



Aker ASA

First-quarter results 2017

First-quarter 2017 highlights

Financial key figures prior to dividend allocation (Aker ASA and holding companies)

- The net asset value (“NAV”) of Aker ASA and holding companies (“Aker”) decreased by 5.1 per cent in the first quarter to NOK 32.6 billion, compared to NOK 34.3 billion as per 31 December 2016. Per-share NAV amounted to NOK 439 as per 31 March 2017, compared to NOK 462 as per year-end 2016.
- The Aker share gained 2.8 per cent in the first quarter. This compares to a 0.6 per cent increase in the Oslo Stock Exchange’s benchmark index (“OSEBX”).
- The value of Aker’s Industrial Holdings portfolio decreased to NOK 33.0 billion in the first quarter, from NOK 35.1 billion as per year-end 2016. The value of Aker’s Financial Investments portfolio stood at NOK 7.6 billion in the first quarter, compared to NOK 8.0 billion as per 31 December 2016. The NOK 0.4 billion quarterly decline is mainly explained by a lower cash position following repayment of debt.
- Cash and liquid fund investments stood at NOK 4.3 billion at the end of the first quarter, down from NOK 4.9 billion as per year-end 2016. The main cash inflows in the quarter were dividends received from Ocean Yield and Aker BP and partial repayment of loans provided to American Shipping Company and Fornebuporten Holding. The main cash outflows were repayment of the AKER08 bond loan, partial repayment of debt under the USD term loan facility, payment for Farstad Shipping ASA (“Farstad”) shares acquired in connection with the company’s restructuring and operating and finance costs.
- Aker’s Annual General Meeting approved on 21 April 2017 the distribution of NOK 16 per-share ordinary cash dividend for 2016, which represents 3.5 per cent of NAV as per 31 December 2016. In total, NOK 1.2 billion was paid out in early May 2017.
- The value-adjusted equity ratio was 80 per cent, on par with prior quarter.

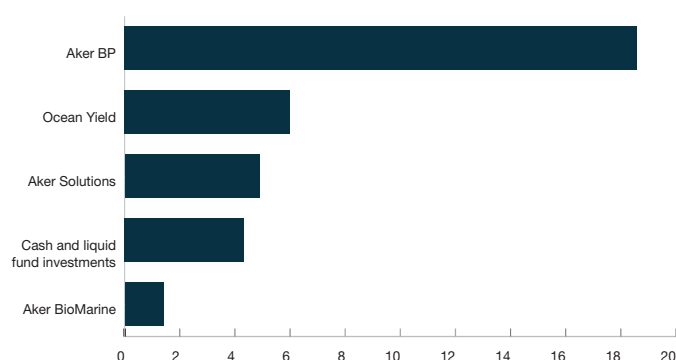
Key events in the quarter

- In January, Aker Solutions and Kvaerner were awarded a contract by Statoil for the hook-up of the riser platform for the Johan Sverdrup field. The contract value is approximately NOK 900 million and will be split equally between the two companies.
- In February, American Shipping Company completed the placement of a USD 220 million senior unsecured bond. Ocean Yield was allocated USD 50 million in the issue and received about USD 156 million in net cash proceeds following redemption of the outstanding bond.
- In February, Aker BioMarine announced that it had signed a contract with VARD to build a new krill fishing vessel. The contract value is approximately NOK 1.0 billion, and the vessel is expected to be completed in the first half of 2019.
- In March, Farstad completed its financial restructuring. As part of the restructuring, Aker subscribed for 601 million shares in the company, equivalent to NOK 210 million, and Ocean Yield converted a NOK 161 million claim against Farstad into new shares and deferred part of the future lease payments. Aker and Ocean Yield currently hold 12.4 per cent and 6.5 per cent of the shares in Farstad, respectively. Furthermore, the General Assemblies of Farstad, Solstad Offshore ASA and Deep Sea Supply Plc approved the merger plan in April, and it is expected that the transaction will close on or about 9 June.
- In March, Kvaerner was awarded the contract for a complete upgrade of the Njord A platform by Statoil. The contract has an estimated value of around NOK 5 billion. Aker Solutions will, as a subcontractor of Kvaerner, take part in the project. Aker Solutions’ share of the work is estimated to approximately NOK 1 billion.
- In March, Aker Solutions agreed to acquire the oil services provider Reinertsen to further build its position within the maintenance and modification market in Norway. The transaction closed in April.
- In March, Aker notified Norsk Tillitsmann ASA of its intention to exercise its call option under the NOK 500 million AKER07 bond. The bond was repaid at 104% of nominal value in April.

Main contributors to gross asset value

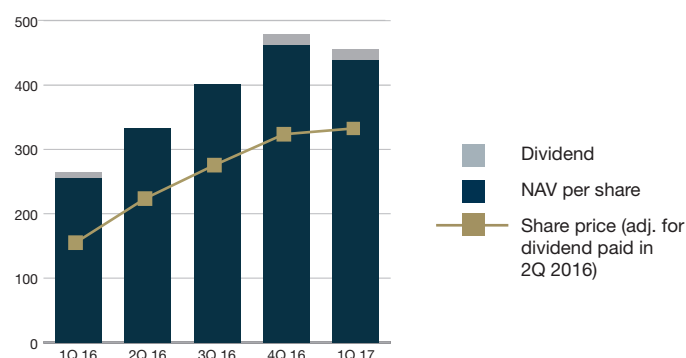
(NOK billion)

Representing 87 per cent of total gross asset value of NOK 40.6 billion



Net asset value and share price

(NOK per share)



The balance sheet and income statement for Aker ASA and holding companies (Aker) have been prepared to show the financial position as a holding company. Net asset value (NAV) is a core performance indicator at Aker ASA. NAV expresses Aker’s underlying value and is a key determinant of the company’s dividend policy (annual dividend payments of 2-4 per cent of NAV). Gross asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. The same valuation principles apply to fund investments. Net asset value is gross asset value less liabilities.

Letter from the CEO

Dear fellow shareholders,

After a strong development in 2016, Aker's value growth came to a pause in the first quarter with net asset value decreasing with 5 per cent. The share price, however, rose 3 per cent, reducing Aker's "discount" relative to NAV. Oil and gas related assets continue to be the cornerstone of Aker's portfolio. Despite challenging market conditions, activity is slowly picking up and oil companies' profitability is improving, increasing the likelihood of projects being sanctioned. For Aker, a key focus area is to enhance competitiveness of our oil service portfolio companies in order to position them in the best possible way to secure a fair share of the contracts expected to be awarded.

In the first quarter, the negative value development was primarily due to a NOK 1.8 billion value change of the Industrial Holdings portfolio, of which Aker BP stood for NOK 2.1 billion. Aker BP's correction should, however, be viewed in light of the value creation made last year with the share price increasing 180 per cent. On the positive side, Aker Solutions added close to NOK 1.0 billion to Aker's NAV, off-setting some of the value reduction in Aker BP. The quarter also displayed Aker's financial strength with NOK 410 million in upstream dividends received from our portfolio companies. Combined with a solid cash position, Aker used the quarter to de-leverage the balance sheet through repayment of more than NOK 700 million in debt.

Oil and gas related assets accounted for 65 per cent of Aker's values in the quarter. While the investment level is considerably lower than observed in prior years, activity in the sector seems to be slowly increasing, also on the Norwegian Continental Shelf (NCS). A supportive tax system, combined with stable framework conditions and legislation, incentivizes growth on the shelf.



The quarter also displayed Aker's financial strength with NOK 410 million in upstream dividends received from our portfolio companies. Combined with a solid cash position, Aker used the quarter to de-leverage the balance sheet through repayment of more than NOK 700 million in debt



NCS is a key market for Aker's portfolio companies, although the international share of revenues has grown in recent years. Not only is the "home market" important as a revenue source, it also serves as a knowledge center for continuous development of technology and competency. Despite the challenging market conditions, NCS is an attractive region to operate in and projects are showing competitive economics. For example, Statoil has been able to drive down the break-even price of Johan Castberg below USD 35/bbl, down from approximately USD 80/bbl in 2013. That is a major achievement. Aker BP is working on optimizing its operating model and project execution through new business models, technologies and strategic partnerships and alliances. The goal is to sanction new stand-alone projects at break-even prices below USD 35/boe, while at the same time maintaining focus on safe operations.



Despite the challenging market conditions, NCS is an attractive region to operate in and projects are showing competitive economics



A number of new projects are currently under review and expected to be sanctioned over the next years. Aker BP will continue to invest on the NCS, with an ambition to increase production above 270 thousand boe per day by 2023 from its existing asset portfolio. The two largest incremental contributors to greenfield investments on the NCS will, however, be Johan Castberg and Johan Sverdrup Phase 2, and both Aker Solutions and Kvaerner are positioning themselves to secure important contracts.

Winning new contracts remains a top priority for all of Aker's oil service companies. Securing a fair share of the contract awards is critical in order to maintain the strategic value of the businesses. The changing industry dynamics, however, requires that all companies adjust to the new oil price environment and activity level. Strengthening the competitiveness of the individual companies is, in such respect, a key factor to success. In all companies, cost improvement programs are ongoing. That is a necessity in order to earn a decent margin on future projects. Aker Solutions alone is targeting NOK 9 billion in cost reductions and is on track to realize its cost efficiency program.

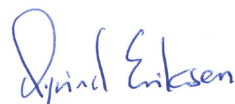


Winning new contracts remains a top priority for all of Aker's oil service companies. Securing a fair share of the contract awards is critical in order to maintain the strategic value of the businesses



Aker's focus with each portfolio company is to ensure that they are attractive and competitive on a stand-alone basis. The competitive landscape has, however, changed, particularly within oil service, and is likely to further evolve. As an active owner, Aker will continue to evaluate new alliances and transactions if additional value can be created. Being an industrial investment company, it is Aker's mandate to discuss opportunities and ideas with potential partners with an objective to secure strong and profitable operations. Transactions may, however, also include investments. Aker Solutions' acquisition of the oil service provider Reinertsen to strengthen the platform within the maintenance and modification market in Norway is one example. Another example is Aker BioMarine's investment opportunities, where the company and Aker are evaluating a number of transaction alternatives to grow the business and increase profitability.

So to sum up, Aker will continue to build even more attractive and competitive companies. This will also provide the foundation for creating additional shareholder value. In parallel, Aker will continue to evaluate transactions if further value can be generated, also together with others.



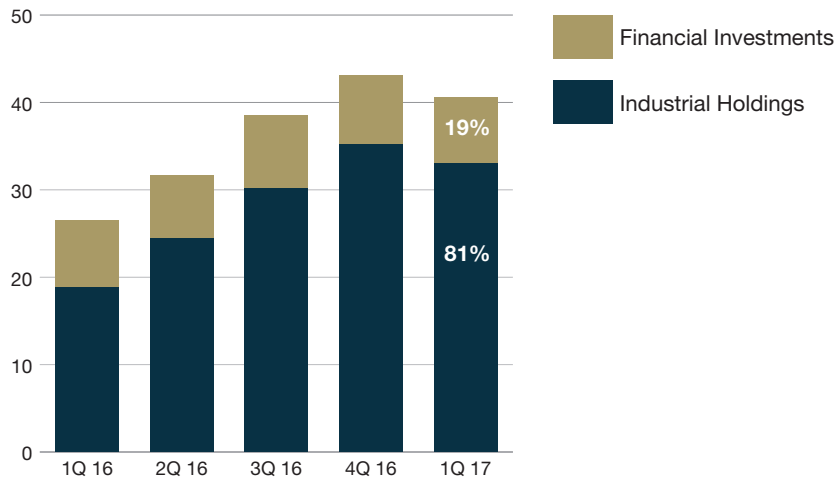
Øyvind Eriksen
President and CEO

Aker ASA and holding companies Assets and net assets value

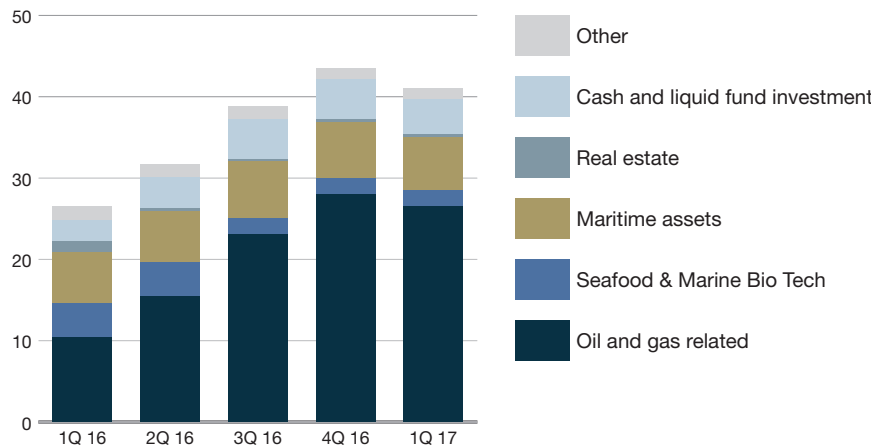
Net asset value (NAV) composition - Aker ASA and holding companies

	As of 31.12.2016		As of 31.03.2017	
	NOK/share	NOK million	NOK/share	NOK million
Industrial Holdings	473	35 139	444	33 017
Financial Investments	107	7 951	102	7 577
Gross assets	580	43 089	546	40 594
Total liabilities (before dividend allocations)	(118)	(8 755)	(108)	(8 005)
NAV (before dividend allocations)	462	34 335	439	32 589
Net interest-bearing receivables/(liabilities)		(2 751)		(2 740)
Number of shares outstanding (million)		74.282		74.296

Gross assets (NOK billion)



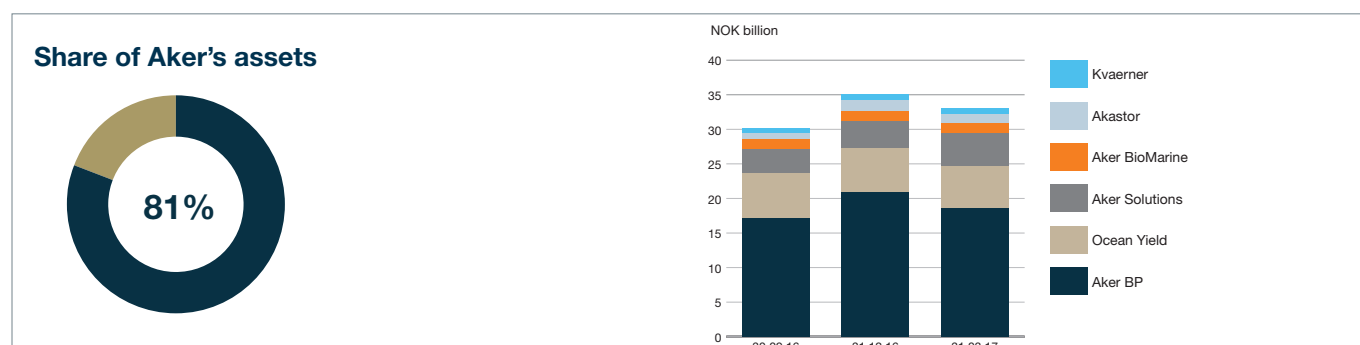
Gross assets per sector (NOK billion)



Net asset value ("NAV") is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Net asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. The same valuation principles apply to fund investments. Aker's assets (Aker ASA and holding companies) consist largely of equity investments in the Industrial Holdings segment, and of cash, receivables and fund investments in the Financial Investments segment. Other assets consist mainly of intangibles and tangible fixed assets. The charts above show the composition of Aker's assets. The business segments are discussed in greater detail on pages 5-7 of this report.

Aker – Segment information

Industrial Holdings



Amounts in NOK million	Ownership in %	31.12.2016	1Q 17			31.03.2017	
		Value	Net investments	Received dividends	Other changes	Value change	Value
Aker BP	40.0	20 873	-	(208)	-	(2 075)	18 590
Ocean Yield	66.2	6 386	-	(151)	-	(241)	5 993
Aker Solutions	34.8	3 912	-	-	-	982	4 894
Aker BioMarine*	99.5	1 405	-	-	-	-	1 405
Akastor	36.7	1 629	-	-	-	(327)	1 302
Kvaerner	28.7	935	-	-	-	(100)	834
Total Industrial Holdings		35 139	-	(360)	-	(1 762)	33 017

*Reflected at book value

The total value of Aker's Industrial Holdings decreased by NOK 2.1 billion in the first quarter to NOK 33.0 billion, mainly due to a NOK 1.8 billion negative value change of the listed holdings. Aker received NOK 360 million in dividend payments from Aker BP and Ocean Yield in the quarter. The value of Aker's Industrial Holdings stood at NOK 35.1 billion as per year-end 2016.

Of the NOK 1.8 billion negative value change in the first quarter, Aker BP stood for NOK 2.1 billion, Akastor for NOK 327 million, Ocean Yield for NOK 241 million and Kvaerner for NOK 100 million. This was partly offset by a value increase of NOK 982 million in Aker Solutions.

The book value of Aker's non-listed holding, Aker BioMarine, remained at NOK 1.4 billion as per 31 March 2017.

Aker BP

Aker BP is a fully-integrated E&P company operating on the NCS. Aker BP delivered solid operational performance in the first quarter and produced on average 145.3 kboed, beating market expectations. Average full year production guidance was reiterated at 128 – 135 kboed. First phase of the Johan Sverdrup project is progressing as planned and a PDO for the second phase is expected in the second half of 2018. The company continues with its IOR (increased oil recovery) initiatives and sanctioned the Tambar re-development project in the first quarter, extending field life from 2018 to 2028 and increasing reserves by 15 million barrels of oil equivalents. Subsequent to the first quarter, the company entered into framework agreements with key suppliers related to fixed offshore facilities. Aker BP intends to execute projects through integrated alliance structures with an ambition to increase efficiency and reduce overall development costs. The goal is to sanction new stand-alone projects at break-even prices below 35 USD/boe. The company maintains a strong balance sheet and has significant liquidity buffers. Going forward, Aker expects the company to continue to optimize its capital structure, including improvement

of the terms and structure of its senior bank facilities and to actively explore both organic and structural growth opportunities that will create value for shareholders and increase the dividend potential.

Ocean Yield

Ocean Yield is a ship-owning company with a mandate to build a diversified portfolio of modern vessels within oil services and shipping. The company targets fixed, long-term bareboat charters to credit-worthy counterparties. In the first quarter, Ocean Yield took delivery of two container vessels under its newbuilding program. The company also amended the charter contract with Farstad as part of the restructuring and converted a NOK 161 million claim into 316 million shares. In the quarter, Ocean Yield took necessary steps to protect its legal interest by terminating the charter contract of Lewek Connector towards a subsidiary of Ezra Holdings and subsequently entered into a four-month contract for the vessel. Furthermore, Ocean Yield received about USD 156 million in net cash proceeds following the redemption of the American Shipping Company bond. Aker supports Ocean Yield's strategy of building a larger company over time through making value-accretive transactions and diversifying its portfolio further. Following repayment of the American Shipping bond, Ocean Yield has USD 213 million in unrestricted cash and available drawing facilities which provides the company with ample investment capacity going forward. As per the end of the first quarter, the company's estimated EBITDA backlog stood at USD 2.8 billion and the average remaining contract tenor (weighted by EBITDA) was 11.4 years. The company raised its dividend in the first quarter by 0.25 cents per share quarter-on-quarter.

Aker Solutions

Aker Solutions is a global oil services company providing services, technologies, and product solutions within subsea and field design. Improving operational efficiency, reducing the cost base and nurturing existing and developing new customer relations are high on Aker's

ownership agenda for Aker Solutions. In addition, Aker remains open to consider new alliances or structural alternatives if they are beneficial for the company and its shareholders. In the first quarter, Aker Solutions delivered NOK 355 million in EBITDA, and the company is well on track to deliver on its improvement program, which targets cost efficiency of NOK 9 billion across the business compared to the 2015 cost level. During the quarter the company secured important contracts, including hook-up of the riser platform for the Johan Sverdrup field (split equally with Kvaerner), the FEED contract for Johan Sverdrup Phase II, the engineering contract for the Njord A upgrade and two global engineering framework agreements with BP. Continuing winning new contracts remains a top priority in a challenging market environment. The company reported an order intake of NOK 4.6 billion in the quarter, bringing its backlog to NOK 30.7 billion as per the end of the first quarter. Aker Solutions announced the acquisition of the Norwegian oil services provider Reinertsen in March, an asset acquisition which was completed on 7 April. Reinertsen's order backlog contains frame agreements covering several facilities, thus strengthening Aker Solutions' platform as a leading maintenance and modification (MMO) supplier in Norway. The transaction follows the acquisition of the Brazilian company C.S.E in the fourth quarter of 2016, adding scale and synergies to the MMO business.

Akastor

Akastor is an oil-services investment company with a flexible mandate for active ownership and long-term value creation. Aker encourages Akastor to play an active role in M&A, both to free up cash through the realisation of assets and to selectively consider opportunities that could arise in the oil service downturn, albeit in a disciplined manner. Marking the end of a series of transactions in 2016, the merger of Frontica Advantage and global staffing provider NES Global Talent was concluded in January, providing Akastor with an initial 15.2 per cent ownership stake in the combined business. Winning new contracts remains a top priority for all portfolio companies of Akastor, and the portfolio in aggregate reported an order intake of NOK 0.7 billion in the quarter, bringing its backlog to NOK 7.4 billion as per the end of the first quarter. The company had a net debt of NOK 3.0 billion (including a NOK 1.6 billion lease liability for the Aker Wayfarer vessel) and a liquidity reserve of NOK 1.8 billion as per the first quarter. Akastor continues to work closely with its portfolio companies to support cost saving programs, operational improvements and strategic initiatives to strengthen competitiveness and position them for a market recovery.

Aker BioMarine

Aker BioMarine is an integrated biotechnology company that supplies krill-derived ingredients to the consumer health and animal nutrition markets. The harvesting season started in December and both harvesting vessels have performed well in 2017. Qrill™ Aqua prices have been negatively impacted by some contracts linked to fish meal prices. Overall, Qrill™ Aqua performs well and is in high demand, which translates to increased prices for other customers in the market. Superba™ Krill has continued the positive trend from the second half of 2016. In the first quarter, the company reported USD 28 million in revenues and USD 3 million in EBITDA. During the quarter, Aker BioMarine signed a contract with VARD to build a new krill fishing vessel. The contract value is approximately NOK 1.0 billion, and the vessel is expected to be completed in the first half of 2019. Aker continues to evaluate various options related to the long-term value creation plan for Aker BioMarine, which includes both capital expenditures and acquisitions to create a larger and more robust company. Investments may require funding from Aker and must satisfy Aker's return requirements.

Kvaerner

Kvaerner is an oil and gas-related EPC company, mainly focused on the NCS. The company maintained steady performance in the first quarter and reported an EBITDA of NOK 108 million. Projects continue to be on track for delivery as scheduled. In March, Statoil awarded Kvaerner the contract for a complete upgrade of the Njord A platform. The contract has an estimated value of around NOK 5 billion. The company ended the first quarter with a backlog of NOK 10.8 billion. Despite winning the important Njord A contract, the market outlook is challenging and Kvaerner is actively pursuing prospects to secure new work. The company maintains its focus on efficiency and cost cuts to enhance competitiveness in order to win new contracts. This includes, among others, an ambition to further reduce the cost base for new projects with 5-10 per cent, including overhead cost reduction of NOK 100 million in 2017. Aker supports Kvaerner's ambitions to explore strategic opportunities for the company within adjacent segments. Kvaerner has a solid liquidity reserve with NOK 3.0 billion in cash, and the company had not drawn on its credit facilities as per the first quarter, providing an important liquidity buffer.

Results and Returns for Industrial Holdings¹⁾

<i>Amounts in NOK million</i>	Aker Solutions		Akastor		Kvaerner	
	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17
Revenue	6 463	5 173	1 353	1 018	2 228	1 554
EBITDA	508	355	(48)	59	81	108
EBITDA margin (%)	7.9	6.9	(3.5)	5.8	3.6	7.0
Net profit continued operations	169	62	(346)	(193)	16	59
Closing share price (NOK/share)	26.60	51.75	8.75	12.95	7.05	10.80
Quarterly return (%) ³⁾	(12.2)	25.1	(27.1)	(20.1)	(14.2)	(10.7)

<i>Amounts in USD million</i>	Aker BP		Ocean Yield		Aker BioMarine	
	1Q16	1Q17	1Q16	1Q17	1Q16	1Q17
Revenue	205	646	66	79	25	28
EBITDA ²⁾	165	517	59	71	7	3
EBITDA margin (%)	80.6	80.1	88.8	90.6	26.9	11.6
Net profit continued operations	32	69	19	37	0	(4)
Closing share price (NOK/share)	62.00	137.60	55.50	61.00	N/A	N/A
Quarterly return (%) ³⁾	12.2	(9.9)	(16.9)	(3.8)	N/A	N/A

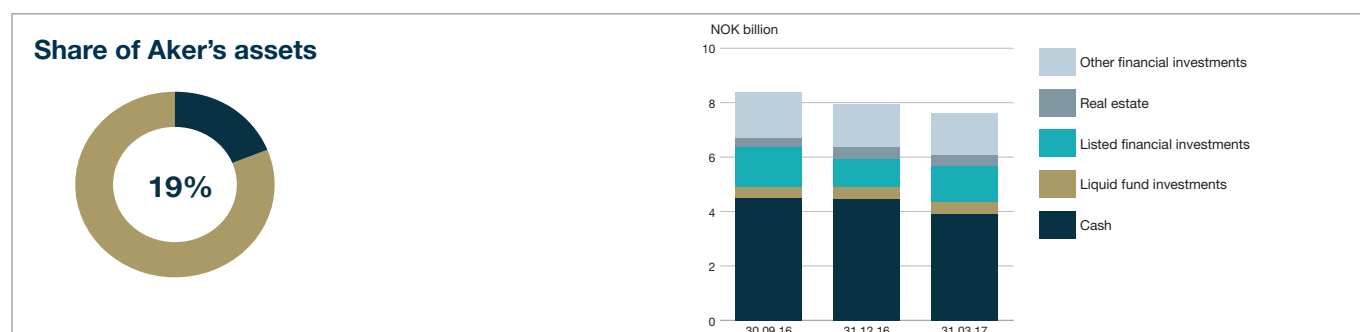
¹⁾ The figures refer to the full results reported by the companies. Reference is made to the respective companies' quarterly reports for further details.

²⁾ For Aker BP, EBITDAX is used.

³⁾ The figures refer to total shareholder return, i.e. share price development and dividend payments.

Aker – Segment information

Financial Investments



	31.12.2016		As of 31.03.2017	
	NOK/share ¹⁾	NOK million	NOK/ share ¹⁾	NOK million
Cash	60	4 466	53	3 921
Liquid fund investments	6	410	6	410
Listed financial investments	14	1 055	18	1 353
Real estate	6	426	5	376
Other financial investments	21	1 594	20	1 517
Total Financial Investments	107	7 951	102	7 577

¹⁾ The investment's contribution to Aker's per-share NAV.

Financial Investments comprise Aker's cash, liquid fund investments, listed financial investments, real estate investments and other financial investments. The value of Aker's financial investments amounted to NOK 7.6 billion as of 31 March 2017, down from NOK 8.0 billion as of 31 December 2016. The quarterly decline is mainly explained by a lower cash position following repayment of debt.

Aker's **Cash holding** stood at NOK 3.9 billion at the end of the first quarter, down from NOK 4.5 billion as per year-end 2016. The primary cash inflows in the quarter were NOK 410 million in received dividends and NOK 107 million in partial repayment of loans provided to American Shipping Company and Fornebuporten Holding. The primary cash outflows were NOK 500 million in repayment of the AKER08 bond loan, NOK 210 million in partial repayment of debt under the USD term loan facility, NOK 210 million in payment for shares acquired in Farstad, and NOK 164 million in net interest paid and operating expenses.

Aker held NOK 410 million in **Liquid fund investments** at the end of the first quarter, on par with prior quarter.

The value of **Listed financial investments** increased by NOK 298 million in the quarter to NOK 1.4 billion mainly reflecting Aker's investment in Farstad and a positive value change in American Shipping Company. The value of Aker's investment in Philly Shipyard decreased to NOK 414 million, compared to NOK 447 million in the prior quarter, while the value of Aker's direct and indirect investment in American Shipping Company was NOK 432 million at the end of the first quarter, compared to NOK 295 million as of 31 December 2016. Aker's shares in Solstad Offshore was valued at NOK 255 million as per 31 March 2017, on par

with prior quarter. Aker's shares in Cxense decreased to NOK 47 million compared to NOK 66 million as of 31 December 2016. Finally, Aker's investment in Farstad was valued at NOK 204 million at the end of the first quarter.

Aker's **Real estate** exposure decreased by NOK 50 million in the quarter to NOK 376 million explained by a partial repayment of a loan provided to Fornebuporten Holding. The value of Aker's current real estate holdings mainly reflects ongoing residential projects at Fornebu outside Oslo, as well as the value of land at Fornebu and Aberdeen.

Other financial investments amounted to NOK 1.5 billion in the first quarter, down from NOK 1.6 billion as of 31 December 2016. Other financial investments consist of equity investments, receivables, and other assets. There were only minor movements in the quarter, including repayment of a loan from American Shipping Company of NOK 57 million. The value of Aker's receivables was NOK 915 million in the first quarter of which NOK 250 million relates to Aker's investment in a convertible loan in Solstad Offshore.

Aker ASA and holding companies

Combined balance sheet

Amounts in NOK million	31.12.2016	31.03.2017
Intangible, fixed, and non-interest bearing assets	191	196
Interest-bearing fixed assets	1 114	965
Investments ¹⁾	17 381	17 725
Non interest-bearing short-term receivables	43	148
Cash	4 466	3 921
Assets	23 194	22 955
Equity	13 251	13 761
Non interest-bearing debt	1 612	1 569
Interest-bearing debt, external	8 331	7 625
Equity and liabilities	23 194	22 955
Net interest-bearing receivables (debt)	(2 751)	(2 740)
Equity ratio (%)	57	60

¹⁾ Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting practices (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2016 annual report.

The total book value of assets was NOK 23.0 billion at the end of the first quarter 2017, down from NOK 23.2 billion as per year-end 2016.

Intangible, fixed and non-interest bearing assets stood at NOK 196 million, on par with prior quarter.

Interest-bearing fixed assets fell by NOK 149 million to NOK 965 million in the first quarter. The decrease is primarily related to partial repayment of loans provided to American Shipping Company and Fornebuporten Holding.

Investments rose by NOK 344 million to NOK 17.7 billion in the first quarter. The increase is primarily related to Aker's investment in Farstad and a positive value change of Aker's direct holding in Aker Solutions.

Non interest-bearing short-term receivables rose to NOK 148 million in the first quarter, compared to NOK 43 million per year-end 2016. The increase is primarily due to value gains on the total return swaps related to Aker's indirect exposure in American Shipping Company.

Aker's **Cash** stood at NOK 3.9 billion at the end of the first quarter, down from NOK 4.5 billion per year-end 2016.

Equity stood at NOK 13.8 billion at the end of the first quarter, compared to NOK 13.3 billion as per year-end 2016. The increase in the first quarter is primarily due to Aker posting a profit before tax of NOK 511 million in the quarter.

Non interest-bearing debt stood at NOK 1.6 billion in the first quarter, on par with prior quarter. This includes NOK 1.2 billion set aside as dividend to Aker shareholders, which was paid out in early May.

Interest-bearing debt, external fell by NOK 706 million in the first quarter to NOK 7.6 billion. The decrease is primarily related to a NOK 500 million repayment of the AKER08 bond loan which matured in March and a NOK 210 million partial repayment of debt under the USD term loan facility.

Aker ASA and holding companies

Combined income statement

Amounts in NOK million	1Q 16	4Q 16	1Q 17	Year 2016
Sales gain	188	-	-	1 906
Operating expenses	(60)	(72)	(63)	(198)
EBITDA	129	(72)	(63)	1 708
Depreciation	(5)	(3)	(4)	(32)
Value change	(314)	209	134	(8)
Net other financial items	108	132	444	950
Profit/(loss) before tax	(83)	266	511	2 617

Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting practices (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2016 annual report.

The income statement for Aker ASA and holding companies shows a profit before tax of NOK 511 million for the first quarter 2017. This compares to a profit before tax of NOK 266 million in the prior quarter. The income statement in the first quarter is mainly affected by value changes in share investments and dividends received.

Operating expenses in the first quarter were NOK 63 million compared to NOK 72 million in the prior quarter.

Value change in the first quarter was positive NOK 134 million, mainly reflecting the value increase of Aker's direct holding in Aker Solutions. The value change in the quarter compares to a positive value change of NOK 209 million in the prior quarter.

Net other financial items in the first quarter amounted to NOK 444 million, compared to NOK 132 million in the prior quarter. Aker received NOK 410 million in dividends in the quarter. The increase compared to the fourth quarter is primarily related to value gains on the American Shipping Company total return swaps and lower net foreign exchange losses.

The Aker Share

The company's share price rose to NOK 332 at the end of the first quarter 2017 from NOK 323 three months earlier. The company had a market capitalisation of NOK 24.7 billion as per 31 March 2017.

As per 31 March 2017, the total number of shares in Aker amounted to 74 321 862 and the number of outstanding shares was 74 295 513. As per the same date, Aker held 26 349 own shares.

Group consolidated accounts

Following changed legislation effective from 1 January 2017, Aker will no longer publish its group accounts for the first quarter, third quarter and fourth quarter. Half-year and annual group accounts will be published as previously.

Risks

Aker ASA and each portfolio company are exposed to various forms of market, operational and financial risks. Rather than diversifying risk by spreading investments across many different industries, Aker is focused on sectors in which the company possesses long-standing expertise. The company has established a model for risk management based upon identifying, assessing and monitoring major financial, strategic and operational risks in each business segment, drawing up contingency plans for those risks and closely monitoring the consolidated risk picture. The identified risks and how they are managed are reported to the Aker Board on a regular basis. Aker continuously works to improve its risk management process.

The main risks that Aker ASA and holding companies are exposed to are related to the value changes of the listed assets due to market price fluctuations. The development of the global economy, and energy prices in particular, as well as currency fluctuations, are important variables in predicting near-term market fluctuations. Aker ASA and holding companies are also exposed to risk of insufficient access to external financing. The company seeks to mitigate this risk by maintaining a solid cash buffer and by proactively planning for refinancing activities.

The companies in Aker's portfolio are, like Aker, exposed to commercial risks, financial risks and market risks. In addition these companies, through their business activities within their respective sectors, are also exposed to legal/regulatory risks and political risks, i.e. political decisions on petroleum taxes, environmental regulations and operational risks, including major accidents which may have significant financial impact.

Despite a positive trend during 2016 crude oil prices are significantly lower than observed in the period from 2011 to 2014 and volatility has increased, resulting in greater uncertainty in the oil and gas sector. Lower oil prices have impacted revenues and the challenging environment for offshore oil services may adversely affect the financial strength of some of Aker's portfolio companies' counterparties.

Aker's risk management, risks and uncertainties are described in the Annual Report for 2016. Aside from changes in current macroeconomic conditions, commodity prices, currency rates and related risks, no other significant changes have occurred subsequent to the publishing of the Annual Report for 2016.

Key events after the balance sheet date

After the close of the first quarter 2017, the following events occurred that affect Aker and the company's investments:

- On 7 April, Aker BP entered into long-term framework agreements with key suppliers of engineering services, construction, electro/IT/control room systems as well as transportation and installation of fixed facilities offshore. The Engineering & Procurement contract was awarded to Aker Solutions, while the Construction & Hook-up agreement was awarded to Kvaerner. All framework agreements have durations of six years with an option for four additional years.

Outlook

Investments in listed shares comprised 81 per cent of the company's assets as per 31 March 2017. About 65 per cent of Aker's investments was associated with the oil and gas sector, 16 per cent with the maritime industry, while cash and liquid fund investments represented 11 per cent, seafood and marine biotechnology 5 per cent, and other assets 3 per cent. Aker's NAV will thus be influenced by fluctuations in commodity prices, exchange rates and developments on the Oslo Stock Exchange.

The cutbacks in E&P spending, driven by oil and gas companies' focus on free cash flow amid lower crude prices, have put the oil service industry under pressure. Aker expects overall activity levels to remain subdued also in 2017 as E&P companies take a cautious approach to new investments until oil prices demonstrate a sustained recovery. Aker's portfolio companies in the oil and gas sector will therefore continue to reduce their cost base in line with activity levels, while at the same time strengthening their competitiveness through increased productivity, efficiency and standardisation, improved technology offerings, and by exploring strategic partnerships and alliances. Cost-cutting measures and increased operational efficiency across the industry have brought down break-even costs for offshore projects, which may result in more projects being sanctioned in the short to medium term. Aker remains positive about the longer-term outlook for oil and gas and will therefore continue to seek counter-cyclical investment opportunities in the sector.

Aker's strong balance sheet and liquidity reserve enable the company to face unforeseen operational challenges and short-term market fluctuations, as well as to seize value-accretive investments when they materialise. As an industrial investment company, Aker will use its resources and competence to promote and support the development of the companies in its portfolio, and to consider new investment opportunities.

Fornebu, 10 May 2017
Board of Directors and President and CEO

Financial calendar 2017

18 July Presentation of 2Q 2017
23 November Presentation of 3Q 2017

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AKER NO in Bloomberg
AKER.OL in Reuters

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Alternative Performance Measures

Aker ASA refers to alternative performance measures with regards to Aker ASA and holding companies' financial results and those of its portfolio companies, 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 operations, financing and future prospects of the group. The definitions of these measures are as follows:

- **EBITDA** is operating profit before depreciation, amortisation and impairment charges.
- **EBITDA margin** is EBITDA divided by revenue.
- **EBITDAX** is operating profit before depreciation, amortisation, impairment charges and exploration expenses.
- **Equity ratio** is total equity divided by total assets.
- **Gross asset value** is the sum of all assets, determined by applying the market value of exchange-listed shares, while book value is used for other assets.
- **Kboed** is thousand barrels of oil equivalents per day
- **Net Asset Value** ("NAV") is gross asset value less liabilities.
- **NAV per share** is NAV divided by the total number of outstanding Aker ASA shares.
- **Net interest-bearing receivable/debt** is cash, cash equivalents and interest-bearing receivables (current and non-current), minus interest-bearing debt (current and non-current).
- **Order intake** includes new signed contracts in the period, in addition to expansion of existing 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.
- **Value-adjusted equity ratio** is NAV divided by gross asset value.