2Q16

SECOND-QUARTER AND HALF-YEAR RESULTS 2016

AkerSolutions

Our most important journey. Aker Solutions has been a key part of Norway's offshore industry since before oil was even found. We delivered the rig that discovered the giant Ekofisk deposit in the North Sea in 1969. That field is still going strong and so are we. Building on 175 years of technological and engineering excellence, our employees in more than 20 countries are now driving development to help solve the world's energy needs safely and sustainably.

2Q Headlines

Cover photo: Kelvin is part of our journey as a subsea production engineer.

Subsea wins contract to supply its longest-ever umbilical to Egypt's Zohr field

MMO secures several orders in Norway

Robust order backlog of NOK 35 billion

Solid financial position with liquidity buffer of NOK 7.9 billion

Order intake of NOK 3.4 billion, helped by contracts for all business areas

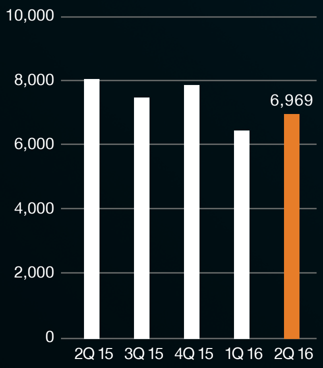
Steady progress on global operational improvement program

Major projects progress as planned

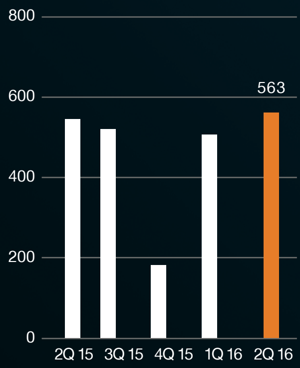
Subsea collaboration formed with ABB in April

Key Figures

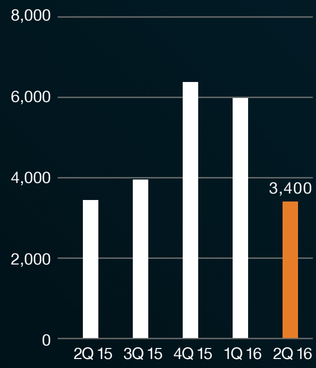
REVENUE
NOK million



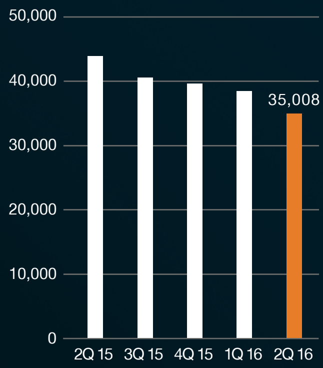
EBITDA
NOK million



ORDER INTAKE
NOK million



ORDER BACKLOG
NOK million



Amounts in NOK million	2Q 2016	2Q 2015	1H 16	1H 15
Operating revenue and other income	6,969	8,048	13,432	16,548
EBITDA	563	547	1,072	1,138
EBITDA margin	8.1%	6.8%	8.0%	6.9%
EBITDA excl. special items [1]	590	647	1,111	1,312
EBITDA margin excl. special items [1]	8.5%	8.1%	8.3%	8.0%
Depreciation, amortization and impairment	(245)	(171)	(440)	(354)
EBIT	319	376	632	784
EBIT margin	4.6%	4.7%	4.7%	4.7%
EBIT excl. special items [1]	395	478	722	987
EBIT margin excl. special items [1]	5.7%	6.0%	5.4%	6.0%
Net financial items	(95)	(106)	(154)	(188)
FX on disqualified hedging instruments	(25)	41	(22)	52
Income before tax	199	310	457	648
Income tax	(68)	(102)	(157)	(220)
Net income	131	209	300	428
Basic earnings per share (NOK)	0.37	0.73	0.90	1.52
Basic earnings per share excl. special items (NOK) [1]	0.66	0.91	1.22	1.94

1) Excludes special items totaling NOK 77 million in 2Q 2016 vs NOK 102 million in 2Q 2015. Aker Solutions incurred NOK 18 million in restructuring and capacity reduction costs in 2Q 2016. EBITDA was affected by a gain of NOK 11 million from non-qualifying hedges, a loss of NOK 13 million from the sale of the company's unit in Gothenburg, NOK 4 million in onerous lease costs and NOK 2 million in IT system separation costs related to the 2014 demerger. EBIT was also impacted by NOK 50 million in impairment costs on technology and property.

REVENUE
NOK billion
7

EBITDA
NOK million
563

EBIT
NOK million
319

EARNINGS PER SHARE
NOK
0.37

EBITDA MARGIN
8.1%

EBIT MARGIN
4.6%

ORDER INTAKE
NOK billion
3.4

EBITDA EXCL. SPECIAL ITEMS
NOK million
590

EBIT EXCL. SPECIAL ITEMS
NOK million
395

ORDER BACKLOG
NOK billion
35

EBITDA MARGIN EXCL. SPECIAL ITEMS
8.5%

EBIT MARGIN EXCL. SPECIAL ITEMS
5.7%

Key Developments

Income Statement

Aker Solutions' revenue decreased to NOK 7 billion in the second quarter of 2016 from NOK 8 billion a year earlier as the global oil-services market slowed and some projects neared completion. Steady progress was made on major projects from Africa to Brazil and Norway. The company posted earnings before interest and taxes (EBIT) of NOK 319 million in the quarter, compared with NOK 376 million a year earlier. The EBIT margin was 4.6 percent versus 4.7 percent a year earlier. Excluding special items, EBIT was NOK 395 million compared with NOK 478 million a year earlier and the EBIT margin was 5.7 percent versus 6 percent.

The quarter was impacted by NOK 18 million in restructuring and capacity reduction costs. There were gains of NOK 11 million on non-qualifying hedges, a loss of NOK 13 million from selling a unit in Gothenburg and NOK 2 million in IT system separation costs related to the company demerger in 2014. The company took a provision of NOK 4 million to cover lease costs on vacated office space. It also booked NOK 50 million in impairment charges from writing down the value of some technology and property. These special items totaled NOK 77 million compared with NOK 102 million a year earlier.

Income before tax was NOK 199 million in the quarter compared with NOK 310 million a year earlier. Income tax expenses were NOK 68 million, corresponding to an effective tax rate of 34.2 percent. Net income was NOK 131 million versus NOK 209 million a year earlier. Earnings per share (EPS) were NOK 0.37, down from NOK 0.73 a year earlier. Excluding special items, net income was NOK 211 million compared with NOK 255 million a year earlier and EPS was NOK 0.66 versus NOK 0.91.

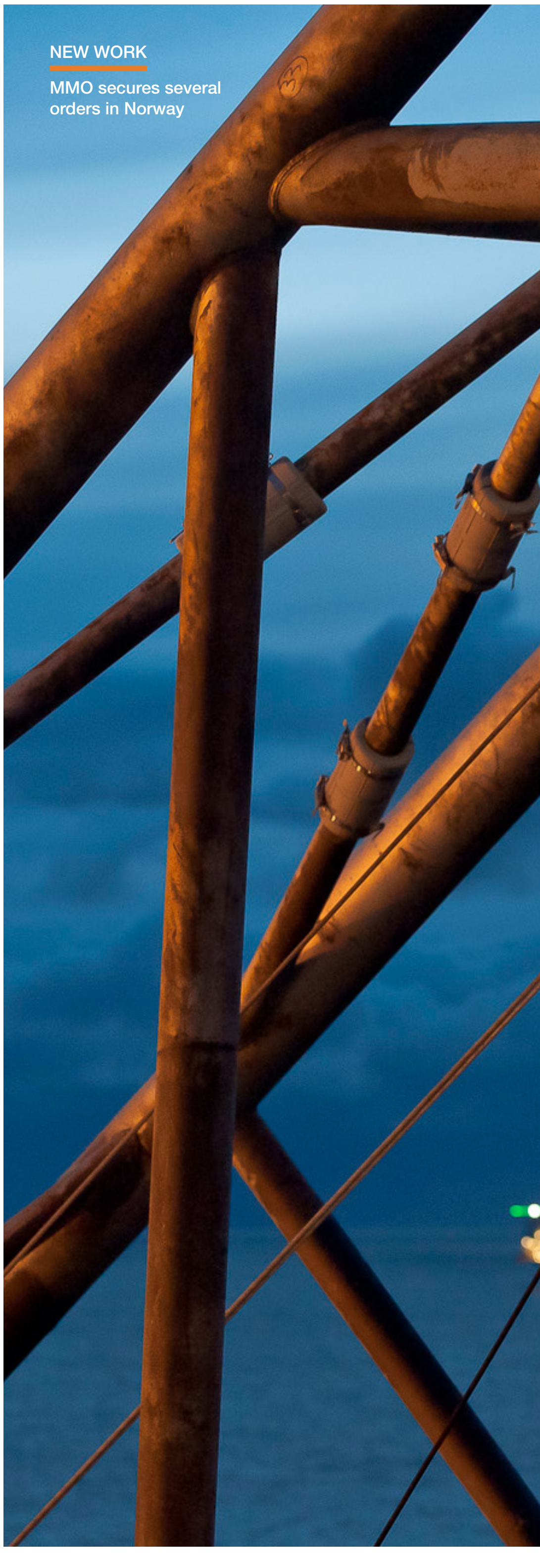
Revenue in the first half of 2016 fell to NOK 13.4 billion from NOK 16.5 billion a year earlier. EBIT in the same period declined to NOK 632 million from NOK 784 million. The EBIT margin was 4.7 percent, unchanged from a year earlier. Excluding special items, EBIT was NOK 722 million in the first half compared with NOK 987 million a year earlier and the EBIT margin was 5.4 percent against 6 percent.

Income before tax decreased in the first half to NOK 457 million from NOK 648 million a year earlier. Income tax expenses were NOK 157 million, corresponding to an effective tax rate of 34.4 percent. Net income fell to NOK 300 million in the first half from NOK 428 a year earlier and EPS was NOK 0.90 versus NOK 1.52 a year earlier. EPS excluding special items was NOK 1.22 compared with NOK 1.94 a year earlier.

Fluctuations in the fair value of hedging instruments that do not qualify for hedge accounting led to a second-quarter unrealized loss of NOK 14 million, consisting of a gain of NOK 11 million in EBITDA and a loss of NOK 25 million in financial items. There was an unrealized loss of NOK 6 million in the first half of 2016. This was comprised of a gain of NOK 15 million in EBITDA and a loss of NOK 22 million in financial items.

Cashflow

The company had an outflow of cash from operations of NOK 530 million in the second quarter of 2016 compared with NOK 80 million a year earlier. There was an outflow of cash from operations of NOK 858 million in the first half of 2016 compared with an outflow of NOK 494 million a year earlier. Net current operating assets were a negative NOK 100 million at the end of the quarter versus NOK 656 million a



> We are making steady progress on major projects globally

Facts

SUBSEA REVENUE
NOK billion
4.3

FIELD DESIGN REVENUE
NOK billion
2.7

year earlier. In the medium term net current operating assets are expected to return to a more normal level of between 5 to 7 percent of revenue, driven by an outflow of advance customer payments as major projects progress.

Net cash outflow from investing activities decreased to NOK 133 million in the quarter from NOK 419 million a year earlier as construction of a subsea facility in Curitiba, Brazil, was completed. There was a cash inflow from financing activities of NOK 71 million in the quarter versus an outflow of NOK 349 million a year earlier. The net cashflow from investing activities in the first half of 2016 decreased to NOK 318 million from NOK 646 million a year earlier. The inflow from financing activities was NOK 345 million in the first half versus an outflow of NOK 254 million in the year-ago period.

Balance Sheet

Gross interest-bearing debt increased to NOK 4.3 billion at the end of the quarter from 3.8 billion a year earlier. Net interest-bearing debt decreased to NOK 1.3 billion from NOK 1.8 billion in the year-ago period. The net interest-bearing debt to EBITDA ratio was 0.6 for the 12 months ended June 30, 2016. The equity ratio was 28.2 percent at the end of the quarter and the ratio of net interest-bearing debt to equity was 19.3 percent.

Liquidity reserves were robust at the end of the quarter with cash and bank deposits of NOK 2.9 billion. Undrawn and committed long-term revolving bank credit facilities were NOK 5 billion and the total liquidity buffer was NOK 7.9 billion.

Order Intake and Backlog

The order intake was NOK 3.4 billion in the quarter, unchanged from a year earlier. This gave a book-to-bill ratio of 0.5 versus 0.4 a year earlier. The order backlog was NOK 35 billion at quarter's end, down from NOK 44 billion a year ago.

New orders included a contract to deliver Aker Solutions' longest-ever umbilicals system at the Zohr offshore gas field in the Egyptian part of the Mediterranean Sea. The agreement with Petrobel in Egypt is valued at more than NOK 1 billion. Aker Solutions' maintenance, modifications and operations (MMO) unit secured a contract for preliminary engineering work for a tie-in of the North Sea Utgard field to the Sleipner facilities. The agreement has an option for engineering, procurement, construction, installation and commissioning services for the platform modifications. MMO also won an order to work as a subcontractor of Kværner on the upgrading of the semi-submersible platform at Statoil's Njord A field. The contract includes engineering work in the engineering, procurement and construction (EPC) phase of the project should the operator decide to proceed with this, as well as an option for prefabrication work. Aker Solutions signed a framework agreement with Lundin Norway to provide engineering services for offshore developments in Norway. The company also secured an order from Idemitsu Oil and Gas to provide front end engineering design work for the Sao Vang and Dai Nguyet developments in the Nam Con Son basin offshore Vietnam.

The order intake includes new contracts and expansion of existing contracts. The backlog is based on the value of signed contracts and the estimated value of firm periods in framework agreements and service contracts. The estimated value of options is not included.

Operational Developments

Aker Solutions in the quarter made steady progress in reaching a goal to boost cost-efficiency across the business by at least 30 percent as part of a broader effort to strengthen its competitiveness. A quarter of the targeted improvement is set to be achieved

CONTRACT WIN

Aker Solutions will deliver its longest-ever umbilicals system at Egypt's Zohr offshore gas field

this year, helping to attain potential annualized cost-savings of at least NOK 9 billion by the end of 2017, based on the 2015 cost base and work volumes. The improvements are expected to accelerate next year as longer-term processes take hold. Aker Solutions is simplifying its work methods, organizational set-up, geographic footprint and products and services. This is giving leaner and more efficient processes that enable the company to reduce overall costs on projects and products while improving quality. A key focus of the improvement program, named #thejourney, is to build a culture of continuous improvement.

The company and ABB in April agreed to collaborate on subsea, power and automation technologies. The alliance will work to enhance how production units on the seafloor are powered and controlled by applications on shore or from platforms, lowering costs and enabling economically viable production at fields far offshore from existing infrastructure. The collaboration is one of several formed over the past two years by Aker Solutions and peers that also include Baker Hughes, MAN Diesel & Turbo, SBM Offshore and Saipem. Together these partnerships span the entire subsea value chain from the reservoir to the seabed

> We're on track with our global improvement program, #thejourney

LOOKING AHEAD

Lower break-even costs may enable some major projects to be sanctioned

and up to the topside. They close technology gaps in Aker Solutions' portfolio, providing access to the full range of capabilities needed to develop fully-functioning subsea production and processing systems. This is key to the company's subsea strategy.

Aker Solutions in the quarter proceeded as planned with a process announced earlier in the year to reduce its workforce by as many as 1,500 permanent positions in Subsea and Field Design. This will bring total reductions since the second half of 2014 to about 20 percent of the permanent workforce. About two-thirds of the capacity adjustments are in Norway. The company will continue to be vigilant in ensuring capacity is suited to market conditions while safeguarding key competencies.

Market Outlook

Aker Solutions' financial performance depends on activity in global oil and gas markets. This is significantly affected by demand for energy, price volatility and changes in environmental requirements. The steep and sustained decline in oil prices since the second half of 2014 has caused short- to medium-term uncertainty. Many oil producers facing capital constraints have been forced to curtail spending and postpone projects.

The market outlook for oil services remains challenging. Oil companies continue to postpone projects amid a tough commercial environment and sustained pressure on prices. Cost-cutting efforts across the industry are having an effect as project break-even costs come down. This may enable some major projects to be sanctioned in the next 12-18 months. While activity offshore Norway is largely expected to remain subdued this year, there are signs that the region may start to see a gradual recovery from 2017. Aker Solutions' greatest long-term growth potential is outside of Norway, where the company has expanded in recent years.

The underlying, long-term outlook remains positive. Declining reserves and lower petroleum production in many parts of the world are expected to generate a need for investments in new developments and increased recovery from existing fields. Aker Solutions is poised to take advantage of the long-term shift toward more complex offshore resources. The company is well placed in key growth regions of the global deepwater and subsea markets to provide the capabilities and technology to tackle the challenges of lowering development costs and improving recovery rates.

Aker Solutions Share

The company's share price rose to NOK 35.50 at the end of the quarter from NOK 26.60 three months earlier. The average price in the period was NOK 30.76, trading in a range from NOK 24.30 to NOK 36.73. Daily turnover averaged 1,200,188 shares and the company had a market capitalization of NOK 9.7 billion at the end of the quarter. The company acquired 570,000 own shares in the quarter at an average price of NOK 30.24 a share and held 1,447,311 own shares at the end of June.

LARGEST SHAREHOLDERS

Shareholder	Shares	%
Aker Kværner Holding AS	110 333 615	40.6%
Aker ASA	17 331 762	6.4%
State Street Bank & Trust Company	11 957 096	4.4%
J.P. Morgan Chase Bank N.A. London	7 360 001	2.7%
Morgan Stanley & Co. LLC	6 487 883	2.4%
Elo Mutual Pension Insurance Company	4 575 000	1.7%
Swedbank Robur Nordenfond	4 421 014	1.6%
Ferd AS	4 205 203	1.5%
Folketrygdfondet	3 859 826	1.4%
J.P. Morgan Chase Bank N.A. London	3 478 162	1.3%
Sum 10 largest	**174 009 562**	**64.0%**

Health, Safety and Environment

Aker Solutions on April 29, 2016, lost three employees and a contractor in a tragic helicopter crash off the coast of Bergen in Norway. All 13 passengers were killed on the flight to Bergen from the Statoil-operated Gullfaks B platform in the North Sea. Aker Solutions mobilized its emergency response team on first news of the accident and is providing support for next of kin and employees affected by the accident. The company is also supporting investigations by the Norwegian authorities and operator Statoil into the cause of the accident. Preliminary findings by the Accident Investigation Board Norway indicate the cause was most likely a fatigue fracture in the gearbox. The company on May 2 held gatherings across its locations to honor the memories of the colleagues on board the flight: Arild Fossedal, Lyder Martin Telle, Odd Geir Turøy and Kjetil Wathne, who was hired in from Karsten Moholt.

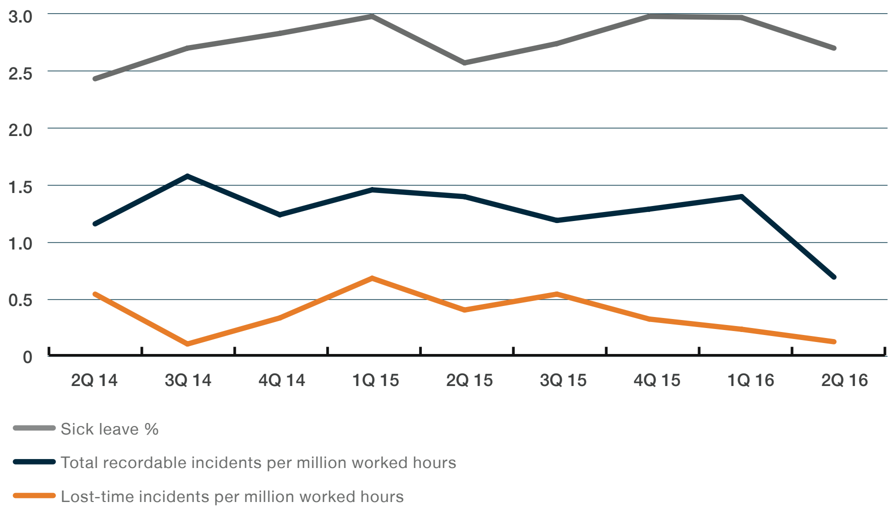
Aker Solutions had six recordable incidents in the quarter, one of which resulted in lost time on operations. Most were caused by minor falls, a dropped object and handling of tools and material. The lost-time injury frequency decreased to 0.12 from 0.23 in the previous quarter. The frequency of total recordable incidents in the same period declined to 0.69 from 1.40. Both frequencies are based on one million worked hours.

Aker Solutions continuously works to identify, analyse and mitigate unintentional security threats to personnel and assets. The company did not experience any serious security incidents in the second quarter of 2016.

SAFEGUARDING

The safety of our people comes first

HSE PERFORMANCE INDICATORS



Facts

TOTAL RECORDABLE INCIDENTS
per million worked hours
0.69

LOST-TIME INCIDENTS
per million worked hours
0.12

COLLABORATION

Aker Solutions and ABB join forces to propel and power subsea production

> We are seeing steady tendering for both Subsea and Field Design

Subsea

Subsea revenue declined to NOK 4.3 billion in the quarter from NOK 4.8 billion a year earlier amid a slowdown in the subsea services market and as some projects neared completion. The EBIT margin narrowed to 4.6 percent from 7.1 percent, impacted by higher depreciation and lower demand for subsea services. Excluding special items, the margin was 6 percent in the quarter versus 7.2 percent a year earlier.

The order intake was NOK 2.2 billion, helped by the contract for an umbilicals system at Egypt's Zohr gas field. The year-earlier intake was NOK 1.8 billion. Tendering activity was steady in the quarter even as oil companies reduced investments. The order backlog was NOK 18.3 billion at the end of the quarter, equal to subsea revenue the preceding 12 months. The backlog was NOK 27.5 billion a year earlier.

Subsea revenue was NOK 8.1 billion in the first half of 2016, down from NOK 9.9 billion a year earlier. The EBIT margin narrowed in the same period to 5 percent from 7 percent. The order intake was NOK 4.1 billion in the first half, up from NOK 3.8 billion a year earlier.

Field Design

Revenue in Field Design, which consists of MMO and Engineering, decreased to NOK 2.7 billion in the quarter from NOK 3.3 billion

Facts

SUBSEA BACKLOG
NOK billion
18.3

FIELD DESIGN BACKLOG
NOK billion
16.7

a year earlier. The decline was in MMO, where some major projects neared completion and volumes contributing to revenue were small from other projects still in their start-up phase. The EBIT margin widened to 5.5 percent in the quarter from 4.9 percent a year earlier, helped by good progress on projects. Excluding special items, the margin was 6.1 percent in the quarter versus 4.9 percent a year earlier.

The order intake decreased to NOK 1.3 billion from NOK 1.7 billion a year earlier, helped by the MMO contracts for work offshore Norway and engineering framework agreement with Lundin Norway. There was steady tendering activity in the quarter.

The order backlog was NOK 16.7 billion at the end of the quarter, equal to Field Design's revenue the preceding 17 months. The backlog was NOK 16.5 billion a year earlier.

Revenue in the first half of 2016 was NOK 5.4 billion compared with NOK 6.8 billion a year earlier. The EBIT margin widened in the same period to 5.2 percent from 4.7 percent. The order intake was NOK 5.4 billion in the first half against NOK 8.7 billion a year earlier.

Risk Factors

The market situation and current outlook for the oil-services industry is considered challenging. Aker Solutions is exposed to various forms of market, operational and financial risks that could affect performance, the ability to meet strategic goals and the company's reputation.

Financial results are affected by project execution, customer behavior and market developments, including fluctuations in energy prices. Results are also impacted by costs, both the company's own and those charged by suppliers, as well as customers' ability to pay. Aker Solutions is through its business activities exposed to legal, regulatory and political risks, such as decisions on environmental regulation and international sanctions that impact supply and demand, as well as risks associated with unethical and criminal behavior. The company is exposed to financial market risks including changes in currency rates, interest rates, tax, credit and counterparty risks, as well as risks associated with access to and terms of financing.

Recent market developments may lead to further capacity adjustments and changes in the valuation of the company's assets and liabilities. This includes further restructuring obligations, onerous leases, impairments and increased credit risk impacting the valuation of trade receivables.

Aker Solutions has company-wide policies, procedures and tools that identify, evaluate and respond to risks actively and systematically. The annual report for 2015 provides more information on risks and uncertainties.

Fornebu, July 12, 2016
The Board of Directors and CEO of
Aker Solutions ASA

SUBSEA

Amounts in NOK million	2Q 2016	2Q 2015	1H 16	1H 15
Operating revenue	4,264	4,820	8,128	9,897
EBITDA	399	487	767	994
EBITDA margin	9.4%	10.1%	9.4%	10.0%
EBITDA excl. special items	412	489	780	996
EBITDA margin excl. special items	9.6%	10.1%	9.6%	10.1%
EBIT	194	344	407	697
EBIT margin	4.6%	7.1%	5.0%	7.0%
EBIT excl. special items	257	349	470	728
EBIT margin excl. special items	6.0%	7.2%	5.8%	7.4%
NCOA	640	724	640	724
Net capital employed	5,751	5,157	5,751	5,157
Order intake	2,158	1,782	4,074	3,780
Order backlog	18,298	27,522	18,298	27,522
Employees	6,191	7,989	6,191	7,989

FIELD DESIGN

Amounts in NOK million	2Q 2016	2Q 2015	1H 16	1H 15
Operating revenue	2,725	3,293	5,375	6,760
EBITDA	182	190	344	373
EBITDA margin	6.7%	5.8%	6.4 %	5.5 %
EBITDA excl. special items	201	190	377	373
EBITDA margin excl. special items	7.4%	5.8%	7.0%	5.5%
EBIT	149	161	277	316
EBIT margin	5.5%	4.9%	5.2 %	4.7 %
EBIT excl. special items	167	161	310	316
EBIT margin excl. special items	6.1%	4.9%	5.8%	4.7%
NCOA	(456)	54	(456)	54
Net capital employed	42	206	42	206
Order intake	1,264	1,657	5,393	8,701
Order backlog	16,735	16,453	16,735	16,453
Employees	6,787	7,935	6,787	7,935

Declaration by the Board of Directors and CEO

The board and CEO have today considered and approved the condensed, consolidated financial statements for the six months ending June 30, 2016, for the Aker Solutions group. This declaration is based on information received by the board through reports and statements from the CEO, CFO and/or the results of the Aker Solutions group's business as well as other information essential to assess the group's position. To the best of our knowledge:

- The condensed, consolidated financial statements for the six months ending June 30, 2016, for the Aker Solutions group have been prepared in accordance with all applicable accounting standards.

- The information provided in the condensed, consolidated financial statements gives a true and fair view of the Aker Solutions group's assets, liabilities, financial position and results taken as a whole as of June 30, 2016.

- Aker Solutions' report and condensed, consolidated financial statements for the six months ending June 30, 2016, provide a true and fair overview of:

  - the development, performance and financial position of the Aker Solutions group taken as a whole.
  - important events that have occurred during the accounting period and their impact on the financial statements as well as a description of the most significant risks and uncertainties facing the Aker Solutions group for the remaining six months of the financial year.

Fornebu, July 12, 2016
Board of Directors and CEO of Aker Solutions ASA

Øyvind Eriksen
Øyvind Eriksen
Chairman

Anne Drinkwater
Deputy Chairman

Kjell Inge Røkke
Director

Koosum Kalyan
Director

Stuart Ferguson
Director

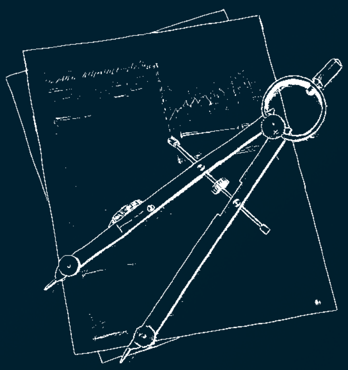
Atle Teigland
Director

Åsmund Knutsen
Director

Hilde Karlsen
Director

Luis Araujo
Chief Executive Officer

Figures and Notes. We seek to maximize returns by striving for top and bottom line excellence.



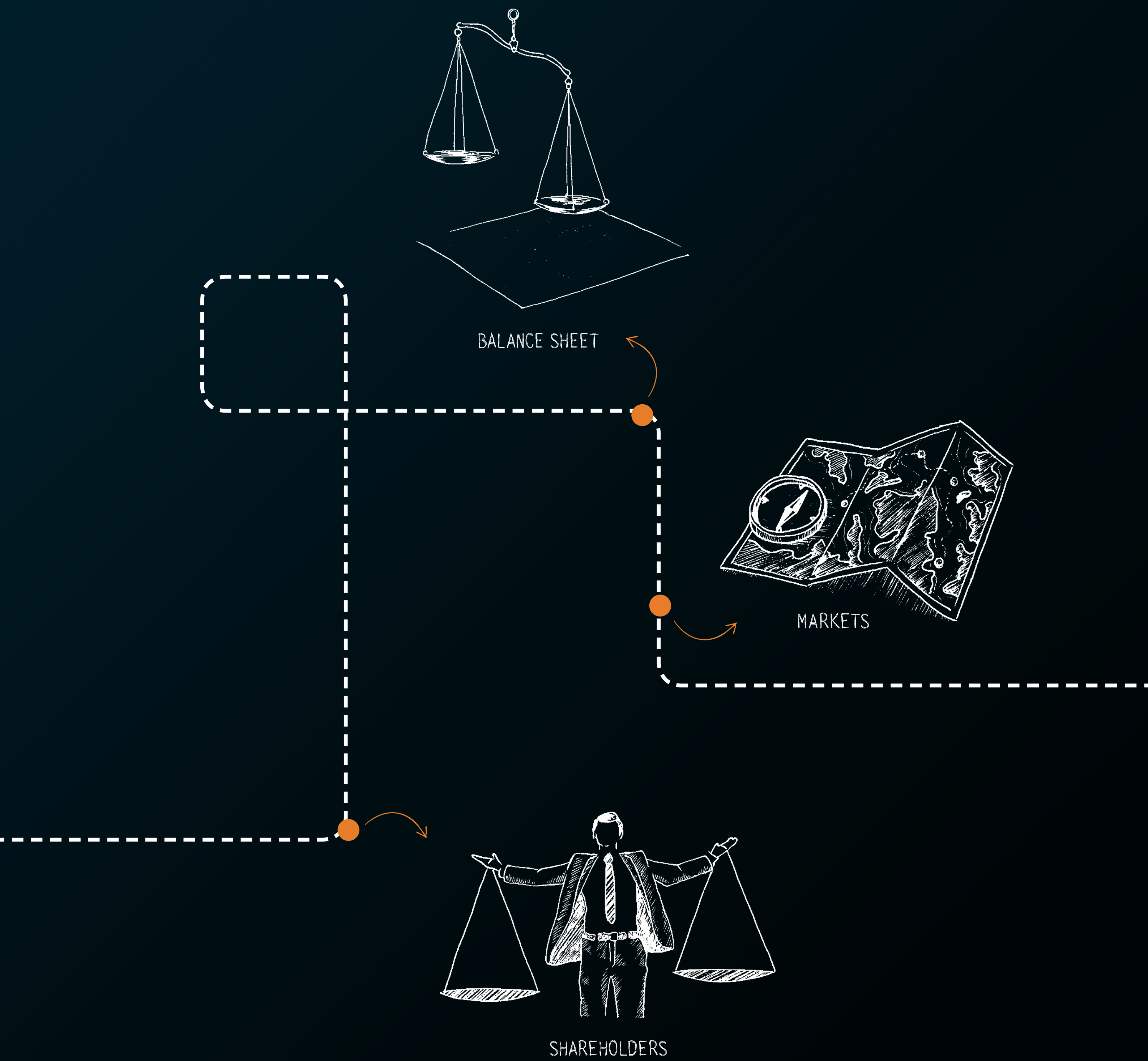
PROJECTS

CUSTOMERS

ACCOUNTABILITY

AKER SOLUTIONS GROUP

The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding. The periodic figures are not audited, except the annual 2015 figures that have been derived from the audited financial statements.


BALANCE SHEET
MARKETS
SHAREHOLDERS

Income Statement

Condensed consolidated income statement

NOK million. Unaudited.	Note	2Q 2016	2Q 2015	1H 2016	1H 2015
Revenue	4	6,969	8,048	13,432	16,548
Operating expenses	7	(6,405)	(7,501)	(12,360)	(15,410)
Operating income before depreciation, amortization and impairment	4	**563**	**547**	**1,072**	**1,138**
Depreciation, amortization and impairment	8, 9	(245)	(171)	(440)	(354)
Operating income	4	**319**	**376**	**632**	**784**
Net financial items	5	(120)	(65)	(176)	(136)
Income before tax		**199**	**310**	**457**	**648**
Income tax		(68)	(102)	(157)	(220)
Net income for the period		**131**	**209**	**300**	**428**
Net income attributable to:					
Equity holders of the parent company		100	199	244	413
Non-controlling interests		31	9	55	16
Earnings per share in NOK (basic and diluted)	11	0.37	0.73	0.90	1.52

Other Comprenhensive Income (OCI)

Condensed consolidated statement of comprehensive income

NOK million. Unaudited.	2Q 2016	2Q 2015	1H 2016	1H 2015
Net income for the period	131	209	300	428
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Cashflow hedges, effective portion of changes in fair value	(236)	128	(218)	(525)
Cashflow hedges, reclassification to income statement	467	156	657	410
Cashflow hedges, deferred tax	(53)	(78)	(102)	31
Translation differences - foreign operations	(141)	111	(574)	233
Total	**37**	**317**	**(238)**	**149**
Items that will not be reclassified to profit or loss:				
Other changes	-	-	14	-
Total	**-**	**-**	**14**	**-**
Other comprehensive income, net of tax	**167**	**526**	**76**	**578**
Total comprehensive income attributable to:				
Equity holders of the parent company	138	523	31	553
Non-controlling interests	30	3	45	25

The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding.

Balance Sheet

Condensed consolidated balance sheet

NOK million. Unaudited.	Note	June 30, 2016	December 31, 2015
Property, plant and equipment	9	3,934	3,962
Intangible assets	8	5,930	6,207
Deferred tax asset		376	332
Other non-current assets		43	36
Total non-current assets		**10,283**	**10,537**
Current tax assets		137	118
Current operating assets	6, 13	9,887	11,799
Derivative financial instruments	12	455	1,295
Interest-bearing receivables		91	117
Cash and cash equivalents		2,861	3,862
Total current assets		**13,430**	**17,192**
Total assets		**23,713**	**27,729**
Total equity attributable to the parent	11	6,399	6,397
Non-controlling interests	11	278	234
Total equity		**6,677**	**6,630**
Non-current borrowings	10, 12	1,934	3,137
Pension obligations		587	572
Deferred tax liabilities		216	283
Other non-current liabilities		3	27
Total non-current liabilities		**2,739**	**4,018**
Current tax liabilities		29	9
Current borrowings	10, 12, 13	2,332	561
Current operating liabilities	6, 7, 13	10,094	13,516
Derivative financial instruments	12	1,842	2,995
Total current liabilities		**14,297**	**17,081**
Total liabilities and equity		**23,713**	**27,729**

Cashflow

Condensed consolidated statement of cashflow

NOK million. Unaudited.	Note	1H 2016	1H 2015	2015
Income before tax		457	648	685
Depreciation, amortization and impairment	8, 9	440	354	882
Other cashflow from operating activities		(1,754)	(1,496)	366
Net cashflow from operating activities		**(858)**	**(494)**	**1,934**
Acquisition of property, plant and equipment	9	(147)	(415)	(841)
Payments for capitalized development	8	(158)	(234)	(449)
Other cashflow from investing activities		(13)	3	(9)
Net cashflow from investing activities		**(318)**	**(646)**	**(1,299)**
Change in external borrowings	10	337	80	98
Paid dividends	11	-	(394)	(394)
Other financing activities		8	61	(26)
Net cashflow from financing activities		**345**	**(254)**	**(323)**
Effect of exchange rate changes on cash and cash equivalents		(171)	12	211
Net increase (decrease) in cash and cash equivalents		**(1,002)**	**(1,381)**	**523**
Cash and cash equivalents as at the beginning of the period		3,862	3,339	3,339
Cash and cash equivalents as at the end of the period		**2,861**	**1,958**	**3,862**

Equity

Condensed consolidated statement of changes in equity

NOK million. Unaudited.	Contributed equity and retained earnings	Other reserves	Total equity attributable to the parent's equity holders	Non- controlling interest	Total Equity
Equity as of January 1, 2015	5,684	(7)	5,677	216	5,893
Total comprehensive income	413	140	553	25	578
Dividends	(394)	-	(394)	-	(394)
Equity as of June 30, 2015	**5,703**	**133**	**5,836**	**241**	**6,077**
Equity as of January 1, 2016	5,676	721	6,397	234	6,630
Total comprehensive income	244	(213)	31	45	76
Treasury shares and employee share purchase program	(29)	-	(29)		(29)
Equity as of June 30, 2016	**5,891**	**508**	**6,399**	**278**	**6,677**

Notes

Note 1 General

Aker Solutions (the company) is an oil service company providing subsea technologies and field design services including engineering, modification, maintenance and decommissioning services. The group employs more than 13,000 people with operations in about 20 countries world-wide, with head office based in Fornebu, Norway.

The parent company, Aker Solutions ASA, is a Norwegian limited liability company listed on the Oslo Stock Exchange under the ticker AKSO. The consolidated financial statements of Aker Solutions ASA incorporate the financial statements of the company and its subsidiaries (collectively referred to as “the group” or “the company” and separately as group companies) and the group’s interest in associated companies. The Resource Group TRG AS is the ultimate parent company of Aker Solutions ASA. The interim financial statements are unaudited.

Note 2 Basis for Preparation

STATEMENT OF COMPLIANCE

Aker Solutions’ interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, and their interpretations adopted by the International Accounting Standards Board (IASB). The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting.

CHANGES IN ACCOUNTING POLICIES AND NEW STANDARDS

No significant new accounting principles have been adopted in the quarter. The IASB has issued three new standards that are expected to impact the financial reporting of the group in the future. The expected impacts as described below may change as clarifications are issued by the IASB or as practice develops in the industry.

IFRS 9 Financial instruments will be effective from 2018. The percentage of qualifying hedges is expected to increase under IFRS 9. This is expected to result in less foreign currency effects reported under financial items. The current assessment is that the new standard for financial instruments will not significantly change the reported figures of the group.

IFRS 15 Revenue from contracts with customers will be effective from 2018. The progress-based measurement of revenue over time is still expected to be the main method for the construction and service contracts in Aker Solutions. Tender cost is expected to be mainly expensed as incurred under the new standard. The current assessment is that the new standard for revenue recognition will not significantly change how the group recognizes revenue.

IFRS 16 Leasing will be effective from 2019. The new standard for leasing will significantly change how the group accounts for its lease contracts for land and buildings currently accounted for as operating leases. Under IFRS 16, an on-balance sheet model similar to the current financial leases accounting will be applied to all lease contracts. Only leases for small items such as computers and office equipment will be exempt. As a result, assets and liabilities will increase with a value close to the net present value of future lease payments and EBITDA will increase as the lease payments will be presented as depreciation and finance cost rather than operating expenses.

Note 3 Judgments and Estimates

The preparation of consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions each reporting period that affect the income statement and balance sheet. The accounting estimates will by definition seldom precisely match actual results. The judgments and estimates are based on historical experience or other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes to accounting estimates are recognized in the period in which the estimate is revised and any subsequent periods the change relates to.

In preparing these interim financial statements, the significant judgments made by management in applying the group’s accounting policies and the key sources of uncertainty in the estimates were consistent with those described in note 2 Basis of Preparation in the 2015 annual report available on www.akersolutions.com.

Note 4 Operating Segments

Aker Solutions has two operating segments. Subsea provides production equipment and maintenance services to the subsea market. Field Design provides offshore engineering and maintenance services in addition to modifications.

SUBSEA

Subsea offerings cover all phases of the life of subsea fields, from concept screening and design through manufacturing, installation and commissioning to operational support and maintenance services. Aker Solutions delivers both single subsea equipment and complete subsea systems. The hardware deliveries are organized as projects and include engineering, procurement and construction (EPC) and often also installation and commissioning. The subsea systems include hardware such as subsea trees, control systems, workover systems, tie-in and connection systems, manifolds, umbilicals, power cables and compression systems. The market for advanced and integrated subsea production system is continuously developing and combines hardware, subsea processing and the management of reservoir performance into a full field concept. Lifecycle services on subsea installations include maintenance, repairs and spares supply in addition to operational and technical support.

FIELD DESIGN

Field Design provides engineering services on greenfield and brownfield developments in addition to maintenance and modification services for oil and gas fields. The engineering services include concept studies, front-end engineering and design (FEED), field planning, detailed engineering, procurement services and construction management services. The maintenance and modifications services include maintenance, modifications, asset integrity management (AIM) and hook-up services. This operating segment includes two business areas in Aker Solutions that are organized separately and provide individual management reporting to the CEO. The business areas of Engineering ("ENG") and Maintenance, Modifications and Operations ("MMO") are aggregated into the Field Design segment due to similar commercial risks and operations in the same economic climate with the same markets and customers. They also have similar operational characteristics as they share resources and use the same type of KPI's to monitor the business.

OTHER

The "other" segment includes unallocated corporate costs, certain onerous lease cost and the effect of hedges not qualifying for hedge accounting.

ACCOUNTING PRINCIPLES

The accounting principles of the operating segments are the same as described in the annual report. As noted in the annual report, the operating segments apply hedge accounting independently of whether the hedge qualifies for hedge accounting in accordance with IFRS. When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against corporate treasury. A correction of the non-qualifying hedges are made to secure that the consolidated financial statements are in accordance with IFRS. This means that the group's segment report reflects both internal and external hedges before they are corrected through the corporate level and reported as the "other" segment.

Amounts in NOK million	Subsea	Field Design	**Total operating segments**	Other	Intra-group elimination	Total
Three month ended June 30, 2016						
Income statement						
External revenue	4,264	2,695	**6,959**	10		6,969
Inter-segment revenue	-	30	**30**	38	(68)	-
Total operating revenue	**4,264**	**2,725**	**6,989**	**48**	**(68)**	**6,969**
Operating income before depreciation, amortization and impairment	399	182	**582**	(18)		563
Operating income	**194**	**149**	**343**	**(24)**		**319**
Six month ended June 30, 2016						
Income statement						
External revenue and other income	8,128	5,313	13,441	(9)		13,432
Inter-segment revenue	-	62	62	81	(143)	-
Total operating revenue and other income	**8,128**	**5,375**	**13,502**	**73**	**(143)**	**13,432**
Operating profit before depreciation, amortization and impairment	767	344	1,111	(39)		1,072
Operating income	**407**	**277**	**684**	**(51)**		**632**
Balance sheet						
Net current operating assets (NCOA)	640	(456)	183	(283)	-	(100)
Net capital employed	5,751	42	5,793	3,559	-	9,351
Three month ended June 30, 2015						
Income statement						
External revenue	4,815	3,185	**8,001**	47		8,048
Inter-segment revenue	4	107	**112**	3	(115)	-
Total operating revenue	**4,820**	**3,293**	**8,112**	**50**	**(115)**	**8,048**
Operating income before depreciation, amortization and impairment	487	190	**677**	(130)		547
Operating income	**344**	**161**	**505**	**(130)**		**376**
Six month ended June 30, 2015						
Income statement						
External revenue and other income	9,901	6,565	16,466	82		16,548
Inter-segment revenue	(4)	195	191	9	(199)	-
Total operating revenue and other income	**9,897**	**6,760**	**16,657**	**91**	**(199)**	**16,548**
Operating profit before depreciation, amortization and impairment	994	373	1,367	(229)		1,138
Operating income	**697**	**316**	**1,013**	**(229)**		**784**
Balance sheet						
Net current operating assets (NCOA)	724	54	778	(122)	-	656
Net capital employed	5,157	206	5,363	4,007	-	9,370

The NCOA consists of current operating assets, current tax assets, current operating liabilities and current tax liabilities.

Net capital employed consist mainly of NCOA, pension liabilities, deferred taxes, fixed assets, intangible assets and an allocated share of goodwill.

Note 5 Finance Income and Expenses

Amounts in NOK million	2Q 2016	2Q 2015	1H 2016	1H 2015
Interest income	**10**	**21**	**23**	**44**
Interest expense on financial liabilities measured at amortized cost	(109)	(75)	(208)	(145)
Interest expense on financial liabilities measured at fair value	(9)	(1)	(16)	(6)
Interest expenses	**(118)**	**(75)**	**(224)**	**(151)**
Capitalized interest cost	6	6	21	13
Net foreign exchange gain (loss)	1	(54)	15	(91)
Gain (loss) on foreign currency forward contracts	(24)	41	(20)	52
Other financial income	6	-	12	-
Other financial expenses	(1)	(3)	(3)	(3)
Net other financial items	**(12)**	**(11)**	**26**	**(29)**

Note 6 Current Operating Assets and Liabilities

Amounts in NOK million	**June 30, 2016**	December 31, 2015
Current operating assets		
Inventories	769	814
Trade receivables	3,836	4,264
Amounts due from customers for construction work	2,329	2,365
Accrued operating revenue from service contracts	1,742	2,032
Advances to suppliers	246	232
Other receivables	964	2,091
Total	**9,887**	**11,799**
Current operating liabilities		
Trade payables	1,334	1,669
Amounts due to customers for construction work, including advances	3,329	5,995
Accrued operating and financial cost	2,076	2,435
Provisions	1,108	1,294
Other liabilities	2,247	2,124
Total	**10,094**	**13,516**

Note 7 Provisions

CHANGES IN PROVISIONS IN 2016

Amounts in NOK million	Warranties	Restructuring	Onerous contracts	Other	Total
Balance as of January 1, 2016	591	262	323	118	1,294
Change in the period	(11)	(117)	(64)	19	(173)
Currency translation	(11)	-	(3)	(7)	(21)
Balance as of June 30, 2016	**569**	**145**	**256**	**130**	**1,100**

The provision for warranties relate to expected re-work and improvements for products and services delivered to customers in the normal course of business. The warranty period is normally 2 years. The provision is based on the historical average warranty expenses for each type of contract and an assessment of the value of delivered products and services currently in the warranty period.

The restructuring provision relates to permanent and temporary redundancy cost as a result of the downturn in the oil services sector. At 2Q 2016, the provision was NOK 48 million in Subsea and NOK 97 million in Field Design. The provision is sensitive to changes in the assumptions used related to number of employees, salary levels, notice period, severance pay and idle time assumed during notice period.

The onerous lease provision mainly relates to separable parts of leased buildings which have been or will be vacated by Aker Solutions in the near future. At 2Q 2016, the provision consists of NOK 4 million included in Subsea, NOK 147 million in Field Design and NOK 105 million in the “other” segment. The provision is sensitive to changes in the assumptions used related to sublease periods and sublease income.

Other provisions relate to other liabilities with uncertain timing or amount.

Note 8 Intangible Assets

CHANGES IN INTANGIBLE ASSETS IN 2016

Amounts in NOK million	Goodwill	Development	Other intangible assets	**Total**
Balance as of January 1, 2016	4,171	1,841	195	6,207
Capitalized development	-	151	8	158
Disposal of subisidaries	(2)	-	-	(2)
Amortization	-	(88)	(17)	(105)
Impairment	-	(38)	-	(38)
Currency translation differences	(210)	(65)	(14)	(290)
Balance as of June 30, 2016	**3,959**	**1,800**	**171**	**5,930**

Intangible assets are reviewed each quarter for impairment indicators, including market changes, technological development, order backlog and other changes that might potentially reduce the value of the assets. For goodwill and ongoing development projects, an impairment test is performed annually or when impairment indicators are identified. The goodwill is tested using the value-in-use approach determined by discounting expected future cashflows. An impairment loss is recognized when the value-in-use is lower than book value. An impairment of capitalized development of NOK 38 million relating to Subsea has been recognized in 2Q 2016.

Note 9 Property, Plant and Equipment

CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN 2016

Amounts in NOK million	Buildings and sites	Machinery and equipment	Under construction	**Total**
Balance as of January 1, 2016	1,005	2,160	797	3,962
Additions	49	14	153	217
Transfer from assets under constructions	369	210	(579)	-
Depreciation	(40)	(245)	-	(284)
Impairment	-	(12)	-	(12)
Disposal of subsidiaries	-	(3)	-	(3)
Currency translation differences	26	(15)	43	54
Balance as of June 30, 2016	**1,409**	**2,110**	**414**	**3,934**

An impairment of fixed assets of NOK 12 million in Subsea has been recognized in 2Q 2016.

Note 10 Borrowings

Amounts in NOK million	Maturity	**Carrying amount June 30, 2016**	Carrying amount December 31, 2015
Bond - ISIN NO 0010647431	June 2017	1,505	1,502
Bond - ISIN NO 0010661051	October 2019	1,005	1,005
Brazilian Development Bank EXIM and capex loans	2016	770	432
Brazilian Development Bank EXIM and capex loans	2017-2022	963	737
Other loans		22	21
Total borrowings		**4,265**	**3,698**
Current borrowings		2,332	561
Non-current borrowings		1,934	3,137
Total borrowings		**4,265**	**3,698**

Contractual terms of group’s interest-bearing loans and borrowings are measured at amortized cost.

On October 30, 2015, Aker Solutions amended an existing credit facility from the amount of NOK 4,000 million to NOK 5,000 million. Nothing was drawn on this facility per June 30, 2016. The credit facility expires July 3, 2019.

Note 11 Share Capital and Equity

Aker Solutions ASA was founded May 23, 2014 with a nominal share capital of NOK 293,807,940. The total outstanding shares are 272,044,389 shares at par value NOK 1.08 per share at June 30, 2016. All issued shares are fully paid.

Aker Solutions ASA holds 1,447,311 treasury shares at June 30, 2016. Treasury shares are not included in the weighted average number of ordinary shares. Earnings per share have been calculated based on an average of 271,174,426 shares outstanding June 30, 2016.

At their annual meeting on April 7, 2016 the shareholders of Aker Solutions ASA adopted the proposal from the board of directors to not distribute any dividend for 2015 due to the current market uncertainty in the oil and gas industry.

Note 12 Financial Instruments

The financial instruments measured at fair value per June 30, 2016 include the following:

- Derivative financial instruments consist mainly of forward foreign exchange contracts. The fair values are derived from observable market rates for foreign currency forward contracts. The group also has certain interest rate swaps where fair values are derived from observable market interest rates.
- Current and non-current borrowings include two bonds issued in the Norwegian bond market in addition to other borrowings. Bonds and borrowings are measured at amortized cost, and interest rate variations will not affect the valuation as they are held to maturity. The fair value of bonds and borrowings was NOK 4,258 million per June 30, 2016, compared to carrying amount of NOK 4,265 million. The fair value per December 31, 2015 was NOK 3,637 million compared to carrying amount of NOK 3,698 million.

Other financial assets and liabilities are measured at fair value and their valuation techniques are described in note 25 in the 2015 annual report.

Note 13 Related Parties

Related party relationships are defined to be entities outside the Aker Solutions group that are under control (either directly or indirectly), joint control or significant influence by the owners of Aker Solutions. Related parties are in a position to enter into transactions with the company that would potentially not be undertaken between unrelated parties. All transactions in the Aker Solutions group with related parties have been based on arm's length terms.

The largest shareholder of Aker Solutions is Aker Kværner Holding AS which is controlled by Aker ASA (70 percent). Aker ASA is controlled by The Resource Group TRG AS, a company controlled by Kjell Inge Røkke. The Resource Group TRG AS is the ultimate parent company of Aker Solutions ASA. In this respect, all entities owned by Aker ASA and entities which Kjell Inge Røkke and his close family controls through The Resource Group TRG AS are considered related parties to Aker Solutions. These entities include companies like Akastor ASA, Kværner ASA and Ocean Yield ASA and are referred to as Aker entities in this note.

Below is a summary of transactions and balances between Aker Solutions group and its related parties.

INCOME STATEMENT

Amounts in NOK million	2Q 2016	2Q 2015	1H 2016	1H 2015
Operating revenues	195	367	315	888
Operating expenses	(753)	(1,111)	(1,517)	(2,200)

BALANCE SHEET

Amounts in NOK million	June 30, 2016	December 31, 2015
Trade receivables	108	121
Trade payables	157	153
Current borrowings	1	1

Aker Solutions has several transactions with related parties on a recurring basis as part of normal business. The most important transactions with related parties are:

- commercial sub-contracting and hire of technical and project personnel between Aker Solutions, Akastor and Kværner
- purchase of IT, recruitment, insurance and accounting services from Akastor
- leasing of property from Akastor

Aker Solutions entered into a five-year contract with Frontica AS (part of Akastor ASA) in 1Q 2016 for IT services and consultancy projects as well as business support services within HR, finance and procurement. The contract value is about NOK 1-1.25 billion annually. Frontica AS will also provide staffing services with an estimated value up to NOK 1 billion annually (depending on volume).

Alternative Performance Measures

Aker Solutions (the company) discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are frequently used by securities analysts, investors and other interested parties and they are meant to provide an enhanced insight into the operations, financing and future prospects of the company.

PROFIT MEASURES

EBITDA and EBIT terms are presented as they are used by financial analysts and investors. Special items are excluded from EBITDA and EBIT as alternative measures to provide enhanced insight into the financial development of the business operations and to improve comparability between different periods.

EBITDA is short for earnings before interest, taxes, depreciation and amortization. EBITDA corresponds to the “operating income before depreciation, amortization and impairment” in the consolidated income statement.

EBIT is short for earnings before interest and taxes. EBIT corresponds to “operating income” in the consolidated income statement.

Margins such as EBITDA margin and EBIT margin are used to compare relative profit between periods. EBITDA margin and EBIT margin are calculated as EBITDA or EBIT divided by revenue.

Special items may not be indicative of the ongoing operating result or cash flows of the company and includes items such as restructuring cost, merger/de-merger cost, onerous lease cost and impairment losses. Profit measures excluding special items are presented as alternative measure to improve comparability of the underlying business performance between the periods.

ORDER INTAKE MEASURES

Order intake, order backlog and book-to-bill ratio are presented as alternative performance measures as they are indicators of the company’s revenues and operations in the future.

Order intake includes new signed contracts in the period in addition to expansion of existing contracts. Order intake is based on the estimated value of firm periods in frame agreements and service contracts. The estimated value of potential options and change orders is not included.

Order backlog represents the estimated value of remaining work on signed contracts.

Book-to-bill ratio is calculated as order intake divided by revenue in the period. A book-to-bill ratio higher than 1 means that the company has secured more contracts in the period than what has been executed in the same period.

FINANCING MEASURES

Alternative financing and equity measures are presented as they are indicators of the company's ability to obtain financing and service its debts.

Gross interest bearing debt	is a measure of the total financing in the company and is calculated by adding the current and non-current interest bearing debt.
Net interest bearing debt	is calculated by adding together the current and non-current interest bearing debt and subtracting cash and cash equivalents.
Equity ratio	is calculated as total equity divided by total assets.
Ratio of net interest bearing debt to equity	is a liquidity ratio used to measure how much interest bearing debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. A higher ratio indicates that more creditor financing (bank loans) is used than investor financing (shareholders). The ratio is calculated by net interest bearing debt divided by equity.
Ratio of net interest bearing debt to EBITDA	is a gearing leverage ratio for the liquidity position reflecting the ability to pay off debts by comparing the financial obligations to the operating income. The ratio is calculated by adding current and non-current borrowings less cash and cash equivalents, divided by EBITDA adjusted for restructuring and demerger costs.
Liquidity buffer	is a measure of available cash and is calculated by adding together the cash and cash equivalents and the unused credit facility.
Net current operating assets (NCOA)	is a measure of the working capital and consist of operating assets, current tax assets, current operating liabilities and current tax liabilities.
Net capital employed	is a measure of both short and long term tied up capital related to ordinary business. The net capital employed consists of the following items stemming directly from the balance sheet: property, plant and equipment, intangible assets, deferred tax assets, current tax assets, current operating assets, pension obligations, deferred tax liabilities, current tax liabilities and current operating liabilities. Further, investments, deferred considerations and a portion of goodwill related to acquisitions are allocated to the segments.

Photo: Pages 6–7 Hjalmar Otto Fjøsne, pages 8–9: Rolf Estensen, page 11: Ole Walter Jacobsen.

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