out of Norway, Great Britain, the United States, Angola, Brazil, Indonesia and Australia.

<u>Products and Technologies</u>

Aker Kværner's Products and Technologies division manufactures drilling equipment and systems, provide global after-sales repair, maintenance and related services, supply oil and gas well intervention services and technology, manufacture process systems and equipment, provide marine operation services and design, manufacture and service most types of deck machinery, mooring and anchoring systems for marine and offshore vessels, as well as offshore loading and offloading systems.

Products and Technologies has approximately 1,650 own employees and 270 agency employees, and operates globally with offices in Norway, Great Britain, Canada, the United States, Brazil, Azerbaijan, Oman, Singapore, Korea, Japan, Malaysia and Australia. Products and Technologies operates through the following subsidiaries: Maritime Hydraulics, Maritime Well Service, Kværner Process Systems, Aker Marine Contractors, and Maritime Pusnes.

Maritime Hydraulics is a global provider of offshore drilling equipment and modules with extensive business in the North Sea and the Caspian Ocean. The division's drilling equipment and modules include hydraulics, compressors, pumps and complete systems. The drilling equipment is installed on more than 250 rigs around the world, and the division has an extensive and well-established global after-sales repair and maintenance business.

Maritime Well Service's intervention services provide well intervention services to upstream oil and gas operators to increase production of hydrocarbons from reservoirs and optimise the production of oil and gas. Well intervention services also include zonal isolation services and horizontal wireline intervention services through proprietary downhole tractor technology.

Kværner Process Systems' process systems and equipment include traditional systems such as separators, sulphate removal equipment and water treatment packages, and newer technologies such as compact separation, turbine separation, membrane separation technologies and chemical technologies used to prevent hydration and blockages in wellstreams.

Aker Marine Contractors' marine services include mating platform decks with hulls during the installation process; managing floatover operations (the installation process whereby platform hulls are partially submerged and decks are floated on barges over the hulls) during installation, mooring systems installation, subsea equipment installation and installation and removing floating and fixed structures.

Aker Kværner also designs, manufactures and services all types of deck machinery, mooring and anchoring systems for marine and offshore vessels, as well as offshore loading and offloading systems through its Maritime Pusnes subsidiary.

Maintenance, Modifications and Operations Europe (MMO)

Trough its Maintenance, Modifications and Operations Europe (MMO) division, Aker Kværner is among the market leaders in the maintenance, modifications and operations market segment, with approximately 50 per cent of the Norwegian shelf market and 15 per cent of the United Kingdom shelf market in 2003. MMO provides engineering and project management services and offshore maintenance, modifications and operations support, decommissioning and deconstruction of installations (often on long-term contracts). MMO supports engineering and construction requirements of production installations over the entire life of the installation. MMO's core competencies are providing turnkey deliveries of offshore modifications; services under long-term modification and maintenance frame contracts; inspection services; operations and operations support; offshore removal and deconstruction support; and subsurface advisory services.

In recent periods, MMO has moved into the higher margin operations support market. Operations support providers typically generate higher margin compensation for their expertise and for assuming increased responsibility over the installation. Examples of projects where MMO provides operations support include Total's Frigg platform located on the Norwegian shelf in the North Sea and Amerada Hess's AH001 platform in the Rob Roy fields on the U.K. shelf of the North Sea.

MMO has approximately 5,200 own employees, and approximately 670 agency employees.

Competition

The global market for oil and gas products and services providers is highly competitive. Aker Kværner Oil & Gas faces substantial competition from a number of companies and technologies in a variety of the target markets for the business' products and services. In many of the businesses in which Aker Kværner Oil & Gas is involved, contracts are awarded on the basis of the result of a competitive tender process. In Aker Kværner's experience, while customers may be influenced by various matters in selecting the successful contractor (such as availability of personnel, condition of equipment, efficiency, safety record and reputation), competitiveness of price is generally the determining factor.

The market for oil and gas products and services is very fragmented and the Aker Kværner Group's competitors vary between divisions and even between products.

**Aker Kværner E&C**

Introduction

The Aker Kværner E&C business is one of the major providers of design, engineering, project management, procurement management, products and construction services, to niche industrial sectors on a worldwide basis. Aker Kværner E&C's niches include chemicals and polymers, refining, pharmaceuticals, onshore oil & gas, water, power, nuclear, metals, minerals processing and pulping. The business area operates internationally and with principal offices located in North America, South America, UK, the Netherlands, Sweden, Finland, Asia and Australia.

Aker Kværner E&C has defined relatively narrow and focused niche target markets, in which the individual business streams seek to develop leading market positions. The overall, average market share of those target markets is currently assessed to be in the 15-20 per cent range. However, there are significant individual variations between the various market segments and technology areas where the group is operating.

Several of the Aker Kværner E&C business units hold leading positions with higher market shares within their respective geographical areas or segments and niches, for instance the Power unit in recovery boilers, the Pulping unit in fibrelines, Engineering Services in local markets for maintenance and modification services, Kværner Songer in the iron and steel industry, and the Metal unit has a leading market share in the non-ferrous copper market.

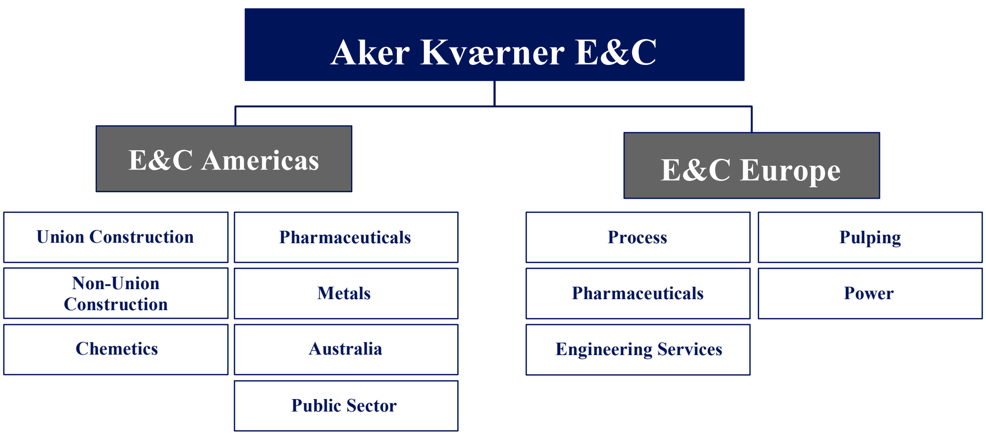
Aker Kværner E&C has since 2002 been going through a formidable improvement programme, following weak financial performance in several units during 2001 and 2002, including change of management, significant cost reductions and change of business approach (increased focus on services, sharpened technology focus, and improved risk management and project execution approach). As evidenced by the 2003 numbers, these improvements are taking effect and will most likely bring Aker Kværner E&C back into a position as an overall significant profit contributor to Aker Kværner in the future.

Aker Kværner E&C's operations are organised in E&C Americas and E&C Europe.

- *E&C Americas* serves downstream process (refineries and petrochemicals), chemicals, power generation, pharmaceuticals and biotechnology, and mining and metals industries. E&C Americas operates out of North and South America and Australia and is headquartered in Houston, USA.

- *E&C Europe* serves the downstream process (refineries and petrochemicals), pharmaceutical and biotechnology, power generation, pulping, water and nuclear industries. E&C Europe operates out of the UK, the Netherlands, Brazil, Sweden and Finland and is headquartered in Oslo, Norway.

Aker Kværner E&C reports its financials through eight business streams: Union Construction, Non-union Construction, Metals, Pulping and Engineering Services, Process, Pharma and Other E&C. Union Construction, Non-union Construction and Metals are operated out of E&C Americas, while Pulping and Engineering Services are operated out of E&C Europe. The Process business stream contains three business units, of which Process belongs to E&C Europe and Pharma is a business unit in each of E&C Americas and E&C Europe. The "Other E&C" unit contains the business units Chemetics, Public Sector and Australia, all three belonging to E&C Americas. The operational structure is visualised in the following figure:



Aker Kværner E&C serves a wide range of customers, including integrated, independent and national oil and gas companies, chemical companies, utilities, power producers, pulp and paper producers and other engineering & construction contractors.

Union Construction

Aker Kværner E&C's Union Construction business provides union direct hire construction services to the steel, petrochemical and power generation industries from operations located throughout the Northern U.S. and Canada. Activities include relining of blast furnaces and other outage work in the steel industry, maintenance services to various industrial clients and construction of power plants. Planning and provision of construction resources for fast track, short turn around projects undertaken during a plant shutdown are among the key skills of this division. Union Construction has approximately 1,500 own employees plus approximately 50 agency employees.

In 2003, Union Construction secured a major coal-fired power plant project with Hitachi in addition to contracts from SCPPA and Dofasco. Union Construction has been consistently profitable for over 10 years.

Non-Union Construction

Aker Kværner E&C's Non-Union Construction business operates in North America, executing non-union direct-hire projects that support the company's metals, hydrocarbons, pharmaceuticals, chemicals and polymers projects, as well as standalone direct-hire construction projects focusing on power and other heavy industrial projects. Non-Union Construction is headquartered in Houston, Texas, and has approximately 550 employees.

Non-Union Construction has been largely profitable with the exception of 2001-2002 when financial results were affected by the Cal Energy project. In 2003, activities were dominated by two major power plant construction projects.

Metals

Metals is one of the world leaders within design, construction, and start up of nonferrous minerals processing facilities. The unit provides project management, process and design engineering, construction and commissioning services for a wide range of projects that convert mined ore into product-grade copper, nickel, cobalt, lead, zinc, gold, silver, soda ash, potash, molybdenum and other commodities. Metals also runs a consultant practice, Bowen, which provides commissioning, business improvement and training services on a global basis.

Metals is headquartered in San Ramon, California, and has a global business operating out of North and South America and Australia. Metals has approximately 400 own employees and approximately 140 agency employees.

The principal customers of Metals, in respect of non-ferrous metals, include various major mining houses, such as Rio Tinto, BHP-Billiton, Inco, Codelco, Anglo-American, Phelps Dodge and CVRD.

The non-ferrous market has over the last few years experienced limited growth, and Metals has as a result of this worked closely together with Union Construction and Non-Union Construction on several power projects in the U.S. Market conditions are still difficult, but higher commodity prices has led to improvement. This is evidenced by the Thai Copper project, which after having been suspended in 1998 now is being completed by the group.

Aker Kværner believes that Metals' competitive advantage continues to lie in its engineering, construction and project management and global procurement expertise, coupled with its know-how, and using its operation in South America as a hub for lower cost engineering, and experience of managing projects.

Metals posted significant losses in 2001 and 2002 due to losses on the CalEnergy project and restructuring of the business. Results turned positive in 2003 due to higher workload and start-up of the previously suspended Thai Copper project.

Process

The Process business stream comprises two sub-streams, Process and Pharmaceuticals ("Pharma") and three business units, Process and Pharma (E&C Europe) and Pharma (E&C Americas). The operating data for the Process division is combined for financial reporting purposes.

The sub-stream Process operates out of Europe and provides technology based engineering, procurement, construction and construction management services within selected niches of the chemical and petrochemical industries. The business unit utilises a range of licensed and proprietary technology to design and construct facilities for the manufacture of a variety of chemicals including bulk and speciality chemicals, agrochemicals, inorganic chemicals and fertilisers. Process has for example been involved with the design and construction of approximately 40 per cent of the world's methanol plants including the world's largest single methanol train. The sub-stream Process had a significant order intake during 2003. Many of these contracts are to be executed in Saudi Arabia, China, and other Asian growth markets where downstream investments are significant and growing.

The sub-stream *Pharma* operates in the U.S. and in Europe and provide engineering, procurement, construction management and validation services to major pharmaceutical companies. The Pharma market is driven by increased demand for pharmaceutical products due to ageing populations, continuous product innovation by major pharmaceutical companies, and by the emergence of biotechnology based pharmaceuticals. The market is very competitive and both Pharma units have been reducing their cost base, increased focus on validation services and taken a more selective and key customer driven approach to bidding on larger projects.

In 2001 and 2002 results for the Process business area were negatively impacted by the effects of the restructuring, under-utilisation and losses on legacy projects. During 2002 and 2003 the business narrowed its market strategy and implemented a tighter risk regime. Process delivered positive results from operations in 2003, but the total result was negatively impacted by restructuring. Based on a healthier order backlog and reduced exposure to old legacy projects the business is well positioned to improve its performance in 2004.

Process has approximately 1,100 own employees plus approximately 230 agency employees.

Engineering services

Engineering Services is one of the top three providers of maintenance and modification services in UK and Benelux. The business unit provides total asset lifecycle solutions to plants in operation, including project management, operation and maintenance services, modifications and process improvements.

Industries served by Engineering Services include chemical, refinery, petrochemical, nuclear, pharmaceutical, water, non-ferrous and power. Engineering Services also offer consultancy services in reliability, business modelling and environmental, health, safety, and risk management.

Engineering Services was created in 2003 by combining the two business units Energy and Environmental (incl. Nuclear) and MMO Onshore. The combination was a result of a strategy to focus the units to become pure service providers. As a consequence of this, significant cost savings and efficiency improvements are being realised. However, the restructuring has affected also the division's financial results negatively in 2002 and 2003.

The outsourced share of maintenance in Western Europe is expected to grow significantly over the next years and Engineering Services' main long term objective is to become the leading engineering services provider in Europe, predominately through organic growth, by expanding current customer relationships to other European countries, and by using technology as a differentiator.

Engineering Services has approximately 1,650 own employees plus approximately 120 agency employees.

Power

Power is a leading provider of power boilers, recovery boilers and evaporators to the pulp and paper industries. Combustion of biofuels and wastes and recovery of energy and chemicals are in this industry used to generate power and heat for the facility and surrounding region.

Power also holds a strong position within the European bio-fuel based, power generation market. Power operates on a global basis from Sweden, Finland, Brazil and United States. Global expertise includes conceptual development, preliminary studies, engineering, procurement, construction, project management, commissioning of installations, and operation and maintenance services.

Power's offering is based on combustion and fuel technology developed through several decades of research and technology development. Products include HYBEX® boilers using bubbling fluidised bed technology and CYMIC® boilers using circulating fluidised bed technology. Power operates a well performing service business, which provides spare parts and upgrades to existing installations worldwide. Power has approximately 1,300 employees.

In 2001 and 2002, Power's financial results were impacted by a difficult market environment and some unprofitable projects. This resulted in losses for the first time for this unit since 1996. Following a restructuring, Power regained its market position, entering 2004 with a record high order backlog.

Pulping

Pulping is one of the top three global providers of machines, process systems and services for the chemical pulp industry worldwide. The unit provides design, engineering, fabrication and project management services for fibrelines and is also a supplier of pollution control systems and specialised process technology. Pulping has a large installed base of products and equipment worldwide, which results in significant aftermarket and modification business. The unit has operations in Sweden, Brazil, Canada and Japan.

Pulping's products are used for continuous cooking, washing, oxygen delignification, bleaching and recausticizing plants and are based on decades of focused research and technology. Technologies include, among others, the COMPACT COOKING™ digester (continuous cooking) technology which currently holds the world's capacity record in single line pulp production.

During the last few years, Pulping's customers have been through a phase of consolidation both in Europe and North America. Pulping believes that as a global company it will benefit from this consolidation due to its global position, strong and long standing client relationships, and proven large scale mill technology. Particular strategic focus is directed towards increasing the unit's service business.

Pulping had a very good order intake in 2003, and was among others awarded the Jiang Lin fibreline contract, one of the largest mills in the pulping industry.

Pulping has approximately 650 own employees plus approximately 90 agency employees. The key customers in this division are APP, Arauco, Aracruz/VPC, CMPC, Mondi Group, Sappi, StoraEnso and Södra Cell.

Other E&C

*Chemetics*

Chemetics is a supplier of bleaching chemical plants, pollution control systems and mill-wide information systems to the pulp and paper industry. This unit is headquartered in Vancouver, Canada, with a small operation in Toronto.

Chemetics has been consistently profitable over the last decade until 2001, when the business was adversely affected by two loss making projects.

In 2003, bleaching chemicals continued to grow in Asia and the unit signed several projects, especially in the second half of 2003. The U.S. Chlor-alkali market and acid market is still slow but forecasted to improve in 2004.

*Aker Kvaerner Australia*

Aker Kværner's Australian unit serves traditional markets in oil and gas (onshore), refining, chemicals & polymers and metals. The unit is headquartered in Melbourne, but is also located in Perth and Brisbane.

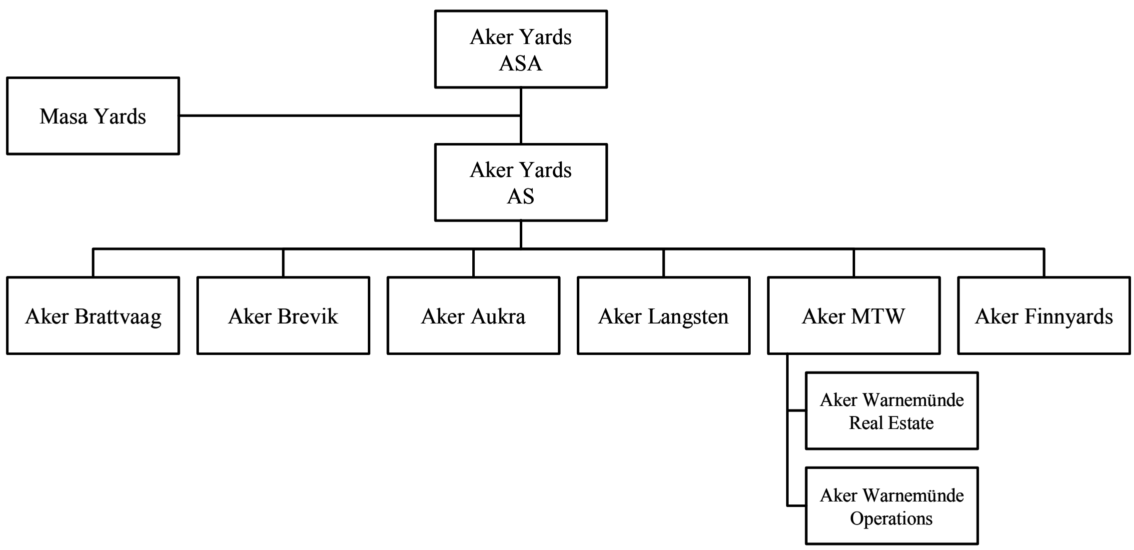
The main projects executed in 2003 were HIsmelt, an Iron Ore Pelletizing steel plant project and Santos ACE project, an onshore oil & gas project. The office is well diversified and is actively seeking opportunities in all the markets mentioned above.

### 5.2.3 Aker Yards

***5.2.3.1 Overview***

The Aker Yards Group is a shipbuilding group focusing on complex and sophisticated vessels. The Aker Yards Group has a strong position both in terms of capacity, product range, technology and experience. The product range includes offshore vessels, cruise and ferry vessels, merchant vessels and other complex vessels. Aker Yards is listed on the main list of Oslo Børs, and is a separate entity with separate management. Information contained in this Prospectus is therefore based on previously disclosed information from Aker Yards.

The following chart illustrates in a simplified way the legal structure of the Aker Yards Group:

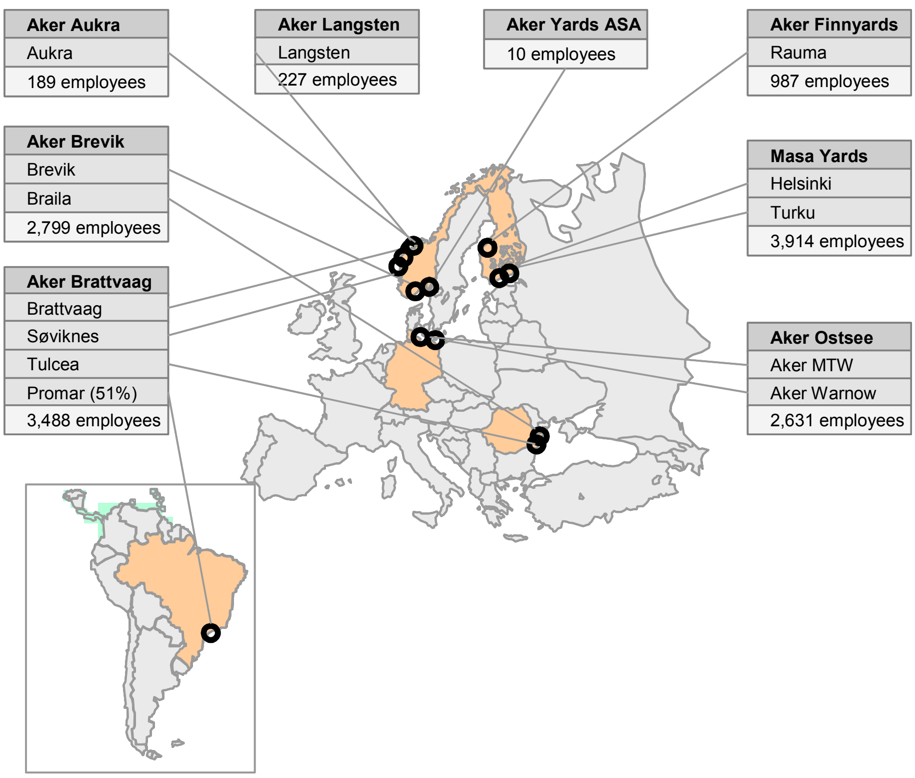


The following table shows an overview of the key vessel types offered by the Aker Yards Group sorted by product group.

| Product group | Vessel type | Description | Key customer group |
|---|---|---|---|
| Offshore service vessels | PSV | Complete range of platform supply vessels | Global offshore service companies |
| | AHTS | Complete range of anchor handling tug supply vessels | Global offshore service companies |
| | Specialty vessels | Highly customized | Global offshore service companies |
| Cruise and ferries | Ultrasized cruise | 3,000 passengers – 140,000 grt | The 3 major cruise lines |
| | Panamax cruise | 2,000 passengers – 90,000 grt | Cruise operators world–wide |
| | Cruise ferries | 2,000 passengers – 700 cars (1,200 lane meters) | Nordic ferry companies |
| | Ro-passengers vessels | 1,000 passengers – 2-3,000 lane meters | European ferry companies |
| | Smaller ferries | < 1,000 passengers | European ferry companies |
| Merchant vessels | Container vessels | Small to medium sized | German/world–wide shipping |
| | Chemical vessels | Small to medium sized | World–wide shipping |
| | Product tankers | Small to medium sized | World–wide shipping |
| | Bulk carriers | Small to medium sized | World–wide shipping |
| Other complex vessels | Arctic vessels | Highly customized | World-wide specialised shipping |
| | Fishing vessels | Highly customized | European and North American fishery |
| | Naval crafts | Highly customized | Nordic national navies |
| | Research vessels | Highly customized | Research institutions globally |
| | Coastguard vessels | Highly customized | Coast guards globally |

The Aker Yards Group has 7 yard groups with a total of 13 yards in 4 countries in Europe and in Brazil. At 31 December 2003, the Group had approximately 14,500 employees. The illustration below shows the location of the 7 yard groups with the respective number of employees.

**Aker Yards**



#### *5.2.3.2 Selected pro forma financial information for the Aker Yards Group*

Set out below is selected pro forma financial information for the Aker Yards Group for the financial years 2001, 2002 and 2003, and for Q2 2004 and 2003 and first half 2004 and 2003. The information has been derived from Aker Yards' interim financial report for the period ended 30 June 2004 and from the listing prospectus published by Aker Yards on 27 May 2004.

In the combination between the shipbuilding activities in Kværner and the Aker Yards AS group (merger under common control), Kværner's wholly owned subsidiary Aker Kværner Investments AS was the acquiring party and the Aker Yards AS group was the acquired party. Hence, the pro forma financial information related to the Kværner ship building activities is stated on a historical cost basis, while the pro forma financial information related to the Aker Yards AS group is based on a historical cost basis adjusted for effects from the preliminary allocation of the purchase price (fair value assessment) of the Aker Yards AS group as if the combination took place on 31 March 2004. The impact of the preliminary purchase price allocation has been applied retroactively for each of the profit and loss account periods presented as if the adjustments made to the 31 March 2004 financial information occurred in prior period(s). All transactions performed when combining the ship building activities in Kværner and the Aker Yards group is assumed to be executed as equity transactions in the Aker Yards ASA pro forma accounts, hence no changes in interest bearing debt is expected to occur as a result of the combination.

The reorganisation within the Kværner shipbuilding activities has not had any impact on the pro forma financial statements.

Inter company transactions have been eliminated from the pro forma consolidated accounts to the extent that the transactions have been made within the historical legal structures, that is within the Aker Yards Group or within the Kværner shipbuilding group. With the exception of the Aker Warnow Werft GmbH share transaction in 2003 there have not been significant transactions between the Aker Yards Group and Kværner in the period for which accounts have been prepared.

Significant acquisitions made during the 3 year and 1 quarter period for which this pro forma financial information cover has been included as if they occurred at 1 January 2001. Consequently the pro forma income statements presented herein include all significant operations of the combined group for each of the periods presented.

**UNAUDITED PRO FORMA PROFIT AND LOSS ACCOUNT**

| | Q2 2004 | Q2 2003 | H1 04 | H1 04 | 2003 | 2002 | 2001 |
|---|---|---|---|---|---|---|---|
| | | | Amounts in NOK million | | | | |
| Operating revenues | 3,317 | 4,309 | 5,962 | 8,347 | 15,865 | 18,386 | 20,203 |
| EBITDA | 219 | 515 | 444 | 867 | 1,610 | 1,372 | 878 |
| EBITA | 148 | 449 | 310 | 737 | 1,347 | 1,095 | 601 |
| EBIT before exceptional items | 122 | 423 | 255 | 684 | 1,220 | 1,002 | 518 |
| Exceptional items | -30 | - | -30 | - | - | - | - |
| EBIT | 92 | 423 | 225 | 684 | 1,220 | 1,002 | 518 |

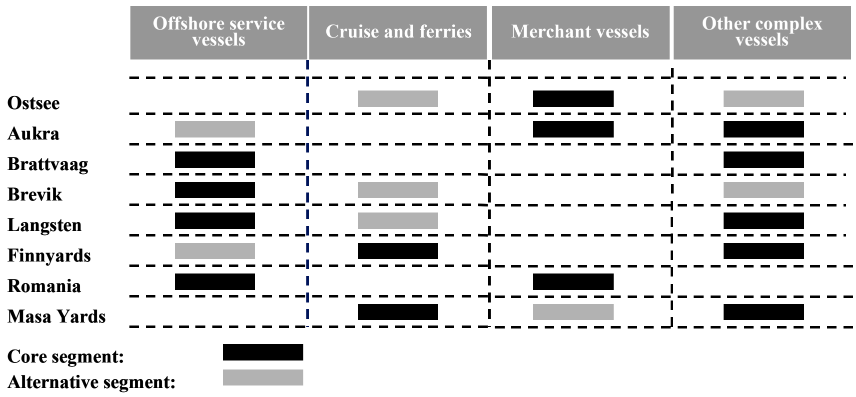
#### *5.2.3.3 Business operations and organisation*

Overview

The Aker Yards Group is organised through a matrix organisation with four market segment groups; offshore service vessels, cruise and ferries, merchant vessels and other complex vessels. The business focus and expertise of the yard groups follow the market segment groups.

The holding company of the Aker Yards Group, Aker Yards, consists of group senior management and support functions. In total there are approximately 10 employees at the holding company. The holding company's prime focus is optimising the complementary strengths across the operating units. This includes in particular co-ordinating project sharing, exchange of best-in-class engineering and construction practice, procurement and project finance support. Additionally, the holding company is responsible for group reporting, HR services and investor relations.

The table below illustrate the matrix organisation, which is further described in the following pages.




Offshore service vessels

The Aker Yards Group is a leading player in the worldwide market for purpose built offshore service vessels. The Aker Yards Group is present in the market for both standardised offshore vessels and highly customised vessels. The Aker Yards Group has built a range of standardised offshore vessels developed and designed in-house as well as externally. Aker Yards co-operates closely with leading external offshore vessel designers and developers. In addition to the standardised vessels, the Aker Yards Group has built a range of customised offshore vessels.

Offshore service vessels are primarily built at the Brattvaag, Brevik and Langsten yards in Norway and the Promar yard in Brazil. The Aker Tulcea yard and the Aker Braila yard in Romania produces hulls for the Norwegian yards as well as smaller complete offshore service vessels.

The Aker Yards Group has substantial capacity within this segment, but with flexibility to handle large fluctuations in order flow. Because the Norwegian yards primarily are outfitting yards with a large degree of outsourcing, up to 10 vessels can be built at any one time, but with a significantly lower number of projects required to maintain profitability. In addition, the yards are actively pursuing other projects in periods with low offshore vessel activity, such as repair work, refurnishing, conversions, and modules for offshore installations. In addition, the Romanian yards will market complete vessels when demand from Norway for hulls is low. The Aker Yards Group currently has 14 offshore vessels under construction.

Cruise and Ferries

The Aker Yards Group is one of the 4 leading builders of cruise vessels and ferries worldwide. Cruise vessels and ferries are primarily built at Masa-Yards and Aker Finnyards in Finland. Masa-Yards is one of the leading cruise yards in the world while Aker Finnyards is one of the leading ferry yards in the world. In addition Aker Ostsee, Aker Brevik and Aker Langsten are present in ferry markets, and Aker Ostsee also is present in the cruise market.

In terms of capacity, the Aker Yards Group (predominantly through Masa-Yards and Aker Finnyards, but also Aker Ostsee) is capable of building 7 or 8 cruise vessels and ferries in various stages at a time and deliver at least 4 complete vessels per year. In the 18 months period from mid 2002 throughout 2003 the Aker Yards Group delivered 5 cruise ships with an additional 3 other ships in different construction stages and 1 in the design phase. The Aker Yards Group currently has 3 cruise vessels/ferries under construction.

The Aker Yards Group is ranked as number one worldwide in terms of number of cruise ships built over the last 15 years with 37 ships. For ferries the group is among the top 3 builders in the European market. Some of the predecessors of the Aker Yards Group have been present in the cruise and ferry market for more than 30 years and has particular strengths in innovative design, engineering and logistics.

The Aker Yards Group has an extensive product range of cruise vessels and ferries. The cruise vessels the Aker Yards Group has built ranges from the smaller and exclusive Europa-Class (408 passengers) to the larger Fantasy-Class (2,050 passengers) series (8 ships) and the even larger Voyager-Class (3,114 passengers) series (5 ships). The group was the first to introduce balconies on cruise ships in 1984. In the ferry market the Aker Yards Group has delivered many types of ferry products from the high speed ferries Superfast III & IV to the cruise like ferries of Silja Symphony and Harmony (1992) and more recently Tallink Romantika (2002) and Color Line (under construction for delivery in 2004).

Merchant vessels

The Aker Yards Group has a significant product offering within merchant vessels. The vessels offered include container vessels, chemical vessels, product tankers and bulk carriers. Aker Yards has recently been particularly successful within container vessels were the Aker Yards Group has a backlog of 34 vessels. Other examples of major merchant vessel projects include the AukraChem chemical tankers. The market for small sized tankers is also targeted. The major customers within this vessel segment include the major shipping companies.

Merchant vessels are primarily built at the Aker Ostsee yards in Germany, the Aker Tulcea and Aker Braila yards in Romania and the Aukra yard in Norway.

Other complex vessels

The Aker Yards Group has in addition to its core cruise, ferry, offshore and merchant vessels built complex and customised vessels for a range of end-users. The vessels offered include icebreakers, arctic vessels, fishing vessels, naval crafts, research vessels and coastguard vessels. Examples of successful completion of major vessel projects of this category includes Norwegian coast guard vessel KV Svalbard for the Norwegian navy, the Tornio missile boat delivered to the Finnish navy and the more than 40 arctic ice-breaking vessels built at Masa-Yards. Aker Yards is benefiting from having group-wide experiences with a range of customised vessels as well as strong customer relationships, which positions the Group well for future projects. The Aker Yards Group has an order backlog of 4 vessels.

Other complex vessels are primarily built at the Brattvaag and Langsten yards in Norway and Finnyards and Masa-Yards in Finland and to a lesser extent at Aker Ostsee and Aker Brevik.

Yard groups

*Masa-Yards*

Masa-Yards operates two yards in respectively Helsinki and Turku (Finland) as well as Masa-Yards wholly owned subsidiary Piikio Works, which specializes in modular cabins, and Kværner Masa-Yards Technology, which offer marine related R&D, design and engineering services.

The two yards are primarily focused on developing and building luxury cruise vessels and cruise ferries. Masa-Yards has significant experience in this vessel segment having completed more than 70 ships over a 30-year period. The yards have built many of the largest cruise ships and cruise ferries in the world including eight Fantasy class ships for Carnival Cruise Lines, the Grandeur of the Seas and Enchantment of the Seas for RCCL and the Silja Serenade and Silja Symphony for Silja Lines. The major customers within this vessel segment are the globally leading cruise and ferry operators.

In addition, Masa-Yards builds passenger ferries, LNG carriers, cable ships, icebreakers and ice-going vessels, and special technology vessels such as advanced tankers and vessels for the offshore industry. In particular Masa-Yards has significant experience in building LNG vessels.

The two Masa-Yards yards are amongst the largest yard facilities in Europe. They are regarded as modern and efficient and have benefited from several investment and development programmes.

The Masa-Yards Piikkio Works specializes in modular cabins and bathroom units for ships, offshore platforms and hotels. The floorless modular cabin is patented internationally and is known under the trademark WAS modular system (wet module and accommodation system).

Masa-Yards also includes Kværner Masa-Yards Technology, which performs research and development, concept design and engineering services.

Masa-Yards employed approximately 3,900 people as at 31 December 2003.

*Aker Finnyards*
Aker Finnyards is located in Rauma on the southwest coast of Finland.

The yard has an extensive product range, with a key focus on the cruise ferry and ferry markets. Aker Finnyards has over the last years been successful in the European markets with key deliveries including the world's largest cruise ferry (Ireland), the largest cruise ferry in Estonia, the fastest ferry operating in the English Channel and three passenger ferries to the Scottish market. The yard is also the principal yard for the Finnish navy and has also built naval craft and multipurpose icebreakers.

Aker Yards will seek to closer co-ordinate the operations at Aker Finnyards with Masa-Yards.

Aker Finnyards has invested in the development of its workforce and its facilities. Lifting capacity at the yard is 300 tonnes and the dock has a capacity to build vessels up to 150,000 DWT.

Aker Finnyards employed approximately 987 people as at 31 December 2003.

*Aker Ostsee*
The Aker Ostsee group consists of the Aker MTW yard and the Aker Warnemünde yard. The yards are located at Germany's Baltic coast with Aker MTW in Wismar and Aker Warnemünde in Rostock-Warnemünde.

The two yards have focused primarily on medium size container vessels where it is one of the leading players on the European market. The key customers for container vessels include the major European container shipping companies. Additionally, the two yards' product range includes tankers (product, chemical, gas and shuttle), ice-breaking tankers, medium size passenger vessels, hulls and steel constructions. The yards are currently subject to EU output capacity restrictions of 197,000 CGT per annum (106,000 CGT at Aker MTW and 91,000 CGT at Aker Warnemünde). This is around 30 per cent less than the yards full operating capacity. The restrictions will be removed from year-end 2005.

Aker Warnemünde was in the period from 1992 to 1995 subject to an extensive modernization and efficiency programme partly funded by the German government.

Aker Yards has continued to invest in the development of both Aker Warnemünde and Aker MTW and the yards are regarded as being modern and efficient.

Aker Ostsee employed approximately 2,631 people as at 31 December 2003.

*Aker Brattvaag*
Aker Brattvaag includes the Brattvaag and Søviknes yards in Brattvåg, Norway, the Tulcea yard in Romania and the Promar yard in Brazil (51 per cent shareholding).

Aker Brattvaag is regarded as a global leader within offshore vessels and has been successful with standardised offshore service vessels built at the two Norwegian yards as well as at the Promar yard in Brazil and the Tulcea yard in Romania. Aker Brattvaag has also built a range of other, more specialised vessels including pipe laying vessels, freezer trawlers and long-liners. The Aker Tulcea yard in Romania delivers hull-building capacity to the Norwegian yards. This results in lower vessel building costs. Additionally, the Aker Tulcea yard is also increasingly delivering complete smaller offshore and container vessels. Aker Yards is actively developing the expertise at the Romanian yard positioning Aker Tulcea for increasingly complex vessel projects. The majority of Aker Brattvaag's clients are major oil service and oil companies.

The yards are modern and efficient and the Company have in particular invested in increasing efficiency and sophistication at the Aker Tulcea yard in Romania and Aker Promar in Brazil.

Aker Brattvaag employed 3,488 people as at 31 December 2003, whereof 2,412 at the Aker Tulcea yard.

*Aker Brevik*
Aker Brevik includes the yards Brevik Construction in Brevik, Norway and Aker Braila in Romania. The unit also includes Brevik Engineering, which is a marine consultancy company providing ship design and fabrication drawings. Other companies in the Aker Brevik group include Brevik Rørindustri, Brevik Elektro, Brevik Support and Brevik Eiendom.

The yard in Norway specialises in offshore service vessels for the global market including platform supply vessels (PSV) and anchor handling tug supply vessels (AHTS). Additionally, the yard builds Ro-Ro ferries, fishing vessels and process modules for offshore and land-based industry. The unit in Romania builds PSV and AHTS hulls for outfitting and commissioning in Norway. It also builds complete vessels including smaller tankers and bulk carriers based on designs from Brevik Engineering. The majority of Aker Brevik's clients are major oil service and oil companies.

Aker Brevik employed 2,799 people as at 31 December 2003, whereof 2,217 at the Aker Braila yard.

*Aker Langsten*
The Aker Langsten yard is located on the west coast of Norway near the city Molde.

Aker Langsten is a highly specialised yard focusing on complex and often tailor-made vessels for the offshore industry. Additionally, the yard builds offshore supply and diving support vessels, Ro-Ro vessels, ferries, seismic and research vessels factory trawlers and reefers. Recent Aker Langsten projects has included the design and construction of the coastguard vessel 'KV Svalbard', the hull design and machinery automation of the Ramform seismic vessel and the LNG-powered ferry 'B/F Glutra'. The yard has delivered vessels to a range of clients including major oil companies and the Norwegian Navy.

Aker Langsten has recently invested NOK 150 million in a new outfitting hall, which has improved the yard's capacity, productivity and working conditions. The yard is capable of building up to three vessels simultaneously and to deliver up to 8 vessels pr year.

Aker Langsten employed 227 people as at 31 December 2003.

*Aker Aukra*
Aker Aukra is located on the west coast of Norway near the city Molde.

The yard has developed particular expertise within stainless steel chemical tankers. Aker Aukra established AukraChem International in 2003 to benefit from this expertise. The company has particular strengths in the design and engineering phase. The production is primarily outsourced to other yards within the Aker Yards Group as well as to external parties.

To utilize the facilities of the yard in the construction of the Ormen Lange onshore support facilities, which is located nearby the yard, Aker Aukra has established Aukra Næringspark.

Aker Aukra employed 189 people as at 31 December 2003.

### 5.2.4 Norway Seafoods

#### *5.2.4.1 Overview*

Aker owns 100% of the Norway Seafoods Group, which has ownership interests in several Norwegian and foreign companies operating within harvesting, processing, marketing and sale of seafood products.

Norway Seafoods' main focus is harvesting and processing of white fish products. The Norway Seafoods Group is among the largest employers in Norway's fishing industry, with over 400 employees at three production facilities in the North of Norway and 300 employees in associated trawler-owning companies. Within harvesting, Norway Seafoods has ownership interests in three Norwegian trawler-owning companies which owns trawlers licensed for white fish: Lofoten Trålerrederi, which is located at Stamsund and holds seven licenses; Havfisk, which is located at Melbu and holds five licenses; and Hammerfest Industrifiske, which is located at Hammerfest and holds six licenses. These licenses, together with five licenses for shrimp, are today harvested by a fleet of 12 vessels. In Denmark, the company also has significant processing activities at three factories and associated businesses, with over 300 employees. This makes the Norway Seafoods Group a significant participant in local communities, and one of the leading exporters of whitefish products in Europe.

The catch delivered by the group's fishing fleet are processed at Norway Seafoods' three Norwegian production facilities: Melbu Fiskeindustri, J.M. Johansen, and Norway Seafoods Hammerfest. In 2002, operations began at new state-of-the-art production facilities at the Melbu and Hammerfest plants. The new processing facilities have been designed to streamline production and ensure the highest product quality and food safety standards. In Denmark, Norway Seafoods owns Thorfisk A/S, one of Denmark's leading companies in the white fish industry. Norway Seafoods also owns and operates fishing vessels based in Argentina. Southern blue whiting and hoki are fished by a factory trawler with onboard production facilities for surimi and fishmeal. Three long-line vessels fish and process Chilean sea bass, grenadier and skate, and a factory trawler has recently started a trial period of fishing krill for onboard production of fishmeal and fishoil.

Norway Seafoods was until recently involved in production of smoked seafood products, through a Danish subsidiary, Norlax A/S. Norlax A/S was sold in July 2004.

The fact that Norway Seafoods is the owner of fishing vessels regulated by Norwegian law, has certain limited implications on transfer of shares in Aker, see Section 8.7 "Restrictions on transfer of shares".

#### *5.2.4.2 Selected financial information for the Norway Seafoods Group*

The following table shows selected operational data for the Norway Seafoods group:

| | **Q2 2004** | **Q2 2003** | **H1 2004** | **H1 2003** | **2003** | **2002** | **2001** |
|---|---|---|---|---|---|---|---|
| | | | **Amounts in NOK million** | | | | |
| Operating revenues | 437 | 373 | 995 | 820 | 1523 | 1596 | 2107 |
| | | | | | | | |
| EBITDA | 23 | 22 | 82 | 62 | 74 | 98 | 197 |
| EBITA | -16 | 2 | 3 | 3 | -49 | -36 | 48 |
| EBIT before exceptional items | -16 | 2 | 3 | 3 | -49 | -45 | 39 |
| Exceptional items | 0 | 20 | 0 | 20 | 0 | 0 | -112 |
| EBIT | -16 | 22 | 3 | 23 | -49 | -45 | -73 |
| | | | | | | | |
| Employees year-end | | | | | 1,300 | 1,300 | 1,300 |

Norway Seafoods is organized in two divisions: Whitefish Europe and Deepsea.

#### *5.2.4.3 Whitefish Europe*

The division has recently been reorganised as a separate sub-group headed by Norway Seafoods Europe AS, and comprises Norway Seafoods' activities within harvesting in Norway, and processing in Norway and Denmark. The strategy is to combine the latest state of art technology with highly skilled, experienced and trained employees and strong professional management. Through new technologies, knowledge sharing and fostering of a culture of innovation, Whitefish Europe continuously seeks new and improved fishing and processing methods. The business model aims at optimising the interaction between harvesting, sourcing, production and customers. The Whitefish Europe Division has approximately 1,000 employees in part- and wholly-owned operations in Norway and Denmark, r.

Harvesting

The harvest is sourced from the largest fishing fleet in the Norwegian waters belonging to three partly owned companies (see below). The fleet consists of 12 trawlers, designed for harvesting and processing under difficult operating conditions. The vessels hold a high standard as eight were built new or rebuilt in the 1990s. Vesttind is the newest vessel built in 2002.

All trawlers are equipped with sophisticated fish finding technology used by the fish masters to locate shoals of the targeted species. The equipment makes it possible to identify the location of the fish and size of the shoal. In line with the company's environmental strategy, this information is consequently also used to reduce by-catch to a minimum. When a fishing area is identified, a trawl is shot into the sea. Trawl fishing uses a cone-shaped net bag, which is towed behind the fishing vessel. Different nets are used depending on species targeted, depth and weather conditions. To increase catch, new nets are continuously developed and tested by the company in cooperation with the net manufactures

Cod is the main catch for the fleet, together with saithe and haddock. The fleet is also the biggest shrimp harvester in Norway. The quotas for cod and haddock increased by 15% and 24% percent respectively for 2004. The following is an overview of the three companies in the group involved in harvesting:

| Company | NWS'share | Vessels/licenses | Quota, MT (2004) |
|---|---|---|---|
| Havfisk AS | 75% | 3/5 | 8,330 |
| Lofoten Trålerrederi AS | 43% | 5/7 | 11,670 |
| Hammerfest Industrifiske AS | 40% | 4/6 | 10,100 |
| **Total** | | **12/18** | **30,100** |

In addition, the three trawler-owning companies have 5 shrimp licences and 1 Greenland shrimp licence.

Processing

Processing is handled at eight wholly owned facilities, three in Norway and five in Denmark. In addition to its wholly owned facilities, Whitefish Europe owns 39% of Tobø Fisk AS in Norway. Most of the raw materials which is processed at its Norwegian facilities is derived from the group's own harvesting (approximately 65%), while the rest is delivered from external harvesting companies. The company produces filets, loins, portions and tailpieces of cod, saithe and haddock.

The following is an overview of the companies in the group involved in processing:

| Company | Products | Country |
|---|---|---|
| J.M. Johansen AS | Fresh and frozen fillets | Norway |
| Melbu Fiskeindustri AS | Frozen fillets, marinated/breaded | Norway |
| NWS Hammerfest AS | Fresh and frozen fillets | Norway |
| Tobø Fisk AS (39%) | Fresh and frozen fillets | Norway |
| Thorfisk AS (5 plants) | Fresh and frozen fillets, marinated/breaded | Denmark |

The processing plant of Melbu Fiskeindustri AS is extremely modern and efficient, following major investments in buildings and production equipment completed in 2002. Norway Seafoods Hammerfest is known for excellent service and product quality. New state-of-the-art NOK 150 million processing facilities were opened in 2002. Production is based on fresh, chilled raw materials. About 80% of the fish used is delivered by the company's own trawlers. The processing business has strong relationships with European retailers and the customer base includes numerous brand builders, distributors and growing retail chains. The company's main markets have been in Europe and Asia. Sales are made mainly to the lager importers and distributors in Europe. Scandinavia is the largest market for the company's whitefish products. In 2003 Scandinavia represented about 30 % of total sales, rest of Europe 60% and rest of the world 10%. Thorfisk delivers a broad range of fish products, including private-label production. Products include both fresh and frozen retail-ready goods, semi-processed products, and finished goods.

The integrated business model that Whitefish Europe builds upon can be displayed as follows:


- Secure access to raw material
- Stable year round supply
- Increased utilisation of by-products ("100%" target)

- High quality, value added products
- Product development
- Continuously supply
- Differentiation through fresh and single frozen products

- Contractual delivery of fresh fillet to retail customers twice per week
- Meeting customer demands

Norway Seafoods has developed its whitefish operations by entering into partnerships with both customers and suppliers. The product mix is continuously being modified to provide greater focus on fresh fish products and specialized products, making raw material access extremely important for the group.

Norway Seafoods is continuously working on improving the profitability of its operations. For the processing facilities the main focus will be on increasing the volumes. This is likely to be helped by the increase in cod and haddock quotas for 2004 and the fact that several competing processing facilities in Norway have been closed down, reducing the delivery alternatives for external harvesting companies and the local fleet. For the trawler-owning companies the main focus will be on operating the trawler fleet more efficiently. This might be helped by the anticipated changes to the current fishery management system, and by the formation in 2004 of a joint service company for the trawler companies affiliated with Norway Seafoods

Norway Seafoods is the leading, integrated whitefish company in Norway and is expected to be a key player in the ongoing restructuring of the Norwegian whitefish business.

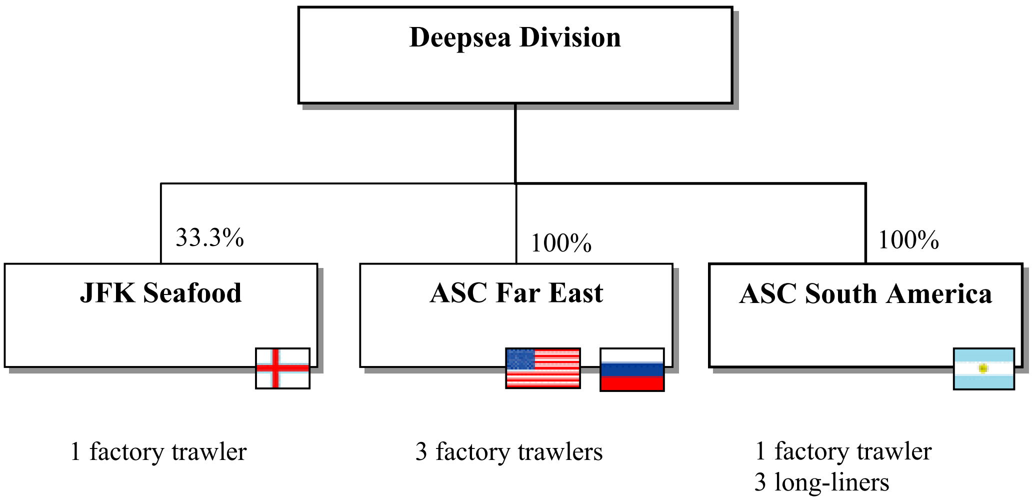
#### *5.2.4.4 Deepsea Division*

Business description – general
The Deepsea Division of Norway Seafoods, with its roots in American Seafoods Company (ASC) in Seattle and the Alaska Pollock fisheries, consists of whitefish harvesting and processing operations in Argentina, Russia and the Faeroe Islands.

Supporting sustainable management of fishing resources, the Deepsea Division is only operating in regulated national and international fisheries, which is viewed as the best strategy to secure economically viable operations in a long-term perspective. As it views the world's whitefish resources in a global perspective, the company frequently evaluates other promising new fishing grounds to ensure optimal deployment of the fleet. Following its global strategy, the company operates in some of the most resource rich fisheries where the vessels' capabilities can be fully utilized.

The fleet consists of 5 combined surimi and fillet factory trawlers of which two is currently used as surimi factory trawlers, one fillet trawler and three longliners. Designed for large-scale harvesting and processing under difficult operating conditions, the vessels are regarded among the best in their respective fisheries. The vessels hold a high standard as six were built new or rebuilt in the 1990s and the rest was rebuilt in the late 1980s. Atlantic Navigator is the newest vessel built in 1996 and still regarded as the most advanced vessel of its kind. Longlining for CSB is technically difficult fishery. Fishing at depths down to 2,500 meters, the longliners are built in Norway for this type of fishing.

The Deepsea Division has approximately 300, 3 and 90 employees in Argentina, Russia and the Faeroe Islands, respectively. The division comprises three groups of companies, of which two are wholly owned by Norway Seafoods:




JFK Seafood is based on the Faeroe Islands and operates the factory trawler Næraberg. The ship has a quota to fish blue whiting, and largely harvests in Faeroe Islands and Icelandic waters, producing surimi, minced fish, and fishmeal. JFK Seafood is owned by JFK Trol (66.7%) and Norway Seafoods (33.3%).

ASC Far East was established in 1994, and has three larger-sized factory trawlers, Kamchatka (ex. Saga Sea), Heather Sea and Atlantic Navigator (on charter to ASC South America). The Kamchatka was active in the winter/spring season, fishing via a joint venture with a Russian company, Heather Sea is currently being upgraded and Atlantic Navigator has recently begun a trial period of harvesting krill in South America.

ASC South America is based in Argentina and has quotas for southern blue whiting and hoki, which is harvested by the factory trawler Centurion del Atlantico. Centurion del Atlantico has onboard surimi production, and has been through significant technical upgrades in 2003. ASC South America also has quotas for Chilean sea bass, grenadier and skate, which is harvested by three factory longliner vessels.

The activities outside of Norway have experienced a difficult period, mainly due to low market prices for its finished goods and low capacity utilisation in 2003 due to upgrades and limited access to quotas in Russian waters. The group is continuing its business strategy of deploying vessels and selling assets of some operating companies, as well as pursuing new projects.

Norway Seafoods' key market is the worldwide aquaculture feed processors. Depending on the product and the customer spot, seasonal or long-term contracts are negotiated. The company has traditionally entered into revolving arrangements with several large customers who have "rights of first refusal – at market prices"; hence in 2003 spot contracts were most common. As the company is highly focused on the vessel operation, management believes it is important to commit quantities prior to harvesting.

The company's key success variables are linked to catch/processing volumes and sales. Through continuous improvement in the surimi factory, recovery rate are projected to improve by up to one percent (1%) each year. With the upgrades to the Centurion del Atlantico and with the new winches working as designed, it is estimated that the catch of Southern Blue Whiting (SBW) and Hoki is expected to increase up to the level expected in a normal year with a production of 10,000 mt SBW surimi and 3,000 mt Hoki surimi. In addition, the Heather Sea project (see below) will produce 6,000 mt SBW surimi and 2,000 mt Hoki surimi. By attending new fishing grounds with the longliners and optimise the high season in Argentina, it is expected that the Chilean Seabass catch will remain at 2002/2003 level. Chilean Seabass prices are expected to rise as illegal, unreported and unregulated fishing declines and there will be less fish available in the market.

Markets

**Surimi**
Surimi is primarily used in the Japanese Kamaboko industry to make a host of different fish products, but is also gaining popularity among European fish processors. The estimated annual demand for surimi is 625,000-650,000 mt20. Japan is the largest market for Surimi with a stable estimated annual demand of 400,000-430,000 mt (425,00 Mt in 2002) the last ten to fifteen years. Surimi was not introduced to the markets before the beginning of 1990s and Korea is recognized as the second largest market for surimi with an estimated annual demand of 80,000 mt, however Korea and the Asian market outside Japan is difficult to project because of the lack of good and consistent data.

North America also represents a significant market with an estimated annual demand of 40,000 mt in 2002. Europe represents the fastest growing market with an annual compounded growth rate of 28% in the period 1991-2001. The total estimated demand for frozen surimi in Europe was between 40,000 and 45,000 mt in 2002.

In South America there are large quantities of Southern Blue Whiting (SBW) and Hoki. Chilean Seabass is not found in similar quantities, but is profitable with advanced catching technology and skills. Southern Blue Whiting (SBW), Hoki, Alaski Polloc and Northern Blue Whiting (NBW) are processed into surimi and fishmeal. Centurion del Atlantico has been harvesting SBW and Hoki since 1992. The company owns fishing licenses of 15,000 mt SBW and 9,000 mt Hoki and 4,500 mt Grenadier, and the Lobo license transferred to CDA including 12,988 mt of SWB and Hoki. In addition the company can purchase local licenses within the 12 mile economic zone.

Norway Seafoods' Heather Sea Surimi project is being initiated to strengthen this position, utilizing the strong competence in infrastructure the company already has in place in this area. The project seeks to bring a second factory vessel, the Heather Sea, into Argentina, and the project is based on the existing vessel operation of Centurion del Atlantico that has proven very successful. Heather Sea operation will be very similar to the Centurion del Atlantico operation. ASC South America will purchase the vessel from New Pollock LP Inc. The vessel will operate under Argentine flag and be managed under existing infrastructure and resources in Buenos Aires and Ushuaia.

The company's surimi production represents only 2-3% of annual world surimi supply. Surimi prices are set in the world market and the following factors are among the primary divers; world production, consumer trends, level of storage in major markets (imports and distributors) and the financial situation in importing countries (Japan). Surimi prices have been following an increasing trend over the last ten years. Japan is the largest market for the company's surimi products. In 2003 Japan represented about 58% of total sales. North America upholds its position as the company's second largest market with 40% of total sales. The rest is sold to customers in Europe and Asia.

**Chilean Seabass (CSB)**
The customer base for CSB is more fragmented then for surimi; hence in 2002 the 9 largest customers bought 53% of all products and 90% were sold in the U.S market and the rest in Canada. CSB by-products were sold to Japan. Since the beginning of harvesting back in 1993 the company has targeted the U.S market because stable and high market prices

Chilean Seabass (CSB) is a migratory high value species. The meat has a whiteness, firmness and consistency found only in a few other species in the world. The company produces fillets and headed ad gutted (H&G) CSB. The longliners harvesting CSB in Argentina operate independently targeting different fishing areas determined by each vessel's fish masters. However, once a longliner locates large quantities of CSB, information is sent to the other longliners. CSB fishery is a technically difficult fishery as the CSB, lives along edges and canyons at depths down to 2,500 meters. The company owns fishing licenses of 20,400 mt Chilean Seabass, 5,400 mt Grenadier, 1,000 mt King Clip and 2,200 mt of other species. The company aims to sell its CSB to distributors and reprocessors, rather than importers to achieve the better prices.

**Krill**
As conventional wild fisheries tend to decline due to over fishing and as aquaculture continues to grow, there will be greater emphasis and demand for new protein resources. Krill meal can serve as an excellent source of protein for aquaculture. Krill meal is very valuable for this industry, not only for the value of protein, but also for the unique content of anthaxin (red colouring) and the high flavouring content. Krill has potential in extremely high value markets, hence prices and difficult to predict at this early stage in the project.

South Antarctic Krill (E. superba) is an unexploited protein resource in the Southern Ocean with the largest biomass of any marine resource known today. With a sustainable estimated biomass of 500 million metric tons and an annual recommended TAC of 4-5 million metric tons this unexploited and abundant resource represents a significant harvesting potential.

The company has initiated a krill project, which has proved initial results in the trial period that are positive and exceed expectations. The vessel has been successful in continues towing and the krill catch has been fresh and of very good quality. Test results and feedback from customers indicate that the quality is above their requirements. The quality is also above the company's expectation prior to this project. Recovery rate at the moment is 14-15%, which is 2-3% above the initial expectation, and this is expected to improve as the factory is monitored and tuned as the krill flow increases when entering high season.

### 5.2.5 Aker Material Handling Group

#### *5.2.5.1 Overview*
The Aker Material Handling Group (previously Dexion Group) is a supplier of storage, filing- and archiving systems used in industrial settings (referred to as industrial products) and office settings (referred to as commercial products). The group consists of three strategic business areas named Constructor Scandinavia, Constructor Dexion and Bruynzeel. Combined, these areas have sales operations in major European markets under well-known brand names such as Constructor, Bruynzeel, Compactus and Dexion. The group currently owns four factories and has its own sales offices in most European countries.

The group has experienced a significant decline in demand from 2000 that persisted well into 2003 and caused the group to implement significant restructuring actions at the same time as implementing significant investments.

A contracting market along with considerable pressure on gross margins made it necessary to step-up the restructuring process in 2003 and first part of 2004. In order to restore profitability and improve the group's financial situation, the group sold off peripheral operations in Australia, Asia, USA, UK and Finland together with smaller-sized niche companies in France and Belgium, and the UK. Sales proceeds of in total approximately NOK 375 million has been received and used to reduce external debt. Throughout the business, comprehensive cost-cutting measures were introduced, with estimated annual savings of NOK 130 million to NOK 150 million. A significant part of the cost savings stems from headcount reductions at company headquarters, relocating headquarters from London to Oslo and overall staff reductions at most of the business units. The sales and manufacturing operations of Dexion in UK entered into administrative receivership in May 2003 mainly due to a large deficit in the UK pension scheme.

The product range within the Industrial segment is pallet racks, shelving and various machinery for use in industry and distribution, while the Commercial segment consists of archives, shelves and filing systems/cabinets for use in offices or other non-industrial environments.

Industrial products


Commercial products


### *5.2.5.2 Selected financial information for Aker Material Handling Group*

The following table shows selected financial data for the Aker Material Handling Group:

| | Q2 2004 | Q2 2003 | H1 2004 | H1 2003 | 2003 | 2002 | 2001 |
|---|---|---|---|---|---|---|---|
| | | | (Amounts in NOK million) | | | | |
| Operating revenues | 336 | 523 | 659 | 1094 | 1981 | 2528 | 3325 |
| EBITDA | 1 | 0 | -8 | -14 | 3 | -241 | 73 |
| EBITA | -5 | -17 | -23 | -48 | -55 | -317 | -23 |
| EBIT before exceptional items | -15 | -25 | -43 | -66 | -94 | -385 | -102 |
| Exceptional items | -31 | 277 | -40 | 182 | -16 | -316 | -248 |
| EBIT | -46 | 252 | -83 | 116 | -110 | -701 | -350 |
| Employees year-end | | | | | 960 | 2,080 | 2,210 |

The exceptional items in 2004 do not relate to continuing businesses.

The table below shows the pro-forma adjusted data for the continuing businesses within the group:

| | Q2 2004 | Q2 2003 | 2003 | 2002 |
|---|---|---|---|---|
| | | (Amounts in NOK million) | | |
| Order intake | 693 | 579 | 1 151 | 1 190 |
| Operating Revenues | 585 | 609 | 1 193 | 1 210 |
| EBITDA | -11 | -29 | -34 | -108 |

Following the sale of business activities and comprehensive cost cutting, the group is now able to concentrate on further developing its position in its various markets so as to gradually reach its earnings objectives.

The group has become a more efficient and market driven organization The cost-cutting measures that have been implemented, increased focus on sales and new business, along with a gradual market recovery, have resulted in improved operating profit for the group's continued businesses in 4th quarter 2003 and so far in 2004.

The group's backlog stands at NOK 318 million at the end of Q2 2004, an increase of NOK 107 million compared to year-end 2003. Steel represents a large portion of production cost for Dexion. Based on increasing steel prices through the second half of 2003, the margin in the industry suffered. As a sign of recovery, it is worth noting that whereas competitors' margins declined in 2003, Dexion increased operating margins during 2003.

Dexion operates in a highly competitive market that over the last three years have seen margins under pressure. Historical industry EBITDA margins have been in the range of 8% to 12%, but are expected by industry participants to remain in the 5% to 12% range in the future

#### *5.2.5.3 Business areas*

<u>Constructor Scandinavia (Industrial and commercial)</u>
The Scandinavian business consists of sales offices in Norway, Sweden and Denmark. Customers buy directly from these offices or through distributors. The unit also includes a factory at Hensmoen in Norway, which manufactures racks for the Scandinavian market and Industrial shelving for all European markets. Other products sold in the region are sourced from the factories in Holland and Germany, as well as from external suppliers. Dexion Group's Scandinavian operations have approximately 218 employees.

A UK distributor network that has been maintained after the administrative receivership of the UK operations, are served from the Norwegian and German factory.

<u>Contractor Dexion</u>
Central Europe Industrial includes the factories in Laubach and Halle, Germany and sales offices in Germany, Austria, Poland, Italy, Holland, the Czech Republic, Slovakia and Hungary. Sales are also made through a network of distributors. The factories in Germany manufacture static and mobile racking for the central European market. The group's European industrial operations have approximately 253 employees. A UK distributor network that has been maintained after the administrative receivership of the UK operations, are served from the German (and Norwegian factory).

<u>Bruynzeel</u>
Central Europe Commercial includes the factory in Panningen, Holland, and sales offices in Holland, Belgium, France, Germany and Switzerland. The factory in Panningen manufactures static and mobile shelving for the central European market and Scandinavia. Dexion Group's Central Europe commercial operations have approximately 222 employees.

All areas also export products to other territories such as the Middle East and Eastern Europe.

### 5.2.6 Other investments

#### *5.2.6.1 Atlas-Stord*

Atlas-Stord is one of the leading suppliers of de-watering solutions and equipment within the feed industry based on fishmeal, animal by-products and by-products from distillers and breweries. The company also supplies de-watering solutions and equipment within the municipal and industrial environmental sector.

#### *5.2.6.2 Kværner Insurance AS*

Kværner Insurance AS is the captive/in-house insurance company, and is licensed in Norway to write direct and indirect insurance for the Kværner Group. The company provides procurement of insurance and advisory services for the businesses and line management.

#### *5.2.6.3 Aker Kværner Asset Management ASA*

Aker Kværner Asset Management ASA was established at the end of 2003, and assists companies associated with the Kværner Group with capital management, strategic advice and follow-up of external services.

#### *5.2.6.4 Kværner ASA*

Aker owns, directly and indirectly, approximately 21.7 % of the shares in Kværner. Kværner's main operations relate to the management of various assets, which includes, in addition to its ownership in the Company:

- <u>Ownership of B-Shares in Aker (approximately 49% of all shares issued by Aker)</u>
  Kværner owns a total of 42,400,713 B-Shares in Aker. This constitutes approximately 49% of all shares issued by Aker. The B-Shares have full shareholder's rights in Aker with the exception that they do not carry voting rights.

- Kvaerner Philadelphia Shipyard Inc (KPSI), USA
  The Philadelphia yard is a former U.S. Navy shipyard, which was taken over by Kværner in November 1997 and significantly reconstructed and modernized to produce a state-of-the-art shipyard. KPSI specializes in building Jones Act cargo vessels, including container ships, RO/RO vessels in addition to crude oil and product tankers. Unlike its competitors in the U.S., KPSI focuses solely on the commercial cargo vessel market and does not undertake the building of naval vessels.

  The Philadelphia shipyard delivered its first vessel since 1969 in September 2003. Two additional vessels are under construction, and are scheduled for delivery in July/August 2004 and 2005, respectively. The latter vessel has not yet been contracted. Furthermore, certain preparations have been made for the construction of a fourth vessel.

  Kværner is a party to a master agreement with various federal states and city governmental parties relating to the redevelopment and financing of the Philadelphia shipyard. Kværner, in turn, has agreed to perform the following: (i) to design and build a world class, state of the art shipyard in accordance with agreed functional requirements, (ii) to make capital improvements of USD 15 million during 2001-2004 (the "transition period") and to make further capital improvements or other investments to the benefit of the yard equal to the level of annual depreciation in the facility from 2005-2014 (the "initial operating period"), (iii) to train and employ not less than an annual average of 700 employees during the last 30 months of the transition period and not less than 500 employees during the initial operating period, and (iv) to implement a business plan calling for the construction of up to nine ships through 2004, with Kværner to purchase, at its cost of materials, up to three ships constructed at the yard to the extent they are not purchased by commercial buyers. Delays in the transition period resulted in the extension by one year of both the transition period and the initial operating period in the July 1999 amendment to the master agreement, the end dates of which were previously 2003 and 2013, respectively.

  Kværner has experienced higher costs and lower productivity on the first vessels built, and the financial results of KPSI have not been satisfactory. Kværner has taken steps to improve the performance at KPSI, including a new top management at the yard. However, the future financial performance of KPSI remains uncertain.

- Sea Launch
  Sea Launch was formed in May 1995, as a consortium to construct and operate the first launches of commercial satellites from a sea-based platform. Sea Launch has made 13 successful launches.

  The consortium partners of Sea Launch are Boeing Corporation (40 per cent interest), Energia, a Russian company (25 per cent interest), Kværner (20 per cent interest) and Yuzhnoye and Yuzhmash, two Ukrainian companies (15 per cent combined interest).

  Following write-downs, including all the equity invested, Kværner's investment in Sea Launch comprise of loans from Kværner to Sea Launch of USD 49 million. These loans are mainly interest bearing, but it has been deemed prudent not to accrue interest in Kværner's accounts. Kværner has also guaranteed certain loans to Sea Launch from third parties (Kværner's estimated maximum exposure amounts to USD 172 million) and advance payments from clients relating to ongoing contracts (Kværner's estimated maximum exposure amounts to USD 14 million). Repayment of the loans depend on positive result/cash flows in Sea Launch which in turn are dependent on the number of launches achieved and the success of such launches, and as such represents a significant risk to the future financial performance of Kværner.

- Ellayess
  Ellayess is one of the world's largest specialized recruitment agencies, formed from the merger of two leading internal engineering and specialist firms; Lawrence Allison and Aker International Resource Group. The operation is headquartered in London, UK, and has in total nine recruitment centres on three continents.

- IMGB
  IMGB is an integrated steel smelting, forging, casting and machining facility for steel in Bucharest, Romania in which Kværner acquired a controlling interest in 1998. The facility produces large components for use in the power industry, shipbuilding and steel and cement production. IMGB's activities have been considerably upgraded in recent years, and in 2003 the company entered into an agreement to place a substantial part of its capacity at the disposal of General Electrics Company in the U.S.

- Aker Kvaerner Heavy Engineering
  The Sheffield (UK) based Aker Kvaerner Heavy Engineering offers a complete range of design and manufacturing services, from concept through to final commissioning, across a number of industries including; mining and metals, nuclear, hydropower, and general engineering.

- UK service companies
  Other significant operations include three service companies in the UK; Aker Kværner O&G Services Ltd., Aker Kværner E&C Services Ltd. and Aker Kværner Shared Services Ltd. These companies employ UK personnel and arrange secondment of employees to UK operating companies. Collectively the companies employ approximately 1,850 persons.

#### *5.2.6.5 Other investments and assets*

Other investments and assets of the Aker Group includes:

- Investments in Norsea Group AS (33.5%)
- Investment in Supply Invest KS (22.7%)
- Aker RGI Management AS*
- Wyndmore N.V.
- Champions Seafoods Ltd.
- Minority stake in Aker Finans AS
- Financial investments through minority stakes in companies.

* In connection with the Merger, Aker RGI Holding acquired all of the outstanding shares in Aker RGI Management AS, and accordingly, this company is now a wholly owned subsidiary of Aker ASA. The acquisition price for 100% of Aker RGI Management AS was NOK 55 million. In addition, the consideration includes a deferred consideration, which is linked to the value development of Aker ASA until 1 January 2006. This portion is reflected in the opening balance sheet and the pro forma figures. Furthermore, a merger plan has been entered into in which it has been agreed to merge Aker RGI management AS into Aker. It is expected that the merger will be completed by the end of 2004.

Aker owns the shares in Legend Properties, Inc., a U.S. real estate developer. All assets of Legend Properties, Inc. were however sold in July 2004, resulting in the release of approximately NOK 300 million in funds to Aker.

## 5.3 GROUP FUNCTIONS

Aker is the holding company in the Aker Group, with all business activities organised in the Company's subsidiaries and affiliated companies. The Company consists of group senior management and support functions. In total, there are approximately 25 employees at the holding company level.

The various subsidiaries and affiliates within the Aker Group have independent management and support functions, including with respect to financial services, HR-services, office and administrative services, etc. Some of the subsidiaries have established shared services arrangements with other companies within the Aker Group, and in some cases with Kværner, see Section 5.4 "Certain inter-company relations". Aker's main contribution is to act as an active industrial owner and invest capital and skills in the various businesses in order to create value-adding changes for the Aker Group and the Company's shareholders. This will include being actively involved in the operations, structures and financing of the businesses within the Aker Group. Additionally, Aker is responsible for reporting and investor relations on a group level.

## 5.4 CERTAIN INTER-COMPANY RELATIONS

Certain intra-group relations on arms-length terms between the Company on the one hand and other entities within the Aker Group (including Aker Kværner and Aker Yards) have been established. This includes matters such as licence arrangements relating to the "Aker"-name (a registered trademark of Aker), insurance procurement through Kværner Insurance AS, capital management, strategic advice and follow-up of external services through Aker Kværner Asset Management ASA and office and administrative services, including joint use and management of office buildings and related facilities.

In addition, there are various relations on arms-length terms between on the one hand entities within the Aker Group and on the other hand entities within the Kværner Group and/or Aker's largest shareholder Aker RGI or affiliates of Aker RGI. These relations include licence arrangements relating to the "Kværner", "Kvaerner" and "Aker" names (registered trademarks of Kværner) between on the one hand Kværner and on the other hand Aker Kværner and Aker Yards and Aker Yards and Aker RGI respectively, certain labour services arrangements between Kværner and Aker Kværner entities in the UK, service arrangements for services related to certain of Kværner's commercial contracts and/or warranty work relating to such contracts, and office and administrative services, including joint use and management of office buildings and related facilities.

# 6. DIRECTORS, MANAGEMENT, AUDITORS AND HUMAN RESOURCES

## 6.1 GENERAL

The overall management of Aker will be vested in the board of directors and the CEO, with the latter being responsible for the day-to-day management of Aker in accordance with instructions, policies and operating guidelines set out by the board of directors.

## 6.2 BOARD OF DIRECTORS

The table below sets out the current members of the Board of Aker and their respective ownership of A-shares or rights to A-shares in the Company.

| Name | Position | Address | Number of A-shares | Number of Options |
|---|---|---|---|---|
| Kjell Inge Røkke | Chairman | Oslo, Norway | 23,439,055[1] | 0 |
| Lone Fønss Schrøder | Deputy Chairman | Hornbæk, Denmark | 200 | 0 |
| Bjørn Flatgård | Director | Kolbotn, Norway | 0 | 0 |
| Eva von Hirsch | Director | Oslo, Norway | 0 | 0 |
| Kjeld Rimberg | Director | Oslo, Norway | 0 | 0 |
| Kjell Storeide | Director | Oslo, Norway | 0 | 0 |
| Atle Teigland[2] | Director, employee representative | Tysnes, Norway | 0 | 0 |
| Harald M. Bjørnsen[2] | Director, employee representative | Sævelandsvik, Norway | 0 | 0 |
| Arne Rogne[2] | Director, employee representative | Brattvaag, Norway | 0 | 0 |
| Leif G. Furre[2] | Director, employee representative | Litlabø, Norway | 0 | 0 |

[1] Includes 23,045,163 shares owned by Aker RGI.

[2] The employee representatives are the same as the employee representatives on the board of directors of the former company Aker RGI Holding. The Company is currently in discussions with the employees regarding employee representation going forward. A natural part of these discussions are the number of employee-representatives on the Board, the possibility of establishing a Corporate Assembly similar to that of the former Aker RGI Group, etc. The final structure for employee-representation is expected to be presented to Bedriftsdemokratinemnda before the end of 2004.

*Kjell Inge Røkke*, age 45, is President & CEO of Kværner. Mr Røkke founded and was the main shareholder in Resource Group International (RGI), which merged with former Aker ASA (later Aker RGI Holding) in November 1996. Mr Røkke controls Aker RGI , which is the main shareholder of Aker. Mr Røkke is a Norwegian citizen.

*Lone Fønss Schrøder,* age 43, has a law degree from the University of Copenhagen and a Master of Economics degree from Handelshøjskolen, Copenhagen. Ms Schrøder has a broad international experience from 21 years senior management and board positions in A.P. Møller-Maersk, and has been a partner and co-owner of CMC Biopharmaceuticals, Denmark. She is currently a non-executive director of the board of, inter alia, Yara International ASA, Leif Hoegh & Co Ltd., Vattenfall AB, and Charman of the board of Kværner. Mrs. Schrøder is a Danish citizen.

*Bjørn Flatgård*, age 55, is President and CEO of Elopak AS. With a Master of Science from the Norwegian Institute of Technology and a degree in Business Economics from the Norwegian School of Management, Mr. Flatgård has held main positions in several industrial companies in Norway. From

1985-1996 he was member of the Corporate Management of Nycomed AS, later Hafslund Nycomed AS. Mr. Flatgård holds several board positions in Elopak companies and subsidiaries, Aker Kværner ASA and SalMar A/S and is presently also deputy chairman of the board of directors of Aker RGI AS. Mr Flatgård is a Norwegian citizen.

*Eva von Hirsch,* age 54, is a Doctor of social anthropology, and joined the Norwegian telecom company Telenor in 1998 as a special advisor to the corporate management. Since 2001 she has played a key role in the management of international telecom companies, including Ghana Telecom, for which she is responsible for the implementation of the business plan and organisational structure. Mrs. von Hirsch is a Norwegian citizen.

*Kjell A. Storeide,* age 51, has a degree in Business Economics from the Norwegian School of Management in Bergen. From 1990 to 2004 Storeide was CEO and part owner of Stokke Gruppen AS. Storeide is currently the chairman of several Norwegian industrial companies, and member of the Board of Innovasjon Norge. Mr. Storeide is a Norwegian citizen.

**Remuneration to Board of Directors**
The Company was established on 13 February 2004, and has consequently not yet paid any remuneration to the Board. The Company expects that the remuneration to the Board for the financial year 2004 will be at a level similar to the remuneration paid to the board of directors of Kværner for the financial years 2002 and 2003. Total fees paid to the board of directors of Kværner in 2003 amounted to NOK 2,775,000.

## 6.3 GROUP MANAGEMENT

The table below sets out the name of the member of Aker's senior management, positions and current ownership of shares and rights to shares in Aker:

| Name | Position | Address | Number of A-shares in Aker | Number of options in Aker |
|---|---|---|---|---|
| Leif-Arne Langøy | CEO | Oslo, Norway | 0 | 0 |
| Martinus Brandal | EVP | Zurich, Switzerland | 0 | 0 |
| Bengt A. Rem | CFO | Fjellhamar, Norway | 0 | 0 |
| Geir Arne Drangeid | EVP | Oslo, Norway | 0 | 0 |

*Leif-Arne Langøy*, age 49, President & CEO, was appointed President & CEO of Aker RGI in January 2003. He has previously served as President & CEO of the Aker Kværner Yards Group, and as a Managing Director for Aker Brattvaag. Mr. Langøy has been involved in the development of Norwegian and international shipping industry since 1988, and has been with the Aker RGI Holding Group since 1993. Mr. Langøy has an MBA degree from the Norwegian School of Economics.

*Martinus Brandal*, age 44, EVP, is in charge of operations, strategy and business development for Aker. Mr Brandal joined Aker RGI Holding as EVP on 1 July 2004. In the period from 1985 to 2004, Mr Brandal held various management positions in the ABB Group, inter alia as Group Senior Vice President at the headquarter in Zurich and Head of Business Area Process Automation. Mr Brandal holds a Bachelor of Science in Electrical Engineering from Oslo University College.

*Bengt A. Rem*, age 42, CFO, is a state authorised accountant and a Master of Business and Economics from the Norwegian School of Management. Mr Rem joined the Aker RGI Group in 1995 where he has, among other things, held the position as CFO and Chief of Staff. Before joining the Aker RGI Group, Mr Rem has among other things worked with Arthur Andersen & Co. and Oslo Børs.

*Geir Arne Drangeid*, age 38, EVP and responsible for communication, investor relations and human resources, has a background from journalism. Mr. Drangeid joined the Company on 1 September 2004. Mr Drangeid has held various communications related positions since 1990, when he joined Norwegian Contractors, then a subsidiary of Aker. In 1996 he became head of group communications in Aker Maritime, and since 2002 he has been Group SVP Communications and Investor Relations in Aker Kværner.

**Remuneration to CEO of Aker**
The CEO will have a fixed annual salary of NOK 4.2 million and a bonus scheme dependent on achievement of defined short-term and long-term results. His pension benefits will amount to 70% of his annual salary up to 12G. The CEO will have no other significant benefits.

## 6.4 AUDITORS

Aker's auditor is KPMG AS, independent public accountants, located at Sørkedalsveien 6, P.O.Box 7000 Majorstuen, N-0611 Oslo, Norway. KPMG AS is currently also the auditor of Kværner, Aker Kværner and Aker RGI.

## 6.5 HUMAN RESOURCES

### 6.5.1 Employees

As at 30 June 2004, the Aker Group employed a total of approximately 41,000 people. Of these, approximately 22,000 were employed in the Aker Kværner Group, 14,500 in the Aker Yards Group, 1,300 in the Norway Seafoods Group and 900 in Dexion Group. Of the 41,000 employees, approximately 13,000 were employed in Norway and approximately 28,000 employed in the rest of the world.

### 6.5.2 Trade unions/employee relations

Membership of trade unions varies in accordance with business area, local practise and country. A number of Aker Group businesses have entered into collective bargaining agreements with trade unions either directly or as members of employer organisations. These agreements typically govern terms and conditions of employment and dispute procedures.

The Company has four employee representatives elected as directors to the Board. The current employee representatives' appointments are of a temporary nature, pending completion of a process to establish permanent rules for employee presentation on the Board of Aker. See section 6.2 "Board of Directors". The Company does not have a Corporate Assembly.

### 6.5.3 Remuneration

Aker Group business units set levels of remuneration appropriate to the industry and region in which they operate consistent with market norms and their ability to fund salary increases. Salaries and wages are reviewed annually and the total of the increases is provided for in the operating business unit's financial budget.

### 6.5.4 Pension schemes

The different companies within the Aker Group generally operate retirement benefit arrangements in all territories where such arrangements would typically be found. Both defined benefit and defined contribution arrangements are provided. These arrangements are consistent with local practices and endeavour to cover all employees.

# 7. FINANCIAL MATTERS

## 7.1 SELECTED PRO FORMA FINANCIAL INFORMATION

Set out below are pro forma profit and loss accounts and balance sheet for the Aker Group for the years 2001, 2002 and 2003, Q2 2004 and Q2 2003 and for the six-month period ended 30 June 2004 and 2003. The accounts have been prepared on a historical cost basis on a consolidated level for all periods. Historical information for the Aker RGI Holding Group was derived from audited consolidated financial statements for 2001, 2002 and 2003 and unaudited consolidated financial statements for the period ended 30 June 2003. The financial information for the Aker Kværner Group and Aker Yards Group was derived from unaudited pro forma financial statements for 2001, 2002 and 2003, and unaudited financial statements for the six-month period ended 30 June 2004. The pro forma financial statements have been prepared in accordance with Norwegian GAAP and the accounting principles listed in appendix 3. The accounting principles may differ in material respects from accounting principles in other jurisdictions.

The formation of the new Group included many transactions involving transfers of businesses ultimately owned by Kværner at fair values differing from historical costs. All transactions have been recorded using fair values in the companies' accounts. Norsk RegnskapsStiftelse issued in 2000 a discussion paper that outlines criteria for using continuity versus fair values in the company accounts for transactions between parties under common control. The discussion paper concludes that continuity should be used in most cases when business is being transferred between companies with common ownership in excess of 90 per cent. Oslo Bors' opinion is that continuity accounting provides more relevant information in these cases. However, there are different views on the proposed solutions and the discussion paper has not progressed to an exposure draft. Accounting practice still varies in this area.

The pro forma financial statements are provided for information purposes only and are not necessarily indicative of actual results that would have been achieved had the transactions and assumptions described below occurred during the periods presented.

A review report from KPMG AS regarding the pro forma financial information for Aker is included as Appendix 5 "Review Report from KPMG regarding pro forma financial information for Aker".

## 7.2 PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS – ASSUMPTIONS AND ADJUSTMENTS

The Aker Yards Group was established through the merger between Aker Yards AS and a subsidiary of Kværner ASA (Aker Kværner Investments AS) in February 2004, with consideration to the shareholder of Aker Yards AS in Kværner shares. Through this transaction Aker RGI Holding's ownership increased from 49,9% to 59,6 in Kværner ASA. Kværner ASA then became a subsidiary of Aker RGI Holding Group. At the time of the merger Kværner was valued at fair value. The assets and liabilities related to the Aker Yards and 49,9% of Aker Maritime's Oil and Gas business (merged with Kværner Oil and Gas business in 2002) are carried at the book value of Aker RGI Holding Group in the pro forma accounts of Aker ASA Group.

The internal reorganizations within the Kværner Group and the Aker RGI Group prior to the merger between Aker RGI Holding and Kværner have not had any impact on the pro forma financial statements.

The merger between Aker RGI Holding and Kværner Holding is recorded as a merger under common control (between parent and tier-subsidiary). Therefore assets and liabilities are presented according to the value of the consolidated accounts of Aker ASA group. Kværner ASA will not be a part of the Aker ASA group subsequent to the share distribution of all Aker A-shares from Kværner ASA. The pro forma figures are prepared to show Aker following the Aker Share Distribution, hence this is reflected in the pro forma figures for all periods.

The Aker ASA purchase price in excess of book value is preliminary allocated to goodwill.

Significant acquisitions and disposals made during the three and half year period for which this pro forma financial information cover have been included as if they occurred at 1 January 2001.

Consequently the pro forma income statements presented herein include all significant operation of the combined group for each of the periods then ended.

In the pro forma profit and loss accounts the effect of the merger in Aker RGI Holding Group in 2002 between Kværner and Aker Maritime Oil and Gas business are eliminated.

In addition, an assumption of an extraordinary dividend to Aker RGI AS of NOK 3,5 billion from Aker RGI Holding AS prior to the merger is reflected in the pro forma accounts for all periods.

The refinancing of Aker ASA in July 2004 is reflected in the pro forma balance sheet statements at 30 June 2004 and in the profit and loss statement in the first and second quarter of 2004. The sale of Legend Properties is reflected in the pro forma balance sheet as at 30 June 2004. The total interest-bearing debt and bank deposits are therefore reduced with NOK 1,5 billion and NOK 1,3 billion respectively.

In the pro forma financial accounts a goodwill deprecation period of 20 years has been assumed. Hence, an additional goodwill amortization of NOK 150 mill is charged to the profit and loss statement of each year (2001 - 2003), and NOK 37.5 mill is charged for the first and second quarter of 2004. An amortization period of 20 years is based on the fact that the expected economic life of the acquired business in the Group is expected to be at least 20 years.

The exchange offer in Kværner ASA and the share subscription in Aker Kværner have been reflected in the pro forma accounts for all periods.

***Aker Yards Group***
The shipbuilding activities, previously held by Aker RGI Holding AS, were merged with Aker Kværner Investments AS. The merged company was combined with Kværner's Masa-Yards and Kværner's 40% ownership in the Aker Ostsee Group (owner of Aker MTW and Aker Warnow). The results of the operations of Aker Yards AS, Kværner Masa-Yards and the Aker Ostsee Group have been reflected in the Aker Yards pro forma group financial statements as if the merger and combination took place effectively 1 January 2001.

**Aker Kværner Group**
The Aker Kværner pro forma financial statements include the results from operation of oil & gas and engineering & constructions businesses that form part of the Group. The activities sold to third parties have been excluded in all periods.

A description of general accounting principles on which the pro form accounts have been prepared is presented in Appendix 3 "Pro Forma Accounting Principles Aker". Pro forma financial information with break-down on sub-groups of Aker is presented in Appendix 4 "Pro forma financial information with break-down on sub-groups".

## PRO FORMA PROFIT AND LOSS ACCOUNTS FOR AKER

| Amounts in NOK million | Q2 2004 | Q2 2003 | H1 2004 | H1 2003 | Year 2003 | Year 2002 | Year 2001 |
|---|---|---|---|---|---|---|---|
| **Operating revenues** | **13 322** | **12 930** | **24 748** | **25 406** | **51 458** | **57 980** | **67 304** |
| Operating expenses | -12 750 | -12 215 | -23 561 | -24 167 | -48 851 | -56 392 | -66 078 |
| **EBITDA** | **572** | **715** | **1 187** | **1 239** | **2 607** | **1 588** | **1 226** |
| Depreciation | -206 | -218 | -392 | -418 | -842 | -996 | -1 014 |
| **EBITA** | **366** | **497** | **795** | **821** | **1 765** | **592** | **212** |
| Amortization | -134 | -129 | -278 | -258 | -547 | -543 | -559 |
| Exceptional operating items | -121 | 95 | -121 | 95 | -484 | -677 | -537 |
| **Operating profit** | **112** | **464** | **396** | **659** | **734** | **-628** | **-884** |
| Share of earnings in associated companies | -11 | -4 | -7 | -4 | -14 | -7 | 12 |
| Net financial items | -203 | -327 | -328 | -859 | -1 131 | 61 | -869 |
| Exceptional financial items | - | - | - | - | 122 | -308 | -1 328 |
| **Profit after financial items** | **-102** | **133** | **61** | **-205** | **-289** | **-882** | **-3 069** |
| Tax on ordinary profit | -34 | -58 | -131 | 31 | 19 | -44 | 442 |
| **Net ordinary profit** | **-136** | **74** | **-70** | **-174** | **-270** | **-926** | **-2 627** |
| Minority interest | 3 | 10 | 51 | -14 | 29 | 26 | -472 |
| Majority interest | -139 | 65 | -121 | -159 | -299 | -951 | -2 155 |

### Exceptional items

Material items that no not occur regularly are classified as exceptional operating or financial items.

Exceptional items at H1 2004, Year 2003, Year 2002 and Year 2001 are as follows:

| Amounts in NOK million | H1 2004 | Full year 2003 | Full year 2002 | Full year 2001 |
|---|---|---|---|---|
| Exceptional operating items: | | | | |
| Loss sale of Legend | -51 | - | - | - |
| Non-recurring items relate to establishing the new Aker Yards group | -30 | - | - | - |
| Gain/Loss sale of Aker Material Handling subsidiaries | -40 | - | - | - |
| Exceptional operating items in Aker Kværner | - | -452 | -271 | 10 |
| Other Gain/Loss sale of assets | - | -32 | - | -139 |
| Write-down fixed assets | - | - | -232 | -176 |
| Restructuring cost | - | - | -174 | -232 |
| **Sum exceptional operating items** | **-121** | **-484** | **-677** | **-537** |
| Exceptional financial items: | | | | |
| Dividend and gain sale shares | - | 122 | 324 | - |
| Write-down of receivables | - | - | -560 | - |
| Write down and loss sale of shares | - | - | - | -465 |
| Loss on sale of derivatives on lised shares | - | - | - | -819 |
| Other exceptional financial items | - | - | -72 | -44 |
| **Sum exceptional financial items** | **-** | **122** | **-308** | **-1 328** |

## UNAUDITED PRO FORMA BALANCE SHEET

| Amounts in NOK million | Q2 2004 | Q2 2003 | Year 2003 | Year 2002 | Year 2001 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Intangible assets | 9 191 | 10 002 | 9 050 | 9 147 | 9 236 |
| Tangible fixed assets | 5 820 | 6 223 | 5 722 | 6 047 | 6 776 |
| **Total intangible and tangible fixed assets** | **15 011** | **16 225** | **14 772** | **15 194** | **16 012** |
| Financial interest-bearing fixed assets | 300 | 746 | 542 | 838 | 2 772 |
| Financial interest-free fixed assets | 326 | 257 | 358 | 462 | 603 |
| Shares and other equity investments | 250 | 757 | 312 | 765 | 612 |
| **Total financial fixed assets** | **876** | **1 760** | **1 212** | **2 065** | **3 987** |
| **Total fixed assets** | **15 887** | **17 985** | **15 984** | **17 259** | **19 999** |
| | | | | | |
| Interest-free short-term receivables, incl. project rec. | 17 424 | 19 504 | 16 979 | 19 583 | 24 440 |
| Interest-bearing short-term receivables | 657 | 2 082 | 38 | -128 | 11 |
| Liquid assets | 6 602 | 5 986 | 8 241 | 7 823 | 9 216 |
| **Total current assets** | **24 683** | **27 572** | **25 258** | **27 278** | **33 667** |
| **Total assets** | **40 570** | **45 557** | **41 242** | **44 537** | **53 666** |
| | | | | | |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | |
| Total shareholders' equity | 6 579 | 7 725 | 6 681 | 7 048 | 10 095 |
| Minority interests | 2 637 | 2 968 | 2 561 | 2 541 | 2 709 |
| **Total shareholders' equity and minority interests** | **9 216** | **10 692** | **9 241** | **9 588** | **12 804** |
| 10-Years subordinated debt | 4 093 | 4 075 | 3 946 | 3 901 | 4 486 |
| Deferred tax and provisions | 759 | 511 | 365 | 457 | 549 |
| Other interest-free long-term liabilities | 814 | 1 090 | 1 193 | 854 | 703 |
| Interest-bearing long-term debt | 7 826 | 7 537 | 7 190 | 8 064 | 10 078 |
| **Total long-term liabilities** | **13 492** | **13 213** | **12 694** | **13 276** | **15 816** |
| Interest-free short-term debt | 15 493 | 14 851 | 14 786 | 14 708 | 20 633 |
| Interest-bearing short term debt | 2 369 | 6 801 | 4 521 | 6 965 | 4 413 |
| **Total short-term liabilities** | **17 862** | **21 652** | **19 307** | **21 673** | **25 046** |
| **Total shareholders' equity and liabilities** | **40 570** | **45 557** | **41 242** | **44 537** | **53 666** |

**Equity reconciliation**

| Amounts in NOK million | Year to date Q2 2004 | Full year 2003 | Full year 2002 |
|---|---|---|---|
| Shareholders equity at the beginning of the period | 6,681 | 7,048 | 10,095 |
| Profit for the year | -121 | -299 | -951 |
| Group contribution/dividend | | -313 | -1,474 |
| Translation differences | 19 | 178 | -622 |
| Capital Contribution | | 67 | |
| **Shareholders equity at the beginning of the period** | **6,579** | **6,681** | **7,048** |

## 7.2 THE AKER GROUP'S FINANCING ARRANGEMENTS

Following the refinancing of the Company, as completed on 29 July 2003, the financing arrangements of the Company are as follows:

| Facility | Date | Maturity | Financial Covenants | Interest | Principal Amount | Payment Obligations |
|---|---|---|---|---|---|---|
| | | | | | | |
| FRN Aker RGI Holding ASA Open Bond Issue 01/07 ISIN NO: 001-012491.0 Ticker: AKE16 | 30 Nov 01 | 05 March 07 | Total Debt to Total Equity shall not exceed 0.8. Total Debt to exclude subordinated loans but to include guarantees for loans. | 3 month NIBOR + margin of 1.75% | NOK 805 million | Interest to be paid at the end of each 3-month interest period. Principal amount to be repaid in full on maturity |
| NOK 1,440,000,000 Term and Revolving facilities Agreement | 26 July 04 | 31 Jan 07 | Total Debt to Total Equity shall not exceed 0.7 – Total Debt to exclude subordinated loans, but to include guarantees for loans<br><br>Minimum Liquidity restrictions – Interval of NOK 100 million –NOK 200 million dependent on outstanding loan amount, and certain exceptions | 3 month NIBOR + margin of 2 – 3 % dependent on outstanding loan amount. | NOK 1,440 million | Interest to be paid at the end of each interest period. Principal amount to be repaid in full on maturity. Prepayment shall be maid under certain events. |

In addition, the above loan facilities will, inter alia, contain restrictions on payment of dividends, restrictions on investments, restrictions on disposals, restrictions on transactions with related parties and restrictions on merger and acquisitions. Further, there are certain change-of-control provisions in the new facilities. The change of control provisions provides that the facility may be terminated by the banks if Mr. Kjell Inge Røkke, his direct descendants and/or Aker RGI AS ceases to hold directly or indirectly at least 33.33% of the shares in the Company and at least 50.1% of the voting rights relating to the Company, or the Company ceases to hold and control at least 40% of the share capital and voting rights of either Aker Kværner ASA or Aker Yards ASA. It is also a termination event if the Company ceases to be listed on the Oslo Stock Exchange, or if the shares in Aker Yards ASA or Aker Kværner ASA ceases to be listed.

The Company has guaranteed for certain of its subsidiaries obligations. In total the Company has guarantee obligations of approximately NOK 1,540 million of which NOK 850 million relates to loan obligations (incl. lease obligations), of which NOK 300 million relates to an unconditional undertaking by the Company to buy back debt outstanding from Aker Material Handling to certain banks, during 2004. NOK 690 million is related to performance bonds.

In connection with the merger between the oil & gas operations within Aker Maritime ASA and Kværner ASA in 2002, certain guarantee obligations remained with Aker Maritime ASA/Aker RGI Holding ASA. Thus, of the NOK 690 million of the Company's guarantee obligations related to performance bonds, NOK 437 million is related to business within the Aker Kværner ASA group. The company has an indemnity from Aker Kværner ASA attached to these obligations.

## 7.3 FINANCIAL MARKET EXPOSURE

Forward exchange and foreign currency swap contracts are used to hedge foreign currency payment obligations, and to finance business assets outside of Norway. Foreign currency balance sheet items are also naturally hedged, to the extent that borrowing and lending in the same currency coincide.

Exposure to risk arising from foreign currency exchange rate fluctuations is identified and reduced through continuous monitoring and adjustment of the Company’s collective portfolio of loans and financial instruments. Such hedging is undertaken at two levels, Aker Group holding company level and Aker Group subsidiary level, where each subsidiary is responsible for hedging of their individual exposures.

Some Aker Group subsidiaries are exposed to risk associated with the value of their investment in subsidiaries, due to changes in market prices for raw materials and semi-processed goods, to the extent that such fluctuations result in changes to these companies’ competitiveness and earnings potential over time. Exposure to risk arising from foreign currency exchanges rate fluctuations is identified and reduced through continuous monitoring and adjustment of the Aker Group subsidiaries portfolio of loans and financial instruments. Exchange risk related to investments in foreign currencies is hedged by modifications to the loan portfolio and/or via other financial instruments. Some Aker Group subsidiaries enter into ongoing hedging transactions related to individual subsidiaries sales in foreign currencies. Such hedging is done to reduce the exchange risk affecting sales contracts.

## 7.4 IFRS

The Group's pro forma financial information is prepared in accordance with Norwegian GAAP. The EU has decided that all enterprises with a stock exchange listing in the EU area must introduce International Financial Reporting Standards (IFRS) in the consolidated accounts from 1 January 2005 (including comparative figures for 2004) based on the IFRS standards prevailing in 2005. As a result of the EEA engagement, this change will also apply to Norwegian listed companies. For further information regarding significant differences between IFRS and Norwegian GAAP we refer to Appendix 5.

For the Company, the first IFRS-compliant reporting of accounts is expected to be the financial statements for the first quarter of 2005. This will include comparative figures for 2004 under IFRS. Norwegian GAAP relevant to the Group's pro forma financial information is expected to differ from IFRS. The Group has not prepared any reconciliation between Norwegian GAAP and IFRS.

IFRS is generally more restrictive and comprehensive than Norwegian GAAP regarding recognition and measurement of transactions, account classification differences and disclosure requirements. No attempt has been made to identify disclosure, presentation or classification differences that would affect the manner in which transactions and events are reflected in the financial statement of the Company or the notes thereto.

## 7.5 Aker ASA – establishment of the Group

As part of the refinancing of Kværner ASA in 2001/2002, the operating business of Aker Martime ASA (AMA) was sold to Kværner Oil & Gas AS, a wholly owned subsidiary of Kværner ASA. AMA, a wholly owned subsidiary of Aker RGI Holding AS (Aker RGI), received 350 million shares in Kværner AS as consideration. The 350 million shares represented 40% of the share capital in Kværner ASA. AMA's shareholding in Kværner ASA represented a total of 49.9% as AMA held shares in Kværner prior to the transaction discussed above and acquired more shares during the spring of 2002. Aker RGI treated the transfer of AMA’s operating business as a sale for accounting purposes. The investment in Kværner ASA was accounted for according to the equity method in the Aker RGI group accounts. In Aker RGI’s opinion, Kværner was an independent, publicly listed company with an independent board of directors and management. Aker RGI’s power to control Kværner was also limited by the covenants in the loan agreement Kværner entered into through the refinancing. Kværner has been considered to be a subsidiary of Aker RGI from April 2004 as a result of Aker RGI increasing its interest from 49.9% to 59.6% of the shares in Kværner. Aker RGI and Kværner have treated the transactions referred to above consistently in their audited and published accounts for 2002 and 2003.

There are different opinions regarding whether Aker RGI had the power to control Kværner through the 49.9% shareholding. On 27 June 2003 The Oslo Stock Exchange issued a circular 5/2003 titled: “Accounting for mergers as reversed acquisitions” where the power to control issue is debated. Applying the view then taken by the Oslo Stock Exchange, Kværner ASA would be considered to be a subsidiary of Aker RGI as of the date Aker RGI controlled 49,9% of the shares in Kværner. This is contrary to Aker RGI’s treatment as referred to above. In the circular referred to above, the Oslo Stock Exchange says (Aker’s translation):

> “It seems to be beyond any reasonable doubt that a 49.9% stake in a listed company, with the other shares held by a widely spread group of shareholders, represents a power to control.”

If the conclusion drawn by the Oslo Stock Exchange had been applied in Aker RGI’s accounts, i.e. that the formation of a consolidated group for accounting purposes took place at the time Aker RGI controlled 49.9% of the shares, the total assets, the equity and the net profit of the group, would be affected. Estimating these effects involves a large degree of judgement, as the estimates are made 2 years post transactions. However, applying the same principles as for the pro forma accounts in this document, the total assets and the equity of the Aker ASA group would be reduced by approximately NOK 250 million as the goodwill would be reduced compared to the pro forma figures otherwise presented in this document. The annual net profit will correspondingly be improved by approximately NOK 10 million. (Estimating the effect it is also taken into consideration that Kværner ASA is no longer a part of the group).

# 8. SHAREHOLDER MATTERS AND DESCRIPTION OF SHARE CAPITAL

## 8.1 INTRODUCTION

The following description includes certain information concerning Akers share capital, shareholder structure and a summary of certain provisions of the Company's Articles of Association and applicable Norwegian law. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and Norwegian law. A copy of the Company's Articles of Association is included as Appendix 1 "Aker's Articles of Association" hereto.

The Company is a public limited liability company organised under the laws of Norway, including the Public Limited Liabilities Companies Act. The Company was incorporated on 13 February 2004 as a private limited liability company (AS) under the name Kværner Holding AS, but was converted to a public limited company (ASA) and renamed Aker ASA pursuant to a resolution in an extraordinary shareholders' meeting on 5 August 2004. The Company's registration number in the Company Registry is 886 581 432. The head office is located at Fjordalléen 16, 0250 Oslo, Norway.

The Company does not have a Corporate Assembly, but the employees are represented on the Board, see Section 6.2 "Board of Directors".

## 8.2 EXISTING SHARE CAPITAL

The Company's current issued share capital is NOK 2,422,897,876 divided into 44,131,354 shares of class A and 42,400,713 shares of class B. Each share (both A-shares and B-shares) has a par value of NOK 28.

Each A-share carries one vote. The B-shares does not carry voting rights. Other than the voting rights, all Shares carry equal and full rights in the Company.

## 8.3 DEVELOPMENT IN SHARE CAPITAL

The table below summarises the development in the Company's share capital from the time the Company was incorporated up until the date of this Prospectus.

| Date | Event | Total contribution (NOK) | Change in share capital (NOK) | Share capital after change (NOK) | No. of shares after change | Par value (NOK) |
|---|---|---|---|---|---|---|
| 13.02.2004 | Incorporation | 100,000 | 100,000 | 100,000 | 100 | 1,000 |
| 18.05.2004 | Cash contribution | 1,459,589,000 | 500,000,000 | 500,100,000 | 500,100 | 1,000 |
| 01.07.2004 | Share split | 0 | 0 | 500,100,000 | 31,256,250 | 16 |
| 01.07.2004 | Contribution in cash/kind | 2,823,834,058 | 584,000,000 | 1,084,100,000 | 67,756,250 | 16 |
| 08.07.2004 | Contribution in cash/kind | 885,000,000 | 183,896,128 | 1,267,996,128 | 79,249,758 | 16 |
| 16.07.2004 | Change of par value | 0 | 0 | 1,267,996,128 | 45,285,576 | 28 |
| 16.07.2004 | Contribution in kind | 4,084,065,280 | 1,154,901,748 | 2,422,897,876 | 86,532,067 | 28 |
| Allocated to A-shares* | | | | | 44,131,354 | 28 |
| Allocated to B-shares* | | | | | 42,400,713 | 28 |

* After completion of the Merger, the Company's articles of association were amended so that 42,400,713 of its shares were converted to B-shares with no voting rights (but with full rights with the exception of voting rights), and the remaining 44,131,354 shares were converted to A-shares with full voting rights (and with full rights in addition to the voting rights).

## 8.4 EQUITY INSTRUMENTS

Aker has not issued any options or other forms of equity instruments other than shares.

## 8.5 AUTHORISATIONS OF THE BOARD OF DIRECTORS

At an extraordinary shareholders' meeting in Aker on 27 July 2004, the Board was authorised to acquire own shares with an aggregate par value of up to NOK 240,000,000. The authorisation also includes the acquisition of agreed pledge over shares. The highest and lowest price that may be paid per share is NOK 500 and NOK 1, respectively. The Board is free to decide the procedure for the acquisition and disposal of own shares. The authorisation has duration of eighteen (18) months from the time of the extraordinary shareholders' meeting. The extraordinary shareholders' meeting has not given other instructions in respect of the Board's utilisation of the authorisation. The Board's authorisation to acquire own shares has not been used at the date of this Prospectus.

As of the date of this Prospectus, the Board has not been given any authorisations to increase the Company's share capital or to issue convertible loans.

## 8.6 SHAREHOLDER STRUCTURE AND SHARE PRICE DEVELOPMENT

Immediately after the Aker Share Distribution has been registered on the VPS-accounts of eligible shareholders, Aker is expected to have approximately 21,569 registered holders of it's A-shares, of which approximately 558 are shareholders not resident in Norway (representing approximately 18.36% of the total number of outstanding A-shares).

The following table lists the 20 largest holders of A-shares in the Company immediately after the Aker Share Distribution has been registered on the VPS-accounts of eligible shareholders, based on the share register of Kværner at 3 September 2004:

| **Name** | **Number of A-shares** | **Per cent** |
|---|---:|---:|
| Aker RGI AS | 23,045,163 | 52.22 |
| Aker ASA | 6,600,254 | 14.96 |
| RGI (Europe) B.V. | 2,959,938 | 8.71 |
| Bank of New York | 844,300 | 1.91 |
| Morgan Stanley & Co | 407,627 | 0.92 |
| Røkke, Kjell Inge | 393,906 | 0.89 |
| State Street Bank & Client Omnibus | 257,019 | 0.58 |
| Brown Brothers Harri S/A Putnam Intl. | 218,300 | 0.49 |
| JP Morgan Chase Bank | 199,620 | 0.45 |
| Skandinaviska Enskilda | 181,821 | 0.41 |
| Mellon Bank | 171,484 | 0.39 |
| ABIF Aktiv | 158,000 | 0.36 |
| Datum AS | 150,000 | 0.34 |
| Dahl, Ove Henning | 150,000 | 0.34 |
| Bank of New York, | 119,300 | 0.27 |
| Storebrand Livsforsi P880, aksjefondet | 118,732 | 0.27 |
| ABIF Norge | 112,650 | 0.26 |
| Deutsche Bank AG | 107,556 | 0.24 |
| Merrill Lyunch | 106,881 | 0.24 |
| JP Morgan Chase Bank | 103,932 | 0.24 |
| **Total 20 largest** | 36,406,483 | 82.49 |
| Other | 7,724,871 | 17.51 |
| **Total no. of A-shares** | 44,131,354 | 100 |

Kværner currently owns all of the Company's B-shares.

Aker, directly and through its wholly owned subsidiary RGI (Europe) B.V., is entitled to receive 21.7% of the A-shares distributed in the Aker Share Distribution, see Section 5.1.3 "The Aker Share Distribution". Aker will not be entitled to exercise voting rights for the A-shares the Company, directly and indirectly, owns. According to chapter 9 of the Public Companies Act, Aker may hold these treasury shares in excess of the 10% threshold, but must sell or amortize the excess treasury shares as soon as possible and no later than within two years after the acquisition. Prior to the date of the Prospectus, Shares in the Company have not been subject to regular trading. Hence, it is not possible to show historical price development in the Shares.

## 8.7 RESTRICTIONS ON TRANSFER OF SHARES

Norway Seafoods AS, an indirectly wholly owned subsidiary of Aker, is involved in commercial harvesting of fish, and owns a fleet of fishing vessels. As owner of fishing vessels engaged in regulated fisheries, Norway Seafoods AS is subject to the Norwegian Fisheries Participation Act of 1999. Under the Participation Act and regulations issued thereunder, approval by the fishery authorities (the Directorate of Fisheries or Ministry of Fisheries) is required in the event of a change of ownership in the company owning the vessels. The Participation Act also requires that Norwegian residents shall own no less than 60% of the company.

As the indirect parent company of Norway Seafoods AS, the requirements under the Participation Act will as a point of departure also apply to shareholdings in Aker ASA. However, the Norwegian Directorate of Fisheries has granted the Company a partial exemption from these requirements. Except from Aker's own shares, the partial exemption implies that transfers of shares in Aker by any shareholder other than Aker RGI or Mr. Kjell Inge Røkke will not require approval under the Participation Act unless the aggregate direct and indirect ownership in Norway Seafoods AS held by Norwegian residents is reduced to below 60%. As a condition for this exemption, the Directorate has required that Norway Seafoods submit statement showing its direct and indirect shareholders to the Directorate on a quarterly basis.

## 8.8 MAJORITY SHAREHOLDERS

Kværner owns all of the Company's non-voting B-shares as of the date of this Prospectus.

Immediately after completion of the Aker Share Distribution, Aker RGI and Mr. Kjell Inge Røkke will own 67.8 % of the voting A-shares in the Company (adjusted for the A-shares held directly and indirectly by the Company). As a result, Aker RGI and Mr. Kjell Inge Røkke will have the ability to influence significantly the outcome of matters submitted for the vote of shareholders, including the election of members of the board of directors. See Section 11.4.1 "Control by major shareholders".

Aker RGI and Mr. Kjell Inge Røkke have stated that as industrial investors in the Company, they will seek to contribute to continuously improve the operational performance and strategic positioning of the Aker Group, thereby securing a favourable development of the Aker Group as a market leader within its industries.

## 8.9 SHAREHOLDER POLICY

**Dividend policy**
The Company will strive to create value for shareholders in the form of dividends and increasing share value over time. The Board considers the amount of dividend (if any) to recommend for approval by the Company's shareholders, on an annual basis, based upon earnings of the Company for the year just ended, the financial situation for the Company at the relevant point in time and applicable restrictions under the Groups financing agreements. As the Company was incorporated during 2004, no dividends will be paid for the financial year ended 31 December 2003.

The A-shares and the B-shares will rank equal in respect of any future dividends that may be declared and paid.

**Investor relations**
The Company will provide shareholders, Oslo Børs and the market as a whole with timely and accurate information. Such information will take the form of annual reports, quarterly interim reports, press releases, stock exchange notifications and investor presentations, as applicable. The Company's Director of Investor Relations is primarily responsible for relations with Oslo Børs, brokerage houses and investors in general.

## 8.10 SHARE REGISTER

The Company's A-shares are registered in the VPS with securities number ISIN NO 001 023455.2. The Company's B-shares are registered in the VPS with securities number ISIN NO 001 023611.0.

The Company's registrar is DnB NOR Bank ASA, Verdipapirservice, Stranden 21, 0021 Oslo.

# 9. LEGAL MATTERS

## 9.1 CONTRACTUAL DISPUTES, LEGAL PROCEEDINGS AND OTHER UNCERTAINTIES

### 9.1.1 General

In the course of their activities, the companies within the Aker Group are parties to legal proceedings before both administrative and civil courts and bodies. Some proceedings are of a nature considered normal within the respective companies' businesses, including contractual disputes relating to projects in various sectors and disputes with regulatory authorities. Provisions are made to cover the expected outcome of the proceedings to the extent that negative outcomes are likely and reliable estimates can be made. Evaluations are made on a regular basis whether additional provisions are appropriate based on how the proceedings develop. However, the final outcome of proceedings is subject to uncertainties and resulting liabilities may therefore exceed booked provisions.

Set out below is a summary of the contractual disputes, legal proceedings and other uncertainties, which are regarded as the most significant. Their inclusion is based on an assessment of the perceived risk and exposure. This is not an exhaustive description of all legal proceedings affecting the aforementioned businesses, nor does it represent an indication of proceedings they may face in the future. There can be no assurance regarding the outcome of any of the disputes referred to below, or that the company will not face liability in excess of that anticipated.

### 9.1.2 Matters relating to Aker

Subsequent to Aker RGI Holding's forced redemption of Aker Maritime shareholders in 2002, approximately 530 former shareholders did not accept the per-share redemption price of NOK 72. The dispute came before the court of first instance in December 2003, and a decision was rendered on 23 March 2004 with Oslo Tingrett (Municipal Court) setting the per-share redemption price at NOK 116, with 5,5% p.a. interest on the first NOK 72 (the secured amount) and 9% p.a. interest on the remaining NOK 44 (the unsecured amount). On 4 May 2004, Aker RGI Holding entered into a settlement agreement with former minority shareholders in Aker Maritime. The settlement agreement implies that Aker RGI Holding accepts the City Court's decision with respect to the former shareholders accepting the agreement. The settlement agreement implies a full payment of the redemption sum plus interest in accordance with the court decision; amounting to NOK 134.96 per share calculated as of 13 May 2004, provided partially deferred payment. The first partial payment of NOK 81.36 per share was completed on 13 May 2004. The next partial payment of NOK 26.80 per share with 9% interest p.a. was completed on 31 August 2004. The last partial payment of NOK 26.80 with 9% interest will take place within 31 December 2004. Currently, former minority shareholders in Aker Maritime AS representing 36,646 shares have not accepted the described settlement offer.

### 9.1.3 Matters relating to the Aker Kværner Group

<u>Valhall</u>
In 2001, Aker Kværner's subsidiary Aker Stord AS entered into a contract with BP for the procurement and construction of a water injection platform on the Valhall-field in the North Sea. The contract had a value of approximately NOK 2,800 million. The installation of the jacket of the platform was delayed due to pile refusal, and rectification-work was necessary to complete the installation. The jacket was successfully installed in August 2003, water injection started in January 2004 and completion certificate issued. BP and Aker Kværner maintained a positive relationship during the process and are currently in discussions regarding the compensation for the extra work and financial consequences in relation to the delay of the project. Although there can be no assurance regarding the outcome, Aker Kværner currently does not anticipate that this matter will have a material negative impact on the results of operation.

<u>Holborn</u>
In 2000, Aker Kvaerner Netherlands B.V. and Holborn Europa Raffinererie GmbH entered into contracts for delivery of a Steam Reformer, refinery modifications and a unit for removal of sulphur and conversion of aromatics in refinery streams in order to produce ultra low sulphur and low aromatics

diesel in accordance with the EU Fuel Directives. The projects had an aggregate value of approximately DEM 136 million.

Aker Kvaerner Netherlands B.V has launched legal proceedings against Holborn Europa Raffinererie GmbH claiming payment of outstanding invoices in the amount of approximately EUR 6 million and reimbursement of amounts drawn on bank guarantees in the amount of approximately EUR 7 million. Holborn Europa Raffinererie GmbH has rejected the claim and raised counter claims of approximately EUR 35 million based on alleged defects, delays and acts of gross negligence and/or misconduct in the execution of the project. In addition, Holborn Europa Raffinererie GmbH has been granted legal seizure in bank accounts and receivables from clients in the Netherlands, in total for approximately EUR 15 million.

Aker Kvaerner Netherlands B.V has rejected the counter claims from Holborn Europa Raffinererie GmbH. The parties have commenced settlement negotiations. The first main court hearing is scheduled in the autumn of 2004 for the Hamburg district court. Although there can be no assurance regarding the outcome, Aker Kværner currently does not anticipate that this matter will have a material negative impact on the group's financial condition or results of operation.

### 9.1.4 Matters relating to the Aker Yards Group

Warranty Claims

The Aker Yards Group is from time to time, as part of its ongoing business, subject to warranty claims of some significance. Currently, such claims include inter alia claims with respect to piping and water treatment plant for certain cruise vessels (Aker Ostsee) and azipod systems and reduction gears (Masa-Yards).

Furthermore, Aker Braila has been held liable for breach of an option to build 8 vessels for a Dutch owner. The amount of damages, if any, payable in respect thereof is pending subject to a final expert determination. The amount claimed is approximately EUR 11 million.

### 9.1.5 Matters relating to the Norway Seafoods Group

Subsequent to Norway Seafoods Holding's compulsory acquisition of Norway Seafoods ASA shares in 1999, approximately 300 former shareholders did not accept the offered price of NOK 16 per share. In the court of first instance the price was set at NOK 34.50 per share. Norway Seafoods Holding appealed the court decision. Borgarting Court of Appeal set the price at NOK 30.40 per share. This decision was also appealed by Norway Seafoods Holding and a counter-appeal was issued by some 200 former shareholders. The Supreme Court in 2003 vacated the appeals court's decision, which applied to those shareholders who had brought the Counter-appeal action to court, and gave directions for the determination of the price. In April 2004, Norway Seafoods Holding withdrew its appeal of the decision of the court of first instance and subsequently the appeals court dismissed the case. The withdrawal and dismissal was successfully contested before the Supreme Court by some 100 former shareholders who owned some 2,020,000 Norway Seafoods shares. They require a new valuation to be done by the appeals court. The other former shareholders have accepted the NOK 34.50 per share determined by the court of first instance.

### 9.1.6 Aker Material Handling Group

Aker Material Handling Group (previously Dexion Group Ltd.) has experienced financial difficulties, mainly as a result of a heavy debt burden, deficit in the UK pension scheme and declining markets, resulting in weak operating results. This has hampered the further development of the group by preventing otherwise favourable investments and to some extent also by forcing the company to downscale its operations.

The trustee of the UK Dexion Pension and Assurance Scheme has made a claim against the two wholly owned dormant subsidiaries Dexion Group (UK) Limited and Redirack (UK) Limited in an aggregate amount of GBP 30,404,000. Aker Material Handling Group has rejected these claims. However, Dexion Group Ltd has provided a guarantee for the fulfilment of Dexion Group (UK) Limited's obligations towards the scheme on winding-up, when such liability is finally determined, limited to GBP 1 million.

Three UK group companies (Dexion International Limited, Dexion Europe Limited and Dexion Limited) have been in administrative receivership under UK law since 14 May 2003.

The Aker Material Handling Group has made several non-compete undertakings in connection with the different management buy-outs completed in 2003 and 2004.

Aker has provided certain guarantees in favour of certain banks and lease providers for the obligations and liabilities of Aker Material Handling Group under the relevant arrangements. The group's current external bank debt agreement has been supplemented by an amendment agreement, under which the lenders may require that the Aker Material Handling Group meet certain financial covenants and requirements. Certain of these requirements have not been met by Aker Material Handling Group, but the company has received waivers. Aker, in addition to being guarantor, is participating in the above-mentioned credit agreement and has recently increased its participation by partly taking over certain parts of the Aker Material Handling Group's debt.

# 10. TAXATION

The following discussion is a summary of certain Norwegian income tax matters relating to the acquisition, ownership and disposition of the Shares, and does not purport to describe all of the tax considerations that may be relevant to a shareholder of the Shares. Holders of the Shares are advised to consult their own tax advisors.

The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares. Shareholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares.

The listing of Aker on Oslo Børs will not in itself constitute at taxable event for Aker. Similarly, no tax should be triggered at the hands of Aker as a result of the Aker Share Distribution. As Aker directly and indirectly holds 21.7% of the shares in Kværner, Aker is also directly and indirectly entitled to receive 21.7% of the Aker A-shares in the Aker Share Distribution. Aker should not be subject to tax on the received Aker A-shares.

The remaining shareholders of Kværner, which will receive Aker shares in the Aker Share Distribution, will be subject to taxation as described below in section 10.1.1.

The Aker Share Distribution will on the hands of Kværner be regarded as a deemed realisation of the Aker shares, and Kværner will in principle be subject to capital gains taxation. However, Kværner has applied to the Ministry of Finance for tax relief on this deemed realisation. The Ministry of Finance have granted relief from taxation on the condition that the capital gain realised in connection with the Aker Share Distribution will become proportionately payable at the hands of Kværner in the event Kværner realises all or a portion of the B-shares.

## 10.1 TAXATION OF THE SHAREHOLDERS

### 10.1.1 Taxation on dividends

**Norwegian shareholders**

Dividends paid to by resident shareholders are in principle taxable as ordinary income. Dividend payments from a Norwegian company to a Norwegian shareholder are taxed according to the imputation method ("godtgjørelsesmetoden"), which implies that dividends are treated as non-taxable income.

The government has in a white paper proposed that dividends shall not be taxable for limited liability companies and similar entities as from the income year 2004. Further, the imputation method shall be abolished for individual shareholders as from the income year 2006, and dividends, with certain limitations, shall be taxed as ordinary income at a flat rate of 28 per cent. As of the date of this Prospectus, it is not clear whether these proposals will be accepted by the Parliament.

**Non-resident shareholders**

Dividend paid to non-resident shareholders is subject to Norwegian withholding tax of 25 per cent unless a lower rate has been agreed upon in an applicable tax treaty. Norway has entered into tax treaties with a number of countries and withholding tax is normally set at 15 per cent under these treaties. The shareholders country of residence will normally give credit for the Norwegian withholding tax imposed on the dividend.

Nominee registered shares will be subject to withholding tax of 25 per cent unless the nominee has obtained approval from the Central Office – Foreign Tax Affairs for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is committed to file a summary to the Central Office – Foreign Tax Affairs including all beneficial owners that are subject to lower withholding tax.

Non-resident shareholders that have suffered a higher withholding tax than set out by an applicable tax treaty may apply to the Central Office – Foreign Tax Affairs for a refund of the excess withholding tax deducted.

If a shareholder not resident in Norway for tax purposes is carrying on business activities in Norway, and the relevant shares are effectively connected with such activities, the shareholder will be subject to the same taxation as Norwegian shareholders, as described in the first paragraph of this section.

In the abovementioned white paper, the government has proposed that no withholding tax shall apply on dividend distributions to corporate shareholders resident in another EEA member state. As of the date of this Prospectus, it is not clear whether this proposal will be accepted by the Parliament.

Please refer to Section 5.1.3 "The Aker Share Distribution" for a description of the procedures for payment of withholding tax payable on Aker A-shares distributed in the Aker Share Distribution.

### 10.1.2 Taxation on capital gains on disposal of shares

**Norwegian shareholders**

Capital gains from realisation of shares are taxable as ordinary income, and losses are deductible. This applies irrespective of how long the shares have been owned by the shareholder and irrespective of how many shares that are realised. The current tax rate is 28 per cent. The capital gain/loss is regarded as the difference between the received consideration and the purchase price.

Special provisions apply to the computation of gains on shares in a Norwegian resident company owned by another Norwegian resident. In order to avoid double taxation of the Company's profits and the gain of the shareholder, a method of adjusting the shareholders cost price corresponding to the retained after tax profit of the company applies, the so-called RISK-adjustment. This method takes into account the tax paid on retained profits during the ownership period. The opening value of the share is to be adjusted according to changes in the company's retained earnings during the ownership period. The RISK-adjustment only takes place as per January 1 of the following year (the assessment year of the company).

The RISK-adjustment may be negative if the dividends paid by the Company exceed its net taxable income after deductible tax payable.

The computation of capital gains is based on a first in, first out principle.

Costs incurred in connection with the acquisition and/or sale of shares may be deducted from the taxable income in the year of realisation.

As mentioned above, the government has in a white paper proposed that capital gains on shares shall not be taxable and corresponding losses on shares shall not be tax deductible for limited liability companies and similar entities. These new rules shall apply for any realisation of shares as from March 26, 2004. Further, the government has proposed that the RISK system shall be abolished as from the income year 2006, and that capital gains on shares, with certain limitations, shall be taxed as ordinary income at a flat rate of 28 per cent for individual shareholders. Corresponding losses on shares shall with certain limitations, be deductible in the ordinary income for individual shareholders. As of the date of this Prospectus, it is not clear whether these proposals will be accepted by the Parliament.

**Non-resident shareholders**

Non-resident shareholders are not normally taxable in Norway on capital gains on the sale of shares. A tax liability in Norway may nevertheless arise:

- if the shares were held in connection with a business carried out in Norway by the shareholder, or
- if the shareholder has previously been a resident in Norway for tax purposes and the share is sold within five years of the expiration of the calendar year when residency for tax purposes in Norway ceased. This also applies to shares in Norwegian companies that have been purchased and sold during this five-year period.

The proposed changes in Norwegian tax law with respect to dividends and capital gains apply also for these shareholders.

### 10.1.3 Net wealth tax

The value of shares is taken into account for net wealth tax purposes in Norway. The marginal tax rate is currently 1.1 per cent. Norwegian limited companies and certain other companies in a similar position are not subject to wealth tax. Shares listed on the main list of Oslo Stock Exchange are valued at 100 per cent of the market value at January 1 in the assessment year. Non-resident shareholders are normally not subject to wealth taxation in Norway.

In the abovementioned white paper, the government has proposed reductions in the net wealth taxation as from the income year 2006. As of the date of this Prospectus, it is not clear whether this proposal will be accepted by the Parliament.

### 10.1.4 Inheritance or gift tax

Upon transfer of Shares by way of inheritance or gifts, the transfer may be subject to Norwegian inheritance or gift tax. The basis for the computation is the market value at the time the transfer takes place. Still, such transfer is not subject to Norwegian tax if the donor/deceased was neither a national nor resident of Norway for tax purposes.

## 11. RISK FACTORS

Readers of this Prospectus should carefully consider all of the information contained herein, and in particular the following factors, which may materially affect the Aker Group's activities and investments as well as the value of the Shares. This list is not exhaustive, and additional risks may affect the Aker Group and the Shares. The actual results of the Aker Group could differ materially from those anticipated in the forward looking statements as a result of many factors, including the risks described below and elsewhere in this Prospectus.

By virtue of their size, the value of Aker's holdings in Aker Kværner, Aker Yards and Norway Seafoods will have a substantial impact on the value of the Shares. Shareholders in Aker will therefore be exposed to and affected by risks affecting the Aker Kværner Group, the Aker Yards Group and/or the Norway Seafoods Group. Aker Kværner and Aker Yards have in their listing prospectuses dated 19 March 2004 and 27 May 2004, respectively, described certain factors that could materially affect those groups' activities. Copies of these prospectuses can be obtained by contacting one of the Managers.

### 11.1 FINANCIAL RISKS

#### 11.1.1 Future earnings at holding company level

Future earnings at Aker-level will depend on the ability of the operating subsidiaries to make distributions through dividends or group contributions. This capacity will depend on cash flow generated from operations, the ability of the subsidiaries to serve indebtedness and the terms and conditions of potentially restricting loan agreements.

#### 11.1.2 Ability to satisfy future liquidity requirements and to finance future operations

Although the Aker Group is considered to be satisfactory capitalised, activities in some of the operating subsidiaries of Aker are highly capital intensive, and successful operation of the Aker Group will require refinancing or increase of indebtedness from time to time. The ability of Aker and its subsidiaries to raise or renew necessary debt or equity capital on acceptable terms to sustain operation or to support growth in the future cannot be guaranteed. Risks associated with successful capital raising is dependent on both the operational development of Aker and its subsidiaries, and the general market conditions in the Norwegian and international capital markets.

### 11.2 BUSINESS OPERATIONS RISKS

#### 11.2.1 Operational risk in subsidiaries

Companies within the Aker Group are involved in a number of industries, most notably oil and gas, engineering and process, shipbuilding and fishing. Activities in these industries are capital intensive and affected by cyclical variations. Operational and financial risks are related to the extent to which the operating subsidiaries are able to adjust activity to changing market conditions and the ability of the subsidiaries to service indebtedness through interest payments and instalments. Risk is also related to the extent to which the operating subsidiaries are able to comply with covenants set out in their various loan agreements.

#### 11.2.2 Specific risks related to the business acquired from Aker RGI Holding in the Merger

**Risks related to successfulness of previous restructuring**

Some of the subsidiaries within the former Aker RGI Holding Group have been through significant restructuring processes aimed at returning these companies to profitability. Although the restructuring processes have resulted in positive developments in all of these companies, no guarantee can be given that additional capital injections will not be required to sustain the operation of these companies, nor that these companies will be returned to sustained profitability.

**Regulatory environment**

As for the other subsidiaries of the Aker Group, the Norway Seafoods Group is subject to numerous national and supra-national environmental, health and safety laws, regulations, treaties and conventions (together "Regulations"). The amendment or modification of existing Regulations or the adoption of new Regulations curtailing or further regulating the activities of the business of the Norway Seafoods Group (as well as the other subsidiaries within the Aker Group), may adversely affect the operating results or financial condition of the Aker Group as such.

Coastal and deep sea fisheries in particular are extensively regulated in most countries and harvest areas, and quotas and the quota regime can be modified each year. There can be no guarantees that quotas are maintained at the same level from year to year, as they are set based on annual and seasonal measurements of the total fish stock, as well as fleet size and vessel capacity.

In Norway there are strict restrictions on landing and processing, implying that most of the catch from each vessel must be landed at a place or places designated in its concession, and processed there. For Norway Seafoods, this means that the harvesting capacity of the trawlers is predominantly linked to the three processing facilities in Hammerfest, Melbu and Stamsund.

In Norway, only private individuals that are active fishermen can as a starting point own vessels participating in Norwegian fisheries. A long-standing practice has developed, however, whereby industrial owners have been permitted to acquire stakes in and control fishing companies, but with restrictions on the total number of quotas controlled by a single entity. Norway Seafoods has for a period been at the maximum limit of permitted quotas controlled by a single entity. As of 2004, however, a new regime has been introduced whereby an independent maximum quota number was introduced for vessels owned or controlled by processing plants, and enabling Norway Seafoods to increase the quotas controlled – i.e. by acquiring larger stakes in part-owned trawler companies. There can be no assurance that this regime will stay in place over time.

The new ownership structure that results from the Merger must be approved by the authorities.

**Risks related to various legacy issues and legal disputes**
Certain of the businesses acquired from Aker RGI Holding in connection with the Merger is subject to legal proceedings and other uncertainties. Those regarded most significant are described in Section 9.1 “Contractual disputes, legal proceedings and other uncertainties”. The outcome of these and other proceedings and uncertainties relating to the businesses acquired from Aker RGI Holding in the Merger are subject to uncertainties and may result in liabilities in excess of booked provisions.

## 11.3 RISKS RELATED TO THE RESTRUCTURING, THE MERGER AND THE AKER SHARE DISTRIBUTION

In connection with the transactions associated with the creation of Aker Kværner and Aker Yards, the establishment of Aker and other preparations for the Merger, certain of Kværner’s assets and operations have been separated from the remainder of the Kværner Group. The preparations were effected by; inter alia, share transfers, asset transfers and contributions against share consideration. The remainder of the Kværner Group is subject to certain material litigations, non-operational risk and other legacy liabilities. Although none of the Aker Group companies are currently involved in any such Kværner Group litigation, risks and liabilities, and although it is believed that all transactions were for fair value and on market terms, no assurance can be given that such companies will not be subject to any such claims or liabilities including any successor liability.

In connection with the reorganisation of the Kværner Group, the Ministry of Finance granted tax relief for a number of transactions constituting part of the reorganisation. Tax relief were granted on certain conditions, among them that the taxable gain will become payable if Kværner realise some or all of their remaining shares in Aker Yards or Aker Kværner.

The Aker Share Distribution will in principle constitute a breach of some of the conditions in the above mentioned tax relief. Consequently, Kværner have applied to the Ministry of Finance for a new tax relief in connection with the Aker Share Distribution. The Ministry of Finance has in a letter dated 16 July 2004 stated that tax relief will be given on certain conditions. As of 3 September 2004, the Ministry of Finance have not officially stated the specifics of the conditions that will be announced. However, Aker have received strong indications from the Ministry that one of the conditions would be that earlier capital gains triggered as a result of the reorganisation, will become proportionately payable at the hands of Aker in the event Aker realises any of its shares in either Aker Yards or Aker Kværner.

The Merger and the Aker Share Distribution resolution were based on several assumptions, and were subject to various third party approvals. Although the Merger transaction model and resolutions and the Aker Share Distribution are believed to have been made in accordance with relevant company, accounting, tax and other legal requirements, and that third-party relations have been duly clarified, no assurance can be given that the model or resolutions of the Merger or the resolution of the Aker Share Distribution will be accepted by the relevant governmental bodies, nor that the Aker Group will not be subject to claims or liabilities arising out of the Merger or the Aker Share Distribution and the preparations therefore.

Any claims relating to the matters mentioned above which are successfully asserted against the Aker Group and not sufficiently covered by any applicable indemnities or insurance policies, or if indemnities cannot be enforced, could have a material adverse effect on the group's results of operations and financial conditions.

## 11.4 RISKS RELATED TO THE SHARES

### 11.4.1 Control by major shareholder

Mr. Kjell Inge Røkke directly and indirectly controls 67.8% of the votes in Aker (adjusted for the own A-shares held directly and indirectly by Aker). As a result of this, Mr. Kjell Inge Røkke will have the ability to significantly influence the outcome of matters submitted for the vote of shareholders of Aker, including the election of members of the board of directors. The commercial goals of Mr. Kjell Inge Røkke as a shareholder, and those of Aker, may not always remain aligned.

Certain of the A-shares held indirectly by Mr. Kjell Inge Røkke have been pledged as security for Aker RGI's obligations in relation to its compulsory acquisition of the remaining shares in Aker RGI Holding. If a large number of A-shares in Aker owned directly or indirectly by Mr. Kjell Inge Røkke were to be offered for sale or sold, or there is a perception in the market that such sales could occur, the trading price of Shares in Aker could decline, or even be suspended. Such sales could also make it more difficult for Aker to offer equity securities in the future at a time and at a price that are deemed appropriate.

Kværner owns all B-shares in the Company. Kværner is subject to certain significant lawsuits and other financial and commercial exposures. The B-shares in Aker comprises a significant portion of Kværner's assets. An adverse development in Kværner may result in a sale of such B-shares by Kværner.

### 11.4.2 Volatility of Share price

The A-Shares have had no public market history, and no assurance can be given that an active trading market for the A-Shares will develop in the future.

The trading price of the A-Shares could fluctuate significantly in response to quarterly variations in operating results, adverse business developments, interest rate changes, changes in financial estimates by securities analysts, matters announced in respect of major customers or competitors or changes to the regulatory environment in which the Aker Group operates. Further, the market price of the A-Shares could decline due to sales of a large number of A-shares in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that are deemed appropriate.

## 11.5 RECENT TAX PROPOSAL

The Norwegian government published in March 2004 a White Paper that included proposals to change taxation of capital gains/losses. It is difficult to determine if these proposals will be implemented and in what form. If the proposed amendments are approved by Parliament this may, directly or indirectly, have a material and adverse affect on Aker or any of its subsidiaries or investments.

# Appendix 1 Aker's articles of association

VEDTEKTER FOR AKER ASA

(Sist endret på ekstraordinær generalforsamling 30. august 2004)

§ 1 Selskapsform, forretningssted og firma

Selskapet er et allmennaksjeselskap med forretningskontor i Oslo. Selskapets navn er Aker ASA.

§ 2 Formål

Selskapets virksomhet består i å eie og drive industri- og annen tilknyttet virksomhet, forvaltning av kapital og andre funksjoner for konsernet, samt delta i eller overta annen virksomhet.

§ 3 Aksjekapital

Selskapets aksjekapital er NOK 2.422.897.876 fordelt på 86.532.067 aksjer hver pålydende NOK 28. Selskapets aksjer skal være registrert i Verdipapirsentralen.

Selskapet aksjer er fordelt på følgende aksjeklasser:

44.131.354 A-aksjer til sammen pålydende NOK 1.235.677.912

42.400.713 B-aksjer til sammen pålydende NOK 1.187.219.964

Selskapets B-aksjer har ikke stemmerett. For øvrig gir aksjene lik rett i selskapet.

Ved forholdsmessige kapitalforhøyelser innen hver aksjeklasse har aksjonærene bare fortinnsrett til aksjer innen den aksjeklasse de eier aksjer fra før.

Med flertall som for vedtektsendring kan samtlige eller deler av selskapets B-aksjer omgjøres til A-aksjer.

§ 4 Styret

Styret består av 6 – 12 medlemmer hvorav 1/3 velges av og blant de ansatte i selskapene i Aker-konsernet. Det kan velges inntil 3 aksjonærvalgte varamenn årlig.

§ 5 Valgkomité

Selskapet skal ha en valgkomité bestående av minst 3 medlemmer som skal velges av generalforsamlingen. Valgkomiteen skal forberede valg av styremedlemmer. Generalforsamlingen kan vedta instruks for valgkomiteens arbeid.

§ 6 Signatur

Selskapets firma tegnes av styrets formann alene eller av et styremedlem og konsernsjefen i fellesskap.

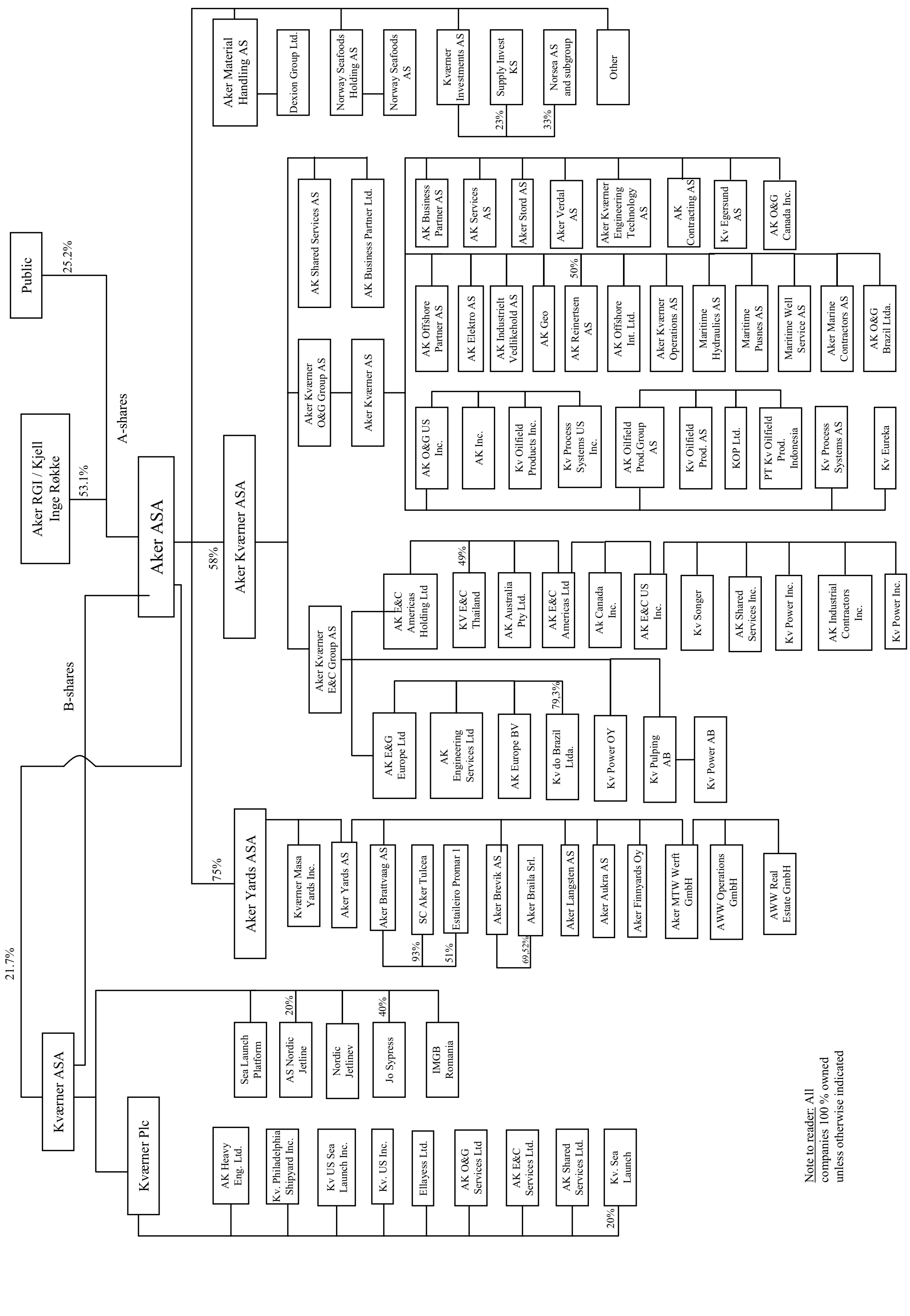
§ 7 Generalforsamling

Selskapets generalforsamling skal innkalles ved skriftlig henvendelse til alle aksjonærer med kjent adresse med minst to (2) ukers varsel. Innkalling til generalforsamling skal så snart som praktisk mulig etter utsendelse annonseres i minst én riksdekkende avis. Selskapet kan i innkallingen angi en frist for påmelding som ikke må utløpe tidligere enn fem (5) dager før generalforsamlingen. Generalforsamlingen ledes av styrets formann eller den han oppnevner. På den ordinære generalforsamling skal følgende spørsmål behandles og avgjøres:

a) Godkjennelse av årsregnskap og årsberetning, herunder utdeling av utbytte.

b) Andre saker som etter lov eller vedtekter hører under generalforsamlingen.

## Appendix 2 Aker Group corporate organisation chart



# Appendix 3 Pro forma accounting principles Aker

**PRO FORMA ACCOUNTING PRINCIPLES AKER**

**General**
The pro forma accounts are based on company accounts with the applicable group adjustments as included in the group consolidation of Aker RGI Holding AS and the Aker Kværner entities and the consolidated accounts of Aker Yards AS including the investment in Aker Ostsee. The accounts are presented in conformity with Norwegian legislation and Norwegian generally accepted accounting principles including the transaction, accrual, matching, prudence and congruency principles. In cases of uncertainty, best estimates are utilised and the effects of hedging are taken into consideration. The accounts are prepared under consistent principles and in accordance with the going concern principle.

*Closely related parties*
The companies undertake transactions with closely related parties during the past accounting year. Parties are classified as "closely related" if one party is able to influence the decisions of the other party.

As a rule, transactions with closely related parties take place at arm's length conditions.

*Consolidation principles*
The pro forma consolidated accounts include Aker ASA and those companies in which Aker ASA, directly or indirectly, will have a controlling interest, either through ownership or by agreement. Intercompany transactions have been eliminated from the consolidated accounts to the extent that the transactions have been made within the historical legal structures. The consolidated accounts are prepared such that the group of companies are presented as a single economic entity.

*Investments in subsidiaries*
Investments in Group companies are eliminated in the pro forma accounts using the acquisition method. The difference between the purchase price of the shares and the book value of the net assets acquired as at the acquisition date is analysed. Any excess of purchase price over fair value, due to expectations of future profits, is capitalised as goodwill and amortised in the profit and loss account in accordance with the underlying assumptions, but with no less than 5 per cent, annually.

*Investments in associated companies*
Associated companies are undertakings in which the Group holds between 20 and 50 per cent of the voting shares and is in a position to exercise considerable influence. Investments in associated companies are accounted for in accordance with the equity method. The Group's share of the results is based on the Company's profit after income tax less amortisation of acquisition costs in excess of the book value of equity. Profits in associated companies are included within the financial income caption in the consolidated accounts and included in the balance sheet under long-term investments. Jointly controlled activities are entered on a gross basis and included proportionately in the individual lines in the Group's profit and loss account and balance sheet.

*Revenue recognition*
Revenue is recognized at the time of delivery of goods sold and at the time of performance for services provided on an hourly basis. Long-term fixed price contract revenues are recognized using the percentage of completion method, based primarily on contract cost incurred to date compared to estimated contract costs. For further description, see Contracts.

**Valuation and classification principles**

*Current assets and liabilities*
Items in the operating cycle and items falling due within one year are classified as current assets and liabilities.

*Cash and cash equivalents*
The item Cash and cash equivalents comprises cash, bank deposits, and placements that mature no later than three months after the investment was made.

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*Short-term investments*
Short-term investments in shares and securities are valued collectively at the lower of acquisition cost or market value at he close of the accounting period, and unrealized losses are recorded in the profit and loss accounts under financial items. Net unrealized gains are not recorded to income, beyond reversing earlier unrealized losses that were expensed.

*Contracts*
The Group's activities relate mainly to customer contracts entered into prior to production. Engineering and construction contract revenues are recognised using the percentage of completion method, based primarily on contract cost incurred to date compared to estimated 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. Losses on contracts are fully recognised when identified. Contract revenues include variation orders, disputed amounts and incentive bonuses which are recognised when, in management's view, their realisation is probable and the amount can be measured reliably.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that cannot be attributed to contract activity or cannot be allocated to a contract are excluded from the costs of a construction contract.

Bidding costs are capitalised when it is probable that the company will be the preferred bidder. All other bidding costs are written-off as incurred.

Calculated interest effects of capital engaged on work in progress, less prepayments from customers, are taken into account when assessing the correct profit attributable to the work performed.

Accumulated income is classified as operating income in the profit and loss account. Contracts in progress are classified as short-term receivables. Payments by customers are deducted from the value of contracts under the same contract or, to the extent they exceed this value, disclosed as advances from customers.

The Group will at any time be involved in a number of disputes and claims. The accounting treatment in relation to such matters is based on the information and advice available to management at the time. Inevitably, such circumstances and information may be subject to change in subsequent periods and thus the eventual outcome may be better or worse than estimates.

*Inventory*
Inventories of raw materials, components, and semi-finished goods are recorded at the lower of cost price or market value, according to the FIFO (first-in, first out) principle. Finished and semi-finished goods are recorded at full production costs. Production costs include purchase costs and direct and indirect production costs; the latter item includes a share of fixed production costs.

*Fixed assets*
Fixed assets are entered in the accounts at original cost and capitalized construction loan interest or capitalized estimated interest during the construction period, with deductions for depreciation. The calculation of interest is based on capital committed to the project, but is limited to the interest actually paid.

If there is a decline in value that is not of a temporary nature, fixed assets are depreciated. Depreciation is reversed to the extent that the reason for the depreciation no longer exists.

*Maintenance*
As a general rule, all maintenance costs are expensed as they occur. Upgrading or replacement of operating assets is considered an investment, and capitalized.

*Research and development*
In general, research and development costs are expensed as they are incurred.

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*Environmental investments*
Costs related to measures to improve the internal or external environment are expensed as they are incurred, unless the measures have a positive impact on productivity.

*Leasing*
In leasing, a distinction is made between financial and operating leasing, based upon an assessment of each leasing agreement. Financial leasing is defined as agreements under which the lessee assumes most benefits and risks associated with the operating assets. Financially leased operating assets are capitalized and depreciated as ordinary fixed assets; payment obligations under a leasing agreement are treated as long-term interest-bearing loans.

*Depreciation*
The Group's ordinary depreciation calculations are based on assessments of the economic and technical lifetime of operating assets. Straight-line depreciation is based on the expected lifetime of operating assets, ignoring any residual value.

Similar principles are used in calculations for intangible assets. Leases recorded in the balance sheet are amortized according to the lease schedule, and the associated obligation is reduced by the amount of leasing costs paid, after deduction for calculated interest expenses.

*Bond loans*
Repurchases of the company's own bonds are normally booked as repayments of debt, and gains and losses are recorded as financial income or financial costs, unless the intention at the time of repurchase was to sell the bonds back to the market. If the intention is to sell the bonds back to the market, gains and losses are amortized over the loan's remaining term.

*Assets and liabilities in foreign currency*
Cash, short-term receivables, and short-term debt are valued at the exchange rate at the balance sheet date.

Long-term foreign-currency debt used in financing foreign subsidiaries or associated companies and that hedges the foreign exchange risk related to these investments is booked at the exchange rate prevailing on the date on which the accounts are made up, is done only when there is no doubt that additional values in the secured assets exceed any unrealized loss on the foreign currency debt.

In the consolidated accounts, such foreign currency debt is translated at the exchange rate on the date on which the accounts are determined. The difference arising from the debt is drawn down is entered as an adjustment to stockholders' equity.

Receivables and/or liabilities covered by binding forward foreign exchange contracts in the same currency (forward contracts) are converted on the basis of the agreed forward rate.

Hedging transactions are made to hedge future cash flows in foreign currencies. The transaction is evaluated in conjunction with the cash flow it is intended to hedge. The cash flow is recorded at its hedging price. If it is believed that there is insufficient risk offset, the hedging transactions are not treated as hedges for accounting purposes, and any unrealised losses are recorded to costs. Hedging transactions of future transactions not governed by agreements are treated as hedges for accounting purposes to the extent it is believed that realization of these cash flows is reasonably assured.

*Pension expenses*
Pension liabilities related to benefit plans are valued at the present value of future pension benefits earned at the balance sheet date and calculated on the basis of assumptions as to number of service years, discount rate, future yield on pension assets expected future wage growth, and pension adjustments, as well as actuarial assumptions on mortality, voluntary resignations, and so forth. Pension funds are valued at market value. Net pension obligations on under-financed contracts are capitalized as long-term interest-free liabilities, while the net value of over-funded contracts is presented as a long-term interest-free receivable if it is likely that over-funding will produce a benefit.

The net pension cost, which is the gross pension cost less the estimated return on pension funds, adjusted for the allocated effect of changes in estimates and pension plans, is included in the item wages, salaries



and other personnel expenses. The effect of changes in assumptions and calculations are taken into account when they exceed 10 per cent of the highest of the gross pension liability and the prepayment. The profit and loss effects of such changes are recognized over the expected remaining average working lives of employees.

In the case of pension plans defined for accounting purposes as contribution plans, pension costs are expensed as the accounting period's pension expenses are incurred.

*Deferred tax and deferred tax benefit*
The deferred tax provision in the balance sheet reflects differences between book and tax values. The provision includes all types of differences and is calculated without discounting. In calculating deferred tax liabilities, a deduction is made for the value of losses carried forward. In the profit and loss account the tax charge is stated as the sum of tax payable and the deferred tax cost. The deferred tax cost is the change in net deferred tax liabilities from one accounting period to the next, adjusted for foreign currency differences and changes in deferred tax receivables/liabilities related to company acquisitions.

*Public grants*
Grants received from public institutions are recorded as liabilities in the balance sheet until they have been used for financing operating losses and/or investments.

Investments that are financed using such grants are recorded net, as follows: Grants are recorded as a reduction in the assets' acquisition costs, and the assets are recorded with that net amount in the balance sheet.

*Extraordinary items and exceptional items*
Income and expenses that are material in a Group context, and that relate to transactions outside the Group's ordinary activities, or are due to an unusual business risk and, in addition, are not expected to occur regularly, are classified as extraordinary items.

Other material items that do not occur regularly are classified as exceptional operating or financial items.

Large losses on sales, as well as write-downs, restructuring costs and similar items, are thus classified as exceptional items in the profit and loss account. Significant gains on the sale of fixed assets are classified as operating revenues.

# Appendix 4 Pro forma financial information with break-down on sub-groups

## PRO FORMA AKER ASA ACCOUNTS

**Pro forma consolidated financial statements – assumptions and adjustments**
The Aker Yards Group was established through the merger between Aker Yards AS and a subsidiary of Kværner ASA (Aker Kværner Investments AS) in February 2004, with consideration to the shareholder of Aker Yards AS in Kværner shares. Through this transaction Aker RGI Holding's ownership increased from 49,9% to 59,6 in Kværner ASA. Kværner ASA then became a subsidiary of Aker RGI Holding Group. At the time of the merger Kværner was valued at fair value. The assets and liabilities related to the Aker Yards and 49,9% of Aker Maritime's Oil and Gas business (merged with Kværner Oil and Gas business in 2002) are carried at the book value of Aker RGI Holding Group in the pro forma accounts of Aker ASA Group.

The internal reorganizations within the Kværner Group and the Aker RGI Group prior to the merger between Aker RGI Holding and Kværner have not had any impact on the pro forma financial statements.

The merger between Aker RGI Holding and Kværner Holding is recorded as a merger under common control (between parent and tier-subsidiary). Therefore assets and liabilities are presented according to the value of the consolidated accounts of Aker ASA group. Kværner ASA will not be a part of the Aker ASA group subsequent to the share distribution of all Aker A-shares from Kværner ASA. The pro forma figures are prepared to show Aker following the Aker Share Distrubution, hence this is reflected in the pro forma figures for all periods.

The Aker ASA purchase price in excess of book value is preliminary allocated to goodwill.

Significant acquisitions and disposals made during the three and half year period for which this pro forma financial information cover have been included as if they occurred at 1 January 2001. Consequently the pro forma income statements presented herein include all significant operation of the combined group for each of the periods then ended.

In the pro forma profit and loss accounts the effect of the merger in Aker RGI Holding Group in 2002 between Kværner and Aker Maritime Oil and Gas business are eliminated.

In addition, an assumption of an extraordinary dividend to Aker RGI AS of NOK 3,5 billion from Aker RGI Holding AS prior to the merger is reflected in the pro forma accounts for all periods.

The refinancing of Aker ASA in July 2004 is reflected in the pro forma balance sheet statements at 30 June 2004 and in the profit and loss statement in the first and second quarter of 2004. The sale of Legend Properties is reflected in the pro forma balance sheet as at 30 June 2004. The total interest-bearing debt and bank deposits are therefore reduced with NOK 1,5 billion and NOK 1,3 billion respectively.

In the pro forma financial accounts a goodwill deprecation period of 20 years has been assumed. Hence, an additional goodwill amortization of NOK 150 mill is charged to the profit and loss statement of each year (2001 - 2003), and NOK 37.5 mill is charged for the first and second quarter of 2004. An amortization period of 20 years is based on the fact that the expected economic life of the acquired business in the Group is expected to be at least 20 years.

The exchange offer in Kværner ASA and the share subscription in Aker Kværner have been reflected in the pro forma accounts for all periods.

***Aker Yards Group***
The shipbuilding activities, previously held by Aker RGI Holding AS, were merged with Aker Kværner Investments AS. The merged company was combined with Kværner's Masa-Yards and Kværner's 40% ownership in the Aker Ostsee Group (owner of Aker MTW and Aker Warnow). The results of the operations of Aker Yards AS, Kværner Masa-Yards and the Aker Ostsee Group have been reflected in the Aker Yards pro forma group financial statements as if the merger and combination took place effectively 1 January 2001.



***Aker Kværner Group***
The Aker Kværner pro forma financial statements include the results from operation of oil & gas and engineering & constructions businesses that form part of the Group. The activities sold to third parties have been excluded in all periods.

A description of general accounting principles on which the pro form accounts have been prepared is presented in Appendix 3 "Pro Forma Accounting Principles Aker".

***Pro Forma Aker ASA Accounts***

**Aker ASA GROUP**
**Profit and loss Jan-June 2004**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and elim-inations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **Operating revenues** | **5 962** | **16 572** | **995** | **1 219** | **-** | **24 748** |
| Operating expenses | -5 518 | -15 913 | -913 | -1 217 | - | -23 561 |
| **EBITDA** | **444** | **659** | **82** | **2** | **-** | **1 187** |
| Depreciation | -134 | -153 | -79 | -26 | - | -392 |
| **EBITA** | **310** | **506** | **3** | **-24** | **-** | **795** |
| Amortization | -55 | -167 | - | -30 | -27 | -278 |
| Exceptional operating items | -30 | - | - | -40 | -51 | -121 |
| **Operating profit** | **225** | **339** | **3** | **-94** | **-78** | **396** |
| Share of earnings in associated companies | - | -9 | 2 | - | - | -7 |
| Net financial items | -4 | -170 | -10 | -270 | 126 | -328 |
| Exceptional financial items | - | - | - | - | - | - |
| **Profit after financial items** | **221** | **160** | **-5** | **-364** | **49** | **61** |
| Tax on ordinary profit | -71 | -46 | 0 | 21 | -35 | -131 |
| **Net ordinary profit** | **150** | **114** | **-5** | **-343** | **13** | **-70** |
| Minority interest | 13 | - | - | -13 | 51 | 51 |
| Majority interest | 137 | 114 | -5 | -330 | -38 | -121 |

**AKER ASA GROUP BALANCE SHEET AS OF 30 JUNE 2004**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and elim-inations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Intangible assets | 1 532 | 4 523 | 193 | 1 682 | 1 261 | 9 191 |
| Tangible fixed assets | 2 379 | 1 346 | 1 554 | 670 | -129 | 5 820 |
| **Total intangible and tangible fixed assets** | **3 911** | **5 869** | **1 747** | **2 352** | **1 132** | **15 011** |
| Financial interest-bearing fixed assets | 39 | 38 | 843 | 2 875 | -3 495 | 300 |
| Financial interest-free fixed assets | 20 | 68 | 6 | 233 | -1 | 326 |
| Shares and other equity investments | 38 | 96 | 114 | 2 | - | 250 |
| **Total financial fixed assets** | **97** | **202** | **963** | **3 110** | **-3 496** | **876** |
| **Total fixed assets** | **4 008** | **6 071** | **2 710** | **5 462** | **-2 364** | **15 887** |
| Interest-free short-term receivables, incl. project rec. | 5 328 | 10 807 | 787 | 929 | -427 | 17 424 |
| Interest-bearing short-term receivables | 140 | 2 | 195 | 320 | - | 657 |
| Liquid assets | 3 156 | 3 275 | 38 | 1 470 | -1 337 | 6 602 |
| **Total current assets** | **8 624** | **14 084** | **1 020** | **2 719** | **-1 764** | **24 683** |
| **Total assets** | **12 632** | **20 155** | **3 730** | **8 181** | **-4 128** | **40 570** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | | |
| Total shareholders' equity | 4 381 | 2 084 | 1 506 | 3 048 | -4 440 | 6 579 |
| Minority interests | 40 | 61 | 24 | 54 | 2 458 | 2 637 |
| **Total shareholders' equity and minority interests** | **4 421** | **2 145** | **1 530** | **3 102** | **-1 982** | **9 216** |
| 10-Years subordinated debt | - | 4 093 | - | - | - | 4 093 |
| Deferred tax and provisions | 130 | 4 | 107 | 518 | - | 759 |
| Other interest-free long-term liabilities | 326 | 474 | 35 | 7 | -28 | 814 |
| Interest-bearing long-term debt | 1 645 | 3 089 | 1 353 | 1 070 | 669 | 7 826 |
| **Total long-term liabilities** | **2 101** | **7 660** | **1 495** | **1 595** | **641** | **13 492** |
| Interest-free short-term debt | 4 454 | 10 327 | 526 | 619 | -433 | 15 493 |
| Interest-bearing short term debt | 1 656 | 23 | 179 | 2 865 | -2 354 | 2 369 |
| **Total short-term liabilities** | **6 110** | **10 350** | **705** | **3 484** | **-2 787** | **17 862** |
| **Total shareholders' equity and liabilities** | **12 632** | **20 155** | **3 730** | **8 181** | **-4 128** | **40 570** |

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**Aker ASA GROUP**
**Profit and loss 2003**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and elim-inations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **Operating revenues** | **15 865** | **31 327** | **1 523** | **2 743** | **-** | **51 458** |
| Operating expenses | -14 255 | -30 324 | -1 449 | -2 823 | - | -48 851 |
| **EBITDA** | **1 610** | **1 003** | **74** | **-80** | **-** | **2 607** |
| Depreciation | -263 | -333 | -123 | -123 | - | -842 |
| **EBITA** | **1 347** | **670** | **-49** | **-203** | **-** | **1 765** |
| Amortization | -127 | -315 | - | -52 | -53 | -547 |
| Exceptional operating items | - | -452 | - | -32 | - | -484 |
| **Operating profit** | **1 220** | **-97** | **-49** | **-287** | **-53** | **734** |
| Share of earnings in associated companies | - | - | -12 | -2 | - | -14 |
| Net financial items | -74 | -241 | 18 | -834 | - | -1 131 |
| Exceptional financial items | - | - | - | 122 | - | 122 |
| **Profit after financial items** | **1 146** | **-338** | **-43** | **-1 001** | **-53** | **-289** |
| Tax on ordinary profit | -245 | -10 | -22 | 296 | - | 19 |
| **Net ordinary profit** | **901** | **-348** | **-65** | **-705** | **-53** | **-270** |
| Minority interest | 17 | 5 | - | -31 | 38 | 29 |
| Majority interest | 884 | -353 | -65 | -674 | -91 | -299 |

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**AKER ASA GROUP BALANCE SHEET AS OF 31 DECEMBER 2003**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and elim-inations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Intangible assets | 1 533 | 4 627 | 65 | 1 685 | 1 140 | 9 050 |
| Tangible fixed assets | 2 495 | 1 422 | 1 148 | 657 | - | 5 722 |
| **Total intangible and tangible fixed assets** | **4 028** | **6 049** | **1 213** | **2 342** | **1 140** | **14 772** |
| Financial interest-bearing fixed assets | 146 | 30 | 598 | 3 170 | -3 402 | 542 |
| Financial interest-free fixed assets | 11 | 106 | 10 | 231 | - | 358 |
| Shares and other equity investments | 43 | 106 | 158 | 5 | - | 312 |
| **Total financial fixed assets** | **200** | **242** | **766** | **3 406** | **-3 402** | **1 212** |
| **Total fixed assets** | **4 228** | **6 291** | **1 979** | **5 748** | **-2 262** | **15 984** |
| Interest-free short-term receivables, incl. project rec. | 5 901 | 8 924 | 709 | 1 445 | - | 16 979 |
| Interest-bearing short-term receivables | - | - | 227 | -189 | - | 38 |
| Liquid assets | 2 272 | 3 558 | 30 | 2 381 | - | 8 241 |
| **Total current assets** | **8 173** | **12 482** | **966** | **3 637** | **-** | **25 258** |
| **Total assets** | **12 401** | **18 773** | **2 945** | **9 385** | **-2 262** | **41 242** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | | |
| Total shareholders' equity | 4 277 | 1 949 | 1 515 | 3 718 | -4 778 | 6 681 |
| Minority interests | 59 | 60 | - | -0 | 2 442 | 2 561 |
| **Total shareholders' equity and minority interests** | **4 336** | **2 009** | **1 515** | **3 717** | **-2 336** | **9 241** |
| 10-Years subordinated debt | - | 3 946 | - | - | - | 3 946 |
| Deferred tax and provisions | 113 | 7 | 256 | -11 | - | 365 |
| Other interest-free long-term liabilities | 499 | 454 | 29 | 211 | - | 1 193 |
| Interest-bearing long-term debt | 1 780 | 3 062 | 705 | 1 643 | - | 7 190 |
| **Total long-term liabilities** | **2 392** | **7 469** | **990** | **1 843** | **-** | **12 694** |
| Interest-free short-term debt | 4 244 | 9 202 | 264 | 1 002 | 74 | 14 786 |
| Interest-bearing short term debt | 1 429 | - | 176 | 2 916 | - | 4 521 |
| **Total short-term liabilities** | **5 673** | **9 202** | **440** | **3 918** | **74** | **19 307** |
| **Total shareholders' equity and liabilities** | **12 401** | **18 680** | **2 945** | **9 478** | **-2 262** | **41 242** |

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**Aker ASA GROUP**
**Profit and loss 2002**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and elim-inations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **Operating revenues** | **18 386** | **34 140** | **1 596** | **3 858** | **-** | **57 980** |
| Operating expenses | -17 014 | -33 567 | -1 498 | -4 313 | - | -56 392 |
| **EBITDA** | **1 372** | **573** | **98** | **-455** | **-** | **1 588** |
| Depreciation | -278 | -377 | -134 | -207 | - | -996 |
| **EBITA** | **1 094** | **196** | **-36** | **-662** | **-** | **592** |
| Amortization | -92 | -320 | -9 | -69 | -53 | -543 |
| Exceptional operating items | - | -271 | - | 1 248 | -1 654 | -677 |
| **Operating profit** | **1 002** | **-395** | **-45** | **517** | **-1 707** | **-628** |
| Share of earnings in associated companies | - | - | -13 | 6 | - | -7 |
| Net financial items | -159 | 341 | 107 | -228 | - | 61 |
| Exceptional financial items | - | - | 254 | -562 | - | -308 |
| **Profit after financial items** | **843** | **-54** | **303** | **-267** | **-1 707** | **-882** |
| Tax on ordinary profit | -149 | -127 | -119 | -112 | 463 | -44 |
| **Net ordinary profit** | **694** | **-181** | **184** | **-379** | **-1 244** | **-926** |
| Minority interest | 14 | 2 | - | -56 | 66 | 26 |
| Majority interest | 680 | -183 | 184 | -322 | -1 310 | -951 |

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**AKER ASA GROUP BALANCE SHEET AS OF 31 DECEMBER 2002**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and elim-inations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Intangible assets | 1 482 | 4 788 | 69 | 1 749 | 1 059 | 9 147 |
| Tangible fixed assets | 2 254 | 1 840 | 1 280 | 673 | - | 6 047 |
| **Total intangible and tangible fixed assets** | **3 736** | **6 628** | **1 349** | **2 422** | **1 059** | **15 194** |
| Financial interest-bearing fixed assets | 99 | 60 | 590 | 3 317 | -3 228 | 838 |
| Financial interest-free fixed assets | 49 | 135 | 13 | 265 | - | 462 |
| Shares and other equity investments | 106 | 107 | 172 | 380 | - | 765 |
| **Total financial fixed assets** | **254** | **302** | **775** | **3 962** | **-3 228** | **2 065** |
| **Total fixed assets** | **3 990** | **6 930** | **2 124** | **6 384** | **-2 169** | **17 259** |
| Interest-free short-term receivables, incl. project rec. | 7 810 | 8 977 | 573 | 2 223 | - | 19 583 |
| Interest-bearing short-term receivables | - | - | 220 | -348 | - | -128 |
| Liquid assets | 1 626 | 3 277 | 122 | 2 798 | - | 7 823 |
| **Total current assets** | **9 436** | **12 254** | **915** | **4 673** | **-** | **27 278** |
| **Total assets** | **13 426** | **19 184** | **3 039** | **11 057** | **-2 169** | **44 537** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | | |
| Total shareholders' equity | 4 160 | 1 871 | 1 541 | 4 318 | -4 842 | 7 048 |
| Minority interests | 60 | 60 | - | -4 | 2 425 | 2 541 |
| **Total shareholders' equity and minority interests** | **4 220** | **1 931** | **1 541** | **4 313** | **-2 417** | **9 588** |
| 10-Years subordinated debt | - | 3 901 | - | - | - | 3 901 |
| Deferred tax and provisions | 111 | 4 | 273 | 69 | - | 457 |
| Other interest-free long-term liabilities | 293 | 561 | 29 | -29 | - | 854 |
| Interest-bearing long-term debt | 1 449 | 3 004 | 970 | 2 641 | - | 8 064 |
| **Total long-term liabilities** | **1 853** | **7 470** | **1 272** | **2 681** | **-** | **13 276** |
| Interest-free short-term debt | 3 371 | 8 783 | 187 | 2 119 | 248 | 14 708 |
| Interest-bearing short term debt | 3 982 | 1 000 | 39 | 1 944 | - | 6 965 |
| **Total short-term liabilities** | **7 353** | **9 783** | **226** | **4 063** | **248** | **21 673** |
| **Total shareholders' equity and liabilities** | **13 426** | **19 184** | **3 039** | **11 057** | **-2 169** | **44 537** |

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**Aker ASA GROUP**
**Profit and loss 2001**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and elim-inations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **Operating revenues** | **20 203** | **40 253** | **2 107** | **4 741** | **-** | **67 304** |
| Operating expenses | -19 325 | -39 923 | -1 910 | -4 920 | - | -66 078 |
| **EBITDA** | **878** | **330** | **197** | **-179** | **-** | **1 226** |
| Depreciation | -277 | -390 | -149 | -198 | - | -1 014 |
| **EBITA** | **601** | **-60** | **48** | **-377** | **-** | **212** |
| Amortization | -83 | -342 | -9 | -72 | -53 | -559 |
| Exceptional operating items | - | 10 | -112 | -435 | - | -537 |
| **Operating profit** | **518** | **-392** | **-73** | **-884** | **-53** | **-884** |
| Share of earnings in associated companies | 2 | - | -14 | 24 | - | 12 |
| Net financial items | -159 | -329 | 61 | -442 | - | -869 |
| Exceptional financial items | - | - | - | -2 953 | 1 625 | -1 328 |
| **Profit after financial items** | **361** | **-721** | **-26** | **-4 255** | **1 572** | **-3 069** |
| Tax on ordinary profit | -80 | -185 | 10 | 1 152 | -455 | 442 |
| **Net ordinary profit** | **281** | **-906** | **-16** | **-3 103** | **1 117** | **-2 627** |
| Minority interest | 8 | -2 | - | -155 | -323 | -472 |
| Majority interest | 273 | -904 | -16 | -2 948 | 1 440 | -2 155 |

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**AKER ASA GROUP BALANCE SHEET AS OF 31 DECEMBER 2001**

| *(Amounts in NOK million)* | Aker Yards Pro forma Accounts | Aker Kværner Pro forma Accounts | Norway Seafoods Group | Other companies and eliminations | Pro forma adjustment | Aker ASA Pro forma Accounts |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Intangible assets | 1 460 | 5 487 | 139 | 1 010 | 1 140 | 9 236 |
| Tangible fixed assets | 2 418 | 2 019 | 1 639 | 700 | - | 6 776 |
| **Total intangible and tangible fixed assets** | **3 878** | **7 506** | **1 778** | **1 710** | **1 140** | **16 012** |
| Financial interest-bearing fixed assets | 108 | 68 | 1 227 | 2 933 | -1 564 | 2 772 |
| Financial interest-free fixed assets | 18 | 122 | 10 | 453 | - | 603 |
| Shares and other equity investments | 86 | 149 | 333 | 44 | - | 612 |
| **Total financial fixed assets** | **212** | **339** | **1 570** | **3 430** | **-1 564** | **3 987** |
| **Total fixed assets** | **4 090** | **7 845** | **3 348** | **5 140** | **-424** | **19 999** |
| Interest-free short-term receivables, incl. project rec. | 9 072 | 11 828 | 788 | 2 752 | - | 24 440 |
| Interest-bearing short-term receivables | - | - | 125 | -114 | - | 11 |
| Liquid assets | 1 337 | 3 723 | 107 | 4 049 | - | 9 216 |
| **Total current assets** | **10 409** | **15 551** | **1 020** | **6 687** | **-** | **33 667** |
| **Total assets** | **14 499** | **23 396** | **4 368** | **11 827** | **-424** | **53 666** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | | |
| Total shareholders' equity | 4 939 | 2 303 | 1 654 | 5 976 | -4 777 | 10 095 |
| Minority interests | 51 | 56 | - | 161 | 2 441 | 2 709 |
| **Total shareholders' equity and minority interests** | **4 990** | **2 359** | **1 654** | **6 137** | **-2 336** | **12 804** |
| 10-Years subordinated debt | - | 4 486 | - | - | - | 4 486 |
| Deferred tax and provisions | 156 | 63 | 111 | 219 | - | 549 |
| Other interest-free long-term liabilities | 189 | 610 | 53 | -149 | - | 703 |
| Interest-bearing long-term debt | 1 498 | 3 014 | 2 225 | 3 341 | - | 10 078 |
| **Total long-term liabilities** | **1 843** | **8 173** | **2 389** | **3 411** | **-** | **15 816** |
| | | | | | | - |
| Interest-free short-term debt | 4 352 | 11 883 | 321 | 2 165 | 1 912 | 20 633 |
| Interest-bearing short term debt | 3 314 | 981 | 4 | 114 | - | 4 413 |
| **Total short-term liabilities** | **7 666** | **12 864** | **325** | **2 279** | **1 912** | **25 046** |
| **Total shareholders' equity and liabilities** | **14 499** | **23 396** | **4 368** | **11 827** | **-424** | **53 666** |

# Appendix 5 Review report from KPMG regarding pro forma financial information for Aker

KPMG AS

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Enterprise NO 935 174 627 MVA

To the Board of Directors of Aker ASA

**REVIEW REPORT ON PRO FORMA FINANCIAL INFORMATION**

We have reviewed the pro forma adjustments reflecting the transactions described in Sections 5.1 and 7.1 in the Aker ASA Prospectus and the application of these adjustments to the historical amounts in the pro forma consolidated profit and loss accounts for Aker ASA Group for 2001, 2002, 2003 and second quarter of 2003 and 2004, and the pro forma consolidated balance sheets as of 31 December 2001, 31 December 2002, 31 December 2003, 30 June 2003 and 30 June 2004 included in Section 7.1 within this Prospectus. The pro forma consolidated statements are derived from the historical financial statements of the former Aker RGI Holding Group, which was audited by KPMG for 2001, 2002 and 2003, and unaudited pro forma information for the Aker Kværner Group and the Aker Yards Group for 2001, 2002 and 2003. For the second quarter 2003 and the second quarter 2004 the pro forma consolidated statements are derived from unaudited financial statements of the former Aker RGI Holding Group, Aker Kværner Group and Aker Yards Group.

The pro forma consolidated financial statements are the responsibility of the Company's Management. The pro forma adjustments are based on management's assumptions described in Appendix 4 in the Aker ASA Prospectus. Our review was conducted in accordance with audit standard RS 910 "Engagements to review financial statements".

A review is substantially less in scope than an audit, the objective of which is the expression of an opinion on management's assumptions, the pro forma adjustments, and the application of those adjustments to historical financial information. Accordingly, we do not express any such opinion.

The objective of this pro forma financial information is to show what the significant effects on the historical financial information might have been had the transaction occurred at an earlier date. However, the pro forma consolidated financial statements are not necessarily indicative of the results of operations or related effects on financial position that would have been attained had the above-mentioned transaction actually occurred earlier.

Based on our review, nothing came to our attention that caused us to believe that management's assumptions do not provide a reasonable basis for presenting the significant effects directly attributable to the transaction described in Sections 5.1 and 7.1 in the Aker ASA Prospectus, that the related pro forma information does not give appropriate effect to those assumptions, or that the pro forma information does not reflect the proper application of these assumptions to the historical financial statement amounts in the pro forma consolidated profit and loss accounts for Aker ASA Group for 2001, 2002, 2003, and second quarter of 2003 and 2004 and the pro forma consolidated balance sheets as of 31 December 2001, 31 December 2002, 31 December 2003, 30 June 2003 and 30 June 2004.

Oslo, 3 September 2004
KPMG AS

Asbjørn Næss
*State Authorized Public Accountant*

# Appendix 6 Summary of certain significant differences between IFRS and Norwegian GAAP

**SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND NORWEGIAN GAAP**

References to the "Group" herein are to the Aker Group.

**International Financial Reporting Standards (IFRS) from 2005**

In June 2002, the Council of Ministers of the European Union adopted a regulation requiring all listed EU companies to apply International Financial Reporting Standards (IFRS) in their consolidated financial statements for financial years starting on or after 1 January 2005. Countries may permit or require use of IFRS by unlisted companies or for statutory financial statements. Furthermore, a number of European national governments have proposed that banks and insurance companies also adopt IFRS. All IAS's except IAS 32 and IAS 39 have recently been endorsed by EU. In addition, The Committee of European Securities Regulators ("CESR") has recently issued a recommendation that the financial statements for 2003 should include a description of the areas where the company expects IFRS to have significant impact, that the financial statements for 2004 should quantify the significant effects and that the interim reporting for 2005 should be based on IFRS, with comparable information for 2004. Oslo Stock Exchange has recently issued a circular in which they state that Norwegian group accounts need to present two years of comparative information. However the earliest period presented need not be restated on the basis of IFRS.

The Group's annual and interim financial statements are prepared in accordance with generally accepted accounting principles in Norway ("Norwegian GAAP"). Norwegian GAAP differs in certain aspects from IFRS.

The following paragraphs summarize certain differences between Norwegian GAAP and IFRS that could be significant to the presentation of the Group's financial position and results of operations as of the years ended 31 December 2003, 2002 and 2001. However, this summary does not purport to provide a comprehensive analysis, including quantification, of such differences but rather is a listing of potential differences in accounting principles related to the combined financial statements of the Group. The summary is based on Norwegian GAAP and IAS standards in force as of 31 December 2003. No assurances can be given that the differences described below would give rise to the most material differences between the Group's financial statements were they to have been prepared under IFRS. In addition, it is not possible to estimate the net effect that applying IFRS would have on the Group's financial position or results of operations, or any component thereof, in any of the presentations of financial information that have been included in the Exchange Offer Document. However, the effect of such differences may be, individually or in the aggregate, material and, in particular, it may be that the amounts of net income and shareholders' equity prepared on the basis of IFRS would be materially different from the amounts of net income and shareholders' equity prepared on the basis of Norwegian GAAP. The following summary may not include all of the differences that exist between Norwegian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the Exchange Offer Document. No attempt has been made to identify differences between future/expected Norwegian GAAP and future/expected IFRS.

**The Difference is in the Details**

The Norwegian Accounting Standards Board ("NRS") has been "harmonising" with IASB (International Accounting Standards Board) standards for the last years, and as a result, some standards appear to be very similar. However, the extent of actual differences (particularly in the detail) between the Norwegian version of the standards and the original IASB standard should not be underestimated. In addition, IASB covers areas that are not covered by NRS. Whilst some of the changes/areas will be subtle and will not affect every Norwegian entity, there are a number of significant differences that will affect most entities.

**Developments in Standards**

The Norwegian Accounting Act has to be changed to enable the use of IFRS. A proposal for such changes was presented in August 2003, and according to this proposal, NOU 2003:23 Evaluering av regnskapsloven, the

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Norwegian translation of all IAS/IFRS's should be the basis for the consolidated accounts for all listed companies. The company accounts should be prepared in accordance with generally accepted accounting principles in Norway ("Norwegian GAAP"). Based on the NOU, it is expected that it will be possible to prepare company accounts that are more or less identical to IFRS. However, it will also be possible to choose options bringing the company accounts away from the IFRS's. The Norwegian accounting standards will, in general, be harmonised with IAS/IFRS, but will most likely contain options. The revised Norwegian accounting law is expected to come into force from 1 January 2005.

The organizations that promulgate IFRS have ongoing projects that could have a significant impact on future comparisons between IFRS and Norwegian GAAP and which could result in further significant differences between IFRS and Norwegian GAAP.

**Differences in Accounting principles**

***Business Combinations***

Under IFRS, business combinations are almost always accounted for as acquisitions and they require that the purchase method of accounting is used to portray the financial effect of an acquisition. IFRS severely restricts the circumstances in which transactions can be recognised as uniting of interests. Specific IFRS guidance about business combinations excludes from its scope transactions among entities under common control.

In addition to business combinations included in the IFRS scope, Norwegian GAAP also describes how to account for business combinations among enterprises under common control or business combinations among enterprises with identical owners.

Earlier Norwegian legislation, in force up to 1998, allowed for all mergers, regardless of substance, to be accounted for under the pooling-of-interests method in Norway. The Group's financial statements have not been restated for the effect, if any, of accounting for acquisitions as pooling-of-interest combinations.

Under Norwegian GAAP the following criteria, which are slightly different from those of IFRS, are used to identify whether a business combination should be accounted for as uniting of interests:

- *Share for share*: At least 90 percent of the voting common shares of the combining enterprises are exchanged for shares rather than cash.
- *Value of share capital:* The nominal value of share capital issued must not be greater than the book value of acquired assets and liabilities.
- *Relative size*: Like IFRS the fair values of the parties must not be significantly different. However, Norwegian GAAP states specifically that the effect of transactions that occurred prior to the business combination and which were entered into for the purpose of fulfilling the relative size criteria should be excluded when evaluating the relative sizes. In addition, the relative sizes should be within a 48 percent / 52 percent ratio.

Other business combinations must be accounted for using purchase accounting.

*Date of Acquisition*

Under Norwegian GAAP the valuation of the acquired assets and liabilities may be based on values at the agreement date. The date which effective control is transferred, can also be used. The agreement date usually is the date on which the Board of Directors approve the business combination, or the date on which the letter of intent is announced. The profit or loss earned by the acquiree during the period between the agreement date and the date for transfer of control should be booked directly to equity in the consolidated financial statements.

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Under IFRS the date which effective control is transferred must be used.

*Cost of Acquisition*
Under Norwegian GAAP the cost of acquisition can be determined at the agreement date, or at the date on which effective control is transferred to the acquirer. The method of determining the cost of acquisition is consistent with IFRS except for the following:

- The cost of issuing equity securities must be deducted from equity as a reduction to paid-in capital.
- Internal costs are not included in acquisition costs.

***Negative Goodwill***

The treatment of negative goodwill is similar under IFRS and Norwegian GAAP. However, it if expected that the accounting treatment of negative goodwill will change under IFRS in the future.

***Goodwill***

Under Norwegian GAAP, goodwill arising on acquisition of investments in subsidiaries is capitalised and amortised over its useful life, usually less than 20 years.

Under IFRS, there is a rebuttable presumption that the useful life of goodwill does not exceed 20 years. In certain limited cases goodwill may be demonstrated to have a useful life in excess of 20 years. If the useful life does exceed 20 years, amortisation is still mandatory and the reasons for rebutting the 20-year maximum useful life presumption must be disclosed.

In the future, it is expected that IFRS will not allow amortization of goodwill. Instead an impairment test will have to be carried out annually, regardless of whether there is any indication that the goodwill is impaired.

***Transactions among Enterprises under Common Control***

Under IFRS the accounting for transactions under common control is not specified, and practice varies.

Under Norwegian GAAP, although no specific rules exist and accounting practice varies, the uniting of interest accounting is in many circumstances used for transactions where no transaction for accounting purposes has occurred (e.g. business combinations among enterprises with identical owners and transactions between companies under common control to reorganise the group structure, etc).

***Joint Ventures***

There are no material differences between Norwegian GAAP and IFRS in the accounting for joint ventures. Under IFRS, however, it is expected that the proportionate consolidation method will not be allowed in the future.

***Financial Instruments***

Norwegian accounting legislation does not deal specifically with the recognition and measurement of financial instruments, except for certain financial instruments held for trading; nor does it define the terms “financial instruments” or “derivatives”, but in some instances refers to various financial instruments listed in legislation. Furthermore, there is no accounting standard for financial instruments. Due to lack of regulation, accounting practice in Norway varies.

Under Norwegian GAAP classification of a financial instrument as a liability or equity generally follows the legal form of the instrument.

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Under IFRS there are specific categories into which all financial instruments must be classified for accounting purposes.

Under Norwegian GAAP, in order to be carried at fair value, financial instruments, including derivatives, have to be held for trading and meet certain criteria set out in the Accounting Act The “held-to maturity accounting method” is not allowed (except for debt securities held by insurance enterprises).

Under IFRS financial instruments classified as trading or available-for-sale are carried at fair value. Originated loans or receivables or held-to-maturity assets are carried at cost/amortised cost.

Under Norwegian GAAP the accounting treatment of forward premium/discount varies but often it is amortised on a straight-line basis.

Under IFRS forward premium/discount is measured at fair value together with the derivative.

Under Norwegian GAAP, with limited exceptions, recognised changes in fair value must be recorded in the income statement.

Under IFRS, on initial adoption of IAS 39, an enterprise has a one-time policy choice for available-for-sale assets of either taking all fair value gains and losses through the income statement, or recognising all fair value gains and losses directly in equity.

Under Norwegian GAAP, in many cases an impairment loss is not recognised unless it is other than temporary. A non-current assets is impaired if its fair value is less than its carrying amount and the unrealised loss is other than temporary. The market price is normally considered to be the best estimate of fair value. The Oslo Stock Exchange has suggested that financial instruments classified as non-current assets could, in some cases, be valued above the observable market price as a large holding of an investment in equity securities may be valued higher by a particular investor than by the market in general. This is not permitted under IFRS.

Under IFRS a held-to maturity asset or an originated loan or receivable is impaired if it is probable that the enterprise will not be able to collect all amounts due according to the contractual terms. The impairment loss recognised in the income statement is the difference between the carrying amount and the recoverable amount, which is calculated by discounting the expected future cash at the original effective interest rate. For trading and available for sale assets where changes in fair value are recognised in the income statement, impairment is not relevant because impairment losses are recognised automatically through the fair value measurement.

Under Norwegian GAAP split accounting for compound financial instruments is rare.

Under IFRS split accounting of compound instruments is required where there are both liability and equity characteristics.

Under Norwegian GAAP there are no specific rules for derecognition of financial assets and practice varies.

Under IFRS there are specific rules for derecognising financial assets and financial liabilities

Under Norwegian GAAP there are no specific rules for the accounting treatment of changes in liabilities due to restructuring or refinancing on substantially modified terms and accounting practice varies.

Under IFRS, where a liability is restructured or refinanced on substantially modified terms it is accounted for as an extinguishment of the old debt, with a consequent gain or loss; the new debt is recognised at fair value. The terms are taken to be substantially modified where the net present value under the new terms differs by more than 10 per cent from that of the remaining payments under the old terms.

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***Hedge Accounting***

Norwegian accounting regulation states that when hedging, gains and losses on the hedging instrument and the hedged item should be recognised through the income statement in the same period. However the regulation does not give any detailed guidance on hedge accounting As there is no accounting standard, practice is to some extent based on the main principles found in international standards and to some extent based on practice prior to IAS 39/SFAS133. However, the overall effect is that the Norwegian practice for hedge accounting varies and is applied more freely than under IFRS, although changes in the fair value of hedging instruments normally are deferred. Also the accounting for embedded derivatives varies.

IFRS sets out specific conditions that apply for hedge relationships to qualify for hedge accounting. These conditions may be different and to some extent stricter than the accounting practice in Norway.

Norwegian GAAP does not categorise the various types of hedges.

Under IFRS hedges fall into three categories:
- Fair value hedges
- Cash flow hedges
- Net investment hedges

*Cash flow hedges*
Under Norwegian GAAP, when hedging future transactions, changes in the fair values of the hedging instruments normally would be deferred.

Under IFRS the hedging instrument is stated at fair value with changes therein, related to the effective portion of the hedging instrument, taken directly to equity immediately. Any hedge ineffectiveness is recorded in the income statement. The effective portion of the hedging instrument is later recycled out of equity when the future transaction either:
- results in a recognised asset or liability, in which case the amount accumulated in equity is recognised as an adjustment to the carrying amount of that asset or liability; or
- otherwise affects the income statement, in which case the amount accumulated in equity is recognised in the income statement

***Foreign Currency Translation***

Under Norwegian GAAP monetary items may be measured in foreign currency at the balance sheet date before being translated using the exchange rate at the balance sheet date.

Under IFRS monetary items are translated at the exchange rate at the balance sheet date.

Under Norwegian GAAP the financial statements of a foreign entity in a hyperinflationary economy may be measured as if its functional currency were its parent's reporting currency.

Under IFRS, before translating the financial statements of a foreign enterprise whose measurement currency is hyperinflationary, the financial statements are restated in terms of the measuring unit current at the balance sheet date (i.e. the current purchasing power concept is used). It is not an acceptable alternative for the financial statements of the subsidiary to be kept in a non-hyperinflationary currency unless that currency is the subsidiary's measurement currency. After restatement all items in the financial statements are translated using the closing rates.

***Construction Contracts***

Although there are no material differences between Norwegian GAAP and IFRS in relation to the accounting treatment of construction contracts, there are some subtle differences which may result in differences in accounting treatment. Some of those differences are described below.



Under the group accounting principles contract bonuses and incentive payments are included in contract revenue what it is "highly probable that the specified performance standards will be met…" whereas IFRS uses "probable" (as opposed to "highly probable") as a criteria for revenue recognition. Depending on how this is practiced the treatment under the Group accounting principles may be more conservative than IFRS.

Under Norwegian GAAP a contract that covers a number of assets, the construction of each asset may be treated as a separate contract when:
- separate proposals have been submitted for each asset;
- each asset has been subject to separate negotiation and the contractor and the customer have been able to accept or reject that part of the contract relating to each asset; and
- the costs and revenues of each asset can be identified

Under IFRS such contracts must be accounted for as separate contracts.

Under Norwegian GAAP a group of contracts, whether with a single customer or with several customers, may be treated as a single construction contract when:
- the group of contracts is negotiated as a single package;
- the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin; and
- the contracts are performed concurrently or in continuous sequence.

Under IFRS such contracts must be grouped and accounted for as one single contract.

Under Norwegian GAAP borrowing costs should be capitalised if such costs are significant.

Under IFRS borrowing costs may be capitalised.

***Property, Plant and Equipment***

*Component Accounting*
There is no specific requirement under Norwegian GAAP to apply component accounting and accounting practice varies. Some enterprises accrue major overhaul and periodic maintenance costs over the period between overhauls / maintenance work.

Under IFRS there is a requirement to allocate the total expenditure on a fixed asset to its component parts and account for each component separately. This is the case when the component assets have different useful lives or provide benefits to the enterprise in a different pattern thus necessitating use of different depreciation rates and methods.

*Initial Measurement*

Under Norwegian GAAP interest incurred must be capitalised as part of the cost of property, plant and equipment. IFRS gives a choice to either expense interest as incurred or capitalise as part of the asset.

*Measurement Subsequent to Initial Recognition*
Under IFRS there are two possible approaches to measurement of property, plants and equipment subsequent to initial recognition. The benchmark treatment requires an asset to be carried at cost less accumulated depreciation and impairment. Under the alternative treatment, revaluation of fixes assets at fair value is permitted, and the highest and best use to determine fair value of the asset may be utilised. Such revaluations should be made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. The increase of the carrying amount of an asset as a result of a revaluation must be

credited directly to equity under revaluation surplus, unless it reverses a revaluation decrease for the same assets that was previously recognised as an expense. In such a case, the increase must be recognised in the income statement. A revaluation decrease must be charged directly against any related revaluation surplus for the same asset, with any excess being recognised as an expense. An entity must assess annually whether there are any indications that assets may be impaired. If there is any such indication, the assets must be tested for impairment. An impairment loss must be recognised in the income statement when an asset's carrying amount exceeds its recoverable amount.

Under Norwegian GAAP revaluations of fixed assets is not permitted.

Until 1998, revaluation was permitted under Norwegian GAAP. Our financial statements have not been restated for the effect, if any, of revaluations of previous years.

***Investment Properties***

Under Norwegian GAAP investment property is accounted for as property, plant and equipment, and revaluation to fair value is not permitted. There is no specific accounting standard regarding investment property. The general measurement principles in the accounting act regulate the accounting treatment. Measurement, recognition, revaluation and depreciation are accounted for in the same manner as property, plant and equipment.
There is no requirement to disclose the fair value of investment property.

Under IFRS investment properties are land and buildings held for rental income and/or capital appreciation rather than for own use or for sale in the ordinary course of business. Either they all may be treated as property, plant and equipment or they all may be stated at fair value and not depreciated, with changes in fair value flowing through the income statement. Where an enterprise elects to carry investment property at fair value, but the fair value of an individual property cannot be determined reliably at the date of its initial recognition, that investment property is treated as property, plant and equipment until the date of its disposal.

Where investment property is accounted for in the same way as property, plant and equipment, the fair value of the property must be disclosed.

***Impairment of Fixed Assets***

The accounting for impairment of fixed assets is similar under IFRS and Norwegian GAAP. However, the current Norwegian GAAP standard has only been in effect for accounting periods beginning on or after 1 January 2003 (with earlier application permitted). The previous Norwegian GAAP method was similar to U.S. GAAP, using nominal cash flows to test whether an asset may be impaired. As both IFRS and the new Norwegian GAAP standard use indicators (external and internal) to test whether an asset may be impaired, this may result in earlier recognition of impairment provisions under new Norwegian GAAP and IFRS.

***Research and Development Costs***

Under Norwegian GAAP research and development costs can be either capitalised or expensed as incurred. Therefore research and development costs may be expensed even if they meet the capitalisation criteria. If costs are capitalised, this treatment must be applied consistently for all such costs.

Under IFRS research costs must be expensed as incurred whilst development costs must be capitalised given that certain criteria are met.



***Dividends***

Under Norwegian GAAP dividends are recognised as a liability as soon as they are proposed, i.e. they are accounted for in the period to which they pertain and not in the period in which they are declared. Dividends are presented on the face of the income statement.

Under IFRS dividends are not recognised as a liability until they are declared.

***Leasing Arrangements***

Accounting for leases under IFRS is not materially different from Norwegian GAAP. However, under Norwegian GAAP lessee should recognise finance leases as assets and liabilities at amounts equal at the inception of the lease at the present value of the minimum lease payments even if the fair value of the leased asset is lower. Also, in determining the present value, there is a choice between using the interest rate implicit in the lease and using the lessee's incremental borrowing rate.

Under IFRS the lessee should recognise finance leases as assets and liabilities at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. In determining the present value the discount factor is the interest rate implicit in the lease, if this is practicable to determine, if not, the lessee's incremental borrowing rate should be used.

Unlike IFRS, Norwegian GAAP does not regulate the accounting treatment by lessors.

***Pensions***

The accounting for defined benefit plans is similar under IFRS and Norwegian GAAP. However there are some differences that may have significant impact and which are described below.

Under Norwegian GAAP a long-term risk-free interest rate may be used to discount plan liabilities.

Under IFRS the discount rate should be determined by reference to market yields at the balance sheet date on high quality corporate bonds, alternatively, in markets where there is no deep market in such bonds, the market yields on government bonds should be used.

Under Norwegian GAAP the effect of implementing the accounting for defined benefit plans may be posted directly to equity in the opening balance sheet. Alternatively, a minimum net liability may be recognised immediately, and the remaining liability is distributed over the average expected remaining working lives or shorter.

Under IFRS the effect of implementing the accounting for defined benefit plans may be expensed immediately or expensed on a straight-line basis over five years.

Under Norwegian GAAP there is no asset ceiling test. However net pension assets may only be recognized in the balance sheet if it can be made probable that the assets will be utilised in the future.

Under IFRS there is an assets ceiling test to ensure that a gain is not being recognised solely as a result of an actuarial loss or past service cost in the period or in a loss being recognised solely as a result of an actuarial gain in the period.

***Income Taxes***

Under Norwegian GAAP a deferred tax liability or a deferred tax asset is recognised in full for all taxable temporary differences, irrespective of the probability of the difference crystallizing.

Under IFRS, there are exceptions to recognising taxable temporary differences.

Under Norwegian GAAP there is in general no discounting. However, deferred tax on excess values may be discounted. Furthermore, deferred tax in certain businesses, for example in the shipping business, may be discounted.

Under IFRS discounting of deferred taxes is prohibited.

***Capitalizing of Borrowing Costs***

Under IFRS, borrowing costs related to construction of certain assets may be capitalised.

Under Norwegian GAAP, borrowing costs related to the construction of certain assets must be capitalized.

***Restructuring Provisions***

Under Norwegian GAAP a restructuring provision can only be recognised if the main features of the restructuring plan has been developed and announced on or before the date of acquisition; the restructuring costs must be identified and specified in a restructuring plan; and the plan must be in place within three months of the acquisition. Further, it is permitted to take into account anticipated gains from the expected disposals of assets when estimating a restructuring provision if the disposal is an integral part of the restructuring plan.

Under IFRS there is no requirement that the restructuring plan must be in place within three months of the acquisition but its implementation needs to be planned to begin as soon as possible and to be completed in a timeframe that makes significant changes to the plan unlikely. Anticipated gains from the expected disposals of assets may not been taken into account when estimating a restructuring provision.

***Inventories***

Under IFRS, the acceptable methods of costing inventory are FIFO, LIFO, weighted moving average and specific identification. Inventory valuation must be recognized at the lower of cost and net realisable value.

Under Norwegian GAAP, inventory values are measured at the lower of historic cost or fair market value based on the FIFO method. LIFO is not allowed under Norwegian GAAP.

Under IFRS, the LIFO method will not be allowed for annual periods beginning on or after 1 January 2005.

***Classification of Minority Interest***

Under IFRS, minority interest should be presented as a separate item between liabilities and shareholders' equity. The minority share of income for the year is subtracted when arriving at net income.

Under Norwegian GAAP, minority interests are classified as a part of shareholders' equity. Net income for the year includes the minority share of income.

Under IFRS, minority interests shall be presented as a separate item in equity, separately from the parent shareholders' equity, for annual periods beginning on or after 1 January 2005.



***Changes in Accounting Policy***

Under IFRS, the effect of a change in accounting policy can be reflected as a cumulative adjustment to current year net income and comparatives are not restated or the change can be accounted for by restating prior periods.

Under Norwegian GAAP, changes in accounting policies require restatement of prior periods if the effect is material.

Under IFRS, all changes in accounting principles must be accounted for by restating prior periods for annual periods beginning on or after 1 January 2005.

***Asset Retirement Obligations***

Under Norwegian GAAP, asset retirement or decommissioning costs are those costs that arise from plant and equipment that have to be dismantled at the end of their life. Norwegian GAAP allows for three possible accounting treatments, with the third listed as the preferred alternative: (1) Gradually build the provision over the estimated economic life of the installation; (2) The present value of the decommissioning costs is taken into the depreciation plan so that the carrying value at the end of the economic life is negative; or (3) The present value of the decommissioning costs is added to the corresponding asset's cost and a corresponding contingency is made.

Under IFRS, asset retirement and decommissioning costs is provided in full immediately since the damage flows from a past event. The provision will be discounted. The debit side of the provision, instead of being charged immediately to the income statement, is added to the cost of the installation as it is a directly attributable cost thereof.

**Differences in Presentation**

***Classification of Long-term Debt***

Under IFRS, amounts that are due or payable within one year of the reporting date are reclassified as a current liability.
The same treatment is allowed under Norwegian GAAP, but reclassification is not mandatory.

***Income Statement Presentation***

Under Norwegian GAAP there is a prescribed format for the income statement, only allowing expenses to be analysed by type.

Unlike IFRS, appropriations of the profit/loss to the reserve for measurement differences, other retained earnings, proposed dividends and distributed group contribution are normally shown on the face of the income statement.

Under Norwegian GAAP guidance as to which items may be offset is not given specifically in the accounting standards; consequently accounting practice may differ from IFRS.

***Cash Flow Statement***

Norwegian GAAP is similar to IFRS in respect of cash and cash equivalents except that:

- bank overdrafts normally are a part of the enterprise's financing activities, and should be presented as a liability rather than as a deduction from cash; and
- investments in shares and similar investments will not satisfy the required insignificant currency risk and insignificant risk of change in share price.

Under Norwegian GAAP, unlike IFRS, interest, dividends received and all taxes are classified as operating activities, while dividends paid are classified as financing activities. In other respects, Norwegian GAAP is similar to IFRS.

***Statement of Recognised Gains and Losses/ Statement of Changes in Equity***

Under Norwegian GAAP a reconciliation of changes in equity must be shown in the notes to the financial statements and not as a separate statement. A statement of recognised gains and losses may be shown as a separate statement, but is not required.

Under IFRS there is a choice of presenting as a primary statement either a statement of recognised gains and losses or a statement of changes in equity, which incorporates total recognised gains and losses. If presented, the components of the statement of recognised gains and losses are the gains and losses of the period attributable to shareholders, excluding transactions with shareholders.

**First-time Adoption Issues**

The differences described above are differences in accounting principles between Norwegian GAAP and IFRS in force as of 31 December 2003. In addition to those issues there are implementation issues in respect of first-time adoption of IFRS.

In June 2003, the IASB (International Accounting Standards Board) issued IFRS1 First-time adoption of International Financial Reporting Standards. This standard sets out how a first-time adopter should prepare the first IFRS financial statements. The standard gives the producer of the financial statements certain choices to make the implementation of IFRS less burdensome. The Group has not decided if and when consolidated IFRS statements will be issued in the future, nor decided which of the choices in IFRS 1 to apply.

The general rule for a first-time adopter is to apply IFRS retrospectively. However, to make the first-time adoption less burdensome, a first-time adopter is given some exemptions in respect of how to account for certain balance sheet items. Depending on how those exemptions are applied, the opening balance sheet of a first-time adopter may be significantly different from that of the corresponding Norwegian GAAP closing balance sheet.

One of the major potential impacts on the IFRS opening balance sheet is the possibility to elect to set all unrecognised actuarial gains and losses in the Group's defined benefit plans (pensions) to zero. If the Group elects to do this, this may significantly affect the IFRS opening equity.

Business combinations are another area where there are exceptions to the general rule of retrospective application of IFRS. A first-time adopter may elect not to restate all business combinations which took place before the opening balance sheet date. This means that a business combination which under Norwegian GAAP has been accounted for using the uniting of interest method and, under IFRS, would be accounted for using purchase accounting, the original classification (uniting of interest) may be carried forward in the IFRS opening balance sheet. If however a first-time adopter elects to restate a business combination all business combinations after the first restatement must be restated (e.g. if a business combination on 1 July 2002 is restated all business combinations after that date must be restated).

The above are only two examples of areas where, depending on the elections made by a first-time adopter, the IFRS opening balance sheet may be significantly different from the corresponding Norwegian GAAP closing balance sheet.

As the Group has not yet analysed the outcomes of the various possibilities that are available to a first-time adopter it has not made any attempt to describe the potential impacts the various elections may have to the financial statements presented in this Exchange Offer Document.

# Appendix 7 Summary of certain significant differences between US GAAP and Norwegian GAAP

**SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN U.S. GAAP AND NORWEGIAN GAAP**

References to the "Group" herein are to the Aker Group.

* * *

The Group's annual and interim financial statements are prepared in accordance with generally accepted accounting principals in Norway ("Norwegian GAAP"). Norwegian GAAP differs in certain aspects from generally accepted accounting principles in the United States ("U.S. GAAP").

The following paragraphs summarize certain differences between Norwegian GAAP and U.S. GAAP that could be significant to the presentation of the Group's financial position and results of operations as of the years ending 31 December 2003, 2002 and 2001. However, this summary does not purport to provide a comprehensive analysis, including quantification, of such differences but rather is a listing of potential differences in accounting principles related to the combined financial statements of the Group. The summary is based on Norwegian GAAP and U.S.GAAP standards in force as of 31 December 2003. No assurances can be given that the differences described below would give rise to the most material differences between the Group's financial statements were they to have been prepared under U.S. GAAP. In addition, it is not possible to estimate the net effect that applying U.S. GAAP would have on the Group's financial position or results of operations, or any component thereof, in any of the presentations of financial information that have been included in the Exchange Offer Document. However, the effect of such differences may be, individually or in the aggregate, material and, in particular, it may be that the amounts of net income and shareholders' equity prepared on the basis of U.S. GAAP would be materially different from the amounts of net income and shareholders' equity prepared on the basis of Norwegian GAAP. The following summary may not include all of the differences that exist between Norwegian GAAP and U.S. GAAP. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the Exchange Offer Document. No attempt has been made to identify differences between future/expected Norwegian GAAP and future/expected U.S. GAAP.

**Developments in Standards**

The organizations that promulgate U.S. GAAP have ongoing projects that could have a significant impact on future comparisons between U.S. GAAP and Norwegian GAAP. For example, U.S. Statements on Financial Accounting Standards (SFAS) No. 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity", SFAS No. 149 "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" and Financial Interpretation No. 46 (Revised December 2003) "Consolidation of Variable Interest Entities" issued in 2003 with effective dates after June 30, 2003, for calendar year companies, could result in further significant differences between U.S. GAAP and Norwegian GAAP. Furthermore, certain U.S. standards, in particular SFAS No. 141 "Business Combinations", SFAS No. 142 "Goodwill and Other Intangible Assets", SFAS No. 143 "Accounting for Asset Retirement Obligations", SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" and Financial Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" were issued in 2001 or 2002 and are therefore not effective for the entire period for which comparatives are presented.

**Differences in Accounting Principles**

***Business Combinations***

According to U.S. GAAP, business combinations are required to be accounted for by the purchase method. The pooling-of-interests method is not allowed under U.S. GAAP. According to Norwegian GAAP, business combinations in which no acquiring party can be identified should be accounted for by the pooling-of-interests method.

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Earlier Norwegian legislation, in force up to 1998, allowed for all mergers, regardless of substance, to be accounted for under the pooling-of-interests method in Norway. Our financial statements have not been restated for the effect, if any, of accounting for acquisitions as pooling-of-interest combinations.

According to Norwegian GAAP, assets and liabilities other than goodwill are measured at their fair values as of the date of acquisition and the minority interest is stated at the minority's proportion of the fair value. According to U.S. GAAP, the acquirer's interest in the assets and liabilities is measured at fair value and the minority's proportion is measured at pre-acquisition carrying amounts.

The rules regulating recognition of restructuring provisions at the date of acquisition are more flexible under Norwegian GAAP than U.S. GAAP and under certain circumstances provisions recognized according to Norwegian GAAP are not allowed under U.S. GAAP.

***Negative Goodwill***

Negative goodwill is the excess that arises when the net of the amounts assigned to assets acquired and liabilities assumed exceeds the cost of the acquired entity. Under U.S. GAAP, negative goodwill should be allocated to reduce proportionately the values assigned to the acquired assets, including research and development assets acquired and charged to expense, except (a) financial assets other than equity accounted investments, (b) assets to be disposed of by sale, (c) deferred tax assets, (d) prepaid assets relating to pension or other post-retirement benefit plans, and (e) any other current assets. Any remainder should be recognized as an extraordinary gain.

Under Norwegian GAAP, negative goodwill should be classified as goodwill (reduction of asset) and amortized systematically over the average life of tangible fixed assets, unless it can be assigned to expected future losses or restructuring expenses that do not qualify for recognition at acquisition. Such negative goodwill should be amortized when these losses or expenses are incurred.

***Goodwill and Identifiable Intangibles***

According to U.S. GAAP, goodwill and indefinite lived intangible assets are not amortized. Goodwill and intangible assets that have indefinite useful lives must be tested at least annually for impairment. Intangible assets that have finite useful lives are amortized over their useful lives, but without the constraint of an arbitrary ceiling.

Under Norwegian GAAP, goodwill and intangible assets are amortized, with no limitation as to the amortization period. However, amortization of goodwill or intangible assets of more than 20 years is unusual.

***Transactions among Enterprises under Common Control***

Under U.S. GAAP the accounting for transactions between entities under common control accounted on a historical cost basis.

Under Norwegian GAAP, although no specific rules exist and accounting practice varies, the uniting of interest accounting is in many circumstances used for transactions where no transaction for accounting purposes has occurred (e.g. business combinations among enterprises with identical owners and transactions between companies under common control to reorganise the group structure, etc).

***Joint Ventures***

Under U.S. GAAP, joint ventures should be accounted for by the equity method.

Under Norwegian GAAP, joint ventures should be accounted for by the equity method or the proportional method. Under the proportional method, assets, liabilities, equity, income and expenses are consolidated line-by-line on a proportional basis. The proportional method is used for the Group's joint ventures.

***Financial Instruments***

According to Norwegian GAAP, fair value accounting for financial investments is limited to current financial assets that are part of a trading portfolio. In practice, only a few companies are considered to have trading portfolios and financial investments are to a great extent accounted for at the lower-of-cost-or-market.

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Under U.S. GAAP, readily marketable securities are classified into one of the following three categories: "trading securities" which are valued at fair market value with unrealized gains and losses recognized in the current period income statement; "available-for-sale securities" which are valued at fair market value with unrealised gains and losses being taken to equity (i.e. not currently recognized in the income statement); and "held-to-maturity securities" which are valued at cost.

Under Norwegian GAAP there are no specific rules for the accounting treatment of changes in liabilities due to restructuring or refinancing on substantially modified terms and accounting practice varies.

Under U.S. GAAP, where a liability is restructured or refinanced on substantially modified terms it is accounted for as an extinguishment of the old debt, with a consequent gain or loss; the new debt is recognised at fair value. The terms are taken to be substantially modified where the net present value under the new terms differs by more than 10 per cent from that of the remaining payments under the old terms. Depending upon the facts and circumstances, other differences could also result.

***Hedge Accounting***

In 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which was subsequently, amended by SFAS No. 137, SFAS No. 138, SFAS No. 149 and SFAS No 150. SFAS No. 133 is mandatory for all fiscal quarters of all fiscal years beginning after June 15, 2000.

SFAS No. 133 must be applied to derivative instruments, including certain derivative instruments embedded in other contracts. It requires that such instruments be recognized in the balance sheet as either an asset or liability and measured at fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless special hedge accounting criteria are met, including preparation of detailed documentation supporting the decision to apply hedge accounting

SFAS No. 133 allows special hedge accounting for fair value and cash flow hedges. SFAS No. 133 requires that the gain or loss on the fair market value of a derivative instrument designated and qualifying as a fair value hedging instrument as well as the offsetting gain or loss on the fair market value of the hedged item attributable to the hedged risk be recognized currently in earnings in the same accounting period. SFAS No. 133 requires that the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedge be reported as a component of other comprehensive income and be reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The remaining gain or loss (i.e. the ineffective portion), if any, must be recognized currently in earnings. Any portion of a change in the fair value of a derivative that qualifies as a cash flow hedge, which the issuer has elected to exclude from its measurement of effectiveness, such as the change in time value of option contracts, must be recorded immediately in earnings.

Under Norwegian GAAP, no specific accounting standards regarding the accounting recognition for financial instruments exist and, unless used in hedging, cost accounting should be applied.

***Foreign Currency Translation***

Under U.S. GAAP, the profit and loss account of a foreign subsidiary whose functional currency is different from that of the parent is translated at an appropriate weighted average exchange rate.

Under Norwegian GAAP, the profit and loss accounts of foreign subsidiaries that are regarded as an integral part of the parent company's activities are translated at the average exchange rate for the year, except for the cost of materials and depreciation, which are translated at the rate on the transaction date.

***Revenues***

Under Norwegian GAAP, revenue is recognized when earned.

Under U.S. GAAP, revenue is realized or realizable and earned when all of the following criteria have been met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the seller's price to the buyer is fixed or determinable; and collectability is reasonably assured.



***Construction Contracts***

Under Norwegian GAAP general overheads can be capitalised as part of the contract costs.

U.S. GAAP only permits the capitalisation of overheads that are directly attributable to the contract.

Under Norwegian GAAP, the completed-contract method is not allowed.

U.S GAAP allows the use of the completed-contract method.

***Property, Plant and Equipment - Revaluation***

Under both Norwegian GAAP and U.S. GAAP, a revaluation of fixed assets is not permitted. Until 1998, revaluation was permitted under Norwegian GAAP. Our financial statements have not been restated for the effect, if any, of revaluations of previous years.

***Investment Properties***

See comments under Property, Plant and Equipment – Revaluation

***Impairment of Fixed Assets***

Under U.S. GAAP an impairment charge for asset to be held and used is recognised if it's carrying is higher than its related future undiscounted cash flows. The amount of an impairment loss is measured comparing the carrying amount to fair value, which is usually determined using discounted expected future cash flows.

Under Norwegian GAAP, impairment testing is required where there is an indication of a possible impairment, e.g. adverse changes in the business or regulatory environment or in performance. An impairment exists if an asset's (cash generating unit's) carrying amount exceeds the greater of its net selling price and value in use (net present value of future cash flows); this excess is the amount of the impairment loss.

Under U.S. GAAP reversals of impairments are prohibited (other than for assets to be disposed of by sale).

Under Norwegian GAAP, an enterprise should assess at each balance sheet date whether there is any indication that an impairment loss recognised for an asset in prior years may no longer exist or may have decreased. If any such indications exist the enterprise should estimate the recoverable amount. If the recoverable amount exceeds the asset's carrying amount the impairment loss should be reversed.

***Research and Development Costs***

U.S. GAAP requires the immediate expense recognition of all research and development costs. Specific exceptions apply related to the development of computer software costs.

Norwegian GAAP allows research and development costs that comply with certain criteria to be capitalized and amortized over the estimated useful life; however, immediate expense recognition is common.

***Dividends***

Under U.S. GAAP, dividends are not recognized as liabilities until declared. Under Norwegian GAAP, proposed dividends are usually recognized as liabilities.

Under the Norwegian Companies Act, dividends are payable out of annual and retained earnings. The amount of dividends is subject to approval by the shareholders at a general meeting, following the fiscal year to which the dividends relate.

***Leasing Arrangements***

Both U.S. GAAP and Norwegian GAAP differentiate between operating and capital leases.

Under U.S. GAAP, leases are capitalized if they meet any one of the four very specific criteria of SFAS No. 13 "Accounting for Leases".

The same general criteria are applied under Norwegian GAAP, but the substance of the lease agreement will determine the accounting practice applied. Further differences between U.S. GAAP and Norwegian GAAP may occur regarding sale and leaseback transactions.

***Pensions***

Under U.S. GAAP, the determination of pension costs for defined benefit pension plans is made pursuant to SFAS No. 87 "Employers Accounting for Pensions".

Under Norwegian GAAP, the accounting standard for retirement benefit costs has to be applied.

Both U.S. GAAP and Norwegian GAAP require the recognition of the net pension benefit obligation, although U.S. GAAP and Norwegian GAAP may differ significantly in relation to matters such as actuarial assumptions and the treatment of actuarial gains. In addition, Norwegian GAAP does not require the recognition of a minimum pension liability to the extent a plan's net assets are exceeded by its accumulated benefit obligation.

***Income Taxes***

Under U.S. GAAP, deferred tax assets and deferred tax liabilities are classified as current and non-current, on the basis of the assets and liabilities to which they relate. Under Norwegian GAAP, deferred tax assets and liabilities are always shown as on a net basis as either a noncurrent deferred tax asset or a non-current deferred tax liability.

Under Norwegian GAAP, deferred tax assets and liabilities arising from business combinations can be recorded at their present value. Under U.S. GAAP, discounting of deferred tax assets and liabilities is not permitted.

***Capitalisation of Borrowing Costs***

Under Norwegian GAAP and U.S. GAAP, borrowing costs related to the construction of certain assets should be capitalized. However, the borrowing costs include exchange rate differences from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs according to Norwegian GAAP, but not under U.S. GAAP.

***Restructuring Provisions***

Under Norwegian GAAP a restructuring provision can only be recognised if the main features of the restructuring plan has been developed and announced on or before the date of acquisition; the restructuring costs must be identified and specified in a restructuring plan; and the plan must be in place within three months of the acquisition. Further, it is permitted to take into account anticipated gains from the expected disposals of assets when estimating a restructuring provision if the disposal is an integral part of the restructuring plan.

Under U.S. GAAP the employee termination plans must be evaluated as to whether they qualify as one-time termination benefits or ongoing termination benefits. Norwegian GAAP does not make the distinction between ongoing and one-time benefit arrangements. One-time employee termination costs may be accrued only if they meet the following criteria:

- Prior to the date of the financial statements management approves and commits the company to a termination plan;
- the exit plan identifies all significant actions to be taken to complete the plan, including the number of employees, their job classifications or functions and locations and the expected date of completion; and
- The plan establishes the terms of the benefit arrangement, including he benefits employees with receive upon termination in sufficient detail to enable employees to determine the type and amount of benefits they will received if they are involuntarily terminated.
- actions required to complete the plan indicate that it is unlikely that significant changes will be made or that the plan will be withdrawn



The future services to be provided by employees impacted by such plans will impact cost recognition. Termination costs related to ongoing plans are recognized when they are probable and reasonably estimable.

Under U.S. GAAP, accruals for excess facilities can only be recognized when a facility is vacated. Measurement must include the estimated potential sublease income even if a company has no intention of subleasing.

Under Norwegian GAAP, accruals for excess facilities are generally recorded when a company no longer intends to use the facility. Norwegian GAAP does not require consideration of estimated sublease income in cases where a company does not intend to sublease.

Under Norwegian GAAP, it is possible to account for the restructuring accruals in the acquiring company as well as in the acquired company in connection with business combinations.

Under U.S. GAAP, only restructuring accruals in the acquired company can be recorded as part of the purchase price

***Inventories***

Under U.S. GAAP, the acceptable methods of costing inventory are FIFO, LIFO, weighted moving average and specific identification. Inventory valuation must be recognized at the lower-of-cost-or-market value where market is generally defined as net realizable value.

Under Norwegian GAAP, inventory values are measured at the lower of historic cost or fair market value based on the FIFO method. LIFO is not allowed under Norwegian GAAP.

***Classification of Minority Interest***

Under U.S. GAAP, minority interest should be presented as a separate item between liabilities and shareholders' equity. The minority share of income for the year is subtracted when arriving at net income. Under Norwegian GAAP, minority interests are classified as a part of shareholders' equity. Net income for the year includes the minority share of income.

***Changes in Accounting Policy***

Under U.S. GAAP, the effect of a change in accounting policy is generally reflected as a cumulative adjustment to current year net income and comparatives are not restated. There are certain specific exceptions where restatement is required for certain changes. According to Norwegian GAAP, changes in accounting policies require restatement of prior periods if the effect is material.

***Asset Retirement Obligations***

Under U.S. GAAP, an entity should recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred. The entity should capitalize an asset retirement cost as an addition to the carrying amount of the related long-lived asset and allocate the cost to expense using a systematic and rational method over its useful life. An asset retirement obligation is a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, or development and (or) the normal operation of a long-lived asset. The fair value of a liability for an asset retirement obligation is the amount at which that liability could be settled in a current transaction between willing parties. Subsequent changes resulting from revisions to the timing or amount of the original estimate of the fair value of the liability should be recognized.

Under Norwegian GAAP, asset retirement or decommissioning costs are those costs that arise from plant and equipment that have to be dismantled at the end of their life. Norwegian GAAP allows for three possible accounting treatments, with the third listed as the preferred alternative: (1) Gradually build the provision over the estimated economic life of the installation; (2) The present value of the decommissioning costs is taken into the depreciation plan so that the carrying value at the end of the economic life is negative; or (3) The present value of the decommissioning costs is added to the corresponding asset's cost and a corresponding contingency is made.

**Differences in Presentations**

***Classification of Long-term Debt***

Under U.S. GAAP, amounts that are due or payable within one year of the reporting date are reclassified as a current liability.

The same treatment is allowed under Norwegian GAAP, but reclassification is not mandatory.

***Income Statement Presentation***

Under Norwegian GAAP, the income statement must be presented according to a classification of expenses by nature.

Under U.S. GAAP, classification of expenses by function is required.

***Statement of Comprehensive Income***

Under Norwegian GAAP a reconciliation of changes in equity must be shown in the notes to the financial statements and not as a separate statement. A statement of recognised gains and losses may be shown as a separate statement, but is not required.

U.S. GAAP requires presentation of a statement summarising all non-owner movements in equity. Under U.S. GAAP this is the statement of comprehensive income, which is required to be presented either as a separate primary statement or together with the income statement, or with the statement of changes in shareholders' equity if that is presented as a primary statement.

# Appendix 8 Pro forma balance sheet Aker ASA and holding companies

## PROFORMA BALANCE SHEET AKER ASA AND HOLDING COMPANIES

In addition to the parent company financial statement and the group financial statement that are prepared according to Norwegian GAAP Aker ASA will also prepare financial statements for what is referred to as Aker ASA and holding companies (Holding Company). The balance sheet of the Holding Company shows the value at which each investment has been recorded and how much debt Aker has assumed to finance the investments. In Akers view the Holding Company balance sheet is presented in a format that provides relevant information to investors and analysts and makes it easier to calculate the NAV of Aker ASA.

The traditional parent company balance sheet has been expanded to contain all the wholly owned underlying administrative service companies and holding companies that carry only investments, cash, and debt in the balance sheet. The balance sheet therefore shows net debt relating to the holding companies' investments, i.e. the investments in Aker Kværner, Aker Yards, Norway Seafoods, Dexion, etc.

The balance sheet shows all holding companies consolidated, whereas the operating holding companies like Aker Kværner ASA, Aker Yards ASA and Norway Seafoods are included at original cost price. Original acquisition cost means the cost price paid by the Holding Company.

For further comments on the applied accounting principles, see Appendix 3 "Pro Forma Accounting Principles Aker".

Please note that Aker has elected to present this pro forma balance sheet for Aker ASA and Holding companies in accordance with the cost method of accounting. Thus, shares in associated companies and subsidiaries are not valued according to the equity capital method in the balance sheet.

21 companies are included and consolidated in Aker and holding companies (all holding companies are 100% owned). The most significant holding companies are listed below:

Aker ASA
Aker Maritime Finance as (under liquidation)
Resource Group International as
RGI (Europe) B.V.
RGI Inc.
RGI Holdings Inc.
RGI (Denmark) ApS
Dianor Invest
Kværner Insurance AS
Aker Kværner Asset Management ASA
Kværner Investments AS
RGI Invest Inc.
Prosessholding as
Aker Geo Seismic AS
Norway Seafoods Holding AS

**AKER ASA AND HOLDING COMPANIES**
**UNAUDITED PRO FORMA BALANCE SHEET PER 30 JUNE 2004**

| *(Amounts in NOK million)* | **Q2 2004** |
|---|---|
| **ASSETS** | |
| Deferred tax assets | 1 221 |
| Intangible assets | - |
| Tangible fixed assets | 47 |
| **Total intangible and tangible fixed assets** | **1 268** |
| Financial interest-bearing fixed assets | 714 |
| Financial interest-free fixed assets | 188 |
| Shares and other equity investments | 9 044 |
| **Total financial fixed assets** | **9 946** |
| **Total fixed assets** | **11 214** |
| Interest-free short-term receivables, incl. project rec. | 387 |
| Interest-bearing short-term receivables | 1 289 |
| Liquid assets | 72 |
| **Total current assets** | **1 748** |
| **Total assets** | **12 962** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | |
| Total shareholders' equity | 8 940 |
| Minority interests | - |
| **Total shareholders' equity and minority interests** | **8 940** |
| Deferred tax and provisions | 9 |
| Other interest-free long-term liabilities | 410 |
| Interest-bearing long-term debt | 2 774 |
| **Total long-term liabilities** | **3 193** |
| Interest-free short-term debt | 407 |
| Interest-bearing short term debt | 422 |
| **Total short-term liabilities** | **829** |
| **Total shareholders' equity and liabilities** | **12 962** |

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