

Aker Kværner ASA 3rd Quarter Results 2007

23 October 2007



AKER KVÆRNER™

part of the Aker group

Another strong quarter

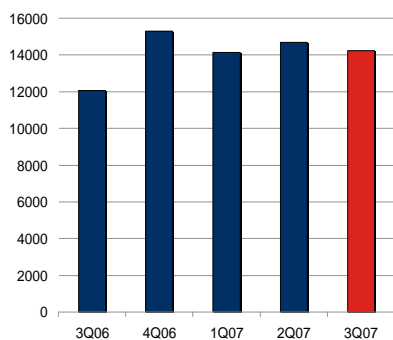


The hull of Aker H-6e Spitsbergen towering keyside at the Stord yard in Norway

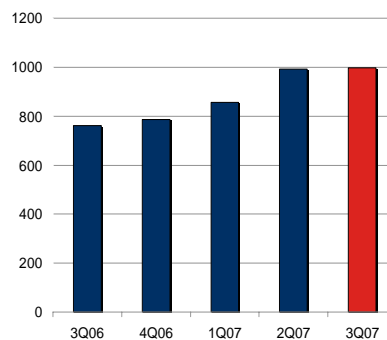
3rd Quarter 2007 highlights

- Strong financial performance:
 - EPS increased by 83%
 - EBITDA increased by 31%
- Record high profit in Subsea and P&T
- Successful delivery of the Snøhvit and Ormen Lange projects
- Continued positive markets
- Strong operational cash flow

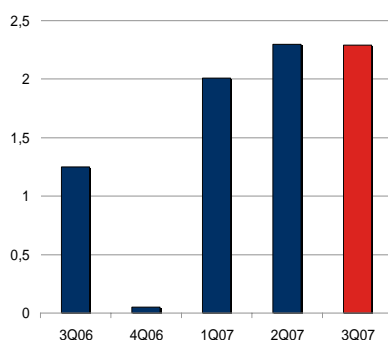
Operating Revenues



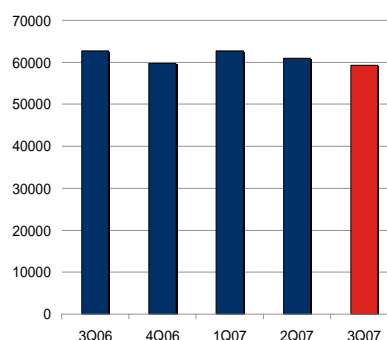
EBITDA



EPS



Order backlog



Another strong quarter

Group financials

Third quarter consolidated revenues amounted to NOK 14 237 million, an increase of 18 percent compared with NOK 12 059 million for the same period last year. This reflects continued strong markets and high activity in all business areas.

EBITDA in the third quarter of 2007 was NOK 997 million compared to NOK 761 million in the third quarter of 2006, an increase of 31 percent. The EBITDA margin was 7.0 percent compared to 6.3 percent in the third quarter last year. Year to date EBITDA of NOK 2 846 million increased by 36 percent from NOK 2 086 million in the corresponding period last year, which gives a margin increase from 5.9 percent to 6.6 percent.

Net financial expenses for the third quarter were NOK 48 million, a reduction from NOK 110 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 70 million in the third quarter. Reported EBITDA was negatively affected by NOK 15 million in the same period.

The profit after financial items for the third quarter 2007 was NOK 927 million, a significant improvement of 76 percent compared to the third quarter 2006 profit of NOK 528 million. The tax expense for the third quarter was NOK 285 million, which is 31 percent of profit before tax. Net profit for the third quarter was NOK 642 million, giving earnings per share of NOK 2.29.

Cash flow from operating activities was NOK 1 673 million in the third quarter of 2007. This reflects a NOK 390 million decrease in net current operating assets, from NOK 1 620 million at the end of second quarter to NOK 1 230 million at the end of third quarter.

Cash and bank deposits at the end of the third quarter were NOK 2.2 billion, a reduction of NOK 167 million during the quarter. Undrawn committed long-term bank revolving credit facilities amounted to NOK 5 billion, representing a total liquidity buffer of NOK 7.2 billion.

Gross interest bearing debt amounted to NOK 2.9 billion at the end of the third quarter 2007, a decrease of NOK 1.3 billion during the quarter. Net interest bearing items were negative NOK 69 million.

Order intake in the third quarter was NOK 14 billion. At the end of September, the order backlog was NOK 59.3 billion, a decrease of NOK 1.6 billion from the second quarter 2007 and

a NOK 0.4 billion decrease from end of 2006. The order intake represents both new contracts and growth in existing contracts.

The equity ratio at the end of the third quarter was 23.8 percent, a decrease from 24.3 percent at the end of the second quarter 2007.

As reported in the second quarter 2007, Aker Kvaerner has initiated multiple improvement programmes in order to strengthen its competitiveness. The ambition is to improve our cost position with more than NOK 1 billion over the next two to three years. During the third quarter initiatives to achieve these results gained momentum with a NOK 100 million run rate saving achieved in the quarter.

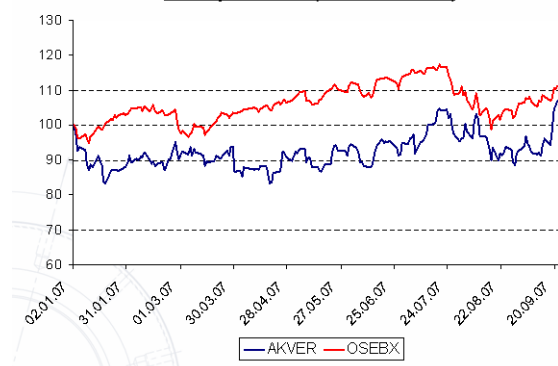
The Aker Kvaerner share

During the third quarter Aker Kvaerner announced a buy-back of 931 000 own shares, for a consideration of NOK 132 million. Aker Kvaerner currently holds 3 421 830 of the company's 274 000 000 outstanding shares, or 1.25 percent. In total NOK 631 million has been spent on share buy back this year.

The share price increased from NOK 150 at the end of second quarter to NOK 171.75 at the end of third quarter. This increase of 14.3 percent represents a value creation of NOK 5.9 billion for the shareholders of Aker Kvaerner. Total market value was NOK 47.1 billion at the end of the quarter.

Share price development 2007

Share price index (100= 02.01.2007)



Key figures

Amounts in NOK mill.	3Q07	3Q06	4Q06	1Q07	2Q07	YTD07	YTD06	2006
Operating Revenues	14 237	12 059	15 304	14 147	14 697	43 081	35 288	50 592
EBITDA	997	761	786	856	993	2 846	2 086 ²	2 872 ²
EBITDA margin %	7.0	6.3	5.1	6.1	6.8	6.6	5.9	5.7
EBIT	905	686	686	772	905	2 582	1 847	2 533
Net profit	642	370	25	550	647	1 839	1 269	1 294
EPS ¹	2.29	1.25	0.05	2.01	2.30	6.60	4.47	4.53
Order intake	14 033	23 636	12 799	17 304	13 316	44 653	49 472	62 271
Order backlog	59 329	62 687	59 695	62 758	60 932	59 329	62 687	59 695
Net current operating assets	1230	-1 550	-2 172	317	1 620	1230	-1 550	-2 172
Net debt	-69	1 928	4 140	1 936	-1 086	-69	1 928	4 140

¹ Basic and diluted EPS continuing operations

² Inclusive sales gain of NOK 87 million

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.

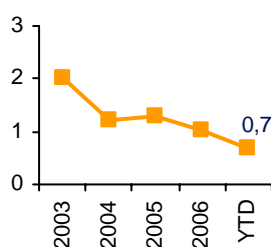
We see a further improvement in the lost time incident rate while the total recordable injury rate and sick leave are slightly up for the quarter.

Training continues to have a high focus. To date 1 300 leaders have graduated from Aker Kvaerner's own HSE leadership programme, and in total over 25 000 individual training sessions have been performed with the Just Care™, Stress Management and HSE Risk Assessment eLearning modules.

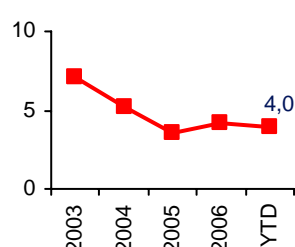
Another key initiative is the development of company-wide safety rules for specific work operations such as lifting operations, work at height, energy isolation, confined space entry, excavation and mobile equipment. These rules, named "Just Rules", have as an objective to significantly reduce the number of serious incidents. They will be rolled out in Q1 2008.

The LTIF is at 0.5 for the third quarter and at 0.7 year to date, while the TRIF is at 4.4 for the third quarter and at 4.0 year to date. Sick leave is at 2.4 percent for the third quarter, compared to 2.0 percent for the third quarter in 2006.

Lost Time Incidents per million hours (LTIF)



Total Recordable Incidents per million hours (TRIF)



Field Development (FD)

Amounts in NOK mill.	Q3 07	Q3 06	YTD 07	YTD 06
Op.revenues	3 807	4 027	13 222	11 394
EBITDA	222	209	688	661
Order intake	4 543	11 608	10 711	15 719
Order backlog	17 540	23 822	17 540	23 822
Employees	3 669	3 585	3 669	3 585

Although 5.5 percent lower revenues in the third quarter this year were reported compared with the same period last year, FD enjoyed high activity in the third quarter. The activity level has been high on projects such as Snøhvit, Ormen Lange, Adriatic LNG-terminal, and the H-6e drilling rigs.

The third quarter EBITDA was 6 percent higher than for the third quarter 2006. The EBITDA margin in the third quarter was 5.8 percent compared to 5.2 percent in the corresponding quarter last year.

Ormen Lange and Snøhvit completed

On 6 October, the gas production from Ormen Lange started. The Ormen Lange gas field situated 120 km from shore, is developed with an innovative subsea-to-shore concept. Aker Kvaerner was the main contractor for the large onshore processing facility. 70 million cubic metres of gas and 50 000 barrels of condensate will be processed per day. The construction of the terminal was Norway's largest construction site with a total manning at peak of over 11 000 people from more than 50 nations.

On 13 September, Statoil commenced production of liquefied natural gas (LNG) at the Hammerfest LNG plant. After five years of development, the most northerly gas liquifaction plant in the world has come on stream. The Snøhvit field is the first offshore development in the Barents Sea. Without offshore surface installations, this project involves bringing huge volumes of natural gas to land for liquifaction and export from the first plant of its kind in Europe. Aker Kvaerner was the main installation contractor for the Snøhvit LNG plant. The plant has a capacity of 4.1 million tonnes per year of LNG.

Aker Kvaerner is proud to announce the successful completion of these projects. Combined with excellent client relations, our extensive experience from oil and gas projects, our technology base and our proven project execution capabilities were key factors for this success. Ormen Lange and Snøhvit will be two important reference projects for Aker Kvaerner, showing the company's innovation and execution capabilities towards the global oil and gas community in harsh environment areas.

Order intake in the third quarter was characterised by continued growth in the existing project portfolio, and a major contract with BP on Skarv. Order backlog was kept at an acceptable level.

- The German Multibrid Entwicklungsgesellschaft mbH awarded Aker Kvaerner a contract for the procurement and construction of thirteen steel-tripod substructures and piles for Multibrids M5000 offshore windmills. Six of these shall be installed 45 km off the coast of Germany at the German Offshore Testfield "Alpha Ventus", while the other seven shall be installed 6 km off the Normandy coast of France at the project "Côte d'Albâtre". Contract value is not disclosed.
- BP has chosen Aker Kvaerner to perform the detail engineering, procurement and construction management assistance (EPcma) for the Skarv field development in the Norwegian Sea. Since November 2005, Aker Kvaerner has been involved in the project, performing the front end engineering design of the complete production ship (FPSO) and intermediate engineering of the topsides. The total value of Aker Kvaerner's new scope of work is approximately NOK 2 billion.

Maintenance, Modifications and Operations (MMO)

Amounts in NOK mill.	Q3 07	Q3 06	YTD 07	YTD 06
Op.revenues	2 275	2 315	7 427	6 801
EBITDA	130	107	402	330
Order intake	2 172	5 189	5 758	8 169
Order backlog	10 406	13 365	10 406	13 365
Employees	4 951	5 143	4 951	5 143

Operating revenue was in line with third quarter 2006. Important milestones have been achieved on the Frigg project. The Statfjord Late Life project achieved the project's most important milestone - "Ready for Gas Export" during the quarter.

The third quarter EBITDA increased by 21.5 percent compared to the corresponding quarter in 2006. Performance on the long term contracts in the North Sea is improving. The EBITDA margin in the third quarter was 5.7 percent compared to 5.2 percent in the same quarter last year due to improved performance on projects.

There has been continued growth in Technology and Specialist services and good performance in the Maintenance & Modification portfolio. Bidding activity is high. Several projects are in the pipeline in the North Sea and are expected to be awarded during the first half of next year.

The order intake is mainly growth within frame agreements in addition to a 5 year contract for operation management and maintenance of the Al Zaafrana FPSO offshore Egypt by operator Gemsa Petroleum. Order backlog remains robust.

Subsea

Amounts in NOK mill.	Q3 07	Q3 06	YTD 07	YTD 06
Op.revenues	2 571	1 489	7 136	4 844
EBITDA	282	142	675	341
Order intake	1 905	3 255	8 371	9 507
Order backlog	9 706	8 704	9 706	8 704
Employees	3 559	2 536	3 559	2 536

The revenues in Subsea for the third quarter increased 73 percent compared to the third quarter 2006. Operational and financial performance is developing positively. Service revenue is growing at the same pace as the overall revenue.

The EBITDA for the third quarter was doubled compared to the corresponding period in 2006. The EBITDA margin for the quarter is positively impacted by phasing of projects. There has been good progress on key projects. First oil was achieved in September at the Kikeh field in Malaysia. Service margins are steadily improving, contributing positively to the EBITDA margin for the quarter of 11 percent.

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

- Statoil signed a five-year frame agreement with Aker Kvaerner and FMC Technologies for delivery of subsea

production systems and related operational services. The agreement will make Aker Kvaerner's subsea business area a preferred supplier to deliver complete subsea solutions to Statoil's future field developments as well as additional equipment to new and existing fields. The frame agreement for aftermarket services is valid for new fields. The total contract value is between NOK 15 and 25 billion.

- A five year contract was awarded by Cuu Long Joint Operating Company (CLJOC) for the supply and installation of surface wellheads and valve trees in the Vietnamese Cuu Long Basin. The contract, valued at approximately NOK 300 million, is by far the largest for surface business in Vietnam. Aker Kvaerner will supply the wellhead and control tree system as well as associated components.
- A contract was signed with Statoil for the manufacturing and supply of steel tube umbilical control cables for the Gjoa field in the North Sea. The contract has a value of approximately NOK 260 million. The delivery is approximately 16 kilometres of dynamic and static umbilicals.

Products & Technologies (P&T)

Amounts in NOK mill.	Q3 07	Q3 06	YTD 07	YTD 06
Op.revenues	3 287	1 958	8 490	4 753
EBITDA	245	156	665	364
Order intake	1 872	2 566	7 237	9 344
Order backlog	11 371	11 946	11 371	11 946
Employees	2 334	2 091	2 334	2 091

Operating revenues in P&T for the third quarter increased by 68 percent compared to the third quarter 2006. High activity level continues in all business segments.

The EBITDA growth continues in the third quarter and was 57 percent higher than in the corresponding period in 2006. The EBITDA margin for the third quarter was 7.5 percent. High procurement volumes and project acceleration costs within the drilling equipment operation challenges margin temporarily.

The deepwater drilling rig new build market remains strong, maintaining the demand for advanced drilling equipment from Aker Kvaerner.

Also, the FPSO new built and conversion market remains positive and yields many prospects for Aker Kvaerner's upstream process systems, mooring and offloading technology, and marine operations.

The excellent performance continues in Aker Kvaerner Well Service and international activity is picking up both in the US and the Middle East.

The ultra deep multipurpose vessel "BOA Sub C" is now in operation in the Gulf of Mexico, and the market for deep water marine operation is strong in this region.

The after sale and volume is steadily increasing as the installed base grows.

The integration process of the acquired company Wirth GmbH is progressing as planned.

Order intake was somewhat lower than in earlier quarters. The order backlog at the end of the third quarter was still at a satisfactory high level.

- Three new contracts were signed for design and supply of oil and gas treatment packages. The total value of the three contracts is approximately NOK 160 million. These contracts are undertaken by Aker Kvaerner Process Systems in France who is a leading supplier of gas dehydration systems with a well proven track record.
- Contracts were awarded from Russian Admiralty Shipyards to supply equipment for two shuttle tankers destined to operate in Arctic waters. The contracts include bow loading systems and complete mooring and emergency towing systems. The total contract value for Aker Kvaerner is approximately NOK 40 million. The equipment is designed for the extreme low temperature conditions in the Arctic areas.
- A contract was awarded by China National Offshore Oil Corporation (CNOOC) for delivery of drilling equipment and system for an ultra deepwater drilling semisubmersible unit. The contract value for Aker Kvaerner is approximately USD 128 million. This first contract award of drilling equipment systems into the Chinese offshore market is a breakthrough for Aker Kvaerner.
- Project management, procurement and engineering services will be provided for a new polypropylene (PP) plant being built by Reliance Petroleum Ltd in a Special Economic Zone in Jamnagar, in Gujarat, India. The plant is expected to be the largest capacity polypropylene facility to date. The contract value was not disclosed.
- A contract was awarded to provide the engineering, procurement services and construction management for Artenius' new mega Purified Terephthalic Acid (PTA) plant, to be built in Sines, Portugal. The contract value is approximately GBP 20 million.
- A GBP 16 million contract was awarded by Magnox Electric Limited to design, build and install a plant for the retrieval and encapsulation of wet intermediate level wastes (ILW) at Hunterston A Site in West Kilbride, Scotland. The project will commence immediately with a 38-month project duration. Plant start up is expected July 2010.

Process & Construction (P&C)

Amounts in NOK mill.	Q3 07	Q3 06	YTD 07	YTD 06
Op.revenues	2 601	2 722	7 667	8 671
EBITDA	181	176	546	384
Order intake	3 289	2 286	12 516	7 960
Order backlog	11 749	7 852	11 749	7 852
Employees	8 561	7 482	8 561	7 482

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.

P&C achieved an EBITDA in line with third quarter last year. The EBITDA margin for the third quarter was 7 percent.

Aker Kvaerner Engineering Services has continued the good performance as a result of high activity fueled by a strong nuclear market in the UK. There is high activity in the metals market and several large projects are in the pipeline. The power plant market in the US remains stable. As a result of phasing of contract awards in Process, the activity level has been low. However, there are several petrochemical project opportunities in the Middle East and China going forward.

The order intake for the three-month period was high, resulting in an order backlog of NOK 11.7 billion.

- ShenHua Baotou Coal Chemicals Co., Ltd awarded Aker Kvaerner a contract for a polypropylene (PP) and polyethylene (PE) facility at its coal chemical complex in Baotou, Inner Mongolia, People's Republic of China. Aker Kvaerner is providing the basic engineering design, technical advisory services and certain offshore equipment procurement service. The contract value was not disclosed.

Foreign exchange volatility – Low

Aker Kvaerner is impacted by the volatile foreign exchange markets and strong NOK in different ways.

Translation effects from EBITDA generation in foreign currencies are not significant as 2/3 of EBITDA reported is generated in NOK. A 10 percent change of the NOK rate represents approximately NOK 100 million impact on YTD EBITDA.

Transaction effects in the order backlog are hedged 100 per cent according to our policies back to the reporting currencies.

Long term competitiveness of our Norwegian related export businesses will be negatively impacted by continued strong NOK. However, we have increased our flexibility over the last few years through sourcing of our manufacturing and engineering resources to other countries.

Outlook

Aker Kvaerner expects the high levels of investment in the Oil & Gas industry to continue for the next few years due to factors such as the gap between supply and demand, high oil prices and exploration moving to deeper and harsher waters.

The market is developing favourably within most segments.

As part of the company's international growth strategy, several opportunities have been identified to strengthen local content and building and expanding local facilities.

In general there are still constraints on resources and capacity of suppliers and contractors globally. Together with execution of the existing order backlog, Aker Kvaerner continues its strategy to focus on selecting and winning profitable projects with the right risk profile.

The EBITDA guiding for the second half of 2007 announced in connection with the second quarter remains unchanged. Second half 2007 revenue is expected to be in line with first half 2007 revenue.

Oslo, 22 October 2007
The Board of Directors

AKER KVAERNER GROUP IN FIGURES ¹⁾

PROFIT AND LOSS ACCOUNT

Group summary: Amounts in NOK million	Note	Q3		1.1-30.9		1.1-31.12
		2007	2006	2007	2006	2006
Operating revenues		14 237	12 059	43 081	35 288	50 592
Operating expenses		-13 240	-11 298	-40 235	-33 202	-47 720
EBITDA		997	761	2 846	2 086	2 872
Depreciation		- 92	-75	-264	-239	-339
Operating profit		905	686	2 582	1 847	2 533
Financial income		14	22	73	89	174
Financial expenses		- 62	-132	-161	-347	-1 061
Share of profit (+) / loss (-) of associates		-	4	-	6	-18
Profit (+) / loss (-) on foreign currency forward contracts		70	-52	164	186	241
Profit/loss before tax		927	528	2 658	1 781	1 869
Taxation		- 285	-158	-819	-512	-575
Net profit/loss from continuing operations		642	370	1 839	1 269	1 294
Discontinued operations						
Profit for the period from discontinued operations and gain on disposal	4	-	44	-	112	2 495
Profit for the period		642	414	1 839	1 381	3 789
Attributable to:						
Minority interests		21	25	42	39	51
Equity holders of the parent company		621	389	1 797	1 342	3 738
Basic and diluted earnings per share continuing operations (NOK)	2	2,29	1,25	6,60	4,47	4,53
Basic and diluted earnings per share (NOK)	2	2,29	1,41	6,60	4,88	13,59

BALANCE SHEET

Amounts in NOK million	Note	30.9		31.12
		2007	2006	2006
Deferred tax asset		274	550	552
Goodwill, patents etc		4 860	4 432	5 054
Property, plant and equipment		2 324	1 562	1 761
Other operating assets		18	7	10
Investments		207	116	138
Interest-bearing non-current receivables		15	131	54
Income tax receivables		114	82	86
Current operating assets		18 364	12 583	15 118
Interest-bearing current receivables		558	500	546
Deposit to repay second priority lien notes		-	-	2 411
Cash and bank deposits		2 218	6 763	5 666
Operating assets classified as held for sale	4	-	2 803	-
Total assets		28 952	29 529	31 396
Equity	2	6 745	5 409	7 983
Minority interests		132	152	131
Deferred tax		394	33	60
Other non-current liabilities		1 451	1 340	1 247
Interest-bearing non-current debt		2 860	5 465	2 126
Second priority lien notes		-	-	2 329
Taxes payable		211	191	230
Dividend payable		25	-	-
Other current operating liabilities		17 134	14 133	17 290
Interest-bearing current liabilities		-	1	-
Liabilities directly associated with operating assets classified as held for sale	4	-	2 805	-
Total liabilities and equity		28 952	29 529	31 396

¹⁾ In the accounts the Pulping & Power businesses are presented as discontinuing operations.

STATEMENT OF CASH FLOW

Amounts in NOK million	Q3		1.1-30.9		1.1-31.12
	2007	2006	2007	2006	2006
Net cashflow from operating activities	1 673	587	- 380	865	2 636
Net cashflow from investing activities	- 369	- 212	- 941	-640	985
Net cashflow from financing activities	-1 381	-	-2 004	-275	-4 688
Translation adjustments	- 90	163	- 123	67	- 13
Net decrease (-) / increase (+) in cash and bank deposits	- 167	538	-3 448	17	-1 080
Cash and bank deposits as at the beginning of the period	2 385	6 225	5 666	6 746	6 746
Cash and bank deposits as at the end of the period	2 218	6 763	2 218	6 763	5 666

CHANGE IN EQUITY

Amounts in NOK million	Q3		1.1-30.9		1.1-31.12
	2007	2006	2007	2006	2006
Equity as at the beginning of the period	6 443	5 297	7 983	4 262	4 262
Net profit /loss	621	389	1 797	1 342	3 738
Dividends	2	-	-2 182	- 275	- 275
Treasury shares	2	- 133	-	- 632	-
Foreign currency hedging	110	- 519	176	- 83	203
Translation differences	- 296	242	- 397	163	55
Equity as at the end of the period	6 745	5 409	6 745	5 409	7 983

Segments:**REVENUE BY SEGMENT**

Amounts in NOK million	Q3	Q3	1.1-30.9		1.1-31.12
	2007	2006	2007	2006	2006
Field Development	3 807	4 027	13 222	11 394	16 125
Maintenance, Modification and Operations	2 275	2 315	7 427	6 801	9 677
Subsea	2 571	1 489	7 136	4 844	6 941
Products & Technologies	3 287	1 958	8 490	4 753	7 572
Process & Construction	2 601	2 722	7 667	8 671	12 007
Other	-304	-452	-861	-1 175	-1 730
Total Group	14 237	12 059	43 081	35 288	50 592

EBITDA BY SEGMENT

Amounts in NOK million	Q3	Q3	1.1-30.9		1.1-31.12
	2007	2006	2007	2006	2006
Field Development	222	209	688	661	903
Maintenance, Modification and Operations	130	107	402	330	452
Subsea	282	142	675	341	479
Products & Technologies	245	156	665	364	531
Process & Construction	181	176	546	384	530
Other	-63	-29	-130	6	-23
Total Group	997	761	2 846	2 086	2 872

EBIT BY SEGMENT

Amounts in NOK million	Q3	Q3	1.1-30.9		1.1-31.12
	2007	2006	2007	2006	2006
Field Development	208	196	645	621	849
Maintenance, Modification and Operations	128	105	396	325	446
Subsea	250	121	598	264	379
Products & Technologies	227	141	617	320	469
Process & Construction	175	169	527	363	496
Other	-83	-46	-201	-46	-106
Total Group	905	686	2 582	1 847	2 533

NET CURRENT OPERATING ASSETS BY SEGMENT

Amounts in NOK million	30.9	30.9	1.1-31.12	
	2007	2006	2007	2006
Field Development	157	-2 830		-1 972
Maintenance, Modification and Operations	341	279		124
Subsea	1 383	834		793
Products & Technologies	210	170		-364
Process & Construction	-939	-188		-684
Other	78	185		-69
Total Group	1 230	-1 550		-2 172

NET OPERATING ASSETS BY SEGMENT

Amounts in NOK million	30.9	30.9	1.1-31.12	
	2007	2006	2007	2006
Field Development	1 368	-1 644		-734
Maintenance, Modification and Operations	1 654	1 391		1 247
Subsea	2 847	1 362		2 133
Products & Technologies	1 142	993		523
Process & Construction	79	821		457
Other	-109	186		-220
Total Group	6 981	3 109		3 406

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

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 and in the third quarter a total of 931 000 shares were bought for a consideration of NOK 132.3 million. The average number of shares year to date of 272 236 382 is used for calculation of the accumulated earnings per share.

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. Total outstanding shares are then 274 000 000. Aker Kværner owns 3 421 830 own shares at the end of third quarter (1.25 percent of total outstanding shares).

Note 3 Acquisitions

At the end of the quarter, Aker Kværner acquired 50 per cent of Wirth GmbH. There are call- and put-options exercisable in 2-4 years for the acquisition of the remaining 50 per cent. During the intermediate period the interest in Wirth will be accounted for as a 50 per cent interest in a joint venture, by use of proportionate consolidation.

The IFRS- balance sheet of Wirth, as well as the allocations of fair values as at the acquisition date has been included in Aker Kværner's balance sheet based on preliminary numbers. The main items represent net current operating items of NOK 141 million.

Note 4 Discontinued operations - Pulping & Power

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

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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 24 000 people in about 30 countries.

Aker Kvaerner is part of Aker (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 40.27 percent 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