

## 1st quarter results 2006

## Strong start to the year

Aker Kvaerner reports a strong start to the year with an EBITDA for the first quarter of NOK 710 million, an increase by 89 percent compared to the first quarter of 2005. Growth in existing contracts and a steady stream of mid-sized and smaller orders, resulted in a NOK 13.9 billion order intake and record-high order backlog of NOK 55.6 billion by the end of March 2006. Aker Kvaerner's main markets continued to be positive.

A letter of intent to sell the Pulping and Power businesses to Metso was signed in the first quarter. As it is likely that the final agreement will be signed, and according to International Financial Reporting Standards the Pulping and Power segment is treated as "discontinued operations" in the accounts from 1 January 2006. As Aker Kvaerner will operate the businesses until final closing of the transaction, pro forma accounts showing pulping and power as an integrated part of the group has been prepared as well. All comments in this report refer to the pro forma accounts unless explicitly stated differently.

First quarter revenues totalled NOK 11 588 million, an increase of 38 percent, compared with NOK 8 407 in the same quarter last year, reflecting strong markets and high activity in all reporting segments.

EBITDA for the first quarter was NOK 710 million, positively impacted by a one-time sales gain of NOK 87 million from the sale of Aker Kvaerner Power and Automation Systems. This represents an increase by 89 percent from NOK 376 million in the first quarter 2005. The quarterly EBITDA margin was 6.1 percent compared to 4.5 percent in the first quarter last year.

Order intake in the first quarter was NOK 13.9 billion due to growth in existing contracts and a steady

stream of mid-sized and smaller orders. This brings the order backlog to a solid NOK 55.6 billion by the end of March 2006.

Cashflow from operating activities was NOK 447 million in the first quarter, reflecting a low NOK 211 million increase in net current operating assets, mainly due to a positive trend in advances from new contracts. Cash and bank deposits at the end of March amounted to NOK 6.7 billion. The liquidity buffer, including undrawn credit facilities of NOK 2.2 billion, was a comfortable NOK 8.9 billion.

The closing price of the Aker Kvaerner share at the end of March was NOK 580. Accordingly, the company's market capitalisation was NOK 31.9 billion, an increase of NOK 9.1 billion from year end 2005. A total of 19.4 million Aker Kvaerner shares were traded on the Oslo Stock Exchange during the first quarter, which constitutes 35 percent of total outstanding shares.

The market is still expected to be strong with attractive opportunities. With the tight labour market in the industry, the focus for Aker Kvaerner will be to continue to select and execute the right projects successfully.

## Consolidated key figures (pro forma)

(in NOK million)

	1Q05	2Q05	3Q05	4Q05	1Q06	2005
Operating revenues	8 407	9 709	10 073	13 274	11 588	41 463
Operating expenses	-8 031	-9 268	-9 534	-12 485	-10 878	-39 318
<b>EBITDA</b>	<b>376</b>	<b>441</b>	<b>539</b>	<b>789</b>	<b>710</b>	<b>2 145</b>
Depreciation	-76	-77	-94	-109	-92	-356
<b>Earnings before interest and tax (EBIT)</b>	<b>300</b>	<b>364</b>	<b>445</b>	<b>680</b>	<b>618</b>	<b>1 789</b>
Net financial items	-95	-98	-80	-102	-87	-375
Foreign exchange on disqualified hedging instruments	-58	-123	-20	-195	151	-396
<b>Profit after financial items</b>	<b>147</b>	<b>143</b>	<b>345</b>	<b>383</b>	<b>682</b>	<b>1 018</b>
Tax	-51	-40	-101	419	-181	227
<b>Net profit</b>	<b>96</b>	<b>103</b>	<b>244</b>	<b>802</b>	<b>501</b>	<b>1 245</b>
Net profit per share	1.58	1.82	4.45	14.48	9.00	22.33
Total assets	19 563	21 681	20 479	26 295	27 444	
Equity	3 106	3 219	3 459	4 327	4 553	
Equity ratio (%)	15.9	14.8	16.9	16.5	16.6	
Combined ratio including subordinated debt (%)	30.5	28.6	31.7	28.5	28.2	
Net interest-bearing liabilities (-)/receivables (+)	438	1 106	1 656	5 163	5 214	
Cash and bank deposits	2 425	2 629	3 170	6 746	6 723	
Total net current operating assets	267	62	-197	-3 327	-3 116	
<b>Cash flow from operating activities</b>	<b>-886</b>	<b>276</b>	<b>704</b>	<b>3 580</b>	<b>447</b>	<b>3 674</b>
Order intake	9 676	16 625	11 795	19 652	13 874	57 748
Order backlog	37 716	44 523	46 401	53 341	55 637	

## Status operations

### Health, Safety and Environment

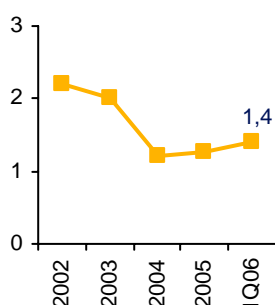
Aker Kvaerner's strong focus and efforts within Health, Safety and Environment (HSE) continue with Just Care™ as a symbol of the HSE culture and as an umbrella for HSE programmes.

Key elements of the efforts to achieve world class HSE performance are the principle that everyone take personal responsibility for HSE, a group-wide HSE operating system, HSE leadership training and focus on leading indicators. The HSE leadership training has had high priority, and more than 290 managers have attended the programme by now.

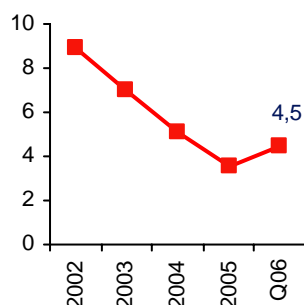
Regrettably, there were two fatal accidents in the first quarter. An employee of MH Pyramid in Houston died following an accident on a rig in the Gulf of Mexico, and an employee of a subcontractor to AK Process died following an assault on site in Nigeria.

The statistics for Lost Time Incidents and Total Recordable Incidents is shown below :

#### Lost Time Incidents per million hours (LTIF)



#### Total Recordable Incidents per million hours (TRIF)



### Field Development (FD)

(in NOK million)	1Q05	2Q05	3Q05	4Q05	1Q06	2005
Op revenues	2 317	2 557	2 476	3 270	3 681	10 620
EBITDA	123	135	161	213	234	632
Order intake	2 624	6 775	1 145	8 516	3 823	19 060
Order backlog	11 967	16 248	14 904	20 265	20 218	20 265
Employees	4 496	4 393	4 203	4 039	5 088	4 039

Operating revenues for FD was 59 percent higher in first quarter this year compared to the same period last year. The first quarter EBITDA was 90 percent higher compared to first quarter 2005. The EBITDA margin in the first quarter was 6.4 percent.

The high revenue level and strong first quarter is a result of good progress and performance on key projects like Snøhvit and Ormen Lange.

The main markets for FD, which are the North Sea, Canada, Russia (including the Barent Sea), the Caspian Sea, the Sakhalin region, and deepwater Gulf of Mexico are looking positive. Timing of progress is however uncertain.

No major new orders were booked in the first quarter. Order intake was still at a satisfactory level compared to first quarter last year. Smaller new contracts, in addition to growth in existing contracts resulted in an order backlog at the end of March in line with the backlog at year end 2005. A large number of bids and prequalifications are ongoing.

### Maintenance, Modifications and Operations (MMO)

(in NOK million)	1Q05	2Q05	3Q05	4Q05	1Q06	2005
Op revenues	1 383	1 731	2 083	2 255	1 985	7 452
EBITDA	56	54	89	91	108	290
Order intake	1 353	3 000	1 410	4 112	2 078	9 875
Order backlog	9 764	11 023	10 314	12 061	12 083	12 061
Employees	4 926	5 083	5 131	4 705	4 435	4 705

MMO reported operating revenues in line with previous quarters and 44 percent above first quarter 2005. EBITDA for the first quarter increased by 93 percent compared to the corresponding quarter in 2005. High activity levels on the Snøhvit, Staffjord Late Life and Ormen Lange projects contributed positively. The EBITDA margin in the first quarter was 5.4 percent.

Overall tender activity for decommissioning projects in Norway and the UK is high. Aker Kvaerner is a market leader in this area and is currently executing the largest decommissioning project, Frigg, in the North Sea for Total.

Aker Kvaerner is prioritising to grow the MMO business internationally. The main new regions are Canada, Sakhalin, Kazakhstan and the Gulf of Mexico.

The order intake was 54 percent higher in the first quarter this year compared to the corresponding period last year, keeping the order backlog at the same level as at year end 2005. The order intake is both from new contracts and growth in existing contracts.

- Hydro awarded Aker Kvaerner a NOK 420 million contract for maintenance and modification work on the platforms Troll B, Troll C, and Brage. The contract is for the duration of three years, with an option for additional three years.

Aker Kvaerner sold the subsidiary Aker Kvaerner Power and Automation Systems to the Finnish corporation Wartsila. The company was earlier consolidated as part of the MMO business. The sales gain of NOK 87 million is included in Other.

## Subsea, Products & Technologies (SPT)

(in NOK million)	1Q05	2Q05	3Q05	4Q05	1Q06	2005
Op revenues	1 887	2 524	2 446	2 997	2 671	9 854
EBITDA	110	143	177	224	173	654
Order intake	2 157	3 847	3 856	5 585	4 526	15 445
Order backlog	5 791	7 178	8 576	11 269	13 150	11 269
Employees	3 049	3 376	3 482	3 586	3 847	3 586

The revenues in SPT in the first quarter was in line with previous quarters and increased 42 percent compared to the first quarter 2005. The operational and financial performance is developing positively.

EBITDA for the first quarter was 57 percent higher than in the corresponding period in 2005. The EBITDA margin for the first quarter was 6.5 percent.

EBITDA is expected to increase the next quarters, positively influenced by a sustainable strong market for drilling equipment, well service activities and marine operations. The umbilical and riser markets have a positive outlook. Opportunities for subsea EPC contracts in Asia are growing.

Investments into the subsea manufacturing center in Malaysia and Norway are progressing as planned and will strengthen the competitive position of the business.

The order intake in the three-month period was more than twice that achieved in the first quarter 2005, resulting in an order backlog of NOK 13.2 billion, 17 percent higher than at year end 2005.

A strong market resulted in the announcement of several contracts:

- Aker Kvaerner signed a contract with Sevan Marine ASA for delivery of drilling systems and equipment. The contract value is approximately USD 87 million. The contract

includes an option for delivery of a second identical drilling package.

- Aker Kvaerner was awarded a contract with Discover Invest Ltd. For delivery of drilling systems and equipment to a Frigstad D90 ultra deepwater semi-submersible drilling rig. The contract value is approximately NOK 450 million.
- Aker Kvaerner signed a contract with Daewoo Shipbuilding & Marine Engineering for delivery of drilling systems for two semi-submersible drilling rigs ordered by SeaDrill. The contract value is approximately NOK 930 million.
- Aker Kvaerner was awarded a contract by Chevron, with partner Kerr McGee, to deliver an advanced dynamic umbilical for the Blind Faith deep water development in the Gulf of Mexico. Aker Kvaerner will deliver a 9500 metre dynamic steel tube umbilical, including all surface and subsea terminations to be installed in 2 100 metres water depth. This follows the earlier award of contracts to Aker Kvaerner for the supply of the semisubmersible hull and mooring systems and activities related to transportation and installation of the Blind Faith platform.
- Maersk Contractors awarded Aker Kvaerner a contract for delivery of two deep water drilling risers, equipped with an industry leading connector technology. The contract is valued at USD 32 million, excluding options, and positions Aker Kvaerner as one of the market leaders in riser technology.

## Process(PRO)

(in NOK million)	1Q05	2Q05	3Q05	4Q05	1Q06	2005
Op revenues	1 785	2 156	2 236	3 448	2 775	9 625
EBITDA	38	47	50	89	75	224
Order intake	2 083	2 233	4 324	1 813	2 862	10 453
Order backlog	7 316	7 502	9 560	8 174	8 129	8 174
Employees	4 367	4 854	4 593	4 965	5 123	4 965

The activity level in PRO in the first quarter was high with 55 percent increased revenues compared to the same quarter last year. EBITDA was NOK 75 million in the first quarter 2006 compared to NOK 38 million in the same period last year. The EBITDA-margin in the first quarter was 2.7 percent.

The financial performance in AK Engineering Services is weak, but improving.

The market in Saudi Arabia remains active for EPC opportunities. Bio-Ethanol projects will provide opportunities in Europe. The metals market remains to be very robust. This is reflected in high bidding activity.

A number of small and medium sized orders were booked in the first quarter. Order intake for the first quarter 2006 was 37 percent higher than in the same period in 2005. The order backlog was kept at the same level as at year end 2005.

## Pulping & Power (P&P)

(in NOK million)	1Q05	2Q05	3Q05	4Q05	1Q06	2005
Op revenues	1 038	1 086	1 049	1 350	1 041	4 523
EBITDA	64	80	76	109	61	329
Order intake	1 426	991	1 320	2 074	998	5 811
Order backlog	3 837	3 639	3 897	4 819	4 993	4 819
Employees	1 876	2 019	2 025	2 079	2 175	2 079

In the first quarter, P&P reported revenues and EBITDA in line with the first quarter 2005. The EBITDA-margin in the first quarter was 5.9 percent.

Due to seasonal fluctuations, mainly in the service market, P&P has had a relatively slow start on the year. Prospects for capital projects in the power market remain positive. The service market in Asia Pacific and Brazil is still strong. The pulping markets remains strong in Asia, China and Brazil and interesting opportunities in Russia and Australia.

No major orders were booked in the first quarter, but order intake was still at a satisfactory level. Order backlog at the end of the first quarter was high and in line with the year end 2005 level.

The due diligence process in connection with the sale of the pulping and power businesses to Metso is progressing as planned and is expected to be finalised in the near future.

## Unallocated items and corporate costs

Adjusted for the NOK 87 million gain on the sale of Aker Kvaerner Power and Automation Systems, unallocated EBITDA in the first quarter amounted to a negative NOK 28 million. The corresponding number in the first quarter last year was a negative NOK 15 million.

## Group financials

First quarter consolidated revenues amounted to NOK 11 588 million this year compared with NOK 8 407 million for the same period last year, reflecting strong markets and high activity in all reporting segments.

EBITDA in the first quarter of 2006 was NOK 710 million compared to NOK 376 million in the first quarter of 2005, reflecting an increase by 89 percent.

Net financial expenses for the first quarter of 2006 were NOK 87 million, including NOK 61 million in non-cash accrued interest expenses on the subordinated debt.

Foreign currency exposure is effectively hedged in Aker Kvaerner, but some hedging transactions do not qualify for hedge accounting. Unrealised fluctuations in the fair value of such instruments are recognised as foreign exchange gain/loss in the income statement. The 151 million of gains in Q1 2006 are mainly reversal of losses recognised in 2005. Operating profit in the first quarter has not been significantly impacted by the hedge accounting rules.

The tax expense for the first quarter was NOK 181 million, which is 27 percent of profit before tax.

The profit after financial items for the first quarter 2006 was NOK 682 million, significantly improved compared to the first quarter 2005 profit of NOK 147 million. Net profit per share for the first quarter was NOK 9.00.

The cash position at the end of the year was NOK 6.7 billion. Undrawn committed long-term bank revolving credit facilities amounted to NOK 1.2 billion and NOK 1.0 billion in the oil & gas and the engineering & construction businesses respectively, representing a total liquidity buffer of NOK 8.9 billion. The cash balance remains at the same high level as end of last year.

In March it was paid NOK 5 per share in dividend for 2005, amounting to approximately NOK 275 million in total.

Long-term interest bearing debt amounted to NOK 2.1 billion at the end of first quarter 2006. In addition, the subordinated loan, which is interest free until fourth quarter 2006, is booked in the balance sheet at a value of NOK 3.2 billion. Net interest bearing receivables is a positive NOK 5.2 billion.

The equity ratio at the end of the first quarter was 16.6 percent. The subordinated debt and equity

yielded a combined ratio of 28.2 percent at the end of the first quarter.

Aker Kvaerner has entered into agreements with the company TH Global (previously Kvaerner Plc.) that secure reduced, predictable pension costs and continued access to important UK personnel resources. Under the agreement, Aker Kvaerner will acquire a total of 1 300 TH Global employees who are currently working for Aker Kvaerner in the UK on a contract basis. These personnel resources are key to Aker Kvaerner's execution of its record-high order backlog, and they will play important roles in pursuing future business opportunities. The agreement with TH Global implies that Aker Kvaerner will pay GBP 64 million over a six-year period to acquire TH Global staff. The transaction will have an immediate, positive annual profit effect for Aker Kvaerner of approximately GBP 7 million.

Aker Kvaerner has today called to the holders of its subordinated bond for a bondholder meeting to be held 15 May to request for certain changes to the existing documentation. The request also includes an offer to buy back outstanding subordinated debt up to the lower of 25 percent of the bonds and the equivalent of NOK 900 million and an increased coupon from 5 percent to 5.5 percent. Further details of the request and offer are disclosed in a separate

press release and an information memorandum to be sent to bondsmen registered with VPS.

Aker Kvaerner O&G, the fully owned subsidiary of Aker Kværner ASA, has recently received a credit rating upgrade. Fitch assigned a one notch upgrade to BB+ with Positive outlook and Moody's a two notch upgrade to a Ba1 (BB+) Stable outlook.

## Outlook

Aker Kvaerner's main markets continue to be positive and are expected to remain positive. Energy demand growth, field depletion and high energy prices fuel new project investments. However, the strong markets cause strain on resources and may therefore put pressure on cost. This challenge requires the company to more than ever focus on selecting, winning and executing the right projects.

As in 2005 Aker Kvaerner expects quarterly fluctuations in profitability, mainly due to the phasing of major projects. The second half of 2006 is expected to be relatively stronger than the first half of the year and the company confirms the target of an EBITDA margin of 6.5 - 7.0 percent by the end of 2007. This target will be kept also after the sale of the Pulping and Power businesses

Oslo, 25 April 2006  
The Board of Directors

**AKER KVAERNER GROUP IN FIGURES <sup>1)</sup>**  
**PROFIT AND LOSS ACCOUNT**

**Group summary:**

Amounts in NOK million	<i>Note</i>	Q1 2006	Q1 2005	1.1 - 31.12 2005
Operating revenues		10 547	7 369	36 940
Operating expenses		-9 898	-7 057	-35 124
<b>EBITDA</b>		649	312	1 816
Depreciation		-79	-65	-306
<b>Operating profit</b>		570	247	1 510
Financial items		-84	-103	-374
Foreign exchange on disqualified hedging instruments		151	-58	-396
<b>Profit/loss before tax</b>		637	86	740
Taxation		-170	-38	312
<b>Net profit/loss from continuing operations</b>		467	48	1 052
<b>Discontinued operations</b>				
Profit for the period from discontinued operations	<i>I</i>	34	48	193
Profit for the period		501	96	1 245
<b>Attributable to:</b>				
Minority interests		6	9	16
Equity holders of the parent company		495	87	1 229
<b>Basic and diluted earnings per share continuing operations (NOK)</b>		8,41	0,71	18,83
<b>Basic and diluted earnings per share (NOK)</b>		9,00	1,58	22,33

**BALANCE SHEET**

Amounts in NOK million	<i>Note</i>	31.3 2006	31.3 2005	31.12 2005
Deferred tax asset		841	523	851
Goodwill, patents etc		4 401	4 532	4 581
Property, plant and equipment		1 365	1 403	1 549
Other operating assets		-	66	7
Investments		102	145	135
Interest-bearing non-current receivables		132	147	141
Income tax receivables		33	-	34
Current operating assets		11 060	10 322	11 863
Interest-bearing current receivables		483	-	388
Cash and bank deposits		6 723	2 425	6 746
Non-current assets classified as held for sale	<i>I</i>	2 304	-	-
<b>Total assets</b>		27 444	19 563	26 295
Equity		4 424	3 049	4 262
Minority interests		129	57	65
Deferred tax		133	163	46
Subordinated debt		3 197	2 860	3 167
Other non-current liabilities		1 287	1 189	1 401
Interest-bearing non-current debt		2 095	2 134	2 112
Taxes payable		90	56	52
Other current operating liabilities		13 648	10 055	15 190
Interest-bearing current liabilities		29	-	-
Liabilities directly associated with non-current assets classified as held for sale	<i>I</i>	2 412	-	-
<b>Total liabilities and equity</b>		27 444	19 563	26 295

<sup>1)</sup> In the accounts the Pulping and Power businesses are presented as discontinuing operations. Pro forma accounts are included on page 10.

## STATEMENT OF CASH FLOW

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Net cashflow from operating activities	447	- 886	3 674
Net cashflow from investing activities	- 184	- 136	- 443
Net cashflow from financing activities	- 275	- 338	- 306
Translation adjustments	- 11	82	118
<b>Net decrease (-) / increase (+) in cash and bank deposits</b>	<b>- 23</b>	<b>-1 278</b>	<b>3 043</b>
Cash and bank deposits as at the beginning of the period	6 746	3 703	3 703
<b>Cash and bank deposits as at the end of the period</b>	<b>6 723</b>	<b>2 425</b>	<b>6 746</b>

## CHANGE IN EQUITY

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Equity as at the beginning of the period	4 262	2 889	2 889
Net profit/loss	495	87	1 229
Dividends	- 275	-	-
Foreign currency hedging	- 29	-	-
Translation differences	- 29	73	144
<b>Equity as at the end of the period</b>	<b>4 424</b>	<b>3 049</b>	<b>4 262</b>

## Segments:

## REVENUE BY SEGMENT

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Field Development	3 681	2 317	10 620
MMO	1 985	1 383	7 452
Subsea, Products & Technologies	2 671	1 887	9 854
Process	2 775	1 785	9 625
Other	- 565	- 3	- 611
<b>Total Group</b>	<b>10 547</b>	<b>7 369</b>	<b>36 940</b>

## EBITDA BY SEGMENT

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Field Development	234	123	632
MMO	108	56	290
Subsea, Products & Technologies	173	110	654
Process	75	38	224
Other	59	- 15	16
<b>Total Group</b>	<b>649</b>	<b>312</b>	<b>1 816</b>

**EBIT BY SEGMENT**

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Field Development	218	109	575
MMO	106	52	277
Subsea, Products & Technologies	134	82	503
Process	72	33	204
Other	40	- 29	- 49
Total Group	570	247	1 510

**NET CURRENT OPERATING ASSETS BY SEGMENT**

Amounts in NOK million	31.3 2006	31.3 2005	31.12 2005
Field Development	-3 484	- 529	-3 911
MMO	184	129	7
Subsea, Products & Technologies	1 179	807	1 454
Process	- 236	174	- 38
Other	- 232	74	- 362
Total Group	-2 589	655	-2 850

**NET OPERATING ASSETS BY SEGMENT**

Amounts in NOK million	31.3 2006	31.3 2005	31.12 2005
Field Development	-2 060	674	-2 704
MMO	1 284	1 222	1 103
Subsea, Products & Technologies	2 355	1 907	2 639
Process	741	1 030	853
Other	- 430	285	- 397
Total Group	1 890	5 118	1 494

**Note 1 Discontinued operations - financial data Pulping and Power**

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Operating revenues	1 041	1 038	4 523
Operating expenses	- 980	- 974	-4 194
<b>EBITDA</b>	61	64	329
Depreciation	- 13	- 11	- 50
<b>Operating profit</b>	48	53	279
Financial items	- 3	8	- 1
<b>Profit/loss before tax</b>	45	61	278
Taxation	- 11	- 13	- 85
<b>Net profit/loss</b>	34	48	193

Amounts in NOK million	31.3 2006
Non-current operating assets	579
Current operating assets	1 725
<b>Total operating assets</b>	<b>2 304</b>
Non-current operating liabilities	125
Current operating liabilities	2 287
<b>Total operating liabilities</b>	<b>2 412</b>

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Net cashflow from operating activities	157	- 154	158
Net cashflow from investing activities	- 36	- 16	- 104
Net cashflow from financing activities	60	162	67
Translation adjustments	9	2	14
<b>Net decrease (-) / increase (+) in cash and bank deposits</b>	<b>190</b>	<b>- 6</b>	<b>135</b>
Cash and bank deposits as at the beginning of the period	507	374	374
<b>Cash and bank deposits as at the end of the period</b>	<b>697</b>	<b>368</b>	<b>509</b>

The quarterly report is prepared in accordance with International Financial Reporting Standards, including IAS 34 Interim Financial Reporting, and accounting policies as described in the annual report 2005 for Aker Kvaerner.

AKER KVAERNER GROUP IN FIGURES (PRO FORMA <sup>1)</sup>)

## PROFIT AND LOSS ACCOUNT

## Group summary:

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Operating revenues	11 588	8 407	41 463
Operating expenses	-10 878	-8 031	-39 318
<b>EBITDA</b>	<b>710</b>	<b>376</b>	<b>2 145</b>
Depreciation	- 92	- 76	- 356
<b>Operating profit</b>	<b>618</b>	<b>300</b>	<b>1 789</b>
Financial items	- 87	- 95	- 375
Foreign exchange on disqualified hedging instruments	151	- 58	- 396
<b>Profit/loss before tax</b>	<b>682</b>	<b>147</b>	<b>1 018</b>
Taxation	- 181	- 51	227
<b>Net profit/loss</b>	<b>501</b>	<b>96</b>	<b>1 245</b>
<b>Attributable to:</b>			
Minority interests	6	9	16
Equity holders of the parent company	495	87	1 229
<b>Basic earnings per share (NOK)</b>	<b>9,00</b>	<b>1,58</b>	<b>22,33</b>
<b>Diluted earnings per share (NOK)</b>	<b>9,00</b>	<b>1,58</b>	<b>22,33</b>

## BALANCE SHEET

Amounts in NOK million	31.3 2006	31.3 2005	31.12 2005
Deferred tax asset	864	523	851
Goodwill, patents etc	4 710	4 532	4 581
Property, plant and equipment	1 602	1 403	1 549
Other operating assets	4	66	7
Investments	108	145	135
Interest-bearing non-current receivables	132	147	141
Income tax receivables	33	-	34
Current operating assets	12 785	10 322	11 863
Interest-bearing current receivables	483	-	388
Cash and bank deposits	6 723	2 425	6 746
<b>Total assets</b>	<b>27 444</b>	<b>19 563</b>	<b>26 295</b>
Equity	4 424	3 049	4 262
Minority interests	129	57	65
Deferred tax	144	163	46
Subordinated debt	3 197	2 860	3 167
Other non-current liabilities	1 401	1 189	1 401
Interest-bearing non-current debt	2 095	2 134	2 112
Taxes payable	124	56	52
Other current operating liabilities	15 901	10 055	15 190
Interest-bearing current liabilities	29	-	-
<b>Total liabilities and equity</b>	<b>27 444</b>	<b>19 563</b>	<b>26 295</b>

## STATEMENT OF CASH FLOW

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Net cashflow from operating activities	447	- 886	3 674
Net cashflow from investing activities	- 184	- 136	- 443
Net cashflow from financing activities	- 275	- 338	- 306
Translation adjustments	- 11	82	118
<b>Net decrease (-) / increase (+) in cash and bank deposits</b>	<b>- 23</b>	<b>-1 278</b>	<b>3 043</b>
Cash and bank deposits as at the beginning of the period	6 746	3 703	3 703
<b>Cash and bank deposits as at the end of the period</b>	<b>6 723</b>	<b>2 425</b>	<b>6 746</b>

**CHANGE IN EQUITY**

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Equity as at the beginning of the period	4 262	2 889	2 889
Net profit/loss	495	87	1 229
Dividends	- 275	-	-
Foreign currency hedging	- 29	-	-
Translation differences	- 29	73	144
<b>Equity as at the end of the period</b>	<b>4 424</b>	<b>3 049</b>	<b>4 262</b>

<sup>1)</sup> All figures include discontinued operations (Pulping and Power)

**Segments:**
**REVENUE BY SEGMENT**

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Field Development	3 681	2 317	10 620
MMO	1 985	1 383	7 452
Subsea, Products & Technologies	2 671	1 887	9 854
Process	2 775	1 785	9 625
Pulping & Power	1 041	1 038	4 523
Other	- 565	- 3	- 611
<b>Total Group</b>	<b>11 588</b>	<b>8 407</b>	<b>41 463</b>

**EBITDA BY SEGMENT**

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Field Development	234	123	632
MMO	108	56	290
Subsea, Products & Technologies	173	110	654
Process	75	38	224
Pulping & Power	61	64	329
Other	59	- 15	16
<b>Total Group</b>	<b>710</b>	<b>376</b>	<b>2 145</b>

**EBIT BY SEGMENT**

Amounts in NOK million	Q1 2006	Q1 2005	1.1 - 31.12 2005
Field Development	218	109	575
MMO	106	52	277
Subsea, Products & Technologies	134	82	503
Process	72	33	204
Pulping & Power	48	53	279
Other	40	- 29	- 49
<b>Total Group</b>	<b>618</b>	<b>300</b>	<b>1 789</b>

**NET CURRENT OPERATING ASSETS BY SEGMENT**

Amounts in NOK million	31.3 2006	31.3 2005	31.12 2005
Field Development	-3 484	- 529	-3 911
MMO	184	129	7
Subsea, Products & Technologies	1 179	807	1 454
Process	- 236	174	- 38
Pulping & Power	- 527	- 388	- 477
Other	- 232	74	- 362
<b>Total Group</b>	<b>-3 116</b>	<b>267</b>	<b>-3 327</b>

## NET OPERATING ASSETS BY SEGMENT

Amounts in NOK million	31.3	31.3	31.12
	2006	2005	2005
Field Development	-2 060	674	-2 704
MMO	1 284	1 222	1 103
Subsea, Products & Technologies	2 355	1 907	2 639
Process	741	1 030	853
Pulping & Power	- 91	- 39	- 85
Other	- 430	285	- 397
Total Group	1 799	5 079	1 409

The quarterly report is prepared in accordance with International Financial Reporting Standards, including IAS 34 Interim Financial Reporting, and accounting policies as described in the annual report 2005 for Aker Kvaerner.

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The parent company in the group is Aker Kværner ASA. Aker Kvaerner has aggregated annual revenues of approximately NOK 41 billion and employs approximately 22,000 people in more than 30 countries.

Aker Kvaerner is part of the Aker Group ([www.akerasa.com](http://www.akerasa.com)), a leading multi-industry powerhouse with more than 40 000 employees and NOK 60 billion revenues. Aker owns 50.01 per cent of Aker Kvaerner, and the group is also a major European shipbuilder and a significant participant in the fisheries industry.

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