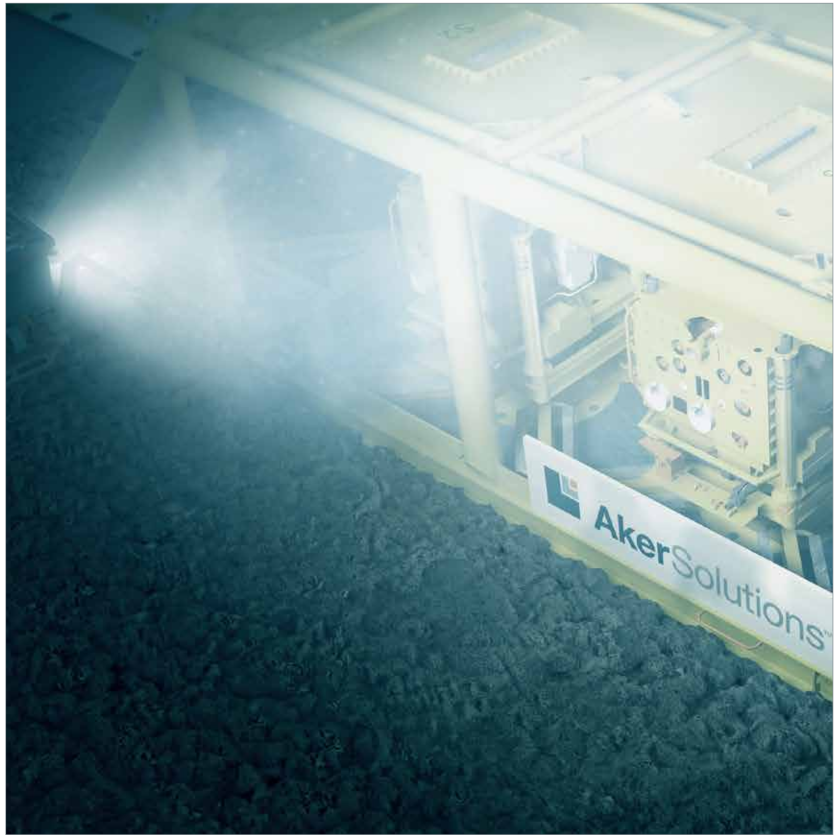
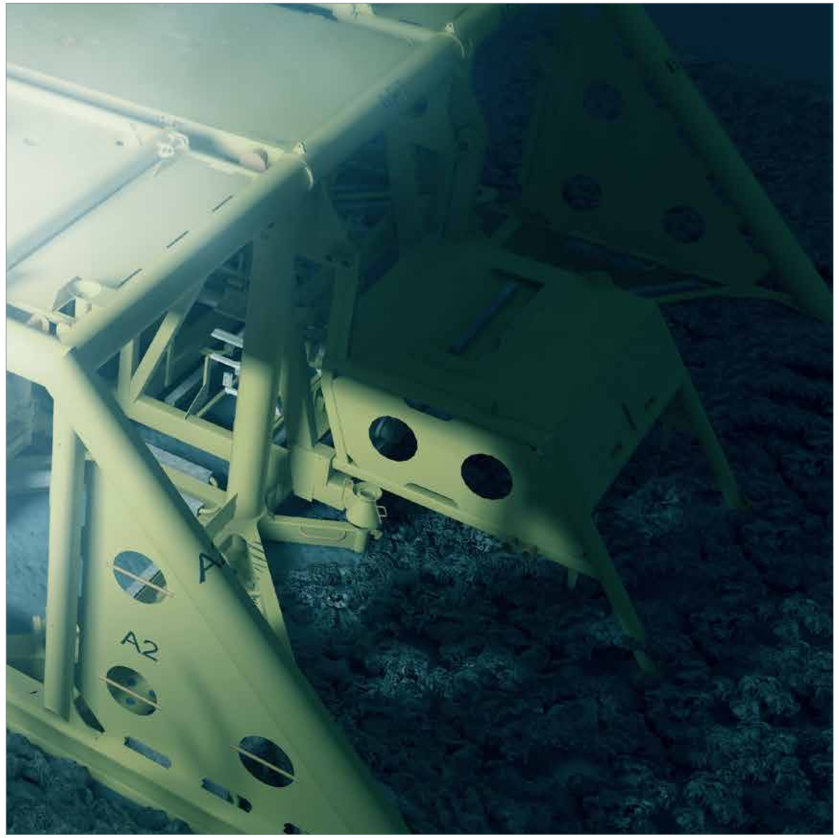
AkerSolutions™

Annual Report





2013

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Content

Aker Solutions Annual Report 2013

Key Figures 2013

Orders and results - continuing operations		2013	2012
Order backlog 31 December	NOK mill	**58 132**	53 445
Order intake	NOK mill	**57 865**	56 815
Operating revenue	NOK mill	**42 900**	41 632
EBITDA	NOK mill	**3 503**	4 171
EBITDA-margin	Percent	**8.2%**	10.0%
Net profit	NOK mill	**1 005**	2 060
Net profit incl. discontinued operations	NOK mill	**1 267**	2 260
Cashflow			
Cashflow from operational activities	NOK mill	**3 078**	1 783
Balance sheet			
Borrowings	NOK mill	**11 316**	7 691
Equity ratio	Percent	**28.1%**	29.8%
Return on equity	Percent	**10.1%**	19.6%
Return on capital employed	Percent	**7.1%**	12.7%
Share			
Share price 31 December	NOK	**108.40**	112.90
Dividend per share[1]	NOK	**4.10**	4.00
Basic earnings per share (NOK)	NOK	**4.63**	8.33
Diluted earnings per share (NOK)	NOK	**4.63**	8.30
Employees - continuing operations			
Total employees including contracts 31 December	Full-time equivalents	**27 299**	25 667
HSE			
Lost Time Incident Frequency	Per million worked hours	**0.43**	0.59
Total recordable incident frequency	Per million worked hours	**1.75**	1.72
Sick leave rate	Percent of worked hours	**2.50**	2.60

[1] *Proposed dividends for 2013.*

Letter to Shareholders

Aker Solutions ended 2013 strengthened after a weak start to the year. The final three months were our best, driven by improved execution, delivery of key projects and major contract wins. This gives me confidence that the company is on the right track for 2014 and beyond.

Revenue rose and we had a record order intake of 57.9 billion kroner in 2013, reflecting healthy demand for the products and solutions we offer. If I were to highlight one win, it would be the framework engineering contract from Statoil for the Johan Sverdrup field, which is potentially the largest Norwegian offshore find in four decades. The accord stretches over as many as 10 years and positions us to compete for additional work at this bellwether development.

Also on a positive note, the subsea business, our biggest by sales, improved its profit margin to 10.8 percent in the year, helped by enhanced operations. The area more than doubled its order backlog. Our engineering unit at the end of the year emerged from a challenging situation with low capacity utilization in London and Houston, and we now see an opportunity to build on a strong position over the next decade.

Our shift to a regional management structure gained pace in 2013 and proved it is the right strategy. The team in Brazil successfully completed a turnaround of the region's subsea operations, while our North American group tackled an unexpected market slump by playing on the combined strengths of all business areas in the region. We rolled out a regional model in Norway in April and will soon do the same in the UK. This will strengthen collaboration between business areas as we build relationships with key clients in these markets.

Regardless of the progress made last year, we can't ignore the challenges. The oil price has flattened out at about $100 a barrel and the industry is struggling with high development and maintenance costs. It's no surprise that some oil and gas producers are curbing spending and delaying projects. But rest assured, we will leave no stone unturned to position the company for further, profitable growth in this environment. We are continuously overseeing our operations and working with customers and suppliers to improve cost-efficiency.

Some of this is already paying off and we've turned around operations that weighed us down at the start of the year, including at our umbilicals plant in Norway. We also delivered on key projects such as the North Sea Ekofisk Zulu platform as well as the steel frame for the world's first subsea gas compression unit at the Åsgard field.

These improvements and deliveries come amid a shift in companywide priorities and are evidence of the way forward. We are toning down the focus on topline growth to pay more attention to increasing our profits and the return on capital employed. There's no doubt we will continue to be vigilant in our efforts to enhance the quality, predictability and efficiency of our operations.

As part of this, we have streamlined the company to focus on our key growth markets and prioritize businesses with high barriers to entry and high returns on capital employed. We agreed last year to sell two business areas, our well-intervention services and mooring and loading systems units, for a total enterprise value of 5.4 billion kroner. The divestments put us in a strong financial position to invest in further growth and also to provide greater returns to our shareholders.

These sales have helped the company trim debt by 5.5 billion kroner so far in 2014, and I can safely say that Aker Solutions has rarely been in a stronger financial position. The company's board of directors proposed paying a cash dividend of 4.10 kroner a share for 2013, up from 4 kroner a year before.

It's no secret that our share had a bumpy ride in 2013, dropping 27 percent in the first half of the year, before recovering to end the year down 4 percent. We will work continuously to create value for our shareholders and ensure that Aker Solutions' share remains among the best-performing of large-cap oil services stocks.

Aker Solutions is committed to promoting responsible practices that help us make good and sustainable business decisions. We set a new corporate responsibility strategy in 2013 and established a global network of people to promote the strategy. A strong focus on corporate responsibility creates value by improving processes and mindsets, motivating employees and making the company a more attractive supplier.

Health, safety and the environment are also central to our values. While our overall performance in this area was stable in 2013, I am saddened that we suffered one fatality when a subcontractor fell from a height during construction at our Batam facility in Indonesia. As with all serious work accidents, we have examined this incident, drawing lessons and a renewed determination to ensure that we all do our utmost to prevent such accidents.

To round off with a key figure, I was pleased to see our profit margin improve to 9.3 percent in the fourth quarter from 8.5 percent in the first nine months of the year because of sustained efforts to improve operations. This favorable development is important as our annual profit lagged expectations.

And the numbers don't tell the full story. We see an opportunity to build on a very strong position over the next decade. Our subsea business is well-positioned in one of the fastest growing areas of the global oil and gas industry. Our strength in deepwater areas such as Brazil is also paying off through major contracts with customers including Petrobras. I personally view the slowdown in some markets as an opportunity to strengthen our capabilities and key customer relationships even more.

Going forward a key priority will be to deliver successfully on our order backlog. We will work ceaselessly to deliver the best solutions reliably to our customers and to provide profitable and predictable returns to our shareholders.

I want to thank you for your commitment to our company. Together, we face very exciting times ahead.

Øyvind Eriksen

Øyvind Eriksen, Executive Chairman

Board of Directors' Report

Aker Solutions' revenue grew 3 percent in 2013 and orders for the company's products and services climbed to a record. Full-year earnings before interest, taxes, depreciation and amortization (EBITDA) fell 16 percent after execution issues led to losses on some projects at the start of the year. Sustained efforts to strengthen operations across the business helped improve earnings in the second half of 2013 even as oil companies scaled back spending and delayed projects amid cashflow concerns.

Company Overview

Aker Solutions is a global provider of products, systems and services to the oil and gas industry. Its engineering, design and technology bring discoveries into production and maximize recovery. The company's vision is to be the preferred partner for upstream oil and gas solutions.

Aker Solutions is well-positioned in some of the fastest-growing offshore oil-services markets, including the subsea and deepwater segments. It enjoys robust demand for its innovative technology and competence and has over many years developed valuable business relationships. A growing installed base of products and solutions around the globe presents opportunities for service deliveries and repeat sales, providing a solid foundation for growth.

Aker Solutions' four largest business areas were subsea, drilling technologies, engineering and maintenance, modifications and operations at the end of 2013. Its main products were subsea production systems, drilling equipment and equipment for floating and fixed production units. Key services were within engineering, design and concept studies as well as maintenance and modifications work.

The company had more than 27,000 employees in over 30 countries at the end of 2013. The main office is in Fornebu outside Oslo in Norway. The parent company, Aker Solutions ASA, is listed on the Oslo Stock Exchange.

Strategy

Aker Solutions aims to create value for its shareholders through profitable growth. Growth prospects in the global oilfield services industry became more uncertain last year, in part because oil prices flattened out at about $100 a barrel while costs increased. This caused some oil and gas companies to reduce spending and delay projects to bolster cashflow. Aker Solutions accordingly sharpened its focus on profitability, moving away from an emphasis on top-line growth.

Improvements implemented after a disappointing first quarter helped restore profitability in the second half. Efforts to streamline operations, control costs and improve the return on capital will continue in 2014.

Divestments agreed on in 2013 and closed in January 2014 have contributed to a more focused company with the four main business areas: subsea, drilling technologies, engineering and maintenance, modifications and operations.

Aker Solutions' finances are sound and will allow for further investments in technology and manufacturing capacity to support organic growth and to consider an expansion through mergers and acquisitions. While the board emphasizes that the future is, as always, uncertain, a review of the market outlook and plans at the end of last year confirmed a solid basis for further growth.

To help in its efforts to create value, Aker Solutions has identified five key focus areas: quality in operations, health, safety and working environment (HSE), customer focus, technology development and people.

Quality in Operations

Aker Solutions seeks to ensure high quality in the work of each employee, in processes to ensure they are stable and repeatable and in the output of products and services to ensure they meet customers' expectations.

The company in 2013 made good progress in improving operational performance. It also set up a network of quality leaders to drive best practices and standardize methods.

Health, Safety and Working Environment (HSE)

Aker Solutions continuously works to prevent injuries and ensure the safety of its employees. Incidents that nearly lead to injuries are analyzed and the lessons learned from them are shared. Standard HSE training and reporting processes are routinely introduced at new locations and business units.

The frequency of total recordable injuries (TRIF) and lost time on operations from injuries (LTIR) declined in 2013 from the year before, continuing a downward trend since 2003. Most injuries were hand and feet related and caused by handling material. The company in 2013 sadly also experienced a fatality when a subcontractor fell 14 meters to the ground during construction work at a facility in Batam, Indonesia.

Aker Solutions rolled out several HSE initiatives in 2013, including a leadership program and a new tool to assess and mitigate the risks of travelling to countries with particularly high risk levels. The company also developed an HSE plan for 2014 to 2017.

Customer Focus

Aker Solutions in 2013 accelerated the continuing shift to a regional management structure to boost collaboration between business areas and to strengthen engagement with customers in key markets. The company set up a regional management team in Norway and took steps to establish the model in the UK. It also strengthened the existing teams in Brazil and North America.

Aker Solutions introduced a wider global mandate for key account managers and outlined a strategy for a broader approach to customers. Through targeted and proactive strategies, key account managers will work closer together across the company to ensure business opportunities are capitalized on and customer relationships are strengthened.

The company also made acquisitions and invested during the year in business areas including subsea and drilling technologies to bolster its market position.

Technology Development

Aker Solutions continuously evaluates and pursues ways to fill gaps in its products and technologies, including investing in development, mergers and acquisitions as well as forming strategic partnerships with customers and other industry participants. The company works with customers to secure their commitment and participation in product development, helping to steer product specifications and also how investments are prioritized.

The company in 2013 acquired the businesses Enovate Systems, Managed Pressure Operations International (MPO), Opus Maxim and International Design Engineering And Services (I.D.E.A.S) to strengthen its technology offerings within the subsea, drilling, process systems and maintenance, modifications and operations areas. It passed several technological milestones, including delivering the steel frame for the world's first subsea gas compression facility at the Åsgard field in the Norwegian Sea.

People

Aker Solutions depends on highly-skilled and motivated employees to succeed. The company in 2013 continued initiatives to attract and retain employees. It offered new and existing employees opportunities to develop their skills and careers. The company also invested substantial resources in developing people and teams, provided competitive pay and reward packages adjusted to local requirements and regulations and had extensive welfare programs.

Market Outlook

Demand for Aker Solutions' technology, products and services is driven by continuing global growth in oil and gas consumption for transportation, energy production and industrial use. The market prospects are deemed to be good. The company operates mainly in the offshore upstream segment of the industry, an area that is estimated to grow faster than the overall market. End customers consist of international and national oil companies as well as smaller and independent producers. Other important customers include drilling and floating production operators, storage and offloading (FPSO) contractors as well as construction and offshore installation companies. Fluctuations in oil and gas prices will influence companies when they prioritize between investing in new developments, upgrading existing facilities and improving recovery from producing fields. Declining reserves and reduced petroleum production in many parts of the world are also expected to generate a persistent need for investments in new developments and increasing recovery from existing fields.

Regional Outlook

The North Sea has for many years been the world's largest offshore oil and gas market. It is also Aker Solutions' home market and serves as a breeding ground for new technologies and services. Norway represented about half of the company's revenue in 2013 and activity remains high with several new discoveries being developed on the Norwegian Continental Shelf. The region will also be a stepping stone for Aker Solutions into the Arctic.

The Asia Pacific region provides offshore opportunities in countries such as Malaysia, Brunei and Australia. The region has key customers, such as Far East yards that build deepwater drilling units and production facilities for international markets. Aker Solutions has a strong local presence in Brazil and won several large contracts in 2013. The company also started to build a new factory in Curitiba that will double its subsea production capacity in Brazil. Aker Solutions is seeking to expand in sub-Saharan Africa beyond its current operations in Angola, Congo-Brazzaville and Ghana. North America offers a wide range of opportunities for both products and services. The region is home to some of the world's most prominent exploration and production companies and drilling contractors.

Organizational Development

Aker Solutions completed its second full year of operations as a pure oil-services company in 2013, after major restructuring involving the demerger of Kvaerner and sale of P&C. The company was further streamlined in 2013 with the sales of the mooring and loading systems and well-intervention services business areas.

The corporate center was reinforced during the year, in particular within the operations area. The corporate functions are in charge of shaping and safeguarding their respective areas across the operational entities and driving implementation of strategic initiatives such as divestments.

The regions also played an increasingly important role in the company's development, including by getting closer to local markets and boosting collaboration between business areas. Regional management teams in Brazil, North America and Norway improved relationships with key customers. David Currie was in 2013 appointed president for Aker Solutions in the UK, where a regional structure will be implemented in 2014. Country managers were also appointed in Angola, Australia, China, India, Malaysia, Nigeria, Russia and the UAE, marking the end of the implementation of a regional and country management structure at Aker Solutions. The country managers will take on specific responsibilities across the businesses to strengthen the local presence and market position in conjunction with the established regions.

Financial Performance

Aker Solutions presents its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All amounts relate to the consolidated financial statements for the group, since the parent company has very limited operations.

Aker Solutions agreed to sell its well-intervention services business and mooring and loading systems business in the fourth quarter of 2013. These businesses are presented as discontinued operations in the consolidated financial statements. Comparative figures have been restated.

Income Statement

Operating revenue for 2013 rose 3 percent to NOK 42.9 billion. Earnings before interest, tax, depreciation and amortization (EBITDA) fell to NOK 3.5 billion from NOK 4.2 billion a year earlier. The prior-year figure includes a gain of NOK 325 million from the sale of real estate. Earnings in 2013 were impacted by increased costs to deliver on the Ekofisk Zulu project, operational challenges in the umbilicals business area, losses in the mining business in the drilling technologies business area and higher-than-expected idle capacity for the Aker Wayfarer vessel.

Net financial expenses rose to NOK 725 million in 2013 from NOK 492 million the previous year. Associated companies and joint ventures reported a loss under financial items of NOK 21 million, compared with a year-earlier profit of NOK 19 million.

Aker Solutions hedges currency risk for all significant project exposures in accordance with well-established practices. While this provides a full currency hedge, about 20 percent of the hedging does not meet the requirements for hedge accounting specified in IFRS. This means that value fluctuations in the associated hedging instruments are recognized with full effect as financial items in the income statement. In 2013, the accounting effects of the above appear as a gain of NOK 264 million, against a loss of NOK 124 million in 2012, in a separate line under financial items in the income statement. The underlying projects hedged by the unqualified hedging instruments incurred an accounting loss of NOK 124 million in 2013, versus a gain of NOK 36 million the year before, which impacted the operating profit.

Pre-tax profit for the year fell to NOK 1.4 billion from NOK 2.7 billion a year earlier. The drop was partly due to an impairment of NOK 361 million after the cancelation in June 2013 of a contract for a Category B rig. The profit was also impacted by higher net financial items from increased debt.

Tax expenses for the year amounted to NOK 393 million, down from NOK 609 million in 2012. This corresponded to an effective tax rate of 28.1 percent, compared with 22.8 percent. Net profit for the year, including discontinued operations, fell to NOK 1.3 billion from NOK 2.3 billion in 2012. Earnings per share were NOK 4.63 in 2013, compared with NOK 8.33 a year earlier.

The board of directors has resolved to propose to the annual general meeting that the company pays NOK 4.10 a share in a dividend for 2013, in line with a policy to pay between 30 percent and 50 percent of net profit as a dividend. The proposed amount is based on Aker Solutions' net income for the year and a share of the proceeds from the sales of the well-intervention services and mooring and loading systems businesses, which were completed in January 2014.

Cashflow

Consolidated cashflow from operating activities depends on a number of factors, including progress with and delivery of projects, changes in working capital and prepayments from customers. Net cashflow from operating activities was NOK 3.1 billion in 2013, up from NOK 1.8 billion a year earlier. Net current operating assets rose to NOK 2.6 billion at the end of the year, from NOK 1.5 billion a year earlier. The working capital tied up in projects may fluctuate depending on how far a project has progressed in the execution phase. While large milestone payments may cause considerable fluctuations in a project's cashflow, this is normally leveled out by the size of the total contract portfolio.

Aker Solutions made investments worth NOK 4.3 billion in 2013, more than doubling from NOK 2 billion a year earlier. Of this, investments in technology development were NOK 821 million, compared with NOK 552 million a year earlier.

Aker Solutions last year acquired companies in the production and technology segments. The company in February 2013 bought Aberdeen-based Enovate Systems, a leading technology company within subsea well control equipment, and Managed Pressure Operations International (MPO), a business that has developed the next generation of continuous circulation, riser gas handling and managed pressure drilling systems. Aker Solutions in August that year also purchased Opus Maxim, a company that offers process solutions to optimize performance and environmental efficiency of oil and gas production facilities.

Net cashflow from financing activities rose to NOK 2.3 billion in 2013 from NOK 261 million a year earlier. Dividends amounted to NOK 1.1 billion in 2013, unchanged from the year before.

Balance Sheet Items, Solidity and Liquidity

Non-current assets totaled NOK 20 billion at the end of 2013, compared with NOK 19.2 billion a year earlier. Of this, goodwill and other intangible assets amounted to NOK 8.2 billion, up from NOK 6.9 billion. Gross interest-bearing debt was NOK 11.3 billion at the end of 2013, up from NOK 7.7 billion a year earlier. Debt includes bond loans in the Norwegian market, bank loans with Nordic and international banks, local financing in Brazil and some smaller loan facilities between group subsidiaries and local banks. The liquidity reserves were solid at the end of the year with cash and bank deposits of NOK 2.3 billion. Undrawn and committed long-term revolving bank credit facilities were NOK 4.4 billion, giving a total liquidity buffer of NOK 6.7 billion. Capital adequacy and liquidity were generally deemed solid at the end of 2013, putting the company in a good position to meet challenges and opportunities over the next years.

Book equity including non-controlling interests amounted to NOK 13.6 billion at the end of 2013, compared with NOK 12 billion a year earlier. Non-controlling interests amounted to NOK 161 million, against NOK 157 million. The company's equity ratio was 28.1 percent of the total balance sheet at the end of 2013, down from 29.8 percent 12 months earlier.

Going Concern

Based on Aker Solutions' financial results and position, the board affirms that the annual accounts for 2013 were prepared on the assumption that the company is a going concern.

Subsequent Events

Aker Solutions in January 2014 completed the sale of its well-intervention services business area to EQT, a Swedish private equity fund, for an enterprise value of NOK 4 billion. The transaction includes an earn-out provision where Aker Solutions will receive 25 percent of any internal rate of return exceeding 12 percent a year on EQT's equity investment. Aker Solutions will in the first quarter of 2014 book a gain before any earn-out of NOK 1.8 billion from the transaction.

The company in January 2014 also completed the sale of its mooring and loading systems business to Cargotec for an enterprise value of NOK 1.4 billion. Aker Solutions will book a gain from the transaction of about NOK 1 billion in the first quarter of the year.

Financial Results of the Operating Segments

Aker Solutions has three main reporting segments: Engineering Solutions, Product Solutions and Field-Life Solutions.

Engineering Solutions

Aker Solutions provides engineering services to oil and gas producers globally. The main focus areas are deep waters and harsh and Arctic environments, as well as complex and long field life developments. Engineering Solutions draws on the specialized skills of about 4,000 employees at hubs in Oslo, Mumbai, Kuala Lumpur, London, Houston and Perth. The team has a global delivery model that involves working directly with oil companies on front-end engineering and design (FEED) and engineering and procurement (EP) contracts. It also collaborates with engineering, procurement and construction (EPC) contractors as a sub-supplier.

The Front End Spectrum organization covers the entire range of competence needed in early phase work, from geological expertise to conceptual design, including life-cycle product expertise. Front End Spectrum removes traditional discipline barriers and executes projects in integrated teams. It benefits our customers by providing the best possible basis for decisions.

Key Figures

Amounts in NOK million	**2013**	2012
Operating revenue	**3,868**	4,508
EBITDA	**254**	499
EBITDA margin	**6.6%**	11.1%
NCOA	**(10)**	181
Net capital employed	**602**	548
Order intake	**4,195**	3,507
Order backlog	**2,926**	2,549
Employees	**3,459**	3,426

The engineering area's EBITDA margin fell to 6.6 percent last year from 11.1 percent the year before, partly because of costs from the Ekofisk Zulu platform project at the start of the year. The earnings were also weighed down by costs of low capacity utilization in Houston and London after the loss of key contract bids at the end of 2012 and start of 2013. Capacity utilization is expected to improve in 2014 after Aker Solutions in December last year won a framework agreement from Statoil to provide engineering services, procurement and management assistance (EPma) for as many as 10 years at the North Sea Johan Sverdrup field. Aker Solutions is also well-positioned to benefit from an expected growth of 10-15 percent a year in the global offshore engineering services market.

Product Solutions

Aker Solutions delivers oilfield products for the entire upstream industry, from reservoir through processing, in the subsea, drilling, umbilicals and processing technology areas. Products and systems in these areas have a high engineering content and life-cycle services are part of the total offering.

The product businesses, including associated engineering and life-cycle services, are grouped in the Product Solutions reporting segment and consist of the business areas subsea (SUB), drilling technologies (DRT), umbilicals (UMB) and process systems (PRS). The mooring and loading systems business area has been treated as discontinued operations in the accounts because Aker Solutions in October 2013 agreed to sell the unit to Cargotec. Comparative figures have been restated.

Key Figures[1]

Amounts in NOK million	**2013**	2012
Operating revenue	**27,315**	24,235
EBITDA	**2,534**	2,178
EBITDA margin	**9.3%**	9.0%
NCOA	**3,134**	2,500
Net capital employed	**10,721**	7,013
Order intake	**41,041**	28,504
Order backlog	**38,313**	24,998
Employees	**14,532**	12,603

[1] Continuing operations only

Revenue increased in each of the Product Solutions business areas, helped by strong growth in subsea and drilling technologies. The order intake rose 44 percent in 2013, as the subsea business won framework contracts from Statoil and Petrobras as well as an order to deliver a subsea production system for Total's Moho Nord field in the Republic of Congo. Other awards included contracts to deliver drilling equipment in Azerbaijan and the UK North Sea as well as orders for umbilicals equipment in the U.S., West Africa and Norway.

Subsea's EBITDA margin widened to 10.8 percent in 2013 from 8.3 percent the year before, bolstered by sustained efforts to improve project execution. The order backlog more than doubled in the year to a record NOK 21.6 billion and tendering activity was strong. The subsea business completed expansions of its production capacity at the Tranby facility in Norway and Port Klang plant in Malaysia.

The EBITDA margin in the drilling technologies area narrowed to 10.1 percent in 2013 from 12.1 percent the prior year, pushed down by losses at a non-core mining and construction unit in Germany that was restructured. The riser business was profitable and drilling technologies' revenue rose 14 percent in the year to NOK 9.9 billion on robust demand for services and single-equipment deliveries. The business in 2013 acquired the technology company Managed Pressure Operations (MPO) and sold its German Aker Wirth tunnel-boring and shaft-boring technology to China Railway Tunneling Equipment Co. Ltd (CRTE),

The umbilical unit's EBITDA margin weakened to 0.1 percent in 2013 from 4.7 percent a year earlier, because of low capacity utilization at a U.S. factory and losses caused by execution issues at a plant in Norway in the first half of 2013. Improved operations and key contract wins boosted the earnings in the second half of the year. The unit's order intake nearly doubled to a record NOK 3 billion in 2013 from NOK 1.6 billion a year earlier.

The margin in the process systems business improved to 3.8 percent in the year from 1.9 percent a year earlier as execution was strengthened in key areas and sales increased on strong demand in Norway and the Asia Pacific region. Still, earnings were held back by low capacity utilization in some regions and costs of bidding for contracts that were delayed or lost.

Field-Life Solutions

The Field-Life Solutions segment consists of the business areas maintenance, modifications and operations (MMO) and oilfield services and marine assets (OMA). The well-intervention services business area has been treated as discontinued operations in the accounts because Aker Solutions in November 2013 agreed to sell the unit to EQT. Comparative figures have been restated.

Key Figures[1]

Amounts in NOK million	**2013**	2012
Operating revenue	**11,961**	12,089
EBITDA	**756**	1,134
EBITDA margin	**6.3%**	9.4%
NCOA	**(457)**	(699)
Net capital employed	**5,511**	3,911
Order intake	**13,510**	25,205
Order backlog	**17,947**	27,108
Employees	**7,585**	8,198

[1] Continuing operations only

Revenue in the Field-Life Solutions segment was little changed in 2013 from the year before, while the EBITDA and EBITDA margin weakened on higher costs at some MMO projects and idle capacity for vessels in the OMA business area. MMO provides concept and front-end studies, detailed engineering and modifications of offshore field infrastructure. It is also a leading provider of offshore maintenance and operations services in Norway. OMA operates three vessels.

MMO's EBITDA margin narrowed to 6.8 percent in 2013 from 8.8 percent the previous year, pushed down by costs of accelerating work on the Ekofisk Zulu platform project to ensure delivery in the summer. The unit in November 2013 secured a two-year option extension worth NOK 3 billion on a framework agreement with Statoil for maintenance and modification work offshore Norway. The Norwegian market for offshore maintenance and modifications slowed down toward the end of the year as oil companies scaled back spending. At the same time, demand for MMO's services increased in countries such as the UK, Brunei and Canada.

OMA's margin weakened to 0.7 percent in 2013 from 15.6 percent the previous year, because of losses caused by idle time for the Skandi Aker and Aker Wayfarer vessels in the first half of the year. The Aker Wayfarer in June started a 230-day contract off the coast of Brazil, while the Skandi Aker in September began a two-year contract offshore Angola. The vessel Skandi Santos, on a long-term contract with Petrobras, performed well throughout the year.

The OMA unit holds 7.4 percent of the shares in the marine contracting group Ezra Holdings, which is listed in Singapore and Oslo, and a 50 percent stake in Aker DOF Deepwater, which owns and operates five offshore vessels that were on term charters in 2013.

Key Figures by Business Area

Product Solutions

(Amounts in NOK million)

SUB	2013	2012
Operating revenue	**13,534**	12,174
EBITDA	**1,462**	1,005
EBITDA margin	**10.8%**	8.3%
Order intake	**26,168**	9,882
Order backlog	**21,575**	9,261

DRT	2013	2012
Operating revenue	**9,880**	8,696
EBITDA	**993**	1,050
EBITDA margin	**10.1%**	12.1%
Order intake	**9,987**	15,235
Order backlog	**13,278**	13,352

UMB	2013	2012
Operating revenue	**2,036**	1,998
EBITDA	**3**	94
EBITDA margin	**0.1%**	4.7%
Order intake	**3,045**	1,618
Order backlog	**2,185**	1,114

PRS	2013	2012
Operating revenue	**2,007**	1,520
EBITDA	**76**	29
EBITDA margin	**3.8%**	1.9%
Order intake	**1,959**	1,824
Order backlog	**1,255**	1,280

Field Life Solutions

(Amounts in NOK million)

MMO	2013	2012
Operating revenue	**11,055**	11,061
EBITDA	**750**	974
EBITDA margin	**6.8%**	8.8%
Order intake	**13,459**	12,064
Order backlog	**16,224**	13,522

OMA	2013	2012
Operating revenue	**906**	1,028
EBITDA	**6**	160
EBITDA margin	**0.7%**	15.6%
Order intake	**52**	13,141
Order backlog	**1,722**	13,585

Parent Company Results and Allocation of Net Profit

The parent company Aker Solutions ASA is the ultimate parent company in the Aker Solutions group and its business is the ownership of all companies and the management of the subsidiaries. Aker Solutions ASA has outsourced all the company functions to other companies within the group, mainly Aker Solutions AS. However, assets and liabilities related to the Corporate Treasury function are held by Aker Solutions ASA. Aker Solutions ASA had a net profit of NOK 2.8 billion in 2013, up from NOK 65 million in 2012. The parent company's dividend policy is to pay shareholders between 30 and 50 percent of net profit as an annual dividend. The dividend will be paid in cash and/or through share buy-backs. Pursuant to the company's dividend policy, the board proposes an ordinary dividend of NOK 4.10 per share. The board thereby proposes the following allocation of net profit:

Amounts in NOK million	
Dividend	1,115
Other equity	1,712
Total allocated	2,827

Corporate Governance

Corporate governance is a framework of values, responsibilities and governing documents to control the business and ensure sustainable value creation for shareholders over time. It is the responsibility of the board of directors of Aker Solutions ASA to ensure that the company implements sound corporate governance. The audit committee and board risk committee support the board of directors in safeguarding that the company has internal procedures and systems in place to ensure that corporate governance processes are effective. Aker Solutions' corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance and are available on the company's website.

Risk Management

Risk management is a critical success factor and competitive parameter for Aker Solutions. The annual risk assessment process at corporate level involves all the functional leaders, and the total risk profile for the company is presented to the board of directors. Risks are monitored at operational levels through monthly reporting, the project portfolio dashboard, business area level risk registers, and sensitivity analysis of the main risk drivers to the monthly financials.

Each corporate function must also follow up risks within its area of responsibility outside these formal processes through direct dialogue with the businesses. The group has based its approach to enterprise risk management on the principles in the ISO Enterprise Risk Management and the Committee of Sponsoring Organizations of the Treadwell Commission (COSO) frameworks. Going forward the company will further formalize the risk management process at all levels of the organization in line with the COSO framework.

Internal Controls Project

The Internal Controls Project aims to standardize the policies, procedures and controls in six areas that have come up as the most relevant in the Aker Solutions group-level risk roll-up, namely project management, infrastructure and investments, sourcing, tendering, human resources, and financial reporting.

The key processes were listed and analyzed, and key risk factors identified. Group-wide policies were developed with input from relevant functional experts and benchmarked in the industry. Specific procedures and control points will be harmonized during 2014.

Key Risk Mitigation Processes: First Line of Defense

A number of key processes address risks across the value chain. All tenders of a certain value go through the corporate risk committee (CRC), and some require board approval. The CRC is responsible for reviewing the risk assessment, financial estimates, and planned execution of projects, and guides the tender teams and decision-makers on the risk profile of the tenders. The CRC reviewed more than 100 projects in 2013.

Risks in the operating entities are reported to the executive management in monthly operating reviews. These reviews form the main internal management control procedures and reporting line across Aker Solutions. The reporting consists of a written report and a subsequent review meeting with the chief operating officer, chief financial officer and other functional staff as required. Follow-up actions are tracked and monitored for completion.

The Project Execution Model (PEM™) is an operating system used in project execution. Risk management is an integrated part of the PEM with regards to tenders and projects during execution. The PEM defines project milestones called "gates", and a project must pass a "gate review" to move from one gate to another. The gate review follows a set of defined controls and templates, and risk assessment is a key element of the gate review. The risk management process for projects is standardized with the help of a register which categorizes identified risks and opportunities and assesses them in terms of impact and probability. Such registers support follow-up of all risks in the projects and help identify improvement opportunities. Projects use a web-based Project Portfolio Review (PPR) tool to report their operational and financial status monthly, in addition to performance and risk indicators.

Operations Audit and Control is the corporate audit function that reviews existing projects and infrastructure developments to ensure that they comply with good execution practices and policy. Seventy such reviews were carried out in 2013, the lessons are shared and action plans monitored centrally.

Financial Reporting Risks

Financial reporting risk is the risk of the external financial reporting (quarterly, annually or other) being materially misstated. Aker Solutions annually reviews the main financial reporting risks and reassesses controls to ensure all key risks are mitigated. Given the nature of the project business, financial reporting risks related to project estimates are the most significant financial reporting risk at Aker Solutions, see note 4 Accounting estimates and judgments. Judgment calls are necessary when items are highly uncertain and management must assess all relevant information, determine assumptions and finally use judgment to estimate the amount to be included in financial reports. Any significant judgment calls in the period are reported separately, where management documents the significant assumptions made to estimate the financial impact of the item subject to a judgment call. The most significant judgment calls are presented to the audit committee with the external quarterly report to the market.

Financial Risks

Financial risk includes currency, interest rate, counterparty and liquidity risk. The corporate treasury function is responsible for managing financial market risk and the group's exposure to financial markets. Financial risk management and exposure are described in detail in note 6, Financial risk management and exposures to the consolidated accounts.

- Currency risk: Aker Solutions' operating units identify their own foreign currency exposure and mitigate this via the corporate treasury when contracts are awarded. Such cover is provided in the operating unit's functional currency. All major contracts are furthermore hedged in the external market and documented to qualify for hedge accounting. More than 80 percent of project-related currency risk exposure either qualifies for hedge accounting or is presented separately as embedded derivatives and therefore includes an economic hedge.
- Interest rate risk: From 30 to 50 percent of the group's gross debt is to have fixed interest rates with durations related to the outstanding debt at any given time. Floating and fixed interest rate loans are combined with interest rate swaps. Forty percent of the borrowings had fixed interest rates at the balance date.
- Counterparty risk: assessments are made of major contractual counterparties and sub-contractors. Risk is reduced through bank and parent company guarantees and/or structuring of payment terms. Where bank risk and the placement risk for surplus liquidity are concerned, specific maximum levels have been set for the group's exposure to each financial institution. A special debtor list is signed annually by the group's chief financial officer.
- Liquidity risk: the group's policy is to maintain satisfactory liquidity at the corporate level. This liquidity buffer is expressed as the sum of undrawn bank credit facilities and available cash and bank deposits. Working capital will vary over time, depending on the composition of revenue in the various segments, and good liquidity is important.

Ethical and Political Risks

Ethical and political risks are risks that the company could become involved in unethical behavior, either directly or through third parties or partners, or involved in countries where international sanction regimes are in place.

Risks of this kind are managed through regular country analyses, mandatory awareness training, compliance reviews and regular integrity due diligence.

Corporate Responsibility

Corporate responsibility at Aker Solutions is a matter of making good and sustainable business decisions. Aker Solutions considers corporate responsibility a strategic benefit that adds value to the company, its stakeholders and society. The company's corporate responsibility efforts shall increase the positive effects and reduce potential negative consequences of its operations. Aker Solutions has been a member of the UN Global Compact since 2008 and is committed to its Ten Principles. The company is also committed to following the Global Framework Agreement (GFA) between Aker ASA and the trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna, which outlines key responsibilities related to human rights and trade union rights. Aker Solutions reports and communicates on corporate responsibility based on recommendations from the Global Reporting Initiative (GRI). The full Corporate Responsibility report can be downloaded on the company's website http://www.akersolutions.com

Research, Innovation and Technology Development

Aker Solutions sharpened its focus on innovation in 2013 to ensure future competitiveness, changing the name of one of four group priorities to "Technology Innovation" from "Technology."

The change is reflected in research and development (R&D) investments which have shifted from filling product gaps in a project-driven approach, toward development of differentiating products, technologies and services. This includes engaging more in research programs with universities to help fill knowledge gaps and create products that allow Aker Solutions to stand out from its competitors and to help attract the best students.

The offshore oil and gas industry is moving into an era of increasingly "difficult oil" encompassing more mature and depleted fields and more stringent regulations. The industry has in the last decade also seen escalating costs which affect investment decisions. This has resulted in an increased appetite among operators and license owners to test new concepts, technologies and products, to cope with new complexities and applications and to drive down costs.

Aker Solutions is directing its R&D investments towards four major pillars for growth: (1) subsea factory products and solutions, (2) topside and well control drilling packages, (3) offshore greenfield developments, and (4) offshore brownfield modifications to increase oil recovery and extend the life of fields.

Key R&D investments include the subsea factory program and the drilling and well control program. Recent acquisitions of Opus, Enovate and Managed Pressure Operations (MPO) will support these efforts by adding specialist competence and products.

All these priorities and activities were reflected in the 2013 R&D portfolio investments, striking a balance between near-term project-driven product development, medium-term feasibility studies and market-driven development, and investments in longer-term, higher-risk innovation tracks.

R&D portfolio investments involved more than 200 projects in 2013 and 59 patents were filed. Total R&D expenditure was NOK 1,079 million, of which NOK 804 million has been capitalized and NOK 275 million expensed.

Aker Solutions also promotes differentiation by encouraging employees to develop ideas and concepts to ensure that a steady stream of innovations enters the technology development and qualification pipeline. This means instilling a systematic and managed approach to technology development and innovation that permeates the whole company.

One example is the launch of an Arctic Knowledge Hub in Tromsø to consolidate the company's collective Arctic knowledge towards developing innovative and differentiating solutions. While new Arctic solutions may be invented in the future, Aker Solutions has already launched and commercialized innovations to tackle present challenges, especially in the subsea tie-in and structures and work-over systems areas.

Front End Spectrum is a cross-company initiative which unites the business areas to ensure that any field development starts with the best possible overall architecture from a CAPEX and OPEX perspective – hence creating maximum value for customers.

Another cross-company initiative is Aker Solutions' carbon for enhanced oil recovery (CO2 for EOR) program. This endeavor received public and operator funding in 2013 to explore new ways to boost EOR on the Norwegian Continental Shelf with carbon dioxide. The program encompasses customers and research institutions.

Health, Safety and Environment

Concern for health, safety and the environment (HSE) is one of Aker Solutions' core values. This has been a guiding principle in the business for years, driven by top management. The fundamental principle and attitude is that all incidents can be prevented. With that in mind, Aker Solutions works continuously to prevent incidents that could cause harm to personnel, material or non-material assets. The company-wide HSE operating system sets standards for the most important aspects of HSE management and leadership. Regular audits uncover possible shortcomings, and counter-measures are identified and initiated. The HSE system also functions as a framework for cross-organizational sharing and learning. The company's Just Care™ concept is a symbol for the group's HSE culture and work. One key element in the program, which was introduced in 2005, is that everyone must take personal responsibility for HSE, based on care for people and the environment. The Just Care™ concept will be developed further in 2014 to ensure that safety remains top priority.

Safety

Despite constant efforts to avoid serious incidents, Aker Solutions regrettably suffered a work fatality in 2013. During the year, Aker Solutions also experienced 89 serious incidents where 23 had actual consequences (either personal injury or material damages), 51 were near misses, and 15 were risk observations. Aker Solutions investigates all serious incidents and near misses and draws lessons from them to prevent such accidents in the future. The serious incidents in 2013 involved electrical and pressurized equipment, falling objects, working at height, lifting operations and hand tools. Several incidents involved people working for sub-contractors. This resulted in renewed actions to ensure that sub-contractors are aware of Aker Solutions' safety procedures and that everyone gets proper training.

The total recordable injury frequency (TRIF) per million working hours was 1.75 in 2013, little changed from 1.72 in 2012. The lost-time injury frequency (LTIF) per million working hours dropped to 0.43 in 2013 from 0.59 in 2012. These figures include Aker Solutions' sub-contractors.

Health and Working Environment

Sick leave amounted to 2.5 percent of total working hours in 2013, compared with 2.6 percent the year before. Differences in local regulations complicate a direct comparison of sick leave between countries. Although low in comparison with the national average, company statistics show that sick leave in Aker Solutions' Norwegian operations is relatively higher than in other areas of the group. Nutrition and exercise campaigns were introduced in 2010 and continued in 2013 to reduce sick leave. The results have been encouraging.

Security

An important objective in 2013 was to strengthen Aker Solutions' security and emergency preparedness and response capability. The aim is to create a security culture equal in strength to the company's safety culture.

Given Aker Solutions' significant global footprint, the company is boosting the security focus to ensure organizational visibility and a robust and professional security capability. Strategic and operational security measures were established throughout 2013 to ensure security risks are identified and analyzed and that adequate precautions are taken. Travel security processes, security risk assessments, and developing a security strategy were important initiatives in 2013.

Emergency Preparedness

Emergency preparedness has been raised throughout the organization, with emphasis on response procedures and competence through training and exercises. Regional and country governance will play an important role in furthering collaboration and alignment across the company in 2014.

Environment

Aker Solutions' activities pose only a limited direct burden on the environment. No significant unintentional discharges or emissions to the surrounding environment were recorded in 2013.

Aker Solutions' work to protect the environment falls in two categories. First, the company offers products, systems and services which are environmentally safe and help reduce the environmental footprint of customers' operations. Second, Aker Solutions seeks to reduce its own direct impact on the environment.

Recent examples of environmentally friendly solutions include products and systems with zero discharge to sea, Arctic bow loading with extra stringent environmental safety design and subsea systems with electronic operations rather than hydraulic oil. The company in 2012 took full ownership of Aker Clean Carbon AS, a leading technology firm in carbon capture and sequestration. After the takeover, Aker Clean Carbon was merged with the Engineering business area at Fornebu in Norway.

Total energy consumption by the business in 2013, based on recorded use of oil, gas and electricity, rose to 316,768 megawatt hours in 2013 from 284,024 MWh the previous year. Carbon emissions related to this usage were estimated at 74,761 tons, up from 67,062 tons. The methods for these calculations derive from the Greenhouse Gas Protocol (GHG) and the Global Reporting Initiative (GRI). The increase was partly due to increased business activity and product delivery. Some reduction has been measured in the company's energy use in buildings.

Waste recorded in connection with the business totaled 22,599 tons in 2013, compared with 19,061 tons a year earlier, and 81 percent was recycled. An eLearning environmental program introduced in 2008 is mandatory for all employees. Aker Solutions' HSE leadership development initiatives, eLearning and the management system contain clear components focusing attention on the environment. Collectively, these initiatives contribute to continuous improvements in environmental awareness and attitudes among employees. This inspires the organization to boost environmental performance in Aker Solutions' own activities and to help customers make environmental improvements with products developed by the group.

People and Teams

Aker Solutions' workforce for continuing operations totaled 27,299 people, including 22,083 own employees and 5,216 contract staff at the end of 2013. The number of own employees increased by 1,222 in the year, reflecting higher activity in the businesses. Aker Solutions has two main categories of employees. Office employees account for 76 percent and non-office employees comprise 24 percent of the total. Fifty-one percent of the company's own employees worked in Norway, 13 percent in the Americas, 21 percent in the Asia-Pacific region, 14 percent in Europe, excluding Norway, and 1 percent in Africa and the Middle East during the year. Of the 3,200 own employees recruited in 2013, 54 percent joined the company outside Norway.

Diversity

Aker Solutions is committed to equal opportunity and non-discrimination. This commitment is described in the company's Code of Conduct, policies and agreements, such as a frame agreement with national and international trade unions dating from 2008. This agreement was renewed in 2013 and sets out fundamental labor rights and standards for general employment terms and employee relations, with specific focus on non-discrimination. Equal opportunity for men and women is a fundamental principle at Aker Solutions. For reasons mainly related to history and industry tradition, male employees are in majority, while 22 percent of employees were women. The company promotes equal opportunities by setting specific requirements for diversity in recruitment and people development, and by supporting programs dedicated to equal opportunity. Aker Solutions fulfills the requirements of the Norwegian Company Act with regard to gender representation on the board of directors. Five of eleven Directors are women. The corporate management group had three female members as of December 31, 2013.

Workforce turnover in 2013 averaged 5.8 percent, which is low by comparison with current industry trends. Turnover in 2012 was 6.9 percent. The company provides competitive pay and reward packages adjusted to local requirements and regulations. Extensive welfare programs are common throughout the group. A new share purchase program introduced in 2012 entitles employees to buy shares for up to NOK 60,000 per year at a 25 percent discount and a fixed NOK 1,500 discount. In addition, a group of senior managers was offered rights to buy shares for up to 25 percent of their base salaries. The employee share purchase program continued in 2013, and 3,587 employees from 10 countries enrolled in it and acquired shares for about NOK 140 million. The program allows employees to take part in the long-term development of the business and strengthens the ties between the company and its employees.

A framework for a global career model was developed in 2013 to help employees explore opportunities for future development and navigate across the company. The new career model describes and illustrates a professional and leader career track and will facilitate movement of people across departments and business areas. A set of learning and development programs to support professional, leadership and project execution competence development was executed in 2013.

Recruitment

Aker Solutions is generally well regarded as a potential employer in its key markets and regions, and the company invests in local and regional schemes that support the employer brand. The company receives more than 100,000 applications each year. A Recruitment Center of Excellence was established in 2013 to standardize the process and give all candidates a professional and consistent recruitment experience, which is key to attract and keep the best people. The company is recognized in Norway as the preferred employer for top performers in the oil services industry.

A total of 3,200 new employees were recruited in 2013. A new global on-boarding program was introduced in 2013 to support growth ambitions and efficiently introduce new employees to the company. The program will ensure one efficient global on-boarding approach all across Aker Solutions. The aim is to reduce managers' workload related to general on-boarding tasks, make new employees feel welcome and comfortable, minimize the time to get new employees up to speed, and strengthen management's commitment to the performance culture.

Performance Culture

The group's remuneration policy specifies equal pay for equal work, and emphasizes that good performance will be rewarded. Key factors in determining pay are the scope and level of responsibility, job requirements, levels of expertise and commitment, results achieved, and local pay levels. Aker Solutions works to increase the correspondence between performance and pay. Objectives are set and performance is measured on team and individual levels, and for behavior according to the company's values and business ethics and financial results. At least once a year, manager and employees evaluate the results achieved as described in a global performance management process. This performance dialogue provides the basis for recognition, rewards and career opportunities, and gives direction for potential individual performance improvements. Performance-based pay is seen as an attractive part of the total remuneration to employees. Variable pay programs are in place for different types of position. Annual variable pay is awarded to employees and managers on the basis of the financial performance achieved by the relevant business unit or project and the extent to which they comply with the company's values. Variable pay for senior executives is earned over a period of three years, with the main aim of encouraging a strong and sustainable performance-based culture that supports growth in shareholder value. Further details of the remuneration of senior executives are provided in note 11 to the consolidated accounts, Salaries, wages and social security costs.

Acknowledgements

The board sincerely thanks the management and staff for their dedication in 2013. Aker Solutions has taken important steps to further streamline the business, strengthen operations and improve profitability. This is expected to boost the company's competitiveness in a challenging market and create additional shareholder value.

Fornebu, March 13, 2014
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Koosum Parsotam Kalyan

Stuart Edward Ferguson

Sarah Elizabeth Ryan

Atle Teigland

Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Declaration by the Board of Directors and President & CFO

The board and the president & CFO have today considered and approved the annual report and financial statements for the Aker Solutions group and its parent company Aker Solutions ASA for the 2013 calendar year ended on December 31, 2013.

The board has based this declaration on reports and statements from the group's executive chairman and the president & CFO and/or on the results of the group's activities, as well as other information that is essential to assess the group's position which has been provided to the board of directors.

To the best of our knowledge:

- the 2013 financial statements for the group and parent company have been prepared in accordance with all applicable accounting standards
- the information provided in the financial statements gives a true and fair portrayal of the group and parent company's assets, liabilities, profit and overall financial position as of December 31, 2013
- the annual report provides a true and fair overview of:
  – the development, profit and financial position of the group and parent company
  – the most significant risks and uncertainties facing the group and the parent company

Fornebu, March 13, 2014
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Koosum Parsotam Kalyan

Stuart Edward Ferguson

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Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Annual accounts

- Declaration by the Board of Directors and President & CFO
- Contents
- Aker Solutions Group
- Aker Solutions ASA
- Auditor's Report

Financial Statements and Notes

Aker Solutions Group

Aker Solutions ASA

Auditor's Report

Aker Solutions Group

Consolidated Income Statement

For the year ended December 31

Amounts in NOK million	Note	2013	2012
Operating revenue		**42 804**	41 123
Other income	10	**96**	509
Total revenue and other income	9	**42 900**	41 632
Materials, goods and services		**(20 004)**	(19 835)
Salaries, wages and social security costs	11	**(14 345)**	(12 086)
Other operating expenses	12, 13	**(5 048)**	(5 540)
Operating expenses before depreciation, amortization and impairment		**(39 397)**	(37 461)
Operating profit before depreciation, amortization and impairment		**3 503**	4 171
Depreciation, amortization and impairment	23, 24	**(1 618)**	(895)
Operating profit		**1 885**	3 276
Finance income	14	**73**	110
Finance expenses	14	**(798)**	(602)
Profit (loss) on foreign currency forward contracts	14	**264**	(124)
Profit (loss) from equity-accounted investees	26	**(26)**	9
Profit before tax		**1 398**	2 669
Income tax expense	15	**(393)**	(609)
Profit from continuing operations		**1 005**	2 060
Profit from discontinued operations (net of income tax)	8	**262**	200
Profit for the period		**1 267**	2 260
Profit for the period attributable to			
Equity holders of the parent company		**1 257**	2 249
Non-controlling interests		**10**	11
Profit for the period		**1 267**	2 260
Earnings per share (NOK)	33		
Basic earnings per share		**4.63**	8.33
Diluted earnings per share		**4.63**	8.30
Earnings per share continuing operations (NOK)	33		
Basic earnings per share		**3.68**	7.67
Diluted earnings per share		**3.67**	7.64

Aker Solutions Group

Consolidated Statement of Comprehensive Income

For the year ended December 31

Amounts in NOK million	*Note*	**2013**	2012
Profit for the period		**1 267**	2 260
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cashflow hedges, effective portion of changes in fair value		**495**	(40)
Cashflow hedges, reclassification to income statement		**(134)**	58
Cashflow hedges, deferred tax		**(94)**	(6)
Change in fair value reserve	27	**49**	111
Translation differences - foreign operations		**973**	(468)
		1 289	(345)
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains (losses)	30	**25**	172
Defined benefit plan actuarial gains (losses), deferred tax		**(7)**	(48)
		18	124
Other comprehensive income, net of tax		**1 307**	(221)
Total comprehensive income for the period, net of tax		**2 574**	2 039
Attributable to:			
Equity holders of Aker Solutions ASA		**2 570**	2 044
Non-controlling interests		**4**	(5)
Total comprehensive income for the period		**2 574**	2 039

Aker Solutions Group

Consolidated Balance Sheet

Amounts in NOK million	Note	**Dec 31, 2013**	Dec 31, 2012
Assets			
Non-current assets			
Property, plant and equipment	23	**9 815**	10 041
Deferred tax assets	15	**600**	570
Intangible assets	24	**8 242**	6 884
Non-current interest-bearing receivables	25	**159**	672
Other non-current operating assets		**162**	168
Equity-accounted investees	26	**440**	283
Other investments	27	**645**	569
Total non-current assets		**20 063**	19 187
Current assets			
Current tax assets	15	**106**	68
Inventories	18	**2 492**	2 360
Trade and other receivables	17	**17 659**	16 524
Derivative financial instruments	22	**1 544**	441
Current interest-bearing receivables	25	**511**	421
Cash and cash equivalents	16	**2 345**	1 214
Assets classified as held for sale	8	**3 437**	-
Total current assets		**28 094**	21 028
Total assets		**48 157**	40 215

Amounts in NOK million	Note	**Dec 31, 2013**	Dec 31, 2012
Equity and liabilities			
Equity			
Issued capital	31	**455**	455
Treasury shares		**(3)**	(6)
Other capital paid in		**1 534**	1 534
Reserves		**192**	(1 121)
Retained earnings		**11 216**	10 961
Total equity attributable to the equity holders in Aker Solutions ASA		**13 394**	11 823
Non-controlling interests		**161**	157
Total equity		**13 555**	11 980
Non-current liabilities			
Non-current borrowings	28	**7 420**	6 683
Employee benefits obligations	30	**748**	805
Deferred tax liabilities	15	**2 076**	1 828
Other non-current liabilities	29	**356**	415
Total non-current liabilities		**10 600**	9 731
Current liabilities			
Current borrowings	28	**3 896**	1 008
Current tax liabilities	15	**38**	37
Provisions	21	**872**	1 173
Trade and other payables	20	**17 409**	16 012
Derivative financial instruments	22	**834**	274
Liabilities classified as held for sale	8	**953**	-
Total current liabilities		**24 002**	18 504
Total liabilities		**34 602**	28 235
Total liabilities and equity		**48 157**	40 215

Fornebu, March 13, 2014
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Koosum Parsotam Kalyan

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Sarah Elizabeth Ryan

Atle Teigland

Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Aker Solutions Group

Consolidated Statement of Changes in Equity

For the year ended December 31

Amounts in NOK million	*Note*	Share capital	Treasury shares	Other capital paid in	Retained earnings	Hedging reserve[1]	Currency translation reserve[1]	Defined benefit plan actuarial gains (losses)	Fair value reserve[1]	**Total parent company equity holders**	Non-controlling interests	**Total equity**
Equity as of January 1, 2012		455	(7)	1 534	9 731	132	(705)	(351)	8	10 797	169	10 966
2012												
Profit for the period					2 249					2 249	11	2 260
Other comprehensive income					-	12	(452)	124	111	(205)	(16)	(221)
Total comprehensive income					2 249	12	(452)	124	111	2 044	(5)	2 039
Transactions with equity holders												
Dividend	31				(1 053)					(1 053)	(6)	(1 059)
Treasury shares	31		1		57					58	-	58
Employee share purchase programme	11,31		-		(23)					(23)	-	(23)
Change in non-controlling interests					-					-	(1)	(1)
Total transactions with equity holders		-	1	-	(1 019)					(1 018)	(7)	(1 025)
Equity as of December 31, 2012		455	(6)	1 534	10 961	144	(1 157)	(227)	119	11 823	157	11 980
2013												
Profit for the period					1 257					1 257	10	1 267
Other comprehensive income					-	267	979	18	49	1 313	(6)	1 307
Total comprehensive income					1 257	267	979	18	49	**2 570**	4	**2 574**
Transactions with equity holders												
Dividend	31				(1 082)					(1 082)	-	(1 082)
Treasury shares	31		3		180					183	-	183
Employee share purchase programme	11,31		-		(100)					(100)	-	(100)
Total transactions with equity holders		-	3	-	(1 002)					(999)	-	(999)
Equity as of December 31, 2013		**455**	**(3)**	**1 534**	**11 216**	**411**	**(178)**	**(209)**	**168**	**13 394**	**161**	**13 555**

[1] See note 31 Capital and reserves for more information.

Aker Solutions Group

Consolidated Statement of Cashflow

For the year ended December 31

Amounts in NOK million	Note	2013	2012
Cashflow from operating activities			
Profit for the period - continuing operations		**1 005**	2 060
Profit for the period - discontinued operations		**262**	200
Profit for the period		**1 267**	2 260
Adjustments for:			
Income tax expense		**502**	697
Net interest cost		**1 054**	503
(Profit) loss on foreign currency forward contracts	14	**(262)**	125
Depreciation, amortization and impairment	23, 24	**1 872**	1 166
(Profit) loss on disposals and non-cash effects		**(66)**	(465)
(Profit) loss from equity-accounted investees		**24**	(22)
Total adjustments		**4 391**	4 264
Changes in operating assets		**(333)**	(1 843)
Cash generated from operating activities		**4 058**	2 421
Interest paid		**(796)**	(460)
Interest received		**149**	64
Income taxes paid		**(333)**	(242)
Net cash from operating activities		**3 078**	1 783
Cashflow from investing activities			
Acquisition of subsidiaries, net of cash acquired	7	**(1 136)**	92
Acquisition of property, plant and equipment	23	**(2 651)**	(2 961)
Payments for capitalized development	24	**(821)**	(552)
Proceeds from sale of subsidiaries, net of cash		**-**	1 227
Proceeds from sale of property, plant and equipment		**39**	50
Proceeds from equity-accounted investees		**20**	6
Proceeds from sale of other investments		**29**	-
Proceeds from repayment of interest-bearing receivables		**293**	184
Payment related to increase in interest-bearing receivables		**(25)**	(49)
Net cash from investing activities		**(4 252)**	(2 003)

Amounts in NOK million	Note	2013	2012
Cashflow from financing activities			
Proceeds from borrowings		**4 182**	3 114
Repayment of borrowings		**(901)**	(1 851)
Acquisition of non-controlling interests		**-**	(1)
Repurchase of treasury shares	31	**(100)**	(121)
Proceeds from employees share purchase programme	31	**183**	179
Dividends paid to non-controlling interests		**-**	(6)
Dividends to shareholders of Aker Solutions	31	**(1 082)**	(1 053)
Net cash from financing activities		**2 282**	261
Effect of exchange rate changes on cash and bank deposits		**23**	(135)
Net increase (decrease) in cash and bank deposits		**1 131**	(94)
Cash and cash equivalents at the beginning of the period		**1 214**	1 308
Cash and cash equivalents at the end of the period	16	**2 345**	1 214
Of which is restricted cash		**34**	38

Accounts Aker Solutions Group

Aker Solutions Group

Notes to the Financial Statements

Note 1 Corporate information

Aker Solutions ASA (the company) is a limited liability company incorporated and domiciled at Fornebu in Bærum, Norway. The consolidated financial statements of Aker Solutions ASA incorporate the financial statements of the company and its subsidiaries (referred to collectively as "the group" and separately as group companies) and the group's interest in associates and jointly controlled entities.

Aker Solutions is a leading supplier of oilfield products, systems and services, with solutions spanning from the reservoir to production and through the life of a field. The company is listed on the Oslo Stock Exchange under the ticker AKSO.

Note 2 Basis for preparation

Basis of accounting
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of December 31, 2013.

The consolidated financial statements were approved by the board of directors and President & CFO as shown on the dated and signed balance sheet. The consolidated financial statements will be authorised by the Annual General Meeting on April 10, 2014. Until the latter date the board of directors have the authority to amend the financial statements.

Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the following material items, which are measured on an alternative basis on each reporting date:

- Derivative financial instruments are measured at fair value.
- Available-for-sale financial assets are measured at fair value.
- Contingent consideration assumed in business combinations are measured at fair value.
- Net defined benefit (asset) liability is recognised at fair value of plan assets less the present value of the defined benefit obligation.

Functional and presentation currency
These consolidated financial statements are presented in NOK, which is Aker Solutions ASA's functional currency. All financial information presented in NOK has been rounded to the nearest million (NOK million), except when otherwise stated.

Use of estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although management believes these assumptions to be reasonable, given historical experience, actual amounts and results could differ from these estimates. The items involving a higher degree of judgement or complexity, and items where assumptions and estimates are material to the consolidated financial statements are disclosed in note 4 Accounting estimates and judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Changes in accounting policies
Except for the changes below, the group has consistently applied the accounting policies set out in Note 3 Accounting principles to all periods presented in theses consolidated financial statements.

The group adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2013:

- IFRS 13 Fair value Measurement
- IAS 19 Employee Benefits (2011)
- IAS 1 Presentation of Items in Other Comprehensive Income (OCI) – (Amendments to IAS 1)

The nature and effects of the changes are explained below:

IFRS 13 Fair value measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 also requires additional disclosures.

Application of IFRS 13 has not materially impacted the fair value measurements of the group. Additional disclosures where required, are provided in the individual notes related to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in note 32 Financial instruments.

IAS 19 Employee benefits (2011)
The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period. Previously, the group determined interest income on plan assets based on their long-term rate of expected return.

The income statement for 2012 has not been restated as the effect has been considered insignificant (earnings per share would have decreased by NOK 0.07).

IAS 1 Presentation of items in OCI
The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified to profit or loss at a future point in time have to be presented separately from items that will not be reclassified. The amendments affect presentation only and have no impact on the group's financial position or performance. Comparative information has been re-presented accordingly.

Note 3 Accounting principles

Summary of significant accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
Business combinations
Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date of which control is transferred to the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interests in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, less
- the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Transaction costs, other than those associated with the issue of debt or equity securities incurred in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. Changes in the fair value of the contingent consideration from acquisition of a subsidiary or non-controlling interest for transactions will be recognized in Other income as gains or losses.

When the group has entered into put options with non-controlling shareholders on their shares in that subsidiary, the anticipated acquisition method is used. The agreement is accounted for as if the put option had already been exercised. If the put option expires unexercised, then the liability is derecognised and the non-controlling interest is recognised.

Acquisitions of non-controlling interests
Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries
Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When assessing control, voting rights that are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control
On the loss of control, the group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

Investments in associates and jointly controlled entities
Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the group has joint control, established by contractual agreement requiring unanimous consent of the venturers for strategic, financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method and are recognised initially at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the group's share of the income and expenses and other comprehensive income from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. Adjustments are made to align the accounting policies to the group.

The purpose of the investment determines where the profits and losses arising from the investment is presented in the income statement. When entities are formed to share risk in executing a project or are closely related to Aker Solutions operating activities, the share of the profit or loss is reported as part of Other income in operating profit. Share of the profit or loss on financial investments is reported as part of Financial items.

When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and further losses are not recognised except to the extent that the group incurred legal or constructive obligations or has made payments on behalf of the investee.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Assets held for sale or distribution
Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale or distribution in its present condition. Management must be committed to the sale or distribution, which should be expected to qualify for recognition as a completed sale or distribution within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale or distribution are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale or distribution are not depreciated or amortized, but are considered in the overall impairment testing of the disposal group.

No reclassifications are made for years prior to the year a business is first classified as a held for sale or distribution.

Discontinued operations
A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

In the consolidated income statement income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

The statement of cashflow includes the cashflow from discontinued operations. Cashflows attributable to the operating and investing activities of discontinued operations are presented in the notes.

Foreign currency
Foreign currency transactions and balances
Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate on that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rates on the date the fair value was determined.

Investments in foreign operations
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The results and financial position of all the group entities that have a functional currency different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments, for each balance sheet presented are translated at the closing rate on the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates for the year, calculated on the basis of 12 monthly rates.

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges, are included in comprehensive income as a translation reserve. These translation differences are reclassified to the income statement upon disposal of the related operations or when settlement is likely to occur in the near future.

Exchange differences arising on a non-current monetary item where settlement in the near future is not probable forms part of the net investment in that entity. Such exchange differences are recognised in comprehensive income.

Financial assets, liabilities and equity
Financial assets and liabilities in the group consists of investments in other companies, trade and other receivables, interest-bearing receivables, cash and cash equivalents, trade and other payables, interest-bearing borrowings and equity.

Other investments
Other investments include equity securities where the group has neither control nor significant influence, usually represented by less than 20 percent of the voting power. The investments are categorised as available-for-sale financial assets and are recognised initially at fair value. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss

accumulated in equity is reclassified to profit and loss. Impairment losses are recognised in the income statement when the decrease in value is significant or prolonged.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Trade and other receivables
Trade receivables are recognised at the original invoiced amount, less an allowance made for doubtful receivables. Other receivables are recognised initially at fair value. Trade and other receivables are valued at amortized cost using the effective interest rate method. The interest rate element is disregarded if insignificant, which is the case for the majority of the group's trade receivables.

Current interest-bearing receivables
Current interest bearing receivables include bonds, securities and mutual funds with short-term maturity. These assets are designated upon initial recognition as at fair value through profit and loss.

Non-current interest-bearing receivables
Interest bearing receivables include loans to related parties and other receivables with fixed or determinable payments that are not quoted in an active market. Such financial assets are recognised initially at fair value and subsequent measurement at amortized cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, demand deposits held at banks and other short-term highly liquid investments with original maturity of three months or less.

Trade and other payables
Trade payables are recognised at the original invoiced amount. Other payables are recognised initially at fair value. Trade and other payables are valued at amortized cost using the effective interest rate method. The interest rate element is disregarded if it is insignificant, which is the case for the majority of the group's trade payables.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Share capital
Ordinary shares are classified as equity. Repurchase of share capital is recognised as a reduction in equity and is classified as treasury shares.

Derivative financial instruments
The group uses derivative financial instruments such as currency forward contracts, currency options and interest rate swaps to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. The group also has embedded foreign exchange derivatives which have been separated from their ordinary commercial contracts. Derivative financial instruments are recognised initially at fair value. Derivatives are subsequently measured at fair value, and changes in fair value as accounted for as described below.

Cashflow hedges
Hedging of the exposure to variability in cashflows that is attributable to a particular risk or a highly probable future cashflow is defined as cashflow hedges. The effective portion of changes in the fair value is recognised in other comprehensive income as a hedge reserve. The gain or loss relating to the ineffective portion of derivative hedging instruments is recognised immediately in the income statement within Finance income and expense. Amounts accumulated in hedge reserves are reclassified to the income statement in the periods when the hedged item is recognised in the income statement.

Hedge accounting is discontinued when the group revokes the hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in comprehensive income as a hedge reserve at that time remains in the hedge reserve and is recognised in income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in the hedge reserve is recognised immediately in the income statement.

Fair value hedges
Hedging of the exposure to changes in fair value of an asset, liability or commitment that is attributable to a particular risk is defined as fair value hedges. The change in fair value of the hedging instrument is recognised in the income statement. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with corresponding gain or loss recognised in the income statement.

Net investment hedges
A hedge of a net investment in a foreign operation is accounted for similarly to cashflow hedges. Gains or losses arising from the hedging instruments relating to the effective portions of the net investment hedges are recognised in other comprehensive income as translation reserves. These translation reserves are reclassified to the income statement upon disposal of the hedged net investments, offsetting the translation differences from these net investments. Any ineffective portion is recognised immediately in the income statement within net financial items. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Embedded derivatives
An embedded derivative is any contract embedded in a host contract which meets the definition of a derivative. Under certain conditions the embedded derivative must be separated from its host contract and the derivative is then to be recognised and measured as any other derivative in the financial statements. Normally, this is when settlement for a commercial contract is denominated in a currency different from any of the major contract parties' own functional currency. Further, the group also has loans to other companies that can be converted to shares in the company. Changes in the fair value of separated embedded derivatives are recognised immediately in the income statement. All foreign currency exposure is hedged, so the hedging instrument to the embedded derivative will also have corresponding opposite fair value changes in the income statement.

Financial income and expense
Financial income and expense includes interest income and expense on financial assets and liabilities, foreign exchange gains and losses, dividend income and gains and losses on derivatives. Interest income and expenses includes calculated interest using the effective interest method, in addition to discounting effects from assets and liabilities measured at fair value. Gains and losses on derivatives include effects from derivatives that do not qualify for hedge accounting and embedded derivatives, in addition to the ineffective portion of qualifying hedges.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Revenue recognition
Construction contracts
Construction contract revenues are recognized using the percentage of completion method. Stage of completion is determined by the method that measures reliably the work performed. Depending on the nature of the contract, the two main methods used by Aker Solutions to assess stage of completion are:

- Technical completion, or
- contract costs incurred to date compared to estimated total contract costs.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognized only to the extent of costs incurred that are expected to be recoverable. The revenue recognized in one period will be the revenues attributable to the period's progress and the progress to date effect of any changes to the estimated final outcome. Losses on contracts are fully recognized when identified.

Contract revenues include variation orders and incentive bonuses when it is probable that they will result in revenue that can be measured reliably. Disputed amounts and claims are only recognised when negotiations have reached an advanced stage, customer acceptance is highly likely and the amounts can be measured reliably. Options for additional assets are included in the contract when exercised by the buyer. In the rare circumstances that the option is a loss contract, the full loss is recognised when it is probable that the options will be exercised.

See note 4 Accounting estimates and judgements for further description of recognition of construction contract revenue.

Goods sold and services rendered
Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, which is usually when goods are shipped to customers. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date or is invoiced based on hours performed at agreed rates. The stage of completion is normally assessed based on the proportion of costs incurred for work performed to date compared to the estimated total contract costs. No revenue is recognised if there is significant uncertainty regarding recovery of consideration due.

Lease income
Revenue from time charters and bareboat charters are recognised daily over the term of the charter. The company does not recognise revenue during days that the vessel is off-hire.

Other rental income from operating leases is recognised as revenue on a straight-line basis over the term of the relevant lease.

Other income
Gains and losses resulting from acquisition and disposal of businesses which do not represent discontinued operations are included in Other income within operating profit. Such gains may result from the remeasurement of a previously held interest in the acquired entity. Changes in the fair value of the contingent consideration from acquisition of a subsidiary or non-controlling interest are recognised in Other income as gains or losses.

Share of profit from associated companies and jointly controlled operations, to the extent that these investments are related to the group's operating activities, are included in Other income within operating profit, as well as gains and losses related to the sale of operating assets.

Other income also includes lease income from investment property.

Expenses
Construction contracts
Contract costs include costs that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed. Bidding costs are capitalized when it is probable that the company will obtain the contract. All other bidding costs are expensed as incurred.

See note 4 Accounting estimates and judgements for further description of recognition of construction contract costs.

Lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Any lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Share purchase programme for employees
Aker Solutions employees participate in a share purchase programme whereby an employee can buy Aker Solutions shares at a discount.

Prior year's programmes also have an element of bonus shares, whereby an employee who is still employed by the group and still holds the shares in September one and a half years after the close of each annual savings programme, will receive one bonus share for each two shares bought under the programme. The discount the employees receive upon purchase of the shares is expensed as salary costs immediately. The value of the bonus shares is expensed over the vesting period based on the fair value of each award, adjusted for estimated forfeitures. At year end 2013 all such programmes with element of bonus shares have been terminated.

Income tax
Income tax in the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends, recognised at the same time as the liability to pay the related dividend.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not recognised for:

- goodwill not deductible for tax purpose.
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.
- differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Construction work in progress
Construction work in progress represents the aggregate amount of costs incurred and recognised profits, less the sum of recognised losses and progress billings. The presentation in the balance sheet of the construction work in progress depends on the financial status of the individual projects. All projects with net amounts due from customers are summarised in the balance sheet and presented as an asset, and all projects with net amounts due to customers are summarised and presented as a liability in the balance sheet. Advances are presented separately as such advances represent payments from customers in excess of the work performed.

Inventories
Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment
Trade and other receivables
Provision is made when there is objective evidence that the group will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Available-for-sale financial assets
Equity investments classified as available-for-sale are considered to be impaired when there is a significant or prolonged decline in fair value of the investment below its cost. Any subsequent increase in value on available-for-sale assets is considered to be a revaluation and is recognized in other comprehensive income.

Other financial assets
The recoverable amount of receivables carried at amortized cost are calculated as the present value of estimated future cashflows, discounted at the original effective interest rate (the effective interest rate computed at initial recognition of the financial assets). Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cashflows of the financial assets that can be reliably estimated.

Non-financial assets
The carrying amounts of the group's assets, other than employee benefit assets, inventories, deferred tax assets and derivatives are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. Cash-generating units (CGU) containing goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss recognised in respect of CGU is allocated first to goodwill and then to the other assets in the unit (group of units) on a pro rata basis.

An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount, and the change can be objectively related to an event occurring after the impairment was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the group has a present obligation as a result of a past event that can be estimated reliably and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cashflows at a market based pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the liability-specific risks.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the cost of interest on qualifying assets, production overheads and the estimated costs of dismantling and removing the assets and restoring the site on which they are located.

If components of property, plant and equipment have different useful lives, they are accounted for as separate components.

Investment property

Investment property is carried at its cost less accumulated depreciation and impairment losses.

Leased assets

Leases where the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of the asset's fair value or the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs

The group capitalizes the cost of a replacement part or a component of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation

Depreciation is normally recognised on a straight-line basis over the estimated useful lives of property, plant and equipment. The production unit method is used for depreciation in limited circumstances when appropriate.

Intangible assets

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Business combinations.
Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

When the group disposes of an operation within a CGU or group of CGUs to which goodwill has been allocated, a portion of the goodwill is included in the carrying amount of the operation when determining the gain or loss on disposal. The portion of the goodwill allocated is measured based on the relative values of the operation disposed of and the portion of the CGU retained at the date of partial disposal, unless it can be demonstrated that another method better reflects the goodwill associated with the operation disposed of. The same principle is used for allocation of goodwill when the group reorganises its businesses.

Research and development

Expenditures on research activities undertaken with the prospect of obtaining new scientific or technical knowledge and understanding is recognised in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized include the cost of materials, direct labour overhead costs that are directly attributable to preparing the asset for it intended use and capitalized interest on qualifying assets. Other development expenditures are recognised in the income statement as an expense as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

Other intangible assets

Acquired intangible assets are stated at cost less accumulated amortization and impairment losses.

Subsequent expenditures

Subsequent expenditures on capitalized intangible assets are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are expensed as incurred.

Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortized from the date they are available for use.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plans

The group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the balance sheet date on government bonds or high-quality corporate bonds with maturities consistent with the terms of the obligations.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Share-based payment transactions

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014. None of these are expected to have a significant effect on the consolidated financial statements of the group:

- IFRS 11 Joint Arrangements becomes mandatory for the group's 2014 consolidated financial statements. The new standard will not have a significant effect on the consolidated financial statements of the group.
- IFRS 10 Consolidated Financial Statement becomes mandatory for the group's 2014 consolidated financial statements. Adoption of this IFRS will not affect the group's financial statements directly, but indirectly through Aker ASA's revised assessment that they have control of Kvaerner ASA and Aker Solutions ASA under the new standard. Following this change, Kvaerner will be reported as a related party of Aker Solutions as from 2014.
- IFRS 12 Disclosure of Interests in Other Entities become mandatory for the group's 2014 consolidated financial statements. The extent of the impact on disclosures has not been concluded yet, however, it is not expected to be material.
- IFRS 9 Financial instruments becomes mandatory for the group's 2015 consolidated financial statements. The new standard can change the classification and measurement of financial assets. The group does not plan to adopt this standard early and the extent of the impact has not been determined.

Note 4 Accounting estimates and judgements

Estimates and judgements are continually reviewed and are based on historical experiences and expectations of future events. The resulting accounting estimates will, by definition, seldom accurately match actual results, but are based on the best estimate at the time. Estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition
The percentage-of-completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed.

The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders, claims and incentive payments which are recognized when, in the group's judgement, it is probable that they will result in revenue and are measurable. This assessment is adjusted by management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. In many projects there are frequent changes in scope of work resulting in a number of variation orders. Normally the contracts with customers include procedures for presentation of and agreement of variation orders. At any point in time, there will be unapproved variation orders and claims included in the project revenue where recovery is assessed as probable and other criteria are met. Even though management has extensive experience in assessing the outcome of such negotiations, uncertainties exist.

Remaining project costs depend on productivity factors and the cost of inputs. Weather conditions, the performance of subcontractors and others with an impact on schedules, commodity prices and currency rates can all affect cost estimates. Experience, systematic use of the project execution model and focus on core competencies reduce, but do not eliminate, the risk that estimates may change significantly. A risk contingency is included in project cost based on the risk register that is prepared for every project.

Progress measurement based on costs has an inherent risk related to the cost estimate as described above. In situations where cost is not seen to properly reflect actual progress, alternative measures such as hours or physical progress are used to achieve more precise revenue recognition. The estimation uncertainty during the early stages of a contract is mitigated by a policy of normally not recognizing revenue in excess of costs on large lump sum projects before the contract reaches 20 percent completion. However, management can on a project-by-project basis give approval of earlier recognition if cost estimates are certain, typically in situations of repeat projects, proven technology or proven execution model.

Warranties
A provision is made for expected warranty expenditures. The warranty period is normally two years. Based on experience, the provision is often set at one percent of the contract value, but can also be a higher or lower amount following a specific evaluation of the actual circumstances for each contract. Both the general one percent provision and the evaluation of project specific circumstances are based on experience from earlier projects. Factors that could affect the estimated warranty cost include the group's quality initiatives and project execution model. Reference is made to note 21 Provisions for further information about provisions for warranty expenditures on delivered projects.

Property, plant and equipment and intangible assets
At every balance sheet date, the group considers whether there are indications of impairment on the book values of long-term assets. If such indications exist, a valuation is performed to assess whether or not the asset should be written down for impairment. Such valuations will often have to be based on estimates of future results for a number of cash generating units. References are made to note 23 Property, plant and equipment and note 24 Intangible assets.

Goodwill
In accordance with the stated accounting policy, the group tests annually whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and are consistent with the market valuation of the group. Further details about goodwill and impairment reviews are included in note 24 Intangible assets.

Income taxes
The group is subject to income taxes in numerous jurisdictions. Significant judgement is required to determine the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Provisions for anticipated tax audit issues are based on estimates of eventual additional taxes.

Income tax expense is calculated based on reported income in the different legal entities. Deferred income tax expense is calculated based on the differences between the assets' carrying value for financial reporting purposes and their respective tax basis that are considered temporary in nature. The total amount of income tax expense and allocation between current and deferred income tax requires management's interpretation of complex tax laws and regulations in the many tax jurisdictions where Aker Solutions operates.

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the near future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the results for each future reporting period.

Tax authorities in different jurisdictions may challenge calculation of taxes payable from prior periods. Such processes may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change. During the period when tax authorities may challenge the taxable income, management is required to make estimates of the probability and size of possible tax adjustments. Such estimates may change as additional information becomes known. Further details about income taxes are included in note 15 Tax.

Fair value measurement of contingent and deferred consideration
Contingent and deferred consideration resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the deferred and contingent consideration meets the definition of a derivative and thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cashflows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Pension benefits
The present value of the pension obligations depends on a number of factors determined on the basis of actuarial assumptions. These assumptions include financial factors such as the discount rate, expected salary growth, inflation and return on assets as well as demographical factors concerning mortality, employee turnover, disability and early retirement. Assumptions about all these factors are based on the situation at the time the assessment is made. However, it is reasonably certain that such factors will change over the very long periods for which pension calculations are made. Any changes in these assumptions will affect the calculated pension obligations with immediate recognition in other

comprehensive income. Further information about the pension obligations and the assumptions used are included in note 30 Employee benefits - pension.

Legal claims
Given the scope of the group's worldwide operations, group companies are inevitably involved in legal disputes in the course of their activities. Provisions have been made to cover the expected outcome of the disputes in so far as negative outcomes are likely and reliable estimates can be made. However, the final outcome of these cases will always be subject to uncertainties, and resulting liabilities may exceed recorded provisions.

Note 5 Capital management

The objective of Aker Solutions' capital management policy is to maximize value creation for its shareholder through:

- Investing in projects and business areas which will increase the company's Return On Capital Employed (ROCE) over time.
- Optimizing the company's capital structure to ensure both sufficient and timely funding over time to finance its activities at the lowest cost.

To do so, Aker Solutions operates via a long term strategy in most of its business areas which is also in line with the business nature of the offshore industry with most of its contracts lasting up to 5 years.

Investment policy
Aker Solutions' capital management is based on a rigorous investment selection process which considers not only Aker Solutions' weighted average cost of capital and strategic orientation but also external factors such as market expectations and extrinsic risk factors. This selection process is coupled with a centralized approval process for all capital expenditures to be incurred by the group or one of its foreign operations. As a result, Aker Solutions strives to ensure annual dividends of approximately 30-50 percent of the Group's net profit for the year.

Funding policy
Liquidity planning
Aker Solutions has a strong focus on its liquidity situation in order to meet its short term working capital needs and to ensure solvency for its financial obligations long term. The group's internal policy is to have a constant minimum liquidity reserve of NOK 3 billion, including cash and undrawn committed credit facilities. As per end of 2013, this liquidity reserve amounted to NOK 6.7 billion and was mainly composed of an undrawn committed credit facility. In parallel, Aker Solutions has invested significant internal resources to improve and strengthen its cashflow reporting- and forecasting system.

Funding of operations
Aker Solutions' group funding policy implies that all operations shall meet their funding needs directly via Corporate Treasury. This ensures optimal availability and transfer of cash within the group and better control of the company's overall debt as well as cheaper funding for its operations.

Funding duration
Aker Solutions emphasizes financial flexibility and steers its capital structure accordingly to ensure a balance between liquidity risk and refinancing risk. In this perspective, loans and other external borrowings are to be renegotiated well in advance of their due date and the average term to maturity for existing loans is to be at a minimum of two years.

Funding cost
Aker Solutions aims to have a diversified selection of funding sources in order to reach the lowest possible cost of capital. These funding sources include:

- the use of banks based on syndicated credit facilities.
- the issue of debt instruments on the Norwegian capital market.
- the issuance of debt in the foreign capital market.

As per end of 2013, the capital structure of Aker Solutions was 61 percent from bank debt and 39 percent from bonds issued on the Norwegian market.

The group monitors capital on the basis of a gearing ratio (gross debt/EBITDA) and interest coverage ratio (EBITDA/net finance cost). The ratios are calculated from gross debt, including all interest-bearing liabilities as shown in note 32 Financial instruments, EBITDA (earnings before interest, tax, depreciation, amortization and adjusted for certain items as defined in the loan agreement) and finance cost. The reported ratios are well within the requirements in the loan agreements.

Aker Solutions has strict internal guidelines regarding key financial ratios:

- The company's interest coverage ratio must not be less than 3.5 times, calculated from the consolidated EBITDA to consolidated Net Finance Cost.
- The company's gearing ratio shall not exceed 3.5 times and is calculated from the consolidated total borrowings to the consolidated EBITDA.

These guidelines aim at maintaining a strong financial position for Aker Solutions, complying with the company's covenants on its existing debt and maintaining sufficient external credit rating to ensure reliable access to capital over time.

Gearing and interest coverage ratios at December 31[1]

Amounts in NOK million	**2013**	2012
Gearing ratio		
Gross debt	**11 875**	8 267
EBITDA	**4 285**	4 270
Gross debt/EBITDA	**2.8**	1.9
Interest coverage		
EBITDA	**4 285**	4 270
Net finance cost	**664**	438
EBITDA/Net finance cost	**6.5**	9.8

1) Gross debt and EBITDA includes discontinued operations and is also adjusted for certain items as defined in the loan agreement.

Note 6 Financial risk management and exposures

Financial risks
The group is exposed to a variety of financial risks: currency risk, interest rate risk, price risk, credit risk, liquidity risk and capital risk. The market risks affect the group's income or the value of financial instruments held. The objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability of earnings and minimize potential adverse effects on the group's financial performance. Aker Solutions group uses financial derivative instruments to hedge certain risk exposures and aims to apply hedge accounting whenever possible in order to reduce the volatility resulting from the periodic mark-to-market revaluation of financial instruments in the income statement.

Risk management is performed in every project. It is the responsibility of the project managers, in cooperation with the central treasury department (Corporate Treasury), to identify, evaluate and hedge financial risks under policies approved by the Board of Directors. The group has well-established principles for overall risk management, as well as policies for the use of derivatives and financial investments. There has not been any changes in these policies during the year.

Currency risk
The group operates internationally and is exposed to currency risk on commercial transactions, recognized assets and liabilities and net investments in foreign operations. Commercial transactions and recognized assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the group company. The group's exposure to currency risk is primarily to USD, EUR and GBP but also several other currencies.

The Aker Solutions policy requires business units to mitigate currency exposure in any project. Corporate Treasury manages internal exposures by entering into forward contracts or currency options with the financial market place. The Aker Solutions group has a large number of contracts involving foreign currency exposures and the currency risk policy has been well-established for many years.

For segment reporting purposes, each business unit designates all currency hedge contracts with Corporate Treasury as cashflow hedge, fair value hedge, net investment hedge or as an embedded derivative. External foreign exchange contracts are designated at group level as hedges of currency risk on a gross basis. More than 80 percent of the value either qualify for hedge accounting or are embedded derivatives. Non-qualifying hedges are adjusted at group level and included in the "unallocated" part of the segment reporting. See note 22 Derivative financial instruments for information regarding the accounting treatment of hedging and embedded derivatives.

Currency exposure from investments in foreign currencies are only hedged when specifically instructed by management. As of December 31, 2013, the group has one active net investment hedge related to its subsidiary Aker Solutions Cyprus Ltd.

Exposure to currency risk
Estimated forecasted receipts and payments in the table below are calculated based on the group's hedge transactions through the Corporate Treasury department. These are considered to be the best estimate of the currency exposure. The net exposure is managed by the Corporate Treasury department that is allowed to hold positions within an approved trading mandate. This mandate is closely monitored and reported on a daily basis to the management.

	2013			2012		
Amounts in million	USD	EUR	GBP	USD	EUR	GBP
Bank	**(62)**	**(52)**	**(12)**	(107)	(34)	7
Intercompany loans	**178**	**(84)**	**36**	115	(115)	31
External loans	**-**	**(400)**	**-**	-	-	-
Balance sheet exposure	**116**	**(536)**	**24**	8	(149)	38
Estimated forecast receipts from customers	**4 016**	**169**	**184**	3 495	567	164
Estimated forecast payments to vendors	**(1 227)**	**(515)**	**(338)**	(1 408)	(835)	(177)
Cashflow exposure	**2 789**	**(346)**	**(154)**	2 087	(268)	(13)
Forward exchange contracts	**(2 899)**	**883**	**130**	(2 090)	412	(25)
Net exposure	**6**	**1**	**-**	5	(5)	-

Sensitivity analysis
A weakening of EUR, USD and GBP against all other currencies as of December 31 would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and income statement by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Figures for 2013 in the table below only include the effect in income statement and equity for change in currency regarding financial instruments and do not include effect from operating cost and revenue.

	2013		2012	
Amounts in NOK million	Profit (loss) before tax	Equity Increase (decrease)	Profit (loss) before tax	Equity Increase (decrease)
USD (10 percent weakening of NOK)	**(1 556)**	**(1 630)**	(946)	(902)
EUR (10 percent weakening of NOK)	**164**	**299**	110	177
GBP (10 percent weakening of NOK)	**37**	**156**	(7)	-

A 10 percent strengthening of the NOK against the above currencies as of December 31 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant. The sensitivity analysis does not include effects on the consolidated result and equity from changed exchange rates used for consolidation of foreign subsidiaries.

The primary currency-related risk is the risk of reduced competitiveness abroad in the case of a strengthened NOK. This risk relates to future commercial contracts and is not included in the sensitivity analysis above.

Interest rate risk
The group's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the group to cashflow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. However, as these borrowings are measured at amortized cost, interest rate variations do not effect profit and loss when held to maturity. Group policy is to maintain approximately 30-50 percent of its borrowings in fixed rate instruments using interest rate swaps to achieve this when necessary.

As the group has no significant interest-bearing operating assets, operating income and operating cashflows are substantially independent of changes in market interest rates. At year end, approximately 67 percent of NOK 4 400 million in bonds was fixed for the duration of the bonds through interest rate swaps. In addition we have entered into a NOK 375 million floating rate swap for a NOK 750 million term loan (50 percent hedged). The credit facility (nominal NOK 6 billion) was drawn up to NOK 1.65 billion by end of the year (not hedged).

An increase of 100 basis points in interest rates during 2013 would have increased (decreased) equity and profit and loss by the amounts shown on the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect of increase of 100 basis points in interest rates

	2013		2012	
Amounts in NOK million	Profit (loss) before tax	Equity[1] Increase (decrease)	Profit (loss) before tax	Equity[1] Increase (decrease)
Cash and cash equivalents	**16**	**-**	11	-
Interest rate swap	**(9)**	**97**	(8)	42
Non-current interest-bearing receivables	**3**	**-**	7	-
Current interest-bearing receivables	**4**	**-**	6	-
Borrowings	**(86)**	**-**	(43)	-
Cashflow sensitivity (net)	**(72)**	**97**	(27)	42

1) Not including tax effect on hedge reserve or effects to equity that follow directly from the effects to profit and loss.

A decrease of 100 basis points in interest rates during 2013 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

Guarantee obligations
The group has provided the following guarantees on behalf of wholly owned subsidiaries as of December 31 (all obligations are per date of issue):

- Non-financial parent company guarantees related to project performance on behalf of group companies are NOK 75.4 billion (NOK 68.8 billion in 2012).
- Financial parent company indemnity guarantees for fulfillment of lease obligations are NOK 1.2 billion (NOK 2.5 billion in 2012).
- Financial guarantees including counter guarantees for bank/surety bonds and guarantees for pension obligations to employees are NOK 6.8 billion (NOK 6.3 billion in 2012).
- Indemnity under financial agreements on behalf of Aker DOF Deepwater AS are NOK 560 million (NOK 576 million in 2012).

Price risk
The group is exposed to fluctuations in market prices both in the investment portfolio and in the operating businesses related to individual contracts.

The investment portfolio is limited, and the group currently only holds one investment in listed companies (Ezra), see note 27 Other investments.

The businesses may be exposed to changes in market price for raw materials, equipment and development in wages. This is managed in the bid process by locking in committed prices from vendors as basis for offers to customers or through escalation clauses with customers.

Credit risk
Credit risk is the risk of financial losses to the group if customer or counterparty to financial investments/instruments fail to meet contractual obligations, and arise principally from investment securities and receivables. Investment securities and derivatives are only traded against approved banks. All approved banks are participants in the Aker Solutions loan syndicate and have investment grade ratings. Credit risk related to investment securities and derivatives is therefore considered to be insignificant.

Assessment of credit risk related to customers and subcontractors is an important requirement in the bid phase and throughout the contract period. Such assessments are based on credit ratings, income statement and balance sheet reviews and using credit assessment tools available (e.g. Dun & Bradstreet and Credit Watch). Sales to customers are settled in cash.

Based on estimates of incurred losses in respect of trade and other receivables, the group establishes a provision for impairment losses. Provision for loss on debtors are based on individual assessments. Provisions for loss on receivables were NOK 100 million in 2013 (NOK 67 million in 2012). Revenues are mainly related to large and long-term projects closely followed up in terms of payments up front and in accordance with agreed milestones. Normally, lack of payments are due to disagreements related to project deliveries and are solved together with the customer or escalated to the local authority. The customers are mainly large and highly reputable oil companies with a low credit risk, which reduces the credit risk significantly. Based on the above the group's credit risk is considered to be insignificant.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets, see carrying amounts in note 32 Financial instruments. The group does not hold collateral as security.

Aker Solutions ASA provides parent company guarantees to group companies. For further information, see note 10 Guarantees in the Aker Solutions ASA's accounts.

Liquidity risk
Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity reserves to meet its liabilities when due.

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Corporate Treasury maintains flexibility in funding by maintaining availability under committed credit lines, see note 28 Borrowings.

Management monitors rolling weekly and monthly forecasts of the group's liquidity reserve on the basis of expected cashflow. For information regarding capital expenditures and net operating assets, see note 9 Operating segments.

Financial liabilities and the period in which they mature

2013

Amounts in NOK million	*Note*	Book value	Total undiscounted cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	28	**(11 316)**	**(12 335)**	(4 927)	(911)	(3 081)	(2 366)	(1 049)
Other non-current liabilities	29	**(356)**	**(356)**	-	-	(148)	(142)	(65)
Net derivative financial instruments	22	**710**	**710**	313	166	259	(25)	(3)
Trade and other payables	20	**(17 409)**	**(17 409)**	(13 057)	(4 352)	-	-	-
Total financial liabilities		**(28 371)**	**(29 390)**	**(17 671)**	**(5 097)**	**(2 970)**	**(2 533)**	**(1 117)**
Financial guarantees		**(8 223)**	**(8 223)**	(1 141)	(306)	(1 255)	(3 439)	(2 082)

2012

Amounts in NOK million	*Note*	Book value	Total undiscounted cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	28	(7 691)	(8 904)	(2 094)	(209)	(2 955)	(2 524)	(1 122)
Other non-current liabilities	29	(415)	(458)	-	(23)	(181)	(128)	(126)
Net derivative financial instruments	22	167	167	133	57	35	(54)	(4)
Trade and other payables	20	(16 012)	(16 013)	(11 993)	(3 998)	(22)	-	-
Total financial liabilities		(23 951)	(25 208)	(13 954)	(4 173)	(3 123)	(2 706)	(1 252)
Financial guarantees		(8 780)	(8 780)	(1 427)	(1 104)	(1 078)	(3 020)	(2 151)

[1]) *Nominal currency value including interest.*

The group policy for the purpose of optimizing availability and flexibility of cash within the group is to operate centrally managed cash pooling arrangements. Such arrangements are either organized with a bank as a service provider, or as a part of the operation of Corporate Treasury. An important condition for the participants (business units) in such cash pooling arrangements is that the group as an owner of such pools is financially viable and is able to prove its capability to service its obligations concerning repayment of any net deposits made by business units.

Note 7 Business combinations and acquisitions of subsidiaries

The following significant business combinations have taken place in 2013:

Enovate Systems Ltd
On February 26, 2013, Aker Solutions entered into an agreement to allow it to acquire 100 percent of the shares and voting rights of Enovate Systems Ltd, a leading technology company within subsea well control equipment. The company has cooperated with Aker Solutions for several years, specifically within the subsea and the oilfield services and marine assets business area. The company has 62 employees. The acquired business is included in Subsea business area. GBP 71.4 million was paid in consideration for the shares. Transaction costs related to the acquisition amounts to NOK 9 million. Goodwill resulting from the transaction is mainly attributable to the value of the assembled workforce and expected synergies.

Managed Pressure Operations International Ltd
On February 26, 2013, Aker Solutions acquired 100 percent of the shares and voting rights of Managed Pressure Operations International Ltd (MPO), a company that has successfully developed the next generation of continuous circulation, riser gas handling and managed pressure drilling systems. The company currently employs 100 people. The acquired business is included in Drilling Technologies business area. USD 67.8 million was paid in consideration for the shares and repayment of debt at the transaction date. Transaction costs related to the acquisition amounts to NOK 5 million. Goodwill resulting from the transaction is mainly attributable to the value of the assembled workforce and expected synergies.

Opus Maxim Ltd
On August 31, 2013, Aker Solutions acquired 100 percent of the shares and voting rights of Opus Maxim Ltd (Opus). The company has 25 employees. Opus offers process solutions to optimize performance and environmental efficiency of oil and gas production facilities. The acquired business is included in Process Systems business area. GBP 12.8 million was paid in consideration for the shares. In addition comes a deferred payment of maximum GBP 1 million over three years tied to profitability of the stand-alone business (calculated as 3 percent of accumulated revenue). Transaction costs related to the acquisition amounts to NOK 3 million. Goodwill resulting from the transaction is mainly attributable to the value of the assembled workforce and expected synergies.

Values at time of acquisition for all business combinations

Amounts in NOK million	MPO	Enovate	Opus	Other	**Total**
Property, plant and equipment	92	15	3	-	**110**
Intangible assets	227	113	28	18	**386**
Current operating assets	49	38	21	1	**109**
Cash and cash equivalents	10	26	16	1	**53**
Deferred tax liabilities	(62)	(21)	(7)	(4)	**(94)**
Current operating liabilities	(47)	(45)	(12)	-	**(104)**
Non-current liabilities	(22)	(7)	-	-	**(29)**
Net assets acquired at fair value	**247**	**119**	**49**	**16**	**431**
Goodwill	137	490	78	19	**724**
Fair value acquired	**384**	**609**	**127**	**35**	**1 155**
Total consideration	317	609	127	35	**1 088**
Repayment of external debt at transaction date	67	-	-	-	**67**
Contingent consideration (earn-out)	-	-	(6)	(11)	**(17)**
Net cash consideration	384	609	121	24	**1 138**
Cash and cash equivalents acquired	10	26	16	1	**53**
Net cash outflow	**374**	**583**	**105**	**23**	**1 085**
Operating revenue in acquired subsidiaries after acquisition	233	71	12	2	**318**
Profit for the period in acquired subsidiaries after acquisition	(37)	(20)	-	(1)	**(58)**

If the acquisitions had taken place at the beginning of the 2013, operating revenue in the group would have been increased by NOK 404 million and net profit would have been decreased by NOK 72 million.

Summary of net cashflow for acquisition of subsidiaries in 2013

Amounts in NOK million	**Total**
Net cash paid for business combinations in 2013	**1 085**
Deferred considerations paid related to acquisitions made prior years	**51**
Acquisition of subsidiaries, net of cash acquired	**1 136**

Note 8 Discontinued operations and disposal groups held for sale

Mooring and loading systems business
On October 30, 2013, Aker Solutions agreed to sell its mooring and loading systems business (MLS) to Cargotec. The unit, known for the Pusnes brand name, provides mooring equipment, loading and off-loading systems, as well as deck machinery for the global offshore and shipping markets. The division employs about 370 people in Europe, Asia and the Americas and has its main office in Arendal, Norway. The transaction was completed on January 30, 2014, see note 36 Subsequent events.

The business area MLS has previously been included in the operating segment Product Solutions. As of December 31, 2013, MLS is classified as a disposal group held for sale, including allocated goodwill of NOK 199 million, and accounted for as discontinued operations as it represents a separate major line of business.

Well-intervention services businesses
On November 22, 2013, Aker Solutions agreed to sell its well intervention services businesses (WIS) to EQT. The business provides services that optimize flows from oil reservoirs. It is strongly positioned within wire line tractor services, which are used to transport well-intervention equipment along horizontal wells, as well as coiled tubing. Its main markets are in the UK and Norway. The division has about 1 500 employees in Europe, Asia, the US and the Middle East. The transaction was completed on January 9, 2014, see note 36 Subsequent events.

The business area WIS has previously been included in the operating segment Field Life Solutions. As of December 31, 2013, WIS is classified as a disposal group held for sale, including allocated goodwill of NOK 454 million, and accounted for as discontinued operations as it represents a separate major line of business.

Results from discontinued operations

Amounts in NOK million	**2013**	2012
Revenue	**3 438**	3 292
Operating expenses	**(3 058)**	(2 996)
Financial items	**(10)**	(7)
Profit before tax	**370**	289
Tax	**(108)**	(89)
Net profit from operating activities	**262**	200
Profit from discontinued operations attributable to owners of Aker Solutions	**260**	200
Profit from continuing operations attributable to owners of Aker Solutions	**997**	2 049

Earnings per share of discontinued operations

Amounts in NOK	**2013**	2012
Basic earnings per share from discontinued operations	**0.95**	0.66
Diluted earnings per share from discontinued operations	**0.96**	0.66

Accounts Aker Solutions Group

Cashflow from discontinued operations

Amounts in NOK million	**2013**	2012
Operating cashflow	**469**	409
Investing cashflow	**(300)**	(367)
Net cash inflow	**169**	42

Disposal groups classified as held for sale as of December 31, 2013

Amounts in NOK million	MLS	WIS	**Total**
Intangibles	238	528	**766**
Deferred tax assets	2	19	**21**
Property, plant and equipment	76	1 416	**1 492**
Trade receivables	164	382	**546**
Other current assets	315	297	**612**
Assets held for sale	795	2 642	**3 437**
Non-current liabilities	65	99	**164**
Trade payables	112	130	**242**
Other current liabilities	267	280	**547**
Liabilities held for sale	444	509	**953**
Cumulative income included in Other comprehensive income	5	15	**20**

The disposal groups held for sale also had receivables and liabilities to other Aker Solutions entities. These assets and liabilities have been eliminated in the group's financial statements.

Note 9 Operating segments

Aker Solutions has three reportable segments which are the strategic business units of the group. The strategic business units are managed separately and offer different products and services due to different market segments and different strategies for their projects, products and services.

The following summary describes the operations in each of Aker Solutions' reportable segments:

Engineering Solutions
Aker Solutions provides concept and front-end studies to oil companies around the world. Its concepts, competence and experience are particularly relevant for complex oil and gas field developments in harsh environment and for deep waters where floating production units are typically required.

Product Solutions
Aker Solutions delivers oilfield products for the entire upstream value chain, from reservoir through processing. The segment includes the following business areas: Subsea, Drilling, Umbilicals and Process Systems. Within each business area, Aker Solutions delivers individual products or provides integrated systems with high engineering contents. Life-cycle services are also available as part of the total offering.

Field-Life Solutions
Aker Solutions offers a wide range of services, which has the ultimate objective to increase oil and gas recovery from existing fields and extend the operating life of field assets. The Field-Life Solutions segment consists of two business areas: Maintenance, Modifications and Operations and Oilfield Services and Marine Assets.

Measurement of segment performance
Segment performance is measured by operating profit before depreciation, amortization and impairment (EBITDA) and operating profit (EBIT), as included in the internal management reports that are reviewed by the group's CEO (the chief operating decision maker). Segment profit, together with key financial information as described below, gives the CEO relevant information in evaluating the results of the operating segments and is relevant in evaluating the results of the segments relative to other entities operating within these industries. Inter-segment pricing is determined on an arm's length basis.

There are varying levels of integration between the business areas, which all deliver products and services to customers within the oil and gas industry globally and where the group's expertise and products can be exploited in interaction with each other.

The accounting policies of the reportable segments are the same as described in note 2 Basis of preparation and note 3 Accounting principles, except for hedge accounting. When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against Corporate Treasury and hedge accounting is applied independently of whether the hedge qualify for hedge accounting in accordance with IFRS. The correction of the non-qualifying hedges to secure that the consolidated financial statements are in accordance with IFRS is made as an adjustment at corporate level. This means that the group's segment reporting reflect all hedges as qualifying even though they may not qualify in accordance with IFRS.

Accounts Aker Solutions Group

2013

Amounts in NOK million	*Note*	Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Intra-group eliminations	Total
Income statement								
Construction contracts	19	18 639	5 403	1 644	25 686	-	-	**25 686**
Services revenue		6 247	6 113	1 921	14 281	722	-	**15 003**
Products		1 797	-	48	1 845	-	-	**1 845**
Other		149	7	-	156	210	-	**366**
Total external revenue and other income		26 832	11 523	3 613	41 968	932	-	**42 900**
Inter-segment revenue		483	438	255	1 176	4 636	(5 812)	**-**
Total operating revenue and other income		**27 315**	**11 961**	**3 868**	**43 144**	**5 568**	**(5 812)**	**42 900**
EBITDA		2 534	756	254	3 544	(41)	-	**3 503**
Depreciation and amortization	23, 24	(651)	(374)	(44)	(1 069)	(167)	-	**(1 236)**
Impairment	23, 24	(15)	(367)	-	(382)	-	-	**(382)**
EBIT		**1 868**	**15**	**210**	**2 093**	**(208)**	**-**	**1 885**
Profit (loss) from equity-accounted investees[1]	26	**3**	**(26)**	**-**	**(23)**	**2**		**(21)**

[1] *NOK 5 million is recognized in Other income.*

Amounts in NOK million	*Note*	Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Intra-group eliminations	Total
Assets								
Current operating assets		17 769	2 694	860	21 323	1 437	(1 024)	**21 736**
Non-current operating assets		9 933	5 290	1 073	16 296	1 923	-	**18 219**
Equity-accounted investees	26	-	387	-	387	53	-	**440**
Operating assets		**27 702**	**8 371**	**1 933**	**38 006**	**3 413**	**(1 024)**	**40 395**
Liabilities								
Current operating liabilities		14 635	3 151	870	18 656	1 507	(1 024)	**19 139**
Non-current operating liabilities		307	243	151	701	47	-	**748**
Operating liabilities		**14 942**	**3 394**	**1 021**	**19 357**	**1 554**	**(1 024)**	**19 887**
Net current operating assets		3 134	(457)	(10)	2 667	(70)		**2 597**
Net capital employed		10 721	5 511	602	16 834	2 557		**19 391**
Cashflow								
Cashflow from operating activities		2 270	374	384	3 028	(420)	-	**2 608**
Acquisition of property, plant and equipment	23	(1 336)	(674)	(235)	(2 245)	(131)	-	**(2 376)**
Additions of other non-current assets		727	24	39	790	-	-	**790**
Order intake (unaudited)		41 041	13 510	4 195	58 746	5 811	(6 692)	**57 865**
Order backlog (unaudited)		38 313	17 947	2 926	59 186	277	(1 331)	**58 132**
Employees incl. contracts		14 498	7 585	3 459	25 542	1 757		**27 299**

Accounts Aker Solutions Group

2012

Amounts in NOK million	Note	Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Intra-group eliminations	Total
Income statement								
Construction contracts	19	16 752	5 588	2 631	24 971	-	-	24 971
Services revenue		5 015	6 066	1 654	12 735	980	-	13 715
Products		2 106	-	-	2 106	-	-	2 106
Other		82	68	-	150	690	-	840
Total external revenue and other income		23 955	11 722	4 285	39 962	1 670	-	41 632
Inter-segment revenue		280	367	223	870	4 115	(4 985)	-
Total operating revenue and other income		24 235	12 089	4 508	40 832	5 785	(4 985)	41 632
EBITDA		2 178	1 134	499	3 811	360	-	4 171
Depreciation and amortization	23, 24	(456)	(297)	(34)	(787)	(108)	-	(895)
EBIT		1 722	837	465	3 024	252	-	3 276
Profit (loss) from equity-accounted investees[1]	26	-	19	-	19	-	-	19

[1] *NOK 10 million is recognized in Other income.*

Amounts in NOK million	Note	Product Solutions	Field-Life Solutions	Engineering Solutions	Total operating segments	Other	Intra-group eliminations	Total
Assets								
Current operating assets		14 281	2 546	952	17 779	1 315	(714)	18 380
Non-current operating assets		6 952	5 284	810	13 046	1 922	-	14 968
Equity-accounted investees	26	12	217	-	229	26	-	255
Operating assets		21 245	8 047	1 762	31 054	3 263	(714)	33 603
Liabilities								
Current operating liabilities		11 781	3 245	771	15 797	1 751	(714)	16 834
Non-current operating liabilities		260	212	137	609	144	-	753
Operating liabilities		12 041	3 457	908	16 406	1 895	(714)	17 587
Net current operating assets		2 500	(699)	181	1 982	(436)	-	1 546
Net capital employed		7 013	3 911	548	11 472	3 681	-	15 153
Cashflow								
Cashflow from operating activities		686	858	194	1 738	(364)	-	1 374
Acquisition of property, plant and equipment	23	(1 017)	(1 087)	(50)	(2 154)	(431)	-	(2 585)
Additions of other non-current assets		503	3	28	534	-	-	534
Order intake (unaudited)		28 504	25 205	3 507	57 216	5 376	(5 777)	56 815
Order backlog (unaudited)		24 998	27 108	2 549	54 655	(9)	(1 201)	53 445
Employees incl. contracts		12 603	8 198	3 426	24 227	1 440		25 667

Reconciliations of information on reportable segments to IFRS measures

Amounts in NOK million	*Note*	**2013**	2012
Assets			
Total segment assets		**41 378**	34 279
Tax-related assets	15	**706**	638
Other investments	27	**645**	569
Cash and interest-bearing receivables	16	**3 015**	2 307
Discontinued operations	8	**3 437**	3 136
Elimination of intra-group assets		**(1 024)**	(714)
Consolidated assets		**48 157**	40 215
Liabilities			
Total segment liabilities		**20 887**	18 263
Tax-related liabilities	15	**2 114**	1 865
Net interest-bearing borrowings	28	**11 316**	7 691
Other non-current liabilities	29	**356**	415
Discontinued operations	8	**953**	715
Elimination of intra-group liabilities		**(1 024)**	(714)
Consolidated liabilities		**34 602**	28 235

Amounts	Cashflow from operating activities		Acquisition of property, plant and equipment		Additions of other non-current assets	
in NOK million	**2013**	2012	**2013**	2012	**2013**	2012
Total segments	**2 608**	1 374	**2 376**	2 585	**790**	534
Discontinued	**470**	409	**275**	376	**31**	18
Consolidated totals	**3 078**	1 783	**2 651**	2 961	**821**	552

Major customers

Revenue from one customer to all segments represents approximately NOK 10.4 billion (NOK 12.3 billion in 2012) of the group's total revenue.

Geographical information

Geographical revenue is presented on the basis of geographical location of customers. Non-current segment assets and capital expenditures are based on the geographical location of the assets. No single country has revenues or non-current assets higher than 10 percent of the group except Norway.

Amounts	Operating revenue and other income		Non-current assets		Capital expenditure	
in NOK million	**2013**	2012	**2013**	2012	**2013**	2012
Norway	**21 094**	22 782	**12 058**	10 997	**1 047**	1 639
Europe	**3 513**	4 141	**4 052**	2 473	**448**	209
North America	**3 194**	2 828	**667**	607	**96**	101
South America	**2 460**	1 817	**653**	575	**139**	192
Asia	**8 099**	6 809	**1 803**	1 089	**616**	428
Australia	**1 826**	1 314	**34**	26	**13**	15
Other	**2 714**	1 941	**37**	26	**17**	1
Total	**42 900**	41 632	**19 304**	15 793	**2 376**	2 585

Note 10 Other income

Amounts in NOK million	Note	2013	2012
Accounting gain on acquisitions		**-**	88
Accounting gain on disposals of assets		**23**	-
Decrease (increase) in contingent considerations from business combinations		**35**	64
Gain on disposal of real estate		**3**	324
Rental income investment property	23	**30**	23
Profit (loss) from equity-accounted investees	26	**5**	10
Total Other income		**96**	509

Note 11 Salaries, wages and social security costs

Amounts in NOK million	Note	2013	2012
Salaries and wages including holiday allowance		**11 688**	10 000
Social security tax/National insurance contribution		**1 610**	1 335
Pension cost	30	**607**	525
Other employee costs		**440**	226
Salaries, wages and social security costs		**14 345**	12 086

Loans to employees are shown in note 25 Interest-bearing receivables. No guarantees are granted to any employee.

Share purchase programme for employees
Aker Solutions' share purchase programme in 2013 gave each employee the opportunity to purchase shares of up to NOK 60 000 with a reduction of 25 percent in addition to NOK 1 500. To the extent possible under local law, the shares purchased by each employee were funded by a loan provided by the local employer company. The loan is repaid by salary deductions over a period of 12 months. To encourage a long-term commitment to the company, a three-year lock-up period was part of the arrangement. Approximately 3 587 employees from ten countries participated in the share purchase programme.

Management (the executive chairman and 2-3 levels below) was also invited to take part in a separate management share program allowing eligible managers to purchase shares for an amount equal to 25 percent of their salary with a reduction of 25 percent on the share price.

Board of Directors
The board of directors are elected for two years at the General Meeting. The board of directors did not receive any other fees than those listed in the table below in 2013 or 2012, except for employee representatives who had market based salaries. The members of the board of directors have no agreements that entitle them to any extraordinary remuneration.

The fees in the table below represent what is recognized as expenses in the income statement based on assumptions about fees to be approved at the general assembly in 2014 for 2013 rather than what has been paid in the year.

2013 *Amounts in NOK*	Board meeting attendance	Extraordinary board meeting attendance	Board Risk Commitee	Audit Committee	Board fees
Øyvind Eriksen	10 of 10	1 of 1			6 922 267
Mikael Lilius[1]	3 of 3	0 of 0			220 000
Lone Fønss Schrøder	10 of 10	1 of 1		85 000	332 500
Kjell Inge Røkke	7 of 10	1 of 1			332 500
Anne Drinkwater[1]	10 of 10	1 of 1	45 000	103 333	457 500
Sarah Ryan[1]	8 of 10	1 of 1			509 586
Atle Teigland[2]	10 of 10	1 of 1		85 000	166 250
Åsmund Knutsen[2]	10 of 10	1 of 1	45 000		166 250
Arild Håvik[2]	9 of 10	1 of 1			166 250
Hilde Karlsen[2]	8 of 10	1 of 1			166 250
Stuart Ferguson[1]	10 of 10	1 of 1	80 000		520 000
Koosum Parsotam Kalyan[1]	7 of 7	1 of 1	45 000		162 500
Nicoletta Giadrossi[1]	3 of 3	0 of 0		51 667	170 000
Total			**215 000**	**325 000**	**10 291 853**

2012 *Amounts in NOK*	Board meeting attendance	Extraordinary board meeting attendance	Audit Committee	Board fees
Øyvind Eriksen	11 of 11	2 of 2		6 826 859
Mikael Lilius	10 of 11	1 of 2		415 000
Lone Fønss Schrøder	11 of 11	2 of 2	80 000	315 000
Kjell Inge Røkke	10 of 11	2 of 2		315 000
Anne Drinkwater	11 of 11	2 of 2		390 000
Sarah Ryan[1]	8 of 11	2 of 2		353 000
Atle Teigland[2]	11 of 11	2 of 2	80 000	157 500
Åsmund Knutsen[2]	10 of 11	2 of 2		157 500
Arild Håvik[2]	10 of 11	2 of 2		157 500
Hilde Karlsen[2]	8 of 11	2 of 2		157 500
Nicoletta Giadrossi	7 of 7	2 of 2	77 500	232 500
Stuart Ferguson[1]	7 of 7	2 of 2		232 500
Ida Helliesen	3 of 4	0 of 0	77 500	160 000
Total			315 000	9 869 859

1) *Board fees in 2013 and 2012 includes an allowance of NOK 12 500 per meeting per physical attendance for board members residing outside the Nordic countries.*

2) *According to agreement with and initiative from the employees, NOK 166 500 (NOK 157 500 in 2012) is transferred to the labor union covering occupational activities in the group, for each board member elected from the employees.*

According to policy in Aker, fees to directors employed in Aker companies are paid to the Aker companies, not to the directors in person. Therefore, board fees for Øyvind Eriksen and Nicoletta Giadrossi were paid to Aker ASA. Board fee for Kjell Inge Røkke was paid to The Resource Group. The board fee for Øyvind Eriksen includes the fee for his role as Executive Chairman.

The audit committee
Aker Solutions has an audit committee comprising three of the directors, which held seven meetings in 2013. As of December 31, 2013, the audit committee comprises of Anne Drinkwater (chairperson), Atle Teigland and Lone Fønss Schrøder.

The board risk committee
Aker Solutions has a board risk committee to support the board in overseeing the company's enterprise risk management work. The board risk committee consists of four directors and four meetings were held in 2013. As of December 31, 2013, the board risk committee comprises Stuart Ferguson (chairman), Anne Drinkwater, Åsmund Knutsen and Koosum Parsotam Kalyan.

Guidelines for remuneration to the members of the executive management team
The main purpose of the executive reward programme is to encourage a strong and sustainable performance-based culture, which supports growth in shareholder value. The total remuneration to executives consists of market basic salary, standard employee benefits and variable pay programme.

The President (acting) and the executive management team participate in the standard pension and insurance schemes applicable to all employees. The company practice standard employment contracts and standard terms and conditions regarding notice period and severance pay for the President (acting) and the members of the executive management team. The company does not offer share option programmes to any managers or employees.

The objective of the variable pay programme is to contribute to the company achieving good financial results and leadership according to the company's values and business ethics.

The variable pay programme consists of three parts and is based on the achievement of company KPIs, financial and individual performance objectives, development of the share price of Aker Solutions ASA and conditions on continued employment. The variable pay is earned over a period of three years.

- The first part of the variable pay is earned during the first year and is based on KPIs, financial and individual performance objectives. The maximum value is 66.7 percent of base salary. The executives are paid 50 percent of this variable pay after the first year, and 50 percent is delayed until after the third year.
- The second part is conditional on that the Executive is still employed after three years, where the Executive receives an additional 50 percent of the variable pay as earned the first year. The maximum amount is 30 percent of base salary.
- The third part of the programme is based on the share price after three years and is dependent on the Executive still being employed at that time. The value is based on 50 percent of part one plus 100 percent of part two of the variable pay programme. The sum of these are then multiplied by the percentage increase of the Aker Solutions ASA share price over the change in the general stock index at the Oslo Stock Exchange (OSEBX) over the three year period. The share based payment has a maximum value of 20 percent of base salary at that time.

In addition to the ordinary variable pay programme, the executive management is from time to time granted a discretionary variable pay. There was no discretionary pay expense in 2012 and 2013.

The remuneration to the executive management team in 2013 was according to guidelines of the company.

Remuneration to members of the executive management team
The remuneration of the executive management team for 2013 and 2012 is shown in the table below. The salary figures represents what is paid out in the period rather than what is expensed in the year. This is a change from prior year were expensed figures were used. The 2012 figures are restated.

Accounts Aker Solutions Group

2013

Amounts in NOK	Job title	Period	Base salary[1]	Variable pay[2]	Other benefits[3,5]	Total taxable remuneration	Pension benefit earned/cost to company[4]
Leif Hejø Borge	President & CFO	January 1 - December 31	4 344 891	2 304 734	57 482	6 707 107	138 648
Alan Brunnen	Head of Subsea	January 1 - December 31	2 464 019	1 485 320	8 423	3 957 762	352 421
Thor Arne Håverstad	Head of Drilling Technologies	January 1 - June 30	1 319 012	1 764 727	53 137	3 136 876	189 847
Roy Dyrseth	Head of Drilling Technologies	July 1 - December 31	1 147 884	-	6 007 105	7 154 989	59 220
Karl Erik Kjelstad	Head of Oilfield Services & Marine Assets	January 1 - December 31	3 643 067	2 593 308	38 606	6 274 981	127 831
Valborg Lundegaard	Head of Engineering	January 1 - December 31	2 524 034	2 443 791	40 115	5 007 940	235 025
David Merle	Head of Process Systems	January 1 - December 31	2 278 350	1 065 425	1 441 653	4 785 428	90 237
Tove Røskaft	Head of Umbilicals	January 1 - March 30	413 819	183 166	59 826	656 811	56 983
Tom Munkejord	Head of Umbilicals	April 1 - December 31	1 885 338	447 575	11 883	2 344 796	72 499
Tore Sjursen	Head of Maintenance, Modifications and Operations	January 1 - December 31	2 757 219	3 000 610	27 636	5 785 465	196 888
Wolfgang Puennel	Head of Well Intervention Services	January 1 - June 30	1 631 352	312 730	6 667	1 950 749	83 391
Rolf Leknes	Head of Well Intervention Services	July 1 - December 31	1 092 336	-	9 105	1 101 441	100 966
Leif Haukom	Head of Mooring and Loading Systems	January 1 - December 31	1 835 575	1 400 147	48 023	3 283 745	354 087
Åsmund Bøe	Chief Technology Officer	January 1 - December 31	2 549 498	1 373 819	1 332 430	5 255 747	109 105
Nicoletta Giadrossi	Head of Operation	April 1 - December 31	2 773 738	558 003	89 252	3 420 993	312 163
Sissel Anne Lindland	Chief HR Officer	January 1 - December 31	1 903 279	1 349 513	49 196	3 301 988	113 068
Mark Riding	Chief Strategic Marketing	January 1 - December 31	2 354 571	519 076	814 316	3 687 963	144 127
Per Harald Kongelf	Regional president of Norway	January 1 - December 31	3 025 421	1 884 454	39 481	4 949 356	211 140
Luis Araujo	Regional president of Brazil	January 1 - December 31	3 174 175	3 414 686	476 339	7 065 200	302 827
Erik Wiik	Regional president of North America	January 1 - December 31	2 488 654	2 405 076	147 560	5 041 290	260 319
Total			**45 606 232**	**28 506 160**	**10 758 235**	**84 870 627**	**3 510 792**

2012 - restated

Amounts in NOK	Job title	Period	Base salary[1]	Variable pay[2]	Other benefits[3]	Total taxable remuneration	Pension benefit earned/cost to company[4]
Leif Hejø Borge	President & CFO	January 1 - December 31	4 061 032	1 624 882	57 085	5 742 999	125 066
Alan Brunnen	Head of Subsea	January 1 - December 31	2 115 174	452 050	-	2 567 224	357 126
Thor Arne Håverstad	Head of Drilling Technologies	January 1 - December 31	2 157 233	2 022 912	49 133	4 229 278	190 718
Karl Erik Kjelstad	Head of Oilfield Services & Marine Assets	January 1 - December 31	3 372 151	1 890 597	42 444	5 305 192	118 811
Valborg Lundegaard	Head of Engineering	January 1 - December 31	2 250 437	1 697 504	39 398	3 987 339	200 198
Michael Hambly	Head of Process Systems	January 1 - May 6	875 507	722 523	-	1 598 030	21 128
David Merle	Head of Process Systems	May 7 - December 31	1 901 663	-	1 033 207	2 934 870	70 382
Tove Røskaft	Head of Umbilicals	January 1 - December 31	1 615 486	271 148	124 071	2 010 705	130 307
Tore Sjursen	Head of Maintenance, Modifications and Operations	January 1 - December 31	2 445 431	1 987 055	23 202	4 455 688	160 178
Wolfgang Puennel	Head of Well Intervention Services	January 1 - December 31	2 084 536	283 426	1 070 572	3 438 534	134 190
Leif Haukom	Head of Mooring and Loading Systems	January 1 - December 31	1 623 999	1 124 052	57 714	2 805 765	215 748
Erik Wiik	Regional president of North America	January 1 - December 31	2 251 144	788 149	59 310	3 098 603	213 108
Niels Didrich Buch	Chief of Staff	January 1 - December 31	2 239 346	1 140 954	47 434	3 427 734	157 161
Åsmund Bøe	Chief Technology Officer	January 1 - December 31	2 416 602	412 785	488 500	3 317 887	101 837
Per Harald Kongelf	Chief Operating Officer and Regional Manager of Norway	January 1 - December 31	2 764 247	1 530 562	39 422	4 334 231	182 219
Sissel Anne Lindland	Chief HR Officer	January 1 - December 31	1 737 266	943 699	52 853	2 733 818	99 579
Mark Riding	Chief Strategic Marketing	January 1 - December 31	2 213 262	331 908	811 362	3 356 532	140 654
Luis Araujo	Regional president of Brazil	January 1 - December 31	3 172 428	3 389 346	80 446	6 642 220	468 343
Total			41 296 944	20 613 552	4 076 153	65 986 649	3 086 753

1) Includes accrued holiday allowances and temporary allowance for additional job responsibility in 2013 and 2012 for Leif Hejø Borge of NOK 1 000 000.

2) Based on variable pay paid out during the year.

3) Other benefits include insurance agreements, such as membership in the standard employee scheme and an additional executive group life and disability insurance with a maximum cover of NOK 4 036 340. The amount also includes housing costs, international salary compensation, children schooling costs and severance pay (see footnote 5). Sign on fee of NOK 6 000 000 is included for Roy Dyrseth.

4) Pension benefits include the standard employee pension scheme, a pension compensation scheme (for transfer from benefit to contribution scheme), a disability pension scheme and certain management pension rights related to the wound up schemes and early retirement schemes.

5) Other benefits includes salary in notice period and severance pay for management where employment is terminated.

The members of the executive management team have the following agreements upon termination of employment:

	Notice period	Severance pay
Alan Brunnen	3 months	6 months
David Merle	3 months	6 months
Erik Wiik	3 months	6 months
Karl Erik Kjelstad	6 months	6 months
Leif Hejø Borge	6 months	6 months
Leif Haukom	6 months	6 months
Luis Araujo	3 months	6 months
Mark Riding	3 months	6 months
Nicoletta Giadrossi	3 months	0 months
Per Harald Kongelf	6 months	6 months
Rolf Leknes	3 months	6 months
Roy Dyrseth	3 months	6 months
Sissel Anne Lindland	6 months	6 months
Tom Munkejord	3 months	6 months
Tore Sjursen	6 months	0 months
Valborg Lundegaard	3 months	6 months
Åsmund Bøe	3 months	6 months

All members of the executive team have a standard employee defined contribution plan. See description in note 30 Employee benefits - pension for Norwegian members.

There are no loans, securities or guarantees granted and there are no advance salary payment given to members of the executive management team.

Share-based payments
The development of the company's share price is an element of the variable pay programme as described above, of which the future share price is an element of the calculation. The accrual related to the future share based payment of the variable pay is estimated with the basis of the share price at year-end. The accrual consists of variable pay programmes for three preceding years.

The Aker Solutions ASA share price decreased during 2013 compared to 2012, resulting in a decrease of share based variable pay accrual. For the executive management as included in the table above, the share-price related variable pay accrual was NOK 4.1 million as of December 31, 2013 (NOK 12.3 million in 2012). The paid share price related variable pay in 2013 was NOK 5.7 million as of December 31, 2013 (NOK 1.1 million in 2012).

Directors' and executive management team's shareholding
The following number of shares were owned by the directors and the members of the executive management team (and their related parties) as of December 31, 2013:

	Job title	**2013**	2012
Leif Hejø Borge	President (acting) & CFO	**39 725**	30 708
Karl Erik Kjelstad	Head of Oilfield Services & Marine Assets	**23 074**	13 156
Luis Araujo	Regional President of Brazil	**15 757**	10 369
Mark Riding	Chief Strategic Marketing	**15 169**	7 907
Rolf Leknes	Head of Well Intervention Services	**9 870**	-
Tore Sjursen	Head of Maintenance, Modifications and Operations	**8 366**	7 663
Erik Wiik	Regional President of North America	**8 148**	778
Sissel Anne Lindland	Chief HR Officer	**7 389**	4 228
Leif Haukom	Head of Mooring and Loading Systems	**6 860**	6 042
Valborg Lundegaard	Head of Engineering	**5 185**	5 185
Åsmund Knutsen	Director	**5 112**	4 411
Lone Fønss Schrøder	Director	**4 400**	4 400
Atle Teigland	Director	**4 053**	3 235
Anne Drinkwater	Director	**3 500**	-
Hilde Karlsen	Director	**2 088**	1 231
Arild Håvik	Director	**1 947**	1 246
David Merle	Head of Process Systems	**1 875**	-
Tom Munkejord	Head of Umbilicals	**1 481**	-

The overview includes only direct ownership of Aker Solutions shares and does not include Øyvind Eriksen and Kjell Inge Røkke's indirect ownership through their ownership in Aker ASA.

Note 12 Operating leases

Group as lessee

Total non-cancellable operating lease commitments

Amounts in NOK million	**2013**	2012
Contracts due within one year	**1 366**	1 100
Contracts running from one to five years	**3 603**	3 200
Contracts running for more than five years	**2 761**	3 451
Total	**7 730**	7 751

Minimum sublease payments to be received in the future amount to NOK 32 million (NOK 9 million in 2012), and relates mainly to sublease of buildings.

Lease and sublease payments recognized in the income statement

2013

Amounts in NOK million	Buildings	Vessels	Plant, equipment and machinery	Other	Total
Minimum lease payments	822	464	242	55	**1 583**
Contingent rents	25	-	7	-	**32**
Sublease income	(15)	-	-	-	**(15)**
Total	**832**	**464**	**249**	**55**	**1 600**

2012

Amounts in NOK million	Buildings	Vessels	Plant, equipment and machinery	Other	Total
Minimum lease payments[1]	777	455	184	62	1 478
Sublease payments	(72)	-	-	-	(72)
Total	705	455	184	62	1 406

[1] *No contingent rent incurred in 2012.*

Operating lease costs for buildings relate to rental on a large number of locations worldwide. The leases typically run for a period of 12-15 years, with an option to renew the lease at market conditions.

Vessel lease costs relate to Skandi Aker, Skandi Santos and Aker Wayfarer which are operated by the business area Oilfield Services and Marine Assets. Both Skandi Aker and Skandi Santos lease contracts run for a period of 5 years, with an option to renew the lease after that date. Aker Wayfarer lease agreement runs for 10 years with no renewal option included in the contract.

Other plant and machinery costs primarily include leasing of IT equipment, cars and inventory. These leases have an average life of 3-5 years with no renewal option included in the contracts.

Group as lessor

Total non-cancellable operating lease income

Amounts in NOK million	**2013**	2012
Contracts due within one year	**655**	1 068
Contracts running from one to five years	**347**	1 369
Contracts running for more than five years	**343**	368
Total	**1 345**	2 805

Operating lease income relates mainly to the vessel Skandi Santos, Skandi Aker and Aker Wayfarer, to the investment property K2 Hotellbygg and to the equipment in Step Oiltools. None of these leases includes significant contingent rent.

Note 13 Other operating expenses

Other operating expenses amount to NOK 5.0 billion in 2013 (NOK 5.5 billion in 2012). The expenses include audit fees, operating lease costs (see note 12 Operating leases) and other expenses mainly related to premises, electricity, maintenance, travelling, IT-equipment and insurance fees.

Fees to KPMG

	Aker Solutions ASA		Subsidiaries		Total	
Amounts in NOK million	**2013**	2012	**2013**	2012	**2013**	2012
Audit	**4**	5	**20**	18	**24**	23
Other assurance services	-	-	**3**	2	**3**	2
Tax services	-	-	**2**	2	**2**	2
Other non-audit services	-	-	**4**	1	**4**	1
Total	**4**	5	**29**	23	**33**	28

Note 14 Finance income and expenses

Amounts in NOK million	**2013**	2012
Profit (loss) on foreign currency forward contracts	**264**	(124)
Interest income on bank deposits measured at amortized cost	**71**	78
Net foreign exchange gain	**-**	4
Other finance income	**2**	28
Finance income	**73**	110
Interest expense on financial liabilities measured at amortized cost	**(727)**	(539)
Interest expense on financial liabilities measured at fair value	**(13)**	(23)
Net foreign exchange loss	**(16)**	-
Other financial expenses	**(42)**	(40)
Finance expenses	**(798)**	(602)
Net finance expenses recognized in profit and loss	**(461)**	(616)

See note 32 Financial instruments for information of the finance income and expense generating items.

Foreign currency forward contracts
Some foreign exchange hedge transactions do not qualify for hedge accounting under IFRS, primarily because a large number of internal hedge transactions are grouped and netted before external hedge transactions are established. The non-qualifying hedge instruments are mainly foreign exchange forward contracts. The corresponding contracts (hedged items) to the derivatives are calculated to have an equal, but opposite effect, and both the derivatives and the hedged items are reported as financial results. The net amount therefore reflects the difference in timing between the non-qualifying hedging instrument and the future transaction (economically hedged item).

The exposure from foreign currency embedded derivatives is economically hedged, but cannot qualify for hedge accounting and is therefore included in net foreign exchange gain/loss. Hedge accounting and embedded derivatives are explained in note 22 Derivative financial instruments.

Accounts Aker Solutions Group

Note 15 Tax

Income tax expense

Amounts in NOK million	**2013**	2012
Current tax expense		
Current year	**332**	232
Adjustments for prior years	**(21)**	(14)
Total current tax expense	**311**	218
Deferred tax expense		
Origination and reversal of temporary differences	**98**	364
Change in tax rate	**(58)**	-
Write down of tax loss and deferred tax assets	**39**	29
Recognition of previously unrecognized tax losses	**3**	(2)
Total deferred tax expense	**82**	391
Total tax expense	**393**	609

Effective tax rate

The table below reconciles the reported income tax expense to the expected income tax expense according to the corporate income tax rate of 28 percent in Norway.

Amounts in NOK million	**2013**	2012
Profit before tax, continuing operations	**1 398**	2 669
Expected income taxes (28 percent) of profit before tax	**391**	747
Tax effects of:		
Permanent differences[1]	**20**	(110)
Prior year adjustments (current tax)	**(21)**	(14)
Prior year adjustments (deferred tax)	**8**	-
Previously unrecognized tax losses used to reduce payable tax	**(38)**	(22)
Previously unrecognized tax losses used to reduce deferred tax	**(3)**	(2)
Deferred tax from write down (or reversal) of tax loss or deferred tax assets	**39**	29
Change in tax rates	**(58)**	-
Differences in tax rates from 28 percent	**(54)**	(28)
Other[2]	**109**	9
Income tax expense, continuing operations	**393**	609
Effective tax rate	**28%**	23%
Tax effect of differences	**2**	(138)

1) Relates mainly to gain on sale of subsidiaries in 2012.
2) Relates mainly to withholding tax.

Recognized deferred tax assets and liabilities

	Assets		Liabilities		Net	
Amounts in NOK million	**2013**	2012	**2013**	2012	**2013**	2012
Property, plant and equipment	**56**	62	**(610)**	(584)	**(554)**	(522)
Pensions	**244**	223	**(29)**	-	**215**	223
Projects under construction	**-**	-	**(2 041)**	(1 828)	**(2 041)**	(1 828)
Tax loss carry-forwards	**807**	573	**-**	-	**807**	573
Intangible assets	**-**	15	**(322)**	(245)	**(322)**	(230)
Provisions	**282**	306	**-**	-	**282**	306
Derivatives	**66**	146	**(201)**	(68)	**(135)**	78
Other	**304**	180	**(32)**	(38)	**272**	142
Total before set offs	**1 759**	1 505	**(3 235)**	(2 763)	**(1 476)**	(1 258)
Set off of tax	**(1 159)**	(935)	**1 159**	935	**-**	-
Total	**600**	570	**(2 076)**	(1 828)	**(1 476)**	(1 258)

Accounts Aker Solutions Group

Change in net recognized deferred tax assets and liabilities

Amounts in NOK million	Property, plant and equipment	Pensions	Projects under construction	Tax loss carry-forwards	Intangible assets	Provisions	Derivatives	Other	Total
Balance as of January 1, 2012	(262)	269	(1 365)	501	(221)	295	18	121	(644)
Recognized in profit and loss	(83)	-	(453)	3	2	9	59	11	(452)
Recognized in equity	-	(48)	-	-	-	-	2	(2)	(48)
Additions through business combinations	(182)	4	(10)	107	(13)	22	-	14	(58)
Currency translation differences	5	(2)	-	(38)	2	(20)	(1)	(2)	(56)
Balance as of December 31, 2012	(522)	223	(1 828)	573	(230)	306	78	142	(1 258)
Recognized in profit and loss	(91)	12	(276)	263	(19)	1	(114)	144	(80)
Recognized in equity	-	(10)	-	-	-	-	(96)	-	(106)
Additions through business combinations	2	-	(3)	(12)	(80)	-	-	(1)	(94)
Currency translation differences	(1)	4	-	2	(8)	(6)	-	-	(9)
Reclassification to held for sale	58	(14)	66	(19)	15	(19)	(3)	(13)	71
Balance as of December 31, 2013	**(554)**	**215**	**(2 041)**	**807**	**(322)**	**282**	**(135)**	**272**	**(1 476)**

Tax loss carry-forwards and unrecognized deferred tax assets

2013 *Amounts in NOK million*	Norway	Europe other	North America	South America	Asia Pacific	Other	Total
Expiry within 1 year	-	11	-	-	18	-	29
Expiry within 2 years	-	-	-	-	18	-	18
Expiry within 4 years	-	-	-	-	14	-	14
Expiry within 5 years	-	137	-	-	3	-	140
Expires in 2018 and later	-	226	382	-	-	-	608
Indefinite	1 842	88	-	655	447	19	3 051
Total tax loss carry-forwards	**1 842**	**462**	**382**	**655**	**500**	**19**	**3 860**
Unrecognized tax loss carry-forwards	7	336	-	42	446	-	831
Unrecognized other tax assets	-	-	-	-	19	-	19

2012 *Amounts in NOK million*	Norway	Europe other	North America	South America	Asia Pacific	Other	Total
Expires before 2017	-	11	-	-	30	-	41
Expires in 2017 and later[1]	-	320	268	-	2	-	590
Indefinite	775	110	-	562	434	26	1 907
Total tax loss carry-forwards	775	441	268	562	466	26	2 538
Unrecognized tax loss carry-forwards	-	242	-	41	380	8	671
Unrecognized other tax assets	-	-	-	-	71	-	71

[1] *Mainly expiry date more than 5 years.*

Tax losses are recognized in the balance sheet to the extent that forecasts and realistic expectations about results show that Aker Solutions will be able to use the tax losses before they expire.

Geographical overview of tax positions

2013 *Amounts in NOK million*	Current tax (benefit) expense	Deferred tax (benefit) expense	Total tax (benefit) expense	Net deferred tax asset (liability)	Net payable tax asset (liability)
Norway	25	136	161	(1 896)	(3)
Other Europe	118	4	122	(8)	(21)
North America	24	(62)	(38)	179	11
South America	(1)	(11)	(12)	306	42
Asia	83	13	96	(60)	38
Other countries	62	2	64	3	1
Total	**311**	**82**	**393**	**(1 476)**	**68**

2012 *Amounts in NOK million*	Current tax (benefit) expense	Deferred tax (benefit) expense	Total tax (benefit) expense	Net deferred tax asset (liability)	Net payable tax asset (liability)
Norway	15	494	509	(1 692)	(12)
Other Europe	148	(18)	130	(31)	(44)
North America	(6)	21	15	119	44
South America	(17)	(92)	(109)	314	57
Asia	82	(6)	76	22	(14)
Other countries	(4)	(8)	(12)	10	-
Total	218	391	609	(1 258)	31

Note 16 Cash and cash equivalents

Amounts in NOK million	**2013**	2012
Restricted cash	**34**	38
Cash pool	**1 023**	536
Interest-bearing deposits	**1 288**	640
Total	**2 345**	1 214

Additional undrawn committed non-current bank revolving credit facilities amounted to NOK 4.4 billion, that together with cash and cash equivalents gives a total liquidity buffer of NOK 6.7 billion.

Note 17 Trade and other receivables

Amounts in NOK million	*Note*	**2013**	2012
Trade receivables[1]		**6 464**	6 715
Less provision for impairment of receivables		**(100)**	(124)
Trade receivables, net		**6 364**	6 591
Advances to suppliers		**621**	499
Amount due to from customers for construction work	19	**4 537**	4 811
Other receivables		**6 137**	4 623
Total		**17 659**	16 524

[1] *Trade receivables are financial instruments and an impairment loss of NOK 47 million (NOK 66 million in 2012) was recognized in operating expenses.*

Book value of trade and other receivables is approximately equal to fair value.

Aging of trade receivables

Amounts in NOK million	**2013**	2012
Not overdue	**4 497**	4 106
Past due 0-30 days	**942**	1 370
Past due 31-90 days	**515**	524
Past due 91 days to one year	**421**	570
Past due more than one year	**89**	145
Total	**6 464**	6 715

Note 18 Inventories

Amounts in NOK million	**2013**	2012
Stock of raw materials	**1 300**	1 225
Goods under production	**414**	371
Finished goods	**778**	764
Total	**2 492**	2 360
Inventories carried at net realizable value	**882**	98
Write-down of inventories in the period	**129**	33

Note 19 Construction contracts

Amounts in NOK million	*Note*	**2013**	2012
Construction revenue in the period	9	**25 686**	24 971
Amounts due from customers for contract work	17	**4 537**	4 811
Amounts due to customers for contract work	20	**(4 835)**	(4 203)
Construction contracts in progress, net position		**(298)**	608

Advances are presented as part of Amounts due to customers for contract work.

Construction contracts in progress at the end of the reporting period

Aggregate amount of cost incurred and recognized profits (less losses) to date	**43 107**	40 387
Advances from customers	**4 113**	4 202
Retentions	**113**	315

Note 20 Trade and other payables

Amounts in NOK million	*Note*	**2013**	2012
Trade creditors[1]		**2 873**	3 433
Amount due to customers for contract work and advances	19	**4 835**	4 203
Accrued operating and financial costs		**6 712**	6 016
Other current liabilities[2]		**2 989**	2 360
Total		**17 409**	16 012

1) Trade creditors include NOK 119 million due after one year (NOK 22 million in 2012).

2) Other current liabilities include NOK 176 million related to deferred considerations assumed in business combinations (NOK 138 million in 2012). See note 29 Other non-current liabilities for further description.

Book value of trade creditors and other current liabilities is approximately equal to fair value.

Note 21 Provisions

Amounts in NOK million	Warranties	Other	Total
Balance as of January 1, 2013	637	536	**1 173**
Provisions made during the year	349	29	**378**
Provisions used during the year	(102)	(13)	**(115)**
Provisions reversed during the year	(109)	(80)	**(189)**
Reclassifications	-	(392)	**(392)**
Provisions due to acquisition of subsidiary	-	9	**9**
Currency translation differences	22	4	**26**
Reclassifications to liabilities held for sale	(15)	(3)	**(18)**
Balance as of December 31, 2013	**782**	**90**	**872**
Expected timing of payment			
Within the next twelve months	172	39	**211**
After the next twelve months	610	51	**661**
Total	**782**	**90**	**872**

Warranties

The provision for warranties relates mainly to the possibility that Aker Solutions, based on contractual agreements, needs to perform guarantee work related to products and services delivered to customers. See note 4 Accounting estimates and judgments for further description.

Note 22 Derivative financial instruments

The Aker Solutions group uses derivative financial instruments to hedge foreign exchange and interest rate exposures. In addition, there are embedded foreign exchange forward derivatives separated from ordinary commercial contracts. Further information regarding risk management policies in the group is available in note 6 Financial risk management and exposures.

The table below presents the fair value of the derivative financial instruments and a maturity analysis of the derivatives undiscounted cashflows. Given the Aker Solutions group hedging policy and the assumption that the projects are cash neutral, this table also indicates when the cashflows related to project expenses are expected to impact profit and loss. The majority of project revenues are recognized in accordance with IAS 11 using the percentage of completion method. This may result in different timing of cashflows related to project revenues and revenue recognition.

Instruments which are not accounted for as hedges include the external instruments used to price embedded derivatives as well as other derivative instruments used by Group Treasury to hedge the residual exposure of the group as part of its risk mandate. As of December, these instruments only include currency forwards and FX swaps.

Accounts Aker Solutions Group

Fair value of derivative financial instruments with maturity

2013

Amounts in NOK million	Instruments at fair value	Total undiscounted cashflow[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Assets							
Cashflow hedges	**1 009**	**1 009**	414	203	306	86	-
Fair value hedges	**-**	**-**	-	-	-	-	-
Net investment hedges	**12**	**12**	12	-	-	-	-
Embedded derivatives in ordinary commercial contracts	**359**	**359**	189	20	91	59	-
Not hedge accounted	**127**	**127**	105	16	5	-	-
Total forward foreign exchange contracts	**1 507**	**1 507**	**720**	**239**	**402**	**145**	**-**
Cashflow hedges	**29**	**29**	29	-	-	-	-
Fair value hedges	**8**	**8**	8	-	-	-	-
Total interest rate instruments	**37**	**37**	**37**	**-**	**-**	**-**	**-**
Total assets	**1 544**	**1 544**	**757**	**239**	**402**	**145**	**-**
Liabilities							
Cashflow hedges	**(494)**	**(494)**	(298)	(44)	(59)	(92)	-
Net investment hedges	**(21)**	**(21)**	(21)	-	-	-	-
Embedded derivatives in ordinary commercial contracts	**(5)**	**(5)**	(5)	-	-	-	-
Not hedge accounted	**(270)**	**(270)**	(120)	(22)	(84)	(44)	-
Total forward foreign exchange contracts	**(790)**	**(790)**	**(444)**	**(66)**	**(143)**	**(136)**	**-**
Cashflow hedges	**(44)**	**(44)**	-	(7)	-	(34)	(3)
Total interest rate instruments	**(44)**	**(44)**	**-**	**(7)**	**-**	**(34)**	**(3)**
Total liabilities	**(834)**	**(834)**	**(444)**	**(73)**	**(143)**	**(170)**	**(3)**

2012

Amounts in NOK million	Instruments at fair value	Total undiscounted cashflow[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Assets							
Cashflow hedges	434	434	281	95	58	-	-
Fair value hedges	7	7	2	-	2	3	-
Net investment hedges	1	1	1	-	-	-	-
Embedded derivatives in ordinary commercial contracts	(417)	(417)	(228)	(68)	(70)	(51)	-
Not hedge accounted	366	366	189	60	66	51	-
Total forward foreign exchange contracts	391	391	245	87	56	3	-
Cashflow hedges	30	30	30	-	-	-	-
Fair value hedges	20	20	-	-	20	-	-
Total interest rate instruments	50	50	30	-	20	-	-
Total assets	441	441	275	87	76	3	-
Liabilities							
Cashflow hedges	(156)	(156)	(98)	(15)	(20)	(23)	-
Embedded derivatives in ordinary commercial contracts	(4)	(4)	(1)	(1)	(2)	-	-
Not hedge accounted	(60)	(60)	(42)	(14)	(4)	-	-
Total forward foreign exchange contracts	(220)	(220)	(141)	(30)	(26)	(23)	-
Cashflow hedges	(54)	(54)	-	(1)	(15)	(34)	(4)
Total interest rate instruments	(54)	(54)	-	(1)	(15)	(34)	(4)
Total liabilities	(274)	(274)	(141)	(31)	(41)	(57)	(4)

[1]) *Undiscounted cashflows are translated to NOK using the exchange rates on the balance sheet date.*

Derivative financial instruments are classified as current assets or liabilities.

Foreign exchange derivatives
Corporate Treasury hedges the group's future transactions in foreign currencies with external banks. Approximately 80 percent of the exposure to foreign exchange variations in future cashflows are related to a few large projects. The currency exposure in these projects have been hedged back-to-back in order to meet the requirements for hedge accounting. They are either subject to hedge accounting or separated embedded derivatives. All other hedges are not designated as IAS 39 hedges and will have an effect on profit or loss. Most hedges qualifying for hedge accounting are classified as cashflow hedges (hedges of highly probable future revenues and/or expenses). Some hedges that will clearly qualify as hedges of firm commitments will be classified as fair value hedges.

Embedded derivatives are foreign exchange derivatives separated from construction contracts. The main reason for separation is that the agreed payment is in a currency different from any of the major contract parties' own functional currency. The embedded derivatives represent currency exposures, which is hedged against external banks. Since the embedded derivatives are measured and classified in the same way as their hedging derivatives, they will have an almost equal, opposite effect to profit and loss. In the table above, the derivatives hedging the embedded derivatives are included in Forward foreign exchange contracts - not hedge accounted.

The hedged transactions in foreign currency that are subject to cashflow hedge accounting are highly probable future transactions expected to occur at various dates during the next one to four years, depending on progress in the projects. Gains and losses on forward foreign exchange contracts are recognized in comprehensive income and reported as hedging reserve in equity until they are recognized in the income statement in the period or periods during which the hedged transactions affect the income statement.

Unsettled cashflow hedges' impact on profit and loss and equity (not adjusted for tax)

2013

Amounts in NOK million	Fair value of all hedging instruments	Recognized in profit and loss	Deferred in equity (the hedging reserve)
Interest rate swaps	(44)	-	(44)
Forward exchange contracts	373	27	346
Total	**329**	**27**	**302**

2012

Amounts in NOK million	Fair value of all hedging instruments	Recognized in profit and loss	Deferred in equity (the hedging reserve)
Interest rate swaps	(54)	-	(54)
Forward exchange contracts	(126)	(87)	(39)
Total	(180)	(87)	(93)

The value of the interest swaps is attributable to changes in the interest swap curve for Norwegian kroner during the period from inception of the hedge to the balance sheet date. It excludes the accrued interest rates of the swaps accumulated during the period.

The value of the hedge reserve is before tax to allow comparison with the value of the hedging derivatives; this value does not include deferred settlements related to matured instruments.

The purpose of the hedging instrument is to secure a situation where the hedged item and the hedging instrument together represent a predetermined value independent of fluctuations of exchange rates. Revenue and expense on the underlying construction contracts are recognized in the income statement in accordance with progress. Consequently, positive NOK 27 million (negative NOK 87 million in 2012) of the value of the forward contracts have already affected the income statement indirectly as revenues and expenses are recognized based on updated forecasts and progress. The positive NOK 346 million (negative NOK 39 million in 2012) that are currently recorded directly in the hedging reserve, will be reclassified to income statement over the next years.

Interest rate swaps
Aker Solutions has one bond of NOK 1 913 million (out of which NOK 200 million bought back) with a fixed interest rate of 10.7 percent. At the same time Aker Solutions has interest rate swaps with floating interest with a notional value of NOK 763 million hedging the fixed interest bonds. In addition, the group has four bonds totaling NOK 2 687 million at floating interest rates out of which NOK 2 000 million are swapped to fixed interest. One interest rate swap of nominal value NOK 375 million is also used to swap half of the term loan of NOK 750 million from floating to fix interest. Floating interest is mainly tied to Inter-bank offered rates (NIBOR for NOK and LIBOR for other currencies).

Hedge accounting is applied using the cashflow hedge accounting model which means that gains and losses on interest rate swap from floating to fixed interest rates as of December 31, 2013 are recognized in the hedging reserve in equity and will be continuously released to the income statement until the bank borrowings are repaid. This is achieved based on the periodic mark-to-market revaluation of the interest rate swaps whose fair value tend to zero upon maturity.

Fair value hedge accounting is applied for hedging of the fixed interest bonds, see note 28 Borrowings. The fair value amounts of the outstanding interest rate swap contracts used in cash-flow hedges as of December 31, 2013 were NOK 44 million (NOK 54 million in 2012).

Note 23 Property, plant and equipment

Amounts in NOK million	Note	Buildings and sites	Vessels, machinery, equipment, software	Under construction	Total
Historical cost					
Balance as of January 1, 2012		1 363	6 873	2 991	11 227
Additions through business combinations		813	167	-	980
Additions[1]		293	1 118	1 608	3 019
Transfer from assets under construction		38	2 841	(2 879)	-
Disposals and scrapping		(85)	(414)	-	(499)
Currency translation differences		(90)	(205)	(46)	(341)
Balance as of December 31, 2012		**2 332**	**10 380**	**1 674**	**14 386**
Additions through business combinations	7	13	80	17	110
Additions[1]		260	1 388	913	2 561
Transfer from assets under construction		168	1 099	(1 267)	-
Disposals and scrapping		(13)	(245)	-	(258)
Currency translation differences		38	320	46	404
Reclassification to assets held for sale	8	(94)	(2 741)	(43)	(2 878)
Balance as of December 31, 2013		**2 704**	**10 281**	**1 340**	**14 325**
Accumulated depreciation					
Balance as of January 1, 2012		(430)	(3 388)	-	(3 818)
Depreciation for the year		(89)	(983)	-	(1 072)
Currency translation differences		21	92	-	113
Disposals and scrapping		17	415	-	432
Balance as of December 31, 2012		**(481)**	**(3 864)**	**-**	**(4 345)**
Depreciation for the year[2]		(116)	(1 162)	-	(1 278)
Impairment		-	(9)	(361)	(370)
Disposals and scrapping		61	157	-	218
Currency translation differences		(15)	(143)	(19)	(177)
Reclassification to assets held for sale	8	26	1 416	-	1 442
Balance as of December 31, 2013		**(525)**	**(3 605)**	**(380)**	**(4 510)**
Book value as of December 31, 2012		**1 851**	**6 516**	**1 674**	**10 041**
Book value as of December 31, 2013		**2 179**	**6 676**	**960**	**9 815**
Of which financial lease as of December 31, 2012		-	37	-	37
Of which financial lease as of December 31, 2013		-	8	-	8

1) Includes NOK 7 million of capitalized borrowing costs in 2013 with an average capitalization rate of 6 percent (NOK 6 million in 2012 with an average capitalization rate of 7 percent).
2) Includes NOK 238 million related to businesses classified as held for sale (NOK 253 million in 2012).

Investment property
Buildings and sites include investment property of NOK 358 million. The construction for this property was completed in 2012 and as such book value is deemed to be a reasonable approximation of fair value. Aker Solutions has entered into a twenty year lease agreement for the property, see also note 12 Operating leases. The rental income for the investment property is NOK 30 million (NOK 23 million in 2012) and included in Other income. Other expenses for the rental property was NOK 15 million (NOK 11 million in 2012).

Commitments
By the end of December 2013 Aker Solutions has entered into contractual commitments for the acquisition of property, plant and equipment amounting to NOK 588 million (NOK 742 million in 2012), mainly related to the new Subsea and Drilling plants under construction in Brazil. The commitments will to a large extent become payable in 2014.

See also note 36 Subsequent events for information about capital commitments entered into in 2014.

Depreciation
Estimates for residual values are reviewed annually. Assets are mainly depreciated on a straight-line basis over their expected economic lives as follows:

- Machinery, equipment and software	3 - 15 years
- Buildings	8 - 30 years
- Sites	No depreciation

Impairment
In 2012 Aker Solutions and Statoil agreed that Aker Solutions would build the so-called Category B (Cat B) rig and use it to provide Statoil with a range of well-intervention and drilling services for an initial eight years, starting in 2015. The technology development needed to build the rig proved to be considerably more demanding than initially anticipated and the parties mutually agreed on June 24, 2013 to terminate the contract with immediate effect. Aker Solutions booked an impairment of NOK 361 million related to the investments in the Cat B rig, part of the business area Oilfield Services and Marine Assets.

Security
See note 28 Borrowings for information about bank borrowings which are secured by property, plant and equipment.

Note 24 Intangible assets

Amounts in NOK million	*Note*	Development costs	Goodwill	Other	Total
Balance as of January 1, 2012		579	5 480	251	6 310
Capitalized development		564	-	-	564
Acquisition through business combinations		-	132	63	195
Amortization for the year[1]		(56)	-	(38)	(94)
Currency translation differences		(27)	(59)	(5)	(91)
Balance as of December 31, 2012		**1 060**	**5 553**	**271**	**6 884**
Capitalized development		804	-	-	804
Acquisition through business combinations	7	-	724	386	1 110
Amortization for the year[1]		(144)	-	(67)	(211)
Impairment		(12)	-	-	(12)
Currency translation differences		70	321	47	438
Reclassification to asset held for sale	8	(54)	(653)	(64)	(771)
Balance as of December 31, 2013		**1 724**	**5 945**	**573**	**8 242**

1) Includes NOK 15 million related to businesses classified as held for sale (NOK 18 million in 2012).

Research and development costs
NOK 804 million have been capitalized in 2013 (NOK 564 million in 2012) related to development activities. In addition, research and development costs of NOK 275 million have been expensed during the year because the criteria for capitalization was not met (NOK 151 million in 2012). Research and development costs funded by customers totaled NOK 18 million in 2013 (NOK 8 million in 2012).

Intangible assets with finite useful lives are amortized over the expected economic life, ranging between 5-10 years.

Goodwill
The increase in goodwill in 2013 is related to several acquisitions (see note 7 Business combinations and acquisition of subsidiaries).

Goodwill originates from a number of acquisitions. Management monitors goodwill impairment at the business area level which is also considered to be the cash-generating unit (CGU) due to the level of integration within the CGU's.

Accounts Aker Solutions Group

Allocation of goodwill by business area

Amounts in NOK million	**2013**	2012
Subsea	**2 225**	1 592
Umbilicals	**352**	339
Drilling Technologies	**1 157**	923
Process Systems	**298**	223
Product Solutions	**4 032**	3 077
Maintenance, Modifications and Operations	**848**	830
Oilfield Services and Marine Assets	**435**	418
Field Life Solutions	**1 283**	1 248
Engineering Solutions	**472**	453
Other	**158**	132
Total	**5 945**	4 910
Discontinued operations	**-**	643
Total continuing operations	**5 945**	5 553

Impairment testing for cash-generating units containing goodwill
Recoverable amounts are based on value in use calculations. The calculations use cashflow projections based on the future cashflow, budgets and strategic forecasts for the periods 2014-2017 and an annual growth of 2.5 percent for subsequent periods.

Weighted Average Cost of Capital assumptions for impairment testing	Post tax WACC	Pre tax WACC
Subsea	8.9%	11.1%
Umbilicals	8.9%	10.9%
Drilling Technologies	8.9%	11.1%
Process Systems	8.9%	11.0%
Maintenance, Modifications and Operations	8.9%	11.1%
Oilfield Services and Marine Assets[1]	9.7%	9.7%
Engineering Solutions	8.9%	11.0%

[1)] *Pre tax WACC and post tax WACC for Oilfield Service and Marine assets are equal due to the assumption that both Skandi Aker and Skandi Santos will enter the tonnage tax regime in Norway in the near future.*

Risk free interest rates used in the discount rate is based on 10 year state treasury bond rate of 2.86 percent at the time of the impairment testing. Debt leverage was estimated to 20 percent except for Oilfield Services and Marine Assets where 50 percent was used.

For all business areas, the recoverable amounts are higher than the carrying amounts and consequently the analysis indicates that no impairment is required. The key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth rates and EBITDA-margins. Reasonable changes to the key assumptions does not give grounds to impairment for any of the business areas except for Oilfield Services and Marine Assets.

Sensitivity to changes in assumptions for Oilfield Services and Marine Assets
Oilfield Services and Marine Assets is the most asset-heavy business area in Aker Solutions. The assets are vessels which are only to a limited extent on long time charters. It is therefore expected that this business area is more sensitive to changes in key assumptions than the other business areas of Aker Solutions.

The estimated recoverable amount of the CGU exceeds its carrying amount by approximately NOK 872 million. Management has identified that a reasonable possible change in three key assumptions related to Aker Wayfarer, Skandi Aker and Skandi Santos could cause the carrying amount to exceed the recoverable amount. These assumptions are predominantly related to operating revenues and cost of capital, due to the fact that the operating costs for the three vessels are to a high degree fixed such as lease payments. The cashflow projections in the impairment test are based on contractual rates for the two vessels currently operating on firm contracts for the next 1-2 years (both with options), and expected market rates thereafter. The third vessel is operating in the spot market, and the impairment test reflects managment best estimate of future rates based on three different scenarios.

The following table shows the amount by which these assumptions would need to change individually for the estimated recoverable amount to equal the carrying amount:

	Range used in impairment test	Change in assumption
WACC	9.7%	2.7%
Utilization	85% - 99%	7.7%
Day rates (USD thousand)	193 - 430	27

As seen in the table above Oilfield Services and Marine Assets is sensitive to changes in future cash-flows (hereof utilization and day rates).

Note 25 Interest-bearing receivables

Current interest-bearing receivables

Amounts in NOK million	**2013**	2012
Portfolio of bonds and certificates in Aker Insurance AS	**119**	194
Convertible loan EZRA Holdings Ltd	**347**	-
Other	**45**	227
Total	**511**	421

The convertible loan can be converted into shares in Ezra Holdings Ltd at maturity, which is in March 2014. The right to convert is an embedded derivative that currently has close to zero value. The loan has been reclassified from non-current to current interest-bearing receivable in 2013.

The current interest-bearing receivables are classified as financial assets at amortized cost. The only exception is portfolio of bonds and certificates in Aker Insurance AS which is classified as financial assets at fair value through profit and loss.

Non-current interest-bearing receivables

Amounts in NOK million	**2013**	2012
Loans to employees[1]	**-**	4
Convertible loan EZRA Holdings Ltd[2]	**-**	305
Other receivable EZRA Holdings Ltd	**76**	105
Loans to Aker DOF Deepwater AS[3]	**83**	258
Total	**159**	672

1) Average interest rate for loans to employees was 2.42 percent in 2012.
2) The loan has been reclassified from non-current to current interest-bearing receivable in 2013.
3) NOK 200 million of the loan has been converted to equity in 2013.

See note 6 Financial risk management and exposures for information regarding credit risk management in the Aker Solutions group.

Note 26 Equity-accounted investees

Equity-accounted investees include associated companies and jointly controlled entities. Such investments are defined as related parties to Aker Solutions. See note 34 Related parties for overview of transactions and balances with associated companies and joint ventures and any guarantees provided on behalf of such entities.

	Share of profit		Book value	
Amounts in NOK million	**2013**	2012	**2013**	2012
Aker DOF Deepwater AS	**(31)**	8	**386**	217
Hinna Park Invest AS	**2**	(1)	**25**	23
Nippon Pusnes Co Ltd	**(3)**	3	**25**	28
Beijing Bomco[1]	**3**	-	**-**	12
Other companies[2]	**8**	9	**4**	3
Total	**(21)**	19	**440**	283

1) Full name; Beijing Bomco - MH Offshore Petroleum Engineering Technology Co. Ltd. Beijing Bomco was sold in 2013.
2) Share of profit of NOK 5 million (NOK 10 million in 2012) is reported in Other income.

Gain from sale of real estate from Aker Solutions to Hinna Park Invest AS and K2 Eiendom AS was recognized in 2012 (see note 10 Other income). However, 25 percent of the total gain, representing Aker Solutions ownership in these companies, has not yet been recognized in the Income statement. The unrecognized gains have been deducted from book value of the two companies by NOK 108 million. The amount of deferred gain for K2 Eiendom AS exceeding book value of the investment is reported in Trade and other payables.

Guarantees on behalf of equity accounted investees
Aker Solutions ASA has issued financial guarantees in favor of financial institutions related to financing of the five vessels in Aker DOF Deepwater. Liability is capped at 50 percent of drawn amount. The guarantee was NOK 560 million per December 31, 2013 (NOK 576 million in 2012).

Accounts Aker Solutions Group

Summary of financial information for equity-accounted investees (100 percent basis)

2013

Amounts in NOK million	Business office	Percentage of voting rights	Percentage held	Assets	Liabilities	Equity	Revenues	Net profit (loss)
Aker DOF Deepwater AS[1]	Storebø, Norway	50.0%	50.0%	1 845	1 308	537	231	(41)
Hinna Park Invest AS[2]	Oslo, Norway	25.0%	25.0%	1 292	1 053	239	98	16
K2 Eiendom AS[2]	Oslo, Norway	25.0%	25.0%	923	777	146	61	(7)
Nippon Pusnes Co Ltd[2, 3]	Tokyo, Japan	28.0%	28.0%	202	109	93	285	6

2012

Amounts in NOK million	Business office	Percentage of voting rights	Percentage held	Assets	Liabilities	Equity	Revenues	Net profit (loss)
Aker DOF Deepwater AS[1]	Storebø, Norway	50.0%	50.0%	1 887	1 702	185	239	28
Hinna Park Invest AS[2]	Oslo, Norway	25.0%	25.0%	1 423	1 200	223	4	(42)
K2 Eiendom AS[2]	Oslo, Norway	25.0%	25.0%	844	694	150	-	(16)
Nippon Pusnes Co Ltd[2, 3]	Tokyo, Japan	28.0%	28.0%	229	134	96	290	6
Beijing Bomco[2,4]	Brentford, UK	33.0%	30.0%	50	29	21	89	-

1) Jointly controlled entity. Assets and liabilities are mainly non-current.
2) Associated company.
3) Reporting date is March 31.
4) Beijing Bomco was sold in July 2013.

Note 27 Other investments

Amounts in NOK million	**2013**	2012
Ezra Holdings Ltd	**480**	378
Triyards Holdings Ltd	**-**	25
Aker Pensjonskasse	**120**	120
Other equity securities	**18**	21
Available-for-sale investments	**618**	544
Investments at fair value over profit and loss	**27**	25
Total other investments	**645**	569

Triyards Holding Ltd was spun-off from Ezra Holdings Ltd in 2012, and both companies are listed on the Singapore Stock Exchange. The shares in Triyards Holdings Ltd were sold in 2013.

All other available-for-sale investments do not have an active market, and are measured at cost as this is considered to be the best estimate of fair value.

Note 28 Borrowings

Contractual terms of group's interest-bearing loans and borrowings which are measured at amortized cost. For more information about the group's exposure to interest rates, foreign currency and liquidity risk, see note 6 Financial risk management and exposures.

2013

Amounts in million	Currency	Nominal currency value	Carrying amount (NOK)	Interest rate[3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 001050461.6	NOK	1 913	**1 812**	8,70%	2.00%	10,70%	26.06.14	Fixed, annual
ISIN NO 001050460.8	NOK	187	**187**	1.65%	6.75%	8.40%	26.06.14	Floating, 3M+fix margin
ISIN NO 0010647431	NOK	1 500	**1 498**	1.67%	4.25%	5.92%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1 000	**1 002**	1.68%	4.20%	5.88%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			**4 499**					
Revolving credit facility (NOK 6 000 million)	NOK	1 650	**1 636**	3.14%	0.00%	3.14%	01.06.16	IBOR + Margin[2]
Total credit facility			**1 636**					
Term loan	NOK	750	**755**	1.70%	2.00%	3.70%	01.10.14	NIBOR 3M+fix margin
Term loan	EUR	270	**2 257**	0.29%	1.85%	2.14%	13.11.15	IBOR 3M+variable margin
Term loan	EUR	130	**1 092**	0.22%	1.50%	1.72%	13.05.14	IBOR 3M+variable margin
Term loan			**4 104**					
Brazilian Development Bank EXIM loan - Itau	BRL	145	**378**	5.50%	0.00%	5.50%	23.07.16	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	**131**	5.50%	0.00%	5.50%	15.08.16	Fixed, quarterly
Brazilian Development Bank EXIM loan - Itau	BRL	155	**404**	8.00%	0.00%	8.00%	15.08.15	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	**131**	8.00%	0.00%	8.00%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loans			**1 044**					
Total other loans			**33**					
Total borrowings			**11 316**					
Current borrowings			**3 896**					
Non-current borrowings			**7 420**					
Total			**11 316**					

Accounts Aker Solutions Group

2012

Amounts in million	Currency	Nominal currency value	Carrying amount (NOK)	Interest rate[3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010342587	NOK	150	81	6.00%	0.00%	6.00%	12.02.13	Fixed, annual
ISIN NO 0010341332	NOK	300	150	1.93%	1.35%	3.28%	12.02.13	Floating, 3M+fix margin
ISIN NO 001050461.6	NOK	1 913	1 815	8.70%	2.00%	10.70%	26.06.14	Fixed, annual
ISIN NO 001050460.8	NOK	187	187	1.83%	6.75%	8.58%	26.06.14	Floating, 3M+fix margin
ISIN NO 0010647431	NOK	1 500	1 495	1.90%	4.25%	6.15%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1 000	1 001	1.95%	4.20%	6.15%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			4 729					
Revolving credit facility (NOK 6 000 million)	NOK	1 000	973	1.84%	0.00%	1.84%	25.01.13	IBOR + Margin[2]
Total credit facility			973					
Term loan	NOK	750	755	1.95%	0.00%	1.95%	14.10.14	NIBOR 3M+fix margin
Term loan	EUR	270	(10)				14.11.15	IBOR 3M+variable margin
Term loan	EUR	130	(5)				14.05.14	IBOR 3M+variable margin
Term loan			740					
Brazilian Development Bank EXIM loan - Itau	BRL	182	497	4.50%	0.00%	4.50%	17.06.13	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	138	4.50%	0.00%	4.50%	15.07.13	Fixed, quarterly
Brazilian Development Bank EXIM loan - Itau	BRL	155	431	8.00%	0.00%	4.50%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	139	8.00%	0.00%	4.50%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loans			1 205					
Total other loans			44					
Total borrowings			7 691					
Current borrowings			1 008					
Non-current borrowings			6 683					
Total			7 691					

[1] *The book value is calculated by reducing the nominal value of NOK 4 400 million (NOK 4 631 million in 2012) by total issue costs related to the new financing of negative NOK 23 million (NOK 33 million in 2012). Accrued interest and issue costs related to the bonds are included by NOK 116 million (NOK 114 million in 2012). The book value of the bond with notional value of NOK 1 913 million also includes the mark-to-market value of a fair value hedging interest rate swap of NOK 7 million (NOK 18 million in 2012).*

[2] *The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 percent of the margin.*

[3] *The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).*

Norwegian bonds
All bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market.

Three of the bonds are issued based on a floating interest rate plus a predefined margin. The last bond has a fixed interest rate: the bond with notional value NOK 1 913 million has a fixed rate of 10.7 percent (including 2.0 percent step-up). The current step-up margins will be reversed if Aker Solutions is upgraded to an investment grade rating.

The bonds are issued with Norsk Tillitsmann as trustee and the loan agreements are based on Norsk Tillitsmann's standard loan agreement for such bonds. The bonds are unsecured on a negative pledge basis and include no dividend restrictions.

All bonds issued are listed on the Oslo Stock Exchange.

Bank debt
All facilities are provided by a bank syndicate consisting of high quality Nordic and international banks. The terms and conditions include restrictions which are customary for this kind of facility, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers. There are also certain changes of control provisions included. The facility includes no dividend restrictions and is unsecured.

The financial covenants are based on two sets of key financial ratios; a gearing ratio based on gross debt/EBITDA and an interest coverage ratio based on EBITDA/net finance costs. The financial covenants are tested on a quarterly basis. The margin applicable to the facility is based on a price grid determined by the gearing ratio and level of utilization. See note 5 Capital management and exposures for more information regarding capital risk in the group.

Aker Solutions strategy is to have between 30-50 percent of borrowings at fixed interest rates. To the extent that this is not reflected in the loan agreements, swap transactions are entered into.

Financial liabilities and the period in which they mature

2013

Amounts in NOK million	Carrying amount	Total undiscounted cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 001050461.6	**1 812**	**1 805**	1 805	-	-	-	-
ISIN NO 001050460.8	**187**	**187**	187	-	-	-	-
ISIN NO 0010647431	**1 498**	**1 811**	44	44	89	1 633	-
ISIN NO 0010661051	**1 002**	**1 338**	29	29	59	176	1 044
Total	**4 499**	**5 141**	**2 065**	**73**	**148**	**1 809**	**1 044**
Revolving credit facility (NOK 6 000 million)[2]	**1 636**	**1 780**	1 676	26	52	26	-
Term loan	**4 104**	**4 205**	1 133	774	2 298	-	-
Brazilian Development Bank EXIM loans	**1 044**	**1 176**	49	35	577	516	-
Other loans	**33**	**33**	4	3	6	15	5
Total other loans	**6 817**	**7 194**	**2 862**	**838**	**2 933**	**557**	**5**
Total borrowings	**11 316**	**12 335**	**4 927**	**911**	**3 081**	**2 366**	**1 049**

2012

Amounts in NOK million	Carrying amount	Total undiscounted cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 0010342587	81	82	82	-	-	-	-
ISIN NO 0010341332	150	150	150	-	-	-	-
ISIN NO 001050461.6	1 815	1 990	93	94	1 804	-	-
ISIN NO 001050460.8	187	211	8	8	195	-	-
ISIN NO 0010647431	1 495	1 916	47	47	94	1 727	-
ISIN NO 0010661051	1 001	1 423	31	32	63	187	1 110
Total	4 729	5 772	411	181	2 156	1 914	1 110
Revolving credit facility (NOK 6 000 million)[2]	973	1 001	1 001	-	-	-	-
Term loan	740	750	-	-	750	-	-
Brazilian Development Bank EXIM loans	1 205	1 330	671	22	44	593	-
Other loans	44	50	11	6	6	16	11
Total other loans	2 962	3 131	1 683	28	800	609	11
Total borrowings	7 691	8 904	2 094	209	2 955	2 524	1 122

1) *The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).*
2) *NOK 1 650 million (NOK 1 000 million in 2012) corresponds to the repayment of the drawn portion of the available NOK 6 000 million credit facility.*

Mortgages and guarantee liabilities
The group has NOK 32 million in mortgage liabilities, which is secured by pledges on property, plant and equipment with book values of NOK 64 million.

Note 29 Other non-current liabilities

Amounts in NOK million	**2013**	2012
Contingent considerations	**142**	169
Deferred considerations	**56**	98
Other liabilities	**158**	148
Total	**356**	415

Deferred and contingent considerations
Aker Solutions has acquired subsidiaries and non-controlling interests where final consideration is deferred and can depend to a certain degree on future earnings in the acquired companies. The deferred and contingent considerations reported in other non-current liabilities as of December 31, 2013 relates mainly to the acquisition of Step Oiltools (2011) and Benestad (2011). The liabilities are expected to be payable within 6 years.

The total estimated consideration is measured at fair value using a discount rate equal to market rates for borrowings. The discount rate is based on market rates on the acquisition dates and varies between 5 and 6.75 percent. Deferred considerations to be paid during 2014 amount to NOK 176 million and are reported as current liabilities, see note 20 Trade and other payables.

Other
Other liabilities are mainly liabilities in Aker Insurance AS. Actuary estimated insurance provisions for reported injuries and incurred but not reported injuries amounts to NOK 49 million (NOK 65 million in 2012).

Note 30 Employee benefits - pension

Aker Solutions pension costs represent the future pension entitlement earned by employees in the financial year. In a defined contribution plan the company is responsible for paying an agreed contribution to the employee's pension assets. In such a plan this annual contribution is also the cost. In a defined benefit plan it is the company's responsibility to provide a certain pension. The measurement of the cost and the pension liability for such arrangements are subject to actuarial valuations. Aker Solutions has over a long time period gradually moved from defined benefit arrangements to defined contribution plans. Consequently, the impact of the remaining defined benefit plans is gradually reduced.

Pension plans in Norway
The main pension arrangement in Norway is a general pension plan organized by the Norwegian State. This arrangement provides the main general pension entitlement of all Norwegians. All pension arrangements by employers, consequently represent limited additional pension entitlements.

Norwegian employers are obliged to provide an employment pension plan, which can be organized as a defined benefit plan or as a defined contribution plan. The Norwegian companies in Aker Solutions have closed the earlier defined benefit plans in 2008 and are now providing defined contribution plans for all of their employees under 61 years of age.

Defined contribution plan
The annual contribution expensed for the new defined contribution plan was NOK 388 million (NOK 360 million in 2012). Aker Solutions contributions to this plan are at the maximum level accepted by Norwegian tax legislation. The estimated contributions expected to be paid in 2014 is NOK 458 million.

Defined benefit plan
Employees who were 58 years or older in 2008, when the change took place, are still in the defined benefit plan. This is a funded plan and represent most of the funded pension liability reported in the tables below.

The estimated contributions expected to be paid to the Norwegian plan during 2014 are NOK 91 million.

Compensation plan
To ensure that the employees were treated fairly on the change over to the new plan the company has introduced a compensation plan. The basis for deciding the compensation amount is the difference between calculated pension capital in the defined benefit plan and the value of the defined benefit plan at the age of 67 years. The compensation amount will be adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. If the employee leaves the company voluntarily before the age of 67 years, the compensation amount will be reduced.

AFP - early retirement arrangement
AFP is an early retirement arrangement organized by Norwegian employers, the main labor union organization in Norway (LO) and the Norwegian State. The "old AFP" arrangement was established to provide pension between the age of 62 to 67 for employees who retired before the general retirement age of 67. In a recent pension reform individual employees are given a choice of retirement age, but with lower pension with earlier retirement. Estimated remaining employer contributions to cover the plan deficit have been provided for.

The AFP scheme which was newly established in 2011 is not considered to be a defined benefit compensation scheme for early retirement, but a lifelong contribution plan. The scheme is classified as a multi-employer benefit scheme. Aker Solutions has taken the position that the information available at the date of the financial statements is not sufficient to reliably measure the allocation of pension cost and net pension liability/asset in accordance with a cost/benefit approach. Aker Solutions has therefore elected to treat the scheme as a defined contribution plan in which the annual paid premiums to the AFP- scheme are expensed in the income statement as they are incurred. The total liability is not recognized. Based on the current financing model for AFP, the annual premiums are expected to increase. When or if sufficient and reliable data is available and a liability can be reliably measured, the recognized liability could be significant.

Pension plans outside Norway
Pensions plans outside Norway are predominately defined contribution plans.

Total pension cost continuing operations

Amounts in NOK million	**2013**	2012
Defined benefit plans	**125**	109
Defined contribution plans	**482**	416
Total	**607**	525

Accounts Aker Solutions Group

Net employee defined benefit liability

Amounts in NOK million	**2013**	2012
Defined benefit plans Norway	**647**	736
Defined benefit plans Germany	**84**	57
Defined benefit plans other countries	**17**	12
Total	**748**	805

Movement in net defined benefit liability

Amounts in NOK million	Note	**2013**	2012
Balance as of January 1		**805**	963
Reclassified as held for sale	8	**(50)**	-
Included in profit or loss			
Current service and administration cost		**125**	158[1]
Interest cost (income)		**26**	(3)
		151	155
Included in OCI - Remeasurements (loss) gain:			
Actuarial loss (gain) arising from demographic assumptions		**71**	72
Actuarial loss (gain) arising from financial assumptions		**(40)**	(283)
Actuarial loss (gain) arising from experience adjustments		**(59)**	39
		(28)	(172)
Other			
Contributions paid into the plan		**(99)**	(116)
Benefits paid by the plan		**(43)**	(27)
Other movements		**12**	2
		(130)	(141)
Balance as of December 31		**748**	805
Represented by:			
Net liability recognized (funded)		**83**	198
Net liability recognized (unfunded)		**665**	607
Balance as of December 31		**748**	805

1) NOK 49 million in 2012 relates to discontinued operations.

Plan assets

Amounts in NOK million	**2013**	2012
Equity Securities		
Oil & Gas	**36**	27
Maritime Transportation	**4**	1
Energy Infrastructure	**8**	5
Oilfield Services & Equipment	**8**	5
Telecom Services	**14**	2
	70	40
Bonds		
Government	**29**	55
Finance	**32**	110
Private and Government enterprise	**353**	275
Municipalities	**1 106**	944
	1 520	1 384
Derivatives		
FX Forwards	**(1)**	1
	(1)	1
Fund/Private Equity		
FERD Private Equity fund	**4**	10
Ambolt	**10**	6
AAM Absolute Return Fund	**15**	14
DNB TMT	**14**	11
DNB Global Etisk	**-**	61
	43	102
Total plan assets at fair value	**1 632**	1 527

The equity portfolio is invested globally. The fair value of the equities is based on their quoted prices at the reporting date without any deduction for estimated future selling cost.

The investment in bonds are done in the Norwegian market and most of the bonds are not listed on any exchange. The market value as at year end is based on official prices provided by the Norwegian Securities Dealers Association. The Bond investment have on average a high credit rating. Most of the investments is in Norwegian municipalities with a credit rating of AA.

The fair value of derivatives that are not exchange traded are estimated at the amount that the company would receive or to pay to terminate the contract at the reporting date taking into account the current market conditions.

Derivatives are only used for hedging purposes.

The investment in fund/private equity is mainly funds that invests in listed securities and where the fund value is based on quoted prices.

Accounts Aker Solutions Group

Defined benefit obligation - actuarial assumptions

The information below relates only to Norwegian plans as these represent the majority of the plans.

The following were the principal actuarial assumptions at the reporting date

	2013	2012
Discount rate	**4.1%**	3.8%
Asset return	**4.1%**	3.8%
Salary progression	**3.75%**	3.5%
Pension indexation	**1.9%**	1.9%
Mortality table	**K2013**	K2005

The discount rate in 2013 and 2012 is based on the Norwegian high quality corporate bond rate. The assumptions used are in line with recommendations from the Norwegian Accounting Standards Board.

Generally, a one percent increase in the discount rate will lead to approximately 10-15 percent decrease in service cost/projected benefit obligation. This is lower than an expected effect of approximately 20 percent as the benefit obligation in Aker Solutions consist mainly of pensioners and employees over 60 years. It should also be expected that fluctuations in the discount rate would also lead to fluctuations in the pension indexations. The total effect of fluctuations in economic assumptions are consequently unlikely to be very significant.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current life expectancy underlying the values of the defined benefit obligation at the reporting date are shown below.

Years	**2013**	2012
Life expectancy of male pensioners	**20.4**	18.1
Life expectancy of female pensioners	**23.2**	21.1

Sensitivity analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as of December 31, 2013 by the amounts shown below.

Amounts in NOK million	Increase	Decrease
Discount rate (1% movement)	(251)	301
Future salary growth (1% movement)	45	(57)
Future pension growth (1% movement)	289	(245)

The change in discount rate assumptions would affect plan assets in the income statement in next period as it would change the estimated asset return, but have no effect on pension assets as of year end.

Note 31 Capital and reserves

Share capital
Aker Solutions ASA has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings.

Total outstanding shares are 274 000 000 at par value NOK 1.66 per share (NOK 1.66 in 2012). All issued shares are fully paid.

Share buy-back
At the 2007 Annual General Meeting authorization was given to repurchase up to 27.4 million shares, representing 10 percent of the share capital of Aker Solutions ASA. Aker Solutions ASA decreased the shareholdings with 1 535 374 treasury shares in 2013 and as of December 31, 2013 Aker Solutions ASA holds 1 955 611 treasury shares representing 0.71 percent of total outstanding shares.

Summary of purchase and sale of treasury shares

Amounts in NOK million	Number of shares	Consideration
Treasury shares as of January 1, 2012	4 214 607	664
Purchase	1 475 000	121
Sale	(2 198 622)	(179)
Treasury shares as of December 31, 2012	**3 490 985**	**606**
Purchase	589 069	50
Sale	(2 124 443)	(183)
Treasury shares as of December 31, 2013	**1 955 611**	**473**

The group purchases treasury shares to meet the obligation under the employee share purchase programme.

Dividends	**2013**	2012
Paid dividend per share (NOK)	**4.00**	3.86
Total dividend paid (NOK million)	**1 082**	1 053
Ordinary dividend per share proposed by the Board of Directors (NOK)[1]	**4.10**	4.00

1) Dividend proposed by the board of directors, but have not been provided. There are no tax consequences on the proposed dividends.

Hedging reserve
The hedging reserve relates to cashflow hedges of future revenues and expenses against exchange rate fluctuations. The income statement effects of such instruments are recognized in accordance with the progress of the underlying construction contract as part of revenues or expenses as appropriate. The hedging reserve represents the value of such hedging instruments that are not yet recognized in the income statement. The underlying nature of a hedge is that a positive value on a hedging instrument exists to cover a negative value on the hedged position, see note 14 Financial income and expenses and note 22 Derivative financial instruments.

Currency translation reserve
The currency translation reserve includes exchange differences arising from the translation of the net investment in foreign operations, and foreign exchange gain or loss on loans defined as hedges or net investments, see note 14 Financial income and expenses.

Net investments have been hedged in 2013 with a loss of NOK 9 million (gain of NOK 1 million in 2012). Accumulated gain on net investment hedges from 2005 is NOK 66.7 million (increased from NOK 65 million in 2012). The net investment hedge as of December 31, 2013 relates mainly to investments in the United States, see note 6 Financial risk management and exposures.

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired.

Note 32 Financial instruments

The table below lists the group's financial instruments, both assets and liabilities. Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. All other financial instruments are classified by the main group of instruments as defined in IAS 39. Both carrying amount and fair value is shown for all financial instruments.

For financial instruments measured at fair value, the levels in the fair value hierarchy are as shown below.

- Level 1 - fair values are based on prices quoted in an active market for identical assets or liabilities
- Level 2 - fair values are based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.
- Level 3 - Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

Accounts Aker Solutions Group

Financial instruments as of December 31, 2013

		Carrying amount						Fair value			
Amounts in NOK million	*Note*	Fair value through P&L	Fair value - hedging instruments	Loans and receivables	Available for sale	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
Cash and cash equivalents	16	-	-	2 345	-	-	**2 345**	-	-	-	**-**
Other investments											
- Equity securities - Available-for-sale[1]	27	-	-	-	618	-	**618**	480	-	138	**618**
- Equity securities - fair value in profit and loss	27	27	-	-	-	-	**27**	-	27	-	**27**
Forward foreign exchange contract	22	-	1 507	-	-	-	**1 507**	-	1 507	-	**1 507**
Interest rate instruments	22	-	37	-	-	-	**37**	-	37	-	**37**
Non-current interest-bearing receivables											
- convertible loans	25	-	-	347	-	-	**347**	-	-	-	**-**
- other loans and receivables	25	-	-	159	-	-	**159**	-	-	-	**-**
Other non-current operating assets		-	-	162	-	-	**162**	-	-	-	**-**
Trade and other receivables	17	-	-	17 659	-	-	**17 659**	-	-	-	**-**
Current interest-bearing receivables											
- bonds and certificates[4]	25	119	-	-	-	-	**119**	-	119	-	**119**
- receivables	25	-	-	45	-	-	**45**	-	-	-	**-**
Financial assets		**146**	**1 544**	**20 717**	**618**	**-**	**23 025**	**480**	**1 690**	**138**	**2 308**
Forward foreign exchange contracts	22	-	(790)	-	-	-	**(790)**	-	(790)	-	**(790)**
Interest rate instruments	22	-	(44)	-	-	-	**(44)**	-	(44)	-	**(44)**
Non-current bonds and borrowings[2]	28	-	-	(7 420)	-	-	**(7 420)**	-	(7 433)	-	**(7 433)**
Other non-current liabilities											
- contingent consideration	29	(142)	-	-	-	-	**(142)**	-	-	(142)	**(142)**
- actuary estimated insurance provisions	29	(49)	-	-	-	-	**(49)**	-	-	(49)	**(49)**
- other liabilities	29	-	-	-	-	(165)	**(165)**	-	-	-	**-**
Trade and other payables	20	-	-	(17 233)	-	-	**(17 233)**	-	-	-	**-**
Deferred consideration	20	-	-	(176)	-	-	**(176)**	-	-	-	**-**
Credit facility and other current borrowings[3]	28	-	-	(3 896)	-	-	**(3 896)**	-	(4 030)	-	**(4 030)**
Financial liabilities		**(191)**	**(834)**	**(28 725)**	**-**	**(165)**	**(29 915)**	**-**	**(12 297)**	**(191)**	**(12 488)**

Accounts Aker Solutions Group

Financial instruments as of December 31, 2012

		Carrying amount						Fair value			
Amounts in NOK million	Note	Fair value through P&L	Fair value - hedging instruments	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	16	-	-	1 214	-	-	1 214	-	-	-	-
Other investments											
- Equity securities - Available-for-sale[1]	27	-	-	-	544	-	544	403	-	141	544
- Equity securities - fair value in profit and loss	27	25	-	-	-	-	25	-	25	-	25
Forward foreign exchange contract	22	-	391	-	-	-	391	-	391	-	391
Interest rate instruments	22	-	50	-	-	-	50	-	50	-	50
Non-current interest-bearing receivables											
- convertible loans	25	-	-	305	-	-	305	-	-	-	-
- other loans and receivables	25	-	-	367	-	-	367	-	-	-	-
Other non-current operating assets		-	-	168	-	-	168	-	-	-	-
Trade and other receivables	17	-	-	16 524	-	-	16 524	-	-	-	-
Current interest-bearing receivables											
- bonds and certificates[4]	25	194	-	-	-	-	194	-	194	-	194
- mutual funds	25	175	-	-	-	-	175	175	-	-	175
- receivables	25	-	-	52	-	-	52	-	-	-	-
Financial assets		394	441	18 630	544	-	20 009	578	660	141	1 379
Forward foreign exchange contracts	22	-	(220)	-	-	-	(220)	-	(220)	-	(220)
Interest rate instruments	22	-	(54)	-	-	-	(54)	-	(54)	-	(54)
Non-current bonds and borrowings[2]	28	-	-	(6 683)	-	-	(6 683)	-	(6 849)	-	(6 849)
Other non-current liabilities											
- contingent consideration	29	(169)	-	-	-	-	(169)	-	-	(169)	(169)
- actuary estimated insurance provisions	29	(65)	-	-	-	-	(65)	-	-	(65)	(65)
- other liabilities	29	-	-	-	-	(181)	(181)	-	-	-	-
Trade and other payables	20	-	-	(15 874)	-	-	(15 874)	-	-	-	-
Deferred consideration	20	-	-	(138)	-	-	(138)	-	-	-	-
Credit facility and other current borrowings[3]	28	-	-	(1 008)	-	-	(1 008)	-	-	-	-
Financial liabilities		(234)	(274)	(23 703)	-	(181)	(24 392)	-	(7 123)	(234)	(7 357)

1) Investments in level 3 in the hierarchy relate to equity securities with no active market. These investments are measured at cost since this is considered to be the best estimate of fair value. All available for sale investments are designated as such upon initial recognition.
2) Fair values are based on quoted prices for the bonds noted on the Oslo Stock Exchange. For new bonds, the notional amounts are considered as the best approximation of fair value.
3) For credit facilities and other short-term loans with floating interest, notional amounts are used as approximation of fair values.
4) Portfolio of bonds, obligations and certificates derived from observable market transactions in an active market for identical assets.

Note 33 Earnings per share

Aker Solutions ASA holds 1 955 611 treasury shares at year end 2013 (3 490 985 shares in 2012). Treasury shares are not included in the weighted average number of ordinary or diluted shares.

Amounts in NOK million	**2013**	2012
Profit attributable to ordinary shares (NOK million)	**1 257**	2 250
Profit attributable to ordinary shares from continuing operations (NOK million)	**997**	2 049

Basic earnings per share
The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

	2013	2012
Issued ordinary shares as of January 1	**274 000 000**	274 000 000
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	**271 162 152**	270 048 870
Basic earnings per share (NOK)	**4.63**	8.33
Basic earnings per share for continuing operations (NOK)	**3.68**	7.67

Diluted earnings per share
The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effect of rights to receive bonus shares in connection with the employee share purchase programme and all dilutive potential ordinary shares.

	2013	2012
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	**271 162 152**	270 048 870
Expected effect of right to receive bonus shares	**225 076**	976 785
Weighted average number of ordinary shares outstanding (diluted) for the year	**271 387 228**	271 025 655
Diluted earnings per share (NOK)	**4.63**	8.30
Diluted earnings per share for continuing operations (NOK)	**3.67**	7.64

Note 34 Related parties

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions in the Aker Solutions group with related parties have been based on arm's length terms.

Aker Solutions ASA is a parent company with control of around 145 companies around the world. These subsidiaries are listed in note 35 Group companies. Any transactions between the parent company and the subsidiaries are shown line by line in the separate financial statements of the parent company, and are eliminated in the group financial statements.

Associated companies and jointly controlled companies are consolidated using the equity method, see note 26 Equity-accounted investees. Any transactions between the group and these entities are shown in the table below.

Remunerations and transactions with directors and executive officers are summarized in note 11 Salaries, wages and social security costs.

The largest shareholder of Aker Solutions, Aker Kvaerner Holding AS, is controlled by Aker ASA (70 percent) which in turn is controlled by Kjell Inge Røkke. Aker ASA also controls 6 percent of the shares in Aker Solutions directly. All entities which Kjell Inge Røkke controls are considered related parties to Aker Solutions (Aker entities) and his family through TRG Holding AS and The Resource Group AS.

Kvaerner is not considered to be a related party of Aker Solutions.

Summary of transactions and balances with related parties

2013

Amounts in NOK million	Aker entities	Associated companies	Joint ventures	**Total**
Income statement				
Operating revenues	96	-	-	**96**
Operating costs	(202)	(86)	-	**(288)**
Net financial items	-	-	10	**10**
Balance sheet				
Trade receivables	10	-	-	**10**
Other non-interest bearing assets	144	-	-	**144**
Interest-bearing receivables	-	-	83	**83**
Trade payables	-	(45)	-	**(45)**

2012

Amounts in NOK million	Aker entities	Associated companies	Joint ventures	Total
Income statement				
Operating revenues	208	3	-	211
Operating costs	(186)	(47)	-	(233)
Net financial items	-	-	16	16
Balance sheet				
Trade receivables	21	11	-	32
Other non-interest bearing assets	165	-	-	165
Interest-bearing receivables	-	-	258	258
Trade payables	(3)	(45)	-	(48)

Below is description of the most significant related party transactions and balances in 2013.

Related party transactions with Aker

Fornebuporten AS

In 2013, Aker Solutions entered a long-term lease agreement with Fornebuporten AS (a subsidiary of Aker ASA) starting in 2016 for offices to be built at Fornebu, near Oslo. The duration of the contract is 12 years, with two additional five-year options. The building is scheduled for completion in June 2016.

Intellectual Property Holding AS

Aker Solutions has an agreement with Intellectual Property Holding which holds all rights, titles and interests in and to registered trademarks and domain names containing "Aker". According to the agreement, Aker Solutions has acquired the right to use the "Aker" name in combination with "Solutions".

Det norske oljeselskap ASA

Aker Solutions has entered into agreements with Det norske oljeselskap for the development projects Ivar Aasen. The deliveries are to a large extent completed by the end of 2013. The amounts included in Operating revenue in the table above relates to 100 percent of contract revenue. Det norske oljeselskap share of the licenses are 35 percent.

Aker ASA

Aker Solutions Inc and Aker Kvaerner Wilfab Inc, which are subsidiaries of Aker Solutions, are sponsoring employers of the US pension plan Kvaerner Consolidated Retirement Plan. The principal sponsor for the plan is Kvaerner U.S. Inc, a subsidiary of TH Global plc. Aker has provided a guarantee to the plan in the event that Aker Solutions becomes liable for more than one third of the underfunded element of the plan. A provision for Aker Solutions share of estimated underfunded element of NOK 31 million is recognized in Trade and other payables.

Aker ShipLease AS

In 2009 Aker ShipLease AS and Aker Solutions entered into a 10 year bareboat charter contract for vessel Aker Wayfarer. Aker Wayfarer is an offshore vessel designed for ultra-deepwater with state of the art equipment. An non-interest bearing lease prepayment was paid in 2009 and is included in other non-current operating assets of NOK 144 million (NOK 165 million in 2012).

Oslo Asset Management

Aker Insurance received investment management services from Oslo Asset Management. The annual fee is based on average total capital.

Oslo Asset Management is not considered to be a related party of Aker Solutions after December 2013 following a reduction in Aker's ownership in the company to 45 percent.

Related party transactions with joint ventures

Aker DOF Deepwater AS

A loan of NOK 83 million (NOK 258 million in 2012) is given to the jointly controlled entity Aker DOF Deepwater (NIBOR 12 months + 1.5 percent). NOK 200 million was converted to equity during 2013.

Related party transactions with associated companies

K2 Eiendom AS and Hinna Park Invest AS

Aker Solutions has entered into twelve year lease agreements with both K2 Eiendom AS and Hinna Park Invest AS for new office buildings. For more information, see note 12 Operating leases.

Other related parties

Aker Pensjonskasse

Aker Pensjonskasse was established by Aker ASA to manage the retirement plan for employees and retirees in Aker Solutions as well as related Aker companies. The total paid-in equity was NOK 128 million at the end of 2013 (unchanged from 2012). Aker Solutions premiums paid to Aker Pensjonskasse amounts to NOK 89 million in 2013 (NOK 89 million in 2012). Aker Solutions holds 93.4 percent of the paid-up capital in Aker Pensjonskasse.

Grants to employee representative's collective fund

Aker ASA has signed an agreement with employee representatives that regulate use of grants from Aker Solutions ASA for activities related to professional development. The grant in 2013 was NOK 665 000 (NOK 630 000 in 2012).

Accounts Aker Solutions Group

Note 35 Group companies

If not stated otherwise, ownership equals the percentage of voting shares

Group companies as of December 31

Company	Location	Country	Ownership (percent) 2013	2012
Aker Solutions ASA	**Fornebu**	**Norway**	**100**	**100**
Aker Solutions Enterprises LDA[1]	Luanda	Angola	49	-
Aker Advantage Pty Ltd	Melbourne	Australia	100	100
Aker Process Systems Pty Ltd	Welshpool	Australia	100	100
Aker Solutions Pty Ltd[4]	Melbourne	Australia	100	100
Aker Wirth Australia Pty	Argenton	Australia	90	90
Step Oiltools (Australia) Pty Ltd[2]	Perth	Australia	76	65
Aker Solutions Belgium NV/SA	Antwerp	Belgium	100	100
Aker Oilfield Servicos de Petroleo e Gas do Brasil Ltda	Rio de Janeiro	Brazil	100	100
Aker Solutions do Brasil Ltda	Curitiba	Brazil	100	100
Aker Solutions Sdn Bhd	Seria	Brunei	100	100
Aker Solutions Oilfield Services Canada Inc	Newfoundland	Canada	100	100
Aker Solutions Asset Integrity and Management Canada Inc[6]	Newfoundland	Canada	100	100
Step Oiltools Limited[2]	Grand Cayman	Cayman Islands	76	65
Aker Cool Sorption (Beijing) Technology Co Ltd	Beijing	China	100	100
Aker E&T (Shanghai) Co Ltd	Shanghai	China	100	100
Aker Subsea (Shenzhen) Co. Ltd	Shenzhen	China	100	100
Aker Solutions Congo SA[5]	Point-Noire	Congo	100	-
Aker Global Employment Ltd	Limassol	Cyprus	100	100
Aker Solutions Cyprus Ltd	Limassol	Cyprus	100	100
Managed Pressure Operations International Limited[5]	Limassol	Cyprus	100	-
Aker Midsund Engineering s.r.o	Prague	Czech Republic	98	98
Aker Solutions Denmark AS[7]	Glostrup	Denmark	100	100
Aker Operations APS	Glostrup	Denmark	100	100
Aker Process Systems SAS	Vincennes Cedex	France	100	100
Aker Wirth GmbH	Erkelenz	Germany	100	100
Step Oiltools GmbH	Bad Fallingbostel	Germany	76	65
Wirth Vermögensverwaltung GmbH	Erkelenz	Germany	85	85
Aker Drilling Technologies India Pvt Ltd[8]	Mumbai	India	100	100
Aker Powergas Pvt Ltd	Mumbai	India	68	68
Aker Powergas Subsea Pvt Ltd	Mumbai	India	68	68
PT Aker Solutions E & C Indonesia Sdn Bhd	Jakarta	Indonesia	100	100
PT Aker Solutions	Jakarta	Indonesia	100	100
PT Managed Pressure Operations (Indonesia)[5]	Jakarta	Indonesia	100	-
PT Step Oiltools	Jakarta	Indonesia	76	65
Step Oiltools LLP	Aktau	Kazakhstan	76	65
Aker Engineering International Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Engineering Malaysia Sdn Bhd[3]	Kuala Lumpur	Malaysia	-	-
Aker Process Systems Asia Pacific Sdn Bhd[1]	Shah Akam	Malaysia	100	100
Aker Qserv Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Solutions Asia Pacific Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Solutions India Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Solutions Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Aker Solutions Umbilical Asia Pacific Sdn Bhd	Kuala Lumpur	Malaysia	100	100
Phoenix Polymers Malaysia Ltd	Kuala Lumpur	Malaysia	100	100
Aker Solutions (Mauritius) Ltd	Port Louis	Mauritius	100	100
Aker Solutions de Mèxico	Mexico City	Mexico	100	100
Aker Advantage BV	Gravenhage	Netherlands	100	100
Aker Oilfield Services BV	Amsterdam	Netherlands	100	100
Aker Process BV	Zoetermeer	Netherlands	100	100
Aker Process Engineering Services BV	Maastrichts	Netherlands	100	100
Aker Solutions BV	Zoetermeer	Netherlands	100	100
Step Oiltools B.V.	Amsterdam	Netherlands	76	65
Aker Solutions Nigeria Ltd	Lagos State	Nigeria	100	100
Aker Solutions Ambico Nigeria Ltd[1]	Ikoyi - Lagos	Nigeria	49	-
AK Eiendomsinvest AS	Fornebu	Norway	100	100
Aker Advantage AS	Bergen	Norway	100	100
Aker Advantage Group AS	Fornebu	Norway	100	100
Aker Business Services AS	Fornebu	Norway	100	100
Aker Clean Carbon[9]	Fornebu	Norway	-	100
Advanced Carbon Capture AS[9]	Fornebu	Norway	-	100
Aker Egersund AS	Egersund	Norway	100	100
Aker Engineering & Technology AS	Fornebu	Norway	100	100
Aker Geo AS	Stavanger	Norway	100	100
Aker Installation FP AS	Fornebu	Norway	100	100
Aker Insurance AS	Fornebu	Norway	100	100
Aker Insurance Services AS	Fornebu	Norway	100	100
Aker MH AS	Kristiansand	Norway	100	100
Aker Midsund AS	Midsund	Norway	100	100
Aker Oilfield Services AS	Oslo	Norway	100	100
Aker Oilfield Services Operations AS	Oslo	Norway	100	100
Aker Oilfield Services Norway AS	Oslo	Norway	100	100
Aker Operations AS	Stavanger	Norway	100	100
Aker Porsgrunn AS	Porsgrunn	Norway	100	100
Aker Process Systems International AS	Fornebu	Norway	100	100
Aker Process Systems AS	Fornebu	Norway	100	100
Aker Pusnes AS	Arendal	Norway	100	100
Aker Solutions AS	Fornebu	Norway	100	100
Aker Solutions Contracting Kazakhstan AS	Fornebu	Norway	100	100
Aker Solutions MMO AS	Stavanger	Norway	100	100
Aker Subsea AS	Fornebu	Norway	100	100
Aker Subsea Russia AS	Fornebu	Norway	100	100
Aker Well Service AS	Stavanger	Norway	100	100
AKOFS 1 AS	Oslo	Norway	100	100
AKOFS 2 AS	Oslo	Norway	100	100
AKOFS Angola AS	Oslo	Norway	100	100
AKOFS Wayfarer AS	Fornebu	Norway	100	100

Accounts Aker Solutions Group

Company	Location	Country	Ownership (percent) 2013	2012
AMC Connector AS[10]	Oslo	Norway	-	100
Ingeniør Harald Benestad AS[1]	Lierskogen	Norway	82	82
Borgenskogen AS	Fornebu	Norway	100	100
Drilltech AS	Kristiansand S	Norway	100	100
Dvergsnestangen Eiendom Invest AS	Fornebu	Norway	100	100
Enovate Norway AS[5]	Hvalstad	Norway	100	-
Grunnavågen Eiendom Invest AS	Fornebu	Norway	100	100
Herman Hansen Mek Verksted AS[9]	Kristiansand S	Norway	-	100
Herman Hansen Services AS[9]	Kristiansand S	Norway	-	100
K2 Hotellbygg AS	Fornebu	Norway	93	93
KB eDesign AS	Oslo	Norway	100	100
Lyngdal Mek Verksted AS[9]	Lyngdal	Norway	-	100
Managed Pressure Operations International AS[5]	Kristiansand S	Norway	100	-
Maritime Promeco AS	Kristiansand S	Norway	100	100
Phaze Technologies AS[1]	Lierskogen	Norway	82	82
Pusnes Eiendom AS	Fornebu	Norway	100	100
Step Offshore AS	Hvalstad	Norway	100	100
Step Oiltools AS	Stavanger	Norway	76	65
Strendene Eiendom AS	Fornebu	Norway	100	100
Subsea Africa AS	Oslo	Norway	100	100
Subsea Holding AS[9]	Fornebu	Norway	-	100
Subsea House AS[9]	Fornebu	Norway	-	100
SSH Engineering AS[9]	Fornebu	Norway	-	100
Tranby Eiendom Invest AS	Fornebu	Norway	100	100
Tromsøruffen AS	Fornebu	Norway	100	100
Ågotnes Eiendom Invest AS	Fornebu	Norway	100	100
Aker Well Service LLC	Muscat	Oman	70	70
Aker Solutions St Petersburg Co Ltd[11]	St Petersburg	Russia	100	100
Step Oiltools LLC	Moscow	Russia	76	65
Aker Kvaerner Gotech LLC	Al-Khobar	Saudi Arabia	51	51
Aker Process Gulf Company Limited[5]	Al-Khobar	Saudi Arabia	100	-
Aker Oilfield Services Singapore Pte Ltd	Singapore	Singapore	100	100
Aker Solutions Drilling Technologies (Singapore) Pte Ltd	Singapore	Singapore	100	100
Aker Solutions (Services) Pte Ltd	Singapore	Singapore	100	100
Aker Solutions Singapore Pte Ltd	Singapore	Singapore	100	100
Managed Pressure Operations Pte Ltd (Singapore)[5]	Singapore	Singapore	100	-
MPO Research Technologies Pte Ltd[5]	Singapore	Singapore	100	-
Step Oiltools Pte Ltd	Singapore	Singapore	76	65
Wirth Mining Services Pty Ltd[10]	Middelburg	South Africa	-	100
Aker Solutions Pusnes Korea Ltd	Busan	South Korea	100	100
Aker Solutions AB	Gothenburg	Sweden	100	100
Kvaerner Water AB	Ørnskjøldsvik	Sweden	100	100
Aker Cool Sorption Siam Ltd	Rayong	Thailand	100	99
Step Oiltools (Thailand) Ltd	Bangkok	Thailand	76	65
Aker Advantage Ltd	London	UK	100	100
Aker Business Services Ltd	London	UK	100	100

Company	Location	Country	Ownership (percent) 2013	2012
Aker Engineering & Technology Ltd	London	UK	100	100
Aker MH UK Ltd	Aberdeen	UK	100	100
Aker Offshore Partner Ltd	London	UK	100	100
Aker Process Systems Ltd	Aberdeen	UK	100	100
Aker Qserv Ltd	Aberdeen	UK	100	100
Aker Solutions Angola Ltd	Maidenhead	UK	100	100
Aker Solutions DC Trustees Ltd	London	UK	100	100
Aker Solutions India Ltd[10]	Cardiff	UK	-	100
Aker Subsea Ltd	Maidenhead	UK	100	100
Enovate Systems Ltd[2,5]	Aberdeen	UK	95	-
Opus Maxim Ltd[5]	Guildford	UK	100	-
Opus Plus Ltd[5]	Orkney	UK	100	-
Qserv Pipeline & Process Ltd	London	UK	100	100
Step Oiltools (UK) Ltd	Aberdeen	UK	76	65
Woodfield Systems Co Ltd	Kent	UK	100	100
Aker MH FZE	Dubai	UAE	100	100
Extreme Trading & Mechanical Equipment LLC[1]	Abu Dhabi	UAE	49	49
Managed Pressure Operations FZE (Dubai)[5]	Dubai	UAE	100	-
Step Oiltools FZE[5]	Dubai	UAE	76	-
Aker Advantage Inc	Houston	USA	100	100
Aker Kvaerner Pharmaceuticals LLC	Houston	USA	100	100
Aker Kvaerner Willfab Inc	Williamsport	USA	100	100
Aker Oil & Gas US LLC[9]	Houston	USA	-	100
Aker Solutions USA Corporation	Houston	USA	100	100
Aker Solutions Inc	Houston	USA	100	100
Aker Well Service Inc	Houston	USA	100	100
Managed Pressure Operations LLC (USA - TX)[5]	Houston	USA	100	-

1) As Aker Solutions has 100 percent voting rights, no non-controlling interest is recognized.
2) As Aker Solutions apply the anticipated acquisition method, no non-controlling interest is recognized.
3) Aker Solutions has 90 percent voting rights. Non-controlling interest of 10 percent is recognized.
4) Changed name from Aker Subsea Pty Ltd.
5) New companies in 2013.
6) Changed name from Thrum Energy Inc.
7) Changed name from Aker Cool Sorption A/S.
8) Changed name from Aker MH (India) Pvt Ltd.
9) Merged into other group companies in 2013.
10) Dissolved in 2013.
11) Changed name from First Interactive LLC.

Note 36 Subsequent events

Completion of sales of businesses
On January 9, 2014, Aker Solutions completed the sale of its well-intervention services business area to EQT, a Swedish private equity fund. The unit was sold for an enterprise value of NOK 4 billion and the agreement includes an earn-out provision where Aker Solutions will receive 25 percent of any internal rate of return exceeding 12 percent a year on EQT's equity investment. Aker Solutions will book a gain before any earn-out of about NOK 1.8 billion in the first quarter of this year from the transaction. See note 8 Discontinued operations and disposal groups held for sale for more information.

On January 30, 2014, Aker Solutions completed the sale of its mooring and loading systems business to Cargotec for an enterprise value of NOK 1.4 billion. Aker Solutions will book a gain of about NOK 1 billion in the first quarter of 2014 from the sale. See note 8 Discontinued operations and disposal groups held for sale for more information.

Commitments
On January 13, 2014, Aker Solutions exercized the purchase option for the vessel Skandi Aker. The vessel is owned by DOF Subsea Rederi AS, and the transaction will take place February 2015. The purchase represents a CAPEX committment of approximately NOK 750 million for Aker Solutions.

Accounts Aker Solutions ASA

Aker Solutions ASA

Income Statement

For the year ended December 31

Amounts in NOK million	Note	**2013**	2012
Operating revenue	2	**48**	49
Operating expenses	2	**(131)**	(127)
Operating loss		**(83)**	(78)
Income from investments in subsidiaries	5	**2 896**	-
Net financial items	3	**13**	170
Profit before tax		**2 826**	92
Income tax	4	**1**	(27)
Profit for the period		**2 827**	65
Profit for the period distributed as follows:			
Proposed dividends		**1 115**	1 082
Other equity		**1 712**	(1 017)
Profit for the period		**2 827**	65
Group contribution against investment in shares			74

Accounts Aker Solutions ASA

Aker Solutions ASA

Balance Sheet

Amounts in NOK million	Note	**Dec 31, 2013**	Dec 31, 2012
Assets			
Deferred tax asset	4	**13**	13
Investments in group companies	5	**15 299**	7 685
Non-current interest-bearing receivables from group companies	7	**2 345**	9 263
Other non-current interest-bearing receivables	8	**85**	260
Total non-current assets		**17 742**	17 221
Current interest-bearing receivables from group companies	7	**5 393**	5 233
Non-interest bearing receivables from group companies	7	**4 768**	-
Financial assets	11	**1 187**	847
Other current receivables		**-**	-
Cash in cash pool system	7	**1 023**	536
Total current assets		**12 371**	6 616
Total assets		**30 113**	23 837

Amounts in NOK million	Note	**Dec 31, 2013**	Dec 31, 2012
Equity and liabilities			
Issued capital		**455**	455
Treasury shares		**(3)**	(6)
Share premium reserve		**2 000**	2 000
Other paid in capital		**2 442**	2 442
Other equity		**4 109**	2 260
Total equity	6	**9 003**	7 151
Non-current borrowings	9	**6 366**	6 091
Total non-current liabilities		**6 366**	6 091
Current borrowings	9	**3 874**	351
Current borrowings from group companies	7	**8 435**	7 952
Provision for dividend	6	**1 115**	1 082
Non interest-bearing liabilities from group companies	7	**38**	102
Financial liabilities	11	**1 183**	841
Other current liabilities		**99**	267
Total current liabilities		**14 744**	10 595
Total liabilities		**21 110**	16 686
Total liabilities and equity		**30 113**	23 837

Fornebu, March 13, 2014
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Anne Drinkwater

Koosum Parsotam Kalyan

Stuart Edward Ferguson

Sarah Elizabeth Ryan

Atle Teigland

Åsmund Knutsen

Arild Håvik

Hilde Karlsen

Leif Hejø Borge
President & CFO

Aker Solutions ASA

Statement of Cashflow

For the year ended December 31

Amounts in NOK million	**2013**	2012
Profit before tax	**2 827**	92
Changes in other net operating assets	**(2 573)**	(69)
Net cash from operating activities	**254**	23
Payment related to increase in interest-bearing receivables	**(25)**	-
Net cash from investing activities	**(25)**	-
Proceeds from borrowings	**3 649**	2 500
Repayment of borrowings	**(231)**	(419)
Changes in borrowings from group companies	**7 600**	5 115
Changes in borrowings to group companies	**(9 812)**	(6 220)
Proceeds from employees share purchase program	**183**	179
Repurchase of treasury shares	**(50)**	(121)
Dividends to shareholders	**(1 082)**	(1 052)
Net cash from financing activities	**257**	(18)
Net increase (decrease) in cash and bank deposits	**486**	5
Cash in cash pool system at the beginning of the period	**536**	531
Cash in cash pool system at the end of the period[1]	**1 023**	536

1) Unused credit facilities in NOK and EUR amounted to NOK 4.4 billion as described in note 9 Borrowings.

Aker Solutions ASA

Notes to the Financial Statements

Note 1 Accounting principles

Aker Solutions ASA is a company domiciled in Norway. The accounts are presented in conformity with Norwegian legislations and Norwegian generally accepted accounting principles.

Revenue recognition

Revenue is recognised when the service is delivered. Operating revenue comprises mainly of income from parent company guarantees (PCG). The PCGs are invoiced when the guarantee is issued and the income is distributed over the lifetime of the guarantee. Insurance commissions from Aker Solutions companies are recognised the year the insurance is established.

Investment in subsidiaries and associates

Investments in subsidiaries and associates are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value are recognised when the impairment is considered not to be temporary and reversed if the basis for the write-down is no longer present.

Dividends and other distributions are recognised as income the same year as they are appropriated in the subsidiary. If the dividend exceeds accumulated profits in the subsidiary after the acquisition the payment is treated as a reduction of the carrying value of the investment.

Classification and valuation of balance sheet items

Current assets and current liabilities include items due within one year or items that are part of the operating cycle. The rest is classified as non-current assets/non-current debt.

Current assets are valued at the lowest of cost and fair value. Current debt is valued at nominal value at the time of recognition.

Investments and long term receivables are valued at cost but are written down to fair value if impairment is not expected to be temporary. Non-current debts are initially valued at transaction value less attribute transaction cost. Subsequent to initial recognition, interest-bearing long-term debt is stated at amortized cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

Trade receivables and other receivables are recognised at nominal value less provision for expected losses. Provision for expected losses is considered on an individual basis.

Cash in cash pool system

Cash in cash pool system is the parent company's cash as well as net deposits from subsidiaries in the group cash pooling systems owned by the parent company. Correspondingly, the parent company's current debt to group companies will include the same net deposits in the group's cash pooling system. The cashflow statement is established according to the indirect method.

Share capital

Costs for purchase of own shares including transaction costs are accounted for directly against equity. Sale of own shares are done according to stock- exchange quotations at the time of award and accounted for as increase in equity.

Accounts Aker Solutions ASA

Foreign currency
Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate on that date. Foreign exchange differences arising on translation are recognized in the income statement.

Derivative financial instruments
Subsidiaries have entered into financial derivative agreements with the parent company to hedge their foreign exchange exposure. The parent company does not engage in hedging activities other than as a counterpart in financial derivative agreements with the subsidiaries. In the parent company, derivatives from external banks are used to mitigate the foreign exchange exposure from the financial derivative agreements with the subsidiaries.

Hedge accounting is done at group level. See note 3 in the group annual accounts for treatment of hedge accounting at group level.

All financial assets and liabilities related to foreign exchange contracts are revaluated at fair value in respect to exchange rate movements each period.

In order to reduce the interest rate risk related to external borrowings, Aker Solutions also enters interest swap agreements. The market value of interest rate swaps classified as cashflow hedges (where the interest rate of the debt is switched from floating- to fixed interest rate) is accounted for directly against equity while the corresponding interest payments are reflected in the profit and loss to neutralise potential changes in interest levels.

The value of interest rate swaps classified as fair value hedges (from fixed to floating interest rate) is accounted for through profit and loss. At the same time is a corresponding adjustment to the carrying value of the borrowing accounted for.

Tax
Tax expense in the income statement comprises current tax and changes in deferred tax. Deferred tax is calculated as 27 percent of temporary differences between accounting and tax values as well as any tax losses carry forward at the year end. Net deferred tax assets are recognised only to the extent it is probable that they will be utilized against future taxable profits.

Note 2 Operating revenue and expenses

Operating revenue comprises NOK 39 million in income from parent company guarantees and NOK 9 million in insurance commissions from Aker Solutions companies. Income from parent company guarantees includes NOK 9 million from external companies.

There are no employees in Aker Solutions ASA and hence no salary or pension related costs and also no loan or guarantees related to the executive management team. Group management and corporate staff are employed by other Aker Solutions companies and costs for their services as well as other parent company costs are charged to Aker Solutions ASA. Remuneration to and shareholding of acting managing director Leif Hejø Borge, is described in note 11 Salaries, wages and social security costs in the consolidated accounts.

Fees to KPMG for statutory audit of the parent company amounted to NOK 4 million excluding VAT.

Note 3 Net financial items

Amounts in NOK million	**2013**	2012
Interest income from group companies	**742**	683
Interest expense to group companies	**(23)**	(49)
Net interest group companies	**719**	634
Interest income from related parties	**10**	16
Net interest related parties	**10**	16
Interest income	**31**	33
Interest expense	**(693)**	(499)
Net interest external	**(662)**	(466)
Loss on loans to group companies[1]	**(68)**	12
Other financial income	**-**	4
Other financial expense	**(3)**	(55)
Foreign exchange gain	**344**	82
Foreign exchange loss	**(327)**	(57)
Net other financial items	**14**	(26)
Net financial items	**13**	170

1) Loss on loans to group companies comprises NOK 29 million to Aker Solutions Nigeria Ltd and NOK 39 million to Aker Solutions Umbilical Asia Pacific Sdn.

Accounts Aker Solutions ASA

Note 4 Tax

Amounts in NOK million	**2013**	2012
Calculation of taxable income		
Profit before tax	**2 826**	92
Group contribution without tax	**(2 896)**	-
Write down internal loan	**68**	-
Permanent differences	**(6)**	(3)
Change in timing differences	**(1)**	11
Taxable income	**(9)**	100
Positive and (negative) timing differences		
Unrealized gain(loss) on forward exchange contracts	**7**	6
Interest rate swaps	**(44)**	(54)
Loss carry-forward	**(9)**	-
Basis for deferred tax	**(46)**	(48)
Deferred tax in income statement	**1**	(2)
Deferred tax in equity	**12**	15
Deferred tax asset	**13**	13
Tax expense		
Origination and reversal of temporary differences in income statement	**3**	3
Payable tax	**-**	(29)
Withholding tax paid	**(2)**	(1)
Total tax in income statement	**1**	(27)

Note 5 Investments in group companies

Amounts in NOK million	Registered office	Share capital	Number of shares held	Percentage owner- / voting share	**2013**	2012
Aker Solutions AS[1]	Fornebu, Norway	3 500	1	100%	**14 496**	7 366
Aker Oilfield Services AS[2]	Oslo, Norway	482	10 378 306	32.29%	**803**	319
Total investments in subsidiaries					**15 299**	7 685

[1] *In 2013 the share capital of Aker Solutions AS was increased by NOK 180 million to NOK 3 500 million by conversion of debt. The total conversion of debt was NOK 9 000 million. Group contributions from Aker Solutions AS recognized in the P&L as income from investments in subsidiaries amounted to NOK 2 896 million and group contributions from Aker Solutions AS recognized against shares amounted to NOK 1 870 million.*

[2] *The remaining 67.71 percent of the shares in Aker Oilfield Services AS are held by Aker Solutions AS meaning that Aker Solutions ASA direct and indirect owns 100 percent of the shares. In 2013 the share capital of Aker Oilfield Services AS was increased to NOK 482 million by conversion of debt. The total conversion of debt was NOK 1 500 million.*

Amounts in NOK million	**2013**	2012
Group contributions	**2 896**	-
Total income from investments in subsidiaries	**2 896**	-

Note 6 Shareholders' equity

Amounts in NOK million	Share capital	Own shares	Share premium	Other paid in capital	Retained earnings	Total
Equity as of January 1, 2012	455	(7)	2 000	2 442	3 246	8 136
Change in 2011 dividend					(1)	(1)
Shares issued to employees through share program		4			175	179
Share buy back		(3)			(118)	(121)
Profit for the period					65	65
Proposed dividend					(1 082)	(1 082)
Cashflow hedge					(25)	(25)
Equity as of December 31, 2012	455	(6)	2 000	2 442	2 260	7 151
Shares issued to employees through share program[2]		4			179	183
Share buy back[3]		(1)			(49)	(50)
Profit for the period					2 827	2 827
Proposed dividend					(1 115)	(1 115)
Cashflow hedge[1]					7	7
Equity as of December 31, 2013	**455**	**(3)**	**2 000**	**2 442**	**4 109**	**9 003**

[1] *The value of interest swap agreements changing interest from floating to fixed interest is recognized directly in equity and will be released to income together with the corresponding interest expense.*

[2] *Aker Solutions subsidiaries operate a share purchase programmed for employees. The subsidiaries purchase shares from Aker Solutions ASA in order to settle obligations to the employees under the schemes. During 2013 a total of 2 123 389 shares were sold under the program.*

[3] *During 2013 a total of 588 015 own shares have been acquired in the market. The number of own shares held by end of 2013 were 1 955 611 and are held for the purpose of being used for future awards under the share purchase program for employees, as settlement in future corporate acquisitions or for other purpose as decided by the board of directors.*

Proposed dividend exclude dividend on own shares held as of December 31.

The share capital of Aker Solutions ASA is divided into 274 000 000 shares with a nominal value of NOK 1.66. The shares can be freely traded. An overview of the company's largest shareholders is to be found in note 13 Shareholders.

Note 7 Receivables and borrowings from group companies

Amounts in NOK million	2013	2012
Group companies deposits in the cash pool system	6 503	5 833
Group companies borrowings in the cash pool system	(552)	(869)
Aker Solutions ASA's net borrowings in the cash pool system	(4 928)	(4 428)
Cash in cash pool system	**1 023**	**536**
Current interest-bearing receivables from group companies	5 393	5 233
Non-current interest-bearing receivables from group companies	2 345	9 263
Current borrowings from group companies	(8 435)	(7 952)
Other net interest-bearing receivables from group companies	**(697)**	**6 544**
Current non interest-bearing receivables from group companies	4 768	-
Current non interest-bearing borrowings from group companies	(38)	(102)
Net non interest-bearing receivables from group companies	**4 730**	**(102)**
Total net receivables from group companies	**5 056**	**6 978**

All current receivables and borrowings are due within one year.

Aker Solutions ASA is the owner of the cash pool system arrangements with DNB, Nordea and The Royal Bank of Scotland. The cash pool systems cover a majority of the group geographically and assure good control and access to the group's cash. Participation in the cash pool is vested in the Group policy and decided by each company's board of directors and confirmed by a statement of participation. The participants in the cash pool system are joint and severably liable and it is therefore important that Aker Solutions as a group is financially viable and can repay deposits and carry out transactions. Any debit balance on a sub account can be set-off against any credit balance. A debit balance does hence represent a claim on Aker Solutions ASA and a credit balance a borrowing from Aker Solutions ASA.

The cash pool systems were showing a net balance of NOK 1 023 million per December 31. This amount is reported in Aker Solutions ASA's accounts as short term borrowings from group companies and as cash in cash pool system.

Aker Solutions ASA is the group's central treasury function and enters into borrowings and deposit agreements with group companies. Deposits and borrowings are done at market terms and are dependent of the group companies' credit rating and the duration of the borrowings.

Aker Solutions ASA has an obligation to fund Step Oiltools B.V with an amount up to USD 82 million (out of which USD 70.5 million was drawn by end of 2013). Any loans under this agreement shall be repaid no later than December 31, 2017.

Note 8 Other non-current interest-bearing receivables

Amounts in NOK million	**2013**	2012
Loan to Aker DOF Deepwater AS	**83**	258
Stiftelsen Aker Solutions Kompensasjonsordning	**2**	2
Total other non-current interest-bearing receivables	**85**	260

Note 9 Borrowings

Contractual terms of group's interest-bearing loans and borrowings which are measured at amortized cost. For more information about the group's exposure to interest rates, foreign currency and liquidity risk, see note 11 Financial risk management and exposures.

2013

Amounts in million	Currency	Nominal currency value	Carrying amount (NOK)	Interest rate[3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 001050461.6	NOK	1 913	1 812	8.70%	2.00%	10.70%	26.06.14	Fixed, annual
ISIN NO 001050460.8	NOK	187	187	1.65%	6.75%	8.40%	26.06.14	Floating, 3M+fix margin
ISIN NO 0010647431	NOK	1 500	1 498	1.67%	4.25%	5.92%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1 000	1 002	1.68%	4.20%	5.88%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			**4 499**					
Revolving credit facility (NOK 6 000 million)	NOK	1 650	1 636	3.14%	0.00%	3.14%	01.06.16	IBOR + Margin [2]
Total credit facility			**1 636**					
Term loan	NOK	750	755	1.70%	2.00%	3.70%	01.10.14	NIBOR 3M+fix margin
Term loan	EUR	270	2 257	0.29%	1.85%	2.14%	13.11.15	IBOR 3M+variable margin
Term loan	EUR	130	1 092	0.22%	1.50%	1.72%	13.05.14	IBOR 3M+variable margin
Total term loan			**4 104**					
Total borrowings			**10 240**					
Current borrowings			3 874					
Non-current borrowings			6 366					
Total			**10 240**					

2012

Amounts in million	Currency	Nominal currency value	Carrying amount	Interest rate [3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010342587	NOK	150	81	6.00%	0.00%	6.00%	12.02.13	Fixed, annual
ISIN NO 0010341332	NOK	300	150	1.93%	1.35%	3.28%	12.02.13	Floating, 3M+fix margin
ISIN NO 001050461.6	NOK	1 913	1 815	8.70%	2.00%	10.70%	26.06.14	Fixed, annual
ISIN NO 001050460.8	NOK	187	187	1.83%	6.75%	8.58%	26.06.14	Floating, 3M+fix margin
ISIN NO 0010647431	NOK	1 500	1 495	1.90%	4.25%	6.15%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1 000	1 001	1.95%	4.20%	6.15%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			4 729					
Revolving credit facility	NOK	1 000	973	1.84%	0.00%	1.84%	25.01.13	IBOR + Margin[2]
Total credit facility			973					
Term loan	NOK	750	755	1.95%	0.00%	1.95%	14.10.14	NIBOR 3M+fix margin
Term loan	EUR	270	(10)				14.11.15	IBOR 3M+variable margin
Term loan	EUR	130	(5)				14.05.14	IBOR 3M+variable margin
Total term loan			740					
Total borrowings			6 442					
Current borrowings			351					
Non-current borrowings			6 091					
Total			6 442					

1) *The book value is calculated by reducing the nominal value of NOK 4 400 million (NOK 4 631 million in 2012) by total issue costs related to the new financing of negative NOK 23 million (NOK 33 million in 2012). Accrued interest and issue costs related to the bonds are included by NOK 116 million (NOK 114 million in 2012). The book value of the bond with notional value of NOK 1 913 million also includes the mark-to-market value of a fair value hedging interest rate swap of NOK 7 million (NOK 18 million in 2012).*

2) *The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 percent of the margin.*

3) *The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).*

Norwegian bonds

All bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market.

Three of the bonds are issued based on a floating interest rate plus a predefined margin. The last bond has a fixed interest rate: the bond with notional value NOK 1 913 million has a fixed rate of 10.7 percent (including 2.0 percent step-up). The current step-up margins will be reversed if Aker Solutions is upgraded to an investment grade rating.

The bonds are issued with Norsk Tillitsmann as trustee and the loan agreements are based on Norsk Tillitsmann's standard loan agreement for such bonds. The bonds are unsecured on a negative pledge basis and include no dividend restrictions.

All bonds issued are listed on the Oslo Stock Exchange.

Bank debt

All facilities are provided by a bank syndicate consisting of high quality Nordic and international banks. The terms and conditions include restrictions which are customary for this kind of facility, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers. There are also certain changes of control provisions included. The facility includes no dividend restrictions and is unsecured.

The financial covenants are based on two sets of key financial ratios; a gearing ratio based on gross debt/EBITDA and an interest coverage ratio based on EBITDA/net finance costs. The financial covenants are tested on a quarterly basis. The margin applicable to the facility is based on a price grid determined by the gearing ratio and level of utilization. See note 11 Financial risk management and exposures for more information regarding capital risk in the group.

Aker Solutions strategy is to have between 30-50 percent of borrowings at fixed interest rates. To the extent that this is not reflected in the loan agreements, swap transactions are entered into.

Accounts Aker Solutions ASA

Financial liabilities and the period in which they mature

2013 *Amounts in NOK million*	Carrying amount	Total undiscounted cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 001050461.6	1 812	1 805	1 805	-	-	-	-
ISIN NO 001050460.8	187	187	187	-	-	-	-
ISIN NO 0010647431	1 498	1 811	44	44	89	1 633	-
ISIN NO 0010661051	1 002	1 338	29	29	59	176	1 044
Total bond	**4 499**	**5 141**	**2 065**	**73**	**148**	**1 809**	**1 044**
Total credit facility[2]	**1 636**	**1 780**	**1 676**	**26**	**52**	**26**	**-**
Term loan	**4 104**	**4 205**	**1 133**	**774**	**2 298**	**-**	**-**
Total borrowings	**10 240**	**11 126**	**4 874**	**873**	**2 498**	**1 835**	**1 044**

2012 *Amounts in NOK million*	Carrying amount	Total undiscounted cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 year
ISIN NO 0010342587	81	82	82	-	-	-	-
ISIN NO 0010341332	150	150	150	-	-	-	-
ISIN NO 001050461.6	1 815	1 990	93	94	1 804	-	-
ISIN NO 001050460.8	187	211	8	8	195	-	-
ISIN NO 0010647431	1 495	1 916	47	47	94	1 728	-
ISIN NO 0010661051	1 001	1 423	31	32	63	187	1 110
Total bond	4 729	5 772	411	181	2 156	1 915	1 110
Total credit facility[2]	973	1 001	1 001	-	-	-	-
Term loan	740	750	-	-	750	-	-
Total borrowings	6 442	7 523	1 412	181	2 906	1 915	1 110

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).
2) NOK 1 650 million (NOK 1 000 million in 2012) corresponds to the repayment of the drawn portion of the available NOK 6 000 million credit facility.

Note 10 Guarantees

Amounts in NOK million	**2013**	2012
Parent company guarantees to group companies[1]	**50 215**	44 524
Guarantees on behalf of Kvaerner companies	**16 492**	25 816
Guarantees on behalf of companies sold[3]	**563**	903
Counter guarantees for bank/surety bonds of Kvaerner companies	**4**	1 050
Counter guarantees for bank/surety bonds sold[3]	**4**	-
Counter guarantees for bank/surety bonds[2]	**7 026**	5 281
Total guarantee liabilities	**74 304**	77 574
Maturity of guarantee liabilities:		
6 months and less	**3 031**	4 982
6-12 months	**4 013**	19 058
1-2 years	**6 405**	10 995
2-5 years	**55 467**	42 539
5 - years	**5 388**	-

1) Parent Company Guarantees to support subsidiaries in contractual obligations towards clients.
2) Bank guarantees and surety bonds are issued on behalf of Aker Solutions subsidiaries, and counter indemnified by Aker Solutions ASA.
3) Guarantees to companies sold to Jacobs Engineering Group Inc.

Note 11 Financial risk management and financial instruments

Currency risk and balance sheet hedging

	2013		2012	
Amounts in NOK million	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts with group companies	**660**	**(679)**	358	(546)
Forward exchange contracts with external counterparts	**490**	**(460)**	439	(241)
Total	**1 150**	**(1 139)**	797	(787)

Aker Solutions ASA have entered into approximately 17 000 forward exchange contracts with subsidiaries in 2013 with a total value of about NOK 110 billion. Large contracts are hedged back-to-back with external banks, while minor contracts are hedged based on internal matching principles. Contracts that are hedged directly represents about 80 percent of the total exposure but only a small number of the total contracts. These contracts have no significant impact on Aker Solutions ASA's income statement.

The treasury function within Aker Solutions ASA also has a mandate to hold small positions in the currency and interest markets. The mandate has limits that are strictly defined and is operated under a strict stop-loss regime. Open positions are continuously monitored at a market to market basis.

All instruments are booked at fair value as per December 31.

Interest rate risk

	2013		2012	
Amounts in NOK million	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - cashflow and fair value hedge (against equity)	**37**	**-**	50	-
Interest rate swaps - cashflow hedge (against equity)	**-**	**(44)**	-	(54)
Total	**37**	**(44)**	50	(54)

Interest rate swaps are applied to achieve the internal policy that 30-50 percent of the company's gross external borrowing shall be at fixed interest rates, with duration matching the remaining duration of the borrowing. Interest terms on the borrowing are described in note 9 Borrowings. At year end, approximately 67 percent of NOK 4 400 million in bonds was fixed for the duration of the bonds through interest rate swaps. In addition we have entered into a NOK 375 million floating rate swap for a NOK 750 million term loan (50 percent hedged). The credit facility (nominal NOK 6 billion) was drawn up to NOK 1.65 billion by end of the year (not hedged).

Hedge accounting is applied using the cashflow hedge accounting model which means that gains and losses on interest rate swaps from floating to fixed interest rates are recognized in the hedging reserve in equity. As of December 31, 2013 a net loss of NOK 32 million (NOK 44 million before tax) is recognized in equity and will be continuously released to the income statement until the repayment of the borrowings via the mark-to-market revaluation process. The value of interest rate swaps classified as fair value hedging (from fixed to floating interest) is accounted for through profit and loss. At the same time a corresponding adjustment to the carrying value of the borrowing is accounted for.

Credit risk

Credit risk relates to loans to subsidiaries and associated companies, overdraft in the group cash pool, hedging contracts, guarantees to subsidiaries and deposits with external banks. Loans to subsidiaries are assessed by the internal credit committee. Loss provisions are made in situations of negative equity and were the company is not expected to be able to fulfill it's loan obligations from future earnings. External deposits and forward contracts are done according to a list of approved banks and primarily with banks were the company also have a borrowing relation. The existence of netting agreements between Aker Solutions ASA and the relations banks reduces the credit risk.

Liquidity risk

Liquidity risk relates to the risk that the company will not be able to meet its debt and guarantee obligations and are managed through maintaining sufficient cash and available credit facilities. The development in the groups and thereby Aker Solutions ASA available liquidity is continuously monitored through weekly and monthly cash forecasts, annual budgets and long term planning.

Note 12 Related parties

Transactions with subsidiaries and related parties are described on a line by line basis in the following notes:

Transactions	Info in note
Other services	*Note 2*
Financial items	*Note 3*
Investments	*Note 5*
Cash pool	*Note 7*
Receivables and borrowings	*Note 7*, *8*
Guarantees	*Note 10*
Foreign exchange contracts	*Note 11*

Aker Solutions ASA's contract with Intellectual Property Holding AS and agreement with Aker ASA regarding pension obligation in US are described in the consolidated accounts note 34 Related parties.

All transactions with related parties are done at market rates and in accordance with the arm's lengths principle.

Note 13 Shareholders

Shareholders with more than 1 percent shareholding

2013

Company	Nominee	Number of shares held	Ownership
Aker Kværner Holding AS		110 333 615	40.27%
Aker ASA		16 440 000	6.00%
Folketrygdfondet		9 642 797	3.52%
Danske Bank A/S		6 811 034	2.49%
State Street Bank & Trust Co.	x	5 715 568	2.09%
Clearstream Banking S.A.	x	5 657 001	2.06%
Goldman Sachs & Co	x	5 069 723	1.85%
State Street Bank & Trust Co.	x	3 845 116	1.40%
SIX SIS AG	x	3 717 235	1.36%
The Bank of New York Mellon SA	x	3 564 876	1.30%
The Bank of New York Mellon	x	3 543 912	1.29%
RBC Investor Services Bank	x	3 519 791	1.28%
JPMorgan Chase Bank	x	3 454 266	1.26%
State Street Bank & Trust Co.	x	2 843 009	1.04%

2012

Company	Nominee	Number of shares held	Ownership
Aker Kværner Holding AS		110 333 615	40.27%
Folketrygdfondet		13 209 050	4.82%
Clearstream Banking S.A.	x	5 794 707	2.11%
Bank of New York Mellon	x	5 763 633	2.10%
JPMorgan Chase Bank	x	5 589 897	2.04%
State Street Bank & Trust Co.	x	4 684 460	1.71%
State Street Bank & Trust Co.		4 602 207	1.68%
Danske Bank A/S	x	3 859 304	1.41%
State Street Bank & Trust Co.		3 726 827	1.36%
JPMorgan Chase Bank		3 691 471	1.35%
Aker Solutions ASA		3 490 985	1.27%
RBC Investor Services Bank	x	3 352 337	1.22%
Scandinaviska Enskilda Banken		3 149 894	1.15%

Annual accounts

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To the Annual Shareholders' Meeting of Aker Solutions ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Aker Solutions ASA, which comprise the financial statements of the parent company Aker Solutions ASA and the consolidated financial statements of Aker Solutions ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2013, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2013, and the income statement and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker Solutions ASA as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker Solutions ASA and its subsidiaries as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 13 March 2014
KPMG AS

Arve Gevoll
State authorised public accountant

Board of Directors

Øyvind Eriksen
Executive chairman

Øyvind Eriksen is President & CEO of Aker ASA, which is the main shareholder of Aker Solutions with a 46.3 percent shareholding, including directly owned shares and via Aker Kværner Holding AS. Mr. Eriksen holds a law degree from the University of Oslo. He joined the Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/chairman in 2003. At BA-HR, Mr. Eriksen worked closely with Aker and its main shareholder, Kjell Inge Røkke. Mr. Eriksen is executive chairman of the board of Aker Kværner Holding AS and board member of several companies, including The Resource Group TRG AS, TRG Holding AS and Reitangruppen AS. While Mr. Eriksen holds no shares or stock options in Aker Solutions directly, he has an ownership interest through his holding of 100,000 shares in Aker ASA and 0.20 percent of the shares in TRG Holding AS through a privately owned company. Mr. Eriksen is a Norwegian citizen. He has been elected for the period 2013-2015.

Lone Fønss Schrøder
Director

Lone Fønss Schrøder has a law degree from the University of Copenhagen and a Master of Economics from Copenhagen Business School. Ms. Fønss Schrøder has broad international experience acquired during 21 years in senior management, including board positions at A.P. Møller-Maersk A/S. She is chairperson for the audit committee at Volvo and NKT A/S, a non-executive director of Volvo PV in Sweden and NKT A/S in Denmark, as well as non-executive director and member of the audit committee of Svenska Handelsbanken AB in Sweden and Vice-Chairman of Saxo Bank A/S in Denmark. As of December 31, 2013, she held 4,400 shares in the company and had no stock options. Ms. Fønss Schrøder is a Danish citizen. She has been elected for the period 2013- 2014.

Anne Drinkwater
Director

Anne Drinkwater retired in 2012 from BP where she held a number of leadership positions including Group Vice President for North Africa, Azerbaijan, the Middle East and Asia Pacific, President and CEO of BP Canada, President of BP Indonesia and Managing Director of BP Norway. She holds a B.Sc. in applied mathematics and statistics from Brunel University, London. She is a director at Tullow Oil, which has its primary listing on the London Stock Exchange. As of December 31, 2013, she held 3,500 shares in Aker Solutions and had no stock options. Ms. Drinkwater is a British citizen. She has been elected for the period 2013-2015.

Kjell Inge Røkke
Director

Kjell Inge Røkke (born 1958) is an entrepreneur and industrialist, and has been a driving force in the development of Aker since the 1990s. Mr Røkke owns 67.8 percent of Aker ASA through The Resource Group TRG AS and subsidiaries which he co-owns with his wife. He is Chairman of Aker ASA, board member of Aker Solutions ASA, Kværner ASA, Det norske oljeselskap ASA and Ocean Yield ASA. As of December 31, 2013, he held no shares in Aker Solutions ASA, and had no stock options. Mr Røkke is a Norwegian citizen. He has been elected for the period 2013-2015.

Koosum Kalyan
Director

Koosum Kalyan served as a Senior Business Development Manager of African Exploration Oil and Gas of Shell International Exploration from 2000 to 2008. Prior to joining Shell, Ms. Kalyan was Senior Economist at the Chamber of Mines of South Africa and an economist at the Electricity Commission of Victoria, (Melbourne, Australia). Ms. Kalyan graduated in Bcom Law and Honours in Economics at the University of Durban and completed the Senior Executive Management Program at the London Business School and the Leadership Management Program at the Shell Leadership Training Center. She serves as non-executive Chairman of EdgoMerap (Pty) Ltd. Ms. Kalyan currently serves as non-executive director on the boards of Mobile Telephone Networks Holding (MTN Group Ltd), Standard Bank Group, South African Bank Note Company, Petmin Mining Ltd, and as alternate director at Hayleys Energy Services (Sri Lanka) and AOS Orwell. She has also lectured on the Africa Program at Harvard Business School and Wharton Business School. Ms. Kalyan is a South African citizen. As of December 31, 2013, she held no shares in the company and had no stock options. She has been elected for the period 2013-2014.

Stuart Ferguson
Director

Stuart Ferguson is a consultant with Flux Oilfield Technology Ltd., which serves companies in the oil service industry. He is also a board member in a number of companies, including Borets International Ltd., I-Pulse Inc. and Zi-Lift AS. Mr. Ferguson has a B.Sc. in Chemical Engineering from the University of Birmingham. Before becoming a consultant, Mr. Ferguson's positions included Vice President of Reservoir Optimisation in Weatherford International Inc. and Chief Technology Officer and Senior Vice President in Weatherford International Ltd. As of December 31, 2013, he held no shares in the company and had no stock options. Mr. Ferguson is a UK citizen. He has been elected for the period 2013-2015.

Sarah Ryan
Director

Sarah Ryan is director of investment management at Earnest Partners. She holds a B.Sc. in Geology from the University of Melbourne, a B.Sc. (Hons) in Geophysics and a PhD in Petroleum Geology and Geophysics from the University of Adelaide. Before joining Earnest Partners, she held various technical, operational and management positions in Schlumberger. As of December 31, 2013, she held no shares in the company and had no stock options. She is a non-executive director of Woodside Petroleum. Dr. Sarah Ryan is an Australian citizen. She has been elected for the period 2013-2015.

Atle Teigland
Director

Atle Teigland was elected by the employees of Aker Solutions to the Board of Directors in October 2004. He also served on the boards of Aker and Aker RGI for several years. Mr. Teigland is a full-time group union representative for Aker Solutions and has been employed by Aker Elektro AS since 1978. Mr. Teigland is a certified electrician. As of December 31, 2013, he held 4,053 shares in the company and had no stock options. Mr. Teigland is a Norwegian citizen. He has been elected for the period 2013-2015.

Åsmund Knutsen
Director

Åsmund Knutsen was elected by the employees of Aker Solutions to the Board of Directors in October 2004. Since 1991 he has held various positions in Aker Engineering & Technology AS and now works full-time as group union representative for office employees. Mr. Knutsen holds an MSc in hydrodynamics from the University of Oslo. As of December 31, 2013, he held 5,112 shares in the company and had no stock options. Mr. Knutsen is a Norwegian citizen. He has been elected for the period 2013-2015.

Arild Håvik
Director

Arild Håvik was elected by the employees of Aker Solutions to the Board of Directors in March 2009. Mr. Håvik has been employed by Aker Solutions since 1990 and has been a local union representative for Aker Solutions' MMO business area on a full-time basis since 2007. Mr. Håvik is a scaffolder and sheet metal worker and holds a certificate of apprenticeship in the two disciplines. As of December 31, 2013, he held 1,947 shares in the company and had no stock options. Mr. Håvik is a Norwegian citizen. He has been elected for the period 2013-2015.

Hilde Karlsen
Director

Hilde Karlsen was elected by the employees of Aker Solutions to the Board of Directors in March 2011. She has held various positions in Aker Solutions since 1992, and is now engineering manager in Aker Offshore Partner. Ms. Karlsen was the employees' representative on the Kværner Oil and Gas Board in 1993-2003. Ms. Karlsen is a civil engineer and holds a degree in engineering from Narvik University College. As of December 31, 2013, she held 2,088 shares in the company and had no stock options. Ms. Karlsen is a Norwegian citizen. She has been elected for the period 2013-2015.

Executive Chairman and President

Øyvind Eriksen

Executive chairman

Øyvind Eriksen is President & CEO of Aker ASA, which is the main shareholder of Aker Solutions with a 46.3 percent shareholding, including directly owned shares and via Aker Kværner Holding AS. Mr. Eriksen holds a law degree from the University of Oslo. He joined the Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/chairman in 2003. At BA-HR Mr. Eriksen worked closely with Aker and its main shareholder, Kjell Inge Røkke. Mr. Eriksen is executive chairman of the board of Aker Kværner Holding AS and board member of several companies, including The Resource Group TRG AS, TRG Holding AS and Reitangruppen AS. While Mr. Eriksen holds no shares or stock options in Aker Solutions directly, he has an ownership interest through his holding of 100,000 shares in Aker ASA and 0.20 percent of the shares in TRG Holding AS through a privately owned company. Mr. Eriksen is a Norwegian citizen. He has been elected for the period 2011 to 2013.

Leif Borge

President & Chief Financial Officer

Leif Borge joined Aker Solutions in 2008. Previously he was CFO of Aker Yards ASA, after serving as CFO of Zenitel NV, Stento ASA and Vitana, a subsidiary of Rieber & Søn ASA in the Czech Republic. Mr. Borge is a graduate of the Pacific Lutheran University in Washington State. As of December 31, 2013, he held, through a privately owned company, 39,725 shares in the company, and had no stock options. Mr. Borge is a Norwegian citizen.

Business Management

Alan Brunnen

Head of Subsea

Alan Brunnen joined Aker Solutions in 2005 and moved to the Subsea business area in 2006. Mr. Brunnen was the Managing Director of Subsea in Aberdeen from 2009 to 2011, when he became Executive Vice President of Subsea. Educated at Aberdeen University and London Business School, Mr. Brunnen has over 30 years' experience in the oil and gas industry. Before his career at Aker Solutions, Mr. Brunnen held various managing director positions and served as Chief Operating Officer at Stolt Offshore, a leading offshore installation contractor. As of December 31, 2013, he held no shares in the company and had no stock options. Mr. Brunnen is a British citizen.

Roy Dyrseth

Head of Drilling Technologies

Roy Dyrseth was appointed head of Drilling Technologies in July 2013. He has 16 years of experience in the oil and gas industry from National Oilwell Varco (NOV), where he held various management positions. At NOV, Dyrseth was responsible for business development in Europe, Africa, Russia and the Middle East from 2006. Mr. Dyrseth holds a BSc in machine engineering from Ålesund University College. As of December 31, 2013, he held no shares in the company and had no stock options. Mr. Dyrseth is a Norwegian citizen.

Karl Erik Kjelstad

Head of Oilfield Services & Marine Assets

Karl Erik Kjelstad joined Aker Solutions as EVP in July 2009 from the position of Senior Partner & President, Maritime Technologies at Aker ASA. Mr. Kjelstad has been with the Aker group since 1998 and was President & CEO of Aker Yards ASA from 2003 to 2007. Before joining Aker, Mr. Kjelstad was senior consultant at PA Consulting Group, and from 1992 to 1996 he held various management positions in the TTS Group. Mr. Kjelstad holds an MSc in marine engineering from the Norwegian University of Science and Technology. He is chairman of the board of Aker Pusnes AS and a board member of Aker MH AS and Ezra Holdings Ltd. (Singapore) and other companies. As of December 31, 2013, Mr. Kjelstad held, through a privately-owned company, 23,074 shares in the company and had no stock options. Mr. Kjelstad is a Norwegian citizen.

Valborg Lundegaard

Head of Engineering

Valborg Lundegaard was appointed Head of Engineering in February 2011. Ms. Lundegaard has more than 20 years' experience in the oil and gas industry and has held a number of key positions in Aker Solutions, including corporate and project management. From 2008 Ms. Lundegaard was president of Aker Engineering and Technology. Ms. Lundegaard holds a degree in chemical engineering from the Norwegian University of Science and Technology. As of December 31, 2013, she held 5,185 shares in the company and had no stock options. Ms. Lundegaard is a Norwegian citizen.

David Merle

Head of Process Systems

David Merle joined Aker Solutions in May 2012, as Head of the Process Systems business. He has 13 years' experience in the oil and gas industry both on the operator and equipment/service sides and has held several leadership positions in Europe, North and South America, the Middle East and Africa. Mr. Merle holds an MBA from Harvard Business School, an MSc in Civil engineering from the Ecole des Ponts et Chaussees in Paris, and is a graduate of the INSEAD executive program in Singapore. As of December 31, 2013, he held 1,875 shares in the company and had no stock options. Mr. Merle is a French citizen.

Tom Munkejord

Head of Umbilicals

Tom Munkejord was appointed Head of Umbilicals on April 1, 2013. He joined Aker Solutions in 1985 and has 27 years' experience in various management positions in the oil and gas industry. Mr. Munkejord returned to Aker Solutions in 2010 as head of drilling risers after working in the industry for other oil service companies for 10 years. In 2001-2006 he managed Vetco's Global Subsea Processing and Power Business. In 2006-2010 he was Director for FMC Technologies Global Subsea Processing Business. Mr. Munkejord holds an MSc in Mechanical Engineering from the Norwegian University of Science and Technology. As of December 31, 2013, he held 1,481 shares in the company and had no stock options. Mr. Munkejord is a Norwegian citizen.

Tore Sjursen

Head of Maintenance, Modifications and Operations

Tore Sjursen was appointed EVP of the MMO business area in October 2010. Mr. Sjursen has been with Aker Solutions for 25 years in different positions in field development and MMO. From 2009 to 2010 Mr. Sjursen was Head of Aker Solutions Energy Development and Services (ED&S) International in Australia. Mr. Sjursen holds an MSc in mechanical engineering from Norwegian University of Science and Technology and an MSc in management from Boston University. As of December 31, 2013, he held 8,366 shares in the company and had no stock options. Mr. Sjursen is a Norwegian citizen.

Corporate Center Functions

Åsmund Bøe

Chief Technology Officer

Åsmund Bøe was appointed Chief Technology Officer & EVP in 2010. Mr. Bøe is responsible for the overall corporate technology portfolio of Aker Solutions. Before joining Aker Solutions, Mr. Bøe worked 15 years for Schlumberger on international assignments in various senior positions. Mr. Bøe brings with him experience from upstream oil and gas operations, personnel and strategic business development. He holds a BSc (Hons – first class) in offshore mechanical engineering from the Herriot-Watt University, UK. As of December 31, 2013, he held no shares in the company and had no stock options. Mr. Bøe is a Norwegian citizen.

Nicoletta Giadrossi

Head of Operations

Nicoletta Giadrossi was appointed Head of Operations in April 2013. She has broad experience from the oil and gas industry and was previously employed by Aker ASA to work on the company's industrial portfolio, with a particular focus on Aker Solutions. Prior to that, Ms. Giadrossi was an Officer of the Corporation and VP and GM for EMEA in Dresser-Rand. She also held a number of leadership positions in General Electric. Ms. Giadrossi has a BA in Mathematics and Economics from Yale University and an MBA from Harvard Business School. As of December 31, 2013, Nicoletta Giadrossi held no shares in Aker Solutions. She is an Italian citizen.

Sissel Lindland

Chief HR Officer

Sissel A. Lindland returned to Aker Solutions in 2008 after having served as SVP Human Resources and acting Chief of Staff at Aker Yards ASA and STX Europe since 2006. With a background in human resources, organizational and business development, Ms. Lindland has held various advisory and management positions at the Aker group since 1984. From 2002 to 2006 Ms. Lindland was President of Aker Business Services. As of December 31, 2013, she held 7,389 shares in the company, and had no stock options. Ms. Lindland is a Norwegian citizen.

Mark Riding

Chief Strategic Marketing

Mark Riding was appointed EVP of corporate strategic marketing in 2011. Mr. Riding coordinates contact and relationships with key customers, corporate regional structure, business and regional strategies and corporate M&A opportunities. Mr. Riding is an oil and gas industry professional with over 30 years' experience in various senior roles and overseas assignments. He has worked in many international assignments, holding a range of operational, technical, managerial and staff positions with Schlumberger, most recently as part of global strategic planning at the headquarters in Paris. Mr. Riding holds a BSc (Hons – first class) in mining engineering from the University of Birmingham, UK. As of December 31, 2013, he held 15,169 shares in the company and had no stock options. Mr. Riding is a British citizen.

Regional Management

David Currie

Regional president | UK

David Currie was appointed president of Aker Solutions' UK region in January 2014. Mr. Currie is based in Aberdeen and joins Aker Solutions after 28 years with FMC Technologies where he held various leading positions - most recently as director of global subsea operations. Mr. Currie attended Aberdeen University where he achieved a Bachelor of Laws (LLB).He later earned a postgraduate degree in Human Resources at the Robert Gordon University. As of January 22, 2014, he held no shares in the company and had no stock options. Mr. Currie is a British citizen.

Per Harald Kongelf

Regional President Norway

Per Harald Kongelf was appointed regional manager for Aker Solutions in Norway on January 1, 2013. He has 25 years' experience in the oil and gas industry and has held several executive management positions at Aker Solutions, most recently as Chief Operating Officer. Previous positions at Aker Solutions include EVP and head of the Field Development (FD), Energy, Development & Services (ED&S), and the Product and Technology (P&T) business areas, as well as president of Aker Solutions' process systems business unit. Mr. Kongelf earlier worked as an investment manager at the Statkraft Group (Energy Future Invest). Mr. Kongelf holds an MSc from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway. As of December 31, 2013, he held no shares in the company and had no stock options. Mr. Kongelf is a Norwegian citizen.

Luis Araujo

Regional president | Brazil

Luis Araujo was appointed president for Aker Solutions' Brazil region in November 2011. Mr. Araujo lives in Rio de Janeiro and has 30 years' experience in the industry, most recently as chief executive officer in Brazil for Wellstream, a pipeline products company which is now part of General Electric. He has also had leading positions with ABB, FMC Technologies, Vetco and Coflexip in Brazil, USA and Europe. He holds a Bachelor degree in Mechanical Engineering from Brazil and an MBA from Edinburgh University. Mr. Araujo is Chairman of the British Chamber of Commerce and Industry in Brazil. He is an independent Director for Brastec Technologies SA, a Brazilian manufacturer of umbilical and pipeline equipment. As of December 31, 2013, he held 15,757 shares in the company and had no stock options. Mr. Araujo is a Brazilian and British citizen.

Erik Wiik

Regional president | North America

Erik Wiik was appointed president for Aker Solutions' North America region in November 2011. Mr. Wiik lives in Houston and has worked in the oil and gas industry for 22 years, the last 11 years in the United States. He earlier was president of Aker Solutions' Subsea business in North America. He has previously led corporate initiatives in project risk management, served as business unit president of well services and held managerial roles in construction, engineering and procurement. He is an engineering graduate of Texas A&M University. As of December 31, 2013, he held 8,148 shares in the company and had no stock options. Erik Wiik is a Norwegian and American citizen.

Company Information

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Reports on the Internet

The quarterly and annual reports of Aker Solutions are available on the internet. Aker Solutions encourages its shareholders to subscribe to the company's annual reports via the electronic delivery system of the Norwegian Central Securities Depository (VPS). Please note that VPS services (VPS Investortjenester) are designed primarily for Norwegian shareholders. Subscribers to this service receive annual reports in PDF format by email. VPS distribution takes place at the same time as distribution of the printed version of Aker Solutions' annual report to shareholders who have requested it.

Quarterly reports, which are generally only distributed electronically, are available on the company's website and other sources. Shareholders who are unable to receive the electronic version of interim reports may subscribe to the printed version by contacting Aker Solutions' investor relations staff.

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