

Appendix first quarter results 2017

KV/ERNER™

Segment information

Amounts in NOK million	Field Development		Group activities and eliminations		Consolidated	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Total external revenue and other income	2 041	2 766	(487)	(539)	1 554	2 228
Internal revenue	27	19	(27)	(19)	-	-
Total revenue and other income	2 068	2 785	(514)	(558)	1 554	2 228
Adjusted EBITDA ¹	120	123	(15)	(16)	105	106
EBITDA	120	123	(12)	(41)	108	81
Depreciation and amortisation	(26)	(18)	-	(3)	(26)	(21)
EBIT	94	104	(12)	(44)	82	60
Net current operating assets	(1 689)	(1 382)	276	239	(1 413)	(1 143)

¹ Adjusting impact related to embedded derivatives in jointly controlled entities closely related to Kvaerner's operating activities.

- Following sale of Kvaerner's onshore construction business in North America in 2013, Kvaerner only has one reportable segment; Field Development
- The Field Development segment reporting includes Kvaerner's share (proportionate consolidation) of jointly controlled entities closely related to Kvaerner's activities

Discontinued operations

<i>Amounts in NOK million</i>	Q1 2017	Q1 2016	FY 2016
Total revenue and other income	1	-	0
Administrative and legal expenses	36	(82)	85
EBIT	37	(82)	85
Net financial income/(expense)	1	284	261
Profit/(loss) before tax	38	202	346
Income tax income/(expense)	(1)	-	(1)
Profit/(loss) from discontinued operations	37	202	345
Basic and diluted earnings/(losses) per share (NOK)	0.14	0.76	1.30
Net assets	12	(58)	(50)

› EBIT in Q1'17 positively impacted by insurance settlement

<i>Amounts in NOK million</i>	Q1 2017	Q1 2016	FY 2016
Cash flow from operating activities	(25)	554	735
Cash transferred (to)/from parent	5	(557)	(730)
Translation adjustments	(1)	(1)	(1)
Net increase/(decrease) in cash and bank deposits	(21)	(4)	4
Cash at the beginning of the period	35	30	30
Cash at the end of the period	13	26	35

Financial items

<i>Amounts in NOK million</i>	Q1 2017	Q1 2016	FY 2016
Net interest income/(expense)	1	(3)	(4)
Profit/(loss) on foreign currency contracts	0	21	22
Foreign currency embedded derivatives impact	1	(58)	(128)
Net foreign exchange gain/(loss)	1	0	1
Other financial items, net	(0)	6	(8)
Net financial income/(expense)	3	(34)	(117)

Cash flow

<i>Amounts in NOK million</i>	Q1 2017	Q1 2016	FY 2016
Profit before tax continuing operations	86	26	214
Profit before tax discontinued operations	38	202	346
Profit/(loss) before tax total operations	123	228	560
Depreciation, amortisation and impairment	26	21	298
Taxes (paid)/refund	(30)	(57)	(77)
Other cash flow from operating activities	(171)	507	936
Cash flow from operating activities	(51)	700	1 718
Capital expenditure	(7)	(138)	(203)
Other cash flow from investing activities	(0)	0	1
Cash flow from investing activities	(8)	(138)	(201)
Other cash flow from financing activities	(4)	(4)	(30)
Cash flow from financing activities	(4)	(4)	(30)
Translation adjustments	(1)	(1)	(1)
Net increase/(decrease) in cash and bank deposits	(64)	557	1 486
Cash at the beginning of the period	3 047	1 560	1 560
Cash at the end of the period	2 983	2 117	3 047

Balance sheet - Assets

<i>Amounts in NOK million</i>	31.03.2017	31.12.2016	31.03.2016
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	781	798	805
Intangible assets	665	666	872
Deferred tax asset	-	-	3
Investments in associates and jointly controlled entities	46	35	48
Interest-bearing receivables	-	-	2
Other non-current assets	6	6	18
Total non-current assets	1 498	1 505	1 748
<i>Current assets</i>			
Trade and other receivables	1 286	1 427	1 477
Total cash and bank	2 983	3 047	2 117
Retained assets of business sold	46	1	-
Total current assets	4 314	4 474	3 594
Total assets	5 812	5 980	5 342

Balance sheet – Equity and liabilities

<i>Amounts in NOK million</i>	31.03.2017	31.12.2016	31.03.2016
Equity and liabilities			
<i>Equity</i>			
Share capital	91	91	91
Share premium	729	729	729
Retained earnings	1 976	1 881	1 685
Other reserves	(49)	(46)	(40)
Total equity	2 747	2 656	2 465
<i>Non-current liabilities</i>			
Deferred tax liabilities	84	62	-
Employee benefit liabilities	213	205	173
Total non-current liabilities	297	267	173
<i>Current liabilities</i>			
Trade and other payables	2 603	2 826	2 455
Tax liabilities	35	46	26
Provisions	96	135	165
Retained liabilities of business sold	34	51	58
Total current liabilities	2 768	3 058	2 704
Total equity and liabilities	5 812	5 980	5 342

Basis for preparation

› *Accounting principles*

- The accounting principles applied in these condensed consolidated interim financial statements are the same as those applied in the Annual accounts 2016

› The interim financial statements have not been subject to audit

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