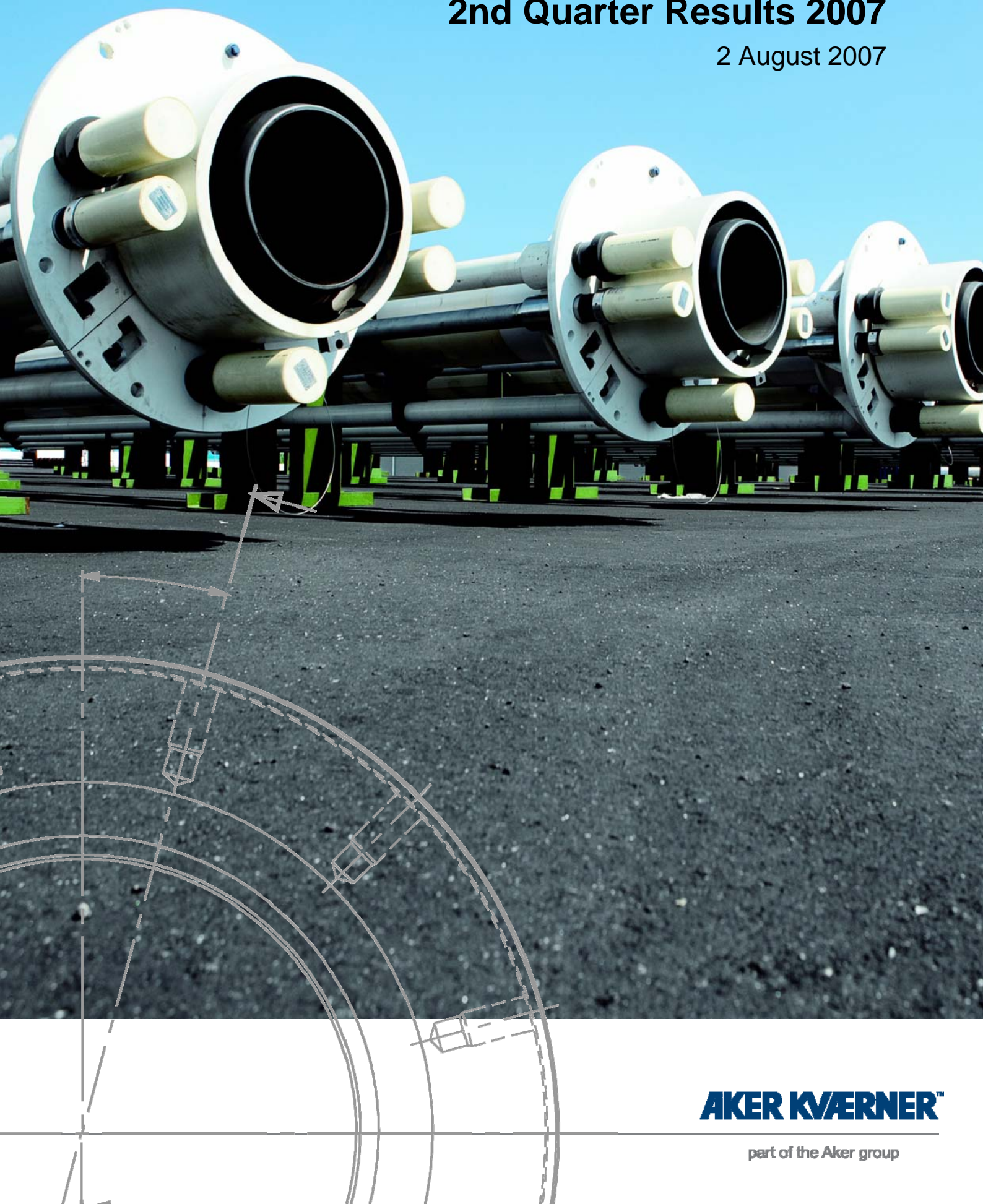


# Aker Kværner ASA 2nd Quarter Results 2007

2 August 2007



**AKER KVÆRNER™**

part of the Aker group

# Best quarter ever

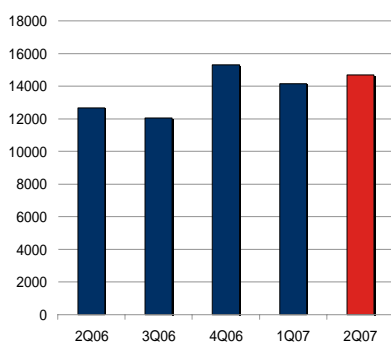


## 2nd Quarter highlights

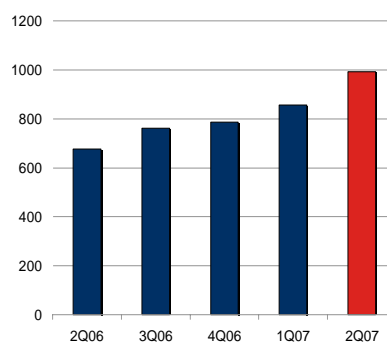
*Drilling risers fabricated, pressure tested and assembled at Aker Kvaerner's high-tech manufacturing centre, Malaysia*

- Strong financial performance
  - EPS increased by 49%
  - EBITDA increased by 47%
- Record high profit and order backlog in Subsea, P&T and P&C
- Strategic drilling equipment investment in Wirth GmbH
- Strong market continues
- Targeted EBITDA margin of 6.5% – 7% for end 2007 already achieved in Q2 2007

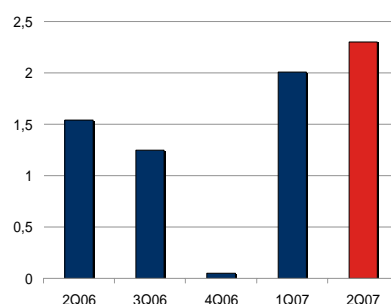
**Operating revenues**



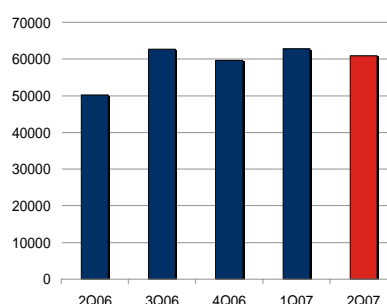
**EBITDA**



**EPS**



**Order backlog**





# Best quarter ever

## Group financials

Consolidated operating revenues for the second quarter 2007 amounted to NOK 14 697 million, an increase of 16 percent compared with NOK 12 682 million for the same period last year. This reflects strong markets and high activity in all business areas.

EBITDA for the second quarter of 2007 was NOK 993 million, an increase of 47 percent from NOK 676 million in the second quarter 2006. The EBITDA margin was 6.8 percent compared to 5.3 percent in the second quarter last year. Year to date EBITDA of NOK 1 849 million increased by 40 percent from NOK 1 325 million in the corresponding period last year, which gives a margin increase from 5.7 percent to 6.4 percent.

The second quarter net financial expenses were NOK 26 million, a reduction from NOK 62 million last year. This significant improvement reflects a favourable financial position after the refinancing of the company in December 2006.

Fluctuations in the fair value of hedging transactions which do not qualify for hedge accounting, represented an accounting gain under financial items of NOK 54 million in the second quarter. Reported EBITDA was negatively affected by NOK 24 million in the same period.

The profit after financial items for the second quarter 2007 was NOK 933 million, a significant improvement of 51 percent compared to the second quarter 2006 profit of NOK 616 million. The tax expense for the second quarter was NOK 286 million, which is 31 percent of profit before tax. Net profit for the second quarter was NOK 647 million, giving earnings per share of NOK 2.30.

Cash flow from operating activities was negative NOK 492 million in the second quarter of 2007. This reflects a NOK 1 303 million increase in net current operating assets, from NOK 317 million at the end of first quarter to NOK 1 620 million at the end of second quarter.

Cash and bank deposits at the end of the second quarter were reduced to NOK 2.4 billion, a reduction of NOK 1 billion during the quarter. Undrawn committed long-term bank revolving credit facilities amounted to NOK 5 billion, representing a total liquidity buffer of NOK 7.4 billion.

Gross interest bearing debt amounted to NOK 4.1 billion at the end of the second quarter 2007, an increase of NOK 2 billion during the quarter. Net interest bearing items were negative NOK 1.1 billion. Aker Kvaerner's gearing ratio, defined as

gross interest bearing debt to EBITDA, is expected to be below two times during a business cycle.

Order intake in the second quarter was NOK 13.3 billion. At the end of June the order backlog was NOK 60.9 billion, an increase of 21 percent from end of second quarter 2006 and a 2 percent increase from end of 2006. The growth represents both new contracts and growth in existing contracts.

The equity ratio at the end of the second quarter was 24.3 percent, an increase from 19.9 percent at the end of first quarter 2007. A dividend of NOK 2 201 million was paid out in April.

In order to strengthen our competitiveness, Aker Kvaerner has initiated multiple improvement programs. The ambition is to improve our cost position with more than NOK 1 billion over the next two to three years.

## Strategic ownership of Aker Kvaerner

In June, Aker ASA, Wallenberg-related companies, and the Norwegian Government entered into agreements that provide long-term strategic ownership for Aker Kvaerner. Under the agreements, Aker transfers its 40.1 percent ownership interest in Aker Kvaerner to the newly established company Aker Holding. Aker will hold a controlling 60 percent stake in Aker Holding. The Norwegian Government will own 30 percent of Aker Holding, the Swedish company SAAB and the Swedish investment company Investor will own 7.5 percent and 2.5 percent respectively. The parties have agreed that Aker Kvaerner will continue to be developed as an internationally competitive, major supplier of technology, products, systems, and services, with operations primarily directed at the energy, oil, and gas sectors. Aker Holding's owners will continue the established, close industrial cooperation between Aker Kvaerner and other Aker companies.

## Aker Kvaerner acquires drilling technology company

Aker Kvaerner has signed an agreement for acquisition of 50 percent of the shares in the German company Wirth GmbH, with an option to buy the remaining shares over the next few years. Wirth GmbH is a quality supplier of drilling equipment and has been one of Aker Kvaerner's key suppliers for more than twenty years. Wirth's technology complements Aker Kvaerner's technology portfolio and is an excellent fit with Aker Kvaerner's drilling equipment unit, Aker Kvaerner MH. Wirth currently employs 480 people. The company's revenue in 2006 amounted to EUR 140 million and it has a strong order backlog.

## Key figures

Amounts in NOK mill.	2Q07	2Q06	3Q06	4Q06	1Q07	YTD07	YTD06	2006
Operating Revenues	<b>14 697</b>	12 682	12 059	15 304	14 147	<b>28 844</b>	23 229	50 592
EBITDA	<b>993</b>	676	761	786	856	<b>1 849</b>	1 325	2 872 <sup>2</sup>
EBITDA margin %	<b>6.8</b>	5.3	6.3	5.1	6.1	<b>6.4</b>	5.7	5.7
EBIT	<b>905</b>	591	686	686	772	<b>1 677</b>	1 161	2 533
Net profit	<b>647</b>	432	370	25	550	<b>1 197</b>	899	1 294
EPS <sup>1</sup>	<b>2.30</b>	1.54	1.25	0.05	2.01	<b>4.31</b>	3.22	4.53
Order intake	<b>13 316</b>	12 960	23 636	12 799	17 304	<b>30 620</b>	25 836	62 271
Order backlog	<b>60 932</b>	50 251	62 687	59 695	62 758	<b>60 932</b>	50 251	59 695
Net current operating assets	<b>1 620</b>	-1 301	-1 550	-2 172	317	<b>1 620</b>	-1 301	-2 172
Net debt	<b>-1 086</b>	1 611	1 928	4 140	1 936	<b>-1 086</b>	1 611	4 140

<sup>1</sup> Basic and diluted EPS continuing operations

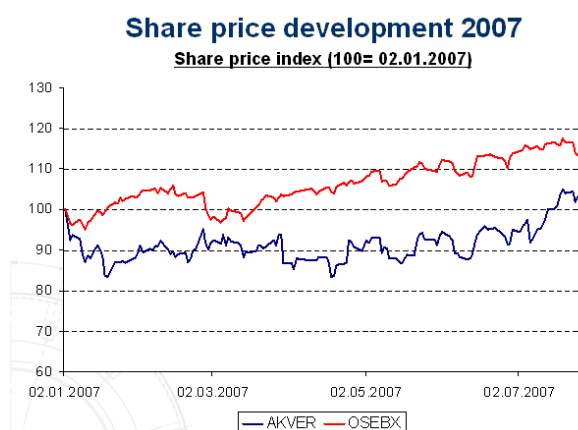
<sup>2</sup> Inclusive sales gain of NOK 87 million

Numbers reported reflect new operating model

### The Aker Kvaerner share

During the second quarter Aker Kvaerner announced a buy-back of 1 222 000 own shares, for a consideration of NOK 174 million. Aker Kvaerner currently holds 2 490 830 of the company's 274 000 000 outstanding shares, or 0.906 percent (1 146 170 own shares in the process of being cancelled).

The share price increased from NOK 137 at the end of first quarter to NOK 150 at the end of second quarter. This increase of 9.5 percent represents a value creation of NOK 3.6 billion for the shareholders in Aker Kvaerner.



## Status operations

### Health, Safety and Environment

Aker Kvaerner's strong focus and efforts within Health, Safety and Environment (HSE) continue with Just Care™ as a symbol of the HSE culture and as an umbrella for our HSE programmes.

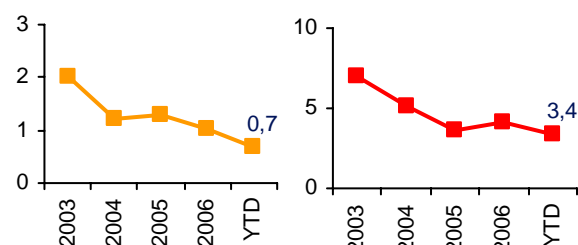
We see a further improvement in injury rates and sick leave in the second quarter. The sustained high HSE activity level as measured through our leading indicators (training, inspections, task risk analysis, risk observations and near miss reporting) contributes to this positive development.

Training has a particular focus. To date, 1 200 leaders have graduated from Aker Kvaerner's own HSE leadership programme, and in total over 23 000 individual training sessions have been performed with the Just Care™, Stress Management and HSE Risk Assessment eLearning modules.

The LTIF is at 0.5 for the second quarter and at 0.7 year to date, while the TRIF is at 3.2 for the second quarter and at 3.4 year to date. Sick leave is at 1.7 percent for the second quarter, compared to 2.0 percent for the second quarter in 2006.

**Lost Time Incidents per million hours (LTIF)**

**Total Recordable Incidents per million hours (TRIF)**



### Field Development (FD)

Amounts in NOK mill.	Q2 07	Q2 06	YTD 07	YTD 06
Op.revenues	4 598	4 228	9 415	7 367
EBITDA	246	251	466	452
Order intake	821	919	6 168	4 111
Order backlog	16 973	16 174	16 973	16 174
Employees	3 634	3 575	3 634	3 575

FD had high activity in the second quarter and reported 9 percent higher operating revenues in the second quarter this year compared to the same period last year. The revenue is driven by a high level of procurement and subcontracting, and increased scope of work on projects such as Snøhvit, Adriatic LNG-terminal, Ormen Lange and the H-6e drilling rigs. The Blind Faith project was delivered in June.

EBITDA for the second quarter was in line with second quarter 2006. The EBITDA margin in the second quarter was 5.4 percent. The second quarter margin is influenced by high procurement and subcontracting volumes and is lower than in the second quarter last year.

The main markets for FD, which are the North Sea, Canada, Russia (including the Barent Sea), the Caspian Sea, the Sakhalin region, and deepwater Gulf of Mexico are looking positive. The North Sea market and the Barent region are strong with several prospects and internationally we see opportunities with good strategic fit. The company's position in the LNG-terminal market is considered world class and this market continues to be robust. Several studies are ongoing.

Order intake in the second quarter was mainly characterised by continued growth in the existing project portfolio. This kept the order backlog at an acceptable level.

- An unincorporated Aker Kvaerner/ERSAI consortium has started early work activities for Agip KCO for the hook-up and commissioning of the first phase of the Kashagan field development in the Kazakhstan sector of the Caspian Sea. These activities will last three months and are worth up to USD 157 million. In addition, Agip KCO and the Aker Kvaerner/ERSAI consortium have signed a letter of intent for a potential contract for the hook-up work on the first phase of the Kashagan field development. There is potential for further growth.

**Maintenance, Modifications and Operations (MMO)**

Amounts in NOK mill.	Q2 07	Q2 06	YTD 07	YTD 06
Op.revenues	<b>2 588</b>	2 517	<b>5 152</b>	4 486
EBITDA	<b>140</b>	116	<b>272</b>	223
Order intake	<b>1 233</b>	909	<b>3 586</b>	2 980
Order backlog	<b>10 605</b>	10 404	<b>10 605</b>	10 404
Employees	<b>4 888</b>	5 011	<b>4 888</b>	5 011

The activity in MMO continued to be high. The reported operating revenue was in line with second quarter 2006. There has been high activity on the Statfjord Late Life project and on maintenance and modification projects during offshore shut-downs.

EBITDA for the second quarter increased by 21 percent compared to the corresponding quarter in 2006. Performance on the long term contracts in the North Sea is improving through technology and specialist services. The EBITDA margin in the second quarter was 5.4 percent.

Aker Kvaerner has established a partnership with IBM and SKF for Condition Based Maintenance (CBM) for the offshore and onshore oil and gas industry. Condition Based Maintenance reduces plant downtime, increases equipment reliability and reduces maintenance.

The Frigg Cessation Project is a pioneer project for decommissioning of larger fields in the North Sea. It is a challenging project, both in regards to execution, environment and safety issues. Together with the client, Total, we have managed to perform all planned activities on the Frigg Field Centre despite utilisation of new technology and challenging weather conditions. A major milestone was reached on 15 July, when we successfully removed the Main Support Frame from one of the Frigg platforms, approximately 9 000 tons, and safely transported it by barge to Shetland for dismantling and recycling.

The order intake was 36 percent higher in the second quarter this year compared to the corresponding period last year. The order intake is mainly growth and extension of the existing project portfolio. The order backlog remains robust. Overall tender activity for projects is high. The North Sea market is strong.

**Subsea**

Amounts in NOK mill.	Q2 07	Q2 06	YTD 07	YTD 06
Op.revenues	<b>2 429</b>	1 842	<b>4 565</b>	3 355
EBITDA	<b>222</b>	114	<b>393</b>	199
Order intake	<b>4 200</b>	4 789	<b>6 466</b>	6 252
Order backlog	<b>10 618</b>	6 719	<b>10 618</b>	6 719
Employees	<b>3 420</b>	2 399	<b>3 420</b>	2 399

Subsea revenues in the second quarter increased 32 percent compared to the second quarter 2006. Operational and financial performance is developing positively. Service revenue is growing at the same pace as the overall revenue.

The second quarter EBITDA was almost two times higher than in the corresponding period in 2006. The service margins are steadily improving, contributing positively to

the growth in the EBITDA margin for the quarter of 9.1 percent.

The market outlook continues to be promising, although large projects seem to be somewhat postponed with regards to awards. The market positions in Brazil, Gulf of Mexico and India have been strengthened. Opportunities for subsea EPC contracts in Asia and Africa are growing. The high tendering and clarification activity continues.

In June, Aker Kvaerner shipped three subsea MultiBooster pumps to the Gulf of Mexico. The installation in the King field for BP will break world records when it is applied in water depths in excess of 1 700 metres, more than 29 kilometres from the platform. This represents a milestone for Aker Kvaerner's award-winning processing and boosting technology.

In June, Aker Kvaerner acquired 50 percent of Phoenix Polymers International Ltd (Phoenix). Phoenix develops and manufactures buoyancy and polyurethane products for the worldwide oil and gas sector and is an important supplier of floatation elements to Aker Kvaerner's deepwater marine drilling riser projects.

Aker Kvaerner's integrated subsea oil and gas centre in Malaysia was officially opened in June, marking the successful conclusion of an ultra fast-track schedule to bring the facility on stream. Located in Port Klang Free Zone, Pulau Indah, Klang, the purpose-built manufacturing centre, with a total investment value of USD 100 million, is the first of its kind in the world.

The Tranby facilities in Norway have been upgraded and a new facility for assembly, testing and aftermarket has been opened in Houston. This gives Aker Kvaerner increased capacity through new world class facilities.

The second quarter order intake was in line with that achieved in the second quarter 2006, resulting in a record high order backlog.

- A letter of intent was signed in January and a final contract in May with Aker Floating Production to deliver a complete subsea production system to Reliance Industries in India. The value of Aker Kvaerner's contract is in excess of USD 300 million, with potential for further growth.
- Petrobras, Brazil's national oil company, awarded a contract to supply eight subsea boosting systems. The contract is worth approximately USD 25 million.
- Helix Energy Solutions awarded a USD 14 million contract to supply subsea umbilicals. This contract includes engineering and project management for the Noonan development project in the Gulf of Mexico.
- Subsea 7 Norway signed a contract for the manufacturing and supply of steel tube umbilicals for Norsk Hydro's Vega and Troll developments in the North Sea. The contract, worth NOK 434 million, is one of Aker Kvaerner's largest stand-alone umbilical contracts ever.

### Products & Technologies (P&T)

Amounts in NOK mill.	Q2 07	Q2 06	YTD 07	YTD 06
Op. revenues	<b>2 690</b>	1 588	<b>5 203</b>	2 795
EBITDA	<b>218</b>	118	<b>420</b>	208
Order intake	<b>3 476</b>	3 655	<b>5 365</b>	6 778
Order backlog	<b>12 861</b>	11 287	<b>12 861</b>	11 287
Employees	<b>2 266</b>	1 973	<b>2 266</b>	1 973

The second quarter revenues in P&T increased 69 percent compared to the second quarter 2006. Activity is high in all segments.

EBITDA for the second quarter was almost two times higher than in the corresponding period in 2006. The EBITDA margin for the second quarter was 8.1 percent. In particular, Aker Kvaerner MH and Aker Kvaerner Process Systems have delivered strong profit growth compared to last year.

The new build drilling equipment market continues to be strong and a positive FPSO market is driving demand for upstream products and technologies from Aker Kvaerner. P&T is negotiating a complete deepwater drilling package with a major Chinese operator. This will be a breakthrough in the Chinese market. There are many prospects in the process systems market. The excellent performance continues within Aker Kvaerner Well Services. India and SE Asia are becoming high activity areas for installation activities. The market for Aker Kvaerner Pusnes' products continues to develop favourably. In addition, there is great potential for growth in the after-sales and service activity.

Order intake was high and the order backlog at the end of the second quarter was at an all time high.

- Statoil extended the current well service contract with Aker Kvaerner for two additional years. The scope of work includes wireline and associated services at the Tampen and Halten/Nordland areas at the Norwegian continental shelf. The estimated contract value is NOK 400 million.
- MODEC International LLC signed a contract for delivery of process modules for a floating production facility (FPSO). The total contract value is approximately USD 13 million.
- Jurong Shipyard in Singapore awarded a contract for delivery of a drilling system for an ultra deepwater drilling semi-submersible unit. The total contract value for Aker Kvaerner is approximately USD 160 - 180 million, including 3rd party deliveries of approximately USD 95-110 million.
- Talisman Energy Norge AS awarded Aker Kvaerner a service contract for provision of personnel and equipment for well intervention services on the Norwegian Continental Shelf, including the Gyda, Varg, Yme and Rev fields. The contract is for a firm period of two years, plus three times one year optional periods. The estimated contract value for the initial two years is NOK 60 million.

- Aker Kvaerner signed a contract for delivery of equipment and modifications to Aker Floating Production's SMART 1 Floating Production Storage Offloading (FPSO) vessel. This new contract is an amendment to a contract awarded in November 2006 for both SMART 1 and 2 vessels. The total contract value for Aker Kvaerner related to SMART 1 is now approximately NOK 610 million, representing an increase of NOK 430 million since November 2006.

### Process & Construction (P&C)

Amounts in NOK mill.	Q2 07	Q2 06	YTD 07	YTD 06
Op. revenues	<b>2 607</b>	3 029	<b>5 066</b>	5 949
EBITDA	<b>213</b>	108	<b>365</b>	208
Order intake	<b>2 957</b>	2 596	<b>9 227</b>	5 674
Order backlog	<b>11 848</b>	7 949	<b>11 848</b>	7 949
Employees	<b>7 964</b>	6 984	<b>7 964</b>	6 984

P&C achieved record high result in the quarter - EBITDA increase of two times compared to the same period last year, mainly driven by the successful completion of several projects. Aker Kvaerner Engineering Services has continued strong performance as a result of high activity and good project execution following the restructuring over the last few years. The EBITDA margin for the second quarter was 8.2 percent. The margin in the second half of 2007 is expected to be somewhat lower than in the second quarter of 2007. The revenues in P&C have been somewhat lower this year compared to last year, which reflected very high volumes in the US construction business.

There are several petrochemical project opportunities in Middle East and China. Opportunities for Bio-ethanol plants are being developed with Praj Industries (Praj) from India. The metals market continues to be strong. There are also interesting opportunities in the power plant construction market in the US.

Praj Industries and Aker Kvaerner, announced a significant step in the expansion of their association, confirming the creation of a joint venture (JV) for the European market. Aker Kvaerner has approved the implementation of the JV, and this consent joins the Praj Industries' Board approval (announced by Praj on 19 April 2007) wherein Praj will hold a 60 per cent share of the JV and Aker Kvaerner will hold 40 per cent. The JV will combine Aker Kvaerner's execution capabilities and extensive European market knowledge with the technological expertise of Praj.

The order intake for the three-month period was high, resulting in a record high order backlog of NOK 11.8 billion.

- Aker Kvaerner was selected for the basic and detailed engineering design and for the provision of offshore procurement services for PetroquímicaSuape's new Purified Terephthalic Acid (PTA) plant, to be built at the Port of Suape, Pernambuco, in North East Brazil. Aker Kvaerner has signed an Early Works Contract with PetroquímicaSuape for the development of Purchase Orders for the long delivery equipment items and technical advisory services.

- BP, Associated British Foods Plc (ABF) and DuPont selected Aker Kvaerner to execute the Front End Engineering and Design (FEED) for a planned new world-scale bioethanol plant in the UK. Aker Kvaerner's joint venture partner Praj will provide the technology and process package.
- Northumbrian Water Ltd (NWL) awarded Aker Kvaerner a GBP 28 million contract to design, construct, install and commission a facility to extend the treatment capabilities of the existing regional sludge treatment centre (RSTC) at Bran Sands on Teesside, in the UK. All engineering work including civil design will be carried out by Aker Kvaerner's Engineering Services' business in Stockton-on-Tees.

## Outlook

The 3 to 5 year market outlook continues to be positive. The general CAPEX level within the oil and gas industry continues to be on a high level and in some areas it continues to grow. We expect to see continued strong growth in deep water projects. South East Asia continues to develop positively and will be a strong market for Aker Kvaerner. Other focus markets, like West Africa, Brazil and Caspian Sea, have had a favourable development for Aker Kvaerner. The company's position in the LNG-terminal market is considered world class and this market continues to be robust. As the regions are maturing, new energy resources continue to become more challenging to extract and the need for new technology development is increasing. Our position within harsh environment gives us a competitive edge in the new and increasingly technologically demanding markets, especially in the Arctic and deep water environments. We will strive to continue to

be at the forefront of technological development. We also expect increased investments in tie-backs and extensions of existing fields.

The market is developing favourably for our Process & Construction business. Both within power generation, especially in the US, and within metals and process driven by increased demand in Asia. An increased focus on environment is expected to create large opportunities both with bio-ethanol and CO2 sequestration.

As part of our international growth strategy we see several opportunities in order to strengthen local content and building and expanding local facilities.

In general there are constraints on resources and capacity of suppliers and contractors globally. This also creates interesting business opportunities. Together with execution of existing order backlog, Aker Kvaerner continues to focus on selecting and winning projects with the right risk profile and with a potential for profitable growth.

The earlier announced EBITDA margin target of 6.5 -7.0 percent by the end of 2007, has already been achieved in the second quarter of 2007 by reaching 6.8 percent. Therefore the run rate at year end is expected to be somewhat higher than the previously guided target of 6.5 to 7.0 percent. The absolute EBITDA and the EBITDA margin for the second half of 2007 are expected to be higher than in the first half of 2007.

The second half 2007 revenue is expected to be slightly lower than the NOK 28.8 billion revenue for the first half of 2007, due to completion of the major onshore projects Snøhvit and Ormen Lange.

Oslo, 1 August 2007  
The Board of Directors



AKER KVAERNER GROUP IN FIGURES <sup>1)</sup>

## PROFIT AND LOSS ACCOUNT

## Group summary:

Amounts in NOK million	Note	Q2		1.1-30.6		1.1-31.12
		2007	2006	2007	2006	2006
Operating revenues		14 697	12 682	28 844	23 229	50 592
Operating expenses		-13 704	-12 006	-26 995	-21 904	-47 720
<b>EBITDA</b>		<b>993</b>	<b>676</b>	<b>1 849</b>	<b>1 325</b>	<b>2 872</b>
Depreciation		- 88	-85	-172	-164	-339
<b>Operating profit</b>		<b>905</b>	<b>591</b>	<b>1 677</b>	<b>1 161</b>	<b>2 533</b>
Financial income		33	39	59	67	174
Financial expenses		- 59	-101	-99	-215	-1 061
Share of profit (+) / loss (-) of associates		-	-	-	2	-18
Profit (+) / loss (-) on foreign currency forward contracts		54	87	94	238	241
<b>Profit/loss before tax</b>		<b>933</b>	<b>616</b>	<b>1 731</b>	<b>1 253</b>	<b>1 869</b>
Taxation		-286	-184	-534	-354	-575
<b>Net profit/loss from continuing operations</b>		<b>647</b>	<b>432</b>	<b>1 197</b>	<b>899</b>	<b>1 294</b>
<b>Discontinued operations</b>						
Profit for the period from discontinued operations and gain on disposal	3	-	34	-	68	2 495
<b>Profit for the period</b>		<b>647</b>	<b>466</b>	<b>1 197</b>	<b>967</b>	<b>3 789</b>
<b>Attributable to:</b>						
Minority interests		20	8	21	14	51
Equity holders of the parent company		627	458	1 176	953	3 738
<b>Basic and diluted earnings per share continuing operations (NOK)</b>	2	<b>2,30</b>	<b>1,54</b>	<b>4,31</b>	<b>3,22</b>	<b>4,53</b>
<b>Basic and diluted earnings per share (NOK)</b>	2	<b>2,30</b>	<b>1,66</b>	<b>4,31</b>	<b>3,46</b>	<b>13,59</b>

## BALANCE SHEET

Amounts in NOK million	Note	30.6		31.12
		2007	2006	2006
Deferred tax asset		212	615	552
Goodwill, patents etc		4 983	4 373	5 054
Property, plant and equipment		2 127	1 450	1 761
Other operating assets		13	1	10
Investments		168	113	138
Interest-bearing non-current receivables		60	132	54
Income tax receivables		105	67	86
Current operating assets		16 522	12 270	15 118
Interest-bearing current receivables		585	498	546
Deposit to repay second priority lien notes		-	-	2 411
Cash and bank deposits		2 385	6 225	5 666
Operating assets classified as held for sale	3	-	2 446	-
<b>Total assets</b>		<b>27 160</b>	<b>28 190</b>	<b>31 396</b>
Equity	2	6 443	5 297	7 983
Minority interests		144	132	131
Deferred tax		44	19	60
Other non-current liabilities		1 267	1 270	1 247
Interest-bearing non-current debt		3 110	5 243	2 126
Second priority lien notes		-	-	2 329
Taxes payable		220	110	230
Dividend payable		24	-	-
Other current operating liabilities		14 902	13 570	17 290
Interest-bearing current liabilities		1 006	1	-
Liabilities directly associated with operating assets classified as held for sale	3	-	2 548	-
<b>Total liabilities and equity</b>		<b>27 160</b>	<b>28 190</b>	<b>31 396</b>

<sup>1)</sup> In the accounts the Pulping & Power businesses are presented as discontinuing operations.

## STATEMENT OF CASH FLOW

Amounts in NOK million	Q2		1.1-30.6		1.1-31.12
	2007	2006	2007	2006	2006
Net cashflow from operating activities	- 492	- 169	-2 053	278	2 636
Net cashflow from investing activities	- 278	- 244	- 572	-428	985
Net cashflow from financing activities	- 298	-	- 623	-275	-4 688
Translation adjustments	9	- 85	- 33	-96	- 13
<b>Net decrease (-) / increase (+) in cash and bank deposits</b>	<b>-1 059</b>	<b>- 498</b>	<b>-3 281</b>	<b>-521</b>	<b>-1 080</b>
Cash and bank deposits as at the beginning of the period	3 444	6 723	5 666	6 746	6 746
<b>Cash and bank deposits as at the end of the period</b>	<b>2 385</b>	<b>6 225</b>	<b>2 385</b>	<b>6 225</b>	<b>5 666</b>

## CHANGE IN EQUITY

Amounts in NOK million	Q2		1.1-30.6		1.1-31.12
	2007	2006	2007	2006	2006
Equity as at the beginning of the period	5 993	4 424	7 983	4 262	4 262
Net profit /loss	627	458	1 176	953	3 738
Dividends	2	-	-2 182	- 275	- 275
Treasury shares	2	- 173	-	- 499	-
Foreign currency hedging	16	465	66	436	203
Translation differences	- 20	- 50	- 101	- 79	55
<b>Equity as at the end of the period</b>	<b>6 443</b>	<b>5 297</b>	<b>6 443</b>	<b>5 297</b>	<b>7 983</b>



**Segments:****REVENUE BY SEGMENT**

Amounts in NOK million	Q2		1.1-30.6		1.1-31.12
	2007	2006	2007	2006	2006
Field Development	4 598	4 228	9 415	7 367	16 125
Maintenance, Modification and Operations	2 588	2 517	5 152	4 486	9 677
Subsea	2 429	1 842	4 565	3 355	6 941
Products & Technologies	2 690	1 588	5 203	2 795	7 572
Process & Construction	2 607	3 029	5 066	5 949	12 007
Other	-215	-522	-557	-723	-1 730
<b>Total Group</b>	<b>14 697</b>	<b>12 682</b>	<b>28 844</b>	<b>23 229</b>	<b>50 592</b>

**EBITDA BY SEGMENT**

Amounts in NOK million	Q2		1.1-30.6		1.1-31.12
	2007	2006	2007	2006	2006
Field Development	246	251	466	452	903
Maintenance, Modification and Operations	140	116	272	223	452
Subsea	222	114	393	199	479
Products & Technologies	218	118	420	208	531
Process & Construction	213	108	365	208	530
Other	-46	-31	-67	35	-23
<b>Total Group</b>	<b>993</b>	<b>676</b>	<b>1 849</b>	<b>1 325</b>	<b>2 872</b>

**EBIT BY SEGMENT**

Amounts in NOK million	Q2		1.1-30.6		1.1-31.12
	2007	2006	2007	2006	2006
Field Development	231	237	437	425	849
Maintenance, Modification and Operations	138	115	268	220	446
Subsea	198	82	348	143	379
Products & Technologies	202	104	390	179	469
Process & Construction	208	100	352	194	496
Other	-72	-47	-118	-	-106
<b>Total Group</b>	<b>905</b>	<b>591</b>	<b>1 677</b>	<b>1 161</b>	<b>2 533</b>

**NET CURRENT OPERATING ASSETS BY SEGMENT**

Amounts in NOK million	30.6		1.1-31.12
	2007	2006	2006
Field Development	291	-3 154	-1 972
Maintenance, Modification and Operations	474	141	124
Subsea	1 066	1 090	793
Products & Technologies	150	335	-364
Process & Construction	-663	113	-684
Other	302	174	-69
<b>Total Group</b>	<b>1 620</b>	<b>-1 301</b>	<b>-2 172</b>

**NET OPERATING ASSETS BY SEGMENT**

Amounts in NOK million	30.6		1.1-31.12
	2007	2006	2006
Field Development	1 504	-1 969	-734
Maintenance, Modification and Operations	1 790	1 260	1 247
Subsea	2 517	1 530	2 133
Products & Technologies	1 105	1 160	523
Process & Construction	421	1 077	457
Other	139	194	-220
<b>Total Group</b>	<b>7 476</b>	<b>3 252</b>	<b>3 406</b>

At the end of first quarter 2007 Aker Kvaerner reorganised its segments. Prior year figures are restated.

## Notes

Aker Kværner ASA (the company) is a company domiciled in Norway. The consolidated financial statements of Aker Kværner ASA comprise the company and its subsidiaries (together referred to as the group) and the group's interests in associates and jointly controlled entities and assets.

### Statement of compliance

Aker Kværner's financial reporting is carried out in accordance with International Financial Reporting Standards (IFRS). The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. It does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the group for 2006.

The annual report for 2006 is available on [www.akerkvaerner.com](http://www.akerkvaerner.com)

### Accounting policies

The accounting policies applied in the interim financial statements are the same as those described in the annual report 2006 for Aker Kværner.

#### *Employee benefits*

##### *Defined benefit plans*

Calculation of pension cost and liability is done annually by actuaries. In the interim financial reporting, pension costs and liability are based on the actuarial forecasts.

#### *Tax*

Income tax expense is recognised in each interim period based on the best estimate of the expected annual income tax rates.

### Note 1 Judgements, estimates and assumptions

In applying the accounting policies, management makes judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statement, the significant judgements made by management in applying the group's accounting policies and the key sources of uncertainty in the estimates were the same as those applied to the consolidated financial statements as at and for the period ended 31 December 2006.

### Note 2 Share capital and equity

At the end of 2006 Aker Kværner ASA had 55 029 234 ordinary shares at a par value of NOK 10 per share. On the General Assembly in March the share holders agreed to split one share at par value NOK 10 into five shares at par value NOK 2. The new number of shares, 275 146 170, is used in the calculation of earnings per share in all periods in 2006 to get comparable figures.

At year end 2006, the board of directors suggested a dividend of NOK 40 per share for 2006, a total of NOK 2 201 million. The share holders agreed at the General Assembly.

In the first quarter of 2007 Aker Kværner ASA bought a total of 2 415 000 own shares for a total consideration of NOK 325 million. In the second quarter a total of 1 222 000 shares were bought back for a total consideration of NOK 173.5 million. Average number of shares in the first quarter of 273 644 892 is used in the calculation of earnings per share for the first quarter 2007 and average number of shares in the second quarter of 272 044 489 is used in the calculation of earnings per share for the second quarter 2007.

At the General Assembly the share holders also agreed to reduce the share capital in Aker Kværner ASA by NOK 2 292 340 to NOK 548 000 000 through cancellation of 1 146 170 treasury shares (in the process of being formalised). Total outstanding shares are then 274 000 000. Aker Kværner owns 2 490 830 own shares at the end of second quarter (0.91 percent of total outstanding shares).

### Note 3 Discontinued operations - Pulping & Power

Aker Kværner's Pulping & Power businesses were sold in the fourth quarter of 2006.

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**Career opportunities:**

Visit <http://www.akerkvaerner.com/Internet/CareerCentre>

**AKER KVÆRNER ASA**, through its subsidiaries and affiliates ("Aker Kvaerner"), is a leading global provider of engineering and construction services, technology products and integrated solutions. The business within Aker Kvaerner comprises several industries, including Oil & Gas, Refining & Chemicals, Mining & Metals and Power Generation. The Aker Kvaerner group is organised in a number of separate legal entities. Aker Kvaerner is used as the common brand/trademark for most of these entities.

The parent company in the group is Aker Kværner ASA. Aker Kvaerner has aggregated annual revenues of approximately NOK 50 billion and employs approximately 23 000 people in about 30 countries.

Aker Kvaerner is part of Aker ([www.akerasa.com](http://www.akerasa.com)), a group of premier companies with a focus on energy, maritime and marine-resources industries. The Aker companies share a common set of values and long traditions of industrial innovation. As an industrial owner with a 40.1 per cent holding in Aker Kvaerner, Aker ASA takes an active role in the development of its holdings.

This press release may include forward-looking information or statements and is subject to our [disclaimer](#), see our web-pages [www.akerkvaerner.com](http://www.akerkvaerner.com)