AKER KVÆRNER™

E&C Europe

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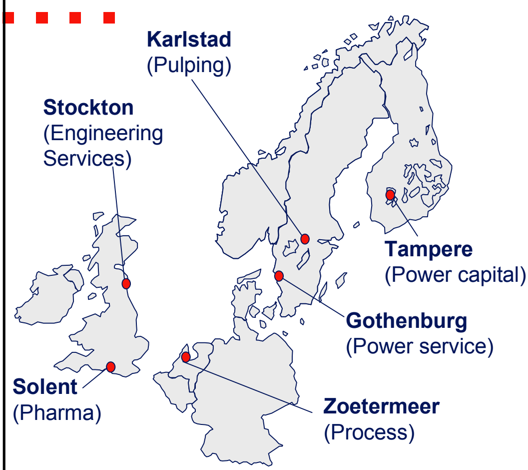
Capital Markets Day, 8 December 2003

Who we are



Regional offices in North America, Brazil, Japan

The operations are back in the black

- **Process**
  - Best project execution organisation in technology niches
  - 1,000 employees
- **Pharma**
  - Specialist provider of site services and validation
  - 300 employees
- **Pulping**
  - Niche Pulp & Paper specialist in upgrades and service
  - 620 employees
- **Engineering Services**
  - The growth engine for Service in Europe
  - 1,750 employees
- **Power**
  - The demanding fuels expert in selected niches
  - 1,250 employees

Where we came from

- Too diversified - lack of focus
- High reliance on fluctuating EPC projects
- Severe quality issues in project execution
- Too high cost base
- Inability to flex with the markets

Too diversified - lack of focus:

From General Contractor to Specialised Niche Player

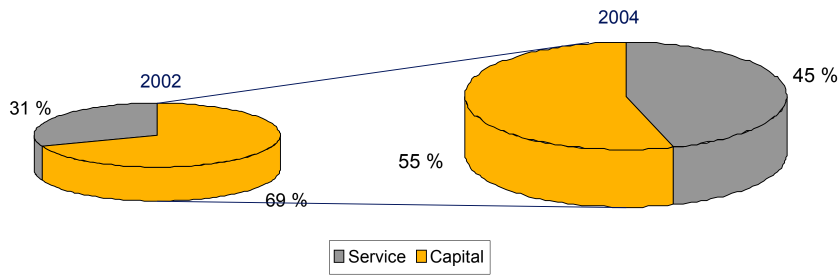
	From	To
Process	Diversified EPC contractor Doubtful project execution	EPC execution specialist with front end focus. Technologies: PTA, BDO, Methanol, Acetic Acid.
Pharma	Diversified EPC contractor Doubtful project execution	Technical services specialist developing into validation/site services. Leader in biotech.
Eng. Services	Spread over many segments Capital projects *and* Service	Pure Service provider within selected industries. Moving into Continental Europe.
Pulping	Full EPC ambitions Capital projects focus	Focused niche player driven by a Specialised Service approach.
Power	Full EPC ambitions Capital projects focus	Focused niche player with focus on developing a Specialised Service arm.

We will only operate in niches where we consider it possible to achieve a number 1 or 2 position

High reliance on fluctuating EPC projects:
Transition from Capital to Service

- Expand service offering from UK to Continental Europe
- Develop specialised service concepts/products
- Use technology and system know-how as differentiator

Turnover Service/Capital



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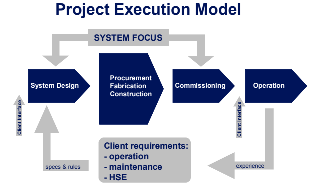
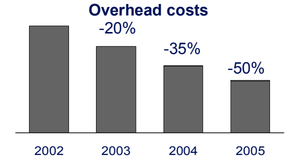
Quality/Cost/Flexibility

- Severe quality issues in project execution
- Too high cost base
- Inability to flex with the markets

Project Execution Model



Overhead costs



- Replace own capacity with low cost centres
  - Reduce detail engineering capacity with 60-80%
- Pan-European resource pools
- Global sourcing
- Shared Services

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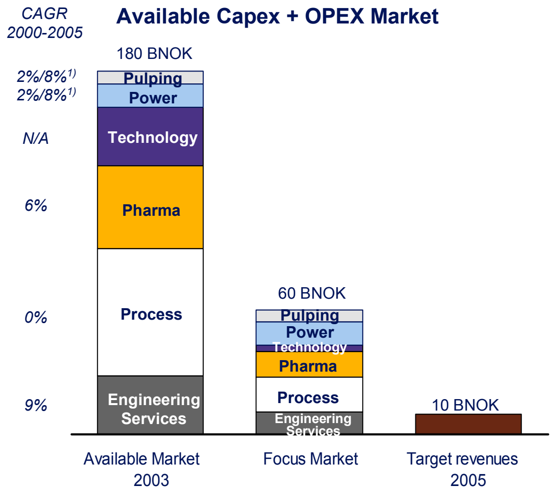
Profitability focus, market share is secondary

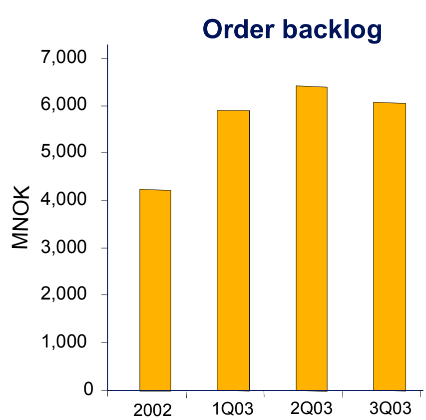


Source: AK data, European Industrial Forecasting, Arkwright estimates
1) Newbuild market: 2% and Service market: 8%

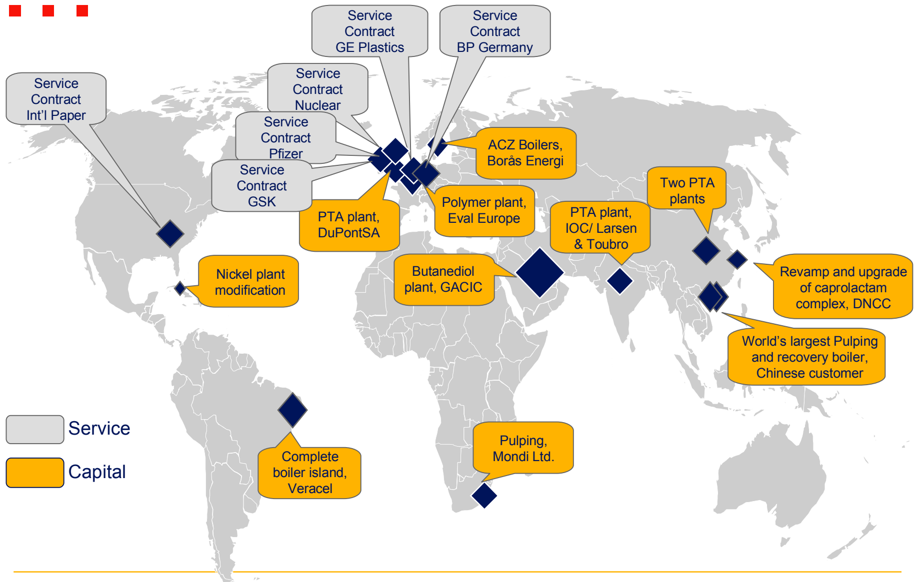
- Available markets
  - Home markets: UK, Benelux, Scandinavia, Germany and Switzerland
  - International opportunities in Technology niches (Process)
  - Pulp mill projects in Americas and Asia
- Focus market
  - Asset life cycle need of key clients in home market
  - Selected technology niches in the Far East
  - Pulp mill projects in Americas and Asia
- Target revenues 10 BNOK
  - Implicit market share of 17%

Recent successes confirm strategic direction and focus

- High hit ratio in securing targeted contracts
- New contracts are within defined areas of focus
- Improved quality in backlog
- Further growth expected



Market position improving



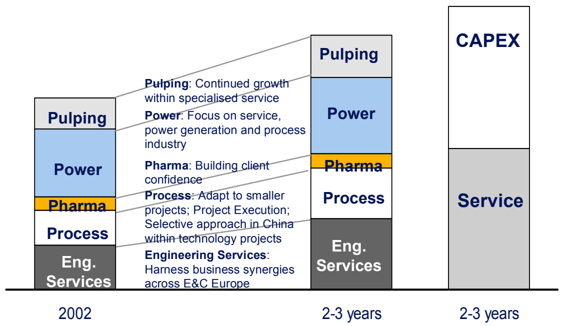
Outlook

Process	**20 PTA projects coming up next 2-3 years** **Growth in upgrades/revamps in Europe**
Pharma	**Growth industry** **Bio-tech expected to grow in Northern Europe** **Close customer relations important**
Engineering Services	**Service expected to grow by 40% in 5 years** **Huge untapped market in Continental Europe**
Pulping	**OEM status on 400+ mills** **that will need upgrades and service**
Power	**Stable market in Pulp & Paper with excellent position** **Growth in green power generation**

Overall direction

Revenue mix

- Market in transition
- High fixed cost level
- One-off projects
- Inconsistent project performance



Services ratio: 30% 60%

- Predictable, sustainable and profitable business model
- Strong customer relations
- High share of repetitive business and services
- Focused approach in home markets
- Platform for further growth

Summary

- Transition from General Contractor to Specialised Niche Player
- Service becoming main focus area: 60% of revenues
- Introduction of Project Execution Model and systematic methods to enhance quality
- Halving of overhead cost base
- Replacement of own fixed capacity with Low Cost Centres to increase flexibility

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