1Q16

AKER SOLUTIONS FIRST-QUARTER RESULTS 2016

AkerSolutions

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

1Q Headlines

Cover photo: Kim is part of our journey as an apprentice technician.

Major projects progress as planned

Order intake of NOK 6 billion, helped by contracts for all business areas

Key MMO agreements in Norway with ConocoPhillips and Statoil

Subsea services contracts with Petrobras in Brazil and BP globally

Order backlog steady at NOK 38.5 billion versus 4Q 2015

Solid financial position with liquidity buffer of NOK 8.5 billion

Streamlining in all business areas to strengthen operations

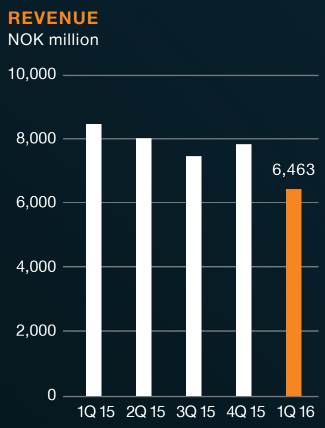
Capacity adjustments continue amid market slowdown

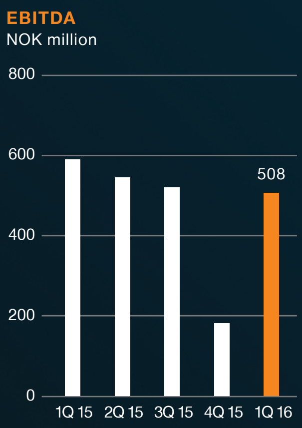
Steady progress on global operational improvement program

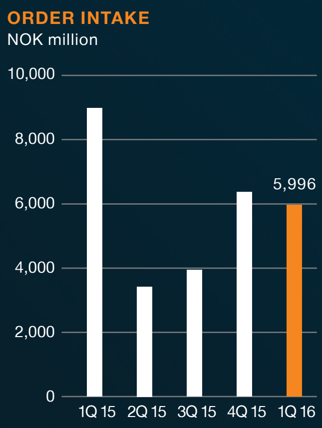
Aker Solutions, Total form subsea technology cooperation

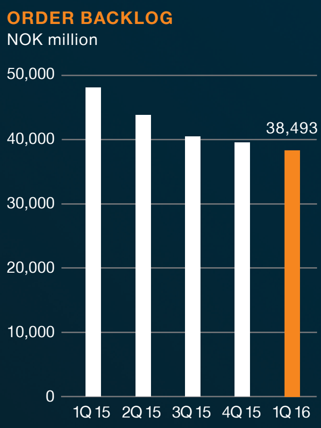
Subsea collaboration with ABB announced April 27

Key Figures









Amounts in NOK million	1Q 2016	1Q 2015	2015	2014
Operating revenue and other income	6,463	8,500	31,896	32,971
EBITDA	508	591	1,841	2,675
EBITDA margin	7.9%	7.0%	5.8%	8.1%
EBITDA excl. special items [1]	521	666	2,638	2,835
EBITDA margin excl. special items [1]	8.0%	7.8%	8.3%	8.6%
Depreciation and amortization	(195)	(183)	(882)	(665)
EBIT	314	409	958	2,010
EBIT margin	4.9%	4.8%	3.0%	6.1%
EBIT excl. special items [1]	327	509	1,918	2,243
EBIT margin excl. special items [1]	5.0%	6.0%	6.0%	6.8%
Net financial items	(59)	(82)	(320)	(244)
FX on disqualified hedging instruments	4	11	46	51
Income before tax	258	338	685	1,817
Income tax	(89)	(118)	(302)	(516)
Net income	169	220	383	1,300
Basic earnings per share (NOK)	0.53	0.79	1.44	4.71
Basic earnings per share excl. special items (NOK)1	0.56	1.03	3.94	5.17

1) Excludes special items totaling NOK 13 million in 1Q 2016 vs NOK 100 million in 1Q 2015. In 1Q 2016 Aker Solutions booked NOK 15 million in restructuring and capacity reduction costs. A gain of NOK 4 million related to non-qualifying hedges was included in EBITDA. The company also booked NOK 3 million in IT system separation costs related to the 2014 demerger.

REVENUE
NOK billion
6.5

EBITDA
NOK million
508

EBIT
NOK million
314

EARNINGS PER SHARE
NOK
0.53

EBITDA MARGIN
7.9%

EBIT MARGIN
4.9%

ORDER INTAKE
NOK billion
6

EBITDA EXCL. SPECIAL ITEMS
NOK million
521

EBIT EXCL. SPECIAL ITEMS
NOK million
327

ORDER BACKLOG
NOK billion
38.5

EBITDA MARGIN EXCL. SPECIAL ITEMS
8%

EBIT MARGIN EXCL. SPECIAL ITEMS
5%

Key Developments

Income Statement

Aker Solutions' revenue declined to NOK 6.5 billion in the first quarter of 2016 from NOK 8.5 billion a year earlier amid a market slowdown and as some projects neared completion. Steady progress was made on major projects from Africa to Norway and Brazil. The company posted earnings before interest and taxes (EBIT) of NOK 314 million in the quarter, compared with EBIT of NOK 409 million a year earlier. The EBIT margin was 4.9 percent versus 4.8 percent a year earlier. Excluding special items, EBIT was NOK 327 million compared with NOK 509 million a year earlier and the EBIT margin was 5 percent versus 6 percent.

The quarter was burdened by NOK 15 million in costs of reducing capacity and restructuring to strengthen operations and boost competitiveness. There were gains of NOK 4 million on non-qualifying hedges and NOK 3 million in IT system separation costs related to the company demerger in 2014. These special items totaled NOK 13 million compared with NOK 100 million a year earlier.

Income before tax was NOK 258 million in the quarter compared with NOK 338 million a year earlier. Income tax expenses were NOK 89 million in the quarter, corresponding to an effective tax rate of 34.5 percent. Net income was NOK 169 million in the quarter versus NOK 220 million a year earlier. Earnings per share (EPS) were NOK 0.53, down from NOK 0.79 a year earlier. Excluding special items, net income was NOK 176 million compared with NOK 286 million a year earlier and EPS was NOK 0.56 versus NOK 1.03.

Fluctuations in the fair value of hedging instruments that do not qualify for hedge accounting led to a first-quarter unrealized gain of NOK 8 million, consisting of a gain of NOK 4 million in EBITDA and NOK 4 million in financial items.

Cashflow

The company had an outflow of cash from operations of NOK 327 million in the first quarter compared with NOK 414 million a year earlier. Net current operating assets were a negative NOK 933 million at the end of the quarter versus NOK 90 million a year earlier. In the medium term net current operating assets are expected to return to a more normal level of between 5 to 7 percent of revenue, driven by an outflow of customer payment advances as major projects progress.

Net cash outflow from investing activities decreased to NOK 185 million in the quarter from NOK 227 million a year earlier as construction of a subsea facility in Curitiba, Brazil, neared completion. There was a cash inflow from financing activities of NOK 274 million in the quarter versus NOK 95 million a year earlier.

Balance Sheet

Gross interest-bearing debt was NOK 4 billion at the end of the quarter compared with 3.7 billion a year earlier. Net interest-bearing debt declined to NOK 406 million from NOK 889 million in the year-ago period. The net interest-bearing debt to EBITDA ratio for the past 12 months was 0.2. The equity ratio was 25.3 percent at the end of the quarter and the ratio of net interest-bearing debt to equity was 6.2 percent.

We made steady progress on major projects from Africa to Norway and Brazil

Facts

SUBSEA REVENUE
NOK billion
3.9

FIELD DESIGN REVENUE
NOK billion
2.7

Liquidity reserves were robust at the end of the quarter with cash and bank deposits of NOK 3.5 billion. Undrawn and committed long-term revolving bank credit facilities were NOK 5 billion, giving a total liquidity buffer of NOK 8.5 billion.

Order Intake and Backlog

The order intake was NOK 6 billion in the quarter, giving a book-to-bill ratio of 0.9, compared with NOK 9 billion a year earlier. The order backlog was NOK 38.5 billion at the quarter's end versus NOK 48.3 billion a year earlier.

New orders included two MMO contracts from ConocoPhillips for work at North Sea fields in Norway. These consist of a maintenance and modifications framework agreement for the Ekofisk and Eldfisk fields as well as a contract to compete for work on large complex modifications at these fields. Both agreements have a fixed period of five years and may be extended by three years. The company also secured two MMO agreements from Statoil for the Åsgard A production vessel in the Norwegian Sea. These are for front end engineering design (FEED) work on the Trestakk field tie-in to the vessel as well as a concept study for a low well-pressure project at Åsgard A. The Trestakk agreement contains an option for engineering, procurement, construction and installation (EPCI) services, while the low-pressure project contract has FEED and EPCI options.

In the subsea area, Aker Solutions secured a global framework agreement to deliver engineering and project management services at BP-operated subsea oil and gas fields. The contract has a fixed period of five years and may be extended by two years. The company was also awarded a contract for maintenance and other services for subsea facilities at Petrobras-operated oil and gas fields offshore Brazil. This agreement is for a fixed term of three years and may be extended by another three years.

The company's engineering division in the quarter secured an order from Statoil for a concept study on a floating production, storage and offloading facility (FPSO) at the Johan Castberg oil field development in the Barents Sea. It also received an order for a concept study on a new processing platform for future phases of the Statoil-operated Johan Sverdrup North Sea field, Norway's largest oil find in three decades. Both studies are being carried out under engineering contracts awarded to Aker Solutions in 2013 for the two field developments.

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

Operational Developments

Aker Solutions in the quarter made progress on initiatives to improve operations and reduce costs in all parts of the business and on projects with customers. It moved forward with #thejourney, a global program targeting an improvement in cost-efficiency of at least 30 percent across the business and a step-change in the company's competitiveness. Improvements will in large part be made by simplifying the company's work methods, organizational set-up, geographic footprint and products and services. This will give leaner and more efficient processes that enable the company to reduce overall costs on projects and products while improving quality. A key focus of the program is on building a culture of continuous improvement.

The company agreed with Total to cooperate on research and innovation to develop new cost-effective subsea field technology. The initial four-year technical collaboration will

NORTH SEA

Aker Solutions wins key MMO contracts from ConocoPhillips

build on earlier cooperation and bring both companies closer in developing technologies that will reduce costs and increase value at subsea oil and gas fields. The partnership will this year explore a wide range of issues, including further evolution of subsea processing and compression systems to boost cost-efficiency of deepwater gas production, development of electric subsea control and optimization of flow-measurement technologies. Total has been a strategic customer of Aker Solutions for many years including on subsea projects such as the Kaombo and Dalia developments in Angola and Moho Nord in Congo-Brazzaville.

Aker Solutions in the quarter introduced measures to streamline operations and strengthen competitiveness across the business amid a continued market slowdown. The company also announced workforce reductions of as many as 1,500 permanent positions in Subsea and Field Design. This would bring reductions since the second half of 2014 to about 20 percent of the permanent workforce. About two-thirds of the capacity adjustments are in Norway. The company will continue to be vigilant about ensuring capacity is suited to market conditions while safeguarding key competencies.

> We're streamlining in all business areas to bolster operations

Market Outlook

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

The market outlook is deemed challenging as oil companies reduce capital investments. Project postponements are increasingly seen and the commercial environment is tough with increasing pressure on prices. There are some signs that cost-cutting efforts across the industry are starting to have an effect as project break-even costs are coming down. This may enable some major projects to be sanctioned in the next 12-18 months. With the exception of the North Sea Johan Sverdrup project, activity offshore Norway is expected to remain subdued this year. Aker Solutions' greatest growth potential is outside of Norway, where the company has expanded in recent years.

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

In the subsea area Aker Solutions targets a move over time toward peer-group margins and a return on average capital employed (ROACE) of 20–25 percent in the medium term. ROACE was 12 percent for Subsea in the first quarter and 22 percent excluding special items. In the field design segment, which consists of the engineering and MMO businesses, margins are expected to gradually improve, with the biggest movement in MMO. The company expects to at least maintain its market share in all business areas.

Aker Solutions Share

The company's share price fell to NOK 26.60 at the end of the quarter from NOK 30.30 three months earlier. The average price in the period was NOK 25.80, trading in a range from NOK 30.00 to NOK 22.80. Daily turnover averaged 816,949 shares and the company had a market capitalization of NOK 7.2 billion at the end of the quarter. The company acquired 500,000 own shares in the quarter at an average price of NOK 23.55 per share and held 877,311 own shares at the end of March.

Dividend

The annual general shareholders' meeting on April 7 adopted the board's proposal to not pay a dividend for 2015. While Aker Solutions had a solid financial position at the end of 2015, the board deemed it prudent to exercise caution amid uncertainty about the outlook for the oil and gas industry. The company maintains its policy of paying a dividend of between 30 and 50 percent of net profit over time.

LARGEST SHAREHOLDERS

Shareholder	Shares	%
AKER KVÆRNER HOLDING AS	110,333,615	40.6%
ARTISAN INTERNATIONAL VALUE FUND 8	18,619,729	6.8%
AKER ASA	17,331,762	6.4%
FOLKETRYGDFONDET	12,488,544	4.6%
J.P. MORGAN CHASE BANK N.A. LONDON	8,271,550	3.0%
RWC EUROPEAN FOCUS MASTER INC	4,527,551	1.7%
SWEDBANK ROBUR NORDENFON	4,421,014	1.6%
STATE STREET BANK AND TRUST CO.	4,296,820	1.6%
THE BANK OF NEW YORK MELLON SA/NV	4,291,761	1.6%
SIX SIS AG	4,240,502	1.6%
Sum 10 largest	**188,822,848**	**69.4%**

Health, Safety and Environment

Aker Solutions had 12 recordable injuries in the first quarter, two of which resulted in lost time on operations. Most were injuries from handling material and minor falls. The lost-time injury frequency decreased to 0.23 from 0.32 in the previous quarter. The frequency of total recordable incidents in the same period increased to 1.40 from 1.29. Both frequencies are based on one million worked hours.

The company in the quarter took part in an investigation into an incident on December 30 last year that led to the death of an employee when a large wave hit the living quarters of the COSL Innovator rig. The findings pointed to several weaknesses in the rig's design. The rig owner COSL led the investigation, which was also supported by the operator Statoil. A separate investigation report issued in April 2016 by Norway's petroleum safety authority supports these findings.

Subsea

Subsea revenue declined to NOK 3.9 billion in the quarter from NOK 5.1 billion a year earlier as demand weakened for subsea services and some projects neared completion. The EBIT margin narrowed to 5.5 percent from 7 percent, impacted by higher depreciation and lower volumes for subsea services.

The order intake was NOK 1.9 billion compared with NOK 2 billion a year earlier. New orders included a contract from Petrobras to provide maintenance and other services at subsea facilities offshore Brazil. Aker Solutions also secured a global framework agreement to deliver engineering and project management services at BP-operated subsea oil and gas fields. Tendering activity was robust in the quarter even as oil companies scaled back investments. The order backlog was NOK 20.2 billion at the end of the quarter, equal to subsea revenue in the preceding 14 months. It was NOK 30.4 billion a year earlier.

PEOPLE FIRST

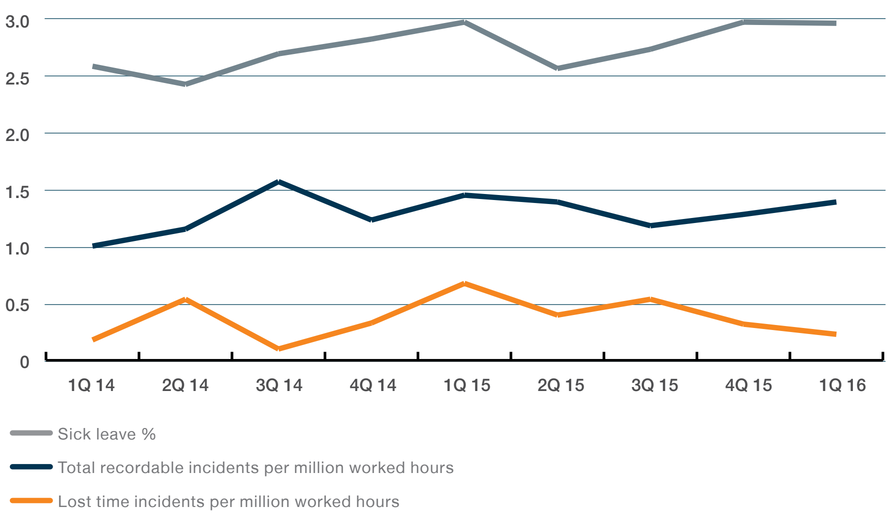
We work continuously to safeguard the safety of our employees

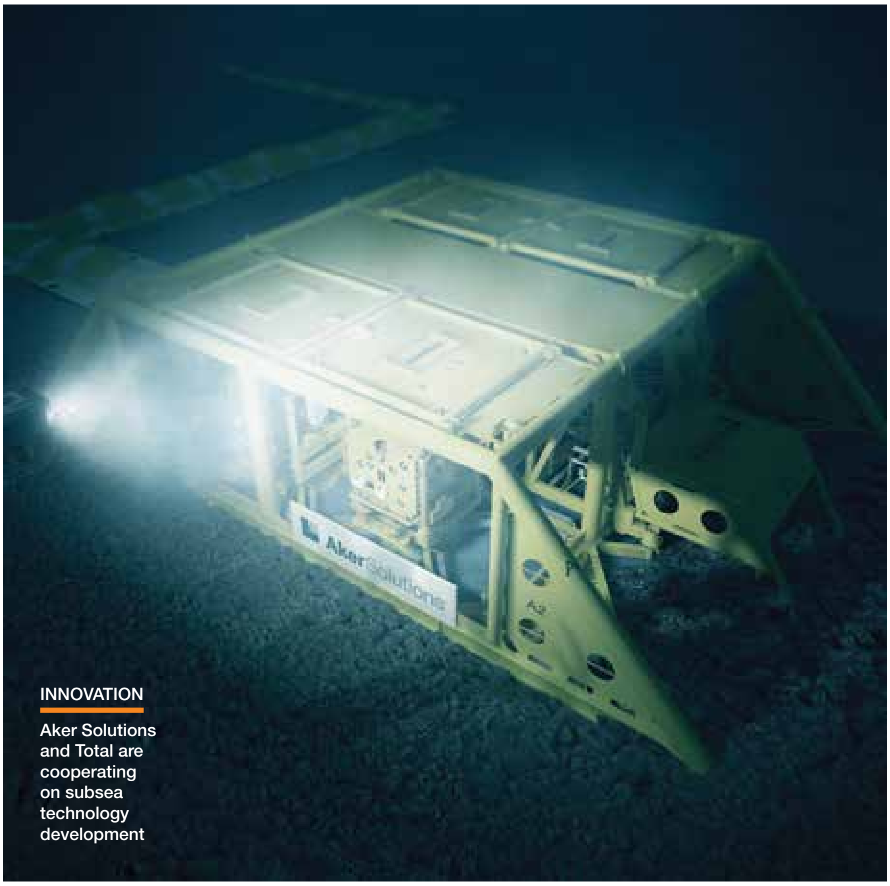
Facts

TOTAL RECORDABLE INCIDENTS
per million worked hours
1.4

LOST TIME INCIDENTS
per million worked hours
0.23

HSE PERFORMANCE INDICATORS





INNOVATION

Aker Solutions and Total are cooperating on subsea technology development

> We secured key contracts to provide subsea services for Petrobras in Brazil and BP globally

Field Design

Revenue in Field Design, which consists of MMO and Engineering, decreased to NOK 2.6 billion in the quarter from NOK 3.5 billion a year earlier. The main decline was in MMO where some major projects neared completion and volumes contributing to revenue were small from other projects still in their start-up phase. The EBIT margin widened to 4.8 percent in the quarter from 4.4 percent a year earlier, helped by good progress on engineering projects. Excluding special items the EBIT margin was 5.4 percent in the quarter versus 4.4 percent a year earlier.

The order intake was NOK 4.1 billion compared with NOK 7 billion a year earlier when the company secured a NOK 4.5 billion engineering award for the Johan Sverdrup field offshore Norway. New orders included two MMO contracts from ConocoPhillips for work at North Sea fields in Norway and two MMO agreements from Statoil for the Åsgard A production vessel in the Norwegian Sea. The engineering division also secured an order from Statoil for a concept study on an FPSO for the Johan Castberg development in the Barents Sea and an order for a concept study on a new processing platform for future phases of the Statoil-operated Johan Sverdrup field. Tendering activity was healthy in the period for both MMO and Engineering.

The order backlog was NOK 18.3 billion at the end of the quarter, equal to Field Design's revenue in the preceding 18 months. It was NOK 17.9 billion a year earlier.

Significant Post-Quarter Event

Aker Solutions and ABB on April 27 announced an agreement to build on their combined strengths in subsea, power and automation technologies to develop solutions that will improve oil and gas production for the global energy industry. The cooperation will integrate Aker Solutions' pioneering subsea capabilities

Facts

SUBSEA BACKLOG
NOK billion
20.2

FIELD DESIGN BACKLOG
NOK billion
18.3

and ABB's subsea power and automation system expertise to bring customers more effective, reliable and flexible production solutions. It will enhance how production units on the seafloor are powered and controlled by applications on shore or platforms, lowering costs and enabling economically viable production at fields far offshore from existing infrastructure. There will be several initial focus areas, including developing better subsea compression systems at lower costs and in less time. The collaboration will target opportunities globally, building on the companies' presence in major oil and gas markets to meet customer needs worldwide. It will be headquartered in Oslo, Norway.

Risk Factors

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

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

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

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

Fornebu, April 27, 2016
The Board of Directors and CEO of
Aker Solutions ASA

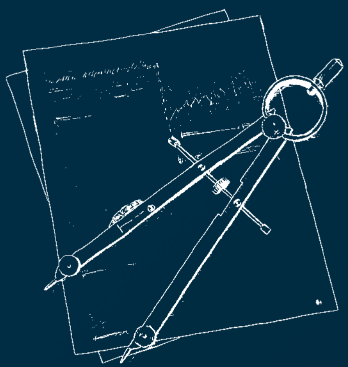
SUBSEA

Amounts in NOK million	1Q 2016	1Q 2015	2015	2014
Operating revenue	3,864	5,077	19,101	19,293
EBITDA	367	507	1,778	2,058
EBITDA margin	9.5%	10.0%	9.3 %	10.7 %
EBITDA excl. special items	367	507	1,944	2,058
EBITDA margin excl. special items	9.5%	10.0%	10.2%	10.7%
EBIT	213	353	1,045	1,536
EBIT margin	5.5%	7.0%	5.5 %	8.0 %
EBIT excl. special items	213	379	1,357	1,568
EBIT margin excl. special items	5.5%	7.5%	7.1%	8.1%
NCOA	(124)	18	(472)	(332)
Net capital employed	4,923	4,322	4,702	3,989
Order intake	1,916	1,998	7,660	27,306
Order backlog	20,242	30,403	22,476	33,702
Employees	6,770	8,013	7,449	8,103

FIELD DESIGN

Amounts in NOK million	1Q 2016	1Q 2015	2015	2014
Operating revenue	2,650	3,467	12,920	13,710
EBITDA	162	183	543	868
EBITDA margin	6.1%	5.3%	4.2 %	6.3 %
EBITDA excl. special items	176	183	793	852
EBITDA margin excl. special items	6.6%	5.3%	6.1%	6.2%
EBIT	128	154	404	725
EBIT margin	4.8%	4.4%	3.1 %	5.3 %
EBIT excl. special items	143	154	672	749
EBIT margin excl. special items	5.4%	4.4%	5.2%	5.5%
NCOA	(538)	212	(861)	71
Net capital employed	(161)	384	(362)	11
Order intake	4,129	7,045	15,263	9,899
Order backlog	18,275	17,927	17,235	14,609
Employees	7,608	8,383	7,772	8,380

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



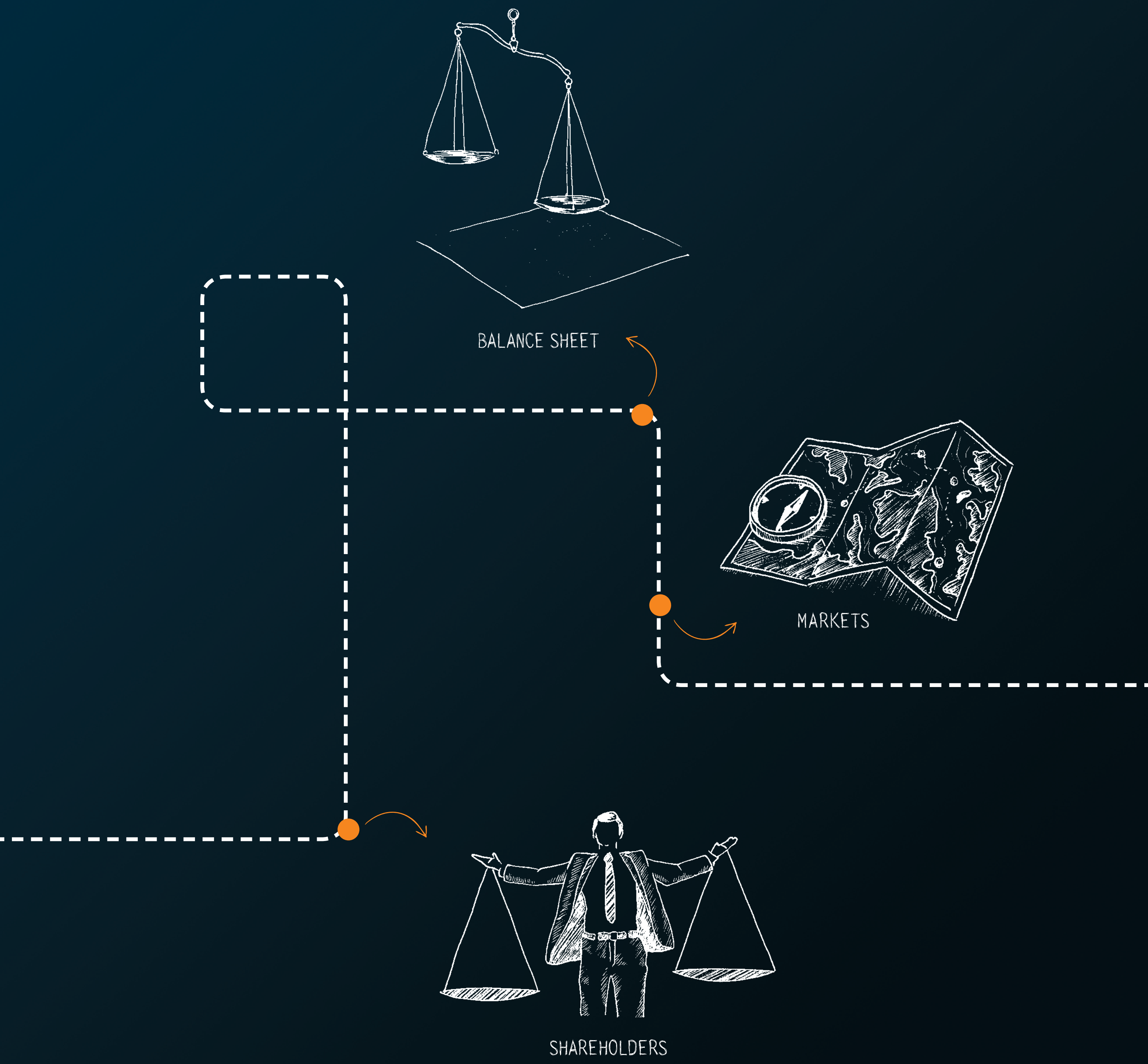
PROJECTS

CUSTOMERS

ACCOUNTABILITY

AKER SOLUTIONS GROUP

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


BALANCE SHEET
MARKETS
SHAREHOLDERS

Income Statement

Condensed consolidated income statement

NOK million. Unaudited.	Note	**1Q 2016**	1Q 2015	2015
Revenue	4, 13	6,463	8,500	31,896
Operating expenses	7, 13	(5,955)	(7,909)	(30,055)
Operating income before depreciation, amortization and impairment	**4**	**508**	**591**	**1,841**
Depreciation, amortization and impairment	8, 9	(195)	(183)	(882)
Operating income	**4**	**314**	**409**	**958**
Net financial items	5	(56)	(71)	(273)
Income before tax		**258**	**338**	**685**
Income tax		(89)	(118)	(302)
Net income for the period		**169**	**220**	**383**
Net income attributable to:				
Equity holders of the parent company		144	213	392
Non-controlling interests		25	6	(8)
Earnings per share in NOK (basic and diluted)	11	0.53	0.79	1.44

Other Comprenhensive Income (OCI)

Condensed consolidated statement of comprehensive income

NOK million. Unaudited.	**1Q 2016**	1Q 2015	2015
Net income for the period	169	220	383
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Cashflow hedges, effective portion of changes in fair value	18	(653)	(1,385)
Cashflow hedges, reclassification to income statement	190	254	1,135
Cashflow hedges, deferred tax	(49)	109	39
Translation differences - foreign operations	(433)	122	907
Total	**(274)**	**(168)**	**696**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plans	-	-	79
Remeasurements of defined benefit pension plans, deferred tax	-	-	(21)
Other changes	14	-	-
Total	**14**	**-**	**58**
Other comprehensive income, net of tax	**(91)**	**52**	**1,137**
Total comprehensive income attributable to:			
Equity holders of the parent company	(107)	30	1,119
Non-controlling interests	15	22	17

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

Balance Sheet

Condensed consolidated balance sheet

NOK million. Unaudited.	Note	March 31, 2016	December 31, 2015
Property, plant and equipment	9	3,882	3,962
Intangible assets	8	6,056	6,207
Deferred tax asset		348	332
Other non-current assets		35	36
Total non-current assets		**10,321**	**10,537**
Current tax assets		137	118
Current operating assets	6, 13	11,315	11,799
Derivative financial instruments	12	457	1,295
Interest-bearing receivables		76	117
Cash and cash equivalents		3,497	3,862
Total current assets		**15,481**	**17,192**
Total assets		**25,802**	**27,729**
Total equity attributable to the parent	11	6,278	6,397
Non-controlling interests	11	249	234
Total equity		**6,527**	**6,630**
Non-current borrowings	10, 12	3,343	3,137
Pension obligations		586	572
Deferred tax liabilities		231	283
Other non-current liabilities		16	27
Total non-current liabilities		**4,176**	**4,018**
Current tax liabilities		53	9
Current borrowings	10, 12, 13	655	561
Current operating liabilities	6, 7, 13	12,332	13,516
Derivative financial instruments	12	2,058	2,995
Total current liabilities		**15,099**	**17,081**
Total liabilities and equity		**25,802**	**27,729**

Cashflow

Condensed consolidated statement of cashflow

NOK million. Unaudited.	Note	**1Q 2016**	1Q 2015	2015
Net income		258	338	685
Depreciation, amortization and impairment	8, 9	195	183	882
Other cashflow from operating activities		(780)	(935)	366
Net cashflow from operating activities		**(327)**	**(414)**	**1,934**
Acquisition of property, plant and equipment	9	(94)	(118)	(841)
Payments for capitalized development	8	(93)	(109)	(449)
Other cashflow from investing activities		2	-	(9)
Net cashflow from investing activities		**(185)**	**(227)**	**(1,299)**
Change in external borrowings	10	238	107	98
Paid dividends	11	-	-	(394)
Other financing activities		36	(11)	(26)
Net cashflow from financing activities		**274**	**95**	**(323)**
Effect of exchange rate changes on cash and bank deposits		(127)	22	211
Net increase (decrease) in cash and bank deposits		**(366)**	**(523)**	**523**
Cash and cash equivalents as at the beginning of the period		3,862	3,339	3,339
Cash and cash equivalents as at the end of the period		**3,497**	**2,816**	**3,862**

Equity

Condensed consolidated statement of changes in equity

NOK million. Unaudited.	Contributed equity and retained earnings	Other reserves	Total equity attributable to the parent's equity holders	Non- controlling interest	Total Equity
Equity as of January 1, 2015	5,684	(7)	5,677	216	5,893
Total comprehensive income	213	(183)	30	22	52
Equity as of March 31, 2015	**5,897**	**(190)**	**5,707**	**239**	**5,945**
Equity as of January 1, 2016	5,676	721	6,397	234	6,630
Total comprehensive income	144	(251)	(107)	15	(91)
Treasury shares and employee share purchase program	(12)	-	(12)		(12)
Equity as of March 31, 2016	**5,808**	**470**	**6,278**	**249**	**6,527**

Notes

Note 1 General

Aker Solutions (the company) is an oil service company providing subsea technologies and field design services including engineering, modification, maintenance and decommissioning services. The group employs more than 14,500 people with operations in about 20 countries world-wide, with head office based in Fornebu, Norway.

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

Note 2 Basis for Preparation

STATEMENT OF COMPLIANCE

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

CHANGES IN ACCOUNTING POLICIES AND NEW STANDARDS

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

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

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

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

Note 3 Judgments and Estimates

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

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

Note 4 Operating Segments

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

SUBSEA

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

FIELD DESIGN

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

OTHER

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

ACCOUNTING PRINCIPLES

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

Operating Segments (Continued)

Amounts in NOK million	Subsea	Field Design	**Total operating segments**	Other	Intra-group elimination	Total
Three month ended March 31, 2016						
Income statement						
External revenue	3,863	2,618	**6,481**	(18)		6,463
Inter-segment revenue	1	32	**33**	43	(76)	-
Total operating revenue	**3,864**	**2,650**	**6,514**	**25**	**(76)**	**6,463**
Operating income before depreciation, amortization and impairment	367	162	**529**	(21)		508
Operating income	**213**	**128**	**341**	**(27)**		**314**
Balance sheet						
Net current operating assets (NCOA)	(124)	(538)	**(662)**	(271)	-	(933)
Net capital employed	4,923	(161)	**4,761**	3,773	-	8,535
Three month ended March 31, 2015						
Income statement						
External revenue	5,086	3,380	8,465	35		8,500
Inter-segment revenue	(9)	88	79	6	(85)	-
Total operating revenue	**5,077**	**3,467**	**8,544**	**41**	**(85)**	**8,500**
Operating income before depreciation, amortization and impairment	507	183	690	(99)		591
Operating income	**353**	**154**	**508**	**(99)**		**409**
Balance sheet						
Net current operating assets (NCOA)	18	212	231	(140)	-	90
Net capital employed	4,322	384	4,706	3,887	-	8,593

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

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

Note 5 Finance Income and Expenses

Amounts in NOK million	**1Q 2016**	1Q 2015	2015
Interest income	**12**	**23**	**76**
Interest expense on financial liabilities measured at amortized cost	(99)	(75)	(330)
Interest expense on financial liabilities measured at fair value	(7)	(1)	(18)
Interest expenses	**(106)**	**(76)**	**(348)**
Capitalized interest cost	15	7	40
Net foreign exchange gain (loss)	14	(37)	(115)
Gain (loss) on foreign currency forward contracts	4	11	46
Other financial income	7	1	30
Other financial expenses	(1)	-	(3)
Net other financial items	**38**	**(18)**	**(1)**

Note 6 Current Operating Assets and Liabilities

Amounts in NOK million	**March 31, 2016**	December 31, 2015
Current operating assets		
Inventories	831	814
Trade receivables	4,813	4,264
Amounts due from customers for construction work	2,206	2,365
Accrued operating revenue from service contracts	2,019	2,032
Advances to suppliers	415	232
Other receivables	1,031	2,091
Total	**11,315**	**11,799**
Current operating liabilities		
Trade payables	1,208	1,669
Amounts due to customers for construction work, including advances	4,944	5,995
Accrued operating and financial cost	2,547	2,435
Provisions	1,215	1,294
Other liabilities	2,418	2,124
Total	**12,332**	**13,516**

Note 7 Provisions

CHANGES IN PROVISIONS IN 2016:

Amounts in NOK million	Warranties	Restructuring	Onerous contracts	Other	Total
Balance as of January 1, 2016	591	262	323	118	1,294
Change in the period	13	(33)	(32)	(6)	(58)
Currency translation	(15)	-	(3)	(3)	(21)
Total	**589**	**229**	**288**	**109**	**1,215**

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

The restructuring provision relates to permanent and temporary redundancy cost as a result of the downturn in the oil services sector. At 1Q 2016, it amounts to NOK 97 million in Subsea and NOK 131 million in Field Design. The provision is sensitive to changes in the assumptions used related to number of employees, salary levels, notice period, severance pay and idle time assumed during notice period.

The onerous lease provision mainly relates to separable parts of leased buildings which have been or will be vacated by Aker Solutions in the near future. At 1Q 2016, the provision consists of NOK 4 million included in Subsea, NOK 173 million in Field Design and NOK 111 million in the “other” segment. The provision is sensitive to changes in the assumptions used related to sublease periods and sublease income.

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

Note 8 Intangible Assets

CHANGES IN INTANGIBLE ASSETS IN 2016:

Amounts in NOK million	Goodwill	Development	Other intangible assets	**Total**
Balance as of January 1, 2016	4,171	1,841	195	6,207
Capitalized development	-	90	4	93
Amortization	-	(42)	(9)	(51)
Currency translation differences	(134)	(51)	(9)	(193)
Balance as of March 31, 2016	**4,037**	**1,837**	**181**	**6,056**

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

The market for the oil service companies has become challenging as the oil price declined significantly during 2015. The impairment testing performed in 2015 resulted in impairment losses being recognized for several assets. The oil price has increased during the first quarter of 2016. No impairment losses have been identified in 1Q 2016.

Note 9 Property, Plant and Equipment

CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN 2016:

Amounts in NOK million	Buildings and sites	Machinery and equipment	Under construction	**Total**
Balance as of January 1, 2016	1,005	2,160	797	3,962
Additions	4	12	93	109
Transfer from assets under constructions	-	116	(117)	-
Depreciation	(18)	(126)	-	(144)
Currency translation differences	(30)	(36)	21	(45)
Balance as of March 31, 2016	**961**	**2,127**	**794**	**3,882**

Note 10 Borrowings

Amounts in NOK million	Maturity	**Carrying amount March 31, 2016**	Carrying amount December 31, 2015
Bond - ISIN NO 0010647431	June 2017	1,502	1,502
Bond - ISIN NO 0010661051	October 2019	1,004	1,005
Brazilian Development Bank EXIM and capex loans	2016	611	432
Brazilian Development Bank EXIM and capex loans	2017-2022	874	737
Other loans		7	21
Total borrowings		**3,998**	**3,698**
Current borrowings		655	561
Non-current borrowings		3,343	3,137
Total borrowings		**3,998**	**3,698**

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

On October 30, 2015, Aker Solutions amended an existing credit facility from the amount of NOK 4,000 million to NOK 5,000 million. Nothing was drawn on this facility per March 31, 2016. The credit facility expires July 3, 2019.

Note 11 Share Capital and Equity

Aker Solutions ASA was founded May 23, 2014 with a nominal share capital of NOK 293,807,940. The total outstanding shares are 272,044,389 shares at par value NOK 1.08 per share at March 31, 2016. All issued shares are fully paid.

Aker Solutions ASA holds 877,311 treasury shares at March 31, 2016. Treasury shares are not included in the weighted average number of ordinary shares. Earnings per share have been calculated based on an average of 271,484,411 shares outstanding as of March 31, 2016.

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

Note 12 Financial Instruments

The financial instruments measured at fair value per March 31, 2016 include the following:

- Derivative financial instruments consist mainly of forward foreign exchange contracts. The fair values are derived from observable market rates for foreign currency forward contracts. The group also has certain interest rate swaps where fair values are derived from observable market interest rates.
- Current and non-current borrowings include two bonds issued in the Norwegian bond market in addition to other borrowings. Bonds and borrowings are measured at amortized cost, and interest rate variations will not affect the valuation as they are held to maturity. The fair value of bonds and borrowings was NOK 3,876 million per March 31, 2016, compared to carrying amount of NOK 3,998 million. The fair value per December 31, 2015 was NOK 3,076 million compared to carrying amount of NOK 3,137 million.

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

Note 13 Related Parties

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

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

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

INCOME STATEMENT

Amounts in NOK million	**1Q 2016**	1Q 2015
Operating revenues	120	521
Operating expenses	(764)	(1,117)

BALANCE SHEET

Amounts in NOK million	**March 31, 2016**	December 31, 2015
Trade receivables	129	121
Trade payables	184	153
Current borrowings	1	1

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

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

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

Photo: pages 6–7 and page 11: Ole Walter Jacobsen, pages 8–9: Rolf Estensen, page 10: Bruno Tomasoni, page 12: Xvision.

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