

Aker companies investor day

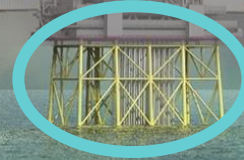
Jan Arve Haugan, President & CEO



ULQ
Utility & Living Quarter
Platform



P1
Process
Platform



DP
Drilling
Platform



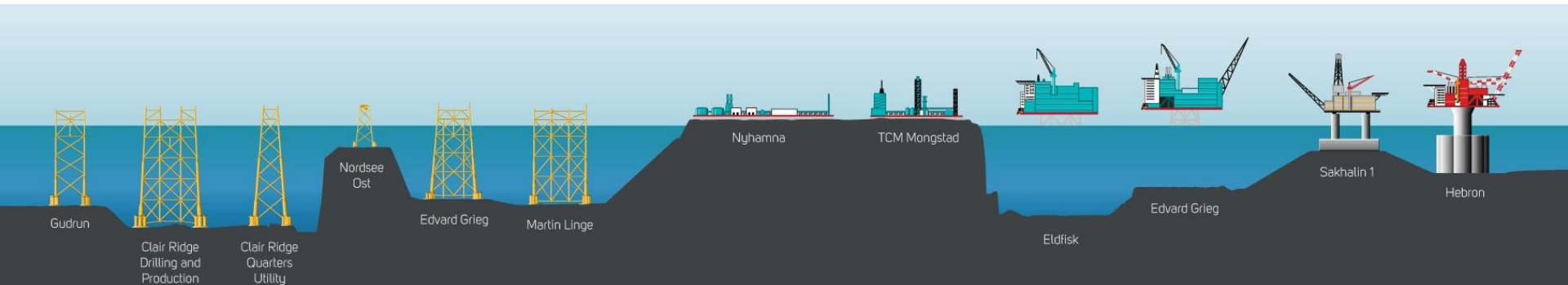
RP
Riser
Platform

Johan Sverdrup
Phase 1 Development
Illustration: Statoil

We keep a tight ship in challenging environments

- 1) Leading market position
- 2) Projects delivered predictably
- 3) Strong financial platform
- 4) Competitive position strengthened
- 5) Customers consider new projects

- 
- 1) Well positioned for new contracts**
 - 2) Improvements can increase our total market**



HSSE – our licence to operate

- › Open and transparent reporting
- › Continued pro-active focus

HSSE is not only our licence to operate, it is an efficient way to work



50 years' experience and 175th anniversary: 1841 - 2016

Complete offshore platforms and onshore plants

Concrete
solution



- Lundin Petroleum at Q1 2016:
"Uptime since start up 99%" (excl. pressure build up)
"World class topside performance"

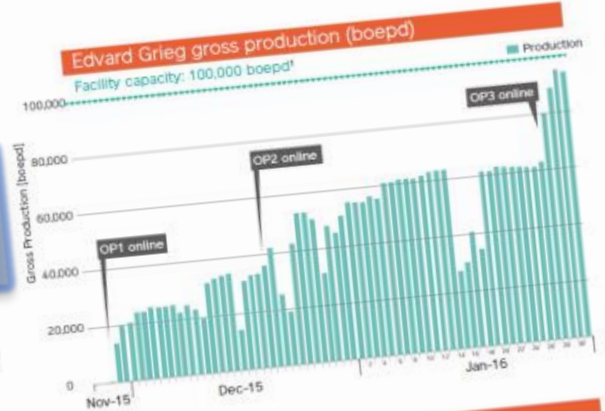
Market leader
globally



● = Examples of delivery

Edvard Grieg Production Performance

- Strong initial facility and reservoir performance
- Anticipated to take 8 months to build to this level
- 3 wells on line – total capacity >90,000 boepd
 - PDO basis 24,000 boepd per well
- Better reservoir performance – lower pressure decline
 - As per the reservoir management plan, initial 2016 production rates will be held below well potential until sufficient water injection capacity is available
- 2016 drilling programme - 5 wells
 - 3 water injectors and 2 producers
 - Currently drilling first water injector



Edvard Grieg capacity within the topsides facility
Lundin Petroleum

Onshore
oil and gas plants

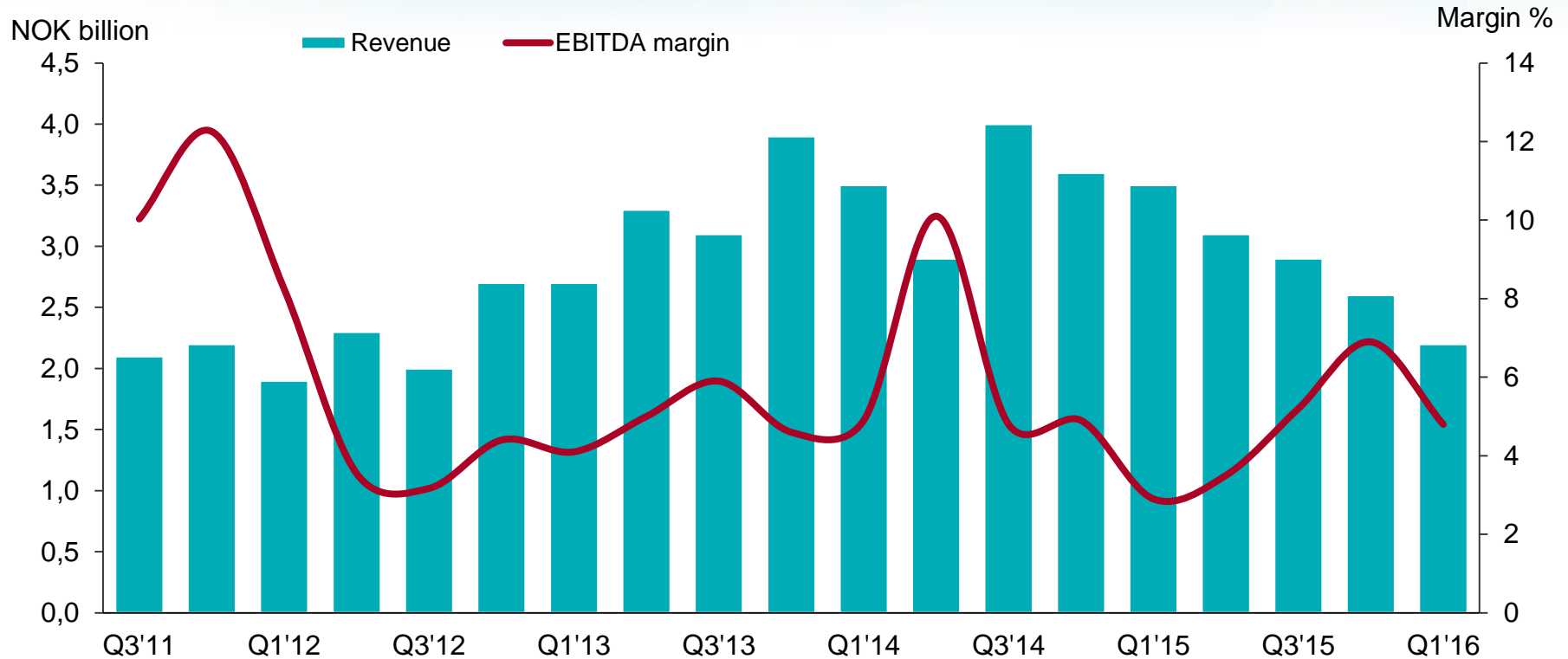


Market leader,
globally

➢ Approx. 2 800 employees / 20 mill work hours annually

No negative surprises to the market for 19 quarters in a row

Kvaerner has consistently delivered positive projects



Note: Q311-Q312 numbers estimated as reported total less reported Downstream & Industrial financials.

Solid financial platform

Revenues & EBITDA

- › Activity level estimated at around NOK 10 billion for 2016
- › Improved project portfolio

Balance sheet

- › Net cash of NOK 2.1 billion
- › Robust capital structure with NOK 2.0 billion in undrawn facilities
- › Cash positive but fluctuating project portfolio
- › Working capital of negative 500 million to 1.5 billion

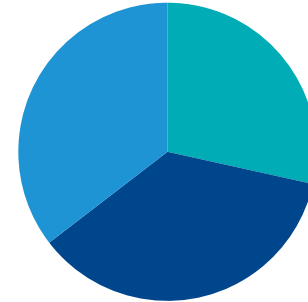
Use of funds

- › 2016: Capex of NOK 200 million:
 - › incl. three new cranes for the jackets business
 - › Annual maintenance capex of NOK 30-50 million
- › No dividend payment for first half of 2016

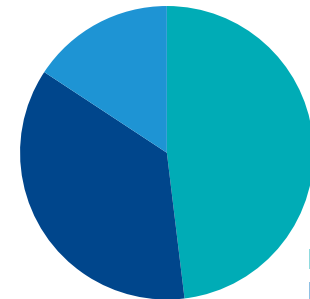
Own value creation varies between projects

- > Historically high share of EPC projects
- > Own value creation and results higher for smaller modification/HUC projects
- > Future capacity utilisation satisfactory with expected project portfolio mix

Project example topside EPC new builds



Project example modification/HUC



Own value creation
Procurement
Subcontractors

Documented improvements of competitive power

Further improvements may trigger more new projects

15% improved cost base by Q1 2015

New operating model

- Reductions to capacity and administration
- Refined and leaner organisation
- Most Norwegian operations in one unit

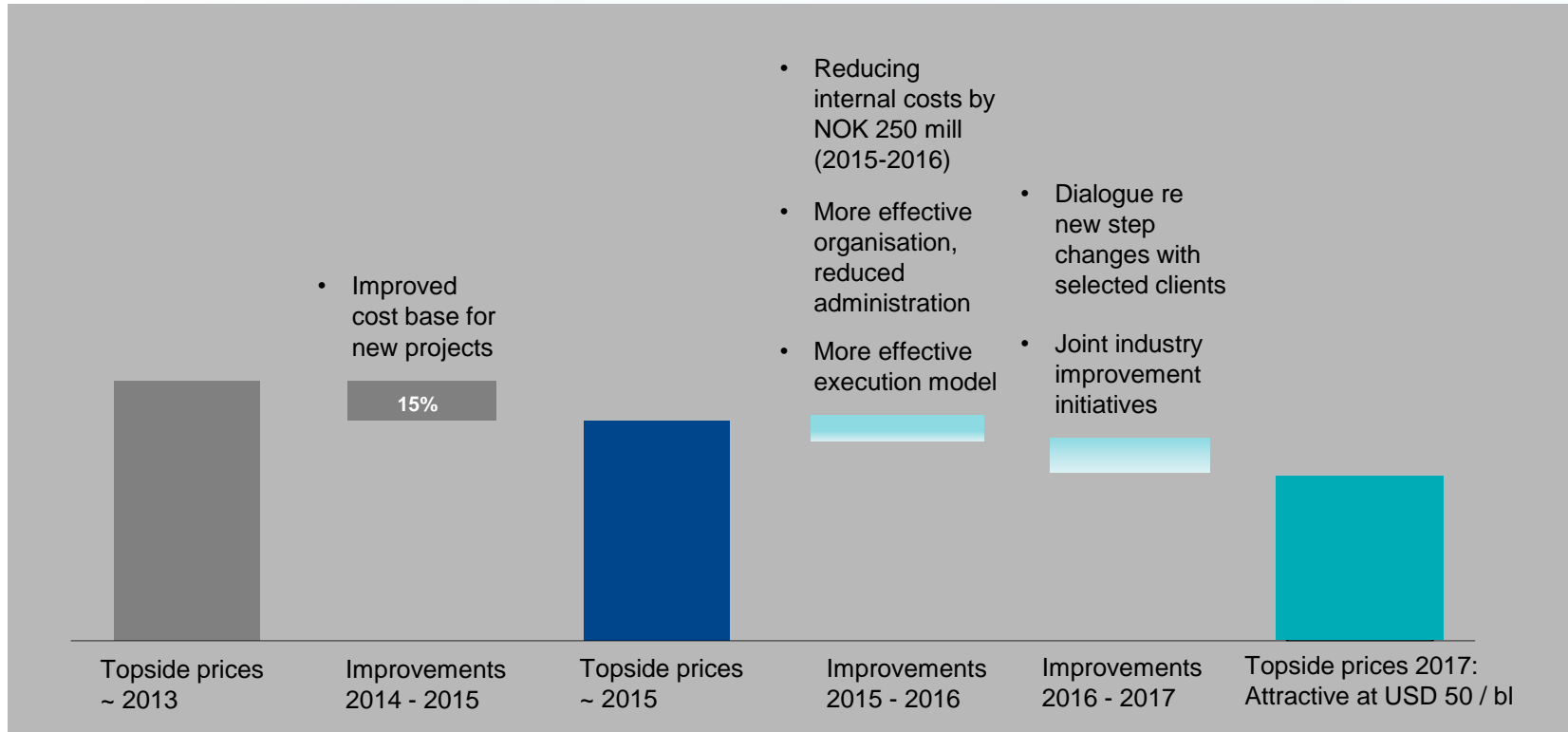
Reducing internal costs by NOK 250 million (2015-2016)

More effective execution model

Dialogue re-new step changes with selected clients

Joint industry improvement initiatives

Further improvements may trigger more new projects



Kvaerner well positioned to offer the best total price

Shorter time:

- > EPC from Asia
 - Typical execution time ~ 48 months
- > EPC from Norway
 - Typical 38 months
- > +1 month = +NOK 250 mill
 - Extra costs for licence / society for typical size project at NCS

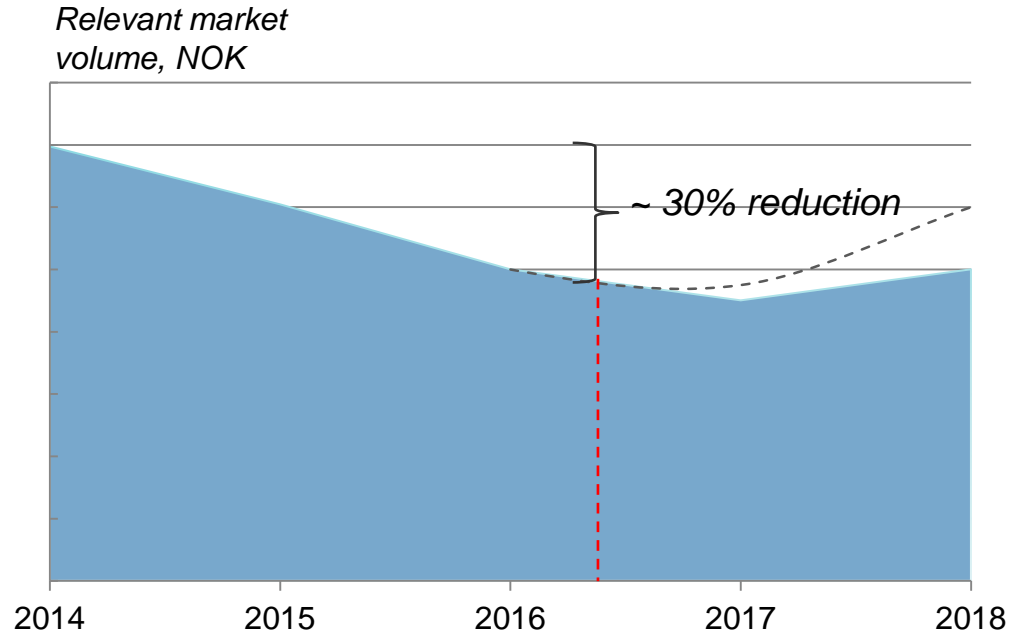


Lower total costs:

- > EPC from Asia:
 - Average addition to contract price = 42%
- > EPC in Norway:
 - Average addition to contract price = 16%
- > Extra cost from Asia:
 - NOK 2 billion

Market may be near a trend shift

Positive signals can be reinforced by further improvements



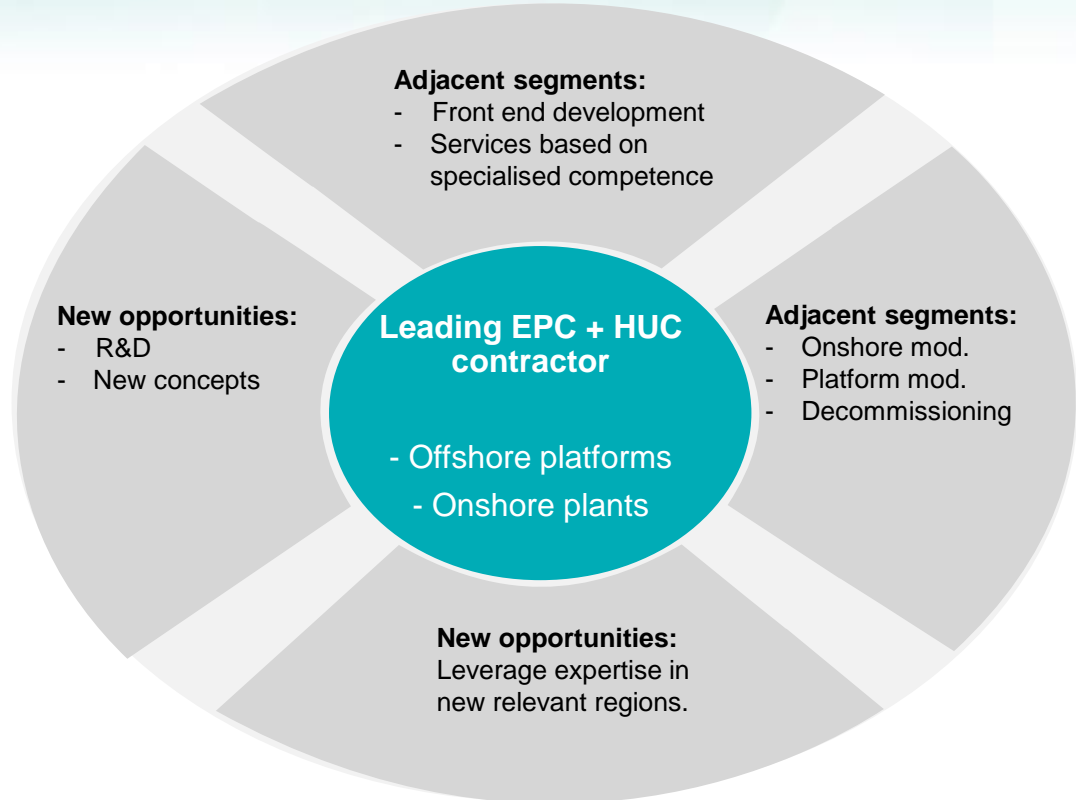
Market share increased:

- 3 large jackets = 89% of the Johan Sverdrup jackets
- 1 of the market's largest topsides: Johan Sverdrup ULQ
- Njord A frame agreement

Source: Based on internal analysis, combined with input from customers, data from external market analysts, Norges Bank, etc.

Based on the core competence, strong financial platform and credibility in the market

Focus and strategic development



We keep a tight ship in challenging environments

Concluding remarks

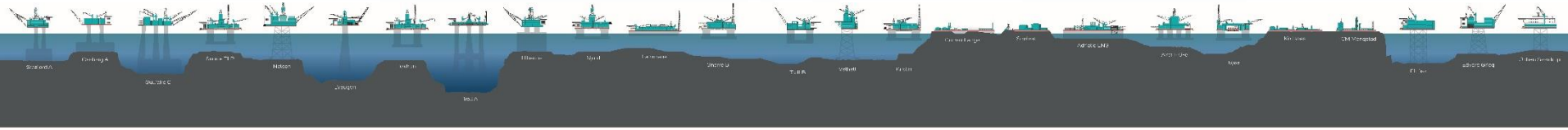
- › Safe, predictable execution
- › Continue to strengthen competitiveness
- › Use financial platform to develop business
- › Pursue specific prospects selectively



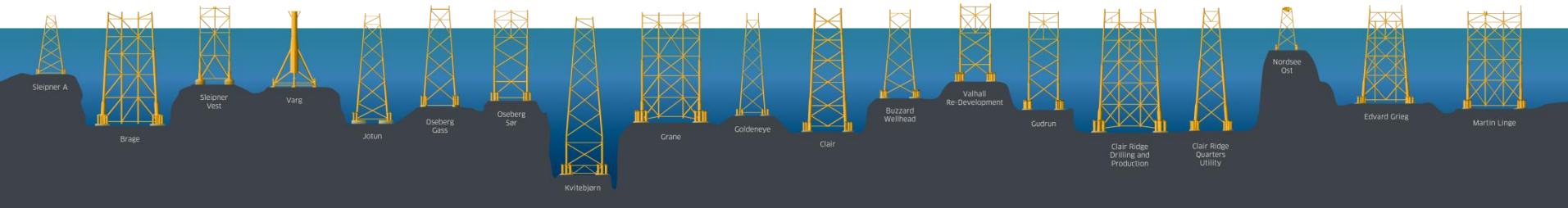
**Opportunities for new contracts
in the market ahead**



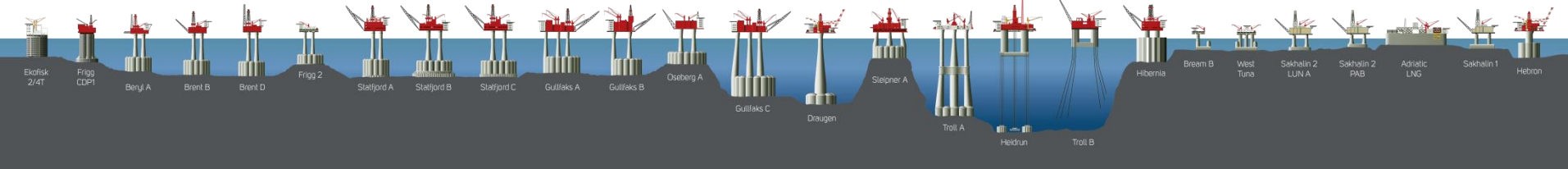
Topsides, floaters & onshore facilities



Jackets



Concrete solutions



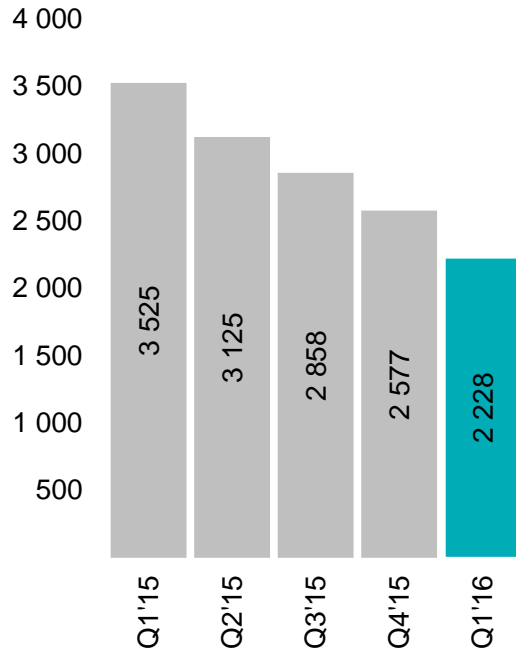
KVÆRNER™

APPENDIX

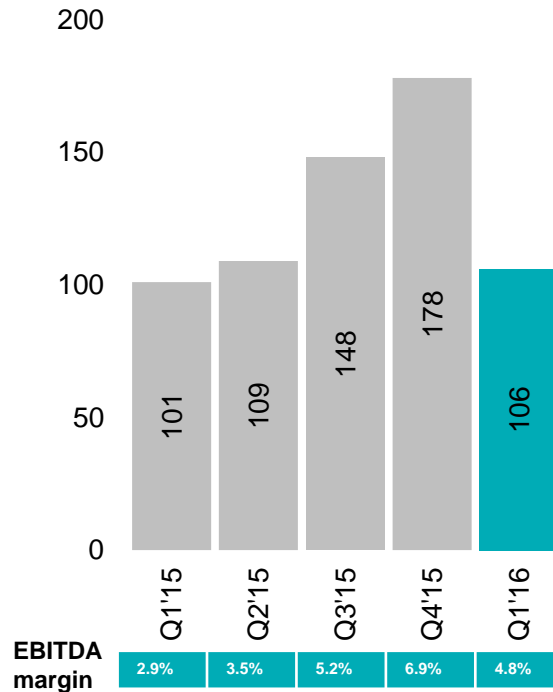
KVERNER™

Q1 2016: Key financials

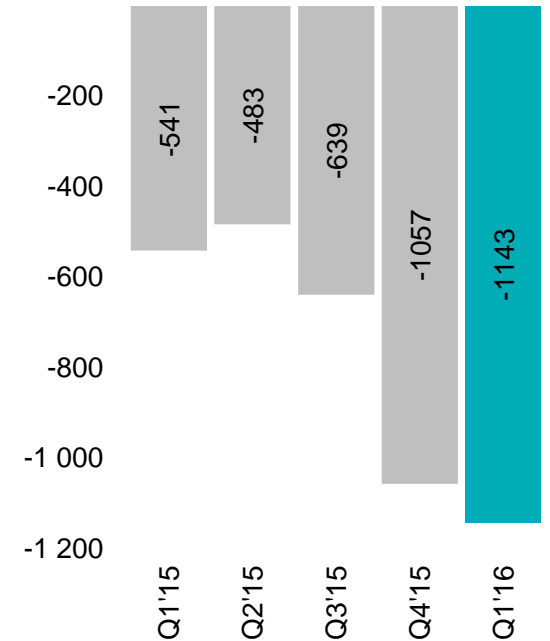
Revenues NOK million



Adjusted EBITDA¹ NOK million



Net current operating assets NOK million

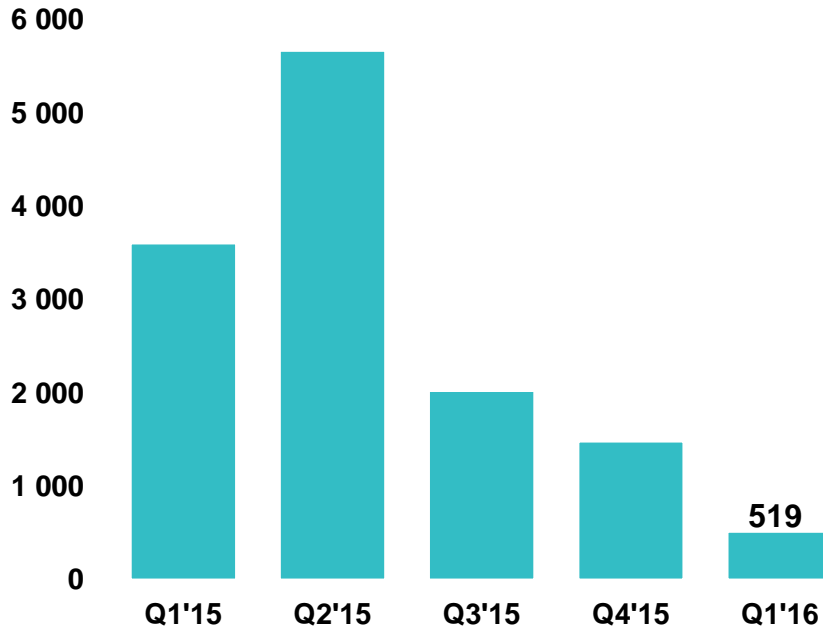


¹ As from Q3 2015, adjusting impact related to embedded derivatives in jointly controlled entities closely related to Kvaerner's operating activities.

Q1 2016: Order intake and backlog

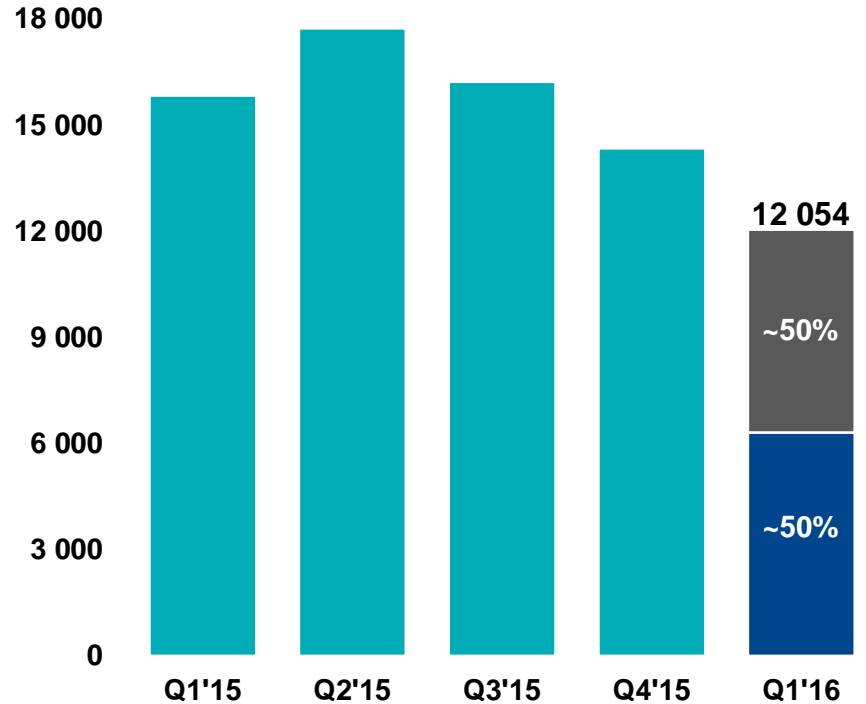
Order intake

NOK million



Order backlog

NOK million



Note: All figures include scope of work of jointly controlled entities.

Q1 2016: Balance sheet

<i>Amounts in NOK million</i>	31.03.2016	31.12.2015	31.03.2015
Assets			
Total non-current assets	1 748	1 715	1 895
Prepaid company tax	-	-	73
Current operating assets	1 477	1 740	3 446
Total cash and bank	2 117	1 560	1 284
Retained assets of business sold	-	633	567
Total assets	5 342	5 649	7 265
Equity and liabilities			
Total equity	2 465	2 550	2 444
Non-current interest-bearing liabilities	-	-	490
Other non-current liabilities	173	180	181
Current operating liabilities	2 620	2 797	3 986
Current tax liabilities	26	73	118
Retained liabilities of business sold	58	49	46
Total liabilities	2 877	3 099	4 820
Total equity and liabilities	5 342	5 649	7 265
Equity ratio	46 %	45 %	34 %
Net cash	2 119	1 562	796

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