

# AKER KVÆRNER™



## Financial overview

Trond Westlie

Group Executive Vice President & CFO

Capital Markets Day, 8 December 2003

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## Agenda

- Pricing of the financial instruments
- Financial status per 3Q 2003
- Guidance and Financial targets
- Risk Management
- Summary

## Financial instruments' performance

— AKVR — Oslo Børs Benchmark Index (OSEBX) — Energy (OSE1010)



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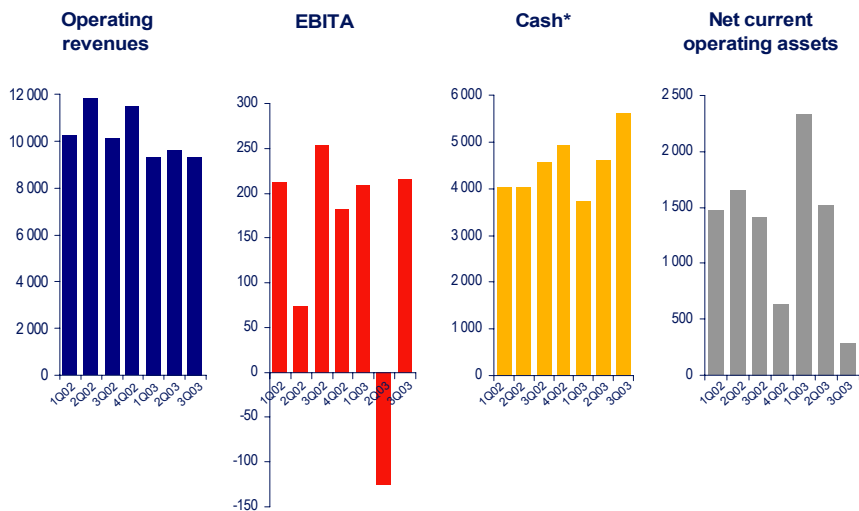
## Financial status per third quarter 2003

Continued **strong order intake**  
Further **profit and balance sheet  
improvements**

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## Key indicators



All numbers in NOK million

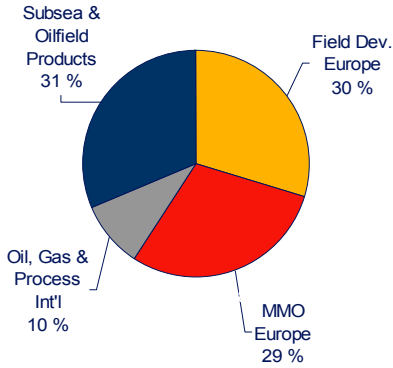
\* Including short-term interest bearing receivables

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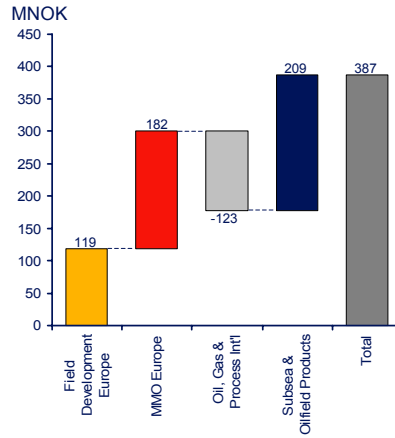
# Oil & Gas

**YTD 3Q 2003**  
Oil & Gas revenue distribution



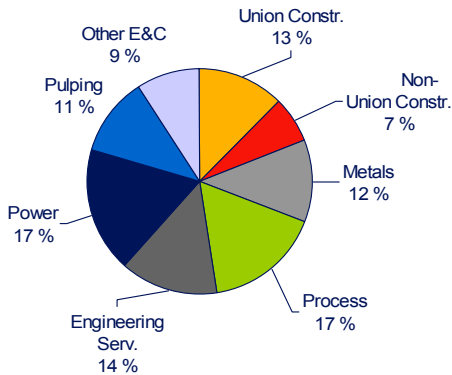
**Total Oil & Gas: 15,437 MNOK**

**YTD 3Q 2003**  
Oil & Gas EBITA distribution



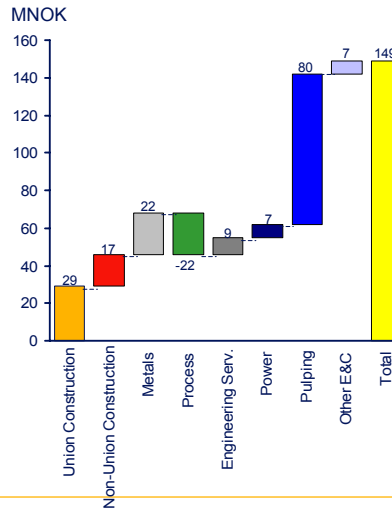
# E&C

**YTD 3Q 2003**  
E&C revenue distribution



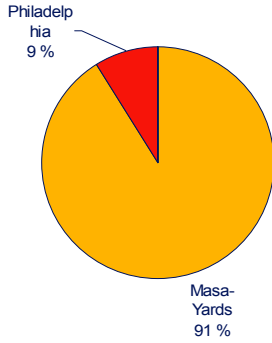
**Total E&C: 8,246 MNOK**

**YTD 3Q 2003**  
E&C EBITA distribution



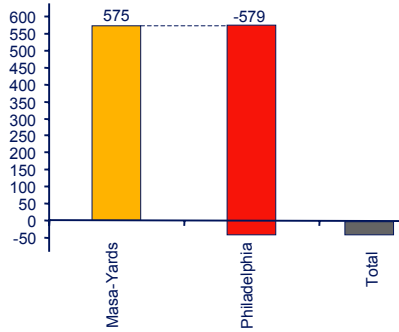
# Shipbuilding

**YTD 3Q 2003**  
Shipbuilding revenues distribution



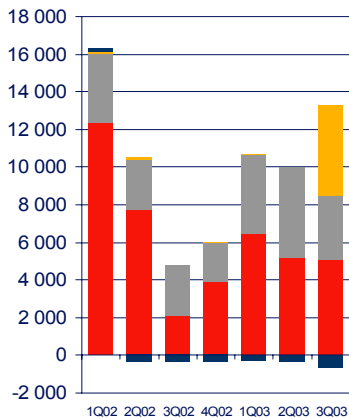
**Total Shipbuilding: 5,402 MNOK<sup>1)</sup>**

**YTD 3Q 2003**  
Shipbuilding EBITA distribution

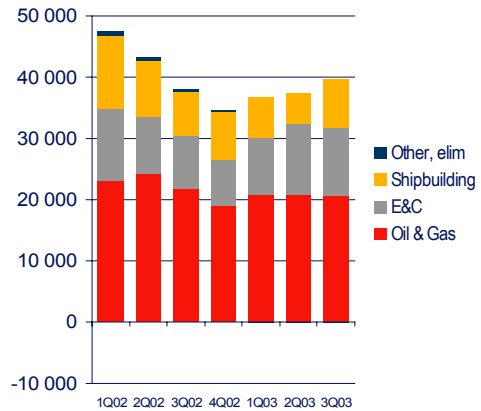


# Continued strong order intake

**Order intake**



**Order reserve**



All figures in NOK million  
Warnow deconsolidated from 1 December 2002  
4Q02 order intake excludes Warnow contracts

## Balance Sheet

(in NOK million)	3Q02	4Q02	1Q03	2Q03	3Q03
Property, plant and equipment	4,016	3,440	3,314	3,134	<b>3,014</b>
Other fixed assets	5,671	5,504	5,476	5,495	<b>5,362</b>
Long-term financial assets	3,442	3,954	4,036	4,262	<b>4,024</b>
Cash & short-term int. bearing receivables	4,578	4,924	3,738	4,621	<b>5,615</b>
Other current assets	15,623	12,603	14,643	13,761	<b>12,478</b>
<b>Total assets</b>	<b>33,523</b>	<b>30,683</b>	<b>31,623</b>	<b>31,597</b>	<b>30,782</b>
Shareholder's equity	8,287	8,354	8,635	8,414	<b>8,289</b>
Minority interests	147	118	60	63	<b>67</b>
Subordinated debt	4,055	3,901	4,058	4,075	<b>4,022</b>
Non-interest bearing liabilities long-term	1,893	1,776	1,679	1,725	<b>1,717</b>
Interest-bearing debt	4,937	4,569	4,894	5,088	<b>4,496</b>
Non-interest bearing liabilities short-term	14,204	11,965	12,297	12,232	<b>12,191</b>
<b>Total liabilities and shareholder's equity</b>	<b>33,523</b>	<b>30,683</b>	<b>31,623</b>	<b>31,597</b>	<b>30,782</b>
<b>Total net current operating assets</b>	<b>1,417</b>	<b>635</b>	<b>2,343</b>	<b>1,526</b>	<b>285</b>
<b>Net interest bearing items</b>	<b>-166</b>	<b>613</b>	<b>-740</b>	<b>-143</b>	<b>1,408</b>
<b>Net debt</b>	<b>-4,221</b>	<b>-3,288</b>	<b>-4,798</b>	<b>-4,218</b>	<b>-2,614</b>

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## Other issues

- Equatorial
  - Verdict in first instance in favour of Equatorial
  - Aker Kvaerner will appeal if post-trial motions are unsuccessful
- Warnow, production limitation
  - Commission appealed ruling to repay Aker Kvaerner
- Warnow, excess subsidies
  - Formal proceedings opened
  - Aker Kvaerner view supported by German authorities
- Ipsco
  - Preparation for trial in 2004 ongoing
- Valhall
  - Successfully installed
  - Good co-operation with BP
- Sea Launch
  - Three successful launches this year, two new contracts in second half

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## Forward looking statements



- Aker Kvaerner will seek to guide the market once every year on a full year basis
- Subsequent comments and updates will be given on a quarterly basis, pending market expectations
- Status of the UK pension scheme will be announced with the full year results

## Guidance 4Q 2003



- EBITA for the full year of approx. NOK 1 Billion, adjusted for losses and provisions on vessels in Philadelphia

## Trading outlook 2004, full year



- Oil & Gas
  - Continues to improve performance
- Engineering & Construction
  - Continues to improve as new orders come into effect
- Shipbuilding
  - Break even result, depending on Masa-Yards delivery and improved productivity in Philadelphia
- Corporate
  - Stable costs in line with previous quarters (recalculation of pension cost at year end)

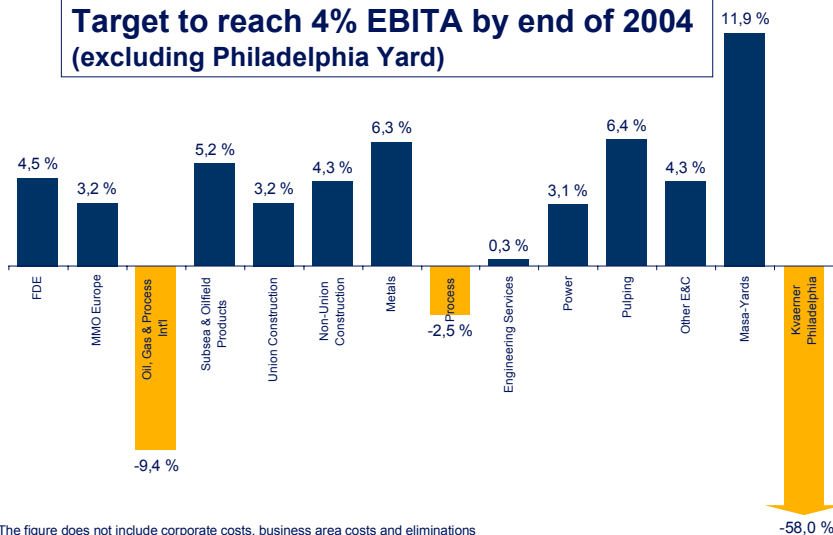
## Trading outlook 2004, full year (cont'd)

### ■ Phasing in 2004

- Results somewhat weaker in first half of 2004, picking up in second half.
- Masa utilization low in first half, and improved markets not giving full effect until second half.
- Limited variations in working capital in 2004
  - build-up in 2nd and 3rd quarter
  - improvement in 4th quarter

## 3Q EBITA margin\* by business stream

Target to reach 4% EBITA by end of 2004  
(excluding Philadelphia Yard)



\* The figure does not include corporate costs, business area costs and eliminations

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# Backed by systems for risk mgt: Risk Dashboard

The screenshot shows a web-based Risk Dashboard interface. It features a navigation menu on the left with categories like 'Approval Matrix', 'Business Issues', and 'General'. The main area displays a 'RISK DASHBOARD' with a table of project risks and a bar chart at the bottom. The table has columns for 'Project Name', 'Project phase', 'Risk status', 'Business Area', 'Transfer', 'Impact', 'Status', 'Date', and 'Owner'. The bar chart shows risk levels across different project phases.

Callout boxes highlight the following features:

- Improved access to project portfolio information needed for control and decision support
- Early focus on main risk & opportunities and mitigating actions
- Steps/ milestones integrated with Project Execution Model
- One source to tender information
- Unified and higher quality of information needed for decision making
- Improved transparency and openness in the communication between projects and management
- Highlights most important risks and opportunities

Note: All names and numbers are dummies from the test version of the Risk Dashboard

## Agenda



- Pricing of the financial instruments
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- Guidance 2003 and 2004
- Financial targets 2004
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## Summary



- Towards solid and predictable performance
- Balance sheet strengthened
- Progress according to plan to pay debt due in 2004
- Risk management systems and routines implemented

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